



Nigeria Caregiving Return On Investment: Complete Report

JUNE 2022

Estimating the Return on Investment of Child Caregiving Programs

A Study of Nigeria

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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 Nigeria and quantify 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 an 8-percentage point increase in the labor force participation rate in Nigeria, which translates into roughly 9 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 \$3 in increased economic activity. Public support for these types of subsidized child caregiving programs is extremely high in Nigeria, with 95% of the population expressing support for such programs for needy families. Super majorities of every demographic group (age, socioeconomic status, and urban/rural groups) support such programs. In fact, over four-fifths of Nigerians believe that early childcare programs should be prioritized *more than* primary schooling provision. Therefore, the Nigerian 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 In Nigeria, the gap in labor force participation rates between men and women is slightly lower, at 15 percentage points (49% for women versus 64% for men). Gender disparities in labor force participation are even more pronounced among people with children in Sub-Saharan Africa and most other developing regions.^{2,3} Child caregiving responsibilities are a well-documented barrier to higher female labor force participation across nearly all country contexts.⁴ In the majority of countries, women disproportionately take on child caregiving responsibilities that displace the time available for paid work. As a result, childcare is particularly important in the context of efforts to improve women's employment opportunities and productivity.⁵ Unpaid childcare burdens materially restrict not only household income but also national economic output. A recent study estimated that reducing childcare costs by 50% could increase female labor supply by 6-10 percent in some country contexts.⁶

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

²The exception to the countries of Oceania, excluding Australia and New Zealand.

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

⁴Sarah 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.

⁵Devercelli, Amanda E.; Beaton-Day, Frances. 2020. Better Jobs and Brighter Futures : Investing in Childcare to Build Human Capital. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35062> License: CC BY 3.0 IGO.

⁶Sarah 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.

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. Moreover, our study also examines newly collected information about parents' satisfaction with existing childcare arrangements as well as support for potential government programs and policies amongst the broader Nigerian population.

This paper is organized as follows. In section II, we briefly summarize the current context regarding childcare and early childhood development in Nigeria. 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 Nigeria. 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 key results.

II. Existing Research and Analysis

Nigeria Childcare and Early Childhood Education and Development

In Nigeria, primary school is free and compulsory starting at age six. Pre-primary education is not mandatory, and attendance rates are below forty percent in early years.⁷ Specifically, only 36% of children aged 36-59 months were attending an early childhood education program in 2021.⁸ The Universal Basic Education Act (UBE, 2004) affirms that early childhood care and education is the first level of education and is an integral component of basic education, even though it is not compulsory. Preschool establishments (also called early childcare centers) are furthermore divided by age, between daycare centers or creches for children aged 0-2 years, pre-nursery or play groups for children aged 3-4, and kindergarten, preprimary, or nursery schools for children aged 3-5 years.

The UBE Act encouraged all existing public primary schools to develop pre-primary school programs for children aged 3-5 years.⁹ Furthermore, the 2007 Minimum Standards for Early Child Care Centres in Nigeria established guidance for early childhood education that largely devolves care responsibility to caregivers, even as it articulates minimum safety and quality standards for centers.¹⁰

⁷ Dokua Sasu, Doris. [Education in Nigeria – Statistics and Facts](#). Statista. Published April 5, 2022. Accessed May 2, 2022.

⁸ UNICEF & Countdown 2030. [Nurturing Care for Early Childhood Development: Country Profiles](#).

⁹ World Bank. [Saber Country Report: Nigeria](#). 2013.

¹⁰ http://www.africanchildforum.org/clr/policy%20per%20country/nigeria/nigeria_childcarecentres_en.pdf

Access to early childhood care and education is limited and varies considerably by state. Despite the UBE Act's recommendation for pre-primary program attachments to existing schools, only 39% of primary schools in Nigeria have such early childcare education sections attached. Furthermore, large differences between states and regions create geographic inequalities in education, with Nigerian children in the South enrolled at much higher rates than their counterparts in the North. Net enrollment rates in preprimary programs are as low as 2% in the northern state of Sokoto compared to 84% in the southern state of Abia.¹¹ Wealth, gender, and urbanization gaps also play a role; 85% of rich urban male children aged 3-4 years old have access to education, compared to 11% of poor rural female children.¹² As such, geographic and demographic considerations produce large disparities in both access and quality of preprimary education.

Although the stipulated environmental and curricular requirements for early childhood services are relatively extensive, ranging from infrastructure standards to teacher training, enforcement is lacking. There are registration and licensing procedures for early childcare centers, and, in theory, all registered centers must meet stated requirements during inspections or risk being de-registered or de-licensed. In practice, compliance with standards is rarely monitored, as mechanisms to enforce these standards are virtually non-existent.¹³ Most centers are never or infrequently inspected for compliance with registration, and the few evaluations that do occur are cursory rather than comprehensive. Monitoring of early childhood care and education centers is hindered by the fact that private pre-schools are particularly underregulated and lacking in quality controls, even as they are the most popular option in many areas. In many southern states, where preschool enrollment is highest, private pre-primary institutions provide services for over 80% of enrolled children and fall outside of the official scope of monitoring and enforcement of national standards.¹⁴ This renders quality control exceptionally challenging and undergirds the call by early childhood experts for better monitoring and enforcement of standards.¹⁵

Research on the economic returns associated with early childcare and education in Nigeria remains nascent and underdeveloped, but a recent study by UN Women is quite informative. That study, published in 2021, modeled investments in, and jobs created from, universal pre-primary education services in five sub-Saharan Africa countries, including Nigeria. The study calculated public spending for universal provision of a uniform model of early childhood education and the associated employment gains that would accrue, considering both jobs that would be created directly from the establishment of these programs, as well as additional, or "induced" employment that would result from broader economic gains.

For Nigeria, the study projects significant potential increases in labor force participation, particularly for women. Specifically, it projects that women's overall employment rate in Nigeria would increase by between 10 and 18 percentage points, with the associated gender gap in employment decreasing by four to six percentage points.

¹¹ World Bank. [Saber Country Report: Nigeria](#). 2013.

¹² Zubairi, Asma and Pauline Rose. [Bright and Early: How financing pre-primary education gives every child a fair start in life](#). Theirworld #5for5. 2017.

¹³ World Bank. [Saber Country Report: Nigeria](#). 2013.

¹⁴ [Omotayo L. Asani, Enyenaweh Research](#), Aug 21. Early Childcare as a Critical Public Service in Nigeria

¹⁵ Adedokun, Olutunde Adewale. [Quality Control in Early Childhood Education: The Realities in Nigeria](#). Journal Of Early Childhood Association Of Nigeria (Jecan) Volume 9 Issn 2756-4800

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 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. Finally, we assess public support for government-subsidized childcare, among other issues. For this study, we focus on caregiving for children under the age of seven.

