Lost Possibilities: The Impacts of Inadequate Child Care on Montana's Families, Employers and Taxpayers

Recently, the Bureau of Business and Economic Research (BBER) completed a study sponsored by the Federal Reserve Bank of Minneapolis, that clearly illuminates how Montana’s working parents, and our economy, take a big hit due to a lack of access to reliable child care:

- Inadequate child care costs Montana businesses nearly $55M per year
- Better access to child care would save the Montana economy $232M a year
- The average loss to households with kids under age 6 is $5,700 per year (state total $145M per year)
- The annual loss to taxpayers is $32M per year including $9M per year in Montana state taxes

BBER researchers surveyed Montana households with children under age 6 from January – April, 2020, and hearing from over 400 respondents, we understand that:

- 57% of households find affordable child care challenging.
- 46% of respondents left work early in the past month due to inadequate child care.
- 44% of respondents missed a full day of work in the past month due to inadequate child care.

The study also uncovered various child care work problems parents faced in the past year:

- 62% miss time from work.
- 26% declined further training or education (among the lower-income households 38% decline further training or education).
- 22% turned down a job offer (among lower-income households 36% turn down a job offer).
- 15% had to change from full-time to part-time work.
- 12% quit their job (among lower-income households 26% quit their job due to inadequate child care).
- 2% were demoted, and 1% lost their job due to inadequate child care.

The results from this study are important to all Montanans; without adequate child care, we all lose vital economic resources. Not only are the fiscal losses high for Montana’s economy, but the personal impacts everyone in Montana are considerable.