ASPE | OFFICE OF HUMAN SERVICES POLICY

DATA POINT

July 2026

Estimates of Child Care Subsidy Eligibility & Receipt for Fiscal Year 2022

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KEY POINTS

- In 2022, 11.8 million children were eligible for child care subsidies under federal rules; under state rules – which can be more restrictive – 9.1 million were eligible.
- 1.8 million children received subsidies, representing 16 percent of those eligible under federal rules and 20 percent under state rules.
- Children living in deeper poverty were more likely to receive subsidies than those who were less poor.
- Younger children (ages one through five) were more likely to receive subsidies than older, school-aged children.

OVERVIEW AND FUNDING

Child Care and Development Fund (CCDF) subsidies help parents pay for child care so parents can work or participate in education and training activities. The federal government and states spent $14.6 billion[1] to subsidize child care for working families with low incomes in 2022. Roughly two-thirds of this funding was from the Child Care and Development Fund (CCDF), which in FY2022 included funding from the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (Public Law 116-260) and Supplemental Discretionary Funds in the American Rescue Plan (ARP) Act (Public Law 117-2), while the remaining one-third came from other government funding streams (Temporary Assistance for Needy Families (TANF) and the Social Services Block Grant). CCDF and TANF include both federal and state funding.

WHO IS ELIGIBLE FOR CHILD CARE SUBSIDIES?

Under ***federal rules***, 11.8 million children were eligible for child care subsidies in an average month in 2022 (Figure 1);[2] this number is updated by the office of the Assistant Secretary for Planning and Evaluation (ASPE) annually. That represents 23 percent of the total 51 million children who were ages 0 through 12 in 2022.

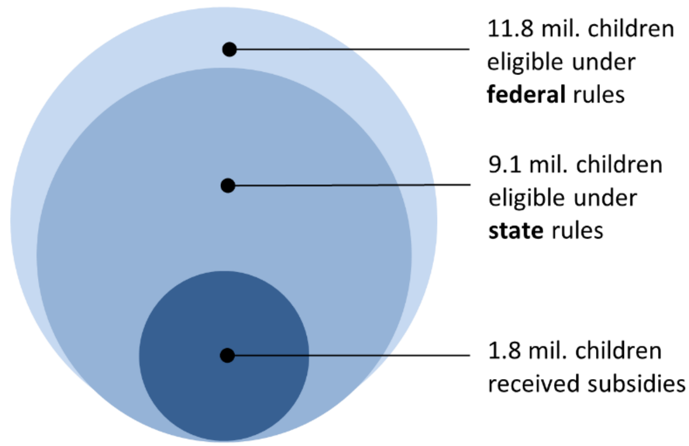
[1] The estimated $14.6 billion includes: expenditures on direct child care services of $11.4 billion in federal and state CCDF funds, which includes $1.0 billion in TANF transfers; $1.3 billion in TANF funding spent directly on child care services; $1.7 billion in "excess TANF Maintenance of Effort (MOE)"; and $0.2 billion in Social Services Block Grant expenditures related to child care. Some states spend additional amounts for child care, beyond match and maintenance and effort requirements, that are not reported to the federal government and therefore not reflected in these amounts.

[2] The eligibility estimates were produced using the Transfer Income Model (TRIM), a micro-simulation model developed and maintained by the Urban Institute under contract with ASPE. TRIM is based on the Annual Social and Economic Supplement of the Current Population Survey (CPS-ASEC). TRIM compares family income and work status data from the CPS against CCDF rules to generate estimates of children and families eligible for subsidies.

