

1. Descriptive Information

Exploring the Decline in Family Child Care Supply

Home-based child care (HBCC)—noncustodial care provided by regulated family child care (FCC) providers and family, friend, and neighbor (FFN) providers, who may or may not be legally exempt from regulation—is the most common child care arrangement for children, birth through age 5. The children in these settings, many of them infants and toddlers, are among our most vulnerable. In addition, low-income families working nontraditional schedules disproportionately use HBCC, yet the number of FCC providers in both the regulatory and subsidy systems at the national and state levels has significantly declined in the past decade, limiting choice for eligible families. While some research has suggested factors such as the increased availability of other child care options such as pre-kindergarten, changing system requirements, and provider age, we lack an understanding of the reasons for the decrease. This workshop will present data on the decline from national and selected state studies, as well as findings from a review of the literature. The session is intended to stimulate discussion about approaches for examining decline, policy implications, and questions that could guide research on this issue.

Facilitator

- **Gina Adams**, Urban Institute

Presenters

- **Weihuang Wong**, NORC at the University of Chicago | *National Survey on Early Childhood Education Explores Listed Provider Attrition*
- **Sheri Fischer**, ICF, National Center on Early Childhood Quality Assurance | *Licensing Data Document the Decrease in Numbers of Licensed Family Child Care Providers*
- **Nadia Orfali Hall**, Child Trends, National Center on Early Childhood Quality Assurance | *Harnessing Administrative Data to Understand the Decline in Family Child Care*
- **Lisa A. McCabe**, Bronfenbrenner Center for Translational Research, Cornell University | *Patterns of Family Child Care Decline in New York State*
- **Juliet Bromer**, Herr Research Center, Erikson Institute | *Examining the Factors that Contribute to the Decline in Family Child Care: A Literature Review*
- **Toni Porter**, Early Care and Education Consulting | *Examining the Factors that Contribute to the Decline in Family Child Care: A Literature Review*

Scribe

- **Katie Caldwell**, ICF

2. Documents Available on Website

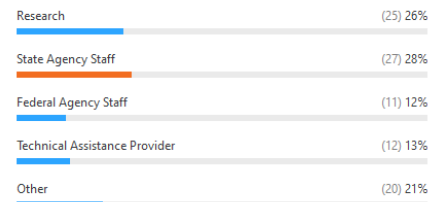
- Introductory Slides
- Fischer_FCC Decline
- McCabe_Family Child Care Decline NY State
- OrfaliHall_Using Administrative Data to Explain the Decline in Family Child Care
- Porter_Factors Behind the Family Child Care Decline

3. Brief Summary of Presentations

• Summary of Presentation #1: Introduction, Gina Adams

- A poll was taken to see who was on the webinar. See graphic at the right for results
- This session was designed before the pandemic.
- But we realize family child care has been greatly impacted by the pandemic and there is a greater demand for home-based care.
- The term “family child care” is used often in the field to mean one of two things:
 - Any setting where someone is caring for unrelated children in their own home; or
 - Others use it as only licensed child care. States have different thresholds in which someone needs to be licensed
 - Similar range in lack of clarity in the term license-exempt (Not the same as family friend and neighbor care)
- Family child care is a smaller sector of child care in the number of children served but larger in the number of providers when compared to center based care.

1. What is your primary role in ECE?



• Summary of Presentation #2: Licensing Data Show the Decrease in Numbers of Licensed Family Child Care Providers, Sheri Fischer

- National Center on Early Childhood Quality Assurance (ECQA Center)
- Child care licensing studies
 - Studies were partnerships between the ECQA Center and the National Association for Regulatory Administration (NARA).
 - Research began in 2005 and studies have been conducted in 2005, 2007, 2008, 2011, 2014, and 2017.
 - Research briefs on findings and trends available at <https://childcareta.acf.hhs.gov/resource/trends-childcare-licensing-requirements-and-policies-2017>
- Definitions of Family Child Care Home (FCCH) for the studies
 - Family Child Care Home
 - One individual who provides care for fewer than 24 hours a day in a private residence, other than the child’s residence.
 - Group child care home (GCCH)
 - Two or more individuals who provide child care services fewer than 24 hours a day in a private residence other than the child’s residence.
- State licensing for FCCHs and GCCHs
 - 44 states that license FCCHs, 38 states license GCCH.
 - 7 states do not license FCCHs
 - 3 states don’t have mandatory licensing requirements for either FCCHs or GCCHs providers
 - 13 states do not license GCCHs

