

Early Childhood Education Appropriations Fast Facts

To provide you with the best science and reduce review time, please find the following science-approved facts for you to use in your campaigns and materials. After each fact, you will find fast facts based on the science, which can be cut and pasted word-for-word without the need for additional science review. Please note that any change in wording will result in the need to run your documents through the American Heart Association science review process before release.

Accessibility

FACT 1

The Center for Law and Social Policy's analysis found that only 10% of potentially eligible children received a Child Care and Development Block Grant (CCDBG) subsidy based on *federal income eligibility*, and only 14% of potentially eligible children receive a CCDBG subsidy based on *state income eligibility*.

Fast Facts:

- ▶ Most children who are eligible for federal financial assistance for child care do not receive it.
- ▶ Federal financial assistance for child care is not accessible to the majority of eligible children.
- ▶ Most children who are eligible for child care assistance do not receive it.
- ▶ Very few families who could get help paying for child care actually receive it.
- ▶ Only 10% of children eligible under federal guidelines and 14% under state guidelines receive child care assistance.

Source:

Hardy A, Schmit S, Wilensky R. Child care assistance landscape: inequities in federal and state eligibility and access. The Center for Law and Social Policy. 2024. https://www.clasp.org/wp-content/uploads/2024/06/2024.6.27_Child-Care-Assistance-Landscape.pdf.

Affordability

FACT 2

The 2023 National Household Education Survey data revealed that 34% of children from birth through age 5 whose parents reported difficulty finding child care or did not find the child care program they wanted cited cost as the primary reason. This number is higher for families of color: 38% of Black children, 43% of Hispanic children, 42% of Asian or Pacific Islander children whose parents reported difficulty finding child care or did not find the child care program they wanted cited cost compared to 27% of white children.

Fast Facts:

- ▶ Over a third of families with young children who have difficulty finding child care say cost is the main reason.
- ▶ Cost is the main reason why over 30% of families with young children struggle to find child care.
- ▶ Families of color have a more difficult time finding affordable child care than white families.
- ▶ Cost is a greater barrier to child care for families of color than for white families.
- ▶ Cost is a bigger barrier to child care for Black, Hispanic, and Asian families than white families.

Source:

Hanson R, Bobrowski J. Early childhood program participation: 2023. National Center for Education Statistics. 2024. <https://nces.ed.gov/pubs2024/2024112.pdf>.



FACT 3

A Child Care Aware report found that the national annual average price for child care for one child was \$10,174 in 2020, which comprises more than 10% of median household income for a married couple family and more than 35% of median income for a single parent family. These numbers are well above the U.S. Department of Health and Human Services' benchmark that the price of child care be no more than 7% of household income.

Fast Facts:

- ▶ On average, child care costs more than \$10,000 a year.
- ▶ The average cost of child care for one child is more than \$10,000 a year.
- ▶ Most families spend at least \$10,000 a year on child care.
- ▶ On average, married couples spend more than 10% of their income on child care, and single parents spend more than 35% of their income on child care.
- ▶ Single parents spend significantly more of their income on child care than married couples.
- ▶ Single parents spend three times more of their income on child care than married couples.
- ▶ Child care shouldn't cost more than 7% of a family's household income, but most people spend between 10% and 35%.
- ▶ Most families have to spend significantly more of their household income on child care than recommended.
- ▶ Most families have to spend more of their household income on child care than recommended, especially single-parent families.

Source:

Demanding change: repairing our child care system. Child Care Aware of America. 2022. <https://hubs.li/Q015hqgRQ>.

Workforce (General)

FACT 4

A review of research literature examining the effects of child care costs and availability on parental employment suggests that reducing out-of-pocket costs for early care and education (ECE) and increased availability of public ECE have positive impacts on mothers' labor force participation and work hours. A 10% reduction in the price of child care would lead to a 0.25-11% increase in maternal employment depending on contextual factors and the study design.

Fast Facts:

- ▶ When families have access to affordable early childhood care and education programs, mothers are more likely to work.
- ▶ When child care costs are lower and more public options are available, more mothers are able to work longer hours.
- ▶ Reducing the cost of child care helps mothers rejoin the workforce.
- ▶ Making child care more affordable and accessible helps mothers join the workforce.

Source:

Morrissey TW. Child care and parent labor force participation: a review of the research literature. Rev Econ Household. 2017; 15:1-24. <https://doi.org/10.1007/s11150-016-9331-3>.

FACT 5

One study found that tripling Child Care and Development Fund (CCDF) investments and subsidies would lead to the employment of an estimated 652,000 additional women with family incomes less than 85% of state median income and children under age 13.