Federal eligibility rules are:

- The child must be under age 13 (or be under age 19 if the child has a disability or is in foster care[3]).
- The child's family income must be less than 85 percent of the state median income (SMI) for a family of the same size in their state.[4,5] In FY 2022, 85 percent of average SMI for three-person families was $68,211.
- The child's parents must be working, searching for work, or participating in education or training activities.[6]

Figure 1: Number of children eligible under federal and state rules and number receiving subsidies



Under ***state rules***, 9.1 million children were eligible for subsidies. That represents 18 percent of the total 51 million children who are ages 0 through 12 in 2022, and 77 percent of children eligible under federal rules. States have flexibility within the federal CCDF eligibility parameters to set income eligibility thresholds, co-payment fees, maximum reimbursement rates to providers, and other criteria. Based on state rules, the average income eligibility limit (for initial service receipt) for a three-person family across all states and D.C. was $52,303, equivalent on average to 67 percent of the SMI for three-person families.[7]

THE NUMBER OF CHILDREN ELIGIBLE INCREASED FROM 2021 TO 2022

Following large declines in eligibility from 2019 to 2020 due to widespread job loss from the COVID-19 pandemic, the number of children eligible under federal rules increased from 2020 (10.9 million) to 2021 (11.5 million), further rebounding in 2022 (11.8 million). Still, it fell short of the number eligible under federal rules in 2019 (12.5 million). The number of children eligible for child care subsidies under state rules increased from 2020 (7.5 million) to 2021 (8.0 million). In 2022, that number increased again to 9.1 million, surpassing for the first time the number that were eligible in 2019 (8.7 million). Microsimulation methods were used to determine that the increase from 2021 to 2022 is explained by both demographic changes related to eligibility in the U.S. population (driving an eight percent increase in eligible children) and changes in state eligibility rules (driving a six percent increase). For example, the unemployment rate fell from 5.4 percent in July of 2021 to 3.56 percent in July of 2022.[8] Additionally, several states increased their income eligibility limits, allowing more previously ineligible families to qualify for child care subsidies at higher income levels.

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[3] Children who are under age 19 and physically or mentally incapable of caring for themselves, or are under court supervision, are eligible.
[4] States have flexibility to decide what family income is countable for purposes of determining a child's eligibility. For example, states could disregard TANF payments or exclude income from some adult family members (e.g., an adult sibling or an aunt). As a result, some states may serve children in families with unadjusted incomes greater than 85 percent of the state median income, as defined in this factsheet. Families must also pass an assets test ($1 million).
[5] The state median incomes used for this factsheet come from the American Community Survey, 2019 (5-year estimates): https://acf.gov/sites/default/files/documents/ocs/COMM_LIHEAP_IM03%20Attachment1%20SMITable_FY2022.pdf
[6] For this eligibility estimate, "working" is defined as employed one hour or more in a month. The majority (93 percent) of federally-eligible children come from families where the single parent or both parents were employed at least 20 hours per week or were in school/training activities. Job search eligibility is simplified in this model as three months of continued eligibility for families who—just prior to the period of job search—were receiving CCDF assistance.
[7] Kwon, Dwyer, Todd, and Minton (2023). *Key Cross-State Variations in CCDF Policies as of October 1, 2021: The CCDF Policies Database Book of Tables*: https://www.acf.hhs.gov/opre/report/key-cross-state-variations-ccdf-policies-october-1-2021-ccdf-policies-database-book
[8] https://data.bls.gov/timeseries/LNS14000000

