

Northeast Minnesota – Child Care Overview



Population

Northeast Minnesota, also known as the Arrowhead region or Economic Development Region 3, includes a total of 7 counties. According to population data from the U.S. Census Bureau, Northeast Minnesota was home to around 327,000 people in 2025, accounting for 5.6% of the state's total population. From 2020 to 2025, Northeast Minnesota's population increased by 1,051 people, reflecting a 0.3% growth rate, which is below the statewide growth rate of 2.2%.

Northeast Minnesota has a diverse age demographic, with a total population of 327,051 people. Among these, the youngest age group, under 5 years old, comprises just over 15,000 individuals, accounting for 4.6% of the region's population. In comparison, Minnesota's statewide percentage of children under 5 years old is higher at 5.8% (Figure 1). Additionally, the number of children under 5 in Northeast Minnesota has decreased by 10.9% since 2000, compared to a growth rate of 2.8% 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.

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

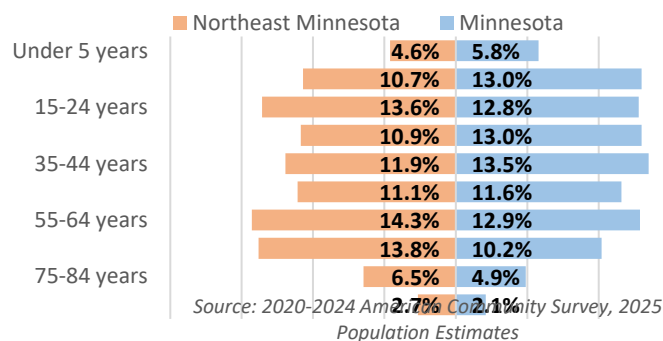
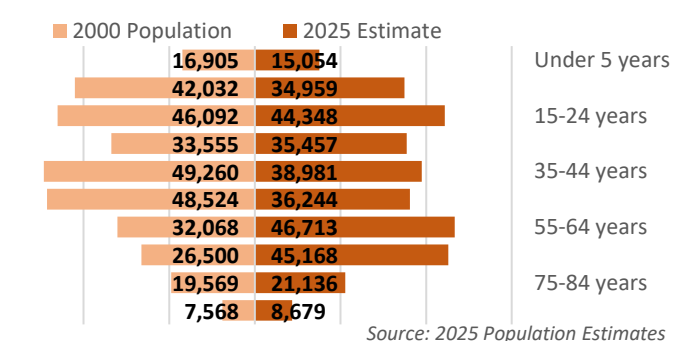


Figure 2. Population Pyramid, 2000-2025



Population Projections

Newly released data from the [Minnesota State Demographic Center](#) projects that the population in Northeast Minnesota will decrease by around 16,700 people, a projected 5.2% decrease from 2025 to 2045. That is opposite to the statewide projected growth rate, which is expected to increase by 5.5%.

Likewise, the number of children under 5 years old are projected to decrease by about 1,260 people, or an 8.5% decrease. In comparison, children under 5 in Minnesota are expected to increase by just 2.7% (Table 1).

Table 1. Population Projections, 2025-2045

Northeast Minnesota	2025 Projection	2045 Projection	2025-2045 Change	
			Numeric	Percent
Under 5 years	14,851	13,591	-1,260	-8.5%
5-14 years	32,994	29,106	-3,888	-11.8%
15-24 years	44,540	37,054	-7,486	-16.8%
25-34 years	35,524	32,501	-3,023	-8.5%
35-44 years	38,394	38,399	+5	+0.0%
45-54 years	36,987	40,364	+3,377	+9.1%
55-64 years	42,690	42,424	-266	-0.6%
65-74 years	45,657	35,208	-10,449	-22.9%
75-84 years	24,075	25,959	+1,884	+7.8%
85 years & over	8,846	13,221	+4,375	+49.5%
Total	324,558	307,827	-16,731	-5.2%

Source: Minnesota State Demographic Center

Of the 7 counties in Northeast Minnesota, three counties—Lake, Carlton, and Cook—are expected to see an increase in the population of children under the age of 5 from 2025 to 2045. Lake County stands out with the highest increase, adding 77 children, a 14.4% rise. Carlton and Cook counties are projected to have small gains, ranging from 1.0% to 3.2%. Conversely, four counties are projected to experience a decrease in the number of children under 5. Koochiching County is expected to see the largest decline at -32.1%, followed by Aitkin County at -13.3%, St. Louis County at -11%, and Itasca County at -8.3% (Table 2).

