

Child Care Stabilization Snapshot for INDIANA

The COVID-19 pandemic created significant hardships for working families and for child care providers caring for young children. In response, historic federal investments were made to help prevent an already fragile early care and education (ECE) system from collapsing. Since March 2020, Congress has allocated over \$52 billion to states to help stabilize child care and support families with young children. Specific funding mechanisms have included:

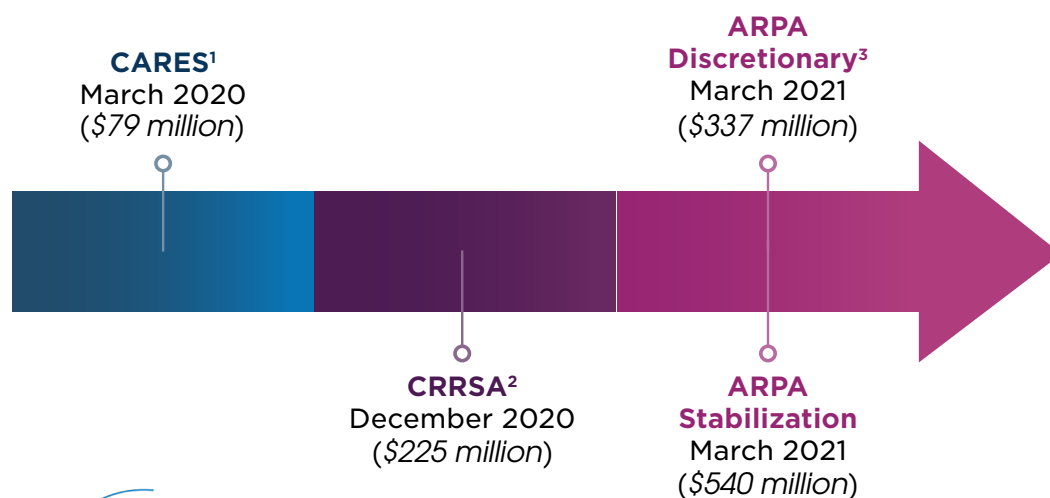
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act
- The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
- The American Rescue Plan Act (ARPA)

Funding was intended to support a range of activities—including expanded access to child care assistance for working families and support for child care providers to avoid closure—to prevent the loss of essential child care infrastructure needed to support families returning to work and children's learning. As states and territories approach the end of these funds, it is important to track whether families and child care systems are returning to pre-pandemic levels of child care access and supply and what additional investments state leaders may need to avoid future collapse.

This data profile for Indiana provides a snapshot of the amount of COVID-19 funding received, how it was used, and trends in parental workforce participation, income levels, work disruptions due to child care needs, child care subsidy receipt, child care supply, and wages for child care workers.

Total federal funding for Indiana: **\$1 billion**

Timeline



Child Trends conducted a national scan of how states used COVID-19 relief funds to support families and child care programs during the pandemic. The scan included policy changes to expand financial support to child care programs, serve more families, provide mental health supports, and improve the referral systems needed to connect families with services. This section highlights these uses, the number of direct grants to child care programs, and the allocation of state funding to supplement federal funding or continue child care stabilization policies.

How Indiana uses COVID Funds⁴

☒ Reduce/Waive family co-payments/fees

☒ Expand eligibility criteria

☒ Improve information systems and/or enhanced referrals to help families identify care

☒ Provide mental health consultation services

☒ Increase reimbursement rates

☒ Payment based on enrollment not attendance

☒ Payments continued during closures

☒ Financial support to workforce members

Stabilization Grants Received by Child Care Providers by Type of Care⁵

Number of providers that received a grant	
Total programs	3,301
Center-based programs	1,432
Home-based programs	1,859
Other	10
Average grant amount received	
Center-based programs	\$316,558
Home-based programs	\$47,278

