



# Childcare and the Montana Workforce



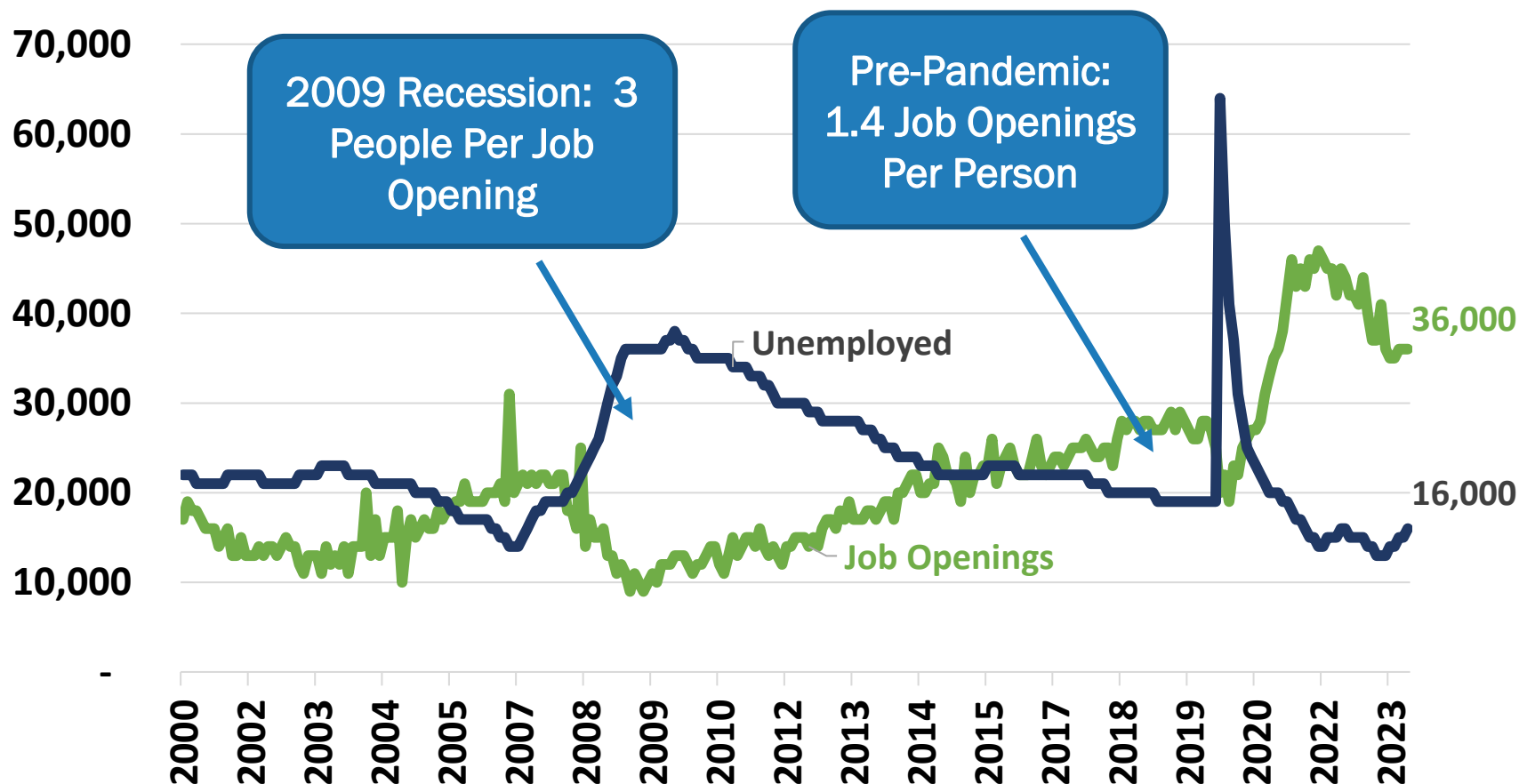
Montana Department of  
**LABOR & INDUSTRY**

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# Tight Labor Markets Persist in Montana

Characterized by more job openings than unemployed persons



Source: JOLTS and LAUS, January 2000 to November 2023. Unemployment level is rounded to the nearest thousand.

# Reasons for Tight Labor Market

## Demand for Workers

- Record-high number of job openings

## Supply of Workers

- Aging population driving reduced participation
- Reduced hours from childcare issues

All Montanans fall into three groups based on their work status:



### EMPLOYED

Employed persons are actively working for pay or profit.



### UNEMPLOYED

Unemployed persons are actively seeking work.



