

Support for childcare and the early years - written evidence to Education Committee Inquiry

Submitted by the Institute for Social and Economic Research at the University of Essex – January 2023

The Institute for Social and Economic Research (ISER) at the University of Essex produces high quality quantitative research. We are submitting evidence from our recent studies led by Professor Emilia Del Bono and Professor Birgitta Rabe. These studies were funded by UKRI Economic and Social Research Council and the Nuffield Foundation.

*Q. Are the current entitlements providing parents/carers with sufficient childcare, and to what extent are childcare costs affecting parents/carers from returning to work full-time?*

1. We found free part-time childcare only marginally affects the labour force participation of mothers whose youngest child is eligible, but **expanding from part-time to full-time free childcare leads to significant increases in labour force participation and employment of these mothers.** (Brewer, M., Cattan, S., Crawford, C., Rabe, B., (2022) *Does more free childcare help parents work more?*, *Labour Economics*, Volume 74, 2022, 102100, ISSN 0927-5371, Available at: <https://doi.org/10.1016/j.labeco.2021.102100>.)
2. When free part-time childcare was introduced in England in the early 2000s, the maternal employment rate was hovering around 57%. England was experiencing a large expansion of its private childcare market, and the rate of formal and informal care was high, especially amongst working families. In this context, it is perhaps unsurprising that **providing 2.5 or 3 h a day of free childcare was too weak an incentive to encourage many new mothers to join the labour force.** (Brewer, M., Cattan, S., Crawford, C., Rabe, B., (2022) *Does more free childcare help parents work more?*, *Labour Economics*, Volume 74, 2022, 102100, ISSN 0927-5371, Available at: <https://doi.org/10.1016/j.labeco.2021.102100>.)
3. In considering whether to extend childcare subsidies, there are obviously trade-offs in terms of how the government should spend its limited resources. Offering more hours per week or more weeks per year for all children would either increase the total cost of the policy or necessitate a reduction in funding per child, potentially compromising the quality of provision that could be accessed, with consequences for child development. **Governments may therefore wish to consider offering more support to a smaller number of parents – rather than less support to all parents – in order to maximise the cost effectiveness of childcare subsidies.** (Brewer, M., Cattan, S., Crawford, C., Rabe, B., (2022) *Does more free childcare help parents work more?*, *Labour Economics*, Volume 74, 2022, 102100, ISSN 0927-5371, Available at: <https://doi.org/10.1016/j.labeco.2021.102100>.)

Q. To what extent does the early years system adequately prepare young children for their transition into primary education, particularly children from disadvantaged backgrounds?

1. We looked at the staggered introduction of the entitlement to free pre-school for three year olds in England during the early 2000s to investigate the effect of the policy on child outcomes at ages 5, 7 and 11 based on a census of children in primary state schools. We found **a 10 per cent increase in the proportion of three years olds getting free childcare improves cognitive and non-cognitive outcomes at age 5. There are no apparent benefits by age 11.** (Blanden, J., Del Bono, E., McNally, S., Rabe, B., (2016) *Universal Pre-school Education: The Case of Public Funding with Private Provision*, *The Economic Journal*, Volume 126, Issue 592, May 2016, Pages 682–723, <https://doi.org/10.1111/econj.12374>)
2. We found that lower socio-economic status children increased participation in formal pre-school most, switching out of care by parents, friends and family. However, contrary to expectations, **disadvantaged children do not benefit substantively more from the free entitlement than their more affluent peers.** One likely explanation is the fact that all the new places resulting from the policy were created in the private sector which is subject to less regulation in England compared to publicly provided childcare. (Blanden, J., Del Bono, E., McNally, S., Rabe, B., (2016) *Universal Pre-school Education: The Case of Public Funding with Private Provision*, *The Economic Journal*, Volume 126, Issue 592, May 2016, Pages 682–723, <https://doi.org/10.1111/econj.12374>)
3. We conclude that if universal childcare is to be achieved through expansion of private sector provision, as in our case, **it is of paramount importance to set high quality requirements for participating early years providers.** (Blanden, J., Del Bono, E., McNally, S., Rabe, B., (2016) *Universal Pre-school Education: The Case of Public Funding with Private Provision*, *The Economic Journal*, Volume 126, Issue 592, May 2016, Pages 682–723, <https://doi.org/10.1111/econj.12374>)
4. In a subsequent paper, we analysed whether quality of the early year education setting matters. We find that an extra term in good quality childcare before starting school had a positive impact on children’s attainment in primary school. **Spending more time in an Early Years setting rated highly by the Ofsted improves children’s chances of achieving both expected and higher levels of attainment.** (Blanden, J., Del Bono, E., Hansen, K., Rabe, B. (2022) *Quantity and quality of childcare and children’s educational outcomes*. *Journal of Population Economics* **35**, 785–828 (2022). Available at: <https://doi.org/10.1007/s00148-021-00835-4>)