



Conceptual Framework for Understanding Supply of High-Quality Home-Based Child Care

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Home-based child care (HBCC) providers, ranging from grandparents to small-business owners, make up an essential part of the child care and early education landscape. HBCC occurs in a residential setting, either in the home of the provider or child, and is commonly referred to as family child care (FCC) or family, friend, and neighbor (FFN) care. These settings may be licensed, license-exempt, or unlicensed, based on local or state requirements. HBCC providers may or may not participate in a child care subsidy program.¹ Communities with HBCC settings expand parent choice by offering child care that meets the needs of many families, such as care during nontraditional hours.²

HBCC settings can offer high-quality care that is responsive to the needs of families and supports children's learning and development. The stability, consistency over time, and opportunities for one-on-one interactions are features of HBCC quality that research suggests contribute to positive child outcomes.³ Flexible and responsive care schedules and routines, including nontraditional-hour child care, are features of quality HBCC that can support and benefit working families.⁴ Some families choose HBCC to keep siblings in the same setting or to provide individualized care to children with special needs.⁵

Many families struggle to find affordable child care, especially high-quality care that meets their family needs and the needs of their children. When families cannot find child care, they may struggle to find and maintain employment, having an impact on their financial situation. Policymakers and researchers alike have a vested interest in understanding the factors that drive the supply (i.e., the number of nonparental HBCC settings in a community), availability (i.e., the number of HBCC settings that meet families' needs), and use of high-quality HBCC to support families in finding child care that best meets their needs.



Overview of Conceptual Framework

This resource offers a conceptual framework for understanding factors that influence HBCC supply, availability, and use by families. The conceptual framework is intended for researchers, evaluators, and data analysts and shows the complex array of policies and programs that together may contribute to a stable HBCC sector and may support the development of a research agenda that considers these factors when examining supply, availability, and use by families.

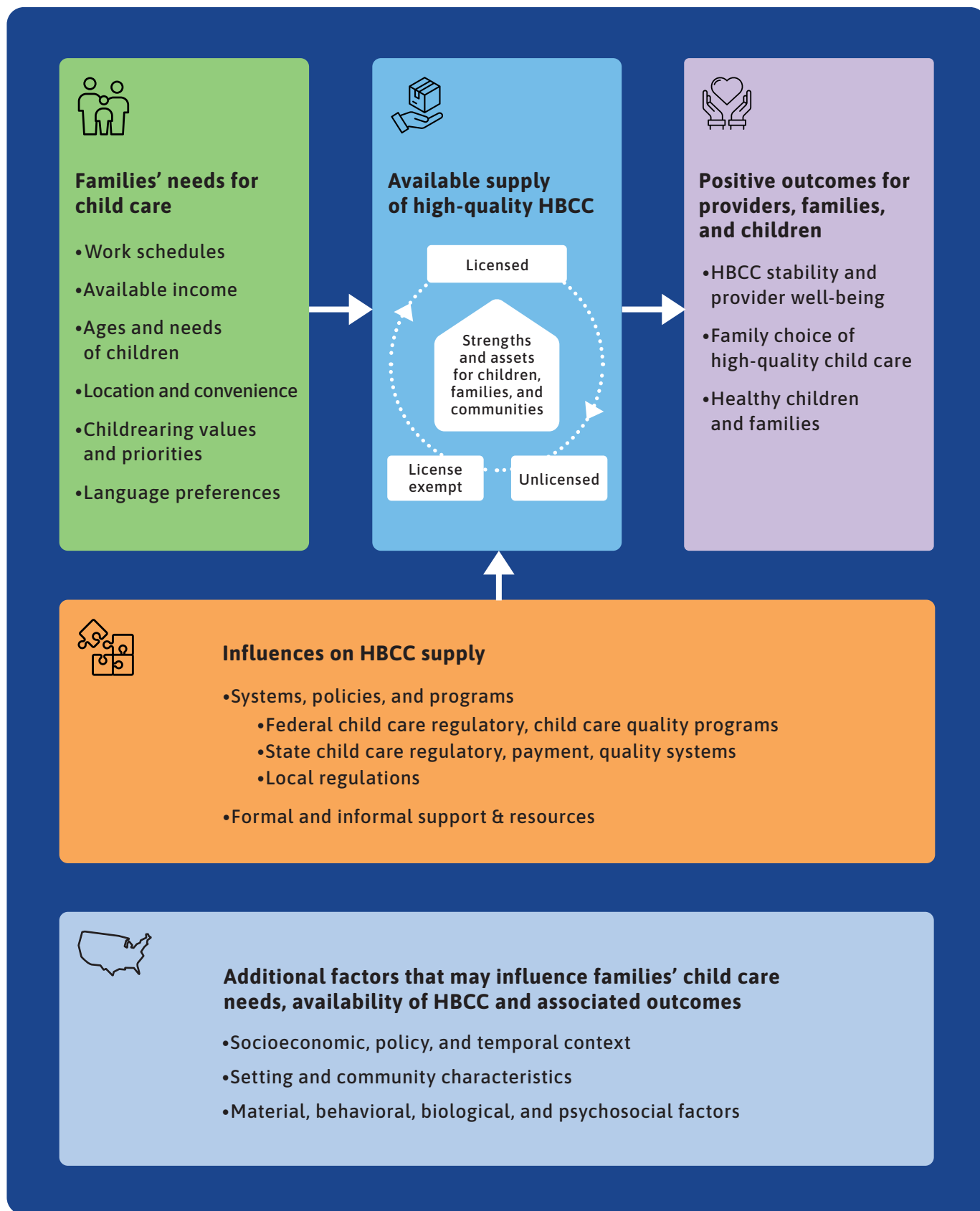
Earlier frameworks examined HBCC supply dynamics for the licensed HBCC sector but did not consider supply and use of license-exempt or unlicensed HBCC, which together represent a large segment of the HBCC sector.⁶ This current framework includes the full HBCC sector (licensed, license-exempt, and unlicensed care) and illustrates how an adequate supply of child care may increase the number and types of child care options that parents have.

