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OHIO

REPORT

Home-Based Child Care Is Key to Keeping the Ohio Workforce Strong

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



Acknowledgements

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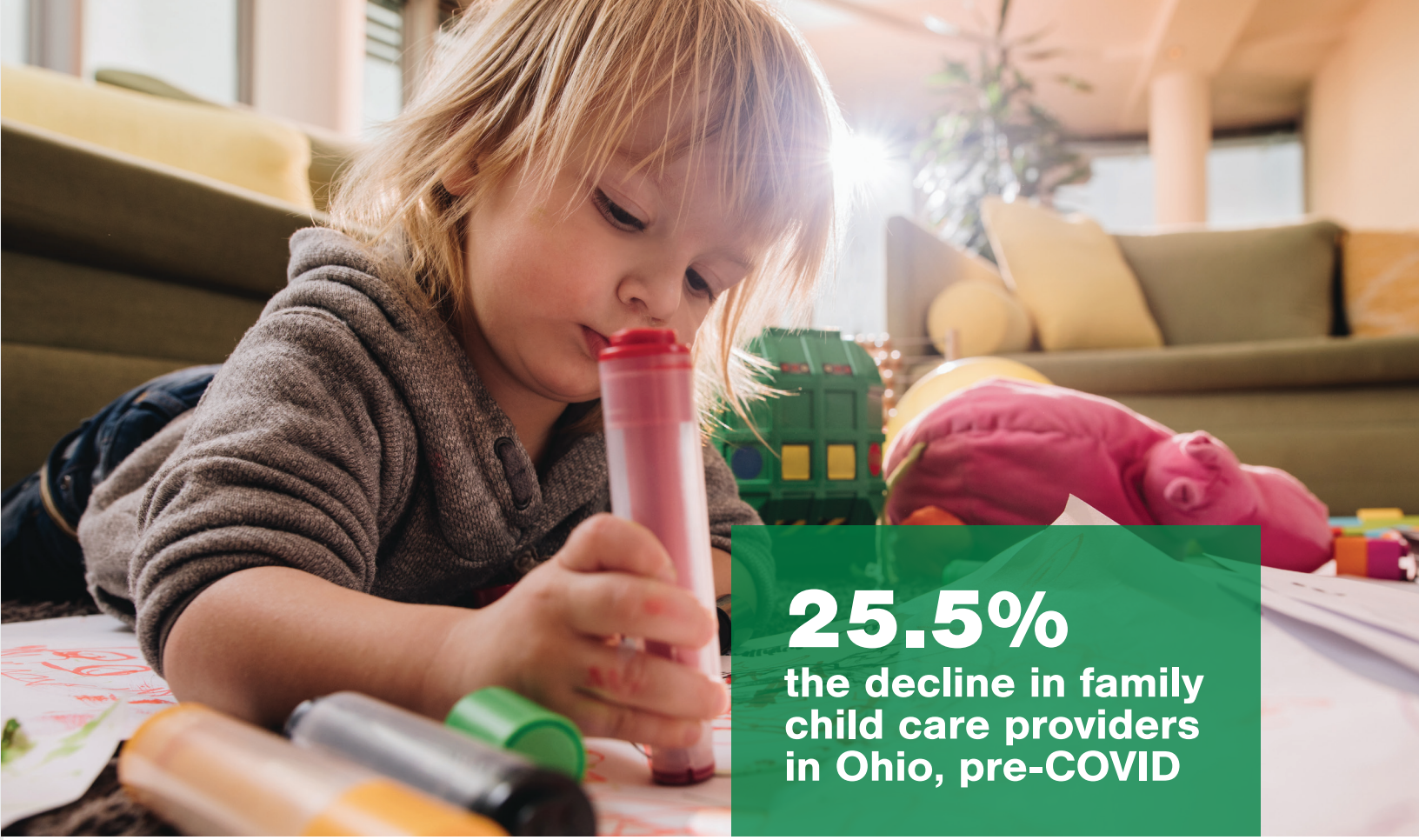
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25.5%
the decline in family child care providers in Ohio, pre-COVID

Summary

The vast majority of child care in the United States is home-based. Home-based child care (HBCC) accounts for 97 percent of all child care settings and serves almost half of the children ages birth to five who are in care. HBCC is particularly important for infants and toddlers, children from families with low incomes, and those living in rural areas. HBCC is an essential support for the Ohio workforce, with many parents relying on this care so that they can go to work and support their families. HBCC includes several types. These types differ in several respects, including as to whether the provider is paid, listed on a registry, and has a prior relationship with the children in care. Parents choose HBCC for various reasons, including availability, affordability, trust, and flexibility to accommodate non-traditional work schedules. Paid HBCC generates $283 million in revenue in Ohio annually, as

