

EMPLOYING AND ENGAGING FAMILIES WITH YOUNG CHILDREN

FEBRUARY 2024

PURPOSE

- ▶ Collect information on the impact of child care issues on Pennsylvania businesses and the workforce.
- ▶ Identify the extent to which employers are meeting the child care needs of their workforce.
- ▶ Identify areas of opportunities and strategies to better address child care needs of employees.
- ▶ Determine employer interest and motivation to engage in site-specific, local, and statewide child care solutions.
- ▶ Reference findings from “The Impact of Child Care on Business and the Workforce,” (2021) to help inform current discussion and recommendations.



Pennsylvania's workforce includes over one million working parents with children under six years old. A critical component of our economy, parents with young children are employees, customers, clients, and consumers.

A lack of affordable, quality child care impacts employers on multiple levels. These survey results will help the PA Chamber and the PA Early Learning Investment Commission identify strategies to elevate the business case for child care and guide innovative and strategic solutions.



SUMMARY

- Most employers indicated they have **moderate or significant recruitment and retention issues** due to child care. (81 percent)
- The majority of businesses said it is **extremely or very important to help employees** meet child care needs. (69 percent)
- **Nearly half of employers do not track information** or have a formal way to gauge the child care needs of their employees. (45 percent)
- Employers say **lack of affordability is the main reason employees struggle** with child care. (71 percent)
- **Most employers offer some child care supports** to include:
 - flexible schedules, (64 percent),
 - extended paid/unpaid family leave, (56 percent),
 - and child care information and referrals. (50 percent)
- **Most employers are unaware of or haven't used tools** to address employees' child care needs. (64 percent)

IMPACT OF CHILD CARE ON EMPLOYERS

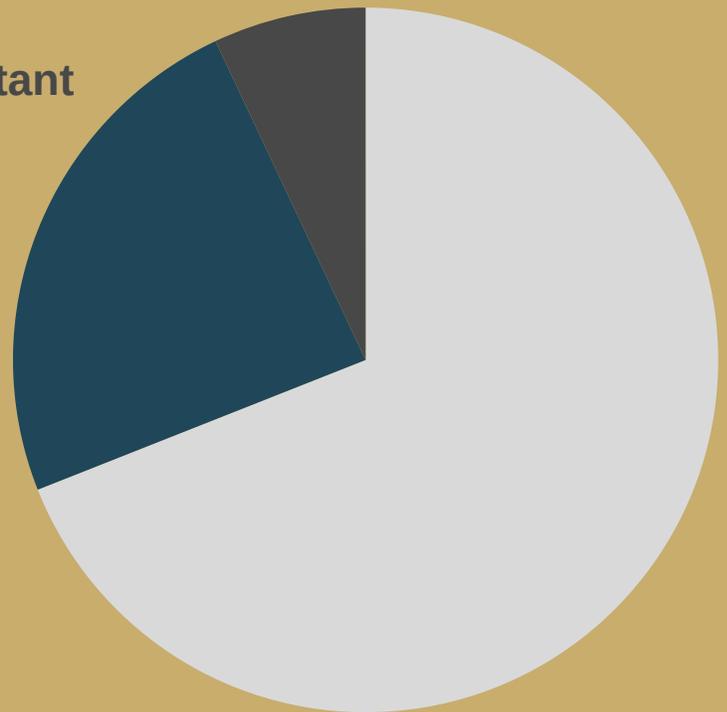


81%

Percent of employers that said they were having significant or moderate recruitment and retention issues due to child care.

The Majority of Businesses said it is Important to Help Employees Meet Child Care Needs

- 69% said Extremely or Very Important
- 24% said Somewhat Important
- 7% said Not Important

