



New York City | Mid-Point Evaluation Report

What we've learned so far about the Thriving Providers Project in New York City

Introduction

Stanford | Center on Early Childhood



Child care providers are essential for ensuring both family well-being and a thriving economy. However, the early care and education (ECE) sector is in crisis. National survey data indicate that providers are struggling to pay for basic needs and experiencing emotional distress ([RAPID, 2021](#)). At the same time, parents of young children are struggling to access and afford child care ([RAPID, 2022](#)). In direct response to these nationwide experiences, Home Grown, a funder collaborative that aims to increase access to and quality of home-based child care (HBCC) in the U.S., launched the Thriving Providers Project (TPP) in 2022. TPP is a first-of-its-kind direct cash transfer (DCT) program specifically for HBCC providers, who constitute the largest group of caregivers in the U.S. ([Home Grown, 2023](#)). Despite HBCC being the preferred child care setting for many families, HBCC providers report higher rates of material hardship than center-based providers ([RAPID, 2021](#)). HBCC providers are often excluded from funding opportunities and benefits available in the ECE sector, including public payment systems ([Home Grown, 2023](#)).

Underlying Home Grown's choice to utilize recurring DCTs for TPP is a fundamental belief that a predictable income may result in recipients having bandwidth to

think beyond meeting basic needs each week. As a demonstration project, TPP seeks to address HBCC providers' compensation as a foundational step in building effective policies and programs for the ECE workforce and quality care experiences for young children and their families.

Since 2022, the Stanford Center on Early Childhood (SCEC) has partnered with Home Grown to evaluate and continuously learn about TPP in all pilot sites, including Colorado, New York City (NYC), Philadelphia, Los Angeles County, and Allegheny County. Using SCEC's Continuous Improvement Rapid Cycle Learning and Evaluation (CIRCLE) Framework, the SCEC has conducted a longitudinal, mixed-methods evaluation of TPP. We gather data from TPP evaluation participants and parents/family members of the children they serve, and we compare trends we find among TPP evaluation participants to trends from the SCEC RAPID Survey Project's national sample of child care providers. Grounded in the TPP Theory of Impact (TOI), we aim to understand how DCTs affect HBCC providers' economic stability and emotional well-being as well as the availability and quality of care provided to young children and families.

New York City Context

A recent spotlight by the NYC-based poverty-fighting organization Robin Hood on HBCC in NYC provides context for the state of this early childhood workforce (Cha et al., 2024). Most HBCC providers are low-income and are primarily women of color and immigrants, many earning well below NYC's minimum wage. Nearly one in four rely on SNAP benefits, nearly half are covered by Medicaid, and more than one in six lack health insurance altogether. Nearly half report poor physical health, and nearly one-third report poor mental health. Moreover, a third of NYC families use HBCC, and two out of three working families would not be able to access HBCC without receiving a public subsidy.



TPP in New York City

In partnership with All Our Kin (AOK), a national nonprofit organization that trains, supports, and sustains family child care (FCC) providers, the pilot of TPP launched in NYC in June 2024. 50 HBCC providers who met NYC-specific eligibility criteria enrolled in TPP, receiving \$500 payments twice a month for 18 months. In order to qualify, applicants were required to:

- be licensed FCC providers,
- reside and operate in the Bronx,
- be considered AOK Educators and opt-in to be AOK network members,
- attest that they are primarily responsible for the direct care of children and do now or seek to care for children whose families receive the New York State Child Care Assistance Program,
- be at least 18 years old, and
- intend to provide child care for the next 18 months.

Priority was given to providers who received their child care license within the past 12 months, though this was not a requirement. This prioritization was recommended by the local Advisory Committee, made up of providers and other stakeholders, who noted that licensing can take up to six months and startup costs can reach \$15,000, making their businesses especially vulnerable to financial instability.

As part of the “unconditionality” focus of cash assistance in TPP, participants were not required to participate in the evaluation in order to receive the DCTs. During the TPP enrollment process, participants had the opportunity to opt into the SCEC’s evaluation, and 36 chose to do so.

