

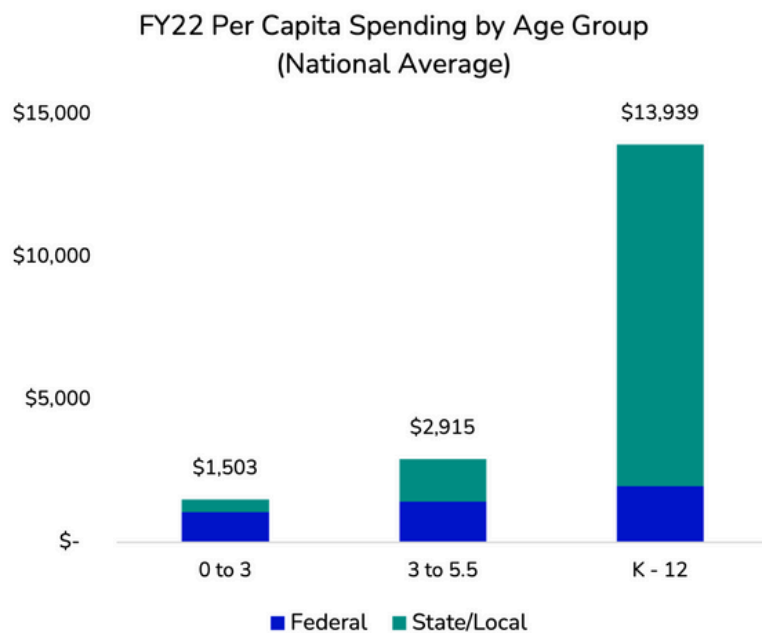
# Comparing Early Care and Education Funding Across States: A Shortchanged Project Brief



**SHORTCHANGED**  
TRACKING PUBLIC INVESTMENT  
IN EARLY LEARNING

*Theresa Hawley, Ph.D.,  
Michelle Bezark, Ph.D.,  
Sara Van Valkenburgh, M.P.P.*

The Center for Early Learning Funding Equity (CELFE) analyzed how states invest in early care and education (ECE) compared to K–12 education, revealing stark disparities in funding for our nation’s youngest learners. Nationally, in 2022, for every public dollar spent on a school-aged child, only 21 cents supported a preschooler, and just 11 cents supported an infant or toddler. These gaps persist across states; however, as our ranking and analysis show, some states are leading the way in their commitment to ECE.



This research brief delves deeper into how and why we ranked states’ ECE investments and explores the wide variation across states’ ECE funding systems. We rank states based on state investment by age group so that policymakers and advocates can compare across states, identify funding gaps, and prioritize areas where future investments will have the greatest impact in their state.

See the second early learning [Shortchanged Report](#) for a broader explanation of the project and our findings.

## Why and How We Rank States

Our rankings evaluate per capita **state and local** investments in early care and education, as federal funding is relatively consistent across age groups while state and local spending account for the bulk of additional K-12 investments (as illustrated in the graph above). Federal funding is included in our analysis but excluded from the state rankings because states use federal funding to varying degrees in ECE, and additional state and local investments are needed to begin to shrink the funding gap between age groups.

By ranking each state's per capita investments, we found that some states are forging a path to more resilient ECE systems that can begin to meet the needs of families with young children and are creating models that others can follow. Our analysis evaluates investments in 2022 (the latest year for which federal data is available), but we recognize that for many states, this marked the beginning of a surge in major state investments in early learning systems.

To compare states consistently, the analysis uses **per capita K–12 spending** as a benchmark. This approach accounts for variation in population size, cost of living, and policy context across states, and helps identify how each state positions early childhood spending relative to its own K-12 education investments.

Using per capita K-12 state and local investments as a metric means that some states, such as Alaska and Connecticut, which invest a significant amount in their K-12 systems, ranked lower in our analysis because they invest comparatively less in early care and education. The inverse is also true: states that invest less in their K-12 systems may rank higher if their relative investment in ECE is comparatively greater. (For a more detailed explanation of our methodology, please see the Early Learning Shortchanged [Report](#).)

States like New Mexico, Illinois, Maine, and New York have continued to make unprecedented investments in their ECE systems in recent years. Vermont, for example, is highlighted in our 2022 analysis below as already being a top-ranking state for ECE investments; however, in 2023, the state passed a payroll tax to fund early childhood programs, including a significant increase in child care investments. These new dedicated revenue streams will be reflected in future reports and analyses.

