

STEPS to Family Child Care Success: Entrepreneurship and Economic Security

It is a little difficult to learn, but little by little with the perseverance of continuing to take the workshops, and well, here I go! I am eager for all the things that there remains to do. I want to thank you and tell you that I have implemented things that I have learned with you. I want to thank the whole team and (Chicano Federation cultural navigator) and, as other compañeras say, I don't want the workshops to end, because we are growing both in the business and in taking care of the children.
--STEPS Provider

Professional Development for Family Child Care Providers

STEPS is a comprehensive professional development training program designed to increase immigrant and refugee family child care (FCC) providers' skills related to operating a successful business. Services are provided by trusted ethnic community-based organizations (ECBOs) and cultural navigators who share providers' cultural and linguistic heritage. Evaluation data collected over the course of 6 years and 20 cohorts consistently demonstrate the efficacy of the STEPS program and its approach to professional development. Over three hundred STEPS providers have completed the 14-week training series, created a business plan, and increased or sustained their enrollment. Importantly, STEPS providers feel confident in their ability to continue to strengthen their business practices and provide quality child care services to their community. Data consistently indicate that public investments in the STEPS model—especially for immigrant, refugee, and historically disadvantaged communities—strengthens child care quality and accessibility in these communities.

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Family Child Care: Challenges and Opportunities

Family Child Care (FCC) has long been a favorable option for families seeking child care. FCC homes tend to be located in the communities where families live, are more informal and intimate, and are less expensive than center-based care. Many also offer extended or weekend hours and engage young children in a shared culture and language that reflect the goals and values of their family and community (Shivers et al., 2007).

Although FCC providers are critical to addressing the child care crisis, they face challenges that impact their ability to provide quality care while operating a successful business. In addition to caring for young children, FCC providers are responsible for operating a small business, which includes adhering to a multitude of state regulations, and meeting overhead costs with a fluctuating source of income. Importantly, these challenges are especially acute for FCC providers from immigrant and refugee backgrounds because of language and cultural barriers and the need to learn complex systems such as taxes, banking, and credit, that are required to operate a business in the United States (Garrity et al., 2021; Garrity et al., 2024).

And our people (Somali), mainly the job is business, it's self-employed mostly but it's not the way that we do in United States. It is different because back home you just open a shop or you just open a day care center, or you just open a cleaning laundry or something, but money comes through with cash, and then you just put in your bag, and you spend with the cash. So, the electronic system was not there. That's what we adapted to. So, all the electronic things, the writing things, the debit card, all of this are new to us, so we have to adapt to that.

-- STEPS Cultural Navigator





Nearly half (45%) of FCC providers in California report being worried about having enough food for their families, and about three-quarters (77%) worry about their ability to take time off (Kim et al., 2024). Although FCC programs (64%) remained open through the pandemic at higher rates than centers (23%), they did so primarily because they could not afford a temporary closure, exacerbating challenges and disparities for FCC providers (Kim et al., 2022). While the early childhood education workforce as a whole is poorly paid, racial and ethnic wage gaps disproportionately harm Black and Latinx educators, most of whom are female. These wage gaps are due to multiple factors that are inextricably linked, including the age of children served, funding source (e.g., parent fees, Head Start, subsidies), and the race/ethnicity of educators, with Black and Latinx educators experiencing wage gaps when compared to their white peers. These gaps have historical and socio-political roots that stem from systems of domination that relegated the less desirable domestic and child care work needed by white families to women of color (Hill Collins, 2009; Hondagneu-Sotelo, 1994).

In San Diego County, professional development for FCC providers can be a critical contributor to growing and sustaining the workforce as part of expanding the supply of high-quality child care, a priority goal of the San Diego County Child Care Blueprint (2023). Yet, “the high cost of living and running a business in the region, retaining and attracting new providers is increasingly difficult. Historically low wages plague this vital segment of the workforce, which continues to be undervalued,” [San Diego County Child Care Blueprint].





"Local child care resource and referral agencies provide technical assistance and training, mentoring/coaching, support for accessing grant funding, business supports (e.g., helping providers become better business managers) and licensing support (e.g., helping providers navigate state and local child care regulations). But more is needed to ensure the growth and sustainability of this essential industry"
--San Diego County Child Care Blueprint

Steps to Family Child Care Success (STEPS): A Unique Professional Development Program

In 2019, the Center for Excellence in Early Development (CEED) at San Diego State University joined forces with several local ethnic community-based organizations (ECBOs) to develop the Steps to Family Child Care Success Program (STEPS). This comprehensive professional development training series increases immigrant and refugee providers' skills related to operating a successful business and aims to honor and uplift diverse cultural communities.

STEPS is a proven model that supports entrepreneurship and business development for FCC providers and business owners from immigrant and refugee communities who have the potential to increase the availability of high-quality, affordable child care in their communities. STEPS engages existing or new FCC providers from these communities who are motivated to build and sustain a viable, community-serving business.

