



OFFICE OF
**ECONOMIC
EMPOWERMENT**
Office of the Treasurer and Receiver General of Massachusetts

EVALUATION OF THE MA CHILD CARE STARTUP GRANT



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Background

Treasury & OEE Background

Established in 2015 by Treasurer Deborah Goldberg, the Office of Economic Empowerment (OEE) was tasked with offering free and accessible financial education, promoting wage equity, and creating a bright educational future for children across the state. OEE delivers programs to all residents of Massachusetts at every stage of their lives and regardless of their economic background. The Office offers initiatives tailored to meet the unique financial experiences of veterans, women, high school students, and older adults.

Identifying access to child care as a tool for economic empowerment was the result conversations with participants of the EqualPayMA Roundtable Series, hosted by OEE throughout 2021,¹ where they pointed out a lack of access to affordable, quality child care in the wake of the Covid-19 pandemic as one of the major drivers of the She-Cession.² OEE's first initiative in the field was to set up the Child Care Startup Grant (CSG) in the summer of 2022 for individuals who are seeking to start a family child care (FCC) in two major Massachusetts cities – Springfield and Lynn. This report evaluates the CSG program and provides a perspective on some of the barriers to growth in the FCC sector.

Overview of the Child Care/Early Education Sector

The term “child care” refers to early education and care settings for infants and young children from birth up to when children enter the public school system; in Massachusetts, usually around ages five to six. While the term ‘child care’ has been traditionally used to refer to care for younger children, it is more common today to refer to the sector as ‘early education’, emphasizing the professional and educational aspects of the field.

While in many cases child care is provided by family members – mostly mothers – or family friends without pay, paid child care tends to encompass three categories:³

- *Home care*: provided by nannies or babysitters to a small number of children (usually one to three) in settings that do not require a business license in Massachusetts.
- *Family or home child care* (referred to in this report as “FCC”): one or two caregivers that provide care from a residential building.
- *Child care centers*: larger entities that group children by age, are generally operated out of non-residential, commercial buildings, and have a dedicated director and staff.

The United States has one the highest costs globally for child care, yet government funding for early education is one of the lowest in the world even compared to low to lower-moderate-income nations (OECD, 2023). According to data published by the Economic Policy Institute (Child Care Costs in the United States, 2020), Massachusetts has the second highest cost of child care amongst states and the District of Columbia; residents usually spend over 22.7% of their income on child care. The average cost of infant care in Massachusetts is \$20,913 annually. For older children, the cost decreases slightly with a cost of \$15,095 annually for a 4-year-old. Government approved vouchers for child care – subsidies – are used to allow low-income households to afford child care and reduce the burden of cost.⁴

Moreover, there is a major crisis regarding the number of available child care spots to serve children, in Massachusetts. Following shifts in the child care sector related to the COVID-19 pandemic, by mid-2022 there were still around 8,000 fewer child care seats available in Massachusetts. Almost half of those missing seats were in FCC settings that represent less than 20% of the overall capacity in the state.⁵

Without access to child care (affordable or otherwise), women are more likely to stay home with children, thus reducing women's workforce participation and widening the gender disparity in employment (Bick et al., 2023) and lifetime earnings (Johnson et al., 2023). The link between child care access and women's participation in the workforce was most clearly demonstrated during and following the COVID-19 pandemic:

"Mothers were nearly three times as likely as fathers to report that they took on the majority or all of additional unpaid care work related to school or child care facility closures: 61.5% of mothers of children under age 12 say they took on the majority or entirety of the extra care work, while 22.4% of fathers report that they did". (OECD, 2021)

These numbers suggest that during this time, women took on a disproportionately large burden of the child care responsibilities within their household.

While the cost of early education is high, early educators have one of the lowest median incomes in the education sector. Even following recent increases in wages, early educators still earn less than half the median income in Massachusetts and their wages are consistently lower than wages for educators working with older children (Douglas et al., 2020). Even among early educators, FCC staff have a particularly low median income with \$33,200 per year.⁶ Notably, as a large portion of child care workers are women of color, issues related to racial pay inequities in exacerbate the already low wages that are common in the child care industry exacerbating:

"African American early educators who work with infants and toddlers earn \$0.77 less per hour on average than other infant-and-toddler teachers; among preschool teachers, this wage gap widens to \$1.73 per hour." (McLean et al., 2021)

A low average salary for child care workers reduces the appeal of the field and is a barrier for growth in the early education sector. As indicated by the Massachusetts Department of Early Education and Care (EEC), employee retention remains a significant concern for the sector.⁷

Data on low wages in the child care sector is even more concerning considering the economic position of these workers: 52% reported having dependents in the household and 28% of FCC owners were the sole earner of their families. In addition, 55% stated being worried about paying bills and 25% indicated experiencing worry about having enough food (Douglas et al., 2020).

Although labor unions are available for FCC workers (e.g., SEIU 509⁸), the sector is less organized than comparable sectors, such as K-12 educators, and are more limited in their ability to impact the overall working conditions (McLean et al., 2021). K-12 educators also have greater supports in place to aid them:

"K-12 teachers can more readily expect their work environment to support their economic, physical, and emotional well-being. For example, K-12 teachers typically can rely on a salary schedule that accounts for experience and level of education, paid professional development activities, paid planning time each week, and access to benefits like paid personal/ sick leave, health care, and retirement." (McLean et al., 2021)

Looking more closely at the early education workforce, the UMass Boston's Center for Survey Research's Early Education and Care Workforce Survey from 2019 (Douglas et al., 2020) provides a general profile of FCC owners in Massachusetts:

- A total of 99.7% of these educators are women.

- In terms of race and ethnicity, 73% identify as White, 32% as Hispanic/Latinx, 8% as Black or African American, 2% as Asian, and less than 1% as Pacific Islander, Native Hawaiian, and Native American.
- Over a third (34.6%) of family child care providers stated that English was not their primary language.
- The average age of the FCC owner is 51.
- For educational attainment, the majority do not have a college degree (52%), while 15% have an associate degree, 24% have a bachelor's degree, and 5.3% have a graduate degree.

The Massachusetts Child Care Startup Grant

Against the backdrop of a crisis in availability and cost of child care, OEE launched the MA Child Care Startup Grant ("CSG"). The goals of the program were:

- To increase the number of available child care seats in Springfield and Lynn by the creation of more Family Child Care businesses
- To support educators who are in the process of starting an FCC by providing grants both before and after licensing is complete
- To provide educational training to interested educators on how to start their own FCC
- To provide clear and concise materials on the licensing process for interested educators
- To increase access to child care that accepts subsidies

Early on, the decision was made to offer the grant in the cities of Springfield and Lynn, which were identified as "child care deserts"⁹ where early education options were scarce. In addition, both cities have a high share of families with low- to moderate-income as well as families of color, making them suitable for an intervention such as the CSG Program. In addition, the program focused on increasing the number of child care spots for children with subsidized vouchers.

