



Child Care and the Montana Workforce



Montana Department of
LABOR & INDUSTRY

Presented at Employer Sponsored Child Care Grant Convening
April 28th, 2026

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AGENDA

Montana Labor Market Conditions

- Parental labor force engagement

Child Care availability

- Household Impacts
- Business Impacts

Child Care Workforce

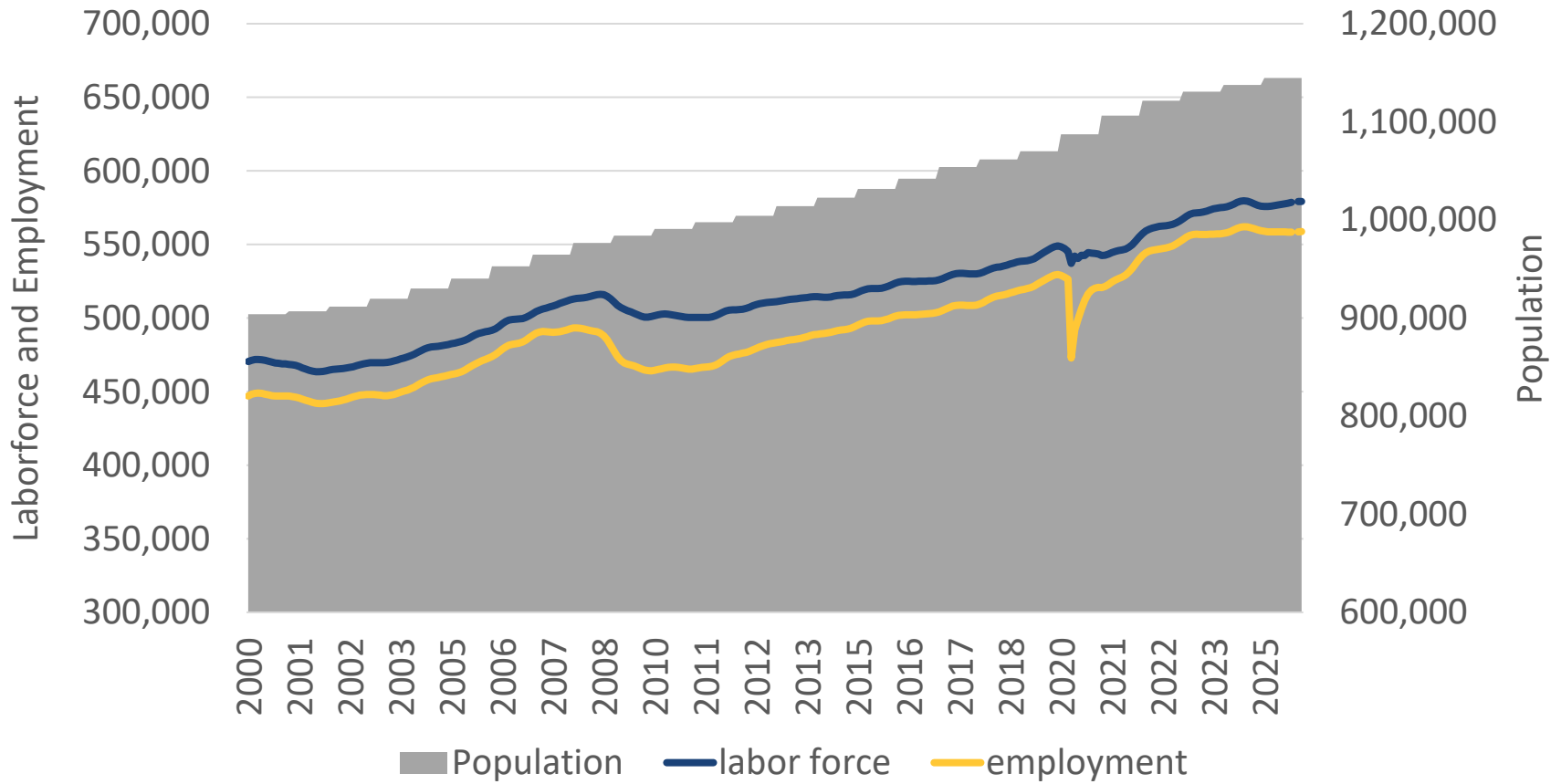
- Education and Training



Photos courtesy of Zero to Five Montana.

CONSISTENT LABOR MARKET GROWTH

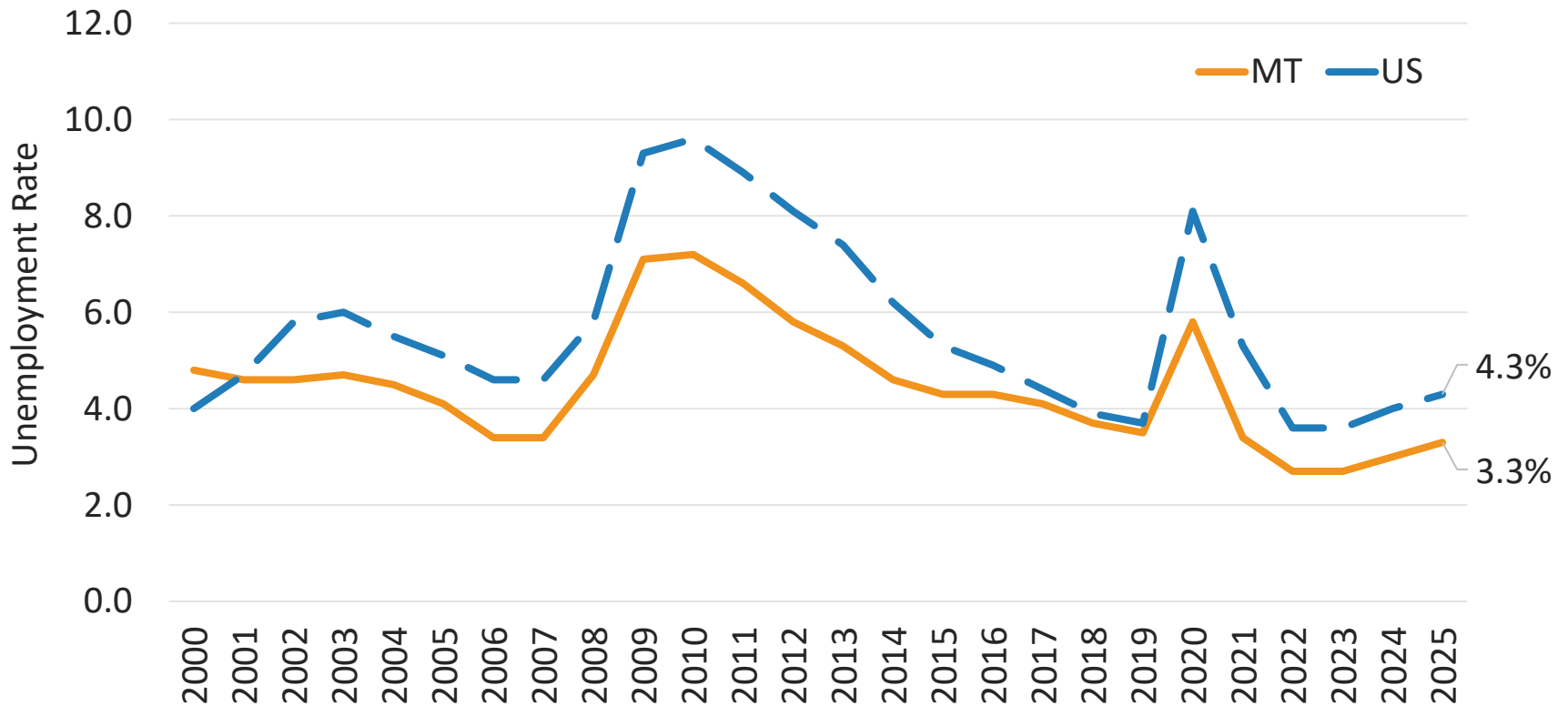
MONTANA POPULATION, LABOR FORCE, AND EMPLOYMENT GROWTH SINCE 2000



Source: Local Area Unemployment Statistics, BLS seasonally adjusted. U.S. Census Bureau, Resident Population in Montana [MTPOP], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MTPOP>, April 28, 2026.

