

\$2.4 Billion: The Annual Cost of PA's Child Care Crisis for Working Mothers



Acknowledgements

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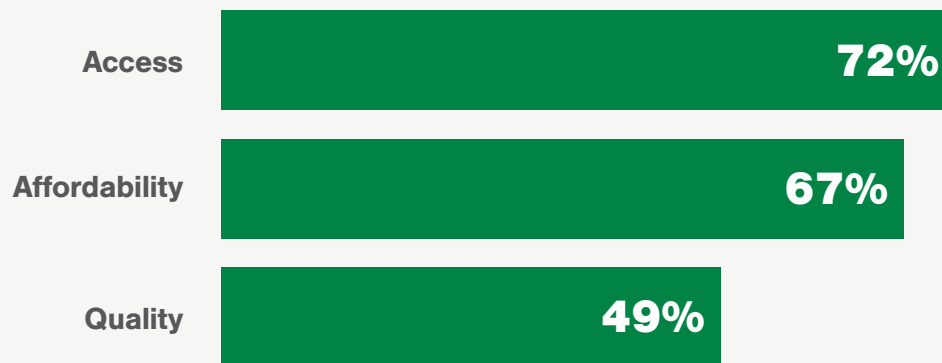
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Mothers Reporting Child Care Challenges



Executive Summary

Working mothers face many pressures when their children are young, juggling work commitments with their responsibilities as primary caregivers. These pressures are heightened when child care options are limited. Inadequate child care adversely impacts mothers' ability to work and to have successful careers. In turn, this costs our economy in earnings, business productivity, and tax revenues. This Report shows the full negative economic impact for working mothers in Pennsylvania when their child care is inadequate. Using new survey data on 307 mothers with children aged under 5, **the report estimates an annual economic cost of \$2.4 billion.**

Most Pennsylvania mothers report high rates of disruption with child care programs facing staff shortages and frequently closing. Additionally, mothers report they cannot find child care that is either affordable, high quality or accessible. Instead, they rely on a mix of care: more than half of working mothers use multiple, irregular, or informal arrangements for their children.

Working mothers have a harder time in the labor market when their child care options are inadequate. Many mothers report

regular disruptions: being distracted at work; leaving early for child care; or having their hours or work schedule reduced due to lack of care. Inadequate child care imposes significant direct burdens: 1-in-4 working mothers report having pay or hours reduced by an employer; **One-third of working mothers report losing/quitting a job;** and **over half say their career opportunities have been curtailed.** These penalties are higher than those for all working parents on average.

It is not surprising then that the **financial burdens are greater for working mothers than for all parents.** Challenges in finding child care are similar but the daily work disruptions are more frequent and the career barriers are greater for working mothers. Consequently, even as working mothers earn less than fathers, the economic burden – as a proportion of earnings – is larger. **As a percentage of earnings, the financial impact of inadequate child care equates to 12 percent of working mothers' annual earnings.**

Every year, on the individual level:

- **Working mothers lose \$5,620** from unemployment, lower earnings, reduced productivity at work, and from job search expenses.



- **Businesses lose \$2,250 annually** in reduced revenue and in extra recruitment costs per working mother.
- **Taxpayers lose \$1,440 annually** in lower federal and state/local taxes per working mother.
- **Social burdens per working mother total \$8,060 annually** when accounting for all groups in the Commonwealth.

In total, the full economic cost of inadequate child care for the more than 300,000 working mothers with children under age 5 in Pennsylvania is \$2.4 billion annually. This figure represents \$1.7 billion in lost income, \$675 million in lost business output, and \$432 million in lost tax revenue. Efforts to support and stabilize Pennsylvania's child care sector are desperately needed to provide working mothers with greater access to affordable high-quality child care which, in turn, will increase their financial security and boost economic growth across Pennsylvania.

