

# RESEARCH REPORT

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## **Early Care and Education use among Young Children in New Jersey in 2022**

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## About the Authors

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## Key Findings

- ✓ In 2022, 70% of children under age 5 in New Jersey were enrolled in some form of care (61% of infants and toddlers and 82% of preschool aged children).
- ✓ 28% of infants/toddlers and 60% of preschoolers were enrolled in center-based programs.
- ✓ Black children were less likely than White children to use center-based care, and Hispanic families had higher rates of home-based ECE.
- ✓ Lower-income parents were less likely to use center-based care (only 26%).
- ✓ The rates of enrollment in center-based care were lower in south jersey (34%).
- ✓ Parents reported convenient and flexible schedules, affordability, and location as the top factors informing their use of ECE, followed by quality and shared values.
- ✓ About 14% of families reported that GNJKs ratings influenced their decision.
- ✓ For families choosing relative care, a familiar setting and relationship with a family member were important.
- ✓ Parents of children 0-3 emphasized affordability, while parents of children 3-5 emphasized quality.
- ✓ 21% of families chose not to utilize care because of a stay-at-home parent or spouse, while cost was the primary reason for 6% of families.
- ✓ Children spent an average of 19 hours per week in a child care center, with a higher number of hours reported by White, dual-parent, and high-income families.
- ✓ 29% of families utilizing care in NJ reported no payments
- ✓ Among paying families, costs were \$778 per month for center-based care, \$658 per month for non-relative care, and \$558 per month for relative care, on average, with variation by hours of care utilized, among other factors.
- ✓ 20% of families using care received financial assistance from the state of New Jersey.

## Introduction

To understand the use of early care and education (ECE) programs in New Jersey, the National Institute for Early Education Research (NIEER) conducted a representative survey of parents of children under age 5 (not yet in kindergarten) about their use of (non-parental) child care.<sup>1</sup> The survey was conducted between May 25th and June 13rd, 2022, with 1,251 parents.<sup>2</sup> This report summarizes the use of child care arrangements by parents of infants, toddlers, and preschool-age children in New Jersey in spring/summer 2022. These include center-based programs (child care, pre-k, and Head start) and non-center-based (family child care, other non-parental) ECE programs. This report also describes parents' reasons for selecting their ECE program as well as reasons for not using any ECE arrangement.

Families in the sample reported just under two children on average, with single parent households and lower income households (under 50,000 a year) more likely to have only one child. Respondents were asked to complete the survey while thinking of a specific child under age 5 (randomly picked by the survey). Parents were somewhat more likely to respond to the survey the older the child: 11% were under the age of 1, 13% were 1 year old, 19% were 2 years old, 20% were 3 years old, 23% were 4 years old, and 15% were 5 years old but not yet in kindergarten. About 80% of respondents were in a two-parent household. Given this distribution in the sample, we used probability weights to balance the sample by age relative to the NJ distribution of children ages 0-5 not in kindergarten.

## Use of Non-Parental ECE

Our survey found that 70% of children under age 5 in New Jersey were in some form of non-parental care and education programs in 2022, which is higher than the national average of 60%.<sup>3</sup> Non-parental ECE programs, including preschools, centers, Head Start, child care, or under the care of a non-relative or a relative other than the parent, were utilized by 61% of infants and toddlers and 82% of preschoolers. About 13% of children utilized a combination of center-based and relative care. Analyses showed that infants and toddlers were significantly less likely to be enrolled in child care compared to preschool-aged children.<sup>4</sup> The patterns indicate substantial variation in the use of early care and education programs by age and family background, including race and ethnicity, family composition, and income.

**Child age.** The types of programs used differed by age, with 28% of infants and toddlers ages (0-3) versus 60% of preschoolers (ages 3-5) in center-based programs.

