



New York City | 18-month Evaluation Brief

What We Learned About the Thriving Providers Project in New York City

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 (Home Grown, 2023). 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). When providers and families have consistent access to basic needs, it creates more stable environments and supports the well-being of everyone involved – providers, young children, and their families. 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 (NYC), 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 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.

In this final 18-month brief, we share what we’ve learned about providers’ experiences with TPP and the impacts of direct cash transfers (DCTs) in New York City (NYC), the third TPP implementation site. This brief draws on data collected from NYC HBCC providers between June 2024 and January 2026. Findings show that ongoing, unrestricted, and reliable DCTs increased participating HBCC providers’ sense of economic stability, which in turn supported their ability to sustain and strengthen the care they provide. Before presenting results, we describe local events that shaped providers’ experiences in NYC to support interpretation of the findings. We examine how DCTs relate to providers’ economic stability, emotional well-being, ability to continue offering high-quality care, and retention in the field. Because this is a pilot initiative with a relatively small, site-specific sample, the findings rely heavily on qualitative responses and participant-reported experiences. Additional details about the study design are available in the [Colorado Thriving Providers Project: Final 18-Month Evaluation Report](#).

TPP in New York City

A recent report from [Robin Hood](#), an NYC anti-poverty organization, highlights the conditions facing the city’s HBCC workforce (Cha et al., 2024). Most providers are low-income women, largely women of color and immigrants, and many earn far below NYC’s minimum wage. About one in four rely on SNAP, nearly half use Medicaid, and more than one in six have no health insurance. Poor health is also common, with nearly half reporting poor physical health and about one-third reporting poor mental health. At the same time, HBCC plays a critical role for families, with roughly one-third of NYC families using this form of care, and most working families who rely on HBCC need public subsidies to afford it.

Cohort Description

This project took place in partnership with All Our Kin (AOK), a national nonprofit organization that trains, supports, and sustains family child care (FCC) providers. A total of 50 HBCC providers who met NYC-specific eligibility criteria enrolled in TPP, receiving \$500 payments twice a month for 18 months. In order to qualify, Home Grown required providers to:

- be licensed FCC providers,
- reside and operate in the Bronx,
- be considered AOK Educators and opt-in to be AOK network members,¹
- attest that they are primarily responsible for the direct care of children and do now or seek to care for children whose families receive the New York State Child Care Assistance Program,
- be at least 18 years old, and
- intend to provide child care for the next 18 months.

Priority was given to providers who received their child care license within the past 12 months, though this was not a requirement. This prioritization was recommended by the local Advisory Committee, made up of providers and other stakeholders, who noted that licensing can take up to six months and startup costs can reach \$15,000, making these newly formed businesses especially vulnerable to financial instability.

The SCEC and AOK recruited 35 of the 50 TPP participants in NYC to participate in the evaluation. This set of analyses on TPP data is based on responses from those 35 providers. From May 2025 onward, there were 32 evaluation participants in the sample – some did not pass reverification, others opted out. These caregivers represent a range of voices: 85.7% are female (some participants chose not to respond), 77.1% are Hispanic/Latino(a), 62.9% prefer the Spanish language, and 74.3% live below 200% of the federal poverty level.

¹All Our Kin’s Family Child Care Network offers educational mentorship, professional development, advocacy and leadership opportunities, and community with other family child care providers. The Network is a high-touch program built on best practices in early childhood consultation and teacher mentoring. Early childhood consultants visit family child cares to lead model lessons, demonstrate new strategies, and reflect with providers on their work (to learn more visit: <https://allourkin.org/family-child-care-networks>)

