



# NAFCC 24-25 Annual Survey Summary



## Executive Summary

The National Association for Family Child Care's Annual Survey provides a great sampling of current family child care business owners and educators, and gives us the opportunity to hear directly from them about the state of home-based child care in the US.

The goals of the **24-25 NAFCC Annual Survey** include enabling NAFCC and a broad group of child care stakeholders, including educators, supporting organizations, and policy makers to do the following:

- Better understand how to continue to support the field of home-based child care programs
- Advocate for policies to ensure a sustainable workforce
- Better understand successes, challenges, and gaps
- Ensure becoming a home-based provider is a successful career pathway

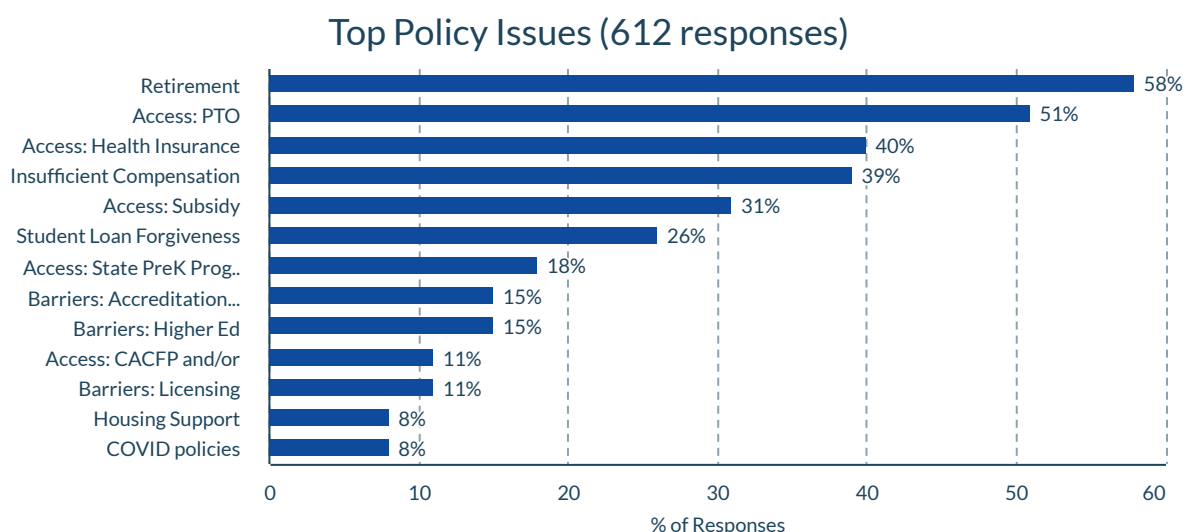
699 respondents fully completed and submitted surveys in 2024, an increase of 67% compared to responses submitted in 2023. The increase in responses indicates an **engaged member base**. Survey questions were asked in an English version as well as a Spanish version to ensure the highest number of responses possible.

## Major Takeaways and Trends

- Top policy concerns across all respondents are: retirement, access to healthcare, access to paid time off, and insufficient compensation.

- Home-based child care/family child care is made up of an aging workforce; this corresponds to the top policy issues and personal/business challenges shared below.
- There was a marked increase in hours worked per week as compared with last year’s survey results: in 2023, 53% of respondents indicated they work 50+ hours per week whereas that number increased to 82% in the 2024 survey.
- Overall compensation continues to be a concern and not reflect the value provided by family child care educators. The recent expiration of ARPA funds has negatively impacted 55% of respondents. 30% report making between \$7-\$10/hour & 50% below \$15/hour.
- Very new FCCs (those in operation 0-3 years) show a higher level of financial vulnerability than more experienced FCCs. Financial instability is a risk for continued decline of FCCs. They are:
  - More likely to indicate FCC income does not cover basic expenses
  - Less likely to access subsidy/CACFP and implement payment best practices, such as requiring payment before service
  - More likely to place higher priority on policies addressing subsidy, housing, licensing, higher ed & accreditation
- Members in associations and networks like NAFCC trend towards higher levels of participation with the following:
  - Subsidy and vouchers: 77% vs 54% of those who are not part of an association,
  - CACFP: 74% vs 65%
  - Higher levels of engagement on policy advocacy and activities: 58% vs 43%, and
  - Self-reported greater likelihood to continue operating their programs indefinitely: 44% vs 32%

The top policy issues identified by respondents align with NAFCC’s Emerging Policy Priorities, and will continue to be addressed via education, advocacy efforts, and innovative ideas.



*A common theme throughout the survey is "I really love working with the children in my program, but sometimes I feel limited because the resources I receive do not allow me to cover my needs."*

# Snapshots: Educator Demographics

## About the National Association for Family Child Care

NAFCC is a nationwide non-profit organization dedicated to promoting high quality early care and education by strengthening the profession of family child care for nearly one million paid home-based early learning programs. Learn more [here](#).

Responses came in from family child care (FCC) educators all across the U.S.

## Role, Gender, Race, Ethnicity & Age

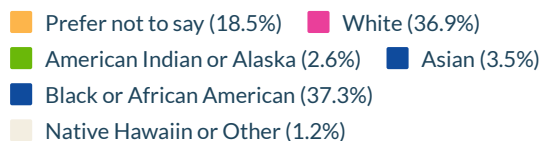
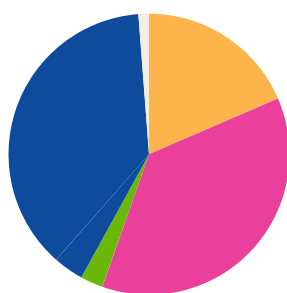
84% of respondents are the owners of home-based child care programs, and a great majority also work in their own programs as the lead educator. 5% of respondents are Family, Friend, or Neighbor care providers.



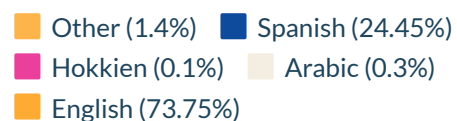
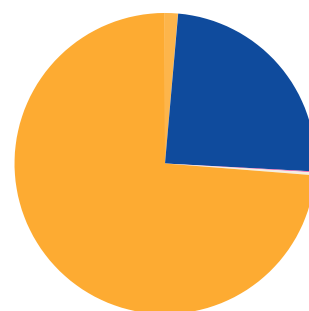
As expected, nearly all participants are female (98.6%) and a disproportionate number are women of color (44.6%) with a significant portion (26%) reporting their ethnicity as Hispanic or Latino/a.

18.5% of respondents preferred not to share their race, along with 6% of respondents reporting on ethnicity. Nearly 25% of respondents shared that their primary language spoken is Spanish, which reconfirms the importance of ensuring all resources, materials, and training opportunities are available in both English and Spanish.