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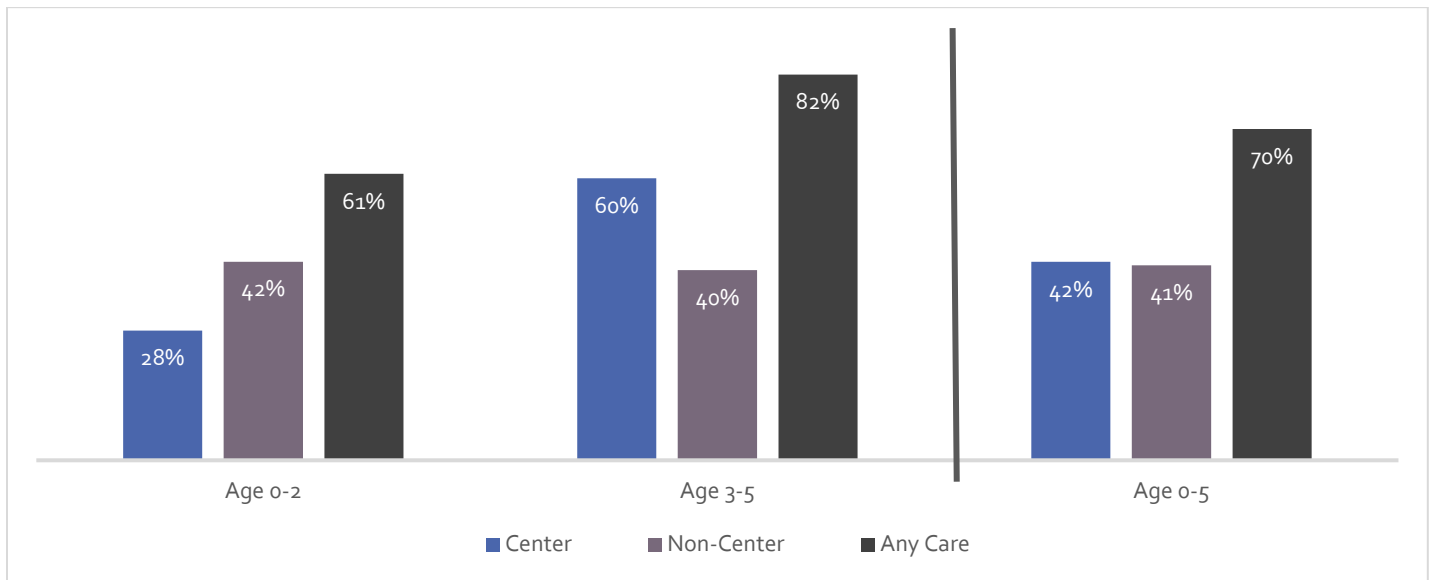
<sup>1</sup> The survey was intended to be representative of parents of children under 5 in NJ.

<sup>2</sup> This follows surveys conducted in August 2020, February 2021, and June 2021 designed to represent New Jersey's population of parents of infants and toddlers (children under age 3 years).

<sup>3</sup> [https://nces.ed.gov/nhes/tables/nonrelative\\_care.asp](https://nces.ed.gov/nhes/tables/nonrelative_care.asp)

<sup>4</sup> We ran a probabilistic regression model controlling for child and family characteristics.

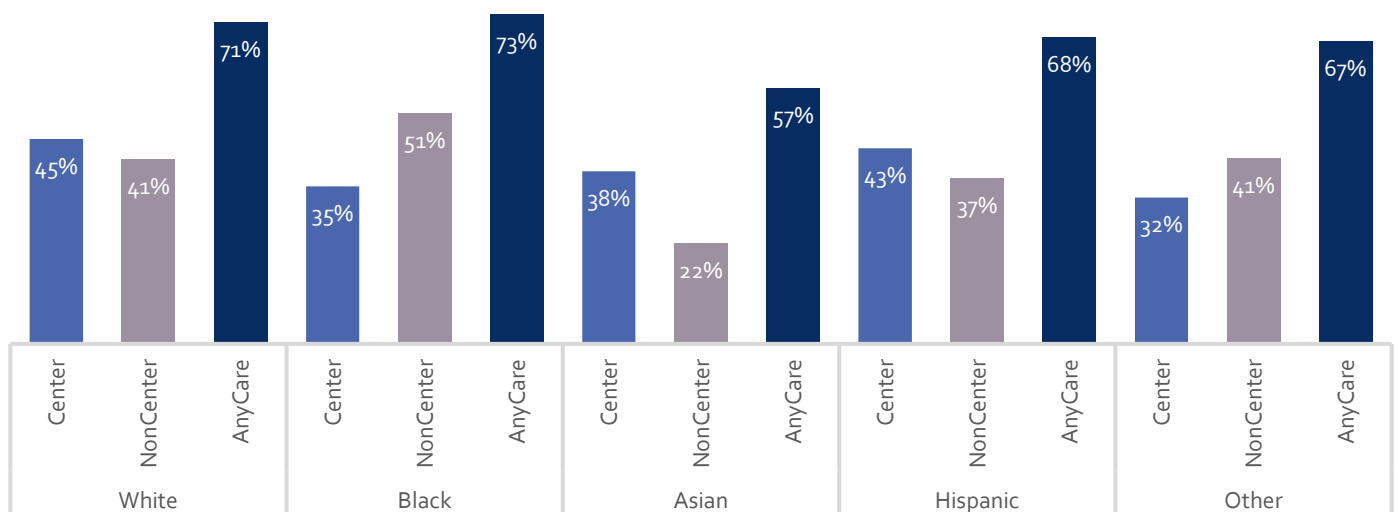
Figure 1. Use of Non-Parental ECE by Young Children in New Jersey



Note: Sample size was 1,251; N= 528 were infants and toddlers and N=723 were pre-K age children. Analyses here and in all subsequent analyses have been respectively weighted by age groups to be representative of New Jersey’s distribution of children under 5 not yet in K.

