



Kenya Caregiving Return On Investment: Complete Report

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Estimating the Return on Investment of Child Caregiving Programs

A Study of Kenya

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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 Kenya 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 10-percentage point increase in the labor force participation rate in Kenya. Furthermore, on average, for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would expect to generate \$7 in increased economic activity. Public support for these types of subsidized child caregiving programs is extremely high in Kenya, with 96% of the population expressing support for needy families. Super majorities of every demographic group (age, ethnicity, socioeconomic status, and urban/rural groups) support such programs. In fact, over half of Kenyans believe that early childcare programs should be prioritized *more than* primary schooling provision. Therefore, the Kenya 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%).¹ Increased child caregiving responsibilities is a well-documented barrier to higher female labor force participation.² Women disproportionately take on caregiving responsibilities, which displace the time available for paid work. For example, in Kenya, the female labor participation rate (72%) is 5 percentage points lower than that of men (77%). Gender disparities are even more pronounced among people with children in Sub-Saharan Africa and most other developing regions.^{3,4} 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.⁵

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 would pursue if they had access to affordable childcare options. We calculate the return on investment (ROI) of childcare costs by subtracting a weighted average of childcare costs from the weighted average of expected revenue for caregivers who would either enter or reenter the labor force. In each case, the averages are weighted according to the distribution of stated occupations among caregivers. Our survey also collects information about parents' satisfaction

¹ International Labour Organization, ILOSTAT database. Data retrieved on April 20, 2022. Female and male labor participation rates.

² 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.

³ The exception to the countries of Oceania, excluding Australia and New Zealand.

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

⁵ 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.

with existing childcare arrangements as well as broader support for potential government programs and policies.

This paper is organized as follows. In section II, we briefly summarize the scope of our study and approach within the broader literature that examines the economic returns to childcare. 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 Kenya. 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 – 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 results.

II. Existing Research and Analysis

Childcare and Early Childhood Education and Development in Kenya

In Kenya, preprimary education is mandatory for four- and five-year old children under the 2010 Basic Education Act.⁶ The Kenya government supports some day care centers, in addition to pre-schools, many of which are attached to primary schools.⁷ However, pronounced differences remain between law and practice. Indeed, recent data indicates that only 16 percent of children from the ages of three to six are currently in an early childhood education program.⁸

Enforcement of early childhood development and education (ECDE) is devolved to the 47 counties of Kenya, meaning they have ultimate responsibility for funding, delivering and monitoring childcare regulations and preprimary educational programs. Facing diverse budgets and demands, counties naturally have widely varying levels of educational access and quality. Furthermore, urbanization status is a relevant factor in the provision of ECDE options. While most rural counties provide most ECDE programs via public centers, enrollment in private centers is highest in the most densely populated counties, such as Nairobi and Mombasa.⁹

In addition to the standard public/private models, there are several innovative alternatives to standard day care arrangements offered in Kenya. For example, Kidogo is a social enterprise blending grassroots service delivery and entrepreneurship with the scalability and efficiency of social sector franchising. Essentially, Kidogo partners with women operating informal daycares in

⁶ Piper, Benjamin, Katherine A Merseth, Samuel Ngaruiya. [Scaling Up Early Childhood Development and Education in a Devolved Setting: Policy Making, Resource Allocations, and Impacts of the Tayari School Readiness Program in Kenya](#). Global Education Review. Vol. 5 No. 2 (2018): Early Childhood Education, Care, and Development: Perspectives from around the Globe.

⁷ Ngware, Moses W.; Hungi, Njora; Wekulo, Patricia; et al. [Impact evaluation of Tayari School Readiness Program in Kenya: endline report](#) African Population and Health Research Center. 2018.

⁸ UNICEF & Countdown 2030: <https://nurturing-care.org/kenya-2021/>

⁹ Piper, Benjamin, Katherine A Merseth, Samuel Ngaruiya. [Scaling Up Early Childhood Development and Education in a Devolved Setting: Policy Making, Resource Allocations, and Impacts of the Tayari School Readiness Program in Kenya](#). Global Education Review. Vol. 5 No. 2 (2018): Early Childhood Education, Care, and Development: Perspectives from around the Globe.

Kenya's slums and connects them with donors and educational resources to improve the quality and profitability of their enterprises. A qualitative evaluation of this program found that it improved the educational quality children received and increased profits for women running centers.¹⁰ Within our study, a program like Kidogo would qualify as a subsidized childcare program, since fees are subsidized by donations (see section IV for additional details).

Prior research has demonstrated that subsidized childcare offers material maternal economic benefits. For instance, a cost-benefit analysis conducted via a randomized controlled trial in Korogocho, an informal settlement in Nairobi, revealed that a subsidized care program for underserved mothers led to increased earnings. Furthermore, researchers found that access to subsidized childcare shifted mothers' working strategy in response to subsidies, substituting leisure time for income by working less instead. Specifically, researchers found that women who received subsidies for day care worked on average 13 hours less per month than those who did not receive such subsidies.¹¹ The authors suggested this extra free time could allow more to be more involved in social activities or dedicate more time to childcare. Finally, women in the study were more likely to be employed after a year, demonstrating how access to childcare may enhance mothers' ability to secure a job as well.

Qualitative research suggests furthermore that work *quality* also improves for women with access to affordable childcare options in Kenya. Mothers without such opportunities reported sometimes taking their young children with them to work, which not only limited the breadth of potential work opportunities but also constrained their direct profits (due to compromised product or sales quality from having to attend to the child simultaneously).¹² As such, earnings may increase through a variety of pathways when mothers gain access to affordable childcare options.

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. Then, we examine whether existing primary caregivers would plan to enter or re-enter the labor force, along with information about the type of expected economic activity, if safe and quality care services were available. In Kenya, we focus on caregiving for children under the age of six.

Sample Design

The survey sample was designed to be nationally representative. We established interlocking quotas for age brackets (18-24, 25-34, 35-44, 45-54, and 55+), gender (female, male)¹³, and the

¹⁰ <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1419&context=carsey>

¹¹ Simeu, N., Muthuri, S., Kabiru, C., Doughman, D., Laszlo, S. and Clark, S. 2017. "What are the Benefits of Subsidized Early Childcare? Evidence from Kenya." GrOW Research Series Policy Brief. Montreal, Canada: Institute for the Study of International Development, McGill University.

¹² Shelley Clark, Midanna De Almada, Caroline W. Kabiru, Stella Muthuri & Milka Wanjohi (2021) Balancing paid work and childcare in a slum of Nairobi, Kenya: the case for centre-based childcare, *Journal of Family Studies*, 27:1, 93-111, DOI: 10.1080/13229400.2018.151145

¹³ 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.

eight former provinces.¹⁴ This created 80 distinct interlocking demographic quotas for data collection.¹⁵ The number of target respondents assigned to each of these interlocking quotas was determined based on available information from the 2019 Kenya Population and Housing Census. The final sample included 4,857 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.¹⁶ In Kenya, we considered over 20 potential household assets and then selected bank account and finished walls 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 representative of the general adult population and can be used for ex post reweighting as necessary. For this study, those respondents who owned neither asset (i.e. no bank account and walls were unfinished) are categorized as poor or “low” income and respondents who owned both are classified as “high” income.

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 1,891 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 2,966 fell into this second group.¹⁷

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 = 564) 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.¹⁸ 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.

¹⁴ These include Central, Coast, Eastern, Nairobi, North Eastern, Nyanza, Rift Valley, and Western.

