



MINNESOTA

Child Care Usage in Minnesota:

- There are 1,066,261 children under age 15 (347,567 under age 5 and 718,694 between the ages of 5 and 14) in Minnesota who may require paid child care services.
- About 381,357 children under age 15 are in paid care— 163,198 (47%) under age 5 and 217,894 (30.3%) between the ages of 5 and 14.
- The average annual cost of care for an infant is \$13,993 in a child care center and \$7,835 in a family child care home.
- The average annual cost of care for a 4 year old is \$10,812 in a child care center and \$7,108 in a family child care home.
- The average annual cost of infant center-based care is 133.7% of the cost of tuition and fees at a 4-year college.

Child Care Industry Impact in Minnesota:

- There are 18,986 child care establishments with revenue of \$883.2 million. This includes 17,558 sole proprietors (family child care home operators) and 1,428 child care centers employing 14,734 individuals.
- \$883.2 million in direct output generated within the organized child care industry is estimated to support about \$900 million in additional indirect and induced output in other industry sectors, for an estimated combined total of

approximately \$1.8 billion in output in Minnesota's economy.

- In terms of employment, 32,292 proprietors and wage and salary employees working in the child care sector are estimated to support about 14,100 jobs in other industry sectors through indirect and induced effects.
- The \$523.2 million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support approximately \$460 million in additional indirect and induced earnings across the state.
- Total federal and state child care assistance (both direct subsidies and tax credits) represents 28.5% of child care industry revenue.

The Link Between the Paid Child Care Sector and the State Economy

- The cost of organized care is a significant challenge for many parents with children.
- Access to the organized child care market can increase labor force participation and support state and regional economic growth.
- Increased subsidy payments trigger state level responses in wage rates, the mix of low- and high-skilled labor used in the state, prices of goods and services, and trade flows.