**Child race/ethnicity.** Although the overall rate of early care and education (ECE) program usage did not vary significantly by race or ethnicity, our survey found notable differences in the types of care used by children of different racial and ethnic backgrounds. Asian children in our sample had significantly lower enrollment rates in both center-based and non-center-based child care than White children (mirroring national trends).<sup>5</sup> Similarly, the use of center-based programming by Black children were ten percentage points lower than that of White children and their use of non-center-based care was significantly higher (in contrast with national trends showing slightly higher rates of center-based enrollment for Black, non-Hispanic children). Hispanic children under age 5 had significantly higher rates of home-based ECE than White children, which is in line with national rates.<sup>6</sup>

Figure 2. Use of Non-Parental ECE by Young Children in New Jersey by Race & Ethnicity



Note: Sample size was 1,251; N= 883 self-reported as White, N=163 as Black, N=62 as Asian & N=287 as Hispanic. Analyses have been respectively weighted by age groups to be representative of New Jersey’s distribution of children under 5 not yet in K.

<sup>5</sup> [https://nces.ed.gov/nhes/tables/nonrelative\\_care.asp](https://nces.ed.gov/nhes/tables/nonrelative_care.asp)

<sup>6</sup> Ibid.

**Family structure.** Single parent families are more likely to enroll their children in non-center-based care compared to dual parent families with children under 5. However, this difference disappears when accounting for other family and child characteristics.

**Family income.** Differences in the use of non-parental ECE also emerged by family income. A total of 26% of lower income parents (under 50 thousand) report use of center-based care, which is much lower than the 47% and 59% reported by higher income parents (100-150 thousand and above 150 thousand, respectively).

**Parent Education.** Similarly, to differences by family income, differences by parental educational attainment show that parents with some post-secondary education (junior college, vocational/technical or some college), college or a graduate degree are more likely to use center-based care (over 40%) relative to parents with lower educational attainment.

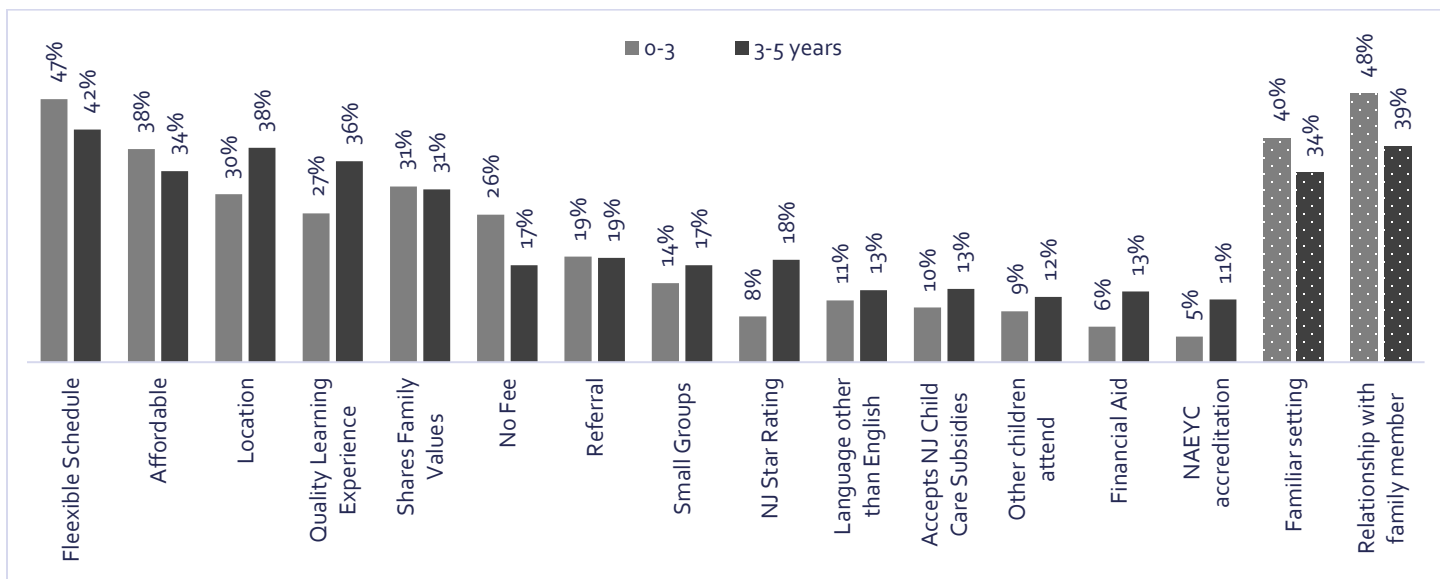
**Region.** The rates of enrollment in center-based care are quite lower in the south (34%) relative to the central (47%), north (46%) and northeast (43%) regions.