Increase Funding to Supplement or Continue Child Care Stabilization Policies⁶



Yes

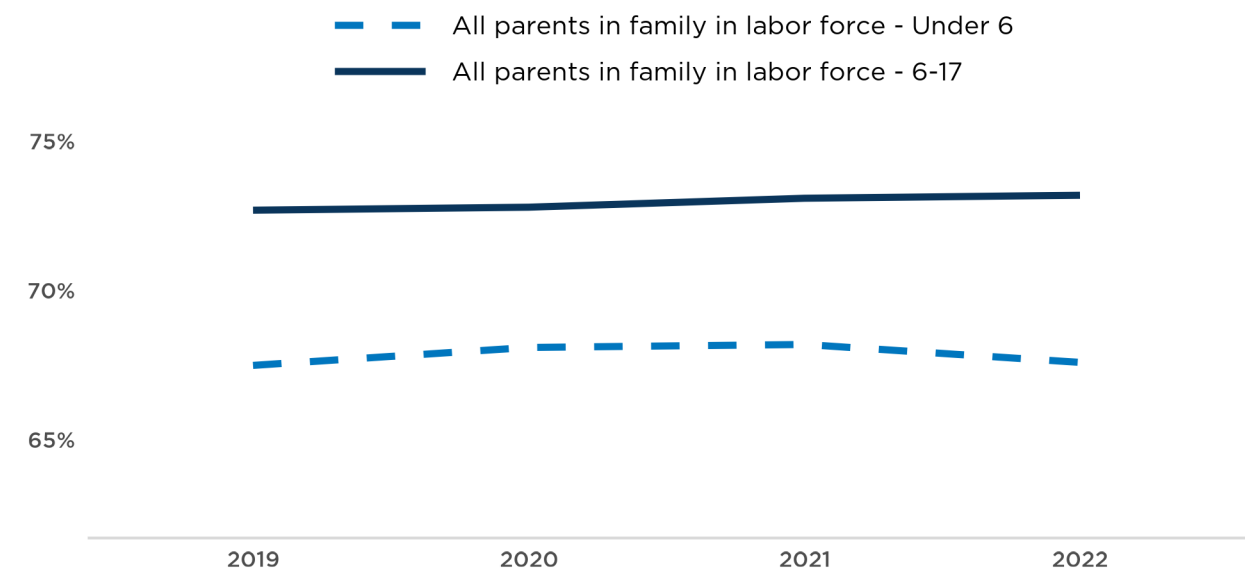


No

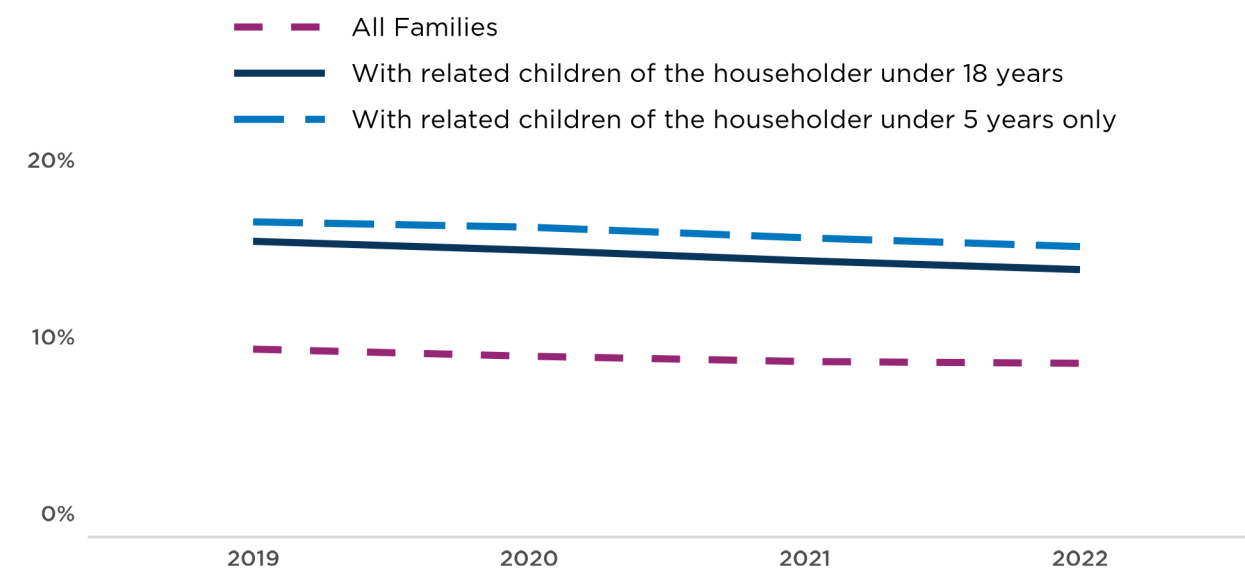
Children and Families⁷

A key goal of pandemic-era COVID-19 funds was to stabilize the child care industry. Stabilization is defined as the process of reaching a level of child care access and supply that does not fall below pre-pandemic levels. The