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CHILD WELL-BEING: IS CHILD CARE A GOOD INVESTMENT?

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Heckman

Heckman:

- *Child well-being eudaimonic approach – living life to your full potential – not hedonic (subjective well-being) approach*
- *A human capital approach but broad concept of capabilities/skills*
- *Core capabilities = cognition, personality (non-cognitive skills, such as temperament, self-regulation), health*
- *All capabilities are produced by investment, environments and genes*
- *A child's early years shape the capabilities that promote well-being across the life course*

The technology of capability formation

There are sensitive and critical periods for the development of capabilities

Early development of capabilities makes it easier to further develop all capabilities – self-productivity

Early investment raises the productivity of further investment – there is dynamic complementarity (synergy of capabilities)

Therefore there are multiplier effects (up and down) of early learning

No equity-efficiency tradeoff for investments in the early years

Investment is particularly effective among those children who are disadvantaged...but disadvantage means poor quality of parental resources, not poverty or low education

Inequality of parental investment in children is widening; social investments have potential

What works (Heckman)?

Not just cognitive....non-cognitive capabilities matter enormously...they are the mechanism for many improvements in child well-being

Unfettered increases in parental income have only small effects on child well-being

Programs for children that supplement and support parental investments are more successful

- *Education and care and stimulation*
- *Greater intensity, longer duration*
- *Younger children, more disadvantaged children*
- *Programs that build character and motivation*
- *Programs with parental involvement, where parents are encouraged to invest more*

Could be program targeted to disadvantaged children, but targeting is inexact and brings stigma. Universal program with sliding scale of payment (geared to income) is good alternative.

Gender

Evidence from Abecedarian study – high quality full-day child care from infancy

Both boys and girls benefit strongly from high quality child care

Boys are more vulnerable to poor quality child care services, in fact, low quality care is worse than none

An important point – treatment effects depend on the counterfactual

We should expect that effects of child care depend on...

The children:

- *quality of parenting environment (disadvantage),*
- *age of child,*
- *gender*

The program:

- *Stimulative, encouraging, supportive quality,*
- *building character and motivation, not just cognition,*
- *full-day vs. part-day,*
- *more months per year*

Quebec

BGM (2008) – negative effects on social-emotional-behavioural indicators for children and parenting satisfaction/family functioning. Interpreted as effects of “universal” child care. Targeting is better.

BGM and Lefebvre and Merrigan (2008) – strong positive effects on mothers’ LF participation and hours. LMV(2009) – long-term participation, especially high school educated and less

Kottelenberg and Lehrer (several papers) – more nuanced picture. Confirm average effects found by BGM. Across Canada, child care effects appear positive. Average negative effects concentrated in new parents (parents new to child care...drawn in by program). Evidence of decreased parental investments in children after entry to “educational child care”

Younger children and boys are more vulnerable. Perhaps poor quality affects them more.

Dramatic variations in quality in Quebec licensed child care, and variations in quality by family background. CPEs much better.

Lebihan, Haeck, Merrigan (2015) – Average effects over period hide important patterns. (1) Negative effects fade out for children once in school. (2) Negative effects diminish year by year as the program has matured. (3) Even now, effects are not positive.

Can good quality child care help children? Does quality matter?

Perry Preschool, Abecedarian, etc.

Gormley et al (2005)

Havnes and Mogstad (2011)

Felfe, Nollenberger, Rodriguez-Planas (2012)

Bernal and Keane (2011)

STAR – Dynarski, Hyman, Schanzenbach (2013)

Quebec

What is quality and how much does it cost?

CPEs, Gormley, STAR suggest it is expensive but not too expensive

Practitioners know a lot about quality, but various curricula seem to “work”

We don't know enough about what quality means for young children, effects of longer hours, effects on boys, involvement of parents, mixing and grouping children

What is the counterfactual? – we imagine it is mum at home caring for children. Often this is combined with parental employment. There is evidence (in parental choices) about the unsatisfactory nature of some/much of this care.

Policies and social changes can improve positive effects of child care