### What guides parental choice of ECE?

We surveyed parents who used any ECE program on what influenced their choices. Parents mostly report convenient and flexibility schedule (44%), affordability (36%) and location (34%) as informing their use of ECE. In addition, parents also prioritized quality (32%), shared values (31%), no fees (20%), and referrals (19%). About 14% reported that GNJKs ratings also influenced their decision. For families choosing relative care (in patterns), a familiar setting and relationship with a family member were important in their choices (37% and 44%, respectively).

**Child age.** Some differences emerge by age group (Figure 3), with parents of children 0-3 reporting higher importance to not having to incur fees (26%) and affordability (38%), than parents of children ages 3-5. On the other hand, quality was more likely to be listed as important by families with children ages 3-5 (36%).

Figure 3. Reasons for the Type of ECE used for Young Children in New Jersey Among Parents Using Non-parental care



Note: Total N= 919 for 0-5 years, N= 325 for 0-3 years, N= 594 for 3-5 years children whose parents use any ECE. Analyses have been respectively weighted. Familiar setting and relationship with a family member were only asked to parents sending their children to non-center care.

**Child race/ethnicity.** While all families emphasized affordability, flexible schedule and location, Black and Hispanic families were less likely to rate quality as important (17% & 23%) than White and Asian families (34% and 43%). In contrast, they were more likely to rate as relevant the absence of fees (23% & 25%). White

families were more likely to report shared family values (32%) and location (37%) as informing their choices, than Black families (28% and 22%). A slightly higher percentage of Hispanic and Asian families reported being informed by GNJKs ratings (17% each), than White (14%) and Black (12%) families.

**Family structure.** Single-parent families were more likely to rate as relevant affordability, child care subsidies or their access to it without a fee as relevant. In contrast, dual-parent households emphasized location, quality, shared family values and referrals.

**Family income.** Low-income families provided differing responses relative to other income groups analyzed, with a higher emphasis on the absence of fees as defining their choice (at a 30% rate) and rating all aspects of quality and NJ star rating lower than the rest.

**Parent Education.** Quality of the learning experience was significantly less relevant (23%) for households without a high school degree relative to all other groups (for which over 44% rated it as relevant). This was also the case for location and flexibility in schedule.

**Region.** Families in all regions prioritized affordability, flexibility and location. Families in the south emphasized the absence of fees more pronouncedly, while families in the northeast emphasized location less.

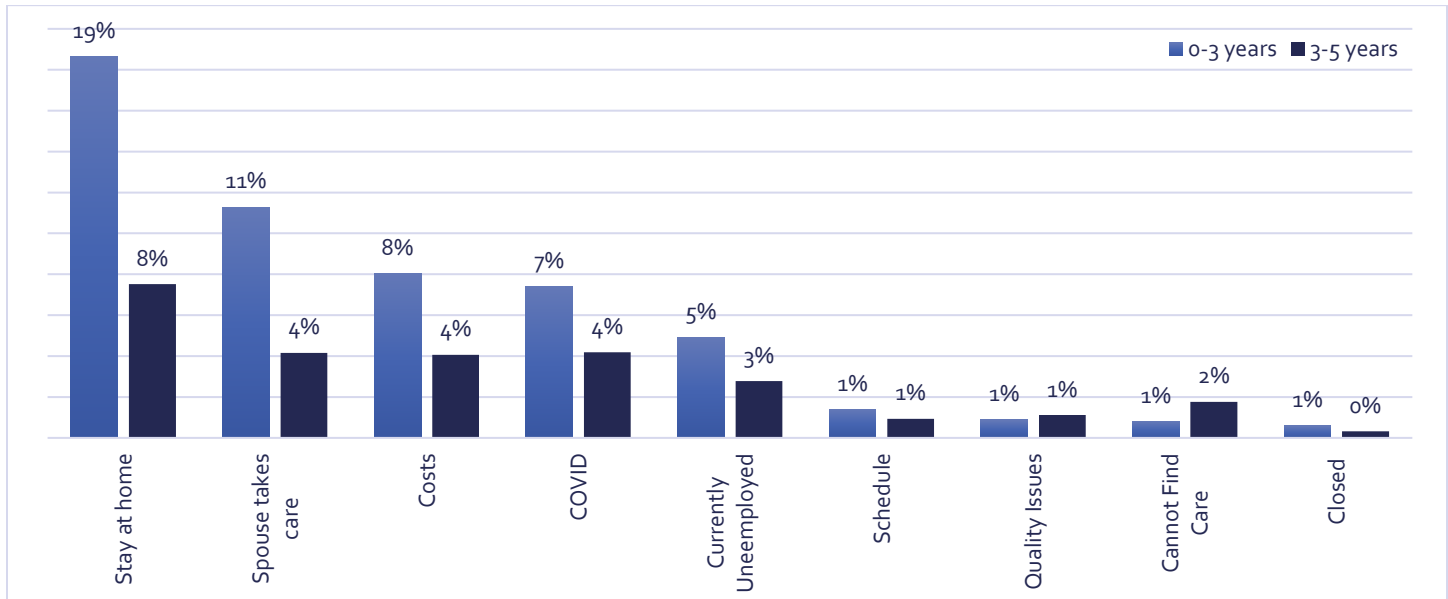
In addition, parents using any ECE were surveyed on the different ways in which they looked for their current ECE programs. About one third (36%) indicated they asked family and friends for advice when looking for childcare. In addition, parents use online searches (28%) and social media (25%) in their search for programs. Parents in the northeastern region of the state report using social media at a higher percentage than in other regions and drew less from family and friend referrals. About 11% of parents reported using GNJKs resources and about 15% used a resource and referral agency.

