

# Assessing Child Care Systems in New Jersey

*A Report for New Jersey Policy Perspective*

*Produced by Jessica Dufort, Jennifer Elliott,*

*Eashwayne Haughton, Kevin Keys, & Amanda Parker*

*Edward J. Bloustein School of Planning and Public Policy*

*Spring 2021 Practicum*

## Executive Summary

### THE STATE OF CHILD CARE IN NEW JERSEY

Equitable access to high quality, safe, and affordable child care is a necessity for healthy children and families. A family who secures quality dependable child care is able to simultaneously meet the needs of their children and be a productive member of the workforce. Access to child care in New Jersey is currently not equitable or affordable.

The current state of child care is filled with inequities because of policy decentralization, high cost for families, lack of funding for providers, and non-competitive salaries for employees. The overriding result of decentralizing child care policies is that eligibility for subsidized child care is geographically uneven (Black, 2020), meaning not every family in need is able to access quality child care.

When the ratio of children to available slots is greater than 3-to-1 the community is generally considered a child care desert. These deserts are often found in rural and low-income areas; **46%** of New Jersey families live in a child care desert.

Statewide **licensed child care capacity** for children under **13-years-old is only 24%** and is only **46% for children under 6-years-old**. Limited capacity affects working families the most; **< 70% of working families** with children 6-years-old and younger would have their child care needs met by the current licensed capacity.

In New Jersey, two-parent families earning the median household income of \$103,429, spend **15% of their income** for infant care in child care centers, while only 7% is recommended by the US Department of Health and Human Services (Bishop-Josef et al., 2020).

The COVID-19 pandemic is an ongoing challenge and is continuing to impact child care on all levels, particularly providers, employers, parents, and caregiving families. As parents and guardians begin returning to the workforce, and school-age children return to in-person school, the need for child care becomes more important than ever.

#### Policy Recommendations:

1. Create a Child Care Equity Strategic Plan in order to maximize and coordinate the state's approach to create an equitable and accessible child care system.
2. Conduct a public investment study to determine the amount of funding necessary to create an equitable, high quality, child care system across the state.
3. Increase funding for child care throughout the state.
4. Expand the Grow NJ Kids platform to create a collective, trusted online resource for families in need of child care, as well as equitably distribute resources to providers and increase participation to improve child care quality.
5. Develop policies to increase salaries and benefits for the child care workforce to increase retention.
6. Create a child care database to serve as a primary information hub for providers and families.

## **Acknowledgements**

Thank you to New Jersey Policy Perspective for the opportunity to work with them on developing a meaningful project that is so pertinent to the current times.

This report would not be possible without the support and guidance of Dr. Andrea Hetling, Director of the Public Policy Program at the Edward J. Bloustein School of Planning and Public Policy, Dr. Carl Van Horn, Director of the John J. Heldrich Center for Workforce Development and Distinguished Professor of Public Policy at the Edward J. Bloustein School of Planning and Public Policy, and Jessica Starace, Research Associate at the Heldrich Center for Workforce Development.

We are also thankful for information and assistance provided to us by the Department of Human Services and Department of Children and Families.

# Contents

<b>EXECUTIVE SUMMARY</b> .....	<b>II</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>III</b>
<b>LIST OF FIGURES AND TABLES</b> .....	<b>V</b>
<b>LIST OF ACRONYMS</b> .....	<b>VI</b>
<b>INTRODUCTION</b> .....	<b>1</b>
<b>HISTORY OF CHILD CARE</b> .....	<b>1</b>
<b>NEW DEAL ERA</b> .....	<b>2</b>
<b>WORLD WAR II</b> .....	<b>2</b>
<b>WAR ON POVERTY</b> .....	<b>3</b>
<b>WELFARE REFORM</b> .....	<b>4</b>
<b>STATE OF CHILD CARE IN NJ</b> .....	<b>6</b>
<b>WHO ARE CHILD CARE PROVIDERS</b> .....	<b>6</b>
<b>HOW PROVIDERS ARE CLASSIFIED</b> .....	<b>7</b>
<b>FINDING CHILD CARE</b> .....	<b>8</b>
<b>QUALITY RATING IMPROVEMENT SYSTEMS</b> .....	<b>9</b>
<b>PROVIDER COMPENSATION</b> .....	<b>13</b>
<b>CHILD CARE CAPACITY</b> .....	<b>15</b>
<b>CHILD CARE ACCESS</b> .....	<b>25</b>
<b>CHILD CARE SUPPORTS</b> .....	<b>25</b>
<b>CHALLENGES ENSURING ACCESS TO QUALITY CARE</b> .....	<b>26</b>
<b>CHILD CARE DESERTS</b> .....	<b>28</b>
<b>IMPACTS OF COVID-19</b> .....	<b>32</b>
<b>POLICY RECOMMENDATIONS</b> .....	<b>35</b>
<b>REFERENCES</b> .....	<b>38</b>
<b>DATA SOURCES</b> .....	<b>41</b>
<b>STUDY LIMITATIONS</b> .....	<b>42</b>
<b>APPENDIX</b> .....	<b>43</b>

## List of Figures and Tables

Graphs		
Graph 1	Total Licensed Child Care Capacity 1996-2019	14
Graph 2	Number of Child Care Providers 1996-2019	24
Graph 3	Changes in Number of Providers by Type 1996-2019	25
Maps		
Map 1	New Jersey Counties by Region	14
Map 2	Location of active licensed child care centers in New Jersey	19
Map 3	NJ Child Care Capacity, 2019	20
Map 4	NJ Under 6 Child Care Capacity, 2019	21
Map 5	Total percentage of children with all parents in the labor force by county	22
Map 6	Minimum Expected Need, 2019	23
Map 7	Proximity to Public Transit	31
Map A-1	Median Family Income by County, 2019	49
Map A-2	Minority Population by County, 2019	50
Tables		
Table 1	Grow NJ Kids Rating Incentives	10
Table 2	Grow NJ Kids Participating Child Care Providers, 2021	12
Table 3	Child Care Participation in NJ Child Subsidy Program and Grow NJ Kids	12
Table 4	Staff-to-Child Ratios	16
Table 5	Licensed Child Care Center Capacity by Age Group, 2019	18
Table A-1	Grow NJ Kids Participation Requirements and Rating Standards	43
Table A-2	Total Licensed Child Care Capacity in New Jersey	44
Table A-3	Licensed Child Care Centers in New Jersey	45
Table A-4	Registered Family Child Care Providers in New Jersey	46
Table A-5	Licensed Child Care Center Capacity by Age Group and County, 2019	47
Table A-6	Commuting Characteristics of New Jersey, 2019	48

## List of Acronyms

AFDC	Aid to Families with Dependent Children Program
CBC	Center-Based Care
CCDBG	Child Care and Development Block Grant
CCR&R	Child Care Resources and Referrals
CDCC	Child and Dependent Care Credit
DCF	Department of Children and Families
DFD	Department of Human Services, Division of Family Development
DHS	Department of Human Services
DOE	Department of Education
ECPA	Early Childhood Program Aid
EIC	Earned Income Credit
ELLI	Early Launch to Learning Initiative
FSA	Family Support Act
NJCK	New Jersey Cares for Kids
NJT	New Jersey Transit
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
QRIS	Quality rating and improvement system
SSBG	Social Services Block Grant
TANF	Temporary Assistance for Needy Families
WPA	Works Progress Administration

## **Introduction**

Access to high quality, safe, and affordable child care is a necessity for healthy children and families. A family who secures quality dependable child care is able to simultaneously meet the needs of their children and be a productive member of the workforce. This report assesses the current state of New Jersey's child care system to identify gaps and needs to help support those seeking child care services, particularly low- and moderate- income working families. In identifying the gaps in access and availability, this report also examines the potential impacts that COVID-19 has and will have on the child care system. This report will help inform policymakers and advocates on the opportunities to strengthen and expand the child care system in New Jersey to meet the needs of those that need it most.

To assess the current landscape of child care in New Jersey, this report will first look at the history of child care in the United States, including governmental actions, and how this has had a significant impact on the current state of child care in the U.S. Next, there will be an examination of the current state of child care in the state, including a look at who providers are, how parents find care, how quality of child care is monitored, and the capacity of the child care system in the state. This will lead to an assessment of child care access. This section will include a look into the supports available to families for child care, the challenges families face in accessing child care, how access is impacted by child care deserts, and the impacts COVID-19 has had thus far. Once the current landscape of child care in New Jersey is examined, we will provide a set of policy recommendations we believe will help increase equitable access to high quality child care. The paper will conclude with a brief description of the limitation of our study and some suggestion for further research.

## **History of Child Care**

Child care institutions in the U.S. have undergone significant changes since its inception in the 19<sup>th</sup> century. These changes have been underpinned by social, cultural and political factors. Social factors such as public discourse, cultural factors such as beliefs about a woman's place in the family and political factors such as welfare programs have largely determined the state of America's child care system (Burger, 2012). Through an understanding of the country's past, readers will have a stronger foundation to analyze the current child care system. The major changes to the American child care system are marked by the New Deal Era, World War II, War on Poverty and Welfare Reform.

Most of the major changes to the child care system in the U.S. happened as a result of an economic or social conflict. The major changes in child care have correlated with a shift in the country's economy or public mood because it is seen as a way to boost the economy rather than

as a necessity. A shift in the economy refers to instances such as the Great Depression or World War II that drastically changed the country's economic conditions. The public mood of a country refers to the dominating perspective of the general public at a specific point in time. The changes in child care correlate with a shift in the country's economy or public mood because child care is both a private and public enterprise. Child care is a private enterprise because it is predominantly seen as the private responsibility of parents (Hamm, 2019). Child care is a public enterprise because it started as a form of charity when settlement houses opened nurseries to assist factory workers and has evolved into a massive industry that supports the country's entire workforce (Shdaimah, 2016).

Since child care is predominantly viewed by the general public as a private responsibility in the U.S., most individuals do not believe that the government needs to play a dominant role in its provision except for in dire circumstances. The history of child care in the U.S. is a balancing act between economic interests of the country and the perceived responsibility of parents to take care of their children. The balancing act between competing interests have led to the current decentralized child care system that is filled with subsidized funding.

### **New Deal Era**

The first federal investment in child care was made in 1933 to offset the effects of the Great Depression. The main goal of the government's initial investment was to help those that became unemployed as a result of the Depression, including teachers, nurses, cooks, janitors, and carpenters. The government also operated multiple child care programs during the Great Depression such as the Emergency Nursery Schools that were established through President Franklin D. Roosevelt's Works Progress Administration (WPA) (Michel, 2011). The WPA was a part of President Roosevelt's New Deal programs and it employed workers for various public works projects.

The nursery schools primarily provided child care to WPA workers and operated in forty-three states as well as the District of Columbia, Puerto Rico and the Virgin Islands. The nursery schools functioned more as a school rather than a child care facility (Michel, 2011). The government funded programs that were created in response to the Great Depression started to wind down once the economy showed signs of recovery and there was no longer a perceived need.

### **World War II**

The next major investment in child care did not occur until the Lanham Act of 1942. The Lanham Act converted Emergency Nursery Schools into publicly funded child care facilities. The Lanham Act represents the most comprehensive investment in child care to date by the federal government because its programs served children of all ages and its subsidies were made available for all children (Cohen, 1996). The primary goal of the Lanham Act was to support the war



industry through the provision of child care facilities to working women (Burger, 2012). By providing child care for working mothers, the government was able to allow more women to join the workforce and boost wartime production.

While the Lanham Act had a profound impact on the country's child care industry, it was not enough to serve all of the families that needed assistance. The Lanham Act was not enough to serve all vulnerable families because it mainly focused on "war impact areas" and was only serving about 13% of needy families (Cohen, 1996). Similar to the programs that were created in response to the Great Depression, the publicly funded child care programs designed to support the second World War effort ended in 1946 when the war ended, and veterans returned home.

An important shift happened after the war ended and veterans returned home. The shift happened in maternal employment since more mothers were getting jobs instead of staying home to take care of their children (Michel, 2011). This is significant because the funding from the Lanham Act was ending and child care centers were closing but more women were in need of child care since they were still getting jobs. The shift in maternal employment represented a change in the composition of the workforce which will have a significant impact on the state of child care moving forward.

### **War on Poverty**

After World War II, child care did not receive much attention despite the growing presence of women that were working. The care of young children was thought to be the private responsibility of mothers instead of the public responsibility of the greater public. Federal funding for child care was provided to address dire and unforeseen economic circumstances before President Lyndon B Johnson's War on Poverty in the 1960s (Burger, 2012). The poverty centered legislation and initiatives of President Johnson's administration marked a significant shift in the dominant perspective of the American public. The acknowledgement and discussion of mass poverty changed the public perspective on the provision of child care (Cohen, 1996). The general public started to see child care as a more public responsibility and sought to assist low-income families.

The Head Start program was created through President Johnson's War on Poverty and is one of the most important child care programs in the country. The program was created to break the generational cycle of poverty by providing low-income families with a comprehensive program to meet their needs (Cohen, 1996). The shift in public mindset about child care from a private responsibility held by mothers to a public responsibility shared by society was reflected in the proposed Comprehensive Child Development Act of 1971. This act would have made child development programs and care more available families by the creation of a national day-care system but ultimately was vetoed by President Richard Nixon (Cohen, 1996). The growing

perspective of child care being a public responsibility eventually led to Title XX of the Social Services Amendments of 1974 which allocated money for subsidized child care.

The federal government's child care policies also began to take root in New Jersey in the 1970s. Child Care Resource & Referral agencies (CCR&R) are organizations that provide help and assistance to vulnerable families across the country. New Jersey's CCR&R agencies began in Passaic, Bergen, Camden, Morris, Somerset and Union counties in the 1970s (CCANJ, 2021). The CCR&R agencies also expanded to include more programs such as Family Child Care Networks and Child Care Food programs. The beginning and expansion of these child care centers was a reflection of the nationwide push to provide more support to vulnerable families who needed child care.

Even though the public mood at the time sought to play a bigger role in child care provision, child care was still thought to be predominantly a private responsibility of a mother. It is also important to note that the Head Start program and the Child and Dependent Care Credit (CDCC) were not enough to mitigate the developing child care crisis (Black, 2020). The child care crisis was developing along racial, gender and socioeconomic lines as those groups who were the hardest hit by economic downturns encountered the most barriers to recovery. The child care crisis at this point was a dual crisis in which poor and working-class families lacked access to quality affordable child care while women lacked the necessary support to participate in the workforce (Black, 2020).

### **Welfare Reform**

Anti-welfare rhetoric and beliefs in the 1980s perpetuated public debates and dominated public perspective about child care. While the general public was still sympathetic to low-income families that needed assistance, they were becoming skeptical about the perceived need and intentions of those receiving assistance. The skepticism about welfare recipients fueled by President Reagan's campaign rhetoric and legislative actions drastically shifted the child care landscape in the U.S. The landscape shifted because the demand for child care intensified when millions of poor single mothers exited the welfare system (Black, 2020). In an effort to encourage work and self-sustainability, the government redesigned welfare programs to encourage and prepare citizens to enter the workforce. Even though there was an increased focus on entering the workforce, there was not an increase in support for publicly funded child care for vulnerable families. One of the significant changes in the early 1980s was when the Social Services Block Grant (SSBG) replaced Title XX and funding for subsidized child care fell by 20% (Cohen, 1996). The significant increase in demand for child care because more women were entering the workforce was not met with an increase in child care funding. The imbalance between supply and demand intensified the child care crisis that was created after the federal funding from the Lanham Act ended. Low-income families, communities of color and women continued to be the groups

that were most impacted by the gradual disinvestment of public funds in the child care industry (Hamm, 2019).

Public support for The Aid to Families with Dependent Children (AFDC) which was a federal assistance program created by the Social Security Act of 1935 as a part of the new deal started to diminish in the late 1980s (Cohen, 1996). Public support for AFDC started to diminish because the population being served was primarily poor and/or single mothers and the general public believed that these mothers were taking advantage of the welfare system. The federal government reacted to the general public's sentiments by passing the Family Support Act (FSA) of 1988 which required the AFDC population to participate in education, training or work. The FSA is significant in the history of child care because for the first-time public subsidies were tied explicitly to the private child care market and was the first open-ended entitlement program (Cohen, 1996).

Despite the gradual disinvestment of public funds from the federal government, child care services in New Jersey continued to expand in the 1980s. Government agencies such as the New Jersey Department of Human Services (DHS) played a central role in the expansion of child care services. The earlier half of the 1980s featured local subsidy programs and a statewide advisory council. Local subsidy programs were added to existing CCR&R agencies to help low-income families get access to quality child care while The Child Care Licensing Act of 1983 created the New Jersey Child Care Advisory Council which was housed in the Department of Human Services (DHS). (CCANJ, 2021). The latter half of the 1980s saw an increase in referral agencies across the state. Three agencies were established in the northern, central and southern regions of the state to help guide and coordinate county and local agencies. County and local CCR&Rs also continued to grow during this time until there was an agency in every county. The responsibilities of CCR&Rs across the state grew to include technical assistance, data analysis, developed child care resources, outreach and public awareness.

