



Source: BRAC HQ Daycare Center (Dolha)

THE WILLINGNESS TO PAY FOR EMPLOYER-SUPPORTED CHILDCARE SERVICE: A CASE STUDY OF WOMEN IN KURUNEGALA DISTRICT

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CONTENT

1. Introduction
2. Research Objectives
3. Literature Review
 - Childcare & Women's Employment
 - Methodological approach
4. Sample size and the Population
5. Survey Design
 - Initial Bid Selection
 - Follow-up Bid Selection
 - Empirical Estimation
6. Results & Discussion
7. Conclusion & Implications
8. References



INTRODUCTION

- The female employed population in Sri Lanka has increased over the last few decades.
- The majority of working mothers pursue socially constructed "Good Mothering" practices.
- The absence of quality and cost bearable childcare forfeit women from taking up paid work.
- The percentage of women's employment has reduced in the age groups of 20 – 24 years, 25 – 29 years, and 30 – 39 years (Sri Lanka Labour Force Survey, 2019).
- The highest fertility rate of women in Sri Lanka is in the age group of 25 – 34 years (Demographic and Health Survey, 2016).
- The childcare is a barrier to women's employment (Madurawala, 2009).



RESEARCH OBJECTIVES

- To evaluate how much a woman is willing to pay for employer-supported childcare service
- To evaluate what factors affect the willingness to pay of a woman



LITERATURE REVIEW – Childcare & Women’s Employment

Author	Year	Findings
UNICEF	2019	The majority of women in Sri Lanka who expected to be employed abandon their future careers or quit their paid work prematurely and do not return to work due to the difficulty in finding quality and affordable childcare facilities
Barros et al.	2013	By analyzing a lottery for free daycare services among low-income families in Brazil, it has found that winning a childcare slot increases women's likelihood of being employed by 10 percent.
Hojman & López Bóo	2019	Introducing free public childcare programs impacts mothers' labor force participation in Nicaragua by 14 percent
Han & Waldfogel	2001	Childcare cost has a strong negative impact with the women's employment Policies that reduce childcare costs could increase married women's employment rate by 3 to 14 percent.
Hansen & Hawkes	2009	Formal childcare positively associates with the child's school readiness test scores.

LITERATURE REVIEW – Methodological Approach

Author	Year	Findings
Connelly	2004	Contingent valuation method is appropriate for determining the monetary value that employees place on employer-supported childcare services
Calia & Strazzera	2000	The double-bounded dichotomous choice method is the most efficient contingent valuation method.
Bradford et al.	2004	Evaluated the willingness of patients with chronic heart failure to pay for access to medical care via telemedicine using the double-bounded dichotomous method.
Lin et al.	2017	Used the double-bounded dichotomous method to estimate the willingness to pay for haze mitigation tax on Singapore

SAMPLE SIZE AND THE POPULATION

Target Group

Employed and unemployed women aged over 15 years living in the Kurunegala district.

Population

642,374 (Census of Population and Housing, 2012)

Sample

384 (Krejcie & Morgon, 1970)

