



Childcare and the Montana Workforce



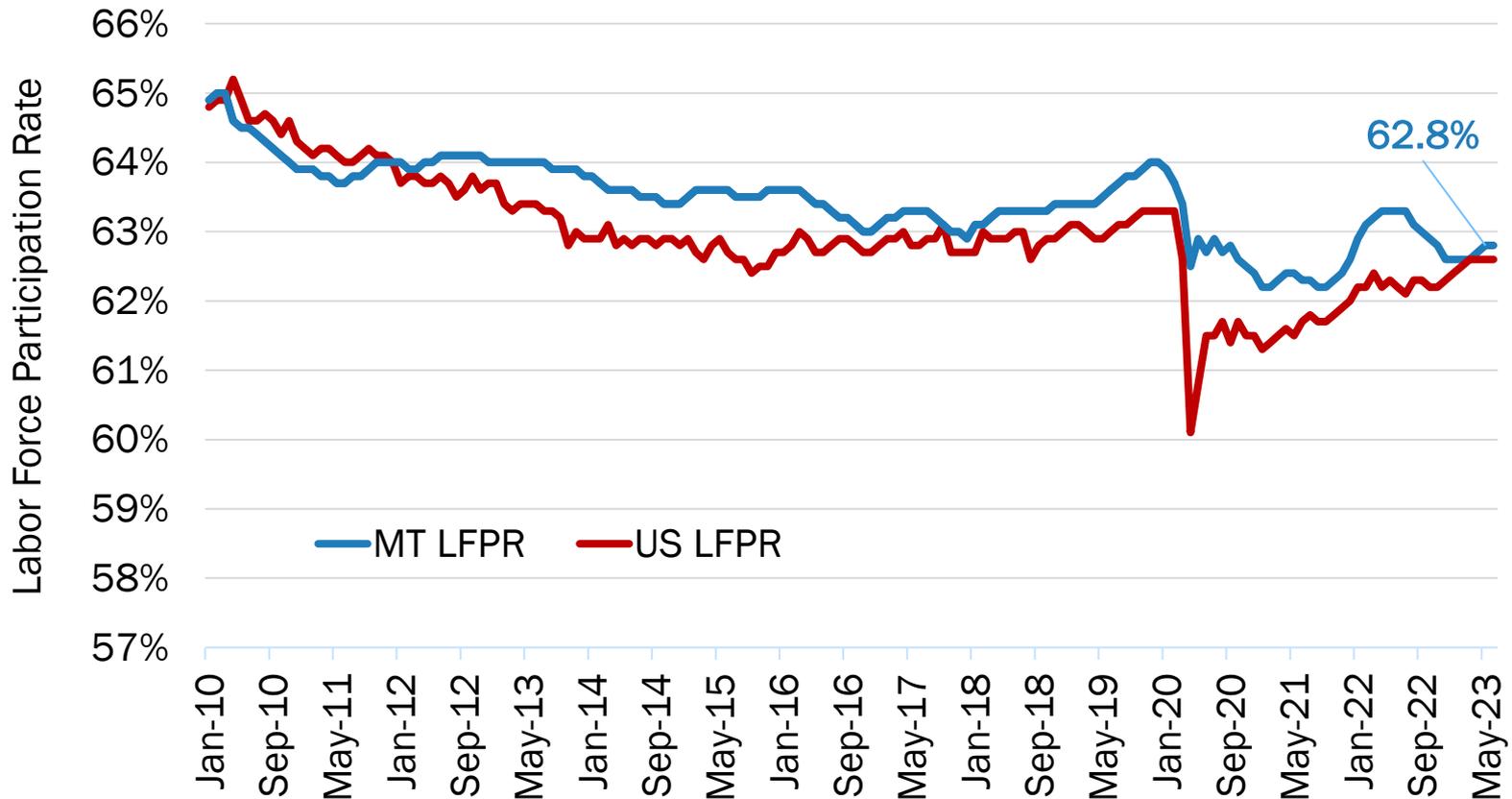
Montana Department of
LABOR & INDUSTRY

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Labor Force Participation Rate Declines

