

# Informal child care significantly impacts rural economies, study finds

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The child care industry has grown significantly in recent years, contributing considerably to the national economy through job creation and increased opportunities for parents to work.

However, little knowledge exists of the size and economic impact of child care, especially informal child care, on rural economies. Now, University of Missouri researchers have studied the child care sector in Kansas, particularly in rural areas, and have found that informal child care services create a large economic impact in the state.

Tom Johnson, a professor in the MU Truman School of Public Affairs, found that the informal [child care](#) industry created more than 128,000 jobs and added about \$971.5 million in total value to the state of Kansas in 2005. Informal child care services include unlicensed facilities, unreported day care services run from homes, and child care performed for trade rather than money. Johnson says the scale of the informal child care industry reveals the importance of child care to the economy, particularly economies in rural areas.

"In general, child care is much more expensive in rural areas than in urban areas," Johnson said.

"This is because people in rural areas often have to travel long distances to find child care services. Add the cost of travel to the potential wages many parents do not earn because they spend so much time travelling to and from child care facilities, and the total cost creates a large impediment to working parents."

Johnson says that due to these high costs of child care in rural areas, policymakers would be advised to facilitate increased access to child care services in rural areas.

"Increased access to child care in [rural areas](#), whether it is informal services or formal services from licensed providers, has the potential to create a large, positive impact on rural economies," Johnson said. "Parents with affordable child care

will have more opportunities to work, generating more income for families and creating a more diverse economy."

Johnson says that rural economies do not exist in a vacuum, and anything that is positive for rural economies should be reflected back to urban economies in a positive manner as well.

This study will be published in the *Journal of Regional Analysis and Policy*.

Provided by University of Missouri-Columbia

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