

## **BENEFITS OF SCHOOL AGE CHILDCARE- LITERATURE REVIEW (September 2021)**

Author: Harry Achillini

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### **1. Brief overview of findings**

#### What are the economic benefits of out of school care (OSC) to parents?

- A small body of literature consistently shows that access to OSC enables parents to enter employment and training, increase hours of employment and increase earnings. These findings are largely based on research conducted in the late 1990s and early 2000s.
- Labour market impacts are found to be most significant for lone parents, minority ethnic parents, and low income families.
- There is also some evidence that OSC improves parents' experience at work and reduces unplanned absences.
- The literature does not quantify the value of OSC to parents in terms of increased incomes.

#### What are the non-economic benefits of OSC to parents?

- Non-economic impacts reported by parents in deprived communities include practical support in terms of childcare to help manage crisis situations and provide respite.
- Play workers are also seen as an informal source of emotional support and as signposting to or helping to access other services.

#### Are mothers more significantly impacted by OSC than fathers?

- There's no direct evidence that access to OSC provides greater economic or non-economic benefits to women.
- However, evidence from the broader childcare literature suggests that women may be disproportionately positively affected:
  - Mothers are more likely to report working reduced hours for childcare reasons than are fathers in the UK.
  - Analysis suggests that provision of subsidised childcare services has had the most significant impact on reducing gender gaps in employment in the EU.
  - The literature also identifies a strong correlation between investment in national childcare provision and gender-equality outcomes in society.

#### What are the benefits of OSC to others?

- Children, of course, are the major beneficiaries of OSC:
  - The literature identifies a range of social benefits to children, including new friendships, increased opportunities to play in safe environment, and increased social skills, confidence and self esteem.
  - The evidence on whether OSC has a positive effect on children's' attainment is mixed, though perhaps stronger in the US.
  - Those researching OSC theorise strong benefits to children in terms of higher incomes in later life and lower engagement in criminal activities. Some evidence of lower problem behaviour and anti-social activities has been found in Estonia and Portugal.

- The literature suggests that children from more deprived backgrounds may experience greater benefits.
- Employers are also found to benefit from OSC. These benefits arise through better staff retention rates and reduction in hiring costs, reduced unplanned absences, and employers recouping investment in training and staff development.

### What are the benefits to the economy?

- There is some evidence of economic benefits to communities and to the tax payer.
  - Communities benefit from OSC through increased the creation of new businesses, increased local employment opportunities and contributions to tackling disadvantage and regeneration.
  - The public purse benefits from increased revenue through national insurance and income tax and reduced benefit dependency.
  - A study in the US suggest that every US\$ invested high-quality after-school programmes saves US tax payers US\$3 on average. Significant additional benefits are realised when the benefits of reduced crime in later life are factored in.
- Evidence suggests that increasing women's participation in the workforce – and commonly identified benefit of OSC – has a positive impact on economic growth.

## **2. Research gaps**

The literature review highlighted a number of research gaps, including:

- Recent research on the impacts of OSC on parents.
- Evidence of the quantitative impact of access to OSC on parents' incomes.
- Evidence of direct benefits of OSC to mothers.
- Recent evidence of the direct impact of OSC on local and national economies and public finances.

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