



**Mississippi
Business Alliance**

FOUNDATION

Increasing Employer Support for Child Care

**Employer Engagement and Child Care:
Addressing a Barrier to Workforce Development and Participation**

A Mississippi Business Alliance Foundation Report

Research was conducted by the Mississippi Business Alliance Foundation, a 501(c)3 Foundation, in collaboration with the Children's Foundation of Mississippi and the Mississippi Department of Human Services



Table of Contents

Executive Summary 3
Research Design and Methodology 4
Organizational Transition and Continuity 5
Employer Engagement 6
Regional Meetings 7
Survey of Business Leaders 9
Child Care Professionals and Providers Concerns 12
Conclusion 14
Appendix 16
Survey Results 17
Supplemental Information and Next Steps 21

Executive Summary

The Mississippi Business Alliance recognizes that access to affordable, high-quality child care is essential to workforce participation, productivity, and long-term economic growth in Mississippi. Over the past several years, the Propel Education Forum of Mississippi, a 501(c)(3) foundation, now known as the MSBA Foundation, has partnered with the Children’s Foundation of Mississippi (CFM) and other stakeholders to elevate child care as a critical workforce and economic issue.

Extensive research demonstrates that reliable child care is foundational to parents’ ability to fully participate in the workforce and to children’s early development, which directly impacts the future talent pipeline. Early collaborative work between Propel and CFM supported the U.S. Chamber of Commerce study *Untapped Potential: How Child Care Impacts Mississippi’s State Economy*. This work quantified the economic consequences of inadequate child care – highlighting losses to businesses through reduced productivity and revenue, and to the state through diminished tax collections.

A central finding of that report was the significant role child care plays in adult workforce training, education, and upskilling. For many Mississippians seeking to improve their employment opportunities, the lack of dependable, affordable child care remains a primary barrier. That report served as a catalyst for foundation’s continued partnership with CFM and for expanded engagement with the business community.

In September 2025, CFM awarded a grant to Propel to assess employer sentiment on child care and to identify opportunities to expand employer-supported child care options and partnerships. This work took place from September through December 2025.

The grant provided the ability to complete a comprehensive, scientifically valid survey of business leaders across Mississippi. Importantly, respondents were not randomly selected; the methodology ensured participation by company decision makers with authority over employee benefits and workplace policies.

In addition to the survey, eight regional forums were convened across the state to hear directly from business leaders, educators, workforce professionals, and community officials about barriers to workforce participation. While workforce training and skills development remain top priorities, access to quality child care consistently emerged as a significant concern.

There were meetings with child care professionals and provider representatives. These discussions focused on potential avenues for employer engagement, the role of incentives, and the operational challenges facing child care providers—particularly rising costs and workforce shortages within the child care sector itself.



A hand is shown typing on a laptop keyboard, with a blue overlay covering the entire image. The text 'Research Design and Methodology' is written in white, bold, serif font across the lower half of the image.

Research Design and Methodology

Increasing Employer Support for Child Care

Research Design and Methodology

The MSBA Foundation, a 501(c)(3) foundation and subsidiary of the Mississippi Business Alliance, developed this report based on research conducted through a grant provided by the Children’s Foundation of Mississippi. This work began in September 2025 under the Mississippi Economic Council’s Propel Education Forum of Mississippi, which was selected as a subgrantee as part of a grant awarded to the Children’s Foundation of Mississippi by the Mississippi Department of Human Services.

The research focused on collecting both quantitative and qualitative data from employers to better understand how child care often serves as a barrier to workforce participation and to identify opportunities to increase employer engagement in addressing the issue. Topics explored included employer-provided child care assistance or benefits, partnerships with existing child care providers, challenges faced by child care providers, and best practices that support sustainable child care solutions.

