



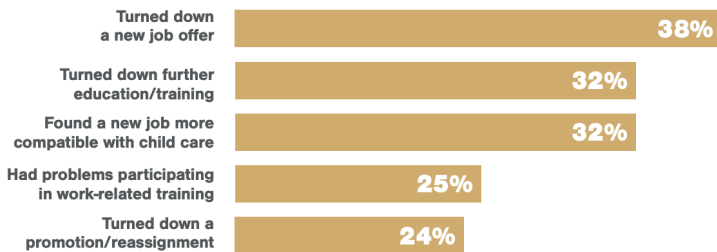
# \$6.65 BILLION: THE GROWING COST OF PENNSYLVANIA'S CHILD CARE CRISIS

Impact on families, businesses, and taxpayers has more than doubled since 2018.

<https://investmentsincaringpa.com/economicimpact2023>

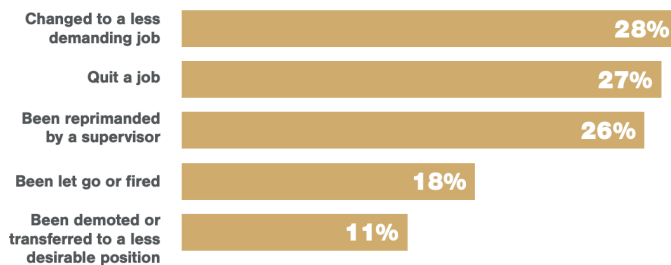
## Diminished career pathways

As a result of child care problems have you ever:



## Work disruptions

As a result of child care problems have you ever:



## How child care problems adversely affect the economy

Working Parents	Businesses	Taxpayers
Lost earnings now from lower productivity and labor force attachment	Lost revenue now from lower output	Lost revenue now from lower incomes
Extra costs of job search to match work with child care	Extra costs due to absences, disruptions, hiring	Smaller federal, state and local tax base and revenue
Lost earnings in the future from less work experience and fewer skills	Lost revenue in the future due to lower workforce capital	Lost revenue in the future due to weaker economic growth

## TOPLINE FINDINGS

Across Pennsylvania, working families report struggling with affordability, quality, and access:

- **Access** is a challenge for 70%
- **Affordability** is a challenge for 61%
- **Quality** is a challenge for 51%

Annually:

- **Working parents** lose \$16,490 in lost earnings and reduced participation in the workforce
- **Businesses** lose \$3,200 per worker in reduced revenue and turnover costs
- **Taxpayers** lose \$4,230 per working parent in federal and state/local tax

Aggregated across all working parents in Pennsylvania, there are annual losses of:

- \$4.10B in parental income
- \$1.52B in business output
- \$1.03B in tax revenue

THE ECONOMIC IMPACTS OF INSUFFICIENT CHILD CARE COSTS PENNSYLVANIA \$6.65B ANNUALLY





## THE HIGH COST OF WORK IN EARLY CHILDHOOD EDUCATION

A workforce on the brink of collapse with devastating consequences for children.

<https://investmentsincaringpa.com/childcarewagestudy>

### TOPLINE FINDINGS

- The average early childhood teacher earned an estimated \$25,844. **This translates to approximately \$12.43 per hour.**
- There was no county where wages met the cost of living. **Wages are not high enough to cover basic necessities like housing, transportation, food, and child care.**
- Their finances affect their mental wellbeing, with 97% of respondents saying they feel stressed out about their finances and **29% saying they worry about their finances on a daily basis.**
- Almost 50% of respondents say they do not plan to be around or **are unsure of whether they will still be working in the sector in 5 years.**
- **The number one reason they would stay is higher wages.**
- Racial inequities exist in the workforce. **Black and Hispanic educators earn approximately 2% less and 5% less than their white counterparts.**
- Turnover will most likely affect program quality. Of respondents who indicated they are likely or very likely to leave the field within 5 years, **39% had bachelor's degrees and 18% had master's degrees.**

THE FINDINGS INDICATE THAT EARNINGS AND BENEFITS ARE AN IMPORTANT PART OF KEEPING A STABLE WORKFORCE. IN TURN, A STABLE WORKFORCE IS ESSENTIAL TO MAINTAINING QUALITY PROGRAMMING AND TO MAKE IT POSSIBLE FOR PARENTS AND EMPLOYERS TO PROSPER.



Graph 12. Early Childhood Educators Worry About Their Finances Frequently

How often do you worry about your finances?

