

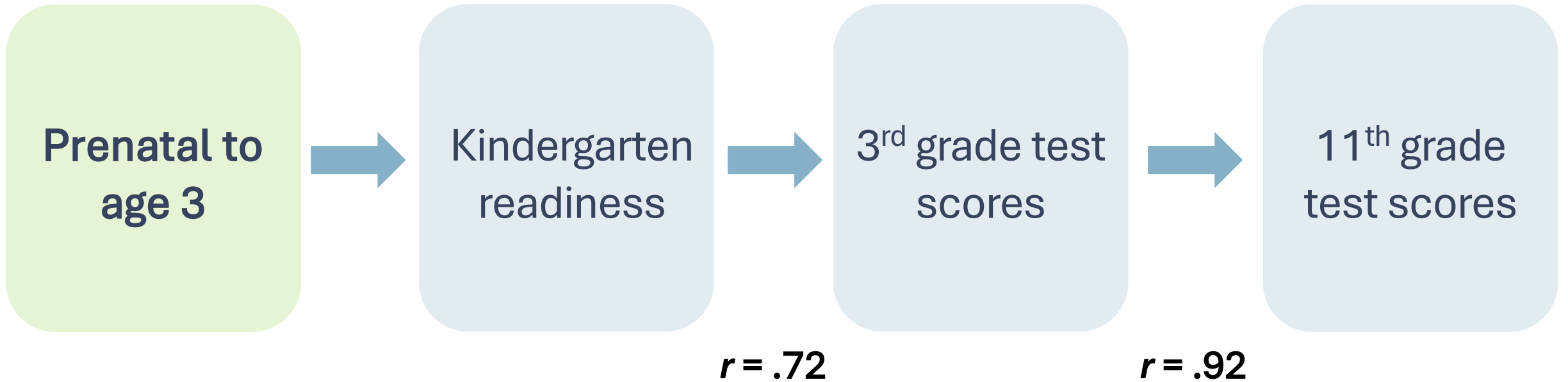
OCTOBER 8, 2026

Early Learning Leads to Lifetime Success

CYNTHIA OSBORNE, PhD

Executive Director, Prenatal-to-3 Policy Impact Center
Professor of Early Childhood Education and Policy
Vanderbilt University, Peabody College of Education and Human Development

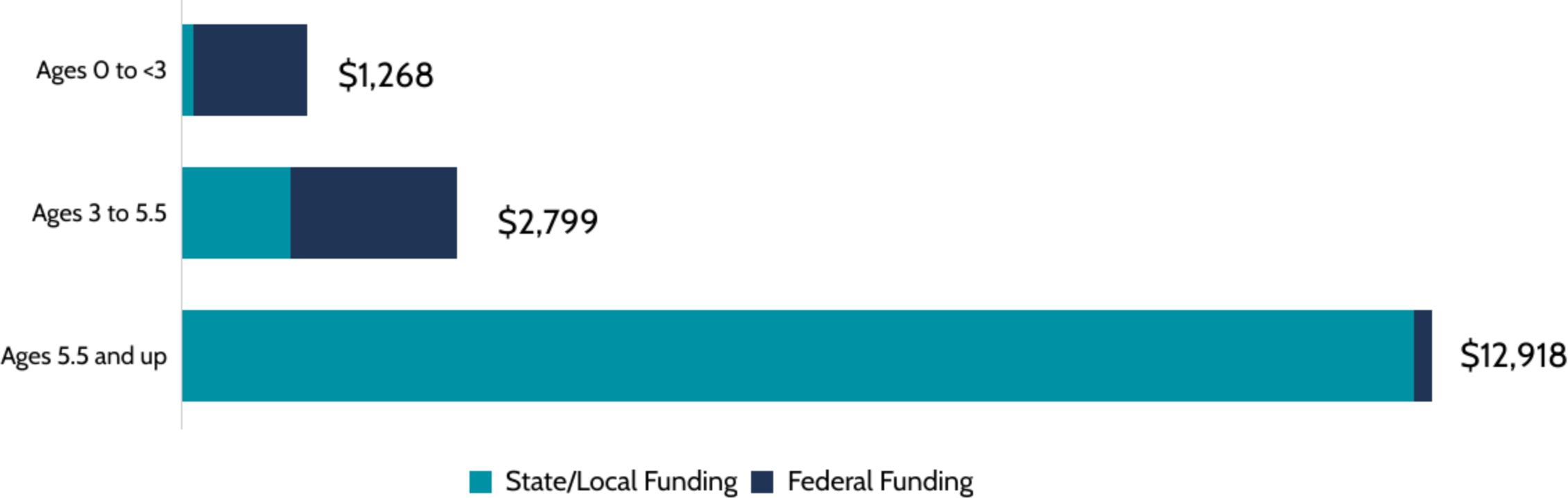
Why Invest in Early Childhood?