Sample Design

The survey sample was designed to be nationally representative of all adults aged 18 or older across Nigeria. We established interlocking quotas for age brackets (18-24, 25-34, 35-44, 45-54, and 55+), gender (female, male)¹⁶, and geopolitical zones. This created 60 distinct interlocking demographic quotas for data collection.¹⁷ The number of target respondents assigned to each of these interlocking quotas was determined based on available information from UNFPA and the U.S. Census Bureau.¹⁸ The final sample included 4,922 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.¹⁹ In Nigeria, we considered over 20 potential household assets and then selected bank account ownership and availability of electricity, 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.

For this study, we are particularly interested in disaggregating results by socioeconomic subgroup. Individuals with low socioeconomic status can be excluded from mainstream social, economic, education, and/or cultural life due to unequal power relationships and historic inequities. Poor or “low” income respondents owned neither of the identified assets (bank account and availability of electricity) while “high” income respondents owned both.

¹⁶ 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.

¹⁷ This is calculated as follows: number of zones (6) x the number of age brackets (5) x the number of gender groups (2) = 60 distinct, interlocking quotas.

¹⁸ <https://data.humdata.org/dataset/cod-ps-nga>

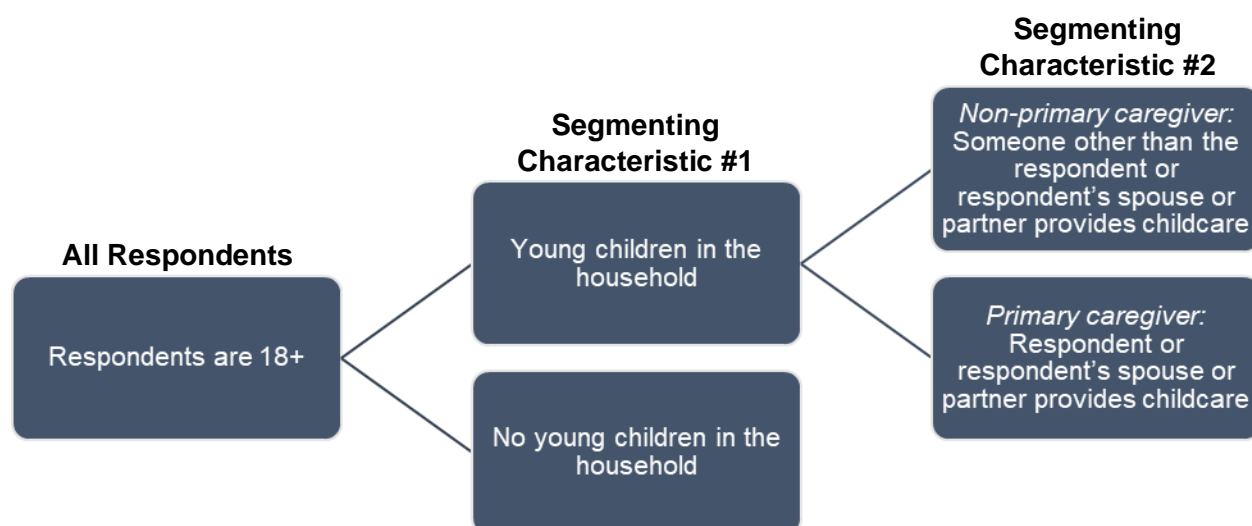
¹⁹ For instance, see Ben Leo, Robert Morello, Jonathan Mellon, Tiago Peixoto, and Stephen Davenport. 2015. "Do Mobile Phone Surveys Work in Poor Countries?" CGD Working Paper 398. Washington, DC: Center for Global Development. <http://www.cgdev.org/publication/do-mobile-phone-surveys-work-poor-countries-workingpaper-398>.

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 seven in the household. A total of 2,148 respondents fell into this group. Respondents without young children in the household were directed to the Public Policy and Caregiving Attitudes module, where they were asked about their attitudes about national caregiving programs and a range of other issues. A total of 837 respondents fell into this second group.²⁰

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 = 2,776) 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 = 1,309) and were directed to a series of questions similar to non-primary caregivers.²¹ 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 their expected economic situation if safe and affordable childcare were accessible.

Figure 1 – Child Caregiving Questionnaire Modules, Survey Logic



Survey Fielding and Data Collection Period

In Nigeria, 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

²⁰ Respondents in the first segmenting characteristic group (households with young children) also completed the Public Policy and Caregiving Attitudes module.

²¹ 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.

between 31 January 2022, and 9 February 2022. The final survey sample included 4,922 Nigerian 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 UNFPA and other official sources. 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, zone, and socioeconomic status (SES). 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	51%	2,509	51%
Female	49%	2,413	49%
Other ²²	0%	0	0%
Age			
18-24	27%	1,258	26%
25-34	26%	1,357	28%
35-44	19%	985	20%
45-54	13%	644	13%
55+	15%	678	14%
Urban			
Urban	48%	1,817	37%
Rural	52%	3,105	63%
Zone			
North Central	18%	729	15%
North East	11%	567	12%
North West	27%	1,153	23%
South East	12%	584	12%
South South	13%	769	16%
South West	20%	1,120	23%

²² Transgender male, transgender female, or non-binary respondents.

Socioeconomic Status (SES)²³			
Lower SES	36%	354	7%
Medium SES	32%	1,126	23%
Higher SES	32%	3,442	70%

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	50%	2,774	56%
Young children in the household	50%	2,148	44%
Total	-	4,922	-
Segmenting Characteristic #2			
Non-Primary Caregiver	35%	837	39%
Primary Caregiver	65%	1,309	61%
Total	-	2,146	-

IV. Survey Results

Early Child Caregiving Landscape

Nationally, 65% of Nigerian parents with a child under the age of six state that they or their partner are the primary caregiver. Relatives, neighbors, or friends (18% of households) are the next most frequently cited type of primary caregiver.

²³ 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 Nigeria, respondents who have neither a bank account nor access to electricity 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.

Table 3 – Child Care Usage Patterns, by Population Group

	National ²⁴	Low SES Parents	High SES Parents
Yourself	40%	45%	34%
Your spouse or partner	25%	26%	23%
Relative	16%	19%	10%
Facility or hired caregiver outside of your home (e.g. childcare center)	10%	2%	24%
Hired caregiver in your home (i.e. a nanny)	3%	1%	4%
Neighbor or friend	2%	2%	2%
Other	3%	1%	3%

