

How the child care shortfall affects Carlton County and what local officials are doing to address it

A lack of available child care slots has been an issue in Carlton County since before the COVID-19 pandemic began. But the pandemic thrust the issue into the spotlight and has spurred some action by local officials.



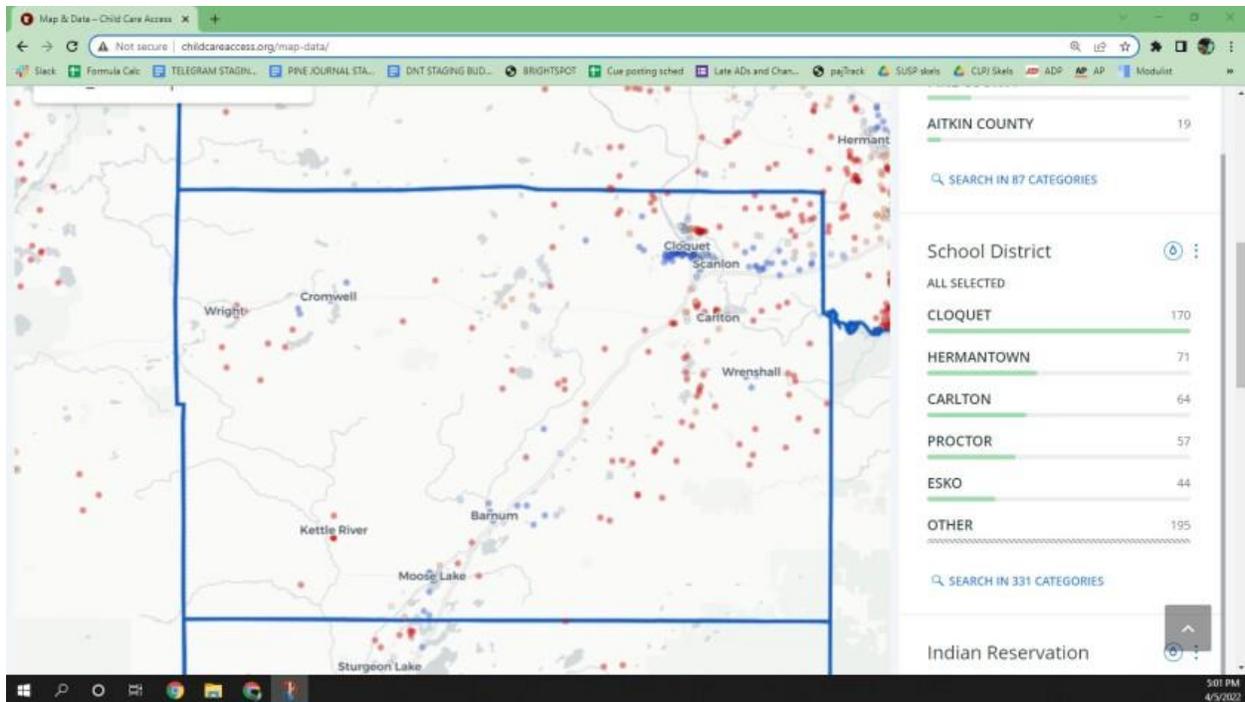
Heather DeCaigny, lead infant teacher at Laugh & Learn Childcare Center in Cloquet, plays with one of her charges Thursday, March 24, 2022.

Steve Kuchera / Duluth News Tribune

By [Jen Zettel-Vandenhouten](#)

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CLOQUET — When Stacy Pohjola decided to open her own child care center in 2013, she wanted to spend time with her children and to fill what was then a small need in the community.



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By Jen Zettel-Vandenhouten

She had been working as the director of a child care center since 2010, and said, “I just felt like it’s something I wanted to do.”

In the nearly nine years since she opened her first child care center, called Laugh & Learn, many things have changed. She now operates two facilities — one in Hermantown and one in Cloquet.

The COVID-19 pandemic threw the importance of child care into sharp focus for families worldwide. A shortage of workers and rising inflation have left child care providers, parents and businesses in an even greater bind.

Pre-pandemic shortage

Before the pandemic put a strain on the child care industry, Carlton County was already facing a shortfall in slots.

During a [January 2020 town hall meeting](#) focused on child care, officials estimated Carlton County had a capacity of 354 slots for infants and toddlers, but the projected need was 600 slots.

The Duluth-based firm Northspan looked at child care availability across the Northland from July 2020 to April 2021. During that time frame, Northspan found that Carlton County had 1,057 child care slots, but still needed 525.

