

PENNIES TO THE **DOLLAR:**

The Investment Gap for
New Jersey's Earliest Learners



December 2021



for **ADVOCATES**[®]
CHILDREN OF NEW JERSEY
Giving Every Child A Chance[®]

● Introduction

While the importance of the period from birth to age three as the most promising and possibly consequential stage of human development has gained attention over the last quarter century, public investments in children's early learning opportunities have remained inadequate. Our nation, as well as our state, invests the fewest public dollars to support the educational needs of infants and toddlers, and what we do invest is a small fraction of what we spend on children's education after age three. The United States ranks 36th of 38 among developed countries for public investment in the education of children under age three.¹ While over the past two decades New Jersey has dedicated substantial state funding for preschool and K-12 education, one group has been left out of these vital educational investments: infants and toddlers.

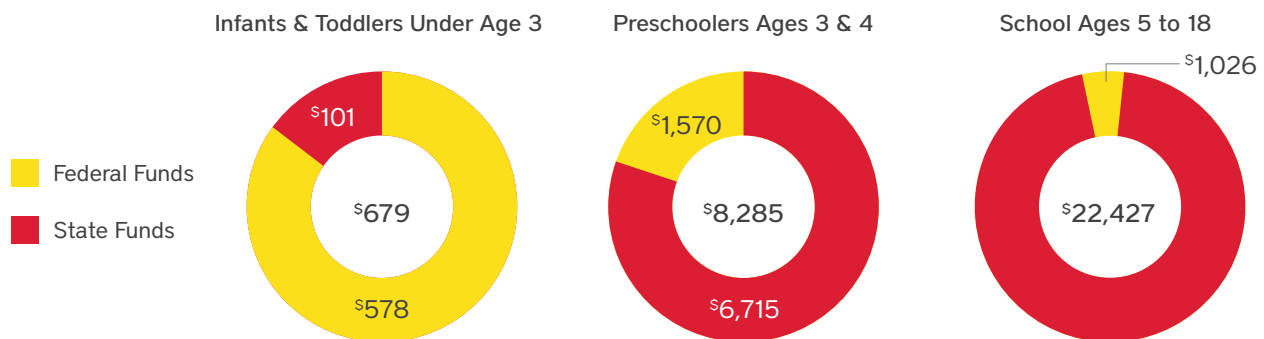
● The Investment Gap

Activities designed to support a child's learning and development, as well as the funding source for these activities, vary based on the age of the child:

Table 1. Funding Source of Educational Activities by Age Group	
Elementary and secondary grades	Primarily publicly funded and includes expenditures related to providing formal public K-12 education as well as child care subsidies for before and afterschool child care and tax credits for financially eligible families.
Preschool	Financed by a blend of public and parent funding. Publicly funded education initiatives for children ages three to five target families that meet income guidelines and include Head Start, state funded preschool, child care subsidies and child care tax credits. Public funding is also supports special education and related services for preschoolers with disabilities.
Infants and toddlers	Typically the financial responsibility of parents with minimal public funding, often needs-based. These educational activities include: programs to make child care more affordable, including child care subsidies and tax credits for financially eligible families; home-based and center-based Early Head Start programs; services for the early identification and treatment of developmental and educational delays; and services to support families in their educational and support roles, such as evidence-based home visitation programs.

A recent analysis of education expenditures in New Jersey by age group (see Appendix 1), conducted by Ajay Chaudry Ph.D. and Taryn Morrissey, Ph.D., co-authors of [Cradle to Kindergarten: A New Plan to Combat Inequality](#), revealed that the amount invested per infant and toddler is negligible compared to public spending on education for older children. As illustrated in Figure 1, the total state and federal spending for infants and toddlers was \$679 per child under age three, compared to \$8,285 per child aged three and four, and \$22,427 per child aged five to 18. This means only three cents to a dollar is invested in education for children under age three compared to children aged five to 18.² Eighty-five percent of investments in infants and toddlers, or \$578 per infant and toddler, came from the federal government, with New Jersey contributing just \$101, or 15 percent, of the annual total.

Figure 1: 2019 Federal and State/Local Per Child Costs on Education in New Jersey by Age Group



¹ Chaudry, A. and Sandstrom, H. (2020). "Child Care and Early Education for Infants and Toddlers." *The Future of Children*, 30(2).

² Chaudry, A. and Morrissey, T. (2021). "An Analysis of 2019 Education Expenditures in New Jersey." Unpublished report.

● Disparities From the Start

Few families with infants and toddlers in New Jersey are receiving early learning support through public investment. One factor is strict eligibility for publicly funded programs, typically restricted to children living in poverty or facing other early adversities. But a second factor is limited public investment. Funding is so limited that only a small fraction of those who qualify benefit from the public investment.

