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2025

Lincoln County Child Care Assessment

NCWRPC

Prepared by: North Central Wisconsin Regional Planning Commission

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Lincoln County Child Care Assessment

The following organizations contributed directly or indirectly to the development of this assessment:

Dream Up! Active Team Members:

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Lincoln County Social Services

Tomahawk School District

Childcaring, Inc

Redeemer Learning Center

Trinity Merrill Lutheran Early Learning Center

Merrill Chamber of Commerce

Lincoln County Economic Development Corporation

Children's WI

WI Department of Children & Families

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This project was developed by the North Central Wisconsin Regional Planning Commission (NCWRPC)

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Chapter 1

Demographics

Background

Lincoln County is not unique in facing child care challenges; with communities across Wisconsin experiencing similar shortages in child care access, affordability, and workforce shortages. This plan seeks to evaluate current child care capacity by analyzing key demographic and socioeconomic data to better understand how these trends contribute to and are affected by the child care shortage. Additionally, the plan includes information on child care capacity, costs, and historical trends to provide a detailed understanding of the County child care landscape. The impacts of the shortage on families and the economy, as well as the barriers to sufficient child care supply are also included. An analysis on the child care gap tries to quantify the shortage slots based on available data and resources. Finally, the plan offers several recommendations to address the identified challenges and support improvements in the child care system.

Population data

Over the past decade, Lincoln County's population growth has remained stagnant. The latest population estimates from the Department of Administration (DOA) show that the County has grown by 0.4% from 28,415 in 2020 to 28,517 in 2024. However, compared to 2010, when the population was 28,743, the County has experienced a 0.7% decline over the past 14 years. The County's population change between 2020 and 2024 can be analyzed through birth and death trends. During this period, there were 969 births and 1,580 deaths, resulting in a natural decrease of 611 people. However, with 713 individuals migrating to the County, the overall population saw an estimated increase of 102 people over the past four years.

According to DOA population projections, Lincoln County's population is projected to decline over the next several decades. Specifically, between 2020 and 2030, the population is expected to decline by 4.9%. Looking further ahead, the population is expected to decrease by 19.4% between 2020 and 2050. Both the City of Merrill and Tomahawk are expected to have significant population decreases as well. A continued trend of stagnant or declining population, coupled with more deaths than births, may impact the County's future demand for child care.

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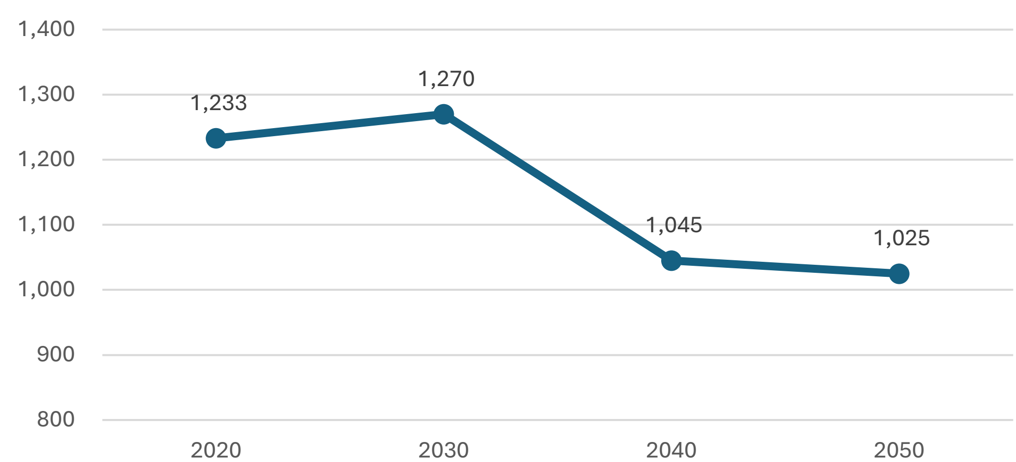
Figure 1-1: Population and Population Projections							
Minor Civil Division	2020	2024	Percent Change '20-'24	2030 Projection	2040 Projection	2050 Projection	Percent Change '20-'50
City of Merrill	9,347	9,383	0.4%	8,694	7,901	6,975	-25.4%
City of Tomahawk	3,441	3,431	- 0.3%	3,286	3,069	2,787	-19.0%
Birch	570	530	- 7.0%	574	521	498	-12.6%
Bradley	2,382	2,441	2.5%	2,361	2,286	2,150	-9.7%
Corning	825	838	1.6%	780	721	647	-21.6%
Harding	364	373	2.5%	355	338	312	-14.3%
Harrison	828	826	- 0.2%	786	729	658	-20.5%
King	964	988	2.5%	1,010	1,027	1,009	4.7%
Merrill	2,881	2,868	- 0.5%	2,687	2,449	2,168	-24.7%
Pine River	1,874	1,881	0.4%	1,807	1,704	1,563	-16.6%
Rock Falls	635	632	- 0.5%	611	575	526	-17.2%
Russell	693	696	0.4%	677	646	600	-13.4%
Scott	1,377	1,369	1.2%	1,274	1,152	1,010	-26.7%
Schley	950	961	- 0.6%	940	909	854	-10.1%
Skanawan	386	385	- 0.3%	366	340	306	-20.7%
Somo	123	127	3.3%	126	125	120	-2.4%
Tomahawk	458	466	1.8%	466	461	443	-3.3%
Wilson	317	322	1.6%	315	307	289	-8.8%
Lincoln County	**28,415**	**28,517**	**0.4%**	**27,115**	**25,260**	**22,915**	**-19.4%**
Source: US Census, 2020 & Wisconsin Department of Administration, 2025							

Age-specific population projections provide valuable insights for assessing future child care needs. Forecasts indicate that the population of children under the age of 5 is expected to increase over the next six years. After 2030, the population of children under 5 is expected to decline, as shown in Figure 1-2. The count peaks at 1,270 children 5 and under in 2030, then declines to 1,025 by 2050. A decline in the number of children under 5 will likely lead to decreasing demand for child care in the future.

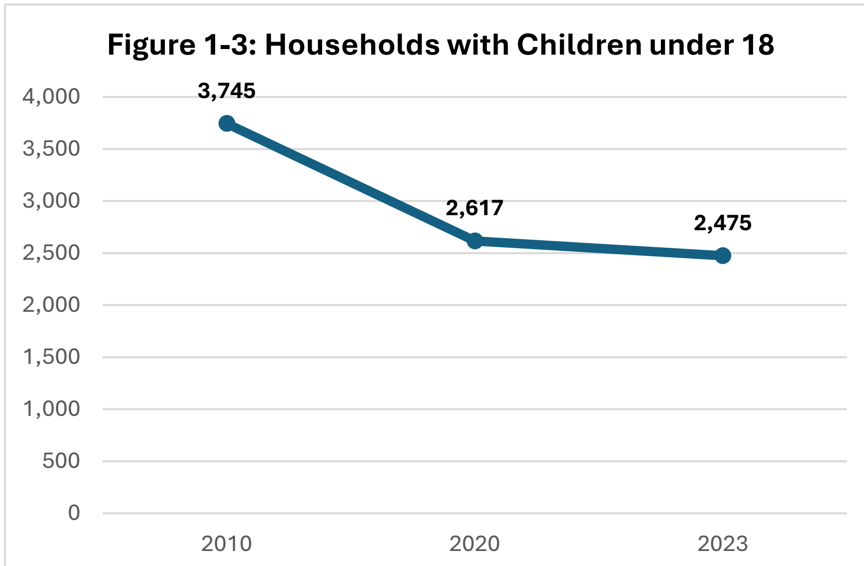
Figure 1-2: Population Projection for Children Under 5



