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Too Little, Too Late

An assessment of public spending on children by age in 84 countries

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Abstract

This report is a first attempt to inform the development of comprehensive and integrated child policy portfolios globally, by mapping and reviewing how much public money is spent on children, how it is spent across different sectors, and if in the life course it is spent for all countries with usable data. The report builds on previous work that was limited to high-income countries (OECD, 2009, 2011, 2023). Given the overwhelming evidence of the importance of early childhood development, this report focuses in particular on the patterns of expenditure choices on these earliest years. The purpose of this work is to assess how systems work for the average child with the aim of informing policymakers and stakeholders about adequacy, balance and coherence in the public policy portfolio for children.

Examining the evidence from 84 countries, representing 58 per cent of the world's children, the report shows that many countries worldwide are disproportionately and systematically failing younger children and poorer children. This finding is directly at odds with the best evidence on how to promote children's well-being, how to generate the largest social and economic returns on public investment, and how to address damaging and costly inequalities within countries. Moreover, striking differences in real expenditure levels between high-, middle- and low-income countries only further exacerbate existing inequalities in the rate of social and economic development globally.

The COVID-19 crisis led to an unprecedented mobilization of public funds, demonstrating what is possible in times of crisis. Underinvestment in children – in good times or bad – is a slow-burning and fundamental crisis for development, and needs to be addressed with as equal urgency as conflict, COVID-19 and climate breakdown. Coordinated and corrective action is needed from development stakeholders and in domestic child policies now, if countries are to meet their obligations to the United Nations Convention on the Rights of the Child, and make good on the promises of the Sustainable Development Goals (SDGs).

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Executive summary

Childhood is a period of fast physical, emotional and cognitive development. For the majority of people, it is also a time of great dependency on family – particularly when children are very young. Because of their dependency, children (and their families) across the globe rely more than most on the role of public policy to meet their rights and promote better futures. Moreover, how these public policies help to provide parents and practitioners with the resources, time, information and agency they need to care for children is critical for the children themselves.

This report is the first attempt to look at how public policies for children are organized in high-, middle- and low-income countries across the globe, to see what can be learned about optimal type and timing of public spending for children, and to set a baseline on which to build better child policy portfolios.

Drawing from internationally validated databases on child policy expenditure (education, social protection and social services), population statistics, school enrolment data and macro-economic conditions, the study produces age-spending profiles to map country child policy portfolios across the life course. The data are pre-COVID, and sufficient data are only available for 84 countries worldwide, representing 58 per cent of the world's children.

The headline findings speak directly to:

- **Inadequacy** and **incoherence**: For the majority of children worldwide, important public support to meet their needs is far too little, and, in the face of the best evidence on how to manage public policies for children, this money is arriving woefully too late in the life course. The missing element – compared with how high-income countries provide for children and families – is adequate social protection and human services.

- **Imbalance**: The critical investments in education systems in low- and middle-income countries are insufficiently supported by complementary services in the preschool period – putting a huge burden on the education sector, and teachers within it, to carry the weight of child well-being for all. This backloading of expenditures is not good for child well-being overall, and not good for the education system.

- **Inequality**: The distribution of spending by age reported in this paper speaks more to the potential for growth in differences *within and between countries* than it speaks to closing gaps. Increasing inequality is not good for children at any level, and contradicts the overarching principle of the SDGs of leaving no one behind.

Globally, public spending on children is too little, and comes too late in the life course

The age-spending profiles bring into the sharpest relief how little public expenditure makes its way to children – particularly the youngest children worldwide. In a global context where (i) no country in the world has eradicated child poverty, (ii) fewer than one in two children worldwide receive any form of social protection (ILO/UNICEF, 2023), and (iii) in the poorest countries – where more than two in every five children live in extreme poverty – more money is spent managing debt than paying for social welfare (UNICEF, 2021), this underinvestment requires urgent attention. Most recent estimates show that, up to the age of 18, on average:

- Low-income countries spend just US$ 11 thousand PPP[1] per child *if* they attend preschool and complete compulsory school, and just 2.3 thousand per child capita overall. Just 6.7 per cent of this is reserved for the under 6s.
- Low-middle-income countries are spending US$ 18 thousand per child *if* they attend preschool and complete compulsory school, and 13.6 thousand per child capita overall. Just 8.2 per cent of this is reserved for the under 6s.
- Upper-middle-income countries are spending US$ 43 thousand per child when attending both school and preschool, and 35.3 thousand per child overall. Just 11.5 per cent of this is reserved for the under 6s.
- High-income countries are spending US$ 195 thousand per child when attending both school and preschool. And 27 per cent of this is reserved for the under 6s.

In most countries, clear differences in the per capita spending by age justify a call for new monies to be prioritized on preschool expenditures. To map and monitor new expenditures on the preschool period cross-nationally, this study proposes the regular reporting of an Early Childhood Parity Score (ECPS) at the national level. The ECPS provides an indication of whether expenditures come 'too late' in the life course, to complement information on overall spending on children.

In 15 countries of study, an average child under the age of 6 received less than US$ 500 PPP of public spending in the first six years of their life combined. More than half of the low- and middle-income countries covered in this report spend less than 10 per cent of all child monies on the under 6s.

In low- and middle-income countries, in particular, spending by type of policy is massively imbalanced

There are huge imbalances in spending by sector, a situation that has no reasonable justification based on evidence on child development trajectories, and how child and family policies work. Education dominates expenditure on children in all countries, everywhere. The nature of education systems, and path dependency in services delivery, large fixed and human capital investments, and of course the importance of education for child development mean substantial investments are reasonable, however:

1 All cash figures, unless otherwise stated, are in US$ dollars (USD), standardized for purchasing power parity (PPP) at the national level for each country in the study.

- In low-income countries, education expenditures account for 9 in every 10 US$ PPP spent on children in the system. In high-income countries, on average, education spending is still high at just over half of total (54 per cent). When children are out of school, they miss the majority of public investments. Per capita spending falls by 84, 75 and 82 per cent respectively in low-, low-middle-, and upper-middle-income countries for children who do not attend school. For children just going to primary school, per capita expenditure is 60, 49 and 54 per cent lower per capita on average respectively. Similarly, if all children were to attend school – without increased investment in the systems – per capita expenditures would drop by at least 50 per cent in the secondary school period in the majority of low-income countries covered here.

- When comparing the least and most developed welfare settings, most notable is the lack of social protection spending in cash primarily – and child allowances in particular – despite their relative simplicity in administrative terms, and the overall system efficiencies they bring (see ILO/UNICEF, 2023). For all types of cash benefits – for children up to age 18 – low-income countries spend just 6 per cent of the total budget for children in the social protection system. High-income countries, where social protection often makes up the largest public budget item across the population, spend 27 per cent of total spending on children in this form. The bulk of this difference in high-income countries is driven by larger per capita spending, and in particular by substantial cash supports in infancy and early childhood.

- Spending on other human services, like public works programmes, constitutes less than 1 per cent of total in low-income countries on average, and just around 5 per cent of total in high-income countries. Efforts to address food insecurity, parental employment, youth activation and temporary accommodation often depends on these services – as do child protection services. This underinvestment across all countries will result in significant and unaffordable costs to both social and economic development, and costs to children rights.

Present spending patterns drive three key forms of inequality

Present spending patterns as illustrated in this report are driving inequalities in three separate ways:

- Inequality is being driven *within countries* through age-related spending that favours families with older children. Relatively larger investments on older children are due to a lack of social protection and childcare expenditure in the preschool years, and an imbalance in educational investments by age.

- Inequalities by age that favour older children reward longevity in the public systems across the life course. Children and families already at a relative advantage are more likely to stay in school, be in formal work, and so this frontloading drives *inequality in incomes* through intergenerational pathways.

- The age-spending profiles also uncover huge differences in the basic infrastructure for child welfare, globally, and the *massive differences between children in high- and low-income countries*. For children who stay in school, for every 1 US$ PPP spent in a low-income

country, an estimated 20 US$ PPP is being spent on the average child in an Organisation for Economic Co-operation and Development (OECD) country.

This system-driven inequality – both within and between countries – has future costs, is contrary to the principles of the United Nations Convention on the Rights of the Child and the SDGs, and is a drag on social and economic development. At the national level, mechanisms which drive inequality have no place in effective public policy. At the international level, these findings bring into sharp relief how far there is to go for the poorest among us, and yet suggest a path forwards centred on reprioritization of young children.

How to optimize the management of public policies for children

In light of the country commitment to children outlined in the United Nations Convention on the Rights of the Child, and targets for children outlined in the SDGs – and through national policies, targets and frameworks – all countries worldwide have publicly committed to improving the living conditions, rights and well-being of all children. The first steps to achieving these goals will be optimizing the management of public policies for children. With this in mind, and reflecting on the findings of this study, four broad recommendations follow:

- **Spend more and spend it earlier in the life course.** Governments, international organizations, non-governmental organizations (NGOs) and civil society, and development partners must make concerted efforts to put in place basic public provision for preschoolers worldwide. Supports around birth, cash allowances, leave policies, care policies and employment supports are needed for all families to fill a gaping hole in the country-level commitment to children, and to social and economic development. This will require strengthening ways to sustain domestic finance, through formalization of labour and taxes and transfers, in which universal social protection for children and families has a key role to play (Richardson et al., 2023 forthcoming).

Foreign assistance (FA) – at just 3.0 per cent of total government expenditure in low- and middle-income countries (UNICEF, 2021) – needs to do more to catalyze this system-strengthening approach, as existing levels of investments are small in comparison to overall spending and need. The assistance would also benefit from efficiencies made through greater coordination across actors.

Under normal conditions – in the absence of age-related crises or need – countries should strive to invest at least 50 per cent (or a reasonable amount above one third) of every new-aid dollar equally across the under 6s until a better balance in age-related spending is achieved. This could work for new domestic resources, too, and would be broadly in line with recommendations from leading voices in the education sector (Education Commission, 2016).

- **Spend smarter** – across the whole life course. Transitioning from profiles that risk generating more inequality, to those that both address the child's inalienable rights and promote social and economic development overall. Spending smarter does not mean reallocating monies within the existing system or between sectors, but investing incrementally, using new funds to reshape systems to those that are integrated, cross-sectorally complementary, coherent and frontloaded for efficiencies – prioritizing investment based on an overarching child policy portfolio. A simple reallocation of existing resources from older to younger children creates a risk that younger children today miss out on both early investment and later investment, too – it also would require rapid and disruptive structural reform in education systems – and as such should be avoided. A wealth of existing high-quality evidence on what works in public polices for children, and how, can support these transitions.

- **Think integration.** Getting the policy balance right, will free-up resources or optimize efficiencies and effectiveness. Inadequacy and incoherence are linked, the latter creating a drag on the former, as efficiencies and economies on expenditures for children are more likely to be lost in any given sector, when complementary policies from other sectors are under-resourced, or simply not in place.

- **Address inequalities** as a priority, by promoting inclusive access to all policies for all children, everywhere. The severe disparity between high-income settings and other countries – where more money is spent *and* more often spent in a more coherent way – is only likely to become greater over time and bring with it more social and economic challenges which all countries will inevitably bear. Inequalities inherent in existing systems at the national level – whether by age, gender, disability, migrant status – can and need to be designed out/implemented out. They are in direct contradiction to Article 2 of the United Nations Convention on the Rights of the Child; they are systemic failures which damage children's rights, and countries' futures.

A word on data quality and coverage

The profiles presented below are incomplete – they do not include all countries, nor all expenditures. They can also be criticized for oversimplifying the conditions of children in each country – averages can sometimes hide great variation. Nevertheless, they provide a first picture of what the best currently available data can tell us about how a child might experience policy portfolios across the world.

There is a long way to go for children – and particularly younger children – when providing the resources and policies needed to improve their living conditions, and achieve their rights. Governments, development partners, international organizations and NGOs, can utilize the age-spending profiles in decision-making regarding what to do now, and what to do next – by policy type and by child age – and reflect on whether the most basic aspects of a standard child policy portfolio are adequately covered, for all children, in the countries in which they work.

The data used here are the same data reported in international series of expenditures and global policy reports. The data are pre-COVID, but the latest available at the time of writing, with the latest data being from 2018. The results do not incorporate COVID-19 responses due to the

temporary nature of the vast majority of those measures. The data here focus specifically on public and child-specific statutory policies directed to children or families in all countries. In doing so, the data set a standard for all countries in line with the best evidence on best practices in child policies and long-term goals for system strengthening – standards suitable for meeting the obligations to the United Nations Convention on the Rights of the Child, and making good on the promises of the SDGs.

Nevertheless, acknowledging these data limitations means that – for the most effective use of this evidence for children – future iterations of the profiles must seek to lever new data sources and undertake new analyses. Specifically, access is needed to more recent or real-time data and local government expenditures. Future work could disaggregate the profiles to understand specific conditions for low-income children, by gender, migrant status, and disability.

