A Decade of Change: Progress and Possibility in Early Childhood Workforce and Finance

ONE SIZE DOES NOT FIT ALL: How Financing Systems Can Adequately Address the Needs of Family Child Care Educators

NAFCC
National Association for Family Child Care

INTRODUCTION TO THE SERIES

The Early Educator Investment Collaborative (The Collaborative) is a coalition of national funders committed to transforming the early childhood education (ECE) profession. Our goal is to help all early educators achieve their full potential as professionals so that every child is prepared for success in school and in life.

Grounded in the landmark 2015 report *Transforming the workforce for children birth through age 8: A unifying foundation* and the 2018 report *Transforming the Financing of Early Care and Education*, The Collaborative works to address systemic issues in the field by advancing pay equity, strengthening and professionalizing the ECE workforce, aligning early childhood and K–12 systems, and supporting a well-funded system that serves all children—not just those whose families can afford to pay.

Marking the 10-year anniversary of *Transforming the Workforce*, this series of reflection papers invites the field to look back on the progress and lessons of the past decade and to consider what is needed for the decade ahead. Developed in partnership with national organizations, the series elevates diverse perspectives and sparks dialogue to inspire collective action toward a stronger, more sustainable early childhood system.

EARLY EDUCATOR INVESTMENT COLLABORATIVE

Editing and preparation of the reflection papers was supported by School Readiness Consulting (SRC), with copyediting by Editcetera (Cathy Cambron and Mary Carman Barbosa) and design by Hey Darlin' (Danielle Ness).

FROM LANDMARK REPORTS TO TODAY

Early educators are instrumental in fostering the learning and development of millions of young children across the country and are the drivers for delivering high-quality care. The esteemed work of child care, caregiving, and education spans back generations and now, in the 21st century, is finally beginning to be recognized as a profession and workforce. The early childhood education (ECE) workforce is composed primarily of women, many of whom are women of color, who provide care to millions of young children in center- and home-based settings. However, the historical undervaluing of work provided by women has contributed to the problems of a workforce that is underpaid and undervalued and often works in under-resourced environments. Early childhood education remains one of the lowest-paid occupations in the United States: The median wage of $13.07 falls below 97% of other occupations; and educators often do not have access to critical benefits such as retirement or health insurance to ensure their well-being and financial stability.[1]

The ECE landscape in the United States is fragmented; there are variations in resources and inequities that are determined by the age group an educator serves, the funding their program receives, and the program setting in which they work. The needs of family child care (FCC) educators, who are state-licensed, educated entrepreneurs, leaders, and small business owners, have largely been ignored and not adequately addressed in policy and financing systems. FCCs often receive fewer supports and resources than their center colleague counterparts, and regulations and strategies have not always been developed with these educators' needs in mind. Just as children require supportive, well-resourced learning environments that nurture their learning and development, early educators also require supportive, differentiated, well-resourced work environments that facilitate their well-being and professional practice.

The 2018 report *Transforming the Financing of Early Care and Education*, a sequel to the 2015 report *Transforming the Workforce for Children Birth Through Age 8*, brings attention to the fragmented funding structure of mixed-delivery ECE systems, which does not adequately support the needs of educators, families, and children. The report calls for a transformed financing structure to ensure reliable, accessible, and high-quality ECE through both public and private funders. The report also recognizes the value of ECE as a public good and calls for an estimated $140 billion annual investment for providing high-quality ECE for all children, equating to about 0.75% of the U.S. gross domestic product (GDP). Unlike K–12 education, which is largely viewed as a public good and typically supported through public funding, ECE is supported by a patchwork of funding that is often blended and braided together, which can be challenging for providers to navigate. The report offered six principles for ensuring high-quality ECE along with recommendations to actualize these principles. The 2018 *Financing* report emphasizes that the way that ECE has traditionally been financed is not inevitable, and with different policy choices and investment strategies, we can envision a system that works for all families, children, and educators, regardless of program setting.

Since the release of the 2018 report, there has been movement toward innovative funding strategies to help stabilize, support, and retain early educators. Many of these strategies have intentionally included FCC educators who traditionally have not been included in local or state financing strategies or policies and who play a critical role in the ECE mixed-delivery system. The COVID-19 pandemic brought to light the fragility of the ECE system and entrenched an already existing workforce crisis. To address this crisis, there was an infusion of federal funds to stabilize the sector. With the expiration of COVID-19 federal relief, states and localities face a crisis as funding is discontinued. These challenges are now being compounded by state budget shortfalls. The early years of development are the most formative for children's growth and development, and the way we invest in early educators influences quality and access to care that meets the needs of the families. This paper focuses on and brings attention to FCC educators and the importance of differentiated approaches that are responsive to their needs within mixed-delivery systems. This paper also addresses how the 2018 *Financing* report impacted the National Association for Family Child Care (NAFCC) and its continued efforts to support FCC educators across the country.

OUR COMMITMENT IN ACTION

FCC is an essential component of the mixed-delivery ECE landscape, expanding family access and choice to care that best meets families' needs. FCC programs are a common source of care for low-income families, families in rural areas, families with infants and toddlers, families who work precarious or nontraditional hour work schedules (i.e., early morning, evening, overnight, weekend) and require more flexible care arrangements, and families wanting a cultural or linguistic match with their child.[2] Historically, FCCs have been a primary form of care for the nation's youngest children, serving infants and toddlers and providing culturally and linguistically responsive care—speaking the language of the communities they serve and sharing cultural traditions. FCC also has many benefits for children and families, including small group sizes offering individualized care, mixed-age groups allowing siblings to stay together, continuity of care so that the child can be cared for by the same

provider throughout their earliest years, an intimate familiar setting mirroring the child's own home, and culturally and linguistically responsive care.[3]

