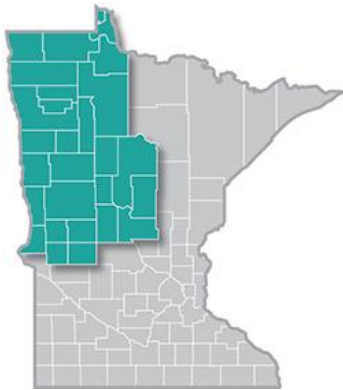


Northwest Minnesota – Child Care Overview

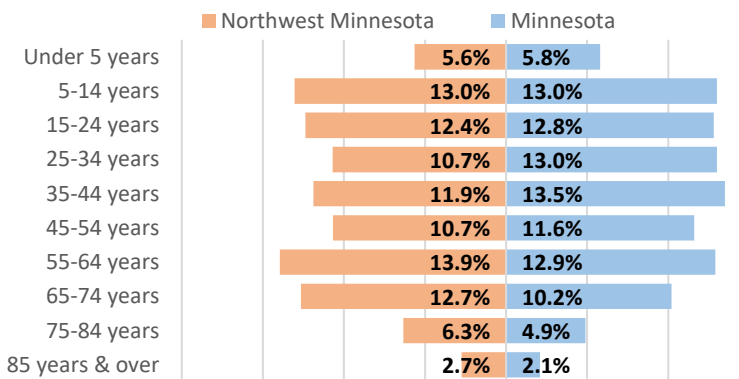


Population

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 586,300 people, and accounting for 10.1% of the state's total population. From 2020 to 2025, Northwest Minnesota's population increased by 10,831 people, reflecting a 1.9% growth rate, which was slightly below the statewide growth rate of 2.2%.

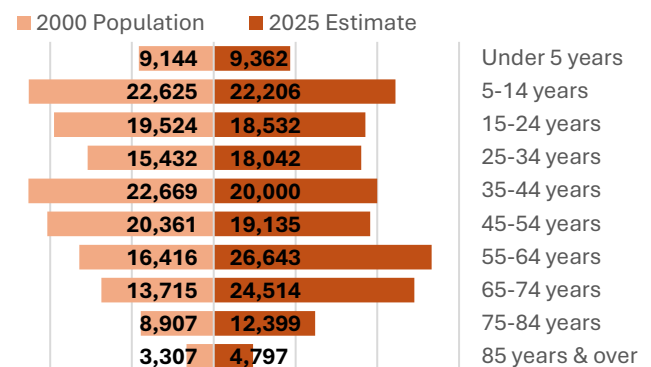
Northwest Minnesota has a diverse age demographic, with a total population of 586,268 people. Among these, the youngest age group, under 5 years old, comprises just over 33,000 individuals, accounting for 5.6% of the region's population. In comparison, Minnesota's statewide percentage of children under 5 years old is slightly higher at 5.8% (Figure 1). Additionally, the number of children under 5 in Northwest Minnesota has grown by 4.8% 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. Percent of Population by Age Group, 2025



Source: 2020-2024 American Community Survey, 2025 Population Estimates

Figure 2. Population Pyramid, 2025



Source: 2025 Population Estimates

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

Northwest Minnesota	2025 Projection	2045 Projection	2025-2045 Change	
			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%
Total	587,829	619,359	+31,530	+5.4%

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 38,600 children under the age of 6, accounting for about 30.8% of the population under 18. Among these youngest children, 73.3% (28,331) live with two parents. Of those living with two parents, 70.7% have both parents in the labor force, 24.8% have only the father in the labor force, 3.6% have only the mother in the labor force, and the remaining 0.9% have neither parent in the labor force (Figure 3).

Over a quarter (26.7% or 10,296) of children under 6 live with a single parent, which is above the statewide rate of 25.6%. Of these children, 67.7% live with their mother, while 32.3% live with their father. Among children living with their father, 91.4% of these fathers are in the labor force, whereas 79.9% 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.

