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An Innovative Model for Child Care and Entrepreneurship:

A Case Study of the Nurtury Early Education Family Child Care (FCC) Incubator

Abstract

The child care system has long struggled to provide sufficient high-quality child care where families live and work; the pandemic and subsequent economic and cultural shifts have exacerbated existing problems, with staffing challenges constraining enrollment in traditional center-based programs nationwide. In recent years, however, demand for family child care (FCC) has grown, and many child care educators are interested in pursuing entrepreneurship by opening their own FCC home-based small businesses. These aspiring entrepreneurs want to provide the services families seek, but barriers stand in their way. One such barrier is locating residential program space that meets family child care licensing standards. The current housing crisis puts this requirement out of reach for many would-be FCC business owners.

Nurtury Early Education has developed an innovative solution to address this barrier. By repurposing an unoccupied child care center, Nurtury created three new individually-licensed program spaces, mirroring a family child care environment for each Resident business in the Nurtury Family Child Care (FCC) Incubator. This collaborative work space will enable aspiring family child care entrepreneurs to launch their own independent small businesses with Nurtury's support. This new model – the first in the Commonwealth of Massachusetts and the second in the country – creates a replicable pathway to economic opportunity for early education entrepreneurs while increasing family access to high-quality child care.

Introduction

Since 1878, Nurtury Early Education has played a leadership role in early education, shaping the evolution of high-quality, accessible child care. As one of the oldest and largest nonprofit providers of early education and care in the Boston area, Nurtury serves over 1,100 children in both center-based care and family child care (FCC) settings, operating three early learning centers and a large and growing FCC system supporting over 155 women-led small businesses. With offices in Chelsea and Boston, Nurtury programs operate throughout many Boston neighborhoods as well as Chelsea, Revere, Everett, Malden, Winthrop, Dedham, Cambridge, and other Greater Boston communities.

Child care is a basic family need, yet quality child care is both expensive and hard to find. Since the COVID-19 pandemic, additional challenges fuel a need for new solutions. This case study presents Nurtury Early Education's effort to address the system's profound challenges. Nurtury's solution, an incubator model that combines low-cost shared workspace with business coaching and mentorship, bridges the gap between the high demand for child care and the barriers faced by aspiring FCC educators. This document describes how the Incubator came to be and the promise it holds for families and child care entrepreneurs.

Challenges Facing the Massachusetts Child Care Sector

Dwindling Workforce & Increasing Entrepreneurship

Child care centers face an ongoing struggle to attract staff in a severely restricted market. With early education wages failing to keep pace with other sectors, including K-12 education, it has become increasingly difficult to hire qualified teachers to staff traditional child care centers. As a result, child care centers have been unable to meet demand for care – particularly for infants and toddlers. At the same time, Nurtury and other family child care sponsor organizations have seen growing interest from aspiring early educators eager to open their own child care small businesses – but they often struggle to find residential space suitable for child care licensure. These twin challenges led Nurtury Early Education to consider innovations to facilitate continued growth of child care capacity to meet family needs.

Licensing Requirements:

Licensing requirements can make establishing new child care programs challenging. In Massachusetts, the Department of Early Education and Care (EEC) offers three categories of child care licenses:

- **Family Child Care (FCC)**: Care provided in the educator's home—sometimes referred to as home-based child care. Children of multiple age groups can be cared for together under an FCC license.
- **Large Group and School Age Care (Large Group)**: Care provided in a standalone building—sometimes referred to as center-based care. More than 10 children can be cared for in multiple classrooms serving different age groups.
- **Small Group and School Age Care (Small Group)**: Care provided for up to ten children in a community-based setting that is not the provider's home. This last type of licensure is often used by community centers and similar organizations.

These licensing requirements can pose some barriers to both center-based and FCC programs. In centers, certification requirements can limit the pool of potential teachers; coupled with low wages, this constricts supply, leading to shuttered classrooms and families who wait for care. Family child care educators face different barriers, including the high cost of home ownership and restrictive landlords. Potential entrepreneurs also face the challenges of navigating the complex licensing process and setting up a home-based small business.

Reducing Barriers through Shared Services

In Massachusetts, Family Child Care systems connect groups of Family Child Care educators, allowing a single administrator to provide all members of the system with recruitment, billing, and quality assurance support. Nurtury is the administrator for such an FCC system, providing enrollment, billing, fiscal management, family services, program quality coaching, and professional development to its 155 FCC system members.

By supporting child care entrepreneurs, Nurtury strengthens the family child care ecosystem, encouraging business sustainability. Prospective FCC educators describe having experience in child care, but need training in small business management and program design. With decades of experience running both center-based and FCC operations, combined with an ability to provide training and support in both Spanish and English through its bilingual staff, Nurtury offers FCC entrepreneurs welcome support as they enter into the business world.

Currently, Nurtury recruits and trains a network of 150 Family Child Care educators in under-resourced neighborhoods across Boston, Chelsea, and other Gateway communities. These licensed, home-based, child care small businesses receive back-office support from Nurtury, including enrollment and billing, along with on-site visits and training in program quality, family engagement, business management, marketing, and related professional skills, giving them the tools they need to sustain a productive child care business. Joining an FCC system in Massachusetts is voluntary and at no cost to FCC educators. All FCC system participants maintain their independent EEC licensure to open and operate their FCC small businesses.

