

# UNITED IN CARE



## Executive Summary

March 2022



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We believe that by securing racial and economic equity for ALICE® we can improve life for all.



United Way  
of Northern New Jersey

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## Vision Statement

United In Care aims to unify the disparate resources of a broken child care industry through a seismic shift in cultural thinking about how to deliver high-quality and affordable care equitably to all families, regardless of socio-economic status. United In Care will leverage the expertise of a broad array of partners to create a comprehensive interconnected network that addresses the needs of parents, child care workers, employers, and children. This collaborative is led by United Way of Northern New Jersey and includes partners from small and minority-owned businesses, state-supported referral agencies, leading child care experts, data analytic wizards, and philanthropic organizations.

## What Is United In Care?

As a four-year pilot project, United In Care will directly address the structural deficiencies within the child care system while increasing the availability of quality, affordable child care and early childhood education opportunities for working families we call **ALICE®** (**A**sset Limited, **I**ncome **C**onstrained, **E**mployed). In fact, many child care providers would also be considered an ALICE worker.

The goal is to increase access to quality, affordable, and flexible child care for all New Jersey families. To accomplish this, United In Care will create an alliance that pairs two previously disconnected pillars of the child care system—highly rated centers and local family child care providers—to expand capacity, leverage a collective expertise, and share critical resources.

This data-driven pilot will measure key performance indicators gathered through feedback from the participating families, centers and providers and analyzed by experts. It has the potential to become a national model by transforming this sector, promote quality child care and early education, and support economic opportunities for working parents and early education professionals. Metrics, dashboards, and evaluation tools will be the bedrock for United In Care’s evolution and continued improvement.



## Why is United In Care Critical?

**Poor State of Child Care.** New Jersey was already facing a crisis in access and affordability of child care before the COVID-19 pandemic. The child care industry was severely strained and underfunded. Families were struggling. The gap between the cost of child care and what an ALICE worker earns was already quite large, especially in New Jersey. For an ALICE parent making a monthly wage of \$1,787 with one infant and one preschooler, a home-based family provider accounts for 75% of this income; center-based care takes up about 101%. A good portion of these working families in New Jersey also live in what is known as a “child care desert,” where there is no access to affordable, quality child care. In 2019, 46 percent of all New Jersey residents lived in a childcare desert.

One factor at play has been the steady erosion of registered family care providers. In 2001, there were nearly 5,000 family child care providers. That dropped to 3,000 in 2010 and as of January 2020, it was down to just 1,486 providers. These providers were struggling financially, with long hours and low pay. The average income for a family care provider was \$29,000 while working 10 to 12 hours daily. Most are still only making \$11 per hour. COVID-19 has only exacerbated these problems.

There were over 4,000 licensed childcare centers in the state, and up to 50% of them have or are expected to close due to the impact of COVID-19. Overall, New Jersey has lost 71% of its home-based child care providers since 2010.

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**The Lack of a Sustainable, Replicable Model.** A new paradigm is needed to confront the lack of access and high costs of child care, both of which are rooted in racial, class and geographic inequities. America has never had a universal early childhood education model, and the existing delivery models of affordable, quality child care vary from state to state and even from community to community.

While federal and state sponsored programs like Head Start, Early Head Start and Grow NJ Kids have addressed some of the systemic issues. Government tax credits, subsidies, and grants, like the Child Care Development Block grant, have also helped defray some of the high costs. Unfortunately, there still are too many families who make just enough to not qualify for these subsidies, but not enough to afford adequate child care. So, there remains room for dramatic change, especially on the local level. Additionally, these programs have yet to invest in the overall child care workforce, where wages for providers and educators are sometimes lower with longer hours and more responsibilities than retail jobs. In fact, nearly half of child care teachers leave the industry every year.

**Advocating for Change.** There needs to be a greater sense of urgency and awareness to drive the systemic changes that need to be made to create an affordable and equitable child care industry. As previously mentioned, there have been a several local and national government sponsored programs that have assisted in addressing the issues for those in poverty, but they clearly have not done enough to solve the structural issues that plague the industry for ALICE families.

