June 2026

Big Sky Child Care Market Analysis:



Costs, Capacity, and Workforce Impacts

Prepared by the Northern Rocky Mountain Economic Development District (NRMEDD)

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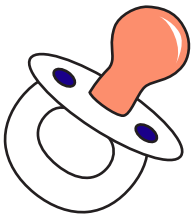
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Executive Summary

Child care affordability pressures in Big Sky exceed already elevated statewide costs.

Big Sky survey respondents reported average monthly child care costs of approximately $1,720 per household before financial assistance, substantially above broader Montana averages. Median out-of-pocket child care costs across the regional survey were approximately $1,350 per month, exceeding federally used affordability benchmarks. These findings occur within a statewide affordability environment that is already among the most severe in the nation: a January 2026 study by LendingTree ranked Montana third nationally for the gap between household income and the income required to afford child care. Relative to these statewide conditions, reported costs in Big Sky appear particularly acute.

Child care constraints affect workforce participation and labor availability across the region.

Among survey respondents with children, 35% reported workforce impacts related to child care, including reduced work hours, temporary workforce withdrawal, or ongoing non-participation. Based on regional wage estimates, child care-related disruptions correspond to an estimated annual loss of approximately $7,500 in labor value for the typical affected household.

Big Sky's workforce child care challenges are increasingly regional rather than confined to the local resident population alone.

Employment in Big Sky grew approximately 88% between 2019 and 2023, while a growing share of workers commute from Bozeman and surrounding communities. These commuting patterns shape both child care demand and access to care.

Licensed child care capacity overstates the level of care providers are able to deliver in practice.

Several providers reported enrollment below licensed capacity due to staffing and operational constraints, despite continued unmet demand and active waitlists. These findings suggest that child care workforce availability, rather than physical capacity alone, is a primary constraint on functional child care supply.

Providers face significant financial sustainability challenges, particularly in infant and toddler care.

Cost-of-care modeling indicates that the true cost of providing licensed child care in Big Sky exceeds the revenue providers can consistently generate through tuition, subsidies, and existing funding sources, creating persistent operating shortfalls across younger age groups. Modeled operating shortfalls for infant and toddler classrooms range from approximately $11,000 to $15,000 per child annually under current funding structures. Personnel expenses account for approximately 74% of operating costs, reflecting the labor-intensive nature of child care provision.

Child care demand in the broader Big Sky–Bozeman labor market is expected to remain elevated.

Regional birth trend analysis and household survey responses suggest continued demand for infant, toddler, and preschool care across the region, particularly among households requiring full-time care to support workforce participation.

Introduction

Report Purpose

Child care availability and affordability play a crucial role in supporting workforce participation and long-term community sustainability in Big Sky.

This report examines current conditions in the child care system in Big Sky, Montana, including child care cost, labor force participation, and provider sustainability. It also analyzes how child care access in a high-cost community affects families, workforce dynamics, and the regional economy, while introducing new findings on evolving community needs and system pressures.

The goal of the report is to inform community leaders, employers, and regional stakeholders about the scale and structure of child care needs in Big Sky and to support discussion of strategies to strengthen workforce capacity and long-term sustainability.

Building on findings and analysis presented in the 2023 Big Sky Child Care Report, this analysis reflects ongoing collaboration among local employers, providers, community organizations, and regional stakeholders. The effort is conducted in partnership with the Northern Rocky Mountain Economic Development District and supported by the Big Sky Resort Area District and the Spanish Peaks Community Foundation. The work is also informed by the Big Sky Early Childhood Alliance (BSECA), which includes representatives from child care providers, local employers, Greater Gallatin United Way, Yellowstone Club Community Foundation, the Big Sky Chamber of Commerce, and other community partners.

Using survey data, provider information, and publicly available datasets, the report applies a data-driven approach to evaluating household demand for care, child care supply and provider operations, and the broader implications of child care access for workforce participation and regional economic conditions.

Scope of Analysis

This analysis builds upon prior research and examines:

- Child care demand and capacity in Big Sky
- Child care affordability for families
- Provider financial sustainability
- Employer-supported child care strategies
- Regional child care dynamics across Big Sky and Southwest Montana, including cross-community workforce and service patterns

Analytical Framework

This analysis applies an economic framework that examines child care through **supply and demand dynamics.**

Supply side factors

- Provider capacity
- Staffing availability
- Financial sustainability of providers

Demand side factors

- Families' need for care
- Preferences and scheduling requirements
- Barriers to accessing care, including affordability

The framework helps identify gaps between the supply of child care and the needs of working families, including constraints related to capacity, affordability, and access.

Child Care Costs in Montana and Big Sky

The average annual cost of infant care in Montana is $12,778, or approximately $1,065 per month. Infant care costs exceed in-state tuition at a four-year public college by $5,353 annually (72.1%) and are nearly equivalent to average housing costs, at just 1% below annual rent.[1] These comparisons illustrate that child care functions as one of the largest recurring household expenses for many Montana families. **Reflecting these affordability pressures, a January 2026 study by LendingTree ranked Montana third nationally for the gap between household income and the income required to afford child care.[2]**

Survey data from Big Sky indicates even higher child care costs at the local level. Average monthly child care costs reported by respondents were approximately $1,720 per household, based on total household spending before financial assistance and excluding after-school and part-time programs.[3] These findings suggest that child care affordability pressures may be particularly pronounced in Big Sky and provide important context for understanding workforce participation, provider sustainability, and broader regional economic conditions.

Data Sources and Methodology

This report integrates multiple data sources to evaluate child care conditions in Big Sky, including survey data, publicly available datasets, and local provider information.

Geographic Definition

Public data specific to Big Sky uses the Census Designated Place (CDP), a boundary defined by the U.S. Census Bureau to provide statistical data for well-known, unincorporated communities that lack formal municipal governance. CDPs are treated as statistical equivalents of incorporated places for data tabulation, allowing for consistent comparison with cities and counties. Although the Big Sky

[1] Economic Policy Institute. (2025, February). Child care costs in the United States. https://www.epi.org/child-care-costs-in-the-united-states/#/MT

[2] LendingTree. (2026, January). Child care affordability study. https://www.lendingtree.com/debt-consolidation/child-care-affordability-study/

[3] Note: Survey results reflect respondents who either live in, work in, or both live and work in the Big Sky area, based on reported residence and workplace ZIP codes (59716).

CDP does not directly align with other local boundaries, such as the Big Sky Resort Area District, it is the most reliable geography available for consistent public data analysis. Because the Big Sky CDP is also commonly used in community planning documents, this report uses the CDP boundary to maintain consistency across data sources and prior planning efforts.

Parent Survey and Public Data

The 2026 Regional Child Care Survey collected information from households on child care utilization, costs, workforce impacts, future family planning, and housing decisions. The full survey instrument is provided in Appendix A (see p. 45). The survey received responses from **426 households across Big Sky, Gallatin County, and the broader Southwest Montana region.** Survey responses are used to assess child care demand, affordability, and workforce impacts, and are analyzed alongside public datasets to contextualize local conditions and regional trends.

Survey questions captured information on household and workplace ZIP codes, household composition, income, employment status, child care arrangements, monthly child care expenses, subsidy utilization, out-of-pocket costs, hours of care required, work disruptions related to child care, workforce exits, work schedule characteristics, reliability of care outside standard hours, future family planning considerations, housing mobility decisions, and employer-provided child care support. Additional data sources used throughout the analysis include the U.S. Census Bureau (Decennial Census, American Community Survey, and OnTheMap), the Economic Policy Institute, Child Care Aware of America, the U.S. Department of Labor, the U.S. Bureau of Labor Statistics (BLS), the U.S. Department of Health and Human Services (HHS), the Montana State Library, local provider interviews, and community child care programs.

Both median and average (mean) values are used to describe different aspects of child care costs and household experience. Median values reflect the typical household experience by representing the midpoint of responses and reducing the influence of unusually high or low values. Average values describe overall cost patterns across the sample by incorporating the full distribution of reported costs, including higher-cost households. Using both measures allows the analysis to distinguish between typical household experiences and broader patterns in cost distribution. The analysis applies the measure most appropriate to the context and interpretation of the results.

Limitations

This analysis relies in part on self-reported survey data, which may be subject to response bias and may not fully represent all households in the community. Publicly available data for Big Sky is limited due to its status as an unincorporated area. In some cases, county-level data or other proxy geographies are used where CDP-level data is unavailable. These constraints may affect the precision of localized estimates.

Survey responses are geographically distributed across Big Sky and the surrounding region. As a result, regional survey findings are used to represent overall patterns, while Big Sky-specific responses (ZIP code 59716) are presented separately to provide localized context. Differences in sample size across geographies, particularly for Big Sky, may affect the precision of localized estimates.

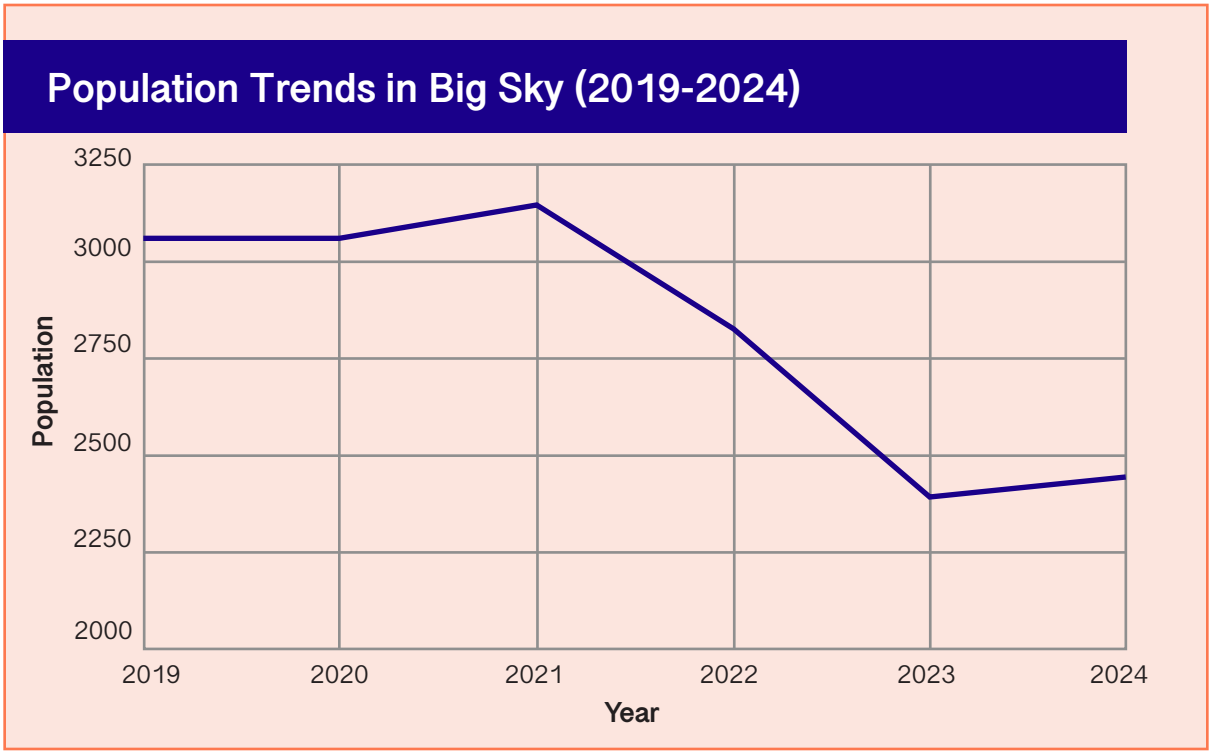
This analysis uses the most recent data available across all sources. However, data sources vary in their update frequency, and some datasets may reflect different time periods. As a result, certain measures may not be perfectly aligned in time, which may introduce minor inconsistencies when comparing data sources.

Community and Labor Market Context in Big Sky

Population Trends

Population trends in Big Sky show a temporary increase in 2020 followed by a sustained decline through 2023, with only a modest stabilization in 2024. Overall, the resident population remains below both peak and pre-2020 levels. These trends are consistent with a shrinking local resident base and increasing reliance on workers residing outside the community.

Figure 1. Population Trends in Big Sky (2019–2024)

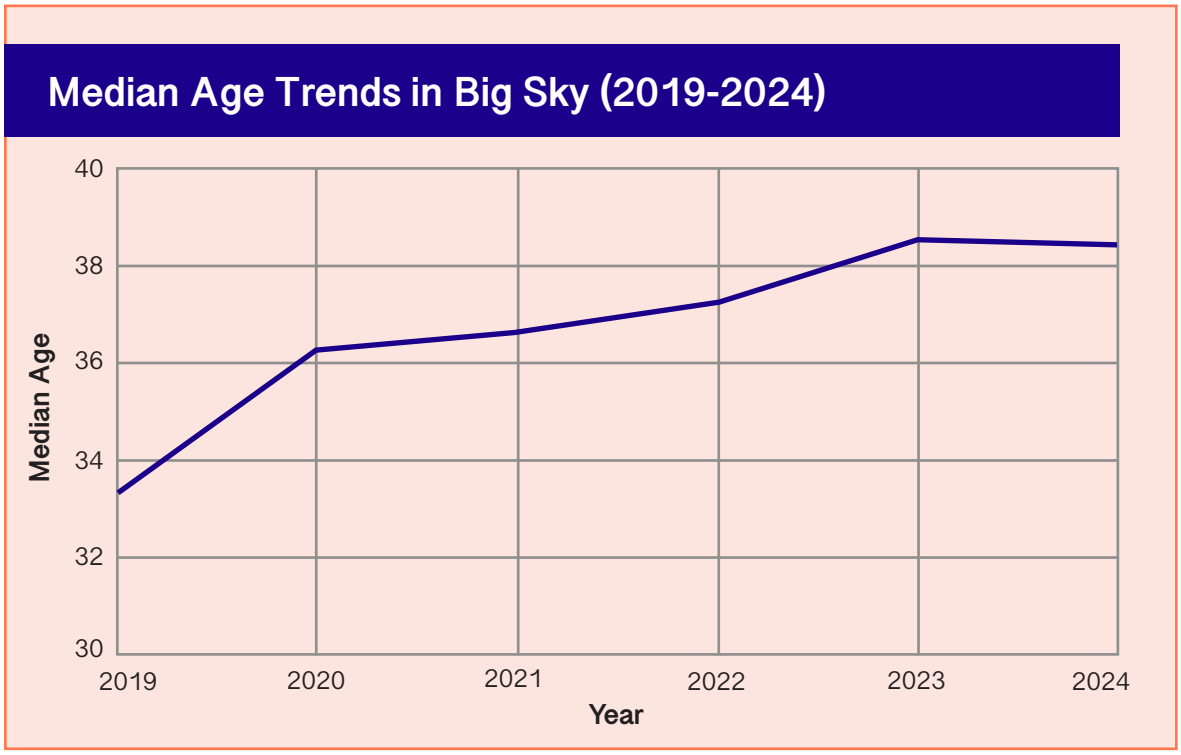


Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP05. 2019–2024.

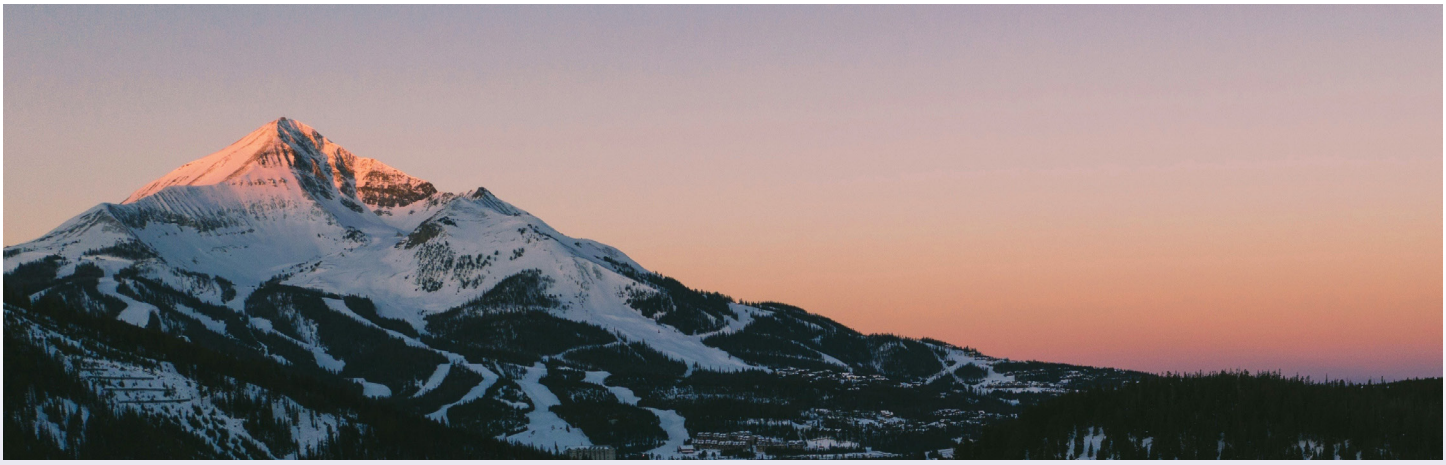
Workforce Demographics

Demographic trends provide important context for understanding recent changes in Big Sky's labor market, including labor force participation, workforce composition, and long-term labor availability. The median age in Big Sky increased to 38.4 years in 2024, continuing an upward trend over the past several years. Since labor force participation generally declines with age, the increase in median age suggests that demographic shifts may be contributing to changes in workforce participation alongside other structural factors. At the same time, changes in population composition may also affect the availability of workers within key age groups that historically support Big Sky's service-oriented economy.