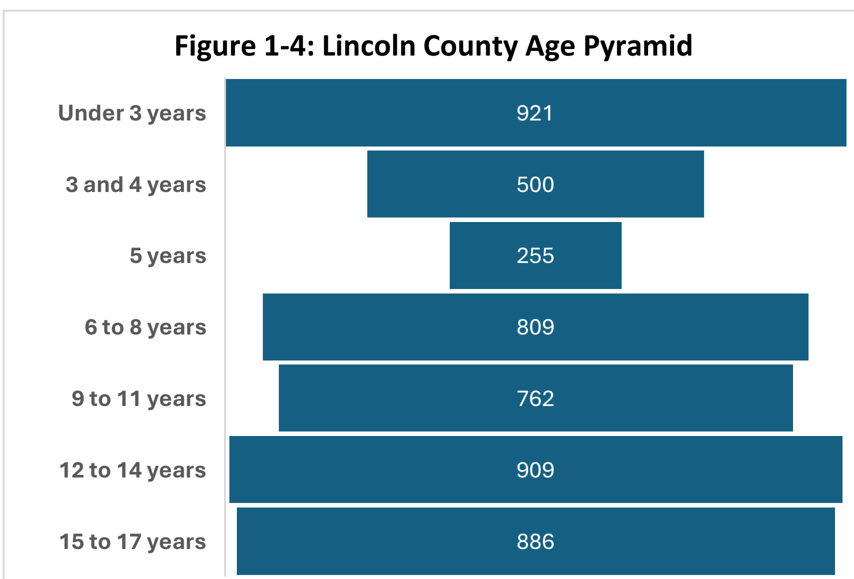
Source: Wisconsin Department of Administration, 2025

Household and Family Composition

Understanding household data is also important in determining the demand for child care in the County. The number of households has increased by 0.5% over the past decade, rising from 12,513 in 2013 to 12,578 in 2023. Currently, the average family size is 2.78 people, with 26.6% (approx. 344) of households having one or more people under 18 years of age. The number of households with children under 18 has declined from 3,745 in 2010 to 2,617 in 2020 and further to 2,475 in 2023 (Shown in Figure 1-3).



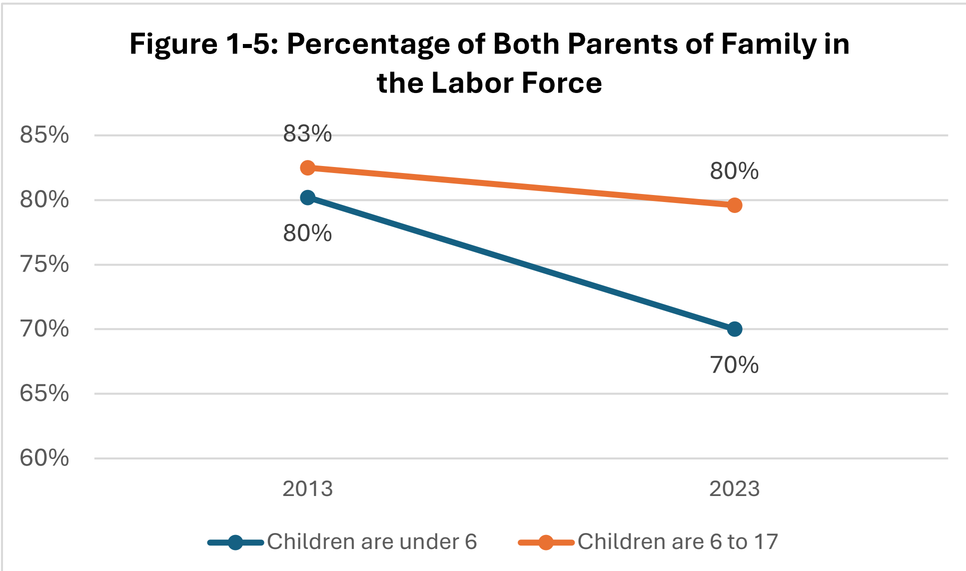
More specifically, for 2023, the 2,709 children under 10 represent a significant portion of the dependent population, with 1,233 children under 5 being the most likely to require full-time care. Understanding these numbers helps in planning for adequate child care facilities, staffing, and resources. This could indicate a shortage if the number of young children exceeds the current availability of child care services.



Source: American Community Survey, 2023

Parental Employment and its Impacts

Concerning children under 6 years old, there are approximately 1,591 children in the County. Among families with children under six, 1,157 live with two parents, with 65% having both parents in the labor force, 31% relying on the father as the sole earner, and less than 1% having only the mother working, while 4% have neither parent employed. In one-parent households (434 total), all fathers with custody (115) are in the labor force, whereas among mother-led households (319), 77% of mothers work while 23% are not in the labor force.



Source: American Community Survey, 2023

This data suggests a strong demand for child care, particularly for families where both parents or single parents are in the labor force. With 65% of two-parent households and 77% of single mothers working, a significant portion of young children likely require child care during working hours. Additionally, in 31% of two-parent households, only the father works, meaning some mothers may be providing full-time child care at home, but very few families rely solely on a working mother (less than 1%).

Figure 1-6: Employment Status Characteristics with Children Under 6

Living with two parents	1,157
Both parents in labor force	754
Father only in labor force	357
Mother only in labor force	2
Neither parent in labor force	44
Living with one parent:	434
Living with father:	115
In labor force	115
Not in labor force	0
Living with mother:	319
In labor force	245
Not in labor force	74

The percentage of both parents of a family in the labor force has decreased by over 10% between 2013 and 2023. This could suggest that more parents are choosing not to work due to challenges associated with child care.

Financial Characteristics

Understanding Lincoln County's financial landscape is important in assessing the affordability and accessibility of child care services. The latest median family income estimate for Lincoln County and Wisconsin families is $87,905 and $97,261, respectively.

In Lincoln County, 606 children under 18 live in households with incomes below the poverty level, with the majority (443 children) in single-parent families, particularly female-headed households (378 children). Among these, 135 children under age 5 are especially vulnerable to child care accessibility challenges due to financial strain. With limited ability to afford private care, many families may rely on subsidized programs, informal care, or face barriers to finding quality child care options.

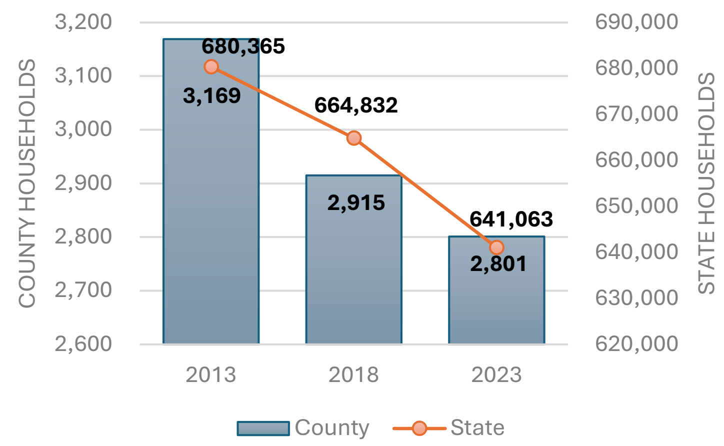
Figure 1-7: Poverty Status in the Past 12 Months with Children under 18

Income in the past 12 months below poverty level:	606
In married-couple family:	163
Under 5 years	19
5 years	47
6 to 17 years	97
In other family:	443
Male householder, no spouse present:	65
Under 5 years	58
5 years	0
6 to 17 years	7
Female householder, no spouse present:	378
Under 5 years	135
5 years	22
6 to 17 years	221

Source: American Community Survey, 2023

Despite the overall decline in poverty, the percentage of families with children under 18 living in poverty has risen in the last five years. In Lincoln County, the number of families in poverty decreased from 3,169 in 2013 to 2,801 in 2023, a reduction of 11.6%. However, the rate of families with children under 18 below the poverty level has increased by 4.9% over the last 5 years in Lincoln County. This trend may suggest that the total number of families with children may have shrunk, making those in poverty a larger proportion.

