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 Kentucky: The estimated annual economic impact of the infant-toddler child care crisis: $1.2B.

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)

14,352
Children Birth Through Age Five Served

Eligible Children Birth Through Age Five Served

Learn more about CCDBG in Kentucky here.

Early Head Start

3,476
Children Enrolled

Eligible Children Served

Head Start

12,226
Children Enrolled

Eligible Children Served

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

988
Families Served

Learn more about MIECHV in Kentucky here.

State-Funded Pre-K

17,045
Children Enrolled

IDEA Part C

4,228
Children Served

IDEA Part B, Sec. 619

10,430
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.
Federal and State ECE Funding in Kentucky

Federal funding is foundational to providing ECE.

$181M ● Head Start and Early Head Start

$156.8M ● CCDBG and Mandatory Funds

$3.6M ● MIECHV

$9.1M ● IDEA Part C

$15.8M ● IDEA Part B, Sec. 619

$19.3M ● TANF Early Learning and Care Expenditures

$11.9M ● PDG B-5

$119.8M ● State-Funded Pre-K

$8.6M ● CCDBG State Match

$3.6M ● PDG B-5 State Match

Kentucky received an additional $1B through COVID-19 relief.

Spotlight: ECE Successes in Kentucky

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, 1,725 child care programs in Kentucky received support, impacting up to 129,000 children.

• These funds also allowed states to demonstrate what would be possible when equipped with additional resources. Funds have been used to support and stabilize the workforce through wage bonuses. Nine quarterly payments will be issued to child care programs from November 2021 until September 2023. Providers that are not meeting the higher hourly pay rates ($10 or $13/hour depending on Tier of application) can apply for 10% or 20% in additional funding to increase staff compensation.

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, Kentucky noted that they would use funding to:

• Increase access to high-quality ECE by supporting the establishment of new child care programs, including by offering matching funds to child care start-ups in counties identified as child care deserts.

• Expand the state’s apprenticeship program, and invest in coaching and mentor supports, financial incentives, technology resources, and professional development opportunities.

Accessibility
Many families struggle to find the care they need.

• 50% of Kentucky 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 $9,685, and home-based infant care is $7,345.

• Families receiving a CCDBG subsidy pay between $44 and $294 per month for one child in care.

• A two-parent household spends 9% 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.

• $25,530 child care worker annual salary ($12.28 per hour).

Program Quality
Program quality varies substantially across and within states.

• Met 8/10 of NIEER’s Quality Standards Benchmarks for state-funded pre-K programs. Only 5 states met all 10 benchmarks in 2022.

• 27% of children received developmental screenings at 9, 18, and 30 months in the past year.

For full sourcing information, visit here.