

Home-Based Child Care: A Surprising Key to Keeping the American Workforce Strong

Policy solutions must support the child care system used by most families

Although many people think of child care as occurring in centers, the vast majority of child care in the US is home-based. Home-based child care (HBCC) accounts for 97 percent of all child care settings¹ and serves almost two-thirds of the children ages birth to five who are in care.² HBCC is particularly important for infants and toddlers,³ children from families with low incomes,⁴ and those living in rural areas.⁵ HBCC is an essential support for the American workforce, with the majority of parents relying on this care so that they can go to work and support their families.

Types of HBCC differ on several dimensions, including whether the provider is paid or listed on a state or federal registry.⁶ Another common classification examines whether the provider has a prior relationship with the children in care (family, friend, and neighbor care; FFN).⁷ Family child care providers are paid, provide care to at least one child with whom they had no prior relationship and are essentially small businesses.⁸

Benefits and challenges of home-based child care

HBCC has several benefits and is highly valued by many families.⁹ HBCC is typically more affordable and more available than center-based care, especially for infants and toddlers.

Flexible operating hours can accommodate parents' nontraditional work schedules. HBCC offers small groups of mixed-age children, allowing siblings to stay together. Providers are often trusted members of the parents' community, sharing language, culture, and values.

HBCC also faces several challenges, however.¹⁰ Providing care can be stressful, with long hours, difficult work, and low pay. Providers typically lack benefits and can face difficulties managing the business aspect of providing care. Partially as a result of these challenges, the number of family child care providers has dropped 20 percent in recent years, contributing to the overall shortage of affordable child care.¹¹

“ Home-based child care availability, in addition to centers, is critical for companies of any size to retain a talented and engaged workforce, especially when on-site work is required.”

Joe Sheetz
CEO, Sheetz, Inc

Home-based child care contributes to our nation's economy

HBCC serves as an essential workforce support that allows parents to go to work and support their families. Moreover, paid HBCC generated \$9 billion in revenue nationwide in 2016 and also produced spillover economic activity in other sectors, as providers purchase goods and services, both for their child care businesses and for their own families, from their earnings.

Support for home-based child care providers is critical

Home-based child care provides an invaluable contribution to our economy. In the aftermath of the COVID-19 pandemic, HBCC could become an even more popular choice among parents, with its small group size. Any policy solutions aimed at improving access to and quality of child care must consider the needs of home-based providers of all types and the families they serve. Sustaining and building on this essential component of the child care landscape is critical.

1 <https://www.childtrends.org/most-child-care-providers-in-the-united-states-are-based-in-homes-not-centers>

2 https://www.acf.hhs.gov/sites/default/files/opre/hb_providers_fact_sheet_toopre_041715_508.pdf

3 <https://www.childtrends.org/nearly-30-percent-of-infants-and-toddlers-attend-home-based-child-care-as-their-primary-arrangement>

4 <https://www.tandfonline.com/doi/full/10.1080/10409289.2017.1324243>

5 <https://www.americanprogress.org/issues/early-childhood/news/2019/06/04/470581/5-facts-know-child-care-rural-america/>

6 https://www.acf.hhs.gov/sites/default/files/opre/hb_providers_fact_sheet_toopre_041715_508.pdf

7 <https://www.childtrends.org/nearly-30-percent-of-infants-and-toddlers-attend-home-based-child-care-as-their-primary-arrangement>

8 https://www.acf.hhs.gov/sites/default/files/opre/characteristics_of_home_based_early_care_and_education_toopre_032416.pdf

9 https://www.acf.hhs.gov/sites/default/files/opre/factsheet_hh_search_for_and_perceptions_of_ece_100114.pdf ; <https://www.childcareaware.org/families/types-child-care/> ; https://www.acf.hhs.gov/sites/default/files/opre/lit_review.pdf

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