

KICCE Policy *Brief*

October 20, 2014 | Korea Institute of Child Care and Education

Issue 4

Multilateral Measures Required to Ease the Cost Burden of Early Childhood Care and Education (ECCE) Placed on Parents

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Multilateral Measures Required to Ease the Cost Burden of Early Childhood Care and Education (ECCE) Placed on Parents

I. Policy Efforts to Support Families Regarding ECCE Services

- The government has been expanding financial support policies for young children to lessen the burden of parents and to give a fair starting point to all children regardless of family income.
 - ▶ In 2011, 100% of ECCE institution tuitions were supported to the bottom 70% of low-income families. In 2012, free childcare policy was introduced to all children ages 0-2. Also starting 2012, all 5-year olds received tuition supports from government (along with the implementation of Nuri Curriculum¹⁾ for Age 5 in all ECCE programs). In 2013, Nuri Curriculum has been applied to children ages 3 to 4 as well, thus expanding the childcare support policy to all children aged 0-5.
- Despite such support measures, parents didn't actually feel that their burden was relieved.
 - ▶ While the government pays for tuitions, parents are still responsible for extracurricular activities. There was an increase in the number of extracurricular classes in ECCE institutions and/or in its price, which still remained to be paid by parents. In addition, some parents used the government subsidy to pay for private learning centers and home-study programs.
 - ▶ ECCE cost burden placed on parents can limit educational opportunities of children from low-income families and widen the gap between social classes, making the people in low-income bracket feel relatively deprived.
- This brief covers the current condition of using ECCE services and changes in cost, suggesting measures to reduce parents' financial burden.

II. The Rate and Expense of ECCE Service Usage in Korea

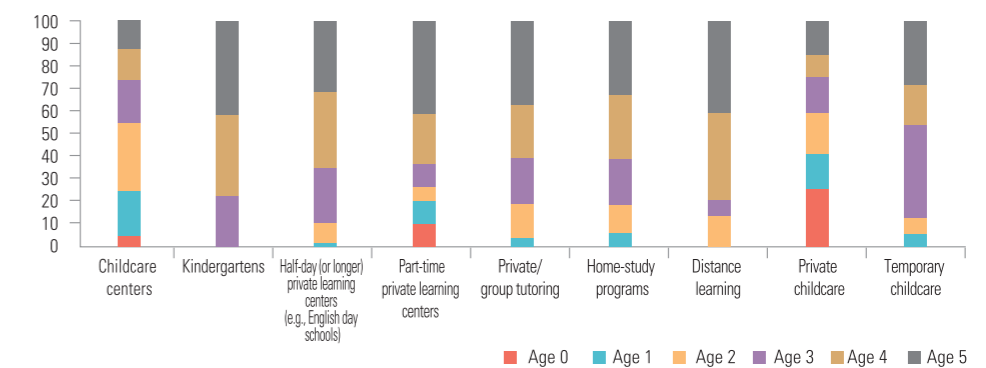
1. Current Status of Using ECCE Services

- In terms of the list of ECCE services that were paid by parents with young children ages 0 to 5, childcare centers topped the ranking (56.1%) in 2013, followed by home-study programs (31.6%), kindergartens (23.5%), private learning centers (10.8%), culture centers (6.4%), and others (2%).
 - ▶ When compared to 2012, the use of childcare centers and half-day (or longer) private learning centers (e.g., English day schools) was reduced, but the use of kindergartens and part-time private learning centers was increased.

[Table 1] Usage Rate of ECCE Services

Unit: % (No. of people)

	2013	2012
Childcare centers	56.1	57.7
Kindergartens	23.5	20.0
Half-day (or longer) private learning centers (e.g., English day schools)	1.3	2.6
Public institutions	1.1	0.8
Culture centers	6.4	6.4
Part-time private learning centers	10.8	8.2
Private/group tutoring	2.2	-
Home-study programs	31.6	30.5
Distance learning	0.3	0.4
Care by relatives	4.2	5.4
Care by non-relatives	0.7	1.2
	(3,630)	(3,392)



*Note: 3,630 children from 2,519 households in 100 representative regions nationwide were surveyed. Private/group tutoring usage rate was not calculated in 2012 data.

