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(SWIB) Director**



Child Care and the Montana Workforce

Presented at
Employer Forum for
Child Care Solutions

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Montana Department of
LABOR & INDUSTRY

AGENDA

State Workforce Innovation Board

- Intro to 406 JOBS

Montana Labor Market Conditions

- Parental labor force engagement

Governor's Executive Order

- 406 JOBS Framework

Child Care availability

- Household Impacts
- Business Impacts

Child Care Workforce

- 406 JOBS Year One Work Plan
- Education and Training
- Finding Solutions Together



Photos courtesy of Zero to Five Montana.

MT SWIB

STATE WORKFORCE INNOVATION BOARD

The purpose of SWIB is to advise the Governor on statewide workforce development strategies that maximize the state's education, training, and employment resources in support of economic development.

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Montana Department of
LABOR & INDUSTRY

STATE WORKFORCE INNOVATION BOARD

Business
(Industry)

Workforce
Partner

Legislator

WIOA Core
Program

Chief Elected

Other
Discretionary

Governor

Senate
Member:
Mark Noland

House
Member: K.
Seekins
Crowe

Adam
Gilbertson
(2027)

Paul
Hopfauf
(2027)

Jason
Yager
(2027)

Heather
O'Hara
(2026)

Dave
Smith
(2026)

Sara
Schreiner
(2026)

Casey
Buckingham
(2029)

Aaron
Kellum
(2028)

Josh
Montanya
(2029)

Clayton
Christian
(2029)

(2029)

Dwayne
Iverson
(2028)

Quinton
Queer
(2026)

Jim
Wonnacott
(2026)

(2029)

Paddy
Fleming
(2027)

Jason
Small
(2028)

Eric
Hinebauch
(2028)

John
Williams
(2028)

Sarah
Swanson

Chanda
Hermanson

**Susie
Hedalen**

Ex officio: Joe Thiel, OCHE; Tony Brockman, Dept. of Commerce; Matt Olson, Montana Chamber; Jason Neiffer, Montana Digital Academy; Dr. Brad Hall, Blackfeet Community College; Scott Eychner, Department of Corrections

Montanans for Hire?

An Examination of the Non-Working Population in Montana



Montana Department of
LABOR & INDUSTRY

406 JOBS

Modernizing Montana's Workforce





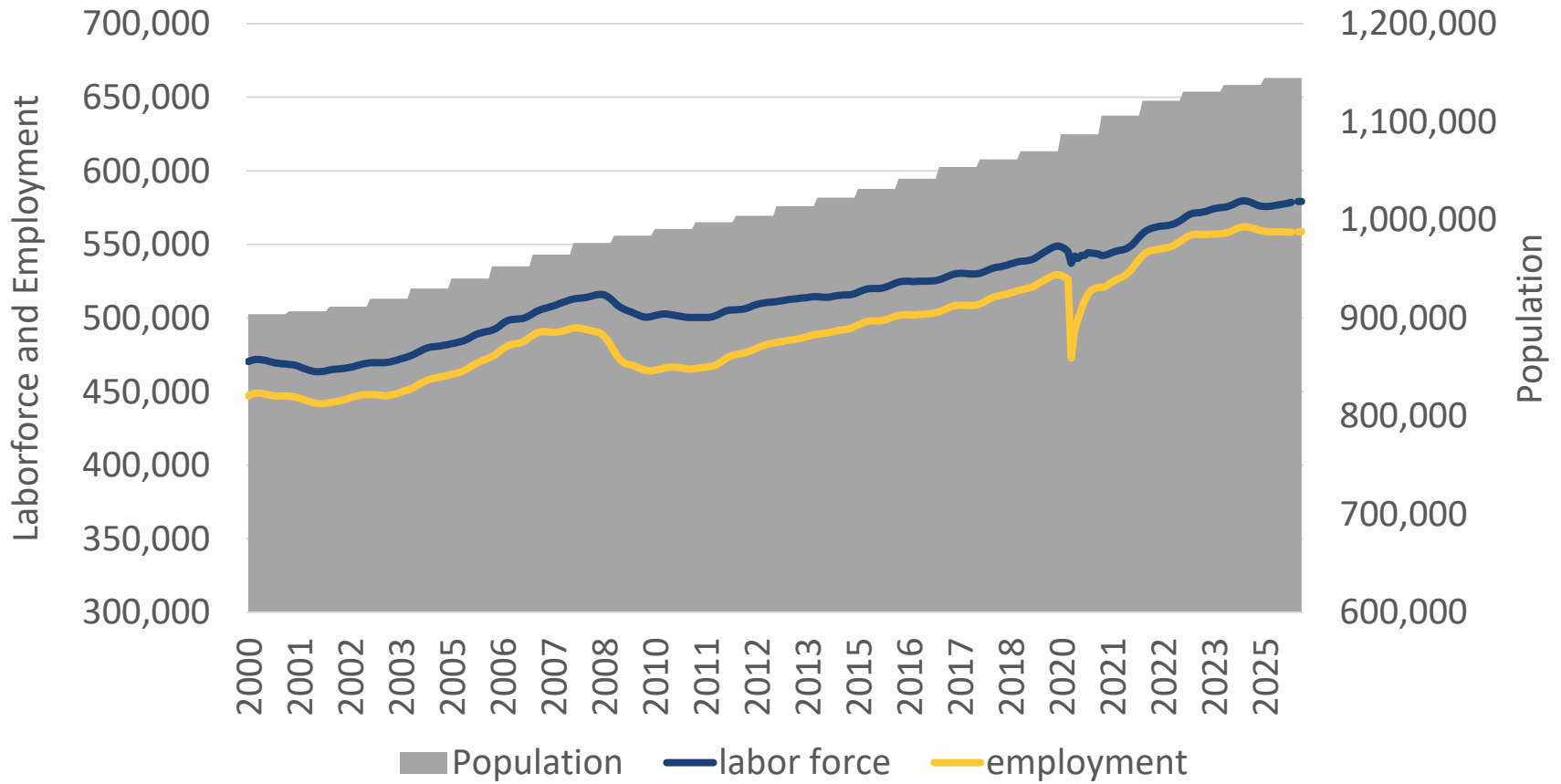
Photo courtesy of Zero to Five Montana.

