My child sometimes mixes up letters like \textit{b} and \textit{d} or words like \textit{was} and \textit{saw}. Does this mean she has dyslexia?

No, this is not an indication that your child has dyslexia. These kinds of confusions are very common for children at the early stages of learning to read. The errors happen because some letters look a lot like other letters (for example, \textit{b}, \textit{d}, \textit{p}, and \textit{q}) and some words look a lot like other words (for example, \textit{was}/\textit{saw}, \textit{on}/\textit{no}, from/\textit{for}). It takes many children a while to remember which is which.

Part of the problem with remembering is that, until children start learning about print, just about everything they have seen is called by the same name no matter which direction it faces. For example, scissors are called scissors, no matter how they are oriented. This, of course, is NOT how letters and words work. So as they learn to read, children need to learn to pay attention to the direction of print.

As children have more experience with reading and writing, these kinds of confusions usually become much less frequent and generally disappear altogether. Parents can help children to get past this normal phase by providing gentle correction (for example, “That’s a \textit{b}.”) when errors occur.

Note that most children who confuse \textit{b} and \textit{d} confuse the lower case versions only (again because they look so much alike and probably also because their names rhyme [bee, dee]). Because children tend not to confuse the uppercase versions of these letters, it can be useful to provide them with a B/D chart (see the example above). When a child is unsure about whether the letter she is looking at is a \textit{b} or a \textit{d}, and when she can’t decide how to write the \textit{b} or the \textit{d}, she can simply refer to the chart.
With regard to the question of dyslexia, there was a time when it was widely believed that individuals who confused similar looking letters and words actually saw things differently and that they had “visual processing problems” that interfered with their ability to learn to read (the term dyslexia was used to describe such difficulties). However, scientific research has repeatedly shown that children who make these kinds of mistakes have normal visual abilities. They DO NOT see things differently (backwards). Rather, their difficulty is with remembering which letter or word is called by which name.

Today, the term dyslexia is used to refer to extreme difficulty learning to read words – when that difficulty continues even when the reader is provided with a great deal of extra help with reading. Fortunately, research over the last several years has clearly shown that early intervention for reading difficulties can dramatically reduce the number of children who experience such long term difficulties.