Looking across programs, somewhere between two and four percent of all New Jersey's infants and toddlers can participate in an early learning program with the existing levels of funding. That compares poorly to publicly supported preschool, which reaches 31.5 percent of four-year-olds and 21.2 percent of three-year-olds,³ and K-12 public education, which is available to all school-age children.

- Eighteen percent of infants and toddlers eligible for a child care subsidy receive one, representing four percent of all New Jersey infants and toddlers.⁴
- The NJ Early Head Start program serves 7.5 percent of children under age three who are eligible due to their families' income level.⁵
- Less than two percent of all infants and toddlers are being served through New Jersey's current system of evidence-based home visiting programs.⁶
- Early Intervention Services, funded through the federal Individuals with Disabilities Education Act (IDEA), serves approximately three percent of children under age three in New Jersey.⁷

This limited access to quality early education services for infants and toddlers creates disparities starting at the beginning of a child's life. Research has documented sizable disparities in socio-emotional and cognitive development that begin prior to preschool, as well as the impact on longer-term gaps in academic achievement.⁸ Strong evidence also exists that demonstrates how high-quality early learning opportunities narrow the disparities in basic skills development and lead to improved outcomes for children, including into adulthood.⁹

³ Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G. G. & Gardiner, B. A. (2021). *The State of Preschool 2020: State Preschool Yearbook*. New Brunswick, NJ: National Institute for Early Education Research.

⁴ Barnett, W.S. (2021). *What We Know About Infant and Toddler Care in New Jersey. Data Snapshot*. New Brunswick, NJ: National Institute for Early Education Research.

⁵ Office of Head Start. *Early Head Start Services Snapshot National (2018–19)* (2019). Washington DC: Administration for Children and Families.

⁶ As reported by the NJ Department of Health and NJ Department of Children and Families (2019).

⁷ As reported on the NJ Department of Health Website. [Department of Health | Early Intervention | NJEIS Data](#).

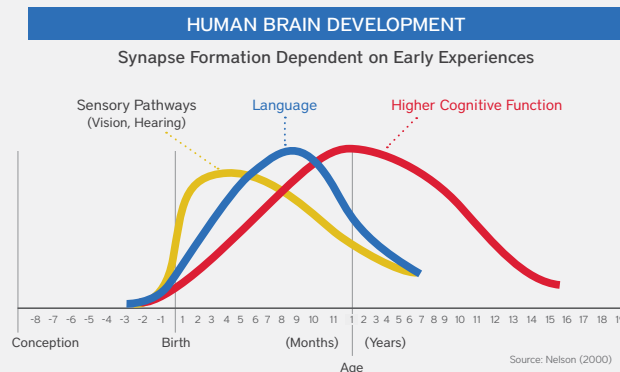
⁸ Reardon, S.F. and Portilla, X.A. (2016). "Recent Trends in Income, Racial, and Ethnic School-Readiness Gaps at School-Entry," AERA Open 2(3).

⁹ Heckman, J. (2006). "Skill Formation and the Economics of Investing in Disadvantaged Children," Science. 312(June). Burchinal, M.R., Roberts, J., Riggins Jr., R., Zeisel, S.A., Neebe, E. and Bryant, D. (2003). "Relating Quality of Center-Based Child Care to Early Cognitive and Language Development Longitudinally," Child Development 71. Campbell, F.A., Ramey, C.T., Pungello, E., Sparling, J. and Miller-Johnson, S. (2002) "Early Childhood Education: Young Adult Outcomes from the Abecedarian Project," Applied Developmental Science Volume 6.

Learning Doesn't Start At Age Three!



Neuroscience and developmental psychology confirm the importance of the earliest years of life for the brain's developing capacity and the young mind's enormously sensitive and expansive abilities for learning.¹ As illustrated in the figure below, the architecture of the brain begins to take shape before birth and continues to develop at a rapid pace throughout the first few years.² The process begins with simple neural connections associated with senses like vision and hearing, followed by more complex circuitry that supports children's emerging language mastery and a wide range of higher cognitive functions.



Early childhood opportunities and experiences lay the foundation for a young child's brain development and longer-term educational, health, socio-emotional and economic outcomes.³ In short, infants and toddlers are born learning and they benefit from participation in quality early learning activities.

¹ Shonkoff, J. and Phillip, D. (2000). "The Science of Early Childhood Development." Center on the Developing Child at Harvard University (2007). Cambridge, MA.

² Nelson, C.A. (2000). *InBrief: The Science of Early Childhood Development*. Center on the Developing Child at Harvard University. Cambridge, MA. <https://developingchild.harvard.edu/resources/inbrief-science-of-ecd/>

³ Shonkoff, J. and Phillips, D. (eds.) (2000). *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Washington DC: National Academy Press.

