

# From Cradle to Career: Understanding the Federal Government's Investment in Young People

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Every community must make strategic decisions about how and where to invest in children and youth. But to do this effectively, leaders must quickly make sense of an increasingly complex funding landscape. As we look across federal agencies, what do we currently know about federal funding programs and where our government prioritizes spending for children and youth? What are the spending trends for children and youth services across various developmental outcomes? How did the COVID-19 pandemic change the funding landscape—and what might we expect in the immediate future? Fortunately, we now have answers to these questions and more.

The findings in this fact sheet draw on data contained in Children's Funding Project's [Federal Funding Streams for Children and Youth Services database](#).

## How Many Federal Funding Streams Support Children and Youth?

The database tracks more than 280 federal funding programs and counting. More than one-third of the funding streams in our database support education programs and services from preschool through college, while one-quarter of the funds support physical and behavioral health outcomes. One-fifth of the funds support initiatives to keep kids supported and connected in their communities through enrichment activities; family and community services; and programs to help families feed, house, and provide for their children's basic needs.

## How Does Federal Spending for Children Compare to Spending in Other Areas?

Programs for children and youth comprise a fraction of the entire federal spending budget. While children and youth ages 0–24 make up 34% of the U.S. population, only about 3% of all 2022 federal spending was targeted to that age group. (See Figure 1 on the next page.) Even at the peak of COVID-19 emergency



## About the Federal Funding Streams for Children and Youth Services Database

This database catalogs the purposes and key characteristics of more than 280 federal funding programs—funded across 12 different federal agencies—that support cradle-to-career initiatives. It includes funding for programs targeted to children and youth. Children's Funding Project used our discretion to also include other funding streams important to children and family well-being.

The database organizes federal funding data using a *child-centered* rather than an agency-centered view and features federal fiscal year allocations from 2019 to 2022. Fiscal information in the database comes from [www.usaspending.gov](http://www.usaspending.gov), a website maintained by the U.S. Department of Treasury that serves as the official source for spending data for the U.S. government. Additional information about the funding programs comes from the federal System for Award Management ([SAM.gov](http://SAM.gov)).

Children's Funding Project will update the database annually to include new fiscal year allocations as they become available. For additional information about how federal funds flow through federal agencies and into local communities, check out our companion [federal funding flow chart](#).

funding in 2021, the estimated funding targeted to this age group reached only 7% of all federal spending before returning to pre-COVID funding levels.<sup>1</sup>

## What Are the Federal Spending Trends Across Child and Youth Developmental Outcome Areas?

As a measure of total dollars tracked, funding for kids' physical and behavioral health outpaces all other federal spending documented in our database. (See Figure 2.) In 2022, the federal government spent more than \$820 billion on health, behavioral health, and nutrition programs for kids.<sup>2</sup> That total represents 82% of all federal spending on kids tracked in our database. Moreover, health-related funding has risen steadily since 2019 as health care costs have increased.

By contrast, funding for education, basic needs, and community-based services that keep children and youth supported and connected spiked in 2021 with the infusion of pandemic-relief funds before dropping back to near pre-pandemic levels one year later. Meanwhile, funding for youth employment and child safety and welfare programs remained flat accounting for just \$15 billion combined—a fraction of the investments related to health care and health maintenance and prevention services.

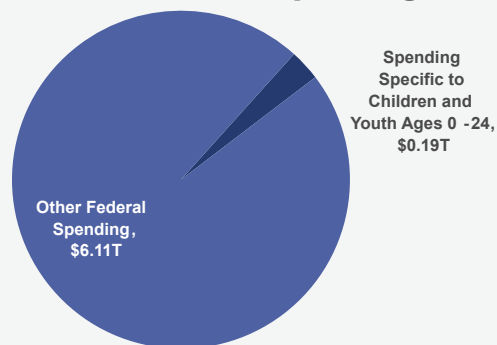
## What Was the Impact of Federal COVID-Relief Funding? What Should State and Local Leaders Expect as Those Funds Expire?