MONTANA LABOR MARKET CONDITIONS

Labor Force Participation and Parental Workforce Engagement

CONSISTENT LABOR MARKET GROWTH

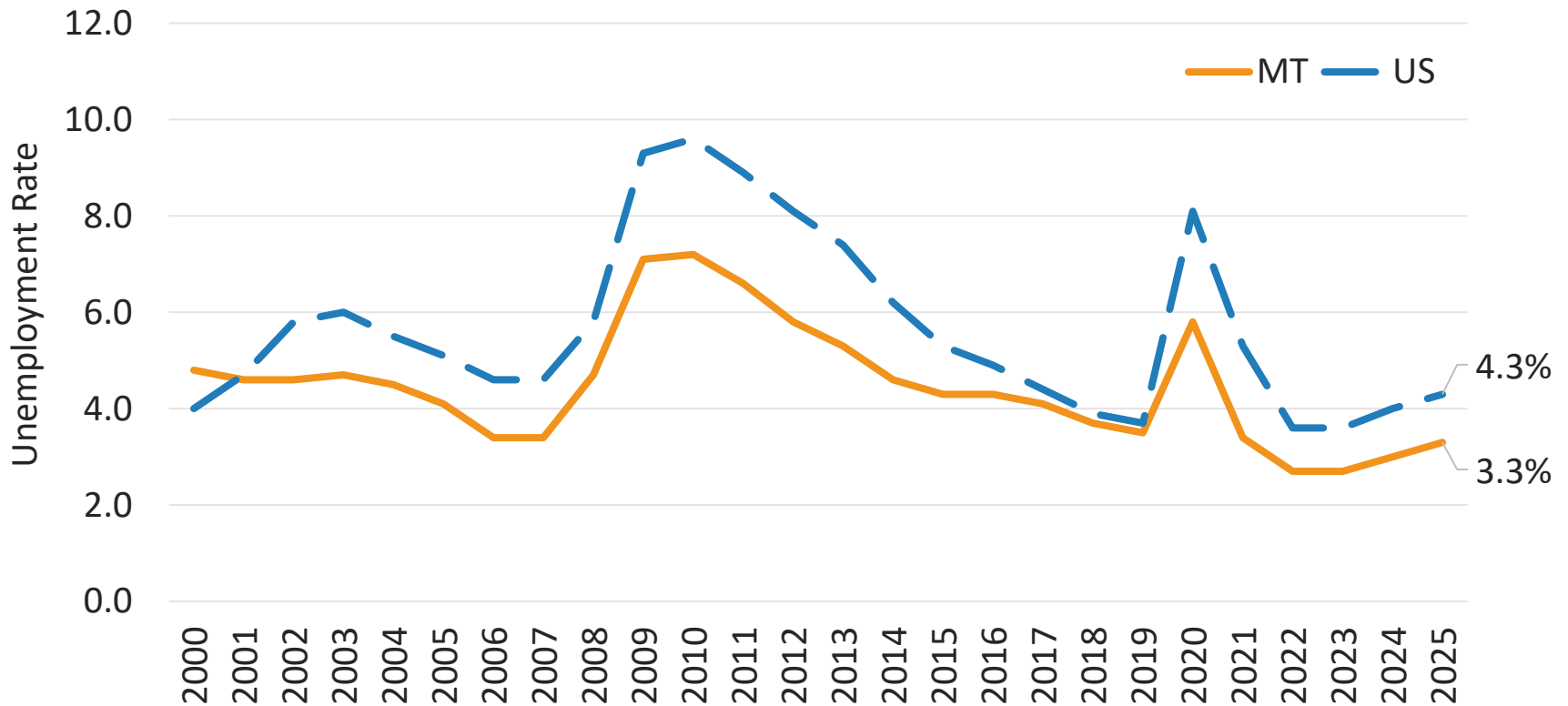
MONTANA POPULATION, LABOR FORCE, AND EMPLOYMENT GROWTH SINCE 2000



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

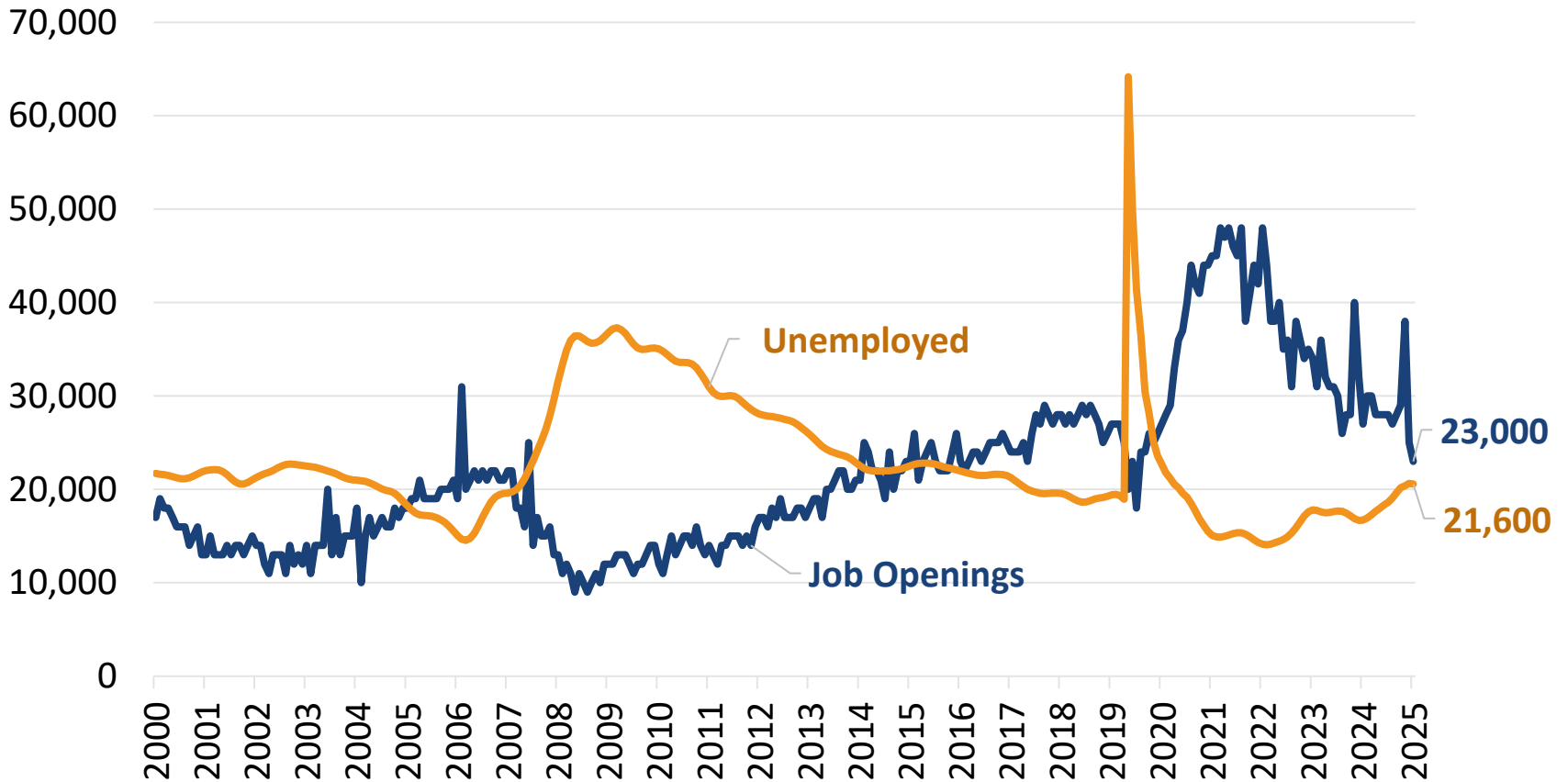
SIGNALS TIGHTER LABOR MARKET THAN NATIONAL AVERAGE



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.

Reasons for Tight Labor Market

Demand for Workers

- Job openings peaked in 2022 and have declined since.

Supply of Workers

- Aging population driving reduced participation
- Reduced hours from childcare issues

All Montanans fall into three groups based on their work status:



EMPLOYED

Employed persons are actively working for pay or profit.



UNEMPLOYED

Unemployed persons are actively seeking work.



NOT IN THE LABOR FORCE

Those not working or seeking work, including:

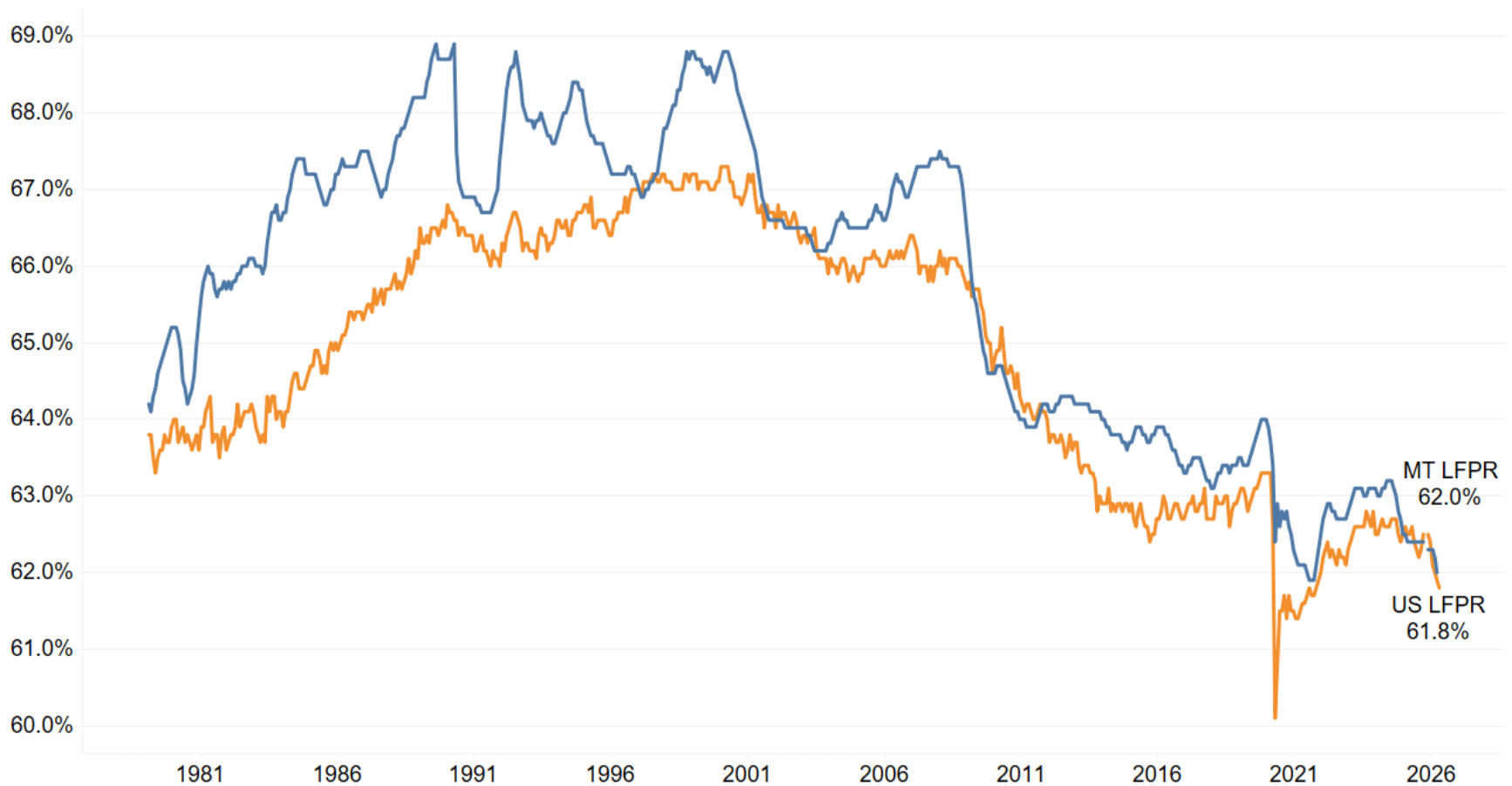
- retired people
- children
- students
- family caretakers

Together, the **EMPLOYED** and the **UNEMPLOYED** form the **LABOR FORCE**, which includes all Montanans who are either working or looking for work.



Labor Force Participation Rate Declines

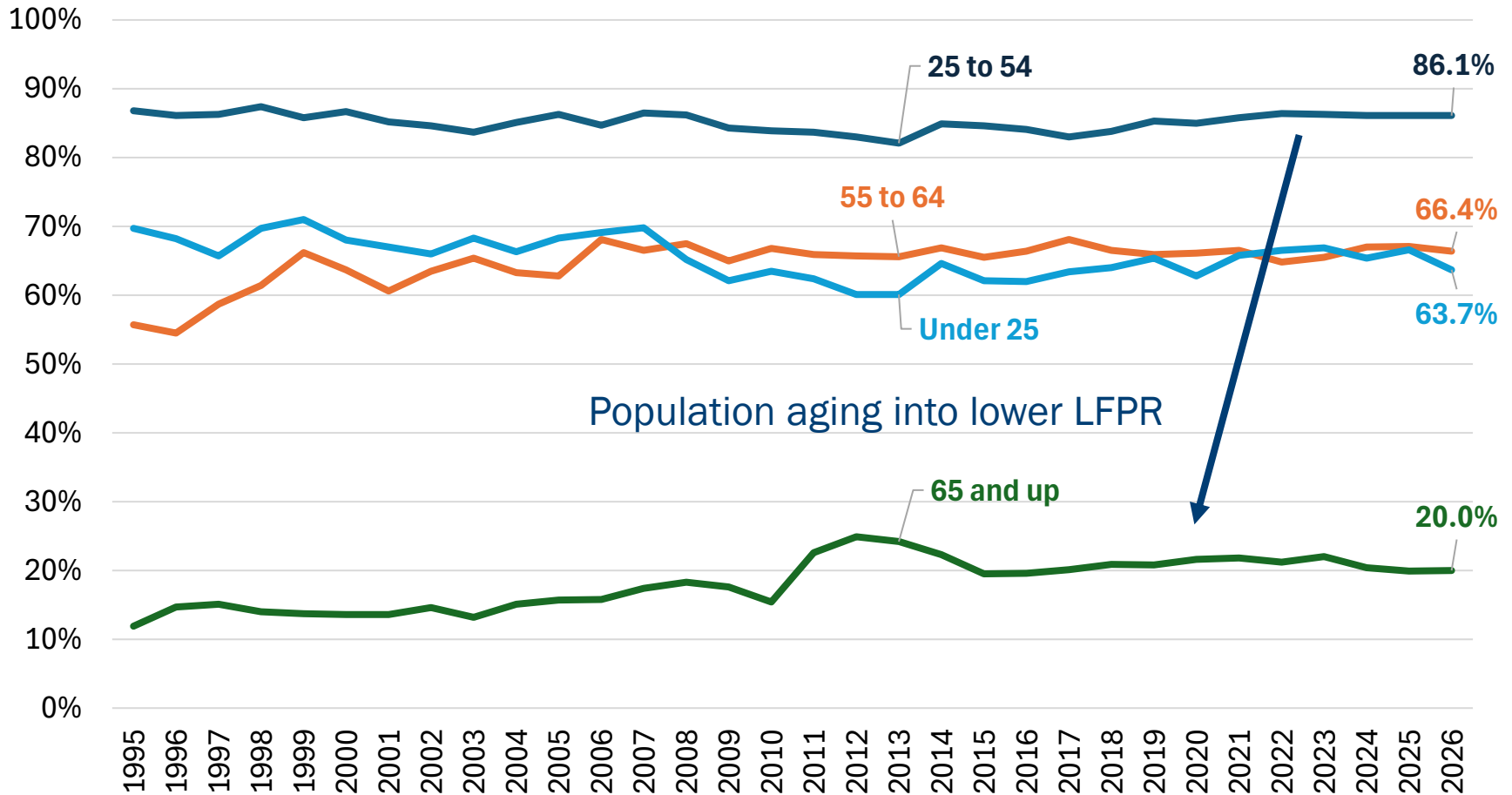
About 62% of Percent of Population Working or Actively Seeking Work



U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS).