following charts and tables show changes in families' workforce participation, income levels, work disruptions due to child care, receipt of child care subsidies, child care supply, and workforce wages from 2019 to 2022.

Percentage of children with working parents



Percentage of families living in poverty



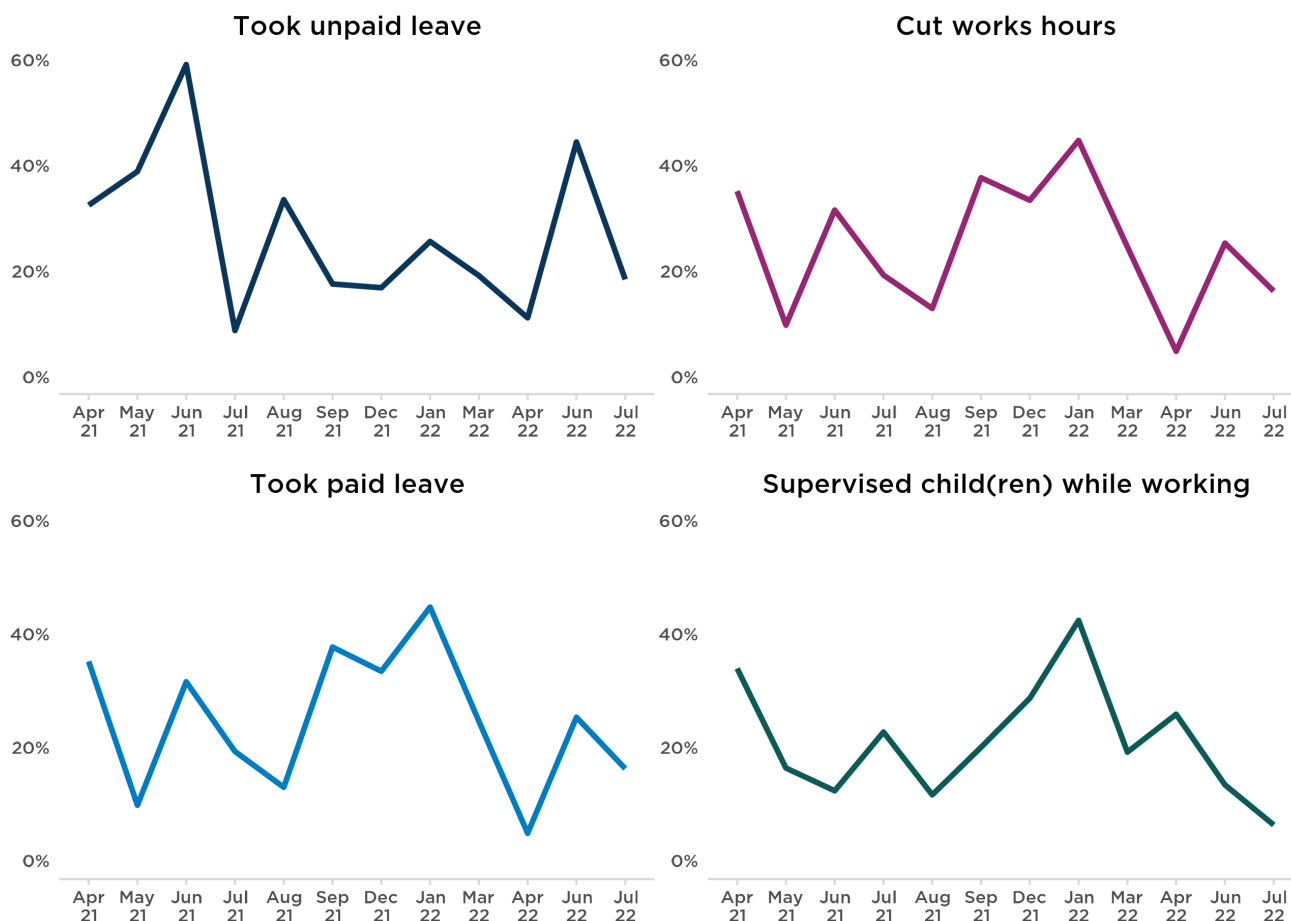
Percentage of Parents Experiencing Child Care Disruptions During COVID-19⁸