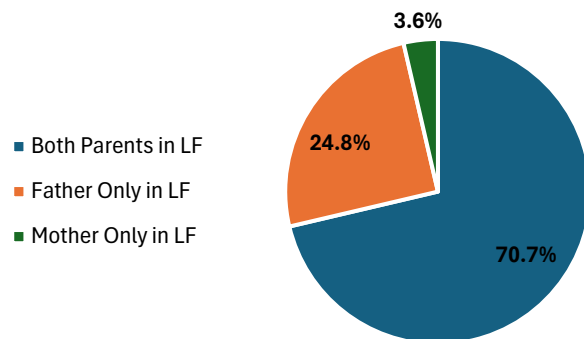
It is evident that a significant portion of parents with young children are actively participating in the labor force. This highlights the crucial need for accessible and affordable child care services. Reliable child care enables parents to maintain their employment and contribute to the economy, ensuring 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 Northwest Minnesota.

Table 2. Population Projections for People Under the Age of 5 in Northwest Minnesota. 2025-2045

Counties	2025	2045	2025-2045 Change	
			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%
Northwest region	33,334	34,481	+1,147	+3.4%

Source: Minnesota State Demographic Center

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



Source: 2020-2024 American Community Survey

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 Northwest Minnesota.

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

EDR 1	Infant	Toddler	Preschool
Child Care Centers	\$10,192	\$9,776	\$9,360
Family Child Care	\$7,956	\$7,748	\$7,488
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 2	Infant	Toddler	Preschool
Child Care Centers	\$12,792	\$11,804	\$11,960
Family Child Care	\$8,216	\$7,956	\$7,644
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 4	Infant	Toddler	Preschool
Child Care Centers	\$14,092	\$12,532	\$11,440
Family Child Care	\$8,892	\$8,580	\$8,112
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 5	Infant	Toddler	Preschool
Child Care Centers	\$12,324	\$11,076	\$10,244
Family Child Care	\$8,112	\$7,852	\$7,644
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

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

EDR 1	Infant	Toddler	Preschool
Child Care Centers	13.7%	13.2%	12.6%
Family Child Care	10.7%	10.4%	10.1%
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 2	Infant	Toddler	Preschool
Child Care Centers	18.5%	17.0%	17.3%
Family Child Care	11.9%	11.5%	11.0%
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 4	Infant	Toddler	Preschool
Child Care Centers	18.6%	16.5%	15.1%
Family Child Care	11.7%	11.3%	10.7%
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

EDR 5	Infant	Toddler	Preschool
Child Care Centers	17.7%	15.9%	14.7%
Family Child Care	11.6%	11.3%	11.0%
Source: Child Care Aware Minnesota and American Community Survey, 2020-2024			

Child care costs across Northwest Minnesota (EDR 1, 2, 4, and 5) exceed the U.S. Department of Health and Human Services affordability benchmark regardless of provider type, age group, or EDR. Costs are lowest in EDR 1, where family child care for preschool-age children runs \$7,488 annually, or 10.1% of that EDR's median household income of \$74,329. Costs are highest in EDR 4, where infant care at child care centers runs \$14,092 annually, or 18.6% of that EDR's median household income of \$75,950. Even at the region's lowest cost point, family child care still exceeds the 7% benchmark, and the burden is greatest for infant care at child care centers across all four EDRs.

Industry Trends in Employment & Firms

According to data from the [U.S. Census Bureau's Nonemployer Statistics](#), there were 1,617 self-employed child daycare providers in Northwest Minnesota. Part of a longer-term trend, the region experienced a rapid decline of 272 self-employed daycare providers from 2019 to 2023. The largest percentage decreases occurred Wadena, Clearwater, and Norman counties. Kittson and Marshall counties did not gain or lose any child daycare providers in the same timespan (Table 5).

Data from [DEED's Quarterly Census of Employment and Wages](#) provides insight into employment in Child Day Care Services in Northwest Minnesota. In 2025, there were 81 Child Day Care Services firms providing 808 jobs. The average annual wage in this sector was \$27,092, approximately \$28,650 less than the average annual wage across all industries (Table 6).

The number of jobs in the Child Day Care Services sector in Northwest Minnesota has seen fluctuations from 2005 to 2025, 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 808 jobs in 2025 (Figure 4).