Investing in our children’s future is paramount to the continued economic success of New Jersey and the entire United States. High-quality care and early childhood education are critical for the cognitive development of preschool-aged children. Yet, families of children under the age of 5 do not have even access to care that can be transformative to children, working parents, and the economy. The pandemic has caused many parents to leave the workforce to care for their children, with ALICE families more likely impacted than others. It is imperative we address these structural issues now to prevent any further eroding of our child care system.

## How Will United In Care Operate?

United In Care relies on a shared service “hub-and-spoke” model, partnering a center-based provider (hub) with registered family child care providers (spokes), thereby increasing overall network capacity and affordability. This model brings together the best of both worlds: the scope and scale of the centers (which can provide administration/fiscal operations, marketing, substitute/back-up staffing, training, and virtual learning) with the intimacy of the registered family child care providers. The model integrates high quality, comprehensive services, and resources consistently across centers and family care settings.

As project lead, United Way of Northern New Jersey will act as a facilitator to drive this interconnection. Working with Child Care Resource and Referral agencies, we will establish a parent outreach and enrollment process to recruit families for this pilot. Three selected hub centers will provide support to 5-10 certified child care providers. Parents who have been matched to child care providers will be notified of scholarship support and will be connected to hub child care centers. The centers will be responsible for managing the relationship with the parents assigned to their child care providers. Simultaneously, the virtual learning hub will be working with providers and parents to develop easy-to-use learning tools. These components will be integrated with the pilot centers over time.



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**United In Care Academy.** As part of the program, it was critical to establish a learning center that would support the professional development of child care providers with a special focus on the development of Family Child Care Providers. Topics of professional development include child development, teaching strategies & curriculum, business development, budgeting & finance, communications/marketing, etc.

The Academy serves to provide information and easy access to professional development opportunities already offered via state-sponsored and private organizations. Drawing of local and national experts, the Academy further offers training and coaching to fill needs to create a more knowledgeable, skilled, and sustainable child care workforce. This Academy will compliment, and not duplicate, existing training resources.

## Who Benefits?

**ALICE**, an acronym for Asset Limited, Income Constrained, Employed, which describes the struggles of households that earn above the Federal Poverty Level, but not enough to afford necessities. United In Care will operate the project in communities with a high concentration of ALICE families.

**Children.** Every child, regardless of race, class, or ability, is entitled to effective quality early childhood child care and education. Many ALICE children, if they do not get the proper care at such an early age, will start school behind the rest of their more fortunate classmates.

**Parents.** ALICE parents deserve the peace of mind that their child is being cared for by a licensed child care provider, allowing them the ability to focus on their jobs. For those who had to leave their work altogether, they will have freedom to reenter the workforce and revive a much-needed income stream.

**Family Child Care Providers (FCCs).** These providers are the backbone of the child care system and by lifting them up, we will raise the level of child care as well. A shared services model will support the business growth of registered family care providers, many of whom are in the ALICE demographic, while offering opportunities to further their professional education and establish financial stability.

**Child Care Centers.** Participating centers will experience increased enrollment and income, which will be critical. As many have seen their expense/income ratios turned upside down by incorporating strict COVID-19 protocols.

**The Child Care System.** They system and society need an increase in supply of affordable, quality child care services at a time when demand has sky rocketed and supply is down due to health and safety constraints caused by the pandemic.

**Overall Workforce and Economy.** With better access to quality, affordable child care, working parents will have the opportunity to fully reenter the workforce, while businesses will benefit from having their staff at full strength. In addition, this resurgence will help financially stabilize centers and individual child care providers with more opportunities to expand their client base and, ultimately, their revenues.



