

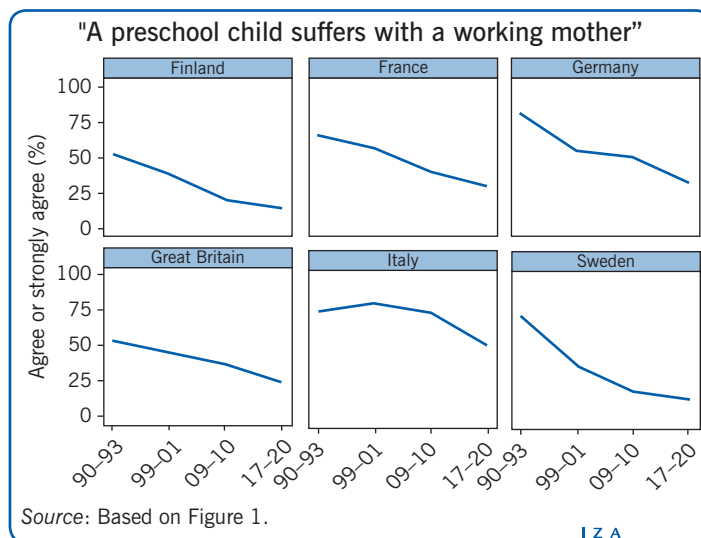
# Maternity leave versus early childcare—What are the long-term consequences for children?

Despite increasingly generous parental leave schemes their advantages over subsidized childcare remain unclear

Keywords: publicly subsidized child care, maternity leave schemes, long-term outcomes

## ELEVATOR PITCH

There is growing agreement among parents in high-income countries that having a working mother does not harm a preschool child. Yet, research is ongoing on what the long-term effects on children are of being looked after at home (primarily by their mothers) or in childcare. Most studies find positive effects of childcare on child outcomes for children from disadvantaged backgrounds and moderate effects for children from more advantaged backgrounds. Policymakers need to improve compensation and the working environment for the sector if a high quality level is to be achieved and if the beneficial effects are to be maintained.



## KEY FINDINGS

### Pros

- + Maternity leave expansions have positive effects on child outcomes compared to informal care.
- + Formal childcare expansions have positive effects on cognitive and non-cognitive outcomes for children from disadvantaged backgrounds.
- + Mothers' time spent on engaging in parenting activities is not reduced strongly when their children attend formal childcare.
- + Most European countries now agree that having a working mother does not harm a preschool child.
- + Information provision, transparent and impartial selection criteria, and progressive fees can lower enrolment gaps.

### Cons

- Maternity leave expansions have little effect on child outcomes compared to formal care.
- Formal childcare expansions have moderate effects on outcomes of children from advantaged backgrounds.
- The quality of childcare programs matters, inadequate quality can produce negative effects.
- More research is needed on ideal hours of attendance, ideal starting age, and quality level.
- Large enrolment gaps exist in childcare by education level, also in settings with universal childcare.

## AUTHOR'S MAIN MESSAGE

Governments should subsidize universal formal childcare, both to meet labor demands in aging societies and to help develop important skills during the critical early years of a child's life. Such investments generate substantial long-term returns in educational and employment outcomes, but are most apparent for children from low and middle socio-economic backgrounds. However, care must be taken to counter any deterioration in non-cognitive skills associated with increased time in childcare, and broad-based societal acceptance and support are necessary to ensure that childcare provision is of sufficiently high quality.