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## Early Child Care and Labor Supply of Lower-SES Mothers: A Randomized Controlled Trial

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# Early Child Care and Labor Supply of Lower-SES Mothers: A Randomized Controlled Trial

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# Early Child Care and Labor Supply of Lower-SES Mothers: A Randomized Controlled Trial

## Abstract

We present experimental evidence that enabling access to universal early child care for families with lower socioeconomic status (SES) increases maternal labor supply. Our intervention provides families with customized help for child care applications, resulting in a large increase in enrollment among lower-SES families. The treatment increases lower-SES mothers' full-time employment rates by 9 percentage points (+160%), household income by 10%, and mothers' earnings by 22%. The effect on full-time employment is largely driven by increased care hours provided by child care centers and fathers. Overall, the treatment substantially improves intra-household gender equality in terms of child care duties and earnings.

JEL-Codes: D900, J130, J180, J220, C930.

Keywords: child care, maternal employment, gender equality, randomized controlled trial.

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## 1. Introduction

Despite a considerable convergence during the past decades, gender gaps in labor market outcomes still persist in many countries. A key driver of these remaining gender inequalities is childbirth and especially the unequal division of child care that comes with it (see, e.g., Kuziemko et al., 2018; Andresen and Nix, 2022a,b). One important policy instrument aimed at mitigating the adverse effects of child care duties on maternal labor supply is public provision of universal child care. Past expansions of universal child care have indeed increased maternal labor supply in various countries, including Germany (Bauernschuster and Schlotter, 2015) and Norway (Andresen and Havnes, 2019). However, the benefits of (expanding) universal early child care differ strongly by families' socioeconomic status (SES). Lower-SES families are generally less able to access and utilize universally available education programs, so they benefit less from expanding child care offers (see, e.g., Jessen et al., 2020; Müller and Wrohlich, 2020; Heckman and Landersø, 2021). This unequal access to child care is problematic from an equality perspective, as lower-SES mothers face particularly large gender gaps on the labor market.<sup>1</sup> The fact that lower-SES families react only little, if at all, to child care expansions also means that we know very little about the causal effect of access to child care on the labor supply of lower-SES mothers.

To overcome the challenge that child care enrollment of lower-SES families is often unresponsive to child care expansions, we conduct a randomized controlled trial (RCT) with a treatment designed to specifically increase enrollment of these families. Our sample consists of more than 600 families in Germany with children aged below one year. Germany is a particularly interesting country to study because gender gaps in the labor market are very high compared to other industrialized countries, and the negative impact of children on mothers' labor market outcomes is particularly strong (OECD, 2017b; Kleven et al., 2019; Feldhoff, 2021). Even mothers who return to the labor market after childbirth rarely do so full-time (Schrenker and Zucco, 2020; Ilieva and Wrohlich, 2022). At the same time, Germany provides universal early child care with regulated quality standards and low child care fees due to heavy public subsidization (see Section 2.1 and e.g., Alt et al., 2018; Felfe and Lalive, 2018). However, parental demand for slots exceeds supply,

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<sup>1</sup>The average gender employment gap for lower-SES mothers in OECD countries is 33.1 percentage points (pp), nearly twice as large as the average gap for higher-SES mothers (17.3 pp) (OECD, 2017b).

and lower-SES families are strongly underrepresented in early child care.<sup>2</sup> To enable child care access for lower-SES families, we provide information and customized assistance in the child care application process. Child care enrollment of lower-SES families increases substantially due to our intervention (Hermes et al., 2021).

By enabling access to early child care, our intervention strongly affects the labor supply of lower-SES mothers (when children are 2–3 years old). The treatment increases mothers’ probability of working full-time ( $\geq 30$  hours per week) by 9.2 pp, which represents an increase of more than 160% relative to the control group mean. Net household income in the treatment group increases by 10%, suggesting that the increase in maternal full-time employment does not lead to a corresponding decrease in fathers’ labor supply. Among working mothers, the treatment increases earnings by as much as 22%.<sup>3</sup> Reassuringly, we find no treatment effects on maternal labor market outcomes in higher-SES families, for whom our treatment did not increase child care enrollment.

We also study potential mechanisms underlying the treatment effect on full-time employment for lower-SES mothers. The treatment not only increases care hours in child care centers (by 3.2 hours per week), but also care hours provided by the father (by 2.6 hours per week). At the same time, dependence on other care arrangements, e.g., care provided by grandparents or other relatives, decreases due to the treatment (by 2.3 hours per week). Thus, our treatment affects how families combine different forms of non-maternal care, leading to a more equal distribution of child care hours between mothers and fathers. In a mediation analysis, we can attribute 57% of the overall treatment effect on full-time employment to the three non-maternal care variables, with care hours provided by child care centers (25%) and fathers (21%) being most relevant.

Finally, we analyze how access to universal child care affects (intra-household) gender equality in lower-SES families. On the aggregate level, the treatment reduces the large, 76 pp gap in full-time employment between mothers and fathers by 12%. Our household-level analysis shows that treated families are 20% less likely to be “male breadwinner” households in which the father works full-time and the mother works at most part-time. Furthermore, the treatment reduces the intra-household gender gap in child care hours

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<sup>2</sup>The difference in early child care enrollment between parents with and without a college entrance qualification ("Abitur") is 14 pp, which cannot be fully explained by differences in demand for child care (Jessen et al., 2020).

<sup>3</sup>Additional analyses reveal that the full-time employment effect for lower-SES mothers is due to increased working hours (intensive margin) rather than increased labor market participation (extensive margin) (see Section 4.2).

by 30% and the earnings gap by 32%. These findings strongly emphasize the importance of access to universal child care for moving towards a more gender-equal society.

We verify our results in several robustness checks. First, we show that results are robust to accounting for attrition (which is generally low and independent of the treatment status) using inverse probability weighting and bounding analysis. Treatment effects are also robust to correcting for multiple hypothesis testing and when using randomization inference. Finally, effects are qualitatively similar for alternative SES definitions based on pre-treatment household income and single mother status.

Our paper presents the first evidence from an RCT that enabling lower-SES families to access universal early child care improves maternal labor market outcomes and intra-household gender equality. We thereby contribute to several strands of literature.

Using quasi-experimental research designs, previous research has provided compelling evidence on how child care affects maternal labor supply.<sup>4</sup> But evidence on how child care affects *lower-SES* families — who are characterized by low child care participation and large gender gaps in labor market outcomes (see, e.g., Van Lancker and Ghysels, 2016; OECD, 2017b; OECD, 2019; Cascio, 2021; Flood et al., 2021) — has been very limited.<sup>5</sup> This is due to the fact that child care enrollment of these families is often barely, if at all, affected by child care expansions or reforms typically exploited in quasi-experimental designs (see, e.g., Van Lancker, 2018; Scholz et al., 2018). Consequently, previous studies have hardly been able to identify effects of child care on labor market outcomes of lower-SES mothers. We overcome this identification challenge by designing an intervention that specifically targets child care participation of lower-SES families. Intriguingly, our finding that enabling access to early child care has particularly strong and positive effects on lower-SES mothers’ full-time employment is consistent with recent theoretical equilibrium models on the impact of increasing access to early child care (Borowsky et al., 2022).

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<sup>4</sup>While quasi-experimental studies focusing on child care for older children (aged 3–6 years) find mixed overall effects on maternal labor market outcomes (see, e.g., Baker et al., 2008; Cascio, 2009; Fitzpatrick, 2010; Havnes and Mogstad, 2011; Bauernschuster and Schlotter, 2015), those focusing on child care for younger children — as we do — find mostly positive effects (e.g., France: Goux and Maurin (2010); Switzerland: Ravazzini (2018) ; Italy: Carta and Rizzica (2018); Belgium: Dujardin et al. (2018); Norway: Andresen and Havnes (2019); Andresen and Nix (2022a); Germany: Müller and Wrohlich (2020); Huebener et al. (2020)). Several papers show that effects on maternal employment are especially pronounced at the intensive margin (i.e., full-time employment rates or working hours; see Ravazzini, 2018; Andresen and Havnes, 2019; Huebener et al., 2020).

<sup>5</sup>Neither the lower use of child care nor the lower maternal labor market participation in lower-SES families appear to merely reflect their *preferences*. Compared to their higher-SES counterparts, lower-SES families are more likely to have an unmet demand for child care (Jessen et al., 2020) and lower-SES mothers are less likely to work as much as they desire (see, e.g., Harnisch et al., 2018; Geis-Thöne, 2021).

Very recently, a few papers have experimentally investigated how child care participation affects maternal labor supply (Wikle and Wilson, 2022; Bjorvatn et al., 2022).<sup>6</sup> Our paper differs from these studies in at least two important dimensions: First, we focus on *early* child care for children under the age of three, which is the most critical period for mothers to successfully return to the labor market after child birth (OECD, 2011). Second, we focus on the effect of *universal* child care, as opposed to targeted programs serving only a small subset of children. In many countries, universal child care programs are available nationwide, highlighting the potential scalability of our results. Closest to our study, the working paper by Attanasio et al. (2022) analyzes a lottery conducted by the government of Rio de Janeiro that randomly assigned slots in early public child care. The authors find no effects of winning the lottery on the labor supply of parents, but they do find an increase in the labor supply of grandparents living with the child (which is common in the Brazilian context).<sup>7</sup> Our results complement these findings, suggesting that existing institutional differences (related to, e.g., the child care system, the labor market, or household organization) limit the transferability of findings between developing and developed country contexts.

Finally, our study adds to a large literature investigating gender inequality within households and, more generally, gender gaps in the labor market (see, e.g., Goldin, 2021; Lundberg, 2022). There is ample international evidence that the existing gender gaps in the labor market are due to the fact that parenthood has a much larger negative effect on labor market outcomes of mothers compared to fathers, often referred to as “child penalty” (see, e.g., Kuziemko et al., 2018; Kleven et al., 2019).<sup>8</sup> Andresen and Nix (2022b) investigate the mechanisms behind the child penalty for mothers, emphasizing the unequal division of child care duties to the disadvantage of mothers. Our RCT addresses this very issue, showing that increasing non-maternal care hours has a strong positive effect on maternal labor market outcomes and intra-household gender equality.

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<sup>6</sup>Wikle and Wilson (2022) reanalyzed the experimental impact study of Head Start — a non-universal child care program serving about 3% of children in the U.S. — and find a marginally significant positive effect on maternal full-time employment (also see Schiman, 2022). In the development context, Bjorvatn et al. (2022) show that offering families in Uganda child care subsidies without additional cash transfers has no impact on maternal labor supply.

<sup>7</sup>In general, the evidence from developing countries on how child care affects mothers is somewhat mixed. In contrast to Attanasio et al. (2022), Clark et al. (2019) and Ajayi et al. (2022) find positive effects of early child care access on mothers’ labor market outcomes in Kenya and Burkina Faso, respectively.

<sup>8</sup>Following the literature, we also use the term “child penalty” for conceptual accuracy. The term is sometimes criticized for its normative connotation (Berniell et al., 2021), and we do not mean to imply any value judgment regarding children or labor market decisions by using the term.



## 2. Study Design

### *2.1. Institutional Background: Maternal Labor Supply and Child Care in Germany*

In recent years, maternal employment rates in Germany have increased substantially, which is often attributed to family-friendly policies such as generous parental leave or the expansion of universal (early) child care (BMFSFJ, 2020). However, mothers in Germany still face one of the highest child penalties in terms of full-time employment and earnings among OECD countries (see, e.g., OECD, 2017a; Kleven et al., 2019). For example, only 17% of mothers but 86% of fathers work full-time when their youngest child is two years old (BPB, 2021). Child penalties are particularly large for mothers with lower socioeconomic status. Lower-SES mothers with children aged 0–3 years are less often employed than higher-SES mothers (14% vs. 46%), and they have a lower probability of working full-time (4% vs. 16%) (see, e.g., BMFSFJ, 2012, 2020).

In order to increase maternal (full-time) employment rates, Germany has greatly expanded its universal child care system over the past decade (BMFSFJ, 2008; Education Report, 2020). For example, there is a legal entitlement to a child care slot for all children from their first birthday onward since 2013. Additionally, the quality of child care is high, slots in child care are heavily publicly subsidized (on average, families pay only about 250 EUR per month), and low-income families are eligible for fee exemptions. Most child care centers are operated by non-profit organizations (in particular, church-based providers) or municipalities; only one percent of centers are run by for-profit organizations (Education Report, 2020). Therefore, similar to many other European countries, there is little competition among providers (Spiess, 2008).

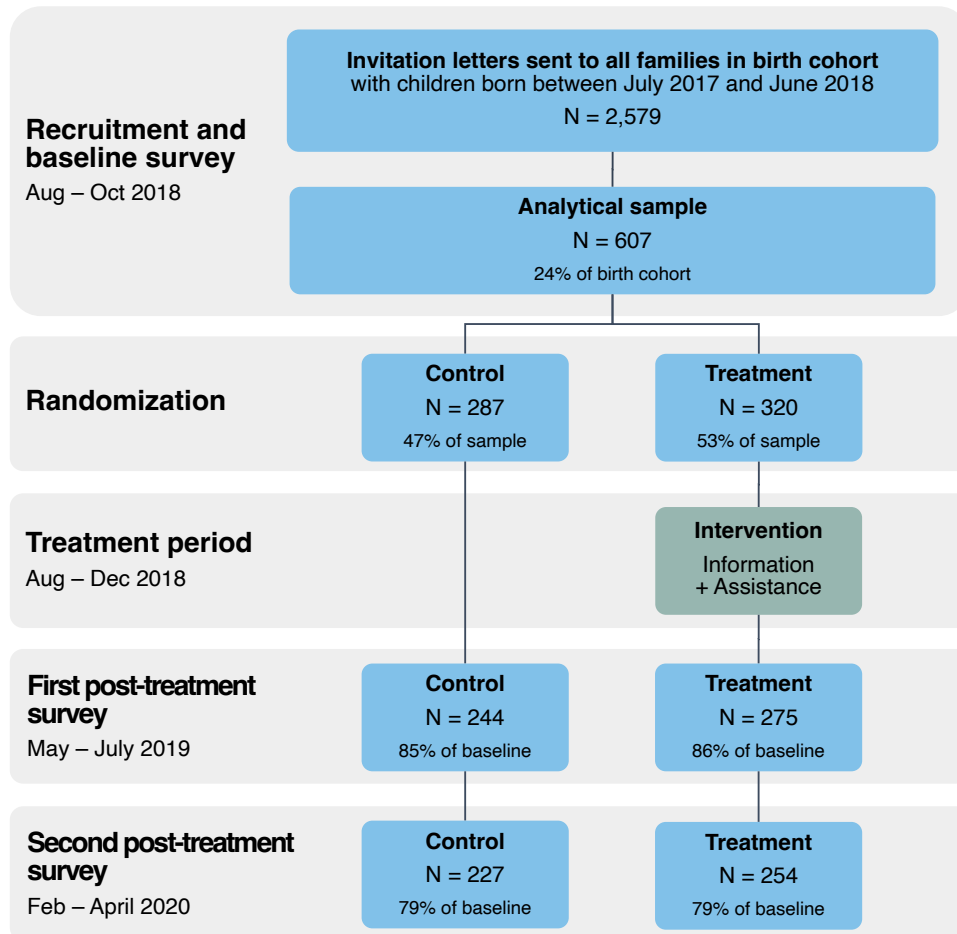
The early child care market in Germany is characterized by rationing (see Appendix A for more details on the institutional background). Since demand for early child care slots far exceeds supply, there is intense competition among families for child care slots. Problematically, the allocation of slots in early child care is decentralized, unstructured, and non-transparent, giving well-informed and well-organized parents an advantage in securing a child care slot. In addition, lower-SES parents typically have less time, money, and social capital to invest in the child care application process, which reduces their chances of obtaining a slot. As a consequence, lower-SES families are strongly underrepresented in early child care (Jessen et al., 2020) and have benefited less than higher-SES families from past expansion of child care (Cornelissen et al., 2018; Scholz et al., 2018; Müller and Wrohlich, 2020). Therefore, we designed an intervention that specifically addresses the problems lower-SES families face in applying for a child care slot. In particular, the intervention provided relevant information and customized assistance to help families navigate

the complex child care application process. We will now first describe recruitment and our sample before returning to a detailed description of how our treatment addressed the challenges described above (see Section 2.4).

