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Results of the 2014 Child Care Market Rate Survey:

Minnesota Child Care Provider Business Update



Minnesota Department of **Human Services**

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Executive summary

The Minnesota Department of Human Services (department), consistent with federal requirements,^{1,2} conducts a statewide survey of prices charged by licensed family child care and licensed center child care providers. The market rate survey is a component of the Minnesota Child Care Provider Business Update.

Based on prices reported on the survey, counties are grouped into price clusters by provider type. Price data is analyzed separately for licensed family child care and licensed center-based child care. All prices reported by providers in the counties that form a price cluster are grouped for analysis and survey results apply to the entire price cluster.

Separate results are generated for hourly, daily and weekly prices in four age groups. The 50th percentiles and 75th percentiles of provider prices are reported here. The 50th percentile (median) is the price where one-half of the prices are higher and one-half are lower. The 75th percentile is the price where three-quarters of the prices are lower and one-quarter are higher.

Although results are used to inform setting of maximum rates paid for care under the Child Care Assistance Program, results in this document are distinct from these maximum rates. Current Child Care Assistance Program maximum rates were set by the Minnesota Department of Human Services, based on legislative direction and effective on Feb. 3, 2014. These maximums are based on the higher of the 25th percentile of the 2011 market rate survey results, or the maximums in place on Nov. 28, 2011.³

Results of the 2014 Minnesota Child Care Provider Business Update

Table 1: 2014 Minnesota Child Care Provider Business Update:
Child Care Center 50th and 75th Percentiles

Table 2: 2014 Minnesota Child Care Provider Business Update:
Family Child Care 50th and 75th Percentiles

Table 3: 2014 Minnesota Child Care Provider Business Update:
Price Cluster Assignments for Center and Family Child Care

Figure 1: 2014 Minnesota Price Clusters: Child Care Centers

Figure 2: 2014 Minnesota Price Clusters: Family Child Care

¹ States are instructed by the federal Department of Health and Human Services, Administration for Children and Families, to provide evidence of access based on a local market rate survey. The 75th percentile of the market has been established as a benchmark for providing equal access.

² Department of Health and Human Services, Administration for Children and Families (July 24, 1998), 45 CR, parts 98 and 99. Child Care and Development Fund, Final Rule, Section 98.43. Federal Register, Vol. 69. http://www.access.gpo.gov/su_docs/fedreg/a980724c.html.

³ The Nov. 28, 2011 maximums are based on the 75th or 100th percentiles calculated from data collected in 2001, 2002 and 2005, and applicable percent increases and decreases.

**Table 1: 2014 Minnesota Child Care Provider Business Update:
Child Care Center 50th and 75th Percentiles**

Center Price Cluster ¹	Age Group	Hourly Rate 50th ² Percentile	Hourly Rate 75th Percentile	Daily Rate 50th ² Percentile	Daily Rate 75th Percentile	Weekly Rate 50th ² Percentile	Weekly Rate 75th Percentile
1	Infant	\$3.15	\$3.45	\$30.00	\$30.00	\$130.00	\$158.00
	Toddler	\$3.00	\$3.30	\$27.80	\$28.00	\$125.00	\$142.00
	Preschool	\$3.00	\$3.15	\$27.00	\$27.00	\$125.00	\$139.00
	School-age	\$2.75	\$3.00	\$22.00	\$27.00	\$115.00	\$120.00
2	Infant	\$4.30	\$5.00	\$37.00	\$41.25	\$175.00	\$185.00
	Toddler	\$4.00	\$5.00	\$35.00	\$37.00	\$160.00	\$172.00
	Preschool	\$3.85	\$4.87	\$32.00	\$35.00	\$145.00	\$160.00
	School-age	\$3.70	\$4.90	\$30.00	\$32.00	\$130.00	\$140.00
3	Infant	\$8.25	\$14.00	\$50.00	\$57.00	\$195.00	\$219.00
	Toddler	\$8.00	\$12.00	\$46.00	\$52.00	\$185.00	\$198.00
	Preschool	\$8.00	\$11.00	\$45.00	\$48.00	\$170.00	\$182.00
	School-age	\$5.52	\$8.00	\$35.00	\$40.00	\$142.00	\$155.00
4	Infant	\$14.00	\$14.00	\$101.00	\$121.00	\$325.00	\$356.00
	Toddler	\$12.00	\$12.00	\$83.00	\$94.00	\$276.00	\$306.00
	Preschool	\$11.00	\$11.00	\$73.00	\$82.00	\$248.00	\$267.00
	School-age	\$9.00	\$12.00	\$64.00	\$75.00	\$211.00	\$240.00

¹ Minnesota counties were grouped into clusters based on child care prices. A list of counties included in each price cluster is found in Table 3.