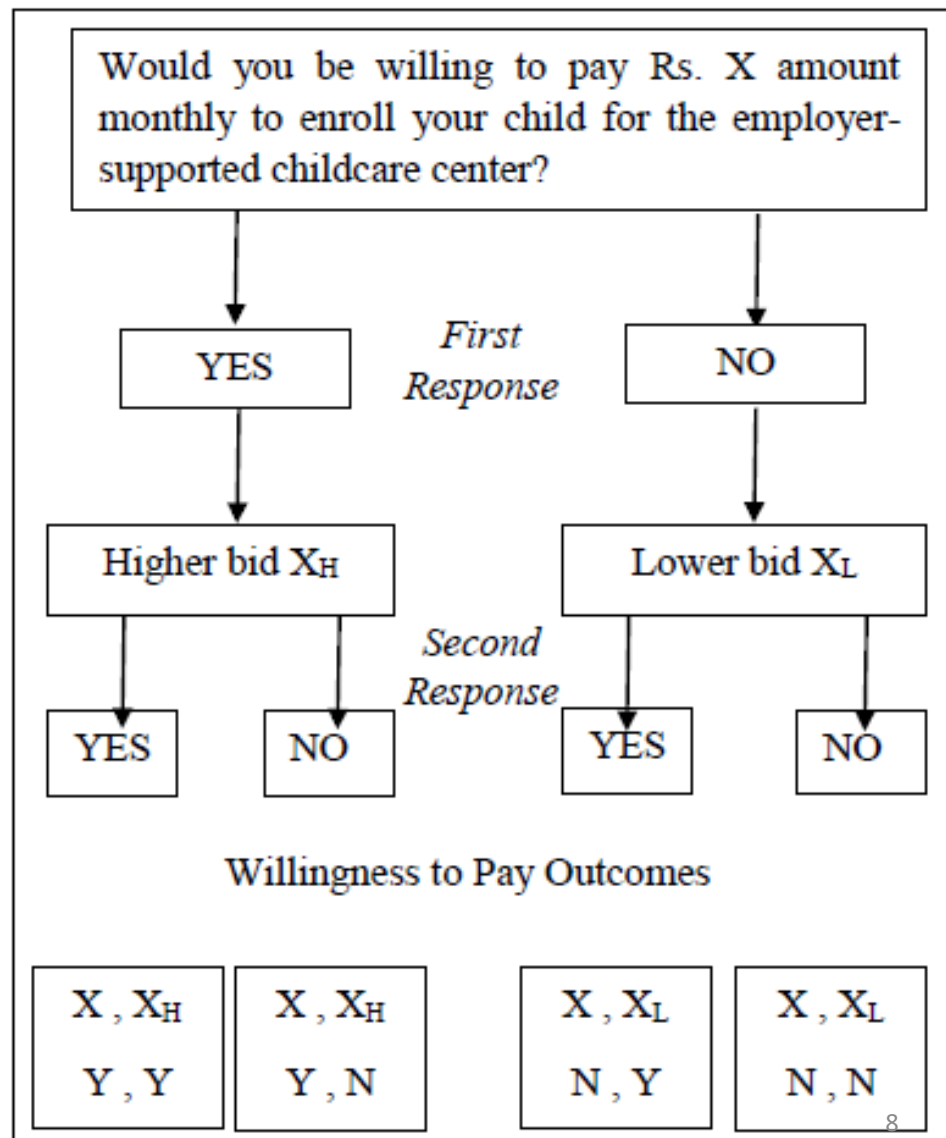
Data collection method

Online and offline survey-based questionnaires

Sampling method

Snowball sampling and purposive

SURVEY DESIGN



INITIAL BID SELECTION

Table 1 -Monthly Charges of the Employer-Supported Childcare Centers in Colombo District

Company Name	Located Area	Monthly Charges (Rs.)
Company A	Ratmalana	10,000
Company B	Nugegoda	11,500
Company C	Katunayake	8,500

Table 2 – Monthly Charges of Childcare Market in Colombo District

Daycare Name	Located Area	Monthly Charges (Rs.)
Daycare A	Moratuwa	12,000
Daycare B	Rajagiriya	13,000
Daycare C	Ja-ela	10,000

The ratio of the average charge of employer-supported childcare to the average charge of private childcare market in Colombo district

$$= 10,000 : 11,666.67$$

$$0.857$$

$$\approx 1$$

Table 3 – Monthly Charges of Childcare Market in Kurunegala District

Daycare Name	Located Area	Monthly Charges (Rs.)
Daycare D	Kurunegala	7,500
Daycare E	Kuliyapitiya	4500
Daycare F	Ibbagamuwa	5000
Daycare G	Rideegama	4000
Daycare H	Pannala	2000
Daycare I	Mawathagama	8000
Daycare J	Polpithigama	3500

Table 4 – Percentile of the Monthly Charges of Childcare Market in Kurunegala District

Initial bid (Rs.)	2,000	3,500	4,000	4,500	5000	7,500	8,000
Percentile	14.2	28.6	42.9	57.1	71.4	85.7	100

FOLLOW-UP BID SELECTION

- Initial bid value - X
- Follow-up bid value - $X_H = X + A$ (if the answer to the initial bid value is “YES”)
- $X_L = X - A$ (if the answer to the initial bid value is "NO")

$A = 25\%$ value of the initial bid value (Calia & Strazzera, 2000)

Table 5 – Initial Bidding Values and the Follow-up Bidding Values of the Study

Initial bid (Rs.)	3,500	4,000	4,500	5,000
Highest bid (Rs.)	4,375	5,000	5,625	6,250
Lowest bid (Rs.)	2,625	3,000	3,375	3,750