- Trends in number of facilities
 - Total number of child care centers and group child care homes has increased since 2005.
 - Large drop in the number of licensed family child care homes, a decreased of 52%.
 - Total number of licensed facilities has dropped by 27%.
- Trends in licensed capacity (number of licensed slots)
 - In centers licensed capacity is 87% of the total capacity
 - Capacity has increased by 7% overall but the majority of that comes from center capacity.
 - Capacity has decreased by 40% in FCCHs.
- **Summary of Presentation #3: National Survey of Early Care and Education Explores Listed Home-based Provider Attrition, Weihuang Wong**
 - NORC at the University of Chicago studied what factors predict home based provider retention and attrition.
 - Quantitative evidence is sparse
 - Retention is a multifaceted phenomenon. Attachment to home-based care, availability of alternative employment opportunities and community characteristics all matter.
 - Data and method
 - Used the National Survey of Early Care and Education (NCECE) Survey from 2012 and used addresses (names may change over time) and then compared to the 2018 administrative lists.
 - Stayers and leavers
 - Overall: 42% of stayers, 52% leavers, 6% indeterminates
 - Stayers were about 3 years older than leavers
 - Stayers were more experienced with 71% of stayers having over 10 years of experience vs 56% of leavers
 - Stayers served more children at once and were more likely to report receiving public funding and earned more money annually.
 - Predictors of retention
 - Age (greater more likely to stay)
 - Experience
 - Number of children served
 - Receipt of public and professional development funding
 - Predictors of attrition
 - High community poverty density
 - In urban areas:
 - Education
 - Employment at another job
 - Provider retention cannot be isolated from other challenges that communities face, such as poverty
- **Summary of Presentation #4: Using Administrative Data to Understand the Decline in Family Child Care, Nadia Orfali Hall**
 - *Understanding the Family Child Care Landscape* is an individualized TA opportunity, offered through the ECQA Center
 - The goal is to develop a “data story,” which combines and compares data in new ways and a clearer understanding of FCC characteristics and longitudinal trends.
 - The ECQA Center is currently working with Oklahoma and Ohio.
 - Example questions you can answer about family child care using administrative data:
 - How has the number and capacity of programs, by program type, changed over time?
 - Are these changes affected by characteristics such as QRIS level, number of years licensed, reason for closure, program characteristics?

- How are these trends consistent or different according to community characteristics from publicly available data?
 - Do these trends align with state and federal data?
 - Linking administrative data- key is to have similar files over time. Important to collect capacity over time and not change the definition.
 - Choose a consistent point in time. Example: Monthly (first of the month), yearly (January)
 - Key Data elements for success
 - Consistent, unique identifier
 - Information about where programs and families are located
 - Program, family and child demographic characteristics
 - Potential data challenges
 - Hard to disentangle supply vs. demand when data are only supplied through the state
 - Time periods might not perfectly match
 - Zip codes can change!
 - Change in the number of programs over time in Oklahoma
 - Decline in all program types (large homes, homes, centers)
 - Differences by length of time licensed
 - Large homes - decrease in number of homes licensed 0-6 years and 6-12, increase in homes licensed more than 12 years
 - Small homes show the same trends
 - Based on the data, researchers do think the state is losing programs in the 6-12 year tenured range
 - Length of time in business was associated with patterns of decline
 - Exit interview data which coded the reasons for leaving the field might need more options, potentially relating to business or financial supports.
- **Summary of Presentation #5: Patterns of Family Child Care Decline in New York State, Lisa McCabe**
 - Study conducted in New York State to examine how the numbers of child care providers in NY State changed from 2007-2019.
 - Also examined how Family Child Care decline is related to factors such as:
 - Regions
 - Urbanicity
 - Presence of state sponsored pre-kindergarten
 - Covid-19
 - Data sources used
 - OCFS (state child care licensing entity)
 - NYSED (overseeing the state's universal prekindergarten)
 - NCES (National Center for Education Statistics) to examine county and urbanicity data
 - Decline in family child care is universal across the state geographically. All 7 regions of the state show a decline
 - Rural vs. Urban
 - Both urban and rural counties see decrease in family child care
 - Group FCCHs- in urban counties the amount is increasing; in rural counties- no increase
 - Communities that offer universal prekindergarten (UPK) saw a sharper decline in family child care homes. Presumably this is because 4-year-olds are pulled out into UPK making it harder for providers to be financially viable with fewer children and limits on the number of 0-2 year olds they can serve (64% drop vs 52% in non-UPK communities)
 - Covid-19 and decline
 - As of June 2020, the decline continues, but not at a rate greater than pre-COVID-19. The state has anecdotal information about closures, but the data need to catch up with the real world.

