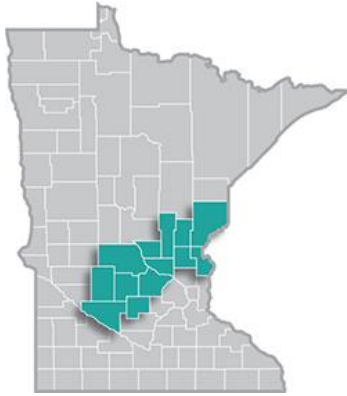


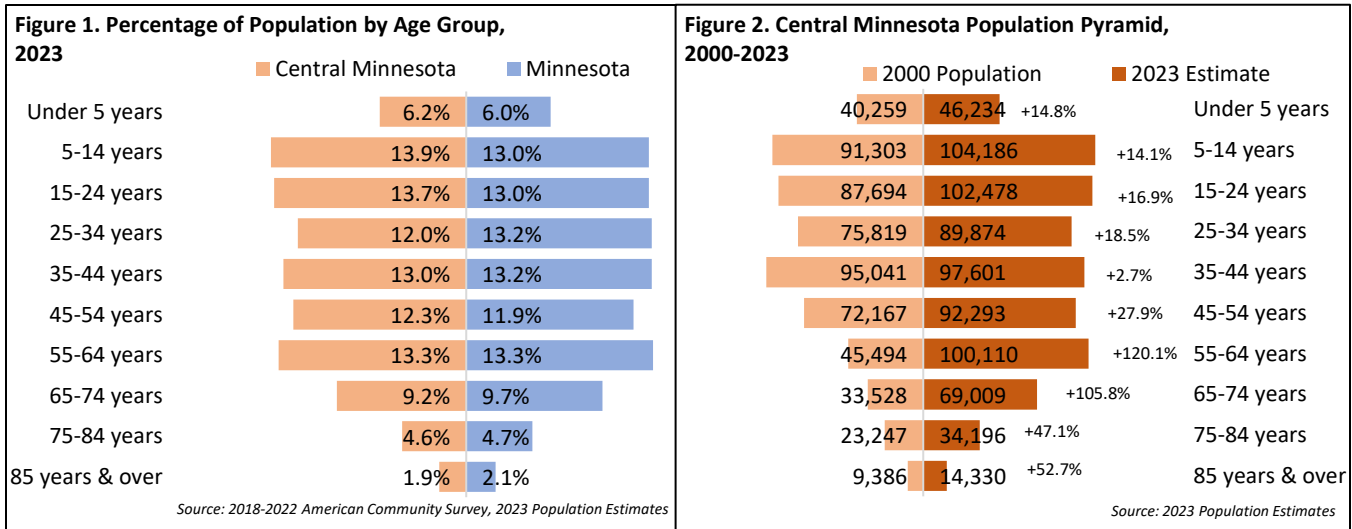
Central Minnesota – Child Care Overview



Population

The Central Minnesota planning region, which is comprised of 13 counties, has a population that surged past 750,000 people in 2023, making it the second largest among the state's six planning regions, behind the Twin Cities metro area. This accounts for 13.1% of Minnesota's total population. From 2010 to 2023, Central Minnesota's population grew by over 66,000 people, reflecting a growth rate of 9.7%, which surpassed the state's overall growth rate of 8.2%.

Central Minnesota has a diverse age demographic, with a total population of 750,312 people. The youngest age group, those under 5 years old, comprises 46,234 individuals, accounting for 6.2% of the region's population. In comparison, Minnesota's statewide percentage of children under 5 years old is slightly lower at 6% (Figure 1). Additionally, the number of children under 5 in Central Minnesota has grown by 14.8% since 2000, compared to a growth rate of 4.1% for this age group in Minnesota as a whole (Figure 2). This segment is significant as it highlights the region's future potential workforce and underscores the importance of early childhood services and education.