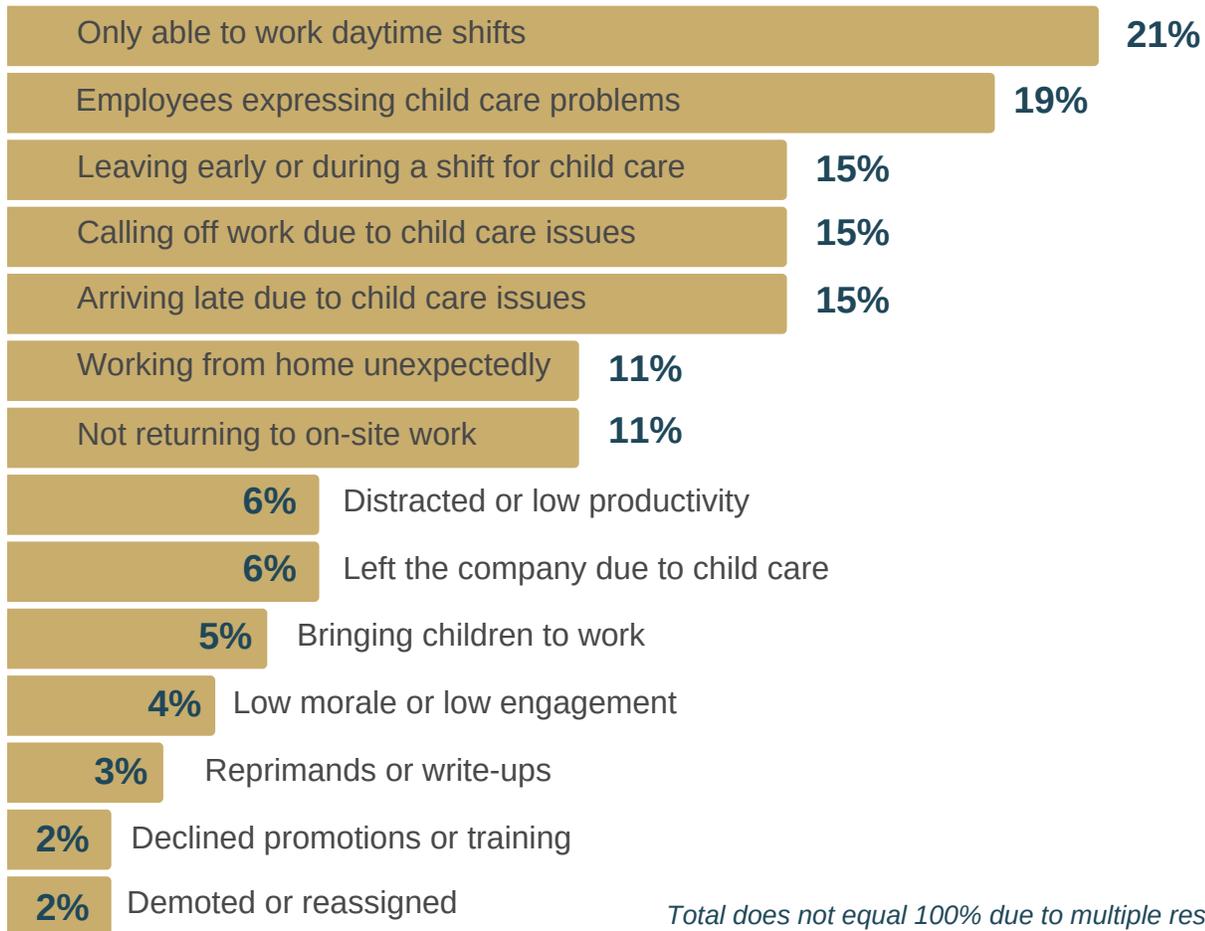




EMPLOYEE CHILD CARE NEEDS

According to Pennsylvania employers, how have child care issues affected employees?

