ACKNOWLEDGMENTS

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Introduction

Child care programs are an essential component of strong communities throughout the United States. They support young children’s cognitive, social, emotional, and physical well-being and are a vital cog in the economy, creating jobs in the child care sector and allowing parents to work.

In rural America, families experience challenges accessing and affording child care that exceed those of urban areas. This framework articulates the challenges, strategies, and solutions that are critical to the development of child care policies in rural regions.

What areas are rural?

We use the U.S. Census Bureau’s definition of rural.

“The U.S. Census Bureau’s urban-rural classification is a delineation of geographic areas, identifying individual urban areas of the nation. The Census Bureau’s urban areas represent densely developed territory and encompass residential, commercial, and other nonresidential urban land uses. Urban areas are defined primarily based on housing unit density measured at the census block level. Rural encompasses all population, housing, and territory not included within an urban area.”¹
**Background**

**Economic Impact of Child Care Gaps**

Gaps in child care supply and the economic impact of those gaps are larger in rural America than in urban areas. In 2020, using child care supply data from 35 states, the Bipartisan Policy Center calculated that the child care gap in urban areas was 28.9%, versus 35.1% in rural areas. Beyond the existence of the gap, the economic implications of parents unable to enter the workforce extends to households, businesses, and tax revenues. In the 35 states BPC analyzed, the lack of access to child care cost the United States an estimated $142 billion to $217 billion in economic productivity. Unsurprisingly, states with the largest rural child care gaps face the greatest economic consequences, with costs in the rural areas studied by BPC ranging from $33 billion to $50 billion.

**Large Child Care Gaps in Rural States**

When the number of children who need child care exceeds capacity, a gap in child care results.

<table>
<thead>
<tr>
<th>Child Care Gaps</th>
<th>Alaska</th>
<th>Montana</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statewide Gap</strong></td>
<td>59.1%</td>
<td>48.6%</td>
<td>37.9%</td>
</tr>
<tr>
<td><strong>Rural Gap</strong></td>
<td>69.9%</td>
<td>56.8%</td>
<td>39.5%</td>
</tr>
</tbody>
</table>
RURAL AMERICA

Rural America is found across the arid Southwest, northeastern pine forests, midwestern plains, frontier mountain ranges, and southeastern wetlands. Every region in the United States has rural areas—north to south, east to west. More than 40% of the population lives in rural areas in each of the following states, listed from highest to lowest: Vermont, Maine, West Virginia, Mississippi, Montana, Arkansas, South Dakota, Alabama, New Hampshire, and Kentucky. More than 2 million people live in rural areas in each of the following states: Texas, North Carolina, Pennsylvania, Ohio, Georgia, Michigan, New York, Tennessee, California, Alabama, and Virginia.

Map 1. Percent of population living in rural areas, 2020 U.S. Census
During the COVID-19 pandemic, for the first time since the mid-1990s, rural areas grew at a faster rate than urban areas.\(^5\) However, this temporary growth and change in migration patterns did not alter the overall rural population’s decline from previous decades. In 2021, people 65 years and older made up more than 20% of the rural population, up from 16% in 2010.\(^6\) The increase in average age and population decline means that rural employers have a smaller, aging rural workforce. To recruit younger workers and families, rural regions need child care to be available and accessible.

86% OF RURAL PARENTS WHO ARE PERSONALLY (OR THEIR PARTNER IS) NOT CURRENTLY WORKING SAY THAT CHILD CARE RESPONSIBILITIES INFLUENCED THEIR DECISION TO NOT WORK.

The largest employers in rural areas include education, health care, government, retail, and social assistance services. The rural workforce is also found in finance, wholesale trade and information industries. Farming
and manufacturing, while no longer the largest rural industries, remain very important in many rural economies and for the national food supply. The variety of rural employers and industries contributes to a variety of child care needs during traditional and nontraditional hours. Access to child care is important for parents in all rural industries. In fact, 48% of rural parents had to call out or miss a shift due to difficulty securing child care, and 38% had to leave the workforce altogether.

**2023 NATIONAL FARM FAMILIES CHILD CARE SURVEY FINDINGS**

- 48% report access to affordable child care is important or very important to the economic viability of their farm business.
- 62% report access to affordable child care is an important or very important strategy for keeping children safe.
- 97% are concerned that their children could get hurt on the farm. Every day, 33 children are seriously injured in agricultural-related incidents, and every three days a child dies on a farm. The largest number of injuries are among children under age 10.
The Scope of the Problem

Child care challenges are felt more acutely in rural areas and are often overlooked by policymakers.

DISTANCE AND INFRASTRUCTURE

Residents travel longer distances to access services and resources than in cities and suburbs, affecting families’ access to child care programs and parents’ ability to remain in the workforce. In 2021, a BPC survey on rural child care found that rural parents were significantly more likely to drive more than 10 miles to access child care, with only 26% able to find child care within five miles. This compares with 39% and 35% of suburban and urban parents, respectively.