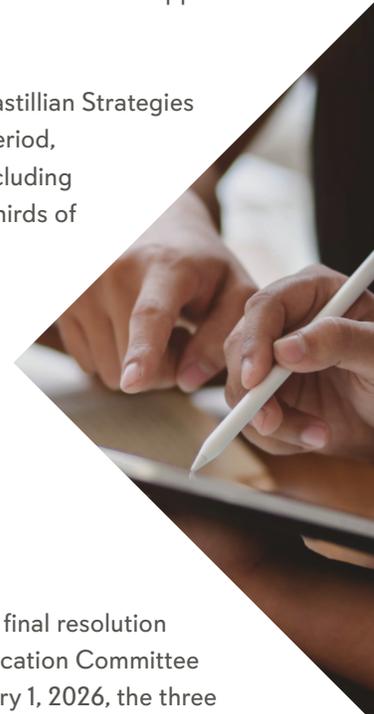
To support this effort, the MSBA Foundation partnered with Moore Media Group, which engaged Bastillian Strategies to conduct a survey of business leaders and benefits managers across Mississippi. Over a 30-day period, Bastillian Strategies administered a survey of 300 decision-makers within Mississippi businesses, including business owners, executives, hiring managers, and human resources professionals. More than two-thirds of respondents completed the survey through live telephone interviews.

The survey results have a margin of error of $\pm 5.66\%$ at a 95% confidence level.

Organizational Transition and Continuity

During the course of this research, the Mississippi Economic Council Board of Directors approved a final resolution to merge with the Mississippi Manufacturers Association and the Business and Industry Political Education Committee to form a single, unified organization representing Mississippi’s business community. Effective January 1, 2026, the three organizations fully integrated operations to form the Mississippi Business Alliance (MSBA).

The MSBA Foundation, through its WorkFuture Institute for Workforce and Educational Excellence, will continue to focus on issues related to the impact of child care on Mississippi’s workforce and will lead ongoing efforts to develop solutions that increase employer engagement and support workforce participation across the state.





Employer Engagement

Understanding Employer Perspectives

Understanding how employers perceive child care within the broader context of workforce availability, retention, and productivity was a central objective of this project. The work used a dual approach – combining in-person regional engagement with a statewide, data-driven survey of business decision makers – to assess employer willingness to support employees with child care needs.

In November 2025, eight regional forums took place covering every part of the state. Across regions and industries, business leaders consistently cited child care access and quality as factors affecting employee attendance, retention, and overall workforce stability.

In December 2025, a statewide survey of business owners, chief executives, and human resource leaders was conducted. The survey intentionally targeted individuals with direct authority to make benefit-related decisions, ensuring that responses reflected realistic employer perspectives rather than general opinions.

Regional Meetings

In November 2025, leaders from education, workforce development, business, and industry convened for eight regional ATLAS (Accelerated Training and Livelihood Aligned Strategy) Industry Roundtable meetings across Mississippi. These discussions were designed to better align the state's talent pipeline with employer needs and emerging career pathways.

Hosted in collaboration with Accelerate Mississippi (the State Office of Workforce Development), the Mississippi Department of Education, and the Mississippi Community College Board, the roundtables drew hundreds of participants from manufacturing, school districts, economic development organizations, workforce agencies, and community groups.

Conversations focused on strengthening partnerships, modernizing workforce systems, and preparing Mississippians for high-demand careers. Employers emphasized the importance of soft skills – such as communication, teamwork, punctuality, and professionalism – alongside the need for hands-on training, digital literacy, and earlier exposure to career pathways. Throughout these discussions, child care repeatedly surfaced as a significant challenge affecting both recruitment and retention.



Key questions explored during the roundtables included:

Talent Pipeline & Training

1. **What specific skills, credentials, and experiences are most critical for entry into your industry?**
2. **What challenges does your business face in attracting and retaining talent?**
3. **How effective are existing training and education programs in preparing candidates for the workforce?**
4. **How can Mississippi's education and workforce partners better align with business needs?**
5. **Are there specific gaps in the training pipeline that must be addressed?**

In seven of the eight regional meetings, participants identified child care as a major factor influencing workforce participation and access to training. Common challenges included high child care costs, limited availability of quality providers, misalignment between child care and work schedules, and disruptions caused by school holidays.

Incorporating child care considerations into statewide workforce and economic development planning is essential. Addressing these challenges supports not only workforce participation and economic growth, but also child development and family stability – yielding long-term benefits for Mississippi's economy and communities.

Survey of Business Leaders

In December 2025, approximately 300 Mississippi business executives, managing operators, owners, hiring managers, and other decision makers participated in a statewide survey examining the impact of child care on workforce participation and the types of incentives employers would consider.

