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BRIEF

PA's Child Care Crisis: A Growing Economic Problem

$66 Million - Annual Cost to PA's Hospitality (Restaurant, Lodging, Hospitality, Leisure) Sector

For Pennsylvania, inadequate child care options for children under age 5 impose substantial and long-lasting consequences; effects are felt by working parents and businesses, as well as taxpayers. The top-line findings of a new study quantify the economy-wide impacts of Pennsylvania's inadequate child care system. The result: an annual economy-wide cost of $4.9 billion to working parents and $1.5 billion to Pennsylvania businesses (in lost earnings, productivity, and revenue); as well as a $1.3 billion loss in Pennsylvania tax receipts.

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

	Dec. 2022	to	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.

For Pennsylvania's hospitality sector, the total annual economic cost of inadequate child care is $66 million. This figure reflects an average annual loss of $3,260 per working parent in this sector (primarily in lost earnings and job search costs); and businesses in this sector lose $1,030 per working parent in the form of reduced revenue and extra hiring costs. **In total, working parents in the sector lose $50 million and the sector's businesses lose $16 million every year. Additionally, PA taxpayers lose $13 million annually in lost tax revenue from the impact to the hospitality sector.**

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.

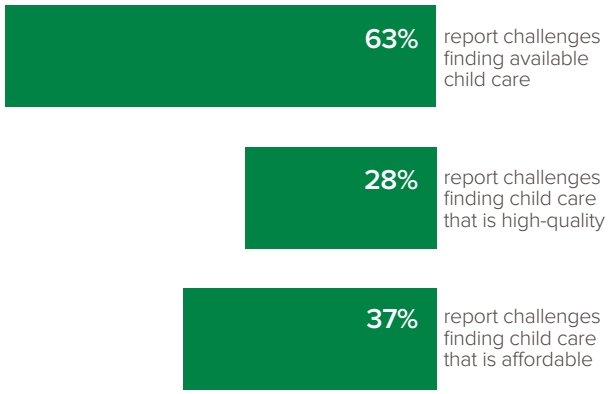
Policymakers must help working families find and afford high-quality care and ensure that our commonwealth has a robust child care sector to better serve them. Such efforts will certainly include continued investment (both public and private). Doing so will improve life outcomes for Pennsylvania's children today and strengthen the commonwealth's workforce and economy both now and in the future.

To compare sector results, access the full report, and source material visit:

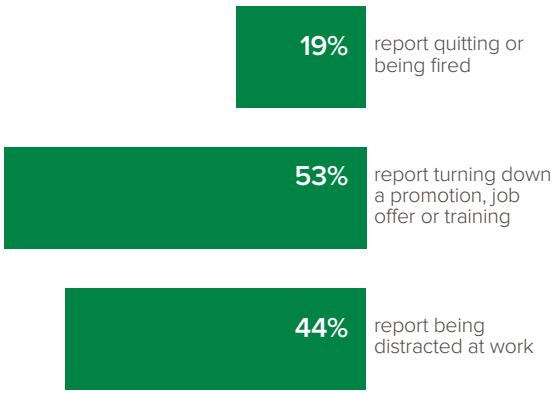
https://www.papartnerships.org/readynation-child-care-economic-impacts/

Working Parents in the Hospitality (Restaurant, Lodging, Hospitality, Leisure) Sector...

Have difficulty finding and affording child care...



Have experienced consequences due to inadequate child care...



*Economic cost analyses are based on a Zogby Analytics survey of working parents in Pennsylvania with children under the age of 5. The survey asked a series of questions to gauge how inadequate child care affects parents' work, including (but not limited to): turning down opportunities, distractions/productivity challenges and, worst-case, quitting or being fired. Survey data included information by economic sector allowing for sector-specific results and cost analyses. Challenges finding high-quality, affordable child care varies by sector based on differences in average earnings, location of work, and shift hours.

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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START STRONG PA

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