What's in this report?

The first section of the report uses macro-expenditure and policy data to map how the average child experiences public interventions from the prenatal period to 25 years of age,[2] before exploring group patterns by income and region, and national differences in early years expenditures. The concluding section summarizes the main implications of the findings of the mapping in terms of incoherence in policy planning, inadequacy in expenditures, inequalities within and between countries, and the opportunity to re-prioritize young children as countries move towards more comprehensive policy regimes.

2 The age profiles run to age 25 to cover undergraduate educational expenditures, and the initial payment to dependent children in the longest running, child and family allowances worldwide – which can run up to the age of 27 (SSPTW, 2022).

1. Public expenditure on children worldwide: A simple case of 'needing to know'

For any stakeholder working in the field of public finance for children – whether that be policymakers within individual countries, international organizations, or a country providing supports through foreign assistance (FA) – information about how money is currently invested, on what, and also when during the average child's life course, is vital. When societies seek to support child development across multiple streams of investment and expenditure, it is important to know what policies and programmes are already in place, to help inform decisions on the most effective course of action.

Despite progress on the disaggregation of child spending and life-course statistics in high-income countries (OECD, 2009, 2011, 2015, 2023), no similar comprehensive and comparative mapping of how and when public expenditure on children is managed across a child's life course is currently available for low- and middle-income countries. Yet, all governments worldwide are subject to demands for greater effectiveness and efficiency in public policy, informed by integrated or cross-sectoral, evidence-based approaches to public policy management. Given these needs, there is a clear requirement for an improved understanding of what public money is invested, on which children, when and how – wherever they live. In the context of low- and middle-income countries – where, to varying degrees, insecurity, infrastructure, inequality and the need for innovation place unique demands on policymakers – the requirement for reliable information on the current state of play is arguably even more critical.

2. Age-spending in childhood: Evidence from the literature on what works

The OECD age-spending profiles examine the composition of government spending and transfers across the life course of a child (see OECD, 2009, 2011, and 2023). The main justification for these first studies in OECD countries was understanding the systems: "For policy makers, it is important to observe the big policy picture of current spending and not focus exclusively on the smaller issues of marginal spending increments in annual national budget rounds, or even specific programme additions." The research intended to introduce the concept of 'smarter spending' alongside adequate spending, stating that the "main action in terms of enhancing child outcomes may be improving the quality of current spending" (OECD, 2009:66). To this end, the OECD work considered not only levels and types of spending mapped by age, but also the balance of expenditure across age groups (early, middle and late childhood, and, indeed, adulthood) and the coherence or integration of the approach to spending across the portfolio.

There is an extensive child development literature on the importance of the earliest years on future outcomes for children at an individual level (see, for instance, Piaget, 1952; Fraiberg, 1959). There is also extensive research linking policy investments in early childhood education with better outcomes for individuals and society (see, for instance, Kamerman, 1994; Shonkoff and Phillips, 2000; Waldfogel, 2006). Some of these studies have focused in particular on early childhood education (Heckman, 2012), and others on cash benefits (Duncan and Magnuson, 2011); in many cases, the studies make strong arguments for dual private and public returns. For instance, in the case of universal child benefits in the United States of America, evidence points to outsized returns in terms of child poverty reduction and long-term gains to individuals, government balance sheets and society as a whole (National Academies, 2019; Garfinkel et al., 2021) – see Box 1.

Box 1. The case for universal child benefits

A forthcoming brief by UNICEF and the International Labour Organization (ILO) on the case for universal child benefits outlines 11 arguments for why countries should implement a single regular individual child benefit, for all children, as part of a portfolio of child and family social policies (Richardson et al., 2023). Among those arguments most relevant for this paper are those that universal child benefits:

- comply with human rights and international labour standards, by immediately addressing every child's right to social protection;
- can, as part of a package that targets the determinants of poverty risks, reduce the poverty burden in a country more effectively than means-tested benefits alone (see Richardson, 2015; Collyer et al., 2022);
- are welfare linchpins, which, through effectively registering and re-registering all children regularly, can be used to improve the efficiency and planning of key social services for children, including health and education;
- are administratively simple and efficient, and readily scaleable;
- are non-withdrawable and non-sanctionable – ensuring predictable income security and the benefits this brings to family functioning and future planning;
- can support dignity and minimize shame and stigma, by engaging all families and children through public support;
- promote a social contract, and the shared responsibility for supporting children and raising the next generation; and
- increase the likelihood of countries achieving 'demographic dividends' by investing directly in child and youth populations, particularly when they are larger relative to other parts of the population.

There has also been a growing literature on the importance of income in the earliest years on child outcomes (Duncan and Magnuson, 2011). Some studies reference the direct link between cash and the ability to meet basic needs, such as providing food and shelter to children (Shaefer et al., 2018), while others point to issues of cognitive load – that is, the stress of poverty interfering with the ability of families to plan (Mullainathan and Shafir, 2013). More recently, the National Academies of Sciences, Engineering, and Medicine published a *Roadmap to Reducing Child Poverty* (2019), which highlighted the consensus view of the importance of income, particularly for young children. Indeed, the evidence base continues to expand, with new research suggesting that income in early childhood may directly impact children's brain formation, with potential long-term consequences (Troller-Renfree et al., 2022).

In sum, early policy investments in children can lead to improved outcomes, ranging from higher achievement in schooling and better health, to less use of the criminal justice system, and thus to significant savings for governments and society at large (Holzer et al., 2008).

Moreover, deprivation in the earliest years of a child's life can lead to irreversible stunting, which can lead to reduced cognitive ability, poor health outcomes and reduced productivity (Lancet, 2008, 2013). Nutrition – or resources to purchase proper nutrition – in the earliest years can serve as a vaccination to prevent stunting.

Yet, in spite of the evidence of the importance of investing in the earliest years, young children are generally more likely than older people to be poor, since they are dependent on the earnings and wealth of adults. These adults are more likely to be out of the paid labour force when their children are young and may also be earlier on in their lifetime earnings trajectory. Overall, people generally earn more later in life, instead of when they most need it – when their children are at their youngest.

3. Mapping spending by age: Conceptual and analytical considerations

This section of the report introduces a simple schema for a comparative benchmark portfolio of child policies, by which to assess the comprehensiveness of each country's portfolio – or how the spending takes place. The section goes on to briefly look at previous age-related analyses of spending on children, and then introduces stylized profiles to assess the actual country profiles and the level of country and child coverage achieved.

3.1 How to spend: A comprehensive child policy portfolio

Meeting the needs of children requires a comprehensive child policy portfolio, covering cash benefits, early childhood education and care, human services and health policies, starting in the prenatal period and continuing through to at least 18 years of age (although the longest-running child-specific cash benefits globally extend until 27 years of age). This portfolio should cover migrant and refugee children as well. Table 1 provides a simple schema for a comprehensive child policy portfolio, adapted from Richardson (2015). The schema covers:

- **Social protection cash benefits:** Cash benefits include child and family allowances (including universal child benefits, see Box 1), maternity, paternity and parental leave policies, and birth grants. In the case of leave policies, these are more than cash benefits, including job-protected leave from work.[3] Birth grants can also be delivered in the form of in-kind transfers (e.g., the Finnish baby box).[4]

- **Social and human services:** Child protection services include services for social work and temporary child accommodation/institutional care. Foster care and adoption payments are often included in general family allowances (as increases, or eligibility criteria), but may be considered under the broader umbrella of child protection services. Family services include services delivered direct to families at home, including home visiting/nurse–family partnerships. Family services can also include food packages, and family accommodation services – in each case, these are benefits that are generally available for the poorest families. The same services can include family support services and family centres (which can include access to information on sexual and reproductive health), which are available to all families in the population. Public works and active labour market policies for youth are included under employment and training.

- **Education and care supports:** Under education and care supports, subsidies cover fees waivers, or school/childcare fee subsidies (in some countries the latter can be in the form of cash benefits or tax breaks, and can cover homecare allowances), free meals or equipment. The childcare block represents both childcare policies and preschool services – these run to 7 years of age to cover countries where compulsory primary school starts later than others. Start and end dates for primary and secondary school services in this schema are indicative of common practices, and can vary widely among countries.

- **Family health services:** Finally, family health services can include subsidies or waivers for health insurance or direct costs, all forms of primary and secondary care, physical (preventative and treatment care, sexual and reproductive health, including dental care) and mental health services. These are generally not age-related forms of support. Some health support is age-related, and includes prenatal checks, birth services and postnatal checks and immunizations. Due to data limitations, the health expenditures are excluded from the analysis of age-related spending, for more details, see Box 2.

3 A number of insurance-based leave schemes are not captured in the analysis because: either (i) there is no public contribution to the scheme; or (ii) insufficient data exist on uptake and coverage, etc., to apportion expenditure. Nevertheless, these policies, by their own eligibility rules, will not be accessible for the majority of the poorest children in each country.

4 Since 1938, the Finnish baby box has been delivered to families in Finland who opt for the service instead of a cash birth grant (of a similar cash value) when a baby is born. The box contains items for the mother and child, and information for new parents. The box itself includes a mattress to fit and can be used as a bassinet for the newborn.

Table 1: A simple schema for a comprehensive family child policy portfolio by age

Child age		Prenatal	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17+
Social protection cash benefits	Family allowances		Child and family benefits, child disability benefits, family tax breaks, advances on maintenance payments																	
	Leave and family care policies	Maternity/ paternity leave and benefits		Parental leave and benefits	Child-raising/ homecare allowances															
			Birth grant																	
Social and human services	Child protection		Services for children (e.g., institutional care, social work interventions)																	
	Family services	Home visiting, nurse–family partnerships																		
		Additional services in support of child-rearing (e.g., food packages, family accommodation services, family centres and parenting interventions)																		
	Employment/ training																Active labour market participation for youth			
		Public work supports for caregivers																		
Education and care supports	Subsidies		Fees waivers, or school or childcare fee subsidies, free meals or equipment																	
	Services		Childcare and preschool																	
								Primary							Secondary and post-secondary					
Family health services	Subsidies	Health insurance or health cost waivers																		
	Family health services		Primary and secondary care																	
	Mother and infant health	Prenatal checks	Birth services, postnatal checks, immunizations																	

Note: Each of the main four categories of family and child policies in the far-left-hand column are separated into categories of cash or near-cash benefits and services/leave, and further separated by age-sensitive interventions, and those with child life-course coverage.

Source: Adapted from OECD (2009, 2011) and Richardson (2015).

Box 2. Health expenditure on children

The profiles in this report do not include health spending due to a lack of age-relatable information by which to allocate reported public spending on children's health. The purpose of this box is to present data that can be used to assess the levels of expenditure missing across countries due to the absence of health-spending data, and to provide an example for one country – Austria, where limited data are available – of what the inclusion of health spending might do to the profile shapes, were the data available.

