



THRIVING
PROVIDERS
PROJECT



What we've learned about direct cash transfers and Colorado home-based child care providers' economic and emotional well-being

Introduction

Child care providers are integral to family well-being and the health of the economy, yet the child care sector is in crisis. A major contributor to this crisis is the lack of economic stability for providers. National data from the Stanford Center on Early Childhood's RAPID Survey Project [show that](#) many providers have difficulty meeting their own families' basic needs (e.g., food, housing, utilities, child care, healthcare) and experience high levels of emotional distress. Rates of material hardship are even higher for Family, Friend and Neighbor (FFN) caregivers, a type of home-based child care (HBCC) provider. [HBCC is the preferred child care setting](#) for many families, including those with infants and toddlers, those living in rural communities, and those who need care during non-traditional hours. Sometimes invisible in the larger system of care, HBCC providers are often excluded from funding opportunities, benefits, and other protections available in the early childhood education sector and from public payment systems. At the same time, parents of young children who rely on child care [report difficulty](#) accessing and affording care. Consistent access to basic needs contributes to the stable environments and positive well-being that support the healthy development of young children and their families.

The Thriving Providers Project (TPP) is a potential solution for HBCC providers' lack of economic stability.

TPP is a first-of-its-kind direct cash transfer (DCT) pilot that provides monthly cash payments, along with additional support like peer groups and financial coaching, specifically to HBCC providers. TPP seeks to address HBCC providers' compensation and economic stability as a foundational step in building effective policies and programs for the child care workforce and quality care experiences for young children and their families. Since 2022, the Stanford Center on Early Childhood (SCEC) has partnered with [Home Grown](#) to evaluate TPP.

In this brief, we lay out what we've learned so far about providers' experiences with TPP in Colorado – which is the first TPP site – and the potential impacts of DCTs and other supports. We aim to understand how ongoing, unrestricted, reliable, and consistent monetary assistance affects HBCC providers' economic stability and emotional well-being and the availability and quality of care provided to young children and families. These data and insights were gathered between July 2022 and December 2023 from HBCC providers across the state of Colorado. Learn more about our project methodology and preliminary conclusions in the Colorado Thriving Providers Project: Final 18-Month Evaluation Report.

Findings

1. TPP participants report they are better able to meet basic needs and experience higher economic stability and emotional well-being.

Our data suggest that reliable, consistent payments have the potential to reduce HBCC providers' experiences of income volatility and material hardship. We hear from HBCC providers in their responses to open-ended survey questions and focus groups that they experience more stability in their monthly income; use the DCT to pay for basic needs; report lower levels of stress; and feel that their work as a child care provider is valued.



“[TPP] made a big difference in me for the care of the children. It kept me calmer, more relaxed, and that is reflected in the care of the children.” – HBCC provider



“I feel relief knowing that I have that income assured because what I receive for taking care of children varies greatly. Some days they come and others, they don't.” – HBCC provider





“I like my job supporting children, and with the monetary transfers it is easier to continue caretaking because I have enough to cover the expenses of my nursery.” – HBCC provider

2. TPP participants report that reliable, consistent payments allow them to focus on their jobs providing high-quality care.

The data suggest that reliable, consistent payments have the potential to offer benefits to providers as well as families with young children, and to improve the quality of children’s experiences in child care settings. Providers use the funds to invest in increasing the quality of their services, which [could create a chain reaction that positively impacts children’s experiences in child care and overall development.](#)

Specifically, HBCC providers tell us that they use DCTs to pay for materials and food for the children in their care, to feel more present in their caretaking, and to engage in more professional development opportunities.