Figure 2. Median Age Trends in Big Sky (2019-2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table B01002. 2019–2024.

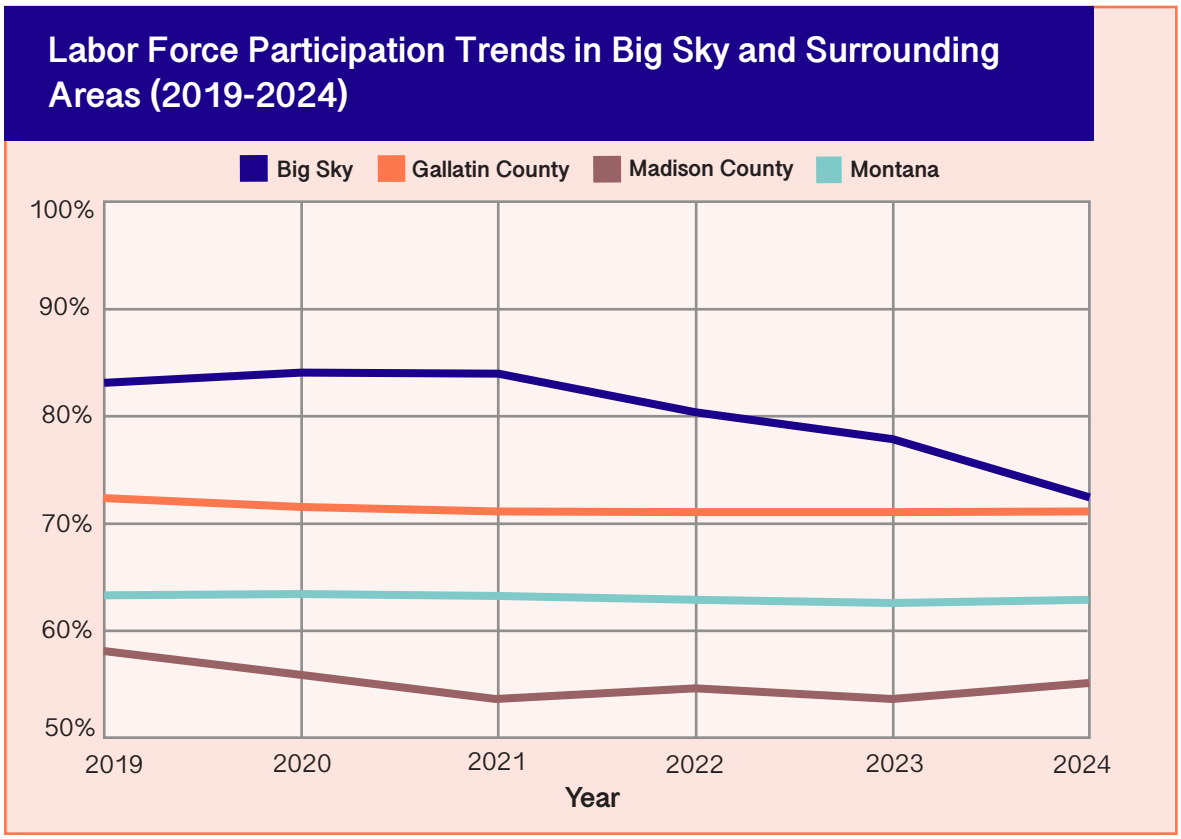


Source: Andrew Meehan, Upsplash, 2022.

Labor Force Conditions

Big Sky's labor force participation rate remains relatively high compared to state and national benchmarks, but has recently converged with Gallatin County levels.

Figure 3. Labor Force Participation Rates by Geography (2019–2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

This pattern is notable given the structure of Big Sky's labor market. The local economy is heavily driven by service-sector employment, which typically results in high labor force participation due to strong and consistent demand for workers across a range of roles and schedules. These sectors also tend to rely on a relatively young and active workforce.

Historically, this demand has supported participation rates that meet or exceed those of surrounding areas. The recent convergence with Gallatin County represents a departure from this pattern and reflects changes in the size and composition of the local workforce. While approximately 71% of residents are within working age, the increase in median age over the same period suggests that a smaller share of the population is concentrated in age groups with the highest labor force participation. These shifts help explain the recent decline in participation rates.

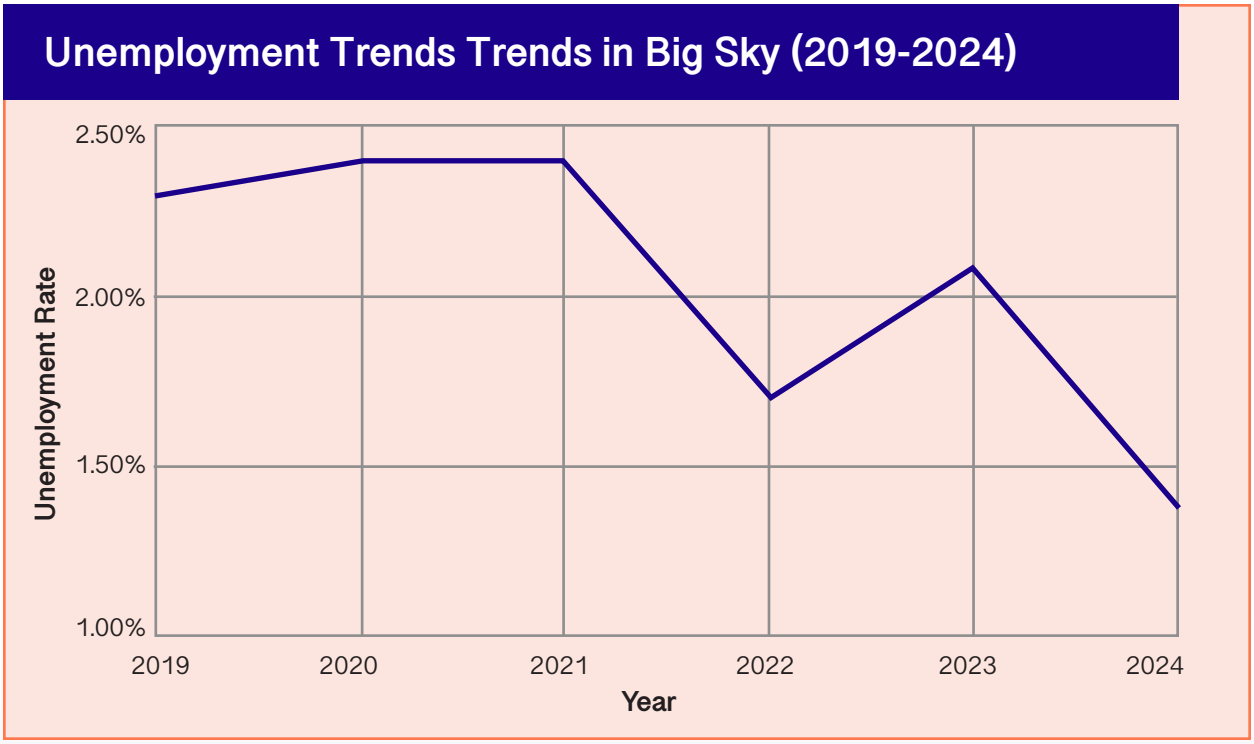
Big Sky Labor Market Trends

Table 1. Big Sky Labor Force and Employment Indicators (2019–2024)

Year	Population (16 and Older)	Civilian Labor Force	Employed	Unemployed	Not In Labor Force	Labor Force Participation Rate	Unemployment Rate
2019	2,610	2,171	2,120	51	439	83.2%	2.3%
2020	2,641	2,220	2,167	53	421	84.1%	2.4%
2021	2,616	2,220	2,147	53	416	84.1%	2.4%
2022	2,453	1,972	1,938	34	481	80.4%	1.7%
2023	2,056	1,603	1,569	34	453	78.0%	2.1%
2024	2,120	1,538	1,516	22	582	72.5%	1.4%

Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

Figure 4. Unemployment Trends in Big Sky (2019-2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

Labor market data from 2019 to 2024 indicate a contraction in the size of the local workforce alongside declining participation rates. The civilian labor force, as defined by the U.S. Census

Bureau, includes people age 16 and older who are either employed or unemployed and actively seeking work. In Big Sky, this group decreased from 2,171 individuals in 2019 to 1,538 in 2024, representing a substantial reduction in available workers in Big Sky. Over the same period, the labor force participation rate declined from 83.2% to 72.5%.

These labor market trends reflect broader demographic changes in Big Sky, including a declining resident population and a rising median age. These patterns indicate a shrinking and aging local labor base, which contributes to reduced workforce participation.

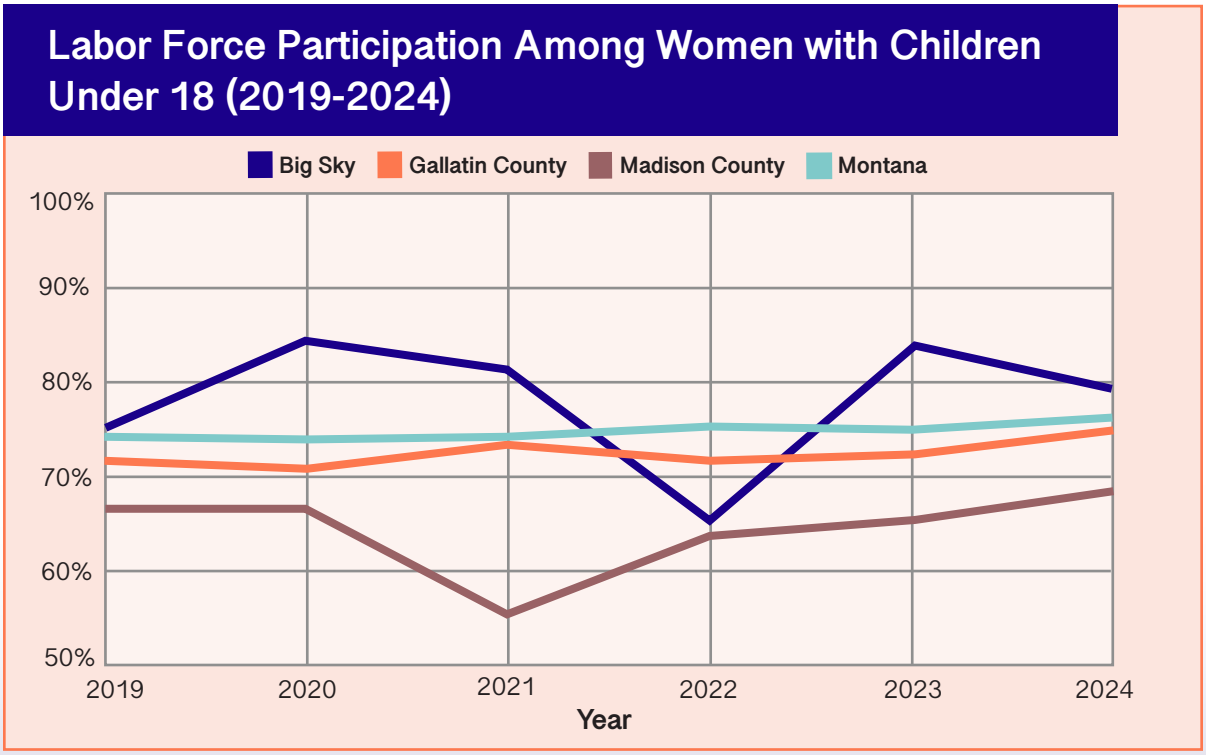
Despite this contraction, unemployment rates remained consistently low, falling to 1.4% in 2024. This exceptionally low level of unemployment indicates a persistently tight labor market and implies that labor demand remains strong, indicating that the observed changes are not driven by a lack of available jobs, but by a reduction in labor supply.

While employment participation remains relatively high compared to broader benchmarks, the narrowing gap with Gallatin County represents a shift from historical patterns and signals increasing constraints within the local labor market.

Workforce Participation Among Households with Children

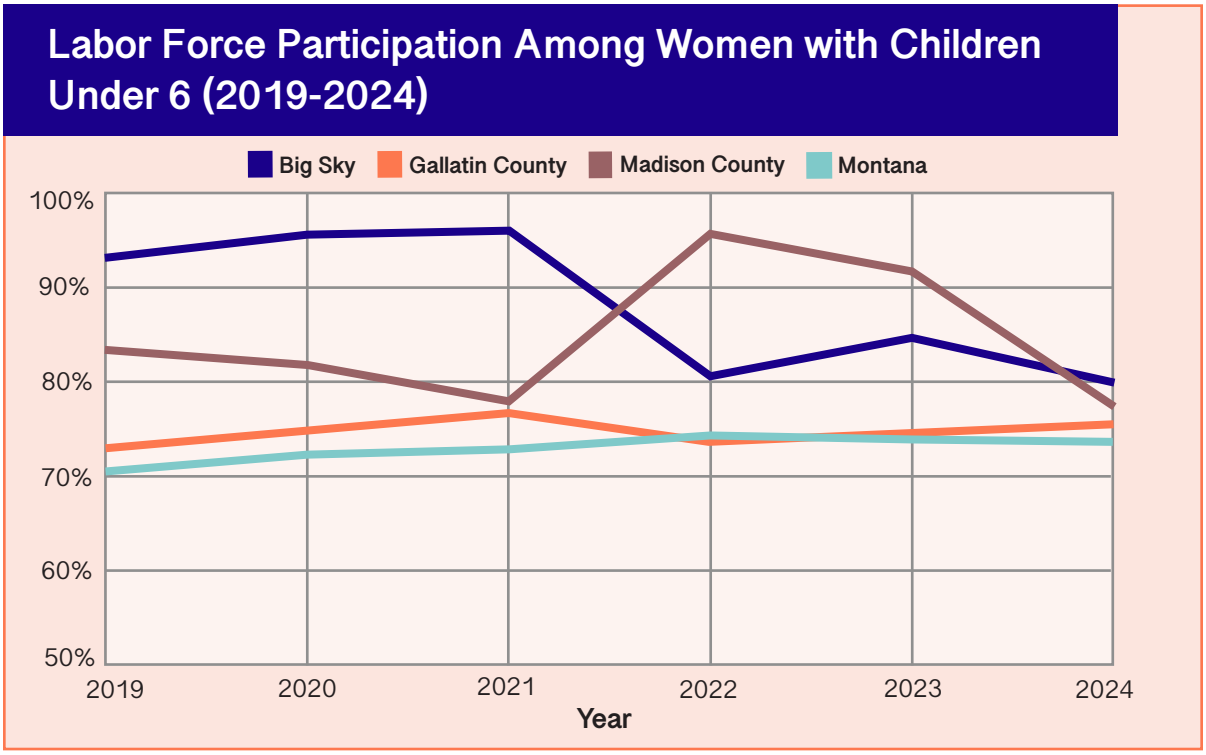
Figure 5 compares labor force participation rates among women with children under age 18 across Big Sky, Gallatin County, Madison County, and Montana between 2019 and 2024. Figure 6 presents the same comparison for women with children under age six, a group more directly affected by child care constraints.

