



2023

Child Care and Early Education in Minnesota



In Minnesota, federal and state early learning opportunities serve more than 53,121 children and families,¹ or 13% of children birth through age 5.²

High-quality early care and education (ECE) is proven to dramatically improve a child's opportunities for a better future while offering parents greater job stability and overall economic security.

The Economic Impact

Access to affordable, high-quality child care can increase parental labor force participation and family economic stability. However, widespread problems finding and paying for child care adversely affect both state and national economies. As a direct result of child care issues, the national economy loses \$122 billion annually in the form of lost earnings, productivity, and revenue.⁷ In Minnesota: The estimated annual economic impact of the infant-toddler child care crisis: \$2.1B.⁸

Families Lack Access to High-Quality ECE Options in Minnesota

The high cost and limited supply of quality ECE have created serious challenges for many families.

Unmet Need



420,217 Children Birth Through Age Five³



12% of Children Birth Through Age Five Living in Poverty⁴



74% of Children Birth Through Age Five With All Available Parents in the Workforce⁵



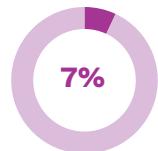
13% of Children Birth Through Age Five Served By Federal- and State-Funded Early Learning Opportunities⁶

Note: 1,2,6: These figures include beneficiaries of Head Start, Early Head Start, CCDF, MIECHV, state-funded Pre-K, and IDEA Parts B, Sec. 619 and C. In some cases, children and families are served by more than one program.

There are several early learning programs that provide working families with access to high-quality, affordable ECE opportunities, but currently the demand for care far outweighs the supply, and funding constraints leave many eligible children unserved. Each of these programs has its own eligibility requirements, purpose, and service delivery model. Together they form a mixed-delivery system that supports parental choice and aims to meet children's individual needs.

Child Care & Development Block Grant (CCDBG)

13,824 Children Birth Through Age Five Served⁹



Eligible Children Birth Through Age Five Served¹⁰

Learn more about CCDBG in Minnesota [here](#).

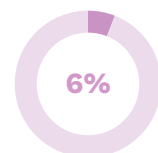
Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

1,443 Families Served¹⁵

Learn more about MIECHV in Minnesota [here](#).

State-Funded Pre-K

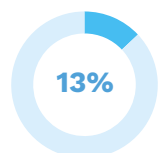
8,044 Children Enrolled¹⁶



of three- and four-year-old children attend public ECE¹⁷

Early Head Start

3,587 Children Enrolled¹¹



Eligible Children Served¹²

IDEA Part C

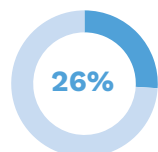
5,596 Children Served¹⁸

IDEA Part B, Sec. 619

11,627 Children Served¹⁹

Head Start

9,000 Children Enrolled¹³



Eligible Children Served¹⁴

Child and Dependent Care Tax Credit (CDCTC)

Through the tax code, the CDCTC helps parents with the cost of work-related child care expenses.

Learn more about CDCTC [here](#).

Early Care and Education (ECE) in Minnesota Snapshot



Accessibility

Many families struggle to find the care they need.

- **26%** of Minnesota residents live in a “child care desert.”²⁰
- **Black families and families with low incomes** are disproportionately represented among those who live in a “child care desert.”²¹
- **2%** of children under age 3 receive early intervention services.²²



Affordability

The cost of ECE is too expensive for many families.

- The annual price of center-based infant care is **\$17,441**, and home-based infant care is **\$8,982**.²³
- Families receiving a CCDBG subsidy pay between **\$5** and **\$168** per month for one child in care.²⁴
- A two-parent household spends **9%** of their income on child care, while HHS defines spending over 7% to be a burden.²⁵



ECE Workforce

Early childhood educators have some of the lowest paying jobs in the United States, earning poverty-level wages.²⁶

- **\$30,710** child care worker annual salary (\$14.76 per hour).²⁷



Program Quality

Program quality varies substantially across and within states.

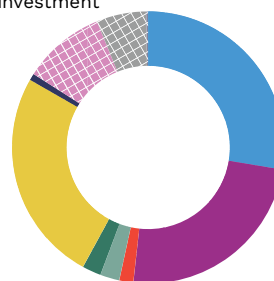
- **Met 5.4/10** of NIEER’s Quality Standards Benchmarks for state-funded pre-K programs. Only 5 states met all 10 benchmarks in 2022.²⁸
- **55%** of children received developmental screenings at 9, 18, and 30 months in the past year.²⁹

For full sourcing information, visit [here](#).

Federal and State ECE Funding in Minnesota

Federal funding is foundational to providing ECE.

state investment



\$141.6M ● Head Start and Early Head Start³⁰

\$123.9M ● CCDBG and Mandatory Funds³¹

\$8.6M ● MIECHV³²

\$11.7M ● IDEA Part C³³

\$11.5M ● IDEA Part B, Sec. 619³⁴

\$129.9M ● TANF Early Learning and Care Expenditures³⁵

\$4M ● PDG B-5³⁶

\$50.3M ● State-Funded Pre-K³⁷

\$30.3M ● CCDBG State Match³⁸

\$1.2M ● PDG B-5 State Match³⁹

Minnesota received an additional \$710M through COVID-19 relief.⁴⁰

Spotlight: ECE Successes in Minnesota

COVID-19 Relief:

Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat.

- As a result, **8,230** child care programs in Minnesota received support, impacting up to **212,500** children.⁴¹
- These funds also allowed states to demonstrate what would be possible when equipped with additional resources. Funds have been used to support and stabilize the workforce through increasing staff compensation. 70% of stabilization grants were required to go towards increasing compensation, benefits, or premium pay for staff who regularly care for children. The base grant is calculated by taking the starting rate (currently \$430) and multiplying it by the sum total of full-time staff.*

Preschool Development Grant Birth Through Five (PDG B-5):

PDG B-5 is a competitive federal grant designed to improve states’ early childhood systems. In their 2023 planning grant application, among other uses, Minnesota noted that they would use funding to:

- **Partner with family child care providers to design an equitable compensation framework that meets their unique needs as care providers**, business owners, and operators.
- **Reduce administrative burdens on ECE providers**, including building a coordinated administrative system between the Child Care Assistance Program and Early Learning Scholarships.**

*Minnesota Department of Human Services | **BUILD