



Strengthen Your Workforce

With low unemployment across the state, Montana businesses are going to great lengths to attract and retain qualified workers. Many individuals are not in the workforce because of difficulty finding quality, affordable child care. Child care capacity currently only meets approximately 41% of estimated demand.¹³

FINANCIAL ASSISTANCE TO EASE CHILD CARE COST BURDEN

Background: The financial burden of and access to quality child care in Montana limits the positive performance and workforce participation of employees. The state median cost of both center- and home-based child care exceeds 10% of household income, which the U.S. Department of Health and Human Services considers an affordable limit.¹ Also, a steady decline in available child care across the state means some families have few or no options for child care so they can't work.² A national survey found nearly 10% of families had to change or quit their employment because of child-care related issues.³ By working to create innovative solutions to the cost and accessibility of child care, businesses will experience: Less employee turnover, higher productivity, less absenteeism, improved morale and employee loyalty, and greater recruiting power.⁴

Affordable child care is essential, not only for families but for the economic prosperity of Montana. The Committee for Economic Development measured the spillover impacts of child care in Montana, determining that access to child care resulted in \$93 million in positive economic impact to industries outside of child care, contributing \$31.8 million in added earnings, and 1,178 jobs in 2016.³ With access to quality child care, the future generation would be better prepared to enter the workforce, less likely to live in poverty or face incarceration as adults, and possess higher emotional and social skills.⁵

Financial Assistance

An investment in early childhood care and education is a wise investment with proven returns.⁶ Businesses report as much as 125% return on investment for child care employee benefits and programs.⁷ Montana businesses can ease the financial burden of child care in the following ways:

Dependent Care Assistance Plans (DCAP) and Flexible Spending Accounts (FSA): These accounts are pre-tax accounts provided through an employer. Employees and employers can contribute to the account tax free (subject to maximum

amounts). These accounts can then be used to pay for child care and other qualifying expenses before tax.⁸

Finance Education and Resources: Employers can also offer education through trained professionals about other financial management topics. Many families qualify for [Montana's child care subsidy program](#), but only 40% of children under 6 living at or below 150% of the federal poverty level are currently enrolled.⁹ Many individuals in Montana who do not qualify for federal or state funded assistance programs still do not make enough to comfortably cover all household expenses, including child care. Through this education and resource opportunity, employees may be able to find ways to strengthen their finances and be directed to other programs which may help.

Participating in a child care network: New organizations are focusing on linking child care providers with each other, and with businesses and families in need of care. This partnership supports entrepreneurs in their child care programs. When employers pay to participate in the network, they can help secure available and affordable care through reserved slots and discounted rates.

Best Practices

The **City of Bozeman** allows employees to donate accrued paid time off to co-workers in need. This policy enhances staff relationships and provides paid time off to more employees with small administrative costs.¹⁰

Care@Work partners with businesses to provide backup child care, access to registered child care providers, and other care benefits including senior planning. Other companies are available to provide this innovative "care benefit" as part of the total employee benefit package.¹¹

Bozeman Family Care Network was founded because of the need for a creative, low-cost, high-quality child care option for employees in the area. A family care network coordinator works with home-based child care providers to meet the needs of employees in search of child care in the community.¹²

Resources for Businesses

[New Mexico Family Friendly Business Toolkit](#)

[Child Aware Washington Employer Toolkit](#)

[Leading the Way Toolkit](#)

References

¹ [Economic Policy Institute, 2016.](#)

² [2018 Child Care Facts in the State of Montana. Child Care Aware, 2018.](#)

³ [Child Care in State Economies 2019 Update. Committee for Economic Development, 2019.](#)

⁴ [Strengthening Montana through Investments in Early Care and Education. America's Edge, 2019.](#)

⁵ [Poverty and Child Health in the United States. Pediatrics, 2016.](#)

⁶ [U.S. Chamber of Commerce Foundation Leading the Way Toolkit, 2018.](#)

⁷ [Why Should Employers Care About Families? Patagonia, 2016.](#)

⁸ [What is a dependent care assistance plan \(DCAP\)? SHRM.](#)

⁹ [Butler, P \(2019\). Montana's Early Childhood System. Presentation, Childcare Solutions Summit.](#)

¹⁰ [Employee Handbook. City of Bozeman, 2017.](#)

¹¹ [Explore our Services. Care@Work, 2019.](#)

¹² [Family-Friendly Workplaces: A Guide for Montana Businesses. Montana KIDS COUNT, 2016.](#)

¹³ [Childcare in Montana. Montana Department of Labor and Industry, 2019.](#)



zerotofive.org | info@zerotofive.org



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