



# ECE Workforce Research Highlight

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## Economic Hardship Among Home-Based Early Educators

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*National ECE Workforce Center Research Highlights provide a focused look at research evidence related to topics relevant to the ECE workforce. These topics emerge from the Center's scan of the research and policy landscapes and technical assistance activities with States and programs.*

There is a long, persistent history of low wages among the early care and education (ECE) workforce.<sup>1,2</sup> As of May 2024, the annual mean wage for child care workers was \$32,050, compared to cashiers (\$31,810) and fast food and counter workers (\$31,350), who earn the least among major occupation groups in the United States.<sup>a</sup> Low wages and lack of benefits for early educators can create economic and material hardship and lead to stress, burnout, and intent to leave the field.<sup>3,4</sup> Other forms of economic and material hardship among the ECE workforce include student loan debt,<sup>5</sup> housing and food insecurity,<sup>6</sup> and difficulty paying household expenses.<sup>7</sup>

Research indicates that there are differences in the level of economic hardship among early educators based on whether they are in center- or home-based settings,<sup>8,9</sup> and on their race or ethnicity.<sup>10,11</sup> Generally, however, there is less research on home-based than on center-based early educators.<sup>12,13</sup>

**This Research Highlight contributes new nationally representative data on home-based early educators' reported experiences of economic hardship.**

### About the 2024 National Survey of Early Care and Education (NSECE)

The 2024 NSECE is a set of four integrated, nationally representative surveys of: 1) households with children under age 13, 2) home-based ECE providers, 3) center-based ECE providers, and 4) the center-based workforce.

For this Research Highlight, we used the 2024 NSECE home-based provider survey and analyzed 3,778 responses from listed home-based providers who completed the survey.

**Listed home-based early educators** are individuals who provide ECE services in a home-based setting and appear on state or national lists of ECE providers. Listed home-based early educators are **primarily licensed, registered, or regulated providers.**

<sup>a</sup> The U.S. Bureau of Labor Statistics (BLS), through its Occupational Employment and Wage Statistics (OEWS), produces wage estimates annually for approximately 830 occupations at the national and state levels and for metropolitan and non-metropolitan areas. See <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm> and <https://www.bls.gov/oes/> for the estimates quoted in this sentence. Please note that the OEWS does not include information on home-based or self-employed child care providers, so these wage estimates may not be reflective of the entire ECE workforce.

Specifically, we use the 2024 National Survey of Early Care and Education (NSECE) to examine listed home-based early educators' reports on:

- Their overall household income
- Whether they have education-related debt, and if so, how much
- Whether they could pay a \$400 emergency expense with cash or savings
- Whether their household participates in federal supplemental nutrition programs<sup>b</sup>

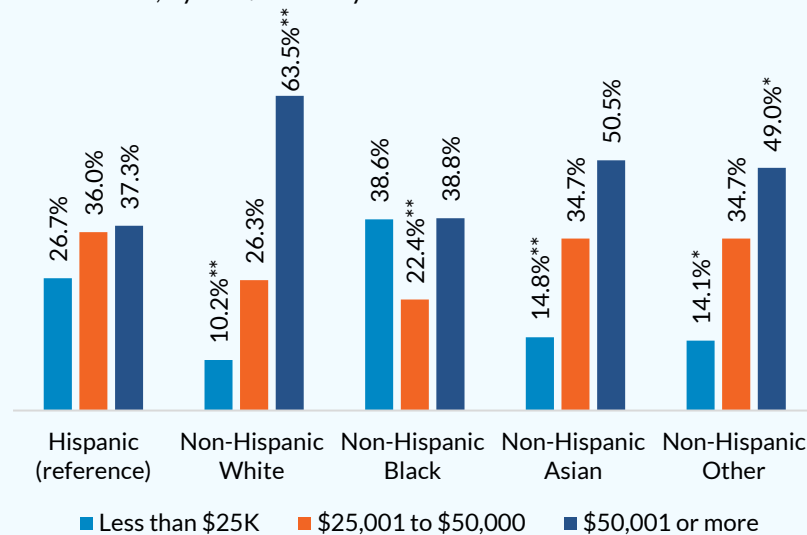
Furthermore, based on previous research, we investigate whether economic hardship varies by home-based educators' race and ethnicity.

