EXECUTIVE SUMMARY

Family, Friend, and Neighbor (FFN) Care is a crucial, but often overlooked, component of California’s Early Learning and Care system. This policy paper aims to raise awareness of the important role of FFN caregivers and the challenges they face when it comes to compensation, building upon a brief released in June 2022. In California, FFN caregivers who serve income-eligible families can receive subsidies for their caregiving; however, there are many barriers to accessing these subsidies. This paper digs into these barriers to accessing subsidies and provides recommendations on how to better support FFN caregivers in obtaining them.

This brief was developed in partnership with Early Edge California’s FFN Workgroup, which consists of representatives from organizations that provide resources to FFN providers and has, since its launch in February 2021, provided critical insight on the needs and experiences of FFN providers. The recommendations in this brief were also informed by the personal experiences of representatives from Early Edge’s FFN Advisory Groups and its cohort of FFN caregivers in the California Leading from Home program, which are made up of FFN caregivers that provide care to families from across the state.
BACKGROUND

Family, Friend, and Neighbor (FFN) child care providers are a vital component of the Early Learning and Care system and our state and nation’s child care infrastructure. It is estimated that a third to at least half of all children under 5, and nearly two out of every five children, ages 3 and under, are entrusted to the care of an FFN provider, making it the most common nonparental child care arrangement for our youngest children in California and the United States. Grandparents comprise the largest share of FFN caregivers. Nearly one third of parents with children two and under rely on care from a grandparent.

FFN care is a necessary child care option, and often the desired choice of care for parents, especially for those with infants and toddlers: approximately 1 in 4 parents with children under age three and 1 in 3 parents with children, ages three to five, rely on an FFN caregiver. FFN care is often the only choice for parents due to the off-hours schedules many parents have. Also, in many communities there is a licensed child care desert. Recent research has underscored the quality elements of FFN care and found that parents value the close relationships they have with FFN caregivers, the cultural and linguistic continuity they provide to their children, and their affordability and flexible hours of care.

As FFN caregivers are family members, friends, or neighbors, it is unsurprising that they tend to reflect the demographics and cultural backgrounds of the families they serve. Like the greater child care workforce, FFN caregivers are predominantly Black women and Latinas. They are also disproportionately likely to be low-income and/or immigrants. Similarly, FFN child care is most frequently used among Black and Latino families, and is also particularly prevalent among immigrants. Parents who work non-traditional hours—who are primarily Black, Latino, and low-income families—are twice as likely to use FFN care than families who only need child care during traditional hours. Families also commonly use FFN care to fill gaps in care and ensure coverage for long work shifts and nontraditional hours including early mornings and overnight, child care hour needs that are often not met by the licensed child care market. A recent study by the Center for the Study of Child Care Employment (CSCCE) found that most families in California with children, ages birth to 5, who use multiple forms of child care rely on FFN care in some capacity.

COMPENSATION

Compensation is a top concern across the Early Learning and Care workforce. Early educators across the field are historically underpaid and lacking in benefits, including healthcare and retirement. In 2020, family child care providers earned an annual salary as little as $16,200 in California, and center-based lead teachers earned $39,520, which is at or below the state minimum wage and significantly below a livable wage for an adult in California. This economic instability is aggravated for FFN providers as approximately 1 in 4 FFN providers in California receive no compensation for their caregiving. Of those who are compensated, it is often either through individual arrangements with the family they serve and may include in-kind items, or through California’s child care subsidy system.

While many licensed child care providers throughout the state receive compensation through California’s child care subsidy system, only approximately 21,000 FFN caregivers participate in the subsidy program, despite being the predominant form of care across California. On average, FFN providers who care for children full-time (defined as providing care for over 25 hours/week) and receive subsidies earn approximately $6 to $8 per hour, with providers in some counties earning as little as $3 per hour since reimbursement rates may be capped at a certain number of hours. These low reimbursement rates can disincentivize FFN participation in the subsidy program.
However, California is working to improve provider wages and is in the midst of developing an alternative methodology for setting child care reimbursement rates.17 This alternative methodology will move the state away from a market-based rate to a single rate structure that more accurately reflects the true costs of providing care. To support this, California is developing a tool to estimate the cost of care for different types of Early Learning and Care programs using variables such as program size, geographic locations, and ages of children served, and will include FFN care. This is critical to addressing the low wages of FFN providers, and the rest of the Early Learning and Care workforce long-term.

