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Ministry of Education

# Overview of the key benefits of ECE

## ECE Funding Review MAG 2025



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New Zealand Government

# Child outcome benefits of ECE

- Participation in ECE can be a tool to improve children's development and long-term outcomes.
- However, the research suggests that the impact of ECE isn't felt equally by all children.
- The impact of ECE can be influenced by:
  - Service quality
  - Socio-economic background
  - Age
  - Participation intensity



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# Quality of ECE provision

# Types of ECE quality

Indicators of quality in ECE settings broadly fit into two categories:

## Structural quality

(indicators that can be easily measured/counted)

- Staff qualifications
- Adult-to-child ratios
- Room size
- Physical space per child
- Number of staff engaging in professional learning and development (PLD)

## Process quality

(indicators that are less tangible/harder to measure)

- Interactions between adults and children
- Organisation of routines
- Approaches to supporting social-emotional skills
- A service's connection to the community
- General design of teaching and learning

# Levers for influencing quality

- Many countries, including **New Zealand**, typically focus on influencing **structural measures** of quality as they are easier to monitor, regulate, and financially incentivise.
- Current levers of influencing structural quality are:
  - Setting a **minimum quality standard** through regulations (e.g. adult-to-child ratios, 50% qualified teachers)
  - **Incentivising** higher levels of quality through **additional funding** (e.g. certificated teacher funding bands)
- Martin Jenkins are currently working on a report about the impact of various structural measures of ECE quality.



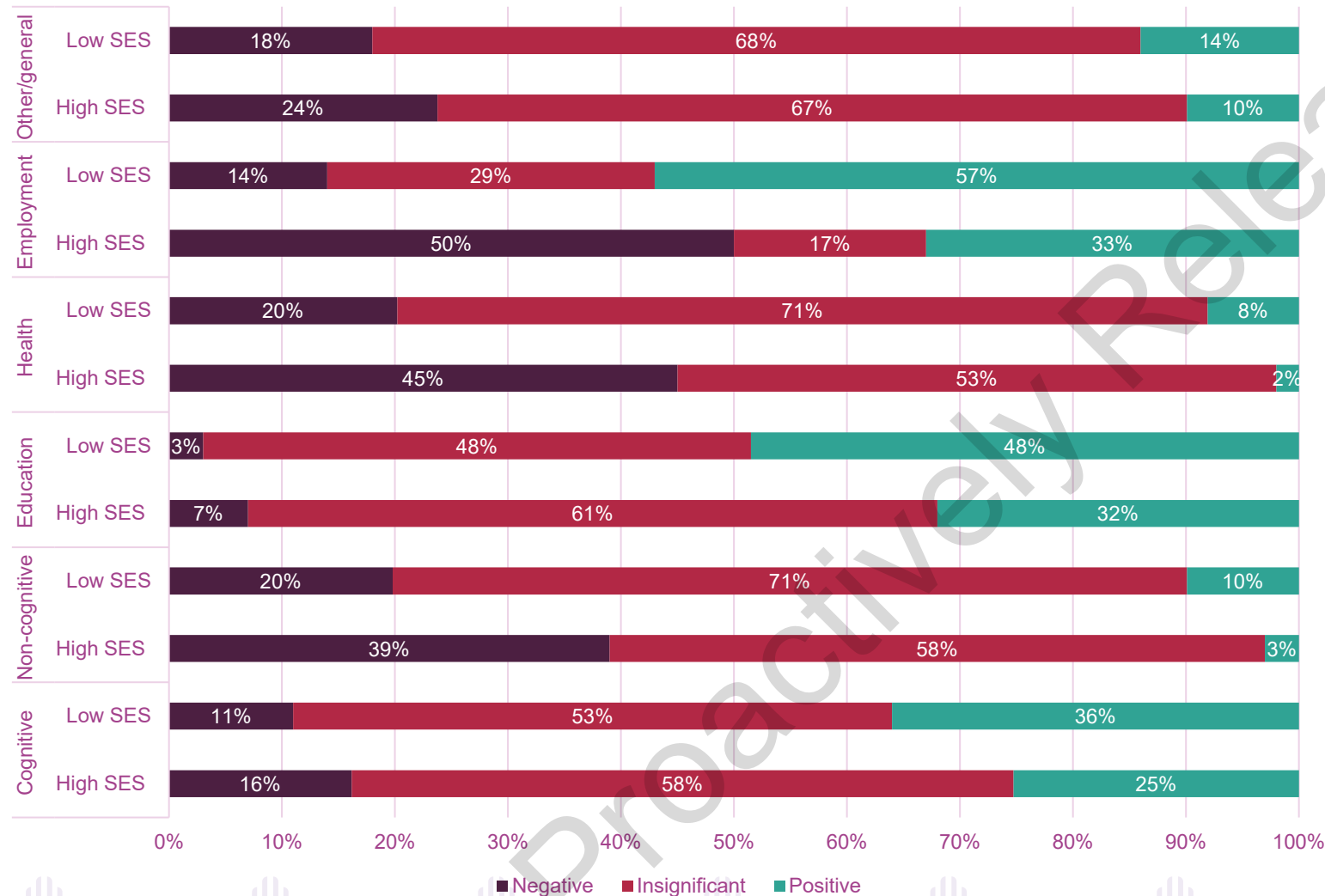
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# Socio-economic status of children

