



## Alabama

### Sustain Child Care and Head Start Investments

Investments in early education help us build a smarter, healthier, and stronger America. Deficit reduction will only come from wiser investment of public dollars. Data consistently shows early education yields significant returns in future years, and ultimately saves money and reduces deficits by increasing academic performance, improving health outcomes, decreasing reliance on social programs, and building economic productivity.

Investments are particularly crucial as income gaps are growing. In 2009, in Alabama, 49% percent of all children were low-income, living in households under twice the poverty level – that’s 542,147 children.<sup>1</sup> Moreover, the major early education programs, the Child Care and Development Block Grant (CCDBG) and Head Start, already lack sufficient resources to meet current need. In 2009, Alabama received \$121 million in federal CCDBG funds and \$146.2 million in federal Head Start funds.<sup>2</sup> Yet, as of February 2010, 6,682 Alabama children were on a waiting list for child care assistance.<sup>3</sup>

American Recovery and Reinvestment Act (ARRA) funding helped states keep children in child care and Head Start. In the absence of continued funding, Alabama will lose \$38.5 million in CCDBG and \$36 million in Head Start funding. These lost dollars translate into fewer children receiving needed child care and early education services. In Alabama, these programs would serve an estimated 10,000 fewer children.<sup>4</sup>

**Congress must act before March 4 to complete a spending bill for FY 2011. Congress should include an additional \$681 million in funding for CCDBG and an additional \$840 million for Head Start in FY 2011. Increased funding for these programs would provide more dollars to allow Alabama’s children access to early care and education options that enable parents to work and prepare children for school.**

Child care contributes to the economy by creating jobs and revenue for communities. The multiplier effect of the child care sector is as strong or stronger compared to other sectors including retail, tourism, hospitals, job training, and elementary schools. In Alabama, the child care industry averages an output multiplier of 1.8. This means that for every dollar spent directly on child care, nearly two additional dollars are generated in sales in the overall economy.<sup>5</sup>

## Child Care and Head Start Numbers for Alabama

<b>Child Care</b>	
ARRA CCDBG Funding	\$38.5 million
Share of ARRA Funds Spent As of December 2010 <sup>6</sup>	93%
Average Monthly Children Served, 2009	26,800
Children Served with ARRA funds	9,000
Number of ARRA Jobs Created as of June 2010 <sup>7</sup>	N/A
<b>Head Start</b>	
ARRA Head Start Funding (includes Early Head Start)	\$36 million
Head Start and Early Head Start Enrollment, 2009	16,218
Head Start Children Served with ARRA Funds	291
Early Head Start Children Served with ARRA funds	886
Number of ARRA Jobs Created <sup>8</sup>	228
<b>Poor/Low-income Children, 2009</b>	
Percent of Children Who Are Poor	25%
Number of Children Who are Poor	274,906
Percent of Children Who are Low-income (under 200% of poverty)	49%
Number of Children Who are Low-income	542,147

<sup>1</sup> CLASP calculations of American Community Survey data, [www.census.gov/acs/](http://www.census.gov/acs/). Additional poverty data is available from CLASP DataFinder ([www.clasp.org/data](http://www.clasp.org/data)) including data on children under age 6 and extreme poverty data.

<sup>2</sup> This includes regular 2009 federal funds and ARRA funds.

<sup>3</sup> National Women's Law Center. Find additional child care assistance state policies at <http://www.nwlc.org/resource/state-child-care-assistance-policies-2010-individual-state-fact-sheets>.

<sup>4</sup> This is the total number of children who would no longer receive CCDBG and Head Start services with loss of the ARRA funding. The National Head Start Association (NHSa) has calculated the number of children served with Head Start and Early Head Start funds, [http://www.nhsa.org/news\\_and\\_advocacy/advocacy/head\\_start\\_investments\\_map](http://www.nhsa.org/news_and_advocacy/advocacy/head_start_investments_map). CLASP calculations of the number of children served in CCDBG with ARRA funds is based on state 2009 costs per child (the latest year data are available). Under CCDBG, states may choose how they spend these funds, and may use them in ways that result in more, or less, slots than we have estimated.

<sup>5</sup> Zhilin Liu, Rosaria Ribeiro and Mildred Warner, *Child Care Multipliers: Analysis from Fifty States, Linking Economic Development and Child Care*, Cornell University, 2004, <http://government.cce.cornell.edu/doc/pdf/50StatesBrochure.pdf>.

<sup>6</sup> Percent of ARRA funds drawn down by state from the U.S. Treasury, which closely tracks state spending amounts.

<sup>7</sup> This number reflects the most current information available on countable jobs (Section 1512 Reporting) from the U.S. Department of Health and Human Services,

[http://www.acf.hhs.gov/programs/ccb/initiatives/arra/arra\\_data/summary\\_data\\_100630.htm](http://www.acf.hhs.gov/programs/ccb/initiatives/arra/arra_data/summary_data_100630.htm).

<sup>8</sup> NHSa has calculated the number of jobs created based on information from multiple sources, including information collected through their affiliates, [http://www.nhsa.org/news\\_and\\_advocacy/advocacy/head\\_start\\_investments\\_map](http://www.nhsa.org/news_and_advocacy/advocacy/head_start_investments_map). This number differs from official reporting of countable jobs (Section 1512 Reporting); such jobs numbers are reported by grantees and not available by state.