This conceptual framework describes the complex dynamics that may shape HBCC supply, availability, and use (Figure 1). The framework includes parents' child care needs, such as ages of children and affordability. The framework also identifies factors that may influence how HBCC settings operate, such as early childhood policies and programs as well as additional factors outside early childhood systems. The framework hypothesizes that when parent demand for HBCC is matched by an adequate supply of HBCC that meets parents' needs, the HBCC sector, children, families, providers, and communities may benefit.





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Guide to the Framework

The framework is intended to offer a set of hypotheses about how the supply of HBCC supports family choice of child care. The framework demonstrates the factors that drive demand for HBCC and the factors that may influence supply (increases and declines) of HBCC. In addition, the framework describes the potential long-term impacts of building HBCC supply and support for providers and the children, families, and communities they serve.



Families' Needs for Child Care

The left side of the framework describes **families' child care priorities and needs** for HBCC. Key factors such as families' work schedules,⁷ ages and number of siblings who need care,⁸ the particular developmental needs or special needs of children,⁹ families' values around child-rearing,¹⁰ and convenience and affordability may contribute to demand for HBCC in a community. For example, HBCC is often a setting that meets the needs of families who have infants and toddlers and those who work nontraditional hours (early mornings, evenings, weekends)¹¹ or have unpredictable work schedules that necessitate flexible, yet dependable child care arrangements.



Available Supply of High-Quality HBCC

The center of the framework depicts the **multifaceted HBCC sector, which comprises the available supply of HBCC providers and settings in a community**. HBCC supply refers to the **full range of HBCC providers and settings** that are available to families, including licensed, license-exempt, and unlicensed FCC and FFN providers. The double arrows indicate that, over time, providers may move across settings within the HBCC sector. For example, providers who are licensed for many years may close their FCC business but continue caring for smaller numbers of children as license-exempt FFN providers.¹² Conversely, a provider who cares for her neighbor's child informally may decide to become a licensed HBCC provider.

The framework acknowledges that **HBCC providers and settings bring and offer many benefits to children, families, and communities**.¹³ These benefits are strengths of the sector and may include continuity and stability,¹⁴ care that matches the values of families,¹⁵ individualized care,¹⁶ authentic community and neighborhood connections,¹⁷ and flexibility and logistical supports for families.¹⁸



Influences on HBCC Supply

Federal, state, and local systems, policies, and programs

The framework also shows that HBCC supply operates within **child care and early education (CCEE) systems, policies, and programs at the federal, state, and local levels**. HBCC providers may participate in state subsidy systems funded by the federal Child Care Development Fund (CCDF) to assist families with child care costs. The CCDF program requires providers to meet basic health and safety regulations, and states have discretion in how they implement certain parts of the subsidy program, with some states allowing license-exempt providers to receive subsidy funding and other states requiring licensing for subsidy receipt. States may also allow HBCC providers to participate in the federal Child and Adult Care Food Program (CACFP) which reimburses providers for nutritious meals and snacks.

Many local communities and states use a mixed-delivery approach that includes HBCC settings. Most states have licensing systems that regulate the provision of child care in homes as well as systems that rate providers on the quality of their provision of care and offer professional development for the workforce. States vary widely in their licensing rules and requirements for HBCC settings and providers.¹⁹ HBCC providers who are required to be licensed in one state may not be required to be licensed in another state. For example, some states require HBCC providers to be licensed when they care for one unrelated child, while in another state that requires licensure only for group care of two or more children, this same provider would be considered license-exempt or unlicensed.

Some states may tie their quality systems to subsidy payments and offer providers higher reimbursements for higher levels of quality. CCEE systems aim to support children, families, and providers, and although they may include HBCC, some may be implemented in ways that have unintended consequences.²⁰ For example, quality rating and improvement system standards that are not tailored to HBCC programs may not yield accurate ratings for HBCC providers when those standards are designed for center-based child care providers.

In addition to federal programs and state systems, local communities may have regulations such as residential zoning rules, small-business requirements, and fire department codes to which HBCC providers must adhere.