Race (686 responses)



Primary Language (696 responses)

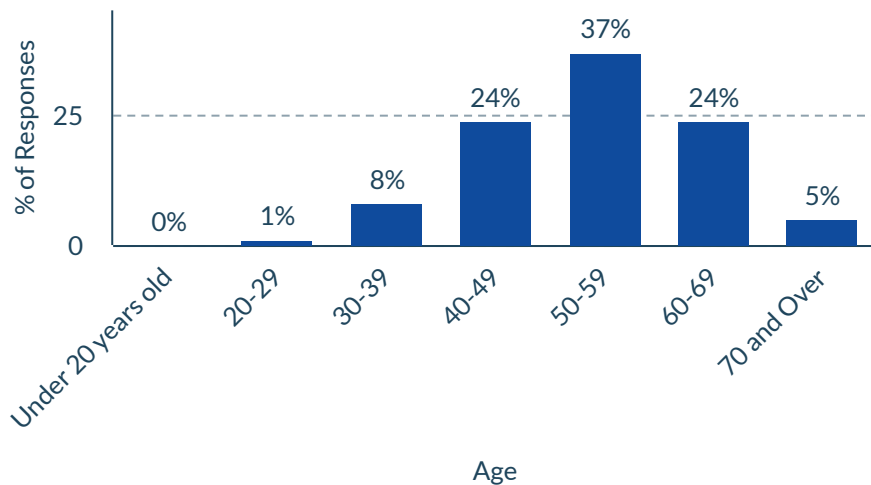


Today's field of FCCs is aging. A full 66% of respondents are over age 50, and 30% are over the age of 60. It is imperative to build a pipeline of new caregivers and educators during the next decade to ensure the supply of home based child care programs doesn't dwindle even further.

# Snapshots: Educator Demographics



### Age (699 responses)



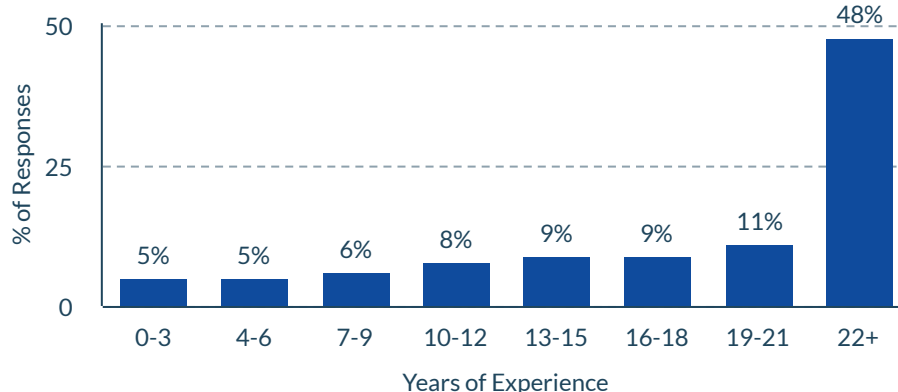
All of this reflects, with great consistency, the historical trend of care being provided by women, and women of color.

## Education and Experience

65% of respondents have an Associate’s Degree or higher, and 44% have a Bachelor’s degree or higher (including advanced ECE education). **This is a highly educated group of professionals.**

**85%** of respondents have been working in ECE for **over 10 years**, and nearly half of all respondents have been working in ECE for 22+ years. **This is an extraordinarily experienced group of professionals.** This depth of experience also correlates directly with the age of care providers and educators, further highlighting the critical need to build a pipeline of new incoming ECE professionals while also providing support to the existing workforce.

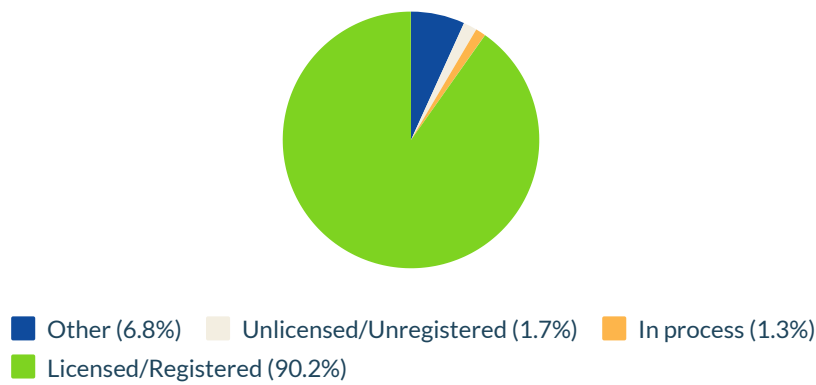
### Years of Experience (695 responses)



## License and Accreditation Status

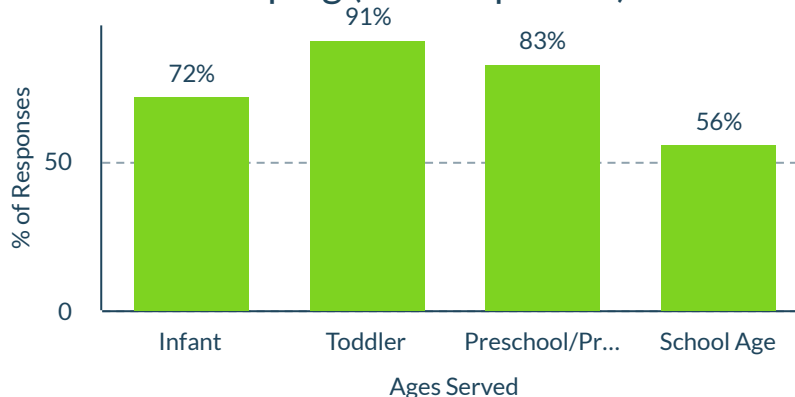
90% of respondents are operating licensed child care programs, with approximately 5% of respondents reporting they are operating Family Friend or Neighbor care (FFN programs are typically license exempt, or categorized as "other."). Nearly 40% of respondents indicate their child care program is accredited through NAFCC or in the process of pursuing accreditation.

License Status (696 responses)



Survey respondents report that they care for toddlers at the highest rates, followed by preschoolers/PreK, infants, and school-aged children.

