



Philadelphia | 18-month Evaluation Brief

# What We Learned About the Thriving Providers Project in Philadelphia

## Introduction

Stanford | Center on Early Childhood



**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; RAPID 2025). 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 United States, 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 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, Allegheny County (PA), and Transylvania County (NC). 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, all of whom are HBCC providers, including family, friend, and neighbor (FFN) caregivers and licensed or registered family child care (FCC) providers, as well as from parents and family members of the children they serve. We compare trends observed among

TPP evaluation participants to those 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.

**In this final 18-month brief, we describe what we have learned about Philadelphia FCC providers’ experiences with TPP and the impacts of receiving ongoing, unrestricted, and reliable cash transfers.** We aim to understand how this financial support contributes to FCC providers’ sense of economic stability, emotional well-being, ability to continue offering high-quality care, and retention in the field. The findings in this brief draw on data collected from FCC providers in Philadelphia during the implementation period from May 2024 to December 2025. We also refer to primary data that we collected from 12 parents/family members of young children – for whom TPP evaluation participants are FCC providers – in virtual focus groups that we conducted in October 2024. This is a pilot initiative with a relatively small sample of providers who met site-specific criteria. As such, this brief relies heavily on qualitative open-ended responses and participant-reported experiences that describe TPP’s impact. To learn more about our project methodology, see the [Colorado Thriving Providers Project: Final 18-Month Evaluation Report](#).

## TPP in Philadelphia

Building on an initial pilot in Colorado, Home Grown partnered with 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 – to recruit and enroll 45 FCC providers in the second pilot of TPP. Providers, who met Philadelphia-specific eligibility criteria, received \$250 payments twice a month for 18 months.

- 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 one child under the age of five, and
- reside in Philadelphia.

Additionally, PHMC used zip code-level risk data to prioritize provider selection and gave priority consideration to a licensed FCC provider rated either a STAR 1 or STAR 2 in Pennsylvania’s Quality Rating and Improvement System<sup>1</sup> (QRIS). 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](#)). These considerations were particularly salient given recent trends; Philadelphia has lost a significant number of licensed FCC providers, dropping from 439 in 2019-20 to 288 in 2025-26 ([Pennsylvania Department of Human Services, 2025](#)).

The SCEC and PHMC recruited 37 of the 45 TPP participants in Philadelphia to participate in the evaluation. This set of analyses on TPP data is based on responses from those 37 providers. From August 2025, there were 33 evaluation participants in the sample – some did not pass reverification, others opted out. These caregivers represented a range of voices: 94.6% were female, 83.8% were Black or African American, 94.6% preferred the English language, and 59.5% lived below 200% of the federal poverty level.



<sup>1</sup>Keystone STARS is Pennsylvania’s quality rating and improvement system (QRIS) for early care and education programs. All certified providers start at STAR 1. STAR 4 represents the highest quality.

# Context Matters: Systems-Level Disruptions in Philadelphia

Participants took part in TPP during a period of significant state and local system disruptions that directly shaped their financial realities. These disruptions included:

1. **Delayed child care subsidy payments:** Child care subsidies help low-income families pay for care and typically are paid directly to licensed providers. Due to a local intermediary transition, June 2024 subsidy payments did not arrive as scheduled in July. As a result, some providers went without expected income for several months.
2. **Loss of CACFP sponsors:** The Child and Adult Care Food Program (CACFP) provides food to low-income families through reimbursements to their child care provider. Several FCC providers reported losing their CACFP sponsor and, subsequently, access to reimbursements for children’s food, forcing them to cover costs out-of-pocket.
3. **Local emergency:** On January 31, 2025, a medical jet crashed in Northeast Philadelphia, killing seven and causing widespread damage to surrounding buildings. At least one provider reported having to close their child care facility for repairs.



Understanding the timing and impact of these events is essential for interpreting the other findings presented in this brief.