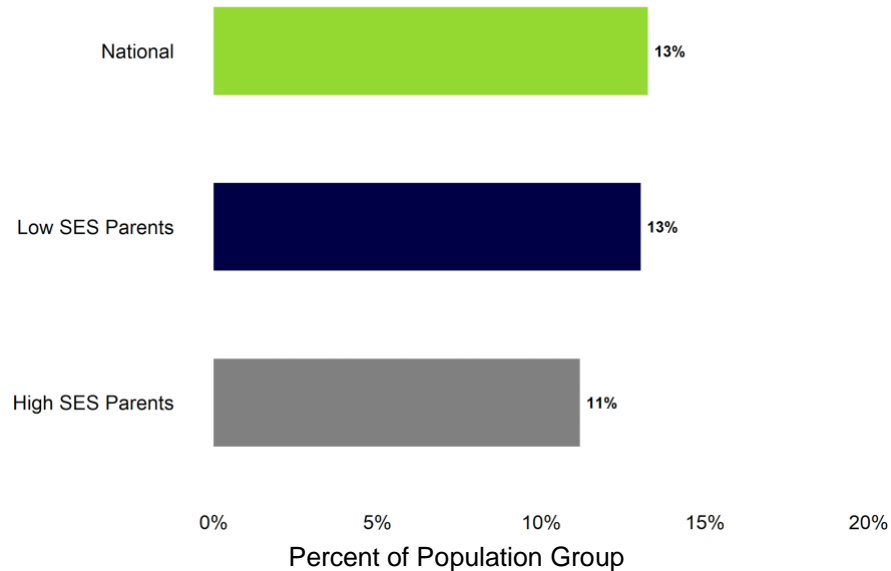
With respect to caregiving, low socioeconomic status parents are more likely to rely on themselves or their spouse as compared to the national average or high SES respondents.²⁵ About two out of three low socioeconomic status parents have such an arrangement, which is slightly higher than the national average of 65%. Only 2% of low socioeconomic status parents rely on facilities or hired caregivers. In contrast, high socioeconomic status parents are more likely to use facilities or hired caregivers. Nearly one in four high socioeconomic status parents rely on a facility such as a childcare center for their caregiving arrangement.

Finally, 13% of parents with a child under six report that they currently use subsidized care. This specifically refers to 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. Subsidized care usage patterns are very similar among low socioeconomic and high socioeconomic status parents, with 13% of low socioeconomic status parents with a child under six, and 11% of high socioeconomic status parents with a child under six using these services.

²⁴ For the remainder of this section, national refers to adults with at least one child under the age of seven, unless otherwise stated.

²⁵ 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 low SES.

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. Roughly three-quarters of Nigerian non-primary caregiving parents pay for child caregiving services, with 55% paying in cash and 20% paying with in-kind goods and services. We do not have sufficient observations to report on costs incurred by low socioeconomic status parents as a population. However, sample sizes are large enough to report average monthly costs for certain population groups.

Among parents who pay for childcare services in cash, the average monthly payment amounts to 16,199 Naira, or about \$40 USD. High socioeconomic status parents pay 17,185 Naira (\$41 USD). Interestingly, subsidized care users appear to be paying more, on average, per month at 18,873 Naira (about \$45 USD). They are paying 6,000 Naira (\$15 USD) in the 25th percentile and 20,000 Naira (\$48 USD) in the 75th percentile, an indication that average costs vary greatly even for subsidized arrangements.

Since subsidized care includes those relying on relatives, neighbors or friends, as well as those relying on hired caregivers and facilities, this may explain the variation in cost.²⁶ Subsidized care users who report using facilities or hired caretakers actually pay less, on average, per month relative to subsidized care users who report an arrangement involving a neighbor, relative or friend. The former pays 16,960 Naira (\$41 USD) per month, while the latter pay slightly more at 19,275 Naira (\$46 USD). Thus, if only subsidized care users of facilities or other outside services are considered, average costs will converge towards the national average. It is not that subsidized

²⁶ To identify subsidized childcare, all non-primary caregiver respondents were asked whether their childcare arrangement was provided at a reduced cost (e.g. through a subsidy or voucher) due to support from the government, a religious institution, or an NGO. Interestingly, among subsidized care users, over half indicated that their primary childcare arrangement is a relative, neighbor, or friend. These arrangements are not what one would typically consider as subsidized care.

care users are paying more for childcare, but that subsidized care users reporting an arrangement with neighbors and friends are paying more, on average.

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

	National	Subsidized Care Users	High SES Parents
Average monthly cost	NGN 16,199 (\$40 USD)	NGN 18,873 (\$45 USD)	NGN 17,185 (\$41 USD)

Stated Child Caregiving Preferences

Broadly, by far the most preferred caregiving arrangement is care administered by parents. Some 62% of all parents nationally prefer this type of arrangement. The second most preferred arrangement is caregiving at a facility run by the government, religious group, NGO or private business, which about one in four parents nationally prefer. Less than 10% of parents prefer an arrangement involving care by a relative or friend inside or outside of the home.

Similar to the national average, 65% of low socioeconomic status parents prefer caregiving by one of the parents and 23% express a preference for outside facilities. Just 4% of these parents indicate a preference for an arrangement involving care by a friend, neighbor or relative. High socioeconomic status parents also prefer a traditional arrangement with one of the parents as the primary caregiver (58%), but a modestly higher proportion (26%) prefer an arrangement with a childcare center. Caregiving by a nanny received low ratings – 5-6% - by all income groups. These results suggest that preferences tend to be consistent across groups, with the strongest preference being for an arrangement with one of the parents, followed by caregiving in an outside center.

Table 5 – Stated Childcare Preferences, by Population Group

	National	Low SES Parents	High SES Parents
Preschool or childcare center run by the government, religious group, NGO, or private business	23%	23%	26%
At your home - provided by you	46%	53%	38%
At your home - provided by your spouse or partner	16%	12%	20%
At your home - provided by a relative, neighbor or a friend	5%	3%	5%
At your home - provider by a hired caregiver (i.e. nanny / domestic worker)	6%	5%	6%
Childcare in the home of a friend, neighbor or relative	3%	1%	2%
Other	0%	NA	0%

Note: Preferences will not necessarily add up to 100% because percentages have been rounded and 'Don't Know' responses have been excluded from the table.

Caregiving Perceptions and Actual Usage Patterns

Personal preferences and community perceptions are generally well aligned with actual arrangements, with the exception of childcare centers and relatives and friends. More than two-thirds of parents (62%) prefer an arrangement provided by one of the parents, and 65% of parents actually have this arrangement. Further, 63% of parents perceive this arrangement to be the most common one in their community, which is roughly accurate.

In comparison, there is some misalignment between personal preferences and actual arrangements for childcare centers and care provided by relatives or friends. Although only 8% of parents show a preference for an arrangement with relatives, neighbors or friends, almost 20% of them have this arrangement, which is an indication that parents would pursue alternative caregiving types if they were available. Additionally, while nearly one in four parents would like to use an outside facility, only 10% use this arrangement in reality. This is an indication that, given the opportunity, more parents would likely consider relying on childcare centers and less on informal arrangements with relatives or friends, if this was a more feasible option.

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	8%	9%	18%
At your home, provided by you or your spouse/partner	62%	63%	65%
At your home, provider by a hired caregiver (i.e., nanny)	6%	5%	3%
Other	0%	0%	3%
Preschool or childcare center run by the government, religious group, NGO, or private business	23%	19%	10%

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

	National	Primary Caregivers	Subsidized Care Users	Low SES Parents	High SES Parents
At a childcare center or preschool	19%	15%	21%	12%	33%
At home, provided by a hired caregiver	5%	4%	6%	4%	6%
At home or nearby, provided by a relative, neighbor, or friend	9%	7%	16%	10%	8%
At home, provided by the father	15%	16%	17%	19%	10%
At home, provided by the mother	49%	54%	38%	53%	40%
Other	0%	0%	1%	NA	0%

Some distinctions can be found in perceptions of common arrangements across primary caregivers, subsidized care users and low and high socioeconomic status parents. High socioeconomic status parents are more likely to perceive care at a facility as the most common

arrangement, while low socioeconomic status parents are the least likely to share this perception. Primary caregivers' perceptions about common community arrangements trend towards the national average.

