



Working as a Licensed Family Child Care Provider in Wake County



2019
**Family
Child Care
Study**

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Introduction

Home to the state capital, Wake County is the anchor of the research triangle. The Wake metropolitan area is an incubator for new technology, a regional tourist attraction for its artistic and cultural institutions, and the home to prestigious universities and colleges, including North Carolina State University, Wake Technical Community College, Shaw University, and Meredith College, among others. Raleigh is one of the most favorable large cities in the country to start a business¹ or find a new career.² Thus, it should come as no surprise that Wake County is growing at a rate faster than nearly every other county in North Carolina.³ In fact, Wake is among the top five fastest growing counties in the entire United States, according to the US Census Bureau's county population estimates of counties with more than 1 million residents.⁴ With an average of 56 people moving to the county every day,⁵ communities in Wake are changing shape at warp speed. The story of Wake's booming economy drives further investment in the Wake metropolitan area and encourages more and more newcomers.

Yet, the story of Wake's prosperity obscures other realities simultaneously playing out in the county. Despite being the wealthiest county in the state, Wake fits the definition of a "child care desert," according to the Center for American Progress.⁶ A child care desert is an area with at least three times as many children under five as there are spaces in child care centers or homes. Oftentimes, these spaces go to children whose families can afford them the most, which includes both wealthy families and some low income families who meet a strict income threshold to receive subsidized care, for which there is a waitlist. Approximately 254,098 children currently live in Wake County with 30% of them being five years old or younger (approximately the same percentage of children under five in North Carolina as a whole).⁷ Of Wake's children, approximately 30% live in poor or low income homes.⁸

In a trend similar to many large cities across the country since 2000, gentrification in urban centers is further widening the gap between low income residents and wealthy residents, displacing residents from historically Black, Brown, and low income neighborhoods.⁹ Evidence thus far suggests that economic impacts of the pandemic will exacerbate this divide, both increasing the numbers of people in financial distress, and driving those already in poverty even deeper.¹⁰ A few hallmarks of this inequality include a high rate of cost burden for renters and homeowners, racial gaps in education, and low availability of affordable housing.¹¹ Gentrification fundamentally changes the character of neighborhoods and their institutions. One such institution in Wake County is the family child care home.

Along the same timeline as Wake's growth, there has been a profound decline in family child care homes both nationwide, and in North Carolina.¹² In fact, over 90,000 family child care homes across the country closed between 2005 and 2017.¹³ Contrasting data from 2003 with 2019, it is clear that Wake

County is no exception to this trend. In 2003, 7% of children birth through age five enrolled in child care in the county were served through in a family child care home but in 2019, this percentage has declined to a mere 3%. This is a significant concern for the child care landscape, because family child care providers are more likely to exist in low income neighborhoods.¹⁴ As gentrification happens in residential areas, those who run businesses out of the home are doubly impacted. In historically Black and Brown neighborhoods, family child care homes have been accessible, affordable, and trustworthy places to find care. With the impacts of COVID-19, family child care homes serve as a lifeline for families.

To address growing inequality in Wake County, mitigate the impacts of the global pandemic on the early childhood system, and change the county's "child care desert" status, a focus on family child care (FCC) providers is vital. For many providers, low earnings, few benefits, lack of access to quality education, and economic inequality are a reality. The link between adequate earnings, satisfying working conditions, and access to higher education and improvements in the quality of early childhood education is clear. The data discussed in this report provide a framework for understanding the state of the family child care provider workforce in Wake County just before the pandemic struck, and the report can serve as a resource to strive for a resilient post-pandemic early childhood system.

With funding from Wake County Smart Start, Child Care Services Association (CCSA) conducted a survey of the Wake County family child care provider workforce in Wake County from February through October of 2019. This study provides comprehensive data on enrollment and structure, earnings and benefits, economic well-being, professional supports, and more. Information from similar studies conducted by CCSA in 2014 and 2003 is also provided. Comparison of the data from these surveys enables readers to learn about the continuities and changes in the Wake County and North Carolina family child care workforce that have occurred over this time period.

Data for the family child care workforce report were collected through a survey of the 168 active family child care homes licensed in Wake County in February of 2019 based on information from the Division of Child Development and Early Education. Because of the relatively small population of FCC providers in the county, CCSA included and attempted to contact each home provider. Surveys were conducted between February and October of 2019. A first attempt to reach providers was made via an online survey. Next, providers who did not complete the online survey or left an incomplete survey were contacted via phone. Finally, a mailing was sent out to all remaining providers. Useable surveys were obtained from 119 providers, who constituted 71% of the total population (N=168). Data was weighted to ensure that survey responses mirrored the total population. For detailed information about the weighting process see Appendix.

FAMILY CHILD CARE PROVIDERS

Family child care providers are a small, but vital sector of Wake’s early childhood education workforce. In Wake County, 168 licensed FCC providers use their own homes as the site of care and education for approximately 736 children, from birth to age five, across the county. Enrollment for February 2019 for full and part time children ranged from 0-13 children, with a median of 5 children enrolled. FCC providers differ from center-based providers in various ways, including their demographics and career paths. The typical Wake family child care provider in the 2019 study was 53 years old, and the average provider had been in business for 15 years at their current location.

Hours Worked and Types of Care Offered.

As a rule, family child care providers typically work longer hours than their counterparts who work in centers. Study respondents worked a median number of 52.5 hours per week. One reason family child care is crucial to Wake’s child care economy is that family child care providers offer greater flexibility in the hours they are open. In a modern economy with increasing numbers of parents working outside the historically typical “nine-to-five” schedule, family child care homes offer some key care options not usually provided by child care centers. The special and extended care offered by family child care providers in Wake includes evening care (44%), holiday care (21%), overnight care (29%), weekend care (17%), and sick child care (11%). Notably, each of these care offerings is available less frequently in Wake County than in the state at large (see Table 1). Most care offerings differ only slightly between Wake and the state level. However, evening care (44% vs. 56%), weekend care (17% vs. 24%), and holiday care (21% vs. 27%) have more dramatic differences.