The 1990s were also characterized by welfare reforms that transformed the child care landscape in a lot of ways that are still present today. Congress passed the Child Care and Development Block Grant (CCDBG) in 1990 to provide financial support to low-income communities that were struggling to obtain child care. In order to further advance their welfare to work plan, the government combined the CCDBG with other programs to create the Child Care and Development Fund. These block grants were distributed to each state to bolster their child care systems (Adams, 2002). It is important to note that the decentralization of child care only led to disparate outcomes and increased inequities across the country (Adams, 2002). The combination of federal programs into one and the dispersion of federal funds to states was not accompanied by an increase in funding. The ongoing child care crisis continued despite the actions that were being taken by the federal government. The early 1990s also saw the addition of Early Head Start to the

already established Head Start Program. Early Head Start was created to serve infants and toddlers specifically.

The era of welfare reform culminated in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The primary goal of the PRWORA was to encourage involvement in the workforce and offer limited assistance to those who might need it. The bill package replaced the AFDC with Temporary Assistance to Needy Families (TANF) (Black, 2020). The PRWORA also placed time limits on the amount of time that individuals can spend on welfare and tied benefits to involvement in the labor force. Next, we will examine the current state of child care in New Jersey.

## **State of Child Care in NJ**

### **Who Are Child Care Providers**

Child care providers come in various forms. The Department of Children and Families (DCF) defines a child care center as “any home or facility, by whatever name known, which is maintained for the care, development, or supervision of six or more children under 13 years of age who attend for less than 24 hours a day” (MRCCC, 2017). Grandparents, nannies, teachers, and camp counselors also all take care of children and are considered child care providers according to DCF definition. Child care is a necessity for many families, starting from when children are just a few weeks old, until they are well into their teen years.

This report will use DCF’s age range, which is from infant to 13-years-old (MRCCC, 2017). Child care services not only allow working parents to leave their child safely with a provider, but can also encourage children to learn, make friends, and gain necessary social skills depending on the place they attend. This section will explore who child care providers are and how they fit into child care center classifications defined by the state.

Child care often begins in the family, as relatives can be a more trustworthy and affordable option for parents (NACCRRRA, 2018). Family members are a common provider of child care due to schedule flexibility, as well as making the transition into full time child care easier on both children and parents (NACCRRRA, 2018). Examples of this include grandparents or an aunt caring for a child to whom they are related but do not share a home. Often looked over as providers, these services are vital for many parents and make up an important part of child care providers. Especially during emergency needs, such as illness or school closures, family members are important providers to many children and often serve as safety-nets for unpredicted changes in schedules.

Other child care providers that are often overlooked are schools themselves. Kindergarten and pre-kindergarten school programs are early childhood care centers, according to the State of New Jersey (MRCCC, 2017). Both public and private schools that service pre-kindergarten

through sixth grade age groups are considered child care providers (MRCCC, 2017). Special education schools run by the Department of Education that serve children with disabilities are also classified as child care providers (MRCCC, 2017).

Providers can also take the form of groups and organizations. While many of these do not have the primary purpose of child care themselves, it is a byproduct supplied by the entities including 4-H, Boy and Girl Scouts, and sports teams (MRCCC, 2017). Specialized activities, such as summer camps, outdoor clubs, or art classes also count under child care providers, however, they do not need to license themselves since their primary objective is not child care but a separate task (MRCCC, 2017). These organizations and groups meant to serve children can take the place of traditional child care on the weekends, during the summer, and after school when primary caregivers may still be working.

The last category that child care providers fall into is small businesses. This report will use the New Jersey Business and Industry Association definition for small business, which defines any firm or entity that employs less than 500 workers as a small business (NJBIA, 2018). All of the providers listed above, excluding public providers, can be small businesses. Nonprofits, family child care providers, private centers, camps, and other organizations can serve children and provide care, but are also commonly considered small businesses. As small businesses, financial resources and support are available from both public and private sources. Public sources include things like scholarships available for programs that participate in the State's subsidy program, economic relief packages such as the American Recovery and Reinvestment Act of 2009, and more recently the three stimulus packages passed in response to the COVID-19. The funds are typically allocated through the CCDBG. Other public support for child care as small businesses come from the New Jersey Economic Development Authority and CCR&Rs. Private resources for child care that are small businesses come from organizations like New Jersey Community Capital and UCEDC, which are non-profit community development financial institutions.

To summarize, child care providers come in many forms and offer different types of care. When sifting through various child care choices, looking at who the provider is can help a caregiver decide where their child might be the most comfortable. Sometimes that may be leaving a child with their grandparent, other times that may be enrolling them for a before and after school daycare or a baseball league. Because the experience for every child can vary dramatically depending on who the provider is and how they are classified, caregivers need to investigate all of their options and carefully choose the option that best suits the needs of their children.

### **How Providers are Classified**

New Jersey's array of child care providers options for families falls into several different categories, including public or private, and registered or licensed child care. These classifications are important because it allows for the collection of detailed information on the type of child care

options available throughout the state. The classifications also inform families searching for providers on the details of each center and how they may fill their preferred requirements for child care.

Center-based care is first classified as either public or privately operated. Private child care may be certain private school districts, religion-affiliated programs, or small businesses that are not open to the general public. For example, a Catholic preschool connected to a larger church may focus on Catholic-based education. Public centers may be public school systems, day cares, or other institutions that allow families to enroll their children without specific requirements. A common example of this is the before and after school program for a local public elementary school. It is important that communities have both public and private so caregivers can decide what is best for their family.

The next classification option for child care centers is licensed versus registered centers. Providers and individuals serving five children or less under the age of 13 can voluntarily register under the Family Child Care Provider Registration Act, which is a registrar used to track the relatives and smaller at-home providers in New Jersey (DFD, n.d.). This includes at-home daycares, such as neighbors (MRCCC, 2017). If they intend to care for six or more children, the individual must register as a center and procure a license. Centers serving six or more children need to be licensed with DCF's Office of Licensing (DFD, n.d.). Exempt from licensing and registration are centers related to public educational facilities, centers that teach primarily religion-based subjects, and youth groups such as a soccer league (MRCCC, 2017).

## **Finding Child Care**

Families may search far and wide to find the child care center that is right for them. Whether that be a child's grandparent down the street, or a private center close to their work, parents consider many factors that go into the decision to choose one form of child care over another. Once a child care provider is chosen, parents must decide whether they will need to access that child care through subsidies or pay through other means.

Parents may find their preferred child care through several search routes, although there is limited data on the exact methods used to search and choose an option for their child. Some parents may ask their friends, families, neighbors, and co-workers for suggestions on their child care options. In fact, some surveys estimate that 82% of families use word-of-mouth referrals to find their child care (EZChildTrack Team, 2017). There are many websites and online sources that streamline the process. Approximately 52% of families report using online searches to find trusted providers (EZChildTrack Team, 2017). Search engines such as care.com, kindercare.com, and sittercity.com provide optional filters to help parents find what they are looking for. The State of New Jersey DHS also compiled child care options in one site, childcarenj.gov in order to help parents find affordable, quality care close to home. The State of New Jersey DCF provides their

own child care explorer through their Office of Licensing so parents can search through registered and licensed child care centers by name and location. Another state-run child-care search site is through the quality and rating program, Grow NJ Kids. Some people even choose to hire a realtor to help them “shop” child care centers in their area. This incomplete list is just the beginning of understanding the child care provider search experience both online and in-person.

Factors such as whether or not a center is public or private, what ages are served, operational hours, and commute times are all considerations when choosing a child care provider. Once a family has narrowed down child care options, they look to see what fits within their needs and preferences. Another important factor is price. The cost of child care can vary drastically from several hundred to several thousand a month, depending on the center. Because child care can be so costly, parents want to find a center that is high quality without causing financial instability for their families. In some private sectors, child care centers may offer discounts or scholarships to those in lower income brackets. However, New Jersey offers several types of assistance to help relieve the financial burden of child care. To offset costs, some parents access child care providers through state subsidies and grants. Some of these programs allow parents to take subsidies and use them at any licensed center, while other programs already have a list of subsidized child care centers that parents can choose from. The criteria and qualifications for state assistance will be discussed later in this report.

The journey to find a trusted, reputable child care provider can be overwhelming. With so many options to sift through, parents may find themselves using multiple methods to decide on the right center for their family. While many factors are considered throughout the process, one of the more important factors is affordability. Centers that accept subsidies helps parents access child care. Using state assistance helps parents maintain their financial stability and lowers the risk of them being unable to work due to the high cost of child care in their area. These state programs are some of the ways in which parents access quality care that is right for their family.

### **Quality Rating Improvement Systems**

Quality rating and improvement systems (QRIS) are implemented in 49 out of the 50 U.S. states, all except Mississippi. (Cannon et al., 2017; Workman, 2017) QRISs have three main objectives: 1) to rate early childhood programs, 2) to offer direct support for quality improvement, and 3) to inform parents about the quality of care their children can expect to receive. Even though most QRISs provide financial incentives, participation varies widely across the U.S. In 2016, only three states achieved 100% participation, including Illinois, New Hampshire, and Oklahoma. In that same year, 20 states had participation less than 60% for center-based care and 25 states had less than 60% of family care providers participating in their respective QRIS. New Jersey only had 20% of child care centers and 8% of family child care providers participated in the state's QRIS in 2016 (Workman, 2017).

One reason why participation rates in New Jersey and many other states are low could be because in most states participation in their QRIS is voluntary (Cannon et al., 2017). Participation in the states with the highest participation rate tends to be mandatory. For example, in Illinois and Oklahoma participation is mandatory and even though New Hampshire’s QRIS is categorized as voluntary, child care providers in the state must be licensed and once licensed they are registered in the state’s QRIS (Quality Compendium, 2021).

**Grow NJ Kids**

New Jersey’s QRIS, Grow NJ Kids, is the state sponsored initiative to improve the quality of child care across New Jersey. This initiative is aimed at providing resources to child care and early learning programs as well as rating participating programs, which provides parents the ability to make more informed child care decisions and incentivizes participating programs through a tiered reimbursement system (Grow NJ Kids, 2021).

Grow NJ Kids is open to any program that is regulated by the State of New Jersey, which includes: Child care Centers, Family Child care Providers, School District Preschool Programs, Preschools, and Head Start Programs. Participating providers receive child care classroom assistance with quality improvement through their local CCR&R and technical assistance through one of the four Regional Grow NJ Kids Technical Centers.

For programs that accept child care subsidies, participating in Grow NJ Kids offers the opportunity to increase the rate of reimbursement received from the State. The tiered reimbursement rate increases are based on the Grow NJ Kids Quality Rating level of 3, 4, or 5. Tiered rate increases range from about 5% for toddlers (18 to 29 months) for a 3-Star rated program to over 20% increase in subsidy for infants (birth to 17 months) enrolled in a 5-Star rated program (Table 1).

Table 1. State of New Jersey Department of Human Services Maximum Child Care Payment Rate Incentives (effective January 3, 2021)

Grow NJ Kids Rating Incentives			
	3-Star	4-Star	5-Star
Infant	9.96%	14.39%	20.11%
Toddler	5.03%	9.26%	14.72%
Preschool	7.98%	12.31%	17.92%

Source: Department of Human Services | Division of Family Development  
 ([https://www.child.carenj.gov/getattachment/Resources/Reports/Maximum\\_Child\\_Care\\_Payment\\_Rate\\_Jan32021.pdf](https://www.child.carenj.gov/getattachment/Resources/Reports/Maximum_Child_Care_Payment_Rate_Jan32021.pdf))  
 Note: Rating incentives is the percent difference between licensed providers rated by Grow NJ Kids and non-participatory/non-rated providers as indicated in the child care subsidy payment rate schedule provided by DFD.



Participating in the Grow NJ Kids program is voluntary and according to DHS, of the roughly 6,400 providers across the state, only about 18% of child care providers are registered with the initiative. As of March 1st, 2021 there were 1,190 participating providers, with about 86% being center-based providers. Furthermore, only about 22.5% of all participating providers are rated with varying percentages rated across the counties of the state. Salem County has the lowest percentage of rated programs with only 5.9% rated, while Morris County has the highest percentage of programs rated with over 53% of participating programs in the county rated (Table 2). Additionally, according to DHS's Division of Family Development (DFD) only about 14% of all licensed providers participate in both the NJ Child Subsidy Program and the Grow NJ Kids Program (Table 3). Table A-1 lists the Grow NJ Kids participation requirements and rating standards.

Currently, in New Jersey, only licensed center-based providers are eligible for the increased child care subsidy rates. Registered family child cares are not included in this incentive even though many challenges faced by center-based providers are exacerbated in family child care settings. Because registration as a family child care is voluntary, equitable access to support is essential to incentivize registration among providers. Grow NJ Kids can be used as a tool in the state to promote equitable access to high quality child care. In order to do so, the state must increase participation of all providers.

Table 2. Grow NJ Kids Participating Child Care Providers, 2021

	Participating	Center-Based	Home-Based	Rated Programs	Percent Rated
Atlantic	46	46	0	15	32.61%
Bergen	44	28	16	12	27.27%
Burlington	33	28	5	15	45.45%
Camden	74	72	2	9	12.16%
Cape May	17	16	1	3	17.65%
Cumberland	38	36	2	7	18.42%
Essex	138	111	27	39	28.26%
Gloucester	46	44	2	4	8.70%
Hudson	126	121	5	18	14.29%
Hunterdon	16	16	0	4	25.00%
Mercer	54	45	9	9	16.67%
Middlesex	95	74	21	28	29.47%
Monmouth	43	41	2	9	20.93%
Morris	47	44	3	25	53.19%
Ocean	50	50	0	17	34.00%
Passaic	115	80	35	17	14.78%
Salem	17	16	1	1	5.88%
Somerset	36	35	1	7	19.44%
Sussex	28	23	5	8	28.57%
Union	95	73	22	17	17.89%
Warren	25	12	13	3	12.00%
New Jersey	1190	1018	172	268	22.52%

Source: Grow NJ Kids (<https://www.grownjkids.gov/ParentsFamilies/ProviderSearch>)  
 Note: Data collected March 1<sup>st</sup>, 2021.

Table 3. Child Care Participation in NJ Child Subsidy Program and Grow NJ Kids

		Center-Based	Home-Based	Total
Total		3,140	1,464	4,604
NJ Child Subsidy Program		2,440	1,262	3,702
Grow NJ Kids Rating	Participating	614	115	729
	5 Star	3	5	8
	4 Star	61	11	72
	3 Star	120	15	135
NJ Child Subsidy Program and Grow NJ Kids Rating	Participating	556	110	666
	5 Star	3	5	8
	4 Star	52	9	61
	3 Star	108	15	123

Source: Source: Department of Human Services | Division of Family Development (<https://www.childcarenj.gov/ProviderSearch>)  
 Note: Department of Human Services | Division of Family is in the process of updating the child care search feature. Data collected on February 24<sup>th</sup>, 2021.

## **Provider Compensation**

Child care service compensation varies greatly due to type, quantity, and quality. In 2020, the U.S. Bureau of Labor Statistics reported that the average child care worker in New Jersey earned a mean annual salary of \$29,930 or \$14.39 hourly (BLS, 2021). This puts New Jersey roughly in between the 50th and 75th percentiles for national child care provider salary estimates (BLS, 2021). With New Jersey on track to have a \$15 minimum wage by 2024, prices for child care are expected to increase as well (“Governor Murphy Signs”, 2019). Others worry that with increased wages, people will be pushed above thresholds that provide state funded assistance. While grants and subsidies assist in child care costs, service provider compensation ranges between the private and public sectors, as well as the type of position and ages served.

First, family member compensation greatly differs among circumstances. Many parents drop their children off with their own extended family members unreported, making it difficult to truly understand the compensation agreement that occurs across the state. Estimates show that family child care providers, on average, earn significantly less than registered childcare centers and are among the 10% lowest paid providers (BLS 2021; Dellano & Kaiser 2017). Parents typically pay below the minimum wage, although they are more likely to work irregular hours and have additional responsibilities on top of child care (BLS, 2021; Dellano & Kaiser, 2017). Family providers typically must pay more expenses as well, such as medical and homeowners’ insurance. They also lose out on paid time off, vacations, holidays, and sick leave. Because of this, the low earnings of family child care providers are risky in terms of their financial stability (Dellano & Kaiser, 2017).

