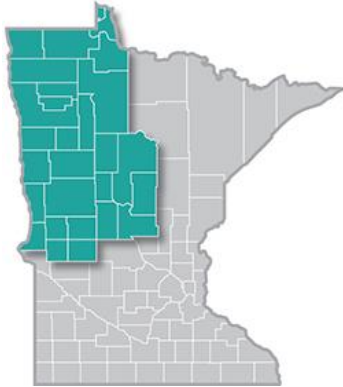


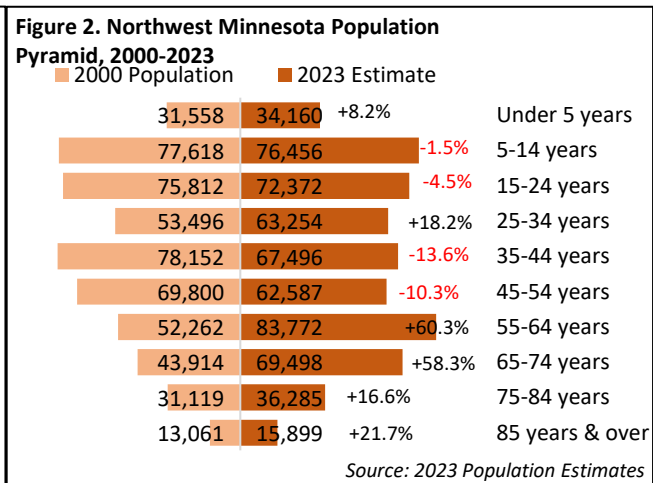
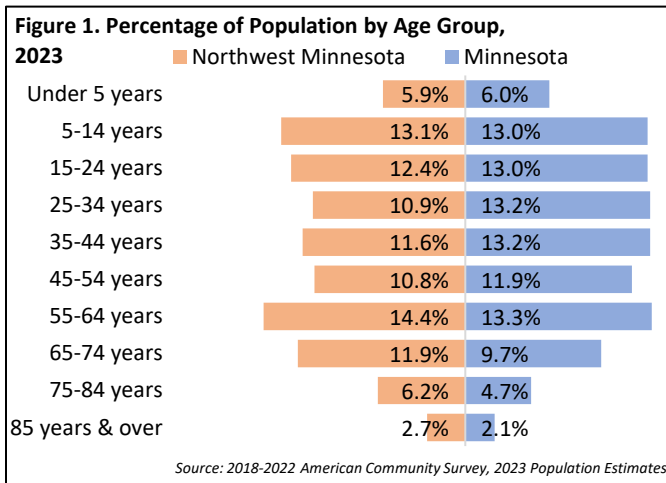
## Northwest Minnesota – Child Care Overview



### Population

Northwest Minnesota is a mostly rural, 26- county region located in the central and northwest areas of the state, bordering North Dakota and Canada. Covering four Economic Development Regions (EDRs), Northwest is the third largest of the six planning regions in the state, with nearly 582,000 people, and accounting for 10.1% of the state’s total population. From 2010 to 2023, Northwest Minnesota's population increased by 27,972 people, reflecting a 5.1% growth rate, which was slightly below the statewide growth rate of 8.2%.

Northwest Minnesota has a diverse age demographic, with a total population of 581,777 people. Among these, the youngest age group, under 5 years old, comprises just over 34,000 individuals, accounting for 5.9% of the region's population. In comparison, Minnesota's statewide percentage of children under 5 years old is slightly higher at 6% (Figure 1). Additionally, the number of children under 5 in Northwest Minnesota has grown by 8.2% 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 importance of early childhood services and education, but also reflects the region’s future potential workforce.



### Population Projections

Newly released data from the [Minnesota State Demographic Center](#) projects that the population in Northwest Minnesota will increase by around 31,530 people, a projected 5.4% increase from 2025 to 2045. That is a bit lower than the statewide projected growth rate at 5.5%.