FCC providers have a dual role as both educators and small business owners who are embedded within their community—living in the neighborhoods and communities that they serve. FCC educators are operators of state-licensed or regulated programs who offer paid care in their own home to a small number of mixed-age-group children, often 6 weeks to 12 years old. FCCs may operate as a small FCC program with one provider and a small group of children or as group child care homes (GCCHs) that serve a larger number of children and employ additional staff. GCCHs often have a different set of licensing requirements.[4] FCC programs serve their communities by offering child care options that best suit and are responsive to community needs. Unfortunately, as the 2018 *Financing* report also highlights, the cost of care is too high for many working families, and this makes access to high-quality child care a luxury. In some states and localities, FCC programs are embedded into state-run subsidized child care programs that offer child care options to families who are at or below the poverty line. In other states, all families, regardless of income level, are eligible for free high-quality child care through universal prekindergarten (UPK). As the report recommends, increased investments for ECE across the mixed-delivery system are needed so that families have access to high-quality care that meets their needs. If not, there is the potential for inequities to unintentionally arise from a fragmented system in which only a small number of families have access to high-quality care and not all educators have access to the resources they need.

Since 1982, the NAFCC has stood alongside family child care (FCC) educators, championing their role as essential leaders in early childhood education. With more than 4,200 members across 48 states, NAFCC remains the only national professional association dedicated solely to promoting high-quality ECE in home-based settings. The release of the 2018 report reaffirmed NAFCC's long-standing commitment to addressing the economic and business needs of FCC educators. It also highlighted the urgent need for systemic investments in this often-overlooked sector of the early childhood workforce. In alignment with the report's recommendations, NAFCC has expanded its efforts to ensure that FCC educators are supported not only as caregivers and teachers but also as entrepreneurs, leaders, and advocates for their communities.

Today, NAFCC is actively engaged in initiatives that elevate the role of FCC educators and ensure they are positioned to thrive. These initiatives reflect a deep commitment to equity, pay parity, and professional recognition—especially critical as states expand Pre-K programs. The growing reach of public Pre-K threatens to displace or overlook the unique contributions of FCC educators unless intentional strategies are in place to include and uplift them. NAFCC's work centers on the principle that FCC educators must be recognized not only for their academic degrees but also for their deep leadership, long-standing commitment to children and families, lived experiences, and powerful advocacy. These educators bring invaluable expertise rooted in community, continuity of care, and culturally responsive practices—and they deserve full recognition in the broader ECE system.

One such initiative is the **NAFCC Accreditation Accelerator: High-Quality Family Child Care Network Accreditation Pilot**. This pilot identifies and evaluates high-performing FCC networks and leverages their infrastructure to provide coaching, mentorship, and operational support to affiliated educators. By meeting identified quality benchmarks, these networks can enable educators to streamline the accreditation process, including waiving or reducing the self-study period. This project strengthens business capacity, supports educators in achieving national accreditation, and recognizes the critical role of network infrastructure in sustaining quality FCC programs.

In partnership with the Bainum Family Foundation, NAFCC also leads the **We Vision Pilot**, an ambitious effort to "make the ideal child care real" in home-based settings. This project explores the true cost of care in FCC and supports 12 programs in implementing solutions such as raising wages, improving facilities, and enhancing sustainability. Public school wages are used as a guidepost for compensation, reinforcing the notion that FCC educators deserve pay parity with their school-based counterparts. The pilot emphasizes that equitable compensation and operational investments are not aspirational—they are essential.

NAFCC's **Leaders Shaping Leaders (LSL)** program is a yearlong fellowship that equips FCC educators to thrive as professionals, business owners, and advocates. Each annual cohort brings together experienced mentors and emerging leaders who participate in this community of practice to advance both the economic sustainability and professional recognition of FCC educators. Through LSL, FCC educators gain the skills to articulate their role not only as child development experts but also as small business owners vital to the nation's economic infrastructure. By elevating their voices, the program directly contributes to the national dialogue on pay equity and workforce recognition, affirming that investing in FCC is essential for both children's well-being and the economic health of families and communities.

Additionally, NAFCC conducts an **annual member survey** that captures data on FCC educators' experiences, challenges, and well-being. This direct feedback provides invaluable insight into how state and local policies impact educators, and it informs ongoing advocacy efforts to improve financing, regulation, and recognition of the FCC workforce. As the 2018 report underscores, robust evaluation and data collection are vital for monitoring policy effectiveness and ensuring FCC educators are not left behind in system reforms.

Through all of this work, NAFCC lifts the voices of FCC educators who have long served as champions for children and families—advocating for culturally responsive care, inclusive practices, and equitable access to early learning. As public investment in Pre-K continues to expand, NAFCC reaffirms that FCC educators must be at the center of policy conversations. Their role as trusted community leaders, small business owners, and lifelong educators is not just valuable—it is indispensable. NAFCC remains steadfast in its mission to support, honor, and amplify the leadership of FCC educators. Together, we will ensure that this esteemed profession is recognized not simply by credentials, but by the depth of expertise, advocacy, and commitment that FCC educators bring to their work every day.

BUILDING MOMENTUM TOWARD THE FUTURE

The 2018 *Financing* report describes the landscape of funding strategies for center- and home-based programs and acknowledges the critical need for equitable and sustained investments to ensure well-compensated educators and viable ECE businesses. FCC providers are educators and small business owners who require strategies that ensure their own economic well-being and the sustainability of their businesses, including infrastructure and facilities. This report also acknowledges that there is no dedicated funding for facilities, leaving providers to instead rely on loans, grants, and tax credits to cover these expenses, which are often insufficient and can present challenges. Since the release of the 2018 report, there has been movement to advance these recommendations for FCC programs and educators, which include expanding public funds to include FCC programs, particularly through the inclusion of FCC in Pre-K, and initiatives and strategies at the local and state level toward increasing compensation. There also has been an increased recognition of staffed networks, which wasn't addressed in the report but is a crucial strategy for supporting FCC educators and requires investments.