Additionally, 57% of providers offer drop in care, compared to 71% of providers statewide. As opposed to other types of care factored into weekly or monthly tuition, providers usually charge an hourly or daily rate to parents seeking drop in care for their child.

Table 1: Types of Care Offered By Family Child Care Providers

		Wake 2019	Statewide 2019
Type of Wrap or Extended Care	Evening	44%	56%
	Holiday	21%	27%
	Overnight	29%	30%
	Weekend	17%	24%
	Sick Child	11%	14%
	Drop In	57%	71%

Enrollment by Setting in Wake County.

Family child care homes have historically accounted for only a small portion of total birth to five enrollment in North Carolina. Still, family child care providers have become an even smaller portion of the total workforce over time, with a steady decline in North Carolina over the last two decades. This trend persists in Wake County. The decline in the number of family child care homes is also reflected in the portion of children enrolled in family child care as opposed to center-based settings, despite an overall increase in the number of children enrolled. Table 2 shows the percentage of the total population enrolled in child care in Wake County who are enrolled at family child care homes, versus those enrolled in center based care. This data is shown at three different points in time: 2019, 2014, and 2003. For the year 2003, 7% of children in child care were enrolled in family child care homes, and 93% were in center-based care. By 2014, the share of the child care enrollment in family child care homes had shrunk to 5%. Finally, in 2019, the percent enrolled in family child care had declined by over half the 2003 amount, to a mere 3%. The Wake County level figures for all three points in time exactly mirror the statewide figures (approximately 7% in 2003, 5% in 2014, and 3% in 2019).

Table 2: Birth to Five Enrollment By Setting

		Wake 2019	Wake 2014	Wake 2003
Capacity	Total # enrolled	23,024	18,264	15,142
Enrollment By Setting	Family Child Care	3%	5%	7%
	Center-Based Care	97%	95%	93%

Star Rating and Organizational Structure.

To legally operate with more than two children unrelated to the provider for more than four hours a day, a family child care home provider must become licensed, and in most cases, receive a star rating. A licensed home meets child care zoning requirements and is approved by the neighborhood’s home owners association, if applicable.. In addition, the provider must attend a pre-licensing workshop, meet criminal background check requirements, complete an application, and schedule a visit with a child care licensing consultant.¹⁵ Once licensed, family child care homes are evaluated and providers receive a star rating based on how well they meet program and educational standards, as defined by the North Carolina Division of Child Development and Early Education. One star is the entry level for licensing, and in order to earn a star rating of three or higher, a provider must receive an assessment. A provider can apply to increase their star rating at any time, and can work to increase their rating by

completing more education in early childhood, completing a self-study of their home environment, and more.¹⁶

Across the state, the distribution of family child care homes varies by star-rating. Wake County programs follow a similar pattern, shown in Table 3. In Wake County there are approximately 168 family child care homes serving around 736 children from birth through age five. Statewide, about 21% of homes, and 20% in urban areas, are rated as having fewer than 3 stars. This includes child care homes with a temporary, provisional, or probationary license. In Wake County, on the other hand, a larger 31% are rated 3-stars or below. This discrepancy is primarily driven by a much higher percentage of 1-star rated homes in Wake County, at 17% of all homes in the county, compared to only 9% at the state level.

In all other star levels, however, the distribution at the state level and in Wake County are quite similar. Another 25% of centers have 3-stars and serve about 187 children from birth to age five in Wake, which is 25% of the total birth to five population enrolled in family child care in the county (Statewide in 2019, 3-star homes were 29% of homes and accounted for 28% of enrollment). Four star programs comprise about 34% of family child care settings in the county, similar to the 38% across the state. Four star programs serve the plurality of children in family child care, both in Wake County, and at the state level. Each serve 38% (Wake) of children in family child care and 39% (statewide) of children in homes, respectively. Finally, only 10% of family child care homes in Wake County have achieved a 5-star rating. This is trailing slightly behind the 12% of homes with a 5-star rating at the state level. Wake's percentage of 5-star rated homes trails further behind the figure for urban areas in the state, which is 16%.

Table 3: **Distribution of Homes By Star Level**

		Wake 2019	Statewide 2019	Urban 2019
Capacity	Number of Programs	168	1533	646
Star Level	Below 3-Stars	31%	21%	20%
	3-Stars	25%	29%	27%
	4-Stars	34%	38%	37%
	5-Stars	10%	12%	16%

SELF-REPORTED EARNINGS, EXPENDITURES, AND BENEFITS

Earnings and Expenditures.

As opposed to providers in center-based care, family child care providers are self-employed. Thus, family child care providers

pay their own benefits and earn their monthly salaries through a mix of child care tuition fees, subsidy payments, and Child and Adult Care Food Program (CACFP) reimbursements. Expenditures include items such as food, toys and materials, substitute care, advertising, training fees, diapers, crafts, transportation, supplies, cleaning materials, field trips, and gifts for the children. Routine home occupancy costs such as utilities, insurance, home repairs, and rent or mortgage payments are not included in the expenditures calculation.

Subsidy Payments and CACFP Reimbursements.

Aside from tuition fees paid by parents, subsidy payments and CACFP reimbursements are other key sources of income for family child care providers. Currently, 49% of FCC providers in the county participate in the child care subsidy program. Of the remaining 51% who did not care for any children with subsidized payments, a little less than half (46%) said they would be willing to serve children who receive subsidy.

Providers spent a median of \$400 per month on food, which represents approximately 45% of their total expenses, and 61% of providers said they defrayed these expenses by participating in the Child and Adult Care Food Program. The average CACFP reimbursement is \$300 per month, which is significant assistance at 75% of the \$400 median.