Table 2. Population Projections Under 5, 2025-2045

Counties	2025	2045	2025-2045 Change	
			Numeric	Percent
Lake	534	611	+77	+14.4%
Carlton	1,926	1,987	+61	+3.2%
Cook	209	211	+2	+1.0%
Itasca	2,104	1,929	-175	-8.3%
St. Louis	9,071	8,069	-1,002	-11.0%
Aitkin	534	463	-71	-13.3%
Koochiching	473	321	-152	-32.1%
Northeast region	14,851	13,591	-1,260	-8.5%

Source: Minnesota State Demographic Center

Family Arrangements & Employment

In Northeast Minnesota, there are approximately 17,300 children under the age of 6, accounting for about 29.7% of the population under 18. Among these youngest children, 69% (11,947) live with two parents. Of those living with two parents, 69.5% have both parents in the labor force, 24.4% have only the father in the labor force, 5.1% have only the mother in the labor force, and the remaining 0.9% have neither parent in the labor force (Figure 3).

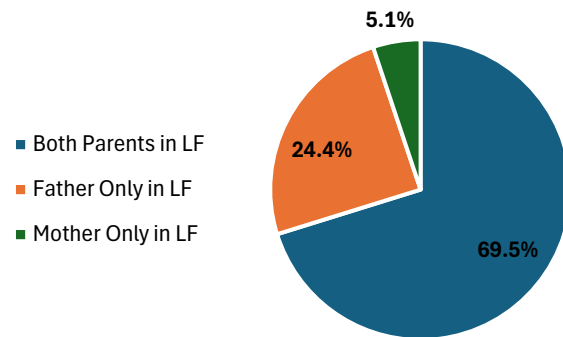
Almost one-third (31% or 5,362) of children under 6 live with a single parent, which is well above the statewide rate of 25.6%. Of these children, 65.1% live with their mother, while 34.9% live with their father. Among children living with their father, 96.2% of these fathers are in the labor force, whereas 72.2% of mothers in single-parent households are in the labor force. In Minnesota, 68.7% of children living with a single parent reside with their mother, while 31.3% live with their father. Statewide, about 93.2% of the single fathers are in the labor force and 80.5% 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 Northeast 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](#). Regional 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 Northeast Minnesota.

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



Source: 2020-2024 American Community Survey

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

Type	Infant	Toddler	Preschool
Child Care Centers	\$12,532	\$11,440	\$10,764
Family Child Care	\$9,308	\$8,996	\$8,476

Source: Child Care Aware Minnesota and American Community Survey, 2020-2024

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

Type	Infant	Toddler	Preschool
Child Care Centers	17.8%	16.2%	15.3%
Family Child Care	13.2%	12.7%	12.0%

Source: Child Care Aware Minnesota and American Community Survey, 2020-2024

Child care costs in Northeast 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 \$10,764 for preschool-age children to \$12,532 for infants, representing 15.3% to 17.8% of the region's median household income of \$70,565. Family child care offers a more affordable alternative, with annual costs ranging from \$8,476 for preschool to \$9,308 for infants, or 12.0% to 13.2% 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 416 self-employed child daycare providers in Northeast Minnesota. Part of a longer-term downward trend, the region experienced a more rapid decrease of 93 self-employed daycare providers from 2019 to 2023. The largest percentage decreases occurred in St. Louis, Aitkin, and Carlton. The only counties that saw an increase were Cook and Koochiching (Table 5).

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

County	2023	2019	2019-2023 Change	
			Numeric Percent	
Aitkin	28	36	-8	-22.2%
Carlton	56	71	-15	-21.1%
Cook	8	5	3	60.0%
Itasca	88	88	0	0.0%
Koochiching	26	25	1	4.0%
Lake	18	18	0	0.0%
St. Louis	192	266	-74	-27.8%
Northeast region	416	509	-93	-18.3%

Source: U.S. Census Bureau, Nonemployer Statistics

Data from [DEED's Quarterly Census of Employment and Wages](#) provides insight into employment trends in Child Day Care Services in Northeast Minnesota. In 2025, there were 53 Child Day Care Services firms providing 576 jobs. The average

