American Enterprise Institute

Webinar — A century of working women and the future of family childcare

Welcome and introductions:
Katharine B. Stevens, AEI

Remarks:
Laurie Todd-Smith, US Department of Labor, Women's Bureau

Panel discussion

Panelists:
Shannon Christian, US Department of Health and Human Services, Office of Child Care
Jessica Sager, All Our Kin
Laurie Todd-Smith, US Department of Labor, Women's Bureau

Moderator:
Katharine B. Stevens, AEI

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Katharine B. Stevens: Hi, my name is Katharine Stevens. I'm a resident scholar at the American Enterprise Institute. And I'm delighted to welcome you today to our webinar celebrating 100 years of the Women's Bureau in the US Department of Labor, and to discuss the role and future of family childcare.

I have three fabulous women joining me here today, who some of you know. First, Shannon Christian, who is the director of the Office of Child Care in the US Department of Health and Human Services. Shannon has worked for many years in childcare and workforce development at both the state and federal levels. Next, Jessica Sager, who is the CEO and cofounder of All Our Kin, which is a highly successful organization that has been training and supporting family childcare providers since Jessica cofounded the organization over two decades ago. And, finally, Laurie Todd-Smith, who is director of the Women's Bureau in the US Department of Labor. Laurie has also worked for many years in childcare, most recently as senior adviser for education and workforce to Gov. Phil Bryant in Mississippi.

So, we're going to begin today with remarks from Laurie, who is going to give us an overview of the past, present, and future of the Women's Bureau on its one-century birthday. We'll then hear from Jessica, who will talk about her extraordinary program and why she's been committed, for decades, to working with family childcare providers. Finally, Shannon will provide a more in-depth sense of what's causing the decline in family childcare and some approaches for reversing that trend. We'll then have a discussion to follow up on these remarks and end with Q&A from the audience.

If you have a question or comment, please tweet it to #AEIFamilyChildcare — #AEIFamilyChildcare — or email it to Meredith Tracy, whose email address is in your confirmation email.

So, before turning the screen over to Laurie, I want to present just two slides of data to give context for our conversation. Just getting my slides up. Okay, so — sorry, guys, I'm trying to get to my next slide. There we go.

So, this slide shows the decline in the total number of home-based childcare providers from 2005 to 2017. As you can see, the capacity of home-based childcare or family childcare — it means the same thing — declined by about one-third, losing 640,000 spaces for children from 2005 to 2017. I'm sorry, about 97,000 providers with a decline of 44 percent over those 12 years.

This next slide shows the total capacity of home-based, and — wait, I'm sorry, I want to clarify this. So, this is the decline in the number of providers — the number of small family childcare businesses — which declined by about 97,000 providers. This slide shows the total capacity of home-based and center-based childcare, which means the number of spaces for children.

So, as you can see, the capacity of home-based care declined by about a third. Over that same period, the total capacity of childcare centers increased by 18 percent, adding 1.3 million spaces. So, what that means is that in 2005, more than one in five total childcare spaces were in family childcare, and today, just a little over one out of 10 spaces are in home-based care. So, with that context, I am delighted to turn the screen over to Laurie.

Laurie Todd-Smith: Great. Thank you, Katharine. It's so nice to be here today, and thank you for even putting together this event to focus on family childcare. I appreciate it very much. As Katharine mentioned, my title now is the director of the Women's Bureau. I'm the 19th director of the Women's Bureau at the US Department of Labor. And I wanted to start with telling you a little bit about the Department of Labor and the Women's Bureau and then focus on some statistics related to family childcare.

So, the Women's Bureau is the only federal agency that is tasked with focusing on the needs of working women. And we just celebrated our 100-year anniversary last Friday, as the Women's Bureau was formed on June 5 of 1920. So, for 100 years, we've been representing the needs of working women. And I want to give a little history lesson here.

With the increasing numbers of women working following World War I, Congress felt it was really important to make sure that women had a voice in labor issues. So, in 1910, we had five million women working, and by 1920, that number was eight million, representing 20 percent of the workforce. So, while women were getting the right to vote and were able to represent their interests politically, which actually happened just two months after we started — the Women's Bureau started on June 5, 1920, and women got the right to vote just two months later. So, while women were getting this right to vote — I've been doing some homework on the very first director of the Women's Bureau. Her name was Mary Anderson, and she was the first person tasked with this position. She focused on how to communicate the needs of working women at the Department of Labor to Congress and to employers.

So, remember I mentioned that women were 20 percent of the workforce in 1920. Today, nearly 80 million women are in the workforce. And prior to COVID, we were representing 47 percent of American workers, and last year we tied a 67 record-low unemployment rate for adult women in December, where women held more than 50 percent of the jobs in America.