### NOT IN THE LABOR FORCE

Those not working or seeking work, including:

- retired people
- children
- students
- family caretakers

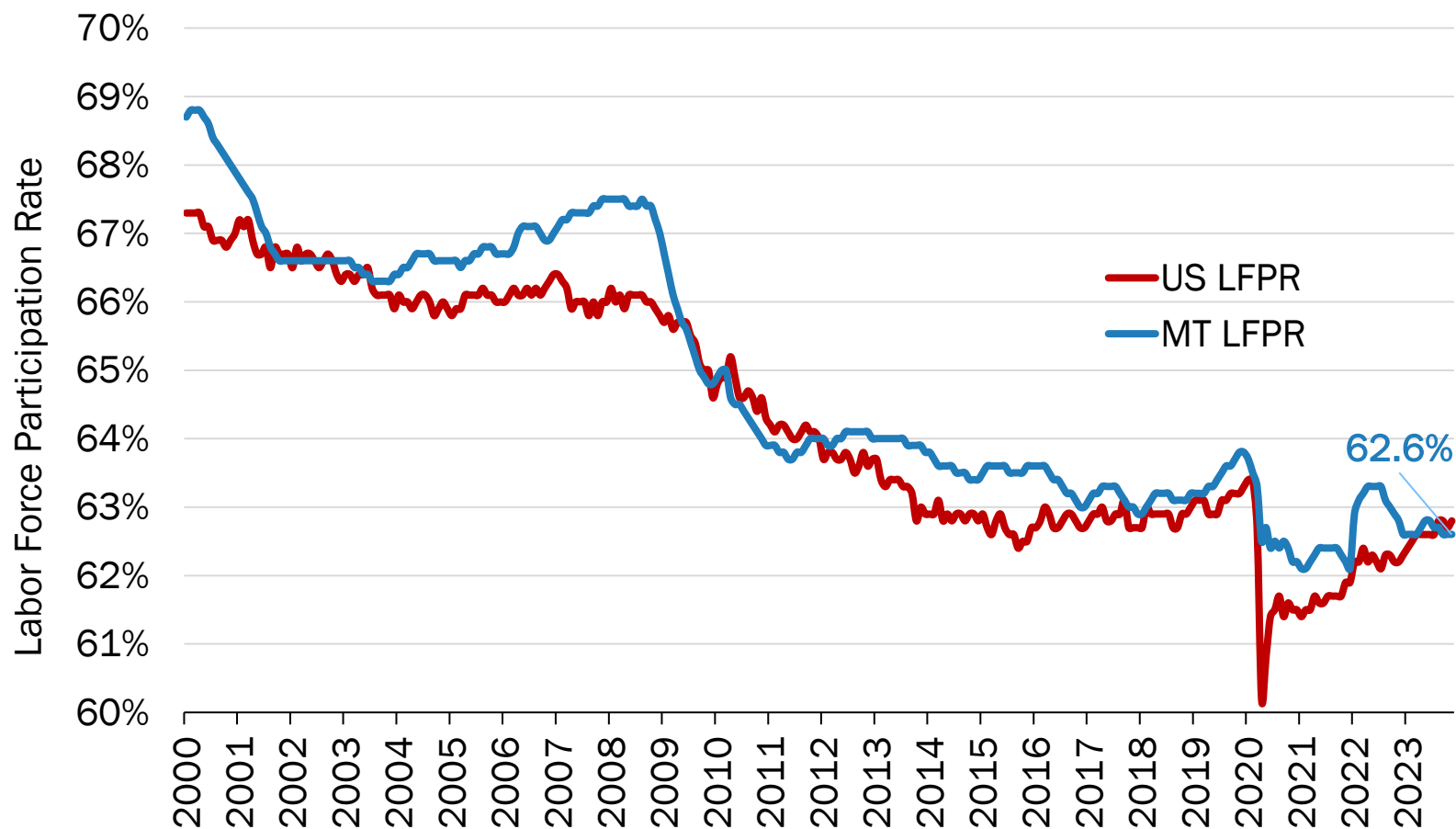
Together, the **EMPLOYED** and the **UNEMPLOYED** form the **LABOR FORCE**, which includes all Montanans who are either working or looking for work.



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# Labor Force Participation Rate Declines