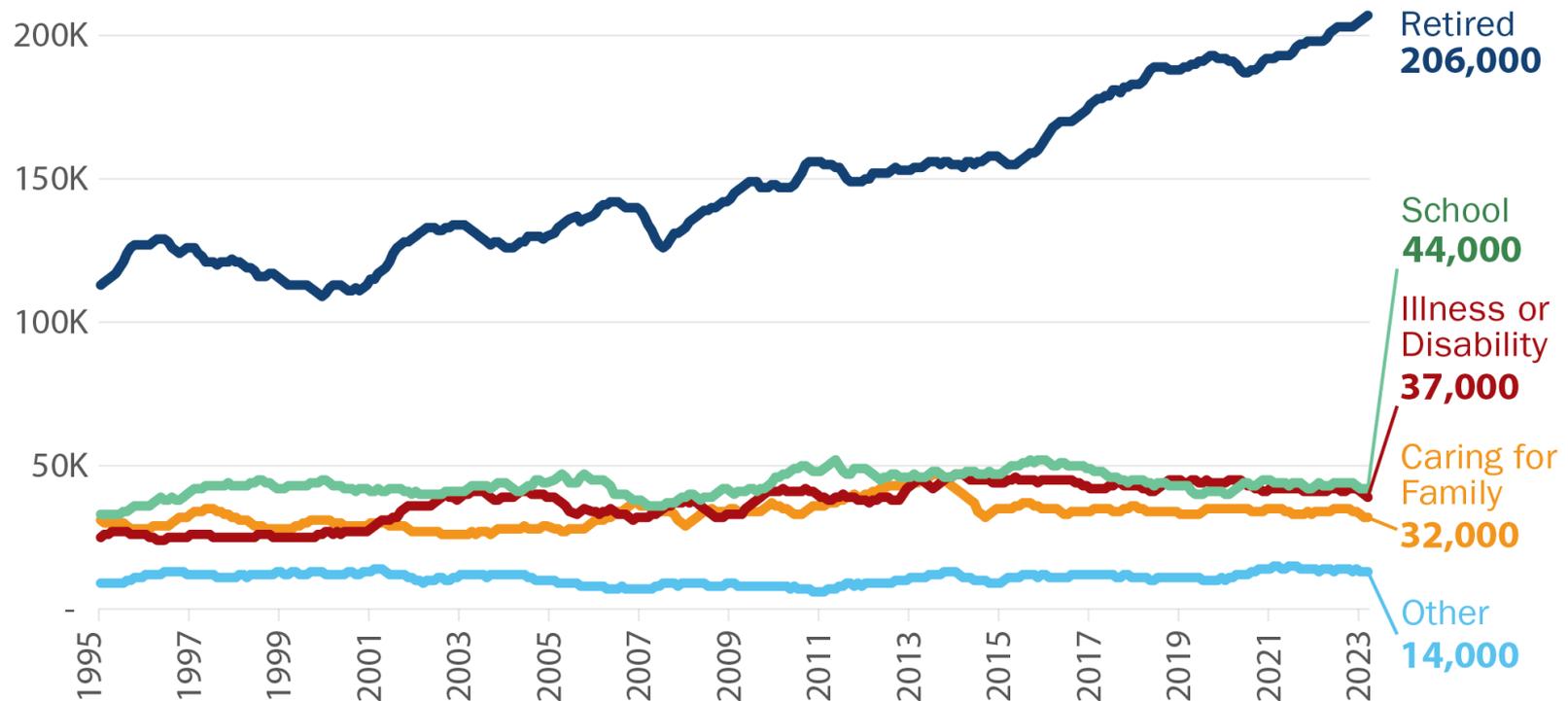
About 63% of Percent of Population Working or Actively Seeking Work