² The 50th percentile is equivalent to the median.

**Table 2: 2014 Minnesota Child Care Provider Business Update:
Family Child Care 50th and 75th Percentiles**

FCC Price Cluster¹	Age Group	Hourly Rate 50th² Percentile	Hourly Rate 75th Percentile	Daily Rate 50th² Percentile	Daily Rate 75th Percentile	Weekly Rate 50th² Percentile	Weekly Rate 75th Percentile
1	Infant	\$2.35	\$2.50	\$23.00	\$25.00	\$110.00	\$125.00
	Toddler	\$2.25	\$2.50	\$22.00	\$25.00	\$105.00	\$115.00
	Preschool	\$2.25	\$2.50	\$22.00	\$25.00	\$100.00	\$110.00
	School-age	\$2.25	\$2.50	\$21.40	\$25.00	\$100.00	\$110.00
2	Infant	\$2.62	\$3.00	\$25.00	\$28.00	\$125.00	\$135.00
	Toddler	\$2.50	\$2.90	\$25.00	\$26.00	\$120.00	\$130.00
	Preschool	\$2.50	\$2.80	\$25.00	\$25.00	\$115.00	\$125.00
	School-age	\$2.50	\$2.80	\$25.00	\$25.00	\$112.50	\$125.00
3	Infant	\$3.25	\$4.00	\$30.00	\$35.00	\$150.00	\$160.00
	Toddler	\$3.00	\$4.00	\$30.00	\$34.00	\$140.00	\$150.00
	Preschool	\$3.00	\$4.00	\$29.00	\$30.00	\$130.00	\$145.00
	School-age	\$3.00	\$4.00	\$26.00	\$30.00	\$125.00	\$135.00
4	Infant	\$6.00	\$8.00	\$40.00	\$45.00	\$170.00	\$190.00
	Toddler	\$5.50	\$7.00	\$36.00	\$42.00	\$160.00	\$180.00
	Preschool	\$5.17	\$7.00	\$35.00	\$40.00	\$150.00	\$170.00
	School-age	\$5.00	\$6.00	\$30.00	\$35.00	\$135.00	\$151.17

¹ Minnesota counties were grouped into clusters based on child care prices. A list of counties included in each price clusters is found in Table 3

² The 50th percentile is equivalent to the median.

Table 3: 2014 Price Cluster Assignments for Family Child Care (FCC) and Centers

County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment	County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment
Aitkin	1	2	Lake	Unassigned ¹	2
Anoka	4	4	Lake of the Woods	Unassigned ¹	1
Becker	3	2	Le Sueur	Unassigned ¹	3
Beltrami	2	2	Lincoln	Unassigned ¹	2
Benton	2	2	Lyon	1	2
Big Stone	Unassigned ¹	1	Mahnomen	2	2
Blue Earth	2	2	Marshall	1	2
Brown	2	2	Martin	1	1
Carlton	2	3	McLeod	2	1
Carver	4	4	Meeker	3	1
Cass	1	2	Mille Lacs	2	2
Chippewa	1	1	Morrison	1	1
Chisago	4	3	Mower	2	2
Clay	2	2	Murray	1	2
Clearwater	Unassigned ¹	1	Nicollet	2	2
Cook	Unassigned ¹	3	Nobles	1	1
Cottonwood	1	1	Norman	1	1
Crow Wing	2	2	Olmsted	4	3
Dakota	4	4	Otter Tail	2	2
Dodge	2	2	Pennington	1	1
Douglas	1	2	Pine	1	2
Faribault	1	1	Pipestone	1	1
Fillmore	1	2	Polk	2	1
Freeborn	2	2	Pope	2	2
Goodhue	2	3	Ramsey	4	4
Grant	Unassigned ¹	2	Red Lake	1	1
Hennepin	4	4	Redwood	1	1
Houston	1	2	Renville	1	1
Hubbard	2	2	Rice	2	3
Isanti	3	3	Rock	Unassigned ¹	1
Itasca	2	2	Roseau	Unassigned ¹	1
Jackson	1	1	St. Louis	2	3
Kanabec	2	1	Scott	4	4
Kandiyohi	3	2	Sherburne	3	3
Kittson	Unassigned ¹	2	Sibley	Unassigned ¹	3
Koochiching	1	2	Stearns	3	2
Lac qui Parle	Unassigned ¹	2	Steele	3	2

