



**PENNSYLVANIA
EARLY LEARNING**
INVESTMENT COMMISSION

The Business Case for Employer-Assisted Childcare

JANUARY 28, 2021



Federal Reserve Bank of Philadelphia Disclaimer

The information, analyses, and conclusions set forth are those of the presenters and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

Agenda

- 10:00 a.m. Opening Remarks: Mary Ann Hood, Federal Reserve Bank of Philadelphia, Early Learning Investment Commission
- 10:10 a.m. Economic Implications to Employers and Working Families, Julia Barfield, U.S. Chamber of Commerce Foundation
- 10:25 a.m. Panel 1: Practical Applications for Employers
- 10:55 a.m. Q & A
- 11:10 a.m. Resources and Services for Pennsylvania Businesses, Marnie Aylesworth, The Pennsylvania Key
- 11:20 a.m. Closing Remarks: Julia Klein, C.H. Briggs Company, Federal Reserve Bank of Philadelphia Board Member, Early Learning Investment Commission

Mary Ann Hood
Senior Vice President
Federal Reserve Bank of Philadelphia
PA ELIC Commissioner

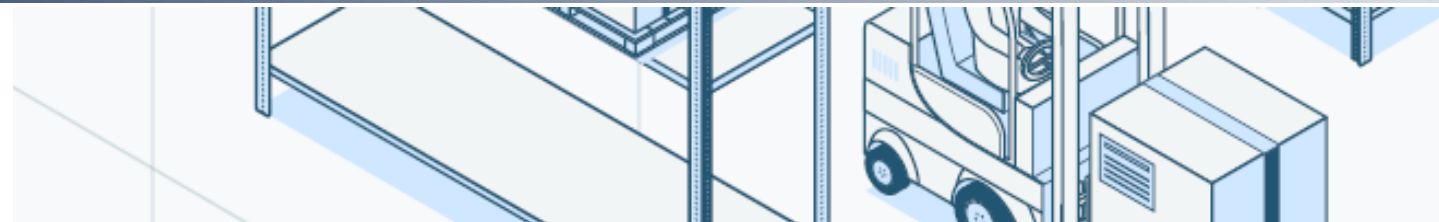




Essential Care for Essential Workers

Julia Barfield, MSW, MPH

U.S. CHAMBER OF COMMERCE FOUNDATION



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Amanda Atkinson
Managing Director
Public Health Management Corporation



Panel: Practical Applications for Employers

Moderator: Amanda Atkinson, Managing Director, Public Health Management Corporation

Panelists:

- Bill Grant, Former Owner, Hildebrandt Learning Centers
- Alexandra Gotts, Principal, HR, Vanguard
- Claudia F. Curry, Director, Women's Outreach and Advocacy Center, Community College of Philadelphia
- Robert Maida, Tax Managing Director, KPMG
- Melanie Bronfin, Policy Advisor, LA Policy Institute for Children

Employer Supported Child Care Options

Child and Dependent Care Tax Credit	Increase employee knowledge of tax benefits
Child Care Resource and Referral	Facilitate employee use of subsidized child care resources RaiseYourStar.org
Dependent Care FSA	Provide a child care tax benefit for employees
Priority Enrollment Agreements with Child Care Providers	Facilitate prompt employee access to child care
Child Care Vouchers	Increase affordability of child care
Rate Agreements with Child Care Providers	Increase accessibility and affordability child care
Employer- Sponsored Child Care	Increase accessibility and affordability child care

Child Care Access Means Parents in School (CCAMPIS)

- Department of Education–funded (four-year grant)
- Managed by Community College of Philadelphia
Women's Outreach and Advocacy Center
- Supports up to 40 low-income student-parents per semester
- Encourages academic success and retention

Community
College
of Philadelphia
www.ccp.edu

CCAMPIS Criteria for Participation

- CCP Student-Parent
- Pell-eligible
- Good academic standing to apply
- Maintain good academic standing
- Attending classes/college-related activities online/on campus
- Registered for at least six credits per semester
- (Nursing and Allied Health at least three credits)

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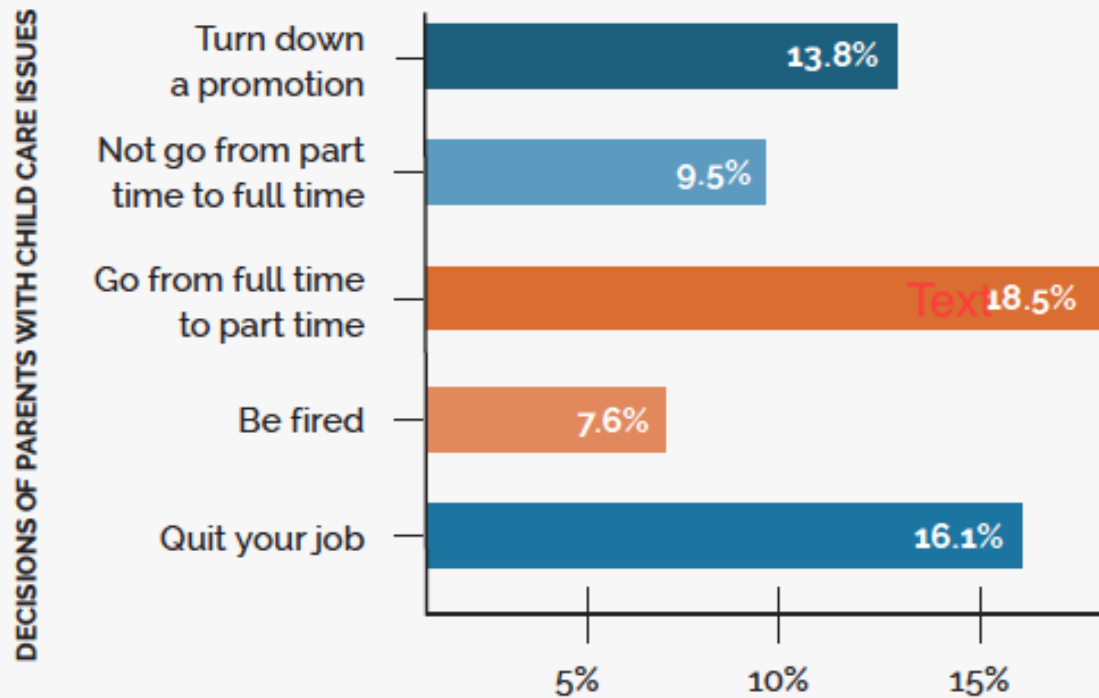
Tax Credits