% of Educators Offering Care by Age Grouping (669 responses)

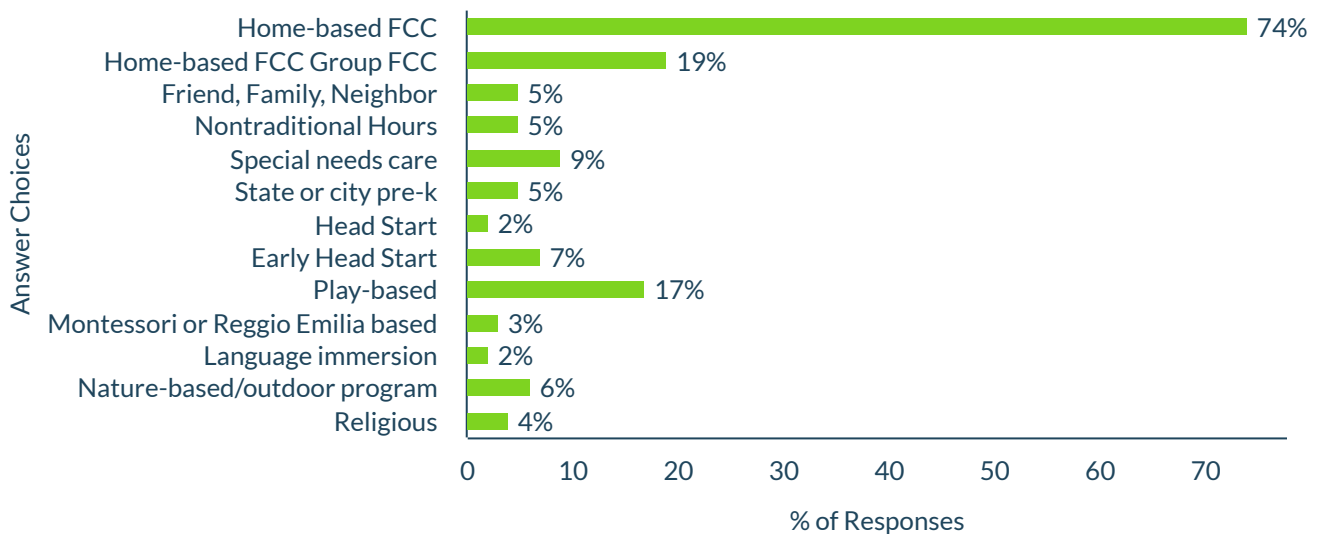


They offer a wide variety of program types when it comes to incorporating early learning philosophies. A small proportion offer non-traditional hours of care such as evening, overnight, or weekend care (5%) and a slightly higher number offer care for children with special needs (9%).

# Snapshots: Program Demographics



## Program Type (multi-select)



## Major Takeaways and Trends

- Top policy concerns across all respondents are: retirement, access to healthcare, access to paid time off, and insufficient compensation.
- Home-based child care/family child care is made up of an aging workforce; this corresponds to the top policy issues and personal/business challenges shared below.
- There was a marked increase in hours worked per week as compared with last year's survey results: in 2023, 53% of respondents indicated they work 50+ hours per week whereas that number increased to 82% in the 2024 survey.
- Overall compensation continues to be a concern and not reflect the value provided by family child care educators. The recent expiration of ARPA funds has negatively impacted 55% of respondents. 30% report making between \$7-\$10/hour & 50% below \$15/hour.
- Very new FCCs (those in operation 0-3 years) show a higher level of financial vulnerability than more experienced FCCs. Financial instability is a risk for continued decline of FCCs. They are
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# Major Takeaways and Trends

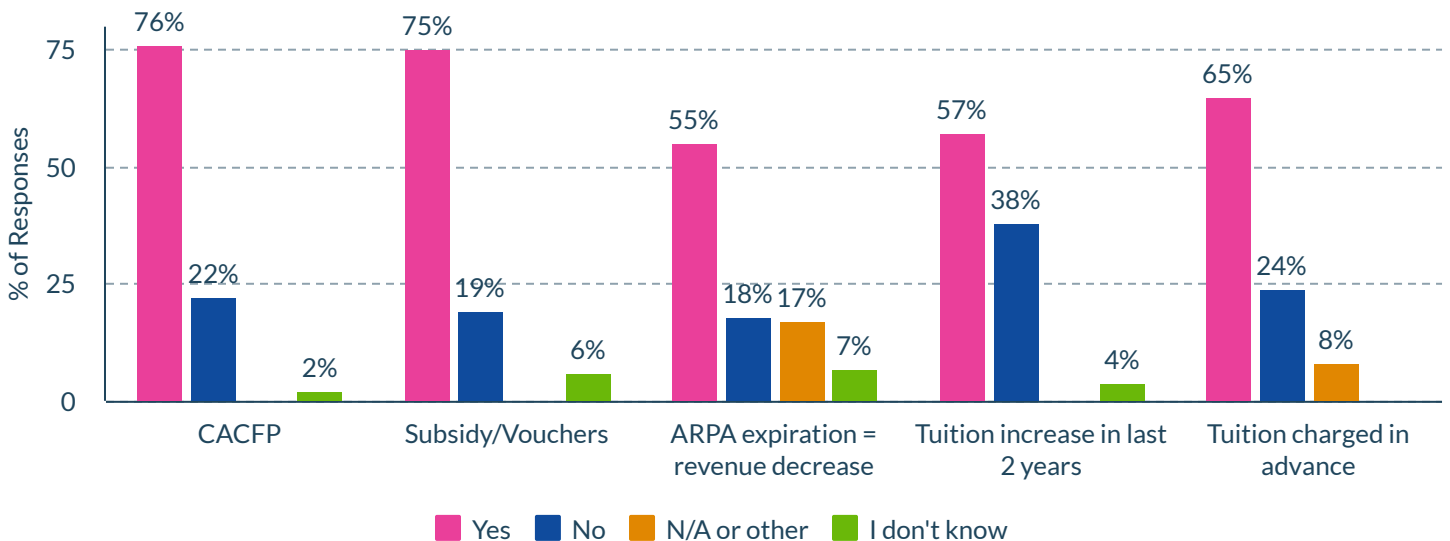
A common theme throughout the survey is "I really love working with the children in my program, but sometimes I feel limited because the resources I receive do not allow me to cover my needs."

## Business Overview

The great majority of respondents access CACFP and Subsidy/Voucher programs in order to help offset the cost of running their child care programs; however, reimbursement rates continue to be far below the cost of providing food and providing high quality early learning experiences.

Many are earning below minimum-wage rates of pay and working very long hours; additionally, the recent expiration of ARPA funds has negatively impacted 55% of respondents. On the brighter side, 57% of respondents have increased tuition in the past two years to account for rising costs, and 65% of respondents charge tuition in advance of care being provided - both of which are considered best practices for FCCs to follow.

