



Photo By: Jessi Weithman

**“Within Reach: The Case for
High Quality Child Care for New
Jersey’s Infants and Toddlers”**

**Children’s
FUTURES**

WITHIN REACH: THE CASE FOR HIGH-QUALITY CHILD CARE FOR NEW JERSEY'S INFANTS AND TODDLERS

Within reach

Some of the most encouraging research findings on child development indicate that parent-child bonding and positive stimulation during the first three years of life are critical for optimal brain development, and can result in lasting cognitive, social and emotional gains. These gains in turn lead to improved school performance, and to greater economic productivity in adulthood — as well as to reductions in negative outcomes such as teen pregnancy, crime and dropout rates. What makes these findings so encouraging is that cost-effective solutions are potentially within reach of families, communities, and policy makers.

The challenge

Due primarily to work pressures, many families face great challenges in their efforts to ensure that their infants and toddlers receive the loving attention and positive stimulation that are so critical during their early years. In low-income households, the problem is often far worse: high levels of economic stress can result in maternal depression, substance abuse, and domestic violence. Placing infants and toddlers in those homes increases risk for neglect, abuse, and trauma, depriving them of the positive stimulation and parent-child bonding which are so vital for their cognitive, social, and emotional development.

What's more, in order to support their families or because of TANF work requirements, many young mothers, who are generally the primary source of emotional bonding and positive stimulation for their infants and toddlers, are now working full-time. As a result, infants and toddlers are spending a substantial part of their waking hours outside the home, often in some form of child care.

Fortunately, researchers have found that high-quality child care can play an important role in providing the kind of positive stimulation and bonding that infants and

toddlers need for optimal brain development; this can enhance their cognitive, social and emotional development.

But for too many families, high-quality child care is hard, if not impossible, to come by, either because it is not available in their community or because it is not affordable. This is particularly true for many families with low income. Child Care Connection, Inc., a non-profit resource and referral agency dedicated to promoting quality child care services in Trenton, New Jersey — a fairly typical low-income community — recently conducted a city-wide survey to identify the number of infants and toddlers who were in some form of regulated child care, including child care centers, family child care, and so-called “family, friend and neighbor care.”

Because they are regulated, these providers must meet certain state-specified minimum quality standards, yet the survey results indicate that *only about 30 percent of the city’s infants and toddlers are in some form of regulated child care*, with about half of those 30 percent receiving public subsidies. Nancy Thomson, the executive director of Child Care Connection, expressed alarm at this finding: “It is shocking to us to realize the number of children who are not in regulated care.”

In interviews with her agency’s front-line staff to try to account for the “missing” 70 percent of infants and toddlers who were not in regulated care, Thomson was told that many of these children are probably in some form of unregulated care because their parents’ income is too low to pay for regulated care but too high to qualify for public subsidies. In addition, a growing number of Trenton parents do not have legal residency status — and so they are not eligible for child care subsidies.

The fact that so many of Trenton’s infants and toddlers are not in regulated child care that at least meets minimal quality standards is especially striking given that Trenton is a state-designated former Abbott district — so that its preschool programs for 3- and 4-year-olds are well funded and generally of high-quality. This means that *most of the children entering the Abbott preschools in Trenton will not have received high-quality child care during the three years prior to preschool — the three years that, according to neurobiologists, are in fact the most critical for their brain development*. As a result, although the state has made a substantial investment in high-quality preschool in Trenton

and New Jersey's other former Abbott districts, many of Trenton's children are most likely entering preschool already well below their full potential in terms of their cognitive, social and emotional development — and for most children this loss can never be fully overcome, not even with the highest quality preschool or with any other subsequent remediation.

Even for those Trenton children who *are* in regulated child care, Child Care Connection has found that the quality of that care can vary a great deal from provider to provider. Moreover, as is true in most low-income communities, low subsidy rates make it difficult for most child care providers to offer the kinds of salaries necessary to recruit and retain well-trained, highly qualified child care staff. For the past five years, Child Care Connection has been administering a standardized test to child care workers in Trenton seeking scholarship support for certification. Although the test only requires reading comprehension and vocabulary at the seventh grade level, each year *half the applicants do not pass*.

Some good news

There is, however, some good news on the child care front. First, with the support of Children's Futures, a non-profit intermediary agency committed to ensuring that all of Trenton's children enter preschool healthy and ready to learn, Child Care Connection has been providing intensive technical assistance and support to 20 of the 34 family child care providers in Trenton who, as of August 2008, had infants and toddlers in their care. These efforts appear to be having a measurably positive impact on the quality of the care that they provide. In other words, child care quality can be improved — and, at least for these first 20 providers, at a relatively modest cost of approximately \$6800 per family child care provider, or \$1350 per child.¹

Second, in 2006, New Jersey's Governor Corzine signed an executive order permitting family child care workers to unionize — a move that should help to raise salary levels and make it possible to attract more highly qualified workers to the field.

¹ Thomson believes that the incentive for participation may need to be increased somewhat to attract additional providers into the quality improvement network.