The state’s subsidy system is a source of income for child care providers, including eligible FFN caregivers. To ensure that they benefit from potential future increases in subsidies that would come from the adoption and implementation of a new reimbursement rate structure, we need to promote and streamline FFN access to the subsidy system. It can serve as a first connection point and potential onramp to accessing other state-sponsored resources, such as opportunities and resources to support them and their caregiving; membership and benefits within the Child Care Providers United union; and, pathways to licensure for FFN providers who may be interested.

To improve access to wages for California’s FFN caregivers and increase their access to supportive resources, we need to start by removing barriers for those who are interested in participating in the subsidy system. This brief outlines key barriers to subsidies for FFN caregivers and recommendations for addressing these barriers.

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**KEY BARRIERS TO FFN CAREGIVERS ACCESSING SUBSIDIES**

**LACK OF AWARENESS OF SUBSIDIES**

Many FFNs do not receive subsidies because they, and/or the families they serve, are entirely unaware of them. Potentially eligible families, especially those using FFN care, do not know that they could receive vouchers to support their access to child care and, consequently, do not go through the process to obtain them. A previous brief written by Early Edge and organizations that support FFN providers, shared that many parents had never heard about subsidies for child care before, or had heard about them but did not know that they could be used for FFN care.18 Parents also shared they were worried about accepting government aid due to their belief that these benefits would have to be paid back in the future.

Additionally, FFN caregivers are also often unaware that they could receive payments if they serve an income-eligible family and therefore do not know to ask the family to apply for state vouchers that pay them for their caregiving. Even in a situation where an FFN provider is knowledgeable about subsidies and the subsidy application process, they are reliant on the family to go through the process to receive and give it to the caregiver. This may be an awkward or uncomfortable conversation for a caregiver to have with the family and creates an explicit barrier and extra step for providers to receive much needed financial support.

**FEAR AND MISTRUST AMONGST FFN CAREGIVERS AND FAMILIES**

Mistrust of government systems and prior frustrating experiences can make FFNs and families hesitant to participate in the subsidy system. Black and Latino communities in America have historically experienced racism in their interactions with the government, creating a legacy of mistrust that affects their participation in public benefit programs.19 This fear and mistrust of systems further impedes FFN access to subsidies in the following ways:

- **Concerns related to immigration status**

  California is home to approximately 2.7 million undocumented immigrants.20 Undocumented FFN providers can legally participate in the state's subsidy system if they are serving income-eligible families; however, they face unique challenges in accessing subsidies. One such challenge is that FFNs must have an Individual Taxpayer Identification Number (ITIN). The process for obtaining an ITIN is complex and poses its own systemic barriers similar to those that exist for obtaining the child care subsidy.21 Even for undocumented FFNs who do have an ITIN, the mechanisms to help them access subsidies can vary. While agencies express a desire to support undocumented FFNs, agencies themselves have trouble in providing the proper supports needed to
successfully help them receive subsidies due to the complexities and dynamics of individual experiences and needs. Additionally, many organizations that support FFN caregivers have shared that there are very few undocumented FFNs who have sought support. This may be because of the assumption made by many undocumented families that they cannot access government benefits, so they do not pursue them. This is exemplified by what Alejandra, an FFN caregiver, shared, “A friend of mine, she wanted to access these resources—an subsidy—but because of her citizenship status she could not.” It is common for caregivers to assume that they are ineligible, or encounter one-off exchanges that make them think that they are ineligible and never look into exploring the opportunity further.

However, even when undocumented FFN caregivers and families are aware of government benefits, fear can still dissuade them from pursuing access. “Filling out a W-9 was scary for some of the FFN caregivers,” said Lisa Giannotti, who is a resource teacher at the San José Public Library. “Many didn’t have social security numbers so they had concerns about disclosing that.” Many undocumented FFN caregivers worry about implications of government involvement in their lives and caregiving. They are concerned about the potential for negative consequences and would rather stay under the radar. Alejandra Reyes, regional program manager for Visión y Compromiso, described this as the “desire to stay invisible,” leading many FFN providers to avoid pursuing public benefits entirely.

**Fear of subsidy impacting benefit eligibility**

Those who work closely with FFN providers often hear concerns raised about the impact subsidies could have on their eligibility for other public benefits they may already depend on, such as Medi-Cal. The risk is that the slight increase in income from the subsidy would jeopardize their access to those benefits. This is of particular concern since the subsidy would not be enough to cover the cost of losing those benefits, such as having to pay for health insurance due to the loss of Medi-Cal. While receiving subsidies for caregiving would not necessarily impact benefit access for many FFN providers, the fear and lack of access to specialized tax guidance discourage some providers from pursuing subsidies at all, which is a missed opportunity in supporting this population of caregivers.

