



The Business of Care:

Strengthening Family Child Care as a Path to Wealth Building

Adam Jones, Senior Policy Analyst

March 28, 2025

Roadmap

1. Key Terms and Definitions
2. Why FCCs Are Important Now
3. Overview of Data Collection
4. The Challenges of Running a Family Child Care Business
5. Strategies and Supports That Are Making a Difference
6. State Policy Recommendations



Key Terms and Definitions

- **Family Child Care (FCC)** - commonly referred to as 'home-based care.' Programs are licensed by the Department of Early Education and Care (EEC) to provide care in private residences.
- **Child Care Financial Assistance (CCFA)** - Massachusetts' subsidized child care program. Two types of CCFA- income-eligible and supportive (includes families involved with DCF or DTA). Educators are reimbursed by EEC for serving children with subsidies.
- **Commonwealth Cares for Children (C3)** - flexible, monthly grants available to licensed providers in Massachusetts.

Why FCCs Are Important Now



Racial and gender equity



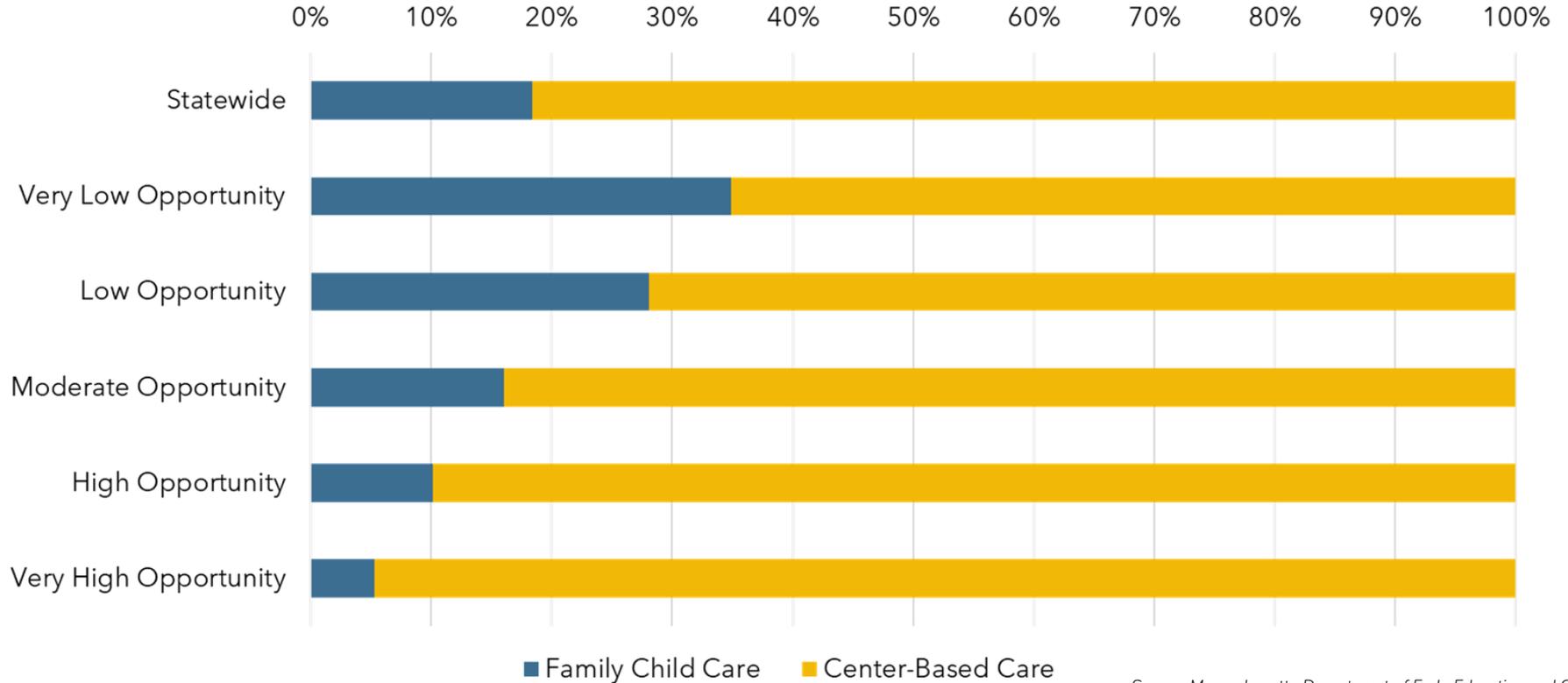
Educators deserve high-quality care



Insights into the sector at large

FCCs comprise a greater share of licensed seats in lower opportunity areas

Share of Family Child Care and Center-Based Seats by Area, Child Opportunity Index



Source: Massachusetts Department of Early Education and Care

FCC owners provided quantitative and qualitative data



Program Budget Information

- 23 owners in final sample
- Distributed by SEIU Local 509
- 4 common types of revenue
- 15 common program expenses



Provider Focus Groups

- 31 owners participated
- Groups held in Boston, Lawrence, and Worcester
- Facilitated, in Spanish, by SEIU Local 509

The Challenges of Running a Family Child Care Business



Low CCFA Reimbursement, Especially for Kids Older Than Two

CCFA Revenue Drops Significantly as Toddlers Age

Region	Under Two Daily Reimbursement Rate	Two and Older Daily Reimbursement Rate	Annual Revenue Loss
Western	\$59	\$49	\$2,545
Central	\$59	\$49	\$2,545
Northeast	\$59	\$49	\$2,608
Metro	\$89	\$56	\$8,548
Southeast and Cape	\$59	\$49	\$2,545
Metro Boston	\$89	\$56	\$8,548