Population Projections

Newly released data from the [Minnesota State Demographic Center](#) projects that the population in Central Minnesota will increase by around 92,100 people from 2025 to 2045, a projected 12.2% increase. That is greater than the statewide projected growth rate of 5.5%.

More notably, the number of children under 5 years old are projected to increase by about 5,200 people, an 11.2% increase. In comparison, children under 5 in Minnesota are expected to increase by just 2.7% (Table 1).

Table 1. Population Projections, 2025-2045			2025-2045 Change	
Central Minnesota	2025 Projection	2045 Projection	Numeric	Percent
Under 5 years	46,033	51,202	+5,169	+11.2%
5-14 years	100,757	108,837	+8,080	+8.0%
15-24 years	103,648	106,184	+2,536	+2.4%
25-34 years	91,042	102,002	+10,960	+12.0%
35-44 years	99,588	117,247	+17,659	+17.7%
45-54 years	89,990	108,732	+18,742	+20.8%
55-64 years	93,685	97,551	+3,866	+4.1%
65-74 years	78,291	75,552	-2,739	-3.5%
75-84 years	40,236	57,834	+17,598	+43.7%
85 years & over	14,605	24,833	+10,228	+70.0%
Total	757,875	849,974	+92,099	+12.2%

Source: Minnesota State Demographic Center

Of the 13 counties in Central Minnesota, nine counties—Wright, Isanti, Sherburne, Mille Lacs, Chisago, Benton, Kandiyohi, Kanabec, and Meeker—are expected to see an increase in the population of children under the age of 5 from 2025 to 2045. Wright County stands out with the highest increase, adding 3,417 children, a 33.6% rise, while Isanti, Sherburne, and Mille Lacs all growing between 13% and 22%. Meeker, Kanabec, Kandiyohi, Benton, and Chisago counties are projected to have modest gains, ranging from 3.0% to 9.3%, respectively.

Conversely, four counties are projected to experience a decrease in the number of children under 5. Pine is expected to see the fastest decline at -13.8%, followed by Stearns County at -6.3%, Renville County at -5.8%, and McLeod County at -0.6% (Table 2).

Table 2. Population Projections for People Under the Age of 5 in Central Minnesota, 2025-2045			2025-2045 Change	
Counties	2025	2045	Numeric	Percent
Wright	10,157	13,574	+3,417	+33.6%
Isanti	2,552	3,116	+564	+22.1%
Sherburne	6,663	7,811	+1,148	+17.2%
Mille Lacs	1,574	1,785	+211	+13.4%
Chisago	3,263	3,566	+303	+9.3%
Benton	2,581	2,746	+165	+6.4%
Kandiyohi	2,804	2,976	+172	+6.1%
Kanabec	886	914	+28	+3.2%
Meeker	1,342	1,382	+40	+3.0%
McLeod	2,021	2,008	-13	-0.6%
Renville	842	793	-49	-5.8%
Stearns	10,041	9,404	-637	-6.3%
Pine	1,307	1,127	-180	-13.8%
Central region	46,033	51,202	+5,169	+11.2%

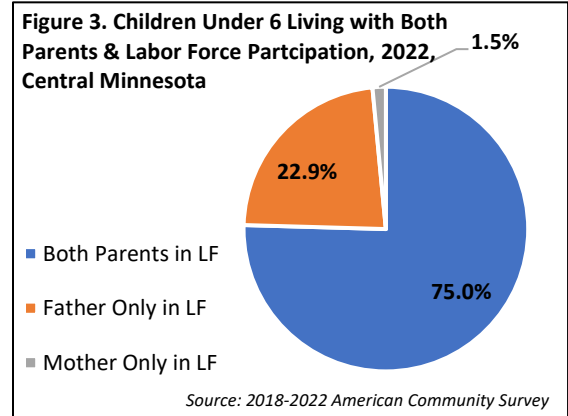
Source: Minnesota State Demographic Center

Family Arrangements & Employment

In Central Minnesota, there are approximately 53,000 children under the age of 6, accounting for about 29.9% of the population under 18. Among these young children, 74.5% (39,564) live with two parents. Of those living with two parents, 75% have both parents in the labor force. Additionally, 22.9% have only the father in the labor force, while 1.5% have only the mother in the labor force (Figure 3).