Labor Force Participation by Age

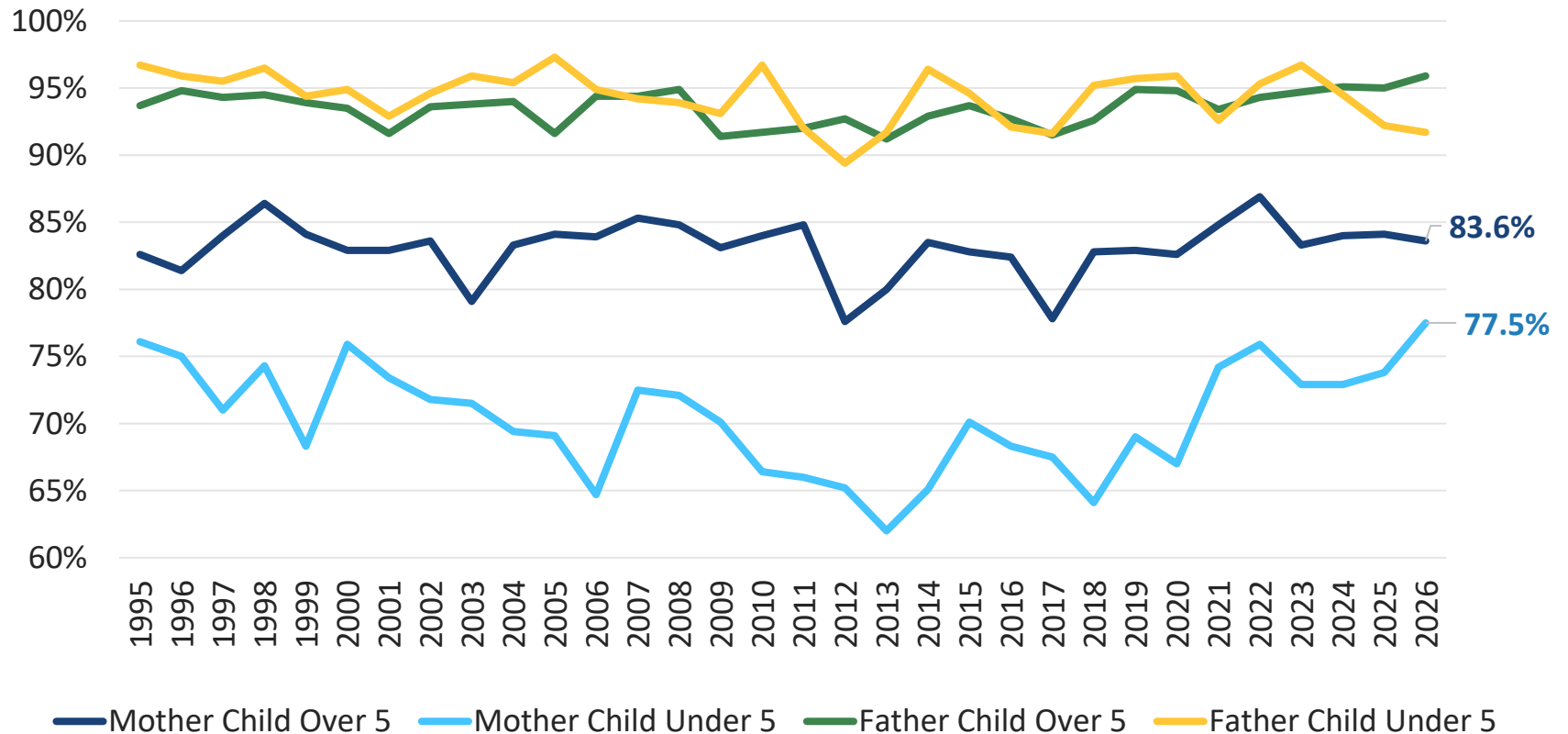
Stable participation within age groups over time.



Source: IPUMS Current Population Survey, Jan 1995- March 2026. Twelve-month moving averages, rounded to the nearest thousand.

PARENTAL LABOR FORCE PARTICIPATION

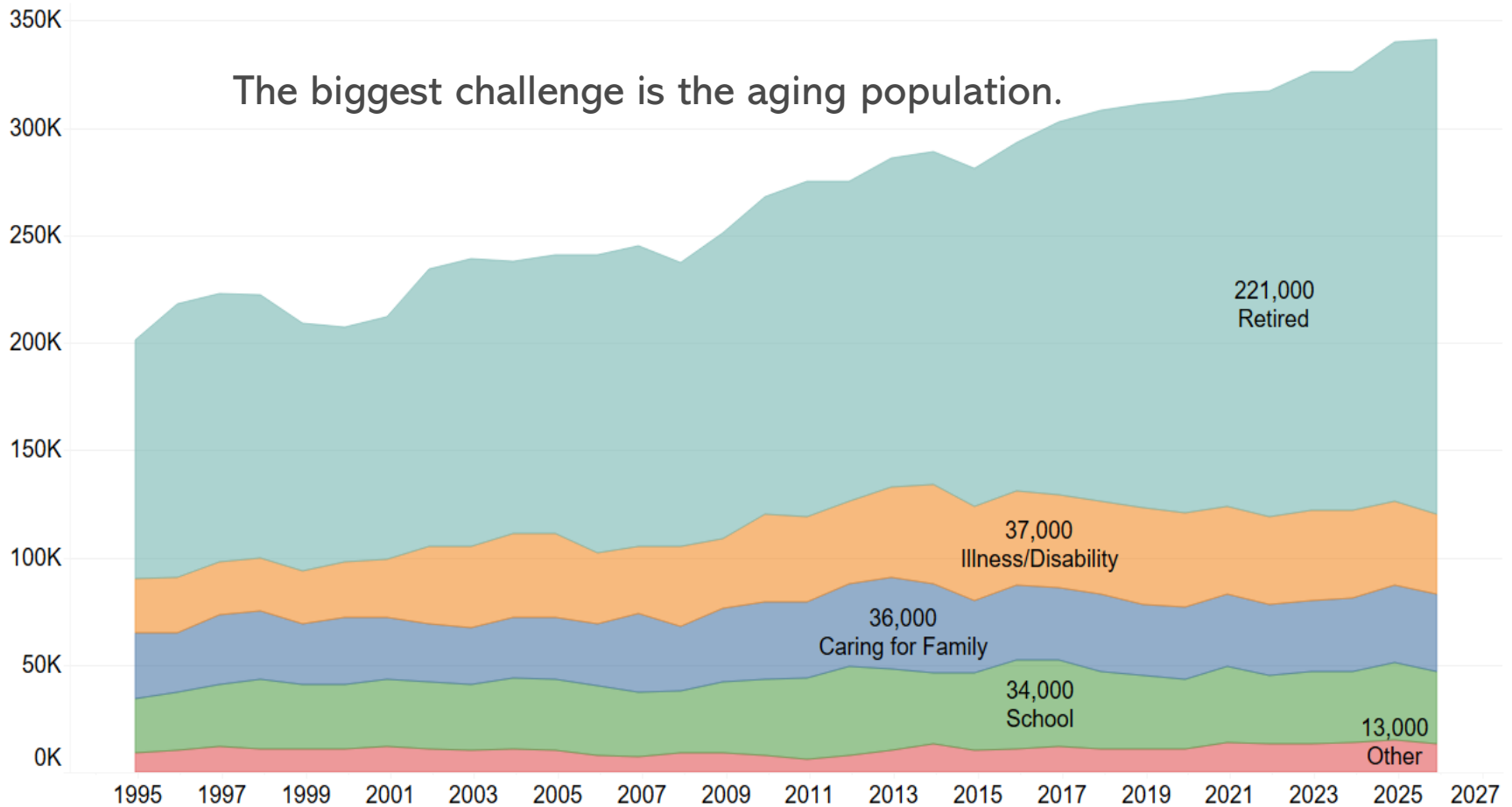
YOUNG MOTHER PARTICIPATION RATES INCREASED MOST SIGNIFICANTLY SINCE 2020



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

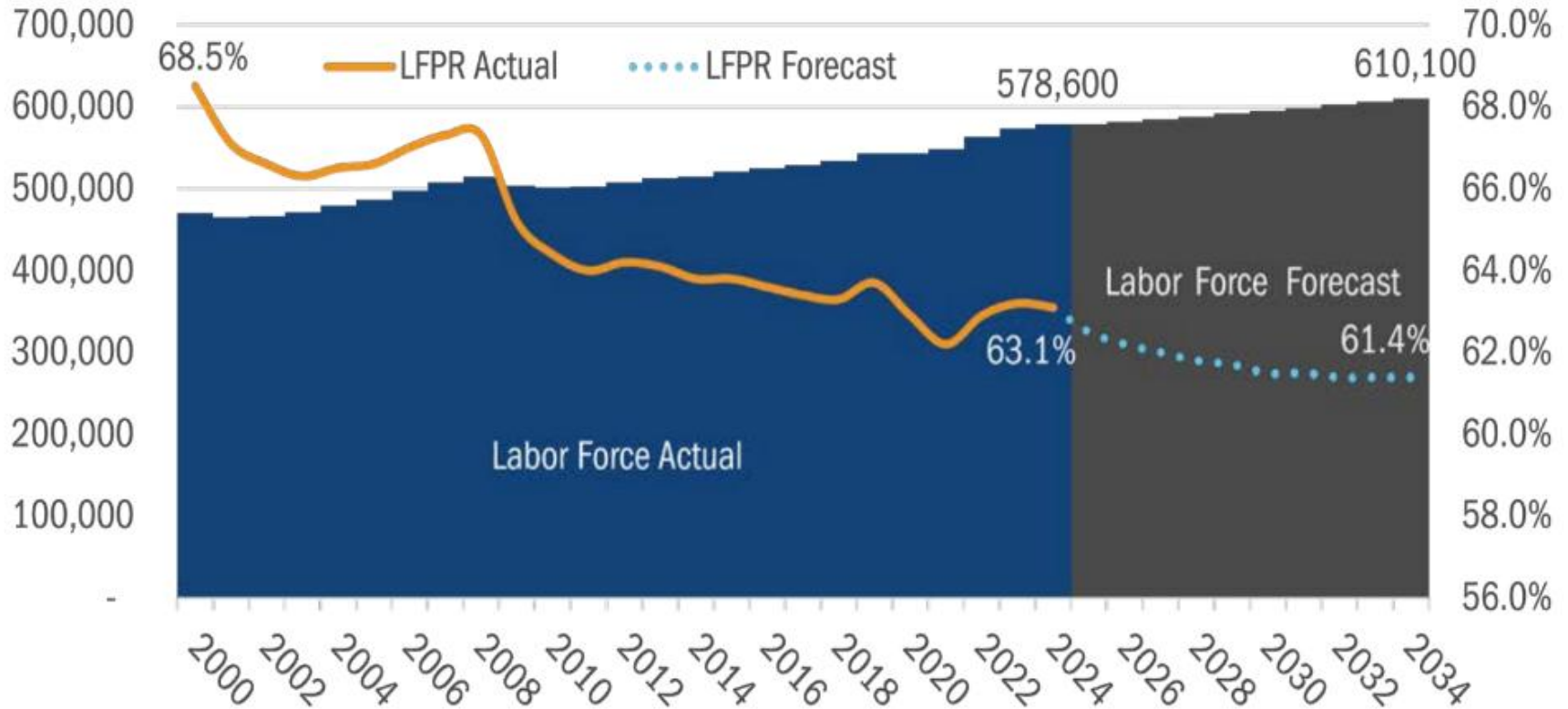
MONTANANS OUT OF THE LABOR FORCE BY REASON

MOST PEOPLE NOT WORKING OR LOOKING FOR WORK ARE RETIRED



IPUMS CPS, University of Minnesota, www.ipums.org. 12-Month Average.

