

State- and federally-funded early childhood opportunities serve more than 11,351 children and families in South Dakota.¹

High-quality early childhood education (ECE) is proven to dramatically improve a child's opportunities for a better future - particularly children from low-income families - while offering parents improved job stability and overall economic security. Research has shown an annual 13% return on investment per child through better education, economic, health, and social outcomes.

Much of the progress at the state and local level has been made possible by strong partnerships with the federal government aimed at expanding access and increasing quality for more children. Many state and community programs are funded exclusively with federal dollars, while others leverage federal funding to offer high-quality early learning and care opportunities beyond what is possible with state funding alone.

At current funding levels, however, these programs reach only a fraction of the population they are intended to serve. A significant, sustained federal investment is needed to build a system of care that ensures all working families who need it can access affordable, high-quality options that work for them.

The COVID-19 pandemic demonstrated both the essential role of the early learning sector and the critical need for federal support to sustain it. [The Child Care and Development Block Grant \(CCDBG\)](#), for example, was key to providing relief to child care providers and ensuring access to care for thousands of working families. States have discretion and [varying timelines](#) for spending and reporting on the use of these funds. Consequently, that information is not included here.

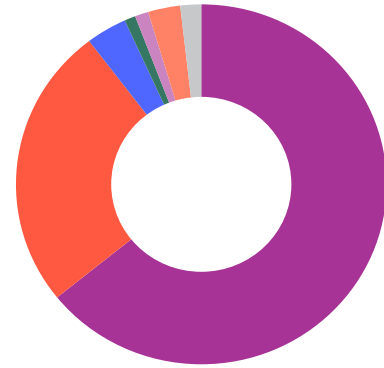
SOUTH DAKOTA QUICK FACTS

Population Under Six²	68,351
Under Six Living in Poverty³	23.54%
Children Enrolled in Head Start⁴	3,600
Eligible Children Served by Head Start⁵	43.21%
Children Enrolled in Early Head Start⁶	965
Eligible Children Served by Early Head Start⁷	7.48%
Children Under Six Served by CCDBG and Mandatory Funds⁸	2,484
Eligible Children Under Six Served by CCDBG and Mandatory Funds⁹	6.50%
Families Served by the Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV)¹⁰	171
Children Served by the Individuals with Disabilities Education Act (IDEA) Part C¹¹	1,092
Children Served by IDEA Part B, Sec. 619¹²	3,039

To learn more about the programs referenced, read [FFYF's ABCs of Federal Early Learning and Care Funding Streams](#).

¹This figure includes beneficiaries of Head Start, Early Head Start, CCDF, MIECHV, state-funded Pre-K, and IDEA Parts B, Sec. 619 and C. In some cases, children and families are served by more than one program. ²U.S. Census Bureau (Census) ³Census ⁴Office of Head Start Performance Indicator Report (PIR) ⁵PIR and Census ⁶PIR ⁷PIR and Census ⁸Office of Child Care (OCC) FY2019 CCDF Preliminary Data Table ⁹Center for American Progress (CAP) - Early Learning in the U.S.: 2019 ¹⁰Health Resources and Services Administration (HRSA) ¹¹U.S. Department of Education (ED) ¹²ED

Head Start and Early Head Start ¹³	● \$53.3 M
CCDBG and Mandatory Funds ¹⁴	● \$21.2 M
CCDBG State Match ¹⁵	● \$3.0 M
TANF ¹⁶ Early Learning and Care Expenditures ¹⁷	● \$802,914
MIECHV ¹⁸	● \$983,120
IDEA Part C ¹⁹	● \$2.3 M
IDEA Part B, Sec. 619 ²⁰	● \$1.5 M



Early Childhood Education and the South Dakota Economy

74%
OF CHILDREN UNDER SIX

In South Dakota, 74% of children under six have all available parents in the workforce.²¹

20%
OF THREE AND FOUR YEAR OLDS

20% of three- and four-year-old children attend public ECE.²²

In addition to the significant impact of early childhood education on children and families in the short and long term, early learning and care can have an immediate impact on state economies. Access to affordable child care can increase labor force participation and support parents seeking additional education and training, which contributes to higher earnings over an individual's lifetime.

In South Dakota, the child care industry has an estimated economic impact of \$279 million, including revenue generated by child care providers and spillover or related productivity in other sectors.²³

An estimated 7,052 jobs are sustained by the child care sector.²⁴

Lack Of Supply and the High Cost of Care Challenging for Working Families

Limited access to high-quality child care presents a tremendous challenge for working families, and too often, the care that is available costs more than families can afford.

43%
OF RESIDENTS

43% of South Dakota residents live in a "child care desert."²⁵

\$7,426

\$7,426 is the average annual cost of center-based infant care,²⁶ 8% of the state median income.²⁷

\$5,491

\$5,491 is the average annual cost of home-based infant care.²⁸

The pandemic only exacerbated these long-standing issues as many providers, who under normal circumstances operated on razor-thin margins, were forced to close in the face of increased costs and declining revenue. Prior to the pandemic, 160,000 openings for child care workers were projected annually, and between February 2020 and June 2021, an additional 115,000 child care sector jobs were lost and still have not been recovered.

¹³Head Start Early Childhood Learning and Knowledge Center ¹⁴OCC GY2020 CCDF Allocations (Based on Appropriations) ¹⁵Ibid. ¹⁶Temporary Assistance for Needy Families (TANF) ¹⁷Office of Family Assistance TANF FY2019 Financial Data ¹⁸HRSA ¹⁹ED ²⁰Ibid. ²¹Census ²²National Institute for Early Education Research (NIEER) - State of Preschool 2020 (includes preschool, Head Start, and Special Education) ²³Committee for Economic Development (CED) ²⁴CED ²⁵CAP defines "child care desert" as any census tract with more than fifty children under age five that contains either no child care providers OR more than three times as many children as licensed child care slots. ²⁶Child Care Aware of America - 2020 State Fact Sheets ²⁷Ibid. ²⁸Ibid.