

Investing in Home-Based Childcare Entrepreneurs to Stabilize Their Businesses, Expand Childcare, and Build Wealth Through Homeownership

November 14th, 2024 12pm – 1pm EST



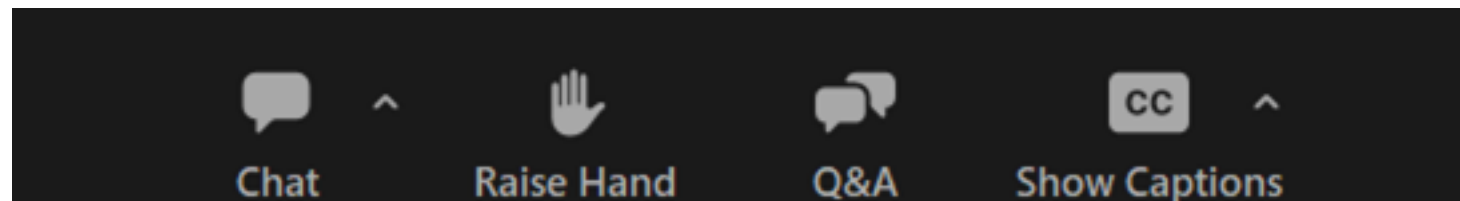
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Welcome



Camille Emeagwali

Sr. Vice President of Programs & Strategic Learning, New York Women's Foundation

AFN Board Member

Today's Agenda

- Why is this topic critical for the care economy and economic mobility ecosystems?
- What is being done to address barriers and open pathways for homeownership?
- What is still needed? What roles can philanthropy play?
- Open Q&A



Speakers



Natalie Renew
Executive
Director,
Home Grown
Child Care
Webinar Co-host



Laura Kohn
Vice President of
Care &
Education,
Mission Driven
Finance



Cynthia Melde
Senior Program
Officer,
LISC Phoenix



Hayley Village
Owner, It Takes
a Village
Children &
Family
Services, LLC

Why is this topic important?





Housing: Asset Building for Home-based Child Care Providers

November 14, 2024





Home-Based Child Care Landscape

- Home-based child care includes the licensed small business we call **family child care** as well as the license-exempt, informal providers called **family, friend and neighbor caregiver**.
- Of these diverse providers, **1 million providers** are currently being **paid** to care for over **3 million children ages 0-5**.
- Meets specific market needs: **30% of infants and toddlers** attend home-based child care as their primary care arrangement compared to just 12% in centers.
- Providers are overwhelming **women (97%)** and **people of color (50%)**.
- Average annual income for licensed provider is **\$29,377**. These caregivers provide an average of 56.5 hours of care per week or 10 to 12 hours a day (OPRE, 2016).

Why are we talking about housing?

- **Learning environment:** millions of babies and young children are learning and growing in this setting.
- **Location of business:** income generating business is located in the home. After labor, facility is the largest cost to operate.
- **Home of providers' family:** providers are living and raising their own families in this home.
- **Path to wealth building:** secure and owned housing offers economic stability and a path to wealth for providers and their families.





Housing Challenges

Child care providers experience high rates of **material hardship** and for home-based providers paying for utilities, housing and food cause the most hardship.

Housing is a major challenge, in 2024 ([RAPID-EC sample](#)):

- **34%** of home-based providers have received an eviction notice
- **17%** have been evicted (national rate is 5.3%)
- **6%** have received a foreclosure notice
- **3%** have been foreclosed (national rate in 2023 was .26%)
- **26%** report not paying mortgage or rent in full for that month



Housing Challenges - Barriers to Homeownership

Among providers who do not yet own, **87% have a goal to do so.**

Barriers to homeownership include:

- 68% cannot afford a down payment
- 51% cannot identify affordable homes
- 54% hold debt
- 38% have poor credit scores
- 27% cannot get a loan





Housing Challenges - Other complications

- Licensing: local zoning & building code
 - Improvements that are not financially or programmatically viable
 - Incoherent and duplicative regulations
- Additional local restrictions
 - HOAs and Condo Association rules
- Renter challenges to get licensed