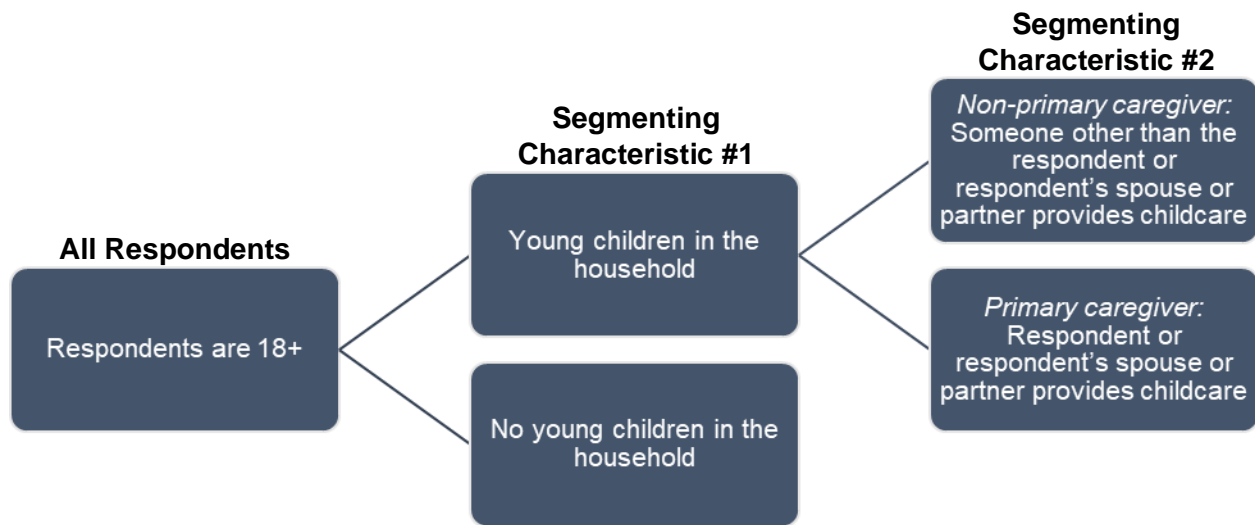
¹⁵ This is calculated as follows: number of provinces (8) x the number of age brackets (5) x the number of gender groups (2) = 80 distinct, interlocking quotas.

¹⁶ 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>.

¹⁷ Respondents in the first segmenting characteristic group (households with young children) also completed the Public Policy and Caregiving Attitudes module.

¹⁸ We also use the term ‘parental caregiving’ later in this paper to refer to ‘primary caregivers’. It’s 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 Kenya, the survey vendor conducted a computer-assisted telephone interviewing (CATI) survey with random digit dialing that ensured every person with a mobile phone had an equal probability of being reached and invited to participate in this survey. Data collection occurred between 24 January 2022, and 10 February 2022. The final survey sample included 4,857 Kenyan respondents aged 18 or older.

The vendor implemented a series of quality checks, both automated and manual, in order to provide the highest-quality data possible. These checks include automated data quality checks to ensure responses fall within the expected ranges and match provided options, as well as flagging any unusual response patterns such as straightlining or satisficing. Manual quality checks include data cleaning and quality control checks to ensure all answers are coded properly.

Data Processing, Demographics, and Sample Weighting

Modest divergence was found between sample characteristics and the general population parameters according to available data from the 2019 Population and Housing Census. 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, and socioeconomic status. Table 1 below details the demographic characteristics of respondents by gender, age group, urban status, province, socioeconomic status, and ethnicity/tribe. 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
Gender			
Male	50%	2,342	48%
Female	50%	2,510	52%
Other ¹⁹	<1%	5	<1%
Age			
18-24	24%	1,186	24%
25-34	29%	1,440	30%
35-44	19%	919	19%
45-54	13%	586	12%
55+	15%	726	15%
Urban			
Urban	29%	1,192	25%
Rural	71%	3,665	75%
Province			
Central	10%	612	13%
Coast	8%	455	9%
Eastern	10%	727	15%
Nairobi	14%	540	11%
Northeastern	4%	174	4%
Nyanza	14%	608	13%
Rift Valley	27%	1,268	26%
Western	12%	473	10%
Socioeconomic Status (SES)²⁰			
Low SES	36%	731	15%
Medium SES	33%	650	13%
High SES	31%	3,476	72%
Ethnicity			
Kikuyu	17%	969	20%
Luhya	20%	791	16%
Kalenjin	14%	650	13%
Luo	15%	679	14%
Kamba	7%	467	10%
Somali	5%	180	4%
Kisii	4%	181	4%
Mijikenda	4%	189	4%

¹⁹ Transgender male, transgender female, or non-binary respondents.

²⁰ Fraym defines 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 Kenya, respondents who have neither a bank account nor finished walls 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.

Meru	5%	273	6%
Maasai	2%	92	2%
Turkana	1%	25	1%
Other	6%	317	7%
Prefer not to answer	1%	44	1%
Total	-	4,857	-

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
Segmenting Characteristic #1			
No young children in the household	59%	2,966	61%
Young children in the household	41%	1,891	39%
Total	-	4,857	-
Segmenting Characteristic #2			
Non-Primary Caregiver	26%	564	30%
Primary Caregiver	74%	1,328	70%
Total	-	1,892	-

IV. Survey Results

Early Child Caregiving Landscape

Most Kenyan parents of a child under age six serve as the primary caregivers. Indeed, almost three quarters (74%) of these parents, no matter their socioeconomic status (SES), report that they or their partner are the primary caregiver. This is in line with results of qualitative research in informal settlements in Nairobi, which revealed that mothers were overwhelmingly responsible for care of their own children and had limited access to childcare alternatives that could allow them to focus on paid work.²¹ Other relatives are the next most common primary caregiver, relied on by 14% of households nationally. Other childcare arrangements are much less common here.

²¹ Shelley Clark, Midanna De Almada, Caroline W. Kabiru, Stella Muthuri & Milka Wanjohi (2021) Balancing paid work and childcare in a slum of Nairobi, Kenya: the case for centre-based childcare, Journal of Family Studies, 27:1, 93-111, DOI: 10.1080/13229400.2018.151145

Table 3 – Child Care Usage Patterns, by Population Group

	National ²²	Marginalized Parents	High SES Parents
Yourself	42%	42%	33%
Your spouse or partner	32%	31%	33%
Relative	14%	20%	13%
Facility or hired caregiver outside of your home (e.g., childcare center, nursery, preschool, creche)	4%	2%	6%
Hired caregiver in your home (i.e., a nanny)	6%	2%	11%
Neighbor or friend	1%	1%	1%
Other	1%	1%	1%

For this study, we are especially interested in understanding results for marginalized sub-groups of Kenyan 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 consider Kenyans who are poor **and** belong to a historically marginalized ethnic group (namely: Maasai, Turkana, Somali, Kamba, and other less common ethnic groups²³) as part of a marginalized sub-group for specialized consideration, where relevant and feasible.

When it comes to caregiving, marginalized parents are more likely to rely on relatives than non-marginalized groups.²⁴ They are also relatively less likely to rely on formal childcare options, including a facility or hired in-home caregiver. Qualitative research reveals that even in cases where parents are relying on relatives, the burden of care remains overwhelmingly gendered, with the child's grandmothers and aunts called in for support much more frequently than their male counterparts.²⁵ In Kenya, marginalized parents are slightly less likely than high SES parents to serve as primary caregivers, but the difference is small and not statistically significant.

In Kenya, being in a marginalized population sub-group reduces the probability of relying on a hired in-home caregiver rather than a parental primary caregiver by 86%. The difference between marginalized and non-marginalized parents is statistically significant.

Logically, these trends should operate in reverse for respondents of high SES households.²⁶ Our results bear this out. High SES parents are more likely than marginalized parents to rely on both types of hired caregiving options - childcare center facilities and in-home hired care. They are relatively less likely to rely on a parent, neighbor, friend, or relative. This makes financial sense; higher SES parents can afford to take on the financial costs of paid childcare services.

²² For the remainder of this section, national refers to adults with at least one child under the age of seven, unless otherwise stated.