## Revenue Overview



## Covering FCC Expenses Continues to Elude Many Program Owners

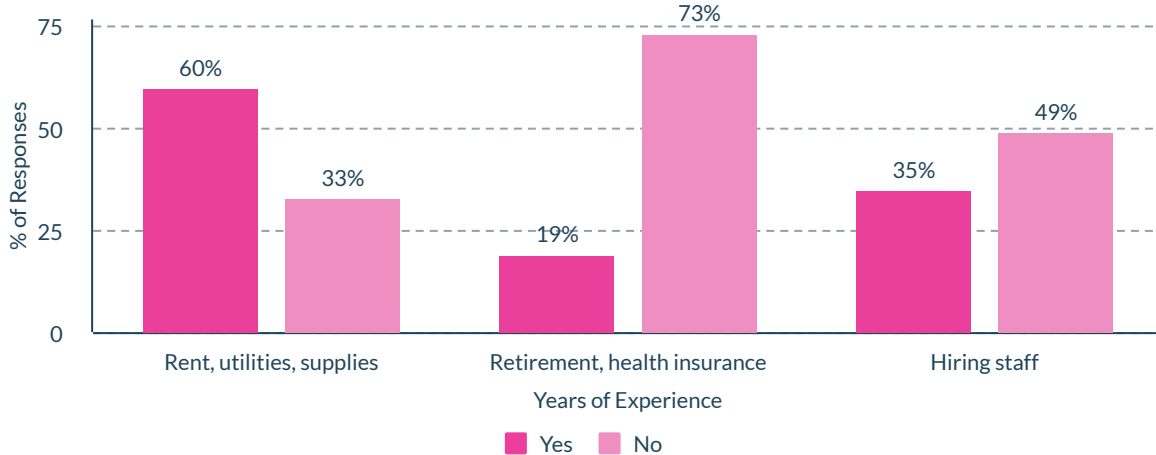
One third of respondents indicate that they cannot cover rent, utilities, or supplies using their FCC income. A full 73% can't afford retirement benefits or health insurance (the majority of respondents who do have health insurance indicate that it is via their spouses' plan). And just under 50% cannot afford to hire staff. Profitability, health, and shared workload are things that can potentially ensure providers can operate financially and emotionally sustainable programs, and are critical policy points.



# Major Takeaways and Trends



## Does your FCC Income Allow You to Cover the Following Expenses: (670 responses)



### 81% of FCCs Use Tech Tools for their Business

It has historically been assumed that child care providers, and FCCs in particular, are averse to using technology systems to operate their businesses. This survey, however, shows that 81% of participants are using some type of technology to help manage the business side of their operation including Child Care Management Software (CCMS), CACFP record keeping tools, online payment platforms, and accounting software.

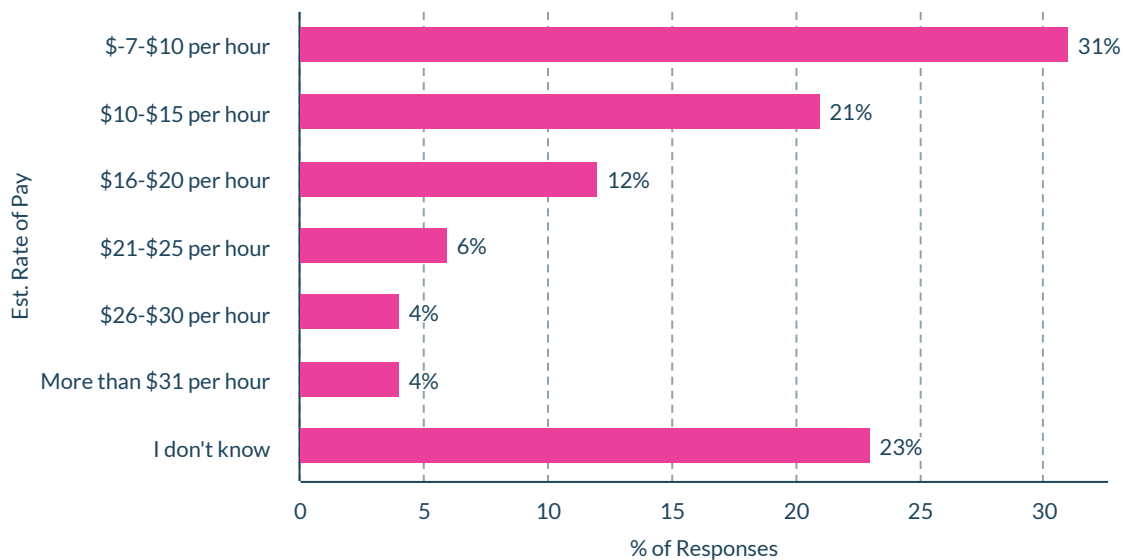
*This greatly dispels the presupposition that FCCs do not, and do not want to, engage with technology.* The greater the use of common technology systems, the more ability states and policy makers have to receive data on things like enrollment and vacancy data, the true cost of operating child care, identification of revenue gaps, and more. These pieces broaden our understanding of the true state of child care.

### Respondents Report Increasingly Long Hours for Little Pay

82% of survey respondents report working in excess of 50 hours per week, with 55% working more than 60 hours per week. 52% of respondents report earning less than \$15 per hour, and nearly a full 25% of respondents don't know how much they make per hour. While 2023 survey responses showed a lower number of educators working 50+ hours per week, self-reported rate of hourly pay remained consistent across survey years.

# Major Takeaways and Trends

## Hourly Rate of Take Home Pay (Self-Related Reported Estimate; Revenue Minus Expenses)



### *Respondents Predict Continued Decline in Program Operations*

Despite financial challenges, many educators indicate that they plan to continue to operate their business indefinitely (45% say they have no plans to close). However, almost 30% plan to close within 1-5 years which would continue the trend of decline we are working so hard to interrupt. In order to best support longevity of child care programs, we must drive policy changes that can allow providers to continue offering early care and education experiences in an environment that is not detrimental to their own families' financial stability.

**It is perhaps worth noting that no other business or industry is expected to run at a loss for the good of society (grocers, mechanics, medical offices - all are expected to operate profitable businesses) and it is imperative that we flip the mental model of child care programs being expected to do so.**