All respondents held significant decision-making authority within their organizations; notably, 74% (222 respondents) identified as business owners. A full breakdown report of questions and results is included in the Appendix.

Respondents were asked about existing child care offerings and their willingness to participate in various employer-supported child care programs. The survey's primary objective was to assess realistic levels of employer engagement and to identify policy mechanisms – such as tax incentives – that could expand participation.

Key findings include:

ONLY 11%

of respondents reported using the current Mississippi child care tax credits.

ONLY 8%

of surveyed businesses currently offer any form of child care support.

TWO THIRDS (67%)

said they do not use the credit, while 19% were unaware it exists.

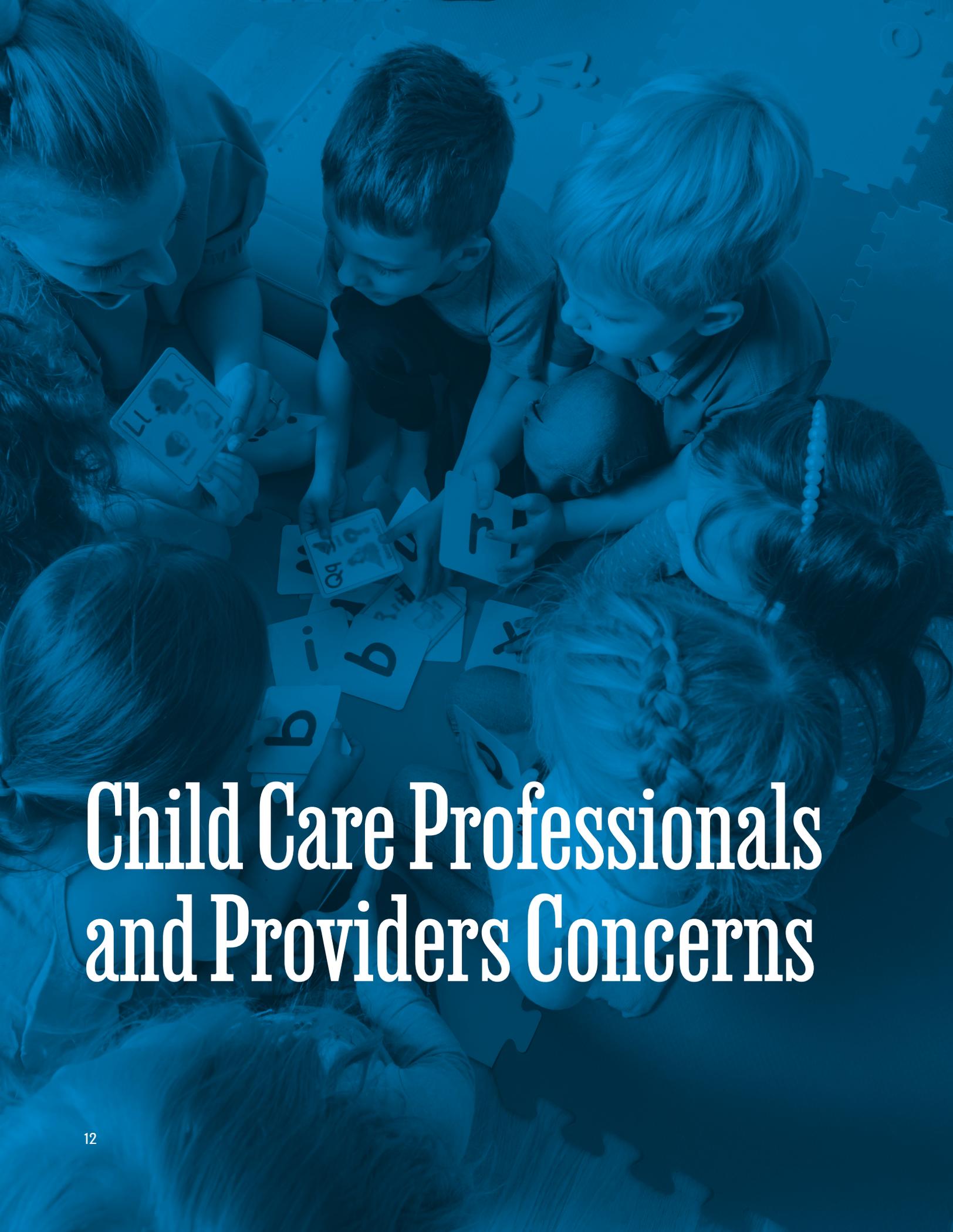
Note: This question did not distinguish between the business child care tax credit and the early learning tax credit, which is also available to businesses in Mississippi.