Figure 5. Labor Force Participation Among Women with Children Under 18 (2019–2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

Figure 6. Labor Force Participation Among Women with Children Under 6 (2019–2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

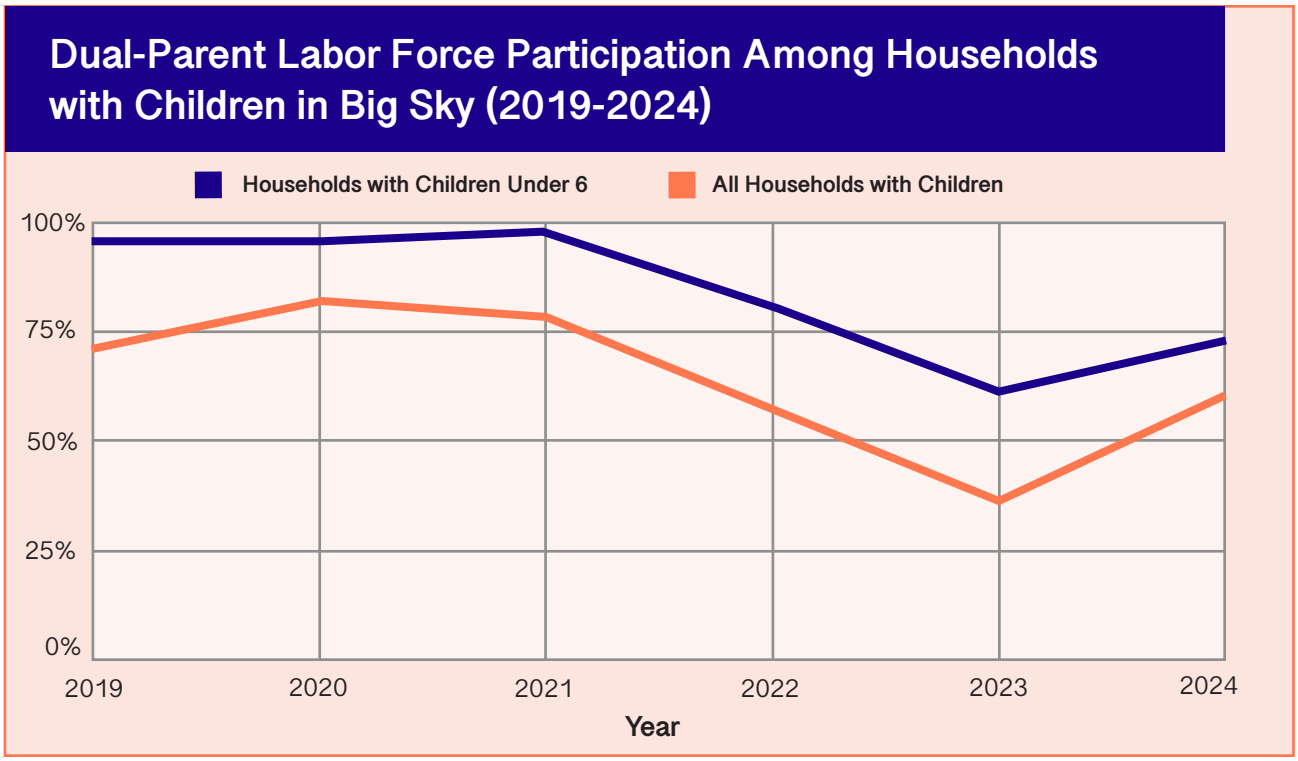
Labor force participation among women with children under 18 in Big Sky remained relatively high throughout the study period compared to the broader region, although the data show a notable decline in 2022. Rates fell from approximately 84% in 2021 to 67% in 2022 before recovering in subsequent years. Participation rates in Gallatin County and Montana were comparatively stable over time, while Big Sky and Madison County exhibited greater year-to-year variation, likely reflecting smaller sample sizes and greater sensitivity to local demographic shifts.

Among women with children under age six, labor force participation in Big Sky declined after 2021, falling from consistently above 90% between 2019 and 2021 to approximately 80% by 2024. Although annual estimates for Big Sky should be interpreted cautiously due to relatively small sample sizes, the decline may reflect broader workforce and child care pressures affecting families with young children.

Compared to women with children under 18 overall, women with children under six consistently exhibited higher labor force participation rates across the study period. However, the decline observed after 2021 in Big Sky was more pronounced among households with younger children. Unlike the broader under-18 group (Figure 5), which showed partial recovery following the decline observed in 2022, participation rates among women with children under six remained lower than pre-2021 levels through 2024 (Figure 6). Although participation among this group remained comparatively high relative to surrounding geographies, the slower recovery pattern suggests that workforce participation challenges may be more persistent among households with young children.

These trends are also reflected in broader household workforce participation patterns shown in Figure 7, which illustrates labor force participation among two-parent households with children in Big Sky.

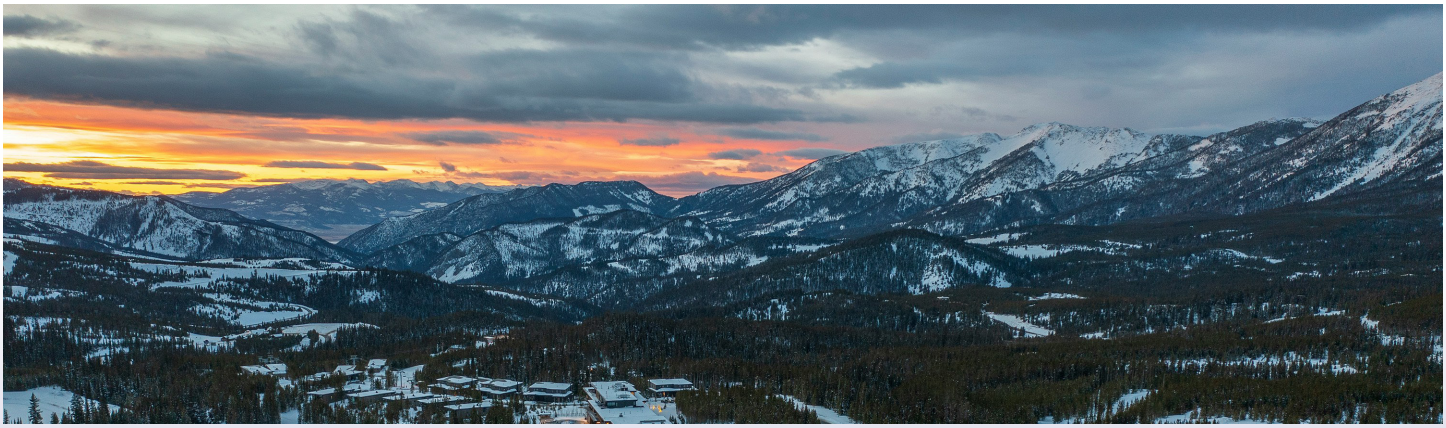
Figure 7. Dual-Parent Workforce Participation Among Households with Children in Big Sky (2019–2024)



Source: U.S. Census Bureau. American Community Survey 5-Year Estimates, Table DP03. 2019–2024.

Rates of dual-parent labor force participation declined after 2021, particularly among households with children under age six. By 2024, approximately 59% of two-parent households with children reported that both parents participated in the labor force, down from substantially higher levels observed between 2019 and 2021. Among households with children under age six, participation rates declined from approximately 97% in both 2020 and 2021 to 74% by 2024. This pattern parallels the reduction in labor force participation observed among women with children under six, suggesting that workforce participation pressures may be more persistent among households with younger children.

These findings are consistent with broader declines in labor force participation observed in Big Sky over the study period. Although annual estimates should be interpreted cautiously due to variability in small-area data, the declines observed among households with young children suggest that workforce participation challenges may be particularly persistent for families requiring child care.



Source: Ricky Beron, Upsplash, 2024.

Workforce Commuting Patterns

Big Sky's workforce is regionally distributed, with a substantial share of workers commuting into the area. These commuting patterns influence both the demand for child care and the accessibility of care options for working families.

Table 2. Place of Residence for Workers Employed in Big Sky (2023)

Place of Residence	Jobs	Share (%)
Bozeman	1,502	22.9%
Big Sky CDP	1,501	22.9%
Four Corners CDP	275	4.2%
Belgrade	208	3.2%
Butte-Silver Bow (balance)	71	1.1%
Ennis town	69	1.1%
Livingston	62	0.9%
Gallatin Gateway CDP	60	0.9%
Billings	54	0.8%
King Arthur Park CDP	48	0.7%
All Other Locations	2,696	41.2%

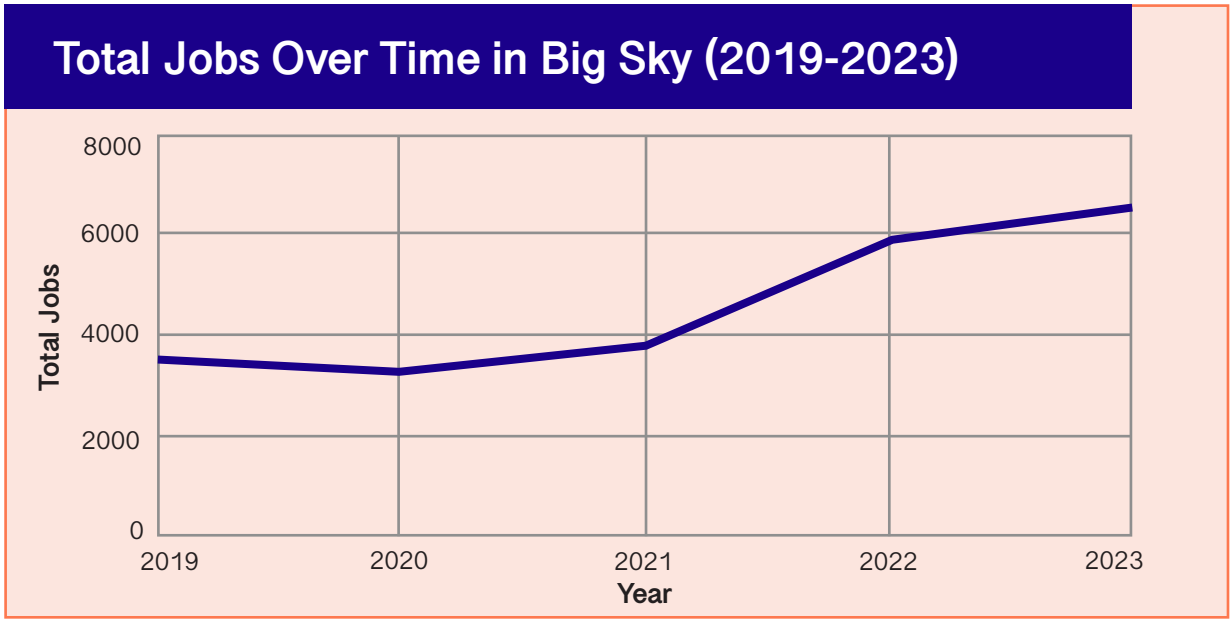
Source: U.S. Census Bureau. OnTheMap (LEHD). 2023.

Workers employed in Big Sky reside across a wide geographic region. In 2023, the largest shares of workers were concentrated in Bozeman and Big Sky CDP, each accounting for 22.9% of the workforce. Additional concentrations were found in nearby communities such as Four Corners CDP (4.2%) and Belgrade (3.2%), with smaller shares distributed across other regional locations. Beyond these primary concentrations, worker residences become highly dispersed across numerous smaller communities. In Table 2, the 'All Other Locations' category aggregates all worker residence locations outside the ten largest places of residence and accounts for 41.2% of workers. Rather than representing a single additional employment center, this category reflects the combined total of many communities that individually contribute relatively small shares of the workforce, including locations throughout Montana and neighboring western states.

Workforce Residence Trends

Between 2019 and 2023, the number of jobs located in Big Sky increased substantially, alongside changes in the geographic distribution of the workforce. Total employment grew from 3,475 jobs in 2019 to 6,546 jobs in 2023, representing an increase of approximately 88%. Growth accelerated after 2021, with the largest increase occurring between 2021 and 2022 (Figure 8).

Figure 8. Total Jobs Over Time in Big Sky (2019-2023)

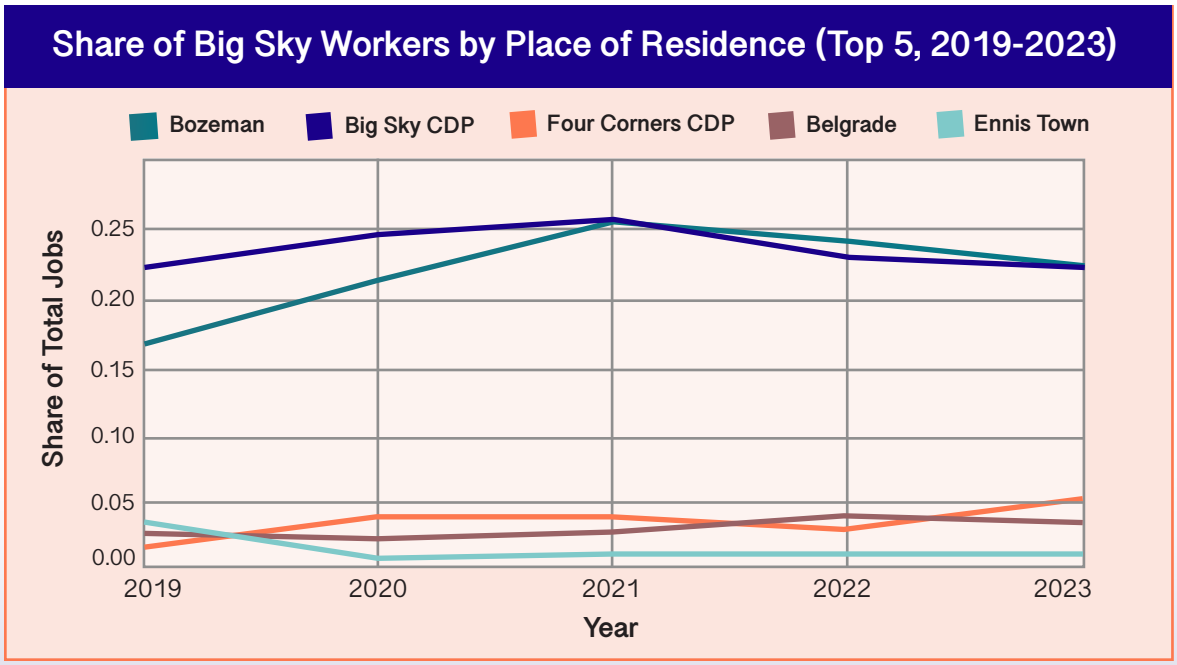


Source: U.S. Census Bureau. OnTheMap (LEHD). 2019–2023.

At the same time, the geographic composition of the workforce shifted. The share of workers employed in Big Sky but residing in Bozeman increased from 17.1% in 2019 to 22.9% in 2023, indicating a growing role as a primary origin of commuting workers. In contrast, **Big Sky CDP maintained a relatively stable share over the period, suggesting that local residency has not expanded proportionally with overall employment growth.**

Nearby areas have also become more prominent. Four Corners CDP increased its share from 1.9% in 2019 to 4.2% in 2023, indicating an emerging role as a secondary residential location for the workforce. By comparison, some smaller or more distant communities, such as Ennis, declined in relative importance over time.

Figure 9. Share of Big Sky Workers by Place of Residence (Top 5, 2019–2023)



Source: U.S. Census Bureau. OnTheMap (LEHD). 2019–2023.

A temporary spike in workforce shares across several locations is evident in 2021, likely reflecting short-term economic or housing-related disruptions. Shares stabilize in subsequent years, suggesting a return to longer-term patterns.

Regional Workforce Patterns and Child Care Demand

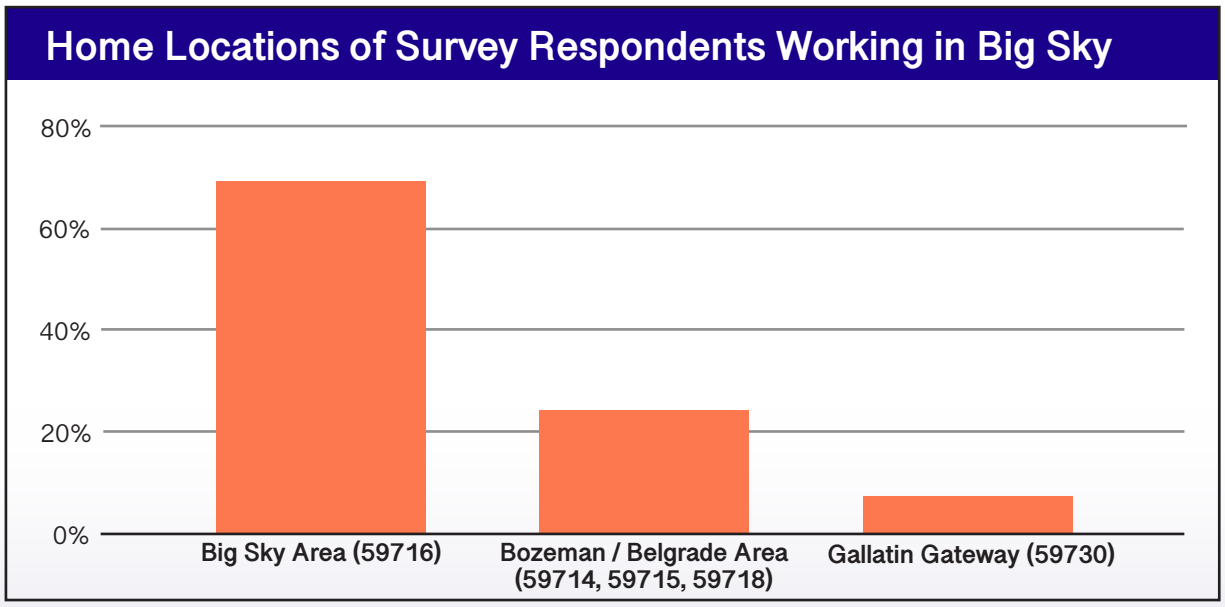
The data indicate that as employment in Big Sky has grown, the workforce has become increasingly regionally concentrated, with greater reliance on workers living in Bozeman and nearby communities. This pattern suggests that local residency has not kept pace with job growth, resulting in increased dependence on commuters from outside the community.

Because a substantial share of the workforce resides outside Big Sky, child care demand is shaped by regional commuting patterns rather than by the community alone. Findings from the 2023 Big Sky Community Child Care Needs Survey indicate that workers generally preferred child care near their place of residence rather than near their workplace, including workers commuting from other communities in the Gallatin Valley. Although the survey predates the current analysis, these findings remain relevant because the regional structure of Big Sky's workforce has persisted and intensified over time.

