



**SIoux FALLS**  
CHILD CARE  
COLLABORATIVE

# Sioux Falls Childcare Crisis Facts

2022-2023 SIOUX FALLS COMMUNITY  
CHILD CARE INITIATIVE

## Community Level

### FACTS TO SUPPORT CREATE AN OFFICE OF CHILDCARE

---

- There are an estimated 12,260 licensed slots in Sioux Falls and approximately 12,904 children under the age of 6 who have all available parents in the labor force (i.e. needing childcare) in Minnehaha County.
- There is no easy method for tracking the current childcare availability as licensed capacity is much different than available slots.
- However, 64% of childcare centers report they cannot enroll to their licensed capacity due to staffing issues; therefore, the actual number of childcare slots available could be much lower than the number licensed.
- Many centers are licensed for capacity based on the building square footage; however, they do not utilize all of their building space for childcare classrooms regularly, resulting in a classroom capacity that is different than building capacity.
- There is a lack of centralized, coordinated, and integrated community effort, which is required to navigate and solve this critical and complicated issue in the community.

### FUNDING THE GAPS

---

- 37% of children under the age of 5 (5,948) may be eligible for childcare assistance based on estimated annual household income, yet only 1,128 children (19% estimated eligible) received childcare assistance in Minnehaha County in February 2023.
- Childcare tuition is unaffordable for approximately 87.3% of the families who don't qualify for state childcare assistance, assuming they only have one child under the age of 6.



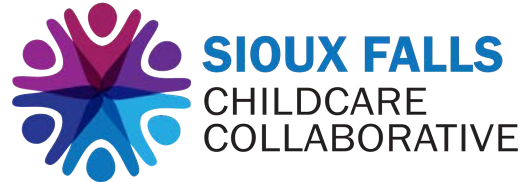
## Community Level

### WORKFORCE DEVELOPMENT

- The turnover rate for childcare workers in South Dakota in 2021 was 88%.
- The number of child care providers is decreasing annually as our community growth has increased at record rates.
- 64% of childcare centers in Sioux Falls were functioning on an annual deficit in 2021.
- The mean hourly wage for childcare workers in Sioux Falls as of May 2022 was \$11.51 (approximately \$25,670 annually), which is lower than every single listed occupation for Sioux Falls other than “dishwashers” and “ushers, lobby attendants, and ticket takers,” with mean hourly wages of \$12.28 and \$12.32, respectively. For further comparison, fast food workers made \$13.18 per hour and housekeeping cleaners made \$13.76 per hour on average.



## State Level



- Providers do not receive payment when a child is sick or absent, although their operating costs do not change as they need the same amount of staff to maintain ratios.
- South Dakota is one of six states that do not put any state funding toward Early Childhood Education.
- Reimbursement rates are too low to cover the cost of care. Parents pay an estimated \$88 to \$224 per month to providers to cover the cost of care, even with childcare assistance.
- Families can't apply for childcare assistance (CCA) until they have secured a childcare provider, which is problematic for the financially strained.
- CCA application is not easily accessible on a mobile device.
- South Dakota is one of seven states that has not yet implemented a state-wide Quality Rating and Improvement system.
- South Dakota has the most lenient licensing threshold of any state in the country for family childcare providers.
- Early Childhood Educators are in the bottom 2% of pay across all occupations nationally.
- Less than half (47%) of the childcare workforce receives employer-sponsored health insurance, which is much lower than most other industries. Approximately 16% of the childcare workforce is uninsured, and more than 50% qualify for some type of state public assistance program.

## Business Level

- One in three businesses state that childcare issues are a primary factor to productivity issues.
- 86% of employers say childcare benefits have a positive impact on talent recruitment and retention.
- 88% of employers report childcare benefits help boost productivity.
- An average business with 250 employees can save \$75,000 per year in lost work time by subsidizing care for employees' sick children.
- 78% of unemployed parents need childcare to return to work.
- Supporting employees with childcare costs can lower absenteeism by 30%, reduce turnover by 60%, increase recruitment, and boost employee productivity.
- Sioux Falls business leaders have clearly stated that childcare is an issue in their workforce and they are looking for support.

