



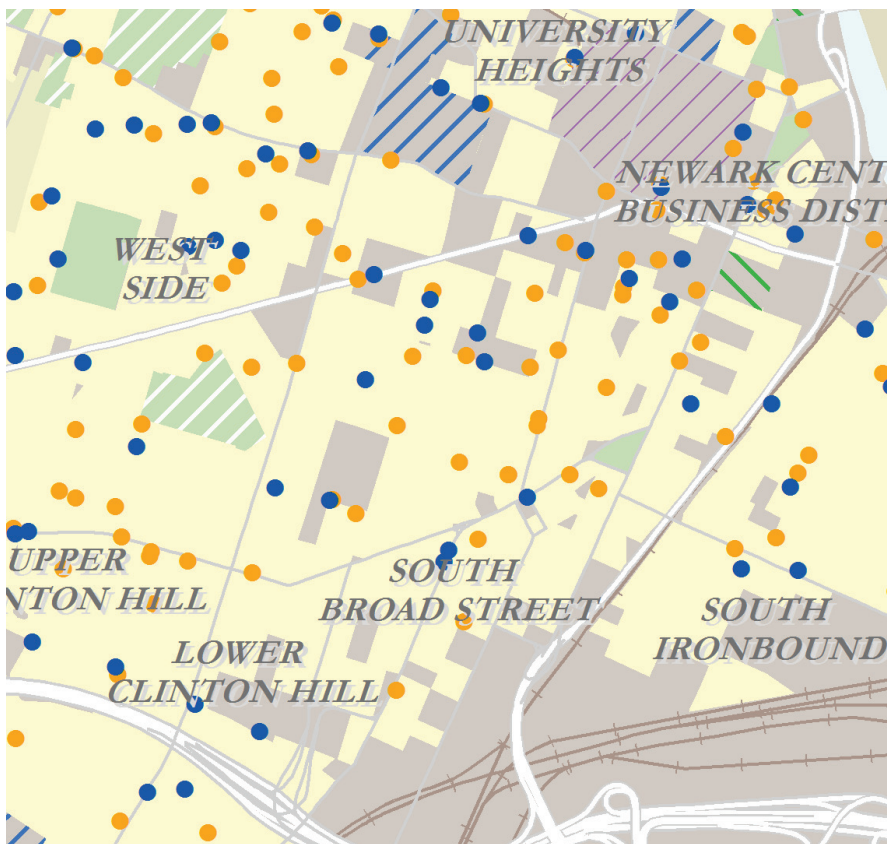
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Estimating the Supply and Demand for Child Care in Newark, New Jersey

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High-quality early learning experiences support positive child development and help prepare children for success in school and beyond. Quality child care is also critical for families, as it allows parents to maintain employment. In Newark, NJ we estimate that only one-half of all child care (53%) is provided in state licensed child care centers and 49% is provided in high-quality child care centers (i.e., centers with National Association for the Education of Youth Children (NAEYC) accreditation, within a Head Start Program, or Abbott District sites run by Newark Public Schools¹).

To better understand gaps in the supply of child care, and high-quality care in particular, Reinvestment Fund conducted a study of the supply and demand for child care in Newark to identify underserved areas. With support from the Foundation for Newark's Future (FNF), Reinvestment Fund created an interactive web-based tool based on this analysis, accessible at www.newarkchildcaremap.org, which shows the supply of and demand for childcare. That tool also identifies where gaps in total and high-quality childcare exists throughout the city. With this information, funders, practitioners, and child care advocates can make data-informed decisions about where resources and interventions are needed most.