The number of children under 5 years old are projected to increase by about 1,150 people, or a 3.4% 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	
Northwest Minnesota	2025 Projection	2045 Projection	Numeric	Percent
Under 5 years	33,334	34,481	+1,147	+3.4%
5-14 years	73,548	71,537	-2,011	-2.7%
15-24 years	75,381	73,272	-2,109	-2.8%
25-34 years	61,305	66,430	+5,125	+8.4%
35-44 years	69,220	73,058	+3,838	+5.5%
45-54 years	64,042	73,669	+9,627	+15.0%
55-64 years	74,961	81,020	+6,059	+8.1%
65-74 years	78,155	68,899	-9,256	-11.8%
75-84 years	41,575	51,859	+10,284	+24.7%
85 years & over	16,308	25,134	+8,826	+54.1%
<b>Total</b>	<b>587,829</b>	<b>619,359</b>	<b>+31,530</b>	<b>+5.4%</b>

*Source: Minnesota State Demographic Center*

Of the 26 counties in Northwest Minnesota, 14 counties are expected to see an increase in the population of children under the age of 5 from 2025 to 2045. Lake of the Woods County stands out with the highest percentage increase, adding 51 children, a 25.2% rise. Wilkin, Clay, Becker, Morrison, and Crow Wing counties are projected to have modest gains, ranging from 4.6% to 7.3%. Conversely, 12 counties are projected to experience a decrease in the number of children under 5. Marshall County is expected to see the largest decline at -32.2%, followed by Pennington County at -23.9%, and Polk County at -22.2% (Table 2).

### Family Arrangements & Employment

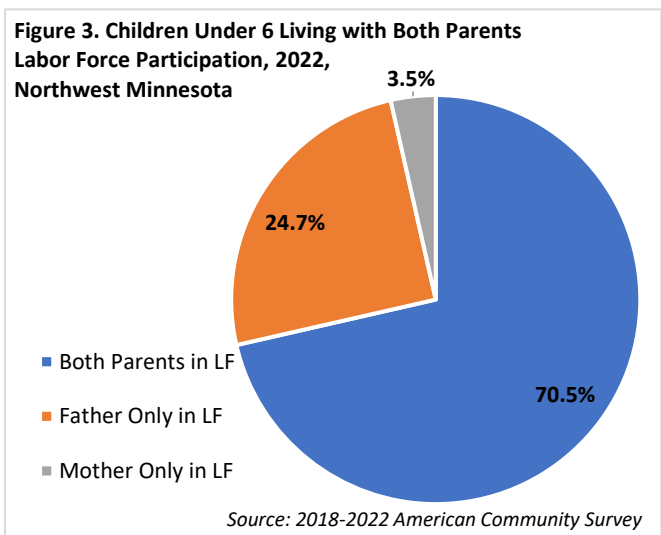
In Northwest Minnesota, there are approximately 40,300 children under the age of 6, accounting for about 30.5% of the population under 18. Among these youngest children, 70.8% (28,561) live with two parents. Of those living with two parents, 70.5% have both parents in the labor force, 24.7% have only the father in the labor force, 3.5% have only the mother in the labor force, and the remaining 1.3% have neither parent in the labor force (Figure 3).

Over a quarter (29.2% or 11,763) of children under 6 live with a single parent, which is above the statewide rate of 26.4%. Of these children, 67.7% live with their mother, while 32.3% live with their father. Among children living with their father, 89.6% of these fathers are in the labor force, whereas 85.6% of mothers in single-parent households are in the labor force. In Minnesota, 70.3% of children living with a single parent reside with their mother, while 29.7% live with their father. Statewide, 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. Without adequate child care options, parents, 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 Northwest Minnesota.

