

Can universal preschool increase the labor supply of mothers?

The success of universal preschool education depends crucially on the policy parameters and specific country context

Keywords: preschool, universal preschool, female labor supply, maternal employment

ELEVATOR PITCH

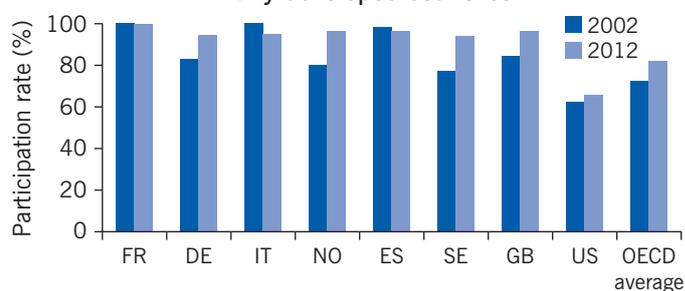
Since the 1970s, many countries have established free or highly subsidized education for all preschool children in the hope of improving children's learning and socio-economic life chances and encouraging mothers to join the labor force. Evaluations reveal that these policies can increase maternal employment in the short term and may continue to do so even after the child is no longer in preschool by enabling mothers to gain more job skills and increase their attachment to the labor force. However, their effectiveness depends on the policy design, the country context, and the characteristics of mothers of preschoolers.

KEY FINDINGS

Pros

- ⊕ When low maternal employment is driven by a lack of affordable childcare, universal preschool can encourage more mothers to work.
- ⊕ Universal preschool may enable the accumulation of job skills and lead to greater attachment to the labor force in the long term.
- ⊕ Where universal preschool has increased maternal employment, effects have been found to persist for several years.
- ⊕ Increasing the quality, availability, and flexibility of universal preschool could move more mothers into employment.

Preschool enrollment of three- to five-year-olds has risen in many developed countries



Source: Calculations based on data from the OECD Family Database (PF3.2 Enrollment in childcare and pre-schools). Online at: <http://www.oecd.org/els/family/database.htm>

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Cons

- ⊖ If universal preschool simply crowds out existing informal or privately paid childcare, it will have little impact on maternal labor supply.
- ⊖ In countries with low female labor demand and more traditional views of gender roles, universal preschool may be less effective at increasing maternal employment.
- ⊖ A targeted approach may be more cost-effective if universal preschool increases labor supply mainly of low-income mothers and mothers with less non-labor income, such as single mothers.

AUTHOR'S MAIN MESSAGE

Evaluations of the impact of universal preschool on maternal employment find higher impacts in countries with lower initial levels of female employment, use of private childcare, and welfare benefits. Where policies have encouraged more mothers to work, impacts have often been concentrated among low-income or single mothers whose youngest child is eligible for preschool and have persisted after the child has left preschool. The varied impacts of these policies suggest that subsidizing preschool only for mothers for whom affordability is the main barrier to work may be a more cost-effective way to increase maternal labor supply.