The remainder, a bit over a quarter (25.5% or 13,509) of children under 6 live with a single parent, which is slightly below the statewide rate of 26.4%. Of these children, 65.9% live with their mother, while 34.1% live with their father. Among children living with their father, 95.5% of these fathers are in the labor force, whereas 83% of mothers in single-parent households are in the labor force.

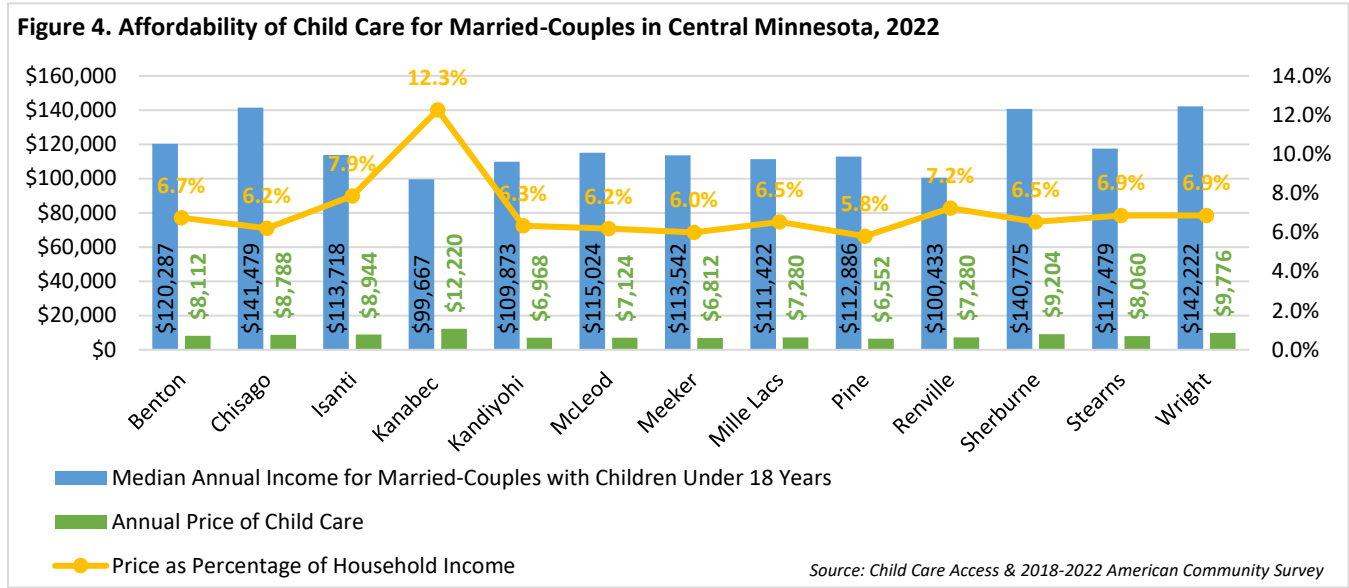
In comparison to Minnesota, 70.3% of children living with a single parent reside with their mother, while 29.7% live with their father. About 92.2% of the single fathers are in the labor force and 83.2% of mothers are in the labor force.



