RUTGERS CHILD CARE RESEARCH COLLABORATIVE

New Jersey's Child Care Workforce: An Examination of Administrative Wage Data from 2015 to 2023

AUTHORED BY

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Heldrich Center for Workforce Development

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ABOUT THE

RUTGERS CHILD CARE RESEARCH COLLABORATIVE

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 at Rutgers, The State University of New Jersey 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 the future within our diverse state.

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ABSTRACT

This report, the first in a two-part series, uses data from the New Jersey Statewide Data System (NJSDS) to examine annual employment trends, demographic characteristics, and wage patterns of New Jersey's child care workforce from 2015 to 2023. Analysis shows that the COVID-19 pandemic had a severe impact on the sector, leading to a substantial reduction in the workforce and a shift toward more part-time work, from which the sector has not yet fully recovered. Despite modest wage growth over the study period, compensation remains significantly lower than in comparable occupations. Findings point to the need for strategic investment and policy reform aimed at increasing pay and supporting a more stable child care workforce.

EXECUTIVE SUMMARY

The John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey, is part of the Rutgers Child Care Collaborative, a multi-center project with the Center for Women and Work and the National Institute for Early Education Research. With funding from the New Jersey Department of Children and Families, the Collaborative is conducting research aimed at understanding the child care landscape and workforce in New Jersey. The child care workforce evaluation includes both quantitative and qualitative approaches to examining the characteristics and motivations of individuals working in the child care sector.

This report presents findings on the employment status, demographics, and earnings of New Jerseyans working in the child care sector between 2015 and 2023, using administrative data from NJSDS.

Key Takeaways

- The size of the New Jersey child care workforce between 2015 and 2023 experienced a steady increase in the first five years, with a sharp drop-off in 2020 and a further decline in 2021; after that, the size of the workforce rebounded for one year before decreasing in 2023. However, the size of the state's child care workforce has not yet returned to pre-pandemic levels.
- In 2023, most individuals employed in the sector (64.5%) worked part time.
- Narrowing the sample to workers who were employed in the sector in all four quarters of 2023, the reverse is true — with a minority (36%) working part time and about two thirds (64%) working full time.
- Wages in the child care sector are low compared with the state median salary, with a median annual wage of $30,567 for all workers and $37,114 for those working full time in 2023. This is much below the state median salary of $54,859 in that same year (New Jersey Department of Labor and Workforce Development, Division of Economic and Demographic Research, 2024).
- The child care workforce in New Jersey is predominantly female and is racially and ethnically diverse.
- Recent wage patterns by sex indicate a gender disparity in the median annual wage for the overall sector that appeared in 2020 during the pandemic. While the gap decreased over the following three years, it remained large in 2023, with men's annual median wage at $34,724 compared with that of women at $31,971.

INTRODUCTION

Child care provision plays a vital role in facilitating the participation of parents, particularly mothers, in the workforce. Unlike in other advanced economies, child care in the United States operates primarily within a private market. Although the industry receives significant public funding, the amount of public dollar investment in child care is substantially smaller than that of other high-income countries (Blau, 2001; Waldfogel, 2001). Market constraints in the child care sector present challenges, most notably from the perspective of workers, low wages and few benefits (Whitebook, 1999; Whitebook et al., 2014). In 2021, the national average hourly wage of child care workers was $13.51, which is half of what the average U.S. worker is paid ($27.31) (Banerjee et al., 2021). Additionally, only one fifth of child care workers had employer-sponsored health insurance (Banerjee et al., 2021). In New Jersey, child care workers with a bachelor's degree or higher only earned one third (33%) of the salaries of their equally educated counterparts who worked in the private sector outside of the child care field in the state (Small & Lancaster, 2022).

This disparity in earnings and benefits reflects the "care penalty," a term used to describe the lower pay received by care workers even after accounting for job characteristics, required skills, or qualifications (Folbre et al., 2020). For instance, a study by Budig et al. (2019) found that child care workers face a pay penalty, with women experiencing a 15% gap and men experiencing a 6% gap in the field, compared to non-care workers. As Small and Lancaster (2022) also conclude, the pay penalty in New Jersey further demonstrates that child care workers with higher levels of education have little incentive to stay in the child care field.

At the same time, child care centers face pressure to keep costs, including wages, low. Child care expenses pose a significant burden on families, often surpassing what is considered affordable. The U.S. Department of Health and Human Services advises that child care should be no more than 7% of a family's income, but many working families pay more (Administration for Children and Families, 2024). Using data from 2022, the U.S. Department of Labor estimates that full-time care for one child costs families between 8.9% to 16% of median household income (Poyatzis & Livingston, 2024). In New Jersey, about half of families with children aged 5 and under spend more than 7% of their income on child care (Barnett et al., 2025).

Understanding recent trends in the wages and composition of the child care workforce, including how different workers are compensated and employed, is critical for state policymaking from both an economic and workforce development perspective. The next sections of this report cover the study methodology and the Heldrich Center's analysis of data from NJSDS for child care workers in New Jersey from 2015 to 2023. These analyses examine the fluctuations and changes in the size, annualized wages, and composition of the workforce. These analyses provide insights into how different groups of workers, for example, men versus women and part-time versus full-time workers, were compensated before, during, and after the COVID-19 state of emergency in New Jersey.

METHODS

This analysis of the New Jersey child care workforce used data from NJSDS, a longitudinal multi-agency partnership that connects data from four partnering state agencies to inform evidence-based policymaking. NJSDS includes data from the New Jersey Department of Education, the Office of the Secretary of Higher Education (OSHE), the Higher Education Student Assistance Authority, and the New Jersey Department of Labor and Workforce Development.

The study's analytical sample was selected by filtering all employment data from the New Jersey Department of Labor and Workforce Development's Unemployment Insurance (UI) wage tables between 2015 and 2023 for those in industry code 624410 (child day care services), indicating that they were connected to the child care industry. This use of UI wage records to pull the analytical sample means that the population of interest does not include anyone working "off the books" or who is self-employed. The sample is limited to those who received wages from a UI-covered place

of employment within the industry code for child day care services. The North American Industry Classification System code 624410 (child day care services) is defined as "establishments primarily engaged in providing day care of infants or children. These establishments generally care for preschool children, but may care for older children when they are not in school and may also offer pre-kindergarten educational programs" (U.S. Census Bureau, n.d.). The corresponding index entries for child day care services include child day care centers, day care centers (child or infant), day care services (child or infant), group day care centers (child or infant), infant day care centers, nursery schools, pre-kindergarten centers (except part of elementary school system), and preschool centers (U.S. Census Bureau, n.d.). Because only establishments that pay into the UI tax system are required to report wages, family child care providers, who operate as sole proprietors of their business and do not employ other individuals, are not included in the sample.

