

Minnesota – Child Care Overview

Population

Minnesota’s population recently surpassed 5,830,000 people across 87 counties. From 2020 to 2025, Minnesota’s population increased by 123,672 people, reflecting a 2.2% growth rate. This growth has been driven by natural increases (more births than deaths), as well as smaller amounts of in-migration. Minnesota has a diverse age demographic profile, with a total population of 5,830,405 people. Among these, the youngest age group, under 5 years old, comprises just over 338,900 individuals, accounting for 5.8% of the population (Figure 1). Additionally, the number of children under 5 in Minnesota has grown by 2.8% since 2000 (Figure 2). This is significant as it highlights the importance of early childhood services and education but also reflects the state’s future potential workforce.

Figure 1. Percentage of the Population by Age Group, 2025

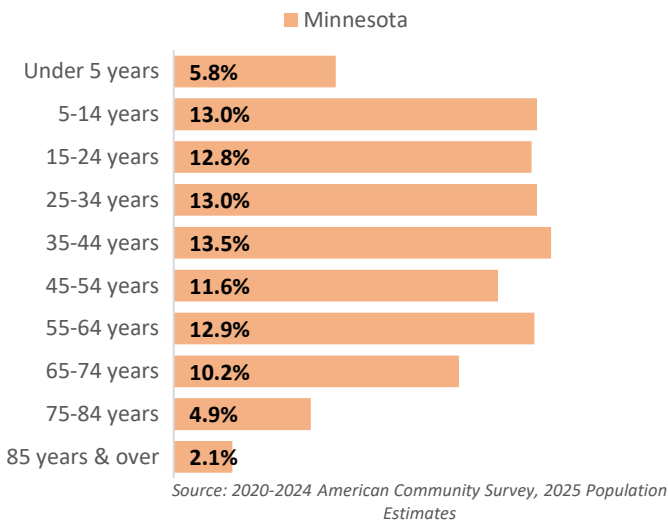
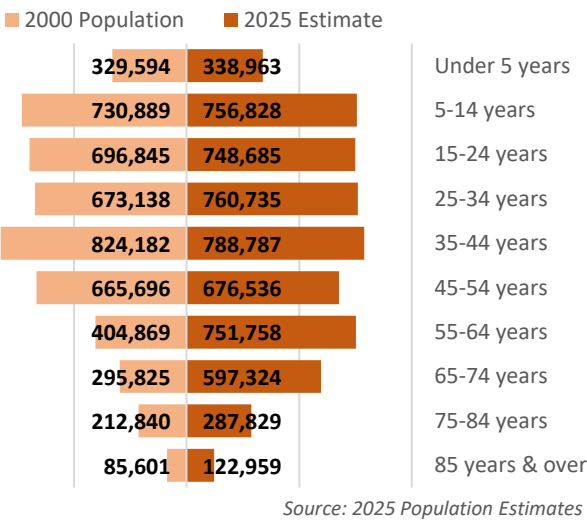


Figure 2. Population Pyramid, 2000-2025



Population Projections

Looking forward, newly released data from the [Minnesota State Demographic Center](#) projects that the population in Minnesota will increase by around 317,000 people from 2025 to 2045, a projected 5.5% increase.

Several age groups are expected to grow, including the number of children under 5 years old. This youngest age group is projected to increase by about 9,000 people, or a 2.7% increase over the next 20 years, suggesting continuing demand for child care services in the future (Table 1).

