Don’t Leave Us Out Again: **A Call to Invest in Family Child Care in NYC**

Written & Compiled by Emily Sharrock

OCTOBER 2025

Policy Recommendation Authors

All Our Kin is a national nonprofit organization that trains, supports, and sustains family child care educators. Through All Our Kin's programming, educators build sustainable child care businesses, parents have access to stable, high-quality child care, and children gain the educational foundation that lays the groundwork for success in school and life.

ECE on the Move is a New York City-based organization dedicated to advancing high-quality, equitable early childhood education. Through advocacy, community engagement, and provider support, ECE on the Move works to strengthen and expand access to family child care and early learning programs across the city.

Sharrock Strategy Group partners with mission-driven organizations, public agencies, and philanthropy to build capacity and accelerate impact. From concept to implementation, Shamrock Strategy Group provides facilitation, documentation and research, as well as policy and program design to help partners achieve transformative change. With 20+ years of cross-sector leadership, they bring deep expertise in early childhood, K–12, and higher education—and a practical understanding of policy and practice—to deliver tailored solutions.

Table of Contents

A Call to Action

New York City stands at a crossroads. Family child care is the quiet backbone of our city's economy and fills critical gaps in our early learning system—often for working families seeking high-quality, neighborhood-based care that can also accommodate nontraditional hours. Nationally, child care challenges cost the economy an estimated $122 billion annually.[1] Yet family child care businesses, led overwhelmingly by women of color, remain chronically underfunded, undervalued, and at risk of collapse.

For families, the price is equally steep. Because of a lack of affordability, families are leaving the city. According to an analysis by the Office of the City Comptroller, recent population losses in the city, or outmigration, have been concentrated among families with young children.[2] More than 80% of families with children under 5 cannot afford child care in New York City.[3] At the same time, the median earning for family child care educators is only $10.61 per hour.[4] On top of this, educators face mounting costs, and need to navigate complex regulations to get paid while continuing to nurture children and serve as anchors for the community. New York City's rapid expansion of pre-K initially excluded many family child care educators, causing instability, program closures, and financial strain across the sector. While efforts were made to be more inclusive through the 3K rollout, significant challenges remain, and many educators are still excluded from these contracts.[5]

Without decisive action and careful, participatory planning, we risk additional program closures, leaving working families stranded and our economy weaker. But with bold, targeted investment and a commitment to treating family child care as essential infrastructure, New York City can lead the nation in building an early childhood system that is sustainable and resilient. It has been estimated that higher labor force participation in New York City, and increased work hours for mothers, could increase labor income by nearly $900 million.[6]

On the brink of a Mayoral election, we call on our city leadership, elected officials, and all New York City voters to remember the hard-working family child care educators who care for our children. As we expand access to early care options, ***Don't Leave Us Out Again***.

In Her Words: Irma's Story

Irma T., founder of Little Hands Little Feets, sees every day how gaps in the child care system force families into impossible choices. Parents often arrive at her program still waiting for subsidy approvals, left without secure care for their children in the meantime. As a dedicated early childhood educator and a longtime member of All Our Kin's network, Irma is a strong advocate for family child care. In her remarks to the next mayor of New York City, she called on city leaders to take meaningful action to support families and the providers who serve them.

> *"We need more financial support to be able to provide the services that we provide. Sometimes families don't qualify, or they don't have enough documentation to be able to go through the process, and they are stuck. Stuck in a way where, 'I can't go to school because I don't have secure child care' or 'I cannot find work because I don't have child care.' And what I would say to the mayor: Provide services, help us provide services, so that these parents could find a way to support their own families."*

She also spoke to the broader systemic challenges that undermine families' ability to move forward:

> *"The system right now is not working. It doesn't work. I definitely have parents that are going through the process, trying to work, trying to go to school, but they don't have the main thing, which is the child care. They don't know where to leave their children in a secure place. And that's where I come along."*

Irma's story underscores what's at stake:
Without stronger investment and support, families will remain trapped, unable to work or study, while educators like Irma shoulder the burden of keeping communities afloat. Throughout this report you will hear the voices of educators themselves woven throughout our policy recommendations. They need to be heard.

Elevating Family Child Care: Strengthening a Cornerstone of NYC's Child Care System

Family child care is foundational to New York City's economic and social infrastructure. As families grapple with rising rents, food costs, and transportation challenges, access to affordable and reliable child care is increasingly out of reach. A comprehensive child care strategy must not only expand capacity, but also ensure the viability and quality of the family child care sector. As momentum grows to expand access to child care, it's essential to invest in sustainable strategies that support the financial well-being of family child care educators and their small businesses. This mayoral election is a pivotal moment for candidates to champion family child care as a cornerstone of a comprehensive strategy that will shape the future of care for New York City's families.

What is Family Child Care (FCC)?

Family child care is a form of paid child care that takes place in the home of a licensed provider. Children are typically cared for in mixed-age groups, in a settings that offers close, consistent relationships, and a familiar, family-like environment. Home-based child care is the most prevalent child care placement for infants and toddlers.

In New York State, family child care (FCC) and group family child care (GFCC) providers must meet health, safety, training, and supervision standards set by the Office of Children and Family Services (OCFS) to care for children in their home, and are required to become licensed if they care for three or more unrelated children for more than three hours a day on a regular basis. For FCCs and GFCCs, the ratio of adult to child can be up to 1:8, if no more than two infants are present.

[Read more: Home Grown's Home-Based Child Care Fact 2023 Sheet and NYS Office of Children and Family Services (OCFS), Division of Child Care Services, Child Care Regulations]

Family child care homes offer high-quality early learning in intimate, relationship-based settings. These home-based educators are uniquely positioned to support families accessing subsidies, often those facing the most complex work and care needs, by offering care that is not only culturally responsive but also geographically accessible within their own communities.

Family child care is especially critical for families in the outer boroughs and those working nontraditional hours or far from home. In 2024, there were 6,260 licensed child care programs in New York City that received child care assistance.[7] As of 2022, the highest concentrations of family child care across the city were in the Bronx and Brooklyn.[8] Home-based child care educators and caregivers are also essential community anchors. In addition to providing child care that working families rely on, educators offer holistic support to families—meeting children's daily needs, providing nutritious meals, and connecting families to essential community resources and services.

And yet, this segment of our system remains chronically underfunded and largely invisible in policy discussions. Regulated home-based programs—owned and operated by individual educators—have experienced sharp declines in recent years. According to an analysis of state data by the New School's Center for New York City Affairs, between 2014 and 2022 there was a 68% decline in family child care and group family child care.[9] Operating on razor-thin margins, even short-term disruptions to enrollment or funding can push these programs into financial crisis and permanent closure.