So, the Women's Bureau today has the same mission. There are so many things that are similar to 1920. A lot has changed but a lot of similarities. I have the same mission right now as Mary Anderson did: to represent women workers.

So, the Women's Bureau has been focused on paid family leave. We've been focused on women in apprenticeship grants to states to try to recruit women to go through nontraditional occupation pathways. We work with the Vets Program to help military spouses. Ninety-two percent of military spouses are women, and we've been working on portability of licensure for those groups. And we also give out grants called the RESTORE grants that help women that are affected by the opioid epidemic. But consistently, one of the most protracted issues that the Women's Bureau has endeavored to take on is access to quality, affordable childcare.

So, I found some interesting things, and there were bulletins in archives and history from 1920. And they had this amazing finding, I'm sure this will shock you. In 1920, they found that women had increased absenteeism in the textile mills compared to men, and they found and attributed this to the increased responsibilities of women at home. Isn't that shocking? It's hard to do pub. So, now, everybody's laughing. But I think that's so interesting.

But I hate to confess, but Women's Bureau has not been universally successful in ensuring that every woman worker has access to affordable, quality childcare. It has been an ongoing topic and will continue to be an ongoing topic for working women and working families, and it will be every year at the Women's Bureau. That — in 1944, there was a report that showed the Community Service for Women War Workers, and actually showed the need for family childcare in 1944, was the first place I saw it spoken about. And there was a response to a situation in this bulletin that I found where "a mother kept her house locked until she got home at night. And a neighbor, woman, invited the children to come over after school every afternoon and stay until their mother came home." And the bulletin exclaimed that this was the answer to our childcare problems. That was 1944.

So, in the '60s and '70s, the Women's Bureau has focused on childcare and actually opened the very first childcare center for federal employees at the Frances Perkins Building, where I work now at the US Department of Labor, and it survives to this day. In the '80s and '90s — I think you'll find this interesting — the Women's Bureau endeavored to encourage employer-subsidized childcare, which although has been expanded, still to this day, faces some regulatory barriers. Right now, only 11 percent of employers provide this benefit, but 44 percent of employers provide wellness programs like smoking cessation or free fitness club memberships, so I think there's some work we could consider doing there.

But as COVID has presented these new issues and challenges, the Department of Labor has been tackling it head-on. On Monday, the Department of Labor announced the award for three dislocated worker grants, totaling nearly $17 million to help the workforce-related impacts of coronavirus. Monday's award follows five previous awards, and to date, $238 million has been disbursed to states under the CARES Act to help during this emergency time.

The Women's Bureau, as well, has stayed focused on ways we can help children and families. I have a few statistics I want to provide to you about the importance of us thinking, right now, about how to get this childcare right. And a few data points from pre-COVID: In two-thirds of families with school-age children, both parents work. Four in 10 working adults have children under the age of 18.Before coronavirus struck, approximately one-third of all children under 5 attended paid-care facilities, daycare centers, preschool, or kindergarten. Many of you might've heard about Bright Horizons, one of the country's largest childcare providers, closed more than half of its centers in mid-March. HenderCare had 1,300 centers nationwide and has closed about 900 facilities. About 1.5 million people employed in the childcare industry have seen their jobs disappear.

So, as people return to work in waves, now, larger childcare providers are likely to struggle to reach profitability if they're not working at full capacity. We know that parents might decide, right now, that they want family childcare in order to keep their children out of the large-group settings. In some data that I think you're going to hear about in a minute from Jessica from All Our Kin, they did a study — a national survey that showed over seven million children, birth to age 5 — I think this is pre-COVID — receive care in home-based childcare centers, and I think that number is likely to grow.

A couple more data points: The Bipartisan Policy Center did a study and asked parents what their primary concern was in returning children to a formal childcare center. The primary concern was exposure to COVID-19. Seventy-five percent of the respondents said that. It was a higher concern than the affordability of childcare, which was at 46 percent, or the likelihood that their own childcare center would open, which was at 47 percent. This is another indication that family childcare will probably have a sharp increase in demand. Harvard University researchers also have stated that the social-distancing practices that we're doing today may need to continue well into 2022, and therefore, small, home-based childcare programs will be a valuable option for communities as they gradually reopen their economies.

So, it's very clear to me that the need for family childcare is greater than ever. There's a lot of news right now about how the economy needs childcare to reopen, and this is very true. But we might consider, even amid a national crisis, that it might be time to reexamine childcare as a whole instead of designing grant programs that's simply try to turn back the clock. Maybe what we were doing before shouldn't be the path forward.