The CSG program provided a grant of \$4,500 to individuals interested in opening an FCC in Springfield or Lynn. The grant was divided in half, so that the first half was granted before grantees received their FCC license and the second half, after grantees received the license. Grantees were required to attend a series of educational workshops on starting an FCC business which were provided by United Way Shared Services instructors before the first section of the grant was dispersed. The workshops were offered in English and Spanish and included topics that would enhance the grantees' financial knowledge, leadership skills, and business abilities. These topics included: Business Leadership, Iron Triangle Metrics, Recordkeeping & Time/Space, Budgeting, Creating a Business Plan, and Business Models. United Way also mailed child care books in English for the grantees' use.

Springfield grantees also had the opportunity able to learn about licensure requirements from the Western MA Office of the Department of Early Education and Care (EEC) during an in-person meeting for all participants, and as needed throughout the grant period. Lynn grantees were provided the opportunity to meet with the Lynn licensing office as well virtually. Finally, throughout their licensing process, the grantees received assistance from OEE's program associate, Tish Rosabelle.

The grant program was administered and organized by Ms. Rosabelle and OEE Deputy Director Samantha Perry. OEE utilized paid social media campaigns across Facebook, Instagram, and Twitter, partnering with the legislative delegation and mayors' offices, providing a social media toolkit for local community organization partners in Springfield and Lynn, emails through OEE's subscriber list, and finally

through radio and print media. A total of 42 applications were submitted, 37 of which were eligible residents of Springfield or Lynn. Nine applicants were referred by FCC Systems.¹⁰

Review of applications took place during August 2022. Consideration was given to the level of interest displayed in the application and ability to open a family child care business. This also meant providing proof of completion of the Massachusetts EEC StrongStart Potential Provider Training for Family Child Care. The final number of grantees selected was ten.

All ten grantees identify as women. In terms of race and ethnicity, seven identify as Hispanic or Latino, two as Black or African American, and one as White. Eight of the ten grantees are from Springfield and the other two from Lynn. Education levels vary across grantees with one master's degree, two bachelor's degrees, and two associate degrees. Two grantees also have some college education, two are high school graduates, and one has some high school education. Many grantees are bilingual, speaking both Spanish and English, though only one grantee preferred to receive the program in Spanish only.

The six educational workshops occurred from November 2022 to January 2023. On October 17th, 2022, grantees attended a virtual Meet and Greet with three local FCC systems in Springfield and Lynn: Clarendon, Square One, and Catholic Charities. English-speaking grantees also received one on one coaching sessions from a Shared Services MA instructor throughout January 2023.

The original deadline for grantees to receive their license and open their child care business by in order to obtain the second half of the grant was August 31st, 2023. However, the deadline was extended to December 31st, 2023, due to an administrative delay in the educational workshops and a request from a grantee to extend the deadline as a result of the delay.

Currently, 5 out of the 10 grantees have received their FCC license. Other grantees are working towards obtaining the licensure at this stage but have been delayed due to a variety of obstacles. At the time of the interviews, three of the five grantees who were interviewed had their license. One grantee did not complete the workshops, and therefore did not receive the first half of the grant.

Development Tools

While the CSG program initially focused on the grant and the training for grantees, during the program's duration, the program administrators identified a need for a guide for individuals who are looking to start an FCC that will depict all the steps to open an FCC in Massachusetts. To meet that need, OEE developed a primer detailing the five parts involved in opening an FCC:

1. Understand Expectations of the Role
2. Fulfill Pre-Licensing Requirements and Apply
3. Exercise Due Diligence and Set Up Your Home
4. Establish Your Business
5. Market and Launch Your Program

The resource includes direct information on the process to starting an FCC in Massachusetts, from a glossary of acronyms to step-by-step instructions and visuals to guide potential providers through the process. The primer will be housed with EEC as a foundational tool offered online for those interested in starting their own FCC.

In addition to the primer, in order to extend the outreach of OEE's experiences with the program, an FCC Incubator Guide was also developed. The guide covers learned lessons of the CSG program, aspects to include to support grantees, and examples of other grant initiatives supporting family child care providers nationwide. The purpose of the guide is to encourage other state entities to create their own

grant program and provide practical information. There was very little information publicly available on how to run a successful grant initiative for this specific audience - potential FCC owners in the pre-licensing stages. A survey is being used to collect further information and will provide a greater view of the landscape of available programs for potential FCC owners.

These development tools represent the larger-picture goals of the MA Child Care Startup Grant by amplifying recommendations and providing concise information on both opening a family child care business and creating a family child care grant program.

Evaluation

Goals of the Evaluation

The goals of the evaluation of the MA Child Care Startup Grant include:

- Checking to what extent the CSG program achieved its goals.
- Analyzing the experience grantees had with the program.
- Gaining a broad perspective of the barriers to starting an FCC business and the supports that exist for those who try to start an FCC business.

The goals of the evaluation were also discussed with Department of Early Education & Care (referred to in this report as “EEC”).

Data collection

Evaluation of the CSG program relied on multiple data sources. We used quantitative data related to the grantees and their FCCs, some of which was collected by the United Way as part of the educational workshop series.

In addition, we collected qualitative data by interviewing grantees. The interview guides covered multiple topics: background information, experiences in the CSG program, challenges and supports in receiving their license, and business operations if applicable (See Annex A for the grantee interview guide). Grantees who participated in the interview received a \$100 visa gift card for their time and input. Spanish interpretation services were provided for grantees who preferred to be interviewed in Spanish.

Outreach to all ten grantees was conducted through multiple avenues inviting them to be interviewed, such as email and text messaging. A total of five grantees were interviewed, one of whom was interviewed in Spanish. The interviews were conducted during May and June of 2023 by Director of Program Evaluation Daphna Gluck and OEE Intern Tessa Lyman.

In addition to data collected from the grantees, both program administrators, Samantha Perry and Tish Rosabelle, were interviewed on their experiences organizing and administering the grant program. Their perspective on the successes, challenges, and learned lessons of the program offer insight on the end result of the program, family child care businesses, and the child care industry in Massachusetts.

Finally, a survey among existing FCC license holders in Springfield and Lynn was used to collect data on existing FCC businesses, the licensing process, supports, and challenges to starting a child care business (See Annex B for the survey). Survey respondents were also asked if they were interested in participating in an in-depth interview about their experience opening an FCC. The interview provided an opportunity to expand on the topics that were covered in the survey. A \$100 Visa gift card was provided as compensation for interviewees’ time. Two respondents were interviewed (See Annex C for the established provider interview guide).

