

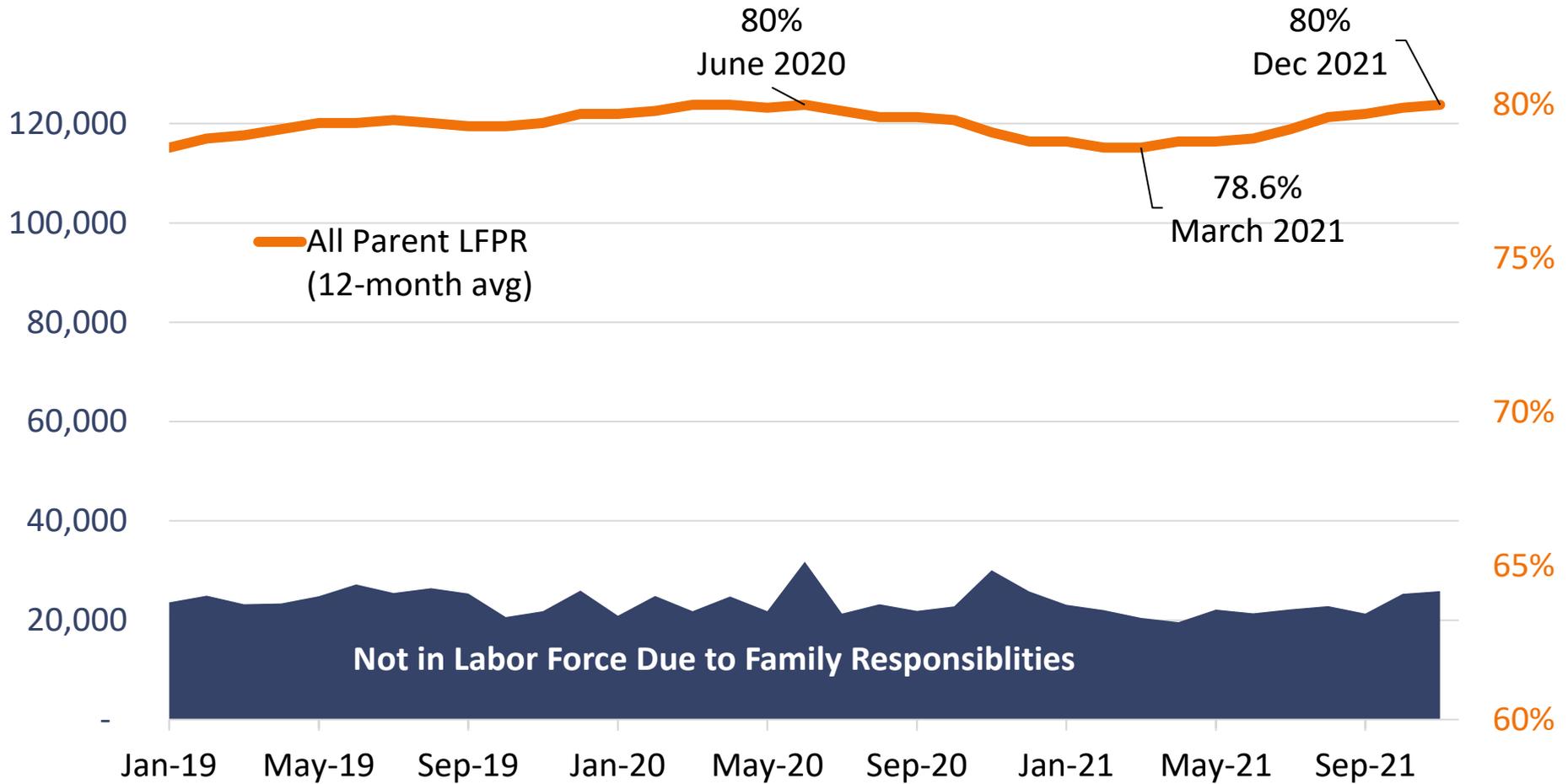


Impacts of Child Care on the Montana Workforce

AMY WATSON, Senior Economist
January 27th, 2022