We have to ask so we can make funding streams reflect the fact that families might have different needs moving forward. So, perhaps the best way to increase the amount of money there is for childcare might be pursuing policies that make it easier for employers to provide childcare as a benefit. Perhaps we should look at childcare costs being deductible — maybe an increase in the childcare-dependent tax credit. What are the options here?

The other compelling question is that, will parents want to have their children in big groups again? Family childcare may offer a big solution to parents who won't want that. So, I want to reiterate that all forms of childcare will be needed going forward, but for right now, if we just throw money at an existing system without really trying to think about the types of care that families want moving forward — would be something we should consider. Only the market is going to be able to decide that, but we should try to reflect the comfort of parents and their choices.

So, reopening childcare facilities — private, public, nonprofit, faith-based — is all very important, and I hope that all these providers can reopen to their pre-COVID normal operations. We need them, and we need them in the future. But family-based care is essential and probably will grow moving forward. We just can't assume that parents are going to want the same things for their children tomorrow as they did before the pandemic.

A couple of more things about women. To get women back to work, we don't just need the providers that were working before. We probably need even more providers and smaller providers, especially if it's taking months for those schools to reopen. We know that there's 1.5 million childcare workers, again, that are mostly women in the United States, who also need work, and maybe we need to make sure they stay in the field of childcare as a viable option for them. If they're qualified and able to be entrepreneurs and start their own businesses in the wake of the pandemic, we need to make sure that they're not disadvantaged in doing so by big grants that choose winners and losers.

So, I'm going to wrap up, and I hope that we will have even more questions come up with things we should consider. And I'm looking forward to this great discussion about family childcare today. I'm going to turn it over now to Jessica, and I believe that her screen will come up next. Thank you so much.

Jessica Sager: Thank you. Hi, everyone, I'm Jessica Sager. I'm the chief executive officer of All Our Kin. I'll tell you about All Our Kin in a minute, but first let me just say how thrilled I am to be here with all of you today. I'm here to talk about family childcare, but more broadly, I'm here to talk about how we can create childcare that works for children and for families. So, I have some slides, so if the AEI folks could pull up my first slide that would be great. Thank you.

So the first thing I want to say is this milestone — the Women's Bureau of the Department of Labor — is really perfect for this topic because caring for and educating our youngest children — it's work. And it's work whether we do it at home with our own children, it's work if it's paid or if it's unpaid labor, and it's some of the most important and vital work that there is. And the burden of this work has disproportionately fallen on women, and let me say, it has disproportionately fallen on black and brown women. And it has not been adequately funded, supported, or recognized. So, to lift up and honor the work of caring for children in this moment, I think is really profound, and I'm very excited to be part of this. Next slide, please.

So, I used to say the childcare system in the US was broken, and then I realized that was giving us too much credit. We don't have a childcare system at all. It doesn't work for children, families, or caregivers. And this is true for pretty much every family, right? Even families with plenty of income, who work 9:00 to 5:00, who have two parents, struggle to find care. But if you have families who have very young children — families with single parents, families who work nonstandard hours or face challenges around transportation or have limited financial resources — these families have incredible barriers in finding care, and this existed even in the pre-COVID era. And I'll talk about what it's like now in just a moment. Next slide.

So, in the absence of a system, women — it is overwhelmingly women — across the country open their homes to care for each other's children. These family childcare providers meet a crucial need. They are truly the unsung heroes of childcare, and without them, our system breaks down completely. Children don't receive the love, care, and attention that they need and deserve, parents can't go to work, and the fragile arrangements that families have built fall apart.

But, like so much of the work that has traditionally been done by women, the work of family childcare educators has long been overlooked. For far too long, we've assumed that family childcare is, at best, babysitting. We've failed to recognize that family childcare educators are, in fact, both educators and business people with so much to offer. They've been underpaid and undervalued and lack access to training, resources, and support. Next slide, please.

So, in response, my organization, All Our Kin, has created what we call a "quality highway," investing in family childcare educators as both teachers and business people. We work with about 1,000 caregivers across Connecticut and New York City, supporting them in becoming licensed and meeting health and safety standards, bringing them the very best of what we know the field has to offer about how young children learn and develop, and, finally, supporting them as entrepreneurs and business people so that they can build what are truly successful small businesses rooted in community and meeting a desperately important community need. Next slide, please.

Our work is a triple win because when we provide quality care, children get the foundational early learning experiences that are essential to their future success. Families — and let us be honest, particularly mothers — are able to enter the labor force and to be successful there, feeling good about where their children are cared for. And family childcare educators themselves, who, again, are women businesspeople, are able to build thriving businesses that support and sustain both themselves and their families. Next slide.

