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*The State's leading force for women's equality*

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**Testimony of  
Permanent Commission on the Status of Women  
Submitted to the  
Committee on Children  
March 3, 2016**

**Re: H.B. 5302, AAC a Tax Credit for Employers Offering On-Site Child Care.**

Senators Bartolomeo and Martin, Representatives Urban and Kokoruda, and distinguished members of the Children's Committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) on H.B. 5302, An Act Concerning a Tax Credit for Employers Offering On-Site Child Care.

The PCSW thanks the bill's sponsors for attempting to address the one of major challenges facing working parents in Connecticut – lack of access to convenient and affordable child care. In our 2014 report, *The Status of Women in Connecticut's Workforce*, we found that 27% of women who work part time do so for reasons related to family, which includes child care problems and other family obligations.<sup>1</sup> The long term economic impacts for women as a result of taking time out of the workforce to care for family cannot be understated. Women who work part-time have less lifetime earnings, acquire fewer retirement assets and earn less social security. Part-time work contributes to the gender wage gap as well, which further lowers women's wages and disadvantages women in retirement. Therefore, we applaud any efforts to expand accessible child care options for Connecticut's working women.

Because child care poses both access and financial challenges, PCSW would support narrowing the reach of any proposed credit for this purpose to those employers who offer on-site child care that is subsidized by the employer. An on-site option is great, but if it is unaffordable for the employees, then it is still not truly accessible.

It is unfortunate that more employers do not see the benefits to their businesses of policies and programs that support employees' success in both the workplace and at home. Employees who feel valued and supported by their employers tend to have better morale and be more loyal and productive. But if financial incentives offer a way to encourage employers to do the right thing, then they should be considered as one tool that can positively impact the lives of Connecticut's working parents. PCSW recommends, however, that if tax credits are to be employed as a strategy to create more convenient, affordable and quality child care options, it should be based upon data demonstrating that tax credits are, in fact, effective in attracting new employers to offer child care programs, rather than rewarding employers that operate existing programs.

Thank you for your thoughtful consideration of this important issue to the short and long-term economic security of Connecticut's women and families.

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<sup>1</sup> PCSW and the Institute for Women's Policy Research. *The Status of Women in Connecticut's Workforce*. November 2014.