

PA's Child Care Crisis: A Growing Economic Problem

Working families feel the pain

For Pennsylvania, inadequate child care options impose substantial and long-lasting consequences; effects are felt by parents and businesses, as well as the commonwealth's taxpayers. The top-line findings of a new study¹ examining the economic impacts of problems in Pennsylvania's child care system describe the growing consequences. The details: an annual economic cost of \$4.9 billion to working parents and \$1.5 billion to Pennsylvania businesses, in lost earnings and productivity; and a \$1.3 billion loss for Pennsylvania tax receipts. While the percentage of parents reporting work disruptions due to child care challenges (e.g., being distracted at work, having pay or hours reduced) has increased only minimally, the economic burden felt by families has increased by almost 20 percent since our previous study in 2022.

Productivity challenges affect both employers and employees, with more than half of parents in the current study reporting missing full days of work, being late for work, leaving work early, or being distracted at work. The predictable impact: 1 in 4 say they've been reprimanded and 15 percent have been let go or fired due to these productivity challenges from inadequate child care.

Beyond its impact on the workforce and economy today, Pennsylvania's child care crisis damages the future workforce by depriving children of nurturing, stimulating environments that support healthy brain development while their parents work.

Policymakers must help working families find and afford care and ensure that our commonwealth

Growing cost burdens to Pennsylvania's economy due to gaps in the child care system

	Dec. 2022 → Dec. 2025
Parents	\$4.1 Billion → \$4.9 Billion
Businesses	\$1.5 Billion → \$1.5 Billion
Taxpayers	\$1.0 Billion → \$1.3 Billion

*Note - the total cost burden to Pennsylvania's economy due to gaps in the child care system is \$6.4 billion annually. The taxpayer cost burden is a subset of parent cost burden and should not be individually counted as part of the total. It is noted separately above in accordance with standard benefit-cost analysis reporting.

has a robust child care sector to better serve them. Such efforts will certainly include continued investment (both public and private) as well as efforts to improve the broken business model of child care. Doing so will improve life outcomes for Pennsylvania's children today and strengthen the commonwealth's workforce and economy both now and in the future.

Endnotes

1 ReadyNation Pennsylvania. (2026). PA's child care crisis: A growing economic problem. <https://www.papartnerships.org/readynation-child-care-economic-impacts/>

ReadyNation | Business. Kids. Workforce.

Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life. ReadyNation's Pennsylvania operation is housed within Pennsylvania Partnerships for Children, a 501c-3 non-profit dedicated to advancing statewide family- and child-friendly policies that help children learn, thrive, and succeed.

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Start Strong PA is an issue-based advocacy campaign focusing on improving healthy development outcomes for infants and toddlers by increasing support for and improving the quality of child care programs that serve them.

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[ReadyNation.org](https://www.ReadyNation.org)