Table 1. Population Projections, 2025-2045

Minnesota	2025 Projection	2045 Projection	2025-2045 Change	
			Numeric	Percent
Under 5 years	334,148	343,074	+8,926	+2.7%
5-14 years	719,410	707,249	-12,161	-1.7%
15-24 years	759,710	724,660	-35,050	-4.6%
25-34 years	743,358	778,244	+34,886	+4.7%
35-44 years	781,484	830,597	+49,113	+6.3%
45-54 years	681,854	781,369	+99,515	+14.6%
55-64 years	701,293	736,420	+35,127	+5.0%
65-74 years	622,006	554,134	-67,872	-10.9%
75-84 years	334,030	437,971	+103,941	+31.1%
85 years & over	127,107	227,679	+100,572	+79.1%
Total	5,804,400	6,121,397	+316,997	+5.5%

Source: [Minnesota State Demographic Center](#)

Minnesota is split into six planning regions, and of those, five are expected to see an increase in the population of children under the age of 5 from 2025 to 2045. Central Minnesota stands out with the highest percentage increase, adding 5,169 children, an 11.2% rise. Southeast and Northwest Minnesota are projected to have modest gains, ranging from 3.4% to 5.9%. The Twin Cities Metro Area and Southwest are projected to have small gains between 1.1% and 0.4% respectively. Conversely, Northeast is projected to experience a decrease of 1,260 children under 5, an 8.5% decline (Table 2).

Table 2. Population Projections for People Under the Age of 5, 2025-2045

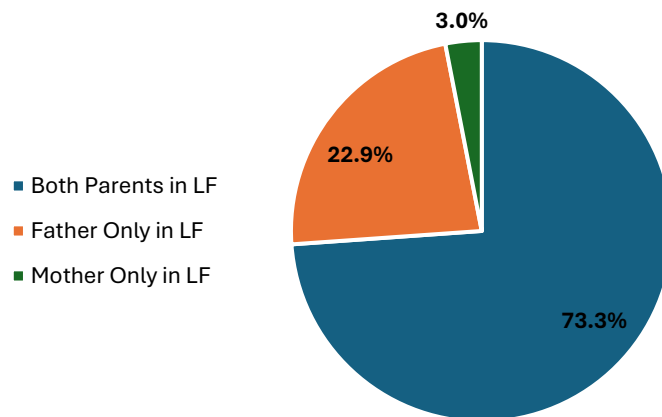
Planning Regions	2025	2045	2025-2045 Change	
			Numeric	Percent
Central	46,033	51,202	+5,169	+11.2%
Southeast	29,916	31,667	+1,751	+5.9%
Northwest	33,334	34,481	+1,147	+3.4%
Twin Cities	186,777	188,814	+2,037	+1.1%
Southwest	23,237	23,319	+82	+0.4%
Northeast	14,851	13,591	-1,260	-8.5%
Minnesota	334,148	343,074	+8,926	+2.7%

Source: Minnesota State Demographic Center

Family Arrangements & Employment

Additional data from the Census Bureau shows that in Minnesota, there are approximately 392,000 children under the age of 6, accounting for about 31% of the population under 18. Among these youngest children, 74.4% (291,650) live with two parents. Of those living with two parents, 73.3% have both parents in the labor force, 22.9% have only the father in the labor force, 3% have only the mother in the labor force, and the remaining 0.8% have neither parent in the labor force (Figure 3).

Figure 3. Children Under 6 Living with Both Parents Labor Force Participation, 2024



One-fourth (25.6% or 100,300) of children under 6 live with a single parent, which is below the national rate of 33%. Of these children, 68.7% live with their mother, while 31.3% live with their father. Among children living with their father, 93.2% of these fathers are in the labor force, whereas 80.5% of mothers in single-parent households are in the labor force.

For comparison, in the United States, 74.9% of children living with a single parent reside with their mother, while 25.1% live with their father. Nationwide, about 90.1% of the single fathers are in the labor force and 74.8% of mothers are in the labor force.

It is evident from this data 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 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](#). State average child care rates from [Child Care Aware of Minnesota](#) and median household income data from the [American Community Survey](#) offer a closer look at affordability in Minnesota.

