

Business Surveys and Findings Related to Child Care

(Compiled by Gail Nourse; last updated December 21, 2021)

Over the past 6 months, the Alliance for Early Success has been tracking surveys of employers and business community that focus on the impact of the COVID-19 pandemic on their employees' child care arrangements, and in turn, its impact on employees' productivity and on recruitment and retention. Generally, these surveys give voice to business leaders' significant concerns about the loss of child care due to the pandemic and how that negatively impacts their companies and the broader economy.

Below are highlights of findings at the state, national, and local levels. Where possible, links to the actual surveys are also provided. If you know of similar surveys that should be added to this compilation, please send information to Alicia Sanderfield at asanderfield@earlysuccess.org.

State Data

Alabama

Business Council of Alabama

Small Business Survey Results: <https://earlysuccess.org/content/uploads/2020/12/Alabama-Small-Business-Survey-Results-003.pdf>

- When asked: What do you see as the biggest reason as to why retaining the number of employees you had working at your business before COVID-19 will be difficult, the 3rd most popular answer was access to child care causing employees to have to stay home with their children.

Montana

Federal Reserve Bank of Minneapolis (10/1/2020)

Surveys Say Inadequate Child Care Options Slow Montana's Economy:

<https://www.minneapolisfed.org/article/2020/surveys-say-inadequate-child-care-options-slow-montanas-economy>

- Over half of Montana businesses, 56 percent, indicated there is a shortage of affordable child care options in their community, and 61 percent noted that increasing access to child care should be a priority. Employers say lack of child care affects worker recruitment and retention.
- About 40 percent of Montana businesses indicated that inadequate child care affects their company's ability to recruit or retain qualified workers.
- Inadequate child care limits parental employment and income.
- Child care difficulties create \$232 million drag on Montana's economy.

Other related reports:

Impacts of Child Care on the Montana Workforce from the Department of Labor and Industry:
<http://lmi.mt.gov/Publications/PublicationsContainer/impacts-of-child-care-on-the-montana-workforce>

The Impacts of Inadequate Child Care on Montana’s Families, Employers and Economy from the University of Montana: <http://www.bber.umt.edu/pubs/Health/ChildCare2020.pdf>

North Carolina

North Carolina Early Childhood Foundation: (12/15/20)

Early Education in the Time of COVID-19: An Economic Analysis for North Carolina:

https://buildthefoundation.org/wp-content/uploads/2020/12/Early-Education-in-the-Time-of-COVID-19_Final-1.pdf

- The data show that before the COVID-19 pandemic, North Carolina families, businesses and the economy were already losing \$2.4 billion annually due to insufficient affordable, high quality child care. The pandemic is making this crisis worse. Data show that the annual losses due to inadequate child care are now approaching \$2.9 billion a year—and likely still climbing.

Virginia

The Policy Equity Group (6/24/2020)

Improving Worker Retention and Productivity: Recommendations for Supporting the Child Care Needs of Employees with Young Children: <https://www.vecf.org/wp-content/uploads/2020/08/Policy-Equity-Memo-for-BTW.pdf>

Preliminary Findings from the June 2020 (Pandemic-Era) Survey of Employers

- Costs, regulatory burden, and concerns about liability were the three largest barriers to providing on-site child care or otherwise supporting the child care needs of employees.
- The COVID-19 pandemic appears to have changed employer behaviors/perceptions about supporting employee child care needs among a fairly significant percentage of survey respondents
- The largest changes in practice during the pandemic were increased flexibility for employees in terms of work schedule, location, and paid time off policies.
- While not as common before or during the pandemic, many employers stated that after the pandemic has passed, they would implement/consider practices that support employee access to child care such as providing child care referral services, on- or near-site child care, subsidies or vouchers, or help securing/paying for back-up care.

State Survey Instruments

Idaho

- The Idaho Association for Commerce and Industry and the Boise Metro Chamber will be sending this survey to their members to help them understand their employees’ child care needs:
<https://www.surveymonkey.com/r/Q7V7YC2>.

