



Montana Businesses and the Impact of Child Care Access: Results From a Survey



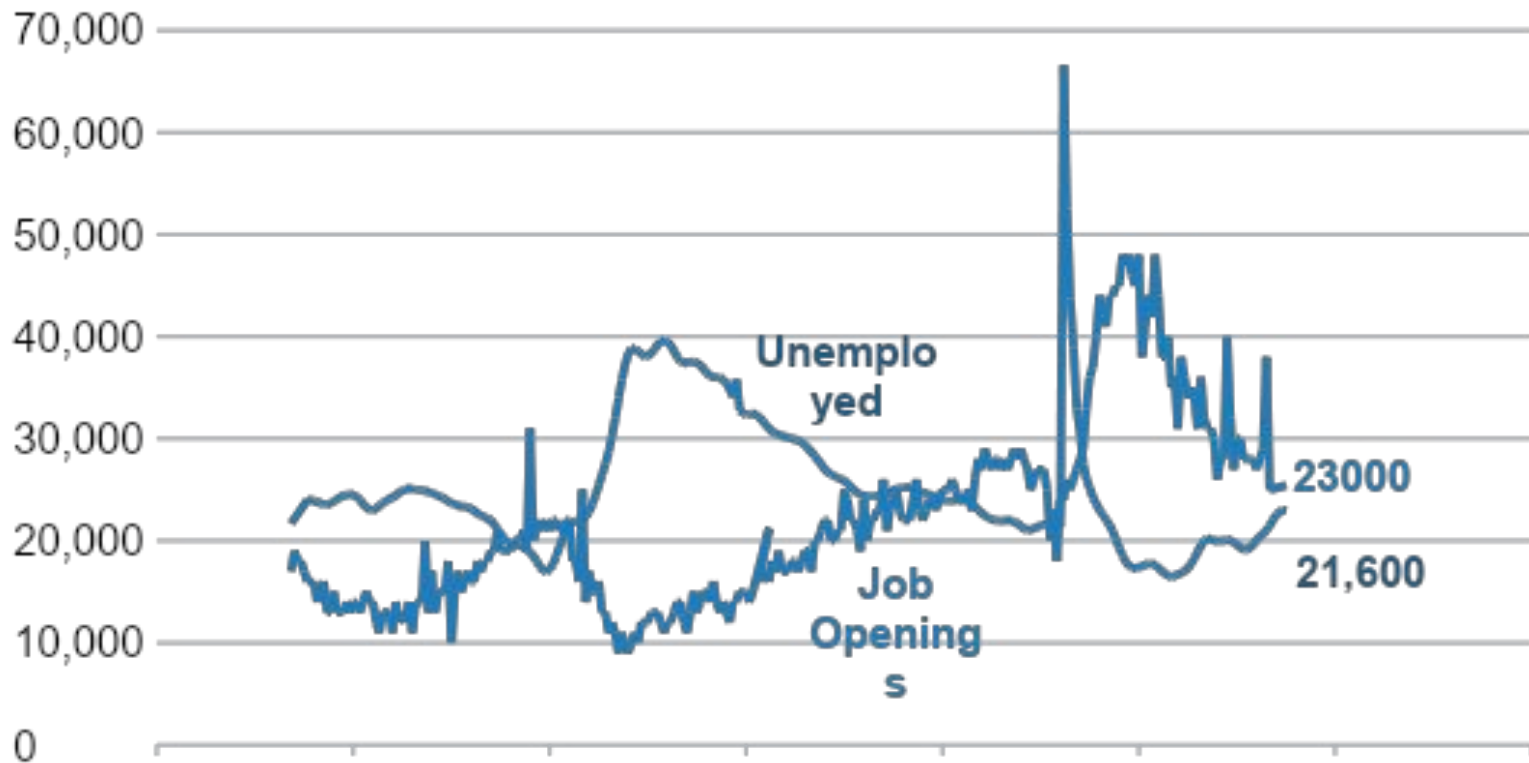
Montana Department of
LABOR & INDUSTRY

Presented at Pacific Northwest Regional Economic Conference
May 20, 2026

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MORE JOB OPENINGS THAN JOB SEEKERS

