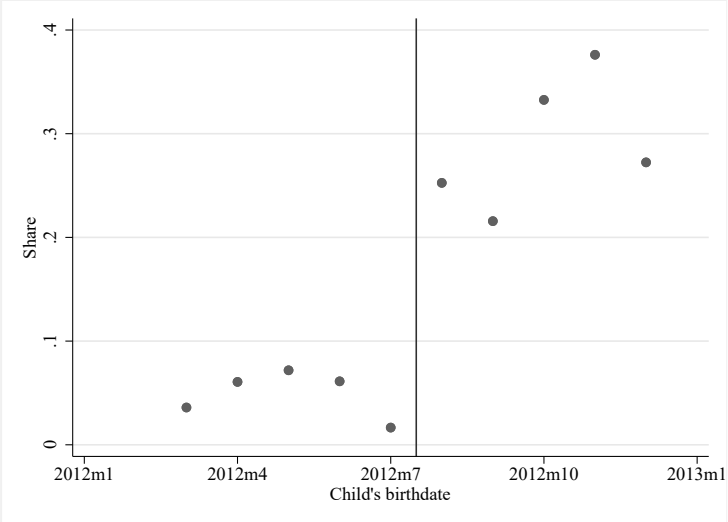
Online Appendix B: Results for East Germany

We also conduct analyses for East Germany without the federal state of Thuringa (because the state already had a home care subsidy in place). As can be seen in Figure B.1, the take-up of the subsidy is far smaller compared to the main sample. Thus, we would expect smaller effects compared to the main analysis.

Table B.1 shows that there are no employment effects of the subsidy and that this finding is robust to changes in the specification (column 2 corresponds to the baseline DiD model with control variables, whereas column 1 shows the DiD without controls and column 3 shows the results from the DiDisc estimation). Furthermore, Table B.2 also shows the effect of the subsidy on the take-up of publicly subsidised childcare. Again, we find no effect.

Unfortunately, we have no data on child development for East Germany. Given the low take up, no effects on maternal employment and subsidised childcare attendance, we would not expect to find any effects on child development.

Figure B.1: Take-up rate of home care subsidy in East Germany



Notes: This figure shows the take-up rate by birth month for children born in 2012 using cross-sectional survey weights.
Source: Own calculations based on KiBS.

Table B.1: Main Results for employment outcomes for East Germany

	(1)	(2)	(3)
Ever worked within 36 months			
2012 X Autumn	0.004	0.004	0.004
	(0.004)	(0.004)	(0.008)
Mean 2012 Spring	0.937	0.937	0.937
Cumulated employment days within 36 months			
2012 X Autumn	2.913	2.692	4.629
	(3.914)	(3.824)	(8.687)
Mean 2012 Spring	570	570	570
Cumulated labour income within 36 months			
2012 X Autumn	549.517	493.823	809.884
	(427.208)	(343.883)	(777.781)
Mean 2012 Spring	39120	39120	39120
Specification			
Did	✓	✓	✓
+ X_i		✓	✓
+ running var			✓

Source: Own calculations based on BeH data for for children born between March 2008 and December 2013, East Germany only.

Notes: N=109854; East Germany without Thuringa. Controls in X_i are district fixed effects, age at birth dummies (<25,25-30,30-35,30-40,>40) , wage prior to birth dummies(<20, 20-40, 40-60, 60-80, 80-100, 100-120, >120), tertiary education (dummy), dummies for missing values in either. Robust standard errors in parentheses.

Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table B.2: Effect on subsidised childcare for East Germany

	(1)	(2)	(3)
Care by a subsidised provider			
2012 X Autumn	0.020	0.004	0.006
	(0.032)	(0.032)	(0.059)
Mean 2012 Spring	0.832	0.832	0.832
Specification			
Did	✓	✓	✓
+ X_i		✓	✓
+ running var			✓

Source: Own calculations based on KIBS for children born between August 2012 and December 2013, East Germany only.

Notes: Controls are maternal age at birth dummies (<25, 25-30, 30-35, 35-40, >40), survey year dummies, federal state fixed effects, maternal tertiary education (dummy), children's age in month dummies (12-18,18-24,24-30,30-36). Dummies for missing values in any control variable are included as well. Cluster robust (on mother's level) standard errors in parentheses.

Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Online Appendix C: Information on outcomes in school entrance examinations data

Schleswig-Holstein uses a standardised test to assess the skills of children before they are admitted to elementary school, the SOPESS (**?**, *Sozialpädiatrisches Entwicklungsscreening für Schuleingangsuntersuchungen*). The measures correlate reasonably well with medical screening results (**?**). We use several items of this test to measure the development of children and to investigate the effects of the home care subsidy on it.

Cognition difficulties

Problems with cognition refer to deficiencies in the capacities of a child to understand visual and auditive information. It measures the ability to solve problems and to understand complex relations as well as the ability to classify.

Hand-eye coordination difficulties

Difficulties in handy-eye coordination or visuomotoric measure problems with motoric skills. Tasks to survey this item include for example drawing geometric forms.

Attention difficulties

This item measures problems in the ability to focus on a specific task and to ignore distractions. Children with attention difficulties have problems with understanding and internalizing learning content. It is surveyed with the performance in the task to strike out specific numbers on a sheet full of figures and then counting the errors.

Counting difficulties

Measures problems in counting quantities.

Quantitative difficulties

Measures problems in the ability to assess the number of an unstructured quantity without counting as well as the ability to compare small quantities.