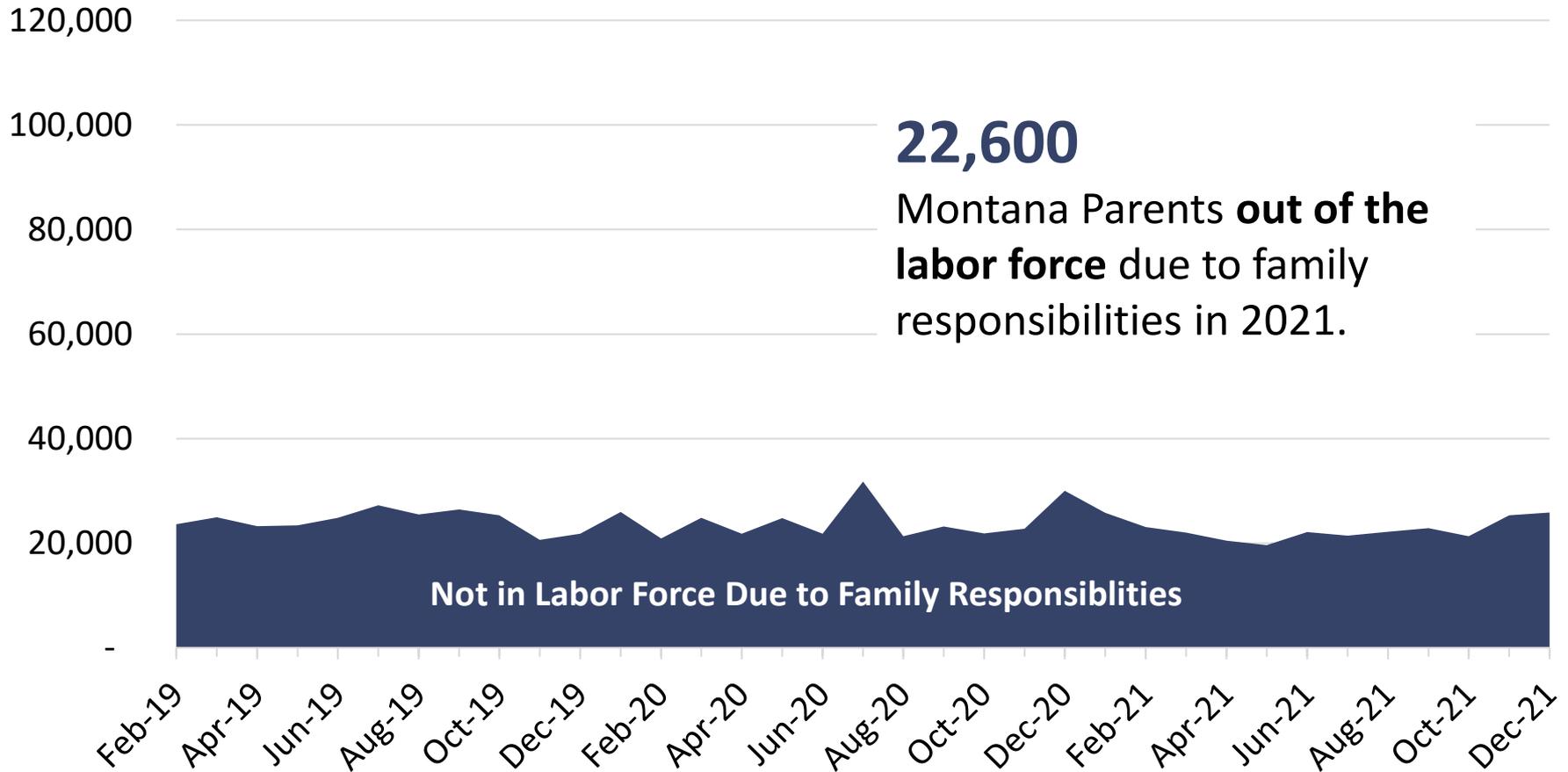


Parents Not in Labor Force



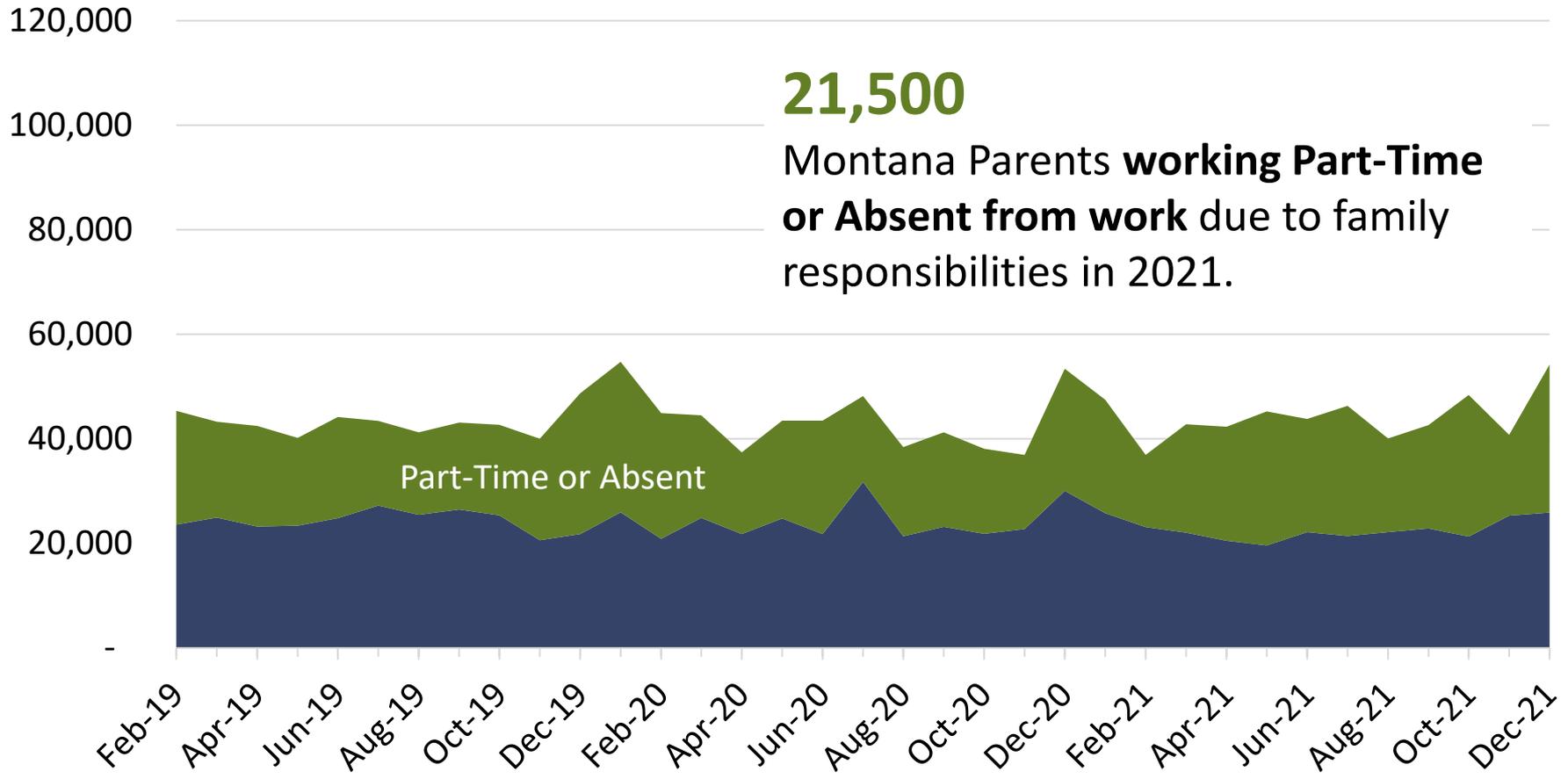


Parents Not in Labor Force



