

In North Carolina, federal and state early learning opportunities serve more than **94,320 children** and families,¹ or **13% 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.

In the U.S., the demand for quality care far outweighs the supply: **28% of working families** with young children cannot reasonably access the formal care they want or need.³ While there are several federally funded programs that help working families access 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. The 10-year economic impact of the child care shortage could be as high as \$329 billion due the effects on households, businesses, and tax revenues.⁴

PROGRAM REACH

Below is a list of existing child care and early learning programs which together form a mixed 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.

NORTH CAROLINA

NEED

721,080
Children 5 & Under⁵

64%
Children 5 & Under with All Available Parents in the Workforce⁶

SUPPLY

4,215
Licensed Child Care Centers in 2024 (-31 from 2023)⁷

1,110
Licensed Family Child Care Homes in 2024 (-60 from 2023)⁸

56%
Gap in Supply of Child Care vs. Potential Need⁹

IMPACT

\$12.2B-\$18.7B
Estimated 10-Year Economic Loss Due to Child Care Gap⁹

COST*

\$12,370
Annual Price of Center-Based Care (\$1,031 per month)¹⁰

\$9,961
Annual Price of Home-Based Care (\$830 per month)¹¹

11%
Portion of Median Married-Couple Family Income (\$117,287) Spent on Center-Based Care¹²

34.2%
Portion of Median Single-Parent Family Income (\$36,181) Spent on Center-Based Care¹³

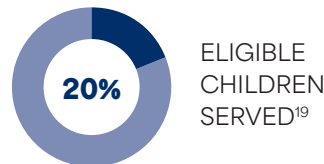
**estimates are based on price of infant care for one child*

CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)
194,057 CHILDREN 5 & UNDER ELIGIBLE¹⁴
24,426 CHILDREN 5 & UNDER SERVED¹⁵

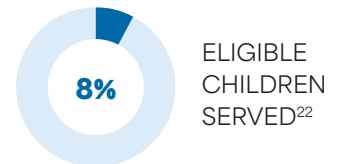


Based on federal eligibility (85% SMI)

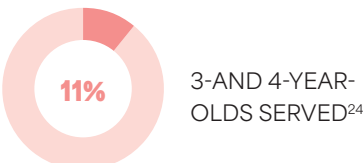
HEAD START PRESCHOOL
69,158 CHILDREN ELIGIBLE¹⁷
13,810 CHILDREN ENROLLED¹⁸



EARLY HEAD START
69,158 CHILDREN ELIGIBLE²⁰
5,271 CHILDREN ENROLLED²¹



STATE-FUNDED PRE-K
27,304 CHILDREN ENROLLED²³



MIGRANT AND SEASONAL HEAD START
448 CHILDREN ENROLLED²⁵

MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)
467 CHILDREN SERVED²⁶

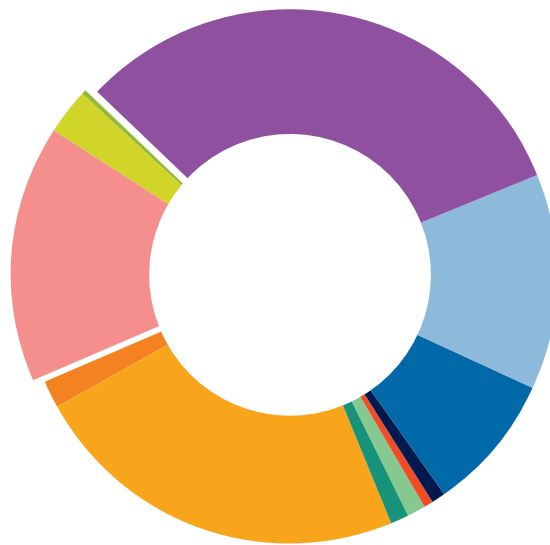
IDEA PART C (EARLY INTERVENTION)
10,442 CHILDREN SERVED²⁷

IDEA PART B, SEC. 619 (PRESCHOOL SPECIAL EDUCATION)
12,600 CHILDREN SERVED²⁸

NORTH CAROLINA: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING

STATE INVESTMENT

- \$194.3M** State-Funded Pre-K³⁸
- \$34.5M** CCDBG State Match³⁹
- \$2.7M** PDG B-5 State Match⁴⁰



FEDERAL INVESTMENT

- \$398.8M** CCDBG and Mandatory Funds²⁹
- \$163.6M** Head Start Preschool³⁰
(includes AIAN when applicable)
- \$106.3M** Early Head Start³¹
(includes AIAN when applicable)
- \$9M** PDG B-5³²
- \$5.6M** MIECHV³³
- \$16.5M** IDEA Part C³⁴
- \$12.5M** IDEA Part B, Sec. 619³⁵
- \$289.8M** TANF Early Care and Education³⁶
- \$21.8M** TANF Transferred to CCDBG³⁷

CCDBG

CCDBG allows states to provide child care assistance to low-income working families with children under age 13, helping parents access child care in a setting of their choice.

In North Carolina:

- **5,505 child care providers** accept CCDBG subsidies.⁴¹
- Eligibility is capped at **67% of State Median Income**.⁴²
- A family of three is eligible if they make **\$4,143/month** or less (**\$49,716/year**).⁴³
- With a subsidy, a family of three pays a maximum monthly co-payment of **\$414/month**, compared to **\$1,031/month** without.⁴⁴

State Lead Agencies must establish child care licensing requirements that ensure children are cared for in safe, quality environments. Different rules may apply depending on the setting (e.g., center or home-based) and some providers may be exempt from licensing requirements (e.g., faith-based programs).

Appropriate teacher-child ratios are crucial to ensure safety, quality, and individual attention. Licensed center-based care providers in North Carolina must meet the following ratios:⁴⁵

INFANT	1:5
TODDLER	1:6 for 12-24 months 1:10 for 2-3 years
PRESCHOOL	1:15 for ages 3-4 1:20 for ages 4-5



Scan or click the QR code for full references and links. For more information contact FFYF at mail@ffyf.org.

HEAD START

Head Start Preschool and Early Head Start (collectively referred to as “Head Start”) provide a continuum of high-quality early learning and comprehensive services that support health and development, and strengthen family well-being. Federal funds go directly to local grantees, with programs in every congressional district (explore Head Start’s reach in these [maps](#)).⁴⁶

In North Carolina, there are **67 Head Start grants**, which fund **412 program sites** and serve **19,081 children**.^{47, 48, 49}

Children are eligible if their family income is below the federal poverty line, they are receiving TANF, SNAP, or SSI, or if they are in foster care or experiencing homelessness. Additionally, programs are expected to reserve at least 10% of slots for children eligible for services under the Individuals with Disabilities Education Act (IDEA).

PDG B-5

Preschool Development Grants Birth through Five (PDG B-5) is a competitive federal grant designed to improve states’ early childhood systems. To date, North Carolina has been awarded **\$75.7M** in PDG B-5 funds.⁵⁰ North Carolina’s PDG B-5 accomplishments include:⁵¹

- Began implementation of Babies First NC to provide intensive coaching, professional development, and financial supports to infant-toddler child care programs.
- Launched the Family Connects universal home visiting pilot and evaluation in three regions serving over 3,000 families.

Learn more with the PDG B-5 grantee map [here](#).⁵²

CDCTC

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care. In 2025, the CDCTC was permanently updated for the first time since 2001. Many filers could see their credit increase by as much as \$450 (for one child) or \$900 (for two+ children.)⁵³ In North Carolina, **197,060 taxpayers** claimed the CDCTC in 2022.⁵⁴