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

County	2023	2019	2019-2023 Change	
			Numeric Percent	
Becker	105	111	-6	-5.4%
Beltrami	123	158	-35	-22.2%
Cass	56	59	-3	-5.1%
Clay	175	209	-34	-16.3%
Clearwater	23	34	-11	-32.4%
Crow Wing	104	127	-23	-18.1%
Douglas	137	159	-22	-13.8%
Grant	24	28	-4	-14.3%
Hubbard	64	73	-9	-12.3%
Kittson	18	18	0	0.0%
Lake of the Woods	14	15	-1	-6.7%
Mahnomen	15	16	-1	-6.3%
Marshall	34	34	0	0.0%
Morrison	116	126	-10	-7.9%
Norman	11	16	-5	-31.3%
Otter Tail	180	217	-37	-17.1%
Pennington	57	61	-4	-6.6%
Polk	92	105	-13	-12.4%
Pope	42	48	-6	-12.5%
Red Lake	11	15	-4	-26.7%
Roseau	61	69	-8	-11.6%
Stevens	28	36	-8	-22.2%
Todd	74	77	-3	-3.9%
Traverse	10	11	-1	-9.1%
Wadena	22	43	-21	-48.8%
Wilkin	21	24	-3	-12.5%
Northwest region	1,617	1,889	-272	-14.4%

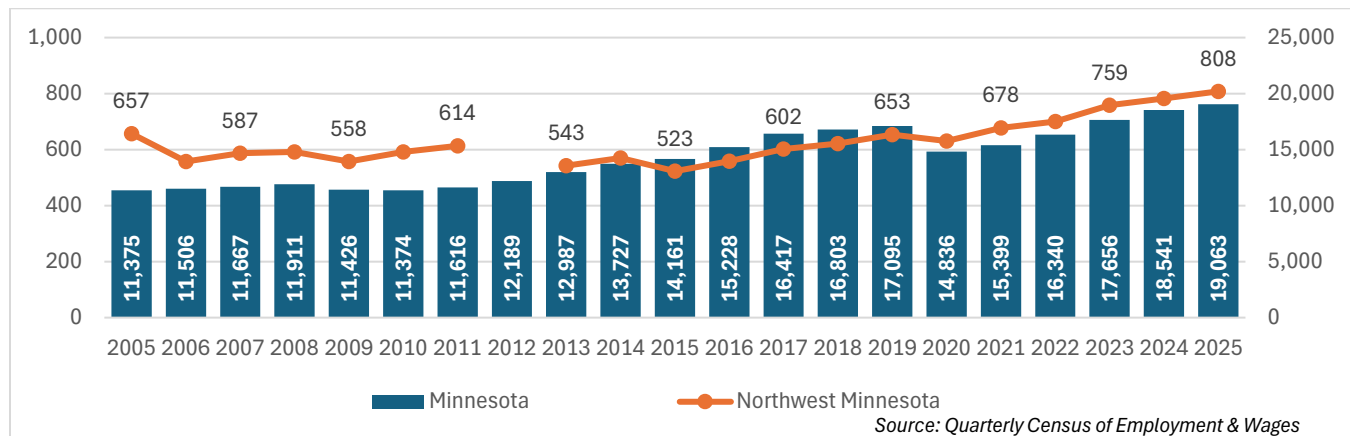
Source: U.S. Census Bureau, Nonemployer Statistics

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

NAICS Code	Industry	Number of Jobs	Number of Firms	Average Annual Wages	2005-2025 Change Numeric Percent	
0	Total, All Industries	226,221	18,244	\$55,744	+14,297	+6.7%
6244	Child Day Care Services	808	81	\$27,092	+151	+23.0%

Source: Quarterly Census of Employment & Wages

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



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 580 people working as Child Care Workers in Northwest Minnesota. In 2026, the median hourly wage for Child Care Workers in the region was \$15.82, which is \$7.88 less than the median wage across all occupations. Additionally, the statewide median wage for Child Care Workers was \$17.51, nearly \$1.70 higher than in Northwest 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. Northwest Minnesota Occupational Employment & Wage Statistics, Q1 2026