Median hourly earnings were estimated by dividing net monthly earnings by the number of hours each home was open. To get net monthly earnings, the expenses listed above were subtracted from gross monthly income, which is made up of fees collected from tuition and drop-in care, subsidy reimbursements, and CACFP reimbursements. For 2019 (see Table 4), median hourly earnings were \$11.84 for Wake providers. This median wage is higher than the median hourly wage for FCC providers in urban areas overall, which is \$10.48, and Wake's \$11.84 per hour is much larger than the state median, at almost three dollars above \$9.09. An equally dramatic difference between Wake County and statewide hourly wage exists at the 90th

Table 4:
Self-Reported Earnings of the Family Child Care Provider Workforce By Geography

	2019 Wake Hourly Wage	2019 NC Urban Areas Hourly Wage	2019 Statewide
90th percentile wage	\$20.30	\$18.68	\$15.73
50th percentile wage	\$11.84	\$10.48	\$9.09
10th percentile wage	\$3.39	\$3.23	\$2.95

percentile. Wake's 90th percentile hourly wage (\$20.30) is almost five dollars above the state's (\$15.73), and also well above the 90th percentile urban areas wage of \$18.68. Overall, higher earnings in urban areas can be attributed to more expensive tuition rates in order to account for a higher cost of living. However, it is notable that Wake's hourly wage is above the urban areas hourly wage at all three selected percentiles. At the 10th percentile, however, this difference is less dramatic. The lowest earners in Wake (\$3.39), NC urban areas (\$3.23), and across the state at large (\$2.95) all earn around \$3 per hour.

Self-Reported Benefits.

Family child care providers most frequently work alone, but may have help from a family member who is either unpaid or not paid a full salary. Family child care homes are less likely than centers to have established policies regarding paid benefits. Therefore, FCC providers are overall less likely to receive paid benefits. In Wake County, 74% of providers used their income from the home to pay for sick leave, and 74% also were able to afford paid vacation (see Table 5). Both of these were higher than the state as a whole, where only 57% of FCC providers were able to cover paid sick leave, and 62% covered paid vacation. In contrast, Wake had a below average rate of health insurance coverage (76%) compared to the statewide amount (84%). This 76% encompasses health insurance from any source, including self-provided, spouse provided, Medicare/Medicaid, and other sources. Broken down further, only 29% of FCC providers in Wake provided their own health insurance. In fact, the most common source for health insurance was the spouse's plan, at 34%.

Table 5: **Self-Reported Benefits of the Family Child Care Provider Workforce**

	Wake 2019	Statewide 2019
Health Insurance From Any Source	76%	84%
Paid Sick Leave	74%	57%
Paid Vacation	74%	62%

PROFILE OF THE WAKE COUNTY FAMILY CHILD CARE PROVIDER WORKFORCE

The family child care provider workforce in Wake County is overwhelmingly made up of women. In fact, 100% of respondents to this year's survey were women. This is compared to 99% statewide (see Table 6). Two new choices were added to the Wake and statewide surveys in 2019 allowing respondents to select "non-binary" or "prefer not to answer" when

Table 6: **Demographic Profile of the Family Child Care Provider Workforce in Wake County and North Carolina**

	Wake 2019	Statewide 2019
Median Age	53 yrs	55 yrs
Female+	100%	99%
People of Color**	75%	73%
Have Children	94%	91%
Single, Sole Support Parent w/Child 0-18	5%	8%
Single Parent w/Child 0-18	8%	9%
At Least One Child 0-18	37%	29%
Annual Family Income <\$30K	18%	30%

***Includes Black or African American, Hispanic or Latinx, Multi-Racial, Native American, and Asian American or Pacific Islander*

asked to select their gender. In Wake County, no family child care providers selected one of these responses.

Wake County differs only slightly from the state in the overall percentage of family child care providers who are people of color (75% versus 73%). Broken down further, 61% of family child care providers in Wake indicated they are Black or African American, 27% selected White, 7% chose Asian American or Pacific Islander, 1% selected Native American, 1% chose Bi- or Multi-racial, and 4% selected "Other." Additionally, 7% of respondents said they were Hispanic or Latinx.

In stark contrast, the general population of Wake County is 68% white, 21% Black or African American, 8% Asian American and Pacific Islander, 1% Native American, and 3% Bi- or Multi-racial, according to the US Census Bureau Quick Facts for Wake County.¹⁷ In addition, the Census Bureau reports that 10% of Wake residents are Hispanic or Latinx.¹⁸ Though not as profound, the demographic contrast between the general Wake County population and the population of family child care providers also exists between family child care providers and teaching staff in centers. Family child care providers are more likely to be women of color (75%), with only 54% of the county's teaching staff being people of color. In particular, this difference is driven by a higher percentage of family child care providers who identify as Black or African American (61%) when compared to teaching staff (40%).

A large portion of providers have children of their own, with 37% of providers having at least one child age 18 or younger. Despite a similar median provider age, the percentage of providers with children 18 or younger is somewhat higher than the 29% of providers at the state level. Overall, 8% of providers said they were a single parent supporting a child age 18 or younger. However, large variations exist within

the category of “single parent,” so the 2019 survey included multiple options as part of this question, in order to capture whether the parent had joint custody, if the parent had other help, or if the parent answering the survey was the sole caretaker. Thus, 5% of survey respondents were a single parent with sole responsibility for their child or children.

Compared to the state level (30%), Wake County (18%) has a lower percentage of FCC providers who make an income below \$30,000 per year. Of course, this is partially explained by a higher cost of living in Wake County, and an overall higher median income in Wake compared to the state at large. At \$30,000 a year, a family child care provider living in a family of three has earnings less than 150% of the federal poverty level, low enough to qualify for a number of federal benefits.

