

Child care is *workforce infrastructure*.

Across the Iron Range, 2,163 children have no stable care arrangement and 796 working-age adults are locked out of the labor force. This is the regional investment case for fixing it.

Region: Taconite Assistance Area · Northern St. Louis · Itasca · Lake · Aitkin/Crow Wing · Cook Prepared for the Iron Range Child Care Task Force

2,163

Children with no stable care arrangement today

796

Workers already living here who could enter the labor force

\$468.5M

In annual economic activity that exists today and is at risk

\$53.3M

In new annual activity unlocked at 75% participation

— THE SIZE OF THE PROBLEM

The TAA is trying to expand its workforce while drawing from a *smaller and older* base.

Across the TAA, anchored by St. Louis, Itasca, and Lake counties, dual-caregiver workforce participation trails the statewide average by nearly ten percentage points. Unemployment is already low. The population is older than nearly anywhere in Minnesota.

The only realistic way to grow the regional labor force is to re-engage adults who already live here.

The single largest barrier is the cost, availability, and reliability of child care. The sectors with the most projected workforce demand — healthcare, retail, office support, food service, hospitality — are the same ones most disrupted when child care fails.

01 Tight labor market

Unemployment is already 3.2–5.1%. Growing the workforce means re-engaging people who have stepped out of it.

02 Aging population

Median ages in Itasca, Lake, and Cook counties significantly exceed Minnesota's 38. More adults retiring than the birth rate replaces.

03 Sector concentration

The highest-demand sectors through 2032 are the same ones most disrupted when care arrangements fail.

— BY THE COUNTY

Children with no care arrangement, by county.

Now — Current Participation		2,163 TOTAL
COUNTY	CHILDREN	STATUS
N. St. Louis	1,651	CRITICAL
Aitkin / Crow Wing	367	SEVERE
Lake	88	MODERATE
Cook	57	MODERATE
Itasca	286 surplus*	PAPER SURPLUS

At 75% — State Average		PROJECTED GAP
COUNTY	CHILDREN	STATUS
N. St. Louis	2,028	CRITICAL
Aitkin / Crow Wing	367	SEVERE
Itasca	138	SEVERE
Lake	120	MODERATE
Cook	57	MODERATE

*Itasca's apparent surplus masks affordability barriers — 40% of households are poverty or ALICE status. Closing the participation gap creates new demand nearly everywhere.

Three connected levers. One coordinating entity.

No single lever closes all three gaps in the child care economy. *The strategy works because they work together* — coordinated through a single regional entity that organizes participation, administers pooled funds, and sustains the work over time.

LEVER 01

Employer Slot Compact

CLOSES THE **OPERATIONS GAP**

Employers contribute to a pooled regional fund and receive priority access to slots for their employees. Those dollars stabilize provider operations — reserves, maintenance, benefits, training. The 2025 expansion of **Section 45F** raised the credit to 50% for small businesses and added intermediary pools, making the model usable for rural employers.

EMPLOYER-LED

LEVER 02

The Accelerator

CLOSES THE **WORKFORCE GAP**

Operations are funded. Wages are not. The Accelerator redirects public and EDA resources into wage enhancement for classroom-based caregivers. Cook County's Wage Enhancement Program is the proven regional precedent, designed with providers rather than for them.

PUBLIC · EDA-LED

LEVER 03

Philanthropy Pipeline

CLOSES THE **SUPPLY GAP**

The Compact and Accelerator stabilize what exists. The Pipeline provides startup capital for new rural providers — helping informal caregivers move toward legal status, launching new family child care homes, supporting new centers like Tamarack's. Providers graduate off support as they reach stability.

FUNDER-LED

THE COORDINATING ENTITY | Organizes employer participation. Administers pooled funds. Sustains the work over time.
Without it, three independent levers stay independent.

What happens next — in sequence.

STEP 01

Establish the coordinating entity

A lead convener with regional credibility brings the right partners together.

STEP 02

Launch the Employer Slot Compact

Employers begin contributing through pooled funds; chambers and EDAs activate participation.

STEP 03

Activate the Accelerator

Counties commit to wage enhancement using the Cook County model as the regional precedent.

STEP 04

Fund the Philanthropy Pipeline

Funders capitalize the cohort-based program for new providers across the region.

TAMARACK, MN · AITKIN COUNTY

An employer, a county, a foundation, and two local residents built a center.

In Tamarack (population 57), Talon Metals, Aitkin County, the Northland Foundation, Lake Country Power, and ARDC stood behind Nicole and James Elvidge as they opened a center inside a 1914 schoolhouse. Talon subsidizes employee tuition.

COOK COUNTY · WAGE ENHANCEMENT PROGRAM

Public dollars treating provider compensation as workforce infrastructure.

Cook County subsidizes wages for licensed providers, designed with providers rather than for them. Per the County's Childcare Coordinator: more applicants for open positions, staff turnover essentially zero, higher morale.

49 LICENSED SLOTS, 6 WKS – 12 YRS

5 COALITION PARTNERS STANDING BEHIND IT

\$5.79 PER HOUR WAGE ENHANCEMENT, PER FTE

~0% STAFF TURNOVER THIS YEAR