

# UNDERSTANDING THE SHIFTING SUPPLY OF REGULATED FAMILY CHILD CARE IN THE U.S.

## A Research-to-Policy Brief

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Over the past decade, the supply of regulated family child care (FCC) has decreased substantially. The longitudinal Child Care Licensing Studies estimate a 42% overall decline in licensed FCC supply between 2005 and 2017, with small FCC settings accounting for this steep drop (NCECQA, 2020)<sup>1</sup>. During the same period, the availability of subsidized FCC for children whose families have low incomes fell by more than half (51%; NCECQA, 2020). This decrease has implications for equitable access to child care, especially for families who work in low-wage, nontraditional hour jobs, those with infants and toddlers, those who live in rural areas, and families of color.

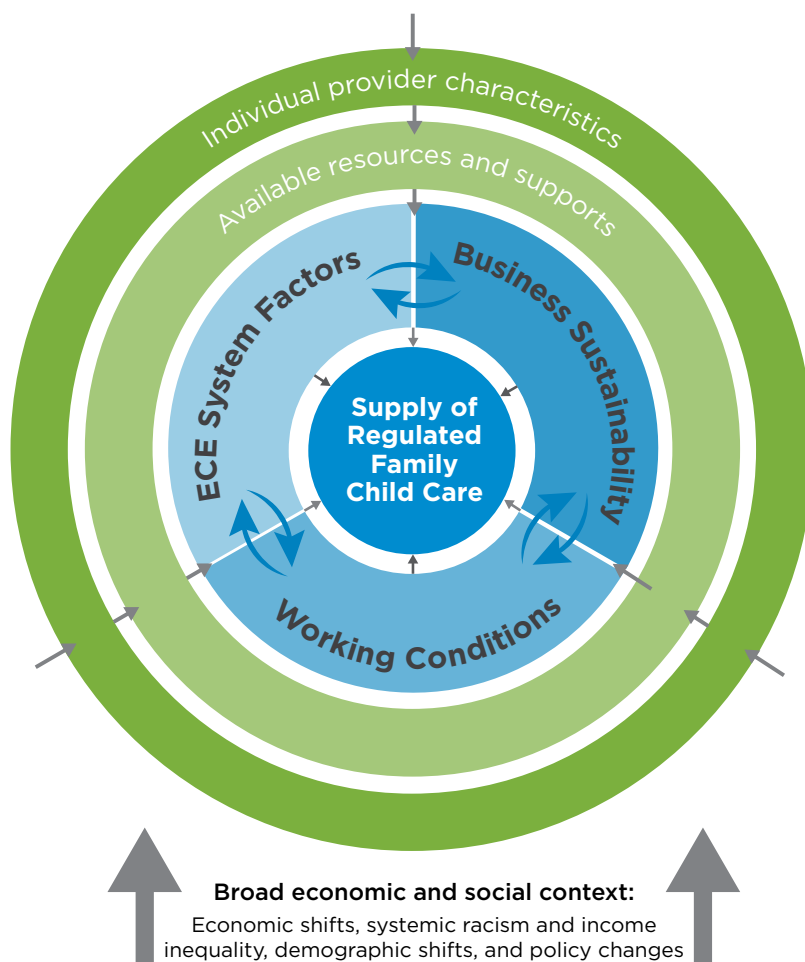
This brief presents a conceptual model to help policy makers and other stakeholders understand the constellations of factors that may contribute to the decrease in FCC supply. The model is based on a literature review of the limited research that examines predictors of FCC exit or engagement, as well as research on the challenges FCC providers face which may contribute to the decrease in supply of FCC (see Figure 1).

### THE CONCEPTUAL MODEL

The conceptual model is situated within the shifting economic and social context of the United States. Contextual variables such as economic shifts, systemic racism and income inequality, demographic shifts, and policy changes shape providers' experiences doing FCC work. These contextual factors may compound existing challenges and contribute to FCC provider decisions to remain in or leave FCC work.

At the center of the model are three core factors that contribute to the decrease of FCC supply. The core factors are hypothesized to have the most direct impact on provider exit from FCC work.

FIGURE 1. CONCEPTUAL MODEL



From: Bromer, J., Melvin, S., Porter, T., & Ragonese-Barnes, M. (2021). *The Shifting Supply of Regulated Family Child Care in the U.S.: A Conceptual Model and Literature Review*. Erikson Institute.

<sup>1</sup> National Center on Early Childhood Quality Assurance (2020). Addressing the decline in family child care. Administration for Children and Families, Office of Child Care. [https://childcareta.acf.hhs.gov/sites/default/files/public/addressing\\_decreasing\\_fcc\\_providers\\_revised\\_march2020\\_final.pdf](https://childcareta.acf.hhs.gov/sites/default/files/public/addressing_decreasing_fcc_providers_revised_march2020_final.pdf)

**1. Working conditions** may pose both challenges and opportunities for providers. Long hours, isolation, and multiple job demands within the home setting may contribute to driving providers out of the workforce. Other working conditions, such as balancing care for children of different ages and abilities and working closely with families may be aspects of the work that are satisfying for some providers and challenging for others.

