

# CHILDCARE

## IN MINNESOTA



**Child Care Centers:** Also referred to as daycare centers. Typically based in commercial property, but also in faith-based facilities. Can be for-profit or not-for-profit.

**Family Child Care:** Frequently referred to as a home daycare and typically based in the provider's home.

**4<sup>TH</sup> MOST EXPENSIVE STATE FOR CENTER-BASED INFANT CHILD CARE** <sup>1</sup>

Annual cost of **center-based infant child care** in 2024:

**\$20,165** <sup>4</sup>

**Undergraduate resident tuition** at the University of Minnesota in 2024:

**\$15,148** <sup>5</sup>



Minnesota is among the **10 most affordable states for family child care.** <sup>2</sup>

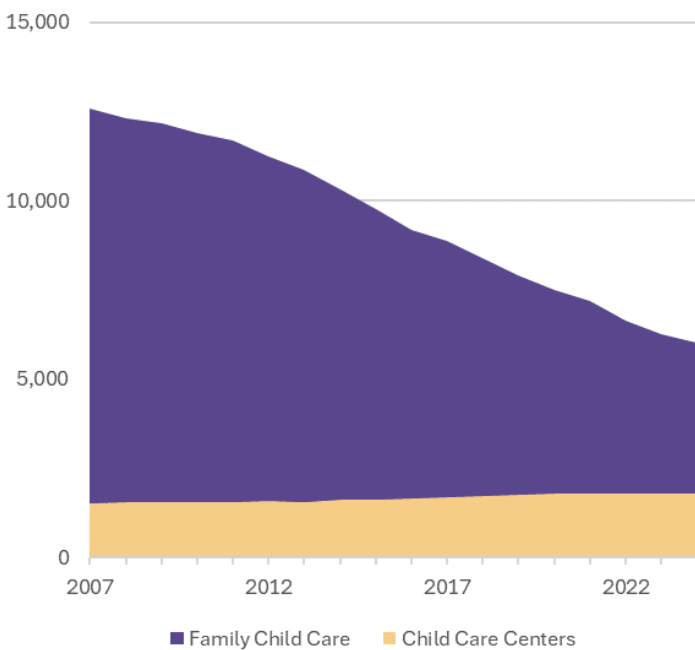


However, since 2014, **Minnesota has lost over 4,000** family child care businesses. <sup>3</sup>

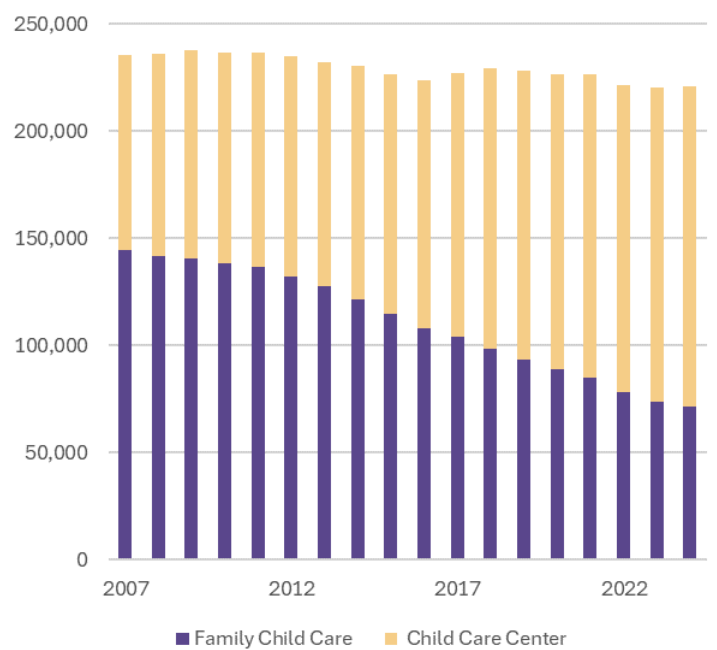


Family child care providers are more likely to be outside the Twin Cities metro area: **66%** are located in Greater Minnesota. <sup>6</sup>

Number of licensed facilities <sup>3</sup>



Licensed capacity (number of children) <sup>3</sup>



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**“The current child care business model is not sustainable in Greater Minnesota.”** <sup>7</sup>

Costs (excluding labor) for providing child care are consistent statewide, but providers in Greater Minnesota cannot charge as much tuition as providers in the Twin Cities.