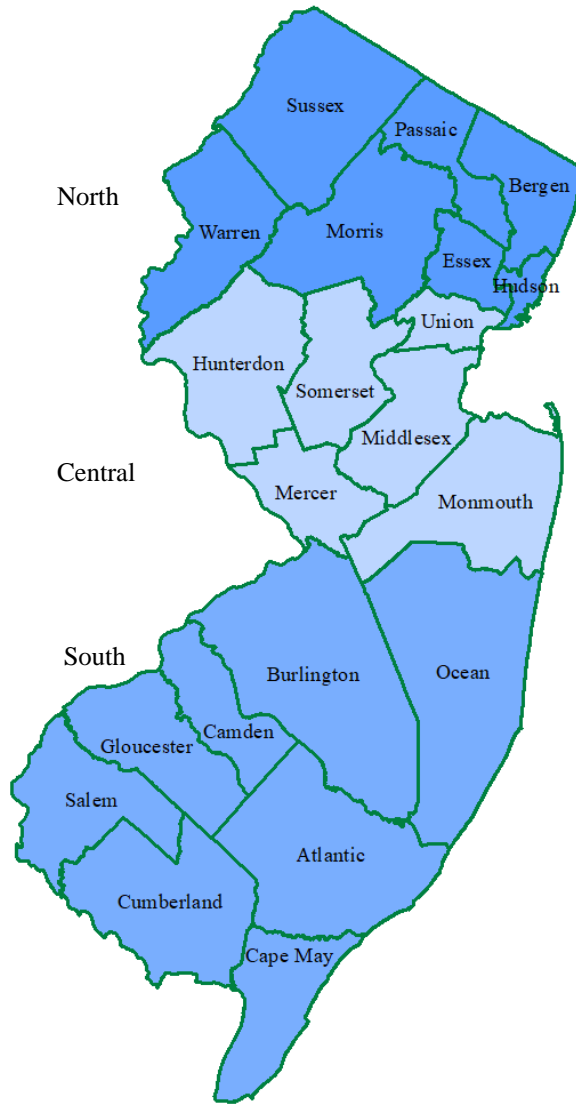
Public child care centers, such as public-school programs, pay their employees more than family care (BLS, 2021). In 2020, the average primary and secondary before-school or after-school provider earned an average of \$14.56 hourly or \$30,280 annually (BLS, 2021). Assistant teachers and child care workers in these establishments earned even less, often barely earning minimum wage (BLS, 2021; Ackerman, 2010). Public child care comes in many forms, from teaching assistants to designated daycare leaders, so compensation in this area also varies. However, all estimates tend to be on the lower end of salaries across industries.

The nonprofit and private sector tend to cost more money, therefore the employees at these centers typically earn more than family care and public care providers. Nonprofits that receive Center-Based Care (CBC), Early Childhood Program Aid (ECPA), or Early Launch to Learning Initiative (ELLI) funding pay their employees higher salaries than those centers who do not (Ackerman, 2010). Research has also indicated that nonprofit child care centers located in more urban areas also pay their employees a high salary (BLS, 2021; Ackerman, 2010). In these higher income areas, childcare providers are also more likely to receive benefits such as retirement plans and health insurance. However, lower income nonprofits often offer more vacation and leave time

to account for the lower wages (Ackerman, 2010). Religious care centers are one type of child care that offers more flexible working schedules in order to offset lower wages. In 2020, the average religious organization paid their child care providers only \$13.68 hourly or \$28,460 annually (BLS, 2021).

Compensation can also depend on physical location, not just on type of child care. New Jersey child care provider compensation varies between the north, south, and central regions of the state (Map 1). The lowest annual salaries were earned by providers in the south, where providers earned less annually than those in the central or north part of the state, with an annual mean wage between \$21,750 and \$24,080 (BLS, 2021; Ackerman, 2010). Providers in the north earn the highest salaries, estimated between \$27,140 and \$38,590 a year (BLS, 2021). Central New Jersey providers earn an average yearly salary between \$24,090 and \$27,020 (BLS, 2021). Some researchers report a difference in salaries depending on urban or rural settings. Urban teachers typically report earning more than teachers in the suburbs; however, rural child care assistants earn more in rural areas than in urban centers (Ackerman, 2010). The factor of physical location affects all sectors of childcare and should be further investigated in future research into child care provider compensation.

Map 1. New Jersey Counties



Compensation for child care depends on multiple factors. If an establishment is public or private, rural or urban, and accepts subsidies are all variables that mold the hourly and annual salaries of child care providers throughout New Jersey. Family members consistently earn less than their public and private counterparts. Salaries between those in the northern, central, and southern regions of New Jersey see a large disparity between earnings. Each of these factors shapes the compensation seen across New Jersey and displays the issue of salaries for child care providers.

While certain factors can decrease or increase the wages of a child care provider, wages are consistently low across the state, with many not even reaching the minimum wage threshold every year. Child care is a necessity, and the lack of adequate funding and lower salaries may be one of the many causes for insufficient affordable child care across New Jersey.

## **Child Care Capacity**

### ***How Child Care Capacity is Determined***

Understanding how the capacity of child care centers and registered family care providers are determined is important for increasing the capacity of existing providers. Capacity relies on two features which are the physical space of the facility and the staff/child ratio at the facility. It may be difficult to increase the physical space at any given provider, but funding for capital improvement could provide an avenue for existing providers to maximize the physical space of their facilities. Furthermore, increasing the existing child care capacity could be achieved by increasing the number of staff in the child care workforce. But as described in the previous section, the current provider compensation landscape needs to be addressed to provide incentive for increased child care workforce participation. This section will outline how the state regulates child care capacity.

The capacity of child care centers is regulated by DCF's Office of Licensing and is documented in the Manual of Requirements for Child Care Centers. There are three main attributes that determine the capacity of a center: 1) indoor space, 2) outdoor space, and 3) staff/child ratios. 1) Centers that began operating on or after July 1, 1989, all centers serving 16 or more children must have a minimum of 35 square feet of usable activity indoor floor space for each child (30sq/ft prior to July 1, 1989). 2) New or relocating centers on or after September 1, 2013, must have a minimum of 350 square feet of net outdoor space for children in attendance for three or more hours. And additional 35 square feet is required for each additional child when the space is being used by 10 children at any given time. Prior to September 1, 2013, centers must maintain 150 square feet of net outdoor space for children and 30 additional square feet per child when the space is occupied by 10 or more at a time. Outdoor space does not have to be on the premises but must be within a safe walking distance. 3) Staff Child ratios are determined by the age of the children present as well as certain child criteria (MRCCC, 2017). Table 4 enumerates the staff/child ratios for the three different criteria: 1) the staff/child ratios during standard operations, the children are not asleep or in need of any special attention, 2) the ratios or when children are asleep or at rest, and 3) the ratios for children with special needs (MRCCC, 2017).

Table 4. Staff-to-Child Ratios

Staff/Child Ratios	
Age	Staff/Child Ratio
Under 18 months	1:4
18 months up to 2 ½ years	1:6
2 ½ years up to 4 years	1:10
4 years	1:12
5 years and older	1:15
Staff/Child Ratios during rest or sleep	
Age	Staff/Child Ratio
Under 18 months	1:10
18 months up to 2 ½ years	1:12
2 ½ years and above	1:20
Staff/Child Ratios when serving 50% or more children with special needs	
Age	Staff/Child Ratio
Under 2 ½ years	1:3
2 ½ years of age and over (non-ambulatory)	1:3
2 ½ years of age and over (ambulatory)	1:5
Source: Manual of Requirements for Child Care Centers ( <a href="https://www.nj.gov/dcf/providers/licensing/laws/CCCmanual.pdf">https://www.nj.gov/dcf/providers/licensing/laws/CCCmanual.pdf</a> )	

### ***Total Child Care Capacity in New Jersey<sup>1</sup>***

Ensuring equitable access to child care relies on the distribution of child care across the state. In New Jersey, counties with the highest total child care capacity tend to also be the counties with higher median family income (Map A-1) and have a lower minority population (Map A-2). Addressing the child care challenges of New Jersey’s families will require a targeted approach to the communities across the state most in need. This section will describe the current status of childcare capacity<sup>2</sup> across the state by examining the total number of licensed and registered providers, total number of licensed child care spots, the distribution of capacity across the state, and a look at early child care and the relationship with parental labor force participation. Beyond

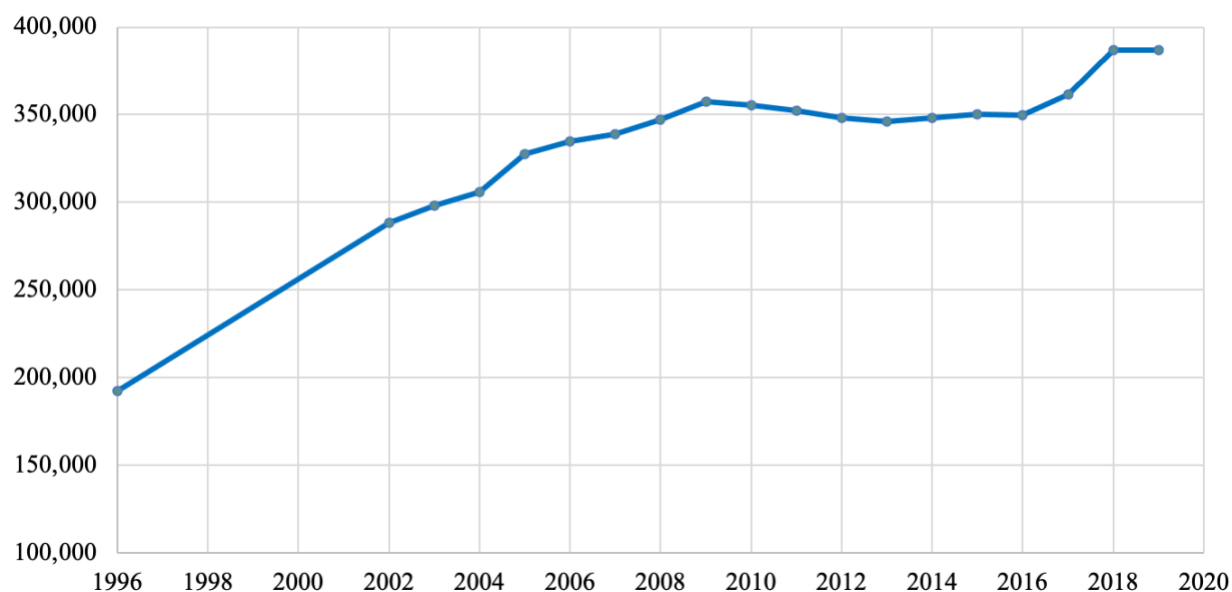
<sup>1</sup> To calculate the capacity of the New Jersey child care system, this report uses the numbers provided by the DCF’s Office of Licensing. These figures do not include unregistered Family Child Care Providers and any other licensing exempt entities. This report used data collected from the American Community Survey, 2019: ACS 5-Year Estimate Subject Tables, to calculate the total licensed child care capacity, licensed child care capacity for children 6-years-old and younger, and the ability to meet the minimum expected need of children 6-years-old and younger whose parents are in the labor force.

<sup>2</sup> Data reported in other sections of this report on child care capacity, the number of providers, providers that accept subsidy, and providers participating in the Grow NJ Kids Program were collected from different state agencies and organizations, noted accordingly, include providers that are exempt from licensing and registration.

the analysis of this report, further research on child care capacity should investigate the relationship between where New Jersey families work and where they seek child care services.

In 2019, the total number of child care spots available in licensed and registered child care providers was 386,682 (Table A-2), which is a 1.4% decrease from 2018. Over the last two decades the trend for the total number of child care spots available has generally increased. From 1996 to 2019 there was a 100.9% increase in total licensed capacity. However, the trend slowed in the last 10 years, only increasing about 8% from 2009 to 2010. Graph 1 depicts the trend in the total number of child care spots in New Jersey from 1996 to 2019.

Graph 1. Total Licensed Childcare Capacity 1996-2019



Data Source: Appendix Table A-2

As of April 8, 2021 there are 3,958 active licensed child care centers reported by New Jersey Geographic Information Network, which collects and updates their data on a monthly basis as information of licensed child care centers are updated by DCF’s Office of Licensing. Map 1 shows the locations of these active licensed child care centers.

In 2019, the total number of licensed child care spots in New Jersey was 386,682 (Table A-2). If all children 13-years-old and younger needed child care in New Jersey, this would meet 24.04% of the need. Hunterdon and Somerset Counties have the highest child care capacity, both had capacities of 33.76% if all children 13 years and younger attended licensed child care within their counties. Ocean County had the lowest capacity, only being able to meet 11.36% of potential need. Map 2 depicts the total child care capacity across the state in 2019.

Taking into account that not all child care age children may need formal licensed full- or part-time child care due to things such as attending school, this report analyzed the capacity for

children 6-years-old and younger. In 2019, the licensed child care capacity for this age group was 46.03%. Somerset County had the highest capacity at 71.88%, while Ocean County had the lowest capacity at 23.09%. Map 3 depicts the capacity of the child care system in New Jersey for children under 6-years-old.

An important reason that children need child care is that one or both of their parents participate in the labor force. In 2019, 66.34% of children 6-years-old and younger had all parents participating in the labor force. Map 4 demonstrates the children under 6-years-old whose parents are in the labor force. Hunterdon County had the highest parent labor force participation at 78%, while Ocean County had the lowest at 57.77%. Combining the capacity of licensed child care for children 6-years-old and younger with the parental labor force participation provides a baseline for the minimum expected need for child care in New Jersey. In 2019, the child care capacity would have met 69.38% of this expected need. Somerset County had the highest capacity for minimum expected need at 108.45%, while Ocean County had the lowest at 39.97%. Map 5 combines the labor force participation of children under six with their parents in the labor force.

Through DCF’s Office of Licensing, providers are licensed for particular ages ranging from 0 to 13-years-old. Generally, age ranges have cutoffs of 0, 2, 2½, 6, and 13. Providers can be licensed for any combination of these ages. Most providers are licensed for children 0 to 13-years-old, comprising 140,630 total spots in 2019. The infant only group, 0 to 2½-years-old has the least number of exclusive spots with only 156 statewide. Table 5 enumerates the total number of spots available in each age licensing category. It is important to note that total capacity by age determined by the providers licensing and the capacity guidelines described above. For example, total spots available for children 0 to 2½ can be calculated by adding up the capacity for age groups 0 to 2½, 0 to 6, and 0 to 13, for a total maximum number of spots available for 0 to 2½ equal to 183,135 (Table A-5).

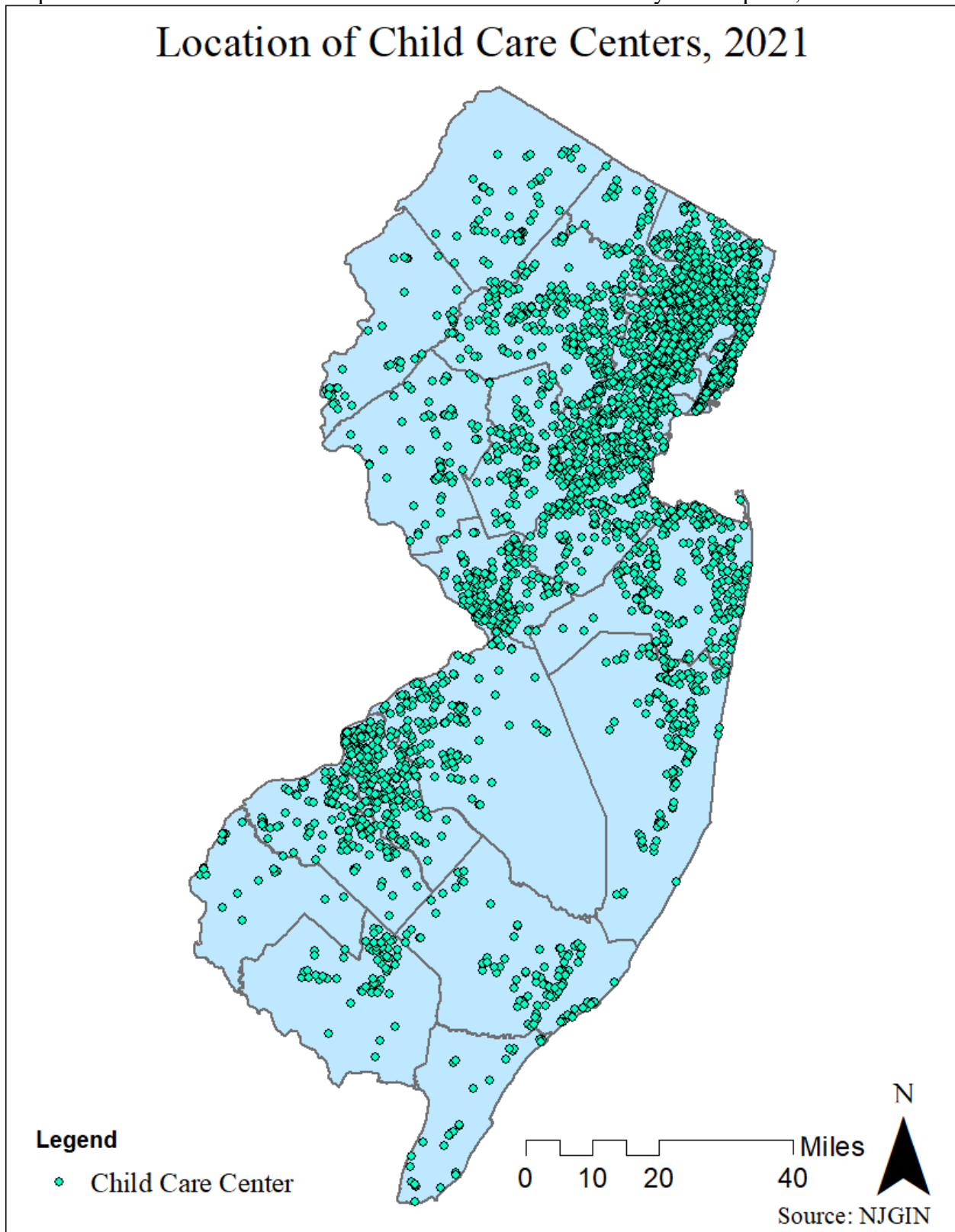
Table 5. Licensed Child Care Center Capacity by Age Group, 2019.