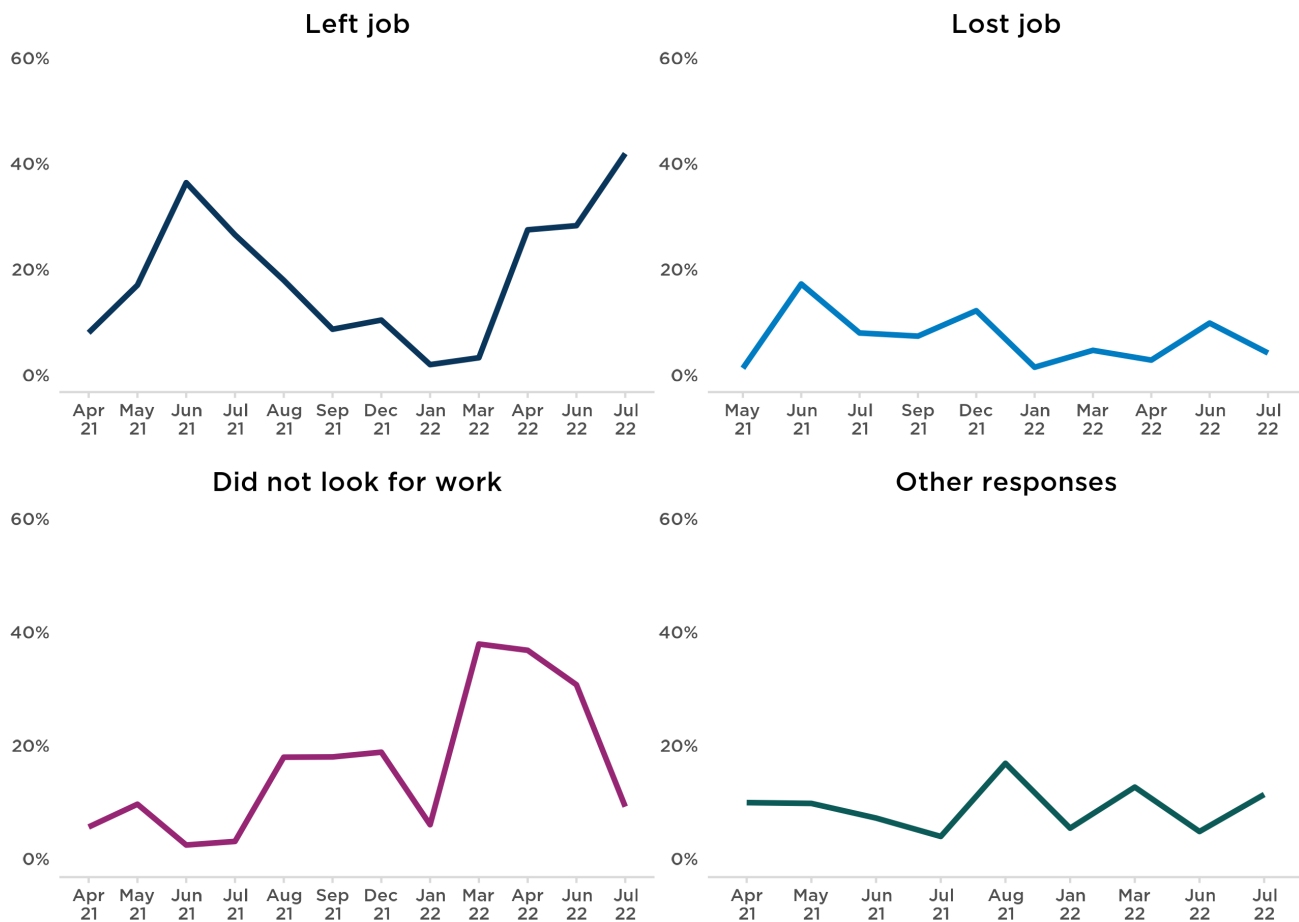
Not all months and years had data available. Only changes between available dates are shown.

