

WRITTEN TESTIMONY FOR THE UNITED STATES

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS' SUBCOMMITTEE ON ECONOMIC POLICY

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My name is Walt Rowen, owner of Susquehanna Glass in Columbia, PA and Co-Chair of Small Business for America's Future — a national coalition of small business owners and leaders working to provide small businesses a voice at every level of government. We're committed to ensuring policymakers prioritize Main Street by advancing a just and equitable economic framework that works for small business owners, their employees, and their communities.

Susquehanna Glass is a family-owned glass decorating business that has been in operation for 111 years. We employ 60 people, 50% of whom are women. The cascade of problems prompted by Covid-19 affected most small business owners, myself included. One pressing issue in particular that has been underscored by the pandemic is how reliant small businesses are on their employees having predictable schedules—and how dire the need is for affordable and accessible child care. Women, especially, have been <u>forced out</u> of the labor pool due to the lack of access to affordable childcare. I know from firsthand experience that until there is access to adequate child care for workers, small businesses, and the country as a whole, will struggle to recover from the economic challenges presented by the pandemic.

I see the impacts of inadequate child care options at Susquehanna Glass all the time. Many of our workers have to stay home with their children on every school snow day and school holiday because they can't afford daycare, or don't have child care options. The pandemic, however, truly shone a light on just how dependent our employees are on care providers and schools to earn a living. For example, one of my key employees, Alexis, lost two weeks without pay during our peak season last year when her primary child care provider, her father-in-law, was exposed to Covid and had to quarantine. Alexis had to stay home because there were not affordable or available child care options. This happened multiple times with many of our key employees. This is a reality that plays out in Main Street small businesses across the country all the time. It hurts employees financially and hampers small business success.

The impact of the lack of affordable child care on Main Street is real. In a national <u>survey</u> of 1,060 small business owners by Small Business for America's Future, 55% of small business owners said the lack of affordable, high-quality child care for employees has had a negative impact on their business. Fifty-two percent said they experienced employee turnover as a result of a lack of affordable child care; 56% said they've lost business income as a result of child care issues; and 45% said they've avoided hiring an employee due to scheduling complications. These numbers, combined with recent U.S. Bureau of Labor <u>report</u> showing that just 39,000 additional women participated in the workforce in January compared to 1 million men — highlight the need for a bipartisan solution to help support the backbone of our nation's economy — Main Street entrepreneurs. It's no wonder 66% of small business owners said they believe the federal government has a role in supporting universal access to affordable, high-quality child care.

Indeed, my business continues to see the impact of inadequate child care. At the beginning of the pandemic, we shut down from the middle of March until June of 2020, when we gradually began to bring folks back. While we were able to make due with a smaller workforce for a short period of time, we needed to hire to address our backlog of orders. But we couldn't get all of our people back for a number of reasons—one of the main ones being child care. During the holidays, for instance, I could have used 10-15 more people to maximize production and income, but couldn't find all the people we needed because of child care and other issues. The stress Covid put on the system clearly demonstrated how interconnected the success of my business is with my employees' access to affordable, reliable child care.

One step we've had to take is to increase prices on our products for the first time in five years because of supply-chain disruptions and reduced production capacity. Part of the reason for this is because we simply have had a hard time finding people to fill positions due to the lack of affordable child care options.

As the father of three and a small business owner, I understand the challenges that come from running a business and taking care of a family. And as one of four children growing up in a small community, I personally witnessed the importance of good childcare. When I was young, my mother stopped working to take care of my siblings and I until we were in school. She ultimately spent 10 years out of the workforce. This experience made her a passionate advocate for providing families with affordable child care. She banded together with community leaders to open the Columbia Day Care Center — a nonprofit organization that offered subsidized child care based on a family's income. Some Susquehanna Glass employees took advantage of the program, but after decades of providing affordable and accessible daycare, the organization lost its funding and had to close in 2005— a demonstration that we need ongoing investment to ensure our communities have well resourced and affordable child care options for families.

The bottomline is that employees, Main Street businesses, and communities all require affordable, accessible, and reliable child care to thrive. Small business owners like me recognize

this, and as multiple Small Business for America's Future small business surveys have shown, they see and support the federal government taking a role in helping to provide it. We know this would be a smart investment in our nation's economic success. Small businesses create two-thirds of all new jobs and employ half of all workers. Advancing legislation to create affordable child care would bolster America's Main Street businesses and their workers and enable them to lead us all to prosperity.

I'd like to thank each of you for the opportunity to testify today on such a critical issue for hard working small business owners across the country.