MONTANA'S UNEMPLOYMENT RATE

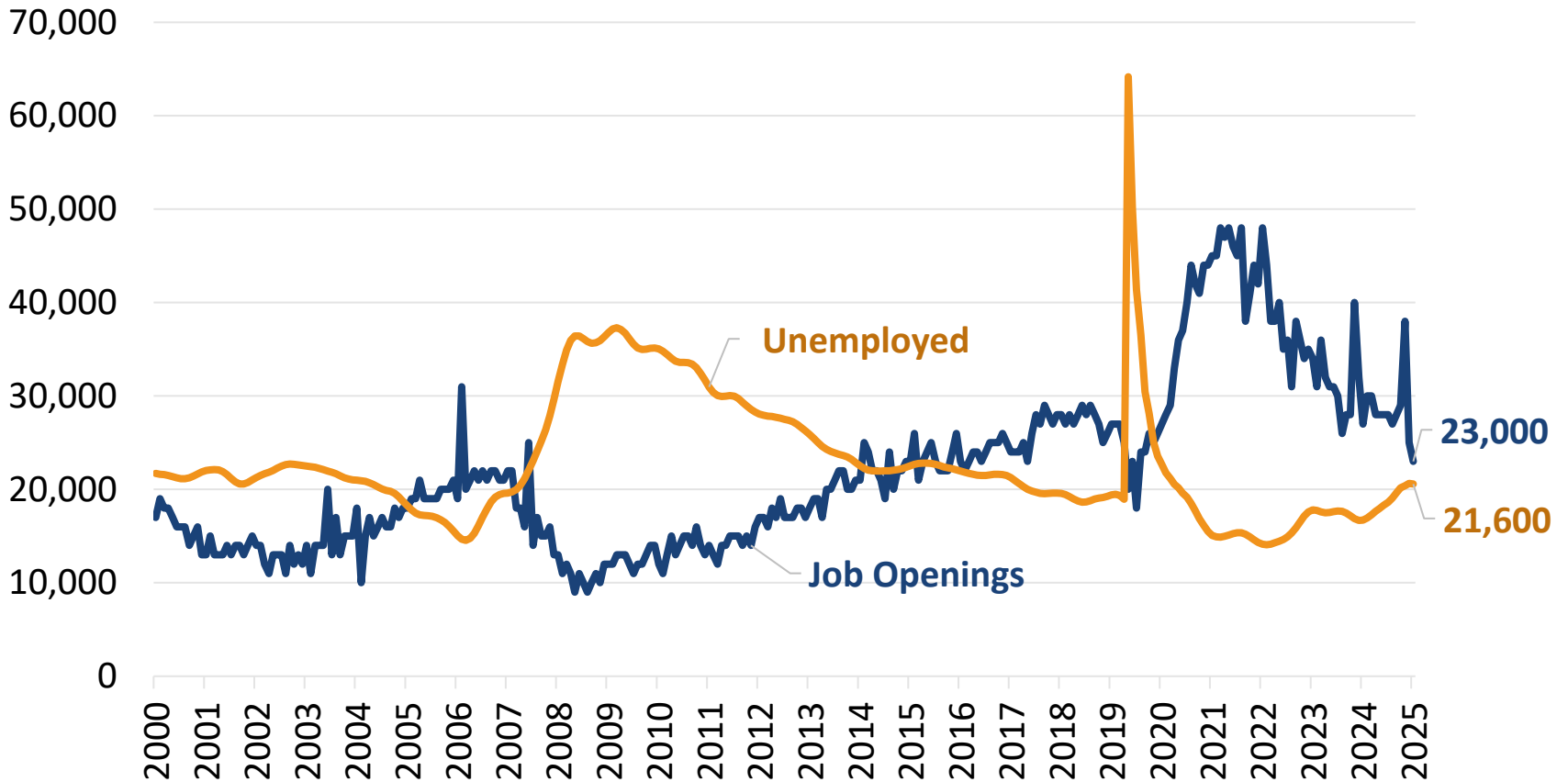
SIGNALS TIGHTER LABOR MARKET THAN NATIONAL AVERAGE



Source: Local Area Unemployment Statistics, MT unemployment rate annual average. Current Population Survey, US unemployment rate annual average.