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

Reasons Montanans are not in the Labor Force

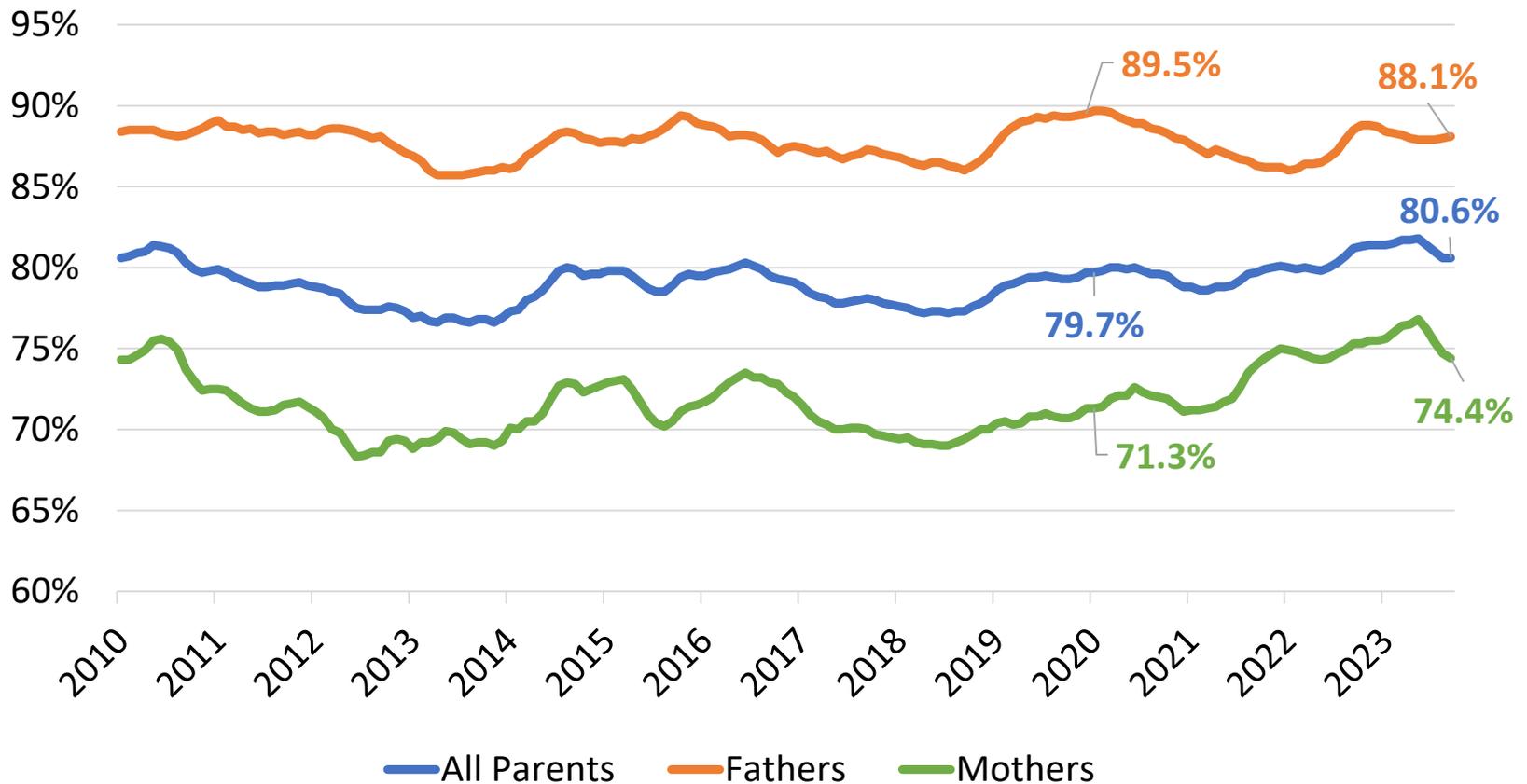
Aging Population and Increased Retirements Drive Long-run LFPR Decline