Fast Facts:

- ▶ Public investments in child care help more women work.
- ▶ Increasing public funding for child care would help more than half a million women join the workforce.
- ▶ If the government tripled what it spends on child care subsidies, half a million women with low incomes could get jobs.
- ▶ Increasing funding for child care can significantly boost women's employment.

Source:

Enchautegui ME, Chien N, Burgess K, Ghertner R. Effects of the CCDF subsidy program on the employment outcomes of low income mothers. US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. 2016. <https://aspe.hhs.gov/system/files/pdf/253961/EffectsCCSubsidiesMaternalLFPTechnical.pdf>.

Workforce (Child Care Providers)

FACT 6

One working paper found that increasing private voucher funding (through the Child Care Development Fund) by \$100 per young child increases the number of private provider slots by 0.026 per young child, raises average prices by \$0.56 per week, and induces new provider entry to the market by 0.4 percentage points. This suggests that an increase in public funding and subsequent increase in demand is expected to result in increased available child care slots with a limited increase in price.

Fast Facts:

- ▶ More government funding for child care can lead to more available spots, with a limited increase in cost.
- ▶ Government programs that provide families with an extra \$100 for child care can increase child care availability with only a small price increase.

Source:

Lee WF, Sojourner A, Davis EE, Borowsky J. Effects of child care vouchers on price, quantity, and provider turnover in private care markets. Upjohn Institute Working Paper 24-394. W.E. Upjohn Institute for Employment Research. <https://doi.org/10.17848/wp24-394>.

Business Case/Return on Investment

FACT 7

One paper found that a pair of early childhood programs in North Carolina had a 13.7% internal rate of return and an associated benefit/cost ratio of 7.3 through midlife.

Fast Facts:

- ▶ Every \$1 spent on early childhood programs returns \$7.
- ▶ Early childhood programs have a 14% return on investment.
- ▶ Investing in early childhood programs has long-term financial benefits.
- ▶ Early childhood programs provide a high return on investment.
- ▶ Early childhood programs return \$7 for every \$1 spent.

Source:

Garcia JL, Heckman JJ, Leaf DE, Prados MJ. Quantifying the life-cycle benefits of a prototypical early childhood program. *Journal of Political Economy*. 2020; 128;7: 2502-2541. <https://doi.org/10.1086/705718>.

FACT 8

The Prenatal-to-3 Policy Impact Center's analysis of Virginia's additional \$309 million for early childhood care and education services in state fiscal year (SFY) 2023 compared to SFY19 found the additional funding, in the next year alone, will generate a return of at least \$364.3 million from increased family earnings and disposable income, and at least \$30.4 million of this new income will go directly back to the state in the form of new state tax revenue. Furthermore, the additional SFY23 funding will generate at least \$778.0 million in combined cost savings and economic benefits over the lifetime of the 11,151 under age 5 who receive care.

Fast Facts:

- ▶ State investments in early childhood care and education increase state tax revenue.
- ▶ Investments in early childhood care and education have short- and long-term economic benefits.
- ▶ State investments in early childhood care and education increase family's household incomes.
- ▶ By investing \$309 million more in early childhood care, Virginia will see significant increases in family earnings, \$30 million in new tax revenue, and \$778 million in long-term benefits for young children.

Source:

Osborne C, Kresse A, Skatter N, Xu N, Huffman J, Craig S. Early investment, a lifetime of returns: articulating the value of early childhood investments in Virginia. Prenatal-to-3 Policy Impact Center. 2023. https://pn3policy.org/wp-content/uploads/2023/09/PN3PIC_ArticulatingtheValueofECEInvestmentsinVA_FullReport.pdf.

FACT 9

A cost-benefit analysis based on the New York state's child care subsidy eligibility expansion from 200% to 300% of the federal poverty level estimates a yearly social benefit of \$12.4 billion relative to a yearly cost of \$1.6 billion.

Fast Facts:

- ▶ Expanding access to child care subsidies benefits everyone.
- ▶ When New York state made it easier for more families to afford childcare, the estimated benefit was over 7 times greater than the cost.
- ▶ When New York state made it easier for more families to afford childcare, they saw a \$10.8 billion return on their investment.

Source:

Hartley RP, Garfinkel I, Ananat E, Wang B, Wimer C. A benefit-cost analysis of child care subsidy expansions: The New York state case. Working paper. New York: Center on Poverty and Social Policy at Columbia University. 2022. <https://povertycenter.columbia.edu/sites/default/files/content/Publications/Child-Care-Subidy-Benefit-Cost-NYS-CPSP-2022.pdf>.