



## Philadelphia | Mid-Point Evaluation Report

# What we've learned so far about the Thriving Providers Project in Philadelphia

## Introduction

A strong early care and education (ECE) system is foundational to both family stability and economic growth. Yet, the sector is under significant strain. A national survey of the ECE workforce found that many child care providers are facing financial insecurity and emotional hardship, making it difficult to sustain their work ([RAPID, 2021](#)). At the same time, parents of young children continue to face major barriers in accessing affordable, high-quality care ([RAPID, 2022](#)). In direct response to these nationwide experiences, Home Grown, a funder collaborative that aims to increase access to and quality of home-based child care (HBCC) in the U.S., launched the Thriving Providers Project (TPP) in 2022. TPP is a first-of-its-kind direct cash transfer (DCT) program specifically for HBCC providers, who constitute the largest group of caregivers in the U.S. ([Home Grown, 2023](#)). Despite HBCC being the preferred child care setting for many families, HBCC providers report higher rates of material hardship than center-based providers ([RAPID, 2021](#)). HBCC providers are often excluded from funding opportunities and benefits available in the ECE sector, including public payment systems ([Home Grown, 2023](#)).

Underlying Home Grown's choice to utilize recurring DCTs for TPP is a fundamental belief that a predictable

**Stanford** | Center on Early Childhood



income may result in recipients having bandwidth to think beyond meeting basic needs each week. As a demonstration project, TPP seeks to address HBCC providers' compensation as a foundational step in building effective policies and programs for the ECE 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 and continuously learn about TPP in all pilot sites, including Colorado, New York City, Philadelphia, Los Angeles County, and Allegheny County. Using SCEC's Continuous Improvement Rapid Cycle Learning and Evaluation (CIRCLE) Framework, the SCEC has conducted a longitudinal, mixed-methods evaluation of TPP. We gather data from TPP evaluation participants and parents/family members of the children they serve, and we compare trends we find among TPP evaluation participants to trends from the SCEC RAPID Survey Project's national sample of child care providers. Grounded in the TPP Theory of Impact (TOI), we aim to understand how DCTs affect HBCC providers' economic stability and emotional well-being as well as the availability and quality of care provided to young children and families.

# Philadelphia Context

---

Survey results from 263 early childhood providers (including 35% who were home-based providers), collected between April and July 2024, provide context for the state of the ECE workforce at the time TPP was first implemented in Philadelphia, Pennsylvania ([Fund for Quality, 2025](#)). Notably, providers reported difficulties with enrollment and maintaining facilities: more than half of all respondents have had difficulty maintaining full enrollment at their locations over the last 6 months, 67% of respondents have urgently needed facility improvements, and 11% of respondents plan to close at least one facility in the next 12 months. Among HBCC providers, the top barriers to maintaining full enrollment were families' difficulty affording the price of care and finding adequate staff. Parents echoed challenges with affordability in focus groups conducted as part of the same project. Of particular relevance for TPP, HBCC providers reported less financial stability compared to center-based providers when asked about having debt (from credit cards and mortgages), maintaining funds in reserves, having trouble meeting operational expenses, skipping or delaying payments to the owner or senior staff, and offering benefits (retirement savings plan and health insurance) to staff.

## TPP in Philadelphia

---

In partnership with the Public Health Management Corporation (PHMC) – a nonprofit public health institute that provides outreach, health promotion, education, research, planning, technical assistance, and direct services to the greater Philadelphia region – the pilot of TPP launched in Philadelphia in May 2024. PHMC worked with a local Advisory Committee made up of providers and other stakeholders to help shape the pilot design, including setting eligibility criteria. In order to qualify, applicants were required to:

- be at least 18 years old,
- intend to provide child care for the next 18 months,
- be licensed FCC providers with enrolled children,
- be operating an FCC home for a minimum of 20 hours a week,
- be caring for at least 1 child under the age of 5, and
- reside in Philadelphia.