# Schmutz 2024 meta-analysis

- This meta-analysis explores 29 studies.
- The majority of the studies were from developed countries (92%).
- Only 16% of studies analysed ECE with enrolment ages below 3-years-old.
- The measures of socio-economic status used were parental education (47%), family income (22%), school lunch eligibility (17%), mother's education level (8%), neighbourhood deprivation index (4%), and other (3%).
- Outcome domains explored were non-cognitive (44%), cognitive (28%), health (13%), education (8%), employment (2%), and other (6%).

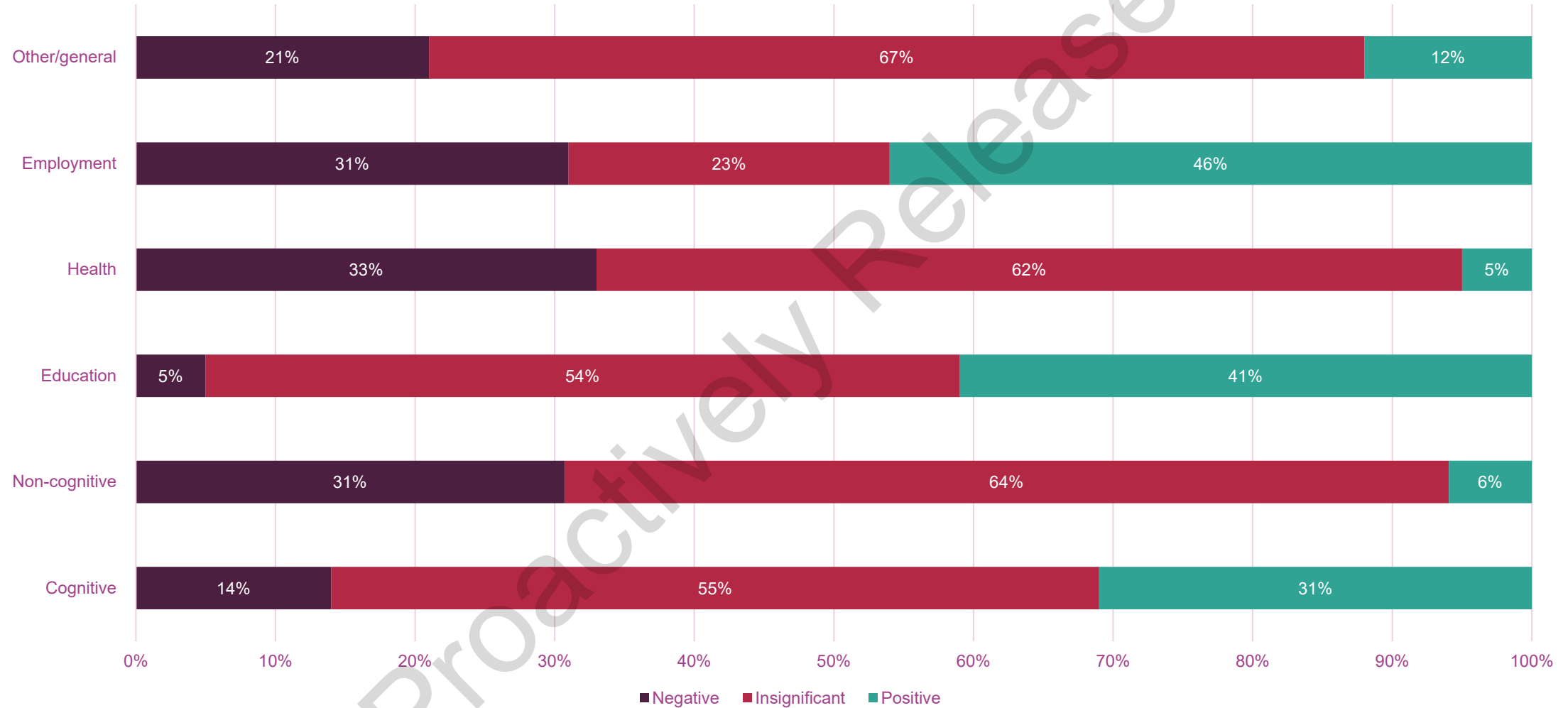
# Impact of ECE across outcome domains differentiated by socio-economic status



- Across all domains, low SES children benefit more from participation in ECE.
- Low SES children are most impacted in the education and employment domains.
- Schmutz highlights that the non-cognitive results are influenced by a high number of statistically insignificant negative results.
- Positive health outcomes are low across both groups



# General impact of ECE across outcome domains





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# Child age

# Age-based variation in ECE outcomes

**3-year-olds & over:** The research suggests that ECE participation is universally beneficial, with the greatest benefits accruing to children from low-socio-economic backgrounds.