1. Introduction

Working mothers must combine their child care responsibilities with their job commitments. When child care is inadequate, these working mothers cannot fully participate in the labor market and so experience greater financial insecurity. Even

as child care is primarily intended to promote child development, it is also critical for family incomes and for economic growth.¹

Economic evidence on child care burdens is now extensive. State-level research has shown directly how child care affects workers' productivity. Recent national studies identify a dramatic effect of child-rearing on the male/female earnings gap and calculate the significant dollar value of maternal care over the long term.² Mothers working full-time spend more time daily caring for their children—physical, educational, and reading/playing -- than fathers who do not work (and only modestly less than the time spent by mothers who do not work). For working mothers, this responsibility absorbs 20+ hours per week. In effect, caring for young children is like having another job, almost as intensive as full-time paid work. Moreover, many households do not have two parents who can share these tasks: more than one-third of mothers in Pennsylvania are unmarried at time of childbirth; and, nationally, approximately 10 percent children under age 3 are in single-parent households.³

Many parents across Pennsylvania do not have reliable child care options. Most families do not have access to high quality or affordable care for their young children (before they enter kindergarten): they juggle various forms of home care, center-based care, and care by relatives. Parents are constantly struggling to balance this care with the need to earn enough to support their whole family. Inevitably, many parents – typically mothers -- cannot fully participate in the labor market; their incomes are reduced, and their career opportunities are diminished. But the effects are not just felt by parents: Pennsylvania businesses suffer; and, when workers earn less, tax revenues paid into the Pennsylvania Treasury are lower.

In this Report, the full economic burden of inadequate child care for working mothers across Pennsylvania is calculated. The burden is derived from new survey data (from February 2024) on 307 mothers who are working or active in the labor market. The analysis shows how mothers in Pennsylvania struggle to find care and that this struggle reduces their financial security. Accounting for mothers' reduced hours of work, increased rate of job separations, and diminished career options, the full burden of inadequate child care is calculated for Pennsylvania families, for the businesses where they work, and for taxpayers.

This analysis is an update of prior studies for Pennsylvania from before and after the pandemic (Belfield, 2020, 2023). These studies were for all parents. Here the focus is on the disproportionate burden faced by working mothers. This burden is economically large, persistent and incurred by almost all working mothers, regardless of family environment.

2. Survey of Parents in Pennsylvania

This study draws on a survey of 307 working mothers across Pennsylvania. The survey is new (February 2024) and novel in its focus on working mothers. These parents are asked a series of questions regarding their child care arrangements and the overall adequacy of that care, as well as how their child care options affect their ability to participate in the labor market and to be economically successful.

The survey is representative of working mothers in Pennsylvania with young children. The survey respondents match state-wide averages by racial groups, education, age, and urban/regional

distribution. The work status of the survey responses matches that of the Pennsylvania workforce, adjusting for sample characteristics. Specifically, working mothers report lower earnings and fewer hours than the average worker in Pennsylvania (as well as the typical working father). Household incomes are also lower than the average for the Commonwealth. Overall, the survey responses are valid indicators of child care across Pennsylvania.

Analysis of this survey aligns with that applied to the prior surveys – of all parents in Pennsylvania -- in 2019 and 2023. However, because working mothers face an especially pressured set of circumstances (and because of the pandemic), separate analysis for working mothers does yield somewhat different results.

3. Child Care in Pennsylvania

Almost all families need child care, but that need is especially great for working mothers. Unfortunately, working mothers in Pennsylvania face limited child care options, with significant challenges in finding adequate levels of child care.

Access and affordability challenges are common across Pennsylvania. Access to center-based care is limited: almost one half of families with young children live in areas where center-based child care is scarce.⁴ Access is typically restricted by income eligibility. Even then, child care time slots are almost always far below full-time working hours. In addition, affordability is a challenge: the cost of a child care place in Pennsylvania is estimated at 12 percent of family income for married families and 42 percent of income for single parents. Public subsidies are primarily targeted at low-income

