

2023 ANNUAL SURVEY FINDINGS

MONTANA CHILD CARE BUSINESS CONNECT

INTRODUCTION

In January of 2023, Montana Child Care Business Connect fielded a survey to current and prospective childcare owners or administrators. Providers currently licensed with the state of Montana were sent a unique survey link to their email address on file. Additionally, a universal link to the survey was added to the MCCBC website and shared with partners.

The purpose of the survey was to gain baseline information from these stakeholders on their interest in starting or expanding their childcare business, and if so, what business supports they may need to help them achieve their goals, including training or one-on-one consultation. Stakeholders will be surveyed again in January of 2024 to assess their current needs for support and their experience with any MCCBC trainings or consultations they participate in between January 2023 and January 2024.

The survey opened on Wednesday, January 11th and closed on Wednesday, January 25th. It yielded 283 valid responses. Survey engagement methods were not focused on developing a representative or generalizable sample of childcare owners or administrators, but instead were intended to collect broad owner/administrator feedback on key childcare issues and inform MCCBC service offerings.

SUMMARY OF FINDINGS

- Respondents represented all seven Child Care Resource & Referral (CCR&R) regions, with more responses in more populous regions.
- Owner/administrator respondents typically had many years of experience, and most ran a single site.
- Owner/administrator respondents represented a diversity of program types, but most were single owners.
- Nearly all owner/administrator respondents offer full-time care, and most participate in Best Beginnings.
- Respondents serve children of all ages, but preschool is the most frequently served age range.
- About half of respondents are operating under capacity, with most citing staffing issues as a key contributor.
- Over half of providers are interested or may be interested in expanding their childcare program, and staffing appears to be the greatest challenge to expansion.
- Owner/administrators are confident in their ability to provide quality childcare and in their business management skills.
- Owner/administrators are proud to be childcare providers, but they tend to believe that childcare is not a respected profession in Montana and they are split on whether they can make a decent living as a childcare provider.

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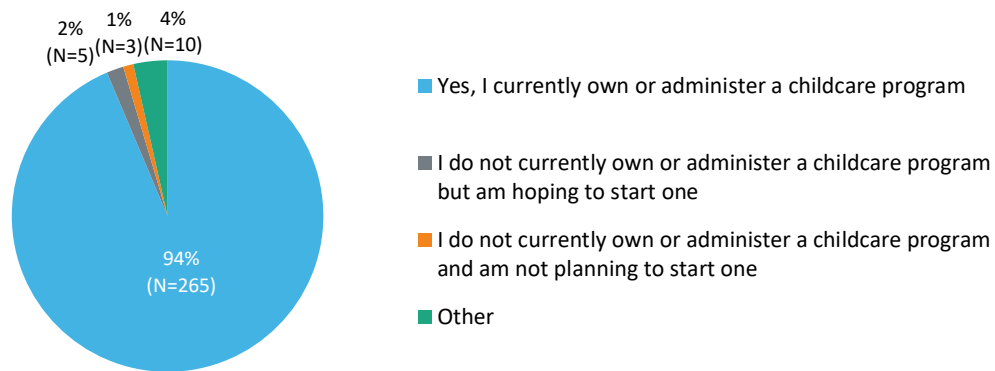
- More respondents consider their childcare program first and foremost a community service, compared to those who consider their childcare program first and foremost a business.
- Board management and operations, risk management, and business planning were the topics of interest for future training identified by the greatest share of providers.

RESPONDENT CHARACTERISTICS

The vast majority of the 283 survey respondents currently own or administer a childcare program (94 percent), while just 5 respondents (2 percent) indicated they don't own or administer a childcare program but are hoping to start one. The remaining respondents do not hope to start a program or selected "other," which included statuses such as recently retired, previously owned a center, or the program is owned and operated by a board of directors. (Figure 1)

Most Respondents Currently Own or Administer a Childcare Program

Figure 1. Distribution of respondents by type of respondent (N=283)



None of the respondents who indicated they did not own or operate a program but were interested in starting one provided contact information and most skipped the majority of the questions. Yet among those who provided responses, topics of interest were business planning, financing, human resources/staffing, and risk management.

The following summary of respondent characteristics reflect respondents who indicated they own or administer a program. These respondent characteristics can provide context for interpreting the survey results.

