Child Care in Rural America – What Have We Learned?

Highlights from our reports on child care supply gap, the economic impact of the gap and recent parent survey on child care in rural America

October 6, 2021
Rural Child Care in 35 States: What we know and don’t know
Supply Gap: Overview

Goals of the report

• Answer the question: “What is the actual child care gap?”
• Understand the supply of, need for, and gap in child care in 35 states prior to the onset of the COVID-19 pandemic.
• Serves as the first study to both quantify the nation’s child care gap and do so in a way that factors in real parent choice data

*National finding:* 31.7% of children below six with all parents in the labor force come from families without access to formal child care facilities
Supply Gap Report: Overview

Methodology

1. Collected data on the need for and supply of child care by geographic location
   - The number of children under 6 with all parents in the labor force using the census’s American Community Survey 5-year 2014-2018 sample
   - Child care supply data as reported by state’s child care officials, the Office of Head Start, and the Department of Defense’s

2. Used driving distance to estimate parent access to child care facilities

3. Allocated the need: maximized the assignment of children to child care facilities while ensuring that the number of children did not exceed facility capacity based on distance from facilities

4. Quantified the child care gap
Supply Gap: Rural Findings

Rural parents are significantly more likely to have to drive more than 10 miles to access child care.

Among children receiving subsidy, parents in urban areas lived around 3.5 miles from their child care arrangement, while rural parents lived 10 miles from theirs.
Supply Gap Report: Rural Findings

Even though urban communities often had a much higher potential need for child care and thus a greater likelihood of having a higher gap, rural areas were underserved far more often than urban areas

<table>
<thead>
<tr>
<th>Child Care Need in Urban vs Rural Communities</th>
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</thead>
<tbody>
<tr>
<td>Urban Need</td>
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<tr>
<td>Rural Need</td>
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</table>
Supply Gap Report: Rural Findings

Urban areas had an average gap of 28.9% (blue line), whereas rural areas had an average gap of 35.1% (red line)
The Economic Impact of the Child Care Gap
Goals of the report

• Answer the question: “What is the economic impact of America’s 31.7% child care gap?”
• Produce data that estimates the economic cost of failing to address these potential gaps in the child care supply, not the impact of other child care issues like unaffordability
• This report estimated the economic impact of the potential gaps in the 35 states BPC mapped (including Washington, D.C.)
Methodology

• All estimates represent the initial year’s economic loss plus the residual burden over the next 10 years.

• These are estimates of the economic burden of America’s child care gaps on households, businesses, and tax revenues. The results capture:
  o The immediate one-year impact of these gaps
  o The residual burden they produce over the next 10 years
The economic impact of the child care gap in rural areas falls between $32.79 and $49.93 billion.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Low Estimate ($B)</th>
<th>High Estimate ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$142.51</td>
<td>$217.02</td>
</tr>
<tr>
<td>On Households</td>
<td>$97.14</td>
<td>$147.92</td>
</tr>
<tr>
<td>On Businesses</td>
<td>$20.27</td>
<td>$30.87</td>
</tr>
<tr>
<td>On Tax Revenues</td>
<td>$25.10</td>
<td>$38.22</td>
</tr>
<tr>
<td>On Rural Communities</td>
<td>$32.79</td>
<td>$49.93</td>
</tr>
<tr>
<td>Per Missing Child Care Slot</td>
<td>$41,168</td>
<td>$62,693</td>
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</table>
The lack of access to child care had significant potential economic impacts on rural communities.
Survey of Working Rural Parents
Goals of the Rural Parent Survey

• Understand child care needs among rural parents
• Explore accessibility of child care providers in rural communities
• Understand the extent rural parents have considered formal child care options when selecting a care arrangement and top-of-mind considerations when choosing a child care provider.
• Use of financial supports for child care, including federal tax credits
Survey Methodology

- Surveyed 654 rural parents with a child under the age of 5 with at least one member of the household employed.
- An online survey July 29-August 19.
- Results have a margin of error of +/- 4 percentage points.
- For simplicity, respondents in this survey are referenced as *parents*.
Rural Survey Results: Rural Community

Rural parents living in larger communities are more likely to have access to the tested child care programs in their community.