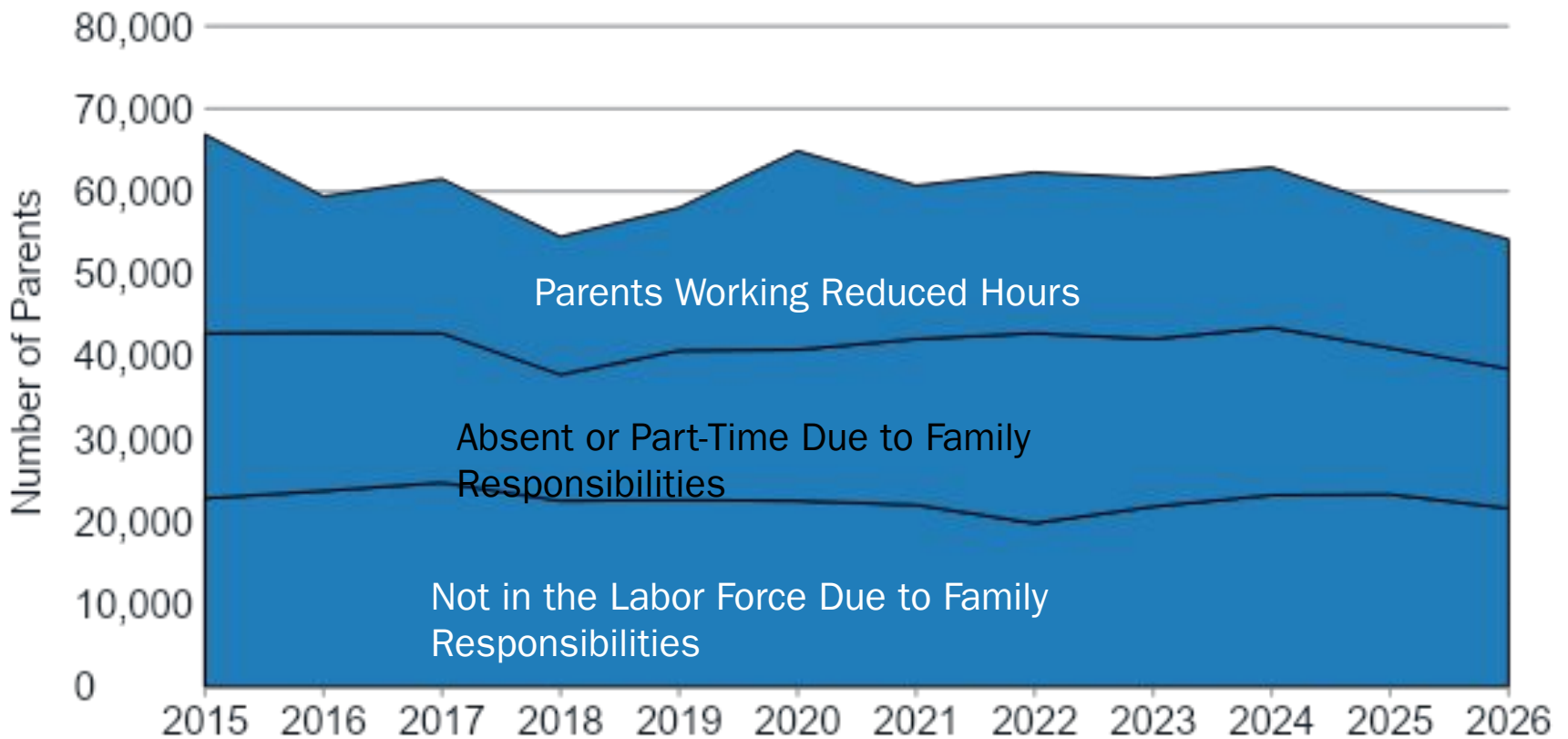
TIGHT LABOR MARKETS HAVE EASED SIGNIFICANTLY SINCE 2022



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.