**2. Business sustainability** for FCC small business owners is necessary in order to thrive. This includes consideration of income and benefits, enrollment and parent demand, as well as balancing administrative and caregiving roles. Many providers go into FCC work for their love of children and may need to develop new business and administrative skills early on. Low earnings and lack of benefits as well as fluctuations in parent demand for FCC compared to other care types may contribute to provider exit from FCC.

**3. Provider experiences** participating in early care and education (ECE) systems, such as state licensing, state subsidy programs, and state/local quality rating and improvement systems (QRIS), may be stressful. Each of these systems has its own requirements, standards, and monitoring protocols. Particularly for FCC providers participating in multiple systems, this creates challenges such as increasing their administrative workload and individual stress levels through confusing and costly requirements, limiting their enrollment and subsequent income through low payments, and influencing their decisions to participate and remain in the field.

## CORE CONTRIBUTING FACTORS

### 1. WORKING CONDITIONS:

- Long hours and isolation
- Management of home and child care
- Caring for children across age groups and abilities
- Working with families

### 2. BUSINESS SUSTAINABILITY:

- Income and benefits
- Enrollment and parent demand
- Managing business and administrative responsibilities

### 3. ECE SYSTEM FACTORS:

- Cross-system inconsistencies
- Paperwork burden
- Quality standards that privilege center-like environments and Eurocentric values
- Lack of access to information and professional development to meet system requirements
- Low payment rates

The model also hypothesizes that available and accessible professional development supports and peer-to-peer connections may buffer some of the challenging core factors and make it easier for FCC providers to continue the work. These include family child care networks, child care resource and referral agencies, FCC associations, unions, and informal peer support groups.

The model acknowledges that individual provider characteristics may directly and indirectly shape provider decisions to leave FCC work. For example, retirement age or health-related factors may directly influence a provider's decision to exit. Other characteristics (such as race, ethnicity, motivations, education and training, and household income) may intersect with systemic inequities (such as racism and income inequality) and indirectly contribute to providers' experiences of working conditions, running a business, and navigating ECE systems, as well as their access to available resources and supports.

## AVAILABLE RESOURCES & SUPPORTS

- Family child care networks and other professional support organizations
- Formal & informal provider-to-provider peer support

## INDIVIDUAL PROVIDER CHARACTERISTICS

- Age
- Race & ethnicity
- Physical health & psychological well-being
- Education
- Income
- Motivations

## POLICY RECOMMENDATIONS



### Provide supports and strategies at the local and state levels to counter stressors such as working conditions, running a home-based business, and navigating ECE systems.

- Fund family child care networks and shared services alliances that can help providers navigate ECE systems and offer resources such as funding for substitute providers and liability insurance.
- Invest in peer support initiatives such as FCC associations that leverage the expertise and knowledge of FCC provider leaders and mentors in local communities.

### Increase public investment in FCC.

- Set subsidy rates that are aligned with a living wage as well as with the full cost of quality care.
- Modify incentives and increase rates for FCC providers who offer non-traditional hour care, as well as care for infants and toddlers, and children with special needs.
- Expand opportunities for FCC in publicly-funded child care and preschool initiatives.

### Align, coordinate, and simplify ECE system policies, regulations, and standards.

- Align standards and expectations across licensing, subsidy, and QRIS to reduce conflicting information.
- Streamline duplicative and burdensome paperwork required by state licensing, state and local QRIS, the federal Child and Adult Care Food Program, and state-administered federal subsidy systems.

### Re-envision ECE systems to be responsive to the FCC context and reflective of the lived experiences of providers across racial, linguistic, and cultural communities.

- Revise standards to better align with distinctive aspects of FCC rather than the center-centric focus that is common in licensing requirements and QRIS standards.
- Ensure that systems offer information, training, and support in the preferred languages of all providers.
- Attend to the ways systemic racism in system requirements and their implementation may privilege some and leave out other FCC providers. Create equitable system processes and procedures that allow all FCC providers to fully participate.

This research-to-policy brief is based on the companion publication:

Bromer, J., Melvin, S., Porter, T., & Ragonese-Barnes, M. (2021). *The shifting supply of regulated family child care in the U.S.: A literature review and conceptual model*. Chicago, IL: Herr Research Center, Erikson Institute.

Suggested citation for this brief:

Porter, T., Ragonese-Barnes, M., Melvin, S., & Bromer, J. (2021). *Understanding the shifting supply of regulated family child care in the U.S.: A research-to-policy brief*. Chicago, IL: Herr Research Center, Erikson Institute.

These reports are available to download at: <https://www.erikson.edu/research/multi-site-study-of-family-child-care-decline-and-supply-examining-the-factors-behind-the-numbers/>

This brief was made possible with the generous support of a grant from the Foundation for Child Development.