Family Child Care Providers in New Jersey

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NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES

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With funding and support from the New Jersey Department of Children and Families, the Center for Women and Work, the Heldrich Center for Workforce Development and the National Institute of Early Education Research have joined together to form the Rutgers Child Care Research Collaborative for the purpose of conducting research and facilitating community conversations that develop a broad and comprehensive understanding of New Jersey's child care landscape. Our research aims to increase understanding about the needs and interests of parents in New Jersey, the supply and motivations of the child care workforce, and the capacity of the child care sector to meet demand for child care today and into to future within our diverse state.

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The child care landscape is comprised of a variety of paid and unpaid, formal and informal care arrangements that include child care centers, family child care providers, nannies, neighbors and friends, grandparents, siblings, after-school programs, and summer camps. Each of these arrangements plays a vital role in the lives of families, communities, and economies, though some are better understood than others. In this brief, we will focus specifically on Family Child Care (FCC), which is a type of home-based child care registered with the State of New Jersey. This brief is divided into five sections. With this brief we intend to:

1. Describe the different types of home-based child care settings and identify the unique characteristics of FCC providers.
2. Review the literature on why some families may choose FCC providers.
3. Review the current state of FCC in New Jersey, using data specific to the state.
4. Describe FCC providers and the specific challenges they face.
5. Outline how we intend to take the information we have gathered and use it to research FCC in New Jersey.

KEY FINDINGS

- Parents have to balance their values and personal preferences for type of child care with what is available to them given their work and family circumstances. This leads to complexity in choice that is based on many factors (cost, availability, work hours).
- FCC providers compared to center-based providers may offer child care at a lower cost to parents, a better match for a family's culture or language, and/or hours that fit a family's needs.
- FCC provider numbers declined from 2001 through 2019 and dropped steeply in 2020 as a result of the pandemic. In 2023, the numbers began slowly rising again.
- FCC providers encounter a number of barriers when it comes to providing care, including low compensation and administrative burdens.

▲ What are Family Child Care Providers?

The National Survey of Early Care and Education defines home-based caregivers as ones that are either listed, unlisted paid, or unlisted unpaid (Datta et al., 2021). Table 1 illustrates how these types of home-based caregivers are different.

Type of Home-Based Caregiver	Paid or Unpaid	Documentation	New Jersey
Listed	Paid	Licensed, registered or regulated	Family Child Care Approved Home Provider
Unlisted	Paid	None	N/A
Unlisted	Unpaid	None	N/A

Listed home-based caregivers are defined as caregivers who are licensed, registered, or regulated in some way. Unlisted paid providers are defined as those who are paid to care for children for at least 5 hours per week but are not on any state or national list. These may include nannies, babysitters, and others who operate or work within an unregulated context. Unlisted unpaid providers are defined as those who care for children at least five hours per week but are unpaid and are not found on any state or national list. These may include grandparents, other family members or friends who provide care without compensation and without regulation.

Mapping these definitions onto the landscape of home-based providers in New Jersey, we find that:

- Listed home-based providers are comprised of two groups (State of New Jersey Department of Human Services Division of Family Development, n.d.):
  - Registered FCC providers care for five or fewer children below the age of 13 in the providers' private homes.
  - Approved Home Providers
    - › Family, Friend, Neighbor (FFN) providers are defined as individuals who care for up to two unrelated children in the provider's home.
    - › In-Home providers are individuals, similar to FFN providers who care for up to two unrelated children in the child's home.
- Unlisted home-based providers provide care in their own homes or the children's homes but are not recognized by the state as either FCC or Approved Home providers.

FCC providers do not require licensure and can instead voluntarily *register* with the state's Office of Licensing in the New Jersey Department of Children and Families through a sponsoring agency, known as Child Care Resource and Referral Agencies (CCR&Rs). FFN providers are *approved* by the Division of Family Development and care for up to two unrelated children in their own home (State of New Jersey Department of Human Services Division of Family Development). Families that qualify to receive child care subsidies through the New Jersey Child Care Assistance Program must use a child care provider approved by the state. This includes both registered FCC and approved FFN providers.

Unlisted home-based caregivers in New Jersey are neither registered nor approved. These may include nannies, paid family members or friends, or unpaid caregivers who care for a child in the family's own home or in the home of the caregiver. While it is fairly easy to quantify the number of registered and approved child care providers, less is known about how many *unlisted* (neither registered nor approved) home-based providers are caring for children. A national survey of households suggests that there are about 40% more unlisted home-based providers than listed (Datta et al., 2021). Nationally, the number of registered FCCs has been trending downward for several years, but the trend for unregistered providers is uncertain (National Association of Family Child Care, 2021).