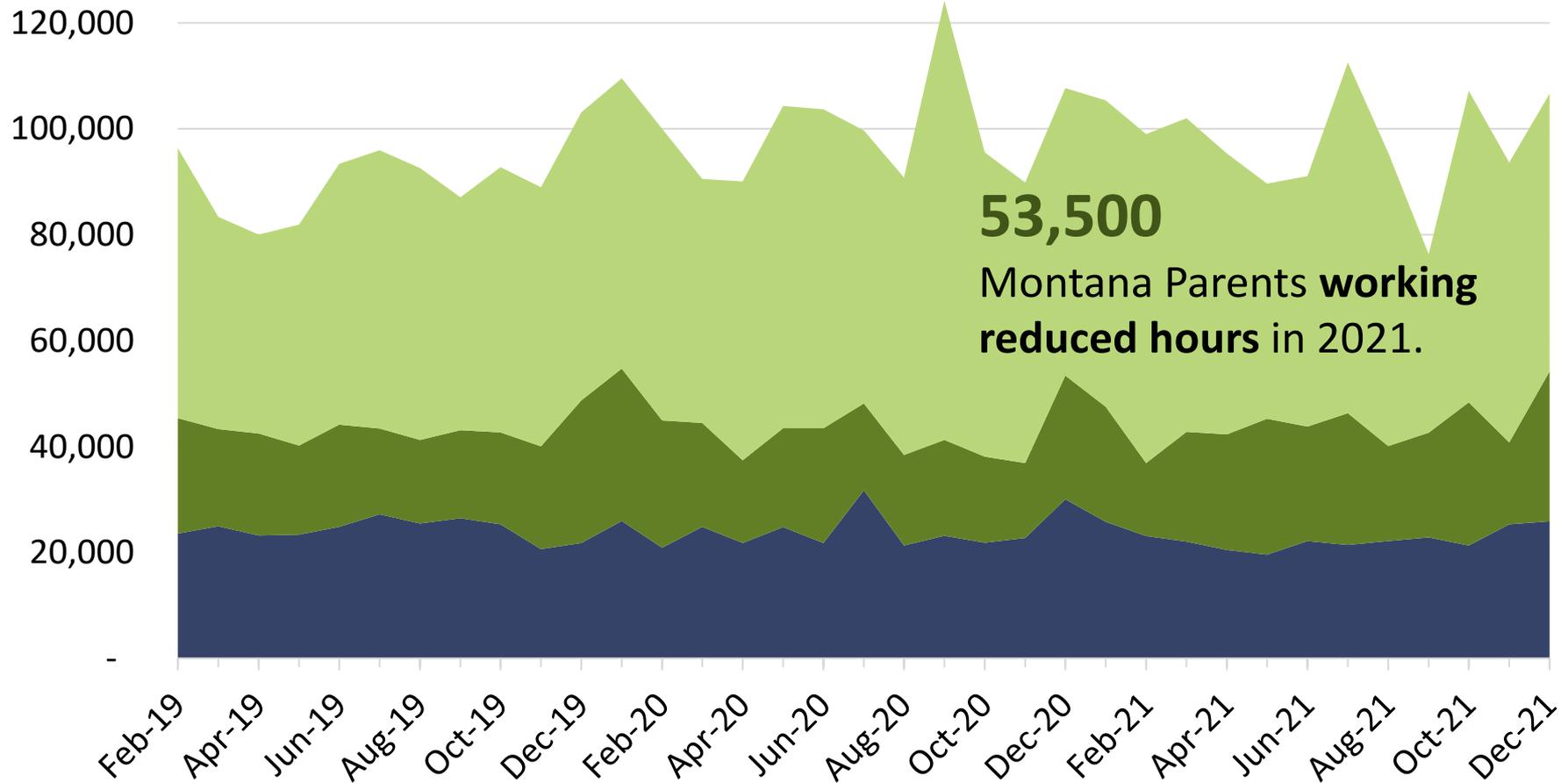


Parents Underemployed



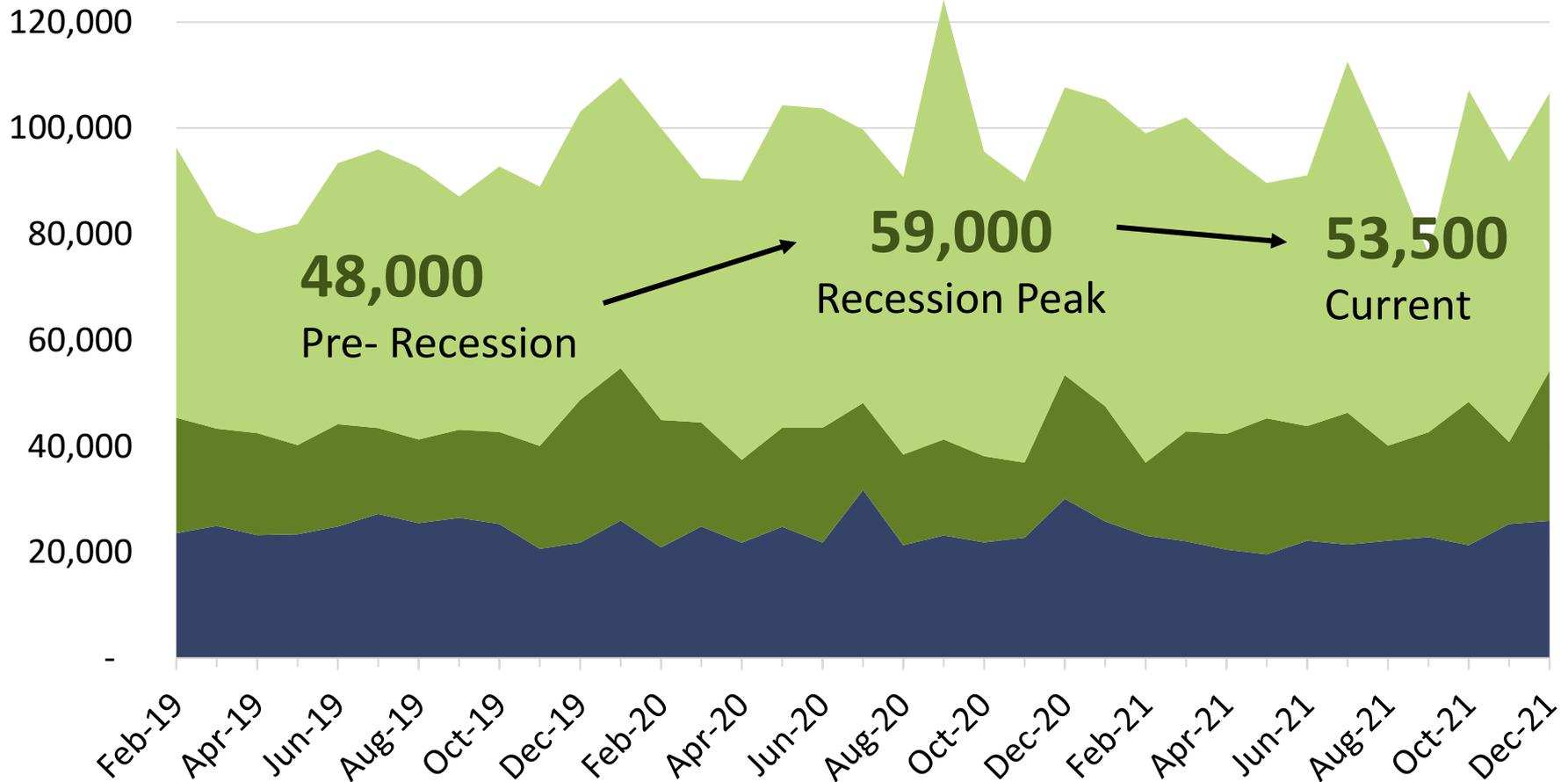


Parents Workforce Engagement



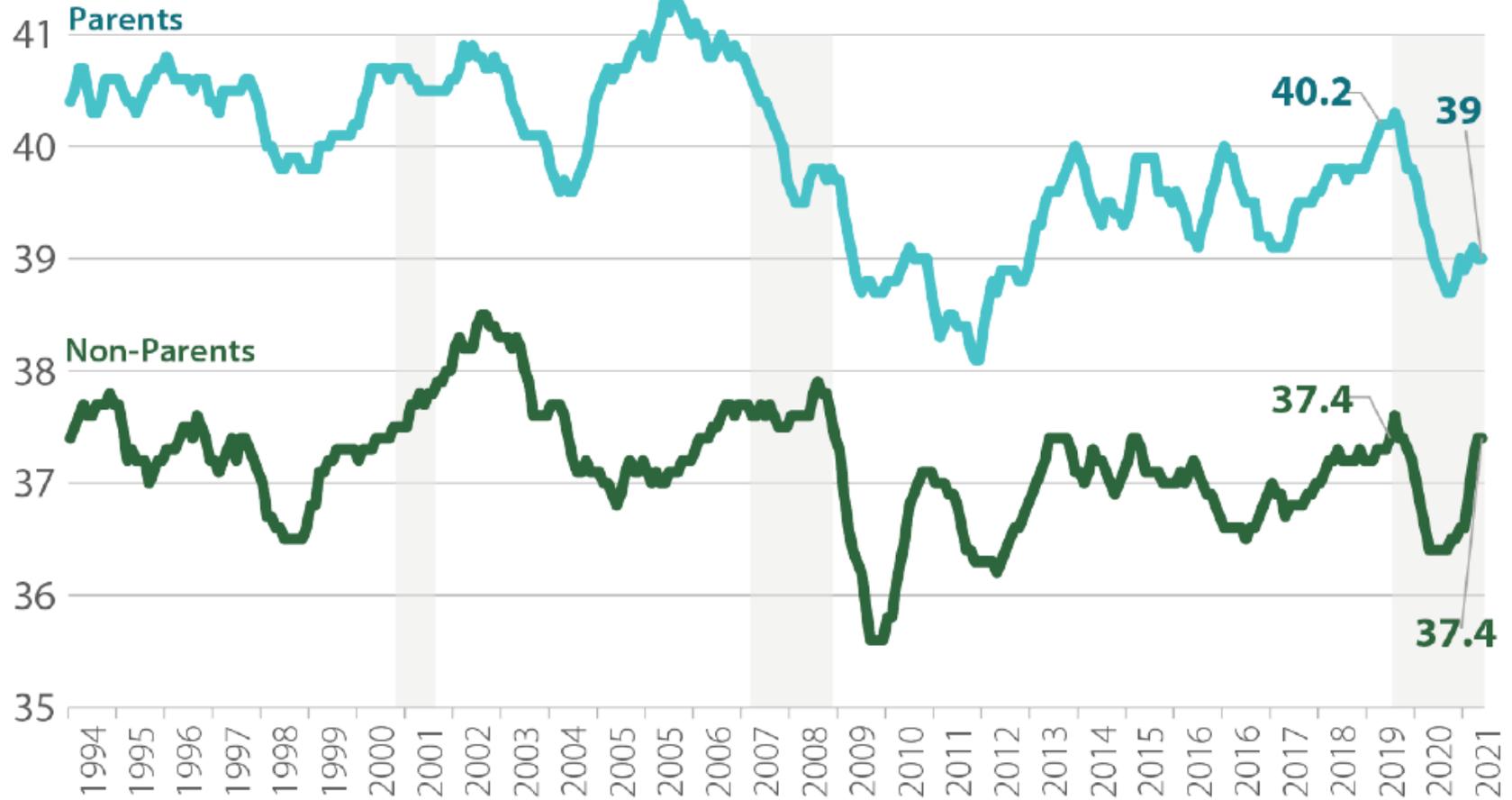


