



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?

Nearly 6.4 million children ages 0-5 receive care in a home-based child care setting ([NSECCE, 2019](#)). 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, some are registered, and others are exempt from licensure or registration. Some home-based providers are very familiar – like family, friends, and neighbors. Some providers are paid, and others are unpaid.

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

Family, friend, and neighbor care, sometimes referred to as FFN care, is the largest group of caregivers in the country!

How are home-based child care providers compensated?

Whether they are licensed, license-exempt or registered family child care (FCC) providers or family, friend, and neighbor (FFN) providers, home-based child care providers often experience poverty while working full time.

The average annual child care income for a licensed provider is \$29,377 from public and private sources. These caregivers provide an average of 56.5 hours of care per week or 10 to 12 hours a day ([OPRE, 2016](#)).

Who Are Home-Based Child Care Providers?

Home-based child care providers are over-represented by women of color with 97.2% of providers identifying as women and almost 50% of unlisted, home-based child care providers identifying as people of color ([Economic Policy Institute, 2020](#)).



How is Home-Based Child Care defined?

The terms used to describe home-based child care vary widely by region and state. The terms used are often driven in part by parents' demand for child care that meets their needs for work, culture, language, location, affordability, and availability.

Commonly used terms in state regulations across both large and small settings include:

- Family child care
- Child development home
- Family day care
- Child care home

No states used "home-based child care" in their formal definition of HBCC settings. ([Child Trends, 2021](#))

Home-Based Child Care:

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

The chart below provides an overview.

→ Family Child Care (FCC)

FCC facilities are also known as Family Child Care Homes or Family Day Care Homes. FCC caregivers provide care and education out of a private residence, typically as a business. There are two types of FCC facilities – those that are licensed or regulated and those that are license-exempt.

LICENSED OR REGISTERED FAMILY CHILD CARE

Licensed or registered providers meet a set of requirements outlined by their state in order to operate and are paid for their services. Some states use the terms regulated or registered rather than licensed. Licensed or registered FCC programs meet their state's threshold for when they must become regulated, but have much smaller capacities than center-based child care. In a recent scan of state regulations, the minimum number of children for licensing in small HBCC settings ranged from one to six, and the maximum ranged from four to 16 ([Child Trends, 2021](#)). Some states distinguish between large and small family child care settings and may regulate them differently.

LICENSED-EXEMPT FAMILY CHILD CARE

License-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 in care which necessitates when providers must be licensed or regulated ([Child Trends, 2021](#)).

→ 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 grandmothers, nanas, aunts, abuelas, family, friends and neighbors who care for children. Most states allow FFN caregivers to be legally license exempt, or legally nonlicensed, meaning they are not required to pursue licensure to serve the (usually smaller) number of children they care for. These caregivers may be paid or unpaid and may not view themselves as providers.

Why Is Home-based Child Care Important?

→ Families need it!

In March 2022, 91% of families surveyed struggled to find affordable, quality child care ([RAPID, 2022](#)). Home-based 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. The number of employed people who had to miss work because of problems with childcare [hit a record 104,000 in October 2022](#), and it remains higher than it was before the pandemic. With many child care workers leaving the industry, this means finding quality, affordable child care is even more of a challenge and directly impacts parents' ability to work ([Department of the Treasury, 2021](#)).

→ Children need it!

Home-based child care providers aren't watching children for a few hours a week – they are educating, playing, and sharing meals 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 ([Home Grown, 2022](#)).

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

Home-based child care is present in every community among every demographic across the country. Home-based care is the first choice for rural communities due to the continuity of care and ability to serve multi-aged groups ([Child Trends, 2018](#)). Additionally, families of babies and toddlers, Black and Latinx families, families of children with special needs, and families experiencing poverty also primarily choose home-based care.

Why should legislators and decision makers support home-based child care?

Amplifying and supporting home-based child care is an equity issue for children, families and providers.

The families who use home-based child care, including FFN care, are often under-resourced. Some families pay privately for child care, but others may use public subsidies to afford child care. Additionally, although families of all ethnicities use FFN care, there's often a match in ethnicity for the child and the provider. This allows for more culturally informed and responsive care ([Migrant Policy Institute, 2021](#)).

Early childhood education, including home-based child care, is a public good.

Ensuring children have access to quality early childhood experiences create long term economic and social gains for communities. The benefits include a positive impact on future health outcomes, decreased participation in crime and increase in future labor incomes ([Heckman Equation, 2016](#)).

Rebuilding a thriving economy will depend on strengthening home-based care, including FFN child care.