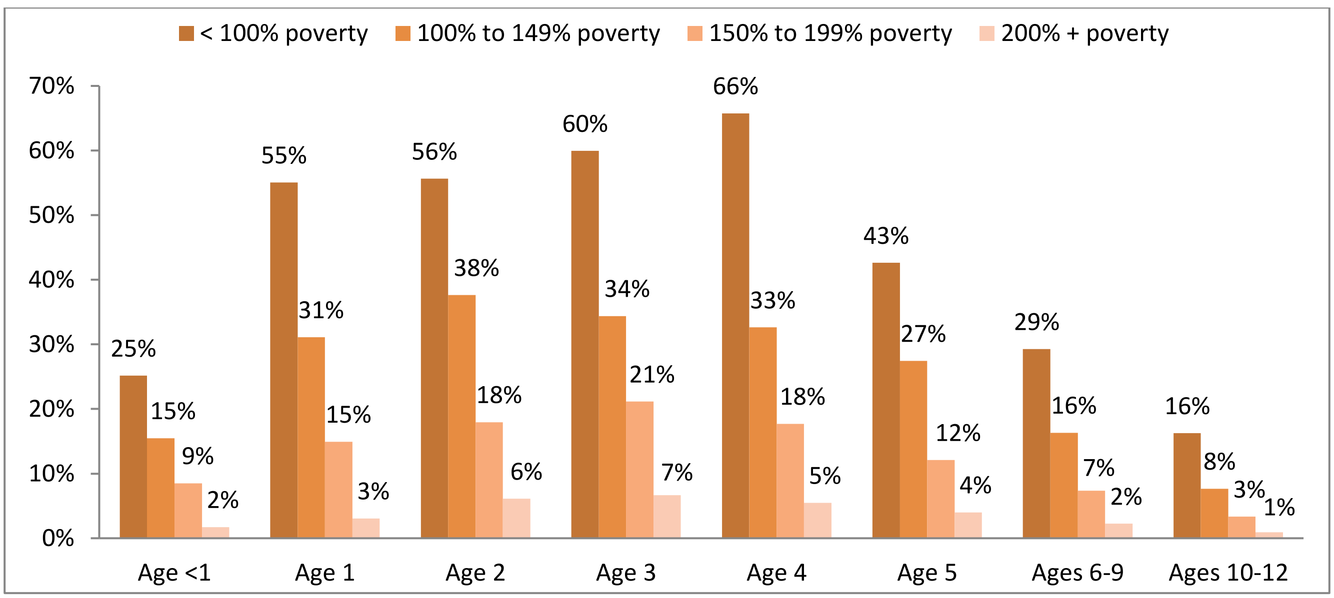
AMONG CHILDREN WHO ARE FEDERALLY ELIGIBLE, WHO IS MOST LIKELY TO RECEIVE SUBSIDIES?

An estimated 1.8 million children[9] received subsidies through CCDF and related government funding streams[10] in an average month in fiscal year 2022 (see Figure 1). This is equal to 16 percent of all children eligible under federal rules and 20 percent of all children eligible under state rules.

Children living in deeper poverty were more likely to receive subsidies than children who were less poor, among all children who were federally eligible (see Figure 2). For example, 66 percent of eligible 4-year-old children with family incomes below the poverty line received subsidies, while only 18 percent with family incomes between 150 and 199 percent of poverty received subsidies.

Younger children ages one through five were more likely to receive subsidies compared to older, school-age children. For example, 60 percent of three-year-old children with family incomes below the poverty line received subsidies, while 29 percent of six-to-nine-year-old children with family incomes below the poverty line received subsidies. This pattern is observed across all income levels.

Figure 2: Percent of federally-eligible children receiving subsidies, for each age and income group



Note: Poverty figures are based on 2022 poverty thresholds published by the U.S. Census Bureau. For families with one adult and two children, 150 percent of poverty is $35,367 ($2,947 monthly).

Reports for prior years can be found at: https://aspe.hhs.gov/estimates-child-care-eligibility-and-receipt

[9] This estimate of receipt excludes about 17,300 children served in U.S. territories (because territories are not included in the eligibility estimate, which is developed using the CPS), as well as children served through subsidies administered solely by Indian reservations/tribes.
[10] TANF funding spent directly on child care services; "excess TANF MOE"; and Social Services Block Grant expenditures related to child care.

