

# New Jersey businesses are losing \$2.28 billion a year to the child care crisis

**\$1.23B**

Annual losses driven by NJ's foundational workforce

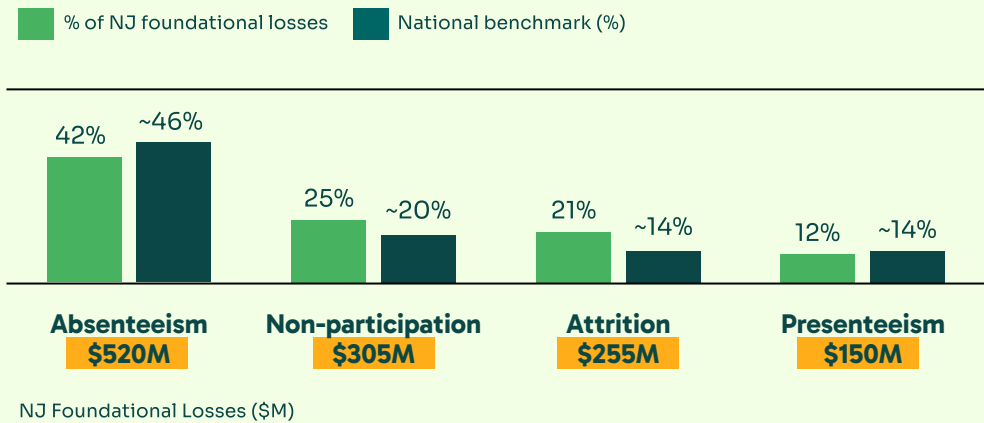
**76%**

of NJ working parents are foundational workers

**54%**

percent of NJ business losses are driven by the foundational workforce

## Where the \$1.2B goes: NJ mirrors the national pattern — with a twist.



NJ over-indexes on non-participation and attrition — meaning more parents are leaving the workforce or the job entirely, not just missing shifts. For foundational workers, turnover is immediate in its operational impact and enormous in its cost — up to twice the employee's annual salary to replace.

## Healthcare, education, trade, and logistics take the biggest hit.

Healthcare	\$175M
Education	\$115M
Trades, Construction, and Industrials	\$95M
Transportation, Logistics, and Infrastructure	\$85M
Retail	\$80M
Cross-Industry	\$75M
Hospitality	\$50M
Manufacturing	\$40M
Other	\$515M

NJ's top-hit sectors — healthcare, education, trade, and logistics — are the same industries the state is trying to grow. Child care instability directly undercuts NJ's economic strategy.

Source: American Community Survey (U.S. Census Bureau, 2024), Household Pulse Survey (U.S. Census Bureau, 2024), The Great Resignation: Why workers said they quit their jobs in 2021 (Pew Research Center, 2022), Moms First Workforce Disruptions and Employer Interventions Survey (Moms First, 2026), Median Weeks Unemployed (FRED, 2025), How many work days in a year? (EspoCRM, 2025), Measuring employee turnover: managing costs for frontline workers (Workstep, 2023), Vital Signs: Health Worker-Perceived Working Conditions and Symptoms of Poor Mental Health — Quality of Worklife Survey, United States, 2018–2022 (Center for Disease Control, 2023), Absences from work of employed full-time wage and salary workers by occupation and industry (United States Bureau of Labor Statistics, 2024), Quits levels and rates by industry and region, seasonally adjusted (United States Bureau of Labor Statistics, 2024), Unemployed persons by occupation, industry, and duration of unemployment (United States Bureau of Labor Statistics, 2025), Employment by major industry sector (U.S. Bureau of Labor Statistics, 2025).

# Defining the foundational workforce

## Core criteria

### High-interaction work (direct service delivery)

The role's primary duties involve delivering services directly to people or supervising that delivery in real time.

### Essential operational work

The role creates immediate coverage or continuity risk when absent or underperforming, including first-line managers responsible for day-to-day execution, staffing, or escalation.

### Shift-based or schedule-constrained work

The role is primarily performed in scheduled shifts or non-standard hours with limited flexibility over when work is performed, and requires physical or real-time presence to execute responsibilities.

#### Education

- K-12 teachers
- Teaching assistants
- Secondary school teachers

#### Healthcare

- Registered nurses
- Nursing assistants
- Physicians

#### Hospitality

- Cooks
- Waiters and waitresses
- Housekeepers and cleaners

#### Manufacturing

- Production supervisors
- Production line workers
- Machinists

#### Retail

- Cashiers
- First-line supervisors
- Retail salespersons

#### Transportation, Logistics, and Infrastructure

- Truck and sales drivers
- Freight and stock movers
- Order fillers

#### Trades, Construction, and Industrials

- Construction laborers
- Landscaping/groundskeepers
- Automotive technicians

**9 in 10**

parents say child care disruptions affected their ability to work in the past year

**~15%**

yet only a minority of employers offer any child care benefit

**Universally positive ROI**

despite established returns to employers

Our analysis identifies five primary categories of employer investment in child care: flexibility, accessibility, availability, affordability, and early stage parenting support. Initiatives across all five areas show positive returns when accounting for employee preference and financial impact.

The average return on investment for each initiative was positive, ranging from **5% to 300%**

