

Quebec gave all parents cheap day care — and their kids were worse off as a result - Vox

Programs for young children — whether you call them day care or preschool or even third grade — serve two purposes. On the one hand, they are educational settings that are supposed to help foster the kids' long-term development. On the other hand, they are safe places where parents can put their children so they can go do other things during the day — things like work for a living. In an ideal world, of course, they do both. The best preschool programs have been shown to have significant lifelong benefits for their students, and they're doubtless a huge help to parents too. But a **sobering new analysis** by Michael Baker, Jonathan Gruber (yes, **that Jonathan Gruber**), and Kevin Milligan of Quebec's effort to expand access to child care on the cheap is a painful reminder that the two issues can come apart.

The program was designed to increase mothers' labor force participation rate, and it worked. Lots of people used the system, lots of moms went to work, incomes and GDP rose, and the program was quite affordable to the taxpayer. Kids' test scores stayed flat.

But contrasting trends in Quebec kids with kids from other Canadian provinces, the authors find "a significant worsening in self-reported health and in life satisfaction among teens" who grew up exposed to the program* along with a "sharp and contemporaneous increase in criminal behavior among the cohorts exposed to the Quebec program, relative to their peers in other provinces."

This is in part a story about one bad program. Naturally, it will give pause about other proposed child care initiatives. But more broadly, it's part of a growing body of research into the **importance of educational environments for developing non-cognitive skills**. And it should lead us to rethink not just how we think about programs for young children, but the entire approach to work that's undergirded most American social policy over the past 20 years.

Non-cognitive skills are the most important part of early education

The Quebec day care story is part of a larger arc of research into the importance of "non-cognitive skills" — things like patience and perseverance that aren't measured on standardized tests — which are crucial to long-term outcomes in life.

The American Head Start program, for example, has not been found to lift its graduates' test scores as they work their way through the education system. But **Pedro Carneiro and Rita Ginja have found** that "participation in the program [also] reduces the incidence of behavioral problems, health problems, and obesity of male children at ages 12 and 13," and the results stand up later in life, with analysis suggesting that Head Start "lowers depression and obesity among adolescents, and it reduces engagement in criminal activities and idleness for young adults."

This is normally taken as a strong argument *in favor* of spending money on Head Start and

similar preschool programs.

James Heckman's famous studies of the intensive Perry Preschool Program find short-term cognitive benefits (i.e., higher test scores) that do phase out in later years, combined with enduring non-cognitive benefits that lead to higher earnings and reduced rates of involvement in crime.

What we're learning from Quebec is that just as some early education programs can improve on non-cognitive skills, others can do the opposite.

How Quebec's day care program worked

The Quebec program has important lessons to teach about early childhood policy, but it is also structured in a way that was very unlikely to be replicated in the United States. The program was the brainchild of the Parti Québécois*, a nationalist and left-wing party whose avowed goal is to turn Quebec into an independent country. The PQ sees a high birth rate among Québécois as crucial to preserving the political power of Francophones inside Canada, and as integral to its mission of preserving and defending Quebec as a distinct nation on a continent dominated by English speakers.

The universal day care program was created in 1997 as part of a broader package of family-friendly reforms, including generous parental leave.

Its centerpiece was the guarantee of day care spots for all Quebec parents for the extremely low price of \$5 a day (later increased to \$7), with an even lower price for the poorest families. The intention was to provide this via subsidies to high-quality nonprofit day care centers. In practice, however, the program worked almost too well. The province was inundated with parents looking to take advantage of it, and there simply weren't enough spots in high-quality facilities to meet demand.

Thus, as **Erin Anderssen and Kim Mackrael wrote for the Globe and Mail**, "Quebec has relied more than it had intended on home-based services, which are subject to less stringent regulations and employ caregivers who have less training." When the opposition Liberal Party took over, they also tweaked the program to allow more participation by for-profit operators, which are generally regarded as lower-quality.

