The Effects of Universal State Pre-Kindergarten on the Child Care Sector: The Case of Florida’s Voluntary Pre-kindergarten Program

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Over the past two decades states have drastically increased their investments in pre-kindergarten programs. One major question about state investments in early childhood education programs is to what extent these initiatives create new child care options rather than crowding-out existing private child care options. We investigate this issue using Florida’s universal pre-kindergarten program (VPK), a national leader with respect to preschool access, as a case study. Leveraging a 9-year panel of data we find that the introduction of Florida’s VPK program expanded the size of the state’s licensed child care market by 13 percent relative to the predicted market size. Using a synthetic control difference-in-difference approach we also show that VPK led to an increase in the percentage of 4-year-olds enrolled in formal care but a drop in the percentage of 3-year-olds enrolled in these settings. Implications are discussed.

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