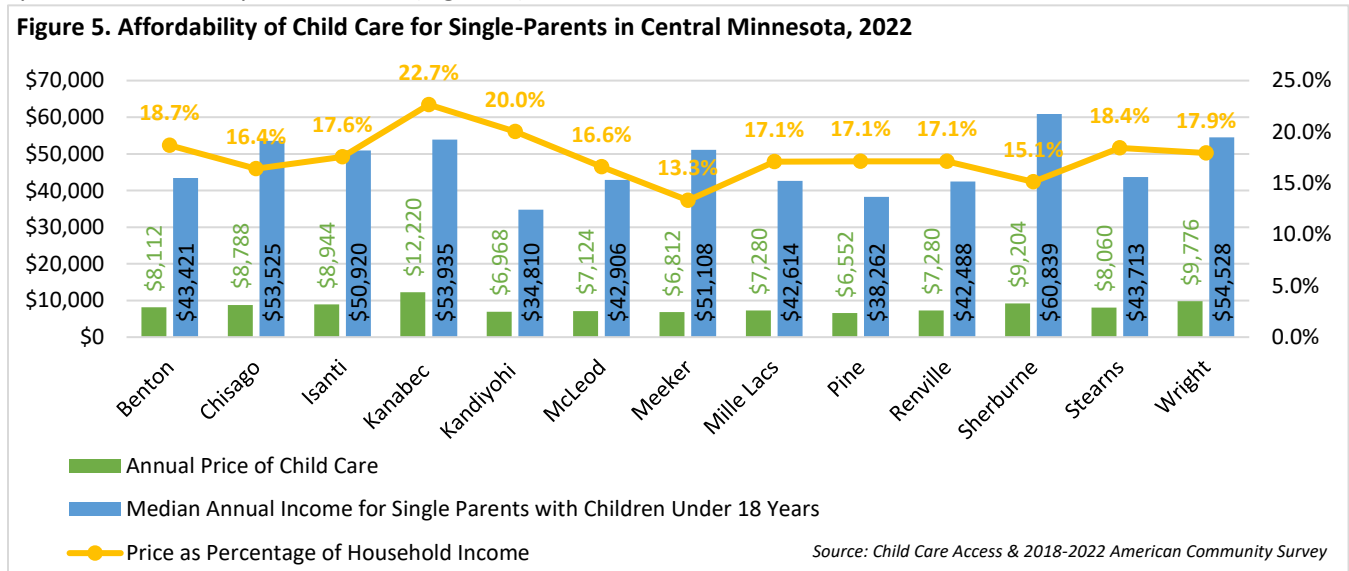
It is evident that a significant portion of parents with young children are actively participating in the labor force. This highlights the crucial need for accessible and affordable child care services. Reliable child care enables parents to maintain their employment and contribute to the economy, ensuring they can support their families. Parents without adequate child care options, particularly those with young children, may struggle to remain in the workforce, leading to financial instability and potential skill loss. Therefore, investing in child care is not only beneficial for families but also vital for sustaining a strong and stable labor force in Central Minnesota.

Cost & Availability of Child Care

The cost of child care is a significant and widely discussed topic. The U.S. Department of Health and Human Services recommends that [child care should not exceed 7% of a family's annual income](#). According to data from [Child Care Access](#) and the [American Community Survey](#), 10 counties with married couples in Central Minnesota have remained below the 7%. Kanabec County had the highest percentage of child care costs relative to household income at 12.3%, followed by Isanti County at 7.9%, and Renville County at 7.2%. Stearns and Wright counties were close to hitting the 7% threshold, with both sitting at 6.9% (Figure 4).



For single-parent families, the percentage of median household income spent on child care significantly increases because child care costs remain constant while their median household income drops substantially. In Central Minnesota, all thirteen counties exceed 7% of their income spent on child care for single parents (Figure 5). The counties with the highest percentages of income going to child care are Kanabec (22.7%), Kandiyohi (20%), and Benton (18.7%). Prices as the percentage of median household income could rise depending on the specific child care options chosen (Figure 5).



According to research on [Child Care Access](#) conducted by the University of Minnesota, family access to child care is determined by three main factors: the quantity of available slots, the prices of these slots, and their quality. In Central Minnesota, Kanabec County excels in the quantity of access, offering 1.05 nearby slots per child. Pine County stands out for having the lowest cost of child care at \$126 per week, ranking 36th out of 87 counties in Minnesota. Kanabec County leads in the quality of child care with 0.75 highly rated nearby slots per child. Overall, Kanabec County (6th), Renville County (20th), and Chisago County (78th) achieve the highest overall ratings for child care access in Central Minnesota (Table 3).