**Fear of government oversight and intervention**

Some FFN caregivers are concerned about the requirements to receive a subsidy or license to operate a Family Child Care Home (FCC). Although home inspections are not required for receiving a subsidy, they are for licensure, and this requirement may get misinterpreted and equated. Some FFNs, especially those who are undocumented, fear what government intervention could mean, particularly those living in low-income housing.

One FFN caregiver interviewed by Early Edge shared her fears about government oversight, explaining that she has considered acquiring a child care license, but she is worried she would be unable to pass the required home inspection. She also expressed general fear about how her connection to public benefits or subsidies could impact her ability to attain citizenship. “If the government finds out that [my adult children] have been living in low-income housing, or benefiting - is this going to affect my immigration status if going through the citizenship process?”

**CHALLENGES NAVIGATING PROCESS AND REQUIREMENTS**

FFN caregivers who are not related to the family they are serving must complete the Trustline Registry Process to obtain the child care subsidy. The cost is typically about $135. This cost can be a barrier for some FFNs who often experience financial insecurity, with one study having found that only 7 to 13 percent of FFN caregivers can afford a $400 expense outright in the case of an emergency. Resource and Referral Agencies may help subsidized providers cover some of the cost of the Trustline process, however reimbursement for out-of-pocket costs can vary by location.
FFN caregivers who can afford to pay the necessary processing fees and out-of-pocket expenses face a subsidy system that is challenging to navigate. In California, FFN providers have reported feelings of uncertainty when interacting with the child care subsidy system. There can be delays between the submission fees and payment. A couple of months delay in payment adds to the doubt many FFN providers feel about whether the subsidy system is valid. Additionally, FFN caregivers have reported a lack of clarity in going through the process and have reported that small mistakes can result in nonpayment for an indefinite amount of time. For instance, there is often confusion if it is the responsibility of the family or the provider to document and submit attendance records for the child. This confusion may lead to delayed submission and, as a result, delayed payments. These delays in payment lead to further instability for the provider.

“I have heard of FFNs not going through the enrollment process because they aren’t aware that they can be paid to care for their grandchild or family member. Of those who do, they may face barriers in receiving payments. Providers must submit monthly attendance logs to ‘invoice’ for payment, which could pose a challenge. Another challenge is that some do not have bank accounts. One provider received a check via mail and had to pay to take an Uber to the bank to cash it in every month,” shared Steph Shieh, manager of early programs and provider services, Community Resources for Children, Napa County.

Another concern raised by FFN caregivers, and the organizations who often provide support services to them, is the tuberculosis (TB) testing requirement for non-relative providers. There are barriers that this specific requirement poses, such as testing cost, barriers to accessing health care and insurance, and a lack of a medical history in the United States. FFN caregivers interviewed by Early Edge shared personal and anecdotal stories related to this. One caregiver interested in licensure shared that she is unable to pursue it because not everyone who lives with her is able to get TB tested or fingerprinted. Another caregiver shared a similar experience and expressed that this is common amongst caregivers she knows.

CHALLENGES WITH INFORMATION SHARING AND LANGUAGE AND TECHNOLOGY ACCESSIBILITY
Another challenge facing FFN providers navigating the subsidy system is the changing policy landscape and how effectively these changes are communicated. For instance, in June 2022, a longstanding policy was changed to expand access to receiving subsidies to more FFN providers who were relatives of the families they supported. With this change, FFN caregivers who live in the same income-eligible household as the child[ren] they provide care for are now able to access subsidies. However, many FFN providers and organizations that support them were unaware of this major policy change. As a result, there has been inconsistent communication to FFNs and families about this information from agencies and the frontline staff. This impacts the ability of families to access services they qualify for and jeopardizes the subsidies that FFN caregivers could be receiving for their caregiving.

In addition to information sharing, language accessibility in the subsidy process is a barrier for many FFN providers. California is a diverse state in race, ethnicity, culture, and language. Our FFN caregiver population reflects this diversity and often speaks a language other than English with the children they serve. FFN caregivers in California and across the country are disproportionately likely to be Limited English Proficiency (LEP) individuals and speak a language other than English at home. This increases the challenges FFN providers face when trying to navigate the subsidy system.