When asked whether they would be more likely to use the credit if it were simplified or reduced from the current \$6,000 threshold, 23% responded “Yes,” and 35% indicated they were “Unsure.” This suggests significant opportunity to redesign the credit in a way that could engage an additional 30% of businesses statewide.

Additional findings of note:	
<p>56%</p> <p>of respondents who offered child care noticed an increase in employee loyalty, retention, and productivity</p>	<p>26%</p> <p>said they would be willing to contribute up to \$1,000 per employee.</p>
<p>53%</p> <p>indicated a preference for participating through direct tax incentives.</p>	<p>22%</p> <p>reported that tri-share models (shared contributions by employers, employees, and the state) would make them more likely to participate.</p>

Overall, the survey revealed that while many employers may underestimate the operational costs of inadequate child care, they clearly recognize the potential benefits. Employers believe child care support can lead to increased employee loyalty and retention (33%), reduced absenteeism (23%), improved community reputation (12%), and increased productivity (23%). Across these categories, 20–29% of respondents also acknowledged the negative consequences of not offering child care support.





Child Care Professionals and Providers Concerns

Challenges and Opportunities

In addition to engaging employers and workforce stakeholders, this project included targeted outreach to child care professionals and provider organizations across Mississippi. These conversations were designed to better understand the operational challenges facing providers and to identify opportunities where employer engagement and public policy could help strengthen child care capacity statewide.

As part of this effort, MSBA engaged in ongoing dialogue with child care advocacy and provider organizations. Chief among these were discussions and collaboration with the Mississippi Early Learning Alliance. These conversations explored potential modifications to the existing Business Child Care Tax Credit and examined how employer participation could be structured in ways that both support working families and strengthen the child care delivery system.

As part of the outreach on the project, a presentation was made at the 6th Annual Mississippi Early Childhood Investment Council Conference, which brought together child care professionals, providers, and advocates from across the state. This engagement highlighted the growing recognition within the business community that inadequate child care access directly affects workforce productivity, absenteeism, and employee retention. Employers are consistently expressing that limited access to quality child care remains a significant barrier to workforce participation, particularly for parents of young children.

From the provider perspective, several recurring challenges were identified. These include the rising costs of child care operations, especially for infants and toddlers. Providers emphasized that required staff-to-child ratios significantly increase labor costs for younger children placing financial strain on providers and limits their ability to expand capacity in that age group. These pressures are compounded by increasing costs for facilities, food, insurance, supplies, and regulatory compliance.

Providers also reported persistent difficulties in recruiting and retaining qualified child care workers in an increasingly competitive labor market. Low margins and limited reimbursement rates make it challenging for providers to offer wages and benefits that are competitive with other industries, further exacerbating staffing shortages and constraining enrollment availability.

These conversations reinforced the interconnected nature of employer workforce needs and child care provider sustainability. Addressing child care challenges will require coordinated strategies that support both working families and the providers who serve them. Employer engagement – paired with thoughtful policy design – can play a critical role in expanding quality child care access, stabilizing providers, and strengthening Mississippi's workforce infrastructure.





