

Date Wednesday 1 October 2014, 13:00 to 14:00
Location SFI, the Danish National Centre for Social Research, Herluf Trolles Gade 11,
1052 Copenhagen K, meeting room 1
Presenter Vibeke Myrup Jensen, SFI, the Danish National Centre for Social Research

Daycare, Maternal Employment and Long-Run Child Outcomes

ABSTRACT

Several studies investigate the effect of maternal employment on child outcomes and there is a growing literature on the positive effects of daycare. However, we know little about the combined effects thereof. Using unique historical data combined with high quality administrative data, we examine the impact of universal subsidized daycare in Denmark on maternal employment and in turn, the effects on children's long-run outcomes. For identification, we use exogenous variation in the timing and access to daycare institutions across municipalities as an instrument. We find that the openings of daycare institutions have an impact on maternal labor supply (5 percent) and on children's schooling (1.4 years) and earnings (24 percent).