



The Impact of Childcare on Business and the Workforce

JUNE 2021



Annually, it is estimated Pennsylvania suffers \$3.47 billion impact due to childcare issues.¹ This figure represents losses in direct employer costs and tax revenue correlated with employee turnover and absences. The COVID-19 pandemic exacerbated childcare challenges for many working families. In spring 2021, the Pennsylvania Chamber of Business and Industry, Pennsylvania Early Learning Investment Commission, and the Center for Rural Pennsylvania conducted a survey to understand the additional impact that COVID-19 had on businesses and their working families.

PURPOSE

01

Identify the extent to which employers are meeting the childcare needs of their employees.

02

Determine how employers responded to employee childcare needs during the pandemic.

03

Identify areas of opportunity to better address employee childcare needs.

¹U.S. Chamber of Commerce Foundation (2020). Untapped Potential in PA: How Childcare Impacts Pennsylvania's Economy

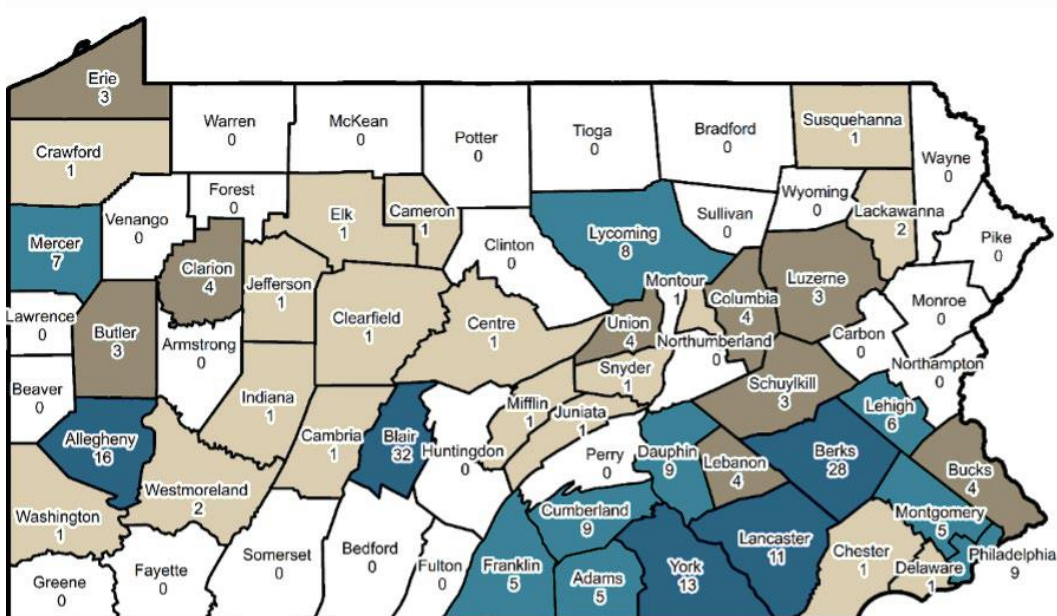
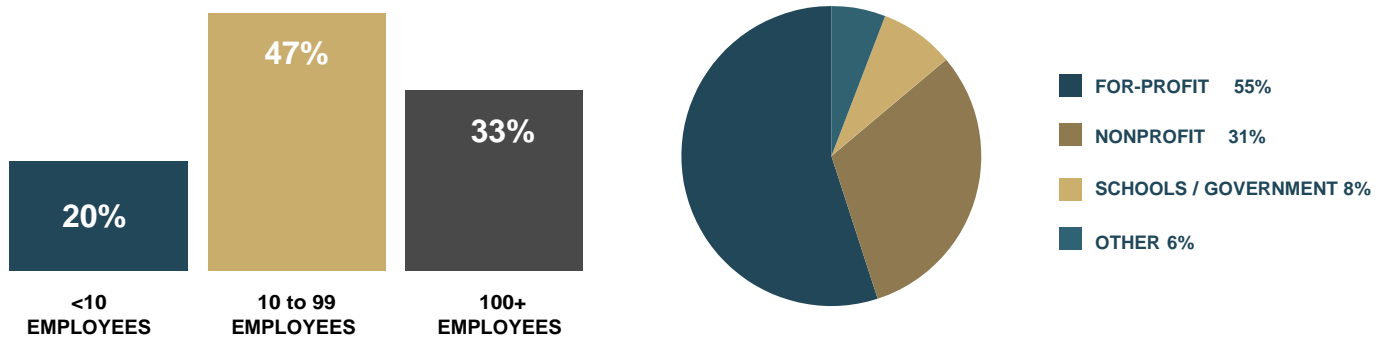
SUMMARY