The survey was sent to a list of providers in Springfield and Lynn which was compiled from the Department of Early Education and Care's [Licensed Child Care Search](#).¹¹ A total of 443 providers were invited to complete the survey, 176 from Lynn and 267 were from Springfield. Additional outreach was conducted by emailing four FCC systems from Springfield and Lynn that attended a meet-and-greet for providers and systems in October 2022 to disseminate the survey amongst their members. In addition, information on the survey was also shared at The 9:30 Call, a daily Zoom call organized by Strategies for Children, which is attended by many organizers and activists in the field. Springfield had a total of 47 responses, a response rate of 17%, while Lynn had 36 responses, a response rate of 20%.

Outcomes and Analysis

CSG Grantees

The data gathered from CSG grantees is presented below by topics. Some of the data relates directly to grantees' experience with the CSG program while some provides a broader background on the process of opening an FCC, which is at the heart of the CSG program. As mentioned, the main source of data is interviews held with five of the ten grantees. The information below represents the experiences and opinions of the grantees that were interviewed and not that of all of the grantees.

Decision to Open an FCC and Apply for the CSG Program

When asked in interviews why they decided to start a family child care business, the most prominent response provided was first a desire to manage their own business and then a sense that the timing was right for them to do so in terms of their available resources or personal experience:

"I was ready to become like an owner, like I wanted to open up my own space, my own rules, and do my own thing, you know my own business." (Study ID #1)

"Because I should've already had a daycare of my own a long time ago. And I was like you know what if I get into this and I do this, I am going through it. I need to do this. This was God's calling. So I felt like I just needed to do it." (Study ID #4)

"Right, so yeah one is that I have the space and availability to do it." (Study ID #5)

Four of the five grantees who were interviewed had previous experience in the child care industry, with three being assistants and one being a paraprofessional. prior exposure to child care meant they felt knowledgeable and prepared to start their own FCC.

All of the grantees that were interviewed mentioned people in their lives that encouraged them to take the opportunity and provided them with necessary information on opening a child care business. Usually, these people continued to provide support throughout the grant process.

The CSG program was viewed as a way to receive financial and educational support that was necessary for grantees to take the risk of starting their own business. One grantee described that renovations were needed before she could open, and this propelled her into the process:

"I needed to fix before and I said the grant is gonna be a good opportunity to push me, you know, to start, to fix the things I needed to fix, to start the process." (Study ID #2)

Several interviewees felt that the resources and structure provided by the program drove them to start the licensing process.

Licensing Process

Interviewees were asked to rate the level of difficulty of the FCC licensing process from 1 to 5, 1 being not difficult and 5 being extremely difficult. On average, interviewees rated the difficulty at 2.5. When asked to discuss specific aspects of the licensing process, three grantees said information related to the licensing process itself was easy to understand but the amount was overwhelming, thus the overall difficulty of the process was rated as medium. The number of steps involved in the process required a significant commitment of time and focus to fulfill the many tasks required to receive the license.

The grantees we interviewed indicated that preparing the home was a significant obstacle to receiving the child care license. Many needed to make changes to their space to comply with EEC standards. One interviewee planned to buy a house and open her child care business there, but the fluctuating housing market limited her ability to do so. She described: *“So I have everything else, I just don’t have the place”* (Study ID #4). Renovations also delayed opening:

“Yeah, the basement area is done. But now, you know, I need to put a fence because I have a pool. And I would like to divide, like, technically I am going to have two backyards. One for the daycare so I don’t need to worry about anything, you know”. (Study ID #2)

Certain stages of the licensing process could be tedious and time consuming:

“The fingerprint because it takes time. It takes at least like a month or two for them to accept it.” (Study ID #1)

“It’s a lot of patience too because stuff takes time, like the -- your digital things, all the classes and stuff doing them right, having everything, you know. Preparing myself, the area, having everything, it’s a lot.” (Study ID #1)

One interviewee noted the number of prerequisite tasks to complete before the home visit can be scheduled. She reflected on the effort she put in to ensure everything was in the right place ahead of time for her EEC licenser:

“She was very thorough, but I think because I thought it would be so meticulous that I went, you know, through everything 10,000 times and I tried to be as prepared as possible, so it was a lot less intimidating.” (Study ID #5)

Overall, the licensing process was depicted as having numerous, detailed steps that were easy to complete individually, but were overwhelming when combined.

The United Way Workshops

The grant program provided support for grantees across several dimensions including funding, workshops, resources, and language assistance. The workshops were key to providing grantees with the proper information and resources. A post-workshop survey administered by United Way provided additional insight on how grantees felt about the experience. Only nine grantees completed the survey, as it was not available for the Spanish-speaking grantee. Grantees had a lot of positive things to say about the workshops. Below are a few examples:

"I think it was really good content. I think the instructors were very helpful, they were very clear and concise and prepared...But I did very much appreciate that they would send out the slides for us afterwards. Without that, my head would probably spin." (Study ID #5)

"I really like it and how they really gave a lot of information about what to do next and how they pulled from different like companies who were in it telling us the beneficials of each company to choose from." (Study ID #1)

The educational resources provided during the program helped grantees digest the wealth of information imparted over such a short period of time. Overall, instructors were found to be knowledgeable about the topics covered and willing to work with grantees to learn the concepts. The modality and timing of the workshops fit nicely with the grantees' schedules since it was remote and didn't interfere with work hours.

Grantees found budgeting and prices, record keeping, the instructors, and classmates the most helpful aspects of the workshops. Many grantees found that workshops made it easier for them to understand the different aspects of the licensing requirements. Specifically, grantees felt supported by meeting with a financial advisor to discuss business and finances, as well as receiving emails with next steps in the process:

"The workshops. I liked the workshops. They did give us the budgeting and the financial packets and then we did go over it with a financial advisor and I thought that very helpful." (Study ID #4)

Overall, the grantees found the classes very helpful, making it easier for them to understand the different aspects of the licensing requirements. One applicant noted that coming in as a beginner made the onslaught of information overwhelming. Another grantee wanted more information on saving money, obtaining more income, or applying for more grants. Greater financial help to increase available funds would have been useful for her.

The overall difficulty of workshops was averaged at 2.44 out of 5, suggesting a moderate overall difficulty level. However, when asked about specific topics, average scores tended to be 4 to 5, suggesting a higher difficulty level.

When asked to assess their ability to implement what they learned in the workshop, three grantees named several potential barriers: limited funds, limited understanding or lack of technology, lack of time, and lack of support or guidance. One grantee mentioned wanting to take another class for greater preparation. The rest of the grantees did not see any potential barriers to implementing what they learned in the workshops.

