RESEARCH BRIEF

Unique Strengths and Unique Strains

Exploring Workforce Survey Data on Home-Based Child Care

Introduction

Across the early childhood education field, child care educators are navigating sustained challenges that threaten the stability of the workforce and the accessibility of high-quality care for young children and families. In recent months, both the National Association for the Education of Young Children (NAEYC) and the National Association for Family Child Care (NAFCC) have surveyed early childhood educators to better understand the realities shaping their work and the conditions affecting child care programs across settings. Together, the findings reveal a workforce under significant strain. Child care educators report ongoing concerns related to compensation, access to benefits, and increasing burnout, alongside enrollment instability and uncertainty driven by shifting policy and funding environments. These pressures are also impacting families through rising tuition costs and reduced access to care.

As a leading professional membership organization advancing high-quality early learning by connecting research, policy, and professional practice, NAEYC brings deep insight into the experiences and needs of the early childhood workforce across settings. As the leading national organization dedicated to advancing family child care educators and elevating family child care as an essential component of the early care and education system, NAFCC brings deep expertise in the unique realities, strengths, and challenges of home-based programs. While many of the issues identified in our respective surveys are shared across the child care sector, our collective work also

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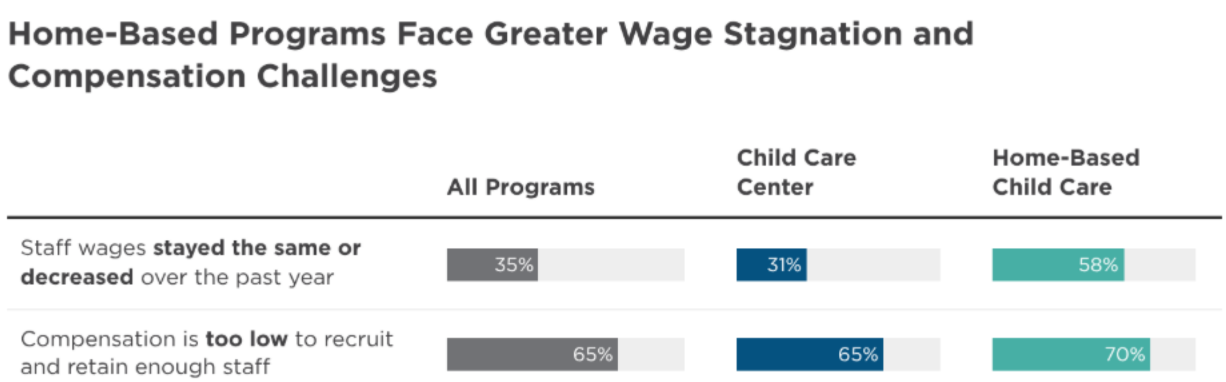
underscores the distinct barriers facing family child care educators, whose programs are too often overlooked in policy design and public investment.

NAEYC and NAFCC are united in our commitment to advancing policies that recognize, support, and fairly compensate early childhood educators as the professionals they are, regardless of where they work. We encourage policymakers, advocates, and system leaders to use these shared findings and the experiences family child care educators have entrusted us to elevate to inform responsive policies and robust, sustained investments that strengthen early childhood education across both center- and home-based settings.

Workforce Trends and Challenges

At the core of many of the challenges we see in early childhood policy is the fact that the compensation for early childhood educators does not reflect the value or complexity of their work. Low wages and compensation consistently come up as a significant challenge facing the field across all settings in NAEYC's workforce surveys, and NAFCC's latest survey found that half of home-based educators reported earning $15/hour or less an hour, after expenses.