For downloadable state one-pagers, budget data, and analysis, visit [shortchangedproject.com](https://shortchangedproject.com).

**Table 1: State Rankings: Ratio of State ECE spending per capita compared to only State/Local K-12 spending per capita, FY 2022**

Rank	0 - 3	Ratio	3 - K-entry	Ratio	0 - K-entry	Ratio
1	New Mexico	12%	New Mexico	26%	New Mexico	19%
2	Pennsylvania	12%	Vermont	24%	Vermont	13%
3	Illinois	10%	Oregon	21%	New Jersey	13%
4	New Jersey	6%	New Jersey	21%	Illinois	12%
5	Delaware	6%	West Virginia	20%	California	12%
6	California	5%	California	20%	Oregon	12%
7	Maine	5%	Arkansas	19%	Pennsylvania	11%
8	Colorado	5%	Oklahoma	18%	Oklahoma	10%
9	Kentucky	5%	Missouri	15%	West Virginia	10%
10	Nevada	5%	Illinois	14%	Missouri	9%
11	Missouri	5%	New York	14%	Arkansas	9%
12	Arizona	4%	Michigan	14%	Alabama	8%
13	Massachusetts	4%	Alabama	14%	Wisconsin	8%
14	Washington	4%	Maryland	13%	Washington	8%
15	Vermont	4%	Georgia	13%	Kentucky	8%
16	Connecticut	4%	Wisconsin	13%	Maine	8%
17	Ohio	4%	Iowa	12%	New York	8%
18	Tennessee	4%	Washington	11%	Michigan	7%
19	Minnesota	3%	Florida	11%	Delaware	7%
20	Wisconsin	3%	Kentucky	11%	Maryland	7%
21	Oregon	3%	Maine	10%	Iowa	7%
22	Oklahoma	3%	Kansas	10%	Connecticut	7%
23	Utah	3%	Texas	10%	Georgia	7%
24	Alaska	3%	Connecticut	10%	Ohio	7%
25	Alabama	3%	Ohio	10%	Kansas	6%
26	South Carolina	3%	Pennsylvania	10%	Florida	6%
27	Kansas	3%	North Carolina	9%	Arizona	6%
28	North Carolina	2%	Delaware	9%	Minnesota	6%
29	New Hampshire	2%	Minnesota	8%	North Carolina	6%
30	Nebraska	2%	South Carolina	8%	Texas	5%
31	Wyoming	2%	Rhode Island	8%	South Carolina	5%
32	West Virginia	2%	Arizona	8%	Massachusetts	5%

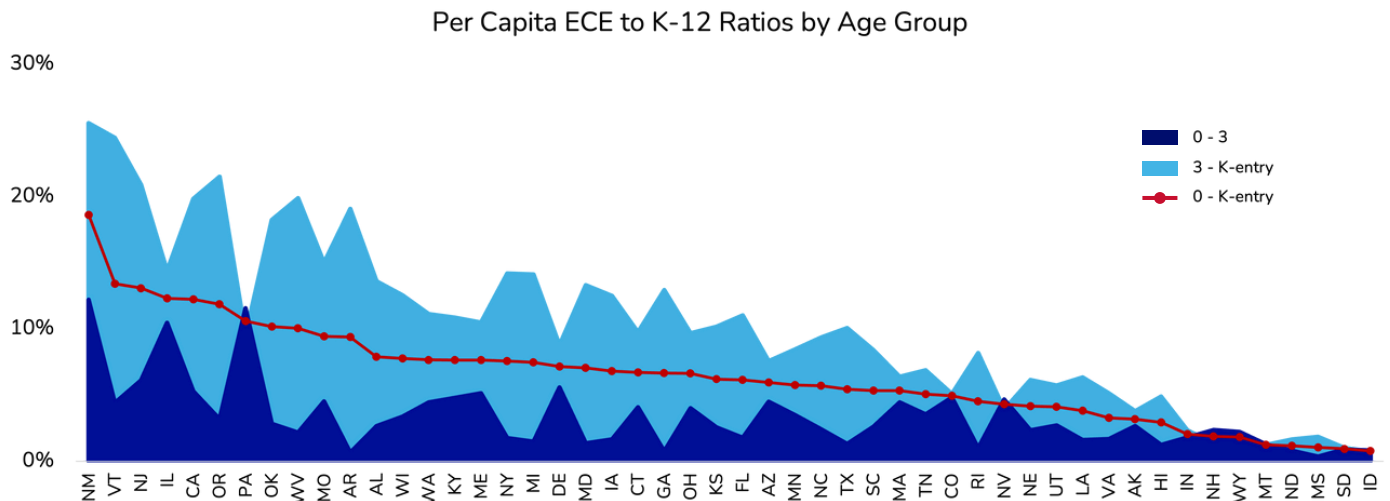
**Table 1: State Rankings: Ratio of State ECE spending per capita compared to only State/Local K-12 spending per capita, FY 2022 (Continued)**

