High-quality early care and education (ECE) is proven to dramatically improve a child’s opportunities for a better future while offering parents greater job stability and overall economic security.

The Economic Impact
Access to affordable, high-quality child care can increase parental labor force participation and family economic stability. However, widespread problems finding and paying for child care adversely affect both state and national economies. As a direct result of child care issues, the national economy loses $122 billion annually in the form of lost earnings, productivity, and revenue. In Arizona: The estimated annual economic impact of the infant-toddler child care crisis: $2.2B.

There are several early learning programs that provide working families with access to high-quality, affordable ECE opportunities, but currently the demand for care far outweighs the supply, and funding constraints leave many eligible children unserved. Each of these programs has its own eligibility requirements, purpose, and service delivery model. Together they form a mixed-delivery system that supports parental choice and aims to meet children’s individual needs.

Child Care & Development Block Grant (CCDBG)

Eligible Children Birth Through Age Five

21,798 Children Birth Through Age Five Served

12% of Children Birth Through Age Five Served

Learn more about CCDBG in Arizona here.

Early Head Start

3,726 Children Enrolled

7% of Eligible Children Served

Head Start

11,085 Children Enrolled

24% of Eligible Children Served

Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

1,965 Families Served

Learn more about MIECHV in Arizona here.

State-Funded Pre-K

4,241 Children Enrolled

3% of three- and four-year-old children attend public ECE

IDEA Part C

5,281 Children Served

IDEA Part B, Sec. 619

8,115 Children Served

Child and Dependent Care Tax Credit (CDCTC)

Through the tax code, the CDCTC helps parents with the cost of work-related child care expenses.

Learn more about CDCTC here.
Early Care and Education (ECE) in Arizona Snapshot

**Accessibility**

Many families struggle to find the care they need.

- **48%** of Arizona residents live in a “child care desert.”
- **Rural families and families with low incomes** are disproportionately represented among those who live in a “child care desert.”
- **2%** of children under age 3 receive early intervention services.

**Affordability**

The cost of ECE is too expensive for many families.

- The annual price of center-based infant care is **$14,040**, and home-based infant care is **$8,840**.
- Families receiving a CCDBG subsidy pay between **$23** and **$69 per month** for one child in care.
- A two-parent household spends **10%** of their income on child care, while HHS defines spending over 7% to be a burden.

**ECE Workforce**

Early childhood educators have some of the lowest paying jobs in the United States, earning poverty-level wages.

- **$32,650** child care worker annual salary ($15.70 per hour).

**Program Quality**

Program quality varies substantially across and within states.

- **Met 3/10** of NIEER’s Quality Standards Benchmarks for state-funded pre-K programs. Only 5 states met all 10 benchmarks in 2022.
- **29%** of children received developmental screenings at 9, 18, and 30 months in the past year.

For full sourcing information, visit [here](#).

Federal and State ECE Funding in Arizona

Federal funding is foundational to providing ECE.

- **$211M** • Head Start and Early Head Start
- **$204.9M** • CCDBG and Mandatory Funds
- **$10.8M** • MIECHV
- **$14.2M** • IDEA Part C
- **$8.7M** • IDEA Part B, Sec. 619
- **$14M** • PDG B-5
- **$20.1M** • State-Funded Pre-K
- **$15.7M** • CCDBG State Match
- **$4.2M** • PDG B-5 State Match

Arizona received an additional $1.3B through COVID-19 relief.

Spotlight: ECE Successes in Arizona

**COVID-19 Relief:** Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat.

- As a result, **2,970** child care programs in Arizona received support, impacting up to **257,600** children.
- These funds also allowed states to demonstrate what would be possible when equipped with additional resources. Funds have been used to directly support child care providers to cover increased costs and challenges due to COVID-19.

**Preschool Development Grant Birth Through Five (PDG B-5):**

PDG B-5 is a competitive federal grant designed to improve states’ early childhood systems. In their 2023 renewal grant application, among other uses, Arizona noted that they would use funding to:

- Provide high-quality B-5 programming for 1,000 infant, toddler, and preschool-age children in high-needs communities and essential supports for the ECE workforce.
- Increase the percentage of children with disabilities served in inclusive settings from 31% to 50% statewide through blending and braiding funds.

*Arizona Department of Economic Security | "AZ PDG B-5 Renewal Grant Application*