²³ <https://minorityrights.org/country/kenya/> and in consultation with relevant local experts

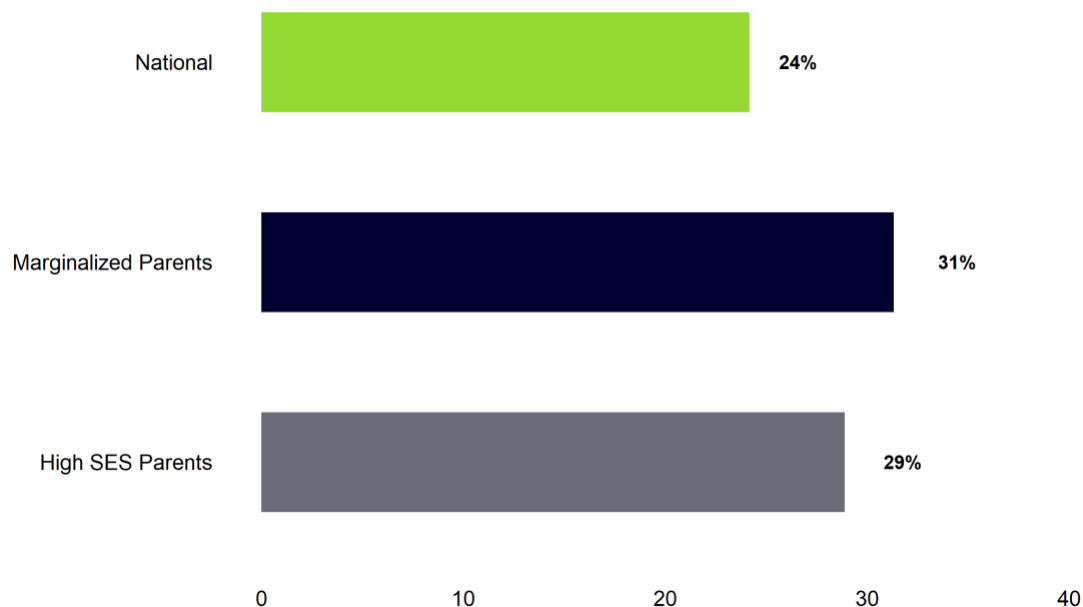
²⁴ Respondents are not necessarily the parents of the young child in the household, as the survey does not collect information on the role of the respondent in the household. Rather, this is defined as adults with young children in the household that are considered marginalized.

²⁵ Shelley Clark, Midanna De Almada, Caroline W. Kabiru, Stella Muthuri & Milka Wanjohi (2021) Balancing paid work and childcare in a slum of Nairobi, Kenya: the case for centre-based childcare, *Journal of Family Studies*, 27:1, 93-111, DOI: 10.1080/13229400.2018.151145

²⁶ These are households that own both of the advanced assets (bank account and finished walls).

Unlike South Africa, however, Kenyan high SES parents are less likely to serve as their child's primary caregiver, suggesting that opportunity (indirect) cost effects play less of a role in the Kenyan context, with overall rates of parental primary caregiving high enough that we only witness the direct financial effects of substituting to paid caregiving arrangements in this case. Finally, 24% of parents with a child under six report that they currently use subsidized care. This specifically refers to a childcare arrangement 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. Subsidized care usage is slightly higher among marginalized parents (31%) than among wealthier parents (29%), although the difference is quite small, and both are higher than the national average. With only a third of marginalized parents using subsidized care, there is a significant portion of the population that could become target beneficiaries for a scaled and/or more widely utilized program.

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. Only 56% of Kenyan non-primary caregiving parents pay for child caregiving services at all, with 43% paying in cash and 13% paying with in-kind goods and services.

Since most Kenyan parents are primary caregivers and only half of those paying for childcare services pay in cash, we witness relatively small sample sizes for childcare costs. As a result, we do not have sufficient observations to report on costs incurred by marginalized parents as a population. However, sample sizes are large enough to report average monthly costs for certain types of population groups.

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

	Cost per Month
National	3,975 Ksh
Subsidized Care Users	4,430 Ksh
High SES Parents	4,500 Ksh

Nationally, the average monthly cost is 3,975 Ksh, or about \$34 per month. with monthly costs ranging from as little as 12 Ksh per month to as much as 20,000 Ksh per month across all respondents paying for childcare in cash. Unsurprisingly, the average monthly cost for high SES parents is notably higher than the national average. Similarly, subsidized care users pay less than high SES parents, although this difference translates into roughly \$1 per month.

Stated Child Caregiving Preferences

Most Kenyans would prefer for their child's primary caregiver to be a parent; almost two-thirds (63%) report a preference for either themselves or their spouse/partner to serve in that role. The next most popular childcare arrangement is external childcare facilities, but less than a quarter (only 22%) of Kenyan parents express this preference nationally. Other alternative childcare arrangements are extremely unpopular; less than one-tenth of parents prefer hired in-home caregivers, and only 6% of parents prefer care by a relative, neighbor, or friend.

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	4%	7%	4%
At your home, provided by you	35%	36%	32%
At your home, provided by your spouse or partner	28%	19%	28%
At your home, provider by a hired caregiver (i.e., nanny)	8%	5%	13%
Childcare in the home of a friend, neighbor or relative	2%	7%	3%
Other	0%	0%	1%
Preschool or childcare center run by the government, religious group, NGO, or private business	22%	26%	20%

Marginalized parents express similar childcare preferences as those of the national population, with a few key caveats. Marginalized parents are somewhat (8 percentage points) less likely to prefer parental primary care arrangements, perhaps reflecting the opportunity cost of primary parental care, and the loss of foregone wages being particularly painful for those on the lower end of the income spectrum. As might be expected, marginalized parents are more likely to prefer more informal childcare arrangements by a relative, neighbor, or friend compared to the national population. Marginalized parents are also slightly less likely to prefer hired in-home care, but they are also more likely than the national average to prefer care from a facility or childcare center. This may reflect the availability of subsidized care options for low-income

families, which makes at least some childcare centers relatively more affordable, while allowing parents to continue to generate income.

High SES parents are only slightly less likely than the national average to prefer parental care (60% compared to 63%), suggesting that opportunity cost effects may be relatively less relevant for higher income parents in Kenya. They are also more likely to prefer in-home hired caregiving arrangements (13% compared to 8%), suggesting that cost might be a key barrier to this arrangement for others. Relatedly, they are also slightly less likely to prefer preschool or childcare centers, with only 20% of high SES parents preferring that option compared to 26% of marginalized parents.

Caregiving Perceptions and Actual Usage Patterns

Caregiving perceptions fall squarely in between parents' preferences and reported usage rates. This suggests that there may still be peer effects, in terms of either parents' preferences being shaped by their perceptions of what is common in their communities, or their perceptions being shaped by their preferences. Directional biases are not entirely consistent, but there are a few cases where the more popular childcare options are overestimated and vice versa. For instance, usage of childcare centers is assumed to be more common than it *actually* is, which mirrors how they are also more highly preferred than their actual usage. Similarly, childcare by a caregiving parent is assumed to be *less* common than parents report, somewhat mirroring how fewer parents would like to serve as the primary caregiver than actually do so. Regardless of the mechanism, however, more Kenyan parents would like to rely on external facilities and centers, and less on caregiving themselves, than actually do.

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	6%	7%	15%
At your home, provided by you or your spouse/partner	63%	68%	74%
At your home, provided by a hired caregiver (i.e., nanny)	8%	10%	6%
Other	0%	0%	1%
Preschool or childcare center run by the government, religious group, NGO, or private business	22%	13%	4%

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

	National	Primary Caregivers	Marginalized Parents	Subsidized Care Users	High SES Parents
At a childcare center or preschool	13%	12%	5%	22%	15%
At home, provided by a hired caregiver	10%	8%	6%	20%	18%
At home or nearby, provided by a relative, neighbor, or friend	7%	7%	14%	16%	8%
At home, provided by the father	3%	3%	5%	3%	2%
At home, provided by the mother	65%	70%	69%	39%	57%
Other	0%	0%	0%	0%	0%

As we saw in Table 6, Kenyan parents tend to believe that the arrangement that they or their peers use is more common than it is, even if they tend to modestly overestimate certain arrangements. Almost a quarter (22%) of subsidized care users believe that childcare centers are the most common form of care. High SES parents tend to overestimate the rate of hired care in their communities, or both hired caregivers or a childcare center, with a third of such parents considering these arrangements to be the most common, compared to 17% of wealthy parents actually using such care from Table 3.

