



# Celebrating One Year of Thriving Providers Project Learnings in Colorado

The Stanford Center on Early Childhood and Thriving Providers Project

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**Stanford**  
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## Introduction

[Home-based child care \(HBCC\)](#) providers are the largest group of caregivers in the United States, serving over 7 million children ages 0-5 and their families. Family, friend, and neighbor (FFN) caregivers make up the largest portion of HBCC and are also the least compensated. Most FFN caregivers, when paid, earn \$7,420 annually for offering care, and 40% of caregivers rely on at least one other job besides child care to make ends meet. FFN caregivers receive little public support, often struggling to access subsidies, grants, and food reimbursement.

During the pandemic, the [RAPID Survey Project](#) (RAPID) elevated provider voices, highlighting their experiences of hunger and struggles affording basic needs. In direct response to these learnings, Home Grown, a funder collaborative that aims to increase access and quality of home-based child care in the U.S., launched the Thriving Providers Project (TPP) in 2022 after seeing the success of direct cash transfers in the [HBCC Emergency Fund](#) program in helping home-based providers survive the pandemic. The Thriving Providers Project is a demonstration project that uses guaranteed income strategies with HBCC providers to inform policy

reforms to early childhood payment and compensation approaches. TPP works with regional partners to provide ongoing direct cash transfers (DCT) to FFN caregivers and newly licensed Family Child Care (FCC) home providers to understand the degree to which stabilizing the economic well-being of providers improves the availability and quality of care for children and families. The Stanford Center on Early Childhood (SCEC), the home of RAPID, partnered

with Home Grown to evaluate and continuously learn about TPP and the experiences of HBCC participants. The SCEC used a longitudinal, mixed-methods, rapid-cycle approach to evaluate TPP, gathering data from TPP participants, parents/caregivers, and community-based organization staff and comparing trends from TPP participants with the national RAPID sample of providers.

## TPP in Colorado

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In partnership with Impact Charitable, a non-profit focused on directing philanthropic and investment resources towards individuals, entrepreneurs, and institutions who face the greatest systemic barriers, and five community-based organizations (Colorado Statewide Parent Coalition, Early Childhood Council San Luis Valley, Early Childhood Network, Valley Settlement, United Way Weld), the first pilot of this national initiative began in Colorado in July 2022. One hundred HBCC providers throughout the state of Colorado enrolled in TPP, receiving \$500 monthly for 18 months, in addition to mental health and peer support services and financial coaching.

FFN caregivers were intentionally recruited from communities most likely to benefit from a direct cash transfer (DCT) and by a trusted community-based organization (CBO) to participate in TPP. CBO staff surveys found that TPP participants were recruited via the following methods: electronic messages (e.g., Email, newsletter), phone calls or text messages, and talking about the opportunity in person, both individually and as a group. Staff shared that providers had a range of preferences regarding how they wanted to learn about TPP, and staff tried to accommodate all of them. Ninety seven percent of participants are considered low-income, as defined by having an income 200% or less than the Federal Poverty Line.

In accordance with emerging best practices in DCTs, there were no restrictions for how the TPP DCT was to be spent, and there were no behavioral conditions for receiving the DCT (e.g., providers do not need to attend trainings, respond to surveys, etc.). Another critical value of TPP is that CBO staff made all prospective applicants aware of potential impacts that receiving DCTs can have on their benefits. In order to assist with this, CBO staff used a Benefits Guide created by Impact Charitable. All CBO staff shared that the Benefits Guide helped them with conversations about the impact of DCTs on benefits. In a survey, CBO staff reported that 10 potential participants chose not to participate because of a potential reduction in their benefits.

TPP is also intended to be accessible, meaning that the application, screening process, and delivery of DCTs are simple, easily accessible, and take no longer than 15 minutes to complete. TPP is also designed to be reliable, such that participants feel confident that the DCTs will consistently arrive, with little to no effort (i.e., no need to submit an invoice, provide paperwork, etc.). The provider survey revealed that 91.5% of participants felt that the application to sign up for the DCTs was simple and easy, and 91.7% of participants reported the process of receiving DCTs felt effortless.

