



# The Impact of Childcare on Business and the Workforce

JUNE 2021



Annually, it is estimated Pennsylvania suffers an estimated \$3.47 billion impact due to childcare issues.<sup>1</sup> 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.

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

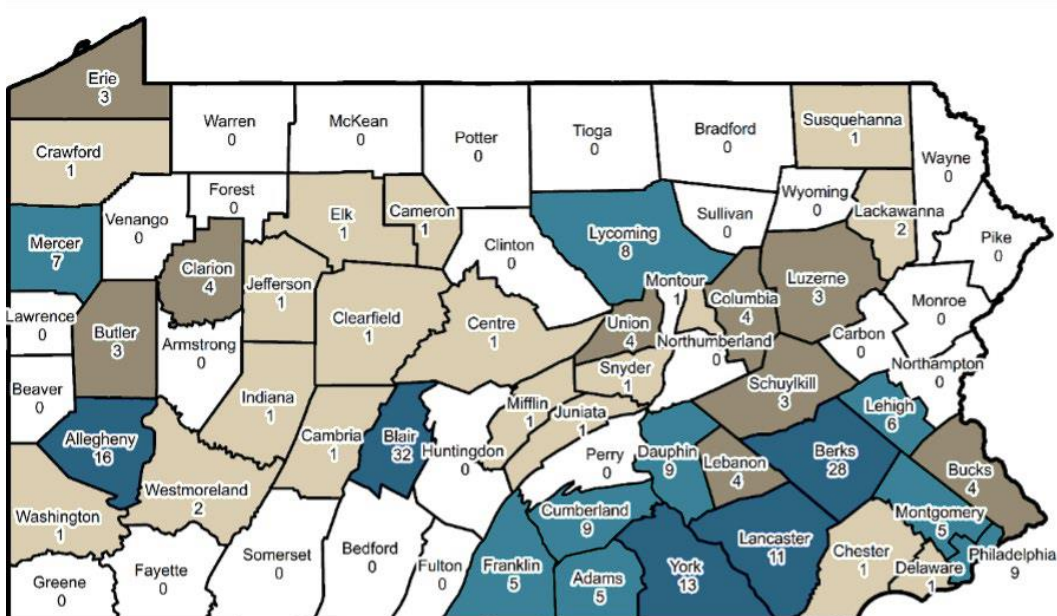
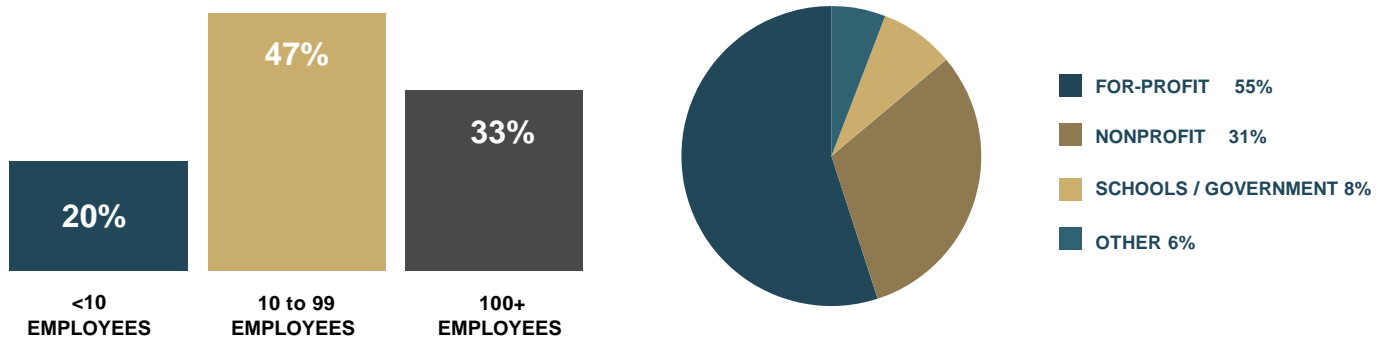
## SUMMARY

- Many employers indicated that 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).
- Many 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