In the state of New York, the child care workforce earns less than 97 percent of all workers. In New York City, family child care educators earn even less, often below the city's minimum wage.[10] While there are many complex and interrelated reasons for the undercompensation of family child care educators, at its core, undercompensation in family child care can be traced to one fundamental reality: The vast majority of child care educators cannot generate sufficient revenue to cover their program costs. Families who pay for child care out of pocket cannot afford to pay the actual cost of high quality child care.[11] The highest cost burden rates are in the Bronx and Brooklyn communities where child care and out-of-school care costs can consume anywhere between 19% to 63% of median income.[12]

United for Child Care is drawing attention to the urgent challenges families face in finding affordable, high-quality early care in New York City. Their work highlights the growing demand for solutions that expand access, reduce costs, and build on recent progress in early childhood education. By mobilizing parents, educators, and community partners, they are demonstrating both the depth of the crisis and the momentum for bold, systemic change.

As a result of what economists have called a broken market, educators are forced to minimize or forgo their own compensation (or, in economic terms, artificially reduce their labor costs) to keep their businesses open. Providers also face significant barriers to entering the market, and must navigate complex regulatory and payment systems, further undermining their financial stability.

Financial hardship reduces caregiver well-being and that undermines child well-being. Nearly one in four providers rely on SNAP benefits, nearly half are covered by Medicaid, and more than one in six lack health insurance altogether. Nearly half report poor physical health, and nearly one-third report poor mental health.[13] They are over-represented by women of color. In New York City, 92% identify as people of color (59% Hispanic, 24% Black, 9% Asian/Other, 8% White), and 72% are immigrants.[14]

Without immediate action, these small businesses, the children and working families who rely on them, and their communities, are at risk. We must address the structural and financial barriers facing family child care providers to ensure their sustainability and growth.

"Now, the question is, how long will we be able to keep going in this industry, which is going through something terrible? It's scary to think they might take our jobs away, because for most of us educators, this is what we do. It's our profession. That's why we study so much and work so hard to prepare. It would be a huge problem if child care jobs disappeared, especially for families with low incomes."
- TPP NYC All Our Kin Participant

Thriving Providers Project in NYC

Home Grown, a national funders collaborative committed to improving access to and the quality of home-based child care, leads the Thriving Providers Project (TPP), an initiative focused on strengthening income sufficiency and stability for providers. In the Bronx, the project is implemented by All Our Kin and co-funded by Coleman Family Ventures, and Home Grown. TPP addresses compensation gaps by providing $1,000 in monthly direct cash transfers (DCTs) to licensed providers for 18 months, from June 2024 through December 2025.

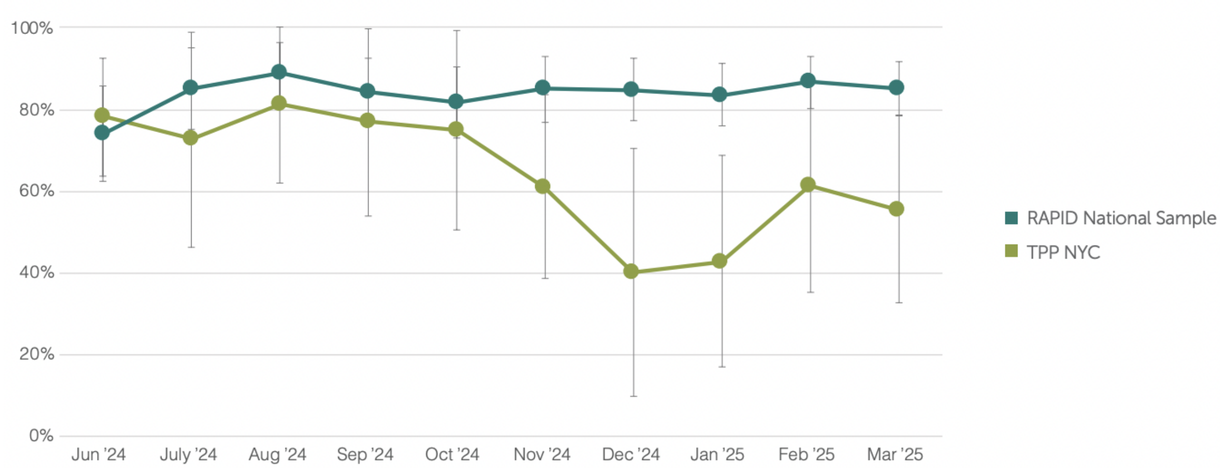
Preliminary Findings

Since 2022, the Stanford Center on Early Childhood (SCEC) has partnered with Home Grown to evaluate TPP across pilot sites in Colorado, New York City, Philadelphia, Los Angeles County, and Allegheny County. Using SCEC's Continuous Improvement Rapid Cycle Learning and Evaluation (CIRCLE) Framework, this longitudinal, mixed-methods evaluation collects data from TPP evaluation participants and consenting parents or family members of the children they serve. Findings from TPP participants are compared to national trends from the SCEC's RAPID Survey Project's national sample of child care educators. Grounded in the TPP Theory of Impact (TOI), this research seeks to understand how direct cash transfers (DCTs) influence educators' economic stability and emotional well-being, as well as the availability and quality of care for children and families.

The recently released Thriving Providers Project New York City Mid-Point Evaluation Report shares findings from the first nine months of data collected from the NYC cohort. So far, evaluation participants have reported greater ability to meet their basic needs, along with increased economic stability and emotional well-being after receiving cash support. **Cash was used to pay off debt, support payroll, purchase advertising, conduct maintenance and repairs, purchase classroom supplies and food, and cover bills**. Additionally, when educators have the income they need to sustain their caregiving work, they also invest in increasing the quality of their services by purchasing educational materials, maintaining safe and welcoming home environments, and enhancing learning experiences for the children in their care. Evaluation participants have also reported reduced income volatility and financial problems, greater ability to pay for basic needs, reduced financial problems, and greater confidence in their ability to continue their work as a child care provider.

Evaluation Participants Report They Are Better Able to Meet Basic Needs

Figure 4. Percentage Reporting Material Hardship



The report also highlights the urgent need for policy action by city leaders. While TPP has demonstrated the power of funding to stabilize and empower educators, these learnings also point to broader, sustainable policy solutions. The following brief delivers actionable recommendations, complemented by the aligned report's data and firsthand insights from educators themselves.

Future city leaders have a timely opportunity to act with bold, targeted policies that strengthen the family child care sector for the long term. The quotes, anecdotes, and data below offer deeper insight into why these changes are both necessary and overdue.

From Insight to Action

At the outset, during project planning, All Our Kin, the New York City-based TPP implementation partner, worked closely with educators to develop a comprehensive policy landscape analysis and an initial set of policy recommendations.