Nationally, only about 17 percent of child care workers belong to a union, compared with more than 50 percent of K-12 teachers, and the average salary for child care workers is \$19,000, well below half the national average for K-12 teachers (approximately \$45,000). Again, this wage gap is all the more striking given that most of the critical brain development on which subsequent school performance occurs during the years that children are in child care.

Third, research results from an independent evaluation of New Jersey's Abbott preschool program — which in 2005-06 served more than 40,000 three- and four-year-olds in the state's most impoverished school districts — indicate that the children in the program have experienced substantial developmental gains in language, literacy, and mathematics; these gains were largely sustained during kindergarten; and that these children were substantially less likely to have to repeat grades. While the Abbott program is limited to preschool children and does not serve infants and toddlers, these research findings clearly indicate that *increased state funding can make a big difference in the developmental and educational outcomes of large numbers of young children — even those living in the state's most disadvantaged communities.*

Finally, research results from an independent national evaluation of the federal Early Head Start program indicate that it, too, is having significant positive effects on children's cognitive and language development, as well as on their socio-emotional behavior. And in contrast to Abbott, Early Head Start *does* serve infants and toddlers. In fact, it is targeted primarily at low-income pregnant women and their infants and toddlers up to three years of age. And in 2003, Early Head Start served 61,500 children in 708 community-based programs across the country — again demonstrating that large-scale early intervention programs can have a significant positive impact on children from low-income families, *including infants and toddlers.* (Earlier this year, Congress passed the American Recovery and Investment Act of 2009, which includes \$619 million to expand Early Head Start to an additional 55,000 pregnant mothers, infants and toddlers — almost doubling the scope of the program.)

Why this matters

The case for investing in programs that improve health and developmental outcomes for young children has often been made on cost-benefit grounds. And in fact, the economic return from such programs can be substantial. For example, a cost-benefit analysis of the well-known Perry Preschool program in Ypsilanti, Michigan, indicated a long-term return to the public of more than seven dollars for every dollar spent on the program.

However, the importance of investing in early childhood programs is now taking on a whole new level of urgency. The U.S. economy faces huge challenges in the coming decades: how to remain competitive in an increasingly fierce global economy, how to support a rapidly aging population, and how to pay down a staggering national debt that threatens to choke off future economic growth. It is now becoming clear — especially in the wake of the recent financial meltdown — that if we are to address these challenges successfully and maintain anything like our present standard of living, *a way must be found to dramatically increase the productivity of the nation's future workforce.*

In considering how best to tackle this challenge, economists have long recognized the important role that human capital — the education, skills and knowledge of the workforce — plays in determining productivity. However, they are now beginning to understand, as a result of the recent breakthroughs in neurobiology and child development research, the profound impact of the early childhood years in determining subsequent adult human capital and productivity. As Chairman Ben Bernanke of the Federal Reserve Bank, who oversees the nation's economy, has pointed out, “Although education and the acquisition of skills is a lifelong process, *starting early in life is crucial.*”

It is all the more crucial given that today's infants and toddlers will, in fact, constitute much of the nation's future workforce — and that, as matters currently stand, such a large proportion of those infants and toddlers are at risk for *poor* developmental outcomes. In New Jersey, more than one out of four children (27 percent) are now

growing up in families with low income;² and nationally, the figure is 39 percent — *almost two-fifths of the nation’s future workforce*.³ James Heckman, winner of the Nobel Prize in economics, and his colleagues have emphasized the seriousness of the problem: “The future success of the U.S. economy will depend in part on well educated and highly resourceful workers who are capable of learning new skills in a continually changing global market. *That success is in jeopardy because a growing fraction of the nation’s workforce will consist of adults who were raised in disadvantaged environments.*” Compounding the problem, as Heckman points out, is the fact that those children who live in disadvantaged environments and do *not* grow up to become fully productive adults are more likely — as a result of higher school drop-out, teen pregnancy, and crime rates — to contribute to future social *costs*.

Recommendations

Fortunately, as noted at the outset, cost-effective solutions are within reach. Research has demonstrated that high-quality child care and early learning interventions can bring about significant improvements in the cognitive, social and emotional development of infants and toddlers; that will yield a substantial long-term social and economic return, and the evaluation of Early Head Start confirms that these gains can be achieved on a large scale. Equally important, New Jersey’s Abbott Preschool Program has demonstrated that state government has the capacity to implement a high-quality program that has already improved outcomes for tens of thousands of the state’s preschool-aged children.

But, as the Child Care Connection data from Trenton suggest, we do not yet appear to be reaching many of the *youngest* children in our low-income communities — the infants and toddlers — *yet that is precisely where the greatest potential to impact the future productivity and well-being of the state and the nation exists*. To address this critical gap, the following actions are strongly recommended:

² With incomes below 200 percent of the Federal Poverty Level.

³ Not counting immigration or emigration.