Table 1**Early Education: Participation and Employer Support**

	WORKING MOTHERS			
	Full Sample	Single Mother	BIPOC	Child 0-2
Child care arrangements:				
Center-based	36	30	37	34
Family	48	51	52	53
Non-family	11	10	11	14
Informal/irregular arrangements	37	38	33	36
Multiple arrangements ^a	25	26	29	29
Employer support for child care:				
Employer onsite care	9	9	13	11
Employer offsite care	6	3	8	6
Financial support	8	6	13	10
Informational support	10	6	11	10
Flexible scheduling	27	23	30	26
Satisfied with employer support ^b	56	51	63	56
Observations	307	172	110	190

Source: Zogby Survey, February 2024. Notes: ^a Mothers reporting >1 type of care. ^b Mothers reporting very/somewhat satisfied. Unadjusted for employment. Children aged under 5.

families to cover basic care needs. These issues of access and affordability are modestly alleviated as children age, but most families incur significant costs until kindergarten.⁵

The top panel of Table 1 shows the patterns of child care for children under age 5 across Pennsylvania based on the survey responses. Many mothers report utilizing several options. Most mothers cannot access center-based care: only one-third use this type of care. One-half rely on family care.

However, in total, almost two-thirds rely on child care arrangements that are either: (a) informal; (b) irregular; or (c) a combination of family, non-family and center-based care (depending on which is available). This rate is much higher for single mothers than for married families.⁶ These patterns of child care reliance are similar for single mothers, BIPOC mothers, and mothers with younger children (aged 0-2).⁷ Overall, this patchwork requires mothers to juggle various arrangements; often, there is no guarantee

Table 2**Early Education: Challenges Faced by Working Mothers**

	WORKING MOTHERS			
	Full Sample	Single Mother	BIPOC	Child 0-2
Affordable	67	67	65	69
High quality	49	47	47	53
Access ^a	72	72	68	71
Convenient location	41	43	41	43
Matches work-week schedule	39	35	25	41
Open slots	34	41	39	33
Flexible to work shifts	27	35	28	27
Finding emergency care	32	33	24	30
Finding special needs care ^b	6	7	10	5
Child care impacted by:				
Closure of program	66	54	5	66
Closure of class	66	55	6	66
Teacher quits/exits	68	58	10	68
Teacher shortages	23	19	14	23
Observations	307	172	110	307

Notes: ^a Includes affirmative responses to >=1 of listed categories. ^b Within the last two years.

that the care will cover a working week. Notably, child care has not become more stable since before the pandemic (when “mixed care” was reported by fewer than half of all working parents).

The bottom panel of Table 1 shows employer support for child care in Pennsylvania. Employer support is very limited. Few working mothers receive onsite or offsite child care; financial support and informational

support are only modestly more common. Less than 10 percent mothers have these employer supports. The most common employer support is flexible scheduling: one-quarter of workers have this option. Perhaps surprisingly, about half of working mothers are satisfied with the support their employer provides. Similarly, this pattern of employer support in Pennsylvania has not improved since the pandemic.

There are three main features of child care that parents need. Specifically, parents want child care that is affordable, high quality, and accessible. Unequivocally, working mothers report that they cannot find this.

The top panel of Table 2 shows that two thirds of working mothers across Pennsylvania cannot readily find care that is affordable; one half face challenges in finding high quality care; and almost three quarters cannot adequately access the care they need. Directly, mothers report that child care is too often in an inconvenient location, does not have enough open spots; or does not cover their work schedule. These challenges are universal across all groups of working mothers.

The bottom panel of Table 2 shows how disrupted the child care sector has become. Within the last two years, more than two-thirds of mothers report that their child care has been impacted by permanent closure of the program/class or by teacher exits/quits. Child care teacher shortages are also common. Thus, even when parents do find child care, this care may not always be reliable.

4. Early Education and Work

When child care is unaffordable or simply inaccessible, working mothers are constrained from fully participating in the labor market. These constraints are evident in various ways.

Panel A of Table 3 shows how child care routinely affects work commitments.⁸ Most working mothers experience several disruptions, including: being distracted at work; missing work or work shifts; leaving early or arriving late. These disruptions are a regular occurrence for one-half to two-thirds of all working mothers. Inevitably, productivity at work is impaired.