Figure 1-8: Families with Children Under 18 Below Poverty Level



Major Employers

Employers can play an important role in supporting their employees' child care needs. Programs such as on-site daycare, financial subsidies, and referral services provide significant benefits to both employers and employees, helping attract and retain talent. Figure 1-9 highlights the largest employers in Lincoln County who could benefit from offering child care support.

Figure 1-9: Major Employers in Lincoln County

Church Mutual Insurance Company
Merrill Area Public Schools
Aspirus Hospital
Lincoln Wood Products, Inc
Weinbrenner Shoe Co
Packaging Corporation of America
State of Wisconsin
Incredible Bank
Agra Industries
Marshfield Clinic
Harley Davidson
LP Building Products

Source: Wisconsin Department of Workforce Development, 2025

Chapter 2

Provider Inventory

Regulated Providers

Regulated or licensed providers must meet the state-established standards overseen by the Wisconsin Department of Child and Families. These providers undergo regular inspections and staff training in order to meet health and safety standards. Regulated providers are eligible for state subsidies and can participate in the YoungStar quality rating and improvement system. Regulated providers often cost more than unregulated providers due to licensing requirements. The regulated provider types include:

Licensed Group: Programs that provide care for nine or more children. These programs are usually located in a commercial setting and may be small or large in size.

Licensed Family: Programs that provide care for between 4 and 8 children. The care is usually in the provider's home.

Public School Program: Programs operated or contracted by a public school that are monitored annually for compliance to be eligible to receive Wisconsin Shares child care subsidy payments.

Certified Child Care: Voluntary program for those caring for up to three unrelated children under seven, often in a provider’s home. Providers are able to care for Wisconsin Shares subsidized children, but subject to licensing laws.

Lincoln County Regulated Inventory

According to the Wisconsin Department of Children and Families, there are 12 regulated child care providers in Lincoln County. **The 12 regulated providers have the capacity to provide a maximum of 469 child care slots.** However, the actual number of slots is likely less due to staffing shortages. According to First Children’s Finance’s 2022 calculations, there was child care capacity for 257 children in the County. There are no certified providers in the County.

Regulated Providers in Lincoln County

Name	City	Category	Age Range	Capacity
Amy's Child Care	Tomahawk, WI	Licensed Family	6 weeks to 12 years, 11 months	8
Crystal's Country Childcare	Merrill, WI	Licensed Family	2 weeks to 11 years, 11 months	8
Dolly's Daycare	Merrill, WI	Licensed Family	2 weeks to 10 years 11 months	8
Karen's Family Childcare	Merrill, WI	Licensed Family	2 weeks to 12 years, 11 months	8
Little Pumpkins Childcare	Merrill, WI	Licensed Family	4 months to 10 years, 11 months	8
Parkside Preschool Center	Merrill, WI	Licensed Group	2 years to 13 months, 11 months	51
Parkside Preschool Center 4K-SA	Merrill, WI	Licensed Group	2 years to 13 years, 11 months	19
Redeemer Lutheran Learning Center	Tomahawk, WI	Licensed Group	6 weeks to 11 years, 11 months	104
Tomahawk Child Care Center	Tomahawk, WI	Licensed Group	6 weeks to 12 years, 11 months	80
Tomahawk Head Start*	Tomahawk, WI	Licensed Group	3 years to 6 years, 11 months	20
Trinity Merrill Lutheran Early Learning	Merrill, WI	Licensed Group	6 weeks to 6 years, 11 months	70
Merrill Area Public Schools Head Start*	Merrill, WI	Public School Program	3 years to 5 years, 11 months	85

Source: Wisconsin Department of Children and Families, 2025

*To qualify for Head Start, families need to meet low-income requirements or have children in foster care. Children with disabilities might also be eligible.

Unregulated Providers

Unregulated providers, or those who provide care for compensation without a state license, are common in Lincoln County. In Wisconsin, anyone over the age of 18 can care for up to three children under the age of seven, in addition to their own children without being regulated. Unregulated providers cannot access Child Care Counts programs or other child care subsidy programs. Providers might opt to not license their child care business for a variety of reasons, such as operating a small operation that exempts them, costs or regulatory burdens, lack of awareness of the legal limit before a license is required, or "under-the-table" care that is not reported to avoid licensing requirements. On the other hand, parents might utilize unregulated care because unregulated providers often charge less or there is limited access to regulated care. In other instances, the caregiver might be a family member or neighbor who the parents already know and trust.

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It is unknown the number of children cared for by unregulated providers in Lincoln County, since these providers operate outside of state licensing requirements.

Parental or Informal Care

In Lincoln County, many children are cared for by a parent, guardian, or other family member. Like unregulated child care, this type of care is not required to be licensed by the state. Often, families choose this option due to the cost of regulated care or limited availability, leading parents or grandparents to provide care for their own children or multiple siblings. Other times, a parent might simply prefer to stay home and care for their child(ren).

Similarly, this type of care is not tracked, so it is unknown the number of children being cared for by a family member in Lincoln County. A recent county survey found that 51% of participants are currently using a family member or friend for child care.

Child Care Quality, Affordability and Access

Child Care Quality

YoungStar Rating

YoungStar is Wisconsin's child care quality rating and improvement system administered by the Wisconsin Department of Children and Families. Youngstar objectively measures child care quality by rating thousands of child care providers, awarding up to five stars for the highest quality of care. Youngstar gives parents an easy way to compare their local child care options while supporting providers with tools and training to deliver high quality care.

Lincoln County YoungStar Rating Highlights

3 Providers – 5-Star Rating
4 Providers – 3-Star Rating
3 Providers – 2-Star Rating
2 Providers – Not Yet Rated or Not Participating

youngstar
Wisconsin's Child Care Quality Rating & Improvement System

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Child Care Affordability

The ability to afford child care is a central issue for many families in Lincoln County. According to Childcaring, the latest weekly child care rates range from $135 to $275 per child for licensed providers. Typically, the most expensive child care is for infants, who require high-staff-to-child ratios. Additionally, group child care providers are usually more expensive than family child care providers due to greater staffing and building expenses.

According to the U.S. Department of Health and Human Services (HHS), child care is considered affordable when it is less than 7% of a family's income. In 2023 inflation-adjusted dollars, the median monthly family income in Lincoln County is approximately $7,325 or $87,905 per year. With the average group child care cost for one child around $250 per week or $13,000 per year, this expense would account for roughly 13.7% of an average family's monthly income. This is more than twice the cost defined as affordable child care by HHS. In fact, a family would need to earn at least $170,000 per year in order to comfortably afford child care for one child in Lincoln County. For families with two or three kids in child care, the cost can be even more financially straining.

Figure 2-1: Family Child Care Rates

Provide care for between 4 and 8 children and the care is usually in the provider's home.

LINCOLN COUNTY (100% reporting)

	Tuition Per Week			Tuition Per hour
Age Group	**Minimum**	**Maximum**	**Average**	**Average**
0 – 11 mos.	$160.00	$185.00	$177.50	None Reporting
1 year	$160.00	$185.00	$177.50	
2 year	$145.00	$155.00	$150.00	
3 year	$135.00	$155.00	$147.50	
4 year	$135.00	$155.00	$147.50	
5 year	$135.00	$155.00	$147.50	
6+ years	$135.00	$155.00	$147.50	

Source: Childcaring.org

Figure 2-2: Group Child Care Rates

Provides care for nine or more children and are usually located in a commercial setting.

LINCOLN COUNTY (80% reporting)

	Tuition Per Week		
Age Group	**Minimum**	**Maximum**	**Average**
0 – 11 mos.	$250.00	$250.00	$250.00
1 year	$250.00	$250.00	$250.00
2 year	$250.00	$275.85	$267.23
3 year	$200.00	$254.20	$236.13
4 year	$200.00	$254.20	$236.13
5 year	$200.00	$254.20	$236.13
6+ years	$254.20	$254.20	$254.20

Source: Childcaring.org

Miscellaneous Child Care Tax Credits
Both state and federal tax credits are available to help cover the costs of child care.