1. Per child public funding for child care for infants and toddlers from families with low income in New Jersey (currently roughly \$8000 a year) should be increased by at least 50 percent so that it is on a par with current educational funding for Abbott (about \$12,000 per year, not including wrap-around services). This would bring it within reach of the average cost of child care in Mercer County⁴ (currently \$11,900 per year for birth through 18 months), although still well below the average cost of child care in Princeton, one of Mercer County's more affluent communities (currently \$15,900 per year for birth through 18 months). This level of funding (\$12,000) would also be roughly comparable to the average per child funding level for Early Head Start in the current federal stimulus package (\$11,254), adjusting for the fact that costs in New Jersey are higher than the national average. However, it would still fall *below* New Jersey's K-12 expenditures (\$13,238 per pupil in 2005-06). In fact, when compared on a *monthly* basis (to adjust for the fact that K-12 expenditures only cover 10 months), the proposed minimum funding level for infants and toddlers from families with low income is approximately 22 percent less than the 2005-06 funding level for K-12 in New Jersey.
2. In contrast to current Abbott funding, this proposed funding increase for early child care should be extended to all infants and toddlers from families with low income in New Jersey, and should not be limited just to those who live in Former Abbott districts. This will mean adding roughly 32,000 infants and toddlers with family incomes below 200 percent of the Federal Poverty Level to the roughly 60,000 infants and toddlers who live in Former Abbott districts. While this would therefore add 50 percent to the cost of limiting the funding increase to the existing Former Abbott districts, children from low-income families who live outside the former Abbott districts are at the same risk as Abbott district children for poor developmental outcomes and therefore must have access to the same high-quality child care services.

⁴ Where Trenton is located.

3. Because many young families with incomes above 200 percent of the Federal Poverty Level also have difficulty accessing high-quality child care, partial subsidies should also be made available, on a sliding scale basis, to middle income families who otherwise would not be able to afford high-quality child care. These children, too, will constitute a major part of the future workforce, and must also receive high-quality child care in order to optimize their cognitive, social and emotional development and their subsequent school performance and adult economic productivity.
4. Investments should also be made in improving child care quality. Clearly, raising funding levels will be an important step in this direction, by enabling providers to hire and retain more qualified staff, improve staff-to-child ratios, and purchase better materials and equipment. However, additional technical assistance and support will also be needed, along the lines that Child Care Connection has been providing to family child care providers in Trenton (although it should not be limited to family child care providers, since more children receive their care in child care centers). In addition, steps should be taken to improve the functioning of the child care “market,” so that providers increasingly compete for “business” on the basis of quality. This will require that parents have ready access to standardized, comparable information about all the providers in their “market area,” including cost, quality rating scores (professional and parent), past code violations and how those have been resolved, staff training and experience, staff-to-child ratios, staff retention rates, etc. It will also require ready access to public transportation services so that parents can place their children with providers outside their immediate neighborhood. Finally, the state must require criminal background checks on all child care providers.
5. Improved child care cannot happen in a vacuum. Because parents remain the most important source of positive bonding and support for their children, child care needs to be anchored in a broader system of supports for young children and their families, a system that includes nurse home visitors, family resource centers, pediatricians and family physicians, religious congregations, community health

centers, hospitals, police, social service agencies, and other potential sources of support. Child care providers should be linked with these other parts of the “system” through a common information system, and child care representatives should meet periodically with representatives of the other participants in the system — preferably under the auspices of a trusted intermediary organization that has sufficient funding leverage to encourage productive collaboration. Children's Futures, a nonprofit organization committed to ensuring that all Trenton children enter preschool healthy and ready to learn, is currently playing this vital intermediary role in Trenton.

A serious commitment

As these recommendations suggest, ensuring that all of New Jersey's infants and toddlers have access to high-quality child care will require a serious and sustained commitment by the state, as well as the federal government, local governments, and parents themselves.

As noted, the need for a commitment on this scale results from the confluence of three major developments that have far-reaching implications for New Jersey and for the nation:

- The urgent need — in the face of growing global competition, the accelerated aging of the U.S. population, and a staggering level of public debt — to dramatically increase the productivity of the future workforce.
- The new scientific findings regarding the profound importance of early brain development in determining all aspects of subsequent human development, including economic productivity in adulthood.
- The steady increase in the proportion of young mothers — ordinarily the primary source of human bonding and stimulation during their child's formative years — who are now in the workforce, with the result that more and more infants and toddlers are spending the majority of their waking hours outside the home in some form of child care.

While New Jersey's Abbott preschool program is an impressive demonstration of the state's capacity to provide high-quality early learning services to tens of thousands of its most vulnerable children, child care for the state's infants and toddlers — the age at which most of human brain development occurs — remains at best uneven, especially for those low-income children who are at greatest risk for poor developmental outcomes. By making a serious commitment to improving the availability of high-quality child care to all of its infants and toddlers, New Jersey will be making the wisest possible investment in its future prosperity and the well-being of its people — including the millions of baby boomers and their children whose future economic security will in large part depend on the productivity of tomorrow's workforce.

**This policy brief was conducted by Paul Jellinek
in partnership with Children's Futures
December 2009**