MORE JOB OPENINGS THAN JOB SEEKERS

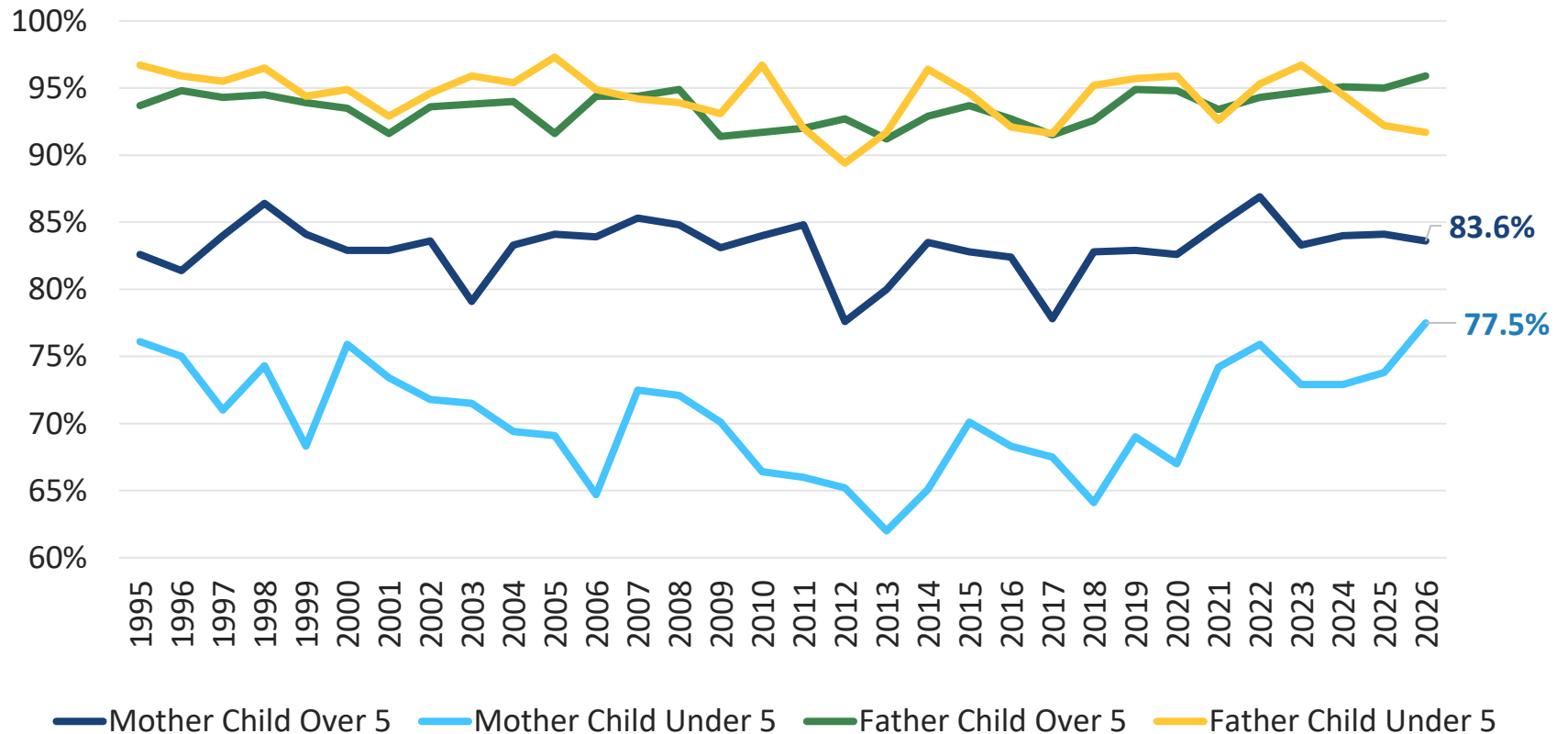
TIGHT LABOR MARKETS HAVE EASED SIGNIFICANTLY SINCE 2022



Source: JOLTS and LAUS, January 2000 to December 2025. Unemployment level is rounded to the nearest hundred. Oct 2025 unemployment missing due to lapse in federal appropriations.

PARENTAL LABOR FORCE PARTICIPATION

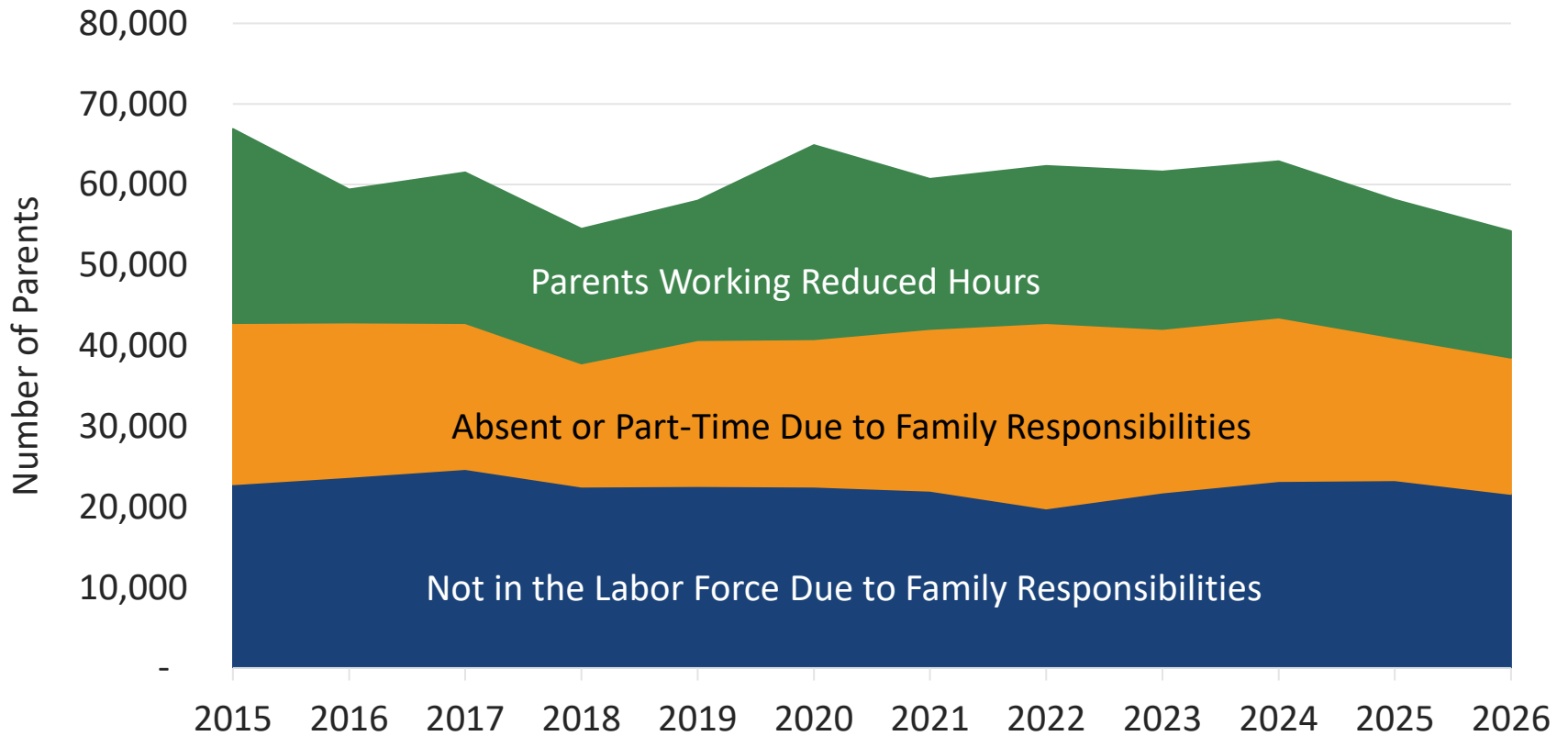
YOUNG MOTHER PARTICIPATION RATES INCREASED MOST SIGNIFICANTLY SINCE 2020



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through March 2026. Estimates are 12-month rolling average.