The federal response to the COVID-19 pandemic introduced an infusion of dollars into the overall funding landscape. The federal government spent 213% more on children and youth ages 0–24 in 2021 compared to pre-COVID spending in 2019.<sup>3</sup> From this peak, total federal funding for this age group dropped 62% from 2021 to 2022. For education specifically, from 2021 to 2022,

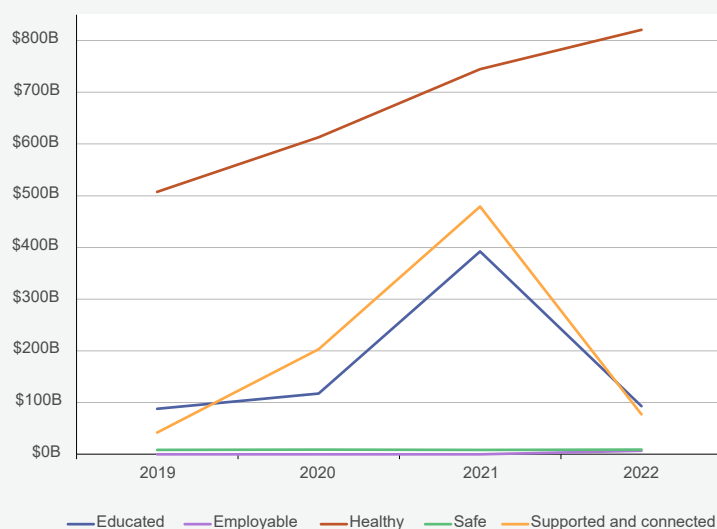
- federal spending for early care and education decreased by 67%,
- federal spending in K-12 education decreased 88%, and
- federal spending for higher education decreased 67%.

These declines essentially returned spending at each level of education to the pre-COVID funding levels seen in 2019.

**Figure 1: Spending on Children and Youth as a Percentage of Total Federal Spending, 2022**



**Figure 2: Federal Spending on Children and Youth By Outcome Area, 2019–2022**



## What Do Federal Funding Trends Mean for Tribal, State, and Local Leaders?

Most states, localities, and tribes use federal funding to support a range of services and programs for children and youth ages 0–24. These programs range from child care and home visiting services to mental health support and summer jobs programs. Consequently, state and local leaders must remain informed about their communities' current federal funding—as well as potential opportunities—to maximize their available resources to support kids. The [Federal Funding Streams for Children and Youth Services database](#) can support this work in the following ways:

- **Educate state and community leaders about the funding trends and funding streams that are available for specific services, eligible populations, and community priorities.** One-fifth

of the funding streams cataloged in the *Federal Funding Streams for Children and Youth Services* database were designated for COVID-relief funding, which means communities must spend these funds by 2024, 2026, or 2027 depending on the specific program. These funds span education, health, and nutrition support initiatives. To ensure that these funds are [truly transformative rather than one-off investments](#), states and localities must think now about [how to sustain them long term](#) once these federal resources return to pre-pandemic funding levels. (For additional information about federal COVID-relief funding, visit our [American Rescue Plan database](#), which documents the amount of temporary federal emergency funding the government allocated to all 50 states, U.S. territories, and the District of Columbia as well as more than 27,000 counties, cities, and towns; nearly 17,000 school districts; and 3,500 higher education institutions. Visitors also can find examples of how communities have creatively used American Rescue Plan funds to support children and youth services.)

- **Develop their own local children and youth fiscal maps.** Most basic services for children and youth are partially or fully supported by federal funds, depending on the amount of funding states contribute. Since federal funding trends impact the local resource landscape, [communities interested in creating their own fiscal maps](#) can

get a head start if they understand the federal funding flowing into their community and then incorporate state, local, and private investments into a [fiscal map](#).

- **Advocate for new funding and more equitable uses of funding with greater precision.** The *Federal Funding Streams for Children and Youth Services* database can help communities identify additional funding streams for which their states, tribes, or localities might be eligible. The database even includes details that help leaders decide whether to pursue those other opportunities. Advocates seeking to increase funding for children and youth can now bring greater precision to the financing strategies they propose. Additionally, later this summer the database will feature new functionality that will allow users to sort data by state so advocates and local leaders can track competitive funding as it lands (or doesn't land) in their states.

The [Federal Funding Streams for Children and Youth Services database](#) offers leaders and advocates a significant boost in understanding federal funding for children and youth services by equipping them with the knowledge to support more effective, equitable, and sustainable strategies to expand and improve services for infants, toddlers, children, and youth.

## Endnotes

<sup>1</sup> Total federal budget numbers come from Dan Ready, Jorge Salazar, and Caitlin Verboon, *The Federal Budget in Fiscal Year 2022* (Washington, DC: Congressional Budget Office, 2023), <https://www.cbo.gov/publication/58888>. The percentages of funding allocated to children and youth are based on analyses of data in Children's Funding Project's *Federal Funding Streams for Children and Youth Services* database.

<sup>2</sup> Medicaid funding represents 73.5% of federal funding in the health, behavioral health, and nutrition programs category cataloged in Children's Funding Project's *Federal Funding Streams for Children and Youth Services* database.

<sup>3</sup> This total does not include federal student loans or child tax credits.

Children's Funding Project is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing. [childrensfundingproject.org](https://childrensfundingproject.org)

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