In towns with 500 residents or fewer, 51% have access to a child care center and 34% have access to a family child care home. By comparison, in a town with 501 to 2,500 residents, 70% have access to a child care center and 40% have access to a family child care home. In towns of both sizes, 64% have access to a Head Start program. Reduced access to child care affects parents’ ability to work: 86% of rural parents who are personally, or their partner is not currently working say that child care responsibilities influenced their decision to not work.

DECLINE IN FAMILY CHILD CARE

Family child care programs can be the only option in some rural areas. These home-based programs provide great support for children and families, because they feature small group sizes and hours that are usually more aligned with work schedules. However, the number of licensed family child care programs across the country fell by 52% from 2005 to 2017. The loss of family child care programs is attributed to many problems, including low pay, long hours, lack of benefits, isolating work conditions, and an aging workforce.
The rural child care workforce has less access to resources, including professional development and higher education. The lack of infrastructure and the greater travel distances add to the challenges that administrators, teachers, and other support staff in the child care industry face. Rural areas feel the child care workforce shortages more acutely than urban areas, making it even harder to sustain programs and maintain quality.

STATE ADMINISTRATIVE COSTS

Rural challenges are felt by every stakeholder in the child care system, from families of young children to state administrators. Geographically large states with small populations have additional administrative burdens because of added travel time. For agency staff, it costs more to perform licensing inspections, provide coaching and technical assistance observations, and implement professional development trainings. For example, Vermont and Wyoming have similar populations (643,000 and 578,000, respectively) and Child Care Development and Block Grant (CCDBG) allocations ($16.3 million and $15.6 million). However, Wyoming has a land mass 10 times larger than Vermont. Large land mass states, such as Wyoming, should be able to dedicate additional resources toward the administrative costs necessary to ensure quality child care.

AFFORDABILITY AND FINANCING

A 2019 study of poverty by the U.S. Department of Agriculture’s Economic Research Service (ERS) identified 310 counties—10% of all U.S. counties—with high and persistent levels of poverty. Of those counties, 86% were rural and concentrated in the Mississippi Delta, Appalachia, the Black Belt, the southern border regions, and on America Indian and Alaska Native lands. Where poverty is highest, families struggle the most to afford child care for their children. BPC surveyed parents in rural areas who considered a licensed program but instead relied on parental or relative provided child care. More than half said that cost influenced their decision not to use a child care program.
Operators of child care programs also face affordability challenges. Child care directors need funding to open their programs and to withstand enrollment fluctuations; they also need adequate revenue to maintain facilities and equipment. Child care programs, however, operate on thin margins and sometimes at a financial loss.

Private capital, investors, and existing child care business owners are less likely to expand in rural areas where smaller populations and spread-out resources add additional challenges. Federal, state, and local funds are less accessible in rural areas, which often lack coordinated regional services. As a result, child care programs struggle to access financing. This can be particularly challenging for family child care programs that already have less access to capital as self-employed, for-profit entities. Many loans and grants are available only for nonprofits.

**TRIBAL COMMUNITIES**

Most tribal nations are in rural areas. Typically, reservations are geographically isolated with limited access to resources and capital. American Indian and Alaska Native people have the highest poverty rate (1 in 4) and among the lowest labor force rate (61%) of any major racial group in the country. Creating inclusive early childhood opportunities in the United States means ensuring that Native children have access to high quality, culturally appropriate child care and early learning programs.
Parents are key partners in community-driven child care solutions. The most comprehensive, sustainable solutions involve parents and are responsive to their needs. Strategies to address rural child care challenges must provide families with choices, including family child care programs, child care centers, Head Starts, and faith-based programs. Communities need to build up and support child care based on their area’s needs. This can include financing more family child care programs or supporting the creation of a child care center.

Small child care centers cost more to operate than larger centers. With fewer children enrolled, facilities have less revenue to offset overhead costs. Although financial viability is challenging, centers can be an option if communities can identify partnerships to support the cost of opening a program or providing for long-term expenses such as rent and maintenance. The business community can potentially provide space or sponsorships, or it can contract with the child care program for spaces. Housing authorities are also an option. Child care resource and referral agencies can provide professional development, back-end office support or technical assistance. Other partners might include a school district, the faith community, a health care service, or a Community Development Financial Institution (CDFI).

**Community Development Financial Institutions** provide responsible, affordable financing to help low-income and under-resourced communities achieve economic growth. CDFIs, which are private and mission-driven, might be banks, credit unions, loan funds, or venture capital providers that offer affordable financial products and services that meet the unique needs of economically underserved communities. These institutions fill the gap brought on by the lack of access to capital investments and financing for small businesses and community development projects.
FIRST 10

Supporting school district and child care partnerships can solve multiple child care needs in a community, such as access to facilities and availability of school-age child care.

