Impacts of Child Care on the Montana Workforce

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Parents Not in Labor Force

Not in Labor Force Due to Family Responsibilities

Source: Current Population Survey, BLS
Montana Parents out of the labor force due to family responsibilities in 2021.
Parents Underemployed

Montana Parents **working Part-Time or Absent from work** due to family responsibilities in 2021.

Source: Current Population Survey, BLS
Parents Workforce Engagement

Source: Current Population Survey, BLS

Montana Parents **working reduced hours** in 2021.
Parent Workforce Engagement

- Pre-Recession: 48,000
- Recession Peak: 59,000
- Current: 53,500

Source: Current Population Survey, BLS

Montana Department of LABOR & INDUSTRY
Average Hours Worked per Week

Source: IPUMS CPS data, 12-month moving average. Recessions are shaded.
An estimated **6%** of the labor force relies on child care to remain employed.

Yet

Licensed child care capacity meets only about **44%** of the estimated demand.

Shortages Across the State

Child Care Deserts

Any geographic area where licensed child care capacity meets less than a third of potential demand.

60% of counties are classified as child care deserts.

Limits to Childcare Expansion

Workforce Shortage

Childcare providers face the same problems as other businesses looking to expand – a lack of available workers.

Unmet childcare demand is both a CAUSE and an EFFECT of the state’s workforce shortage.
Childcare workers earn about $10.99 per hour, which translates to about $22,860 a year when working full-time.
Montana families pay $7,900 on average for care for children under the age of five, which translates to 16% of the state’s average wage in 2020.

Cost of full-time daycare for an infant in center-based care is $12,750 per year.

88% of Montana families cannot afford care.

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

Source: 2020 Child Care Business Survey, MTDLI.
Economic Policy Institute, October 2020.
Shortages in Infant Capacity

57% of businesses identify a lack of affordable child care in their community,

and

60% stated improving access to child care should be a priority for their community.

Source: 2020 Child Care Business Survey, MTDLI.
40% of businesses report *difficulty recruiting or retaining qualified workers.*

30% of Montana businesses say inadequate child care has prevented their company from growing.

$55 million lost business revenue annually.

Businesses are Stepping Up

- Flexible Work Arrangements (75%)
- Paid Parental Leave (13%)
- Dependent Care Assistance Plans (15%)

Increased Access to Care
- HR policies (3.8%)
- onsite child care (2.6%)
- backup child care (1.3%)
- subsidized child care, coop, and reserve spaces (<1%)

Source: 2020 Child Care Business Survey, MTDLI
Additional Resources

Child Care Availability
Watson, Amy. “Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana.” August 2021. MTDLI

Watson, Amy. “Child Care in Montana.” September 2018. MTDLI.

Business Impacts


Child Care Workforce