



Opportunities and Approaches for Employers to Connect With Home-Based Child Care Providers: Home-Based Child Care Networks as Child Care Benefits Broker

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Home Grown is a national collaborative of funders, caregivers, and providers working together to advance an inclusive child care system where home-based child care is visible, valued, and well-resourced. We work in partnership with the diverse array of family child care providers and family, friend and neighbor caregivers who comprise the home-based child care sector. Learn more on our [website](#).

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Introduction

Employers are increasingly aware of the relationship between child care and employment: Without reliable, affordable, accessible child care, parents simply cannot participate in the workforce.

There are opportunities for employers to become more engaged in supporting their teams and communities in accessing high-quality child care. While employers with professional human resources staff are well-versed in accessing and administering health, dental, and life insurance and other traditional employee benefits, they are not similarly equipped to offer a child care benefit.

When employers contribute to local child care ecosystems in ways that invest in existing assets, they can increase program enrollments, improve child care worker compensation, and expand parent-preferred child care supply.

The Opportunity

- Unemployment is at historic lows and employers are working hard to recruit and retain workers. As of March 2025, there were [3 million more open jobs](#) than available workers.
- The cost of child care remains out of reach for most families and availability, particularly for infant and toddler care, is shrinking. In March 2022, [91% of families in a national sample](#) said they struggled to find affordable, quality child care.
- Efforts to reshore an array of jobs will require employers to address child care needs in order to recruit and retain the workforce that they need.
- Home-based child care (HBCC) 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.

[Nearly 6.4 million children ages 0-5 receive care in a home-based child care setting \(NSECE, 2019\).](#) Home-based child care is the most prevalent child care placement for infants and toddlers. Home-based child care is also the care most used by parents who reside in rural communities and those who work non-standard hours schedules. The term home-based child care includes the following types of care:

- Licensed or registered family child care
- Licensed-exempt family child care
- Family, friend and neighbor care

Family, friend and neighbor (FFN) care makes up the majority of home-based child care and is usually provided by those who have a previous relationship with the children for whom they care. Because of the small number of children cared for, FFN caregivers are typically not required to pursue licensure.

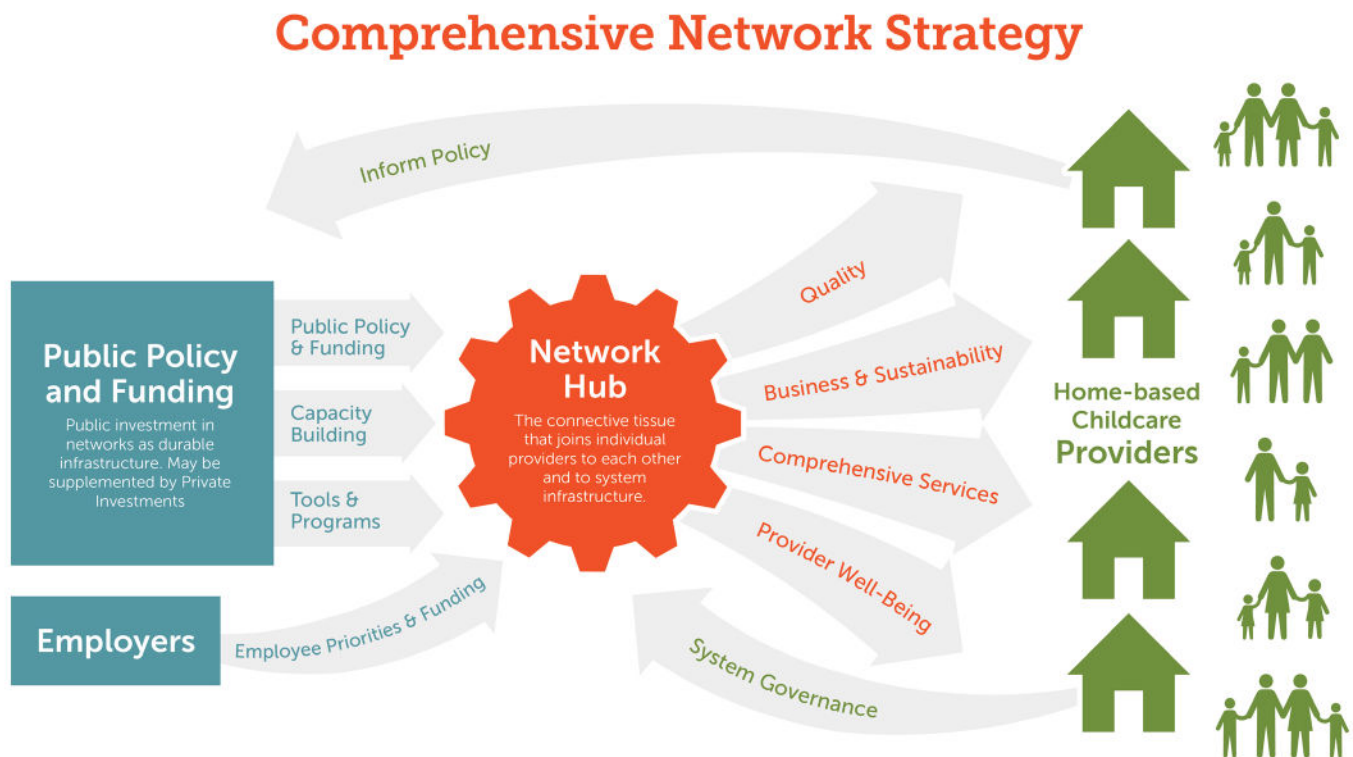
Working with **home-based child care networks** enables employers and other partners to invest in existing early childhood infrastructure and maximize payments and access to providers, [two key goals](#) articulated by communities when considering the impact of increased business investment in child care on local child care systems. Home-based child care networks are uniquely well-positioned to serve as a child care benefits broker for employers—connecting them to home-based child care providers and fulfilling the role of administrator for payments, documentation, and reporting.