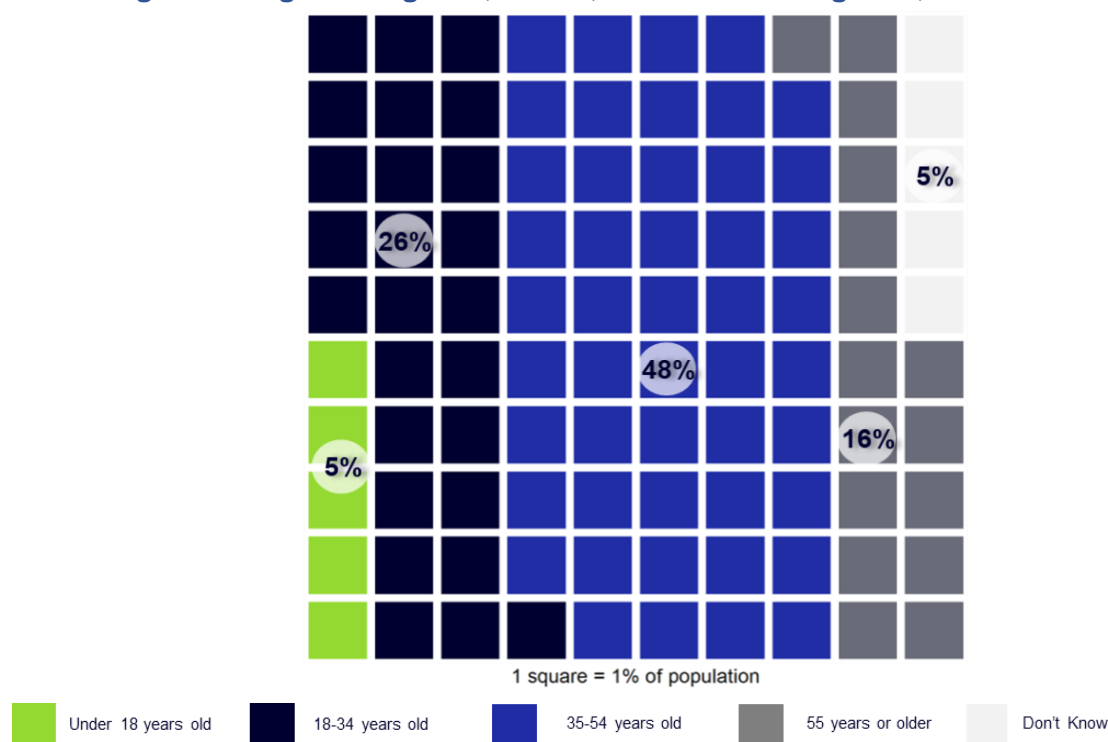
Across all groups, subsidized care users are less likely to perceive that care provided by the mother is the most common arrangement in their community. We find that 38% of subsidized care users believe this type of arrangement is the most common, compared to 49% nationally and 54% among primary caregivers. Additionally, subsidized care users are more likely to believe that care provided by a relative, neighbor or friend is the most common in their community: 16% of subsidized care users share this perception, compared to 9% nationally, reflecting the greater tendency of these users to rely on informal social arrangements.

Similar to the national average, about half of low socioeconomic status parents believe that care provided by the mother is the most popular arrangement in their community. In total, three-quarters of these parents believe a primary caregiver (mother or father) is the most common arrangement, which aligns closely with the actual arrangements among this group (71%). By contrast, just 12% of these parents perceive outside facilities as a common arrangement, which is lower than the national average and the lowest proportion across all four groups. This is compared to 2% of low socioeconomic status parents who actually use outside facilities as their primary arrangement. Finally, actual usage of relatives, neighbors, or friends is nearly double community perceptions (21% vs. 10%).

A lower proportion of high socioeconomic status parents (40%) perceives care given by the mother to be a common arrangement, relative to the national average (49%). In total, half of this group perceives a parent as the primary caregiver whereas 57% of this group utilize this arrangement. Among all four groups, high socioeconomic status parents are slightly more likely to perceive childcare centers to be the most popular care type. A third of these parents believe outside facilities are the main arrangement in their community, compared to just 12% of low socioeconomic status parents and compared to the national average of 19%. These perceptions are likely driven by a higher reliance on outside facilities by high socioeconomic status parents relative to other groups.

Among parents who rely on their neighbors, friends, and relatives, 16% rely on elderly caregivers, potentially including their own parents. Very few parents (5%) report relying on a minor (such as an older child) for childcare, although perhaps there is social stigma that leads to underreporting. This is further supported by the fact that nationally and among low and high socioeconomic status parents, actual usage of this arrangement is higher than community perceptions. Finally, nearly half of neighbors, friends, or relatives are between the ages of 35 and 54.

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.

Roughly 81% of Nigerian parents with a child under 7 are either satisfied or somewhat satisfied with their current childcare arrangement. Over a tenth (14%) of parents are dissatisfied or somewhat dissatisfied with their current childcare arrangement, and only 5% feel neither satisfied nor dissatisfied. In addition to Nigerian parents being broadly content with their childcare provider arrangement, there are few variations according to subgroups. Primary and non-primary caregivers, for instance, report similar levels of satisfaction, although non-primary parental caregivers are slightly less likely to be dissatisfied, and the differences are not statistically significant.

Surprisingly, low SES parents report slightly higher levels of satisfaction (84%) relative to the overall population. High SES parents also have high levels of satisfaction (83%). Medium SES parents, or parents who have only one of the identified assets, have the lowest satisfaction rates by far, with only 76% reporting that they are satisfied with their current arrangements.²⁷ Likewise, medium SES parents are more likely to report dissatisfaction compared to low or high SES parents.

²⁷ Respondents are categorized as medium SES if they have either a bank account or access to electricity.

Subsidized care users report the highest rates of satisfaction of any subgroup, with 86% stating that they are somewhat or very satisfied with their current arrangements. Although later sections address specific factors related to satisfaction, perhaps high rates of satisfaction reflect a perception that this option is low-cost financially while still permitting parents to take on other work. Regardless of the reasons, however, subsidized care users overall seem especially content with their childcare arrangements in Nigeria.

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

	Satisfied	Dissatisfied	Neither satisfied nor unsatisfied
National	81%	14%	5%
Primary Caregivers	81%	15%	4%
Non-Primary Caregivers	82%	12%	6%
Low SES Parents	84%	12%	4%
Medium SES Parents	76%	19%	4%
High SES Parents	83%	12%	5%
Subsidized Care User Households	86%	10%	4%
Neighbor, Friend, or Relative Care User	82%	14%	4%

Parents relying on family, friends, or neighbors express similar rates of satisfaction as Nigerian parents overall. It's surprising to see satisfaction rates so high for users of this childcare type, since it's the least preferred childcare arrangement.