Panel B of Table 3 shows the various penalties of inadequate child care when looking over the first five years of childhood. More than one-third of working

mothers report changing their schedule or job, going part-time or being forced to cut their hours. Directly, one-third of working mothers report changing their job directly because of their child care options. This rate rises to almost one half for single mothers. Job terminations are also high: one-third working mothers has lost their job because of inadequate child care.⁹ Finally, these parents report that their career opportunities are being diminished: inadequate child care is forcing most working mothers to either turn down a job offer, miss out on promotions, or forgo training opportunities (27-60 percent). Each of these adversities can reduce earnings: together, they represent severe and chronic economic penalties.

Rates of disruption are much higher for single mothers (especially after accounting for their lower likelihood of being in work). Single mothers who are in work do not report greater disruptions to their work effort (e.g., distractions, missing shifts); but these mothers are much less likely to be employed. Single mothers report higher rates of the most damaging disruptions: job termination; and career barriers. Job termination is the most economically burdensome: income is directly lower; and job search costs are significant. In addition, by lowering investment in human capital skills, career barriers impact earnings over multiple years.¹⁰

5. Inadequate Child Care: Economic Model

The economic burden of inadequate child care is derived from its effects on maternal labor market participation and consequent impacts on burdens on businesses and on tax revenue. The full social burden of inadequate child care for Pennsylvania is the lower economic activity across all three groups (net of tax transfers). Respectively, the burdens are experienced by:

Table 3
Child Care and Work-Related Problems

As a result of inadequate child care:	WORKING MOTHERS			
	Full Sample	Single Mother	BIPOC	Child 0-2
A. In the past 6 months, have you:				
Been distracted to point of being unproductive	56	51	47	51
Missed a full day of work	63	59	58	60
Left work earlier than normal	64	64	59	63
Been late for work	60	59	63	57
Missed work shift	35	32	32	33
B. Since your child under 5 was born/adopted, have you:				
Reprimanded by supervisor	28	32	25	25
Had to change schedule	25	27	25	24
Changed from full-time to part-time	29	39	34	29
Had to change job	27	31	25	27
Changed job to meet child care needs	36	44	40	34
Had pay/hours reduced by employer	26	34	31	25
Demoted	10	13	14	10
Been let go or fired	14	19	17	12
Quit a job	25	31	27	25
Turned down job offer	60	68	60	58
Had problems getting work training	41	48	45	38
Turned down promotion	27	34	35	27
Turned down training opportunity	36	42	36	33
Observations	307	172	110	307

Source: Zogby poll, February 2024. All working mothers.

Mothers: Lost earnings from lower productivity and fewer hours at work; extra costs of job search to match work with child care; and lost future career earnings caused by lower experience and fewer skills.

Businesses: Lost revenue from lower output; extra workforce costs caused by more disruptions/absences, and lost future revenue caused by lower workforce capital.

Table 4
Inadequate Child Care:
Annual Burden

	Annual Burden per Working Mother
Earnings loss	\$4,820
Job search/disruption loss	\$800
Total Parental Loss	\$5,620
Productivity loss	\$1,200
Recruitment loss	\$1,050
Total Business Loss	\$2,250
Federal tax loss	\$850
State tax loss	\$590
Total Tax loss	\$1,440
Total Social Burden	\$8,060

Sources: Table 3; Social burden equals parent burden, business burden; plus economic growth component of tax burden. 2024 dollars.

Taxpayers: Lost federal, state, and local tax revenues from lower incomes; smaller tax base because of lower economic activity; and lost tax revenues over time because of slower economic growth.

Pennsylvania Society/Economy: The sum of all maternal burdens and all business burdens plus taxpayer burdens attributable to lower economic growth.

The individual maternal burden is the largest element: most working mothers have lower earnings; some lose their jobs, and, on top of their lost income, they incur

expenses looking for work. Also, businesses lose out: their workforce has lower productivity, builds skills more slowly, and turns over more quickly. (Businesses can reduce pay but not immediately/exactly; and they incur losses in workplace capital). In addition, the Pennsylvania Treasury receives lower revenues as incomes are lower. These burdens persist over time: with less experience (and fewer career options) maternal earnings grow more slowly, even as the children age into preschool and kindergarten.