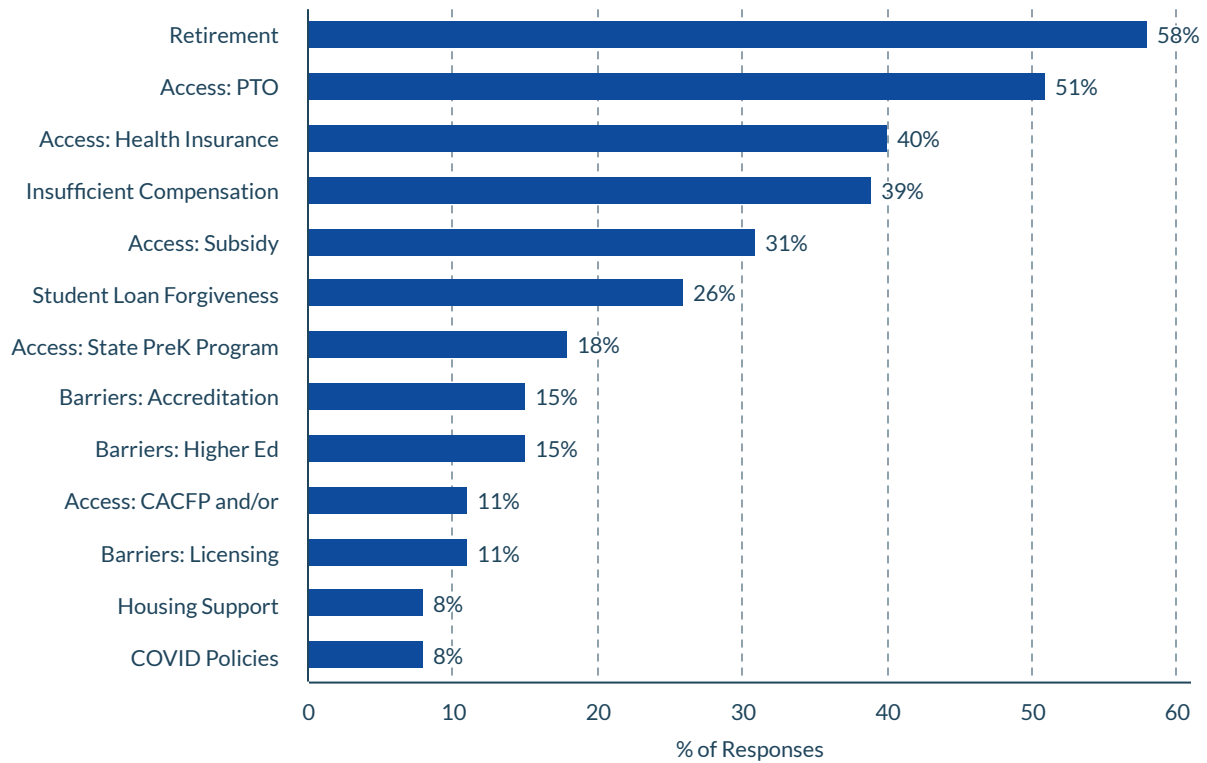
### **Business & Personal Challenges, Policy Concerns**

It cannot be overstated that this is an aging field. With 9% of survey respondents under the age of 40, recruitment of new educators to the field should be a most pressing issue on a strategic, logistical, and policy level.

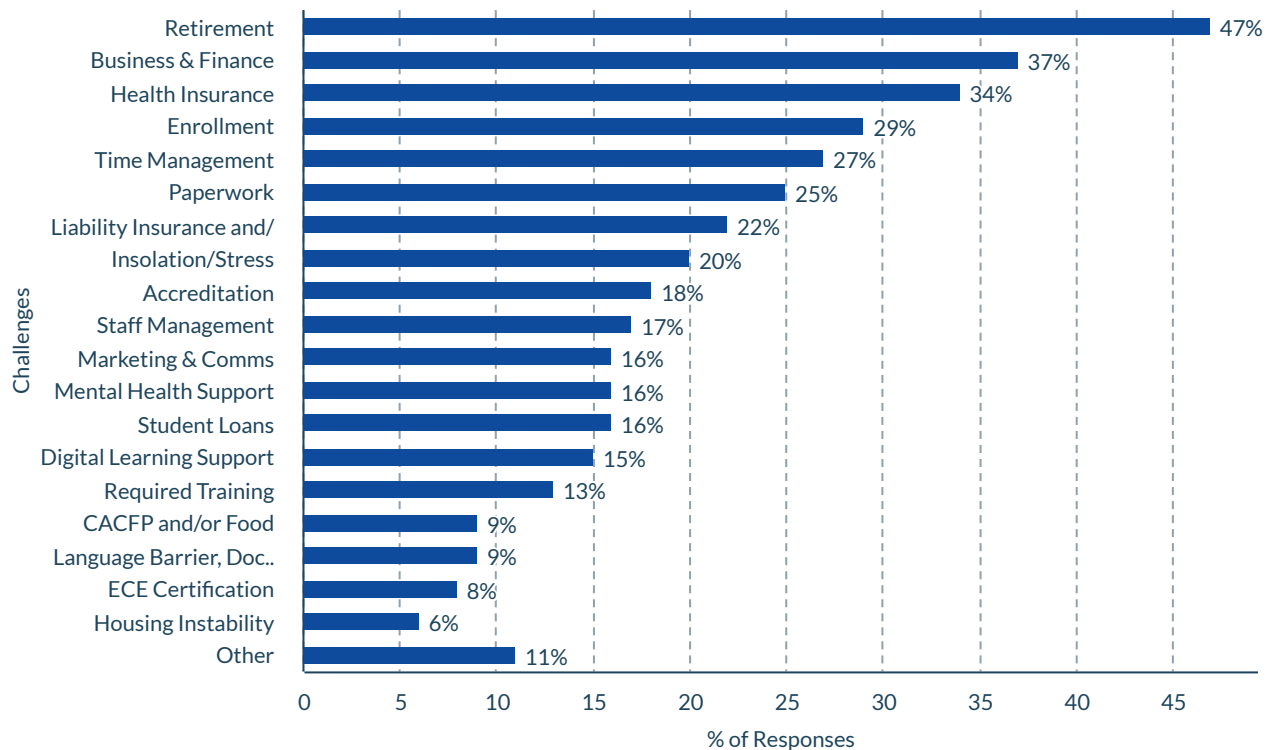
It is not surprising that, given the aging workforce we have identified above, the top challenges and policy concerns noted among respondents are retirement and compensation (including paid time off). In order to support the workforce we have, and to help build a pipeline of new ECE educators and business owners, we must help address these issues through policy work. These issues affirm each of the [NAFCC Emerging Policy Priorities](#).

# Major Takeaways and Trends

## Top Policy Issues (612 responses)



## Top Business & Personal Challenges (657 responses)



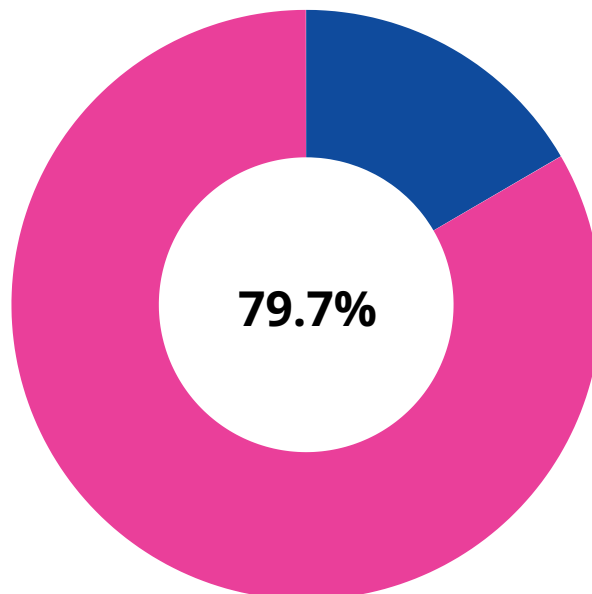
## Major Takeaways and Trends



Despite all of the challenges identified by survey respondents, early educators remain positive about their work. When asked to rate how they're feeling from a scale of 0 to 100, respondents answered an average of 79.7. This number stayed reasonably consistent across age groups, program types, and length of tenure within the field. There is room for improvement, but we are pleased to see a generally positive response which speaks to the overarching resilience of providers and educators.