GEOGRAPHIC DISTRIBUTION

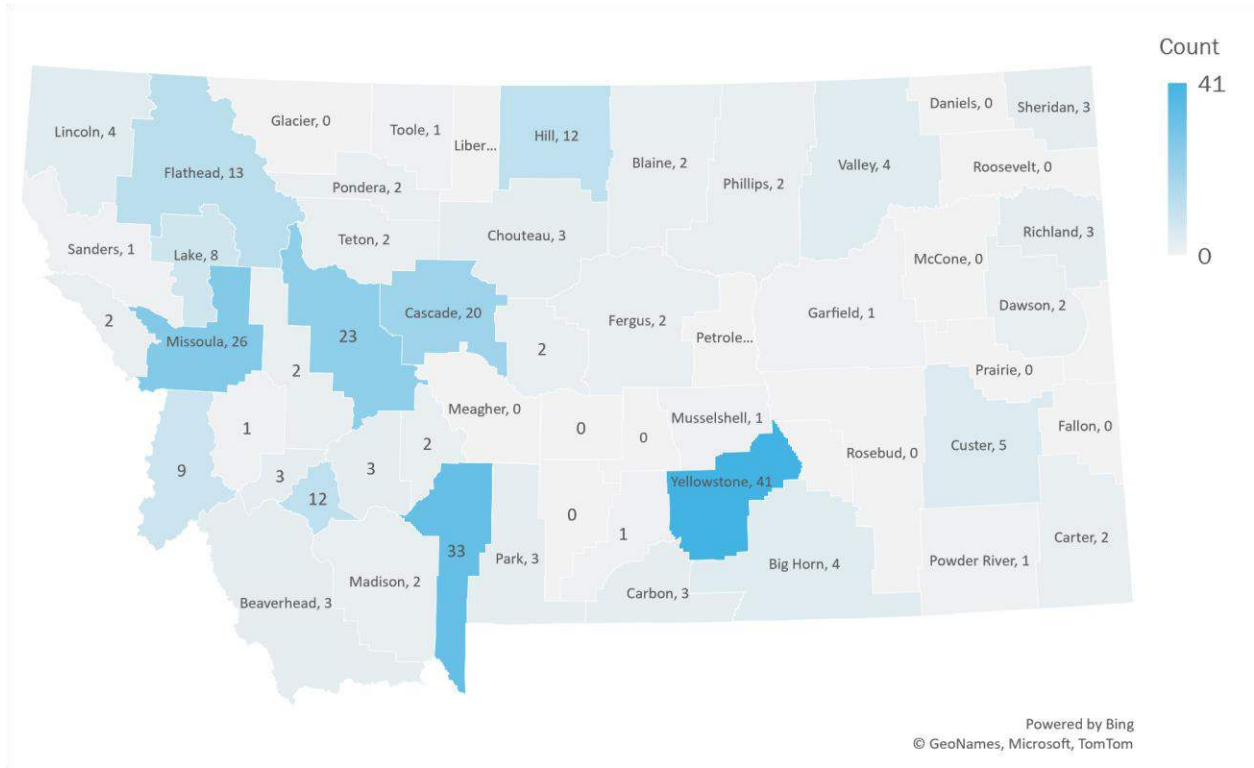
Responses were unsurprisingly more frequent in populous counties, but there was at least some representation across all seven Child Care Resource & Referral (CCR&R) regions.

Yellowstone County (Billings) was the county with the largest number of owner/administrator respondents (41), followed by Gallatin County (Bozeman) where there were 33 respondents. Missoula County owner/administrators provided 26 responses, followed closely by 23 respondents from Lewis and Clark County (Helena) and 20 from Cascade County (Great Falls). (Figure 2)

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Response Frequency Aligns with Population Centers

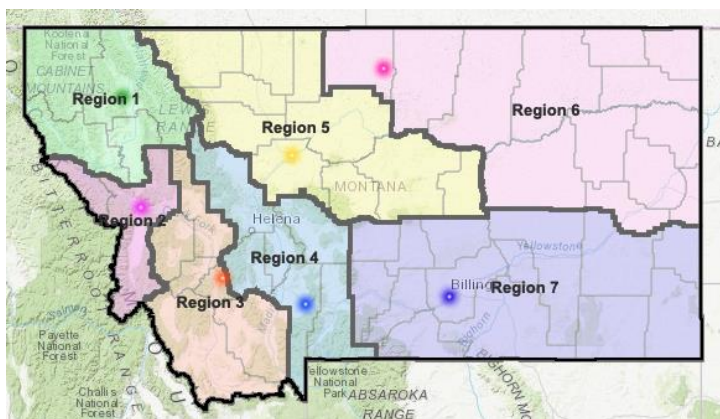
Figure 2. Count of owner/administrator respondents by county (N=266)



CCR&R region 4, which encompasses Broadwater, Gallatin, Jefferson, Lewis & Clark, Meagher, and Park counties and the cities of Helena and Bozeman, accounted for nearly a quarter of all responses (23 percent). Region 3, which includes the counties of Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow and the city of Butte, had the lowest count of responses (22 responses or 8 percent of the total). (Figure 3)

Respondents From All Montana CCR&R Regions

Figure 3. Count of owner/administrator respondents by Child Care Resource and Referral Region (N=265)



CCR&R Region	Count	Percent
1	25	9%
2	37	14%
3	22	8%
4	62	23%
5	32	12%
6	29	11%
7	58	22%
Total	265	100%

(Map provided for reference only)

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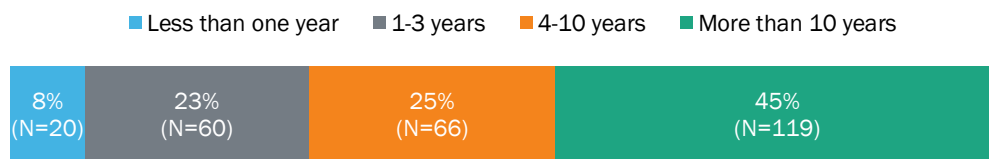
LEVEL OF EXPERIENCE IN CHILDCARE

In general, owner/administrator respondents had many years of experience, and most ran a single site.