CHILDCARE: A LABOR FORCE ISSUE

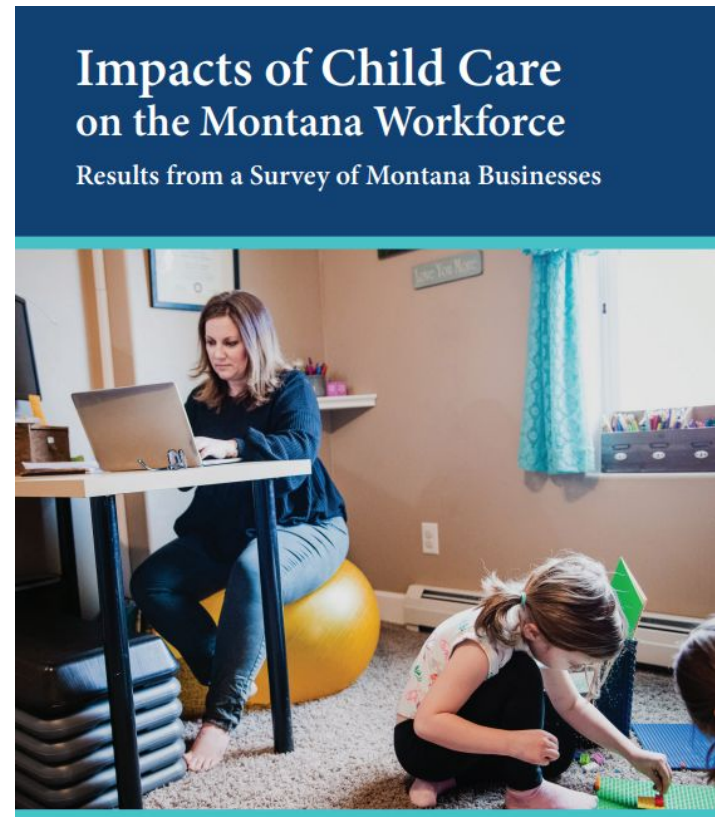
ABOUT 58,000 MONTANA PARENTS UNABLE TO FULLY ENGAGE IN THE WORKFORCE IN 2025



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

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.



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



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.*

Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 4/27/26.



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Preliminary Results: Benefit Offerings

40% increase in businesses *offering remote or flexible work to some or all employees.*

Over **30%** increase in Montana businesses *offering paid parental leave.*

Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 4/27/26.

