



New Statewide Survey: Businesses Recognize Child Care is Foundational to Virginia's Economy

December 4, 2025

Contact: tglancey@omc.com

RICHMOND, Virginia — A new statewide survey of more than 300 employers finds that the lack of affordable, high-quality child care is not just a challenge for Virginia's working families, but also is significantly undermining business operations across the Commonwealth. According to the survey, conducted during the months of August and September 2025, employers report that inadequate child care options are directly affecting their workforce and bottom line. Overall, more than 8 in 10 employers say child care challenges hinder their hiring and retention efforts, and 85% say it reduces productivity. The survey was conducted by the Virginia Early Childhood Foundation in partnership with the Federal Reserve Bank of Richmond and the Virginia Chamber Foundation.

"This data reinforces what employers have been telling us for years: child care is fundamental economic infrastructure," said **Kathy Glazer, President of the Virginia Early Childhood Foundation**. "When families cannot access reliable, affordable care, businesses lose talent, productivity suffers, and communities miss out on economic growth. Addressing this challenge isn't just a family issue - it's a business imperative and must continue to be a statewide priority."

"These findings make clear that child care is no longer a peripheral issue—it's a core workforce and economic competitiveness challenge," said **Keith Martin, interim President and Chief Executive Officer of the Virginia Chamber of Commerce**. "When employers can't hire, retain, or fully support their teams because families lack access to reliable, affordable child care, the entire economy feels the strain. Virginia must continue working toward solutions that strengthen our talent pipeline and support both businesses and working families."

Key Findings:

- **Child care gaps are directly hindering productivity.** Nearly nine in ten employers (88%) say employees are late or absent due to child care challenges, and 65% report that workers are cutting back their hours as a result.
- **A lack of child care is holding back career advancement and retention.** Forty-one percent of employers say employees are declining job offers or promotions because they can't secure reliable child care. Another 34% report that workers are leaving their jobs — and in some cases the workforce entirely — due to child care barriers.
- **The impacts are most acute in sectors that drive Virginia's economy.** Employers in hospitality, food service, retail, trade and transportation, and health care report the highest levels of disruption to business operations and workforce stability. Organizations with nontraditional or unpredictable schedules, especially shift-based industries, are significantly more likely to feel the strain of child care gaps.
- **Workers face a severe shortage of available and affordable child care options.** Sixty-five percent of employers say their employees struggle to find programs with available slots, and more than 85% report that child care costs are a major burden for their workforce.
- **While few employers currently offer child care benefits, many want to do more.** Though fewer than 20% of businesses currently offer these supports, a significant number of employers are interested

in offering solutions such as child care referral services, cost-sharing models, employer-sponsored care, and child care vouchers or subsidies.

- **Employers overwhelmingly cite cost as the greatest barrier to expanding benefits.** Survey respondents emphasized the need for increased state investment in child care, stronger incentives to support employer participation, and greater private and local investment to stabilize and grow the child care market.

“Virginia’s employers want to be part of the solution,” **Glazer continued.** “With the right public-private partnerships and sustained state investment, we can strengthen our workforce, support families, and build a more resilient economy.”

Survey Methodology: In August–September 2025, 308 employers representing every region of Virginia and a mix of industries and business sizes took part in a statewide survey on how child care affects Virginia's workforce and businesses. The survey was conducted by the Virginia Early Childhood Foundation in partnership with the Federal Reserve Bank of Richmond and the Virginia Chamber Foundation.

###