

The Cost of Child Care in Minnesota

MN House Children and Families Finance & Policy Committee

November 13, 2023





The Cost of Child Care for Families

- **Average annual cost of infant care is \$16,087 (\$1,341/month)**
 - 21.2% of Median Family Income in MN
 - Costs 30.8% more than average rent
- **Average annual cost of preschool care is \$12,252 (\$1,021/month)**
- **A median-income family with an infant and a 4-year old would pay 37.4% of income on child care**



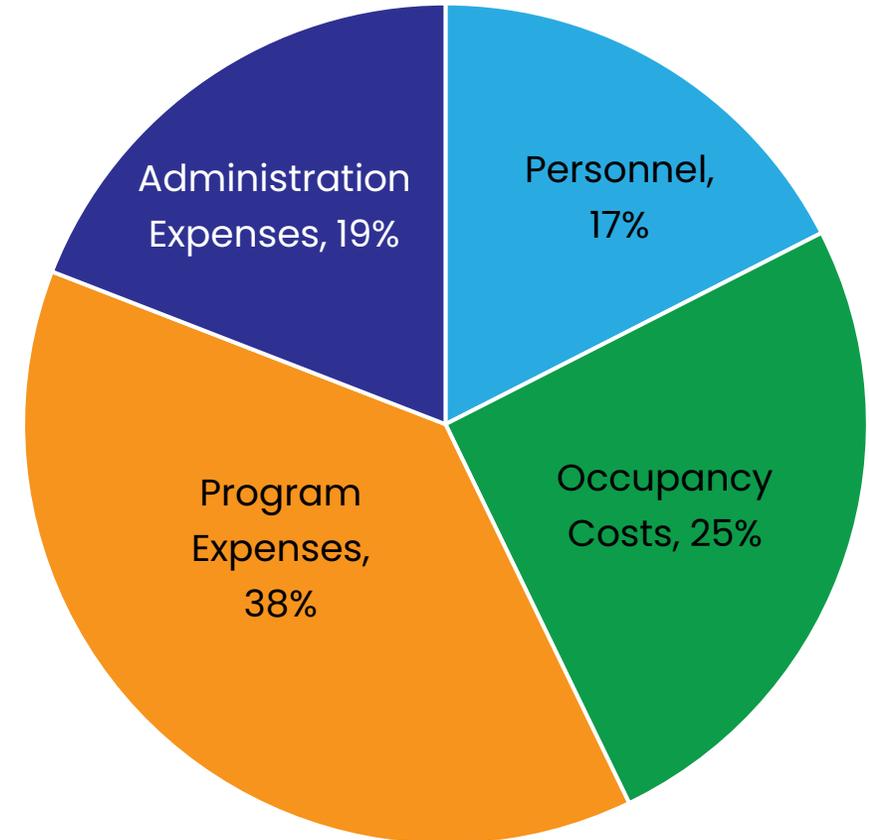
Child Care: Broken Business Model

- **The disconnect**
 - Families can't afford child care
 - Child care businesses have narrow profit margins
 - Child care workers are among the lowest paid of Minnesota's workforce
- **The actual cost of providing child care is more than families alone can afford**



Family Child Care: Expense Breakdown

Expense Category	Total Annual Cost
Personnel Expenses	\$6,605
Occupancy Costs	\$9,576
Program Expenses	\$14,382
Administration Expenses	\$7,211
Total Annual Expenses	\$37,774





Family Child Care: Expenses/Revenue





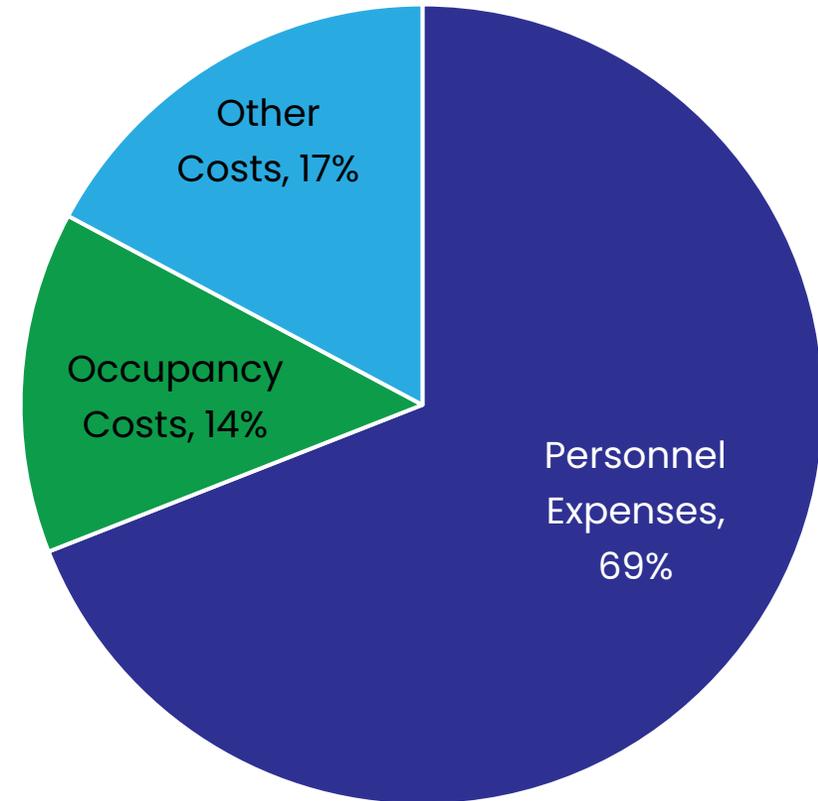
Family Child Care: Revenue/Hourly Wage

	Rural	Small Town	Large Town	Urban
Net Revenue	\$28,789	\$33,956	\$33,749	\$56,796
Hourly Wage	\$8.65	\$10.20	\$10.14	\$17.07



Child Care Centers: Expense Breakdown

Expense Category	Total Annual Cost
Personnel Expenses	\$660,712
Occupancy Costs	\$132,034
Other Costs	\$164,434
Total Annual Expenses	\$957,180





Child Care Centers: Wages

Staff Role	Rural	Small Town	Large Town	Urban
Director	\$23.38	\$20.31	\$21.07	\$26.31
Administrative Assistant	\$17.35	\$17.35	\$17.35	\$19.62
Cook	\$16.40	\$15.89	\$15.89	\$17.31
Accountant	\$20.32	\$17.01	\$17.01	\$22.45
Lead Teacher	\$17.20	\$16.65	\$16.81	\$19.61
Teacher Assistant	\$13.98	\$13.86	\$13.70	\$16.73
Teacher Aide	\$13.54	\$11.95	\$12.69	\$15.09
Substitute	\$17.40	\$17.44	\$17.48	\$20.73



Child Care Centers: Annual Per-Child Cost

Geography	Rural	Small Town	Large Town	Urban
Infant	\$20,821	\$19,836	\$20,099	\$23,858
Toddler	\$12,775	\$12,211	\$12,361	\$14,509
Preschool	\$9,555	\$9,161	\$9,267	\$10,770



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