Quebec's program was in many ways a success

One of the most troubling aspects of the new Quebec research is that the program was, in many ways, a success. The number of slots in high-standards programs rose sharply — from 77,000 to 230,000 — and the program did, in fact, succeed in helping more women balance their work and family responsibilities.

In their **10-year evaluation of the program**, Pierre Lefebvre, Philip Merrigan, and Francis

Roy-Desrosiers concluded that "the policy has significantly increased the labour force participation and annual weeks worked for mothers with at least a child aged 1 to 4 years compared to mothers in the same situation in the Rest of Canada."

All of which is to say that the Quebec day care program was not some kind of catastrophically mismanaged failure. Lots of people used it, the number of high-quality day care slots rose, and — as intended — it encouraged more mothers to work.

This is particularly important to dwell on because the induced work effect means the Quebec program achieved something like the holy grail of 21st-century welfare state policy — it significantly increased the incomes of economically struggling families *without* giving them additional cash assistance or transfer payments. Steeply discounted child care is valuable, but it's also very much a hand up, not a hand out. To benefit economically from the program, Quebec's parents needed to step up and earn a living for themselves. And they did. It just turns out to have had deleterious impacts on their children's long-term well-being.

Quality at scale is both important and hard

The biggest and most direct lesson of the Quebec initiative is that creating high-quality education programs at a large scale is difficult. Over the first 10 years of the program, the number of places for kids in high-standards preschools did increase dramatically. But even so, only half of Quebec children were served by such institutions.

At the same time, it turns out that low-quality child care isn't just worse than high-quality child care. It's worse than no child care.

This is a major dilemma for any effort to seriously increase public investment in the sector. The recent Center for American Progress proposal to create a **national subsidized child care system**, for example, differs from the Quebec model in a whole bunch of ways but is built around a similar notion that more money *now* will lead to more high-standards institutions *later*. CAP's plan is that eventually only high-standards institutions will be eligible for subsidies, but it envisions a transition period so that parents can get help as soon as possible while the larger system takes time to adjust. Quebec is a reminder that the adjustment phase can take a long time and come at a major social price.

Giving poor people money may be better than helping them work

The larger story of Quebec, however, isn't about subsidized child care — it's about work.

The United States has not seen fit to try to increase women's labor force participation through the creation of a new entitlement program for child care. But we have done the opposite. The 1995 welfare reform bill and essentially all subsequent developments in American social policy have been based around the idea that **unconditional cash welfare** — money that would let parents get by without working — is a terrible idea and money should instead be invested in programs like

the EITC that enhance the take-home pay of low-wage parents.

This is very different from the specific design of the Quebec program, but it's inspired by a similar underlying vision — the idea that it's better for a cash-strapped parent of a young child to put the kid in a bottom-end day care program and **work a low-wage job** than to get financial support from the government to stay home with the kid.


And it's certainly true that this kind of work-promotion strategy is better for economic growth. Both the low-wage job *and* the low-end day care center count as part of GDP for the purpose of measuring "the economy," whereas the labor done by full-time parents and homemakers does not. But from a social welfare perspective, the relevant issue isn't whether child care is performed as market- or non-market labor — it's whether it's performed well. At some places, it is performed well. But at others, it isn't. And programs that induce parents to be indiscriminate about child care quality — whether through the carrot of subsidized care or through the stick of benefit cutoffs — can have troubling consequences for children's long-term well-being. By contrast, research into **simple cash handouts to poor families** pretty consistently shows positive impacts on children and family life. Politicians looking for a quick boost to GDP or to avoid the stigma of welfare will prefer to focus on child care, but the challenge of actually delivering quality better than what parents equipped with extra resources can figure out for themselves is extremely difficult.

Corrections:

An earlier version of this article reported poor results among teens who grew up participating in the program. In fact, the study design looked at outcomes for all teens who were *eligible* for the program.

An earlier version of this article said the program was the brainchild of the Bloc Québécois when in fact it was the Parti Québécois. In Canada, the federal and provincial party systems are separate and the BQ is a federal party that runs candidates for the Canadian parliament while the PQ is a provincial party that runs Canadians for the National Assembly of Quebec.

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