Additionally, PHMC gave priority consideration to a licensed FCC provider rated either a STAR 1 or 2 in Pennsylvania's Quality Rating and Improvement System<sup>1</sup> (QRIS), to help bridge the gap between early-stage quality efforts and the deeper supports available to STAR 3 and 4 programs, provide financial support to programs with greater need, and strengthen these programs' connections to Pennsylvania's early childhood systems. Priority considerations were also given to providers who served children whose families received Child Care Works (CCW), Pennsylvania's child care subsidy program; operated in areas where 25% or more of families were experiencing poverty; and operated in areas identified as having a relative shortage in total child care supply ([Reinvestment Fund, 2023](#)).

45 HBCC providers who met Philadelphia-specific eligibility criteria enrolled in TPP, receiving \$250 payments twice a month for 18 months. As part of the "unconditionality" clause of TPP, participants were not required to participate in the evaluation in order to receive the DCTs. During the TPP enrollment process, participants had the opportunity to opt into the SCEC's evaluation, and 37 chose to do so.

In this report, we share what we have learned so far about these 37 FCC providers' experiences with TPP in Philadelphia at the midpoint of program implementation. We gathered these primary data and insights from HBCC providers using monthly surveys that we administered online, in both English and Spanish, between May 2024 and February 2025. We matched the secondary data from the RAPID national child care provider survey (more details about this sample below) with the monthly survey data for TPP in Philadelphia. We also refer to primary data that we collected from 12 parents/family members of young children – for whom TPP evaluation participants are HBCC providers – in virtual focus groups that we conducted in October 2024.

<sup>1</sup> Pennsylvania's Quality Rating and Improvement System (QRIS), known as Keystone STARS, uses a 1–4 scale, representing progressively higher quality standards (i.e., 1 is entry level and 4 is the highest level of quality).

# TPP Learnings So Far

TPP and this evaluation are ongoing in Philadelphia, and thus the findings presented here are preliminary. In addition to learning about evaluation participants' experiences with TPP, we continue to learn more about the context and stories of FCC providers, including their motivations and challenges. The analyses in this report are based on 221 survey responses collected from 37 unique providers who opted in to the evaluation. Table 1 summarizes the demographics of the evaluation sample and of the RAPID national provider survey sample whose data we used for comparison. Of all available RAPID provider survey data, we restricted the sample to female, non-White, home-based providers with household incomes at or below 200% FPL so that this comparison sample would more closely resemble the sample of TPP participants. Additionally, like the majority of TPP participants in the evaluation sample, the majority of the 12 parents/family members who participated in the parent/family focus groups also identified as Black/African American.

**Table 1. TPP Philadelphia Demographics**

	Demographic Variable	Evaluation Sample (N = 37)	RAPID National Provider Survey Comparison Sample (N = 212)
<b>Race/ Ethnicity</b>	Black/African American	84%	38%
	Hispanic/Latina(o)	11%	37%
	White	2.8%	0%
	Other (non-White)	0%	25%
	NA (Missing)	2.8%	0%
<b>Preferred Language</b>	English	95%	72.6%
	Spanish	5.4%	20%
	Other	0%	1.4%
	NA (Missing)	0%	13%
<b>Gender</b>	Female	95%	100%
	Male	2.7%	0%
	NA (Missing)	2.7%	0%
<b>Household Income</b>	Below 200% FPL	70%	100%
	Between 200%-400% FPL	14%	0%
	Above 400% FPL	14%	0%
	NA (Missing)	2.7%	0%

Key learnings so far are highlighted below, along with illustrative quotes from the monthly provider surveys and parent/family focus groups.

### 1. Parents and families report preferring home-based child care

HBCC is sometimes characterized as a last resort; however, focus group findings reveal otherwise. Specifically, parents and families select providers based on a range of reasons, including the caregiver’s background / characteristics, the familiarity of a known person, and perceived quality.

