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# India Caregiving Return On Investment: Complete Report

MAY 2022

# **Estimating the Return on Investment of Child Caregiving Programs**

## **A Study of India**

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## Abstract

Unpaid caregiving responsibilities represent a key barrier to women's labor force participation in many developed and developing countries, particularly while children are too young to attend formal schooling. In this paper, we consider the child caregiving environment in India and quantifies the potential economic returns of investing in early childcare programs. These potential benefits focus on two key dimensions – increased labor force participation rates and increased household income for currently unemployed primary caregivers. We estimate that addressing primary caregivers' childcare needs could lead to a 5-percentage point increase in the labor force participation rate in India, which translates into roughly 46 million people joining or rejoining the labor force. Furthermore, on average, for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would expect to generate \$8 in increased economic activity. Public support for these types of subsidized child caregiving programs is extremely high in India, with 93% of the population expressing support for such programs for needy families. Super majorities of every demographic group (age, gender, socioeconomic status, and urban/rural groups) support such programs. In fact, nearly two-thirds of Indians believe that early childcare programs should be prioritized *more than* primary schooling provision. Therefore, the Indian government could view early child caregiving investments not only as good economic policy, but also good politics.

## I. Introduction

Globally, female labor force participation is nearly 30 percentage points lower than for men (46% versus 75%).<sup>1</sup> Increased child caregiving responsibilities is a well-documented barrier to higher female labor force participation.<sup>2</sup> In the majority of countries, women disproportionately take on child caregiving responsibilities that displace the time available for paid work. For example, in India, the female labor participation rate (19%) is 50 percentage points lower than that of men (69%). Gender disparities are even more pronounced among people with children in Sub-Saharan Africa and most other developing regions.<sup>3,4</sup> Unpaid childcare burdens materially restrict national economic output, and it has been hypothesized that reducing childcare costs by 50% could increase female labor supply by 6-10 percent in some country contexts.<sup>5</sup>

Building upon this literature, our study is among the first to comprehensively measure the potential increase in labor force participation rates directly attributable to improved affordability and accessibility of early childcare options in selected country contexts. Our household survey is unique because it asks respondents about the precise economic activities that they or their spouse/partner would pursue if they had access to affordable childcare options. While we expect women to benefit disproportionately from such access, we focus on both female and male primary caregivers. Moreover, our study also examines newly collected information about parents'

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<sup>1</sup>International Labour Organization, ILOSTAT database. Data retrieved on February 8, 2022. Female and male labor participation rates.

<sup>2</sup>Sarah Gammage, Naziha Sultana, and Manon Mouron (March 2019), The Hidden Costs of Unpaid Caregiving, *Finance and Development: International Monetary Fund*, Vol. 56, Issue 01, pp 20-23.

<sup>3</sup>The exception to the countries of Oceania, excluding Australia and New Zealand.

<sup>4</sup>International Labor Organization (ILO): ILOSTAT blog. Having kids sets back women's labour force participation more so than getting married. March 3, 2020.

<sup>5</sup>Sarah Gammage, Naziha Sultana, and Manon Mouron (March 2019), The Hidden Costs of Unpaid Caregiving, *Finance and Development: International Monetary Fund*, Vol. 56, Issue 01, pp 20-23.

satisfaction with existing childcare arrangements as well as support for potential government programs and policies amongst the broader Indian population.

This paper is organized as follows. In section II, we briefly summarize the current context regarding childcare and early childhood development in India. In section III, we detail the household survey methodology and data collection that form the basis for much of the analytical results. This includes documenting the survey scope, questionnaire design, sampling, and weighting procedures. Survey results form the basis of section IV, which discusses the early child caregiving landscape, including usage, costs, preferences, perceptions, and satisfaction with current childcare arrangements in India. For care satisfaction, we report on the distribution of factors cited as most relevant to satisfied parents' evaluations, as well as the key barriers to changing childcare arrangements amongst dissatisfied parents. Next, in section V, we focus on the core analytical contribution of this paper – the ROI methodology and results. Section VI reviews public attitudes about subsidized caregiving support, reviewing overall public support for and desired prioritizations of government programs. Finally, the paper concludes with a summary of the key results.

## II. Existing Research and Analysis

### India Childcare and Early Childhood Education and Development

Formal schooling is an important part of early childhood development and a way to alleviate at least some of the childcare burdens on families. As a result, child caregiving cannot be considered in isolation from education.

The Government of India provides pre-primary education and early childhood development (ECD) services through the Integrated Child Development Services (ICDS), a centrally sponsored and state administered ECD program that has been in operation since 1975. The ICDS scheme, renamed as “Anganwadi Services,” administers pre-school services, including early learning for children aged 3-6 years, and early care and stimulation for children under the age of three. Supplementary nutrition, health and nutrition, immunization, referral services and health check-ups are also provided at the Anganwadi Centres. There were a reported 1.36 million functional Anganwadi Centers in 2018, serving some 70 million children, pregnant women, and lactating mothers.<sup>6</sup> Additionally, the central government sponsors the National Creche Scheme, which provides daycare facilities to children (ages 6 months to 6 years old) of working mothers. As of 2020, there were 6,453 functional creches across the country under the scheme.<sup>7</sup> The Ministry of Women & Child Development is responsible for both Anganwadi Services and the National Creche Scheme.

Although government-supported Anganwadis are widely known and accessed in the country, and government-sponsored creches are increasingly utilized, private preschools appear to be growing in popularity and utilization. A recent study tracking 13,000 children in several states in India found

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<sup>6</sup> <https://pib.gov.in/newsite/PrintRelease.aspx?relid=181218>

<sup>7</sup> <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1606292>

that about 43% attended private schools.<sup>8</sup> Regulatory guidelines for private preschools were introduced in 2017 and have since been rolled out across the country.<sup>9</sup>

In 2013, the government adopted the National Early Childhood Care and Education (ECCE) Policy along with a National ECCE Curriculum Framework and Quality Standards. Then, in 2020, the Ministry of Education released a new National Education Policy, which expanded the structure of school education to cover three years of pre-school or Anganwadi (for ages 3-6), in addition to the mandatory, formal enrollment in primary school beginning at age six. The policy recognizes the importance of early childhood education, stating “universal provisioning of quality early childhood development, care, and education must thus be achieved as soon as possible, and no later than 2030, to ensure that all students entering Grade 1 are school ready.”<sup>10</sup>

Data released by UNICEF and Countdown 2030 in 2021 indicate that 38 percent of children aged 36-59 months attend an early childhood education program.<sup>11</sup>

Taking place in the context of the COVID-19 crisis, our survey necessarily considered the effects of COVID-19 on childcare in India. The nationwide lockdown that went into effect on 25 March 2020 included an immediate halt to formal and informal early childhood activities, including schools, creches, and Anganwadi centers. As a result, the burden of unpaid care work increased dramatically, particularly for women. A study by Dalberg, for example, estimated that women’s unpaid work in India, already ten times more than men, increased by at least 30 percent during the pandemic.<sup>12</sup>

### III. Survey Methodology

#### Survey Scope

The Caregiving ROI study analyzes existing household approaches to child caregiving, satisfaction with existing early childhood services, obstacles to accessing care services, and preferences for alternative care arrangements. We further assess public support for government-subsidized childcare, among other issues, and examine whether existing primary caregivers would enter or re-enter the labor force (and in what type of economic activity) if safe and quality care services were available. For this study, we focus on caregiving for children under the age of six.

#### Sample Design

The survey sample was designed to be nationally representative of all adults aged 18 or older across India. We established interlocking quotas for age brackets (18-24, 25-34, 35-44, 45-54,

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<sup>8</sup> Ghosh, S., Dey, S. [Public or private? Determinants of parents’ preschool choice in India](#). *ICEP* 14, 3 (2020).

<sup>9</sup> [Regulatory Guidelines for Private Play Schools](#): Guidelines for regulating private play schools for the children of the age of three to six year. Education Division, National Commission for Protection of Child Rights, 2017.

<sup>10</sup> Ministry of Human Resource Development, [National Education Policy 2020](#), 2020

<sup>11</sup> <https://nurturing-care.org/india-2021/>

<sup>12</sup> <https://dalberg.com/our-ideas/addressing-womens-time-poverty-in-india/>

and 55+), gender (female, male)<sup>13</sup>, and states. This created 300 distinct interlocking demographic quotas for data collection.<sup>14</sup> The number of target respondents assigned to each of these interlocking quotas was determined based on available information from 2016 Demographic and Health Survey. The final sample included 20,818 respondents. We also included a separate additional socioeconomic quota based on household asset ownership patterns. There is an extensive literature that documents the usage of this approach in a variety of settings.<sup>15</sup> In India, we considered over 20 potential household assets and then selected scooter ownership and flush toilet, since they exhibit the most desired distributions of ownership rates. The ideal socioeconomic proxy measure(s) would exhibit a linear relationship with the same level of increase or decrease in asset ownership rates for each quintile of the household-level population. While imperfect, this approach ensures that the sample is more representative of the general adult population and can be used for ex post reweighting as necessary.