Kenyan parents who are primary caregivers are relatively accurate in their estimation of rates of parental care (69%, compared to the true 74%) but overestimate the rate of caregiving at preschools or childcare centers (12%, compared to the true 4%) and underestimate the rate of care by relatives, neighbors, and friends (7% compared to the true 15%). Likewise, marginalized parents are relatively accurate in their estimations of the rate of parental caregiving (73% compared to the true 74%), but modestly overestimate the commonality of childcare centers (5% compared to the true 2%) and hired caregivers (6% compared to 2%), and underestimate the rate of care by relatives, neighbors, and friends (14% compared to 21%).

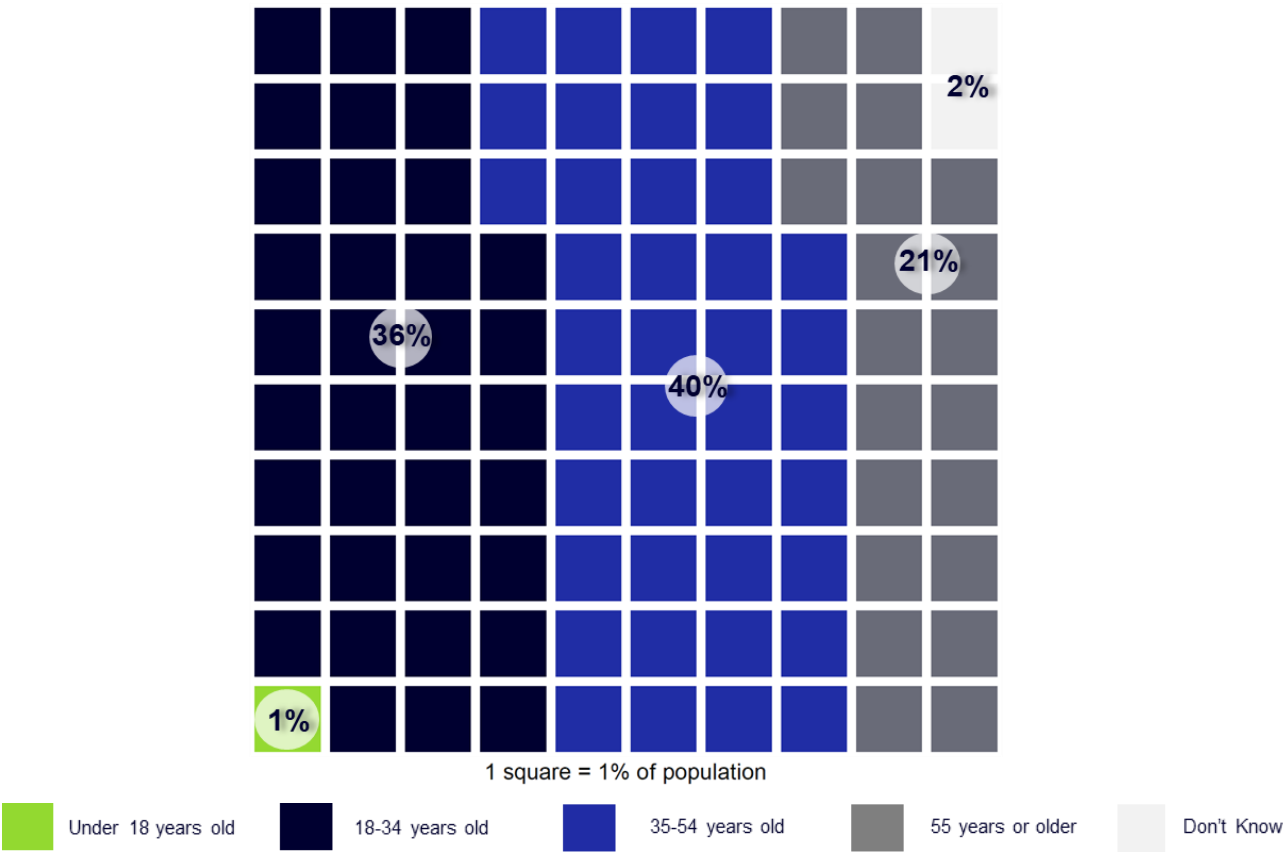
Among parents who rely on their neighbors, friends, and relatives, 21% rely on elderly caregivers, potentially including their own parents. Reliance on grandparents for childcare has been well documented as an established childcare strategy throughout Sub-Saharan Africa, including Kenya, so this result should not be surprising.²⁷ Very few (less than 1%) of parents report relying on a minor (such as an older child) for childcare, although perhaps there is social stigma that leads to underreporting. While we did not collect detailed data on how the caregiver age spectrum is divided within the ‘friends and family’ caregiving type, it seems *ex ante* reasonable to suspect that these two ends of the age spectrum would be skewed towards familial relations. We do not know why caregiving by neighbors, friends, and relatives is so unpopular amongst Kenyans. Perhaps this childcare arrangement places an undue strain on those relationships, either by being perceived as burdensome by the caregiver or creating conflicts in divergent caregiving styles.

Finally, across all population groups, there is a strongly held community perception that mothers are much more likely to be caring for children than compared to fathers. Nationally, the

²⁷ Shelley Clark, Midanna De Almada, Caroline W. Kabiru, Stella Muthuri & Milka Wanjohi (2021) Balancing paid work and childcare in a slum of Nairobi, Kenya: the case for centre-based childcare, *Journal of Family Studies*, 27:1, 93-111, DOI: 10.1080/13229400.2018.15114

perception that care at home is provided by the mother is 65%, compared to 3% for care provided by the father, resulting in a 62-percentage point difference.

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



Satisfaction with Current Caregiving Situation

In addition to current landscape of childcare, we also analyzed parents’ satisfaction with such arrangements. A mismatch of parents’ satisfaction with their existing arrangements suggests there may be more desirable alternatives for certain populations.

With only two thirds of Kenyan parents expressing satisfaction with their current childcare arrangements and another tenth dissatisfied, there is considerable room for improvement in the nature and quality of care options available. Relevant subpopulation differences also exist between parents with different demographic characteristics and caregiving arrangements. The satisfaction levels of Kenyan parents who serve as their child(ren)’s primary caregivers are relatively similar to those of the national population, which is reasonable given that the vast majority of Kenyan parents are themselves their child’s primary caregivers. Still, it is certainly worth noting that parents who are primary caregivers are substantially less satisfied than their alternative arrangement counterparts. Only 64% of Kenyan parents who serve as primary caregivers are satisfied with their current childcare arrangements, compared to over three fourths (76%) of parents who use a non-parental option. Relatedly, Kenyan parental caregivers express higher rates of dissatisfaction, with almost a quarter (24%) reporting being dissatisfied, compared with only 14% of parents who have some other arrangement.

Marginalized parents also express similar satisfaction rates as the rest of that national Kenyan parent population, with about two thirds (66%) reporting that they are satisfied with their current arrangement. Likewise, 22% of marginalized parents report that they are dissatisfied with their current arrangement and another 12% report ambivalence. Discrepancies in the factors related to satisfaction, as well as barriers to changing care, between marginalized and non-marginalized parents will be discussed in the subsequent section.

We expect high SES parents to have higher rates of satisfaction overall because they can afford convenient and high-quality childcare options without cost serving as much of a barrier, at least not as much relative to marginalized parents. Unsurprisingly, then, 80% of high SES parents are satisfied with their current childcare arrangements, with only 12% reporting dissatisfaction and another 7% reporting ambivalence.

Subsidized care users are the most satisfied subpopulation of parents in Kenya, with 82% reporting that they are satisfied with their arrangements. Only 8% of subsidized care users are dissatisfied with their current care.