Inclusion of Family Child Care in Public Pre-K

The 2018 *Financing* report calls for increased public funding for ECE available across the mixed-delivery ECE landscape and for a system in which all families have access to high-quality care regardless of their income. Since the release of the report, there have been some advances toward the inclusion and integration of FCC into local and state public Pre-K systems. This provides an opportunity for FCCs to receive public funding and also expands families' ability to choose a setting that best meets their needs. In 2022–2023, 44 states and Washington, DC, operated 60 state-funded Pre-K programs across the country, and 24 states allowed FCC educators to receive public funding directly or through subcontracts.[5] Pre-K programs that include FCC are in place in localities including Denver (Colorado), Philadelphia (Pennsylvania), San Francisco (California), Seattle (Washington), and Multnomah County (Oregon), as well as states such as Arizona, Maryland, Vermont, Nevada, and New Mexico. Participating in Pre-K can offer many opportunities and resources for FCC educators and their programs that include opportunities for higher pay, operational supports, and ongoing support for professional development. For example, in New Mexico, FCC educators are eligible for pay parity, ensuring an annual salary of at least $50,000 for those with a bachelor's degree, the minimum average for Pre-K educators in the state. In Multnomah County, Oregon, new providers in the program also receive business and facilities supports, including a facilities fund toward renovations or repairs.[6]

Although more research is needed about the inclusion of FCC programs in Pre-K, a recent study of FCC educators who delivered local- or state-funded Pre-K across the country reported many benefits, which included serving their communities, receiving supports for their professional development and ongoing learning, and stabilizing their income.[7] Most FCC educators in the study also cared for mixed-age groups of children, and many of the Pre-K-funded children were also in their care as infants and toddlers, highlighting the continuity of care FCC programs offer for children and families. While educators reported many benefits to delivering Pre-K, they also cited challenges in recruiting eligible children to their program and noted that systems were not always designed for the FCC context.

Staffed Family Child Care Networks

A strategy for providing differentiated supports and resources for FCC within the mixed-delivery system consists of establishing staffed family child care networks (FCCNs), organizations designed specifically to address the needs of FCC programs. Networks were not named as a strategy or addressed in the 2018 *Financing* report, but FCCNs have the potential for strengthening and supporting this sector to thrive. In a system often designed for center-based programs, network strategies are responsive to FCC programs and positioned to address their needs. Services are delivered by dedicated staff with expertise and knowledge about this sector. FCCNs build on the strengths that FCC programs bring to the ECE ecosystem and aim through their work with programs to increase quality, strengthen business practices, and ensure financial longevity so that these educators and their businesses can thrive.

Services provided by networks typically include targeted coaching, technical assistance, professional development, and business practice supports that are specific and responsive to FCC, as well as providing assistance in navigating publicly funded systems, such as licensing, child care subsidies, and quality improvement systems (QISs). FCCNs can be leveraged as a strategy to address FCC program sustainability and educator economic well-being.[8] Networks provide targeted approaches for FCC programs that include coaching and resources for better business management, such as creation of a business plan, budgeting and expenses, and recordkeeping. In addition, FCCNs can facilitate connections with external resources, such as tax accountants, that can help strengthen businesses and promote financial security.[9]

Networks can also serve as a strategy for promoting and supporting FCC programs' inclusion and participation in Pre-K by providing tailored supports and resources, especially as systems may be challenging to navigate. The Family Childcare Alliance of Maryland's ASPIRE program stands out as one network that has advocated for the inclusion of Pre-K. This program provides tailored training and resources for FCC programs entering into the state's Pre-K system, including coaching, curriculum materials, and an online platform for family engagement, billing, and attendance.[10] In another example, New York City leveraged networks for the public 3K for All program, funded through general revenue, Education Department funds, and Child Care and Development Block Grant funds and operated under the umbrella of the NYC Division of Early Childcare Education. FCC businesses that want to offer Pre-K in NYC must affiliate with a city-funded network to provide this service to all children and families in NYC.[11]

FCCNs also foster and strengthen connections with other educators, which can be so crucial to the FCC workforce, whose members primarily work alone and can feel isolated.[12] Studies have shown that networks help to increase program quality and quality caregiving practices along with strengthening business practices. Promising practices associated with quality include supportive relationship-based opportunities between educators and staff, on-site coaching, and direct services to providers.[13] FCCNs may stand alone or be embedded within a nonprofit organization or a child care referral and resource (CCR&R) agency, and FCCNs may be funded through various sources, including public and private dollars. Dedicated, sustained funding of networks so that they are able to fully support the needs of FCC programs can be a critical strategy for addressing FCC program operations to ensure quality and thriving businesses.

Professional Compensation via "Pocketbook Strategies"

Aligning with the report's recommendations, some localities and states have started to invest in innovative strategies that address "pocketbook issues." These strategies focus on boosting wages and providing much-needed access to critical benefits such as health care and retirement. The 2018 *Financing* report calls for investments toward building a well-compensated workforce that reflect and recognize educators' value and commitment as well as the skills they bring to this profession. One example of an innovative salary initiative that includes FCC educators is the state of Maine's Early Childhood Educator Workforce Salary Supplement program. Originally funded by federal relief funding, the state now has transitioned funding to fill this gap through Maine's Department of Health and Human Services, Office of Child and Family Services. Educators in licensed center- and home-based settings receive monthly stipends ranging from $240 to $540 based on credentials and experience.[14]

NAFCC accreditation, the only accreditation system specifically designed with, for, and by FCC educators, has been a foundation in state systems for decades, defining high-quality care for FCC programs across the country. Accreditation recognizes what is special and important about FCC, supports these educators' professional recognition, and can also provide opportunities for higher pay. Along the salary initiative program, Maine is another promising example of a state providing economic and technical support for FCC educators through accreditation. Maine Roads to Quality Professional Development Network (MRTQ-PDN) provides technical assistance, facilitates learning cohorts specific to NAFCC accreditation, and directly covers most NAFCC fees to help offset costs for the educator. NAFCC conducted an analysis that identified several emerging trends in how states are supporting FCC educators to attain NAFCC accreditation. While many states are not offering a comprehensive set of supports, some states are offering direct financial incentives for pursuing NAFCC accreditation along with higher subsidy reimbursement rates or add-on rates. In states that recognize NAFCC accreditation, it often represents the highest tier or level in the system, which can frequently be a route to participation in public systems such as Pre-K and may also offer opportunities for higher pay.