Source: Moon-hee Suh, Misun Yang, and ChangGeun Son (2012). *An analysis of expenditure on childcare and education, and related policy suggestions*. Korea Institute of Child Care and Education.
 Reanalysis: Misun Yang, Jin Ah Park, ChangGeun Son, and JiHee Im (2013). *Early childhood care and education cost estimate research*. Korea Institute of Child Care and Education, p. 87.

[Figure 1] ECCE Service Usage Rate by Children's Age

2. Per-child ECCE Expenses

- In terms of the amount of expenses, tuition/fees for half-day (and longer) private learning centers topped the list, recording 599,600 KRW/month (around \$599) on average, followed by non-institutional childcare, kindergartens, private/group tutoring, and part-time private learning centers.
 - ▶ Tuition or fees related to using half-day (or longer) private learning centers, private/group tutoring, home-study programs, and non-institutional childcare increased compared to the previous year.
- On the other hand, childcare center and kindergarten tuition payments went down by 25,000 KRW and 50,000 KRW (about \$25 and \$50) respectively, compared to 2012.
 - ▶ While tuition payments for using childcare centers and kindergartens reduced significantly, extracurricular activity fees remained similar.

▶ Among the expense items on childcare centers, 68.5% was spent on extracurricular activity fees, and 10.3% was spent on learning materials for extracurricular activities. Among the expense items on kindergartens, afterschool program fees and learning materials for afterschool programs accounted for 80.3% and 10.9%, respectively.

● For the tuition of childcare centers and kindergartens, parents spend most when their children are 3 and 4. For other ECCE services, expenses tend to increase as the ages of children go up.

[Table 2] Average Expenses of ECCE Services per a Month

Unit: 1,000 KRW, (No. of people)

	Total	Age0	Age1	Age2	Age3	Age4	Age5	(No. of ppl.)	2012
Childcare centers									
-Tuition	43.1	14.1	26.1	35.7	55.0	54.2	52.5	(1,828)	77.2
-Extracurricular class fee	53.0	-	38.5	49.7	55.3	57.5	58.5	(1,398)	55.9
-Learning materials for extracurricular classes	7.8	-	10.2	7.4	7.3	8.9	7.2	(364)	18.2
Total	83.0	14.1	37.9	73.9	104.1	109.1	107.9	(1,824)	107.8
Kindergartens									
-Tuition	125.4	-	-	-	136.5	128.2	116.3	(758)	184.1
-Afterschool program fee	67.0	-	-	-	62.8	69.1	67.5	(474)	65.6
-Learning materials for afterschool programs	13.1	-	-	-	12.1	12.7	13.9	(143)	23.9
Total	167.3	-	-	-	174.5	171.9	158.9	(771)	221.4
Half-day (or longer) private learning centers (e.g., English day schools)	599.6	-	250.0	423.6	432.0	667.1	736.4	(50)	593.8
Part-time private learning centers	92.8	42.9	54.4	90.1	80.7	95.5	117.8	(662)	102.7
Private/group tutoring	128.2	-	109.5	114.7	86.0	137.5	153.2	(75)	126.7
Home-study programs	63.1	79.6	63.3	54.4	55.0	62.1	72.0	(1,144)	61.6
Non-institutional child care services	456.7	585.4	338.5	460.8	471.8	313.8	431.9	(181)	405.9
Part-time childcare	8.0	-	1.7	14.0	6.7	8.3	10.0	(18)	34.3
Distance learning	39.6	-	-	6.1	9.0	36.1	60.4	(10)	27.8

*Note: Monthly average expenses of ECCE services were calculated based on the number of children who paid tuition or program fees.

Source: Suh, et al., (2012). *An analysis of expenditure on childcare and education, and related policy suggestions*. Korea Institute of Child Care and Education. Yang, et al., (2013). *Early childhood care and education cost estimate research*. Korea Institute of Child Care and Education.

3. Changes in Total Per-Child ECCE Expenses

● Among the children who participated in the survey, the rate of children who didn't pay for ECCE services was 18.7% (e.g., care by family members or free service for low-income children), and the rest of them were paying for ECCE services.

