# The Impact of Extending Childcare on Female Labor in Chile

**Researchers:**

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**Sector(s):** Education, Gender, Labor Markets

**J-PAL office:** J-PAL Latin America and the Caribbean

**Fieldwork:** Statcom

**Location:** Santiago

**Sample:** 2,110 women and 2566 children selected from 25 schools

**Target group:** Children Parents Women and girls

**Outcome of interest:** Earnings and income Enrollment and attendance Student learning Women's/girls' decision-making

**Intervention type:** Subsidies Child care

**AEA RCT registration number:** AEARCTR-0001415

**Dados:** Download from ScienceDirect

**Research Papers:** Childcare effects on maternal employment: Evidence from Chile, Home alone versus after-school programs: The effects of adult supervision on ch...

**Partner organization(s):** Inter-American Development Bank (IDB), Ministerio de la Mujer y la Equidad de Género

Childcare duties are often cited as one reason why labor force participation is typically lower for women than men. In Chile, researchers conducted a randomized evaluation to measure the effect of providing free after-school care for children ages 6-13 on women's labor market outcomes. The program increased women's labor force participation and employment, and increased the use of daycare for young children who were ineligible for the program, suggesting that women need childcare for all of their children in order to join the labor market. While the program did not specifically target the academic outcomes of the children participants, the after-school program increased school attendance and grades of children who did not previously have after-school parental supervision.

## Policy issue

Increasing women's labor force participation, defined as being employed or actively looking for work, can help alleviate poverty by generating additional income, especially for women-led households, which tend to be among the poorer households in Latin America. Yet, labor force participation is typically lower among women than men, and women often cite the absence of childcare as the main reason for not participating. In this context, providing free childcare may be an effective way to increase women's involvement in the workforce. However, if women simply substitute paying for childcare with free childcare services, this would lead to no overall change in use of childcare or subsequent labor market outcomes. In addition, providing free childcare for children of some age groups but not others may also have little effect on employment outcomes for women who care for multiple children. To address these questions, researchers conducted a randomized evaluation to measure the impact of providing free

childcare on mothers' employment and labor force participation in Chile.

Childcare may have additional positive benefits for the well-being of children that receive the care. As women enter the labor market, the share of young children being cared for at home by a parent has fallen over time. Many school-aged children are supervised by older siblings during after-school hours before their parents return from work, or may be left unsupervised. Previous evidence suggests that a lack of adult supervision is associated with antisocial behavior, poor school performance, abortion and teen pregnancy. After-school programs, even if designed to support mother's employment rather than improve academic outcomes, may have unintended positive outcomes on children by providing adult supervision.

## Context of the evaluation

Despite significant growth in female labor force participation in Chile over the last two decades, only 49 percent of women participated in the labor force in 2011, compared to 75 percent of men. [1], [2] Labor force participation is particularly low among less educated women, women with small children, and women in low-income households. Furthermore, female-headed households are more prevalent among the poor: In 2011, women led 39 percent of all households and 51 percent of poor households in Chile.

Many Chilean women cite childcare responsibilities as the main reason why they do not seek employment. In Chile, the government provides free public childcare for children younger than age 5, but free care for children older than 5 is rare. One exception is the government-sponsored 4-7 Program, which offers three hours of free afterschool childcare at public schools for children between the ages of 6 and 13. The program exposed children to recreational activities such as art, sports, and games and devoted very few resources to academic activities. The program was designed to support the female workforce, and was overseen by the Ministry of Women and Gender Equity of Chile.



School children smiling in Chile

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## Details of the intervention

Researchers conducted a randomized evaluation to measure the effect of the 4-7 Program on women's employment and labor force participation. The study included 25 schools that offered the program for the first time in 2012. Among 2,110 eligible women across all schools, 1,137 randomly selected women were offered the program, while the remaining 973 eligible women were not, and formed the comparison group. In addition to the mothers, the study participants included the 1,358 eligible children whose mothers were selected to be offered the program, and the 1,208 children in the comparison group whose mothers were not offered the program.

