RUTGERS CHILDCARE RESEARCH COLLABORATIVE

Licensed Center-Based Child Care Providers in New Jersey:

Revenues and Expenses

AUTHORED BY
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National Institute for Early Education Research

September 2026

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RESEARCH COLLABORATIVE

With funding and support from the New Jersey Department of Children and Families, the Center for Women and Work, the Heldrich Center for Workforce Development and the National Institute for Early Education Research have joined together to form the Rutgers Child Care Research Collaborative for the purpose of conducting research and facilitating community conversations that develop a broad and comprehensive understanding of New Jersey's child care landscape. Our research aims to increase understanding about the needs and interests of parents in New Jersey, the supply and motivations of the child care workforce, and the capacity of the child care sector to meet demand for child care today and into to future within our diverse state.

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INTRODUCTION

Center-based child providers are an integral piece of the state's early care and education (ECE) ecosystem–delivering critical services to families that support the development of children ages 0 to 5 (not yet in kindergarten) and caregivers' ability to work. However, it is often challenging for families to access providers that meet their multitude of needs, as the supply of centers face several operating challenges and constraints (Sandstrom et al., 2024; Stephens et al., 2024). To identify policies and program resources that address supply gaps in the child care system in New Jersey (NJ), more knowledge is needed about the services and characteristics of center-based providers in the state.

This report is the third in a three-part series aimed at providing a comprehensive portrait of licensed center-based child care providers in NJ. We use data from a state-wide survey of child care directors conducted between October 2023 and September 2024 by the National Institute for Early Education Research (NIEER). Topics covered on the survey included provider characteristics, enrollment, teaching and non-teaching staff, revenues, and expenditures. Previous reports in this series have described program characteristics and enrollment (Stephens et al., 2026a) and centers' workforce of teaching and non-teaching administrative staff (Stephens et al., 2026b). This effort is part of a multi-center collaborative project with the Center for Women and Work and the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey, with support and collaboration from the New Jersey Department of Children and Families (DCF).

In this report, we present descriptive results from survey questions focusing on revenue sources and operating expenses of licensed center-based providers. In total, there were 1,300 centers who completed a survey, of which 679 provided information on revenues and expenditures (52%). This subsample had similar characteristics to the full sample of responding providers, with some small differences discussed in the methods section (page 5). These sample constraints limit the extent to which results[1] described in this report are generalizable across NJ. However, the findings offer insights into the center-based provider supply in NJ that may be useful for identifying supports and policies to strengthen and improve access to the state's ECE system.

[1] This report presents results from descriptive analyses, including averages and proportions. We also assessed the precision of these estimates with 95% confidence intervals. Although the intervals are not shown in this report, all proportion estimates fell within a 10-percentage point margin, and estimates of averages fell within a reasonable range.

Key Findings

Center Revenues

- On average, centers reported total annual revenues of about $744,000. Revenues varied substantially by program enrollment: small programs (<35 children) averaged a third of that amount ($262,000), medium-size programs (35-64 children) averaged revenues of $494,000, and large programs (65+ children) averaged the highest revenues ($1,374,000).
- Centers reported average annual revenues of $11,056 per enrolled child. Per-child revenues were lower among medium-size programs ($9,922), and those that served exclusively preschool-age children ($9,656).
- Most centers received tuition payments from families (80%), about 2 out of 3 responding centers reported receiving funding from the Child Care and Assistance Program (CCAP; 61%), and 18% received state pre-k funding.
- Among those centers that reported revenue from tuition payments from families (including some CCAP copayments), these made up an average of 62% of centers' total annual revenues.
- For those centers that reported revenue from CCAP, this accounted for, on average, 36% of their total revenues. Additionally, centers reported an average revenue of $10,035 per child enrolled with CCAP. This estimated amount was higher for infants and toddlers ($11,824), than for preschool-age ($10,014) and school-age ($7,491) children.
- Among centers that reported receiving state pre-k funds, this accounted for an average of 71% of their total revenues.
- Many providers also reported other revenue sources, including the Child Care Development Block Grant (CCDBG) and/or Community Development Block Grant (CDBG; 31%), Child and Adult Care Food Program (CACFP) (22%), another local, state, or federal source, (10%), COVID-19 relief funding (34%), and/or other different sources (47%). In some instances, these sources made up a significant share of their total revenues.
- Among centers that reported receiving COVID-19 relief funding, this source made up an average of 31% of their total revenues. This is a notable share, given that pandemic relief funding was a temporary funding source to stabilize centers and 2024 was the final year this financial support was available.
- Across all the revenues reported by the sample, the largest share was tuition payments (41%), followed by NJ state pre-k funding (22%), and CCAP (19%).
- Looking across centers' receipt of various funding sources, auspice, and organization type, centers' average total revenues were highest among providers that reported state pre-k contracted classrooms ($1,373,600) and chain/franchises ($1,120,800). The lowest average revenue was among centers without state pre-k ($609,200) and centers without CCAP funding ($641,900).
- The NJ provider landscape appears largely divided (with some overlap) between those receiving mostly CCAP and those with state pre-K funding. That is, CCAP and state pre-K mostly support different segments of the ECE market, functioning as complementary policy levers.

Center Expenses

- On average, centers reported annual expenses of about $702,000, which also varied by enrollment size: small programs averaged $305,000, medium-size programs $539,000, and large programs $1,180,000

- Centers incurred average annual expenditures of $11,834 per child, and these were higher among smaller programs ($13,832) and those serving infants and toddlers ($12,446).
- Staff salaries represented the largest share of centers' total operating expenditures, accounting for two-thirds of total expenses (66%). Average annual staff salary expenditures were $467,000.
- After salaries, the next largest expense categories were facilities (20%), followed by fringe costs (9%), supplies (8%), and maintenance/repair (6%).
- Looking across centers' various funding sources, auspice, and organization type, centers' average expenditures were highest among providers that reported state pre-k contracted classrooms ($1,276,000), and chain/franchises ($1,185,800). Expenditures were, on average, lowest among centers without state pre-k ($582,200) and those not receiving CCAP ($629,400).

BACKGROUND

Many families experience challenges searching for and enrolling their children in early child care and education (ECE) that meets their preferences and needs amidst a constrained supply of providers (Banghart et al., 2024; Barnett et al., 2025; Chaudry et al., 2010; Stephens et al., 2025a). Previous research from this larger series on NJ's child care landscape has described center-based providers in terms of program characteristics, operating schedules, classrooms, enrollment, and capacity (Stephens et al., 2026a). This work highlights significant variability among centers in the state in terms of the ages of children served, the schedules centers can accommodate (e.g., operating schedule), and child care supply (e.g., enrollment size and capacity, and classrooms). Additionally, other research from this series examined characteristics of providers' teaching and non-teaching staff (Stephens et al., 2026b). Results revealed areas where efforts may be needed to further professionalize and provide adequate compensation to the child care workforce in NJ's center-based providers. Child care providers are highly dependent on their workforce to operate (United States [U.S.] Department of the Treasury, 2021; Workman, 2018); and so, these findings parallel related work describing significant fragility within the child care system; particularly following the COVID-19 pandemic (Evans, 2024).

Despite increasing attention to access, far less is known about whether the underlying financing of child care centers is sustainable over time. Therefore, as a next step it is important to examine the economics of NJ's child care centers, with an emphasis on their revenue sources and operating expenses. Such insights can help identify where child care providers across the state may need additional support or resources to deliver ECE services to young children and their families, as well as the degree to which existing state and federal funding are critical pillars sustaining child care availability. This is especially relevant given related scholarly work emphasizing persistent financial pressures in the child care sector which operates under tight budgets, rising costs, and workforce challenges (National Academies of Sciences, Engineering, and Medicine [NASEM], 2018; Schneider, 2025).

There has been increased attention, policies, and funding aimed toward improving families' access to high-quality licensed center-based providers, and there is growing evidence of the success of some efforts in terms of improving child enrollments, provider quality, and learning outcomes (e.g., Barnett et al., 2018; Farr et al., 2024; Phillips et al., 2017). There is also evidence that these efforts have been particularly successful among families in NJ who accessed centers with state pre-k programs (Barnett & Jung, 2021; Barnett et al., 2025; Friedman-Krauss et al., 2026). However, there is ongoing need to investigate child care providers'

revenues and expenditures as various shifts in the ECE landscape, pre- and post-pandemic have brought about new challenges in how centers operate (Schneider 2025). Indeed, research has highlighted significant center closures as a result of the COVID-19 pandemic (Child Care Aware of America, 2021). Largely driven by stabilization funding to states through the American Rescue Plan Act of 2021, the child care sector slowly returned to its pre-pandemic employment levels (First Five Years Fund, 2023). However, because these investments were temporary, concerns remain about the sector's long-term stability as funding has recently expired. Scholarly work continues to emphasize financial constraints that providers face to deliver sustainable and high-quality ECE services (Schneider, 2025; U.S. Department of the Treasury, 2021). Additionally, recent efforts to universalize child care, as is the case in New Mexico ([NM] Early Childhood Education and Care Department, 2025) and New York (Callahan et al., 2025), further underscore the importance of understanding how centers can be sustainably financed to ensure growing and effective service delivery. Thus, a better understanding of the economics of child care centers is essential to effectively support and build up from the current NJ system and inform child care policy and funding.

This report examines child care provider revenues and expenditures. Providers typically rely on multiple revenue sources, including family tuition payments, federal and state public funding streams, and other private sources. Furthermore, differing funding streams carry different eligibility requirements, quality standards, and financing mechanisms. The ways in which funding is distributed and received by centers can impact how providers operate, ensure quality services, support families, and compensate their workforce (NASEM, 2018). Provider finances are a primary driver of the costs that families must pay for child care (U.S. Department of the Treasury, 2021). However, the child care sector often operates with funding levels that do not reflect the true expense of delivering high-quality ECE services, leading many to describe the current system of child care financing as fragile and unworkable (U.S. Department of the Treasury, 2021). Providers must generate sufficient revenues to cover a range of operating expenses including (but not limited to) teachers and other administrative staff (and associated fringe costs which typically include Medicare, Social Security, leave, insurance, pensions, unemployment, and holiday benefits), facilities, repairs, and consumable supplies for ECE programming. These expenses can drive up program expenditures that public funding sources may not sufficiently cover, contributing to unaffordability challenges for many families (Barnett et al., 2025).

As a growing body of scholarly work highlights substantial variation and constraints among the supply of center-based child care (e.g., Banghart et al., 2024; Malik et al., 2020; Stephens et al., 2024), it is important to closely examine licensed child care centers in NJ. Such work can help identify program resource gaps and policy opportunities to strengthen the supply of high-quality providers and better meet the multifaceted child care needs and preferences of families (Banghart et al., 2024; Friese et al., 2017). This report is a step in this direction, focusing on the revenues and operating expenses of licensed child care centers serving children ages 0 to 5 years in NJ.