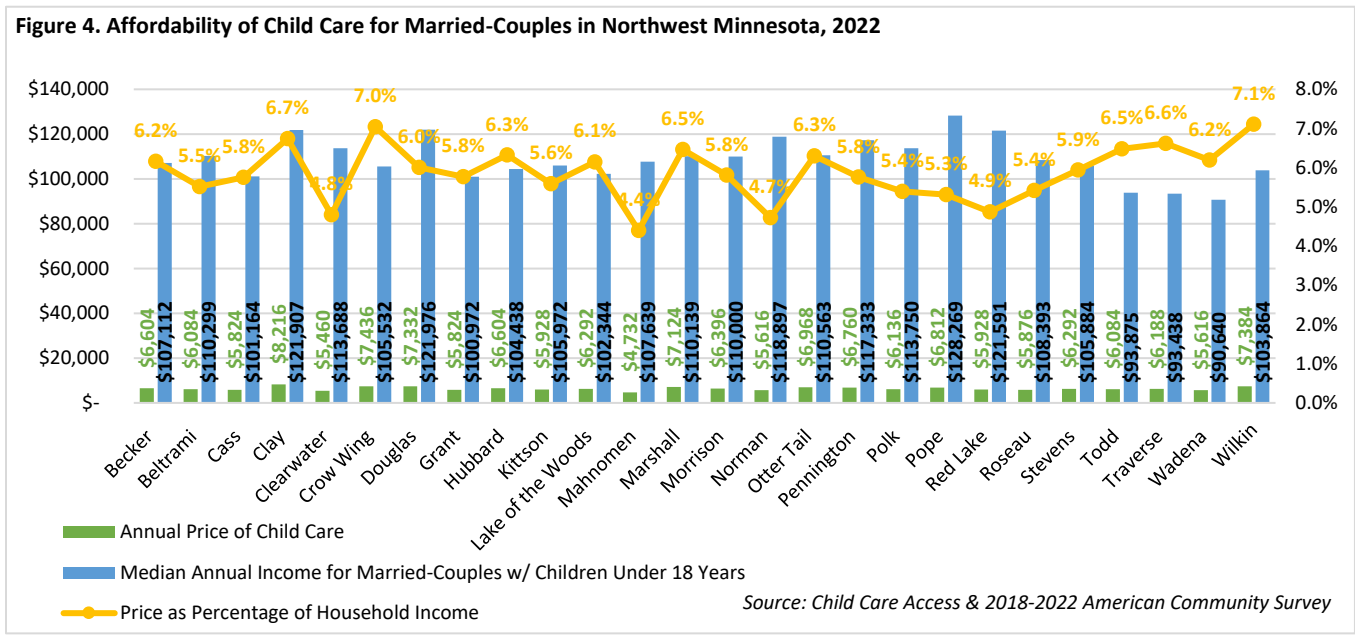
Table 2. Population Projections for People Under the Age of 5 in Northwest Minnesota, 2025-2045			2025-2045 Change	
Counties	2025	2045	Numeric	Percent
Lake of the Woods	202	253	+51	+25.2%
Wadena	1,062	1,312	+250	+23.5%
Grant	350	417	+67	+19.1%
Cass	1,543	1,825	+282	+18.3%
Pope	631	746	+115	+18.2%
Douglas	2,235	2,627	+392	+17.5%
Hubbard	1,117	1,312	+195	+17.5%
Todd	1,606	1,852	+246	+15.3%
Otter Tail	3,246	3,648	+402	+12.4%
Crow Wing	3,345	3,588	+243	+7.3%
Morrison	1,843	1,975	+132	+7.2%
Becker	1,999	2,112	+113	+5.7%
Clay	4,399	4,618	+219	+5.0%
Wilkin	328	343	+15	+4.6%
Roseau	807	723	-84	-10.4%
Beltrami	2,934	2,607	-327	-11.1%
Clearwater	526	460	-66	-12.5%
Stevens	596	514	-82	-13.8%
Traverse	206	177	-29	-14.1%
Mahnomen	428	360	-68	-15.9%
Red Lake	237	191	-46	-19.4%
Norman	367	291	-76	-20.7%
Kittson	211	167	-44	-20.9%
Polk	1,878	1,462	-416	-22.2%
Pennington	748	569	-179	-23.9%
Marshall	490	332	-158	-32.2%
<b>Northwest region</b>	<b>33,334</b>	<b>34,481</b>	<b>+1,147</b>	<b>+3.4%</b>