Sources: Austin et al. (2023), Shores et al. (2026)

Low Public Investment in the Earliest Years

Per Child Public Spending by Age Group in 2021



Sources: Hawley, Bezark, D’Azevedo, Portillo, & Akerson (2024)

A Healthy Start Leads to Lifelong Health and Wellbeing



Safe, stable, stimulating, nurturing interactions between an infant and a parent or caregiver **promote optimal brain and body development**



Our health and wellbeing prenatally and in the first 3 years of life **affect all future learning, behavior, and health**



The absence of a comprehensive system of support can **compromise a child's ability to learn and grow throughout life**

64%

of children under age 6
in Oklahoma have all
available parents in the
workforce

The Benefits of Child Care

High-quality child care provides important individual and societal benefits for children and families



Children prepared for life-long success



Increased workforce participation and improved family outcomes



Improved educational outcomes and higher-skilled workers



Increased productivity and tax revenue



High ROI

The Problem in Child Care

**Lack of access to
high-quality,
affordable child
care**



Too few care options are
available



Working families can't
access high-quality,
affordable care



Teachers aren't paid
enough to remain in the
workforce



Businesses can't hire
enough workers to keep
their doors open

**Child care is not
working for children,
families, or
businesses.**

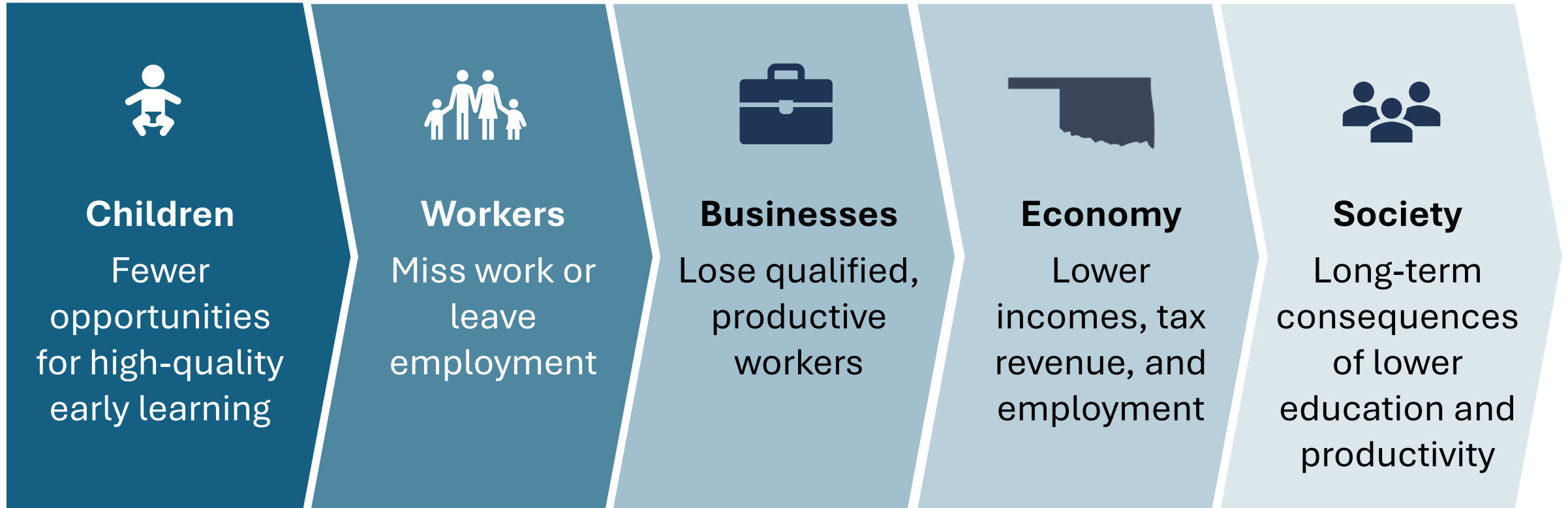
Child Care Is a Market Failure

A market failure occurs when **the private market cannot produce enough of a good at a price consumers can afford, and that good is essential for the economy.**

Child care is essential to allow parents to work and businesses to operate.