● Greater Investments for Infant and Toddler Care and Development are Needed

The first three years of life represent a particularly consequential time, when the human brain develops rapidly - a period that lays the foundation for skills and well-being on which further skills and successes are built. These years should be when families and society concentrate educational resources, but instead, it is when public investments fall incredibly short. Moreover, most families lack the resources to address the gaps between public investments and needs. The opposite is true once children turn five, when states have long recognized that children's learning is a public good, and therefore ensures more adequate and universal investments in the educational, human capital and social development opportunities children need and from which everyone benefits.



While New Jersey is a national leader in quality public preschool and the investments in our K-12 public education system are among the highest in the nation, the same cannot be said for educational investments in infants and toddlers. Despite recent expansions in public spending for young children at both the state and federal level, too many infants and toddlers in New Jersey lack access to quality early learning opportunities. This reality has become more critical and more apparent in 2020 and 2021 following the onslaught of the Coronavirus pandemic and its impacts on families and early childhood education programs. Bold state policies that increase public investments and provide all infants and toddlers with the educational and developmental infrastructure they need is essential to eliminating existing disparities and ensuring all New Jersey children are supported starting at birth.

● Policy/Investment Recommendations

1. **Utilize the Federal American Rescue Plan Act (ARPA) funds to expand access to early education services for infants and toddlers.**

New Jersey has received unprecedented federal funding through the American Rescue Plan Act to support transformative investments in our early childhood system. Given the overall lack of investments in the educational services for our youngest learners, ACNJ recommends the state prioritize these funds on infants and toddlers.

2. **Increase state investments in early education services for infants and toddlers.**

New Jersey has made a significant commitment to the education of children from preschool to secondary school. New Jersey ranks 2nd in the nation on preschool spending per child¹⁰ and spends nearly \$5,000 more per child on preschool–Grade 12 than any other state.¹¹ It is time to further grow our state investment in educational opportunities for infants and toddlers as well.

3. **Invest in the development of a high-quality, comprehensive early education program for children from birth to age three.**

To expand equitable access to early learning opportunities for infants and toddlers and support the healthy growth and development of our youngest children, New Jersey should develop a comprehensive, high-quality birth-to-three early education program to align with the existing high-quality public preschool program to create a unified prenatal to age five system. This approach would allow for the development of policies, strategies and programs that ensure wide and diverse participation of children, families and providers in high-quality early childhood education services and fully support children's transitions across the early learning continuum.

For more information please contact Diane Dellanno at ddellanno@acnj.org.

¹⁰ Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G. G. & Gardiner, B. A. (2021). *The State of Preschool 2020: State Preschool Yearbook*. New Brunswick, NJ: National Institute for Early Education Research.

¹¹ Isaacs, J., Lauderback, E., and Greenberg, E. (2021). *Public Spending on Children in New Jersey*. Washington, DC: Urban Institute.

Appendix Table 1 - Investments in Education and Development by Child Age (as of 2019) ¹

NEW JERSEY	Ages Birth-to-Three		Preschool Ages 3-to-5		School Ages 5-to-18	
	State/Local	Federal	State/Local	Federal	State/Local	Federal
Child Care and Development Block Grant Funding (Office of Child Care FY 2019 All Expenditures By State - Categorical Summary Table 4a)	\$23,659,172	\$80,286,757	\$22,942,228	\$77,853,825	\$25,093,061	\$85,152,621
Early Head Start (Birth to Three) (Office of Head Start FY 2019 Annual Federal Funding and Funded Enrollment By State)		\$26,652,711				
Head Start (Preschool Ages Three and Four) (Office of Head Start FY 2019 Annual Federal Funding and Funded Enrollment By State)				\$151,032,027		
Child and Dependent Care Tax Credit (Office of Management and Budget Analytical Perspectives: Education, training, employment, and social services section for 2019. Fiscal Year New Jersey Tax Expenditure Reports.)	\$2,875,000	\$43,311,125	\$2,395,833	\$36,092,604	\$6,229,167	\$93,840,771
Individuals with Disabilities Education Act Part C Early Intervention for Infants and Toddlers (Fiscal Year 2019 State Tables for the U.S. Department of Education)		\$11,554,377				
Maternal, Infant, and Early Childhood Home Visiting Program (Maternal, Infant, and Early Childhood Home Visiting Awards FY19)		\$8,115,766		\$2,705,255		
State-funded Home Visiting Program Services (New Jersey Department of Children and Families Responses to FY21 OLS Discussion Points (page 13))	\$3,030,071		\$1,010,024			
State Preschool (NIERR 2020 Yearbook)			\$781,471,254			
Individuals with Disabilities Education Act Part B Preschool Special Education (Fiscal Year 2019 State Tables for the U.S. Department of Education)				\$11,665,277		
K-12 Public Spending (FY2018) (National Center for Educational Statistics (2020) Revenues and Expenditures for Public Elementary and Secondary Education: FY 18))			\$611,342,560	\$52,442,400	\$29,955,785,440	\$1,258,617,600
Subtotals	\$29,564,243	\$169,920,736	\$1,419,161,899	\$331,791,389	\$29,987,107,668	\$1,437,610,992
Number of Children by Age (2019 American Community Survey)	293,875		211,348		1,401,220	
Per Child Spending	\$101	\$578	\$6,715	\$1,570	\$21,401	\$1,026
TOTAL PER CHILD INVESTMENTS						
Infants and Toddler Under Age Three	\$679					
Preschool Ages Three and Four			\$8,285			
School Ages 5 to 18					\$22,427	

