

Give Babies the Strongest Start in Life: Federal Mandatory Programs Matter

Child Care & Development Fund, Temporary Assistance for Needy Families, & Social Services Block Grant



Child Care and Development Fund (CCDF)

CCDF, which includes the Child Care Entitlement to States (mandatory) and Child Care and Development Block Grant (discretionary), enables families to access the child care they need to pursue work, school or other responsibilities. CCDF subsidizes care for families who may otherwise be unable to afford it, ensures providers have reliable funding to stay open for subsidized and non-subsidized families, and supports state quality and monitoring efforts. High quality early learning returns \$7-\$13 for each \$1 invested through increased earnings and reduced crime and need for public services.ⁱ

CCDF helps the families of nearly **400,000 babies** under age 3 access child care.ⁱⁱ

The average annual cost of child care for one infant is **over \$11,000** for center-based care – **higher than the annual, in-state university tuition** in 41 states and DC.ⁱⁱⁱ

Infant-toddler care is the **scarcest type of child care**, often accounting for the majority of child care shortages.^{iv}

The lack of affordable infant-toddler care costs an estimated **\$122 billion in lost earnings, productivity and revenue** each year, as parents must miss work or leave the workforce.^v

States are required to spend at **least 12% of CCDF funds on quality activities**, such as professional development for providers and supporting early learning activities.^{vi}

The first three years lay the foundation for lifelong learning, health and achievement. In this time of rapid brain development, every moment matters, and any service delay is a lost opportunity to keep a child on track. The **Child Care and Development Fund, Social Services Block Grant** and **Temporary Assistance for Needy Families** let families access the services babies need, when they need them.

“ Families like mine don’t need a handout—we need the structure that allows us to grow, learn and move forward.

-Alexis Cubillos
Washington



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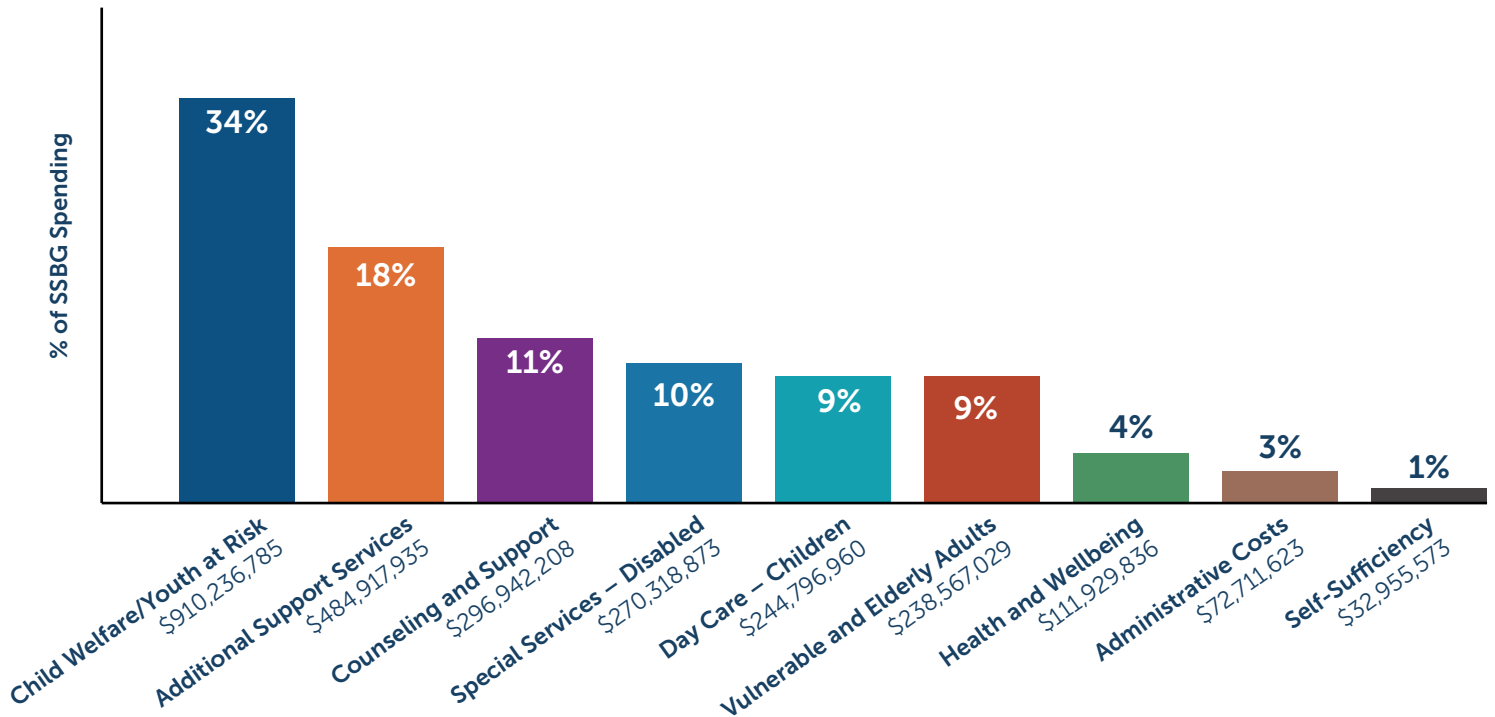