## 2.2. Recruitment of Sample and Data Collection

The key challenge to conducting our project was to recruit a sufficient number of lower-SES families with very young children, and — perhaps even more challenging — to retain a substantial fraction of these families in the sample over a period of almost two years. To succeed in this, we relied on (i) data from the administrative birth registry comprising the entire birth cohort of two large cities, (ii) an elaborate recruiting strategy,

Figure 1: Study Timeline, Sample Sizes, and Attrition



Notes: Figure shows the timeline of the study, as well as sample sizes at each stage.

and (iii) a comprehensive set of measures to maximize participation in the post-treatment surveys. Figure 1 provides an overview of the timeline of the study.

*Recruitment and Baseline Survey.* Our sample consists of families with children aged zero to one year in two large cities in Rhineland-Palatine (>100'000 inhabitants). In July 2018, we sent postal invitation letters to all 2,579 families with children born between July 1, 2017, and June 30, 2018, using address data from the birth registries of these two cities (to which we were granted access specifically for this study). The letter informed families of the possibility of participating in a research project on ‘the life of parents with young children’.<sup>9</sup> In addition to informing parents about the study timeline and the institutions involved, the letter also stated that the study is supported by the Ministry of Education of Rhineland Palatinate and that participation is voluntary. The letter addressed the mother of the child and announced that a staff member would visit the families at home to conduct the first interview. To optimize communication with the families, we commissioned a public relations and design agency. They created a professional corporate study design tailored to families with young children for all our communication (i.e., a logo, letters, postcards, etc. — see Appendix Figure H1 for examples of the design).

The baseline survey was conducted between August and October 2018 by ten interviewers whom we selected and trained specifically for this study. These interviewers went door-to-door, visiting each family up to three times to encounter them at their home. Families were randomly assigned to one of the interviewers, and each interviewer received an individualized list of families and a random starting point for the recruitment tour in order to achieve a broad geographic coverage. At the first encounter between the interviewer and a parent, in almost all cases the biological mother (94%), the interviewer asked the parent if he or she wanted to participate in the study. If parents agreed to participate and signed the consent form, the interviewer conducted a computer-assisted face-to face interview (CAPI). The median interview time was 23 minutes. To recruit a substantial fraction of parents from lower-SES backgrounds, we paid a generous cash incentive of 20 EUR for participation in the baseline survey (about 24 USD in 2018).

We recruited a total of 607 families at baseline. All families had been pre-randomized into treatment and control groups. To maximize compliance with the treatment, parents in the treatment group were shown a four-minute information video on the interviewer’s

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<sup>9</sup>To obfuscate the exact research question, we referred to the study as “ELFE-Studie” (the acronym stands for Eltern, Leben, Familie, Erziehung, translating to *Parents, Life, Family, and Education*) in our communications with families.

tablet computer immediately after the interview was completed (see Section 2.4). Up until this point, the interviewers were blind to the treatment condition of the respective family. Relying on the birth registry data, we can show that the sample of families who participated in our study represents the entire cohort of families with children below one year very well (e.g., in terms of area of residence (zip-code level) or single-parent status). Moreover, and most importantly for the purpose of our study, we succeeded in recruiting a large share of lower-SES families ( $> 40\%$ ).

*Post-treatment Surveys.* Nine months after the baseline survey, in summer 2019, we conducted our first post-treatment survey via telephone to collect information about child care applications and enrollment ( $n = 519$ , 86% of the baseline survey). Another nine months later, in spring 2020, we implemented our second post-treatment survey via telephone to elicit information about maternal labor supply ( $n = 481$ , 93% of the first post-treatment survey and 79% of the baseline survey).<sup>10</sup> The median interview duration of the second post-treatment survey was 44 minutes. Similar to the baseline survey, we paid families a 20 EUR participation fee with vouchers for online stores or by bank transfers. Again, almost all interviews (93%) were conducted with the child’s biological mother, providing first-hand information on maternal labor supply. The remaining interviews were conducted with the child’s biological father, from whom we obtained information about maternal labor supply.<sup>11</sup>

We exerted great effort to find and interview parents for the post-treatment surveys. In between surveys, we regularly sent postcards and additional materials to stay in contact with families in treatment and control groups.<sup>12</sup> We also set up a WhatsApp account to which parents could easily send any updates of their contact information — in particular, mobile numbers changed quite frequently in our sample. When parents could not be reached by phone, we implemented several additional measures to contact them. First, we sent these families electronic and postal reminders. Furthermore, we hired two additional interviewers to personally contact those families who reacted neither to calls nor to the reminders. If these interviewers did not encounter families at their home addresses, we

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<sup>10</sup>In total, 483 parents (80% of the baseline survey) participated in the second post-treatment survey. We excluded two observations for which we could not retrieve information on maternal full-time employment.

<sup>11</sup>Results are robust to excluding all interviews conducted with fathers (see Appendix Table G1). All regressions control for whether the mother or father participated in the survey.

<sup>12</sup>For example, as a “thank you” for participating in the study, we sent a postcard to families that could be converted into a small memory game suitable for the children’s age at that time (see Appendix Figure H1).

filed registry-data inquiries to re-contact families who had moved. Finally, we sent out a shortened online version of the survey to reach those parents who could not be contacted otherwise ( $n = 21$  cases in the second post-treatment survey).<sup>13</sup>

### 2.3. Sample Description

*Sample Characteristics.* Table 1 shows the characteristics of our analytical sample, which consists of participants in the second post-treatment survey ( $n = 481$ ). All variables were collected at baseline. The upper panel of Table 1 provides pre-birth labor market outcomes of mothers. Almost half of the mothers (49%) were full-time employed before the child was born. 72% of mothers worked part-time or full-time before childbirth. Average net earnings of working mothers amount to 1,777 EUR. Net earnings drop to 1,276 EUR when including non-working mothers with zero earnings.

The lower panel of Table 1 reports sociodemographic characteristics of mothers. In 97% of the participating families, the mother is the main caregiver for the child. Mothers' average age is 32 years, 36% of mothers were not born in Germany (i.e., first-generation immigrants), and 13% were working or searching for a job at the time of the baseline survey. The average net household income per month is 3,245 EUR.<sup>14</sup>

*Definition of SES.* As specified in our pre-analysis plan, we are interested in the differential effects of access to universal child care on labor market outcomes for lower- vs. higher-SES mothers. Following previous literature on maternal labor supply (e.g., Dujardin et al., 2018; Müller and Wrohlich, 2020), we define SES based on education, elicited in the baseline survey. In particular, those 61% of mothers ( $n = 294$ ) who have a college entrance qualification ("Abitur") are classified as higher-SES, whereas the 39% of mothers without a college entrance qualification ( $n = 187$ ) are classified as lower-SES (see Table 1). The share of lower-SES mothers in our sample aligns well with the share of lower-SES mothers in Germany overall. In the representative SOEP data, 47% of mothers with children aged 0–1 years are lower-SES according to our classification. Furthermore, our results are robust to using alternative classifications of maternal SES based on mothers' education, household income, and single-mother status (see Section 4.3).

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<sup>13</sup>Our results are robust to excluding these parents or to controlling for the survey mode.

<sup>14</sup>Sample characteristics are very similar to those of mothers with children aged 0–1 years in the German Socio-Economic Panel (SOEP), a nationwide representative household survey (see Goebel et al. (2019); SOEP (2019)). Of these mothers in the SOEP, 65% were working pre-birth with net earnings of 1,580 EUR, and a current net household income of 3,480 EUR.

Table 1: Analytical Sample: Descriptives and Balancing Tests

	All (1)	Control (2)	Treatment (3)	$\Delta(3)-(2)$ (4)	p-val for (4) (5)	p-val by SES (6)	Observations (7)
<b>Pre-birth labor market outcomes</b>							
Mother worked full-time	0.492	0.496	0.488	-0.008	0.868	0.879	474
Mother worked full-time, missing	0.015	0.004	0.024	0.019	0.068	0.629	481
Mother worked	0.717	0.714	0.720	0.007	0.869	0.293	481
Mother's earnings (EUR)	1777	1787	1769	-18	0.867	0.483	328
Mother's earnings, missing	0.318	0.335	0.303	-0.032	0.459	0.410	481
Mother's earnings (0 if not working, in EUR)	1276	1255	1294	39	0.711	0.936	457
Mother's earnings (0 if not working), missing	0.050	0.053	0.047	-0.006	0.779	0.881	481
<b>Sociodemographic characteristics</b>							
Mother is main caregiver	0.971	0.982	0.961	-0.022	0.149	0.261	481
Age of mother (in years)	31.78	31.34	32.18	0.84	0.072	0.117	455
Migration background	0.356	0.358	0.354	-0.003	0.940	0.924	455
Mother works or searches for a job	0.127	0.137	0.118	-0.018	0.546	0.286	481
Household income (EUR)	3245	3135	3345	210	0.208	0.221	461
Household income, missing	0.042	0.035	0.047	0.012	0.508	0.644	481
Interview conducted with the father	0.054	0.040	0.067	0.027	0.181	0.916	481
No school degree	0.029	0.022	0.035	0.013	0.378		481
Lower secondary degree	0.116	0.123	0.110	-0.013	0.656		481
Middle secondary degree	0.243	0.251	0.236	-0.015	0.705		481
College entrance degree	0.611	0.604	0.618	0.015	0.744		481

*Notes:* Table reports mean values of pre-birth labor market outcomes and sociodemographic characteristics of the mother in our analytical sample. All variables come from the baseline survey (i.e., before the treatment); labor market outcomes refer to one year before childbirth. Column (1) reports mean values for the full sample, Column (2) for the control group, and Column (3) for the treatment group. In Column (4), we show the difference between treatment and control groups, and Column (5) shows the corresponding p-value of a two-sided t-test testing the null hypothesis that values in Columns (2) and (3) are equal. In Column (6), we test whether there are treatment-control differences in the respective variable within SES subgroups. To conduct the test, we regress the variable on the treatment indicator, a higher-SES dummy, and their interaction. Column (6) reports the p-value of an F-test of joint significance of the coefficients on the treatment indicator and its interaction with the higher-SES dummy. *Mother worked full-time, pre-birth* is a dummy equal to one if the mother worked full-time before the child was born, zero otherwise. *Mother worked full-time, missing, pre-birth* indicated the 7 cases in which information on maternal pre-birth work status was not reported. *Mother worked, pre-birth* is a dummy equal to one if the mother worked part-time or full-time pre-birth, zero otherwise. *Mother's earnings, pre-birth* denotes the monthly net earnings of the mother in EUR before the child was born. *Mother's earnings, missing, pre-birth* is a dummy equal to one if either the mother was not working pre-birth (129 cases) or the earnings information for the mother was not provided because the interview was conducted with the father (20 cases) or the mother did not answer the question (4 cases), zero otherwise. In *Mother's earnings, (0 if not working), pre-birth*, we assign zero earnings to mothers who did not work before the child was born; we use this variable when controlling for the pre-birth earnings of mothers. *Mother's earnings (0 if not working), missing, pre-birth* indicates cases in which maternal pre-birth earnings are missing because the father answered the baseline survey or because the mother did not answer the question. *Mother is main caregiver* is a dummy equal to one if the mother is the main caregiver of the child, zero otherwise. *Migration background* is a dummy equal to one if the mother was not born in Germany, zero otherwise. *Mother works or searches for a job* is a dummy equal to one if the mother worked or searched for a job at baseline, zero otherwise. *Household income* is the monthly net household income in EUR. *No school degree*, *Lower secondary degree*, *Middle secondary degree* ("MSA"), and *College entrance qualification* ("Abitur") are dummy variables indicating the mother's highest school degree.

## 2.4. Treatment

The treatment aimed to reduce potential barriers in the complex child care application process that especially lower-SES parents face (see Section 2.1 and Appendix A for details). There were two treatment components: information provision and customized application assistance.<sup>15</sup>

The first part of the treatment was designed to address potential parental gaps in knowledge about the child care application process. For this purpose, each family in the treatment group saw a four-minute information video immediately after the baseline survey. The video contained the following information: (i) all parents in Germany have

<sup>15</sup>Based on an ex-ante power analysis, we decided to combine both components into one treatment.

a legal entitlement to child care from child age one onward, (ii) child care in Rhineland-Palatinate is free of charge for all children aged two years and older, and there are fee reductions for younger children (e.g., for lower-income families), and (iii) applying early and to more than one child care center increases the chance of getting a slot.<sup>16</sup> Our treatment was intended to mitigate barriers in the child care application process, not to *persuade* mothers to enroll their child into early child care or to change their work plans. Indeed, the video emphasized that (center-based) child care is only one of several care arrangements, and that it is the families’ decision alone how to arrange child care. We consider it highly unlikely that mothers’ labor supply preferences are affected by the treatment since maternal labor supply was mentioned neither in the video nor in the second part of the treatment described below. Consistently, our heterogeneity results show that the treatment effect on full-time employment is driven by mothers who reported at baseline that they plan to start working again.

In addition to watching the information video, families in the treatment group were offered customized application assistance. The assistance was provided by university students, who received intensive training to support families in achieving their preferred child care arrangement. The assistants’ task was to provide personalized support to address the specific problems faced by the families. For instance, they helped families collect information about child care centers and application procedures, assisted with paperwork and filing applications, and reminded parents of important dates, such as open houses at child care centers or application deadlines. Importantly, assistants were not allowed to take over child care duties themselves or to support mothers with job-related tasks (e.g., job search). This second component of the treatment was implemented as an opt-in design, and one-third of families in the treatment group (32% lower-SES and 33% higher-SES) took up the assistance offer. The median time invested by the assistants per family was 1.5 hours, and the median number of contacts with a family (via telephone, email, or in-person) was four. Thus, we consider our intervention to be relatively short and low-cost.