Throughout the project, an ongoing collaboration, with key partners, family child care educators, and city experts used the initial policy recommendations as a foundation, surfacing three consistent themes:

1. **Insufficient public and private payment rates, paired with reimbursement-based systems that are often delayed or unpredictable, leave FCC educators struggling to cover program costs and keep their doors open.** This results in educators being unable to pay themselves and their staff salaries and benefits that are commensurate with their value to our society and allow them to sustain their families for the long term.
2. **The process of starting an FCC program can be difficult to navigate, lengthy, and expensive.** Becoming a licensed FCC provider can take months, and educators often go into debt to start their businesses, which they then struggle to pay back due to the above revenue challenges.
3. **Publicly available support for FCC educators, from startup and beyond, is limited and often inaccessible.** Unions, child care resource and referral agencies (CCR&Rs), and local nonprofit organizations offer resources to FCC educators in an attempt to fill the gaps left by limited public investment in the sector. These resources are helpful for those who can access them, but there is an overarching need for state and local governments to develop a comprehensive approach to supporting FCC educators.

"One of our greatest challenges isn't the children or the families we serve—it's the very system that's supposed to guide and support us. Our licensing division, which should be a partner in quality care, often ends up being a source of confusion, frustration, and discouragement.

Licensors are frequently difficult to reach, sometimes unresponsive for weeks or even months. When we do finally get communication, it often comes in the form of violations rather than constructive feedback. We're expected to stay compliant and improve, but without clear guidance or timely support, it can feel like we're set up to fail.

To make matters worse, licensors are sometimes switched without any notice or explanation. One day you're working with someone who knows your program, understands your history, and has built a rapport with your team and the next, you're assigned to someone new with no introduction or transition. This lack of continuity disrupts the relationship-building and trust that are vital in a regulatory partnership.

We are not asking for less accountability, we're asking for better communication, more transparency, and genuine support. We want to do things right. We want to grow. But we need the licensing system to work with us, not against us."

- Ayan Wilson, ECE on the Move Provider

These insights evolved into a refined set of actionable recommendations for mayoral candidates aimed at strengthening family child care and building a more equitable child care system. The future of New York City's working families, and the city's economy, depends on a strong, stable, and equitable early childhood system. If family child care programs continue to disappear, families will be left without reliable, affordable options, forcing impossible choices between work and caregiving. This erosion threatens children's development, dismantles community anchors, and weakens the very foundation of New York City's economy and future.

We have consolidated our recommendations into an actionable timeline for the next administration. We also invite you to further explore the recommendations in full later in the brief. Driven by engagement with educators, these ideas serve as a starting point for policy and system solutions that need to be further developed in collaboration with our partners in government. We hope you will join us in advancing meaningful solutions for New York City's family child care educators.

Timeline & Roadmap for Progress

Stabilizing and strengthening family child care in New York City requires a phased approach that delivers immediate relief while also laying the foundation for long-term systemic reform. The Mamdani administration has an opportunity to build a more equitable, sustainable, and innovative early childhood system by acting decisively in the first 100 days, advancing short-term goals in the first year, and setting a clear long-term vision for the next three to five years.

1. **First 100 Days: Immediate Actions**

- **Commit to participatory policymaking** by establishing a *paid* working group that includes the full spectrum of provider voices and empowers them to shape early childhood education (ECE) policy across agencies. This structure should help the administration shape all critical early childhood policy to ensure it works for family child care.

> **"Providers are entrepreneurs, educators, caregivers, and early warning monitors. They have concerns specific to the industry and business model. Decisions are often made by individuals who have no insight into how the process works."**
> - Desiree Reid, ECE on the Move

- **Take immediate steps to stabilize funding for family childcare educators:**
  - Immediately usher in reforms to **pay all child care educators, regardless of funding stream or type, by enrollment.** This would immediately begin to alleviate the funding unpredictability educators face and keep doors open. It should be followed by a broader set of policy changes that addresses the significant delays educators and agencies face being paid for city contracts.
  - **Leverage the upcoming New York City Public Schools (NYCPS) contract cycle to redesign contracting** as a more accessible, equitable, and responsive system—expanding participation, ensuring timely and transparent payments that reflect the true cost of care, and introducing innovations like enrollment-based funding and full buy-out contracts to stabilize and strengthen the family child care sector.
  - **Establish a New York City flexible workforce stabilization fund** to provide direct cash supports or emergency relief to existing educators facing income volatility.
- **Address the talent and capacity crisis by launching a NYC Substitute Pool Program:** Request the State grant NYC the same regulatory flexibility as its planning for it is state pilot program to develop a central pool of assistant teachers that can work flexibly across child care programs and pay them an incentive bonus.

Public Financing Options
Real reform will require resources beyond current allocations for child care in New York City, especially given the austere federal funding landscape. Many states and localities have adopted creative measures to sustainably fund increased access to child care and compensation or other reforms. Examples as well as information on potential revenue raising strategies can be found in Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education and Paths Forward to Salary Parity for New York: National Models for Equity in Early Childhood Education Compensation.

One exciting recent development in local financing includes the creation of endowments, like the one established in Connecticut. Connecticut's Early Childhood Education Endowment will help subsidize costs for families, pay educators more, improve and build new facilities and offer professional development. Starting with a $300 million investment, the State is investing in child care for the long term. While those funds grow over time, every year, a portion of the money is put into expanding and supporting programs. In 2025, up to $36 million of funding may be spent on programs and initiatives.[16]

2. **Short-Term Goals: One to Two Years**

- **Reduce operating costs** through utility relief partnerships, pooled insurance purchasing, and targeted maintenance and improvement grants for educators who rent or live in public housing.
- **Begin identifying sustainable funding mechanisms,** including exploration of an early childhood endowment to fund a range of long-term reforms with a focus on compensation first.
- **Launch start-up grants** for new family child care educators to cover initial expenses and ease entry into the market. This could align with plans for expanded access.
- **Streamline the licensing process, develop a customer service-oriented approach, and reduce processing delays** by using journey mapping and user-centered design, and support educators with full-time licensing navigators as well as provider guides.
- Streamline payments by **automatically enrolling licensed educators in the Child Care Assistance Program (CCAP)** and ensuring timely subsidy disbursements.
- **Initiate a governance review** to assess structural options for cross-agency coordination, including centralized departments, interagency task forces, or mayoral task forces with real authority.
- **Create transparent accountability systems,** including public dashboards for tracking payments, licensing timelines, and waiting lists.

3. **Long-Term Vision: Three to Five Years**

- **Achieve compensation parity** in collaboration with the state by aligning family child care pay with elementary school teachers who hold the same training or credentials.
- **Provide comprehensive benefits** by providing paid health insurance and retirement coverage for all FCC educators and their staff through municipal unions.
- **Invest in innovation and infrastructure,** including housing-integrated childcare space, pre-licensed family child care, and homeownership strategies that give educators a path from renting to owning apartments—strengthening supply and stabilizing neighborhoods.
- **Build a responsive governance structure** that ensures accountability across agencies, centers provider voice in policymaking, and fosters collaboration between government, community organizations, and educators.

