Early literacy skills are critical for children’s later academic achievement. A wealth of research showed that children’s home languages should not be abandoned, as they are crucial for promoting dynamic multilingualism, assuring cross-linguistic transfer and developing identities. To explore home literacy environment and family language policy of language minority preschool children in Luxembourg, we obtained 603 parent questionnaires, tested 226 children age 4 to 6 in their home languages and Luxembourgish, and interviewed 31 families. The results from the questionnaires showed that the home resources and parent involvement influenced children’s language awareness and their print knowledge irrespective of parent’s education and their wealth. Concerning children’s competences in Luxembourgish, children with positive attitudes towards their school did better than their peers in other schools. In the interviews, parents explained that maintaining home language is important for keeping connections with family, friends and their culture. This is the language parents feel emotionally connected to and the easiest to transmit to their children. Language maintenance is mostly achieved through conversations, movies, games and books in the home languages, children’s attendance of language schools on weekends, celebrations of traditions as well as holidays in the native country of the parents. The home language is, however, not something parents enforce too strictly, as they mostly correct the children’s linguistic mistakes by simple repetition. It is often with great pride that parents report their children having an excellent proficiency in their home language. Finally, through our professional development training in translanguaging we are helping teachers to integrate children’s different home languages and cultures into the classroom and strengthen the home-school collaboration in order to support children’s well-being, learning and identities.