About 63% of Percent of Population Working or Actively Seeking Work



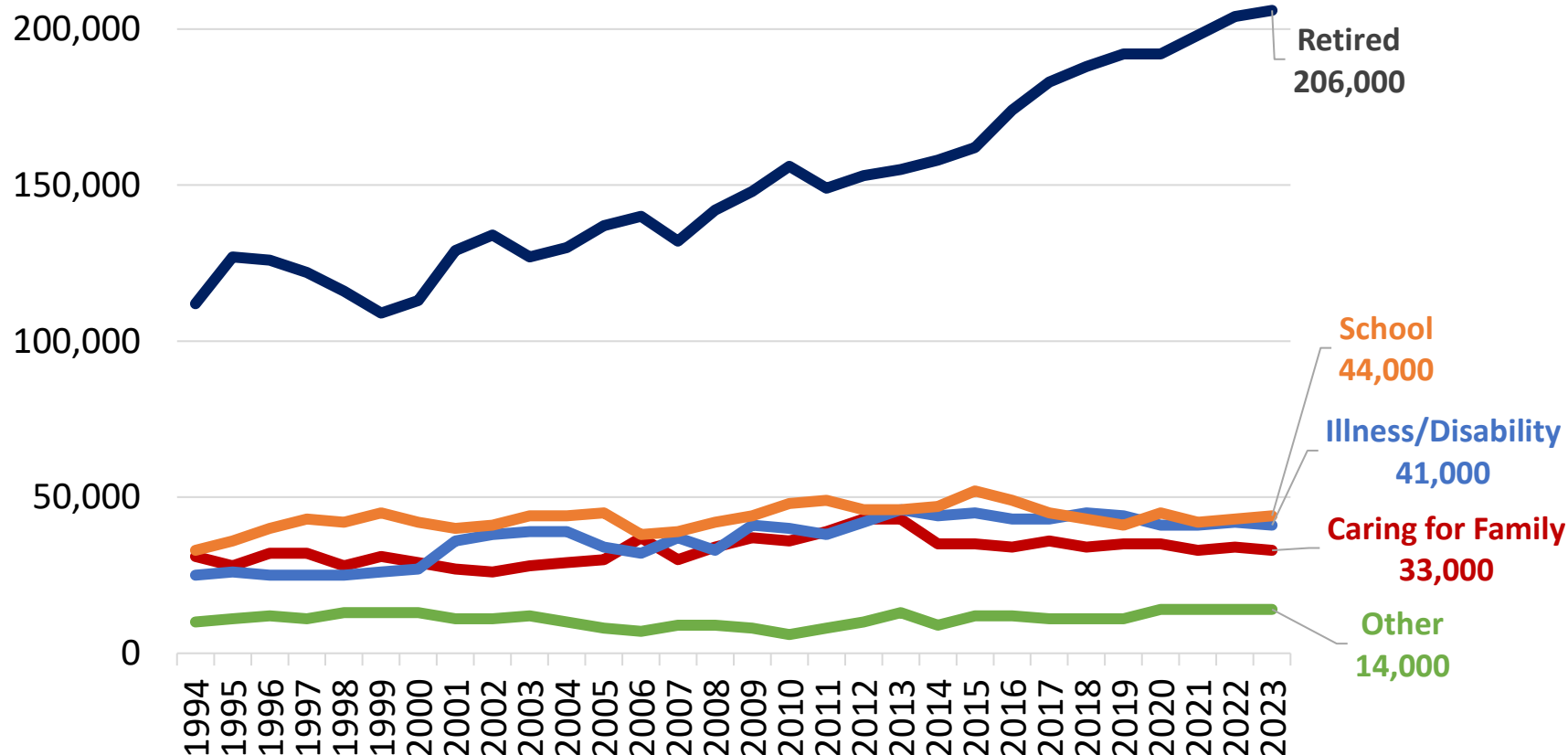
Source: IPUMS Current Population Survey, Jan 2000 to November 2023. Reported as twelve-month moving average.



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# Reasons Montanans are not in the Labor Force