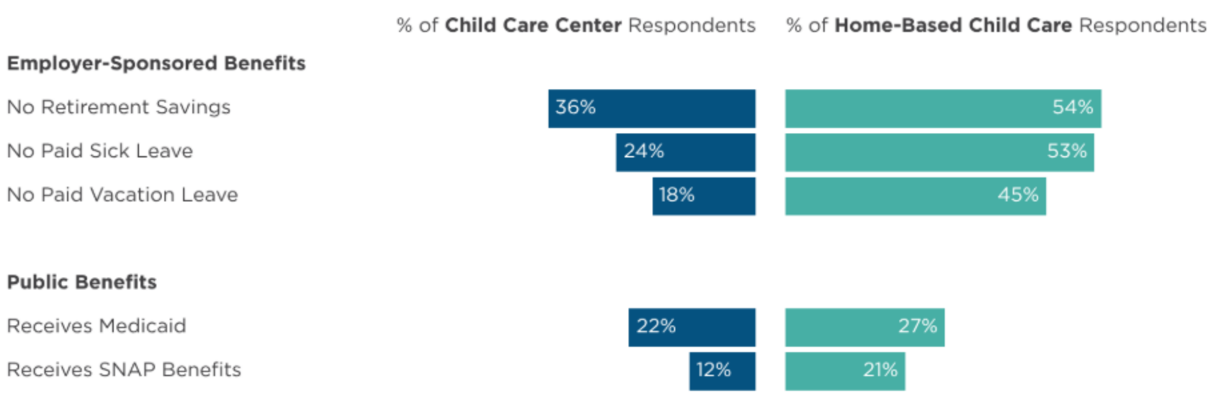


This chart shows the share of program leaders who reported 'Staff wages or salaries' had stayed the same or decreased over the past year in response to the question: "Over the past year, have the following staff-related aspects increased, decreased or stayed the same?" across all program settings (n = 839), from child care centers (n = 533), and from home-based child care programs (n = 215). It also shows the share of program leaders who reported 'Compensation is too low for us to recruit and retain enough staff' in response to the question: "Is your program currently experiencing any of the following staffing challenges?" across all program settings (n = 1,439), from child care centers (n = 1,063), and from home-based child care programs (n = 218). *Source: Data from 2026 NAEYC Annual Workforce Survey*

Benefits were a major concern alongside wages in both surveys, with access to health insurance, retirement and paid time off rising to the top of the list of family child care educator concerns in NAFCC's survey, with 28 percent of home-based educators reporting they rely on Medicaid for their own health insurance. These challenges were reflected in NAEYC's survey, which found that educators working in home-based settings were less likely than those working in centers to report not having retirement savings (54 percent vs 36 percent respectively), and that home-based educators were more likely than those working in centers to report using public benefits such as Medicaid (27 percent vs 23 percent) and SNAP (21 percent vs 12 percent) for health insurance and food security.

> "I am able to stay afloat because my spouse carries the household bills, insurance and mortgage. If it were not for these programs and my husband, I would have to find work outside of my program and close it down."
>
> – Family child care owner and educator, Texas
>
> "I was only able to afford very basic health insurance, so I did not go to the doctor as much as I needed."
>
> – Home-based child care owner/operator, Michigan

Home-Based Child Care Providers Report Less Access to Employer Benefits and Greater Reliance on Public Benefits



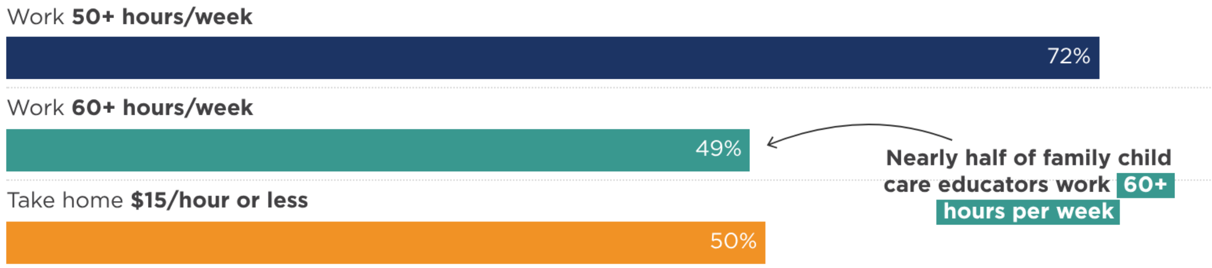
The top section of the chart shows the share of respondents from child care centers and home-based child care programs who reported no access to select employer-sponsored benefits in response to the question: "Do you currently have access to any of the following benefits, resources, or supports?" The bottom section of the chart shows the share of respondents from child care centers and home-based child care programs who reported current use of select public benefits in response to the question: "Do you or anyone in your household rely on any of the following public benefits?" *Source: Data from 2026 NAEYC Annual Workforce Survey*