“After the trial period, it was clear that my child’s social needs were being met. Coming from a similar cultural background as the provider, there are certain things that are just understood. This provided [a] certain level of comfortability.” - Parent/family member

### 2. Working families depend on child care

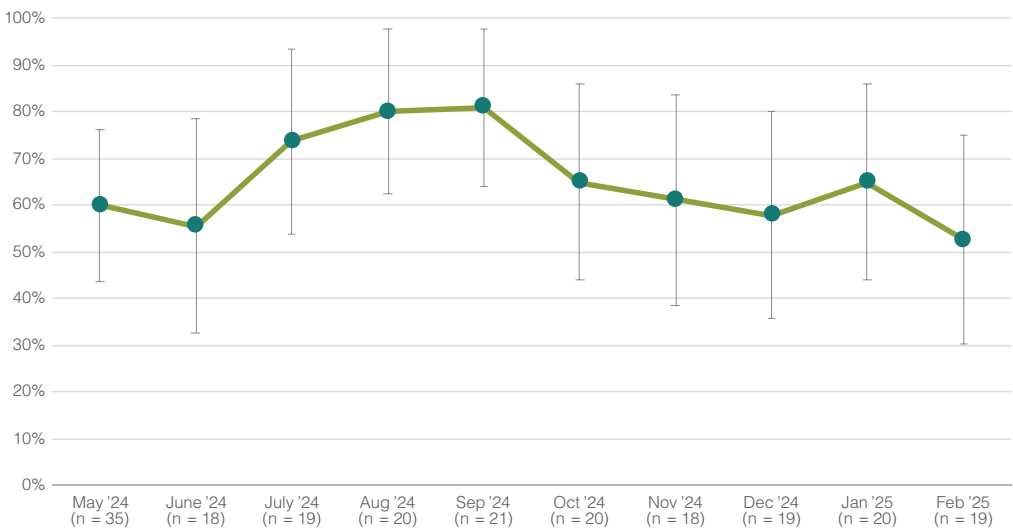
Parents and families rely on child care to be able to work and would have no backup option if their provider were unavailable. These findings speak to the integral role HBCC providers play in the broader economy.

“It [child care] is a hundred percent necessary, you know, if it were to go away, that would be really, really detrimental for so many families.” - Parent/family member

### 3. The percentage of evaluation participants reporting fluctuations in their income is at its lowest at the halfway point (February 2025)

We asked providers whether, in the last month, they had experienced fluctuations in their income. Evaluation participants report a reduction in fluctuations in income. This finding speaks to the intended impacts of TPP and DCTs more broadly, including decreasing income volatility (defined by [Smith-Ramani et al. \(2017\)](#) as the variance of income) and increasing economic stability.

Figure 1. Percentage Reporting Fluctuations in Income



“It [the DCT] removes the instability of income that can come with the job and provides me assurance that if a child leaves my program, I can sustain some of my bills until enrollment picks back up.”  
- Evaluation participant

“It [the DCT] is a help in paying for expenses and putting food on my table in between monthly subsidy payments. The subsidy system process is not always favorable for the FCCP. We serve fewer children so paying monthly and having to work 30+ days to get first payment can further financial hardship and eliminate any chance of profit because we are always playing catch up.” - Evaluation participant





#### 4. Evaluation participants report that enrolling in TPP was easy and that payments were reliable

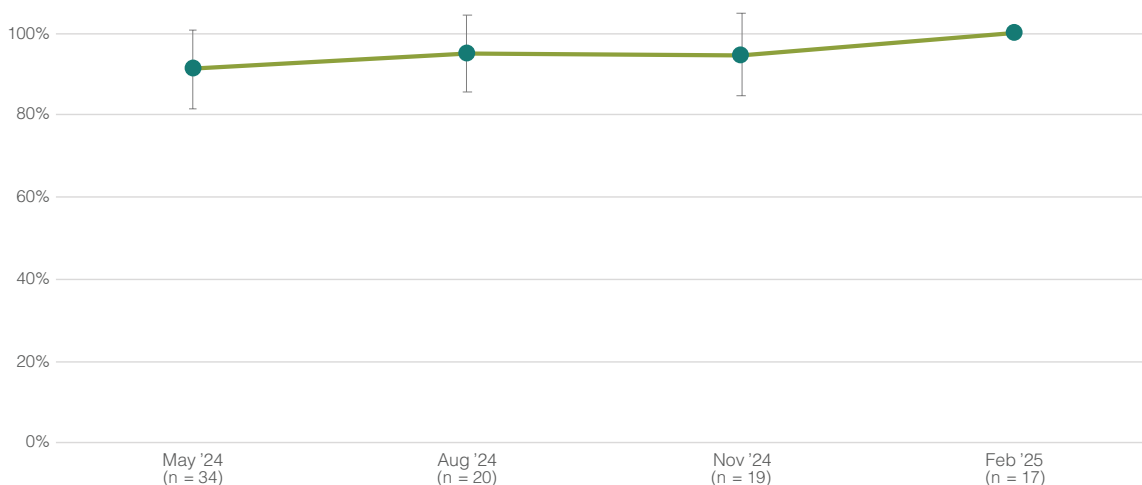
A key strategy of TPP is that the DCTs are accessible and reliable. In June 2024, 100% of evaluation participants reported that the application process for TPP was simple and easy. 89% agreed or strongly agreed that the DCT would arrive consistently and that the process of receiving their DCT felt effortless. Such examples of best practices around timely and reliable payments for HBCC providers may be useful for states looking to improve payments to child care providers as directed in the 2024 Child Care Development Fund Final Rule.