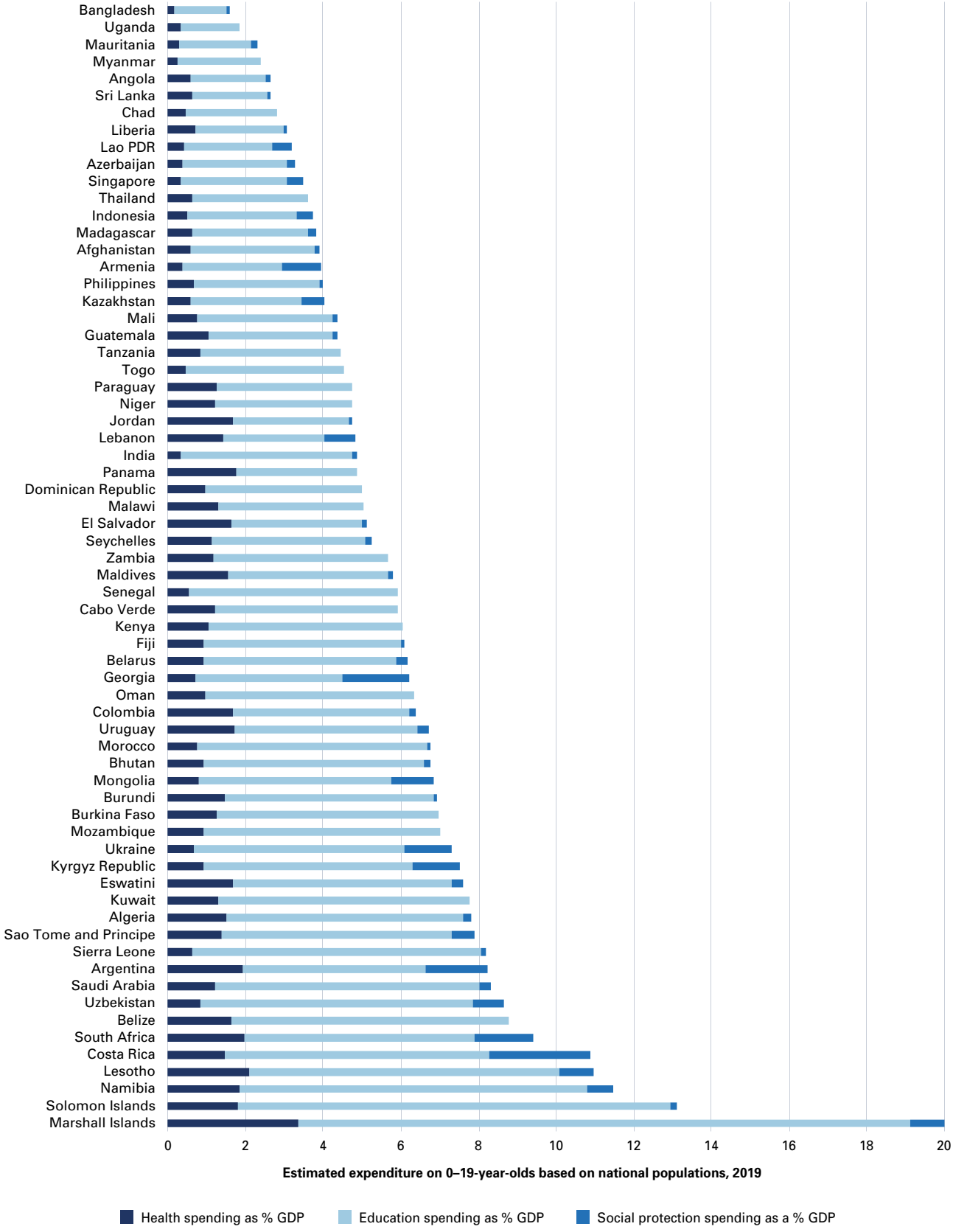
Box 2 Figure A compares health, education and social protection spending in countries with data for all three in 2019. Figures are for the population aged 0–19 years and show that, although health is a key part of expenditure on children, it is still relatively small compared with education spending (on average 1.0 per cent of GDP compared with 4.6 per cent in countries with data), but significantly higher than social protection (on average, the countries in Box 2 Figure A are spending 0.35 per cent of GDP).

Box 2 Figure B uses some recently available data on age spending taken from the Austrian Kinderrechte website (drawn from official statistics) for 2014. The age-related spending on health is recorded for ages 0 to 14, and added to the OECD's Austria profile for 2013. Results show that, between the ages of 0 and 14 inclusive, health expenditure makes up 11 per cent of total spending, with the highest spending around birth. Notably, the majority of the costs are related to personal healthcare (84.4 per cent of total spending on this age group), and a smaller proportion on medicines, including immunizations and additional services (13.7 per cent and 1.9 per cent respectively).

These examples of health spending on children need cautious interpretation when being used to infer the health-spending patterns in other countries. Two points are relevant. First, it is likely that high-income countries, such as Austria, have higher costs related to personal healthcare (in-patient and out-patient services, and home visits), and medicine costs are also likely to be higher, although the difference in medicine costs is likely to be less stark between countries with different income levels than in the case of personal healthcare costs. Second, referring to Box 2 Figure B, the balance of overall spending between health, education and social protection provides an indication of the differences in the balance of spending by type in different countries for all children.

Finally, it is worth noting that, even in cases where health spending on children is substantial, it cannot make up for underinvestment on specific items that social protection expenditure would cater for, such as centre-based care, time with parents, food and basic essentials. Indeed, health expenditure may be higher due to lower spending on social protection, in cases where preventable health issues are higher due to lower incomes, poverty or a lack of access to primary healthcare and medicines paid for out of pocket. In short, higher health expenditure, or meeting health costs, shouldn't negate the need for sufficient funding for childcare/early education.

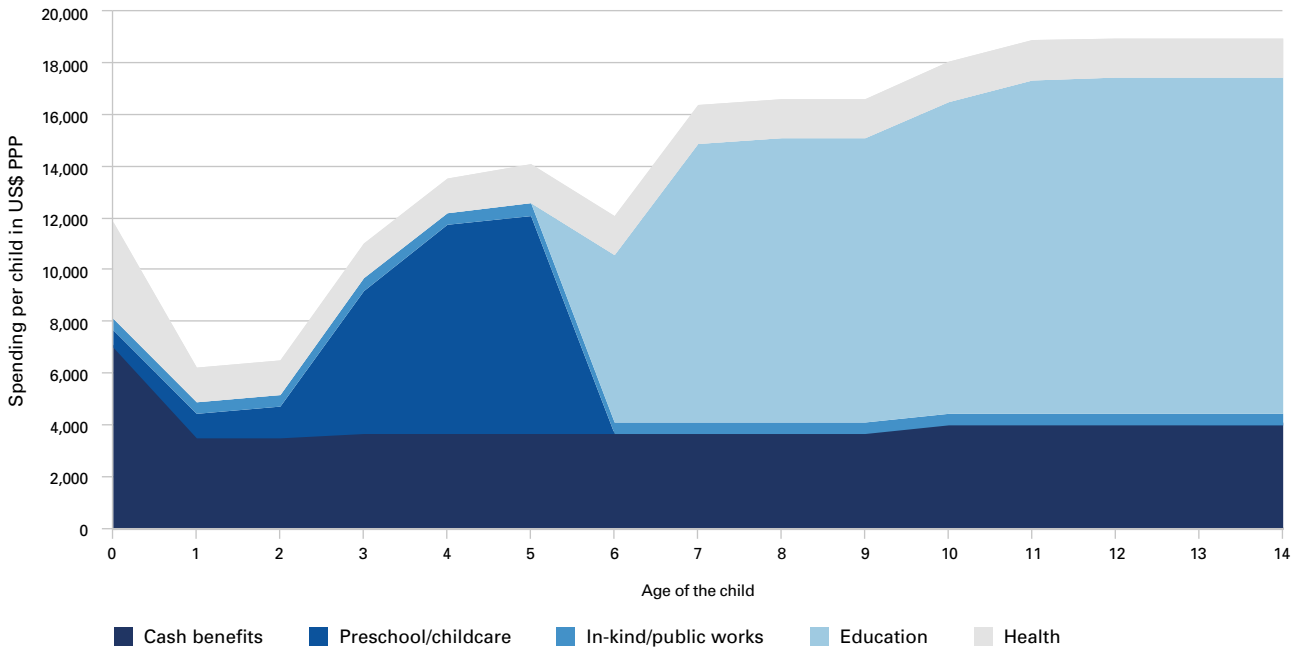
Box 2 Figure A: Health spending across low- and middle-income countries is on average less than one quarter of education spending, and three times the average social protection spending



Note: For health and social protection, spending on children is estimated based on population ratios (proportion of children aged 0–19 in each country). Education spending is total spending.

Source: World Development Indicators, 2022.

Box 2 Figure B: An example of health spending by age in Austria, 2013/14



Source: Authors' illustration using data from OECD family database, 2022, and Kinderrechte (expenditure on children's health (0 to 14 years)), downloaded in October 2022.

3.2 How much to spend: Previous age-related spending analyses

Building on a similar schema as that presented in Table 1, in 2007, the OECD began mapping expenditure across the life course to understand better how, and how much, public money was spent on children, and to assess the state of practice alongside the new evidence and theory about early investment (OECD, 2009, 2011). The evidence and theory called for a 'smarter' allocation of expenditure across the life course, and highlighted that most high-income countries were investing less in the youngest children in the population than in the older age groups.

Altogether, findings on how high-income countries spent public funds on their children broadly contradicted the evidence on early investment, which promotes the idea that children who are well served in 'year 1' will be more able to take advantage of public expenditure in 'year 2'. The evidence also shows that, in contrast, public expenditure in years following underinvestment in child development will be suboptimal, reducing returns or increasing the expenditure required in year 2 to meet the same public and private returns. Acknowledging the contradiction between evidence on early investment and observable expenditure patterns on policies for children, the OECD's position was that countries needed to 'spend smarter', and that for children whose living conditions are poor, or who are at high risk, early intervention is most cost-effective in terms of public spending, as well as most effective when considering the best interests of the children themselves (OECD, 2009, 2011).

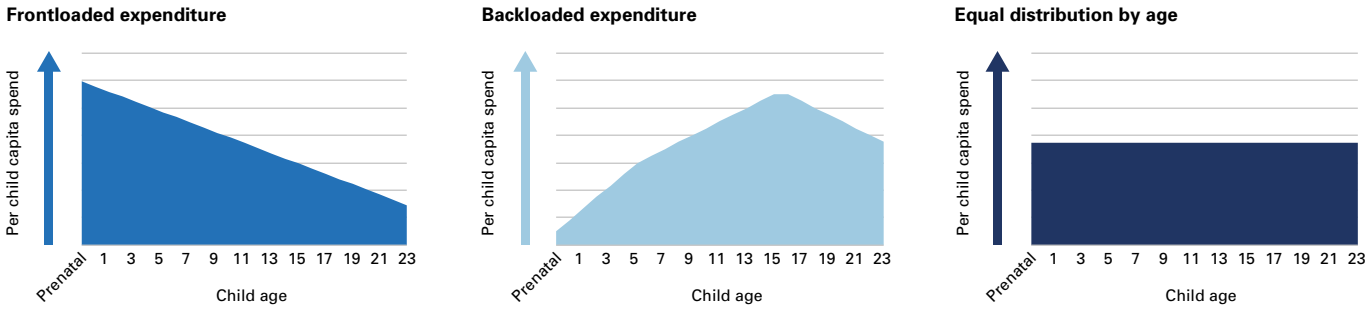
3.2.1 Discerning expenditures on, and investments in, child policies

In this report, investment in children refers to expenditure that is designed to produce returns in development at the child and population levels (including an increase in efficiencies in the overall portfolio) and is not to be confused with costs related to meeting the child's basic rights. Expenditure designed to ensure that children and mothers survive birth processes, for instance, or to ensure that all children receive vaccinations or lifesaving medicines and interventions, is not referred to here as 'investments'. These are the costs of meeting basic human and child rights. Investments in improving the quality of childcare, for instance, might be viewed as investments in children receiving the service. Investments in ensuring equal access to and full coverage of childcare, and in ensuring its quality, can also be seen as investments in the child population. For this reason, the age-spending profiles best represent 'investments in the child population', given that they represent the average child, and the 'running costs' of delivering on services that – in the majority – promote the social and human capital development of children involving national government agencies.

3.3 Understanding age-spending profiles: Three examples

Figure 1 presents a stylized set of three age-spending profiles, where: (i) younger ages receive relatively higher funding (frontloaded expenditure); (ii) older age groups – specifically early adolescents – receive the highest spending (backloaded expenditure); or (iii) expenditure is evenly distributed across ages (equal distribution by age or flat expenditure).

Figure 1: Stylized examples of child age-spending profiles



Source: Authors' illustration.

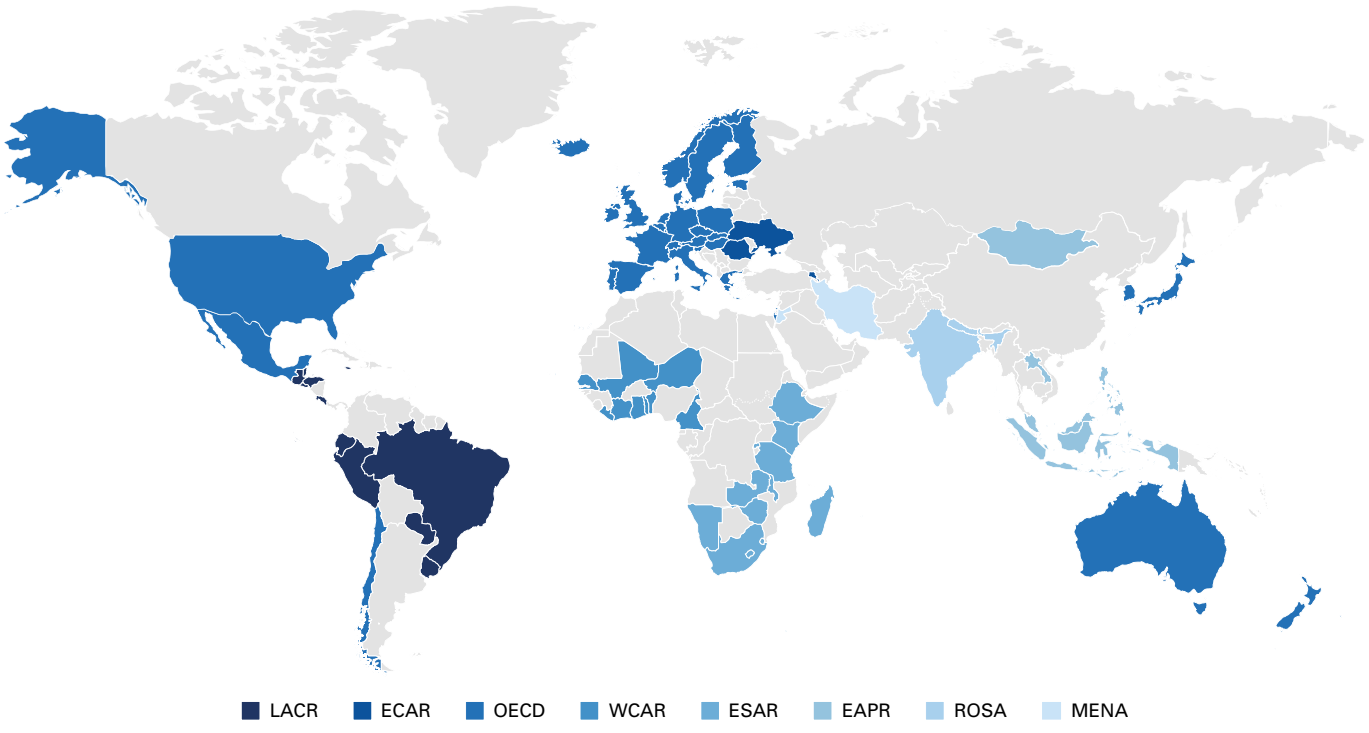
The OECD evidence (2009, 2011) shows that, despite the consensus case for early investment, most countries were backloading investments on the average child as opposed to taking a frontloaded approach. Expenditure in OECD countries tended to 'max out' at around 13 or 14 years of age, when children were leaving lower secondary school, and was lowest at around 2 years of age, after leave policies had ended and childcare policies were not yet being taken up (OECD, 2009, 2011). In recent years, increased investment in childcare and parental leave policies (both through increases in cash amounts and leave entitlements) have resulted in a more equal distribution by age in high-income countries (see Annex 4).