Parent Workforce Engagement





Average Hours Worked per Week



Source: IPUMS CPS data, 12-month moving average. Recessions are shaded.



Child Care is a Workforce Issue

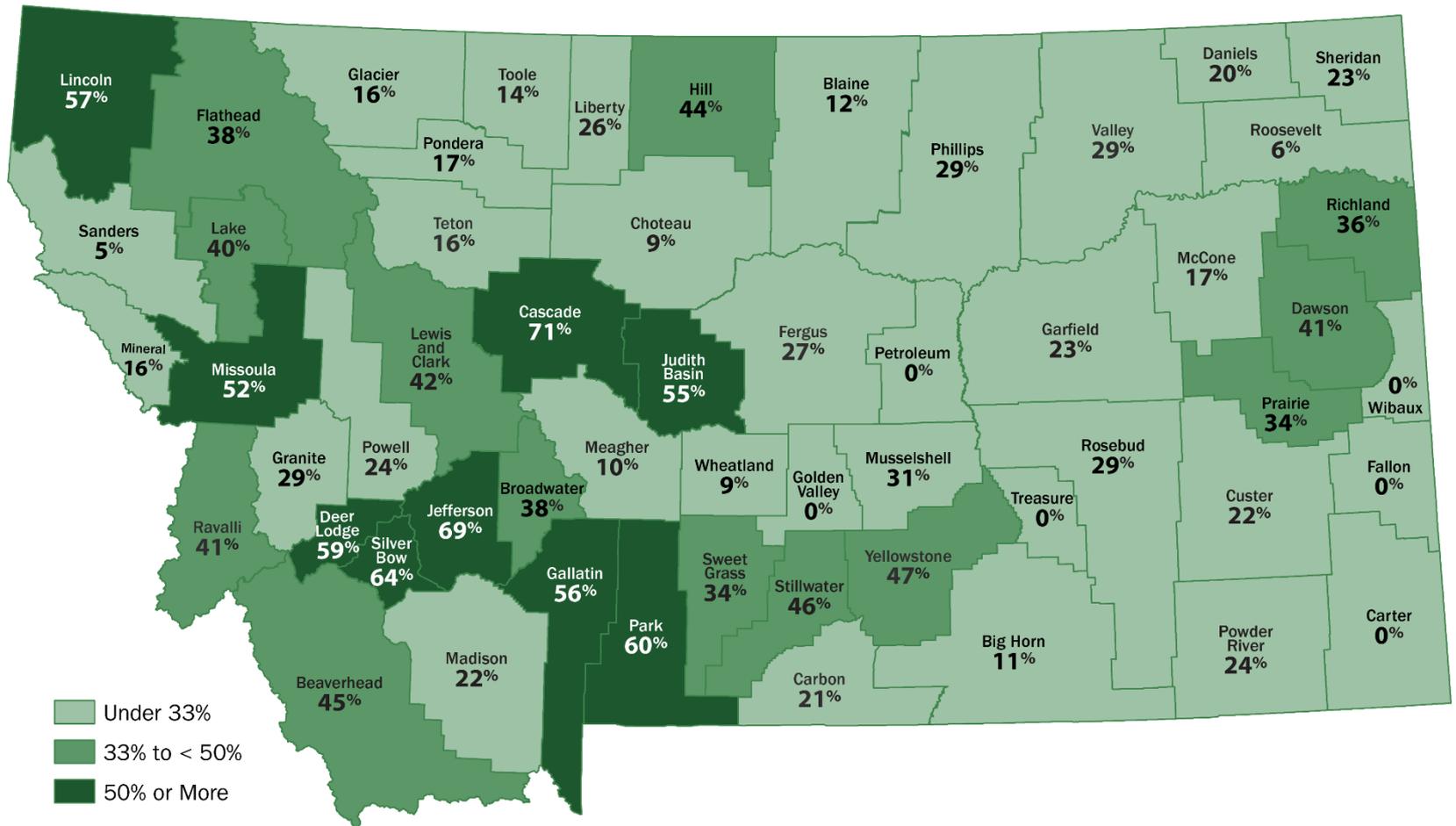
An estimated **6%** of the labor force relies on child care to remain employed.

