

Links to Early Care & Education Workforce Study & Related Studies

Minnesota Cost Modeling Report



In 2021, Minnesota DHS contracted with First Children’s Finance in Minneapolis, Minnesota, to conduct research to better understand the true cost of providing child care in Minnesota. The purpose of the study was to meet federal requirements and support child care accessibility by estimating the cost of meeting health and safety requirements. The cost of care was estimated across quality levels, salary levels, program types, age groups served, and geographic location. The study concluded that infant care, higher quality programs (Four-Star Parent Aware programs, as a proxy), and programs in greater Minnesota are least financially sustainable and these program are not being adequately reimbursed for their cost of care. The report suggests that increasing reimbursement is necessary to increase availability of infant and toddler care, and to adequately support wages across the child care industry. Child care businesses also need to be able to earn a profit to pay debt, invest, and expand their businesses.

Survey of child care businesses and organizations



In March 2023, the Minneapolis Federal Reserve and First Children’s Finance conducted a survey of child care providers in Minnesota to examine the current status and financial stability of child care providers. Over 1,000 owners of child care businesses (13% of licensed programs) responded to the survey. Overall, the number of child care providers is declining, despite reported improvements to financial stress in the past year.

Descriptive analysis of child care stabilization base grants

This study, conducted by Minnesota Management and Budget and published in 2023, utilized data from Minnesota DHS to examine the impact of child care stabilization base grants on compensation of staff, closure rates, and changes in providers’ enrollment and capacity in Minnesota. Findings suggest that:



- Compensation for staff at programs receiving grants increased 5.5% compared to programs that did not.
- Licensed family child care providers who received stabilization grants were found to have a lower risk of closure compared with those that did not receive grants (5% versus 26%, respectively).
- Overall, the base grants were not found to be associated with increases in enrollment or capacity among child care providers.

Early Care and Education: Profile of an Industry in Crisis

This 2020 article by experts for the Minnesota Department of Employment and Economic Development outlined the problem of child care shortages in Minnesota, calling it a “quiet crisis” that has existed since before the pandemic. Problems such as an undercompensated workforce have only become more pronounced and contribute to a scarcity of highquality and affordable care, particularly for the families who need it most.



Parent Aware evaluation (in process)



Minnesota DHS is currently contracting with Child Trends to carry out an evaluation of Parent Aware, Minnesota’s Quality Rating and Improvement System for early childhood programs, to better understand the degree to which Parent Aware supports positive outcomes for Minnesota’s children, families, and early childhood workforce. A component of the evaluation explores child care providers’ experience with Parent Aware and the extent they feel they are able to serve racially and ethnically diverse families.

Family, Friend and Neighbor Child Care in Minnesota 2023 Environmental Scan

DHS engaged The Improve Group to conduct an environmental scan of family, friend, and neighbor (FFN) caregivers and families who use FFN care. Using a convenience sample, over 800 surveys were completed. The results indicated FFN providers are ethnically and racially diverse, and provide care in a variety of types of arrangements to grandchildren, friends, neighbors, siblings, and nieces/nephews ranging from full-time to occasional capacities. They tend to be paid little or no compensation. Families seek FFN care because they like their children being with someone they know, who shares their language, culture, and parenting philosophy, and because it is more affordable. FFN caregivers want to help their friends and relatives and enjoy spending time with the child(ren) in their care.



National Survey of Early Care and Education – Minnesota Supplement



The National Survey of Early Care and Education (NSECE) is a nationally representative study, funded by the Office of Planning, Research, and Evaluation in the U.S. Department of Health and Human Services. It aims to better understand the use and availability of child care and early education in the United States. For the 2019 NSECE, Minnesota DHS funded supplementary data collection to enable researchers to answer questions about the Minnesota ECE workforce at the state level. Key findings related to the ECE workforce in Minnesota include that the number of listed home-based providers (licensed family child care providers or license-exempt child care providers) decreased by 20% between 2012 and 2019, while the workforce in center-based settings grew by 120% in the same time period. The reports also provide estimates of the number of children served by setting and age group, and information about educators’ education, experience, and age.