Table 3. Access of Child Care in Central Minnesota, 2022				
County	Quantity	Cost	Quality	Overall Index Rank (Out of 87 Counties)
Benton	0.62	\$156	0.15	67
Chisago	0.39	\$169	0.18	78
Isanti	0.38	\$172	0.22	77
Kanabec	1.05	\$235	0.75	6
Kandiyohi	0.56	\$134	0.31	30
McLeod	0.68	\$137	0.24	33
Meeker	0.49	\$131	0.22	60
Mille Lacs	0.62	\$140	0.25	41
Pine	0.39	\$126	0.17	70
Renville	0.80	\$140	0.27	20
Sherburne	0.47	\$177	0.14	79
Stearns	0.61	\$155	0.24	61
Wright	0.49	\$188	0.15	81
Minnesota	0.60	\$206	0.30	(X)

Source: Child Care Access

Industry Trends in Employment & Firms

According to data from the [U.S. Census Bureau's Nonemployer Statistics](#), there were 1,780 self-employed child daycare providers in Central Minnesota. Part of a longer-term downward trend, the region experienced an even more rapid decline of 280 self-employed daycare providers from 2019 to 2021. The largest percentage decreases occurred in Pine (-34.7%), Isanti (-25.0%), and Sherburne County (-20.8%). The only county that didn't see a decline was McLeod, which held steady with 105 self-employed child daycare providers from 2019 to 2021 (Table 4).

Table 4. Nonemployer Child Daycare Providers in Central Minnesota					
County	2021	2020	2019	2019-2021 Numeric Change	2019-2021 Percent Change
Benton	154	173	172	-18	-10.5%
Chisago	98	108	117	-19	-16.2%
Isanti	48	53	64	-16	-25.0%
Kanabec	32	34	33	-1	-3.0%
Kandiyohi	104	99	117	-13	-11.1%
McLeod	105	110	105	0	0.0%
Meeker	52	54	56	-4	-7.1%
Mille Lacs	52	48	59	-7	-11.9%
Pine	47	54	72	-25	-34.7%
Renville	40	41	38	2	5.3%
Sherburne	225	269	284	-59	-20.8%
Stearns	473	496	529	-56	-10.6%
Wright	350	372	414	-64	-15.5%
Central region	1,780	1,911	2,060	-280	-13.6%

Source: U.S. Census Bureau, Nonemployer Statistics

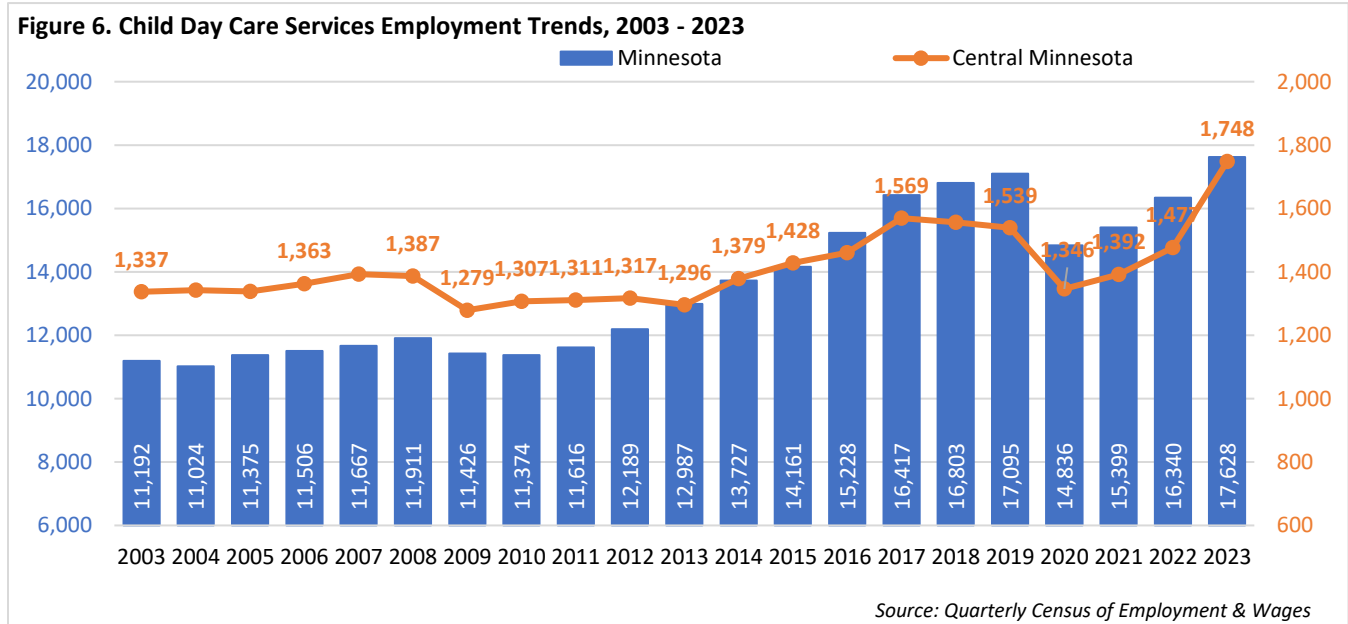
In addition to in-home self-employed day care providers, data from [DEED's Quarterly Census of Employment and Wages](#) provides insight into employment trends in Child Day Care Services in Central Minnesota. In 2023, there were 129 Child

