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Caring for Tomorrow

A Guide to Investing in the Care Economy

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Women of the World Endowment

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This white paper is dedicated to caregivers everywhere, whose tireless efforts form the backbone of our families, communities, and economies. We recognize their invaluable contributions and call on all stakeholders—governments, investors, businesses, and individuals—to invest in building a stronger, more equitable care infrastructure.

About Women of the World Endowment:

Women of the World Endowment has a bold vision to shift the paradigm of capital allocation toward more diverse teams and strategies that can drive better financial returns as well as positive social and environmental change. We believe that whoever allocates capital determines its purpose, and when women have a seat at the decision-making table, they can drive large-scale systems change. WoWE works to engage capital markets to embrace and invest in women changemakers through our gender-focused investment portfolios, thought leadership, and convening. Learn more at www.wowendowment.org.

About Tesser Capital Management:

Tesser Capital Management is an innovative investment advisory firm with a mission to drive positive social and environmental change. Committed to operating at the intersection of traditional, impact, and philanthropic investing, Tesser Capital Management helps its clients align their values and invest across the full capital continuum in service of a more equitable world for all. Learn more at www.tessercapital.com.

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Executive Summary

The U.S. Care Economy faces growing demand due to demographic shifts, yet remains underfunded and overlooked by investors and policymakers. This white paper highlights opportunities for investors and offers a framework for deploying capital across asset classes to meet these needs. We welcome your feedback on this white paper. Please take a brief survey to help focus our future work.

Key Takeaways for Investors

1. Untapped Market
The Care Economy is a rapidly growing sector with the potential for high financial returns. Americans spend $648 billion annually on care.[11] This makes it a substantial, investable market that spans a wide range of opportunities.

2. Need for Innovation
The care industry has been slow to innovate, but there is increasing demand for technology solutions, such as AI-driven health tools, digital caregiving platforms, and older adult care technology. Investors can focus on companies driving innovation in these areas to unlock growth and improve care outcomes.

3. Multi-Asset Class Opportunities
Investors can diversify their portfolios by investing in different asset classes within the Care Economy. These include public equities, private equity, real estate, and fixed income, each with their own risk/return profile.

4. Society and Economic Impact
Investing in the Care Economy is an opportunity to advance gender equity and support economic productivity. Women perform two-thirds of unpaid care work and are the majority of the formal care workforce. Investments that alleviate caregiving burdens, particularly on women, can drive meaningful workforce participation and economic development.

5. Blended Capital Models
Investors should consider philanthropic capital, such as program-related investments (PRIs) and blended capital models, to de-risk early-stage Care Economy investments. These models can help catalyze market-rate capital while addressing urgent societal needs.

6. Policy and Public Investment Gaps
Public investment in care infrastructure has been insufficient to meet growing demand. Strategic private capital can fill these gaps, and investors should be aware of policy changes that could present both headwinds and tailwinds for care-related investments.

7. Demographic Shifts
Demographic shifts, such as an aging population and a shortage of caregivers, are driving increasing demands for care services. Although regulatory and funding risks exist, this demand will persist and likely grow, creating significant opportunities for investors.

Supporting the growth of the Care Economy is a tremendous investable opportunity that also happens to have a significant societal impact. By adopting a multi-asset class approach and leveraging both market-rate and philanthropic capital, investors can play a crucial role in addressing the most pressing care challenges of our time.

Introduction

The Care Economy is at a pivotal point in the United States. The country is undergoing massive demographic and societal changes that are increasing demand for caregiving services across the spectrum from child care to older adult care. Despite this sector representing a massive social and economic opportunity, it has gone overlooked and underfunded by investors, operators, and policy makers. It's time to change that. We hope that this white paper illustrates both the opportunity set and ways to approach the Care Economy, and inspires investment into the space.

Dalberg defines Care Economy infrastructure to include "policies, products, and services that support child care, older adult care, and other caregiving needs. The care infrastructure in the US is a patchwork of unpaid, informal, or poorly paid work supported by a combination of individual, employer, and government payments. It covers a range of different care needs from direct care provision, to care planning for children, to in-home care for older adults."[1]

Why are we writing this white paper?

Care is a major pain point for millions of Americans, especially for women and particularly women of color, who disproportionately serve as formal and informal caregivers. The U.S. economy has long depended on the unpaid labor of women. Only a generation ago, women were confined to a narrow set of career tracks—such as teacher, nurse, administrative assistant—all care professions, with many women leaving the workforce entirely when they had children. Generation X and Millennials are the first generations to have women represented in all professions, leaving a gap in home and family care and, thus, placing immense strain on families as they juggle a career AND household management, child care, and care for older adults. American families are hitting a breaking point. As pressure mounts, it has even become a consistent topic in the 2024 U.S. presidential race, where both Vice President Kamala Harris and former President Donald Trump have been asked to address this urgent issue. Investing in the Care Economy is key to alleviating the caregiving burden historically carried by women and unlocking their full potential in the workforce.

This white paper aims to highlight the massive investment opportunity that is hiding in plain sight. Although not a recommendation, we hope this is a practical guide to think about the Care Economy and a glimpse at executable strategies for investors seeking to understand the full spectrum of investment opportunities in the Care Economy across asset classes, capital type, and return profiles. We aim to show how market-rate and philanthropic capital can all be used harmoniously to solve the most pressing challenges facing the Care Economy. No single form of investment can fix the entirety of these issues given the complex, urgent, and all-encompassing nature of care challenges. Investors should consider using a multi-asset class approach to be most effective.

Women comprise 72.8% of workers in education, training, and library occupations; 75.9% of doctors, nurses, and healthcare technicians; and 69.6% of all community and social service occupations.[2] Two-thirds of unpaid care work is performed by women.[3] Unfortunately, we often see that issues disproportionately affecting women are overlooked and underinvested. The Care Economy is a core gender equity issue, but it is not an issue that only women should care about. We all—as adults and leaders of our families—are affected by caregiving.

The need for caregivers is growing along with the aging of the U.S. population. The number of caregivers increased from 43.5 million in 2015 to about 53 million in 2020, or more than 1 in 5 Americans.[4] By 2030, over 73 million people in the United States will be 65 years or older. Many will require daily assistance from at least one caregiver to maintain quality of life, independence, and physical and social well-being.[5]

Access to high-quality, affordable child care is also a growing need in the United States. The high cost of child care remains a significant challenge for most American families. The national average cost of child care in 2023 was $11,582; it would take 10% of a married couple's median income and 32% of a single parent's median income to afford this average cost of child care.[6] Forty percent of parents of young children are in debt because of the cost of child care.[7] In all 50 states and the District of Columbia, the price of center-based care for two children exceeded average annual rent payments by 25% to over 100%. In 39 states and the District of Columbia, the average annual price of child care for an infant in a center exceeded annual in-state college tuition by 1% to over 100%.[6] Moreover, with the expiration of federal initiatives, such as pandemic-era relief funding and the expanded Child Tax Credit, families are facing even greater financial strain.

Americans, specifically Gen X and Millennials who are in their peak earning years, are feeling the pressure from both ends of the caregiving spectrum. They are called the “sandwich generation” and now sometimes referred to as the “panini generation,” given the immense amount of pressure this group is under, taking on responsibilities caring for both their aging parents and growing children.

As the aging population grows and caregiving needs increase, the traditional structure of caregiving is being redefined. We are seeing a societal shift in gender roles in care, specifically with men now assuming a greater share in caretaking responsibilities for children and aging parents. This shift is not only a social necessity, but also an opportunity to reshape the cultural narrative around caregiving and promote shared responsibilities across genders. A 2019 National Institute of Health study indicated that as many as 40% of informal caregivers (or 16 million) in the United States were men.[8] Fathers now make up 18% of stay-at-home parents, according to a new Pew Research Center analysis.[9] That number represents a 7% percent increase since 1989.[10]

The Care Economy is clearly an issue that impacts our whole society from our family structures, to our schools, to our places of employment. It has immense economic and social implications and opportunities. According to The Holding Co.’s landmark report on the Care Economy, Americans spend $648 billion annually on care, and the care consumer demographic, made up of 130 million caregivers, controls $6 trillion of household income.[11] This creates an investable market with a wide range of opportunities to achieve both financial and social returns through a well-diversified, multi-asset class portfolio.

For brevity, the authors decided to focus this white paper on child care and older adult care only. We acknowledge that the Care Economy encompasses a far broader range than where we have focused, including care for children and adults with special needs and disabilities, as well as intersection with foster care, homelessness, mental health, future of work, palliative care, and other themes. These are all important considerations and additional opportunities investors may wish to dive deeper into as they consider investing in the Care Economy.

Defining the Problem

Social Challenges

Formal Caregiving is Undervalued

The COVID-19 pandemic highlighted the essential role of caregivers, yet child care and home health workers continue to earn low wages, averaging $13.50 to $13.80 per hour, about half of the U.S. average wage.[12] This stark pay disparity reinforces economic inequities and hinders progress toward gender equality, with migrant and undocumented workers being particularly vulnerable. In addition to low wages, the paid-care sector also faces poor working conditions, high turnover, and limited training and career advancement, making these jobs unattractive. For example, 15% of childcare workers leave annually, which is 65% higher than the median turnover rate across sectors.[13] This high turnover exacerbates the care supply issue, as low wages make it difficult to retain qualified staff, further limiting the availability of care services.

> Our society does not prioritize aging. People typically engage only in a crisis. There is a lack of willingness to prepare for the future.
>
> *Anika Heavener, Vice President of Innovation and Investments, The SCAN Foundation*

Informal Caregiving is Under-Recognized

Unpaid care work, predominantly provided by women, underpins many care systems, limiting economic opportunities, and perpetuating gender and socioeconomic inequalities. In 2021, unpaid contributions by family caregivers were valued at around $600 billion.[14]

Negative Impact on Female Workforce Participation

The unequal burden of caregiving limits women's participation in the workforce. The COVID-19 pandemic exacerbated these challenges, with many women forced to exit the workforce to manage increased caregiving duties. Projections show the U.S. economy could lose $290 billion annually by 2030 due to shortages in care workers and the exit of productive employees from the paid labor force to assume unpaid caregiving roles.[15] Furthermore, high childcare expenses often force dual-career parents to make tough choices, with one parent—usually the mother—leaving the workforce. Depending on the state, the annual cost of infant care ranges from $9,000 to $22,000, making it difficult for many families to afford.[16] This lack of affordable care disproportionately affects women's ability to maintain careers while managing family responsibilities.

