



workforce  
SOUTHWEST WASHINGTON

## The Business Case for Childcare



Companies cannot successfully operate if their employees do not have affordable, dependable childcare. Workforce Southwest Washington (WSW) has brought Cowlitz County businesses together with leaders in childhood education and early learning, and childcare providers to understand the extent of the childcare crisis and to develop a strategy to increase childcare capacity to meet workforce needs.

WSW retained Exigy Consulting to assist with the project. During the first phase, interviews were conducted to assess the demand for childcare, ascertain if efforts had been taken to address the lack of childcare availability and gauge the willingness of interviewees to participate in developing approaches to increase childcare capacity. The second phase of the project will be to develop a model for delivering additional childcare capacity that will be funded through a private-public partnership. WSW hopes to have the second phase completed in July.

The first phase findings of WSW's "[The Business Case for Childcare](#)" report found:

- 61 percent of interviewees indicated affordability was the principal challenge to their workforce securing childcare.
- 51.6 percent of respondents indicated childcare availability is a substantial concern.
- 32 percent of those interviewed would be willing to commit to providing resources to developing a solution to the childcare issue.
- Nearly 42 percent of stakeholders stated childcare has impacted recruitment or retention, with the majority stating retention was the bigger of the two issues.

Childcare is not a new concern or issue for a workforce development board to tackle. However, WSW's approach – putting businesses in the lead and recommending they develop and help fund the solution – is different.

"When a parent is unable to work due to lack of affordable and accessible childcare, it impacts not only the family but the employer and ultimately the economy," said WSW CEO Kevin Perkey. "Businesses are struggling with employee recruitment and retention due to the childcare crisis.

For the growth and survival of their organizations, companies need to be in the conversation and investing in the solution for their workforce.”

Cowlitz businesses are not alone in struggling with employee recruitment and retention. SW Washington employers incurred costs of \$83.5 million in 2019 due to employee absenteeism resulting from a breakdown in childcare coverage, according to a November 2020 report by Washington STEM and Washington Communities for Children.

Additional findings from WSW’s report include:

- The organizations interviewed employ in excess of 4,400 workers. Of that, stakeholders reported that on average 18.4 percent have experienced one or more challenges with childcare in the last 24 months.
- Those most affected were shift workers (20.8 percent), in healthcare (31.6 percent average of total) and manufacturing (13.8 percent average of total).
- 61.3 percent of stakeholders responded that childcare was a challenge prior to the COVID-19 pandemic.

Representatives of Kaiser Permanente, Youth and Family Link, Support for Early Learning and Families, Lower Columbia College, PeaceHealth, Educational Service District 112, Choice Regional Health Network, Educational Opportunities for Children and Families, and the Community Foundation for Southwest Washington are providing input and guidance as part of WSW’s childcare Project Advisory Group.

Funding for the project was provided through competitive grants WSW sought and received, including \$52,560 from the Washington Department of Commerce and \$32,408 from the Seattle Foundation. WSW contributed \$25,000 of Workforce Innovation and Opportunity Act funds to the endeavor.

The Washington State Department of Commerce awarded \$1.8 million in grants to 24 organizations. Grantees will receive approximately 38 percent of the award from state general funds administered by Commerce and a nearly 62 percent match from donors who supported the [Safe Start Fund for a Healthy Economic Transition and Recovery](#).

[Read "The Business Case for Childcare" Report](#)

**Workforce Southwest Washington (WSW)**, a nonprofit organization, funds community prosperity by investing in services that help individuals gain skills to obtain good-paying jobs or advance in their careers and help companies attract, train and retain workers. Our investments strengthen the region’s businesses and contribute to a strong economy. Since 2003, we’ve invested more than \$100 million in Southwest Washington. WSW is the Local Workforce Development Board (LWDB) designated by federal Workforce Innovation and Opportunity Act (WIOA) legislation to oversee the public workforce system in Clark, Cowlitz and Wahkiakum counties. Learn more at [www.workforcesw.org](http://www.workforcesw.org).

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