## 2.5. *Randomization, Balancing, and Attrition*

We assigned treatment status using stratified randomization (Athey and Imbens, 2017). Using birth-registry data, we defined strata based on city of residence (two categories), child’s birth quarter (four categories), whether the child lives with both parents (two categories), and first-time parent status (two categories). Within these strata, we

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<sup>16</sup>For screenshots of the video and the transcript, see Appendix H.2.

randomized families into the treatment group with 50% probability. In our analytical sample ( $n = 481$ ), 227 families (47%) are in the control group and 254 families (53%) are in the treatment group.<sup>17</sup>

Observable characteristics are well balanced between treatment and control groups in our analytical sample (Table 1) as well as at baseline (Appendix Table E1). In fact, none of the differences between treatment and control groups is statistically significant at the 5%-level. Importantly, both groups have very similar shares of mothers without a college entrance qualification (40% and 38%), which we use for defining SES background. Since we estimate treatment effects separately for lower- and higher-SES mothers, we also verify that observable characteristics are balanced by SES.<sup>18</sup> In sum, our randomization procedure achieved balancing in the full sample and within SES subgroups.

As discussed above, attrition in our study is remarkably low, especially when considering that many participating families have a lower-SES background. About 18 months after the treatment, when we elicit maternal labor market outcomes, we were able to achieve a recontact rate of 79% of the baseline sample (93% of the sample participating in the first post-treatment survey). Results in Appendix Table E2 show that attrition in the second post-treatment survey is not selective with respect to treatment status or the baseline outcome in the full sample or in the subsamples of lower- and higher-SES families. In the table, we regress a survey-participation indicator on indicators of treatment status, higher-SES background, and maternal full-time employment before childbirth, as well as on their interactions. All coefficients are close to zero and statistically insignificant. The only exception is that higher-SES mothers not working full-time pre-birth are somewhat more likely to participate in the survey; importantly, however, this does not differ between treatment and control groups.<sup>19</sup>

We can also show that estimated treatment effects are robust to re-weighting the observed data using inverse probabilities of participation in the second post-treatment survey (see Appendix Table E3). Finally, we conduct a bounding analysis as suggested by Lee (2009). Because attrition is very similar in both treatment and control groups, this procedure would only trim one observation, so that our results do not change.

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<sup>17</sup>These shares are virtually identical in the baseline sample.

<sup>18</sup>To do so, we regress each variable on the treatment indicator, a higher-SES indicator, and their interaction. Column (6) of Table 1 shows p-values of F-tests for joint significance of the coefficients on the treatment indicator and the interaction term.

<sup>19</sup>In Hermes et al. (2021), we show that also in the first post-treatment survey, attrition is independent of treatment status and is not selective with respect to baseline outcomes.



### 3. Empirical Strategy

We estimate the intention-to-treat (ITT) effects of our intervention on maternal labor market outcomes by ordinary least squares (OLS) using the following regression model:

$$Y_i = \alpha + \beta_1 Treatment_i + \beta_2 Treatment_i \times HigherSES_i + \beta_3 HigherSES_i + \mathbf{X}_i' \delta + \varepsilon_i \quad (1)$$

$Y_i$  is the outcome variable of interest for mother  $i$ . As our main outcome, we focus on a binary indicator of full-time employment measured when children were 2–3 years old (i.e., in the second post-treatment survey) (see Appendix D for details on the definitions of variables). Full-time employment is a dummy variable equal to one if the mother works 30 hours or more per week as an employee or when self-employed, and zero otherwise (following the OECD definition of full-time work, OECD, 2021). As additional outcomes, we consider log monthly net household income, a binary indicator of (part-time or full-time) employment, weekly working hours, and log monthly net earnings of mothers. Moreover, in our last set of analyses we investigate treatment effects on three dimensions of gender inequality in the household (i.e., an indicator of a “male breadwinner household”, share of maternal care hours in parental care hours, and share of maternal earnings in parental earnings).

$Treatment_i$  is the treatment indicator, taking a value of one for mothers in the treatment group, and zero for mothers in the control group.  $HigherSES_i$  is an indicator for higher-SES mothers, which takes a value of one if the mother has obtained a college entrance qualification (“higher-SES”), and zero otherwise (“lower-SES”).  $Treatment_i \times HigherSES_i$  is the interaction of the treatment dummy with the higher-SES dummy. Thus, the causal ITT effect of our intervention on lower-SES mothers is given by  $\beta_1$ , and the effect on higher-SES mothers is given by  $\beta_1 + \beta_2$ .

As outlined in our pre-analysis plan, we include a vector of control variables,  $X_i$ , to increase the precision of our treatment effect estimates. All control variables come from the baseline survey and refer to the mother. The control variables include pre-treatment values of the respective outcome, pre-treatment employment status, age, migration background, log household income, and whether the mother is the primary caregiver for the child.<sup>20</sup> We also include strata controls. In the few cases where control variables have missing values, we impute missings with the sample mean and add imputation dummies.

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<sup>20</sup>All regressions also control for whether the mother or father has participated in the baseline survey.

Finally,  $\varepsilon_i$  denotes the error term. The inference is based on robust standard errors. The results also hold when using randomization inference or adjusting for multiple hypothesis testing (see Appendix Table G2).

## 4. Results

### 4.1. Full-Time Employment

This section presents treatment effects on full-time employment, our main outcome of interest. We start by comparing the full-time employment rates between treatment and control groups before and after childbirth, separately for higher- and lower-SES mothers, in the raw data (Figure 2). We focus on this SES distinction in our analysis of maternal full-time employment because our treatment strongly increased child care enrollment of lower-SES children by 14.5 pp (Hermes et al., 2021), but did not at all affect enrollment of higher-SES children (see Appendix Table F1).<sup>21</sup> We thus expect treatment effects on maternal full-time employment to differ by socioeconomic status.

The left part of Figure 2 shows the share of full-time employed mothers in the year before childbirth (i.e., pre-treatment). There are large SES gaps in full-time employment: In the control group, 54% of higher-SES mothers work full-time pre-birth (blue bars), compared to only 43% of lower-SES mothers (green bars). Thus, we observe a pre-birth SES gap of 10 pp in full-time employment. Full-time employment rates before childbirth are very similar in the treatment group.

In the right part of Figure 2, we plot full-time employment rates 18 months after the treatment, when children are 2–3 years old. In the control group, the full-time employment rate for higher-SES mothers declines sharply to 23% (a decrease by 57% compared to the pre-birth value). However, the decrease is even stronger for lower-SES mothers, whose full-time employment rates drop to just 5.6% — this corresponds to a decrease by 87%.<sup>22</sup> Accordingly, the control-group SES gap in full-time employment increases sharply after childbirth, from 10 to 18 pp, a pattern consistent with previous findings (BPB, 2021).

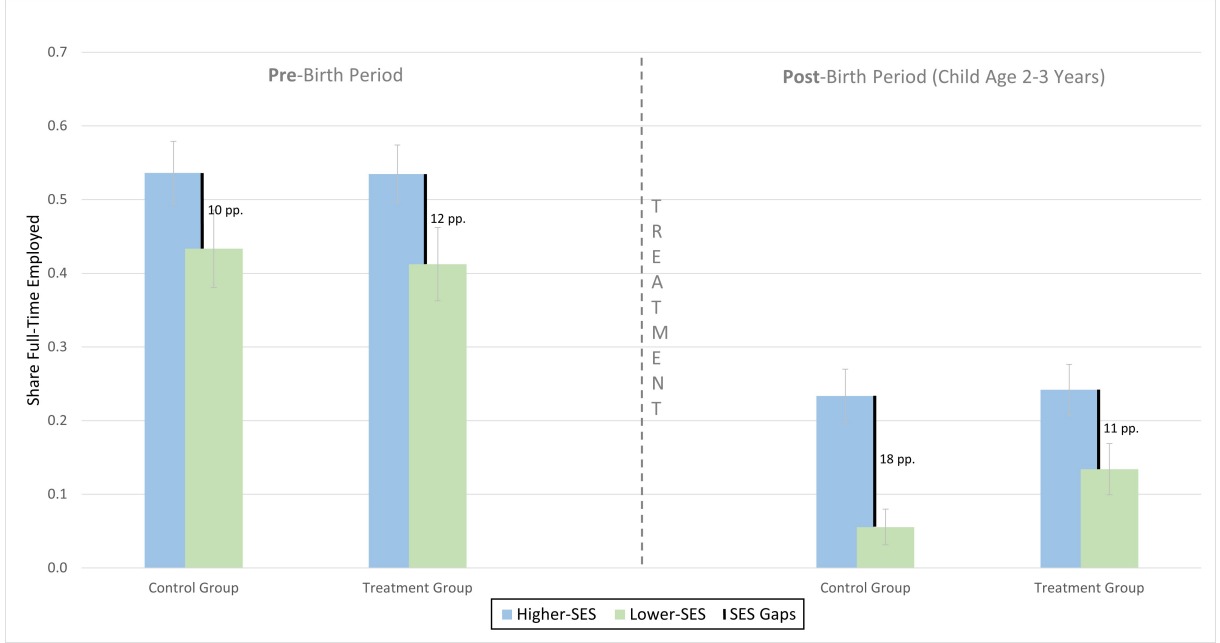
Intriguingly, our treatment mitigates the negative effect of childbirth on full-time employment for lower-SES mothers. The full-time employment rate of lower-SES mothers in

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<sup>21</sup>Further mechanism analysis shows that the treatment effect on child care enrollment is largely due to changes in application behavior (i.e., the likelihood of applying, and of visiting child care centers on-site as part of the application process). By contrast, improved application knowledge explains only a small portion of the overall treatment effect on enrollment (Hermes et al., 2021).

<sup>22</sup>These values closely mirror the situation of mothers in Germany overall. In the representative German Socio-Economic Panel (SOEP), 17.1% of higher-SES and 7.6% of lower-SES mothers work full-time when their child is 2–3 years old (own calculation based on SOEP, 2019).

Figure 2: Maternal Full-time Employment Before vs. After Treatment by SES



*Notes:* Figure shows the share of full-time employed mothers in the control group and the treatment group before and after childbirth in the raw data. Blue bars (green bars) indicate the share of higher-SES (lower-SES) mothers in full-time employment. The black lines illustrate the difference in full-time employment between higher- and lower-SES mothers (“SES Gaps”). The left part of the figure refers to the time before the child was born. The right part of the figure refers to the post-treatment period, when children are 2–3 years old (18 months after the treatment). Error bars show standard errors.

the treatment group is 13.4%, about two and a half times as large as in the control group. Our treatment does not affect full-time employment rates of higher-SES mothers. This finding is fully in line with the result that our treatment increased child care enrollment of lower-SES families, but not of higher-SES families. The treatment thus prevents the childbirth-induced increase in the SES gap in full-time employment observed in the control group, as the SES gap in the treatment group remains at about its pre-birth value (11 pp).

In a second step, we present regressions based on Equation (1). As a benchmark, Column (1) of Table 2 shows unconditional treatment effects, corresponding to the results in Figure 2. In Columns (2)–(4), we sequentially add mothers’ pre-treatment (i.e., pre-birth) outcome, strata controls, and sociodemographic characteristics. Column (4) shows our pre-specified, preferred model. Here, our treatment increases full-time employment rates of lower-SES mothers by 9.2 pp ( $p = .033$ ), a 160% increase relative to the control

Table 2: Treatment Effects on Maternal Full-Time Employment (Child Age 2–3Y)

	Mother Works Full-Time			
	(1)	(2)	(3)	(4)
Treatment	0.078*	0.084**	0.086**	0.092**
	(0.042)	(0.042)	(0.043)	(0.043)
Treatment $\times$ Higher-SES	-0.070	-0.075	-0.082	-0.097
	(0.066)	(0.064)	(0.065)	(0.064)
Higher-SES	0.178***	0.158***	0.144***	0.110**
	(0.044)	(0.042)	(0.043)	(0.044)
Pre-Treatment Outcome	No	Yes	Yes	Yes
Strata Controls	No	No	Yes	Yes
Sociodemographic Controls	No	No	No	Yes
Treatment Effect	0.008	0.009	0.004	-0.005
Higher-SES	(0.050)	(0.048)	(0.048)	(0.047)
Control Mean Higher-SES				0.234
Control Mean Lower-SES				0.056
Control Mean SES Gap				0.178
N	481	481	481	481

*Notes:* Table shows intention-to-treat effects on full-time employment of mothers, all models are estimated by OLS. Full-time employment is defined as working 30 hours or more per week and is measured when children are 2–3 years old (18 months after the treatment). *Higher-SES* equals one if the mother has a college entrance qualification, zero otherwise. Column (1) shows unconditional treatment effects. In Column (2), we control for an indicator of maternal full-time employment in the year before the child was born. In Column (3), we additionally control for strata variables, and in Column (4) we add controls for sociodemographic characteristics of the mother. All control variables were elicited in the baseline survey. See Section 3 for details on the control variables and variable definitions. Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. We additionally report p-values based on randomization inference and correcting for multiple hypothesis testing in Panel A of Table G2. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

group mean. This large treatment effect suggests that a sizable share of lower-SES mothers would actually like to work full-time, but is unable to do so due to barriers in the access to universal child care. Consistent with this interpretation, our treatment is more effective for mothers who reported in the baseline survey that they planned to return to work and for those who planned to return early after childbirth (see Figure F1). Reassuringly, we find no effect on full-time employment of higher-SES mothers. In fact, treatment effects for higher-SES mothers are always virtually zero (see bottom of Table 2), which is fully in line with the zero treatment effect on child care enrollment for these mothers.

Table 3: Treatment Effects on Other Maternal Labor Market Outcomes

	Log Household Income (1)	Employment (2)	Working Mothers	
			Working Hours (3)	Log Earnings (4)
Treatment	0.104* (0.056)	-0.008 (0.068)	4.903** (2.072)	0.222* (0.129)
Treatment $\times$ Higher-SES	-0.142** (0.068)	0.004 (0.086)	-5.769** (2.627)	-0.217 (0.172)
Higher-SES	0.167*** (0.058)	0.003 (0.064)	4.318** (2.021)	0.172 (0.136)
Pre-Treatment Outcome	Yes	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes	Yes
Treatment Effect	-0.038	-0.003	-0.866	0.005
Higher-SES	(0.038)	(0.053)	(1.633)	(0.108)
Control Mean Higher-SES	8.227	0.547	25.314	7.211
Control Mean Lower-SES	7.819	0.444	19.000	6.683
Control Mean SES Gap	0.407	0.103	6.314	0.528
N	459	481	223	223

*Notes:* Table shows intention-to-treat effects on additional labor market outcomes of mothers, all models are estimated by OLS. Outcomes are measured when children are 2-3 years old (18 months after the treatment). In Column (1), *Log Household Income* is missing for  $n = 22$  cases in which household income was not reported. In Column (2), *Employment* is a dummy variable equal to one if the mother works part-time or full-time, and zero otherwise. In Columns (3) and (4), *Working Hours* and *Log Earnings* are estimated in the subsample of working mothers ( $n = 244$ );  $n = 21$  mothers with missing information on working hours and earnings are excluded in these regressions. *Higher-SES* is a dummy variable equal to one if the mother has a college entrance qualification, zero otherwise. All models include controls for the pre-treatment outcome, which refer to the year before the child was born (*log household income* in Column (1) refers to the time of the baseline survey); in Column (3), we control for pre-treatment maternal full-time employment because we did not elicit working hours at baseline. All models further include strata variables and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES* (*Lower-SES*) is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. We additionally report p-values based on randomization inference and correcting for multiple hypothesis testing in Table G2. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

#### 4.2. Further Maternal Labor Market Outcomes

In this section, we study treatment effects on monthly net household income, employment at the extensive margin, weekly working hours, and monthly net earnings.