Because the UI wage source only contains wage-related data, these records were matched with three other data sources within NJSDS to obtain information regarding worker race/ethnicity and sex: UI claims data from the New Jersey Department of Labor and Workforce Development, enrollment data from OSHE, and K–12 demographics data from the New Jersey Department of Education. Working with administrative data records, particularly wage records, offers great advantages in comparison to self-reported income surveys. The administrative wage records are part of the state's UI system and, therefore, represent workers' exact quarterly earnings.

At the same time, however, these data sources have three critical limitations that impact the findings presented in this report. First, UI wage records are reported as quarterly wages only. Thus, it is possible to know if someone was employed in a calendar quarter and exactly how much that individual earned during those three months. However, since it is not known how many hours or even months they worked during that quarter, researchers are unable to calculate hourly or monthly wages. However, wages are annualized as discussed in Appendix A. Second, NJSDS includes data from institutions in New Jersey only. Because the population of interest is child care workers in New Jersey, and NJSDS contains the universe of UI wage records, Heldrich Center researchers are confident that the sample of child care workers in UI-covered jobs is complete. However, because researchers rely on matching with other data sources to obtain key demographic information, some variables are missing. Specifically, researchers were unable to find about one third of the workforce in the UI benefits, K–12, or the higher education data sources. This is to be expected for anyone who never filed for unemployment benefits and did not attend either a primary, secondary, or postsecondary institution in New Jersey. Finally, different data structures among the source files and changing field definitions over time pose challenges for understanding the race and ethnicity of the workforce. Please see Appendix A for a discussion on the methodology related to calculating and summarizing data related to workers' wages, sex, race, and ethnicity.

SIZE AND ANNUAL EARNINGS OF THE CHILD CARE WORKFORCE BY EMPLOYMENT STATUS

Table 1 shows the number of workers employed in the New Jersey child care sector, as defined by those working under the industry code for child day care services, annually from 2015 to 2023. All individuals employed during each calendar year are included, regardless of the number of quarters worked. In other words, researchers count all employees, whether they were employed for only one quarter or all four quarters of the year. In addition to the total size of the workforce, found in the last column of Table 1, researchers also report the numbers of part- and full-time workers.

Because the UI wage records do not distinguish between full-time and part-time status, researchers calculated two measures: an annual threshold using the New Jersey minimum wage in each year and the full-time equivalent earnings for that year (see Appendix A for details). Annual wages equal to or greater than this threshold are considered full-time employed, and those less than this threshold are considered part-time employed. The categorization of employment status in this way allows a deeper understanding of wages, but should be interpreted with caution. It is possible that some in the full-time category are part-time workers who earn higher hourly wages, or alternatively, that some in the part-time category worked full time for a portion of the year and not at all in other months.

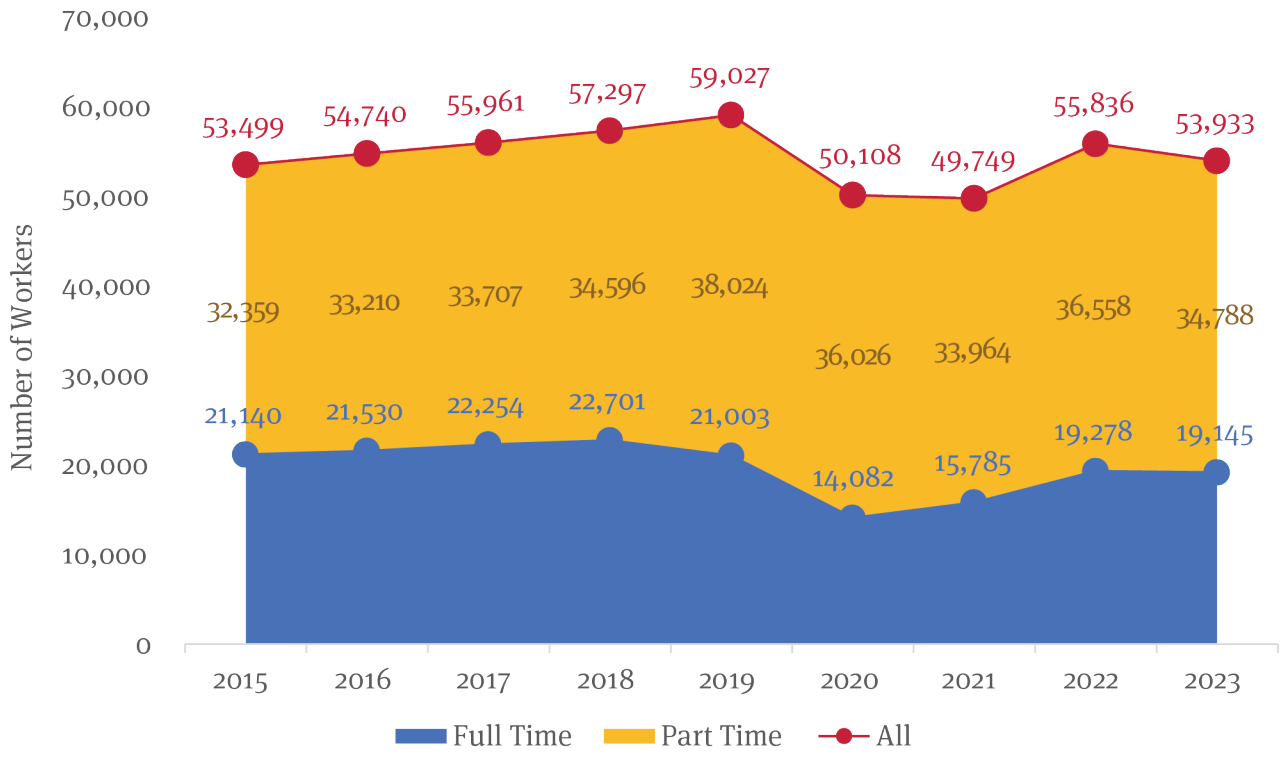
Table 1: Size of the New Jersey Child Care Workforce by Employment Status, 2015 to 2023

Year	Part Time		Full Time		All
	N	%	N	%	
2015	32,359	60.5%	21,140	39.5%	53,499
2016	33,210	60.7%	21,530	39.3%	54,740
2017	33,707	60.2%	22,254	39.8%	55,961
2018	34,596	60.4%	22,701	39.6%	57,297
2019	38,024	64.4%	21,003	35.6%	59,027
2020	36,026	71.9%	14,082	28.1%	50,108
2021	33,964	68.3%	15,785	31.7%	49,749
2022	36,558	65.5%	19,278	34.5%	55,836
2023	34,788	64.5%	19,145	35.5%	53,933

Source: NJSDS
Note: Percentages are calculated using the N from the "all" column as the denominator.