- Most employers indicated their employees have a moderate-to-high childcare need (38 percent).
- Most employers do not have a formal way to gauge the childcare needs of their employees (75 percent).
- One of the more significant reasons why employers believe they lost employees during the pandemic was childcare (54 percent).
- Most employers offered some childcare supports during the pandemic. However, the majority are planning to end or are unsure if they will continue childcare supports after the pandemic ends (58 percent).
- Most employers are unaware of the variety of resources available to help them with childcare issues (70 percent).
- There is strong interest among employers to explore ways to help working families with childcare needs (66 percent).

METHODOLOGY

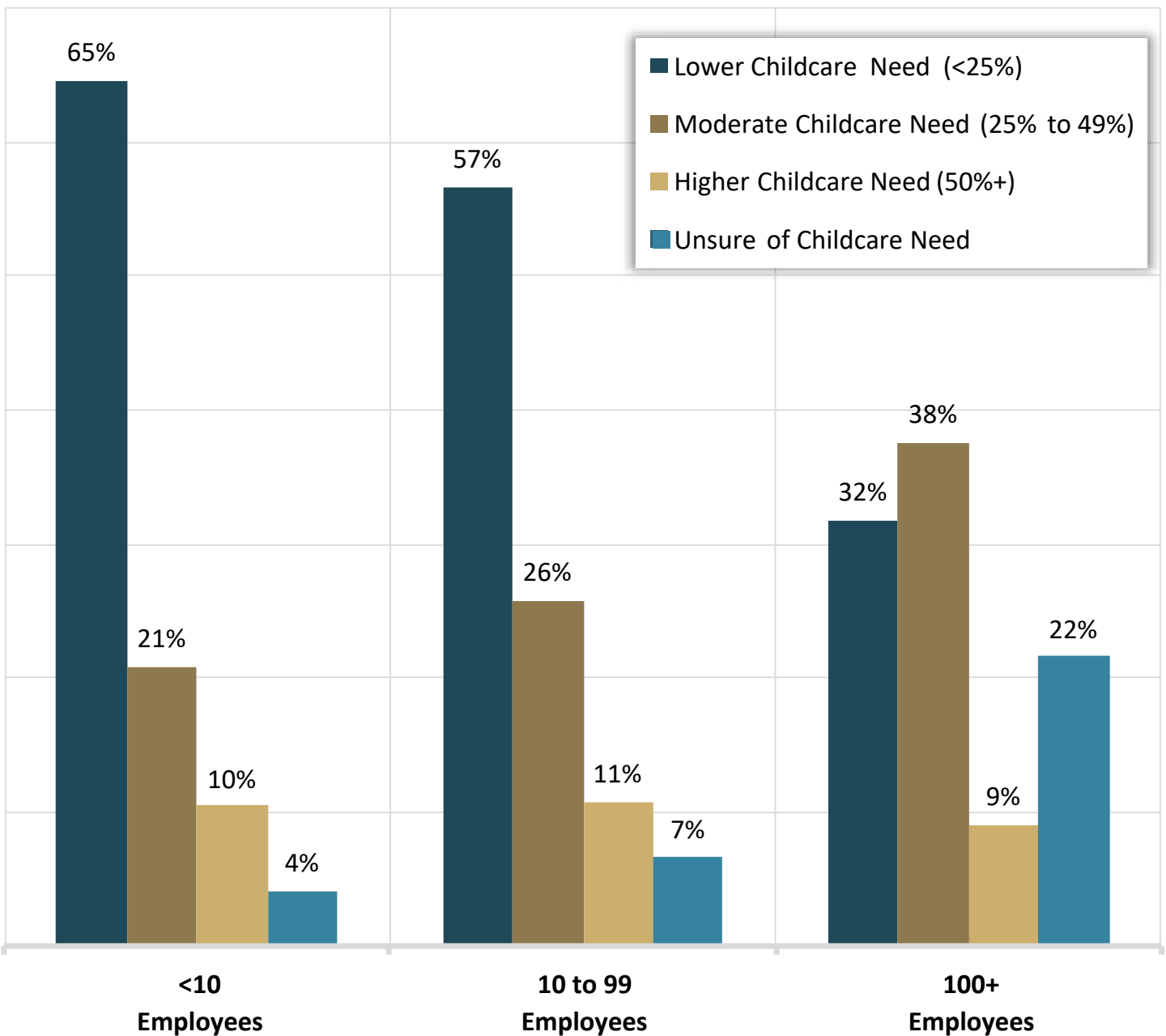
- Survey was jointly developed by the PA Chamber of Business and Industry, Pennsylvania Early Learning Investment Commission, and the Center for Rural Pennsylvania.
- Online survey was sent to employers across the state in March 2021.
- 284 employers responded by April 28, 2021.

