



# 2023 Child Care and Early Education in North Carolina



In North Carolina, federal and state early learning opportunities serve more than 90,398 children and families,<sup>1</sup> or 13% of children birth through age 5.<sup>2</sup>

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.<sup>7</sup> In North Carolina: The estimated annual economic impact of the infant-toddler child care crisis: \$3.5B.<sup>8</sup>

## Families Lack Access to High-Quality ECE Options in North Carolina

The high cost and limited supply of quality ECE have created serious challenges for many families.

### Unmet Need



**716,033** Children Birth Through Age Five<sup>3</sup>



**21%** of Children Birth Through Age Five Living in Poverty<sup>4</sup>



**64%** of Children Birth Through Age Five With All Available Parents in the Workforce<sup>5</sup>



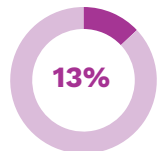
**13%** of Children Birth Through Age Five Served By Federal- and State-Funded Early Learning Opportunities<sup>6</sup>

Note: 1,2,6: These figures include 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.

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)

**26,325** Children Birth Through Age Five Served<sup>9</sup>



Eligible Children Birth Through Age Five Served<sup>10</sup>

Learn more about CCDBG in North Carolina [here](#).

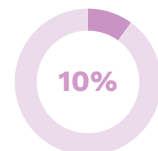
## Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

**510** Families Served<sup>15</sup>

Learn more about MIECHV in North Carolina [here](#).

## State-Funded Pre-K

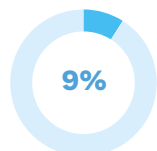
**23,679** Children Enrolled<sup>16</sup>



of three- and four-year-old children attend public ECE<sup>17</sup>

## Early Head Start

**5,587** Children Enrolled<sup>11</sup>



Eligible Children Served<sup>12</sup>

## IDEA Part C

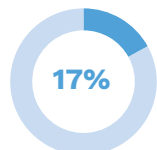
**9,527** Children Served<sup>18</sup>

## IDEA Part B, Sec. 619

**10,810** Children Served<sup>19</sup>

## Head Start

**13,960** Children Enrolled<sup>13</sup>



Eligible Children Served<sup>14</sup>

## 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 North Carolina Snapshot



### Accessibility

Many families struggle to find the care they need.

- **44%** of North Carolina residents live in a “child care desert.”<sup>20</sup>
- **Hispanics/Latinos and rural families** are disproportionately represented among those who live in a “child care desert.”<sup>21</sup>
- **3%** of children under age 3 receive early intervention services.<sup>22</sup>



### Affordability

The cost of ECE is too expensive for many families.

- The annual price of center-based infant care is **\$11,833**, and home-based infant care is **\$9,375**.<sup>23</sup>
- A two-parent household spends **10%** of their income on child care, while HHS defines spending over 7% to be a burden.<sup>25</sup>



### ECE Workforce

Early childhood educators have some of the lowest paying jobs in the United States, earning poverty-level wages.<sup>26</sup>

- **\$27,030** child care worker annual salary (\$13.00 per hour).<sup>27</sup>



### Program Quality

Program quality varies substantially across and within states.

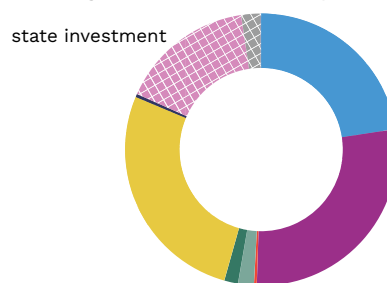
- **Met 8/10** of NIEER’s Quality Standards Benchmarks for state-funded pre-K programs. Only 5 states met all 10 benchmarks in 2022.<sup>28</sup>
- **46%** of children received developmental screenings at 9, 18, and 30 months in the past year.<sup>29</sup>

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

<sup>20</sup>North Carolina Department of Health and Human Services | <sup>21</sup>Ashe Poste and Times

## Federal and State ECE Funding in North Carolina

Federal funding is foundational to providing ECE.



\$246.9M • Head Start and Early Head Start<sup>30</sup>

\$305.4M • CCDBG and Mandatory Funds<sup>31</sup>

\$3.7M • MIECHV<sup>32</sup>

\$20.4M • IDEA Part C<sup>33</sup>

\$17.9M • IDEA Part B, Sec. 619<sup>34</sup>

\$294.6M • TANF Early Learning and Care Expenditures<sup>35</sup>

\$4M • PDG B-5<sup>36</sup>

\$174.2M • State-Funded Pre-K<sup>37</sup>

\$24.7M • CCDBG State Match<sup>38</sup>

\$1.2M • PDG B-5 State Match<sup>39</sup>

North Carolina received an additional \$1.7B through COVID-19 relief.<sup>40</sup>

### Spotlight: ECE Successes in North Carolina

#### 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, **4,380** child care programs in North Carolina received support, impacting up to **383,100** children.<sup>41</sup>
- 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 increases in staff compensation. Approved programs can receive additional funding for a Compensation Support Grant, where they can elect to either provide bonuses for all staff or increase base pay and/or benefits along a compensation scale.\*

#### 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 planning grant application, among other uses, North Carolina noted that they would use funding to:

- **Create a Rural Child Care Innovation Program**, which provides facilitation to rural communities to create local solutions action plans to address child care deserts.
- **Pilot a preschool program for three-year-olds that aligns with the Great Start Readiness Program.**\*\*