RESULTS AND DISCUSSION



DESCRIPTIVE ANALYSIS

Figure 1 – Current Childcare Method of Employed and Unemployed Women

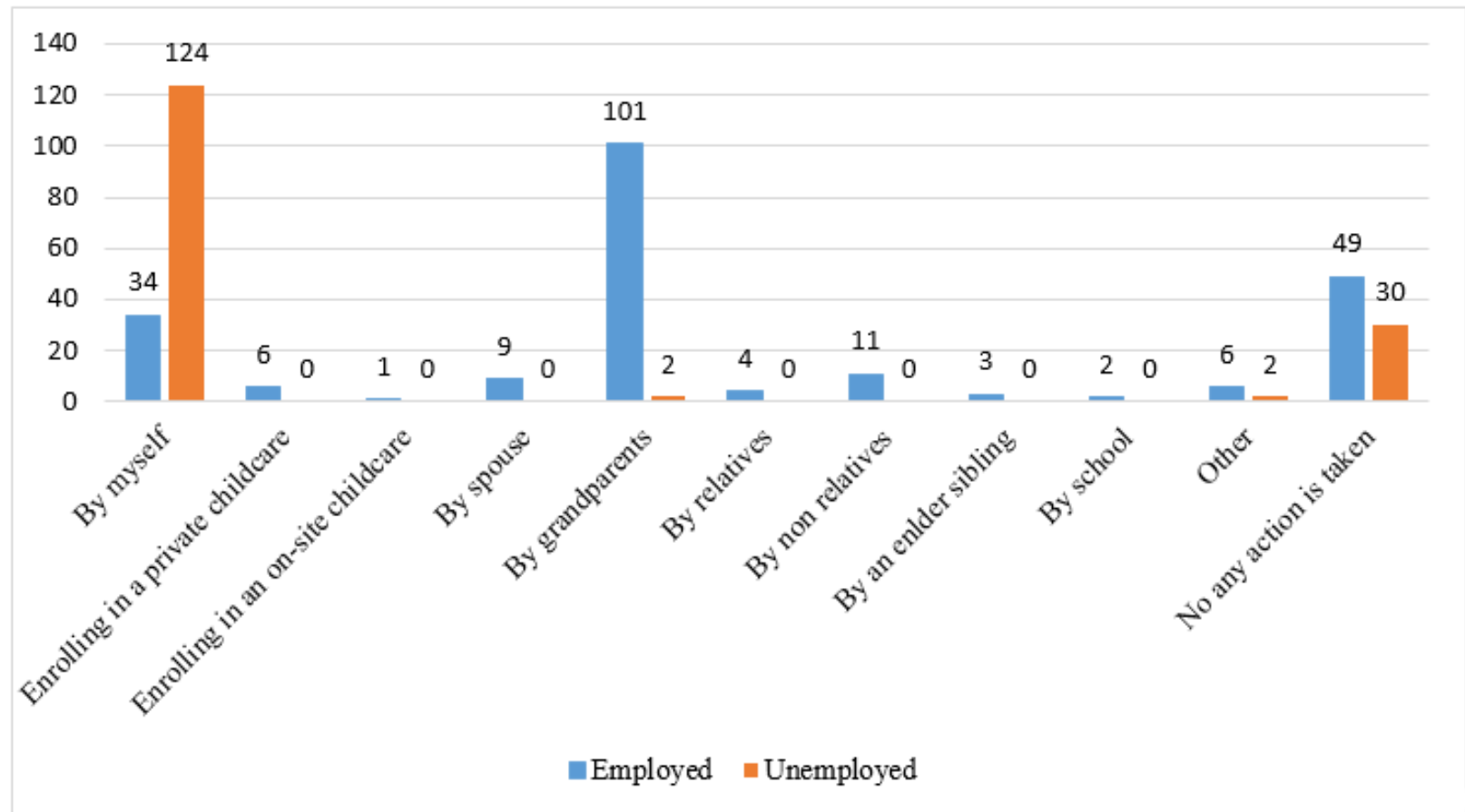
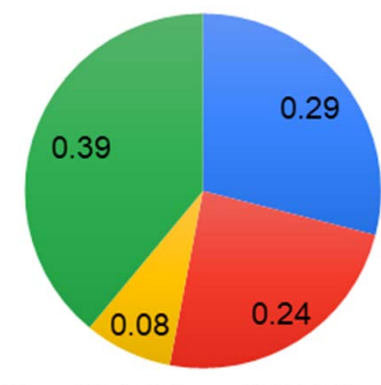


