



**START  
STRONG  
PA**

# Getting Back to Business:

**The Employer's Case for  
Non-Traditional Hour Child Care**





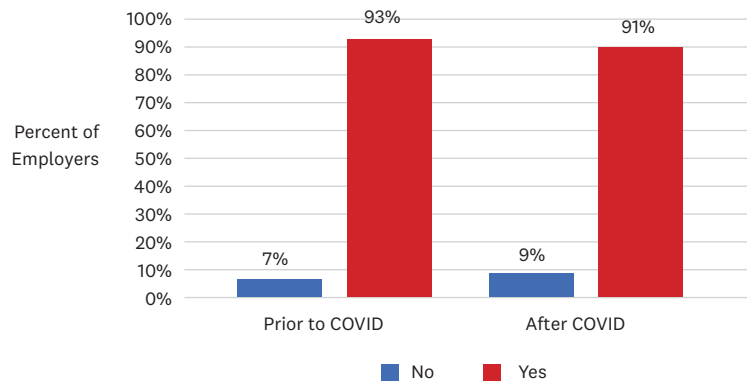
*“There’s no way to solve the problem of child care without assistance from the government. You can’t have a child and send a child to daycare and pay all your bills if we’re going to pay child care staff living wages...something has to be done.”*

- Healthcare system representative

The history of low wages in child care coupled with the fallout of the COVID pandemic has resulted in a staffing crisis that has rippled across Pennsylvania, resulting in workforce shortages in other industries across the Commonwealth. There will be no end to Pennsylvania’s workforce shortage without a solution to the current child care crisis. Over 91% of employers who responded to this brief’s poll on child care reported that they were experiencing workforce shortages after the onset of COVID. A productive and flourishing economy requires stable and reliable child care. Yet conversations about expanding access to child care continue to neglect families’ needs for more non-traditional hour child care. Industries such as restaurants, healthcare, manufacturing, entertainment, first responders, and many more require employees to work hours outside of the traditional 9 AM to 5 PM work schedule. Non-traditional hour child care is an essential part of the child care industry, allowing individuals who work second and third shifts and weekends to be able to participate in the labor market.



### Was Child Care Especially Challenging for Non-Traditional Hour Businesses?



# Non-Traditional Hour Child Care is Essential

The research is clear that there is a strong need for non-traditional hour child care. Pennsylvania child care regulations define non-traditional hour child care as care provided to children whose parent/caretaker work on Saturday, Sunday, or between the hours of 6 PM and 6 AM<sup>1</sup>. One in three families with young children in Pennsylvania needs care on weekends and evenings to go to work, which is consistent with national estimates<sup>2</sup>. Yet only one in four regulated child care providers offer the after-hour care that families need and only 13% of all subsidized seats are for non-traditional hour child care<sup>3</sup>. Research for Action (RFA), a nonprofit education research organization, found that there is only one child care slot available for every three families that need it in Pennsylvania. The result is that families must scramble to find the care they need, leave their jobs, or refuse job offers.

While workers are the first to acknowledge their need for non-traditional hour child care, their employers are also acutely aware of those needs. The employer's bottom line is intricately tied with their employees' ability to access affordable and reliable child care. In fact, the U.S. Chamber of Commerce Foundation, in partnership with the Pennsylvania Chamber of Business and Industry found that the Commonwealth loses approximately \$3.47 billion annually because of child care breakdowns<sup>4</sup>. Fifty-five percent of parents surveyed had to miss work because of a child care issue and approximately 9% of parents left their jobs because these child care issues could not be resolved<sup>5</sup>. The costs add up for employers. On average, employers paid \$1.46 billion related to turnover and \$1.42 billion related to absences<sup>6</sup>. It is clear that a productive economy requires stable child care.