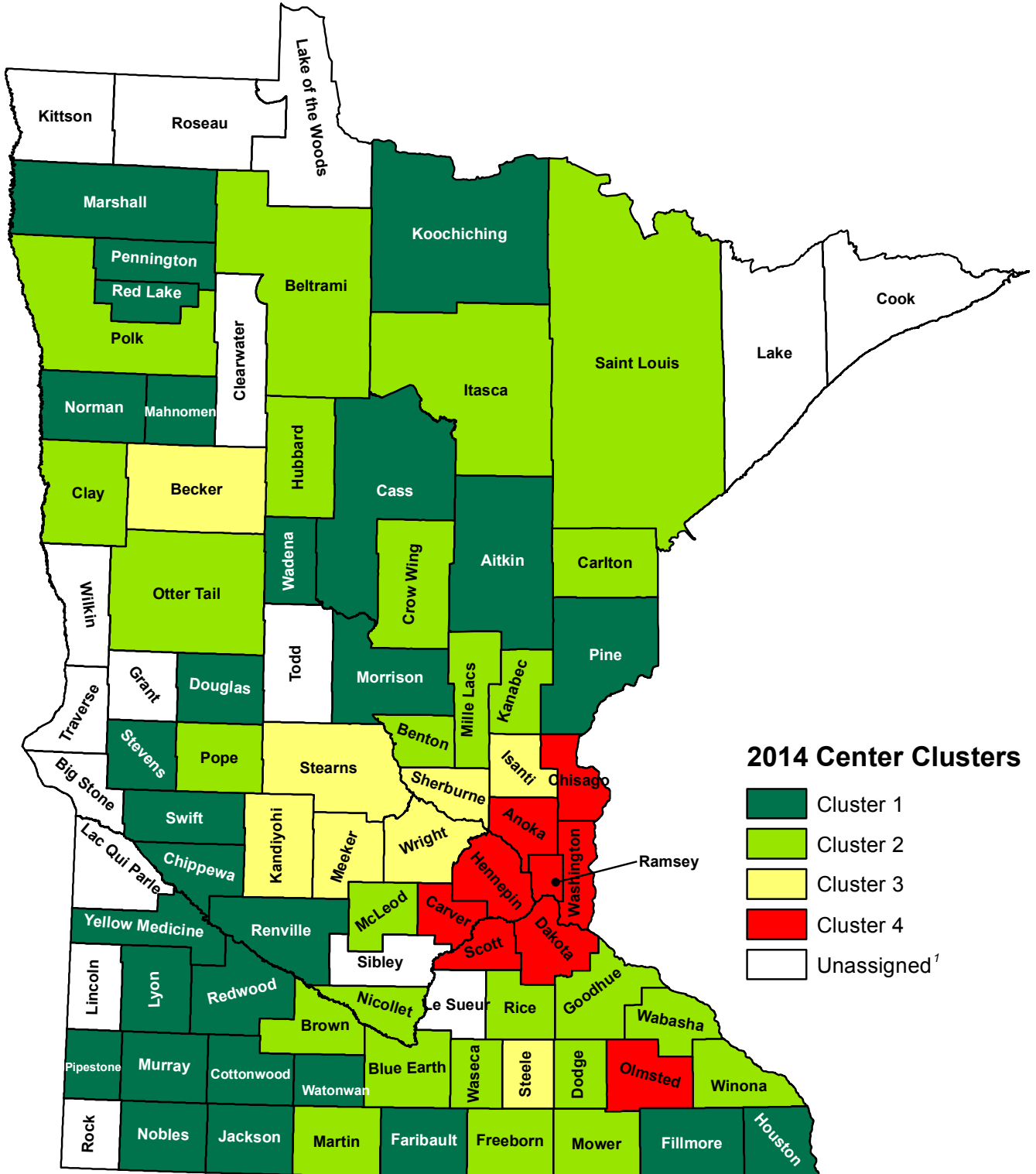
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Table 3: 2014 Price Cluster Assignments for Family Child Care (FCC) and Centers, *continued*