The Conditions that Shaped NYC TPP Evaluation Participants' Financial Realities

- **Immigration:** Local community-based organizations (CBOs) shared with SCEC that from January 2025 onward, safety concerns around immigration status led families to remove children from child care programs, consequentially disrupting enrollment.
- **Child care vouchers:** In early 2025, the city's Administration for Children's Services (ACS) warned it would soon run out of Child Care Assistance Program (CCAP) funds due to funding shortages from New York State. In May 2025, ACS paused new voucher enrollments, preventing eligible applicants from accessing support.
- **Public Programs:** The state introduced universal pre-K (launched in 2014) and later 3-K before TPP began, reshaping the early childhood landscape. Since the launch of pre-K, New York City lost 1,400 FCC and Group Family Child Care (GFCC) businesses. While FCC providers may be included in pre-K systems, they often face significant barriers to participating in these publicly funded programs as providers, including lower wages, eligibility criteria, application procedures, enrollment rules, and negative perceptions of quality. This results in many providers caring for children from infancy only until age three, when many transition into publicly funded programs.



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

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 (73%) reported that payments helped them remain in the child care workforce, suggesting this is an immediate impact of the reliable cash support. Similarly, after 18 months, 88.9% 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 high turnover across the early childhood workforce and the additional disruptions that may otherwise push providers out of the field (Vicente et al., 2025; Caven et al., 2021).

"I was going to quit being a child care provider before receiving the direct cash transfers but because I am receiving this help of the \$1,000 per month, I no longer need it to quit being a child care provider." - Evaluation participant

For providers operating small businesses with limited financial margins, income volatility can quickly increase economic instability, compromising their ability to remain in the field. By providing a consistent baseline of support, DCTs helped providers stay afloat through enrollment losses, delayed reimbursements, and unexpected expenses.

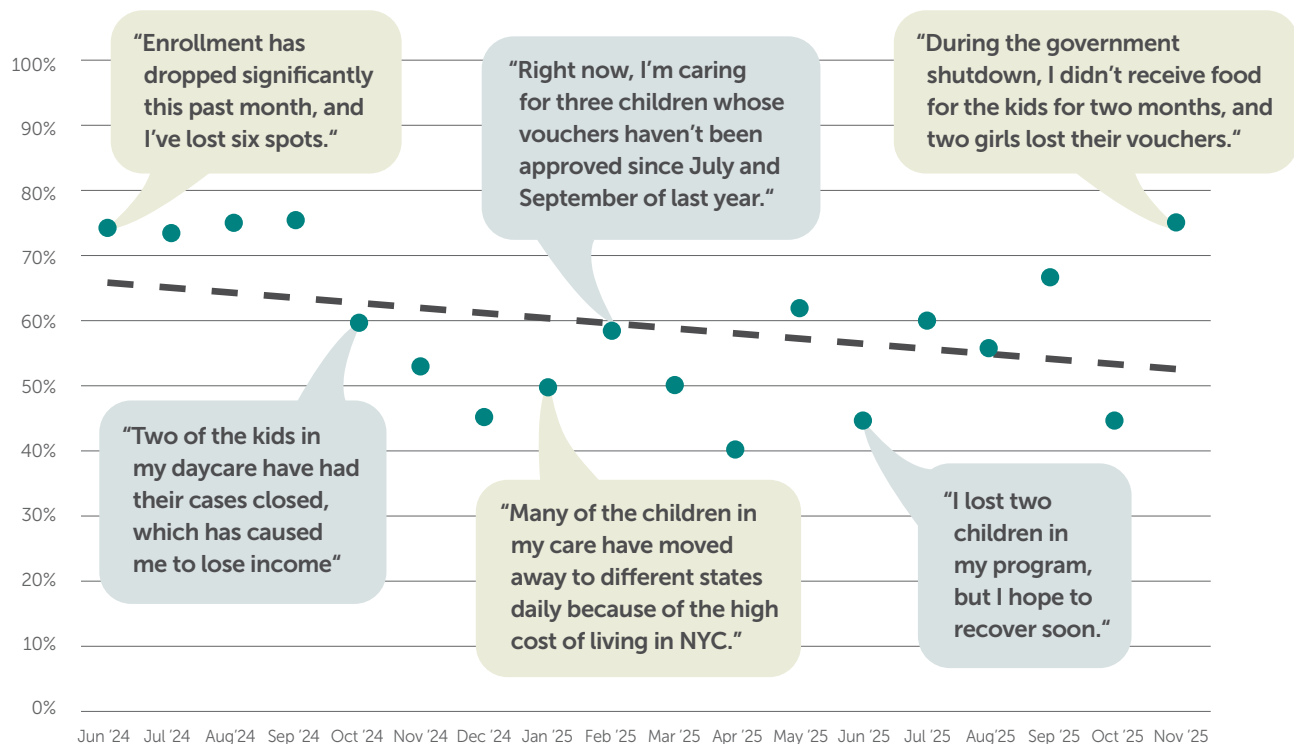
HBCC is often the preferred option for families. Family focus group findings revealed that families chose FCC providers for reasons beyond necessity, including perceived quality, referrals and recommendations, and the way in which their child's specific needs were met. These families also often face 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.