## Child Caregiving Questionnaire Modules

The survey questionnaire consists of three core modules on child caregiving. Respondents are segmented into modules based on two characteristics. The first segmenting characteristic is whether the survey respondent has at least one child under the age of six in the household. A total of 6,356 respondents fell into this group. Respondents without young children in the household are directed to the Public Policy and Caregiving Attitudes module, where they are asked about their attitudes about national caregiving programs and a range of other issues. A total of 15,462 fell into this second group.<sup>16</sup>

The second segmenting characteristic relates to those survey respondents with young children. Households where someone other than the respondent or respondent's spouse or partner provides childcare are referred to as "non-primary caregivers" (n = 2,520) and were directed to a series of questions on their existing child caregiving approach. Households where the respondent or their spouse or partner currently provides childcare are considered "primary caregivers" (n = 1,328) and were directed to a series of questions similar to non-primary caregivers.<sup>17</sup> However, the latter also were asked questions concerning their demand for different types of care, willingness to pay for care, current barriers to care, and about their expected economic situation if safe and affordable childcare were accessible.

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<sup>13</sup> The sample quotas specifically focused on female and male respondents. However, the gender identity question also included responses for transgender males, transgender females, and non-binary groups. Statistically significant analysis of these gender identity groups was not possible due the limited number of respondents.

<sup>14</sup> This is calculated as follows: number of states (30) x the number of age brackets (5) x the number of gender groups (2) = 300 distinct, interlocking quotas. Some union territories and states were excluded from the quotas because of extremely small target sample sizes. Specifically, three union territories are excluded from the quotas and three union territories are combined into a nearby state for quota targets.

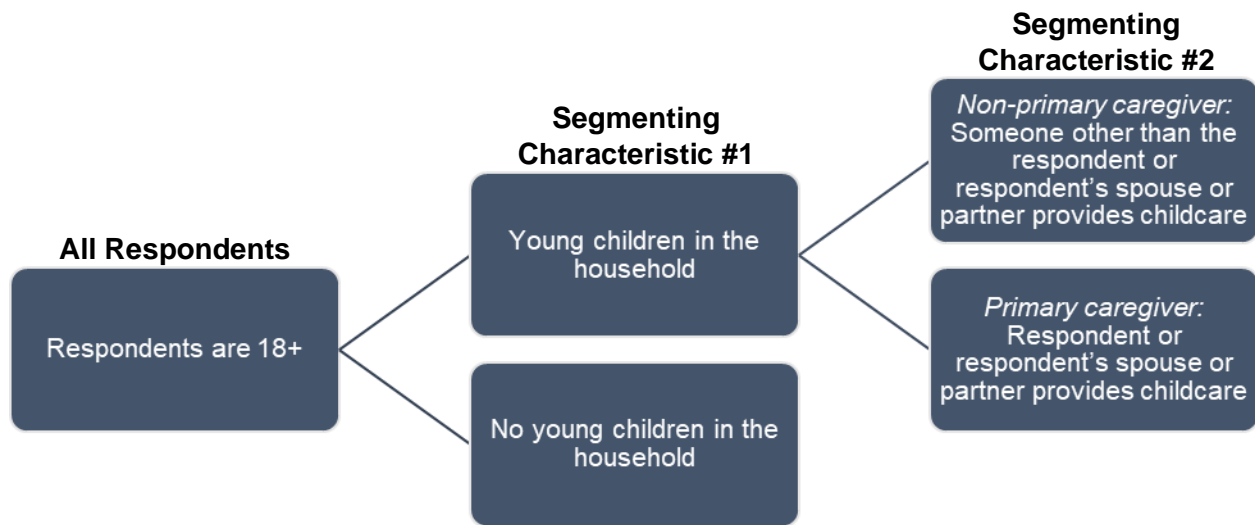
<sup>15</sup> For instance, see Ben Leo, Robert Morello, Jonathan Mellon, Tiago Peixoto, and Stephen Davenport. 2015. "Do Mobile Phone Surveys Work in Poor Countries?" CGD Working Paper 398. Washington, DC: Center for Global Development. <http://www.cgdev.org/publication/do-mobile-phone-surveys-work-poor-countries-workingpaper-398>.

<sup>16</sup> Respondents in the first segmenting characteristic group (households with young children) also completed the Public Policy and Caregiving Attitudes module.

<sup>17</sup> We also use the term 'parental caregiving' later in this paper to refer to 'primary caregivers'. It is important to note, that while primary caregivers are typically the parents, this is not always the case.



**Figure 1 – Child Caregiving Questionnaire Modules, Survey Logic**



## Survey Fielding and Data Collection Period

In India, the survey vendor's panel includes over 15 million potential respondents, who have been pre-screened to facilitate reliable and representative samples across regional, gender, age, and socioeconomic status parameters. These panel respondents are regularly recruited through both online and offline means to ensure coverage of difficult to reach demographic groups. Particularly close attention was given to ensuring coverage of poorer and more marginalized demographic groups.

Data collection occurred between 1 February 2022 and 2 March 2022. The final survey sample included 20,818 Indian respondents aged 18 or older. The average survey completion time was 10 minutes and 7 seconds.

For survey execution, the survey vendor utilized a number of industry best-practices to quality check responses. These included: (i) regularly testing and validating on a rolling basis to ensure participants and their responses are real and accurate; (ii) comparing answers from respondents to pre-collected information on the same respondents for consistency, such as the same age, gender, socio-economic status, and geography; (iii) recontacting a percentage of respondents for quality assurance and oversight purposes.; (iv) checking for straight lining (e.g. answering "C" for all questions in a particular series or module); and (v) checking speed of completion rates, (e.g. flagging observations that took 1/3 or less of the median time to complete the questionnaire). Responses that failed any one of these tests were automatically removed from the data.

## Data Processing, Demographics, and Sample Weighting

Modest divergence was found between sample characteristics and the general population parameters according to available data from the 2016 Demographic and Health Survey. Post-hoc weights were created to correct for these differences. An iterative proportional fitting process was used to simultaneously balance the distributions of the following parameters: gender, age, urban status, state, and socioeconomic status. Table 1 below details the demographic characteristics of respondents by gender, age group, urban status, state, socioeconomic status, and caste. Both

weighted and unweighted proportions are presented, as well as the unweighted count or number of respondents.

**Table 1 – Survey Sample Characteristics, Weighted and Unweighted**

	Weighted Proportion	Unweighted Count	Unweighted Proportion
<b>Gender</b>			
Male	52%	10,855	50%
Female	48%	10,963	50%
<b>Age</b>			
18-24	20%	4,447	20%
25-34	24%	5,789	27%
35-44	19%	4,865	22%
45-54	16%	3,527	16%
55+	21%	3,190	15%
<b>Urban</b>			
Urban	36%	16,370	75%
Rural	64%	5,448	25%
<b>State</b>			
Andaman and Nicobar Islands	<1%	24	<1%
Andhra Pradesh	4%	806	4%
Arunachal Pradesh	<1%	23	<1%
Assam	3%	517	2%
Bihar	8%	1,433	7%
Chandigarh	1%	146	1%
Chhattisgarh	2%	415	2%
Delhi	2%	399	2%
Goa	<1%	27	<1%
Gujarat	5%	1,086	5%
Haryana	2%	547	3%
Himachal Pradesh	1%	95	0%
Jammu and Kashmir	1%	206	1%
Jharkhand	3%	414	2%
Karnataka	5%	1,460	7%
Kerala	3%	483	2%
Madhya Pradesh	6%	1,147	5%
Maharashtra	9%	2,339	11%
Manipur	<1%	40	<1%
Meghalaya	<1%	45	<1%
Mizoram	<1%	23	<1%
Nagaland	<1%	28	<1%
Odisha	4%	507	2%
Puducherry	<1%	177	1%

Punjab	2%	327	1%
Rajasthan	6%	1,038	5%
Sikkim	<1%	34	<1%
Tamil Nadu	6%	1,520	7%
Telangana	3%	712	3%
The Dadra and Nagar Haveli and Daman And Diu	<1%	21	<1%
Tripura	<1%	104	<1%
Uttar Pradesh	15%	3,541	16%
Uttarakhand	1%	193	1%
West Bengal	8%	1,941	9%
<b>Socioeconomic Status (SES)<sup>18</sup></b>			
Low SES	36%	6,500	30%
Medium SES	34%	6,657	31%
High SES	29%	8,661	40%
<b>Caste</b>			
None of them	29%	6,986	32%
OBC (other backward class)	35%	7,509	34%
Prefer not to answer	3%	780	4%
Scheduled Caste	26%	5,198	24%
Scheduled Tribe	7%	1,345	6%
<b>Total</b>	-	21,818	-

Table 2 below details the segmenting characteristics of survey respondents that received each of the three distinct child caregiving questionnaire modules.