The **private market cannot provide enough child care, especially infant and toddler care**, at a price consumers can afford.

The Consequences of Child Care as a Market Failure



\$1.2B in lost earnings, productivity, and revenue in Oklahoma annually due to lack of child care

The Opportunity

Government funding can help stabilize the market, which will help families, businesses, and the economy.

Multiple funding opportunities:

- Child care subsidies
- Workforce supports
- Public-private partnerships
- Tax credits

Child Care Subsidies

- ✓ Promotes Work
- ✓ Protects and Increases Earnings



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Child Care Subsidies: Key Policy Levers

18 states set the **initial income eligibility** limits at or above 85% of the state median income (SMI)

AR	CA	KS	KY	LA	ME	MA
NH	NM	NY	OK	SC	TN	TX
UT	VT	VA	WV			

35 states **limit copayments** to 7% of family income or less for all families

AZ	CA	CT	DE	DC	FL	GA
ID	IL	IN	KS	KY	LA	MD
MI	MS	MT	NE	NV	NH	NJ
NM	NY	ND	OK	OR	RI	SC
SD	TN	TX	UT	VA	WA	WV

19 states set **equitable** infant and toddler **reimbursement rates** at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model

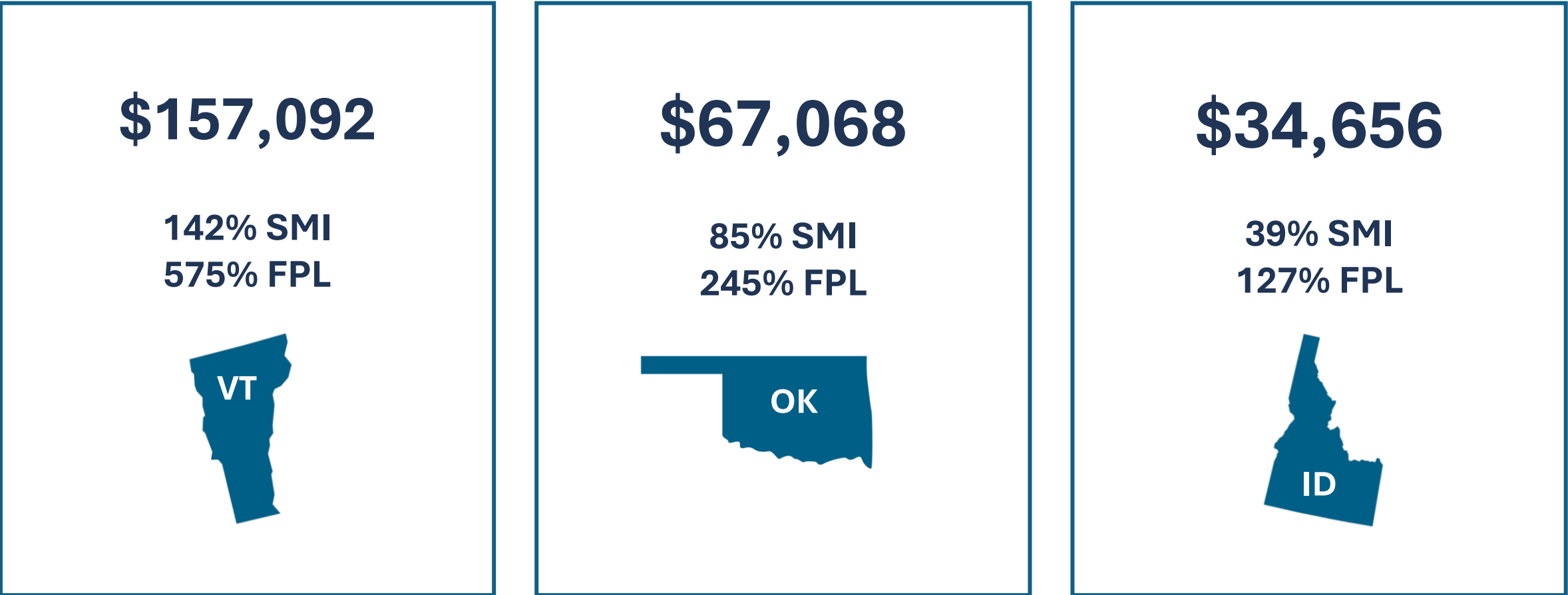
CO	DC	IN	IA	LA	MA	MN
MS	MO	NE	NH	NM	NY	ND
PA	TX	VT	VA	WV		

