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Contact: Kirstin Alvanitakis, kirstinalv@pa.gov

Lt. Gov. Austin Davis Hosts Roundtable on Childcare, Highlights Shapiro-Davis Administration's Work to Lower Costs and Expand Access

Bipartisan State Budget Includes New Tax Credit for Employers That Contribute to Their Workers' Childcare Costs

Philadelphia – Lt. Gov. Austin Davis joined business leaders, parents, and providers for a roundtable conversation today in Philadelphia to discuss how to expand access to childcare and highlight how the Shapiro-Davis Administration is working to lower the cost of childcare for families and support childcare providers.

“As a new dad, I’ve seen firsthand how important it is for working families to have access to high-quality and affordable childcare,” said **Lt. Gov. Austin Davis**, who is co-chair of the Early Learning Investment Commission (ELIC), a public-private partnership that brings together leaders to make recommendations and policy for early learning. “Childcare is infrastructure – much like roads, bridges and internet – and without it, our economy is crippled. That’s why the Shapiro-Davis Administration has increased the childcare tax credit for Pennsylvania families and, with the new bipartisan state budget, is creating a tax credit for employers that help their workers pay for childcare. But there’s more work to be done on this issue, and today’s roundtable provided valuable insights and perspectives.”

The bipartisan 2024-25 state budget recently signed by Gov. Josh Shapiro includes a new tax credit for employers that contribute to their employees’ childcare costs, as well as a \$17.7 million increase in funding for early childhood education.

All of this work builds on the significant progress the Shapiro-Davis Administration made last year to relieve the burden of childcare costs for working parents when [Gov. Shapiro signed into law an expansion of the state’s childcare tax credit for more than 200,000 families in Pennsylvania](#) and increased funding for Child Care Works by \$66.7 million to provide 75,000 low-income families with affordable and accessible childcare.

Lack of access to affordable childcare is a significant workforce issue in Pennsylvania and across the country.

- In 2023, [ELIC partnered with ReadyNation and Start Strong PA on a report](#) that estimated an annual economic cost of more than \$6 billion in lost earnings, productivity and revenue because of inadequate childcare options in Pennsylvania.
- Earlier this year, [ELIC and the Pennsylvania Chamber of Business and Industry released a report](#) that found 8 in 10 employers they surveyed have had moderate or significant recruitment and retention issues related to childcare.
- A 2024 [study by Boston Consulting Group and Moms First on the impact of childcare benefits](#) at five U.S. employers found a positive return on investment ranging from 90 percent to 425 percent. Because of childcare benefits, working parents were able to avoid up to 16 absences each year.

“As a health care provider and legislator, I’ve seen firsthand how the lack of access to childcare can hurt families and our economy,” said **state Rep. Tarik Khan**. “I’m currently working with my colleagues to increase support for emergency childcare. I’m also pleased to support the Shapiro-Davis Administration’s efforts to make childcare more affordable and accessible, including employer tax credits and significant state funds to support early childhood education funding.”

"The Greater Philadelphia Y understands the critical importance of helping working families," said **Shaun Elliott, president and CEO of the Greater Philadelphia YMCA**. "Our high-quality childcare program helps children succeed in school and in life. We applaud the Lieutenant Governor’s leadership as we all invest in our kids and the future."

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