So, just a little bit about our outcomes, just to make the point that investing in family childcare makes a difference. All Our Kin's work is transforming the supply of childcare. We're reversing that really disturbing trend that Katharine highlighted and increasing the supply of care in the areas where parents need it most. Next slide.

We've shown that really high-quality care is possible in family childcare settings. So, again, I think, often, there's been, kind of, this assumption that family childcare is not education as well as care. We've shown that with training and support, family childcare educators, in fact, can meet incredibly high standards of quality, and quality that is driven by attachment, by deep connection to families, and all the things that we know parents are really hungry for in their childcare programs. We've also shown that children in our programs have better outcomes on tools that measure social and emotional skills, precognitive skills, and all the things that prepare them for success in school and in life.

And, finally — next slide — our work is truly business development. We create pathways out of poverty so that our caregivers earn more and are actually able to build pathways to increase earnings and well-being for themselves and their families. Slide.

The results according to the University of Connecticut Center for Economic Analysis is that for every dollar we invest in a family childcare program, we're delivering $15 to $20 of investment to the community as a whole. And it's important to pull out some of the pieces of that because one piece of that is about the increased earnings, the increased spending, the increased taxes paid by family childcare educators. But a huge and exponential piece of that is that by investing in family childcare, we're making it possible for parents to go to work and to remain in the workforce successfully. Next slide.

Now, I want to go on and use the remainder of my time to talk about family childcare in the present moment. Family childcare educators, in the face of COVID-19, are truly frontline workers. You heard a little bit about the data on the access to care. Programs are closing across the country, and parents are scrambling. And family childcare programs are staying open at much higher rates than centers. Over 60 percent of family childcares remain open, in large part because family childcares are caring for the children of essential workers and those on the front lines. In doing that, family childcare educators are putting themselves, their own bodies, on the front lines and holding and nurturing the families in greatest need.

If there is one thing I want everyone here to take away, it is the necessary fact that if we don't invest in and support these programs in remaining open and reopening as the economy reopens, we will destroy wonderful programs that are rooted in community and that are making it possible for families to manage through this crisis and return to work when it's over. Next slide.

So just a few notes to say, again, the point I made already. Family childcare is both more essential and more fragile than ever before across centers and family childcare programs. Across the country, childcare programs are closing. Sixty percent of programs closed at last count, but family childcare educators, as I said, remain open in higher numbers (60–70 percent). And I will say that the providers that are supported by All Our Kin's consultation and services are closer to 80 percent, which, I think, speaks both to the support that we're able to provide and to their deep, deep commitment to children and to families.

And, finally, just to make this point because I think it's so important, as many as 50 percent of our family childcare programs and our center-based programs may close permanently, and family childcares are at greatest risk because they already operate at razor-thin margins. This is important because, as Laurie stressed, parents — we hear anecdotally — are going to want family childcare as a choice when they return because of the small group size, because of the nurturing and intimate nature of family childcare, because of the flexibility that these programs offer. I want to say, very plainly, that I do not see family childcare as a replacement for centers. I think both are valuable. I think both are essential. And what I hope we can do is invest in and support the entire system of care but make sure that we include family childcare. Next slide, please.

One more thing I want to tell you, open or closed, family childcares are supporting the children and families in greatest need. Just so you understand the mission and passion of family childcare, those of our educators who have closed are still connecting families to resources — are still calling families every other day to check in. They're dropping off books and curriculum materials. They're leading livestream sing-alongs with children. They are doing so much to nurture children and families during this time, and I'm really excited for us to support them as we move into the next phase of the COVID-19 crisis.

Because, open or closed, family childcares are also struggling economically. Even if they continue to provide care, they're serving fewer children, and it is really tough to make ends meet. We hear story after story of family childcare educators experiencing personal hardship so that they continue to, for example, pay assistants and provide care to children. Next slide.

I'm not going to spend much time on this. All Our Kin has a brand-new policy paper that I'll invite you to take a look at. But we really think that as we think about how to sustain and how to reopen and rebuild, there are three big things we need to think about. Health and safety — how do we get cleaning supplies, health and safety supplies, the latest public health information, into the hands of family childcare educators?

Economic stability — how do we think about using fiscal stabilization grants and other mechanisms, including philanthropy and public dollars, to put money into family childcare programs so that they can manage and survive through this crisis?

And, finally, social and emotional well-being, both for the educators themselves and as they support children and families in navigating through this very tough time. So, that means coaching, consultation, support in trauma-informed practices, and ways to help families and children, especially, face a new normal that is really scary and hard for all of us. Next slide.