*Source: Minnesota State Demographic Center*

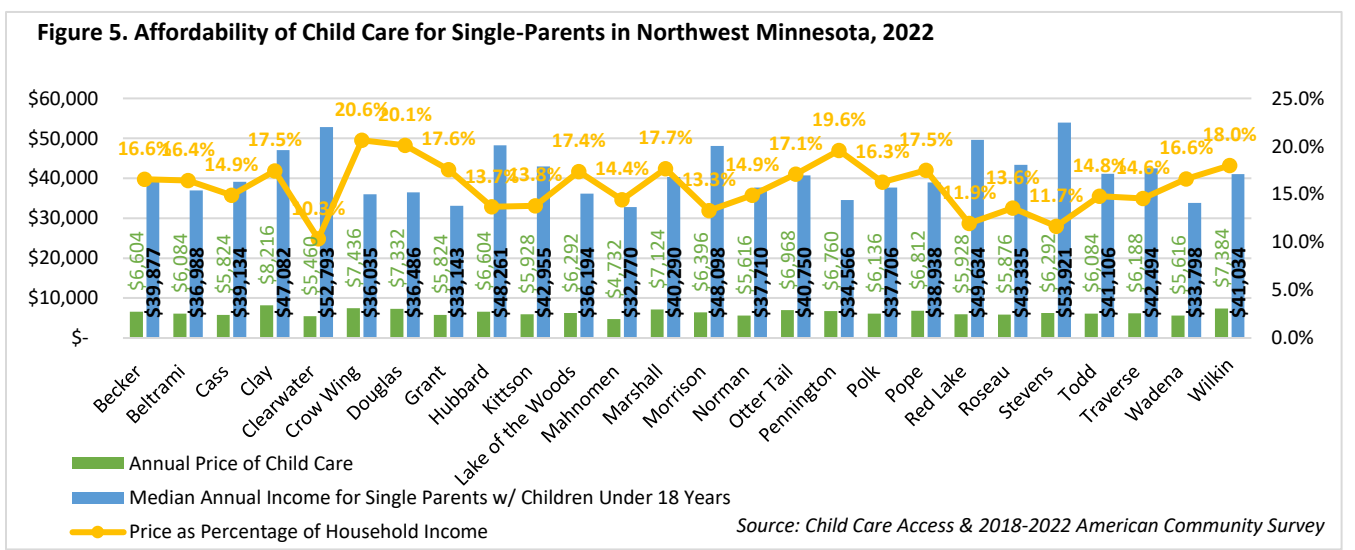


### Cost & Availability of Child Care

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](#), all counties with married couples in Northwest Minnesota have remained below the 7%, except for Wilkin and Crow Wing counties. Apart from these counties, Clay County had the third highest percentage of child care costs relative to household income at 6.7% (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 Northwest Minnesota, all 26 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 Crow Wing (20.6%), Douglas (20.1%), and Pennington (19.6%). Prices as the percentage of median household income could rise depending on the specific child care options chosen.



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 Northwest Minnesota, Red Lake County excels in the quantity of access, offering 0.99 nearby slots per child. Mahnomon County stands out for having the lowest cost of child care at \$91 per week, ranking 2nd out of 87 counties in Minnesota. Traverse County leads in the quality of child care with 0.53 highly rated nearby slots per child. Overall, Red Lake (2<sup>nd</sup>), Traverse (4<sup>th</sup>), and Norman County (5<sup>th</sup>) achieve the highest overall ratings for child care access in Northwest Minnesota (Table 3).

### Industry Trends in Employment & Firms

Data from [DEED’s Quarterly Census of Employment and Wages](#) provides insight into employment in Child Day Care Services in Northwest Minnesota. In 2023, there were 84 Child Day Care Services firms providing 760 jobs. The average annual wage in this sector was \$24,856, approximately \$26,500 less than the average annual wage across all industries (Table 4).

