

CHILD CARE PROVIDERS FACE HOUSING CHALLENGES

Child care providers are facing significant barriers to affording housing and meeting homeownership goals.

Since March of 2021, The RAPID Survey team has been listening to the voices and experiences of child care providers across the country.

Our sample includes center-based teachers and directors, home-based providers (likely licensed or listed), and family, friend, and neighbor (FFN) providers. In the surveys, we've been asking questions about experiences with housing to help understand the economic well-being of this workforce that supports American society and its economy.



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For most Americans, housing is a large part of monthly expenses. Unstable housing can cause stress and lead to significant disruptions to employment, family life, and overall well-being. On the other hand, homeownership is a primary wealth building strategy for many Americans and creates stability for families. Providers who cannot access a mortgage or own their homes have difficulty building wealth and finding financial stability.

For home-based child care providers, their homes are both where they live with their own families and the location of their businesses. Furthermore, their homes are the learning environment for the young children in their care.

For these providers, housing insecurity disrupts not just their own family but the well-being of the families who rely on them for care.

ONE IN FOUR CHILD CARE PROVIDERS REPORTS DIFFICULTY AFFORDING HOUSING

A quarter of all providers surveyed from March 2021 to December 2022 reported difficulty affording housing expenses, whether they rent or own their home. The rate of housing hardship was even greater among Latinx (36%) and Black (35%) providers, as compared to white providers (21%).

FFN providers reported the highest rate of housing hardship (37%) as compared to center directors (20%), center-based teachers (31%), and home-based providers (26%).*

Providers reported high levels of concern about housing affordability, eviction, and foreclosure. Forty-two percent of providers reported being somewhat or very worried about not being able to pay their rent or mortgage in full.

Additionally, 38% of providers who rent reported concern about eviction and 22% of those who own reported concern about foreclosure.

For FFN caregivers and home-based providers whose livelihood is dependent on their ability to care for children in their homes, high rates of concern about eviction and affordability are especially alarming.

From June 2021 through December 2022, over one third (38%) of FFN caregivers and over one quarter (28%) of home-based providers were somewhat or very worried about being evicted from their homes.

Offering more robust supports to help child care providers afford housing could help to ease housing-related hardships and reduce concerns about meeting this basic need.

“Housing for a single person is so high plus the one-bedroom places never have availability. I need a place to live. About to move into my car.”

FFN provider in Michigan

* Home-based child care refers to any care that is not center-based or in an institutional setting. Family child care providers operate out of a private residence and can be licensed or not. Licensing regulations vary by state. Family, friend, and neighbor (FFN) broadly refers to caregivers who typically have a previous relationship with the children for whom they care. FFN caregivers oftentimes provide care without a license, and may not view themselves as providers. [\[Source\]](#)

“The biggest worry my family is experiencing at the moment is whether or not we can afford to pay the mortgage and bills.”

Home-based provider in California

PROVIDERS WHO ARE TRADITIONALLY THE LOWEST PAID AND MOST MARGINALIZED ARE LESS LIKELY TO OWN THEIR HOMES

Homeownership can increase family stability, create an opportunity to build wealth, and provide the ability to operate a home-based child care business. The majority of child care providers in the RAPID survey reported that they own their home, but this is driven by white providers and center directors who are more likely than other providers to be homeowners. From September 2021 through December 2022, 72% of providers reported that they own their home, 27% were renters, and 1% were houseless.*

The average rate of homeownership in RAPID's sample is higher than the national average, but this is driven by white providers (78%) and center directors (77%). These groups of providers reported

experiencing less hardship compared to other providers. Rates of homeownership were lower among Black (48%) and Latinx (57%) providers, and center-based teachers (59%) and FFN providers (45%). Despite the relatively high overall rate of homeownership within our sample, it is important to note that providers who own their homes also reported high rates of concern about foreclosure and not being able to pay mortgage payments in full. Therefore, homeownership does not necessarily indicate that a provider is economically secure.

Particularly for home-based and FFN providers, homeownership can provide a sense of security for both the provider's family and their business. Family child care and FFN care are the preferred care options for many