Table 3. Average Annual Child Care Costs in Minnesota, 2023

Type	Infant	Toddler	Preschool
Child Care Centers	\$20,592	\$18,200	\$15,912
Family Child Care	\$9,880	\$9,464	\$9,048
<i>Source: Child Care Aware Minnesota and American Community Survey, 2020-2024</i>			

Table 4. Child Care Costs as a Percentage of Median Household Income, Minnesota, 2023

Type	Infant	Toddler	Preschool
Child Care Centers	23.1%	20.4%	17.9%
Family Child Care	11.1%	10.6%	10.2%
<i>Source: Child Care Aware Minnesota and American Community Survey, 2020-2024</i>			

Child care costs in Minnesota exceed the U.S. Department of Health and Human Services affordability benchmark regardless of provider type or age group. For families using child care centers, annual costs range from \$15,912 for preschool-age children to \$20,592 for infants, representing 17.9% to 23.1% of the statewide median household income of \$89,062. Family child care offers a more affordable alternative, with annual costs ranging from \$9,048 for preschool to \$9,880 for infants, or 10.2% to 11.1% of median household income. While family child care falls closer to the 7% benchmark, it still exceeds it across all age groups. Infant care carries the highest burden for families regardless of provider type, and costs decrease as children age into toddler and preschool settings.

Industry Trends in Employment & Firms

According to data from the [U.S. Census Bureau's Nonemployer Statistics](#), there were 9,845 self-employed child daycare providers in Minnesota. Part of a longer-term trend, the state experienced a rapid decline of 2,537 self-employed daycare providers from 2019 to 2023. The largest percentage decreases occurred in the Twin Cities Metro (-23.1%), Central (-22.5%), and Southeast (-19.9%) (Table 5). No regions experienced an increase in self-employed daycare providers from 2019 to 2023.

Table 5. Nonemployer Child Daycare Providers in Minnesota, 2019-2023

Planning Region	2023	2019	2019-2023 Numeric Change	2019-2023 Percent Change
Central	1,596	2,060	-464	-22.5%
Northeast	416	509	-93	-18.3%
Northwest	1,617	1,889	-272	-14.4%
Southeast	1,178	1,470	-292	-19.9%
Southwest	1,049	1,264	-215	-17.0%
Twin Cities Metro	3,989	5,190	-1,201	-23.1%
Minnesota	9,845	12,382	-2,537	-20.5%
<i>Source: U.S. Census Bureau, Nonemployer Statistics</i>				

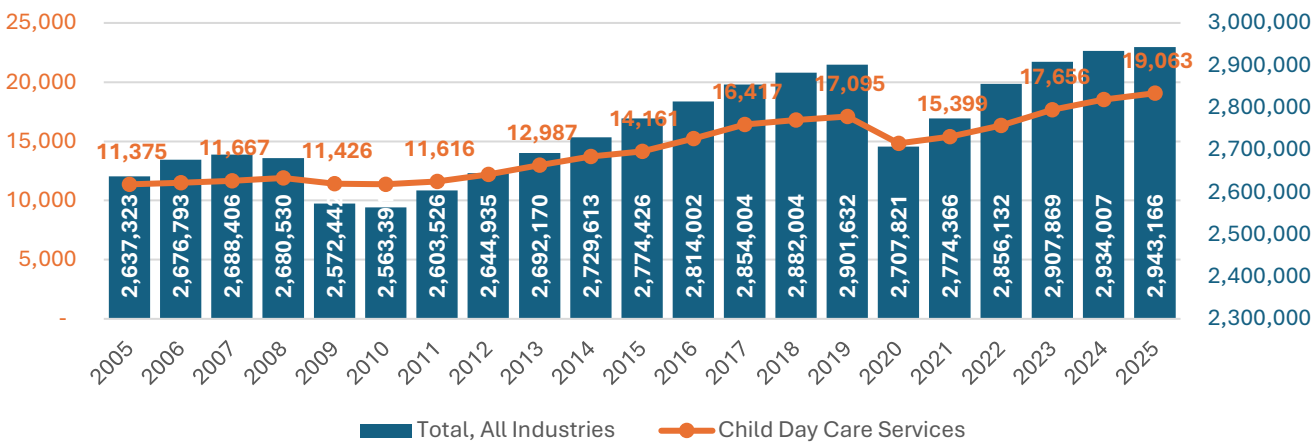
Further data from [DEED’s Quarterly Census of Employment and Wages](#), which collects information from employers and workers covered by Unemployment Insurance, provides insight into employment in Child Day Care Services in Minnesota. In 2025, there were 1,261 Child Day Care Services firms providing 19,063 jobs (Table 6).