In this report, we share what we have learned so far about these 36 FCC providers’ experiences with TPP in NYC at the midpoint of program implementation. We gathered these primary data and insights from HBCC providers using monthly surveys that we administered online, in both English and Spanish, between June 2024 and March 2025. We matched the secondary data from the RAPID national child care provider survey (more details about this sample below) with the monthly survey dates for TPP in NYC. We also refer to primary data that we collected from 13 parents/family members of young children – for whom TPP evaluation participants are HBCC providers – in virtual, bilingual focus groups that we conducted in October 2024.

TPP Learnings So Far

TPP and this evaluation are ongoing in NYC, and thus the findings presented here are preliminary. In addition to learning about evaluation participants' experiences with TPP, we continue to learn more about the context and stories of FCC providers, including their motivations and challenges. The analyses in this report are based on 166 survey responses collected from 36 unique providers. Table 1 summarizes the demographics of the evaluation sample and of the RAPID national provider survey sample whose data we used for comparison. Of all available RAPID provider survey data, we restricted the sample to female, non-White, home-based providers with household income below 200% FPL so that this comparison sample would more closely resemble the sample of TPP participants. Additionally, like the majority of TPP participants in the evaluation sample, the majority of the 13 parents/family members who participated in the parent/family focus groups also identified as Hispanic/Latina(o).

Table 1. TPP NYC Demographics

	Demographic Variable	Evaluation Sample (N = 36)	RAPID National Provider Survey Comparison Sample (N = 199)
Race/ Ethnicity	Black/African American	11%	37%
	Hispanic/Latina(o)	75%	38%
	Other (non-White)	0%	25%
	NA (Missing)	14%	0%
Preferred Language	English	36%	73%
	Spanish	64%	21%
	Other	0%	0.5%
	NA (Missing)	0%	6%
Gender	Female	83%	100%
	NA (Missing)	17%	0%
Household Income	Below 200% FPL	72%	100%
	Between 200%-400% FPL	11%	0%
	Above 400% FPL	5.6%	0%
	NA (Missing)	11%	0%

Key learnings so far are highlighted below, along with illustrative quotes from the monthly provider surveys and parent/family focus groups.

1. Parents and families report preferring home-based child care

HBCC is sometimes characterized as a last resort; however, focus group findings reveal otherwise. Specifically, parents and families select home-based providers based on the perceived quality, referrals and recommendations, and the way in which their child's specific needs are met.

"Okay, in my case it's a relief, because in order for me to work, I'm leaving my child... in hands that I trust and I could work peacefully because I know they [are] taking care of my baby." - Parent/family member

"I have no hesitation in continuing to recommend her... Without a doubt, I'd continue with her." - Parent/family member

2. Working families depend on home-based child care

Parents and families rely on child care to be able to work and would have no backup option if their provider were unavailable. These findings speak to the integral role HBCC providers play in the broader economy.

"Like, I said before, if I don't have the child care at that day, I can't work. So sometimes the providers will say, Oh, it's gonna be closed this day. So that messed up my day, because then where [will] I leave my child? In my case, I don't have an alternative. That's why it's very important for me to have the child care."
- Parent/family member

3. Evaluation participants report that enrolling in TPP was easy and that payments were reliable

A key strategy of TPP is that the DCTs are accessible and reliable. In July 2024, the majority of participants in the evaluation reported that the application process for TPP was simple and easy (90.9%). All participants agreed or strongly agreed that their DCT would arrive consistently and that the process of receiving their DCT felt effortless. Such examples of best practices around timely and reliable payments for HBCC providers may be useful for states looking to improve payments to child care providers as directed in the 2024 Child Care Development Fund Final Rule.

"Personally for me it has been very helpful to receive this money and it has been made easy the way [it's] sent '...' in a transparent way through the bank it is very easy." - Evaluation participant

"It's very convenient for me because I don't have to leave the house, and I don't have to wait in line at the bank." - Evaluation participant

4. Evaluation participants report very high levels of comfort with seeking assistance from AOK

We asked evaluation participants about their comfort level with seeking assistance from AOK. On average, 98% of participants in the evaluation chose comfortable or very comfortable in response. This has been consistently high since the start of TPP in NYC. Other data points speak to this, including a comparably high percentage of participants reporting feeling like they are part of a community of child care providers and that there is at least one staff member at AOK that they trust. This speaks to the benefits of a direct support, service oriented, and community embedded organization as an implementation partner for TPP.