Along with strategies that address wages, there has been some movement toward investing in benefits such as retirement and health insurance that FCC educators have not traditionally had access to. California became the first state in the country to offer retirement for licensed FCC educators. The Child Care Providers United's (CCPU's) retirement fund secures up to $80 million annually from the state of California and was the result of a collective bargaining agreement with the state along with support from Service Employees International Union (SEIU) Local 521, SEIU Local 99, and United Domestic Workers / American Federation of State, County and Municipal Employees (AFSCME) Local 3930.[15] (This is a crucial initiative for FCC educators especially as a workforce study conducted in California found that only 21% of FCC providers reported having any retirement savings.)[16] This is an innovative strategy for addressing critical supports that many FCC educators have not had access to and that are important for securing their livelihood.

WHAT STILL STANDS IN THE WAY

While there has been some movement toward strategies that support FCC educators within the ECE landscape, more work remains to be done to achieve a financing system that is truly responsive to their needs and recognizes the value they bring every day to their work with young children. A one-size-fits-all approach is not effective for addressing the needs of the entire workforce, and strategies need to be tailored to FCC's unique context.

Low Wages and Limited Access to Critical Benefits

Early education remains one of the lowest-paid occupations in the United States. The average wage across the workforce is $13.07, often coupled with limited access to critical benefits.[17] FCC educators continue to receive the lowest wages and struggle to cover their basic living and business expenses. A 2024 annual survey conducted by NAFCC showed that compensation remained a concern for NAFCC members and that the expiration of American Rescue Plan Act (ARPA) funding had a negative effect on their income. One-half of FCC educators reported making below $15.00 an hour, and close to one-third reported making between $7.00 and $10.00 an hour. The top policy concerns cited across educators were insufficient compensation along with the lack of access to comprehensive benefits such as health insurance, retirement, and paid time off. Additionally, one-third of educators reported that their FCC income did not fully cover their program expenses, such as rent, supplies, and utilities. These findings reinforce that wages continue to remain low for FCC educators and do not reflect the skills, leadership, and value that these educators bring.

Operating on Thin Financial Margins

Many ECE programs continue to operate on razor-thin margins. FCC educators struggle not only with the lowest wages across the sector, but also with covering their operating expenses, and many experience financial precarity. Even FCC educators who participate in subsidies often receive a lower reimbursement rate per child compared with center-based programs, which further drives inequities and creates additional challenges for FCC programs' financial stability. Over the past decade, there has been a steady decline of FCC programs across the country, including a decline in providers who receive subsidies.[18] FCC educators who have closed their programs cite economic challenges related to low wages and lack of benefits along with low subsidy payment rates, challenging working conditions that include long work hours and isolation, increased administrative burden, and regulations that can be difficult for them to navigate and that are often geared toward centers.[19]

Decline in Program Supply and Access

This overall decline of FCC programs exacerbates an existing child care crisis across the country, further limiting families' access to care that best meets their needs. A recent analysis reported a decline of FCC programs between 2020 and 2024; however, FCC programs saw an increase of 4.3% for the first time between 2023 and 2024. Overall, the supply of FCC programs declined in 30 of the 39 states with available data; however, three states (California, Massachusetts, and Virginia) saw increases above 10%, driving this year-to-year increase, with smaller increases in six other states.[20] While the reasons these states experienced an increase are not clear, the shift does suggest promise for the FCC sector and should be examined further to identify what can be learned from these states for supporting FCC educators and their programs.

Barriers With System Design

The inclusion of FCC in public Pre-K is an important step for advancing mixed-delivery systems and for expanding public funding to FCC educators. However, participation among FCC programs remains low, even among states that include FCC in their Pre-K systems.[21] Pre-K systems are not always designed for and inclusive of FCC settings, especially as these educators often operate year-round and outside of standard hours, in order to serve families with varying work schedules, and also often care for mixed-age groups of children in a home setting.[22] System-wide implementation of a core curriculum, for example, needs to be differentiated for mixed-aged programs where educators may have children as young as 2 months learning and growing alongside toddlers and 3-year-olds. Additionally, FCC educators may also struggle with the recruitment of eligible children.[23] Marketing and messaging about the inclusion of FCC as a setting for Pre-K and the benefits for children and families can help address this challenge. As public investment in Pre-K continues to expand to include FCC programs, there needs to be a recognition that a standardized approach does not fit all settings. FCC educators must be at the center of policy conversations so that these systems can be designed to support their needs.

Gaps in Robust and Stable Funding

The infusion of federal funding showed what is possible for investing in a system that supports educators, families, and children. Many states used relief funding in a variety of ways to support the workforce, and many strategies focused on bolstering the wages of educators through increased wages, wage supplements, or bonuses. These funds provided a critical lifeline for programs that were already operating on razor-thin margins. Many states used the funds to stabilize the sector and support the workforce, which included bolstering wages through increased wages, wage supplements, and bonuses. Funds were also used for paying for utilities, mortgage or rent, and facilities or site improvements and for purchasing personal protective equipment (PPE). A national survey of child care providers reported that close to one-fourth would not have been able to keep their programs open without relief funding, and many providers were concerned about not keeping their programs open when the funds were no longer available.[24]