#### 5. All participants in our sample report that being a child care provider is their main source of income

Over 90% of evaluation participants consistently report that child care is their primary source of income; however, as exemplified in the quote below, this income is not sufficient.

This finding is supported by national data from the SCEC's RAPID Survey Project, which shows that many providers have difficulty meeting their own families' basic needs.

**Figure 2. Child Care Provider Employment/Business as a Primary Source of Income**

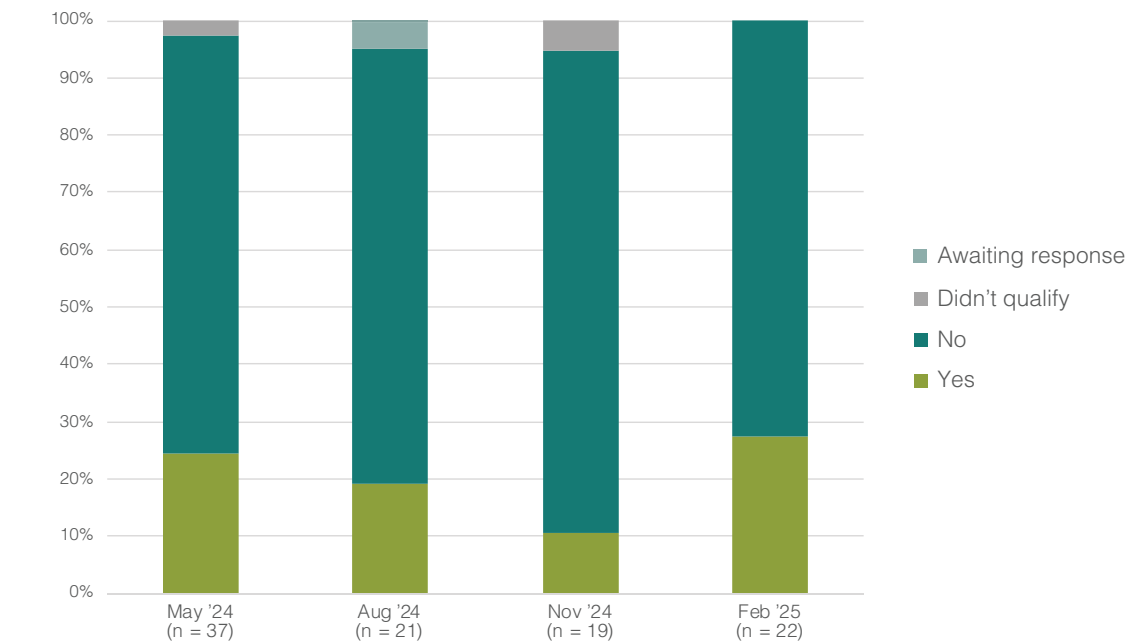


"...I do think I need another job sometimes." - Evaluation participant

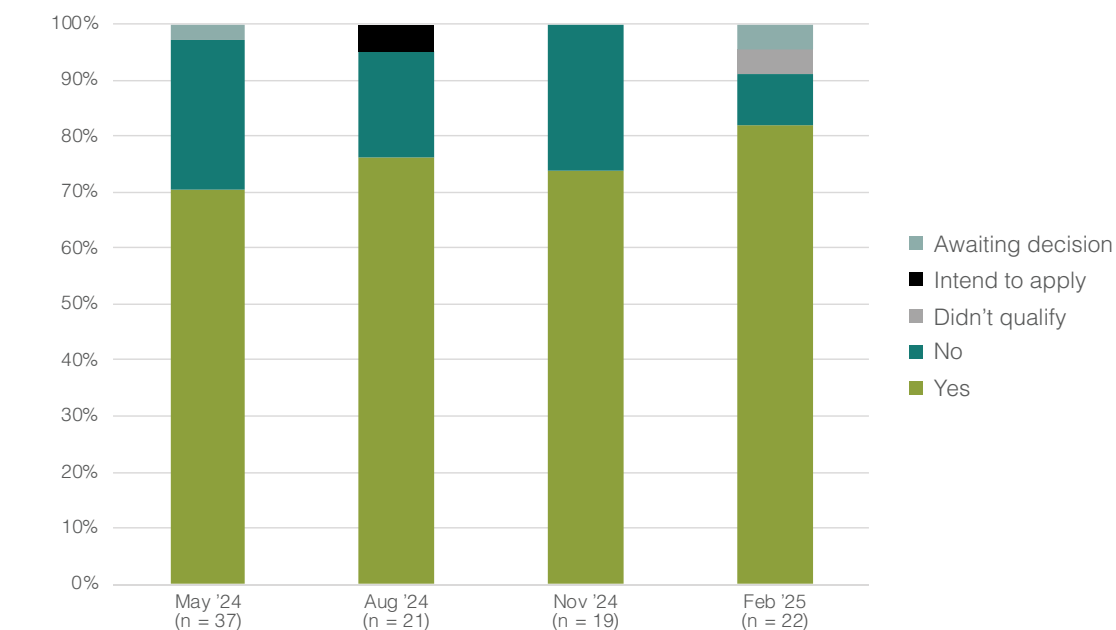
## 6. The majority of participants in the evaluation are not receiving any sort of public or employment benefits

When asked if receiving any sort of public or employment benefits (such as Temporary Assistance for Needy Families (TANF) and Social Security Income (SSI)), over 70% of evaluation participants consistently responded 'No,' as shown in teal in Figure 3. The majority of participants do receive money from the Child and Adult Care Food Program (CACFP) to help cover the cost of providing food to the children they care for (see Figure 4).

