

Who Cares? Childcare Support and Women's Labor Supply in Hong Kong

Prior research explored the individual contributions of grandparents, domestic workers, and preschool institutions in supporting maternal employment, yet few have examined them simultaneously. More importantly, the increasing diversity and multiplicity in childcare arrangement throughout different stages of childrearing has been largely overlooked. Utilizing data from the Hong Kong Panel Study of Social Dynamics (HKPSSD), this study examines the effects of diverse childcare combinations on women's labor supply from a life course perspective. Our findings reveal that mothers with younger children are considerably less likely to remain in the workforce and work fewer hours than their childless counterparts. Nevertheless, grandparental co-residence, outsourcing and center-based care can all significantly alleviate such motherhood penalty, albeit to different extents. Notably, during the initial years of motherhood, solely relying on either grandparental care or center-based care yields limited effects, but these options become advantageous for mothers when paired with assistance from domestic workers. These findings highlight the potential for policy interventions that directly subsidize parents for marketized approaches to childcare, particularly in societies experiencing a decline in multigenerational households and rising costs for formal childcare.