All owner/administrator respondents indicated they were licensed. Owner/administrator respondents were generally experienced in running a program, with 45 percent indicating they have been in the business for more than 10 years and another 25 percent for 4-10 years. One-quarter (25 percent) have been in business for 1-3 years and just 8 percent indicated they have been in business for less than one year. (Figure 4)

Respondents Were Largely Experienced Owners/Operators

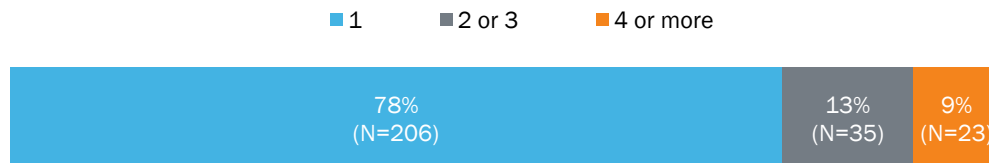
Figure 4. Length of time owners/administrators have been operating their childcare program (N=265)



Most owner/administrator respondents run one site (78 percent), while 13 percent run two or three sites, and 9 percent run 4 or more. (Figure 5)

Most Owners/Administrators Run One Site

Figure 5. Number of sites owners/administrators operate (N=264)



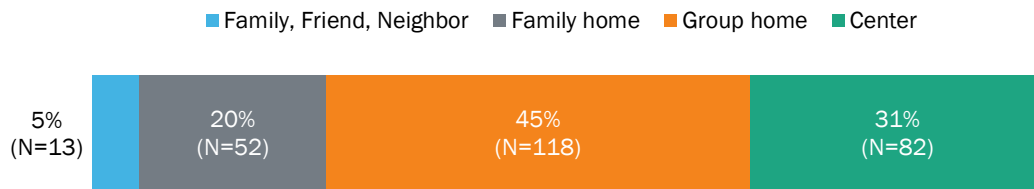
PROGRAM TYPES

Owner/administrator respondents represented a diversity of program types, but most were single owners.

While the plurality of owner/administrator respondents operated a Group Home program (45 percent), respondents reflected a variety of types of programs, including Centers (31 percent), Family Homes (20 percent), or Friend, Family, or Neighbor program (5 percent). No respondents indicated that they were a Relative Care Exempt Provider. (Figure 6)

Nearly All Types of Programs Were Represented in the Survey

Figure 6. Type of program operated by owners/administrators (N=265)

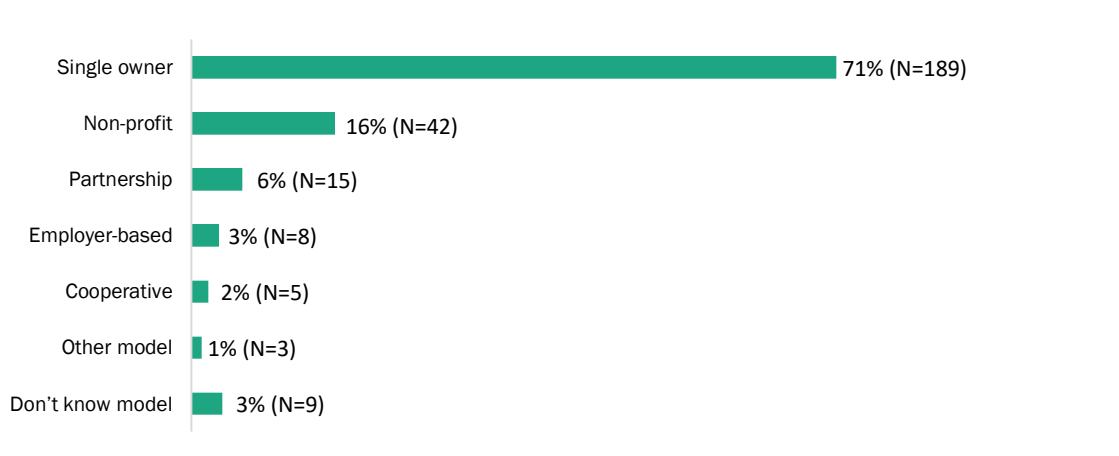


Note: No respondent identified as a Relative Care Exempt Provider.