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

Labor Force Participation of Parents

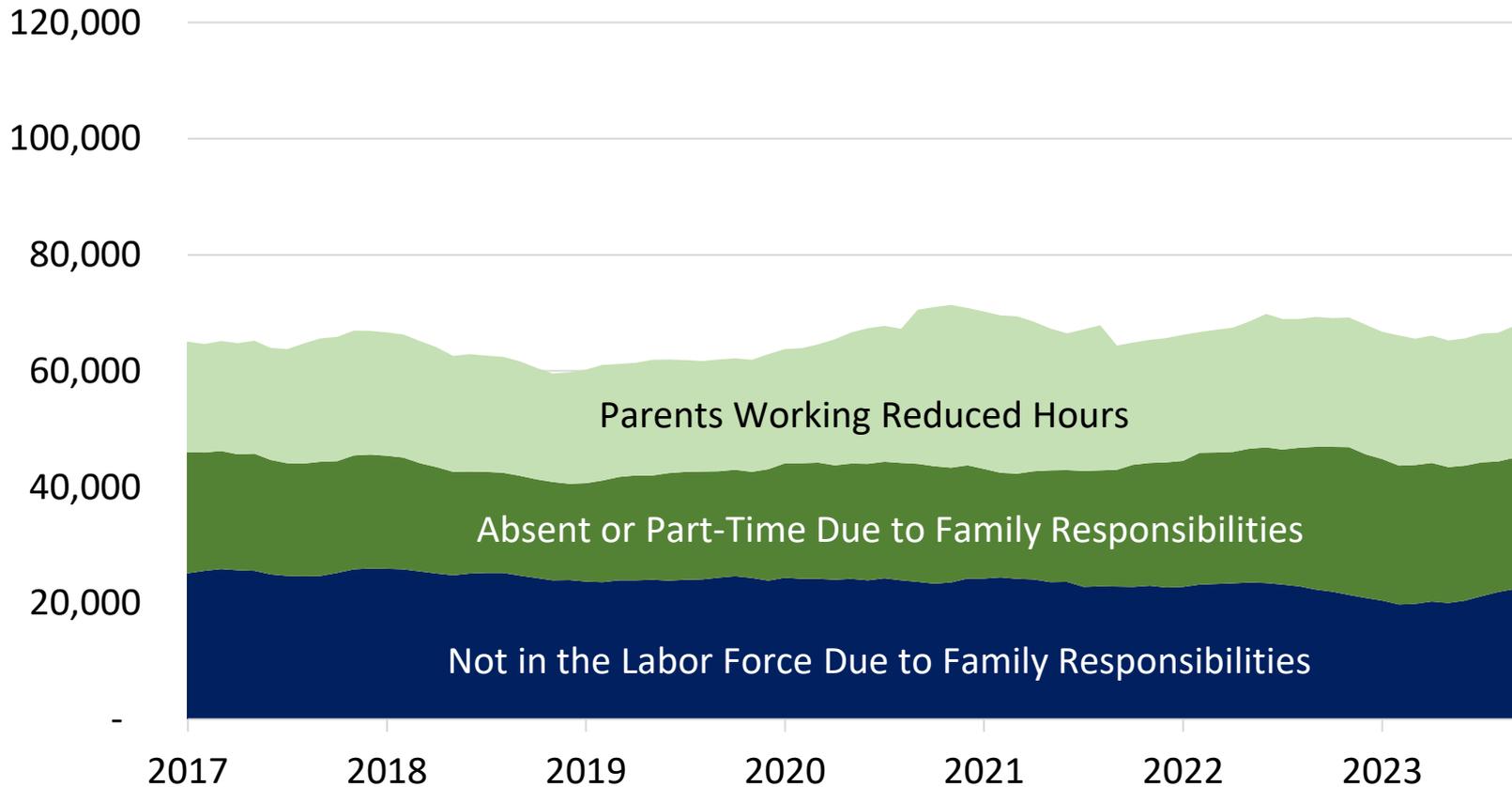
Parents are participating in the workforce at higher rates than pre-COVID



