

Early childhood investments would support children's development, parents' return to work



Funding high-quality, accessible, and affordable early childhood education is one of the most important steps North Carolina can take for our state's future. It supports children's healthy development and lays the groundwork for them to thrive in school and throughout their lives. Access to child care is also essential for families and communities: Child care makes it possible for parents, especially mothers, of young children to work and support their family's needs. This has been all too clear during the COVID-19 pandemic, as workforce participation among mothers has dropped rapidly and been slow to recover.

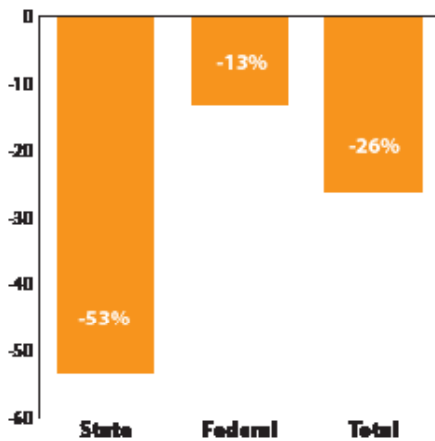
Our current private-pay model for early childhood education, leaves families struggling with high costs, educators facing chronically low pay, and the system vulnerable to shocks like pandemics and economic downturns. An estimated 44% of the state's children under age 6 live in child-care deserts without easy access to a child-care facility. Yet the state's funding for child care has dwindled over the years as legislators have relied on shifting federal funds from other key needs rather than committing General Fund dollars. The Leandro decision also means that North Carolina is legally required to invest in equitable early childhood education as part of its constitutional obligation to ensure equal education opportunities for all children.

For the past decade, North Carolina has chronically underfunded the state infrastructure, programs, and services that are critical for supporting every family and community in our state with the resources they need. **In order to rebuild a more equitable state, the NC General Assembly must prioritize people over profitable corporations** and make the public investments necessary to ensure every North Carolinian can thrive.



BY THE NUMBERS

Declining commitment of state dollars keeps overall child care assistance funding below pre-Recession levels (FY 2007-08)



Source: Special Data Request to the NC Department of Health and Human Services, June 2019. Data based on expenditures by fiscal year for child-care subsidy.

- An estimated 226,000 children ages 0-5 are eligible for child-care assistance in North Carolina, but only an estimated 17 percent receive assistance. ([NC Policy Watch](#))
- The median hourly wage for child-care workers in North Carolina is just \$10.62. ([Center for the Study of Child Care Employment](#))
- Since 2008, Smart Start funding has fallen by 38 percent when adjusted for inflation, cutting important compensation and training programs for educators. ([Smart Start, BTC Report](#))
- When federal child-care funding increased by \$74 million in 2018, the NC General Assembly re-allocated two-thirds of the increase and cut state funding, rather than invest in the early childhood system. ([BTC Report](#))
- The Leandro Plan calls for \$76 million in additional funding for early childhood education in Fiscal Year 2022, with incremental increases to \$1.5 billion in new recurring annual funding by 2028. ([NC Early Childhood Foundation](#))

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Telling the story of impact

More families need access to high quality and affordable child care to recover from the pandemic. The average annual cost of care for an infant attending a child-care center in our state is \$9,650, which is more than in-state tuition at the University of North Carolina. Over 19,000 children are on the growing wait list for child-care subsidies, and high child-care costs are a major barrier for parents, especially mothers, who want to get back to work. In North Carolina, 30 percent of women not working due to the pandemic reported it was because they were caring for their children, compared with just 4 percent of men. Check out these news stories for more details:

- [U.S. Census Bureau: Parents juggle work and child care during pandemic](#)
- [News & Observer: The pandemic fell hard on mothers. Here's how NC can really help them.](#)
- [Harvard Business Review: Childcare is a business issue](#)

Child-care providers need stable funding to remain open and to ensure early childhood educators earn a living wage. The private-fee model for child care means declining enrollment and temporary closures during the pandemic have left many providers struggling to meet their bottom lines. Also, parents simply cannot afford to pay the cost of ensuring that educators receive a living wage and benefits. The result is that child-care workers earn on average less than \$11 per hour for their extremely valuable and challenging work, and directors struggle to hire and retain staff when fast food restaurants can offer higher pay. Check out these news stories for more details:

- [EdNC: NC early educators are seven times more likely to live in poverty than K-8 teachers](#)
- [EdNC: The 'roller coaster' of learning to run a child care center — just as a pandemic hits](#)

Without recurring state funding for early childhood education, North Carolina can't meet its constitutional mandate in the Leandro court ruling to provide equal educational opportunities for all children. The judge overseeing the Leandro case has affirmed through a recent court order that North Carolina must make ongoing state investments in education, including early education, in order implement the state's plan for equitable educational funding. Time-limited sources like the American Rescue Plan won't meet the need — or satisfy the court's mandate — for long-term investments. Check out these news stories for more details:

- [EdNC: Judge signs order to implement comprehensive Leandro Plan](#)
- [NC Early Childhood Foundation: Leandro moves forward with release of comprehensive plan for next eight years, including significant investments in early childhood](#)
- [Every Child NC: Why is the Leandro Plan important for early education?](#)

For more information about this fact sheet or other budget topics, please contact Suzy Khachaturyan at suzyk@ncjustice.org or Alexandra Sirota at alexandra@ncjustice.org.



MORE RESOURCES

- [BTC Report: Equitably financing child care for North Carolina families: 2021 update](#)
- [BTC Blog: NC needs to invest in child care assistance if we want people to get back to work](#)
- [BTC Report: The missed opportunity for North Carolina's youngest children — How expansion of federal funding could have gone further to advance quality and access](#)
- [Center for American Progress: The true cost of high quality child care](#)