

Time to close the socioeconomic gap in access to childcare

Henning Hermes, Philipp Lergertporer, Frauke Peter & Simon Wiederhold

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Socioeconomic inequalities shape who accesses early childcare, even in countries that claim universal provision. This entrenched inequality limits child development, women's employment and gender equality – but governments have clear tools to close the gap.

Early childcare is unevenly delivered. In Organisation for Economic Co-operation and Development (OECD) countries, sharp socioeconomic divides determine which children gain a place and which are left out. Children from disadvantaged backgrounds experience the greatest cognitive and social benefits from early childcare, and their parents – in particular, mothers – are able to return quickly to paid employment. Yet, these families are often those least likely to receive the childcare they want¹.

Figure 1 shows steep socioeconomic gradients in participation across OECD countries: among 0–2 year olds (top panel), enrolment in early childcare is consistently higher in the top than in the bottom income tertile; the most striking gaps reach 30–40 percentage points in France, Switzerland and Belgium, and smallest gaps are in the Nordic countries and several former socialist countries (data from 2023). These inequalities have also proved remarkably persistent over time: between 2010 and 2023, participation gaps between advantaged and disadvantaged children hardly narrowed in most countries and even widened in some¹, despite repeated policy initiatives to promote early education and work–family balance. For 3–5 year olds – an age group for which many countries come closer to universal provision – enrolment gaps are smaller but remain present in most countries (bottom panel of Fig. 1). Because inequalities are particularly pronounced among younger children, we focus primarily on this age group in the remainder of this Comment.

Importantly, the gap in early childcare enrolment is not primarily driven by lower demand. Survey and administrative data indicate that disadvantaged parents frequently express a strong desire for centre-based care but face barriers such as complex application systems and concerns about costs^{1,2}. This mismatch between demand and enrolment has dramatic consequences: mothers who would like to work (more) are held back, and disadvantaged children miss out on early and sustained participation in high-quality care – one of the most effective interventions for reducing educational inequalities before school entry³.

Why the gap persists

The reasons for unequal access to universal childcare across countries are manifold. Although early childcare is heavily publicly subsidized in many countries, out-of-pocket costs can still exceed 20% of

average earnings for dual-earner couples in countries such as Ireland, the Netherlands, the UK and the USA. As a consequence, up to one quarter of low-income households report unmet childcare needs for financial reasons¹.

However, substantial inequalities in access remain even where direct costs are lower. A central barrier is limited availability of childcare places, driven by insufficient infrastructure investments and persistent staff shortages. The latter is closely linked to comparatively low salaries for early childhood educators: in many countries, early childhood staff earn markedly less than workers in similar educational occupations¹. Where childcare work is poorly paid and training is weakly supported, both access and quality may suffer.

Barriers to access are not limited to these 'hard' constraints. As in other social programmes, the application processes for childcare are often complex, with inconsistent rules across regions and providers. Disadvantaged parents, in particular, frequently lack crucial information about eligibility, costs and administrative procedures⁴. Many struggle to navigate documentation requirements, proofs of eligibility, or complex claims processes for fee reductions or waivers. These barriers can discourage disadvantaged families from applying in the first place – and even if they apply, their applications are less likely to succeed⁵. Moreover, the need to contact childcare centres for preapplication information in such fragmented systems allows for selective information provision: some providers respond less favourably to disadvantaged families, which subtly discourages them from applying, as a non-peer-reviewed working paper shows⁶.

Even where subsidized care is available, it may still be difficult to use in practice. Rigid opening hours, limited wraparound care, poor transport links and a mismatch between childcare schedules and non-standard work hours can make formal childcare particularly hard to access for disadvantaged families. Language barriers may further exacerbate these issues, particularly in fragmented systems in which families must contact providers individually or navigate multiple administrative steps independently.

Finally, although the enrolment gap in early childcare is primarily a problem of access rather than demand, cultural factors (as an internalized constraint) can further amplify unequal childcare access. In many societies, conservative gender norms persist, as, for example, with the widespread belief that young children 'suffer' when mothers work². These conservative norms are more prevalent among disadvantaged families and thus contribute to unequal access: mothers in these families are more likely to provide childcare at home and less likely to return to the labour market¹.

Although the relevance of specific barriers varies across countries, their combined effect generates substantial inefficiencies: the children who stand to benefit most from early childcare services remain systematically underrepresented.