▲ Why do Some Families Prefer Family Child Care Providers?

When selecting child care, parents may consider their own beliefs and values, the child care options in their own community, and their ability to afford the options that are available to them (Weber et al., 2018). The latter is especially true for low-income families (Sandstrom & Chaudry, 2012). Given these complex factors, families choose FCC providers for a number of reasons. In contrast with licensed child care centers, FCC providers may offer (1) less expensive services, (2) more flexible hours, (3) more convenient locations, (4) smaller groups of children, and (5) more comfortable environments for parents and children.

In New Jersey, FCC providers typically offer lower costs: the average annual cost of child care in a home-based setting is $9,544, versus $12,679 in a child care center (All Our Kin, 2018). FCC providers are often more accommodating when parents' work hours change or children get sick, resulting in greater labor force participation rates and employment outcomes for parents using FCC (Gordon et al., 2008). More parents that use FCC over center-based care mention flexibility of hours as a primary reason for their choice (Weber et al., 2018). Further, FCC providers are sometimes closer to families' homes and jobs and, as such, are particularly attractive to families in rural communities (Anderson & Mikesell, 2017).
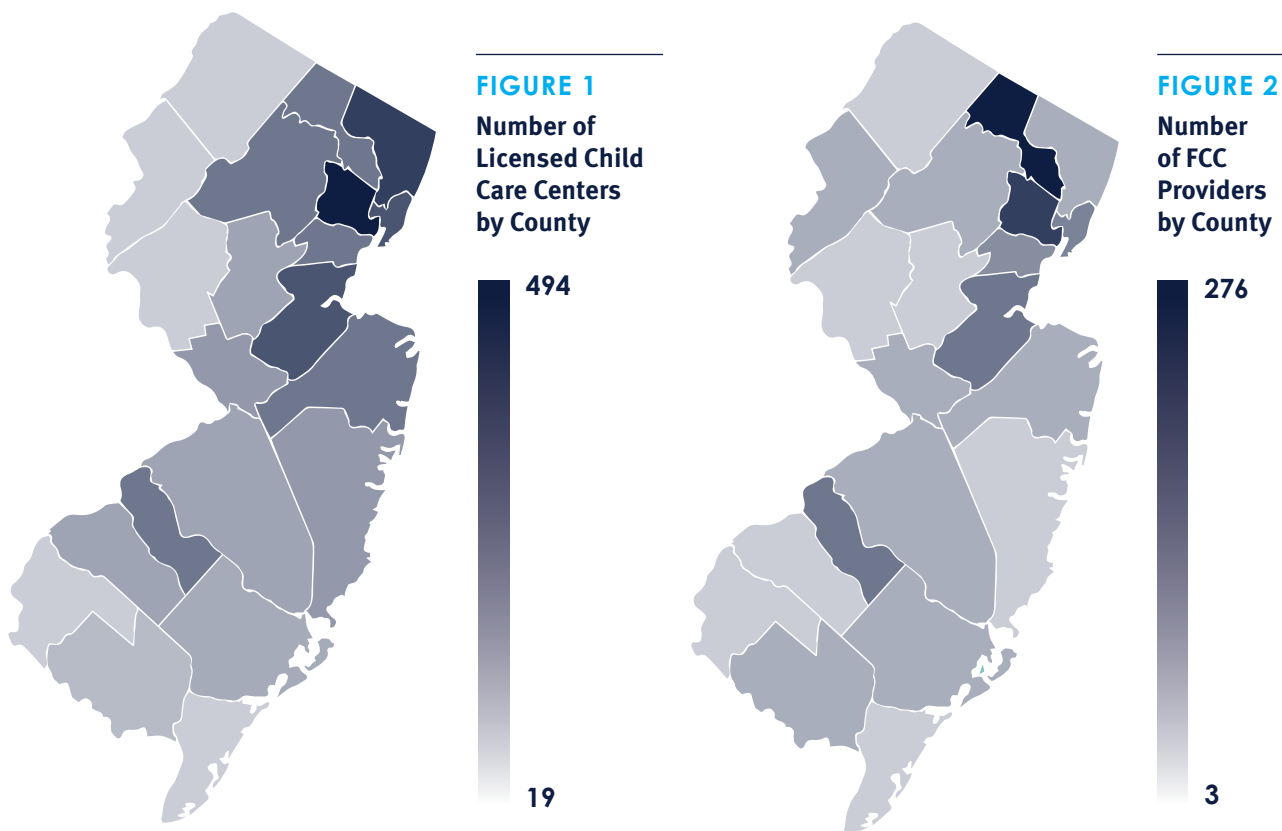
FCC may also better meet families' cultural and linguistic preferences compared to center-based programs (All Our Kin, 2018). For example, a recent study found that some immigrant families, especially those who prioritize finding culturally similar care, prefer home-based care over center-based care (Miller et al., 2014). Similarly, another study found that Latina mothers who immigrated to the U.S. as youth have wider family networks, which may increase their use of FCC or FFN (Buriel & Hurtado-Ortiz, 2016). While immigrant status and English proficiency does predict child care choice for some families, availability of types of child care and socio-economic factors also play a role (Miller et al., 2013).