County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment	County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment
Stevens	1	1	Washington	4	4
Swift	1	1	Watonwan	1	1
Todd	Unassigned ¹	1	Wilkin	Unassigned ¹	1
Traverse	Unassigned ¹	2	Winona	2	2
Wabasha	2	2	Wright	3	3
Wadena	1	1	Yellow Medicine	1	1
Waseca	2	1			

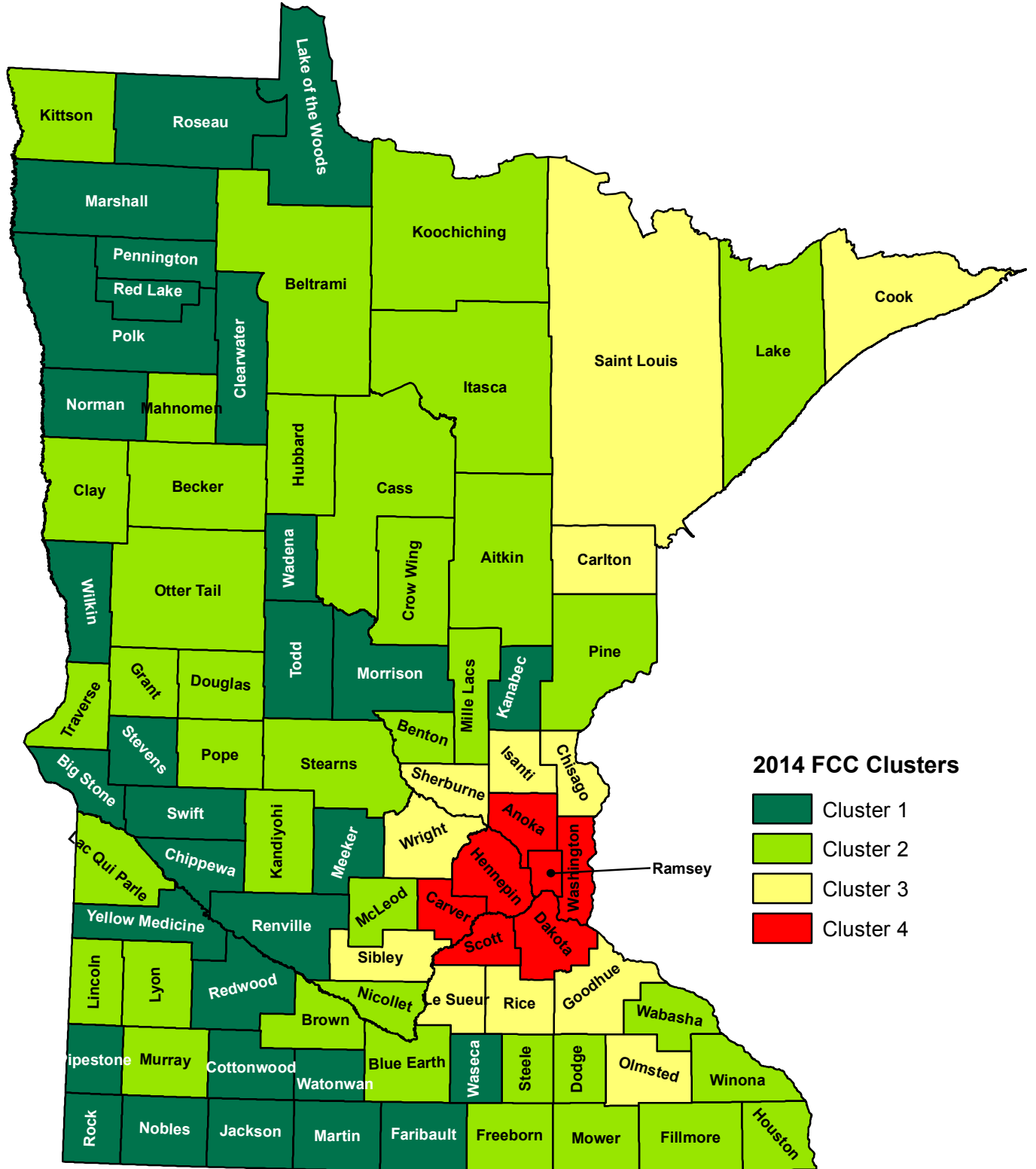
¹ Counties with no reported center rates in 2014 are not assigned to a price cluster.

Figure 1: 2014 Minnesota Price Cluster: Centers



¹ Counties with no reported Center rates in 2014 are not assigned to a price cluster

Figure 2: 2014 Minnesota Price Clusters: Family Child Care (FCC)





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