“Since the pandemic began, and especially in the last couple of years, **the decline of family child care providers has accelerated while the growth in the child care centers has slowed.**” <sup>8</sup>

“In Greater Minnesota, **families have more access to public provided child care** (e.g. Head Start) than in the Twin Cities, **but less access to center-based child care.**” <sup>2</sup>

Due to COVID-19 supports, like the Child Care Stabilization Grant Program, **family child care annual revenue was increased by over \$10,000** and child care centers went from a net loss to a **three percent profit margin.** <sup>7</sup>

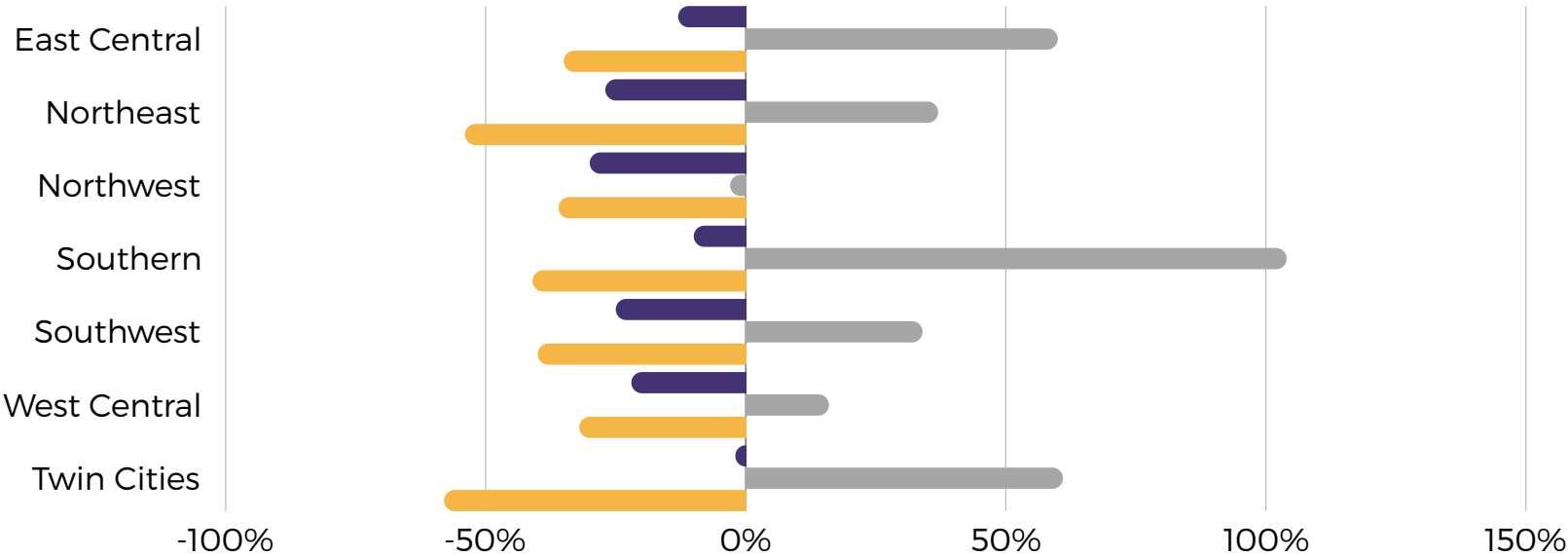
### Net Change in Child Care Capacity by Region 2000-2020

<sup>9</sup>

● Family Child Care Capacity Change

● Center Child Care Capacity Change

● Change in combined capacity



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### Low median wages for child care workers

- The median hourly wage for child care workers in Minnesota is \$14.53. Compare this to kindergarten teachers in the state, who earn on average \$31 an hour.<sup>2</sup>



### Access to child care is especially critical for Minnesota's Black mothers

- In Minnesota, 65% of Black mothers with children under 18 are single parents, while the figure is 56% for Native American, 40% for Latina, 29% for Asian, and 22% for white mothers.<sup>2</sup>



### Majority of child care workers are women

- 96% of child care workers in Minnesota are women.<sup>2</sup>
- For a childcare worker earning the median wage, it would cost 66% of her income to put her own child in infant care, compared the standard of 7% set by U.S. Health and Human Services.<sup>1</sup>

## CHILD CARE REGULATION MODERNIZATION




As a result of legislation in 2021, the **Department of Human Services (DHS) has been developing new licensing standards for both child care centers and family child care.** Initially, DHS planned to use the feedback collected over the summer of 2024 to create a third and final draft of the revised licensing standards that would have been proposed in the 2025 legislative session. However, on August 12, 2024, **DHS announced they plan to wait until 2026 to suggest new standards.**

More info available at the [DHS website](#).

1. [Economic Policy Institute](#)  
 2. [2024 Status of Women and Girls +](#)  
 3. Data from Department of Human Services  
 4. [Child Care Aware Cost of Care April 2024](#)  
 5. [University of Minnesota Tuition 2024-2025](#)  
 6. [Wilder Research 2023](#)  
 7. [2023 Minnesota Child Care Cost Modeling Report](#)

8. [Minneapolis Federal Reserve May 2023](#)  
 9. [Center for Rural Policy and Development 2021](#)

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