



TO: Assemblywoman Shanique Speight, Chair
Assemblywoman Shama Haider, Chair
Members of the Assembly Aging and Human Services Committee
Members of the Assembly Children, Families, and Food Security Committee

FROM: Shadaya Bennett, Senior Legislative Analyst, Advocates for Children of New Jersey

DATE: November 14, 2024

Re: The Condition of Child Care in New Jersey

Advocates for Children of New Jersey (ACNJ) appreciates the opportunity to provide comments on the condition of child care in New Jersey.

ACNJ is a nonpartisan child advocacy organization that engages members of the public, policy makers, and other stakeholders to advance policies and programs that benefit children. We are committed to ensuring that all children have access to high-quality care and education in safe, enriching environments. Access to quality early care and education supports healthy development and lays a foundation for social, emotional, and academic success. That is why we believe it is critical for New Jersey's child care system to be strong and stable, ensuring families have access to quality, affordable options.

Access to reliable child care also allows parents to participate in the workforce thus making child care a critical pillar of New Jersey's economic and societal ecosystem. Without this essential service which extends beyond traditional school hours and days, parents, most often women, are unable to engage in the workforce. Without a functioning workforce, businesses struggle to operate which impacts the overall economy. Therefore, whether or not we agree with the means, the end remains the same – child care is everyone's business.

The Current State of New Jersey's Child Care System

Unfortunately, New Jersey's child care system is grappling with a deep-rooted crisis that has only intensified over time. Limited accessibility, staffing shortages, and affordability challenges make child care increasingly out of reach for many families, while child care providers struggle to sustain operations to deliver this essential service. To address these ongoing challenges, we must recognize that affordability and access for families are intrinsically tied to the financial health and stability of providers.

For families, the average annual cost of center-based toddler care is \$19,513 annually (\$1,626/month or \$375 per week) —yet, for most providers, this figure does not cover the true cost of delivering quality care. Providers must shoulder essential expenses like rent, staff wages, and regulatory compliance. Of course, this annual price tag of nearly \$20,000 is unaffordable for many families, and in their effort to remain accessible, providers are caught in a cycle of balancing affordability for families with their own financial survival. Without adequate resources and support, providers are often forced to close classrooms or entire programs, further limiting families' access to the quality child care they need.

This complex web of affordability and accessibility needs urgent attention and intentional investment, to build a sustainable, accessible child care system for all New Jersey families.

Invest in New Jersey's Child Care Infrastructure

The primary recurring public funding source for child care in New Jersey is the child care assistance program, funded through a combination of federal Child Care Development Block Grant (CCDBG) funds and supplementary state funding. However, this funding follows families based on specific eligibility criteria, meaning not all families qualify for subsidies, nor do all child care providers receive this support.

However, families and providers across the state, regardless of their funding sources, face similar challenges related to affordability and sustainability. While we continue to advocate for sufficient funding for the child care assistance program to ensure all families in need can afford child care—and to guarantee a stable revenue stream for providers that accept subsidies—this highlights the need for public investment that both supports families and also strengthens the financial stability of child care providers statewide.

Child care serves a public good, and an intentional focus on strengthening its infrastructure can yield significant returns on investment. To stabilize and strengthen our child care system, New Jersey must consider prioritizing targeted investments in the child care infrastructure, with a specific focus on supporting the workforce.

Child care is in short supply, with enough space to serve only about a third of the children who need care. The primary reason centers report serving fewer children is due to a shortage of staff. Providers need support to offer fair compensation that reflects the unique skills and value child care workers provide our children without shifting the cost burden to families. Currently, most providers generate just enough revenue to keep pace with minimum wage, which limits their ability to offer competitive pay and discourages qualified individuals from staying in the field. The average child care worker in New Jersey makes about \$32,000 per year, which are poverty wages in our state. Inadequate salaries and benefits hinder recruitment and retention efforts, and worsening economic conditions and burnout contribute to high turnover and staffing shortages, which compromise quality.

Ultimately, the consequences of this crumbling infrastructure affect children and working families. While adequate facility space and financial support for families are critical, without a well-supported workforce, the industry cannot survive. If we fail to invest in the child care workforce, our young children will lack access to early care and education, and working families will be left without viable options.

Conclusion:

In conclusion, Advocates for Children of New Jersey urges the Legislature to consider taking action to address the critical challenges facing New Jersey's child care system. High-quality, accessible child care is not only essential for children's healthy development and lifelong success but is also a cornerstone of a thriving economy and equitable society. Without a well-supported child care infrastructure, parents cannot fully participate in the workforce, and providers cannot meet the growing demand for their services.

We strongly encourage targeted investments that prioritize the financial stability of providers, fair compensation for child care professionals, and greater access to affordable care for families. By

committing to these strategic investments, New Jersey can build a resilient child care system that meets the needs of all families, supports a stable workforce, and strengthens the foundation for our state's future.

Thank you for your consideration of our comments. Should you have any questions, please feel free to reach out – sbennett@acnj.org.