Now, all the things that I'm describing about investing in family childcare in all these three buckets — health and safety, economic security, social-emotional well-being — these are things that are essential now. The truth is these are things that we should have done a long time ago. My vision is that through managing through this moment and rising to this moment, we can, in fact, invest in and build a childcare system that honors, lifts up, and supports the work of family childcare educators and center-based providers, that builds a true system that creates meaningful choices for parents, and that is rooted in and lifts up this work that grows organically and naturally out of community and is so deeply responsive to parent and to family needs. Next slide.

My contact information is here. I encourage you to reach out to me. I encourage you to take a look at our policy paper. We have some broad guidelines, and then we also have COVID-19-specific guidelines.

Thank you so much. It's an honor to be with all of you today. With that said, it's my great pleasure to hand this off to Shannon Christian, the head of the Federal Office of Child Care.

Shannon Christian: Thank you very much, Jessica and everyone else. This is a great opportunity to build on each other's ideas and the work that we've been doing. And I appreciate the chance to have the federal perspective in the mix. And I apologize, there're sirens outside my window right now.

We oversee the Child Care and Development Fund, which is an $8.7 billion block grant that goes to states, territories, and tribes to subsidize childcare for low-income, working families, and also to invest in quality improvements that benefit all children. This funding source is the largest for this purpose across government. In keeping with the program's high value placed on parental choice, the subsidies are available for children ages birth to 13 for use in a wide variety of childcare settings, both center and home-based. The home-based settings involved range from licensed and licensed-exempt family childcare homes; to informal family, friend, and neighbor care; to care provided in the child's own home.

For today's discussion, I'll be talking about family childcare in general regardless of whether or not providers receive subsidies. Payments from parents are the most common source of revenue. They are between 76 and 84 percent of what's received by providers, depending on what category of family-based provider we're talking about, which is a really complicated mix that we're not going to go there much.

So, I want to also say that on top of our regular funding that I mentioned earlier, we received a supplemental appropriation as part of the Coronavirus Aid, Relief, and Economic Security Act, which is nicknamed CARES Act. So that $3.5 billion in supplemental funding is to help the states, territories, and tribal lead agencies, the ones who run the programs, address COVID-19 impacts. And the law made special mention of the need to serve emergency workers and to help sustain the childcare market during the closures and reduced enrollment for all, subsidized and unsubsidized, so that those providers would be there later when the coronavirus ended.

Like the rest of you, we are deeply concerned about the decline in family childcare providers given their unique strengths and the special niche that they fill. We know that home-based childcare is an important option, particularly for families seeking infant and toddler care, for parents with nonstandard work hours or variable work schedules. It's important to note that only 8 percent of centers actually provide care during nonstandard hours, compared to 34 percent in family childcare and even higher still percentages in other categories of home-based care.

For children with special needs, it's particularly important for families in rural areas, where often family childcare is the only available option. In addition to how family childcare supports families, we also see that it benefits the community, children, and parents. It provides the opportunity to develop a one-on-one relationship with a single caregiver. It offers nurturing, responsive relationships. As we said, the flexible hours that work for, often, the poor people newer to the workforce are the ones that get the least desirable shifts and are often the ones working extended or weekend or nighttime care options, and that's a bigger problem for them than the market in general, I would say.

Location is important. These are generally neighborhood-based and close to the family's home, which reduces transportation barriers. Family childcare can serve mixed age groups and allow siblings to be cared for together. They're generally lower cost than center-based care.

Also appreciated — the intimate home-like setting that is often compatible with the cultural and linguistic preferences of the children and the families. They offer continuity of care. The children often enter that care as an infant and stay through the elementary school years as their after-school provider. And the caregiver is often thought of as an extended family member and guiding influence that parents really trust. Family childcare providers that engage with parents on a regular basis are perceived as an asset to the whole community.

So, I want to mention, piggybacking on what other said earlier, that with the COVID-19 health crisis, family childcare has become even more important, and that compared to centers, the family childcares home-based served and continue to serve the emergency and essential workers at a higher rate. And although there were significant closures [inaudible] types of care, family childcare either stayed open or is reopening at a higher rate.

The early June data that we received from Child Care Aware of America shows that compared to this time last year, there are 47 percent of centers versus 35 percent of family childcare homes that remain closed. This is down from the provider closures of 70 percent for centers and 46 percent for family childcare in May. The closures have put the importance of childcare — all kinds — front and center in the public's eye because of their impact on work and, especially, for the emergency workers who were desperate, couldn't telework, and all of a sudden, these gaps in the system became apparent.

I think it's important, at this point, also, to mention family childcare as a business opportunity. So, as Laurie started, we're, kind of, looking at it both as something that's critical to the range of parent [inaudible] for working families, but it's also an entrepreneurial opportunity for working women or women who would like to stay home and watch their own children and work at the same time.

