

IMPACT SPOTLIGHT

Kentucky Business Leaders Use Political Muscle to Make Child Care an Economic Imperative



OVERVIEW

In Kentucky, a state with persistently low workforce participation, the struggle for accessible, high-quality child care has hindered economic growth and family stability. The Kentucky Chamber of Commerce, recognizing that child care is not only a family issue but also an economic imperative, has leveraged targeted policy interventions to create meaningful change. With support provided by Impact Fellows Action Fund, the Chamber has been able to spearhead innovative solutions like the Employee Child Care Assistance Tri-Share program, ensuring that working families receive the support they need while boosting economic productivity.

POWERING POLITICAL ADVOCACY

Impact Fellows Action Fund's partnership with the Kentucky Chamber of Commerce exemplifies its mission: to catalyze child- and family-centered policy through targeted political support. In Kentucky, this meant providing the Chamber with funding to elevate child care as a central issue in workforce policy—and in state politics.

Recognizing that traditional nonprofit advocacy had limitations in Kentucky's highly partisan political environment, Impact Fellows Action Fund helped the Chamber engage more directly in electoral strategy. This support enabled the Chamber to:

- Fund strategic advocacy to elevate child care as a workforce and economic issue with state lawmakers and candidates.

- Utilize campaign tactics to the electorate about policy leaders across the political spectrum who prioritize working families.
- Conduct advanced voter modeling to identify key Republican-held districts where child care messaging resonates with voters to influence their voting in the next election.

By equipping the Chamber with these tools, Impact Fellows Action Fund helped transform child care into a mainstream economic issue in Kentucky—ultimately driving significant legislative wins, including the expansion of the Employee Child Care Assistance Tri-Share program and a tripling of state investments in early childhood care.

NAVIGATING KENTUCKY'S POLITICAL LANDSCAPE

To understand the Chamber's success—and the strategic value of Impact Fellows Action Fund's support—it's important to understand Kentucky's political environment.

Though occasionally described as a “purple” state due to its Democratic governor, Kentucky is, in practice, solidly red. The state legislature is dominated by Republicans, with the GOP holding 80 out of 100 seats in the House and 31 out of 38 in the Senate. Most statewide offices and congressional seats are also held by Republicans.

This political makeup has real implications for campaigning. In Kentucky, success requires framing issues in a way that resonates with conservative values. That's where the Kentucky Chamber excels—positioning child care not as a social safety net program, but as a workforce necessity that supports business productivity, small business growth, and economic development.

This pragmatic approach has helped build broad, bipartisan coalitions. While partisan headlines often dominate the news cycle, many of Kentucky's legislative wins on child care policy have enjoyed cross-party support. Advocates have found common ground in ensuring parents can go to work, children are ready for school, and businesses have the talent they need to thrive.

By aligning economic goals with family support, and with strategic backing from Impact Fellows Action Fund, the Kentucky Chamber is helping reframe child care as a red-state economic solution—one that appeals to both Republican and Democratic lawmakers alike.

THE CHAMBER'S STRATEGY

ID the Problem

Kentucky's workforce participation challenges are compounded by chronic shortages of affordable, high-quality child care. Families often face the difficult choice between reduced work hours or full withdrawal from the labor force when adequate child care is unavailable. The result is a dual economic blow: households lose income and businesses suffer from decreased productivity and retention issues.

Campaign Activity

In response, the Kentucky Chamber of Commerce has taken a multi-pronged and data-driven approach. By utilizing voter modeling, an enhanced polling technique, the Chamber can pinpoint districts where political campaigning and issue advocacy will have the most significant impact. This strategy ensures that every dollar and every minute is deployed to secure voters who will cast their ballots for candidates who will become child- and family-centered policy champions.

The Employee Child Care Assistance Tri-Share Program

Public-Private Partnership

One of the cornerstone achievements of the Chamber's advocacy efforts is the Employee Child



Care Assistance Tri-Share program. This initiative is built on a collaborative funding model where the cost of child care is shared among employers, employees, and state funds. The program was designed to:

- **Enhance Workforce Participation:** By alleviating the financial burden of child care, more parents are enabled to remain active in the workforce.
- **Boost Business Productivity:** Employers offering child care benefits see improved retention and productivity, contributing to a stronger regional economy.
- **Bridge the Benefit Gap:** The program provides a pathway for families transitioning off traditional federal safety-net benefits, thanks to the effective cost-sharing arrangement.

Unlimited Lobbying

Cash grants for unlimited lobbying from Impact Fellows Action Fund played a critical role in helping turn the Kentucky Chamber's vision into reality. Outcomes included:

- **Expansion of Child Care Investments:** The Fund's cash grants and technical assistance allowed the Chamber to secure and allocate additional state budget funds, nearly tripling state investments in child care from \$22.6 million in FY22 to \$62.9 million per year in FY25 and FY26.
- **Enhanced Advocacy:** With additional resources, the Chamber was able to use employers to lobby legislators on the benefits of adopting such innovative models—demonstrating the positive impact on both workforce stability and economic growth.

- **Strategic Political Engagement:**

Leveraging data and strategic advocacy, the Chamber ensured that the message of child care as an economic imperative resonated with targeted legislators across the political spectrum.

Broader Implications

Kentucky's Tri-Share program has numerous economic and social benefits.

By creating stable child care options, more working parents can remain employed, contributing to a stronger economy. If child care were more available and 50 percent more affordable, the Chamber estimates more than 18,000 nonworking parents could join Kentucky's workforce.

More than 40 employers participated in the pilot phase of the program. Further enhanced benefits packages make it easier for employers to attract and retain qualified talent—a win-win for both business and society.

TURNING MOMENTUM INTO POLITICAL WINS

The success of the Chamber in achieving a 100% win rate among its endorsed candidates in 2024 reflects growing bipartisan support for pro-young child and family policies and strengthens the Chamber as a force to be reckoned with.

In 2025, the Chamber had a record number of legislators receive a 100% on its key vote report card, reflecting a strong pro-growth and pro-working family legislature.

This case study illustrates that when political advocacy is amplified with the right resources, the seemingly intractable challenges of low workforce participation and limited child care access can be transformed into actionable strategies for change—ensuring that young children and their families receive the attention and support they deserve, and showing how 501(c)(4) investment can unlock large-scale policy wins that traditional nonprofit advocacy alone cannot achieve.