“Receiving the direct deposit from [All Our Kin] has helped me grow as a provider and has made me stand out in the community and has given me the opportunity to develop my skills.” - Evaluation participant

5. For most participants in our sample, being a child care provider is their main source of earnings

More than 90% of evaluation participants consistently report that child care is their primary source of income; however, as exemplified in the following quote, this income is not sufficient to meet basic needs.

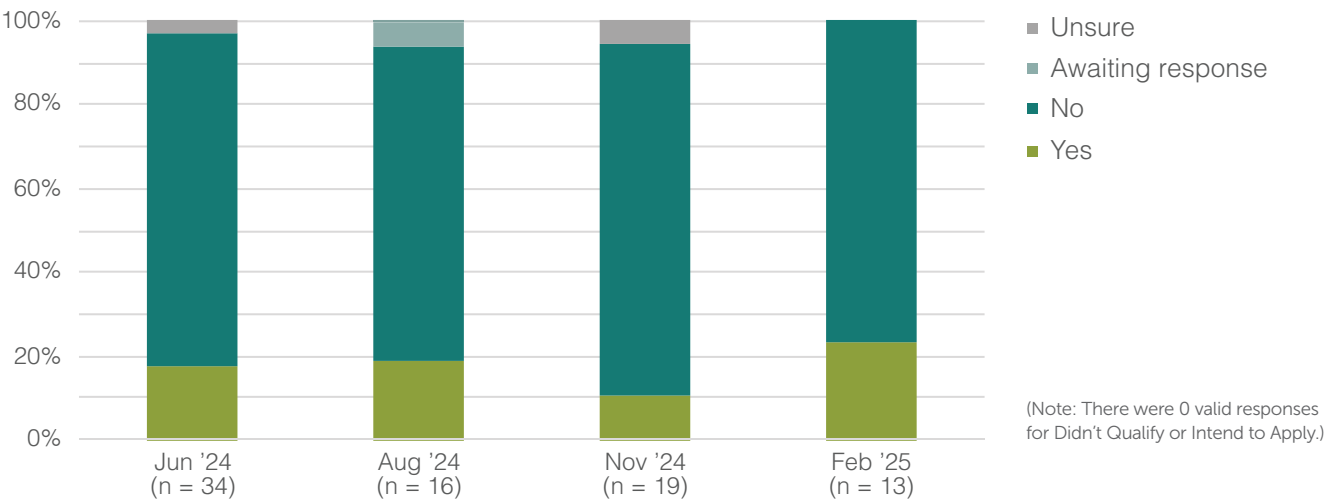
This finding is supported by national data from the SCEC’s RAPID Survey Project, which shows that many providers have difficulty meeting their own families’ basic needs.

“As a childcare provider, I work long hours, with many hats and financial responsibilities towards employees. I believe the current compensation doesn’t cover all the expenses, thus leaving me with an unrealistic living wage.” - Evaluation participant

6. The majority of evaluation participants are not receiving any sort of public or employment benefits

When asked if receiving any sort of public or employment benefits (such as Temporary Assistance for Needy Families (TANF) and Social Security Income (SSI)), over 75% of evaluation participants consistently responded ‘No,’ as shown in teal in Figure 1. The majority of participants do receive money from the Child and Adult Care Food Program (CACFP) to help cover the cost of providing food to the children they care for.

Figure 1. Distribution of Receipt of Public / Employment Benefits



7. The majority of evaluation participants in NYC report that DCTs have helped them in some way

DCTs are designed to decrease income volatility, defined by Smith-Ramani et al. (2017) as the variance of income, and increase economic stability. When asked whether receiving DCTs helped them in any way, a consistently high percentage responded ‘yes’ (79%-94%). Open-ended responses reveal how the DCTs help to stabilize the unsteady income that is typical of child care (i.e., decrease income volatility) and how important the freedom to decide how it is spent is.