PROFILE OF RESPONDENTS

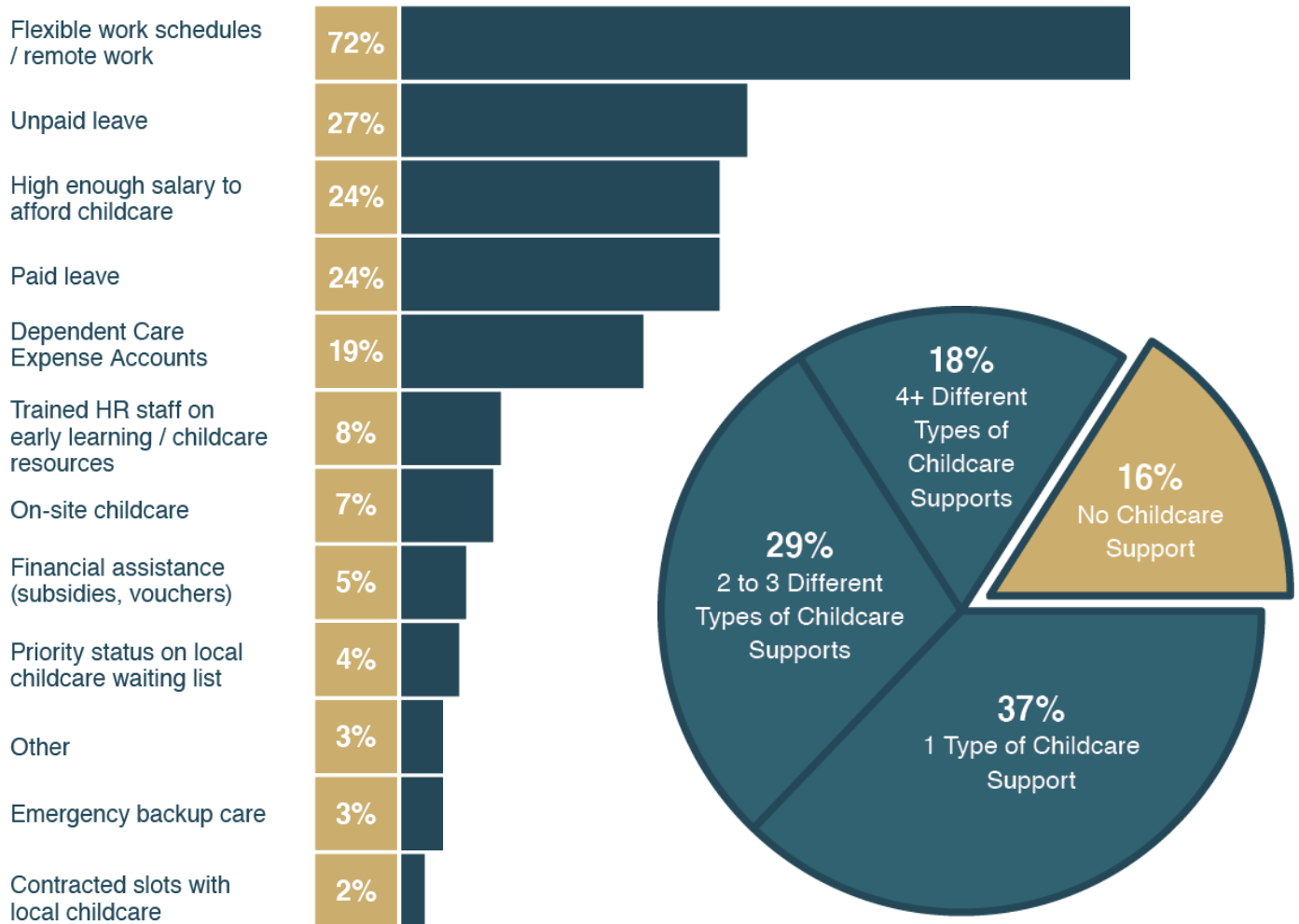


EMPLOYEE CHILDCARE NEEDS

- An average of 10 percent of employers have a high percentage of employees (50%+) needing childcare services.
- This rate is fairly consistent across business sizes.
- The smaller the employers, the more likely they are to be aware of their employees' childcare needs.



TYPES OF CHILDCARE SUPPORT CURRENTLY BEING USED BY EMPLOYERS



AMONG EMPLOYERS WHO PROVIDE NO CHILDCARE SUPPORT:

REASONS WHY: (Total does not equal 100% due to multiple responses (n=133))

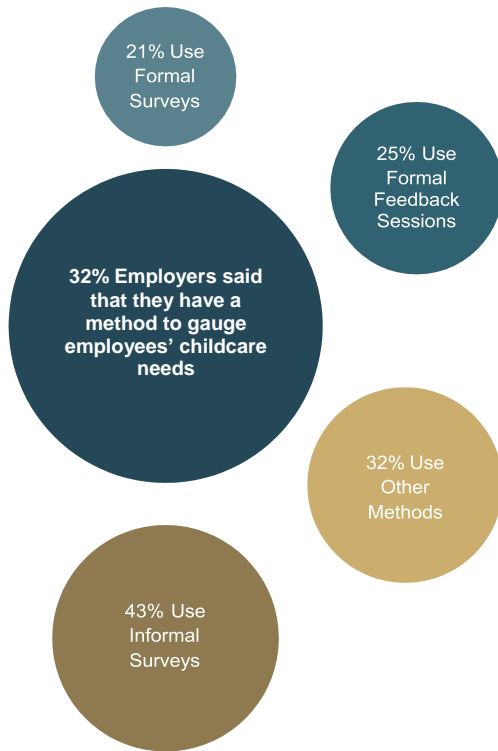
46%
Lack resources

21%
Not an employee need

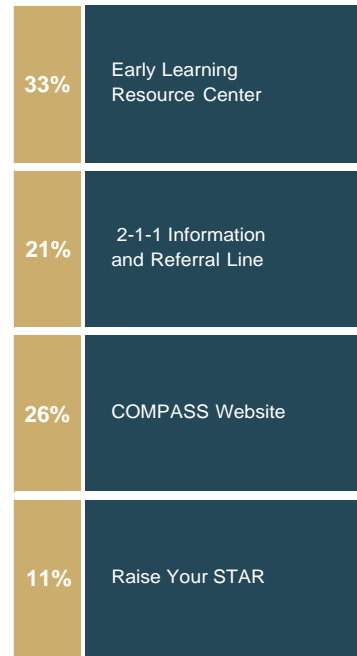
20%
Lack job flexibility

29%
Are unsure of their options to support working families

HOW EMPLOYERS IDENTIFY CHILDCARE NEEDS & PROGRAMS



Percent of Employers Who Have Used the Following Resources During the Past 12 months:



Method to gauge childcare needs (n=229);
Type of method used to gauge need (n=73)