UNDERUTILIZATION OF PARENTAL WORKFORCE

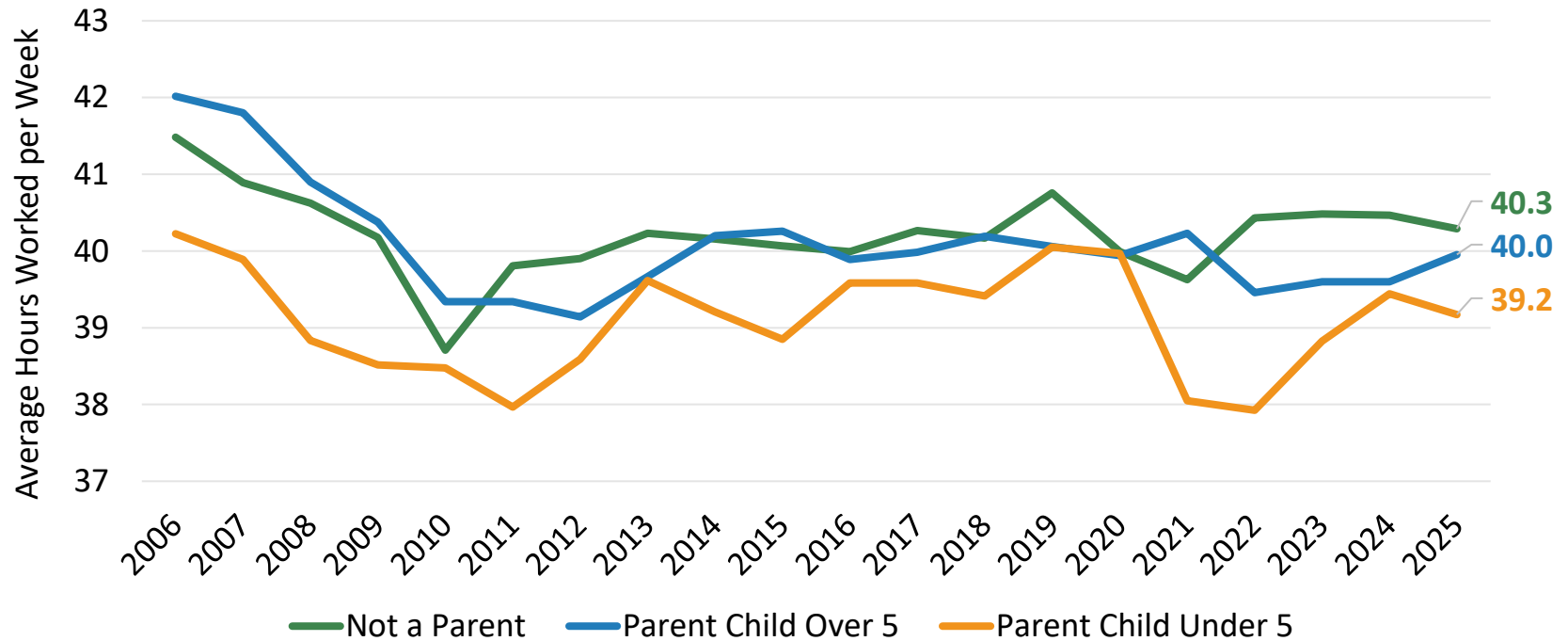
ABOUT 58,000 MONTANA PARENTS UNABLE TO FULLY ENGAGE IN THE WORKFORCE IN 2025



Source: MTDLI analysis of Current Population Survey microdata from IPUMS through March 2026. Estimates reported as 12-month average.

AVERAGE HOURS WORKED PER WEEK

MORE FULL-TIME WORK AMONG PARENTS OF SCHOOL-AGE CHILDREN



Meanwhile, parental labor force participation rates (LFPR) remain relatively stable since 2022. Prime age parental LFPR estimated at 87% in March 2026.

Source: MTDLI analysis of Current Population Survey microdata from IPUMS through March 2026. Estimates reported as 12-month average.

Childcare Capacity Meets 46% of Demand

Licensed capacity remains largely unchanged in 2025

Statewide Supply

**21,120 average licensed
capacity in 2025**

+0.2% growth over the year

53 additional slots

Statewide Demand

**45,890 children under age six
living in working parent
households.**

-0.9% growth over the year



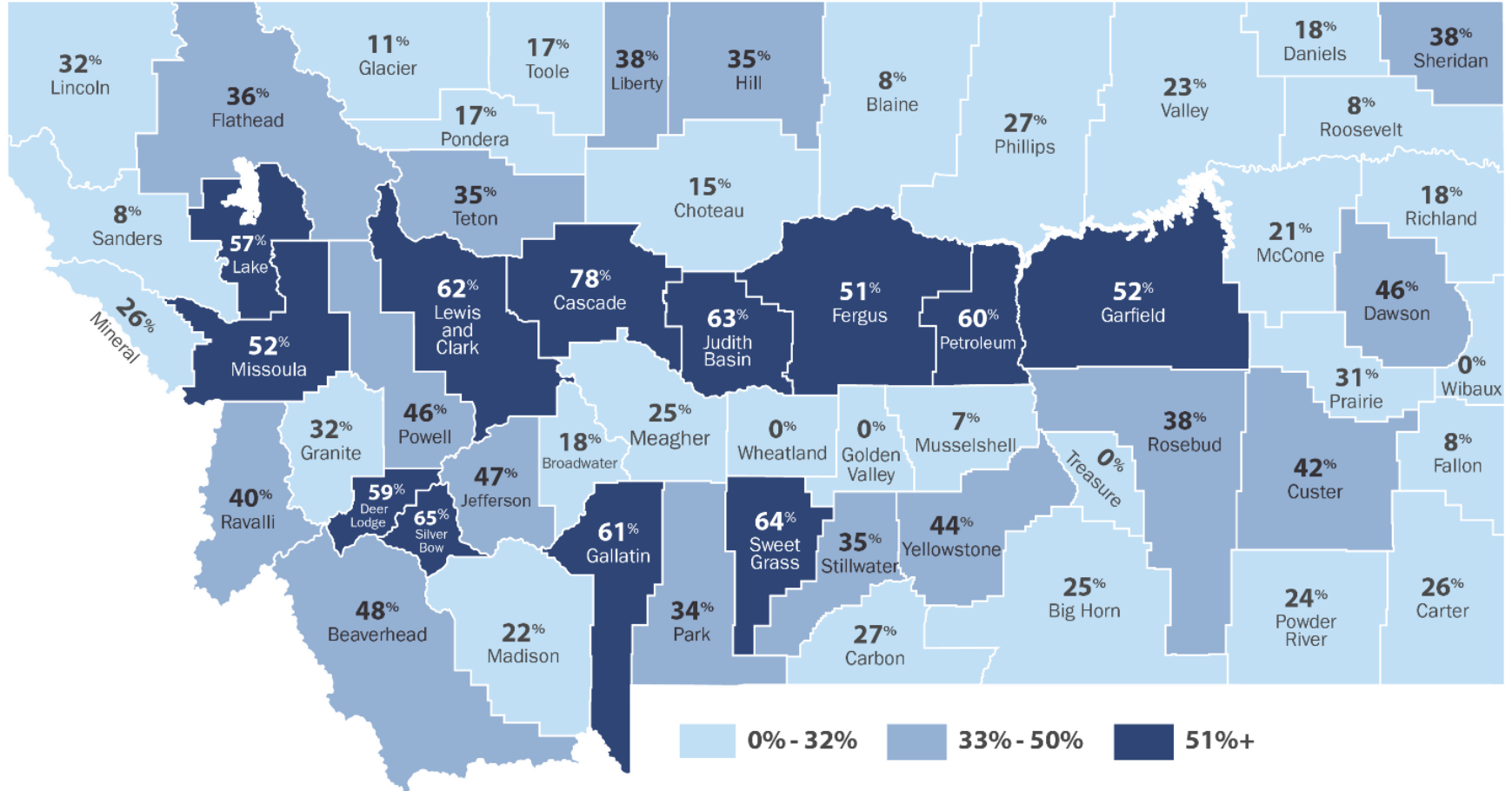
Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2025. U.S. Census Bureau 2024 Population Estimates Program (PEP) data provided by Montana KIDS Count and 2020-2024 American Community Survey (ACS) data.



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51% of Counties qualify as a Childcare Desert