It is important to note that it is difficult to discern whether FCC providers are parents' ideal choice for child care. While studies can link choice of child care to the importance of flexible scheduling and cost, there are few studies indicating what parental preferences would be if they were not experiencing economic or scheduling constraints. Many low-income families face barriers related to child care availability, work schedules, and affordability. This may lead them to choose child care

options that can work in the face of these barriers, rather than according to their ideal preferences (Sandstrom & Chaudry, 2012).

▲ What is the current state of Family Child Care in New Jersey?

FCCs are located in each of New Jersey's 21 counties. Figures 1 and 2 show maps of New Jersey with numbers of licensed child care centers and registered family child care providers by county. As shown in Table 1[1], the counties with the highest number of registered FCCs are Passaic, Essex, and Camden. The counties with the highest numbers of licensed child care centers are Essex, Bergen and Hudson. The counties with the lowest number of registered FCCs are Hunterdon, Sussex, and Cape May. The counties with the lowest number of licensed child care centers are Salem, Cape May, and Warren. While this chart gives a sense of where FCCs are concentrated, it does not reflect whether there is a difference in capacity between centers and FCC homes. However, it is possible to analyze how FCC homes are distributed, and whether this aligns with the population of children that may need child care. Each FCC has a maximum capacity of five children. Therefore, if a county has ten FCC homes, the maximum capacity of those homes is 50. Table 2 shows the capacity of FCC providers in each county as a proportion of the population under 5 in that county.[2] While imperfect, these percentages give a sense of where FCCs are concentrated given the population of children under age five in each county. The counties with the highest percentage of FCC providers are Passaic, Warren, Camden, and Salem, while the lowest are Hunterdon, Somerset, and Ocean.

FIGURE 1

Number of Licensed Child Care Centers by County

494

19

FIGURE 2

Number of FCC Providers by County

276

3

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1   Authors' analysis of Family Child Care provider list from the State of New Jersey.
2   Population under 5 based on the ACS 1-year estimates 2022

TABLE 1

TABLE 2

Registered FCC providers and Licensed Child Care Centers by County [3]

County	Licensed Child Care Centers	FCC
Atlantic County	103	43
Bergen County	430	59
Burlington County	148	48
Camden County	218	131
Cape May County	27	8
Cumberland County	76	38
Essex County	481	186
Gloucester County	121	20
Hudson County	403	104
Hunterdon County	61	3
Mercer County	197	27
Middlesex County	339	129
Monmouth County	256	48
Morris County	242	38
Ocean County	157	25
Passaic County	247	276
Salem County	20	18
Somerset County	155	9
Sussex County	60	8
Union County	282	74
Warren County	48	24
State Overall	4071	1316

FCC capacity as a proportion of the total population under 5, by county [4]

County	Percent Max/ Population under 5
Atlantic County	1.58%
Bergen County	0.62%
Burlington County	1.02%
Camden County	2.11%
Cape May County	1.20%
Cumberland County	2.10%
Essex County	1.79%
Gloucester County	0.66%
Hudson County	1.18%
Hunterdon County	0.25%
Mercer County	0.65%
Middlesex County	1.41%
Monmouth County	0.76%
Morris County	0.74%
Ocean County	0.26%
Passaic County	4.31%
Salem County	2.79%
Somerset County	0.27%
Sussex County	0.64%
Union County	1.05%
Warren County	2.96%