Nearly three-quarters (71 percent) of owner/administrators were single owners, while 14 percent indicated they were a non-profit. Very few respondents said they were employer-based (3 percent) or cooperative (2 percent). Respondents could select all the model types that applied. (Figure 7)

“Single Owner” Was Most Frequently Selected Program Model

Figure 7. Program models cited by owner/administrator respondents (N=265)



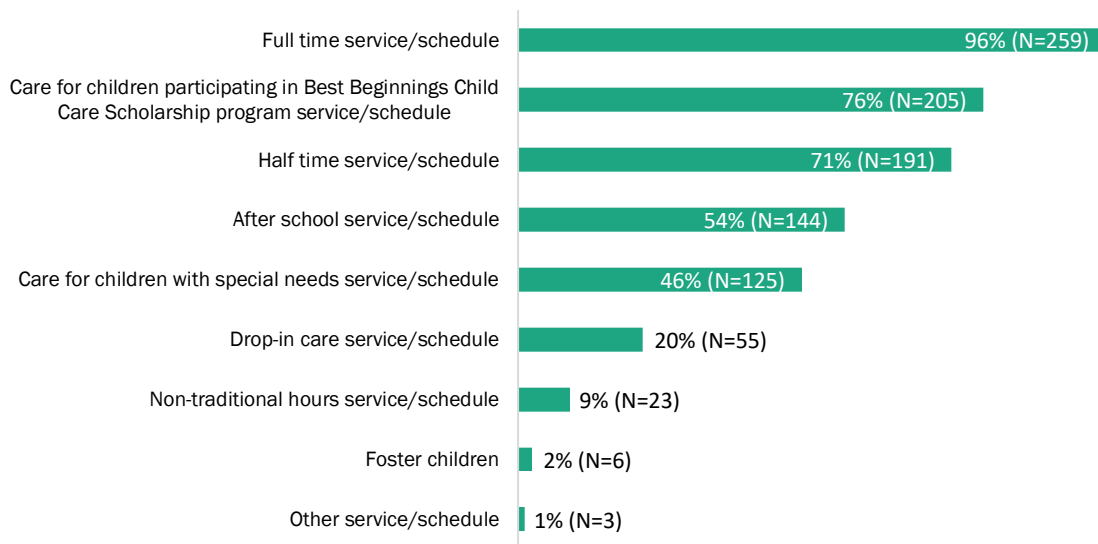
PROGRAM OFFERINGS

Nearly all owner/administrator respondents offer full-time care, and most participate in Best Beginnings.

Ninety-six percent of owner/administrators offer full-time care, and a majority also provide half-time (71 percent), and/or afterschool schedules (54 percent). (Percentages add up to more than 100 percent because respondents could select as many schedule types as they offer.) Over three-quarters (76 percent) participate in Best Beginnings. (Figure 8)

Nearly All Respondents Offer Full-time Care

Figure 8. Services or schedules offered by owner/operator respondents (N=265)

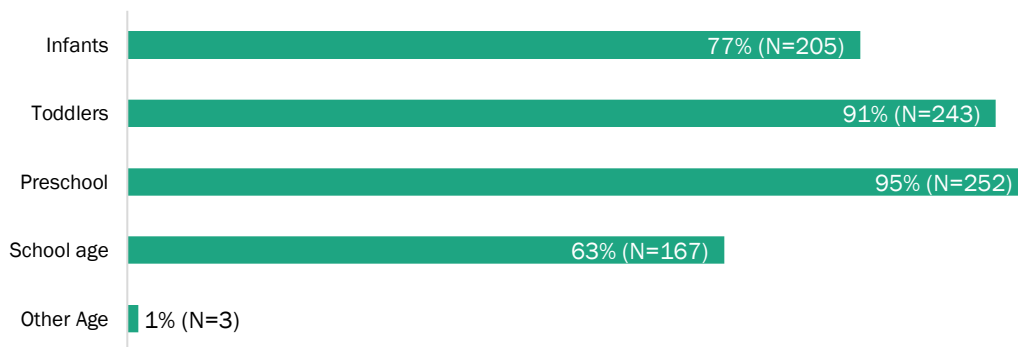


Respondents serve children of all ages, but preschool is the most frequently served age range.

Nearly all owner/administrator respondents said they serve preschool age (95 percent) and toddlers (91 percent). Care for infants was slightly less common (77 percent) and care for school age children was the least common age served (63 percent), aside from write-in responses for “other age” which were cited as “prenatal” and “special needs ages 12-17.” (Figure 9)

All Age Ranges Served, Particularly Preschoolers and Toddlers

Figure 9. Services or schedules offered by owner/operator respondents (N=266)



KEY FINDINGS

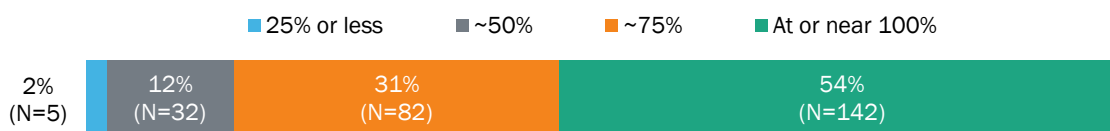
CAPACITY

Just under half of respondents are operating under capacity, with most citing staffing issues as a key contributor.