Strategic Priorities and Recommendations

Recommendation 1: Attract & Keep Family Child Care Businesses Open Across NYC

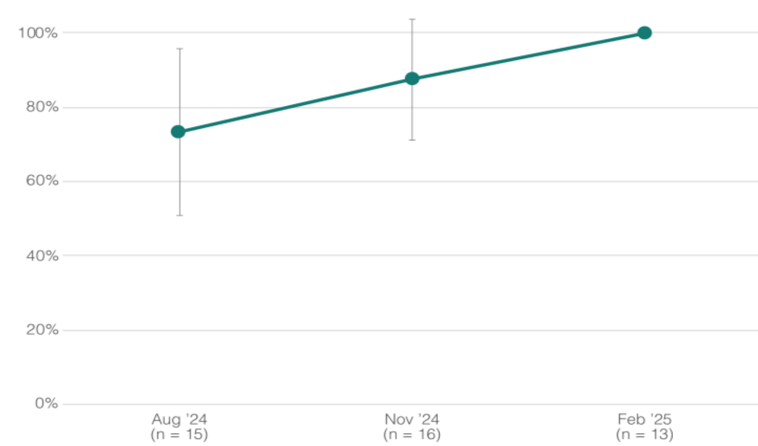
"The cost of child care and the work that we put into running this business does not add up."
- ECE on the Move

"Public policies are becoming very risky for our business. Most of the families who apply for vouchers through ACS are now on waiting lists because there are no more funds."
- TPP NYC All Our Kin Participant

Starting and sustaining a home-based program has become so difficult that many prospective educators give up before opening, while too many existing businesses close under the weight of systemic barriers. To meet families' needs and preferences, the City must make family child care a realistic, lasting option for educators. Increasing investment in these small businesses and improving the city-operated systems that support licensing will help attract and keep educators in business.

Evaluation findings from the Thriving Providers Project New York City Mid-Point Evaluation Report suggest what might be possible with the right support: Over time, 100% of evaluation participants reported that the direct cash transfers helped them stay in business. This points to the potential for long-term outcomes, like increased continuity of care, reduced provider turnover, and a stronger, more stable supply of family child care across the city.

Figure 3. Percentage Who Agree or Strongly Agree DCTs Allow Them to Remain a Child Care Educator



"The direct cash has helped me meet my financial obligations to remain open."
- TTP NYC All Our Kin Participant

"If I was not receiving these direct payments I might have to close temporarily, go without health insurance, go delinquent on my credit cards or take a part-time job to help keep [me] afloat."
- TTP NYC All Our Kin Participant

> **"[I've had a] child in my program since 2021. I received notice this weekend (July 2025) that child is no longer eligible as of May 2024. I was advised monies paid to me will be recouped. I've been caring for child with no break in care as he was still on my roster. I provided care and don't think it's fair monies be taken back from me. I was never informed his care ended."**
> - Sunshine Jenkins, ECE on the Move

The most pressing problem facing FCC is that in addition to low pay, the delays in receiving reimbursement and the structure of some contracts leaves providers vulnerable to fluctuations in cash flow and enrollment.

The Thriving Providers Project offers a promising model for addressing payment delays and the instability that many FCC educators face. Ninety-one percent of evaluation participants reported that the TPP application process was simple, and all participants agreed the direct cash transfers were consistent and easy to receive. This reliability has been central to the program's impact and offers a clear example of best practices in timely, predictable payments, aligned with the goals of the federal guidelines outlined in the 2024 Child Care Development Fund Final Rule.

> **"Personally for me it has been very helpful to receive this money and it has been made easy the way [it's] sent ... in a transparent way through the bank, it is very easy."**
> - TTP NYC All Our Kin Participant

> **"Every month it seems like payment is getting later and later. And when reporting on the day of submission, there's always an error and one has to keep submitting until it goes through. This is getting ridiculous. We work to get paid and we are not getting paid on time."**
> - ECE on the Move

The City should move immediately to base all CCAP vouchers and NYCPS child care program payments on enrollment and prospective payment, rather than attendance. While the State won't be required to comply with new CCDBG rules until 2026, and likely only for vouchers, the City could adopt these best practices now across all funding streams, positioning itself ahead of state mandates and ensuring stability for educators.

Provide Early-Stage Start-up Grants to Help New FCC educators Overcome Initial Barriers to Entering the Child Care Market

Based on input from educators, start-up costs for becoming a licensed FCC provider in New York City can reach $15,000, including at least $1,500 for training, safety equipment, educational materials, background checks, and insurance. The cost of rent during the six months it typically takes to get through the licensing process can add up to $6,000-$18,000 in up-front costs, often forcing prospective educators into debt they struggle to repay due to low wages. To address these barriers, start-up grants should be available before programs open and remain flexible for use during the first three years of program design and launch.

> **"Licensing can take three to six months, and during that time, you can only care for two children without a license—and the reimbursement for those two children is only a fraction of what licensed educators receive. Meanwhile, the rent and bills don't stop. For me, it actually took five years to achieve my license, because I couldn't afford all of the health and safety requirements upfront—things like radiator covers for every room, window bars, and childproofing the entire home. The startup costs ran into the thousands, and like many educators, I didn't have that kind of money. I had to rely on loans, but it was nearly impossible to pay them back with only two children as my main income. I was unmarried, I had no backup, and it was very difficult to get started. But because I wanted to educate young children, I pushed through."**
> - Shanita Bowen, ECE on the Move

Automatically Enroll Licensed Educators in the Child Care Subsidy Program, Child Care Assistance Program (CCAP)

The licensing process for FCC educators is separate from the approval process required to receive CCAP payments. As a result, even after completing the six-month licensing process, educators must undergo a second approval step before they can accept child care vouchers in New York City. This additional hurdle delays their ability to generate revenue and undermines the stability of their businesses.

> **"I applied in April 2025 to accept children with vouchers. I was approved and started accepting children in May. It is July 31st, and I have not received payment for the child care services provided. There were issues with my submitted forms, but I was not informed. It took the entire month of July to resubmit and resolve everything. There was so much back and forth, and it took so long. On July 25th, I was told I would be paid on July 28th. I wasn't. CAPS said I was paid on July 29th. As of the 31st, I still had not received the direct deposit."**
> - Christine Anderson, ECE on the Move

To address this, the group of state and city agencies responsible for child care licensing, funding, and oversight, including the New York State Office of Children and Family Services (OCFS), the New York City Administration for Children's Services (ACS), and the New York City Department of Health and Mental Hygiene (DOHMH), could work together to streamline enrollment in CCAP. Specifically, they should automatically enroll newly licensed FCC educators in CCAP or adopt an opt-out system. This would allow educators to accept CCAP payments immediately upon licensure, reducing delays and supporting faster access to affordable child care for families.

