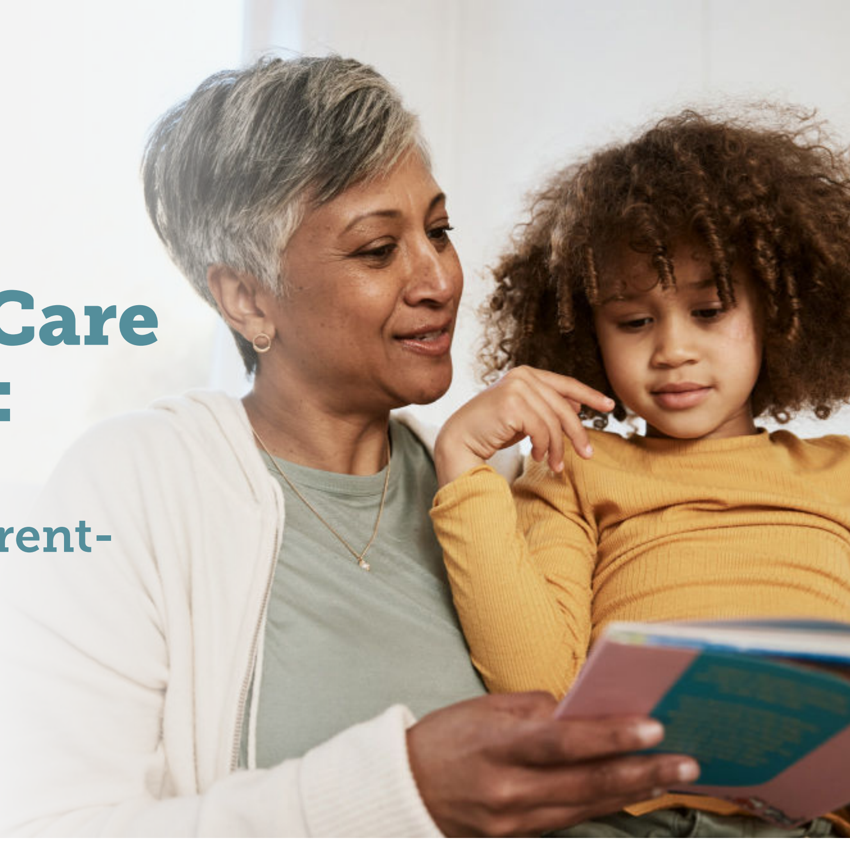
HOME GROWN



Invisible Child Care With Real Costs:

Understanding the Costs Associated With Grandparent-Provided Child Care

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Introduction

Across the nation, more than 24% of children under age 5 receive regular care from a grandparent. These grandparents join the ranks of more than 5 million family, friend and neighbor (FFN) caregivers – the grandparents, aunts, family friends, and neighbors who look after 11.5 million children in home-based settings in the U.S. each year. They power what is the most commonly used form of care in the United States.

Parents choose FFN care for a number of reasons, including the trust and intimacy that already exist among relatives. A 2023 study from the Center for the Study of Child Care Employment found that 86% of parents in California who use FFN care rely on a relative; 58% of these parents relied on grandparents. Another study found: "Parents who used grandparent care emphasized the importance of continuity of care over time, close and loving provider-child relationships, generational transmission of cultural, linguistic, and religious values, and direct personal support for parents. In addition, parents who used their own mothers for child care talked about the importance of grandmothers' years of childrearing experience."

Many dual-language learner families prefer FFN care due to the shared language and culture. FFN caregivers are often flexible in caring for children in the evenings, overnight and on weekends. Understanding Child Care in America provides results from a 2025 poll of more than 1,000 adults with children 5 and under. Among the 64% of respondents who use any form of child care, the largest percentage (25%) chose FFN care. Of these, 68% indicated that this is their preferred care type and 92% indicated satisfaction with the care received. While staying at home was the most often selected choice for care (49% of parents), second to that preference was FFN care (15% of all parents). The 2023 CSCCE study also found that FFN care is consistently preferred at similar levels across household incomes.