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

Underutilization of Parental Workforce

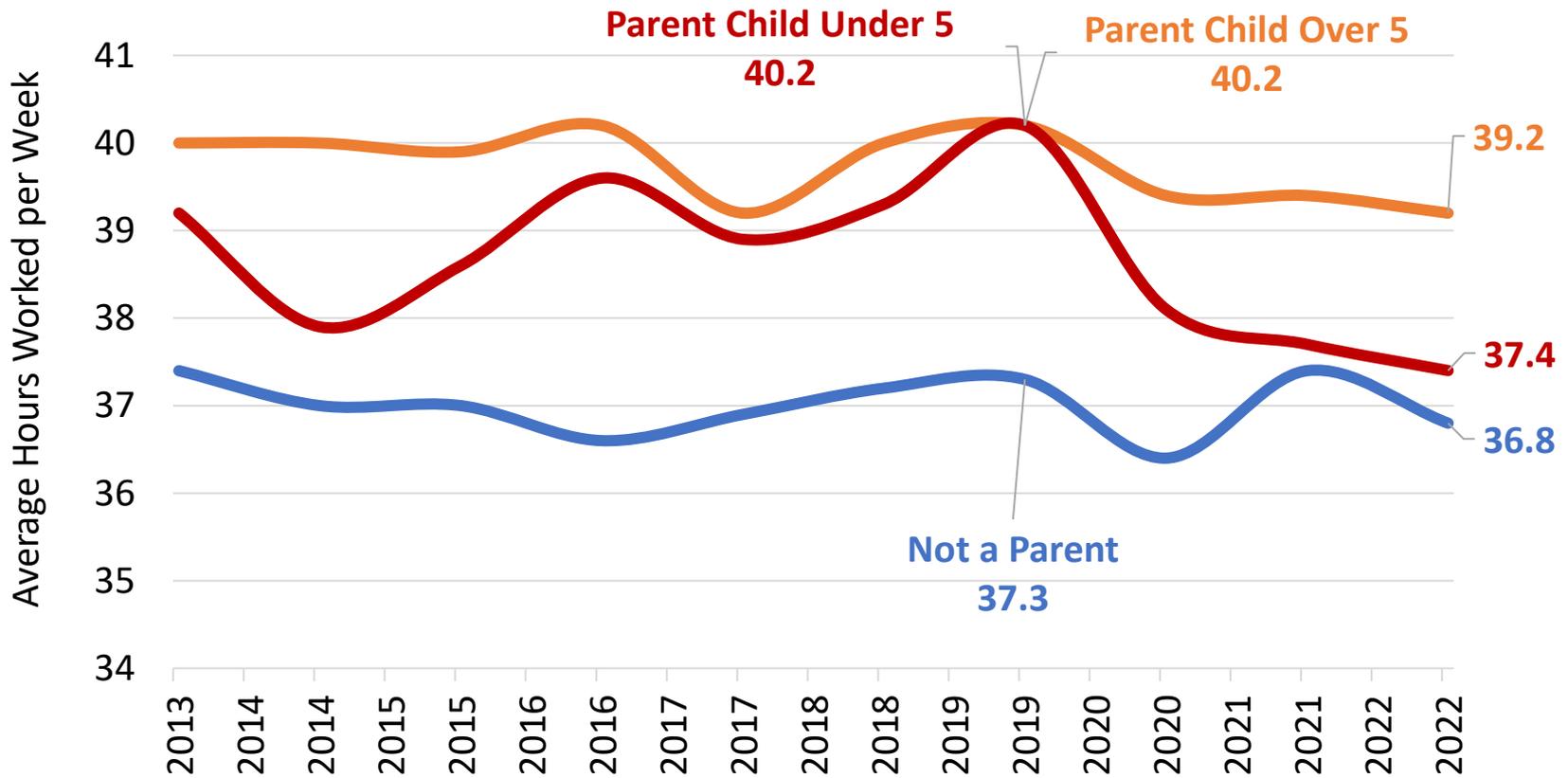
About 68,000 Montana parents unable to fully engage in workforce in 2022



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through September 2023.