Overall, how are you feeling about your work as an early educator?

Scale: 0 (worst) to 100 (best)

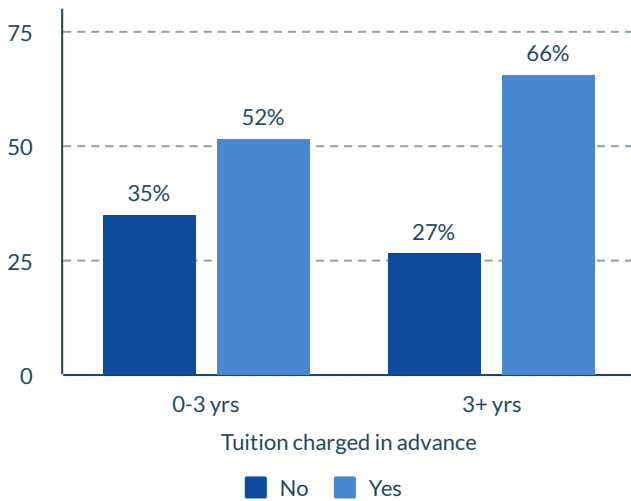


# Major Takeaways and Trends

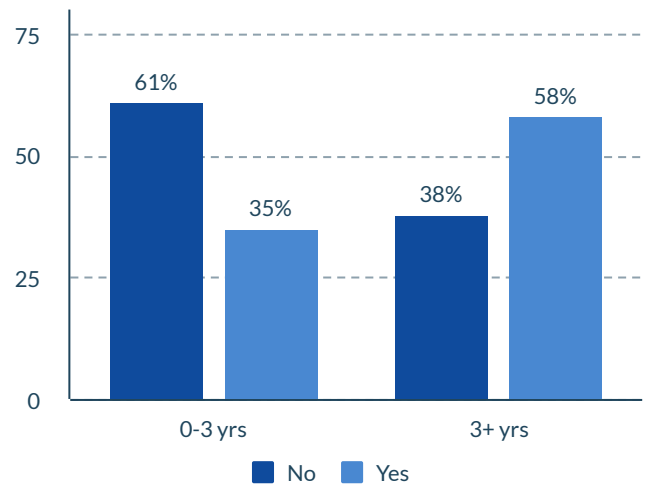
## New FCCs Face Different Challenges

While operating a financially sustainable child care program is challenging across the board, newer programs (those who have been operating for 0-3 years) report even greater challenges than more experienced peers in ensuring their program's revenue can cover rent/mortgage, health insurance, and staff. Newer programs are also not using subsidy dollars or CACFP as revenue sources at the same level as more experienced FCC programs (58% for those open 0-3 years, 75% for those open 3+ years). Finally, newer programs are not charging tuition in advance, or increasing tuition, at the same rates as programs who have been in operation for 3+ years.

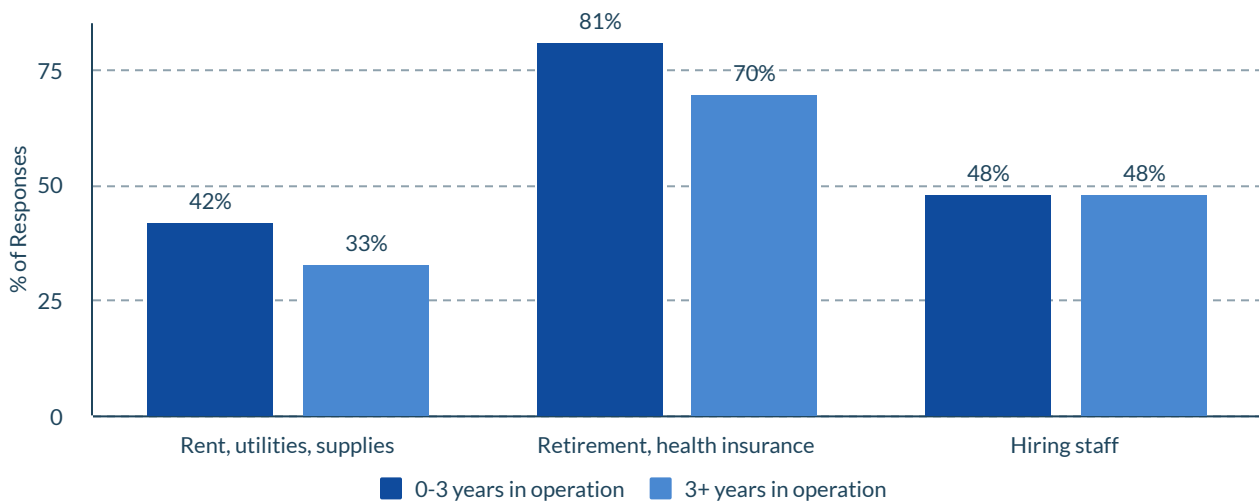
### Tuition Charged in Advanced: By Time in Operation



### Tuition Increase in Last 2 Years: By Time in Operation



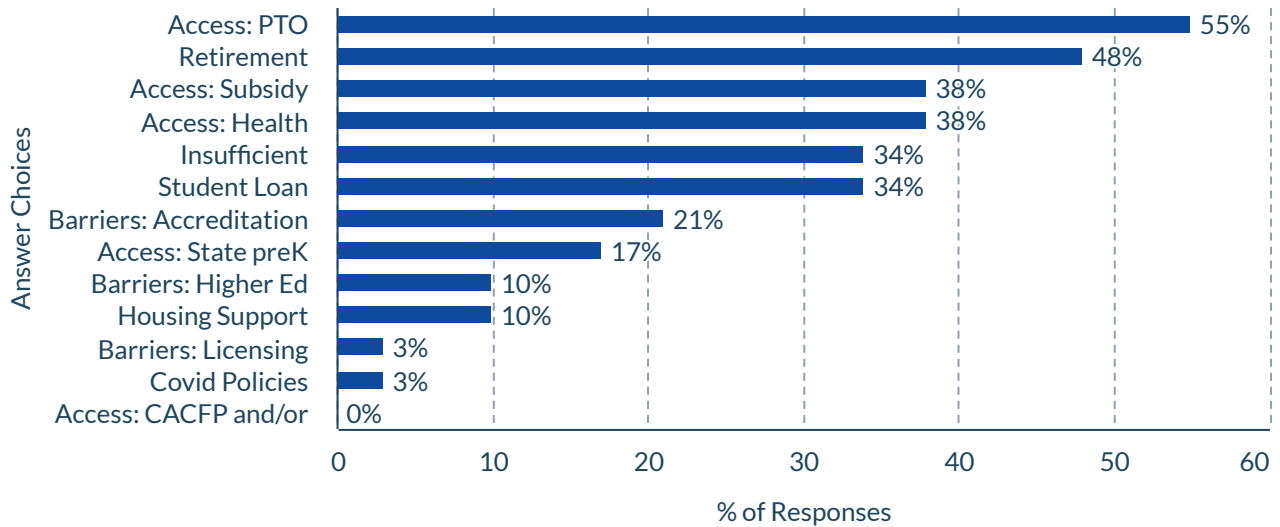
### FCC Income Does \* Not \* Cover: By Years in Operation