Key findings from a 2023 Mathematica study included:

- FFN care is an active, deliberate first choice of child care for many families.
- FFN care providers are passionate about the care they provide to children and they desire to offer children and families high-quality care.
- Providers offered consistent, regular care to children, which offers stability to families.
- FFN providers offer families help with non-child care tasks which facilitates working families' ability to care for their families' household needs.

FFN caregivers fill a critical need for families and do so, generally, without compensation. A recent poll found that parents paid an average of $500 per month, or $6,000 per year, for FFN care. CSCCE found that parents in California paying for FFN care paid a median of $160 per week or $8,320 annually. About half (48%) of those using FFN care in the study provided nonmonetary compensation to FFN caregivers, such as food, supplies, and transportation. Nearly a third (28%) provided no payment, monetary or otherwise. A 2025 study of 48 providers found that payment differed by relationship type. While a third of parents did not pay FFN caregivers, the rate of nonpayment jumped to 78% among parents using grandparents for FFN care.

A National Portrait of Unlisted Home-Based Child Care Providers analyzed data from a 2019 survey to better understand characteristics among paid and unpaid, unlisted (not licensed) caregivers. The analysis found that unlisted, unpaid providers were mainly older relatives, often caring for grandchildren, and while this segment of providers reported a mix of education levels, they were the group most likely to have lower incomes and rates of home ownership. At the same time, nearly 40% of the unlisted, unpaid caregivers held paid jobs in addition to providing care – the largest segment of home-based child care providers to do so.

FFN caregivers typically provide child care out of a sense of familial or community duty, rather than in return for payment. However, many FFN caregivers experience significant financial hardship. A 2021 survey, for example, found that 34% of FFN caregivers were experiencing food insecurity. To learn more about the financial impact of serving in this role, Home Grown conducted a small study of FFN caregiver costs and other financial and health sacrifices that they made in choosing family and community above all else.

ABOUT THIS REPORT

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 (HBCC) is visible, valued, and well-resourced. Through a portfolio of initiatives and in partnership with the diverse array of family child care providers and family, friend and neighbor caregivers who comprise the HBCC sector, Home Grown focuses and funds efforts to: build grassroots power, shape the narrative, and reimagine policies and systems affecting HBCC. De-mystifying HBCC, and most specifically FFN care, is an essential component of all Home Grown projects, including this report. Leveraging trusted relationships built through a guaranteed income project (the Thriving Providers Project or TPP), Home Grown was able to collect data that can be used to inform FFN compensation strategies that recognize not only the cost (out-of-pocket and opportunity costs) to provide care but also the critical role that FFN caregivers play in the national child care landscape.

Approach

In April 2026, Home Grown collected data from six FFN caregivers in Transylvania County, North Carolina. The caregivers participate in a FFN Network facilitated by Smart Start of Transylvania County. All are grandmothers ranging in age from mid-50s to mid-60s and caring for their grandchildren and grandnieces and nephews, who range in age from 2 to 9 years old.

Caregivers completed a cost tracker tool, designed by Home Grown to capture the estimated weekly, ongoing, and one-time costs incurred in caring for children. Trusted staff at Smart Start of Transylvania County conducted individual interviews in person and remotely using a standardized question guide developed by Home Grown to gather background information focused on opportunity costs, physical and mental health costs, and other impacts of their critical role that the caregivers may be experiencing.

The Caregiver Expense Tracker included three tabs. The first tab was completed by caregivers to categorize and estimate expenses incurred during one, fairly typical week of caregiving.

