

Family, Friend, and Neighbor Child Care in Massachusetts

Our state's most-excluded caregivers,
parents, and children need help today.



REPORT HIGHLIGHTS

- Family, Friend, and Neighbor (FFN) child care is an essential piece of the state child care subsidy system, but it has been missing from the conversation in Massachusetts.
- 99 percent of state-registered FFN providers in Massachusetts are paid below the state minimum wage. The state pays the average registered FFN provider just \$5.30 hourly.
- 71 percent of Massachusetts families that use their voucher for FFN child care live in high-poverty zip codes, where at least 20 percent of families live in poverty.
- 46 percent of subsidy-eligible parents in Massachusetts work nontraditional hours. Over one-third of nontraditional-hour child care happens in the margin hours of 6–7 a.m. and 6–8 p.m. FFN is often the only option for parents working nontraditional hours.
- In Massachusetts, Black and Hispanic children are four times more likely than white children to live in “extreme” child care deserts.
- H.456 will provide immediate support for FFN child care in Massachusetts.

INTRODUCTION

Our child care crisis is an economic crisis. Without child care, parents cannot go to work. But our state's child care voucher is falling short for the many families that cannot rely on formal child care programs.

Family, Friend, and Neighbor (FFN) child care is sometimes the best and too often the only option, especially in low-income, Black, brown, and immigrant communities. However, as legislators work toward a solution, FFN child care has been a major piece missing from the child care conversation.

H.456 would unlock immediate support for thousands of our most-excluded families with just two improvements to the existing subsidy system:

- 1. Increase payments to FFN providers to at least the state minimum wage.**
- 2. Fix the child care voucher so parents can use the full ten daily hours for the combination of formal and FFN child care their schedules require.**



OUR CHILD CARE CRISIS IS AN ECONOMIC CRISIS

The COVID-19 pandemic flipped the Massachusetts economy and child care sector upside down. Hundreds of thousands of parents lost their jobs. Essential workers kept our economy running even while facing serious health risks to themselves and their families. Many parents had to quit or reduce hours to care for their children while most child care options shuttered.

Now, Massachusetts faces a new child care and economic crisis. In the next seven years, the number of jobs in Massachusetts is projected to grow by 21 percent, far outpacing the expected workforce expansion of just 1.5 percent.¹ As the state adds jobs in transportation, healthcare, technology, and construction, the challenge is finding people to fill them.

This challenge is an important opportunity for workforce development in low-income communities and communities of color. But low-income parents, immigrants, and parents of color looking for jobs can't find child care that is close to home, matches the hours they work, and meets their children's needs. Parents seeking state support run into long waitlists and unworkable options.

When parents can't work because they can't find child care, our whole economy loses. The Special Legislative Early Education and Care Economic Review Commission, chaired by Senator Jason Lewis and Representative Alice Peisch, found that 28 to 40 percent of employees reported they or someone in their household left, changed, or did not accept a job due to challenges accessing child care.² Massachusetts loses nearly \$2.7 billion annually in earnings for employees, reduced productivity and added turnover costs for employers, and decreased tax revenues due to inadequate child care.³

FFN CHILD CARE CAN BE THE BEST OR ONLY OPTION FOR MANY FAMILIES

Family, friend, and neighbor (FFN) child care can help alleviate the crisis. FFN providers are license-exempt relatives, neighbors, and trusted friends providing child care either in the provider's home or the child's home. FFN child care is the most common form of nonparental child care in the United States, with an estimated 5 million providers and 11.5 million children in care.⁴ When the pandemic struck, family members and trusted friends stepped up even more than before to fill the child care gap.

For many families, FFN child care can be an important complement to licensed child care centers and family child care (FCC) homes.

- Parents often rely on FFN child care because it can promote positive racial, ethnic, and self-identities for their children.⁵ Nationally, FFN is often the preferred form of child care among immigrant families, dual language learner families, and families of color.⁶ Many FFN providers speak languages other than English, with 64 percent of FFN caregivers speaking Spanish in a recent survey.⁷
- FFN child care also provides an important option for rural families, where there are fewer formal programs and greater distances to travel for both work and care.⁸
- FFN child care supports caregivers that parents trust. In Massachusetts, 96 percent of registered FFN providers are related to the children they care for.⁹
- FFN child care supports predictable routines for the child, increased interactions with the community, and stronger family connectedness.