Table 6 –Descriptive Results of the Sample

Characteristics	
Percent married	81.51%
Percent never married	18.49%
Percent married women from 20-39 yrs	73.66%
Percent employed	58.85%
Percent unemployed	41.15%
Percent employed women from the age group 20-39 yrs	44.66%
Percent unemployed women from the age group 20-39 yrs	55.34%
Percent of unemployed women interested in doing a paid work	48.73%
Percent of government sector employees from employed women	53.10%
Percent of private-sector employees from employed women	29.65%
Percent voted "YES" for the employer-supported childcare center	81.77%
Mean number of children less than 16	2.41
Percent graduates	23.70%
Percent of women did not qualify for GCE Advanced Level	14.84%
Mode age category	30 – 39 yrs
Number of women surveyed	384

THE DISTRIBUTION OF DICHOTOMOUS RESPONSES FOR MONTHLY CHARGES

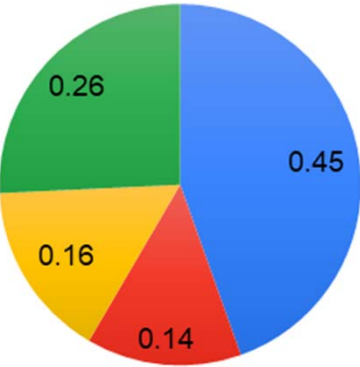
3500 (2625 - 4375)



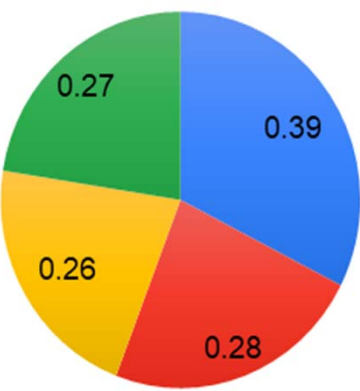
4000 (3000 - 5000)



4500 (3375 - 5625)



5000 (3750 - 6250)



■ YES-YES ■ YES-NO ■ NO-YES ■ NO-NO

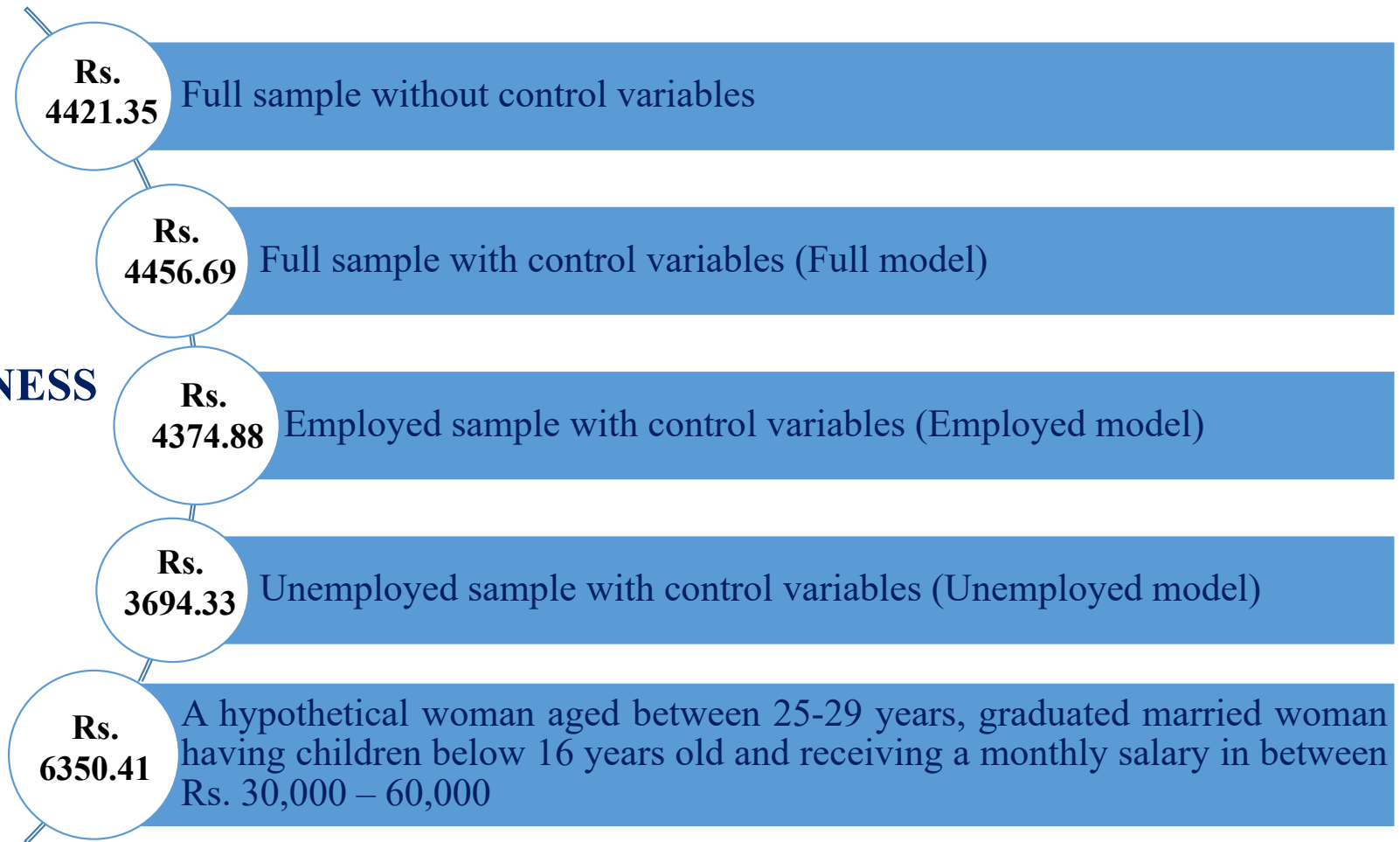
EMPIRICAL ESTIMATION OF WILLINGNESS TO PAY