While most (54 percent) of owner/administrators reported that enrollment was at or near their licensed capacity, 31 percent indicated they were about 75 percent under capacity and 14 percent said they were 50 percent or less under capacity. (Figure 10)

Just Over Half of Respondent Providers Are Operating at Capacity

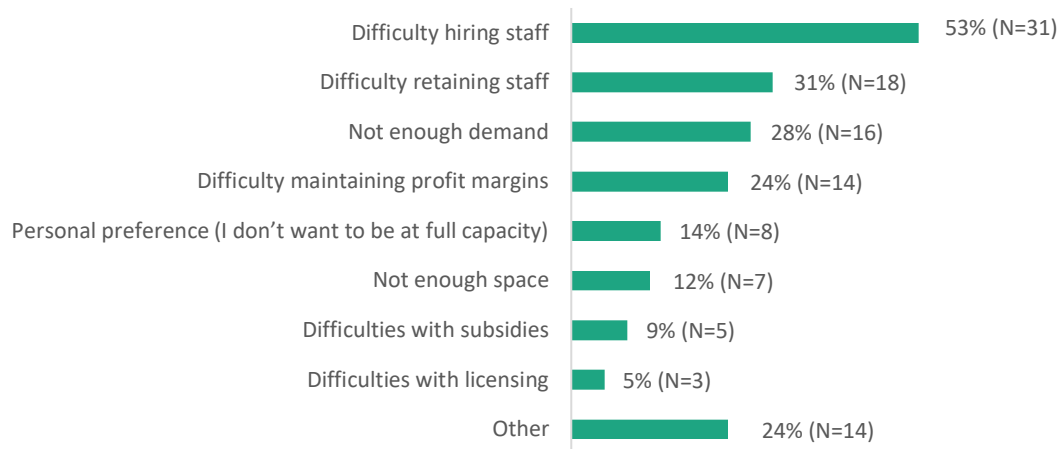
Figure 10. Assessment of enrollment in relation to licensed capacity (N=265)



Among the respondents who opted to indicate why they were under capacity, the most common response was “difficulty hiring staff” (53 percent), followed by “difficulty retaining staff” (31 percent). Roughly one-quarter (28 percent) stated that insufficient demand contributed to their running under capacity, however, open-ended “other” responses provide a more nuanced picture of this demand dynamic, such as feedback that: parents can’t afford full time care due to higher co-pays for subsidized care; family child care providers are limited in the number of infants they can serve, but the demand for infant care is higher than for toddler care; and demand for flexible schedules impacts the ability to be at full capacity. Additionally, technical assistance delivery experience suggests that providers may initially register under-enrollment due to insufficient marketing as lack of demand, but later recognize a relationship between their marketing capacity and their ability to identify and reach unmet demand. Nearly a quarter of respondents (24 percent) said their struggle maintaining profit margins also limited their ability to operate at capacity. No respondents selected “business management challenges” as a reason for being under capacity. (Figure 11)

Staffing Issues are Paramount

Figure 11. Assessment of reason for enrollment under capacity (N=58)



Note: Percentages do not sum to 100% due to respondents having the option of selecting more than one response. No respondents selected "business management challenges."

Variation by Subgroups

A greater share of childcare providers with four or more years in operation indicated that they are at or near full capacity (59 percent) compared with providers operating less than four years (41 percent). Providers operating one site (54 percent), or four or more sites (74 percent), were more likely to identify as operating at or near full capacity compared to providers with two or three sites (40 percent), however, the overall variation across these subgroups was not statistically significant.

Providers' responses for operating at less than capacity generally followed similar patterns across subgroups of interest, such as years in operation, number of sites, and region. However, among different provider types, more center-based providers identified difficulty hiring staff (48 percent) and difficulty retaining staff (24 percent) as contributors to operating at less than capacity compared to other program types, though the overall differences in responses across program types was not statistically significant.

INTEREST IN EXPANDING

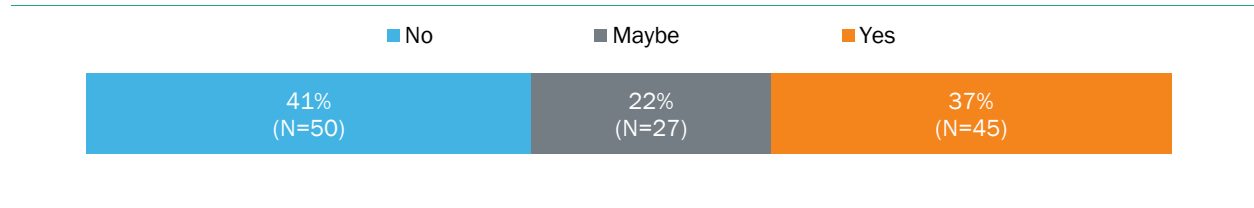
Over half of providers are interested or may be interested in expanding their childcare program, and staffing appears to be the greatest challenge of, and barrier to, expansion.