SOC Code	Occupation Title	Estimated Regional Employment	Median Hourly Wage	Estimated Statewide Employment	Statewide Median Wage
0	Total, All Occupations	224,140	\$23.70	2,949,820	\$27.97
399011	Child Care Workers	720	\$15.82	11,570	\$17.51
252011	Preschool Teachers, Except Special Education	730	\$20.25	10,320	\$21.46
119031	Education & Child care Administrators, Preschool & Daycare	50	\$24.57	1,010	\$30.32
211021	Child, Family, & School Social Workers	810	\$32.65	6,540	\$33.34
352012	Cooks, Institution & Cafeteria	880	\$19.71	7,890	\$21.43
439061	Office Clerks, General	4,420	\$22.68	55,530	\$23.54
111021	General & Operations Managers	5,550	\$38.73	72,860	\$48.56
259045	Teaching Assistants, Except Postsecondary*	4,730	\$39,096	38,540	\$41,223

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

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 (\$16.37), Retail Salespersons (\$17.05), Parking Attendants (\$17.34), and Food Preparation Workers (\$17.08).

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 \$14.97 per hour, about \$0.85 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 \$19.22 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 consistent demand for Child Care Workers in Northwest Minnesota. In 2024, there were 65 job vacancies for Child Care Workers, resulting in a job vacancy rate of 9.5%. This is higher than the 5.6% job vacancy rate across all occupations, indicating demand for these workers in the area. When examining job vacancy data from 2013 to 2024, 14 out of 19 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 \$17.25, which is about \$1.32 less than the median wage offer for all occupations. Additionally, 42% of the vacancies were part-time, and 0% were temporary or seasonal. 0% of these positions required postsecondary education, compared to 24% across all occupations. Lastly, 12% of the job vacancies required one year of experience, compared to 25% for all occupations (Table 8).

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	12,718	5.6%	\$18.57	32%	16%	24%	25%
399011	Child Care Workers	65	9.5%	\$17.25	42%	0%	0%	12%

Source: DEED Job Vacancy Survey

Table 8. Job Vacancies in Northwest Minnesota, 2024

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 15.9% in quarter 1 of 2025, meaning that about 15.9% of the workforce left their jobs in that time period. In comparison, the turnover rate across all industries was 8.6%.

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 Northwest Minnesota Child Day Care Services industry is projected to gain 73 jobs over the next decade, an 10.4% increase. The increase in Child Day Care Services was significantly higher than the overall projected growth rate of 3.9% across the total of all industries in Northwest Minnesota.

Table 9. Employment Outlook in Northwest 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	265,321	275,647	+3.9%	+10,326	+135,428	+166,881	+312,635
399011	Child Care Workers	1,571	1,573	+0.1%	+2	1,135	+1,466	+2,603

Source: Employment Outlook

Although the region has experienced employment growth, Northwest Minnesota is projected to see a small increase in Child Care Worker jobs from 2022 to 2032. During this period, an increase of 2 jobs, or 0.1%, is expected (Table 9). Despite this small increase, 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 2,603 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.

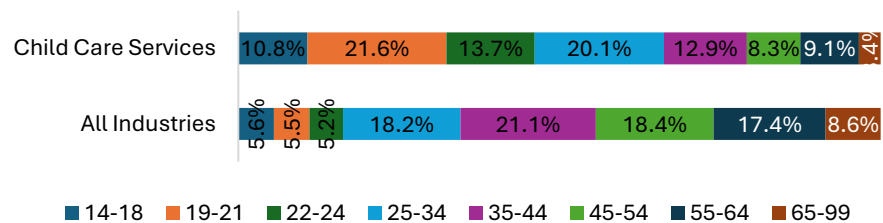
Workforce Characteristics

In Northwest Minnesota, the Child Care Services sector exhibits a notable gender imbalance, with women constituting 92.5% of its workforce as of 2024. This contrasts sharply with the overall workforce composition where women comprise 51.6% of jobholders across all industries.

The workforce in the Child Care Services industry is less racially diverse compared to all industries. In 2024, 93.7% of workers in this industry were white, whereas 91.5% of workers across all industries were white. American Indian made up 1.5%, while all other races were suppressed¹.

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 5).

Figure 5. Northwest Minnesota Child Care Services Industry



Source: Quarterly Workforce Indicators

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