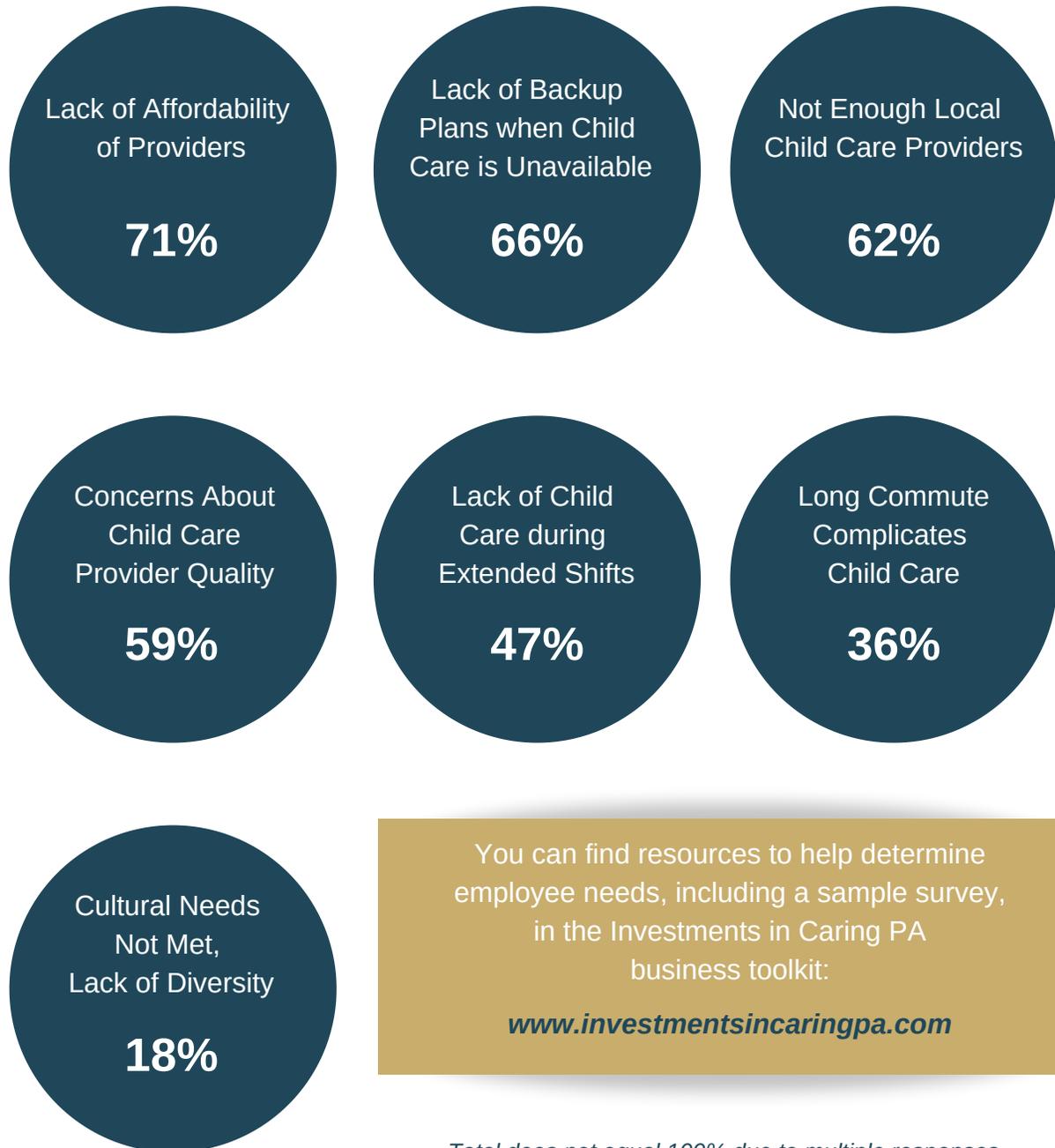
Percent of employers that said the following issues occur frequently:



Total does not equal 100% due to multiple responses.

WHAT ARE EMPLOYEES TELLING EMPLOYERS ABOUT THEIR CHILD CARE NEEDS?

Percent of employers that said the following issues were reported sometimes or frequently:



You can find resources to help determine employee needs, including a sample survey, in the Investments in Caring PA business toolkit:
www.investmentsincaringpa.com

Total does not equal 100% due to multiple responses.

TYPES OF CHILD CARE SUPPORTS CURRENTLY BEING USED BY PENNSYLVANIA EMPLOYERS

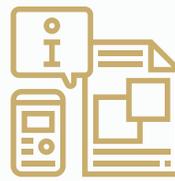
Percent of businesses that are currently offering the following services:



Flexible Schedule or Shifts (64%)



Extended Family Leave Paid/Unpaid (56%)



Child care Information and Referral (50%)



Dependent Care Expense Account (33%)



On-site or Near-site Child Care (16%)



Financial Assistance Subsidy/Voucher (14%)



Priority Status on Waiting List (13%)



Emergency Backup Child Care (8%)

8% of businesses said they currently **do not provide** any child care support.

19% said they provide one type of support.

39% said they provide 2 to 3 types of child care supports.

34% said they provide 4 or more types of child care supports for their employees.