Yet

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



Shortages Across the State



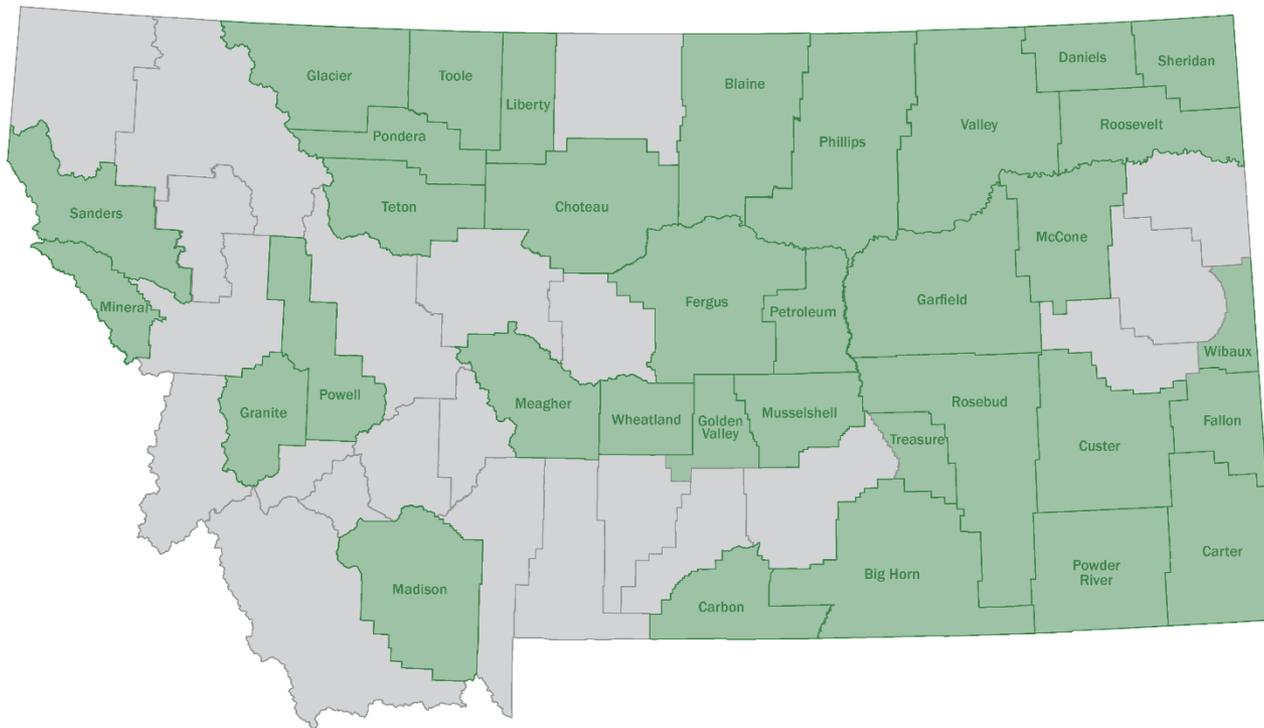
Montana Department of
LABOR & INDUSTRY

Source: DPHHS child care licensing data as of 7/21. Montana Dept of Commerce, CEIC population data. 2015-2019 ACS 5-Year Estimates.



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.