However, the evidence to date has only focused on high-income settings, and the stylized examples only illustrate when money is spent and do not present how money is spent, in ways that might complement the 'when'. This study introduces age-spending profiles in more than 50 low- and middle-income settings to compare with the OECD countries, breaking down the different items of expenditure to show when money is spent on cash benefits, in-kind benefits (including public works or active labour market policies), preschool and childcare, and education policies.

3.4 Country coverage and child coverage

Figure 2 maps the country coverage of the age-spending profiles reported in this paper. In total, 84 countries are covered, representing expenditure on children in every region of the world. The Middle East and North Africa region is represented by only two countries – Iran and Jordan; South Asia is represented by three – India, Maldives and Nepal; and so is the Europe and Central Asia region – Armenia, Romania and Ukraine.

Figure 2: Country coverage of age-spending profiles by region



Legend: LACR = Latin American and Caribbean region; ECAR = Europe and Central Asia region; OECD = countries in the OECD; WCAR = West and Central Africa region; ESAR = Eastern and Southern Africa region; EAPR = East Asia and the Pacific region; ROSA = South Asia region; MENA = Middle East and North Africa region. Countries in grey are not included in this study.

Source: Authors' illustration.

Note: The designations employed in this publication and the presentation of the material do not imply on the part of UNICEF the expression of any opinion whatsoever concerning the legal status of any country or territory, or of its authorities or the delimitations of its frontiers.

A further 44 non-OECD countries mapped: 12 from LACR (Argentina, Belize, Brazil, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Paraguay, Peru and Uruguay); 11 from WCAR (Benin, Cabo Verde, Cameroon, Côte d'Ivoire, Ghana, Liberia, Mali, the Niger, the Congo, Senegal and Togo); 13 from ESAR (Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Rwanda, South Africa, United Republic of Tanzania, Zambia and Zimbabwe); and 8 from EAPR (Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Mongolia, the Philippines, Samoa and Timor-Leste).

The 32 OECD countries covered were: Australia, Austria, Belgium, Chile, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States. A number of these countries are also normally covered by regional offices of the United Nations – for instance, Mexico is included within LACR – but these are mapped as OECD countries. This is because the methods used to calculate their profiles were consistent with the OECD methods, in terms of underlying sources of expenditure data and policy information, and the categorizations of expenditure (see Annexes 1 and 2 for information on the methods and sources used).

Of the estimated 3.25 billion children and youth (up to 25 years of age) worldwide in 2015, this study accounts for 1.89 billion, or 58 per cent of the total (UN Population Division, 2021). The lack of available data did not allow the inclusion of China in this study, but accounts for approximately another 300 million more children (9.2 per cent of all children). The coverage of children and youth from low- and middle-income countries equates to 1.37 billion or 42.1 per cent of the global child and youth population, and OECD countries included here account for another 413 million – or 12.7 per cent – of the world's children (OECD Family database, 2023).

4. Results of the age-spending profiles

This section reports the results of the age-spending profiles. Following a short note on how to read the profiles, the remainder of the section will categorize the countries by profile in terms of investment type (frontloaded, backloaded or flat), review the balance of expenditure by type and coverage, undertake income-based and regional group comparisons, and finally take a closer look at spending by child age group across low- and middle-income countries, with a focus on differences in relative and absolute early-years expenditure.

4.1 How to read the profiles

Each profile in Figure 6 reports a cross-section of average expenditure on children by age, from conception to 25 years of age (x axes) at a given date in time (c. 2015, see Annex 2). The different items of expenditure are split into four groupings aligned with the OECD analysis: (i) cash benefits and tax benefits; (ii) preschool childcare or education services; (iii) in-kind

benefits (food packages, accommodation, child protection and family services) and labour market policies (such as active labour market policies or public works); and (iv) compulsory and higher education. The profiles themselves report the expenditure per child at both participation rates (PR) and per capita rates (PC). The latter per capita lines appear on the profiles as dotted lines, and estimate the profiles' shape if education, preschool and in-kind services were being fully taken up, that is, if 100 per cent of children were accessing these services.

The profiles are stylized, based on one year's data, and so do not represent the public expenditure across the life course of a single child, whose individual experiences of policies will vary from this profile as policy reforms happen across her or his lifetime.

Due to the time needed to collect and collate national expenditure aggregates, and the population and policy data needed to create the profiles, none of the country data are more recent than 2018 – and as such represents a pre-COVID baseline.

4.1.1 How reliable are the profiles?

Although dated in some cases, the profiles represent the most accurate representation of age-related spending based on secondary analysis of published data on spending, policy and population figures from international organizations, academic sources and government sources (see Box 3). Nevertheless, some limitations when reading need to be borne in mind:

- This mapping of public expenditure does not include private spending (either out-of-pocket costs paid by families or paid by local voluntary or professional services). This means, for instance, that profiles for countries with private spending, such as private education systems, public–private partnerships or co-payments in social insurance, are likely to underestimate the total expenditure on children to varying degrees. However, as noted above, the focus of this study is the examination of public expenditure direct to children and families (child-specific expenditure), and justified as a necessary stocktaking of public commitments to stated obligations, such as the United Nations Convention on the Rights of the Child and the SDGs.

- Government expenditure is likely to be underestimated in countries with devolved governance because decentralized tax revenues and spending can be harder to map and report. Additionally, in a devolved context, when spending on children is included in combined measures (payment increases related to care for children seen in general benefits, such as unemployment benefits) or modalities of public expenditure (such as block grants), it can be unclear how much of each reported budget actually is directed at the child, and so it is not always straightforward to estimate levels of child-focused spending.

- In some cases, reported data are imprecise: For instance, when education enrolment data are not disaggregated by International Standard Classification of Education (ISCED) levels. In the case of these countries, estimations have been made, with the assumption that there is no variation in participation rates by ISCED level. These countries are: Kenya, Malawi, Maldives, Mongolia, Namibia, the Congo and Zambia.

- The average expenditure, and thus the profiles' shapes, are determined by both numerators (the items of expenditure) and denominators (the populations) – and so differences in the raw numbers of children in each age group can affect the shape of the distribution when assuming equal levels of absolute investment by age (e.g., if primary and secondary schools receive the same annual funding, but more children are enrolled in primary school, per capita expenditure will be lower in primary school). Within countries, differences in fertility rates by child cohorts may lead to changes in the slopes of the profiles through changes in the denominators.

- Finally, the profiles represent expenditure on the average child, assuming per capita shares in social protection and per participant shares in education services (as per OECD methods – although here dashed lines are added for per capita profiles, too). The profiles do not represent the conditions for the most vulnerable recipients (for instance, cash benefits may be higher if means tested, or additional benefits may be available for disabled or sick children), or children who are excluded from the system altogether, including undocumented children, non-residents/migrants and refugees.

Nevertheless, because data are reported by average spending per child, the profiles themselves are less sensitive to small errors in either changes in the items of expenditure or the populations, and will not change shape in cases where costs increase per capita over time. The extent to which the different national profiles are more robust to larger errors in reported statistics used (under- or overestimation) is necessarily dependent on both the denominator and the numerator. For instance, in countries with low enrolment rates in secondary education, underestimates in spending in absolute terms are going to be more visible than in countries with higher enrolment rates. Evidence from OECD countries across more than one age-spending profile suggests that the profiles are sensitive to policy changes, but are stable when subject to changes in population and expenditure reporting over a four-year period from 2003 to 2007 (see OECD, 2011:67–9).

Box 3. Method and data sources for non-OECD countries

The age-spending profiles for children and young people are estimated using publicly available and reliable data sources. To calculate the profiles, an adapted version of the OECD's approach was used. The adapted method utilized child-specific spending, as well as applying programme rules or simplified assumptions about the target population of programmes, to each profile spending by year of age (OECD, 2011). The goal was to expand the OECD approach to cover a wider range of countries. This approach required data sources that are less detailed than the OECD's, and thus meant a broader classification for the different types of expenditure.
The study identified expenditure across four distinct policy categories – cash benefits; in-kind benefits/labour market policies; preschool childcare or education services; and compulsory or higher education spending – and presented these by age. For detailed data notes for non-OECD countries, see the online annex at www.unicef-irc.org/too-little-too-late.

As in the OECD model, education and preschool spending per child is adjusted relative to enrolment, and cash benefits are reported per capita. In both cases, this is the most accurate and comparable measure – and aligned to the ambition to reflect conditions of the 'average' child. The preference would be to use

take-up rates to adjust the cash benefits rather than enrolment, but this information is not available – and, if it were available, difference in targeting and eligibility would introduce more complexity to provide some alignment across sectors. Per capita expenditure is mapped using dashed lines in each profile for services, early childhood education and care, and education at difference levels.

The secondary data sources used are: (i) the World Bank's ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) database and the University of Manchester's Social Assistance Explorer (SAE) database (for social expenditure data); (ii) the UNESCO Institute for Statistics (UIS) and the World Bank DataBank (for education spending and enrolment data, plus education programme details); (iii) Social Security Programs Throughout the World (SSPTW) for programme details (cross-checked against information in SAE and ASPIRE); and (iv) World Bank DataBank (for contextual data on GDP, purchasing parity power (PPP) conversion factors and population data). Where information on specific programmes detailed in the above sources was unclear, a web search of the relevant programme title was undertaken to clarify allocation rules; however, this was a strictly limited search, as detailed country-based case studies are beyond the scope of the project.

Country coverage in the relevant datasets varied, lacking the consistent annual data equivalent of the OECD. Information was dated, so the profiles mainly report the situation in 2015, the year for which data were most widely available, but actual dates vary by country due to missing data. Few countries had full coverage of the required data for a single year; and rather than eliminate cases from the analysis, where possible, data from an adjacent year or imputed missing values were used. For discussion of the expected impact of policy changes for OECD countries to 2019, see Annex 4.

The adaptation of the OECD model also shares the limitations of the original (OECD, 2011), including: (i) private spending was not captured, whether through mandatory or voluntary systems, meaning co-spending that takes place through social insurance systems is often missed; (ii) there are gaps in many data sources around sub-national expenditure; (iii) no distinction is made between different forms of cash benefit – e.g., whether or not the cash benefits are conditional; (iv) average age-spending profiles can conceal important distributional variations within each age group (e.g., by family type); and (v) some interventions are not covered by the included policy categories, with health spending being the most prominent. The approach for low- and middle-income countries is further limited because: (i) the data sources are less detailed than those the OECD used, and estimates are thus less precise in nature; and (ii) unlike in OECD nations, in a number of countries covered here, a single safety-net programme provides cash benefits to all populations deemed vulnerable, and as such some significant expenditure cannot be captured because it does not meet the definition of child-specific spending used in the OECD model.

That said, the objective of this study is to estimate age-spending profiles with the best available data, while acknowledging the limitations and highlighting them so that they can be addressed in future iterations (and in the work of data managers and analysts who compile the series used). As countries and development partners seek to meet the obligations of the United Nations Convention on the Rights of the Child and achieve the SDGs, the lack of basic, robust and verifiable data on how governments provide for children – both in terms of how much money is spent and in what ways – in the majority of countries in the world is, in itself, an important finding and an issue to be addressed as a priority.