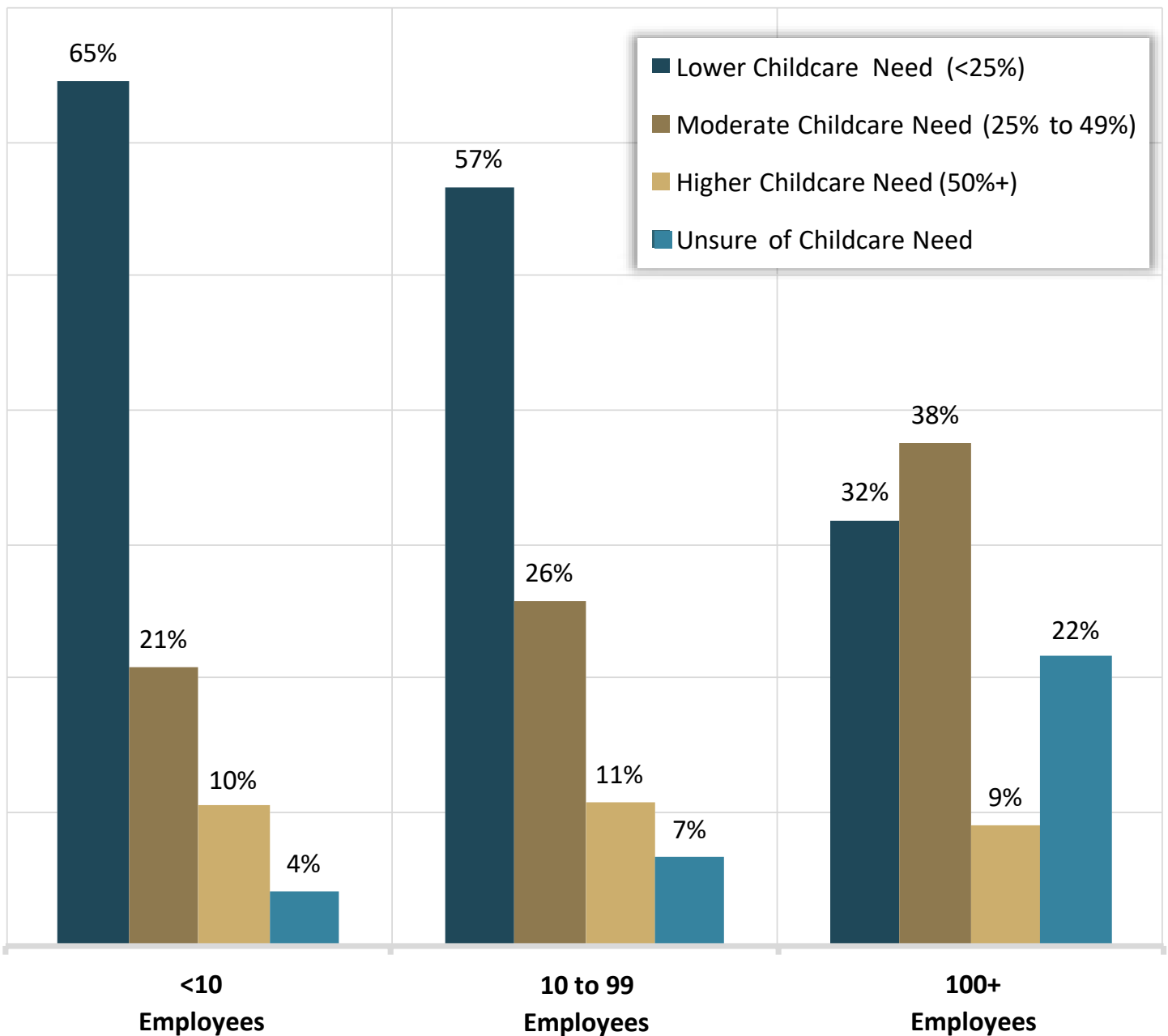
- Survey was jointly developed by the PA Chamber of Business and Industry, Pennsylvania Early Learning Investment Commission, and the Center for Rural Pennsylvania.
- Online survey was sent to employers across the state in March 2021.
- 284 employers responded by April 28, 2021.