With demand increasing for family childcare and significant job loss in parts of the childcare sector, this opportunity, for those interested in providing services, is growing. So, I want to tell you just a little bit about what we know about the annual childcare income that's received across types of home-based providers that serve children birth through age 5, that were not yet in kindergarten — so the younger ones.

This data is old. It's 2011, 2012 data. We have gone out and done a new study, but people are still analyzing. So, forgive me. But for the listed providers, which is just a little complication here, the listed providers of family childcare are the ones that are the most connected to the system. They're likely to be licensed or legally operating license exempt, which is often — they don't meet the threshold in terms of number of children to have to be licensed, but they're still tracked and they're still, you know, on people's awareness-radar screen. They might be registered by the state in order to receive subsidies, and they're more likely to be part of the professional organizations like the National Association of Family

Child Care, which helps support the issues of quality and funding and a whole range of important topics for family childcare.

And then those that are considered unlisted is a huge group. It's as big as the listed group. They often serve an even smaller number of children. There may be no requirements. They're often part-time after-school providers. They may have another job at the same time. But they are a potential pool for creating more committed, regulated childcare businesses that are a little bigger.

So, I wanted to say the difference in what they earn. At the 75th percentiles, say they're at the top of their game, the listed providers — and this is all data — were earning just under $40,000 a year from their childcare businesses, and the average was just under $30,000. For the unlisted providers, which are often far, far smaller, maybe two or three children, maybe a little more, they were, at the top of their game, 75th percentile, they weren't earning just under $9,600 a year. So that's less than a fourth of what the listed providers were making, and then the average for them was $7,400.

So, you know, it's hard to tell exactly, per hour, how that works out. But you can see how, if somebody wanted to think about this and needed it as a main income source not just an extra thing to support a family, they might want to try to shoot for the more business-like, business-oriented family childcare operations.

So, now I'm going to mention a little bit about why we think there's a decline. Now, you've talked about the amount of decline so I'm going to skip that, but I think it's important to mention, in part, that one thing that didn't get said, was that in analyzing the data at HHS, we've seen that the ones who've left the provider groups from 2012 to 2019 — the big drop that others have cited — turned out to be the youngest, the ones with the least years of experience, and also the most educated. So, we're thinking, it may be mostly those that could get a better job and feel more respected in their job during a time of economic growth and more employment opportunities. So, we'll have to see how those two things play out against each other because there's also the issues of demand and pay and everything else.

So, I thought I would mention just a couple of things from the literature that are said across all sources to impact the drop in family childcare, and they include things like low or unpredictable income and no benefits. Family childcare providers lack business expertise. There's declining enrollment, increased competition, and availability of other options for families, and that includes publicly funded pre-K, which has impacted both private childcare centers and private, family childcare homes.

There's the rising cost of housing and insurance. There are local challenges such as zoning restrictions and high fees for licensing applications. Often at the local level, the zoning restrictions will not let a family run a business from their home, and then they're stuck. They can't do it. There's technology challenges. They're not all online; they don't all have connectivity and equipment. The demands of the job — they work long hours, they feel isolated, there are tough physical requirements, it's hard to balance work and family, and they're caring for mixed-age groups, which is also demanding because you have to have separate programming for everybody.

Providers are retiring and not being replaced by new providers. That same thing we've all talked about — this lack of respect that they feel. They're not recognized as a learning opportunity more than a babysitter. They have difficulty navigating multiple and changing requirements such as comprehensive background check requirements, which can be particularly tough because, if you want to get subsidies — and even for the general population, not just the subsidized, family-childcare homes — in order to be legal, have to do a background check on everyone who lives in the family.

There's difficulty navigating and successfully participating in quality-improvement systems that may have been designed for centers. They are not only inappropriate in terms of content sometimes, but they operate during the day when family childcares are often at home with the children and unable to attend, and there's difficulty accessing advancement opportunities.

So, somebody has got to stop me when we're out of time because I didn't click my stopwatch. But I wanted to mention a little bit about what we're doing now to try to help with that. We provide, from the Federal Government Office of Child Care, technical assistance to the states territories and tribes to help them implement business practices to support home-based childcare viability and sustainability. We've helped establishing family childcare networks and shared service alliances. We've helped with professional development for providers to increase their ability, skill, and knowledge, to implement safe and healthy high-quality childcare and strong business practices for provider well-being.

Now, it sounds like we're doing a lot, and we are. But when you think about the vast amount of the need, even if we're making inroads that are really good, it's hard to reach everybody. And it's very important that we have support from the states and local governments and philanthropists and businesses and organizations that are charitable that can help us with this.

Katharine B. Stevens: Shannon.