This low compensation doesn't reflect the level or complexity of the work that educators engage in, leading to high rates of burnout, workforce turnover, and program closures. NAEYC's 2026 workforce survey found that across the ECE field, nearly half of educators reported being more burned out than they were in the prior year. NAFCC's data indicates why this burnout is a particular challenge for educators working in home-based settings. Their data show 72 percent of family child care educators work 50 hours or more per week and nearly half work 60 hours or more, reflecting the unique structure and responsibility that many home-based owners operate in as sole proprietors. As a result of this burnout, it should not be a surprise that our data show a unique threat to the long-term sustainability of the home-based child care sector. Among home-based providers responding to NAFCC's survey, 20 percent indicated they were considering closing their programs in the next two years. NAEYC's survey also found that home-based owners were nearly twice as likely as center-based administrators to indicate they were considering permanently closing their program (20 percent vs 11 percent). These shared findings should elevate the urgency of actions needed to stabilize and sustain the early education workforce, with targeted support for home-based programs.

> "What would help me most is being treated and supported as the early childhood professional that I am. I would benefit from a clear, state-sponsored career ladder with stipends for achieving higher credentials, like a CDA or an Associate's degree in Early Childhood Education. Paid, high-quality professional development that goes beyond mandatory health and safety training is crucial. I want to learn about the latest in brain development, trauma-informed care, and inclusive curriculum, but I can't afford to take unpaid time to do so. Formal recognition and respect for my role, comparable to that of teachers in center-based settings, would go a long way in making this a sustainable and prosperous career."
>
> – Family child care educator, Pennsylvania

Long Hours, Low Returns for Family Child Care Educators

The share of family child care educators who reported the following weekly work hours and take-home earnings



NAFCC's 2025 survey illustrates the unique economic pressures facing family child care educators. Nearly three-quarters (72%) report working at least 50 hours per week, while half report take-home earnings of $15 per hour or less after program expenses. Nearly half (49%) work 60 hours or more each week. Source: 2025 NAFCC Annual Survey. Hours worked: n=709; hourly take-home pay: n=743. Take-home pay was self-reported based on program revenue minus expenses and total hours worked.

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Enrollment Trends and Cost Pressures

Findings from both NAFCC and NAEYC data reflect a shared challenge across early childhood settings: programs are not consistently able to enroll at their preferred capacity, even amid ongoing demand for care. These patterns point to structural misalignment within the child care system rather than a lack of need. NAFCC data indicate that only 40 percent of family child care programs report enrollment at desired levels, with many operating below capacity. Importantly, educators consistently report that under-enrollment is not driven by insufficient demand. Instead, it reflects external factors that constrain stable enrollment, including the expansion of state-funded preschool, disruptions in subsidy systems, and waiting lists that delay or prevent families from accessing care. NAEYC data reinforce these findings. 43% of respondents reported that their program was under-enrolled relative to their preferred capacity. While this was more frequently reported among child care centers, a substantial share of home-based providers also reported under-enrollment. Among those programs, the most commonly cited reason was families' inability to afford care. This was reported at higher rates among home-based providers, further underscoring the economic constraints of the families they serve.