¹ Analysis Conducted by Ajay Chaudry, PhD and Taryn Morrissey, PhD

Limitations: The researchers based this analysis on the methodology created and used by Charlie Bruner for the “Early Learning Left Out” report (<https://www.researchconnections.org/childcare/resources/19181>). The type of education and learning supports included in the analysis varied by age group. For infants, toddlers and preschoolers, fiscal information was included on child care, publicly funded preschool, Head Start/Early Head Start, home visiting, Part B and Part C IDEA (Federal contribution only) and child care tax credits. For children ages 5 to 18, investments included public K-12 education funding, including special education, before- and after-school child care subsidies and child care tax credits. We recognize that public investments in health, nutrition and income supports (e.g., Medicaid, SNAP, EITC) are vital for children’s development and that the state does make investments in these programs, but to align with earlier versions of the “Early Learning Left Out” reports and those from other states, the researchers chose not to include. In addition, we acknowledge that the state does make substantial investments in early intervention, however, since the bulk of these expenses are reimbursed to the state by Medicaid or private insurance and generally cover more treatment-oriented/mental health care/physical care and therapy as opposed to education/developmental services as defined in this brief, the researchers did not include in this analysis.

This brief is based on an analysis conducted by Ajay Chaudry and Taryn Morrissey:

Ajay Chaudry, PhD, is a co-author of *Cradle to Kindergarten: A New Plan to Combat Inequality*, and a research professor at New York University's Institute for Human Development and Social Change and Robert F. Wagner Graduate School of Public Service. His public policy research and analysis focuses on improving children's well-being and development, human services programs and immigration. From 2012 to 2015, Chaudry was a political appointee in the Obama administration, serving as Deputy Assistant Secretary for Human Services Policy at the U.S. Department of Health and Human Services. He also previously served as Deputy Commissioner for Early Childhood Programs at the NYC Administration for Children Services, Director of the Center on Labor, Human Services, and Population at the Urban Institute and faculty member at the New School for Social Research School of Management and Urban Policy. He received his AB from Columbia University, and MPP and PhD in Public Policy from Harvard University.

Taryn Morrissey, PhD, co-author of *Cradle to Kindergarten: A New Plan to Combat Inequality*, is Associate Professor of Public Policy at the American University School of Public Affairs and a Senior Fellow at the Center for American Progress. Her work focuses on examining and improving public policies for children and families. Ongoing research investigates the effects of family economic instability, neighborhood poverty and state paid family leave programs on children's health and achievement. From January 2013 to August 2014, Dr. Morrissey was Senior Advisor at the US Department of Health and Human Services, working primarily on President Obama's Early Learning Initiative, including Early Head Start and child care. From 2008 to 2010, she was Health Policy Advisor for the US Senate Health, Education, Labor and Pensions (HELP) Committee, working primarily on the Affordable Care Act. She received her PhD in Developmental Psychology from Cornell University and her BS from Tufts University.

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PRITZKER
Children's Initiative

Through its **Pritzker Children's Initiative**, the **J.B. and M.K. Pritzker Family Foundation** has been a champion of quality early learning for almost two decades. The Pritzker Children's Initiative supports organizations and coalitions in states and communities to expand equitable access to and participation in high-quality services for infants, toddlers, and their families across the United States.

In 2020, ACNJ received a 3 year grant from the Pritzker Children's Initiative to implement [*Unlocking Potential – A Roadmap to Making New Jersey the Safest, Healthiest and Most Supportive Place to Give Birth and Raise a Family*](#). Through the successful implementation of this plan, an additional 25 percent of low-income infants and toddlers in New Jersey – 27,000 young children – will have access to high-quality services by 2023.



ZERO TO THREE created the **Think Babies** campaign to bring nationwide attention to what babies and families need to thrive. Since 2018, ACNJ, along with the NJ Think Babies Coalition, has been partnering with Think Babies to lead a statewide effort to ensure state leaders make New Jersey infants and toddlers a priority.



Advocates for Children of New Jersey (ACNJ) is the trusted, independent voice putting children's needs first for more than 40 years. Our work results in better laws and policies, more effective funding and stronger services for children and families. And it means that more children are given the chance to grow up safe, healthy and educated.

Advocates for Children of New Jersey

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