



Early Care and Education Economic Impact Head Start Analysis June 2025

Introduction and Methodology:

The data analysis below represents how a loss of Head Start funded early learning slots would exacerbate Arizona’s early care and education gap¹ and impact Arizona’s economy. This economic impact analysis² is an extension of the early care and education gap analysis and serves to “monetize the impact on families, businesses, and the broader economy” (Bipartisan Policy Center, 2020). The long-term economic impact captured below represents the annual value plus losses that accumulate over 10 years due to the cumulative and compounding nature of incurred deficits.

The components used for this calculation include:

1. Household losses calculated from current lost earnings and future earnings.
2. Business losses modeled as a function of current and future productivity and turnover.
3. Tax losses assumed at a constant percentage modeled as an average national tax.

State level Analysis:

Head Start Capacity (Based on 2020 national Data and 2024 State Data)	15,605 ³
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Increase in Early Care and Education Gap (without Head Start Capacity)	12,739 ⁴
Urban	9,363
Rural	3,376

¹ <https://childcaregap.org/>

² <https://childcaregap.org/assets/Childcare%20Economic%20Impact%20Method.pdf>

³ Based on sites listed as open and not reporting

⁴ Assumption that appx. 20% of enrollees will be absorbed by other programs (does not account for quality)



Gap increases from 15.4% to 19.3%⁵

	Low	High
Economic impact of Increase in Early Care and Education Gap (Long Term)	\$645,725,401	\$986,422,759

Congressional District	Head Start Capacity	Increase in Child Care Gap (without Head Start Capacity)	LOW Economic Impact of Increase in Gap (Long Term)	High Economic Impact of Increase in Gap (Long Term)
District 1	833	383	\$ 20,829,958	\$ 31,820,252
District 2	3,210	2,415	\$ 115,334,461	\$ 176,187,179
District 3	3,960	2,829	\$ 153,858,881	\$235,037,837
District 4	871	514	\$ 27,954,656	\$ 42,703,941
District 5	285	582	\$ 31,652,835	\$ 48,353,489
District 6	1,128	833	\$ 41,581,444	\$ 63,520,627
District 7	3,621	3,046	\$ 146,605,301	\$ 223,957,127
District 8	765	596	\$ 32,414,243	\$ 49,516,632
District 9	932	1,541	\$ 75,493,714	\$ 115,325,675
Arizona Total	15,605	12,739	\$ 645,725,401	\$ 986,422,759

More information and data regarding Arizona's early care and education gap can be found on Read On Arizona's Data Tool, [MapLIT](#).

⁵ Based on Arizona licensing data, does not account for % in quality early learning settings