Rank	0 - 3	Ratio	3 - K-entry	Ratio	0 - K-entry	Ratio
33	Indiana	2%	Tennessee	7%	Tennessee	5%
34	Florida	2%	Massachusetts	6%	Colorado	5%
35	New York	2%	Louisiana	6%	Rhode Island	5%
36	Virginia	2%	Nebraska	6%	Nevada	4%
37	Iowa	2%	Utah	6%	Nebraska	4%
38	Louisiana	2%	Virginia	5%	Utah	4%
39	Michigan	1%	Colorado	5%	Louisiana	4%
40	Maryland	1%	Hawaii	5%	Virginia	3%
41	Texas	1%	Nevada	4%	Alaska	3%
42	Montana	1%	Alaska	4%	Hawaii	3%
43	Hawaii	1%	Indiana	2%	Indiana	2%
44	Rhode Island	1%	Mississippi	2%	New Hampshire	2%
45	South Dakota	1%	North Dakota	2%	Wyoming	2%
46	Idaho	1%	Wyoming	1%	Montana	1%
47	North Dakota	1%	New Hampshire	1%	North Dakota	1%
48	Georgia	1%	Montana	1%	Mississippi	1%
49	Arkansas	1%	South Dakota	1%	South Dakota	1%
50	Mississippi	0%	Idaho	1%	Idaho	1%

## A Deeper Look at ECE State-by-State Investments

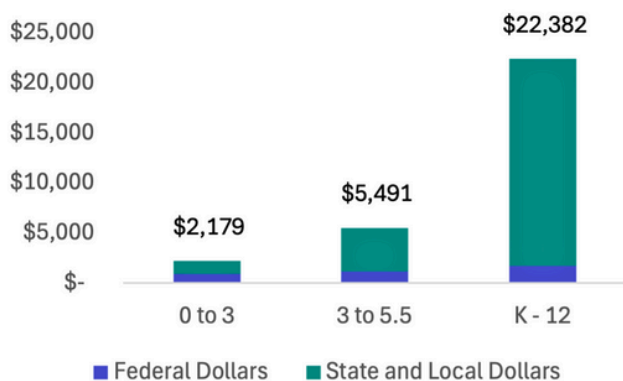
While our ranking system revealed which states invest the most in their early childhood systems, our analysis showed that even among the highest-ranking states, there are wide variations in how states invest across age groups. States like New Mexico, New Jersey, and Illinois consistently ranked near the top for investments in early learning across age groups. Other states, such as Vermont, Oregon, and Arkansas, ranked higher due to their significant investments in preschoolers, but comparatively invested little in infants and toddlers. Some states, such as Pennsylvania, Delaware, and Colorado, stood out for their comparatively high investments in infants and toddlers in relation to preschoolers. These differences are critical for policymakers and advocates to understand as they evaluate where resources should be allocated.

The graph below illustrates both the significant variation in state and local expenditures between infants and toddlers and preschool-aged children, as well as each state's comparative ranking of ECE investments. The dotted red line shows the total ratio of per capita birth to K-entry investments compared to school-aged investment.

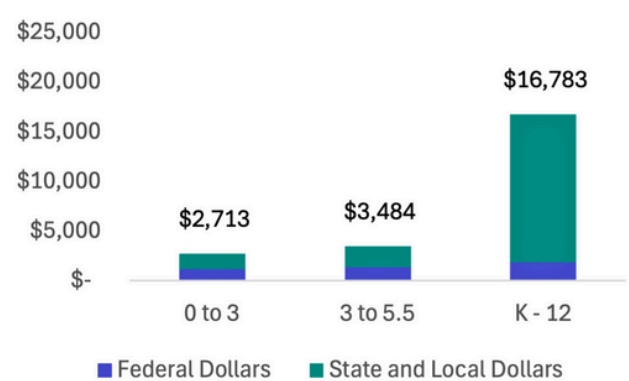


A closer look at two high-ranking states provides a useful example. New Jersey and Illinois ranked among the top 5 states for ECE investments in 2022. However, as the graphs below illustrate, New Jersey invested significantly more in preschoolers and comparatively little in infants and toddlers, while Illinois invested more evenly across age groups.