A recent New Jersey-based survey found that Black parents were more likely than white families to use non-center-based care for their children. For Black families, this finding in New Jersey is in notable contrast with national trends that show Black families using center-based care at higher rates. Additionally, lower income families and families with lower educational attainment were less likely to use center-based care than higher income parents and parents with higher educational attainment. Additionally, parents in South Jersey were less likely to use center-based care than their counterparts in central, north, and northeast regions (Nores et al., 2023).[5]

3   Authors' analysis based on Licensed Child Care Center Explorer (https://childcareexplorer.njccis.com/portal/) for Center Numbers and DCF (as of 11/2023) for Family Child Care Numbers
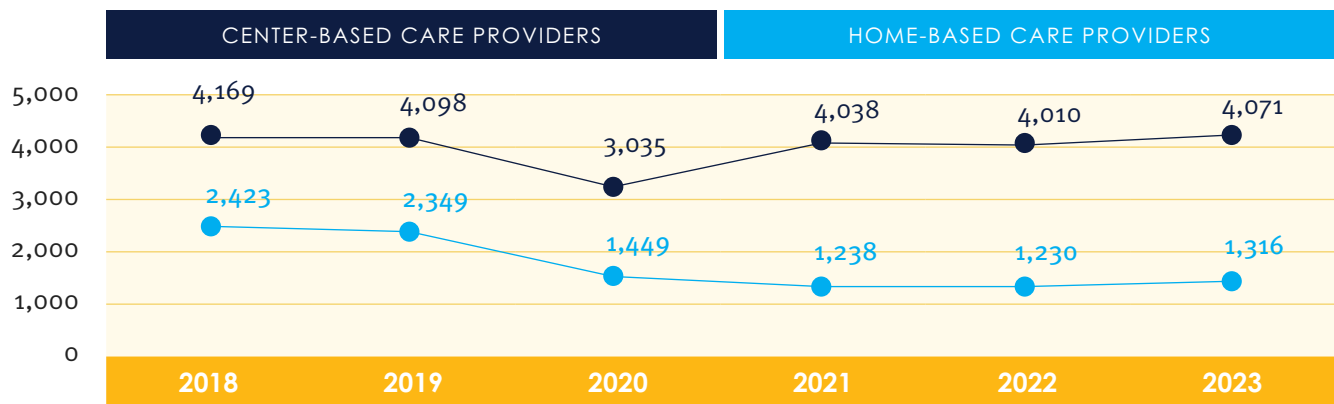4   Authors' analysis based on Family Child Care provider list from the State of New Jersey and ACS 1-year estimates 2022
5   South (Atlantic, Burlington, Camden, Cape May, Gloucester, Salem); Central (Mercer, Middlesex, Monmouth, Ocean, Somerset); North (Bergen, Hunterdon, Morris, Passaic, Sussex, Union, Warren); Northeast (Essex, Hudson)

During the course of the COVID-19 pandemic, child care markets weakened substantially. However, in New Jersey, center-based child care has rebounded to its pre-pandemic levels, as shown in Figure 3.
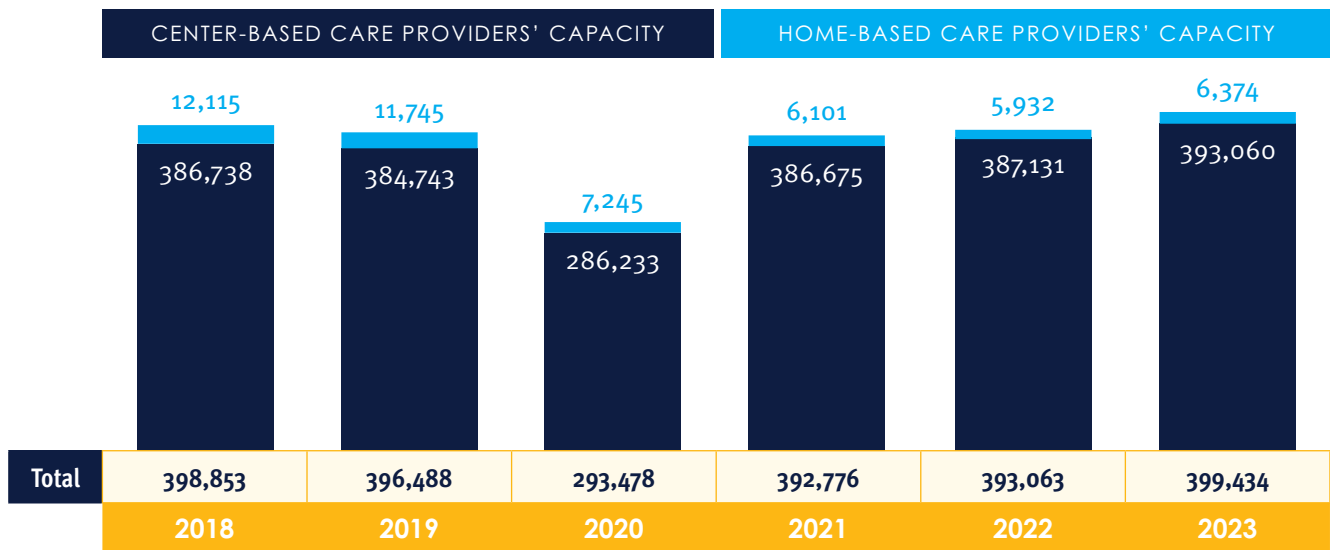
As shown in Figure 4, the state's child care capacity is close to its pre-pandemic levels, with comparable levels for center-based care but a near 50% reduction from 2019 to 2022 for licensed home-based care.