Satisfaction Factors

Our study considered the following aspects of existing childcare satisfaction: cost and affordability, location, quality, safety, and perceived normality (i.e. “this arrangement is what others in my community are doing”).²⁸ Among parents of young children who are satisfied with their childcare provider arrangements, over four-fifths cite each of these reasons. Safety is the most cited factor by a slim margin, with 91% of parents citing that factor. Quality and location are close behind, with 90% of parents citing these factors. Perceived normality and cost & affordability follow closely behind, cited by 87% and 84% of Nigerian parents nationally, respectively.

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

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

	All Groups	Primary Caregivers	Non-Primary Caregivers	Low SES Parents	Subsidized Care Users	High SES Parents
Cost & Affordability	84%	83%	85%	89%	89%	79%
Quality	90%	89%	92%	93%	93%	88%
Safe	91%	91%	93%	92%	92%	89%
Location	90%	90%	90%	93%	91%	85%
Normality	87%	83%	94%	83%	90%	85%

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

Again, there is surprisingly little variation by subgroup in terms of the relevant factors for satisfied parents. Parental primary caregivers report relevant factors at similar rates as non-parental caregivers, with a few distinctions. Non-parental primary caregivers are quite a bit more likely to consider their childcare arrangement as being normal and acceptable in their communities, suggesting that alternatives to parental care generally face little social stigma. It is also perhaps surprising that satisfied non-parental primary caregivers cite cost and affordability, since these options include centers or in-home care, which have direct financial costs.

Satisfied low SES parents share many similarities with subsidized care users in terms of the factors cited in their satisfaction, although it is worth noting that this is not reflective merely of population overlap. In fact, only 44% of subsidized care users are classified as low SES according to our algorithm, and only 46% of low SES parents use subsidized care. That said, both satisfied low SES parents and satisfied subsidized care users express very high rates of satisfaction with multiple elements of their childcare arrangements, including cost / affordability, quality, safety, and location. The only noticeable difference between these groups is that subsidized care users are quite a bit more likely to consider their particular childcare arrangement is acceptable within their communities, indicating that there are at least some subsidized care programs that are well regarded.

Surprisingly, satisfied high SES parents cite almost all standard factors at a lower rate than satisfied low SES parents. Likewise, high SES parents are less likely to cite either safety or convenience as a factor. The only factor that satisfied Nigerian high SES parents are more likely to cite is perceived normality, i.e. that their childcare arrangement is widely considered to be acceptable within their communities.

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

	Childcare Center Users	Neighbors, Friends, or Relatives
Cost & Affordability	82%	85%
Quality	94%	91%
Safe	99%	91%
Location	96%	90%
Normality	93%	93%

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

Childcare center users are very likely to cite quality, safety, location, and normality as key satisfaction factors. Indeed, nearly every (99%) satisfied center user reported safety as a factor in their evaluation. Location, norms, and quality were also relevant for over 90% of satisfied childcare center users. Cost and affordability were somewhat less frequently cited, with only 82% of satisfied parents reporting that category as relevant.

Satisfied users of neighbors, friends, and relatives for childcare are relatively more likely to cite cost and affordability as key factors in their evaluation as compared to childcare center users, and the overall rate mirrors the national trend in Nigeria. This shouldn't be surprising, as Nigerian parents relying on neighbors, friends, and relatives are generally less likely to pay anything at all for childcare services, with 22% of these parents paying nothing in either cash or in-kind payments for childcare services, compared to 4% of childcare center users and 8% of users of subsidized care. Overall, satisfied users of neighbors, friends, and relatives also report being highly satisfied with the safety, quality, location, and normality of their arrangement.

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. 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, with 70% of dissatisfied parents saying that switching childcare would be too expensive. Nigerian parents also express safety concerns at an alarming rate, with 62% of dissatisfied parents reporting that they have safety concerns with an alternative option. Quality, convenience, time, and availability constraints also play major roles for many dissatisfied Nigerian parents; each of these issues were cited by over half of Nigerian parents. Half of dissatisfied Nigerian parents cited COVID-19 restrictions, but presumably this is a short-term barrier. Finally, social norms are the least relevant factor, with less than half (48%) expressing concern about what others would think or say if they switched childcare options. Although this is the least common concern, it still clearly affects a significant portion of Nigerian parents and should still be taken into consideration when designing and implementing programs.

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

	All Groups	Primary Caregivers	Non-Primary Caregivers	High SES Parents	Neighbors, Friends, or Relatives
Too Expensive	70%	75%	58%	75%	62%
Poor Quality	57%	57%	57%	58%	62%
Safety Concerns	62%	54%	83%	54%	91%
Not Convenient	55%	57%	50%	52%	59%
No Time to Search for Other Options	54%	51%	62%	43%	66%
Concern What Others Will Think or Say	48%	49%	47%	42%	59%
No Other Options	59%	61%	53%	53%	55%
COVID-19 Restrictions	50%	49%	53%	48%	57%

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

Among dissatisfied parents who have a parental caregiver as the primary source of childcare, cost is the most significant barrier they cite to switching childcare providers, with three-quarters of Nigerian primary parental caregivers citing cost barriers. Dissatisfied parents who are primary caregivers also feel that they are stuck with that arrangement, with 61% reporting that there are no other options to consider. Quality and convenience concerns are the next most cited factors, with 57% of parental primary caregivers concerned about these issues. After those factors, approximately half of dissatisfied Nigerian parental primary caregivers cite safety concerns, lack of time to search for other options, concern about what others will think or say, and COVID-19 restrictions.

Taking the inverse (i.e. dissatisfied parents who do not have a parent as a primary caregiver), some disparities arise. These parents are quite a bit less likely (only 58%) to consider cost a major barrier to switching care, potentially in part because some member of this group is already paying a direct financial cost for care under their current caregiving arrangements, such as those who rely on childcare centers or in-home care. This is further evidenced by how those who are least likely to be paying a cost within this group, namely parents relying on neighbors, friends, and relatives, are relatively more likely to consider cost a barrier than all non-primary parents overall. Furthermore, non-primary caregivers are quite a bit more likely to have safety concerns with alternative childcare options, and it is notable that users of neighbors, friends, and relatives have even higher rates of safety concerns. Most other concerns are cited by about half of non-primary caregiving parents.

For the most part, barriers to changing care arrangements among dissatisfied high SES parents mirror national trends, with a few key exceptions. Surprisingly (but as already previously alluded to), high SES parents are marginally more likely to consider cost a barrier to changing care arrangements, perhaps reflective of higher costs associated with their preferred childcare types or how cost increases associated with premium childcare options outpace the income gains

accrued to this group. Otherwise, dissatisfied high SES parents are less likely to have safety concerns with other arrangements, indicative perhaps of superior safety measures and mechanisms put in place within early childcare centers within their communities. They are also less likely to report having no time to search for other options, reflecting how free time is more available to wealthier individuals.