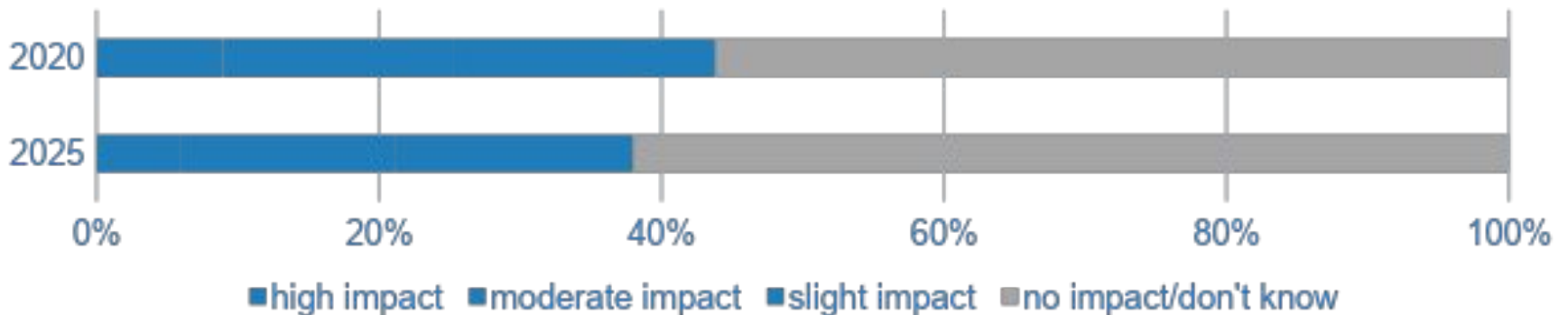


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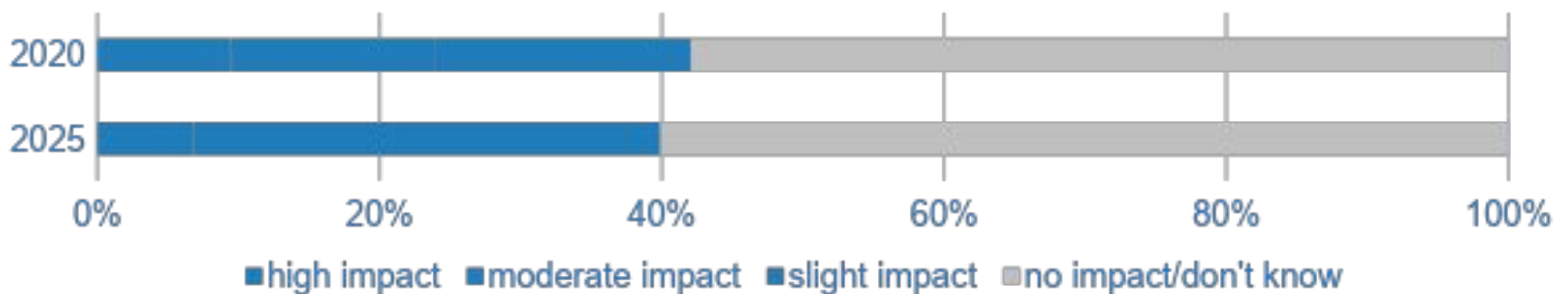
RECRUITMENT AND RETENTION: BUSINESSES REPORT INCREASING IMPACT OF INADEQUATE CHILDCARE

Q: Indicate how much of an impact inadequate child care has on:

Your company's ability to recruit qualified employees



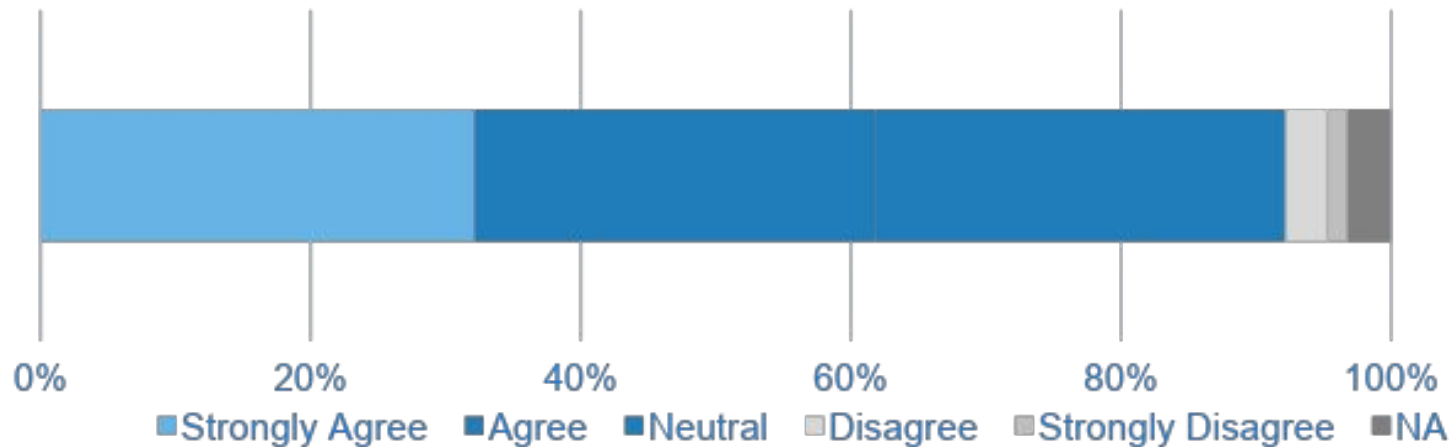
Your company's ability to retain qualified employees



CHILDCARE OPTIONS:

BUSINESSES ARE FEELING THE PRESSURE OF CHILDCARE SHORTAGES

- Q: There is a shortage of affordable child care options in my community.