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

well as spillover economic activity in other sectors. However, HBCC also faces several challenges, and the number of family child care providers in Ohio has plummeted 25.5 percent in the past decade, contributing to the shortage of child care. The pandemic posed an additional, significant threat to HBCC and the entire child care industry. Given HBCC's vital role in supporting the workforce and our economy, it is critical that policymakers develop and enhance programmatic supports for home-based child care.

Most child care is home-based

Although many people think of child care as occurring in centers, the vast majority of child care in the United States is home-based. HBCC accounts for 97 percent of all child care settings[1] and serves almost half (47 percent) of the children ages birth to five who are in care.[2]

HBCC is particularly important for infants and toddlers, serving nearly 30 percent of this age group (versus 12 percent served in centers).[3] Children from families with low incomes are more likely to attend HBCC.[4] Families in rural areas also rely heavily on HBCC, especially for their preschoolers.[5] These statistics on the prevalence of HBCC demonstrate that it is an essential support for the Ohio workforce, with many parents relying on this care so that they can go to work and support their families.

Types of home-based child care

Providers of HBCC can be categorized in various ways. The National Survey of Early Care and Education (NSECE), a large, nationally representative study, distinguishes home-based providers by whether they are paid or unpaid, and whether they are listed (i.e. on a state or federal registry) or unlisted.[6]

Another common classification of HBCC providers examines whether the provider has a prior relationship with the children in care.[7] Those with prior relationships are categorized as family, friend, and neighbor (FFN) child care providers. Some FFN providers receive payment for providing care; many do not. In many states, FFN providers are exempt from licensing requirements, but often have to meet health and safety criteria to receive child care subsidies.

Family child care is another category of HBCC, typically used to describe providers who are paid and provide care to at least one child with whom they had no prior relationship. In Ohio, only family child care homes serving children with public subsidies are required to be licensed.[8] There are two types of licensed family child care homes in Ohio, Type A which serve 6 to 12 children and Type B which serve 1 to 6 children.[9] These family child care providers are essentially small businesses.

Child Care in Ohio

Setting	# Settings	# Children (birth to 5) in care
CENTERS	4,012	DATA NOT AVAILABLE
TYPE A FAMILY LICENSED CHILD CARE HOME	281	3,660
TYPE B FAMILY LICENSED CHILD CARE HOME	1,959	11,863
UNLICENSED FAMILY CHILD CARE HOME	DATA NOT AVAILABLE	DATA NOT AVAILABLE
FAMILY, FRIEND, AND NEIGHBOR CARE	DATA NOT AVAILABLE	DATA NOT AVAILABLE

Sources: http://childcaresearch.ohio.gov/; https://jfs.ohio.gov/cdc/docs/NeedsAssessmentAddendumFinal.stm; ODJFS

Why do parents choose home-based child care?

Although there is little in-depth research examining why parents choose HBCC, survey data from the NSECE provides some insights.[10] Parents rated FFN and family child care higher on nurturing, affordability, and flexibility, when compared to center-based care. Families may choose HBCC for a variety of reasons, including:[11]

- Flexible operating hours to accommodate non-traditional work schedules
- Less expensive
- Availability, especially for infants and toddlers
- Home-like environment
- Small group size
- Mixed-age groups allow siblings to stay together
- Consistent caregiver
- Trust of caregiver
- Shared language, culture, values, child rearing practices

Home-based child care contributes to our economy

HBCC serves as an essential workforce support that allows parents to go to work and support their families or to go to school and increase their future earning potential. Moreover, HBCC contributes to the Ohio and national economy in other ways. The Committee for Economic Development examined the economic impact of paid child care only and found that paid HBCC generated $283 million in revenue in Ohio in 2016.[12] In addition, HBCC 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.