The 2023 survey also found that while Big Sky residents strongly preferred additional child care capacity within Big Sky, Gallatin Valley respondents expressed more geographically distributed preferences, including Gallatin Gateway and Four Corners. The OnTheMap analysis and survey findings suggest that child care needs associated with Big Sky's workforce extend beyond the boundaries of the community and may require a regional approach to child care planning and investment.

Consistent with these earlier findings, the 2026 Regional Child Care Survey shows that workers employed in Big Sky continue to reside across the broader region, particularly in the greater Bozeman area, reinforcing the regional nature of the workforce identified in the OnTheMap analysis.[4]

Figure 10. Home Location of Survey Respondents Working in Big Sky



Source: BSECA. 2026 Regional Child Care Survey. 2026.

[4] Note: Based on survey responses from individuals working in Big Sky (n = 55). Big Sky is represented by ZIP code 59716. ZIP codes are grouped to reflect general geographic areas.

Household Income Context

Median household income in Big Sky was estimated at approximately $138,805 based on 2024 American Community Survey (ACS) data,[5] while 2026 survey respondents reported a median household income of approximately $142,500.[6] Despite the two-year difference between data sources and the effects of inflation over that period, **the figures are closely aligned, suggesting that survey respondents are broadly representative of the community in terms of income and providing a consistent benchmark for interpreting child care costs and affordability.**

Child Care Market Structure and Supply

The supply of child care in Big Sky is shaped not only by the number of providers and their licensed capacity, but also by the operational and financial conditions that affect enrollment, staffing, and expansion. While licensed capacity provides a baseline measure of available care, the functional supply of child care is also influenced by workforce availability, financial sustainability, and regulatory requirements. This section examines the structure of the local child care market, recent policy and regulatory changes, provider capacity, and the operational constraints affecting the availability of care in Big Sky.

Child Care Models and Regulatory Structure

Child care in Montana is formally classified into five primary categories by the Department of Public Health and Human Services (DPHHS). The state regulates and categorizes care based on setting, capacity, and staff count.[7]

Child Care Center

- Out-of-home facility
- Serves **16+ children**
- Staff requirements based on staff to child ratios
  - Infants (birth-11 months) 1:4 ratio
  - Infants (12-23 months) 1:6 ratio
  - Toddlers (2-3 years) 1:8 ratio
  - Preschool (3-5 years) 1:10 ratio
- Must be fully licensed

[5] U.S. Census Bureau. American Community Survey 5-Year Estimates, Table S1901. 2024.

[6] Survey income values were self-reported and include a range of formats; non-numeric responses were excluded from median calculations.

[7] Montana Department of Public Health and Human Services (n.d.). Child Care Licensing.

Group Home Care

- Serves **2–15 children**
- Two caregivers
- Requires registration, but no licensing

Family Home Care

- Typically operates in private residence
- Up to **8 children, with no more than 3 children under the age of 2**
- One caregiver
- Requires registration, but no licensing

Family, Friend, and Neighbor (FFN) Care

- Typically operates in private residence
- Up to a sibling group of any size or up to 4 unrelated children
- One caregiver
- Requires registration, but no licensing

Relative Care Exempt (RCE) Providers

- Typically operates in private residence
- Sibling group of any size or up to 2 unrelated children
- One caregiver
- Exempt from licensing or registration

Policy and Regulatory Changes

Since the 2023 Big Sky Child Care Report, Montana has enacted several policy and regulatory changes intended to expand child care access and strengthen early childhood systems.

2023 Montana Legislative Session

- House Bill 187: Defined family home care and group home care as residential rather than commercial land uses.
- House Bill 422: Increased the maximum number of children staff members may supervise across several child care age groups and provider settings.
- House Bill 556: Eliminated registration requirements for private residences caring for six or fewer children, provided they do not receive state subsidy payments.
- House Bill 648: Expanded income eligibility for the Best Beginnings Child Care Scholarship program, increasing access to financial assistance for working families.
- House Bill 352: Established and funded voluntary state-supported early literacy and preschool-related programs intended to improve school readiness and reading proficiency by third grade, contributing to expanded four-year-old programming in some school districts, including Ophir Elementary School in Big Sky.
- House Bill 918: Revised zoning laws related to home-based child care providers by clarifying that family and group day-care homes serving 15 or fewer children qualify as residential uses in residential zoning districts.

2025 Montana Legislative Session

- House Bill 924: Created the Montana Early Childhood Account (MECA), establishing a long-term funding mechanism to support early childhood systems across Montana through an initial $10 million investment focused on affordability, workforce capacity, access, and program quality. See “Public Funding Programs” section (p. 39).

Regional Child Care Price Comparison

Child care costs in Southwest Montana provide important context for understanding affordability challenges in Big Sky. The following table summarizes median annual prices by age group, care setting, and county. Estimates are based on modeled child care price data from the U.S. Department of Labor and are adjusted to 2024 dollars for comparability. County-level data is used to approximate regional variation in child care costs.

Table 3. Median Annual Child Care Prices in Southwest Montana by Age and Care Setting (2024 Dollars)

Age	Care Setting	Madison County	Gallatin County	Park County
Infant	Home-Based	$10,704	$11,100	$10,097
Infant	Center-Based	$13,601	$13,685	$12,472
Toddler	Home-Based	$10,929	$11,403	$10,341
Toddler	Center-Based	$14,164	$14,423	$13,065
Preschool	Home-Based	$10,929	$11,403	$10,341
Preschool	Center-Based	$12,152	$12,247	$11,512

Source: U.S. Department of Labor. Childcare prices by age of children and care setting. 2022. Values adjusted to 2024 dollars.

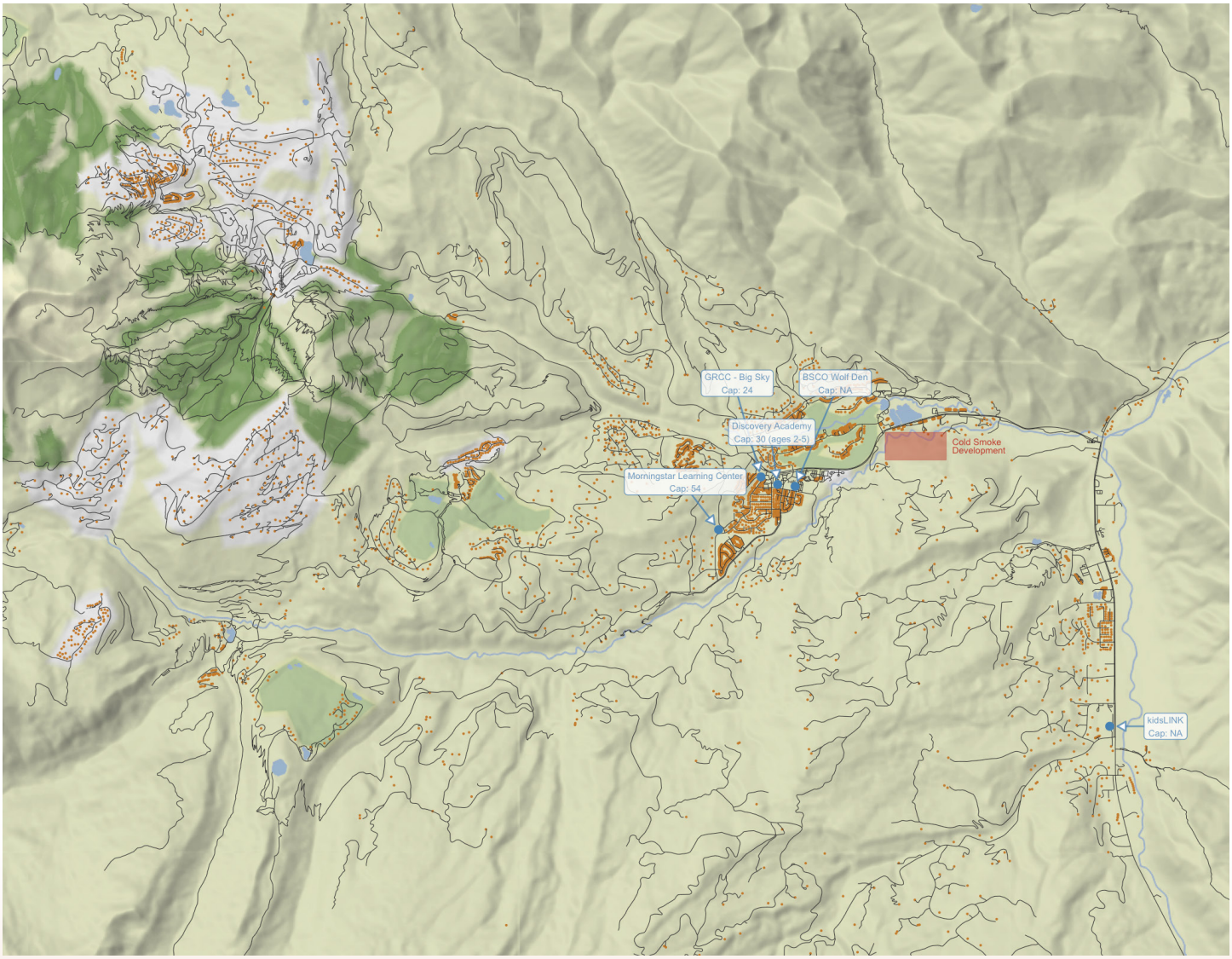
Child Care Provider Landscape in Big Sky

Child care in Big Sky is delivered primarily through center-based and community-operated programs serving a range of age groups. These programs operate under Montana's regulatory system, which establishes staffing requirements and capacity limits based on the number and age of children served.

In addition to traditional full-time child care, the local system includes supplemental models such as drop-in care, after-school programming, and seasonal programs. These services help address gaps in availability but do not fully replace consistent, full-time care options for working families.

The geographic distribution of child care programs relative to residential areas and planned development provides additional context for understanding existing capacity.

Figure 11. Spatial Distribution of Child Care Providers and Residential Development in Big Sky

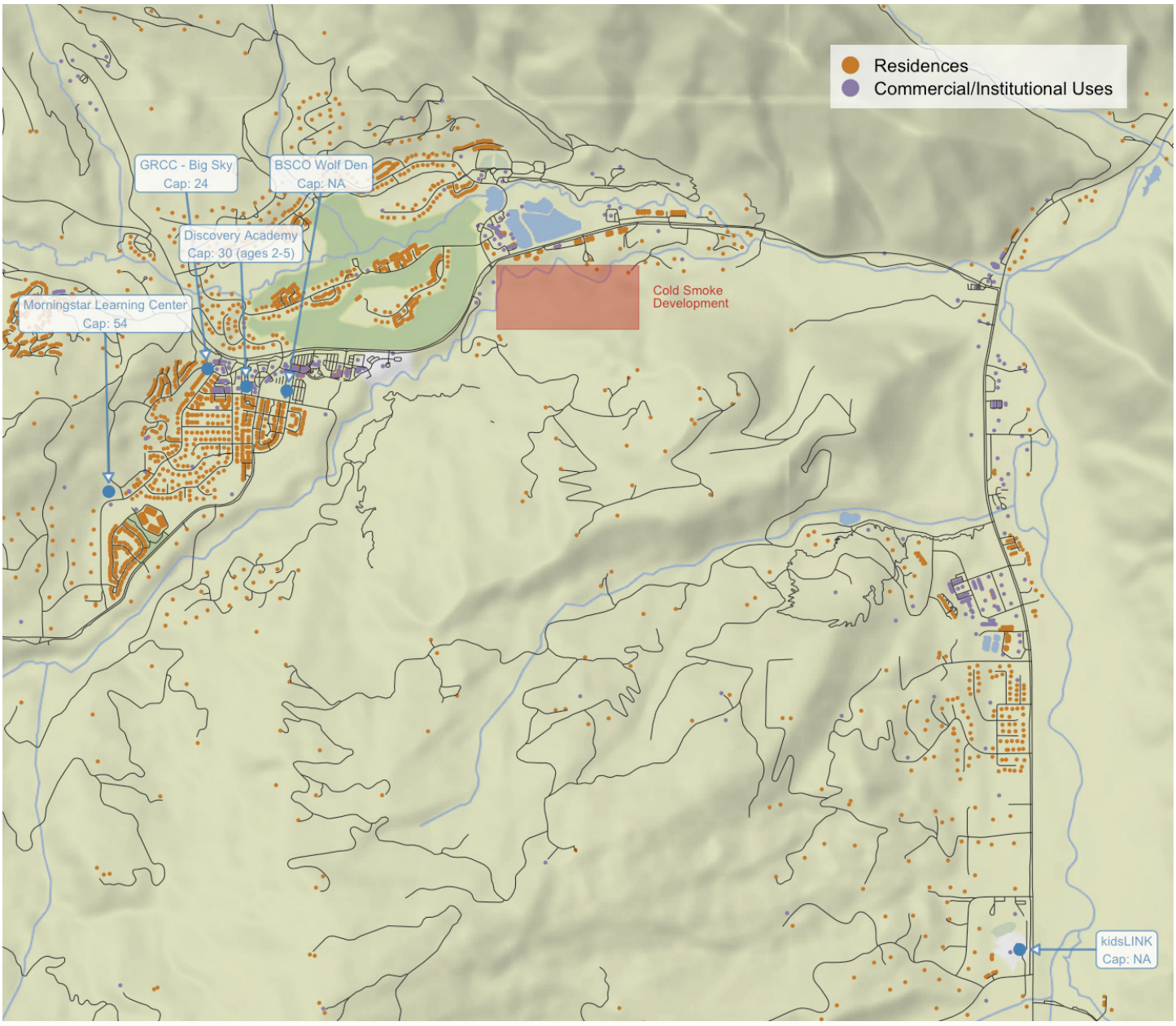


Source: Local provider data, Montana State Library, and Big Sky Community Housing Trust. 2026.

Figure 11 shows the locations of licensed child care providers and youth programs (blue dots) in relation to residential structures (orange dots) and the planned Cold Smoke neighborhood, a development expected to add 389 homes.[8]

Figure 12 provides a more detailed view of the area around Big Sky Town Center, showing the concentration of residential structures (orange), commercial and institutional structures (purple), and nearby child care services (blue dots).

Figure 12. Spatial Distribution of Child Care Providers, Residential Development, and Commercial/Institutional Structures in Big Sky Town Center in Big Sky



Source: Local provider data, Montana State Library, and Big Sky Community Housing Trust. 2026.

[8] Big Sky Community Housing Trust (n.d.). Cold Smoke Housing Development. https://bigskyhousingtrust.org/cold-smoke/

Existing Providers in Big Sky

Since the 2023 report, when Morningstar Learning Center was the only child care center in Big Sky, two additional providers have entered the market: Gallatin River Child Care, with locations in both Gallatin Gateway and Big Sky, and Big Sky Discovery Academy, which expanded its programming to include early childhood services. Ophir Elementary School remains Big Sky's only public elementary school.

Morningstar Learning Center

Morningstar Learning Center opened in 2006 and operates year-round. Hours of operation are Monday through Thursday from 8:30 a.m. to 5:30 p.m. and Friday from 8:30 a.m. to 3:45 p.m. The center accepts children ages 3 months to 5 years old, and programming is centered on the Creative Curriculum and outdoor education.

Morningstar offers need-based financial assistance through a Tuition Assistance Program funded by the Big Sky Resort Area District. Tuition costs are further offset through support from Lone Mountain Land Company, Yellowstone Club Community Foundation, Moonlight Community Foundation, Spanish Peaks Community Foundation, and individual donors.

Gallatin River Child Care

Gallatin River Child Care (GRCC) opened its Gallatin Gateway location in February 2024 and expanded into Big Sky in fall 2025.

The Gallatin Gateway location accepts children ages 6 weeks to 5 years old and operates Monday through Friday from 7:00 a.m. to 6:00 p.m. In addition to full-time care, the center offers part-time schedules consisting of two to three consistent days per week.



Source: Vecteezy 2026

The Big Sky location accepts children ages 6 weeks to 3 years old. During peak tourism seasons, from December–March and July–September, the facility operates seven days per week from 7:00 a.m. to 7:00 p.m. During shoulder seasons, from April–June and October–December, hours are Monday through Friday from 7:00 a.m. to 6:00 p.m.

Big Sky Discovery Academy

Big Sky Discovery Academy is a private Montessori school serving children from pre-K through fifth grade, including a classroom for children ages 2-3 licensed by the state of Montana.

Discovery operates from Labor Day through the first week of June, Monday through Friday from 8:30 a.m. to 3:30 p.m., and also offers summer camp programming. During the 2025–2026 school

year, the school operated two preschool classrooms that served 30 children and remained at full enrollment.

Discovery previously operated its own after-school program but discontinued the service because of low enrollment demand. The school currently utilizes BASEcamp's after-school program, and faculty escort participating students to the BASE facility located two blocks away. Not all Discovery students utilize BASEcamp for after-school care.

Ophir Elementary School

Ophir Elementary School serves children from 4K (pre-K) through fifth grade. The school's 4K program serves 20 four-year-old children residing within the Big Sky School District boundary. The program was established following a 2022 school board policy decision and required approximately $55,000 in startup funding. Ongoing operations are supported through public funding.