7 states have implemented all key policy levers for child care subsidies

LA	NH	NM
NY	TX	VA
WV		

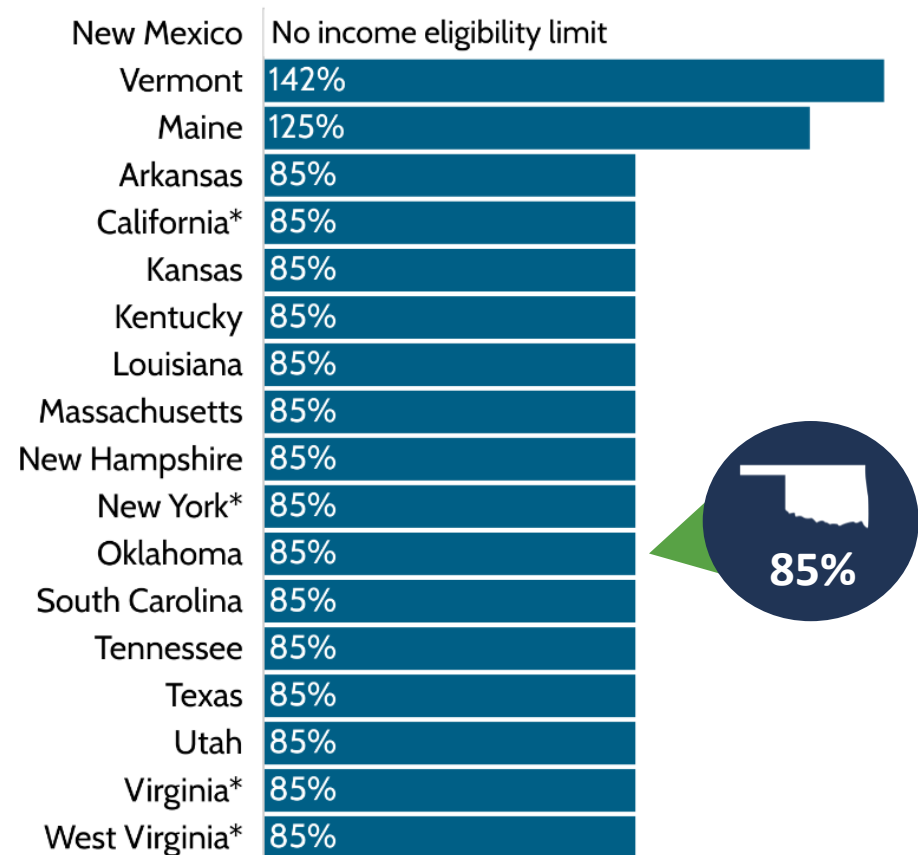
State newly implemented key policy lever since June 30, 2025