Results were fairly evenly split between those who were interested in expanding (37 percent) and those who were not (41 percent), with 22 percent who may be interested in expanding. (Just 46 percent of respondents opted to respond to the question.) (Figure 12)

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55% of Respondents May be Interested in Expanding their Childcare Program

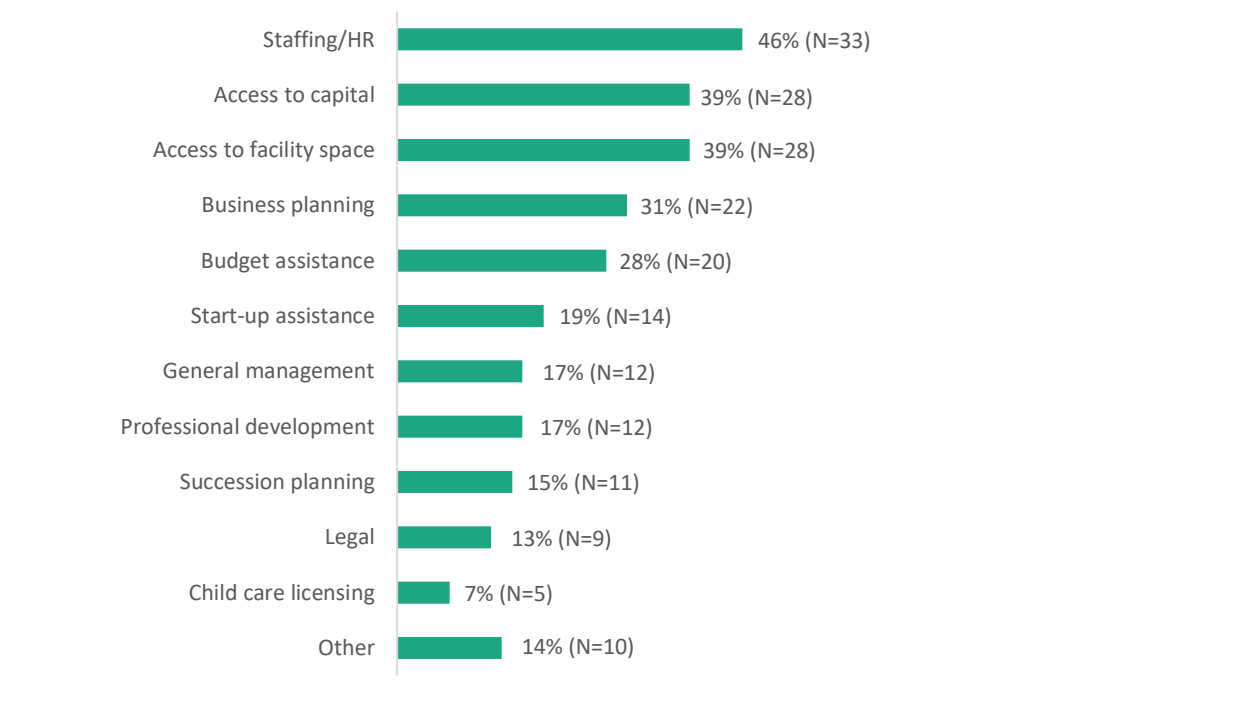
Figure 12. Percent of survey respondents interested in expanding their childcare program (N=122)



Among those that indicated that they are or may be interested in expanding their childcare program, consultation related to staffing/HR, access to capital, and access to facility space were the topics most in need. Business planning and budget assistance were also popular topics. Respondents noted in the “other” category that they would like help with financing and grants, as well as help with making Best Beginnings more accessible. (Figure 13)

Program Operators Seek Help on Staffing/HR, Access to Capital, and Access to Facility Space

Figure 13. Consultation topics of interest by respondents interested in expanding their childcare program (N=72)



Among survey respondents who were not interested in expanding their childcare, difficulty hiring and retaining staff were the responses identified by the most respondents. Not having sufficient space and simply not wanting to expand were the third and fourth most common responses. Among the 14 respondents offering alternative reasons for not wanting to expand, some indicated that they had already just expanded or were close to retirement. Others cited government regulations, not getting paid enough, or not getting healthcare benefits as barriers to expansion. (Figure 14)

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Difficulty Hiring and Retaining Staff is the Biggest Barrier to Expansion

Figure 14. Reasons cited for not being interested in expanding their childcare program (N=50)



Variation by Subgroups

There was little variation in expansion interest by subgroups, although more providers that had been in operation for more than four years reported that they were not interested in expanding (48 percent), compared to providers who had been in operation less than four year (28 percent), perhaps suggesting that providers with more years in operation had already expanded to their desired capacity.

More providers that had been in operation for more than four years indicated personal preference as a reason for not wanting to expand (41 percent) compared to providers in operation less than four years (9 percent).

THE CHILDCARE LANDSCAPE IN MONTANA

Survey respondents were asked to provide input on the childcare landscape in Montana, including public perception, resource availability, industry characteristics, and personal confidence in providing childcare services.

Owner/administrators are confident in their ability to provide quality childcare and their business management skills.

Fully 97 percent of respondents agreed that they are confident in their ability to provide quality childcare services, and 92 percent agreed that they are confident in their ability to manage the operation and administration of their childcare program. Eighty-seven percent indicated that they know

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where to provide support, training, and resources for their childcare program, but only 54 percent agreed that there were sufficient supports, trainings, and resources for programs in Montana. (Figure 15)

Owner/administrators are proud to be childcare providers, but they tend to believe that childcare is not a respected profession in Montana and they are split on whether they can make a decent living as a childcare provider.

