Beginning September 30, 2023, states will face a steep dropoff in federal child care investment. Without Congressional action, this cliff will have dire consequences. More than three million children are projected to lose access to child care nationwide. Seventy thousand child care programs are likely to close. This will have ripple effects for parents forced out of work or to cut their work hours, for businesses who will lose valuable employees or experience the impact of their employees’ child care disruptions, and state economies that will lose tax revenue and jobs in the child care sector as a result.

Congress should act quickly to protect North Carolina’s children, families, and communities from the higher costs, reduced earnings, and productivity loss that will come with going over the child care cliff.

“I am worried we will not be able to keep the teacher wages up without doing a major increase in tuition. That in return will hurt many of our families.”

Program Director/Administrator

Without intervention, 155,539 children in North Carolina are expected to lose their child care as a result of the stabilization cliff.

As children and families feel these consequences, so will state economies. The loss of the federal funds will mean:

- $485 million less in employer productivity
- $19 million less in state income tax

1,778 child care programs are projected to close - making it even harder for families to find safe, nurturing child care options.

North Carolina parents will lose $416 million in earnings as a result of being forced to cut work hours or leave the workforce.

Finally, the child care sector has been far behind the rest of the economy in recovering jobs post-pandemic. We hear stories around the nation about child care classrooms having to close because there are not enough early educators. An additional 5,983 child care jobs are expected to be lost in North Carolina, at a minimum.