# TPP Learnings So Far

TPP and this evaluation are ongoing in Colorado, and thus the learnings presented here are preliminary. In addition to learning about TPP's impact, we continue to learn more about the context and stories of FFN caregivers, including

their motivations and challenges. Demographics of participants who responded to ongoing monthly surveys for the TPP evaluation are summarized in the table below.

## TPP PARTICIPANTS

CONSENTING TO THE EVALUATION: N=54

	N	Percent of total responses
Hispanic/Latino(a)	43	97.7%
Spanish-speaking	45	83%
Female	41	97.6%
Household Income below 200% FPL	51	94.4%

## WHAT WE'RE LEARNING ABOUT FFN CAREGIVERS

With the intentional recruitment of FFN caregivers for TPP in CO, we are using our evaluation as an opportunity to learn about the lived experience of these caregivers who are so often not part of the child care workforce conversation. Key learnings so far are highlighted below, along with illustrative TPP participant quotes from focus groups conducted by Impact Charitable.

1

### Many became caregivers to **care for their own children.**

“ I started to look after children when my own children were little ... I was paying for child care, and I couldn't afford it anymore. So one of my sisters told me, let's go to my house, you look after my children, I pay you to look after mine and you can look after yours too. And I said, OK, sounds good. That's how I started, and then people would bring more children, and I was looking after more kids and earning more money.”

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### Caring for children is a passion.

“ Everything I learn about caring for children, education and so on, I honestly feel excited about it, I love it, and I love offering support for families.”

### 3 Many experience stress related to the economic hardships of the families they serve.

“Who am I to force this family to pay me for something they can't afford to spend? And besides, the one who gets hurt is the child.”

### 4 When FFN caregivers are able, they want to provide more (e.g., basic necessities like food, diapers, etc. and activities and materials) for the children in their care.

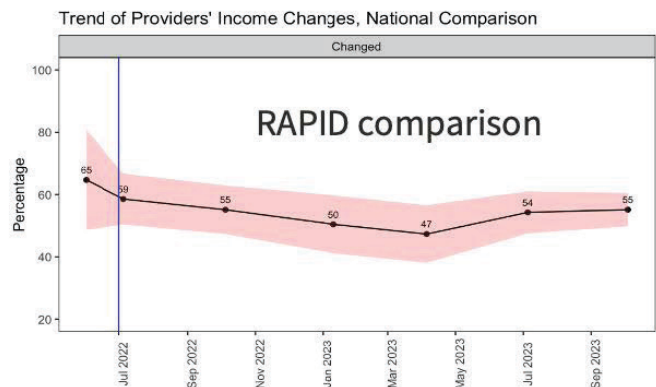
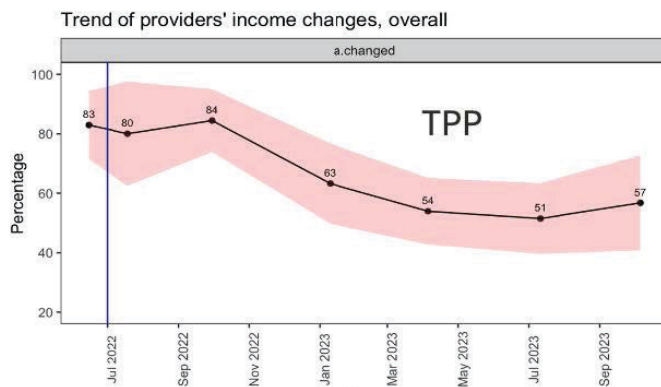
“We keep buying the materials we need to continue working with the children in our care. That money [TPP funds] came in handy for me.”

## What we're learning about TPP

### PROVIDERS' ECONOMIC WELL-BEING

The first year of the TPP evaluation has revealed several promising findings related to providers' economic well-being. TPP participants' reports

of income volatility decreased over time more steadily and consistently than a national RAPID comparison sample.