0 to 2½	0 to 6	0 to 13	2 to 6	2 to 13	2½ to 6	2½ to 13	6 to 13
156	42,349	140,630	986	704	44,540	57,603	99,468

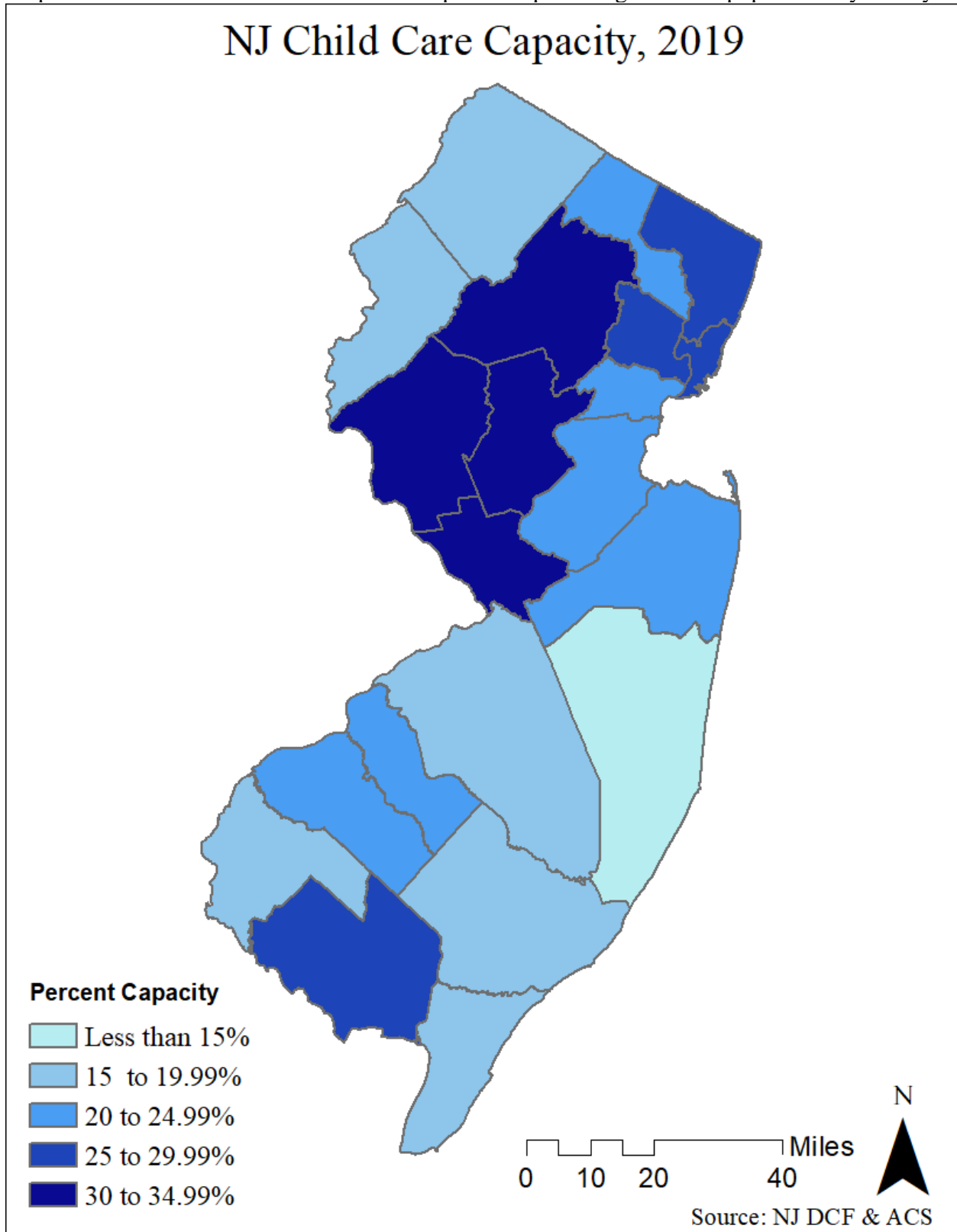
Source: Appendix Table A-5



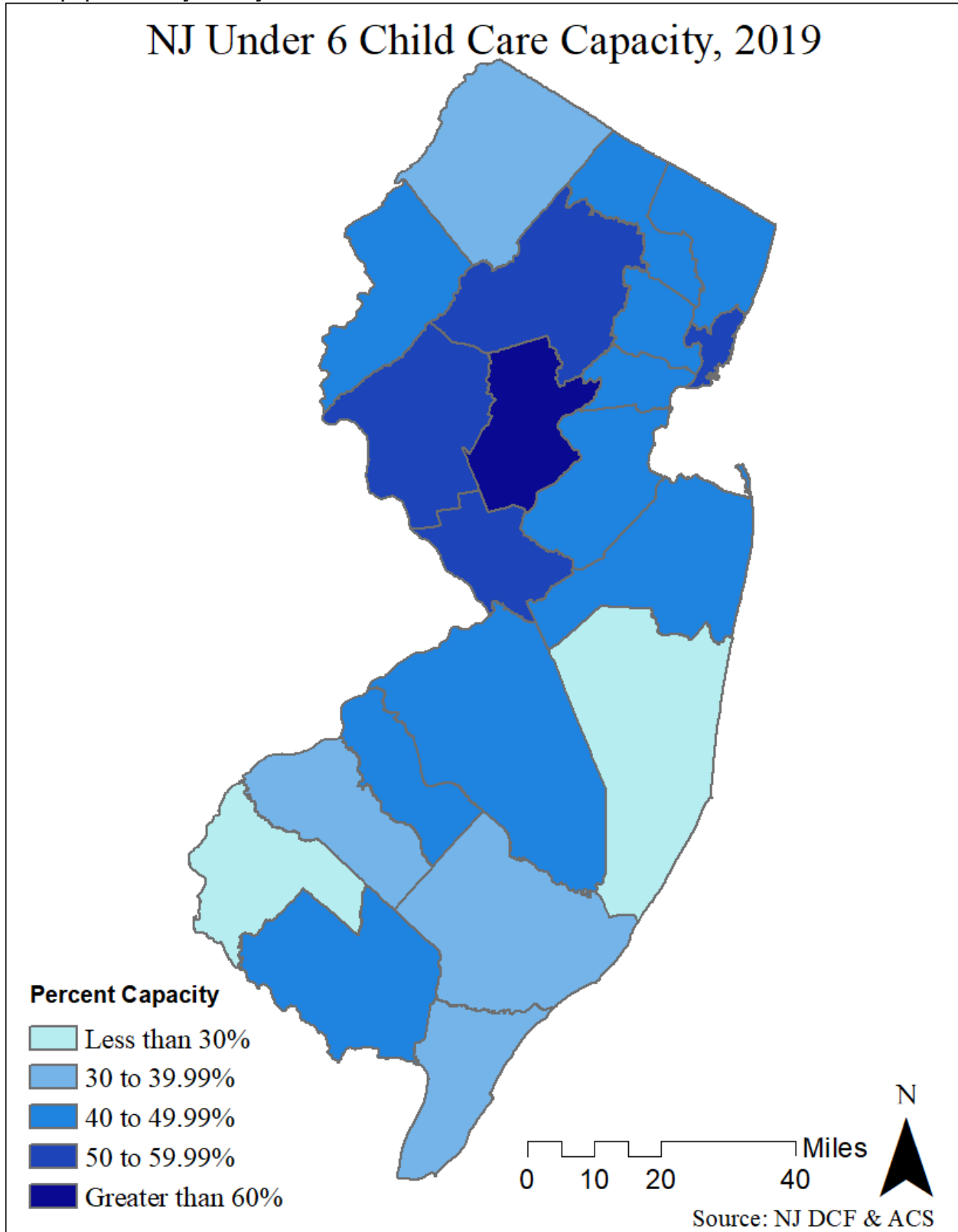
Map 2: Location of active licensed child care centers in New Jersey as of April 8, 2021.



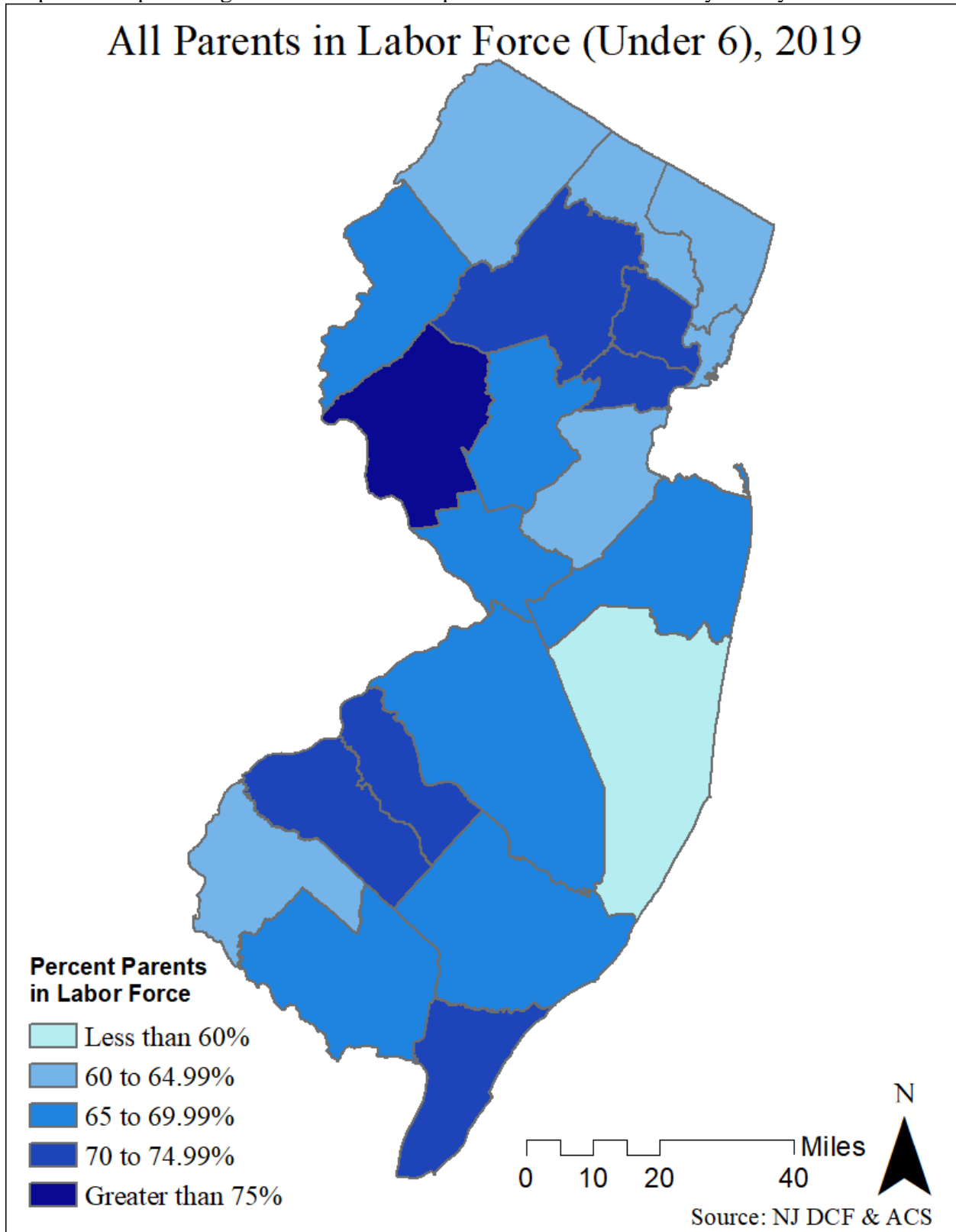
Map 3. Total number of licensed child care spots as a percentage of child population by county.



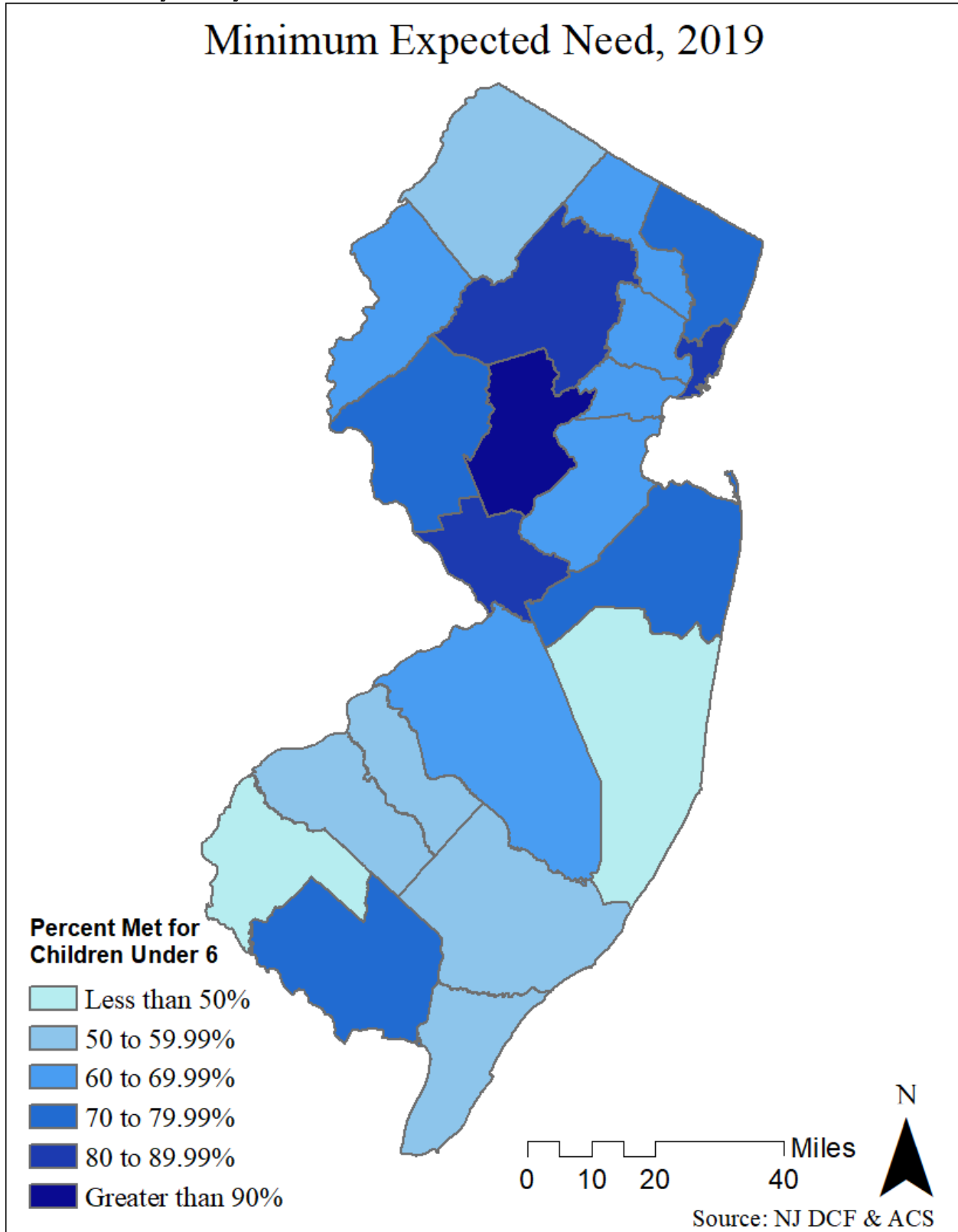
Map 4. Total number of licensed child care spots for children under 6-years-old as a percentage of child population by county.