These funds reinforced many of the recommendations from the 2018 *Financing* report for increased public investments; coordination between federal, local, and state governments; and a well-compensated workforce. These funds provided a glimpse into what is possible for supporting the sector, including educators, through the infusion of increased public funding. States took innovative approaches for providing supports for educators and ECE programs. For example, in order to support programs to stay open and stabilize the ECE sector, Massachusetts utilized federal relief funding for stabilization grants to support program operations. The Commonwealth Cares for Children (C3) grants through the Massachusetts Department of Early Education and Care offered monthly payments directly to providers in center- and home-based programs to support their program operations and infrastructure. With the expiration of federal funding, the C3 grants have been able to continue through robust state funding. These grants continue to support the ECE sector in the state and are utilized for program operations, including wages, benefits, stipends, professional development, supplies, rent or mortgage payments, and facilities.[25]

With the expiration of federal relief funding, it's important that the ECE system moves forward to what can be instead of going back to what was. To address this concern, some localities and states have transitioned this relief funding to the local or state level to be able to retain and continue providing critical supports to their workforce. Others have either been investing or have recently started to invest in their ECE systems using local and state funds. However, relying on just one source of funding, local or state,

can often be challenging when there are budget shortfalls, as these programs may be subject to cuts that either eliminate these programs or greatly reduce the amount allocated. This was the case for both Maine's Early Childhood Educator Workforce Salary Supplement program and the District of Columbia's Early Childhood Educator Pay Equity Fund. This underscores the need for increased, dedicated, sustained funding that is harmonized across public and private funders.

One-Size-Fits-All Approach to Qualifications

Both the 2018 *Financing* and 2015 *Transforming* reports also bring attention to the importance of a well-prepared workforce, and many strategies for funding are coupled with education requirements. However, a one-size-fits-all approach to qualifications, particularly when centered around formal education, risks perpetuating inequities across the ECE workforce. Such an approach may create barriers to accessing public funding, wage increases, or career advancement for highly experienced FCC educators who lack access to traditional pathways.[26] FCC educators bring deep expertise, entrepreneurial leadership, and multifaceted administrative skills to their work, and 71% have 10 years or more of experience.[27] Nevertheless, many face structural barriers to pursuing degrees, and others may choose not to do so—particularly those who have successfully operated high-quality programs for decades. Without a recognition framework that honors the holistic competencies FCC educators embody—including leadership, management, community engagement, and culturally responsive caregiving—these professionals risk being undervalued and excluded from opportunities for recognition and advancement.[28] Qualification requirements that may be part of strategies for receiving funds need to consider the skills, qualifications, and experience that educators already possess and also ensure that prior experience and leadership are embedded into career pathways.

There are promising strategies for supporting FCC educators through NAFCC's Leaders Shaping Leaders cohort and networks. NAFCC focuses on cultivating and centering educators' leadership skills to support these leaders to be professionally recognized for their skills and commitment. NAFCC also helps these leaders advocate for fairer compensation by recognizing their leadership, experience, and deep community roots. Additionally, FCC networks may also serve as a strategy for supporting educators by making it possible for them to work with a dedicated director or specialist who has a degree and meets the educational requirements. An educator who may not have a degree and who works with this network director or coordinator can meet educational requirements through this routine engagement.

SHAPING THE NEXT DECADE

In the current ECE financing system, educators have been asked to subsidize the true cost of care through low wages and insufficient benefits. The investments made toward early educators, especially FCC educators who serve a critical need within the ECE landscape, are essential for recognizing the leadership, knowledge, and commitment that educators bring to their work with young children. ECE serves the public good. Businesses should not be expected to run at a loss or on razor-thin margins, nor should educators subsidize the true cost of care with low wages. FCC educators have long served as champions for children and families, and now is a time to champion FCC educators through supportive, just policies and financing that allow them to thrive and continue to support families, children, and their communities.

STRATEGIES TO DRIVE CHANGE

- **INCREASE FUNDING AND INVESTMENTS IN FAMILY CHILD CARE** to make it more accessible and affordable for families and to also ensure that FCC providers can thrive as both educators and small business owners. Investments should be made that recognize the contributions of FCC educators and the value they bring to the mixed-delivery system. With the decline of FCC programs over the past decade, investments into the sector are needed so that FCC programs can remain open and families have access to care that best meets their needs. In line with increased funding is developing a cost model that estimates the true cost of providing high-quality care specific to FCC programs, in recognition that a one-size-fits-all approach for financing and investments may not work across the ECE ecosystem, particularly for FCC. This cost model can also help set reimbursement rates that estimate the true cost of providing care in a home-based setting for FCC educators receiving subsidies.

- **BUILD A STRONG ECOSYSTEM AND INFRASTRUCTURE OF SUPPORT** recognizing the roles of FCC educators as caregivers, educators, and entrepreneurs. This can include building a financing structure that best supports FCC educators in addition to leveraging supports such as on-site coaching, mentorship, and staffed family child care networks. Fully staffed FCCNs constitute an especially promising strategy designed specifically for FCC, offering essential resources and responsiveness to the FCC sector's needs and FCC educators' multiple roles. Staffed networks can foster the unique assets of FCC within the ECE sector, assist FCC educators with navigating systems and policies, and provide services that promote high-quality care and business sustainability, especially when FCC educators are included as decision makers and partners.

» **IMPROVE COMPENSATION AND ACCESS TO COMPREHENSIVE BENEFITS (HEALTH CARE, RETIREMENT, PERSONAL TIME OFF)** for FCC educators and their staff to reflect and recognize their expertise and commitment and ensure their economic well-being, sustainability, and future financial security. Funding should not need to be tied to accepting subsidies or participating in Child Care and Development Block Grants, since many educators may not participate in public systems.

» **INCLUDE FCC PROGRAMS IN ECE SYSTEMS AND PROGRAMS.** Ensure that family child care is included and integrated into mixed-delivery systems including Pre-K and that these systems are designed around and responsive to their needs. Design systems that are easy for FCC educators to navigate, acknowledge the FCC context, and are culturally responsive. This also includes public messaging and marketing amplifying FCC's strengths and benefits for children, families, and communities that can aid in recruitment and visibility.

