

# Home-Based Child Care:

A Surprising Key to Keeping the Colorado Workforce Strong



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# Council for a Strong America & ReadyNation

CSA - National bipartisan nonprofit promoting evidence-based solutions that enable children to be healthy, well-educated, and prepared to succeed in education, work, and life.

ReadyNation - Business leaders building a skilled workforce and strong economy by making a bottom-line case for effective, bipartisan investments in children as the future workforce.

# Want to Grow Colorado's Economy? Fix the Child Care Crisis.





# Most Child Care in the U.S. is Home-Based



- 97% of all child care settings are home-based
- Home-base child care serves 65% of children ages birth to five who are in care
- Of nearly 11 million American children in child care, 3.8 million are served in centers

# Home-Based Child Care in Colorado



- Serves more than 12,000 children ages birth-5 in licensed family child care homes
- More than half of Colorado families use informal care
- Generates \$128 million in revenue annually in the state
- Is an essential support for the Colorado workforce
- 2020 parent survey validated the lack of supply of home-based child care

# Home-Based Child Care is Particularly Important for:

- Infants and toddlers
- Children from low-income families
- Parents who work non-standard hours
- Families in rural areas



# Types of Home-Based Child Care in Colorado

## Licensed Family Homes

- Serve children unrelated to the provider
- Maximum group size generally six, plus two children before and after school. With ore than two children under age 2 (other license types require more training)
- Paid providers
- Average tenure in the field of >16 years
- 45% have an associate's degree or higher; 26% a BA or higher
- 60% serve families who receive subsidies
- Required to have ongoing, annual professional development hours

# Types of Home-Based Child Care in Colorado

## License-Exempt /Qualified Exempt Homes

- Serve four or fewer children unrelated to caregiver; no more than two children under age 2
- Serve children related to the caregiver
- Serve siblings from one family
- Paid or unpaid
- 147 serve families who receive subsidies
- Family child care homes or family, friend, and neighbor (FFN) care



# Why Do Parents Choose Home-Based Child Care?

- Flexible operating hours to accommodate non-standard work hours
- Less expensive
- Availability, especially for infants & toddlers
- Home-like environment
- Small group size
- Mixed age groups; siblings can stay together
- Consistent caregiver
- Trust of caregiver
- Shared language, culture, values, childrearing practices



# Home-Based Child Care is an Economic Driver



- Generates \$9 billion in annual revenue nationwide
- Generated \$128 million in annual revenue in Colorado in 2016
- Spillover economic activities in other sectors

# Challenges in Home-Based Child Care

- Isolation
- Stress
- Long hours
- Low pay
- Lack of support
- Lack of benefits
- Difficulties handling business aspects
- Balancing caregiving with other jobs and responsibilities
- COVID-19



*Number of family child care providers has plummeted 45%, in Colorado adding to the shortage of child care*

# Support for Home-Based Child Care is Critical

- Quality Initiatives
  - Home visiting: coaching, consultation, mentoring
  - Training, professional development, peer networks
- Sustainability Initiatives
  - Material supports (e.g., grants, lending libraries)
  - Administrative supports (e.g., business practices)
  - Benefits (e.g., sick leave, health insurance)

*Policy solutions aimed at improving access to and quality of child care must consider the needs of home-based providers of all types and the families they serve. Sustaining and building on this essential component of the child care landscape is crucial. Any effort to combat the child care crisis needs to address home-based care.*

# HB 21-1222 – Family Child Care Homes

- Between 2002 and 2018, Colorado lost more than 11,600 licensed slots in family child care homes
- Senate Bill 19-063 Infant and Family Child Care Action Plan: Major contributing factor to the shortage of family child care homes is conflicting regulation between state licensing allowances and local regulations, including HOA, zoning, fire, life safety, and building codes
- SB 20-126 - Stopped HOAs from prohibiting Family Child Care Homes
- HB 21-1222 - Required zoning/building codes to treat family child care homes as residential vs commercial