Assistants, Food, and Housing Were Respondents' Largest Expenses

Monthly Expenses as Share of Overall Spending; Per Child Spending

Monthly Expense	Average % of monthly expenses	Average amount spent per child
Assistant Pay (<i>n=18</i>)	35%	\$343
Food for children (<i>n=22</i>)	17%	\$154
Housing (Rent or mortgage plus insurance) (<i>n=23</i>)	16%	\$35
Educational supplies and toys (<i>n=22</i>)	8%	\$80
Business liability insurance (<i>n=21</i>)	8%	\$52
Repairs and maintenance (<i>n=21</i>)	8%	\$76
Office supplies (<i>n=21</i>)	5%	\$43
Program Activities (<i>n=18</i>)	4%	\$29
Utilities (<i>n=23</i>)	5%	\$43
Cleaning supplies (<i>n=23</i>)	3%	\$26
Advertising (<i>n=9</i>)	3%	\$22

Paying Monthly Bills Leaves Little Room for Wealth Building

“Paying for expenses with credit cards, in particular cycles.”

“When you go to the bank for a loan, often times, you need to come with a co-signer [who has] a stable job, even [when you have] years of experience.”

“If [my] family depended solely on [my] business, nothing could happen.”

“Many of us work other jobs or do other things in attempt to increase our income.”

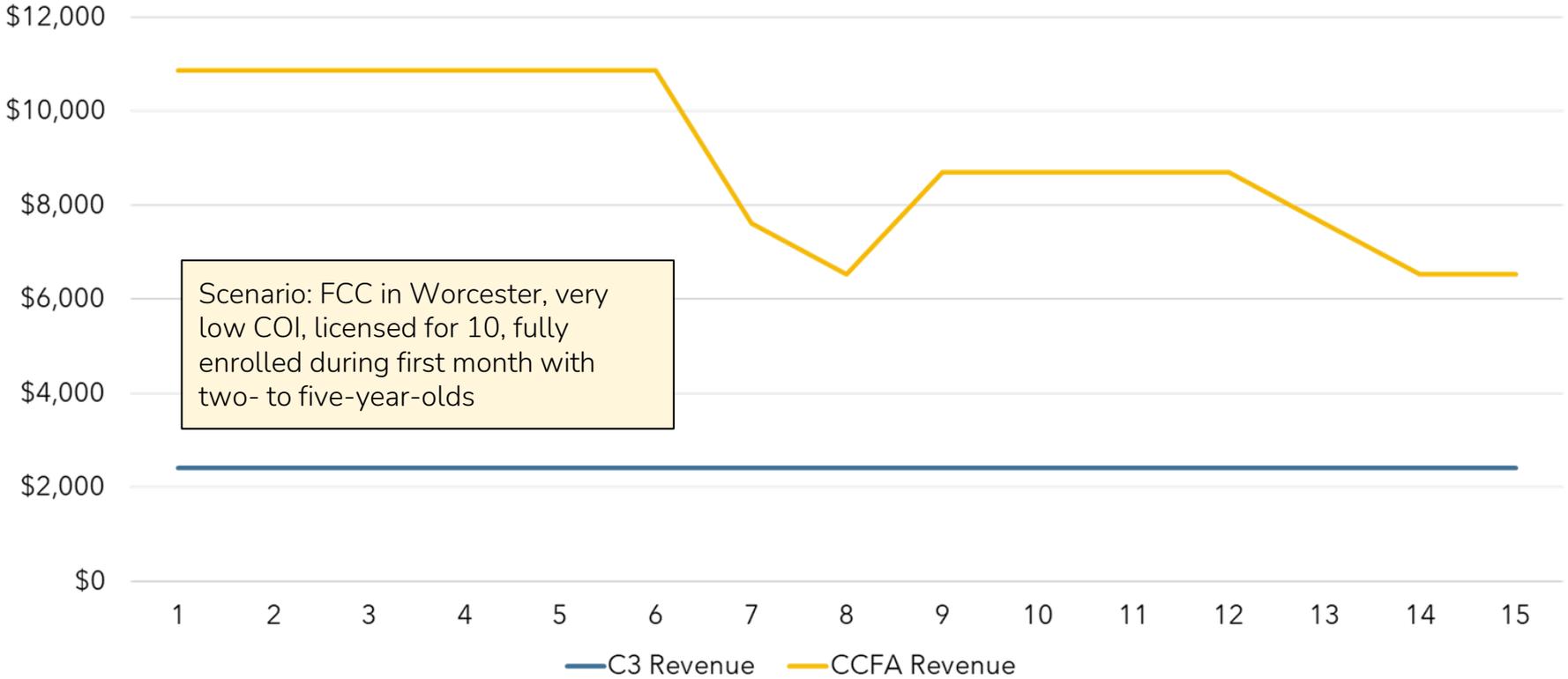


Strategies and Supports That Are Making a Difference



C3 has been a lifeline for FCC owners, educators broadly

C3 Funding Less Reactive to Enrollment Changes than CCFA





State Policy Recommendations





Income Supports

1. Increase CCFA investment, with focus on structure and cost of care.
2. Explore maximum licensed capacity increase.
3. Build upon the success of C3.



Business Supports

1. Expand on administrative and technical support programming.
2. Continue capital improvement investments.
3. Introduce FCC and early educator-specific financial instruments for business growth.



Wealth-Building Supports

1. Facilitate and contribute to retirement accounts and other savings programs.

Thank You!

Email: ajones@massbudget.org