Caregiver Name *Expense Tracking Week*	*Dollar Amount*	*Date*	*Notes*
Groceries Please include any food that you purchased for the children in your care. This could be from a grocery store, a gas station, restaurant or any other location.			
Groceries Total			
Activities Please include any games, children's books, toys, puzzles, workbooks, TV or streaming service subscriptions for children's programming that you purchased for children in your care. Please include any art & craft materials like markers, paints, brushes, paper, or glue			
Activities Total			
Supplies Please include any cleaning supplies purchased to keep areas sanitized where children are cared for in your home. Please include any diapers, wipes or other child-specific supplies that you purchased. Please include any paper plates, cups or other meal/snack supplies that you purchased for use by the children in your care.			
Supplies Total			
Community Activities Please include any costs of tickets and fees to parks, movies, swimming pool, sporting events, museums. Include money you spend for music lessons, sports clubs, swimming lessons and other types of community activities.			
Community Activities Total			
Other Please include any other amounts that you spent for the children in your care this week. All entries in the "other" category should include a description so that we understand a little bit about what you bought.			
Other Total			
Transportation Please include the cost of gasoline, bus fare, taxi rides and other expenses you incurred to to pick up/drop off and/or transport children in your care.			
Transportation Total			

The second tab was completed by caregivers to categorize and estimate the cost of one-time items purchased for children in their care during the past year.

Please estimate the cost of one-time items that you bought during the past year in order to care for children. These might include items such as a crib, high chair, car seat, child-sized furniture, outdoor play equipment, home safety supplies (first aid, fire extinguishers, safety gates, outlet covers), home repairs required to safely care for children, backyard/outdoor repairs required to safely care for children, additional car, home or liability insurance that you purchased because you care for children, a children's book subscription or a children's radio station or cable or stream service with children's programs that you pay for because you care for children

Item	*Dollar Amount*	*Date*	*Notes*

The third tab was completed by caregivers to give context to the cost estimates. Caregivers estimated the number of hours they cared for children (and noted if a child was a relative) each day of the "expense week".

Please estimate the number of hours that you cared for children each day of the "expense week". Estimated hours are fine. We don't need the full names of the children, just their initials please. And please put an asterisk (*) by a child's initials if that child is related to you. If the child is related to you AND lives with you, please indicate with a double asterisk (**). Thank you!

Monday	*Child's Initials*	*Total number of hours of care provided to this child this day*
Daily Total		

Tuesday	*Child's Initials*	*Total number of hours of care provided to this child this day*
Daily Total		

Background & Expertise of Grandparent FFN Caregivers

The caregivers have extensive employment, child care, and life experiences. One caregiver owns a floral shop and while she has had to turn down some business due to the time demands of her caregiving, she has hired additional staff and continues to manage and oversee the business while carrying out her caregiving responsibilities. A list of the professional degrees and employment mentioned by those interviewed is provided below.

General Employment Experience

- Healthcare workers
- Part-time salesperson
- Administrative assistant
- Secretary
- Small business owner (floral shop)
- Retail clerk
- Server
- Hospital dietary worker
- Customer service representative

Several of the caregivers have experience in the field of education through employment in a variety of settings and positions in a number of different roles. One caregiver has seven adopted children, has had custody of her 18-year-old granddaughter since she was 4, and estimates having cared for more than 120 children in her home over the years – including many with special needs. She credits this legacy to her mother, who was a "community mom." Her "community mom" raised the FFN caregiver in a household filled with nearly a dozen children at any one time. Both the caregiver and her mother continue to care for children. Another caregiver mentioned help provided by her mother-in-law, the children's great grandmother. When the children are with their grandmother, their great grandmother "cooks for us like crazy," making extra plates of the children's favorite foods and lessening the burden of caregiving on the children's grandparents.