Eligible program participants included women responsible for at least one child between ages 6 and 13, who were also economically active (working, seeking work, unemployed, involved in training courses, or completing an educational program), over eighteen years old, and below a certain poverty level. The program was offered starting in March or April and ended in December 2012.

To measure the impact of the program on women's labor market outcomes, researchers conducted household surveys a year after the program began. Researchers also measured whether there were unintended impacts on children's academic outcomes, using administrative data on grades and attendance from 2012 and 2013.

## Results and policy lessons

Offering the 4-7 Program increased mothers' employment and participation in the labor force. The program also increased the use of daycare for young children who were ineligible for the program, suggesting that women need childcare for all their children in order to join the labor market. Additionally, the program did not improve school outcomes for children on average, but did improve the attendance and grades of children who previously were not supervised by a parent during after-school hours.

*Program use and substitution*: Women who were offered the program were 29 percentage points more likely to utilize the program than the comparison group. Offering the program increased the use of any childcare by 5.9 percentage points (from 49 percent in the comparison group), a 12 percent increase. This indicates that the program allowed some mothers who had been caring for their children in the afternoons to send them to the program and use this time for other activities. However, a substantial share of women who used the program already had their children enrolled in childcare and simply used the 4-7 program as a substitute for other childcare options.

*Female labor force participation and employment:* Offering the program increased mothers' labor force participation and employment. Offering the program increased mothers' labor force participation by 4.3 percentage points, from 60.5 percent in the comparison group (a 7 percent increase). Since the program did not influence the availability of jobs in the market, the program had a positive, but smaller, impact on mothers' employment. Offering the program increased the probability of mothers working at least one month per year by 3.4 percentage points, from 71.6 percent in the comparison group (a 5 percent increase).

*Differing impacts:* The positive effect on labor force participation was larger for women with children under age six who were not working before the program began. In this subgroup, offering the program increased labor force participation by 19 percentage points, from 22.9 percent in the comparison group. In line with these results, offering the 4-7 Program increased the use of formal childcare services for children under 6 years old by 6.5 percentage points, from 7.8 percent in the comparison group. These results suggest that the 4-7 Program effectively lifted the greatest barrier to entering the labor market that women in this

subgroup faced—finding childcare for their older children—allowing them to take full advantage of the existing supply of free childcare for younger children. However, the program had no impact on labor force participation for women without children under the age of 6 who were not working before the program.

*Income and spending:* While the program had no average impact on monthly income or stress levels, it increased women's expenditures on themselves and on their children's education.

*Academic outcomes of children:* On average, the program did not impact children's attendance and grades, but there were positive impacts for a subset of children. Among children who were either previously unsupervised or supervised by an adult who was not their parent or grandparent, the program had small positive impacts on attendance and grades. There were even larger effects for children that were previously completely unsupervised during after-school hours, which could be because the 4-7 Program provided them with a safe environment. For these children, the program improved the overall attendance rate during the year the program was implemented by 3 percentage points, from 91 percent in the comparison group, and increased the likelihood of attending more than 95 percent of the time by 23.4 percentage points, from 36.5 percent in the comparison group. The program also led to a 0.14 increase in overall GPA among this subset of students. Finally, these impacts are larger for students who attend a 4-7 Program implemented at the same school in which they are enrolled, suggesting that the location of the program is important.

Taken together, these results imply that increasing access to after-school care can increase female labor force participation, but it is not a universal solution. Particularly for women with less labor market experience, additional policies might be needed. Likewise, a safe environment and adult supervision provided by after-school care might increase children's attendance rates and academic achievement, but the impacts do not appear universal. Governments may want to consider alternative after-school care options when designing eligibility criteria for public after-school programs.

MartÃnez, Claudia, and Marcela PerticarÃ¡. "Childcare Indivisibility and Maternal Employment." Working Paper, December 2014.

1. World Bank. 2016. "Labor Force Participation Rate, Female, ." World Development Indicators.; ILO, 2015. "Labour force participation rate – ILO modeled estimates, July 2015." International Labour Organization. Accessed April 14, 2017.
2. ILO, 2015. "Labour force participation rate – ILO modeled estimates, July 2015." International Labour Organization. Accessed April 14, 2017.