CENTER-BASED CHILD CARE PROVIDER SURVEY

▲ Study Methods

Measures and Procedures

The results reported here come from a larger study investigating the child care landscape in NJ. This report focuses on a survey that was distributed to all licensed center-based child care providers in the state via

email by NJ DCF. The survey was fielded via the Qualtrics' platform between October 2023 and September 2024 and asked for active consent before programs could access the survey. NJ DCF also sent reminders to centers to complete the survey, and a link to the survey was posted on the New Jersey Child Care Information System (NJCCIS) website. NIEER also asked Child Care Resource and Referral agencies to share information about the survey, and called and emailed centers that started but had not completed the survey to encourage them to complete it, or record missing information. The survey asked child care center directors to provide detailed information about their center (including enrollment and capacity), administrative and teaching staff, as well as revenues and expenses, and information about themselves. All participating respondents who completed surveys received a $50 electronic gift card in appreciation for their time. The research was approved by the Rutgers, The State University of New Jersey's IRB and NJ DCF's Research Review Committee.

Sample

A total of 1,300 licensed center-based child care providers submitted a complete, or partially complete, survey, and reported having children enrolled ages 0 to 5 years old. This sample represents 38% of all licensed centers listed in NJ (Stephens et al., 2026a). However, a smaller number of providers responded to the questions on revenue sources and operating expenses.[2] As such, this report analyzed data from a subset of 679 respondents who provided some information on this section of the survey (52% of the full sample). Thus, the analytical sample represents 21% of all licensed providers in the state. Response rates in the ECE field often do not exceed 40% (Boyd-Swan & Herbst, 2019). Therefore, to better situate results, Appendix tables provide the total number of responses for each estimate reported.

As shown in Table A.1, most respondents were directors of their center or school (83%). Additionally, 5% of respondents were an assistant director, 3% an administrative assistant, 8% another administrator, and 8% a teacher.[3] Most respondents identified as female (93%). More than half of respondents identified as White, non-Hispanic (59%), 17% identified as Hispanic, 12% identified as Black, non-Hispanic, 9% identified as Asian, non-Hispanic, and 1% identified as multiracial or another race, non-Hispanic. Nearly all providers (98%) reported enrolling preschool-age children (3 to 5 years old), 63% indicated enrolling infant- and toddler-age children (0 to 3 years old), and 35% indicated enrolling school-age children (kindergarten to 8th grade). Notably, two in three providers *only* served children ages 0 to 5 (i.e., served no school-age children), and one in three served *only* preschool-age children. On average, centers enrolled a total of 66 children, with roughly one third being a small program (<35 children), one third being medium-size programs (35-64 children) and one third being large programs (65 or more children).

We first examined the extent of missing revenues and/or expenditures data among those included in this analytical sample. Among the 679 centers that provided some information on revenues and/or expenditures, the largest share provided responses on both (56%, n = 382), 13% only on revenues (n = 86), and 11% only on expenses (n = 74). About 20% (n = 137) did not provide information on revenue or expense amounts, but did indicate whether there were children enrolled with CCAP and/or tuition.

Additionally, we compared characteristics for centers that provided information on revenues/expenses (i.e. our analytical subsample) versus the full sample (Table A.1). Some differences emerged, although generally

[2] Frequently reported reasons for non-response on survey questions about revenues/expenses include the respondent not maintaining financial records, not having access to that information, not feeling comfortable disclosing those details, or needing to pay an accountant to provide those details.

[3] 12% of respondents indicated they had more than one role at their center or school.

small in magnitude. First, relative to the full sample of providers, our analytic subsample varied in terms of race and ethnicity of the respondent (i.e., were slightly more likely to identify as non-Hispanic White, Asian, or another race/ethnicity) and were more likely to be in a director role (83% vs. 79%). Second, respondents in our analytic sample enrolled fewer children (66 vs. 72), were more likely to enroll preschool children (98% vs. 96%), and less likely to enroll school-age children (35% vs. 38%) and infants/toddlers (63% vs. 68%). Next, a slightly larger share of the analytical subsample were non-profits (43% vs. 38%). Similarly, a larger share were private school settings (28% vs. 21%), though there was similar representation of independently operated settings. Lastly, a slightly smaller share of the analytical subsample reported having classrooms contracted for state pre-k (17% vs. 19%). Despite differences,[4] there was a similar distribution of respondents across NJ regions (Table A.2). In this report we present results from descriptive analyses, including averages and proportions.[5]

RESULTS

▲ Center-Based Provider Revenues

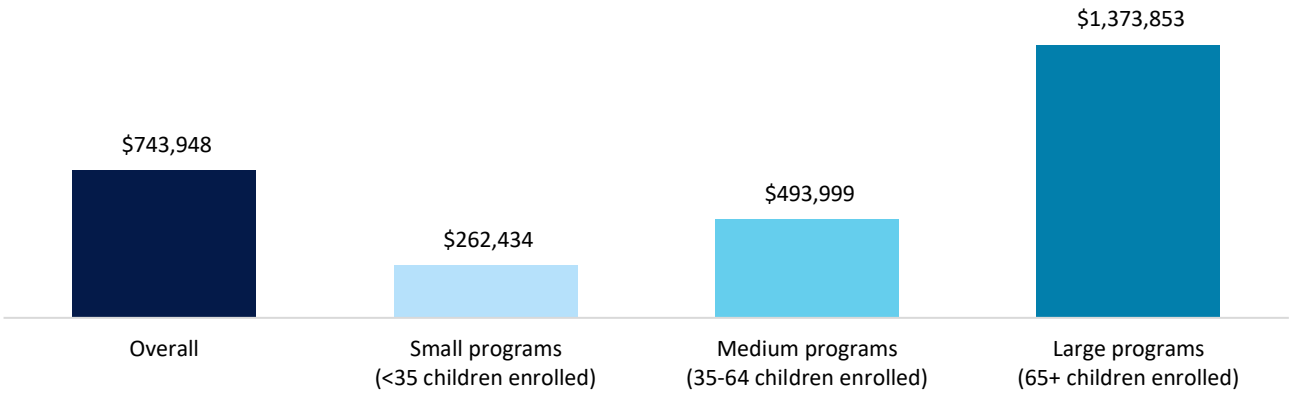
On the survey, respondents were asked detailed questions about revenues from various sources. Combining all the amounts for each source, average total annual revenues for centers were roughly $743,900 (Table B.1; n = 488). Importantly, there was large variation in revenues across programs, with a range of $20,000 to $7,000,000; with 3% of centers enrolling less than 10 children, and 3% enrolling 200 or more children. This was consistent with the total revenues reported in the NJ 2023 Child Care Market Rate Survey[6] from the Rutgers School of Social Work ($754,104, Table C.1). As expected, total revenue amounts varied according to providers' enrollment size as shown in Figure 1. Smaller programs (with less than 35 children enrolled) reported lower revenues ($262,400; average enrollment of 23) than medium-size programs ($494,000; 35-64 children enrolled, average of 50), and large programs ($1,374,000; 65 or more children enrolled, average of 114).

[4] In addition to bivariate comparisons, we also conducted multivariate analysis (i.e., logistic regression) to consider differences in center characteristics between those providers included/excluded from this revenues/expenditures analytical subsample. After accounting for other center characteristics (auspice, NJ region, age groups served), centers included in the analysis sample only differed on average enrollments (fewer children), and were more likely to be private school settings (versus other types of organizations).

[5] We also assessed the precision of these estimates with 95% confidence intervals. Although the intervals are not shown in this report, most proportion estimates fell within a 10-percentage point margin, and estimates of averages fell within a reasonable range.

[6] The NJ 2023 Child Care Market Rate Survey reported an N=2,599 for the overall market rate survey but an N=249 for the narrow cost study, which includes the date on revenues and costs cited here.

Figure 1. Average total annual revenues of center-based providers, overall and by enrollment size



Note. Overall estimate relies on an N of 488 centers, with an average enrollment size overall of 65 children (n = 488). Average enrollment among small programs was 23 children (n = 151), average among medium programs was 50 children (n = 150), and the average among large programs was 114 children (n = 177).

Across centers, this translates to average annual revenues of $11,056 per child (SD = 8,300). This amount was similar for smaller ($11,171, SD = 9,900) and larger programs ($11,918, SD = 8,200), but smaller for medium-size programs ($9,922, SD = 6,500). Additionally, programs that enrolled any infants and toddlers reported a higher average amount of revenues per child enrolled ($11,824, SD = 8,400), relative to centers that enrolled exclusively preschool-age children ($9,656, SD = 7,300).

Centers also provided information on the annual amount of money they received from specific revenue sources. From this, we estimated the percentage of centers that did and did not report a given revenue source, and the average fraction of their total revenues from any given source (Table B.1). First, the survey asked detailed information about centers' revenues from tuition payments from families and/or NJ's Child Care Assistance Program (CCAP; i.e., child care subsidies)[7] – including the number of children enrolled and amount of funding by age groups for each (Table B.2). As shown in Figure 2, these were the two most frequently reported sources of revenue. The survey also asked centers about revenues from NJ state pre-k, the Child Care and Development Block Grant (CCDBG) or Community Development Block Grant (CDBG),[8] the Child and Adult Care Food Program (CACFP),[9] other local/state/federal government sources,[10] COVID-19 relief, or other sources.

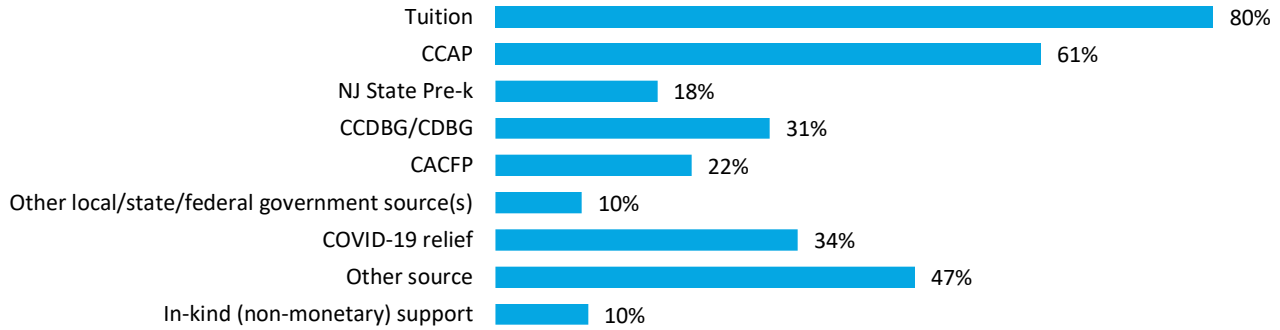
[7] NJ's CCAP refers to the state's child care subsidy program funded primarily through the federal Child Care and Development Fund (CCDF). The CCDF is governed in large part by the Child Care and Development Block Grant (CCDBG), which establishes the primary legislation and policy requirements for how funds are administered.