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FFN is often the only option for subsidy-eligible families who can't access

formal programs with their child care voucher.

- Over 20,000 children are on the waiting list for a child care subsidy in Massachusetts, in part because of insufficient capacity in formal programs.¹⁰
- Over one-third of formal programs in Massachusetts are understaffed and unable to enroll at full capacity.¹¹ 60 percent of child care centers and 35 percent of family child care homes have a waitlist.¹²
- Over half of subsidy-eligible children in Massachusetts live in child care deserts, where the number of eligible children is three times or more the number of seats in programs that accept subsidies.¹³
- In Massachusetts, Black and Hispanic children are four times more likely than white children to live in “extreme” child care deserts.¹⁴
- In Massachusetts, nearly three-quarters (71 percent) of families currently using their voucher for FFN child care live in high-poverty zip codes, where more than 20 percent of families live at or below the federal poverty level.¹⁵

71%
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I was so excited to be accepted into an intensive IT job training program, but I needed child care. As a mother of two in Dorchester, daycare was too expensive, and I didn't have a car to take the kids to a center. I found a solution with their grandmother, Leslie, who would pick the kids up, take them until my program was over, and drop them off. My children are small; one of them is learning how to talk. I was fearful of sending them to a daycare. Being able to send them to a family member was the best feeling in the world."

- Daphne Evans, mother of two in Dorchester, MA

AN IMMEDIATE, EQUITY-DRIVEN SOLUTION: FFN CHILD CARE

Our Commonwealth already recognizes the need to help families access child care and provides qualifying families with financial assistance through vouchers from the Department of Early Education and Care (EEC). Today, a quarter (233,000) of Massachusetts children ages 0-12 are eligible for a subsidy.¹⁶ Vouchers can be used to pay for many forms of child care. The challenge today is that there is a severe shortage of formal child care programs for low-income families to use their vouchers.

Vouchers are not restricted to formal child care programs; parents can choose to use them to reimburse FFN providers. To receive state payment, FFN providers must first complete an application, a background record check, health and safety training, and an annual inspection.

There is a severe shortage of formal child care programs for low-income families to use their vouchers.

**ONLY
0.2%**

of the state's \$778 million child care subsidy budget is spent on FFN child care.

But there are multiple barriers that prevent low-income families from accessing support for FFN child care in Massachusetts, most prominently the voucher rates that typically translate into far less than the minimum hourly wage and the restrictions on how parents can allocate their daily voucher hours.

Due to these barriers, only about one percent of subsidized children (about 580 children) use their vouchers to reimburse FFN care, and less than 0.2 percent of the state's \$778 million child care subsidy budget supports FFN child care.¹⁷

Massachusetts can unlock immediate support for thousands of our most-excluded families just by improving the system that already exists to support FFN child care.

H.456 An Act to expand access to family, friend, and neighbor-provided childcare, sponsored by Representative Marjorie Decker, proposes two upfront changes:

- 1. Increase payments to FFN providers to at least the state minimum wage.**
- 2. Fix the child care voucher so parents can use the full ten daily hours for the combination of formal and FFN child care their schedules require.**

Additionally, the bill would establish an FFN Advisory Council to recommend further policies, programs, and practices to support the quality and accessibility of FFN child care.



We are just two of many informal child care providers in Chelsea. Recently, we completed college courses, business training, and safety courses toward the longer-term goal of operating our own full-family child care homes (FCC). For now, we participate in the informal care economy, caring for family and extended family's children and loved ones when their usual guardians need to go to work, school, or appointments. Our work enables our community to pursue socioeconomically empowering opportunities while allowing us to earn an income while doing what we love: caring for and educating children."