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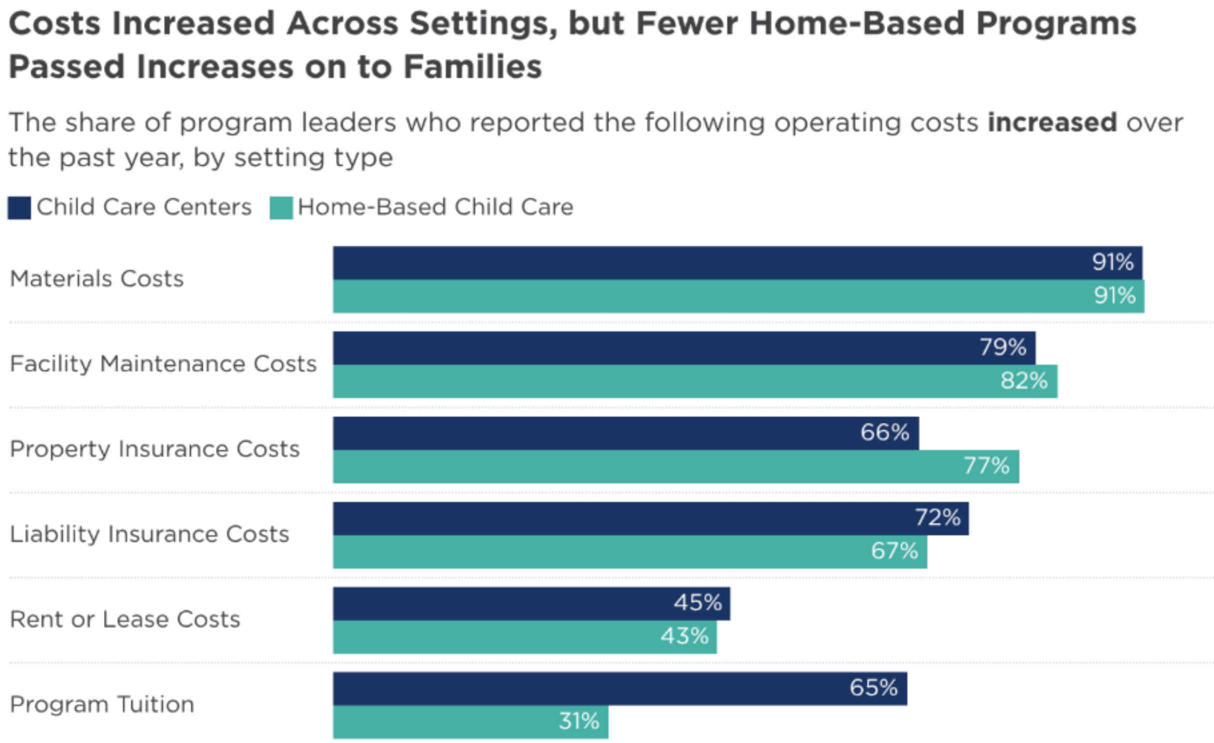
> "Less people are enrolling because they can't afford out-of-pocket payment for child care."
>
> – Home-based child care owner/operator, New York

These enrollment challenges are occurring alongside rising operational costs across the field. Both data sets demonstrate sustained increases in the cost of materials, facilities, and overall program operation. However, the structure of family child care as a small business model shapes how these pressures are absorbed. Family child care educators operate as sole proprietors and are directly responsible for managing rising costs for food, supplies, insurance, and regulatory compliance. NAFCC data show that 77% accept child care subsidies/vouchers and 76 percent participate in CACFP, reflecting reliance on multiple funding streams to sustain operations. At the same time, educators report limited ability to increase tuition due to market constraints and the realities of serving families who rely on subsidies. NAEYC findings align with these pressures. A significant share of programs reported decreases in public funding and reduced access to subsidies for families, alongside sharp increases in operating costs. Program leaders also reported growing financial strain among families and, in some cases, reductions in staffing due to funding instability. And despite similar increases in costs, program leaders in home-based programs were less than half as likely as program leaders in centers to report increasing tuition on families in the past year (31 percent vs 65 percent).

> "It's hard because parents can't afford to pay so I have to settle for what they can give me."
>
> – Home-based child care owner/operator, Georgia
>
> "It's so hard to afford everything and I don't want to charge families more."
>
> – Home-based child care owner/operator, Iowa