[8] CCDBG and CDBG refer to two federal block grant programs implemented in NJ. CCDBG primarily funds NJ's CCAP, though in some cases funding may be given directly to providers through contracts or grants to support workforce development, quality improvement, and compliance with training and regulatory standards. CDBG funds community projects aimed at promoting health, education, housing, and other services to individuals and families with low incomes.

[9] CACFP is a federal program that provides child care providers with funding to offer children affordable and nutritious meals.

[10] On the survey we also asked the amount that centers received from several other sources including Head Start/Early Head Start, U.S. Department of Commerce Minority Business Development Agency support, Small Business Innovation Research Program support, Child Care Access Means Parents in School Program, or Community Facilities Grant Program. Too few cases reported receiving these funding streams, so we combine them and report the total amount received from revenue from any local/state/federal government source not already represented.

Figure 2. Share of center-based providers that received various revenue sources



Note. Valid N of percentage estimates ranges across each revenue source: (1) CCAP = Child Care Assistance Program, n = 528; (2) Tuition, n = 474; (3) NJ State Pre-k, n = 313; (4) CCDBG = Child Care Development Block Grant and/or CDBG = Community Development Block Grant, n = 328; CACFP = Child and Adult Care Food Program, n =316; (5) Other local, local, state, and federal government sources refer to pre-K funding from local school boards or other local agencies, grants from city or county government, Head Start/Early Head Start, U.S. Department of Commerce Minority Business Development Agency support, Small Business Innovation Research Program support, Child Care Access Means Parents in School Program, or Community Facilities Grant Program , n = 301; (6) COVID-19 relief, n = 304; Other source, n = 328; in-kind support, n = 651.

Tuition Revenue

As mentioned earlier, the largest share of centers reported receiving funding from tuition payments from families (80%, n = 378). Among those, centers enrolled an average total of 49 children with tuition payments. Most centers had at least one infant/toddler (80%) and/or preschooler (81%) enrolled with tuition, with an average of 24 infants/toddlers, and 34 preschoolers enrolled with tuition. There were fewer centers that had school-age children enrolled with tuition (59%), with an average of 20 children.

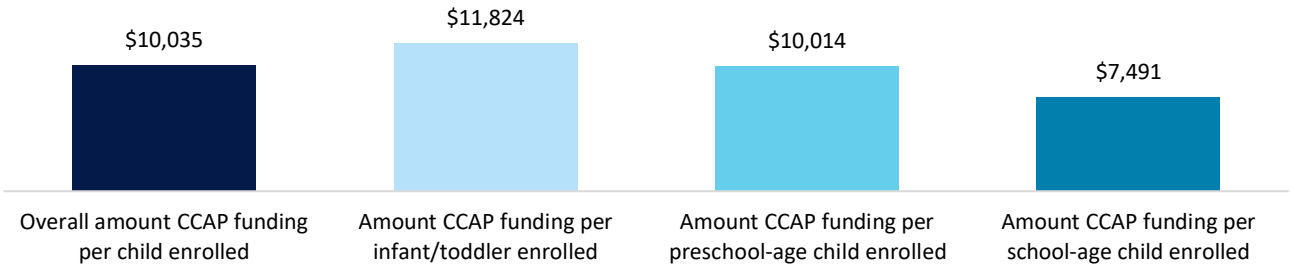
Among centers receiving tuition payments, the total average tuition amount was $425,800 (SD = 580,100, n = 290); making up on average 61% of total revenue. This estimate differed from the NJ 2023 Market Rate Survey, which reported centers receive on average $301,200 from tuition annually, making up an average of 40% of their total revenue (Table C.1). This is likely due to nearly half (48%) of respondents indicating that they included CCAP copayments in the total tuition amount reported (vs. including copayments as CCAP revenue), which increases the estimated total and the percentage of revenues it represents. Indeed, descriptive analyses show that the subset of providers that did not include CCAP copays in the reported tuition amount had a lower average amount of tuition revenue ($397,827).

Child Care Assistance Program Revenue

As shown in Figure 2, the next largest share of reported revenue is CCAP (i.e., child care subsidies; 61%, n = 320). Among centers receiving CCAP funds, they enrolled an average total of 22 children with subsidies. Across age groups, 63% of centers had infants and toddlers enrolled with CCAP (n = 202), with an average of 11 children with subsidies. Slightly fewer centers reported preschool-age (57%, n = 276) and school-age children (53%, n = 89) enrolled with CCAP. Centers that received CCAP reported on average 13 preschool-age children and 15 school-age children with subsidies. Among centers reporting CCAP funding, the total average annual amount from this source was $238,000 (SD = 321,101); this represents a third of these centers' average total revenues (36%; Table B.1). Notably, these estimates on CCAP revenue are consistent with the NJ 2023 Market Rate Survey (Table C.1; $278,316, 37%).

Additionally, using information on the number of children with CCAP enrolled and the amount of funding by age group, we estimated an average amount of CCAP per child (Table B.1). As shown in Figure 3, the average annual per child amount of CCAP received was $10,035 (SD = 4,900); with slightly more per infant/toddlers ($11,824, SD = 5,000), relative to per preschooler ($10,014, SD = 4,800) and school-age children ($7,491, SD = 3,900). Notably, only 6% of providers reported limiting the number of children enrolled with a subsidy.

Figure 3. Average total annual revenue from CCAP per child enrolled at center-based providers, overall and by age



Note. Estimates rely on N = 236 centers overall that receive CCAP revenue and reported enrollment information, n = 140 centers that serve infants/toddlers with CCAP, n = 200 centers that serve preschool-age children with CCAP, and n = 56 centers that serve school-age children with CCAP.

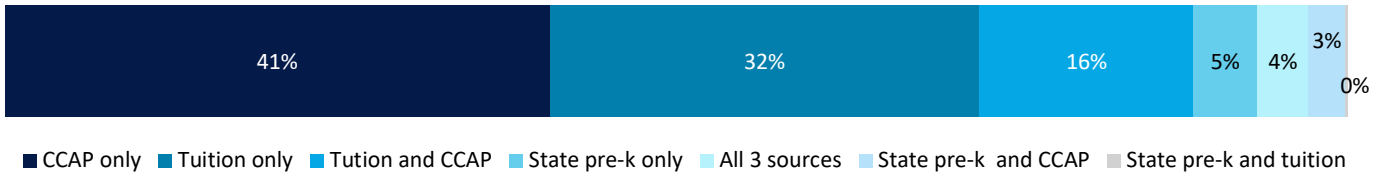
Other Revenue Sources

After tuition and CCAP, there was more variation in the prevalence of centers reporting other sources of revenue (10-47%, Figure 2). First, 18% of centers reported state pre-k funds (n = 58), which constituted a significant portion of their total revenues (average of 71%); with an average amount of $1,120,000 (SD = 1,031,600). Second, 1 out of 3 providers reported funding from CCDBG and/or CDBG, with an average amount of $153,600 (SD = 199,000), making up about 35% of their total revenues. Next, the Child and Adult Care Food Program (CACFP) program was reported as a revenue source for roughly 1 in 4 centers and it accounted for a small share of their total revenues (average of 13%; $87,200, SD = 101,500). In contrast, while only 10% of centers reported funding from another local, state, or federal government source, this accounted for an average of 37% of their total revenue ($620,000, SD = 1,387,700). Notably, 1 in 3 centers also reported receiving COVID-19 relief funding (34%), which made up a large share of total revenues (31%; $71,600, SD = 59,600). This fairly large share of center revenues made up of COVID-19 relief is concerning, as this was only a temporary funding source provided to stabilize centers and is no longer offered. Other forms of revenues were reported by almost half of providers[11] and the amount and prevalence of this funding varied significantly. Lastly, only 10% of centers reported receiving some form of in-kind support.

Among the three sources that on average made up the largest share of centers' revenues (i.e., tuition, CCAP, and state pre-k), we also considered the extent to which programs received one or more of each for programs that reported revenue from any of these sources. As shown in Figure 4, 41% of centers received CCAP funding only, and one-third received only tuition payments from families (32%). The next largest share received funding only from state pre-k (16%). Very few centers received all three sources (5%), or a combination of state pre-k and tuition or CCAP funding (3%); that is, there is very little overlap across these.

[11] Examples of other revenue sources mentioned in the survey question included grants, donations, fundraisers, charities, United Way, religious organizations, military subsidies, etc.

Figure 4. Percent of centers with various combinations of tuition, state pre-k, and CCAP revenues



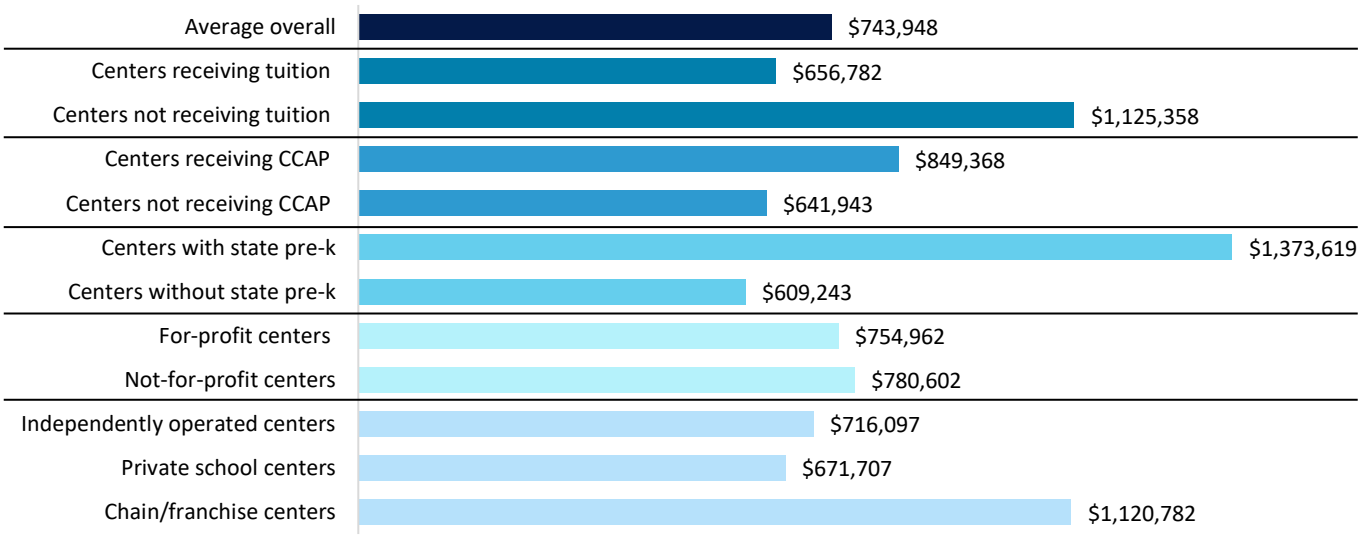
Note. Estimates rely on a sample of N = 503 centers who provided information on whether they received any of these revenue sources. Despite additional programs reporting that that have classrooms contracted for state pre-k, those centers are not included here if they did not also report revenue from state pre-k.