Gaps in Access to Care Services

Low-income families often struggle to access affordable care, hindering their ability to pursue education or employment and reinforcing cycles of poverty. Approximately half of Americans live in childcare deserts–either lacking any childcare options or having so few childcare providers that there are more than three children for every licensed childcare slot.[17] Parents are forced to make difficult decisions that might include finding unlicensed child care, leaving the workforce, or patching together a network of family and friends. For example, 35% of lower-income families reduce work to care for children, compared to only 14% of higher-income families.[18]

Timing of Arranging Care

From a consumer standpoint, there is often an emotional aspect to arranging care that is frequently overlooked. Families want to do what is best for the care recipient, but financial constraints, service availability, and personal preferences can make this difficult. Families may delay making care arrangements for aging parents because they are uncomfortable discussing aging and its associated needs. Then, when needs arise—often suddenly due to a medical issue—they are forced to make subpar decisions. The shortage of quality, affordable child care adds pressure on parents to secure care arrangements well in advance, often months or even years before care is needed, making it difficult for families to plan effectively.

Lack of a Common Definition for "Good" Care

The care sector lacks a clear, standardized definition of quality care, with differing views across key stakeholders—investors, governments, families, and individuals. Standards vary widely based on socioeconomic status, as well as cultural, societal, economic, and political factors. This diversity in perspectives complicates efforts to establish a common understanding of what constitutes "good" care.

Resistance to Innovation

The Care Economy is slow to innovate due to entrenched norms and limited incentives at the system level. This rigidity is driven by longstanding practices that are difficult to disrupt, combined with a lack of market-driven incentives for change, making it difficult to implement disruptive solutions, such as integrating technology or adopting intergenerational care models that could improve care outcomes and workforce satisfaction.[19] Changing mental models around care requires shifting societal perceptions and creating policies that incentivize improvements, both of which are complex and slow processes. See Appendix A for additional information.

Market & Investment Barriers

Market Fragmentation

The Care Economy is highly fragmented, dominated by small, independent providers, which limits economies of scale and systemic improvements. Care providers cater to hyper-localized, community-based needs, meaning large-scale providers may find it difficult to operate across many regions while maintaining personalized services. These businesses also face significant challenges due to low margins, minimal technological integration, and the need for substantial investments in real estate, insurance, and regulatory compliance.

Under-Representation of Gender Diversity in Capital Allocation

Women constitute the majority of formal care workers and informal caregivers, but only make up about 17.4% of decision-makers at U.S. venture capital firms[20] and 14% of fund managers[21] worldwide. This gender imbalance may contribute to a gap in understanding the unique needs of women-centered industries like the Care Economy. As a result, these sectors may not receive the same level of attention or investment as others, not due to intentional oversight, but because the challenges and opportunities in the Care Economy are less visible to those who are not directly involved in caregiving.

> New technology in the Care Economy still needs to demonstrate its value proposition to buyers, such as healthcare providers. We also need to quantify the return on investment for these buyers. As new benefits enter the market, we're still learning about the downstream impact.
>
> *Vanessa Villaverde, Senior Program Investment Officer, California Healthcare Foundation*

Care is an Emerging Investment Theme

The Care Economy as an investment theme is a nascent yet growing area of focus for investors, but it is still relatively new to enter into the vocabulary of the private sector. The first-ever Care Summit in 2024 marked a significant step toward formal discussions on investment in this sector, gathering thought leaders, investors, and entrepreneurs to explore pathways for increased funding. Still, there is limited data on the potential returns of investing in the Care Economy, including insights into market size, serviceable segments, and specific investable opportunities.

While investing in the Care Economy is relatively new for private capital, the philanthropic sector has long been involved. Organizations like National Domestic Workers Alliance, Ms. Foundation, The SCAN Foundation, and many others have been actively supporting and advocating for improvements in the Care Economy for years, providing a valuable foundation for future investment. New entrants such as Pivotal Ventures, Mom's First, and Caring Across Generations are now bringing even more attention to the sector.

Perception of Risk and Unclear Returns

Investors may perceive the Care Economy as risky due to the limited availability of data, the early-stage nature of many care businesses, low margins, high labor force instability, and dependence on policy decisions, reimbursement, and subsidy rates. The scarcity of significant investment in the sector has limited the visibility and development of scalable business models, exacerbating concerns around uncertain returns. However, success stories like Care.com, Honor, Papa, CareAcademy and KinderCare are starting to show that scalable models are developing.

Challenges in Measuring and Benchmarking Investments

Impact-driven investments often focus on well-being, health outcomes, and societal benefits, which are difficult to quantify and require specialized measurement strategies. There are no standardized approaches for impact measurement and management (IMM) in the Care Economy, and the only framework that has emerged has been UNICEF's Child Lens Investing Framework. While companies may track specific key performance indicators, such as the number of care workers or lives affected, there are limited standardized metrics or data sets to benchmark and compare these outcomes against industry norms. Specifically, there is little to measure the improvement in care across various outcomes.

Challenges in Categorizing Care Economy Investments

Many investors take a narrow, one-dimensional approach to asset allocation, requiring investments to conform to predefined categories. This approach can present institutional barriers, particularly for Care Economy investments, when they do not neatly align with traditional classifications—whether by asset class or investment type, such as market-rate, impact, or blended finance. When an investment does not fit within conventional nomenclature, it is often overlooked or dismissed, as its complexity can make it easier for investors to decline.

Lack of Educational Resources

Investors and employers require clear action steps and guidance to engage with the Care Economy effectively. This includes developing investment strategies that are informed by both impact and financial returns. Educational resources, tools, and frameworks are needed to help investors navigate this emerging space and understand how to allocate capital in a way that promotes both social well-being and sustainable financial outcomes.

Labeling or Limiting Care as a Diversity, Equity, and Inclusion Issue

The Care Economy is often viewed narrowly as a diversity, equity, and inclusion or a women's issue, which undervalues its broader significance as a critical economic driver that affects everyone. The conversation around care infrastructure rarely addresses its direct link to economic productivity. Instead, as Boston Consulting Group Partner Emily Kos highlights, it's framed as a moral or diversity issue, missing the fact that the entire economy depends on a well-functioning care system.[22] Recognizing care as an economic opportunity, not just a social cause, is crucial to fostering growth and sustainability across all sectors.

Greater Collaboration Needed Between Market-Rate and Philanthropic Investors

The objectives of philanthropic and market-rate investments are inherently different. However, the problems we need to solve in the Care Economy require both the innovation from market-rate investments and also the intentionality of philanthropy. This is why collaboration on new financial structures, like PRIs and blended capital models, is essential.

Policy Barriers

Inadequate Public Investment in Care Infrastructure

As demographic changes continue to intensify, the need for robust care infrastructure becomes more urgent. Over the next five years, 10,000 people per day will turn 65, and 10,000 babies per day will be born in the United States.[23, 24] By 2030, all Baby Boomers will be over the age of 65.[23] The National Investment Center for Seniors Housing & Care predicts a need for 156,000 additional senior housing units by 2025, 549,000 additional units by 2028, and 806,000 additional units by 2030. Meeting this growing demand will require an industry-wide investment of $400 billion, but current development is on track to fulfill only 40% of that need.[25] Without substantial funding for care infrastructure, the existing systems will be unable to support both the increasing care needs of the population and the workforce required to deliver these services. Solving the challenges in the Care Economy requires collaboration between governments, businesses, and communities.

Inadequate and Divergent Government Policies

Many care services are expensive for families, yet financial support from government programs is insufficient. Without substantial subsidies or tax credits, both providers and recipients of care struggle to meet the growing demand.

Navigating state-by-state regulatory environments in the Care Economy presents significant challenges for businesses and providers. Each state has its own licensing, staffing, and quality standards, making it difficult for providers to expand and maintain consistent services across regions. The lack of uniform regulations increases operational costs and administrative burdens, while varying financial incentives and subsidies further complicate access to care. Companies that can navigate through this complexity have a competitive advantage.

> There's increasing interest in paying for health care based on value instead of volume. Value-based care could help address the lack of integration of social determinants of health like nutrition and transportation. We need to better connect the care economy with value based care, and investors should take note of this.
>
> *Anne Tumlinson, Founder and CEO, ATI Advisory*

As people live longer, government spending on health care and long-term care rises significantly, contributing to delayed policy implementation. Longevity is primarily funded through public programs like Medicare and Medicaid, but these systems are costly and reactive, focusing on treating aging-related issues rather than preventive care. Shifting to a value-based care model, which prioritizes improving health outcomes relative to costs, could reduce long-term expenses by keeping older adults healthier for longer, balancing both economic and social value considerations.

Current State of the Policy Environment

U.S. policies supporting childcare, long-term care, and home-based services have seen some intervention, such as through the American Rescue Plan and Medicaid funding. However, these efforts fall short in meeting the growing demand for affordable, quality care or for improving conditions for the underpaid workforce. As the population ages and childcare needs grow, additional government action is required to boost funding, improve worker conditions, and encourage private investment. The policy landscape presents both headwinds and tailwinds. Vice President Kamala Harris's attempt to include child care in the infrastructure bill was blocked, representing a policy headwind that hinders expansion efforts.[26] On the positive side, the CHIPS and Science Act offers a tailwind by requiring companies receiving federal funding to provide on-site child care, aiming to boost workforce participation, particularly for women.[27] However, this also introduces financial challenges, as it increases costs for businesses and the government. These dynamics reflect the complex balance of policy support and challenges within the Care Economy. See Appendix B for more detailed information on the policy landscape.

Childcare Policies

Federal Initiatives

Federal support for child care includes American Rescue Plan Act (ARPA), the Child Care and Development Block Grant (CCDBG) and the Head Start Program. ARPA's $39 billion temporary relief helped stabilize the childcare sector during the pandemic, but its expiration raises sustainability concerns. CCDBG provides subsidies to low-income families, but demand often exceeds funding.

State Initiatives

State governments play a crucial role in expanding childcare access, with several taking a systems approach to transforming child care. States like Florida, Vermont, Oklahoma, and Wisconsin are offering universal pre-kindergarten (pre-K) programs for 4-year-olds. However, availability often depends on state funding levels. Additionally, many states have introduced workforce development programs to address staffing shortages in child care, offering scholarships, wage supplements, and professional development to retain childcare workers and improve job quality. These initiatives reflect varying levels of commitment to expanding early childhood education across states.