Day Care Services establishments providing 1,748 jobs. The average annual wage in this sector was \$26,624, approximately \$28,100 less than the average annual wage across all industries (Table 5).

Table 5. Child Day Care Services Employment in Central Minnesota, 2023						
NAICS Code	Industry	Number of Jobs	Number of Firms	Average Annual Wages	2003-2023 Change Numeric Percent	
0	Total, All Industries	279,213	19,945	\$54,704	+37,196	+15.4%
6244	Child Day Care Services	1,748	129	\$26,624	+411	+30.7%

Source: Quarterly Census of Employment & Wages

The number of jobs in the Child Day Care Services sector in Central Minnesota has generally increased from 2003 to 2023. The data shows a gradual rise from 1,337 jobs in 2003 to a peak of 1,748 jobs in 2023. Notably, there was a significant increase from 2015 to 2017, likely reflecting economic growth and increased demand for child care services. However, the sector experienced a decline in 2020 to 1,346 jobs, likely due to the impact of the COVID-19 pandemic, which led to economic disruptions and closures of child care facilities. The sector rebounded in the subsequent years, reaching 1,748 jobs in 2023, indicating a recovery and possibly an increased demand for child care services as the economy stabilized (Table 5 & Figure 6).



Occupational Employment & Wages Statistics

As noted above, QCEW data show that average annual wages in Child Day Care Services were just over \$26,600, which was more than \$28,000 lower than the total of all industries (Table 5). [DEED’s Occupational Employment and Wage Statistics \(OEWS\)](#) program provides detailed employment and wage data for a wide range of occupations in the region. According to the program, there were an estimated 790 people working as Child Care Workers in Central Minnesota. In 2024, the median hourly wage for Child Care Workers in the region was \$15.53, which is \$8.02 lower, or almost 52% less, than the median wage across all occupations. Additionally, the statewide median wage for Child Care Workers was \$15.65, which is \$0.12 higher than in Central (Table 6).