Wisconsin Child & Dependent Care Tax Credit
Wisconsin recently expanded the Wisconsin child care tax credit to 100% of the claimants' federal child care tax credit. The maximum state credit is now up to $10,000 for one qualifying child or up to $20,000 for two or more dependents under 13.

Federal Child and Dependent Care Credit
This credit for children under 13 covers up to $3,000 in work related expenses for one child, or $6,000 for two or more dependents. Families with the lowest incomes will now receive a maximum credit of 50% of their claimed child care expenses. That percentage gradually decreases as incomes rise.

Child Care Access

The locations of child care providers can be analyzed to identify areas where access to child care may be limited. Child care providers tend to be concentrated in urban areas, creating challenges for rural households.

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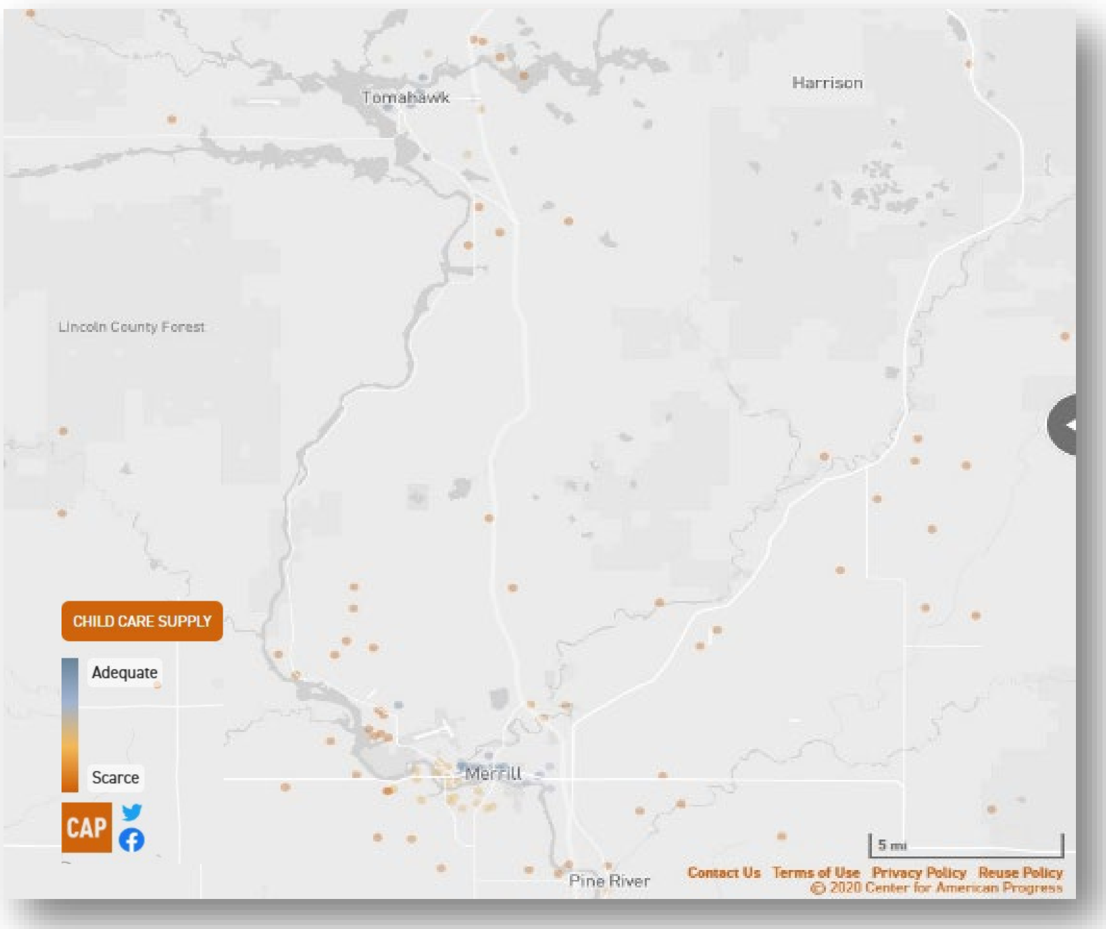

Source: Center for American Progress, 2025

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Licensed Childcare Providers - Merrill

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Source: Lincoln County, NCWRPC, WI DNR, WisDOT

This map is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information and data used for reference purposes only. NCWRPC is not responsible for any inaccuracies herein contained.

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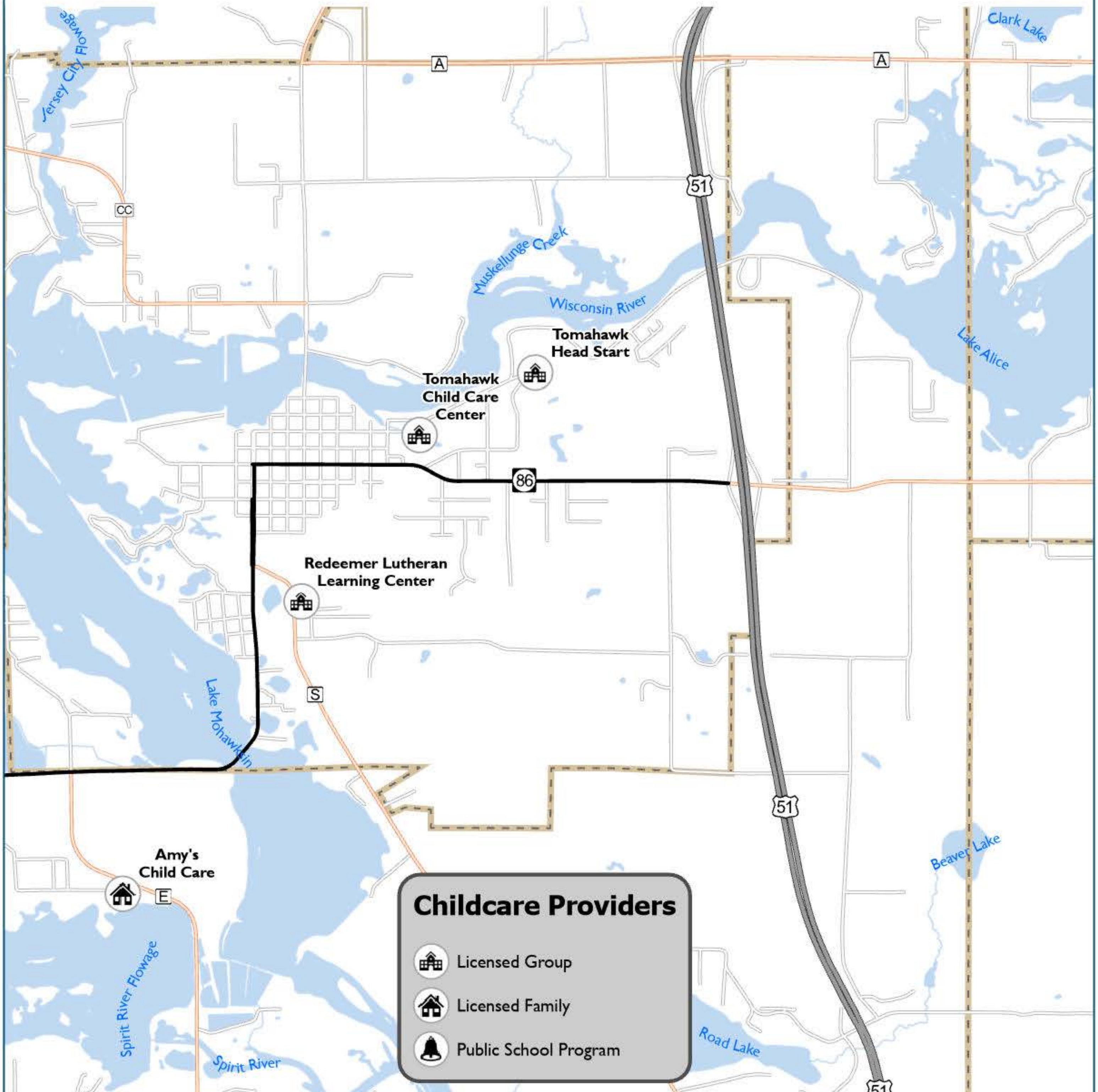
Licensed Childcare Providers - Tomahawk