Supplemental and Seasonal Programs

In addition to licensed child care centers and school-based programs, several organizations provide after-school, seasonal, and short-term child care services within the Big Sky community. These programs help expand access to more flexible child care options, particularly during periods of high seasonal demand, though they do not fully replace the need for stable, full-time child care capacity for working families.

Big Sky Community Organization BASEcamp

Big Sky Community Organization (BSCO) is a community-based nonprofit that operates BASEcamp, a year-round after-school program for children ages 4–12. The program operates Monday through Thursday from 3:30 p.m. to 6:00 p.m. and follows the Ophir Elementary School calendar. BSCO also operates the Wolf Den drop-in program, which serves children ages 1–5 several mornings per week. Daily participation ranges from approximately 6 to 18 children depending on seasonal demand.



Source: Ricky Beron, Upsplash, 2024.

Greater Gallatin United Way kidsLINK

Greater Gallatin United Way operates kidsLINK programs in Big Sky, including summer programming and out-of-school-time care at Ophir Elementary School. Programs include afterschool care for Pre-K through 5th grade students, as well as PIR Day Camps and seasonal break camps during winter and spring school breaks

kidsLINK summer programming operates Monday through Friday from mid-June through mid-August, with hours from 7:30 a.m. to 5:30 p.m. Programs serving younger children focus on kindergarten readiness and early childhood development, while broader afterschool and seasonal offerings help provide additional flexibility and supervision options for working families within the community.

Big Sky Resort Lone Peak Playhouse

Big Sky Resort operates the Lone Peak Playhouse during the winter ski season. The program provides child care services for children ages 6 months to 8 years old and offers morning, afternoon, and full-day reservations.
Despite the expansion of these supplemental and flexible child care models, providers throughout Big Sky continue to face structural barriers that limit their ability to expand consistent year-round child care capacity.

Capacity vs. Enrollment

Recent updates from Big Sky providers indicate that several programs are operating below full licensed capacity while still experiencing unmet demand. As shown in Table 4, multiple providers report enrollment levels below licensed capacity due to staffing and operational constraints, alongside active waitlists in some cases. This suggests a mismatch between licensed capacity and the number of children providers are able to serve in practice. In several cases, providers report both unused licensed capacity and unmet demand simultaneously, indicating that staffing and operational limitations, rather than physical space alone, constrain child care supply.

Table 4: Big Sky Licensed Child Care Capacity Summary (March 2026)

Provider	Age Groups Served	Licensed Capacity	Current Enrollment	Waitlist	Notes
GRCC - Big Sky	6 weeks - 3 years	24	12	-	staffing constraints
GRCC - Gateway (Brooks and Stream)	6 weeks - 5 years	40	23	-	staffing constraints
Morningstar Learning Center	3 months - 5 years	56	34	prospect list	Fluctuating demand
Discovery Academy	2 years - Grade 5	60 total (30 ags 2-5)	-	Active waitlist	enrollment allocated by grade band and priority system

Source: Provider updates presented at the Big Sky Early Childhood Alliance meeting. March 2026.

Licensed capacity reflects the maximum number of children providers are permitted to serve under state regulations, but actual enrollment often falls below this level. As a result, the effective supply of child care may be lower than licensing data alone suggests.

This distinction is important when interpreting child care supply analyses, including Montana Department of Labor and Industry (MTDLI) statewide child care gap estimates, which primarily measure licensed capacity relative to estimated demand. While these analyses provide valuable information about structural child care shortages across Montana, they may not fully capture operational constraints that limit the number of children that providers are able to serve at a given time.

These findings suggest that licensed capacity alone may overstate the effective supply of care available in practice.

Workforce Constraints on Child Care Supply

Providers consistently report that workforce and operational challenges limit their ability to fully utilize licensed capacity. Workforce challenges appear to be the primary limiting factor affecting child care supply in Big Sky.

Providers identified several recurring constraints:

- **Staffing shortages,** including difficulty hiring qualified lead teachers;
- **Housing and commuting barriers** for employees;
- **Regulatory and licensing requirements** that create operational complexity; and
- **Limited administrative capacity** and operational support.

Providers report increasing reliance on commuting employees and continued difficulty recruiting and retaining qualified staff. Some providers have implemented strategies such as reimbursing mileage or compensating staff for commuting time to support recruitment and retention. However, providers indicate that these measures increase operating costs and do not fully resolve staffing shortages or enrollment limitations. As a result, some providers remain unable to fully utilize licensed capacity or expand services despite continued demand and active waitlists.

Financial Sustainability and Cost of Care

Child care providers in Big Sky operate within a financially constrained environment shaped by staffing challenges, enrollment fluctuations, and the high cost of delivering care. The analysis distinguishes between three related but distinct modeling concepts: current operating conditions, true cost of providing care, and living-wage modeled cost.

- **Current operating conditions** reflect how providers are functioning today, including current wages, existing revenue sources, and any cost-saving measures providers may rely on to remain open.

- **True cost of care** reflects the full cost of sustainably operating a licensed child care program, including personnel, facilities, materials, administration, and reserves. These estimates reflect

provider operating costs rather than the amount families are charged in tuition or out-of-pocket expenses.

- **Living-wage modeled cost** estimates show how costs change when compensation is increased toward living-wage benchmarks needed to recruit and retain staff in a high-cost labor market.

The results presented below focus primarily on modeled estimates of the true cost of providing care and the associated subsidy gap under current operating conditions. Where relevant, living-wage scenarios are discussed to illustrate how provider costs change when compensation is increased toward regional living-wage benchmarks.

Table 5. Modeled True Cost of Care per Child by Age Group in Big Sky

Age Group	Annual Cost of Care per Child	Monthly Cost of Care per Child
Infant (0-11 months)	$33,439	$2,787
Toddler (12-23 months)	$29,661	$2,472
Combined Infant/Toddler (0-23 months)	$31,550	$2,629
Ages 2-3	$30,283	$2,524
Ages 3-5	$29,234	$2,436

Source: Zero to Five Montana and Greater Gallatin United Way. Cost-of-care modeling estimates. 2026.

The estimates in Table 5 reflect modeled operating costs for providers before accounting for tuition revenue, public subsidies, grants, philanthropy, or other external funding sources. As shown in the table, modeled costs are highest for infant and toddler classrooms. The cost estimates presented in Tables 5 and 6 are modeled under current operating conditions using providers' current compensation levels. They do not incorporate the higher compensation assumptions used in the living-wage scenarios discussed later in this section.

The cost-of-care model also compares these estimated costs with current state child care subsidy reimbursement rates. This comparison illustrates the difference between the modeled cost of

providing care and current state child care subsidy reimbursement rates for different age groups. Although providers rely on additional revenue sources, including tuition, grants, philanthropy, and other funding to support operations, those revenue sources are not reflected in the age-specific subsidy gap estimates presented below.

Per-child modeling further illustrates the subsidy gap between the modeled cost of providing care and current state child care subsidy reimbursement rates across age groups. As shown in Table 6, the modeled subsidy gap is largest for infant and toddler classrooms, where the difference between the true cost of care and current subsidy reimbursement ranges from approximately $11,000 to $15,000 per child annually depending on age group and care model. These estimates do not incorporate private tuition, grants, philanthropy, fundraising, or other provider revenue sources. The findings illustrate that current subsidy reimbursement falls substantially short of the modeled cost of providing infant and toddler care, reflecting the higher staffing requirements associated with younger age groups.

Table 6. Modeled Gap Between True Cost of Care and Revenue by Age Group in Big Sky

Age Group	Annual Gap per Child	Monthly Gap per Child
Infant (0-11 months)	($14,740)	($1,229)
Toddler (12-23 months)	($10, 961)	($914)
Combined Infant/Toddler (0-23 months)	($12,851)	($1,071)
Ages 2-3	($12,721)	($1,035)
Ages 3-5	$7,459	$622

Source: Zero to Five Montana and Greater Gallatin United Way. Cost-of-care modeling estimates. 2026.

Note: Negative values shown in parentheses indicate that the modeled true cost of care exceeds current state child care subsidy reimbursement rates. These estimates do not incorporate tuition revenue, grants, philanthropy, fundraising, or other provider income.

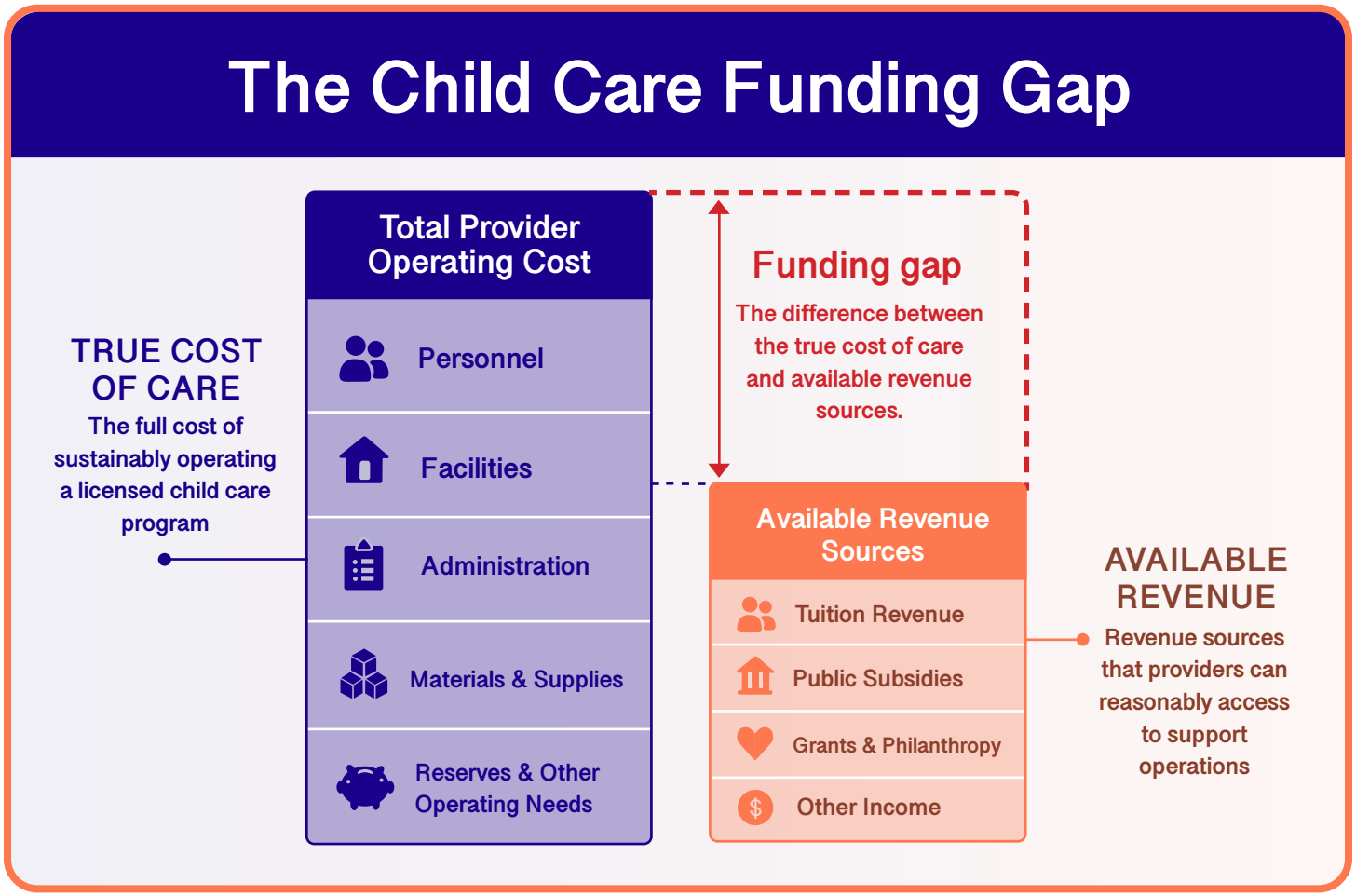
These funding pressures are driven primarily by labor costs. In the cost-of-care modeling, wages and benefits account for approximately 74% of total operating expenses in Big Sky. Because child care is labor-intensive by design, infant and toddler classrooms require lower staff-to-child ratios, resulting in substantially higher per-child labor costs than older age groups. In Big Sky, these pressures are intensified by the area's high-cost labor market, limited local workforce availability, and reliance on employees who may need to commute from surrounding communities. Although the cost estimates presented above are based on current compensation levels, current wages remain below the estimated living-wage benchmarks used in the model, which reflect the earnings needed for workers to afford basic living costs within the broader regional labor market. For example, modeled lead teacher compensation increases from approximately $52,000 under current conditions to roughly $75,000 to $81,000 under living-wage scenarios.

These conditions create a difficult operating tradeoff. If providers keep wages closer to current levels, they may struggle to recruit and retain qualified staff, limiting their ability to fully utilize licensed capacity or expand services. If providers raise wages toward levels needed for workforce stability, the modeled cost of care increases considerably, further widening the subsidy gap between the cost of providing care and current state child care subsidy reimbursement rates. Providers must then rely on

additional revenue sources, such as tuition, grants, philanthropy, or fundraising, to help offset those costs. In either case, these financial pressures constrain the supply of child care.

Although the subsidy gap is calculated independently of other revenue sources, providers finance the cost of care through a combination of tuition, public subsidies, grants, philanthropy, fundraising, and other revenue sources. Figure 13 conceptually illustrates how these funding streams contribute to provider financing.

Figure 13: Conceptual Illustration of the Child Care Funding Gap



Source: Zero to Five Montana and Greater Gallatin United Way. Cost-of-care modeling estimates. 2026.

While the age-specific subsidy gaps shown in Table 6 compare only the modeled cost of care with current state child care subsidy reimbursement rates, Figure 13 illustrates the broader financing picture at the provider level. The size of a provider's overall operating funding gap depends on its enrollment and the mix of age groups it serves. Programs serving larger shares of infants and toddlers generally face greater financial pressure because the larger subsidy gaps associated with those classrooms are not fully offset by the modest positive subsidy margins observed for some older age groups. Even with multiple revenue sources supporting their overall budgets, many providers continue to face financial and workforce pressures.

The result is a structurally constrained child care system: demand remains high, but providers face financial and workforce barriers that limit their ability to stabilize operations, expand capacity, or fully utilize existing licensed slots.

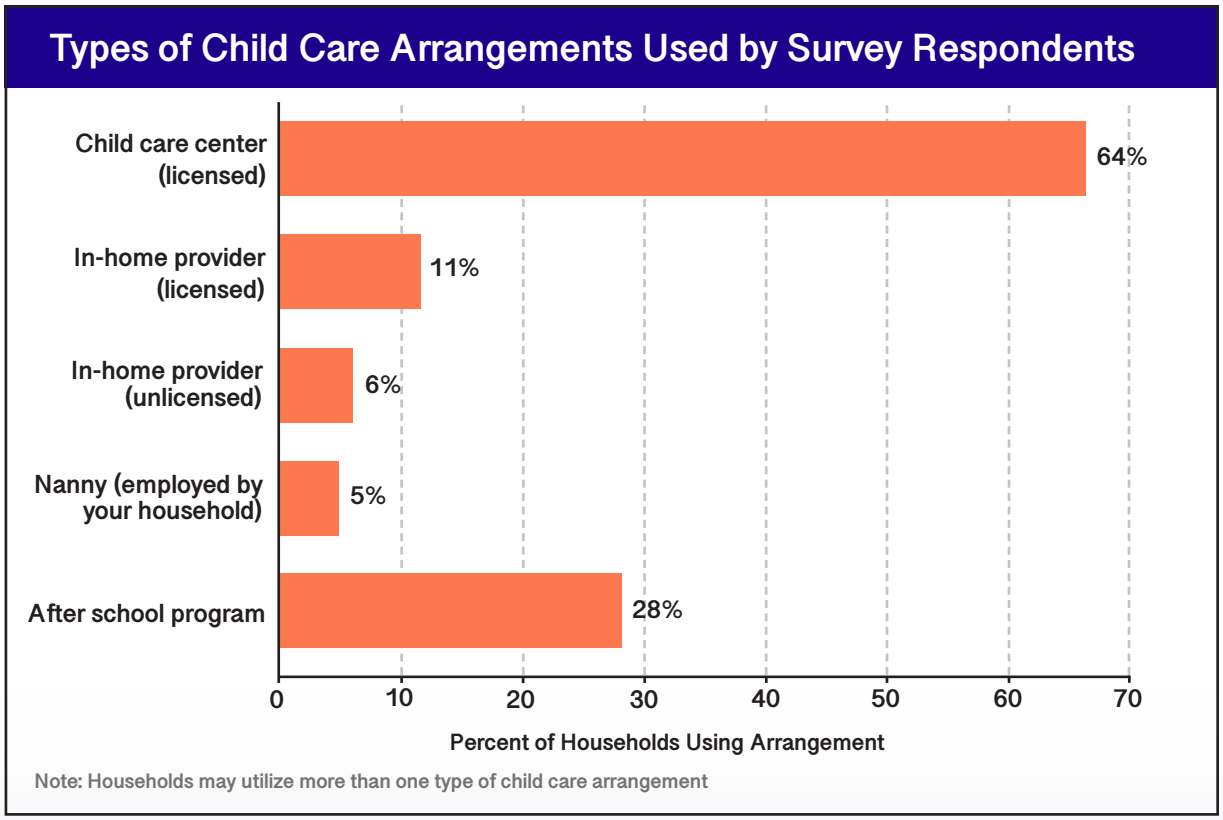
Child Care Demand and Household Needs

This section examines current and projected child care demand in Big Sky and the broader Southwest Montana region. Findings highlight patterns in child care utilization, work schedule needs, affordability, barriers to access, and factors likely to influence future demand.

