

# The Value of Family Child Care

Family child care—also known as home-based child care—is located in a residential setting, offering familiar environments to children and community locations for families. For parents, family child care supports parental choice in a mixed-delivery child care market that also includes center-based child care located in a commercial setting. Family child care meets the needs of parents and children in unique ways—including neighborhood-based locations and consistent, recognized caregivers—making this program type an important option in the nation’s child care system.

**Program Structure.** Family child care serves between three and 12 children in mixed-age groups in residences. Depending on state licensing requirements, family child care providers may or may not be required to live in the same residence where the family child care program is located. Family child care may be managed by a single person or with a small number of staff.

**Family Access.** Present in every community, family child care can serve families with barriers to child care access, including families that work nontraditional hours outside of 9 a.m.-5 p.m., live in rural communities, have infants and toddlers, or who have limited English proficiency. Forty percent of young children with working mothers spent more time in family child care than in any other child care setting.<sup>1</sup> Parents cite flexible hours, location, lower cost, mixed-age groups that allow siblings to be cared for together, and cultural and linguistic preferences as strengths of family child care.<sup>2</sup>

Family child care can be located close to homes and places of work in regions where transportation is challenging, which can be a suitable factor for rural communities.<sup>3</sup> For parents working nontraditional hours, the residential setting and flexible hours make family child care a relevant option.<sup>4</sup> For some children, the home-based setting of family child care is an ideal learning environment for their healthy development. Younger children are more likely to

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be in family child care. While center-based child care serves primarily children ages three to five, family child care serves roughly an equal number of children under three years and children three to five years.<sup>5</sup>

**Availability.** There is a notable decline in the number of family child care providers across the country.<sup>6</sup> In 2017, there were 121,220 licensed family child care programs in 50 states and the District of Columbia. This represents a 10% decline from 2011 and a 22% decline from 2008, when there were 134,920 and 155,230 licensed family child care programs, respectively.<sup>7</sup> This decline is attributed to myriad issues, including low pay, long hours, lack of benefits, isolating work conditions, and an aging workforce. As family child care is the least compensated of all child care types, providers may also leave the field when unemployment rates are low in a community and wages are competitive in other industries.<sup>8</sup>

**Funding.** Family child care receives private payment for tuition directly from parents, and is able to access federal funding through the Child Care and Development Fund (CCDF), Head Start, and Early Head Start-Child Care Partnerships. In fiscal year 2017, 21% of children receiving CCDF-funded child care subsidies were in family child care programs. In five states—KS, MT, ND, NY, and OR—close to half of children receiving CCDF-funded child care subsidies were in family child care.<sup>9</sup> Most family child care has low profit margins, as family child care programs receive lower reimbursement rates for child care subsidy than rates for center-based child care. Subsidy reimbursement rates pay for a half-day or full-day of services, even as family child care programs often provide care for longer hours than center-based programs. Nearly 30% of programs earned all or almost all of their household income from providing child care, and an additional 18% earned more than half or about half of their household income from providing child care.<sup>10</sup>

**Workforce.** The child care workforce spans a wide age range, with those working in family child care tending to be older than those working in center-based programs. Approximately 38% of family child care staff are over the age of 50, while only 26% of center-based staff are in the same age range.<sup>11,12</sup> The family child care workforce has lower levels of formal educational attainment than the center-based workforce. For instance, 52% of center-based staff reported

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completing an A.A. or B.A. or higher, as compared to 31% of family child care workers.<sup>13</sup> Family child care also has a diverse workforce, often reflective of the demographics of the community in which a program is located. Diversity within family child care is a programmatic strength for dual-language learners. Research shows that family child care providers are more likely to speak the language of a dual-language child than center-based child care programs.<sup>14</sup>

**Supports.** Family child care requires unique supports to ensure access, stability, and quality. Staffed family child care networks bring multiple family child care programs together to share services and resources, supports, and increase purchasing power, along with staff members who support the network's continuity. Such networks serve to strengthen the business practices of participating family child care programs. Some state child care regulations allow family child care programs to co-locate within a single physical site—called a family child care pod—and share back office functions, split the cost of facility expenses, and buy goods in bulk, reducing overhead costs. Flexible learning opportunities to participate in professional development—including evening training sessions, one-on-one in-home coaching, or online coursework—can grow the knowledge, skills, and abilities of family child care providers, especially those working alone.

### **The Takeaway**

Family child care is a necessary component of a healthy child care market, yet is in decline throughout the country. In order to ensure children can participate in a child care program that best suits their development and to support parents who need child care, family child care must be included in policies and practices to strengthen all child care. At the same time, strategies must be specifically tailored to support the unique structure of family child care and the families they serve.

# Endnotes

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