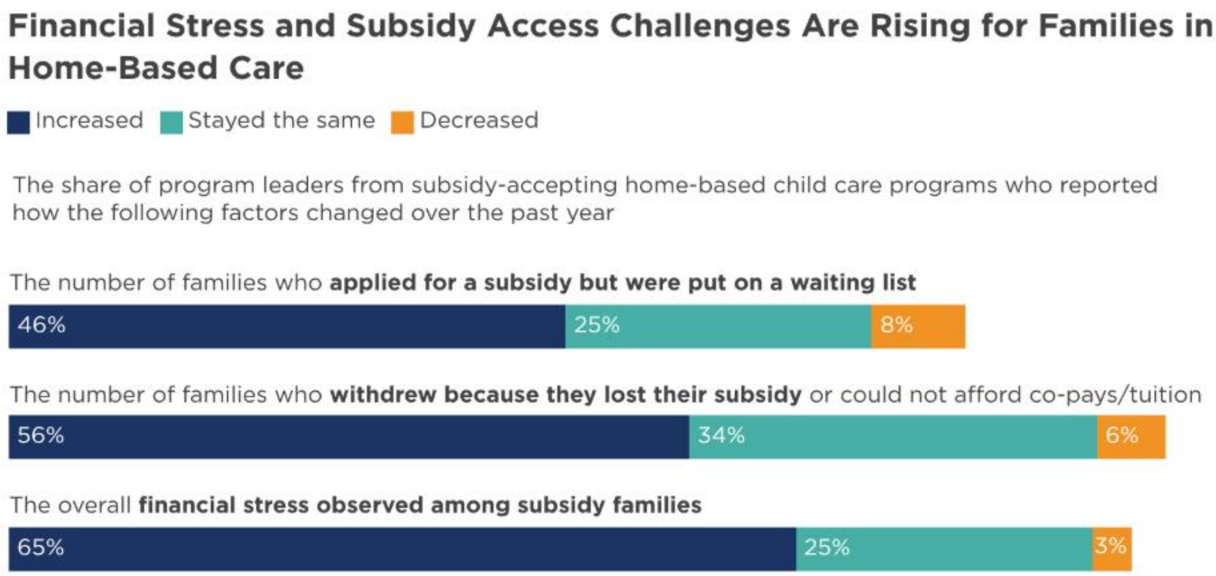


This chart shows the share of program leaders from child care centers and home-based child care programs who reported the listed operating costs had increased over the past year in response to the question: "Over the past year, have the following facility-related aspects of your program increased, decreased, or stayed the same? *Source: Data from 2026 NAEYC Annual Workforce Survey*

Policy Challenges

Educators responding to both surveys elevated concerns about how the current policy landscape is impacting program sustainability. Nationally, as states are grappling with the end of pandemic relief funding and facing a challenging fiscal landscape, in part due to federal funding cuts stemming from the passage of HR1, we have seen growing disruptions to the child care subsidy market, including the reinstatement of subsidy enrollment freezes or waiting lists in many states.

Based on the qualitative and quantitative responses to our surveys, it is clear these disruptions are being felt directly by home-based providers. An analysis of NAFCC's open-ended responses indicated a clear sense that subsidy disruptions and long waiting lists were limiting families' abilities to enroll, even in family child care programs with open slots. This sense is aligned with data from NAEYC's survey indicating that nearly half (46 percent) of home-based providers saw an increase in the number of families who were placed on a waiting list for subsidy in the last year and more than half (56 percent) saw an increase in families withdrawing because they lost subsidy or could not afford tuition.



This chart shows the share of program leaders from home-based child care programs that accept subsidy (n = 306) who reported how each subsidy-related factor changed in response to the question: "Over the past year, have the following aspects of your program increased, decreased or stayed the same?" The 'I don't know' response was excluded from the graphic which explains why row percentages do not sum to 100%. *Source: Data from 2026 NAEYC Annual Workforce Survey*

In addition to subsidy policies, regulatory practices and administrative burdens were identified in both surveys as a particular challenge for home-based educators, many of whom are sole proprietors playing a dual role as educators and business owners/administrators. Respondents to NAFCC's survey frequently referenced challenges in balancing extensive administrative demands related to licensing, documentation, reporting and business management with caregiving responsibilities. Data from NAEYC's survey validate the time challenge posed by documentation and paperwork requirements for home-based educators, who were nearly twice as likely to report spending 7 or more hours a week on required documentation and paperwork as their peers working in centers.

Policy Recommendations

The findings from both NAFCC and NAEYC highlight a child care system under strain, with family child care (FCC) educators experiencing disproportionate pressure due to existing policies and funding mechanisms. While many challenges are shared across early childhood settings, several policies uniquely affect home-based programs and directly affect families' access to family child care. Addressing these concerns requires policy solutions that increase stability, reduce administrative burdens, and align funding structures with the reality of how family child care programs operate.

Strengthening Federal Child Care Funding

Current funding levels for child care are insufficient to sustain the current workforce and risk increasing strain on child care access for families. Both surveys indicate increasing financial stress among educators, rising operating costs, and growing concern about long-term program stability. The pressure is even greater for family child care educators who operate small businesses on thin margins. Increased funding for the Child Care and Development Block Grant (CCDBG) is essential in the near term to stabilize the system. A greater investment in CCDBG can help ensure that subsidy reimbursement rates are more aligned with the true cost of care and expand access for families currently on waiting lists.

Ensuring Stability in Subsidy Funding and Administration

> "I am very committed to taking families with vouchers; the problem is that there are many families waiting for the voucher system to release vouchers."
>
> - Family Child Care owner and educator, Massachusetts.

