

CHILD CARE AND EARLY EDUCATION IN MONTANA:

Building Strong Starts for Every Family



Our earliest years of life shape lifelong health, learning, and opportunity. But across Montana, many families struggle to find affordable, reliable early care and education.

Families in rural and Tribal communities and those with lower incomes face the steepest barriers. Years of underinvestment and unstable funding have left many communities without enough child care providers, while early educators earn wages that make it hard to stay in the field.

When early care and education systems are strong, children thrive, parents can stay in the workforce, and communities grow stronger.

The Reality for Montana Families: Child care shortages affect families, workers, and local economies

- Only 46% of Montana's child care need is met, creating a statewide shortage that touches every county.¹
- Early care educators earn wages 26% below a living wage, contributing to turnover, provider closures, and limited capacity.²
- Uncertain federal funding and low reimbursement rates make it hard for programs to stay open, let alone expand.

What the Data Tell Us: Child Care Barriers are Growing

Montana Workforce and Families

23,200

Montana parents were unable to fully participate in the workforce in 2024 due to lack of child care.³

Only 46% of child care demand is met, leaving over

21,000

young children in working-parent households underserved.⁶

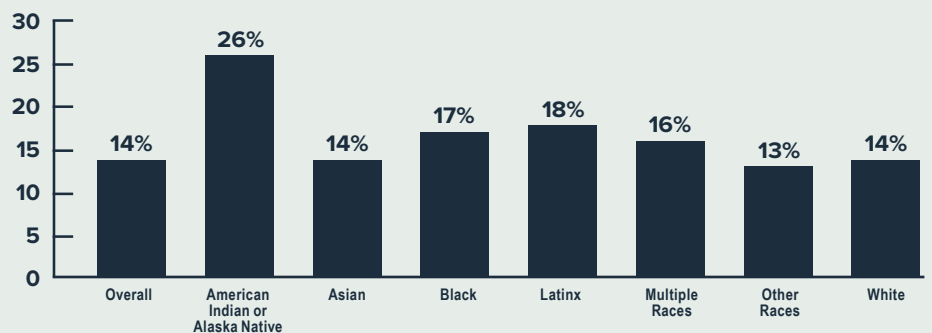
40%

of Montana businesses report difficulty finding and retaining workers because of child care shortages.⁷

Who Faces the Biggest Barriers?

- Rural communities bear the largest share of Montana's unmet child care demand⁴, leaving nearly 1 in 5 children under the age of six in child care deserts with little to no licensed care.⁵
- Income inequality directly drives disparities in who can access reliable, high-quality child care.⁸

The cost of child care makes up a larger share of income for families of color



Generations of discrimination and underinvestment in communities of color have contributed to present-day disparities in median income among Black, Indigenous, and other families of color.

Median income by race is from the American Community Survey Table B19113A-1, 2018-2022. Average cost of child care estimation is for the center-based care: \$11,700

Why This Matters

When families cannot access affordable child care:

- Children miss important developmental milestones.
- Parents — especially mothers — leave the workforce.
- Early educators leave the field due to unsustainable wages.
- Gaps widen for families already facing the greatest barriers.

These challenges ripple across communities and local economies.



Early care and education is not just a private family responsibility. It is a shared public investment that supports children, families, and the long-term health of communities. Montana moves forward when we treat early childhood care and education as essential infrastructure.

Strengths to Build On

- **Community-led approaches are working.** Local collaboratives, shared services networks, rural play-based hubs, and Tribal early childhood programs are creating new ways to expand care.
- **Momentum Is Growing.** Policies like the Early Childhood Special Revenue Account and expanded Best Beginnings eligibility show that sustained advocacy can lead to progress.
- **Investments Pay Off.** Children in quality early care are more prepared for school, experience better long-term health outcomes, and are less likely to need public supports later.
- **Businesses are stepping up.** Many employers now see child care as essential economic infrastructure and are partnering with communities to expand solutions.

What Leaders Can Do Now

Nonprofit Leaders

- **Involve families most affected by child care barriers in designing solutions.**
- **Share stories and data to help policymakers understand what families need.**

Philanthropy Leaders

- **Fund the true cost of child care, including staffing, operations, and rural delivery models.**
- **Provide flexible, multi-year funding so organizations can build stable programs and respond to families' needs.**

State Leaders

- **Treat early childhood care and education as essential infrastructure for workforce and economic stability.**
- **Ensure reimbursement and public funding reflect the actual cost of providing child care.**
- **Invest in solutions that support rural and Tribal families and expand child care where it's needed most.**

Endnotes

- 1 Montana Department of Labor & Industry. (2025). Labor Day report (25_LaborDayReport_Final). https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Labor-Market-Publications/25_LaborDayReport_Final.pdf
- 2 McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). Montana – Early Childhood Workforce Index 2024. Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://csce.berkeley.edu/workforce-index-2024/states/montana/>
- 3 Montana Department of Labor & Industry. (2025, June 5). Child care and the Montana workforce [Presentation]. Employer Summit for Child care Solutions. Family Forward Montana. <https://familyforwardmt.org/wp-content/uploads/2025/06/DLI-Employer-Summit-Child-care-Solutions39.pdf>
- 4 Montana Department of Labor & Industry. (2024). The state of Montana's child care system: Challenges and opportunities (EAG-0324). https://lmi.mt.gov/_docs/Publications/EAG-Articles/EAG-0324_Final.pdf
- 5 Montana Department of Labor & Industry. (2025, June 5). Child care and the Montana workforce [Presentation]. Employer Summit for Child care Solutions. Family Forward Montana. <https://familyforwardmt.org/wp-content/uploads/2025/06/DLI-Employer-Summit-Child-care-Solutions39.pdf>
- 6 Montana Department of Labor & Industry. (2025). Labor Day report (25_LaborDayReport_Final). https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Labor-Market-Publications/25_LaborDayReport_Final.pdf
- 7 Watson, A. & Montana Dept. of Labor & Industry. (2024). Child care and the Montana workforce. <https://leg.mt.gov/content/Publications/fiscal/2025Biennium/MARA/DLI-Child-care-and-the-Montana-Workforce-Jan2024.pdf>
- 8 Burg, X. (2024, November). Reaching families: Assessing Best Beginnings' impact on Montana's communities. Montana Budget & Policy Center. https://montanabudget.org/report/bb_mt_2024

Turning Investment into Action

Headwaters Foundation supports organizations that build leadership and a sense of belonging with families, elevate their voices to policymakers, and create the conditions for meaningful change to happen.

Learn more about our work and grantees at www.headwatersmt.org