Streamline the Licensing Process, Develop a Customer Service-Oriented Approach and Reduce Processing Delays

The licensing process is lengthy and complex, often taking six months or more before educators can begin operating and earning revenue. Applicants must complete orientations, training, background checks, applications exceeding 120 pages, and inspections, with limited city or State support. Providers describe the process as burdensome, duplicative, and intimidating, often relying on nonprofits for help. To reduce barriers and accelerate entry, the City and State should streamline requirements, strengthen technical assistance, and employ journey mapping and user-centered design to make the system more provider-friendly.

Make Hiring Permanent or Substitute Assistant Teachers Easier

To begin, New York City must work with the State to streamline the assistant teacher approval process, which is essential for programs serving a mix of children requiring a higher ratio of adults to be present. Providers currently report significant administrative issues, including delays and unanswered questions, making getting a new hire on board cumbersome and inefficient. One of the key problems is that assistant teachers typically need separate background checks for approval to work at multiple sites. By enabling assistant teachers to be approved once to work across all licensed settings for which they are qualified, New York can create transportable credentials that are recognized once cleared by OCFS, without requiring additional steps when moving between programs. Aligning and integrating fingerprinting systems across city agencies would further reduce redundancy and costs for educators, while improved data sharing between DOHMH and OCFS would support more seamless and timely approvals. Finally, adopting a responsive, customer service-oriented approach to address errors or questions would ensure the process is efficient, transparent, and supportive of both educators and programs.

The State is in the process of designing a pilot program that creates a shared pool of assistant teachers, which if designed right, could pave the way for changes in state rules that hinder city progress in these areas. The City should propose a city-managed pilot program to align with these State efforts to change the regulations in order to provide quick relief to the child care sector. To incentivize newcomers to the workforce, New York City should fund a bonus payment for any member of the pool who works a minimum number of hours. The exact structure of such an incentive program should be designed with significant provider input to ensure it attracts talent, is easily accessible, and serves as an effective long-term talent pipeline.

Fund a Group of Licensing Navigators

Starting a family child care program is often a lengthy, costly, and a difficult process to navigate, with limited and inconsistent public support available beyond startup. Providers describe the licensing process as "cumbersome" and "intimidating." Moreover, even once they open, educators continue to express difficulty getting answers to questions about payments, enrollment concerns, or regulations. While a system of CCR&Rs and others have some capacity to provide these supports, they are underfunded and often too far removed from decision-making and oversight to provide the full range of support needed. To address this, the city should establish a corps of licensing navigators with influence inside government agencies. These navigators would provide outreach, customer service, and coaching to new educators, while also tracking applicants' progress to increase transparency, identify bottlenecks, and support educators through to licensure.

To be effective, the corps must reflect the communities it serves, be directly connected to decision-makers, and operate as both a support system and a feedback loop to improve the process. As part of such a system, funding could include paid mentoring from experienced educators who understand the system and how to get things done. They would serve as an extra layer of trusted, community-based support.

Provider Guides: Paid Mentoring for New & Aspiring Family Child Care Providers

Experienced educators who have successfully built and sustained programs can play a critical role in supporting new and aspiring educators through the licensing and start-up process. With city support, these mentors could be funded to offer hands-on guidance, practical know-how, and coaching on licensing, payment systems, and enrollment. Positioned as trusted peers, Provider Guides would strengthen the workforce by ensuring newcomers have both the technical support and lived expertise needed to succeed—ultimately increasing transparency, stability, and sustainability across the family child care sector and supporting OEC programs.

Recommendation 2: Provide Professional Pay to Family Child Care Educators

To truly stabilize the family child care sector, we need to realize pay parity for home based providers. Provider earnings should match those of K-12 educators with the same level of training and credentials. We would never ask our preK–12 teachers to shoulder the kinds of sacrifices demanded of our family child care workforce. The age of the children they serve should not dictate whether educators earn a living wage or are afforded dignity and respect.

To start, New York City should partner with the State to update the CCAP rate-setting methodology so that subsidy rates more accurately reflect the true cost of care, estimated at up to $7,000 per child annually in GFCC and up to $16,000 in FCC. The City must also commit to fair compensation by restructuring NYCPS's contracts for network-affiliated educators to fully fund the cost of care. Currently, these educators receive only the CCAP voucher rate for NYCPS-enrolled children, even though it falls short of covering costs and does not account for the additional requirements imposed by NYCPS compared to OCFS. Additionally, the contract offers a flat daily rate, regardless of whether a child is in care for six hours or ten. As part of this reform, the City should also offer more flexible partnership models that attract a broader range of educators and address the shortcomings of the current system.

Redesign NYCPS Contracting to Include More Family Child Care Providers

As the current five-year NYCPS contract cycle nears its end and the RFP process is expected to begin within the next year, there is a timely opportunity to advance needed reforms. **NYCPS contracts represent one of the most effective levers the city has to quickly increase compensation for family child care educators, without the state oversight required for CCAP voucher rates**. Redesigning the contracting approach to be more accessible, equitable, and responsive would not only incentivize provider participation but also strengthen the stability and quality of the family child care sector.

Many FCC educators feel excluded from the current network-contracted opportunities or face burdensome requirements that discourage participation. The City should increase the number and variety of partnership options to broaden equitable access and diversify participation. To do this effectively, the design of these models needs to be done in close partnership with a range of educators, including those not currently participating. Examples of the possible solutions such a group should explore include:

- **Pay by Enrollment:** Adopt an enrollment-based payment system to provide predictable, stable revenue for educators.
- **Increase Transparency:** Require networks to clearly explain payment structures so educators understand what they are receiving.
- **Move Toward Upfront Payments:** Shift away from reimbursement-only models; ensure NYCPS payments are timely, matching or exceeding ACS voucher processing.
- **Reflect the True Cost of Care:** Structure payments to cover the real costs of family child care and recognize the unique strengths of these programs —such as serving multiple age groups and responding flexibly to community enrollment needs.

- **Expand Access for 0-5:** Partner with the State to allow pre-K funds to flow to family child care educators, covering the full early childhood age range.
- **Introduce Full Buy-Out Contracts:** Provide contracts that fund educators for their full licensed capacity (a cohort of children across age groups), with built-in assumptions about age mix and full coverage of staff needed to deliver the true cost of care.

Full Buy-Out Contracts

Traditional contracts and reimbursement systems tie provider funding to fluctuating attendance or partial enrollment, leaving family child care programs on unstable financial ground.

Full buy-out contracts offer a stronger alternative:

- Fund educators for their **entire licensed capacity**, not just the children currently enrolled.
- Build in an **expected mix of ages** (infants, toddlers, preschoolers), reflecting the real dynamics of FCC programs.
- **Integrate with a centralized enrollment system** so families can be matched more seamlessly, with cross-registration that allows both NYCPS central office and FCC programs to recommend families for open slots.
- Cover the **full cost of staff and operations** needed to deliver high-quality care.
- Provide **predictability and sustainability**, enabling educators to focus on quality and stability rather than filling seats to survive.