Social Services Block Grant (SSBG)

SSBG empowers states to develop programs that meet the needs of their communities, whether protecting children from abuse and neglect, offering child care or ensuring access to food. Services to reduce child maltreatment like those funded by SSBG have been shown to improve children’s mental and physical health outcomes and lead to increased educational attainment later in life.^{vii}

- **9.2 million children** benefit from SSBG-funded services.
- A **third (34%) of funds** are used for Child Welfare/Youth at Risk, serving **2.7 million children** annually through services such as foster care and protective services.
- **9% of funds** are used for child care, **servicing 2.4 million children**.^{viii}

Figure 1: SSBG Spending By Category (FY2022)



Source: HHS ACF, SSBG Annual Report 2022

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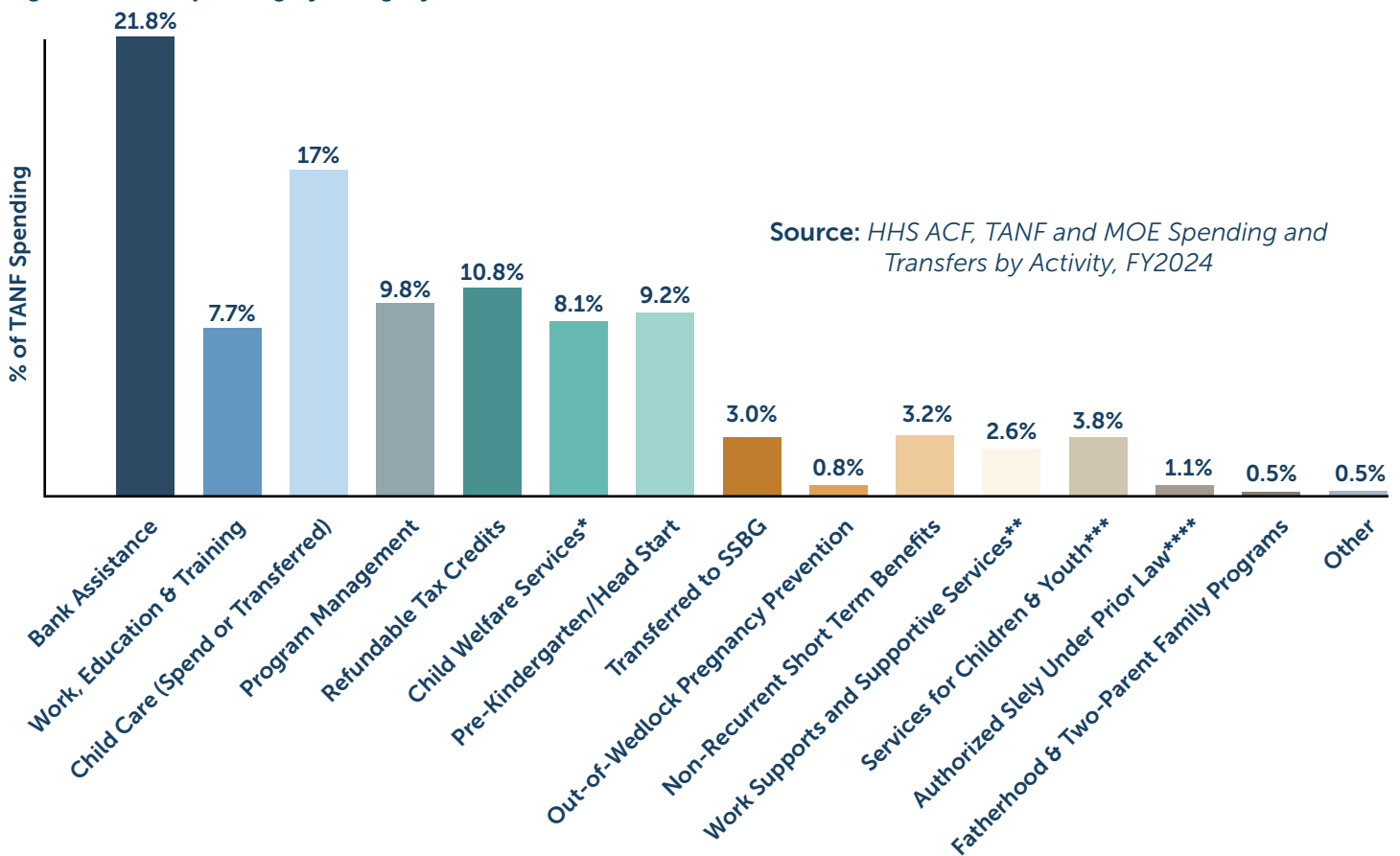