## **Why don't some families use non-parental ECE?**

Our survey found that the most common reasons parents gave for not using any ECE program were being a stay-at-home parent (14% of families) or having a spouse that takes care of the child (8% of families; equivalent to 46% and 27% of those not using any care, respectively). A total of 21% of household reported either or both of these (equivalent to 70% of those not utilizing any care). Approximately 6% of parents (equivalent to 21% of parents not using care) identified cost as a significant factor influencing their decision to forgo ECE programs. Merely 1% of all parents (4% of those not using any care) reported their inability to find suitable child care as a contributing factor. Furthermore, at the time of the survey, 20% of parents who were not utilizing care cited concerns related to COVID-19 as the primary reason for their decision.

**Child age.** The rate of parents not using care because one of the parent stays at home was higher for families with children under 3 (28%) relative to families with a child between 3 and 5 (12%).

Figure 4. Reasons for Not Using ECE for Young Children in New Jersey Among all Parents



Note: Unweighted sample is N=1,251 for 0-5 years, N= 528 for 0-3 years, N= 723 for 3-5 years for children whose parents do not use any ECE. Analyses have been respectively weighted.

**Child race/ethnicity.** Black families mostly reported COVID and being a stay-at-home parent as the predominant reasons for not using any child care (11% and 14%, respectively). COVID was less of an issue for Hispanic families (3%).

**Family structure.** Dual parent families reported higher rates of combined stay-at-home and spouse care for the child (23%) than single-parent families (13%), as expected.

**Family Income.** Significant differences emerge between the rate of stay-at-home parents or spouse care of child for low income (under 50k) families (24%) and high income (over 150k) families (15%).

**Parent Education.** Households with lower levels of educational attainment (less than high school) reported at a higher rate that unemployment (11%) and a stay-at-home parent or spouse care (44%) as reasons for not using care. Parents with some college education reported cost (14%) and a stay-at-home parent or spouse care as a central reason for not using care (28%).

**Region.** Families in the northeast reported substantially lower rates of stay-at-home parents or spouse care (16% total) versus the central region (20%), and the northern and southern regions (24% and 21%, respectively).

## Hours and cost of non-parental ECE

**Days and Hours.** Parents reported significant variation in the total amount of hours of care utilized per week. More specifically, parents reported that children in center-based programs spend 18.7 hours in a child care center such as a day care, preschool, or early childhood program. No significant differences were observed by family structure, income, age group. The average for Hispanic children was only slightly lower at 15.9 hours on average. White, dual parent, and high-income families reported higher total hours per week.