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



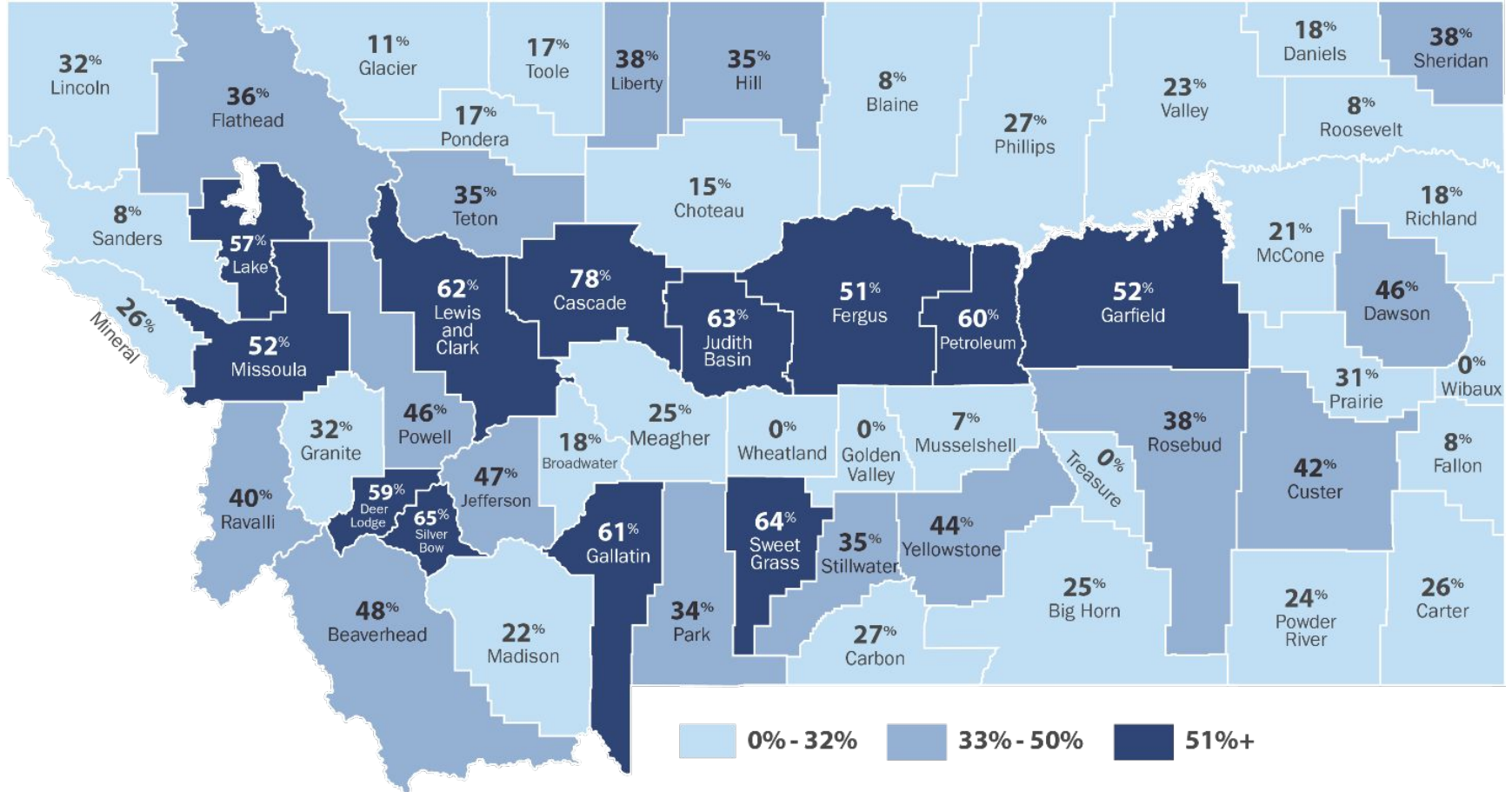
Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2025. U.S. Census Bureau 2024 Population Estimates Program (PEP) data provided by Montana KIDS Count and 2020-2024 American Community Survey (ACS) data.



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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 MTPHHS through 12/2025. Demand is equal to the number of children under age six living in the working parent households.