## Key Findings

### 1. With Reliable, Consistent Payments, TPP Participants Reported More Confidence They Can and Will Stay in the Field

Soon after receiving DCTs, most TPP evaluation respondents (79%) reported that payments helped them remain in the child care workforce, suggesting this is an immediate impact of the cash support. Similarly, after 18 months, 81% of respondents said they are likely or very likely to continue to work in the field for the foreseeable future. This finding is especially notable given the decline in the number of regulated FCC programs operating in the U.S. over the past two decades ([Erikson Institute, 2021](#)) and locally in Philadelphia.

HBCC is often the preferred option for families. Family focus group findings revealed that families chose FCC providers for reasons beyond necessity, including the caregiver’s background and experience, familiarity of a known person, and perceived quality. These families also often face the greatest barriers to accessing child care, whether due to geography, income, or nonstandard work hours, making workforce stability in this sector especially important. A more stable workforce supports families’ ability to maintain consistent child care arrangements, which in turn supports children’s continuity of care and early learning experiences.

**“Had I not received that money, I would have questioned whether I should continue in child care ...”** - Evaluation 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 [sic] afloat.”** - Evaluation participant

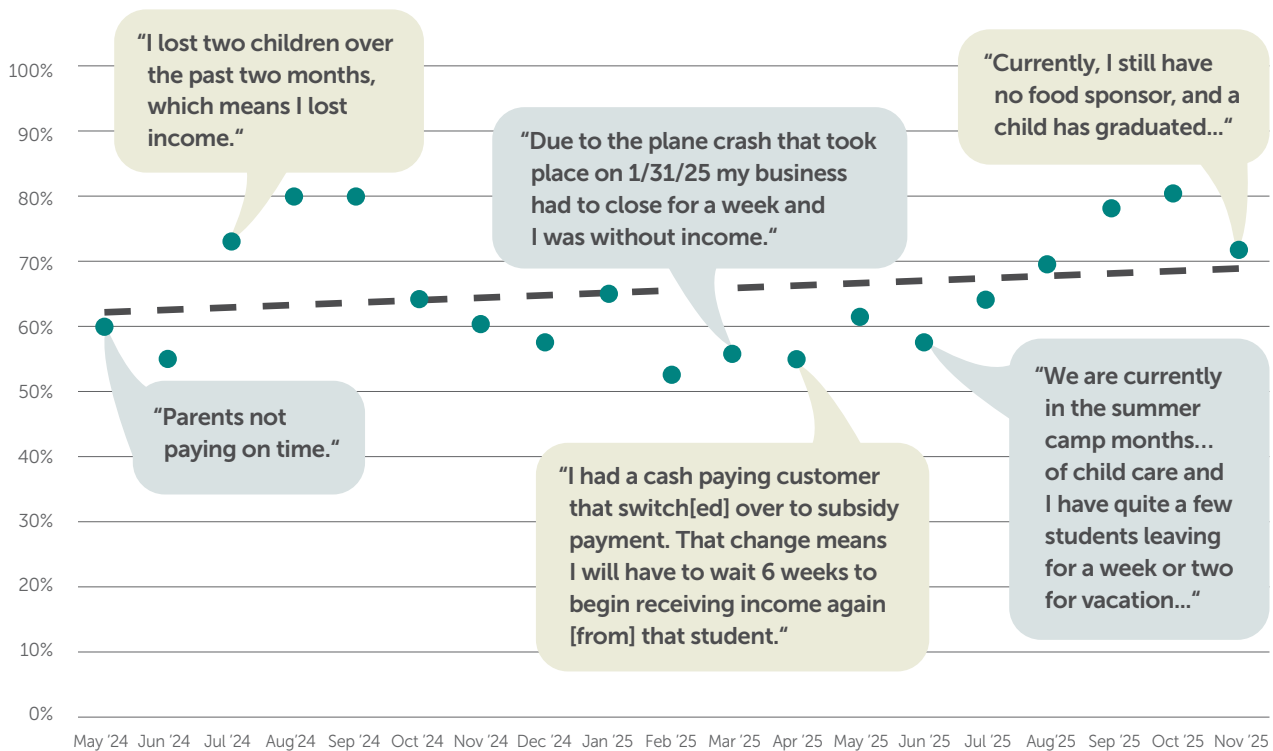


## 2. TPP Participants Reported that Reliable, Consistent DCTs Increased Their Sense of Economic Stability and Buffered Against Income Volatility