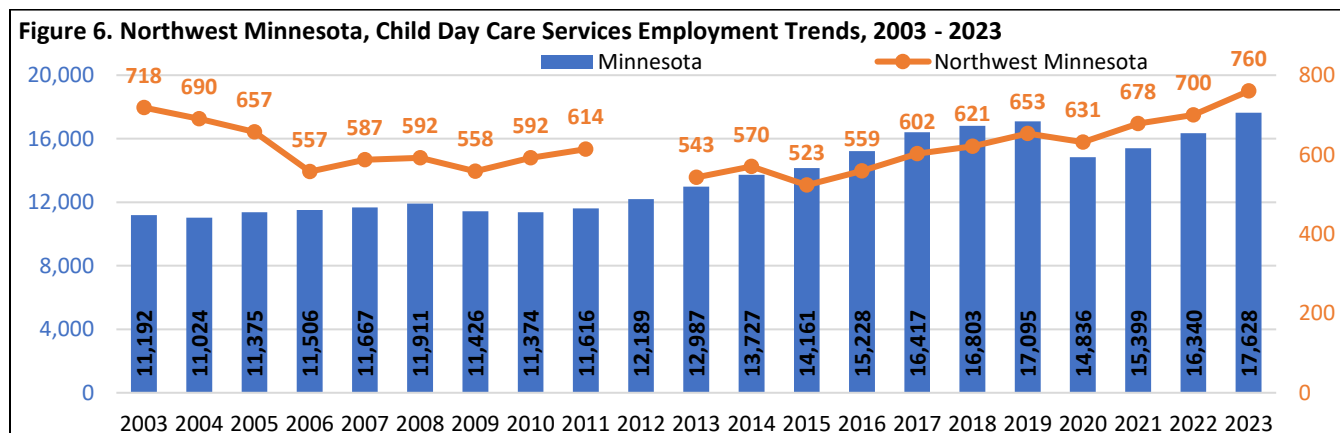
The number of jobs in the Child Day Care Services sector in Northwest Minnesota has seen fluctuations from 2003 to 2023, reflecting economic growth and increased demand for child care services. The sector experienced a small decline of jobs in 2020, likely due to the impact of the COVID-19 pandemic, which led to economic disruptions and closures of child care facilities. Despite this setback, the sector recovered to 760 jobs in 2023 (Figure 6).

County	Quantity (slots per child)	Cost (per week)	Quality (highly rated slots per child)	Overall Index Rank (Out of 87 Counties)
Becker	0.64	\$127	0.38	16
Beltrami	0.55	\$117	0.22	40
Cass	0.44	\$112	0.23	46
Clay	0.59	\$158	0.25	62
Clearwater	0.42	\$105	0.19	56
Crow Wing	0.53	\$143	0.27	50
Douglas	0.83	\$141	0.30	18
Grant	0.60	\$112	0.24	25
Hubbard	0.48	\$127	0.23	59
Kittson	0.68	\$114	0.16	32
Lake of the Woods	0.28	\$121	0.12	76
Mahnomen	0.50	\$91	0.38	13
Marshall	0.40	\$137	0.14	75
Morrison	0.53	\$123	0.20	52
Norman	0.78	\$108	0.48	5
Otter Tail	0.60	\$134	0.19	54
Pennington	0.64	\$130	0.17	45
Polk	0.67	\$118	0.28	19
Pope	0.51	\$131	0.13	65
Red Lake	0.99	\$114	0.50	2
Roseau	0.52	\$113	0.17	51
Stevens	0.53	\$121	0.20	48
Todd	0.42	\$117	0.24	53
Traverse	0.9	\$119	0.53	4
Wadena	0.55	\$108	0.28	23
Wilkin	0.91	\$142	0.48	7
<b>Minnesota</b>	<b>0.60</b>	<b>\$206</b>	<b>0.30</b>	<b>(X)</b>