Barriers to Using Subsidized Care

There are many barriers to using subsidized care services for Nigerian parents who might be eligible to use them. For this analysis, we excluded all parents who stated that they either used subsidized care already or that they or their family were not eligible for subsidized care services (i.e. because their incomes were above a need-based threshold). Hence, the barriers to using subsidized care results refer only to those parents who were eligible for these services but not currently accessing them.

We observe several barriers among eligible parents who currently do not use subsidized care, the most significant being safety and cost concerns. Overall, 38% have concerns about the safety of subsidized care facilities, and one-third consider subsidized care centers to be still too expensive. Quality concerns are a factor as well; about 27% of parents believe subsidized care is of poor quality. Convenience, trust, and the perception of childcare as a familial responsibility also play roles as barriers to subsidized childcare, with approximately a quarter of respondents citing each of these factors. Relevantly, COVID-19 restrictions appear to be a less significant barrier to subsidized care in Nigeria, as these are only cited by 16% of otherwise eligible parents.

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

	All Groups	Primary Caregivers	Non-Primary Caregivers	Low SES Parents
Still Too Expensive	33%	24%	75%	38%
Poor Quality	27%	16%	80%	29%
Safety Concerns	38%	29%	81%	37%
Not Convenient	22%	11%	73%	23%
Don't Trust Them	25%	18%	58%	25%
Consider Childcare a Family Responsibility	24%	15%	70%	20%
COVID-19 Restrictions	16%	7%	60%	16%
Don't Know	10%	10%	0%	13%

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

For families with parents as a primary caregiver, primary barriers are safety concerns and costs. Almost a third (29%) have safety concerns about subsidized care facilities. A quarter (24%) consider subsidized care to still be too expensive.

Parents who rely on some other program or entity for their primary source of care (such as a center, in-home hired caregiver, neighbor, relative, or friend) are far more likely to report all barriers in much higher numbers than parents who are primary caregivers. For instance, while safety and cost concerns are also of paramount concern for these parents, they are three times more likely to cite these as barriers to subsidized care than primary caregiving parents, with 75 to

81% citing one of these two issues. Quality, too, remains a large concern for these parents, with 80% reporting that subsidized care is of poor quality. Almost three-quarters also report that subsidized care is inconvenient for them. Furthermore, these parents report at very high rate (70%) that they consider childcare to be a family responsibility, even though they themselves are not the primary caregiver. (This may refer to a preference for extended kin over hired care options, however.) Lack of trust and COVID-19 restrictions also play a prominent role in reducing access to subsidized care for these populations.

Low SES parents report similar types of barriers as the national population, although the deviations are worth noting. For instance, a higher proportion of low SES parents report costs as a barrier to accessing subsidized care, with 38% of low SES parents reporting that subsidized care is still too expensive, compared to 33% of the population overall. Additionally, low SES parents are less likely to consider childcare a family responsibility, perhaps because social norms for around low-income mothers working are not as restrictive as in higher-income populations. Otherwise, the barriers to low SES parents largely mirror those of Nigerian parents nationally.

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. A UN Women study does look at the benefits and costs of investing in free universal childcare in five countries in Sub-Saharan Africa, including Nigeria, and estimates the impact on employment.³³ However, the study looks at direct employment (i.e., teachers) and indirect employment in industries that supply the childcare sector, not the employment of parents who are primary caregivers.

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.

³³ UN Women. [Investing in Free Universal Childcare in Sub-Saharan Africa: Côte d'Ivoire, Nigeria, Rwanda, Senegal, and the United Republic of Tanzania](#). Issue Paper. July 2021.

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 Nigeria.

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 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 Nigerian National Bureau of Statistics as a robustness check.

Next, average earnings estimates (disaggregated by occupation type) are multiplied by the proportion of primary caregivers in Nigeria (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, 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 Nigerians 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. This may be particularly true in Nigeria, which is characterized by high unemployment rates. Given the gender gaps in employment, we also recognize that it may be more difficult for women to find employment.

Our discount on labor force participation projections is based on the most current unemployment rate of 33%.³⁴ This highly conservative alternative scenario has the net effect of reducing the expected ROI benefits by a corresponding 33% while maintaining the expected costs at full value.

³⁴ National Bureau of Statistics, Nigeria (2020). Q4 Unemployment Rate.

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

Key Respondent Criteria for ROI Calculation	Key Assumptions for ROI Calculation
<p>Respondent is age 18 or older with at least one young child under the age of six in the household</p> <p style="text-align: center;">+</p> <p>Respondent or respondent's spouse or partner is a primary caregiver within the household</p> <p style="text-align: center;">+</p> <p>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.</p>	<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 (33%). 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.

Caregiving Benefits

We find 20% 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 Nigeria would expect to earn N688,000 (\$1,700) annually on average if they were to join or rejoin to the labor force. However, income expectations vary significantly based on the primary caregiver's expected occupation. The average expected annual income by occupation ranges from N503,000 (\$1,200) for unskilled manual work to N862,000 (\$2,100) for professional / technical / managerial positions. Many respondents (26%) expect to work in sales and services roles with an expected average income of N625,000 (\$1,500) annually, followed by agriculture roles (22%) with an expected average income of N715,000 (\$1,700) annually, which have respectively the fourth and second 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 (NGN)	Expected Average Annual Per Capita Earnings (USD)*
Total	20%	N688,000	\$1,700
Agriculture	5%	N715,000	\$1,700
Clerical	0%	N707,000	\$1,700
Domestic	2%	N510,000	\$1,200
Other	0%	N689,000	\$1,700
Professional / technical / managerial	4%	N862,000	\$2,100
Sales and services	5%	N625,000	\$1,500
Skilled manual	4%	N653,000	\$1,600
Unskilled manual	0%	N503,000	\$1,200

Note – Applies the average 2022 exchange rate of 414.59 NGN/USD. Figures are rounded to the nearest hundred for reporting purposes.

Caregiving Costs

On average, primary caregivers and their partners are projected to spend \$550 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 \$320 annually for other employment to \$900 annually for clerical 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 households)	Average Reported Annual Childcare Costs (NGN)	Average Reported Annual Childcare Costs (USD)*
Total	20%	N227,000	\$550
Agriculture	5%	N247,000	\$600
Clerical	0%	N375,000	\$900
Domestic	2%	N140,000	\$340
Other	0%	N131,000	\$320
Professional / technical / managerial	4%	N268,000	\$650
Sales and services	5%	N241,000	\$580
Skilled manual	4%	N182,000	\$440
Unskilled manual	0%	N149,000	\$360

Note – Applies the average 2022 exchange rate of 414.59 NGN/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 \$3 in increased economic activity on average. This translates to a net economic benefit of approximately \$1,700 for each primary caregiver who would join or rejoin the workforce.³⁵ The expansion and improvement of childcare provision has also been proven to allow women who are currently un- or 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, Nigeria

Return On Investment	Average Per Capita ROI
Projected Earnings (Benefit)	\$1,700
Childcare Services (Cost)	\$550
Project ROI (Benefit – Cost)	\$1,150
Margin (Expected ROI / Benefit)	68%
ROI Impact Per \$1 Invested	\$3

³⁵ Under the lower-bound approach, which incorporates a discount of 33% 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 \$2 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 Nigerian National Bureau of Statistics, there are nearly 122 million people that are of economically active age (15 to 64 years old). Of these people, 57.1 percent currently are participating in the Nigerian labor force, or approximately 69.7 million people.³⁶ This includes formal non-agricultural employment, informal non-agricultural employment, agricultural employment, and employment in private households.