The coronavirus pandemic highlighted the breadth of the digital divide, particularly for low-income families and communities of color, as more resources moved online. Technology is often a barrier for FFN caregivers, especially older caregivers who may not own a computer. Due to this lack of familiarity with technology, FFN caregivers need access to devices and support in navigating the subsidy application. Veronica Ornelas, FFN program specialist for Community Resources for Children, Napa County shared, “Some FFN providers we work with don’t have their own personal email address and rely on using the email address of their adult child. Since many programs are moving towards online systems, providers who experience barriers to accessing technology may rely on paper systems, which pose their own challenges. For example, providers may receive paper logs via mail, which can get misplaced, or they may need to pick up hard copies, but may lack access to reliable transportation. For some providers, technology is a benefit and for others it can be a barrier.”
RECOMMENDATIONS TO ADDRESS BARRIERS

COORDINATE COMMUNICATIONS EFFORTS TO RAISE AWARENESS OF SUBSIDIES FOR FAMILIES AND FFN PROVIDERS

One of the most difficult aspects of increasing supports and resources to FFN providers is that they typically are not connected to any formal systems or groups. This makes it challenging to identify potential FFN caregivers and connect them to resources and services, including information on subsidies or pathways to licensure. To ensure more FFN providers are accessing subsidies, we need to begin with increasing awareness about subsidies to potentially eligible families and FFN caregivers through multi-pronged communications efforts as outlined below:

• Communications geared towards educating parents, families, and FFN caregivers about the potential of accessing subsidized child care and the variety of child care options available to them, including FFN care. As stated earlier in the brief, many families are not aware that they could be eligible for subsidized child care, which includes vouchers to support an FFN caregiver if they use one. Increased communications campaigns geared at informing parents of the availability of child care subsidies and how to pursue subsidies and/or vouchers are critical to supporting the needs of low-income families, such as publicly or philanthropically funded Public Service Announcements, digital billboards, and radio, social media, and television campaigns. As an example, the New York Governor Kathy Hochul launched a state-wide multi-media campaign in 2022 aimed at informing families about the increased income eligibility threshold for subsidized child care. Similarly, the State of Illinois launched the “I Got Love” campaign which works to promote subsidized care options and early learning and care supports to families across the state. Campaigns in California should include clear information about what types of care subsidies can support, including FFN care, so that families can make a decision that best meets their needs.

In addition to increasing family awareness of subsidies, FFN caregivers also would benefit from resources dedicated to them that promote the availability of subsidies and how they could proceed in pursuing them. The information should be high-level and communicate the opportunity of voucher subsidies for those using or providing FFN care, with next steps on where to look for further information. The communications materials, including brochures and display posters, should be linguistically inclusive and culturally responsive and be featured at community-based facilities and programs, such as community libraries, parks and recreation centers, and other trusted community locations that families and child care providers may frequent. It should also incorporate messaging that resonates with the diversity of FFN caregivers. As many FFNs caregivers are grandparents, the resources that are meaningful to them may be different from FFN caregivers who are neighbors or family friends. Coordinated Public Service Announcements geared towards FFN caregivers that provide next steps in where they can look to access resources would also be beneficial to promoting awareness.

• Alignment and shared communications within and across Alternative Payment Providers, Resource and Referral agencies, and other organizations who work with FFN providers to ensure that information shared with FFNs and families about subsidies is informative, supportive, and up-to-date. Staff working at organizations supporting FFN caregivers have reported that sometimes information about policy changes impacting FFNs may not reach their organization and, when it does, may not always be shared across all internal staff. As a result,
staff across organizations may be supporting FFN caregivers differently and not always with up-to-date information on current policy. To address this, investments in training and cross-communication and training amongst staff within agencies should be prioritized and supported.

**INCREASE LANGUAGE AND TECHNOLOGY ACCESSIBILITY**

While the state and organizations who work with FFNs aim to serve providers of all racial, cultural, and linguistic backgrounds, dedicated investment is needed to increase the accessibility of materials and translation services to meet the needs and diversity of the languages spoken in California.

In addition to language accessibility, many FFN providers also struggle with access to technology and navigating online systems and resources. Additional resources like technical assistance and availability of electronic devices are needed to support FFN providers and families in navigating digital applications and resources.

**ENSURE BENEFITS PROTECTION**

Benefits counseling and tax guidance should be provided to FFN caregivers who are exploring the subsidy process to ensure those who access public benefits, such as Medi-Cal or CalFresh, do not have their eligibility for these benefits jeopardized by the slight increase in income provided by subsidies. Free benefits counseling and tax guidance would provide the one-on-one support needed to assess the individual circumstances of each FFN provider and help provide access to public benefits and the information needed about whether subsidies would be a positive addition to their overall income.

The state, in partnership with philanthropy, should also consider expanding access to guaranteed income programs that focus on and prioritize FFN caregivers. Home Grown, a national collaborative of funders committed to improving the quality of and access to home-based care, has launched pilot guaranteed income programs in different localities across the United States, including Colorado. These pilots, part of a program called the **Thriving Providers Project**, give FFN caregivers a substantial stipend of at least $1,000 a month and evaluate the impact of alleviating financial and material hardships on caregiver well-being and quality.  

