

# Socioeconomic Background and People's Childcare Policy Preference –A National Survey in Taiwan

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## ABSTRACT

The research aims to analyze the childcare policies practiced at the OECD countries. A national survey was conducted to explore the Taiwanese people's opinions about the childcare policies which might encourage adults' willing to have children and as a consequence, resolve the low fertility situation in Taiwan. The survey included 1,510 subjects aged 20 to 39 across Taiwan.

The important conclusions were as followings: Taiwanese people were willing to have children, but they showed anxiety of raising children and parenting. The factors which affected people's willing of having children were:

1. Most people showed less interest in tax reduction, because this policy would not benefit the low income families.
2. More than sixty percent of sampling subjects supported to included intrauterine insemination fee into NHS payment scheme.
3. Childcare subsidies would release the economical burden of the families with young children.
4. Family-friendly working environment was considered to be the most important childcare policy. In particular, companies provided childcare services, flexible working time, and parenting leave for fathers showed high percentages of support.
5. The parenting leave can be offered for the parents whose children were under four-year-old for two-year leave. The applicants could be extended from civic officers and large companies to all employees.
6. The government could provide after-school care for the educational and economic disadvantageous families, including rural and countries areas where the after-school childcare services were insufficient.
7. The government should enforce the after-school childcare institutions, nursery institutions, and home-care childminders into management system. Regular visits, formal or informal inspections, and support for childminders are necessary to ensure the childcare quality.
8. The government shall plan how to provide short-term care in order to resolve the atypical workers' childcare needs.

According to the results, the researcher suggested the following strategies for

policy makers:

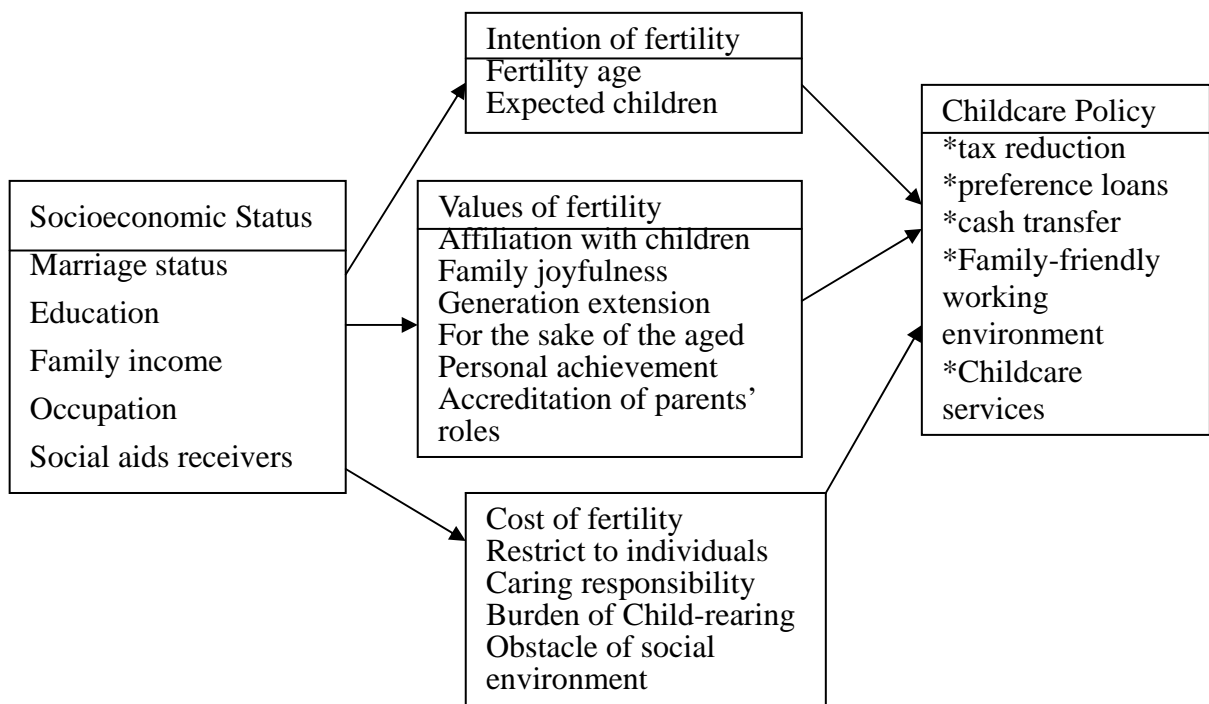
1. The short-term strategies: promote the childcare quality by ensuring the childcare environment and childminders' professional ability, create a family-friendly working environment, and create a social environment valuing and respect children and their families.
2. The mid-term strategies: include intrauterine insemination fee into NHS payment scheme, include parenting leave into the Labour Force Fundamental Law, include the childcare expenditure into tax reduction, and provide childcare subsidies during parenting leave.
3. The long-term strategies: provide a nation-supported preschool childcare and after-school care.