**Table 2 – Child Caregiving Module Respondents, Weighted and Unweighted**

	Weighted Proportion	Unweighted Count	Unweighted Proportion
<b>Segmenting Characteristic #1</b>			
No young children in the household	68%	15,462	71%
Young children in the household	32%	6,356	29%
<b>Total</b>	-	<b>21,818</b>	-
<b>Segmenting Characteristic #2</b>			
Non-Primary Caregiver	43%	2,520	40%
Primary Caregiver	57%	3,836	60%
<b>Total</b>	-	<b>6,356</b>	-

<sup>18</sup> We define socioeconomic status through an asset ownership approach based on the 2016 DHS, selecting the two assets which best tracked DHS national wealth index trends. In India, respondents who have neither a flush toilet nor a scooter are considered Low SES. Respondents who have only one of the two assets are considered Medium SES and respondents who own both assets are considered High SES.

## IV. Survey Results

### Early Child Caregiving Landscape

The majority of Indian parents of a child under the age of six serve as their primary caregivers. More specifically, 56% of adults with young children state that parents are the primary caregivers. Facilities or hired caregiving services outside of the home is the next most frequently cited caregiving arrangement (24% of respective households).

For this study, we are particularly interested in disaggregating results for marginalized sub-groups of Indian society. Marginalized groups can be excluded from mainstream social, economic, education and/or cultural life due to unequal power relationships and historic inequities. In this analysis, we specifically consider individuals who are of lower socioeconomic class *and* who belong to a backwards caste or a non-Hindu religion as a marginalized sub-group for specific attention where appropriate and possible. As noted above, we proxied for household income with questions about the ownership of key assets (flush toilet and scooter). Poor or “low” income respondents owned neither key asset and “high” income respondent owned both.

**Table 3 – Child Care Usage Patterns, by Population Group**

	National <sup>19</sup>	Marginalized Parents	High SES Parents
Yourself	33%	27%	41%
Your spouse or partner	23%	15%	34%
Relative	7%	7%	5%
Facility or hired caregiver outside of your home (e.g., childcare center, nursery, preschool, creche)	24%	36%	12%
Hired caregiver in your home (i.e., a nanny)	6%	7%	5%
Neighbor or friend	4%	5%	2%
Other	2%	2%	1%

Overwhelmingly, across sub-groups, the most common childcare arrangement is care administered directly by the parents. The use of primary caregivers is significantly different between marginalized parents and high socioeconomic status parents.<sup>20</sup> Three-quarters of high SES parents consider themselves the primary caregiver compared to 42% of parents in the marginalized group – a 33 percentage point difference. Relatedly, marginalized parents also tend to rely more on hired caregiving services compared to high SES parents: over a third of marginalized parents rely on these services compared to 12% for high SES parents. One explanation for this could be that while there is a cultural preference for direct caregiving by parents (as seen below), marginalized parents may not be able to afford this arrangement, as both parents are likely to need to work to support their families.

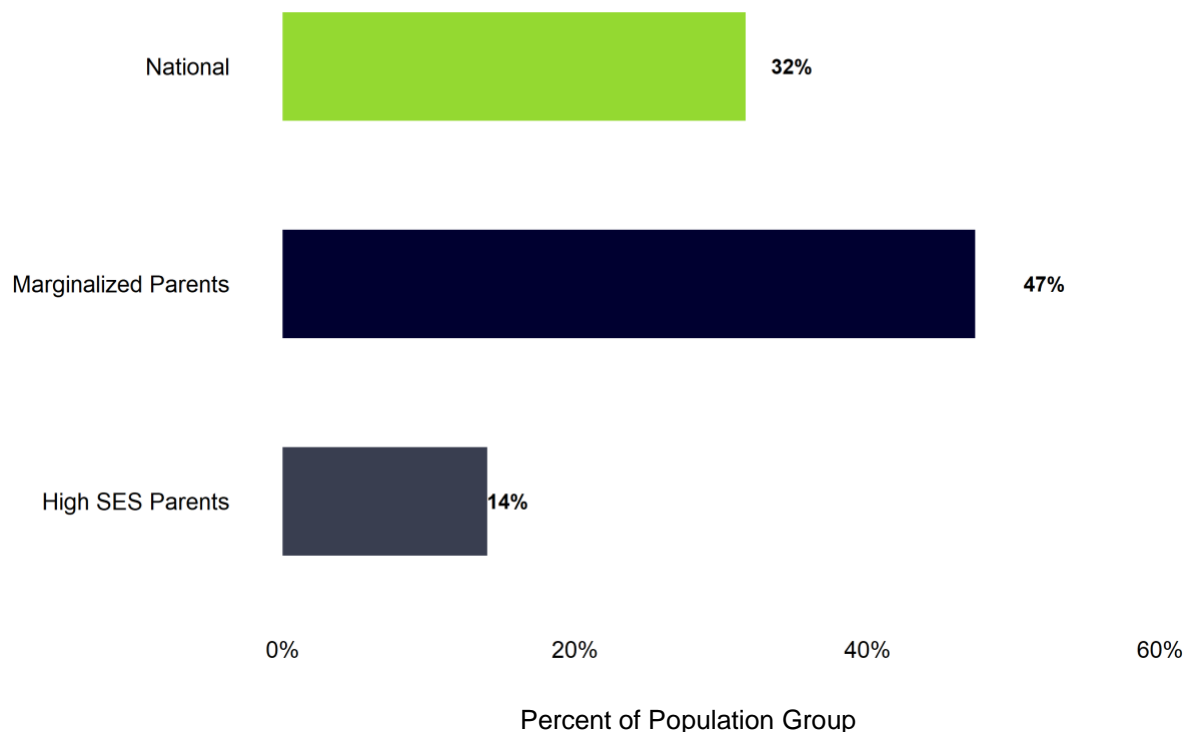
<sup>19</sup> For the remainder of this section, national refers to adults with at least one child under the age of six, unless otherwise stated.

<sup>20</sup> Respondents are not necessarily the parents of the young child in the household, as the survey does not collect information on the role of the respondent in the household. Rather, this is defined as adults with young children in the household that are considered marginalized.

There is little variation in the outsourcing of caregiving to a hired caregiver in the home, relative, neighbor or friend for care across sub-groups. Usage for these types of childcare are all below 10%.

Finally, 28% of parents with a child under six report that they currently use subsidized childcare. These are parents who report using a childcare service that is provided at a reduced cost (i.e., through a subsidy or voucher) due to support from the government, a religious institution, or a non-governmental organization. Unsurprisingly, subsidized care usage is higher among marginalized parents (47%) and lower among wealthier parents (14%). In fact, the high usage of subsidized care among marginalized parents likely explains the higher usage of care facilities as compared to high SES parents. While nearly half of marginalized parents use subsidized care, there are still opportunities to continue expanding access to affordable, quality care in vulnerable communities.

**Figure 2 – Subsidized Care Usage, by Population Group**



## Childcare Costs

Our study examined whether parents of young children pay for child caregiving services, and if so, whether those payments are in cash or in-kind. Specifically, we look at the cost of childcare among households where parents *are not* the primary caregivers. These costs capture households relying on neighbors, friends, or relatives, as well as hired caregivers and facilities such as preschools and nurseries.

Nationally, about two-thirds of respondents who utilize childcare pay 2,500 Rupees (about 33 USD) or more per month, with both subsidized care users and high SES parents paying these types of higher costs

**Table 4 – Average Cash-Based Childcare Costs, by Population Group**

	National	Subsidized Care Users	Marginalized Parents	High SES Parents
Prefer not to answer	2%	<1%	2%	<1%
Up to 999 Rp per month (< USD \$13)	15%	7%	14%	16%
1,000-2,499 Rp per month (USD \$13-\$33)	16%	10%	9%	19%
2,500-6,999 Rp per month (USD \$33-\$92)	32%	39%	40%	30%
7,000+ Rp per month (USD \$92+)	35%	44%	35%	34%

Interestingly, subsidized care users appear to pay higher costs as do marginalized parents, whereas there is more variation in spending among wealthier parents. Subsidized care users and marginalized parents pay the most per month relative to other subgroups: 83% of subsidized care users and 75% of marginalized parents outsourcing care pay at least 2,500 Rupees (about \$33) per month. In comparison, only 64% of high economic status parents pay the same amount every month.

We saw earlier in Table 3 that only about a quarter of high SES parents are outsourcing care. Higher costs among subsidized care users and marginalized parents are likely driven by a reliance on caregiving facilities such as preschools and nurseries rather than on hired caregivers in the home, relatives, or neighbors. Additionally, about half of all marginalized parents rely on subsidized care, which explains the relatively smaller gap between subsidized care users and marginalized parents in payment patterns.

## Stated Child Caregiving Preferences

Direct caregiving by the parents is the preferred type of childcare for Indian parents, no matter their socioeconomic or caste status, with half indicating a preference for a childcare arrangement involving themselves or their spouse. This is followed by 31% who prefer to outsource responsibilities to a hired caregiver or a facility. Another 11% prefer to rely on a relative, neighbor or friend for providing caregiving in the home. The least popular arrangement involves care in the home of a friend, neighbor or relative, with only 9% of parents reporting a preference for this type of arrangement.