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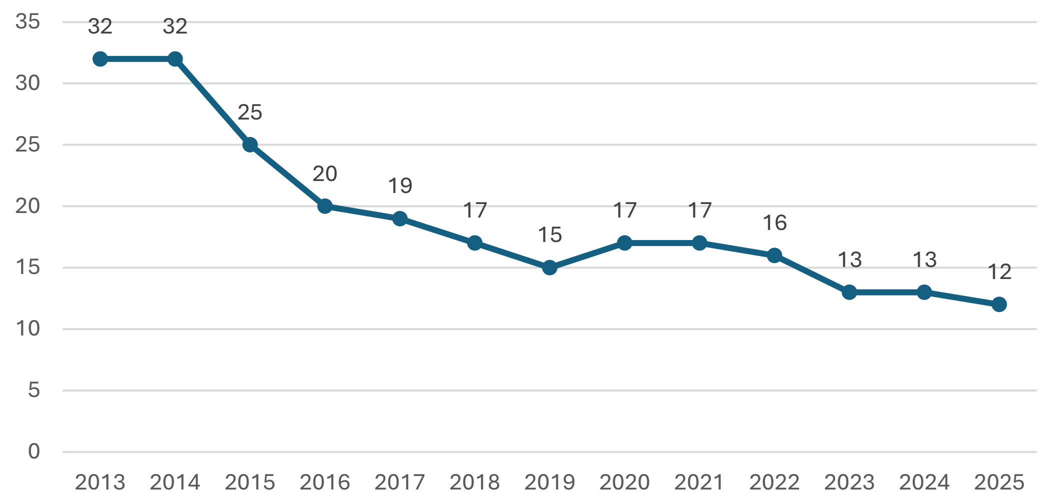
Child Care Trends

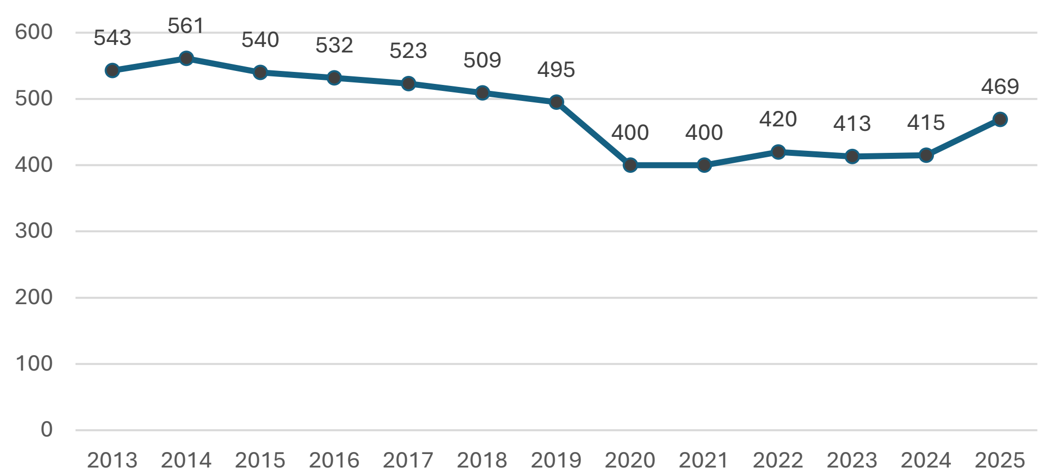
Figure 2-4: Number of Child Care Providers



Source: Childcaring

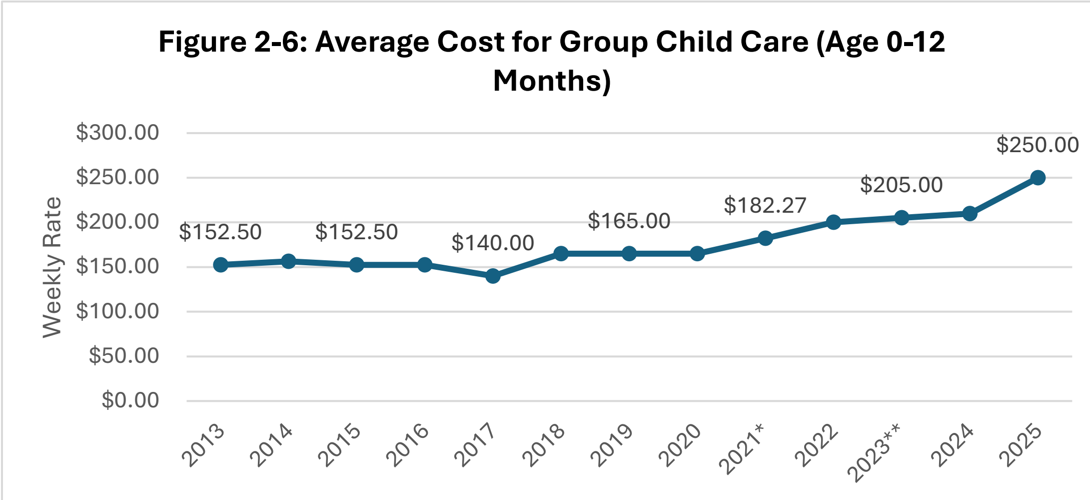
The number of child care providers has steadily decreased over the last 13 years, decreasing by 63% during this time, impacting the number of providers families can choose from.

Figure 2-5: Regulated Capacity for Children



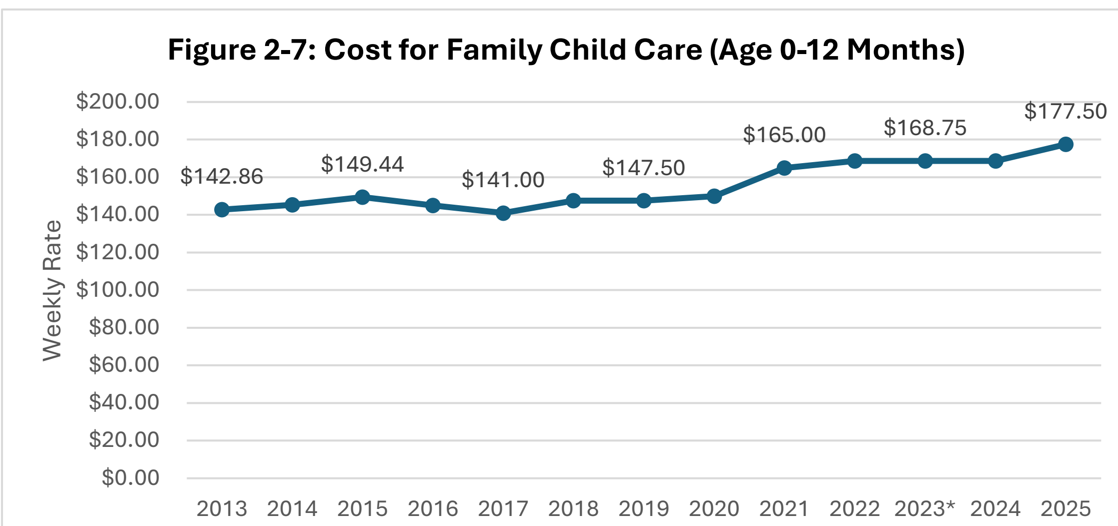
Source: Childcaring

The total regulated child care capacity for children in Lincoln County has not decreased as drastically as the number of providers. Since 2013, there has been a 13.6% decrease in regulated capacity, but it has steadily increased over the past 5 years.



Source: Childcaring
2021* There is no 0–12-year-old cost data, so cost for 2-year-old cost was used
2023** There is no data for 2023, so the average cost is based on 2022 and 2024 rates.