Keywords: fertility attitudes, childcare policy, socioeconomic status

Receding birth rate has become a global crisis that most developed countries in the world have to face. From the viewpoint of national economic development, the reduced population will bring negative effects, such as the expenditure of aged allowance and pension and the shortage of labour force. The fertility policy aims not only to raise the fertility rate, but also to alleviate the child-rearing burden of family with young children and to provide assistance to reconcile work and family life. The related policies include maternity payments or benefits, parental leave mandates, and child-raising allowances etc.. Since most East-Asian countries are not social welfare countries such as Sweden, Finland, Denmark, childcare support policies would be most crucial in order to address existing incentive issues.

## Background

The purposes of this study were: (a) to examine people with different socioeconomic status (e.g. marriage status, education, family income, occupation, and social aids receivers or not) and their fertility attitudes and childcare policy preferences; (b) to clarify the correlation between fertility attitudes (including intention of fertility, values of fertility, and cost of fertility) and the childcare policy preferences. Specific research questions were: (a) Does the results correspond to the social understanding that the people with higher socioeconomic status for the reason of pursuing personal achievement tend to have less children whereas those with low socioeconomic status on the contrary? (b) How do the people with different socioeconomic background perceive the values of fertility and the cost of fertility? (c) What will be the preferred childcare policy between upper and lower socioeconomic people? A conceptual model of socioeconomic status, fertility attitudes, and childcare policy represented research framework of key variables within this study (see Figure).



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Figure 1. A conceptual model of socioeconomic status, fertility attitudes, and childcare policies

## Methods

A national survey was conducted to subjects aged from 20 to 39. According to the statistics of Ministry of Interior (2006), the women fertility rates in each age range were: 15-19 (8‰), 20-24 (44‰), 25-29(79‰), 30-34 (68‰), 35-39 (21‰), then lower down to 40-44(3‰), and 45-49(0‰). The high women fertility rates ranged from 20-39 and sampling with this age range was appropriate.

Questionnaires were answered anonymously. All data were numerically coded and accessible only by the researchers. The questionnaires were sent out to the subjects under controlling their sexes, domestic areas and ages. College/ university undergraduates were selected to represent the age group from 20-24. Four colleges/universities were sampled and the questionnaires were sent to the students with the assistance of departments. Subjects aged 25 to 39 were interviewed one by one by the interviewers with the sampling conditions set by the researchers. Two thousand and four hundred questionnaires were sent and 1,510 of them were valid. A 62.9% response rate was projected to the sample size of 1,510.

## Demographic Characteristics of Sample

The respondents consisted of 1,011 women (67.4%) and 488 men (32.6%); 712 (47.7%) married and 665 (44.5%) unmarried. Their ages ranged: 20-24 years of age (19.1%), 25-29 years of age (27.6%), 30-34 years of age (25.2%), 35-39 years of age (28.1%). Compared with the national statistics (MoI, 2007), the population represented as Table 1. Majority of respondents had undergraduate degrees (n=596, 39.9%), and secondary degrees (n=335, 22.4%), followed by college degree (n=289, 19.4%) and postgraduate degrees (n=196, 13.1%).

Table 1. National population and research sampling of aged 20-39.