Variation in Initial Income Eligibility Limits for Child Care Subsidies

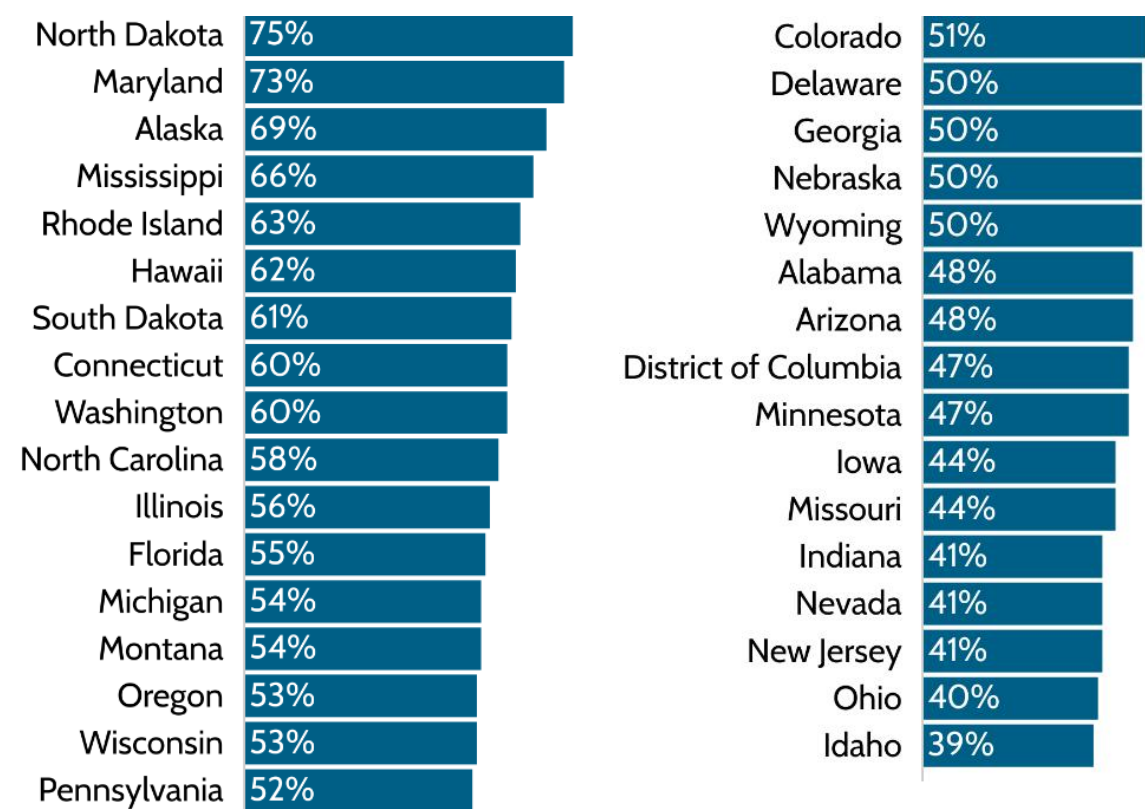


Families in **New Mexico** are eligible for subsidies regardless of their income.

