



Insights on Access to Quality Child Care for Families Living in Rural Areas

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This profile is one of four exploring the child care needs of families identified in the 2014 reauthorization of the Child Care Development Block Grant (CCDBG) as deserving priority by states and territories: children who need care during nontraditional and variable hours, infants and toddlers, children in rural areas, and children with disabilities and special needs.¹ The information is selected from our report, *Increasing Access to Quality Child Care for Four Priority Populations* (Henly and Adams 2018). The report explores the implications of a national trend toward publicly subsidized center-based care in the context of the 2014 CCDBG reauthorization and suggests steps to improve access to high-quality subsidized care—across all settings—for these four populations.

Policymakers have increasingly focused on the importance of high-quality child care and early education services to support the developmental outcomes of low-income children. High-quality early care and education can exist in any setting, including child care centers, family child care programs, and other home-based care arrangements. However, the emphasis on public investments in quality has often translated into a singular focus on formal settings, especially center-based programs. Increasingly, states and territories have used CCDBG funds to subsidize child care centers, while funding fewer home-based child care settings such as licensed family child care and legally unregulated family, friend, and neighbor care.² The 2014 CCDBG reauthorization includes requirements and incentives for states and territories that could accentuate this trend.

Center care is a preferred child care arrangement for many families. However, there are supply constraints and barriers to access especially for the four priority populations highlighted in this series.

Some families also prefer home-based alternatives for some of or all their child care needs. Thus, many families may be inadvertently disadvantaged by a subsidy system that focuses primarily on center-based care and it may undercut the core CCDBG principle of parental choice.

This brief highlights some barriers that families living in rural areas face in accessing centers and offers policy recommendations to improve their access to quality subsidized care across child care settings. The full report includes more details on this population and more in-depth policy recommendations.

Understanding the Child Care Needs of Families Living in Rural Areas

Families living in rural areas face unique child care challenges, as the nearest center might be far from their home, and the lack of a concentrated population could affect the availability of care.

- **About 16 percent (776,300) of low-income children younger than age 6 with working parents live in nonmetropolitan areas,**³ according to American Community Survey 2011–15 data (table 1). Nonmetropolitan geographic areas in the American Community Survey include counties that are neither in nor around a highly populated urbanized area, what is referred to as “rural” in this project. The share of children residing in nonmetropolitan areas varies significantly from state to state. Six states have more than half their low-income children under 6 with working families living in rural areas: Mississippi, Montana, North and South Dakota, Vermont, and Wyoming. In contrast, some states had less than one-tenth of these children residing in these areas, including California, Connecticut, Maryland, and New Jersey.

TABLE 1

Estimated Number and Share of Low-Income Children Younger than Age 6 with Working Parents, Who Live in Nonmetropolitan Areas

State	All low-income children < 6 with working parents	Of this total, children living in nonmetropolitan areas	
	#	#	%
Alabama	80,800	20,400	25%
Alaska	9,700	3,600	37%
Arizona	109,200	7,400	7%
Arkansas	58,200	22,700	39%
California	517,000	11,800	2%
Colorado	68,900	8,000	12%
Connecticut	37,500	1,100	3%
Delaware	13,600	0	0%
District of Columbia	8,300	0	0%
Florida	305,100	12,900	4%
Georgia	183,600	33,800	18%
Hawaii	13,300	3,300	25%
Idaho	31,900	11,100	35%
Illinois	178,900	23,200	13%