Grant Funding

The grantees we interviewed were grateful for the grant since access to funding was one of the greatest barriers to obtaining a license and starting their FCC business. However, in interviews we heard that even with the grant, covering their expenses was a challenge. As mentioned previously, high costs are a barrier to starting an FCC. One interviewee depicted the total cost of starting her business: *"When I did the budget thing with the person, it was 8,000."* (Study ID #1). Two grantees said they struggled to afford the equipment or renovations needed to get started. One grantee noted that covering the costs of preparing her home to start their FCC was the most challenging aspect of the licensing process:

"... you know, for me, it was just the money, the financing problems like you know, I need to pay a lot of things in the house and on top of that, the grant helped me a lot but right now, I am over that amount you know, twice, almost twice." (Study ID #2)

Three grantees said that a lack of funding prevented their progress in the licensing process. Since grantees needed the funding mostly for preparing their home, which is a necessary step to receiving a license, they struggled to afford everything they needed prior to licensure:

“No, I feel like getting the place ready too because it takes a lot of money. A lot of requirements because if you’re missing just one thing, they are gonna tell you “yeah you can’t open yet because you’re missing this”. (Study ID #1)

“Had I had extra money, then to just, you know, then it would have gone quicker.” (Study ID #5)

The division of the grant funds, half being given before licensure and half after, also posed a challenge as some grantees who felt like the other half of the grant would have accelerated their progress towards the license:

“But it was because, you know how the grant is separated. So that’s what’s keeping me too, from like buying all the stuff”. (Study ID #1)

While most grantees we spoke to said they understood the purpose behind the division of funds, they would have preferred to have a greater amount money available before receiving their license to provide them with the financial support necessary for them to meet EEC requirements sooner. Not all grantees felt this way as one grantee appreciated that getting the grant in increments set a pace for her spending.

Language Access

Due to patterns in the family child care industry and high share of Latinx and Spanish speaking immigrant population in both Springfield and Lynn, workshops were offered in English and Spanish. One grantee opted to attend the workshop in Spanish and was also provided with a translator for her interview. Her reaction to having access to the workshops in Spanish was positive:

“First of all, I am very grateful because we managed to get it to be in Spanish, my English is not that good and I needed to... you know, these are very important things that I needed to understand 100 % clearly.” (Study ID #3)

While this grantee was able to utilize the Spanish language option, another grantee said she was not aware of the option indicating a possible issue with the way language options were conveyed to the grantees. Although she was proficient in English, this grantee thought a having a Spanish-speaking instructor within the English class would have guided her learning and understanding of the material:

“Yeah, if someone from your part were there that who knows Spanish and English, it was gonna be better because not all of us speak fluent in English.” (Study ID #2)

Extending language support to specific aids for bilingual grantees would have been useful for this interviewee.

Program Support

When asked about aspects of the CSG program that were helpful, two grantees mentioned the support they received from program administrator, Tish Rosabelle:

“Yeah, and Tish has been very helpful as well.” (Study ID #4)

“[Tish] She always, like, she didn’t forget about us.” (Study ID #2)

The grantees found that they could rely on Ms. Rosabelle for help during a confusing process. She also served as a support for questions and guidance throughout the program, by seeking updates from grantees and checking in on them.

Outside Support

Throughout the licensing process, grantees relied on sources of support outside the grant, such as their community, people in their lives, and their FCC system. Outside support was used to gain insight and encouragement, learn about the child care industry or starting an FCC, and to acquire equipment or funding. These sources of support highlight areas of need that are addressed locally rather than through government-operated programs. In this section we will provide an overview of these supports.

Support from Community Members

A prominent form of support mentioned by interviewees was from people in their lives who prompted them to open their business and who supported them throughout the process. These people are a source of encouragement, mentorship, and information. Multiple grantees mentioned that someone in their personal life also owned a family child care business or worked in the field. That person became a resource for them to turn to. They also provided valuable encouragement through words of motivation and positivity to push the grantees towards applying for the grant or opening the FCC. One interviewee experienced this with her mother, who owns an FCC:

“She taught me about the steps. She told me to go for it because she knew I will have it and I will make it, like, and I went for it because I knew – I saw her getting her license. So, it was gonna be hard but at least I knew I was gonna get it.” (Study ID #1)

This relationship prepared the interviewee for what to expect from the licensing process and encouraged that she was capable of opening her own FCC business. Since most of the grantees we interviewed had previously worked in child care, professional experiences sometimes translated to personal influences. One grantee described the impact of observing and learning from her employer:

“I think honestly working for the person that I work for now kinda gave me more experience and I got to see like what she was doing behind – what we were doing with the kids, and I think that helped me more, working with someone who was like, you know what, this is what we are supposed to do. I was like oh okay.” (Study ID #4)

Feeling knowledgeable and prepared due to previous work experience motivated this grantee and gave her confidence in her abilities to run a child care business. Outside of family and employment connections, another grantee sought advice from people in her community through social networks and social media:

“I did also reach out to a friend of a friend who is local, and she also has a home day care, so we didn’t even actually know each other but I just wanted to pick her brain a little bit about the whole licensing process. I did join a couple Facebook groups of home day care providers, you know, just to see, you know, what everyone else is experiencing and see how they are handling that but that was pretty much it.” (Study ID #5)

This grantee had a personal connection that referred her to the grant program and supported her throughout the process, but she still craved support from other people in the industry.

Support from FCC Systems

FCC systems are agencies that administer financial assistance for child care to income eligible families in the Commonwealth and provide a centralized administrative function to a network of family child care providers. Apart from facilitating affordable child care options for families, FCC systems also act as a resource for FCCs themselves, providing trainings, technical assistance, etc.¹²

Several interviewees expressed appreciation for the support provided by their local FCC system. As one interviewee said:

“Well Square One has been a lot of help. And I remember Square One was actually going out of business a while ago and I had gotten some stuff from them...And then I don’t know I think just Square One has been very helpful with all the trainings that are coming up, I barely miss one. And then working with the lady that I work with now, she’s very helpful.” (Study ID #4)

From receiving equipment to training, this grantee had a very positive experience with their system. Other interviewees found their chosen system to be incredibly helpful during the licensing process. One interviewee used their system as a resource for questions and concerns:

“Yes, I have called them like 4 to 5 times already, asking them stuff and they have really helped me too.” (Study ID #1)

Some of these experiences varied depending on the specific system, but overall Systems were a stable source of support for FCC owners and all but one of the grantees who were interviewed were interested in having a relationship with their local system. One of the grantees preferred not to be tied to a system which might limit her independence in setting tuition rates and deciding which children to accept to her FCC (see section 3.1.8.2.).

Challenges

People opening their own FCC businesses face unique challenges, even within the early education sector. Starting their own business and venturing through the licensing process holds many challenges. It is essential to identify these challenges in order to minimize them for potential educators. Some of the major challenges, such as cost and the licensing process, have been discussed previously. Additional challenges include limited licensing capacity, signing with an FCC System, and being a foster parent.