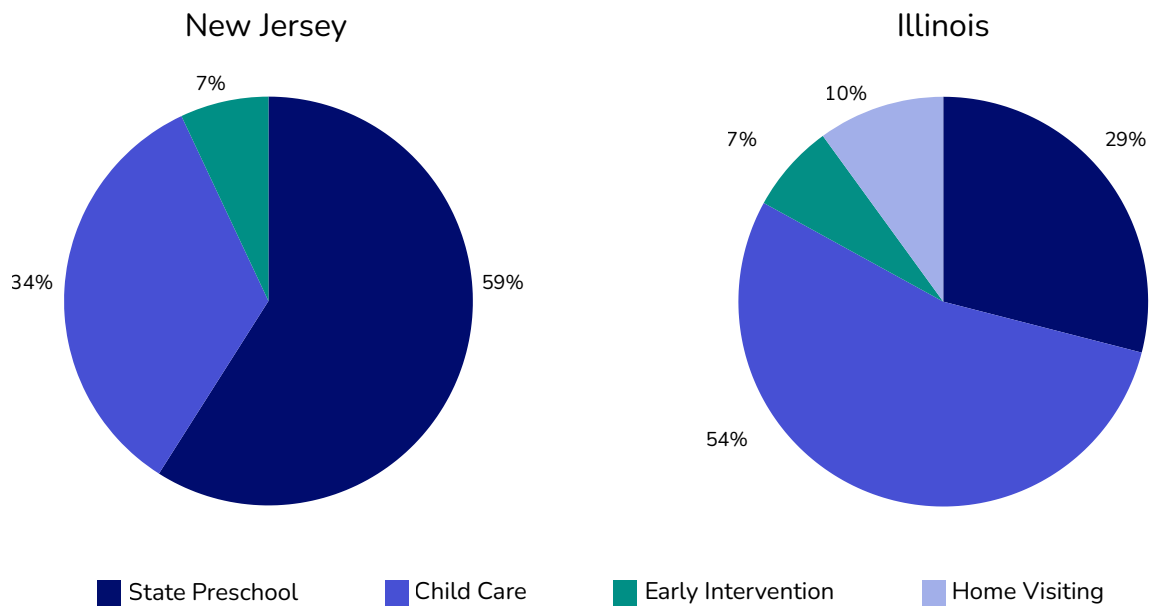
**Per Capita Spending by Age Group (New Jersey)**