Economic burdens are calculated for each group. The earnings profiles and labor market participation of mothers are modeled, and Pennsylvania-specific business data and tax rates are applied to these earnings.¹¹ Economic burdens are expressed per working mother (not per affected mother). Across Pennsylvania, there are 300,000 working mothers with children aged under 5. Burdens are reported for this group per year and as the sum over childhood for working mothers whose children are born in 2024 (90,000 mothers). All figures are reported in 2024 present value dollars.

6. Inadequate Child Care: Economic Burdens

Annual Burdens per Working Mother

Each year, working mothers incur substantial economic burdens because their child care does not meet their work commitments. These burdens – as shown in Table 4 -- are substantial.

- Each Pennsylvania mother experiences an annual burden of \$5,620. Most of this burden (85 percent) is attributable to lost earnings; but there is a sizable direct expenditure on job search (15 percent). This burden of inadequate

child care for working mothers is large: it equates to 12 percent of annual full-time earnings.¹²

- Pennsylvania businesses face losses of \$2,250 per working mother. These burdens are a function of lost revenue (productivity losses) and staff turnover (recruitment and termination costs); these twin burdens are about equal in magnitude.
- From a taxpayer perspective, there are losses of \$1,440 in tax revenue from lower economic growth state-wide. Two-thirds of the loss is from lower federal taxes, with the remainder from lower state/local tax contributions.¹³

The aggregate social burden is the full measure of the inefficiency attributable to an inadequate child care system. This amount is \$8,060 per year per working mother with a child aged under 5. Overall, inadequate child care imposes a substantial economic penalty.

There are three additional inferences from the analysis. First, the burdens for working mothers are larger than the average across all working parents. Based on comparable modeling, the burden on working mothers is 9 percent higher than the average across Pennsylvania parents (Belfield, 2023, Table 4). The extra burden for working mothers is driven by several factors: less access to quality child care; higher rates of joblessness (unemployment, quits and terminations); and greater barriers to career progression. Thus, even as working mothers earn less, their burdens are economically more onerous as a fraction of their family income.

Second, within the group of working mothers, penalties are greatest for single mothers. They rely more heavily on center-based care and yet they experience greater labor market disruptions. Also, single

Table 5 Inadequate Child Care: Aggregate Burden

**Annual Aggregate Burden
All Working Mothers
(\$ millions)**

Working mothers	\$1,686.0
Business	\$675.0
Treasury/taxpayer	\$432.0
Aggregate Social Burden	\$2,418.0

Sources: Tables 3-4; Social burden equals parent burden, business burden; plus economic growth component of tax burden. 2024 dollars.

mothers have fewer resources: their wages are almost 10 percent lower (and their household income more than 30 percent lower) than the average across all working mothers. Thus, the economic penalties of inadequate child care loom larger for single mothers.

Finally, these child care burdens are greater than before the pandemic (Belfield, 2019). Challenges in finding affordable and accessible child care are more difficult than before the pandemic. Consequently, labor market disruptions are greater. At the same time, wages for younger workers have only just kept up with inflation.¹⁴ Paying for child care has therefore become more expensive for families.

Annual Burdens across all Working Mothers

In the aggregate, the burden of inadequate child care for Pennsylvania is billions of dollars. These amounts are shown in Table 5. Across the 300,000 working mothers with children aged under 5 in Pennsylvania,

Table 6
Inadequate Child Care:
Childhood Burden

	Childhood Burden Per Working Mother (PV at birth)
Working mothers	\$25,120
Business	\$6,470
Treasury	\$6,390
Childhood Social Burden	\$32,510

Sources: Table 3; Social burden equals parent burden, business burden; plus economic growth component of tax burden. Present value at birth; discount rate 3%. 2024 dollars.

the economic burden imposed is roughly \$1.7 billion annually. In addition, the burden on business is near \$700 million; and the taxpayer loss is approximately \$400 million. In total, the aggregate burden of inadequate child care for working mothers is \$2.4 billion.