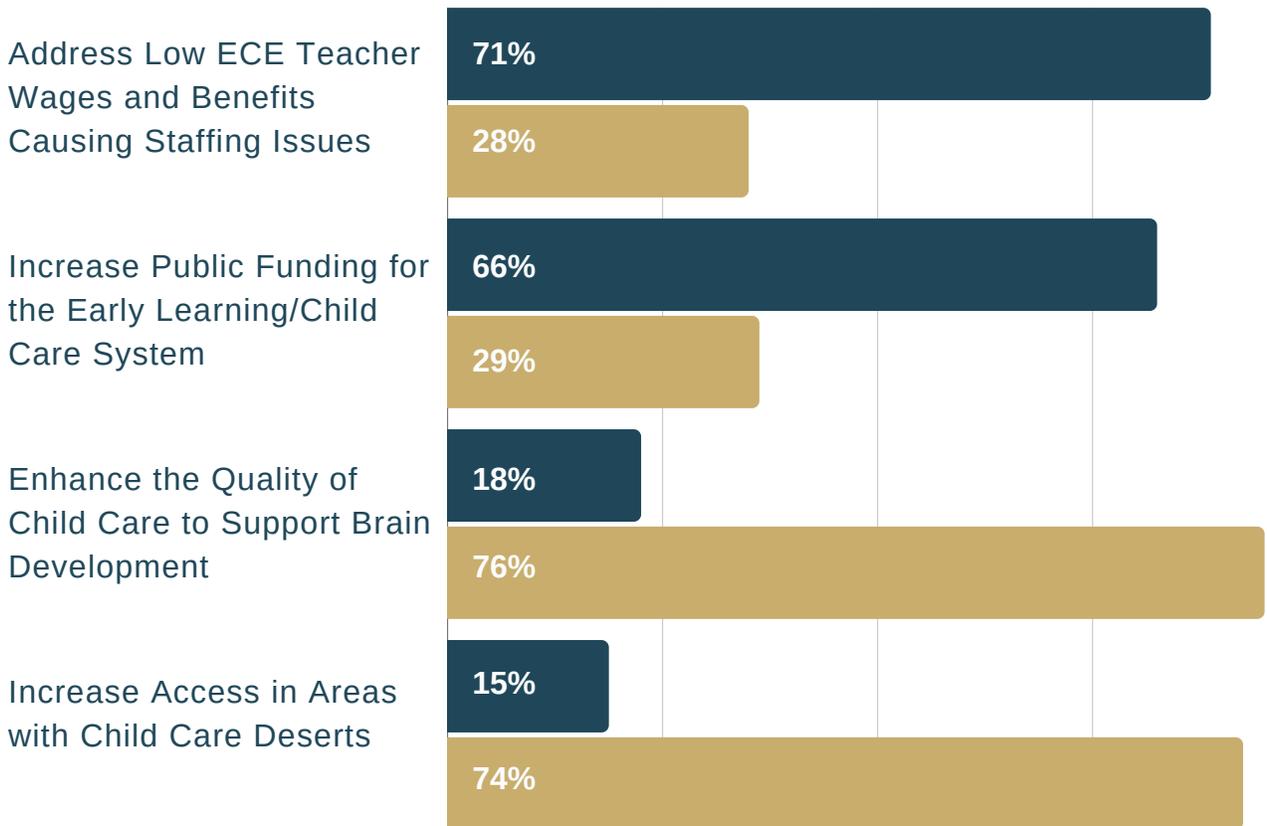
Total does not equal 100% due to multiple responses.



POLICIES TO ADDRESS CHILD CARE ISSUES

Pennsylvania employers rank their preferences on policies to address child care concerns.

