Municipal subsidies for private early childhood education and care, socio-economic status of family and selection of private or public early childhood education and care when child is about one year old

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Traditionally, private early childhood education and care (ECEC) services have covered only a small part of the Finnish ECEC services. During last ten years, however, private provision has increased and changed, since besides mainly non-profit providers for-profit companies have emerged to the field as well.

This development has been possible especially because many municipalities have started to support the use of private ECEC services. They pay a municipal supplement on top of the national private day care allowance, granted by the Social Insurance Institution of Finland, and/or provide a local service voucher for the families to support the use of private ECEC. At the same time, municipalities have become differentiated: in bigger cities, the contribution of private ECEC may cover 20-30 percentage of service provision whereas many municipalities do not have private services available at all.

International research indicates that private services are related to the differentiation of their users. However, it has been argued that the support policy of private services does not necessarily lead to the inequality of service users in the longer run. In the Finnish context, research on the subject is scarce. The aim of this study is to examine the potential unequalising effects of different municipal subsidy systems on the selection of ECEC services by parents from different social backgrounds. We will analyse how support systems of private ECEC services provided by the municipality and family’s socio-economic background are related to parent choices of ECEC services (public or private family daycare/day care center) for their about one-year-old child.

The data is part of ECEC survey conducted by the CHILDCARE-consortium, funded by the Strategic Research Council, in 2016. The data consist of information about 700 children and their families from nine Finnish municipalities. Information was gathered from mothers and/or fathers. The relationships between municipal and family level variables and ECEC selection are studied using logistic regression analysis.

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