State	All low-income children < 6 with working parents	Of this total, children living in nonmetropolitan areas	
	#	#	%
Indiana	115,700	25,000	22%
Iowa	52,400	22,500	43%
Kansas	52,800	18,800	36%
Kentucky	66,600	25,200	38%
Louisiana	94,900	16,000	17%
Maine	15,400	6,800	44%
Maryland	69,100	2,100	3%
Massachusetts	63,000	600	1%
Michigan	145,000	29,000	20%
Minnesota	76,500	19,800	26%
Mississippi	65,800	37,100	56%
Missouri	99,900	32,100	32%
Montana	16,200	9,400	58%
Nebraska	35,900	12,600	35%
Nevada	47,500	4,000	9%
New Hampshire	12,500	6,000	48%
New Jersey	94,500	0	0%
New Mexico	38,500	15,500	40%
New York	248,400	18,800	8%
North Carolina	165,200	37,800	23%
North Dakota	11,200	6,100	54%
Ohio	183,400	35,200	19%
Oklahoma	73,200	25,500	35%
Oregon	57,700	11,000	19%
Pennsylvania	158,300	17,900	11%
Rhode Island	12,300	0	0%
South Carolina	84,100	16,000	19%
South Dakota	17,200	9,200	54%
Tennessee	111,500	24,100	22%
Texas	497,100	58,600	12%
Utah	49,900	5,200	10%
Vermont	7,300	5,100	70%
Virginia	102,600	14,500	14%
Washington	91,900	12,100	13%
West Virginia	23,800	9,700	41%
Wisconsin	89,600	21,700	24%
Wyoming	8,600	5,900	68%
50 state and DC total	4,771,600	776,300	16%

Source: 2011–15 American Community Survey five-year estimates.

Notes: Nonmetropolitan indicates that the child resided in a county outside Census-defined metropolitan statistical areas. Nonmetropolitan areas include counties that make up micropolitan areas, which contain smaller cities, as well as other counties that do not contain or interact with an urban core. See Henly and Adams (2018) for more information.

- **Household incomes are lower and poverty is more extreme in rural areas than urban and suburban areas** (O’Hare 2009; Thiede, Kim, and Valasik 2017). Economic insecurity in rural areas is relatively high because of economic transformations that have disproportionately affected the former agricultural economic base of rural America (De Marco et al. 2015).
- **Rural children are less likely to use child care centers than children living in urban and suburban areas.** An analysis of 2005 National Household Education Survey data shows that

although rural children were as likely as urban children to be in some form of nonparental care, they were more likely to be cared for by relatives and had lower rates of center care participation (Swenson 2008). Other studies also show higher rates of rural children cared for by relatives and nonrelative license-exempt providers, likely at least partly a result of less availability of centers in rural areas (De Marco et al. 2015). Rural families receiving child care subsidies are less likely to use centers than their nonrural subsidized counterparts (De Marco et al. 2015).

Some Factors Shaping the Availability of Center-Based Care for Families Living in Rural Areas

There has been limited research on the factors that shape the supply of center-based care in rural areas, but concerns related to insufficient and unreliable demand, the cost of providing care, and provider readiness may all play a role.

Insufficient and Unreliable Demand

- **Running and operating a center in rural areas may not be economically viable if there aren't enough working families with young children** to consistently fill center enrollment needs (Gordon and Chase-Landsdale 2001; Maher, Frestedt, and Grace 2008). There may not be enough families to enroll because of the overall population size and density of a rural community, transportation challenges, and the inconvenience of lengthy commute times (Colker and Dewees 2000; Walker and Reschke 2007). There is little information on parental preferences for different types of child care for rural parents, so it is unclear whether preferences play a role as well.

Cost of Providing Care

- **Rural centers may incur costs such as transportation supports necessary to facilitate program access in sparsely populated areas.** These expenses can offset the lower real estate prices in rural areas compared with cities and suburbs.
- **The small size of rural programs may make it difficult for providers to afford the costs of opening and staffing a center and compliance with regulations and licensing requirements** (Maher et al. 2008). Child care centers may be less economically feasible in rural areas in part because of the significant fixed costs involved in running a center (Maher et al. 2008). In areas with greater population density, programs are larger and can benefit from economies of scale (Hotz and Xiao 2011).