**Under 3-year-olds:** The research is less conclusive. However, this may not be relevant in our context as ECE in New Zealand is integrated.

# ECE participation and child health

- As mentioned earlier, participation in ECE can be linked to negative health outcomes.
- Accordingly, some research expresses concern about the health implications of very young children attending ECE.
- Compared to infants in parental care, infants in centre-based ECE are two times more at risk of ear and chest infections and two and a half times more at risk of gastro illness
- Further, for 2-year-olds, attending more than 30 hours a week of ECE can be linked to an increased risk of hospitalisation due to complications with an ear, chest, or gastro infection.





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# Intensity of ECE participation

# Participation intensity and child outcomes

- Evidence is inconclusive about the role of ECE participation intensity in influencing child outcomes
- Some researchers find that high levels of ECE participation leads to greater benefits for children.
- Others express concerns about attachment, stating that long hours of parental separation can be emotionally distressing, especially for very young children





# Participation intensity and language acquisition

- There are 4 language service types that sit under the education & care umbrella:
  - Puna reo (23 services)
  - Reo rua education and care (26 services)
  - Leo o fanau moana immersion (36 services)
  - Leo o fanau moana bilingual (27 services)
- Participation intensity is extremely important for language immersion ECE services, as increased exposure improves language acquisition.
- Research since the 1960s has broadly demonstrated the advantages of being bilingual in a variety of cognitive and metacognitive tasks.
- In a New Zealand context, Māori medium education has been linked to higher rates of level 3 and/or University Entrance qualifications for Māori learners.



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# Measuring Child Outcomes



# The Australian Early Development Census (AEDC)

- Although New Zealand does not currently measure the effects of ECE on child outcomes, there are measures in comparable jurisdictions such as Australia.
- The Australian Early Development Census (AEDC) measures the development of Australian children across the following domains:
  - Physical health and wellbeing
  - Social competence
  - Emotional maturity
  - Language and cognitive skills
  - Communication skills and general knowledge
- In 2023, researchers used the AEDC to explore the relationship between ECE quality and child outcomes. Generally, they found that ECE services' quality predicted children's vulnerability on each of the development domains

# Labour Market Participation benefits of ECE

- Parental motivation for enrolling children in ECE is predominantly driven by the need to work.
- The Ministry for Regulation found that 75% of parents choose to enrol their children in ECE to participate in paid employment.
- Parental engagement in paid work is associated with a range of benefits, including:
  - Improving outcomes for women
  - Stimulating the economy
  - Reducing material hardship



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# Improving outcomes for women

# Childcare responsibilities disproportionately impact women

- GUiNZ reported that 53% of mothers were engaged in paid employment when their child reached two years old, compared to 94% of their partners.
- A more recent survey of the division of paid and unpaid labour in New Zealand shows that women are more than four times as likely as men to report not being in full-time employment due to childcare responsibilities



# Women's access to ECE

- Although women's employment trends can be partly attributed to social and cultural norms, they can also be impacted by access to affordable ECE.
  - GUiNZ has reported that 18% of mothers not in paid employment when their child reached two years of age felt ECE was not worthwhile due to its cost
  - Statistics New Zealand's 2017 childcare survey found that 19% of parents working or wanting to work identified cost as the main barrier to accessing childcare.
- The Motu Economic and Public Policy Research Trust have estimated that the total value of wages lost by mothers with a child under three due to lack of childcare access is \$116 million per year
  - They also emphasise that low socio-economic status, Māori, Pacific, and disabled women are the groups most impacted by this wage loss.



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# Stimulating economic activity

# Employment and economic growth

The New Zealand economy is influenced by the size of its workforce, accordingly, an increase in labour market participation can be a significant driver of economic growth.

A 2021 report by Westpac and Deloitte estimated that New Zealand's economy would be **\$1.5 billion** larger every year if childcare and home duties were split more evenly between men and women

Another report estimated that if women's participation in the workforce in every country matched the pace of the fastest improving nation in their region, global GDP could grow by **\$12 trillion** over the next decade





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# Reducing material hardship and child poverty



# ECE and material hardship

- Parental employment can **significantly impact** a family's likelihood of experiencing **material hardship and poverty**.
- Approximately **40 percent** of beneficiary households experience material hardship, compared to **9 percent** of working households
- Although families facing material hardship can benefit greatly from ECE, they are not as likely to access it as higher socio-economic families.
- Research has shown that **access** to childcare can be influenced by **socio-economic status**, and that high-income, educated, New Zealand European women are more likely to have children participating in ECE.



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kia rangatira ai, kia mana taurite ai ōna huanga.

We shape an education system that delivers  
equitable and excellent outcomes.

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