Parental Work Hours Declined

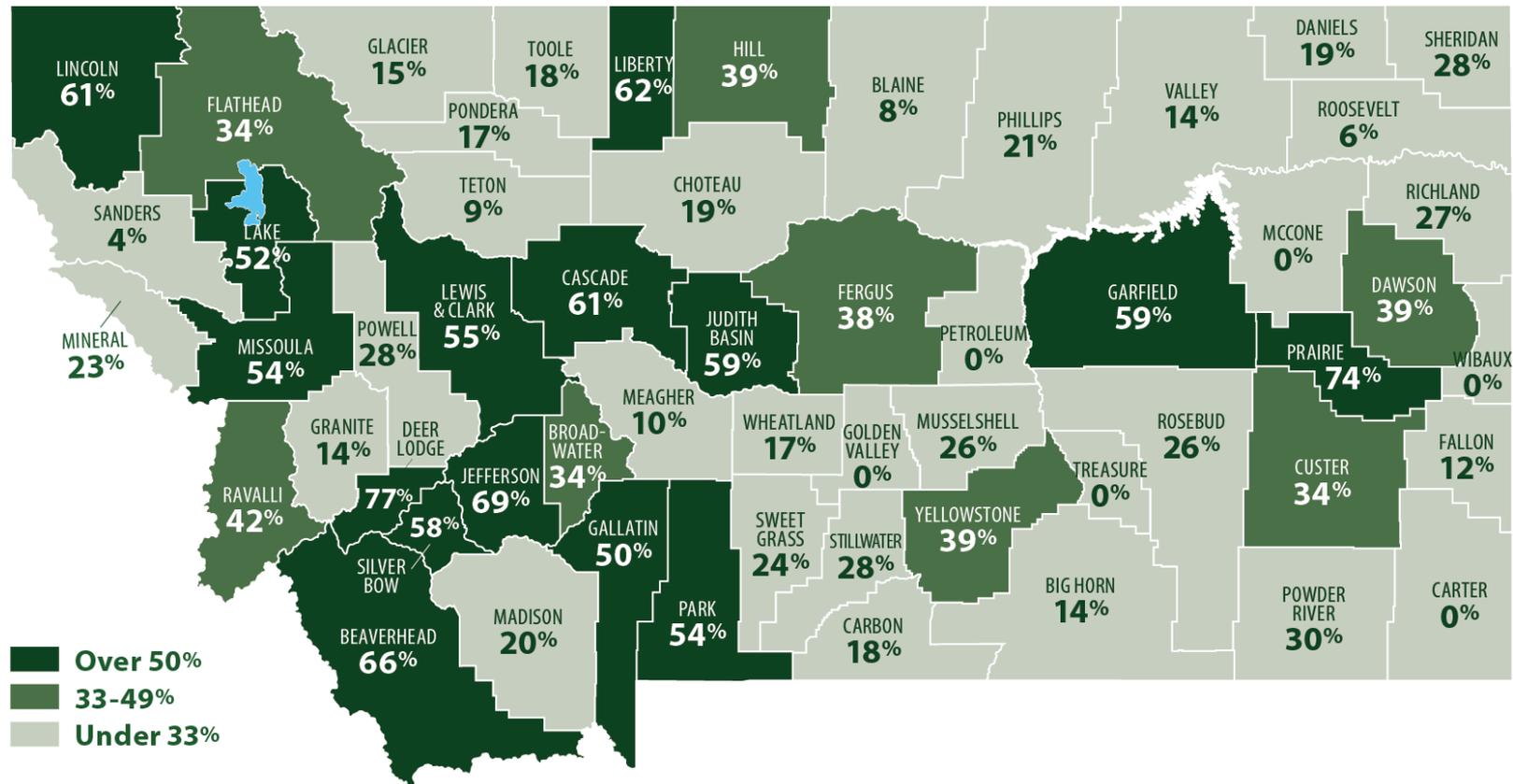
Declines post-pandemic are most significant for parents with young children



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through December 2022. Published in "Childcare Supply and Demand in Montana, 2022."