## PROFILE OF RESPONDENTS

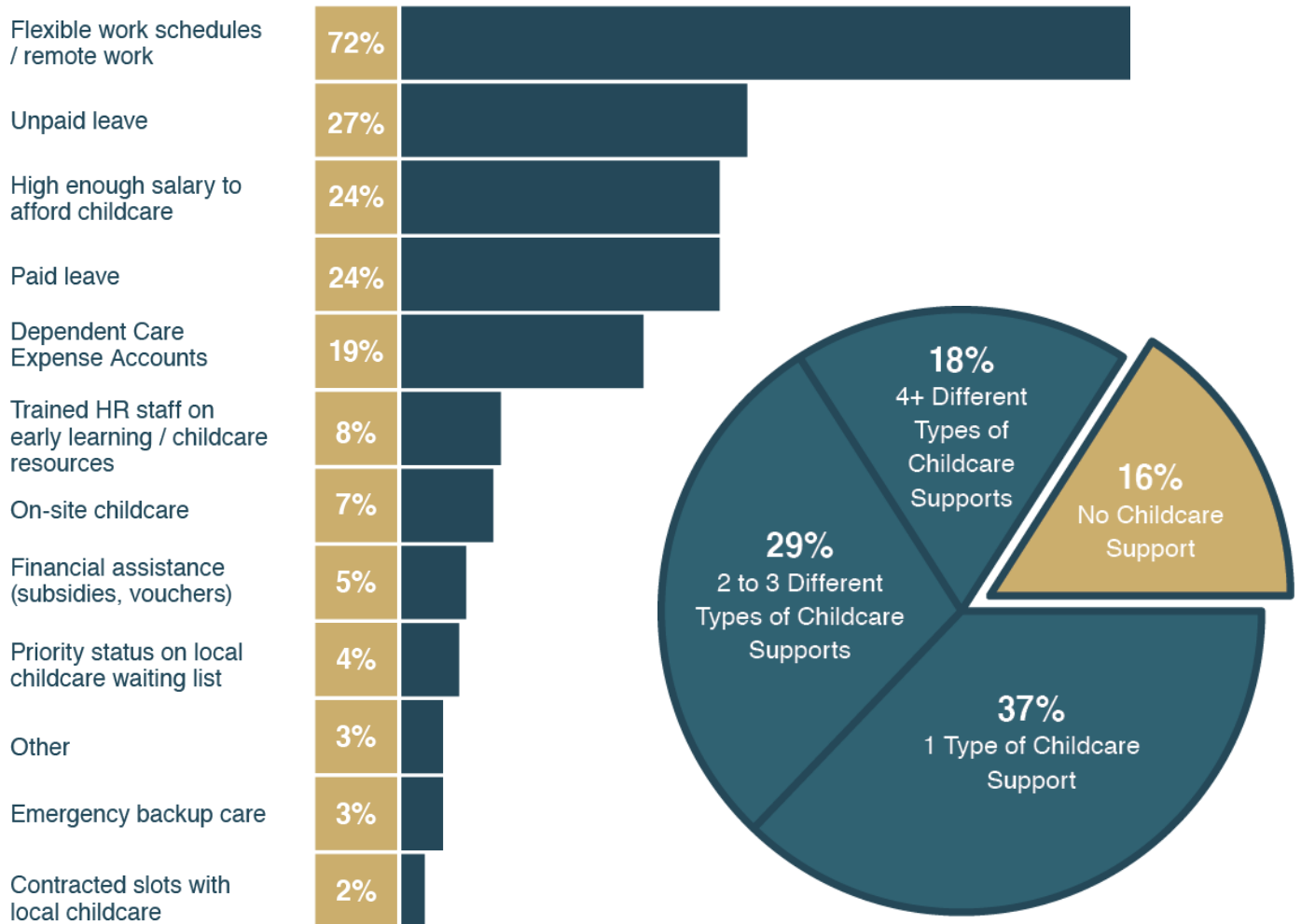


## EMPLOYEE CHILDCARE NEEDS

- 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))

