

# 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>**

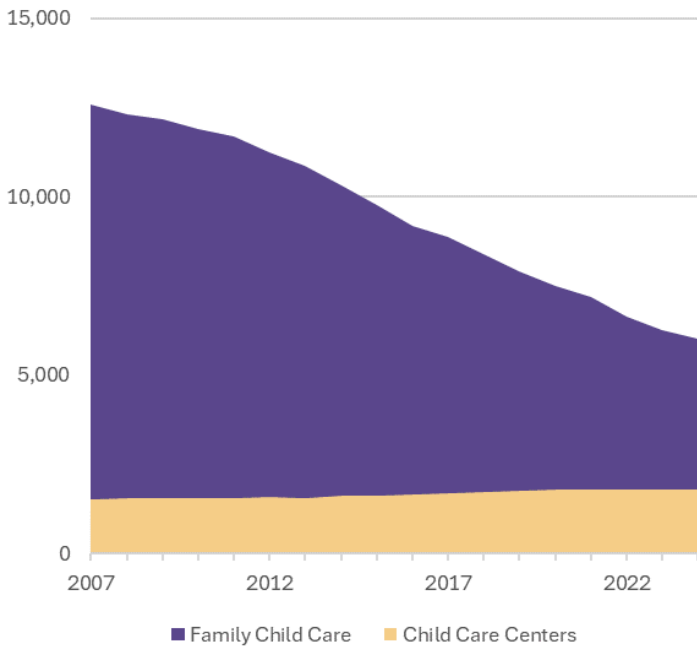


However, since 2014, **Minnesota has lost over 4,000** family child care businesses.<sup>3</sup>

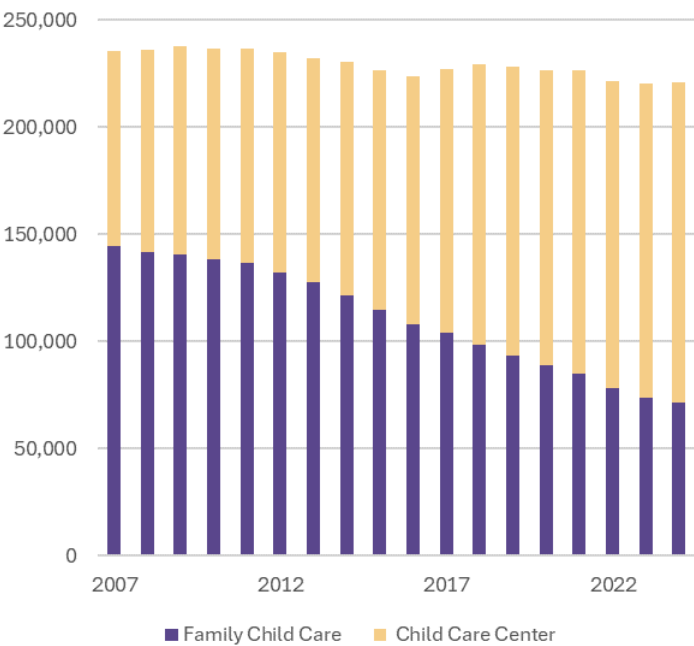


Family child care providers are more likely to be outside the Twin Cities metro area: **66%** are located in Greater Minnesota.<sup>6</sup>

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>

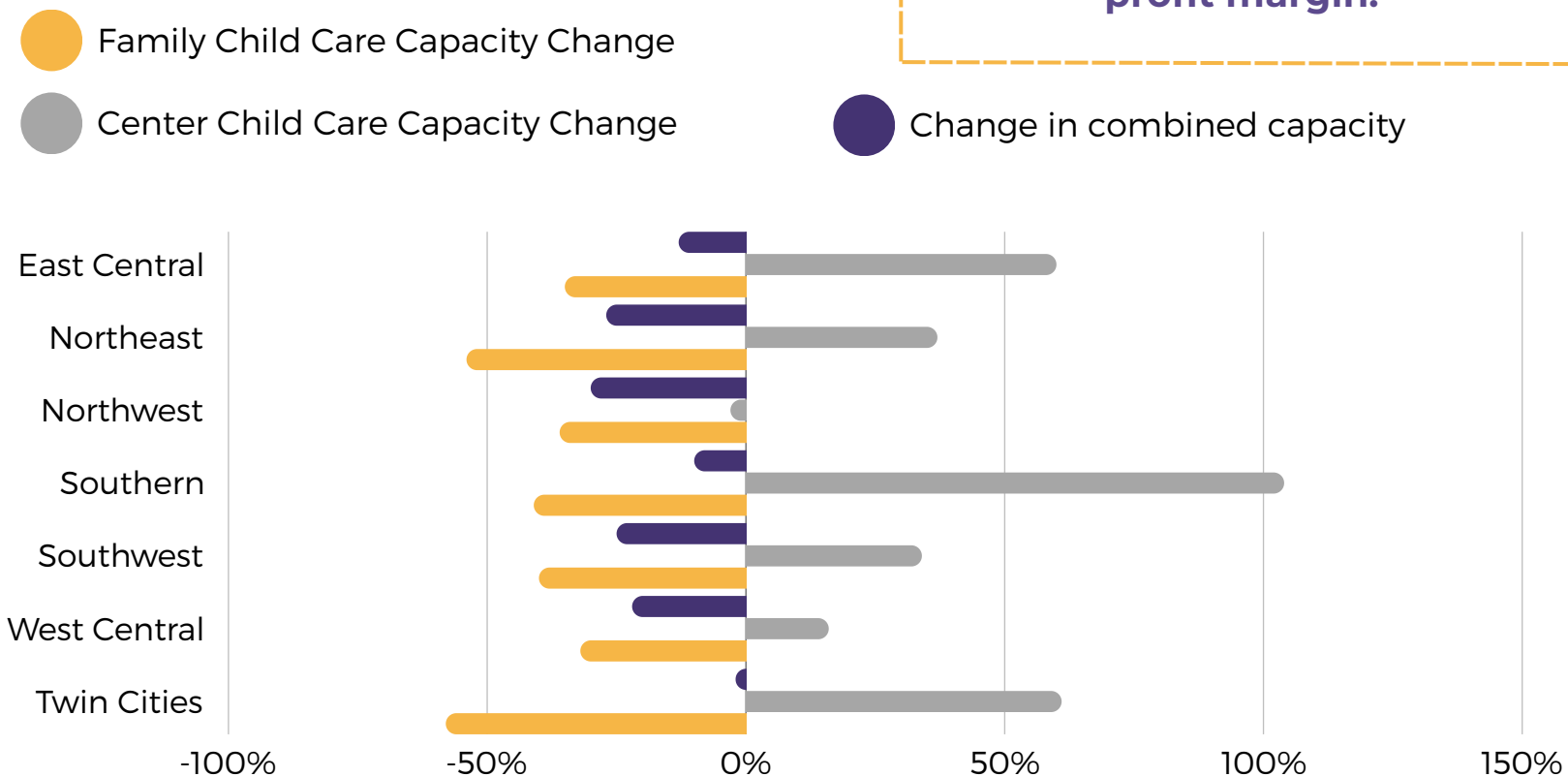
Costs (excluding labor) for providing child care are consistent statewide, but providers in Greater Minnesota cannot charge as much tuition as providers in the Twin Cities.

“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>

“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>

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



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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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