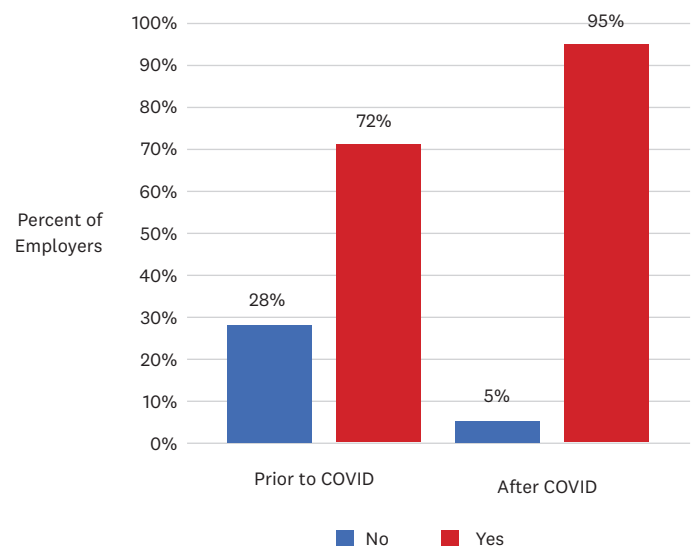
This brief expands upon the current research by taking a closer look at the ways in which employers have been affected by the economic consequences of the COVID pandemic and the instability of the child care industry. Feedback from a sample of 54 businesses across Pennsylvania and two in-depth interviews with business leaders highlight the need for more policy solutions to the non-traditional hour child care crisis.

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## COVID Made Accessing Child Care Worse

Prior to the onset of the COVID pandemic, the majority (63%) of the employers we gathered feedback from reported staffing shortages. After COVID began, staffing shortages were exacerbated. Over 91% of employers reported staffing shortages, a 44% percentage increase. Trends were similar with employers that require second and third shifts, or weekends. Approximately 72% of those employers experienced staffing shortages prior to the onset of the COVID pandemic compared to 95% of employers experiencing shortages after the pandemic started.

### Did Non-Traditional Hour Employers Experience Staffing Shortages?



A possible reason for these staffing shortages could be the decrease in child care availability. Employers reported seeing the supply of child care programs decreasing once the pandemic began. One employer that requires non-traditional hours noted:

*“Some employees had difficulties finding daycares that were open past 5 PM – [but] during and after the pandemic we lost all child care in the area for nights and weekends.”*

Indeed, this employer’s observations are consistent with reported trends across the country. In a survey conducted by the National Association of the Education of Young Children (NAEYC), child care programs in Pennsylvania reported operating at only 62% of their capacity during the pandemic<sup>7</sup>. The fear of contracting COVID, coupled with the sector’s historically low wages, has resulted in many child care teachers leaving their jobs. These departures have created the child care staffing shortages causing the reported reduction in program capacity. Reduced program capacity has only exacerbated the limited supply of non-traditional hour child care. Another employer observed:

*“Yes, the number of child care facilities is decreasing, and our staff is struggling to find quality child care. We are also concerned with facilities who can help support school age children who may be impacted by school closures. The majority of our staff cannot work from home and have difficulty finding last minute child care who can help manage educational requirements. We also have staff that may have child care but, because of a COVID exposure, the facility closes and then there’s a rush to find care for children.”*

## Child Care Solutions for Parents are Limited

All employers, regardless of non-traditional hour status, found that child care was a barrier for their employees. Prior to COVID, 81% of employees reported child care being an issue for their workers. When examining only employers who require non-traditional hours, 93% of employers reported child care being a barrier for their employees. While this feedback is consistent with other research in the area of access to child care, employers’ observations about who is being most affected by child care barriers was illuminating. One employer noted that women in particular have been affected by the fallout of the pandemic. They stated:

*“We employ a large number of clerical and administrative personnel, most of whom are young mothers and single mothers. With COVID protocols in schools and daycare facilities, children are often sent home until they recover from any respiratory illness (not just COVID) or can test negative. Our employee demographic means we see high absence rates because of child care needs. It is the rare occasion that the father or other family member assumes caregiving.”*



Another employer also observed that employees who are married or have partners are less likely to be affected by shortages of child care programs. They shared:

*“Two of our facilities have 24/7 operations: Prison and Public Safety. It’s challenging enough to find quality daycare during 8 AM to 4 PM, but both 24/7 facilities operate on irregular schedules with difficult times to find care unless the employee is married or has a significant other.”*

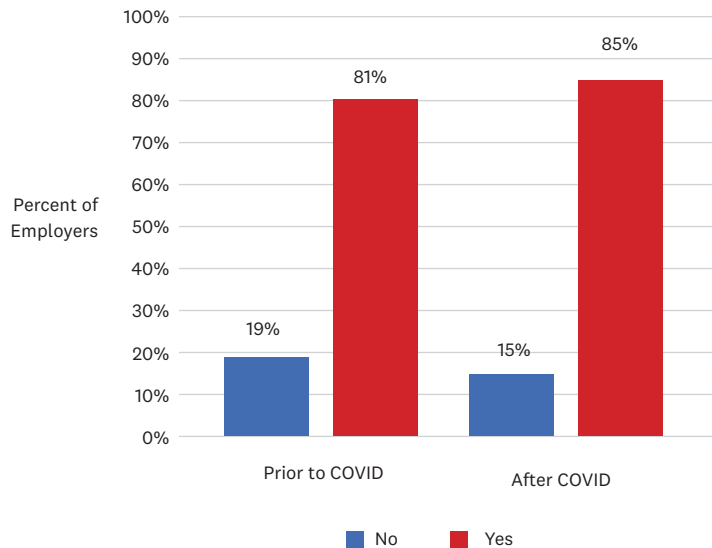
One employer was particularly explicit about the burden of care that single parents face, such that some were forced to leave their positions.