APPENDIX TABLE: NUMBER OF CHILDREN POTENTIALLY ELIGIBLE FOR CHILD CARE SUBSIDIES BY STATE, CALENDAR YEAR 2022

	Estimate of Children Eligible under Federal Parameters (Family Incomes < 85% SMI)			Estimate of Children Eligible under State-Defined Rules		
State	Estimate	95% Confidence Interval (Low-High)		Estimate	95% Confidence Interval (Low-High)	
Alabama	175,800	131,200	220,500	98,900	65,200	132,700
Alaska	18,000	12,200	23,800	18,900	12,900	24,800
Arizona	193,300	143,400	243,200	151,800	107,400	196,100
Arkansas	135,200	103,600	166,800	136,500	104,800	168,200
California*	1,347,700	1,215,000	1,480,400	1,676,700	1,529,300	1,824,000
Colorado	156,500	112,200	200,800	91,800	57,700	126,000
Connecticut	124,500	91,400	157,600	93,700	64,900	122,500
Delaware	51,300	40,700	62,000	36,000	27,000	45,000
DC	19,600	13,700	25,400	14,700	9,600	19,700
Florida	724,800	632,900	816,800	430,900	359,600	502,300
Georgia	466,500	392,800	540,200	461,400	388,100	534,800
Hawaii	46,400	34,100	58,800	42,800	31,000	54,700
Idaho	65,800	49,200	82,400	31,900	20,200	43,500
Illinois	421,200	350,300	492,200	314,000	252,400	375,500
Indiana	202,400	154,400	250,400	77,800	47,800	107,900
Iowa	153,800	119,300	188,400	35,500	18,600	52,400
Kansas	103,400	74,000	132,800	85,600	58,700	112,400
Kentucky	146,700	105,500	187,900	133,100	93,800	172,400
Louisiana	202,700	157,200	248,200	187,900	144,000	231,700
Maine*	52,100	37,700	66,500	54,700	40,000	69,500
Maryland	268,000	212,100	323,800	221,500	170,600	272,500
Massachusetts	223,900	173,700	274,100	133,000	94,000	171,900
Michigan	377,900	312,500	443,200	223,000	172,400	273,700
Minnesota	246,000	192,900	299,000	110,100	74,200	146,000
Mississippi	121,900	92,700	151,100	115,800	87,300	144,200
Missouri	263,800	208,800	318,700	109,300	73,500	145,100
Montana	31,600	23,400	39,900	23,900	16,700	31,100
Nebraska	93,100	71,000	115,200	41,800	26,800	56,800
Nevada	89,700	63,100	116,300	97,400	69,600	125,100
New Hampshire	33,200	22,600	43,800	14,500	7,400	21,600
New Jersey	367,500	302,000	433,100	143,000	101,600	184,400
New Mexico[a]	74,500	54,800	94,200	81,900	61,300	102,500
New York	751,500	656,100	846,800	728,900	634,900	822,900
North Carolina	334,000	270,400	397,500	192,400	143,800	240,900
North Dakota	31,200	23,900	38,600	33,700	26,100	41,300
Ohio	453,400	382,200	524,600	174,100	129,400	218,800
Oklahoma*	144,700	105,200	184,200	147,900	107,900	187,800
Oregon	98,500	65,500	131,400	55,300	30,400	80,100
Pennsylvania	416,100	347,400	484,900	213,600	163,900	263,300
Rhode Island	35,400	25,400	45,500	18,700	11,300	26,100
South Carolina	196,600	150,300	242,900	122,500	85,700	159,200
South Dakota	29,000	21,000	37,100	19,500	12,800	26,100
Tennessee	210,900	162,100	259,700	104,200	69,600	138,700
Texas*	1,163,800	1,038,800	1,288,800	1,150,900	1,026,600	1,275,200
Utah	96,500	73,500	119,400	97,900	74,800	121,000
Vermont*	16,300	10,800	21,700	21,400	15,100	27,600
Virginia	293,800	234,100	353,600	236,200	182,500	290,000
Washington	279,900	221,900	337,900	208,300	158,000	258,600
West Virginia	45,500	30,500	60,500	16,400	7,400	25,500
Wisconsin	225,700	174,800	276,700	103,600	68,700	138,400
Wyoming	18,200	12,700	23,600	10,800	6,600	15,100

See notes on following page.

*The estimate of children eligible under state rules may be larger than the estimate of children eligible under federal rules for the following reasons: the state uses a different source for SMI (e.g., a different year; or the 1-year ACS instead of the 5-year ACS) than that used by TRIM3 for the federal estimate; the state disregards some income sources; the state excludes some family members from the assistance unit.

[a]New Mexico sets a state income eligibility threshold above the federal limit of 85 percent SMI. Children who are above the federal income eligibility threshold are paid for out of state funds; these children are not included in the estimate of children served in this factsheet.

Notes: Data source is CPS-ASEC data for CY 2022 combined with estimates from TRIM3's modeling of CCDF eligibility. This population also includes children ages 13 to 18 who receive SSI according to TRIM3's simulation of SSI.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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