Variability in Revenues Along Center Characteristics

Earlier in this report, we noted differences in total and per-child revenues by total enrollment size, and age groups served. Below, we also examine how centers' total revenues varied according to receipt of various funding sources, auspice, and type of organization.

As shown in Figure 5, the largest total revenues were reported by centers that had classrooms contracted for state pre-k ($1,373,600, n = 86), centers that did not receive any tuition payments from families ($1,125,400, n = 56), and chain or franchise centers ($1,120,800, n = 39). On average, the lowest total revenues were reported among centers without state pre-k ($609,243, n = 402), centers not receiving CCAP ($641,900, n = 134), and centers receiving tuition payments from families ($656,800, n = 314).

Figure 5. Centers' average total annual revenues, by program characteristics

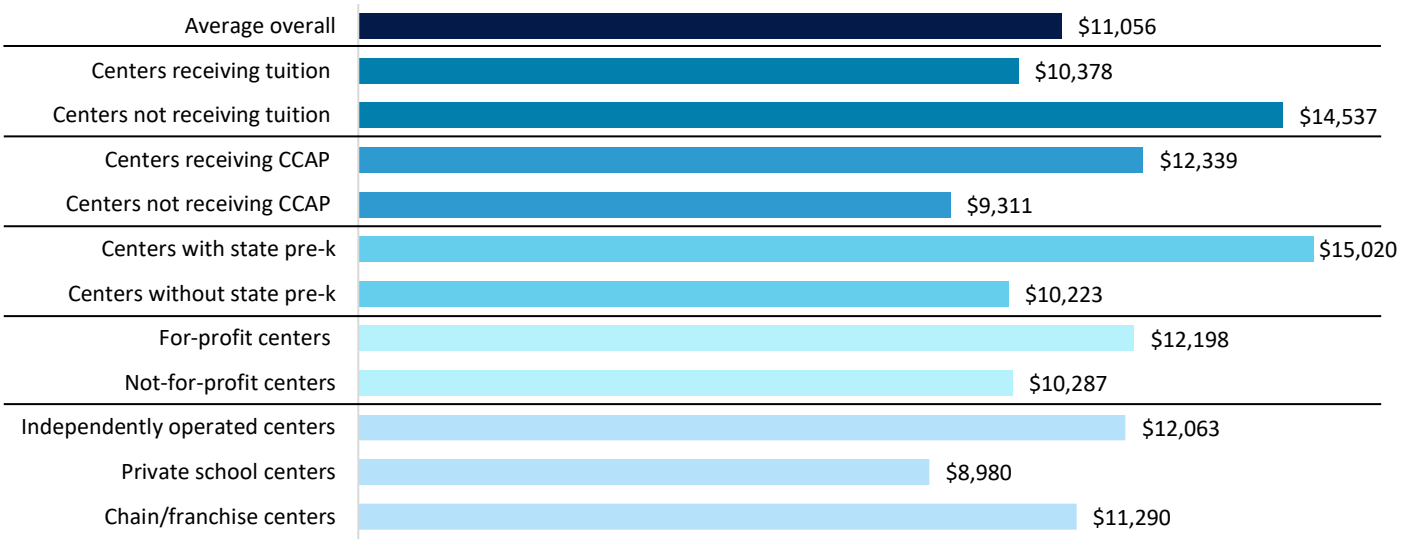


Note. Estimates rely on a total of 488 centers that provided information to determine total average revenue, and sample sizes range from 39-402 for each type of funding source or program.

Next, we examined variation in estimated average revenues per enrolled child according to program characteristics. As shown in Figure 6, there was a similar pattern of variation in average annual estimated per child revenues. The highest average per-child revenues were among programs with state pre-k ($15,020, n =

55) and those not receiving tuition payments from families ($14,537, n = 55). The lowest estimated average per-child revenues were among private school centers ($8,980, n = 147), and those not receiving CCAP funding ($9,311, n = 133).

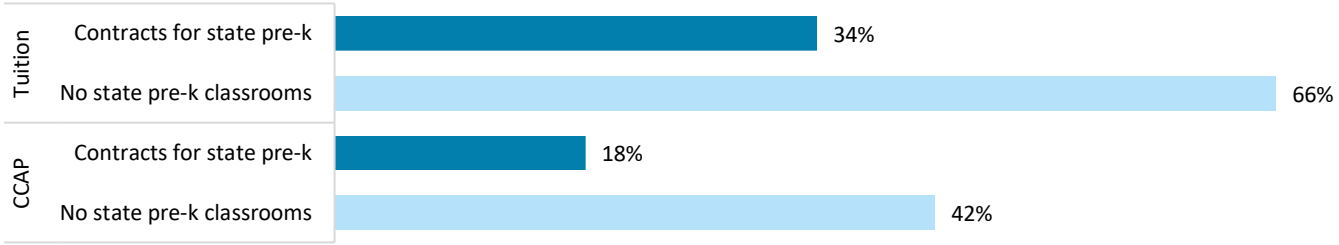
Figure 6. Centers' average annual revenue estimated per child enrolled, by program characteristics



Note. Estimates rely on a total of 478 centers that provided information to determine total revenue per child enrolled, and sample sizes range from 39-395 for each type of revenue source or program.

We also assess variation in the percent of total revenues from tuition and CCAP (the two most frequently reported sources) according to whether the program had or not classrooms contracted for state pre-k (Figure 7). Notably, among centers that had state pre-k classrooms with reported tuition and/or CCAP funding, these amounted to a smaller share of their total revenues (34% and 18%, respectively). Among centers without state pre-k classrooms reporting tuition and/or CCAP, 66% of total revenues came from tuition payments from families, and 42% from CCAP funding.

Figure 7. Average CCAP and tuition revenue as a percentage of total revenue, by participation in state pre-k



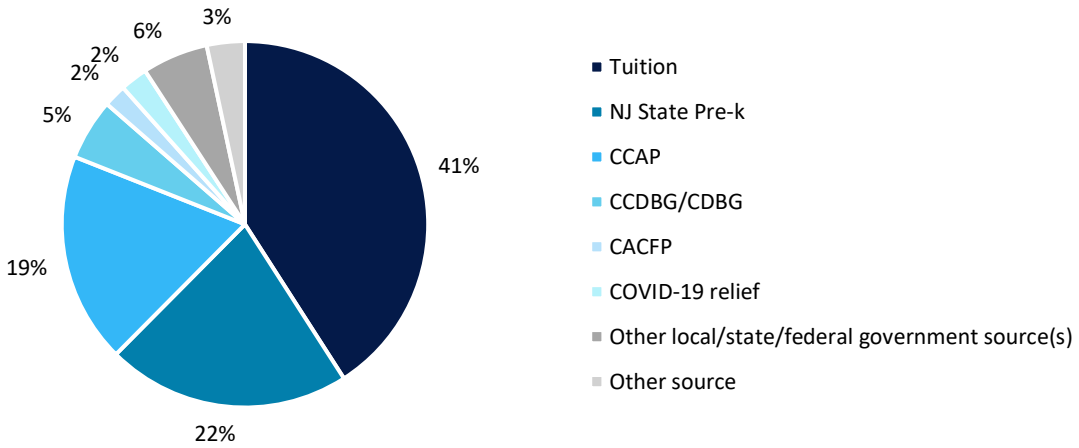
Note. Estimates reported among providers reporting a non-zero amount of a given revenue source. Of the total N = 679 included in this report's revenue/expense sample, 17% (n = 115) had classrooms contracted for state pre-k (of which n = 47 reported CCAP revenue and n = 31 reported tuition revenue. Among those centers without state pre-k (83%, n = 564), n = 136 reported CCAP revenue and n = 209 reported tuition revenue.

Aggregated Revenue for the Sample

To assess funding for licensed center-based providers from a system-level perspective, we aggregated all reported revenues, and by source, across responding providers (n = 468). From this, we calculated the

fraction of each revenue source across the sample (Figure 8). Notably, family tuition payments made up the largest share (41%) of revenue across all responses, followed by NJ state pre-k (22%), and CCAP funding for subsidized care (19%). All other sources made up the remainder (18%) of centers' total revenue across this subsample of the system.

Figure 8. Percent of total revenue by revenue source, aggregated across all responses



Note. Estimates summed n = 468 centers' total revenue and also each individual source reported across the responding sample, and percentages were calculated to obtain the share of all revenue reported comprised of each source. CCAP = Child Care Assistance Program; CCDBG = Child Care Development Block Grant; CDBG = Community Development Block Grant; CACFP = Child and Adult Care Food Program. Other local, local, state, and federal government sources refer to pre-K funding from local school boards or other local agencies, grants from city or county government, Head Start/Early Head Start, U.S. Department of Commerce Minority Business Development Agency support, Small Business Innovation Research Program support, Child Care Access Means Parents in School Program, or Community Facilities Grant Program.

Center-Based Provider Expenses

Centers in NJ were asked about the expenses they incurred for various operating categories including salaries, fringe (Medicare, Social Security, leave, unemployment, pension, among others), facilities (rent/mortgage), building maintenance or repairs, consumable supplies (e.g., food, classroom supplies, building supplies), and other expenses (e.g., advertisements, utilities, insurance, etc.). Respondents could indicate an amount for each, as well as the frequency in which these expenses were incurred. Using this information, we calculated estimates of average annual and monthly expenditures for various expense categories, as well as the fraction of centers' total expenses spent on each category.[12] On average, centers' total expenses were estimated at $702,900 per year (SD = 748,300, n = 458; $62,200 per month; Table B.4). Importantly, there was also large variation in expenditures across programs, with a range of $900 to $5,324,300; with 3% of centers enrolling less than 10 children, and 3% enrolling 200 or more children.