Enrollment & Licensing Capacity

While most grantees were still too early in the process of receiving their license and opening their business, two grantees we interviewed worried that limited licensing capacity may hinder their ability to financially sustain their business. Some planned to immediately extend their license from six to eight children:

“I just hope, because I know everybody starts with a 6 students license, I just want to be able to get at least to 8 sooner.” (Study ID #1)

Interviewees also expected difficulties enrolling children. They became anxious of not being able to have steady enrollment or reach capacity:

“I think that’s gonna be the hard part. Finding the clients and finding the trustworthy clients that need me to take care of their kids.” (Study ID #4)

FCC Systems Requirement

Association with a local FCC system can provide support to FCC owners, such as referring children to the FCC. However, that support comes with obligations. One of the grantees we interviewed opted out of signing with an FCC system for that reason. The grantee said she had always worked for others and wanted to have full independence with her business. She preferred not to be committed to receiving referrals from the system and was unhappy with the state's tuition rates that she would be bound to with referrals. Confident in her abilities to secure enough children to reach capacity at her own rate, the grantee preferred not to sign with the FCC system even though it meant she had to forgo the second half of her grant.

Combining the FCC with Foster Care

Two of the five grantees interviewed had connections to the foster care system. One grantee fostered children and the other housed children fostered by her daughter. Regulations placed on foster care providers can cause complications for FCC owners. For example, one grantee was unable to run her child care business from her living room and had to use her basement, which required adjustments:

"The thing is that because I am a foster mom, I cannot do it inside the living room I already have, things like that. But if you're not a foster mom, so you can start it there and, in the meantime, you can prepare the area that you really want long term, you know." (Study ID #2)

While involvement in foster care can pose challenges for family child care owners, it can also provide greater knowledge of the child care sector. In preparing the home, one grantee felt the process was mostly completed due to her daughter being a foster parent:

"But we already have the house, and it has approved all the requirements it had to go through because she lived with us" (Study ID #3).

Being a foster parent or living with a foster parent ultimately educated the grantees of a similar child care process to running a family child care business, but for one grantee, it created a barrier to obtaining her license.

FCC Owner Survey and Interviews

FCC owners were contacted to establish a better understanding of the FCC sector in Springfield and Lynn. A total of 83 responses were received, 47 of which were from providers in Springfield and 36 from providers in Lynn. The vast majority of FCC owners identified as female (94%) while only one respondent identified as male (the rest did not respond to the question). 78.3% of respondents identified as Hispanic or Latino (6% of which with another race). 10.8% identified as White only, and 3.6% identified as African American or Black only. In terms of education, a third of providers had graduated high school or completed the GED while 59% had a range of further education, including some college up to graduate degrees. A total of 18.1% held a bachelor's or graduate degree.

Participants were asked about their professional careers prior to starting their FCC business. Overall, most respondents had prior experience in the child care industry. 8.4% of respondents had a previous role as a director, program manager, or program administrator. Almost half of respondents had some form of teaching role (lead teacher, teacher, or assistant teacher). 35% did not provide any previous experience.

39% of respondents received their child care license in the previous five years (2018-2023). The earliest license was from 1986, but only 7.2% of responders received their license before the year 2000.

Comparing responses between the two cities, a greater share of providers in Lynn (94%) were Hispanic or Latino compared to Springfield (72%). Springfield also had more providers that identified as White and less that identified as Black or African American. Lynn responders had a higher level of education with most having some college or a degree, while in Springfield most had graduated high school or completed the GED. There was a range of years of licensing in both Lynn and Springfield, but Lynn only had 27% of respondents receive their license in the last five years, while Springfield had almost 50% in the same time frame.

Two FCC owners participated in a follow-up interview. Both were women and had some college but did not receive a degree. One is a Springfield resident, and the other is from Lynn. The providers were of White and Hispanic/Latin origin, respectively. They had both received their licenses in the previous five years: in 2019 and 2021.

FCC Structure & Considerations

FCC owners were asked about their business structure. Choosing a business structure is one of the decisions that may be challenging for providers establishing their FCCs. Understanding the common business structures in the sector and why providers chose them can help support new providers in that decision.

The most common structure of family child care businesses for our respondents by far, is as a sole proprietorship (60.2%). Second is as a limited liability company (LLC) (8.4%), followed by corporation (3.6%), partnership (2.4%), and cooperative (1.2%). Around a quarter of respondents said they were not sure how their business is structured.

When it comes to deciding their business structure, advice from family, friends, and the FCC systems seems to be central for respondents, with 48.8% of respondents relying on advice from family and friends and 44.6% relying on advice from their FCC system. Around a quarter of respondents also relied on their own research, and around a fifth received advice from another type of consultant and/or reliance on practices by other FCCs. A further 17% noted that tax considerations impacted their decision. Finally, 18% of respondents said they did not know other options were available.

Starting and Running an FCC - Difficulty Matrix

Respondents were asked to rate the difficulty level of seven aspects related to starting or maintaining an FCC. The responses showed that the order of difficulty from most to least was:

- Budgeting
- Finding clients
- Filing FCC business taxes
- Preparing my home
- Hiring employees
- Recordkeeping
- Relationship with landlord

Over half (51.8%) of respondents viewed “budgeting” to be difficult or highly difficult. Finding clients, filing FCC business taxes, and preparing the home were close behind with 46.9%, 43.2%, and 39% of

respondents respectively selecting “highly difficult” or “difficult”. Most respondents were neutral with regards to recordkeeping. Hiring employees was often not rated by respondents, presumably because most respondents do not have staff in their FCC. However, of those that did rank this category, over a third (34.62%) viewed it as difficult or highly difficult, which suggests that those who hired employees struggled with the process. Relationship with landlord was also not rated by most respondents, but those who provided a rating indicated it as neutral or not at all difficult. This suggests landlord relations is not an issue most providers contend with.

When comparing between the two cities, filing taxes and finding clients were the only statements labeled as difficult by Springfield respondents, whereas finding clients and preparing the home were the only statements rated as difficult or highly difficult by Lynn respondents.

Business Skills

To assess how FCC owners felt about their own business management skills, respondents were asked to identify how much they identified with the following statements:

- “I feel confident in my skills as a business owner”
- “I feel confident in my financial knowledge”
- “I have strong leadership abilities”

These questions were posed with the goal of understanding what support FCC owners could use, and what resources should be created for that purpose.

Respondents were also asked to rate the statement: “I feel supported in my efforts to operate a family child care business”.

Most respondents expressed a high level of confidence in their business skills. Self-perception of leadership abilities were identified as particularly strong with 73.5% of respondents expressing a high level of confidence in the skill. Overall confidence in skills as a business owner was high for 67.5% of respondents and confidence in financial knowledge was high for slightly less than half of respondents (47%). 61.4% of respondents said they felt supported in starting their FCC business. There was no correlation between years of experience, which was based on year of licensure, and self-assessment of business skills.

Lynn respondents were slightly more confident in their business abilities and leaderships skills and felt a bit more supported than Springfield respondents. Both groups identified as least confident in their financial knowledge.

