

What Do We Know About Infant and Toddler Care in New Jersey?

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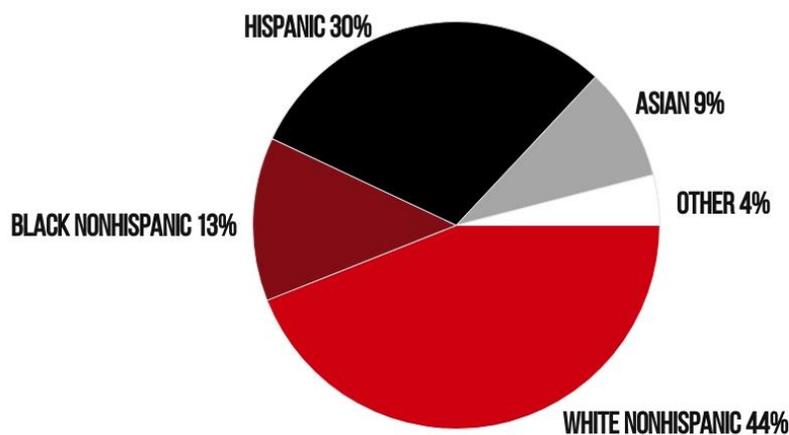
Executive Summary

Most of New Jersey’s nearly 300,000 children under age 3 receive nonparental child care. While highly diverse, this population also widely shares a common characteristic: a high rate of labor force participation by their parents. This makes the affordability and quality of child care particularly important in New Jersey because it has long-term consequences for child development and the economy as well as for immediate economic opportunities of parents. Unfortunately, many infants and toddlers live in low-income families that cannot afford high-quality care, and New Jersey’s child care subsidy program serves just a small fraction of eligible families. In addition, the pandemic has disrupted work and child care, raising costs and dramatically reducing the numbers of infants and toddlers receiving licensed center-based care.

Who are New Jersey’s infants and toddlers?

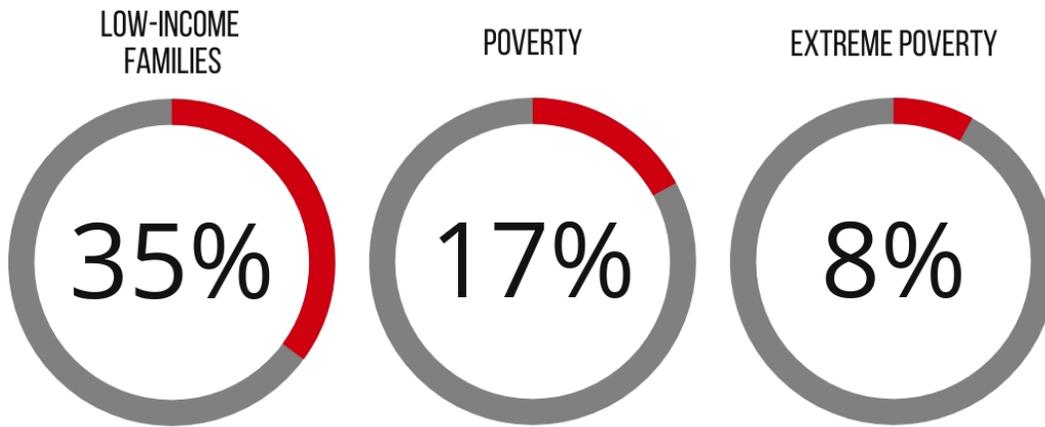
In 2019, New Jersey had an estimated 304,435 children under age 3, about 100,000 for each year of age birth through age 2. This is a highly diverse population: 44% White Non-Hispanic, 30% Hispanic, 13% Black Non-Hispanic, and 9% Asian. More than 30% live in homes in which a language other than English is spoken.¹

FIGURE 1. DIVERSE FAMILY BACKGROUNDS OF NEW JERSEY’S INFANTS AND TODDLERS



Although New Jersey is a relatively wealthy state, more than a third (35%) of infants and toddlers are in low-income families with roughly half of these in poverty (17%) and nearly 1 in 10 (8%) in deep poverty.¹