Age	national population		research sampling	
20-24	1,760,487	23.6%	278	19.1%
25-29	1,998,797	26.8%	403	27.6%
30-34	1,835,988	24.7%	367	25.2%

35-39	1,850,260	24.9%	409	28.1%
Total	7,445,532	100%	1,457	100%

In order to comprise subjects from different socioeconomic backgrounds, the researcher sent the questionnaires to non-governmental organization providing social services for immigrant family, aboriginals, low-income family, and disables, and the questionnaire packages were sent to the institutional directors. With their help to send these questionnaires to the participants, these questionnaires were answered anonymously and sent back to the researcher without individual names appeared. The research included socioeconomic disadvantaged respondents who received governmental social aids or welfare services. Approximately 6.5% of participants were aboriginals (n=72), 5.1% were immigrant spouses or their families (n=56), 4.9% were allowance receivers from low-income family (n=54), and 1.3% were disables (n=14).

### **Measures**

The researchers adopted 'Fertility Attitudes Questionnaire' (FAQ) designed by Chun (2005). The FAQ contains three subscales included: (a) intention of fertility; (b) value of fertility; and (c) cost of fertility. 'Intention of Fertility Subscale' is a 30-item questionnaire with a 5-point Likert scale scored from 1 (completely disagree) to 5 (completely agree). Cronbach's alpha coefficients of the IFS were .9561~.9572. The IFS consisted of two subscales including age of fertility and expected children numbers. 'Values of Fertility Subscale' (VFS) consists six subscales with 18 items including: affiliation with children, family joyfulness, generation extension, for the sake of the aged, personal achievement, and accreditation of parents' roles. Cronbach's alpha coefficients of the IFQ were .9561~.9574. 'Costs of Fertility Subscale' (CFS), modified from Chun (2005) and Lian (2002), consists four subscales with 20 items including: restrict to individuals, caring responsibility, burden of child-rearing, and obstacle of social environment. Cronbach's alpha coefficients of the CFS were .9565~.9572. 'Childcare Policy Questionnaire' was designed based upon the welfare scheme the Taiwanese government currently provided, as well as the childcare policies suggested by OECD cross-national reports (D'Addio & D'Ercole, 2005; OECD, 2002; OECD, 2003; OECD, 2004; OECD, 2005). Childcare policy questionnaire consisted of five subscales, including: tax reduction, preferred loans, cash transfer, family-friendly working environment, and childcare services. Cronbach's alpha coefficients of the childcare policy subscales were .9556~.9572.

### **Data Analysis**

All data were entered into and analyzed with the Statistical Package for the Social Science (SPSS) for windows, version 11.0. Frequency distributions of all variables were checked for outliers, missing data, and entry errors. The Cronbach's alpha coefficients of internal consistency reliability of the Fertility Attitude Questionnaire and Childcare Policy Questionnaire were evaluated. One-way ANOVA was employed to indicate the significant level of socioeconomic variables and fertility attitudes, as well as the former and the childcare policy preference. For the variables achieved significant ( $p < .05$ ), post-hoc comparison (Scheff's method) would be applied to clarify the influential degrees among categories. The significance level was set at .05.

## Findings

### 1. Socioeconomic status and fertility intention

The subscale of fertility intention contained fertility age and expected children number. According to the frequency, most subjects agreed that child-rearing is a energy-consuming task at their elder age (76%). They disagreed they would have a child because of the pressure from their parents or parents-in-law (51.4%). It showed that young generation agreed to have their children in earlier age. However, this could not explain the result of postponing first marriage age and receding birth rate. One-way ANOVA was applied to socioeconomic status and fertility intention (see Table 2). The result showed that fertility intention did not have much difference between male and female. However, family income is a key factor affecting subjects' fertility intention. Those with higher family income (more than NT \$70,000 monthly, equal to US\$ 26,250 annual) tend to have stronger intention of having children. Unemployed (excluding college students) would have stronger fertility intention than employed and college students.