Preliminary Results: Child Care Benefits

Research from MTDLI and Zero to Five Montana

Flexible Work Arrangements (8[↑]%)

- Flexible Scheduling (62%)
- Remote/Hybrid (14.5%)
- Reduced Hours (39%)
- Bring Child to Work (18%)

Paid Parental Leave (17[↑]%)

Dependent Care Assistance Plans (14[↑]%)

Increased Access to Care

- onsite child care (3.2%)*

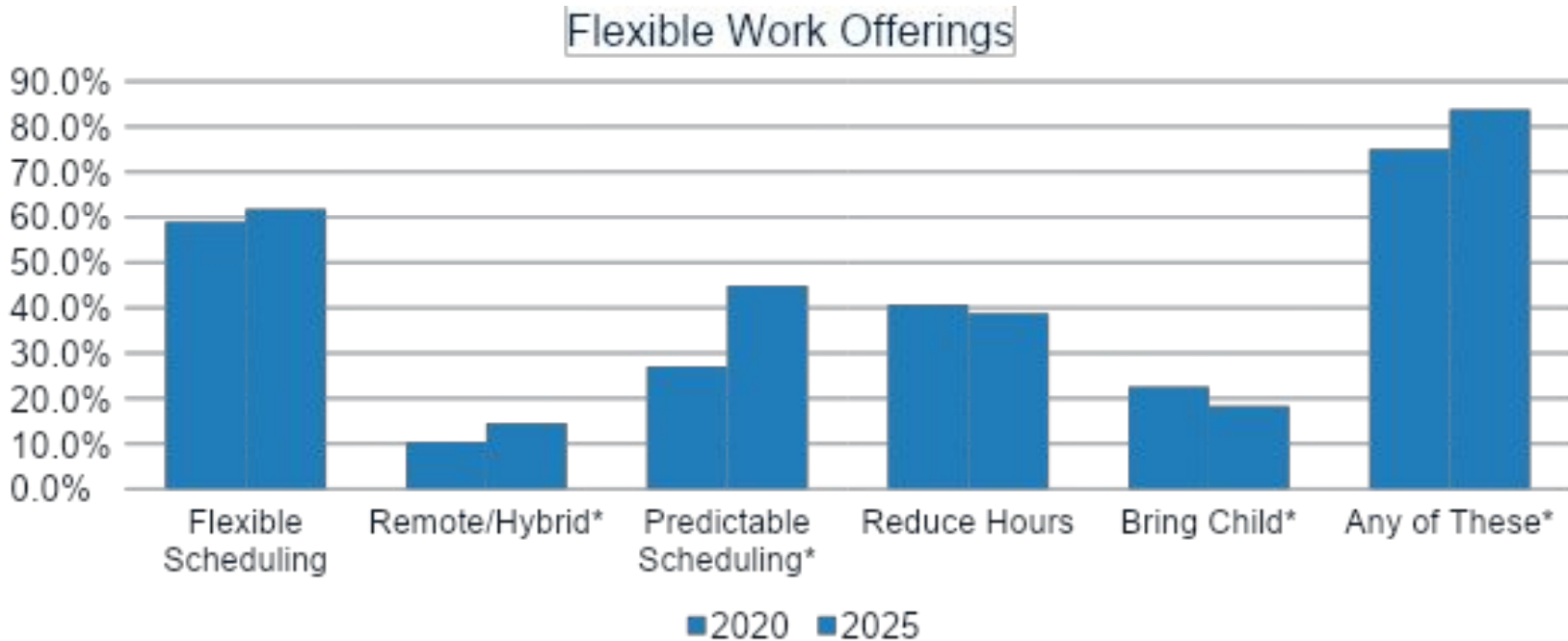
Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 4/27/26. *=unweighted average. Does not reflect all businesses in Montana.



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FLEXIBLE WORK: INCREASES IN MOST TYPES

- Q: Does your company offer any of the following flexible work arrangements to some or all of your employees?