First 10 helps communities develop early-childhood initiatives by improving coordination with an elementary school as a local hub of support. First 10 initiatives are in several states, including Alabama, Maine, Michigan, Oregon, Pennsylvania, and Rhode Island. The school-as-a-hub model is focused on developmentally appropriate early learning. The elementary school works with families and community partners to develop services for school-age children and young children ages infant–4. The elementary school partners with family child care providers, Head Start programs, child care centers, and families in their area. First 10 Community Partnerships bring together multiple elementary schools, district leaders, child care programs, and other partners to improve the quality of early learning and care in coordinated ways throughout a local area or community.

The Blue Mountain Early Learning Hub is a First 10 program and one of Oregon’s 16 regional hubs. The Hub, which serves three rural counties in the eastern part of the state, supports a number of professional learning teams that consist of administrators, teachers, and staff from elementary schools, Head Start programs, child care centers, and family child care programs. The Hub organizes annual professional learning conferences, and each team meets monthly. A Hub staff member helps to coordinate and facilitate the monthly meetings and organizes cross-site classroom observations. The professional learning teams work to increase alignment between child care and early learning programs and early elementary classrooms.
BUILDING SUPPLY AND WORKFORCE DEVELOPMENT

A stable child care workforce is needed to increase the child care supply in rural parts of the country. The unique challenges of rural regions can limit workers’ access to professional growth opportunities and higher education. In many states, expanding access will include enhancing the capacity of higher education institutions. A report commissioned by the Early Educator Investment Collaborative conducted a scan of the landscape of higher education for early childhood education. The scan showed that in many areas, child care professionals cannot access early childhood education degree programs.

State administrators can incorporate flexible policies and career pathways that are responsive to workforce shortages, workforce turnover, and the lack of access to training, credentials, and higher education in many areas. Compensatory measures are alternative options that maintain health, safety, and quality, while allowing for flexibility within the system. To enable more people to enter the child care workforce and develop as professionals, states can include compensatory measures in workforce requirements within child care licensing, career lattice registries, and Quality Rating and Improvements Systems (QRIS).

States can offer multiple career pathways as part of workforce development strategies for child care that take rural challenges into account. Registered apprenticeships are one example. Apprenticeship programs provide a career pathway that supports an earn-while-you-learn approach to workforce development. Apprenticeships combine classroom instruction, on-the-job training, and mentorship, helping participants to improve their knowledge and skills. Apprentices can earn a state-defined credential, a child development associate (CDA) credential, an associate degree, or a bachelor’s degree, while increasing their wages and improving the quality of the workforce.

West Virginia’s Apprenticeship Program for Child Development Specialists

West Virginia’s apprenticeship program is the nation’s longest-running child care registered apprenticeship program. The program is a partnership between the West Virginia Office of the Bureau of Apprenticeship and Training and River Valley Child Development Services. Other partners include the state Department of Education, the West Virginia Early Childhood Training Connections and Resources program, and vocational schools across the state.
**First Children's Finance**

First Children's Finance (FCF), a nonprofit financial intermediary headquartered in Minnesota, operates in 12 states throughout the Midwest. FCF houses the Rural Child Care Innovation Program, a community-based initiative intended to address the challenges of child care in rural America through economic development. The program develops an action plan for communities to increase the supply of high quality child care.

**Facilities Development**

To increase access to child care and early learning, states and communities need to support the construction, renovation, and maintenance of facilities in ways that are responsive to rural contexts. This support could include partnerships with employers, school districts, and other local community partners. Just as in workforce development, states can explore compensatory measures in facilities oversight that can bring flexibility to regulations while maintaining health and safety standards.

Public-private partnerships can be very effective at developing facilities in rural areas. Across the nation, states and communities have launched innovative collaborations to create or expand facilities in rural regions.

**Act 131**

In 2019, Arkansas’ governor signed Act 131 to encourage child care facility development. The law improves access to simplified information on child care facility licensure, registration requirements, and financial incentives available to child care entrepreneurs. This information was made available through a resource created by Arkansas’ Division of Child Care and Early Learning and is posted on the Department of Human Services’ website.

**Tyson Foods**

In Humboldt, TN, Tyson Foods is helping to fund onsite child care for its employees in a pilot project called Tyson Tykes. The $3.5 million child care facility opened in 2023 and is licensed for 104 children. KinderCare operates the child care center, and Tyson Foods provides subsidies to lower the cost of care for its employees.
COORDINATION AND INFRASTRUCTURE DEVELOPMENT

Developing and operating child care should be a shared responsibility between parents, providers, businesses, philanthropy, and the public. Federal and state investments should be responsive to the distances traveled in rural areas and plan for those increased costs in their budgets and appropriations. Regional coordination through intermediaries helps mitigate the challenges by helping child care program administrators, teachers, and staff access funding, technical assistance, and resources. Local businesses, nonprofits, and philanthropy can and should be important partners investing in community child care initiatives.