# Major Takeaways and Trends

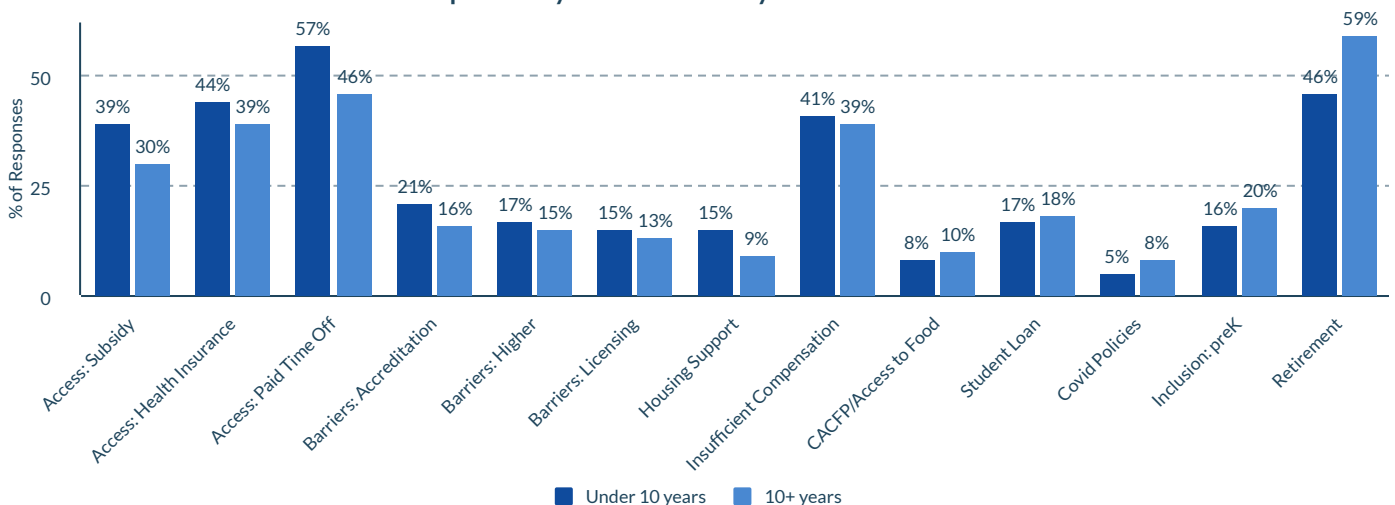


## Top Policy Concerns: 0-3 Years in Operation



When looking at policy concerns compared with length of time in the field, we see some differences reported between programs in operation for under 10 years versus programs operating for 10+ years. **Access to revenue (paid time off, subsidy), housing support, and best business practices rise to the top for those newer programs, while retirement is the number one issue for those in operation for longer periods of time.** This correlates directly to age of respondents and the need to a) support existing FCCs with these needs as well as b) continue efforts to recruit a new pipeline of FCCs.

## Top Policy Concerns by Time in Field



# Membership in Associations and Other FCC Networks Linked to Positive Trends

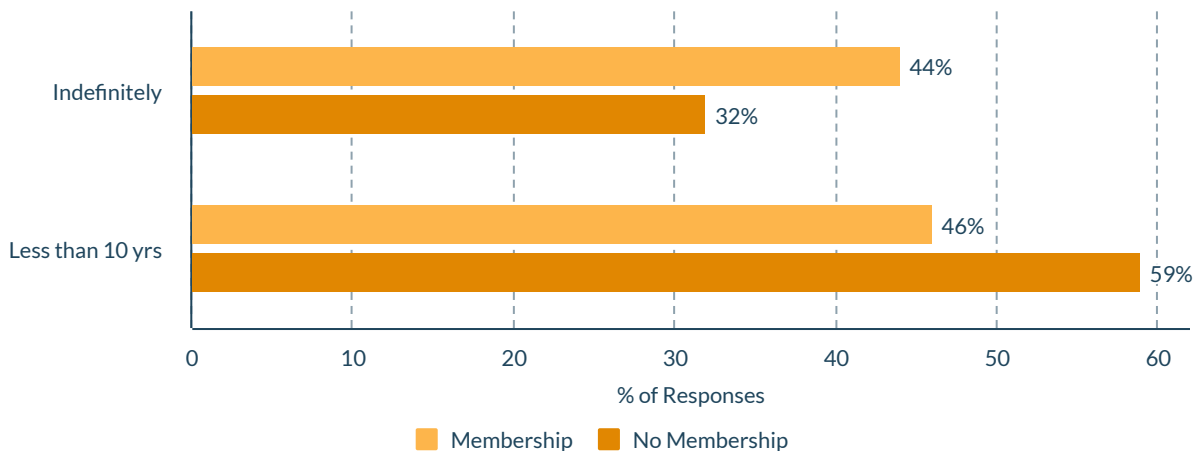
When looking at survey respondents who report being a member of NAFCC, a child care union, or an affiliate FCC association versus those who report not being a part of any of these organizations, a marked pattern emerges. Namely, FCCs who do participate in associations or child care unions are even more likely to be succeeding in using revenue best practices and operating seemingly more stable child care businesses.

Revenue Overview  
Membership: NAFCC, Child Care Union, Affiliate FCC Org



Additionally, FCCs participating in these organizations report a higher likelihood of staying in business indefinitely (44% of those in membership organizations, compared with 32% of those who are not members) and a decreased likelihood of closing their programs' doors in 10 years or less (46% of those in membership organizations, compared with 59% of those who are not members).

How Long Do You Think You'll Continue to Operate Your Child Care Program? Membership: NAFCC, Child Care Union, Affilia...