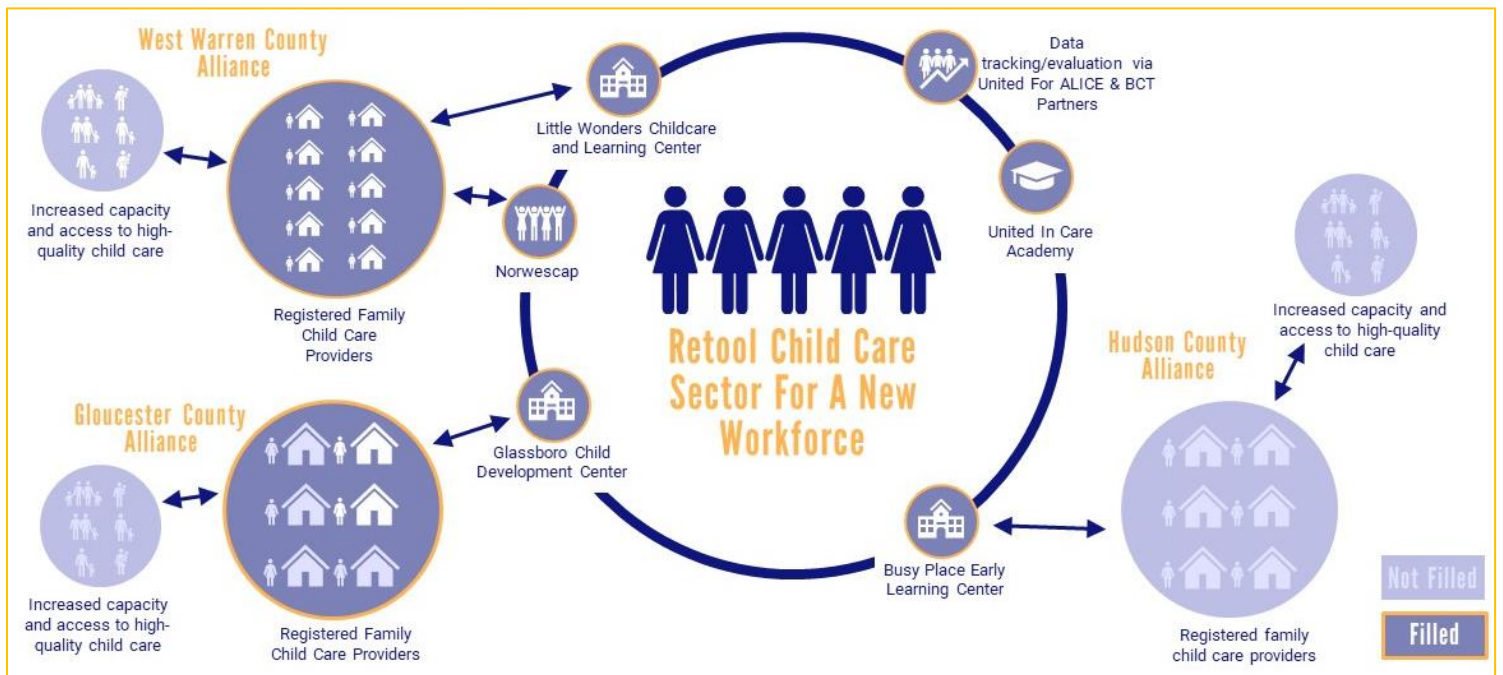
## Where Will United In Care Operate?



United In Care is partnering with three licensed child care centers in parts of the state in dire need of affordable child care. This pilot is meant to be tested in both urban and suburban settings. We have identified specific geographic areas in Warren, Gloucester, and Hudson counties that are in the shadows of urban areas with a high-density of low-income populations and a lack of quality, affordable child care. A handful of individual family child care providers that operate in proximity to the centers will be engaged to create a robust hub-and-spoke network for families in those identified regions.

## A Shared-Services Model

Below is a visual representation of our hub-and-spoke shared services model and the status of our current United In Care alliances.



## Who Is Involved?

United Way will serve to connect the various partners, including child care centers, small and minority-owned businesses, state-supported referral agencies, leading child care experts, and data analytic wizards who will chart the project's progress. We have also assembled a nine-member Advisory Council, whose members will use their expertise to help guide us during the process.



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### Implementation Partners



Parsippany Child  
Day Care Center



### Thought Partners



### Philanthropic Partners



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## United In Care Advisory Council



**Dr. Bob Atkins**

*Interim Dean of Faculty,  
Arts & Sciences  
Rutgers University-Camden*



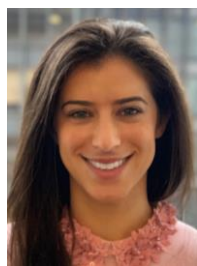
**Barbara Reisman**

*Childcare Expert and Advocate*



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*Program Officer,  
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*Retired Managing Director MSCI,  
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**Laura Overdeck**

*Chairwoman,  
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**Nara Topp**

*Program Officer  
W.K. Kellogg Foundation*

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