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Home-Based Child Care Fact Sheet

What is home-based child care?

It's simple – child care provided in a home, as an alternative to a center or institutional setting.

How many families choose home-based child care?

Over **7 million children** from ages 0-5 receive care in a home-based child care setting. Home-based child care is the most prevalent child care placement for infants and toddlers: **30% of infants and toddlers** attend home-based child care as their primary care arrangement compared to **just 12%** in centers.

Are there different kinds of home-based child care?

Yes! Some providers have been licensed, and others have not. Some home-based providers are very familiar – like family, friends, and neighbors. Some providers are paid, and others, like family for example, are unpaid.

What's the most common kind of home-based child care provider?

Family, friend, and neighbor care, sometimes referred to as **FFN**, is actually the largest group of caregivers in the country! In fact – one in four young children is cared for by a grandparent.ⁱ

What communities or demographics tend to choose home-based child care?

Home-based providers are the mainstay of childcare for rural communities, babies, and toddlers, Black and Latinx families, for children with special needs and those living in homes with low-incomes.ⁱⁱ

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Home-Based Child Care Providers Are as Diverse as the Children They Serve

The term home-based child care can mean different things. The scenarios vary widely, and are driven in part by parents' demand for child care that meets their needs for work, culture, language, location, affordability, and availability. The chart below provides an overview.

Home-Based Child Care:

Any care that is not center-based or in an institutional setting.

→ Family Child Care (FCC)

FCC facilities are also known as Family Child Care Homes or Family Day Care Homes. FCC caregivers provide care out of a private residence, typically as a business. There are two types of FCC facilities – those that are licensed and those that are not licensed.

LICENSED FAMILY CHILD CARE

Licensed providers hold a license from their state to operate and are paid for their services. Some states use the terms regulated or registered rather than licensed. Licensed FCC programs have much smaller capacities than center-based child care, serving an average of eight children in a week.

LICENSED-EXEMPT FAMILY CHILD CARE

Licensed-exempt providers are typically paid for their services but are not required to obtain a license because they care for smaller numbers of children.

Each state sets its own threshold for the number of children at which providers must be licensed or regulated. Some states distinguish between large and small family child care settings and may regulate them differently.

→ Family, Friend, and Neighbor (FFN)

A broad term encompassing many types of caregivers, typically those who have a previous relationship with the children for whom they care.

Family, Friend, and Neighbor care makes up the majority of home-based child care. They are the Nanas, Aunties, Abuelitas, and family friends who care for children informally. Most often they provide care without a license, although these requirements vary by state.

These caregivers may be paid or unpaid and may not view themselves as providers.

Why Is Home-based Child Care Important?

→ Families need it!

83% of families struggle to find affordable, quality child care.ⁱⁱⁱ Homebased care is often the best or only option available for families in rural areas and for families needing care during nontraditional hours, like evenings, nights, and weekends. This care is often the most familiar, flexible, convenient, personal, and affordable option for families.

→ Our economy needs it!

For working families to do their best on the job, they need to know that their child is in a safe, loving, quality setting. As of August 2020, over 70% of child care programs either closed or were operating at reduced capacity.^{iv} That means finding quality, affordable child care is even more of a challenge and directly impacts parents' ability to work.

→ Children need it!

Home-based child care providers aren't watching children for a few hours a week – they are eating, playing, and learning with children for extended periods of time. When the care is developmentally appropriate, children realize significant lifetime gains through better outcomes in education, health, social behaviors, and employment.^v

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How Does Covid-19 Affect Home-Based Child Care Providers?

Decreased enrollment, even temporarily, closed down many home-based child care providers.

When the pandemic hit, economic and health concerns led families to unenroll from child care programs and keep their young ones at home. Losing the income from even one child threatens operations. 63% of programs reported having less than one month of financial reserves to sustain operation.^{vi}

Providers fear for their safety, that of their own families and that of the children and families that they serve.

Critical health information and supports (protective equipment, testing, paid sick leave) have not been systematically made available to providers to ensure their safety.

The demand for child care is shifting.

Because almost half of all families have lost income during COVID-19,^{vii} the need for affordable, flexible home-based child care is becoming a more appealing option for families.

Home-based providers were not targeted for COVID-19 relief.

While programs like the Paycheck Protection Program (PPP) and the CARES Act bought time for programs that received funding, these supports haven't reached many home-based child care providers^{viii} and were not designed to sustain providers through this extended health and economic crisis.

Home-based care providers need and deserve government funding, and voters agree.