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

	Satisfied	Dissatisfied	Neither satisfied nor unsatisfied
National	68%	21%	11%
Primary Caregivers	64%	24%	12%
Non-Primary Caregivers	76%	14%	9%
Marginalized Parents	66%	22%	12%
High SES Parents	80%	12%	7%
Subsidized Care User Households	82%	8%	10%
Family, Friend, or Relative Care User	80%	14%	6%

Note: Proportions may not add up to 100% because respondents also had the option to select “don’t know.”

Surprisingly, despite being the least popular childcare option (recall that only 6% of parents nationally report prefer this option in Table 3), parents who *do* rely on neighbors, friends, and relatives as their primary source of childcare are highly satisfied with that arrangement. In fact, four-fifths (80%) of parents who rely on neighbors, friends, or family members for their childcare are satisfied with their arrangements.

Satisfaction Factors

Our study considered the following aspects of existing childcare satisfaction: cost and affordability, convenience of location, good quality, perceived normality (i.e. “this arrangement is what others in my community are doing”) and safety.²⁸ Among parents of young children who are satisfied with their childcare arrangements, safety, quality, and convenience are primary

²⁸ Throughout this section, proportions do not add up to 100% because respondents could select multiple options.

relevant factors in their evaluation. Safety is the most frequently cited factor, with 90% of satisfied Kenyan parents considering it relevant. Quality and convenience are close behind, with 87% and 84% of parents, respectively, citing it as a factor in their satisfaction evaluation. Cost and affordability are still relevant for most satisfied Kenyan parents, with three-quarters citing it. Perceived normality, or social norms, appears to be the least relevant factor, with only 63% of parents nationally reporting that they are satisfied at least in part because their chosen childcare arrangement reflects what others in their community are doing. As we have observed in other sections, there are only relatively small differences between the national population and parents who serve as primary caregivers since most Kenyan parents are themselves (or their spouse) the primary caregivers.

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	75%	74%	68%	70%	81%
Good Quality	87%	85%	95%	84%	91%
Safe	90%	91%	85%	87%	93%
Convenient Location	84%	83%	81%	89%	87%
Normality (social norms)	63%	66%	65%	53%	59%

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

Marginalized parents who are satisfied with their childcare arrangements are substantially more likely to cite quality as a key satisfaction factor; 95% of marginalized parents are happy with the quality of their chosen arrangement. Safety and convenience are both slightly less frequently cited by marginalized parents, at 85% and 81% respectively. Additionally, marginalized parents report cost and affordability less frequently to be a relevant factor, which makes sense since the financial burdens of childcare weigh more heavily on low-income families. Finally, marginalized parents are slightly more likely to consider the perceived “normalcy” of their childcare arrangement to be a relevant factor in their satisfaction evaluation.

Subsidized care users most frequently (89%) cite convenience as a factor in their satisfaction, but safety (87%) and quality (84%) are also both commonly cited as relevant factors. Interestingly, subsidized care users are only marginally more likely to report cost & affordability as a relevant factor compared to marginalized populations generally, which perhaps suggests that the reduced costs of subsidized care still do not currently fully address the income constraints of lower income parents. Finally, subsidized care users are substantially less likely to cite social norms as a factor in their evaluation; perhaps there is a social stigma associated with using subsidized care options which leads to sorting effects, with parents who are the most apathetic to their peers’ perceptions becoming the parents most likely to enroll in subsidized care programs.

High SES parents report high levels of satisfaction with the most aspects of their current childcare; safety, quality, and cost are more frequently cited high SES parents than any other sub-group. Convenience is furthermore still a highly cited factor, though at a slightly lower rate than subsidized care users. Specifically, 93% of satisfied high SES parents cite safety, 91% cite quality, 81% cite cost, and 87% cite convenience. This shouldn’t be surprising; the wealthiest

parents have access to the highest quality, safe, convenient childcare options, and cost poses a smaller barrier and represents a relatively smaller share of wealthy parents' income as that wealth or income increases. Interestingly, high SES parents are slightly less likely to report perceived normalcy of their childcare choice as a factor, suggesting that high SES parents could potentially be more impervious to peer effects or that they are otherwise more likely to have a less common choice. Of course, more research would be needed to confirm any causal mechanisms in this case.

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

	Childcare Center Users	Neighbors, Friends, or Relatives
Cost & Affordability	78%	79%
Good Quality	84%	96%
Safe	80%	89%
Convenient Location	82%	86%
Normality (social norms)	58%	61%

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

Paradoxically, childcare center users are relatively more likely to cite cost and affordability as a relevant factor compared to parental primary caregivers (who pay no direct financial costs for care), but this is perhaps at least partly reflective of the socioeconomic demographic composition of childcare center users. Indeed, 80% of center user parents are classified as high SES, for whom financial costs in general do not pose as much of a barrier. Likewise, quality, safety, and convenience are fairly frequently cited factors among childcare center users.

Perceived normality is a relatively less commonly cited factor amongst center users, who either do not match or do not care about the other childcare arrangements within their communities. Considering how only 6% of Kenyan parents state that they would prefer to have childcare via a neighbor, friend, or relative, those who use this option have shockingly high rates of satisfaction and consider it to be very high quality. Indeed, almost all (96%) of satisfied users of care by neighbors, relatives, and friends report that they consider that arrangement to be high quality. Most (89%) also consider this arrangement to be safe, perhaps because parents have or are able to build a trusting relationship with the caregiver before establishing a caregiving arrangement for their child. Furthermore, cost and affordability is rated quite highly, perhaps because these relationships provide the direct amount of care that a hired caregiver might provide, without the same cost. Again, the perceived normality of the arrangement is not as important as some of the other factors but is still cited by a majority (61%) of such parents.

Barriers to Changing Childcare Arrangements

We explored what may be preventing dissatisfied parents from switching to another childcare arrangement. Understanding the barriers can help decisionmakers improve policy options. As with some earlier tables, we do not have sufficient observations to report on the barriers to changing childcare arrangements for the same sub-groups that were discussed in the previous section.

Cost is the most cited barrier to changing childcare arrangements. Nationally, 75% of dissatisfied parents say that switching childcare would be too expensive. Quality and safety

concerns follow closely behind as barriers to changing arrangements, with 62% of dissatisfied Kenyan parents citing each of those two factors. Since we also see quality and safety concerns as factors in the satisfaction evaluation, it is evident that these two considerations are critical for Kenyan parents in choosing and evaluating their childcare options. Furthermore, about half of Kenyan parents cite barriers related to convenience, lack of alternative options, and COVID-19 restrictions. Although COVID-19 restrictions are hopefully a temporary barrier, they remain a concern at least so long as protective measures for young children remain implemented (and appropriate).

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

	All Groups	Primary Caregivers	Non-Primary Caregivers	High SES Parents
Too Expensive	75%	76%	55%	71%
Poor Quality	62%	64%	45%	63%
Safety Concerns	62%	60%	54%	61%
Not Convenient	49%	49%	55%	55%
No Time to Search for Other Options	40%	38%	63%	40%
Concern What Others Will Think or Say	34%	37%	39%	27%
No Other Options	51%	54%	53%	41%
COVID-19 Restrictions	53%	50%	55%	53%

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

Dissatisfied non-primary caregivers (i.e. those that do not consider themselves or their partner as the primary caregiver) are relatively less likely than primary caregivers to cite cost, quality, or safety barriers to switching childcare arrangements. Only about half (55%) of dissatisfied non-primary caregivers consider cost to be primary arrangement to be a barrier to switching care. Perhaps this is because non-primary care users encompass several care options that presumably already incur some sort of financial cost, including users of childcare centers and in-home care users, and potentially the alternatives under consideration would be less expensive (from switching to either a subsidized option or another arrangement without direct financial costs). They are, however, more likely to be concerned about time constraints; almost two-thirds report having no time to search for other options, compared to only 38% of parental primary caregivers. They are likewise slightly more concerned about the alternatives being inconvenient. These concerns suggests that non-primary caregivers may need more childcare alternatives than are currently available.

Dissatisfied high SES parents are less likely to consider cost to be a barrier but still do so at surprisingly high rates; 71% state that alternatives would be too expensive. High SES parents are less subject to peer effects, with only about a quarter (27%) reporting that they are worried about what others would say if they switched. Rates of concern regarding safety, quality, convenience, and COVID-19 restrictions, however, are otherwise relatively similar to the national average.

