# The Impact of Free Childcare Policy on Childcare and Maternal Labour Supply Decisions: Evidence from a Regression Discontinuity Design

**Abstract**

Childcare policy is currently high on the agenda of governments across the world. In many countries, free or highly subsidised childcare programmes have been introduced. Such programmes are designed to serve a dual purpose: to remove a major financial barrier to maternal labour force participation and to boost child development. In this paper, we focus on the impact of such a programme on childcare usage and maternal labour supply. Specifically, we examine the impact of a universal, free, pre-school policy that was introduced in Ireland in 2010 on maternal employment and childcare decisions. This policy used an upper and lower age threshold to determine eligibility.  We take advantage of these arbitrary age thresholds and use a regression discontinuity design to examine the causal impact of this policy on parental childcare decisions and maternal labour supply. Using data from the Survey of Income and Living Conditions, we find that this policy does not appear to have had an impact on an eligible child’s probability of attending pre-school, but did have an effect on the number of hours spent in pre-school. Examining the use of other childcare, such as childminders, it seems that this increase in hours was due to a shift away from childminder care. We find no impact on maternal labour supply, which is unsurprising given this substitution effect.