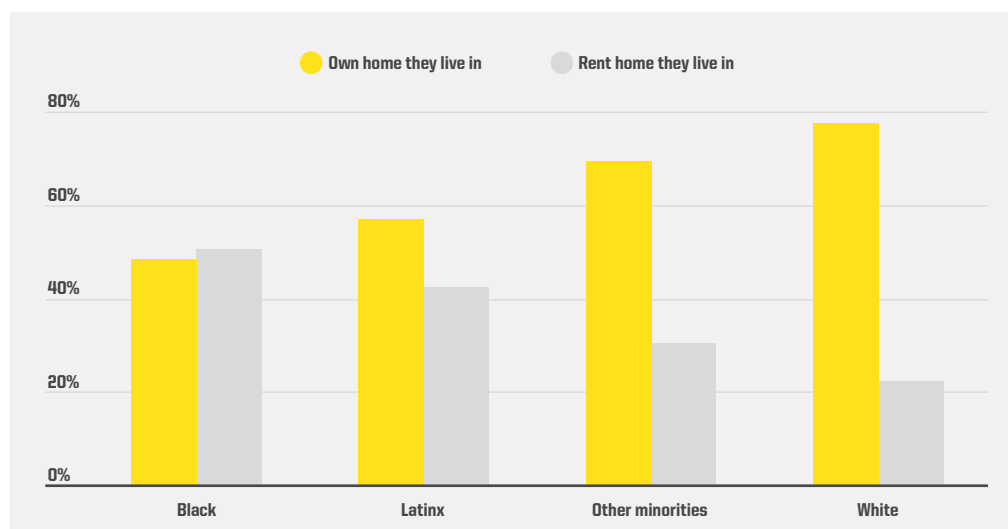
"I shouldn't be destitute or homeless which is what will happen to me in maybe six months when I run out of money completely. I'm scared of my future."

FFN in Michigan

"My landlord will be selling the house I rent and I'm having trouble finding affordable rentals."

Provider in New York

Providers' current housing status, by race/ethnicity

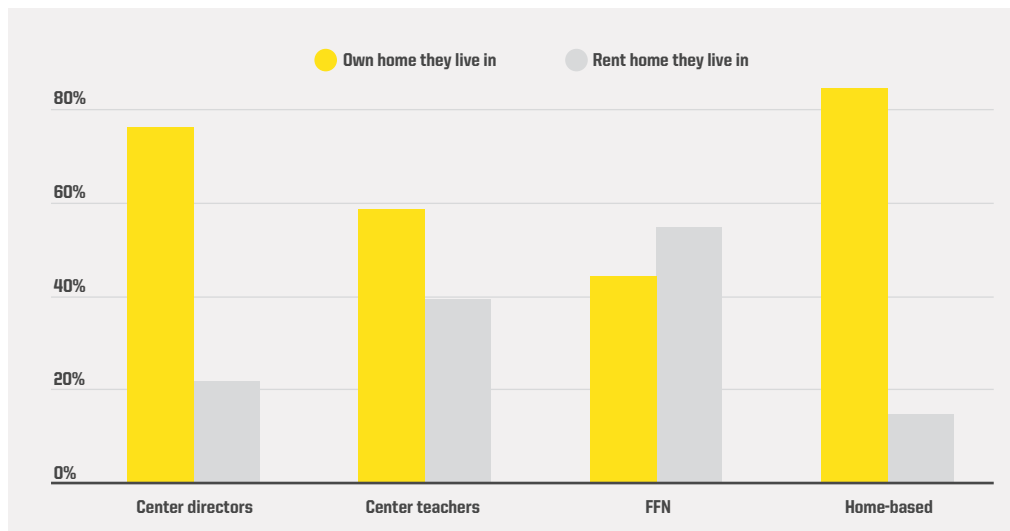


* According to 2021 American Community Survey data, 65% of Americans own their home and 35% rent.

families due to the more intimate and home-like settings, cultural continuity between the home and care setting, affordability factors, and convenience. These providers play a key role as part

of the nation's child care infrastructure and the economy and society that this infrastructure supports. More can be done to help FFN and home-based providers thrive.

Providers' current housing status, by provider type



“I would like to buy a house but because of the market I am unable and stuck paying more for rent than I would for a mortgage.”

Provider in Florida

THE MAJORITY OF PROVIDERS WHO DO NOT OWN THEIR HOME, HOPE TO ONE DAY, BUT FACE BARRIERS

Out of the providers who said that they were not homeowners from July 2022 through December 2022, 83% said this is a goal.