Figure 1 graphically depicts the data presented in Table 1 to illustrate the trends in the annual size of the child care workforce in New Jersey from 2015 to 2023. Between 2015 and 2019, the workforce experienced slow expansion with a sharp decline in 2020, corresponding with the COVID-19 pandemic. As Figure 1 depicts, the size of the workforce has not fully rebounded to pre-pandemic levels, and did not expand from 2022 to 2023, the last year of the study data. The data are reflective of a workforce that predominantly consists of part-time workers, with their proportion hovering between 60.2% and 64.4% from 2015 to 2019. In 2020, part-time workers grew to 71.9% of the overall workforce, which coincides with the onset of the COVID-19 pandemic. In 2023, this number fell to 64.5% of the workforce but remains higher than pre-pandemic levels.

Figure 1: Size of the New Jersey Child Care Workforce Annually, 2015 to 2023



Source: NJSDS

The data in Table 1 and Figure 1 reflect the total number of individuals in the child care workforce by year. However, not all workers are employed throughout the entire calendar year. Table 2 provides a more detailed breakdown, showing the workforce distribution by the number of quarters in which individuals received wages, ranging from one quarter to all four quarters of the year. About half of all workers are employed across all four quarters in most years. That pattern shifted in 2020 and 2021, when only 38.9% and 31.6%, respectively, remained employed year-round, likely due to the COVID-19 pandemic. In contrast, approximately 21.0% of workers are employed for only one quarter in a typical year, a number that reached 25.9% in 2020. Workers employed for three quarters represent the smallest share overall, although this group rose to nearly one quarter of the workforce in 2021.

Table 2: Size of the New Jersey Child Care Workforce by Number of Quarters Employed, 2015 to 2023

Year	One Quarter		Two Quarters		Three Quarters		Four Quarters		All
	N	%	N	%	N	%	N	%	
2015	10,470	19.6%	9,204	17.2%	7,311	13.7%	26,514	49.6%	53,499
2016	10,392	19.0%	10,324	18.9%	7,441	13.6%	26,583	48.6%	54,740
2017	11,268	20.1%	10,050	18.0%	7,278	13.0%	27,365	48.9%	55,961
2018	11,679	20.4%	10,155	17.7%	7,122	12.4%	28,341	49.5%	57,297
2019	11,806	20.0%	10,566	17.9%	8,612	14.6%	28,043	47.5%	59,027
2020	12,996	25.9%	9,410	18.8%	8,205	16.4%	19,497	38.9%	50,108
2021	12,232	24.6%	9,715	19.5%	12,083	24.3%	15,719	31.6%	49,749
2022	12,012	21.5%	10,694	19.2%	7,138	12.8%	25,992	46.6%	55,836
2023	9,836	18.2%	9,470	17.6%	7,333	13.6%	27,294	50.6%	53,933

Source: NJSDS

Table 3 reports the number of child care workers employed in all four quarters of each year, along with the annual median wages, expressed in 2023 dollars, for those employed part time and full time during the study period. Annual median wages are calculated as a fuzzy median (the average of the 45th and 55th percentiles of quarterly earnings). Please see Appendix A for more details on this calculation.

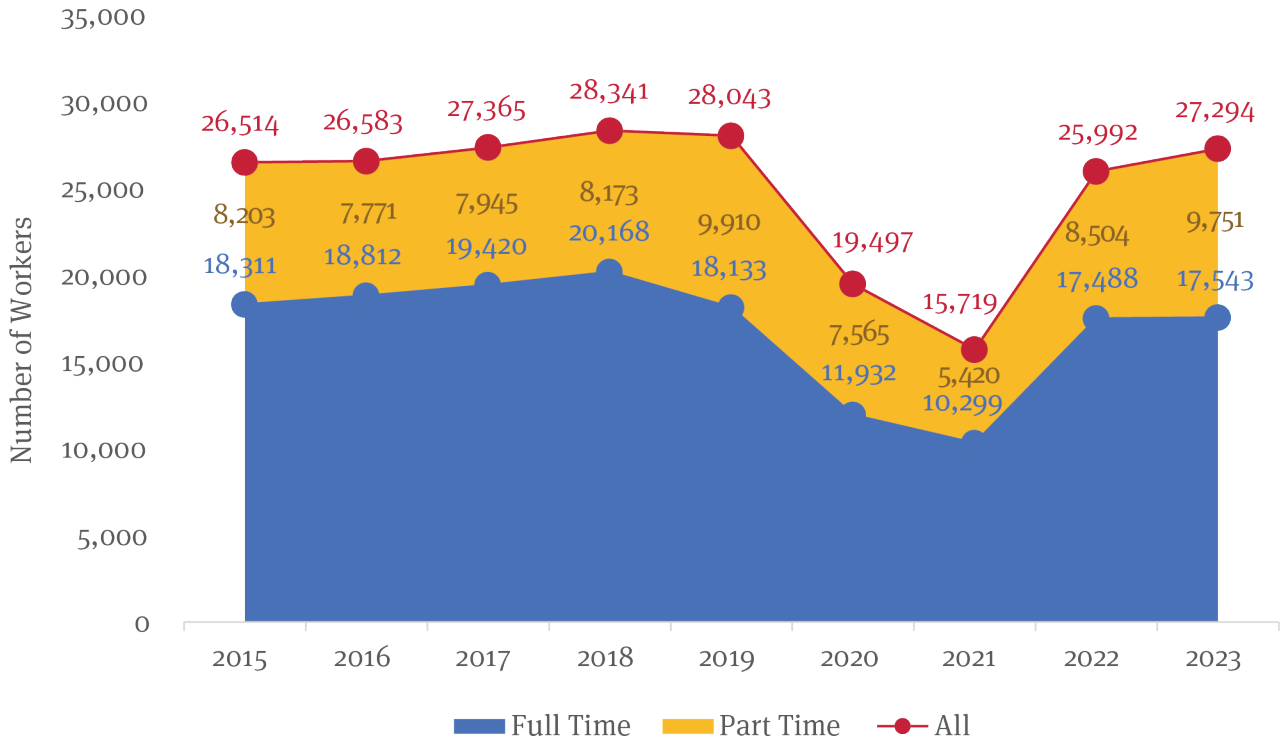
Table 3: New Jersey Child Care Workforce and Median Annual Wages by Employment Status, 2015 to 2023