<table>
<thead>
<tr>
<th>% Yes</th>
<th>Rural Parents</th>
<th>Town Size: 500 Residents or Fewer</th>
<th>Town Size: 501-2,500 Residents</th>
<th>Town Size: 2501-5,000</th>
<th>Town Size: 5001-10,000</th>
<th>Town Size: 10,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Center</td>
<td>73%</td>
<td>51%</td>
<td>70%</td>
<td>73%</td>
<td>81%</td>
<td>84%</td>
</tr>
<tr>
<td>Part-day Pre-K Program</td>
<td>69%</td>
<td>56%</td>
<td>65%</td>
<td>64%</td>
<td>73%</td>
<td>85%</td>
</tr>
<tr>
<td>Head Start Program</td>
<td>66%</td>
<td>49%</td>
<td>64%</td>
<td>64%</td>
<td>78%</td>
<td>71%</td>
</tr>
<tr>
<td>Family Child Care Home</td>
<td>46%</td>
<td>34%</td>
<td>41%</td>
<td>40%</td>
<td>53%</td>
<td>64%</td>
</tr>
</tbody>
</table>
Nearly half (45%) of rural parents say they or their spouse/partner provide care for their youngest child.

Which of the following best describe the current primary child care arrangement for your youngest child?

**RURAL PARENTS, N=654**

- I or my spouse/partner provide care for our child: 45%
- Child Care Center: 19%
- Relative (e.g. grandparent, aunt/uncle): 17%
- Part-day Pre-K Program: 6%
- Family Child Care Home: 6%
- Non-relative friend or neighbor: 3%
- Head Start Program: 3%
- Other, please specify: 1%
- Non-live-in nanny or nanny share: 1%

Formal child care arrangement: 34%
Informal child care arrangement: 66%
If child care were free and in a convenient location, 25% of rural parents would prefer to personally provide care for their child, and 22% would prefer a child care center.
Rural Survey Results: Deciding on a Child Care Arrangement

Over 4 in 5 rural parents who are personally or their spouse/partner is not currently working say child care responsibilities influenced their decision to not work (86%), including 64% who said they significantly influenced their decision.
Among rural parents using a formal child care provider, half (47%) say trust most impacted their decision to select their child care provider, followed by costs (35%) and quality of workers (34%).
Among parents who considered a formal child care arrangement but currently use informal care, 55% say program costs most influenced their decision to not use a formal arrangement.
Employment Demographics

Which of the following categories best describes your current job?

- **Administrative Workers, Office Professionals, and Executive/Senior Level Managers**: 24%
- **Other Professionals**: 15%
- **Service Worker, Retail Sales, Laborers and Helpers**: 25%
- **Health Care and Medical Professionals, Lab Technicians, and Pharmacists**: 13%
- **Trade and Skilled Workers**: 23%

How would you describe your present employment situation?

- **Employed/salaried**: 24%
- **Employed/paid hourly**: 41%
- **Self-Employed**: 10%
- **Homemaker**: 21%
- **Student**: 1%
- **Unemployed**: 2%
- **Other**: 0%

Which of the following categories best describes your spouse's or partner's current job?

- **Service Worker, Retail Sales, Laborers and Helpers**: 22%
- **Trade and Skilled Workers**: 40%
- **Administrative Workers, Office Professionals, and Executive/Senior Level Managers**: 14%
- **Health Care and Medical Professionals, Lab Technicians, and Pharmacists**: 1%
- **Other Professionals**: 18%

How would you describe your spouse's or partner's present employment situation?

- **Employed/salaried**: 33%
- **Employed/paid hourly**: 48%
- **Self-Employed**: 9%
- **Homemaker**: 5%
- **Student**: 1%
- **Retired**: 1%
- **Unemployed**: 3%
- **Other**: 1%