## Findings

All findings reported in this Research Highlight are from nationwide data collected in 2024 from listed home-based early educators (see text box on page 1 for definition). Hereafter, we refer to these individuals as home-based early educators.

**1** While over half (56.8%) of home-based early educators had household incomes above \$50,000, there was significant variability in household income by race/ethnicity, with Hispanic and Non-Hispanic Black home-based early educators generally having lower household incomes than early educators of other races and ethnicities (see Figure 1). For example, home-based early educators who identify as Hispanic were more likely to have household incomes at or below \$25,000 than educators who identify as Non-Hispanic White, Non-Hispanic Asian, and Non-Hispanic Other. They were also less likely to have household incomes above \$50,000 than educators who identify as Non-Hispanic White and Non-Hispanic Other.<sup>c</sup>

Figure 1. Household income of home-base early educators, by race/ethnicity



Source: 2024 NSECE Home-Based Provider Survey. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001

<sup>b</sup> The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) maintains several supplemental nutrition programs for families with low incomes, including the Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Supplemental Nutrition Assistance Program (SNAP). See <https://www.fns.usda.gov/wic> and <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program>.

<sup>c</sup> "Non-Hispanic Other" includes Indian/Alaska Native, Native Hawaiian/Pacific Islander, and individuals with multiple races and no race specified.



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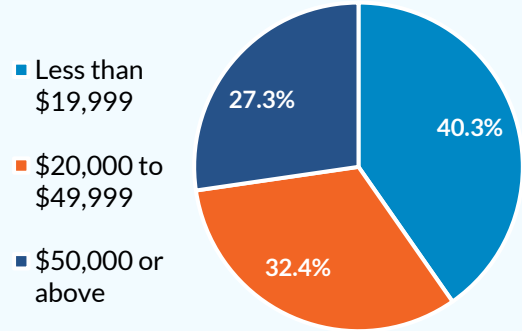
One out of five (22.4%) home-based early educators had education-related debt in 2024. Among those who had education loans, over half owed more than \$20,000 (see Figure 2).

3

A higher proportion of Non-Hispanic Black home-based early educators had student loan debt, compared to Hispanic and Non-Hispanic White home-based educators (see Figure 3). In

addition, Non-Hispanic Black home-based educators made up the largest proportion of educators with the largest loan amounts. Specifically, non-Hispanic Black home-based early educators were more likely than Hispanic and Non-Hispanic White home-based providers to have education loans in the amount of \$50,000 or more (see Figure 4).

Figure 2. Education loan amount among home-base early educators with student loan debt



Source: 2024 NSECE Home-Based Provider Survey

Figure 3. Home-based early educators with student loan debt, by race/ethnicity

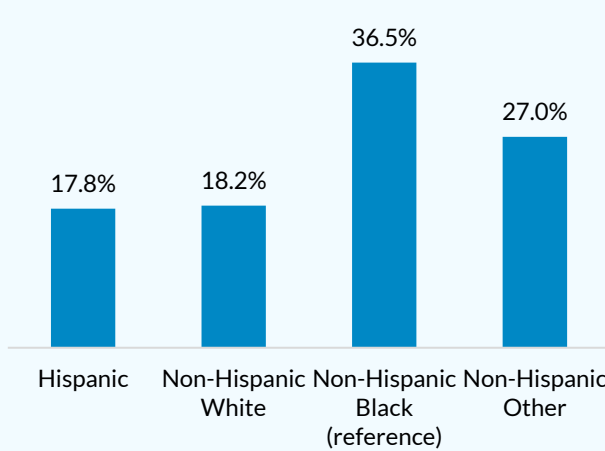
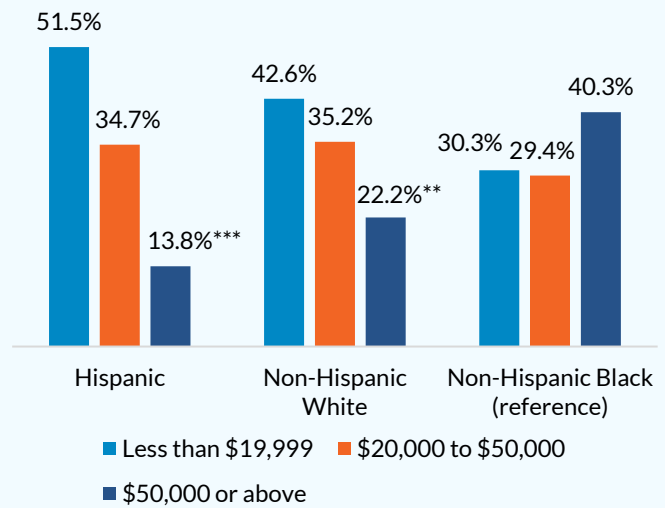