Wisconsin

- The Wisconsin Early Childhood Association sent this survey to human resources professionals to elicit their perspective on workforce needs across their state:
<https://www.surveymonkey.com/r/5Z8TJGX>

National Data

Willis Towers Watson (10/20/2020)

How can employers retain talent challenged by caregiving responsibilities throughout the COVID-19 pandemic? <https://www.willistowerswatson.com/en-US/Insights/2020/10/how-can-employers-retain-talent-challenged-by-caregiving-responsibilities>

- 90% of employers believe caregiving responsibilities are increasing the risk of employee burnout
- 65% of employers are seeing higher mental health related claims
- 47% of employers are at least moderately concerned about talent leaving
- 74% of employers indicated that support for employers with young and school age children is a current priority

Recommendations to develop a caregiving strategy

- Implement employee surveys: employee insights and preferences are critical to implementing the right solutions
- Re-examine the mix of tactical and emotional wellbeing supports made available to working parents to ensure they reflect employee needs
- Leverage working parents and related employee resource groups that can provide insights on how communications and resources resonate and can also share success stories
- Update relevant flexible and remote work policies and provide training to managers to ensure consistent application (as possible)
- Maintain an ongoing dialog with vendor partners, managers and business leaders related to emerging solutions available and utilized
- Develop an ongoing strategy to pulse employees on their evolving caregiving needs, levels of stress, burnout and the effectiveness of solutions provided — providing a safe space could have an impact on retention and productivity
- Continue to update policies and solutions to best meet with employee needs

Willis Towers Watson (9/21/2020)

Supporting Employees with Young and School-Aged Children Survey Results:

<https://www.willistowerswatson.com/en-US/Insights/2020/09/supporting-employees-with-young-and-school-aged-children-survey>

Increased caregiving needs create new work challenges: examined how employers are helping their employee caregivers of young and school-age children. Research findings are based on responses from 553 organizations in the United States employing 8.7 million employees. The survey fielded between September 9 and 11, 2020.

- 30% of employers offer backup child care
- 97% offer flexible hours and reduced schedules

- 10% of those allowing reduced schedules will maintain pay and benefits
- 52% are offering unpaid leave with job protection
- 26% employers have implemented or are considering offering a subsidy to an employee's dependent care spending account for childcare expenses

US Chamber of Commerce Foundation (8/2020)

Piecing Together Solutions: Employers, Child Care, and Returning to Work in COVID-19:

https://www.uschamberfoundation.org/sites/default/files/media-uploads/Employer%20Survey%20Report%20Pt.%201%20FINAL_7.31.20.pdf

This study looks at the changes that employers have implemented due to COVID-19 as well as their concerns and priorities as they determine how and when to return to work. Knowing that childcare plays a key role in return to work plans, employers were asked what they were thinking about childcare assistance, benefits, and accommodations in these unique circumstances.

Employer Workforce Adjustments: changes employers have experienced to their workforce due to COVID-19.

- 79% of employers shifted a significant part of the workforce to remote work
- 25% of employers have laid off or furloughed employees due to COVID-19, and 34% have reduced working hours for their employees as many have seen revenue plummet in a matter of day

Employer Views on Child Care

- 40% of employers have offered additional childcare assistance, benefits, or accommodations in response to the effects of COVID-19. In terms of the types of assistance, the majority of employers identified remote work and flexible working hours or days
- 40% of employers are concerned that some employees will not fully return to work (e.g., they will need or want to work less hours or work from home). Employers believe this is mainly due to both health and safety concerns (81%) and childcare concerns (79%)
- 25% of employers are concerned that some employees will leave the workforce entirely

Recommendations Moving Forward

- Employers need to understand the childcare needs of their working parents. Next step is for employers to move from understanding those needs to determining how to address them
- 25% of employers are willing to increase their organization's investment in employee childcare needs
- 51% of employers agree that they would be likely to offer additional childcare assistance to employees if the government provides incentives such as tax benefits or subsidies

Local Data

Detroit Regional Chamber (8/2020)

Detroit Chamber Survey Highlights Impact OF Workforce Productivity Due to Child care Demands:

<https://www.detroitchamber.com/covid19/detroit-regional-chamber-survey-highlights-impact-of-child-care-demands-on-workforce/>

To understand the impacts of COVID-19 on the workforce, the Detroit Regional Chamber surveyed businesses on employee concerns and plans for mitigating child care challenges in the unprecedented reality that is COVID-19. The survey of nearly 100 respondents was conducted on August 5-14, 2020, via an online surveying tool: <https://www.detroitchamber.com/wp-content/uploads/2020/03/Survey-Data--Child-Care-Impacts-on-Workforce.pdf>

Key Takeaways:

- 75% of respondents have shifted a significant part of the workforce to remote work.
- 83% of respondents agree that their organization is aware of the needs of employees with children as the school year approaches.
- 72% of respondents are concerned some employees at their organization will not fully return to work as the school year begins, due to child care responsibilities.
- 74% of respondents are concerned with productivity as employees with child care responsibilities adjust to managing work and changes to education due to COVID-19.
- 40% of respondents stated their organization would be likely to offer additional child care assistance or assistance to employees with school-aged children if the government provided additional incentives.