Table 6. Central Minnesota Occupational Employment & Wage Statistics, 2024

SOC Code	Occupation Title	Estimated Regional Employment	Median Hourly Wage	Estimated Statewide Employment	Statewide Median Wage
0	Total, All Occupations	274,190	\$23.55	2,881,100	\$25.22
399011	Child Care Workers	790	\$15.53	9,270	\$15.65
252011	Preschool Teachers, Except Special Education	1,030	\$18.42	10,860	\$18.78
119031	Education & Child care Administrators, Preschool & Daycare	100	\$28.68	1,210	\$29.48
211021	Child, Family, & School Social Workers	780	\$31.69	8,280	\$33.22
352012	Cooks, Institution & Cafeteria	810	\$19.16	8,140	\$19.29
439061	Office Clerks, General	5,100	\$22.11	56,580	\$22.85
111021	General & Operations Managers	6,870	\$39.83	76,670	\$46.78
259045	Teaching Assistants, Except Postsecondary*	4,500	\$39,320	34,600	\$39,415

Source: Occupational Employment & Wage Statistics, 2024; *Only median annual wages available

In addition to Child Care Workers, child care providers also require the services of workers in several other occupations such as Teaching Assistants, Education & Child Care Administrators (Preschool & Daycare), Cooks (Institution & Cafeteria), Office Clerks, General Operations Managers, and Child, Family & School Social Workers.

With median wages around \$15.50, the wages for Child Care Workers are insufficient to cover the cost of living for both single individuals and families in Central Minnesota. For a single person, the required hourly wage to meet a basic needs cost of living was \$16.43 per hour, about 90 cents higher than the median wage for Child Care Workers. For a typical family (one full-time worker, one part-time worker, and one child), the required wage to meet a basic needs cost of living in the region is \$20.97 per hour, significantly above what Child Care Workers earn.

Child Care Workers in Central Minnesota are among the lowest-paid professionals, earning wages that fall short of meeting the region's basic needs [Cost of Living](#). These workers receive lower pay than many other occupations, such as Hotel, Motel & Resort Desk Clerks (\$15.73), Laundry & Dry-Cleaning Workers (\$16.47), and Food Preparation Workers (\$16.48). This wage disparity highlights the financial challenges faced by those in the child care profession. It is difficult for workers to remain in jobs that do not meet the cost of living in the region. As a result, many Child Care Workers may struggle to make ends meet, which can lead to high turnover rates and a shortage of qualified caregivers.

Occupational Demand

Overall, there has been a significant demand for Child Care Workers in Central Minnesota. In 2023, there were 205 job vacancies for Child Care Workers, resulting in a job vacancy rate of 24.4%. This is notably higher than the 5.2% job vacancy rate across all occupations, highlighting the strong demand for these workers in the area. Examining job vacancy data from 2013 to 2023, almost half of the surveys showed that Child Care Workers consistently had a higher job vacancy rate than the overall industry average, further indicating this demand.

Moreover, data from the most recent [Job Vacancy Survey](#) for Central Minnesota indicates that the median hourly wage offer for Child Care Workers was \$14.47, which is about \$4.65 less than the median wage offer for all occupations. Additionally, 20% of the vacancies were part-time, and 3% were temporary or seasonal. Approximately 5% of these positions required postsecondary education, compared to 33% across all occupations. Lastly, only 7% of the job vacancies required one year of experience, compared to 36% for all occupations (Table 7).

SOC Code	Occupational Title	Number of Job Vacancies	Job Vacancy Rate	Median Wage Offer	Percent Part-Time	Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 Plus Years of Experience
0	Total, All Occupations	14,320	5.2%	\$19.13	31%	6%	33%	36%
399011	Child Care Workers	205	24.4%	\$14.47	20%	3%	5%	7%

Source: DEED Job Vacancy Survey

Demand can be impacted by turnover within the industry. According to the most recent data from the [U.S. Census Bureau's Quarterly Workforce Indicators](#) data tool, the turnover rate in the Child Care Services industry in Central Minnesota was 15.3% in quarter 1 of 2023, meaning that about 15.3% of the workforce left their jobs in that time period. In comparison, the turnover rate across all industries was 9.2%. High turnover in the child care industry can be driven by factors such as low wages, which make it difficult for workers to stay in these positions long-term and make a family-sustaining wage. For businesses, high turnover is costly as they must invest in recruiting and training new employees. This increased cost can lead to higher child care expenses for families as providers pass on the costs associated with maintaining a stable workforce.