Additionally, with the passage of [H.R.1](#) in 2025, Congress enhanced the Employer-Provided Child Care Credit with a maximum annual credit of \$500,000 for businesses (or up to \$600,000 for small businesses). The law also allows a credit for employers pooling care through third-party intermediaries that contract with qualified child care facilities. While details are dependent upon the rule-making process, this creates potential financial incentives for employers to further invest in networks as infrastructure. Civitas Strategies provides more detail about the opportunities related to the expansion of the Employer-Provided Child Care Tax Credit in their publication, [The 45F Intermediary Opportunity](#).

This new Home Grown resource is designed to support employers in finding and collaborating with home-based child care networks (networks) in order to realize the promise of increased access to and affordability of child care for their employees.

Home-Based Child Care Networks Defined

Home Grown defines home-based child care networks as an interconnected group of providers and families that come together to enhance support for HBCC – including quality, access to services, and sustainability. Network Hubs (orange gear in the graphic below) are the organizations that sit at the center of the Comprehensive Network structure that receive funding and deliver or coordinate services to providers and/or families.



The Approach

The early childhood and education sector has many examples of third-party entities (or intermediaries, e.g. networks and alliances) securing funding that is then used to purchase slots or seats within any number of child care settings. The network supports the child care programs in filling those seats, meeting regulatory compliance and/or quality standards, and documenting attendance. The network makes payment to the providers and reports back to the funder regarding services rendered, impact, and challenges.

Networks often give HBCC providers a range of supports – from business coaching to food program sponsorship. Networks can build on this infrastructure to become the link between employers seeking to offer a child care benefit to their staff and HBCC providers who need reliable and sustainable wages for services rendered. Networks with adequate resources can support families in accessing the home-based child care they need and desire and ensure employers have a streamlined mechanism for making child care investments on behalf of their employees and for collecting data regarding the use and impact of those investments.

The Services

Networks already have a group of HBCC providers with whom they engage. Private employers can access and pay for child care for their employees via a network and partner with a network to address gaps in care that impact employees. With funding, networks can deliver a variety of child care-oriented services designed to expand and strengthen home-

based child care providers, and to assist employers to meet requirements, qualify for other federal tax credits/programs, and fully address employee child care needs.

1. Complete and Regularly Update a Child Care Landscape Assessment

Networks can document the availability of child care options currently available to employees via providers in the network (supply) and analyze that supply in the context of the demand to identify gaps. Demand data would be gathered by the network via parent child care searches, and also through de-identified employee data shared by the employer. This would include the list of employee home zip codes, information about the means of transportation by which employees travel to their work location(s), number and ages of employees' children, current child care arrangements, and the size and schedule of the workforce. If, for example, a plant operates at full capacity from 7 a.m. to 7 p.m. and shifts to half capacity from 7 p.m. to 7 a.m., that information will be meaningful for networks to have.

Networks can document and/or map the available supply of child care with a significant level of detail, to include all the factors that parents need to know when looking for child care that fully meets their needs. All families need to know the child care location, days and hours of operation, ages of children served, and cost of care. Some families might also need to know the languages spoken, the experience of the provider in working with children with special needs, if the provider serves food and snacks, and other more specialized factors.

In order to ensure that the supply and demand data remain current, employers should contract with networks to update the landscape assessment at least every six months. This would require employers to gather and provide an updated employee data set to the network for analysis. The network can flag gaps based on changes to the landscape, employer/employee changes, and use data for the employer and suggest recommendations for addressing those gaps.