PANDEMIC IMPACT ON SURVEY RESPONDENTS

44%

Were subject to government shutdown

53%

Had a decrease in profitability in the last 12 months

44%

Lost employees as a result of the effects of COVID-19

Of employers who lost employees

54%

did so because of childcare concerns

52%

Said the pandemic had a significant impact on working women in their organization

MEETING EMPLOYEE CHILDCARE NEEDS DURING THE PANDEMIC

CHILDCARE SUPPORTS EMPLOYERS IMPLEMENTED AS A RESULT OF THE PANDEMIC

*Beyond government requirements

72%

Flexible Work Schedules
and/or Remote Work

21%

Paid Leave*

17%

Unpaid Leave*

12%

High Enough Salary to
Afford Childcare

10%

Dependent Care Expense
Account

DO YOU ANTICIPATE KEEPING THE ADDITIONAL CHILDCARE SUPPORTS AFTER THE PANDEMIC IS OVER?

41%

Yes

35%

Unsure

24%

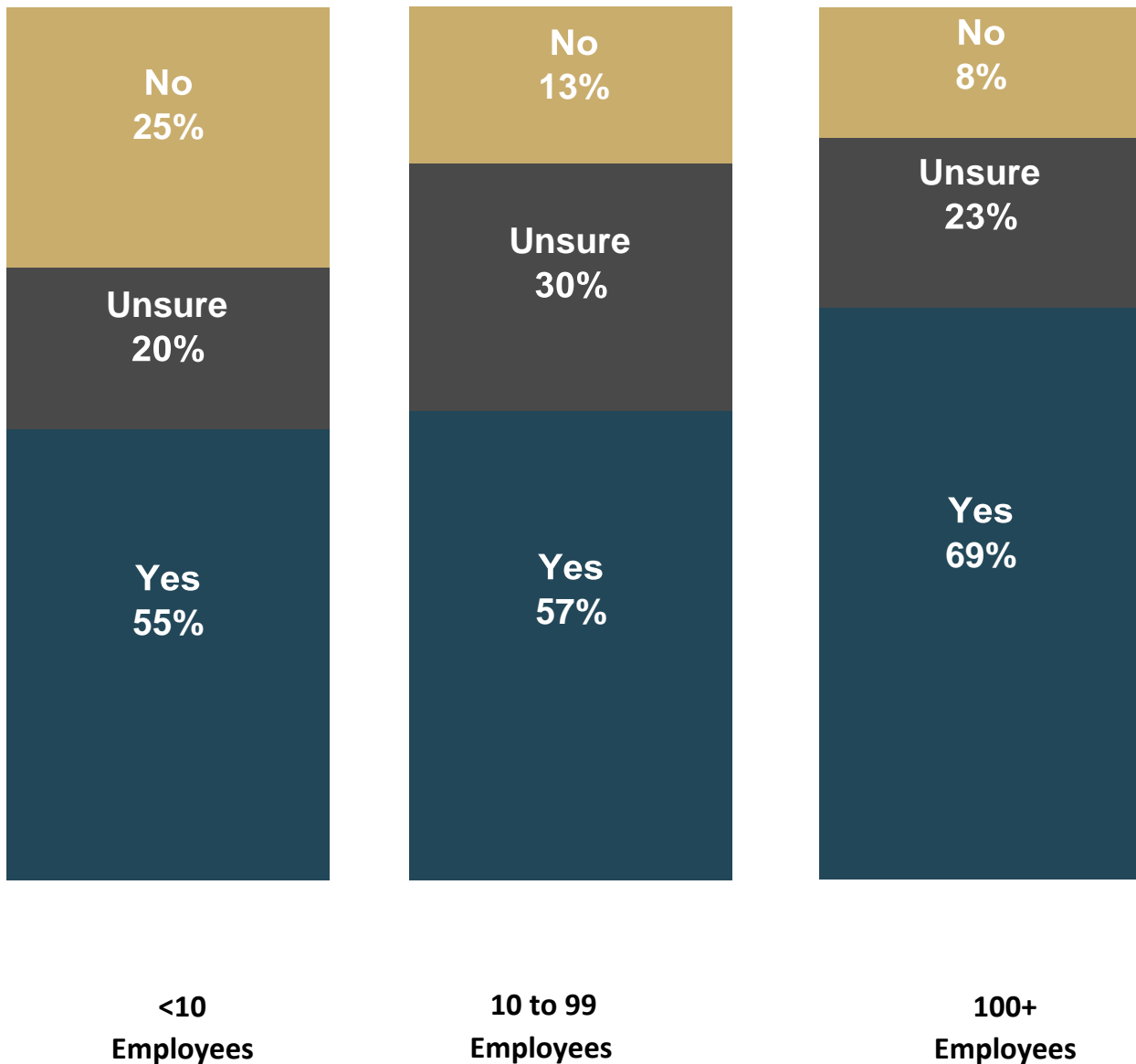
No

- Larger employers provided more childcare supports than smaller employers.
- 21% of Employers provided no childcare supports.

Total number of respondents for childcare support during the pandemic = 258. Total does not equal 100% due to multiple responses. Total number of respondents for continuing childcare supports after the pandemic = 229. Excluded are "other" responses.