*“Single parent staff members have a harder time accessing child care for working evenings. After the pandemic and remote school came into play, more workers quit because they couldn’t balance working plus the remote school.”*

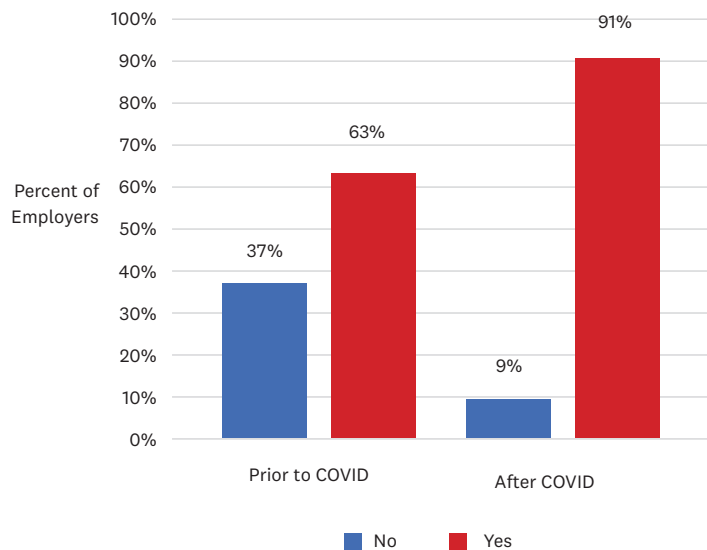
Solutions for parents and caretakers are limited. One employer was aware of those limitations:

*“In this area, the only effective overnight care is with family or friends. Working moms have a hard time making our schedule work if they are single.”*

### Was Child Care a Barrier to Work for All Employers?



### Were Staffing Shortages Exacerbated by COVID?



## Employers Know their Employees Need Relief from the Cost

Employers are aware of the issue of lack of access to non-traditional hour child care and they know that affordability is a barrier for families. Out of 54 responses, the words “affordable” and “expensive” were used eleven times by employers. Employers have been so affected by the issue of child care, that some responding employers have taken steps to address the problem. One employer reported that they will be rolling out an emergency child care support program as an employee benefit. Another employer stated:

*“Yes, I would love to be able to offer sick child care and off hours options to employees and find a way to fund it.”*

Other employers reported increasing the flexibility of their work policies to accommodate parents. In fact, one employer specified that they are allowing their employees to stay remote two to three times a week to address child care issues and not solely because of COVID safety protocols.

## Rural Manufacturing is Struggling Because of Child Care

The manufacturing plant interviewed for this brief is located in a rural county and is one of the largest private employers in the region with almost 1,600 employees. They are looking to hire an additional 150 employees in just the first quarter of this year. The manufacturing plant requires their staff to work non-traditional hours. Child care emerged as a pressing issue, especially since their rural counties have a limited number of child care providers. The supply of child care providers who offer non-traditional hour care is nearly non-existent.

The manufacturing plant operated during the entire pandemic, even at the height of the surges. Their employees work 12-hour rotating shifts, 7 days a week. The representative of the company shared that approximately 80% of their workforce are men. They have tried to recruit more women, but child care remains a persistent barrier to meeting that goal.

*“Our company believes in gender equity, but child care is definitely more a woman’s problem than a man’s problem. I think women self-select themselves out of opportunities. For instance, I spoke to a woman at a career fair, she was self-selecting herself out of a job even though it was the highest paying job that she could go for and the best long-term retirement system. She could not make it work because she had three young children.”*

Indeed, there are only a handful of early childhood providers in the county and the nearest child care



provider who offers non-traditional hour care is over an hour away from the manufacturing plant. Their workers overwhelmingly rely on family, friends, and neighbors for child care. They mentioned that one of their other locations in another state had piloted an on-site child care program. However, ultimately parents did not want their children enrolled in a program in a manufacturing plant and did not use the option enough to sustain the program. In their minds, there needs to be more flexible child care options for their employees.