The Spark of Innovation

In the summer of 2022, Nurtury Early Education recognized a problem. The pandemic had permanently reshaped the child care landscape. While Nurtury closed only briefly during the pandemic, they found themselves unable to reopen all of their classrooms once conditions allowed. In June of 2022, four classrooms remained closed at three centers due to lack of staffing. Meanwhile, there was increasing and unmet demand for family child care, with enrollment growth in the FCC system significantly outpacing that of Nurtury's centers. Nurtury was serving the same number of children as before the pandemic, but the distribution had shifted from centers to family child care. Before the pandemic, 57% of Nurtury children were enrolled in FCCs; afterward, that percentage climbed to 70% with demand still unmet.

While assessing these changes to the landscape, Nurtury's leadership had an inspiration. Might they use child care space in a vacant center to house family child care educators instead? By transforming an unused facility, dormant since the pandemic, into a vibrant hub for child care, Nurtury could create a space where family child care could flourish outside of the traditional home setting. The idea took hold, leading to the Nurtury FCC Incubator. As the Nurtury team explored this concept, they learned a similar program was already underway in Connecticut, reinforcing the viability and potential impact of this initiative in the Commonwealth of Massachusetts.

The Road to Realization

Since 2005, EEC has offered three licenses – one for large groups (centers), one for small groups (usually sites that want to offer one room of child care, such as churches), and one for family child care. Very few changes have been made to these categories over the years. The idea of a family child care within a center-fitted space was a hybrid concept—not a center with employees, nor a family child care educator located within a home, but rather a blend of both. Obtaining EEC support for this unorthodox idea would be key to the Incubator's success.

The Nurtury team first engaged the support of the City of Boston Mayor's Office of Early Childhood (OEC). Then Senior Advisor and OEC Director Kristin McSwain (now Chief of Policy and Research) assisted in setting up a meeting with the state EEC Commissioner's Office, as she saw the project as an opportunity to enhance Boston's economic development. "Employers are reluctant to locate here because they think their employees are not going to be able to find child care," McSwain explained. Together, they met with EEC Commissioner Amy Kershaw, who noted the statewide potential for this innovative model to reduce barriers to child care educators entering the field. Nurtury then submitted a concept paper and licensing crosswalk to the EEC team, detailing the prospective function of the FCC Incubator, the problems it solved, and possible waivers they would need to make the pilot project work.

EEC licensing experts visited the dormant center and advised the Nurtury team on how to set up the space to enable three separate family child care programs to operate within one building. After careful review, EEC endorsed the pilot project, proposing to license individual Incubator Residents with Small Group and School Age (Small Group) licenses, allowing each provider to care for up to ten children of mixed ages in a setting other than the educator's home. Usually reserved for care provided in community centers and churches, this novel application of the existing license will allow Nurtury's FCC Incubator educators to operate with Small Group licenses while in residence at the FCC Incubator.

Having obtained this crucial initial approval, Nurtury proceeded to remodel its unused center into three separate indoor program spaces, each complying with EEC's requirement for small group child care: to offer at least 35 square feet of space per child inside and 75 square feet of outdoor play space per child who is outside at any time. The process involved collaboration with EEC licensing experts and Nurtury's architects, resulting in three warm, welcoming, ADA-compliant spaces. The Incubator was also designed to mimic family child care environments as much as possible. The project also included a shared kitchen space, accessible entrance and bathrooms, and a Resource Room where Nurtury's FCC educators, system-wide, can build community with fellow educators while accessing supplies, equipment, and training.

Fundraising

Although Nurtury has a long-term donated lease to the FCC Incubator space, renovating and furnishing the space required a significant investment. Nurtury's board and leadership fully endorsed this project, which advances Nurtury's mission to meet family demand for high-quality child care while supporting small businesses and increasing access for families. Nurtury raised the necessary renovation funds through grant-writing, philanthropy, and contributions from individuals and the City of Boston. Once the FCC Incubator is fully operational and children are enrolled, the FCC Incubator will generate revenue sufficient to cover the majority of operating costs, including all payments to providers, with only modest external (public or private) grant support needed.

Selecting Entrepreneurs

Supporting child care entrepreneurship is central to Nurtury's mission. Nurtury supports a network of more than 155 educators, nearly all women business owners and predominantly women of color. Through their small businesses, these entrepreneurs create legacies for themselves and for their families; Nurtury is honored to be part of this essential work.

The FCC Incubator grew directly from strong community demand. Nurtury released a recruitment flyer and overview document that led to a staggering 130 inquiries and 24 completed applications for three available residencies, confirming our prediction that aspiring FCC educators want and need this kind of support. Nurtury proceeded to interview applicants, considering these three priorities:

- **Level of Need:** Nurtury prioritized candidates who faced clear barriers to using their own home for family child care.
- **Geography:** Nurtury prioritized building FCC capacity within its service area, where demand is high. Ideal candidates would be residents of Metro Boston or the North Shore, or have plans to locate there after their residency ends.
- **Experience and Education:** Nurtury prioritized candidates with experience in the field of Early Childhood Education. Center educators and FCC Assistants proved strong Incubator candidates, having demonstrated their commitment to the field.