Year	Number of Workers Who Worked Four Quarters			Fuzzy Annual Median Wage		
	Part Time	Full Time	All	Part Time	Full Time	All
2015	8,203	18,311	26,514	$12,805	$32,972	$26,337
2016	7,771	18,812	26,583	$12,403	$33,008	$26,864
2017	7,945	19,420	27,365	$12,209	$32,722	$26,679
2018	8,173	20,168	28,341	$11,922	$32,544	$26,699
2019	9,910	18,133	28,043	$13,684	$34,205	$26,942
2020	7,565	11,932	19,497	$16,128	$38,021	$28,262
2021	5,420	10,299	15,719	$16,802	$35,296	$29,352
2022	8,504	17,488	25,992	$16,037	$36,395	$30,463
2023	9,751	17,543	27,294	$16,453	$37,114	$30,567

Source: NJSDS

Among individuals employed in all four quarters of the year, nearly three quarters are full-time workers, a stark contrast to the trends among all workers presented in Table 1. This finding aligns with the expectation that year-round employment is more common among full-time staff. The proportion of full-time workers reached its lowest point in 2020, falling to 61% because of the COVID-19 pandemic, while the share of part-time workers rose to 39%. This shift is also visible in Figure 2, which shows that after the disruptions in 2020 and 2021, the distribution began to return to pre-pandemic levels. However, by 2023, the composition suggests a renewed decline in full-time employment, with part-time work accounting for a larger workforce share (36%).

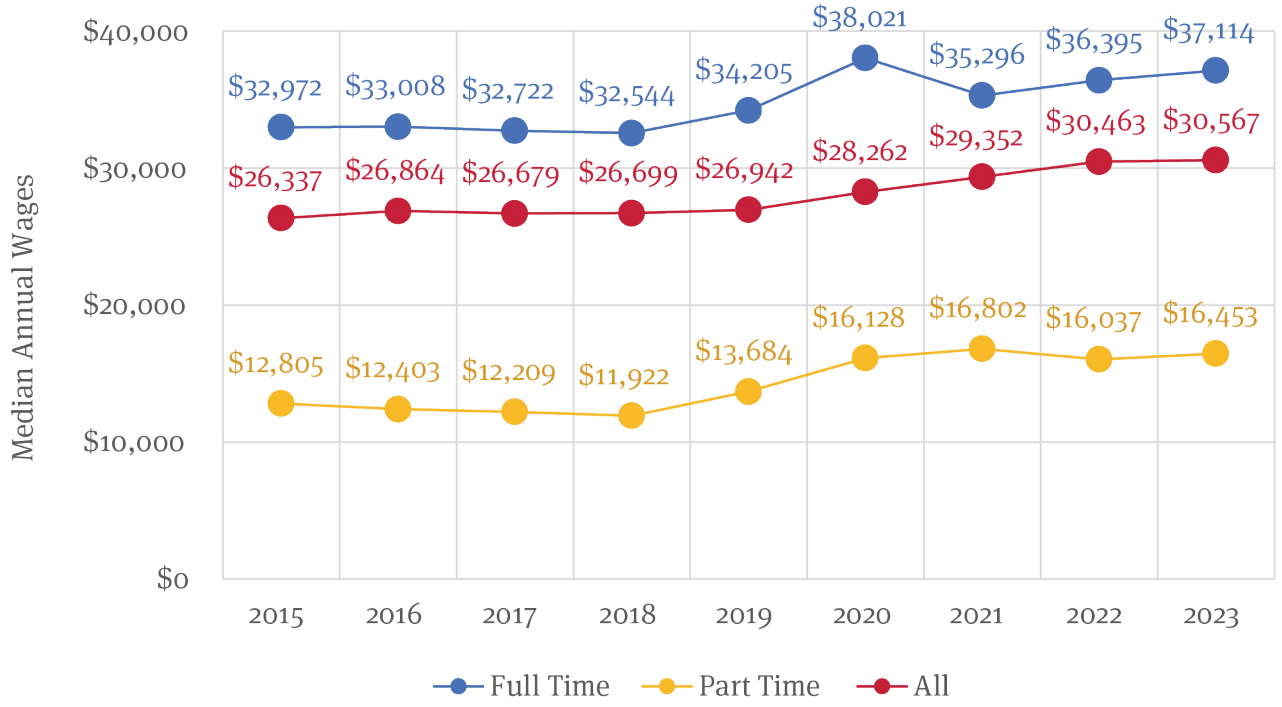
Figure 2: Annualized New Jersey Child Care Workforce, 2015 to 2023



Source: NJSDS

Figure 3 presents the median annual wages from 2015 to 2023 for part- and full-time workers as well as for the entire population in the study. As evidenced in the median calculations, wages for workers employed in all four quarters experienced overall increases between 2015 and 2023. Full-time workers experienced a large increase in wages in 2020, followed immediately by a small decrease in 2021 and steady but small increases in the following two years. In 2023, full-time workers earned a median annual wage of $37,114, only slightly less than the 2020 peak in wages of $38,021. In contrast, median part-time wages experienced inconsistent growth during the period, where though they had minor wage reductions during 2017, 2018, and 2022, the wages increased from $12,805 in 2015 to $16,453 in 2023. For both part- and full-time employment, workers experienced more significant increases in earnings between 2019 and 2020.

Figure 3: Median Annual Wages for Part- and Full-Time New Jersey Child Care Workers, 2015 to 2023



Source: NJSDS

WORKFORCE SIZE AND EARNINGS BY RACE/ETHNICITY

Table 4 shows that between 2015 and 2023, the child care workforce remained consistent overall in its racial demographic composition (for more information, see Table B-1 in Appendix B). During the study period, the largest group is comprised of workers who identify as white. Specifically, the NJSDS data show that 38.7% of the child care workforce was white in 2015, decreasing gradually to 29.9% in 2023. The data also indicate that about 3 in 10 workers identify as either Black or Hispanic, with 12.6% and 17.6% identifying as such in 2023, respectively. Members of smaller groups, including American Indian non-Hispanic, Asian non-Hispanic, and those of multiple races, comprise less than 4% of the workforce during the study period.