**Figure 3. Distribution of Receipt of Public/Employment Benefits**



**Figure 4. Distribution of Receipt of Child and Adult Care Food Program (CACFP) Funding**

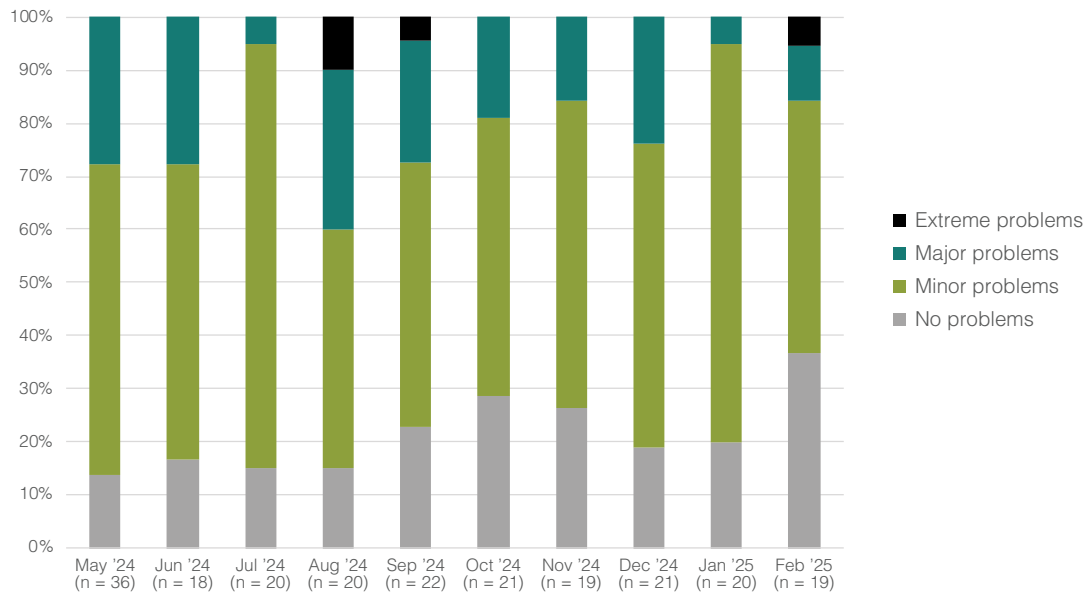


## 7. Evaluation participants report having no financial problems at a higher rate than the RAPID national sample

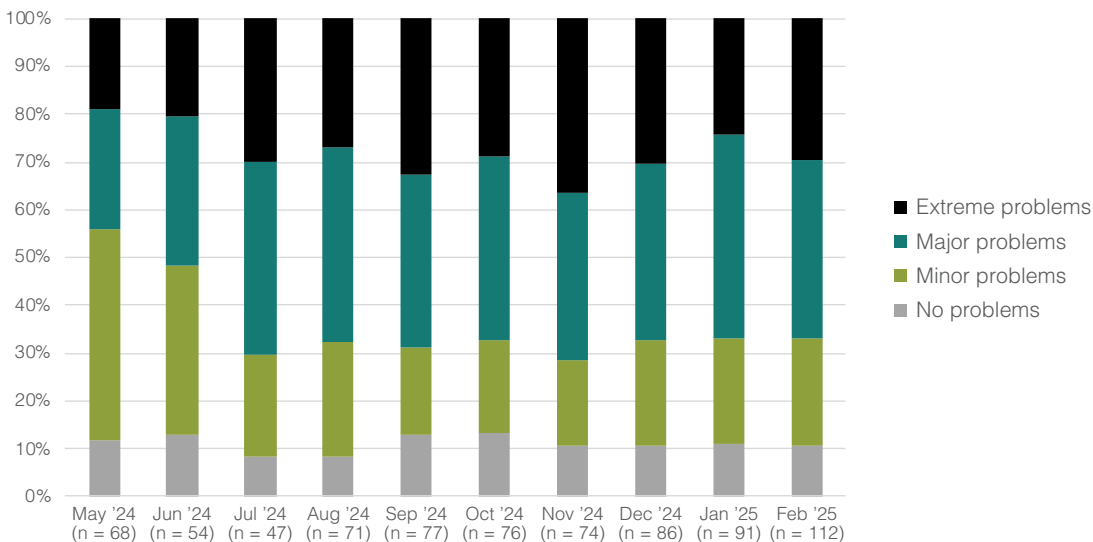
To further capture income volatility and economic stability, we asked about participants' financial problems. In Philadelphia, over the first 9 months of TPP, the data suggest an increase in the number of providers reporting no financial problems (shown in grey in Figure 5).

Though the rates of reporting major and extreme financial problems were higher to begin with for the national comparison sample, TPP evaluation participants have seen modest improvements while the comparison sample's situation has largely stayed the same or even worsened (see Figure 6).

**Figure 5. TPP Philadelphia: Distribution of Monthly Household Financial Assessment**



**Figure 6. National Sample: Distribution of Monthly Household Financial Assessment**



**"I have been slowly working on stabilizing my income to avoid overdraft fees and late fees. The direct cash transfer continues to help me get more control in these areas."**

- Evaluation participant

## 8. Evaluation participants report disruptions to their income as a result of child care subsidy issues

Each quarter, 95% or more of TPP evaluation participants have reported receiving money from child care subsidies or a similar federal or state program. In Philadelphia, monthly state child care subsidy payments for June 2024 did not arrive on the anticipated date in July 2024. This led many providers to miss income for several months. As demonstrated in the quotes, TPP payments filled this gap which would have otherwise left participants without funds to cover basic needs.

These findings demonstrate how critical consistent and reliable payments are to economic stability and the potential for DCT programs like TPP to inform payment models for HBCC providers.

