

Early Child Care and Maternal Labor Supply: A Field Experiment

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Motivation

- **Persistent gender gaps** in the labor market
- Major reason: Childbirth and **child care duties**
- **Universal child care** may thus improve maternal labor market outcomes
- **But:** Lower-SES families are much less likely to use child care
- At the same time, **lower-SES mothers** face the **largest gender gaps** in the labor market

📄 **This paper:** Causal effect of enabling lower-SES mothers to access early child care on maternal labor market outcomes

Other Labor Market Outcomes

	Log Household Income	Employment	Working Mothers	
			Working Hours	Log Earnings
Treatment	0.104* (0.056)	-0.008 (0.068)	4.903** (2.072)	0.222* (0.129)
Treatment × Higher-SES	-0.142** (0.068)	0.004 (0.086)	-5.769** (2.627)	-0.217 (0.172)
Higher-SES	0.167*** (0.058)	0.003 (0.064)	4.318** (2.021)	0.172 (0.136)
Pre-Treatment Outcome	Yes	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes	Yes
Treatment Effect	-0.038 (0.038)	-0.003 (0.053)	-0.866 (1.633)	0.005 (0.108)
N	459	481	223	223

Institutional Background: Germany

Labor Market in Germany:

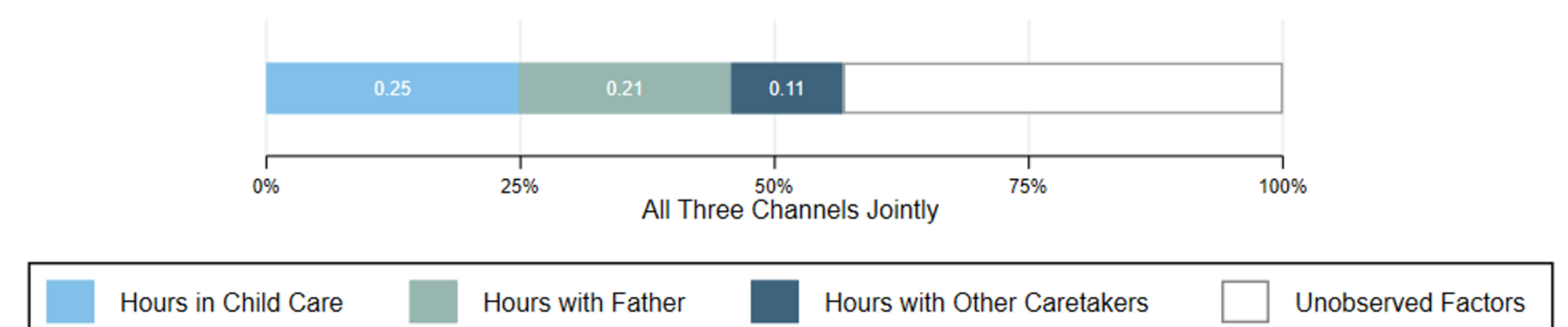
- Child penalties **among the highest** internationally
- Majority of mothers **do not return** to full-time work – not even in the long run
- **Lower-SES mothers** are even **less likely** to get back to full-time work

Child Care in Germany:

- Focus on early child care below the age of 3 years
- ☺ High quality, low prices (heavy public subsidization)
- ☹ Not enough slots (rationing)
- ☹ SES gap in enrollment (due to the complex application process)

Mechanisms Full-Time Effect

- Non-maternal care hours as potential mediators
- 🏠 Treatment increases hours in **child care**
- 👤 Treatment increases care hours of the **father**
- 👤 Treatment marginally decreases hours with other caretakers
- Mediators explain about **57%** of the treatment effect on full-time employment



Experiment

This Project:

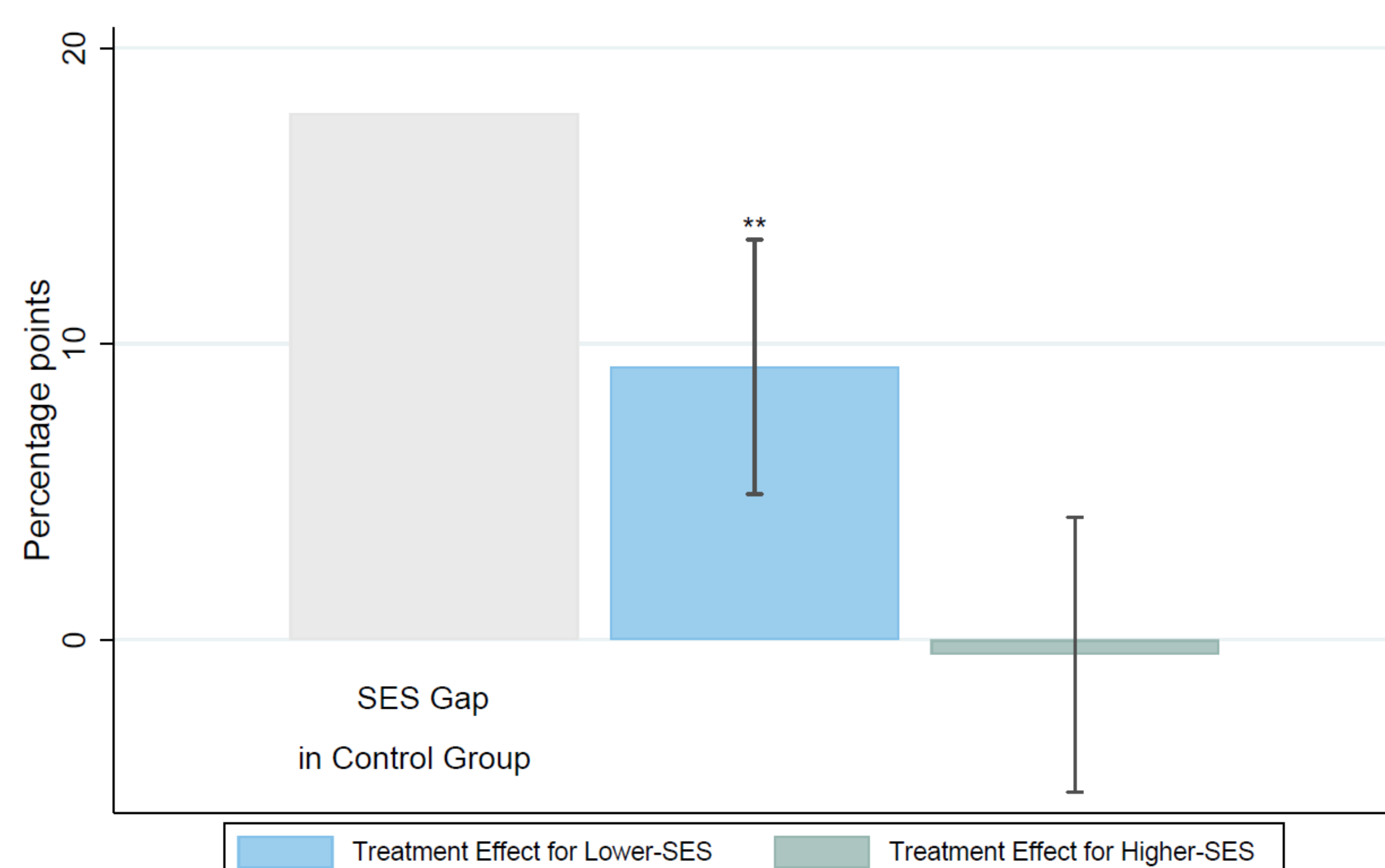
- **Field experiment** in Western Germany with 607 families (children 0-1y)
- Intervention:
 1. **4-Minute video** (central facts about child care system)
 2. **Customized assistance** with child care applications (33% take-up)
- Treatment effects on **child care enrollment**
 - Strong increase for **lower-SES families**
 - No effect on **higher-SES families**

Gender Equality in Lower-SES Households

Treatment leads to:

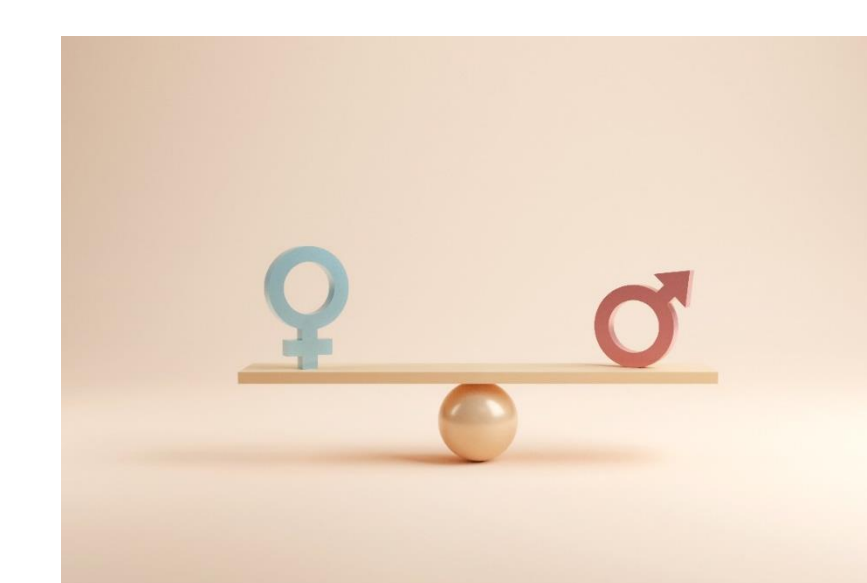
- 👤 20% fewer male breadwinner households
- 👤 30% smaller gender gap in care hours between mothers and fathers
- 👤 32% decreased earnings gap between working mothers and fathers

Full-Time Employment



Conclusion

- 👤 We show experimentally that providing access to early universal child care **increases full-time employment of lower-SES mothers**
- Large parts of the treatment effect can be explained by **increased non-maternal care hours**
- The treatment also has **strong equity-enhancing effects** on the division of paid and unpaid labor within the family



- **Policy implication:** Helping underrepresented families to access universal child care can mitigate **SES and gender gaps** in the labor market

Feedback is highly appreciated:

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