Formal and informal support and resources

Additional influences on the supply of HBCC include **formal and informal supports, such as peers and organizations that offer training, coaching, and resources**. Formal organizations such as HBCC networks (see Box 1) or unions as well as informal peer groups may offer supports that address challenges faced by HBCC providers, including unique challenges for the HBCC sector as well as those that are common across CCEE settings. For example, HBCC providers may experience isolation from working alone or with only one other adult, lack of administrative support and available relevant resources, materials, and technical assistance around quality care and education, lack of business management skills, and low compensation that includes insufficient (or lack of) benefits such as health care and retirement.²¹



Box 1.

HBCC networks may offer professional development, peer-to-peer learning opportunities, and coaching and mentoring around a range of areas, including quality practices with children, family engagement and delivery of comprehensive services for families, economic stability supports and business management, and provider wellness and health supports.ⁱ

ⁱErikson Institute & Home Grown. (2022). Strengthening home-based child care networks: An evidence based framework for high-quality. <https://www.erikson.edu/wp-content/uploads/2023/04/HomeGrown-Erikson-BENCHMARKS-BRIEF-draft6-1.pdf>



Outcomes: HBCC Stability, Family Choice of High-Quality Child Care, Healthy Children and Communities

The conceptual framework hypothesizes **intermediate goals for the HBCC sector** and suggests that when a community offers relevant supports and resources that are tailored to the needs of HBCC providers, these **providers may experience positive outcomes** across economic, social, educational, physical, and psychological domains. For example, research indicates that when licensed FCC providers receive supports that help them with the stability of their business, they may experience increased income and reduced stress.²² When license-exempt FFN providers receive support that helps them obtain health care, housing, and opportunities to connect to community resources, they may experience greater health and well-being.²³ Research also indicates that licensed and license-exempt providers are able to successfully navigate and participate in CCEE programs when they receive tailored support from HBCC networks.²⁴

The framework also hypothesizes **long-term goals for families, children, and society**. According to the framework, the availability of high-quality HBCC leads to more high-quality child care options for families. **Family choice of high-quality child care** is described in the framework as a long-term goal. Prior literature describes family access to child care as having four considerations: (1) reasonable effort required to find child care; (2) affordability; (3) child care options that support families; and (4) child care options that support children's development.²⁵ When families have high-quality child care options that include HBCC settings, they may experience better work-family balance, stress reduction, and improved parenting.²⁶

High-quality HBCC options that meet families' needs may also yield **strong developmental outcomes for children**. Research suggests that when families use high-quality HBCC that meets their needs and is stable over time, children may experience positive outcomes across developmental domains (e.g., physical, cognitive, social, emotional, health, and academic readiness).²⁷



There is currently no research on the impact of HBCC on **community well-being**. It's possible that communities with many high-quality child care options, including HBCC, may be positive places for families with young children to live. For example, communities that support a high-quality HBCC sector may have family-friendly spaces (e.g., community playgrounds), stronger connections among residents around the importance of supporting young children, and resources for families of young children. More research is needed to understand the ways that HBCC settings can contribute to an economically thriving community.



Additional Factors that May Influence Families' Child Care Needs, Availability of HBCC, and Associated Outcomes

Underlying the entire framework are **additional factors that may influence the needs of families, the availability of HBCC, and expected outcomes**. To fully understand HBCC availability, research can consider the economic contexts that can affect providers' working conditions, compensation (wages and benefits, including health insurance and retirement), and resource use to inform systems-level change that supports the needs of the HBCC sector, which can shape child care choices available to families.

Socioeconomic, policy, and temporal contexts may shape the supply of HBCC.²⁸

Microeconomic factors, such as household-income levels of providers and families in a community along with reimbursement and timely payments to providers, may influence the economic viability of providing HBCC. Societal values also play a crucial role; in communities where familial or community-based care is highly valued, HBCC may be more prevalent and socially supported.

Over time, shifts in these contexts—such as changes in labor force participation, evolving family structures, or policy reforms—can bolster or erode the supply of HBCC. HBCC-setting characteristics as well as community characteristics may also influence supply. For example, for providers who reside in lower-income communities, obtaining needed resources may be challenging. Additionally, providers' education, assets, home ownership, and health care may influence how long an individual provides HBCC in a community.





Box 2.

Working Definitions

- **Supply of HBCC** refers to the number of all nonparental HBCC settings for children under age 13 either in the provider's home or the child's home.ⁱⁱ
- **Available supply of HBCC** refers to the availability of HBCC for families.ⁱⁱⁱ For example, a licensed HBCC program may exist in a community and be part of that community's supply but may not have available slots for a child who needs care. A grandmother may be available to offer child care for her grandchildren but may not be available to offer HBCC to other children in the community.
- **Child care choice** refers to the extent to which families can choose and use child care, including HBCC settings. Prior literature conceptualizes child care access as including: (1) affordability of the setting; (2) reasonable effort required to access child care (e.g., convenience, availability); (3) alignment of child care with family needs (e.g., nontraditional hours); and (4) support for child development.^{iv}
- **High-quality HBCC** refers to caregiving practices and environments in HBCC settings that support child development and family well-being. States have flexibility in defining what high-quality child care across settings in each state entails.^v

ⁱⁱ Datta, 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>

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