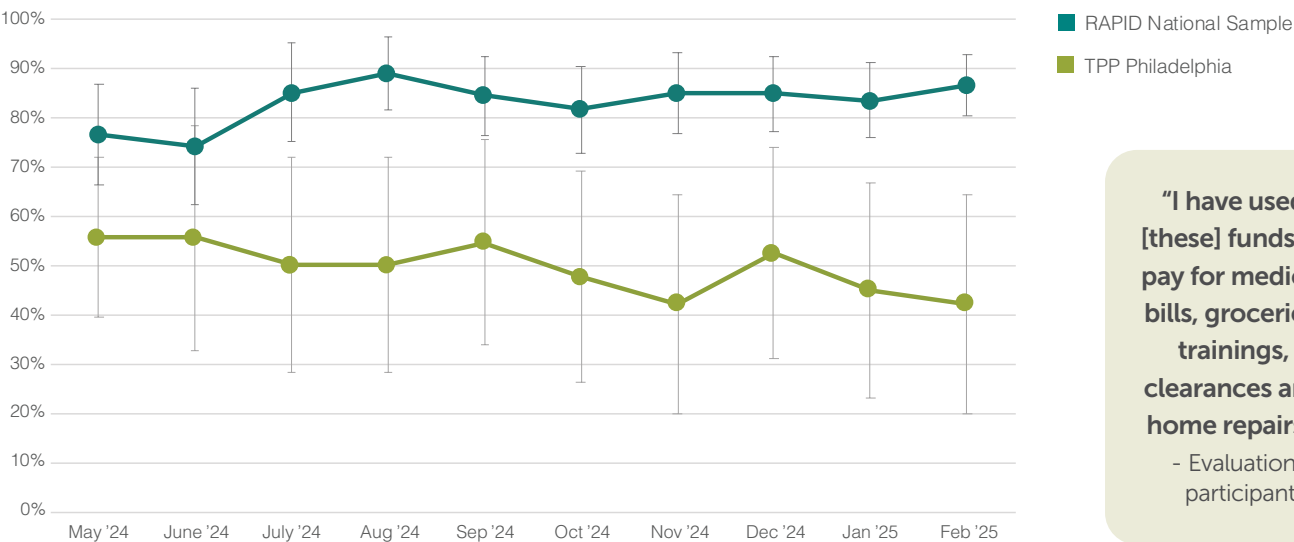
**"I have a lot to say about how grateful I am for thriving providers, especially during this time. The payment on July 31st was just enough for me to pay my mortgage because I am one of the providers who submitted [to the subsidy administrator] on time but was not paid. Thank you so much."** - Evaluation participant

**"Also with receiving a pay before and after my monthly subsidy income, my cash flow is a little better."** - Evaluation participant

## 9. Participants in the evaluation report an increase in their ability to pay for basic needs

Experiencing material hardship is at an all-survey low for TPP evaluation participants, while in the national sample the rate has increased. Findings suggest evaluation participants are now better able to meet basic needs compared to the national sample of providers. This is supported by responses to open-ended questions that highlight the basic needs that DCTs cover (e.g., food, bills, medical, etc.).

**Figure 7. Percentage Reporting Material Hardship**



**"I have used [these] funds to pay for medical bills, groceries, trainings, clearances and home repairs."**  
- Evaluation participant

**"It has helped me maintain my household expenses which has allowed me to keep more doors open for child care."** - Evaluation participant



## 10. Evaluation participants report using the DCTs to pay off debt; purchase supplies, including food; and make improvements to their child care business

The DCT is the highest reported debt reduction strategy. Corresponding findings reveal a continued report of reduced debt since August. The evaluation team added survey items to better understand debt types in future surveys. We look forward to sharing more data on debt types and debt payoff prioritization in the final 18-month report.

Evaluation participants also consistently report using the DCTs to support their child care business, including food, materials, and essential maintenance for their facilities. As noted in a quote below, providers have gone into debt to support their business in the past.