Change in Child Care Demand by County: July 2020 - April 2021												
County	Total Children		Change in Children	Total Child Care Slots		Change in Slots Available	Child Care Slots Needed		Change in Slots Needed	% Growth Needed		% Change in Need
	2020	2021		2020	2021		2020	2021		2020	2021	
Aitkin	471	455	-16	286	291	5	185	164	-21	64.7%	56.4%	-8.3%
Carlton	1,503	1,582	79	1,015	1,057	42	488	525	37	48.1%	49.7%	1.6%
Cook	210	220	10	64	106	42	146	114	-32	228.1%	107.5%	-120.6%
Itasca	1,766	1,864	98	1,376	1,489	113	390	375	-15	28.3%	25.2%	-3.2%
Koochiching	606	609	3	289	264	-25	317	345	28	109.7%	130.7%	21.0%
Lake	465	393	-72	198	270	72	267	123	-144	134.8%	45.6%	-89.3%
St. Louis	8,386	8,341	-45	5,865	5,575	-290	2,521	2,766	245	43.0%	49.6%	6.6%
Northland	13,407	13,464	57	9,093	9,052	-41	4,314	4,412	98	47.4%	48.7%	1.3%

Contributed / Northspan

Most recently, when talking to the Pine Journal for this story, Carlton County economic development director Mary Finnegan said there's enough need to fill 700 child care slots.

Ann Michaud, of Carlton, and her husband experienced some of the struggle firsthand. The couple has three children, ages 4, 2 and 1. They waited until Michaud was halfway through her first pregnancy before they started looking for child care. The couple's oldest child wasn't able to start day care at 12 weeks when Michaud went back to work.

For two months, Michaud's mother-in-law cared for the baby until their day care provider had room.

With their second child, the couple only waited until Michaud was 10 weeks pregnant before checking to see if their day care provider would have room for the new baby. The provider wasn't sure they would have a slot at first, which left Michaud and her husband to tour another facility as a back-up option. They ended up being able to stay at the place their daughter already attended, but Michaud said it drove home the point that families need to start looking for child care right away.

"You really need to start looking as soon as you find out you're having a baby," she said.

That's a sentiment echoed by Pohjola, who said families looking to get an infant into one of her centers have to wait until the fall in Cloquet or August 2023 at her Hermantown center.

"I feel really bad for families who literally have no idea they need to call and reserve an infant spot the day they find out they're pregnant," she said.

Staffing struggle

Like many business owners during the COVID-19 pandemic, Pohjola said staffing is another major concern. Her employees start at \$11-\$12 an hour depending on their experience in child care. Lead teachers earn \$15-16 per hour.

Pohjola has taken advantage of the state's Child Care Stabilization Grant to help cover her payroll costs. While she appreciates the money, she said it's not as much support as people would think.

"Ultimately the amount of money I get covers less than half of one payroll. It's helpful, don't get me wrong, but it's not necessarily covering as much as I would have liked or preferred," she said.



Laugh & Learn Childcare Center assistant teacher Kaitlynn Warren plays with some of the infants at the Cloquet center Thursday, March 24, 2022.
Steve Kuchera / Duluth News Tribune

And the rest of Pohjola's expenses are going up — from rent to power and water to baby food and formula.

And while she could raise her rates to help cover those expenses, she has to consider her customers: families.

“Funding is always something that is a hot topic in child care. I wish I could pay my staff more,” Pohjola said. “I pay them as much as I can literally pay them while still paying the bills and keeping the lights on. But in order for me to pay my staff more, I have to charge families more. And I'm pretty competitive in my rates right now. If I were to go up, I would likely lose families.”

The line between keeping rates affordable and paying higher wages is one providers throughout Minnesota walk, said Elizabeth Davis, a professor of applied economics at the University of Minnesota Twin Cities who studies child care.

At child care centers in more affluent areas of the state, such as Edina, child care providers can charge higher rates because families can typically afford it, Davis said. However, in talking recently with a center director from Edina, Davis said the director still felt her staff aren't paid well enough.



Elizabeth Davis, a professor of applied economics at the University of Minnesota Twin Cities.

Contributed / Elizabeth Davis

“For most child care centers, it is a balancing act of wanting to pay the teachers more, so I think what they really try to do is maintain enrollment,” Davis said.

While Pohjola understands people can earn more working elsewhere in today’s economy, she said there are perks to working in child care. Beyond getting to connect with children, playing with them and helping them learn new skills, day care teachers have a set schedule that many jobs don’t.

“If you come and work for me, you can work between 6 (a.m.) and 6 (p.m.) Monday through Friday. So there’s that kind of piece, too, that I don’t think a lot of people understand,” she said.

Pohjola has considered opening another child care center in a Northland community that could support it. But until she can adequately staff the two facilities she currently operates, she said that plan is on the back burner.

Family providers closing

Another factor in the child care crunch is the loss of family care providers. These are people who run their businesses from their homes, rather than a child care center.

Pohjola said the loss of family care providers puts added pressure on child care centers like hers.

Family care providers are more often options for families who live in rural areas, said Tess Christensen, the county’s Jump Start 4 Kindergarten coordinator, which makes losing even one difficult, as child care options outside of cities tend to be more limited.