Map 5. Total percentage of children with all parents in the labor force by county.



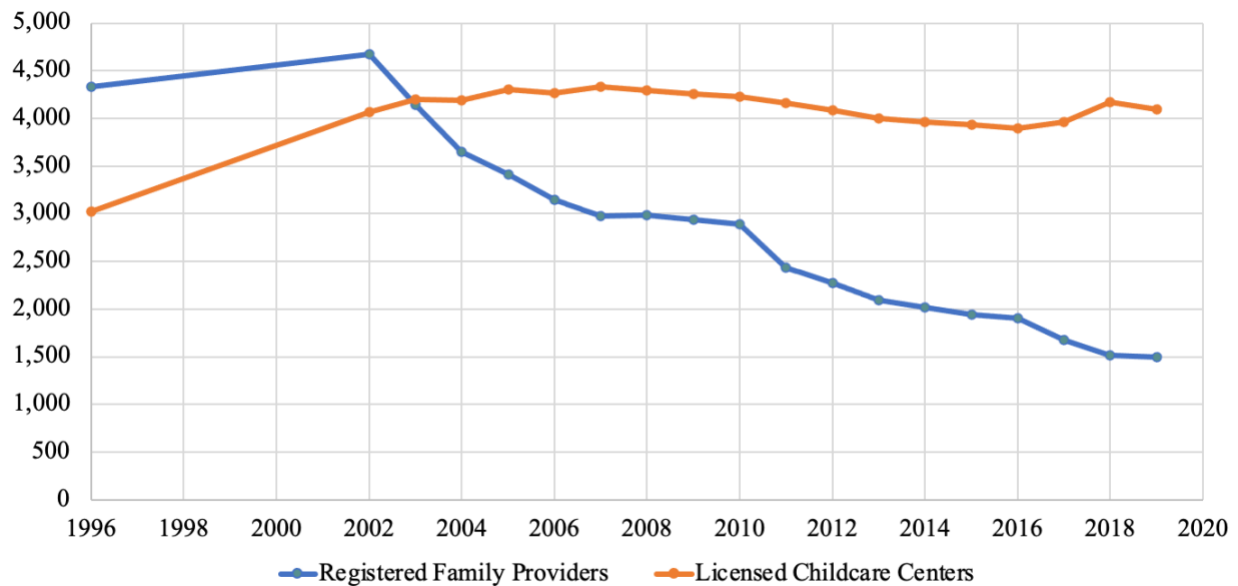
Map 6. Minimum expected child care need met for children under 6-years-old with all parents in the workforce by county.



As reported by DCF’s Office of Licensing, child care providers fall into two categories: licensed centers and registered family providers. The total number of providers as of 2019 was 5,590. This represents a 23.99% decrease from the total in 1996. The current number of licensed child care centers in New Jersey is 4,095 (Table A-3), while registered family providers were only 1,492 (Table A-4) as of 2019.

Over the last two decades the number of providers in each of these categories has seen significantly different trends. From 1996 to 2019 the number of licensed child care centers has increased by 35.46% from about 3,023 to 4,098. This is in contrast to the 65.55% decrease in family child care providers from 4,331 to 1,492 during the same period. Graph 2 depicts the overall trends in the number of child care providers from 1996 to 2019. From 1996 to 2002 there were increases in both licensed and registered providers, but after 2002 there was a clear shift in trends for each type of provider. Licensed providers essentially have remained stagnant over this period, seeing a 0.71% increase from 2002 to 2021, while registered providers saw a decrease of 68.06% decrease, and overall, the number of providers decreased 36.02% over this period. No data was available for years 1997 to 2001.

Graph 2. Number of Child Care Providers 1996-2019

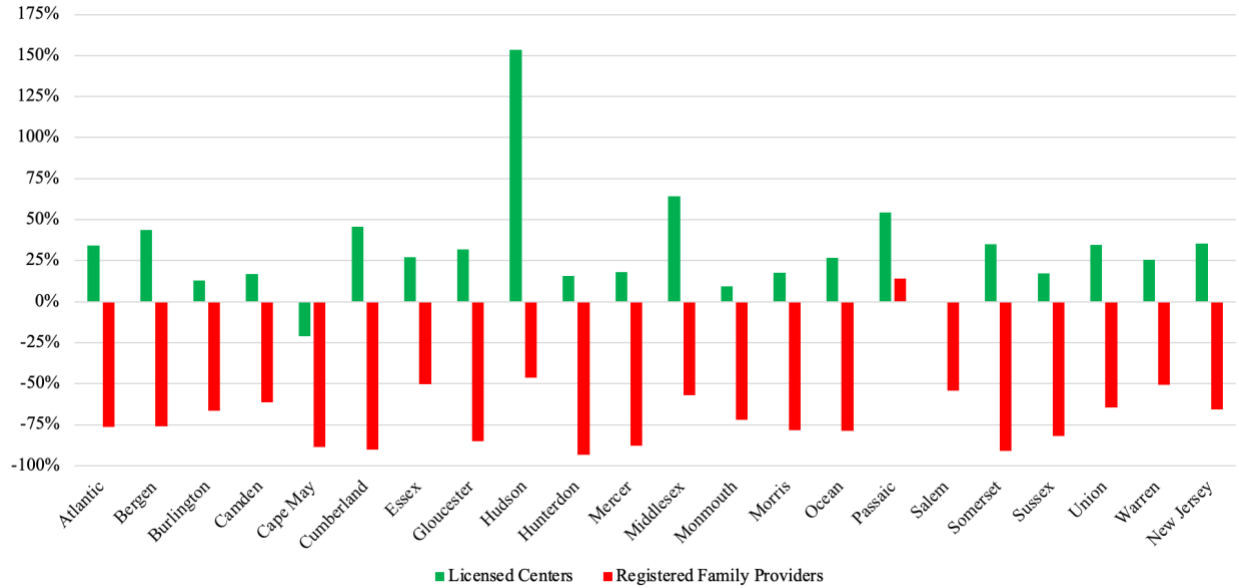


Data Source: Appendix Table A-3 and Table A-4

Only two counties did not experience the same trends in the number of providers. Cape May County saw decreases in both the number of licensed providers and the number of registered providers, 21% decrease in licensed and 88% decrease in registered providers. On the other hand, Passaic County was the only county to experience increases in both types of providers, 54% increase in licensed providers and 14% in registered providers. Graph 3 depicts the overall trends in providers by county from 1996 to 2019. Hudson County saw the largest increase in the number

of licensed providers, experiencing an increase of 154%. While Hunterdon County experienced a 93% decrease in the number of registered providers, the largest decrease in the state over the period.

Graph 3. Percent Change of Number of Providers by Type 1996-2019



Data Source: Appendix Table A-3 and Table A-4

## Child Care Access

Disinvestment in child care has created several barriers to equitable access to quality child care including physical and geographical access, and affordability. Each of these domains has its own set of challenges to meet in order to ensure families have equitable access to care.

## Child Care Supports

The two main types of government support offered to families with dependent children are child care subsidies and tax credits. Earlier in the report we have discussed that funding from the CCDBG goes to each state and those funds are distributed through the Child Care Resource and Referral Agency (CCR&R) in each NJ county. CCR&Rs are intended to help qualifying families access quality child care by helping families apply for subsidies and connecting TANF families to the child care subsidies for which they qualify. Additionally, CCR&Rs can also serve as a referral agency for families seeking local child care centers, and we are unconvinced that the CCR&Rs are doing an adequate job of outreach to either needy families or the public in general. We suggest creating an application process for subsidies tied to the existing state site for supports, NJHelps.

The Earned Income Tax Credit (EITC) and the CDCC are provided by both federal and state governments. The NJ CDCC is an income-based percentage of the federal tax credit and the

current NJ income cap is \$60,000 per family. Governor Murphy has proposed not only raising the NJ income cap to \$150,000 in his 2022 budget but also making the credit fully refundable (*New Jersey Budget in Brief 2022*, 2021).

### **Challenges Ensuring Access to Quality Care**

The disinvestment in child care over the last several decades have led to various barriers to ensure that every family in New Jersey can access quality child care if necessary. The current state of child care is filled with inequities because of policy decentralization, high cost for families, lack of funding for providers, and non – competitive salaries of employees. The main sources of funding and support for child care is mandated through federal and state funds but funding such as the Child Care and Development Fund are not tied to equity-centered criteria or guidelines. There are broad guidelines and restrictions on how the money is spent but a lot of the decision-making power is given to local counties and municipalities. While the decision making and the flexibility of localities to design their own programs can lead to solutions that addresses the specific needs of the community, the inconsistencies in policy on a macro level is detrimental to vulnerable populations. The overriding result of the decentralizing child care policies is that eligibility for subsidized child care is geographically uneven (Black, 2020). As a result of decentralized child care policies being geographically uneven, not every family in need is able to access quality child care. Vulnerable families are not able to access quality child care because of the varying eligibility rules that may prevent them from participating.

The main challenge to ensuring that all families in New Jersey who need child care are able to access quality care is affordability. As mentioned earlier in the report, the cost of child care can vary dramatically from several hundred to several thousand a month depending on the center. The high cost makes child care unaffordable for a lot of families throughout the state whether they are in an urban or rural area. The high cost especially makes child care unaffordable to most low-income families and even some middle-class families. It is important to note that in New Jersey, two-parent families earning the median household income of \$103,429 spends almost 15% of their income on infant care in child care centers, while 7% is recommended by the U.S. Department of Health and Human Services (Bishop-Josef et al., 2020). The Economic Policy Institute found that on average New Jersey families are spending \$12,988 for infant care and \$10,855 for 4-year-olds (2020). This means that families that have both an infant and a 4-year-old spend about 35% more on child care than the average cost of rent in the state (EPI, 2020). Even with subsidies and other forms of government assistance, families are still not able to afford quality child care in the state. Affordability is one of the biggest barriers to child care equity but is also connected to the other barriers because it mostly comes down to funding and finances at the foundation. The lack of funding that exists in the child care system adversely affects child care providers, families and



children. Without a significant increase in funding, all families will not be able to access quality child care. An increase in funding would allow families to be able to find more affordable choices.

The lack of available funding for providers is also a barrier that prevents vulnerable families from accessing quality care. Beyond the connection between funding and child care deserts, families are not able to access quality child care because of the available slots at facilities for younger children in order to raise revenue. Providers opt to decrease available slots for infants and toddlers because it costs more to provide for them; the reimbursement rate for the state's subsidy program and other governmental supports are not enough to meet the costs of providing for infants and toddlers (Dellano et al, 2017). Child care providers are forced to open up slots based on their funding because reimbursement rates and child care costs are not aligned. In an effort to break even and make a profit, most businesses opt to provide less slots for these groups which limits or denies access to families (Dellano et al., 2017). The overwhelming costs of having slots for infants and toddlers has led to the infant – toddler crisis that was referenced earlier in this report. If providers do not have adequate funding and reimbursement rates, then they will not be able to provide the slots necessary to support the communities that they serve. The lack of available slots for toddlers and infants prevents vulnerable families from getting the help that they need at an affordable rate or at all.

Even if funding to child care facilities was significantly increased and they had available slots for every child in their community, it would not make a difference if child care employees were not paid at a competitive rate (Hamm, 2019). Child care providers get paid differently based on the type of child care and physical location, but their salaries are not attractive to most individuals. Some early educators are paid such low wages that they live below the poverty line (Gould, 2020). The attractiveness of child care work is important because child care facilities have a mandated staff to child ratio. If more slots are available, then more staff will be necessary; if child care jobs are not attractive to potential workers, then the sector will not only have a hard time recruiting workers but also keeping them. The lack of a competitive wage for early educators is preventing the expansion that would be necessary if child care providers were to fill all of their available slots (Hamm, 2019). If child care facilities are not able to recruit the necessary staff to match the number of slots that are needed to serve a community, then families will not be able to access quality care for their children.

Another cultural perspective regarding these problems comes from the systematic undervaluing of those who typically serve as child care providers. Historically, women and racial minority groups are the ones who either stay home or take positions within the child care industry (Black, 2020). As has been previously discussed, low wages, nonexistent benefits, and non-traditional work schedules often keep child care workers in poverty, or just above the poverty line, which exposes one potential cause of the ongoing vulnerability of these groups (Black, 2020). This

problem comes from two places. First, child care is not often seen as necessary or a structural part of the economy, and secondly, women and minorities are undervalued and historically underpaid (Black, 2020). This perspective highlights the political and cultural problems that plague the child care industry that are still impacting the quantity and quality of providers across New Jersey.

The chronic underfunding of child care over multiple decades has transformed low-income, rural and communities of color into child care deserts across the nation and in New Jersey specifically (Dobbins et al., 2016). The underfunding of child care has transformed low-income, rural and communities of color because they are often the most vulnerable in American society. Since these groups are often the most vulnerable, they feel the brunt of helplessness and mass poverty during historical occurrences like the industrial revolution and the rise of maternal employment, but they are the last to recover if they ever do (Dobbins et al., 2016). The lack of governmental assistance for child care directly affects the ability of low-income, rural and people of color to partake in the labor force which hinders their ability to provide for themselves and their families (Smith et al., 2020). The child care deserts in New Jersey reflect the nationwide disinvestment in child care. The disinvestment in child care can be traced from the New Deal Era to the Lanham Act and the welfare reform of the 1990s. The U.S. went from publicly funding child care facilities across the country to chronically underfunding the established funding streams. The disinvestment in child care has left communities across the country in dire need of accessible and affordable child care (Sethi, 2020). Child care facilities are limited to certain geographic locations because of the aforementioned disinvestment. If a child care facility is not able to be financially viable in any community through government funding and/or private dollars, then it will not be able to thrive in that community. Child care deserts are predominantly found in rural and low – income communities because providers are not able to be financially viable.

### **Child Care Deserts**

Access to child care is significantly impacted by geography. To address this need, researchers are examining child care deserts and how they play a role in how families access child care. In determining what is considered a child care desert, researchers have adapted the U.S. Department of Agriculture’s definition of food deserts. For reference, access to food resources usually takes into account distance to the nearest supermarkets or grocery stores, individual and community income, and the availability of public transportation. Child care deserts are broadly defined as areas with limited or no access to child care centers (Dobbins et al., 2016). Using the criteria of a child care desert outlined below, researchers found that infant and toddler care are affected the most by child care deserts (Sipple et al., 2020). This section will describe how child care deserts are defined, trends for child care deserts across the country, and what the child care desert landscape in New Jersey looks like.

The Center for American Progress outlines three main criteria in determining if a community, defined as a census tract, is a child care desert: 1) the community has to have at least 50 children under the age of 5, 2) the presence of at least one child care provider, 3) a child to licensed child care slot ratio of 3-to-1 (Malik et al., 2018). If a community has less than 50 children, it is not a child care desert, and the other two criteria are not applicable. If a community has more than 50 children but does not have at least one child care provider, it is a child care desert. Finally, if the community has more than 50 children and has at least one provider, the designation of child care desert depends on the child to capacity ratio. If the ratio is greater than 3-to-1 the community is generally considered a child care desert (Malik et al., 2018).

Child care deserts are often found in rural and low-income communities. 59% of rural communities and 50.3% of urban communities across the U.S. meet the criteria for being a child care desert. This is compared to only 40.8% of suburban communities being considered child care deserts. Over 50% of the U.S. population live in communities meeting the child care desert criteria. The American Indian and Alaskan Native population have the highest proportion living in child care deserts (60.2%). The Hispanic/Latino population is the second highest proportion, 57.3%, living in child care deserts. The non-Hispanic white population and non-Hispanic black/African American populations both had less than 50% share of people living in child care deserts (49.7% and 44.3%). Another key factor the Center for American Progress identified correlating to the presence of child care deserts was the maternal labor force participation rate. They found that on average, communities with lower maternal labor force participation rates were associated with a greater number of child care deserts (Malik et al., 2018).