Childhood Burdens per Working Mother

For each working mother, the full burden extends over the years from childbirth up to kindergarten (and, given career barriers, in years beyond that). The burdens are largest in the earliest childhood years, but child care options are limited even up to age 5. From the perspective of when each child is born, what matters is the lump sum burden of inadequate child care.

Childhood burdens are noted in Table 6. These are present value lump sum burdens per working mother with a child born in 2024. So, at childbirth, mothers experience a lump sum penalty equivalent to \$25,120. There are also large penalties

for businesses and the taxpayer (of \$6,470 and \$6,390, respectively).¹⁵ In total, the social burden amounts to a lump sum of \$32,150 per working mother.

Each birth year (cohort), there are 90,000 working mothers for the 130,000 children born.¹⁶ Therefore, based on Table 6, each year there is an expected lump sum burden of:

- \$2.24 billion to families;
- \$576 million to businesses; and
- \$569 million to taxpayers.

The full social burden is \$2.89 billion. This lump sum reflects the economic loss derived from an inadequate child care system throughout the childhood years. By failing to address this systemic inefficiency, Pennsylvania will experience these burdens for each cohort of children born.

Boundary of Economic Burden

The modeled economic burdens for working mothers are almost certainly conservative estimates of the true burden. First, the model excludes mothers who never entered the labor market or who exited the labor market immediately on the birth of their child. Some fraction of these mothers will have left the labor market because child care was too expensive: it made financial sense to stay home as the primary caregiver. If the economic decisions of these mothers is factored in, the estimated burden would increase.¹⁷ Second, the model excludes economic burdens on other family members. When child care is inadequate, relatives and other caregivers may have to support the family. If this time was included, the burden of inadequate child care would rise even further. Finally, the business burden omits spillovers on managers and other workers. Almost certainly, co-workers are likely to be affected when mothers are leaving



early or are distracted. Including this time would increase the burden even further. Overall, the burden is likely to exceed the calculations reported in Tables 4-6.¹⁸

Also, the model results accord with recent studies on child-rearing and labor market participation. Cortes and Pan (2023) calculate the male/female earnings gap just before childbirth as effectively zero;

after childbirth, however, female workers earn 37 percent less than male workers (with a non-trivial disparity persisting until the child is at least 10 years old). Inadequate child care explains approximately one-third of this gap, equating to an annual earnings loss of \$3,700 (i.e., similar to the first row estimate in Table 4).¹⁹ Johnson et al. (2023) estimate



directly the lifetime earnings loss for females attributable to taking care of other family members (children and others). Using national labor market data, they calculate an earnings loss of 15 percent of lifetime earnings; again, this estimate aligns with results from Table 4. Finally, studies of Early Head Start and Head Start show modest effects on parental earnings but clear effects on parental education; the latter effect is very likely to yield higher future earnings.²⁰ Despite very different methods and data, these studies establish that economic burdens or inadequate child care are large.

Conclusion

Working mothers face significant pressures in securing child care that helps them succeed at work. At an even more fundamental level, many are single parents: their jobs are essential for basic family necessities. When child care is inadequate, these parents experience significant losses in income, both immediately and over their careers. Approximately, the penalty equates to 12 percent of full-time earnings for working mothers. In addition, there are economic costs for businesses (lost productivity) and the commonwealth (lost tax receipts) amounting to \$2.4 billion annually. The pandemic exacerbated the inadequacies of the child care system. Available places in child care centers fell at the same time as costs went up; yet the need for child care did not decrease significantly. Currently, the child care sector is facing a historic teacher shortage that is closing classrooms and driving up waitlists. Efforts to support and stabilize Pennsylvania's child care sector are desperately needed to provide working mothers with greater financial security and boost economic growth across Pennsylvania.