Name of Credit	Description	Amount of Credit	How to Claim
Credit for Employer-Provided Child Care (Federal)	Employers with qualifying expenditures toward childcare facilities, resources or referrals for the benefit of their employees may be eligible.	The credit is 25% of the qualified childcare facility expenditures, plus 10% of the qualified childcare resource and referral expenditures paid or incurred during the tax year. The credit is limited to \$150,000 per tax year.	IRS Form 8882
Child and Dependent Care Credit (Federal)	Individuals who had to pay someone to care for their child, dependent, or spouse so they could work, look for work, go to school, or because of a disability.	The credit is 20% to 35% of up to \$3,000 of child care, or up to \$6,000 of expenses for two or more dependents	IRS Form 2441
Dependent Care Flexible Spending Account or FSA (Federal)	The FSA is a pretax benefit account used to pay for dependent care services while you are at work. This money is not subject to payroll taxes.	<p>The maximum amount you can contribute is for 2021 is \$5,000.</p> Your employer deducts your contribution amount (in equal portions) from your paychecks throughout the plan year.	Through employer
Educational Improvement Tax Credit (Pennsylvania)	For corporations who donate to organizations that provide LMI families private school and prekindergarten scholarships, or who support innovative public school programs.	Businesses may donate up to \$750,000 each year to eligible organizations, and then claim 75% of that donation as a credit that offsets their state tax liability. Credit can increase to 90% if the business commits to donate funds for two consecutive years.	PA businesses can begin apply through the DCED's electronic single application system

Effects of Child Care Challenges on Employees/Employers

Child Care Issues Have Greatly Impacted Parents' Workforce Participation



- Over 16% of respondents have quit their jobs over child care issues.
- 7.6% of respondents reported being fired over child care issues.
- Nearly 14% of respondents turned down a promotion at work because of child care issues

Losing Ground – How Child Care Impacts Louisiana's Workforce Productivity and the State Economy (May 2017)

Effects of Child Care Challenges on Employees/Employers

Women's Workforce Participation Greatly Affected by Child Care Issues

Decision	Women	Men
Quit your job	14.6%	1.5%
Be fired	5.1%	2.5%
Full to part-time	15.7%	2.8%
Remain part-time	8.7%	0.9%
Turn down a promotion	11.9%	1.9%

Losing Ground – How Child Care Impacts Louisiana's Workforce Productivity and the State Economy (May 2017)

Employers' Major Underestimation of Cost to Them

Harvard Business School Report

- **Employers do not realize the extent to which caregiving affects employee performance:**
 - Only a **minority of employers (24%)** responded that caregiving influenced workers' performance.
 - In contrast, more than **80% of employees** with caregiving responsibilities admitted that caregiving affected their productivity.
 - Specifically, they mentioned their ability to perform their best at work all the time (33%), most of the time (14%), and sometimes (36%).
- **Employers grossly underestimate the direct and indirect costs of caregiving:**
 - The employee survey revealed that **32% of all employees had voluntarily left a job** during their career because of caregiving responsibilities.
 - Caregiving contributed greatly to the churn of younger employees. **Fifty percent of employees aged 26–35 years** and 27% of employees aged 18–25 reported that they had **already left a job** because of caregiving responsibilities.
 - The costs of turnover combined with the costs associated with reduced productivity form a substantial hidden cost of care for many employers.

The Caring Company: How Employers Can Cut Costs and Boost Productivity by Helping Employees Manage Caregiving Needs (January 2019)

Marnie Aylesworth
Executive Director
The Pennsylvania Key





Operated by the Pennsylvania Key

Support Services at a Glance

- Initial Consultation
- Employee/Workforce Survey
- Analysis and Recommendations
- Fiscal Consultation
- Other Supports as Identified

Contact Information

[One-Page Information Flyer](#)

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www.PhiladelphiaFed.org | [@PhiladelphiaFed](https://twitter.com/PhiladelphiaFed)

The Vanguard logo, consisting of the word "Vanguard" in a bold, red, serif font with a registered trademark symbol.A photograph of three young children sitting at a table, smiling and playing with colorful toys. The child in the foreground is a young girl with curly hair, wearing a blue shirt, and is holding a red toy. The other two children are in the background, one wearing a pink shirt and the other a red shirt.

Julia Klein
CEO, C.H. Briggs Company
FRB Philadelphia Board Member
PA ELIC Commissioner





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