*“Find alternatives for women. I think those alternatives could be very different options. One option would be a cash payment or stipend to women to allow them to create their own child care solution. I think it is a highly personal [decision]. We need to create a network of at-home providers. I think it could work nicely in a rural setting where there are not a lot of options.”*

## Healthcare is Struggling Because of Child Care

The healthcare system interviewed for this brief operates across several counties and employs approximately 20,000 employees. The representative for the healthcare company reported keeping a list of child care providers to give to employees who request child care; however, the list does not indicate whether that provider offers non-traditional hour care and it is up to the parents to call and inquire. She reported that they too once had an on-site child care program at one of their hospitals. However, she did not know the reason for why the program was discontinued. She offered that their company, alone, would not be able to solve the child care crisis for their staff.

*“We, as an organization, would not be able to offer a one-size-fits-all solution. As we look at this, we’re going to have to look at what we can offer that will work for everybody. I don’t know where we’re going to land. We’re just starting to dig into [this issue] as we get more inquiries from our staff.”*

The representative of the healthcare system emphasized the importance of the frontline workers during the pandemic and the struggles they had with finding child care at the height of the COVID surges. Despite offering stipends to their staff to offset the cost of child care, the limited supply of child care providers in the region ultimately determined whether they were able to use those stipends.

*“Our greatest resource during the pandemic was our healthcare workers, our frontline workers, they were in every day and continue to be, working long hours, stressful situations... we were offering a stipend to help them because their costs were going up. We could only rely on the resources in the community.”*





Unfortunately, the healthcare representative shared that they were not able to continue offering the stipend as the cost itself was unsustainable for the company. She estimates that it cost the healthcare company over \$1 million to give out those stipends. Despite that, the healthcare company continues to look for alternative options for their staff.

As the pandemic has progressed, staffing crises have become pervasive across industries. Both the manufacturing and healthcare company continue to stress the importance of finding innovative solutions to the child care problems their employees face. The fact that frontline workers were unable to find child care during a national crisis only emphasizes the need to reevaluate the supply of child care programs in our communities.

## Policy Solutions

The feedback gathered from our sample of employers showed that they have not only been acutely aware of the effects of child care on their employees' availability and their businesses' stability, but they have also kept abreast of changing trends in child care supply in their communities. Employers go above and beyond to find solutions to support their workers, including rolling out back-up care and being more flexible with their work policies. In order to consistently support both employees and employers, there must be more innovative policies to increase the supply of non-traditional hour child care programs across the Commonwealth, rather than reliance upon individual business solutions.

Policy solutions to encourage an increase in the supply of non-traditional hour child care could include add-on payments for child care programs participating in the child care subsidy system<sup>8</sup>. However, the RFA report on non-traditional hour child care showed that 85% of families that require non-traditional hour care have incomes above the eligibility threshold for subsidy<sup>8</sup>. This means that there will still be limited options for many families. In addition, add-on payments to incentivize providers to offer non-traditional hour care will only be successful if child care providers have adequate staffing. Therefore, any investment in improving the supply of non-traditional hour child care must also include measures to address staffing shortages.



# Start Strong PA's Recommendations for Non-Traditional Hour Child Care<sup>9</sup>

**Resources and Supports:** Increased supports for child care providers who offer non-traditional hours is necessary in order to increase the supply of care in communities with low availability. This can include grants, mentoring, technical assistance, professional networks, and shared services. For instance, policymakers could enact the Governor's request for more incentives for non-traditional hour child care providers.

**Standards and Regulation:** Improve licensing and standards for non-traditional hour care can increase the quality of care that children receive. This may be as simple as regulations defining what quality looks like in off-hour care when children are not engaged in active learning.

**Accessibility for Families:** Increasing accessibility is intricately linked to affordability. Incentives for child care providers can help but are limited. Increase accessibility and affordability for families may mean making them aware of what their options are in the community, in addition to making sure that the supply of non-traditional hour child care is adequate to meet those needs and that providers are adequately compensated to provide high-quality care.

**Employer and Business Support:** Any solution to non-traditional hour care must involve the feedback and participation from employers and businesses. They have a collective stake in making sure their employees are able to go to work while their children are in safe and educational programs.

**Research:** Ongoing research that collects data from parents, providers, and businesses is needed in order to further understand the scope of non-traditional hour child care and the policy solutions to help solve the problem.