Ninety-one percent of respondents are proud to be childcare owner/administrator and 84 believe it is rewarding work, but only 55 percent personally feel respected as a childcare owner/administrator. Further, only 22 percent believe childcare is a respected profession in Montana. Forty percent of respondents agree that they can make a decent living as a childcare owner/administrator, while 35 percent disagree, and 24 percent are neutral. Finding life/work balance is a struggle for 62 percent of respondents. (Figure 15)

Variation by Subgroups

Perception of childcare as a respected profession varied somewhat by subgroup. Providers in operation for more than four years may be somewhat less likely to agree that childcare in Montana is a respected profession (19 percent) compared to those operating fewer years (30 percent). More FFN providers perceived of childcare as a respected profession (46 percent) compared to their peers operating family home (28 percent), group home (24 percent), and center-based (13 percent) programs. On an individual level, a smaller rate of providers in operation more than four years agreed that they feel respected as a childcare owner or administrator compared to newer providers.

More providers that had been in operation more than four years agreed that they make a decent living as a childcare provider (47 percent) compared to their newer peers (27 percent), and a greater share of providers with four or more sites (70 percent) agreed that they make a decent living as a child care provider compared to those with one site (37 percent) or two or three sites (46 percent). Family home providers seem more likely to agree that they could make a decent living as a child-care provider compared to respondents from other program types, though the variation across all program types was not statistically significant.

FFN providers were less likely to agree that it is hard to find work/life balance (31 percent) compared to family home (58 percent), group home (67 percent), and center-based providers (63 percent).

More respondents consider their childcare program first and foremost a community service, than those who consider their childcare program first and foremost a business. (Figure 15)

Seventy-four percent believe their program is first and foremost a community service, compared to 60 percent who believe their program is first and foremost a business (note that respondents were able to check both options).

Variation by Subgroups

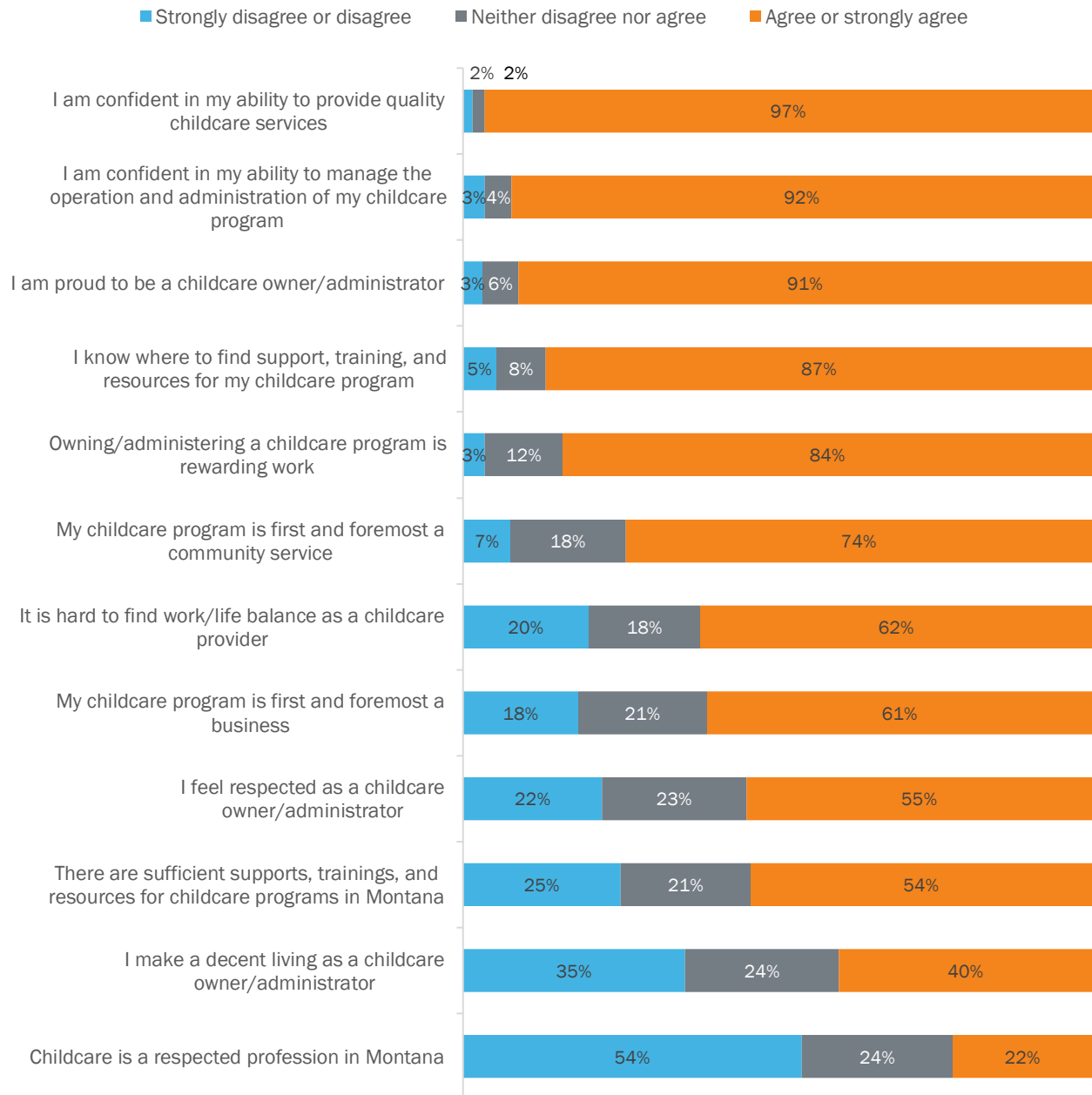
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Providers who had been in operation for less than four years were more likely to consider their program first and foremost a community service (85 percent) compared to those who had been in business over four years (69 percent). Those who had been in business more than four years were more likely to consider their program first and foremost a business (65 percent) compared to those with less than four years in operation (51 percent). FFN providers were also less likely to agree that their program is first