Further, and of particular note, when TPP participants did report changes in income in the last month, 82% of them indicated the DCT helped manage income fluctuations. One participant reflected in focus groups: “At the moment, in my case, I am the only one working and I do find myself in a tight spot financially. And I think, well, money is money, and I can take it from here for this and replace it later. In other words,

*I can do things, but it has helped me a lot with bills, buying food, and certainly, sometimes even food for the children I care for, so I am also using it for them.”*

TPP has made affording basic needs easier and has resulted in providers experiencing fewer material hardships. Compared to a retrospective baseline of 85% of TPP participants finding

it very hard, hard, or somewhat hard to pay for the very basics like food, housing, medical care, and heating, only 70% of providers in November 2023 reported the same. Further, while TPP participants have trended downwards in regards to material hardships, the RAPID comparison

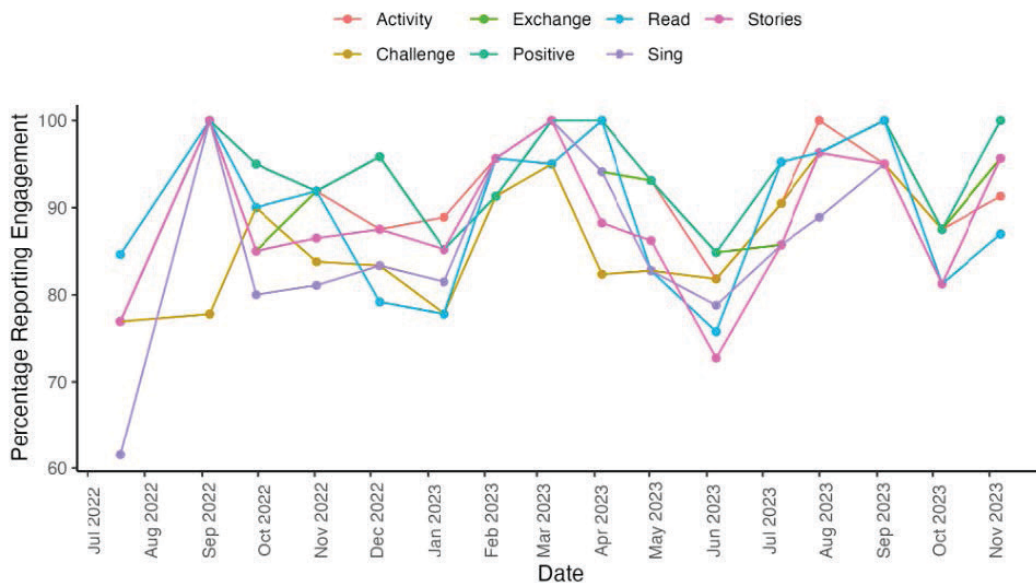
sample has trended upwards in material hardships over the same time period. From 2022 Q4 to 2023 Q4, reported material hardship has steadily decreased in the TPP sample by 10%; in contrast, the same rate steadily increased in the national RAPID comparison sample by 11%.

## PRACTICES CORRELATED WITH QUALITY CARE

Year 1 also revealed interesting findings related to providers' use of practices associated with **quality of care**. Over the first year of TPP,

evaluation participants reported engaging more frequently in activities associated with quality like reading and singing.

Trend of Providers' Engagement of Activities, Overall



## PROVIDERS' LONG-TERM CONTRIBUTIONS TO THE FIELD

TPP participants are also reporting that the program is **supporting them as professionals** in the field of early childhood. Nearly 80% of survey participants feel more comfortable seeking assistance from their CBO after being enrolled in TPP and receiving DCTs. Qualitative data revealed TPP participants' commitment to and enthusiasm for growing their knowledge as child care providers:

*"If I want to continue this path, I need information, I need to study, and thank God I found the ASO Program [a professional development*

*training program for FFN providers], and I was able to attend. That was the beginning."*

*"The first investment I made with that money was paying the CDA [Child Development Associate] certificate."*

Lastly, TPP is likely an important tool towards ensuring **providers' longevity in the field**, a critical finding amidst the early childhood workforce crisis. When asked a series of questions about staying in the field of child care:

- **74%** of providers reported that they **felt confident they would be able to stay in the field of child care** while receiving DCTs.
- **84%** of providers reported that **receiving DCTs allowed them to remain a child care provider**.
- **28%** of providers reported that **prior to the DCTs, they considered leaving their job as a child care provider due to economic concerns**.