Figure 4. Home-based early educators with student loan debt, by amount



Source: 2024 NSECE Home-Based Provider Survey. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001

Note: Non-Hispanic Asian is suppressed due to low sample size and not represented in Figure 3. Non-Hispanic Asian and Non-Hispanic Other are suppressed due to low sample size and not presented in Figure 4.

4

One out of five (22.7%) home-based early educators could not pay \$400 for an emergency expense using cash or savings in 2024. Non-Hispanic Black home-based early educators were the least likely to be able to pay for an emergency expense of \$400 (see Figure 5).



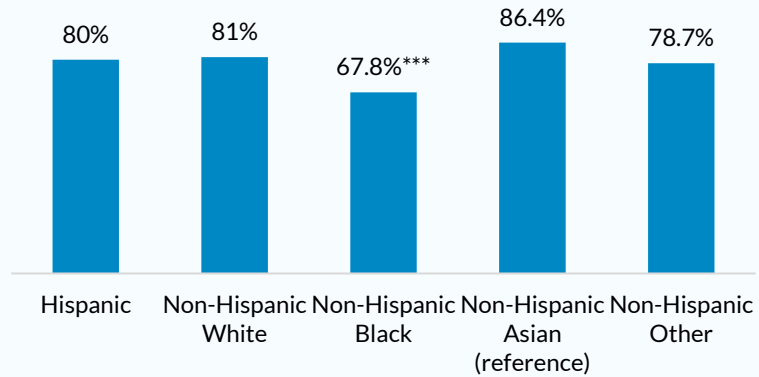
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Almost one third (27%) of home-based early educators who have a child under age 6 participated in the Supplemental Nutrition Program for Women, Infants, and Children (WIC). In addition, nine percent of all home-

based early educators participated in the Supplemental Nutrition Assistance Program (SNAP).

Several differences between these two supplemental nutrition programs may relate to the different levels of participation among home-based early educators. These differences include separate eligibility requirements (e.g., WIC is limited to those with young children and income limits are higher than SNAP) and/or challenges completing the comparatively more complex SNAP application process.<sup>d</sup>

Figure 5. Proportion of home-based early educators who can pay a \$400 emergency expense, by race/ethnicity.

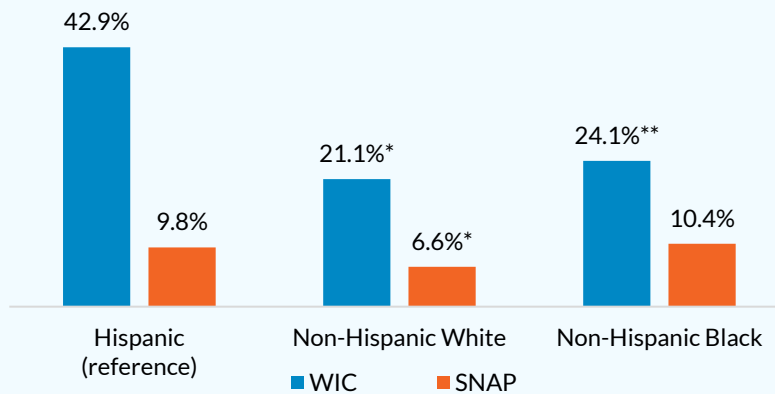


Source: 2024 NSECE Home-Based Provider Survey. \*\*\* p < 0.001

6

Among those participating in WIC, Hispanic home-based early educators made up the largest proportion of federal nutrition program participants compared to home-based early educators of other races and ethnicities. For SNAP, participation was lower among Non-Hispanic White educators, compared to about one in ten Non-Hispanic Black educators who reported participating (see Figure 6).