Additionally, these data provide a point-in-time picture of the family child care provider workforce just before the beginning of the COVID-19 global pandemic. Data show that the United States has entered another significant recession due to the economic fallout of the pandemic.¹⁹ Evidence thus far suggests that COVID-19 has taken a serious toll on child care providers, with FCC providers being impacted by lower-than-usual enrollment numbers and more expenses related to healthcare, cleaning and risk reduction strategies. Post pandemic may see more providers making below the \$30,000 per year threshold, and more providers relying on public assistance to make ends meet.

Individual Economic Well-Being of the Family Child Care Provider Workforce.

Many people working in the early childhood field face severe economic challenges, and family child care providers are no exception. Overall, the family child care provider workforce is at a significant disadvantage economically (see Table 7). One indicator of this disadvantage is the discrepancy between



the median hourly wage for family child care providers, and the living wage for Wake County. The living wage model is a dynamic way of measuring an individual’s standard of living. Unlike the federal poverty line, the living wage accounts for factors like health and child care, and different costs of living based on geography (urban vs. rural).²⁰

The median hourly wage for family child care providers in Wake County is \$11.84 per hour for 2019. According to the MIT Living Wage Calculator for Wake County, a living wage for one adult with zero children in 2019 would be nearly a full dollar above this, at \$12.70.²¹ If the income earner has dependents, the living wage increases with each dependent. So, for the 5% of Wake providers who are single parents with sole responsibility, a 2019 living wage would be \$25.59 per hour or higher, depending on the number of children, and the median \$11.84 hourly wage would be right around the poverty line.

For 2019, family child care providers had a median household income in the range of \$45,000 to \$50,000 per year. Consider that providers in the 2019 study worked an average of 52.5 hours per week, which helps explain the higher yearly household income range when compared to the median hourly wage. Though providers are more able to make ends meet financially because of the long hours they work compared to center-based providers, they are not compensated for the extra hours worked with a higher-than-average income. From the U.S. Census Bureau’s Quick Facts, the median North Carolina household income per year for 2018 was \$52,413 (which translates to \$53,456 in

Table 7: **Individual Economic Well-Being of the Wake County Family Child Care Provider Workforce**

	Wake 2019	Statewide 2019
Median Hourly Earnings	\$11.84	\$9.09
Median Household Income	\$45-50K	\$35-\$39K
Single Parent with Child 0-18	8%	9%
Used Public Assistance in Past 3 Years	17%	16%
Works Another Job	11%	7%
No Health Insurance	24%	16%
No Paid Vacations	26%	38%
No Paid Sick Leave	26%	43%

February 2019 dollars), and the median Wake County household income was a much higher \$76, 956 per year (\$78,480 in February 2019 dollars).²²

Though family child care providers tend to earn less, overall, their economic well-being exceeds that of teaching staff in centers. Their household income is higher, there are fewer single parents, and fewer have used public assistance in the past three years. Despite the fact that FCC providers maintain long hours, 11% of them also work a second job, and those that do so work a median number of 10 hours per week at their other job. In the past three years, 17% said they had received some sort of public assistance such as Medicaid, SNAP, or TANF/Work First. The most commonly used source of support was Medicaid for the provider's child, which 12% of providers used.

On the topic of health insurance, 24% of Wake County providers said they did not have health insurance from any source, a concerning figure compared to the much lower 16% statewide, and especially worrisome during a global pandemic. Consider this also in comparison to the 2003 Wake County workforce study, in which the exact same percentage of respondents (24%) said they had no health insurance. Despite the stagnation in improving health insurance coverage, Wake providers are able to cover their sick leave (74%) at a rate much higher than the whole state (57%).

EDUCATION, EXPERIENCE, AND TURNOVER OF THE WAKE FAMILY CHILD CARE PROVIDER WORKFORCE

The education of the early care and education workforce has been a critical factor influencing children's early learning opportunities. Published in 2015, the National Academies of Science report, "Transforming the Workforce for Children from Birth through Age Eight" recommended that all lead teachers working with children from birth through age eight have a bachelor's degree in early childhood education as a necessary but not sufficient measure for building child care quality.²³ This section profiles the educational attainment and aspirations of the family child care provider workforce as expressed in the current survey. See Table 8 for education data on degree attainment, education credentials, and educational pursuits. The data for Wake providers in 2019 is shown in comparison to urban centers and at the statewide level, based on responses to the statewide 2019 family child care provider survey.

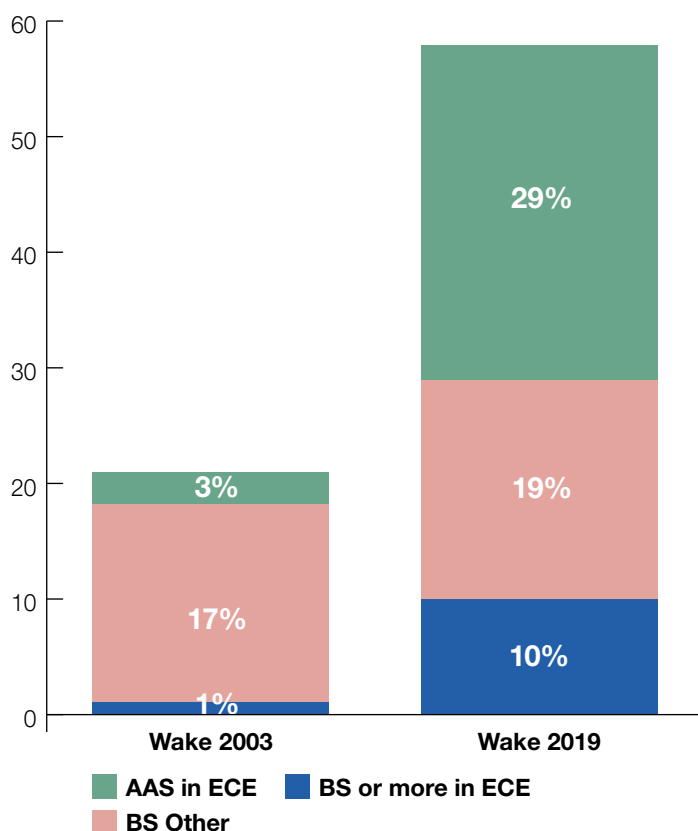
Standards in North Carolina's rated license system require the addition of early childhood course work. Currently 39% of family child care providers in Wake County have a degree in early childhood education, while 22% have a degree in another field. The statewide and urban NC figures are similar, with 38% statewide and 31% of urban NC providers having an ECE degree. Regardless of level of education achieved, 93% of

Wake FCC providers have taken at least one course in early childhood education.