18 States Set Their Child Care Subsidy Income Eligibility at 85% of SMI or Higher

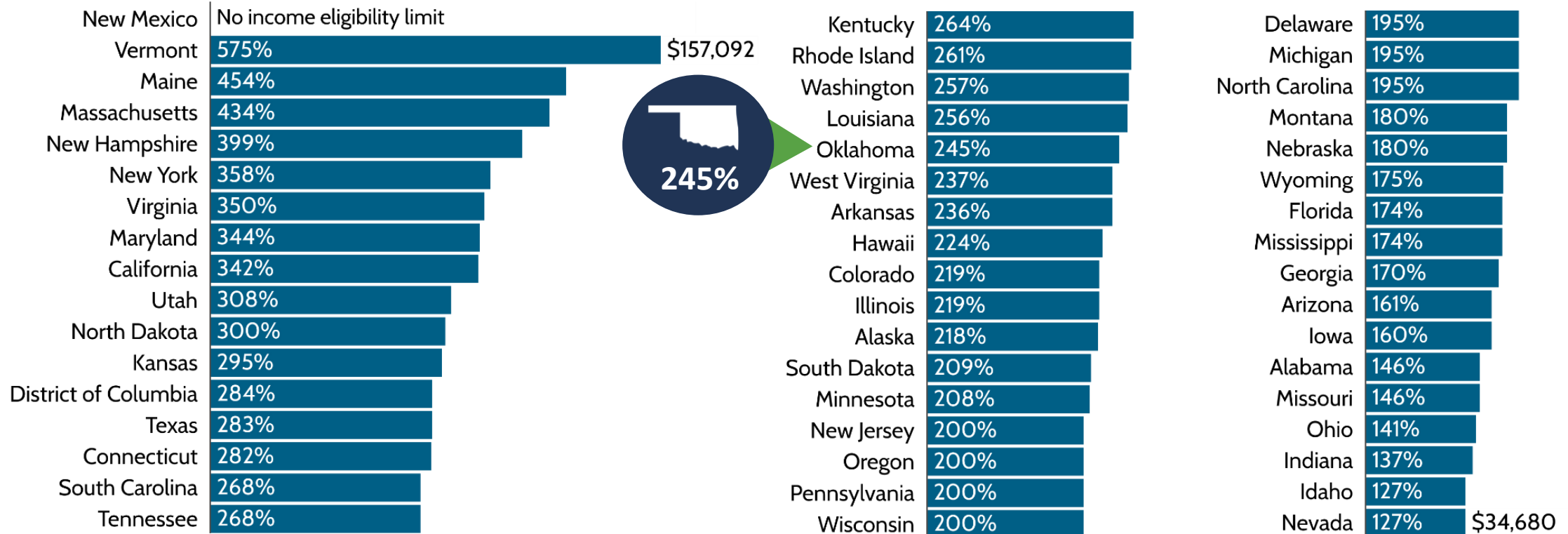


Federal Maximum Income Eligibility Limit is 85% SMI



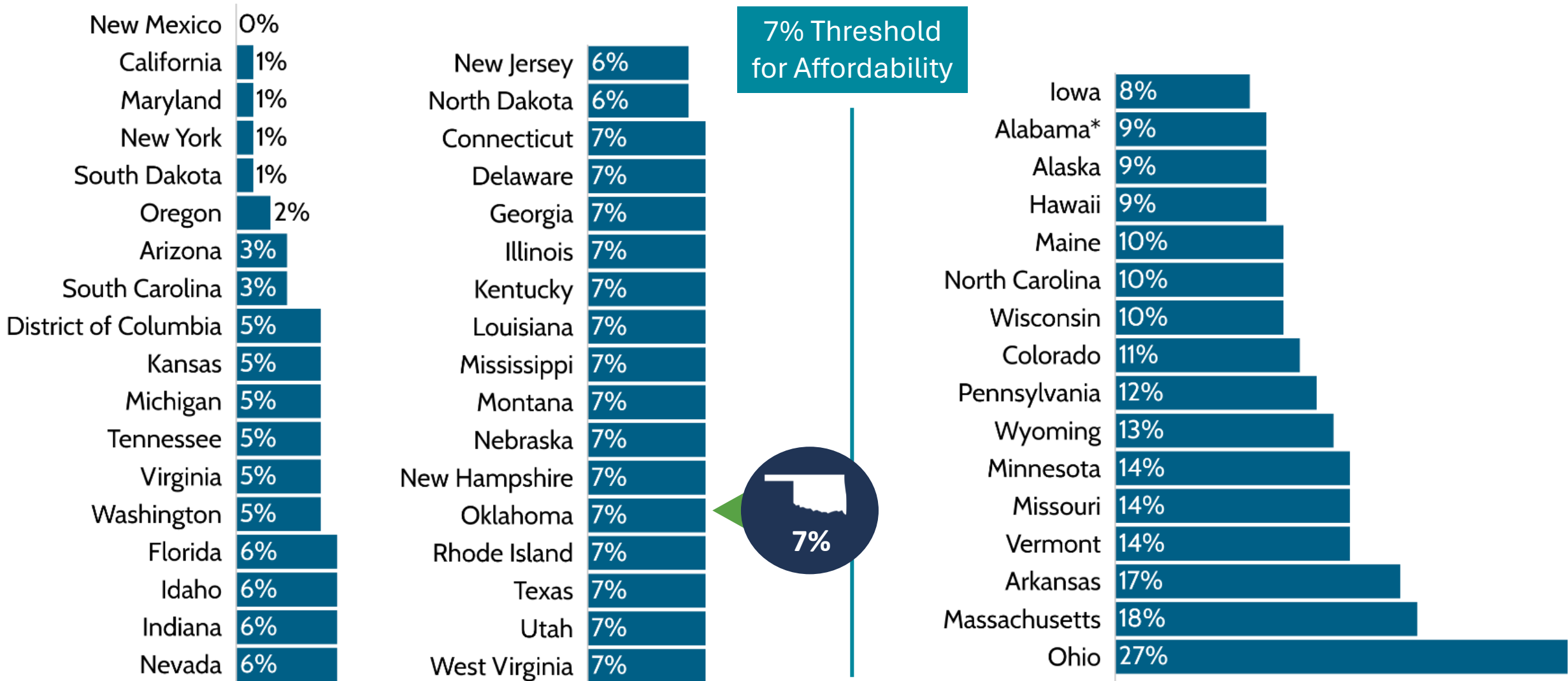
Eligibility will be set at 55% of the SMI in Oklahoma effective February 2027.