» **DEDICATE AND SUSTAIN INVESTMENTS TOWARD INFRASTRUCTURE AND FACILITIES FOR FCC PROGRAMS.** The 2018 *Financing* report acknowledges that there are no dedicated investments toward facilities. FCC educators' homes are also their work environment, and investments toward start-up costs, maintenance, and renovations can provide essential supports for their businesses. Facilities also play a critical role for ensuring quality—these spaces not only keep children safe but can also provide the foundation for supporting children's learning and development.

» **INCLUDE AND AMPLIFY THE VOICES** of FCC educators and leaders in discussions about policies and strategies that directly impact their work with young children and their businesses. As Pre-K continues to expand, FCC educators should be at the center of these conversations.

» **CONDUCT WORKFORCE STUDIES AND REGULARLY COLLECT ROBUST DATA** that include FCC programs to understand their experiences, including their economic well-being, and to evaluate policy reforms and the impact across the ECE landscape to ensure FCC educators are not left behind in system reforms. Collect ongoing data to track shifts and changes over time.

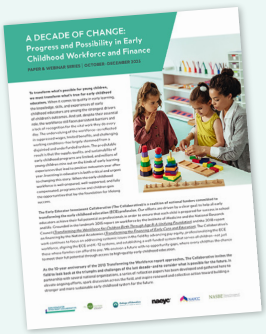
EXPLORE THE SERIES

This document is part of a series of opinion papers developed to mark the 10-year anniversary of Transforming the workforce for children birth through age 8: A unifying foundation and the subsequent report on financing, Transforming the Financing of Early Care and Education. The series was created to reflect on the impact of these landmark reports, analyze the current state of the early childhood workforce and financing, and amplify diverse perspectives on challenges, progress, and opportunities shaping the field.

INTERESTED IN LEARNING MORE?

READ

A DECADE OF CHANGE: PROGRESS AND POSSIBILITY IN EARLY CHILDHOOD WORKFORCE AND FINANCE OVERVIEW

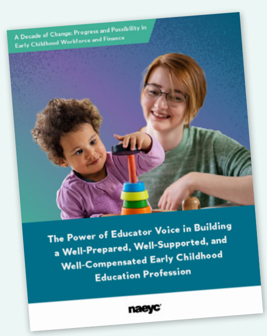


EARLY EDUCATOR INVESTMENT COLLABORATIVE

EXPLORE

THE EARLY EDUCATOR INVESTMENT COLLABORATIVE'S A DECADE OF CHANGE: PROGRESS AND POSSIBILITY IN EARLY CHILDHOOD WORKFORCE AND FINANCE SERIES

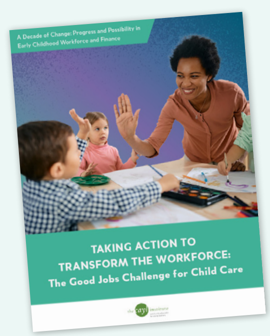
READ THE REST OF THE SERIES:



naeyc

DOWNLOAD

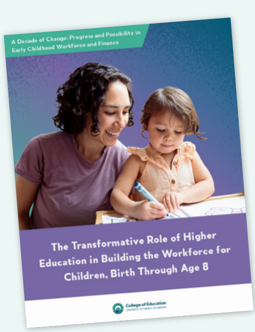
THE POWER OF EDUCATOR VOICE IN BUILDING A WELL-PREPARED, WELL-SUPPORTED, AND WELL-COMPENSATED EARLY CHILDHOOD EDUCATION PROFESSION



the cayl institute
community advocates for young learners

DOWNLOAD

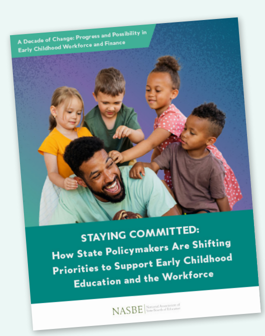
TAKING ACTION TO TRANSFORM THE WORKFORCE: THE GOOD JOBS CHALLENGE FOR CHILD CARE



College of Education
UNIVERSITY OF HAWAI'I AT MĀNOA

DOWNLOAD

THE TRANSFORMATIVE ROLE OF HIGHER EDUCATION IN BUILDING THE WORKFORCE FOR CHILDREN, BIRTH THROUGH AGE 8



NASBE National Association of State Boards of Education

DOWNLOAD

STAYING COMMITTED: HOW POLICYMAKERS ARE SHIFTING PRIORITIES TO SUPPORT EARLY CHILDHOOD EDUCATION AND THE WORKFORCE

ENDNOTES

1 McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). *Early childhood workforce index—2024*. Center for the Study of Child Care Employment, University of California, Berkeley. https://cscce.berkeley.edu/workforce-index-2024/.

2 Henly, J., & Adams, G. (2018, October 8). *Increasing access to quality child care for four priority populations: Challenges and opportunities*. Urban Institute. https://www.urban.org/research/publication/increasing-access-quality-child-care-four-priority-populations; Shivers, E. M., & Farago, F. (2016). Where the children are: Exploring quality, community, and support for family, friend, and neighbor child care. In K. E. Sanders & A. W. Guerra (Eds.), The culture of child care: Attachment, peers, and quality in diverse communities (pp. 64–85). Oxford University Press.