Table 6. Child Day Care Services Employment in Minnesota, 2025

NAICS Code	Industry	Number of Jobs	Number of Firms	Average Annual Wages	2005-2025 Numeric Change	2005-2025 Percent Change
0	Total, All Industries	2,943,166	213,477	\$76,960	+305,843	+11.6%
6244	Child Day Care Services	19,063	1,261	\$33,384	+7,688	+67.6%

Source: Quarterly Census of Employment & Wages

Figure 4. Child Day Care Services Employment Trends, 2005-2025



Source: Quarterly Census of Employment & Wages

Due to demand, the number of jobs in the Child Day Care Services sector in Minnesota has generally increased from 2005 to 2025 (Table 6 & Figure 4). The data shows a gradual rise from 11,375 jobs in 2005 to a peak of 19,063 jobs in 2025. Notably, there was a significant increase from 2015 to 2019, reflecting economic growth and increased demand for child care services. However, the sector experienced a decline in 2020 to 14,836 jobs, likely due to the impact of the COVID-19 pandemic, which led to economic disruptions and closures of child care facilities. The number of jobs rebounded to 17,628 in 2023, demonstrating recovery and continued growth in the industry.

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 state. According to OEWS, there were an estimated 11,570 people working as Child Care Workers in Minnesota. In 2026, the median hourly wage for Child Care Workers in the state was \$17.51, which is \$10.46 lower than the median wage across all occupations. Additionally, the U.S median wage for Child Care Workers was \$17.25, 26 cents lower than in Minnesota.

In addition to Child Care Workers, child care businesses also require the services of workers in several other occupations such as Teacher Assistants, Education and Child Care Administrators (Preschool and Daycare), Cooks (Institution and Cafeteria), Office Clerks, General and Operations Managers, and Child, Family, and School Social Workers (Table 7).

Table 7. Minnesota Occupational Employment & Wage Statistics, Q1 2026

Child Care Workers in Minnesota are among the lowest-paid professionals, receiving lower pay than many other occupations, such as Laundry and Dry-Cleaning Workers (\$18.48), Hotel, Motel, and Resort Desk Clerks (\$17.87), Animal Trainers (\$20.55), and Telemarketers (\$19.3).

SOC Code	Occupation Title	Estimated Statewide Employment	Statewide Median Wage	U.S Median Wage
0	Total, All Occupations	2,949,820	\$27.97	\$25.06
399011	Child Care Workers	11,570	\$17.51	\$17.25
252011	Preschool Teachers, exc. Special Educ.	10,320	\$21.46	\$18.85
119031	Education & Child care Admin., Preschool & Daycare	1,010	\$30.32	\$28.99
211021	Child, Family, & School Social Workers	6,540	\$33.34	\$29.43
352012	Cooks, Institution & Cafeteria	7,890	\$21.43	\$22.09
439061	Office Clerks, General	55,530	\$23.54	\$22.15
111021	General & Operations Managers	72,860	\$48.56	\$51.70
259045	Teaching Assistants, exc. Postsecondary*	38,540	\$41,223	\$37,809
Source: Occupational Employment & Wage Statistics, 2026				
*Only median annual wages available				

The wages for Child Care Workers are insufficient to cover the basic needs [Cost of Living](#) for both single individuals and families in Minnesota. For a single person, the cost of living is \$18.45 per hour, almost one dollar 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 state is \$23.92 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.

Occupational Demand

Overall, there has been a significant demand for Child Care Workers in Minnesota. In 2024, there were 1,031 job vacancies for Child Care Workers, resulting in a job vacancy rate of 9.4%. This is notably higher than the 4.3% job vacancy rate across all occupations, highlighting the strong demand for these workers in the state. Examining data from 2013 to 2024, 18 out of 21 surveys showed that Child Care Workers had a higher job vacancy rate than the overall average, further indicating high demand.