One FFN caregiver noted, "I guess child care is my calling." Another said: "This is a nurturing job. I mean that's what I like to do. I like to care for people." Several caregivers described a lifetime of caring for children. From babysitting to work in a church nursery school to caring for siblings – "I've always cared for kids." This child care expertise is a significant driver for parent preferences; parents appreciate the prior experience as teachers and educators that their relatives bring to the FFN caregiver role. A list of these specialized child- and education-focused positions include:

Employment Experience in Education and Child Care

- Kindergarten teacher assistant
- Teacher assistant (K-6)
- Head Start teacher
- Child care center owner
- Child care center director
- Child care center staff

Caregiving

All six of the participating FFN caregivers are grandmothers caring for one or more grandchildren. In addition to caring for her granddaughter, who lives with her, one caregiver also cares for a great niece and a great nephew. The amount of time that the grandmothers spend with the children in their care varies, as does the role that they play. Some of the caregivers pick up and drop off children – to/from school, from a parent's place of work, to/from afterschool enrichment activities, to/from camp, or from a child's home. One grandmother documented a six-hour schedule of care during the week, but during the interview added, "Most of the time they stay the night with me during the week, so I'll get them to school the next day." One caregiver described the work schedules of parents as "odd," with night shifts and weekend work and commutes that require lots of flexibility on the caregiver's part. A summary of the caregiving responsibilities fulfilled by the grandmothers is provided on the table below.

	NUMBER OF CHILDREN IN CARE	AGES OF CHILDREN IN CARE	AVERAGE WEEKDAY HOURS OF CARE PROVIDED	WEEKEND HOURS OF CARE PROVIDED
Caregiver A	1	2	12 hours	0
Caregiver B	1	2.5	8 hours	0
Caregiver C	2	3 and 9	6 hours	72 hours (grandchildren spend the weekends with grandparent)
Caregiver D	1	2	6 hours 2 days per week; 2 hours 1 day per week	7 hours on Saturday
Caregiver E	3	2, 3, and 5	Grandchild lives with grandmother; 4 hours of care for additional 2 children twice per week	Grandchild lives with grandmother; 4 hours of care for additional 2 children on Saturday and Sunday
Caregiver F	1	3	10 hours	0

Financial Snapshot

None of the caregivers receive payment from family members for the care they provide. “We buy what we need for the kids. We supply what my house needs for the kids, we’ve never asked them (parents) to give us money towards anything because they’re trying to survive like everybody else is.” Another caregiver explained, “They (the grandchild’s parents) don’t pay me because I want them to have a better life and daycare is expensive. So, I do it for free.”

Three of the caregivers interviewed receive some form of public benefits and in two additional cases, the children they care for have benefits of some kind – most typically medical assistance and SNAP. One caregiver is on the waiting list for public housing assistance (Section 8) and another already receives that housing support. Two caregivers are insured through medical assistance and Medicare and also receive disability payments. Several caregivers, and/or the children they care for, have experienced recent reductions in public benefits or loss of public benefits due to changes at the federal level. To help meet their needs, caregivers access food pantries, diaper banks, and free church meals. One caregiver said, “Do we have millions of dollars to take her here and there – no! But we can go to the park, to run errands, etc.”

Caregiver costs to feed, transport, clothe, and entertain the children

Range across 6 caregivers caring for 9 children

per caregiver	*reported range*	*average*
Weekly Cost	**$250 – $950**	**$500+**
One-Time Costs	**$600 – $10,000+**	**$2,700**

As detailed below, the financial impact of fulfilling the role of FFN caregiver is significant. For instance, the weekly cost to feed, transport, clothe, and entertain the children ranges from approximately $250 to $950. This averages to more than $500 per week per caregiver and must be understood as only one portion of out-of-pocket expenses incurred. Caregivers documented one-time costs ranging from $600 to more than $10,000, with an average of $2,700 per caregiver. One caregiver’s one-time expenses included a car payment for a larger car that she needed to transport all of her grandchildren.

The range of one-time and weekly expenses incurred by caregivers correlates with a myriad of factors related to the number of children, their ages and the circumstances. The caregiver whose 5 year old daughter lives with her, noted annual shoes and clothing expenses of more than $10,000. A caregiver of school age children noted expenses related to sports team uniforms and an assortment of outdoor recreational equipment and supplies related to their energy level and interests. One caregiver noted on the expense tracking form, "It is very costly caring for our children. Some things we go without." Another caregiver explained that while she qualifies for SNAP, the benefit is calculated based on just a one-person household. She often feeds her granddaughter and only wants to serve her fresh, organic fruits and vegetables that "cost a lot more money." As a result, this grandmother, who is on a waiting list for Section 8 housing subsidy and receives Medicaid, Medicare, and disability benefits, runs out of SNAP funds before the end of each month. She noted, "... trying to buy, pay rent and everything else and food is very difficult for me."