FIGURE 2. INFANTS AND TODDLERS IN NEW JERSEY LIVING IN

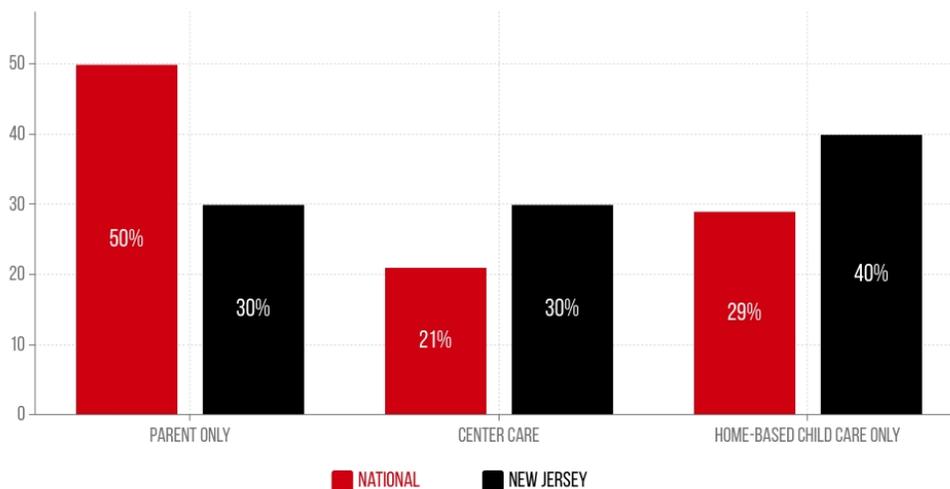


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What do we know about the child care arrangements of New Jersey infants and toddlers?

Compared to many other states, New Jersey has a high percentage of parents in the labor force and a high percentage of infants and toddlers in nonparental child care. Two-thirds of New Jersey’s infants and toddlers have all parents in the workforce and are potentially in need of child care.¹ Before the pandemic, about 70% of children under age 3 received some regular nonparental child care. Most of this was home-based child care in the child’s home or another home, often provided by relatives, but about 30% attended child care centers.²

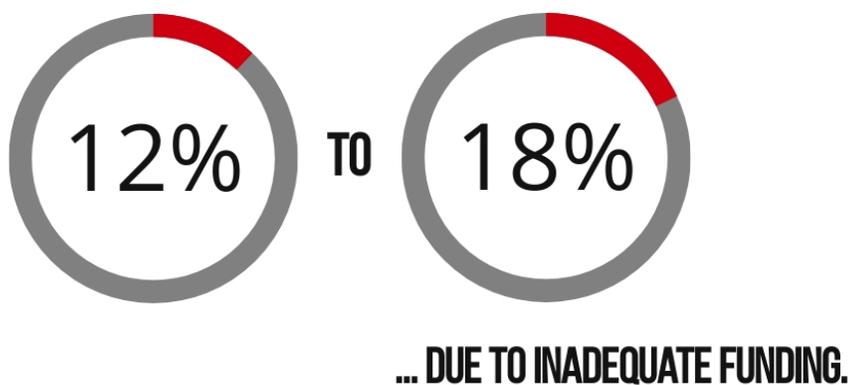
FIGURE 3. NEW JERSEY’S USE OF INFANT TODDLER CARE IS MUCH HIGHER THAN THE NATIONAL AVERAGE



Seventy-five percent of New Jersey mothers using child care report paying for it. Some families did not pay for care because relatives—often grandparents—provided care. In addition, 17% of those using child care reported receiving a subsidy to help pay for care. Nevertheless, the cost for many families was substantial with 22% reporting spending more than \$800 per month (\$9,600 per year) for infant-toddler child care.¹

Two basic types of public subsidies for child care are available for New Jersey parents. The most widely available are federal and state income tax credits. The federal tax credit amounts to about \$500 for most who receive it. New Jersey's state tax credit is limited to a maximum of \$500 for one qualifying adult and \$1,000 for two. Much larger amounts per child are provided by New Jersey's Child Care Subsidy Program (CCSP), which supports child care for low-income working parents. About one-third of New Jersey's infants and toddlers are in families that are income-eligible for the CCSP, but only 4% receive subsidized care. That means just 12% of income-eligible children receive a subsidy. However, not all their parents are willing or able to work. Reducing the estimated eligible population by an estimated one-third to account for those not in the labor force yields 22%, which would imply that at most 18% of eligible infants and toddlers received a state child care subsidy each month.¹