Consistent with national trends, both marginalized and high economic status parents show a preference for direct caregiving. Roughly half of all marginalized parents and high socioeconomic status parents prefer an arrangement involving themselves or their spouse or partner (48% and 50%, respectively). Furthermore, 19% of marginalized parents and 21% of high SES parents report preferring the second most popular arrangement: an external facility run by the government, a religious group, NGO or private business. These trends across groups suggest that there is a strong social preference for direct caregiving by the parents, but that childcare facilities can be the next best option when direct caregiving is not possible.

**Table 5 – Stated Childcare Preferences, by Population Group**

	National	Marginalized Parents	High SES Parents
At your home, provided by a relative, neighbor or a friend	11%	12%	11%
At your home, provided by you	24%	24%	24%
At your home, provided by your spouse or partner	25%	24%	26%
At your home, provider by a hired caregiver (i.e. nanny)	11%	10%	10%
Childcare in the home of a friend, neighbor or relative	9%	11%	8%
Other	1%	1%	1%
Preschool or childcare center run by the government, religious group, NGO, or private business	20%	19%	21%

## Caregiving Perceptions and Actual Usage Patterns

Personal preferences for childcare align closely with community perceptions and with the true distribution of childcare arrangements across the country. Nearly half of parents show a preference for direct childcare, which is only an 8-percentage point difference from actual arrangements and only a 5-percentage point difference from community perceptions. The same pattern can be observed for facilities. While 20% of parents indicated a preference for childcare facilities, 24% of them currently use facilities as their main arrangement and 18% perceive facilities as the most common arrangement in their community. It is important to note that, though personal preferences appear to be aligned with actual usage patterns, this is not necessarily indicative of satisfaction with current caregiving arrangements.

**Table 6 – Most Common Childcare Types, National Results**

	Personal Preferences	Community Perceptions	Actual Responses
At home or nearby, provided by a relative, neighbor or a friend	20%	22%	11%
At your home, provided by you or your spouse/partner	49%	44%	57%
At your home, provided by a hired caregiver (i.e. nanny)	11%	13%	6%
Other	1%	2%	2%
Preschool or childcare center run by the government, religious group, NGO, or private business	20%	18%	24%

**Table 7 – Public Perceptions about Childcare Usage Types, by Population Group**

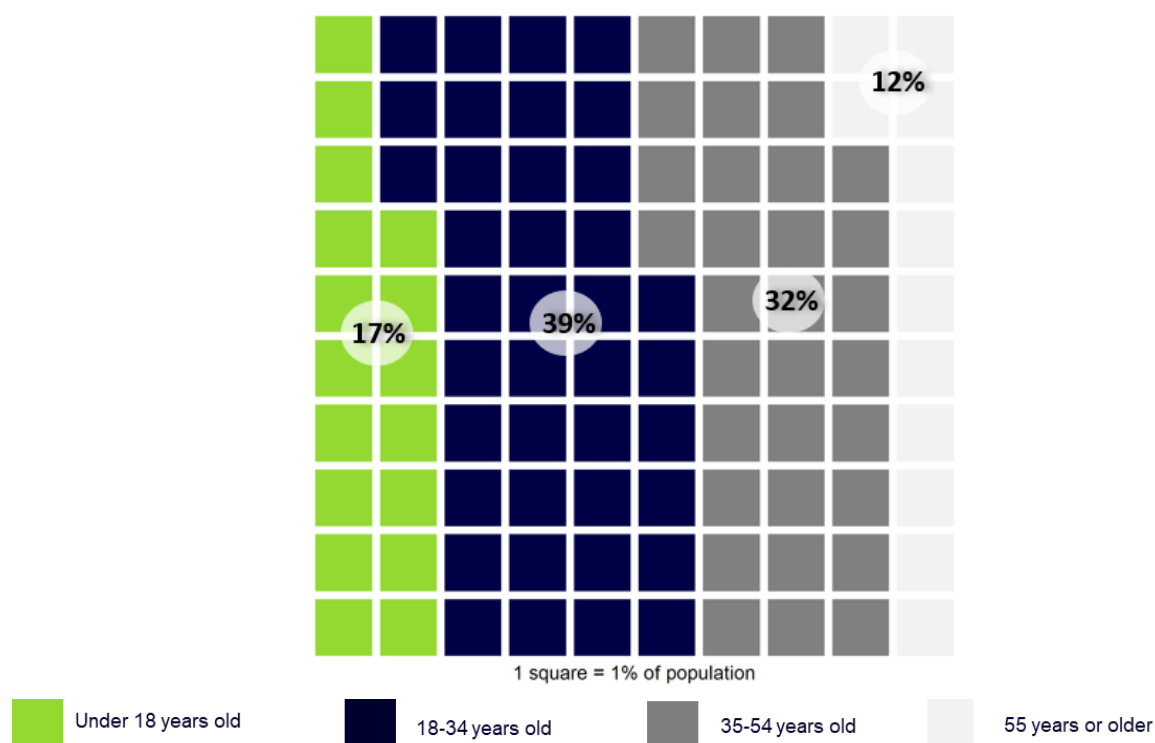
	National	Primary Caregiver	Marginalized Parents	Subsidized Care Users	High SES Parents
At a childcare center or preschool	18%	19%	17%	17%	21%
At home, provided by a hired caregiver	13%	13%	12%	14%	14%
At home or nearby, provided by a relative, neighbor, or friend	22%	17%	26%	31%	18%
At home, provided by the father	14%	13%	16%	18%	9%
At home, provided by the mother	30%	36%	27%	20%	37%
Other	2%	2%	2%	0%	1%

Perceptions about the most common type of caregiving arrangement in a community vary moderately by subpopulation. All groups underestimated the popularity of facilities and direct caregiving relative to actual arrangements, and overestimated the popularity of arrangements dependent on relatives, neighbors and friends. Interestingly, marginalized parents and subsidized care users perceived direct caregiving arrangements to be less common than other groups. Some 43% of marginalized parents and 38% of subsidized care users perceived direct caregiving as the most common arrangement in their community, compared to 57% in reality. Marginalized parents and subsidized care users additionally overestimated the popularity of informal arrangements dependent on relatives, neighbors and friends. Roughly a quarter of marginalized parents and 31% of subsidized care users perceived this arrangement as the most common, compared to only 11% of actual usage among parents.

While a caregiving arrangement involving a neighbor, friend or relative was perceived as the second most common arrangement, relatively few parents use this arrangement in actuality. Those that do use this arrangement predominantly employ relatives or friends who are younger adults, between 18 and 34 years of age. About 39% of parents who outsource care to friends and relatives employ someone who is a young adult. Notably, employing children as caregivers also appears relatively common, with 17% of households reporting this type of arrangement.



**Figure 3 – Age of Neighbor, Friend, or Relative Caregivers, National Results**



## Satisfaction with Current Caregiving Situation

In addition to understanding the current landscape of childcare arrangements, we analyzed parents' satisfaction with such arrangements. A mismatch of some parents' satisfaction with their existing arrangements suggests there may be alternatives for certain populations.

Approximately 6 out of 7 Indian parents with children under six (85%) are either satisfied or somewhat satisfied with their current childcare arrangement. One-tenth of parents are dissatisfied or somewhat dissatisfied and 5% are neutral.

Although most Indians are happy with their childcare arrangement, there are some relevant distinctions between subpopulations. Primary caregivers and high SES parents report the highest levels of satisfaction at 93%. Only 3% of primary caregivers and 4% of high economic status households are dissatisfied with their current arrangement. By comparison, both marginalized households and households using subsidized care have lower satisfaction levels, at 77%. Parents relying on friends or relatives are the least satisfied, reflecting the relative unpopularity of this arrangement, with only 72% reporting satisfaction.

**Table 8 – Satisfaction with Current Childcare Arrangements, by Population Group**

	Satisfied	Dissatisfied	Neither satisfied nor unsatisfied
National	85%	10%	5%
Primary Caregivers	93%	3%	4%
Non-Primary Caregivers	76%	19%	6%
Marginalized Parents	77%	18%	5%
High SES Parents	93%	4%	3%
Subsidized Care User Households	77%	20%	3%
Family, Friend, or Relative Care User	72%	19%	9%

## Satisfaction Factors

Our study considered the following aspects of existing childcare satisfaction: cost and affordability, convenience of location, good quality, safety, and norms.<sup>21</sup> Among parents of young children who are satisfied with their childcare arrangements, over half cite safety and/or good quality as a key satisfaction factor. Cost and affordability is a slightly less important factor, with only 41% of satisfied parents citing it. Finally, social norms do not appear to play a large role, in that only 30% of parents with young children report this factor.