Examining these barriers suggests several policy recommendations. The lack of convenience and other options suggests that at least half of Kenyan parents could benefit from establishing new affordable, high-quality childcare services and facilities near their residences and workplaces. Lack of time to search for other childcare options affects two-fifths of Kenyan parents nationally, so it would behoove policymakers and service providers to mount a sufficiently aggressive media campaign such that parents don't have to dedicate much time to searching for them. Finally, although peer concerns are not a major factor, they do affect one-third of Kenyan parents nationally and so should be a consideration in establishing and advertising new childcare programs. As expected, parents who are themselves the primary caregivers for their children closely mirror national values, since most parents are primary caregivers.

Barriers to Using Subsidized Care

There are many barriers to using subsidized care services for Kenyan parents who would be eligible to use them but are not doing so. In this questionnaire, we included an option for indicating that the respondent was ineligible for subsidized care, and respondents who selected this option were excluded from this analysis. The analysis also excludes respondents who are already using subsidized care, since we are primarily interested in the barriers to subsidized care for those who are not yet using that service. Once these exclusion criteria are in place, we only have sufficient sample sizes to run subpopulation analysis between primary caregiver parents and non-primary caregivers, or those who use other forms of childcare (not including subsidized care).

Nationally, the most cited barrier by those who are eligible to use subsidized care services is still cost; 44% of parents say that even subsidized care is still too expensive for them. Safety concerns also are of primary concern for eligible parents, with over two-fifths (41%) reporting this concern. Trust, quality concerns, and norms factor into many Kenyan parents' trepidations about subsidized care, with a third of eligible parents nationally citing each of these as a barrier. COVID-19 restrictions are also relevant for many Kenyan parents; 29% cite this factor.

Table 12 – Barriers to Subsidized Childcare Services, by Population Group

	All Groups	Primary Caregivers	Non-Primary Caregivers
Still Too Expensive	44%	43%	55%
Poor Quality	30%	28%	45%
Safety Concerns	39%	38%	54%
Not Convenient	26%	23%	55%
Don't Trust Them	33%	30%	63%
Consider Childcare a Family Responsibility	30%	30%	39%
COVID-19 Restrictions	28%	25%	53%
Don't Know	3%	3%	0%

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

As expected, families with a parental primary caregiver mostly mirror national values, since this is by far the most popular childcare option nationally, although relevant and interesting distinctions arise when comparing primary and non-primary parental caregivers. In general, parental primary caregivers seem to have lower rates of concerns across the board with

subsidized care compared with their non-primary counterparts. Specifically, they are less likely to have cost, quality, safety, convenience, trust, or COVID-19 restrictions concerns. Intriguingly, parental primary caregivers are significantly less likely to consider childcare to be a family responsibility. Furthermore, distinctions in perceptions between primary and non-primary parents are quite dramatic; less than a third of primary parents don't trust subsidized care centers, compared to almost two thirds of non-primary parental caregivers. Consequently, although non-primary caregivers include those relying on arrangements that might resemble subsidized care relatively more closely (i.e. users of other types of childcare centers), subsidized program administrators may have more difficulties appealing to or reaching this population. These barriers to subsidized care must be taken into consideration when designing and implementing new subsidized care programs.

V. Return on Investment Projections

Methodology

There are a number of academic studies that examine the impact of childcare policies on labor force participation rates in developing countries.²⁹ 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.³⁰ Another study of urban Bangladesh finds that women without access to childcare have significantly lower rates of paid work.³¹ 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 in female employment rates.³² 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 Kenya.

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:

²⁹ See Fraym (2021), Addressing the Caregiving Crisis: Gender-Transformative Global COVID-19 Recovery Plan.

³⁰ 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.

³¹ 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.

³² Rosero, J., & Oosterbeek, H. (2011). Trade-offs between different early childhood interventions: Evidence from Ecuador.

- 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 most likely enter or reenter the labor force in the event of a childcare focused intervention. In order to achieve a higher sample size, respondents are asked whether they themselves or their spouse or partner would pursue employment if they were not currently working. For example, a male respondent may indicate that his spouse is the primary caregiver. We then ask this respondent whether his spouse would return to work. While it's possible that both parents are currently not working, but would return to work, we assume one adult per household. The potential impact focuses on respondents' preferences and stated perceptions about their ability or their spouses' 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 or the employment preferences of their spouse 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. These average income estimates were cross-referenced with available official labor force and household income data from the Kenya National Bureau of Statistics to the extent possible, as a robustness check.

Next, average earnings estimates (disaggregated by occupation type) are multiplied by the proportion of primary caregivers in Kenya (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.

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, Fraym applies 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 Kenyans 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 7%.³³ This highly conservative alternative scenario has the net effect of reducing the expected ROI benefits by a corresponding 7% while maintaining the expected costs at full value.

Figure 4 – Key ROI Methodology Criteria, Assumptions, and Conservative Scenarios

Key Respondent Criteria for ROI Calculation	Key Assumptions for ROI Calculation
<div>Respondent is age 18 or older with at least one young child under the age of six in the household</div> <div>+</div> <div>Respondent or respondent’s spouse or partner is a primary caregiver within the household</div> <div>+</div> <div>Respondent or respondent’s spouse or partner is currently out of the labor force but would look for work if safe and affordable childcare was available and accessible</div>	<ul style="list-style-type: none">• For income estimates - we apply average reported earnings by occupation type.• For childcare cost estimates - we apply the average reported current childcare costs by occupation type.• We also consider a more conservative scenario that incorporates a discount for the national unemployment rate (7%). This more conservative scenario is also reported as a lower bound estimate.

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.

³³ Kenya National Bureau of Statistics, Quarterly Labor Force Report (2021). Q1 Unemployment Rate.

Caregiving Benefits

We find 22% of households have a primary caregiver that fit the criteria of the target population subgroup, meaning a primary caregiver that would intend to enter or reenter the labor force if they had access to affordable childcare arrangements. Currently unemployed primary caregivers in Kenya, who comprise a significant portion of the total population, would expect to earn K351,000 (\$3,100) 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 K295,000 (\$2,600) for domestic work to K438,000 (\$3,800) for professional / technical / managerial positions. Many respondents (8%) would expect to work in sales and services roles, with an expected average income of K328,000 (\$2,900) annually, followed by agriculture roles (6%) with an expected average income of K353,000 (\$3,100) annually, which have respectively the fourth and third highest average annual salary estimates by occupation.

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 households)	Expected Average Annual Per Capita Earnings (KES)	Expected Average Annual Per Capita Earnings (USD)*
Total	22%	K351,000	\$3,100
Agriculture	6%	K353,000	\$3,100
Clerical	<1%	K410,000	\$3,600
Domestic	1%	K295,000	\$2,600
Other	0%	K300,000	\$2,600
Professional / technical / managerial	3%	K438,000	\$3,800
Sales and services	8%	K328,000	\$2,900
Skilled manual	3%	K328,000	\$2,900
Unskilled manual	<1%	K314,000	\$2,700

Note – Applies the average 2022 exchange rate of 114.2 KES/USD. Figures are rounded to the nearest hundred for reporting purposes.

Caregiving Costs

On average, primary caregivers and their partners are projected to spend \$440 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 \$260 annually for unskilled manual employment to \$560 annually for other employment and \$540 for skilled manual labor, 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 households)	Average Reported Annual Childcare Costs (KES)	Average Reported Annual Childcare Costs (USD)*
Total	22%	K50,200	\$440
Agriculture	6%	K41,600	\$360
Clerical	0.5%	K56,000	\$490
Domestic	1%	K51,100	\$450
Other	0%	K64,000	\$560
Professional / technical / managerial	3%	K58,900	\$520
Sales and services	8%	K50,200	\$440
Skilled manual	3%	K61,900	\$540
Unskilled manual	0.5%	K29,600	\$260

Note – Applies the average 2022 exchange rate of 114.2 KES/USD. Figures are rounded to the nearest tenth for reporting purposes

ROI Summary Results

We estimate that for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would generate \$7 in increased economic activity on average. This translates to a net economic benefit of approximately \$3,100 for each primary caregiver who would join or rejoin the workforce.³⁴ 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.