Endnotes

- 1** Evidence on how early education benefits children is voluminous (Heckman et al., 2013; Lipsey et al., 2015; van Huizen and Plantenga 2018; and Bustamente et al., 2022).
- 2** The effect of child care on work commitments is extensive (Cascio, 2018; Ruppner et al., 2019; Gurrentz, 2021; and Borowsky et al., 2022). See also Ho and Pavoni (2020) and Moschini (2023).
- 3** Data on time constraints is from the American Time Use Survey (2023, Table A6-B). Data on households is from Census, 2023 (retrieved February 2, 2024, [census.gov/2022/demo/p70-174.pdf](https://www.census.gov/2022/demo/p70-174.pdf)). See also Heggeness (2020). Data on mothers' maternal status is from health.pa.gov/HealthStatistics/BirthStatistics/Birth_MaritalAge_Cnty_2021.pdf.
- 4** Child care "deserts", i.e. census tracts where children exceed licensed child care places by at least a factor of 2, are reported at childcaredeserts.org/state=PA.
- 5** Data on child care coverage from Cole et al. (2023, stateofbabies.org/state/pennsylvania/) and NIEER (nieer.org/yearbook/2022/state-profiles/pennsylvania/). Full regulations on the provision of early care and education in Pennsylvania are from the DHS (dhs.pa.gov/Children/Child-Care-Early-Learning).
- 6** Data on married families is from Belfield (2023, Table 1). National survey evidence corroborates this finding (U.S. DOE, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPN-NHES), 2019 (nces.ed.gov/pubid=2021005)).
- 7** Flood et al. (2022) report in detail the variations in child care across parental characteristics.
- 8** These results correspond with results for other states including Arizona, North Carolina, and Tennessee, as well as national studies (Davis et al. 2017; Talbert et al., 2018; Belfield, 2018, 2019).
- 9** These termination rates are within plausible range, given economy-wide annual job loss rates at 3-4% ([bls.gov/jolts](https://www.bls.gov/jolts)). Leaving aside their many child care responsibilities, working mothers will have higher job loss rates given they are relatively young and have less experience.
- 10** Job penalties for Pennsylvania parents have grown since the pandemic. Rates of disruption are higher in 2023-24 as against 2019 (Belfield, 2019, 2023).
- 11** Many economic analyses follow a similar method (Davis et al., 2017; Talbert et al., 2018; Goldberg et al., 2018; Belfield, 2018, 2019; Ho and Pavoni, 2020; CSA, 2023; Moschini, 2023). Prior analysis for Pennsylvania – but for all working parents -- is given in Belfield (2020, 2023).
- 12** The burden is the opportunity cost of inadequate child care, i.e., what extra parents would have earned if they had access to affordable and high-quality child care. This is not the same as what parents actually pay for child care.
- 13** Federal tax losses matter: more than 90% of federal tax dollars are spent within Pennsylvania.
- 14** Real median wages for female workers in 2024 are almost identical to those in 2019. In effect, workers have not had a pay increase in almost 5 years (Median usual weekly real earnings: Wage and salary workers: 16 years and over: Women [LES1252882800Q], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LES1252882800Q>, March 26, 2024).
- 15** Business burdens are smaller because firms can adjust wages and management practices to offset productivity losses. Also, these burdens are not per specific firm (unless the worker stays with the same firm for at least 8 years).
- 16** Birth data from health.pa.gov/topics/HealthStatistics/VitalStatistics/BirthStatistics/Pages/birth-statistics, retrieved March 28, 2024.
- 17** Pre-emptive labor market exit may affect 4% of parents (www.bls.gov/news.release/pdf/famee.pdf).
- 18** Sensitivity testing yields results such that the burden is bounded non-zero. Monte Carlo simulation (10,000 iterations) is applied using the variance in earnings, job terminations, and search costs. The simulations yield burdens uniformly above zero.
- 19** Cortes and Pan (2023, Figure 3) attribute 60% of this disparity to child-related factors. Assuming inadequate child care is one of the three most important child-related factors (with household composition and partner earnings), then the child care disparity is approximately \$3,700. This value does not include search costs and so equates to the first row of Table 4.
- 20** Studies of parental labor market effects of early care programs include Sabol and Chase-Lansdale (2015); Zononi (2015); Schochet and Johnson (2019); and Schochet and Padilla (2022).

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