All but one of the caregivers experienced a reduction in income and because of the need to leave or decrease paid employment in favor of caregiving responsibilities; two of the six lost or reduced access to employer benefits. The small business owner and those who had been working multiple part-time jobs did not have employer benefits to lose.

Finally, caregivers noted the financial impact of broader economic and federal policy trends and gender bias that have resulted in inflation, reductions in access to and the amounts/value of public benefits, and reduced earning power of women. One caregiver mentioned a two-year wait for a provider that accepts her public dental insurance. Several mentioned the yearslong wait for federal assistance due to the severe economic impact that Hurricane Helene recently had on so many residents of the region. One mentioned the SNAP benefit rule that eliminated her eligibility: In order for Americans aged 65 and older to qualify for SNAP, they cannot have assets valued in excess of $2,000. Because the caregiver owns her home, overnight she lost SNAP benefits. Another caregiver mentioned that her many years working as a restaurant server resulted in very low taxable wages, which has decreased the amount of disability and other benefits, including Social Security, for which she qualifies. Only one of the six caregivers mentioned retirement savings. Others likely depend on Social Security benefits, which are modest and which, for those without other savings, result in most older people having income levels at or below the poverty line. The median income by gender in Transylvania County in 2024 indicates that women earn 25% less than men. Over a lifetime, this gender penalty may have impacted the financial stability of the caregivers. Combined, these stories offer a snapshot of a "safety net" that does not provide comprehensive, holistic, or even reasonable assistance to FFN caregivers. Rather, caregivers personally sacrifice financial stability in order to nurture their children, grandchildren, and other extended family members.

Out-of-Pocket Expenses

Caregivers documented their approximate weekly costs related to caring for children grouped in the following categories: food; transportation; toys/games/arts & crafts supplies; household supplies; community activities; clothing; and other. While varying depending upon the number of children cared for, hours of care provided and the role of each caregiver, weekly food costs were the highest expense for five of the six caregivers that tracked expenses. One caregiver said, "She's (the child in her care) constantly eating! She'll go to bed and wake up to eat." Weekly transportation costs in this rural community are the next highest expense and one caregiver documented costs related to her need to purchase a larger car and car insurance to accommodate the needs of the children in her care.

The MIT Living Wage Calculator for Transylvania County (with data last updated on 2/15/26) indicates that for a household with one adult and one child, the average weekly cost of food and transportation is $344. While only one caregiver's grandchild lives with her, all those interviewed reported food and transportation expenses related to their caregiving. And gas prices have radically increased during the past several months. The average weekly amount documented by caregivers for those two expenses was $265, indicating a 23% underestimation in comparison to the MIT calculator of the largest out-of-pocket costs related to the provision of child care.

Caregivers were also asked to list the one-time, annual, and unusual costs that they have incurred in caring for children in their homes.

The items listed included the following:

- Car seat
- Baby proofing
- High chair
- Potty chair
- Toddler furniture
- Toddler kitchen
- Train table
- Outdoor swing/playground/garden toys and child-sized lawn tools
- Swim club membership/gymnastics class/sports camps and leagues
- Sporting goods
- Tricycle/bicycle/trampoline

Opportunity Costs

Five of the six caregivers interviewed had exited the workforce, reduced their hours in paid employment, or turned down other work due to their caregiving responsibilities. One caregiver described the need to leave two part-time jobs she had held and her plan to return to the workforce part- or possibly full-time after her grandchild no longer needs her. One shifted from full-time to part-time work, one continues to operate her small business, and the caregiver whose grandchild lives with her and cares for two additional relatives after school also works three days per week in retail. One caregiver explained, "I don't even look at it as costing money though really. You know … caring for your own loved ones, it is money well-spent, so (I) don't measure it in cost."