Previous North Carolina workforce studies show that family child care providers have tended to complete less higher education than teachers in center-based settings. All types of providers have dramatically increased their levels of education over the last two decades, however. In 2003, only 28% of FCC providers in Wake County had any type of college degree, which has since more than doubled to 61% of providers in 2019. This major surge in degree attainment clearly shows providers' commitments to higher education and professional advancement. Another dramatic change between 2003 and 2019 in Wake County is the difference in amount of providers with degrees specifically in early childhood education. In 2003, a mere 4% of family child care providers had even an associate degree in ECE, but in 2019, the amount of FCC providers with any ECE degree had climbed all the way to 39%.

Though the rate of providers with bachelor's degrees in ECE is still beneath the National Academies of Science recommendation for all providers to have an ECE bachelor's, an increase from 1% in 2003 to 10% in 2020 is not inconsequential. Additionally, 19% of providers have a bachelor's degree in another field, which is higher than the statewide

Figure 1: **Family Child Care Provider Educational Gains Over Time**



(9%) and urban NC (12%) rates, and the large majority of providers with only an associate degree held their degree in early childhood, showing a prioritization of ECE coursework and promise for more ECE bachelor's degree attainment in the coming years. The percentage of Wake providers with a bachelor's degree or more in any field is 29% (See Figure 1). This rate falls below the overall population of Wake county residents over 25, of whom 52% have achieved a bachelor's degree, and slightly below the over 25 population of North Carolina, of whom 31% have a bachelor's degree.²⁴

Family child care providers in Wake County are clearly interested in furthering their education and professional qualifications, regardless of their degree status. The large majority of providers (88%) have completed at least one education credential, 23% of providers have completed college courses in the last twelve months, and 11% are currently taking courses in early childhood education. Among the education credentials Wake providers have completed (see Table 8) are the North Carolina Early Childhood Credential (78%), the North Carolina Early Childhood Administration Credential (37%), Child Development Associate (21%), Infant-Toddler Certificate (39%), and the Birth-Kindergarten Add-On License (2%). For nearly all of these credentials, the rate of completion is similar to the

urban NC and statewide rates, but the NC Early Childhood Credential and the NC Early Childhood Administration Credential rates for Wake rates were both aligned with the state figures, which are somewhat lower than in urban NC.

Training to Meet Children's Unique Needs.

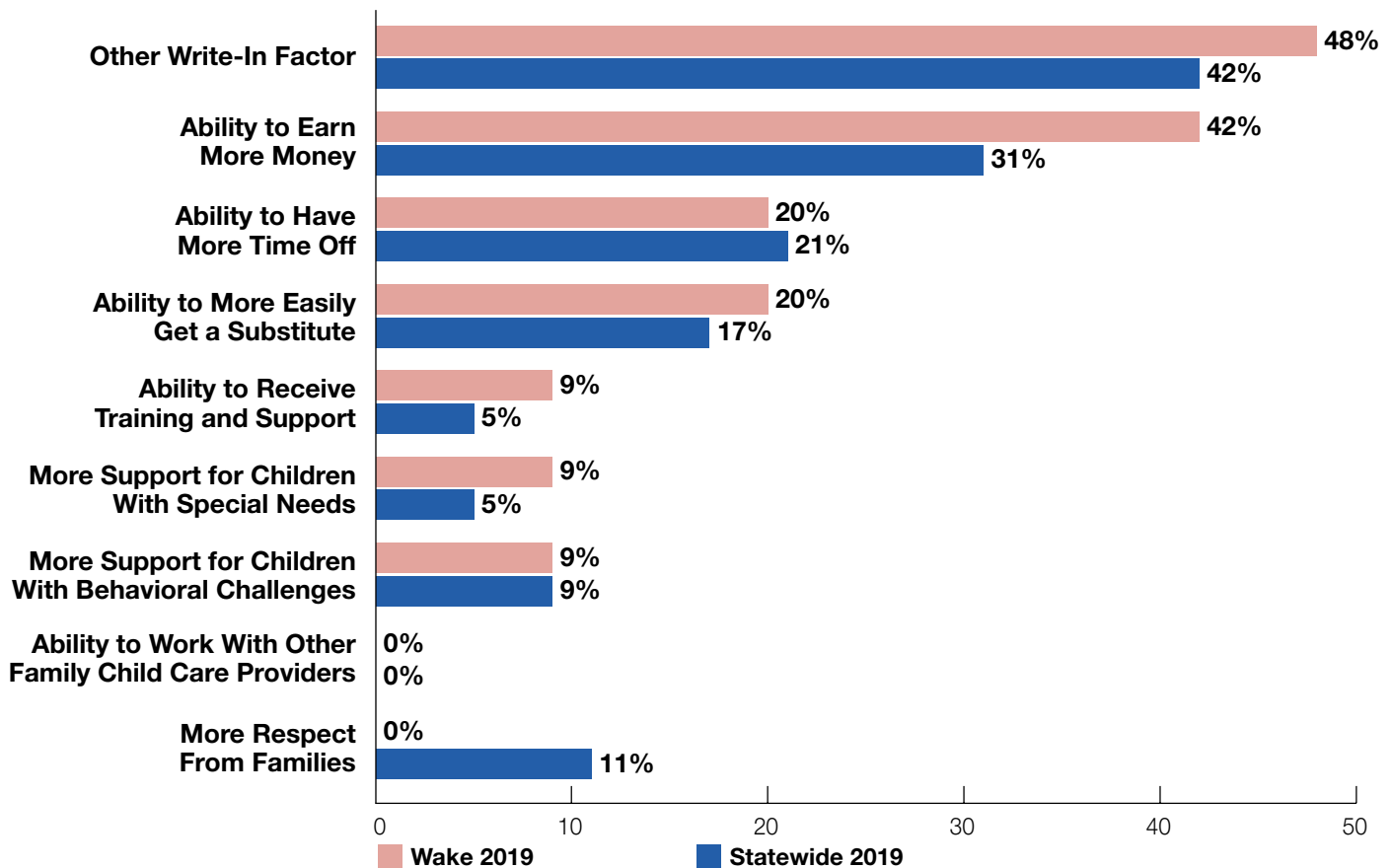
In addition to active ECE courses and education credentials, the 2019 survey asked providers about their competence in meeting the needs of children experiencing unique stressors. Providers were first asked if they had formal training related to supporting children whose parents suffer from addiction disorders, and then asked to rate their confidence in working with children whose parents suffer from addiction on a scale from one to five, one being "not at all prepared," and 5 being "fully prepared." Though only 18% of providers said they had any formal training related to addiction, 38% said they felt either mostly or fully prepared, with 20% feeling not at all prepared. Next, providers were asked if they had any formal training to support children experiencing homelessness, and 21% said they had some training. Despite this, 40% of providers felt mostly or fully prepared. Another 22% felt not at all prepared.