– Rosa and Elida, FFN providers in Chelsea



END SUBMINIMUM WAGES FOR FFN PROVIDERS

H. 456 would increase FFN wages to at least the minimum wage.

The biggest barrier for parents who need FFN child care is the state's subminimum wage for FFN providers. While our state minimum wage is \$15 per hour, 99 percent of FFN providers receiving voucher payments are paid less than the state minimum wage; the average FFN provider in Massachusetts is paid \$5.30 per hour.¹⁸

Massachusetts FFN voucher rates pay providers a maximum of \$23.06 per child per day for full-time care. Over 43 percent of FFN caregivers in our state provide care in the child's home, where they receive the lowest rate of only \$9.76 to \$16.27 per child per day.¹⁹ Although payments increase with the number of children, state policy limits FFN child care to children who live

The average FFN provider
in MA is paid

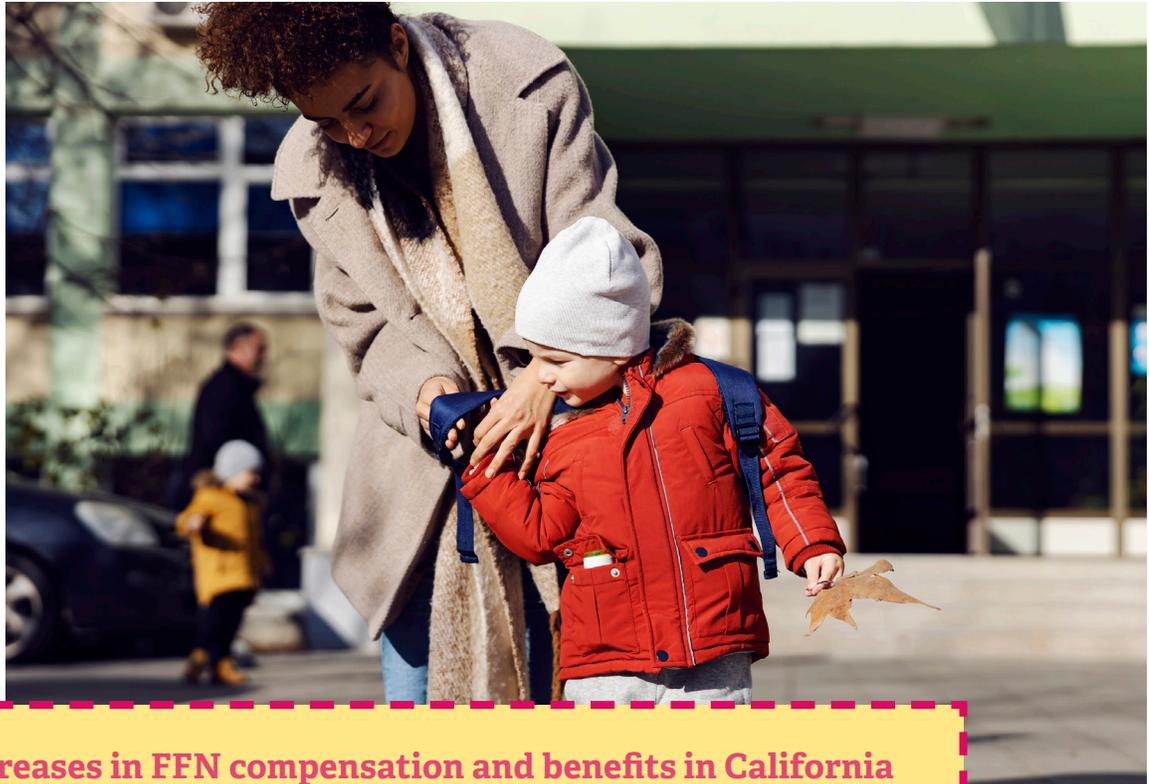
\$5.30/hr.

together or are related; among the currently registered FFN providers in our state, 95 percent care for only three children or fewer.²⁰

Unsurprisingly, when parents and caregivers learn what the rate is, many walk away. It isn't worth it, especially if they have access to higher-paying jobs. A minimum wage floor would make providing FFN child care a more viable choice for potential caregivers. In turn, parents would have more options when seeking an FFN provider; their choice would not be restricted to those willing and able to forgo a fair wage.

A minimum wage floor for FFN providers would also be a step toward lessening the deep racial and gender inequities in our state. The economic burden of unpaid and underpaid domestic labor, especially care labor, continues to fall on women, especially women of color. The informal FFN workforce is 97 percent female and 50 percent people of color.²¹

Because of the low reimbursement rate, the average cost per child using FFN child care in Massachusetts is \$2,600.²² Increasing FFN payment rates to the state minimum wage would increase the average cost per child to \$9,800. Overall, it would raise the total cost of voucher-supported FFN child care in Massachusetts from \$1.5 to \$5.7 million – still less than one percent of the state’s total \$778 million subsidy budget.²³