It is important to note the proportion of the sample that has missing data or could not be matched with the other data files. The "not found" rate starts at 19.6% in 2015 and climbs to 29.4% in 2023. As noted in the methods section, demographic data for the sample do not come from the UI wage records, but rather from other source files in NJSDS. Heldrich Center researchers observe that those who have joined the child care workforce in more recent years are less likely to be matched in the other data files. Researchers, thus, conclude that individuals who joined the child care workforce in recent years are less likely to have completed a postsecondary degree at a New Jersey institution and/or have experienced using UI benefits. Researchers also note the relationship between the decrease in those identifying as white and the increase in "not found" and offer caution in interpreting the percentage of white individuals as decreasing during the study period.

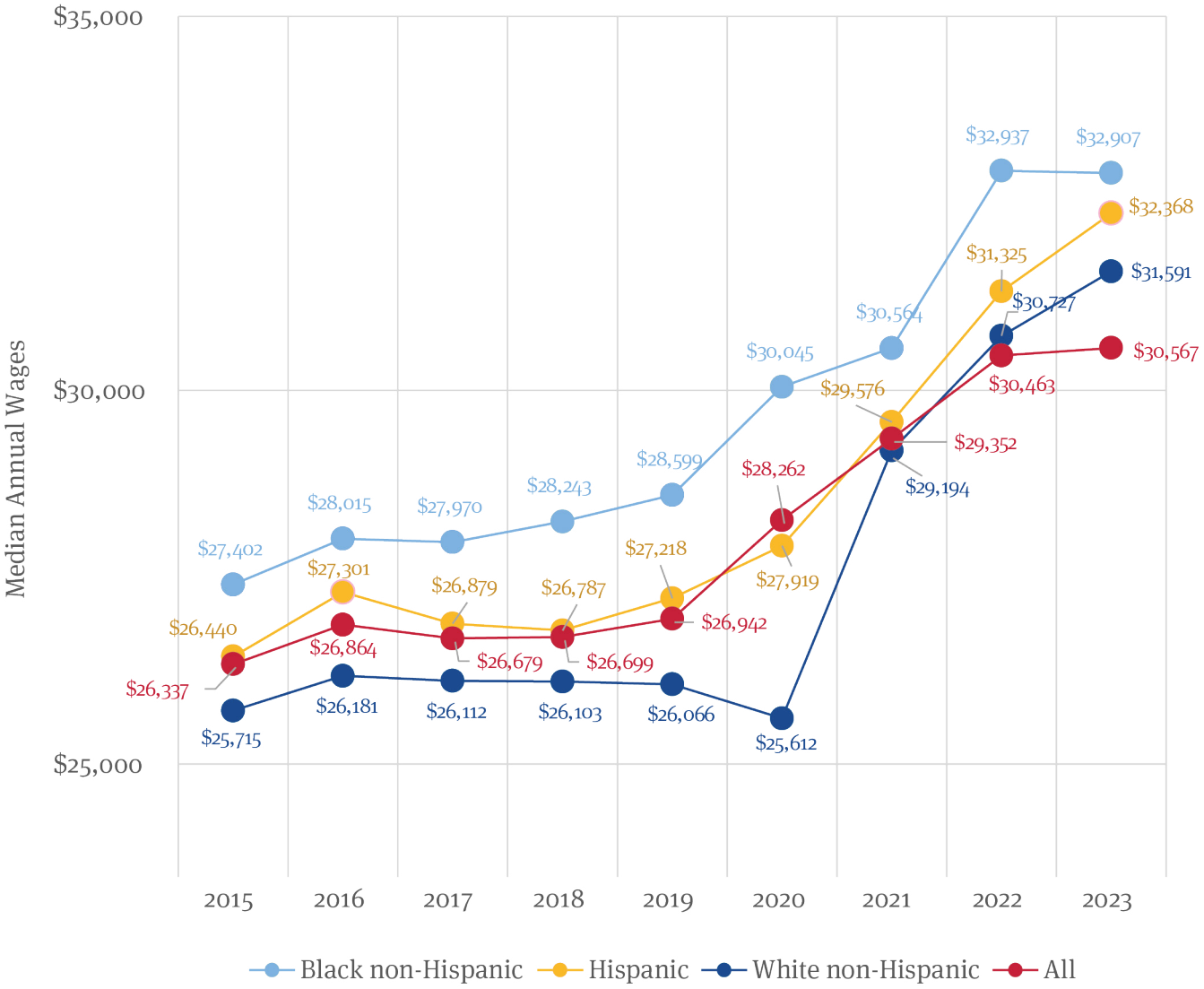
Table 4: New Jersey Child Care Workforce by Race/Ethnicity, Percentages, 2015 to 2023

Race/Ethnicity	2015	2016	2017	2018	2019	2020	2021	2022	2023
Black non-Hispanic	14.9%	14.9%	14.4%	14.9%	14.9%	16.0%	12.8%	13.3%	12.6%
American Indian non-Hispanic	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Asian non-Hispanic	2.7%	2.9%	3.0%	3.1%	3.3%	2.8%	3.6%	3.0%	2.6%
Hispanic	16.7%	17.8%	18.3%	18.8%	19.9%	21.2%	18.5%	18.5%	17.6%
Multiple races	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	0.8%	0.7%
White non-Hispanic	38.7%	38.5%	38.8%	38.2%	37.8%	33.6%	38.7%	32.9%	29.9%
Not reported	6.5%	6.6%	6.5%	6.6%	6.5%	6.8%	6.6%	7.0%	6.8%
Not found	19.6%	18.5%	18.1%	17.7%	16.8%	18.8%	19.0%	24.4%	29.4%

Source: NJSDS

Figure 4 depicts the median annual wages for workers in the three largest racial/ethnic groups — Black, Hispanic, and white — along with a line for the median wages for all workers for reference. Additional details can be found in Table B-2 in Appendix B.

Figure 4: Median Annual Wages of New Jersey Child Care Workers by Race/Ethnicity, 2015 to 2023



Source: NJSDS

The trends for the three groups are relatively similar and aligned with the overall median earnings. Black workers consistently earned the highest median wages, rising from $27,402 in 2015 to $32,907 in 2023. Hispanic workers maintained wages between Black and white workers and closely tracked the overall median for most of the study period, increasing from $26,440 in 2015 to $32,368 in 2023. This growth reduced the wage gap between Hispanic and Black workers over time. White workers, despite comprising a large share of the workforce, had the lowest median wages at the beginning of the period, $25,715 in 2015, slightly below the overall median of $26,337. However, they experienced the most significant relative gains, reaching $31,591 in 2023, exceeding the overall median of $30,567 that year. Interestingly, they had a slight decrease in the median wage in 2020. However, this could be due to the reduced number of white workers in the workforce that year (see Table B-1 in Appendix B). Moreover, as mentioned before, these results should be interpreted with caution, as the increasing number of individuals with unreported race/ethnicity

may affect the accuracy of the estimates. Not ignoring this caveat, researchers note that the differences in wages among the three largest racial groups are negligible in 2023, the most recent year included in the analysis.