Finally, and perhaps most essential to improving the child care landscape for parents and caretakers, are policies that employers and government could implement to support their employees. The Chamber Foundation's survey found that parents wanted more access to child care, but also more remote working opportunities and flexible scheduling. While it may be possible for some employers to accommodate these asks, certain industries and small businesses will face greater challenges to implementing these policies.

The Chamber Foundation's report called upon both employers and government to work together to resolve the child care crisis. The Pennsylvania economy is slowly recovering from the economic impacts of the COVID pandemic. Parents and caretakers continue to struggle to access affordable and high-quality child care. Now is the time for government and businesses to work together to find solutions to the child care crisis.

## APPENDIX 1

# Methodology and Sample

With support from the Pennsylvania Chamber of Business and Industry, Children First distributed a survey in December 2021 and January 2022 to businesses across the Commonwealth. Businesses were invited to respond to a short survey about the need for child care. Businesses were promised anonymity and confidentiality. The survey was split into two sections. One set of questions focused on staffing issues related to child care prior to the onset of the COVID pandemic, and the second set of questions focused on conditions after the start of the pandemic. The survey was designed in this way in order to acknowledge the extent to which the pandemic has affected businesses.

In total, 54 businesses responded. The industries represented in the sample are presented in Table 1. Overall, a majority of the responding business represented the manufacturing industry, approximately 28%. The healthcare industry

represented 17%, and 15% of the sample represented the nonprofit or human services sector. Across responding businesses, 80% indicated that their business requires employees to work non-traditional hours. Of the 80% of employers that require non-traditional hours, 22% were from the manufacturing industry and 17% were from the healthcare industry. Across the total sample, all areas of the Commonwealth were represented with no concentration in a specific area of the state. Table 3 includes a list of the counties in which the respondents were located. It should be noted that some businesses have multiple sites and some businesses did not indicate which counties they were located in. In total, there were 68 business sites located in the sample, with the greatest representation being Schuylkill County. Finally, the sizes of the businesses varied widely, including small stand-alone restaurants and large national chains.



**Table 1. Industries Represented in Sample**

Industry	Count	Percent
Manufacturing	15	28%
Healthcare	9	17%
Nonprofit/Human Services	8	15%
Restaurant	5	9%
Education	4	7%
Construction	3	6%
Media & Telecommunications	2	4%
Legal services	2	4%
Real Estate	1	2%
Transportation	1	2%
Entertainment	1	2%
Government	1	2%
Hospitality / Hotel	1	2%
Private Security	1	2%
<b>Total</b>	<b>54</b>	<b>100%</b>



**Table 2. Employer Industry by Non-Traditional Hour Requirement**

<b>Industry</b>	<b>Count</b>	<b>Percent</b>
<b>No – Does not require non-traditional hours</b>	<b>11</b>	<b>20%</b>
Nonprofit/Human Services	4	7%
Manufacturing	3	6%
Education	2	4%
Legal services	2	4%
<b>Yes – Requires non-traditional hours</b>	<b>43</b>	<b>80%</b>
Manufacturing	12	22%
Healthcare	9	17%
Restaurant	5	9%
Nonprofit/Human Services	4	7%
Construction	3	6%
Education	2	4%
Media & Telecommunications	2	4%
Real Estate	1	2%
Private Security	1	2%
Entertainment	1	2%
Transportation	1	2%
Hospitality / Hotel	1	2%
Government	1	2%
<b>Total</b>	<b>54</b>	<b>100%</b>

**Table 3. Counties Represented in Sample**

<b>County</b>	<b>Count</b>	<b>Percent</b>
Unspecified	9	13%
Schuylkill	8	12%
York	4	6%
Berks	4	6%
Bucks	4	6%
Montgomery	3	4%
Dauphin	3	4%
Alleghany	3	4%
Lancaster	3	4%
Lehigh	2	3%
Northampton	2	3%
Beaver	2	3%
Cumberland	2	3%
Centre	2	3%
Blair	2	3%
Wyoming	2	3%
Carbon	1	1%
Northumberland	1	1%
Lebanon	1	1%
Westmoreland	1	1%
Philadelphia	1	1%
Clarion	1	1%
Union	1	1%
Franklin	1	1%
Columbia	1	1%
Adams	1	1%
Mercer	1	1%
Clinton	1	1%
Monroe	1	1%
<b>Grand Total</b>	<b>68</b>	<b>100%</b>



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