



DECEMBER 2004 SPOTLIGHT:

Home-Based Child Care: Not "Child's Play"

*BRYCS would like to thank **Maria L. Hein and John F. Else** who co-authored this month's spotlight. Maria L. Hein is a research analyst at ISED Solutions. John F. Else is president of ISED Solutions.*

Many refugee women, looking for a means to earn money to help support their families or to supplement the family income, think of child care. They know they enjoy children, know how to care for children, and can provide care that will help the children retain their language and their cultural heritage.

Furthermore, it is likely that they will be encouraged to provide home-based care by welfare and social service agencies who recognize the limited availability of child care—especially linguistically and culturally appropriate care—as a barrier to employment for many refugees.

In short, the need and demand are great, and refugees have the opportunity to enrich the child care options available in their communities. The question is whether it is feasible to provide such care, economically and practically.

How To Determine If A Home-Based Child Care Business Would Work For You

Would the child care business be intended as the primary source of family income, or only a source of supplementary income? If it is expected to be the family's primary source of income, will it provide enough income for the family to be self-sufficient? How much income do you expect the home-based child care to generate?

In anticipating the possible income, determine whether there is a demand for the type of care you plan to provide, and how much you will be paid. Consider several factors, including these:

Economic considerations

Who will the customers be?

- How many children, and of what ages, will be cared for? You will need to know the number of children of different ages, or possible combinations of children of different age groups, who can be served in your state. The laws of each state say how many children (including one's own children) can receive care.
- What will the hours of service be? For example, you could choose to provide first shift (daytime), second shift (evenings), third shift (overnight), or weekend care.

How much can they pay?

- If you plan to accept children whose care is paid for with state funds, you should know what the provider payment rate will be.
- Will the customers pay for days the child is absent? These policies will affect your income potential.
- When will payments be received? If you plan to accept children whose care is paid for with state funds, you need to know how long it will take the state to pay you for the services you have provided.
- Will parents whose children are paid for with state funds be expected to make co-payments? In some states, the parent makes co-payments directly; in other cases, the state collects the co-payment and sends it to the provider.

Practical considerations

- There are many legal restrictions on home-based child care businesses in the United States. To be a registered or licensed child care provider in your state, you need to know the laws that govern such businesses in your state. Violations of these laws can create serious liability issues, so it is important to know the law.
- Will you be able to meet state requirements—for example, indoor and outdoor safety requirements, number of exits from the space the children are in, and the amount of fenced outdoor play space—and if so, how much will it cost? Some potential providers, particularly those who live in rental property, may have difficulty complying with the requirements.
- Will you participate in the free food program, and if so, what will that be worth?

More information about the Child and Adult Care Food Program is available on the web at http://www.frac.org/html/federal_food_programs/programs/cacfp.html.

More help

If you are considering becoming a home-based child-care provider, ISED Solutions' publication "[Home-Based Child Care: Assessing the Self-Sufficiency Potential](#)" provides an excellent resource to help assess whether it is a realistic option.

To help refugees assess the feasibility of home-based child care as a business, ISED Solutions provides some examples of the "maximum potential income" and the "likely income" from home-based child care operations in four states. Interested refugees can research the laws and policies in their states and make the calculations for themselves. The publication also identifies public resources that are available to help home-based child care providers.

The publication is available on the web at <http://www.ised.org>: click on "What Publications Are Available on this Site?" for a list of ISED publications.