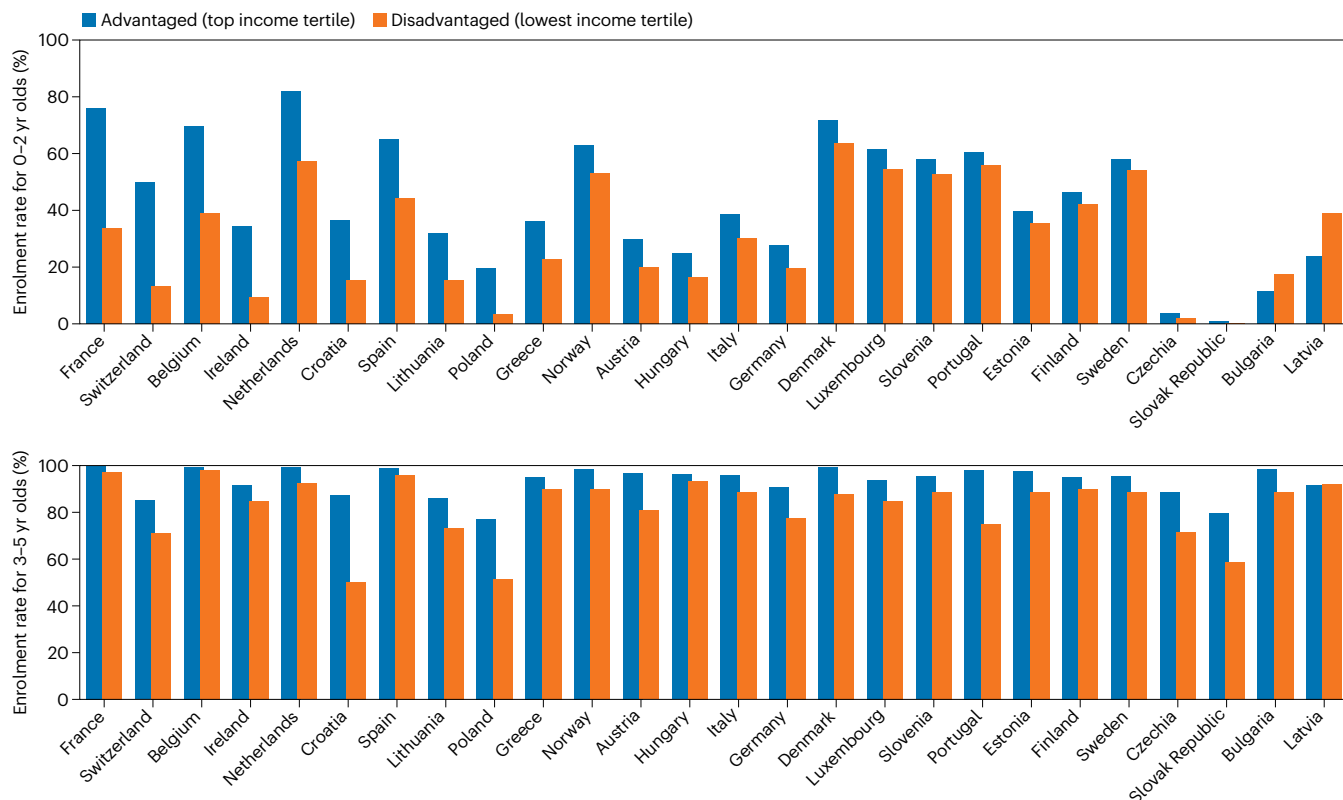


Fig. 1 | Unequal participation in childcare across OECD countries. Bars represent the share of advantaged (top income tertile) and disadvantaged (lowest income tertile) children aged 0–2 years old (top) and 3–5 years old

(bottom) enrolled in regulated childcare, referring to 2023. Countries are sorted by the enrolment gap between advantaged and disadvantaged children aged 0–2 years old. Based on data from the OECD¹.

Why unequal access matters

Unequal access to childcare imposes costs on multiple levels. It affects not only children and their parents but also may undermine broader societal outcomes by slowing productivity growth and reinforcing gender inequalities. The core problem is not only that childcare use remains below its socially desirable level. It is also that the shortfall is concentrated among disadvantaged families, and thereby amplifies preexisting inequalities in child development, parental labour-market opportunities and the intergenerational transmission of disadvantage.

Early childcare is not just custodial care; it is an educational investment with exceptionally high private and social returns. Longitudinal evidence from intensive preschool programmes that target disadvantaged children shows very high benefit–cost ratios and annual social rates of return, including benefits from higher educational attainment, better health, reduced crime and higher earnings in adulthood⁷. Similar patterns emerge for universal childcare programmes: they tend to yield particularly large gains for disadvantaged children and thereby reduce early inequalities⁸. These benefits crucially depend on quality. Expanding low-quality care would be far less effective in reducing inequality than expanding access to stable, high-quality provision⁹. Done right, early childcare can be a highly efficient public investment, as it provides large societal benefits while also improving equality of opportunity.

Childrearing poses substantial challenges for parents' labour supply – especially for mothers, who continue to shoulder most caregiving responsibilities. The resulting gendered interruptions to

employment have long-lasting repercussions for mothers' earnings, promotions and pensions, and explain much of the persistent gender inequality in labour-market outcomes observed internationally. Accordingly, another non-peer-reviewed working paper shows that providing access to childcare can increase mothers' working hours and related outcomes, and thereby improve gender equality within families¹⁰.