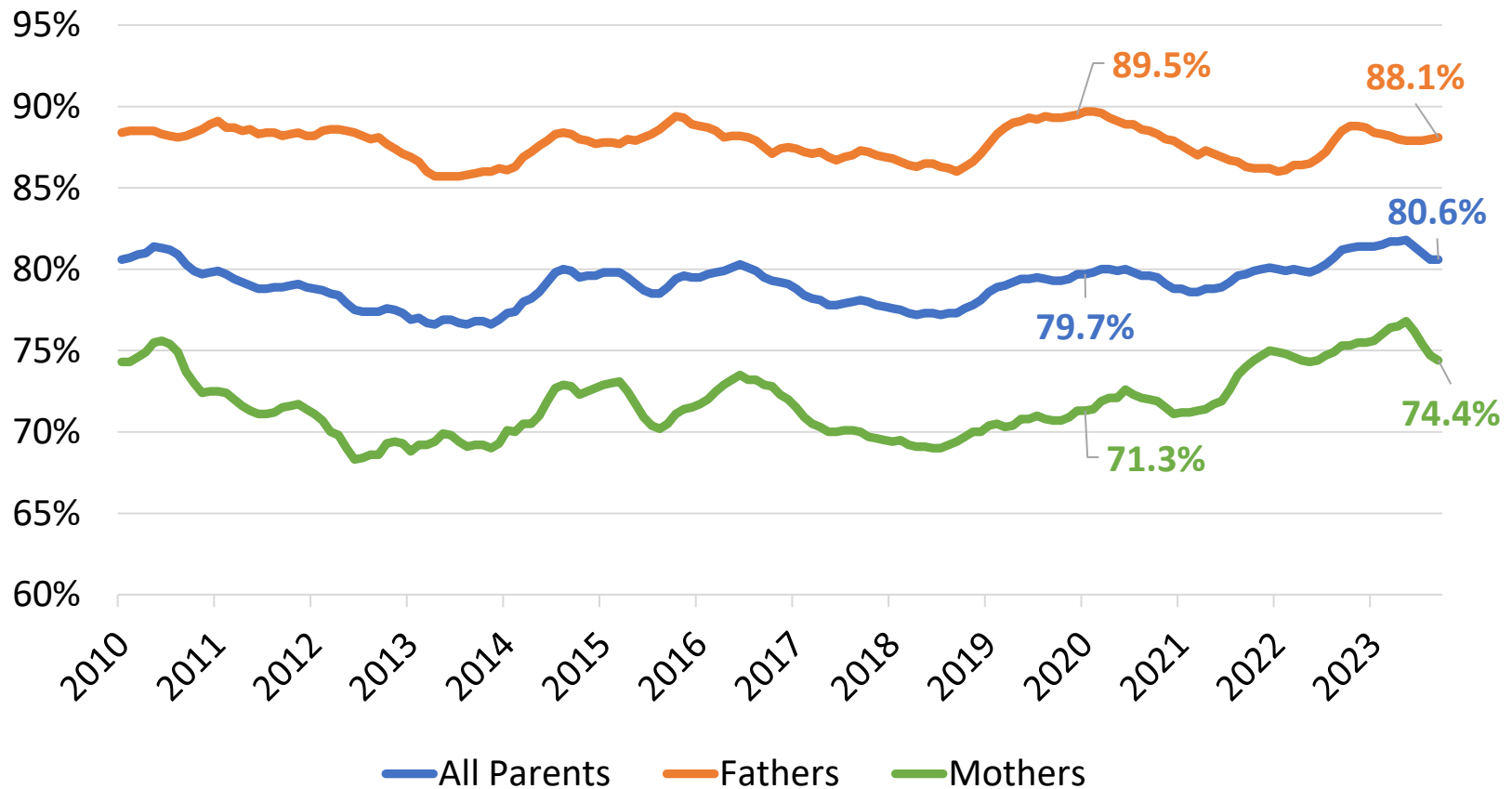
Aging Population and Increased Retirements Drive Long-run LFPR Decline



Source: IPUMS Current Population Survey, Jan 1995- November 2023. Twelve-month moving averages, rounded to the nearest thousand.

