The Economic Impacts of

the Child Care Shortage

in Northeastern Minnesota

FAMILIES \$8.1 million of potential gains in household earnings if child care needs 血 are met **EMPLOYERS** LOCAL AND STATE **GOVERNMENT 13%** \$5.3 million of lost productivity to businesses averaging nearly \$4,300 per employee of lost tax without access revenues annually to child care **CHILDREN CURRENTLY LACKING** CHILD CARE \$13.3 million of lost lifetime earnings

Current unmet need of child care and costs to meet need



Northeastern Minnesota needs

4,496 ADDITIONAL SLOTS

Licensed child care slots needed to cover the child care shortfall for children age 5 and younger

✓ Total cost to expand capacity

New family child care facilities

\$891K to \$1.9 million

Existing child care centers add new slots

\$4.5 to \$11.3 million

The annual economic impact of the child care industry in northeastern Minnesota

Direct impact

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\$30 million

+

Indirect impact

\$18 million

Total impact

\$

\$48 million

Northeastern Minnesota's total licensed child care programs, 2018

1379 licensed family child care homes

2 out of **3**

providers are located in the region's job centers

91 child care centers

4 out of 10

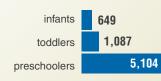
providers are located in the region's job centers

23 preschools

Total number of licensed family child care programs



Current number served all programs



July 2018

Child care in Northeastern Minnesota

In 2018, Wilder Research and the Center for Rural Policy and Development, conducted a study of the child care shortage in northeastern Minnesota at the request of the Blandin Foundation, the Minnesota Department of Iron Range Resources and Rehabilitation, and the Northland Foundation. This seven-county region includes Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties. The funders of this study were also interested in the potential role that businesses could serve to help alleviate the regional child care shortage. Please see the full report here for sources of data, calculation methods, and examples of business solutions and issues to consider for the child care shortage.











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