



Home-Based Child Care: A Critical Support for America's Working Families and Their Children

AUTHORS: Juliet Bromer^a, Marisa Schlieber^a, and Rena Hallam^b

JULY 2025

^aErikson Institute ^bUniversity of Delaware

Home-based child care (HBCC) is the most common nonparental child care arrangement in the United States and an essential part of the child care and early education (CCEE) landscape in the United States.¹ HBCC is a broad term that references licensed, license-exempt, and unlicensed nonparental child care providers who offer care in residential and homelike settings, which may include a provider's and/or child's home.¹ This type of care may also be referred to as family child care or family, friend, and neighbor care. Specific terminology may vary for HBCC depending on funding source, policy context, state or locality, and relationship of a provider to children in care. Including the broad array of HBCC settings in state and local mixed-delivery, early-childhood systems can expand child care options available to families and may support families in choosing the best early care and educational setting for their children.



¹ Child care licensing regulations for HBCC vary greatly across states and localities and may have different rules around which HBCC settings are required to be licensed. For example, states may require HBCC licensure depending on provider-child relationships, numbers and ages of children in care, hours of care offered, location of care, and/or whether care is offered for payment. Nannies, au pairs, or babysitters may also be considered as HBCC providers but are not commonly included in CCEE licensing or policy systems.



The stability, consistency, and one-on-one interactions in HBCC may support children's learning and development.²

- **Continuity of care** over time enables children in HBCC settings to be cared for by the same provider, starting when they are infants through their preschool and elementary school years. This means that children experience stability and consistency, an important support for children's development.
- **Small group sizes** in HBCC settings allow providers to **individualize** care.
- Some HBCC settings include **mixed-age groups of children** from 6 weeks old through age 12, which may support a **sense of belonging** and community.
- **Familiar and everyday learning routines** in HBCC settings mirror a child's home environment and reflect the family's values and support opportunities for children to thrive and get ready for school.

A thriving HBCC sector that fits the needs, preferences, and circumstances of families can support family choice of child care options.³

- Most families who use HBCC use this care for their **infants and toddlers** and **school-age children**. Many families living with **low incomes** and in **rural communities** rely on HBCC settings.⁴
- HBCC is **convenient** and offered in neighborhoods where families live.
- HBCC is often a **lower-cost option**, especially for families living with low incomes and those living in rural communities. However, this affordability may be tied to low wages and lack of benefits that many HBCC providers experience.⁵ In addition, many unlicensed HBCC providers are not paid at all for care.⁶
- HBCC providers are more likely than center-based settings to offer **flexible-hours** child care, including during evenings, early mornings, overnights, and weekends as well as care that accommodates families' unpredictable or varying work schedules.⁷
- Families may choose HBCC based on **prior relationships and trust**.⁸ For example, families may prefer family, friend, and neighbor care because of shared values, traditions, and the extended family setting.⁹





HBCC is an important economic asset for building healthy communities for children and families.¹⁰

- Some licensed HBCC providers (often referred to as family child care) serve a dual role as both a child care provider and a small-business owner.
- HBCC may help address child care deserts, especially in rural communities.¹¹

Closures of small family child care businesses across the nation¹² may limit families' choices of child care¹³ and reflect the challenges that many HBCC providers face.¹⁴

- License-exempt or unlicensed HBCC providers who offer family, friend, or neighbor care are the most prevalent type of HBCC provider for children ages 0 to 13 years. The numbers of these providers across the country have remained stable.¹⁵
- A small subset of licensedⁱⁱ HBCC providers also operate as small, family child care business owners. These settings declined by 25% between 2012 and 2019.¹⁶
- The decline of these small businesses may be tied to low compensation and benefits, difficult working conditions that compromise provider wellbeing, as well as administrative burden of regulations, child care subsidy program rules, and quality improvement system requirements.¹⁷ More research is needed to understand how to support HBCC supply and sustainability.



ⁱⁱIn some states such as New Jersey, family child care businesses are not required to be licensed.



Endnotes

¹Datta, A. R., Milesi, C., Srivastava, S., & Zapata-Gietl, C. (2021). *NSECE chartbook—Home-based early care and education providers in 2012 and 2019: Counts and characteristics*. (OPRE Report No. 2021-85). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. <https://www.acf.hhs.gov/opre/report/home-based-early-care-and-education-providers-2012-and-2019-counts-and-characteristics>

²Bromer, J., Porter, T., Jones, C., Ragonese-Barnes, M., & Orland, J. (2021). *Quality in home-based child care: A review of selected literature*. (OPRE Report No. 2021-136). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. https://www.acf.hhs.gov/sites/default/files/documents/opre/HBCCSQ_LiteratureReview_2021-Remediated.pdf; Datta et al., 2021.