**Table 9 – Childcare Aspects Cited by Satisfied Parents, by Population Group**

	All Groups	Primary Caregivers	Marginalized Parents	Subsidized Care Users	High SES Parents
Cost & Affordability	41%	42%	28%	29%	57%
Quality	57%	63%	47%	47%	73%
Safe	55%	61%	36%	36%	71%
Convenient Location	45%	47%	33%	34%	57%
It's What Others in Community Are Doing (i.e., norms)	30%	28%	25%	25%	33%

*\*Note: Proportions do not add up to 100% because respondents could select multiple options.*

Marginalized parents and subsidized care users who are satisfied with their childcare arrangements are substantially less likely to cite cost as a key reason for satisfaction. Less than a third of marginalized parents and subsidized care users report cost and affordability as a reason for satisfaction. Similarly, satisfied marginalized parents and subsidized care users are less likely to report good quality, safety or convenience as key satisfaction factors compared to other groups.

<sup>21</sup>Throughout this section, proportions do not add up to 100% because respondents could select multiple options.

Less than half of marginalized parents and subsidized care users cite good quality, and about a third cite safety and convenience as reasons for satisfaction.

The high similarity in reactions between marginalized parents and subsidized care users can be explained by the fact that the majority of marginalized parents are subsidized care users. Despite subsidized care offering reduced fees, it does not appear that affordability is driving marginalized parents and subsidized care users towards subsidized care. Since subsidized care users indicate that they pay higher average costs compared to other groups, subsidized care may not be sufficiently affordable and may still be consuming a large portion of the expenses of lower income households.

High socioeconomic status parents report high rates of satisfaction across almost all relevant factors: costs, quality, safety, and convenience. Three in four high SES parents who are satisfied with their caregiving arrangement report good quality as being a key factor, and 71 % report safety as being a key factor. As with the national figures, social norms are the least cited.

**Table 10 – Childcare Aspects Cited by Satisfied Non-Primary Caregivers and Type**

	Childcare Center Users	Neighbors, Friends, or Relatives
Cost & Affordability	41%	34%
Quality	46%	53%
Safe	40%	49%
Convenient Location	44%	36%
It's What Others in Community Are Doing	37%	21%

*\*Note: Proportions do not add up to 100% because respondents could select multiple options.*

While childcare center users are slightly more satisfied with cost and affordability compared to marginalized parents and subsidized care users, less than half report good quality as a primary reason for satisfaction. A moderately high proportion of satisfied parents relying on friends or relatives report being satisfied because of the good quality and safety of care. 53 percent of these parents cite good quality as a reason and 49% cite safety as a reason for satisfaction. Interestingly, childcare center users report the highest rates of satisfaction with the social norms aspect compared to all other groups (37%).

Finally, parents that utilize neighbors, friends, or relatives report quality as the most cited factor, though the level of satisfaction is still lower than primary caregivers and high SES parents. Across all sub-groups, this type of childcare arrangement reports the lowest levels of satisfaction with the social norms aspect, which likely reflects the relative unpopularity with this arrangement that was identified earlier (Table 6 and Table 7).

Given that parental caregiving is the most preferred form of childcare, and that the majority of high economic status parents have this arrangement, it is unsurprising that parental caregivers and high economic status parents generally report high satisfaction with the quality and safety of their arrangements. Conversely, the lower satisfaction with cost, quality and safety observed across subsidized care users and marginalized parents could be an indication that further policy reform is necessary to improve the quality and safety of the associated childcare facilities.

## Barriers to Changing Childcare Arrangements

Our study explored what may be preventing dissatisfied parents from switching to another childcare arrangement. Understanding the barriers can help decisionmakers improve policy options.

COVID-19 restrictions and a lack of local options are by far the most cited barriers to changing childcare arrangements. Nationally, just under a third of dissatisfied parents say that COVID-19 restrictions or facility closures discourage them from switching to an alternative arrangement. This is unsurprising, given that most Anganwadi centers were closed starting in March 2020. About one-fourth of parents note that there are no other childcare service options in their community. Dissatisfied parents additionally express apprehension over the safety of alternative arrangements, with 22% expressing such concerns. By contrast, location does not appear to factor heavily into childcare barriers, with only 13% of dissatisfied Indian parents worrying about the location convenience of alternative arrangements.

Parental caregivers dissatisfied with their current childcare arrangements are most concerned with the safety of alternative arrangements as well as the impact of COVID-19 restrictions, and least concerned about location convenience. About one fourth of dissatisfied primary caregivers shared worry about the safety of alternative arrangements, and about one fourth referenced COVID-19 restrictions as a barrier to switching to another arrangement. Consistent with national results, few dissatisfied primary caregivers (8%) reference inconvenient location as a reason for not switching to another form of childcare.

Marginalized parents dissatisfied with their current arrangements cite COVID-19 restrictions and a lack of options as factors influencing their decision not to switch to an alternative form of care. 27% of marginalized parents point to COVID-19 restrictions, while 26% point to a lack of options in their community. Compared to other groups, relatively fewer marginalized parents highlight cost or poor quality as barriers to switching to another arrangement. Only 15% of marginalized parents report cost, and only 11% of marginalized parents report poor quality as a barrier.

Similarly, among dissatisfied subsidized care users, the main reasons for not switching to an alternative form of care include COVID-19 restrictions and limited options in the community. About a third of subsidized care users highlight restrictions, and about a third highlight limited options as key factors for not switching to another arrangement.

**Table 11 – Barriers to Switching Existing Childcare Arrangements among Dissatisfied Parents, by Arrangement Type**

	All Groups	Primary Caregivers	Marginalized Parents	Subsidized Care Users	High SES Parents	Friends, Family, or Relatives	Childcare Center Users
Too Expensive	18%	20%	15%	16%	31%	22%	18%
Poor Quality	14%	18%	11%	15%	33%	9%	14%
Safety Concerns	22%	27%	13%	22%	47%	17%	24%
Not Convenient	13%	8%	10%	14%	24%	18%	13%
No Time to Search for Other Options	16%	16%	12%	15%	26%	22%	12%
Concern What Others Will Think or Say	19%	18%	18%	23%	30%	13%	23%
No Other Options	26%	12%	26%	31%	29%	20%	36%
COVID-19 Restrictions	31%	25%	27%	34%	44%	36%	30%

*Note: Proportions don't add up to 100% because respondents could select multiple options.*

High economic status parents who are dissatisfied with their current caregiving arrangement report safety and COVID-19 restrictions as barriers to considering alternative forms of care. Almost half of these parents say that they have safety concerns with other forms of childcare. Forty-four percent of them voice concerns over COVID-19 restrictions or facility closures. Interestingly, compared to other groups, wealthier parents also have a stronger concern with the cost of alternative arrangements. Nearly a third of these parents worry that alternative forms of childcare will be more expensive than their current arrangement, which is 13-percentage points higher than the national average of 18%.

Parents dissatisfied with their current arrangement who depend on friends or relatives for childcare rank the following as their top key reasons for not switching to another form of care: COVID-19 restrictions, cost, time constraints, and lack of alternative options. Over a third of these dissatisfied parents say that COVID-19 restrictions are a barrier preventing them from switching to another form of care. Twenty-two percent say that high costs of alternative forms of childcare are a barrier, and 22% say that they do not have time to look for other options.

Finally, dissatisfied childcare center users identify barriers in similar proportions to all dissatisfied parents. The exception is the identified barrier that there are no other options, 10 percentage points higher than what all dissatisfied parents report. Furthermore, this is the most cited barrier among this sub-group. The cost and quality of childcare centers are not a frequently cited barrier.

## Barriers to Using Subsidized Care

We observe several key barriers among potentially eligible parents who currently do not use subsidized care. These include COVID-19 restrictions, safety concerns and social norms. A little under half of all eligible parents report COVID-19 restrictions and/or safety concerns as barriers to using subsidized care. Forty percent also report that they consider subsidized care to be inappropriate because childcare should be a family responsibility. Somewhat less frequently, parents report general concerns over the cost and quality of subsidized care, as well. Some 29%

of eligible parents report not switching to subsidized care due to high costs, and 28% cite poor quality.

For eligible primary caregivers who are not currently using subsidized care, barriers include COVID-19 restrictions, safety concerns and social norms. Half of parental caregivers share that COVID-19 restrictions prevent them from switching to subsidized care. Fifty-two percent voice concerns over safety, and 43% believe childcare is the primary responsibility of the parents. Both trust and convenience of location are the least cited barriers. As with the barriers reported for primary caregivers, marginalized parents cite COVID-19 restrictions and safety as the most important barriers, although both barriers are reported at lower rates. Finally, parents relying on informal caregiving arrangements with friends and relatives highlight safety concerns (41%) and COVID-19 restrictions (36%) as important barriers to using subsidized care.