As scientific and psychological understanding of the early years improves, it is more widely understood that adverse

Table 8: **Education of the Family Child Care Provider Workforce in Wake County and Urban North Carolina**

		Wake 2019	Urban NC 2019	Statewide 2019
Highest Education Completed	Bachelor's Degree or More in ECE/CD	10%	11%	9%
	Bachelor's Degree or More in Other Field	19%	12%	9%
	Associate Degree in ECE/CD	29%	20%	29%
	Associate Degree in Other Field	3%	7%	5%
	High School + Any College Courses	33%	46%	44%
	High School + Workshops	3%	1%	2%
	High School Only	2%	3%	3%
	Less than High School	<1%	0%	<1%
Other Education Credentials	N.C. EC Credential	78%	87%	84%
	N.C. EC Administration Credential	37%	45%	38%
	Child Development Associate (CDA)	21%	21%	15%
	Infant-Toddler Certificate	39%	37%	30%
	B-K/Preschool Add-on License	2%	4%	4%
Educational Pursuits	Currently Taking ECE/CD Courses	11%	10%	8%

Figure 2: **Factors Motivating Family Child Care Providers to Stay in the Field**



childhood experiences (ACES) have a lifelong impact on emotional well-being, physical health, and opportunity.²⁵ The way that adults in a child's life respond to these events will not prevent all trauma, but can mitigate its impacts and provide children with emotional tools they can use to cope with future adversity. The experience of homelessness and the experience of living with a parent struggling from addiction are two traumas that may profoundly impact a young child's development and emotional well-being. Thus, adequate training to connect families to community resources, to intervene when appropriate, and to act as a trauma-informed source of support is a vital resource, especially when considering the intimacy of the family child care home setting.

Experience and Turnover of the Family Child Care Provider Workforce.

Consistent interactions with experienced, well-educated teachers help children form secure attachments and develop social skills. In general, the family child care provider workforce in Wake County tends to have more experience in the field than teachers and assistant teachers in center-based care, who had a median of 3 years in their current

center, and 10 years in the field. The median provider age in Wake County is 53, and the median years spent working in their current family child care home is 15. The median years providers have spent in the field overall is a fair amount higher, at 20 years. By comparison, in 2003, the median number of years of experience in the field was only 7. Thus, for many FCC providers, nearly their entire adult life has been committed to working with young children, with many having other experience in the field before they opened their family child care home. Wake providers have similar, but slightly less experience than the state level medians for both years in their current program (18) and years in the field overall (22). However, providers in Wake are also slightly younger than the state average, with a median age of 53, compared to age 55 for the whole state.

In general, high turnover in the early childhood field can be dysregulating for children, especially for young children, who are more likely to experience stranger anxiety. A strength of the family child care setting is a stable, consistent environment, without the frequent turnover brought about by a center-based environment where teachers and assistant teachers cycle through as they earn degrees, develop their

careers, or discover higher-paying roles at other centers. Family child care providers are in a unique position as both the director and primary provider in their child care setting, and are thus more likely to be committed for the long term. To estimate turnover, providers were asked whether they thought they would still be a FCC provider in three years. Of those who responded, 8% said they would not be a FCC provider in three years. Broken down further, 6% said they would probably not be in the field, and only 2% said “definitely not.” On the other hand, 92% of providers said they would likely stay in the field, with 57% choosing “definitely will be a provider,” compared to only 49% who chose “definitely” statewide.

Factors Motivating Family Child Care Providers to Stay in the Field.

If providers said they were considering leaving in the next three years, they were asked to choose one or more options from a list of potential motivators that might keep them in the field (Figure 2). While the majority of providers chose one or more of these factors, 23% said nothing could motivate them to stay, a fair amount lower than the 34% who chose this response at the state level. The most common motivator listed was higher pay, which 42% of respondents chose as a factor that would entice them to stay. Additional time off and the ability to more easily get a substitute were also important motivators, each chosen by 20% of respondents who were considering leaving the field. General training and support, support for children with special needs, and support for children with behavioral challenges each received 9%. In one larger difference between Wake County and the state, 11% of providers statewide said more respect from families would cause them to stay, but no providers in Wake chose respect as a motivator. Also, no respondents to this question thought an increased ability to work with other FCC providers would compel them to stay, which was the same at the state level. Finally, 48% of Wake providers chose “Other,” and wrote in various responses, such as more consistent policy rules, and bonuses for family child care providers.