Table 2. Summary of one-way ANOVA for socioeconomic status and fertility intention (N=1,510)

Fertility Attitude	Freq.	Mean (S.D.)	F/t	P	Shaffe
Gender			2.03*	.042	
Male	488	3.35(.48)			
Female	1011	3.30(.48)			
Marital Status			-6.35**	.000	
married	665	3.23(.49)			
unmarried	828	3.38(.47)			

Family income			4.19*	.015	(1)70,000>
< NTD\$25,000	353	3.30(.50)			below25,000
25,000~70,000	801	3.30(.48)			(2)70,000>
> NTD\$70,000	309	3.39(.47)			25,000~70,000
Education level			1.40	.242	
Junior high school	77	3.34(.45)			
Secondary	335	3.36(.49)			
College/university	885	3.31(.47)			
postgraduate	196	3.29(.55)			
Occupations			4.36*	.013	(1) unemployed
Student	286	3.27(.50)			> student
Unemployed	200	3.40(.47)			(2) unemployed
Employed	995	3.32(.48)			> employed
Social Aid Receiver					
Immigrant	56	3.32(.42)	.32	.867	
Low-income	54	3.32(.57)			
Disable	14	3.34(.34)			
Aboriginal	72	3.40(.47)			
None	910	3.34(.48)			

\*p < .05 \*\*p < .01 \*\*\*p < .001

Childcare policy scale contained five subscales with 30 items in total: tax deduction, preferred loan, allowance or cash benefits, working environment supporting family, and childcare services. Tax deduction, preferred loan, and allowance/ cash benefits are direct policy which reduced a family's cost of child-rearing. Working environment supporting family and childcare services are indirect policy which may not contribute to a family's finance straightforward but to minimize a family's child-rearing burden. Childcare policy questionnaire is a 5-point Likert scale and average mean was 2.5. Table 1 showed that people preferred working environment supporting family (M=3.67) and childcare services (M=3.67) most, and followed by allowance and cash benefit (M=3.54). Tax deduction was the least favorite strategy (M=2.86).

Table 3. Summary of mean and standard mean of childcare policy (N=1,510)

Childcare policy	Item no. of each subscale	Mean	Mean (S.D.)	Mean of Each item	Standard Error of Mean
Tax deduction	5	14.28	0.83	2.86	2.15
Preferred loan	4	13.75	0.83	3.44	2.14
Allowance/ cash benefits	7	24.79	0.86	3.54	2.22
Working environment supporting	7	25.70	0.86	3.67	2.22

family					
Childcare services	7	25.69	0.85	3.67	2.20
Scale for Childcare policy	30	103.06	0.74	3.44	1.92

T test and one-way ANOVA were employed to indicate the significant level of five socioeconomic variables, including marriage status, education, family income, occupation, and social aids receivers, and childcare policy preference.

## 2. Marriage status achieved significant differences in tax reduction and working environment supporting family.

Married subjects preferred childcare services (M=3.64) and working environment supporting family (M=3.59). Unmarried subjects would prefer working environment most (M=3.77) and childcare services (M=3.70). Unmarried subjects showed higher preferences in tax reduction and working environment supporting family than the married subjects. If the government would put the unmarried people's preference into serious consideration, providing a family-friendly working environment and tax reduction become important.

Table 4. t test for marital status and childcare preference (N=1,510)

Childcare policy	Levene Test		T test		
	F	Sign.	T	df	P
Tax deduction	.58	.447	2.86**	1491	.004
Preferred loan	3.88	.049	1.94	1491	.053
Allowance/ cash benefits	2.92	.088	1.59	1491	.113
Working environment supporting family	9.83	.004	4.17***	1491	.000
Childcare services	6.20	.013	1.28	1491	.202

\*p < .05    \*\*p < .01    \*\*\*p < .001

## 3. Subjects with lower educations needed childcare services and subjects with higher education preferred working environment supporting family.

Research sampling's educations were divided into four groups: below junior high school, senior high school, undergraduate, and postgraduate. Education was an important factor affecting subjects' preferences on childcare policy. Financial support of tax deduction, loans, and allowance may attract people who were economic disadvantageous, but the research result was out of our expectation. The sample whose education was junior high school or below, showed less preference in tax

reduction, preferred loan, and allowance. The researcher assumed that those whose annual salary was under the minimal tax charging level may feel the deduction policy was not beneficial.

