

Benefits and costs of high quality child care: Review of the literature ^[1]

Author: Marvin Shaffer & Associates Ltd.

Source: YWCA of Vancouver

Format: Report

Publication Date: 1 Sep 2005

Executive summary

The purpose of this report is to review the methodology and findings of existing benefit-cost analyses and related studies of high quality childcare programs. - Studies of childcare programs targeted at disadvantaged or otherwise high risk children have determined, based on statistical comparisons of participant and control group outcomes, that they have a wide range of positive educational, social and economic impacts. The value of these positive impacts, measured by reduced special education and grade repetition costs, reduced criminal justice and related costs due to crime, reduced social service costs, increased participant earnings, and parental benefits (time savings or increased earnings), have been estimated at 2 to 9 times the costs of the programs. The general consensus is that targeted childcare programs can provide very attractive returns and are far more efficient than later remedial efforts required when early interventions are not undertaken. - Universal high quality childcare programs will capture the child development benefits for the disadvantaged or otherwise high risk children that enroll and increased maternal earnings or other parental benefits for all participants. Improved quality of care will also benefit less disadvantaged children, though possibly not to the same extent as disadvantaged children. - Studies have been undertaken in Canada, the U.K., and the U.S. that estimate the benefits and costs of universal high quality childcare programs. The studies all suggest that the benefits of universal high quality childcare programs exceed the costs - In the Canadian study, Cleveland and Krashinsky (1998) estimated the child development benefits on the basis of the amount that well-off families actually pay for nursery school and higher quality full-time care. They concluded that the child development benefits plus the increased maternal earnings of a universal program for 2-5 year olds in Canada would exceed the incremental government costs by a factor of 2. - The U.K. study focused primarily on increased maternal earnings, PricewaterhouseCoopers (2003) concluded that a universal program for all 1-4 year olds would generate benefits slightly in excess of the costs. The only child development benefits they included was a modest increase in participant productivity and earnings. - In a study of universal preschool for 4 year olds in California, Karoly and Bigelow (2005) found that the benefits would exceed the costs by a factor of 3. They estimated the child development benefits on the basis of the impacts that have been observed in targeted programs, with the results scaled to reflect the alternative care and risk profile of the children that would enroll.

Related link:

CRRU PUBLICATION: The benefits and costs of good child care: The economic rationale for public investment in young children ^[2]

Region: Canada ^[3]

Tags: economics ^[4]

funding ^[5]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/research-policy-practice/07/02/benefits-and-costs-high-quality-child-care-review>

Links

[1] <https://childcarecanada.org/documents/research-policy-practice/07/02/benefits-and-costs-high-quality-child-care-review> ^[2]

<http://childcarecanada.org/publications/other-publications/98/11/benefits-and-costs-good-child-care-economic-rationale-public> ^[3]

<https://childcarecanada.org/taxonomy/term/7864> ^[4] <https://childcarecanada.org/category/tags/economics> ^[5]

<https://childcarecanada.org/category/tags/funding>