Table 15 – Return on Investment Summary, Kenya

Return On Investment	Average Per Capita ROI
Projected Earnings (Benefit)	\$3,100
Childcare Services (Cost)	\$440
Project ROI (Benefit – Cost)	\$2,660
Margin (Expected ROI / Benefit)	86%
ROI Impact Per \$1 Invested	\$7

³⁴ Under the lower-bound approach, which incorporates a discount of 7% 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 \$6.6 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.

Labor Force Participation Rate Implications

According to Kenya National Bureau of Statistics, there are nearly 28 million people that are of economically active age (15 and 64 years old). Of these people, 68.2 percent currently are participating in the Kenyan labor force, or approximately 19.1 million people.³⁵ This includes formal non-agricultural employment, informal non-agricultural employment, agricultural employment, and employment in private households.

As noted previously, roughly 22 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 Kenyan households (12.1 million), we find that a child caregiving focused program potentially could contribute up to 2.7 million people joining or rejoining the labor force. **This equates to a 10-percentage point increase in the Kenyan labor force participation rate (from 68.2 percent to 77.7 percent) even under conservative assumptions.**

VI. Public Attitudes about Subsidized Caregiving Support

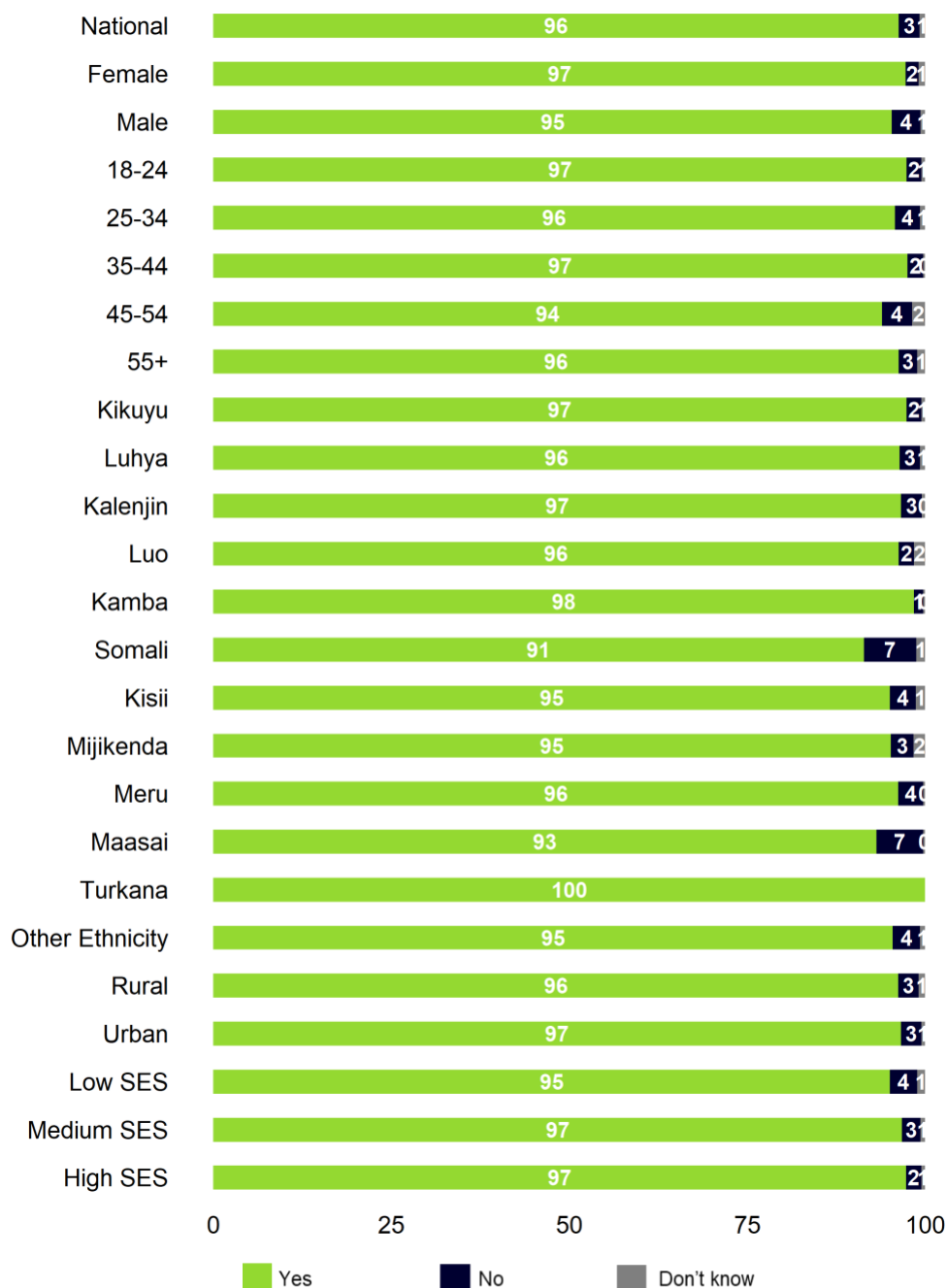
Support for Subsidized Care

Finally, we examine public attitudes in Kenya 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.

Overall, there is *overwhelming* public support for subsidized child caregiving assistance in Kenya. Roughly 96% of Kenyans believe that the government should support access to childcare services for children under six either for free or at a discounted and affordable price for those families in need. There is a super majority of support across every demographic group in the country spanning gender, age brackets, race and ethnicity, province, and socioeconomic status.

³⁵ Kenya National Bureau of Statistics, *Quarterly Labor Force Report (Q1 2021)*, page 2.