There is no single data source to adequately model the supply and quality of child care—nor is there a single data source that indicates the demand for child care services. Estimates provided in this report are drawn from the following datasets:

Sources for Estimating Supply	Sources for Estimating Demand
<ul style="list-style-type: none">▪ New Jersey Department of Children and Families▪ Abbott Sites - Newark School District▪ Head Start, Full National Center List▪ National Association for the Education of Young Children▪ National Establishment Time Series▪ InfoUSA▪ Family Child Care Providers, Programs for Parents	<ul style="list-style-type: none">▪ Longitudinal Employer-Household Dynamics, US Census▪ American Community Survey, US Census▪ The Nielsen Company, Population Projections

Table 1: Sources Used to Construct Supply and Demand Estimates

After combining the datasets listed above, Reinvestment Fund statistically estimated the supply and demand of child care in Newark. An Advisory group of local early childhood experts vetted the data sources as well as the statistical and spatial methods employed to ensure the results accurately represented the child care landscape in Newark.²

¹ Child care centers run by the Newark Public Schools are sometimes referred to as “Abbott” schools because they receive supplemental funding as a result of the 1985 *Abbott v Burke* decision. For more information see:

<http://www.state.nj.us/education/archive/abbotts/>

² For more detail see the methodology section of this report, available at

<http://www.programsforparents.net/component/content/article/94>

Because New Jersey does not have a statewide quality rating system for early child care providers, Reinvestment Fund worked with the local Advisory group to identify a proxy measure of quality. Based on the recommendations of the Advisory group, Reinvestment Fund identified a child care center as “high quality” if the center holds NAEYC accreditation, operates as a Head Start program, or is operated as an Abbott District site by Newark Public Schools.

Main findings include:

1. **There is a substantial gap between the total supply of child care and the demand for care.** Across the city the supply of child care is only sufficient to meet 85.6% of demand.
2. **Shortages of total supply are distributed relatively evenly across communities.** Low-income areas and areas with greater concentrations of people who identify as Black or African American have a similar level of child care supply as other areas in the city.
3. **The shortage of high-quality supply is most severe in areas with low-income families and greater concentrations of people who identify as Black or African American.** Although there was a shortage of high-quality supply across the city, the shortage was substantially worse in and around areas with higher concentrations of families in poverty, and in areas where 75% or more of the population identify as Black or African American.

Locating & Estimating the Supply of Child Care

Across Newark, Reinvestment Fund estimated the total supply of child care at nearly 20,000 seats. Of those, roughly 10,800 seats (53%) were licensed with the state, while the remaining 47% (9,416 seats) were unlicensed. Of the approximately 20,000 child care seats citywide, only approximately 9,970 (49%) were rated as high-quality. These estimates are the maximum potential supply of child care seats, if every center were enrolled at full capacity.

Figure 1 (see p. 3) shows the locations of all child care centers in Newark. Overall, the greatest supply of child care is found in the area around the Newark Central Business District. Unlicensed providers are concentrated near downtown, and around the University Heights, Fairmount, and West Side neighborhoods.