Case Study: New Mexico

New Mexico has innovatively used its oil and gas revenues to fund early childhood development by creating a dedicated Department of Early Childhood Education and Care under Governor Michelle Lujan Grisham. This department has improved the coordination of services and provided stable funding to childcare centers, allowing them to increase wages, lower turnover, and improve teacher-to-child ratios. The state has expanded eligibility for childcare subsidies to make early childhood education more accessible to low- and middle-income families. Additionally, New Mexico has invested in the professional development of childcare workers, supporting post-secondary education to enhance workforce skills. In 2022, the state established the first permanent childcare fund through a voter-approved ballot initiative, ensuring long-term financial sustainability for its childcare programs. This comprehensive approach has significantly improved the quality, accessibility, and sustainability of early childhood services in New Mexico.[28] Though it's too soon to analyze and show the full breadth of the effects of this policy change, the Urban Institute finds that changes to New Mexico's Child Care and Development Fund (CCDF) eligibility policies between October 2019 and May 2022 increased the number of children eligible for CCDF by 70% and increased the number of families eligible by 71%.[29]

Policies for Older Adult Care

Care policies are shifting due to an aging population and workforce shortages. Medicare offers limited short-term care, leaving seniors reliant on Medicaid for long-term services like nursing homes and home care, though eligibility restrictions create financial gaps for many families. There is an increasing shift toward Home and Community-Based Services (HCBS) to help seniors age in place, supported by federal policies like Medicaid waivers. The American Rescue Plan Act (ARPA) boosted HCBS funding by temporarily increasing the Federal Medical Assistance Percentage (FMAP) for two years, with extended deadlines until 2025 to strengthen these programs and the workforce. The Centers for Medicare & Medicaid Services also announced its Guiding an Improved Dementia Experience (GUIDE) Model, aimed at reducing caregiver strain and helping people with dementia remain at home longer through enhanced care coordination, caregiver education, and respite services.[30] However, this growing demand for care is placing strain on federal budgets and will likely force changes to these programs in the future, especially if tax revenue does not increase.

> Different levers—such as impact investment and policy—need to work together to scale effective models.
>
> *Tracy Kartye, Director of Impact Investments, Annie E. Casey Foundation*

Caregiver Policies

In the United States, various policies provide support and protections for caregivers, both at the federal and state levels. The Family and Medical Leave Act (FMLA) allows eligible employees to take up to 12 weeks of unpaid leave to care for a family member, though this can be challenging for those who cannot afford unpaid time off. Some states, like California, New York, New Jersey, and others, offer paid family leave programs that provide wage replacement during caregiving leave. Caregivers may also benefit from the Dependent Care Tax Credit, which offers up to $3,000 for care expenses for one dependent or $6,000 for two or more. The National Family Caregiver Support Program (NFCSP) provides grants to states that offer respite care, counseling, and training for unpaid family caregivers, particularly those caring for older adults or individuals with disabilities. Although these are important pieces of legislation, they fall short of addressing the full spectrum of caregiving needs. The introduction of parental leave, including equal paternity and parental leave for non-birthing parents, is vital for caregivers. Paid leave for employees caring for aging parents should also be implemented to reflect the increasing burden of care on working families. This would help address the growing needs of those who are balancing work with caring for children or older relatives.

Integrating Care Within a Multi-Asset Class Portfolio

The significant gaps in care infrastructure and funding present a major opportunity for private sector investment. Addressing these challenges can yield both social impact and promising financial returns, attracting both traditional and impact investors. With the right strategies, institutional investors—particularly endowments, foundations, pension plans, and family offices investing across multiple asset classes—can play a pivotal role in shaping the future of the Care Economy.

To effectively integrate care into your investment portfolio, both market-rate and philanthropic investments can be utilized, enabling a multi-asset class approach. Value for Women has developed a valuable framework to guide investors in this space,[31] and we have adapted it to show how you and your organization can begin.

Step 1: Choose an Approach

Care as a Lens

Investors can incorporate the Care Economy into their existing investment theses. For example, a fintech investor might invest in an estate planning company that provides financial planning tools for caregivers, or a healthcare real estate investor could focus on long-term care facilities that prioritize patient-centered design.

Care as a Sector

Investors seeking a more intentional approach can incorporate Care as a distinct sector within their investment strategy. Adopting this “all-in” strategy demands greater commitment and deliberate focus.

Step 2: Choose an Entry Point

Capital Allocation

Contrary to the belief that the Care Economy is a niche sector with concentration risk, it is actually a broad and diverse field. Investors and philanthropists can directly invest in the Care Economy through various forms of capital based on each investor’s risk tolerance, return objectives, and impact goals. This includes market-rate investments, which aim for competitive financial returns, PRIs (which are intended to further charitable objectives and may yield a modest financial return), or grants that provide crucial funding for initiatives that may not yet be financially viable.

Within market-rate investment portfolios, investors can achieve significant diversification of their exposure across various asset classes and sub-themes in the Care Economy. Capital can be allocated to fixed income, public equity, private equity and other alternatives like real estate, each of which offers distinct risk-return profiles and affect potential. Within these asset classes, investors can target various sub-themes within child care and care for older adults, including technology-driven innovations, infrastructure, and workforce development.

Investment Process

Care considerations can be integrated across the entire investment process, including due diligence, deal structuring, and ongoing monitoring, ensuring that care-related risks and opportunities are factored into investment decisions. For more guidance on integrating care into your investment process, refer to Value for Women’s Case for Care report[31] and gender equity-focused due diligence questionnaires, such as Stardust’s Equity Due Diligence Questionnaire.

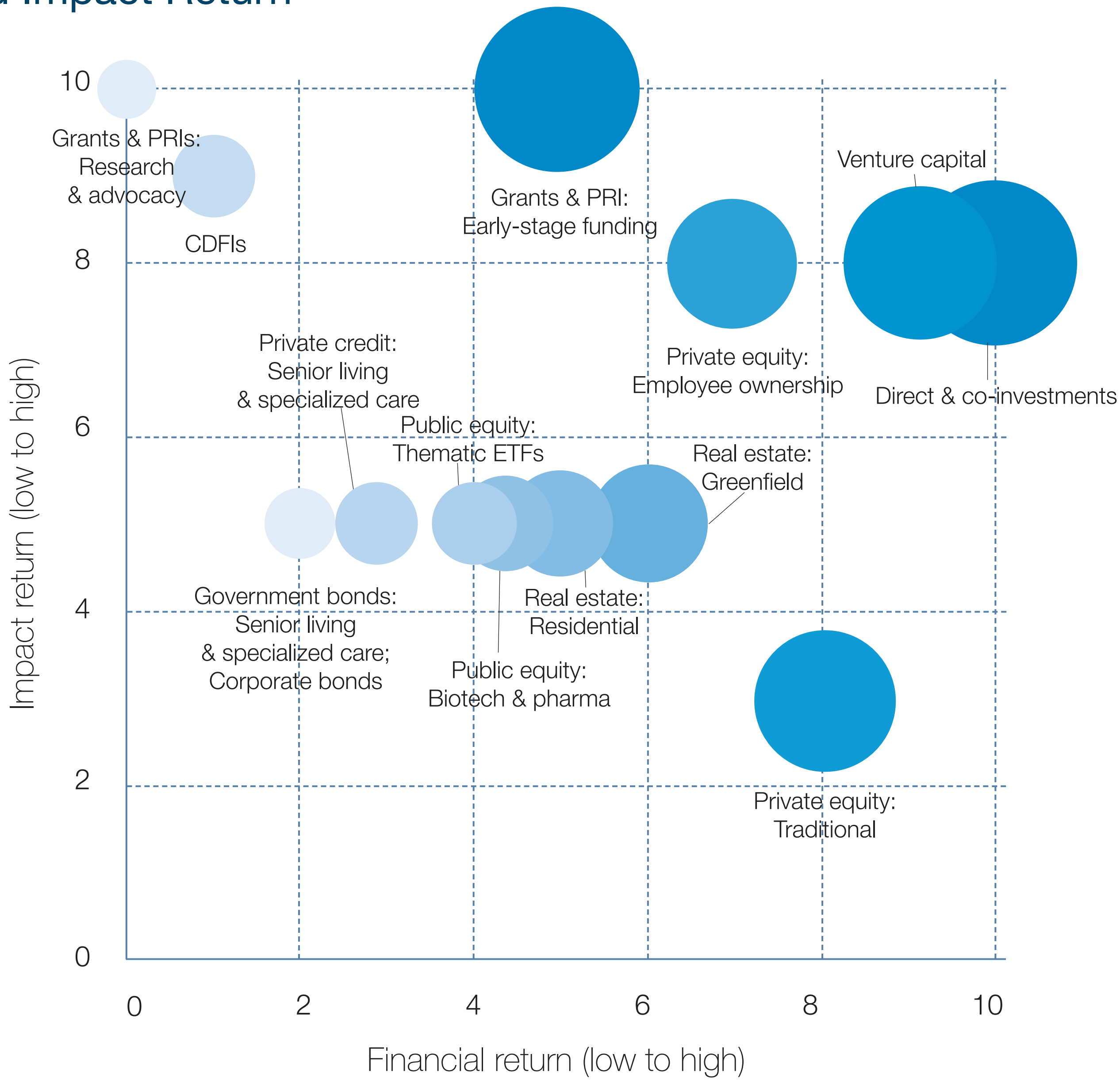
Table 1. Thematic Opportunities Across Asset Classes

Themes	Grants & PRIs	Govt Bonds	Corporate Bonds	CDFIs	Private Credit	Public Equity	Real Estate	Private Equity	Venture Capital	Direct & Co-Invest
General										
Policy & research	•									
Support for caregivers	•								•	•
Training & work-force development	•			•	•			•	•	•
Child Care										
Childcare centers	•		•	•	•	•	•	•		•
Educational products			•		•	•		•	•	•
Nutritional products			•		•	•		•	•	•
Parenting & family support services	•								•	•
Pediatric health care			•		•	•		•	•	•
Tech-enabled childcare services									•	•
Older Adult Care										
Biotech & pharma			•		•	•		•	•	•
Health tech & telemedicine			•		•	•		•	•	•
Home & community-based services	•			•	•			•	•	•
Medical devices			•		•	•		•	•	•
Senior living & specialized care	•	•	•	•	•	•	•	•		•
Tech-enabled care coordination									•	•

CDFIs—community development financial institutions; Govt—goverment; Invest—investments; PRIs—program-related investments
Note. Investment types are listed in order of lowest to highest risk.

Venture capital funds, direct investments, and co-investments have the potential to address a wide range of Care Economy issues, particularly tech-enabled innovations. As early-stage companies mature, we expect to see more investment opportunities in the private and public equity stages. While government bonds, private equity, and real estate investments are currently focused on the physical infrastructure for child care and older adult care, these investments are just as vital as innovative care technologies. Workforce development and caregiver support have traditionally been funded through philanthropy and private markets, while research and policy initiatives have only relied on philanthropy. This limits the overall capital available for addressing these themes.