Current Demand for Child Care

Within the regional survey sample, households reported a total of 305 children currently participating in paid child care arrangements. Figure 14 shows the types of care arrangements currently used by surveyed households. Licensed child care centers were the most commonly used arrangement, utilized by 64% of households with children in paid care. Additional arrangements included after-school programs (28%), licensed in-home providers (11%), unlicensed in-home providers (6%), and household-employed nannies (5%).

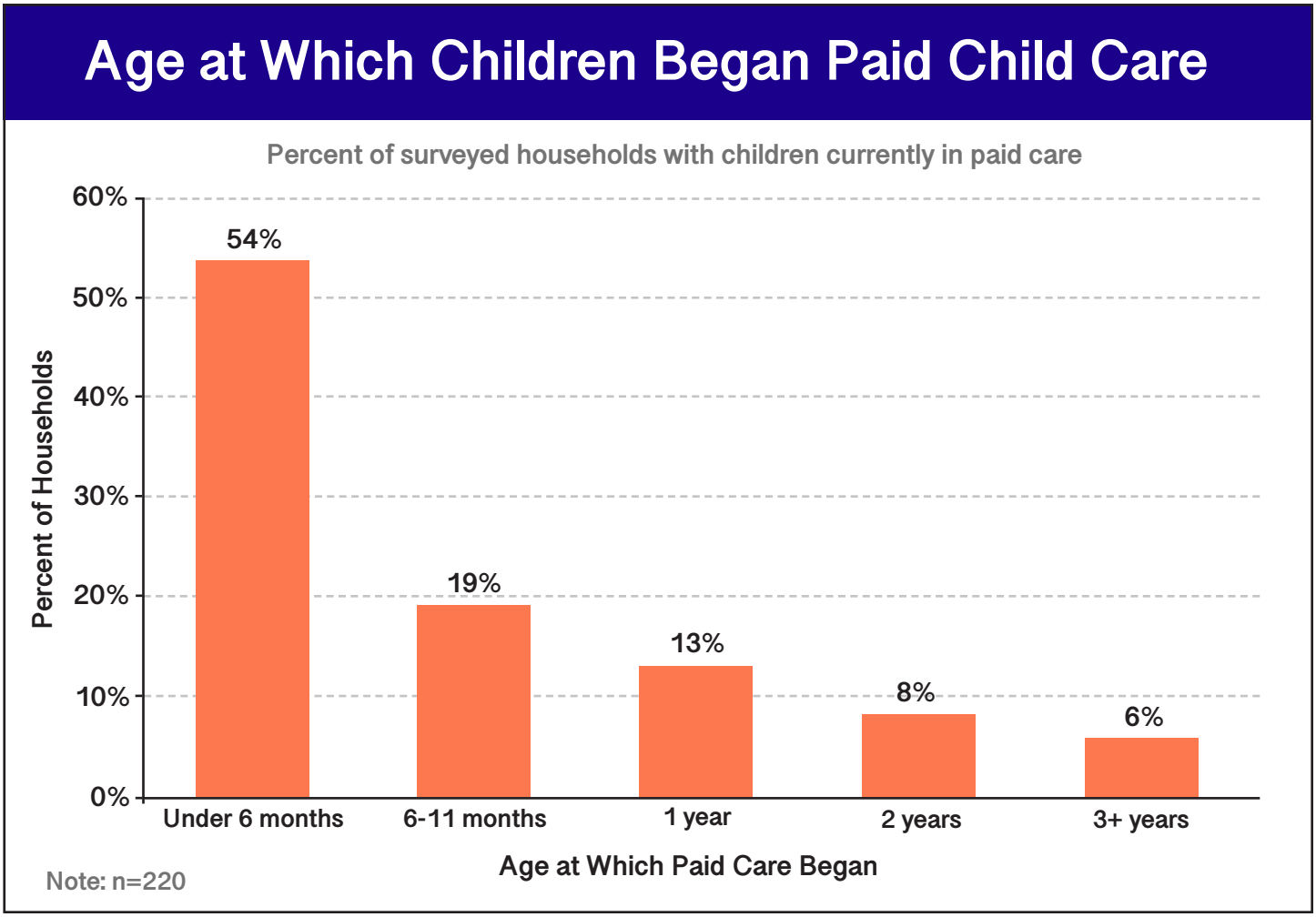
Figure 14. Types of Child Care Arrangements Used by Survey Respondents



Source: BSECA. 2026 Regional Child Care Survey. 2026.

Survey findings also indicate that many families begin using paid child care early in a child's life. As shown in Figure 15, 54% of surveyed households reported beginning paid child care before a child reached 6 months of age, while an additional 19% began care between 6 and 11 months. Smaller shares reported beginning care at age 1 (13%), age 2 (8%), or age 3 and older (6%). **Demand for child care begins early for many working households, particularly during infancy and toddler years.**

Figure 15. Age at Which Children Began Paid Child Care



Source: BSECA. 2026 Regional Child Care Survey. 2026.

Demand patterns further indicate that many households require substantial weekly child care coverage to support workforce participation. Table 7 summarizes the share of households requiring full-time care by the age of the youngest child in the household. Need for full-time care was consistently high among households with children under age 6, with approximately two-thirds of households across younger age groups requiring 30 or more hours of child care per week. Specifically, 64% of households with children under age 1, 71% of households with children ages 1–2, and 66% of households with children ages 3–5 reported requiring full-time care. In contrast, only 7% of households with children age 6 and older reported similar levels of care need.

Table 7. Share of Households Requiring 30+ Hours of Weekly Child Care by Youngest Child Age

Youngest Child Age	% Requiring Full-Time Care (30+ hrs/week)
Under 1 year	64%
1-2 years	71%
3-5 years	66%
6+ years	7%

Source: BSECA. 2026 Regional Child Care Survey. 2026.

Note: For the purposes of this analysis, households requiring 30 or more hours of child care per week for their youngest child are classified as requiring full-time care.

These findings indicate that regional child care demand is concentrated among infant, toddler, and preschool-age households requiring extensive weekly care coverage, placing the greatest pressure on the most staffing-intensive and costly segments of the child care market. Although these patterns are broadly consistent with expected early childhood care needs, the survey feedback provides useful evidence regarding the scale of demand among younger age groups in the region.

Work Schedules and Care Needs

Child care demand is closely tied to work schedules and the timing of care needs. Survey findings indicate that most households require care during standard daytime working hours, though a meaningful share of respondents also reported needing care during non-standard hours, including early mornings, evenings, and weekends.

Table 8. Standard and Non-Standard Child Care Scheduling Needs: Regional vs. Big Sky

Work Schedule Type	Regional	Big Sky
Standard daytime hours	86%	80%
Non-standard hours	14%	20%

Source: BSECA. 2026 Regional Child Care Survey. 2026.

Among regional survey respondents with children (n=291), 86% reported working standard daytime hours (6 AM–6 PM), while 14% reported needing care during non-standard hours. Among Big Sky respondents with children (n=30), 80% reported working standard daytime hours and 20% reported needing care during non-standard hours.

The survey responses suggest that, while child care demand remains concentrated during traditional daytime hours, a notable portion of households require more flexible care arrangements outside of standard operating schedules. The slightly higher share of non-standard scheduling needs reported

among Big Sky households may reflect the region's workforce composition, including hospitality and service-sector employment patterns that often involve early morning, evening, weekend, or variable work schedules.

Child Care Costs and Affordability

Affordability is a central factor shaping child care demand in Big Sky and the surrounding region. Survey findings indicate that many households face substantial child care costs relative to household income, limiting access to formal care options for some families.

Regional survey responses provide the most reliable estimate of household child care costs due to the larger sample size across Southwest Montana. Reported values reflect total household child care expenses and represent the financial burden on families rather than per-child pricing.

After-school programs are excluded from this analysis because their cost structure is not directly comparable to full-time early childhood care. Subsidy metrics reflect households receiving any form of financial assistance for child care.

Full Regional Survey Responses (n=220; Excluding After-School Programs)

- Median monthly household child care cost: $1,500
- Median monthly household out-of-pocket cost: $1,350
- Percent of households receiving subsidies: 12%
- Median monthly subsidy (among recipients): $1,000

Big Sky Survey Respondents (n=29; Live and/or Work in Big Sky; Excluding After-School Programs)

- Median monthly household child care cost: $1,650
- Median monthly household out-of-pocket cost: $1,250
- Percent of households receiving subsidies: 47%
- Median monthly subsidy (among recipients): $1,077

Big Sky households appear to report higher overall child care costs, but also higher rates of subsidy receipt, resulting in somewhat lower out-of-pocket costs relative to the broader region.

Barriers to Accessing Child Care

While demand for child care is high, families face multiple barriers that limit access to available services. Survey respondents identified several recurring challenges, including:

- Cost of care and affordability
- Waitlists and limited provider availability
- Limited operating hours and lack of care during non-standard work schedules
- Gaps in coverage during school breaks, summer months, and PIR days
- Location of providers relative to home or work
- Limited access to infant and toddler care
- Concerns regarding quality, staffing stability, and reliability of care

Survey comments also indicate that these barriers have broader impacts on workforce participation and family decision-making. Respondents reported reducing work hours, leaving the workforce, delaying additional children, relying on family members for care, or making housing and employment decisions based on child care availability and cost. Big Sky-specific comments also highlighted challenges associated with the area's small and high-cost market, including limited flexibility in care schedules, difficulty securing backup or after-school care, and the interaction between housing affordability and child care access.

These findings suggest that child care accessibility is shaped not only by the existence of available slots, but also by affordability, scheduling compatibility, reliability, and alignment with household workforce needs.

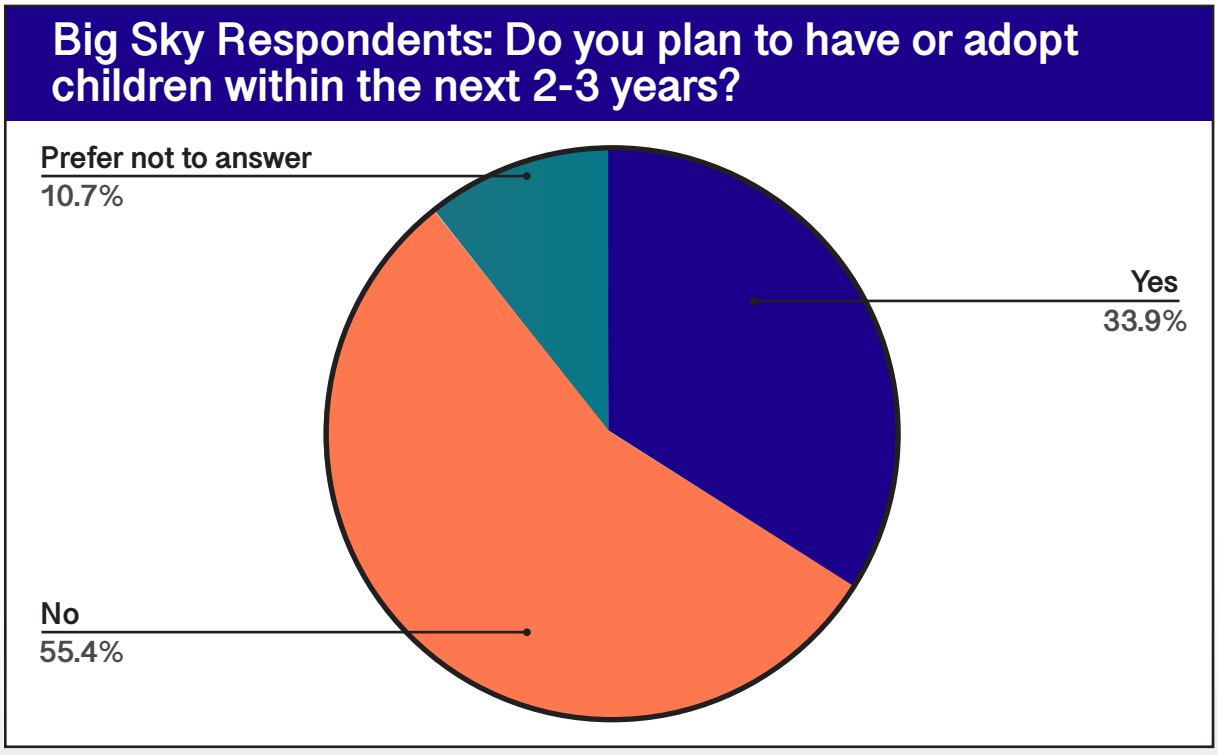
Future Demand and Family Planning

Survey data from Big Sky provides insight into household decision-making related to future family planning and long-term community retention, with implications for future child care demand. This section also incorporates child care demand modeling to provide additional context regarding potential future care needs in Big Sky and the broader region.

Family Planning Intentions

Among Big Sky survey respondents, 33.9% reported plans to have or adopt children within the next 2–3 years, while 55.4% reported no plans to expand their families during that period. These responses indicate continued demand for infant and early childhood care in the near term.

Figure 16. Big Sky Respondents: Do you plan to have or adopt children within the next 2–3 years?



Source: BSECA. 2026 Regional Child Care Survey. 2026.

Note: n = 56.

While these survey responses provide insight into anticipated household-level child care needs within Big Sky, broader regional demographic trends also shape future child care demand associated with the Big Sky workforce.

Regional Birth Trends and Early Childhood Demand

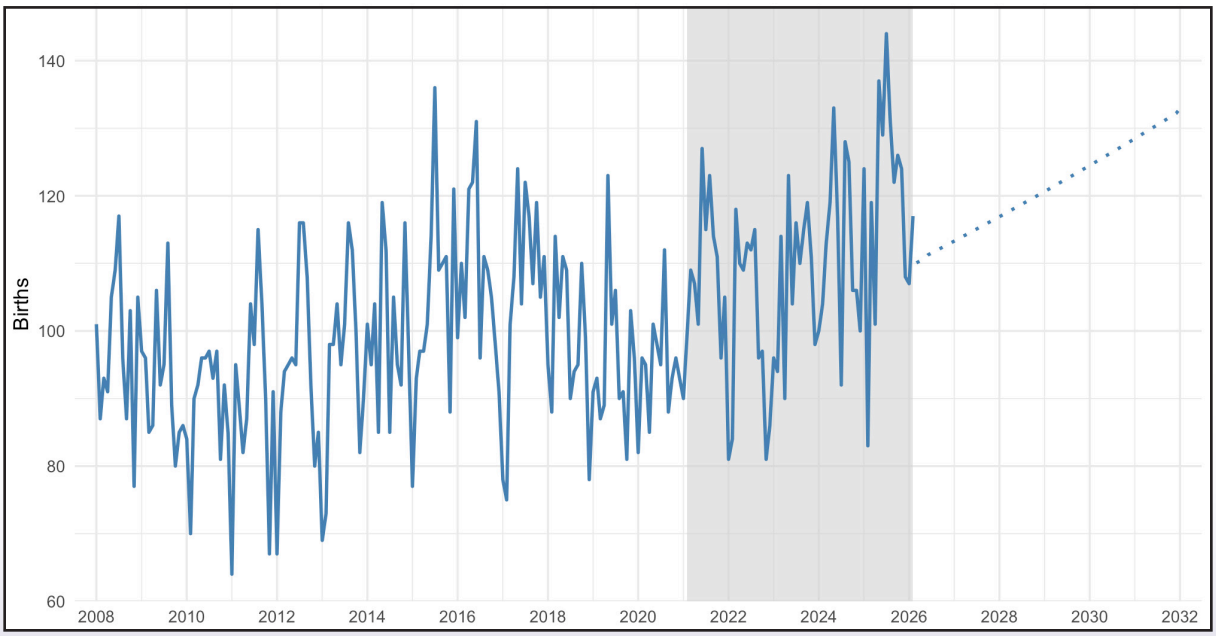
Earlier sections of this report identified increasing regional commuting patterns and growing reliance on workers residing outside Big Sky. As a result, child care demand associated with the Big Sky workforce extends beyond the resident population alone.

To estimate potential future child care demand across the broader labor market region connected to Big Sky, monthly childbirth data were obtained from Bozeman Health Deaconess Regional Medical Center (BHD) spanning January 2008 through February 2026. These data were first analyzed to estimate future regional birth trends. Since BHD serves the broader Bozeman-area region rather than Big Sky specifically, the estimates presented here should be interpreted as indicators of regional child care demand rather than direct forecasts for Big Sky alone.

