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 are met

**EMPLOYERS**

- **13%** of lost productivity to businesses averaging nearly $4,300 per employee without access to child care

**LOCAL AND STATE GOVERNMENT**

- **$5.3 million** of lost tax revenues annually

**CHILDREN CURRENTLY LACKING CHILD CARE**

- **$13.3 million** of lost lifetime earnings

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**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**

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

- **Direct impact**
  - **$30 million**

- **Indirect impact**
  - **$18 million**

- **Total impact**
  - **$48 million**

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**Northeastern Minnesota’s total licensed child care programs, 2018**

- **379** 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

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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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