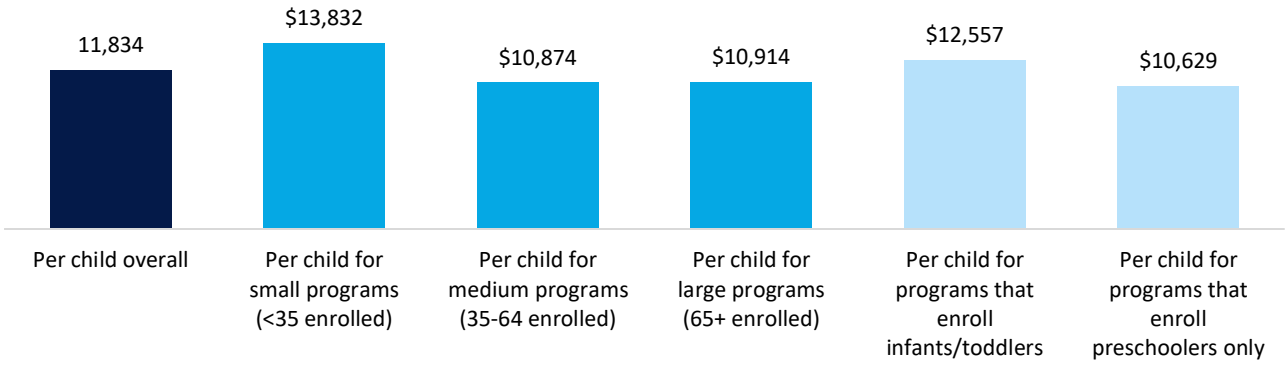
Similar to provider revenues, total expenses varied by program size where programs in the sample with lower enrollment (under 35 children) had lower average annual expenses of $304,700 (SD = 254,400, n = 143), medium-size programs (35-64 children enrolled) had average expenses of $539,000 (SD = 385,600, n = 137),

[12] On the survey, we asked for expense amounts and frequency (i.e., annual, monthly, biweekly). The annual and monthly expense amounts that centers incurred for each source were determined using this information. We did not re-calculate the annual or monthly expense amounts when respondents had initially reported an annual or monthly amount, respectively. In these instances, we used the actual value that was reported.

and large programs (65+ children enrolled) had average expenses of $1,180,000 (SD = 965,000, n = 168).[13] These estimates of total annual expenses and by enrollment size were somewhat consistent with estimates in the 2023 NJ Market Rate Survey (Table C.2). Additionally, average operating expenses were higher among centers that served infants and toddlers ($759,000, n = 271) relative to centers that served exclusively preschool-age children ($574,400, n = 178).

We also estimate total average expenses per child. Overall, centers had an average expenditure of $11,834 annually per child enrolled (SD = 8,421, n = 448). This also varied according to program enrollment size and ages of children enrolled (See Figure 9). The highest per-child expenditures were for programs with low enrollments ($13,832) and those that enrolled infants and toddlers ($12,446). This is generally on par with NJ state assistance rates per child for full-/part-time care (Table C.3). However, recent work from Child Care Aware of America (2026) reports the average estimated price of child care to be slightly higher–about $13,184 nationally and between $14,000–$18,000 for NJ (depending on child age). Our estimates of per-child expenses and the 2023 NJ market rate survey are also lower than what was estimated in Workman's (2018) analysis on the true cost of high-quality care in NJ; which ranged from about $17,800 for preschool age children to $30,300 for infants.

Figure 9. Average total annual expense per child enrolled at center, by size and ages served



Note. Estimates rely on N = 448 centers overall, N = 143 small-size centers, N = 137 medium-size centers, and N = 168 large-size centers. Additionally, estimates rely on N = 267 centers that enrolled infants and toddlers, and N = 173 centers that enroll preschool-age children only.

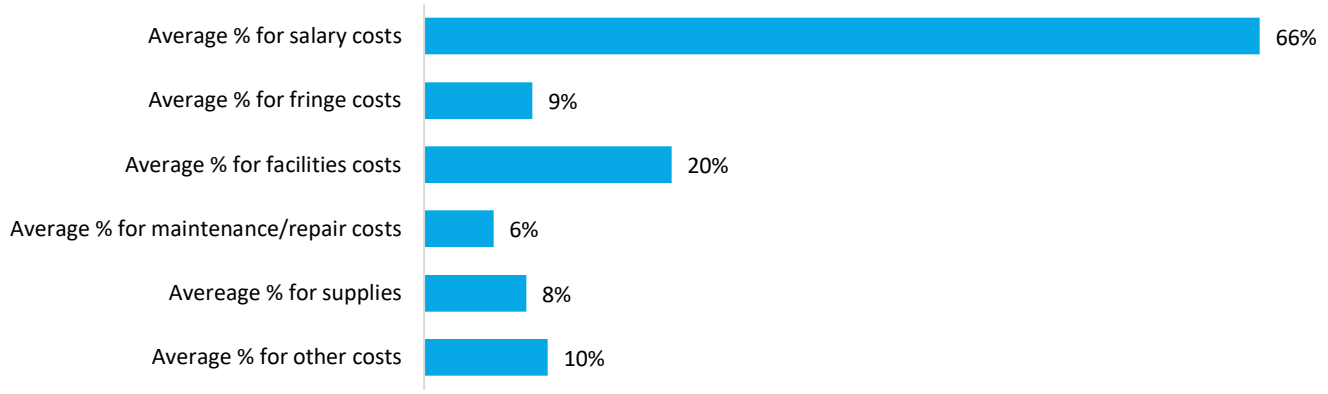
Centers' total operating expenses were comprised of several categories of expenditures. As expected, the largest expense was salaries, with an average annual amount of $467,000 (SD = 455,100, n = 4298) accounting for 66% of centers' total expenditures (Table B.4; Figure 10). Though NJ's 2023 Market Rate Survey estimated centers' average salary expenses to be slightly lower ($369,420), it similarly found this expense made up an about 67% of total operating expenses (Table C.2).[14] Both these estimates are higher than national reports, with salaries estimated at 50-60% of centers' total expenditures (U.S. Department of the Treasury, 2021; Workman, 2018).

[13] The distinction between small, medium, and large programs are based on the categories defined within the 2023 Market Rate Study cited earlier. These are equivalent to about 1-3 classrooms for the small category (depending on children's age), 3-6 or so for the medium sized programs, and beyond these for the large programs.

[14] Our reported estimates do not include fringe benefits. The 2023 Market Rate Survey report does not clarify if annual personnel costs include fringe benefits. Overall, since our sample is close to double that of the market rate survey, the higher response rate may be influencing differences in estimates.

Over half of centers did not provide information on fringe expenses (i.e., employee benefits; 58%, n = 184), but among those that did, the average annual amount was $98,600 (SD = 107,900). Fringe expenses amounted to an average of 9% of centers' operating expenditures. Next, average annual expenses for facilities (i.e., rent or mortgage) were $111,500 (SD = 138,800, n = 369) or 20% of total operating expenses (aligned with building expenses reported in the NJ 2023 Market Rate Survey; Table C.2). National estimates of facility expenses from 2018 are slightly lower (9-14%; U.S. Department of the Treasury, 2021; Workman, 2018). In terms of building maintenance and repairs, centers spent on average $47,500 annually (SD = 125,900, n = 327) or 6% of total operating expenses. Consumable supplies (i.e., food, classroom supplies, etc.) were on average $49,300 annually (SD = 83,400, n = 427), 8% of total expenses. National estimates from 2018 are at 9-14% for classroom materials (U.S. Department of the Treasury, 2021; Workman, 2018). Lastly, most centers (93%) reported other expenses, averaging $95,400 annually, and 10% of their total operating expenditures (though these estimates varied substantially).

Figure 10. Average percentage of total provider expenditures, by expense category

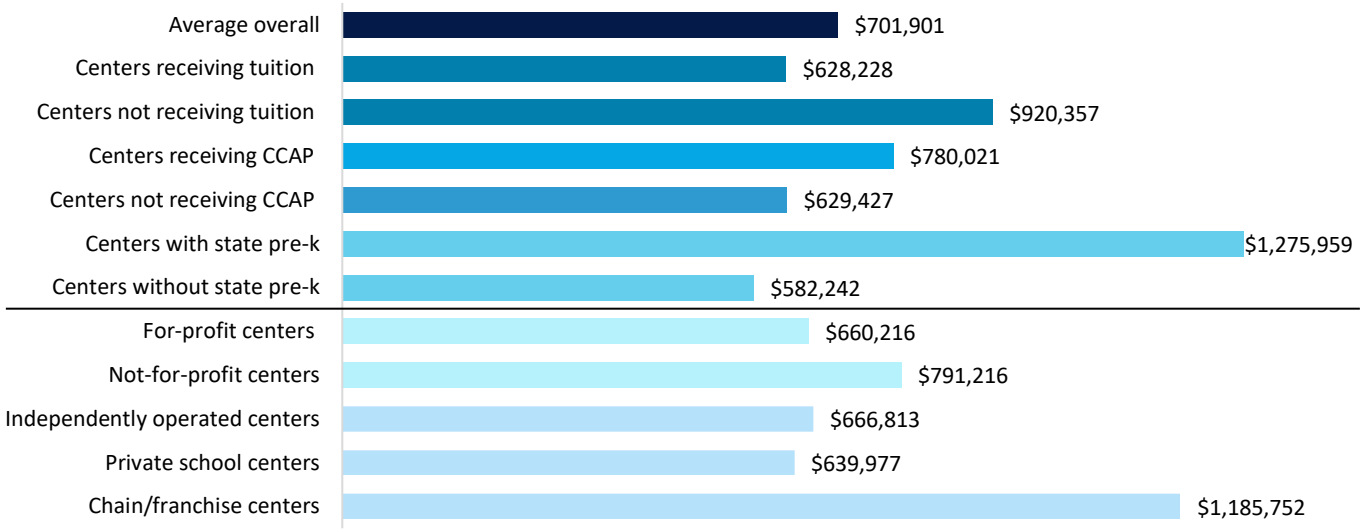


Note. Estimates rely on centers that reported a non-zero amount for each given expense category. As such, sample sizes for each range from N = 133-428.

Variability in Expenditures Along Center Characteristics

We also considered how centers' total expenditures, and estimated expenses per enrolled child, may vary according to programs' receipt of tuition, CCAP, state pre-k revenue, program auspice and setting type (Table B.5). As shown in Figure 11, total expenditures on average were highest among centers with classrooms contracted for state pre-k ($1,276,000, n = 79) and chain/franchise centers ($1,186,000, n = 23). Conversely total average expenditures were lowest among centers without state pre-k ($582,000, n = 379), centers receiving tuition payments ($628,200, n = 287), and centers receiving CCAP ($629,400 n = 219).