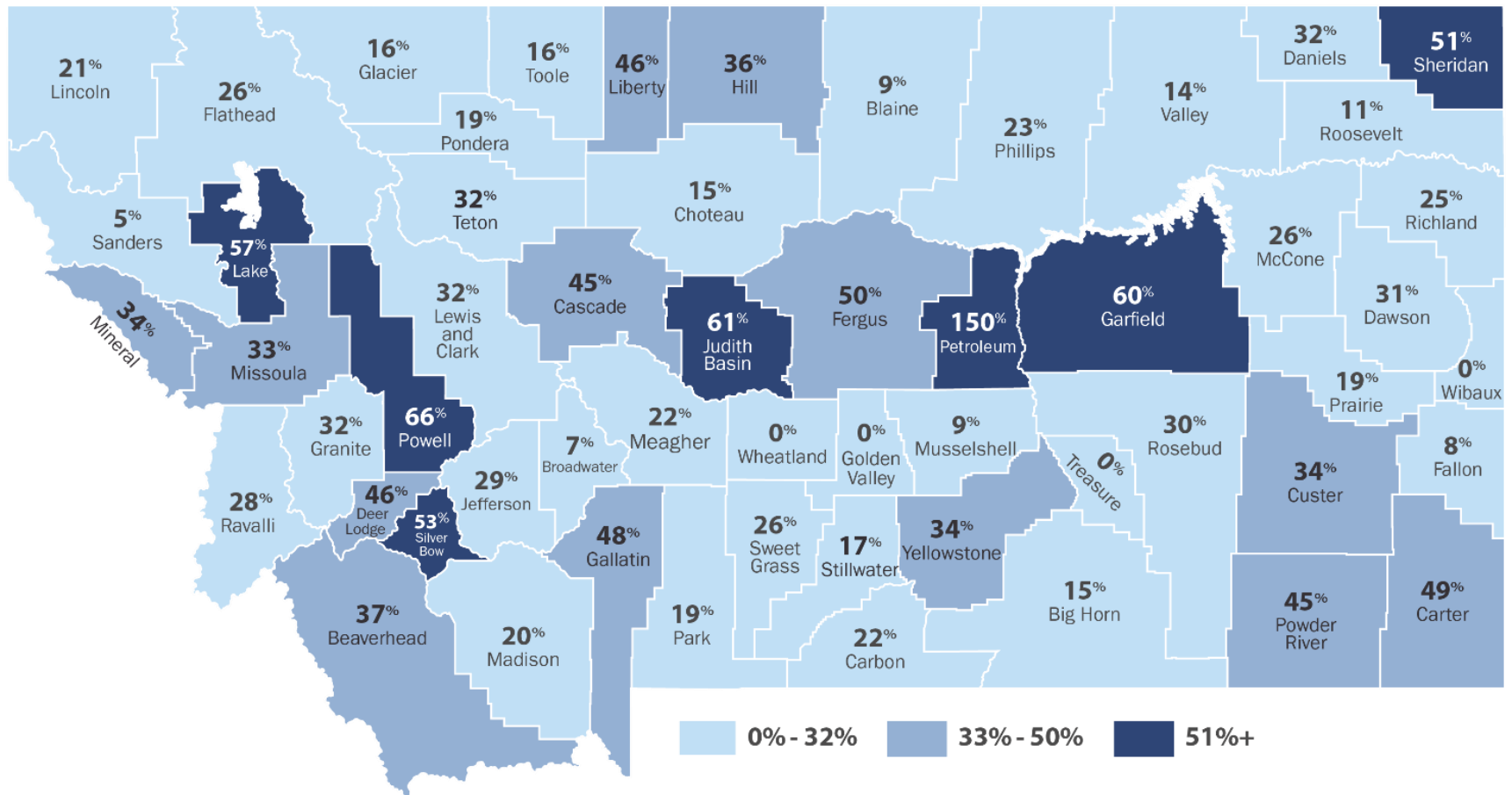
Licensed capacity as a percent of demand in 2025 by County



Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2025.
Demand is equal to the number of children under age six living in the working parent households.

Infant Capacity Meets 33% of Estimated Demand

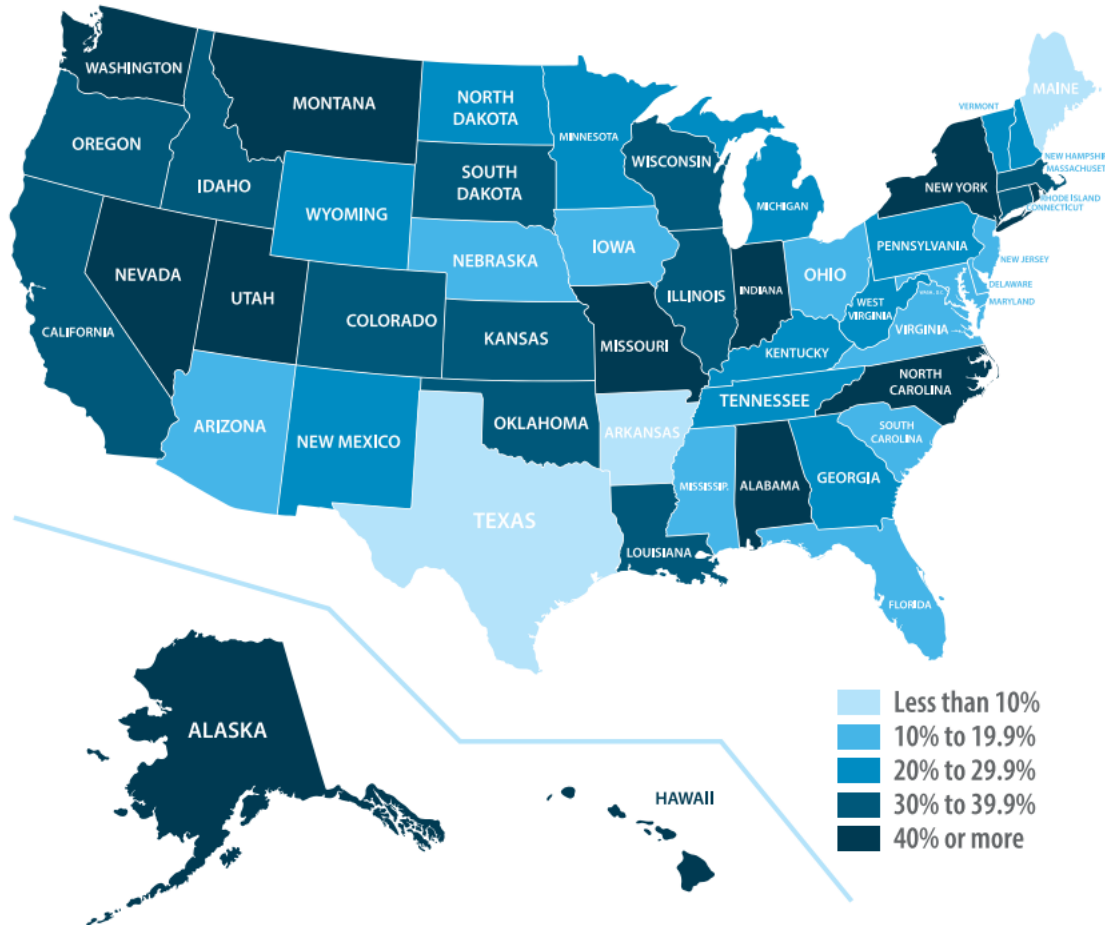
Licensed infant capacity as a percent of demand in 2025 by County



Source: MTDLI analysis of childcare capacity data provided by MTPHHS through 12/2025.
Demand is equal to the number of children under age two living in the working parent households.

National Child Care Gap Assessment

Estimated 47.1% Child Care Gap in Montana – 6th largest among states.



Analysis released in 2025 by the Bipartisan Policy analyze national child care access by state.

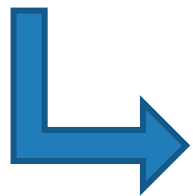
Supply: Number of slots offered by legally operating and state-recognized child care providers. Data collected from 2020 to 2024. *includes Head Start capacity.

Demand: Number of children age five and under with all available parents in the labor force (ACS).

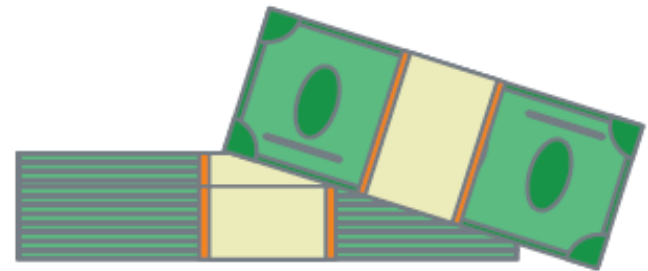
Gap: Distance-Based Approach. The number of children who potentially need care but whose families cannot reasonably access formal care by driving.