**Per Capita Spending by Age Group (Illinois)**

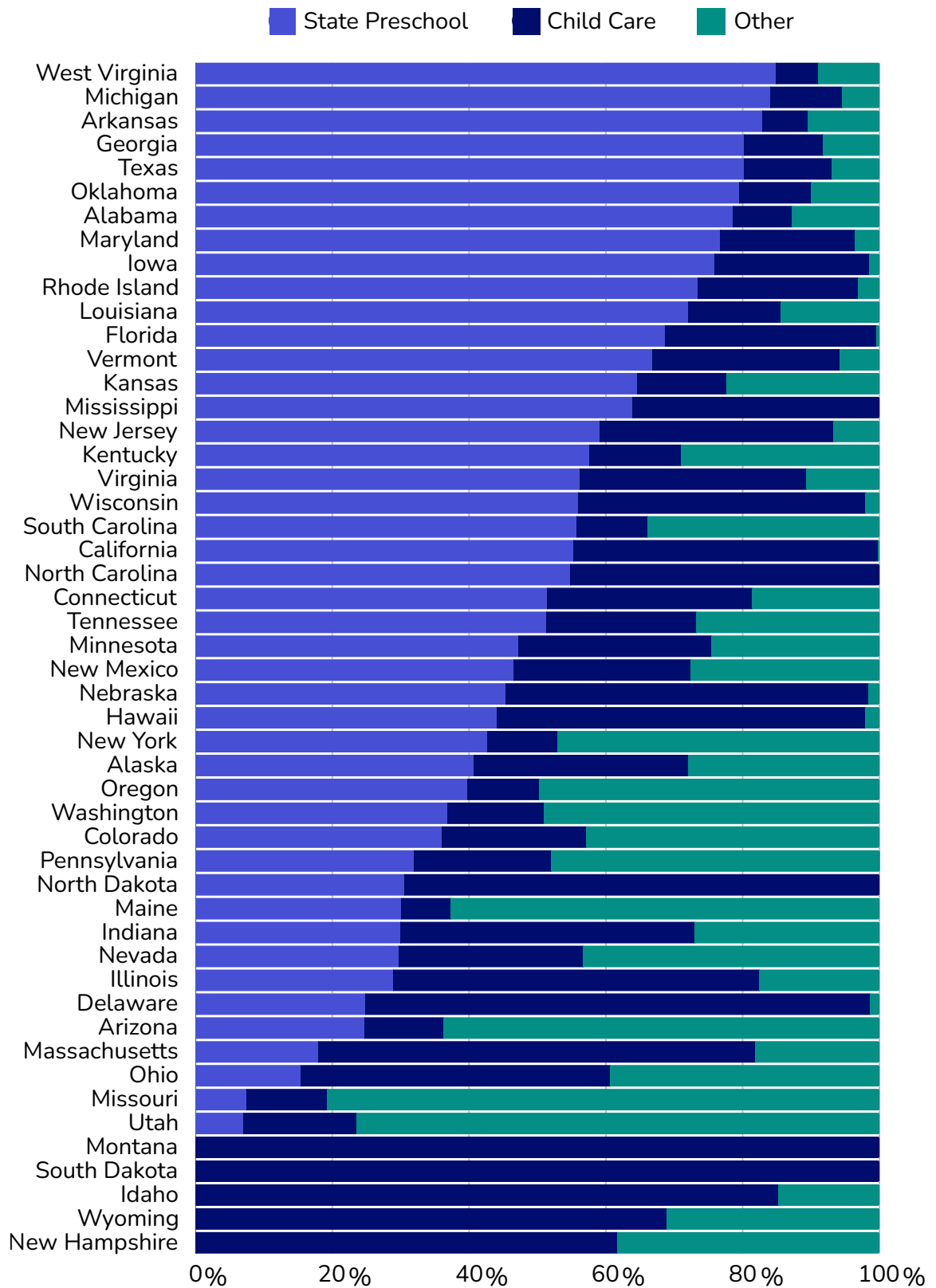


These differences in spending across age groups result from the types of programs the states invested in. New Jersey invested heavily in its state PreK program (59 percent of its total state ECE investments) and comparatively little in other services, such as child care (34 percent) and home visiting (7 percent). Illinois, on the other hand, invested in programs that serve children across both age groups, allocating 29 percent to PreK, 54 percent to child care, 7 percent to early intervention services, and 10 percent to home visiting.



The graph on the next page shows the percent of total state spending by service type for each state. It shows that in 2022, twenty-four states invested the majority of their state ECE expenditures in their PreK systems, and comparatively little in child care and other services that serve infants and toddlers, like early intervention and home visiting. Notably, a few states at the bottom of the graph invested no state dollars in PreK whatsoever. (Visit the Shortchanged Project [interactive map](#) to see more details on where each state invests within its ECE system.)

## Total State Spending by Category





## Conclusion

Our analysis shows substantial differences in how states invest in early learning across service types and age groups. Even when we account for these variations, some states stand out as clear leaders in their commitment to early learning. Understanding these patterns is critical for policymakers and advocates working to build equitable early learning systems. By identifying where investments fall short, states can prioritize strategies that allocate state resources where they matter most.

## About CELFE

The Center for Early Learning Funding Equity (CELFE) at Northern Illinois University works with states, philanthropy, and other partners to redesign early learning financing strategies in a way that better focuses equitable funding on the needs of children and families. Our work is data-driven, informed by over 30 years of experience working inside and outside of government and thinking creatively about how to design and implement meaningful change. As the only university-based organization focused specifically on strategic early childhood education and care financing, CELFE believes how much money is invested matters. Further, CELFE contends that how those funds are distributed is the greatest policy lever available to ensure an equitable ECE system for children ages 0-5. Learn more at [celfe.org](https://celfe.org).