Figure 1. Mapping Opportunities Across Financial Risk/Return and Impact Return



CDFIs—community development financial institutions; ETFs—exchange-traded funds; PRI—program-related investments
Note. The larger and darker the dot, the higher the financial risk.

When constructing a Care Economy investment portfolio, a variety of asset classes offer different financial risk/return profiles and impact potential.

Fixed income options like government bonds, corporate bonds, community development financial institutions (CDFIs), and private credit, provide lower risk, stable financial returns with varying levels of impact. CDFIs in particular offer the highest social impact potential by funding underserved communities. With public equities, investors can consider individual stocks or diversified exchange-traded funds (ETFs) and mutual funds focused on aging and health care that are lower-risk options.

Among alternative investments, venture capital, direct investments and co-investments can generate high financial and impact returns but come with higher financial risk due to their early-stage nature. Diversified venture capital funds can help balance the risk-return profile. Private equity funds that implement an employee ownership buyout strategy focus on long-term sustainability and lower leverage compared to traditional private equity, resulting in higher impact returns with a slightly lower financial risk profile. Real estate, such as investments into senior living facilities, provides tangible assets with steady income streams, though risk varies depending on the type of investment—whether greenfield developments or residential properties.

Lastly, grants and PRIs play a crucial role in de-risking market-rate investments by offering concessional capital or direct funding to catalyze larger investments. Although these investments prioritize social impact over financial returns, they help attract significant capital to the Care Economy.

The Investment Opportunity Set

This section explores investment opportunities within the Care Economy across asset classes. Although this discussion does not constitute investment advice, it seeks to provide illustrative examples and frameworks for integrating care considerations into your investment strategy. Each opportunity should be assessed for its risk, return, and impact profile, tailored to the specific investable pool of capital. The opportunities listed in this section are organized according to their risk profiles, acknowledging that different types of investors may have varying capital resources available to them.

Philanthropy & Blended Capital

There is a growing urgency around addressing the challenges in the Care Economy. U.S. Surgeon General Dr. Vivek Murthy recently issued a public health advisory on the mental health and well-being of parents which has large negative implications for our societal health. Americans are facing mental, emotional, and societal tax. Although the investment opportunities outlined in this paper offer significant potential, they can only achieve so much without public sector support. Philanthropy is a powerful and dynamic tool that can help fill in gaps that the private sector is unable to address and the public sector is lagging behind.

> Venture Capital can solve for some of the challenges by investing in technology providing broader access, but PRIs and government investment will also be needed to solve for the cost burden.
>
> *Diana Murakhovskaya, General Partner, Artemis Fund*

Philanthropy plays an important role in de-risking investments in the Care Economy given the nascency of the field. Program-related investments (PRIs) can be used to provide patient capital to early stage Care Economy companies or investment vehicles that are employing new approaches and models in order to crowd in market-rate investors. Blended capital models can further amplify this effect by combining philanthropic and public funding with private sector capital. This type of structuring allows organizations with different levels of risk tolerance to invest alongside each other and combine various investment instruments, including grants, concessional loans, and market-rate investments. Models like this are particularly promising in driving positive change within the Care Economy.

Philanthropic capital also supports important research on social and economic outcomes (which is often less of a concern for traditional investors), market sizing and mapping, and innovative models and financing mechanisms. Expanding research in these areas will help investors better assess risks, identify opportunities, and make informed decisions, ultimately mobilizing more capital into the Care Economy.

Additionally, philanthropy can support policy makers on building an enabling environment for the Care Economy. Many philanthropists are funding advocacy campaigns at the federal and state levels for care-supportive legislation, such as paid family leave, higher wages for caregivers, and expanded support for home-based care.

Case Study: Pivotal Ventures

A thought leader in the Care Economy, Pivotal Ventures is charting the course for effective use of philanthropy in collaboration with both the public and private sectors. The organization uses a multi-faceted approach, including grantmaking, research, public policy advocacy, and investment capital to build a modern caregiving system for families in the United States.

Grantmaking: Pivotal has supported nonprofit organizations that are leading initiatives for systemic change in the Care Economy, including the National Alliance for Caregiving, Rosalynn Carter Institute for Caregivers, New America, and Promise Venture Studio.

Research & Data: Pivotal supported The Holding Co., which published the seminal report on the Care Economy, "Investor's Guide to the Care Economy." The report not only estimated the size of the Care Economy for the first time but has also helped founders and funders think strategically about entering it. Pivotal has also supported Moms First, which published "The Business Case for Care" which makes the case for employers to invest in care as a strategy to recruit and retain top talent.

Policy & Advocacy: Pivotal is also supporting advocacy for policy reform through partners such as Bipartisan Policy Center Action, The First Five Years Fund, National Women's Law Center, and Caring Across Generations. Their work has helped advocates, parents, and providers at the state level to secure new public funding to make child care more affordable for families. Pivotal's partners also work to make it easier for people to access existing caregiving resources.

Investment Capital: Pivotal is focused on accelerating private capital flows to companies and funds that are working to build innovative solutions to care challenges. Pivotal has invested in care-focused venture capital funds like Magnify Ventures and CAKE Ventures, and companies like Summer Health (pediatric care) and Mon Ami (data system for aging and disability).

Public Fixed Income

Public fixed income finances large-scale Care Economy infrastructure, such as health care and senior housing, capital for facility expansion, and affordable housing for seniors and families. Bonds from high-credit quality issuers can provide a safer investment avenue with consistent cash flow and more stable returns, making them attractive to conservative investors, including pension funds and insurance companies aligned with the long-term nature of the Care Economy.

Corporate Bonds

Invest in corporate bonds issued by companies operating within the Care Economy. For details on specific companies and sectors, refer to the Public Equities section in Appendix C.

Municipal & Agency Bonds

Bonds issued by federal and state government housing agencies can be linked to senior living facilities as well as low-income housing for families, which supports the Care Economy in a secondary nature. Some of these agencies include the California Health Facilities Financing Authority (CHFFA), California Statewide Communities Development Authority (CSCDA), New York City Department of Housing Preservation and Development (HPD), Westchester County Industrial Development Agency, New Jersey Health Care Facilities Financing Authority, MassHousing, and MassDevelopment.

Bond ETFs

To our knowledge, there are no ETFs that track Care Economy themes yet. Investors interested in the sector can still gain exposure to senior living and/or affordable housing bonds through general municipal bond ETFs that often include these types of bonds in their holdings.

Case Study: CA Health Facilities Financing Authority

The California Health Facilities Financing Authority (CHFFA) was established to be the State's vehicle for providing financial assistance to public and non-profit healthcare providers through loans, grants, and tax-exempt bonds. Until 2024, only senior facilities that offered skilled nursing could issue debt through the CHFFA. A new bill was passed in 2024 that allows nonprofits that operate independent living, assisted living, continuing care retirement communities, and memory care units for seniors aged 60 and over, to access CHFFA financing.[32]

This change is meaningful as there is a trend toward delicensing skilled nursing facilities in favor of offering a continuum of long-term care that includes assisted living. There's a growing emphasis on enhancing the quality of life for older adults by providing a range of care options that allow for more personalized and less institutionalized environments. Assisted living facilities often offer a more home-like setting and greater autonomy compared to skilled nursing facilities. Assisted living is also generally less expensive than skilled nursing care, and some states have implemented regulations that encourage or require the transition from skilled nursing facilities to more integrated care models.

Episcopal Communities & Services for Seniors was the first nonprofit to make use of the new law, raising over $100 million from the bond offering to fund the development and renovation of senior living facilities in Southern California.

Community Development Finance Institutions

Community development finance institutions (CDFIs) play a crucial role in the U.S. Care Economy, supporting underserved communities with affordable care, senior housing, workforce development, and community-based services. They provide low-interest loans and technical assistance, going beyond traditional investors. CDFIs intersect with the Care Economy by offering much-needed low-interest financing for care-related projects, particularly in real estate development. Their impact is often focused on profiles such as childcare centers, community health centers, and long-term care facilities; however, they tend to invest less in home-based care services.

CDFIs offer unique investment opportunities, supported by the Community Reinvestment Act (CRA), which encourages banks to invest in CDFIs serving low- to moderate-income communities. This alignment creates a mutually beneficial relationship, where banks can meet regulatory requirements while CDFIs gain the capital needed.

Although not an exhaustive list of care-focused CDFIs, some examples include the Low Income Investment Fund (LIIF), Reinvestment Fund, Enterprise Community Partners, Capital Impact Partners, and Illinois Facilities Fund. Other investment vehicles like CNote's Flagship and Wisdom Funds and Calvert Impact Capital's Community Investment Notes allow individual and institutional investors to gain exposure to a portfolio of CDFIs and their impact-driven investments in the Care Economy.

Case Study: Low Income Investment Fund

Low Income Investment Fund's (LIIF's) Early Childhood Care and Development Capital Initiative (CDCI) is a strategic program aimed at improving access to quality early childhood education (ECE) in underserved communities. Recognizing the critical role that ECE plays in the long-term success of children, LIIF launched this initiative to address the shortage of high-quality childcare facilities, especially in low-income areas, and offers its services in California, New York City, Washington, D.C., and Atlanta.

Capital Access: LIIF provides flexible financing solutions to early childhood care providers, including low-interest loans, grants, and technical assistance. These funds help providers develop or renovate childcare facilities, ensuring that they meet high standards of quality and safety.

Partnerships and Impact: Through partnerships with public and private sector stakeholders, LIIF helps leverage additional resources to scale the impact of ECE services. The initiative focuses on creating sustainable childcare centers that serve low-income families, aligning financial investments with community development goals.

Geographical Reach: The CDCI focuses on high-need areas across the United States, ensuring that low-income and marginalized communities have access to critical ECE resources. This helps bridge educational gaps and promotes equitable opportunities for children in these communities.

The CDCI has helped finance numerous childcare centers, benefiting thousands of children and families. By addressing both capital needs and providing technical assistance, LIIF ensures the long-term sustainability of these centers, fostering community development and social equity.

Private Credit

Private credit provides flexible debt financing for care services, addressing gaps left by traditional lenders hesitant to finance care-related businesses due to risks like regulatory uncertainties. This flexibility enables care providers to access the capital necessary to expand services, improve facilities, and meet increasing demand.