Supports in Establishing the FCC

Part of the goal of surveying existing license holders is to understand what type of services and support systems exist already to help entrepreneurs start their FCCs, and then identify further supports that may be introduced to help the sector.

The most prominent type of support used by respondents is financial – over 47% of FCC owners noted that they used grants, loans, or financial assistance to help establish their FCC. Furniture and equipment were the next most used support, used by 32.5% of respondents. A third of respondents answered that they did not use any support to create their FCC business. Of the respondents who answered that they used no support, 64% were providers who had received their license during or before 2014. This may have been due to less support being available at the time.

Respondents were also asked how they could have been better supported in the process of starting their FCC. The most common response was that financial support, either at the start-up phase or after receiving the license, was or is needed or used by respondents (44%). Similarly, access to required materials and equipment – either free of charge or at a discount – was mentioned by 12% of respondents. Therefore, the cost of starting or operating an FCC is the most significant challenge that requires outside support.

The need for material support is not surprising. Respondents had mentioned credit card debt throughout the survey and the issue also came up in the interviews with grantees. Many providers felt as though they did not receive enough economic help to start their business and suffered financially as a result. Importantly, some respondents noted the need for better information about resources. These respondents wanted existing resources to provide better, more to the point information or some guidance in distilling the resources provided to them and understanding their courses of action:

“More resources to finding better options/deals to make the room an actual FCC. From paint all the way to toys. I went broke trying to figure everything out & later finding out I could have done some things differently. I don’t regret my investment at all but wish I could have known better. It took me longer to open my daycare because I had to purchase everything little by little.” (Study ID #114320615469)

Apart from material support, many respondents also mentioned the need for guidance or training on the licensing process (10.5%), starting a business (5%), or business administration, including very specifically filing taxes (16%):

“Definitely could have used more support with learning about running a business, taxes for a business, etc. Also, could have used support with creating documents, guidelines, etc.” (Study ID #114320849005)

Both providers we interviewed also said they could use more training, specifically on using technology for budgeting.

Finally, 9% of respondents mentioned the value of learning from other, experienced, providers. One respondent expressed:

“I would have liked to have been able to connect with established daycare providers that wouldn’t mind giving me feedback or guiding me and sharing daily structure info. No one knows better than a provider that has been doing the work for many years or even one that is new and, in the field, working with a variety of ages in their program. I had so many simple questions pertaining to what to do throughout the day that I felt embarrassed to ask EEC staff or my licensor. Now I am in touch with a handful of providers that even after years of doing this I can reach out to if I have any doubts or am feeling down or struggling with a certain behavior.” (Study ID #114309771663)

This finding was not unique to the survey of FCC owners. As mentioned previously, the theme came up in interviews with grantees and both the established FCC owners who were interviewed. These groups also mentioned people in their lives as a source of support. For one provider, it was her sister-in-law and for the other, her mother-in-law. Both providers mentioned wanting greater peer mentorship, such as interviewing current FCC owners or seeing their day to day and spaces first-hand. Intentional classes that build on both provider knowledge and a sense of community were desired:

"Maybe even having a support class or something for new providers and just being able to sit there and go okay well, I'm not the only one that has done that, you know. I think that big of a support -- it would have gone a long, long way". (Study ID #6)

The themes discussed above are summarized by one provider:

"I obtained my FCC license 17 years ago and do not know if this has changed for new providers. At the time I could have been better supported with help obtaining needed materials, accessing grants and more accessible information regarding process and requirements." (Study ID #114309694370)

The interviews with the two FCC owners added information on support. FCC systems were brought up by both interviewees as helpful resources when starting up their business. One provider relied on her system to receive children and frequently asked them questions, while the other received technological support.

Another source of support mentioned in the interviews was the Department of Children & Families (DCF). When describing her relationship with DCF, the provider said they were:

"amazing people that I can call and talk to about anything and ask them questions and they're not judgmental." (Study ID #6)

Similarly, her experience with a local food program reflected her gratitude:

"It's great because that's, again, another resource and another person that's helping to support you." (Study ID #6)

A local food program was also a source of support. It is worth remembering that running an FCC business is often a solitary endeavor. It is not surprising that providers lean on multiple partners for daily advice and support.

Achieving Financial Sustainability

Almost half of survey respondents (48.2%) said that the income from their FCC was not enough to sustain them financially. Only 22.9% said their income was enough to sustain them, and the rest (25%) were unsure. Eighteen respondents provided additional comments on this question, with the large majority expanding about their financial struggle and the need for additional sources of income to make ends meet:

"I work other part time jobs to help with cost-of-living increases etc." (Study ID #114320849005)

"Because my spouse is employed full time elsewhere it is a livable income." (Study ID # 114303878972)

"The economy has risen and every day the necessary profits increase more each day. Only in electricity, electricity, water and mortgage expenses are more than 3,000 dollars per month. There is also the expense of having a Certified Assistant."¹³ (Study ID # 114302634910)

Broader economic circumstances causing the costs of both business expenses and living expenses to increase was an additional factor in needing outside sources of income beyond providers' FCC business.

Year of Licensing & Financial Sustainability

To determine if there was a correlation between the amount of time providers have been in business and their ability to sustain themselves financially, we looked at the percentage of earlier and more recent providers, based on the year of licensing, and their answers on income sustainability. The results are in the table below.

Year of Licensing & Financial Sustainability ¹⁴			
	Financially sustained	Not financially sustained	Not sure
Licensed before 2016	24%	53%	24%
Licensed after 2017	17%	56%	27%

As can be seen in the table, the share of providers who gained their license before 2016 and are financially sustainable is slightly higher than of those who gained their license in 2017 or after. However, as our survey respondents do not represent a representative sample of the population of FCC owners in Springfield and Lynn, the difference in the experiences of the two groups are not such that we can consider to be indicative of a correlation.

Child Care Spots & Financial Sustainability

Of the providers surveyed, 54.2% said that they are at full licensed capacity. Slightly less than a third said they did not have all their child care spots filled and would like to serve more children. The rest (14.5%) answered that they were not full, but at their desired capacity. One provider noted that since she has her own children that attend her daycare, she cannot use those spots but would have preferred to be able to add more children.

When looking at providers' capacity and their financial sustainability, a pattern emerges. As can be seen in the table below, around a third of providers who are either at capacity or not at capacity but are not looking to add more children to their FCC said their business financially sustains them, compared to none of the providers who are not at capacity and are looking to add more kids. That is not surprising. One provider depicted this pattern in a response:

"Depending on how full I am with children I feel sustain and when I don't have as many children it's a little harder financially." (Study ID #114302623554)

And still, of our respondents, even for providers who are at capacity, financial sustainability can be an issue as 39% said they are not financially sustained by their business. While the data we present here is not representative, it does indicate that financial sustainability can still be a struggle for FCCs even when operating at full capacity.

