



**To:** Interested Parties  
**From:** Global Strategy Group  
**Date:** September 29, 2020

**Re: Business Leader Survey Links Lack of Child Care to Financial Troubles for Businesses**

Global Strategy Group partnered with the Raising NY coalition to conduct an online (desktop and mobile) survey among 600 business leaders (defined below) in New York State from September 4<sup>th</sup> to 13<sup>th</sup>, 2020. The survey identifies and explores the important, yet often overlooked, relationship between the availability of child care and the financial health of a business. The lack of access to and cost of quality child care for infants and toddlers, a challenge that businesses often faced before the pandemic, has become amplified – creating additional barriers to success for businesses in New York State. Key findings from the research are outlined below.

**Key Findings:**

**Loss in revenue has created additional challenges for business leaders, who are experiencing even heavier financial burdens.** Just 16% of employers said they had difficulty making payroll for their employees prior to the coronavirus pandemic; now it is about half (46%). One in four (27%) business leaders say that they are at risk of closing in the next six months – most alarmingly among business leaders of color (33%) and those in New York City (32%). Of those who say their business is at risk, nearly two thirds (65%) say financial assistance to cover child care costs for employees would be very helpful for their business, and this is especially true among employers in New York City (73% very helpful), which was devastated in the early months of the pandemic from both a financial and public health standpoint.

**Over half of business leaders in New York State are burdened by the lack of access and cost of quality infant and toddler care.** Half (50%) of business leaders find child care a challenge to their business and to their employees (53%). Business leaders of color and those located in New York City are disproportionately more likely to say lack of access and cost of quality child care is a burden for their business: 61% of business leaders of color and 64% of those located in New York City consider their business burdened by the lack of affordable and accessible child care. Business leaders in New York City are also highly likely to say their employees are burdened by the lack of access and cost of quality infant and child care (63% burden among NYC business leaders).

	<b>Business Leaders Overall</b>	<b>NYC</b>	<b>POC</b>
<i>% burden / not a burden</i>			
How much of a burden is the lack of access and cost of quality infant and toddler child care for <u>your business</u> ?	<b>50 / 43</b>	<b>64 / 33</b>	<b>61 / 32</b>
How much of a burden is the lack of access and cost of quality infant and toddler child care for <u>your employees</u> ?	<b>53 / 41</b>	<b>63 / 35</b>	<b>54 / 42</b>
How much of a burden is the lack of access and cost of high-quality infant and toddler child care for <u>most families in your community</u> ?	<b>70 / 20</b>	<b>75 / 20</b>	<b>77 / 19</b>

**The lack of access to and cost of quality child care has stark implications for business leaders.** Over half of business leaders not only agree that the lack of accessibility and availability of quality care for infants and toddlers negatively impacts their business (58% agree), but also that the high cost of care negatively impacts their ability to retain and hire employees (55% agree). Among business leaders in New York City, these numbers rise to 67% agreeing that the lack of accessibility negatively impacts their business and 65% agreeing that the cost of child care negatively impacts employee retention and hiring. Business leaders of color are similarly impacted, with 64% agreeing that their business has been negatively affected by lack of access and availability of care.

**Employee absenteeism due to lack of child care is a problem for business leaders.** Forty-five percent of business leaders cite employee absenteeism and calling-off due to lack of access and availability of child care for infants and toddlers as contributing the most toward loss in revenue during the pandemic. Additionally, 43% of business leaders cite reduced employee productivity and turnover among employees (41%) as significant contributions to revenue loss due to the same reason. Employers of color and those in New York City are the hardest hit: 61% of New York City employers say there has been reduced productivity and turnover (56%) due to lack of access to child care for infants and toddlers. It is similarly dire for leaders of color who cite 52% reduced productivity and 49% turnover among employees as major contributors to loss in revenue due to lack of access and availability of toddler and infant child care.

**Business leaders say that as their state reopens, the demand for child care will not be met – signaling concerns for the future.** More than 1 in 4 business leaders (27%) do not think the demand for child care will be met as their state reopens, and this concern is even higher among women employers (32%). Concern over child care further manifests itself in a belief among 65% of business leaders that the lack of access of quality infant and toddler child care will make problems worse for their business as coronavirus cases rise this fall and winter, and the economy continues to suffer. Women in particular are much more concerned about impending harm to their business due to the lack of infant and toddler care: 68% of women fear that due to the lack of access and cost of quality infant and toddler care, problems for their business and employees will only get worse this fall and winter; and for the same reason 69% fear problems for their business will get worse if the economy continues to suffer, and 33% fear problems for their business will get worse as the new school year starts.

***Ways the lack of access and cost of quality infant and toddler child care could continue to make problems for your business and employees worse or better...***

<i>% will get worse for my business / will get better for my business</i>	<b>Business Leaders Overall</b>	<b>NYC</b>	<b>Outside of NYC</b>	<b>White</b>	<b>POC</b>	<b>Men</b>	<b>Women</b>
If coronavirus cases rise this fall and winter...	<b>65 / 6</b>	<b>61 / 9</b>	<b>69 / 3</b>	<b>66 / 6</b>	<b>63 / 5</b>	<b>63 / 8</b>	<b>68 / 3</b>
If the economy continues to suffer...	<b>65 / 7</b>	<b>65 / 10</b>	<b>65 / 4</b>	<b>66 / 8</b>	<b>63 / 4</b>	<b>63 / 9</b>	<b>69 / 2</b>
As the new school year starts...	<b>26 / 23</b>	<b>27 / 31</b>	<b>25 / 17</b>	<b>28 / 20</b>	<b>21 / 28</b>	<b>22 / 23</b>	<b>33 / 23</b>

**Business leaders support action from federal, state, and local officials to address the lack of access and cost of quality infant and toddler child care.** Over a third (37%) of business leaders in New York State rate the job that state and local officials are doing to provide support and resources for working parents who need access to infant and toddler child care as negative, with federal officials rating even worse (51% negative). And with 45% of business leaders citing employee absenteeism due to lack of child care as a key contributor to loss of revenue and 65% saying they would find financial assistance to cover child care cost very helpful, it is clear that employers are financially troubled and are looking for their elected officials to address their concerns and meet a need that is currently being overlooked:

- **More than nine in ten business leaders support investments in child care:** 92% of business leader support investing more public funds into expanding quality, affordable child care for New York families, including a majority (55%) who *strongly* support increased investments. This is especially relevant as New Yorkers wait for the U.S. Senate to act on pandemic relief legislation passed by the U.S. House of Representatives that would provide fiscal relief to states and provide significant new investment for child care during the crisis.
- **Nearly nine in ten business leaders approve of doing more for infants and toddlers in the state:** 88% approve of state and local officials doing more to ensure infants and toddlers are healthy and developmentally on track, including a near-majority who say they *strongly* approve of doing more (46%).
- **Nearly three in four business leaders think investments in access to child care and preschool would have a positive impact on their business:** 73% say investing more funds into expanding access to quality, affordable child care/preschool for New York families with children ages three and under would have a positive impact on their business, including over a third (38%) who say these investments would have a *very positive* impact on their business.

**\*About this poll:** The survey had a confidence interval of +/-4.0%. All interviews were conducted via web-based panel. Care has been taken to ensure the geographic and demographic divisions of business leaders are properly represented.

**New York State Business Leaders:** Business owners and high-level executives at the Managing Director level and above that are in New York State and have part-time and/or full-time employees.