Table 7 - Coefficients on Willingness to Pay for Employer-Supported Childcare Facility

	Full Model	Employed Model	Unemployed Model
Age (taking over 40 yrs as the base)			
15 – 19 yrs	12134.40 (319676)	-	9514.54 (371070.7)
20 – 24 yrs	1277.21 (810.93)	-542.91 (1188.13)	1350.04 (1184.85)
25 – 29 yrs	655.51 (488.21)	993.16*	-407.68 (826.79)
30 – 39 yrs	-9.71 (297.17)	839.29**	-861.38** (382.67)
Monthly Income (taking Rs.0 - Rs.15,000 as the base)			
Rs.15,001 – Rs.30,000	898.89 (667.64)	814.71 (846.66)	-
Rs.30,001 – Rs.60,000	2025.10*** (651.94)	1694.36** (844.81)	-
Rs.60,001 – Rs.100,000	2568.90*** (734.43)	2327.53** (903.38)	-
Over Rs.100,000	1074.05 (779.99)	866.66 (1013.92)	-

	Full Model	Employed Model	Unemployed Model
Married Women	-1084.71* (568.32)	-1487.70* (736.95)	287.24 (913.17)
Graduated Women	755.01** (343.27)	147.04 (393.59)	2392.76*** (984.34)
Women having Children below 16 years	-65.36 (428.78)	648.73 (517.62)	-703.30 (734.51)
Government Worker	-	420.09 (377.31)	-
Newly Hired Employees	-	501.29 (675.93)	-
Short Distance from Home to Workplace	-	-157.48 (534.34)	-
Job Interested	-	-	1506.96*** (359.56)
Employed Women	-204.06 (617.91)	-	-
n	384	226	158
Chi Squared	85.26	31.87	56.06

MEAN WILLINGNESS TO PAY



MEAN WILLINGNESS TO PAY OF SELECTED TYPES OF WOMEN

Table 8 - Mean WTP of Selected Types of Women

Characteristics	Willingness to Pay (Rs.)
Employed women	5032.18
Unemployed women	3628.51
Married women	4054.36
Unmarried women	6219.16
Women who have children below 16 years old	3971.20
Married women who do not have children below 16 years old	4864.21
Unmarried women who are employed	6599.54
Unmarried women who are unemployed	5827.90
Women who have more than Rs.100,000 monthly income	4602.32
Women who have less than Rs.15,000 monthly income	3607.72
Women who are graduated	5723.51
Women who are not graduated	4060.54
Women who are employed in the government sector	5227.69
Women who are employed in the private sector	4656.00

CONCLUSION AND IMPLICATIONS

- Factors that are positively associate with willingness to pay

Monthly income

Education

Employment status

Interest in paid work

Women's childbearing ages

- Factors that are negatively associate with willingness to pay

Family-related expenses

- Mean willingness to pay of the full sample without control variables – Rs. 4421.35
- Mean willingness to pay of the full sample with control variables – Rs. 4456.69
 - The cost of running the childcare service at Selyn company is Rs. 4000.00 per child/per month

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THANK YOU !!