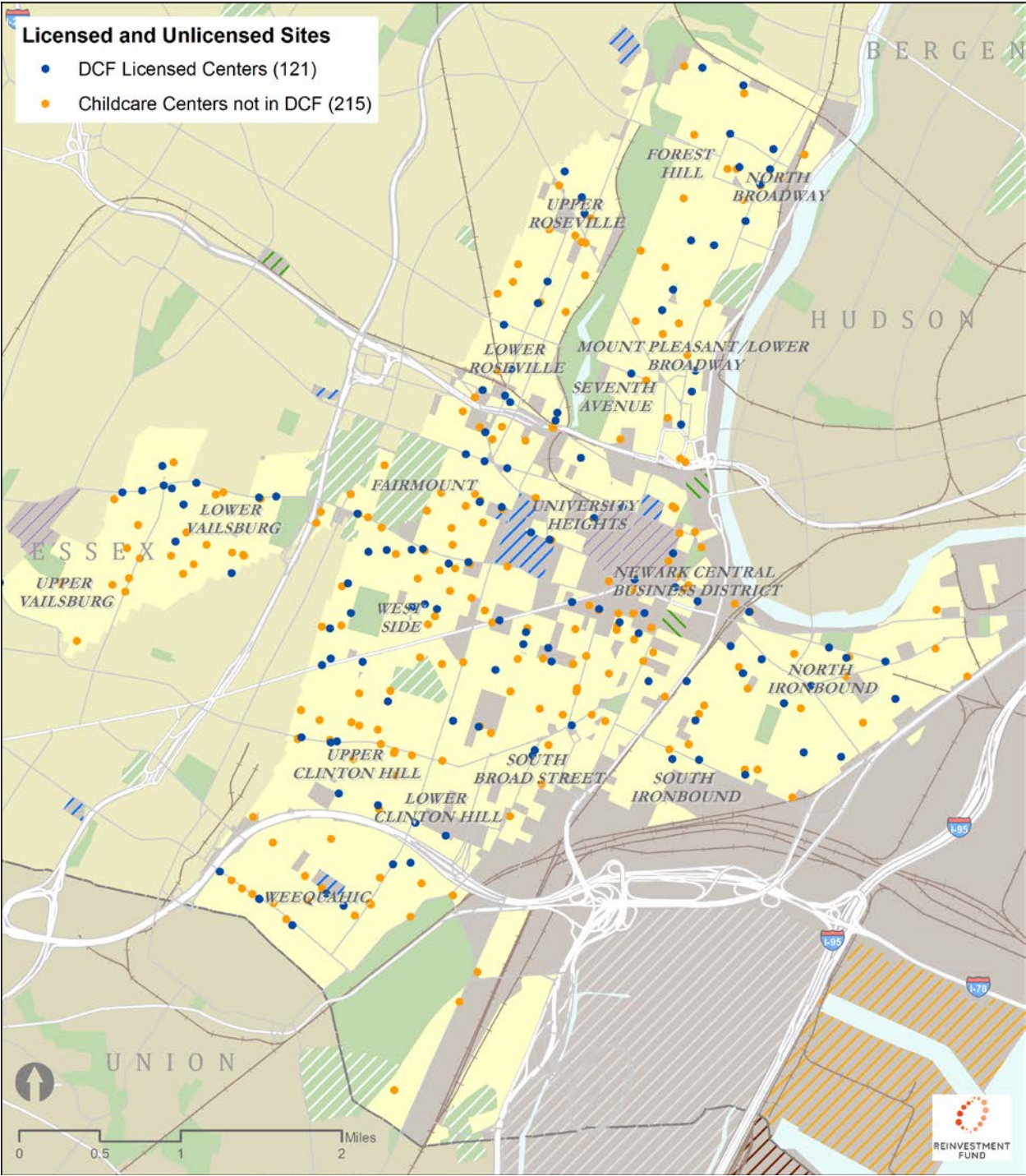


Figure 1: Department of Children and Family (DCF) Licensed Child Care Sites and Unlicensed Sites

Estimating the Need for Child Care

There were 20,340 children under the age of five who lived in Newark in 2015. Using this baseline, Reinvestment Fund analyzed data about where people live and work, as well as household size, income, and family composition to account for the way family travel patterns may affect the demand for child care. Our analyses suggest that 3,880 children travel with adults to child care located outside of the city, near a parent's place of work. In addition, 7,160 children, who reside outside the city, travel with parents to child care located in the city. This yields a maximum potential demand for 23,620 child care seats in the city of Newark.³

The demand for child care was highest in areas with higher concentrations of family poverty, and lowest in areas where fewer than 10% of families were in poverty.

Identifying Areas of Particular Child Care Needs

After estimating the supply and demand for child care, the final step in the analysis identified areas where shortages exist. This step provides key insights for targeting programmatic or investment activity to achieve the greatest benefits to underserved areas.⁴ Figures 2 and 3 (see p. 5) illustrate shortages in all supply and high-quality supply across the city. Tables 2 and 3 (see p. 5), and Figure 4 (see p. 6), present the distribution of high quality child care gaps for families in poverty and for different racial/ethnic groups.