4.2 The timing of public expenditure on children: Variations in age-spending profiles

The shapes of the country profiles tend to fall into three broad groups, as presented in Figures 3, 4, and 5 – frontloaded, backloaded and flat age-spending profiles. In the case of the last, however, this is more commonly a 'square' profile because, critically, expenditure on the youngest children is in most cases close to nil.

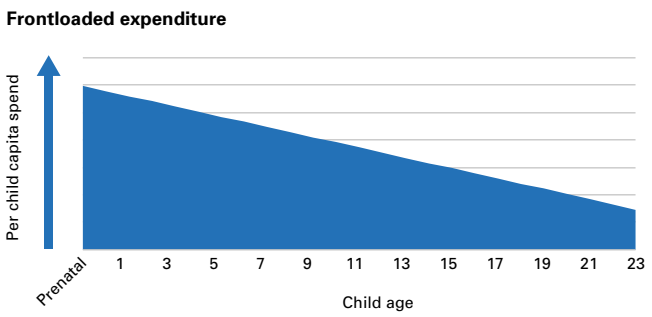
The 84 country profiles (Figure 6) portray a lack of consensus on how countries spend public money on children across the life course. There is no consistency across the profiles globally, which underlines a general lack of coherence with the evidence base around investments and expenditure on children.

Moreover, the disconnect between the evidence on child development and the observed distribution of public expenditures in poorer countries overall – where the costs of failing to prioritize limited funds efficiently are more acute – is brutally clear.

On closer inspection, the severe disparity between high-income settings and other countries – where both more money is actually spent and it is usually spent in a more coherent way – is most visible in the lack of social protection spending in cash benefits primarily, and child allowances in particular, but also in in-kind services, in the preschool period. Social protection spending is the dominant form of welfare in high-income countries, and average spending is around 18 times higher than that seen in low- and middle-income countries globally (see UNICEF Office of Research – Innocenti, 2022). In short, in the majority of low- and middle-income countries, as well as some high-income ones, public expenditure allocated to children is – before any other concern – simply too little, and too late.

4.2.1 Frontloaded profiles

Figure 3: Stylized example of a frontloaded age-spending profile



Source: Authors' illustration.

Among the frontloaded countries in the group are those that broadly have a year-on-year incremental decline in the expenditure on children starting in the period before birth, or around birth. The closest profiles to the ideal presented in Figure 3 are Norway and Hungary.

This commitment to early investment means that children and families – on average – are protected in relation to vulnerabilities arising during pregnancy and childbirth and through the early years (with the childcare demands and challenges in work–family balance these bring), meaning that later public investment should not need to 'make up for' shortfalls in resources in areas of family well-being and child development. In short, such commitment to higher levels of expenditure in the early child period has the potential benefit of optimizing later spending – although other

factors are at play that can limit the effect of preventative/investment policy efforts, including life crises and covariate shocks.

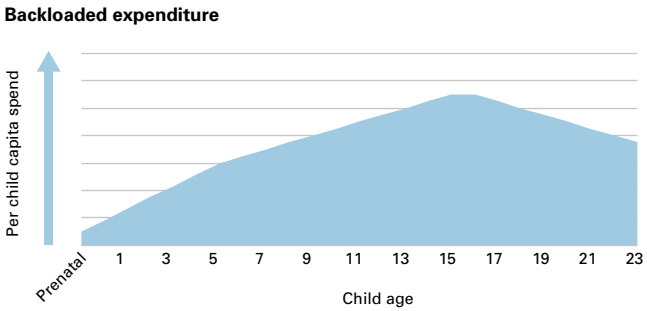
A number of countries show some pattern of frontloading, driven in particular by maternity payments. These include Czechia, Estonia, Norway, Slovakia and Slovenia. With the exception of Norway, each of these countries' welfare system designs will have been influenced to a degree by transitions from the Soviet bloc and planned economies. Very high levels of maternity payments, in comparison with spending at later ages, are seen in Estonia – a country whose child poverty rates compare very favourably worldwide (EU-SILC, 2022).

One country in the group, with an unusual, frontloaded profile – at least from 2 years of age to around 18 – is Ecuador. Although policies for the average child are limited prior to childcare, money spent from childcare through to the period in which children can access higher education is focused in such a way that younger children receive more per capita expenditure the earlier they are in their educational career. This prioritization would remain even if childcare and compulsory school were to deliver services to every child in Ecuador, without seeing increases in the overall investment (see the dashed line for levels of expenditure at full take-up of services). In short, frontloading in Ecuador would continue even at full take-up. Moreover, the lack of public expenditure for Ecuadorian newborns is likely to increase experiences of inequality in young families, and reduce the efficiency of later public spending.

4.2.2 Backloaded profiles

More than one in every two countries with reported data have backloaded profiles. Backloading the expenditure relies on a premise that children enter that stage of the life course equipped to take advantage of this additional expenditure. It also assumes that: either (i) older children are better able to take advantage of more advanced services; or (ii) older children simply cost more (food, clothing and so on).

Figure 4: Stylized example of a backloaded age-spending profile



Source: Authors' illustration.

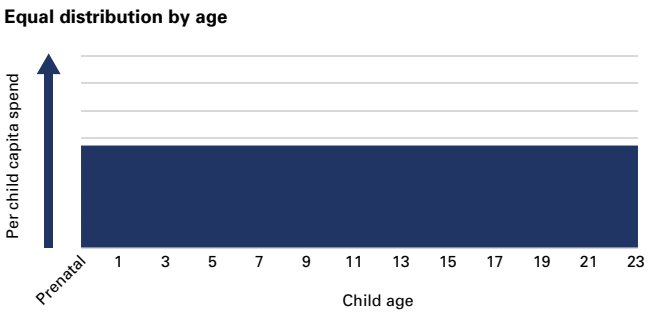
Reflecting on these assumptions, it is worth considering two points. First, that there is a distinction between average ability and individual ability at any age of the life course, and public systems that support children cannot assume equal trajectories of child development at the individual level – based on observable aggregate trends – without incurring a significant risk of under-serving the most disadvantaged. Second, that in some instances the backloading is due to the design of the system, with greater expenditure seen as children get older because of falling participation rates – particularly in education. That is, more resources are shared among fewer children, resulting in higher per capita spending per participant, and importantly compounding the inequality experienced by children at a higher likelihood of school dropout earlier in their education.

The first set of countries whose expenditure is predominantly backloaded includes those dominated by education, including notably higher levels of per participant investment in higher education (Mali, Tanzania, Togo, Madagascar and Zambia). In some cases, the difference in spending on under-18s attending school and spending on those in higher education is quite extreme (see, for example, Ethiopia, Rwanda and Zimbabwe). A second set of countries with a backloaded profile is again dominated by education spending – but this time with significant investments in childcare/preschool (Benin, Côte d'Ivoire, Eswatini, Ghana, the Niger and Senegal). Although the evidence base suggests that childcare expenditure will optimize later investments, in a number of these countries, the take-up of these services is limited to a small subset of eligible children (by age). This low level of take-up can be counterproductive for system strengthening, as improved outcomes for some individual children, but not all, can create inequalities that public services later in the life course will need to account for.

Three countries have notable backloading profiles – similar to those described above but also including a layer of cash benefits (such as family allowances), without maternity or other parenting cash benefits in the early years. These are: Honduras, Iran (with a strong universal child cash benefit) and Namibia. Based on broader learning from the literature on family cash benefits (OECD, 2011; Richardson et al., 2020), it is likely that such cash benefits are beneficial for school-going children, and indeed increase enrolment rates – contributing additional marginal returns on existing educational investments in systems that are inherently unequal. In cases where types of spending are more balanced, but profiles are still backloaded, more research is needed to understand both the marginal effects of cash benefits on education outcomes, and how efforts might be made to transition to more efficient and equitable systems.

4.2.3 Flatter expenditure profiles and square profiles

Figure 5: Stylized example of a flat age-spending profile



Source: Authors' illustration.

The third stylized type of profile is the flat or square profile, where there is no clear pattern in favour of spending in the early or later life course. A number of countries exhibit such a profile, although given the regularity of low or no spending in the preschool years – particularly in low- and middle-income countries – these are more often 'square' than completely flat.

Seven countries show broadly square profiles, without the inclusion of cash benefits/social protection as a significant part of the profile. These include Belize, Cameroon, the Congo, Jordan, Lao People's Democratic Republic, Maldives and Samoa. Eight countries have broadly square profiles where cash is part of the portfolio. These are: Costa Rica, El Salvador, India, Jamaica, Lesotho, Liberia, Malaysia and Paraguay. And nine countries with broadly square profiles have a distinct role for social protection during infancy. These are: Argentina, Brazil, Cabo Verde, Guatemala, Honduras, Indonesia, Mauritius, Uruguay and Zambia.

Although it is unclear how these different square typologies perform in terms of children's outcomes, the implications of an imbalance in the type of spending, and timing of spending, are hypothesized to have individual, sectoral and system-wide implications. Further detail on the coherence between different child policies by design (conditional cash benefits, or age-related eligibility for different benefits, being aligned in terms of purpose and timeliness to avoid coverage gaps by age) will be needed to fully understand if countries, and the children they serve, are getting the best value for their expenditure.

Flattened profiles, or those with an equal distribution starting from birth or before, are most commonly seen in high-income countries, such as Finland and Germany. These flatter profiles are broadly the result of higher per capita spending in the early years, to match expenditure around secondary education.

Countries including the Philippines, Timor-Leste and Zambia are represented in the square profile group, but it is notable that, in both their participation and per capita education profiles, the levels of expenditure are higher for younger children, while those young adults in higher education are receiving lower per capita expenditure than children in secondary school.

Figure 6: Average spending per child by age adjusted for enrolment (US$ PPP), c. 2015

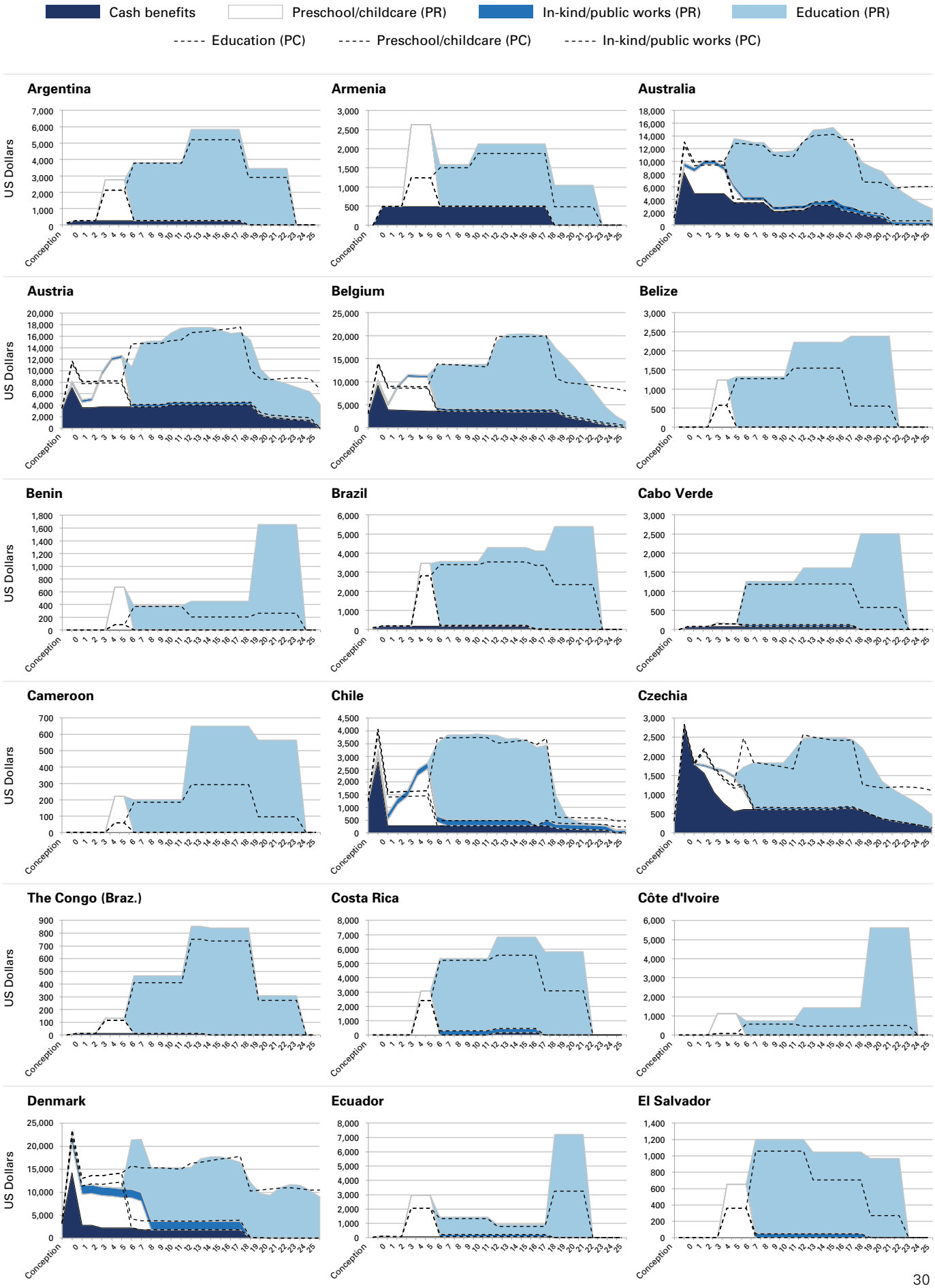


Figure 6: Average spending per child by age adjusted for enrolment (US$ PPP), c. 2015 (cont.)