“The direct cash payment has helped me greatly in the past month because I had one child abruptly move to another state and another child started school and therefore doesn’t need to be in daycare anymore. Those 2 losses at the same time impacted my income and the amount of hours I have available for employees.” - Evaluation participant

“Receiving direct cash transfers has helped me tremendously because I can decide what I can use the money for. I can use it to pay bills or for anything that is needed for the daycare business. I love programs like this that help the providers by giving them money and letting them decide on how to use the money.” - Evaluation participant

8. Participants in the evaluation report a decrease in extreme and major financial problems

To capture income volatility and economic stability, we asked about participants’ financial problems. In NYC, over the first 9 months of TPP, the data suggest an increase in the number of providers reporting no financial problems (see grey area in Figure 2). When compared to the RAPID national sample (see Figure 3), far fewer participants report major (shown in teal) or extreme problems (shown in black).

Some TPP evaluation participants start to report having no financial problems consistently after six months. This may provide insight into the timing of cumulative effects of reliable, consistent payments and what can be reasonably expected at different timepoints.

Figure 2. Distribution of Monthly Household Financial Assessment - TPP NYC Providers

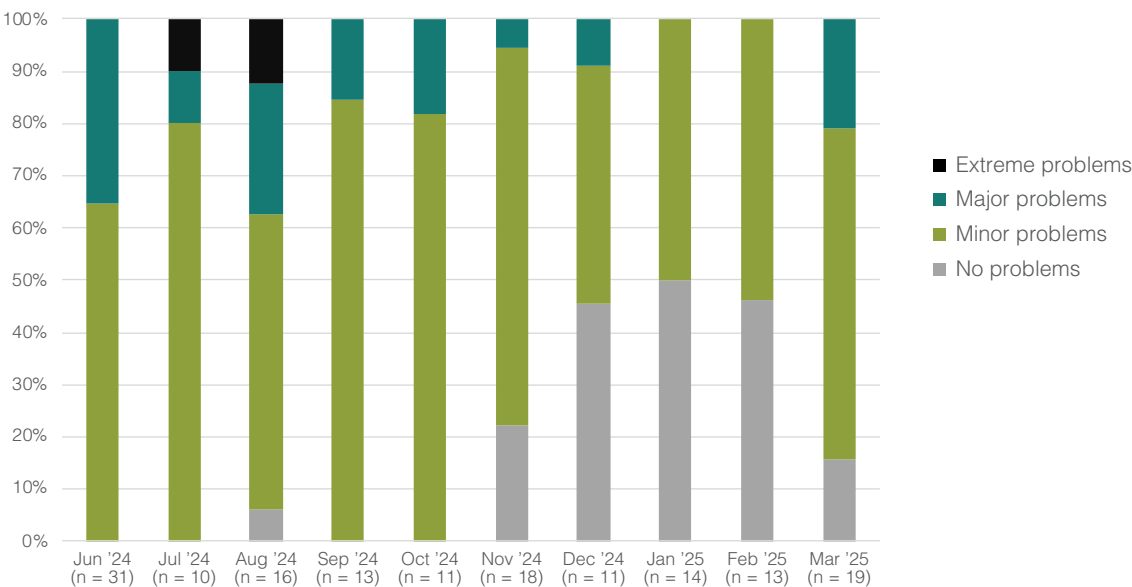
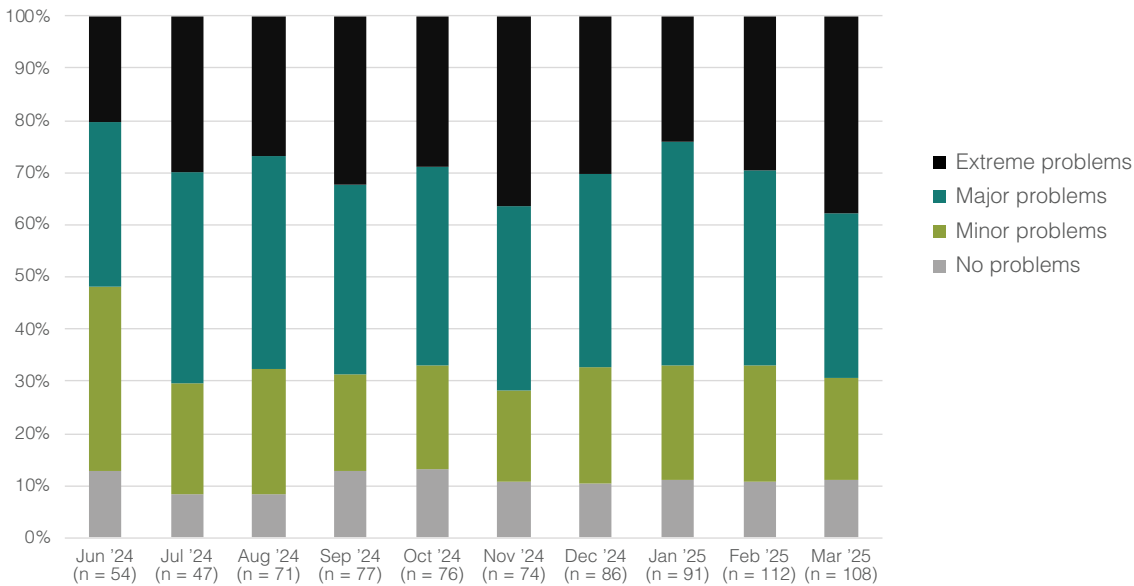