Provider Readiness

- **Little research is available on whether providers face concerns about providing center-based care in rural areas**, other than the issues of unreliable demand and costs described above.

Recommended Policies to Help Families Living in Rural Areas

Child care subsidy administrators face longstanding and considerable funding obstacles to adequately meet the child care and early education needs of low-income families. Even with the 2018 funding increase for the Child Care and Development Block Grant, states and territories still face tradeoffs and competing priorities for these funds. Nevertheless, the infusion of additional funds offers states and territories an opportunity to invest new resources toward fulfilling the promises of reauthorization for all families, with particular attention to these priority populations.

States can use at least four CCDBG policy tools can be used when designing subsidy policies to meet CCDBG goals around access and quality for priority populations, including families living in rural areas.⁴

- Establish financial incentives for rural providers, and ensure they are set at adequate levels to support the supply of quality providers across settings serving rural children, including home-based settings and license-exempt caregivers as well as centers.
- Use contract-based financing and capacity grants to support the establishment of centers or family child care networks in rural areas with sufficient and steady demand; this will need to be based on a careful analysis of demand to maximize effectiveness.
- Target training, technical assistance, and grants to help providers with start-up costs, to support professional development, and to address needs such as transportation. Provide supports to encourage collaboration with community programs and other services to reduce isolation and connect home-based rural providers to other programs.
- Develop targeted consumer education strategies to increase information about the location and availability of child care services in rural areas, and the availability of transportation to facilitate the use of these services.

The complex combination of market and business realities, provider motivation, and parental preferences suggests that states who wish to meet the needs of rural families should consider taking the following steps when employing these policy tools:

- **Retain or expand access to home-based settings and support access to center-based care:** Even as states develop strategies to expand the supply of center-based programs for families living in rural areas, increased access to high-quality home-based settings will also be essential. These policy tools can address some barriers to center-based care identified above, but they

may not overcome insufficient or unreliable demand in some rural areas, which challenges child care centers' ability to meet the needs of rural families. States will need to take intentional and focused action to support access to high-quality care *across all sectors*—including a strong focus on home-based settings—to achieve the access and quality goals of the CCDBG law for these families.

- **Use a multipronged policy approach:** No single policy approach will likely address the specific circumstances and needs of families living in rural areas and of the providers who wish to serve them. None of the four policy tools mentioned above will increase quality or supply to this population in all contexts, and the tools are even less likely to work in isolation. To effectively expand access to care for families living in rural areas, states must develop a multipronged approach, using a carefully targeted combination of different strategies.
- **Work to understand the unique forces shaping access:** States should choose a specific combination of strategies based on an understanding of the unique market forces, community characteristics, family circumstances and needs, and provider strengths and challenges in their communities. However, relatively little is known about these issues overall, or how they play out within particular states for this population. Thus, states should carefully assess the kinds of barriers faced by these families, including an examination of demand, preferences, and supply opportunities and constraints. To support the efficient use of scarce resources, researchers and states should work together to explore these questions, and to incorporate this understanding into the development of cross-sector strategies that leverage opportunities from child care, Head Start, Early Head Start, and related programs across the region to support access to high-quality child care for these families.

Notes

- ¹ Other groups identified in the CCDBG as deserving priority by states and territories include “children experiencing homelessness,” “families with very low incomes,” and “families in areas that have significant concentrations of poverty and unemployment and lack high-quality programs.”
- ² For simplicity's sake, we use “states” instead of “states and territories” for the remainder of this brief.
- ³ Children living in rural areas are those identified as living in a nonmetropolitan area. Nonmetropolitan indicates that the child resided in a county outside census-defined metropolitan statistical areas. Nonmetropolitan areas include counties that make up micropolitan areas, which contain smaller cities, as well as other counties that do not contain or interact with an urban core.
- ⁴ See Henly and Adams (2018) for an in-depth discussion of the strengths and challenges of each policy tool and for specific policy recommendations to address the needs of these families.

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