and foremost a business (39 percent) compared to family home (77 percent), group home (66 percent) and centers (48 percent).

Providers are Confident in Their Childcare and Business Management Skills

Figure 15. Respondent perception of Montana’s childcare ecosystem (N=283)



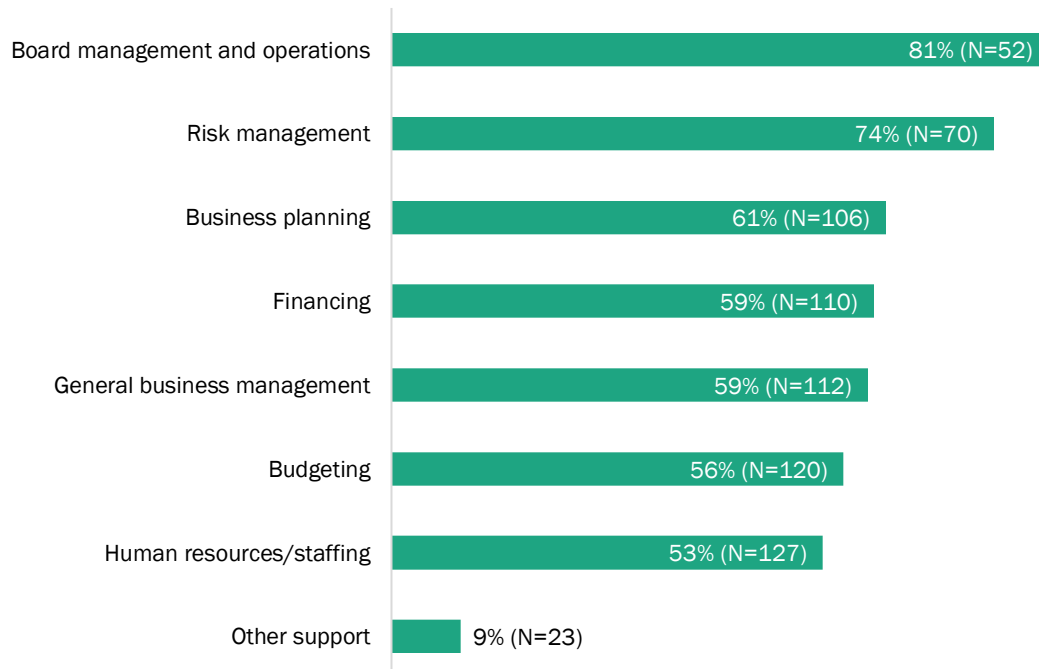
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INTEREST IN ADDITIONAL TRAININGS

When asked on what additional topics they would be interested in attending training, workshops, or mentoring, board management and operations (81 percent), risk management (74 percent), and business planning (61 percent) were the topics identified by the greatest share of providers.

Board Management, Risk Management, and Business Planning are Key Topics of Interest

Figure 16. Topics of interest for training, workshops, or mentoring (N=283)



Variation by Subgroups

Interest in training topics varied somewhat by program type, but was relatively consistent across other subgroups of interest:

- Compared to other provider types, FFN providers were least likely to express interest in any singular training topic, and most likely to indicate that they are not interested in additional training or support.
- Center-based providers were more likely to express interest in human resources/staffing, compared to their peers in other program types.
- Family home providers seem more interested in business planning and budgeting support compared to other program providers.

Respondents were asked to provide any additional suggestions to MCCBC for training, workshops or mentoring that could help improve their childcare program management and administration. Open-ended requests fell into the following training categories:

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- Staffing, including recruitment, burnout prevention, staff conflict resolution, and general human resources;
- Information on the creation of a substitute pool;
- Budgeting, including a focus on how to budget in an era of inflation, and how to avoid tuition hikes with changes in state subsidy support;
- Assistance with payroll subsidies or other supports to increase wages without increasing tuition;
- More training broadly, with requests for both continued Zoom options as well as more in-person opportunities, especially in regions that rarely get in-person options;
- Help navigating the complex licensing system, and help simplifying the licensing process and paperwork;
- More mentoring; and
- Grant-writing assistance.