As noted previously, roughly 20 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 Nigerian households (46.1 million), we find that a child caregiving focused program potentially could contribute up to 9.4 million people joining or rejoining the labor force. **This equates to an 8-percentage point increase in the Nigerian labor force participation rate (from 57.1 percent to 64.8 percent) even under conservative assumptions.**

VI. Public Attitudes about Subsidized Caregiving Support

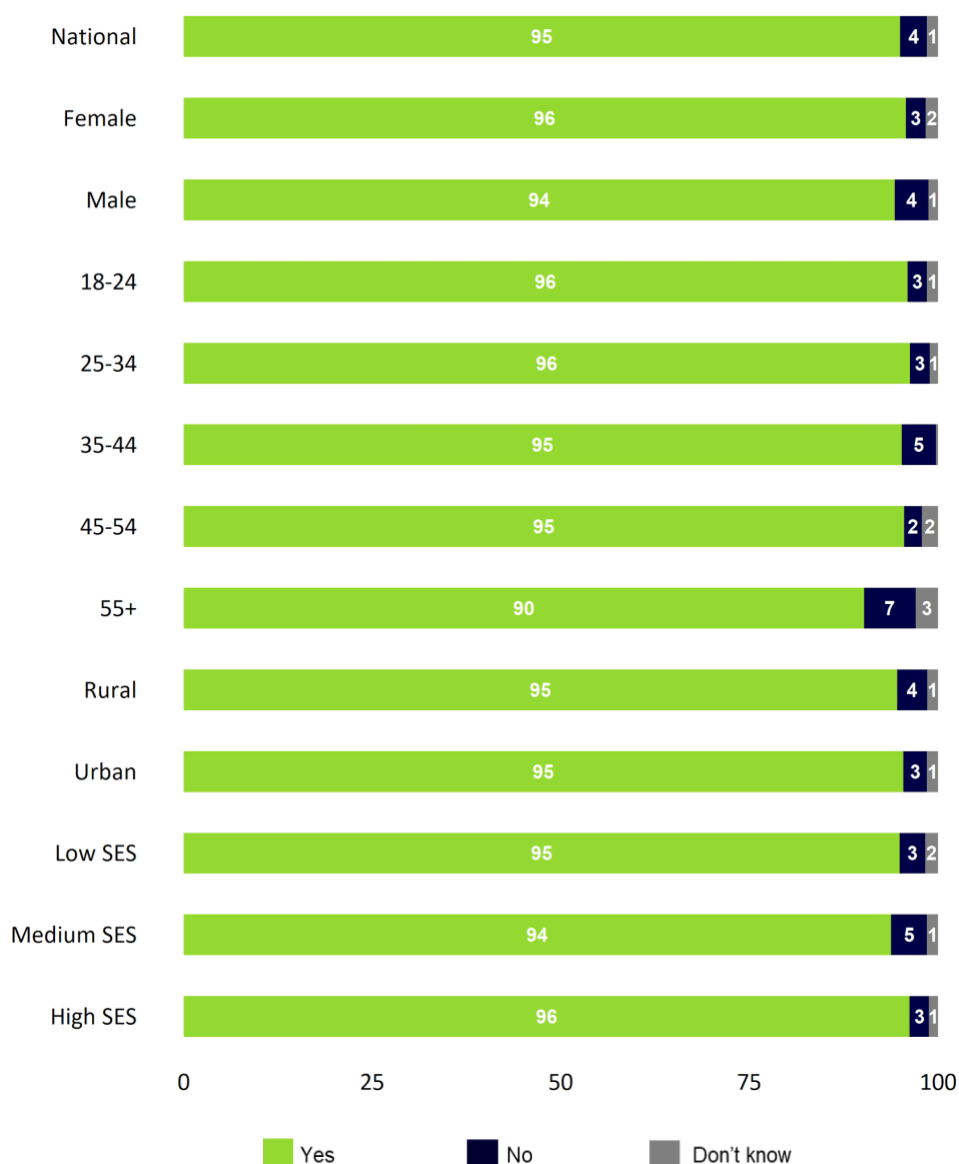
Support for Subsidized Care

Finally, we examine public attitudes in Nigeria 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 Nigeria. Roughly 95% of Nigerians 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. Most strikingly, there is a super majority of support across every demographic group in the country spanning gender, age brackets and socioeconomic status.

³⁶ National Bureau of Statistics, Nigeria, *Labor Force Statistics: Unemployment and Underemployment Report (Q4 2020)*, page 5.