The average cost for Group Child Care per child aged 0-12 months has increased significantly in the last 12 years, increasing by 63.9%. If adjusted for inflation, the 2013 rates would equate to $210.37 per week in 2025. Instead, the average rates are $250.00 a week, approximately $40 more.



Source: Childcaring
2023* There is no data for 2023, so the average cost is based on 2022 and 2024 rates.

The average cost for family child care per child aged 0-12 months has increased in the last 12 years, but not as significantly as group child care. Family child care rates have risen 24.2% during this time. If adjusted for inflation, the 2013 rate would equate to $197.08 per week in 2025. Family child care for infants costs $177.50 per week, so child care has gotten more affordable in real terms since 2013.

Child Care Support Programs

Several programs offer financial assistance to families or child care providers to help reduce the cost of child care.

Childcaring

Childcaring, Inc is a non-profit Child Care Resource and Referral Agency (CCR&R) and Family Resource Center (FRC). Childcaring, Inc serves a 10 county region that includes Lincoln County and is a resource for families, child care professionals, and communities. As a non-profit, Childcaring will help families locate regulated child care based on the needs of the child. Childcaring also assists Providers with technical assistance and training, as well as develop solutions to complex child care challenges in the region.

Childcaring, Inc Referrals

Childcaring serves as a referral resource for families seeking child care and tracks the number of referrals it receives each year. In 2024, Childcaring received 58 referrals from families and helped place 89 children into child care in Lincoln County.

Wisconsin Shares Program

The Wisconsin Shares Child Care Subsidy Program helps low-income working families and those in approved education or training programs afford quality child care. It provides financial assistance to eligible families who make less than 200% of the federal poverty level, covering a portion of child care costs for children up to 13 while parents work or pursue education. The program is income-based and requires families to meet work or training requirements. Assistance is paid directly to the child care providers. Providers must be licensed or certified and participate in YoungStar in order to accept Wisconsin Shares.

In 2024, the number of children in Lincoln County enrolled in Wisconsin Shares varied monthly, ranging from 31 to 51, with an average of approximately 39 children.

Head Start

The Head Start Program is a federally funded early childhood education initiative that provides comprehensive support to low-income families with children from birth to age five. It focuses on promoting school readiness by offering educational, health, nutrition, and social services at no cost to eligible families. While not traditional child care, some Head Start centers offer full-day programs that align with working parents' schedules.

FCLC's Tomahawk Head Start location is located in the Tomahawk School District Complex

The Family & Child Learning Centers of Northeast Wisconsin, Inc (FCLC) administers Head Start programs in nine northeastern programs, including Lincoln County. There are Head Start locations in Merrill and Tomahawk that currently serve 93 and 20 kids respectively. FCLC serves 90% income eligible children and allows for up to 10% over-income children. FCLC offers the regular Head Start program for children 3 to 5 in either part-day (classroom experience 4 days per week, 3 1/2 hours per day) or extended day option (classroom experience 4 days per week, 7 1/2 hours per day). FCLC also offers an early start program for infants and toddlers, in a classroom experience 4 days per week, 7 1/2 hours per day.

Child Care Counts

The **Child Care Counts** program in Wisconsin provides financial support to child care providers to help them improve affordability, increase staff wages, and maintain high-quality care. Funded by the state, the program aims to stabilize the child care industry by offsetting costs, ensuring families have access to reliable and affordable care. Grants are awarded to eligible providers to assist with operational expenses, staffing, and facility improvements, ultimately benefiting both child care workers and families in need of care. The latest 12-month payment program (round 5) runs from July 2024 – June 2025.

To date, Lincoln County child care providers have collectively received $2,111,660. Since 2020, 18 child care providers in the County have received payments, but 6 of them have since closed. It is unknown what led to these closures.

Payment Program	Total Spent
Access to High Quality Care-Program A	$1,205,482
Recruitment and Retention-Program B	$771,835
Essential Workers	$96,623
Incentive Pay	$32,370
Promoting Inclusive Spaces	$5,350
Total Spent	**$2,111,660**

Source: Wisconsin Department of Children and Families, 2025

The Child Care Counts program ended at the end of June 2025. However, a new provider payment program called Child Care Bridge Payments will provide $110 million to Wisconsin providers through June 2026.

Lincoln County Dream Up!

Lincoln County was selected by the Department of Children and Families for the 2022 fall cohort and the Lincoln County Board through resolution approved acceptance of this grant. Over the last 12 months, agencies throughout the County have come together to assess Lincoln County child care capacity, the economic impact to the County due to child care shortages, and work to support current and aspiring child care providers.

Through the support of this grant, Lincoln County Dream Up! was able to:

- Provide $41,000 in retention and sustainability grants to current Lincoln County providers. These funds helped obtain quality and safe equipment providers otherwise couldn't afford, provided staff bonuses, purchased large motor skills equipment (tricycles), outdoor playground toys and met other essential needs.
- Partner with Trinity Childcare to support training needs of staff to meet regulations to support obtaining licensure. This will allow greater access to those who receive WI Shares, the state child care assistance.
- Both Tomahawk and Merrill Schools who are working toward providing high school students curriculum where students can receive college credit and training towards Early Childhood Education.
- Collaborate with the Chambers of Commerce in Merrill and Tomahawk to provide educational outreach to multiple non-profit organizations and businesses to support increasing child care capacity. This included sharing information from a locally conducted survey.
- Support the Lincoln County Health Department in providing a Community Baby Shower that provided care packages and access to community resources that address child care, child safety and healthy development.
- Partner with Langlade County Dream Up! Team to develop marketing and support our shared child care resource agency, Childcaring Inc., who now hosts a landing page for our teams. Childcaring can provide information regarding how to become regulated, funding available to support the process of becoming regulated, information for people looking for child care, and more.

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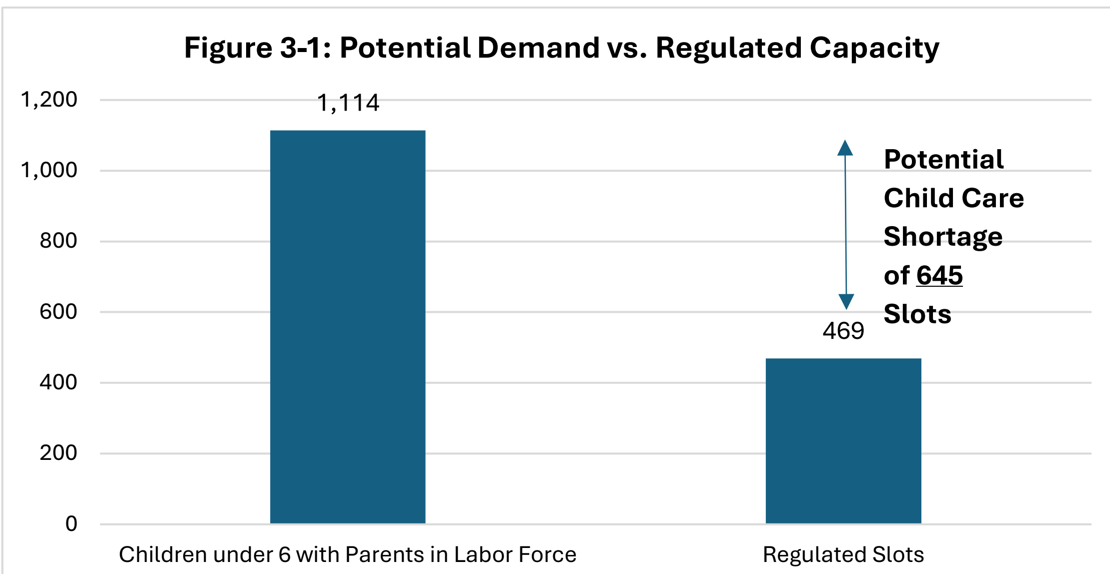
Chapter 3

Child Care Gap Analysis

NCWRPC: Potential Under Age 6 Child Care Gap

Figure 4-1 illustrates a significant shortage between the number of children under age 6—specifically those in households where both parents work or with a single working parent, who are most likely to require full-time care—and the total number of available regulated child care slots in Lincoln County. Even assuming every regulated slot was reserved solely for this age group, there would still be a shortage of 645 slots. In other words, only 42 regulated slots exist for every 100 children under age 6 with parents in the labor force. While some families may not require care or may use unregulated options, the data suggests a substantial unmet need.