Major increases in FFN compensation and benefits in California

California reached an agreement in 2021 with the Child Care Providers United union to increase pay for FFN providers, COVID response stipends (\$525 to \$600 per child in addition to \$1,500 per FFN provider), and \$500 incentives for FFN providers to obtain family child care home licenses. In 2023, the state agreed to further pay increases of at least 20 percent, as well as annual retirement and healthcare funding for providers.²⁴

END VOUCHER RESTRICTIONS IMPOSED ON PARENTS WHO NEED MULTIPLE PROVIDERS IN ONE DAY

H. 456 would allow parents to use all ten of their daily voucher hours in the combination that works best.

Many parents need child care that works for nontraditional hours. Fixing the child care voucher is critical for parents working nontraditional hours such as early mornings, late evenings, and weekends – for example, nurses, bus drivers, construction workers, and many other essential workers. Parents may need FFN child care at 5 a.m. so they can arrive on their construction site by 6 a.m., or rely on an FFN provider to pick their children up from their daycare in the evening, feed them dinner, and put them to bed.

46%

of subsidy-eligible parents in MA work nontraditional hours.

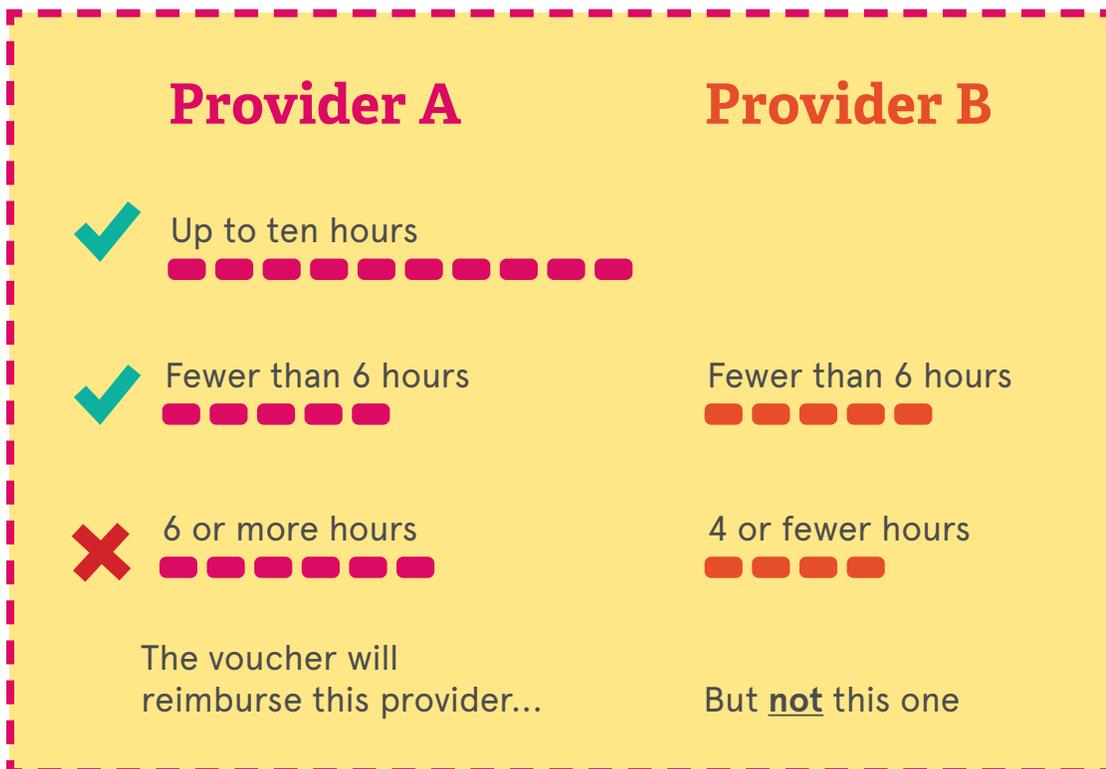
Over one-third of nontraditional hour child care happens in the margin hours of 6-7 a.m. and 6-8 p.m.