MAJORITY OF EMPLOYERS ARE INTERESTED IN SUPPORTING WORKING FAMILIES AND CHILDCARE

Are you interested in exploring additional ways to support working families and childcare? (N=224)



TOP FIVE REASONS WHY EMPLOYERS WERE INTERESTED IN EXPLORING WAYS TO SUPPORT WORKING FAMILIES AND CHILDCARE

83%

Retain a strong workforce & reduce turnover

79%

Improve workforce morale & engagement

68%

Attract new employees

67%

Increase productivity & reduce absenteeism

67%

Increase family friendly reputation & competitive advantage

(Total does not equal 100% due to multiple responses, n=138)

TOP FIVE REASONS WHY EMPLOYERS WOULD NOT BE INTERESTED IN EXPLORING WAYS TO SUPPORT WORKING FAMILIES AND CHILDCARE

44%

Not enough employee need

35%

Concerns about financial resources

24%

Concerns about staff resources

23%

Unsure of all options and how to move forward

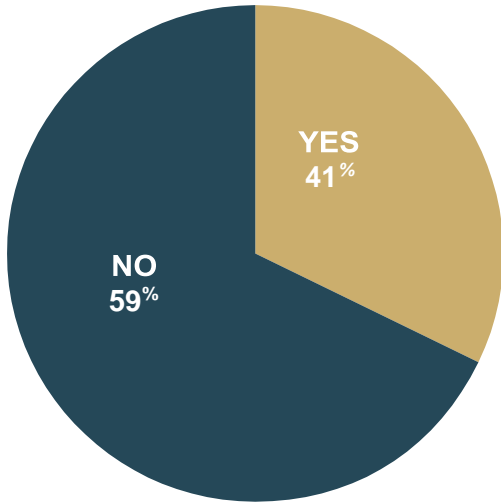
14%

Other reasons

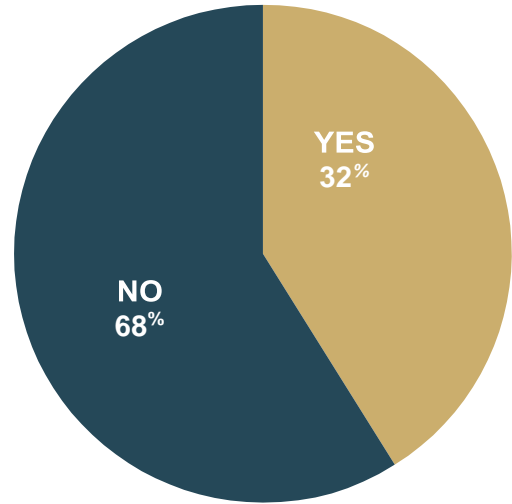
(Total does not equal 100% due to multiple responses, n=111)