Table 5. One-way ANOVA for education and childcare preference (N=1,510)

Childcare policy		SS	df	MS	F	P
Tax deduction	in group	8.3	3	2.77	3.98**	.008
	between group	1035.51	1489	.70		
	total	1043.81	1492			
Preferred loan	in group	11.24	3	3.75	5.43**	.001
	between group	1026.91	1489	.69		
	total	1038.15	1492			
Allowance/ cash benefits	in group	6.81	3	2.27	3.03*	.028
	between group	1114.89	1489	.75		
	total	1121.69	1492			
Working environment supporting family	in group	17.83	3	5.94	8.02***	.000
	between group	1102.81	1489	.74		
	total	1120.63	1492			
Childcare services	in group	7.61	3	2.54	3.48*	.015
	between group	1085.54	1489	.73		
	total	1093.15	1492			

\*p < .05    \*\*p < .01    \*\*\*p < .001

#### 4. Sample with more family income valued childcare services; but low-income family needed preferred loan.

The item of family income was categorized into: below NT \$25,000 per month (equal to US \$781); between NT \$25,000 and NT \$70,000 (equal to US \$2,187); and above NT \$70,000. The researcher assumed that family income was related to direct cash transfer or tax reduction. However, the result rejected the previous assumption. Family income achieved significant with preferred loan and childcare service (see Table 6). Monthly family income ranged between NT \$25,000 and NT \$70,000 was the only group needed preferred loan and childcare services. It might be suggested that the high income family would have sufficient financial ability to support their child-rearing. According to the Tax Law in Taiwan, the group whose monthly income ranged NT\$ 25,000~NT\$70,000 had to pay 13% of their annual income for tax. They would feel that the child-rearing cost would become an economical burden.

Table 6. One-way ANOVA for family income and childcare preference (N=1,510)

Childcare policy		SS	df	MS	F	P
Tax deduction	in group	.85	2	.42	.61	.543
	between group	1014.27	1460	.70		
	total	1015.12	1462			
Preferred loan	in group	5.64	2	2.82	4.07*	.017
	between group	1011.97	1460	.69		
	total	1017.61	1462			
Allowance/ cash benefits	in group	1.36	2	.68	.91	.405
	between group	1098.32	1460	.75		
	total	1099.69	1462			
Working environment supporting family	in group	3.78	2	1.89	2.504	.082
	between group	1101.19	1460	.75		
	total	1104.96	1462			
Childcare services	in group	4.5	2	2.25	3.05*	.047
	between group	1075.15	1460	.74		
	total	1080.25	1462			

\*p < .05 \*\*p < .01 \*\*\*p < .001

### 5. Students preferred tax reduction and they also strongly supported working environment supporting family

Sample's occupations were categorized into three types: college students, employed, and unemployed. Since childcare policy will be planned for the future young parents, the college students' opinions therefore would be important. In this research, 286 college students were included. Nine hundred and ninety-five were employed and 200 were unemployed (including houseworkers). Occupations achieved significant differences in tax deduction and supporting working environment (see Table 7). Post-hoc comparison was applied and the result showed that college students preferred tax deduction and supporting working environment more than the unemployed and the employed. However, the unemployed and the employed did not have significant differences.

Table 7. One-way ANOVA for occupation and childcare preference (N=1,510)

Childcare policy		SS	df	MS	F	P
Tax deduction	in group	11.30	2	5.65	8.13***	.000
	between group	1026.78	1478	.70		
	total	1038.07	1480			

Preferred loan	in group	3.91	2	1.96	2.81	.061
	between group	1029.39	1478	.70		
	total	1033.30	1480			
Allowance/ cash benefits	in group	3.94	2	1.97	2.62	.073
	between group	1111.97	1478	.75		
	total	1115.91	1480			
Working environment supporting family	in group	9.60	2	4.80	6.47**	.002
	between group	1097.02	1478	.74		
	total	1106.62	1480			
Childcare services	in group	1.38	2	.69	.94	.389
	between group	1083.74	1478	.73		
	total	1085.13	1480			

\*p < .05    \*\*p < .01    \*\*\*p < .001

#### **6. Non-social aids receivers had stronger preference with childcare policy; specifically working environment supporting family.**

