

Don't Get Fooled By Child Care Research

Spotting the flaws in the universal child care argument

by Peter Shawn Taylor

While much of the rhetoric of child care advocacy is presented in scientific terms, it is not always the case that the arguments in favour of child care are as sound or as scientific as they may appear.

Research into child care, particularly that focused on universal or publicly-provided care, tends to be ideologically motivated and researcher bias is frequent. The child care community often produces work that over-states or misrepresents the results in its favour. Valid counter-arguments are frequently dismissed or ignored and economic assumptions are misguided or plain wrong. Finally, where results do withstand rigorous investigation, it is often the case that they lack broad applicability to Canada. In short, the area of child care research is a mine field of dubious and misleading work. Beware.

Researcher bias

Almost all research on child care is subjective in nature. Ratings on the quality of child care centres, for instance,

¹Between January 1, 2004, and January 1, 2005, Martha Friendly had 130 Infomart print media citations in Canadian publications regarding child care.

involve a researcher sitting in a daycare making judgments about the interactions of children and teachers. While these results are typically presented as objective facts, they should properly be considered opinions.

It is also the case that most researchers in the field tend to double as advocates for child care policies. The federal government-supported Childcare Resource and Research Unit (CRRU) at the University of Toronto, for instance, is the dominant voice in Canadian child care research and self-publishes much of its work in support of universal child care. The group's co-ordinator, Martha Friendly, is a frequent commentator in the Canadian media¹ with a strong bias towards government-funded, non-profit daycare.

This predisposition towards institutional child care is observable internationally as well. While the Organization for Economic Cooperation and Development (OECD) is a reliable compiler of economic data, it also produces a series of studies on daycare in member countries. These reports are of one voice in demanding that each country should operate a national, publicly-funded, unionized child care system. (The report on Canada was released in September 2004.) The reports consistently ignore evidence on the benefits of home parenting and criticize any nation that offers financial support for stay-at-home parents. The OECD report on Finland, for instance, describes that country's popular Child Home Care Allowance as "counter-productive" because it could "impede enrolments" in public child care in that country. A similar program in Norway is also subject to lengthy criticism.



Misleading studies

A 1998 study by University of Toronto economists Gordon Cleveland and Michael Krashinsky: "The Benefits and Costs of Good Child Care," published by the CRRU, uses the framework of economic benefit-cost analysis to claim that a universal child care program for Canadian children aged two to five would provide \$2 in benefits for every \$1 invested by government.

Because of this two-for-one result, the Cleveland and Krashinsky study is frequently held up as evidence in favour of such a program by Canadian politicians and child care advocates. Yet a close examination of the study reveals that its conclusions are without merit. Not only are many of its assumptions highly controversial and ideological in motivation, but it also fails to meet the basic standards set out by the Treasury Board of Canada in its "Benefit Cost Analysis Guide" for studies of this kind.

Like all benefit-cost studies, the authors begin by estimating the cost of their proposal. This is approximately \$8 billion per year. After subtracting existing government expenditures and planned parental contributions, the net cost in 1998 dollars for a national daycare system is estimated at \$5.3 billion. Then they attempt to quantify the benefits: both economic and in terms of child development.

Economic benefits of child care arise from the increased paid work by mothers whose children are now being raised in public child care. This is given as \$6.2 billion. However, to achieve this figure the authors double their actual findings for the increased wages of working

mothers. This mathematical maneuver is justified by a claim that the economy will gain added benefits from the new skills of employed mothers in the future, but they provide no evidence as to why a doubling is appropriate. Of even greater controversy is their estimate of \$4.3 billion in developmental benefits to children accruing from daycare.

Cleveland and Krashinsky argue that child care imparts developmental benefits on children and that the value of this is equal to the price paid by parents for child care. This is a debatable assumption to begin with, as not all child development experts accept that child care is beneficial. Nonetheless, the authors then increased their figure by 50 per cent, using similar sleight of hand as above, to achieve a healthy \$3,600 per year benefit for every child removed from the home and placed in a state-run child care centre. Thus their study assumes that raising a child at home has no developmental value. Such a claim would likely come as a surprise to stay-at-home parents.

Beyond their questionable assumptions and ideology, however, the Cleveland and Krashinsky paper contains a fatal flaw that renders the whole study invalid: the authors ignore opportunity cost in their calculations. Opportunity cost is the economic concept that recognizes that every choice involves a sacrifice of some sort – and each sacrifice has a cost. If you choose to go on a Hawaiian vacation, for instance, the opportunity cost could be the fact that you don't have that money for a downpayment on a new house. The MIT Dictionary of Modern Economics calls opportunity cost “perhaps the most fundamental concept in economics.” Economists Cleveland and Krashinsky do not seem to be aware of it.

To recap, the authors claim that the developmental value of child care is equal to the price parents pay for daycare. If so, then it must be similarly true that the developmental value of home care is equal to the costs incurred by parents who choose to quit work and stay at home to raise their children. In other words, the opportunity cost of stay-at-home parenting is the value of a job foregone. And in most situations, the cost to a mother or father of giving up a

full-time job to raise a child is far higher than \$3,600 per year. The Treasury Board guidelines warn against ignoring opportunity cost when performing a benefit-cost analysis for the federal

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government; this sin of omission renders the study's results irrelevant.

Studies of dubious applicability

Child care advocates frequently justify universal child care programs by citing an American study that claims \$1 in early childhood education spending can yield between \$7 and \$17 in long-term social benefits, a figure even larger than produced by the Cleveland and Krashinsky study. It is worthwhile examining these results a bit closer.

The famous High/Scope Perry Preschool Study ran from 1962 to 1967. It involved 58 low-income Black children from Ypsilanti, Michigan who were placed in preschool classes with very low teacher to pupil ratios. All teachers held graduate degrees and the children also received weekly home visits.

Regular follow-up studies have shown that the children involved in this program have grown up with noticeably higher employment rates and better educational outcomes than a control group of 65 similarly situated children

who did not receive the preschool attention. The large benefits come from the increased taxes collected by governments throughout the students' careers, reductions in their welfare use, and lower rates of criminal involvement. In fact, nearly 90 per cent of the benefits of the preschool students. (But while 36 members of the control group have been arrested five or more times since 1967, it is still the case that 21 Perry Preschool students have also been arrested that many times.)

In summary, the Perry Preschool study involved only a few dozen children from a very narrow section of the American population who were given a level of educational support that would be extremely expensive to replicate on a large scale today. It is also unclear how this relates to a national daycare program that would predominately serve middle and upper class families. The relevance of this study to Canada should be considered extremely limited.

Conclusion

Given the highly politicized and ideological nature of the debate over universal child care, readers should be extremely careful when considering any research that purports to prove the benefits of child care or disprove the value of at-home care. There is a dearth of reliable and dispassionate research on the effects of child care in Canada and much of what passes for research is either of little interest to the Canadian situation or deeply flawed. 🍁

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