Conclusion

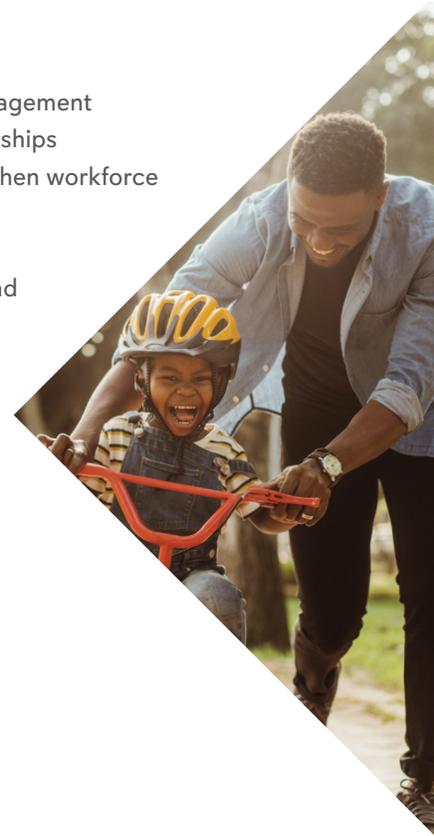
Central Workforce Issue

This research confirms that child care is no longer a marginal issue – it is a central workforce challenge with direct implications for business productivity, employee retention, and Mississippi’s long-term economic competitiveness. Employers across the state consistently identified child care access and affordability as barriers to workforce participation, particularly for parents seeking stable employment or additional training.

At the same time, the findings underscore a clear opportunity. While current utilization of existing child care tax credits remains low, employer interest increases significantly when incentives are simplified, better communicated, and aligned with realistic contribution levels. Survey results suggest that modest, flexible approaches – such as lower- threshold tax credits, tri-share models, or targeted incentives – could meaningfully expand employer participation.

Moving forward, Mississippi has the opportunity to build a more comprehensive employer engagement strategy around child care – one that pairs policy reform with education, outreach, and partnerships between employers, providers, and community stakeholders. By doing so, the state can strengthen workforce participation today while laying a stronger foundation for the future workforce.

The creation of the Mississippi Business Alliance enhances the ability to provide information and avenues for expanding employer-supported child care. This is not simply a family issue; it is a workforce imperative and an economic development strategy. With coordinated leadership and thoughtful policy design, Mississippi can make meaningful progress in removing child care as a barrier to work, training, and opportunity.





Appendix

Survey Of Business Leaders To Explore Levels Of Child Care Support

Conducted December 2025

The following is a breakdown of the questions from the survey conducted by the Mississippi Economic Council.

Question | Are you a business owner or decision maker at your business?

Executive	7%	21
Managing Operator	16%	49
Owner	74%	222
HR/Hiring Manager	3%	8

Question | What is your age as of today?

18-34	6%	18
35-50	34%	103
51-64	28%	85
65+	31%	94

Question | Does your business take advantage of the State of Mississippi Tax Credit?

Yes	11%	34
No	68%	205
Unaware of Tax Credit	20%	61

Question | The credit currently is given if an employer pays for \$6,000 or more child care per employee. If the State Tax Credit were simplified or lowered, would you be willing to pay an amount?

Yes	23%	68
No	42%	127
Unsure	35%	105

Question | How much would your business be willing to pay per employee?

\$0.00	57%	170
\$1 - \$1,000	26%	78
\$1,001 - \$2,000	8%	25
\$2,001+	9%	27

Question | Does your business offer child care assistance to its employees?

Yes, employer paid child care	4%	12
Stipend Program or other financial assistance to families	4%	13
My business does not offer child care assistance	92%	275

Question | If you currently do not offer child care assistance, what would make you more likely to offer assistance or increase assistance to your business' employees?

Direct tax incentives	53%	158
Grants issued through non-profits	16%	47
Partnership with early learning centers/daycares to offset taxes	9%	28
Tri-share programs	22%	67

Question | What is the biggest reason your business would not offer child care assistance?

Cost and financial burden	42%	125
Logistical barriers	29%	86
Operational and Admin Limitations	13%	39
Liability Concerns	9%	26
Other benefits take priority	8%	24

Question | What barriers have you seen in your business as a result of not offering child care?

Decreased employee loyalty retention	26%	79
Increased absenteeism among employees	29%	88
Decreased employee productivity	19%	58
Negative brand perception within local community	32%	96

Question | What benefits have you seen in your business as a result of offering child care?

Increased employee loyalty/retention	33%	100
Decreased absenteeism among employees	23%	69
Increased employee productivity	23%	69
Positive brand perception within local community	12%	37

Question | Has access to child care assistance made it difficult to recruit talent to your business?