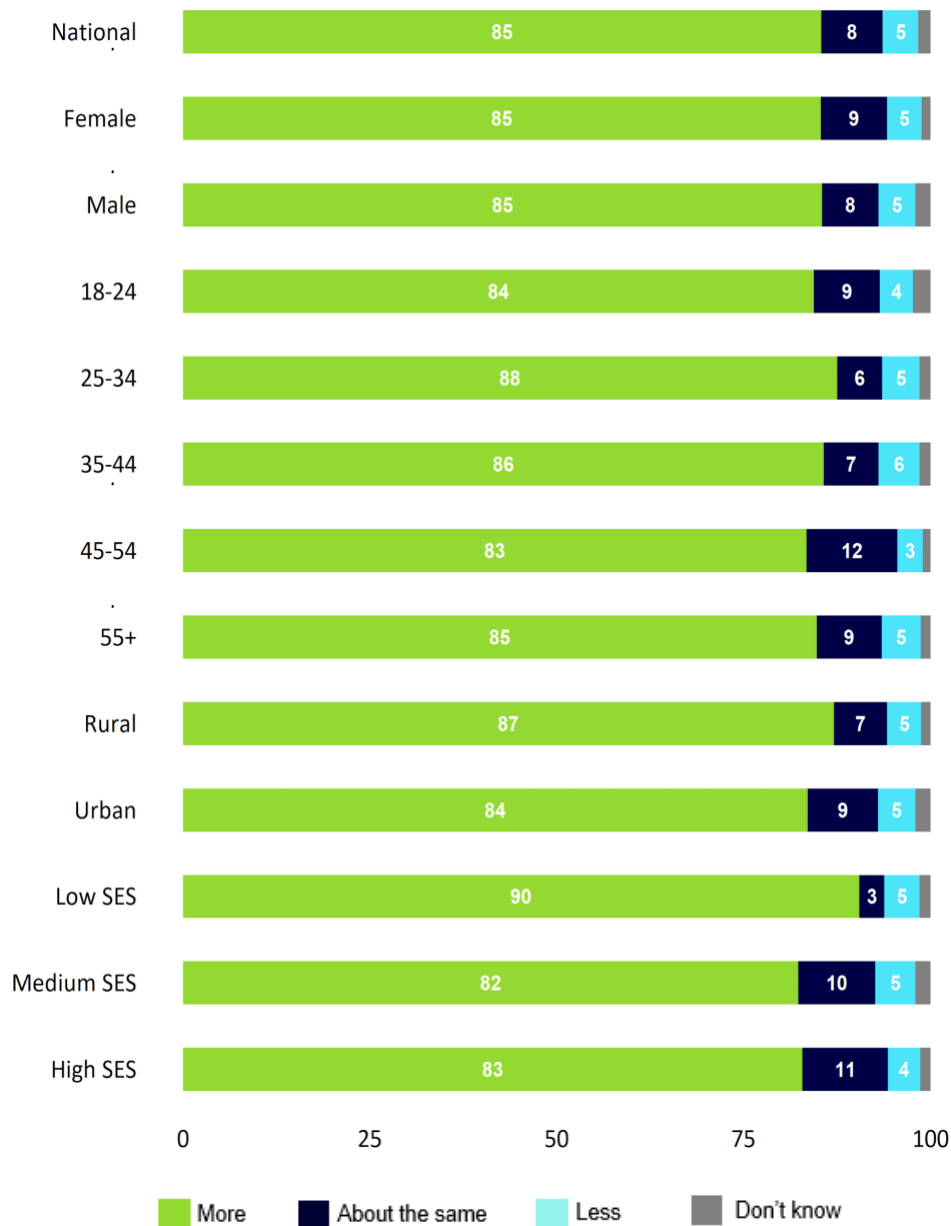
Figure 5 – Public Support for Subsidized Child Caregiving Services



Government Program Prioritization

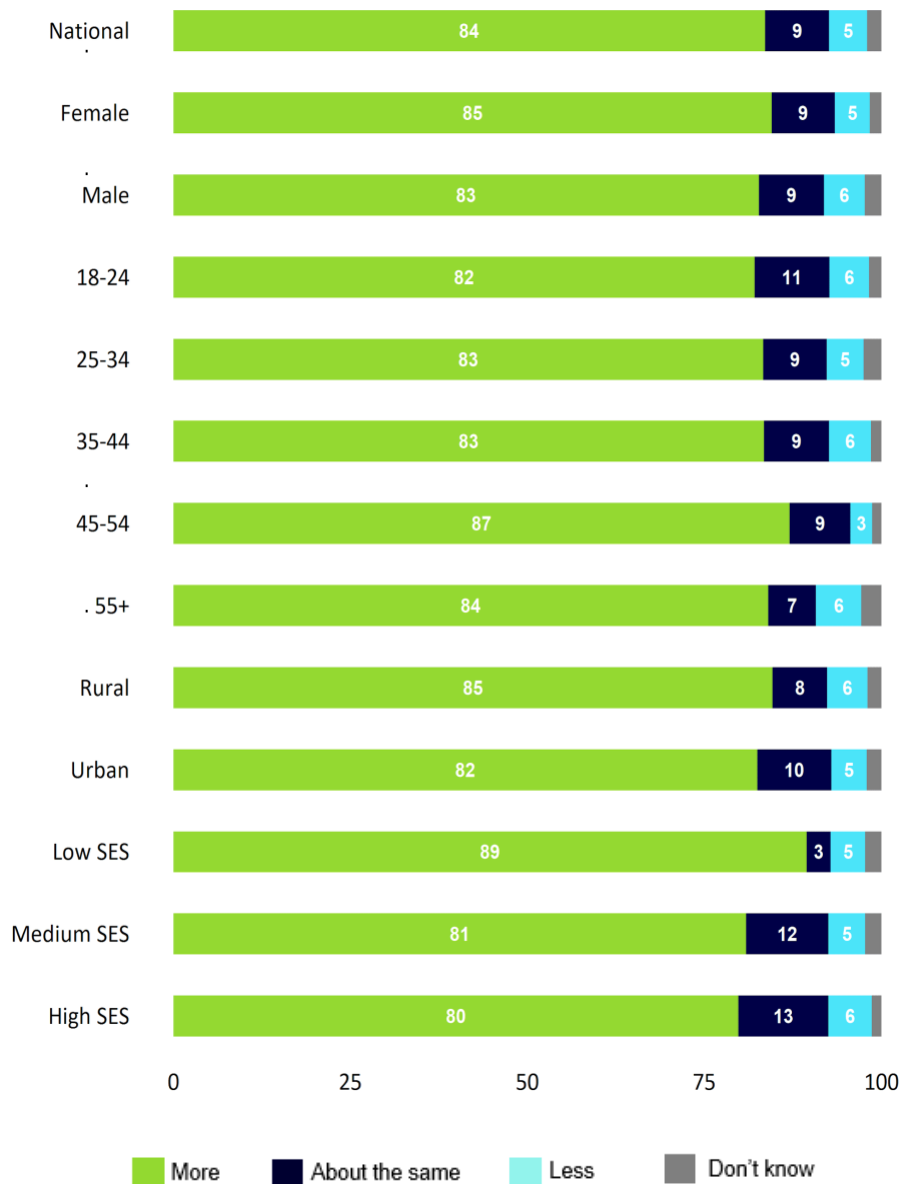
Moreover, strong majorities of Nigerians believe the government should prioritize childcare services above other educational programs in the country. Six out of seven Nigerians believe that the government should prioritize improving access to safe and affordable childcare services *more than primary schooling*. An additional 8 percent believe that the government should prioritize them “about the same.” By contrast, about 7 percent of the general public believes that early childcare service access should be prioritized less, or they do not know. These results hold for every demographic group in the country spanning gender, age brackets, and socioeconomic status.

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



Similarly, 84% of Nigerians believe that the government should prioritize improving access to safe and affordable childcare services *more than secondary schooling* (Figure 7). An additional 9% believe that the government should prioritize them “about the same.” By contrast, 7% of the general public believes that early childcare service access should be prioritized less, or they do not know. These results hold for every demographic group in the country spanning gender, age brackets, and socioeconomic status.

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, we consider the child caregiving environment in Nigeria 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 an 8-percentage point increase in the labor force participation rate in Nigeria, which translates into roughly 9 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 \$3 in increased economic activity. Public support for these types of subsidized child caregiving programs is extremely high in Nigeria, with 95% of the population expressing support for such programs for needy families. Super majorities of every demographic group (age, socioeconomic status, and urban/rural groups) support such programs. In fact, over four-fifths of Nigerians believe that early childcare programs should be prioritized more than primary schooling provision. Therefore, the Nigerian government could view early child caregiving investments not only as good economic policy, but also good politics.



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