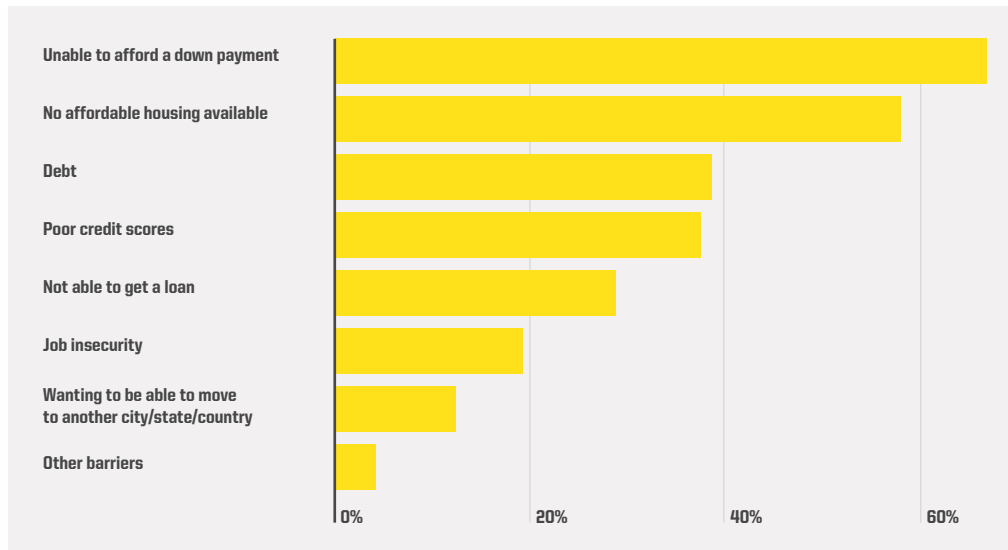
Yet, providers are experiencing barriers to homeownership. The top barriers to homeownership were an inability to afford a down payment (66%), lack of availability of affordable housing options (58%), and debt (39%).

Having a poor credit score (38%), inability to secure a loan (27%), and job insecurity (20%) were also barriers. Addressing these barriers to homeownership could help providers achieve their goal of owning a home one day, while helping providers to build wealth and to create stability for their families and in some cases children in their care.

“The housing market is terrible. We want to settle down in a permanent place but are afraid to buy something when the price of housing is so inflated.”

Provider in Wisconsin

Providers' barriers for home ownership, amongst all participants



“I’ve basically given up on buying a house and doubt I’ll be able to start a family.”
Provider in Texas

SUMMARY

- Child care providers are worried about housing affordability, eviction, and foreclosure. In addition to student debt and food insecurity, housing expenses are a major challenge for the child care workforce.
- Providers who have traditionally been the lowest paid and most marginalized members of the child care workforce (providers of color, FFN providers, and center-based teachers) are less likely to own their homes, unable to access an opportunity to experience greater stability and build wealth. This reveals one effect of the marginalization of certain child care providers and of systemic racism, with implications for the children and families who rely on them for care.
- The vast majority of providers who do not currently own their homes hope to but face significant barriers to achieving that goal.
- Our data suggest that more affordable housing and better supports that address barriers to homeownership (ex. debt relief, financial advising resources) would provide stability and strengthen the well-being of child care providers and the families and children they care for. Providers who rent may benefit from access to emergency rental assistance.

“My grown children are now living with me... they cannot afford to live outside of our home anymore! My house payment has increased over 100 dollars a month and my utilities are at an all time high! I can’t even afford my high blood pressure medication!”
Provider in Oregon

ABOUT THE DATA ON THIS FACT SHEET

Data presented in this fact sheet are based on providers' responses to RAPID child care surveys. The sample and time period for each set of analyses is detailed below:

Current living arrangements

- 1,325 child care providers between 09/2021 - 12/2022
- 11% Black/African American
- 11% Latinx
- 24% live at or below 200% of the federal poverty level (FPL)

Housing hardship

- 3,140 child care providers between 3/2021 - 12/2022
- 11% Black/African American
- 12% Latinx
- 28% live at or below 200% of the FPL

Concerns about housing affordability and eviction/foreclosure

- 1,430 child care providers between 06/2021 - 12/2022
- 11% Black/African American
- 11% Latinx
- 24% live at or below 200% of the FPL

Home ownership as a goal

- 227 child care providers between 07/2022 - 12/2022
- 17% Black/African American
- 17% Latinx
- 36% live at or below 200% of the FPL

Proportions/percentages are calculated based on the item-level response rates, not the total sample. The data for these analyses are not weighted.



ABOUT THE RAPID PROJECT

The RAPID project includes a survey of caregivers with children under age 6 and a survey of child care providers and other adults who care for children under age 6.

These surveys are designed to gather essential information continuously regarding the needs, health-promoting behaviors, and well-being of children and their families and important adults in their lives.

RAPID collects data monthly from 1,000 caregivers and child care providers in all 50 states. The surveys are national in scope, though not technically nationally representative. RAPID collects snapshots of data across time and can also assess trends longitudinally.

For more information about RAPID study design and methods, [see here](#).

RAPID is under the direction of Philip Fisher, PhD, Director of the Center on Early Childhood at Stanford University

1,000

surveyed monthly

3,100+

providers

16,000+

households

50

US states

