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Purchased Inputs Versus Time Inputs in Child Development

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Oral Presentation O5.2

PURCHASED INPUTS VERSUS TIME INPUTS IN CHILD DEVELOPMENT

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For a number of reasons the typical family unit no longer consists of a working father and a stay at home mother. Instead families are made up of two working parents or a household headed by a single working parent. These situations force children into daycare since the parent or parents are working. In my study, I explore whether or not the child is at a disadvantage by participating in daycare. I identify two competing effects: a lost time effect and a purchased input effect. The lost time effect of having a child in daycare negatively affects a child's development because he or she misses out on time with the parent or parents. This effect could be offset by the purchased input effect which benefits the child because the parent or parents are able to earn additional income, which may be spent on educational inputs for the child. The net effect is indeterminate. I test for the stronger effect in this study by regressing math, reading, and vocabulary test scores against daycare participation, the mother's education, marital and poverty status, the number of siblings of the child, and age. I find that being in daycare does not have a significant effect on vocabulary and reading recognition scores. However, daycare has a negative effect on math and reading comprehension scores, which suggests that for these two areas the negative lost time effect is stronger than the positive purchased input effect.