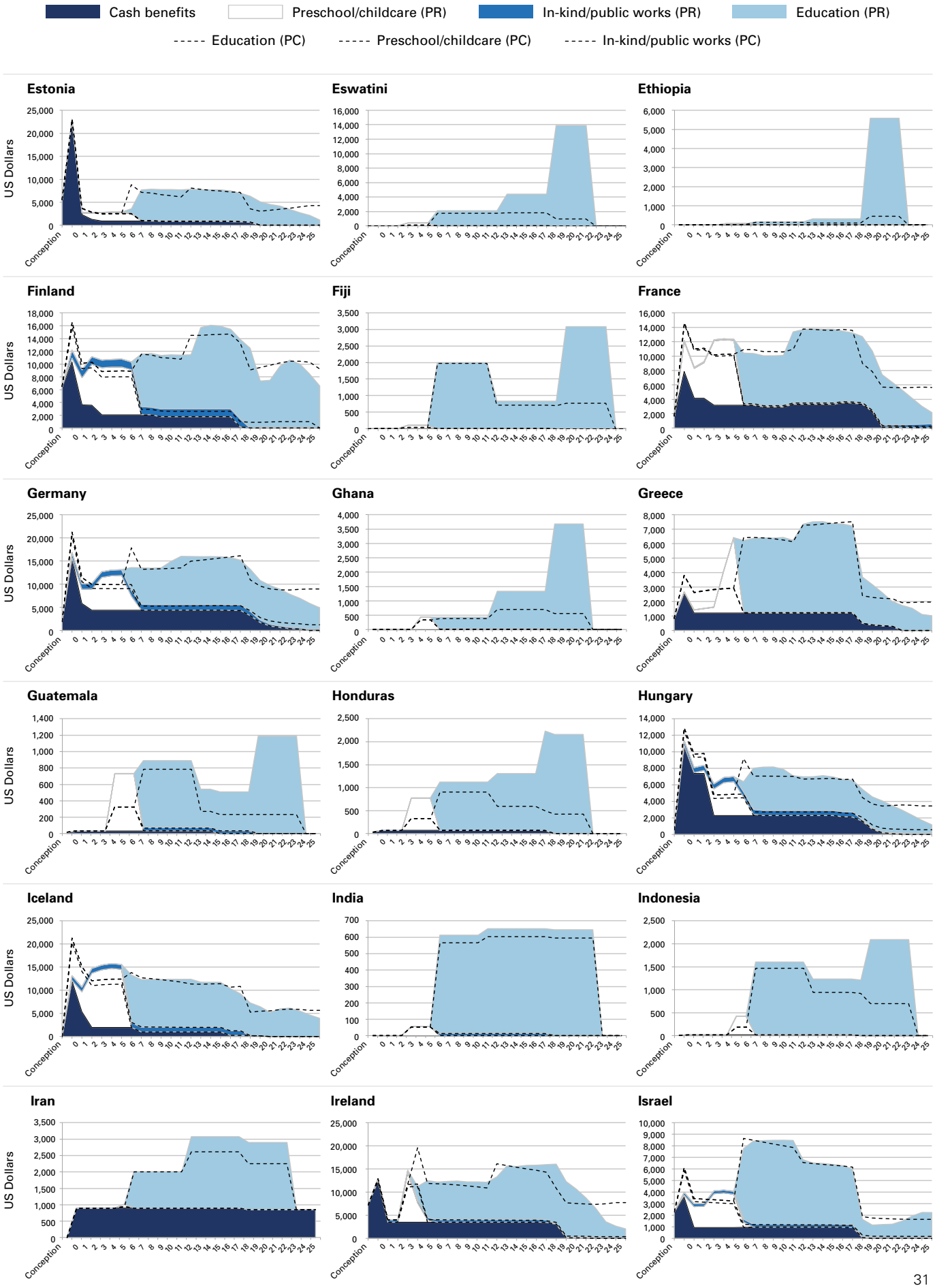


Figure 6: Average spending per child by age adjusted for enrolment (US$ PPP), c. 2015 (cont.)

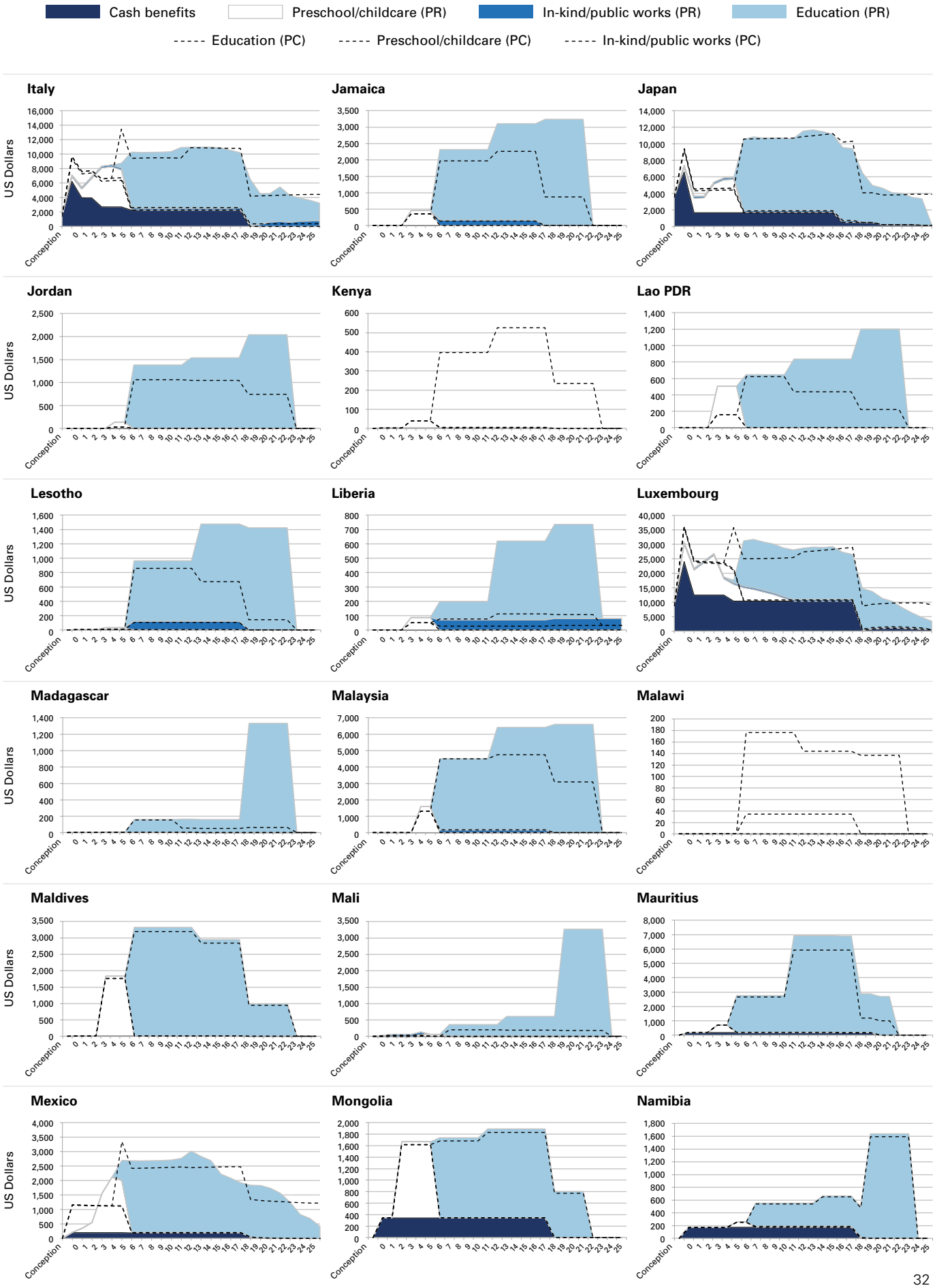


Figure 6: Average spending per child by age adjusted for enrolment (US$ PPP), c. 2015 (cont.)

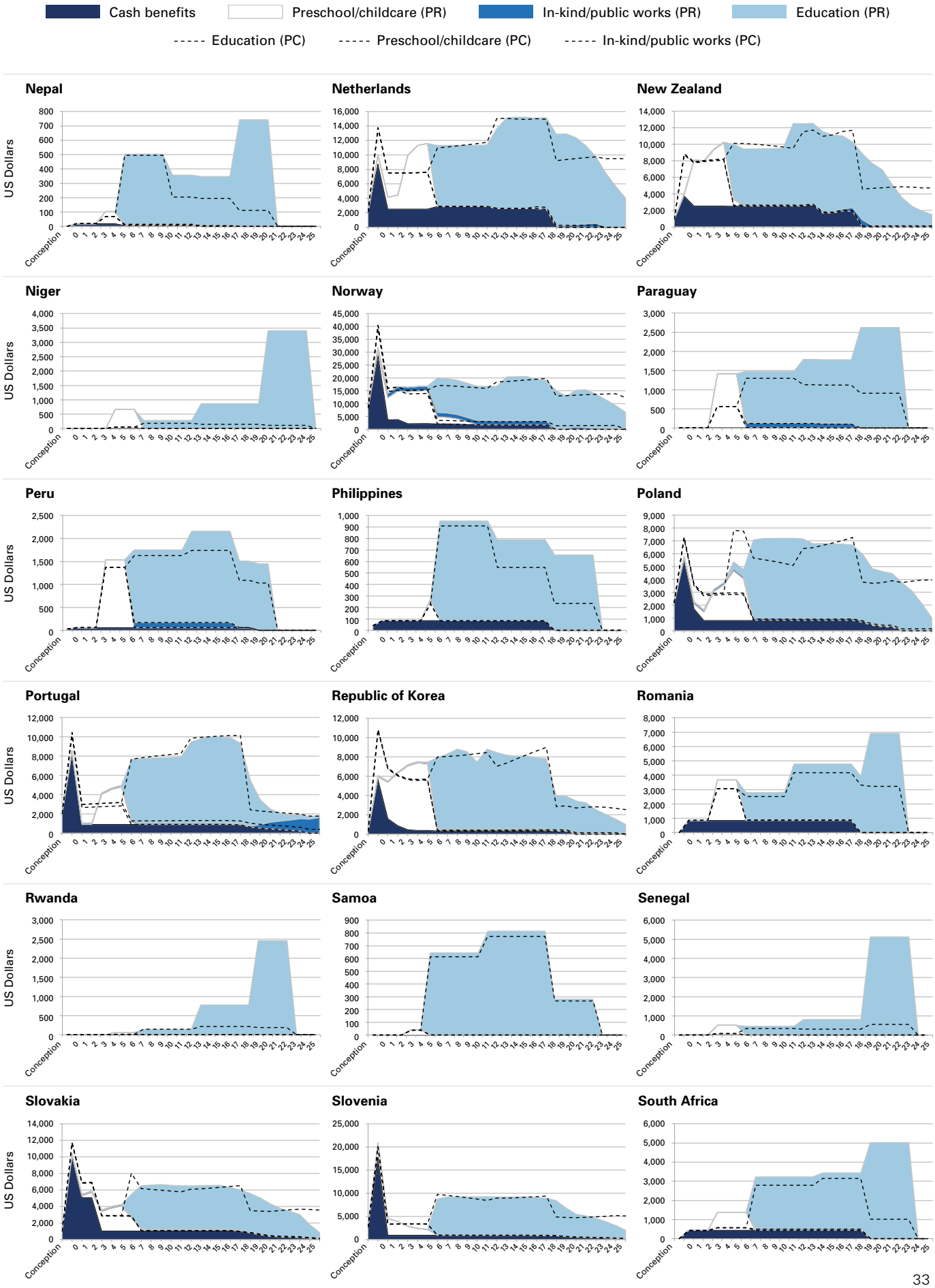
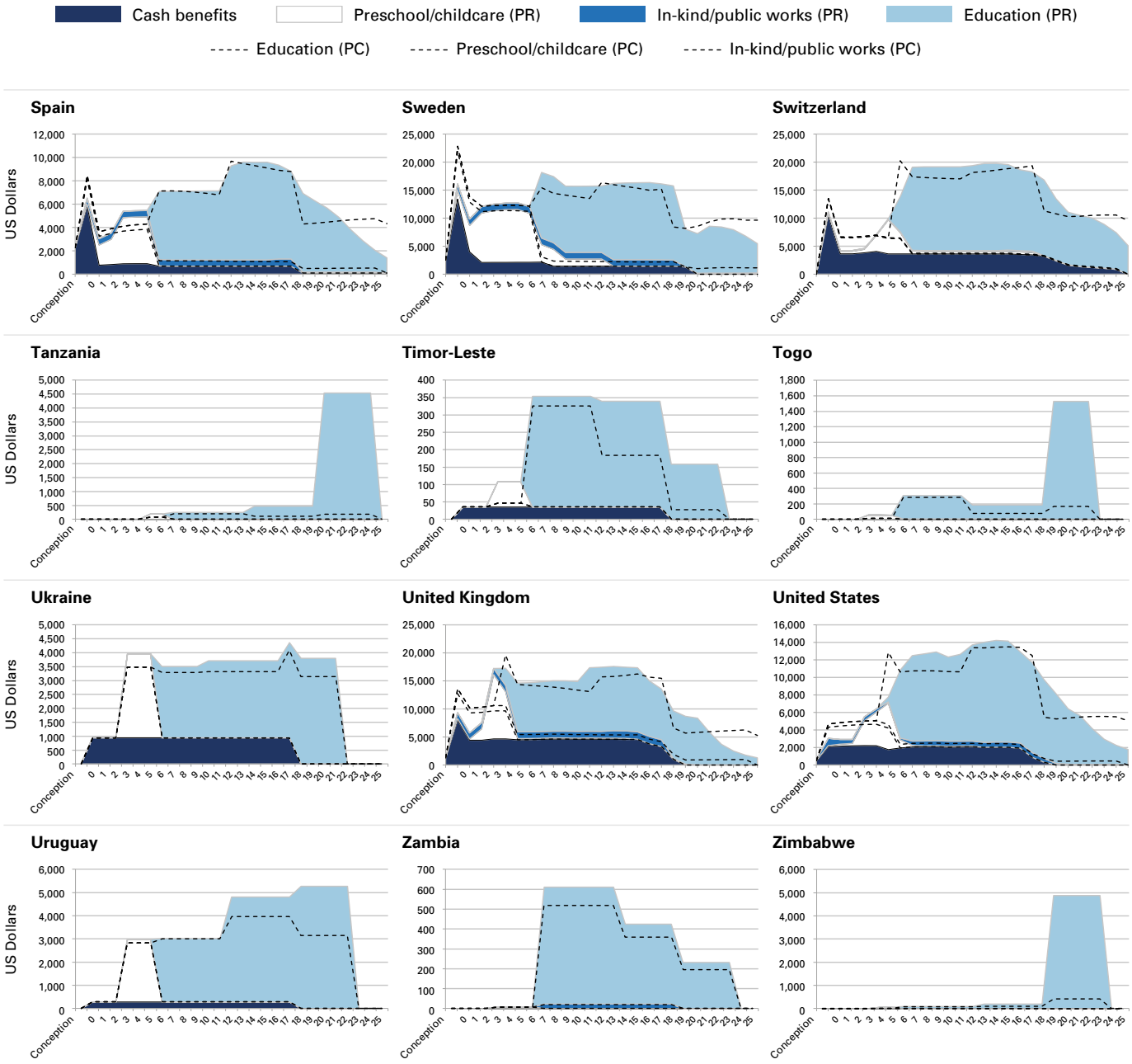