Investing in private credit within the Care Economy presents a compelling opportunity due to the predictable revenue streams generated by care-related businesses through government contracts, insurance reimbursements, and long-term service agreements, making them well-suited for private credit investments. Additionally, the Care Economy is highly fragmented, offering significant opportunities for consolidation. Private credit can play a vital role in financing mergers and acquisitions, enabling businesses to grow and scale while addressing the increasing demand for care services. Although our research did not identify any care-dedicated private credit funds, some examples include Mizzen Capital and Ares Management, which include Care Economy investments as part of their private credit portfolios.

Spotlight on Artificial Intelligence

There is significant interest in artificial intelligence (AI) applications that enhance caregiving effectiveness, including remote monitoring, decision support, and AI companions for older adults. Innovations like AI-driven tools can reduce administrative burdens, lower costs, and improve caregiver capabilities without replacing the human touch. AI can also help consumers in navigating complex caregiving markets.

There is also a unique opportunity to use AI in the context of families and homes by leveraging unstructured, contained datasets. Unlike enterprise environments where data is often structured and standardized, the data generated in family and home settings (e.g., interactions, behaviors, personal preferences) is typically unstructured and diverse. This unstructured data can be harnessed to develop AI solutions tailored to the specific needs and dynamics of families.

> AI is becoming a co-pilot for caregivers, but humans remain the final decision-maker. AI cannot replace the emotional intelligence of humans.
>
> *Dr. Tara Bishop, General Partner, Black Opal Ventures*

A key challenge in integrating AI into caregiving is the potential for biases, including biases in training data, algorithms, and coding—often influenced by individuals who are not closely connected to caregiving roles or challenges.[36] Women and older adults, for instance, are frequently under-represented in both the datasets used and the development of algorithms. Through a public–private partnership[37] with Dandelion Health, The SCAN Foundation is advancing data equity for older adults by including social determinants of health data into Dandelion's AI algorithms. These types of partnerships are important for representative, inclusive, and diverse datasets in the Care Economy.

Public Equities

Public equities play a significant role in the Care Economy by providing capital and visibility to companies that offer essential products and services for aging populations and caregiving needs. It is more challenging to invest in the Care Economy through the public markets given the lack of pure-play companies, which are more commonly found in the private markets. However, because of the intersectional nature of the Care Economy, investors can take a broader approach and consider related sectors, such as education, health care, technology, and consumer products, and identify companies that are benefiting from the tailwinds from demographic shifts.

Another approach to evaluating public equity investments is considering and analyzing the employee benefits offered by companies, such as paid leave, child care, and other care-related support. Investors can use various tools, frameworks, and datasets. For example, the Equileap Gender Equality Scorecard considers paid leave benefits as one of the 19 factors used to evaluate publicly listed companies globally for gender equality. Seramount publishes a list on the 100 best companies, which is based on factors affecting working parents, including parental leave, phasing back, fertility benefits, adoption, caregiver benefits, flexible scheduling, mentoring, and sponsorship, as well as opportunities for advancement.

Investable Themes

Care for Older Adults

1. **Biotechnology & pharmaceuticals**
2. **Medical devices & equipment**
3. **Health tech**
4. **Senior living & assisted care**
5. **Longevity**

Child Care

1. **Pediatric health care**
2. **Nutritional products**
3. **Pediatric health care**
4. **Nutritional products**

See Appendix C for additional details and examples of companies aligned with these investable themes.

Real Assets

Real assets, such as nursing homes, assisted living facilities, hospitals, childcare centers, and rehabilitation centers, are essential because they provide the physical infrastructure needed for the delivery of care services. These assets also support the enhancement of other investable products, acting as a foundation for growth and innovation in the care space.

Investing in real assets within the Care Economy presents a significant opportunity due to underinvestment across essential sectors like health care and child care. This involves purchasing or developing tangible assets, such as real estate or infrastructure, directly related to care services. Demographic shifts, such as aging populations and increased demand for child care, are driving the need for more and improved facilities. Additionally, public–private partnerships offer a way for private capital to support these growing needs, creating resilient investment opportunities. Real estate plays a crucial role in supporting these sectors, offering both stable returns and the potential for social impact by addressing critical infrastructure gaps.

Investable Themes

Care for Older Adults

1. Senior housing
2. Medical office buildings
3. Specialized care facilities
4. Skilled nursing & rehabilitation
5. Real estate investment trusts

Child Care

1. Childcare centers
2. Specialized childcare facilities

See Appendix C for additional details and examples of companies aligned with these investable themes.

Case Study: Care Access Real Estate®

Mission Driven Finance® (MDF) launched Care Access Real Estate (CARE) to address the critical need for child care, particularly in underserved communities. This innovative real estate investment trust (REIT) focuses on acquiring and developing properties to be ideal childcare facilities where more licensed care capacity is needed.

MDF identified real estate as both a challenge and an opportunity in growing child care. Many providers rent their spaces and list various real estate challenges as common barriers to expansion. CARE is a childcare-friendly landlord that helps alleviate those challenges for providers—overwhelmingly women and largely women of color—and allows them to focus on stabilizing their families and growing their businesses. CARE enables investors to support the care economy by investing in the underlying real estate that care providers need but often cannot afford to purchase.

They chose a REIT structure for both its familiarity to investors and because the return profile matches providers' need for stability. A REIT relies on rental income rather than high-stakes exits, which benefits both investors and tenants with more predictability. In addition, CARE has a goal of building the wealth and sustainability of childcare providers. Tenants in good standing have the choice to eventually purchase the properties they rent, sometimes becoming first-time homeowners. CARE is designed to help set a new standard for investing in the care economy with a social justice lens.

CARE targets market-rate returns, making it ideal for investors seeking both financial and social impact. MDF leverages a blended capital stack, including public agency grants from state and federal funding, PRI equity capital from foundations (including anchor investors the Annie E. Casey Foundation, W.K. Kellogg Foundation, and Prebys Foundation), equity investments from family offices and impact investors, and short-term acquisition financing.

Private Equity

Private equity (PE) plays a growing role in the U.S. Care Economy, particularly in fragmented sectors like child care, where PE firms own 10%–12% of the industry.[34] PE fosters growth through acquisitions, consolidating operations, and expanding access to child and older adult care services.

Investing in the U.S. Care Economy presents a significant opportunity due to several factors. Policy shifts, such as potential universal pre-K programs, could unlock investment opportunities. In addition, the early-stage venture space in care services is growing, signaling a future need for growth funding. New business models with greater social impact, like employee ownership structures, are also emerging, aligning social outcomes with financial returns. However, there are risks associated with PE involvement. Although PE firms focus on consolidating operations and targeting higher-income families, their profit-driven strategies can lead to cost-cutting measures that may negatively affect the quality of overall care provided.

Case Study: Obran Health

Obran Cooperative is the first worker-owned cooperative conglomerate. Leveraging its portfolio of small businesses, the cooperative empowers its workers through ownership and education. Obran's unique holding cooperative structure allows it to find, acquire, and hold profitable small- to medium-size businesses and real estate on behalf of its worker–owners.

Through its subsidiary Obran Health, the organization aims to create a more just, equitable, and effective healthcare system by rethinking how healthcare workers are organized within these systems. Obran Health's focus is on acquiring and converting privately-held home health care agencies into worker-owned agencies. To finance transactions, Obran leverages either retained earnings or outside financing partners, including CDFIs like Momentus Capital which made a $1 million preferred equity investment in Physician's Choice, to support Obran Health's acquisition.[35]

This cooperative ownership structure enables workers to share in the company's success by returning decision-making power and financial benefits to caregivers, operators, and healthcare workers. Workers experience enhanced economic outcomes, including increased earnings through profit-sharing, greater job security, and the ability to build long-term wealth by accumulating equity in the business. This structure is unique in the healthcare space, where traditional private equity ownership models dominate.

Investable Themes

Care for Older Adults

1. Long-term care
2. Healthcare services
3. Home & community-based services
4. Growth stage technology & innovation
5. Training & workforce development

Child Care

1. Daycare centers
2. After-school programs
3. Early childhood education
4. Growth stage technology & innovation

See Appendix C for additional details and examples of companies aligned with these investable themes.

Venture Capital, Direct Investments, & Co-Investments

Venture capital (VC) can provide the necessary funding and resources to drive innovation, scale, and impact in this sector. As the Care Economy is an emerging investment thesis, there are many early-stage companies building innovative technology to address care challenges and disrupt traditional models. These startups can use venture capital funding to support their growth.

There is a growing number of Care Economy startups that have successfully raised significant VC funding at increasing valuations while making a positive impact on the lives of caregivers and care recipients. These companies have grown from small startups to large, dynamic, scalable enterprises. This is an investment space that should not be overlooked by investors seeking high, VC-aligned returns. Examples of success include:

- **Care.com:** An online platform that connects families with the care they need, raised $156 million in funding before going public in 2014. It was later acquired by IAC in 2020 for $500 million.
- **Honor:** A home care company that connects older adults with professional caregivers through a technology platform, has raised over $325 million in VC, including a $140 million Series D round in 2021, which brought its valuation to over $1 billion.
- **Papa:** A service connecting older adults with "Papa Pals" who provide companionship and assistance with everyday tasks, has raised over $240 million, including a $150 million Series D round in 2021 at a $1+ billion valuation.

Investable Themes

Care for Older Adults

1. Aging in place
2. Senior living technology
3. Health & safety awareness
4. Care coordination and planning
5. Social & mental well-being
6. Financial caregiving

Child Care

1. Childcare services
2. Care coordination & planning
3. Parenting tools & support
4. Pediatric care
5. Education technology

Caregiver Support

1. Training & development for professional caregivers
2. Improving caregiver well-being, health, safety, & productivity
3. Parenting tools & support

See Appendix C for additional details and examples of companies aligned with these investable themes.

There are various VC funds that are investing in the Care Economy, either with an explicit investment thesis or with a focus on tangential sectors and themes that are inherently care-centric. Below is a non-exhaustive overview of the broad and diverse landscape of funds:

- **Care Economy Thesis:** Funds like Magnify Ventures, Springbank Collective, Kalos Ventures, Artemis Fund, Halogen Ventures, and Semper-Virens have a direct focus on the Care Economy, investing in tech-enabled solutions addressing caregiving challenges.
- **Early Childhood Education Focus:** Funds like Reach Capital Owl Ventures, and Rethink Education invest in EdTech solutions that address the learning and enrichment needs of young children which often overlaps with childcare considerations.
- **Aging & Longevity Focus:** Funds with a focus on AgeTech, such as solutions addressing aging in place and care coordination, include Cake Ventures, Primetime Partners, Longevity Venture Partners, Third Act Ventures, 1843 Capital, and Generator Ventures. AARP's AgeTech Collaborative has assembled a comprehensive database of investors and companies addressing the needs of the aging population.
- **Gender Lens Focus:** The Care Economy is undoubtedly linked to gender equity, as women disproportionately carry the weight of formal and informal caregiving responsibilities, giving this one area of investment focus for venture capitalists a gender lens. Funds include but are not limited to Rethink Impact, Female Founders Fund, BBG Ventures, Chingona Ventures, Serena Ventures, SoGal Ventures, Graham & Walker, Pink Salt Ventures, FemHealth Ventures, SteelSky Ventures, Avestria Ventures, Coyote Ventures, RH Capital, Backstage Capital, and January Ventures.
- **Sector-focused** funds focused on healthcare, workforce development, and consumer products, may invest in the Care Economy given the intersections. Some include Lux Capital, Oak HC/FT, JAZZ Ventures Partners, Black Opal Ventures, Capital F, and JFFVentures.