In accord with its mission to increase the number of child care educators, Nurtury prioritized first-time child care entrepreneurs. In order to target support to businesses that would provide child care for the long term, Nurtury selected individuals with previous experience in the early education field, for example as child care center staff and lead teachers.

Supporting Entrepreneurs

As a shared workspace, the FCC Incubator is a community where three separate child care businesses can operate independently while benefiting from shared resources and support. An Incubator Director provides weekly on-site quality coaching as well as informal support and mentoring. Nurtury's well-established family child care infrastructure supports FCC Incubator Residents in crucial ways:

- **Recruitment and Enrollment**: Nurtury manages recruitment and enrollment for the Incubator-based FCCs just as it does for the other FCCs in its system. This eliminates the pressure and uncertainty of fluctuating enrollment, which can challenge a small business, especially in its start-up phase.
- **Financial management**: Nurtury manages invoicing for children enrolled in the FCC Incubator, as it does for all Nurtury programs. The process for state invoicing is exacting and time consuming; by facilitating these payments, Nurtury leaves FCC educators more time for planning and professional development, ensuring they have the capacity to provide high-quality care. Nurtury pays the FCC business owners, who in turn manage their own business expenses, as they would in a traditional home-based FCC program.
- **Professional Development and Coaching**: All FCC educators, including Incubator Residents, have access to curriculum materials and professional development resources, including a dedicated FCC Instructional Coach. As members of the Nurtury FCC system, Incubator Residents receive one-on-one support in curriculum development, 25-hours of free Continuing Educational Unit-bearing trainings annually, a Child Growth and Development course, and other individualized trainings as needed. Incubator Residents will receive additional weekly quality coaching to support their transition to independent operation once their Incubator residencies end.
- **Operating Agreements**: New Incubator Residents sign agreements with Nurtury Early Education, designed to codify roles and manage expectations. While the Residents do not pay rent for the Incubator space, these agreements include a modest monthly fee for shared facility expenses, such as cleaning, parking, and meal delivery. (Nurtury has furnished the spaces and manages catering and cleaning contracts.) This arrangement will allow Residents to become familiar with the costs of running a business, preparing them to create realistic budgets for their own small-business expenses, after they leave the Incubator.

Nurtury initially set a two year time frame for the usage of the incubator space by residents, but has since changed that to three years given the ongoing market constraints. This adjustment is intended to provide the residents with sufficient time to become established and find private space for their programs. As the Incubator pilot progresses, Nurtury will continue to assess the appropriate duration of the Incubator residency. Once Residents are ready to transition into their own locations, Nurtury will provide continuing support through the licensing and transition processes. As independent FCC Educators with their own program space, educators will be in a position to obtain 3-year renewable FCC licenses from the state. They can also choose to continue their membership in Nurtury's FCC system for ongoing support. For families whose educator leaves the Incubator, Nurtury will help them to follow the entrepreneur to a new location or to choose a new educator, either within the Incubator or elsewhere in the Nurtury system.

Conclusion

Nurtury's pilot site for the FCC Incubator opened in Boston in February 2025 and was fully enrolled in the first month of operations. This project was driven by the ongoing shortage of high-quality child care in the city, where Nurtury families live and work. Child care is essential, enabling caregivers to go to work or school and thus contribute to the economy. The Nurtury FCC Incubator offers a bold new option, giving families the intimate child care experience they increasingly prefer, while broadening the potential settings for where that care can be delivered. This successful conversion of commercial space opens up the potential for similar development in other settings, including workplaces, giving families the care they need without requiring employers to manage and maintain their own child care centers.

Many organizations have expressed interest in replicating the Nurtury FCC Incubator model in Massachusetts and beyond, and Nurtury itself hopes to create more Incubators in its service area as well. To ensure the project's viability and replicability, Nurtury worked closely with city and state regulators, who view the FCC Incubator as a viable strategy to expand child care small business support. To support potential replication, Nurtury is conducting a thorough evaluation, tracking:

- The quality of care provided;
- Family satisfaction; and
- The sustainability of the entrepreneurs' businesses.

The Nurtury Early Education FCC Incubator marks the beginning of a new chapter in child care. By repurposing unused space and fostering a supportive environment for child care educators, Nurtury has created a replicable, self-sustaining model that could revolutionize early education.

If you are interested in learning more about the Family Child Care Incubator model and potential for replication, please visit this link: https://forms.gle/DdLhYUqH1yWY2NqLA, scan the QR code to request more information, or reach out to us directly at FCCinfo@nurturyboston.org.

This case study was developed using evaluation input from Rojas Blakely & Associates as well as the program design team at Nurtury Early Education. The case study documents the process and learnings from the first two years of Nurtury Family Child Care Incubator's design and implementation.

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