**Table 12 – Barriers to Subsidized Childcare Services, by Population Group<sup>22</sup>**

	All Groups	Primary Caregivers	Marginalized Parents	Friends, Family, or Relatives
Still Too Expensive	29%	30%	26%	32%
Poor Quality	28%	29%	22%	26%
Not Convenient	19%	20%	13%	14%
Safety Concerns	49%	52%	34%	41%
Don't Trust Them	19%	20%	16%	17%
Consider Childcare a Family Responsibility	40%	43%	29%	29%
COVID-19 Restrictions	48%	50%	41%	36%
Other Reason	3%	2%	2%	3%
Not Eligible or Doesn't Need	8%	-	17%	0%

*Note: Proportions do not add up to 100% because respondents could select multiple access barriers.*

## V. Return on Investment Projections

There are a number of academic studies that examine the impact of childcare policies on labor force participation rates in developing countries.<sup>23</sup> For instance, several recent studies in South Asia and East Asia have found that access to childcare services, as well as the lack of access, has a significant effect on economic activity and paid work. A study from Vietnam finds a sizable effect from childcare usage on women's labor market outcomes, including their total annual wages, household income, and poverty status.<sup>24</sup> Another study of urban Bangladesh finds that women without access to childcare have significantly lower rates of paid work.<sup>25</sup> Moreover, in Ecuador, the Fondo de Desarrollo Infantil (FODI) provides public preschool, including for low-income children under the age of 6, and has contributed to a roughly 22 percentage point increase

<sup>22</sup> Non-primary caregivers are given the response option of "My family does not qualify for or does not need these services."

<sup>23</sup> See Fraym (2021), Addressing the Caregiving Crisis: Gender-Transformative Global COVID-19 Recovery Plan.

<sup>24</sup> Dang, H.A.H., Masako Hiraga, and Cuong Viet Nguyen (2019). Childcare and Material Employment: Evidence from Vietnam. World Bank Policy Research Working Paper 8856.

<sup>25</sup> Taş, Emcet and Tanim Ahmed (2021). Women's Economic Participation, Time Use, and Access to Childcare in Urban Bangladesh. World Bank Policy Research Working Paper 9735.

in female employment rates.<sup>26</sup> These studies did not, however, examine the potential return on investment of expanding childcare access programs, including in comparison to potential programmatic costs.

Our research builds upon these existing studies by applying a cost-benefit analysis framework in five developing economies, including India, Indonesia, Kenya, Nigeria, and South Africa. More specifically, we investigate the potential impact of child caregiving policies and programs on labor force participation rates as well as estimate the projected economic benefits for target households in the form of increased earnings. Our return on investment (ROI) methodology follows traditional Cost-Benefit Analysis principles and is outlined in greater detail below. This paper focuses solely upon results from India.

### **Step #1 – Determine the target population subgroup**

First, we determined the key population subgroup for further focus and study. In this case, we are primarily focused on the subgroup of primary caregivers who:

- Are 18 years of age or older and have at least one young child under the age of six in the household (meaning the child is not yet eligible for primary school enrollment);
- Were unemployed at the time of the survey; and
- Would plan to look for income generating work if safe and affordable childcare was available and accessible.

Targeting this key population subgroup allows us to analyze the group of caregivers that would be most likely to enter or reenter the labor force in the event of a childcare focused intervention. The potential impact focuses on respondents' preferences and stated perceptions about their ability to find income generating work in the future. Importantly, this approach does not observe nor study actual employment outcomes over a specified period of time. Instead, the survey respondents report their stated employment preferences and expected actions under an accessible childcare arrangement scenario, and then these expectations are fed into a simulation model that also includes a series of conservative assumptions and sensitivity checks.

### **Step #2 – Estimate Benefits Through Increased Income Generating Activities**

Second, we estimated the incremental potential household earnings that these primary caregivers would expect to generate if they entered or reentered the labor force. These projected earnings are first categorized by occupation type, including agricultural, clerical, domestic, professional/technical/managerial, sales and services, skilled manual, and unskilled manual. We consider average earnings for each of these occupation types based upon survey observations from non-primary caregivers that are currently in the labor force.

Next, average earnings estimates (disaggregated by occupation type) are multiplied by the proportion of primary caregivers in India (disaggregated by occupation type) who expect to enter or reenter the labor force if affordable and accessible childcare was available. This process creates a nationally representative estimate of what the average primary caregiver could expect to earn annually if they were to enter or reenter the labor force.

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<sup>26</sup> Rosero, J., & Oosterbeek, H. (2011). Trade-offs between different early childhood interventions: Evidence from Ecuador.



### Step #3 – Factor in Existing Childcare Costs

After estimating benefits on a per capita basis for primary caregivers, we next calculate the costs of a hypothetical child caregiving intervention. In this scenario, we apply a simplifying and conservative assumption that programmatic costs would be equal to what households are currently paying for childcare services, such as for a voucher or direct cash subsidy. This approach does not account for administrative costs or other costs beyond service fees that may be associated with programmatic implementation, monitoring, and oversight.

Costs are estimated through a process that mirrors step #2 above (estimating benefits) and draws upon two primary inputs – the average childcare payment costs (disaggregated by occupation type) and the proportion of Indians who are primary caregivers and would actively look for income generating activities. Multiplying these two components together creates a nationally representative cost estimate for covering child caregiving expenses for participating primary caregivers.

### Step #4 – Consider Lower-Bound Scenarios Based on Current Labor Market Conditions

Fourth, we consider and report an additional scenario that incorporates more conservative assumptions about primary caregivers' ability to find income generating activities. In this scenario, we discount the projected employment benefits using the most recent national unemployment rate. This acknowledges that not *all* primary caregivers may be able to find income generating activities.

Our discount on labor force participation projections is based on the most current unemployment rate of 9.8%.<sup>27</sup> This highly conservative alternative scenario has the net effect of reducing the expected ROI benefits by a corresponding 10% while maintaining the expected costs at full value.

**Figure 4 – Key ROI Methodology Criteria and Assumptions**

Key Respondent Criteria for ROI Calculation	Key Assumptions for ROI Calculation
Respondent is a primary caregiver within the household	<ul style="list-style-type: none"><li>• For income estimates - we apply average reported earnings by occupation type.</li></ul>
+	<ul style="list-style-type: none"><li>• For childcare cost estimates - we apply the average reported current childcare costs by occupation type.</li></ul>
Respondent is age 18 or older with at least one young child under the age of six in the household	<ul style="list-style-type: none"><li>• We also consider a more conservative scenario that incorporates a discount for the national unemployment rate (9.8%). This more conservative scenario is also reported as a lower bound estimate.</li></ul>
+	
Respondent is currently unemployed but would look for work if safe and affordable childcare was available and accessible.	

<sup>27</sup> National Statistical Office Ministry of Statistics and Programme Implementation, *Press Note on Periodic Labour Force Survey Quarterly Bulletin [July-September 2021]*



## Step #5 – Calculate Final Return on Investment Metrics

Last, we estimate the overall economic benefits by subtracting the estimated costs per person from the estimated benefits per person. The resulting figure projects the average economic benefit that primary caregivers would receive/generate if affordable and accessible child caregiving services were available in the country.

### Caregiving Benefits

Currently unemployed primary caregivers in India, who comprise a significant portion of the total population, would expect to earn INR 417,000 (\$5,500) annually on average if they were to join to the labor force. However, incomes would vary significantly based on the primary caregiver's expected occupation. The average expected annual income by occupation ranges from INR 338,000 (\$4,400) for domestic workers to INR 487,000 (\$6,400) for professional / technical / managerial positions. Many respondents (7%) expect to work in professional / technical / managerial roles, followed by sales and services roles and skilled manual labor (2%) with an expected average income of INR 371,000 (\$4,900) and INR 380,000 (\$5,000) annually.

**Table 13 – Projected Incremental Earnings by Occupation Type, National Results**

Occupation Type	Unemployed Primary Caregivers who would look for work if affordable and accessible childcare was available (% of total population)	Expected Average Annual Per Capita Earnings (INR)	Expected Average Annual Per Capita Earnings (USD)*
<b>Total</b>	<b>15%</b>	<b>INR 420,000</b>	<b>\$5,500</b>
Agriculture	1%	INR 362,000	\$4,700
Clerical	1%	INR 359,000	\$4,700
Domestic	1%	INR 338,000	\$4,400
Other	0.5%	INR 408,000	\$5,300
Professional / technical / managerial	7%	INR 487,000	\$6,400
Sales and services	2%	INR 371,000	\$4,900
Skilled manual	2%	INR 380,000	\$5,000
Unskilled manual	0.5%	INR 356,000	\$4,700

*Note – Applies the average 2022 exchange rate of 76.35 INR/USD. Figures are rounded to the nearest hundred for reporting purposes.*

### Caregiving Costs

On average, primary caregivers and their partners are projected to spend \$720 each year on childcare services. These figures reflect average daily childcare costs reported by survey respondents who are not currently their child's primary caregiver and are relying on paid caregiving services. The projected average childcare costs by occupation type ranges from \$430 annually for agricultural employment to \$910 annually for professional / technical / managerial positions, which report the highest average annual childcare costs amongst all occupation types.