Case Study: Kalos Ventures

Founded by Ashley Bittner, Kalos Ventures is an early-stage venture capital fund focused on three sectors: workforce, education, and care. Within these sectors, Kalos is proactively sourcing investments supporting the net-zero transition, addressing healthcare gaps, and leveraging partnerships with the government to reach underserved communities.

Bittner began her career in education as a Teach for America Corps Member and an Obama Administration political appointee before transitioning to venture capital at Owl Ventures. She soon realized that investing solely in education was insufficient to affect meaningful change on economic outcomes. This insight led her to launch Kalos Ventures, grounded in the belief that a holistic approach encompassing workforce, education, and care is vital for driving upward economic mobility. For example, child care is one of the top reasons why people, especially women, miss work, which limits their ability to earn a stable income, pursue career advancement, and accumulate wealth over time.

Kalos is focused on three major economic and social trends that are tailwinds for the Care Economy. First, AI is shifting which jobs are in demand and how people work, especially low-wage workers. AI can be used to automate and reduce cost so that the human component can be more valued. For example, Kalos invested in Tilt, which is leveraging AI to automate workplace leave management, enabling HR leaders to focus on higher value tasks. Second, demographic changes, such as an aging population and shrinking workforce, are driving the need for innovative solutions. Mirza, another Kalos investment, is helping frontline workers navigate the complex, fragmented web of childcare benefits and simplifying access to government-sponsored subsidies. Third, there are several significant industrial shifts, such as the net zero transition and increased demand on health systems that are driving the need to disrupt traditional models. Kalos invested in Clasp, previously known as Stride Funding, which is addressing the shortage of healthcare workers by helping employers recruit and retain critical talent. Clasp recently closed on an oversubscribed venture round of more than $10 million led by $4.6 billion venture firm Crosslink Capital, bringing its total funding to over $30 million.

Risks

Investing in the Care Economy involves several risks that could affect financial returns and social outcomes.

Regulatory & Policy

Policy changes can affect funding and the regulatory landscape of the Care Economy. Compliance with existing and new regulations can be costly for care businesses.

Technology & Product

When investing in tech-enabled care businesses, whether B2C, B2B, B2G, investors should be mindful of the challenges in user adoption as various factors (including mental and emotional barriers), regulatory complexity, and workforce instability, can make consumers hesitant to adopt new solutions. Particularly, older adults may be resistant to change due to concerns over trust and safety, especially with the rise of fraud,and companies should consider the nuances in selling into this group.[38] In addition, as discussed in the Venture Capital section, companies leveraging AI-driven solutions must ensure data quality and manage for potential biases.

Market & Economic

As the Care Economy is an emerging theme, the range of companies remains limited and there are fewer late-stage investors, which may restrict access to growth capital. This can be mitigated by the fact that care intersects with various sectors, including healthcare, technology, and consumer products. This intersectionality can attract later-stage investors from these fields, thus expanding the pool of available capital. By emphasizing the multifaceted impact and opportunities within the Care Economy, stakeholders can foster greater interest and investment from a broader range of investors.

Impact

The Care Economy often faces challenges related to poor workforce conditions, such as low wages, high turnover, and inadequate training. Investments that do not address these issues may perpetuate and increase systemic problems within the sector. Failing to address underlying labor issues represents an existential threat to the success of many care business models—effectively aligning financial viability and social impact.

Investments may also inadvertently exacerbate existing social and economic inequalities if they do not adequately address the needs of marginalized or underserved populations. This can result in unequal access to quality care. For example, given that tax credits for affordable housing are based on the number of units built, developers are incentivized to build more studios or one-bedroom apartments, which are not family-friendly. So, although investing in affordable housing may seem beneficial, it can unintentionally perpetuate the problem by failing to provide enough suitable units for families in need.

As discussed in the Private Equity section, later stage investors may place a greater emphasis on scaling operations or reducing costs, leading to poorer quality of care. The skewed focus toward financial returns could erase the social gain achieved by care businesses in the earlier stages.

Impact Measurement Approaches

This investment category is still new, and there aren't many impact measurement frameworks and best practices established to directly address care as a whole. Many investors are measuring outputs tailored to specific portfolio companies and funds, such as the number of people served. As the sector matures, more outcome-based data is expected. Our goal here is not to be prescriptive in how investors conduct impact measurement, but instead present a list of some of the most relevant frameworks that can be utilized.

United Nations Sustainable Development Goals

The UN's 17 Sustainable Development Goals (SDGs) offer a global framework for addressing social and environmental challenges, allowing investors to align their impact goals with specific SDGs like health and well-being (SDG 3), gender equality (SDG 5), and decent work and economic growth (SDG 8).

Five Dimensions of Impact

Developed by the Impact Management Project, the Five Dimensions of Impact framework helps investors measure impact by understanding the what, who, how much, contribution, and risk of their impact investments. Investors can use the five dimensions to assess the social outcomes of care-related investments, such as improvements in the quality of care, increased access to care services, or enhanced economic opportunities for care workers. Several VC investors we interviewed for this white paper use this framework.

Social Return on Investment

Social return on investment (SROI) measures social, environmental, and economic value by translating outcomes into monetary terms to calculate a benefit-to-cost ratio. SROI can be used to quantify the social value generated by Care Economy investments, such as the improved quality of life for care recipients, cost savings in health care, or economic benefits for caregivers.

IRIS+ Metrics

The Global Impact Investing Network (GIIN) developed IRIS+ to provide standardized metrics for measuring impact across various sectors, including health, education, and workforce development. Investors can use IRIS+ metrics to track outputs and outcomes related to the Care Economy, such as "Caregivers Employed: Responsive" (measures the number of caregivers who are responsive to children's needs and who are employed by the organization) and "Employment Benefits" (describes the benefits that are provided to full-time employees, including paid time off and childcare support).

Child Lens Framework

UNICEF, in collaboration with Tideline, developed the Child Lens Framework and Toolkit to guide investors in assessing and enhancing the impact of their investments on children. This framework emphasizes considering children's rights and well-being in investment decisions by identifying key areas such as health, education, safety, and economic opportunities that directly or indirectly influence children's development and future prospects. The Child Lens Framework and Toolkit can be applied to evaluate how Care Economy investments impact children, the investor's contribution to positive child outcomes and ESG and impact risks. Investors can also use the Toolkit's impact due diligence questions and metrics to measure child wellbeing outcomes. For additional insights, investors can also engage with Criterion Institute's Child Lens Investing field-building resources, launched in partnership with UNICEF.

HEART Framework

Developed by Rhia Ventures, the HEART Framework stands for Health, Equity, Access, Rights, and Transformation. It's used by health equity investors to evaluate how investments affect marginalized populations and promote equitable access to health care. The HEART Framework can also be applied to Care Economy investments, particularly in evaluating how these investments promote equity in and access to caregiving services. By employing such frameworks, investors can ensure that Care Economy investments contribute to reducing disparities, enhance access to quality care, and ultimately transform the caregiving landscape to be more inclusive and just.

EQUAL Framework

The CARE Fund's EQUAL Framework is designed to ensure that caregiving policies and programs are inclusive, high quality, and sustainable. The framework comprises five key principles: engage, quality, uplift, affordable and accessible, and lasting. Although a framework for policy design and implementation, it could also be adapted to be used for impact investments.

Moonshot Ideas

In our stakeholder interviews, we posed a forward-thinking question to experts: If time, capital, and risk were not limiting factors, what groundbreaking ideas, policies, or business models should be prioritized to transform the Care Economy? This section highlights the "moonshot" ideas that emerged—bold, innovative concepts that have the potential to redefine caregiving and unlock new opportunities for both social impact and financial returns.

"We have to create a scalable, recognizable, and tangible front door for families to enter through to get the support they need. Healthcare financing is going to lag, but in the meantime, we can be creative and look for other opportunities to fund the resources."
Anne Tumlinson,
ATI Advisory

"To recognize the economic value and impact of unpaid family caregivers and to translate this into investments supporting them."

Kristen Lunde,
ATI Advisory

"The ability for people to live productive, joyful lives that they value in settings where they want to live as they age."

Dr. Tara Bishop,
Black Opal Ventures

"New thinking and more conversation about how AI can be used to improve care. Leveraging AI and tech to solve problems in care workforce shortage, accessibility and cost of care."

Julie Wroblewski,
Magnify Ventures

"More movement [toward] paying informal caregivers—formalize informal care."

Kate Ballinger,
Kalos Ventures

"A world in which every child has safe, affordable, and high-quality child care."

Tracy Kartye,
Annie E. Casey Foundation

"Universal, quality pre-K and a living wage for all teachers. We need more public and private funding."

Katharine Hersh,
Acelero Learning & the Builders Fund

"Enable data transparency and payment around caregiving outcomes, capturing happiness around both those receiving the care and those providing the care to lay down a path [toward] business models centered on fulfillment."
Vanessa Villaverde,
California Healthcare Foundation

"A future where care is affordable and friction-free for families, enabling them to focus on their careers and personal growth while their loved ones receive the attention they deserve."

Diana Murakhovskaya,
Artemis Fund

"Three months of paid parental leave plus joyful, stimulating, loving, and affordable options for early care and education in every neighborhood provided by caregivers earning thriving wages."

Laura Kohn,
Mission Driven Finance

"We can model a stable economy rooted in caring for and valuing caregivers, rather than treating them as an afterthought. The ripple effects on children, families, workplaces, and communities will reverberate in positive ways we hadn't dreamed of."

Lauren Grattan,
Mission Driven Finance

"For everyone to have access to great quality care when they need it. If we want to see change in terms of the solutions, it will come from delivering great outcomes from an investment perspective."