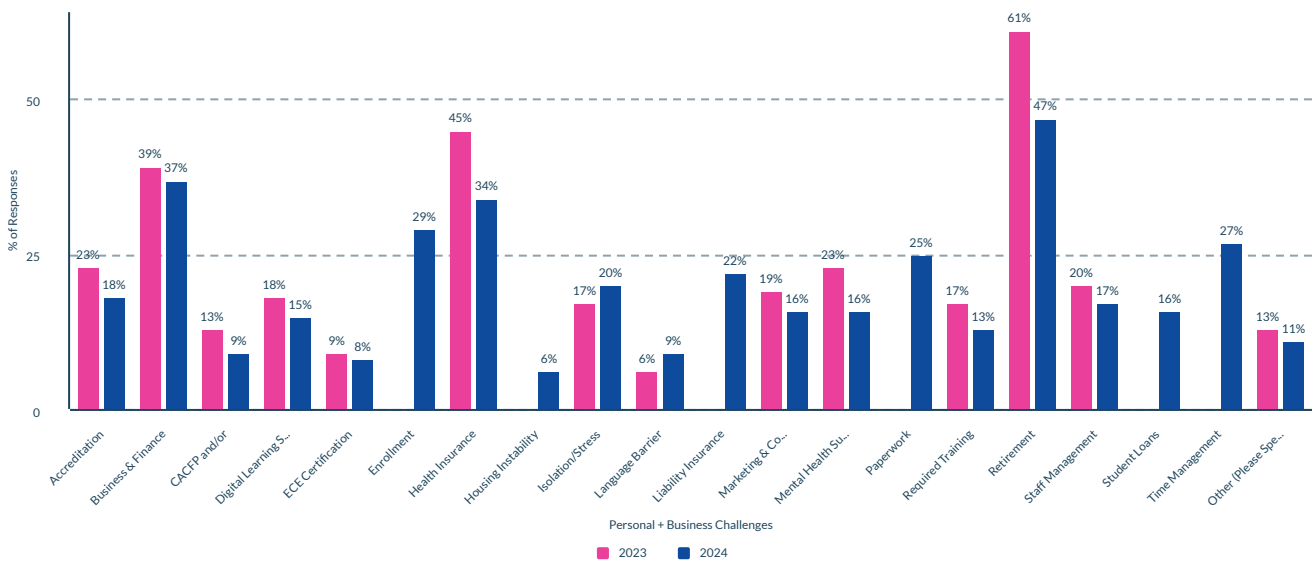
These results may be due to increased knowledge about various revenue streams in which FCCs can participate, benefits of being part of a larger community, and more opportunity to engage in advocacy efforts.

# 2023 v 2024 Noteworthy

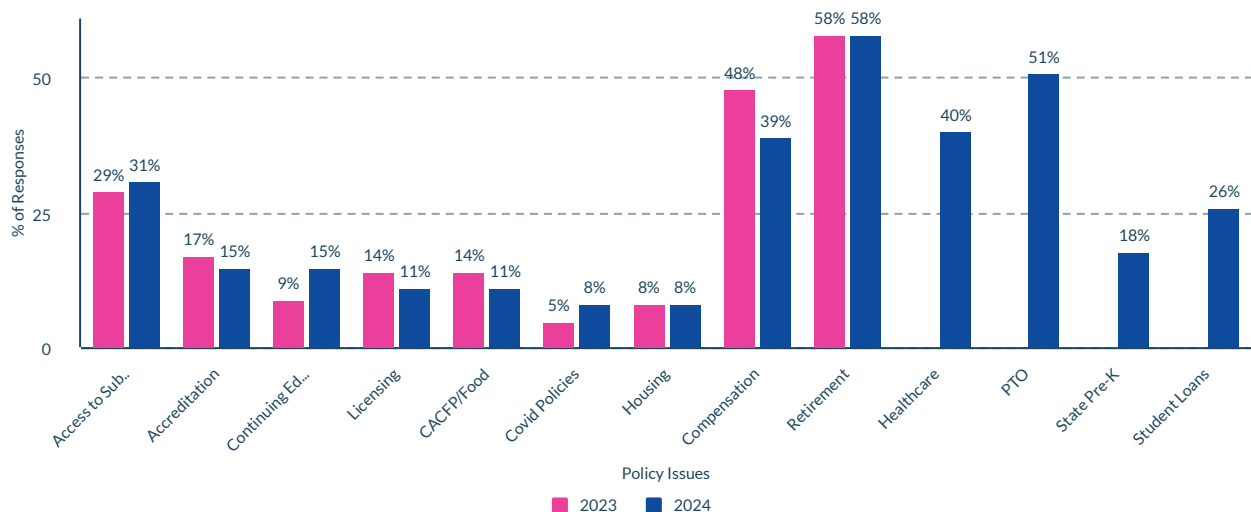


Challenges remain consistent from 2023 to 2024, with the addition of several categories including enrollment, housing instability, paperwork, student loans, and time management. This is replicated when asking respondents about their top policy issues: Retirement, Compensation and Benefits, Paid Time Off, and Access to Subsidy and other funding sources top the list. Again, this mirrors the Emerging Policy Priorities identified by NAFCC.

Business & Personal Challenges: 2023 v 2024



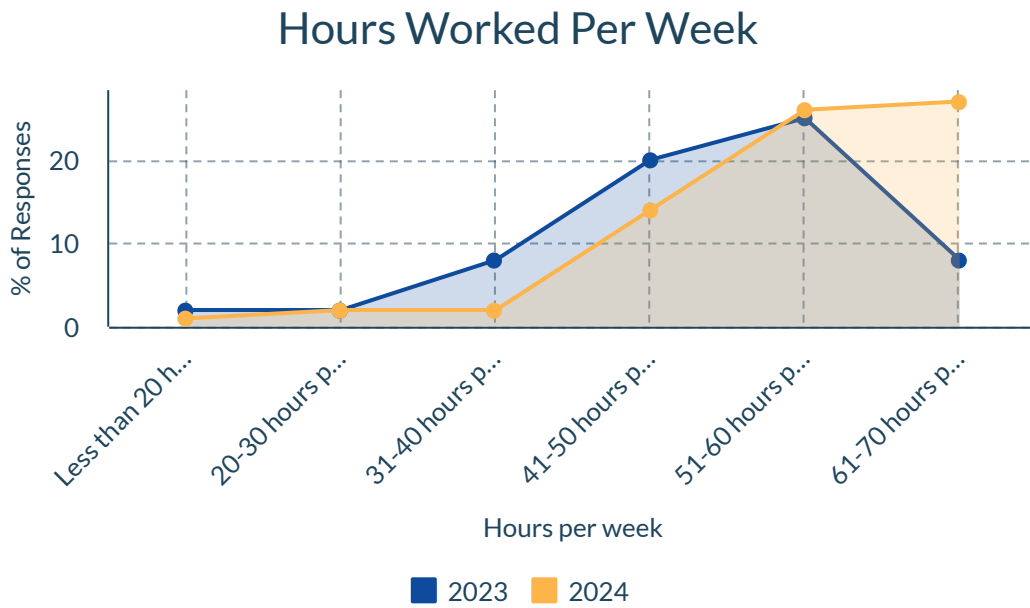
Top Policy Issues: 2023 v 2024





## 2023 v 2024 Noteworthy

In the 2024 survey responses, a noticeable number of respondents report working more hours per week as compared with 2023 responses. This is concerning as working longer hours, for the same amount of pay, is one sure way to experience higher levels of burnout.



Finally, a similar trend remains with regard to FCC owners being able to afford a variety of expenses related to their businesses. There was a slight uptick in respondents stating that their income does not allow them to cover rent, utilities, and supplies as compared to 2023, and the same upward tick for retirement and health insurance. Slightly fewer respondents reported this year that they cannot afford to hire staff.