By guaranteeing revenue aligned with actual program capacity, buy-out contracts reduce financial stress, support workforce retention, and strengthen the overall supply of family child care in NYC. *The design of an option like this would require careful consultation with independent child care educators to ensure the right enrollment and funding mix and that the right balance of autonomy and oversight is struck.*

- **Diversify Networks:** Bring in new organizations as networks to expand capacity and better meet provider needs.
- **Improve Communication:** There is widespread misunderstanding and distrust across the provider community. They largely feel unheard and like their work is not valued. Careful attention needs to be paid to creating a more proactive communications strategy to change this dynamic and create accessible opportunities for educators to get information in multiple languages and multiple formats.
- **Redesign Enrollment:** Overhaul the enrollment process to make it more effective, accessible, and responsive for families and educators.
- **Separate Support from Compliance:** Ensure educators receive technical guidance and coaching from staff not tasked with oversight, building trust and encouraging continuous improvement.
- **Position Contracting as a Benefit:** Reframe NYCPS contracts as a pathway to meaningful support rather than a burden, with explicit protections for provider data and access to the benefits NYCPS employees receive.
- **Enable Flexibility:** Allow more adaptable operating models, including alternative calendars, varied schedules, and enrollment patterns that align with family needs and licensing regulations.

Create a Flexible Pool of Emergency Funds to Retain Providers

Modeled after TPP and pandemic-era grant programs, New York City should scale cash transfers or emergency grants as an immediate strategy while longer-term compensation solutions are developed. During the pandemic, many states successfully supplemented educator wages with direct payments initially framed as "stabilization" funds. Building on this model, the City should establish a permanent child care workforce fund to provide unrestricted cash support to all members of the family child care workforce.

"The direct cash payment has helped me greatly in the past month because I had one child abruptly move to another state and another child started school and therefore don't need to be in daycare anymore. Those two losses at the same time impacted my income and the amount of hours I have available for employees."
- TTP NYC All Our Kin Participant

"It has helped me greatly to pay off overdue medical insurance debts and other things, as well as to buy food and supplies for my daycare."
- TTP NYC All Our Kin Participant

The [Thriving Providers Project New York City Mid-Point Evaluation Report] described direct cash transfers as a powerful tool for promoting economic stability among family child care educators. In New York City, 79% to 94% of evaluation participants consistently reported that DCTs helped them in meaningful ways. Providers shared that the payments helped stabilize their typically unpredictable income and gave them the flexibility to cover urgent or essential expenses. As New York State considers establishing a permanent child care workforce fund, these findings highlight how unrestricted cash support can strengthen educators' financial well-being while longer-term compensation strategies are developed.

> **"Receiving direct cash transfers has helped me tremendously because I can decide what I can use the money for. I can use it to pay bills or for anything that is needed for the daycare business. I love programs like this that help the educators by giving them the money and letting them decide on how to use the money.**
> - TTP NYC All Our Kin Participant

Fund Facilities Maintenance & Improvement for Renters

According to the Center for New York City Affairs (CNYCA), in New York City, 78% of family child care educators are renters, 8% live in New York City Housing Authority (NYCHA) housing, and 6% receive voucher assistance. Traditional capital grant programs, designed for homeowners with cash reserves, exclude many FCC educators who face urgent and costly needs, such as safety upgrades, appliance replacements, flooring repairs, or adaptive modifications that must be addressed immediately to maintain safe, high-quality care.

We recommend establishing a pool of small, non-reimbursable grants ($1,000–$30,000) specifically for home-based educators to cover both start-up and maintenance costs, with eligibility explicitly inclusive of NYCHA residents and educators with Section 8 assistance. Such a program would not only fund essential improvements and prevent provider displacement, but also serve as a critical retention strategy to stabilize the workforce and ensure families have reliable access to care in their own neighborhoods. This could initially be funded with support from the [State's allocation of $10 million in capital funds for family child care].[15]

Reduce Costs for Providers Starting with Utility Relief & Defraying Insurance Costs

Rising utility and insurance costs are pushing many family child care educators to the brink of closure, with inflation driving these expenses to unsustainable levels. The City should partner with the State and private corporations to establish caps or relief measures on utility costs, ensuring educators are not forced to absorb these escalating expenses, as doing so not only undermines their financial stability but also risks creating unsafe conditions for children. At the same time, the City must explore bulk purchasing agreements and other collective strategies to negotiate lower insurance premiums. Taken together, these measures would significantly reduce the financial burden on educators and help stabilize this critical segment of the workforce.

Findings from the TPP evaluation in New York City reinforce the urgency of this issue. Evaluation participants identified utility bills as among the most difficult expenses to manage, sometimes even more so than food or housing. In spring of 2025, reports of utility-related hardship were especially high. As one provider shared, "[TPP] has helped me with food and electricity, without this, I wouldn't provide child care."

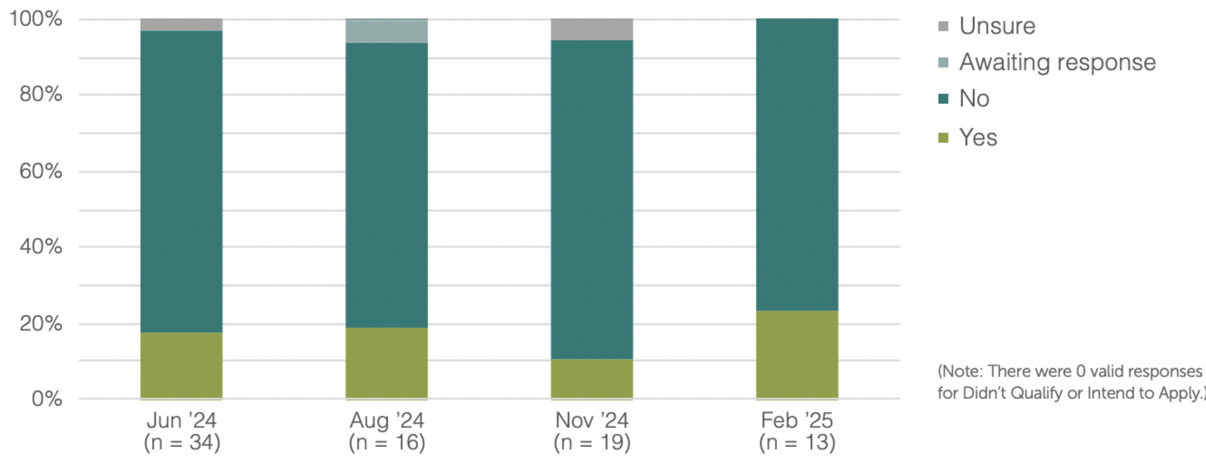
This underscores the importance of reliable, flexible financial support in helping educators meet rising operational costs to continue to offer care to families.

