

In Indiana, federal and state early learning opportunities serve more than 59,812 children and families,¹ or 12% of children ages 5 and under.²

High quality child care and early learning programs support child development and offer parents peace of mind while they work or attend school.

Unfortunately, the demand for quality care far outweighs the supply, so many families struggle to access and afford the care options they want or need. While there are several federally funded programs that provide working families with access to quality child care opportunities, limited funding leaves many eligible children unserved. The impacts of these challenges extend beyond families and carry over to the workplace. As a direct result, the national economy loses **\$122 billion annually** in the form of lost earnings, productivity, and revenue.³

Below is a list of existing child care and early learning programs which together form a mix delivery system that supports parental choice and aims to meet children's individual needs. These programs have unique eligibility requirements and service delivery models. However, at current funding levels, each only reaches a fraction of eligible families.

STATE OF CHILD CARE IN INDIANA

494,371
Children 5 & Under⁴

64%
Children 5 & Under with All Available Parents in the Workforce⁵

772
Licensed Child Care Centers in 2023 (+12 compared to 2022)⁶

2,132
Licensed Family Child Care Homes in 2023 (-25 compared to 2022)⁷

48%
Gap in the Supply of Child Care vs. the Potential Need⁸

\$2.2B
Estimated Economic Impact of Infant-Toddler Child Care Challenges Each Year⁹

\$13,736
Annual Price of Center-Based Infant Care (\$1,145 per month)¹⁰

\$8,845
Annual Price of Home-Based Infant Care (\$737 per month)¹¹

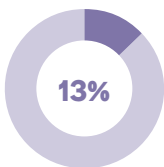
\$108,402
Median Income of Married-Couple Family¹²

12.7%
Portion of Income Spent by a Married-Couple Family on Center-Based Infant Care¹³

\$33,501
Median Income of Single-Parent Family¹⁴

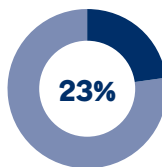
41.0%
Portion of Income Spent by a Single-Parent Family on Center-Based Infant Care¹⁵

CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)
130,050 CHILDREN 5 & UNDER ELIGIBLE¹⁶
16,592 CHILDREN 5 & UNDER SERVED¹⁷



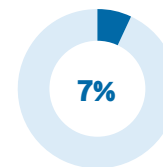
ELIGIBLE CHILDREN 5 & UNDER SERVED¹⁸

HEAD START
44,259 CHILDREN ELIGIBLE¹⁹
10,032 CHILDREN ENROLLED²⁰



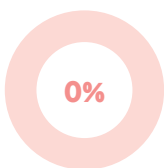
ELIGIBLE CHILDREN SERVED²¹

EARLY HEAD START
44,259 CHILDREN ELIGIBLE²²
3,148 CHILDREN ENROLLED²³



ELIGIBLE CHILDREN SERVED²⁴

STATE-FUNDED PRE-K
0 CHILDREN ENROLLED²⁵



3-AND 4-YEAR-OLDS SERVED²⁶

MIGRANT AND SEASONAL HEAD START
187 CHILDREN ENROLLED²⁷

MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)
1,858 FAMILIES SERVED²⁸

IDEA PART C (EARLY INTERVENTION)
14,167 CHILDREN SERVED²⁹

IDEA PART B, SEC. 619 (PRESCHOOL SPECIAL EDUCATION)
14,015 CHILDREN SERVED³⁰

INDIANA: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING



| | |
|-----------------|---|
| \$260.7M | CCDBG and Mandatory Funds ³¹ |
| \$162.9M | Head Start and Early Head Start ³² (includes AIAN HS/EHS when applicable) |
| \$14M | PDG B-5 ³³ |
| \$12.1M | MIECHV ³⁴ |
| \$10.9M | IDEA Part C ³⁵ |
| \$9.8M | IDEA Part B, Sec. 619 ³⁶ |
| \$22.4M | TANF Early Care and Education ³⁷ |
| \$61.8M | TANF Transferred to CCDBG ³⁸ |

STATE INVESTMENT

| | |
|---------------|-----------------------------------|
| \$0 | State-Funded Pre-K ³⁹ |
| \$24M | CCDBG State Match ⁴⁰ |
| \$4.2M | PDG B-5 State Match ⁴¹ |

ELEMENTS OF PROGRAM QUALITY

Program quality varies substantially within and across states.

Quality child care and early learning programs rely on a strong workforce, but low pay makes it difficult to recruit and retain educators. **In Indiana, child care workers earn \$14.00 per hour (\$29,120 annually).**⁴²

Teacher-child ratios are crucial for ensuring safety, quality, and individual attention. Licensed center-based care providers participating in CCDBG are required to have the following ratios:⁴³

- **Infant 1:4**
- **Toddler 1:5**
- **Preschool 1:10 for age 3, 1:12 for age 4
1:15 for age 5 and older**

The state's pre-K program met **6/10 of NIEER's Quality Standards Benchmarks**, which represent minimum standards to support quality preschool programs.⁴⁴

Preschool Development Grant Birth Through Five (PDG B-5) is a competitive federal grant designed to improve states' early childhood systems. **Indiana's PDG B-5 plans include:**⁴⁵

- Encourage new training models for the early childhood workforce, leveraging career/technical education, competency-based credentialing, portable/stackable credentials, apprenticeships, and job-embedded training.
- Engage parents by establishing a Family Policy Advisory Council, creating more streamlined eligibility between support programs, and translating resources for multilingual families.

CHILD AND DEPENDENT CARE TAX CREDIT (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care.

In its current form, the credit only reaches a small percentage of families and has been swiftly outpaced by the escalating cost of child care as it lacks any adjustment for inflation.

Last permanently updated in 2001, the current credit averages \$500-\$600 a year.⁴⁶

CDCTC IN INDIANA BY TAX YEAR

| | |
|--------------|---|
| 2020 | <ul style="list-style-type: none"> • 102,480: Number of taxpayers claiming the CDCTC⁴⁷ • \$530: Average credit |
| 2021 | <p><i>The CDCTC was temporarily expanded and made refundable for one year in response to the pandemic.</i></p> <ul style="list-style-type: none"> • 126,840: Number of taxpayers claiming the CDCTC⁴⁸ (an additional 24,360 from 2020) • \$2,015: Average Credit (an additional \$1,485 from 2020, on average) |
| TODAY | <p><i>The temporary expansion expired; the CDCTC reverted back to 2001 levels.</i></p> <ul style="list-style-type: none"> • \$500-600: Average credit |

NOTE: Major provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) expire at the end of 2025⁴⁹, giving Congress the opportunity to modernize the CDCTC and other tax provisions to better help working families offset the cost of quality child care.⁵⁰



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