*Source: Child Care Access*

NAICS Code	Industry	Number of Jobs	Number of Firms	Average Annual Wages	2003-2023 Change Numeric   Percent	
0	Total, All Industries	224,866	18,193	\$51,376	+17,302	+8.3%
6244	Child Day Care Services	760	84	\$24,856	+42	+5.8%

*Source: Quarterly Census of Employment & Wages*



According to data from the [U.S. Census Bureau's Nonemployer Statistics](#), there were 1,708 self-employed child daycare providers in Northwest Minnesota. Part of a longer-term trend, the region experienced a rapid decline of 181 self-employed daycare providers from 2019 to 2021. The largest percentage decreases occurred in Pennington (-26.2%), Grant (-21.4%), and Pope County (-18.8%). Eight counties saw an increase of providers with the greatest increase in was Lake of the Woods, which gained 6 providers, a 40% increase (Table 5).

### Occupational Employment & Wages Statistics

[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 580 people working as Child Care Workers in Northwest Minnesota. In 2024, the median hourly wage for Child Care Workers in the region was \$15.06, which is \$7.70 lower, or about 51% less, than the median wage across all occupations. Additionally, the statewide median wage for Child Care Workers was \$15.65, nearly \$0.60 higher than in Northwest Minnesota.

County	2021	2020	2019	2019-2021 Change Numeric   Percent	
Becker	97	106	111	-14	-12.6%
Beltrami	134	138	158	-24	-15.2%
Cass	54	62	59	-5	-8.5%
Clay	188	187	209	-21	-10.0%
Clearwater	28	31	34	-6	-17.6%
Crow Wing	110	113	127	-17	-13.4%
Douglas	143	148	159	-16	-10.1%
Grant	22	22	28	-6	-21.4%
Hubbard	64	73	73	-9	-12.3%
Kittson	20	18	18	+2	+11.1%
Lake of the Woods	21	20	15	+6	+40.0%
Mahnomen	18	19	16	+2	+12.5%
Marshall	37	31	34	+3	+8.8%
Morrison	119	118	126	-7	-5.6%
Norman	18	18	16	+2	+12.5%
Otter Tail	204	217	217	-13	-6.0%
Pennington	45	50	61	-16	-26.2%
Polk	92	96	105	-13	-12.4%
Pope	39	42	48	-9	-18.8%
Red Lake	16	16	15	+1	+6.7%
Roseau	61	60	69	-8	-11.6%
Stevens	32	31	36	-4	-11.1%
Todd	73	77	77	-4	-5.2%
Traverse	13	12	11	+2	+18.2%
Wadena	35	42	43	-8	-18.6%
Wilkin	25	26	24	+1	+4.2%
<b>Northwest region</b>	<b>1,708</b>	<b>1,773</b>	<b>1,889</b>	<b>-181</b>	<b>-9.6%</b>

*Source: U.S. Census Bureau, Nonemployer Statistics*

In addition to Child Care Workers, Child Care businesses also require the services of workers in several other occupations such as Teach Assistants (Except Postsecondary), Education and Child care Administrators (Preschool and Daycare), Cooks (Institution and Cafeteria), Office Clerks, General Operations Managers, and Child, Family, and School Social Workers (Table 6).

SOC Code	Occupation Title	Estimated Regional Employment	Median Hourly Wage	Estimated Statewide Employment	Statewide Median Wage
<b>0</b>	<b>Total, All Occupations</b>	<b>219,910</b>	<b>\$22.77</b>	<b>2,881,100</b>	<b>\$25.22</b>
399011	Child Care Workers	580	\$15.06	9,270	\$15.65
252011	Preschool Teachers, Except Special Education	750	\$18.27	10,860	\$18.78
119031	Education & Child care Administrators, Preschool & Daycare	60	\$23.81	1,210	\$29.48
211021	Child, Family, & School Social Workers	990	\$30.62	8,280	\$33.22
352012	Cooks, Institution & Cafeteria	850	\$18.53	8,140	\$19.29
439061	Office Clerks, General	4,270	\$20.54	56,580	\$22.85
111021	General & Operations Managers	5,720	\$37.27	76,670	\$46.78
259045	Teaching Assistants, Except Postsecondary*	4,370	\$38,125.85	34,600	\$39,415

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

The wages for Child Care Workers are insufficient to cover the cost of living for families in Northwest Minnesota. For a single person, the cost of living is \$14.34 per hour, about \$0.75 lower than the median wage for Child Care Workers. However, 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 \$18.72 per hour, significantly above what Child Care Workers earn.