- Research Challenges
 - Siloed administrative data
 - Missing and incomplete data
 - No license exempt data in NYS
 - Administrative data that are continuously updated making it difficult to track data over time
 - Inconsistent data and policies across states
- Next Steps
 - Looking at Family Child Care leavers and “newbies” rates across different communities
 - Continued tracking of FCC patterns post-COVID
- **Summary of Presentation #6: Factors Behind the Family Child Care Decline: What Does the Research Say?, Toni Porter**
 - Multi-state study of family child care decline from the Erikson Institute
 - Exploratory study to examine reasons licensed providers enter, stay in, and leave the field
 - Four states are participating: California, Florida, Massachusetts and Wisconsin
 - Primary data collection
 - 24 focus groups with current providers
 - 40 interviews with providers who have left the field
 - Interview with stakeholders (licensing, QRIS)
 - Comprehensive literature review on factors behind the decline
 - 85 articles reviewed which focused on 5 factors:
 - individual provider characteristics
 - provider program features
 - regulatory and quality system requirements
 - available professional development supports
 - parent demand for child care
 - Findings
 - Individual characteristics
 - Demographics
 - Income (if only source of income, more likely to leave)
 - Education (if more education, could get better paying jobs)
 - Age (leaving around age 50)
 - Stress and psychological well-being
 - Could be related to single provider model
 - Motivations
 - Program characteristics
 - Working conditions (long hours of work alone)
 - Running a business
 - Policies that limit enrollment
 - Business skills and limited administrative capacity
 - Nurturing and making money
 - Working with children
 - Mixed-age groups of children
 - Own children in care
 - Working with families

- Regulatory and quality system requirements
 - Cross-system inconsistency
 - Paperwork burden
 - Standards that do not align with family child care (to center centric)
 - Language barriers
 - Low reimbursement rates
- Available professional development supports
 - Transportation
 - Fit with provider needs
 - Costs of supports and training
- Parent demand
 - Developmental preferences
 - Cultural preferences
 - Cost of child care
- Program and policy implications
 - Initiatives that offer opportunities for peer support and professional development
 - Funding to support quality of care and sustainable working conditions
 - Business and financial management supports
 - Alignment and coordination across systems
 - Increased access for linguistically diverse workforce
 - Increased inclusion of FCC in universal pre-K initiatives, Early Head Start-Child Care Partnerships

4. Brief Summary of Discussion

- Q: The slide (from Sheri's presentation) about states not licensing GCCHs is a bit misleading. In Vermont, we do not differentiate between FCCH and GCCH's the way you do in your definitions so what you would call GCCH's are already accounted for in our data regarding FCCH's. The slide seems to indicate that GCCH's are not licensed at all in the 13 states listed which I know is not the case for Vermont and I suspect may not be the case for other states as well.
A: (From Sheri) We include VT under the FCCH category in the study data. I should have explained that in those 13 states, most of them have a home that fits our FCCH definition. Only LA, NJ, and SD do not require a license for home-based providers.
- Q: Are military child care providers included?
A: Yes, for the research presented here, military child care providers are counted in whatever state their base is located in.
- Q: Could a decline in family child care homes be due to less children being born in that neighborhood?
A: Lisa- This was not included in the analysis I presented today.
Nadia- We conducted a supply and demand analysis by county and looked at children living under 100% of the poverty line and compared it to the capacity in the county. It is hard to find statistics on the number of births by geographic area; county is usually the smallest you can go.
- Q: Why is 2005 the earliest data we have? Did the declining trend start earlier?
A: 2005 is when we started collecting the data. We don't know of any studies that looked before that time. Perhaps that exists in the ACF data but that is only subsidy data, not the entire child care field.
- Q: Any reason for no decline among larger FCC homes?
A: We need to unpack it more in the research. The analysis so far suggests that perhaps it's an economy of scale issue; more people in urban counties vs. rural.

5. Summary of Key Issues Raised

- Research demonstrates that the supply of family child care homes is declining over time. Many issues may contribute to providers leaving the field such as lack of support for running a business, long hours, lack of financial sustainability, regulatory requirements associated with licensing and the subsidy system and others. The length of time a provider has been licensed seems to have a positive effect on providers remaining in the field with those licensed 12 years or more remaining in the field.
- More research is needed to explore the decline in family child care homes and why it care vary across regions and size of child care homes.