New Jersey had similar child care desert trends in 2018. According to the Center for American Progress, 46% of people in New Jersey lived in a child care desert, slightly lower than the national average. Across the state, 53.7% of people living in rural communities, 53.3% of people living in urban communities, and 41.5% of people living in suburban communities lived in child care deserts. The Hispanic/Latino population and non-Hispanic white population living in child care deserts was a bit lower than the national average, with 52% and 45% respectively living in child care deserts, about 5% lower than the national average for both populations. Alternatively, 48% of the non-Hispanic black/African American population lived in child care deserts, about a 4% increase over the national average. Finally, the Center for American Progress reports that there is a 72% labor force participation rate of mothers with young children in New Jersey (CAP, 2018). As demonstrated above in Map 4, in 2019, 14 out of the 21 counties in the state have less than 70% of parents with children 6-years-old and younger in the labor force. Ocean and Salem counties have the lowest percentage of all parents in the labor force, both with less than 50%. The number of parents with children 6-years-old and younger in the labor force is important because of the state's infant – toddler crisis. The infant – toddler crisis refers to the limited access that parents have for their infants and toddlers. The limited access for infants and toddlers is represented in the

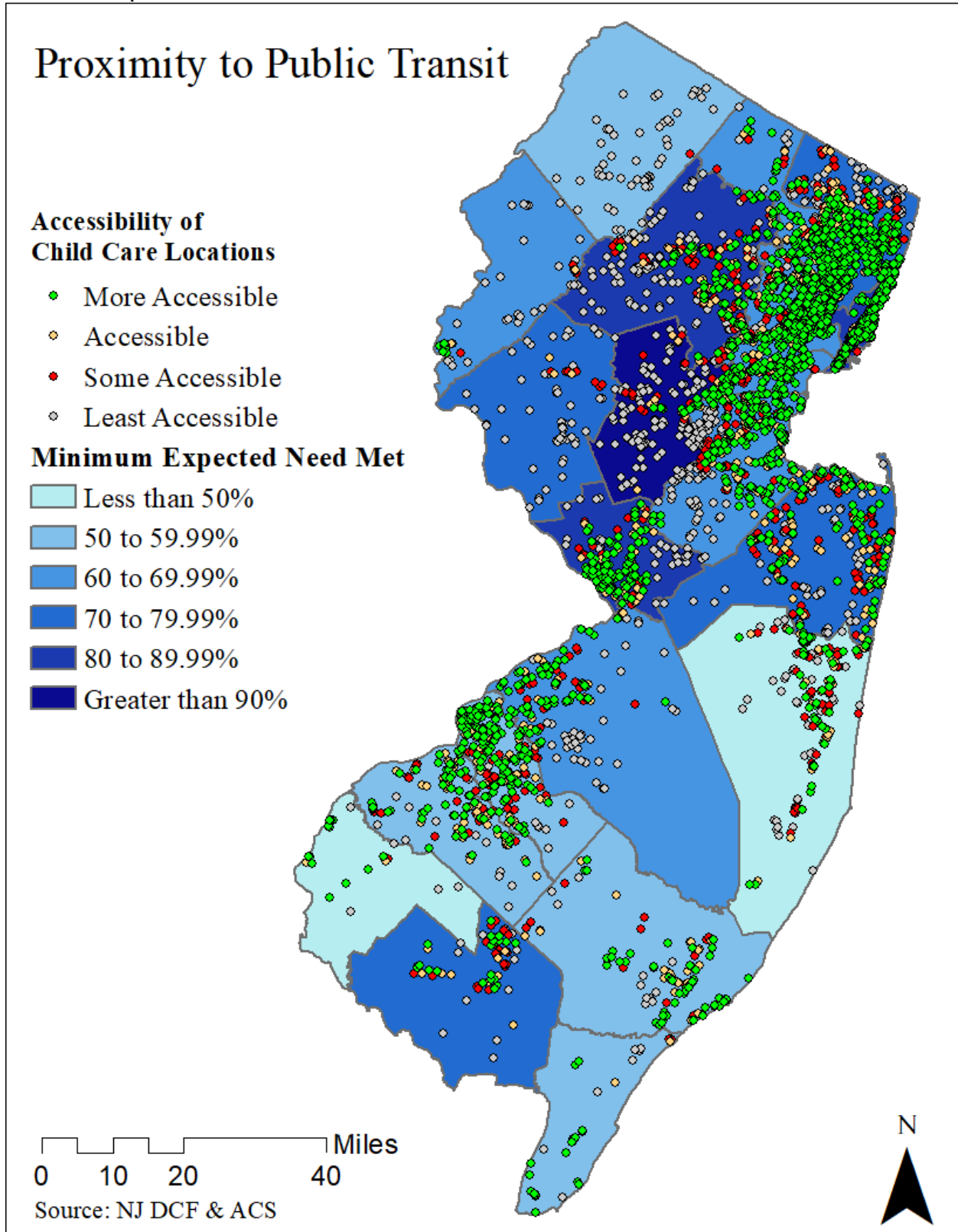
fact that 40% of New Jersey municipalities are infant/toddler child care deserts (Bishop-Josef et al., 2020).

### ***Physical Access***

Accessing child care also means being able to drop off and pick up your child from the provider. As mentioned previously, public transportation can play a vital role in accessing food resources. Proximity to public transportation can be an important part in accessing child care. Of the 3,958 active licensed child care centers, 83.2% are within one mile of a New Jersey Transit (NJT) rail or bus stop, 73.4% are within a half-mile, and only 60.3% are within a quarter mile. Map 6 depicts the locations of active licensed child care centers and their proximity to NJT rail or bus stops overlaying the percent of minimum expected need met (Map 5). This report defines more accessible locations as being within a quarter mile, accessible locations are within a half-mile, locations within one-mile have some accessibility, and locations that are further than one-mile from a NJT rail or bus stop are considered the least accessible. Map 6 shows that many of the rural areas of the state, which also tend to be child care deserts, have less access to public transportation, such as Sussex and Ocean Counties. These counties are also areas with lower percentages of expected need met.

In 2019, 11.7% of working New Jerseyans took public transportation to their job. Hudson County had the highest percentage of workers commuting with public transportation at 42.6%. Salem County had the lowest percentage of public transportation commuters at less than 1% (Table A-6). Further research should investigate how, if at all, access to public transportation impacts access to child care.

Map 7. Active licensed child care centers proximity to NJT rail and bus stops compared with minimum expected need met.



## **Impacts of COVID-19**

The break of the pandemic has revealed an integral relationship between child care and the workforce in New Jersey. As of 2019, for children under age six, 68.30% of parents were in the labor force; for children ages 6-17, 73.10% of parents were in the labor force (ACS Table DP03. 2019 NJ average labor force participation). Prior to the COVID-19 pandemic, there already existed a national infant-toddler child care crisis for working parents. ReadyNation, an organization focused on cradle-to-career navigation and insights, employed research to examine the economic impacts of the crisis among working parents, employers, and taxpayers. Losses due to inadequate child care summed up to approximately \$57 billion in the year 2017 alone (Bishop-Josef et al., 2020). The state of New Jersey, in the same year, had a child care capacity for only 27 percent of the state's infant-toddler need. According to a Fairleigh Dickinson University statewide poll, COVID-19 has especially impacted working parents; mothers of infants and toddlers have left the workforce in record numbers. The pandemic has also reduced quality child care options (Fairleigh Dickinson University, 2021). Additionally, the pandemic has impacted child care on all levels, including child care providers, employers, parents, and caregiving families.

### ***Pre-existing Issues***

Prior to the pandemic's disruption, the child care sector faced a series of disparities among providers. Within the field, there are issues of working conditions, and lack of respect, and compensation issues for women of color. According to research conducted by Dr. Beth Swadener from Arizona State University's School of Social Transformation, closing the gaps of child care equity, requires an intersectional feminist approach, it requires that the state identify systems of oppression that have reinforced the devaluation of women (and men) who have been essential child care workers (Swadener, 2020). Failure to tackle the pre-existing issues suggests continuance to ignore the emotional labor and handwork by these essential workers.

### ***Child Care Providers & Centers***

Child care facilities' physical closures, due to the pandemic, took with them the caring and inclusive classroom community (Swadener, 2020). The loss of in-person interaction debilitates the educator or caregiver's ability to analyze or "read" the room. It hinders the individual from providing individualized care catered directly to the student's nuanced needs (Swadener, 2020). Other changes pertain to the now online transition of some early child care programs. The use of Zoom, and other technologies alike, disrupts the efficiency of programs as only one person may speak at a time, cameras may turn off, internet connection issues may exist. The possible issues that may arise are endless.

A survey conducted in August 2020 of parents of young children conducted to investigate how the COVID-19 pandemic was affecting child care needs found that 70% of parents reported

a shift in their child care operation status; this shift either suggested their provider was closed or imposed limited capacity. In some cases, providers remained open to children of those deemed essential workers. According to the same study, approximately 44% of parents were not able to work in some capacity without child care (Smith & Tracey, 2020).

### ***Child Care & Workforce Relationship***

The pandemic has exacerbated the challenges of finding affordable, quality care. Accessing child care has been more difficult since the onset of the pandemic; almost 40% of New Jersey parents have reported increased difficulty in accessing child care. (Fairleigh Dickinson University, 2021). The state began reopening child care facilities on June 15th, 2020. After reopening, 38% of parents reported increased cost for infant and toddler care. Among those who saw increases in child care costs, reports were greater among Hispanic and Black families when compared to non-Hispanic White families (Fairleigh Dickinson University, 2021). Because the pandemic has made it harder for parents to find affordable care, 14% of New Jersey parents reported quitting their jobs to care for children and better manage care for their children. Of that 14%, mothers (19%) were six times more likely to be the ones reporting quitting their jobs than fathers (3%). Furthermore, about 23% of parents indicated that they had to reduce work hours or take an unpaid leave of absence (Fairleigh Dickinson University, 2021).

The pandemic has emphasized that the relationship between child care and the workforce is undeniable; while 74% of respondents reported using child care from January through March 2020, the usage rate dropped to 58% by June 15th (Fairleigh Dickinson University, 2021). Child care providers have long been the invisible, but foundational, workforce that powers the economy. This realization has resulted in pushes for the reopening of child care programs. The difference in usage among parents from January to June was due to both child care needs and parental choice. While some are in favor of reopening efforts some parents are still reluctant to return to formal child care providers for their children. Their choice and mindsets are shaped by cultural leanings, financial restrictions, and fears of COVID-19 exposure—both from the workplace and from their children in formal care settings.

### ***Parents, Families, and Caregivers***

Prior to the peak of COVID-19, findings suggested the following groups were more inclined to pay for their child care provider: parents in multi-generational households, those with annual incomes over \$75,000, parents with children living in urban communities; the higher the income of a family showed a strong trend for probability the parent would pay for their child care provider. Parents in rural communities were less likely to pay for their child care prior to the pandemic's peak around January 2020. Past the peak, both those who paid for child care and those who did not sought child care services from informal providers such as family members and in-home facilities (Bipartisan Policy Center, 2020). Among parents with infants and toddlers, relying

on family support, grandparents make up 75% of the care provided; since June 15<sup>th</sup>, grandparents have provided one-third of all child care for infants and toddlers, as reported by the Fairleigh Dickinson University Poll (2021).

### ***Employers***

With the infant-toddler crisis that existed before any of COVID-19's amplification, employers were seeing financial ramifications from the shortage of child care. Within the \$57 billion lost due to child care issues, \$12.7 billion alone was due to loss of productivity related to child care issues, the remaining losses were attributed to loss of earnings and revenue (Bishop-Josef et al., 2020) It can be predicted that the pandemic only exacerbated the child care-related losses of employers. Temporarily focusing on the employer side of the pre-existing crisis, parents reported job losses, forced denial of promotions, and requirements to transition to part-time work from full-time status. From the business standpoint, any means not aiding in the access of child care results in an employer experiencing reductions to revenue, increased hiring costs, lower productivity, shorter tenure, lower worker morale, a fall of product quality, client loss, etc. (Bishop-Josef et al., 2020).

### ***Beyond COVID-19***

As the state of New Jersey strives to transition towards some sense of normalcy, it faces a number of challenges. With affordable quality child care options changes predominantly impacting women, Hispanic and Black demographics—the long-term consequences of these impacts are unpredictable. To ensure the equitable continuation of child care in the state, and the lessening of gaps that existed before the pandemic; Gaps such as compensation parity of the field, benefits gaps such as health insurance coverage, sick leave, paid time off, and mental health coverage (Swadener, 2020). Theresa Hinton from the Chamber Commerce, and Chief Operating Officer of the New Jersey Society of Certified Public Accountants, advises that even with the distribution of vaccines will aid in providing a level of comfort to some parents, but it does not allow for the state to navigate towards normalcy, the pandemic has forced parents to change social norms and work practices for the long term. Hinton suggests that the transition to normalcy will run easier with the sufficient availability of vaccines, child care and in-class instruction.



## **Policy Recommendations**

***Create a Child Care Equity Strategic Plan in order to maximize and coordinate the state's approach to create an equitable and accessible child care system.***

The importance of child care has been highlighted and discussed over the last couple of years. There is still a lot of information that is unknown about the current state of child care in New Jersey despite the growing consciousness, publications and research about child care. In order to maximize and coordinate the state's approach, the Governor should convene a Task Force. The Taskforce should have representatives from DCF, DHS, DOE, Economic Development Authority (EDA), Department of Labor, and the Office of the Secretary of Higher Education. The Taskforce should also involve stakeholders who have conducted research or have experience in the field such as New Jersey Policy Perspective and Advocates for Children of New Jersey.

The Task Force's primary goal should be to assess the current state of New Jersey and create a strategic plan to provide high quality care to vulnerable families across the state and define the problems that exist. The strategic plan will give the Governor and legislature a guide as to the regulations, policies and legislation that would be necessary to create an equitable child care system in the state. The plan will not only serve as a guide to elected officials, but it should also serve an accountability measure to encourage progress.

***Conduct a public investment study to determine the amount of funding necessary to create an equitable, high quality, child care system across the state.***

The most comprehensive action by the federal government to provide the funding and infrastructure to support child care in America was The Lanham Act. The Lanham Act led to the creation of child care centers across the country and provided funding for them as well. Even though the bill package represents America's most comprehensive action to support the child care system, it still was not enough to provide quality child care to vulnerable families across the country. Since the end of World War II, there has been a gradual and significant recession as it relates to the federal funding of child care infrastructure and funding. The withdrawal of government funding played a major role in the creation of child care deserts in low income, rural and communities of color.

The state of New Jersey should commission or launch a public investment study to ascertain what type of infrastructure and funding would be needed to provide high quality for vulnerable families all over the state. The public investment study should take into account the cost to plant, operate and maintain a child care center. The cost of operation should include the cost to ensure compliance with state regulations and the cost to fully staff the facility in a way that would maximize slots for children.

***Increase funding for child care throughout the state.***

The COVID -19 pandemic has led to significant increases in funding for child care over the last year. Funding for subsidized child care and other supports to assist vulnerable families has increased because of President Joe Biden's American Rescue Plan and the Governor's COVID-19 support policies. The American Rescue Plan boasted an historic tax credit expansion and emergency child care relief that will greatly help vulnerable families in New Jersey. The Governor's COVID-19 support policies have bolstered up the state's subsidy program and increased overall accessibility. The COVID-19 support policies have resulted in nearly \$200 million being spent on child care capacity since last fall and over 3,000 child care providers receiving grants. One of the Governor's recent actions was signing legislation that would provide \$10 million in federal aid to child care providers throughout the state. The money will be distributed through grants and will be administered by EDA.

The Governor's proposed FY 2022 State Budget also continues to expand the current child care system by expanding pre-K, increasing the Child Dependent Tax Credit, and increasing funding to child care centers for operational costs. It is imperative that the funding from the American Recovery Plan, COVID-19 support policies and the Governor's proposed budget is maintained moving forward. The current state of child care is reflective of decades of disinvestment and the aforementioned funds are a great start to fully funding a child care system that meets the needs of every family in New Jersey.

***Expand the Grow NJ Kids platform to create a collective, trusted online resource for families in need of child care, as well as equitably distribute resources to providers and increase participation to improve child care quality.***

The Grow NJ Kids initiative has the potential to assist more child care providers and help families get quality care if it is expanded. The program has already proven to be successful in its current form and should be expanded to increase participation. The state could increase participation through more incentives for child care providers who volunteer to participate in or by linking the initiative to the subsidy program. If the state can increase participation, then more providers would be rated, and the quality of child care would increase significantly. It is also essential that the state include Registered Family Providers in participating providers that receive the increased subsidy incentives for having 3-, 4-, or 5-star ratings. The state would also be acting proactively by expanding the initiative because of the increase in coordination, quality and access that would follow the expansion.