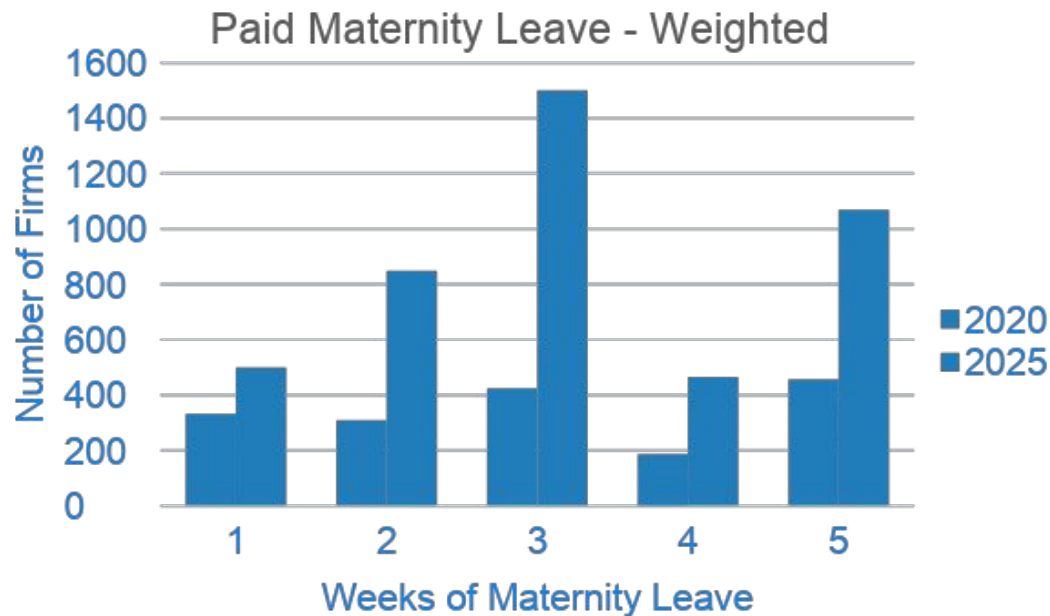


PAID PARENTAL LEAVE: SHARP INCREASE IN NUMBER OF FIRMS OFFERING

Q: Does your company offer paid parental leave specifically for the birth or adoption of a child separate from paid time off, vacation, or sick leave?

- 17% of respondents reported offering any sort of paid parental leave, up from 13% in 2020.

Q: Does your company pay workers at the full hourly rate for paid parental leave?

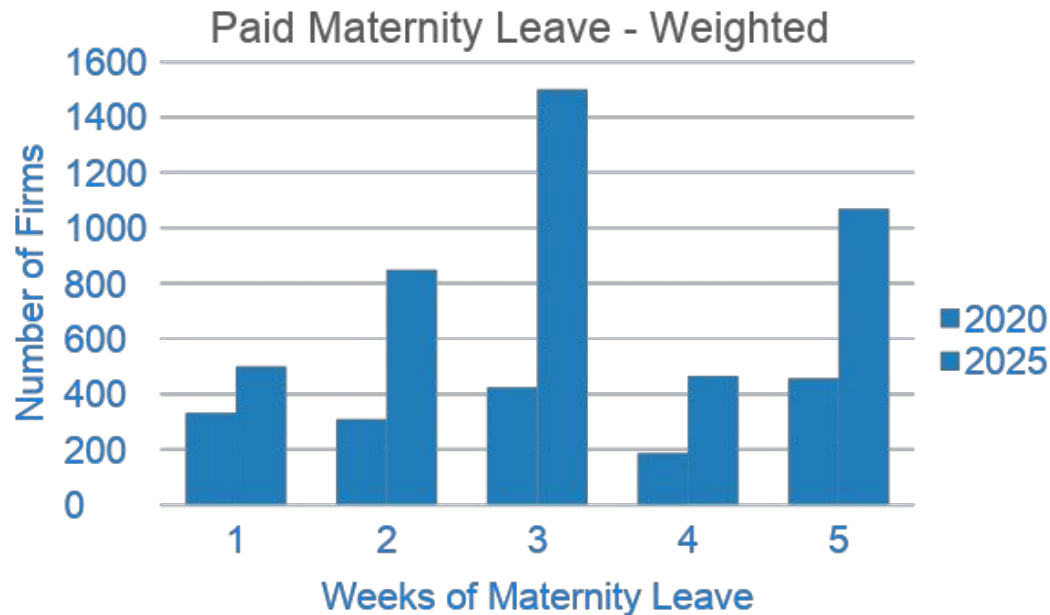


PAID MATERNITY LEAVE:

SHARP INCREASE IN NUMBER OF FIRMS OFFERING

Q: Company provides _____ weeks of paid leave to mothers.