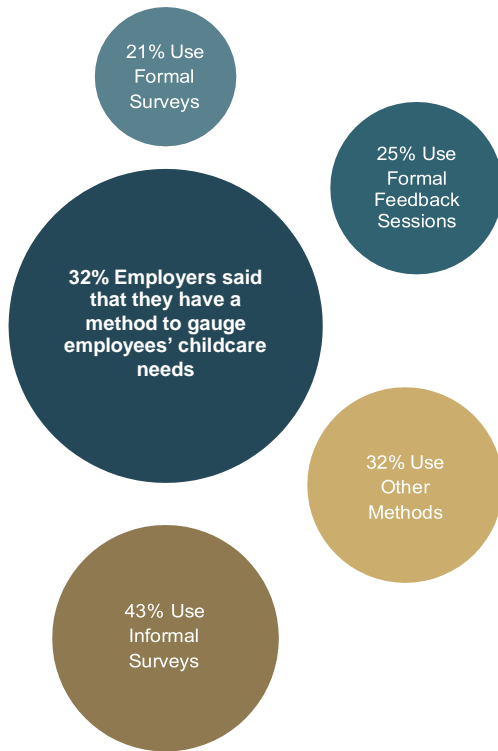
**46%**  
Lack resources

**21%**  
Not an employee need

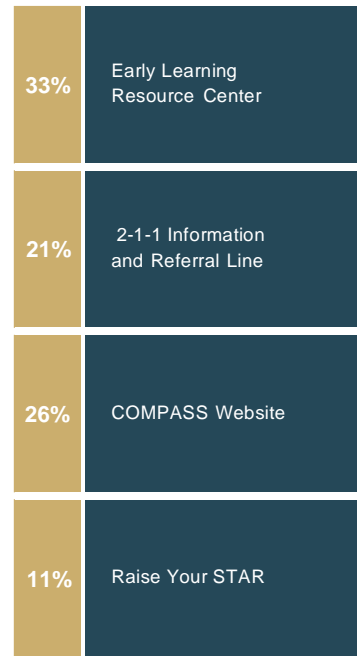
**20%**  
Lack job flexibility

**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

**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

### TOP 5 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

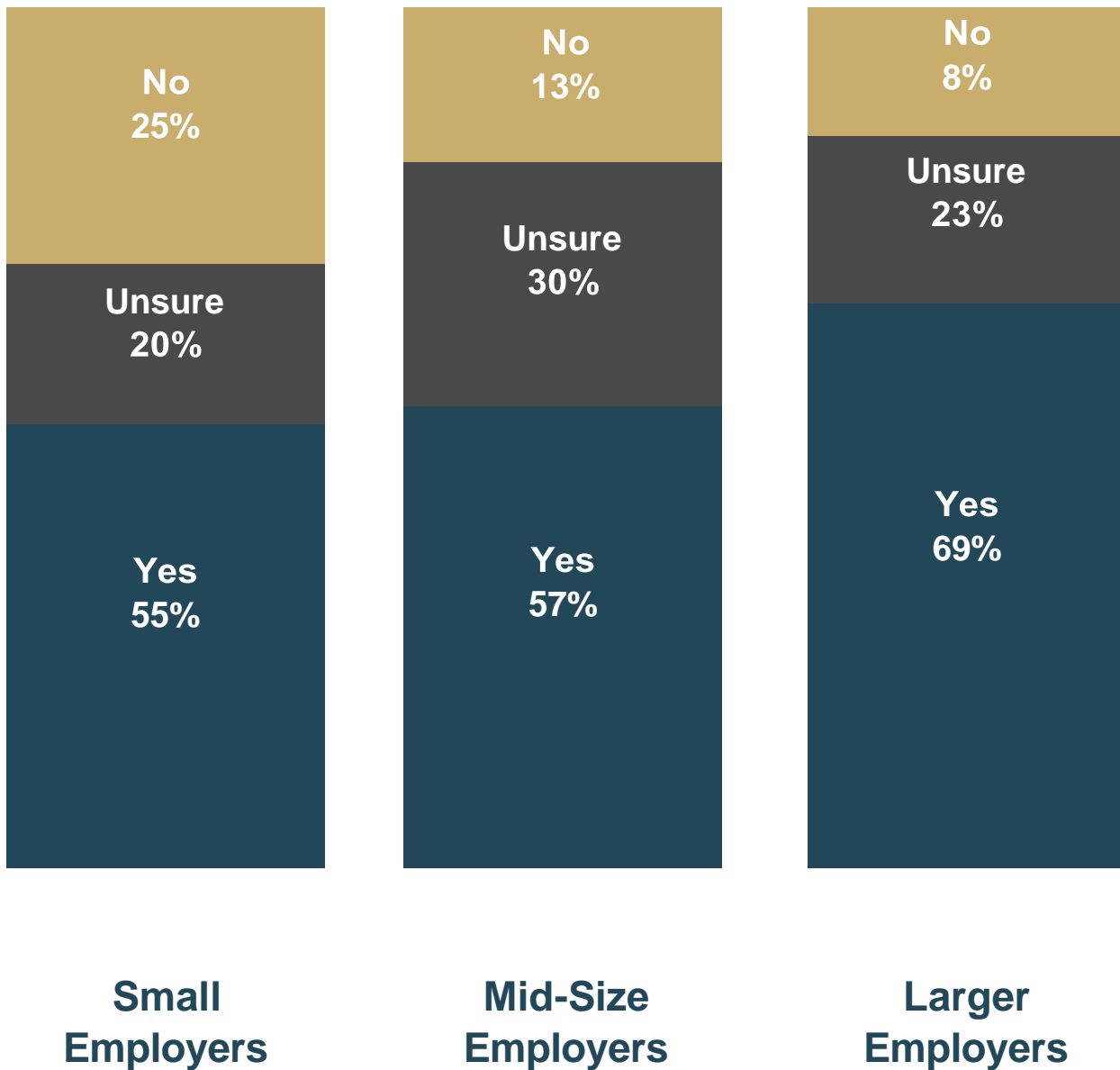
**24%**

No

- Larger employers provided more childcare supports than smaller employers.
- 21% 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)