LABOR FORCE PARTICIPATION FORECASTED TO CONTINUE DECLINING OVER NEXT DECADE

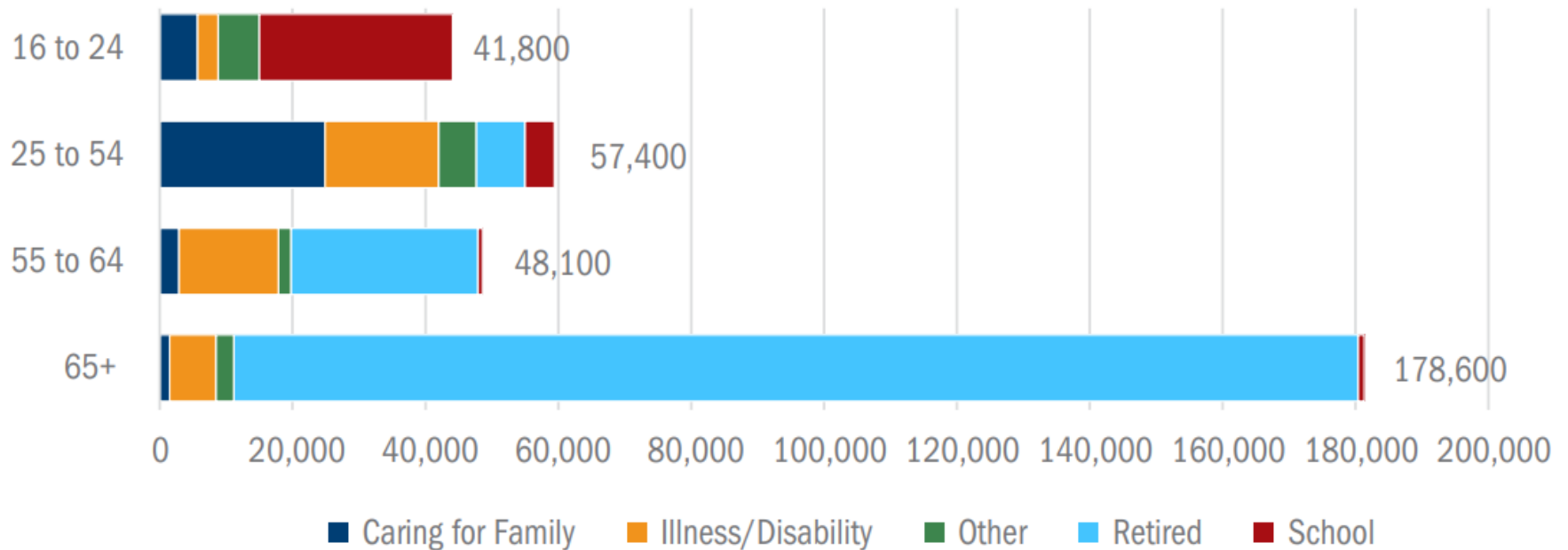


Source: Local Area Unemployment Statistics, BLS MTDLI 2000-2022. Labor force and Population Projections 2024-2034, MTDLI.

330,000 Montanans Out of the Labor Force

About 61% are retired and over the age of 55.

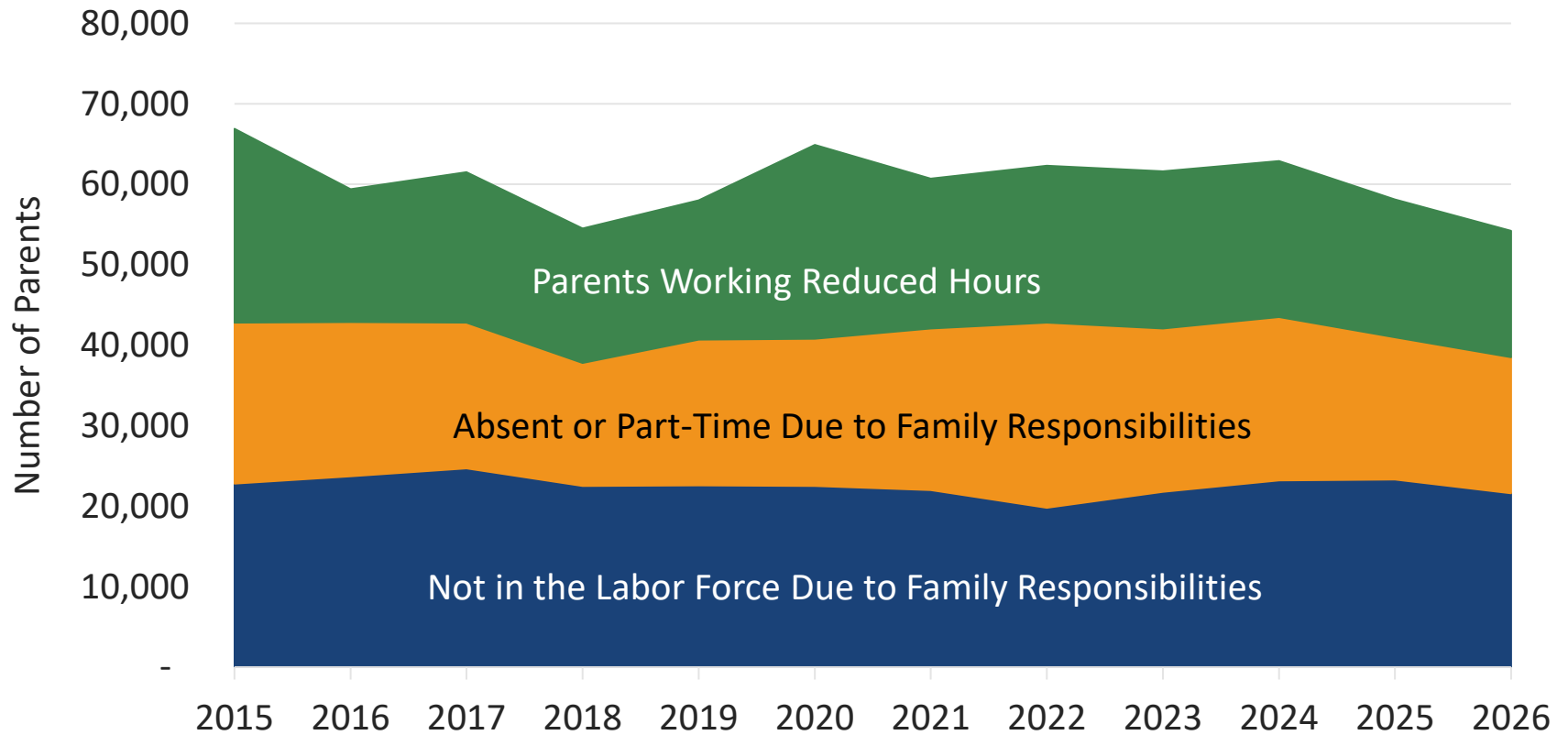
Montanans Out-of-the Labor Force by Age and Reason



Source: IPUMS Current Population Survey 2-Year Moving Average.

UNDERUTILIZATION OF PARENTAL WORKFORCE

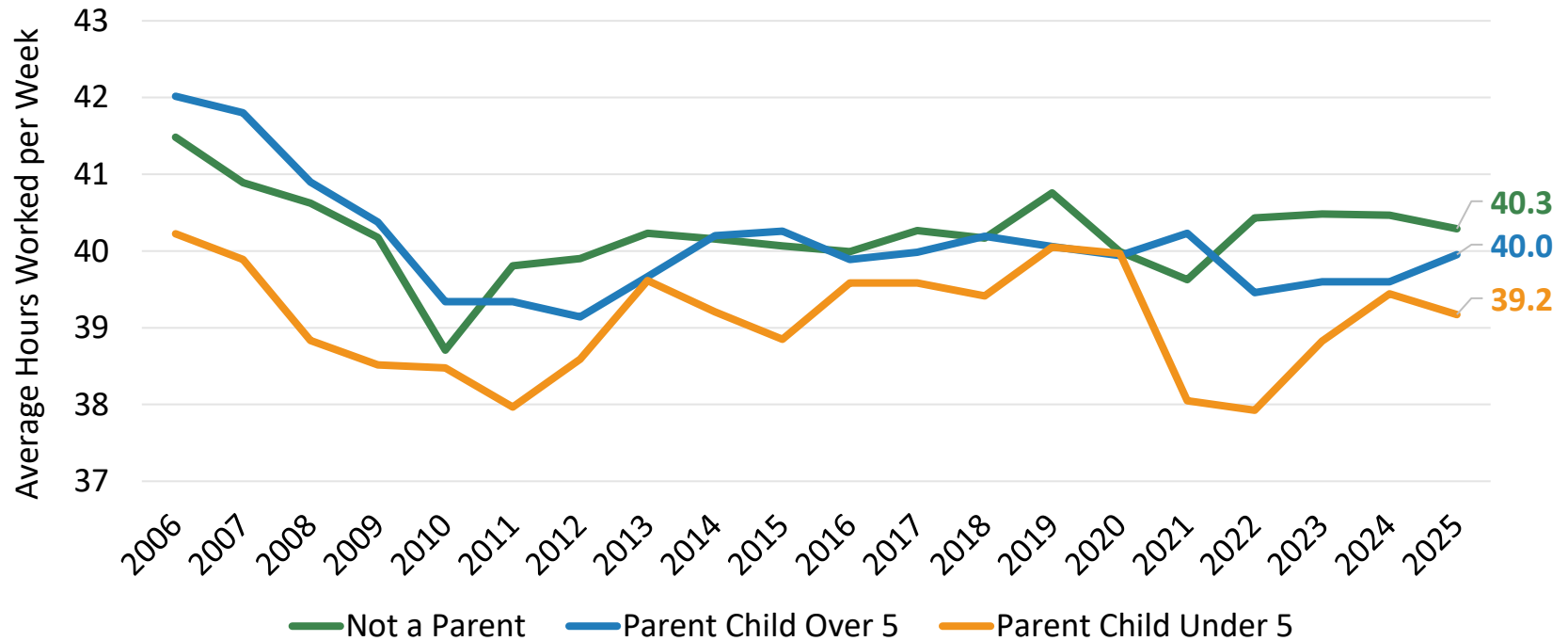
ABOUT 58,000 MONTANA PARENTS UNABLE TO FULLY ENGAGE IN THE WORKFORCE IN 2025



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.