Evaluation participants said DCTs acted as a predictable financial anchor that supported them in managing cash-flow gaps, paying down credit card, utility, and student loan debt. DCTs were the most cited debt reduction strategy reported by participants. Additionally, evaluation participants consistently reported that DCTs helped them meet basic needs such as rent, food, and utilities.

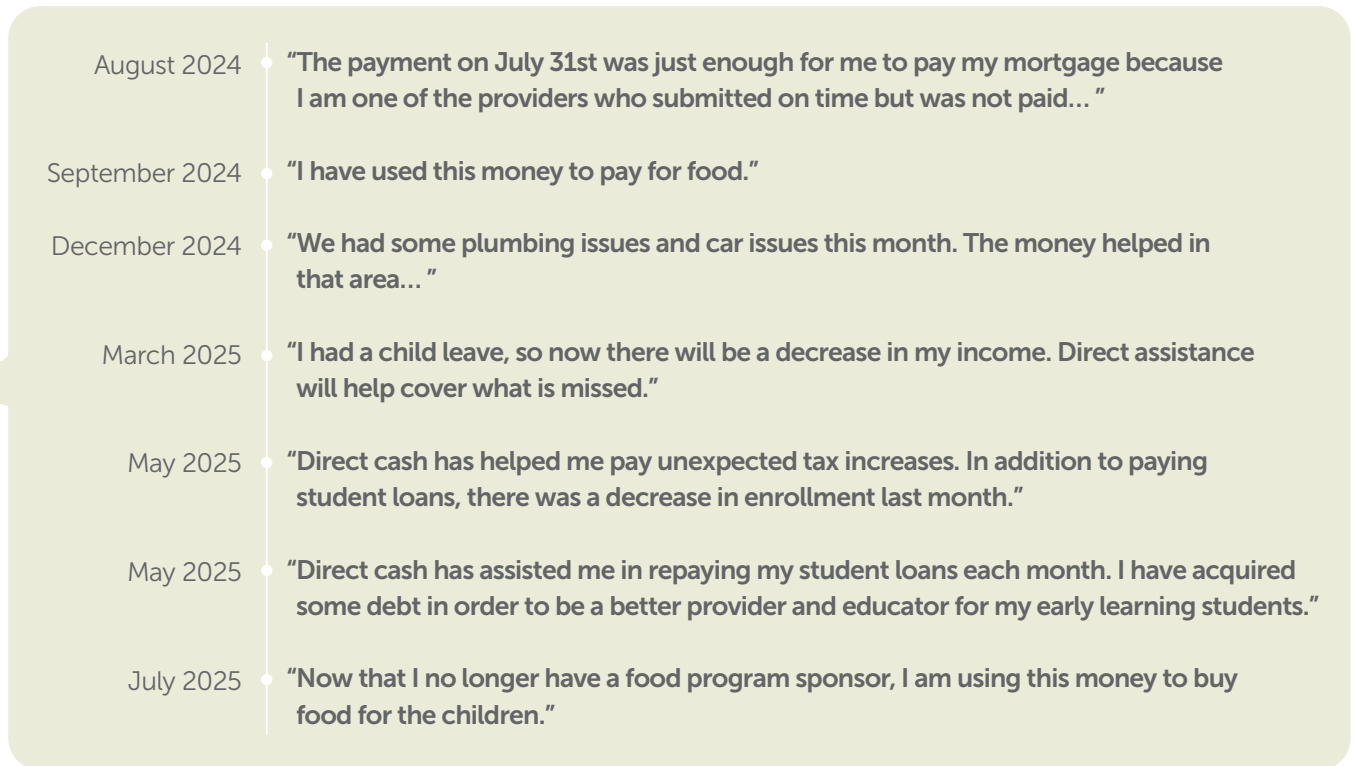
Several TPP Evaluation Participants reported persistent income fluctuations. FCC providers typically experience such disruptions, including, for instance, low enrollment ([Erikson Institute, 2021](#)). However other disruptions specific to this pilot site included delays in subsidy payments and the loss of food program sponsorships as described above (see Figure 1).