2. Reliable, Consistent DCTs Stabilized Providers' Sense of Economic Stability and Buffered Against Income Volatility

For HBCC providers in NYC who participated in the evaluation, income fluctuations remained a persistent condition of operating their businesses. Across the 18-month implementation period, providers said that seasonal enrollment shifts, inconsistent payments, and state and local disruptions to subsidy payments caused economic instability. In open-ended survey responses, providers reported losing income when families moved, when children left unexpectedly, or when they experienced delays in voucher and case approval processes. Others described cash-flow gaps caused by families paying late, or not paying at all, even while children continued attending care. TPP evaluation participants also reported increased costs associated with sustaining operations during periods of low enrollment, including insurance renewals, payroll increases, and staffing expenses (see Figure 1).

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



Such income volatility is a persistent reality that shapes providers' day-to-day financial realities. Even as income fluctuations persisted, reliable, consistent direct cash payments helped buffer against the instability felt by TPP evaluation participants.

"It has improved because I have stabilized financially." - Evaluation participant

"The transfer helps me stabilize my situation with the debts I have." - Evaluation participant

3. Reliable Cash Support Helped TPP Evaluation Participants Reduce Debt Over Time

Even as income volatility persisted for NYC TPP evaluation participants, they reported that reliable and consistent DCTs helped them to cover the costs of rent, food, utilities, and sudden financial needs, such as unexpected expenses or months when enrollment dropped.

"It helps me pay for various things such as prescriptions, electricity, and food." - Evaluation participant

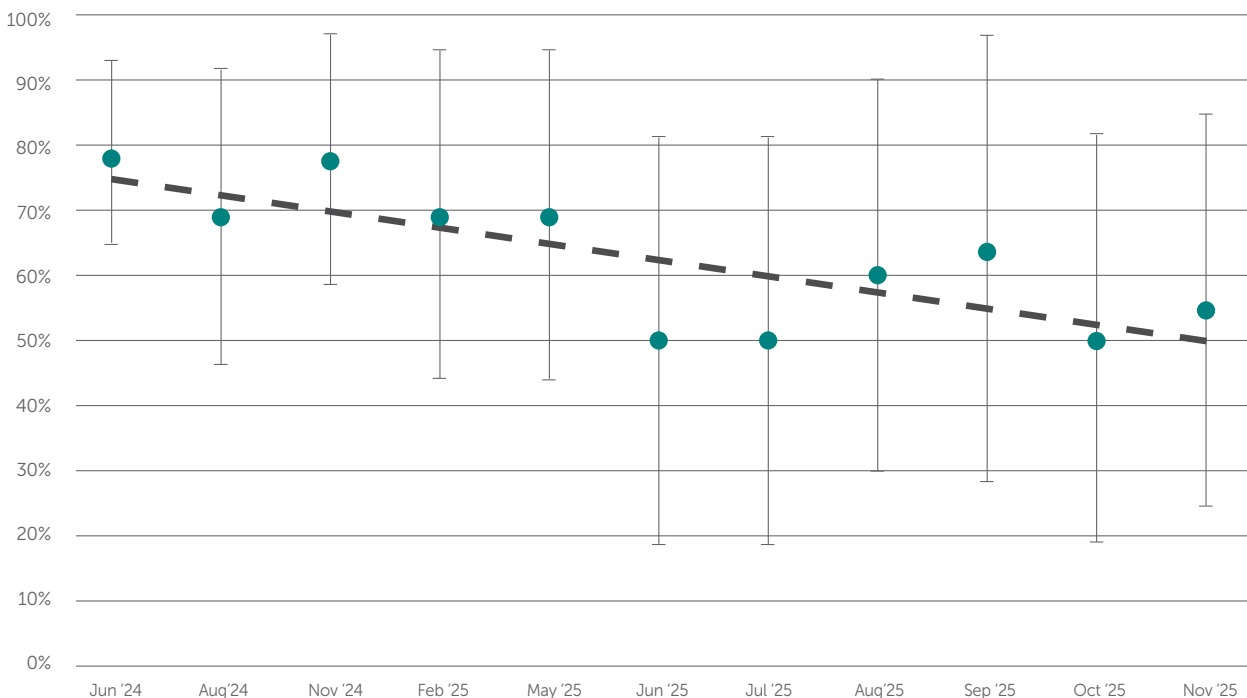
Evaluation participants also reported reducing debt over time and paying down credit card, utility, and education-related debt:

"Honestly, this support has helped me get through the last few months, pay off my debts, and has been a huge help for me and my family" - Evaluation participant

"Yes, I have been able to pay off my credit card debts." - Evaluation participant

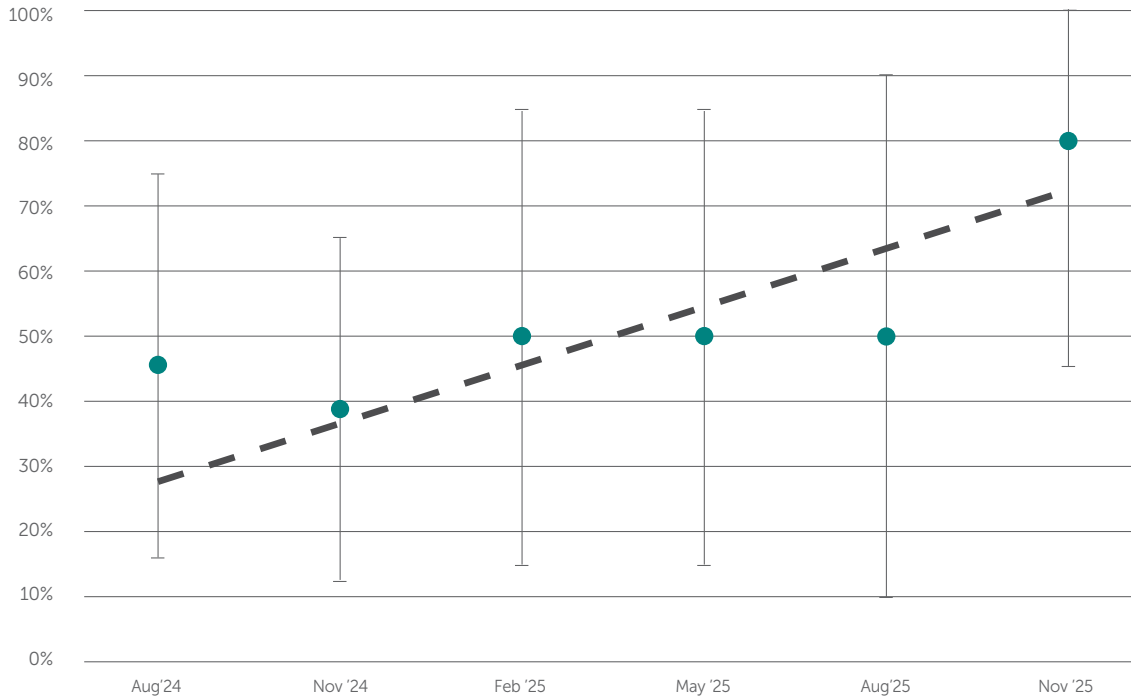
Quantitative survey findings reinforce this pattern. TPP evaluation participants reported a decrease in overdue bills and/or debt over the course of the program (see Figure 2). There is a noticeable improvement between the start and the end of the program, with the percentage of TPP evaluation participants with overdue bills and/or debt decreasing.