- HIGHEST RANKING
- MIDDLE RANKING



FAMILIARITY WITH CHILD CARE INFORMATION RESOURCES

Most employers say they are unaware of or haven't used tools available to them to address their employees' child care needs:

Investments in Caring PA website

Unfamiliar / Never Used	81%
Somewhat / Very Helpful	15%
Unhelpful	4%

PA State Govt. Early Learning Resource Centers

Unfamiliar / Never Used	62%
Somewhat / Very Helpful	34%
Unhelpful	4%

RasieYourStar.org

Unfamiliar / Never Used	80%
Somewhat / Very Helpful	16%
Unhelpful	4%

COMPASS website

Unfamiliar / Never Used	56%
Somewhat / Very Helpful	37%
Unhelpful	7%

211 Information

Unfamiliar / Never Used	70%
Somewhat / Very Helpful	24%
Unhelpful	6%

EAP or Other Professional Service

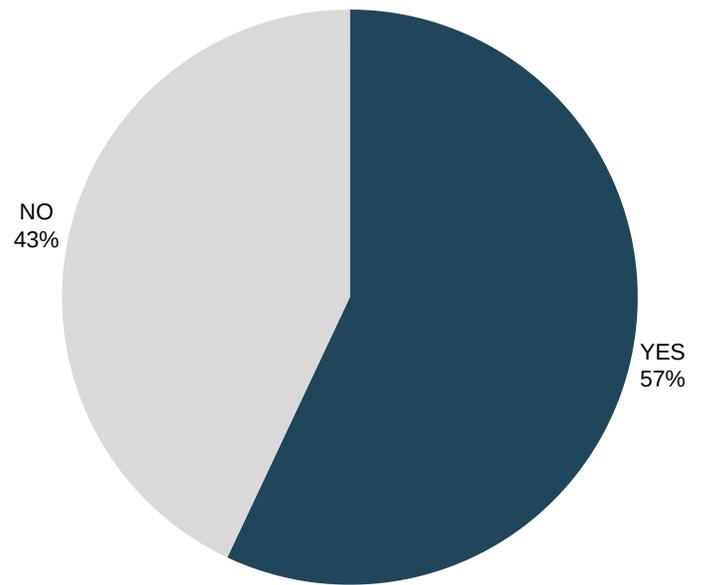
Unfamiliar / Never Used	49%
Somewhat / Very Helpful	44%
Unhelpful	7%

Peer Groups (HR, Chambers, Etc.)

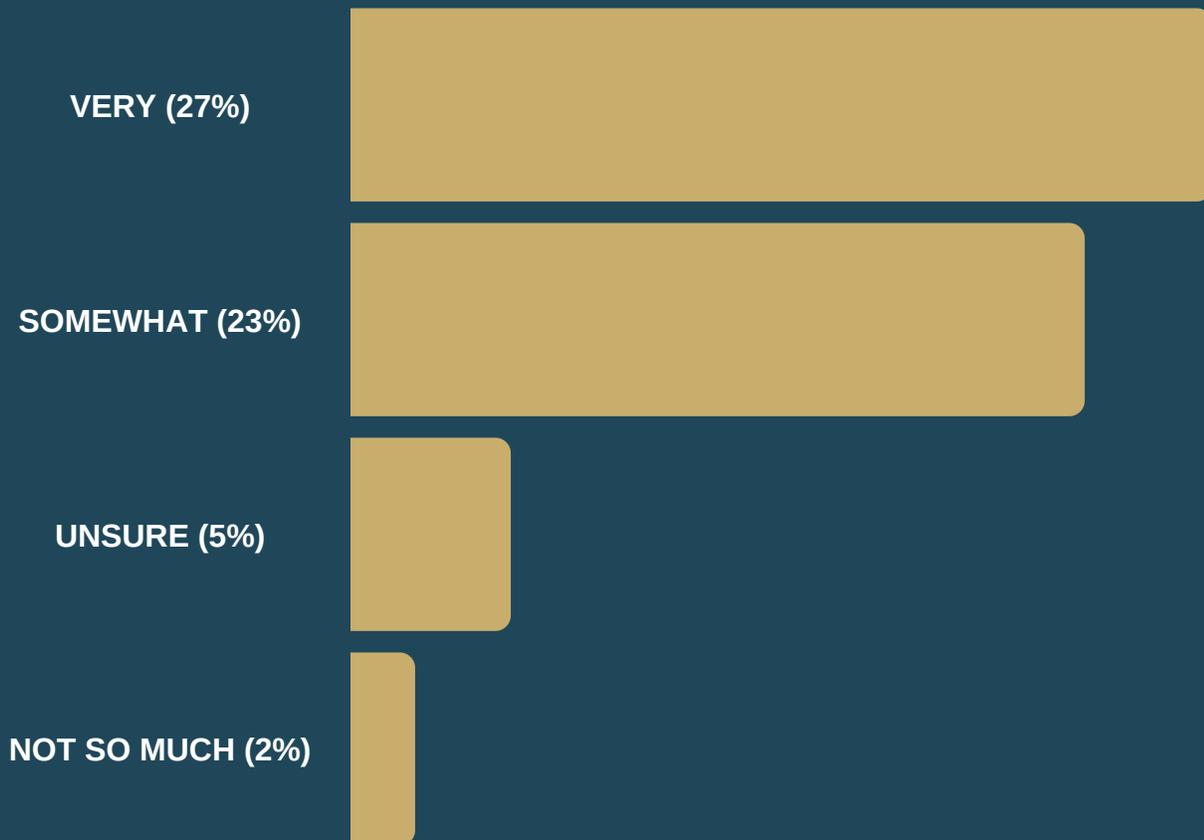
Unfamiliar / Never Used	47%
Somewhat / Very Helpful	47%
Unhelpful	6%