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.

Child Care Workers in Northwest Minnesota are among the lowest-paid professionals, earning wages that fall short of meeting the region's basic [Cost of Living](#). These workers receive lower pay than many other occupations, such as Laundry and Dry-Cleaning Workers (\$16.31), Retail Salespersons (\$16.87), Parking Attendants (\$16.74), and Food Preparation Workers (\$15.32).

### Occupational Demand

Overall, there has been consistent demand for Child Care Workers in Northwest Minnesota. In 2023, there were 22 job vacancies for Child Care Workers, resulting in a job vacancy rate of 4.8%. This is lower than the 6.4% job vacancy rate across all occupations, indicating lower demand for these workers in the area. However, when examining job vacancy data from 2013 to 2023, 13 out of 18 surveys showed that Child Care Workers had the same or higher job vacancy rates than the overall average, indicating steady demand over time.

Data from the most recent [Job Vacancy Survey](#) for Northwest Minnesota indicates that the median hourly wage offer for Child Care Workers was \$13.86, which is about \$3.90 less than the median wage offer for all occupations. Additionally, 42% of the vacancies were part-time, and 14% were temporary or seasonal. Strangely,

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	<b>Total, All Occupations</b>	<b>14,193</b>	<b>6.4%</b>	<b>\$17.77</b>	<b>32%</b>	<b>16%</b>	<b>27%</b>	<b>27%</b>
399011	Child Care Workers	22	4.8%	\$13.86	42%	14%	34%	34%

*Source: DEED Job Vacancy Survey*

34% of these positions required postsecondary education, compared to 27% across all occupations. Lastly, 34% of the job vacancies required one year of experience, compared to 27% for all occupations (Table 7).

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 Northwest Minnesota was 15.6% in quarter 1 of 2023, meaning that about 15.6% of the workforce left their jobs in that time period. In comparison, the turnover rate across all industries was 9.4%.

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 Northwest Minnesota Child Day Care Services industry is projected to gain 116 jobs over the next decade, an 18.4% increase. Similarly, the state of Minnesota is projected to gain about 2,691 jobs from 2020 to 2030, also an 18.3% increase. The increase in Child Day Care Services was significantly higher than the overall projected growth rate of 5.1% across the total of all industries in Northwest Minnesota.

**Table 8. 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	<b>Total, All Occupations</b>	<b>250,722</b>	<b>263,441</b>	<b>+5.1%</b>	<b>+12,719</b>	<b>+115,886</b>	<b>+168,024</b>	<b>+296,629</b>
399011	Child Care Workers	2,656	2,580	-2.9%	-76	+1,762	+1,829	+3,515

*Source: Employment Outlook*

Although the region has experienced employment growth, Northwest Minnesota is projected to see a decline in Child Care Worker jobs from 2020 to 2030. During this period, a decrease of 76 jobs, or -2.9%, 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 3,515 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.

## Workforce Characteristics

In Northwest Minnesota, the Child Care Services sector exhibits a notable gender imbalance, with women constituting 93% of its workforce as of quarter 3 of 2023. This contrasts sharply with the overall workforce composition where women comprise 51.3% of jobholders across all industries.

The workforce in the Child Care Services industry is less racially diverse compared to all industries. In the third quarter of 2023, 93.8% of workers in this industry were white, whereas 91.4% of workers across all industries were white. Black or African American individuals made up the second largest racial group in the industry, comprising 2.2% of the workforce. Additionally, 2.3% of workers identified as Two or More Races, 1.1% identified as American Indian or Alaskan Native Alone, and 0.7% 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 Northwest 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 over 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).