Types of home-based providers in Ohio

Type A family day-care home

- 6 to 12 children (or 4 to 12 children if four children are under age 2)
- Licensed by the Ohio Department of Job and Family Services (ODJFS)
- Eligible for the Publicly Funded Child Care (PFCC) program

Type B family day-care home

- 1 to 6 children (no more than three children under age 2)
- Licensed by ODJFS
- Eligible for the PFCC program

License-exempt

- 1 to 6 children (no more than three children under age 2)
- Not eligible for the PFCC program

Source: ODJFS https://jfs.ohio.gov/cdc/page2.stm

“A 2019 ReadyNation report documented the economic impacts of challenges in the overall child care system on working parents, employers, and taxpayers: an annual cost of $57 billion nationwide in lost earnings, productivity, and revenue.”



Benefits and challenges of home-based child care

As noted above, HBCC has several benefits and is highly valued by many families. 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.[13] Providers can be isolated, working alone with few supports. Providing care can be stressful, with long hours, difficult work, and low pay. Moreover, many providers have other jobs and must balance caregiving with these other responsibilities. They typically lack benefits such as sick leave 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 in Ohio has plummeted 25.5 percent in the past decade.[14] Given the overall shortage of child care, this decrease in availability, specifically in a less expensive form of care, is problematic.

A 2019 ReadyNation report documented the economic impacts of challenges in the child care system on working parents, employers, and taxpayers: an annual cost of $57 billion nationwide in lost earnings, productivity, and revenue.[15] The study examined only infant-and-toddler care, so it provides an underestimate of the economic damage due to child care challenges. Based on Ohio’s share of our nation’s overall gross domestic product, the state’s economy could be losing about $1.7 billion per year due to infant-and-toddler child care problems.[16]

There is little consensus on how best to assess quality in home-based settings. Researchers note that existing measures, having been developed for center-based or other formal settings, may not adequately capture quality in HBCC.[17] Data on unpaid, unlisted care is particularly scarce. While some studies have pointed to HBCC having lower quality than center-based care,[18] others report that the findings are mixed, depending on how quality is measured. The heart of any early childhood program is the relationship between the caregiver and the child, as relationships are the context in which development and learning occur.[19] The small group size in HBCC can foster warm, loving adult-child relationships. Studies of HBCC must assess this aspect of quality.

Support for home-based child care providers is critical

Given its vital role in the child care ecosystem as an essential support for many working parents, it is critical that policymakers develop and enhance programmatic supports for home-based child care. Therefore, HBCC should be included in any potential policy solutions, such as federal subsidies for working families, child care tax credits, employer incentives, and rural and non-traditional schedule delivery innovations.

In the past, child care policies often either ignored or actually created barriers for HBCC.[20] Recently, however, a range of initiatives have been developed to support HBCC providers. These efforts fall into two categories: those focused on *quality caregiving* and those focused on *sustainability*.[21] In the former are individualized home visits focused on coaching, consultation, and mentoring around provider-child interactions. Also included in this category are group supports including training, professional development, and peer networks. In the latter category focused on sustainability

Ohio State University Early Head Start-Child Care Partnership

The Ohio State University's EHS-CCP program serves eight family child care homes in the Columbus area. The program focuses on workforce development, offering regular in-home coaching to providers, to increase quality of care. In addition, the program supports providers in obtaining a CDA (Child Development Associate credential) or a bachelor's degree. As a result of the partnership, children received comprehensive services and quality child care. Parents received assistance in applying for child care subsidies. Providers participated in professional development on various topics and improved their outdoor play spaces. An evaluation of the program found that providers report positive impacts on their knowledge and expertise, and an increase in collaboration with other providers in their area. Similarly, a majority of parents reported satisfaction with the partnership.

Source: https://bipartisanpolicy.org/wp-content/uploads/2019/03/Early-Head-Start-Child-Care-Partnerships.pdf

are material supports (grants, lending libraries, etc.) and administrative supports (aid with business practices, help navigating regulatory systems, assistance with home improvements, etc.). Available studies provide some support for the effectiveness of these approaches, particularly when used in combination.

Partnerships with Early Head Start are one mechanism for supporting HBCC. In some communities, Early Head Start staffs family child care networks, most frequently through Early Head Start-Child Care Partnerships (EHS-CCP).[22] Federal funds allow EHS to partner with infant-toddler child care providers who agree to meet EHS quality standards in order to receive assistance (coaching, education, curricula and other materials, and comprehensive services for children and families—meals, health and dental care, housing assistance, etc.)[23] Evaluation of EHS-CCP demonstrates that it has increased the quality of participating child care providers.[24]



Conclusion

Given its essential role in supporting working parents, home-based child care provides an invaluable contribution to Ohio's economy. Due to 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 crucial.

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Notes

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