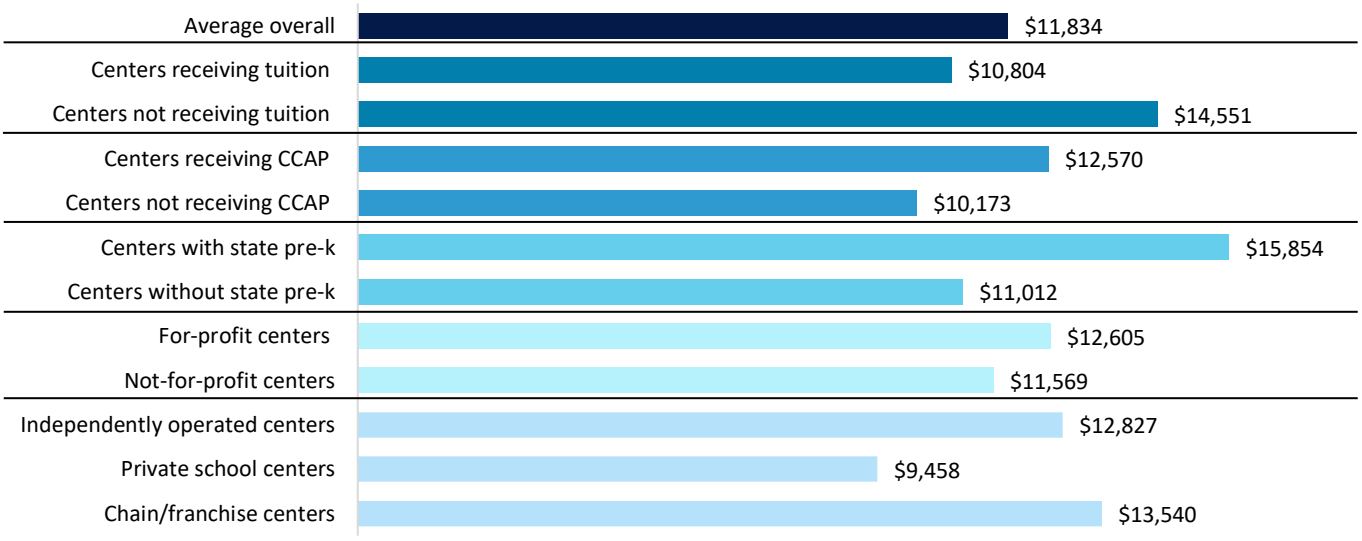
Figure 11. Centers' average total annual expenditures, by program characteristics



Note. Estimates rely on a total of 458 centers that provided information to determine total average expenditures, and sample sizes range from 23-379 for each type of program.

Additionally, estimated per-child expenditures also varied along characteristics of center-based providers (Figure 12). Similar to total average expenses, the highest per-child expenditures were observed among centers with classrooms contracted for state pre-k ($15,854, n = 67). Additionally, per-child expenditures were also high among centers not receiving any tuition payments from families ($14,551, n = 57). The lowest per-child average expenditures were among private school centers ($9,458, n = 132) and centers not receiving CCAP funding ($10,173, n = 137).

Figure 12. Centers' average annual expenditures estimated per child enrolled, by program characteristics



Note. Estimates rely on a total of 448 centers that provided information to determine total expenditures per child enrolled, and sample sizes range from 23-282 for each type of program.

DISCUSSION

This report provides a descriptive portrait of the revenues and expenses associated with delivering child care services among licensed centers in NJ. In light of previous research highlighting financial fragility among the center-based child care sector, it is critical to examine how providers generate revenues and allocate resources to sustain their operations (U.S. Department of the Treasury, 2021). It is important to understand center finances, because funding sources and spending decisions impact providers' operations, service quality, family access, and workforce compensation (NASEM, 2018). Despite this, there is limited research on the specific revenue sources and operating expenditures of centers, and even fewer insights into center finances since the COVID-19 pandemic. As such, this study addresses a critical gap in existing research by examining the finances of center-based child care providers serving children ages 0 to 5 years in NJ.

Importantly, these results should be interpreted with some caution, as response rates were lower for survey questions asking about revenue and expenses (21%) than for other questions (38%). However, response rates for ECE survey research often do not exceed 40% (Boyd-Swan & Herbst, 2019). Additionally, the distribution of providers responding to revenue and expenditure questions was similar to that of the full population of licensed centers across NJ regions. Additionally, other program characteristics of respondents to the revenue and expenditures questions were comparable to the larger sample of survey respondents. Even with its limitations, the findings provide detailed information on center-based providers' operating budgets and can serve as a useful starting point to inform policy and funding efforts across NJ's child care system.

▲ Revenue Sources

Unsurprisingly, center-based providers' total revenues varied according to programs' enrollment size and is aligned with NJ's 2023 Market Rate Survey estimates (Rutgers School of Social Work, 2023). This pattern suggests that economies of scale may shape provider financial viability, with smaller centers potentially operating under tighter financial margins. Two out of three centers received CCAP funding, with the largest share of subsidized enrollment among infants and toddlers. Though there were also many providers that reported preschool- and school-age children enrolled with CCAP, results emphasize the critical role that subsides play for facilitating access for very young children, and in constituting a substantial share of provider's revenues. Thus, sustained, and potentially expanded funding for NJ's CCAP is essential to support or even expand providers' financial stability while maintaining affordable access for NJ families, especially for infants and toddlers. In addition, among the one-third of providers that reported receiving COVID-19 relief funding, these funds accounted for 31% of total revenues. With the expiration of this funding, a substantial share of providers may face significant revenue shortfalls, raising concerns about financial stability and potential service disruptions that should be monitored or further explored.

At the same time, most centers reported relying on tuition payments directly from families, which constituted the largest share of centers' total revenues, and the largest share of all revenues reported across all centers. This was apparent even among centers that reported other sources of funding. One third of centers received both tuition and CCAP funding, and another third only received tuition payments from families. In addition, CCAP and state pre-k funding appeared to support mostly separate fragments of the market, overlapping in only 7% of providers. Yet, as a whole, these funding sources constitute an important fraction of licensed centers' funding. Moreover, total revenues, and revenues per enrolled child were higher among centers that had classrooms contracted for state pre-k and those that enroll children with CCAP. As

such, expanded (and sustained) state pre-k funding would help programs operate by being a financial stabilizer and mechanism to expand access to affordable child care for families with preschool-age children. State pre-k facilitates access for 3- and 4-year-olds and provides funding for centers that predominantly serve that age group (vs. infants/toddlers and school-age). However, in NJ nearly half our sample of centers that reported state pre-k funding also served infants and toddlers (46%), and close to one-third served school-age children (31%). This suggests that many centers continue to operate mixed-age programs with varied sources of funding across age groups. It is possible that as state pre-k expanded, the increases in subsidy rates and expansion of eligibility in recent years may have operated as a counterweight to preserve infant and toddler seats. As state pre-k continues to expand and serve more 3- and 4-year-olds, increased availability of subsidies would help child care centers provide access for infants and toddlers and support families that need before-/after-school care. Additionally, it is important to further investigate the ways in which other revenue sources (e.g., CCDBG, CDBG, CACFP, COVID-19 relief) contribute to provider stability, as these funding mechanisms made up a larger share of total revenue for some providers.

In sum, the provider landscape is largely divided between those receiving CCDF and those receiving state pre-K funding, highlighting how these funding streams represent complementary pathways through which public investment supports the fiscal stability of child care centers. Relatedly, some states have made efforts to unify or strengthen alignment between these two sources of funding (e.g., Washington and North Carolina; see Bipartisan Policy Center's, 2021).

Operating Expenses

Center-based providers' operating expenses differed by program enrollment size and ages of children served. Per-child costs were highest for small centers and those enrolling any infants and toddlers. These findings suggest the importance of ensuring that public funding mechanisms account for differences in operating costs with targeted supports to financially support small child care centers, and those serving very young children. The ability of centers to sustain and expand ECE services to infants/toddlers is especially pressing, given prior research emphasizing persistent child care shortages for this age group (Banghart et al, 2024). Additionally, relatively few providers reported expenditures on fringe benefits, suggesting that compensation packages may remain limited beyond wages alone. Related findings from this survey indicate that, while two-thirds of centers' workforce (teaching and non-teaching administrative staff) received time off for vacation and sick leave, only one-quarter to one-third of staff received retirement or health care benefits (Stephens et al., 2026b).

Consistent with related research, personnel costs encompassed the largest share of centers' operating expenses (i.e., salaries for teaching and non-teaching staff). Therefore, efforts to support workforce development have the potential to support child care and expand supply (U.S. Department of the Treasury, 2021; Workman, 2018). To strengthen NJ's child care system, additional policies and strategies could be considered that support teaching and non-teaching staff compensation. Efforts to improve compensation have implications for centers' financial operations and help address challenges with recruiting and retaining qualified and experienced child care workforce professionals (e.g., Bassok et al., 2024; Doromal et al., 2025). Indeed, other work from this larger study of NJ's child care landscape, as well as national research, identified a significant risk of turnover among the lead child care teacher workforce (Amadon et al., 2023; Doromal et al., 2022; Stephens et al., 2025b). Turnover and workforce shortages have also been linked to lower quality in child care centers and worse school readiness outcomes (e.g., Hall et al., 2026; Markowitz, 2024). Thus, addressing financial constraints that limit providers' ability to recruit, retain, and adequately compensate

their workforce continues to be a critical strategy for strengthening both the stability and quality of child care services.

To stabilize NJ's early childhood education system, the state could look to promising efforts in other states to increase workforce compensation that do not place further strain on provider finances. For instance, the Great Start Compensation program in Minnesota involved the state passing legislation to develop a wage scale that establishes a target level of pay based on teacher credentials for the child care and early education workforce. This effort also included payments issued to programs to help fund increases in teacher compensation, which was signed into law as a permanent, noncompetitive program for eligible providers in 2023 (Lee et al., 2026). These wage supplements combine State Funds, CCDF, and the Preschool Development Grant Birth Through Five program. Another example is the Excelerate pilot program in Illinois (2024), which has been investigating how their wage scale increased providers' ability to recruit and retain staff with higher credentials, and how increases in compensation can be sustained through cost modeling. Finally, DC's Early Childhood Educator Pay Equity Fund, established in 2021, is intended to increase compensation of the early childhood educators. Initially, it provided a one-time additional payment to lead and assistant child care teachers. The Pay Equity Fund provided additional payments and established salary scales with minimum salaries for child care educators with a goal of providing parity across child care and DC's Pre-K program (Greenberg et al., 2023).

▲ Insights from a Study of NJ Center-Based Provider Revenue and Expenses

This report is third of a three-part series that summarizes findings from a state-wide survey of licensed center-based child care providers in NJ serving children from birth to age 5. While this report focuses on center-based provider revenues and operating expenses, two companion reports from NIEER examine centers' characteristics and enrollment (Stephens et al., 2026a), and the teaching and other non-teaching workforce (Stephens et al., 2026b). Collectively, these three reports highlight substantial variation among center-based providers in the services they offer families, persistent challenges related to workforce compensation and support, and ongoing fragility in the financial structures that sustain center-based care. Together, these findings highlight several challenges for licensed center-based providers related to workforce compensation (including benefits) and financial structures that sustain programs. These point to important opportunities to strengthen NJ's licensed child-care system, as well as build on existing strengths to improve child care access for NJ families.