# Labor Force Participation of Parents

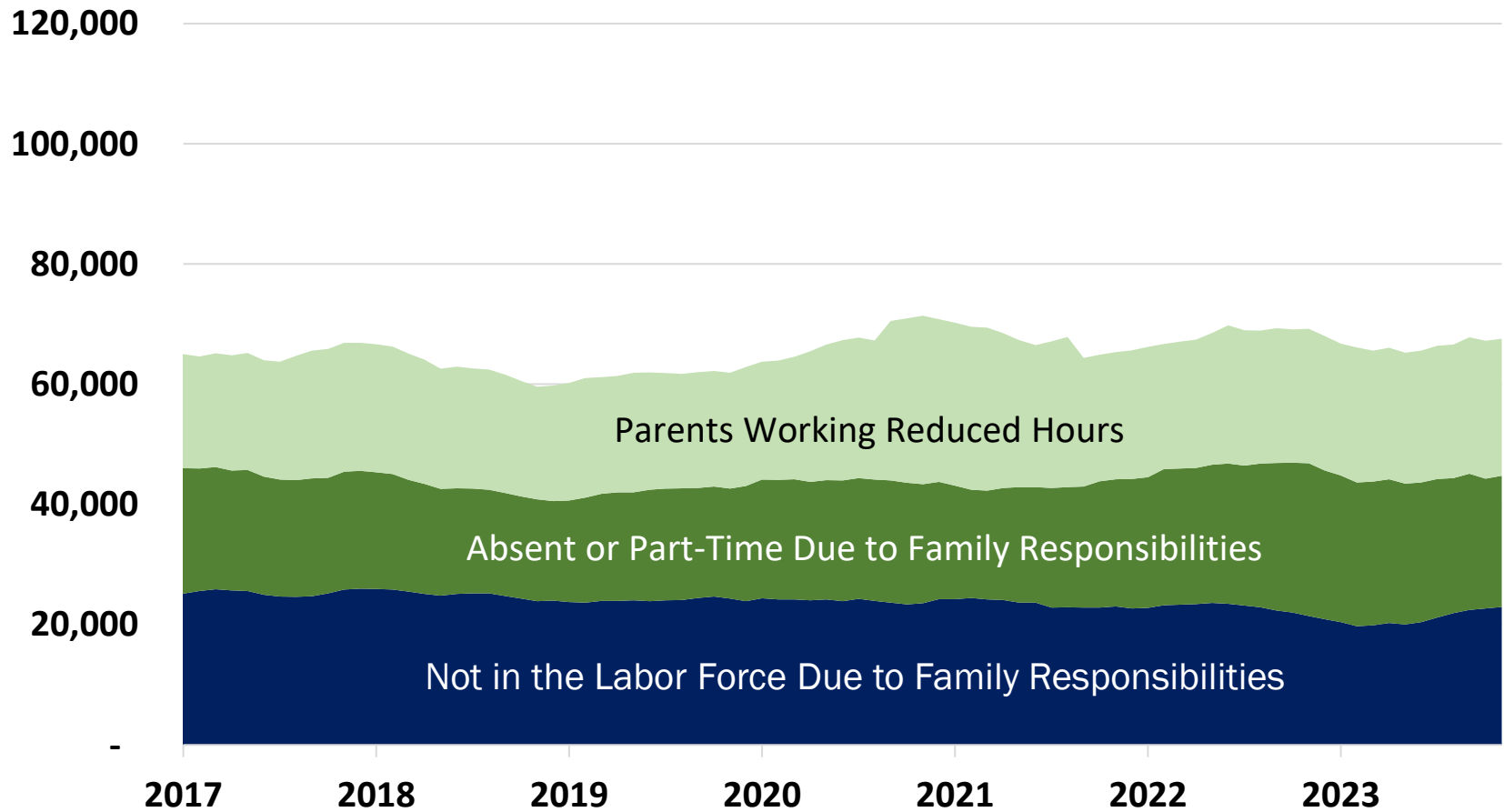
Parents are participating in the workforce at higher rates than pre-COVID



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through September 2023. Estimates are 12-month rolling average.