FIGURE 3
Number of registered child care providers in New Jersey

	CENTER-BASED CARE PROVIDERS			HOME-BASED CARE PROVIDERS		

Center-based: 4,169 (2018), 4,098 (2019), 3,035 (2020), 4,038 (2021), 4,010 (2022), 4,071 (2023)

Home-based: 2,423 (2018), 2,349 (2019), 1,449 (2020), 1,238 (2021), 1,230 (2022), 1,316 (2023)

2018	2019	2020	2021	2022	2023

SOURCE: State of New Jersey Department of Human Services Division of Family Development, 2023 Center-based Numbers based on https://childcareexplorer.njccis.com/portal/ & Home-based numbers provided by DCF

FIGURE 4
Number of registered child care slots in New Jersey

	CENTER-BASED CARE PROVIDERS' CAPACITY			HOME-BASED CARE PROVIDERS' CAPACITY		

Home-based capacity: 12,115 (2018), 11,745 (2019), 7,245 (2020), 6,101 (2021), 5,932 (2022), 6,374 (2023)

Center-based capacity: 386,738 (2018), 384,743 (2019), 286,233 (2020), 386,675 (2021), 387,131 (2022), 393,060 (2023)

Total	398,853	396,488	293,478	392,776	393,063	399,434
	2018	2019	2020	2021	2022	2023

SOURCE: State of New Jersey Department of Human Services Division of Family Development, https://www.childcarenj.gov/Resources/Reports

This phenomenon is not particularly unique to New Jersey: across the U.S., the supply of FCC providers has seen a sharp decline. The number of registered or licensed family child care providers across the country has fallen 52% from 2005 to 2017 (Office of Child Care, 2019). Over a similar period, New Jersey saw a decline at a rate slightly higher than the national average, with a 59% drop from 2001 to 2016 (Dellanno & Kaiser, 2017). As seen in Figure 3, the number of licensed home-based care providers continued to decline through 2022, but has rebounded slightly to 1,316 in 2023.[6]

The National Center of Early Childhood Quality Assurance (2020) report suggests that there are a number of factors that have contributed to this decline of FCC providers (National Center of Early Childhood Quality Assurance, 2020). Family care providers often work longer hours and for less compensation than center-based child care workers. This may contribute to them leaving the field to find work with higher compensation or for fewer hours of work. Home-based providers may choose not to register given that they may have difficulty navigating the administrative burden of the requirements for licensing or registration that may have been designed for child care centers. In New Jersey specifically, All Our Kin (2018) puts forth several additional theories in their Landscape Report of New Jersey Family Child Care. These include the possible aging out of the FCC workforce, the high cost for low-income families if FCC providers charge more than the subsidy rate, and the possibility of public pre-K decreasing the demand for FCC for preschool-aged children.

The Rutgers Child Care Research Collaborative will expand on this research and further investigate the causes of turnover and retention of FCCs, factoring in the additional pandemic-related issues that were not captured in the All Our Kin report. Indeed, some New Jersey-based data suggest child care workers are struggling as a result of the pandemic, and it is affecting marginalized communities the most (Small & Lancaster, 2022). For example, Black and Latinx/Hispanic child care workers have seen a slower recovery of their jobs compared to white and Asian child care workers. While this previous work has examined child care workers as a whole, little has been done to understand the specific challenges faced by family care providers, a gap we intend to fill.

