

# Funding issues for early childhood care and education programs

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Chapter 8 in 'Early childhood education and care in the USA'

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## AVAILABILITY

Available in print for order (see SOURCE) or online for download.

- Full report in pdf [3]

## Abstract:

This paper examines the sources of funding for the education and care of children under five years of age in the United States. Precise data on early childhood education and care (ECEC) expenditures are difficult to obtain because few government programs target solely this age group and household expenditure data are not collected on a regular basis. This paper uses the best available data to estimate public and private funding.

Despite significant increases in government spending, households continue to account for the majority of ECEC expenditures. In 2001, the household share of ECEC spending is estimated at 55 percent, the federal government share at 30 percent, and the remaining 15 percent for state and local governments. Private philanthropic contributions are small by comparison, perhaps as little as one percent. Total government spending on ECEC is estimated at \$25 billion in 2001. The annual public cost of providing universal ECEC is estimated to range from \$50 billion to \$200 billion, depending on the quality and intensity of the program provided and the nature of the subsidy arrangements. Clearly, universal ECEC would require a substantial increase in government funding. The last section of this paper discusses alternative approaches to funding and finance.

**Region:** United States [4]

**Tags:** economics [5]

funding [6]

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