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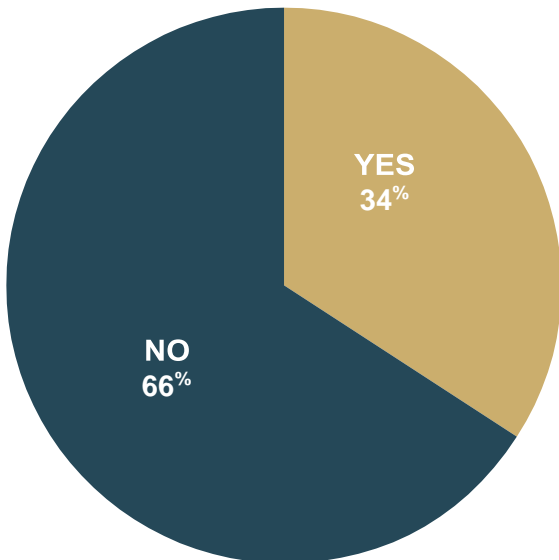
FAMILIARITY WITH CHILDCARE INFORMATION RESOURCES



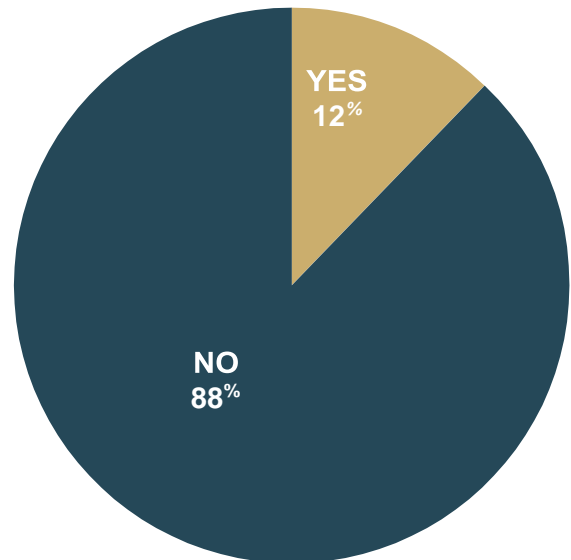
Familiar with Early Learning Resource Center (ELRC)? (n=200)



Familiar with 2-1-1 Information and Referral Line? (n=199)



Familiar with COMPASS Website? (n=200)



Familiar with Raise Your Star Website? (n=196)

WAYS IN WHICH BUSINESSES PARTICIPATE IN SUPPORT FOR QUALITY CHILDCARE AND EARLY EDUCATION

31%

Participate in community education
and awareness efforts

20%

Involved in United Way's early
childhood initiative

20%

Donate to an early childhood
program or programs

19%

Individual outreach to legislators

15%

Participate in Pre-K for PA, Start
Strong for PA, and/or Childhood
Begins at Home advocacy
campaigns

13%

Participate in a shared services
model to support local childcare
providers

12%

Member of the PA Early
Learning Investment
Commission

11%

Provide in-kind support to a
childcare provider

10%

Contribute to Pre-K EITC
scholarships

(Total does not equal 100% due to multiple responses, n=138)

DISCUSSION:

Despite a small sample size, survey responses indicate that many Pennsylvania employers have a workforce with childcare needs that were heightened during the pandemic; particularly for women. While some employers have long aided their working families through childcare supports and expanded these efforts during the pandemic, for others, childcare support is a new and perhaps temporary strategy. The reported childcare support strategies are consistent with national findings that demonstrate a wide range of options businesses can offer to their working families with young children.²

As businesses are becoming more aware of the barriers that insufficient or unreliable childcare can be to their stability, growth, and profitability; there are strong opportunities to help businesses better understand:

- **their employees' childcare needs,**
- **the range of childcare support options, including low and no-cost options,**
- **existing childcare resources, and**
- **the early learning system.**

Quality childcare is a two-generation workforce issue, essential for parents to work and a critical foundation of early learning and development for young children. An increased interest and need from businesses to support their working families through childcare may have scaffolding outcomes.

For businesses: improved recruitment, retention, productivity, reputation, and a promise of a strong workforce pipeline.

For parents: increased job opportunities, advancement, and peace of mind.

For children: safe, nurturing, engaging care and learning, and enhanced school readiness. For the economy: Potential cost-savings of billions of dollars.

²U.S. Chamber Foundation (August 2020), Piecing Together Solutions: Employers, Childcare, & Returning to Work in COVID-19