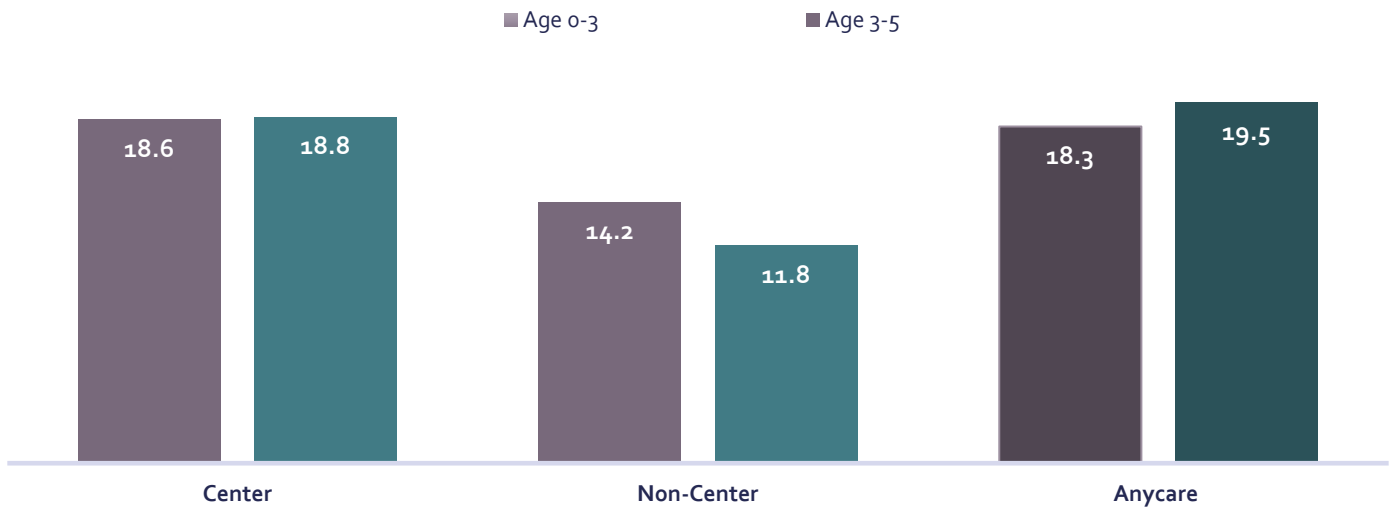
In contrast, children spent 12.0 hours in the care of a non-relative. For this type of ECE, differences by age group emerged, with children 0 to 3 spending a higher number of hours in the care of a non-relative (12.9 hours) than children aged 3 to 5 (10.5 hours). Similarly, Hispanic families report their children spent 10.5 hours under non-relative care (below the average of 12.3 hours for White children). Families of children in the Northeast region also reported lower numbers of non-relative care (7.5 hours) than families in other regions.

Young children also spent on average 12.2 hours a week in relative care with higher averages in hours of care



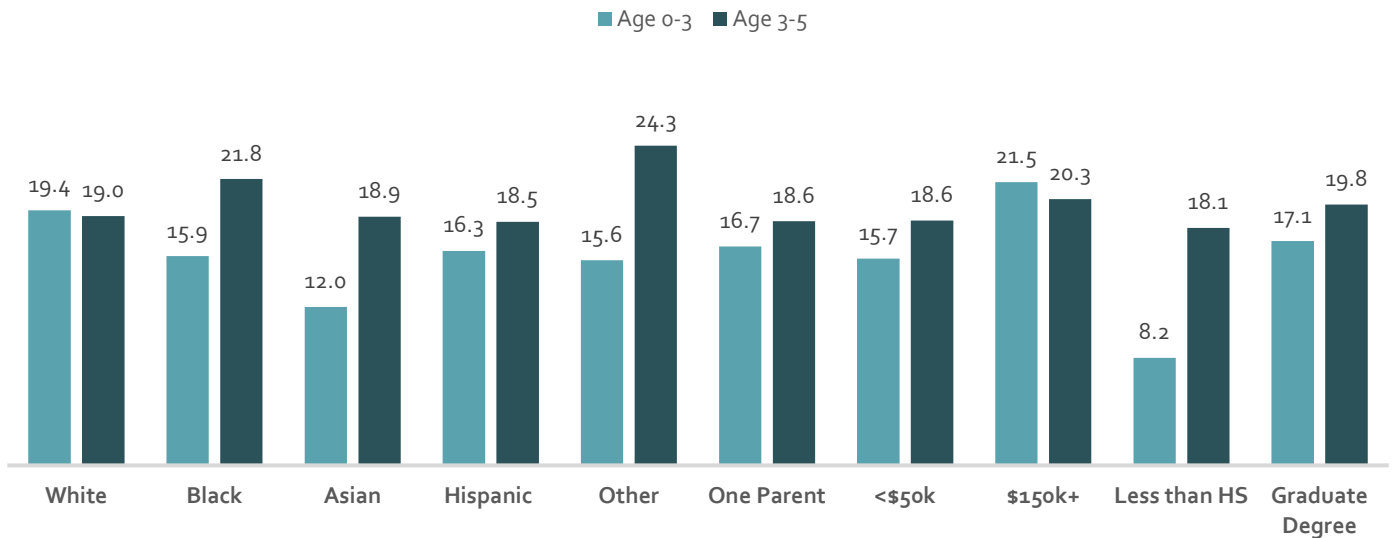
for single-parent (13.8 hours) and low-income (15.3 hours) households, Black children (14.0 hours) and infants and toddlers (13.2 hours).

Figure 5. Average Hours of ECE for Young Children in New Jersey by type of ECE



Note: Unweighted sample size is N=919 (all the parents using any ECE). Analyses have been respectively weighted by age groups.