Shortage in total supply

- Reinvestment Fund estimated an overall demand for 23,620 slots in child care centers but a supply of only 20,200, resulting in an overall shortage of 3,420 child care slots.
- Shortages were greatest on the periphery of the city, near North Broadway and Upper Roseville, as well as the areas in the south east (e.g., North Ironbound, South Ironbound, and South Broad Street).

Shortage in high-quality supply

- The shortage in high-quality supply was most severe on western and southern sides of the city (e.g., Lower Clinton Hill, Lower Vailsburg), indicating that fewer child care centers in those areas were NAEYC accredited, Head Start programs, or Abbott Sites run by Newark Public Schools.
- Shortages of high-quality child care were greatest in areas with greater concentrations of people who identify as Black or African American. Just over half of areas where over 75% of families are Black or African American had larger than expected shortages of high-quality care.

³ We estimate that 33% of children of working parents in a given block group will seek child care services near their place of work. This estimate was informed by two studies, a report from the U.S. Census Bureau using the Survey of Income and Program Participation, and a report on the child care arrangements of working parents in Cook County, Illinois. The same methodology that moves children into and out of Newark for purposes of estimating demand also moves children around the city for those parents who live in one part of the city but work in another.

⁴ A detailed methodology to estimate gaps between supply and demand can be found in the methodology report at <http://www.programsforparents.net/component/content/article/94>.