“406 JOBS will work across the public and private sector to promote career, college, military, and entrepreneurship pathways for Montanans to strengthen our workforce and prepare the next generation.”

Governor Greg Gianforte

STATE OF MONTANA
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NO. 5-2025

EXECUTIVE ORDER CREATING THE 406 JOBS INITIATIVE

WHEREAS, Montana faces a labor shortage, particularly in sectors with persistent recruitment challenges, with nearly two job openings for every one unemployed person in the state;

WHEREAS, technological advancements, including artificial intelligence (AI), are rapidly transforming the labor market, with recent studies showing that 30% of all jobs in the United States could be automated by 2030;

WHEREAS, between 2000 and 2025, automation resulted in 1.7 million manufacturing jobs lost in the United States, underscoring the importance of upskilling workers for jobs of the future;

WHEREAS, a significant number of Montanans in their prime working years have left the labor force, and targeted strategies are needed to re-engage this population through career pathways that promote self-sufficiency and upward mobility;

WHEREAS, the State of Montana saw 10,000 more Montanans enter the labor market in 2023, proving that our pro-jobs policies are encouraging people to enter the workforce, though more work is needed to provide workers with the skills needed to find a future-proof career;

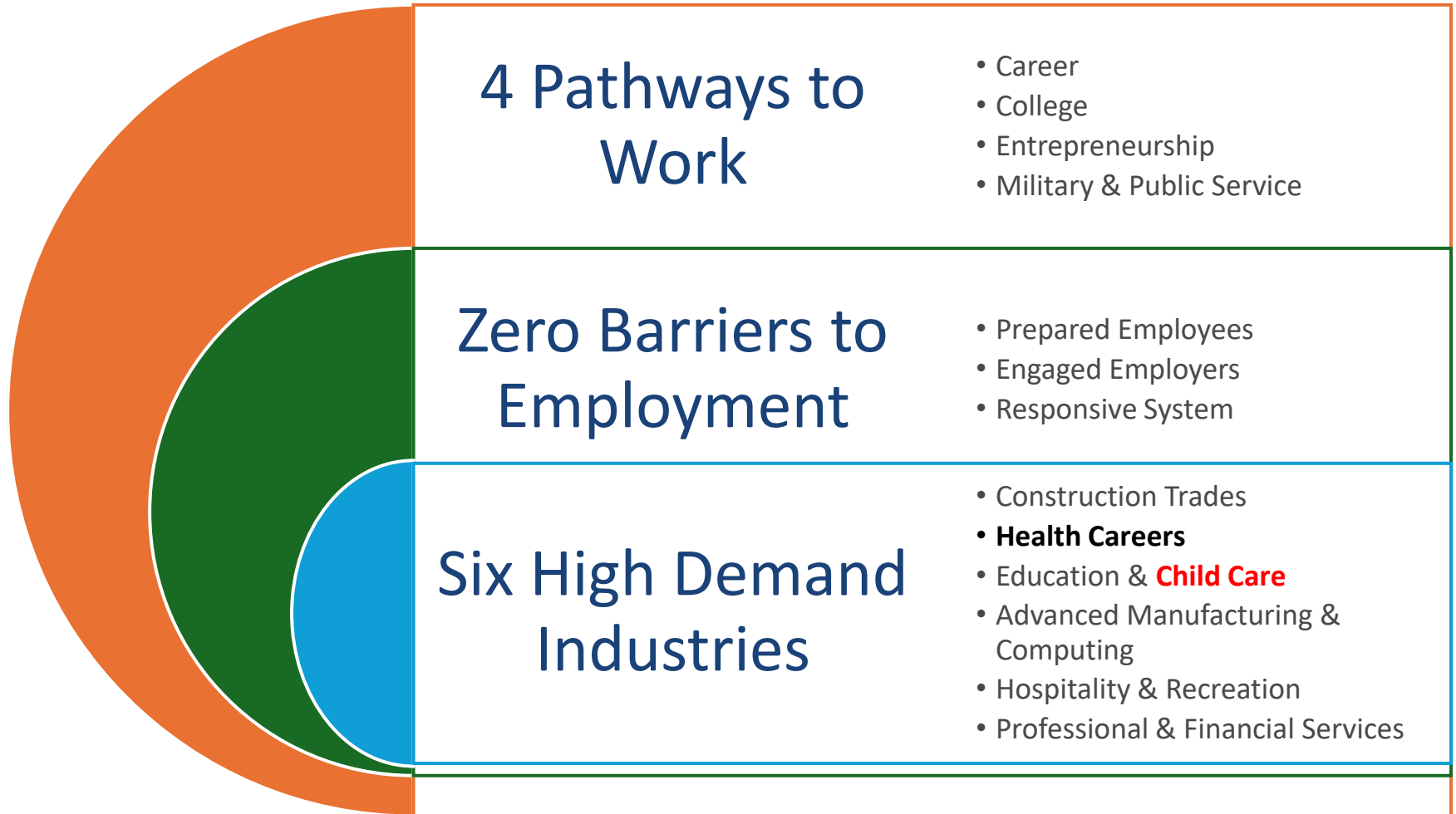
WHEREAS, the State of Montana must prioritize a modern, industry-led workforce system that supports both job seekers and employers across all regions of the state as our continued economic growth depends on a dynamic, skilled workforce that meets the evolving needs of business and industry;

WHEREAS, President Donald J. Trump issued [Executive Order 14278](#) to “Make America Skilled Again,” by fully equipping workers to produce world-class products and implementing world-leading technologies while also streamlining workforce development programs that are too often disconnected from helping workers find secure, well-paying, and high-need American jobs;

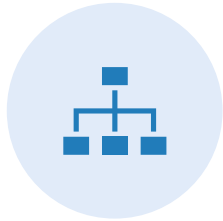
WHEREAS, The U.S. Department of Labor on Wednesday, August 6, 2025, [announced](#) the availability of \$30 million for an initial round of the Industry-Driven Skills Training Fund (“Training Fund”) grants with awards available up to \$8 million for State Workforce Agencies to fulfill President Trump’s Executive Order and address critical workforce needs for in-demand skilled trade careers and in high-growth and emerging industries;

WHEREAS, interagency coordination and collaboration is essential to streamlining workforce development services and maximizing impact;

406 JOBS: Montana's Workforce Strategy



GOALS



Every Montanan with a pathway to a career and a plan to achieve it.



Reduce barriers to employment for individuals who have left the workforce.



Achieve consistent quarterly growth in the labor force participation rate.



Increase the number of Montanans achieving financial self-sufficiency.

Zero Barriers to Employment

Prepared Employees

- Access to Education & Training
- Digital, Financial, & Civic Literacy
- Employability Skills
- Adult & Juvenile Justice Reentry
- Housing & Child Care Support
- Veteran Support
- Disability Empowerment
- Return to Work

Engaged Employers

- Modernize Hiring Practices
- Expand Earn & Learn Models
- Improve K-12 System Collaboration with Employers
- Enhance Industry Alignment with Training Programs

Responsive System

- Alignment Across State Agencies
- Enhanced Coordination of the Workforce System
- Actionable Planning & Data
- Improved Communication and Outreach
- Incubate, Replicate, and Scale Success



Photo courtesy of Zero to Five Montana.

CHILD CARE AVAILABILITY

Understanding Business and Household Impacts

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



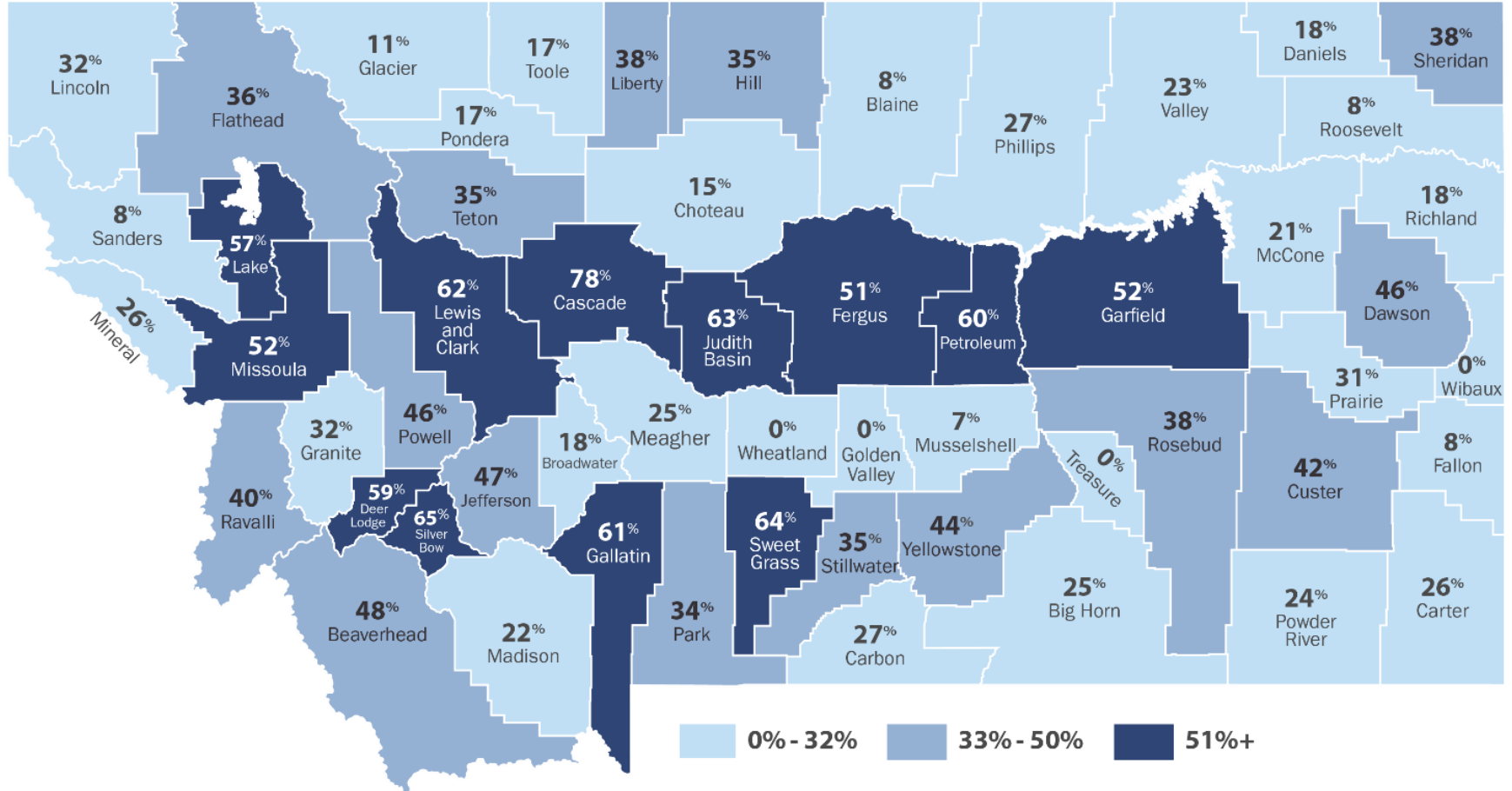
Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2025. U.S. Census Bureau 2024 Population Estimates Program (PEP) data provided by Montana KIDS Count and 2020-2024 American Community Survey (ACS) data.