Figure 6. Average Hours of ECE for Young Children in New Jersey Among Parents Using Any type of ECE

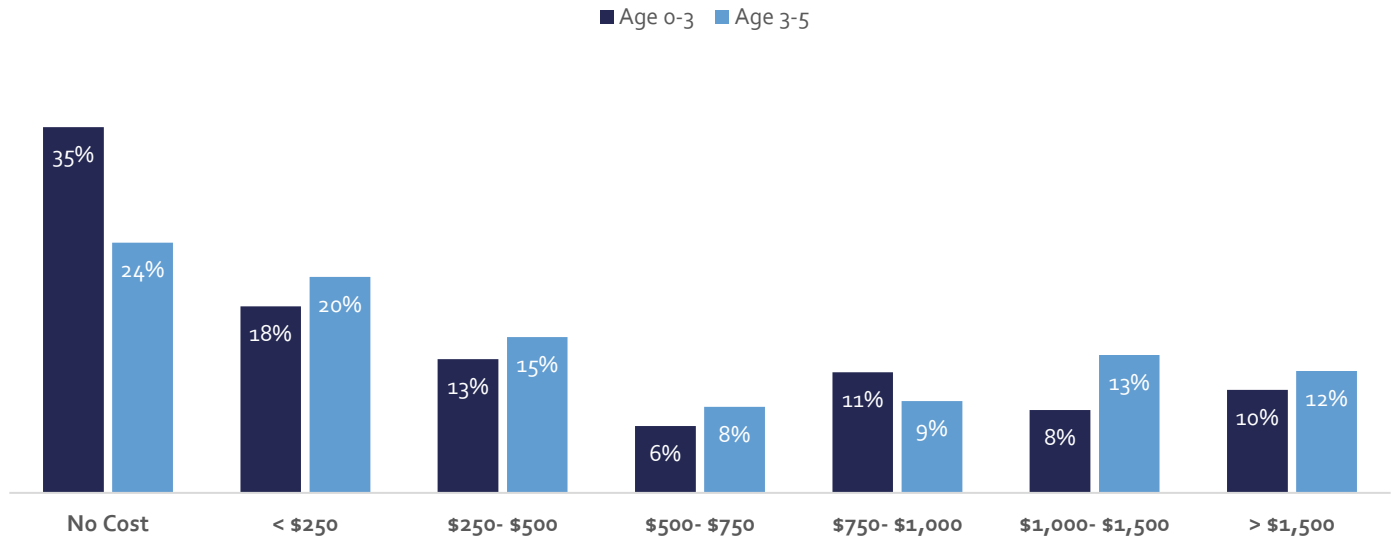


Note: Unweighted sample size is N=919 (all the parents using any ECE). Analyses have been respectively weighted.

**Cost.** In relation to cost, on average 29% of families utilizing some type of care in NJ report no payments (35% of families with children ages 0-3 and 24% of families with children ages 3-5). This corresponds with 54% for children in relative care, 12% for those in center-based care and 16% for those in non-relative care. Excluding those who do not pay anything, families pay on average \$778 per month for center-based care, \$658 per month for non-relative care, \$558 per month for relative care. This would translate in out-of-pocket costs between

\$6,696 and \$9,336 across the different types of care. These costs are aligned those recent reported by the Women’s Bureau at the U.S. Department of Labor.<sup>7</sup>

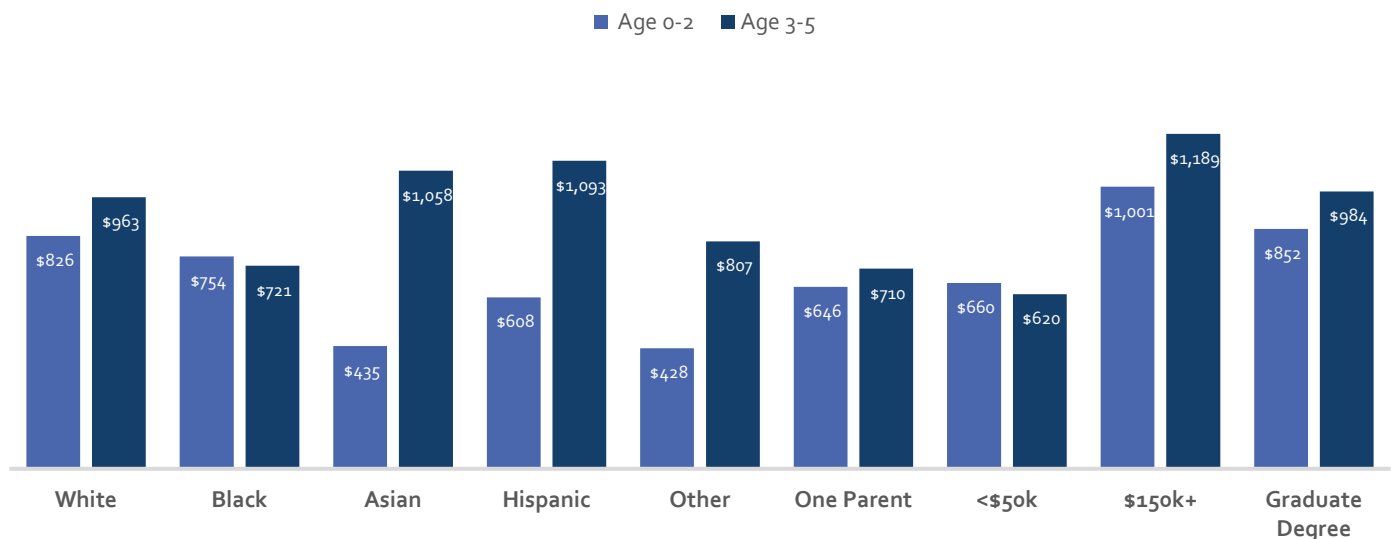
Figure 7. Monthly Cost of utilizing any ECE for Young Children in New Jersey by Age