- In Massachusetts, 31 percent (91,000) of children under 6 have parents who work nontraditional hours. Among lower-income families who would likely be eligible for the state subsidy program, 46 percent of families work nontraditional hours.²⁵
- Nationally, when children are in nontraditional hourly care on weekdays, it is most often in the hours immediately before and after standard workday hours. Over one-third of children in nontraditional hours of care are in care in the margin hours of 6-7 a.m. and 6-8 p.m.²⁶
- Nationally, 82 percent of unpaid FFN providers accommodate nontraditional hours, compared to only eight percent of child care centers and 34 percent of family child care homes.²⁷

Current policy restricts mixing and matching child care in one day

The Department of Early Education and Care policy limits some low-income parents' ability to make full use of their voucher's daily allotment of child care hours. Although vouchers pay for up to ten hours of care daily, using a voucher with one provider for over six hours is considered "full time," so even if there are remaining hours on the voucher, they cannot be used to pay a different provider that same day. The problem is exacerbated by the fact that many providers today strongly prefer enrolling children in full-time care.

This policy does not reflect how common it is for families to rely on multiple providers in one day. Over one-third of New England families with children under five rely on multiple child care providers.²⁸ In California, among parents using multiple providers, over 84 percent have an FFN caregiver or nanny as one of their providers.²⁹ The problem is especially acute for parents who work nontraditional hours that do not perfectly overlap with the normal operating hours of formal child care programs.



Child Care arrangements open during nontraditional hours

Unpaid FFN Providers – 82%



Family Child Care Homes – 34%



Child Care Centers – 8%



They often need FFN child care for a few hours before or after the formal program opens or closes, and in some cases, securing that FFN child care may be the only way they can enroll their children in the formal program at all.

Unlocking the full 10-hour voucher allotment would allow parents to better find and support all the child care they need throughout the day, no matter their schedules.

Fund Child Care Resources & Referral agencies to support families seeking FFN child care

To improve access to FFN child care for parents and caregivers, Massachusetts must also increase financial resources for the state's Child Care Resource and Referral (CCR&R) agencies. Six CCR&Rs are located throughout the state to administer the FFN child care subsidy. When a parent and caregiver express interest in FFN child care, CCR&Rs provide on-demand orientations, administer the application, and help providers submit attendance information. CCR&Rs are a vital part of the child care ecosystem and need additional resources to continue and expand this work.

CREATE AN ADVISORY COUNCIL WITH PARENTS AND CAREGIVERS AT THE TABLE

H. 456 would create an advisory council with FFN caregivers, parents, and stakeholders.

FFN child care has been unrecognized and undervalued in Massachusetts for years. To truly change this dynamic, FFN providers and parents who rely on them need a meaningful seat at the table. The state must establish an advisory council to guide and inform the Department of Early Education and Care (EEC). Most importantly, the advisory council should include seats reserved for parents and caregivers and their representatives to ensure future action to support FFN caregivers and families is effective and rooted in equity.

This advisory council should be charged to study and recommend policies and practices to improve compensation, increase access to resources, recognize and enhance quality, grow the workforce, and ensure FFN child care is fully included in future child care decision-making processes. Such a formally established advisory council would build on recent work by EEC Commissioner Amy Kershaw and agency staff to learn from key stakeholders to understand the current landscape of FFN child care today and identify solutions to help ensure parents have access to the FFN child care they need.

Colorado established an FFN advisory group in 2022

Passed in 2022, Colorado SB 213 devoted \$7.5 million to FFN programs and established both a statewide FFN advisory group and an FFN training and support program run through community organizations and nonprofits. The advisory group is composed of caregivers, parents, and other stakeholders with the aim of informing the Department of Early Childhood on regulation and policy changes to support FFN care.

CONCLUSION

Family, friend, and neighbor child care is essential for a thriving Massachusetts. A strong infrastructure for FFN child care would support more abundant child care options for the parents who need them the most. It would protect the rights, dignity, and economic security of the care workers embedded in countless communities across the state. And for our most vulnerable children, it would strengthen the fundamental needs of family and community stability and connection.

By passing H.456, legislators can promote and support FFN child care with just two improvements to the existing subsidy system:

- 1. Increase payments to FFN providers to at least the state minimum wage.**
- 2. Fix the child care voucher so parents can use the full ten daily hours for the combination of formal and FFN child care their schedules require.**

As policymakers advance much-needed transformations to our state's child care ecosystem, they must enact these two improvements to bring immediate relief to our most excluded communities and to lay the groundwork for a more equitable, universal child care system in the future.



ENDNOTES

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Families And Providers United For Child Care