

Understanding the State and Local Role in Home-Based Child Care

Family, Friend and Neighbor Care



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Across the United States, state and local leaders recognize the urgent need to address the lack of affordable child care and the significant impact it has on local economies.

A 2023 report found that 85 percent of primary caregivers said problems with child care hurt their efforts or time commitment at work. The lack of access to infant-toddler child care alone costs the nation \$122 billion in lost earning, productivity and revenue every year.¹

In recent years, cities, counties and states have made significant investments to grow and sustain the supply of child care, particularly in response to the COVID-19 pandemic. While there is no one approach that will solve the child care crisis, each level of government has a role to play in supporting families and the child care providers that serve them.

Home-based child care is a key part of the solution. Nearly 6.4 million children ages birth to five receive child care in a home-based setting. This series of issue briefs will explore how cities, counties and states are making investments and changing policies to support home-based providers.

The Challenge

Discussions about home-based child care often focus on licensed providers who are being paid for providing care. However, family, friend and neighbor (FFN) care makes up the majority of home-based child care in the country.² FFN is an important part of the child care ecosystem and, in many cases, may be a parent's first or only choice for care. Research suggests that FFN care is especially crucial for certain populations. FFN care is preferred by immigrant and dual language learner families, who may be more likely to find an FFN provider who shares their language and cultural practices.³ Families in rural communities are more likely to rely on relatives for child care as other forms of care may not be accessible or convenient.⁴ Many parents who work non-traditional hours (e.g., overnight shifts, weekends) use FFN care to meet their schedule needs.

What is FFN Care?

FFN is a broad term encompassing many types of caregivers, typically those who have an existing relationship to the children they provide care for. They are the grandparents, nanas, aunts, abuelitas, family, friends and neighbors who care for children. Most states allow FFN caregivers to be legally license exempt, or legally non-licensed, 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.⁵

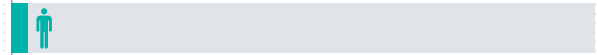
Who Are FFN Providers?⁶

GENDER

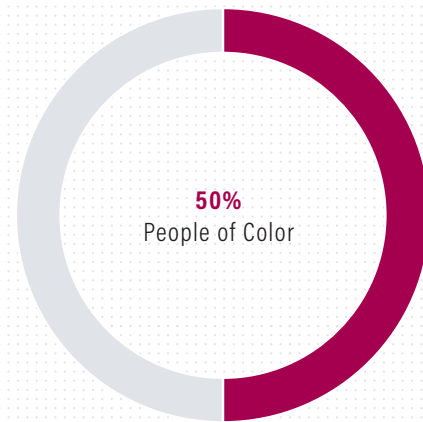
97% female



3% male



RACE



ONE IN FOUR CHILDREN IN THE U.S.

under the age of five is cared for by a grandparent for some or all of the time their parent is at work.



The Solution

State and local governments can support family choice and recognize the value of FFN care by providing these caregivers with opportunities and resources. While some providers may wish to become licensed, many FFN provide care legally without being licensed. States and localities can support FFN caregivers and

ensure children are in safe, enriching environments by extending child care benefits and subsidies to FFN providers, creating grant programs and professional development opportunities that are responsive to the needs of FFN providers and providing specific supports for immigrant and dual-language caregivers.





Snapshots from the Field

Colorado

More than half of Colorado's families use FFN care. To ensure that these providers have a voice in state policymaking, the Colorado Department of Early Childhood (CDEC) leveraged State and Local Fiscal Recovery Funds to establish an FFN Advisory Council. Council members make recommendations on policy, funding and rules and regulations pertaining to child care. CDEC is also launching a training and grant program for community-based organizations to offer training, resources and technical assistance to FFN providers.⁷ The state also recently passed a [tax credit](#) for all individuals in the care workforce, including FFN caregivers.

To increase the supply of safe, high-quality child care, CDEC created a Child Care Licensing Incentive. Through the program, unlicensed providers could receive a \$5,000 bonus for becoming licensed or a \$500 bonus for becoming a Qualified Exempt Provider. Qualified Exempt Providers meet certain county requirements, such as undergoing background checks, and can receive subsidy dollars for providing care. Through this program, CDEC has licensed 397 new programs, creating nearly 18,000 new slots, almost a quarter of which were infant/toddler slots. Home-based providers accounted for 40 percent of new providers eligible for a bonus.⁸

Learn more about increasing care for infants and toddlers.



Scan the QR code to read the Infant/Toddler Care issue brief.

Dakota County, Minn.

Dakota County Public Health (DCPH) began working with Latino FFN providers in 2017 to better understand the needs of this community and how their work supports DCPH's mission of collaborating with communities to improve health outcomes. After a series of listening sessions, the providers identified an opportunity to partner with the county to offer monthly educational trainings on health, safety and child development and, through these trainings, build community between FFN providers.⁹ Through this partnership, Dakota County is enhancing the quality of care and showcasing the critical role of FFN providers in the early childhood education infrastructure.

As a result of the partnership and feedback from providers, the county also changed several of its approaches to better reach this population, including using culturally specific, Spanish speaking trainers when possible and communicating through the methods most used by the community (e.g., using texting, Facebook Messenger and WhatsApp instead of relying only on email).