WORKFORCE SIZE AND EARNINGS BY SEX

Table 5 presents the gender distribution of the workforce. As seen in Table 5, the majority of the child care workforce is female (for more information, see Table B-3 in Appendix B). Between 2015 and 2022, more than two thirds of the child care workforce was female. The percentage of females in the child care workforce dropped from approximately 75% in the first three years of the study period to 65.8% in 2023. This decrease, however, was not met with increases in the percentage of workers identifying as male. The percentage of the workforce identifying as male was 5.1% in 2015; by 2023, the percentage had dropped to 4.7%. As similarly noted with the race variable, the unmatched rate for sex starts at 19.6% in 2015 and climbs to 29.4% in 2023. This is again attributable to the fact that those who joined the sector workforce in more recent years are less likely to be captured in other data files in NJSDS.

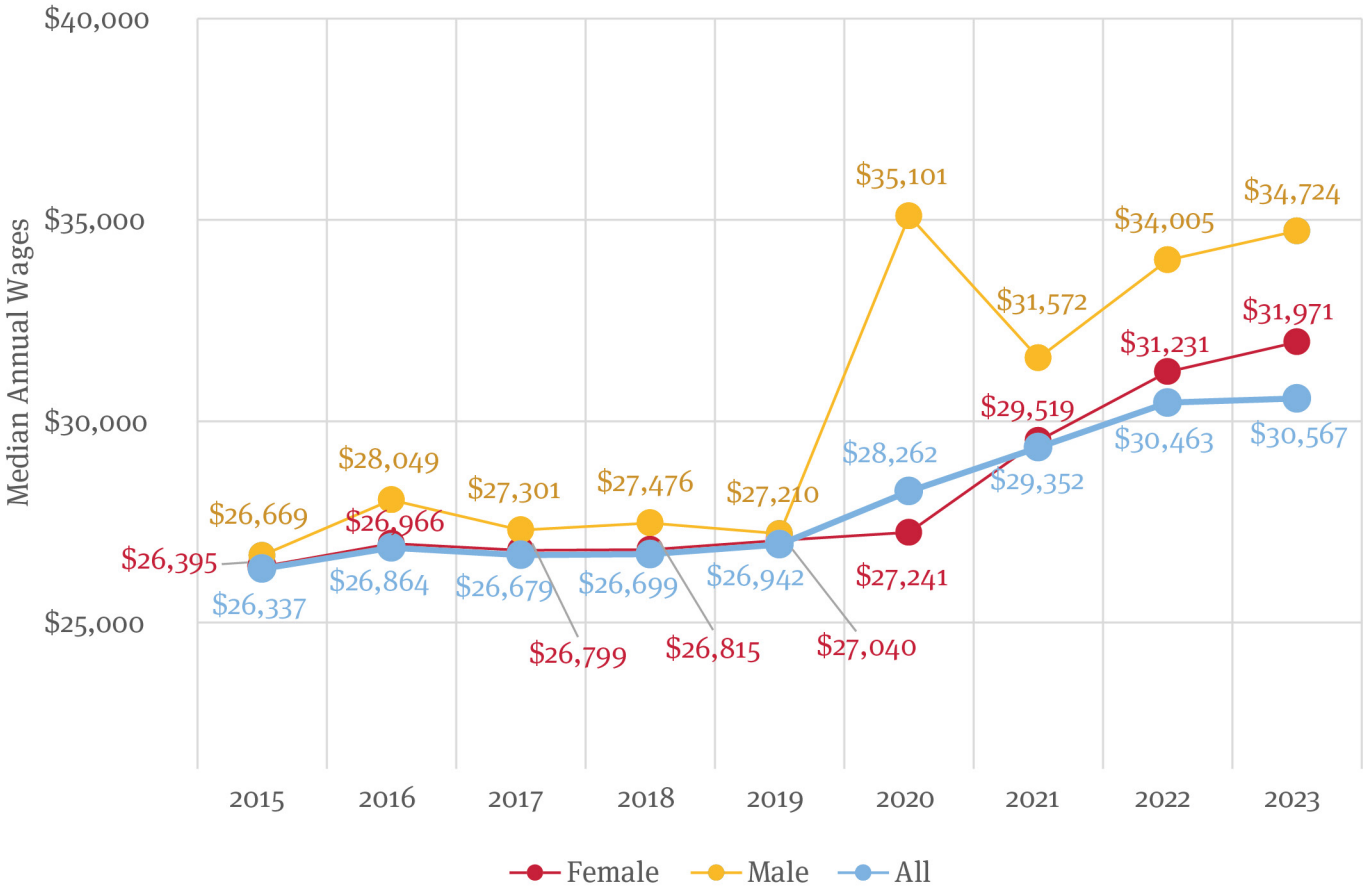
Table 5: New Jersey Child Care Workforce by Sex, Percentages, 2015 to 2023

Sex	2015	2016	2017	2018	2019	2020	2021	2022	2023
Female	75.3%	76.3%	76.6%	77.0%	78.1%	76.2%	76.2%	70.5%	65.8%
Male	5.1%	5.2%	5.3%	5.3%	5.1%	5. 0%	4.8%	5.0%	4.7%
Not found	19.6%	18.5%	18.1%	17.7%	16.8%	18.8%	19.0%	24.4%	29.4%

Source: NJSDS

Figure 5 depicts the median annual wages for males and females separately, along with a line for the median wages for all workers that serves as a reference point. Throughout the period, males consistently earned higher median earnings than females. Since 2020, however, the wage gap has widened, peaking that year and remaining notable in 2023, with a difference of approximately $3,000. As in previous figures in this report, caution is advised when interpreting these results due to the increase in individuals whose sex could not be identified in the data.