Jen Villa reads a story to preschoolers at Laugh & Learn Childcare Center in Cloquet on Thursday, March 24, 2022.
Steve Kuchera / Duluth News Tribune

The loss of family care providers is something county officials are aware of and working to address, she said.

“We have had a few people put it out there — ‘I don’t know how much longer I can do this,’” Christensen said. “Who’s coming up in the ranks to fill that void? I don’t know that there are a lot of people doing that.

“There’s a looming sort of time frame that’s like we need to be able to fill in behind these people who have done an awesome job for the last two to three decades,” she said.

Carlton County hosted a child care forum in November geared toward current providers and people interested in starting a child care business. The forum offered resources and the opportunity for people to network.

About 15 people attended the event, and Christensen said officials hope to host another forum in a year or two. They plan to get feedback from child care providers about the types of training and resources they would like to see.

Officials have also talked about creating a mentorship program that would pair new child care providers with veteran child care providers in the community, Christensen said.

'A definite impact'

The effects of not having enough child care slots in a community reverberate, officials said.

The availability of child care plays an important role in whether candidates move to an area to take a new job, for example.

"We're hearing from lots of employers that they can't find enough workers, and when they talk to potential workers or people that leave the jobs, they're hearing that it's because of lack of child care," Davis said. "Certainly that doesn't affect everyone, but it has come to the attention of employers that they are losing employees or they can't find employees due to lack of child care."



Laugh & Learn Childcare Center assistant director Clarissa Solberg helps a toddler dress for outside play time Thursday, March 24, 2022, in Cloquet.

Steve Kuchera / Duluth News Tribune

Local businesses share similar concerns.

“There’s a definite impact, and we’ve seen more businesses get interested in finding out what they can do to help,” Finnegan said.

One parent leaving the workforce to care for children is a step some families take, but Davis said people should have the choice and not feel forced to stay home with their kids.

Tackling the issue

Remedying the situation isn't an easy fix.

It’s not enough simply to add more day care slots, Davis said. The spots need to be affordable for families and provide a quality education that helps prepare children for school, she said.

“That is the approach many communities and the state are taking: ‘Well, let’s build up supply,’ but we can’t forget the affordability side of it, because if we have these child care slots and families can’t afford it, it’s again not sustainable,” she said. “They’re not going to get the enrollment they need — they’re going to go out of business.”

At the state level, officials could increase payment rates for the Child Care Assistance Program, increase the levels of income that make families eligible for the program, and reduce co-payments families shoulder, Davis said.

For a family of four, the threshold to qualify for the program is \$53,083 or less in annual gross income, [according to the Minnesota Department of Health](#) . To qualify for assistance through the Minnesota Family Investment Program, the annual gross income for a family of four must be at or below \$75,671, according to MDH.

Infant Naps

2 Naps-After
meals (Approx.
10am & 1pm)

Cotton M.
Eliana E.
Fian W.

1 Nap-After
lunch (Approx.
1pm)

Axell L.
Jack B.
Lance G.
Myia C.

No set nap
schedule-
whenever tired

Haizley B.
Royal K.
Waylon W.
Kyzer S.
Mowcrick S.

A schedule at Laugh & Learn Childcare Center helps staff keep track of when their young charges prefer to nap. Steve Kuchera / Duluth News Tribune
Steve Kuchera / Duluth News Tribune

Locally, the Northland Foundation also has [Early Learning Scholarships](#) available for families to cover high-quality child care and early education costs.

Davis has also seen cases where local governments or businesses work with a child care provider to repurpose space and create a child care facility.

A major priority for city of Cloquet officials is helping Lil' Lumberjacks find a new home. The child care center operated by Cloquet Community Education is currently housed at Cloquet High School. In April 2021, school district leaders informed the school board [the program would have to move](#) to accommodate large classes entering high school in the coming years.

At its Tuesday, April 5, meeting, the Cloquet City Council amended its municipal code to allow for child care centers in its manufacturing district. City administrator Tim Peterson said anything the city can do to help with the lack of service providers makes sense.

Carlton County is also looking at ways it can build supply, Finnegan said, by looking at space the county owns that could accommodate a child care center. One of the options on the table is the lower level of the Government Services Center, Finnegan said, as an example.

But the funding has to be there, too. While the county has space available, Finnegan said officials don't have the money to revamp the buildings to suit a child care facility.

Officials are still going through the process of prioritizing needs for the county's ARPA funds, and while child care is one consideration, the initiatives haven't been finalized, Finnegan said.

During a Feb. 1 meeting, [the Carlton County Board of Commissioners discussed improving roads and broadband](#) as major targets for ARPA funds.

Elsewhere in the Northland, at least one community has designated ARPA funds to child care. The city of Superior [set aside \\$200,000 to provide grants](#) that child care providers could put toward a variety of expenses.

As for the staffing shortfall, officials are hoping to revisit the possibility of local high schools offering child development courses to students that would count toward credit at Fond du Lac Tribal and Community College, Christensen said.

Reporter Dylan Sherman contributed to this report.