

MN

MINNESOTA

MN

70,763

Kids set to lose child care

2,741

Child care programs expected to close



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CHILDREN IN MINNESOTA SET TO LOSE CHILD CARE DUE TO CHILD CARE CLIFF

Beginning September 30, 2023, states will face a steep dropoff in federal child care investment. Without Congressional action, this cliff will have dire consequences. More than three million children are projected to lose access to child care nationwide. Seventy thousand child care programs are likely to close. This will have ripple effects for parents forced out of work or to cut their work hours, for businesses who will lose valuable employees or experience the impact of their employees' child care disruptions, and state economies that will lose tax revenue and jobs in the child care sector as a result.

Congress should act quickly to protect Minnesota's children, families, and communities from the higher costs, reduced earnings, and productivity loss that will come with going over the child care cliff.



"When these stabilization grant funds end, I am not sure if we will be able to raise wages high enough to retain the staff that we have. Tuition prices are going to need to increase greatly so that we can pay our staff the wages that they deserve in an increasingly competitive market. Raising tuition is damaging to families but may be necessary to meet our budget needs."

PROGRAM DIRECTOR/ADMINISTRATOR

70,763

Without intervention, **70,763** children in Minnesota are expected to lose their child care as a result of the stabilization cliff.

2,741

2,741 child care programs are projected to close - making it even harder for families to find safe, nurturing child care options.

\$218 MILLION

Minnesota parents will lose **\$218 million** in earnings as a result of being forced to cut work hours or leave the workforce.

As children and families feel these consequences, so will state economies. The loss of the federal funds will mean:

\$230.4 MILLION **\$13 MILLION**

less in employer productivity

less in state income tax

4,179 CHILD CARE JOBS

Finally, the child care sector has been far behind the rest of the economy in recovering jobs post-pandemic. We hear stories around the nation about child care classrooms having to close because there are not enough early educators. An additional **4,179 child care jobs** are expected to be lost in Minnesota, at a minimum.

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