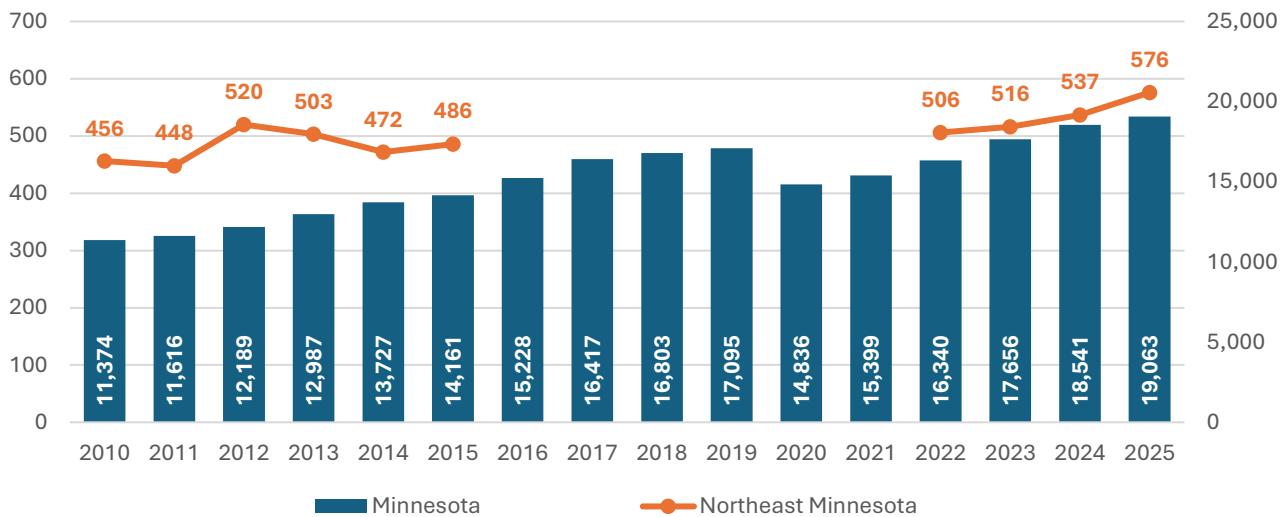
Table 6. Child Day Care Services Employment in Northeast Minnesota, 2025

NAICS Code	Industry	Number of Jobs	Number of Firms	Average Annual Wages	2010-2025 Change	
					Numeric	Percent
0	Total, All Industries	139,859	9,262	\$60,580	+2,421	+1.8%
6244	Child Day Care Services	576	53	\$26,416	+120	+26.3%

Source: Quarterly Census of Employment & Wages

annual wage in this sector was \$26,416, approximately \$34,000 less than the average annual wage across all industries (Table 6). The data shows a general increase in employment over time, with fluctuations reflecting economic conditions. Since 2010, 120 jobs have been added in the industry at a rate of 26.3% (Figure 4).

Figure 4. Child Day Care Services Employment Trends, 2010-2025



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 520 people working as Child Care Workers in Northeast Minnesota. In 2026, the median hourly wage for Child Care Workers in the region was \$15.71, which is \$8.74 lower than the median wage across all occupations. Additionally, the statewide median wage for Child Care Workers was \$17.51, over a dollar higher than in Northeast Minnesota.

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 7).

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

SOC Code	Occupation Title	Estimated Regional Employment	Median Hourly Wage	Estimated Statewide Employment	Statewide Median Wage
0	Total, All Occupations	140,570	\$24.45	2,949,820	\$27.97
399011	Child Care Workers	520	\$15.71	11,570	\$17.51
252011	Preschool Teachers, Except Special Education	490	\$19.96	10,320	\$21.46
119031	Education & Child care Administrators, Preschool & Daycare	40	\$29.90	1,010	\$30.32
211021	Child, Family, & School Social Workers	270	\$30.52	6,540	\$33.34
352012	Cooks, Institution & Cafeteria	620	\$20.51	7,890	\$21.43
439061	Office Clerks, General	2,950	\$22.91	55,530	\$23.54
111021	General & Operations Managers	3,340	\$39.47	72,860	\$48.56
259045	Teaching Assistants, Except Postsecondary*	2,120	\$40.67	38,540	\$41.22

*Source: Occupational Employment & Wage Statistics, 2026; *Only median annual wages available*

The wages for Child Care Workers are insufficient to cover the cost of living for the typical family in Northeast Minnesota. For a single person, the cost of living is \$15.26 per hour, about 45 cents lower 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 \$20.12 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 Northeast 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 Stocker and Order Fillers (\$17.05), Hotel, Motel, and Resort Desk Clerks (\$17.45), Retail Salesperson (\$16.81), and Food Preparation Workers (\$16.22).

Occupational Demand

Recently, there has been demand for Child Care Workers in Northeast Minnesota. In 2024, there were 43 job vacancies for Child Care Workers, resulting in a job vacancy rate of 7.4%. This is notably higher than the 6.2% job vacancy rate across all occupations, highlighting the strong demand for these workers in the area. However, when examining job vacancy data from 2013 to 2023, only 7 out of the 16 surveys showed that Child Care Workers consistently had a higher job vacancy rate than the overall industry average.