Future births were projected using the average growth trend observed during the five most recent years of available data (March 2021 through February 2026). The analysis emphasizes the recent five-year period to better reflect post-pandemic demographic and migration patterns affecting the greater Big Sky-Bozeman region, rather than relying on longer-term historical averages that may no longer reflect current area conditions. Projections are anchored to the average monthly birth level observed over this five-year window, which helps prevent endpoint values from disproportionately influencing the forecast. The projections are intended to provide a baseline indicator of future regional early childhood demand rather than a precise demographic forecast.

Figure 17 presents actual and projected monthly births, with the shaded region indicating the five-year period used to generate future projections.

Figure 17. Bozeman Health Deaconess Actual and Projected Monthly Births



Source: Bozeman Health Deaconess Regional Medical Center

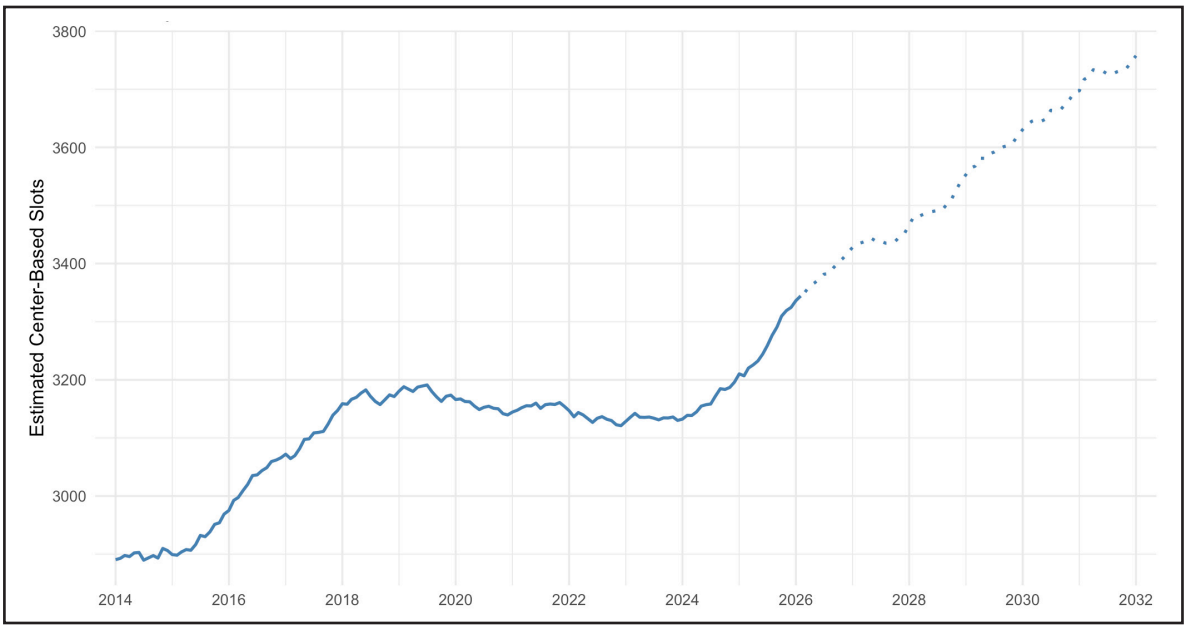
Although monthly birth counts fluctuate over time, both historical and projected trends are increasing and indicate modest continued growth through the projection period. Average projected births exceed 130 per month by January 2032.

Projected births were then translated into broader indicators of potential child care demand using age-specific child care participation rates from the 2023 Early Childhood Program Participation report published by the National Center for Education Statistics (NCES).[9] National participation rates were applied to projected birth-year age cohorts to estimate the number of children likely to utilize center-based care at least once per week. By calculating age-specific childbirth cohorts, the projected center-based child care demand for at least once-per-week care is approximately 5,600 slots by January 2032.

To better bound the range of potential demand, alternative utilization assumptions were modeled using regional survey responses regarding full-time child care participation and weekly care requirements. The approach is similar to that aforementioned, though the alternative assumptions produce a more conservative estimate focused on households requiring more intensive child care coverage rather than at least once-per-week care.

Figure 18 presents estimated regional child care center demand under these assumptions.

Figure 18. Projected Regional Full-Time Child Care Center Demand



Source: Bozeman Health Deaconess Regional Medical Center; BSECA, 2026 Regional Child Care Survey

Under the assumptions used in this analysis, estimated regional child care demand across the greater Big Sky-Bozeman region increases steadily over the projection period, to just over 3,7000 slots. The lower-bound estimate reflects survey-based assumptions focused on households requiring full-time child care coverage, while the upper-bound estimate reflects NCES participation rates measuring children utilizing center-based care at least once per week. Under these alternative utilization assumptions, projected regional child care demand corresponds to a utilization range of approximately 3,700 to 5,600 child care center slots by January 2032. These estimates should be interpreted as indicators of the scale and direction of potential regional child care demand rather than precise future child care slot requirements.

[9] NCES 2023 participation rates are assumed to remain stable over the projection period and are applied as current estimates in the absence of more recent national data.

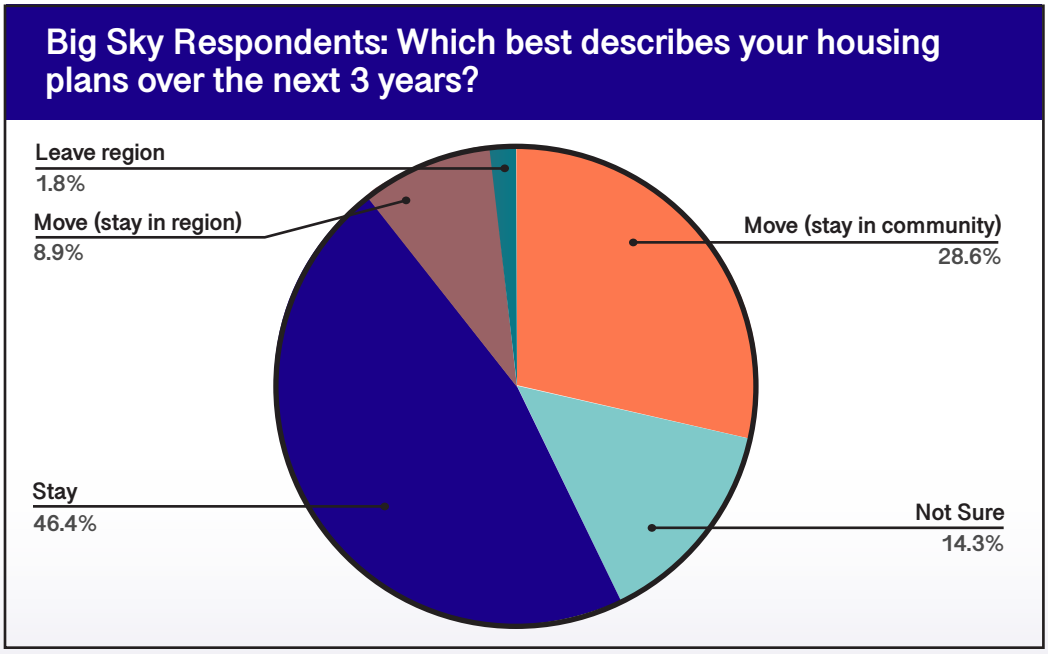
For context, provider capacity data compiled by Kinside in partnership with Greater Gallatin United Way indicated that Gallatin, Park, and Madison Counties collectively had approximately 3,005 child care slots offered by legally operating and state-recognized providers as of May 2026.[10] Under the projection scenarios presented here, estimated future demand would substantially exceed current supply levels, suggesting continued pressure on regional child care capacity across the broader labor market connected to Big Sky.

Several limitations should be considered when interpreting these estimates. The analysis relies primarily on BHD birth records and does not include births occurring through other hospitals, birth centers, or alternative birth services. As a result, the estimates likely understate total regional births and should therefore be interpreted as conservative indicators of future child care demand. In addition, national child care participation rates and survey-based utilization assumptions may not fully capture local child care utilization patterns within the broader Big Sky-Bozeman region. Accordingly, these projections should be interpreted as approximate indicators of regional child care demand associated with the broader labor market rather than precise forecasts of population growth or child care slot needs within Big Sky itself. Combined with the workforce and commuting patterns discussed earlier in this report, the findings indicate sustained pressure on regional child care supply.

Housing Stability and Retention Factors

While regional birth trends indicate continued growth in early childhood demand across the broader Big Sky–Bozeman labor market, household housing stability may influence the extent to which families are able to remain within the Big Sky community over time. Among Big Sky survey respondents, 46.4% indicated plans to remain in their current housing situation over the next three years, while 28.6% reported plans to move within the community and an additional 8.9% planned to move elsewhere within the region. Only a small share of respondents reported plans to leave the region entirely.

Figure 19: Big Sky Respondents: Which best describes your housing plans over the next 3 years?



Source: BSECA. 2026 Regional Child Care Survey. 2026.

Note: n = 56.

Open-ended survey responses indicate that housing-related pressures are the primary factor influencing potential relocation decisions among families in Big Sky. Respondents most frequently cited housing affordability, limited housing availability, home ownership challenges, housing instability, and the need for larger housing options.

[10] Kinside and Greater Gallatin United Way (2026). Licensed and state-recognized child care provider capacity data for Gallatin, Park, and Madison Counties.

Across the broader regional survey, 57% of respondents who indicated plans to move identified housing affordability or availability as the primary reason for relocation.

Secondary factors included proximity to work, child care affordability and availability, and broader community demographic concerns.

This feedback suggests that future child care demand in Big Sky will be influenced not only by population growth and family planning decisions, but also by housing availability and the ability of families to remain in the community over time.

Workforce Impacts of Child Care Constraints

Child care constraints influence workforce outcomes in Big Sky and the surrounding region through their effects on participation, hours worked, and employment reliability. Survey findings indicate that these impacts extend beyond workforce entry and exit decisions to include ongoing reductions in labor availability among employed individuals.

Workforce Participation and Retention

Survey results indicate that child care constraints contribute to measurable labor market disruption across the region. Among respondents with children, 35% reported some form of workforce impact related to child care.[11] These impacts include workforce exits, temporary withdrawals, and reduced hours. Only 5% of households reported a member who remains out of the workforce, while larger shares reported temporary or partial disruption, including individuals who later returned to work (22%) and those who reduced work hours (9%).

These findings indicate that child care constraints more often reduce hours worked or interrupt participation than result in permanent workforce exit. Similar patterns are observed among Big Sky respondents, suggesting consistency across local and regional contexts.

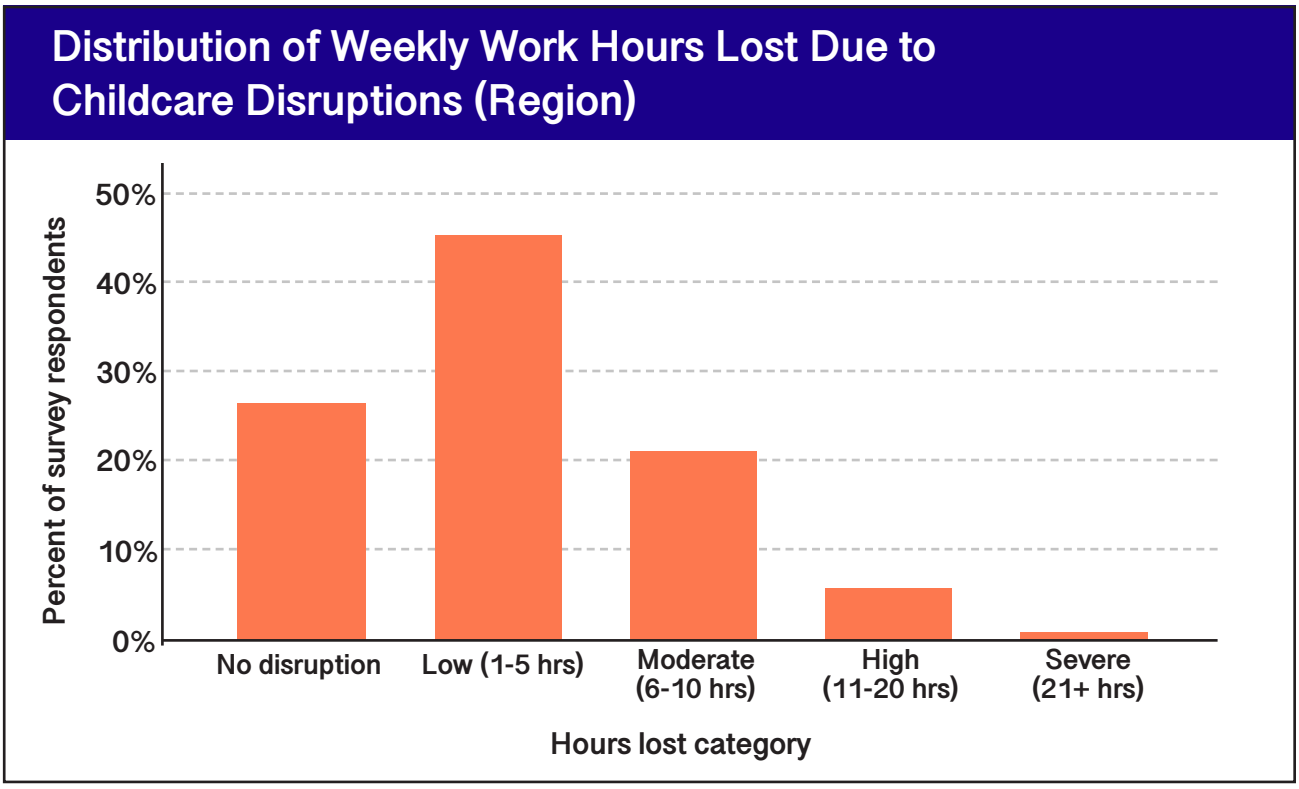
Survey responses also indicate that a portion of workforce non-participation is directly tied to child care availability. Among households with a non-working member, 63% reported that the individual would seek employment immediately if child care were available, with additional respondents indicating a return within the following year. This suggests that a share of the constrained workforce is potentially recoverable in the near term.

Work Stability and Scheduling Constraints

In addition to influencing workforce participation, child care constraints affect the stability and predictability of employment. Most respondents report some level of disruption to work hours due to child care challenges.

[11] n=291

Figure 20. Weekly Work Hours Lost Due to Child Care Disruptions (Regional)



Source: BSECA. 2026 Regional Child Care Survey. 2026.

As shown in Figure 20, most respondents in the region report losing work hours due to child care disruptions, with impacts ranging from minor weekly losses to more substantial reductions in available work time. These disruptions represent an ongoing reduction in available work hours rather than isolated events.

Big Sky results show broadly similar patterns, though interpretation is limited by the smaller sample size, displayed in Table 9.

Table 8. Standard and Non-Standard Child Care Scheduling Needs: Regional vs. Big Sky

Category	Regional	Big Sky
No disruption	26.8%	17.1%
Low (1-5 hrs)	45.4%	45.7%
Moderate	21.3%	34.3%
High	5.8%	2.9%
Severe	0.7%	0.0%

Source: BSECA. 2026 Regional Child Care Survey. 2026.

Scheduling constraints further affect workforce stability. A portion of respondents report difficulty securing child care during non-standard work hours, including early mornings, evenings, and weekends. In these cases, households often rely on informal or less predictable care arrangements, contributing to missed shifts or reduced availability.

Labor Supply Implications

The analysis finds that child care constraints reduce effective labor supply through reduced hours and decreased reliability of available labor. In Big Sky, which is a labor market characterized by high participation rates and low unemployment, these constraints limit workforce capacity not only through headcount, but through reduced hours and less predictable labor availability. These effects are particularly relevant in sectors where consistent staffing and coverage during evenings, weekends, and peak periods are required.

Child care functions as a structural constraint on workforce capacity in Big Sky and the surrounding region, affecting both the level and consistency of labor force participation. The cumulative effect of these disruptions can be illustrated by translating lost work hours into estimated impacts on household earnings.

Child Care Disruptions and Lost Household Labor Value

Reported child care disruptions correspond to a measurable reduction in work hours among households with children. In the 2026 Regional Child Care Survey, respondents were asked to report the average number of work hours lost per week due to child care disruptions. Summing reported responses across households with children yielded approximately 1,286 lost work hours per week. Across survey respondents with children (n = 291), this corresponds to an average of approximately 4.4 lost work hours per household per week.

To estimate the economic value of these disruptions, average hourly wage estimates for Gallatin County from the U.S. Bureau of Labor Statistics were applied to reported lost work hours. Under this approach, 4.4 lost work hours per week corresponds to approximately $145 in lost labor value per household per week.

Although modest on a weekly basis, these disruptions represent a recurring reduction in labor availability associated with child care-related constraints on work participation. Repeated disruptions of this scale may reduce household income stability, limit work availability, and constrain workforce participation over time, particularly for households already facing child care affordability or scheduling challenges.

Annualized across the survey sample, child care-related disruptions correspond to approximately 66,900 work hours lost per year (1,286 hours per week x 52 weeks). Applying the same wage assumptions, this equates to approximately $7,500 in annual lost labor value per household.

These estimates are intended to approximate the economic value of reduced labor input associated with child care disruptions rather than exact realized wage losses for individual households. They do not account for variation in wages across workers, differences in employment type, employer leave policies, or the extent to which lost work hours may be recovered at a later time.

