

Low-fee (\$5/day/child) regulated child care policy and the labor supply of mothers with young children: A natural experiment from Canada ^[1]

CIRPÉE Working Paper 05-08

Author: LeFebvre, Pierre & Merrigan, Phillip

Source: Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (CIRPÉE)

Format: Report

Publication Date: 28 Feb 2005

AVAILABILITY

Paper in pdf ^[2]

Abstract: On September 1st, 1997, a new child care policy was initiated by the provincial government of Quebec, the second most populous province in Canada. child care services licensed by the Ministry of the Family (not-for-profit centres, family-based child care, and for-profit centres under the agreement) began offering day care spaces at the reduced parental contribution of \$5 per day child for children aged 4 years. In successive years, the government reduced the age requirement and engaged in a plan to create new child care facilities and pay for the cost of additional \$5 per day child care spaces. By September 2000, the low-fee policy applied to all children aged 0 to 59 months (not in kindergarten) and the number of partly subsidized spaces increased from 77,000 in 1998 to 163,000 spaces, totally subsidized by the end of year 2002, while the number of eligible children, zero to four years old, declined from 428,000 to 369,000 over the same period. Using annual data (1993 to 2002), drawn from Statistics Canada's Survey of Labour and Income Dynamics (SLID), this study attempts to estimate the effect of the policy on the labour supply behaviour of Quebec mothers with pre-school children, aged from 0 to 5 years old. The analysis examines the impact of the policy on the following outcomes: labour force participation, annual number of weeks and hours at work, annual earned income and whether the job was full-time for mothers who declared having a job during the reference year. A non-experimental evaluation framework based on multiple pre- and post- treatment periods is used to estimate the effect of the child care regime. The econometrics results support the hypothesis that the child care policy, together with the transformation of public kindergarten from a part-time to a full-time basis, had a large and statistically significant impact on the labour supply of Quebec's mothers with pre-school children. The estimates also suggest, though less convincingly, that the size of the impact increased concurrently with the positive growth in the number of low-fee spaces.

Region: Canada ^[3]

Quebec ^[4]

Tags: economics ^[5]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/research-policy-practice/05/11/low-fee-5daychild-regulated-child-care-policy-and-labor-sup>

Links

[1] <https://childcarecanada.org/documents/research-policy-practice/05/11/low-fee-5daychild-regulated-child-care-policy-and-labor-sup> ^[2]

<http://www.cirano.qc.ca/pdf/publication/2005s-09.pdf> [3] <https://childcarecanada.org/taxonomy/term/7864> [4]

<https://childcarecanada.org/taxonomy/term/7855> [5] <https://childcarecanada.org/category/tags/economics>