Moreover, data from the most recent [Job Vacancy Survey](#) for Northeast Minnesota indicates that the median hourly wage offer for Child Care Workers was \$14.62, which is about \$4.04 less than the median wage offer for all occupations. Additionally, 3% of the vacancies were part-time, and 1% were temporary or seasonal. Approximately 0% of these positions required postsecondary education, compared to 33% across all occupations. Lastly, 2% of the job vacancies required one year of experience, compared to 37% for all occupations (Table 8).

Table 8. Job Vacancies in Northeast 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	8,587	6.2%	\$18.66	30%	10%	33%	37%
399011	Child Care Workers	43	7.4%	\$14.62	3%	1%	0%	2%

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 Northeast Minnesota was 12.5% in quarter 1 of 2025, meaning that about 12.5% of the workforce left their jobs in that time period. In comparison, the turnover rate across all industries was 8.8%.

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 [2022 to 2032 Employment Outlook data](#), the Northeast Minnesota Child Day Care Services industry is projected to gain 29 jobs over the next decade, a 5.7% increase. The increase in Child Day Care Services was higher than the overall projected growth rate of 3.7% across the total of all industries in Northeast Minnesota.

Northeast Minnesota is projected to see an increase in Child Care Worker jobs from 2022 to 2032. During this period, an increase of 15 jobs, or 1.9%, is expected (Table 9). Additionally, there will 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 1,331 Child Care Worker job openings from 2022 to 2032. 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 Northeast Minnesota, 2022-2032

SOC Code	Occupation	Estimated Employment 2022	Projected Employment 2032	Percent Change	Total Change	Labor Force Exit Openings	Occupational Transfer Openings	Total Hires
0	Total, All Occupations	153,945	159,102	+3.3%	+5,157	77,963	95,406	178,526
399011	Child Care Workers	788	803	+1.9%	15	574	742	1,331

Source: Employment Outlook

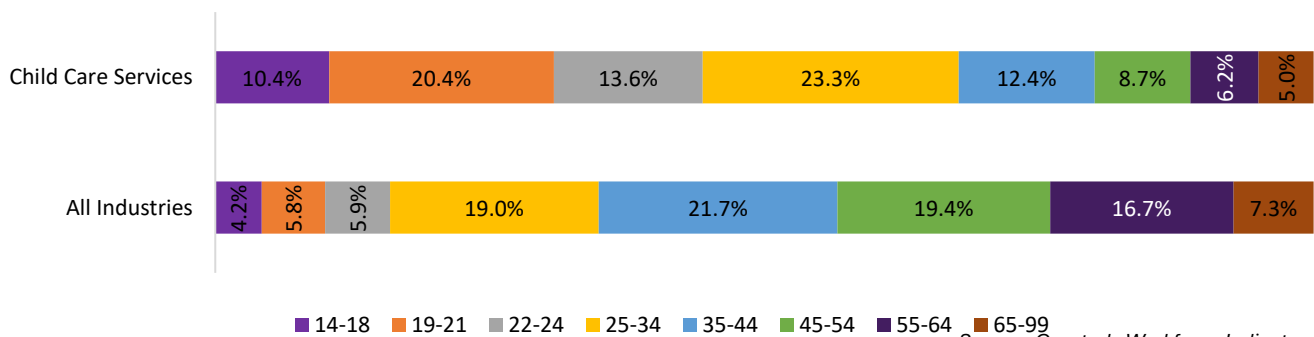
Workforce Characteristics

In Northeast Minnesota, the Child Care Services sector exhibits a notable gender imbalance, with women constituting 92.6% of its workforce as of 2024. This contrasts sharply with the overall workforce composition where women comprise 51.7% of jobholders across all industries.

Additionally, the workforce in the Child Care Services industry is a bit more racially diverse compared to all industries. In 2024, 91% of jobholders in this industry were white, whereas 92% of workers across all industries were white. People of Two or More Races comprised the second largest racial group in the industry, making up 4.3% of the workforce. Additionally, 1.8% of workers identified as Black or African American, and 1.3% were Asian¹.

Data from [Quarterly Workforce Indicators](#) for 2024 highlights the age distribution of workers in the Child Care Services industry compared to all industries. The Child Care Services industry in Northeast 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 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 5).

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



¹ Due to data suppression and publication rules of the U.S. Census Bureau, not all racial and ethnicity categories can be reported.