Temporary Assistance for Needy Families (TANF)

TANF gives states flexibility to promote economic stability and self sufficiency among low-income families, both through direct financial support and by funding essential children’s services. TANF investments are associated with reduced food insecurity and with better parenting habits for families with young children.^{ix}

- **26.2%** of TANF funds support **child care and early learning**.
- **21.8%** of TANF funds go to **cash assistance** for families to support basic needs and self-sufficiency. Poverty in the early years is especially harmful to development, and nearly **155,000 babies** are in families that receive TANF assistance every year. ^x
- Other key uses include **child welfare (8.1%)** and **work, education and training (7.7%)**.^{xi}

Figure 2: TANF Spending by Category (FY2024)



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Sources

- ⁱBarnett, W. S. (2011). Effectiveness of early educational intervention. *Science*, 333(6045), 975–978. <https://doi.org/10.1126/science.1204534>
- ⁱⁱZERO TO THREE calculation based on data from: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. (2026, January). *FY 2022 final data table 1: Average monthly adjusted number of families and children served*. <https://acf.gov/occ/data/fy-2022-finaldata-table-1>; U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. (2026, January 20). *FY 2022 final data table 9: Average monthly percentages of children in care by age group*. <https://acf.gov/occ/data/fy-2022-final-data-table-9>
- ⁱⁱⁱChild Care Aware of America. (2024). *2024 Child care price & landscape analysis*. <https://www.childcareaware.org/price-landscape24/#Recommendations>
- ^{iv}Opportunities Exchange. (2020). *Examining the cost and supply of care for infants and toddlers*. https://static1.squarespace.com/static/5f4d7a7ef6c82325c5ec80c0/t/60255563541377587d3b4205/1615582714707/OppEx_2020_InfantToddler_Brief_Stoney.pdf
- ^vReadyNation. (2023, February). *\$122 billion: The growing, annual cost of the infant-toddler child care crisis*. <https://www.strongnation.org/articles/2038-122billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>
- ^{vi}Congressional Research Service. (2022, November). *The Child Care and Development Block Grant: In brief* (R47312). <https://crsreports.congress.gov/product/pdf/R/R47312>
- ^{vii}Ringel, J. S., & colleagues. (2018). Improving child welfare outcomes: *Balancing investments in prevention and treatment services*. *s*. <https://pmc.ncbi.nlm.nih.gov/articles/PMC6075810/>
- ^{viii}U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. (2024). *Social Services Block Grant (SSBG) annual report: Fiscal year 2022*. https://acf.gov/sites/default/files/documents/ocs/RPT_SSBG_FY-2022-Annual-Report_Final_508.pdf
- ^{ix}Urban Institute. (2024, September). *How do children and society benefit from public investments in children?* <https://www.urban.org/research/publication/how-do-children-and-society-benefit-public-investments-children>
- ^xZERO TO THREE calculation based on data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance. (2024). *Characteristics and financial circumstances of TANF recipients: Fiscal year 2023*. https://acf.gov/sites/default/files/documents/ofa/fy2023_characteristics.pdf
- ^{xi}U.S. Department of Health and Human Services, Administration for Children and Families. (2026, February). *TANF and MOE spending and transfers by activity, FY 2024: National and state pie charts*. <https://acf.gov/sites/default/files/documents/ofa/fy-2024-tanf-moe-financial-pie-charts.pdf>