PROFESSIONAL SUPPORT FOR THE WAKE FAMILY CHILD CARE PROVIDER WORKFORCE

Early childhood research has shown that higher education and compensation of early care and education providers can lead to positive outcomes for children. In North Carolina and Wake County, programs such as the T.E.A.C.H. Early Childhood® Scholarship Program and salary supplements have addressed some of the educational and financial needs of family child care providers while lowering turnover.

The T.E.A.C.H. Early Childhood® Scholarship Program.

Since the early 1990s, the T.E.A.C.H. Program has addressed the education, compensation and turnover of the early childhood workforce across the state. Of the respondents to the Wake County survey, 37% said that they had received a T.E.A.C.H. scholarship. Of the remaining 63%, 58% said they had not received a scholarship, and only 5% said they had never heard of T.E.A.C.H. In comparison, at the state level, a slightly larger proportion of family child care providers had received a scholarship from the T.E.A.C.H. Early Childhood® Scholarship Program, at 42%, with 7% having never heard of the program.



Data from the T.E.A.C.H. Early Childhood® Scholarship Program indicate that the Program is working to increase the education levels and satisfaction of child care providers. Of all Program participants, over two thirds (68%) indicated that they feel more appreciated and recognized for their work.²⁶ Fifty-six percent (56%) of Program participants further stated that participation in the T.E.A.C.H. Early Childhood® Scholarship Program has made them more willing to stay with their current early care and education program.²⁷

In any given year, nearly 50% of T.E.A.C.H. scholarship recipients are people of color. Considering that people of color are more represented among the family child care provider workforce than the general ECE workforce, T.E.A.C.H. is an especially significant resource for FCC providers.

Salary Supplements.

Similar to the T.E.A.C.H. Program, the Child Care WAGE\$® and the Infant/Toddler Educator AWARD\$® programs also address the education, compensation and turnover of the early childhood workforce in North Carolina. WAGE\$, beginning in the mid-1990s, blends funds from local Smart Start

Partnerships and the Division of Child Development and Early Education in those counties across the state where the local Partnership chooses to participate. Depending on which tier the county chooses to fund and the provider's level of education, providers in participating counties are eligible to receive between \$450 and \$6250 every six months. Though WAGE\$® is not currently available in Wake, this year's survey did ask if providers had ever received a supplement from WAGE\$, and 30% said they had. Thus, when WAGE\$ was available in Wake, the program was a significant source of financial support for FCC providers.

Indeed, statewide data shows that overall, family child care providers have a higher utilization of both salary supplement programs when compared to teachers and assistant teachers. Among North Carolina teachers and assistant teachers, 39% reported that they had received a salary supplement funded either through WAGE\$ or AWARD\$ at some point in their careers. This percentage included 43% of teachers and 27% of assistant teachers. A higher 49% of family child care providers statewide had received such a supplement.

In response to a growing body of research on the importance of the very earliest years of life, the AWARD\$ program began in 2018 and is available in every county across the state to those teachers, assistant teachers and family child care providers who work full time with infants and/or toddlers. Though AWARD\$ is now available in Wake for family child care providers who serve infants and toddlers, the program was not yet available for FCC providers at the time of the survey.

According to FY19-20 WAGE\$ participant evaluations, ninety-six percent (96%) of participants in the program statewide indicated that WAGE\$ had encouraged them to stay in their current program. Further, 96% said that the program helped them feel more satisfied with their job and 98% said that WAGE\$ supplements helped ease financial stress.²⁸ Infant-Toddler Educator AWARD\$® Program evaluation data showed similar support for both participants and programs. Of the AWARD\$ participants surveyed in FY19-20, 97% said that AWARD\$ encouraged them to stay in their current program. Similar to WAGE\$, 97% said that the program helped them feel more satisfied with their job and 99% said that the AWARD\$ supplement helped ease financial stress.²⁹ Thus, evidence suggests that, now that the AWARD\$ program is available for family child care providers in Wake, it will be a vital resource for providers with an associate degree who care for infants and toddlers. Though most family child care providers in Wake County do care for infants and toddlers, a small amount do not, and therefore would not be eligible to receive this salary supplement.

Family Child Care Networks and Associations.

Family child care networks and associations serve as resources for providers to connect and access services. Depending on the network or association, offerings may include professional development, training, financial counseling, loans and grants, and other services.³⁰ The Family Child Care Association of Wake County is a nonprofit organization that has, according to their website, "provided education, networking, mentoring, advocacy, and friendships for Wake County's home childcare providers since May 1984."³¹ The Wake FCCA offers various benefits for members, including



mentorship, a referral service, trainings and webinars for credit, scholarships, and more. The FCCA has an active Board of Directors, holds regular meetings, communicates with members via monthly newsletters, and uses social media as a tool to share opportunities and help providers connect.³² They also celebrate member accomplishments such as achieving increases in star-rating, finishing degree programs and higher education, and anniversaries of years in service.³³

Family child care networks have the potential to increase the quality of care, improve providers' sense of connection and resilience, and reduce costs related to supporting providers in the long term. Because center-based providers serve more children, local governments and nonprofits tend to focus quality initiatives on centers. In some states, family child care networks have served as cost-effective and creative solutions to barriers FCC providers face by virtue of their isolation from the rest of the ECE workforce. These innovative FCC networks offer services like online platforms for keeping records, or collaborate with universities that have capacity to provide all-around professional development and goals-based coaching for providers.³⁴

CONCLUSION

This report reveals the strengths, areas for growth, and under-resourced aspects of the family child care provider workforce in Wake County just before the beginning of the COVID-19 global pandemic.