Figure 6: Average spending per child by age adjusted for enrolment (US$ PPP), c. 2015 (cont.)



Note: For OECD countries, changes related to 2019 profile updates as calculated by the OECD (2023) are reported in Annex 4. Data for participation rates in education are missing for some countries: Eswatini (pre-primary), Fiji (higher education), India (pre-primary), Kenya (pre-primary, primary and secondary), Malawi (pre-primary and primary), Maldives (secondary), Mongolia (secondary), Namibia (secondary), the Congo (secondary) and Zambia (pre-primary and secondary). In cases where these are for pre-primary or secondary school only, the reported primary school enrolment rates are used. For Fiji, an estimated higher education enrolment rate of 25 per cent is used. Enrolment data are not estimated for Kenya and Malawi and so are not used (per capita profiles are reported instead).

Source: Authors' calculations based on data from several sources – see Annex 1 and Annex 2.

4.3 Smart spending: From timing to type, coverage and adequacy

The timing of spending matters, but, although early investment can theoretically limit the need for 'catch-up' spending later in the life course, this outcome is dependent on a country both having sufficient funds and allocating them to the right sectors and the right groups of children. Beyond simply when money is spent, considering how money is spent (type), on whom (coverage), and how much (adequacy), is also expected to make a difference (for a stylized optimal investment profile, see Box 4).

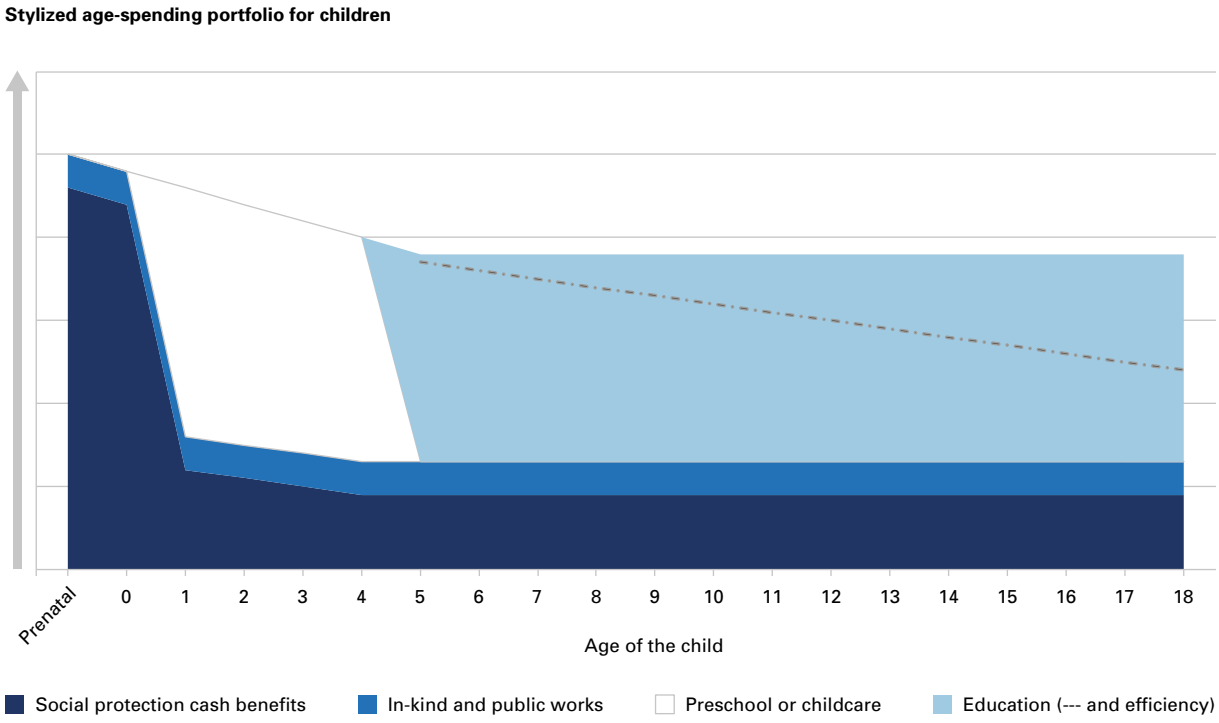
The type of expenditure matters because certain policies are designed for certain purposes – for instance, failure to provide maternity leave will result in underinvestment in critical items and the time needed for adult–infant attachment. The coverage of expenditure counts, because providing services to just some children creates inequalities, which are likely to reduce efficiencies in future public services, such as in primary school if cohorts enter with larger differences in learning or life skills. And the adequacy of expenditure means meeting at least the basic needs of families during childhood, to ensure that personal and social goals are achieved. No amount of 'smart spending' can make something out of nothing.

Box 4. What does optimal investment across a child life course look like?

The stylized profile in Box 4 Figure A provides an indication of how expenditure on an average child might look if policy investments were to follow the evidence more closely on child development and efficiency in public expenditure.

The profile includes cash benefits that cover children prenatally and during birth, as well as for the postnatal period, when home care of infants is commonly preferred (for reasons of enabling attachment and breastfeeding) and labour market attachment is necessarily weak. Following the first year of life, the profile includes childcare that is available immediately and is appropriately financed to ensure full coverage and quality standards – for instance, with more staff per child in the earlier years. Education investment follows, and is also frontloaded to maximize school attachment and quality from the first years, for reasons of both equity and efficiency. Key family and child protection services are present for children of all ages throughout the life course, and are adequately financed. Finally, the profile is frontloaded, to ensure that children's development needs are met from day 1, and costly underinvestments are avoided (an efficiency line is drawn in for education expenditure, assuming savings are made as children enter each new year more equipped to learn than they were the previous year).

Box 4 Figure A: An age-spending profile based on optimal investment for children and families



Note: The dashed line marking efficiency portrays the profile under conditions where educational investments were optimized according to Heckman (2008) and earlier learning outcomes allowed for lower levels of investment in later years while achieving the same returns.

4.3.1 Spending by type: Patterns of investment and issues of adequacy

Across the 84 countries, aside from the general trend to spend more on education than other sectors, countries do fall into groups based on their preferences for utilizing one of three types of expenditure: (i) social protection or cash benefits; (ii) early childhood education or care; and (iii) human services (public work, active labour market policies and other human services, such as accommodation, child protection and food parcels).

Countries with notable social protection elements include: Armenia, Australia, Austria, Belgium, Czechia, France, Germany, Hungary, Ireland, Iran, Italy, Luxembourg, Mongolia, Namibia, the Netherlands, New Zealand, Slovakia (particularly in the early years), Switzerland, the United Kingdom, Ukraine and the United States.

Countries who invest in early childhood education or care at a per participant rate that is long term or higher/equivalent to primary school expenditure include: Armenia, Australia, Austria, Belgium, Belize, Brazil, Cameroon, Chile, Czechia, Côte d'Ivoire, Denmark, Ecuador, Finland, France, Germany, Greece, Iceland, Israel, Italy, Luxembourg, Mongolia, the Netherlands,

New Zealand, Norway, Peru, Poland, Republic of Korea, Spain, Sweden, Ukraine and Uruguay. Notably, Australia, Austria and Belgium are among a group of countries where different elements of public support for early childhood care are available to parents with children younger than 1 year old.

Although expenditure on human services makes up a small proportion of total spending, countries that spend relatively more as a proportion of the total on services include: Chile, Denmark, Finland, Germany, Hungary, Iceland, Israel, Norway, Spain, Sweden, the United Kingdom and the United States. Outside of the high-income country set, where human services are much less common, Jamaica, Lesotho, Liberia and Peru are all relatively high spenders on this form of child/family intervention.

Although there is no consistent balance in the spending by type on children across portfolios, there are good indications that lower-income countries spend significantly less on statutory cash or tax-based social protection. This is in spite of the fact that child allowances (particularly universal benefits) are one of the simplest policies to deliver at scale – as they do not necessitate the workforce capacities that so many other important early childhood services demand. On the other hand, social services – such as active labour market policies (or public works), accommodation, child protection and childcare services (or preschool) – see significantly less investment in richer countries, where education and cash benefits are more popular.

A final and important consideration for adequacy is notable when reviewing the per capita lines in childcare and education. In a number of countries, particularly during preschool and secondary school, the per capita lines illustrate scenarios where full enrolment would result in expenditure per child falling by 50 per cent or more of the participation rate values. In pre-primary, this is the case for: Armenia, Belize, Benin, Cameroon, Côte d'Ivoire, Guatemala, Honduras, Indonesia, Jordan, Lao People's Democratic Republic, the Niger, Senegal, South Africa and Togo. For secondary schooling, this is the case for: Benin, Cameroon, Côte d'Ivoire, Eswatini, Ethiopia, Ghana, Guatemala, Honduras, Lesotho, Liberia (both primary and secondary), Madagascar, Mali, Nepal, the Niger, Rwanda, Senegal, Tanzania, Togo and Zimbabwe.

In Ethiopia, Madagascar, Mali, the Niger, Rwanda, Senegal, Tanzania, Togo and Zimbabwe, the falls in secondary school spending under full enrolment would compound situations already under pressure due to already very low absolute levels of expenditure. This is also the case for preschool spending in Indonesia and Jordan.