Percentage of parents that experienced child care disruptions



How parents responded to child care disruptions





Children and Families Served Through CCDBG Child Care Subsidies in Indiana⁹

	FY2019 (final)	FY2020 (prelim)	FY2021 (prelim)	Difference
Estimated Families	15,700	16,100	14,200	▼ -1500
Estimated Children	29,200	30,700	27,200	▼ -2000
Race/Ethnicity				
Latino	10%	9%	8%	▼ -2%
Non-Latino	90%	91%	89%	▼ -1%
Native American/ Alaska Native	0%	0%	0%	0%
Asian	0%	0%	0%	0%
Black/African American	52%	52%	51%	▼ -1%
Native Hawaiian/ Pacific Islander	0%	0%	0%	0%
White	39%	39%	37%	▼ -2%
Multi-Racial	9%	8%	8%	▼ -1%

	FY2019 (final)	FY2020 (prelim)	FY2021 (prelim)	Difference
Age of Child				
0 to < 1 yr	3%	3%	3%	0%
1 yr to < 2 yrs	7%	8%	8%	▲ 1%
2 yrs to < 3 yrs	10%	11%	11%	▲ 1%
3 yrs to < 4 yrs	12%	12%	13%	▲ 1%
4 yrs to < 5 yrs	15%	14%	14%	▼ -1%
5 yrs to < 6 yrs	14%	13%	12%	▼ -2%
6 yrs+	39%	39%	38%	▼ -1%
Copayments				
Families with a Copay	33%	30%	32%	▼ -1%
Mean Copay as Percentage of Income	8%	7%	7%	▼ -1%

Child Care Supply & Workforce Wage Changes¹⁰

	2019	2020	2021	2022	Difference
Supply					
Center Based - Licensed	743	742	754	722	▼ -21
Center Based - License Exempt	440	463	450	1,139	▲ 699
Family Child Care - Licensed	2,439	2,331	2,173	2,147	▼ -292
Family Child Care - License Exempt	109	109	76	71	▼ -38
In-Home Care	0	0	0	5	▲ 5
Total Programs	3,731	3,645	3,453	4,084	▲ 353
Wages^{11,12,13,14}					
Annual Mean Wage	\$22,470	\$22,790	\$24,210	\$26,390	▲ \$3920

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