First, consistent with the sizeable full-time employment effect, Column (1) of Table 3 shows that the treatment increases monthly net household income by 10.4% for lower-SES families ( $p = .065$ ). This suggests that the increase in maternal full-time employment did not lead to a compensating decrease in the labor supply (and thus earnings) of fathers.

Next, we study whether the full-time effect reported in the previous section is driven by increased labor market participation (extensive margin) or by increased working hours (intensive margin). We find no treatment effect on whether mothers work at all (Col-

umn (2) of Table 3). Instead, lower-SES mothers in the treatment group work more hours than those in the control group: Conditional on being employed, the treatment increases weekly working hours by 4.9 hours ( $p = .019$ , Column (3)). Thus, the treatment effect on full-time employment is clearly driven by changes on the intensive employment margin.

One possible reason for finding effects at the intensive but not the extensive employment margin is that it is easier for mothers to increase their working hours in a given job when gaining access to child care than to find a new job. Consistently, we observe that our treatment is more effective for mothers who report that they have the option to return to their pre-birth job (see Figure F1).<sup>23</sup> Another potential reason is that mothers without child care may well manage to work part-time (possibly by relying on care provided by other family members for a few hours a day), but are only able to work full-time once they obtain a child care slot. In fact, several pieces of evidence are in line with the idea that full-time employment is more strongly affected by the availability of child care than part-time employment. First, the gender gap in full-time employment is much larger than in part-time employment (e.g., when considering parents with two-year-old children in Germany, the gender gap is 31 pp for overall employment and 66 pp for full-time employment (BPB, 2021)). Second, about half of the mothers in our sample who work part-time do not have their child enrolled in a child care center, but only about a quarter of mothers who work full-time have no child care. Third, in the control group, only 11% of lower-SES mothers who reported in the baseline survey that they want to work full-time were able to realize their working plans, compared to 47% of lower-SES mothers in the treatment group.

Finally, Column (4) shows that monthly net earnings of working lower-SES mothers increased by 22% ( $p = 0.087$ ) due to the treatment. This is a large effect, given that the wage returns to a full year of schooling in Germany typically amount to 8-10% (e.g., Hanushek et al., 2015).

Note that our treatment-effect estimates in Columns (3) and (4) of Table 3 would be biased if the selection of mothers into employment would differ between the treatment and control groups. We consider such differential selection unlikely, however, since employment status is unaffected by the treatment (see above). Moreover, results on maternal working hours and earnings are similar in a Heckman selection model (Heckman, 1979), which uses

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<sup>23</sup>Around 30% of mothers did not work before the child was born and thus did not have the opportunity to return to their pre-birth job. Another 10% of mothers report that they did not have the opportunity to return to their pre-birth job. While parents in Germany have a legal right to return to their pre-birth job, this entitlement only holds for the same amount of working hours. Moreover, employers can change both the place and content of work as long as the job is equivalent to the pre-birth job.

either the number of children in the household or the existence of another child (born after baseline) as exclusion restriction (see Appendix Table F2).

### 4.3. Robustness

In Section 2.5, we have already shown that our results are robust to accounting for sample attrition. Below, we provide additional robustness tests.

*Multiple Hypothesis Testing and Randomization Inference.* We adjust our treatment effects for multiple hypothesis testing (MHT) and conduct randomization inference (cf. Young, 2019). Results are presented in Appendix Table G2. All treatment effects on full-time employment and working hours for lower-SES families remain significant at the 10%-level or better when applying three different MHT corrections (suggested by List et al. (2019), Westfall and Young (1993), and Romano and Wolf (2005, 2016)) and randomization inference, respectively. The treatment effects on household income and maternal earnings remain significant at the 10%-level when applying randomization inference, and are significant at least at the 15%-level for the MHT corrections.

*Alternative Definitions of Lower-SES Background.* Our preferred definition of maternal SES background is based on maternal education, following previous literature investigating maternal labor supply (e.g., Dujardin et al., 2018; Kuziemko et al., 2018; Müller and Wrohlich, 2020). In particular, we define a mother as having a “lower-SES” background when she does not have a college entrance qualification (henceforth “SES-1”, 39% of the sample). We test three alternative definitions of SES: (i) neither of the two parents has a college entrance qualification (“SES-2”, 30% of the sample), (ii) either “SES-1” or equivalent household income at baseline is below the poverty line (“SES-3”, 51% of the sample, following Falk et al. (2021)), and (iii) either “SES-3” or single mother status (“SES-4”, 52% of the sample, following Kosse et al. (2020)). As shown in Appendix Table G3, treatment effects are robust to including education of the father, household income, and single mother status in our SES definition.

### 4.4. Mechanisms

This section aims to shed light on the mechanisms driving the treatment effect on maternal full-time employment in the lower-SES sample. As our intervention was designed to increase early child care use, our first potential mediator is hours in child care centers.<sup>24</sup>

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<sup>24</sup>Above, for exposition, we typically referred to center-based child care when using the term “child care”. However, in this section, we explicitly use the term “center-based child care” to distinguish child care in child care centers from other forms of child care.

Since the treatment may also affect how families combine different forms of non-maternal child care, we use care hours provided by fathers or by other caretakers (i.e., hours with grandparents, older siblings, other relatives, friends, nannies, and childminders) as additional potential mediators.<sup>25</sup> Such additional non-maternal care arrangements may matter because opening hours of child care centers are not necessarily covering the full working day. This issue seems to be particularly relevant for lower-SES mothers, as they are more likely to work non-standard schedules, e.g., in shifts or at night (Han et al., 2020).<sup>26</sup>

Our analysis of mechanisms proceeds as follows: First, we analyze treatment effects on the potential mediators, measured in the first post-treatment survey (i.e., nine months before we measure full-time employment, when the child is 1–2 years old). The child care arrangements at this time provide the conditions under which families can plan and organize their future work arrangements. We then follow the approach developed by Heckman et al. (2013) to decompose the overall treatment effect into shares attributed to the different mediators.<sup>27</sup>

*Treatment Effects on Non-Maternal Care Hours.* In a first step, we investigate treatment effects on our potential mediators. Column (1) of Table 4 shows that the number of weekly hours a child spends in child care increases in treated families as compared to control families by 3.2 hours ( $p = .044$ ). Intriguingly, we find that fathers get more involved in child care in treated lower-SES families, as care hours by fathers increase by 2.6 hours per week ( $p = .074$ ) (Column (2)).<sup>28</sup> We also find that treated lower-SES families have to rely less on alternative care arrangements. There is a negative treatment effect on hours provided by other caretakers in lower-SES families of 2.3 hours per week, which however is only marginally significant ( $p = 0.10$ ) (Column (3)). Auxiliary analysis shows that this effect is driven by fewer hours provided by family members other than the

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<sup>25</sup>Note that these variables always refer to the number of hours a child spends in the respective care arrangement without the involvement of other caretakers. That is, child care by fathers refers to the number of hours the father takes care of the child alone.

<sup>26</sup>Another potential channel through which our treatment may affect full-time employment of mothers is fertility (see, e.g., Doepke and Kindermann, 2019). However, we find no treatment effects of fertility rates.

<sup>27</sup>In the mediation analysis, we add fixed effects for the date of conducting the first post-treatment survey as additional controls to account for the importance of timing in the child care slot allocation process (e.g., child care centers may allocate slots based on the application date or allocate available slots after certain deadlines, see Hermes et al., 2021). As each of our surveys was in the field for several weeks, treatment effects on child care enrollment and on other non-maternal care arrangements may be affected by timing effects.

<sup>28</sup>One potential explanation for this effect is that child care centers may not cover the mothers' entire working day, requiring fathers to cover the remaining hours to enable maternal full-time employment.



Table 4: Treatment Effects on Potential Mediators

	Non-Maternal Care Hours		
	Hours in Child Care	Hours with Father	Hours with Other Caretakers
	(1)	(2)	(3)
Treatment	3.172** (1.571)	2.554* (1.424)	-2.320* (1.407)
Treatment $\times$ Higher-SES	-3.389 (2.119)	-1.965 (1.880)	1.435 (1.871)
Higher-SES	4.812*** (1.541)	0.201 (1.139)	-1.483 (1.442)
Pre-Treatment Outcome	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes
Treatment Effect	-0.217 (1.512)	0.589 (1.190)	-0.886 (1.203)
Control Mean Higher-SES	6.481	4.706	4.688
Control Mean Lower-SES	1.617	3.500	5.487
Control Mean SES Gap	4.864	1.206	-0.800
N	455	441	439

*Notes:* Table shows intention-to-treat effects on various types of non-maternal care hours, all models are estimated by OLS. Outcomes are measured when children are 1–2 years old (i.e., nine months before measuring full-time employment). In Column (1), the outcome is weekly hours in center-based child care. In Column (2), the outcome is weekly care hours provided by the father alone. In Column (3), the outcome is weekly hours in other (non-maternal) care arrangements (i.e., care hours provided by grandparents, older siblings, other relatives, friends, nannies, or childminders alone). Of the total sample of  $n = 481$  mothers,  $n = 21$  did not participate in the first post-treatment survey in which the outcomes were elicited, and for a few mothers we have no information on the respective outcome variable ( $n = 5$  in Column (1),  $n = 19$  in Column (2),  $n = 21$  in Column (3); for details, see Appendix D). All models include the pre-treatment outcome, strata controls, baseline sociodemographic controls, and survey date fixed effects (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

father (i.e., grandparents, other relatives, or older siblings). Thus, the treatment reduced the dependence on alternative care arrangements beyond center-based child care and the core family.<sup>29</sup> In sum, the treatment increased the number of care hours provided by child care centers and fathers, thus relieving mothers from some of their child care duties and potentially allowing them to work full-time.

<sup>29</sup>In line with our previous results, we find no treatment effects on non-maternal care hours for higher-SES mothers.

*Mediation Analysis.* In a second step, we conduct a mediation analysis to investigate the share of the treatment effect on full-time employment that our mediators can explain. We follow the approach by Heckman et al. (2013) and Heckman and Pinto (2015) (applied, e.g., by Oreopoulos et al., 2017; Kosse et al., 2020; Resnjanskij et al., 2021) and decompose the treatment effect into the shares explained by our observed mediator variables and a remaining share explained by unobserved mediators. Here we report the main results of the mediation analysis, while the methodological details are relegated to Appendix B.<sup>30</sup>

Since the treatment significantly affects all potential mediators discussed above, we add them to our baseline regression shown in Equation (1). More precisely, we include (i) hours in center-based child care, (ii) hours with the father, and (iii) hours with other caretakers. Appendix Table F3 shows how the inclusion of the mediator variables affects treatment effects on maternal full-time employment. We combine these results with the estimated treatment effect on the respective mediator, provided in Table 4, to assess the relative contribution of each mediator in explaining the full-time effect.

Figure 3 illustrates the results of the mediation analysis. In the upper three bars, we consider each mediator separately. We find that increased hours in center-based child care explain 27% of the treatment effect on full-time employment for lower-SES mothers; increased hours with the father explain 16%, and decreased hours with other caretakers explain 15%. Including all three mediators jointly in the bottom bar of the figure, we can explain as much as 57% of the treatment effect. The largest shares can be attributed to increases in hours provided by center-based child care (25%) and fathers (21%), while 11% can be attributed to the decreased dependence on other care arrangements.

In sum, the mechanism analysis provides the intuitive result that our treatment effect mainly materializes through an increase in non-maternal care hours, which allows mothers to work full-time by relieving them from some of the child care obligations. This finding corroborates the non-experimental result of Andresen and Nix (2022a) that providing alternatives to maternal care hours is an effective strategy to reduce child penalties for (lower-SES) mothers.

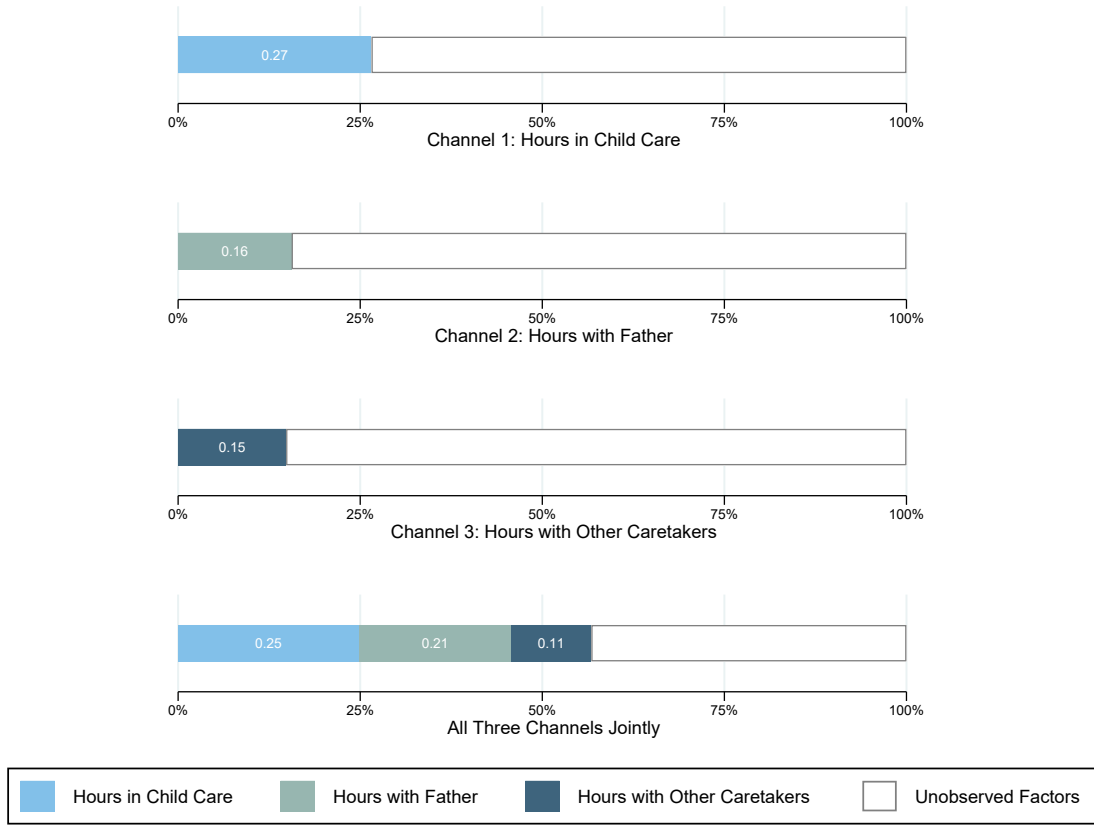
#### 4.5. *Treatment Effects on Gender Equality*

The result from the mechanism analysis that our treatment induces fathers to take over more child care duties suggests that the treatment may improve gender equality,

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<sup>30</sup>An alternative to the mediation analysis would be an IV estimation to assess the role of child care enrollment for maternal full-time employment. The IV estimates suggest a positive effect of child care enrollment on full-time employment rates of lower-SES mothers. However, we refrain from interpreting this result because of the weak first stage ( $F = 3.24$ ) due to the small sample size.