***Develop policies to increase salaries and benefits for the child care workforce to increase retention.***

The current salary and benefits of a typical child care employee is not competitive or appealing. The non-competitive nature of staff salaries and benefits makes it difficult for centers

that rely heavily on public funding to recruit and retain employees. While New Jersey has passed legislation that will gradually increase the minimum wage to \$15 an hour, the increase in minimum wage will not make child care jobs more competitive or appealing. There needs to be research done to create a benefits package that will be more appealing to employees because the current child care system cannot expand without qualified staffers.

There also needs to be more outreach and training for child care jobs. More outreach is necessary to raise awareness about a career as an early educator and encourage more students to seek the career path. More training is necessary to improve the effectiveness, efficiency and skillset of early educators to ensure that high quality care is provided to students. The outreach and training should be a two-pronged approach. Employers can play a greater role in outreach and training by coordinating with local school districts and colleges. Through coordination with local school districts and colleges, child care providers can reach more students and develop a pipeline to the profession. If there is more outreach and training for child care jobs, then the general public can have a greater awareness of the profession and strive to play a role in creating a more equitable and just child care system.

***Create a child care database to serve as a primary information hub for providers and families.***

One of the main hurdles to equitable access to childcare in New Jersey is a lack of information. New Jersey currently lacks a single source of information on child care from the state. While there are various surveys, reports and conversations about childcare in New Jersey and how families are interacting with the system, there is not a centralized government database. A centralized government database would increase equitable access to childcare by making it easier for vulnerable families to access the information and resources they need to find quality child care.

Currently, the main child care website for the state is <https://www.childcarenj.gov>, however this site lacks information on providers Grow NJ Kids status and directs users to DCF's child care page for information on licensed providers monitoring and inspection reports. Government agencies in New Jersey such as DCF, DHS, and the Department of Education (DOE) and should combine their data and information to create a centralized government database. The database would serve as a primary information hub for providers and families. This database should include all information on child care providers currently found across several different child care sites the state has including DCF's Licensed Child Care Explorer, DHS's Provider Search, and Grow NJ Kids Provider Search. State agencies and departments should adjust state regulations governing the childcare system to incorporate reporting requirements that would continuously update the database over the years.

## References

- Ackerman, D. (2010). *Variations in Wages & Benefits Paid to New Jersey's Center-Based Child Care Staff Based on Classroom Role, Ages Served, and Center Characteristics*. National Institute for Early Education Research (NIEER).  
<https://www.ccanj.org/documents/publicationsReports/Variations%20in%20Wages%20&%20Benefits%20Paid%20to%20NJ%20CC%20Staff%209.6.10.pdf>.
- Adams, G., Rohacek, M. (2002). *Child Care and Welfare Reform*. Brookings Institution.  
<https://www.brookings.edu/research/child-care-and-welfare-reform/>.
- Bishop-Josef, S., Van Ness, C., Garrett, T. (2020) *Want to Strengthen New Jersey's Economy? Fix the Child care Crisis*. Ready Nation: Council for a Strong America.  
<https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>.
- Smith, L. & Tracey, S. (2020, August). *Child Care in COVID-19: Another Look at What Parents Want*. The Bipartisan Policy Center. <https://bipartisanpolicy.org/blog/child-care-in-covid-another-look/>.
- Black, S. (2020). *Social Reproduction and the City: Welfare Reform, Child Care and Resistance in Neoliberal New York*. University of Georgia Press. ProQuest Ebook Central, <http://ebookcentral.proquest.com/lib/rutgers-ebooks/detail.action?docID=6224889>. Created from rutgers-ebooks on 2021-03-23 17:24:43.
- Burgar., K. (2012) *A Social History of Ideas Pertaining to Childcare in France and in the United States*. Journal of Social History. Journal of Social History, Summer 2012, Vol. 45, No. 4 (Summer 2012). <https://www.jstor.org/stable/41678948>.
- Bureau of Labor Statistics (BLS). (2021). *Occupational Outlook Handbook: Childcare Workers Occupational Employment and Wages*. U.S. Bureau of Labor Statistics.  
<https://www.bls.gov/oes/current/oes399011.htm#st>.
- Cannon, J.S., Zellman, G.L., Karoly, L.A., & Schwartz, H.L. (2017). *Quality Rating and Improvement Systems for Early Care and Education Programs: Making the Second Generation Better*. Rand Corporation.  
[https://www.rand.org/content/dam/rand/pubs/perspectives/PE200/PE235/RAND\\_PE235.pdf](https://www.rand.org/content/dam/rand/pubs/perspectives/PE200/PE235/RAND_PE235.pdf).
- Center for American Progress (CAP). (2018). *U.S. Child Care Deserts*. <https://childcaredeserts.org/2018/index.html>.
- ChildCare Aware of New Jersey (CCANJ). (2021). *History of Child Care Resource and Referral in New Jersey*. <https://www.ccanj.org/aboutHistory.shtml>

- Cohen, A. (1996). *A Brief History of Federal Financing for Child Care in the United States*. The Future of Children, Summer - Autumn, 1996, Vol. 6, No. 2, Financing Child Care (Summer - Autumn, 1996). <http://www.jstor.com/stable/1602417>.
- Dellano, D. & Kaiser, J. (2017, July). *Family Childcare in New Jersey: Challenges and Opportunities*. Advocates for Children of New Jersey. <https://files.eric.ed.gov/fulltext/ED585616.pdf>.
- Dellano, D., Brady K., & Kaiser J. (2017, May). *No Room for Babies: Center - Based Infant Child Care in Short Supply*. Advocates for Children of New Jersey. [https://acnj.org/downloads/2017\\_05\\_30\\_no\\_more\\_room\\_for\\_babies.pdf](https://acnj.org/downloads/2017_05_30_no_more_room_for_babies.pdf).
- Dobbins, D., Tercha, J., McCready, M., Liu, A. (2016). *Child Care Deserts: Developing Solutions to Child Care Supply and Demand*. ChildCare Aware of America. <https://www.childcareaware.org/wp-content/uploads/2016/09/Child-Care-Deserts-report-FINAL2.pdf>.
- Economic Policy Institute (EPI). (2020) The cost of child care in New Jersey. <https://www.epi.org/child-care-costs-in-the-united-states/#/NJ>.
- EZChildTrack Team. (2017). *What Do Parents Look For in a Childcare Center?*. The Childcare Management Blog. <https://info.ezchildtrack.com/blog/what-do-parents-look-for-in-a-childcare-center>.
- Fairleigh Dickinson University. (2020, September). POLL: NEW JERSEY WORKING PARENTS FACE CHILD CARE CHALLENGES DUE TO COVID-19. <http://publicmind.fdu.edu/2020/200930/final.pdf>.
- Garver, K (2021). *Exploring the high cost of high-quality infant and toddler care in New Jersey*. New Brunswick, NJ: National Institute for Early Education Research.
- Governor Murphy Signs Landmark Legislation Raising Minimum Wage to \$15 Per Hour*. (2019). Office of the Governor. [www.nj.gov/governor/news/news/562019/20190204b.shtml](http://www.nj.gov/governor/news/news/562019/20190204b.shtml).
- Gould, E., Hunter, Blair. (2020). *Who's Paying Now? The explicit and implicit costs of the current early care and education system*. Economic Policy Institute.
- Grow NJ Kids. (2021). *About*. <https://www.grownjkids.gov/About>
- Hamm, K., Baider, A., White, C., Gallagher - Robins, K., Sarri, C., Stockhausen, M., Perez, N. (2019). *American, It's Time to Talk about Child Care*. <https://caseforchildcare.org/2020CaseForChildCare.pdf>.
- “How to Become a Provider.” (n.d.) State of New Jersey Department of Human Services Division of Family Development (DFD). <https://www.childcarenj.gov/Providers/HowTo>.

- Malik, R., Ham, K., Schochet, L., Novoa, C., Workman, S., & Jessen-Howard, S. (2018). *America's Child care Deserts in 2018*. Center for American Progress. <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>.
- Manual of Requirements for Child Care Centers. (2017). State of New Jersey, Department of Children and Families. <https://www.nj.gov/dcf/providers/licensing/laws/CCCmanual.pdf>.
- Michel, S. (2011). *The history of child care in the U.S.* Social Welfare History Project. <http://socialwelfare.library.vcu.edu/programs/child-care-the-american-history/>.
- National Child Care Information and Referral Center Team (NACCRRA). (2018). *All in the Family - Using Relatives for Child Care*. Child Care Aware America. <https://info.childcareaware.org/blog/all-in-the-family-using-relatives-for-child-care>.
- New Jersey Budget in Brief 2022*. (2021). State.NJ.US. <https://www.state.nj.us/treasury/omb/publications/22bib/BIB.pdf>
- New Jersey Business and Industry Association (NJBIA). (2018). *Small Businesses Responsible for Half of New Jersey Jobs*. NJBIA. <https://njbja.org/small-businesses-responsible-for-half-of-nj-jobs-sba-says/>.
- Office of Licensing*. (n.d.). State of New Jersey Department of Children and Families. <https://www.nj.gov/dcf/about/divisions/ol/>.
- Quality Compendium. (2021). View State Profiles. <https://qualitycompendium.org/view-state-profiles>.
- Sethi, S., Johnson - Staub, C., Gallagher - Robins, K. (2020). *An Anti - Racist Approach to Supporting Child Care Through COVID - 19 and Beyond*. The Center for Law and Social Policy. <https://www.clasp.org/publications/report/brief/anti-racist-approach-supporting-child-care-through-covid-19-and-beyond>.
- Shdaimah, C., Palley, E. (2016). *To Fix America's Child Care, Let's Look at The Past*. The Conversation US. <https://theconversation.com/to-fix-americas-child-care-lets-look-at-the-past-63913>.
- Sipple, J.W., McCabe, L.A., & Castro, H.G. (2020) Child care deserts in New York State: Prekindergarten implementation and community factors related to the capacity to care for infants and toddlers. *Early Childhood Research Quarterly*. 51. 167-177. <https://doi.org/10.1016/j.ecresq.2019.10.007>
- Smith, L., Bagley, A., Wolters, B. (2020). Child Care in 25 States: What we know and don't know. Quantifying the supply of potential need for, and gaps in child care across the county. The Bipartisan Policy Center. <https://bipartisanpolicy.org/report/child-care-gap/>.

Swadener, B., Peters, L., Frantz-Bentley, D., Diaz, X., Block, M. (2020) *Child care and COVID: Precarious communities in distanced times*. Global Studies of Childhood. <https://journals.sagepub.com/doi/pdf/10.1177/2043610620970552>.

Workman, S. (2017). *QRIS 101: Fact Sheet*. Center for American Progress. [https://cdn.americanprogress.org/content/uploads/2017/05/09094948/QRIS-factsheet.pdf?\\_ga=2.68648593.1814639961.1618505984-824842377.1618505984](https://cdn.americanprogress.org/content/uploads/2017/05/09094948/QRIS-factsheet.pdf?_ga=2.68648593.1814639961.1618505984-824842377.1618505984).

## Data Sources

New Jersey Demographic Data	American Community Survey	2019: ACS 5-Year Estimate Subject Tables	Table Name	TableID
			AGE AND SEX	S0101
			CHILDREN CHARACTERISTICS	S0901
			SELECTED ECONOMIC CHARACTERISTICS	DP03
			DEMOGRAPHIC AND HOUSING ESTIMATES	DP05
New Jersey Child Care Data	KIDS COUNT DATA CENTER	<a href="https://datacenter.kidscount.org">https://datacenter.kidscount.org</a>		
	Department of Children and Families	<a href="https://data.nj.gov/childcare_explorer">https://data.nj.gov/childcare_explorer</a>		
	Department of Human Services   Division of Family Development	<a href="https://www.childcarenj.gov">https://www.childcarenj.gov</a>		
	Grow NJ Kids	<a href="https://www.grownjkids.gov">https://www.grownjkids.gov</a>		
	NJ Geographic Information Network	<a href="https://njogis-newjersey.opendata.arcgis.com/datasets/njdep::child-care-centers-of-new-jersey">https://njogis-newjersey.opendata.arcgis.com/datasets/njdep::child-care-centers-of-new-jersey</a>		

## Study Limitations

This practicum acknowledges several limitations in its research. These limitations may have impacted the data available for analysis and conclusions discussed and should be taken into account when using this data for further research.

The first limitation is that the general scope of child care is broad. While this research defined child care to a concentrated definition, there are many larger parts of child care that are outside the focus of this project that the data does not take into consideration.

The second limitation is the ability to monitor and collect data on child care happening within homes. Leaving a child with a family member, such as a grandparent or older sibling, is difficult to research. There is a lack of information and data on the extent to which this type of child care is used, and therefore may affect this practicum research.

There is also minimal information on how child care centers are researched and found. While there are many surveys and informal conversations on how parents research and choose the child care centers, they use, there is very little government information on the actual ways in which families use to find child care.

Another limitation that affects this study is the overall lack of data on what child care providers exist in New Jersey and their detailed information. State websites have conflicting information and do not offer comprehensive lists of providers in each area of the state. Minimal information on actual capacity of each center and the ages they serve also creates a problem when researching the current New Jersey child care landscape. This missing data creates a lack of understanding the different sectors of child care, especially the infant and toddler age groups. Future research needs to collect and analyze the numbers associated with staff/child ratios and capacity in terms of actual slots. Along with that information, collecting further data of actual licensed and registered center numbers within the state will better inform research of New Jersey child care.

The final limitation of this study comes from the ongoing impacts caused by the COVID-19 pandemic. Until the pandemic completely subsides, studies will not be able to fully understand the immediate and lasting impacts on the child care landscape. Because policies and mandates change often, the aftermath of the pandemic will not be fully understood until child care and the economy returns to normalcy.

These limitations can inform future research. The lack of data and information on child care centers is an issue that researchers may need to explore in order to better understand the gaps in New Jersey child care.



## Appendix

Table A-1. Grow NJ Kids Participation Requirements and Rating Standards	
Grow NJ Kids Participating Program/Provider	<ul style="list-style-type: none"> <li>● A license or certificate of registration from the Department of Children and Families or a Department of Education-approved school district.</li> <li>● Completed the Grow NJ Kids Director’s Orientation.</li> <li>● Completed a self-assessment and quality improvement plan that identifies areas of strength and how the program will work toward a Grow NJ Kids rating.</li> </ul>
3-Star	<ul style="list-style-type: none"> <li>● Met all of the requirements as a Grow NJ Kids participating program/provider.</li> <li>● All teaching staff attended a minimum of five hours of training on selected research-based curriculum/developmentally appropriate practices.</li> <li>● Classrooms met quality standards, using a nationally recognized rating scale.</li> </ul>
4-Star	<ul style="list-style-type: none"> <li>● Met all of the requirements for three stars.</li> <li>● All teaching staff attended a minimum of 10 training hours on selected research-based curriculum/developmentally appropriate practices.</li> <li>● Classrooms met high-quality standards, using a nationally recognized rating scale.</li> </ul>
5-Star	<ul style="list-style-type: none"> <li>● Met all of the requirements for four stars.</li> <li>● Implemented research-based curriculum and developmentally appropriate practices.</li> <li>● Classrooms met high-quality standards, using a nationally recognized rating scale.</li> </ul>
Source: Grow NJ Kids   Reading the Stars ( <a href="https://www.grownjkids.gov/getattachment/ParentsFamilies/ProviderSearch/GrowNJKidsStars.pdf.aspx">https://www.grownjkids.gov/getattachment/ParentsFamilies/ProviderSearch/GrowNJKidsStars.pdf.aspx</a> )	