Childcare Affordability in Montana

In 2025, Montana households with two children averaged **\$29,380** in childcare expenses for children under age five.



which translates to **27%** of the state's median household income.



Cost of full-time daycare for an infant or toddler in center-based care is **\$15,080** per year.



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

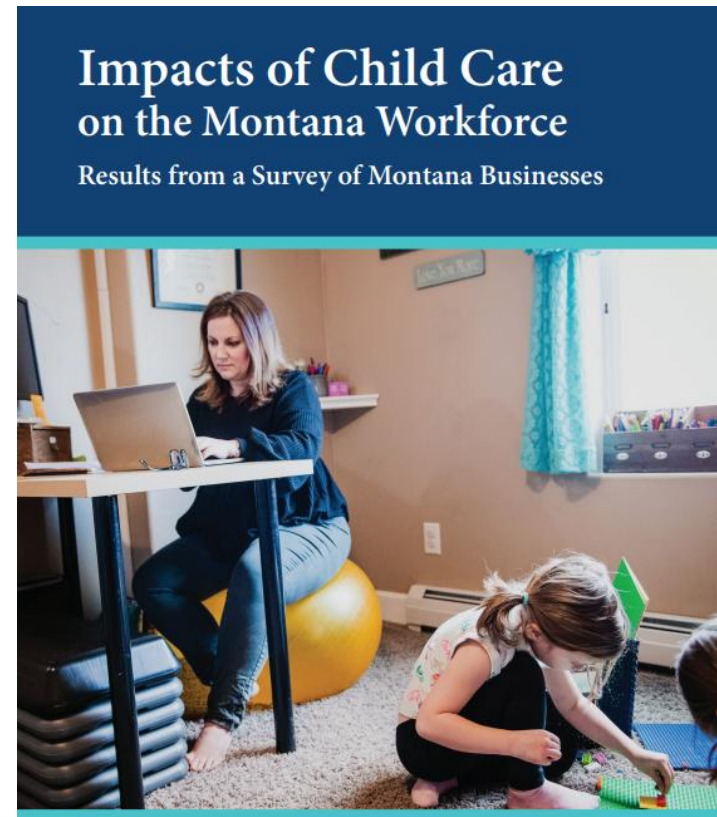
Source: Child Care in America: 2024 Price & Supply, Child Care Aware, May 2025. Median household income for family of four reported by LIHEAP IM 2025-02 Federal Poverty Guidelines and State Median Income Estimates.



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Child Care Impact: Survey of Montana Businesses

- Purpose:
 - Measure the impact of child care availability on Montana businesses.
 - Estimate the provision of child care benefits to Montana employees.
 - Compare to results from 2020 survey to see how the business environment has changed in the last five years.
- Representative sample of 2,730 businesses, stratified by industry and region.
- Survey conducted from Nov '25 – March '26.
- Response rate of 50%, with 1,370 surveys returned.
- Final publication will be available in June.



Preliminary Results: Business Impacts

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

32% of Montana businesses say inadequate childcare has *prevented their company from growing.*

↓ \$200 million lost business revenue over the next 10 years.

Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 4/27/26. Bipartisan Policy Center, Buffett Early Childhood Institute at the University of Nebraska, & Child Care Aware of America. (n.d.). Montana. Child Care Gaps Assessment. https://childcaregap.org/assets/reports/MT_Montana.pdf



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Preliminary Results: Child Care Benefits

Research from MTDLI and Zero to Five Montana

Flexible Work Arrangements (83%)

- Flexible Scheduling (61%)
- Remote/Hybrid (14%)
- Reduced Hours (38%)
- Bring Child to Work (19%)

Paid Parental Leave (15%)

Dependent Care Assistance Plans (14%)

Increased Access to Care

- onsite child care (3.2%)*

Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 4/27/26. *=unweighted average. Does not reflect all businesses in Montana.



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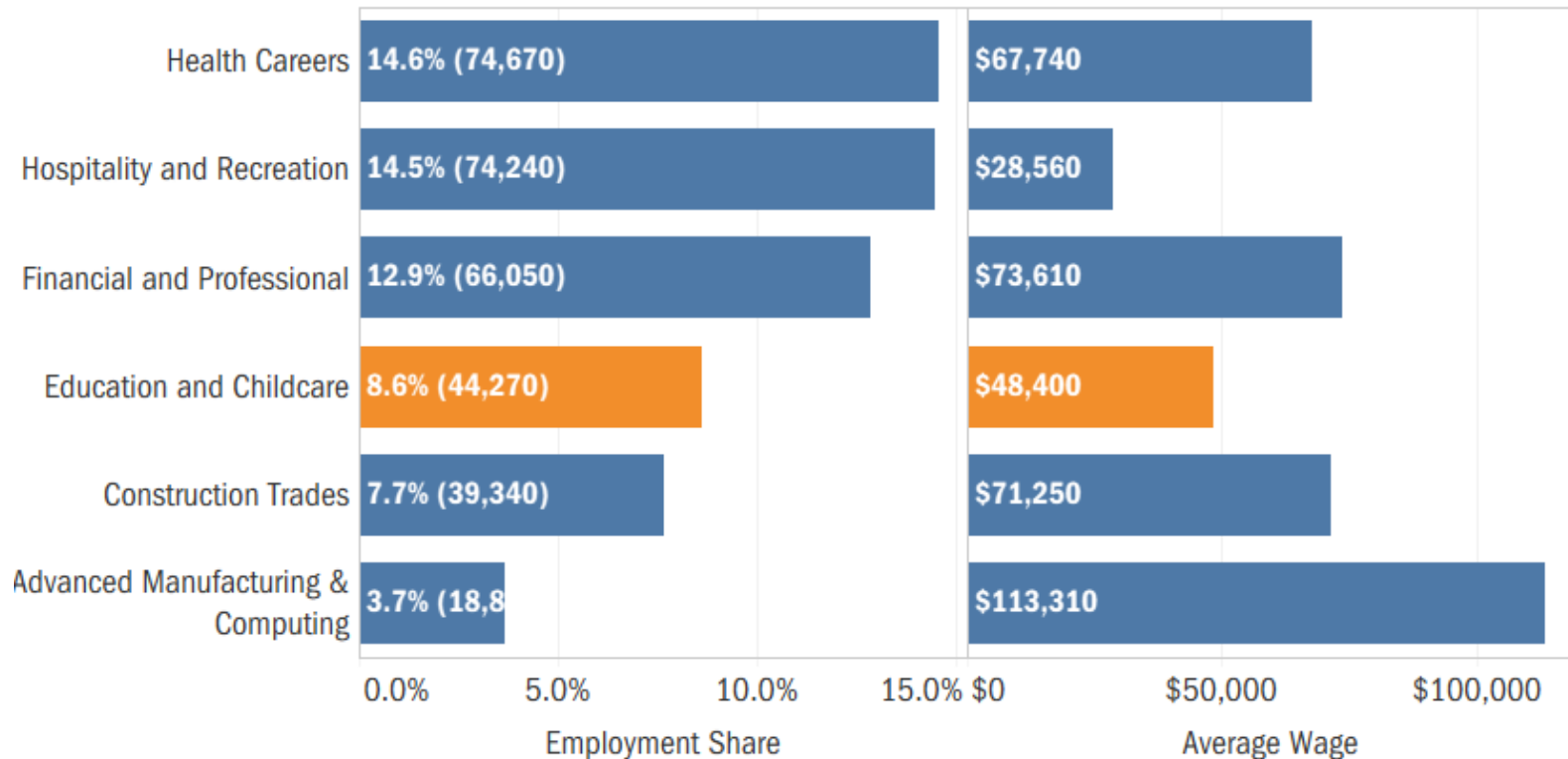