Provide Comprehensive Health Insurance and Retirement Benefits to All FCC Educators & Their Staff

Health and retirement benefits are major personnel expenses that FCC educators can seldom afford. A lack of these benefits is a key driver of instability for educators and also serves to push many educators out of the field entirely. FCC educators deserve to have comprehensive benefits that allow them to care for themselves and their families while staying in the field for the long term. State and city lawmakers should expand on the benefits currently offered by municipal unions to ensure that every member of the family child care workforce has the option to access no-cost health insurance and retirement benefits. Currently, center-based contractors, networked FCC educators and independent educators are only eligible for limited benefits through the United Federation of Teachers (UFT) that provide some dental and vision coverage for educators only, not their families. They should not be asked to find their own coverage or be forced to apply for reimbursement. Without benefits like these, our educators have told us that even with cash assistance, like that provided through the Thriving Providers Project, they would consider leaving the field for a job with better benefits. This is a critical retention strategy and will be key to expanding access with any efforts to increase New York City's child care supply.

The [Thriving Providers Project New York City Mid-Point Evaluation Report] indicates that over 75% of evaluation participants report that they are not receiving any public or employment benefits. These findings underscore the urgent need to provide family child care educators with comprehensive health insurance, and to reduce other financial burdens they face. Without these supports, educators remain vulnerable and the stability of care is at risk.

Figure 1. Distribution of Receipt of Public / Employment Benefits



State & Local Models for Health Care

Family child care educators are far more likely to be uninsured than their K–12 counterparts, often due to affordability and limited access to employer-sponsored coverage.

Strategic public investment and partnerships have enabled some states and cities to develop innovative programs that improve health insurance access, stabilizing and supporting the home-based child care workforce.

Washington State addresses this through the Department of Children, Youth, and Families, which offers subsidized health insurance specifically for licensed family child care educators serving children in the state subsidy system. Funded by a blend of state and federal dollars and supported by policy agreements with educators' union representation, educators pay a low monthly premium for essential health coverage.

In Washington, D.C., the HealthCare4ChildCare, program provides free or reduced-cost health insurance premiums through DC Health Link to employees of OSSE-licensed child development centers and homes. The program is funded through local budget allocations from the D.C. Office of the State Superintendent of Education (OSSE), federal grants such as from the Early Educator Investment Collaborative, and partnerships with DC Health Link and OSSE, leveraging existing marketplace infrastructure to reduce costs.

Providers Deserve Retirement Benefits

We support the New School's Center for New York City Affairs recommendation that New York City provide access to public pension programs for family child care educators. Just as they do with current employees, city agencies like ACS and NYCPS could have public pension contributions allocated to them in the city budget and could make contributions on behalf of the child care educators with which these agencies already work with. The level of contribution could be tiered to align with years of service and any career lattices adopted by the city or state. The roll out of such a program could also be designed to serve as a retention and recruitment tool incentivizing educators to stay in business, perhaps even extending to educators who shut their doors after COVID.

> **"My mother, who has been working as a daycare provider for over 30 years and is 80 years old, can't stop working because she doesn't have a pension, much less health insurance, because whatever she does isn't enough."**
> - ECE on the Move

Recommendation 3: Create an Accountable Governance Structure for Early Childhood That Works for Families & Providers

Through stakeholder outreach following our early findings on licensing, delayed payments, and other government systems challenges, we found individual leaders eager to engage and receptive to administrative and systems-level fixes. However, efforts were hindered by limited coordination across agencies and a perception that interagency complications made problems insurmountable. This lack of local authority and accountability is wholly unnecessary. New York City must build a more responsive, nimble, and accountable government apparatus that can effectively address provider concerns and support the family child care workforce.

City agencies need to be required to designate public-facing liaisons to support educators directly and ensure accountability. In addition, the city should develop public trackers and dashboards to report on key metrics, such as timely payments, licensing requests, and waiting lists, so progress is transparent and educators can clearly see where improvements are being made.

The next administration must take a closer look at how to structure oversight across agencies to ensure accountability and action. A mayoral task force was previously attempted, but lacked real authority or positioning to effect change. Other localities have achieved success by establishing centralized departments, creating interagency task forces, or convening mayoral task forces with genuine authority to coordinate efforts and drive solutions.

Establish a Policy Working Group That Includes All Provider Voices to Design Policy

Too often, policy changes in early childhood education are designed and rolled out without sufficient input from the very educators who must implement them, leading to contracts and regulations that are burdensome, inequitable, or ineffective. Rather than seeking feedback only after problems arise, New York City should adopt a more collaborative model of policymaking, one that brings educators in at the front end to help shape solutions. We recommend establishing a permanent working group for childhood governing agencies to co-design more inclusive and effective policy. It should include the full spectrum of provider voices, not just those currently in contract with NYCPS networks. Providers offer essential, lived expertise delivering high-quality care and understanding community needs and their contributions should be recognized and valued. As such, participants should be compensated for their time and expertise to ensure meaningful, sustained engagement in building a system that works for children, families, and the workforce alike.

In addition, the administration should fund a paid time-bound fellowship beginning in winter 2026 to deeply engage a set of educators, advocates and other community stakeholders alongside government leaders with authority for early childhood systems. It would be designed to engage in deep learning across government and community to shed light on the complexities of policy and systems building for advocates and to enable those in government to better design with the end user in mind. The group would be responsible for developing and delivering key policy and programmatic design deliverables to the mayor's office that serve to answer and elaborate on first-year priorities for the administration. These could include the recommendations outlined in this paper or others that the new mayor deems urgent for building a more robust early learning system. In addition to supporting the development of stronger policy in one or more areas, the time-bound fellowship would create lasting informal networks and relationships that would support long-term systems change.

Solving Affordable Housing & Child Care Access at the Same Time

There are several innovative models across the country where real estate financing is partnering with community organizations that train and support family child care to offer affordable, stable, and pre-licensed facilities to newly trained educators. Rent is subsidized through a start-up period to enable educators to reach an enrollment capacity that enables them to afford the full cost of rent. Some financiers also offer pathways to homeownership over time to further stabilize supply and create a pathway to economic security for educators. Mission Driven Finance partnered with Bright Futures in Colorado through Care Access Real Estate to build new, affordable homes with child care space, train educators during construction, and provide low rent to educators until their businesses were established. Other communities are also building family child care units into new affordable housing or other community development projects, which increases the supply of usable space. Mission Promise Neighborhoods program in San Francisco is one such example.