Variation in Initial Income Eligibility for Child Care Subsidies as % of the FPL

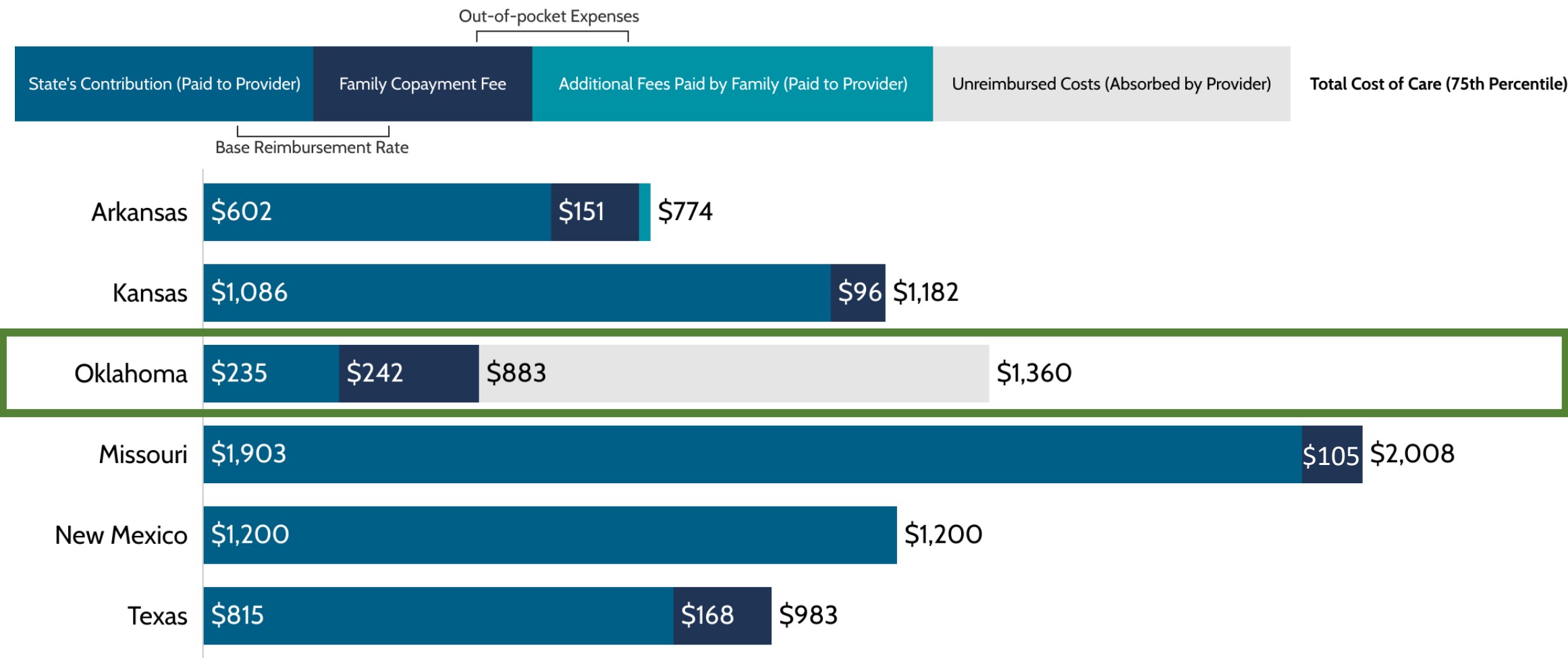


Eligibility will be set at roughly 160% of the FPL in Oklahoma effective February 2027.