Costs to Wellness

While deeply committed to their caregiving roles, the grandmothers experience financial and other challenges in attending to their own physical and mental health needs. Stress and fatigue were mentioned by five of the six caregivers interviewed. The caregivers receiving disability benefits both endure back pain. Another has a hiatal hernia that she addresses through free physical therapy videos that are available online. One caregiver mentioned seeking care at a free dental clinic. One caregiver mentioned the stress and pressure from caring for her grandchild in compliance with her daughter's concerns about germs and infection. These findings aren't so different from what new parents describe as the overwhelm of parenting responsibilities, nor those that most women in their mid-50s to 60s describe as part of the aging process.

These findings are also similar to those found among all child care providers – those working in licensed centers and homes as well as those offering license-exempt care. A 2025 fact sheet by the Stanford Center on Early Childhood found widespread material hardship and emotional distress among child care providers. Stress is one of the four states of emotional distress measured, and was found among 63% of providers surveyed. Anxiety and loneliness were also prevalent (43% and 42% of providers surveyed respectively), as was depression. However, while caregivers interviewed mentioned fatigue and stress, their participation in the FFN Network provides support and their caregiving stories were conveyed with energy and positivity. They spoke about the importance of their caregiving work and the joy it brings them. One said: "His parents have to work so I want to see that he has the best start possible. And (for me) to be able to participate and be part of that (is something that) I really enjoy. I enjoy taking care of him and what I've had to put aside and do without is well worth what I see in him and being able to be there for him."

Looking Toward the Future

Several of the caregivers participating in the data collection effort spoke about their future plans, what might influence them, and the future needs and possibilities for their children and the grandchildren in their care. One spoke about caring for her grandchild as a way to ensure that her son and his wife can live comfortably enough to be healthy as they age. In contrast, she had worked three jobs when raising her children and now has chronic health problems. Another caregiver talked about the developmental needs of her grandson – specifically for more interaction with children his own age. She is aware that if her grandson enters a child care setting the cost will be hers to bear and, at 66, she is prepared to re-enter the workforce to pay for what he needs. The caregiver who works part time while on disability, cares for two young relatives part time, and shares her home with her granddaughter described her worries about the future. "My daughter is pregnant again and not in a good situation. I may have to take on caring for her child most of the time if not full time. That's going to add up financially. Newborns are very expensive and that would take me away from my job three days a week." One caregiver, who cares for her 2-year-old granddaughter, will be caring for her new grandson once the mom returns to work in a few months. She described planning ahead for the new baby by reducing her work schedule at her floral shop.

While some caregivers were experiencing financial difficulties and anticipating the continuation of some of these stressors, they also expressed joy in the present moment and hope for the future. One caregiver noted: **"There's windows and opportunities that never present themselves again as children get older. It's too important to see that they get a good solid start in their life; it's precious time. I never regret any time I spend with him, his life is more precious than anything. There are other things that I would be doing, yes, but this is my season and I love it, and he's awesome." Another grandmother noted, "It's priceless – the time that I get with her."**

Through participation in the FFN Network facilitated by Smart Start Transylvania County, FFN caregivers can qualify for a monthly stipend, training, and other resources. They mentioned the importance of this financial and resource support and their gratitude for the assistance. A brighter future for FFN caregivers and the children in their care includes adequate sources of public support, bolstered by community resources, that acknowledge the critical role that family, friend and neighbor caregivers play in offering loving care to children and eliminates the need for personal financial sacrifice by the very ones who care most.

Conclusion

Grandparent caregivers offer essential care to young children. While these caregivers are deeply motivated to offer care and delight in the time spent with their grandchildren, they have very real direct and opportunity costs for which they receive no compensation. Creating economic stability and supporting the well-being of caregivers should be a priority for our child care system and we hope to see this caregiving option get more attention and resources.