³Paschall, K., & Maxwell, K. (2022). *Defining and measuring access to child care and early education with families in mind*. (OPRE Report No. 2021-232). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. https://www.acf.hhs.gov/sites/default/files/documents/opre/opre_defining-measuring-access-highlight_feb2022.pdf

⁴Schochet, O., Li, A., Del Grosso, P., Aikens, N., Atkins-Burnett, S., Porter, T., & Bromer, J. (2022). *A national portrait of unlisted home-based child care providers: Provider demographics, economic wellbeing, and health*. (OPRE Brief No. 2022-280). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/opre/report/national-portrait-unlisted-home-based-child-care-providers>; Schochet, O., Li, A., Del Grosso, P., Atkins-Burnett, S., Porter, T., Reid, N., & Bromer, J. (2023). *A national portrait of unlisted home-based child care providers: The communities where providers live*. (OPRE Brief No. 2022-280). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/opre/report/national-portrait-unlisted-home-based-child-care-providers>

⁵Child Care Aware of America (2019). "The U.S. and the high price of child care: An examination of a broken system." <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>; McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). *Early Childhood Workforce Index 2024*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/workforce-index-2024/>; Schlieber, M., Knight, J., Adejumo, T., Copeman Petig, A., Valencia López, E., & Pufall Jones, E. (2022). *Early educator voices: Oregon. Work environment conditions that impact early educator practice and program quality*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/publications/report/educator-voices-oregon/>

⁶Datta et al., 2021.

⁷National Survey of Early Care and Education Project Team (2015). *Fact sheet: Provision of early care and education during non-standard hours*. (OPRE Report No. 2015-44). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/opre/report/fact-sheet-provision-early-care-and-education-during-non-standard-hours>

⁸Bromer, Porter, Jones, et al., 2021.

⁹Powell, A., Adejumo, T., Austin, L. J. E., & Copeman Petig, A. (2023). *Parent preferences in family, friend, neighbor, and nanny care*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/wp-content/uploads/2023/04/CSCCE-parent-preferences-in-family-friend-neighbor-and-nanny-care-report.pdf>

¹⁰Abbott, S. (2021). *The child care economy: How investments in early care and education can fuel U.S. economic growth immediately and over the long term*. Washington Center for Equitable Growth. <https://equitablegrowth.org/wp-content/uploads/2021/09/091521-childcare-econ-report.pdf>

¹¹Keels, M. (2025). *Strengthening availability and access to child care in rural communities*. <https://buildthefoundation.shorthandstories.com/strengthening-availability-and-access-to-child-care-in-rural-communities/>

¹²National Center on Early Childhood Quality Assurance (2020). *Addressing the decreasing numbers of family child care providers in the United States*. https://childcareta.acf.hhs.gov/sites/default/files/addressing_decreasing_fcc_providers_revised_final.pdf

¹³Chien, N. & Macartney, S. (2025). *Health care and child care costs contribute to the unsustainable and growing cost of raising a family in America*. Assistant Secretary for Planning and Evaluation, Office of Human Services Policy, U.S. Department of Health and Human Services. <https://aspe.hhs.gov/reports/health-care-child-care-costs>



¹⁴Bromer, J., Porter, T., Melvin, S., & Ragonese-Barnes, M. (2021). *Family child care educators' perspectives on leaving, staying, and entering the field: Findings from the Multi-State Study of Family Child Care Decline and Supply*. Erikson Institute. https://www.erikson.edu/wp-content/uploads/2021/11/FCD_DeclineStudy_2021.pdf

¹⁵Datta et al., 2021.

¹⁶Datta et al., 2021.

¹⁷Bromer, Porter, Melvin, et al., 2021.

Acknowledgments

This work is supported by the Administration of Children and Families (ACF) of the United States (U.S.) Department of Health and Human Services (HHS) as part of a financial assistance award (Award #:90YE0352-01-01) totaling \$1,000,000.00 with 100% funded by ACF/HHS. The contents are those of the authors and do not necessarily represent the official views of, nor an endorsement by, ACF/HHS/or the U.S. Government. For more information, please visit the ACF website, ([Administrative and National Policy Requirements](#)).

Thank you to the members of the Center's Technical Work Group and Steering Committee for their helpful feedback and review of this resource.

Suggested citation: Bromer, J., Schlieber, M., & Hallam, R. (2025). *Home-based child care: A critical support for America's working families and their children*. Center for Home-Based Child Care Research.