Montana Department of
LABOR & INDUSTRY

51% of Counties qualify as a Childcare Desert

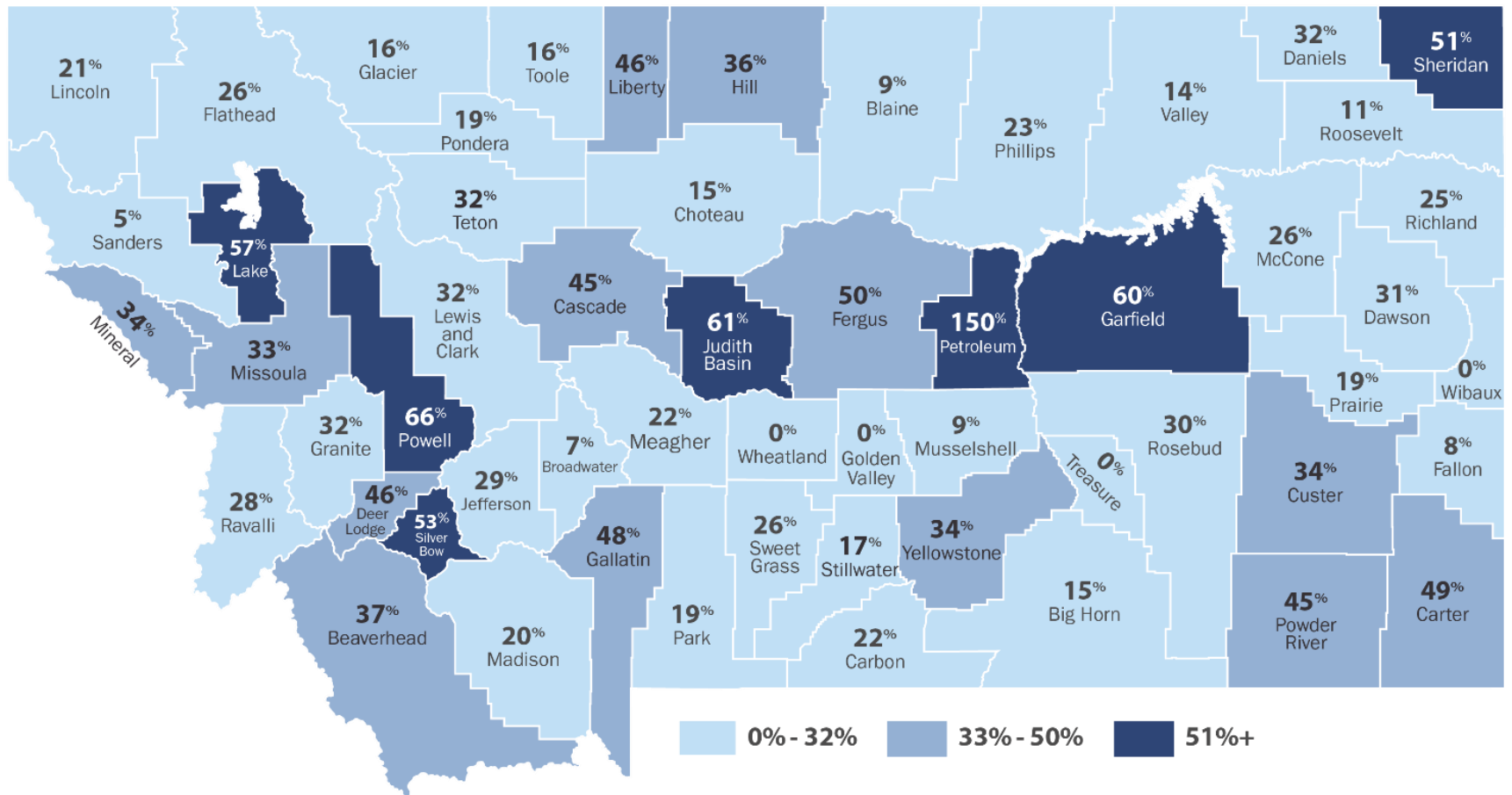
Licensed capacity as a percent of demand in 2025 by County



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

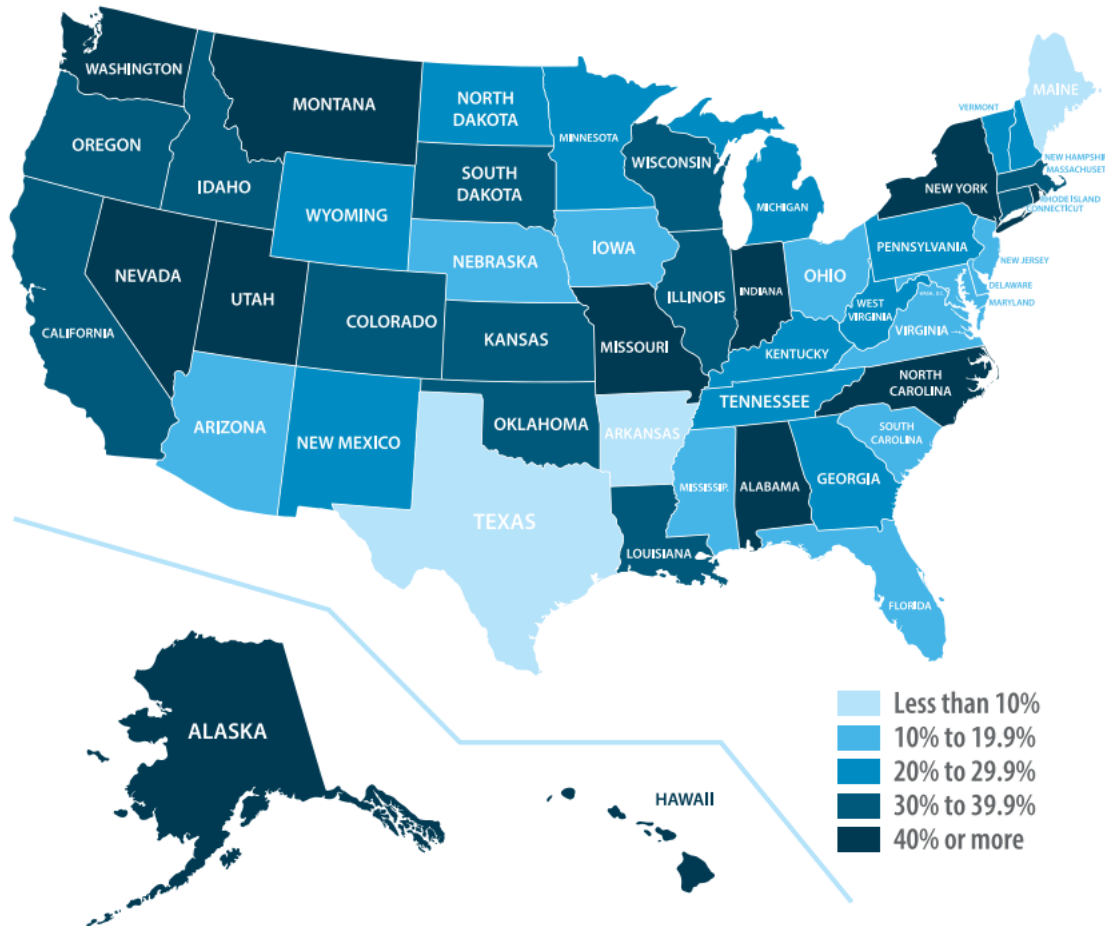
Licensed infant capacity as a percent of demand in 2025 by County



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 childcare access by state.

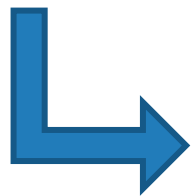
Supply: Number of slots offered by legally operating and state-recognized childcare providers. Data collected from 2020 to 2024. *includes Head Start capacity.

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

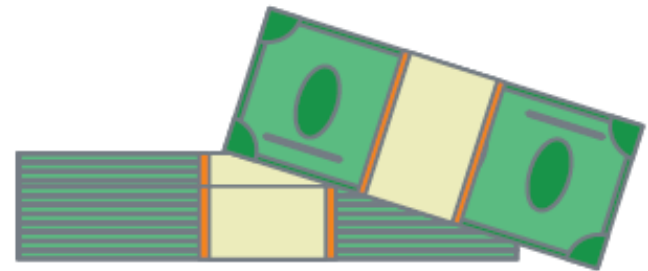
Gap: Distance-Based Approach. The number of children who potentially need care but whose families cannot reasonably access formal care by driving.

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

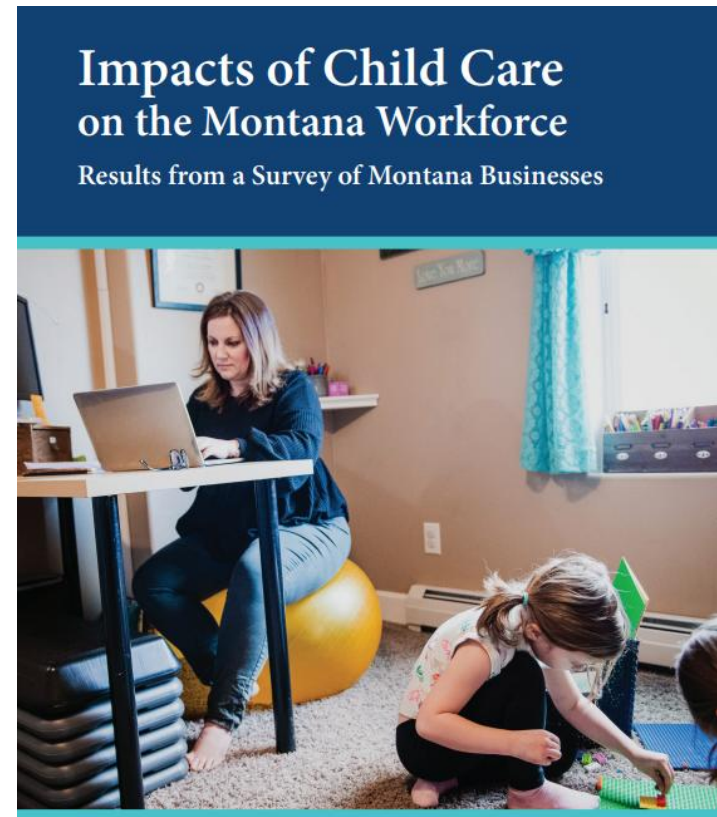
Source: Child Care in America: 2024 Price & Supply, Child Care Aware, May 2025. Median household income for family of four reported by LIHEAP IM 2025-02 Federal Poverty Guidelines and State Median Income Estimates.