Frequent policy shifts and disruptions in subsidy administration create instability for both families and educators. Family child care educators consistently report challenges related to payment delays, sudden eligibility changes, and disruptions in state drawdowns that interrupt the flow of funding to educators. Because many family child care programs rely on subsidy reimbursements as a core revenue stream, these disruptions affect their ability to maintain enrollment and cover operating costs. Prioritizing stability in subsidy administration, including predictable funding flows and minimizing unnecessary changes to program rules, reduces volatility for educators and families. Ensuring states have the resources and guidance needed to maintain consistent subsidy operations is a key step toward preserving access to care.

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Improving Payment Practices to Reflect Program Operations

Current subsidy payment practices often do not align with the operational realities of family child care and often result in payments that are delayed by well over 30 days and up to 4 months in some states. This forces educators to cover these costs upfront and operate as lenders to the state. Prospective payment practices provide stable cash flow and support the ongoing costs of operating a child care program. Prospective payments are a cornerstone of small business sustainability and are critical to family child care stability. Family child care educators must pay rent or mortgages, utilities, insurance, food costs, and staffing expenses upfront.

Under-enrollment, rising costs, and constrained revenue are interconnected challenges. Addressing them requires policy approaches that align funding structures with the realities of program operation. Enrollment-based payment is a necessary component of that alignment, particularly for family child care, where financial sustainability is directly tied to the ability to maintain stable, predictable income. Enrollment-based payment structures more accurately reflect how child care programs function by recognizing that educators incur the cost of maintaining a space for a child regardless of short-term attendance fluctuations. For family child care educators, whose programs often operate with narrow margins and limited capacity to absorb financial shocks, predictable payment structures are critical.

Providers in the NAEYC survey indicated that enrollment-based and prospective pay are commonly used payment practices in the private market. Aligning subsidy payment practices with enrollment and prospective payment models would increase stability for educators and make participation in subsidy programs more feasible. While recent federal rule changes rescind prior requirements for states to implement these two payment practices, many states have still made considerable progress in doing so—at least 26 states and Washington, D.C. currently pay providers based on their enrollment, and at least 10 states pay providers prospectively, indicating that states recognize the importance and effectiveness of better payment policies in helping to stabilize child care operations and expanding family choice and access.

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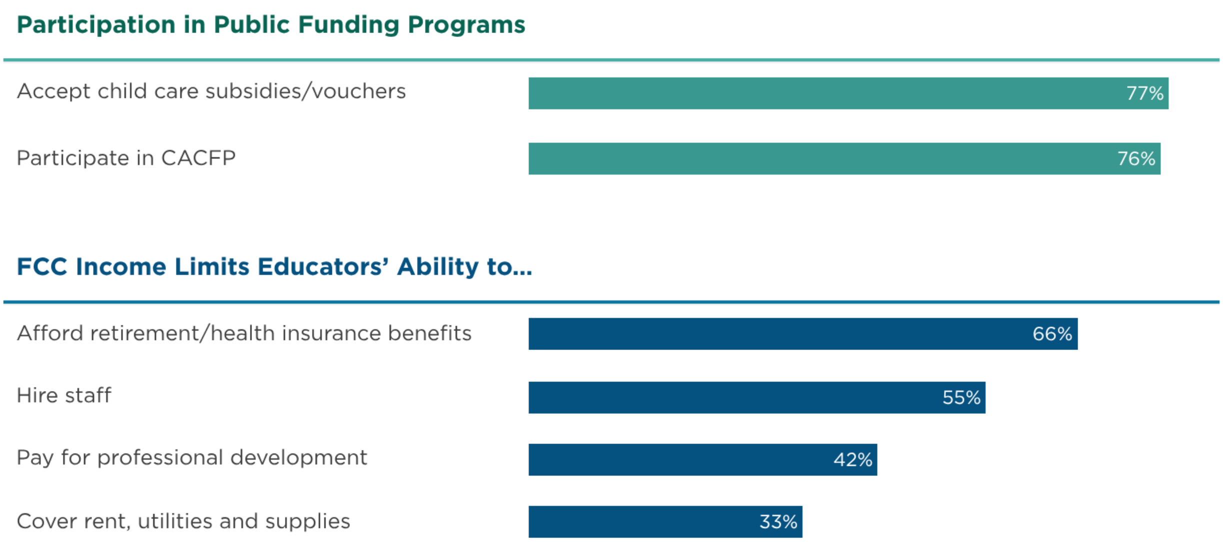
Public Funding Participation Coexists with Significant Financial Strain

The share of family child care educators participating in public funding programs and reporting income-related financial constraints



Public funding is an important part of the family child care business model, but significant financial strain remains. More than three-quarters of respondents participate in CACFP or accept child care subsidies, while substantial shares report that their FCC income does not allow them to afford benefits, hire staff, pay for professional development, or even cover basic operating expenses. Source: 2025 NAFCC Annual Survey. Percentages reflect responses to individual questions; n ranges from 703 to 753.