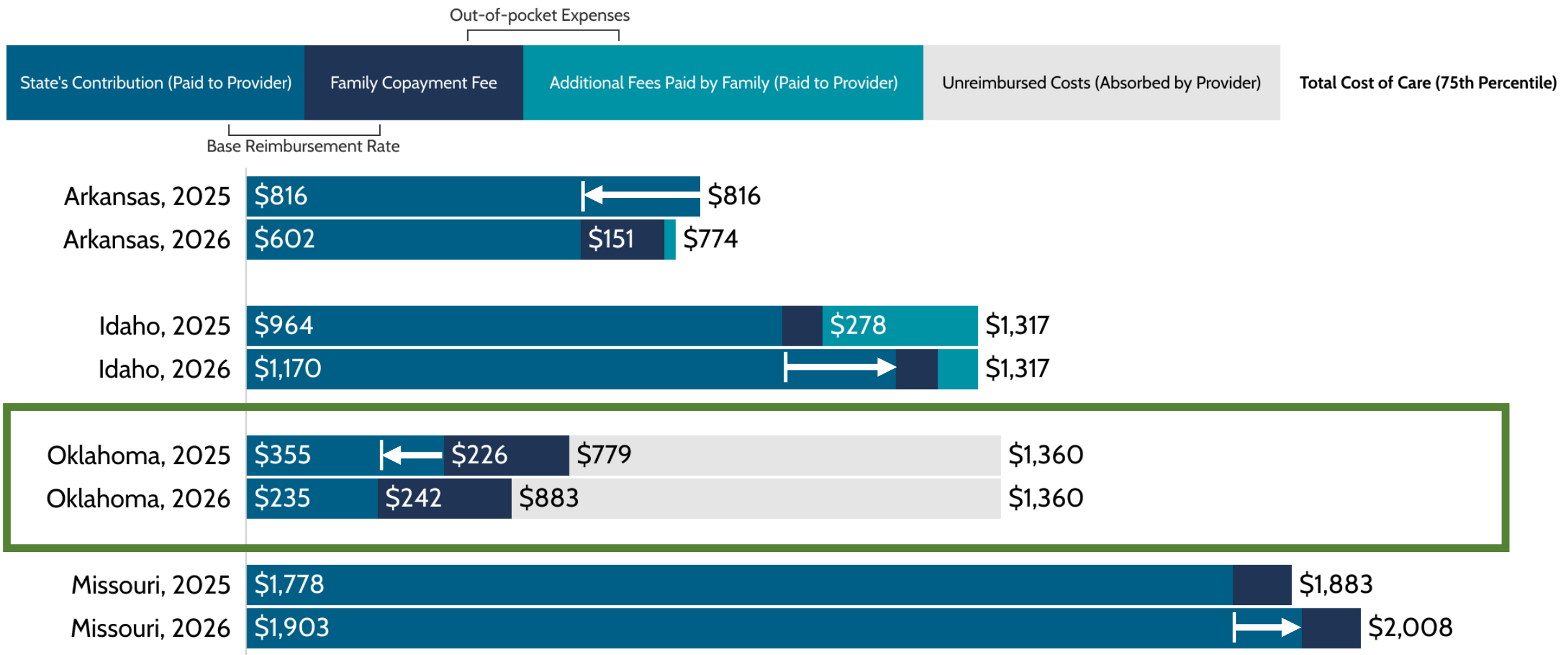
35 States Limit Child Care Subsidy Copayments to 7% or Less of Family Income



19 States Set Child Care Subsidy Reimbursement Rates at the 75th Percentile



19 States Set Child Care Subsidy Reimbursement Rates at the 75th Percentile



Key Takeaways

- High-quality child care is an essential service that benefits children, families, and the economy.
- Many families are finding reliable care to be out of financial reach, early educators are not earning livable wages, and child care programs are struggling to stay open.
- Child care is a market failure.
- Child care subsidies increase maternal employment, improve parents' ability to work, improve access to needed services, and provide greater household resources.

Scan to view the **2026 Prenatal-to-3 Roadmap**