Figure 5: Median Annual Wages for New Jersey Child Care Workforce by Sex, 2015 to 2023



Source: NJSDS

DISCUSSION

The findings from the Heldrich Center's analyses are consistent with previous literature, including studies examining the child care workforce in New Jersey. In alignment with the findings from a 2023 New Jersey State Policy Lab report focused on child care infrastructure (Small et al., 2023), the NJSDS analysis highlights a pronounced decline in the supply of child care workers precipitated by the COVID-19 pandemic. While the workforce has grown since the pandemic, it has not fully returned to its pre-pandemic size, and part-time work remains a common arrangement. While the pandemic greatly impacted the child care sector, the smaller size of the workforce could also be related to various other factors, such as the rollout of universal pre-K education in New Jersey and changes in family care preferences or employment characteristics.

Of critical importance, median annual wages in the child care field are below average in New Jersey. NJSDS data show that while median annual wages increased for part- and full-time employed child care workers from 2015 to 2023, current wages remain low. Even among the minority of the workforce that were employed in all four quarters and working full time, the median annual wage in 2023 was $37,114, significantly below the New Jersey state median salary of $51,082 for all occupations, and comparable to the wages of retail workers, whose median salary was $34,639 (New Jersey Department of Labor and Workforce Development, Division of Economic and Demographic Research, 2024).

Within these pay ranges, depending on household size, individuals working in child care could very likely be classified under the Asset Limited, Income Constrained, Employed (ALICE) designation. United Way defines ALICE as "the growing number of individuals and families who are working, but are unable to afford the basic necessities of housing, food, child care, health care, and transportation" (United Way of Northern New Jersey, n.d.). ALICE individuals, also commonly referred to as the working poor, struggle to make ends meet despite working full time. In New Jersey, the ALICE survival budget, which represents the minimum amount of money needed to live and work in New Jersey annually, was $39,444 in 2023 for a single adult, more than the median annual wage findings in this report, and for a family with one adult and one child, the ALICE survival budget was $58,764 (United for Alice, 2025). As such, interventions are critically needed to ensure that child care workers can avoid material hardships. Public policies that target the child care workforce and are designed to provide additional income or further supports, enabling individuals to meet their basic needs, are needed to ensure workers remain in the child care industry.

An example of such policy interventions is seen in Washington, D.C.'s Early Childhood Educator Pay Equity Fund. The Early Childhood Educator Pay Equity Fund is described as "a first-in-the-nation program aimed at achieving pay parity between early childhood educators and their K–12 counterparts" (Office of the State Superintendent of Education, n.d.). The program is administered by the Office of the State Superintendent of Education with the purpose of increasing compensation of early childhood educators, who are eligible to receive up to $14,000 if employed full time and $10,000 if employed part time. The program has distributed more than $80 million to over 4,000 early childhood educators since its inception (Office of the State Superintendent of Education, n.d.). This program is one example of a public-sector innovation designed to address the supply, equity, and sustainability concerns present in the child care workforce that has had a demonstrated impact on wages. The Center for the Study of Child Care Employment at the University of California, Berkeley updated its compensation tracker in 2025, including a database and dashboard with state and local initiatives designed to improve wages and benefits for child care educators, and is an excellent resource (Lee, 2025).

Considering the gender and racial composition of the child care workforce, such policy interventions are also beneficial from an equity perspective. The findings in this study show a workforce that is mostly female and racially and ethnically diverse. Though wages across racial and ethnic groups are very similar during the study period, wage differences between males and females in recent years are notable and worthy of additional research.

CONCLUSION

In conclusion, this analysis of New Jersey's child care workforce from 2015 to 2023 reveals critical insights into the sector's persistent structural challenges. The data show a workforce that is largely part time, predominantly female, and racially diverse, with low wages relative to comparable professions. The profound effects of the COVID-19 pandemic are apparent in these analyses, with a reduction in the workforce size and a notable decline in full-time employment. Taken together, these analyses highlight the care penalty faced by child care workers, particularly women, which likely negatively impacts the retention of the existing workforce and the recruitment of new workers. The Heldrich Center will continue analyzing NJSDS data to examine turnover and retention in the workforce to offer policy-relevant findings to strengthen the sector, a vital policy goal in improving working conditions for those employed in the sector, as well as essential to supporting families and the broader economy in New Jersey.

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Appendix A: New Jersey Statewide Data System Methodology

Annualizing Wage

The median wage in this report refers to the fuzzy median wage, which has been annualized. The fuzzy median wage is obtained by taking the average of the 45th and 55th percentiles of observation to avoid any risk of data disclosure typically associated with the traditional median (50th percentile). All references to median wage in this report refer to the fuzzy median wage. The Unemployment Insurance (UI) wage records only include data from employers in New Jersey participating in the UI program. UI wage records do not include wages on employment of New Jersey residents who work outside of the state, work for the federal government, are self-employed, or otherwise do not contribute to the UI program. The match rate is between 70% and 80% for higher education graduates, depending on the institution sector. Annualized wage was calculated to reduce the impact of the missing cases on the analysis and minimize bias.

To annualize the wage, full-year wages were first computed by summing four quarters of wages (i.e., annual wage 2023 = Quarter1 wage + Quarter2 wage + Quarter3 wage + Quarter4 wage) for each worker. Only workers with wages reported for four quarters were included in the wage analysis. To determine whether a worker is classified as a part- or full-time worker, researchers estimated a full-time minimum wage equivalent. The full-time minimum wage was calculated by multiplying New Jersey's minimum wage for that year by 2,080 hours, which is defined as 35 hours a week for 52 weeks. Those whose full-year wage fall at or above the full-time minimum wage equivalent are classified as full-time workers, and those who earn below the full-time minimum wage are classified as part-time workers.

Measuring Race and Ethnicity

There are three sources that provide information about race and sex included in this analysis: UI claims, Office of the Secretary of Higher Education (OSHE) enrollment, and K–12 demographics data. These three data sources differ with respect to the shape, categories, time period, and content.

OSHE enrollment provides information on race for two time periods: before 2010 and after 2010. Before 2010, race is included as a single variable with nine categories. It also combines Asian with Pacific Islander and does not exclusively state whether American Indian includes Alaskan Native; it lists ethnicity as Hispanic as well as those who are Mexican, Puerto Rican, Cuban, and Central or South American. After 2010, OSHE records denote each race as its own column with multiple binary variables. In terms of the categories, it separates Asian and Pacific Islander and explicitly states American Indian with Alaskan Native. Additionally, it provides an opportunity to derive multiple race

groups, which is not easily possible before 2010. UI claims race variables are like OSHE race before 2010 with a few exceptions. It has both race and ethnicity columns as separate variables. Unlike OSHE race before 2010, it does not list specific Hispanic groups.