“I have the security of the transfers and can offer good quality snacks, fruit and vegetables. This summer, we visited the local farmers market.” – HBCC provider



“[TPP] helped me to want to keep updating myself as a provider, to keep informing myself and to keep taking courses to give the best of myself.” – HBCC provider

3. With reliable, consistent payments, TPP participants report more confidence they can and will stay in the field.

The data suggest that reliable, consistent payments have the potential to offer more stable access to child care for children and families. Most HBCC providers say that receiving the DCTs make them feel more confident that they can stay in the early care and education field when they can better afford their business expenses and feel valued as early learning providers. This is especially critical given [high turnover rates within the early childhood workforce.](#)

This finding is particularly notable given that HBCC is the preferred type of child care for families who most experience difficulty accessing child care because of their geographic location, household income, and the hours their family needs.



“Last year I had a very difficult time financially, which is why I was at the point of leaving my job as a child care provider. Because of TPP, I continue to work in what I like.” – HBCC provider



“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.” – HBCC provider



“In this career with child care, when I started receiving TPP, I felt ... very valued ... I said if someone is thinking about me and my job, I want to train myself to do the best I can, to continue looking for resources for me and for the other providers around me.” – HBCC provider

4. TPP participants report increased comfort with community-based organizations.

After receiving cash through TPP, nearly 80% of TPP participants reported feeling increased comfort with seeking assistance from community-based organization partners. Though we did not see an overall increase in benefits utilization, this data suggests that participation in a DCT program like TPP could be an important first step to connection and engagement in other supports and services for HBCC providers.



“After this experience ... I would definitely be able to reach out for public benefits.”
– HBCC provider

5. The majority of TPP participants say that enrolling in TPP was easy and that payments were reliable.

We asked providers about their experiences applying for and receiving cash through TPP. A substantial percentage (92%) say the application process of enrolling in the program is easy and accessible, and they report receiving their payments reliably and on time.

These findings suggest that DCT programs like TPP are a promising way to reliably get cash to HBCC providers with minimal burden for providers themselves. DCT programs like TPP can be particularly instructive for states as they consider implementation strategies for the [Child Care and Development Fund rule](#) requiring timely and reliable methods for paying HBCC providers.



“I do my job with more enthusiasm knowing that someone cares for me financially.”
– HBCC provider



“Many people will think that \$500 is very little, but it really was such a huge help.”
– HBCC provider

Conclusion

Much can be done to better support the emotional and economic well-being of HBCC providers who serve a critical role in the lives of young children and families, in our communities, and in local and national economies. Material hardship significantly impacts HBCC providers, underscoring the urgent need for increased support for this essential workforce and, by extension, for the families and young children who rely on the nurturing care, experience, and expertise that their child care providers offer. Systemic changes, including providing a living wage and improving working conditions, are within our collective social power and responsibility.

The findings from this 18-month pilot program in Colorado show the potential for reliable, consistent payments to be a critical component of improving the financial security of home-based child care providers nationwide. Providers report increased financial stability, reduced stress, and greater confidence in their ability to stay in the child care field. We will continue to monitor trends in economic hardship among child care providers participating in TPP and discussions of policies and programs like TPP that could provide needed support to the early childhood workforce. We look forward to reporting on the ongoing progress from additional TPP sites that began in summer 2024 in New York City and Philadelphia. In addition, TPP is continuing to expand around the country, with new implementation sites in Los Angeles and Allegheny County, PA, in the first half of 2025.

TPP Project Overview

Together with Impact Charitable and five community-based organizations, Home Grown recruited and enrolled 100 home-based child care providers across the state of Colorado in the first pilot of the Thriving Providers Project (TPP). Providers received \$500 each month for 18 months between July 2022 and December 2023, along with mental health support, peer services, and financial coaching. Providers were full-time Colorado residents providing child care for children who were not their biological children, with at least one child under age 5 in their care; operated as license-exempt providers (although they could apply for licensure during the program); earned below 80% of the area median income (AMI); and provided at least 20 hours of care weekly. The Stanford Center on Early Childhood and local implementation partners recruited 54 of the 100 TPP participants in Colorado to participate in the evaluation. This set of analyses on TPP data is based on responses from those 54 Colorado providers. These caregivers represent a range of voices: 97.6% are female, 79.6% are Latinx, 83.3% prefer Spanish language, and 38.9% live below 200% of the federal poverty level.



References

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