Montana Department of
LABOR & INDUSTRY

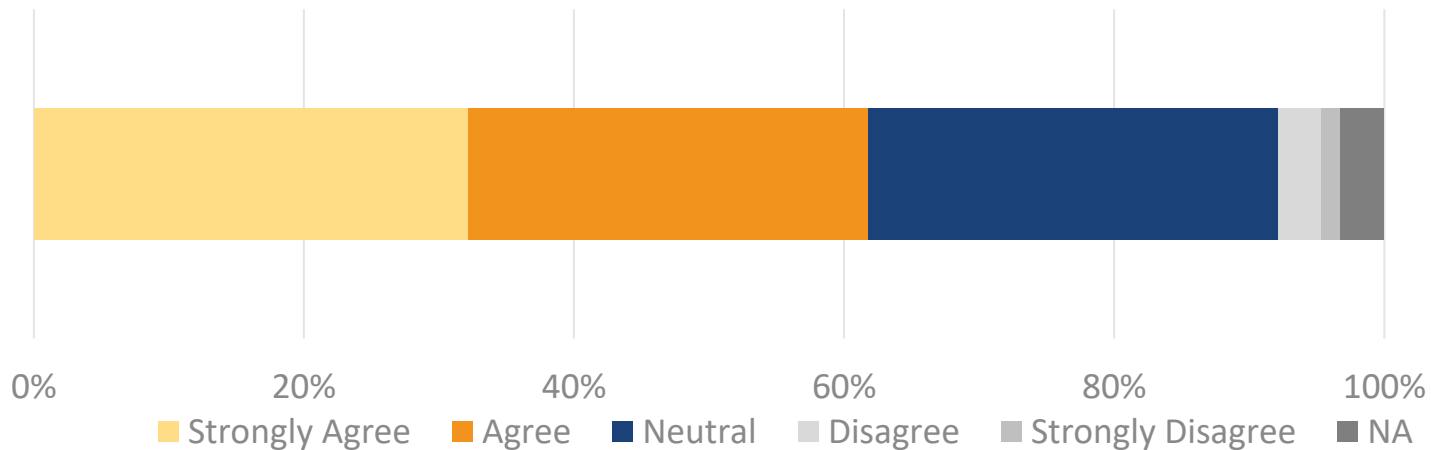
Child Care Impact: Survey of Montana Businesses

- 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 July.



Montana Businesses Identify Child Care Shortages

60% of businesses agree *there is a shortage of affordable childcare in their local community.*



Source: 2026 Child Care Business Survey, MTDLI. Preliminary results subject to change compiled 6/8/26.

Preliminary Results: Business Impacts

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

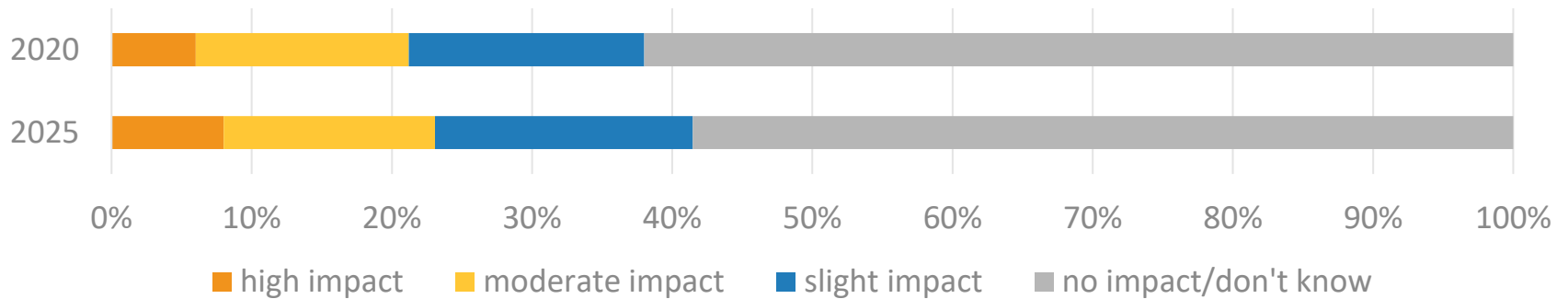
34% of Montana businesses say inadequate childcare has *prevented their company from growing.*

RECRUITMENT AND RETENTION:

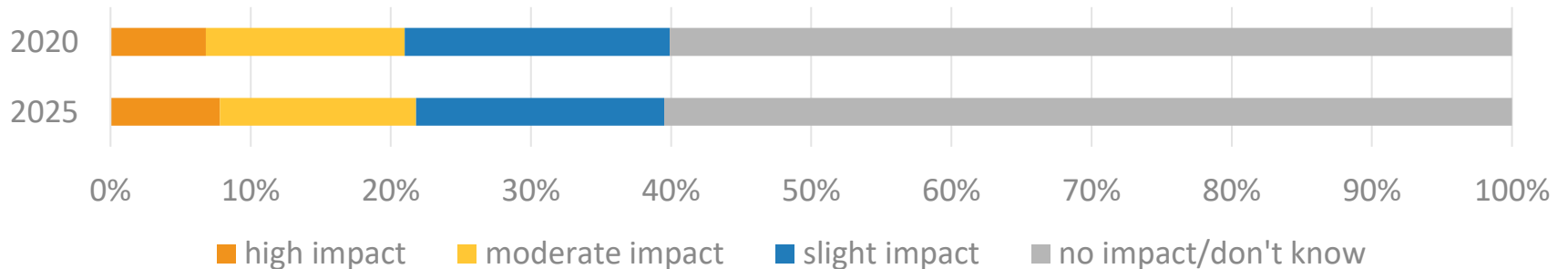
BUSINESSES REPORT INCREASING IMPACT OF INADEQUATE CHILDCARE

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



Preliminary Results: Child Care Benefits

Research from MTDLI and Zero to Five Montana

Flexible Work Arrangements (83%)

- Flexible Scheduling (62%)
- Remote/Hybrid (13.4%)
- Reduced Hours (40%)
- Bring Child to Work (18%)

Paid Parental Leave (17%)

Dependent Care Assistance Plans (18.4%)

Increased Access to Care

- onsite child care (2.75%)



Photo courtesy of Zero to Five Montana.

CHILD CARE WORKFORCE

Building Education and Training Pathways Support Current and Future Workforce



Year One Priority Initiatives

- Increase Registered Apprenticeship Pathways
- Prepare Workforce for Artificial Intelligence and Automation Opportunities
- Establish Local Sector Partnerships in High Demand Sectors
- Address Child Care Shortage to Enable Labor Force Growth
- Reduce Barriers to Employment Through Disability Empowerment
- Highlight Military Service and Support Veteran Transitions
- Establish Office of Reentry Programs
- Launch Statewide Credential Registry
- Modernize Career Exploration Tools
- Expand Jobs for Montana Graduates & Empowered Sites
- Tell the Story of Workforce in Montana
- Improve System Leadership, Coordination, & Communication

406 JOBS: Montana's Workforce Strategy



4 Pathways to Work

- Registered Apprenticeship
- Military/Veteran Support/Transitions
- JMG/Empowerment

Zero Barriers to Employment

- AI/Automation Preparedness
- **Childcare Shortages**
- Disability Empowerment
- Re-Entry Opportunities
- Credential Registry/Career Exploration

Six High Demand Industries

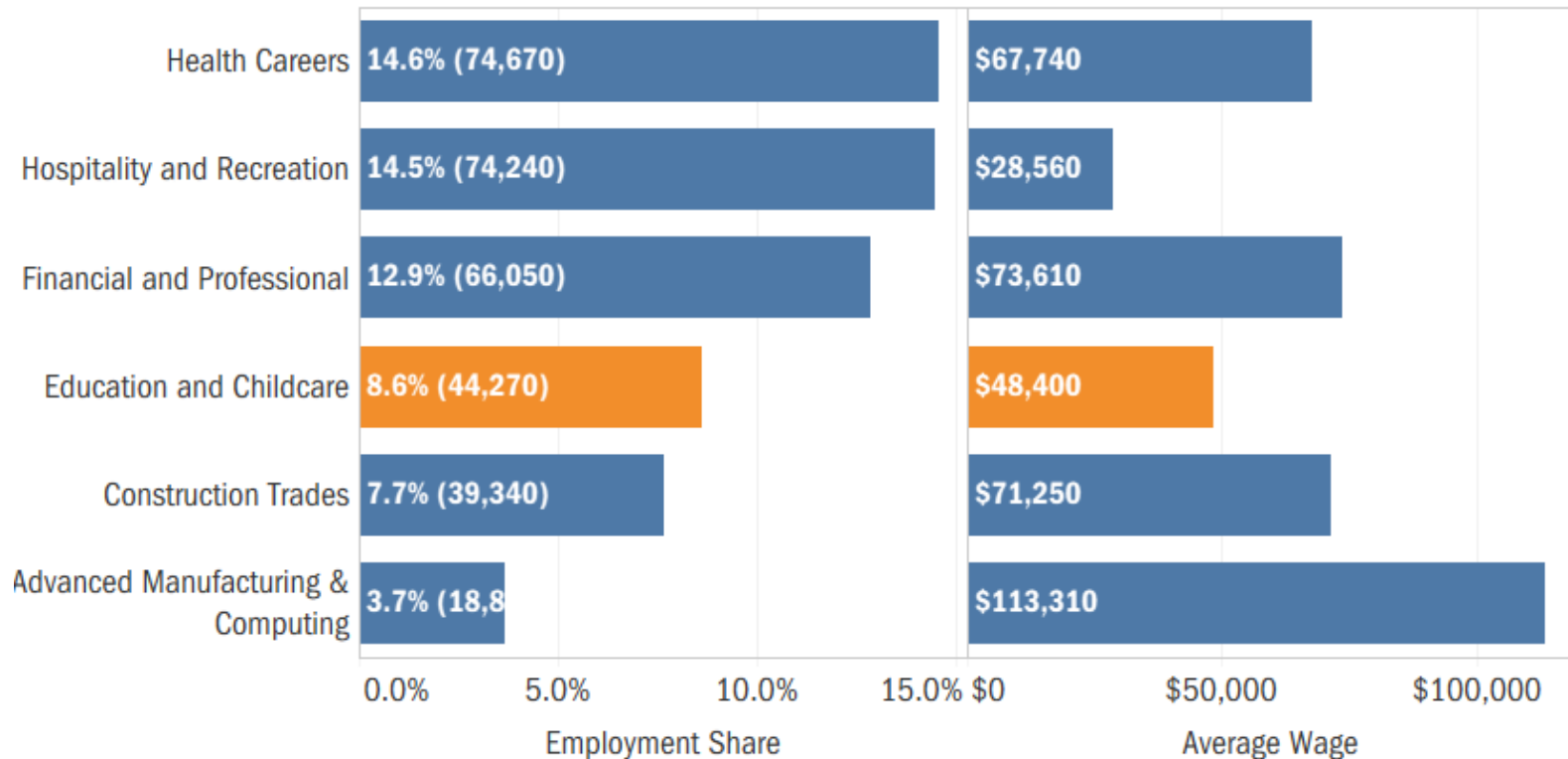
- Local Sector Partnerships
- Tell the Story of Workforce in Montana