Figure 3: Treatment Effects on Maternal Full-Time Employment with Mediators



*Notes:* Figure shows the share of the treatment effect on full-time employment for lower-SES mothers that can be attributed to the respective mediator. The upper three bars show the contribution of a single mediator, while the bottom bar shows the contribution of all three mediators when they are jointly included. The mediation analysis is based on  $n = 436$  observations for which information on all mediators is available. Detailed results are reported in Table 4 and Appendix Table F3.

which is an overarching goal of many child care and family policies in OECD countries (OECD, 2011, 2012, 2017b; Lundberg, 2022). We now investigate more thoroughly how enabling families to access universal child care affects (intra-household) gender equality in various dimensions. First, at the aggregate level, our treatment effect on full-time employment of lower-SES mothers of 9.2 pp suggests that the treatment reduces the large full-time employment gap between lower-SES mothers and fathers in the control group (76 pp) by 12%.

In a more detailed analysis, leveraging our household-level panel data, we consider within-household gender equality in three dimensions: (i) “male breadwinner” household

Table 5: Treatment Effects on Gender Equality in the Household

	Male Breadwinner Household (1)	Share Maternal Care Hours (2)	Share Maternal Earnings (3)
Treatment	-0.159** (0.068)	-0.111** (0.052)	0.070* (0.040)
Treatment $\times$ Higher-SES	0.142 (0.088)	0.104 (0.066)	-0.035 (0.050)
Higher-SES	-0.128* (0.066)	-0.062 (0.044)	0.027 (0.034)
Pre-Treatment Outcome	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes
Treatment Effect	-0.016	-0.007	0.035
Higher-SES	(0.055)	(0.042)	(0.028)
Increase in Gender Equality (in %)	19.8	30.5	32.0
Control Mean Higher-SES	0.646	0.773	0.358
Control Mean Lower-SES	0.803	0.864	0.281
Control Mean SES Gap	-0.157	-0.091	0.077
N	441	405	206

*Notes:* Table shows intention-to-treat effects on various dimensions of within-household gender equality, estimated by OLS. All models exclude single mothers, as we cannot compute intra-household gaps for them ( $n = 40$  mothers in Column (1),  $n = 31$  mothers in Column (2), and  $n = 15$  mothers in Column (3)). In Column (1), *Male Breadwinner Household* is a dummy variable taking a value of one if the father is employed full-time and the mother is employed part-time or not employed, and zero otherwise; information is obtained from the second post-treatment survey. In Column (2), *Share Maternal Care Hours* is calculated by dividing maternal care hours by the sum of care hours provided by the mother and father; information is obtained from the first post-treatment survey (see Section 4.4). The number of observations decreases in this specification, because we exclude mothers who did not participate in the first post-treatment survey ( $n = 21$ ) and those who did not answer the question on care hours ( $n = 24$ ). In Column (3), *Share Maternal Earnings* is calculated by dividing earnings of mothers by the sum of earnings by mother and father (following (Bertrand et al., 2015)), excluding mothers who are not working; information is obtained from the second post-treatment survey. *Higher-SES* equals one if the mother has a college entrance qualification, zero otherwise. All models include controls for pre-treatment outcomes (referring to the year before the child was born in Columns (1) and (3) and to the time of the baseline survey in Column (2)); we use pre-birth earnings of the mother in Column (3) because we do not have information on pre-birth earnings of the father. Additionally, we include controls for strata variables and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. In Column (1), *Increase in Gender Equality (in %)*, shown in the bottom of the table, is calculated by dividing the treatment effect for lower-SES mothers by the mean of the outcome in the lower-SES control group. In Column (2) and (3), *Increase in Gender Equality (in %)*, is calculated by dividing the treatment effect for lower-SES mothers by the gender gap in the lower-SES control group; the gender gap is calculated as the deviation of the lower-SES control group mean from an equal division of care hours and earnings, respectively. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. We additionally report p-values based on randomization inference and correcting for multiple hypothesis testing in Panel C of Table G2. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

(i.e., the father works full-time, while the mother is employed part-time or not employed at all); (ii) share of maternal care hours in total parental care hours; and (iii) share of maternal earnings in total earnings of mothers and fathers.<sup>31</sup> Table 5 shows large, equity-enhancing effects of our treatment for lower-SES families. We find that treated lower-SES families (i) are 16 pp less likely to be a “male breadwinner” household (a decrease by 19.8% compared to the control group), (ii) experience a 11.1 pp reduction in maternal care hours as a share of total parental care hours (a decrease in the gender gap by 30.5%), and (iii) show an increase in maternal earnings as a share of total parental earnings by 7 pp (a decrease in the gender earnings gap in the household of 32%).

Our results indicate that access to universal child care promotes a more gender-equal distribution of paid *and* unpaid work within (lower-SES) households. The more equal distribution of full-time work and earnings could have important long-run implications, potentially leading to a convergence in labor market opportunities and pension entitlements between mothers and fathers, a more balanced bargaining power, and perhaps even to more progressive gender attitudes among their children (see, e.g., Farré et al., 2021).<sup>32</sup>

## 5. Conclusion

We present the first randomized controlled trial that investigates the effect of enabling access to universal early child care for lower-SES families on maternal labor market outcomes and intra-household gender equality. Our intervention offered families with children below one year information and customized assistance, which substantially increased child care enrollment for lower-SES families. We find that the labor market success of lower-SES mothers strongly benefitted from the treatment in various dimensions: Compared to the control group, lower-SES mothers in the treatment group are more likely to work full-time (+9.2 pp), have a higher household income (+10%), work more hours (+5 hours per week), and have higher earnings (+22%). As a consequence, the treatment substantially improves intra-household gender equality in care hours, working hours, and earnings.

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<sup>31</sup>Note that we do not directly observe fathers’ earnings but proxy father’s earnings by subtracting mother’s earnings from household income. Appendix D shows that the observed gender gap in earnings in our data aligns very well with the gap found in a nationally representative sample and provides more details on the construction of the outcome variables.

<sup>32</sup>A potential concern could be that mothers are not satisfied with their increased labor market activity. However, this concern is not supported in our data. In a hypothetical scenario, we ask mothers independently of their actual working status how taking up full-time work would affect their well-being. We find that treated mothers regard full-time employment as more beneficial for their well-being than control-group mothers ( $p = .035$ ).

From a policy perspective, our findings suggest that providing easier access to universal early child care is an effective policy tool for increasing full-time employment rates of lower-SES mothers — a group that is particularly disadvantaged in the labor market. Activating the working potential of mothers seems more important than ever in light of the immense labor shortage in aging societies like Germany (e.g., more than 50% of German companies are currently affected by labor shortages; see Peichl et al., 2022). Moreover, by decreasing maternal child care obligations, an improved access to universal early child care also alleviates mothers’ time constraints, allowing them to make labor market choices that better match their preferences. Our findings on intra-household gender equality also indicate that expanding universal early child care access can accelerate the transition to a more gender-equal society. And while such expansion of child care comes at considerable public expenses, our results suggest that fiscal considerations should not discourage policy-makers from improving child care access. In fact, a back-of-the-envelope calculation shows that the treatment-induced increase in income tax revenue exceeds the additional costs of providing more child care hours (see Appendix C for details).

Our results also have implications for the effective design of social programs more generally. Administrative burdens are a major barrier to accessing social benefits and (formally non-selective) educational programs, especially for lower-SES individuals (see, e.g., Currie, 2004; Walters, 2018; Ko and Moffitt, 2022). We demonstrate that removing such barriers (i) promotes child care take up by reducing inefficiencies in the existing system of allocating child care slots (discussed in detail in Hermes et al. (2021)) and (ii) yields large benefits by improving mothers’ labor market opportunities. The evidence presented in this paper not only calls for additional efforts by policy-makers to increase the number of child care slots. It also emphasizes the need of structural reforms to reduce barriers in the application process (e.g., reducing paperwork or centralizing the admission system) to fully realize the societal benefits of universal early child care programs.

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## Appendix A. Details on the Institutional Background

*Maternal Labor Supply.* For the study of maternal labor supply, Germany provides a compelling setting as it has implemented and expanded a variety of family-friendly policies in recent years, while still having one of the highest child penalties among OECD countries (see, e.g., OECD, 2017a; Kleven et al., 2019). For example, Germany provides paid parental leave (*Elterngeld*) after childbirth for 12 months (14 months if each parent takes at least 2 months). If both parents work only part-time, this paid leave period can be extended up to 32 months (*Elterngeld Plus*). Independent of taking paid parental leave, parents are entitled to an (unpaid) job-protected leave period of up to three years (*Elternzeit*).<sup>33</sup> Additionally, Germany has expanded universal child care and provides a legal entitlement to child care for children from the age of one onward. While these family-friendly policies have, overall, led to increases in the extensive margin of maternal labor supply, significant differences in the intensive margin between mothers and fathers still exist (see, e.g., Müller and Wrohlich, 2020; Ilieva and Wrohlich, 2022). Indeed, mothers in Germany face the highest child penalties in terms of full-time employment and earnings across OECD countries (see, e.g., OECD, 2017a; Kleven et al., 2019). For example, only 17% of mothers — compared to 86% of fathers — work full-time when their youngest child is two years old (BPB, 2021). The long-run drop in maternal earnings after the birth of the first child is as high as 61%, whereas fathers' earnings are not affected by childbirth (Kleven et al., 2019).

Part-time employment can be essential to balance work and family, mainly when children are young, but mothers in Germany often do not find their way back into full-time employment (see, e.g., OECD, 2017a). For example, 88% of fathers work full-time when their youngest child is already 15 to 17 years old, but only 33% of mothers do so (see, e.g., BPB, 2021). This gap in full-time employment has substantial implications for career progressions, lifetime earnings, and pensions of mothers. In fact, the gender pension gap in Germany is one of the largest in OECD countries (see, e.g., OECD, 2017b).

One reason for these differences in the labor market experiences of mothers and fathers is that mothers (despite the family-friendly policies) take over more child care responsibilities than fathers and consequently spend less time in paid work than fathers. In Germany, the share of employed mothers working part-time is exceptionally high (see, e.g., OECD,

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<sup>33</sup>In practice, the take-up of these policies is very unevenly distributed between mothers and fathers: Unpaid parental leave is almost exclusively taken by mothers. For paid parental leave, three out of four recipients are mothers. Even if fathers take paid parental leave, their leave duration is much shorter than for mothers (3.7 months for fathers compared to 14.3 months for mothers) (Destatis, 2021).

2020; Müller and Wrohlich, 2020; Ilieva and Wrohlich, 2022). This high proportion of part-time work is particularly prevalent in West Germany (the setting we study), even though Germany has been reunited for more than 30 years. Accordingly, child penalties are larger in West Germany than in East Germany, potentially due to regional differences in gender norms (Boelmann et al., 2021).

*Lower-SES Mothers.* Lower-SES mothers face an even higher child penalty than their higher-SES counterparts. In particular, lower-SES mothers are less often full-time employed than higher-SES mothers — regardless of the child’s age (see, e.g., BMFSFJ, 2020; BPB, 2021). At the same time, lower-SES families are less likely to enroll their child in child care (see below). Thus, barriers to child care may partially explain SES differences in the impact of children on mothers’ working hours. Access to child care is particularly important for mothers who want to work full-time, because other care arrangements are unlikely to compensate for mothers’ longer working hours.

*Early Child Care.* Child care in Germany is of high quality (e.g., child-to-staff ratio of about 4:1 (BMFSFJ, 2021)). Child care is also affordable, due to heavy public subsidization. In addition, low-income families are often eligible for lower fees or fee exemptions. Furthermore, the provision of early child care (for under three-year-olds; “Krippe”) is universal, i.e., targeted at all children. However, the actual take-up of early child care is far from universal in Germany, which can also be observed in other countries offering universal child care (e.g., in Denmark, Heckman and Landersø, 2021). Moreover, the German child care market is rationed, i.e., demand for child care far exceeds the supply (Jessen et al., 2020). Thus, the child care market is highly competitive.

One aspect of the child care market that is particularly important for our study is that lower-SES children are underrepresented in child care. For example, Jessen et al. (2020) show for Germany that children of parents without college entrance qualification are 14 pp (37%) less likely to be enrolled in early child care than children of parents with college entrance qualification. This gap remains substantial even when accounting for SES differences in demand for child care (Jessen et al., 2020). One reason for the SES gap in enrollment is that the child care application process is typically complex and non-transparent (see, e.g., Hermes et al., 2021). Higher-SES families generally have more knowledge, resources, and networks to navigate the complex application process. Thus, it is not surprising that past expansions of child care in Germany mainly increased enrollment of higher-SES children (see, e.g., Scholz et al., 2018; Jessen et al., 2018).

## Appendix B. Details on the Mediation Analysis

In our mediation analysis, we follow the approach by Heckman et al. (2013) and Heckman and Pinto (2015). Thus, we add the mediators to our estimation equation (1), yielding:

$$Y_i = \alpha + \beta_1^{residual} Treatment_i + \beta_2^{residual} Treatment_i \times HigherSES_i + \beta_3 HigherSES_i + \sum_k \theta^k M_i^k + \sum_k \lambda^k M_i^k \times HigherSES_i + \mathbf{X}_i' \delta + \mu_i \quad (\text{B.1})$$

We assume that the outcome is a linear function of our observed  $k$  mediators ( $M_i^k$ ) and a vector of sociodemographic controls ( $\mathbf{X}_i'$ ). As our treatment effect varies by SES, we also allow effects of mediators to differ by SES ( $\theta^k$  for lower-SES mothers and  $\theta^k + \lambda^k$  for higher-SES mothers). Underlying this mediation analysis are three assumptions. First, as implied by Equation (B.1) we assume that the  $\theta^k$ s do not differ between treatment and control groups. More precisely, this means that our included mediators (i.e., hours in child care, hours with the father, and hours with other caretakers) affect maternal full-time employment similarly in both treatment and control groups, conditional on our other mediators and control variables. By interacting our mediators with the treatment dummy we can test this assumption. Reassuringly, no interaction term is statistically significant at conventional levels.

Second, the influence of the control variables in  $\mathbf{X}_i'$  on full-time employment needs to be similar in treatment and control. We test this assumption by interacting the treatment dummy with the control variables, and find that only one out of 12 interaction terms is significant at the 5% level (hours in child care at baseline), while one is significant at the 10% level (hours with other caretakers at baseline).<sup>34</sup> Finally, we assume that any unobserved mediator (included in the error term  $\mu_i$ ) that is affected by the treatment is orthogonal to the observed mediators. Otherwise, this would bias the estimated share of the treatment effect explained by our mediators in Figure 3. Given that these assumptions hold,  $\beta_1^{residual}$  indicates the treatment effect on lower-SES mothers net of the observed mediators, and the share of the treatment effect explained by all observed mediators is  $1 - \beta_1^{residual} / \beta_1$  (with  $\beta_1$  from Equation (1)).