For instance, network data about the employees who have sought child care in the past six months and the ability of the network to connect the employees to providers who fully meet their needs could point to geographic gaps in care, limited number and/or availability of providers who speak Spanish, or a lack of overnight care. With expertise in program design, child care licensing regulation, and other key early childhood system components, networks can suggest how employers might fund initiatives designed to address systemic barriers and gaps. If more overnight child care options were needed, for instance, with funding in place, a network could determine current provider willingness to consider overnight care and support those providers in establishing overnight rates for care; updating promotional materials regarding the program to include mention of overnight care; recruiting needed staff; and establishing timekeeping, payroll, and other human resources tools to ensure legal and best practice operations.

2. Connect Employees with Providers

Networks can serve as a one-stop shop for employees who need child care. Armed with information regarding each child care provider in the network, the network can support parent choice based on parent needs and preferences and child care program availability. As part of this child care referral process, the network can arrange virtual and/or in-person tours of one or more programs and prepare the parent with a checklist regarding what to look for during a tour and key questions to ask.

Once employees have selected a child care provider in the network with an available space, the network can also serve a centralized enrollment function – collecting all required data from the parent to ease enrollment and ensure complete documentation is available for the child care program. If the employer is contributing to the cost of child care, the network can ensure that this information is known by the selected child care program.

3. Connect Employees with Public Subsidies and other Community Resources

During the enrollment process, the network will assist families to determine if they qualify for public funding programs for child care or other public benefits. While some of these benefits are tied to family size and income, others may be based on home address, employment status, immigration status, or other factors. In addition, other public and community resources that might support family success, such as public health insurance options, public library cards and library programming promoting reading, first-time homebuyer programs, child care tax credit, elementary school enrollment, early intervention assessment and services, or other such federal, state, and local programs relevant to families with young children will be made available via the network.

4. Pay Home-based Child Care Providers

Employers can pay all or a portion of an employee's cost of child care as part of a comprehensive benefits package and as a means to qualify for federal tax credits, participation, and other federal funding programs. Rather than making payments, however, to each child care provider based on each employee's arrangement each month, an employer can streamline and simplify the process via a network. The network can generate one monthly invoice for the employer that includes detailed information regarding all of the employee children enrolled at all of the network's child care programs. The network can accept one monthly payment from an employer on behalf of all network providers and distribute payments to home-based child care providers based on enrollment. The network can choose to pay providers in advance of service delivery and thereby strengthen provider cash flow.

5. Train and Support HBCC Providers

Home-based providers often work in isolation and, due to their long work hours, are limited in their ability to attend training and other types of professional development. A network can provide in-person and remote training for HBCC providers and can alert HBCC providers to training opportunities that are offered in the community and online. In addition, a network can support provider implementation of the content offered during training through technical assistance and consultation.

While there are many possibilities, below are some examples of the types of training and implementation support that a network might provide/provide access to:

- Licensing compliance and new regulatory requirements
- Quality improvement and new standards
- Child development, observation, and assessment
- Nature-based play
- Engaging families
- Lesson planning
- Digital literacy and technology 101
- Record-keeping, accounting and/or tax preparation
- Human resource practices
- Facilities repairs and maintenance
- Menu planning
- Math literacy and STEAM
- Engaging dual-language learners
- Social emotional learning

6. Collect and Report Data

Networks can collect and report both usage and outcome data on a regular basis. Usage data might be segmented by days/hours of care: weekday vs. weekends and evenings/overnight, ages of children in care, and other demographic factors. Outcome metrics will vary based on employer needs, but could include any of the following for any given period of time: multiplier effect of employer payments to networks (and via networks to local small businesses) on local economies; employee confidence in and satisfaction with child care accessed via the network; and/or number of nutritional meals and snacks employees' children consumed while in employer-sponsored child care.

Building Capacity of Local Networks

The presence and capacity of networks around the country varies. Employers may choose to support networks in hiring additional staff, engaging specialized consultants (fiscal, mental health), or purchasing a management technology solution to ensure the success of their own employees. Home Grown is able to help partners connect with local child care agencies and home-based child care networks; our work supports 163 networks with reach across the United States.

Conclusion

As employers increasingly look to ensure that employees and the broader community have access to high-quality and affordable child care, efficient means to connect employers to responsive child care options are required. Networks build the bridge between the range of needs of employees working variable schedules and having varied family situations and the HBCC providers that can satisfy them. By partnering with existing home-based child care networks, employers can effectively ensure that their employees have the child care they seek and that data are available to meet federal guidelines, demonstrate impact, and measure return on investment.

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