Child Care Resource and Referral

Child Care Aware of America operates Child Care Resource and Referral (CCR&R) agencies in nearly every state. These agencies function as resource hubs for families and child care professionals. They also provide mentoring and technical assistance to programs. The agencies offer business training and help programs develop and implement quality improvement plans. CCR&Rs are well positioned to help rural child care programs navigate and access funding opportunities and resources to sustain their child care business.

Early Head Start-Child Care Partnerships

Early Head Start-Child Care Partnerships (EHS-CCP) bring the Head Start model of early learning and family support services to smaller child care centers and home-based child care programs. Programs partner with their local Head Start, which serves as a hub of support. Through the model, child care programs can lower adult-to-child ratios and group sizes, access credentialing for their workforce, better-compensate teachers and staff, and improve the quality of their early learning and care. Child care programs benefit from the local network, financial resources, and technical assistance and family support services provided by the partnership. States are eligible to serve as EHS-CCP grantees.
Cooperative Extension

The Cooperative Extension System is a federal, state, and local partnership operated through Land Grant Universities (LGUs) in all 50 states, the District of Columbia, and Puerto Rico. County-based cooperative extension educators, commonly referred to as extension agents, are subject matter experts who connect the public with resources. Extension program areas include but are not limited to 4-H Youth Development, Agriculture, Family and Consumer Sciences, Health and Nutrition, Community Development, Water and Natural Resources, Forestry, and Emergency Preparedness.

Extension at the University of Nebraska-Lincoln has a dedicated Early Childhood team that offers research-based professional development training for and resources on early child development for adults who play a role in young children’s lives. Nebraska Extension also maintains a directory of Early Childhood Extension Educators so that Nebraskans can connect directly to an expert who serves their county.

USDA Rural Partners Network

The Rural Partners Network is a collaboration between 20 federal agencies and commissions to improve rural communities’ access to resources and funding to create jobs, build infrastructure, and support long-term economic stability. The network is set up to support state and local collaborations and to partner with communities to identify infrastructure needs.

USDA AND HHS CHILD CARE GUIDE

The USDA and the U.S. Department of Health and Human Services (HHS) created a joint resource guide to support rural areas, including tribal communities, to open child care and Head Start facilities and leverage funding opportunities and partnerships.
In addition to stressing the importance of investment at every level, we offer the following recommendations that promote public and private support of child care in rural communities.

**Federal**

- Authorize the use of funding from USDA rural business development grant programs, rural microentrepreneur assistance programs, and rural innovation stronger economy grant programs for the expansion and/or construction of child care facilities for the purposes of increasing safe, direct child care services in rural communities.

- Exempt home-based child care from the USDA’s Rural Development housing regulations prohibiting ties to commercial use.

- Expand the USDA’s Rural Partners Network to include child care representation in the network and programming, as well as to provide technical assistance for communities in need of child care infrastructure.

- Increase the CCDBG administrative cap for geographically large states with small populations to reflect the additional administrative burden associated with travel time.
State

- Support regional hub models, including CCR&Rs and EHS-CCPs, to build coordination and expand access to resources for child care and early learning programs in rural areas.

- For small-population, geographically large states, increase funding allocated for administrative costs in child care licensing and other programs that include onsite visits, to reflect the additional administrative burden associated with travel time.

Local, County, and Municipal

- Work with community partners, such as child care program administrators, business leaders, philanthropy, and nonprofits, to conduct child care needs assessments and identify resources to expand the child care supply.

- Review local regulatory and zoning ordinances and identify opportunities for, and obstacles to, child care programs.

- Help develop regional child care and early learning hubs to expand access to resources for child care programs and families. Potential hub operators include Child Care Resource & Referral agencies, Head Start and child care partnerships, school districts, and local nonprofits and other intermediaries.

Private Businesses, Nonprofits, and Philanthropic Foundations

- Partner with local leaders and stakeholders on child care needs assessments and investments to support families’ access to child care, the maintenance and development of child care facilities, and the child care workforce.
Conclusion

Families experience challenges finding and affording child care, particularly in rural areas. Building and sustaining child care capacity is part of infrastructure development. Collaboration on innovative solutions is critical. And federal, state, and local coordination and financing are imperative. There is no time to waste. Child care is essential for the survival and growth of rural communities.
Signatories

[Signatory logos and names]

[Logos of organizations involved in early childhood education and care]
Acknowledgments

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Endnotes


4. https://childcaregap.org/

5. Ibid.


13. “Child Care in Rural America - What Have We Learned?” Bipartisan Policy Center, October 6, 2021. Available at: Child Care in Rural America – What Have We Learned? | Bipartisan Policy Center.

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