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<sup>34</sup>Results of the mediation analysis are almost identical without controlling for hours in child care at baseline and hours with other caretakers at baseline. In this specification, none of the interactions between control variables and the treatment indicator are statistically significant at conventional levels.

In addition, to assess the relative contribution of each mediator, we use the estimate of the treatment effect on the respective mediator (see Table 4):

$$M_i^k = \gamma_0^k + \gamma_1^k Treatment_i + \gamma_2^k Treatment_i \times HigherSES_i + \gamma_3^k HigherSES_i + \mathbf{X}_i' \gamma_4^k + \eta_i^k \quad (\text{B.2})$$

The share of the treatment effect for lower-SES mothers attributed to mediator  $M^k$  can be expressed as  $m_k = \theta^k \gamma_1^k / \beta_1$ , with  $\theta^k$  estimated from Equation (B.1),  $\gamma_1^k$  from Equation (B.2), and  $\beta_1$  from Equation (1). Results are shown in Figure 3 and Appendix Table F3.

### Appendix C. Details on the Back-of-the-Envelope Calculation

We conduct a back-of-the-envelope calculation that compares the treatment-induced additional tax revenues (resulting from the additional income of mothers) with the costs for the provision of the additional hours in child care. We do not take the costs of the actual treatment into account for this calculation, as this cost is negligible (video and personal assistance provided by an RA of on average 2 hours per family).

*Tax Revenues.* As described in Section Appendix F and Table 3, the net household income of treated lower-SES mothers increases by 10.4%, which corresponds to 300 EUR (the average household income for lower-SES families in the control group in the second post-treatment survey is about 2900 EUR). Conservatively assuming a very low marginal income tax rate of 24% (the second lowest marginal tax rate in Germany), the additional tax revenue amounts to 95 EUR per month.

*Child Care Costs.* As shown in Section 4.4 and Table 4, hours in child care increase by 3 hours per week (12 hours per month) due to our treatment. As the provision of a slot in child care costs about 850-1000 EUR per month (see, e.g., Felfe et al., 2015; Destatis, 2021), the provision of 12 additional hours per month in child care would cost 96 EUR (assuming the upper bound of 1000 EUR per month, which is equivalent to 8 EUR per hour).

This simple calculation suggests that the treatment-induced increase in tax revenues due to the higher household income of lower-SES mothers would be sufficient to fully fund the necessary increase in child care provision.



## Appendix D. Further Details on Variables

Table D1: Variable Definitions

	Data Collection Date (1)	Definition (2)	Missings (3)	N (4)
<b>Outcome variables</b>				
Full-time employment	18 months after treatment	Indicator of the mother working full-time. When eliciting information about maternal employment status, we set a threshold of 30 hours for full-time employment to rule out that answers were affected by different perceptions of the term “full-time employment”. Self-employed mothers are defined as working full-time if they work 30 hours or more per week. In a few cases ( $n = 19$ ), mothers classified themselves as working part-time, but reported 30 or more working hours per week. We classify these mothers as full-time employees. Results remain unchanged if we instead define these mothers as working part-time. In four cases, mothers indicated that they work full-time but reported less than 30 working hours per week. We also classify these mothers as full-time employees, but results do not change if we consider them as working part-time. In a few cases ( $n = 35$ ) we elicit information about maternal full-time employment from the father. For these mothers we have no information about the exact number of working hours, but about the type of employment (full-time, part-time, not employed). Results are robust to excluding all interviews conducted with the father.	-	481
Log household income	18 months after treatment	Logarithmized monthly net household income.	Missing for $n = 22$ respondents, as $n = 9$ did not know their current household income and $n = 13$ did not report it.	459
Employment	18 months after treatment	Indicator of the mother working. We classify mothers as employed if they are in any type of paid employment (full-time, part-time or self-employed).	-	481
Working hours	18 months after treatment	Weekly working hours of working mothers according to contract. We recode the working hours variable to 30 hours per week in the four cases in which mothers indicated that they work full-time but reported less than 30 working hours per week. Results are robust if we use working hours as reported by the mothers.	Missing if mothers were not working ( $n = 237$ ), if interviews were conducted with the father ( $n = 11$ ), or if mothers did not indicate their working hours ( $n = 10$ ).	223
Earnings	18 months after treatment	Monthly net earnings in the previous month. Earnings of marginally employed mothers (part-time jobs with earnings below 450 EUR) are calculated as monthly working hours times minimum wage in 2020 (i.e., 9.35 EUR).	Missing if mothers were not working ( $n = 237$ ), if interviews were conducted with the father ( $n = 11$ ), or if mothers did not indicate their earnings ( $n = 10$ ).	223
Hours in child care	9 months after treatment	Hours a child spent in a child care center in a typical week.	Missing if respondents did not participate in the first post-treatment survey ( $n = 21$ ) or if respondents did not report weekly hours in child care ( $n = 5$ ).	455
Hours with father	9 months after treatment	Care hours provided by the father alone in a typical week.	Missing if respondents did not participate in the first post-treatment survey ( $n = 21$ ) or if respondents did not report weekly hours with the father ( $n = 19$ ).	441
Hours with other caretakers	9 months after treatment	Care hours provided by other caretakers (i.e., grandparents, older siblings, other relatives, friends, nannies, or childminders) alone in a typical week.	Missing if respondents did not participate in the first post-treatment survey ( $n = 21$ ) or if respondents did not report weekly hours with other caretakers ( $n = 21$ ).	439
Male breadwinner household	18 months after treatment	Households in which the father worked full-time and the mother worked at most part-time.	Missing for single mothers ( $n = 40$ ).	441
Share maternal care hours	9 months after treatment	Calculated by dividing the care hours provided by the mother by the sum of both partners' care hours.	Missing if respondents did not participate in the first post-treatment survey ( $n = 21$ ), if they did not answer the question about care hours ( $n = 24$ ), or if they are single mothers ( $n = 31$ ).	405
Share maternal earnings	18 months after treatment	Calculated by dividing maternal earnings by the sum of both partners' earnings. We have no direct information about fathers' earnings. Instead, we have information about maternal (net) earnings and (net) household income. We calculate fathers' earnings by subtracting maternal earnings from household income.  With comparable information from the German Socio-Economic Panel (SOEP), we can benchmark the share of maternal earnings in parental earnings in our data with those from a nationwide representative sample. Reassuringly, our data are very much in line with the representative survey data. The share of maternal earnings in parental earnings in our total sample equals 0.33, being 0.28 for lower-SES mothers. In comparison, in the SOEP, the share of maternal earnings in parental earnings (for working mothers with children aged 2-3 years) amounts to 0.33 for the total sample and 0.25 for the lower-SES subsample.	Missing if mothers were not working ( $n = 237$ ), if interviews were conducted with the father ( $n = 11$ ), if mothers did not indicate their earnings or household income ( $n = 12$ ), or if they are single mothers ( $n = 15$ ).	206

(continued on next page)

Table D1: Continued

	Data Collection Date (1)	Definition (2)	Missings (3)	N (4)
<b>SES background</b>				
Lower-SES	Baseline	As described in Section 2.3, we define mothers' SES background based on maternal education. Mothers with a college entrance qualification ("Abitur") are classified as higher-SES, whereas mothers without a college entrance qualification are classified as lower-SES. For three mother without education information, we use the partner's education level to assign SES background, based on the idea of assortative mating on education in Germany (Eika et al., 2019). Note that our results do not change if we exclude mothers with missing education information or classify all mothers with missing information as either lower-SES or higher-SES.	-	481
<b>Control variables</b>				
<i>Pre-birth labor market outcomes</i>				
Mother worked full-time (pre-birth)	Baseline	Indicator of full-time employment in the year before the child was born, indicated at baseline. Self-employed are classified as not working full-time (since their earnings are rather low on average and we did not elicit pre-birth working hours).	-	481
Mother worked (pre-birth)	Baseline	Indicator of employment (full-time or part-time) in the year before the child was born, indicated at baseline.	-	481
Mother's earnings (0 if not working, pre-birth)	Baseline	Mother's earnings in the year before the child was born, indicated at baseline. We assign zero earnings to mothers who did not work before the child was born.	-	481
<i>Sociodemographic controls</i>				
Mother is main caregiver	Baseline	Indicator of the mother being the main caregiver for the child.	-	481
Age of mother (in years)	Baseline	Age of mother in years.	-	481
Migration background	Baseline	Indicator of the mother not being born in Germany.	-	481
Mother works or searches for a job	Baseline	Indicator of the mother having worked or having searched for a job at baseline.	-	481
Log household income	Baseline	Logarithmized monthly net household income.	-	481
Interview conducted with the father	Baseline	Indicator of the father having answered the baseline survey.	-	481
<i>Controls mediation analysis</i>				
Hours in child care	Baseline	Hours the child spent in a child care center in a typical week.	-	481
Hours with father	Baseline	Care hours provided by the father alone in a typical week.	-	481
Hours with other caretakers	Baseline	Care hours provided by other caretakers (i.e., grandparents, older siblings, other relatives, friends, nannies, or childminders) alone in a typical week.	-	481
Survey date fixed effects	Baseline	Fixed effects for the date of conducting the first post-treatment survey.	-	481
<i>Controls gender equality</i>				
Male breadwinner household (pre-birth)	Baseline	Households in which the father worked full-time and the mother worked at most part-time in the year before the child was born. As we have no information on fathers' labor supply before the child was born, we use fathers' labor supply at baseline as a proxy. The majority of fathers worked full-time at baseline (77%), which suggests that most fathers did not decrease their working hours substantially after childbirth. This is in line with evidence for Germany that mainly mothers take parental leave (Destatis, 2021).	-	481
Share maternal care hours	Baseline	Calculated by dividing the care hours provided by the mother by the sum of both partners' care hours.	-	481
Mother's earnings (0 if not working, pre-birth)	Baseline	See above. When estimating treatment effects on share maternal earnings, we use pre-birth earnings of the mother as control for the pre-treatment outcome because we do not have information on pre-birth earnings of the father.	-	481

## Appendix E. Balancing and Attrition

Table E1: Baseline Sample: Descriptives and Balancing Tests

	All (1)	Control (2)	Treatment (3)	$\Delta(3)-(2)$ (4)	p-val for (4) (5)	p-val by SES (6)	Observations (7)
<b>Pre-birth labor market outcomes</b>							
Mother worked full-time	0.461	0.471	0.452	-0.020	0.635	0.929	588
Mother worked full-time, missing	0.031	0.031	0.031	-0.000	0.994	0.718	607
Mother worked	0.667	0.662	0.672	0.010	0.797	0.195	607
Mother's earnings (EUR)	1721	1724	1719	-5	0.963	0.231	386
Mother's earnings, missing	0.364	0.376	0.353	-0.023	0.554	0.217	607
Mother's earnings (0 if not working, in EUR)	1168	1156	1178	22	0.804	0.839	569
Mother's earnings (0 if not working), missing	0.063	0.070	0.056	-0.013	0.498	0.751	607
<b>Sociodemographic characteristics</b>							
Mother is main caregiver	0.967	0.976	0.959	-0.016	0.258	0.606	607
Age of mother (in years)	31.31	31.09	31.52	0.43	0.326	0.394	568
Migration background	0.390	0.389	0.391	0.002	0.953	0.831	568
Mother works or searches for a job	0.107	0.108	0.106	-0.002	0.944	0.320	607
Household income (EUR)	3050	2934	3156	222	0.123	0.082	576
Household income, missing	0.051	0.042	0.059	0.018	0.323	0.424	607
Interview conducted with the father	0.064	0.063	0.066	0.003	0.884	0.801	607
No school degree	0.054	0.052	0.056	0.004	0.829		607
Lower secondary degree	0.137	0.146	0.128	-0.018	0.516		607
Middle secondary degree	0.237	0.240	0.234	-0.006	0.862		607
College entrance degree	0.572	0.561	0.581	0.020	0.615		607

*Notes:* Table reports mean values of pre-birth labor market outcomes and sociodemographic characteristics in our baseline sample. All variables come from the baseline survey (i.e., before the treatment); labor market outcomes refer to one year before childbirth. Column (1) reports mean values for the full sample, Column (2) for the control group, and Column (3) for the treatment group. In Column (4), we show the difference between treatment and control groups, and Column (5) shows the corresponding p-value of a two-sided t-test testing the null hypothesis that values in Columns (2) and (3) are equal. In Column (6), we test whether there are treatment-control differences in the respective variable within SES subgroups. To conduct the test, we regress the variable on the treatment indicator, a higher-SES dummy, and their interaction. Column (6) reports the p-value of an F-test of joint significance of the coefficients on the treatment indicator and its interaction with the higher-SES dummy. *Mother worked full-time, pre-birth* is a dummy equal to one if the mother worked full-time before the child was born, zero otherwise. Information on maternal pre-birth work status was not reported in 19 cases (*Mother worked full-time, missing, pre-birth*). *Mother worked, pre-birth* is a dummy equal to one if the mother worked part-time or full-time pre-birth, zero otherwise. *Mother's earnings, pre-birth* denotes the monthly net earnings of the mother in EUR before the child was born. *Mother's earnings, missing, pre-birth* is a dummy equal to one if either the mother was not working pre-birth (183 cases) or the earnings information for the mother was not provided because the interview was conducted with the father (33 cases) or the mother did not answer the question (5 cases), zero otherwise. In *Mother's earnings (0 if not working), pre-birth* we assign zero earnings to mothers who did not work before the child was born; we use this variable when controlling for the pre-birth earnings of mothers. *Mother's earnings (0 if not working), missing, pre-birth* indicates cases in which maternal pre-birth earnings are missing because the father answered the baseline survey or because the mother did not answer the question. *Mother is main caregiver* is a dummy equal to one if the mother is the main caregiver of the child, zero otherwise. *Migration background* is a dummy equal to one if the mother was not born in Germany, zero otherwise. *Mother works or searches for a job* is a dummy equal to one if the mother worked at baseline (part-time or full-time) or searched for a job, zero otherwise. *Household income* is the monthly net household income in EUR. *No school degree*, *Lower secondary degree*, *Middle secondary degree* ("MSA"), and *College entrance qualification* ("Abitur") are all dummy variables indicating the parent's highest school degree.