- ▶ Total per-child ECCE expenditures were 147,6000 KRW/month (about \$147) on average, which accounted for 4.3% of household income, and 5.3% of household expenditure.
- ▶ Parents' actual expenses decreased by 30,000 KRW (about \$30), thereby lowering the ratio of household income/expenditure to ECCE spending, and parents' burden.

● Total per-child ECCE expenses tend to increase as children's age goes up.

[Table 3] Total Per-child ECCE Expenses

Unit: 1,000 KRW (\$1), %

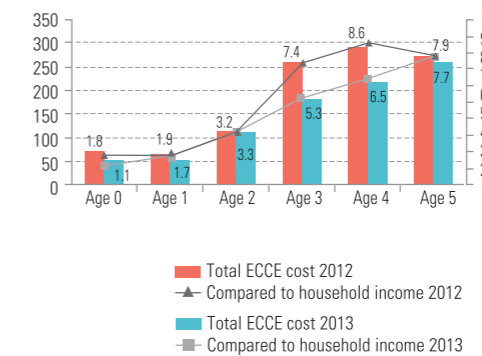
	2013							2012								
	All children			Fee-Paying Children				Private education ratio	All children			Fee-Paying Children				Private education ratio
	Average	Compared to household income	Compared to household spending	Average	Compared to household income	Compared to household spending	Average		Compared to household income	Compared to household spending	Average	Compared to household income	Compared to household spending			
All	147.6	4.3	5.3	181.5	5.3	6.6	45.1	176.3	5.1	6.6	217.8	6.2	8.1	48.3		
Age0	52.8	1.1	1.5	225.2	4.7	6.5	11.8	72.0	1.8	2.5	209.7	5.2	7.4	15.3		
Age1	54.3	1.7	2.1	73.0	2.2	2.8	32.8	66.4	1.9	2.6	94.3	2.7	3.7	45.9		
Age2	111.3	3.3	4.2	117.0	3.5	4.4	55.9	111.0	3.2	4.3	123.0	3.6	4.7	54.3		
Age3	181.4	5.3	6.7	188.5	5.5	7.0	49.1	258.5	7.4	9.6	262.9	7.5	9.8	39.7		
Age4	218.4	6.5	7.9	223.2	6.7	8.1	55.7	294.6	8.6	11.1	298.3	8.7	11.2	44.4		
Age5	260.8	7.7	9.4	265.9	7.9	9.5	62.7	272.7	7.9	9.9	275.4	8.0	10.0	60.4		

*Note: 1) Total ECCE expenses include childcare center and kindergarten tuitions, half-day (or longer) private learning center tuitions, private/group tutoring fees, and home-study program fees.

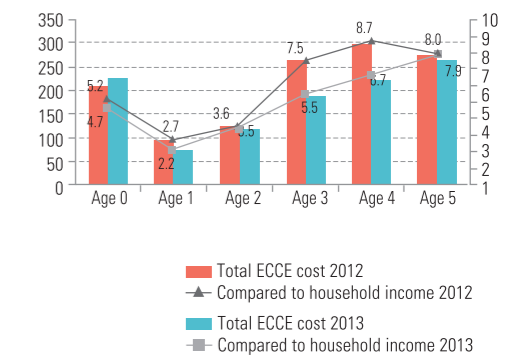
2) Private education expenses exclude childcare center/kindergarten tuition payments and private childcare costs.

Source: Suh, et al., (2012). *An analysis of expenditure on childcare and education, and related policy suggestions*. Korea Institute of Childcare and Education, pp. 133-136.

Yang, et al., (2013). *Early childhood care and education cost estimate research*. Korea Institute of Child Care and Education, pp. 213-215.



[Figure 2] All children



[Figure 3] Fee-paying children

● ECCE cost in 2013 was 4.95 trillion KRW (about \$4,950 million), accounting for 0.39% of GDP.

