

# New Jersey Mothers are Working: Where are the Children? Child Care Operating Under the Radar Puts Children's Safety and Healthy Development at Risk

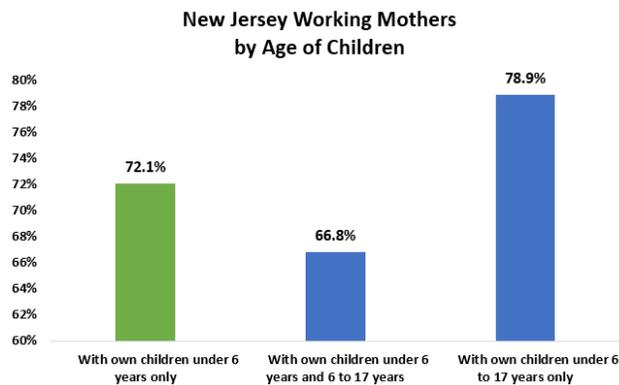
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## Today's Workforce in New Jersey

The good news is that unemployment in New Jersey is at 3.8 percent,<sup>1</sup> the lowest the unemployment rate has been since March of 2001 when unemployment stood at 3.7 percent.<sup>2</sup>

Nearly three-quarters (72.1 percent) of NJ mothers with children under age 6 are in the workforce.



With so many mothers in the workforce today, the need for child care has grown. Regulated child care capacity (in licensed centers or registered homes) is far below the number of young children who have working parents.

For 2018, the Department of Children and Families, Division of Child Development, lists the number of licensed centers at 4,169 with a capacity of 386,738 and the number of registered homes at 1,598 with a capacity of 7,990.<sup>3</sup> The combined capacity is about 394,728. It's likely that the capacity is higher now midway through 2019, however, even estimating capacity at around 400,000 regulated spaces for young children, there is still a gap between potential demand and supply.

## New Jersey Children with Working Parents by Age of Child

- **402,270 children under age 6** have working parents (*both parents are working in married couple families or the single parent with whom the child resides is working*)
- **536,000 school-age children between the age of 6 and 12** have working parents
- **938,270 children 12 and younger** have working parents

Source: U.S. Census Bureau, 2017 American Community Survey, 1 Year Estimates

## Parent Child Care Choices

What is known is that parents are working and that child care is expensive. Parents report making decisions about the type of child care that best meets their needs based on a number of factors: the location, the hours, the cost, the friendliness of the provider or staff, their perception of quality, and sometimes other factors like whether parents with multiple children can keep their children together, or whether the provider is located near public transportation, or in their neighborhood or near where they work.

## Family Child Care Homes

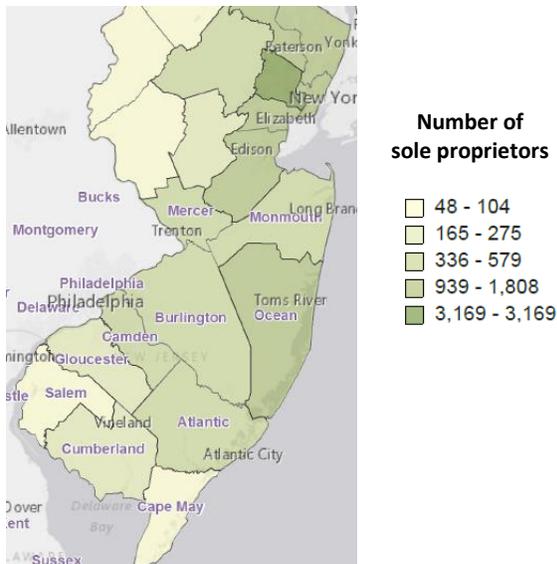
From talking to parents, it's clear that some families seek out home-based care particularly for younger children – infants and toddlers, because the setting is more like home. Of concern, is the decline in registered family child care homes. For many families, particularly those who are low-wage workers but who do not receive a subsidy, the decline in registered homes means fewer market choices for child care.

In New Jersey, registering to operate a family child care home is voluntary. There's no licensing requirement like there is for center-based care. This means that much of the family child care home supply flies under the radar where the safety for children is unknown and the quality of the setting is unknown.

For example, while registered family child care providers may be between 2,000 and 1,500 at any given time, the number of individuals operating a child care business out of their home as reported through the U.S. Census Bureau Economic Survey is 7 times higher at 13,954 individuals (or sole proprietors) who report earning income in their home from caring for children.

This means that there are potentially 12,000 home-based child care providers throughout New Jersey operating under the radar. Registration is voluntary, therefore, they are operating legally – with no background checks, health or safety rules, CPR certification, or training in child development.

The map below shows the number of sole proprietors operating home-based child care by county earning over \$174 million annually.<sup>4</sup>



### U.S. Census Bureau Economic Survey Home-based Child Care Operators

Geographic area name	Child Care Sole Proprietors	Income (\$1,000s)
Atlantic County	394	\$4,723
Bergen County	939	\$10,783
Burlington County	359	\$5,970
Camden County	579	\$8,133
Cape May County	48	\$727
Cumberland County	229	\$2,552
Essex County	3,169	\$38,062
Gloucester County	165	\$2,233
Hudson County	1,808	\$21,026
Hunterdon County	77	\$1,571
Mercer County	471	\$5,630
Middlesex County	983	\$10,827
Monmouth County	392	\$4,922
Morris County	336	\$4,886
Ocean County	1,040	\$17,117
Passaic County	1,347	\$15,229
Salem County	67	\$928
Somerset County	275	\$3,491
Sussex County	66	\$951
Union County	1,106	\$13,359
Warren County	104	\$1,450
<b>Total:</b>	<b>13,954</b>	<b>\$174,570</b>

Source: U.S. Census Bureau Economic Survey, 2016

### Closing the Gap to Expand Registered Providers

To promote the safety and healthy development of children in child care, it's time to close the gap between those home-based providers reported through the Census Bureau economic survey and those registered to provide child care. At a minimum, closing the gap would add an additional 72,000 slots to address child care capacity. Although since this home-based care is currently unregulated, it is unknown how many children are being cared for in these homes. What is clear is that the number of home-based operators far exceeds the number of registered homes.

<sup>1</sup> U.S. Bureau of Labor Statistics, [May 2019](#)

<sup>2</sup> U.S. Bureau of Labor Statistics, [March 2001](#)

<sup>3</sup> <http://www.childcarenj.gov/Resources/Reports>

<sup>4</sup> U.S. Census Bureau Economic Survey Non-Employer Statistics