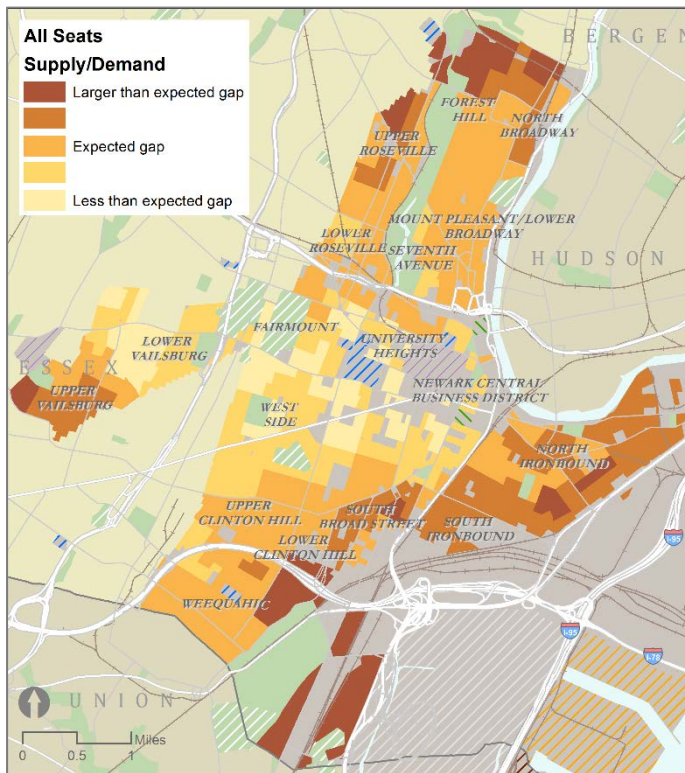


Figure 2: Relative Shortage of All Supply

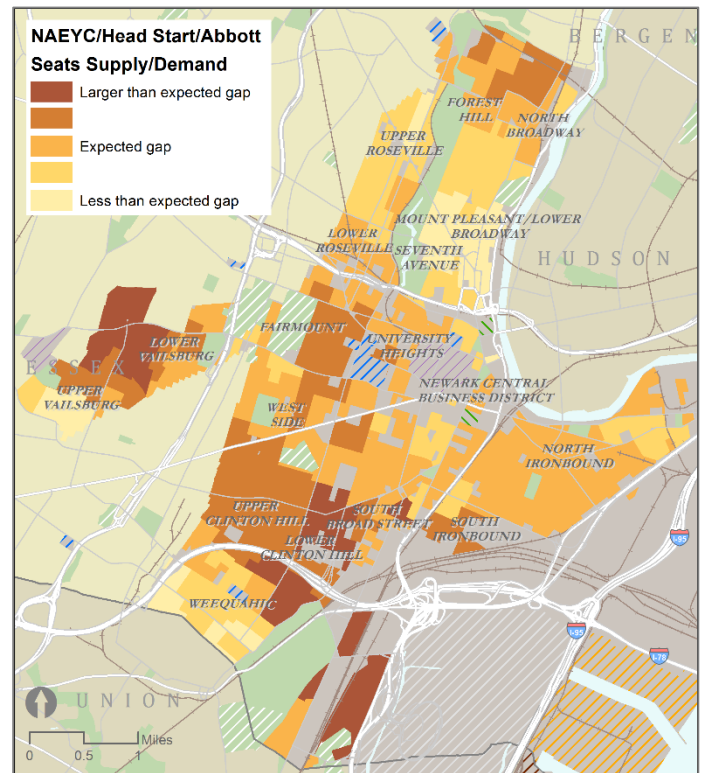


Figure 3: Relative Shortage of High-Quality Supply

	Much Larger than Expected Shortage	Larger than Expected Shortage	Expected Shortage	Less than Expected Shortage	Much Less than Expected Shortage	Total
<10% Family Poverty	0%	21%	62%	12%	6%	100%
10-20% Family Poverty	16%	32%	27%	14%	11%	100%
20-40% Family Poverty	10%	16%	44%	23%	7%	100%
>40% Family Poverty	11%	11%	28%	28%	22%	100%
<25% Black or African American	12%	44%	42%	2%	0%	100%
25-50% Black or African American	14%	18%	45%	18%	5%	100%
50-75% Black or African American	18%	18%	43%	21%	0%	100%
75-100% Black or African American	6%	6%	37%	30%	21%	100%

How to Read this Table: Sixteen percent of block groups where 10 to 20% of families are in poverty had much larger than expected shortages of child care.

Table 2: Distribution of Gaps in Supply of Child Care, by Family Poverty and Race

	Much Larger than Expected Shortage	Larger than Expected Shortage	Expected Shortage	Less than Expected Shortage	Much Less than Expected Shortage	Total
<10% Family Poverty	9%	18%	29%	21%	24%	100%
10-20% Family Poverty	7%	23%	55%	16%	0%	100%
20-40% Family Poverty	13%	18%	27%	28%	14%	100%
>40% Family Poverty	11%	19%	64%	3%	3%	100%
<25% Black or African American	0%	9%	53%	25%	14%	100%
25-50% Black or African American	5%	5%	41%	41%	9%	100%
50-75% Black or African American	11%	7%	57%	14%	11%	100%
75-100% Black or African American	18%	33%	28%	13%	8%	100%

How to Read this Table: Seven percent of block groups where 10 to 20% of families are in poverty had much larger than expected shortages of high quality child care.

Table 3: Distribution of Gaps in Supply of High-Quality Child Care, by Family Poverty and Race