Moreover, data from the most recent [Job Vacancy Survey](#) for Minnesota indicates that the median hourly wage offer for Child Care Workers was \$15.50, which is about \$5.10 less than the median wage offer for all occupations. Additionally, 33% of the vacancies were part-time, and 7% were temporary or seasonal. Just 6% of these positions required postsecondary education, compared to 36% across all occupations. Lastly, 13% of the job vacancies required one year of experience, compared to 44% for all occupations (Table 8).

Table 8. Job Vacancies in Minnesota, 2024

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	120,448	4.3%	\$20.67	28%	8%	36%	44%
399011	Child Care Workers	1,031	9.4%	\$15.50	33%	7%	6%	13%

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 Minnesota was 12% in quarter 1 of 2025, meaning that about 12% of the workforce left their jobs in that time period. In comparison, the turnover rate across all industries was 8.2%.

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 [2024 to 2034 Employment Outlook data](#), the Child Day Care Services industry is projected to gain 631 jobs in Minnesota over the next decade, a 3.4% increase. The increase in Child Day Care Services is higher than the overall projected growth rate of 3% across the total of all industries in Minnesota.

Despite the projected industry growth, Minnesota is projected to see a decline in Child Care Worker jobs from 2024 to 2034. During this period, a decrease of 350 jobs, or -1.8%, is expected (Table 9). 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 31,537 Child Care Worker job openings from 2024 to 2034. This also suggests that other jobs will become more prominent in the industry, rather than just direct service Child Care Workers.

Table 9. Employment Projections in Minnesota, 2024-2034

SOC Code	Occupation	Estimated Employment 2024	Projected Employment 2034	Percent Change	Total Change	Labor Force Exit Openings	Occupational Transfer Openings	Total Hires
0	Total, All Occupations	3,348,166	3,449,454	+3%	+101,288	+1,614,905	+1,968,526	+3,684,719
399011	Child Care Workers	19,272	18,922	-1.8%	-350	+14,598	+17,289	+31,537

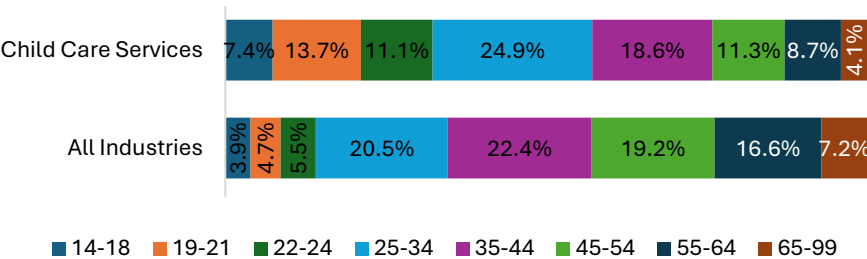
Source: Employment Outlook

Workforce Characteristics

Minnesota's Child Day Care Services sector shows a notable gender imbalance: women make up 90.6% of its workforce in 2024, compared to 50.9% across all industries. The industry is also more racially diverse than the statewide average. White workers comprise 76.5% of the child care workforce (vs. 83.1% overall), while Black or African American workers make up 14.6% (vs. ~7.5% overall) — the second-largest group. The remaining workforce identifies as Asian (4.2%), Two or More Races (3.4%), American Indian or Alaska Native (1.1%), and Native Hawaiian or Other Pacific Islander (0.2%).

Age is another point of contrast. Per 2024 QWI data, Child Day Care Services skews notably younger: workers aged 14–24 are represented at more than double their share in the overall workforce, while workers aged 25–54 are more concentrated in other industries (Figure 5).

Figure 5. Minnesota Child Care Services Industry Workforce Demographics by Age, 2024



Source: Quarterly Workforce Indicators