SYSTEM LEADERSHIP, COORDINATION, & COMMUNICATION

Child Care is a 406 JOBS Priority Sector

Education and Child Care comprise 9% of Montana employment

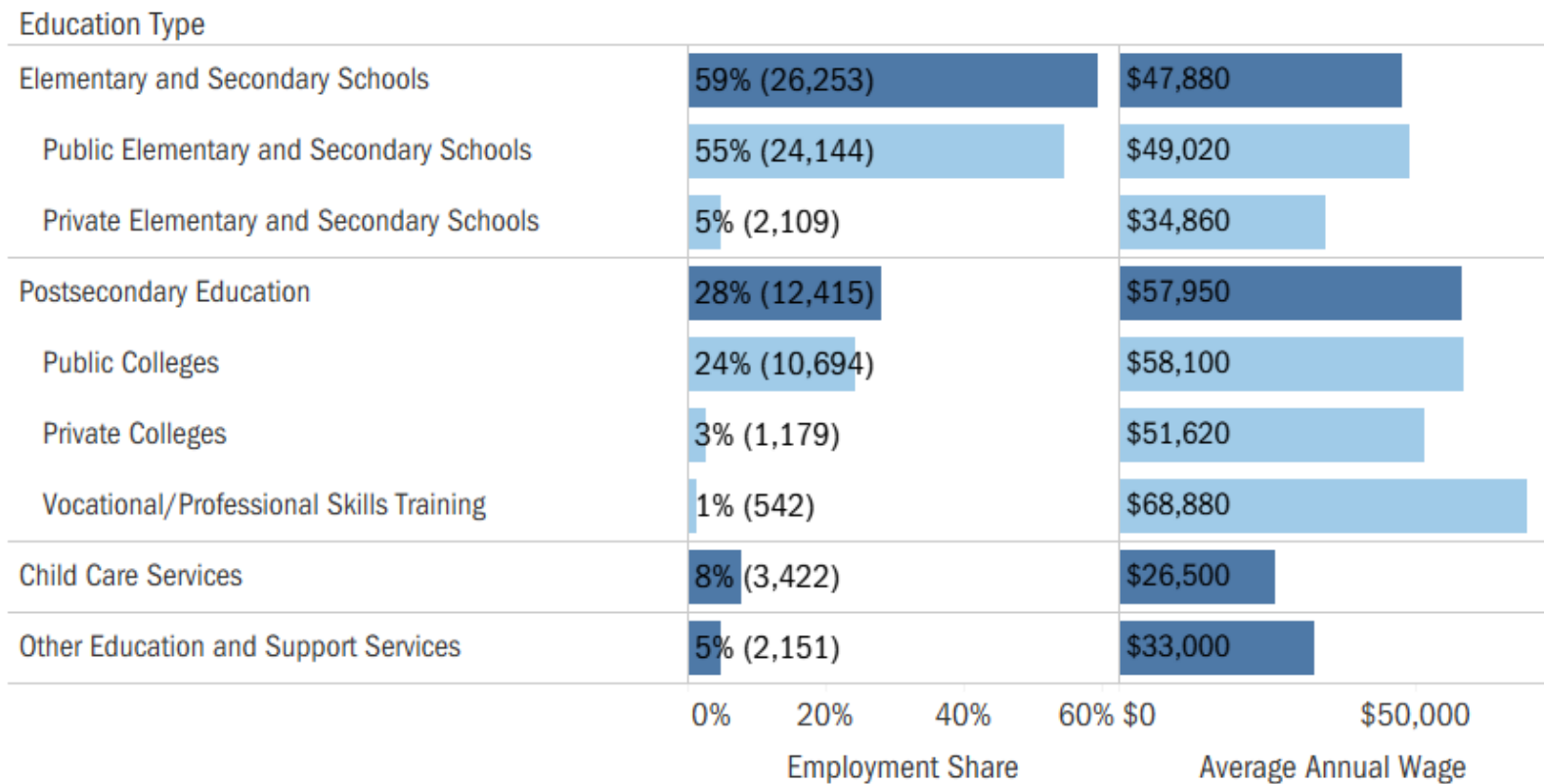
Employment and Wages by 406 JOBS Sector, 2024



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

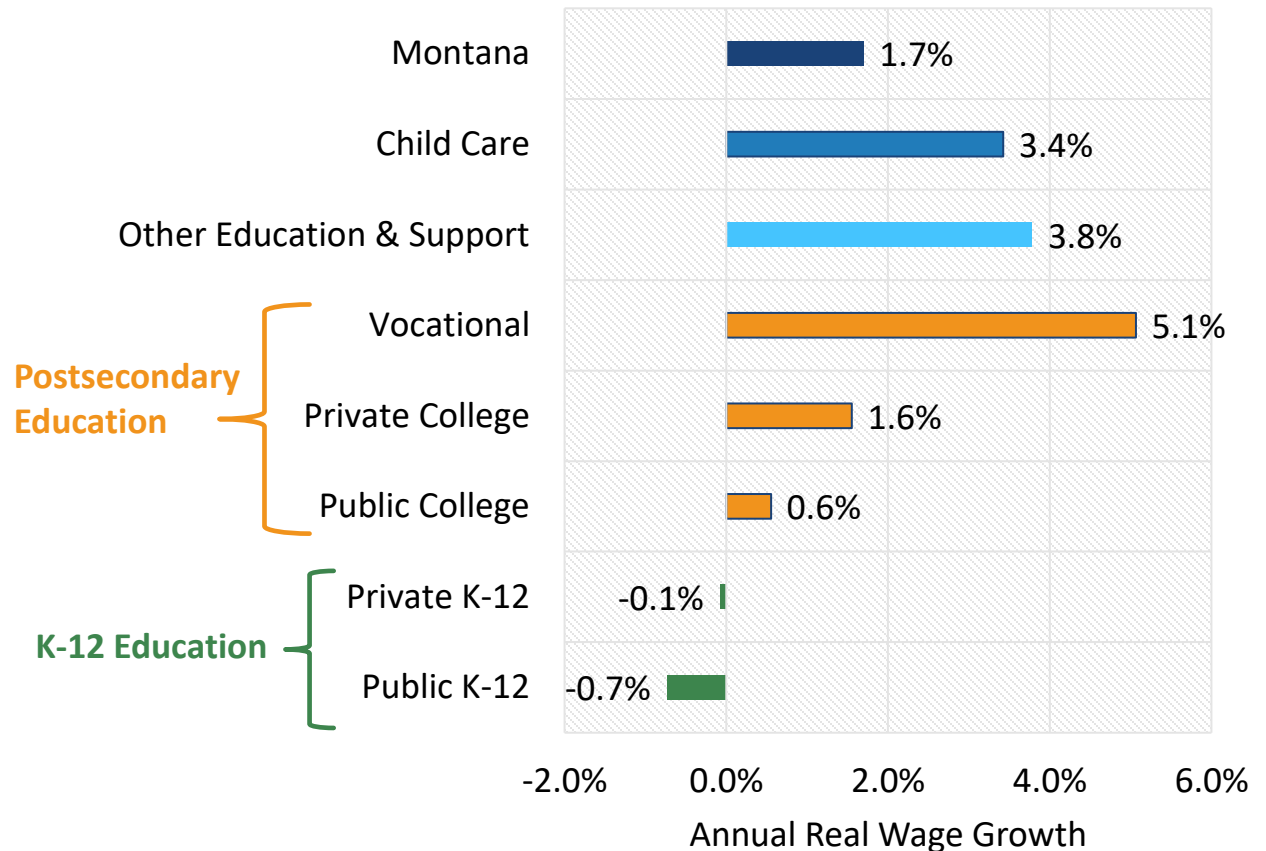


Source: US BLS and Montana Department of Labor and Industry, QCEW.

Child Care Wage Growth

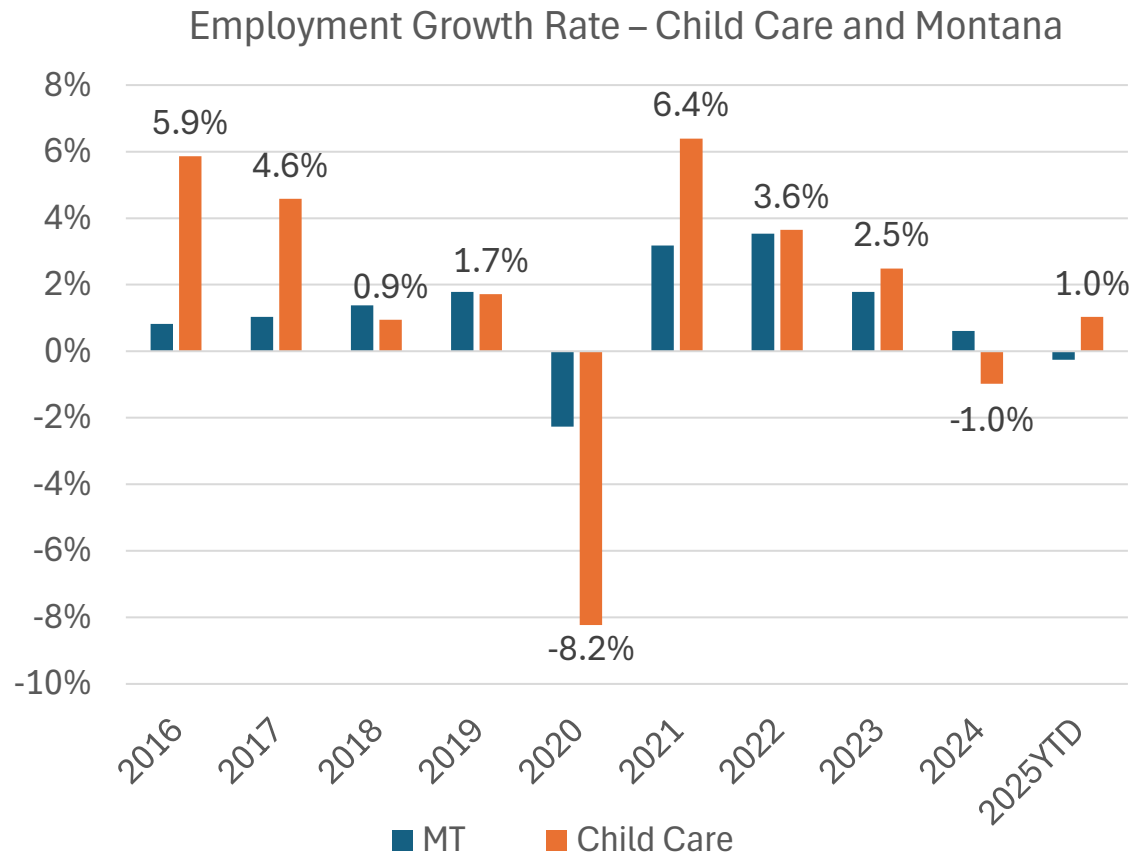
- **Low wages:** Child Care wages are the lowest among the education sector.
 - \$26,500 average wage in 2024.
- **Strong wage growth**
 - Real wages have grown by 3.4% over the last five years.
 - Strongest growth in 2020 and 2022.

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

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/>

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.



FINDING SOLUTIONS TOGETHER

SWIB Quarterly Meeting

July 27 & 28

Missoula, MT

swib.mt.gov

More info available at [Imi.mt.gov](https://imi.mt.gov)

Additional Resources

Child Care Availability

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

406 JOBS Education and Child Care Sector Report

Trautman, Emily. "Education and Child Care: Montana 406 JOBS Sector Analysis." May 2026. MTDLI

Montana Early Childhood Apprenticeship Program

Registered Apprenticeship Program Report 2026. April 2026.

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

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

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