Childcare Availability Limits Workforce Engagement

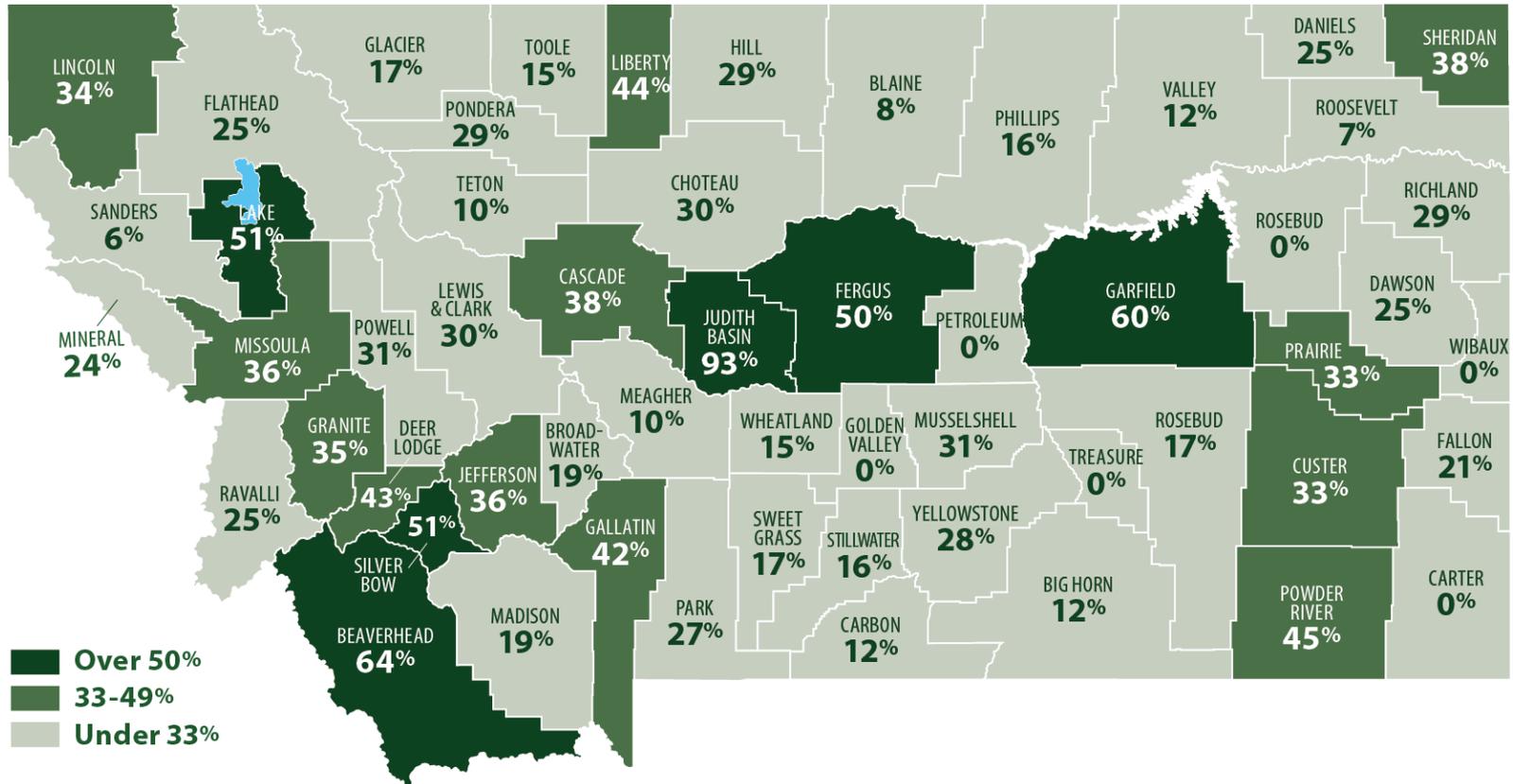
Licensed capacity meets only 43% of estimated demand in 2022



Source: Produced by the MTDLI. Childcare Capacity Data Provided by MT DPHHS as of 12/2022. Demand is equal to the number of children under age six living in the working parent households.

Infant Capacity Meets 31% of Estimated Demand

Licensed infant capacity as a percent of demand in 2022 by County



Source: Produced by the MTDLI. Childcare Capacity Data Provided by MT DPHHS as of 12/2022. Demand is equal to the number of children under age six living in the working parent households.

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

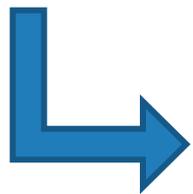
for childcare workers through 2032, placing the occupation in the **top 30** for number of openings.

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

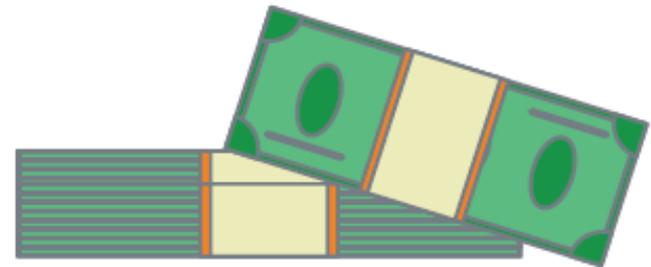


Childcare Affordability in Montana

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 2017-2021 American Community Survey (in 2021 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.



More information available at lmi.mt.gov/publications

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