Transylvania County, N.C.

In rural Transylvania County, data shows that 50 percent of children do not attend formal child care settings. To better meet the needs of these families, Smart Start of Transylvania County has created a comprehensive network of home-based providers that includes both licensed providers and FFN caregivers. Through the network, FFN caregivers receive toolkits and resources to support the development of children in their care.¹⁰

Consolidated City-County of Denver

Denver’s Office of Children’s Affairs (OCA) is leveraging State and Local Fiscal Recovery Funds and partnering with [Providers Advancing School Outcomes](#) (PASO) to support informal child care providers by providing a comprehensive 120-hour training program that is similar to the Child Development Associate credential.¹¹ This initiative specifically targets the educational disparities between Latino and white students and aims to close the kindergarten readiness gap from the outset.¹² OCA is also supporting the development of a curriculum focused on children with special needs to better equip providers to work with this population.

Nevada

Nevada has created the [Strong Start Child Care Services Center](#) to offer providers — both licensed and informal — an array of resources. Resources include licensing supports, financial assistance and access to business tools through a partnership with [Wonderschool](#). In recognition of the important work of these caregivers, the state also utilized its child care stabilization funds to award eligible FFN providers a monthly stipend of approximately \$2,600 per month.¹³ The state has also created the Care Access Real Estate Nevada program to help home-based child care providers expand their businesses by moving them into new, renovated properties. This initiative recognizes that affordable, stable housing can be a barrier for FFN providers becoming licensed. FFN providers were eligible as long as they had been providing registered, license-exempt child care to unrelated children for at least two years.¹⁴

City of Seattle, Wash.

To stabilize child care providers during the COVID-19 pandemic, the City of Seattle awarded over \$2.3 million to licensed and license-exempt FFN providers. All 162 eligible applicants received a \$500 award.¹⁵ To be eligible, providers had to care for one or more children outside of their immediate family and be below 500 percent of the Federal Poverty Line. More than half (52 percent) of the FFN awardees were grandparents.

“**The biggest thing is that [caregivers] feel validated and supported by the network. In conversation with other caregivers, they realize that they are more than just babysitters. Raising children is an important and valued contribution that they are making, often at a great personal sacrifice, not just for their own families or their neighbors, but for the wider community in which they live.**”

Ansley Hanson

Smart Start of Transylvania County¹⁶



Endnotes

- ¹ ReadyNation Council for a Strong America, "\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis," (February 2023) available at <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>
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- ³ Migration Policy Institute, "The Invisible Work of Family, Friend, and Neighbor Caregivers and Its Importance for Immigrant and Dual Language Learner Families," (December 2021) available at https://www.migrationpolicy.org/sites/default/files/publications/nciip-ffn-care-brief_final.pdf
- ⁴ Home Grown, "Family, Friend and Neighbor Child Care: Supporting Diverse Families and Thriving Economies," available at <https://homegrownchildcare.org/wp-content/uploads/2022/06/HomeGrown-Supporting-Diverse-Families-Thriving-Economies-final-6.2.22.pdf>
- ⁵ Home Grown, "Home-Based Child Care Fact Sheet," available at <https://homegrownchildcare.org/wp-content/uploads/2023/05/Home-Grown-Child-Care-Fact-Sheet-final.pdf>
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- ⁷ Colorado Department of Early Childhood, "Family, Friend and Neighbor (FFN) Advisory Council and Training Programs," available at <https://cdec.colorado.gov/ffn-advisory-council-and-training-programs>
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- ¹⁰ Smart Start of Transylvania County, "Home-Based Child Care Network," available at <https://www.smartstarttransylvania.org/home-based-child-care>
- ¹¹ City and County of Denver, "2022 Report City and County of Denver Recovery Plan," available at https://www.denvergov.org/files/assets/public/v1/finance/documents/office-of-cfo/stimulus-documents/final_ccd_arpa_2022_r14.pdf
- ¹² Colorado Statewide Parent Coalition, "Providers Advancing School Outcomes," available at <https://coparentcoalition.org/paso/>
- ¹³ BUILD Initiative, "State Scan of Family, Friend, and Neighbor (FFN) Policies and Supports," (November 2022) available at <https://buildinitiative.org/wp-content/uploads/2023/02/FFN-Policies-and-Supports-0217.pdf>
- ¹⁴ CARE Nevada, "Real estate for child care providers," available at <https://care-nevada.org/>
- ¹⁵ Office of Mayor Jenny A. Durkan, "City of Seattle Awards Over \$2.3 Million to Seattle Child Care Providers," (February 2021) available at <https://durkan.seattle.gov/2021/02/city-of-seattle-awards-over-2-3-million-to-seattle-child-care-providers/>
- ¹⁶ The Daily Yonder, "Home-Based Care: Fixing the Childcare Drought in Rural America," (March 2023) available at <https://dailyyonder.com/home-based-care-fixing-the-childcare-drought-in-rural-america/2023/03/07/>



Scan the QR code to learn more about strategies to support home-based child care and explore our other resources to support youth and families.

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