Shannon Christian: Are we down on time?

Katharine B. Stevens: This is such a vast subject —

Shannon Christian: I know, I know. [inaudible] for 20 pages.

Katharine B. Stevens: I'm regretting that this isn't a two-hour webinar.

Shannon Christian: Yeah. Can I just say one more thing?

Katharine B. Stevens: Yes, of course.

Shannon Christian: Or you can just ask me a question about what we're doing.

Katharine B. Stevens: Yes, I would like to because, actually, what I think I might do is — I've been getting a list of audience questions, some of which I think I just want to go to because I think they're great.

Shannon Christian: Yeah, you should. You should.

Katharine B. Stevens: Yeah. So, one of them I would like to address, and then you guys can chime in. And then there are a couple of others that are getting at what you're talking about. So, I realized that we — I regret not making these points in my introduction. There are child development benefits that some researchers identify in home-based care. Now, there's disagreement about this; however, the kinds of things that are unique to home-based care that are important to many parents are small group sizes. So, while a childcare center's classroom can have 20, 25, even more children in it, a family childcare center tends to have a group of five or 10 children.

The second thing which I think we underestimate in importance is mixed-age groups. Family childcare has children of all ages. So that means two really important things. One, siblings can be together. So, a 1-year-old and a 3-year-old can be in the same place all day together. So, that's the first thing. That's important to a lot of parents, and I think it should be important to more.

Second is children for all of history learn from children of other ages. One disadvantage of centers — and it doesn't necessarily have to be this way, but there's a bunch of regulations that have led to it — are age segregated, like schools. So, there's a classroom that has only babies. There's a classroom that has 1-year-olds, or 1-year-olds and 2-year-olds. There's a classroom with 3-year-olds. There's a classroom with 4-year-olds. That's not the way humans have grown up through most of history.

So, I just want to emphasize — so, for any of our audience who is interested in this, I would encourage you to do more investigation. We'll get resources to you for this, into family childcare, because it's the case that many women in our society work — some of them want to, many of them have to — and there are developmental advantages for young children to spend these first four or five years in a mixed age, intimate, child-scaled setting that I'm hoping we can start paying more attention to.

So those are my comments. Then there's a couple of questions here that we will not be able to address fully, unfortunately. One of them — Jessica, I know this is something that you will be interested in responding to. How does family childcare educator training differ from the training for center-based educators? Are there differences? Are there substantive differences in what family childcare providers need to know and how they're trained or not?

Jessica Sager: That's such a great question. So first let me say, you know, adult learning theory is adult learning theory, right? The science of how children grow and learn, that's the same. And so, one thing we've seen is that sometimes there are really wonderful trainings that are valuable to both center-based and family childcare educators, and we just haven't included family childcare educators in those conversations.

So, the first thing is just to say, "We're going to bring the very best trainings to family childcare as well as to centers." So, that's point one. It's simple, but it hasn't happened for too long.

The second is to recognize, again, the things that are unique about family childcare. So, you recognized the issue about mixed-age groups. Some centers do this; it's a wonderful model. It's a challenging model. It requires special ways of thinking about lesson planning, for example, to be really inclusive. There are other aspects of family childcare that are unique because family childcare educators are the director, are the accountant, are the chef, are the everything in that program. So, I think training really focused on family engagement, on the business side of the work is really important.

And, finally, I would say, because caring for children is really isolating, the aspect of peer support. So, building trainings that very intentionally create spaces for family childcare educators to come together, to learn from each other, to build community, to support each other, and to have opportunities to become peer mentors and leaders in the field — that's one of the things that we actually believe will really help with field retention, by the way. So, those are a few notes.

One last thing, coaching is something that we think is fundamental for all teachers in all settings. We believe that coaching and family childcare does look a little different because you have to honor and respect the fact that you're walking into someone's home. And so, you need to come in with that sense of respecting the space, of building respectful reciprocal relationships. And, really, again, I think it's not that it's different from centers. But as you would with a teacher, view the family childcare educator as a full partner with a lot of knowledge and skills of her own from the beginning of the engagement.

Katharine B. Stevens: So, I just want to mention, sort of, along these lines, one of the really exciting approaches to shoring up, boosting the family childcare sector is — are creating networks, also called shared services. So, Jessica's program is an example of that. They work with a network of family childcare providers.

So, we can get you resources on that. There is an organization called Opportunities Exchange that has been really taking off. And what they do with family childcare provider — so, you think about a center, and a center has, let's say, 10 classrooms, right? So, you can have a network of 10 family childcare providers that are, essentially, like 10 classrooms, only they're not in one building. So, these shared-services networks support home-based providers in everything from economies of scale in purchasing supplies, back-office support. And then something that Jessica's organization, All Our Kin, does extraordinarily well is pedagogical coaching, helping them raise the quality of the work they're doing with children.