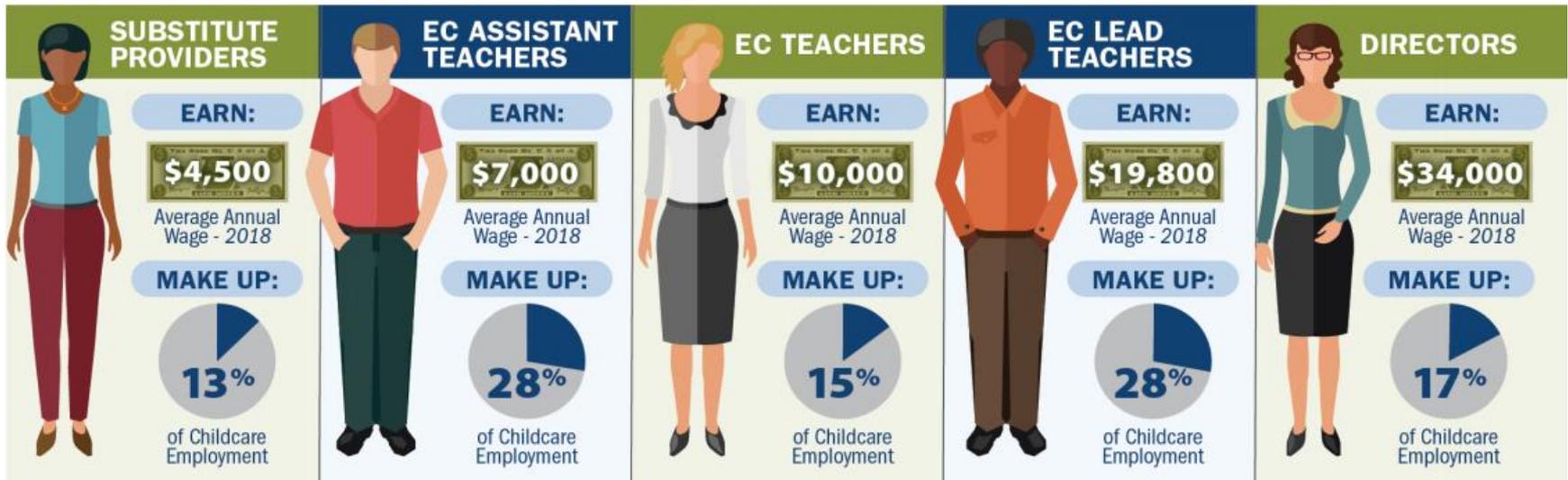
*Unmet childcare demand is both a **CAUSE** and an **EFFECT** of the state's workforce shortage.*





Low Wages for Childcare Workers

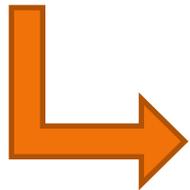
Childcare workers earn about **\$10.99** per hour, which translates to about **\$22,860** a year when working full-time.



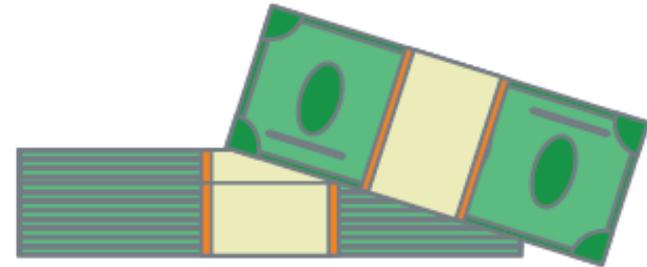


Child Care Affordability

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.