Additionally, California passed its own guaranteed income pilot program in 2021 that is focused on low-income families and pregnant people. As part of crafting that program, which is funded with a combination of state and philanthropic dollars, the legal statute directs the state to protect the public benefits that individuals participating in the guaranteed income program receive and seek federal waivers for federally sponsored benefits to ensure that no participant is harmed by the stipend funding that is intended to improve their financial situations. The state is able to exempt these stipends from being counted as income due to the combination of state and philanthropic funds. Accordingly, this could be a strategy to ensure FFN caregivers’ benefits are protected if they receive money from stipends.

**INTEGRATE SUPPORT FROM COMMUNITY NAVIGATORS TO GUIDE FFN PROVIDERS IN ACCESSING SUBSIDIES, PATHWAYS TO LICENSURE, AND RESOURCES**

The recommendations listed above can be more effective if leveraged and aligned through the role of a community navigator embedded within various community programs and spaces.

Weaving in the support of community navigators has proven to be a successful strategy in other fields. The federal government has endorsed the value of community navigators, who tend to be community members and serve as liaisons between communities and institutions that offer different services, such as mental health services, free tax guidance, and filing assistance. Community navigation can look different across states and localities, but as outlined by California’s Department of Developmental Services, community navigators generally serve to promote the “utilization of services by using community leaders, family members, or self-advocates to provide
information and guidance to consumers and their families who could benefit from added support to navigate available resources.” For instance, digital navigators have been endorsed to help communities overcome the digital divide, as well as community health workers in the healthcare space. Community navigators help community members leverage existing resources that they may be unaware of or lack easy access to, despite potential eligibility.

FFN caregivers often utilize public and community spaces, such as libraries, parks, playgrounds, and community centers, to ensure the children they care for have access to activities and play. Surveys by the CSCCE found that FFN caregivers routinely visit these community locations, with about half of FFN caregivers visiting public parks at least weekly. It is often in these locations that FFN providers are first connected to resources, such as playgroups or workshops, to support their caregiving. Programs like San José Public Library’s FFN Caregiver Support Network and local Child Care Resource and Referral Networks from across the state provide a multitude of resources for FFN caregivers, such as trainings on child development, health and safety, technology devices, and support. They also provide one-on-one assistance which delivers individualized support to FFN caregivers based on their unique needs and interests, as well as help navigating different resources.

“Our program has found success in meeting FFN providers where they are at. They’ll come to a play group, find that they enjoy it, and as they continue to come back we’re able to introduce them to other opportunities that they might be interested in, such as our professional development programs and training opportunities. We also find that word of mouth is the strongest form of outreach. An FFN provider will often bring other friends and family, and that’s how awareness of our programming builds,” shared Araceli Delgado-Ortiz, early education manager at the San José Public Library.

When it comes to supporting FFN caregivers, community navigators could serve as a first point of contact. Community navigators can conduct outreach in a frequently visited public location, such as a park or library, and provide information to FFN caregivers on the services available to them. Trust and relationship building are vital components of conducting outreach to FFN caregivers. Therefore, having trained community navigators on staff at community spaces that FFN providers and families frequent could promote trust and expand the awareness of resources provided by

“I have been caring for children for over 20 years. [The] FFN program has impacted my life in so many ways. Today I feel the support and empathy of this amazing group of people who are involved in creating this program. They are creating a family of caregivers for children, always willing to help us and support us in so many ways.”

–Mayra, FFN caregiver who participated in San José Public Library’s FFN Program
CONCLUSION

FFN caregivers are the backbone of our communities, child care infrastructure, and economy. Families depend on them to meet their child care needs. With so many young children entrusted to the care of FFN providers, our state needs to ensure that our caregivers have access to resources to support and enrich their caregiving. Bolstering access to our subsidy system is one key way to support FFN caregivers in receiving increased compensation and connecting them to supportive resources. Implementing these recommendations can help strengthen California’s mixed-delivery system: by removing barriers to the subsidy system for these essential caregivers, more will be able to reap the benefits of an alternative methodology for reimbursement rates in the future.

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15 California Department of Social Services reports 21,638 FFN providers in CCDF funded subsidized care programs for FY 2022–23.
30 New York State. (2022). Governor Hochul Launches Statewide Campaign To Highlight Funding for Child Care Providers and Families. 
   https://www.cdss.ca.gov/inforesources/guaranteed-income-pilot-program