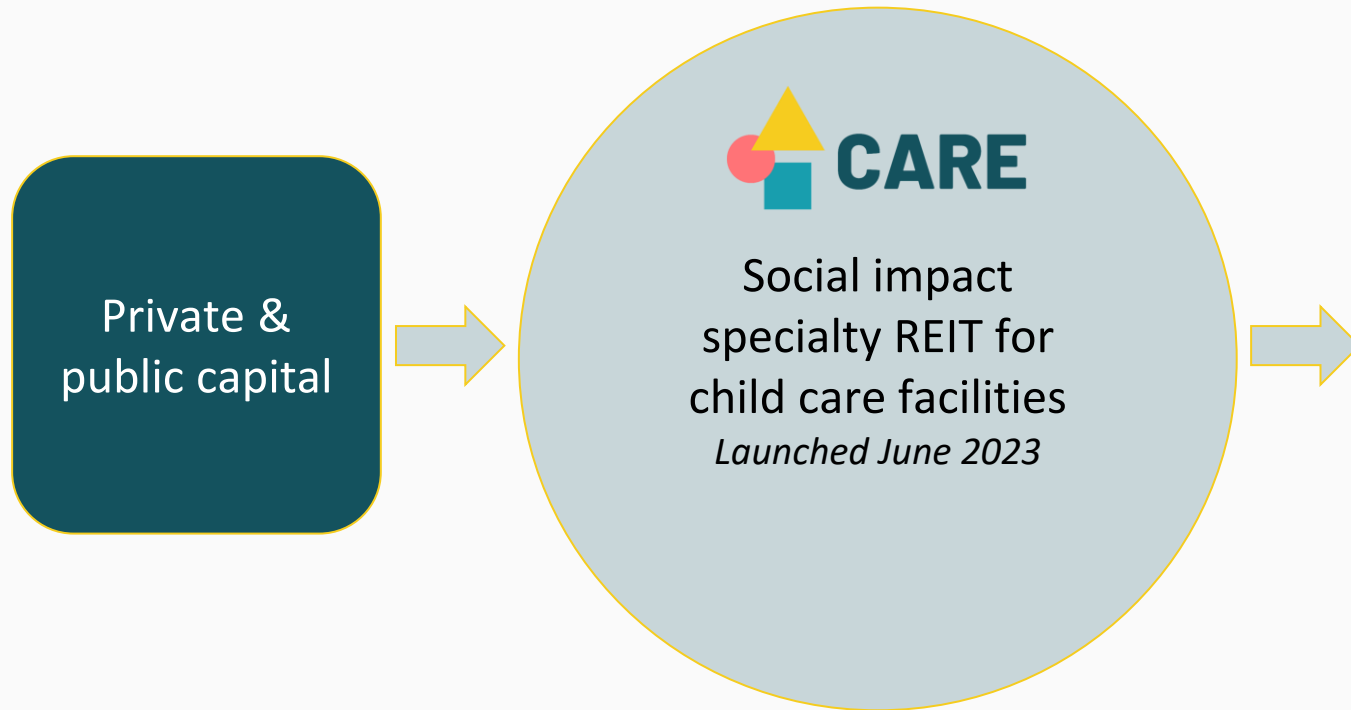
Provider Perspective

- Hayley Village, Family Child Care Provider, Bay Area, California

What is being done?

Mission Driven Finance





CARE today:

- 19 properties in portfolio (Las Vegas and San Diego)
- 3 properties under contract (Las Vegas and Colorado)
- 10 child care tenants, with five more moving in by year-end
- 8 licensed for large FCC operations



How CARE works





CARE's housing impacts:

- Mission-aligned landlord
- Socially-just landlord
- Rent discounts when subsidy capital is available
- Pathway to home ownership, including appreciation profit share when possible
- Child care houses in neighborhoods

CARE's provider tenants - Tina



Before



At match (during)



After

LISC Phoenix



Approach

**Conduct
Market
Exploration
& Analysis**



**Engage HBCC
Educators in AZ-Based
Pilot**



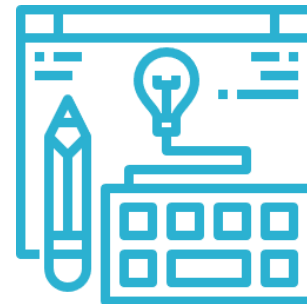
**Focus on Complex
Needs of HBCC
Educators**

via Community-Based
Participatory Research

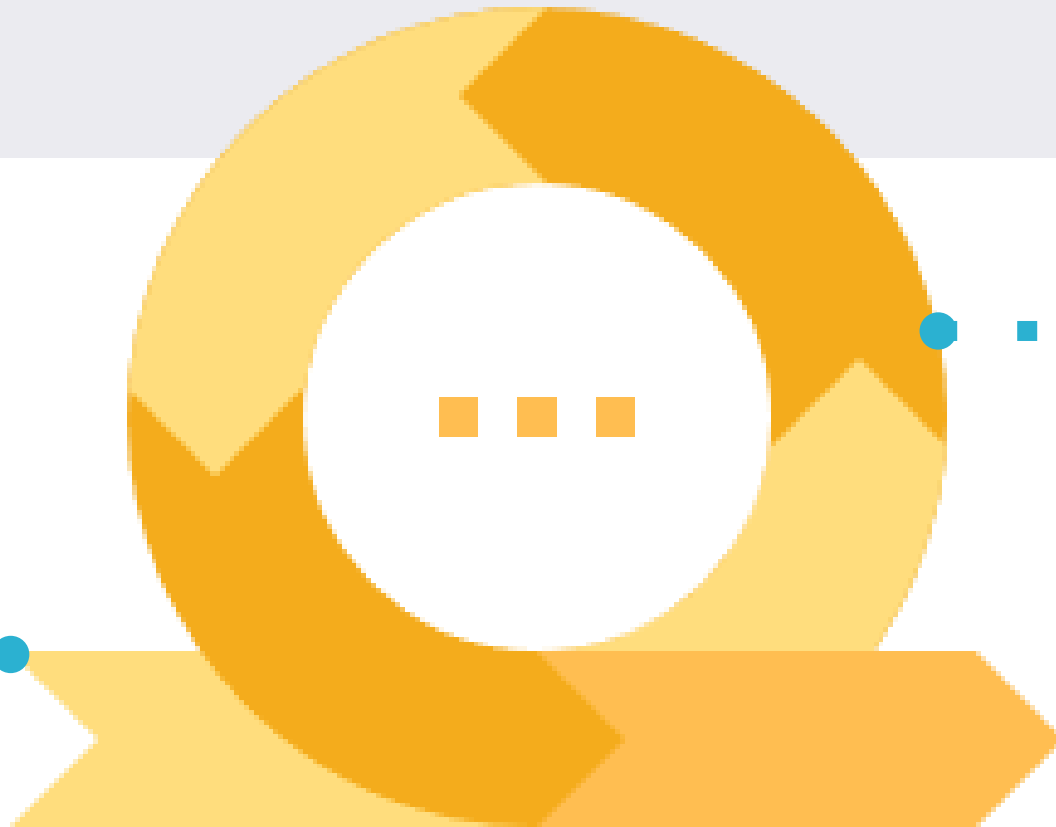
**Facilitate Peer
Learning Locally
& Nationally**



**Develop
Blueprint &
Share with
National
Networks**



Iterative Proces



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What is still needed? What role can philanthropy play?



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