Margaret Coblentz,
Capital F

Conclusion

The Care Economy is a critical investment opportunity driven by demographic changes and rising demand for caregiving services. Addressing gaps in infrastructure, policy, and investment is an economic and social necessity, particularly for women, who have long shouldered the burden of caregiving.

This is not just a social impact conversation—it is a compelling investment opportunity for all investors. We hope this white paper has demonstrated the need, the opportunity set, and actionable steps investors can take to approach the Care Economy. Whether through fixed income, equities, alternatives, or philanthropy, the Care Economy offers a wide range of opportunities across asset classes. By integrating Care into portfolio allocation and investment processes, investors have the potential to achieve compelling financial returns while driving transformative change.

It is important to note that fully realizing the Care Economy's potential requires collaboration among the public, private, and philanthropic sectors. Investors must take a long-term, multi-asset class approach, recognizing that both market-rate capital and concessionary investments will be critical in building sustainable care infrastructure. At the same time, policymakers must continue to create enabling environments that support innovation and expand access to care for all.

Ultimately, investing in the Care Economy is about more than just addressing a growing demand for services; it is about reimagining a future where care is valued as a cornerstone of a thriving society and contributes to greater economic prosperity for all Americans. As this sector continues to evolve, the opportunities for both financial growth and social impact will only multiply. Now is the time for investors to act, ensuring that the Care Economy becomes a driver of economic resilience, gender equity, and human well-being.

Calls to Action

To move from understanding to action, we encourage investors to take concrete steps in allocating capital toward the Care Economy. The following calls to action provide practical ways to incorporate care considerations into your investment strategy and help drive meaningful impact.

1. **Integrate care into your investment strategy and research.** Rather than seeing care as just an impact area, recognize it as a sector with significant investment opportunities. Allocate a portion of your portfolio to Care Economy investments, or at least apply a care lens to your investment process, including due diligence. If you haven't made care-focused investments yet, start with one. If you already have exposure, consider increasing it. We'd love to hear about your experience—please share it with us.

2. **Consider using blended or catalytic capital where appropriate.** The Care Economy has ample investment opportunities that cater to diverse return profiles. We encourage grant, PRI, and endowment teams at foundations to collaborate on Care Economy investments and unlock more capital for the sector.

3. **Seek out opportunities to invest into women-led funds and companies focused on the Care Economy.** Women are wise stewards of capital and bring a unique lived experience that make them particularly well-suited to be leaders in the Care Economy.

4. **The "great wealth transfer" has positioned women to inherit significant wealth.** We encourage these wealth owners to fully embrace that power and make investments in the Care Economy, or communicate to their advisor that they want some of the capital allocated to the space.

5. **Given that the majority of us will be caregivers at some point in our lifetimes, reflect on your own care journey and your family and/or community's needs.** Identify opportunities that can address your personal care pain points and invest in solutions that could improve the Care Economy.

6. **Call your representatives to advocate for more investment into care infrastructure.** Care is a bipartisan issue that affects everyone. Let your representatives know that robust investment in the Care Economy is top of mind for their constituents and that it is vital to our collective future. As caregiving is a role that many of us will take on at some point in our lives, it is essential that our leaders understand that this is a priority.

We value your feedback on this white paper and wish to continue the dialogue with our stakeholders. Please take a moment to complete a brief survey. Your input will guide us in refining our research and identifying key areas of focus for future initiatives. We look forward to hearing from you!

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Appendix A: Deeper Dive Into Social Challenges

Resistance to innovation in the Care Economy stems from regulatory and structural barriers that prevent the integration of care for children and older adults, despite the clear benefits of intergenerational programs. The Power of Proximity makes a strong case for this by highlighting the challenges that arise when trying to integrate child and older adult care programs. It points out that regulatory frameworks and licensing standards are typically age-segregated, making it difficult to create shared sites that serve both children and older adults. These entrenched regulations, combined with the financial difficulties of managing separate funding streams for different age groups, create barriers to implementing innovative intergenerational care models. Despite the proven benefits of such programs, these systemic obstacles hinder widespread adoption. Generations United is a U.S. nonprofit organization dedicated to promoting intergenerational collaboration and solidarity. Their mission is to improve the lives of both children and older adults by fostering connections between generations. One of their key initiatives is the promotion of intergenerational care models, where children and seniors share the same space in community care settings.

Appendix B: Deeper Dive into the Policy Environment

Child Care

1. **American Rescue Plan Act (ARPA)** provided unprecedented funding for child care, including $39 billion in direct aid to childcare providers, with $24 billion directed toward Child Care Stabilization Grants and $15 billion for supplemental Child Care and Development Fund (CCDF) discretionary funding. This funding was crucial in helping providers stay afloat during the COVID-19 pandemic, allowing them to pay staff, cover operational costs, and reduce tuition for families. However, much of this funding was temporary, and its expiration has reignited debates about the need for sustained federal support. The federal resources provided by ARPA included flexible funding for states, direct aid to families, and investments in critical areas of the economy. ARPA helped stabilize and strengthen the childcare sector, giving states close to $40 billion in federal emergency relief funds for child care on top of $13.5 billion from an earlier pandemic-relief package. The U.S. Department of Health and Human Services found that the $24 billion in relief funds distributed to states served 220,000 childcare providers, saved the jobs of more than 1 million early educators, and enabled continued care for as many as 9.6 million children. As of mid-2023, about $20 billion of the $24 billion in Child Care Stabilization Funds from ARPA had been distributed to support childcare providers across the United States. ARPA regulations require local governments to return grant funding that remains unobligated beyond the December 2024 deadline to the U.S. Department of the Treasury.
2. **The Child Care and Development Block Grant (CCDBG)** is the primary source of federal funding for childcare subsidies for low-income families. It also provides funding to improve the quality of care through training and resources for providers. The program was significantly expanded under ARPA, but ongoing funding remains a concern, particularly as demand for affordable child care continues to outpace supply. Generally, eligibility is determined by income relative to the Federal Poverty Level and family size. The income threshold is typically set at 85% of the state's median income, although many states set their limits lower due to funding constraints.
3. **Child Tax Credit (CTC):** The CTC is a key U.S. federal policy aimed at reducing child poverty and supporting families with children. Here's an overview of its current structure and recent changes. For the 2024 tax year, the standard Child Tax Credit allows eligible families to receive up to $2,000 per child under the age of 17. This is a non-refundable credit, meaning it reduces the amount of taxes owed but may not result in a refund beyond the taxes paid.

State Initiatives

Childcare policy varies widely across states, with each state setting its own licensing requirements, subsidy levels, and quality standards. Some states have made strides in expanding access and improving quality, while others struggle with underfunding and regulatory gaps.

1. **State-Funded Pre-Kindergarten (pre-K) Programs:** Many states have implemented or expanded state-funded pre-K programs, often targeted at 4-year-olds from low-income families. These programs are a key part of the early childhood education landscape, though they are not universally available. Florida, Oklahoma, Vermont, and the District of Columbia provide universal pre-K for all 4-year-olds, regardless of family income. Vermont also offers this for 3-year-olds. Some states offer free or partially free pre-K for eligible low-income families. Only 16 states have universal pre-K programs, defined as state-funded preschool where age is the only eligibility criterion. However, availability depends on state funding and enrollment caps.
2. **Workforce Development Initiatives:** Several states are focusing on improving the childcare workforce through higher education scholarships, wage supplements, and professional development programs. These efforts aim to address the high turnover rates and low wages that plague the industry.

Care for Older Adults

The policy around care for older adults continues to evolve in the wake of a growing older population, care workforce shortages, and public health crises such as COVID-19. TransformLongtermCare.com and AARP scorecard are some relevant resources.

1. **Medicare:** Medicare provides limited care services for older adults, focusing on short-term rehabilitation and medical care rather than long-term custodial care. Seniors primarily rely on Medicare for hospital care and doctor visits, but it does not cover daily support for activities like bathing or dressing. This leads to a heavy reliance on Medicaid for long-term care. However, Vice President Kamala Harris's recent proposal to expand Medicare aims to increase support for older adults by covering long-term, home-based care, including the cost of in-home health aides.
2. **Medicaid:** Medicaid covers long-term care services for seniors, including nursing homes and home-based care, but it requires beneficiaries to meet strict financial eligibility criteria. Many middle-class families find themselves ineligible for Medicaid, creating a significant financial gap for older adults needing care. KFF estimates that nearly 6 million people receive Medicaid long-term services and supports for assistance with activities of daily living (e.g., eating, bathing, and dressing) and instrumental activities of daily living (e.g., preparing meals, managing medication, and housekeeping).[39]
3. **Home and Community-Based Services (HSCBs):** There is a growing shift toward expanding HCBS to allow more seniors to age in place rather than entering institutionalized care settings like nursing homes. Federal policies through Medicaid waivers and state programs are increasingly promoting these services, which are often more cost-effective and preferred by older adults.

4. **ARPA:** Section 9817 of ARPA funding helped strengthen HCBSs for older adults and disabled individuals by increasing funding for Medicaid-funded HCBS programs for two years. States received a temporary 10 percentage point increase in their federal medical assistance percentage for HCBSs and were required to use the additional federal funding to supplement, not supplant, state services by strengthening, enhancing, and expanding their HCBS programs. In addition, the federal government extended the deadline for states to use this funding until March 2025, providing more time to strengthen HCBS systems and workforce programs.

Caregivers

There are several policies in the United States that provide support and protections for caregivers. These policies, which vary at the federal and state levels, aim to assist both professional caregivers and family caregivers who provide care to children and older adults.

1. **Family and Medical Leave Act (FMLA)** is a federal law that allows eligible employees to take up to 12 weeks of unpaid, job-protected leave per year to care for a family member with a serious health condition. However, this policy can be viewed as limiting for caregivers who cannot afford time off without pay.[40]
2. **State-Level Paid Family Leave Programs:** Several states have enacted paid family leave programs, which provide wage replacement while employees take leave to care for family members. States with these programs include:
   - **California:** Provides up to 8 weeks of partial wage replacement.
   - **New York:** Offers up to 12 weeks of paid leave at a percentage of the employee's wages.
   - **New Jersey, Rhode Island, Washington, and Massachusetts** also have paid leave programs.
3. **Tax Credits for Caregivers:** Family caregivers who pay for care for older adults (such as adult day care) may qualify for the Dependent Care Tax Credit, which provides a tax credit of up to $3,000 for one dependent or up to $6,000 for two or more dependents.
4. **National Family Caregiver Support Program:** This federal program provides grants to states that offer services such as respite care, counseling, and training to family caregivers who provide unpaid care to older adults or individuals with disabilities. The program includes respite care, which gives caregivers temporary relief, as well as training and support services to improve caregiving quality. It primarily helps family members caring for individuals aged 60 and older or those with Alzheimer's disease.