Overall, these findings suggest that strengthening NJ's child care system will require more than incremental adjustments. Instead, coordinated policy efforts could better align funding with the true cost of delivering high-quality early care and education, particularly for providers serving infants and toddlers and those operating at smaller scales (i.e., enrolling fewer children). Such efforts may include stabilizing and expanding subsidy funding, increasing investments and innovations to support the workforce, and ensuring that funding mechanisms work in complementary ways to support the full range of services providers offer (i.e., subsidized child care and state pre-k). Continued research on provider finances, alongside ongoing monitoring of the sector, will be critical for informing these efforts and ensuring that policies effectively strengthen New Jersey's early care and education system.

ACKNOWLEDGEMENTS

Funding for this report was provided by the New Jersey Division of Children and Families. The authors are solely responsible for the content of this report. We would like to thank The Child Care Research Collaborative partners for their valuable contributions to this study, as well as Inga Gerbova for her research support. We are also thankful to all the center-based child care providers across New Jersey that responded to the survey and supported this effort.

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Suggested citation: Nores, M., Stephens, C., Friedman-Krauss, A., Kent, A. & Garver, K. (2026). *Licensed Center-Based Child Care Providers in New Jersey: Revenues and Expenses*. New Brunswick, NJ: National Institute for Early Education Research.

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Appendices

▲ Appendix A. Descriptive Statistics of Licensed Center-Based Child Care

Table A.1. Respondent characteristics of sample that provided information on revenues and expenses

Demographics	Full Survey Sample (N = 1,300)		Revenue/Expense Sample (N = 679)	
	%	*n*	*%*	*n*
TOTAL	**100%**	**1,300**	**100**	**679**
Gender is female	93.4	807	93.0	585
Race/Ethnicity[1]				
White, non-Hispanic	58.9	506	59.3	370
Black, non-Hispanic	13.2	113	12.0	75
Asian, non-Hispanic	7.6	65	8.7	54
Other race, non-Hispanic	1.9	16	2.1	13
Multiracial, non-Hispanic	0.7	6	1.0	6
Hispanic	17.8	153	17.0	107
Role at center/school[2]				
Director[1]	78.9	1,025	83.4	566
Assistant Director	6.4	83	5.2	35
Administrative Assistant	3.6	47	3.1	21
Other Administrator	7.8	101	7.5	51
Teacher	8.5	110	7.5	51
Other role	8.8	114	8.3	56
Indicated more than 1 role	11.2	146	11.9	81
Average number of teaching and non-teaching staff workforce (mean, standard deviation)	15.26	10.15	14.9	10.1
Average enrollment size (mean, standard deviation; range 1-575)[1]	71.57	56.17	65.5	51.3
Small enrollment size (fewer than 35 children)	26.5	328	30.9	204
Medium enrollment size (35-64 children)	30.5	378	31.5	208
Large enrollment size (65 or more children)	43.0	532	37.6	248
Ages of children enrolled at provider[2]				
Infant- and Toddler-age children (under age 3)[1]	68.1	836	63.0	418
Infants (0-18 months)[1]	57.2	702	50.3	334
Toddlers (18-30 months)[1]	66.9	821	61.3	407
Preschool-Age Children (3-5 years, not yet in K)[1]	95.6	1,176	97.7	643
PK-age (2.5-4-year-olds)[1]	95.6	1,174	96.5	641
PK-age (4-year-olds)	79.7	980	81.8	543
School-age (K-8th)[1]	37.9	466	34.9	232
Provider *only* serves children ages 0-5 (i.e., no school-age)[1]	61.6	748	64.8	427
Provider *only* serves preschool-age children (3-5 years)[1]	31.0	378	36.6	241
Auspice[1]				
For profit	55.9	711	51.8	351
Not for profit	38.3	496	43.1	292
Public school	2.8	36	1.9	13
Other government agency	1.3	17	0.9	6
Other non-government agency	2.8	36	2.4	16
Organization type[1]				
Independently owned & operated	56.2	728	55.0	372
Private school (including religious)	21.4	277	27.8	188
Franchise	7.1	92	4.9	33
Chain	4.3	56	3.0	20
None of the above	11.0	142	9.3	63
Program reported classrooms contracted for state pre-k[1]	19.1	248	16.9	115

Note. [1]Denotes statistical difference between full vs. revenue/expense sample estimates. [2]Not mutually exclusive categories.

Table A.2. Regions of sample that provided revenue information on survey

Region	Counties	DCF list of licensed providers that serve children ages 0-5 years (N = 3,269)	Full survey sample (N = 1,300)	Revenue/Expense sample (N = 679)
Central	Mercer, Middlesex, Monmouth, Ocean, Somerset	27%	28%	28%
North	Bergen, Hunterdon, Morris, Passaic, Sussex, Union, Warren	32%	32%	34%
Northeast	Essex, Hudson	24%	21%	20%
South	Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem	17%	18%	17%

▲ Appendix B. Descriptive Statistics of Provider Revenues and Expenses

Table B.1. Information on Annual Program Revenues

		Mean / %	sd	Valid N
Average revenues overall	Total annual revenues	$743,948	904,788	488
	Average revenues per child enrolled	$11,056	8,347	478
Average revenues by enrollment size	Total for small programs (<35 children enrolled)	$262,434	274,981	151
	Average revenues per child enrolled	$11,171	9,892	151
	Total for medium programs (35-64 children enrolled)	$493,999	347,822	150
	Average revenues per child enrolled	$9,922	6,490	150
	Total for large programs (65+ children enrolled)	$1,373,853	1,183,768	177
	Average revenues per child enrolled	$11,918	8,240	177
Average revenues by ages served	Total for programs that serve any infants and toddlers	$806,499	870,884	291
	Average revenues per child enrolled	$11,824	8,375	286
	Total for programs that serve only preschool-age children	$641,835	946,320	184
	Average revenues per child enrolled	$9,656	7,284	180
Revenue from CCAP	Provider reported revenue source (n = 320)	60.6%		528
	Average total revenue overall	$237,966	321,101	237
	Average % of total revenue from source	36.0%	31.0	184
Revenue from tuition	Provider reported revenue source (n = 378)	79.8%		474
	Average total revenue overall	$425,812	580,148	290
	Average % of total revenue from source	62.1%	32.5	240
Revenue from NJ State Pre-k	Provider reported revenue source (n = 58)	18.0%		323
	Average total revenue overall	$1,120,032	1,031,642	58
	Average % of total revenue from source	70.7%	26.2	58
Revenue from CCDBG and/or CDBG	Provider reported revenue source (n = 100)	30.5%		328
	Average total revenue overall	$153,632	199,032	100
	Average % of total revenue from source	35.1%	32.7	100
Revenue from CACFP	Provider reported revenue source (n = 69)	21.8%		316
	Average total revenue overall	$87,235	101,480	69
	Average % of total revenue from source	12.7%	21.8	69
Revenue from other local/state/federal government source[1]	Provider reported revenue source (n = 29)	9.6%		301
	Average total revenue overall	$620,040	1,387,705	29
	Average % of total revenue from source	37.0%	40.7	29
Revenue from COVID-19 relief	Provider reported revenue source (n = 102)	33.6%		304
	Average total revenue overall	$71,602	59,590	102
	Average % of total revenue from source	31.0%	36.8	102
Other revenue source	Provider reported revenue source (n = 153)	46.6%		328
	Average total revenue overall	$73,463	79,174	153
	Average % of total revenue from source	31.0%	36.8	153
In-kind support (non-monetary)	Received in-kind support (n = 63)	9.7%		651
	Estimated value of in-kind support (N = 54)	$40,725	90,200.6	44

Note. Estimates are reported among centers that reported a non-zero amount of revenue from a given source. CCAP = Child Care Assistance Program; CCDBG = Child Care Development Block Grant; CDBG = Community Development Block Grant; CACFP = Child and Adult Food Program. [1]Refers to revenue sources including pre-K funding from local school boards or other local agencies, grants from city or county government, Head Start/Early Head Start, U.S. Department of Commerce Minority Business Development Agency support, Small Business Innovation Research Program support, Child Care Access Means Parents in School Program, or Community Facilities Grant Program.

Table B.2. Information on Program Revenues from Child Care Assistance Program and Tuition

		Mean / %	*sd*	*Valid N*
Revenue from CCAP	**Program has children enrolled with CCAP (n = 320)**	60.6%		528
	Program has infants/toddlers enrolled with CCAP (n = 202)	63.1%		320
	Program has preschool-age enrolled with CCAP (n =276)	56.8%		486
	Program has school-age enrolled with CCAP (n = 89)	52.7%		169
	Average # children enrolled with CCAP at program overall [Range 1-251]	22.1	27.0	320
	# infants/toddlers enrolled with CCAP [Range 1-75]	11.4	12.3	202
	# preschool-age enrolled with CCAP [Range 1-150]	12.5	17.2	276
	# school-age enrolled with CCAP [Range 1-120]	14.6	17.6	89
	Average annual *total* $ amount program received from CCAP overall	$237,966	321,101	237
	CCAP $ small programs received (<35 children enrolled)	*$146,034*	*196,053*	*73*
	CCAP $ medium programs received (35-64 children enrolled)	*$280,759*	*339,043*	*67*
	CCAP $ large programs received (65+ children enrolled)	*$291,036*	*378,491*	*90*
	$ from CCAP for infants/toddlers	$153,240	202,194	146
	$ from CCAP for preschool-age	$124,076	162,579	206
	$ from CCAP for school-age	$146,982	202,868	61
	Average annual *per child* $ amount program received from CCAP overall	$10,035	4,890.52	236
	$ from CCAP per infant/toddler	$11,824	4,994	140
	$ from CCAP per preschool-age	$10,014	4,784	200
	$ from CCAP per school-age	$7,491	3,857	56
Revenue from tuition	**Program has children enrolled with tuition (n = 378)**	79.8%		474
	Program has infants/toddlers enrolled with tuition (n = 219)	80.5%		272
	Program has preschool-age enrolled with tuition (n =341)	78.6%		434
	Program has school-age enrolled with tuition (n = 80)	58.8%		136
	Average # children enrolled with tuition at program overall [Range 1-246]	48.9	43.8	378
	# infants/toddlers enrolled with tuition	24.1	21.7	219
	# preschool-age enrolled with tuition	34.1	31.2	341
	# school-age enrolled with tuition	20.4	24.8	80
	Average annual *total* $ amount program received from tuition overall	$425,812	580,148	290
	Tuition $ small programs received (<35 children enrolled)	*$132,609*	*130,441*	*81*
	Tuition $ medium programs received (35-64 children enrolled)	*$287,599*	*275,435*	*90*
	Tuition $ large programs received (65+ children enrolled)	*$749,412*	*775,239*	*114*
	$ from tuition for infants/toddlers	$235,649	338,803	169
	$ from tuition for preschool-age	$285,091	399,565	263
	$ from tuition for school-age	$142,552	181,050	61
	Average tuition $ amount *per child* received annually overall	$7,374	4,889	270
	$ from tuition per infant/toddler	$8,563	5,862	157
	$ from tuition for preschool-age	$7,198	5,024	246
	$ from tuition for school-age	$6,160	5,318	57
CCAP copay is included in:	CCAP amount (n = 208)	51.7%		402
	Tuition amount (n = 194)	48.3%		402
CCAP enrollment	Program limits # children enrolled with subsidies (n = 20)[1]	5.8%		347

Note. Estimates are reported among providers that reported enrollment for children of a given age group, and those that reported children with at least one child with CCAP/tuition enrolled. [1]A small subset of cases (n = 17) indicated that on average, they enrolled a maximum of 34 children (standard deviation = 22.7) with subsidies at any given time.

