



Secretary Patrick Tutwiler  
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Commissioner Amy Kershaw  
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Boston, MA 02210

Secretary Yvonne Hao  
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Dear Secretary Tutwiler, Secretary Jones, Secretary Hao, Commissioner Kershaw and fellow Early Education and Care Task Force members:

Massachusetts Budget and Policy Center (MassBudget) is a public policy think tank researching and advocating for racial and economic justice. MassBudget performed research on the importance of **Family Child Care (FCC) providers** that we urge you to consider as you develop a whole-of-government approach to affordable child care.

As you may know, FCC programs are operated out of the home of the owner/provider. They are licensed by the state of Massachusetts to serve up to 10 children, depending on ages and staffing. FCCs represent one of the two provider types licensed in Massachusetts, the other being [Group and School Aged](#) child care (GSA), which comprise preschools, kindergarten, before and after school programs, and summer programs. There are over 5,400 licensed FCCs operating in Massachusetts.<sup>1</sup> As of May 2024, there were 43,077 licensed FCC slots in Massachusetts, which represents about 18 percent of all licensed child care capacity.<sup>2</sup>

FCC providers act as both educator and business owner. This dynamic inherently limits the capacity that the provider has to act in either of those roles. In FY 2023, 42 percent of providers were able to employ an assistant, which increases a program's licensed capacity.<sup>3</sup> An assistant represents a wage that must be paid, on top of other operational expenses. As is true for most early educators, FCC providers are disproportionately female and seldom earn a living wage, with the majority taking home pay that amounts to less than the state minimum wage, after expenses are subtracted.<sup>4</sup>

FCC providers perform work that is essential to the social and economic functions of the Commonwealth. According to EEC data, their programs disproportionately operate in the most socially vulnerable communities and in Gateway cities.<sup>5</sup> The share of FCC slots provided in Massachusetts's most socially vulnerable census tracts (as defined by the CDC's Social Vulnerability Index) is 13 percentage

points higher than the FCC share of all childcare slots in the Commonwealth. 32 percent of all licensed slots in Gateway cities are provided by FCCs- compared to 18 percent of all slots provided by FCCs statewide.<sup>6</sup> From a workforce perspective, they represent a potential engine for economic mobility for people who have been traditionally excluded from business opportunities.

As the executive offices of education, labor and workforce development, and economic development seek to improve and expand the child care sector, enhancing the experience of the workforce and incentivizing long-term participation in the field should be a top priority. By increasing provider income, making it easier for providers to save for the future, and allowing them to grow within the sector as professionals, the Commonwealth will build up the economic resilience of these individual educators *and* the communities they serve and live in.

Over the past four years, the Department of Early Education and Care (EEC) and the Massachusetts Legislature have taken significant steps towards increasing incomes for providers of all types. C3 operational grants, which have significantly increased educator wages, are now codified into state law in the Fiscal Year 2025 budget. The Legislature appropriated \$65 million for the coming fiscal year for EEC to increase daily reimbursement rates to providers for Child Care Financial Assistance (CCFA). In Fiscal Year 2024, EEC used these funds to not simply increase reimbursement rates, but to do so in a way that prioritizes geographic equity across the state and at a dollar amount that more closely reflects the true cost to educators for providing care. As we look towards sustaining the C3 program into the future and establishing a permanent formula, the Administration should continue to prioritize educator wages and adjustments that account for the increased costs of educating children with higher needs. We can also improve the financial stability of providers and incentivize new providers to take subsidies by continually raising daily reimbursement rates based on the true cost of care.

The current EEC regulations restrict the number of children that can be served in FCC homes to 10, even if a provider employs an assistant. The Fiscal Year 2025 budget removes this restriction and creates a pathway for EEC to adjust this regulation. We would like to see EEC adjust this regulation to allow FCC providers to enroll more children. By allowing providers to enroll children based on the physical capacity of their space and number of educators that they employ, more children can be served, and providers will be able to increase earnings for themselves and for their assistants.

We know that long-term financial stability is not simply a matter of earning income, it is also about the ability to save, invest, and accumulate wealth. FCC providers should have access to the same wealth building tools that many other working professionals do. For these providers to experience meaningful economic mobility- mobility that tangibly improves economic prospects not only for them but for their families- they need access to retirement savings accounts that allow them to grow their income over time. Other non-salaried benefits, like increasing the number of paid approved closure days, would help to protect providers, particularly those running FCCs, from unforeseen financial hardships that would otherwise set them back.

Giving educators the tools and the opportunity to not only earn in the field, but to grow as professionals, is essential to building and sustaining a robust early education and care workforce. In the Fiscal Year 2025 budget, the Legislature codified three policies that facilitate this type of growth. An

educator career ladder, once implemented, will allow educators who are new to the field to thoughtfully map out a career in education that meets their personal needs and goals. The educator scholarship and loan forgiveness programs will help to ensure that more passionate educators are able to pursue their dream careers without significant financial setback. We are excited about the Administration's commitment to these programs that will help build a diverse, competent workforce of educators across the Commonwealth, across care types, and across age groups.

As we center racial and economic equity in early education, FCCs are a critical public investment. Addressing the needs highlighted above would help foster conditions under which these businesses can thrive, and children, educators, and families can flourish.

Respectfully submitted,

Adam Jones  
MassBudget  
Policy Analyst

#### Works Cited

<sup>1</sup> [Public data](#) from Massachusetts Department of Early Education and Care.

<sup>2</sup> [Public data](#) from Massachusetts Department of Early Education and Care.

<sup>3</sup> Data provided upon request from Massachusetts Department of Early Education and Care, September 2023.

<sup>4</sup> Massachusetts Department of Early Education and Care Board Meeting [Slides](#), December 2022.

<sup>5</sup> [Public data](#) from Massachusetts Department of Early Education and Care.

<sup>6</sup> [Public data](#) from Massachusetts Department of Early Education and Care.