Source: American Community Survey, 2023 & WI Department of Children and Families, 2025

Wisconsin Early Childhood Association Landscape Analysis (2024)

A recent analysis by the Wisconsin Early Childhood Association quantified the gap in child care in each county in Wisconsin. In Lincoln County alone, approximately 1,135 children require care, yet the County falls short by 698 slots—resulting in 62% of the need going unfulfilled.

First Children's Finance Projection (2022)

In 2022, First Children's Finance estimated the number of available regulated child care slots and the birth to 5 slots that are needed in Lincoln County. It was reported that there were 257 child care slots, and 513 children under 5 needing care.

UW Madison Child Care Supply and Demand Survey

UW Madison's Institute for Research and Poverty and Wisconsin Department of Children and Families (DCF) wrote a report on the supply and demand challenges of child care in Wisconsin. In Lincoln County, as of the 2023 survey, 90% of respondents reported having a waitlist, most commonly due to reaching maximum enrollment capacity. A total of 76 children were on these waitlists. At the same time, 40% of facilities had unfilled spots, primarily due to staffing shortages and limited demand—likely because available openings were for older age groups, while there wasn't enough staff to accommodate the higher demand for infant and toddler care.

Resident Survey

In 2023, DreamUp! conducted a survey on child care and received 76 responses from Lincoln County residents. The following summarizes the results and highlights the challenges of accessing child care.

- 18% of participants have multiple children at different locations
- 51% of participants are currently using a family member or friend for child care
- 34% of participants left the workforce in the last 5 years because of child care issues, and another 14% had a significant other or another family member leave the workforce (total of 49% surveyed).
    - Of those who left the workforce, 17% left because of availability and 26% left because of affordability.
- 60% of the participants had challenges within the last 2 years accessing child care.

Gap Summary

Lincoln faces a significant child care gap, especially for children under age five with parents in the workforce, as there are only 42 regulated slots available for every 100 children in this age group. This gap is driven by high demand and limited supply, with 90% of providers reporting having waitlists; while 40% are unable to fill existing openings due to staffing shortages or a mismatch between available spots and the ages of children needing care. According to the DreamUp! resident survey, 51% of families rely on informal care, 49% of households experienced a household member leaving the workforce due to child care challenges, and 60% reported difficulty accessing care in the past two years. Both the NCWRPC and Wisconsin Early Childhood Landscape Estimate reveal there is likely a gap in care of at least 600. These findings point to serious challenges in capacity, affordability, staffing, and age-appropriate care that limit access and strain families and the local workforce.

Impacts

The child care shortage has had a significant impact on families, employers, and the local economy. As previously mentioned, 34% of Lincoln County survey participants left the workforce in the last 5 years and another 14% had a significant other or another family member left the workforce because of child care issues. Similarly, a 2020 study by the US Chamber of Commerce found that 58% of working parents reported leaving work because they were unable to find child care solutions. Today, taking care of the home and family continues to be the leading reason mothers do not participate in the labor force, according to Pew Research. For families, this leads to lower household incomes which can strain household budgets. Even for those that can find a child care provider, sometimes it is more cost effective for a parent to stay home than pay for child care.

The total economic impact of parents leaving the labor force is significant; with over $1 billion lost in productivity, earnings, and tax revenues in Wisconsin due to the child care shortage. More locally, using the information from the DreamUP county survey, the economic impact on families who participated in the survey can be calculated. If 26 local workers left jobs, based on Lincoln County's median income of $38,296 per year, that's around $1 million per year in direct lost earnings. Additionally, with 11 family members stepping away compounds lost income ($420K/year), plus lost spending power in the local economy.

The shortage of 698 child care slots in Lincoln County highlights far-reaching impacts on working families. If each child lacking care represents at least one working parent, as many as 698 parents could be affected. Based on data from the DreamUp survey indicating that 34% of participants left the workforce due to child care barriers, it's estimated that approximately 237 parents in the county may have quit their jobs because they couldn't secure adequate child care. The consequences of 237 people leaving jobs translated to over $9,000,000 in lost earnings annually.

Lincoln County employers are struggling with a limited labor pool and an aging workforce, and the lack of available child care is making the situation worse.

Chapter 4

Barriers

Access to affordable, quality child care is critical for working families and economic stability, yet parents face significant challenges in accessing child care. The following are frequent barriers that contribute to the difficulties both providers and families are facing.

Staffing Challenges

Child care providers have expressed difficulties recruiting and retaining staff. One significant barrier is low industry-wide wages and benefits for child care workers caused by very thin profit margins for child care centers. The latest US Bureau of Labor Statistics (BLS) wage data from 2023 shows the median hourly wage for child care workers in the Lincoln County area to be $13.49 an hour, or $28,070 a year. In addition, data from Childcaring has indicated the average child care wage for assistant teachers to be $12 an hour, with teachers being paid $12.50 an hour and Directors paid $20 an hour. In comparison, the median wage in Lincoln County is $38,296 per year.

To further highlight this challenge, child care workers can often make more money working in a variety of other professions. For example, according to 2023 BLS data, cashiers, hotel desk clerks, maids and housekeeping workers, and hairdressers and cosmetologists all have a higher median hourly wage than child care workers (Post Crescent, 2025). On top of this, at least half of child care programs lack health insurance benefits for their workers.

Unlivable wages and a lack of benefits have caused child care workers to leave the field, leading to challenges in keeping or attracting staff. This workforce shortage is the main reason providers are reducing their capacity and have long waitlists (WI DCF, 2025).

Affordability

The affordability of child care poses a major challenge for families. As previously outlined, the cost for center-based infant care in Lincoln County can be well over $13,000 per year. That is around 14% of the median family income in the County and more than the equivalent cost of an academic year at UW-Madison. Families with multiple children often face compounded costs, leading to some parents choosing to work irregular hours or leave the workforce altogether in order to cover care for their children.

Even for financially eligible families, child care subsidies or financial assistance are also limited, with some programs under threat of being significantly reduced or eliminated.

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Access

Like many areas across Wisconsin, Lincoln County faces a significant shortage of available child care slots. This is largely due to staffing challenges, which force providers to close classrooms and limit the number of children they can serve. As previously noted, 49% of respondents in the Lincoln County survey reported that either they or a family member had left the workforce within the past five years to care for a child. The lack of accessible child care not only places a heavy burden on families, it also negatively impacts the local economy through reduced workforce participation and lost productivity.

Quality Concerns

Another challenge some families face in accessing child care is a concern about the quality of care provided. In the DreamUP! survey, some parents expressed concerns over the quality of child care, leading some to not enroll their children at all. Although the YoungStar child care rating system is designed to help families compare care options, the ongoing shortage of providers limits available choices, which can affect the overall quality of care families can access. Issues related to staffing, like shortages and high turnover, can lead to quality concerns as well. Additionally, because unregulated providers are not required to be licensed, this has raised concerns about the quality of care they provide.

Public Spending Disruption

Proposed state and federal spending cuts to child care programs could have widespread impacts on the child care industry. At the state level, the Child Care Counts program, which has financially supported many providers the past few years, is likely to not be funded beyond June 2025. A survey issued by UW-Madison found that about a quarter of providers could close if the money ends.

At the federal level, the Head Start program, which serves over 15,000 children, has experienced funding disruptions. In early 2025, federal funding freezes led to grant disbursement delays for several Head Start centers across the state. Further, after potential significant cuts to the program were considered, the 2026 federal budget does not cut any funding to the program. The possibility of child care funding cuts has created uncertainty across industry, posing a major obstacle to improving access to child care.