# Underutilization of Parental Workforce

About 66,000 Montana parents unable to fully engage in workforce in 2023

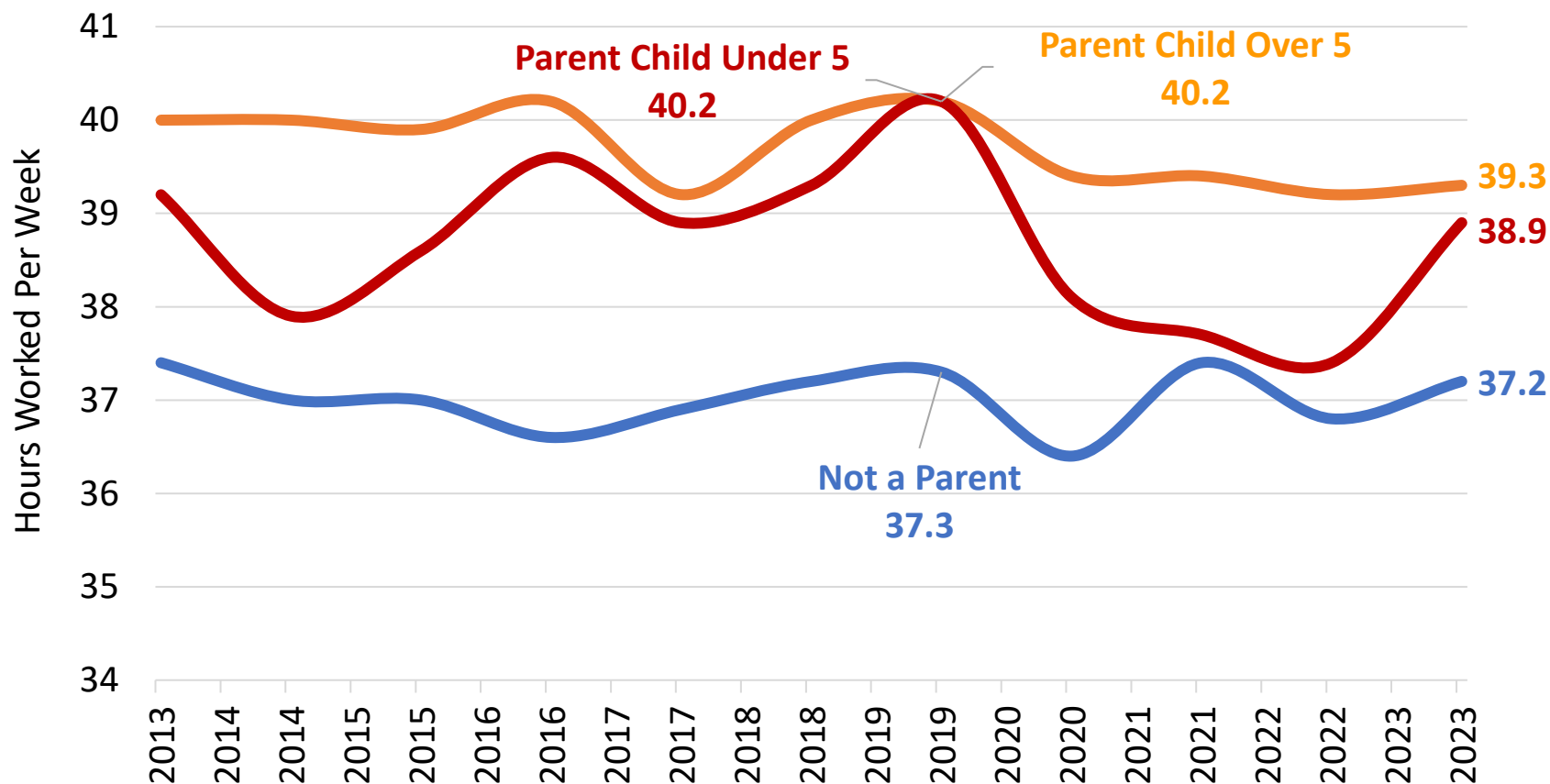


Source: MTDLI analysis of Current Population Survey microdata from IPUMS through November 2023. Estimates reported as 12-month average.



# Parental Work Hours Declined

Declines post-pandemic were most significant for parents of young children



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through November 2023. Reported as 12-month moving average.



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# Licensed Capacity Meets 44% of Demand

Childcare capacity growth slightly outpaces population growth in 2023

## Statewide Supply

20,640 average licensed  
capacity in 2023

+8% growth over the year

1,500 additional slots

## Statewide Demand

46,390 children under age six  
living in working parent  
households.

+3.6% growth over the year



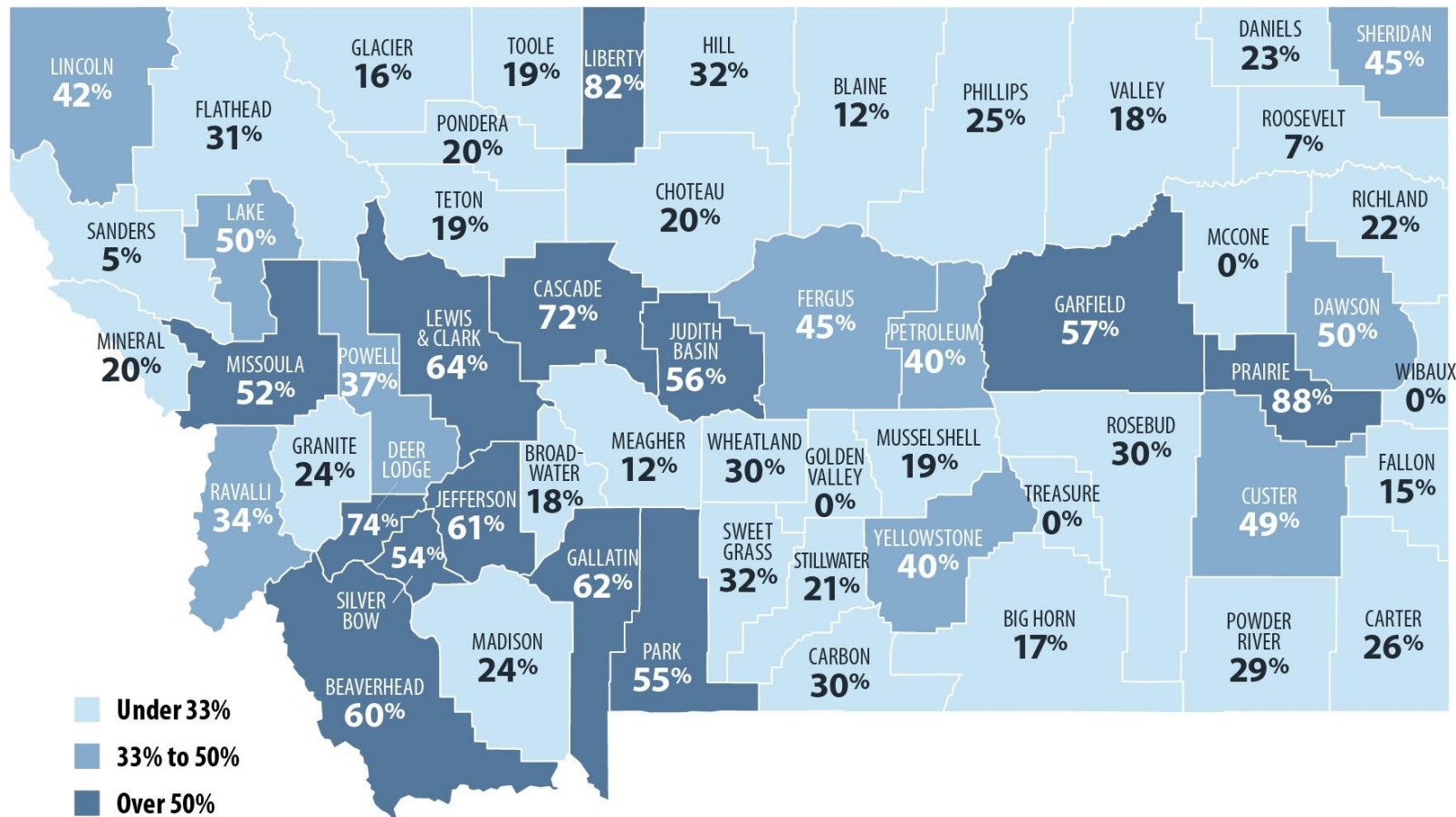
Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2023. U.S. Census Bureau 2022 Population Estimates Program (PEP) data provided by Montana KIDS Count and 2018-2022 American Community Survey (ACS) data.