**Table 14 – Projected Child Caregiving Costs by Occupation Type, National Results**

Occupation Type	Unemployed Primary Caregivers who would look for work if affordable and accessible childcare was available (% of total population)	Average Reported Annual Childcare Costs (INR)	Average Reported Annual Childcare Costs (USD)*
<b>Total</b>	<b>15%</b>	<b>INR 55,900</b>	<b>\$720</b>
Agriculture	1%	INR 32,900	\$430
Clerical	1%	INR 39,200	\$520
Domestic	1%	INR 50,100	\$660
Other	0.5%	INR 53,300	\$700
Professional / technical / managerial	7%	INR 69,600	\$910
Sales and services	2%	INR 38,200	\$500
Skilled manual	2%	INR 47,200	\$620
Unskilled manual <sup>28</sup>	0.5%	INR 66,900	\$880

*Note – Applies the average 2022 exchange rate of 76.35 INR/USD. Figures are rounded to the nearest hundred for reporting purposes*

## ROI Summary Results

**We estimate that for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would generate \$8 in increased economic activity on average.** This translates to a net economic benefit of approximately \$4,770 for each primary caregiver who would join or rejoin the workforce.<sup>29</sup> The expansion and improvement of childcare provision has also been proven to allow women who are currently underemployed to access full-time, better-quality jobs, so we would assume an additional return on investment for these individuals and families.

<sup>28</sup> Unskilled manual labor childcare costs are reported as unweighted values when displayed as a separate line item for India. This is because unskilled manual labor is highly correlated with several factors that are associated with being assigned a higher weight value, namely, age (elderly), and state (Bihar). In combination with an extremely small sample size (only 26 observations of unskilled manual laborers reporting their childcare costs), the weighted value when reported alone introduces a positive bias to the results that leads to an overestimation of costs when calculated separately that did not correspond to the general distribution of costs observed across other occupation categories. Weights are conserved in national estimates to serve in their original intended purpose for correcting for discrepancies in representation at the national level.

<sup>29</sup> Under the lower-bound approach, which incorporates a discount of 9.8% to reflect the most recent national unemployment rate, we estimate that for every \$1 invested in accessible childcare services, unemployed primary caregivers would still generate \$7 in increased economic activity on average. Importantly, this more conservative approach is likely an underestimate because the analysis assumes a complete switch for caregivers from unemployment to full-employment and does not account for underemployed caregivers finding additional work.

**Table 15 – Return on Investment Summary, India**

Return On Investment	Average Per Capita ROI
Projected Earnings (Benefit)	\$5,500
Childcare Services (Cost)	\$730
Project ROI (Benefit – Cost)	\$4,770
Margin (Expected ROI / Benefit)	87%
ROI Impact Per \$1 Invested	\$8

## Labor Force Participation Rate Implications

According to WorldPop, there are nearly one billion people that are of economically active age (15 - 64) in India. Of these people, 46.9 percent currently are participating in the Indian labor force, or approximately 435 million people.<sup>30</sup> This includes formal non-agricultural employment, informal non-agricultural employment, agricultural employment, and employment in private households.

As noted previously, roughly 15 percent of households have a primary caregiver that would intend to enter or reenter the labor force if they had access to affordable childcare arrangements. Applying this to the total number of Indian households (300 million), we find that a child caregiving focused program potentially could contribute up to 45.8 million people joining or rejoining the labor force. **This equates to a 4.5 percentage point increase in the Indian labor force participation rate (from 46.9 percent to 51.4 percent) even under conservative assumptions.**

## VI. Public Attitudes about Subsidized Caregiving Support

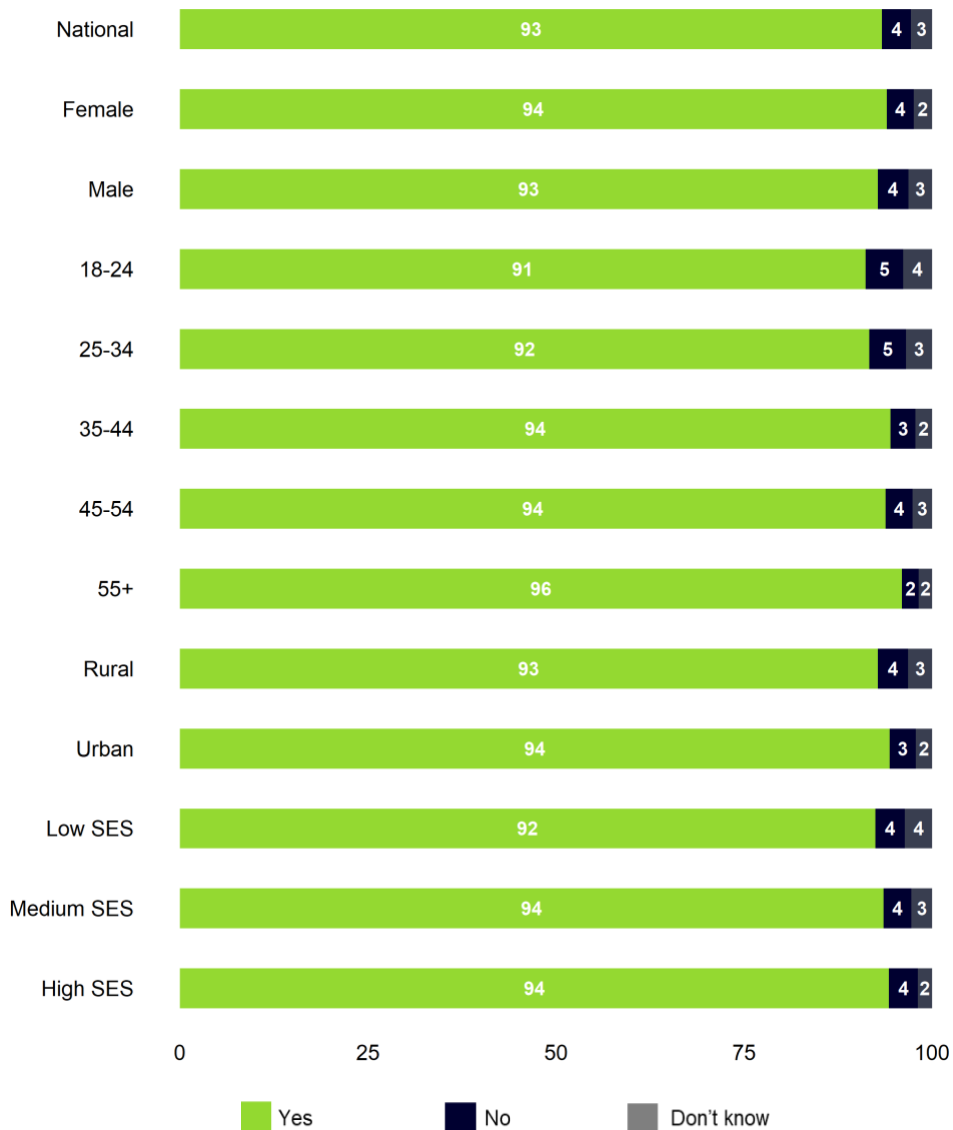
### Support for Subsidized Care

Finally, we examine public attitudes in India on a range of child caregiving related issues, including support for or opposition to government support programs and whether childcare services should be prioritized more than, less than, or about the same as primary schooling or secondary schooling.

There is overwhelming public support for subsidized child caregiving assistance in India. Overall, 93 percent of Indians believe that the government should support access to childcare services for children under seven, either for free or at a discounted and affordable price for those families in need. Most strikingly, there is a super majority of support across every demographic group in the country spanning gender, age and socioeconomic status.

<sup>30</sup> National Statistical Office Ministry of Statistics and Programme Implementation, *Press Note on Periodic Labour Force Survey Quarterly Bulletin [July-September 2021]*

