

Child Care in State Economies Report Series, Part I: Recent Trends in Paid Child Care Usage

FACT SHEET

Montana

One of the most fundamental roles played by child care is enabling parents to participate in the labor force. To support employment, parents choose from a range of child care options both paid and unpaid. Understanding who uses paid care and factors related to the use of paid care can be helpful in supporting strategies related to economic growth.

By the Numbers

- The number of children 14 and younger in paid child care increased from 31,625 in 2019 to 37,797 in 2022.
- The number of children under age 5 in paid child care increased from 14,249 in 2019 to 17,606 in 2022.
- The number of school-age children in paid child care increased from 17,376 in 2019 to 20,192 in 2022.

By the Percentages

- The share of children 14 and younger in paid child care increased from 16.6% in 2019 to 19.9% in 2022.
- The share of children under age 5 in paid child care increased from 24.1% in 2019 to 32.7% in 2022.
- The percentage of school-age children in paid child care increased from 13.2% in 2019 to 14.8% in 2022.

Trends in the Use of Paid Child Care in Montana

- The overall share of children age 14 and younger averaged 18.4% in paid care from 2011 to 2022 and 19.7% from 2000 to 2010.
- Among children under age 5, use of paid child care averaged 26.3% between 2011 to 2022 and 31.5% from 2000 to 2010.
- Among school-age children, use of paid child care averaged 14.8% between 2011 to 2022 and 13.7% from 2000 to 2010.

Labor Force Participation of Mothers in Montana

- Labor force participation of mothers with children age 14 and younger was 75.3% in February 2020 increasing to 75.8% in June 2023.
- Labor force participation of mothers with children under age 5 was 69.7% in February 2020 increasing to 76.4% in June 2023.

Use of Paid Care is Related to Family Income in Montana

- Households with children age 0-14 in paid care had an average reported income of \$116,989 in 2020 and \$139,101 in 2022.
- The average income of households with children age 0-14 not using paid care was \$111,689 in 2022.
- The average income of households with children under age 5 using paid care was \$143,492 in 2022.
- The average income of households with children under age 5 not using paid care was \$95,122 in 2022.
- In 2022, the income for families with children age 14 and younger using paid care was \$27,411 higher than families with children of that age not using paid care.
- In 2022, the income for families with children under age 5 using paid care was \$48,370 higher than families with children under age 5 not using paid care.

Families Not Using Paid Care in the U.S.

- It is unclear whether families with children not using paid care prefer other arrangements, cannot afford child care amidst other household expenses, or the supply of child care in their community falls short of meeting the need.



Note: Data for this analysis is from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics. Child care usage was first surveyed in the CPS ASEC in 2001, while child care expenditures were first collected in 2010. The underlying CPS data used in the analysis are extracted from the IPUMS-CPS database maintained by the Minnesota Population Center at the University of Minnesota. In some states, the sample size is too limited to accurately assess the data.

Child Care in State Economies Report Series, Part 2: Trends in Child Care Industry Revenue and Employment

FACT SHEET

Montana

Part 2 of the 2024 Child Care in State Economies Report Series focuses on the provision of child care services in the aftermath of the COVID-19 public health pandemic. Industry recovery was aided in part by \$52 billion in supplemental federal child care funding provided through three COVID-relief measures passed by Congress between March 2020 and March 2021.

Initial COVID-19 Impact

- Revenue for child care centers plummeted by 36% in the 2nd quarter of 2020 compared to a 9% decline across all service sectors during the same period.
- Employment within child care centers declined by 31% (-290,000 jobs) compared to a 14% drop (-22 million jobs) in total wage and salary employment between March and April 2020.

Federal Supplemental Child Care Funding

Between March of 2020 and March of 2021, Congress provided \$149.1 million in supplemental child care funding to Montana. This funding was used to

- ensure that parents could have choices in the child care market
- enable programs to remain open with a reduction in child enrollment, and
- increase pay for staff (recruitment and retention bonuses) to ensure that programs could operate in a competitive job market

Child Care Businesses

There were 1,892 child care businesses in 2022.

- 523 child care centers
- 1,369 home-based child care businesses
- Between 2019 and 2022, the number of child care centers increased by 62
- Between 2019 and 2022, the number of home-based child care businesses declined by 146

Child Care Revenue

Child care businesses earned \$213.4 million in revenue in 2022.

- Centers: \$182 million in revenue (85.3% of total revenue for the child care sector)
- Home-based: \$31.4 million in revenue

Child Care Employment

Total employment was 4,886 people in 2022.

- 3,517 (centers)
- 1,369 (home-based child care businesses)

Average Annual Revenue per Child Care Business, 2022

- \$347,771 (centers)
- \$22,938 (home-based child care businesses)

Employment & Wages

Wages for individuals working in child care centers in Montana have increased by 29.1% since 2019.

- Median annual wages have increased from \$22,540 to \$29,090 in 2023, an increase of \$6,550.
- The median hourly wage increased from \$10.84 to \$13.99 in 2023.
- 2021 average annual revenue for home-based child care businesses was \$22,938 (net earnings of \$13,189 after operational costs)
- The average child care center had 6.7 employees in 2023.

Future of the Child Care Industry

- Revenue has increased since pre-COVID
- Employment has increased since pre-COVID
- Wages have increased since pre-COVID
- At this time, it is not possible to know if these industry gains will remain after the supplemental federal child care funding has been spent (deadline September 30, 2024)



Child Care in State Economies Report Series, Part 3: Child Care and Regional Economic Growth

FACT SHEET

Montana

Part 3 of the 2024 Child Care in State Economies Report series focuses on the economic impact of the child care industry across regions. The economic benefits of child care extend beyond individual households to the broader economy. Child care access enables more parents, especially mothers, to participate in the workforce and supports overall economic growth.

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Families Not Using Paid Care in the U.S.

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SIZE OF THE MARKET-BASED CHILD CARE INDUSTRY IN MONTANA



Total ECONOMIC impact (2022)

\$397.1 million

\$211.3 million
child care revenue
PLUS
\$185.8 million
spillover
in other industries



Total EARNINGS impact (2022)

\$153.5 million

\$99.1 million
employee compensation and
sole proprietors' earnings
PLUS
\$54.4 million spillover
earnings in other industries



Total JOBS impact (2022)

6,306 jobs

4,907
sole proprietors and wage
and salaried employees
PLUS
1,398 spillover jobs
in other industries

Sources: U.S. Census Bureau, Bureau of Economic Analysis, and RegionTrack calculations. The Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics, U.S. Census Bureau: Quarterly Services Survey; U.S. Bureau of Labor Statistics: Quarterly Census of Employment and Wages (QCEW); U.S. Census Bureau – Economic Census, Non-employer Statistics; NAICS industry 6244, Child Care Services.