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## TOP FIVE REASONS WHY EMPLOYERS WERE 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

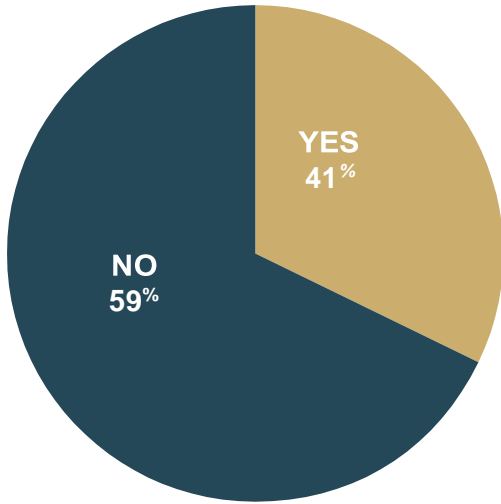
**14%**

Other Reasons

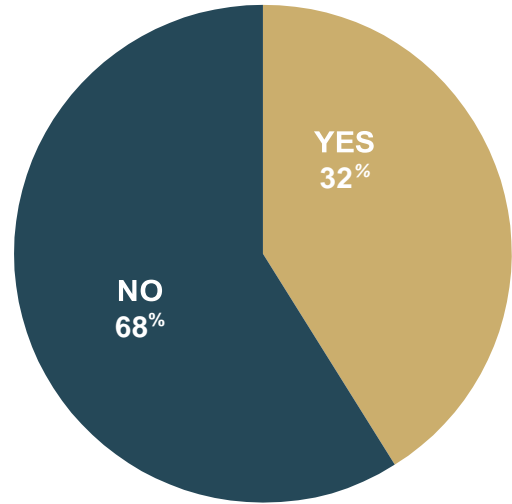
(Total does not equal 100% due to multiple responses, n=111)

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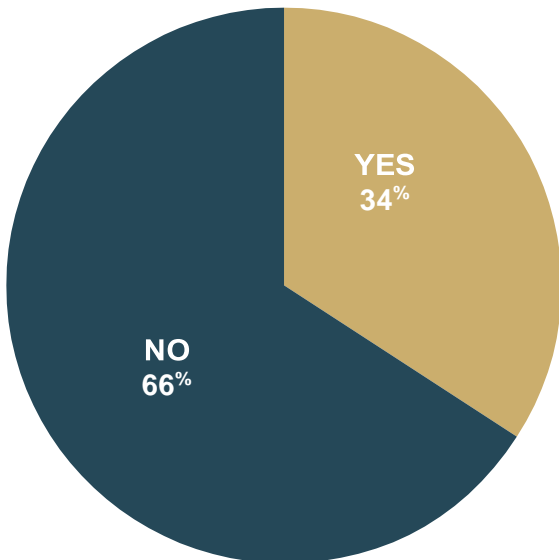
## FAMILIARITY WITH CHILD CARE INFORMATION RESOURCES



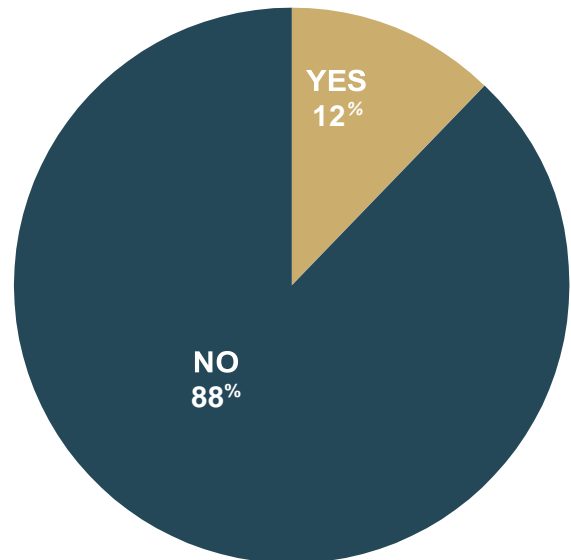
Familiar with Early Learning Resource Center (ELRC)? (n=200)



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 EARLY CHILDCARE AND 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 supported 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.<sup>2</sup>

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. And for the economy, potential cost-savings of billions of dollars.

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