Rebuilding a thriving economy will depend on strengthening home-based care, including FFN child care. Home-based child care providers make it possible for parents of young children to work and contribute to the economy. Family, friend and neighbor (FFN) providers, who include grandparents, aunts, and neighbors are the mainstay of the American child care sector. Over 5 million FFN caregivers look after 11.5 million children including 5.8 million children ages 0-5. ([NSECE, 2019](#)).

Stabilizing the economic well-being of caregivers is imperative to building strong systems that benefit children and families, and the economy overall.

Home Grown's Vision for the Future of Home-Based Child Care

Home Grown envisions a future with a fully funded child care system where child care is affordable for families, providers earn a wage commensurate with the valuable quality care they provide and where family preferences for child care arrangements are valued and supported. Additionally:

- **Provider and family voices drive policymaking.** Policies reflect and support the needs of families and providers. Providers and families have a voice in the design and accountability of services and policies. ([Read more](#))
- **Early Childhood Quality systems are equitable, strengths-based and prioritize family and provider voice in defining, measuring, monitoring and supporting quality.** Parent decisions about care reflect their values and needs; Early Childhood Quality Systems recognize the value families find in home-based care and build upon the existing strengths of home-based caregivers including FCC and FFN care. System processes, tools, and resources include provider perspective and place emphasis on equity for children, families and providers.
- **Providers and families access systems of support in the form of networks.** Networks serve as durable, publicly-funded, community-based structures that ensure providers and families have access to the services and supports they need to thrive. ([Read more](#)).
- **Economic stability is the foundation for growth and success.** Providers and caregivers are adequately compensated to ensure their economic stability resulting in availability and quality of care for children and families ([Read more](#))
- **Provider- and family-driven narratives hold power. Providers and families voice lead in messaging and storytelling.** Policy-makers, researchers, funders, and advocates listen and amplify their voices. ([Read more](#))

Additional Home Grown Resources

- › [Federal policy: Recommendations to support home-based care](#)
- › [Promising Practices in Policy for Home-Based Child Care: A National Policy Scan](#)
- › [Child care development fund recommendations](#)
- › [Family, Friend and Neighbor Child Care: Supporting Diverse Families and Thriving Economies](#)
- › [Generations of Kids Get Their Smarts and Their Resilience in Home-Based Child Care](#)
- › [Supporting and Strengthening FFN Care](#)
- › [Strengthening HBCC Networks: An Evidence-Based Framework for High Quality \(Benchmarks\)](#)
- › [Including Family Child Care in State and City-funded Pre-K Systems: Opportunities and Challenges](#)
- › [Opportunities to Expand Support for HBCC through PDG B-5](#)

Additional Reading

OPRE, [A National Portrait of Unlisted Home-Based Child Care Providers: Caregiving Histories, Motivations, and Professional Engagement](#)

OPRE, [A National Portrait of Unlisted Home-Based Child Care Providers: Learning Activities, Caregiving Services, and Children Served](#)

OPRE, [A National Portrait of Unlisted Home-Based Child Care Providers: Provider Demographics, Economic Wellbeing, and Health](#)

RAPID, [RAPID Fact Sheets](#)

Erikson Institute: [Family Child Care Educators' Perspectives on Leaving, Staying, and Entering the Field](#)

NIEER [Conditions for Success](#)

[PreK in Family Child Care Project \(PKFCC\) Website](#)

Urban Institute, [Expanding Participation of Home-based Child Care Providers in Federal Programs and Services](#)

Urban Institute, [Informing Policy Decisions about Nontraditional-Hour Child Care](#)

[Center for the Study of Child Care Employment](#)

CLASP, [Inequitable Access to Child Care Subsidies](#)

National Women's Law Center, [Strategies for Supporting Family, Friend, and Neighbor Care Providers](#)

The Hechinger Report, [In-home child care could be solution for rural working parents](#)

Early Learning Nation, [Community Mothers: Dr. Crystasany R. Turner on the Crucial Role of Black Family Child Care Providers](#)

EdSurge, [Child Care Providers Deserve More Than Thanks. They Need Action.](#)

Early Learning Nation, [Thriving Providers Project: First of Its Kind Effort Uses Guaranteed Income to Address Compensation of Early Childhood Education Workforce](#)

Early Learning Nation, [Innovations in Child Care: Meeting Parents' Diverse Needs and Preferences](#)

Yes! Magazine: [Child Care: Invaluable and Undervalued](#)

Washington Post, [Child-care workers wait for checks that could take them off the brink](#)

AgWeek: [Child care shortage impacts rural and agriculture jobs in the upper Midwest](#)