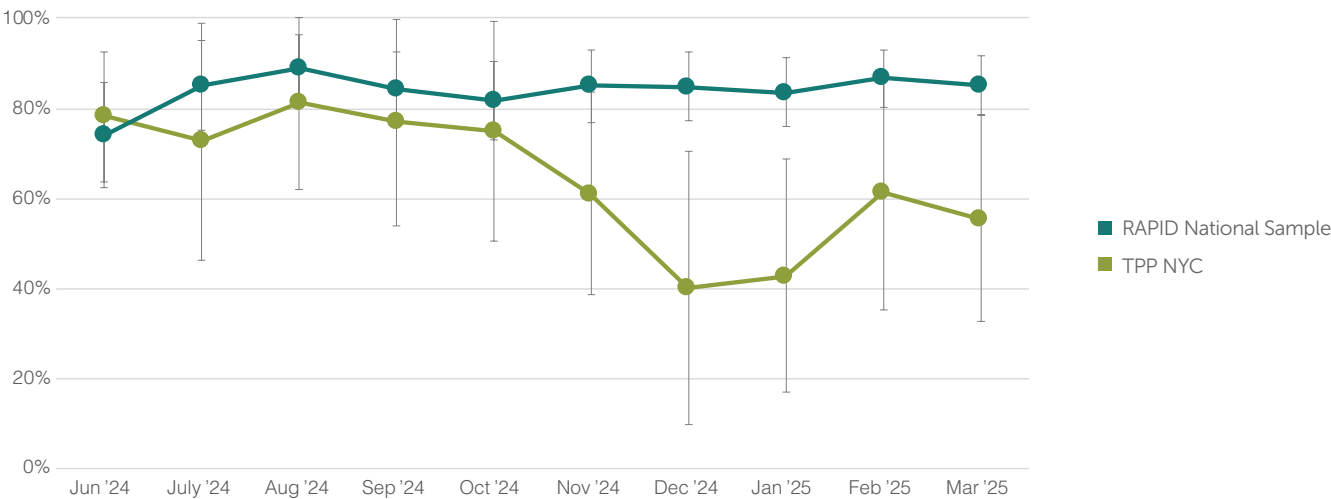
Figure 3. Distribution of Monthly Household Financial Assessment - Limited RAPID National Sample



9. Evaluation participants report they are better able to meet basic needs

We asked providers about their ability to pay for basics like food, housing, medical care, and heating. Figure 4 demonstrates that material hardship remains consistent for the national comparison sample, whereas we see modest decreases in reports of material hardship for TPP evaluation participants.

Figure 4. Percentage Reporting Material Hardship



“It has helped me greatly to pay off overdue medical insurance debts and other things, as well as to buy food and supplies for my daycare.”