Table E2: Check for Selective Attrition

	Participation Second Post-Treatment Survey			
	(1)	(2)	(3)	(4)
Treatment	-0.002 (0.032)	-0.010 (0.045)	0.006 (0.054)	-0.012 (0.069)
Treatment $\times$ Mother Worked Full-Time, Pre-Birth		0.012 (0.062)		0.049 (0.105)
Mother Worked Full-Time, Pre-Birth		0.012 (0.046)		0.078 (0.077)
Treatment $\times$ Higher-SES			-0.015 (0.066)	-0.000 (0.089)
Higher-SES			0.050 (0.050)	0.121* (0.063)
Treatment $\times$ Higher-SES $\times$ Mother Worked Full-Time, Pre-Birth				-0.049 (0.129)
Higher-SES $\times$ Mother Worked Full-Time, Pre-Birth				-0.132 (0.092)
Strata Controls	Yes	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes	Yes
N	607	607	607	607
<u>Attrition F-test p-values</u>				
Overall Sample	0.947	0.974	0.968	0.986
Lower-SES Sample			0.912	0.645
Higher-SES Sample			0.817	0.795

*Notes:* Table shows results from OLS models. Dependent variable is a dummy indicating participation in the second post-treatment survey. In Column (2) and (4), we impute missing values for *Mother worked full-time, pre-birth* with the median (zero) to not lose observations; results are qualitatively similar when we impute missings with one instead. All regressions include strata controls and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. F-test p-values report p-values from joint significance tests of all treatment-related coefficients for the indicated sample. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$

Table E3: Treatment Effects on Full-Time Employment Using Inverse Probability Weighting

	<b>Mother Works Full-Time</b>		
	Unweighted (1)	Baseline Sample Weights I (2)	Baseline Sample Weights II (3)
Treatment	0.092** (0.043)	0.091** (0.042)	0.091** (0.041)
Treatment $\times$ Higher-SES	-0.097 (0.064)	-0.094 (0.062)	-0.094 (0.062)
Higher-SES	0.110** (0.044)	0.105** (0.042)	0.106** (0.043)
Pre-Treatment Outcome	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes
Treatment Effect	-0.005	-0.003	-0.004
Higher-SES	(0.047)	(0.045)	(0.046)
N	481	481	481

*Notes:* Table shows treatment effects using inverse probability weighting to account for attrition. The dependent variable is maternal full-time employment. Coefficients are weighted least squares estimates, with attrition weights being the inverse of the predicted probability of responding in the post-treatment survey. In Column (2), the probability of responding is derived from a probit model of the binary participation indicator as function of treatment assignment and pre-treatment outcome; in Column (3), the probability of responding is derived from a probit model of the binary participation indicator as function of treatment assignment, higher-SES indicator, their interaction, and pre-treatment outcome. All models include the pre-treatment outcome, strata controls, and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$

## Appendix F. Further Results

Table F1: Treatment Effects on Child Care Application and Enrollment

	Applied (1)	Enrolled (2)
Treatment	0.222*** (0.076)	0.145** (0.071)
Treatment $\times$ Higher-SES	-0.235*** (0.085)	-0.150 (0.092)
Higher-SES	0.211*** (0.068)	0.215*** (0.071)
Pre-Treatment Outcome	Yes	Yes
Strata Controls	Yes	Yes
Sociodemographic Controls	Yes	Yes
Treatment Effect	-0.013 (0.040)	-0.005 (0.060)
Control Mean Higher-SES	0.852	0.496
Control Mean Lower-SES	0.598	0.220
Control Mean SES Gap	0.254	0.277
N	460	460

*Notes:* Table shows intention-to-treat effects on child care application and enrollment, all models are estimated by OLS. Outcomes are measured when children are 1–2 years old (i.e., nine months before measuring full-time employment). 21 mothers did not participate in the first post-treatment survey in which the outcomes were elicited ( $n = 460$ ). In Column (1), the outcome takes a value of one if the family has applied for child care, zero otherwise. In Column (2), the outcome takes a value of one if the family’s child is enrolled in child care, zero otherwise. *Higher-SES* equals one if the mother has a college entrance qualification, zero otherwise. All models include the pre-treatment outcome, strata controls, baseline sociodemographic controls, and survey date fixed effects (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES* (*Lower-SES*) is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

*Heckman Selection Model.* We restrict our sample to working mothers when estimating treatment effects on hours worked and earnings of mothers. Here, we use the Heckman selection model as a robustness check since it allows us to account for potential selection into the subsample of working mothers. In particular, the model first estimates the probability that a mother is employed (i.e., that she is observed in the sample of working mothers). The model then estimates the treatment effect on working hours and earnings while controlling for the fact that we did not observe all mothers in this sample. Results are reported in Table F2. As exclusion restrictions, we use either the existence of another child (born after baseline) (Columns (1) and (2)) or the total number of children in the household (Columns (3) and (4)) (Huber and Mellace, 2014). Results for both instruments are very similar.

Table F2: Treatment Effects on Weekly Working Hours and Monthly Earnings (Heckman Selection Model)

	Heckman Model			
	Working Hours (1)	Log Earnings (2)	Working Hours (3)	Log Earnings (4)
Treatment	4.404** (2.140)	0.221* (0.128)	5.197** (2.078)	0.232* (0.126)
Treatment $\times$ Higher-SES	-4.887* (2.699)	-0.196 (0.172)	-6.550** (2.608)	-0.226 (0.166)
Higher-SES	4.059** (2.062)	0.170 (0.132)	4.931** (2.002)	0.197 (0.136)
Pre-Treatment Outcome	Yes	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes	Yes
Sociodemographic Controls	Yes	Yes	Yes	Yes
Treatment Effect	-0.483 (1.659)	0.025 (0.106)	-1.353 (1.584)	0.007 (0.103)
Control Mean Higher-SES	25.314	7.218	25.676	7.227
Control Mean Lower-SES	19.000	6.701	18.743	6.682
Control Mean SES Gap	6.314	0.517	6.934	0.545
Instrumental Variable	Younger Child	Younger Child	Number of Siblings	Number of Siblings
N	439	439	430	430

*Notes:* Table shows the second-stage results of a Heckman selection model for weekly working hours and log (net) earnings. Outcomes are measured when children are 2–3 years old (18 months after the treatment). The sample size deviates from our analytical sample, as we exclude families in which the father was the respondent (as we have no information about maternal working hours or wages in these cases). In Column (3) and (4), we additionally exclude 9 mothers because of missing information about the number of children in the household. In Column (1) and (2), we use the presence of a younger child as our targeted child as an instrument for selection into employment; in Column (3) and (4), the instrument is the number of siblings at baseline. *Higher-SES* equals one if the mother has a college entrance qualification, zero otherwise. All models include controls for pre-treatment outcomes (full-time employment of mother in the year before the child was born in Column (1) and (3), and earnings of mother in the year before the child was born in Column (2) and (4)). Additionally, we include controls for strata variables and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the respective outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher-SES and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

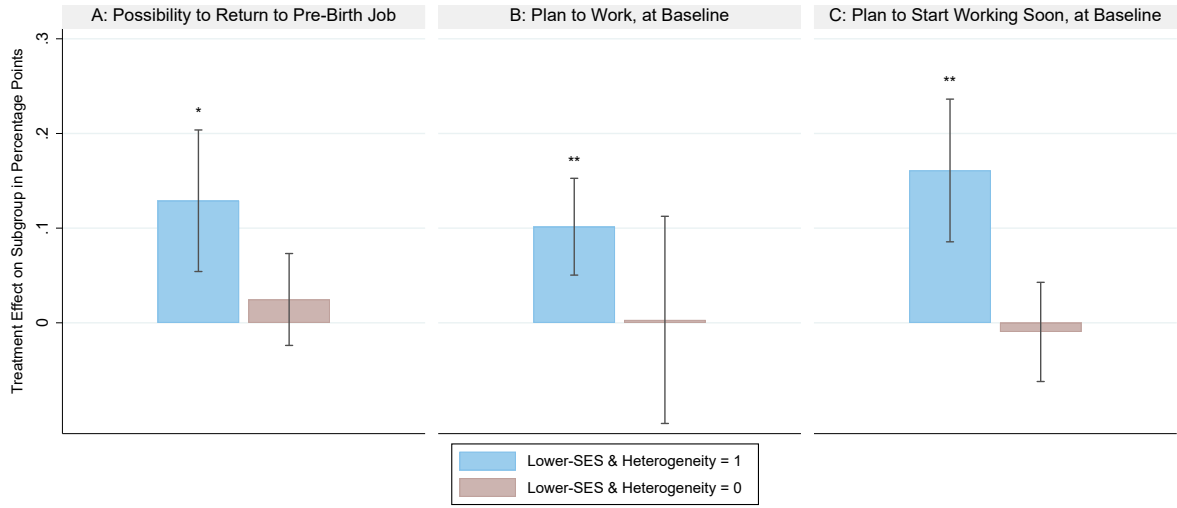
Table F3: Treatment Effects on Maternal Full-Time Employment with Mediators

	Main	Channel 1: Hours in Child Care	Channel 2: Hours with Father	Channel 3: Hours with Other Caretakers	All Channels
	(1)	(2)	(3)	(4)	(5)
Treatment	0.087* (0.050)	0.064 (0.049)	0.074 (0.049)	0.074 (0.050)	0.038 (0.048)
Treatment $\times$ Higher-SES	-0.093 (0.070)	-0.067 (0.069)	-0.080 (0.069)	-0.081 (0.070)	-0.041 (0.068)
Higher-SES	0.101* (0.052)	0.063 (0.050)	0.113** (0.055)	0.061 (0.056)	0.034 (0.055)
Hours in Child Care		0.007 (0.004)			0.007 (0.004)
Hours with Father			0.006 (0.004)		0.007* (0.004)
Hours with Other Caretakers				-0.005* (0.003)	-0.004 (0.003)
Pre-Treatment Outcome	Yes	Yes	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes	Yes	Yes
Mother characteristics	Yes	Yes	Yes	Yes	Yes
Control Mean Higher-SES					0.232
Control Mean Lower-SES					0.050
Control Mean SES Gap					0.182
N	436	436	436	436	436

*Notes:* Table shows the models estimated from Equation (B.1), which are the basis for calculating the share of the treatment effect explained by specific mediators in our mediation analysis (see Section 4.4). We consider the following mediators: *Hours in Child Care* refer to weekly hours in center-based child care; *Hours with Father* refer to hours in which the father takes care of the child alone; *Hours with Other Caretakers* refer to hours in which other caretakers (i.e., grandparents, older siblings, other relatives, friends, nannies, or childminders) take care of the child alone. Column (1) replicates the main treatment effect on maternal full-time employment from Column (4) of Table 2, using the sample for which we have information on all mediators ( $n = 436$ ). In Columns (2)–(4), we include each mediator separately (corresponding to the upper three bars in Figure 3). In Column (5), we include all three mediators jointly (corresponding to the bottom bar of Figure 3). In all specifications, we also include interaction terms of the mediator variable with the higher-SES dummy, allowing the mediators to differently affect full-time employment for lower- and higher-SES mothers. All models include the pre-treatment outcome, strata controls, baseline sociodemographic controls, and survey date fixed effects (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .



Figure F1: Heterogeneous Treatment Effects on Maternal Full-Time Employment



*Notes:* Figure shows heterogeneous treatment effects (ITT) on maternal full-time employment for different subgroups within the lower-SES sample, based on OLS models using triple interactions. Column (1) reports heterogeneity based on a dummy variable indicating whether the mother had the (perceived) possibility to return to her pre-birth job ( $n = 461$ ), measured in the second post-treatment survey. *Possibility to Return to Pre-Birth Job* is missing for  $n = 20$  mothers because the interview was conducted with the father. In Column (2), *Plan to Work, at Baseline* is equal to one if the mother indicates at baseline that she plans to work part-time or full-time, zero if she does not plan to take-up (paid) work ( $n = 457$ ). *Plan to Work, at Baseline* is missing for  $n = 24$  mothers, as  $n = 19$  interviews were conducted with the father and  $n = 5$  mothers did not answer the question. Column (3) reports heterogeneity based on whether the mother indicates at baseline that she plans to return to work in the next year (when the child is 1–2 years old) or earlier, zero if the mother plans to start working later or does not plan to take-up (paid) work ( $n = 454$ ). *Plan to Start Working Soon, at Baseline* is missing for  $n = 27$  mothers, as  $n = 19$  interviews were conducted with the father and  $n = 8$  mothers did not answer the question. Within each panel, the left-hand bar shows the estimated treatment effect for the subgroup of lower-SES mothers to which the respective heterogeneity applies (e.g., those mothers who had the (perceived) possibility to return to their pre-birth job in Panel A); the right-hand bar shows the treatment effect for the remaining lower-SES mothers (e.g., those mothers who did not have the (perceived) possibility to return to their pre-birth job in Panel A). Full-time employment is measured when children are 2–3 years old (18 months after the treatment, see Section 3 for details). All models include the pre-treatment outcome, strata controls and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. Significance levels: \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

## Appendix G. Robustness Checks

Table G1: Treatment Effect on Full-Time Employment of Mothers (Only Biological Mothers as Respondents)

	Mother Works Full-Time			
	(1)	(2)	(3)	(4)
Treatment	0.080*	0.082*	0.083*	0.089*
	(0.046)	(0.046)	(0.047)	(0.048)
Treatment $\times$ Higher-SES	-0.088	-0.089	-0.098	-0.108
	(0.069)	(0.068)	(0.069)	(0.068)
Higher-SES	0.183***	0.164***	0.147***	0.108**
	(0.046)	(0.045)	(0.045)	(0.047)
Pre-Treatment Outcome	No	Yes	Yes	Yes
Strata Controls	No	No	Yes	Yes
Sociodemographic Controls	No	No	No	Yes
Treatment Effect	-0.008	-0.007	-0.014	-0.019
Higher-SES	(0.052)	(0.050)	(0.049)	(0.048)
Control Mean Higher-SES				0.244
Control Mean Lower-SES				0.048
Control Mean SES Gap				0.183
N	446	446	446	446

*Notes:* Table shows intention-to-treat effects on full-time employment of mothers when the biological mother participated in the second post-treatment survey. All models are estimated by OLS. Full-time employment is defined as working 30 hours or more per week and is measured when children are 2–3 years old (18 months after the treatment, see Section 3 for details). *Higher-SES* equals one if the mother has a college entrance qualification, zero otherwise. Column (1) shows unconditional treatment effects. In Column (2), we control for an indicator of maternal full-time employment in the year before the child was born. In Column (3), we additionally control for strata variables, and in Column (4) we add controls for sociodemographic characteristics of the mother. All control variables were elicited in the baseline survey. See Section 3 for details on the control variables and variable definitions. Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ .

Table G2: Randomization Inference and Corrections for Multiple Hypothesis Testing

	Coefficient (1)	Rand. Inference (2)	List-Shaikh-Xu (3)	Westphal-Young (4)	Romano-Wolf (5)
<b>Panel A: Full-Time Employment (Table 2), Employment, and Working Hours (Table 3)</b>					
Full-Time Employment Lower-SES	0.092**	<b>0.042</b>	<b>0.043</b>	<b>0.060</b>	<b>0.061</b>
Employment Lower-SES	-0.008	0.903	0.912	0.902	0.902
Working Hours Lower-SES	4.903**	<b>0.068</b>	<b>0.053</b>	<b>0.049</b>	<b>0.048</b>
<b>Panel B: Household Income and Maternal Earnings (Table 3)</b>					
Log Household Income Lower-SES	0.104*	<b>0.057</b>	0.119	0.133	0.132
Log Earnings Lower-SES	0.222*	<b>0.092</b>	<b>0.092</b>	0.133	0.132
<b>Panel C: Gender Equality in the Household (Table 5)</b>					
Male Breadwinner Household Lower-SES	-0.159**	<b>0.023</b>	<b>0.076</b>	<b>0.062</b>	<b>0.055</b>
Share Maternal Care Hours Lower-SES	-0.111**	<b>0.029</b>	<b>0.062</b>	<b>0.071</b>	<b>0.071</b>
Share Maternal Earnings Lower-SES	0.070*	<b>0.088</b>	0.111	<b>0.089</b>	0.266

*Notes:* Table shows p-values for our main results when using randomization inference and adjusting for multiple hypothesis testing. All p-values < .10 are printed in **bold**. For comparison, Column (1) displays coefficients and significance stars representing p-values from robust standard errors (\*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$ ) as reported in the main tables. Randomization inference (RI) p-values in Column (2) are obtained from RI with 1,000 permutations, assigning the treatment status randomly within strata (using the Stata command 'ritest' by Hess, 2017). In Columns (3)–(5), we implement three different methods to correct for multiple hypothesis testing (controlling the family-wise error rates) using bootstrap resampling techniques. Column (3) uses the method by List et al. (2019), Column (4) the stepdown-approach by Westfall and Young (1993), and Column (5) the approach by Romano and Wolf (2005, 2016). The procedures by Westfall-Young (using the Stata command 'wyoung' by Julian Reif) and Romano-Wolf (using the Stata command 'rWolf' by Clarke et al. (2020)) account for the stratified randomization, i.e., bootstrap samples are selected within each stratum. In Panel A, we correct for the fact that we use three outcomes for labor market participation: full-time employment, employment, and working hours. In Panel B, we correct for the fact that we use two outcomes for earnings: household income and maternal earnings. In Panel C, we correct for the fact that we use three outcomes to measure intra-household gender equality: male breadwinner household, share maternal care hours, and share maternal earnings. Note that some corrected p-values are smaller than the original p-values because they are based on bootstrap methods. We do not report adjusted p-values for higher-SES mothers because of their insignificance in the main analysis. All control variables from the respective baseline specification are included.

Table G3: Alternative SES Definitions

	Mother Works Full-Time			
	SES-1 (main)	SES-2	SES-3	SES-4
Treatment	0.092** (0.043)	0.089* (0.051)	0.070* (0.037)	0.073* (0.037)
Higher-SES-1 (mother has a college entrance qualification)	0.110** (0.044)			
Treatment $\times$ Higher-SES-1 (main)	-0.097 (0.064)			
Higher-SES-2 (at least one parent in HH has college entrance qualification)		0.056 (0.044)		
Treatment $\times$ Higher-SES-2		-0.080 (0.066)		
Higher-SES-3 (mother has college entrance qualification + HH not poor)			0.114** (0.051)	
Treatment $\times$ Higher-SES-3			-0.077 (0.066)	
Higher-SES-4 (mother has college entr. qual. + no single mother + HH not poor)				0.112** (0.051)
Treatment $\times$ Higher-SES-4				-0.082 (0.066)
Pre-Treatment Outcome	Yes	Yes	Yes	Yes
Strata Controls	Yes	Yes	Yes	Yes
Mother characteristics	Yes	Yes	Yes	Yes
Control Mean Higher-SES	0.234	0.209	0.275	0.275
Control Mean Lower-SES	0.056	0.058	0.059	0.059
Control Mean SES Gap	0.178	0.151	0.216	0.216
N	481	481	481	481

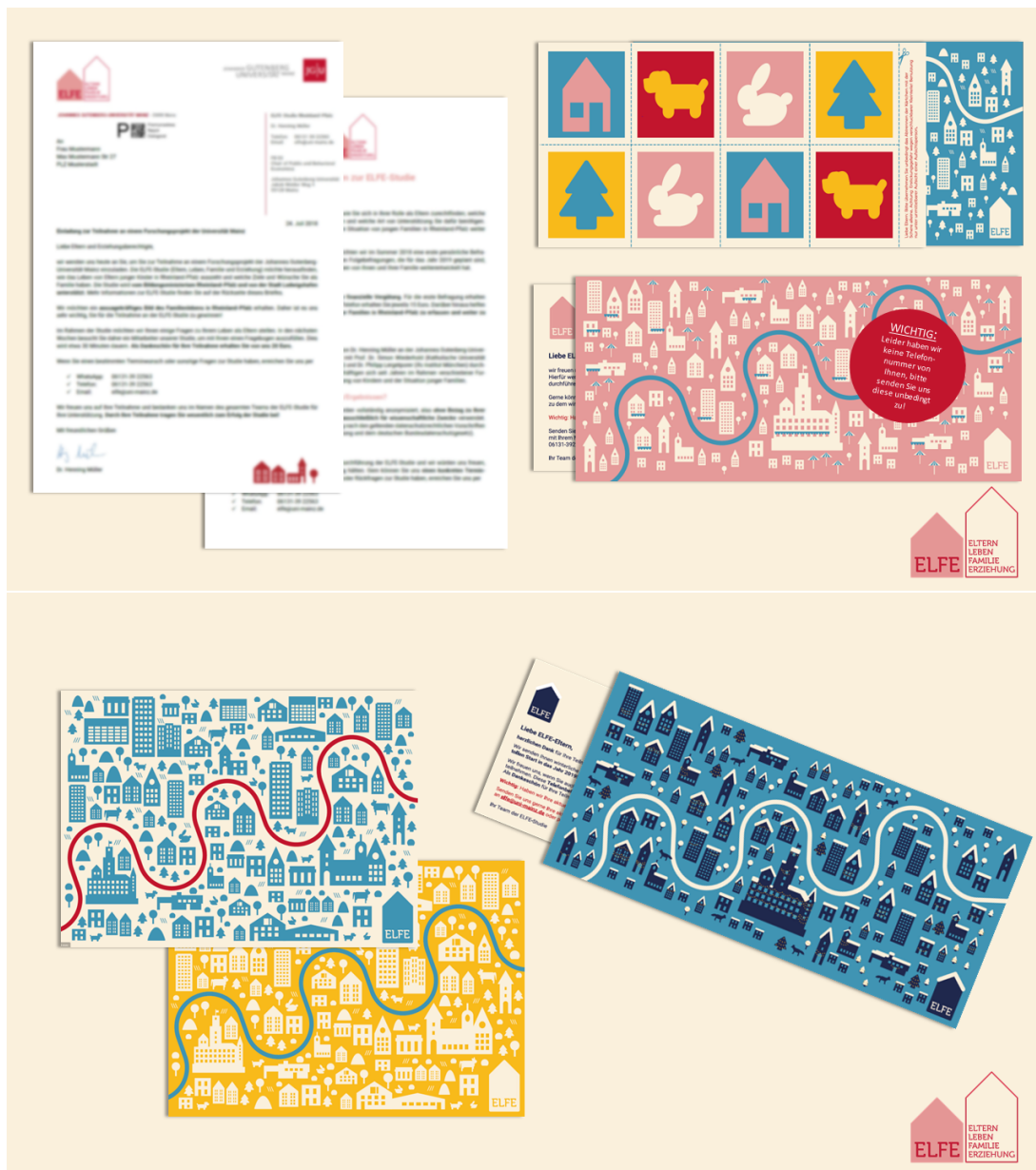
*Notes:* Table shows our main result from Table 2 for different definitions of lower-SES mothers (see Section 4.3 for details). Column (1) reports results for our main definition of lower-SES mothers used throughout the paper (mothers not having a college entrance qualification, SES-1). In Column (2), we define lower-SES as *neither* parent having a college entrance qualification (SES-2, 30% of the full sample). Column (3) extends the definition for SES-1 by adding families with an equivalent household income below poverty line to the lower-SES sample (SES-3, 51% of the full sample, following Falk et al. (2021)). Column (4) extends the definition for SES-3 by adding single-mothers to the lower-SES sample (SES-4, 52% of the full sample, following Kosse et al. (2020)). All models include the pre-treatment outcome, strata controls, and baseline sociodemographic controls (see Section 3 for details). Imputation dummies for missing values in control variables are included. *Control Mean Higher-SES (Lower-SES)* is the mean of the outcome in the control group in the post-treatment survey for higher-SES (lower-SES) mothers; *Control Group SES Gap* reports the difference between control means of higher- and lower-SES mothers. Robust standard errors in parentheses, \*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$

## Appendix H. Experimental Material

In this section, we provide additional details on the material used for recruitment and panel maintenance, as well as details about the treatment video.

### Appendix H.1. Material used to Communicate with Parents

Figure H1: Invitation Letter, Examples of Materials for Parents, and Study Logo



*Notes:* Figure presents material used in the study, including letters sent to parents and various postcards used for panel maintenance (letters are blurred for data protection reasons).

## Appendix H.2. Treatment Video (Slides and Text)

Figure H2: Slide 1 of the Information Video Shown to the Treatment Group



*Audio Slide 1:* Who should take care of my child and where? Almost all parents with young children in Germany face these questions.

Figure H3: Slide 2 of the Information Video Shown to the Treatment Group



*Audio Slide 2:* This short video summarizes the most important information about child care for you. There are many different ways to care for your child. You can choose! Basically, you can look after your child yourself at home, your child could attend a child care center, or, for example, a nanny could take care of your child. The decision is entirely up to you.

Figure H4: Slide 3 of the Information Video Shown to the Treatment Group



*Audio Slide 3:* Access to a child care slot.

Figure H5: Slide 4 of the Information Video Shown to the Treatment Group



*Audio Slide 4:* Many parents think that their child cannot attend child care because there are no slots available or it is too expensive. But is this really the case? In Germany, all parents have a legal entitlement to a child care slot for their children from their first birthday onward. This applies without exceptions. And the legal entitlement also applies regardless of whether parents work or not.

Figure H6: Slide 5 of the Information Video Shown to the Treatment Group



*Audio Slide 5:* You can choose the child care slot yourself. If you cannot find a slot in a child care center of your choice, the following applies: your city must offer you an alternative slot in child care, for example, at another child care center.

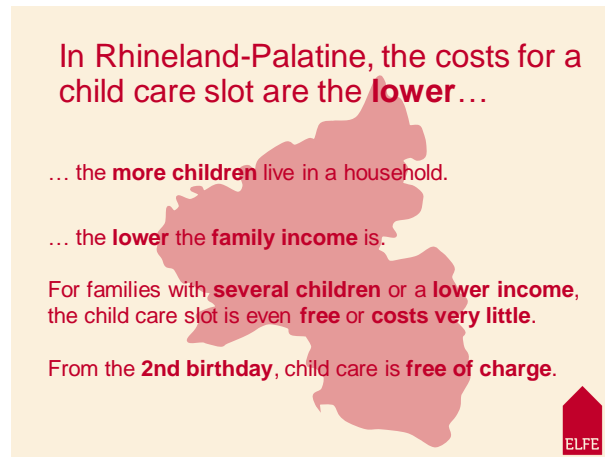
Figure H7: Slide 6 of the Information Video Shown to the Treatment Group



*Audio Slide 6:* Child care costs: Many parents think that a child care slot is very expensive. But how much does a child care slot really cost?



Figure H8: Slide 7 of the Information Video Shown to the Treatment Group



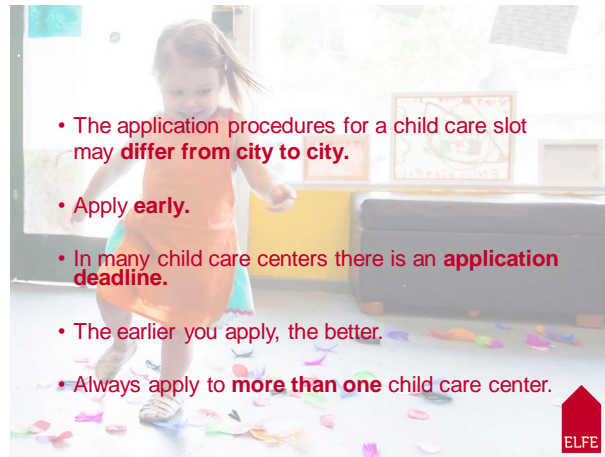
*Audio Slide 7:* In Rhineland-Palatinate, the costs for a child care slot are the lower the more children live in a household and the lower the family income is. For families with several children or a lower household income, child care is often even free or costs very little. From a child's second birthday, child care is even free of charge.

Figure H9: Slide 8 of the Information Video Shown to the Treatment Group



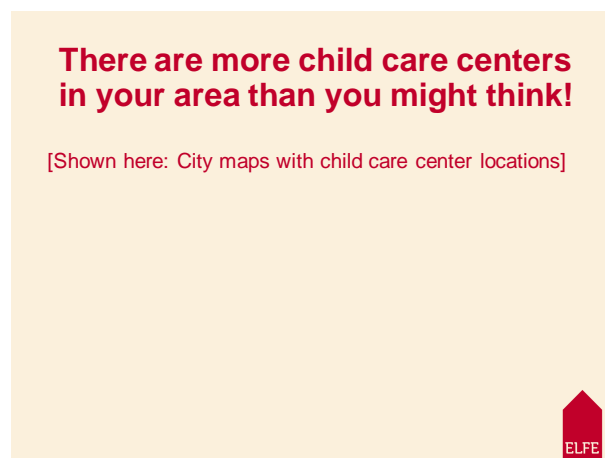
*Audio Slide 8:* Application for a child care slot.

Figure H10: Slide 9 of the Information Video Shown to the Treatment Group



*Audio Slide 9:* If you decide to apply for child care, finding a slot is really not rocket science. The application procedures for a child care slot may differ from city to city. However, the following always applies: apply early. This increases your chances of finding a slot. In many child care centers, there is an application deadline. But even if there is no application deadline, the earlier you apply, the better. In any case, apply to more than one child care center! This will increase your chances of getting a slot at the child care center of your choice.

Figure H11: Slide 10 of the Information Video Shown to the Treatment Group



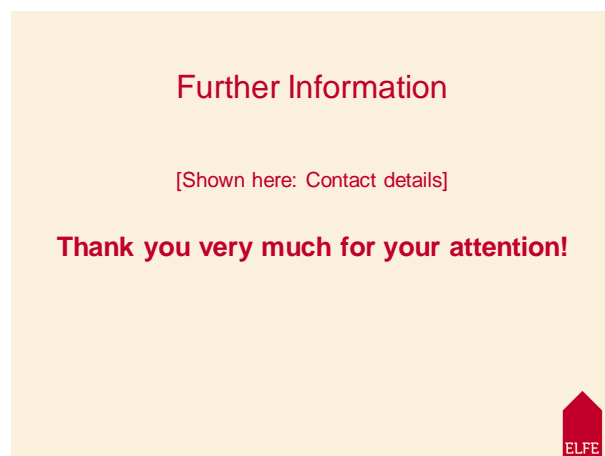
*Audio Slide 10:* Here you can see that there are more child care centers in your area than you might think!

Figure H12: Slide 11 of the Information Video Shown to the Treatment Group



*Audio Slide 11:* Once again, we summarize the main points. It's your choice whether you want to care for your child yourself at home or whether you want to enroll your child in child care. You have a legal entitlement to child care from the day your child is one year old. The costs for child care are very low in Rhineland-Palatinate, and, from the day your child is two years old, child care is even free of charge. If you would like to enroll your child in child care, search early and apply to more than one child care center. If you have any questions or need support regarding child care, please contact our staff. We will gladly help you!

Figure H13: Slide 12 of the Information Video Shown to the Treatment Group



*Audio Slide 12:* Further information can also be found at [webpage]. Thank you very much for your attention! We wish you and your family all the best and thank you for participating in the ELFE study.