PARENTS AS INTENTIONAL CUSTOMERS AND ITS BENEFITS

Do Employers View Parents as Potential Customers?



According to Employers, How Beneficial Are Parents as Customers?



DISCUSSION

In 2021, the PA Chamber and the PA Early Learning Investment Commission's employer child care impact survey^[1] underscored that labor force issues are often deeply intertwined with child care challenges. **Two years later, findings show that employers continue to struggle with recruitment, retention, and performance issues because many working parents with young children do not have access to or cannot afford quality child care.** Affordability, backup child care, and a lack of local provider capacity top the list of parents' concerns.

2021 survey findings uncovered a need to help employers better understand Pennsylvania's child care challenges and resources. Statewide data consistently demonstrates that Pennsylvania's Child Care and Early Learning System is underfunded and under supported in ways that result in an increasingly dire landscape for child care providers across the commonwealth^[2]. Our current survey indicates that more employers are aware of the systemic child care challenges that contribute to access and affordability issues. **Most 2023 survey respondents recognize that qualified, well-compensated, early childhood educators is a key component of the solution.** Since the average, hourly rate of a child care worker in Pennsylvania is less than \$12.50/hour^[3], a priority focus area is increasing child care teacher and staff's wages and benefits.

While most employers report offering a variety of benefits to support working parents, like flexible scheduling and extended paid or unpaid family leave, **overall responses indicate a strong opportunity to expand utilization of resources and strategies.** The majority of businesses responded that it is extremely or very important for them to help employees meet child care needs. In addition, many employers identify parents as revenue drivers in their own businesses and organizations. This willingness to help, coupled with the motivation driven by impact on a business's bottom line, points to an important role for the private sector in local and system change efforts.

Finally, increased public funding is identified as critically important to stabilize and expand child care options for working families. Recognizing that Pennsylvania loses approximately \$6.6 billion annually^[4] because of insufficient child care, there is a strong economic rationale for significant public investment. **Strategic investments of public dollars layered with innovative employer strategies is key to achieving a thriving child care system that meets the needs of employers and working parents.**

^[1][The Pennsylvania Chamber of Business and Industry and the Pennsylvania Early Learning Investment Commission \(2021\) The Impact of Child Care on Business and the Workforce](#)

^[2][Pre-K for PA, Pennsylvania Partnerships for Children, and Start Strong PA \(2023\) 2023 State of Early Care and Education in Pennsylvania: Providing a Foundation for Young Children to Succeed.](#)

^[3][Start Strong PA \(2023\) The Value and Cost of High-Quality Early Care and Education](#)

^[4][Ready Nation and Pennsylvania Early Learning Investment Commission \(2022\) The Economic Impacts of Insufficient Child Care Cost Pennsylvania \\$6.65 Billion Annually](#)

RECOMMENDATIONS

- ▶ **Promote recruitment and retention strategies to build the early childhood educator pipeline and increase access, quality, and equity within child care programs in Pennsylvania.**
- ▶ **Continued outreach, education, and technical assistance is needed to increase employers' understanding of child care challenges, existing resources, and implementation of diverse supports for working families.**
- ▶ **Intentional cross-sector collaboration needs to explore innovative, child care system solutions to ensure sustainability beyond public dollars.**



Thank you to the Center for Rural Pennsylvania for providing technical assistance, including data analysis.