- ▶ For infants and toddlers (ages 0-2), the ECCE cost was 1.229 trillion KRW (about \$1,229 million); for preschoolers (3-5 year olds), it was 3.72 trillion KRW (about \$3,772 million), three times larger than that of infants and toddlers.
- ▶ Compared to the 2012 total ECCE cost of 5.9 trillion KRW (about \$5,900 million) that accounted for 0.48% of GDP, the 2013 total ECCE expenses showed a decrease.

● Private education cost in early childhood accounted for 45.1% of total GDP, down from 48.3% in 2012.

- ▶ Private education cost accounted for 11.8% of total ECCE expenses for age 0, and 62.7% for age 5, showing an increase as children's age goes up.

4. ECCE Cost Burden Placed on Parents

- 42% of parents of preschoolers responded that they feel burdened by their monthly ECCE expenses.
 - ▶ Parents' burden increases as their children's age goes up, because their ECCE expenses also go up as their children grow.
 - ▶ Compared to the 2012 survey, the answer 'feel burdened' increased by 14%p. For parents whose last child is 3 or 4 years old, the response 'feel burdened' decreased by 10%p; but respondents in other age groups felt more burdened.

[Table 4] The Degree of Financial Burden of Raising a Child: Ratio of Parents Who Feel Burdened

Unit: %

	All	Age0	Age1	Age2	Age3	Age4	Age5
2012	35.9	15.1	16.6	32.3	62.7	65.2	48.9
2013	49.2	44.0	42.7	49.7	54.9	53.6	57.4
(No. of people)	(2,517)	(585)	(478)	(436)	(354)	(345)	(319)

*Note: A 5-point scale was used to measure the level of parents' burden. The numeric value provided above is the aggregated result of 'a bit burdened' and 'very burdened.'

Source: Suh, et al., (2012). *An analysis of expenditure on childcare and education, and related policy suggestions*. Korea Institute of Child Care and Education, p. 155.
 Yang, et al., (2013). *Early childhood care and education cost estimate research*. Korea Institute of Child Care and Education, p. 210.

III. Measures to Reduce the Financial Burden of Parents Regarding ECCE Cost

- Strengthen monitoring of extracurricular activities in childcare centers and after-school programs of kindergartens.
 - ▶ For childcare centers, establish specific standards regarding the number of activities/programs and hours of operation that young children are allowed to participate.
 - ▶ For kindergartens, prohibit the operation of special programs in the morning, and place a cap on per-child afterschool special program fees.
 - ▶ Ensure educational opportunities for young children from low-income families by providing partial financial supports for extracurricular activity fees (in childcare centers) and afterschool program fees (in kindergartens).
- Utilize talent donation in offering extracurricular activities (in childcare centers) and afterschool programs (in kindergartens).
 - ▶ Expand effective talent donation projects of the Ministry of Education (i.e., Knowledge Sharing between Generations) and Seoul municipal government (i.e., Special Program Instructors Donating Their Talents) to nationwide projects.

- Establish legal grounds for regulating the operation (and tuitions) of private English education centers targeting young children.
 - ▶ Expand effective talent donation projects of the Ministry of Education (i.e., Knowledge Sharing between Generations) and Seoul municipal government (i.e., Special Program Instructors Donating Their Talents) to nationwide projects.
- The increase of private education in early childhood is in part due to high parental expectations for young children and a lack of directions for parents regarding optimum care and education of their children. To support parents in these areas, institutionalize parent education programs in ECCE programs.

1) The free ECCE services are provided to all children attending ECCE institutions implementing Nuri Curriculum. Nuri Curriculum refers to a common preschool program for use in both kindergartens and childcare centers. Previously, the two types of institution had different curricula. Kindergartens used the National Kindergarten Curriculum, while childcare centers used the Standard Child Care Curriculum. With the introduction of Nuri Curriculum, all children attending both ECCE institutions receive ECCE services using this common curriculum.

1) Moon-hee Suh, Misun Yang, and ChangGeun Son (2012). *An analysis of expenditure on childcare and education, and related policy suggestions*. Korea Institute of Child Care and Education.

2) Misun Yang, Jin Ah Park, ChangGeun Son, and JiHee Im (2013). *Early childhood care and education cost estimate research*. Korea Institute of Child Care and Education.

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