▲ Who are Family Child Care Providers and What Challenges Do They Face?

According to American Community Survey data, 93% of New Jersey's child care workers in 2020 were women. The majority of child care workers are white (66%). Nearly 16% of child care workers are Black, 25% are Latinx/Hispanic, and almost 6% are Asian (Small & Lancaster, 2022). However, this analysis relies on secondary Census data using NAIC industry codes, and does not disaggregate child care workers by the type of facility in which they work (e.g. FCC home-based providers versus center providers).

Analyses by the Center for the Study of Child Care Employment indicate that the child care workforce in New Jersey stands at around 38,000 and the average wage for a child care worker is $12.59 an hour (Center for the Study of Child Care Employment, 2020). FCC providers typically earn less than their

6   Authors' calculation of FCC data provided by the State of New Jersey.

center-based counterparts, and child care workers in general often lack access to benefits such as health insurance, paid sick time, vacation, and holidays. Because FCC providers operate as a small business, which includes operational costs in addition to the cost of their labor, some estimates put their actual average hourly wage at just $5.32 an hour (All Our Kin, 2018). Their status as a small business also means that FCC providers must provide their own insurance and do not receive paid time off if they are only paid by families when the children are at their homes (Dellanno & Kaiser, 2017).

To become a registered family child care provider, the caregiver must first attend a two-hour orientation, during which they are given an application packet as well as a Manual of Requirements for Family Child Care Registration. Next, they complete ten hours of Health and Safety trainings and six hours of CPR/First Aid. Then, providers submit an application with two character references and the results of a medical examination as well as background checks for themselves, their employees and any household members. Finally, a safety inspection of the home must be completed and a $25 registration fee paid (Community Child Care Solutions, n.d.).

These administrative steps are intended to ensure quality in FCC. However, the administrative and time burden may create disincentives for FCCs to register or to enter the workforce at all. This could result in FCC providers not receiving the training that might enable them to improve their quality of child care and efficiencies in running their small business. In a study of FCC providers in Los Angeles, providers reported that it is difficult for them to maintain high quality interactions with the children in their care while also being responsible for administrative burdens (Paredes et al., 2020). However, when FCC providers are given the technical assistance they need, and financial support like grants, they are more likely to provide higher quality care, defined by program structure (schedule, play time), listening and talking (helping children with language and reading books), and activities (educational in nature) (Tang et al., 2020).

▲ Next Steps in the Research

Supporting FCC providers has the potential to improve the wellbeing of New Jersey children and families. However, at this stage, not a lot is known about the challenges and benefits FCC providers experience as it remains understudied across the country and locally.

Going forward, the Rutgers Child Care Research Collaborative aims to better understand (1) which types of families prefer FCC and why; (2) aspects that have driven the decline in FCC in New Jersey; (3) what encourages retention of FCC providers; (4) the ways in which state policies and procedures are facilitating or impeding the work of FCC providers; and, (5) FCC providers' motivations for doing their work.

We also aim to understand the makeup of the FCC workforce using existing secondary data and primary data collection. We intend to analyze existing public data to determine whether family child care providers are visible within these datasets, and whether any sociodemographic data is available for them. If this is the case, we will outline some preliminary descriptive statistics of FCC providers.

The Rutgers Child Care Research Collaborative will also survey and interview FCC providers to examine more closely the extent to which FCC providers employ staff and how they navigate additional business-related needs.

After establishing an understanding of the individuals working in FCC, we aim to collect more information (via focus groups) about what may increase or decrease the numbers of family care providers. What did they experience during the height of the COVID-19 pandemic? What challenges do New Jersey's family care providers face? How can we better incentivize this important dimension of our child care landscape? We aim to understand the administrative burdens that may make it difficult for family care providers to register and remain registered with the state and how the state might help them to ease these burdens.

Family Child Care remains an important part of the child care infrastructure in New Jersey, and the Collaborative, through its research efforts, aims to provide recommendations for policies that may broaden the range of feasible quality child care options for New Jersey families.

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The Rutgers' Center for Women and Work (CWW) engages in research, education and programming that promotes economic and social equity for women workers, their families, and communities. CWW's work focuses on addressing women's advancement in the workplace; providing technical assistance and designing programming for educators, industry, and government; and engaging in issues that directly affect the living standards of working families in New Jersey and around the world.

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