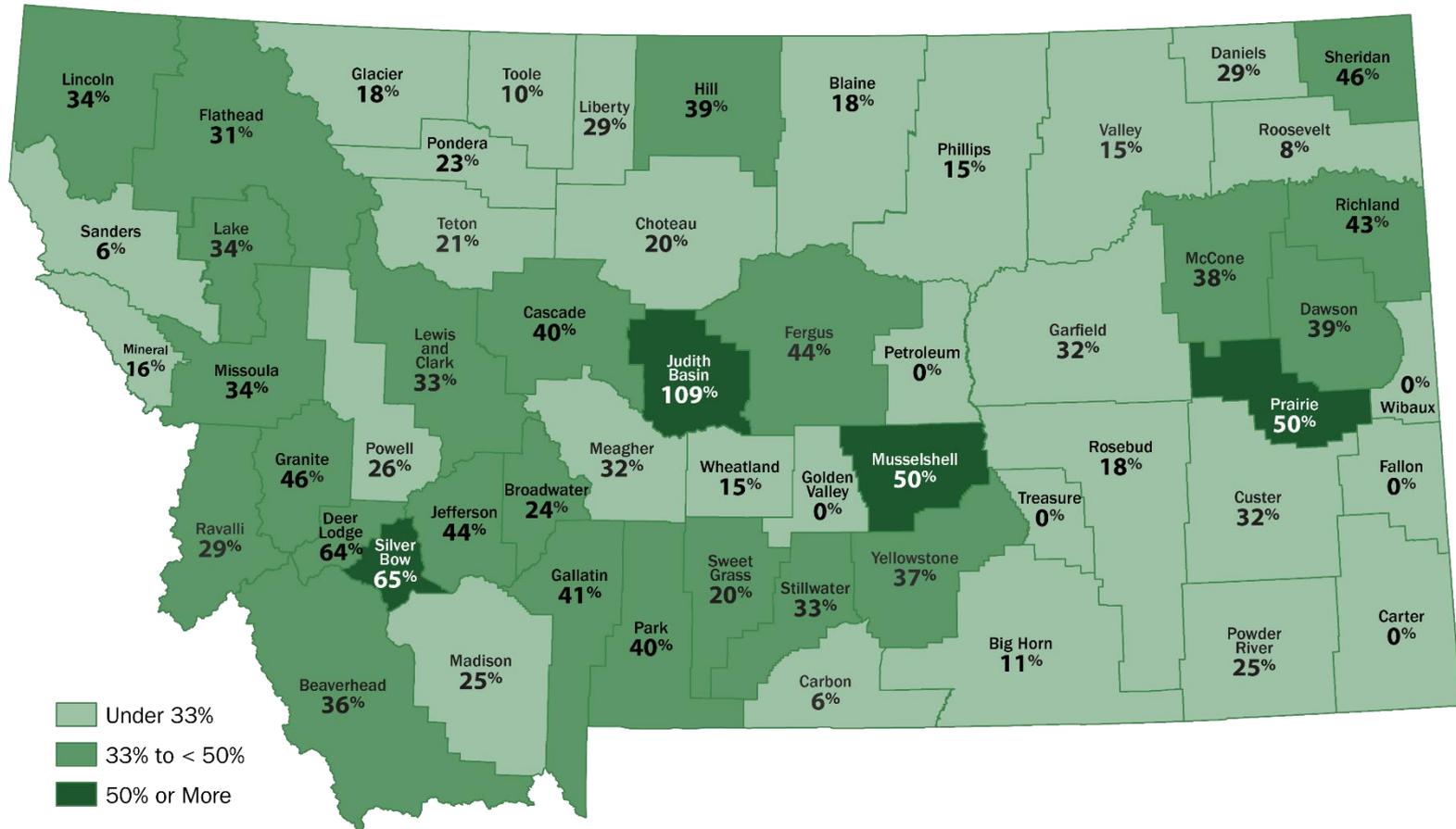


- Cost of in-state tuition for a four-year public college
- Average rent

88% of Montana families cannot afford care.



Shortages in Infant Capacity

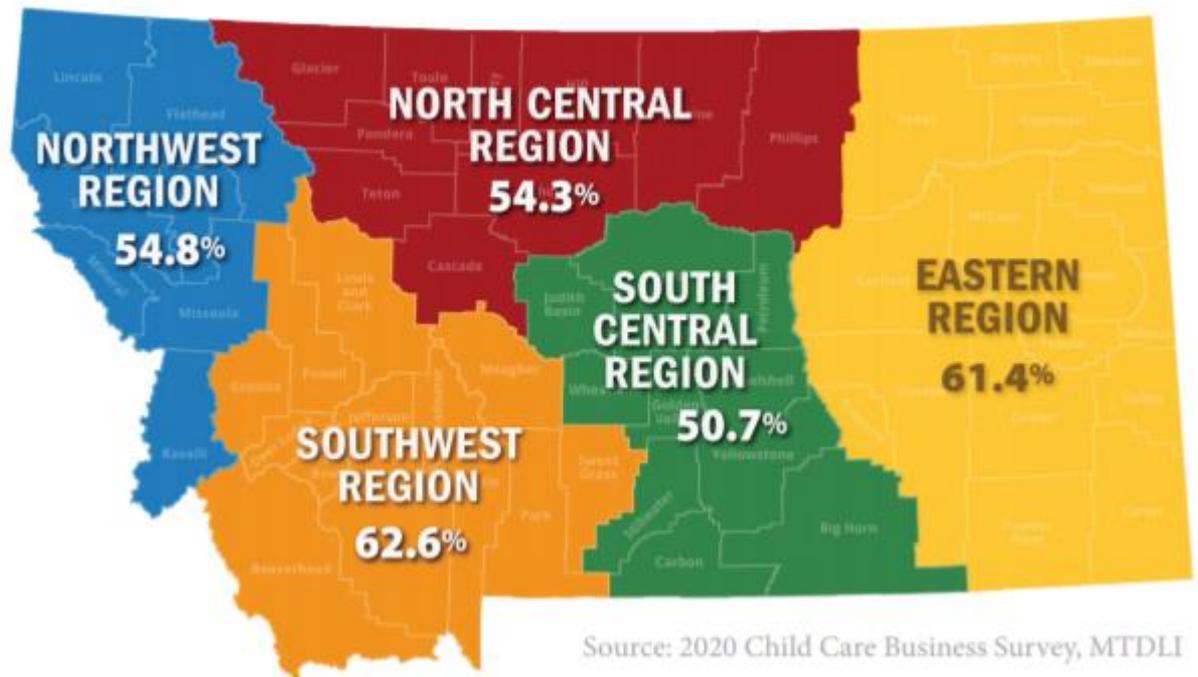




Business Impacts

Percent of Businesses Identifying Lack of Child Care

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.





Business Impacts

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%)

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." August 2021. MTDLI

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

Watson, Amy. "Child Care in Montana." September 2018. MTDLI.

<https://lmi.mt.gov/docs/Publications/EAG-Articles/0918-ChildcareInMontana.pdf>

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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>