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Child Care is 406 JOBS Priority Sector

Education and Child Care comprise 9% of Montana employment

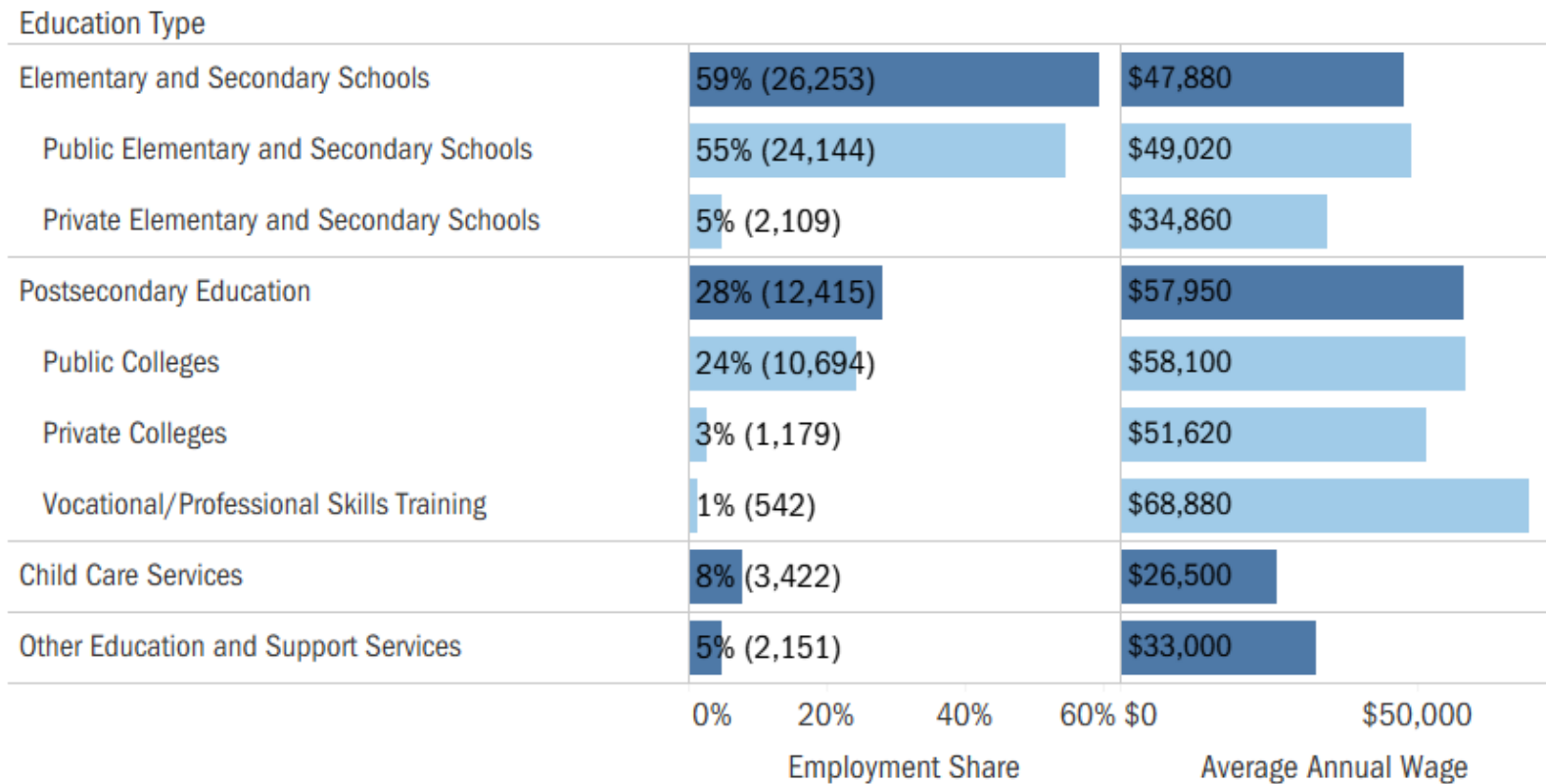
Employment and Wages by 406 JOBS Sector, 2024



Source: US BLS and Montana Department of Labor and Industry, QCEW. Includes private and public employment. Healthcare definition in this analysis excludes childcare.

EMPLOYMENT AND WAGES BY SUBINDUSTRY, 2024

CHILD CARE SERVICES EMPLOY 8% OF THE EDUCATION & CHILD CARE WORKFORCE

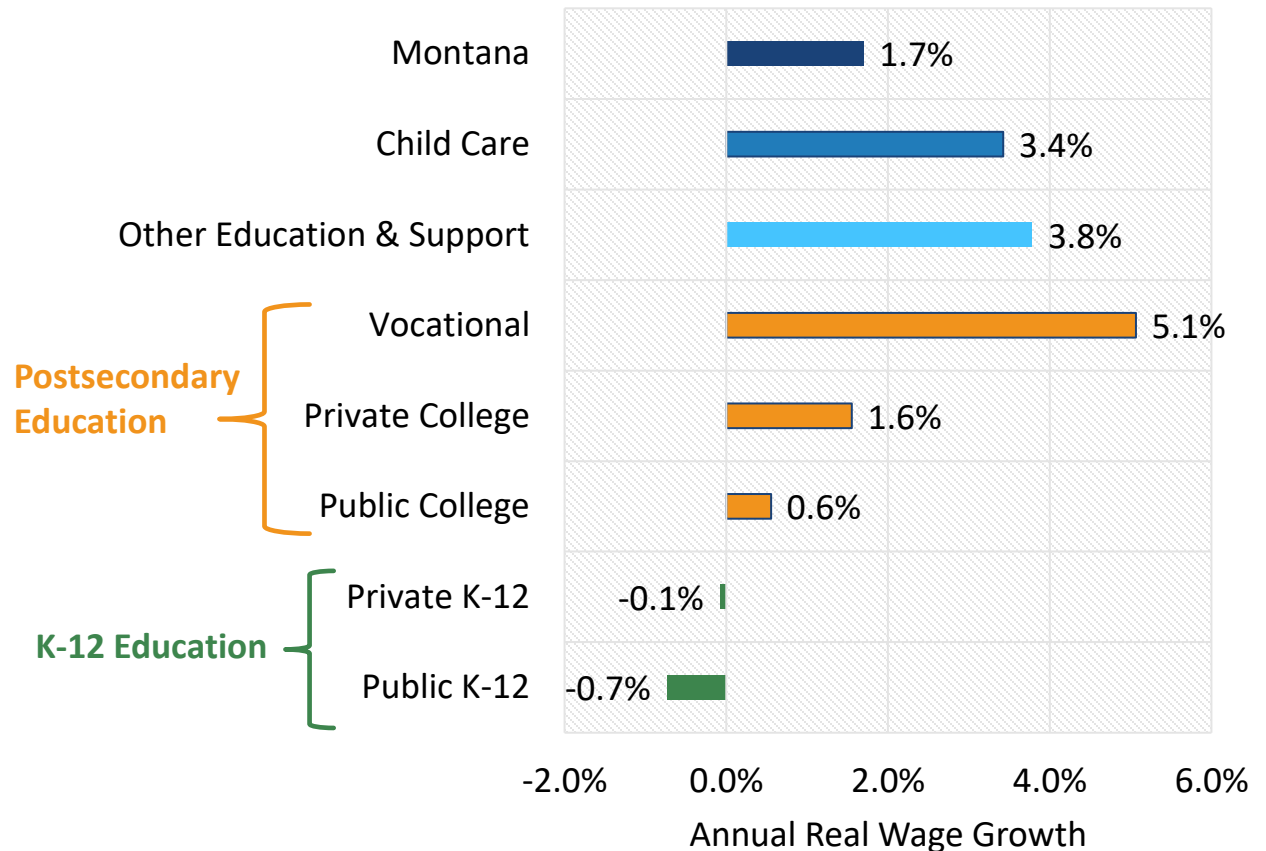


Source: US BLS and Montana Department of Labor and Industry, QCEW.