Industry & Occupational Outlook

According to DEED’s [2020 to 2030 Employment Outlook data](#), the Central Minnesota Child Day Care Services industry is projected to gain 246 jobs over the next decade, an 18.4% increase. Similarly, the state of Minnesota is projected to gain about 2,691 jobs in Child Day Care Services from 2020 to 2030, an 18.3% increase. The increase in Child Day Care Services was significantly higher than the overall projected growth rate of 5% across the total of all industries in Central Minnesota.

Despite the fact that the region has experienced employment growth, Central Minnesota is projected to see a decline in Child Care Worker jobs from 2020 to 2030. During this period, a decrease of 85 jobs, or -2.6%, is expected (Table 8). Despite this decline, there will still be numerous job openings due to labor market exits (when individuals leave the labor force) and occupational transfers (when individuals move to different jobs). In total, there are projected to be 4,406 Child Care Worker job openings from 2020 to 2030. This also suggests that other jobs will become more prominent in the industry, rather than just direct service Child Care Workers.

Table 8. Central Minnesota Employment Outlook, 2020-2030								
SOC Code	Occupation	Estimated Employment 2020	Projected Employment 2030	Percent Change	Total Change	Labor Force Exit Openings	Occupational Transfer Openings	Total Hires
0	Total, All Occupations	301,170	316,216	+5.0%	+15,046	+136,960	+203,534	+355,540
399011	Child Care Workers	3,317	3,232	-2.6%	-85	+2,203	+2,288	+4,406

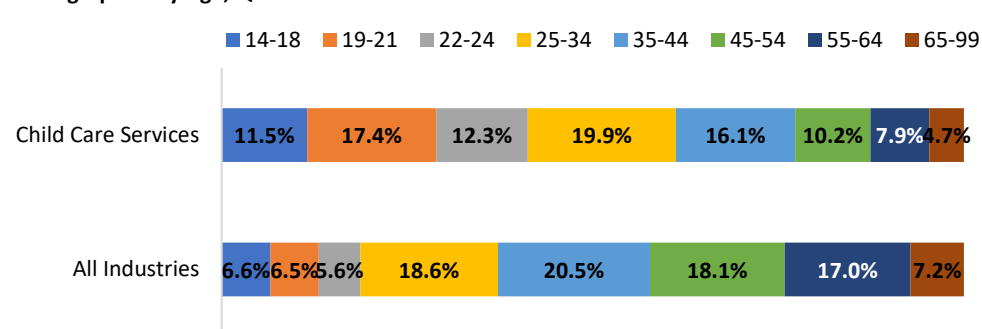
Source: Employment Outlook

Workforce Characteristics

In Central Minnesota, the Child Care Services sector exhibits a notable gender imbalance, with women constituting 91.6% of its workforce as of quarter 3 of 2023. This contrasts sharply with the overall workforce composition where women comprise 49.5% of jobholders across all industries. Additionally, the workforce in the Child Care Services industry is slightly more racially diverse compared to all industries. In quarter 3 of 2023, 91.3% of workers in this industry were white, whereas 91.8% of workers across all industries were white. Black or African American jobholders comprised the second largest racial group in the industry, making up 4.4% of the workforce. Additionally, 2.2% of workers identified as Two or More Races, and 1.3% identified as Asian.

Data from [Quarterly Workforce Indicators](#) for the third quarter of 2023 highlights the age distribution of workers in the Child Care Services industry compared to all industries. The Child Care Services industry in Central Minnesota tends to employ a younger workforce compared to the total of all industries. Notably, younger age groups (14-24 years) have a significantly higher representation in Child Care Services, with a combined percentage that is nearly double that of all industries. On the other hand, middle-aged and older workers (25-54 years) are more prominently represented in all industries, suggesting that Child Care Services may attract or be more suited to younger workers. This trend shows a higher concentration of younger employees in Child Care Services compared the total of all industries (Figure 7).

Figure 7. Central Minnesota Child Care Services Industry Workforce Demographics by Age, Q3 2023



Source: Quarterly Workforce Indicators