3 Bromer, J., Porter, T., Jones, C., Ragonese-Barnes, M., & Orland, J. (2021). *Quality in home-based child care: A review of selected literature* (OPRE Report No. 2021-136). Office of Planning, Research, and Evaluation; Administration for Children and Families; U.S. Department of Health and Human Services. https://www.acf.hhs.gov/sites/default/files/documents/opre/HBCCSQ_LiteratureReview_2021-Remediated.pdf; Gateways to Opportunity. (2022). Infant Toddler Credential Competency Project. Illinois Professional Development System. https://idec.illinois.gov/content/dam/soi/en/web/idec/documents/unsorted-documents/gateways-to-opportunity-infant-toddler-credential-competency-pilot-1-.pdf

4 National Center on Early Childhood Quality Assurance. (2022).

5 Weisenfeld, G. (2025, May). *Family child care & Pre-K policy guides. Issue 1: State Pre-K statutes: Including family child care* (FCC). National Institute for Early Education Research. https://nieer.org/sites/default/files/2025-06/nieer_epic_data_snapshot_statutes_1_final.pdf

6 Hallam, R., Bromer, J., Pic, A., Morgan, J., Hustedt, J., Melvin, S. A., Reinoso, L., Novikova, E., & Iruka, I. U. (2025). *Implementing PreK in family child care: Case studies of three public PreK system approaches*. Erikson Institute; University of Delaware; University of North Carolina at Chapel Hill. https://www.erikson.edu/research/prek-in-family-child-care-project-pkfcc/; Weisenfeld, G., & Harmeyer, E. (2024). *Including family child care in state-funded Pre-K systems: An update*. National Institute for Early Education Research. https://nieer.org/sites/default/files/2024-04/nieer-fcc-state-pre-k-4.11.24.pdf

7 Melvin, S. A., Reinoso, L., Bromer, J., Hallam, R., Hustedt, J., Morgan, J., & Iruka, I. U. (2025). *PreK in family child care (PKFCC) project educator survey: Full technical report*. Erikson Institute; University of Delaware; University of North Carolina at Chapel Hill. https://www.erikson.edu/wp-content/uploads/2025/04/PKFCC-TechReport-R3.pdf

8 Porter, T., Miguel, J., Zhang, S., & Bromer, J. (2024). *Promising practices for high-quality home-based child care networks: Economic well-being for providers and networks* (Brief 2). The Building Comprehensive Networks Initiative, Home Grown; Erikson Institute. https://homegrownchildcare.org/wp-content/uploads/2024/04/HomeGrown-Erikson-ECONOMIC-WELL-BEING-BRIEF-final-3.15.24.pdf

9 Home Grown. (2020). *Comprehensive services in home-based child care networks: Meeting the diverse needs of children and families.* https://homegrownchildcare.org/wp-content/uploads/2020/08/Comprehensive-Services-in-Home-Based-Child-Care.pdf; Porter, T., Miguel, J., Zhang, S., & Bromer, J. (2024). *Promising practices for high-quality home-based child care networks: Economic well-being for providers and networks* (Brief 2). The Building Comprehensive Networks Initiative, Home Grown; Erikson Institute. https://homegrownchildcare.org/wp-content/uploads/2024/04/HomeGrown-Erikson-ECONOMIC-WELL-BEING-BRIEF-final-3.15.24.pdf.

10 Reinoso, K., & Jones, T. (2024). *Including home-based family child care programs into state's Pre-K expansion: Lessons learned from Maryland*. National Association for Family Child Care. https://nafcc.org/wp-content/uploads/2024/10/Pre-K-Expansion-Report-Kenia-and-Tiffany.pdf

11 Home Grown. (2025, May). *"Inside-outside" strategies for integrating home-based child care into public preschool: The NYC story.* https://homegrownchildcare.org/wp-content/uploads/2025/05/HomeGrownInsideOutsidePreKStrategies-NYC.pdf

12 Bromer, J., & Porter, T. (2019, January). *Mapping the family child care network landscape: Findings from the National Study of Family Child Care Networks*. W. Clement & Jessie V. Stone Foundation; Pritzker Children's Initiative; Erikson Institute, Herr Research Center. https://www.erikson.edu/wp-content/uploads/2019/01/FCC-Network-Landscape_Technical-Report_Erikson-Institute_Jan2019.pdf; Bromer, J., Porter, T., Melvin, S., & Ragonese-Barnes, M. (2021, October). *Family child care educators' perspectives on leaving, staying, and entering the field: Findings from the Multi-State Study of Family Child Care Decline and Supply*. Erikson Institute, Herr Research Center. https://www.erikson.edu/wp-content/uploads/2021/11/FCD_DeclineStudy_2021.pdf; National Center on Early Childhood Quality Assurance. (2017, September). *Developing a staffed family child care network: A technical assistance manual.* Office of Child Care, Administration

for Children and Families; U.S. Department of Health and Human Services. https://childcareta.acf.hhs.gov/sites/default/files/sfccn_ta_manual_final_0.pdf; Ragonese-Barnes, M., Bromer, J., & Porter, T. (2022). *Identifying practices and features of high-quality home-based child care networks: A review of the research evidence*. Home Grown; Erikson Institute. https://homegrownchildcare.org/wp-content/uploads/2022/08/HomeGrown-Erikson-RESEARCH-BRIEF-Final.pdf

13 Bromer, J., Ragonese-Barnes, M., & Porter, T. (2020). *Inside family child care networks: Supporting quality and sustainability*. Erikson Institute, Herr Research Center. https://www.erikson.edu/wp-content/uploads/2020/12/Inside-FCC-networks-Case-Studies-2020.pdf; Ragonese-Barnes, M., Bromer, J., & Porter, T. (2022). *Identifying practices and features of high-quality home-based child care networks: A review of the research evidence.* Home Grown; Erikson Institute. https://homegrownchildcare.org/wp-content/uploads/2022/08/HomeGrown-Erikson-RESEARCH-BRIEF-Final.pdf.