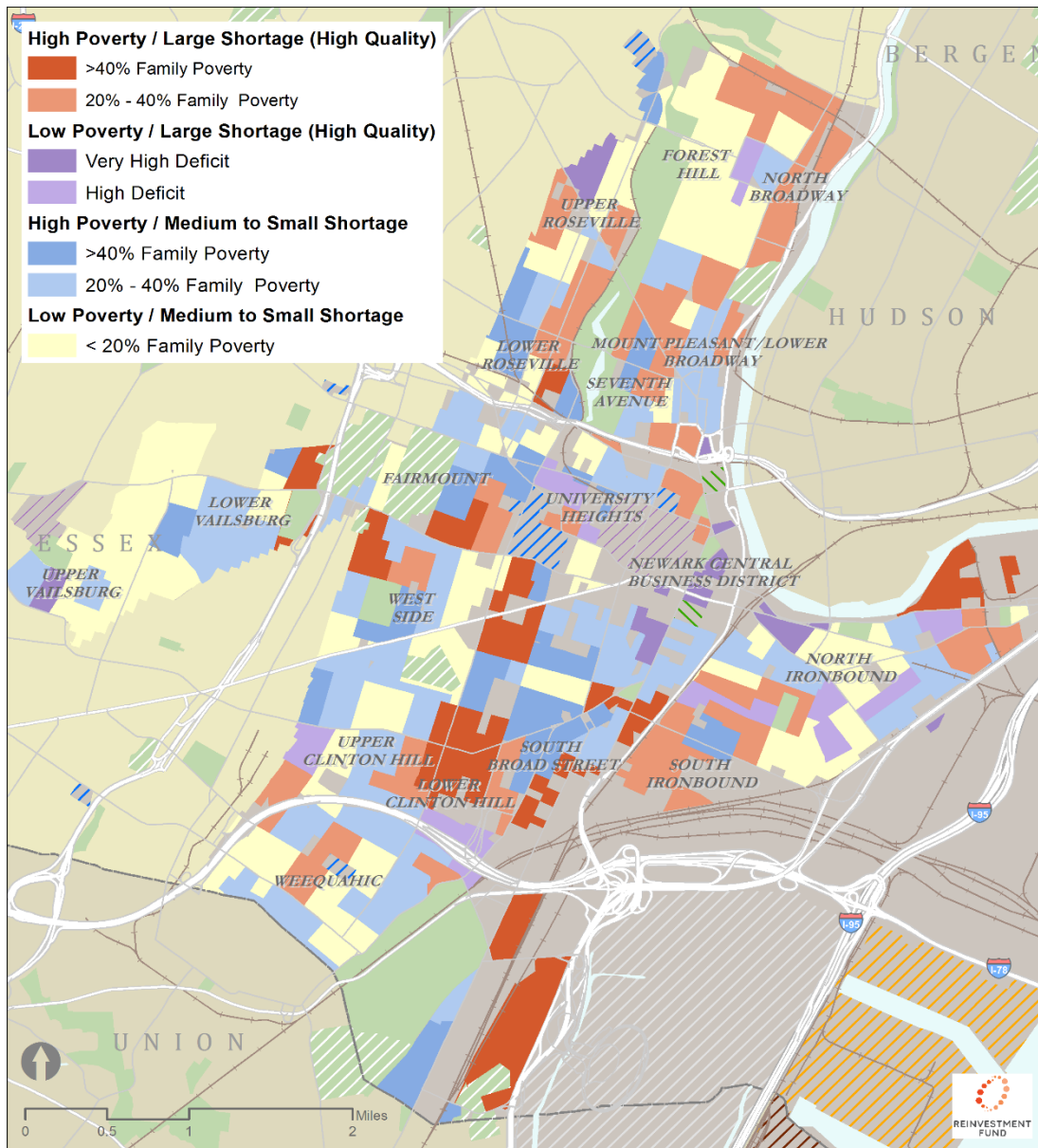


Figure 4: Degree of Relative Shortage of High Quality Child Care and Level of Poverty

Conclusions

Newarkchildcaremap.org and the analyses presented in this memo represent Newark's first comprehensive glimpse into the availability of, and demand for, high quality early childhood education throughout the city. The results highlight that the city as a whole faces a shortage of child care, but that child care shortages are not evenly distributed across the city. Areas of concentrated poverty, along with predominantly Black or African American communities of the city, face an acute shortage of high-quality child care options. This analysis provides a base for planners, policymakers, investors and practitioners to begin to address these needs in an evidence-informed manner.

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