So, these shared-services networks are, Jessica says, expanding, and there are other ones that, some of them are focusing more on pedagogical training and support. Some of them are focusing more on the back-office business. But it's a very promising model that is growing across the country.

So, along those lines, a couple of other questions that are, kind of, connected. And I'm going to ask you guys, Shannon, these are your questions but you have to promise me you're going to be answering in a non-comprehensive way because these are such complicated questions.

So, why does family childcare have such low margins? All childcare has low margins. Family childcare has the very lowest margins, and family childcare providers tend, Shannon, as you emphasized, to work 50–60 hours a week or more because of the nature of their work. So, we have just about five minutes. Shannon, can you just give people a quick sense of the primary drivers of those low margins?

Shannon Christian: Yeah. I don't know that I totally agree that they are in that much worse shape than small mom-and-pop type childcare centers. But the reason is, mostly, what we've, kind of, learned is they started because they care about kids and they want to earn a little extra money. They don't understand the business side of it. They don't look at how many children they can have divided by the amount of money it costs to serve those kids and charge tuition accordingly. But there's also a little bit of a — they get lower rates especially through the subsidy system, in part, because they haven't been seen as higher quality, sometimes, as centers. And that, also, the people who set the rates don't realize that they're doing it.

I mean, it's really around business knowledge and a lack of business knowledge, and they don't always go after the parents to make sure that they're really paying. If the parents are having a hard time, they care about them, they try to work with them, they don't collect the money. You know, it's mostly about money. There's nothing inherent in the way that family childcare is set up that it couldn't be as profitable, I think, as the rest of childcare, and that's why we put a premium on helping them see themselves as businesses and offering the kind of training that they need.

Katharine B. Stevens: So you guys, we just have three minutes so what I'm going to ask is, if you could each just share, briefly, a couple of key takeaways, we will figure out a way to get resources that you think will be useful to people. So, if you can send those to me, we'll figure out how to get those to people. Because this is a really vast subject, and I appreciate so much you guys consolidating an enormous amount of expertise and information into a hyper-compressed time. So, Jessica, if you could start, and then Shannon and then Laurie, and then we will conclude. Jessica.

Jessica Sager: Thank you so much. Great. So, first let me say, I hope that everyone here will take a look at both our broader set of policy recommendations for family childcare and our COVID-19-specific recommendations. We'll share these with Katharine to blast out for the group. I think my three big takeaways for you would be this.

Number one, through federal mechanisms, state mechanisms, and philanthropy, invest in and shore up family childcare at this critical moment. Include family childcare as part of your overall childcare systems. Give family childcares equal value, equal access to training, equal access to support. And, finally, as Katharine spoke about, shared services, and in the broader context of staffed family childcare networks — these community supports for family-childcare educators are one of the most effective research-based strategies we have for supporting this field, so I encourage you to learn more about them and invest in those.

Katharine B. Stevens: Shannon.

Shannon Christian: Yeah, I want a second everything that Jessica Sager has said and acknowledge the incredible contributions she's made to everyone's thinking about the importance of those networks and what they can provide in terms of support to family childcare providers. And in addition, one structural piece that we're pushing that picks up on some of the questions you're getting, Katharine, is that it's important that quality-rating systems, that try to tell parents with stars and other things what's a good childcare outlet and what isn't, need to be measuring the family childcare with its own set of tools about what's important and special about home-based care.

Because they actually look really good when you assess quality by looking at the sensitivity, the needs of children, promoting interactions among children while providing a rich environment where the child feels safe — and they're strong and supporting families — and building lasting relationships are really important aspects of quality that don't get picked up in a lot of the rating systems and something that states are working on to try to fix right now with a lot of help from us. So, I guess I just want to say don't think of them as lower-quality [inaudible] as higher quality as anybody else.

Katharine B. Stevens: Thanks so much, Shannon. So Laurie, I wish we could have the founders of the Women's Bureau from 100 years ago here with us on our webinar. Probably the more things change, the more they remain the same. Do you have any last thoughts for our audience?

Laurie Todd-Smith: I know we're running out of time or have run out of time. I would just like to conclude how important the topic of family childcare is to helping workers get back to work right now. So, I know we're short on time. If you'll follow us on Twitter @WB_DOL and help the Women's Bureau as we help advise states on these issues, that would be my concluding remarks in light of time. So, thank you so much for hosting this important event.

Katharine B. Stevens: So, with that, we'll conclude our webinar, and we're extremely grateful to all of you for joining us. Thanks so much.