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# Nearly 60% of Counties qualify as a Childcare Desert

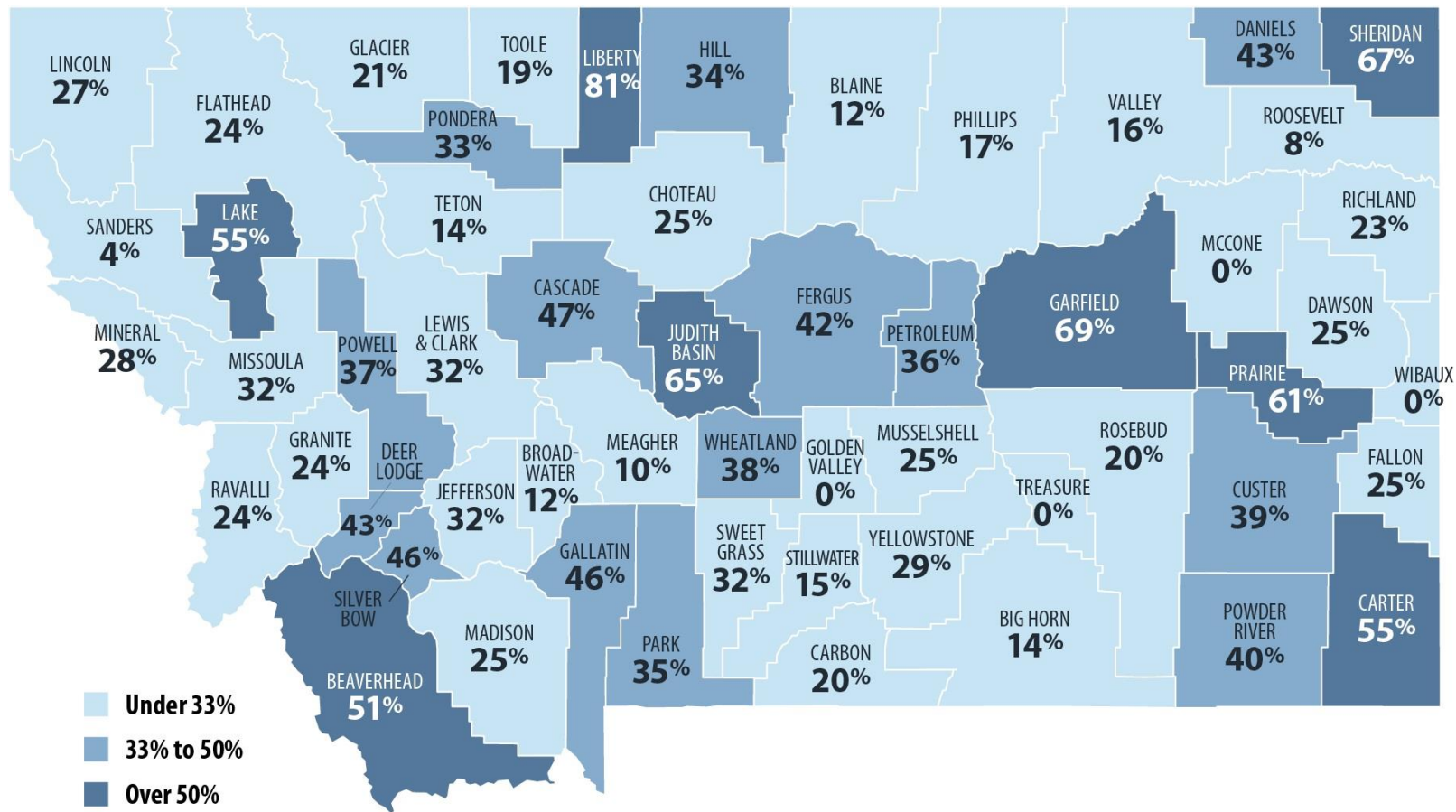
Licensed capacity as a percent of demand in 2023 by County



Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2023.  
Demand is equal to the number of children under age six living in the working parent households.