Recommendation 4: Invest in Innovation

New York City should invest in pilots and innovative strategies that provide immediate relief to family child care educators while also laying the foundation for long-term reforms. These efforts can simultaneously stabilize the workforce and address broader citywide challenges of affordability and housing. For example, the City could integrate family child care hubs into new affordable housing developments and create "pre-licensed" spaces where educators can both live and operate their programs, reducing overhead and effectively subsidizing salaries until state-level compensation reforms are realized. In addition, homeownership strategies that allow FCC educators to lease-to-buy apartments would strengthen supply stability, creating lasting benefits for both families and educators. By advancing these kinds of innovative models now, New York City can lead the nation in reimagining how child care infrastructure is built and sustained.

IV. Closing: Moving Forward Together

With strong leadership, New York City can become a national model for building innovative and enduring child care infrastructure, one that values family child care and centers it as a vital part of the city's vibrant, diverse communities. We stand ready to collaborate on the implementation of these recommendations and to provide additional research, guidance, and field expertise. Together, we can ensure that family child care, an essential cornerstone of New York City's early childhood system, is fully supported in the next phase of building healthy, strong support for the city's families, children, and child care educators.

V. Project Funders

[Coleman Family Ventures](#) is an impact-focused organization that empowers changemakers to spark positive transformation in our world. By fostering relationships with leaders, investors, and the communities they serve, Coleman Family Ventures supports those closest to the issue, helping drive meaningful impact in areas like early childhood, healthcare, and climate.

[Home Grown](#) is a national collaborative of funders, caregivers, and educators working together to advance an inclusive child care system where home-based child care is visible, valued, and well-resourced.

VI. Advisors and Readers

Thank you to the following readers, whose insights and feedback helped shape this report.

Gregory Brender, Chief Policy Officer, Day Care Council

Emmy Liss, Independent Researcher and Policy Consultant

Lauren Melodia, Director, Fiscal & Economic Policy, Center for NYC Affairs at the New School

References

[1] Picchi, A. (2023, January 10). Lack of child care is costing the U.S. economy $122 billion a year, study finds. CBS News. https://www.cbsnews.com/news/lack-of-child-care-costs-economy-122-billion-dollars-parents-businesses-taxpayers-study/

[2] New York City Office of the Comptroller. (n.d.). Child care affordability and the benefits of universal provision. https://comptroller.nyc.gov/reports/child-care-affordability-and-the-benefits-of-universal-provision/

[3] Khan, R. (2023). From birth to age 12: The (un)affordability of child care and out-of-school care in New York City. Citizens Committee for Children of New York. Retrieved from https://cccnewyork.org/data-publications/from-birth-to-age-12-child-care-and-out-of-school-care/

[4] High Calling, Low Wages: Home-Based Early Care and Education Providers in New York City, The New School, Center for New York City Affairs, September 2023. Retrieved from https://www.centernyc.org/reports-briefs/high-calling-low-wages-home-based-early-care-and-education-educators-in-new-york-city

[5] Home Grown. (2025, May). "Inside-Outside" strategies for integrating home-based child care into public preschool: The NYC story. https://homegrownchildcare.org/wp-content/uploads/2025/05/HomeGrownInsideOutsidePreKStrategies-NYC.pdf

[6] New York City Office of the Comptroller. (n.d.). Child care affordability and the benefits of universal provision. https://comptroller.nyc.gov/reports/child-care-affordability-and-the-benefits-of-universal-provision/

[7] New York State Office of Children and Family Services. (2024). DCCS fact sheet. https://ocfs.ny.gov/programs/childcare/assets/docs/factsheets/2024-DCCS-Fact-Sheet.pdf.

[8] All Our Kin & Thriving Providers Project. (2025, January). Policy solutions for a more sustainable future for family child care in New York. https://allourkin.org/files/galleries/AOKxTPP_Policy-English.pdf

[9] High Calling, Low Wages: Home-Based Early Care and Education Providers in New York City, The New School, Center for New York City Affairs, September 2023. Retrieved from https://www.centernyc.org/reports-briefs/high-calling-low-wages-home-based-early-care-and-education-educators-in-new-york-city

[10] High Calling, Low Wages: Home-Based Early Care and Education Providers in New York City, The New School, Center for New York City Affairs, September 2023. Retrieved from https://www.centernyc.org/reports-briefs/high-calling-low-wages-home-based-early-care-and-education-educators-in-new-york-city

[11] All Our Kin & Thriving Providers Project. (2025, January). Policy solutions for a more sustainable future for family child care in New York. https://allourkin.org/files/galleries/AOKxTPP_Policy-English.pdf

[12] Khan, R. (2023, October). From birth to age 12: The (un)affordability of child care and out-of-school care in New York City. Citizens Committee for Children of New York. https://cccnewyork.org/data-publications/from-birth-to-age-12-child-care-and-out-of-school-care/

[13] Cha, E., Brooks-Gunn, J., Neckerman, K., & Waldfogel, J. (2024, September). Spotlight on: Home-based child care in NYC in the Early Childhood Poverty Tracker. Robin Hood. https://robinhood.org/wp-content/uploads/2024/09/ECPT_-Poverty-Tracker_homebased-Childcare.pdf

[14] High Calling, Low Wages: Home-Based Early Care and Education Providers in New York City, The New School, Center for New York City Affairs, September 2023. Retrieved from https://www.centernyc.org/reports-briefs/high-calling-low-wages-home-based-early-care-and-education-educators-in-new-york-city

[15] Connecticut Office of Early Childhood. (n.d.). The Early Childhood Education Endowment. https://www.ctoec.org/earlychildhood-education-endowment/

[16] Connecticut Office of Early Childhood. (n.d.). The Early Childhood Education Endowment. https://www.ctoec.org/early-childhood-education-endowment/

Appendix

A Selection of FDC/GFDC Startup Costs

Startup Activity	Cost
Background Check Fee	$25 for provider and household members $25 for each staff member
CPR Training	~$125
15 Hour Health & Safety Course	Varies by firm Average is roughly $325 Can cost up to $500
Medicine Administration Training	$70+
Health & Safety Materials (e.g. fire extinguishers, outlet covers, CO2 Alarms, etc.)	$200-$300
Basic educational materials (books, toys, etc.)	~$1,000
Insurance	varies
Rent	Providers Reported Average of $1,000-$3,000/month. *Over at least a 6 month start-up period this can range from $6-18,000* *Note that these costs may be even higher, especially when considering rental costs outside of our pilot region in the Bronx, which is the lowest rent borough in the City. Based on 2025 real estate data, the top of this range shared by educators represents median asking rent in the Bronx.* A 2019 Cost of Care Study by the Center for American Progress *for New York includes per square foot rental costs to range from $13 to $21 per square feet. To serve 12 children in a group setting, 420 square feet is required. That would cost from $5,460 to $8,820 per month.*
Total	**$1,500 + in rent costs over 6 months = ~$15,000**