



The current situation

Child care and early learning opportunities enrich child development, support working families, and strengthen the overall economy. But Indiana’s insufficient supply of affordable, quality child care leaves parents with few options and child care providers earning poverty wages. With sustained federal investment and strong local implementation, Indiana could make affordable, high-quality child care and preschool a reality for families while ensuring fair compensation for early educators.

Number of children under the age of 6 ¹	497,730
Number of infants and toddlers ²	242,911
Percentage of children under the age of 6 with all available parents in the workforce ³	67.5%
Average price of child care for two children based on market rate surveys by Child Care Aware ⁴	\$17,189
Percentage of income a typical family spends on child care based on families’ self-reported household expenses ⁵	11.4%
Percentage of population that lives in a child care desert where there are not enough child care options ⁶	55%
Number of parents making career sacrifices due to issues with child care ⁷	61,633

Missed opportunities

Limited and unpredictable revenue available to early learning programs leaves the early childhood workforce woefully underpaid and restricts access to high-quality care to only the highest-income families. Note that wages for child care workers and preschool teachers are lower than those of kindergarten teachers.

Percentage of children under the age of 6 who meet federal eligibility standards and receive child care subsidies ⁸	9.7%
Difference between the true cost of high-quality infant care and current subsidy rates ⁹	\$10,980
Percentage of 3-years-olds served by public preschool ¹⁰	NA
Percentage of 4-year-olds served by public preschool ¹¹	NA
Percentage of income the typical family of three would pay to cover the true cost of child care for an infant ¹²	22%
Median hourly wage for child care workers ¹³	\$10.96
Median hourly wage for preschool teachers ¹⁴	\$13.88
Median hourly wage for kindergarten teachers ¹⁵	\$24.95

Economic benefits of public investment

Increased federal investment in the early learning system would dramatically benefit Indiana children, families, and the broader state economy.

Weekly child care savings for a typical family under the Build Back Better Act ¹⁶	\$151
Estimated annual state economic benefit of universal preschool ¹⁷	\$1.05B

Endnotes

- 1 U.S. Census Bureau, "Population Under 18 Years By Age," available at <https://data.census.gov/cedsci/table?q=children%20by%20age&tid=ACSDT1Y2019.B09001&moe=false&hidePreview=true> (last accessed September 2021).
- 2 Ibid. The author defines infants and toddlers as children under the age of 3.
- 3 U.S. Census Bureau, "Selected Economic Characteristics, 2015–2019 American Community Survey 5-Year Estimates," available at <https://data.census.gov/cedsci/table?q=selected%20economic%20characteristics&g=0100000US.04000.001&tid=ACSDP5Y2019.DP03&hidePreview=true> (last accessed August 2021).
- 4 The author uses the average for center-based and home-based care for one infant and one 4-year-old. See Child Care Aware of America, "2020 State Fact Sheets" (Arlington, VA: 2020), available at https://www.childcareaware.org/wp-content/uploads/2020/09/2020StateFactSheets-UPDATE-AllStates-09242020.pdf?utm_campaign=Picking%20Up%20The%20Pieces&utm_source=52%20SFS%20%20PDF.
- 5 Findings derived from families' self-reported expenses in the Survey of Income and Program Participation. For full methodology, see Rasheed Malik, "The Build Back Better Act Would Greatly Lower Families' Child Care Costs," Center for American Progress, September 22, 2021, available at <https://www.americanprogress.org/issues/early-childhood/news/2021/09/22/503993/build-back-better-act-greatly-lower-families-child-care-costs/>.
- 6 Rasheed Malik and others, "America's Child Care Deserts in 2018" (Washington: Center for American Progress, 2018), available at <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>.
- 7 CAP analysis based on Data Resource Center for Child and Adolescent Health, "2019 National Survey of Children's Health (2016–present), Indicator 6.17: Job change because problems with child care, age 0-5 years," available at <https://www.childhealthdata.org/browse/survey> (last accessed September 2021).
- 8 See Table 1 in Rasheed Malik, "The Build Back Better Act Substantially Expands Child Care Assistance," Center for American Progress, December 2, 2021, available at <https://americanprogress.org/article/the-build-back-better-act-substantially-expands-child-care-assistance>.
- 9 CAP calculations based on subsidy data from Karen Schulman, "On the Precipice: State Child Care Assistance Policies 2020, Table 4c" (Washington: National Women's Law Center, 2021), available at <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf>; Simon Workman, "The True Cost of High-Quality Child Care Across the United States" (Washington: Center for American Progress, 2021), available at <https://www.americanprogress.org/issues/early-childhood/reports/2021/06/28/501067/true-cost-high-quality-child-care-across-united-states/>.
- 10 National Institute for Early Education Research, "The State of Preschool Yearbook 2020," available at <https://nieer.org/state-preschool-yearbooks/yearbook2020> (last accessed September 2021).
- 11 Ibid.
- 12 Typical is defined as the state median income for a family of three. CAP calculations based on Workman, "The True Cost of High-Quality Child Care Across the United States"; U.S. Administration for Children and Families, "State Median Income (SMI) by Household Size for Mandatory Use in LIHEAP for FFY 2021," available at https://www.acf.hhs.gov/sites/default/files/documents/ocs/comm_liheap_im2002smiattachment_fy2021.pdf (last accessed September 2021).
- 13 U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics, May 2020," available at <https://www.bls.gov/oes/tables.htm> (last accessed September 2021).
- 14 Ibid.
- 15 Ibid.
- 16 Malik, "The Build Back Better Act Would Greatly Lower Families' Child Care Costs."
- 17 CAP analysis based on Cristina Novoa and Katie Hamm, "Methodology for 'The Cost of Inaction on Universal Preschool,'" Center for American Progress, October 31, 2017, available at https://cdn.americanprogress.org/content/uploads/2017/10/30144447/103017_CostofInaction-methodology.pdf?ga=2.147296503.1710793653.1633545262-574933790.1579099476.