**Figure 1. Percentage Reporting Fluctuations in Income with Open-ended Responses**



Even as income fluctuations persisted, at least 90% of TPP evaluation participants agreed or strongly agreed every month that DCTs helped them manage fluctuations in their income. For many participants, DCTs helped stabilize their financial realities, alleviating the impact of expected income fluctuations. Below, we share one TPP evaluation participant's responses over the course of a year to illustrate these patterns (see Figure 2).

**Figure 2. How DCTs Supported One Participant**



For this participant, DCTs became a crucial stabilizer. Other evaluation participants reported similar experiences:

"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

"...Receiving the deposits has helped in a lot of ways with rent, purchasing groceries, and paying the utilities bills." - Evaluation participant

### 3. TPP Evaluation Participants Reported DCTs Filled Critical Gaps Caused by System Failures

In Philadelphia, findings suggest DCTs not only stabilized providers' finances but also helped offset real and immediate losses caused by delayed subsidy payments and disruptions to CACFP reimbursements.

"These funds have helped me tremendously with my day-to-day operations... as well as food, due to the termination of Family Providers from the Food program."

- Evaluation participant

Limited access to public benefits may have further amplified providers' vulnerability. Just over 75% of evaluation participants reported not receiving any form of public or employment benefits (e.g., Temporary Assistance for Needy Families (TANF), Medicaid, or food stamps). In this context, delayed subsidy payments, loss of CACFP sponsors, and low engagement in public benefits underscore how essential DCTs were in filling gaps caused by system failures. These data show that it is critical that the use of payments remains unrestricted.

## 4. Increased Stability Allowed TPP Participants to Improve the Quality of Care They Offered

TPP evaluation participants in Philadelphia reported that increased financial stability allowed them to invest in their care environments, focus more intentionally on children’s experiences, and pursue professional development. Providers who participated in the evaluation described using DCTs for repairs and improvements, purchasing food for the children in their care, and purchasing learning materials. They also shared experiencing reduced stress and a greater ability to be present with children. Together, these investments supported higher-quality care and may contribute to more positive experiences and developmental outcomes for young children.

**“Because of the direct payments I now live life with less fear and I’m no longer in survival mode. I think and handle problems with better emotional and financial stability and I’m able to enjoy my job for the beauty it is instead of constantly being worried about financial issues. Who knew that a mere \$500 could bring me such stability?... Everything is connected, the better I am cared for, the better I can care for my students.”** - Evaluation participant

## Conclusion

Much can be done to better support the emotional and economic well-being of FCC providers, who play a critical role in the lives of young children, families, and communities. Ongoing material hardship continues to shape the realities of this workforce, underscoring the urgent need for stronger, more reliable supports and system-level changes that improve compensation and working conditions. Findings from this 18-month pilot program in Philadelphia demonstrate the potential of reliable, consistent cash payments to buffer against income volatility, reduce stress, and strengthen providers’ confidence in their ability to remain in the field, even amid significant local and state disruptions. Increased stability for FCC providers supports not only their own well-being but also the families and young children who rely on their care.

We will continue to monitor trends across the domains outlined in this brief and learn from the experiences of providers participating in TPP. Future reports will share findings from additional TPP sites, including New York City, Los Angeles, Allegheny County, PA, and Transylvania County, NC, as the project continues to expand and inform strategies to improve the financial security of HBCC providers nationwide.

### References

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