Progress continues to be made in the education of the early childhood education workforce as a whole, and dramatically for the family child care provider workforce in Wake County. When the Race to the Top Early Learning Challenge Grant application was submitted in the fall of 2011, one of the lofty North Carolina goals set forth in the application was that “47% of lead teachers/teachers working with children from birth through age five in licensed child care, Head Start, or Pre-K settings will have an Associate degree in Early Childhood Education or its equivalent or a Bachelor’s degree in Child Development alone or with a BK license or its equivalent”. In one sense, the Wake County family child care provider workforce has surpassed this goal with 62% of providers having completed an associate degree or higher. However, only 39% of providers have an early childhood education degree, which is vastly improved from the 4% of providers who had achieved an ECE degree in 2003, but still a fair amount below the 47% mark.

Wages have significantly improved in Wake since 2003, when the nominal median hourly wage was \$7.31 for family child care providers. This \$7.31 would have the buying power of \$10.17 in 2019. Buying power is the change after accounting for inflation and reflects the ability to buy more or less than in the past. Because the \$11.84 median wage is higher than the converted wage from 2003, this means that family child care provider earnings are more than keeping up with inflation.³⁵ Still, the median hourly wage remains below a living wage for the area, as defined by the MIT living wage calculator.³⁶ Though Wake providers have higher incomes than the statewide average for family child care providers, they face a high cost of living, and increased economic well-being is not without sacrifice, because it is brought about through working long hours.

Though progress on the educational and compensation front is meaningful, Wake has seen stagnation in the amount of providers accessing health insurance since 2003. It would be expected that with the introduction of the Affordable Care Act and initiatives to increase benefits in the early childhood workforce, that the rate of uninsured family child care providers would have declined since 2003. Unfortunately, this number remains at a high 24%, worse than the 16% of providers statewide. For many providers, their livelihoods depend on being able to operate through the pandemic, which requires a certain degree of health risk, especially for an aging workforce. For the nearly one in four Wake providers who do not have health insurance coverage, an unexpected medical cost such as hospitalization due to COVID-19 could be devastating.

Unfortunately, Wake County is emblematic of the overall trend of a declining family child care industry nationwide. According to the National Center on Early Childhood Quality Assurance, some possible reasons for the decreasing number of providers include low compensation and inability to pay for benefits, increasing costs of housing and insurance, lack of respect for the family child care field, competition from center-based care, and difficulty understanding and honoring new regulations.³⁷ Additionally, since 2003, the median age of the workforce has increased by nearly 10 years, from 44 to 53, meaning that as providers retire, new providers are not opening homes at the same rate. Thus, the percentage of children enrolled in child care who are served by FCC providers has declined by over half since 2003.

To learn more about the decline of family child care homes and challenges FCC providers face in North Carolina, the Southwestern Child Development Institute of North Carolina compiled a report, available summer 2020, as part of their Family Child Care Home Project (FY 19-20). The initial year of the Family Child Care Home Project (FY 19-20) has been focused on collecting data statewide to hear first-hand experiences of current and former Family Child Care (FCC) providers, parents that choose FCC, and community partners. The data collected and recommendations for next steps can be found in the FCCH Report, available at swcdcinc.org/fcch-project. The goal of this report is to present a statewide perspective of FCC throughout North Carolina and a blueprint for how the Division of Child Development and Early Education can continue to support FCC moving forward.

Though FCC homes have long been a small part of Wake County’s workforce, they are by no means insignificant. Family child care providers offer a unique service that especially benefits those families whose needs are not met by center-based care. When compared to both Wake County at large and the early childhood workforce in the county, a large majority of family child care providers are people of color, with Black and African American women making up 61% of the workforce. Thus, efforts to support the success of FCC providers are also grounded in imperatives of equity and racial justice.

Family child care providers are uniquely positioned to support the needs of a changing workforce throughout the county, expanding access to care for the growing number of families who need quality care outside of the traditional 40-hour work week. Many family child care providers have been and will continue to be first responders to family and community needs due to the COVID-19 pandemic. While many public and private centers closed their doors during the beginning of COVID-19, family child care homes stayed open. In doing so, they have risked and continue to risk their livelihoods to improve the lives of young children and families. Thus, more than ever before, the time to invest in family child care providers is now. ■

Appendix

SAMPLING WEIGHTS FOR WAKE COUNTY FAMILY CHILD CARE HOMES

All 168 Family Child Care Homes in Wake County were targeted for the survey, and 119 or 71% of Family Child Care Providers responded to the survey. See Table Below. However the response rate differed significantly depending on the star level of the license of the Family Child Care Home. Thus, virtually all FCCHs with a 5 star rating (15 out of 16) responded to the survey, but fewer than 70 percent of operators of three and four star homes surveyed completed the survey. If survey data were treated as a simple random sample, it is likely that estimates of the values of certain variables—especially those associated with quality—would be inaccurate, because of the statistical over-representation of five star homes relative to those homes with lower star values. Therefore weights were developed that consisted of the inverse of the response rate for each stratum of the sample representing each of four star rating levels. Together these weights, when multiplied by the number of survey cases in each of the four strata, add up to the population of 168 FCCHs in Wake County. Consequentially when these weights are applied to survey data, they are likely to yield an unbiased estimate of the population of Wake County Family Child Care Homes.

**Sampling Weights for
Wake County Family Care Home Survey**

Star Rating Level	FCCHs in Wake County		FCCHs Answering Survey		
	Number (Ni)	Percent of All Wake FCCHs	Number (ni)	RRi: Response rate of FCCHs with this Star Rating	Sampling Weight: (1/RRi)
2-Star or Below*	53	32%	38	72%	1.395
3-Star	42	25%	27	64%	1.556
4-Star	57	34%	39	68%	1.462
5-Star	16	10%	15	94%	1.067
All Homes	168	100%	119	71%	NA

*This category included one and two star homes and those with temporary or provisional licenses.



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