Trusted, ECBOs hire cultural navigators who share a similar racial, ethnic, and linguistic background as the FCC providers they serve. Cultural navigators serve as a bridge between providers and the multiple agencies and systems that make up the child care landscape and provide direct support in recruitment, child enrollment support, licensing support, and translation, with a focus on providers' strengths and assets. Additionally, the ECBOs and cultural navigators organize FCC providers into cohorts that share ethnicity and language. To date, STEPS has served 20 cohorts of FCC providers in collaboration with the Chicano Federation, The International Rescue Committee, and the Horn of Africa.

To date, the STEPS program has supported:

20 Cohorts **328** FCC Providers **2149** Children

Each ECBO has supported:

The Chicano Federation

8 Cohorts
116 FCC Providers
856 Children

Spanish-speaking providers

Horn of Africa Community

4 Cohorts
54 FCC Providers
270 Children

Somali-speaking providers

International Rescue Committee

8 Cohorts
158 FCC Providers
1023 Children

Arabic, Dari, & Swahili-speaking providers

25 PROVIDERS
are expected to complete the STEPS program in 2026.





She is a great support for us. We are a little forgotten about and thanks to the program it has become known that there are many providers who have needs. We feel that we are not alone. When the pandemic comes and this course came out, I was about to leave the field. I told my cultural navigator that I was about to leave, that I wasn't sure about taking STEPS. She told me take it and then you decide. It was like I got back to my business and was able to get my feet back on the ground. This program came to lift us up, to lift our spirits and to help us get ahead.
-- STEPS FCC Provider

Security for Families, Entrepreneurship for Providers

Starting an FCC is a unique entrepreneurship opportunity for new immigrants and refugees. The relatively minimal capital and overhead required to start and maintain the business in their rented or owned home is unusual compared to other start-up opportunities. FCC homes are often located in or near neighborhoods with significant numbers of immigrants and refugees whose culture they share, providing strong access to a customer base that favors convenient, informal, intimate, and affordable care. Furthermore, these customers greatly value and trust FCC providers who can engage young children in a shared culture and language, allowing families to select child care that reflects the goals and values of their family and community (Garrity, et al., 2021). FCC shines as a critical part of the child care system and developing FCC providers from immigrant and refugee communities creates small business opportunities and culturally and linguistically relevant services for the community.



"They help us learn about taxes. I'm doing well, and now I make sure that I put my expenses for the children, for the things I buy for them. Although I've been taking care of children for many years, I didn't know nothing about what the banking system is and that I had to report this and that."
--STEPS FCC Provider

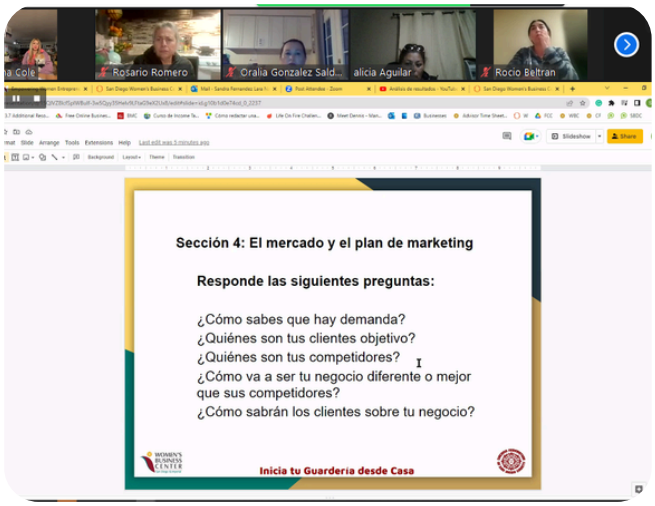
STEPS: Foundational Curriculum, Tailored Support

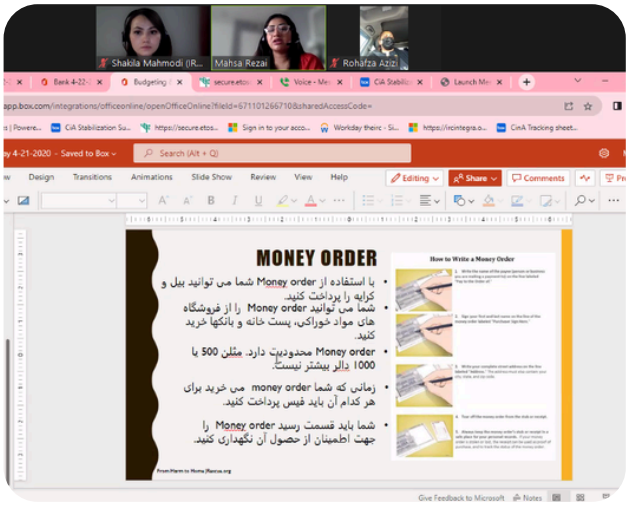
Consistent, multi-cohort, multi-year testing and evaluation of the STEPS model highlights the value of its approach to building business acumen and entrepreneurship training. Integral to the model is embedding STEPS within ECBOs and delivering the curriculum and business support via cultural navigators and business counselors who share cultural backgrounds and language with the immigrant and refugee FCC providers.

