



**PENNSYLVANIA
EARLY LEARNING
INVESTMENT COMMISSION**

Child Care Hearing, Center for Rural PA

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Pennsylvania Early Learning Investment Commission

- 2008, Governor Rendell Executive Order
 - Governors Ridge and Schweiker established need
 - The business and economic case for early learning (quality child care)
 - Reauthorized 2011, Governor Corbett; 2015 Governor Wolf
- 2024 Governor Shapiro, Executive Order 2023-22
 - Co-chairs: Lieutenant Governor Davis, Stephanie Doliveira (EVP People and Culture, Sheetz); Honorary Chair: Dr. Janet Hass (William Penn Foundation)
 - 50-60 senior-level business and community leaders
- Purpose: to secure support for public and private-sector investments in early learning (quality child care)





The Business Case for Early Learning (Quality Child Care)

Employers: turnover resulting from lack of affordable, quality child care is estimated to be 33% of an employee's annual salary.¹

Working Families: lack of affordable, quality child care affects labor force participation, particularly for women. Approximately 26,000 children across 700 programs are on waiting lists due to the child care workforce shortage.²

Children: are the future workforce. Quality child care is early learning grounded in brain science, developmentally appropriate practices, and social emotional development.³

Child care workforce: low compensation in a demanding profession is driving an unprecedented staffing crisis. There are approximately 2,400 open positions resulting in the closure of 934 classrooms.⁴

The Economic Case for Early Learning (Quality Child Care)

Pennsylvania economic context:

- \$6.65 billion is the annual, economic impact lost in earnings, productivity, and tax revenue due to a lack of affordable, quality child care ⁵
- Child care is a key support for Pennsylvania's workforce
 - 54% of employees are parents, 36% of whom have young children ⁶
- Pennsylvania has a shrinking labor force, “silver tsunami” “brain drain”
 - Working-age population is expected to fall 2.6% between 2020-25 and additional 1.7% between 2025-30 ⁷
 - Top three reasons for outmigration:
 - Lower cost of living, lower taxes, better jobs and opportunities ⁸
- \$11,800 is the average annual child care cost for infants, \$9,700 for 4-year-olds ⁹

The Business Case for Early Learning (Quality Child Care)

Pennsylvania employer context:¹⁰

- 81% of employers report having significant or moderate recruitment and retention issues due to lack of affordable, quality child care
- \$1.52 billion is the cost to businesses in lost productivity (absences, turnover) due to lack of affordable, quality child care
- 69% of businesses state that it is extremely or very important to help employees meet child care needs
- 71% of businesses indicate that policies are needed to address the low early childhood provider wages and lack of benefits
- 66% of businesses strongly support increased public funding to support child care



Investments in Caring PA: free, online child care toolkit for PA employers

70% of employers are unaware of the variety of resources available to help them with child care issues

[Investmentsincaringpa.com](https://www.investmentsincaringpa.com)

- Local and state data on access, affordability, economic impact
- Business toolkit: financial impact calculator, HR benefits and policies, tax credits, offering direct support (back-up care, partnering with local providers, near or onsite child care)
- Family toolkit: how to find quality child care, financial assistance, tax credits, child development resources, Pa early learning system information
- Case studies: private-sector child care initiatives
- Consultant and advocacy guide: technical assistance (Creative Child Care Solutions), Early Learning PA

States with Child Care Solutions

- Michigan Tri-Share – public-private partnership dividing the cost of child care among employers, employees, and the state of Michigan. ¹¹
- Kentucky Child Care Assistance Partnership – public-private partnership in which the state provides matching dollars with an employers contribution towards and employee's child care costs based on income. ¹²
- Missouri – innovation fund creating partnerships between the state, private employers, and child care providers. Ex: small businesses banding together to offer child care benefits to families. ¹³
- New Mexico – waiving child care subsidy co-payments (and expanded eligibility), grants to expand or start child care centers, and reimbursing providers at the true cost of care vs market rate. ¹⁴
- Washington D.C. - \$10,000 - \$14,000 supplemental compensation grants. ¹⁵

States with Universal, Pre-K Solutions:

- New Jersey
- Washington D.C.
- New York
- Georgia
- California
- Illinois
- Colorado
- Florida
- Oklahoma
- Vermont
- Iowa
- Wisconsin
- West Virginia
- Michigan
- Minnesota

Cautions:

- ½ day pre-k without wrap-around care does not meet working parents' needs
- negative consequences for infant and toddler child care providers (3-4-year-old tuition offsets 1-2-year-old losses)
- Pa Pre-K Counts and Head Start programs are located primarily in child care centers (mixed delivery model)



Prenatal to 3 Policy Impact Center¹⁶

Effective Related Policies: PA versus Neighboring States

- Paid Family Leave of a minimum of 6 weeks
 - Legislation enacted or forthcoming: NY, NJ, MD, DE, D.C.
- State minimum wage \$10 or higher
 - Legislation enacted or forthcoming: OH, NY, NJ, MD, DE, D.C., VA
- Refundable, State Earned Income Tax Credit
 - Legislation enacted or forthcoming: NY, NJ, MD, D.C., VA

Links to Resources, Articles, and Reports

1. [U.S. Chamber of Commerce](#) (2024)
2. [PennAEYC](#) (2024)
3. [Start Strong PA](#) (2023)
4. [Start Strong PA](#) (2023)
5. [Pennsylvania Early Learning Investment Commission and Ready Nation](#) (2023)
6. [Federal Reserve Bank of St. Louis](#) (2021)
7. [IFO](#) (2024)
8. [Commonwealth Foundation](#) (2024)
9. [Economic Policy Institute](#) (2022)
10. Pennsylvania Early Learning Commission and PA Chamber (2024) (to be posted on investmentsincaringpa.com)
11. [Michigan](#)
12. [Kentucky](#)
13. [Missouri](#)
14. [New Mexico](#)