Table A-2. Total Licensed Child Care Capacity in New Jersey

	1996	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Atlantic	4,058	6,061	5,555	6,035	6,304	6,828	5,843	6,930	6,780	6,147	6,053	5,896	5,356	5,356	5,817	6,273	6,990	8,242	8,290
Bergen	20,592	30,425	31,471	31,854	33,906	34,937	35,605	36,163	37,291	37,246	37,548	38,278	38,609	39,147	39,627	38,792	39,733	41,134	40,973
Burlington	8,850	11,830	11,784	12,062	12,846	13,058	12,816	13,427	13,470	13,394	13,261	12,881	12,619	12,387	12,655	12,517	12,704	14,413	14,418
Camden	13,835	20,136	20,582	20,058	22,739	21,453	22,857	23,455	22,582	21,857	20,799	19,820	19,643	20,183	20,186	19,662	18,814	21,911	22,091
Cape May	1,519	1,804	1,815	1,844	1,724	1,602	1,554	1,612	1,478	1,352	1,388	1,394	1,246	1,270	1,313	1,427	2,101	2,143	2,183
Cumberland	3,256	4,997	5,153	5,448	5,385	5,175	5,298	5,451	6,667	6,900	7,541	6,528	6,671	6,896	6,806	6,448	6,581	7,864	7,844
Essex	23,402	35,189	36,839	38,043	41,684	43,231	44,034	45,397	46,345	44,865	44,605	46,201	45,405	44,344	44,405	41,960	42,632	44,291	43,641
Gloucester	6,028	8,073	8,235	8,543	9,783	9,857	9,956	9,453	9,869	9,853	9,293	9,162	9,326	9,116	9,203	9,557	9,807	10,454	10,503
Hudson	9,350	15,837	16,778	17,677	19,517	19,151	19,398	19,656	20,781	21,256	21,255	21,839	22,105	22,925	24,276	26,180	31,911	33,957	34,155
Hunterdon	2,913	5,577	5,609	5,913	6,043	6,536	6,690	6,670	7,153	7,136	6,959	6,970	7,085	6,263	6,353	6,167	6,034	6,234	6,398
Mercer	11,425	17,143	17,170	17,937	19,899	19,399	19,245	18,920	20,346	20,094	19,707	19,812	19,728	19,528	19,052	19,566	20,022	20,034	20,159
Middlesex	13,885	22,574	23,696	23,789	24,888	26,071	26,327	27,987	28,635	29,070	29,041	28,752	28,197	29,611	29,231	29,888	30,156	33,881	34,278
Monmouth	14,629	21,110	21,413	21,973	21,555	22,082	22,370	22,640	24,624	24,927	24,312	23,899	24,090	24,638	25,397	25,154	25,555	25,255	25,115
Morris	13,050	19,473	19,955	20,668	21,497	22,516	22,687	22,395	21,975	22,140	21,783	21,495	20,726	20,723	20,671	20,922	20,723	25,312	25,345
Ocean	7,036	10,189	10,149	10,393	11,316	12,012	12,359	12,947	13,903	13,210	12,901	11,410	11,444	11,563	11,530	11,447	13,498	14,164	13,744
Passaic	10,432	16,369	18,182	18,932	20,715	21,915	22,594	23,540	23,535	24,247	24,052	22,094	22,257	22,452	22,129	21,834	23,455	23,959	23,900
Salem	1,093	1,250	1,214	1,265	1,405	1,427	1,413	1,362	1,290	1,372	1,479	1,464	1,402	1,494	1,537	1,727	1,717	1,636	1,636
Somerset	8,871	15,042	15,466	16,093	16,791	17,430	17,264	17,588	18,252	19,016	19,078	19,687	19,878	19,607	19,132	18,946	18,843	19,650	19,850
Sussex	2,425	3,068	3,339	3,539	3,886	4,246	4,127	4,474	4,505	4,531	4,396	4,118	4,179	3,892	3,805	3,812	3,613	3,669	3,669
Union	14,057	19,761	20,951	21,130	22,560	22,414	22,944	23,583	24,879	23,681	24,169	23,747	23,680	23,796	24,228	24,087	23,804	25,367	25,405
Warren	1,730	2,393	2,643	2,838	3,299	3,236	3,402	3,283	3,208	3,134	2,893	2,634	2,667	2,761	2,732	3,197	2,987	3,168	3,085
New Jersey	192,436	288,301	297,999	306,034	327,742	334,576	338,783	346,933	357,568	355,428	352,513	348,081	346,313	347,952	350,085	349,563	361,680	386,738	386,682

Data Source: New Jersey Department of Children and Families, Office of Licensing. Data for years 1996-2018 collected from Kids Count Data Center. Kids Count Data Center data updated 4/9/2020.

Table A-3. Licensed Child Care Centers in New Jersey

	1996	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021
Atlantic	79	107	101	103	109	109	92	111	109	103	103	97	87	84	84	91	95	107	106	107
Bergen	311	412	424	421	427	430	439	434	441	423	416	423	421	423	417	413	426	440	447	436
Burlington	124	161	165	164	166	166	165	164	156	155	153	150	144	138	137	134	134	149	140	140
Camden	197	246	248	250	267	255	264	261	256	245	237	221	216	223	224	210	204	231	230	228
Cape May	38	36	35	35	35	33	32	33	32	28	28	28	25	25	26	26	31	32	30	30
Cumberland	46	62	62	63	61	60	62	60	60	66	69	63	61	62	57	56	59	71	67	73
Essex	369	507	535	533	558	558	560	560	555	538	532	533	510	491	484	461	462	479	469	493
Gloucester	97	134	139	136	144	142	144	137	137	135	129	128	128	126	124	125	127	130	128	127
Hudson	155	274	290	293	299	295	301	295	299	306	302	306	304	313	320	336	375	388	393	399
Hunterdon	57	79	79	76	79	80	82	80	81	81	77	77	77	69	68	68	67	67	66	64
Mercer	166	221	229	230	240	229	228	220	214	223	218	216	213	207	201	202	199	206	196	195
Middlesex	207	283	300	296	296	308	314	324	316	319	317	314	310	316	310	314	316	351	340	331
Monmouth	244	293	287	290	299	286	294	288	282	299	294	286	282	275	278	275	274	268	267	269
Morris	220	281	285	288	289	290	289	284	280	275	269	263	251	247	245	243	239	270	259	249
Ocean	123	159	161	161	164	165	172	171	173	171	162	152	144	144	144	141	153	159	156	152
Passaic	149	203	227	220	221	227	239	232	228	235	239	229	230	231	234	222	234	234	230	238
Salem	21	24	25	26	26	24	25	24	22	21	23	22	21	22	23	24	23	24	21	20
Somerset	123	180	186	186	183	190	193	189	187	186	181	176	173	174	168	167	166	171	166	157
Sussex	52	68	69	71	76	73	76	78	78	77	75	73	73	68	65	66	64	64	61	62
Union	206	282	296	288	297	291	305	298	298	287	286	281	280	279	279	272	268	278	277	275
Warren	39	54	59	62	65	58	58	55	52	50	50	46	47	47	46	50	49	50	49	50
New Jersey	3,023	4,066	4,202	4,192	4,301	4,269	4,334	4,298	4,256	4,223	4,160	4,084	3,997	3,964	3,934	3,896	3,965	4,169	4,098	4,095

Data Source: New Jersey Department of Children and Families, Office of Licensing. Data for years 1996-2018 collected from Kids Count Data Center. Kids Count Data Center data updated 1/8/2020.

Table A-4. Registered Family Child Care Providers in New Jersey

County	1996	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Atlantic	206	164	129	137	127	108	97	114	106	97	67	57	57	62	68	73	57	48	49
Bergen	219	241	238	236	202	166	161	157	140	136	91	91	79	73	61	62	49	50	53
Burlington	225	225	236	188	175	159	160	160	139	180	125	117	115	94	103	98	97	77	75
Camden	387	282	259	229	226	218	220	206	191	179	154	135	118	120	120	121	119	130	149
Cape May	69	57	18	16	21	18	18	14	17	15	14	10	12	17	13	16	9	7	8
Cumberland	398	356	286	244	197	170	145	136	131	111	76	70	57	54	57	53	37	36	39
Essex	372	591	546	466	475	515	463	467	479	463	444	382	369	279	275	264	233	189	185
Gloucester	160	178	98	91	81	68	80	85	88	82	56	59	53	52	46	41	21	19	24
Hudson	314	567	515	467	417	365	347	363	365	359	351	348	319	255	264	234	216	185	169
Hunterdon	92	77	69	53	47	40	40	39	30	29	26	25	20	22	20	21	16	8	6
Mercer	253	294	247	192	167	155	140	99	109	150	82	71	54	64	58	54	40	36	31
Middlesex	256	225	210	192	161	178	163	159	164	165	127	129	123	133	128	150	131	120	110
Monmouth	203	244	223	195	182	177	144	147	141	135	110	112	99	112	101	93	82	63	57
Morris	181	148	130	112	105	92	88	104	104	95	71	72	61	61	53	60	63	49	39
Ocean	128	146	134	131	131	131	147	137	132	118	87	79	65	57	64	54	40	37	27
Passaic	269	320	245	200	215	232	252	261	266	263	261	240	249	312	282	280	263	283	307
Salem	61	77	82	65	54	48	39	35	45	42	45	42	43	38	33	37	31	24	28
Somerset	189	109	113	91	53	52	47	48	49	43	31	33	24	24	20	20	23	16	17
Sussex	88	92	78	70	41	43	42	45	41	41	34	31	25	23	20	17	15	16	16
Union	184	200	213	198	196	152	129	153	153	141	133	138	121	128	113	121	97	69	65
Warren	77	78	77	74	138	63	52	58	48	48	46	36	34	41	45	38	41	50	38
New Jersey	4,331	4,671	4,146	3,647	3,411	3,150	2,974	2,987	2,938	2,892	2,431	2,277	2,097	2,021	1,944	1,907	1,680	1,512	1,492

Data Source: New Jersey Department of Children and Families, Division of Youth and Family Services, Bureau of Licensing. Data Collected from Kids Count Data Center. Data updated 1/8/2020.

Table A-5. Licensed Child Care Center Capacity by Age Group and County, 2019

County	0 to 2 ½	0 to 6	0 to 13	2 to 6	2 to 13	2 ½ to 6	2 ½ to 13	6 to 13	Total
Atlantic	60	938	3,098	0	0	779	1,296	2,119	8,290
Bergen	0	5,651	13,716	401	45	5,651	4,931	10,578	40,973
Burlington	0	1,136	7,303	27	0	1,214	2,345	2,393	14,418
Camden	0	3,317	7,738	0	0	2,489	2,297	6,250	22,091
Cape May	0	131	662	0	38	274	793	285	2,183
Cumberland	0	1,532	2,331	0	0	300	1,186	2,405	7,754
Essex	0	6,195	11,954	0	75	6,539	6,066	12,812	43,641
Gloucester	0	382	5,199	0	0	993	831	2,942	10,347
Hudson	52	3,381	13,588	0	129	3,242	10,705	3,058	34,155
Hunterdon	0	537	1,514	0	0	560	992	2,795	6,398
Mercer	0	1,874	6,850	47	0	2,669	3,020	5,699	20,159
Middlesex	0	1,993	13,233	73	0	3,452	5,066	10,461	34,278
Monmouth	0	2,570	9,060	0	0	4,224	2,536	6,725	25,115
Morris	0	3,143	9,645	120	0	2,862	1,515	8,060	25,345
Ocean	0	1,728	7,408	0	0	1,230	1,006	2,372	13,744
Passaic	24	3,561	7,024	60	130	2,335	3,416	7,350	23,900
Salem	0	69	787	0	0	0	399	381	1,636
Somerset	0	1,414	9,308	99	287	1,623	1,905	5,214	19,850
Sussex	0	138	1,878	0	0	308	412	933	3,669
Union	20	2,437	7,061	159	0	3,375	6,299	6,054	25,405
Warren	0	222	1,273	0	0	421	587	582	3,085
Total	156	42,349	140,630	986	704	44,540	57,603	99,468	386,436

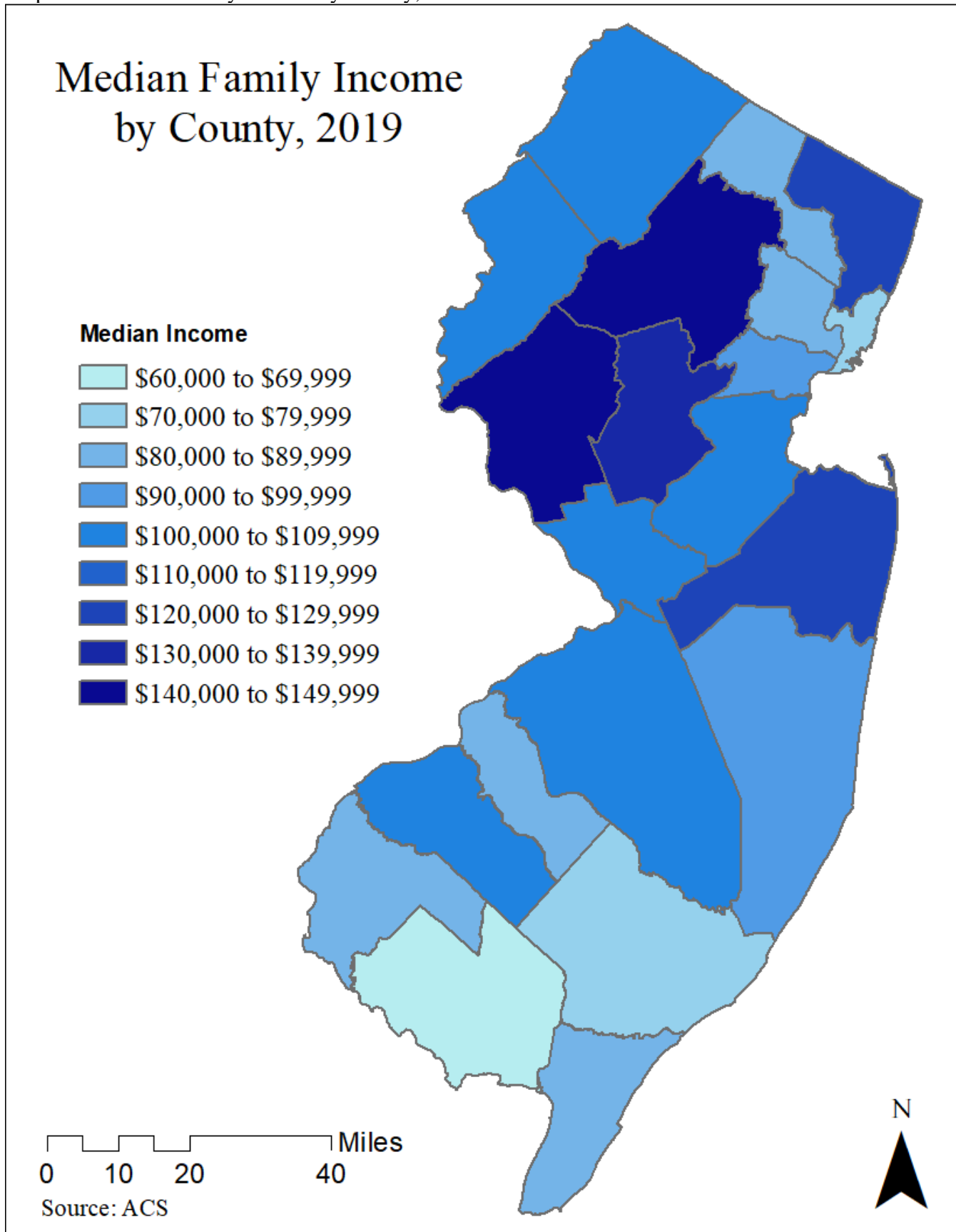
Source: New Jersey Department of Children and Families | Office of Licensing  
([https://data.nj.gov/childcare\\_explorer](https://data.nj.gov/childcare_explorer))

Table A-6. Commuting Characteristics of New Jersey, 2019.

County	Commuting to Work	Drive	Public Transit	Walked	Other Transit	Work from Home	Mean Travel Time (Min)
Atlantic	124,793	106,611	6,858	4,568	2,793	3,963	24.9
Bergen	469,569	354,876	73,916	12,060	6,282	22,435	33.1
Burlington	223,799	201,695	7,684	2,552	2,335	9,533	30
Camden	244,740	209,921	17,732	4,319	3,675	9,093	28.9
Cape May	41,894	36,559	699	1,954	905	1,777	22.8
Cumberland	60,362	55,679	960	1,074	1,178	1,471	23.6
Essex	369,683	251,423	80,228	14,487	8,477	15,068	34.9
Gloucester	146,423	133,478	3,444	1,845	1,754	5,902	30.7
Hudson	350,621	154,891	149,439	26,581	8,125	11,585	36.4
Hunterdon	65,350	55,663	2,053	1,173	587	5,874	35
Mercer	176,016	143,642	13,357	7,616	2,502	8,899	28.3
Middlesex	399,174	325,270	39,345	9,182	7,393	17,984	34.4
Monmouth	312,432	257,064	26,450	4,982	6,051	17,885	35
Morris	256,239	220,901	13,966	4,419	2,277	14,676	31.5
Ocean	253,961	228,529	4,431	3,837	4,290	12,874	31.2
Passaic	239,128	198,395	20,402	8,760	3,651	7,920	28.3
Salem	28,803	26,681	273	509	411	929	26.4
Somerset	170,538	146,330	8,955	3,184	1,538	10,531	32.5
Sussex	74,038	67,391	1,229	818	530	4,070	37.8
Union	275,306	209,633	33,378	7,713	13,484	11,098	31.7
Warren	54,015	48,467	820	1,315	823	2,590	36
Total	4,336,884	3,433,099	505,619	122,948	79,061	196,157	31.11

Data Source: ACS, 2019: ACS 5-Year Estimate Detailed Tables, Selected Economic Characteristics, DP03

Map A-1. Median Family Income by County, 2019.



Map A-2. Minority Population by County, 2019.