Figure 6. Household participation in SNAP and WIC among home-based educators participating in federal nutrition programs, by race/ethnicity



Source: 2024 NSECE Home-Based Provider Survey. \* p < 0.05, \*\* p < 0.01

Notes: Only home-based early educators with a child under age 6 were asked their WIC participation (weighted N = 12,066). All home-based early educators were asked about SNAP participation (weighted N = 77,869).

<sup>d</sup> Income limits for SNAP are generally up to 130% of the federal poverty level, whereas income limits for WIC are generally up to 185% of the federal poverty level. See <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program> and <https://www.fns.usda.gov/wic> for more information.

## Summary and Discussion

From the analyses of the 2024 NSECE presented in this Research Highlight, it's clear that more than 20 percent of home-based early educators have significant economic hardship, as indicated by their amount of student loan debt, their inability to pay \$400 in emergency expenses, and/or their need to use supplemental nutrition programs for their households.

Furthermore, there is significant variability in economic hardship by home-based early educators' race and ethnicity. Hispanic and Non-Hispanic Black home-based early educators generally have the lowest overall household incomes compared to home-based early educators of other races and ethnicities. Furthermore, Hispanic home-based early educators are most likely to participate in supplemental nutrition programs, while Non-Hispanic Black home-based early educators have the highest student loan debts and are least likely to be able to pay an emergency expense compared to home-based early educators of other races and ethnicities.

While federal policy solutions are important, state and local leaders are leading the way in providing support to ease economic hardship among home-based early educators and sustain their small businesses. They are implementing policy strategies such as targeting stabilizing income (for example, through salary supplements),<sup>14</sup> increasing implementation of effective fiscal management that can reduce operating costs,<sup>15</sup> providing direct financial relief (through, for example, tax credits or microloans from the Small Business Administration),<sup>16,17</sup> and establishing salary scales within states.<sup>18,19,20</sup> However, these strategies tend to be limited in their breadth and/or scale and, therefore, currently reach relatively few early educators.<sup>21</sup> More research on and scaling of these policy options to address economic hardship among home-based early educators is needed. In addition, there is a need for innovative policy solutions that target home-based early educators with the greatest economic hardship. Finally, improved resource sharing through family child care networks is another practice solution that should be encouraged for home-based providers around the country.<sup>22</sup>

### Methodology

For the analyses presented in this Research Highlight, we used the most recent, nationally representative database of home-based early educators in the United States, the 2024 National Survey of Early Care and Education (NSECE) Home-based Provider Survey (see text box on page 1 for more information about our data source). We report descriptive statistics for each indicator of economic hardship separately; the estimates are weighted to be nationally representative. When statistically comparing subcategories of early educators' race/ethnicity, we selected the category with the highest percentage as the reference group for the comparisons. Furthermore, we applied the Benjamini-Hochberg (BH) correction to control the False Discovery Rate (FDR) for statistical significance when making multiple comparisons.

One limitation of our analyses is that we were unable to examine household income in relation to the federal poverty guidelines because the public-use data file we had access to in March 2026 top-coded household size as "three members of the household or more." Future analyses using later versions of the public-use data files will hopefully shed light on this additional indicator of economic hardship in this population.

## Acknowledgements

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## Who Are We?

The National Early Care and Education (ECE) Workforce Center is a joint research and technical assistance center that equips state and local leaders to drive change in ECE workforce policy. This center uses a research-to-practice model to advance compensation and career advancement for early educators.

Learn more and get in touch with us at our website:  
[www.nationaleceworkforcecenter.org](http://www.nationaleceworkforcecenter.org)

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