Researchers reconciled the race and ethnicity variables across these different data sources to standardize them across these data files to make them comparable. Ideally, a standardized race variable for the purpose of this study will be a single variable with the following categories:

- White, non-Hispanic;
- Black, non-Hispanic;
- Asian/Pacific Islander, non-Hispanic;
- Hispanic, not classified elsewhere;
- American Indian/Alaskan Native, non-Hispanic;
- Multiple race;
- Not reported; and
- Not found.

Each of the race/ethnicity variables from these data sources will be aligned as above. As UI claims and OSHE before 2010 do not have multiple race categories, researchers derived this information by assigning each race/ethnicity category as its own column. Multiple races will be anyone who reported two races, excluding Hispanic. Researchers also combined Asian and Pacific Islander because they are already combined in UI claims and OSHE 2010. Once the race/ethnicity variable has been standardized across the different data sources, the next step is to reconcile them to create a single race/ethnicity variable combining all data sources. The first step in this process is to reconcile OSHE race/ethnicity before and after 2010. The following logic is used in this process:

- When race/ethnicity is missing or not reported in one and neither missing nor not reported in the other, use the other race.
- When race/ethnicity is neither missing nor not reported in both files and race/ethnicity in one equals the other, use race from either one.
- When race/ethnicity is neither missing nor not reported in both files and race/ethnicity in one does not equal the other, use race from OSHE 2010 (i.e., here the preference is for a more recent race, which is OSHE 2010).
- When race/ethnicity is missing or not reported in both, set it as missing/not reported.

The same logic applies when reconciling UI claim race/ethnicity with the reconciled OSHE race or K–12 demographic data. Researchers start by reconciling UI claims and OSHE; after that, they reconcile the K–12 demographics information. One difference is that for the third step in the process, researchers give preference to race/ethnicity that was reported in the UI claims. This assumes that applications for UI benefits will collect more accurate information.

Constructing the Sex Variable

The methodology for calculating the sex variable follows the same process as race/ethnicity, but since the sex variable is structured the same way in all the data sources with the same values, it was easier to reconcile. Across the data sources, sex is recorded as 0 = not reported, 1 = male, and 2 = female. Researchers start by reconciling UI claims and OSHE; after that, they reconcile the K–12 demographics information. To reconcile if sex is not missing or not 0 in one but is missing or 0 in the other, researchers defaulted to the first value given. If sex is not missing and not 0 in both and they are the same, use either one. If sex is not missing and not 0 in both, and they are not the same, give preference to UI claims data.

Appendix B: New Jersey Child Care Workforce Demographic Tables

Table B-1: New Jersey Child Care Workforce by Race/Ethnicity, 2015 to 2023

Year	Black non-Hispanic	American Indian non-Hispanic	Asian non-Hispanic	Hispanic	Multiple Race	White non-Hispanic	Not Reported	Not Found	All
2015	3,949	45	712	4,423	191	10,268	1,734	5,192	26,514
2016	3,948	41	773	4,729	178	10,230	1,755	4,929	26,583
2017	3,952	49	818	5,012	182	10,614	1,786	4,952	27,365
2018	4,232	51	876	5,332	168	10,817	1,859	5,006	28,341
2019	4,185	50	915	5,574	182	10,613	1,821	4,703	28,043
2020	3,117	38	551	4,124	129	6,547	1,333	3,658	19,497
2021	2,017	29	560	2,901	115	6,083	1,035	2,979	15,719
2022	3,449	47	786	4,806	196	8,544	1,812	6,352	25,992
2023	3,447	58	722	4,803	189	8,168	1,869	8,038	27,294

Source: New Jersey Statewide Data System (NJSDS)

Table B-2: New Jersey Child Care Workforce Annualized Median Wages by Race/Ethnicity, 2015 to 2023

Year	Black non-Hispanic	American Indian non-Hispanic	Asian non-Hispanic	Hispanic	Multiple Race	White non-Hispanic	Not Reported	Not Found	All
2015	$27,419	$23,767	$27,657	$26,457	$26,158	$25,717	$27,811	$25,931	$26,337
2016	$28,015	$24,623	$27,976	$27,330	$28,203	$26,181	$27,818	$26,186	$26,864
2017	$27,984	$26,753	$27,310	$26,872	$27,663	$26,123	$27,457	$25,956	$26,679
2018	$28,251	$25,605	$27,417	$26,791	$29,370	$26,109	$27,355	$25,891	$26,699
2019	$28,612	$27,587	$27,127	$27,221	$29,465	$26,075	$28,091	$26,187	$26,942
2020	$30,043	$28,910	$26,399	$27,945	$34,982	$25,621	$31,483	$30,859	$28,262
2021	$30,564	$29,144	$29,213	$29,600	$31,907	$29,320	$30,425	$27,905	$29,352
2022	$33,018	$29,343	$30,783	$31,441	$30,232	$31,076	$31,654	$27,118	$30,463
2023	$33,109	$30,839	$31,774	$32,567	$31,628	$32,090	$32,289	$26,110	$30,567

Source: NJSDS

Table B-3: New Jersey Child Care Workforce and Annualized Median Wages by Sex, 2015 to 2023

Year	Number of Workers				Fuzzy Median Wage			
	Female	Male	Not Found	All	Female	Male	Not Found	All
2015	19,962	1,360	5,192	26,514	$26,395	$26,669	$25,936	$26,337
2016	20,273	1,381	4,929	26,583	$26,966	$28,049	$26,182	$26,864
2017	20,968	1,445	4,952	27,365	$26,799	$27,301	$25,953	$26,679
2018	21,834	1,501	5,006	28,341	$26,815	$27,476	$25,921	$26,699
2019	21,898	1,442	4,703	28,043	$27,040	$27,210	$26,271	$26,942
2020	14,857	982	3,658	19,497	$27,241	$35,101	$30,914	$28,262
2021	11,982	758	2,979	15,719	$29,519	$31,572	$28,172	$29,352
2022	18,337	1,303	6,352	25,992	$31,231	$34,005	$27,736	$30,463
2023	17,968	1,288	8,038	27,294	$31,971	$34,724	$26,775	$30,567

Source: NJSDS

The Heldrich Center for Workforce Development is devoted to transforming the workforce development system at the local, state, and federal levels. The center provides an independent source of analysis for reform and innovation in policymaking and employs cutting-edge research and evaluation methods to identify best practices in workforce development, education, and employment policy. It is also engaged in significant partnerships with the private sector, workforce organizations, and educational institutions to design effective education and training programs. It is deeply committed to assisting job seekers and workers attain the information, education, and skills training they need to move up the economic ladder.