In addition to affecting household earnings and labor participation, reductions in work hours may also have secondary effects on local economic activity. Lower earned income can translate into reduced

consumer spending and, in turn, lower sales and income tax revenues. While these effects are not quantified in this analysis, the findings suggest that child care-related workforce disruptions may have broader implications for workforce stability and local economic activity.

Funding Landscape and Financial Support

Child care affordability and provider sustainability in Big Sky are influenced by a combination of public subsidy programs, local funding initiatives, and community-based support. These programs help offset costs for some households and provide operational support for providers, although affordability and access challenges remain significant across the regional child care system.

Public Funding Programs

- Best Beginnings Child Care Scholarships

The Best Beginnings Child Care Scholarship, administered by the Montana Department of Public Health and Human Services and regionally implemented by Child Care Resources, provides financial assistance to eligible families to help offset a portion of the cost of licensed child care.

Eligibility is generally limited to families with incomes at or below approximately 185% of the federal poverty guidelines, with limited continuation eligibility extending up to 200%. Families are required to contribute a copayment based on income, with contributions capped at 7% of monthly income for those within the eligible range. Scholarship payments are issued directly to providers, with families responsible for any remaining balance.

Recent administrative changes have shifted the program to a fully online application and renewal system. While intended to streamline access, this transition has introduced barriers for some populations, including Spanish-speaking households in Gallatin County.

Reimbursement is structured as a standardized monthly rate rather than reflecting provider-specific tuition. In Gallatin County, reimbursement levels are approximately $1,467 per child for early childhood care and $632.50 for school-age care during the school year, with rates varying by provider type, child age group, and enrollment intensity. However, statewide reimbursement schedules do not fully account for the substantially higher labor, housing, and operating costs associated with markets such as Big Sky.

Payments are issued during the second week of each month, creating cash flow delays for providers. The scholarship operates on a prospective payment basis, meaning that when families change providers mid-month, funding does not immediately transfer. In these cases, families are responsible for covering interim costs.

In Big Sky, elevated local wage levels associated with the high cost of living often place working households above eligibility thresholds despite continued affordability challenges related to child care costs.

While the Best Beginnings Scholarship provides critical support for lower-income households, its eligibility thresholds and structure constrain its effectiveness in high-cost, high-growth communities such as Big Sky.

- Montana Early Childhood Account (MECA)

The Montana Early Childhood Account (MECA), established through House Bill 924 by the Montana Legislature in 2025, is a statewide funding initiative to support early care and education. The program is administered by the Montana Department of Public Health and Human Services and overseen by a 10-member board.[12]

MECA provides funding across five primary categories:

- Provider support, including workforce training and wage stipends
- Quality improvement
- Affordability supports
- Innovation
- Emergency assistance, such as disaster relief for child care facilities

Early funding priorities identified by the board include workforce development, program quality initiatives, and targeted support for providers. These include proposals to address recruitment and retention challenges, expand training opportunities (including for special needs care), and provide small-scale technology grants to support provider operations and access to online training.

The program is intended to address workforce capacity, program quality, and affordability. By supporting both providers and families, MECA is designed to strengthen and expand access to care. The account is funded through a dedicated trust, with ongoing growth projected through annual interest earnings.

While implementation is ongoing, MECA represents a broader funding approach that may complement existing programs such as the Best Beginnings Child Care Scholarship, particularly in addressing provider sustainability and affordability gaps. Its impact on communities, such as Big Sky, will depend on how funds are allocated and whether local cost conditions are reflected in funding decisions.

- Federal Employer Child Care Tax Credit (Section 45F)

Federal tax policy may also support employer participation in child care solutions. Section 45F of the Internal Revenue Code provides a tax credit to businesses that invest in child care for their employees. Recent expansions increased the maximum annual credit to $500,000, or $600,000 for qualifying small businesses, covering approximately 40% to 50% of eligible expenses.[13]

Employers may participate through multiple models, including on-site child care facilities, partnerships with existing providers, or contracts with third-party intermediaries. Despite these incentives, utilization of the credit has historically remained limited.

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[12] Montana Department of Public Health and Human Services (n.d.). Montana Early Childhood Account (MECA). https://dphhs.mt.gov/boardscouncils/MontanaEarlyChildhoodAccount/

[13] Greater Gallatin United Way (January 2026). Employer Child Care Tax Credit and State Incentive Summary. https://greatergallatinunitedway.sharepoint.com/:x:/g/IQDFhPIMwLPET7domTC_5UsSAbvAyf7FB_Ulp_8LWU4UcyE?rtime=GGS_oA213kg

Applicability in communities such as Big Sky may also be constrained by program structure and eligibility requirements, including provisions requiring employers to directly support their own workforce. Because many child care providers in Big Sky operate independently while serving a broader regional labor market, it remains unclear how effectively the credit can support existing child care arrangements under current federal guidance.

Local Funding and Community Support

Local organizations and funding sources play a critical role in sustaining child care services.

Wellness in Action (WIA) is a local nonprofit organization in Big Sky that provides need-based scholarships to support participation in youth programs, including camps, recreation, and other extracurricular activities. Scholarship funds are paid directly to program providers, helping reduce out-of-pocket costs for participating families.

WIA plays a supplemental role in the local child care and youth program landscape by expanding access to part-time, seasonal, and enrichment-based care options. However, these programs do not provide full-time, year-round child care and therefore do not fully address the needs of working families.

While programs such as WIA help reduce participation barriers for some households, available scholarship funding remains limited relative to the overall cost of care in Big Sky and does not fully offset broader affordability challenges within the child care system.

Greater Gallatin United Way kidsLINK Programs

Greater Gallatin United Way provides tuition assistance for its kidsLINK afterschool and summer programs to help maintain affordability for participating families. Assistance is generally scaled based on household income and related financial factors, with tuition support ranging from approximately 25% to 100% of program costs. The program also offers reduced tuition rates for staff members, school district employees, and employees of any nonprofit.

kidsLINK programs primarily support afterschool and seasonal care needs rather than full-time early childhood care. However, these programs help address gaps in care availability and provide additional flexibility and affordability support for working families in the region.

Big Sky Discovery Academy

Big Sky Discovery Academy is an early childhood care provider and Montessori school that relies on a combination of tuition revenue, Resort Tax funding, philanthropy, community foundations, fundraising, and individual donations to support operations and offset educational costs for families. Because Discovery Academy does not receive direct state funding, community-based financial support plays an important role in sustaining programming and expanding access for participating households.

Discovery administers a tuition assistance program intended to support broader access to its educational programs and foster a more inclusive learning environment. Families apply for assistance through a third-party review platform that evaluates applications using standardized financial criteria

to help ensure equitable distribution of available funds.

According to Discovery Academy, approximately 49% of enrolled students received some form of tuition assistance during the 2025–2026 school year, totaling nearly $300,000 in support. These programs help reduce financial barriers for participating families, although tuition assistance availability remains dependent on continued fundraising and community support.

Morningstar Learning Center

Morningstar Learning Center (MLC) is a year-round early childhood education provider that relies on a combination of tuition revenue, community support, Resort Tax funding, philanthropy, and fundraising to support operations and offset child care costs for families. MLC relies heavily on community-based funding sources to support operations.

MLC administers a need-based Tuition Assistance Program (TAP) intended to reduce household child care costs relative to income. Under the program, participating families may receive tuition reductions designed to limit child care expenditures to approximately 7–10% of household income. Applications are evaluated annually through a third-party review platform using standardized financial criteria. According to MLC, approximately 85% of enrolled families received some level of tuition assistance during the 2025–2026 school year, totaling more than $330,000 in support. MLC also reported increased enrollment intensity among participating households following implementation of the program, suggesting that financial assistance may improve access to more consistent child care utilization within the community.

Resort Tax Contributions

Big Sky Resort Area District (BSRAD) directs Resort Tax dollars towards projects and services that reflect community priorities and long-term goals. These commitments include community grants, interlocal agreements, special initiatives, and debt service. In FY2026, through the Early Childhood Student Tuition Assistance Program, BSRAD awarded $200,000 to Big Sky Discovery Academy and $850,000 to Morningstar Learning Center.

Financial Assistance and Child Care Affordability

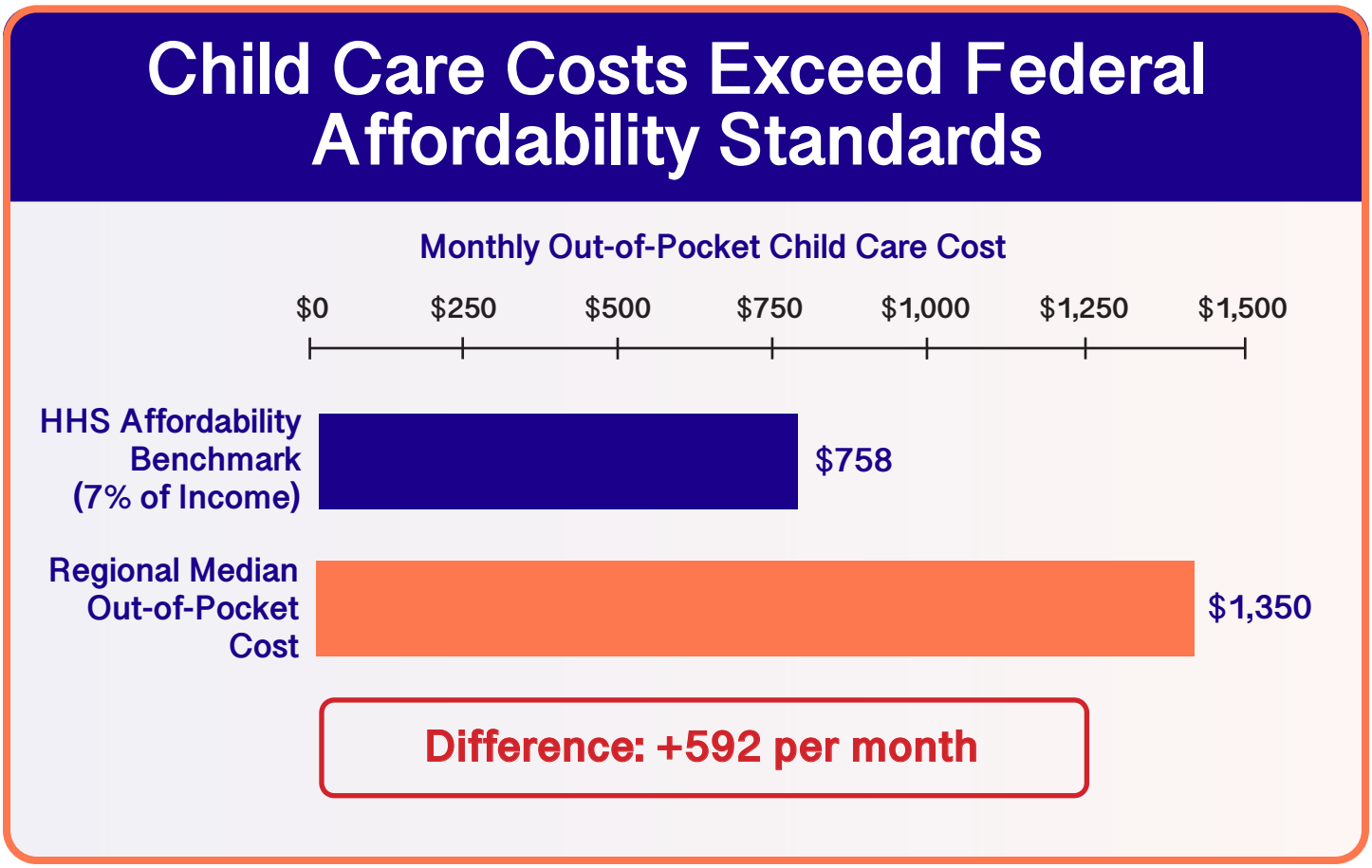
Financial assistance programs reduce child care costs for some families but do not fully eliminate affordability pressures. Across the regional survey, 12% of households with children reported receiving some form of financial assistance for child care. Among households receiving assistance, the median monthly subsidy was approximately $1,000.

While these figures provide insight into the scale of financial assistance received by participating households, affordability conditions can also be evaluated across the broader regional child care market. To provide this context, median out-of-pocket child care costs reported by all survey respondents were compared with federal affordability benchmarks.

Among households reporting child care costs, excluding after-school programs, the median monthly out-of-pocket cost was approximately $1,350, or roughly $16,200 annually. Relative to the median household income reported across the full regional survey sample (approximately $130,000), this annual cost represents approximately 12.5% of household income.

For context, the U.S. Department of Health and Human Services considers child care affordable when families spend no more than 7% of household income on care. At this income level, that threshold corresponds to approximately $758 per month in out-of-pocket costs. Current median costs exceed this benchmark by roughly $592 per month (Figure 21).

Figure 21. Child Care Costs Exceed Federal Affordability Standards



Source: BSECA. 2026 Regional Child Care Survey. 2026; U.S. Department of Health and Human Services (HHS).

These comparisons indicate that while subsidies reduce financial burden for participating households, many families continue to face child care costs above commonly used affordability standards. Among survey respondents receiving financial assistance, the median household income was approximately $110,000. This suggests that affordability pressures extend beyond lower-income households and affect moderate- and middle-income families within the regional child care market. The higher rate of subsidy participation among Big Sky respondents further suggests that affordability pressures may be particularly pronounced within the local child care market.

These findings suggest that existing financial assistance programs help reduce child care expenses for participating households, but affordability challenges remain widespread across the regional child care market.

Conclusion

This report finds that child care demand in Big Sky and the surrounding region remains high, particularly for infant, toddler, and preschool-age care requiring full-time coverage. At the same time, providers continue to face staffing and financial constraints that limit the amount of care they are able to provide, even where licensed capacity exists.

The analysis also shows that child care constraints affect workforce participation and work stability. Survey respondents reported reducing work hours, temporarily leaving the workforce, and experiencing recurring work disruptions tied to child care availability and scheduling challenges. These effects occur within a labor market that already relies heavily on in-commuting workers and operates with very low unemployment.

Provider financial analysis indicates that the cost of delivering care, particularly infant and toddler care, often exceeds the revenue providers can consistently generate through tuition and existing funding sources. Staffing shortages, housing constraints, and recruitment challenges further limit providers' ability to fully utilize or expand capacity.

The findings of this report suggest that child care constraints in Big Sky reflect broader structural conditions within the regional labor market and cost environment rather than a shortage of licensed capacity alone. Although child care supply has expanded since the 2023 Big Sky Child Care Report, workforce availability, affordability pressures, and provider sustainability continue to limit the effective supply of care available to working families.



Source: Nic YC, Upsplash, 2020.

Appendix A: BSECA 2026 Regional Child Care Survey Instrument

Overview

The following survey was administered as part of the 2026 Big Sky Community Child Care Study. The purpose of this survey was to gather information on household demographics, employment, child care usage, costs, and future needs.

Responses were collected anonymously and are reported only in aggregate form. Contact information, when voluntarily provided, was stored separately from survey responses.
The survey was designed to inform community decision-making and support the development of solutions to improve child care access and workforce stability in Big Sky.

Survey Instructions

- Please complete **one survey per household**
- All responses are **confidential and anonymous**
- Questions marked with an asterisk (*) were required

Section 1: Household Information

- What is your home zip code? *
- Are you a full-time resident of this community? *
- What is your primary work zip code? *
- (If remote, unemployed, or stay-at-home, enter your home zip code)
- What is your annual household income? *
- How many adults (age 18+) live in your household? *

Section 2: Employment Status (Adults)

(Respondents were routed based on number of adults in household)

For each adult (up to 4):

- What is this adult's employment status? *
  - Full-time
  - Part-time
  - Self-employed
  - Unemployed
  - Other (please specify)

Section 3: Current Child Care Arrangements

- How many children (ages 0–12) are in your household?
- How many are currently in paid child care?

For children in paid care:

- What types of care arrangements are used? * (select all that apply)
- At what age did your youngest child start paid care? *

Financial support:

- Do you receive child care financial assistance? *
- If no, have you ever applied? *

Section 4: Cost of Child Care

- Total monthly cost charged by providers (before assistance) *
- Total monthly financial assistance received *
- Total monthly out-of-pocket cost *

Section 5: Child Care Needs & Workforce Impacts

- Age of youngest child *
- Weekly hours of care needed *
- Work hours lost due to child care disruptions *
- Has a household member left the workforce due to child care issues? *
- If care were available, how soon would they return to work? *
- Typical work schedule *
- Reliability of care during non-standard hours *

Section 6: Future Planning

- Housing plans over the next 3 years *
- Primary reason for potential relocation *
- Plans to have or adopt children in the next 2–3 years *

Section 7: Employer Information

- Are you an employer or business owner? *
- Do you provide child care assistance to employees? *
- Approximate monthly contribution per employee/child
- Interest in future child care partnerships (email optional)

Section 8: Additional Comments

- Open-ended response:

"Please share any additional comments or information you would like us to know."

Notes on Survey Design

- The survey included conditional branching logic based on household composition and employment status
- Cost questions were structured to distinguish between:
  - Total cost (market rate)
  - Assistance received
  - Net household burden
- Employer-related questions were included to assess private-sector partnership potential