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Investing in Compensation, Benefits, and Retention

The child care workforce is aging rapidly, with many educators expected to retire within the next decade. This looming wave of retirements will significantly reduce the supply of child care programs, placing even greater strain on families already struggling to find care. To address this, policymakers must take action by improving compensation and benefits, and by streamlining administrative requirements, making it more feasible and attractive for individuals to enter and sustain family child care programs. Policy solutions must include focused investments to improve compensation and expand access to comprehensive benefits for family child care educators. Policies must support funding mechanisms for wage increases, initiatives to expand health insurance access, and retirement savings programs for small business owners and self-employed educators, to ensure that family child care educators are not unintentionally left out. Strengthening compensation and benefits is not only essential for family child care educators' well-being but also for recruitment and retention in a field already experiencing workforce shortages.

A Looming Family Child Care Succession Challenge

The share of family child care educators reporting retirement and program tenure indicators

| One-third of respondents expect to operate for no more than five additional years.

NAFCC survey data point to a significant long-term supply challenge. Fifty-eight percent of respondents are age 50 or older, 44% identify retirement as a current challenge, and 52% anticipate operating their program for 10 years or less. One-third expect to operate for no more than five additional years. Source: 2025 NAFCC Annual Survey. Age: n=755; expected program tenure: n=715; current challenges: n=720. The challenges question allowed respondents to select multiple responses.
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Reducing Administrative Burden and Supporting Program Sustainability

Administrative requirements, including documentation, reporting, and compliance processes, remain a top concern for child care educators. For family child care educators who operate independently, administrative tasks are layered on top of a myriad of other responsibilities and business management. Policies must streamline administrative processes and reduce unnecessary paperwork. Simplifying reporting requirements, improving technology systems, and aligning documentation expectations across programs could significantly reduce the burden and support family child care participation in publicly funded programs.

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NAEYC & NAFCC 2026. The primary staff members who contributed to this piece through survey development, data gathering, analysis, writing and design are: From NAEYC: Daniel Hains, Meghan Salas Atwell, Joy Browne, Paola Andujar, Diane Girouard, Nicole Lazarte and Makayla Johnson. From NAFCC: Daphne Alsiyao, Eboni Delaney, Yesy Robles-Brown, Erica Phillips and Mia Pritts (Research Consultant, Emerging Practices).

Note: This brief reports on findings from two separate surveys conducted by NAFCC and NAEYC respectively. NAEYC's survey represents the responses of a benchmarked non-randomized sample of 7,045 individuals working in early childhood education settings who completed the survey in English or Spanish between January 8-26, 2026.

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The respondents represent providers in 50 states as well as Washington, DC and Puerto Rico; 14% report that they work in homebased child care settings while 61% report that they work in center-based child care. Others reported working in public school-based, Head Start, faith-based and campus-based settings. Additional focused briefs and state-by state analysis are available, along with previous NAEYC survey briefs, at NAEYC.org/ece-workforce-surveys. If you'd like more details on methodology, please reach out to the authors.

NAFCC's survey represents the responses of 785 family child care educators who completed the survey between July 31 and September 30, 2025. Participation was open to family child care providers nationwide and respondents were recruited through email outreach, newsletters, social media, conference engagement, and partner networks. Responses were received from providers in 49 states and the District of Columbia. Survey responses were reviewed and cleaned using established data quality procedures to ensure the validity and integrity of the final dataset. Unlike the NAEYC survey, the NAFCC survey was not weighted or benchmarked. Given the limited availability of comprehensive national data on the family child care workforce, findings should be interpreted as representative of survey respondents and valuable for understanding trends and experiences among participating family child care educators. The survey builds on NAFCC's ongoing survey efforts, providing one of the few national sources of longitudinal information on the experiences, challenges, and business conditions of family child care educators.

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