Figure 5 – Public Support for Subsidized Child Caregiving Services

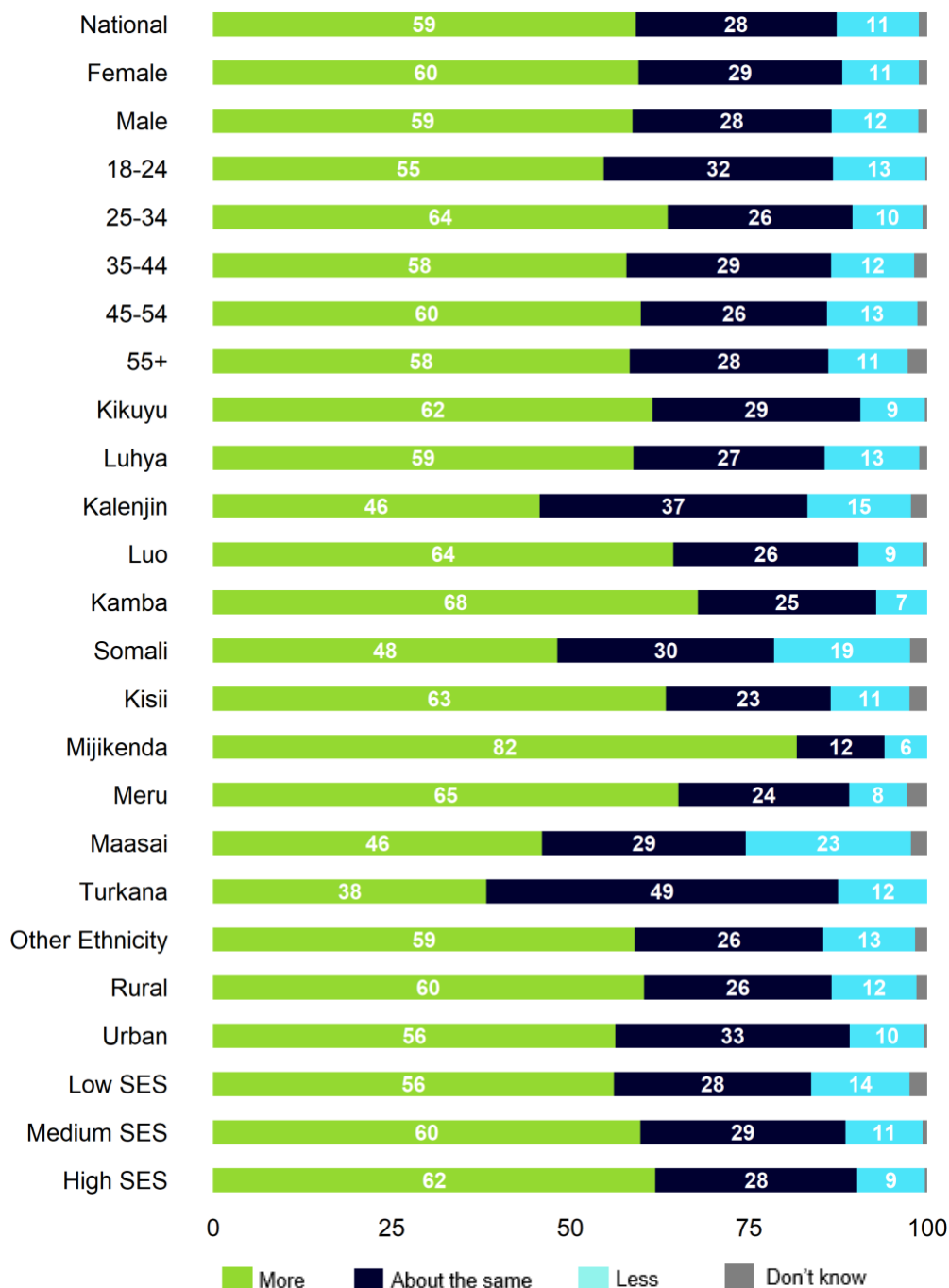


Government Program Prioritization

Moreover, strong majorities of Kenyans believe the government should prioritize childcare services above other educational programs in the country. Over half (59%) of Kenyans believe that the government should prioritize improving access to safe and affordable childcare services *more than primary schooling* (Figure 6). An additional 28 percent believe that the government should prioritize them “about the same.” By contrast, about 11 percent of the general public believes that early childcare service access should be prioritized less, or they do not know. These results hold for the majority of demographic groups in the country spanning gender, age brackets,

and socioeconomic status. There is less than 50% support for such prioritization amongst the Kalenjin, Somali, Maasai, and Turkana ethnic groups, as well as those living in the provinces of Nairobi, North Eastern, and Rift Valley.

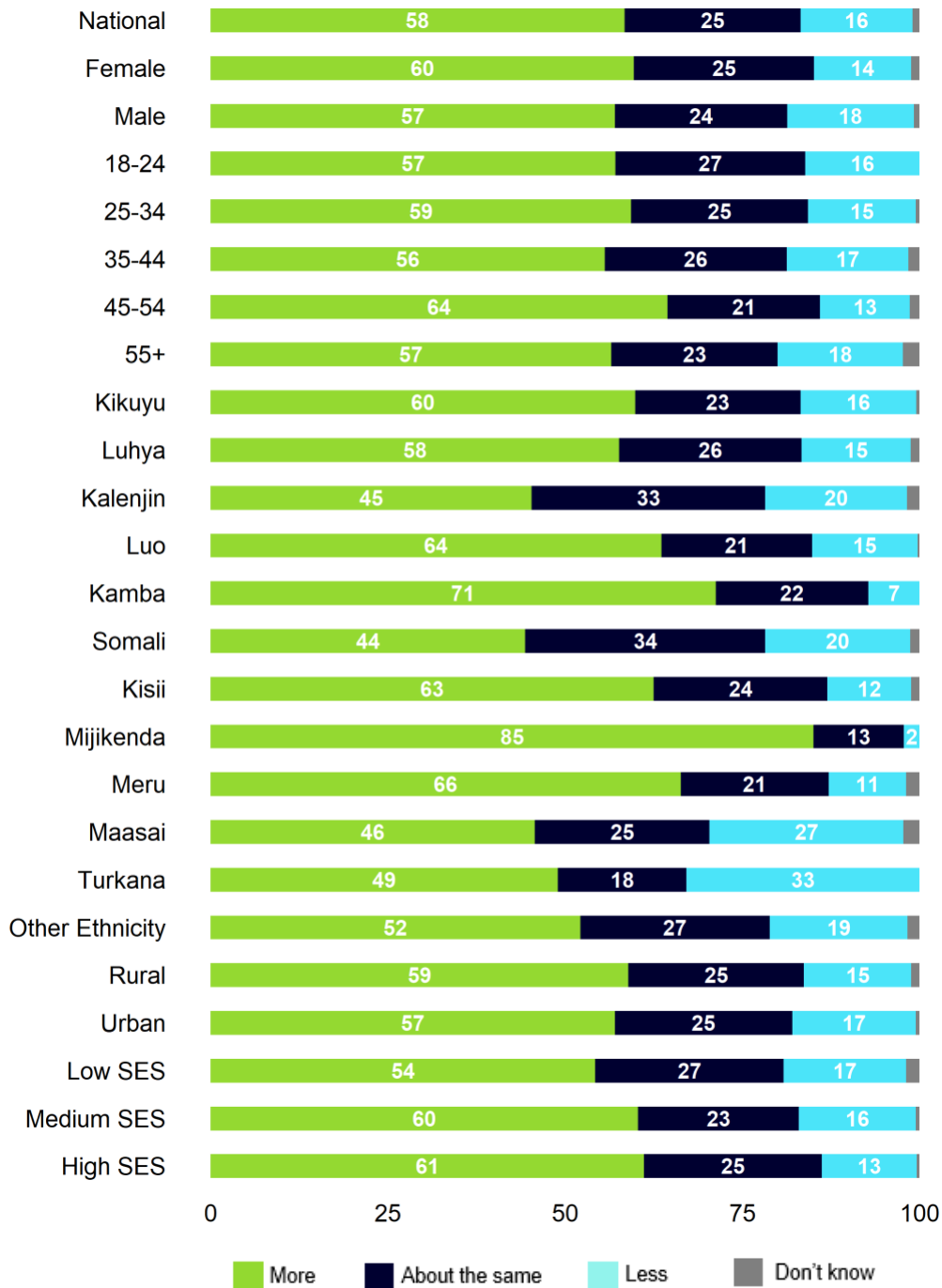
Figure 6 – Public Attitudes about Government Prioritization, Early Childcare Access versus Primary Schooling



Similarly, 58% of Kenyans believe that the government should prioritize improving access to safe and affordable childcare services *more than secondary schooling* (Figure 7). An additional 25 percent believe that the government should prioritize them “about the same.” By contrast, less than seventeen percent of the general public believes that early childcare service access should

be prioritized less, or they do not know. These results hold for the majority of demographic groups in the country spanning gender, age brackets, and socioeconomic status. Similar to our findings for primary schooling, there is less than 50% support amongst the Kalenjin, Somali, Maasai, and Turkana ethnic groups, as well as in the provinces of Nairobi, North Eastern, and Rift Valley.

Figure 7 – Public Attitudes about Government Prioritization, Early Childcare Access versus 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, Fraym considers the child caregiving environment in Kenya 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.

Under conservative assumptions, we estimate that addressing primary caregivers' childcare needs could lead to a 10-percentage point increase in the labor force participation rate in Kenya. Furthermore, on average, for every \$1 invested in accessible childcare services, currently unemployed primary caregivers would expect to generate \$7 in increased economic activity. Public support for these types of subsidized child caregiving programs is extremely high in Kenya, with 96% of the population expressing support for needy families. Super majorities of every demographic group (age, ethnicity, socioeconomic status, and urban/rural groups) support such programs. In fact, over half of Kenyans believe that early childcare programs should be prioritized *more than* primary schooling provision. Therefore, the Kenyan government could view early child caregiving investments not only as good economic policy, but also good politics.



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