



NAFCC
National Association for Family Child Care



2026 **BENEFITS** **BRIEF FOR FCC**

Benefits, Stability, and the Future of Family
Child Care: Building Real Access to
Healthcare and Retirement



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Benefits, Stability, and the Future of Family Child Care: Building Real Access to Healthcare and Retirement

Family child care educators are the backbone of early care and education. They provide flexible, home-based care that supports working families, nontraditional hours, and community stability. Yet the systems that deliver core benefits, including healthcare, retirement, and paid leave, are not designed for self-employed workers. Family child care educators are small business owners and, as a result, are largely excluded from benefits tied to traditional employment.

Recent data from the 2025 [National Association for Family Child Care \(NAFCC\) Annual Survey](#) highlights the scope of this gap:

- 28% of family child care educators rely on Medicaid or Medicare for health coverage
- 50% earn less than \$15 per hour
- 72% work more than 50 hours per week
- 56% are over age 50, with many nearing retirement
- Retirement, paid time off, and healthcare were listed as the top three challenges family child care educators experience

These are structural challenges, not isolated issues. Benefits are out of reach because the system does not recognize the work that family child care educators do. The current system forces family child care educators to provide essential work without essential benefits.

Policy Levers That Expand Access to Benefits for Family Child Care Educators

Access improves when systems are designed for family child care from the start instead of retrofitted from traditional employment models. To build systems that include family child care educators, policymakers must go beyond small fixes to redesign how benefit systems work. Policy change happens faster and more effectively when educators' lived experience is directly to solutions. The voice of family child care educators and advocates is the most powerful tool for building systems that work. The following are examples of policy levers and ways advocates can push for change:

1. Decouple Benefits from Employment

Shift eligibility for healthcare, retirement, and paid leave away from employer-based systems and toward models that include self-employed workers.

Family child care educators are excluded when benefits are tied to a traditional employer. Decoupling opens the door to systems that recognize self-employment as real work and not an exception.

What this can look like in policy

- Medicaid eligibility pathways that better reflect fluctuating income
- [State paid leave programs](#) that explicitly include self-employed workers
- Federal proposals for portable, universal benefits not tied to a single employer

How to advocate for change

- **Local:** Testify at county or city meetings about how the lack of paid leave affects your ability to stay open. Ask for local relief funds or substitute pools that function like paid leave.
- **State:** Submit comments or testify when states design or update paid family leave programs.
- **Federal:** Contact members of Congress and share how employer-based systems exclude you. Ask them to support policies that expand access to healthcare and paid leave for self-employed workers.

2. Build Portable Benefits

Design benefits that are tied to the individual, not a single job or employer, so educators can maintain coverage across time, contracts, and income changes. Family child care educators' income and work arrangements can shift. Portable benefits offer continuous coverage, especially for healthcare and retirement.

What this can look like in policy

- State auto-IRA programs like [OregonSaves](#) or [Illinois Secure Choice](#) that allow self-employed participation
- Multi-employer or sector-based benefit funds such as [DC's HealthCare4ChildCare](#)
- Federal portable benefits proposals for independent workers

How to advocate for change

- **Local:** Work with local child care networks to pilot shared benefits models or connect with existing small business benefit pools.
- **State:** Advocate for improvements to existing retirement programs, such as state matching contributions or automatic enrollment outreach.
- **Federal:** Support national portable benefits proposals by signing onto advocacy campaigns or submitting public comments.

3. Invest in Group and Pooled Models

Support associations, unions, and shared services alliances that bring family child care educators together to access benefits at scale. Individually, educators have limited bargaining power, but collectively, they can negotiate better rates, secure public investment, and build systems that work.

What this can look like in policy

- Collective bargaining structures like [Child Care Providers United \(CCPU\)](#), which secured [healthcare stipends](#) and [retirement contributions](#), or [SEIU](#) in Illinois and Indiana, which offers [healthcare and retirement benefits](#) to union members
- State-funded shared services alliances
- Group purchasing arrangements for insurance and benefits

How to advocate for change

- Local: Join or form a local network and approach your county about funding shared services such as substitute pools or group insurance access.
- State: Support legislation that allows family child care educators to organize and collectively bargain. Share why individual solutions are not enough.
- Federal: Advocate for funding streams that explicitly allow grants to go to educator-led networks and associations.

4. Design Income-Responsive Supports

Create subsidies, matching contributions, and sliding-scale structures that reflect the financial realities of family child care educators. Access without affordability is not real access. Many family child care educators cannot participate in existing systems because costs are too high relative to income.

What this can look like in policy

- State matching contributions for retirement accounts, such as [Arkansas](#)
- Sliding-scale health insurance subsidies like [Cascade Care](#) in Washington
- Tiered paid leave contributions based on income, such as in [Massachusetts](#)
- Child care assistance programs for the child care workforce, like those in [Massachusetts](#)

How to advocate for change

- **Local:** Advocate for grants or stipends that offset healthcare or substitute costs, especially during closures or emergencies.
- **State:** Push for retirement match programs or enhanced subsidies tied to participation in state savings plans.
- **Federal:** Support expansions to tax credits or subsidies that benefit self-employed workers, including those purchasing insurance through marketplaces.

Beginning in 2027, those with modified adjusted gross income below \$20,500 (\$41,000 for married filing jointly) will qualify for a 50% federal match on up to \$2,000 in retirement savings, or a maximum match of \$1,000. This is called the [Saver's Match](#). Home-based educators can prepare for the 2027 Saver's Match by budgeting toward the \$2,000 annual contribution threshold that maximizes the 50% government match. Educators should work with a tax professional if they can. In terms of advocacy, support the U.S. Treasury to develop plain-language guidance on Saver's Match eligibility and account-opening requirements designed for self-employed workers, including those working in home-based care settings, consistent with the directive given to the agency in [Executive Order 14095](#).

5. Fund Benefits Infrastructure

Public investment is essential not only for direct benefits but also for the systems that make them accessible and sustainable, including enrollment support, outreach, and administration. Even well-designed programs fail if educators cannot navigate them. Infrastructure determines whether benefits will last and are actually used.

What this can look like in policy

- Dedicated funding for outreach and technical assistance like in [Maryland](#)
- Permanent, independent funding infrastructure such as the [Early Childhood Endowment Fund](#) in Connecticut
- Partner with organizations like [NAFCC](#) to deliver benefits access support
- Simplified enrollment systems designed for small business owners

How to advocate for change

- **Local:** Ask agencies to fund navigators to help family child care educators enroll in benefits programs.
- **State:** Advocate for contracts with community-based organizations to provide hands-on support in addition to websites and hotlines.
- **Federal:** Support funding for implementation to ensure programs are usable on the ground.

Additional examples can be found in the [State and Local Strategies](#) report from the [Center for Home-Based Child Care Research](#).

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