Annually, it is estimated Pennsylvania suffers an estimated $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.

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

- FOR-PROFIT 55%
- NONPROFIT 31%
- SCHOOLS / GOVERNMENT 8%
- OTHER 6%

- 20% <10 EMPLOYEES
- 47% 10 to 99 EMPLOYEES
- 33% 100+ EMPLOYEES

Number of Single County Respondents = 215
Number of Multiple County Respondents = 69

No Single County Respondents 5 to 9 Single County Respondents
1 to 2 Single County Respondents 10+ Single County Respondents
3 to 4 Single County Respondents

The Impact of Childcare on Business and the Workforce | Data and maps/survey was created by the Center of Rural Pennsylvania
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

- Flexible work schedules / remote work: 72%
- Unpaid leave: 27%
- High enough salary to afford childcare: 24%
- Paid leave: 24%
- Dependent Care Expense Accounts: 19%
- Trained HR staff on early learning / childcare resources: 8%
- On-site childcare: 7%
- Financial assistance (subsidies, vouchers): 5%
- Priority status on local childcare waiting list: 4%
- Other: 3%
- Emergency backup care: 3%
- Contracted slots with local childcare: 2%

Among employers who provide no childcare support:

- 46% Lack resources
- 21% Not an employee need
- 20% Lack job flexibility
- 29% Are unsure of their options to support working families

(16% No Childcare Support)

(29% 2 to 3 Different Types of Childcare Supports)

(18% 4+ Different Types of Childcare Supports)
HOW EMPLOYERS IDENTIFY CHILDCARE NEEDS & PROGRAMS

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

- 33% Early Learning Resource Center
- 21% 2-1-1 Information and Referral Line
- 26% COMPASS Website
- 11% Raise Your STAR

32% Employers said that they have a method to gauge employees’ childcare needs

25% Use Formal Feedback Sessions

32% Use Other Methods

43% Use Informal Surveys

21% Use Formal Surveys

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

TOP 5 CHILDCARE SUPPORTS EMPLOYERS IMPLEMENTED AS A RESULT OF THE PANDEMIC

<table>
<thead>
<tr>
<th>Support</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible Work Schedules and/or Remote Work</td>
<td>72%</td>
</tr>
<tr>
<td>Paid Leave*</td>
<td>21%</td>
</tr>
<tr>
<td>Unpaid Leave*</td>
<td>17%</td>
</tr>
<tr>
<td>High Enough Salary to Afford Childcare</td>
<td>12%</td>
</tr>
<tr>
<td>Dependent Care Expense Account</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Beyond government requirements

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

<table>
<thead>
<tr>
<th>Anticipation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41%</td>
</tr>
<tr>
<td>Unsure</td>
<td>35%</td>
</tr>
<tr>
<td>No</td>
<td>24%</td>
</tr>
</tbody>
</table>

- 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)

- **Small Employers**
  - Yes: 55%
  - No: 25%
  - Unsure: 20%

- **Mid-Size Employers**
  - Yes: 57%
  - No: 13%
  - Unsure: 30%

- **Larger Employers**
  - Yes: 69%
  - No: 8%
  - Unsure: 23%
### TOP FIVE REASONS WHY EMPLOYERS WERE INTERESTED IN EXPLORING
WAYS TO SUPPORT WORKING FAMILIES AND CHILDCARE

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>83%</td>
<td>Retain a strong workforce &amp; reduce turnover</td>
</tr>
<tr>
<td>79%</td>
<td>Improve workforce morale &amp; engagement</td>
</tr>
<tr>
<td>68%</td>
<td>Attract new employees</td>
</tr>
<tr>
<td>67%</td>
<td>Increase productivity &amp; reduce absenteeism</td>
</tr>
<tr>
<td>67%</td>
<td>Increase family friendly reputation &amp; competitive advantage</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>Not enough employee need</td>
</tr>
<tr>
<td>35%</td>
<td>Concerns about financial resources</td>
</tr>
<tr>
<td>24%</td>
<td>Concerns about staff resources</td>
</tr>
<tr>
<td>23%</td>
<td>Unsure of all options and how to move forward</td>
</tr>
<tr>
<td>14%</td>
<td>Other Reasons</td>
</tr>
</tbody>
</table>

(Total does not equal 100% due to multiple responses, n=111)
FAMILIARITY WITH CHILD CARE INFORMATION RESOURCES

Familiar with Early Learning Resource Center (ELRC)? (n=200)
- YES 41%
- NO 59%

Familiar with 2-1-1 Information and Referral Line? (n=199)
- YES 32%
- NO 68%

Familiar with COMPASS Website? (n=200)
- YES 34%
- NO 66%

Familiar with Raise Your Star Website? (n=196)
- YES 12%
- NO 88%
WAYS IN WHICH BUSINESSES PARTICIPATE IN SUPPORT FOR EARLY CHILDCARE AND EDUCATION

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>Participate in community education and awareness efforts</td>
</tr>
<tr>
<td>20%</td>
<td>Involved in United Way’s early childhood initiative</td>
</tr>
<tr>
<td>20%</td>
<td>Donate to an early childhood program or programs</td>
</tr>
<tr>
<td>19%</td>
<td>Individual outreach to legislators</td>
</tr>
<tr>
<td>15%</td>
<td>Participate in Pre-K for PA, Start Strong for PA, and/or Childhood Begins at Home advocacy campaigns</td>
</tr>
<tr>
<td>13%</td>
<td>Participate in a shared services model to support local childcare providers</td>
</tr>
<tr>
<td>12%</td>
<td>Member of the PA Early Learning Investment Commission</td>
</tr>
<tr>
<td>11%</td>
<td>Provide in-kind support to a childcare provider</td>
</tr>
<tr>
<td>10%</td>
<td>Contribute to Pre-K EITC scholarships</td>
</tr>
</tbody>
</table>

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