- Evaluation participant

10. Participants in the evaluation report using the DCTs to pay off debt

The DCT is the highest reported debt reduction strategy (joint with employment income) and is trending upward. The evaluation team added survey items to better understand debt types in future surveys. We look forward to sharing more data on debt types and debt payoff prioritization in the final 18-month report.

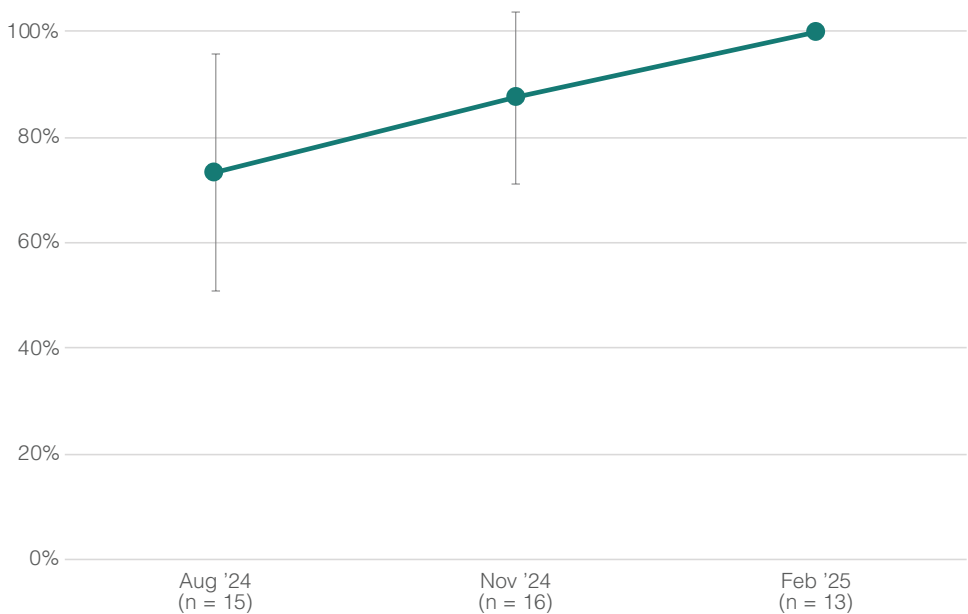
"I can really say that this has helped me to support myself. In these last months I have managed to pay part of my debts, and this is really a great help for me and my family." - Evaluation participant

"It helps me to stabilize some debts which allows me to use part of what I earn to pay my employee and then I can use the transferred money for other necessary things." - Evaluation participant

11. Evaluation participants report that DCTs help them to continue working as child care providers

This has steadily increased over time to, most recently, 100% of providers reporting that DCTs have allowed them to remain a child care provider. This speaks to potential longer-term outcomes of TPP, which may include increased continuity of care, decreased attrition, and an increase in the supply of care.

Figure 5. Percentage that Agree or Strongly Agree DCTs Allow Them to Remain a Child Care Provider



"If I was not receiving these direct payments I might have to close temporarily, go without health insurance, go delinquent on my credit cards or take a part-time job to help keep [me] afloat."
- Evaluation participant

"The direct cash has helped me meet my financial obligations to remain open."
- Evaluation participant



Conclusion

HBCC providers, including FCC providers, are critically important to children, families, and our economy. Yet, this group continues to experience high levels of material hardship. Solutions to support HBCC providers are possible and needed.

The findings from this mid-point report for the first 9 months of the TPP in NYC support the promise of reliable, consistent payments for improving the economic stability of HBCC providers. Participants in our evaluation reported reduced income volatility and financial problems, greater ability to pay for basic needs and to pay off debt, and greater confidence in their ability to continue their work as child care providers. We will continue to monitor these trends.

In the months ahead, we look forward to expanding data collection efforts to include focus groups with providers in NYC. We hope to learn more about their experiences in TPP and preparations for the project coming to an end. We will share findings in a final report reflecting data across 18 months. In addition, we will continue to use learnings to evaluate TPP in new sites and begin making comparisons across sites to build a more nuanced picture of what is working well, how, and for whom.

References

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