Child Care Spots & Financial Sustainability			
	Financially sustained	Not financially sustained	Not sure
At capacity	36.4%	38.6%	25%
Not at capacity, but not looking to add	33.3%	41.7%	25%
Not at capacity and looking to add	0%	83.3%	16.7%

Additional Comments

The FCC Owners were provided with the opportunity at the end of the survey to add anything they would like to address or comment on. Seventeen respondents provided substantive comments. Six respondents thanked OEE for supporting FCC owners and provided overall positive feedback on either their job or the survey. The rest pointed to various needs in the sector: more funding for both new and established providers; greater access to licensing materials in Spanish; more information on running a business; and better benefits for providers. The latter response regarding benefits to providers raises the complex question of standardized working conditions for FCC owners who are self-employed:

“Providers should have the right to have sick days paid and vacations paid by all the hours we work not only 5 days per year for everything is unfair and inhumane.” (Study ID #114321232943)

A few of the responses also included concerns of not receiving enough children or wanting to expand their child care license to allow more spots.

Finally, one respondent expressed concern for a lack of available preschool spots for children aging out of FCCs in her community:

“I am very worried about full day PK for 3- and 4-year-olds. FCC was already doing full day PK and it's concerning that the communities that we serve as well as the state really aren't taking into consideration that we can support our local communities through contracted PK spots with the public-school systems.” (Study ID # 114303238184)

Program Managers’ Perspective

Successes

Program managers, Samantha Perry and Tish Rosabelle, were asked what they consider to be the successes of the program.

Child Care Slots & Licensed Educators

Adding child care slots to Springfield and Lynn was described as the “hallmark success of the program”. At the time this report was written, 32 child care slots have been added through five licensed FCCs. Many of the new spots can be used for subsidized care since most grantees signed with an FCC

System in order to receive the entire grant amount. This increases access for lower income families who use subsidized tuition vouchers for their child care needs.

By supporting FCC owners, the program also promotes women and women of color owned businesses. In Ms. Perry's words:

"We're increasing the number of seats in child care because child care seats are very competitive in Massachusetts, and we also designed it so there was the component with the systems that would require – that would increase the number of subsidized seats as well. But also, a financial and small business opportunity for the educators themselves."

Joining a Network of Early Care Activists

The CSG program was OEE's first foray into the early education field. During the development and administration of the program, OEE had the chance to create new relationships and collaborate with other organizations active in the field, including EEC and Strategies for Children (CFS),¹⁵ an advocacy and policy organization focused on early education. In 2022 CFS launched the Early Childhood Agenda, a statewide initiative bringing stakeholders together to identify priorities for building a stronger early childhood system and come up with an action plan to achieve these priorities.¹⁶ OEE was able to take part in the initiative, contribute to the work, and create additional connections in the field.

These connections serve OEE beyond the CSG program, both in helping OEE take on a permanent role in the early education sector and in cross pollinating with other OEE initiatives and programs, such as BabySteps.

In addition, OEE was able to connect others to new goals and people. As the grant program's funder, Citizens became a larger stakeholder in the child care industry.

"I think we really engaged Citizens with the conversation around child care, I think that the public affairs team has a much deeper understanding of what the landscape looks like now and it's absolutely a priority at Citizens to I think continue engaging here." (Perry)

With Citizens' increasing interest in the early education sector, there is now a potential for funding to go to other initiatives. OEE is assisting by connecting Citizens with other organizations.

Resources Offered

Administrators also pointed to the educational resources that were made available to grantees. These resources were immensely helpful in aiding grantees in getting their license and opening their FCC business:

"I think the training with United Way was really important and I think access to the Shared Services resources would be considered a success and I think just being able to get the funding to get started." (Perry)

"The fact that with the Shared Services training they were able to get a set of family child care business textbooks shipped to their home." (Rosabelle)

The funding and informational materials of the program were major benefits for the grantees' long-term education and ability to get started with their business.

Relationship with Grantees

The program was particularly successful in creating a supportive environment for grantees. Program administrator Tish Rosabelle was a constant source of support and assistance to grantees. Grantees regularly came to OEE staff for help when needed and two of the grantees we interviewed singled out this support as one of the successful aspects of the program:

“The fact that they feel comfortable reaching out for support when they need, even if it's something we haven't explicitly said we would help. You know, it does fall under the scope of if you need anything please reach out, but the fact that they feel, you know, comfortable enough to do that I think is a great thing”. (Rosabelle)

In addition to this open communication, feedback from a grantee was incorporated into the program:

“One of the grantees requested the deadline extended because the educational component of the program started late, and we were able to do that, and I think that was a very good thing”. (Rosabelle)

Challenges

The lack of available information and data on FCCs in Massachusetts limited the knowledge OEE had going into the program. There was a lack of knowledge about the costs of starting an FCC and when in the process most expenses are incurred, which created difficulty in structuring the grant. The OEE team struggled to find answers to these questions despite conducting research and inquiries with various partners in the field:

“What we always ran into is the amount of funding, like was it enough, was it too much, would it have been better if we held all the funding until the business was fully operational. So, I think that was a tremendous challenge.” (Perry)

Had OEE been aware of certain areas of need within the FCC sector, we would have addressed them through the program. For example, it became clear to program administrators that FCC owners struggle to file their annual taxes. Had OEE known that this is an area that requires support, we could have planned to provide training on filing taxes to grantees. And indeed, OEE was able to host a tax workshop for providers (not just grantees) after the program wrapped up.

Another challenge identified by OEE program administrators was that although the child care field is well connected with multiple stakeholders, the bandwidth of resources is stretched thin, making partnerships and tasks, like collecting information, even harder.

“You needed so many different partners in order to make this program successful and all the partners are overworked and under-resourced”. (Perry)

The program met with several logistic challenges that will be described below.

1. Providing mentorship

Recognizing that lack of business experience and knowledge is a barrier for early educators starting their business, OEE planned on having a mentorship component to the program so that each grantee would be paired with a business mentor:

“[We] wanted to do more mentoring as part of the initiative and that really, I don't think, took off the way that we wanted it to.” (Perry)

Due to the unique needs of child care business owners, we learned how important it was for any mentoring program to include experienced current or former child care business owners or subject matter experts. It was difficult to identify mentors that fit these criteria in a short span of time. Grantees did participate in a one-on-one coaching session with an educator from the United Way's Shared Services program.

2. Providing adequate, continual support to grantees

Despite the positives that stemmed from the open and regular communication with grantees throughout their licensing process, OEE does not usually provide high touch programming and is not equipped for this sort of work. The role of supporting the grantees fell on Ms. Rosabelle who had multiple other duties in her role at OEE. It also required Ms. Rosabelle to do considerable triaging as the answers to many of the challenges faced by grantees were not in OEE's control. Following up with them for updates on their progress and ensuring their success was made more challenging due to grantees working multiple jobs and having limited time. In addition, there were language barriers and the need for translations that added difficulty to the ease of regular, informal communication.