Child Care Wage Growth

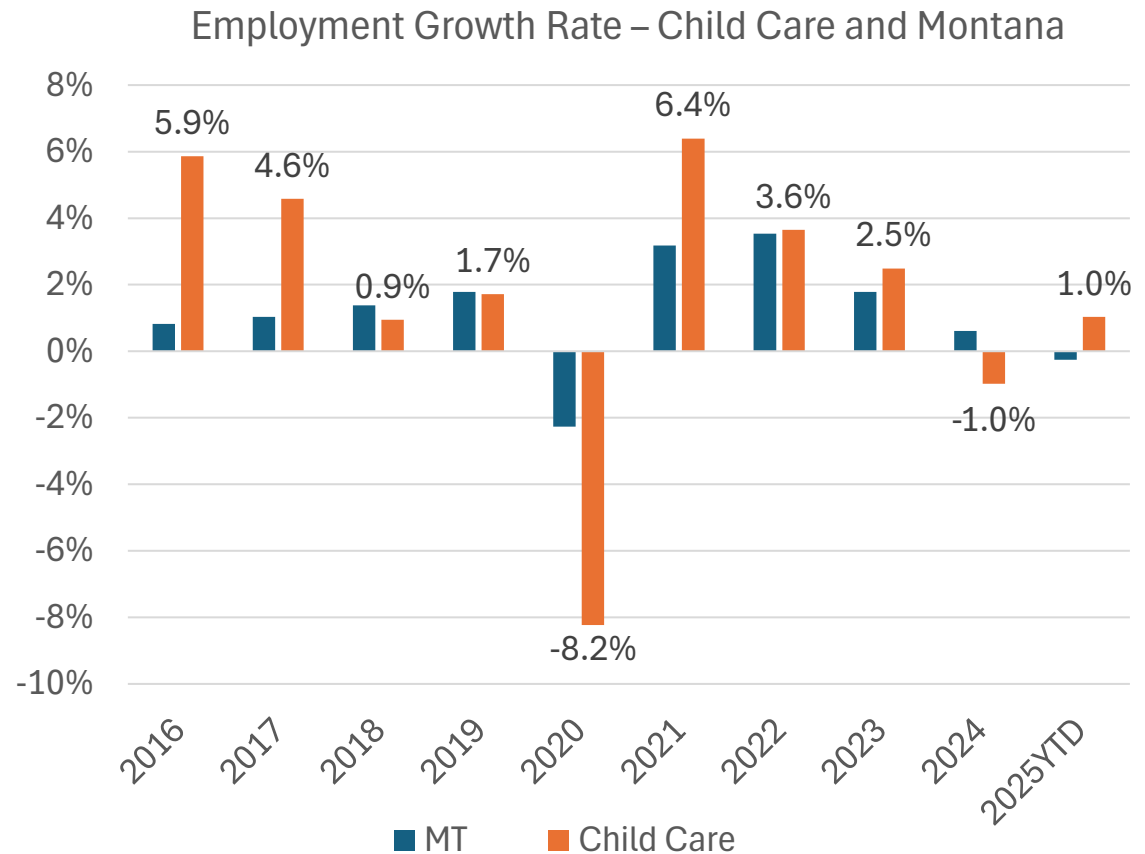
- **Low wages:** Child Care wages are the lowest among the education sector.
 - \$26,500 average wage in 2024.
- **Strong wage growth**
 - Real wages have grown by 3.4% over the last five years.
 - Strongest growth in 2020 and 2022.

Wage Growth in Education & Child Care, 2019 to 2024



Child Care Employment Growth

- Pandemic brought about significant employment losses.
- Child care employment reached pre-pandemic levels by 2022.
 - Added nearly 180 jobs since 2019.
- **Long-Run Growth:** Average annual employment growth rate of 2.0% over the last 10 years - faster than the statewide average.



Child Care Workers Undersupplied

Among Teaching Occupations

Undersupplied

- **Child Care Workers**
- Teaching Assistants
- **Preschool** and Kindergarten Teachers
- Special Education Teachers
- Substitute Teachers
- Child, Family, and School Social Workers
- Secondary School Teachers

Demand

- **Child Care Workers:** 200 annual job openings through 2034.
 - 70 openings due to replacements and growth openings.
 - Most job opening driven by turnover and labor force exits.
- **Preschool Teachers:** 130 annual job openings through 2034
 - 50 openings due to replacements and growth

Supply

- **Early Childhood Education:** Average 100 graduates per from Montana postsecondary education system.
- **Child Care Apprenticeship:**
 - Pre-apprenticeship
 - Registered Apprenticeship

MTDLI Childcare Workforce Development Efforts

Apprenticeship offers low-cost pathway to grow ECE workforce

CDA Apprenticeship Program

(Pilot launched Fall 2023)

- Cohort of 12 adult learners working to complete their Child Development Associate (CDA).
- Another 30 students will start the program in Fall 2026.
- Earn nationally recognized Child Development Associate (CDA) credential and reach Level 3 on the Practitioner Registry
- 1 year to complete (120 hours of training, 480+ hours of work experience)

Benefits

- ✓ No cost to participant
- ✓ Short training time
- ✓ Required wage gain for apprentice post-completion.
- ✓ Incentives for participation.



Montana Early Childhood Apprenticeship Program

Administered by MTDLI, DPHHS ECSB, and MSU Early Childhood Project



Childcare Development Specialist

(Since 2004)

- Earn a nationally recognized credential: Child Care Development Specialist
- Reach Level 4 on the Practitioner Registry
- 2 years to complete (24 college credits, and 2,000+ hours of work experience)
- Average 31 active apprentices per year since 2021
- 51% completion rate, which is higher than MRAP average
- Earn \$32,150 five years after completion

Source: Registered Apprenticeship Program Report 2026. MTDLI. Montana Early Childhood Project <https://mtecp.org/incentive-program/>



More info available at lmi.mt.gov

Additional Resources

Child Care Availability

Watson, Amy. "Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana." April 2026. MTDLI

Montana Early Childhood Apprenticeship Program

Registered Apprenticeship Program Report 2026. April 2026.
https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Special-Reports-and-Studies/Apprenticeship-Report-2026.pdf

MCEP and Pre-Apprenticeship Information and Incentives

mtecp.org/incentive-program/

Business Impacts

Watson, Amy. "Impacts of Child Care on the Montana Workforce: Results from a Survey of Montana Businesses." November 2020. MTDLI
lmi.mt.gov/_docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildcareReport2020.pdf

**updated business impact survey report coming in June.*

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