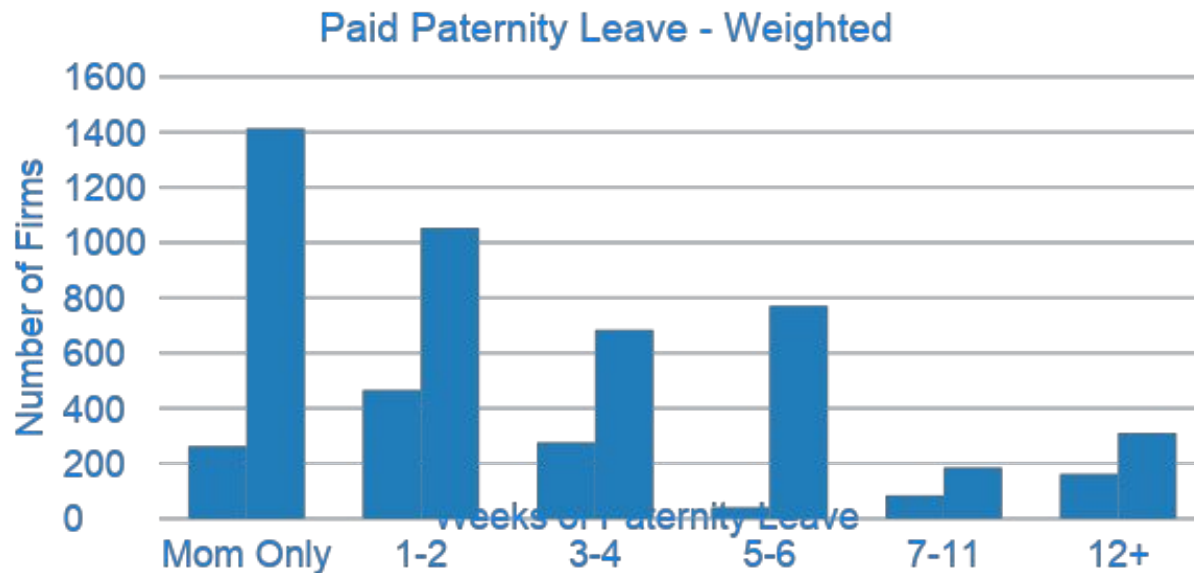
- Mean maternity leave is unchanged at 7 weeks.



PAID PATERNITY LEAVE: SHARP INCREASE IN NUMBER OF FIRMS OFFERING

Q: Company provides _____ weeks of paid leave to fathers.

- Mean paternity leave



DEPENDENT CARE ASSISTANCE PLANS: SMALL BUT SIGNIFICANT UPTICK

Q: Does your company offer Dependent Care Assistance Plans (DCAP), also referred to as dependent care flexible spending accounts (FSA), to help your employees afford child care?

- 17% of companies offer DCAPs, up from 15%
- Fewer than 10% of those companies contribute (\$1800 is typical contribution)

WHICH BENEFITS ARE MOST APPEALING?

- Q: How much impact does offering [benefit] have on your company's ability to recruit and retain qualified employees? (any impact, unweighted)
 - All flex work: 63%
 - Flexible scheduling: 70%
 - Remote/hybrid: 60%
 - Paid parental leave: 66%
 - DACP: 37%

FURTHER ANALYSIS

- Breakdowns of results at Region/NAICS levels
- Are businesses in childcare deserts more likely to report childcare challenges?
- Report slated for publication next month

More info available at lmi.mt.gov

Additional Resources

Child Care Availability

Flavin, Katelyn. “Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana.” April 2026. MTDLI

https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Special-Reports-and-Studies/Child-Care-Deserts-Working-Paper-2025.pdf

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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