These sentiments are further elucidated by one provider saying: *“In my experience, I was about to stop doing child care, because my husband lost his job, he found a new one, but he wasn’t earning the same amount of money. So, I had to help him with what I was making with child care. Before that, there was Covid and we had a rough time financially speaking. Honestly, I was about to quit doing what I like, which is to care for children. But when TPP came out, I was very motivated. And I repeat, I’m very grateful.”*

## CONTINUED LEARNING

While the first year of the TPP evaluation has led to several promising findings, there is, as anticipated by all the stakeholders, still much **more to learn and continue to improve**. For example, SCEC and Home Grown are particularly interested in continuing to learn about providers’ experiences of stress throughout TPP. Since the beginning of TPP’s implementation, TPP participants have reported lower stress levels compared to the RAPID national sample. This surprising finding, and resulting conversations with providers around the cultural context of mental health, led us to think critically about how we measured psychological well-being. Additionally, recent data suggest that stress may be increasing for participants as the program is ending. As we continue to make sense of these findings while acknowledging the complexities of caregivers’ lives and environments, we are particularly interested in learning more from providers around the ways that caregiver stress and child/family stress are related.

We also continue to explore findings related to providers’ access to and use of public benefits and child care sector resources. Over the first year of TPP, we found no change in TPP participant use of public benefits. In Colorado, the policy landscape is evolving to increase access to benefits for FFN providers, including addressing a tangled set of system barriers and issues of trust for public entities. As partners in this work, we are sharing findings from TPP with statewide policymakers and activists to further this critical agenda.

This evaluation also seeks to report on potential downstream impacts of TPP. As such, we have attempted to collect data from parents/caregivers via a quarterly survey. At this time, our sample size is too small to report findings. Much has been learned, however, about how to best reach families and the importance of creative recruitment efforts. In future replication sites, we are exploring qualitative methods to further capture family voice.

## Conclusion

In summary, we are eager to continue to refine, learn, and improve how we both collect data and also listen to provider participants about our evaluation processes. We are also encouraged

by these key content takeaways from the first 12 months of TPP in CO:

- 1. Cash is reducing income volatility and increasing providers' ability to cover some basic needs.** Yet for participants, even with the DCT, material hardships still exist. This makes sense given the complexity of providers' environments and points to the need for long-term, large-scale solutions for early childhood compensation and payment mechanisms.
- 2. Cash affords providers resources to increase quality (e.g., engagement activities) and engage in training.** Future work can investigate patterns of responsive care and pursuit of training over time.
- 3. Increased connection and trust with CBOs is a critical first step, but this preliminary data indicates it alone is not sufficient to**

**increase provider use of public benefits.**

We will continue to learn from and support, using findings and data from TPP, the important advocacy work happening in CO to eliminate barriers to public benefit access for FFN providers.

- 4. TPP providers' experiences with cash reinforce the potential for positive impacts of policy shifts to stabilize the child care workforce.** We are excited to see the 2024 changes to the [Child Care Development Fund regulations](#) that would require payment for services at the time of delivery and based on enrollment rather than attendance. We know, and TPP data now also support, that stable cash reduces income volatility.

## Looking Ahead

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In the months ahead, we will continue to collect data from providers, parents/caregivers, and CBO staff, to improve our research processes, and to consult with participants and national experts as we prepare an 18-month CO TPP report. We look forward to continuing our contributions to exciting policy conversations in CO around benefits access for FFN providers, with updates on progress forthcoming. Our learnings also inform the implementation and evaluation of the next TPP replication sites. By sharing the impact of TPP and the stories of FFN providers, we hope to influence the greater early childhood field and DCT communities as well as policymakers as we collectively work towards equity for providers, children, and families.