Social aids receivers indicated immigrant spouses, low-income family, disabled, and aboriginals. Sample size was 196 in this research, representing 13% of the total sampling. Social aid receivers did not show particularly desperations in financial loans or direct cash benefits. Childcare policy preference and different social-aid receiving condition varied but not achieve significant level. For example, allowance and cash benefits attracted low-income and aboriginal family, but they may not apply to disabled and immigrant family. The aboriginal family had higher percentage of childcare policy preference than other three groups. They supported childcare service (M=3.68), supporting working environment (M=3.62), preferred loan (M=3.56), cash benefits (M=3.55), and tax deduction (M=2.96). Compared with social aid receiver group, the result was supporting working environment (M=3.71), childcare service (M=3.69), cash benefit (M=3.58), preferred loan (M=3.46), and tax deduction (M=2.86). The social aid receivers were perceived that they were welfare dependents and relied on governmental allowances. This was not proved in this research. The researcher assumed that the social aids receivers could lose their confidences of government's financial support. If not, this could project that the previous social policy dominated by cash benefits and allowances could be a mistake. In recent years, the Taiwanese government inclined to provide family services and every kind of project funding for immigrant family. A large proportion of social funding went to family services centers for immigrant spouses, adult learning courses and accommodating counseling and services for immigrants. It could compress the services and funding for other socially disadvantaged groups. The result indicated that

the social disadvantaged subjects conceived that indirect policy preceded by the direct cash benefits.

Table 8. t test for social aids receivers and childcare preference (N=1,510)

Childcare policy	Levene Test		T test		
	F	Sign.	T	df	P
Tax deduction	.07	.791	-.82	1104	.410
Preferred loan	.18	.670	-.11	1104	.909
Allowance/ cash benefits	.36	.548	-1.21	1104	.224
Working environment supporting family	1.51	.220	-3.05**	1104	.002
Childcare services	.04	.841	-.882	1104	.378

\*p < .05    \*\*p < .01    \*\*\*p < .001

## Discussion and Conclusions

Hakim (2003), Gauthier & Hatzius (1997) indicated that direct cash transfer was more attractive for the unemployed women or housewives. Cash benefits are perceived to encourage the birth rate of the poor. According to the result, the family income below NT\$ 25,000 did not show particular interests in tax deduction, preferred loan or child allowance. In Taiwan, the local government in order to encourage fertility, they offer maternity benefit ranged from NT \$3,000 to NT \$12,000. Taiwanese people believed that the NT \$3,000 maternity benefit will not motivate them to have more children because the cost of child-rearing or childcare expenditure is far more than \$3,000. One interesting result was that family income above NT \$70,000 have higher fertility intention. If they have intention of having children and their financial ability is perceived to have no problem of raising children, the government ought to figure out a strategy to encourage them to have children. The childcare policy they needed is working environment supporting family and childcare services.

Socioeconomic background was adopted to correlate with the childcare policy. It was found that subjects with higher education preferred working environment supporting family. This is not only supportive for the people with high education, but also for the college young people who shall face the same situation in the very near future. According to the findings above, the Taiwanese government ought to put creating a working environment conciliating conflict between work and family as the priority. Business organization and government's policy intention could be a conflict. If we take parental leave as an example, the main argue is that the business organization will not agree an employer have a two-year leave and have a substitute

person to carry on his/her job. The business managers would rather to have the substitute person continuing the job if this person gets on the job well, instead of a staff picking up his/her work from the beginning. For those jobs which is difficult to be replaced, normally with professionalism or high positions may have the space of negotiations. However, the majority who needs childcare leave (normally women) are in lower positions and less professionalism. The Austrian government issues childcare subsidies for 36 months depended on the applicant's income (OECD, 2004). Childcare subsidies are paid to one parent until his/her child is 30-month-old, and another six months are reserved for another parent. The aim is to encourage both parents participating children's caring task. In Japan, the government provides parental leave subsidies to parents. The parental leave and subsidies has become a main policy to encourage fertility. However, there were about 70% women would withdrawn from their work around childbirth (NIPSSR, 2000). The social policy could have little effect or keep women in low-paid employment unless the labour market has a dramatic change and provide a hospitable working environment for women.

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