The economic implications of the positive effects of early childcare on children and parents extend well beyond individual families to society as a whole. In many countries, shortages of skilled labour hamper productivity and long-run growth. High-quality childcare not only fosters early skills that are valuable in future labour markets, but also generates immediate gains by mobilizing the large pool of latent labour supply among mothers who are currently working marginal or part-time hours. Employed mothers further serve as important role models for their children, and help to counteract traditional male-breadwinner norms that have historically constrained women's labour-market potential. Apart from labour-market outcomes, improving childcare access for disadvantaged children may also generate broader societal benefits through, for example, improved public health, greater safety and stronger social cohesion. Together, these external effects make childcare a central policy lever rather than a niche family issue.

Six policy priorities

The good news is that we know a lot about how to reduce these inequalities. We argue for six complementary actions that governments should

commit to over the next decade. Given the complexity of the existing systems, none of these steps is likely to succeed in isolation. Because responsibilities for early childcare are often split across municipal, regional and national levels, a coordinated multilevel approach is essential.

Expand childcare capacity. Persistent shortages remain the binding constraint on equal access, particularly for children under three. Expanding the number of places through targeted public investment and improved local implementation is a prerequisite for any other reform. Without sufficient capacity, neither simpler procedures nor better information can achieve equal access. National governments should therefore commit to multiyear investment programmes that enable municipalities to expand and modernize facilities, with priority for areas where disadvantaged children are currently underserved. At the same time, area-based targeting should be supplemented with individual-level outreach and financial support to ensure that disadvantaged families who live outside of the most impoverished neighbourhoods are not overlooked.

Improve working conditions. Capacity increases and quality improvements require more highly qualified staff. Raising educator salaries substantially and bringing them closer to the level of primary-school teachers and other tertiary-educated workers, as well as improving financial support during training, are indispensable to attract and retain qualified staff, stabilize quality and signal that early education is skilled, socially valuable work. Better working conditions therefore matter not only for recruitment but also for maintaining the quality that gives childcare its equalizing potential.

Simplify and harmonize access. Complex and fragmented governance structures impose high administrative costs and exacerbate inequality. Municipalities should introduce centralized application systems, coordinate on standardized eligibility and pricing rules, and create transparent procedures to reduce complexity and make access to childcare more equitable. One powerful long-run goal for national governments is to make childcare free for everyone, and thereby remove uncertainty about effective prices and eliminate the administrative burdens associated with means testing. In the short run, governments can move towards this goal by introducing simple income-related fee caps and automatic fee waivers for low-income families, while fully compensating providers to prevent quality from eroding.

Provide clear information and personalized support. Even in simplified systems, disadvantaged families face informational barriers. Evidence from randomized trials shows that clear information and personalized assistance can substantially narrow enrolment gaps. Such low-cost interventions can be scaled within existing administrations. Social services, employment agencies, paediatricians and community organizations can be tasked and funded to proactively contact families with young children, explain their rights, help to complete applications and follow up until a place is secured.

Use technology to enhance administrative fairness and efficiency. Digital platforms and artificial-intelligence-based tools, carefully designed for accessibility and privacy, may provide personalized support, reduce language barriers, help families to find childcare centres that match their needs, or remind parents of deadlines and incomplete applications. Although empirical evidence is still scarce, these tools promise to deliver effective, individualized support at minimal

marginal cost and may help to address the information, coordination and language barriers discussed above. To avoid reinforcing digital divides, such tools must be mobile-friendly and available in multiple languages, and should ideally be complemented by in-person assistance for families with low digital literacy.

Anticipate demographic change. Childcare investments must remain viable in the face of demographic transition. Decreasing cohort sizes will allow for substantial improvements in quality, in particular for the staff-to-child ratio. At the same time, modular career pathways can help childcare educators to transition into other care sectors, and alleviate future labour shortages. Infrastructure should be designed in flexible, multipurpose ways so that buildings can later serve, for example, eldercare or community functions. This should not be misread as an argument against investing more in childcare where shortages remain acute. Rather, the point is to ensure that new investments remain socially valuable even if age-specific demand shifts over time.

Childcare as social infrastructure

Although expanding capacity and improving access requires substantial public spending, these investments come with very high rates of return. Greater availability and affordability of childcare – especially for children under three – allow for higher maternal labour-force participation, which generates tax revenue and social security contributions that offset a substantial share of costs over time¹⁰. Even more, the broader societal benefits – which span child development, maternal labour-force participation and gender equality – make early childcare one of the highest-yield public investments available.

Ultimately, childcare should be reframed as an integral part of the education system. Just as universal school systems provide high-quality learning for all children, societies need universal, high-quality childcare options for every family. Integrating governance, financing and quality standards under the umbrella of the national education system would institutionalize early learning as a public good rather than a private family matter, with positive externalities generating high private, social and intergenerational returns in the long run.

Childcare policy is most effective when it is embedded in a broader architecture of support, including flexible work arrangements, reliable transport and strong quality regulation. Treating childcare as social infrastructure is essential if governments are serious about closing socioeconomic gaps early in life rather than merely compensating for them later.

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Competing interests

The authors declare no competing interests.

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