14 Lee, H. (2025, February). *Beyond ARPA: Tracking ECE compensation policies nationwide*. Center for the Care of Childhood Employment. https://cscce.berkeley.edu/publications/data-snapshot/compensation-tracker/; State of Maine, Department of Health and Human Services. (2023). *ECE workforce salary system.* Office of Child and Family Services. https://www.maine.gov/dhhs/ocfs/provider-resources/early-childhood-educator-workforce-salary-supplement-program

15 Center for the Study of Child Care Employment. (n.d.). *The ECE Workforce Compensation Policy Database*; Child Care Providers United. (n.d.). CCPU retirement fund. https://childcareprovidersunited.org/retirement-fund/

16 Montoya, E., Austin, L. J. E., Powell, A., Kim, Y., Copeman Petig, A., & Muruvi, W., (2022). *Early educator compensation: Findings from the 2020 California Early Care and Education Workforce Study*. Center for the Study of Child Care Employment, University of California, Berkeley. https://cscce.berkeley.edu/publications/ report/early-educator-compensation/

17 McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). *Early Childhood Workforce Index—2024*. (2024). Center for the Study of Child Care Employment, University of California, Berkeley. https://cscce.berkeley.edu/workforce-index-2024/

18 Datta, A. R., Milesi, C., Srivastava, S., & Zapata-Gietl, C. (2021). *NSECE chartbook—Home-based early care and education providers in 2012 and 2019: Counts and characteristics* (OPRE Report No. 2021-85). Office of Planning, Research, and Evaluation (OPRE), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS). https://www.acf.hhs.gov/opre/report/home-based-early-care-and-education-providers-2012-and-2019-counts-and-characteristics; National Center on Early Childhood Quality Assurance. (2019). *Addressing the decreasing number of family child care educators in the United States.* Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. https://childcareta.acf.hhs.gov/sites/default/files/addressing_decreasing_fcc_providers_revised_final.pdf

19 Bromer, J., Porter, T., Melvin, S., & Ragonese-Barnes, M. (2021). *Family child care educators' perspectives on leaving, staying, and entering the field: Findings from the Multi-State Study of Family Child Care Decline and Supply*. https://www.erikson.edu/wp-content/uploads/2021/11/FCD_DeclineStudy_2021.pdf; National Center on Early Childhood Quality Assurance. (2019).

20 Child Care Aware of America. (2025). *Annual child care landscape analysi*s. https://www.childcareaware.org/price-landscape24/#LandscapeAnalysis

21 Weisenfeld, G., & Frede, E. (2021). *Including family child care in state- and city-funded Pre-K systems: Opportunities and challenges.* National Institute for Early Education Research. https://nieer.org/sites/default/files/2023-09/HomeGrown-NIEER-FCC-PreK-Report_FINAL_8.16.21.pdf

22 Harmeyer, E., Weisenfeld, G., & Frede, E. (2023). *Including family child care (FCC) programs in publicly funded Pre-K: Conditions for success.* National Institute for Early Education Research. https://nieer.org/sites/default/files/2023-08/homegrown-nieer-fcc-report-final.3.31.pdf; Melvin, S. A., Reinoso, L., Bromer, J., Hallam, R., Hustedt, J., Morgan, J., & Iruka, I. U. (, 2025). *PreK in family child care (PKFCC) project educator survey: Full technical report.* Erikson Institute, University of Delaware, University of North Carolina at Chapel Hill; Weisenfeld, G., & Harmeyer, E. (2024). *Including family child care in state-funded Pre-K systems: An update*. National Institute for Early Education Research. https://nieer.org/sites/default/files/2024-04/nieer-fcc-state-pre-k-4.11.24.pdf

23 Melvin, S. A., Reinoso, L., Bromer, J., Hallam, R., Hustedt, J., Morgan, J., & Iruka, I. U. (2025). *PreK in family child care (PKFCC) project educator survey: Full technical report*. Erikson Institute; University of Delaware; University of North Carolina at Chapel Hill.

24 RAPID Survey Project. (2023). *Child care providers worry about ARPA funds ending.* Center on Early Childhood, Stanford University. https://rapidsurveyproject.com/our-research/child-care-providers-worry-about-arpa-funds-ending.

25 Commonwealth of Massachusetts. (2025). *Commonwealth Cares for Children (C3) grants.* Early Childhood Education and Care. https://www.mass.gov/info-details/commonwealth-cares-for-children-c3-grants; Center for the Study of Child Care Employment. (n.d.) The ECE Workforce Compensation Policy Database. CSCCE.

26 Hooper, A., Hallam, R., Phillips, E., Wahl, W., Novikova, E., & Johnson, K. (2025). *Listening to family child care educators' perspectives on education requirements and credentials*. https://nafcc.org/wp-content/uploads/2025/04/Listening-to-Family-Child-Care-Educators-brief.pdf; Paschall, K. (2025). *Incorporating early educators' experience into career pathways*. National Early Care and Education Workforce Center. https://www.nationaleceworkforcecenter.org/wp-content/uploads/2025/06/Incorporating-Early-Educators-Experience-Into-Career-Pathways.pdf

27 Datta, A. R., Milesi, C., Srivastava, S., & Zapata-Gietl, C. (2021). *NSECE chartbook—Home-based early care and education providers in 2012 and 2019: Counts and characteristics* (OPRE Report No. 2021-85). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. https://www.acf.hhs.gov/opre/report/home-based-early-care-and-education-providers-2012-and-2019-counts-and-characteristics; McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). *Early Childhood Workforce Index—2024*. Center for the Study of Child Care Employment, University of California, Berkeley. https://cscce.berkeley.edu/workforce-index-2024/

28 Hooper, A., Hallam, R., Phillips, E., Wahl, W., Novikova, E., & Johnson, K. (2025). *Listening to Family Child Care Educators' Perspectives on Education Requirements and Credentials*. https://nafcc.org/wp-content/uploads/2025/04/Listening-to-Family-Child-Care-Educators-brief.pdf; Paschall, K. (2025). *Incorporating early educators' experience into career pathways*. National Early Care and Education Workforce Center. https://www.nationaleceworkforcecenter.org/wp-content/uploads/2025/06/Incorporating-Early-Educators-Experience-Into-Career-Pathways.pdf