**"Direct cash has assisted me in repaying my student loans each month. I have acquired some debt in order to be a better provider and educator for my early learning students."** - Evaluation participant

**"We were able to use the funding towards food, cleaning supplies, and equipment needed to stay in compliance."** - Evaluation participant

**"I've been able to continue to provide food weekly for the children enrolled in the program without high levels of stress waiting for the reimbursement from the food program..."**  
- Evaluation participant

**"I had an unexpected repair to my facility. The direct payment funds help cover that cost."**  
- Evaluation participant

**"I was able to cover small maintenance for the facility."** - Evaluation participant

## 11. Participants in the evaluation report that DCTs help them to continue working as child care providers

In February 2025, 84% of evaluation participants agreed or strongly agreed that DCTs have allowed them to remain a child care provider. This speaks to potential longer-term outcomes of TPP, which may include increased continuity of care, decreased attrition, and an increase in the supply of care.

**"Cash transfers have allowed me to continue to provide care by supplementing lost ... income so I didn't have to look for a new job."** - Evaluation participant

**"It provides the extra income I need to continue in this field without feeling stressed and worried about how to make ends meet."** - Evaluation participant

## Conclusion

---

HBCC providers, including FCC providers, are critically important to children, families, and our economy. Yet, this group continues to experience disruptions to their income as a result of failing payment systems and fluctuating numbers of children in their care. Solutions to support HBCC providers are possible and needed.

The findings from this mid-point report for the first 9 months of the TPP in Philadelphia support the promise of reliable, consistent payments for improving the economic stability of HBCC providers. Participants in our evaluation reported reduced fluctuations in income, fewer extreme financial problems than the RAPID national sample, greater ability to pay for basic needs and to pay off debt, and greater confidence in their ability to continue their work as child care providers. We will continue to monitor these trends.

In the months ahead, we look forward to expanding data collection efforts to include focus groups with providers in Philadelphia. We hope to learn more about their experiences in TPP and preparations for the project coming to an end. We will share our findings in a final report reflecting data across 18 months. In addition, we will continue to use learnings to evaluate TPP in new sites and begin making comparisons across sites to build a more nuanced picture of what is working well, how, and for whom.



## References

---

1. Fund for Quality & Policy Solutions. (2025, January 27). Philadelphia ECE providers survey. [https://www.fundforquality.org/wp-content/uploads/2025/01/ECE\\_PhilaProviders\\_Survey\\_Results\\_2024\\_01272025.pdf](https://www.fundforquality.org/wp-content/uploads/2025/01/ECE_PhilaProviders_Survey_Results_2024_01272025.pdf)
2. Home Grown. (2023, May). *Home-Based Child Care Fact Sheet 2023*. <https://homegrownchildcare.org/wp-content/uploads/2023/05/Home-Grown-Child-Care-Fact-Sheet-final.pdf>
3. RAPID Survey Project. (2021, July). *Who Is Providing for Child Care Providers?* Stanford Center on Early Childhood. <https://rapidsurveyproject.com/wp-content/uploads/2025/01/who-is-providing-for-providers.pdf>
4. RAPID Survey Project. (2022, March). *Child Care Difficulties On the Rise for Parents of Young Children*. Stanford Center on Early Childhood. <https://rapidsurveyproject.com/wp-content/uploads/2025/01/child-care-difficulties-factsheet-mar2022.pdf>
5. Reinvestment Fund & William Penn Foundation. (2023, November). Estimating changes in the supply of and demand for childcare in Philadelphia. Reinvestment Fund. [https://www.reinvestment.com/wp-content/uploads/2022/11/RF\\_WPF\\_childcare\\_summary\\_2023\\_final\\_update.pdf](https://www.reinvestment.com/wp-content/uploads/2022/11/RF_WPF_childcare_summary_2023_final_update.pdf)
6. Smith-Ramani, J., Mitchell, D., & McKay, K. L. (2017). *Income Volatility: Why It Destabilizes Working Families and How Philanthropy Can Make a Difference*. Asset Funders Network. [https://www.aspeninstitute.org/wp-content/uploads/2017/12/AFN\\_2017\\_Income-Volatility\\_Final.pdf](https://www.aspeninstitute.org/wp-content/uploads/2017/12/AFN_2017_Income-Volatility_Final.pdf)