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Best Place in the Country to be a Child? Minnesota's Fifth-Place Ranking Suggests Work Remains, Including in Childcare and Early Education

50-State Data Show Economy Loses \$122 Billion a Year as Childcare Challenges Cause Parents to Miss, Quit or Scale Back Work, Annie E. Casey Foundation Finds

St. Paul, Minnesota — On the heels of a state legislative session where Gov. Walz and leaders in the both the House and Senate pledged to pass a budget and significant policies to make Minnesota the best state in the country to be a child, the Annie E. Casey Foundation's **2023 KIDS COUNT® Data Book**, a 50-state report of recent household data analyzing how children and families are faring, ranked Minnesota fifth overall in child well-being. Each year, the report sheds light on the well-being of America's kids; this year, the report also focuses on how expensive, hard-to-find childcare affects parents. It also describes low pay leading to a chronic shortage of providers and demands that policymakers at the state and national levels enact real solutions.

Solving Minnesota's childcare crisis is necessary to make good on the "best state for children" pledge. Inaccessible and unaffordable childcare continues to harm Minnesota children, families, workers and economy. The *Data Book* reports:

- While ranking well overall, Minnesota fell to 18th in the area of education. Education starts at birth with 80% of brain development occurring before age three. Minnesota's lack of affordable and accessible childcare short-changes children, contributing to educational opportunity gaps and declining overall school success.
- In the midst of significant Minnesota workforce shortages, an estimated 44,000 Minnesota parents missed work or even quit their jobs due to lack of childcare. Furthermore, median childcare sector wages are lower than 98% of other sectors - just \$14 per hour in Minnesota – making it difficult for childcare providers to attract and retain workers and impossible for childcare workers to support their own families.
- Even if Minnesota parents can find an opening at childcare near their home, they often can't pay for it. The average annual cost of center-based childcare for one Minnesota toddler was \$14,607 – almost 12% of a married couple's median income and more than one-third (38%) of a single parent's income. The shortcomings of the childcare system disproportionately affect the financial well-being of women, single parents, parents in poverty, families of color, and immigrant families.

"Early childhood sets the stage for the rest of a child's life," said Alisha Porter, State Director, Children's Defense Fund Minnesota. "Minnesota's opportunity gaps in education, health and economics start with unequal access to childcare and early education. Innovative solutions are being generated in our communities and they need to be resourced through programs like the Community Solutions for Healthy Child Development Grant program. Family, friends and neighbors also contribute so much to early childhood development and education, helping parents work and children thrive."

Transitioning from a faltering childcare system to creating a flourishing one will take new thinking and investing at the local, state, and national levels. An executive order issued by President Biden in April is aimed at expanding access, lowering costs, and raising wages. In Minnesota the [Great Start for All Minnesota Children Task Force](#) report, issued in 2023, provides a roadmap for the state.

Changes made during the 2023 session -- consistent with the Task Force recommendations -- lay important groundwork:

- Creation of a new state Department of Children, Youth and Families make it easier to create the coherent coordinated child care and early education system.
- A permanent Retention Payment system and increased reimbursement rates improve wages for the childcare workforce.
- Combining family assistance programs into one Great Start Scholarship program reduce the time tax paid by families navigating two different, sometimes daunting systems.
- Funding Community Solutions for Healthy Child Development and Family, Friend and Neighbor caregivers leverage strengths and assets of Black, Indigenous and other communities of color.

State investments in childcare and early education of around \$1 billion make progress in addressing historic disinvestment. Federal, state and local investments in child care and education by age are inverse to their impact. While the vast majority of brain development is complete by age three, Minnesota invests less in the early years than in later years: around \$2,500 for 3–4-year-olds compared to \$12,500 for 5- to 18-year-olds according to an [analysis by Liz Davis and Aaron Sojourner](#). At the same time, parents have lower incomes when their childcare and early education costs are greatest.

“We were a proud member of the Great Start Task Force and are excited to see several recommendations adopted this session,” according to Debra Fitzpatrick, Children’s Defense Fund Minnesota. “We made significant progress in making Minnesota the best state in the country for children during the 2023 legislative session. A path has been laid out in statute to create a system that provides quality care and early education for kids regardless of their race, affordability for parents at no more than 7% of their income and living wages to providers. An important downpayment on the funding needed also advanced.”

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RELEASE INFORMATION

The 2023 KIDS COUNT® *Data Book* will be available at www.aecf.org. Additional information is available at www.aecf.org/databook. Journalists interested in creating maps, graphs and rankings in stories about the *Data Book* can use the KIDS COUNT Data Center at datacenter.aecf.org.

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Celebrating 50 years in 2023, Children’s Defense Fund envisions a nation where marginalized children flourish, leaders prioritize their well-being, and communities wield the power to ensure they thrive. The only national, multi-issue advocacy organization working at the intersection of child well-being and racial justice, CDF advances the well-being of America’s most diverse generation, the 74 million children and youth under the age of 18, and 30 million young adults under the age of 25. CDF’s grassroots movements in marginalized communities build power for child-centered public policy, informed by racial equity and the lived experience of children and youth. Its renowned CDF Freedom Schools® program is conducted in nearly 100 cities and 30 states and territories. Learn more at www.childrensdefense.org.

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