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New Report Finds Economic Costs Associated with Insufficient Child Care Have Grown by Nearly \$1 Billion Per Year Since 2022 as Working Families Struggle

Child Care Crisis Costs PA Economy Over \$6 Billion Annually

HARRISBURG (4/29/2026) – A new report released today by ReadyNation finds that gaps in Pennsylvania’s child care system are costing the state’s economy **well over \$6 billion annually**, with the total economic burden growing by nearly **\$1 billion per year since 2022**. The findings underscore the escalating impact of child care challenges on working families, employers, and taxpayers across the Commonwealth.

The report, *PA’s Child Care Crisis: A Growing Economic Problem*, highlights how insufficient access to affordable, high-quality child care is driving workforce disruptions, limiting business productivity, and weakening Pennsylvania’s economic competitiveness.

“Child care is the workforce behind the workforce,” said Steve Doster, PA State Director of ReadyNation. “When families cannot find or afford reliable care, it doesn’t just affect them—it reverberates across businesses and the entire state economy.”

The backbone of this analysis is a statewide survey of working parents with children under age five that reveals the real-world consequences behind these economic losses:

- **86% of parents report challenges finding child care**
- **43% reduced their work hours** due to child care issues (up from 35% in 2022)
- **More than half report missing work, arriving late, or leaving early**
- **33% had their pay or hours reduced, and 15% have been fired** due to child care challenges.

Child care affordability is a major driver of these challenges:

- **41% of parents spend more on child care than housing**
- **29% report costs roughly equal to housing.**

The lack of reliable child care is also reshaping long-term decisions:

- **37% of parents say child care challenges have influenced where they live**
- **One-third report turning down job opportunities or training due to child care barriers.**

“These are not isolated challenges—they are systemic barriers that are holding back Pennsylvania’s workforce,” said **Robert S. Carl, Jr., President and CEO of the Schuylkill Chamber of Commerce**. “Employers across our region are seeing firsthand how child care shortages impact hiring, retention, and productivity. Addressing this crisis by helping working families find and afford care, as well as public investments to build the robust child care sector needed to serve working families and businesses, is essential to strengthening our local economies and supporting working families.”

The report outlines a clear roadmap for public policymakers to stabilize and strengthen Pennsylvania’s child care system:

1. Improve Affordability and Access

- Expand family eligibility for child care subsidies and publicly funded pre-k programs
- Increase public awareness of available family supports

2. Strengthen the Child Care Workforce and System

- Raise reimbursement rates to reflect the true cost of providing child care and pre-k
- Further invest in child care teacher recruitment and retention efforts; including support for credentialing and professional development
- Invest in supports that enable programs to successfully support children with special needs and behavioral health challenges.

3. Build a More Stable and Efficient System

- Streamline access through Early Learning Resource Centers as the single hub families use to navigate child care and pre-k options.
- Ensure program continuity during budget delays; including Pre-K Counts and Head Start
- Expand choices for families by allowing high-quality, licensed family child care homes to provide Pre-K Counts.
- Advance targeted reforms that reduce unnecessary burdens on child care providers while preserving strong, enforceable health and safety standards that keep children safe.

In addition to public policy solutions, the report emphasizes the role of employers in addressing the crisis. Recommended business actions include:

- Offering flexible schedules and child care benefits
- Partnering with local providers to expand access
- Providing financial assistance or on-site care options
- Collaborating with other employers to support community-based solutions

The Shapiro Administration's 2026–27 proposed state budget, calls for:

- A \$10 million increase to the Child Care Teacher Recruitment and Retention program
- Rate increases for Pre-K Counts and the Head Start State Supplemental Assistance Program

PA's Child Care Crisis: A Growing Economic Problem was developed by ReadyNation Pennsylvania in partnership with Start Strong PA and leading economic researchers. The analysis combines survey data from Pennsylvania working parents with economic modeling to estimate statewide impacts.

Read the full report here: <https://www.papartnerships.org/report/report-pas-child-care-crisis-a-growing-economic-problem-readynation-april-2026/>

ReadyNation | Business. Kids. Workforce - Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life. ReadyNation Pennsylvania is housed within Pennsylvania Partnerships for Children.

Pennsylvania Partnerships for Children (PPC) is a strong, effective and trusted voice to improve the health, education and well-being of children and youth in the commonwealth. Since 1992 its public policy victories have helped countless children learn, thrive and succeed, regardless of circumstances. PPC is statewide, independent, non-partisan and non-profit. Learn more at papartnerships.org.

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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