Note: Unweighted sample size is N=919 (all the parents using any ECE). Analyses have been respectively weighted.

Regardless of the age group, single-parent families (\$684), low-income households (\$644), and Black families (\$739) consistently pay significantly lower rates for child care services. As a result of utilizing lower hours of care for infants per month, parents of infants made on average lower total monthly payments relative to families with preschool children. For non-relative care, Hispanic (\$574), Black (\$513), single-parent (\$668), and low-income households (\$546) report lower monthly costs.

Figure 8. Average Monthly Cost of utilizing any ECE for Young Children in New Jersey by Race & Ethnicity, Income and Education Levels for families that reported incurring costs



Note: Unweighted sample size is N=675 for 0-5 years, N= 528 for 0-3 years, N= 723 for 3-5 (all the parents using any ECE and reporting a cost above zero). Analyses have been respectively weighted.

<sup>7</sup> Landivar, L. C., Graf, N. L. & Altamira Rayo, G. (2023). Childcare prices in local areas. Initial findings from the national database of childcare prices. Issue Brief, January. Washington, D.C.: U.S. Department of Labor. [https://www.dol.gov/sites/dolgov/files/WB/NDCP/508\\_WB\\_IssueBrief-NDCP-20230213.pdf](https://www.dol.gov/sites/dolgov/files/WB/NDCP/508_WB_IssueBrief-NDCP-20230213.pdf)

*Aid.* Overall, 20% of families using any type of care report receiving financial assistance from the state of New Jersey for child care (18% of infants and toddlers, and 22% of children 3 through 5). Higher income families (above \$100,000) are as expected much less likely to be receiving aid than lower and mid-range income households (24% and 34%), respectively. Hispanic (28%) and Black (25%) families are also more likely than Whites (21%) to be receiving aid.

## **Lagging effects of the Pandemic**

Since the survey was conducted in the Spring of 2022, families were asked about lagging effects of the pandemic at the time. About 50% of families indicate that their child did not miss any days of child care due to COVID. Of those who had missed days, parents report an average of 6.4 days missed. Families in the Central region (40%) are less likely than those from the North (55%), or the Northeast (59%) to have missed any days. Families with incomes under \$50,000 (41%) are less likely than those with higher incomes to have missed any days due to COVID concerns. Children aged 0 to 2 (44%) and single parent households (44%) are less likely to have missed days as well. Hispanic children, in contrast, missed days at a higher rate (57%). Children in relative care were also less likely to miss days (49%), in contrast to children in center-based (59%) or non-relative care (60%).

## **Exploring parental choices**

To assess the determinants of the use of any type of care we run a probit estimation model relating socio-demographic aspects of families with parental use of any care (this does not attend to constraints on the supply side). Parents of children ages 3-5 had a significantly higher probability of sending their children to any care, and this was also the case for Hispanic families after accounting for differences in education, work status, income, household size and region. The associations with center-based care differed slightly, with the probability of enrolling in center-based care increasing with income and decreasing for families in the southern region.

In addition, we use a multinomial probit estimation to assess the socio-demographic aspects related with parental use of the following options: no care, center, relative, non-relative, and center and relative combined. Families in the south were more likely to either not use care or use relative care over center-base care. Hispanic families were more likely to utilize relative care, but also even more likely to combine center-based and relative care. Low-income families were more likely to use relative, non-relative or no care over center-based care.

## **Exploring associations with costs**

We similarly assess the correlates with the costs of care paid by families. We run a multivariate regression estimation model relating socio-demographic aspects of families, and hours of care, with the monthly cost of care. Parents of children ages 3-5 reported higher costs, while in contrast dual parent families reported lower monthly costs after accounting for differences in hours, education, work status, income, household size and region. Hispanic families reported significantly higher monthly expenses in care relative to non-Hispanic families. Higher income families and full-time working families reported significantly higher monthly child care costs as well.