FCC providers' training is based on a 14-week, comprehensive curriculum that can be adjusted to leverage the strengths and needs of each cohort. Because providers must access computerized systems that are part of the child care infrastructure and the training is virtual, each provider receives a Chromebook and training from their cultural navigator on how to use it. The curriculum includes courses in digital and financial literacy, business management, bookkeeping, tax readiness, parent-provider contracts, licensing, labor law,

child development, nutrition, and marketing. Each provider also receives one-on-one financial coaching from their cultural navigator and business counselor on development of a business plan, allowing them to ground their business goals in what they learned during the 14-week training. Providers receive continued support over the course of a year to maintain their confidence in starting, sustaining, and growing their businesses based on strong and proven practices.

Courses are taught over Zoom in the provider's primary language





Importantly, the STEPS curriculum has evolved and expanded to reflect new and veteran providers' experiences and as well as the ongoing program evaluation. For example, collaboration between the ECBO staff, cultural navigators and the project evaluation team resulted in the development of the Family Child Care - Strength and Sustainability Index (FCC-SASI) to capture and organize best business practices. These practices build on the original curriculum and better reflect the strengths, assets, and unique experiences of immigrant and refugee providers.

Results: Total FCC-SASI Business Practices Completed



Results: Developing Confident and Capable Professionals

328 providers completed the one-year program, providing evidence of the value of individualized, culturally and linguistically responsive professional development.

With the support of cultural navigators and business counselors, providers collectively secured **$1,014,498** in capital funds.

94% of providers (n=318) developed personalized business plans to further increase revenue and the quality of their business.

Enrollment increased or was sustained for 75% (n=328) of providers who completed the program.

Collectively, providers completed 343 best business practices for child care programs during the program period.

STEPS providers were surveyed on program effectiveness and their confidence in child care business practices after completing the program (n=211).

92% of providers rated the STEPS program a 4 or 5 when asked to rate the program on a five-point scale.

Percentage of providers that were "very confident" or "confident" in the following business practices:

Marketing	n=120	86%
Communicating with Families	n=140	94%
Handling Business Finances	n=140	87%
Understanding Child Growth & Development	n=139	93%
Creating Contracts, Policies & Rules	n=137	89%
Recordkeeping for Business Taxes	n=138	84%

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Recommendations

Build Foundational Business Practices

STEPS is a unique workforce development model that supports immigrant and refugee providers who have the greatest barriers to establishing and sustaining a viable FCC business. Starting, maintaining, and growing an FCC business can be challenging, especially for providers who must navigate the complex systems that govern FCCs as well as tax, credit and banking systems while also learning a new language and adapting to a new culture.

The STEPS model demonstrates how to integrate supports within immigrant and refugee communities' cultural and linguistically responsive support systems and strengthen their economic opportunity.

In San Diego County, STEPS provides important contributions in achieving the first goal of the Child Care Blueprint focused on workforce development:

- Eliminate barriers to, incentivize, and provide compensation for child care provider participation in continuous learning and advanced training
- Support targeted long-term and ongoing investments in the sustainability of existing child care settings, including enhancement of child care business resilience (San Diego County Child Care Blueprint, 2023)

Leverage Trusted Partners

STEPS demonstrates FCC providers' entrepreneurship and business acumen can be strengthened through cultural navigators and business counselors. Navigators that reflect FCC providers' distinct cultural communities and share their language are instrumental in helping providers to navigate the complex child care landscape of licensing requirements and business practices.

When intentionally funded and programmed through ECBOs—organizations that are trusted by immigrant and refugee communities—these FCC providers can gain invaluable support from cultural navigators that channel their entrepreneurial passion on a pathway toward a viable, community-serving business.

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Recommendations

Invest in Partnerships

Public sector agencies at the local level that administer child care programs, incentives, and support can invest in professional development for diverse FCC providers. As the STEPS model shows, public agencies can create formalized partnerships with ECBOs to hire cultural navigators. Foundational curriculum and coaching methods can be tailored to meet specific populations' contexts, needs and challenges and build on their many strengths. Tracking, evaluating, and reporting on STEPS data and outcome measures to the local public sector agencies can be part of these partnerships.

Integrate Research

STEPS represents an authentic research-practice partnership between the funding entities, the ECBOs delivering the services, the FCC providers, and San Diego State University. The program's success highlights the value of multifaceted, bi-directional relationships built on trust and a commitment to ensuring equitable access to high quality professional development that builds on community strengths. These relationships have allowed researchers to gain a deeper understanding of local contexts through first-hand access to practices and service delivery and have informed continuous improvement efforts across four language-based cohorts. Although building and sustaining these relationships takes time and resources, the payoff is visible in meaningful and context-driven research agendas that produce new knowledge and create positive outcomes that reduce inequities.

Conclusions

High Rate of Return on Investment

By investing in the FCC workforce, the children, families, and communities they serve are also supported. The STEPS model delivers:

- Increased professional development, business acumen, and stability among FCC providers, especially from immigrant and refugee communities.
- Increased child care enrollment in low-resource, diverse communities.
- Increased economic mobility for parents to pursue and maintain employment thanks to reduced child care demands.

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