# Infant Capacity Meets 32% of Estimated Demand

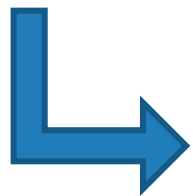
Licensed infant capacity as a percent of demand in 2023 by County



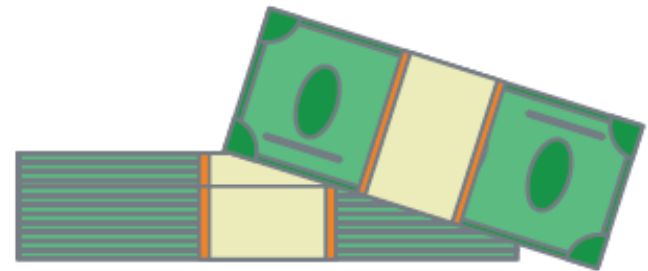
Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2023.  
Demand is equal to the number of children under age two living in the working parent households.

# Childcare Affordability in Montana

In 2023, Montana households averaged **\$18,940**  
in childcare expenses for children under age five.



which translates to **28%**  
of the state's median  
household income.



Cost of full-time daycare for a toddler in  
center-based care is **\$11,700** per year.



- Cost of in-state tuition for a four-year public college
- Average rent

Source: U.S. Census Household Pulse Survey from January to May 2023. Median household income reported by 2022 1-Year Estimates American Community Survey (in 2022 dollars). Child Care Aware of America's Catalyzing Growth: Using Data to Change Child Care Report Series



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# Montana Business Impacts

Research from MTDLI and Minneapolis Federal Reserve Bank

**40%** of businesses report *difficulty recruiting or retaining qualified workers due to lack of childcare.*

**30%** of Montana businesses say inadequate childcare has *prevented their company from growing.*

**↓ \$55 million lost business revenue annually.**



# Early Childhood Education Workforce

High-demand and low-wages for childcare workers in Montana

Childcare workers earn an average **\$12.73** per hour, which translates to about **\$26,480** a year when working full-time.

## Over 500 job openings per year

for childcare workers through 2032, placing the occupation in the **top 30** for number of openings.

- **56%** of openings from *turnover*
- **43%** of openings due to *retirements*



# MTDLI Childcare Workforce Development Efforts

Apprenticeship offers low-cost pathway to grow ECE workforce

## Childcare Development Specialist

*(Started January 2023)*

- Funded through ARPRA allocation
- Work with employers to establish employer-based childcare options
- Expand and support existing apprenticeship opportunities for ECE workforce



## Pre-Apprenticeship Program

*(Pilot launched Fall 2023)*

- Cohort of 15 adult learners – *interest far exceeded initial capacity.*
- Earn nationally recognized Child Development Associate (CDA) credential
- 9 months to complete (120 hours of training, 480+ hours of work experience)
- Require wage gains for apprentice post-completion
- All costs to attain CDA are covered
- Incentives support participation by the apprentice, mentor, and sponsor



More info  
available at  
**lmi.mt.gov**

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## Additional Resources

### Child Care Availability

Watson, Amy. "Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana." January 2024. MTDLI

<https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildCareDesertsWhitePaper-FINAL.pdf>

Watson, Amy. "Child Care Supply and Demand in Montana." February 2023. MTDLI. [https://lmi.mt.gov/docs/Publications/EAG-Articles/0223\\_ChildcareSupply.pdf](https://lmi.mt.gov/docs/Publications/EAG-Articles/0223_ChildcareSupply.pdf) *\*Update Forthcoming - March 2024*

### Business Impacts

Watson, Amy. "Impacts of Child Care on the Montana Workforce: Results from a Survey of Montana Businesses." November 2020. MTDLI

<https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildcareReport2020.pdf>

Watson, Amy. "Out of the Office: How a Lack of Child Care has Impacted Montana Businesses." November 2020. MTDLI.

<https://lmi.mt.gov/docs/Publications/EAG-Articles/1120-ChildCare3.pdf>

### Child Care Workforce

Watson, Amy. "Understanding the Child Care Workforce." April 2019. MTDLI. <https://lmi.mt.gov/docs/Publications/EAG-Articles/0419-Childcare2.pdf>