Learned Lessons & Potential Improvements

With the CSG program OEE navigated the sector of early education for the first time. This brought doubts and learning curves throughout the process. It also made it more difficult to be a source of information for the grantees. The primer document was also assumed to be much simpler to create than it turned out to be, as it *“definitely was more intensive”* than expected. The primer document was initially intended to provide a breakdown of the licensing process for grantees to use; however, it was not ready in time to deploy to grantees. This meant that the intended purpose was unsuccessful, though the extra time allowed the primer to be considerably more comprehensive than intended and will serve as an important document for the entire sector.

In reference to the requirement for grantees to join an FCC system to receive the full amount of funds, the program administrator stated: *“looking back based on our learning this past year, it's becoming clear that maybe requiring that was not the best option”* (Rosabelle). Promoting FCCs was viewed as the best method to increase subsidized child care spots. However, allowing the grantees to choose would have given them greater flexibility while still receiving funding.

Beyond improvements that could have been made to the program, the program administrators explained that with the current understanding of the early education industry and OEE's resources, the office would have to take a different approach to help address the early education crisis. As a result of this, program administrators suggested that:

“Maybe it would make more sense to do smaller grants that are more focused on technology or really specific need, physical need, for spaces and offer the trainings to more people, I think that that might be another option.” (Perry)

The framework of OEE's support of the child care industry would look different in the future, due to the knowledge now held by staff and understanding of how to best use resources.

Discussion

Program Outcomes

Of the ten grantees that were originally selected, nine completed the educational portion of the program and received the first half of the grant. Five grantees have obtained their FCC license and received the second half of the grant.

In addition, there is now increased capacity in two Massachusetts cities that are child care deserts: Springfield and Lynn. 32 child care seats have been added – 26 seats in four sites in Springfield, and six seats in one site in Lynn. An additional 24 seats are pending licensure (18 seats in three sites in Springfield and six seats in one site in Lynn).

Beyond the outcomes of grantee participation, the program initiated administrative support for growth in the sector. Having identified that the FCC licensing proves complex and difficult for many educators to navigate, the OEE team created a step-by-step guide for starting an FCC business. Additionally, the FCC Incubator Guide was created to provide best practice for organizations wishing to support the child care sector through similar start-up grants.

Lessons & Recommendations

In this section we will expand on the main lessons learned during our process of evaluation and make some recommendations for the future.

CSG program and Evaluation

Access to Grant

There were some limitations to who could apply for the CSG grant. Since the only way to apply was online, only those with access to suitable technology were able to apply. Additionally, applying and participating in the program required time that not all potential grantees could have. Potential applicants that work multiple jobs may have been disadvantaged by this (though note that program participants did say that the workshop schedule was convenient and suited their work schedule).

Lastly, how the grant was advertised and who heard about it may have influenced who applied. Applicants could have been advantaged if they had family or friends who were also child care providers and heard of the grant.

Access to FCC Survey

A total of 83 FCC owners responded to the survey, 47 from Springfield (response rate of 17.6%) and 36 from Lynn (20.3% response rate). The survey was only accessible in English limiting access to providers who are only proficient in languages other than English. Respondents also had to have available time and access to technology, which may disproportionately have impacted lower to middle income families.

FCC Sector

Peer Support and Mentorship

Throughout the grantee interviews, FCC owner interviews and FCC owner survey responses, it was evident that those who had peer support from fellow providers were grateful for it and others felt they desired that kind of guidance. The most frequent request for support in the survey reflected this theme, as providers expressed wanting to view another provider's setup, schedule, and preexisting structure as well as ask questions and gather information from them. There was a clear learning curve present that new providers struggled around especially considering the solitary nature of managing an FCC. However, they knew having a peer mentor who was already past the beginning stages would help them succeed in opening their family child care business. Many providers had family members or friends that were FCC owners themselves and found these connections in their social networks. Those that did not have such a support system were able to describe exactly what was missing: a role model who had been in their position and could offer them mentorship. For some CSG grantees, Ms. Rosabelle provided this sense of guidance and support. While she could not provide a direct peer relationship, it is clear that creating a community for providers could go a long way to help the sector.

Business Guidance

While self-assessment of business skills among FCC owners was high, qualitative feedback provided by grantees and established providers demonstrated a desire for further education in business. More training related to the business side of being an FCC owner was a highly requested form of support. For example, a class on aspects in running an FCC business, specifically in taxes and money management:

"Bringing on specialist in the fields of taxes and banking." (Study ID #114303292936)

"Definitely could have used more support with learning about running a business, taxes for a business, etc. Also, could have used support with creating documents, guidelines, etc." (Study ID #114320849005)

Educators noted that while caring for children and dealing with food were covered in pre-licensing, there was a lack of information and guidance related to business.

Financial Support

The number of FCC owners who said their business did not sustain them financially is concerning. It is beyond the scope of this valuation to analyze the reasons for this; however, it is worth noting that many providers expressed a desire to expand child care licensure in order to have more slots. Given the larger context of child care in Massachusetts, this could be an important factor as to why potential providers do not pursue opening an FCC and why current providers close their businesses. Addressing the sustainability problem for FCCs should be a priority. Providing financial support in the beginning stages of starting an FCC can support the establishment of FCCs and avoid providers taking on debt in the early stages which would impact their sustainability long term.

For more than a third of FCC owners in Massachusetts, English is not their first language (Douglas et al., 2020). While it may be that a great many of providers are proficient in English, it is also likely that many would benefit from access to resources in their native tongue. Greater language access helps potential providers feel more comfortable completing the necessary requirements and having accessible resources to become licensed and open their own FCC. Therefore, ensuring access to provider and licensing resources, including trainings or workshops, in languages other than English is highly important.

Conclusion

Ultimately, the MA Child Care Startup Grant was successful in achieving its main goal, facilitating an increase in available child care slots in Springfield and Lynn. Several grantees have started operating their businesses and others are towards the end of the licensing process. In addition, the program contributed to the greater discussion on how to better aid FCC owners in Massachusetts and the child care sector in general. As a result of the grant, two documents have been created that add to the public resources available to educators. This includes the aforementioned Primer that will serve as a step-by-step guide on how to receive a child care license and start an FCC business. Second, the FCC Incubator Guide was created to examine how the MA Child Care Startup Grant and other similar grants nationwide can be duplicated and improved by other states to increase access to child care through state initiatives supporting providers.

The grant program has given the Office of Economic Empowerment a greater knowledge of the child care industry. By adding child care spots and encouraging the opening of multiple businesses, often owned by women and women of color, the program has facilitated more economic freedom in this region, as greater access to child care increases women's economic independence. Through the process, OEE established itself as a resource and convener in the sector and will continue to contribute as such.

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