Appendix C: Investable Themes & Examples

Public Equities

Care for Older Adults

1. **Biotechnology and Pharmaceuticals:** Companies that are developing treatments for age-related diseases, such as dementia, Alzheimer's, and Parkinson's. Examples include: Biogen (BIIB), Eli Lilly (LLY), Eisai (ESAIY).
2. **Medical Devices and Equipment:** Companies producing medical devices like pacemakers, mobility aids, and diagnostic equipment. Examples include: Medtronic (MDT), Abbott Laboratories (ABT), Boston Scientific Corporation (BSX).
3. **Health Tech:** Companies developing technologies aimed at improving aging care, such as telemedicine, remote patient monitoring, and AI-driven healthcare solutions. Examples include: Teladoc (TDOC), Amwell (AMWL), ResMed (RMD).
4. **Senior Living and Assisted Care:** Real estate investment trusts (REITs) and companies involved in senior living facilities, nursing homes, and other services directly catering to older adults. Refer to the Real Assets section for more information on REITs. Examples include: Welltower (WELL), Brookdale Senior Living (BKD), The Ensign Group (ENSG), LHC Group (LHCG).
5. **Longevity:** ETFs and Mutual Funds that focus on the aging population as a theme. These funds invest in companies that are poised to benefit from demographic trends related to aging populations. They target sectors such as health care, pharmaceuticals, medical devices, senior living facilities, and other industries catering to older adults. Examples include: Global X Aging Population ETF (AGNG), Hartford Longevity Economy ETF (HLGE).

Child Care

1. **Pediatric Health Care:** Companies that provide healthcare services and products for children, including pediatric hospitals, pharmaceuticals, and wellness products. Examples include: Johnson & Johnson (JNJ), Procter & Gamble (PNG), Philips Healthcare (PHG).
2. **Nutritional Products:** Companies producing infant formula, vitamins, and other nutritional products tailored to children. Examples include: Nestle (NSRGY), Reckitt Benckiser (RBGLY), Abbott Laboratories (ABT).
3. **Educational Products (including EdTech):** Companies offering toys, learning materials, and educational software for early childhood development. Examples include: Hasbro (HAS) and Mattel (MAT).
4. **Childcare Providers:** Companies that operate childcare centers, preschools, and early childhood education facilities. There are not many publicly listed childcare providers as the market is highly fragmented and either private equity-backed or independent. Bright Horizons Family Solutions (BFAM) and KinderCare Learning Companies (KLC) are the two publicly traded companies in the childcare space.

Real Assets

Care for Older Adults

1. **Senior Housing:** Investing in the development and management of senior living communities presents a compelling opportunity, especially as this sector continues to show strong growth. As of Q2 2024, occupancy rates reached 86.6%, just 70 basis points below pre-pandemic levels, while assisted living facilities exceeded expectations with an occupancy rate of 85%. This surge in demand, combined with impressive double-digit net operating income growth, underscores the sector's resilience. However, despite these positive indicators, new construction remains constrained, with only 1,316 units initiated in Q2 2024, highlighting ongoing supply challenges.[33] Example: Brookdale Senior Living operates and manages independent living, assisted living, and memory care communities across the United States.
2. **Medical Office Buildings:** Facilities leased to healthcare providers.
3. **Specialized Care Facilities:** Development of facilities catering to specific care needs, such as memory care for individuals with dementia. Example: Sunrise Senior Living develops and manages memory care facilities for individuals with dementia and Alzheimer's disease.
4. **Skilled Nursing and Rehabilitation Centers:** Facilities that cater to long-term care for adults. Example: Genesis Healthcare operates skilled nursing and rehabilitation centers for long-term care and rehabilitation services.
5. **Real Estate Investment Trusts (REITs):** Healthcare or specialized REITs. Examples include: Omega Healthcare Investors (OHI), Ventas (VTR), Diversified Healthcare Trust (DHC), LTC Properties (LTC), Sabra Health Care REIT (SBRA), and Welltower REIT (WELL).

Child Care

1. **Childcare centers:** These facilities either lease or own buildings dedicated to early childhood education. The real estate aspect is critical, as owning or leasing these properties helps providers establish long-term operations. Leasing provides flexibility for expansion without significant upfront capital investment, while ownership allows for tailored designs and modifications specific to early education needs.
2. **Specialized childcare facilities:** These facilities, focused on after-school care or summer programs, can also be leased or owned. Leasing or owning such properties allows providers to serve working parents who require flexible care options outside the standard school schedule. These facilities often include activity rooms, computer labs, and outdoor spaces, creating environments where children can engage in both developmental and recreational activities. For example, the Learning Experience offers childcare services and after-school programs, including facilities for summer programs. For a comprehensive overview of the opportunity set, refer to Real Estate's Role in Child Care.

Private Equity

Care for Older Adults

1. **Long-Term Care:** Nursing homes, assisted living facilities, and hospice and palliative care. For example, Formation Capital has invested in nursing homes, assisted living facilities, and long-term care providers. It has been involved in large acquisitions of nursing home portfolios and partnerships with healthcare REITs.
2. **Healthcare Services:** Medical practice centers, outpatient care centers, and telehealth services.
3. **Home and Community-Based Services:** Home care services, adult day centers, and aging-in-place solutions (products and services that help seniors live independently in their own homes, such as home modifications and mobility aids). For example, The Vistria Group acquired Help at Home, a leading U.S. provider of home care and community-based services in 13 states, and The Riverside Company invested in Executive Home Care, which provides in-home non-medical services to individuals who need support with daily living activities.
4. **Growth Stage Technology and Innovation:** Health and wellness apps and medical devices. For example, General Atlantic has invested in iRhythm, a company developing wearable medical devices for heart health monitoring.
5. **Training and Workforce Development:** Caregiver training programs, certification programs, and workforce solutions (platforms and services that connect caregivers with job opportunities and provide support for their professional development).

Child Care

1. **Daycare Centers:** Facilities that offer full-day childcare services to working families, catering to children from infancy through preschool age. Examples include: Acelero Learning, Learning Care Group, The Goddard School, Primrose Schools, Brightside Academy, Children's Learning Adventure, Cadence Education, Spring Education Group, and Sunshine House.
2. **After-School Programs:** Structured programs that provide care and educational activities for school-aged children outside of regular school hours, often helping working parents balance their schedules.
3. **Early Childhood Education:** Institutions that focus on the development of young children, offering educational and care programs that enhance cognitive, social, and emotional development before formal schooling.
4. **Growth Stage Technology and Innovation:** Tech-driven platforms that offer caregiver training, workforce management, and continuing education.

Venture Capital, Direct Investments, & Co-Investments

Care for Older Adults

1. **Aging in Place:**
    - **Daily essential activities:** Meals, home, and personal care; home repair; delivery; and transportation services. Examples include SafeRide Health (non-emergency medical transportation).
    - **Transition support:** Home retrofit services, long-term care insurance planning, care provider referral, legal assistance, and hospice/funeral planning. Examples include Rosarium Health (connects people to healthcare providers and licensed home modification contractors) and Guaranteed (tech-enabled hospice services through a hybrid home approach and 24/7 telemedicine coverage).
    - **Home care provision:** Home health aides, products, and equipment. Examples include Carewell (e-commerce platform for care products).
2. **Senior Living Tech:** Solutions enhancing care delivery, efficiency, and quality in facility-based long-term care settings. Examples include Sunbound (payment solutions for senior living communities) and Welbi (senior living and long-term care residence experience platform).
3. **Health & Safety Awareness:** Health vital alerts, diet and nutrition, medication management, and personal safety monitoring. Examples include Aloe Care Health (medical alert system for aging in place), Bold (exercise program for older adults), and NourishedRx (personalized nutrition platform).
4. **Care Coordination & Planning:** Care planning, care professional engagement, records and benefits management, and recovery support. Examples include Tembo Health (dementia care planning), Duos (connects Medicare beneficiaries and their caregivers to the resources needed), and Alix (estate settlements for families).
5. **Social & Mental Well-Being:** Digital inclusion, life enrichment and empowerment, community networking, life companions, mental health, and loneliness. Examples include Grouper (social activity platform for health aging) and Naborforce (connecting older adults to community helpers).
6. **Financial Caregiving:** Retirement readiness, estate planning, home buying, financing for aging in place, and fraud protection. Examples include Carefull (financial safety service).

Child Care

1. **Childcare Services:**
    - **New childcare models:** Flexible, tech-enabled childcare models with convenient locations, employer partnerships, and extended hours. Examples include Brella and Vivvi, which leverage technology to offer a digital-first user experience and greater flexibility for parents.
    - **Tech for childcare management:** Software solutions for managing childcare centers efficiently. Examples include Wonderschool, Brightwheel, and KangarooTime (childcare management software).
2. **Care Coordination & Planning:** Digital marketplaces for finding child care, preschool, and transportation solutions. Examples include Kinside and Winnie (digital marketplaces that help families find child care, preschool, and daycare), June Care (matches working parents with stay-at-home parents who can help with child care), and HopSkipDrive and Go Together (school transportation solutions).
3. **Parenting Tools & Support:** Maternal and pregnancy care, expert support and content, breastfeeding and infant nutrition, and maternity, nursing, and baby clothing. Examples include Work & Mother (lactation facilities for working mothers), Till (family fintech solution to raise smart spenders), Mirza (matches employee and payer populations with government-sponsored childcare dollars), MilkStork (easy storage and shipment of breast milk for mothers who have work travel).
4. **Pediatric Care:** Health care, including mental health care, for children and adolescents. Examples include Coral Care (connecting families with pediatric specialists), Summer Health (text-based pediatric service), Backpack Healthcare (pediatric mental health services), and Little Otter (digital pediatric mental health and whole-family support services).
5. **Education Technology:** Education and enrichment tools for children. Examples include Esteam (personalized literacy assessment and learning for every child).

Support for Caregivers

1. **Training & Development for Professional Caregivers:** Examples include CareAcademy (online caregiver training platform).
2. **Improving Caregiver Well-Being, Health, Safety, and Productivity:** Examples include Abridge and Tali AI (automate routine tasks for healthcare workers); Cleo, Wellthy, and Carallel (personalized expert support for families navigating care across all stages of life); RubyWell (financial support for family caregivers); and Ohai.AI and Milo (AI-powered virtual assistants for families).
3. **Improving Quality of Care Jobs:** For example, nurse staffing platforms like Nursa and Incredible Health make it easier for nurses to find flexible work.