Estimates show that at least \$9.6 billion is needed each month to stabilize our child care system and ensure it survives the pandemic.^{ix} Studies show that 88% of voters want child care providers near the front of the line for financial relief from Congress.^x

Home-Based Child Care Recommendations

1. Take action to stabilize the child care industry.

As of November 2020, national legislators are requesting \$57B in federal stimulus funds to ensure programs can reopen and stay open to support the rebuilding of our economy.

2. Acknowledge and support all types of home-based providers, including the many family, friend and neighbor caregivers who provide care.

Ensure systems fully include these caregivers in resources and policy.

3. Increase dedicated funding for the home-based child care sector.

Increase payments for providers to sustain their operations and serve more families.

4. Build essential infrastructure for them in the form of networks.

Home-based networks should reflect their providers and communities, provide culturally responsive support and quality resources, ensure efficient business operations and connect caregivers to community services including mental and physical health.

Additional Resources

Reports

- › [State Leaders and Administrators Guide](#)
- › [Federal policy: Recommendations to support home-based care](#)
- › [Child care development fund recommendations](#)
- › [Home-Based Child Care Networks](#)

Additional Reading

- › [“How to Fix Child Care,”](#) Capita Social.
- › [“Returning to care but worried,”](#) RAPID-EC Project.
- › [“In the Covid-19 Economy, You can Have a Kid or a Job. You Can’t Have Both,”](#) New York Times.
- › [“Working Moms Bear Brunt of Home Schooling while Working During COVID-19,”](#) United States Census Bureau.
- › [“Early Progress: State Child Care Assistance Policies 2019,”](#) The National Women’s Law Center.
- › [“Inequitable Access to Child Care Subsidies,”](#) CLASP.
- › [“Researchers Warn Nearly Half Of U.S. Child Care Centers Could Be Lost To Pandemic,”](#) NPR.
- › [“Coronavirus Pandemic Could Lead to Permanent Loss of Nearly 4.5 Million Child Care Slots,”](#) Center for American Progress.
- › [“If the Senate Doesn’t Bail Out the Childcare Industry, Economists See Women Leaving the Workforce En Masse,”](#)

Business Insider.

- › [“The Child Care Crisis Is Keeping Women Out of the Workforce,”](#) Center for American Progress.
- › [“The Coronavirus Will Make Child Care Deserts Worse and Exacerbate Inequality,”](#) Center for American Progress.
- › [“Family, Friend, and Neighbor Care,”](#) U.S. Department of Health and Human Services Office of Child Care.
- › [“Strategies for Supporting Family, Friend, and Neighbor Care Providers,”](#) National Women’s Law Center.
- › [“One in Five Child Care Jobs Have Been Lost Since February, and Women Are Paying the Price,”](#) National Women’s Law Center.
- › [“Family, Friend, and Neighbor Care: Facts and Figures,”](#) National Women’s Law Center.
- › [“Health Child Development Depends on Quality Child Care—And So Does the Economy,”](#) Learning Policy Institute.
- › [“America’s Child Care Deserts in 2018,”](#) Center for American Progress.
- › [“Regulation and the Cost of Child Care,”](#) Mercatus Center.
- › [“COVID-19 Transmission in US Child Care Programs,”](#) Pediatrics.
- › [“Structural Topic Models for Open-Ended Survey Responses,”](#) American Journal of Political Science.
- › [“The Lifelong Effects of Early Childhood Adversity and Toxic Stress,”](#) Pediatrics.

Endnotes

- I Zero to Three (2020). [Grandparents & Extended Family.](#)
- II Urban Institute (2018). [Increasing Access to Quality Child Care for Four Priority Populations.](#)
- III Center for American Progress (2018). [America’s Child Care Deserts in 2018.](#)
- IV Bipartisan Policy Center (2020). [Child Care in COVID-19: Another Look at What Parents Want.](#)
- V Heckman Equation (2016). [Research Summary: The Lifecycle Benefits of an Influential Early Childhood Program.](#)
- VI NAEYC (2020). [Child Care in Crisis: Understanding the Effects of the Coronavirus Pandemic.](#)
- VII Winnie (2020). [Winnie Parent Survey: May 2020.](#)
- VIII NAEYC (2020). [Holding On Until Help Comes: A Survey Reveals Child Care’s Right to Survive.](#)
- IX National Women’s Law Center (2020). [Full Brief: Child Care is Key to Our Economic Recovery: What it will take to stabilize the system during this crisis.](#)
- X Center for American Progress (2020). [Funding Child Care in Federal Relief Legislation.](#)