Figure 2. Percentage with Overdue Bills and/or Debt



Relatedly, we see a steady increase in the percentage of participants reporting that they use DCTs to reduce debts. By the end of the program, TPP evaluation participants reported DCTs as their most frequently used debt reduction strategy for managing financial obligations, eventually surpassing other commonly reported approaches such as borrowing from family or friends (see Figure 3). This shift suggests that participants may rely on the DCTs as a tool for debt reduction, rather than turning to potentially destabilizing sources of support.

Figure 3. Percentage Reporting DCT as Debt Reduction Strategy



While the percentage of TPP evaluation participants reporting debt decreased, the types of debt reported stayed relatively stable. Among those who continued to report debt, credit card debt and utility-related debt continued to be the most common categories, underscoring that structural financial pressures persist even as overall hardship declines. Taken together, these findings suggest that DCTs helped interrupt the pathway from volatility to debt by stabilizing providers' finances and enabling some providers to begin paying down overdue bills over time.

4. Consistent Cash Support Strengthened TPP Evaluation Participants' Well-Being and Caregiving Capacity

Across the 18-month period, TPP evaluation participants' emotional well-being remained relatively stable, with modest increases for some participants. However, qualitative findings suggest that DCTs made a meaningful difference in providers' day-to-day experiences. Given the many unobserved factors that shape well-being over time – including caregiving demands, household responsibilities, and broader economic uncertainty – survey trends alone may not capture the full impact of cash support. In open-ended responses, providers consistently described DCTs as providing peace of mind where it might not otherwise exist, including reduced stress and a greater sense of stability amid ongoing financial pressure.

"Getting this help gives me peace of mind, knowing at least one bill is taken care of, and I can relax a bit." - Evaluation participant

"I feel more relieved because I can take care of pending personal matters with it" - Evaluation participant

TPP evaluation participants emphasized that reduced financial strain supported their ability to sustain and strengthen the care they provide. When participants felt more financially secure, they described being better positioned to invest in their programs in concrete ways like purchasing educational materials, covering essential expenses, and making staffing decisions that supported safe, high-quality care. Some providers also reported using the transfers to fill urgent gaps caused by delayed reimbursements, allowing them to continue meeting children’s needs even when they experienced disruptions to funding streams.

“I had to use this money to hire an assistant since I can’t manage more than two infants alone, and I have three in my care.” - Evaluation participant

“This support has helped me buy food for the kids because the program has been taking a while to reimburse me.” - Evaluation participant

“The deposit I receive through this program allows me to purchase educational items and also provides income that I can use to pay myself.”
- Evaluation participant

Conclusion

More can be done to support the emotional and economic well-being of HBCC providers who play a critical role in the lives of young children, families, and communities. Persistent income volatility continues to shape the day-to-day realities of this workforce, underscoring the need for stronger, more reliable supports alongside broader system investments that improve compensation and working conditions. Recent policy developments, including New York’s planned expansion of universal child care for young children (Office of the Mayor, 2026; Kramer, 2026), signal growing recognition of the importance of accessible early care and education. As these systems expand, the stability and sustainability of the home-based workforce will remain essential to ensuring that families can access consistent, high-quality care.

Findings from this 18-month pilot in NYC demonstrate the potential of reliable, consistent DCTs to buffer against income instability and reduce the cascading effects of volatility. While income fluctuations persisted, DCTs provided a predictable financial anchor that helped providers meet basic needs, manage cash-flow gaps, and reduce overdue bills and debt over time. Providers also described meaningful reductions in stress and increased peace of mind, highlighting how economic stabilization can support well-being. Increased stability for HBCC 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. As implementation continues across additional sites and cohorts, ongoing learning will help inform how direct cash supports and broader policy efforts, such as universal child care expansions, can work together to strengthen the financial security of HBCC providers and the systems that depend on them.

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