Yes, I have lost employees to out of state competitors who offer child care and I do not.	33%	100
Yes, I have lost employees to in state competitors who offer child care and I do not.	23%	69
No, child care assistance has not been a factor in attracting good employees to my business.	23%	69
No, I offer child care assistance and that has made my business competitive.	12%	37

Supplemental Information and Next Steps for Increasing Employer Support for Child care

I. Overview

Access to affordable, reliable child care is essential to Mississippi's workforce participation and economic competitiveness. Employers across the state increasingly recognize that child care challenges affect employee attendance, retention, and productivity. This report summarizes findings from statewide employer engagement conducted by the Mississippi Economic Council (MEC) through its Propel Education Forum of Mississippi, with support from the Children's Foundation of Mississippi. Note: MEC is now part of the Mississippi Business Alliance, a merger with the Mississippi Manufacturers Association and Business and Industry Political Education Committee .

Key Findings

- Child care is consistently cited by employers as a barrier to workforce participation and retention.
- Only 8% of surveyed businesses currently offer child care support.
- While awareness of existing child care tax credits is limited, employer interest rises significantly when incentives are simplified and better aligned with business realities.
- Employers associate child care support with increased loyalty, reduced absenteeism, and improved productivity.

Why It Matters

When employees lack access to child care, businesses experience higher turnover, absenteeism, and difficulty filling open positions. Addressing child care challenges strengthens families, supports early childhood development, and expands Mississippi's available workforce.

Moving Forward

Mississippi has an opportunity to strengthen its workforce by modernizing child care incentives, increasing employer awareness, and encouraging flexible, scalable models of employer participation. Doing so will benefit employers, employees, and communities statewide.

II. Policy and Awareness

Based on survey data, regional engagement, and stakeholder input, the following policy considerations emerge as priorities:

1. Simplify and Modernize Child Care Tax Credits

- Reduce complexity and administrative burden for employers.
- Consider lowering contribution thresholds to increase participation.
- Clearly distinguish and communicate available credits to employers.

2. Expand Employer Awareness and Technical Assistance

- Develop a coordinated outreach strategy to educate employers on available child care incentives.
- Provide guidance to small and mid-sized businesses on how to implement child care support.

3. Support Flexible Employer Participation Models

- Encourage tri-share models that distribute costs among employers, employees, and the state.
- Allow employers to support child care through multiple mechanisms, including subsidies, partnerships with providers, or pooled regional approaches.

4. Align Child Care Policy with Workforce and Economic Development Goals

- Integrate child care considerations into state workforce, education, and economic development plans.
- Recognize child care as critical infrastructure supporting labor force participation.

5. Strengthen the Child Care Provider Workforce

- Address staffing shortages and cost pressures facing providers.
- Explore incentives and workforce pathways to grow and retain child care professionals.

III. Executive Brief for Leaders

Child Care and Mississippi's Workforce: A Business Imperative

The Challenge

Mississippi employers face ongoing challenges in attracting and retaining a reliable workforce. Across regions and industries, access to affordable, quality child care is consistently identified as a barrier preventing employees from entering or remaining in the workforce.

What Employers Are Saying

- Child care impacts attendance, retention, and productivity.
- Current child care tax credits are underutilized, often due to lack of awareness or complexity.
- Employers are more likely to participate when incentives are simple, flexible, and financially feasible.

The Opportunity

Targeted policy adjustments—particularly simplified tax incentives and shared-cost models—could significantly expand employer participation in child care support. Even modest employer contributions, when paired with state support, can have a meaningful impact on workforce stability.

Why It Matters to Mississippi

- Stronger workforce participation supports economic growth and competitiveness.
- Reliable child care enables parents to pursue employment, training, and advancement.
- Early childhood stability strengthens long-term education and workforce outcomes.

Next Steps

Mississippi can position child care as a workforce solution by modernizing incentives, aligning policy with business needs, and fostering partnerships among employers, providers, and communities. Addressing child care is not solely a family issue - it is an economic strategy that supports businesses, workers, and the state's future growth.

The Mississippi Business Alliance Foundation will continue prioritizing child care as a critical workforce issue while increasing awareness among businesses about opportunities for engagement. Efforts to strengthen the state's child care system must take a multifaceted approach, as no single solution can effectively address the diverse child care challenges across Mississippi.



MS LIFT is a program of The Mississippi Department of Human Services.