Table B.3. Centers' Annual Total and Per-Child Enrolled Revenues by Program Characteristics

		Mean	sd	Valid N
Average revenues overall	Total annual revenues	$743,948	904,788	488
	Average revenues per child enrolled	$11,056	8,347	478
Average revenue by receipt of tuition revenues	Total for programs receiving tuition	$656,782	741,485	314
	Average revenues per child enrolled	$10,378	7,657	308
	Total for programs *not* receiving tuition	$1,125,358	1,421,855	56
	Average revenues per child enrolled	$14,537	8,583	55
Average revenue by receipt of CCAP revenues	Total for programs receiving CCAP	$849,368	974,693	238
	Average revenues per child enrolled	$12,339	8,849	233
	Total for programs *not* receiving CCAP	$641,943	824,256	134
	Average revenues per child enrolled	$9,311	7,164	133
Average revenues by participation in state pre-k	Total for state pre-k programs	$1,373,619	1,447,612	86
	Average revenues per child enrolled	$15,020	9,594	83
	Total for non-state pre-k programs	$609,243	668,421	402
	Average revenues per child enrolled	$10,223	7,821	395
Average revenues by program auspice	Total among for-profit programs	$754,962	870,972	251
	Average revenues per child enrolled	$12,198	8,287	246
	Total among not-for-profit programs	$780,602	975,718	211
	Average revenue per child enrolled	$10,287	8,409	206
Average revenues by organization type	Total among independently owned/operated programs	$716,097	870,934	270
	Averages revenue per child enrolled	$12,063	8,436	262
	Total among private school programs	$671,707	835,453	149
	Average revenues per child enrolled	$8,980	7,278	147
	Total among chain/franchise programs	$1,120,782	860,617	39
	Average revenues per child enrolled	$11,290	7,122	39

Note. CCAP = Child Care Assistance Program.

Table B.4. Information on Program Operating Expenses

		Mean	sd	Valid N
Average Total Expenses	Total annual overall	$701,901	748,319	458
	Average annual expense per child enrolled	$11,834	8,421	448
	Total monthly overall	$62,065	93,528	459
	Average monthly expense per child enrolled	$1,016	730	449
Average Annual Expenses by Enrollment Size	Total for *small* programs (<35 children enrolled)	$304,723	254,360	143
	Average expense per child enrolled	$13,832	10,025	143
	Total for *medium* programs (35-64 children enrolled)	$538,747	385,593	137
	Average expense per child enrolled	$10,874	7,504	137
	Total for *large* programs (65+ children enrolled)	$1,179,672	965,002	168
	Average expense per child enrolled	$10,914	7,314	168
Average Annual Expenses by Ages Served	Total for programs that serve any infants and toddlers	$758,957	723,396	271
	Average expense per child enrolled	$12,446	7,936	267
	Total for programs that serve only preschool-age children	$574,424	687,849	178
	Average expense per child enrolled	$10,629	8,858	173
Salary expenses	Annual amount	$467,081	455,107	428
	Monthly amount	$37,134	29,334	428
	Average % of total annual expenses for salaries	66.2%	18.8	428
Fringe expenses	Reported no fringe expenses (n = 184)	57.9%		320
	Annual amount	$98,595	107,945	134
	Monthly amount	$9,571	13,105	134
	Average % of total annual expenses for fringe	8.6%	8.1	133
Facilities expenses	Reported no facilities expenses (n = 47)	11.3%		415
	Annual amount	$111,495	138,815	369
	Monthly amount	$8,947	9,545	369
	Average % of total annual expenses for facilities	19.6%	18.4	367
Building maintenance/repairs expenses	Reported no maintenance expenses (n = 36)	9.9%		362
	Annual amount	$47,492	125,855	327
	Monthly amount	$4,221	13,322	327
	Average % of total annual expenses for maintenance	5.5%	8.0	325
Consumable supplies expenses	Reported no supplies expenses (n = 12)	2.7%		438
	Annual amount	$49,283	83,382	427
	Monthly amount	$4,271	8,113	427
	Average % of total annual expenses for supplies	8.1%	12.0	425
Other expenses[1]	Reported no other expenses (n = 29)	7.0%		417
	Annual amount	$95,441	227,429	389
	Monthly amount	$12,356	64,956	389
	Average % of total annual expenses for other expenses	9.8%	10.8	387

Note. Estimates are reported among centers that reported a non-zero amount of expenses from a given source. Providers with missing information on a given expense source was re-coded as "0' if they provided some valid information on salary expenses and at least one other source. [1]Other expenses may include advertisement efforts, utilities, insurance, etc.

Table B.5. Centers' Annual Total and Per-Child Enrolled Expenditures by Program Characteristics

		Mean	*sd*	*Valid N*
Average expenses overall	Total annual expenses	$701,901	748,319	458
	Average expenses per child enrolled	$11,834	8,421	448
Average expenses by receipt of tuition revenue	Total expenses for programs receiving tuition	$628,228	650,380	287
	Average expenses per child enrolled	$10,804	7,549	282
	Total expenses for programs *not* receiving tuition	$920,357	1,015,795	60
	Average expenses per child enrolled	$14,551	9,964	57
Average expenses by receipt of CCAP revenue	Total expenses for programs receiving CCAP	$780,021	789,566	219
	Average expenses per child enrolled	$12,570	7,690	215
	Total expenses for programs *not* receiving CCAP	$629,427	677,372	139
	Average expenses per child enrolled	$10,173	8,800	137
Average expenses by participation in state pre-k	Total expenses for state pre-k programs	$1,275,959	1,231,991	79
	Average expenses per child enrolled	$15,854	9,159	76
	Total expenses for non-state pre-k programs	$582,242	529,706	379
	Average expenses per child enrolled	$11,012	8,031	372
Average expenses by program auspice	Total expenses among for-profit programs	$660,216	574,427	233
	Average expenses per child enrolled	$12,605	7,958	226
	Total expenses among not-for-profit programs	$791,216	927,792	198
	Average expenses per child enrolled	$11,569	9,038	195
Average expenses by organization type	Total expenses among independently owned/operated programs	$666,813	696,532	261
	Average revenue per child enrolled	$12,827	8,428	252
	Total expenses among private school programs	$639,977	671,448	133
	Average expenses per child enrolled	$9,458	7,362	132
	Total expenses among chain/franchise programs	$1,185,752	765,402	23
	Average expenses per child enrolled	$13,540	$8,281	23

Note. CCAP = Child Care Assistance Program.

▲ Appendix C. Descriptive Information from 2023 New Jersey Child Care Market Rate Survey

Table C.1. Market Rate Survey Information on Providers' Average Total Revenues

		Mean
Total	Amount ($)	754,104
	Percent of total revenues (%)	100
Tuition	Amount ($)	301,221
	Percent of total revenue (%)	39.9
State Assistance Program (CCAP)	Amount ($)	278,316
	Percent of total revenue (%)	36.9
Grant	Amount ($)	134,222
	Percent of total revenue (%)	17.8
Other	Amount ($)	40,344
	Percent of total revenue (%)	5.4

Source: 2023 Child Care Market Rate Survey – https://www.childcarenj.gov/ChildCareNJ/media/media_library/2023_Child_Care_Market_Rate_Study.pdf

Table C.2. Market Rate Survey Information on Providers' Average Program Expenses

		Mean
Total Expenditures	Overall amount ($)	568,859
	Amount ($) for *small* programs (<35 children enrolled)	334,716
	Amount ($) for *medium* programs (35-64 children enrolled)	574,661
	Amount ($) for *large* programs (65+ children enrolled)	1,194,320
Personnel	Amount ($)	369,410
	Percent of total expenses (%)	64.9
	Amount ($) for *small* programs (<35 children enrolled)	225,169
	Percent (%) for *small* programs (<35 children enrolled)	67.3
	Amount ($) for *medium* programs (35-64 children enrolled)	328,434
	Percent (%) for *medium* programs (35-64 children enrolled)	57.2
	Amount ($) for *large* programs (65+ children enrolled)	811,372
	Percent (%) for *large* programs (65+ children enrolled)	67.9
Program	Amount ($)	97,347
	Percent of total expenses (%)	17.1
	Amount ($) for *small* programs (<35 children enrolled)	54,273
	Percent (%) for *small* programs (<35 children enrolled)	16.2
	Amount ($) for *medium* programs (35-64 children enrolled)	135,595
	Percent (%) for *medium* programs (35-64 children enrolled)	23.6
	Amount ($) for *large* programs (65+ children enrolled)	162,367
	Percent (%) for *large* programs (65+ children enrolled)	13.6
Building	Amount ($)	102,103
	Percent of total expenses (%)	18.0
	Amount ($) for *small* programs (<35 children enrolled)	55,275
	Percent (%) for *small* programs (<35 children enrolled)	16.5
	Amount ($) for *medium* programs (35-64 children enrolled)	10,633
	Percent (%) for *medium* programs (35-64 children enrolled)	19.3
	Amount ($) for *large* programs (65+ children enrolled)	220,581
	Percent (%) for *large* programs (65+ children enrolled)	18.5

Source: 2023 Child Care Market Rate Survey – https://www.childcarenj.gov/ChildCareNJ/media/media_library/2023_Child_Care_Market_Rate_Study.pdf

Table C.3. Market Rate Survey Information on State Assistance Rate for Center-Based Care by Age

		Monthly rate	*Annual rate (x12)*
Full-time care	Infant	$1,549	$18,558
	Toddler	$1,372	$16,464
	Preschooler	$1,226	$14,712
	School-age	$1,167	$14,004
Part-time care	Infant	$774	$9,288
	Toddler	$686	$8,232
	Preschooler	$613	$7,356
	School-age	$584	$7,008

Source: 2023 Child Care Market Rate Survey – https://www.childcarenj.gov/ChildCareNJ/media/media_library/2023_Child_Care_Market_Rate_Study.pdf