**Figure 5 – Public Support for Subsidized Child Caregiving Services**



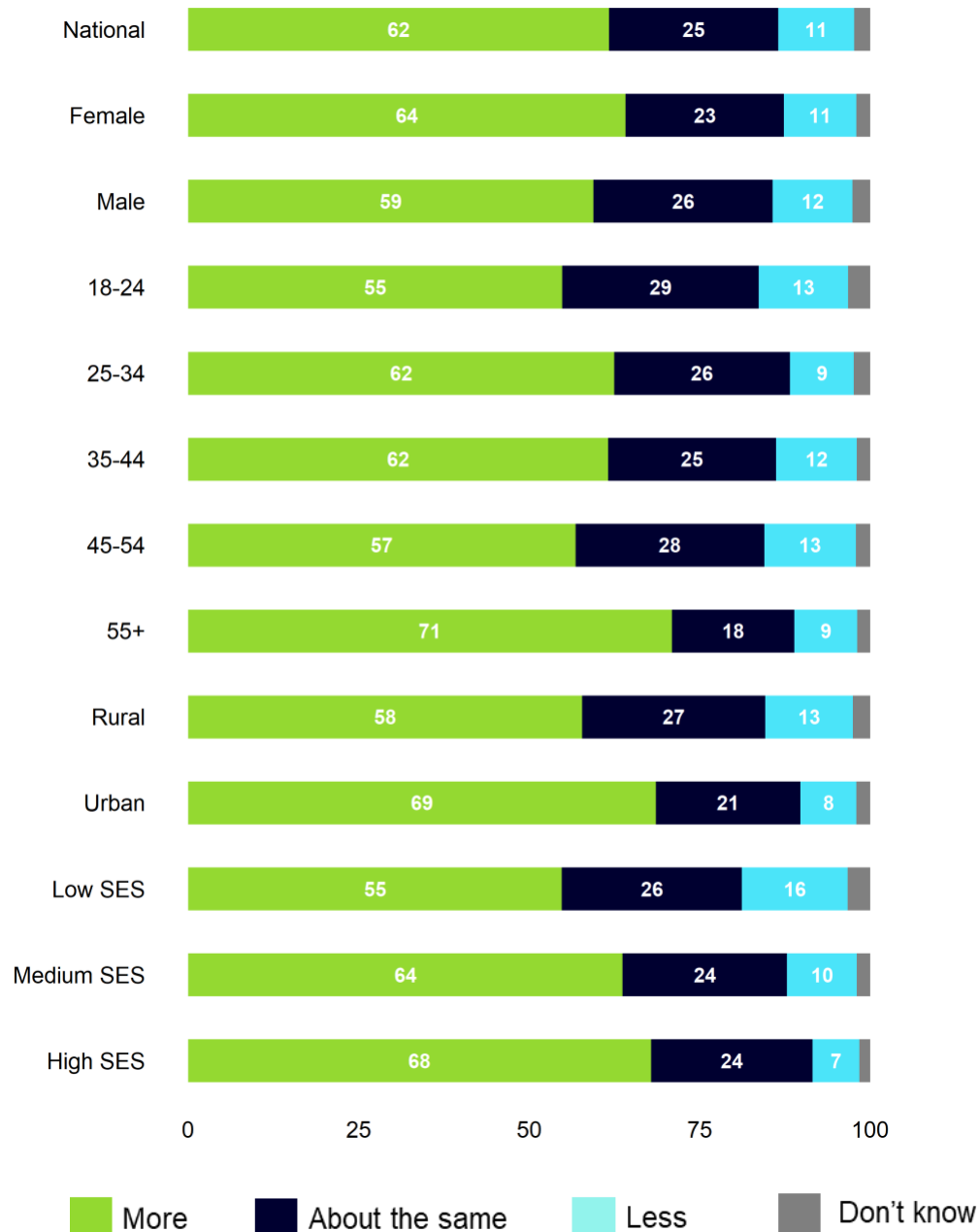
## Government Program Prioritization

Support for prioritizing childcare services over education programs is smaller, but still indicative of a healthy majority. Over half (62%) of Indians believe that the government should prioritize improving access to safe and affordable childcare services more than primary schooling. One in four people believe that the government should prioritize them “about the same”. By contrast, one in ten people believe that early childcare service access should be prioritized less.

Public backing for prioritizing childcare services holds across demographic groups including gender, age and socioeconomic status, with some variation in the degree of support. Interestingly, wealthier individuals show the highest approval for prioritizing childcare services, followed by women. Two out of three high socioeconomic status individuals express support for prioritizing childcare services over primary education programs, and 64% of women express similar support. By contrast, marginalized groups and primary caregivers show slightly weaker support, with 55%

of marginalized individuals and 54% of primary caregivers sharing a preference for prioritizing childcare services over primary education.

**Figure 6 – Public Attitudes about Government Prioritization, Early Childcare Access versus Primary Schooling**



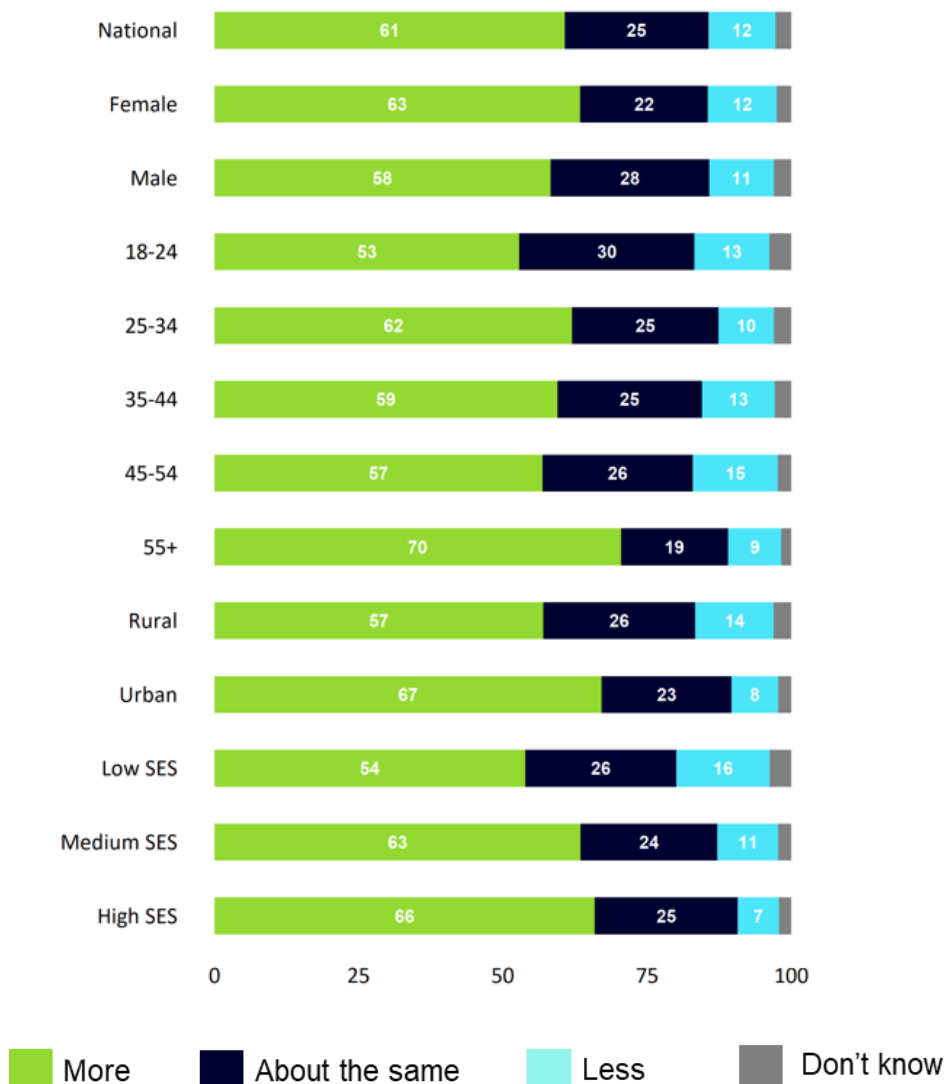
*Survey Question: "In your view, should the government prioritize improving access to safe and affordable childcare services more or less than the following...providing primary schooling?"*

Similar trends can be observed when comparing attitudes towards prioritizing childcare services over secondary schooling. 61% of Indians believe that the government should prioritize improving access to safe and affordable childcare services more than secondary schooling. One in four people believe that the government should prioritize them "about the same". By contrast, 12% of

people believe that early childcare service access should be prioritized less than secondary schooling.

Replicating the results from comparing the prioritization of childcare services over secondary schooling, wealthier individuals once again show the highest approval for prioritizing childcare services, followed by women. Two in three high socioeconomic status individuals express support for prioritizing childcare services over primary education programs, and 63% of women express similar support. By contrast, 55% of marginalized individuals and 53% of primary caregivers think that childcare services should be prioritized over secondary schooling.

**Figure 7 – Public Attitudes about Government Prioritization, Early Childcare Access versus Secondary Schooling**

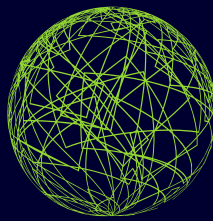


Survey Question: "In your view, should the government prioritize improving access to safe and affordable childcare services more or less than the following...providing secondary schooling?"

## VII. Conclusion

Unpaid caregiving responsibilities represent a key barrier to women's labor force participation in many developed and developing countries, particularly while children are too young to attend formal schooling. In this paper, we consider the child caregiving environment in India and quantifies the potential economic returns of investing in early childcare programs. These potential benefits focus on two key dimensions – increased labor force participation rates and increased household income for currently unemployed primary caregivers.

We estimate that addressing primary caregivers' childcare needs could lead to a 5-percentage point increase in the labor force participation rate in India, which translates into roughly 46 million people joining or rejoining the labor force. Furthermore, on average, for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would expect to generate \$8 in increased economic activity. Moreover, public support for these types of subsidized child caregiving programs is extremely high in India, with 93% of the population expressing support for needy families. Super majorities of every demographic group (age, race/ethnicity, socioeconomic status, and urban/rural groups) support such programs. In fact, roughly 60% of Indians believe that early childcare programs should be prioritized *more than* primary schooling provision. Therefore, the Indian government could view early child caregiving investments not only as good economic policy, but also good politics.



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