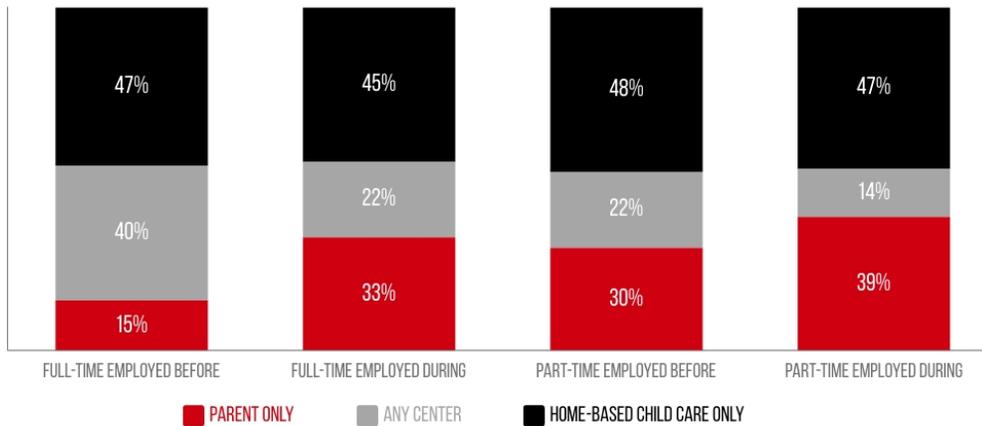
FIGURE 4. PERCENTAGE OF NEW JERSEY CHILDREN ELIGIBLE FOR AND WHO RECEIVE A CHILD CARE SUBSIDY IS ...



How has the pandemic affected child care for infants and toddlers?

As a result of the pandemic some parents have lost their jobs, a substantial number of mothers have quit their jobs or gone on extended leave, and many others now work from home.² The pandemic has also increased the costs of infant-toddler care by increasing staff-child ratios and adding costs for new procedures and facility improvements to ensure safety as well as for personal protective equipment.³ All of this dramatically increased the percentage of infants and toddlers who are only in parental care at home and decreased the percentage enrolled in child care centers. The percentage of children in home-based nonparental care appears to have dropped slightly. These effects were much more pronounced for infants and toddlers whose mothers had been employed full-time before the pandemic compared to those whose mothers had been employed part-time.

FIGURE 5. INFANT-TODDLER CARE ARRANGEMENTS BY MOTHER'S EMPLOYMENT STATUS BEFORE AND DURING THE PANDEMIC



Notes: NIEER analyses, 2020.² Parent Only includes only children who have no nonparental care. Any Center includes children who had some center-based care and who may also have had another type of child care arrangement. Home-Based Child Care Only includes only children who had nonparental care in their own or another home but did not receive center-based care.

Acknowledgments

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About ITC@NIEER

The National Institute for Early Education Research (NIEER) at the Graduate School of Education, Rutgers University, New Brunswick, NJ, conducts and disseminates independent research and analysis to inform early childhood education policy. ITC@NIEER is a unit within NIEER focused on early care and education policies that influence the learning and development of infants and toddlers.

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W. Steven Barnett is a Board of Governors Professor of Education at Rutgers University and Senior Co-Director of NIEER. His research interests include the economics of early care and education, the effects of early care and education on children's learning and development, program evaluation, and policy analysis focusing on equity and efficiency. Dr. Barnett earned his Ph.D. in economics at the University of Michigan.

Endnotes

¹ Friedman-Krauss, A. et al. (2020). [Infant and Toddler Child Care Data Needs in New Jersey](#). NIEER White Paper. New Brunswick, NJ: NIEER.

² These estimates are based on NIEER original analysis of survey data from a Fairleigh Dickenson University poll of more than 600 mothers and toddlers conducted in June, 2020 <https://view2.fdu.edu/publicmind/2020/200813/index.html>. As the survey sample may not be perfectly representative of the population, our estimates from this survey should be considered “ballpark” figures.

³ Garver, G. (2020). [The Financial Impact of COVID Licensing Standards on NJ Child Care Providers](#). ITC@NIEER Research Paper. New Brunswick, NJ.