Regulatory Burdens

Regulations can be burdensome for several reasons, even though they are designed to ensure safety and quality. Some providers believe strict regulations place unnecessary burdens on providers, leading to increased costs and limit workforce participation. In response, Wisconsin lawmakers have introduced legislation aimed at reducing regulations. The challenge is finding the right balance between establishing reasonable regulations that protect children without imposing unnecessary regulations on child care providers.

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Chapter 5

Recommendations and Conclusion

Addressing the child care crisis in Lincoln County, and across Wisconsin, will require a comprehensive and collaborative approach that includes stronger employer engagement, increased public investment, and potentially regulatory reform. Both private and public investment is critical to stabilize and grow the child care system. Below are suggested actions for Lincoln County.

Encourage Employer Involvement

Employers can play a role in supporting their employees who need child care for their children. Child care benefits can significantly improve employee morale, productivity, and retention. While not all employers will be able to provide robust benefits, those that do are more likely to retain and attract valuable employees. The following are ways employers can provide child care assistance:

1. Actions such as connecting employees with information about resources and available care can be effective ways to support working families. Lincoln County employers looking to connect employees to child care providers can join the Child Care Coalition of Wisconsin (3CWI), a nonprofit organization that offers the Shared Services Network, a program designed to link employers with child care providers. This service aims to bring increased revenue to child care providers, helping them to meet their overhead costs, increase worker wages, hire additional staff and ultimately operate at capacity which would lead to increased child care availability for families.
2. Larger employers can support employees by directly subsidizing or providing child care for their employees. This might be a child care building on-site or near the work location with the employer providing child care discounts or priority placements.
3. Some employers offer tax-advantaged benefits such as Dependent Care Flexible Spending Accounts (DCFSA), allowing contributions of up to $5,000 in pre-tax funds per employee. One example is Schreiber Foods, a Wisconsin Company that has offset their employees' out-of-pocket child care costs by providing subsidies of up to $5,000 a year. Other employers such as the University of Wisconsin System offer a Dependent Day Care Account that is a pre-tax benefit to help pay for eligible day care expenses, also up to $5,000 a year. Companies that subsidize employees' child care costs might be eligible for the Employer-Provided Childcare Tax Credit, which provides up to $150,000 annually to offset up to 10% of costs.

4. Some companies are starting to offer backup care as a benefit to support employees when their usual child care plans fall through. These programs work with local on-site centers or provide discounts when regular care is unavailable, for a set number of days throughout the year. UPS is one company that has seen employer absences and turnover decrease after they implemented their backup care program,
5. Employers can also provide a variety of other family-oriented benefits that support working parents. Flexible work schedules including remote or hybrid work, flex hours, and other arrangements can help accommodate the schedules of families. Additionally, paid family leave can provide a number benefits for families and employers, leading to higher workforce participation and greater earnings for parents over time.

Increase Public Investment in Child Care

Public financial assistance through the Federal Government or the State of Wisconsin is necessary to support existing child care programs while ensuring that working families can afford child care. Federal assistance programs like the Child Care and Development Fund (CCDF) supports working families, particularly those with low incomes, by distributing funds to subsidize child care expenses. The 2025-2027 Wisconsin Biennial Budget invested $330 million in child care, through direct payments to child care providers and other investments to make child care more affordable for families. This funding will provide much needed relief to providers that have relied on Child Care Counts funding.

In Wisconsin, the CCDF program supports the Wisconsin Shares program, which pays for child care through subsidies paid directly to providers. Other vital federal programs like Head Start support early child care though early education for children under three. State programs like Wisconsin Shares and Child Care Counts (now Bridge Payment program) have provided families and providers funding to stabilize the child care sector. Contuining to invest in public assistance programs can play a vital role in strengthening child care through the following approaches:

1. Highlight the success of the Merrill and Tomahawk Head Start programs in serving a significant number of children.
2. Advocate for continued direct provider support through the Child Care Bridge Payments program, which allocates $110 million in monthly payments from mid-August 2025 through June 2026 to prevent service disruptions as Child Care Counts ends.
3. Support the expansion of the new pilot program that is offering per-child stipends for infant and toddler care: up to $200/month for children 0–18 months, and $100/month for children 18–30 months, that will help close the access and affordability gap.

4. Promote and support participation in Wisconsin's new "Get Kids Ready" initiative, which will invest $66 million beginning in the 2026–27 school year to strengthen kindergarten preparedness. Encourage all eligible licensed or certified child care providers in Lincoln County to apply.
5. Emphasize the economic impact of child care on workforce participation and the local economy. Without child care investments, Lincoln County will face challenges in attracting workforce talent and maintaining high levels of employee productivity.
6. Partner with local governments (such as Lincoln County or City of Merrill) or area foundations to offer local grants or matching funds to help cover funding gaps. This funding could help child care providers in staying open or expanding to meet demand.
7. Advocate for further expansion and improvement the Child Tax Credit (CTC) and Child and Dependent Care Tax Credit (CDCTC) to ensure they reach all families who need them most. The 2025 One Big Beautiful Bill Act made valuable but modest improvements that mostly benefit middle- and higher-income households, while leaving many low-income and immigrant families behind

Expand Child Care Workforce

The shortage of child care workers is significantly impacting child care availability, driving up costs for families. Child care providers are struggling to pay workers a living wage, leading to issues recruiting and retaining workers. There are several ways to grow the child care workforce:

1. Engage with local and state leaders about establishing funding for child care workforce training programs that will address critical staffing shortages.
2. Coordinate with area school districts and technical colleges to offer and expand child care career pathways. These pathways should offer paid training opportunities or scholarships when possible.
3. At the state level, consider tax credits that support child care providers and teachers. In Louisiana, providers and teachers that participate in the state's Quality Improvement System are eligible for a tax credit if they work at least 6 months for a licensed provider.
4. At the state level, implement a targeted wage supplement program that offers additional income to child care providers, helping to improve compensation and boost workforce retention.

Grow Child Care Capacity

Child Care providers and legislators have expressed concerns over the regulatory challenges of child care in Wisconsin. The following are several recommendations to increase the child care supply:

1. Encourage Lincoln County child care providers to consider participation in Wisconsin's new two-year pilot program that increases staff-to-child ratios for children aged 18–30 months to 1:7 and expands the allowable capacity for family child care providers from 8 to 12 children if staffing and space requirements are met. they present an opportunity to expand access in high-demand age groups and reduce waitlists.
2. Encourage local child care providers to carefully integrate the new flexibility, such as increased staff-to-child ratios or allowing assistant teachers as young as 16. Offering training and mentoring programs could help younger or less experienced staff meet quality expectations.
3. Streamline process for opening child care centers and allow care in public/nontraditional spaces such as community centers, or churches by relaxing facility rules.

Conclusion

Access to affordable, high-quality child care remains a major challenge for Lincoln County, with impacts to families, employers, and local communities. Like many other Wisconsin counties, Lincoln County does not have enough child care slots to meet demand. Families who do find care often face high costs that impact household budgets and reduce purchasing power. These barriers have led many parents to leave the workforce in order to care for their children.

In response, state and federal governments have increased investments to support child care providers and families. Wisconsin's 2025-2027 biennial budget invests $330 million through direct payments to child care providers as well as investments to make child care more affordable for families. Additionally, $123 million will be dedicated to the Wisconsin Shares program. Regulation changes like allowing sixteen-year-olds to serve as assistant teachers could help alleviate the shortage of workers.

However, these investments do not fully solve the underlying challenges. The number of available child care slots still fall short of demand, leaving many families without options for care. For those who can find care, costs will likely remain high relative to household income, particularly for families with multiple young children. Some providers also say they will continue to struggle with workforce shortages and small operating margins. To continue to support families and stabilize the industry, a more comprehensive, long-term commitment from state and federal governments will likely be necessary, along with various local efforts.