Although in services such as education a certain degree of economies of scale may be expected, the implications of this 'full enrolment funding gap' can be both sectoral and cross-sectoral. Within these sectors, stretching existing budgets is likely to have negative effects on school quality without major innovations and efficiencies. Across sectors, efforts to increase access to secondary education, particularly cross-sectorally (e.g., through conditional cash benefits), will need to be matched with increases in expenditure if integrated approaches are to have the social pay-offs they intend. Similarly, in cases where some parents are encouraged into work, through public works programmes or cash support, funding for preschool services will also need to be increased, otherwise incentives to work will be suboptimal.

4.3.2 Coverage also counts

At a glance, each profile presents peaks and troughs in the different age-related categories of expenditure, indicating variability in the coverage of children by age and by spending type.

In flat profiles, particularly square ones (like India), and in low spending settings overall (like Zimbabwe), coverage gaps for very young children are obvious and have been explained. However, in some profiles that start strong, dips in coverage as children age can present their own challenges. For example, the 'age 2 gap', the point at which cash parent leave policies have run out, but childcare or preschool options have not been made available to families with children, is a period in the early years when parents are expected to return to work, but do not yet receive sufficient support to do so.

The 'age 2 gap' is a condition seen in countries where systems are well developed, and coverage of public policies is high relative to global averages. Nevertheless, a gap in coverage between two sets of complementary family policies (parental leaves and childcare options) is an indication of incoherent portfolios, and should be addressed for future families. Austria, Belgium, Chile, Denmark, Estonia, Greece, Ireland, the Netherlands, Poland, Portugal, Slovenia, Japan, Spain, Switzerland and the United Kingdom, to varying degrees, all exhibit the gap.

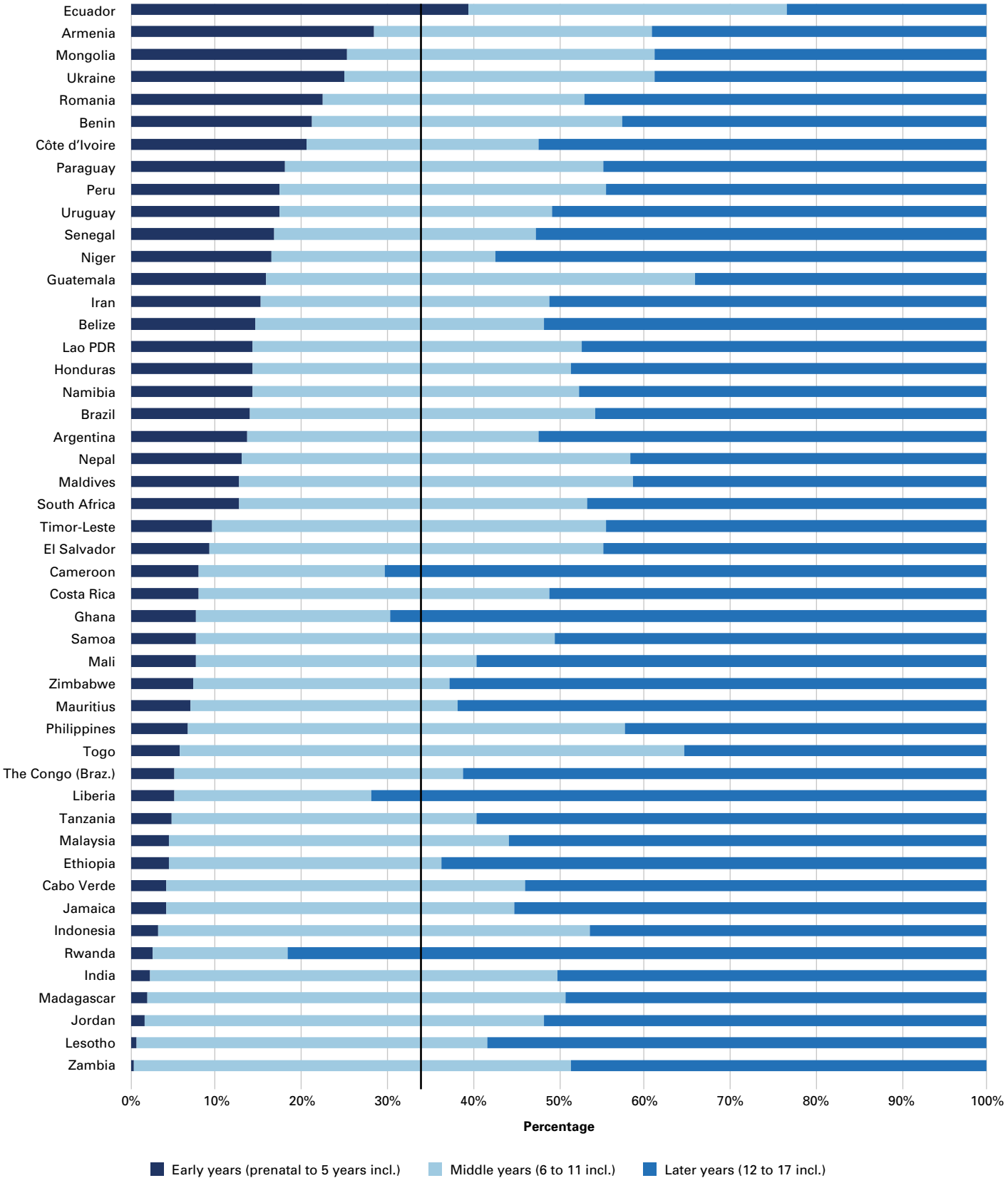
Looking at the dotted lines in the charts (which represent per capita spending), it is possible to see that lines that cut education spending in half mean that around half of the children in that country are participating in school. Moreover, given that these services are reliant on fixed capital and teachers' salaries in large part, low participation rates can be seen as missed opportunities for economies of scale. This results in a larger proportion of each participating child's costs going on path-dependent expenditure – limiting innovations in school and teaching practices – and expenditure on day-to-day items for classroom learning, child nutrition, or health and sanitation purposes.

4.3.3 Comparing spending on children by age, across low- and middle-income countries

Moving on to national estimates, Figure 7 compares three relative levels of expenditure in early, middle and late childhood in the low- and middle-income countries. Countries are ordered from top to bottom in decreasing size of expenditure, with the country spending the largest share of child expenditure on early childhood on the left (Ecuador) and the country spending the smallest share of child expenditure on early childhood on the right (Zambia).

When considering the line running across the chart at 33 per cent, which is where relative spending on early childhood would be if expenditure was distributed equally by age group, it is evident that only Ecuador spends at or above parity levels on children in early childhood. For the vast majority of countries – from Paraguay onwards – less than 1 in 5 dollars of identifiable child-specific spending is allocated to spending on those under 6 years of age. In contrast, around half of all countries spend more than half of the existing child budget on children aged 12–17 years.

Figure 7: Half of the countries with data in low- and middle-income countries spend less than 10 per cent of total expenditure in the early years period



Note: OECD countries are not reported in this chart – for comparisons of OECD expenditure by age group, see OECD Family database (2023).

Source: Authors' calculations based on expenditure reported in Figure 6.

4.3.4 Expenditure on children under 6 years of age in low- and middle-income countries

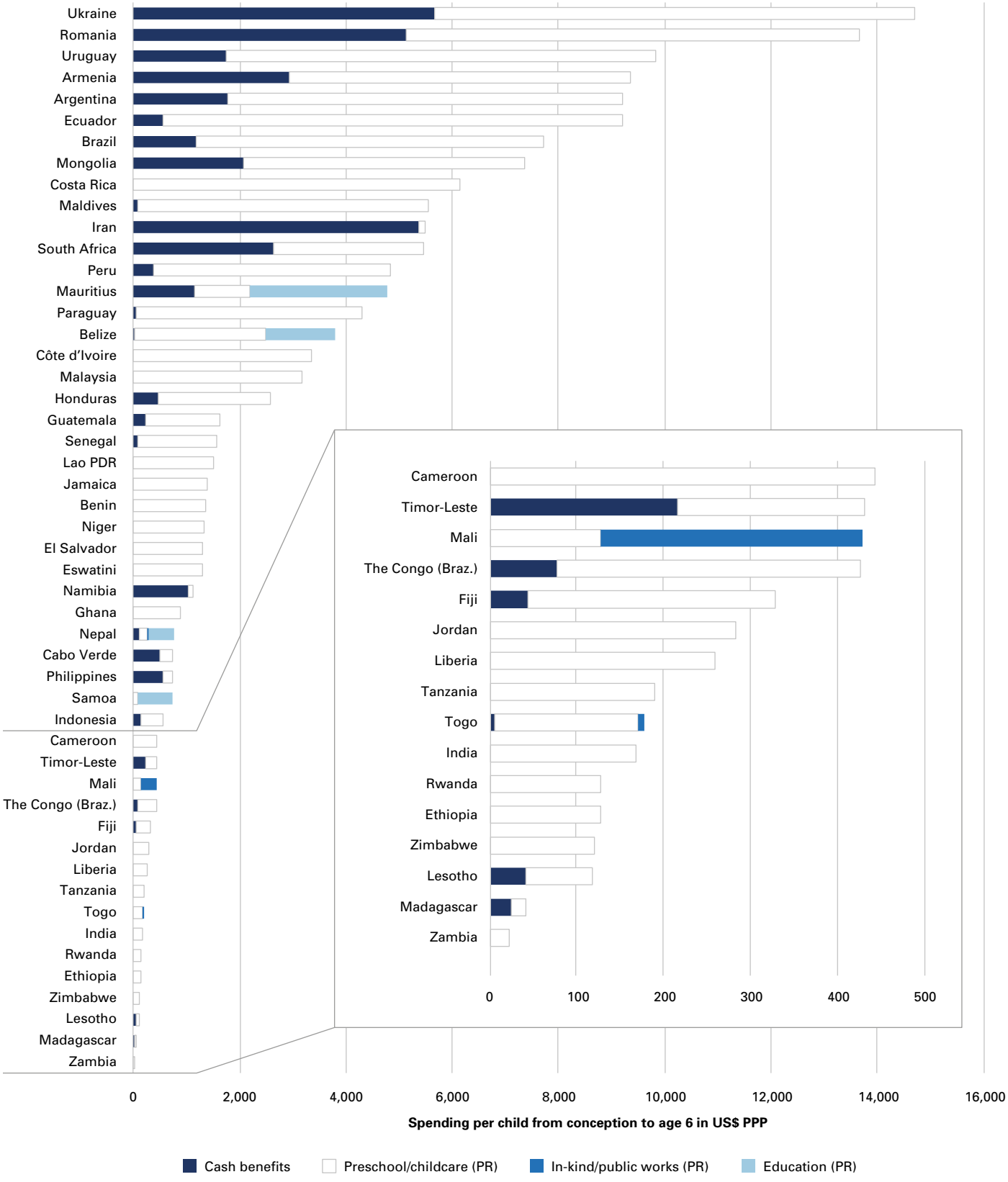
When looking at Figure 8, which breaks down absolute spending within the early years by type, it is first clear that relatively high spenders with lower budgets can be investing less on the preschool period in real terms (compare Ecuador with Argentina) and also that distribution of spending within the preschool period can itself be backloaded, as it is early child education and care, and not cash benefits or in-kind services, that dominate the picture (in these cases, few dollars will be invested on those under 3 years of age).

In contrast to the majority of countries that spend more on preschool/childcare services, some countries – namely, Cabo Verde, Iran, Namibia, the Philippines, Romania, South Africa, Timor-Leste and Ukraine – spend relatively large proportions of their expenditure on cash benefits. In each case, this early years cash spending means that families are supported from the birth of their child, and systems are more immediately adaptable to increases in child and family spending, should governments seek to reform.

Finally, it is worth noting the very low levels of absolute expenditure on children in the early years period in the 15 countries where – for the average child up to 6 years of age – less than US$500 PPP is spent (or less than US$100 PPP is available per child – including when attending preschool). In Madagascar and Zambia, the entire period, per child, garners less than US$50 PPP per child in total, or less than US$10 per child per year.

To map and monitor progress on the share of expenditure on the under 6s cross-nationally, an ECPS can be calculated. The ECPS score reports the share of expenditure on the under 6s as a proportion of the share of the child population aged under 6 (see Box 5).

Figure 8: Fourteen countries spend less than US$500 PPP per child under 6 years of age, and in Madagascar and Zambia spending is less than US$50 PPP



Note: OECD countries not reported in this chart – for comparisons of OECD expenditure by age group see OECD Family database (2023). PR = participation rates. Kenya and Malawi not reported as breakdowns by type not available.

Source: Authors' calculations based on expenditure reported in Figure 6.

Box 5: Reporting and monitoring the balance of age-related spending on the under 6s: An Early Childhood Parity Score

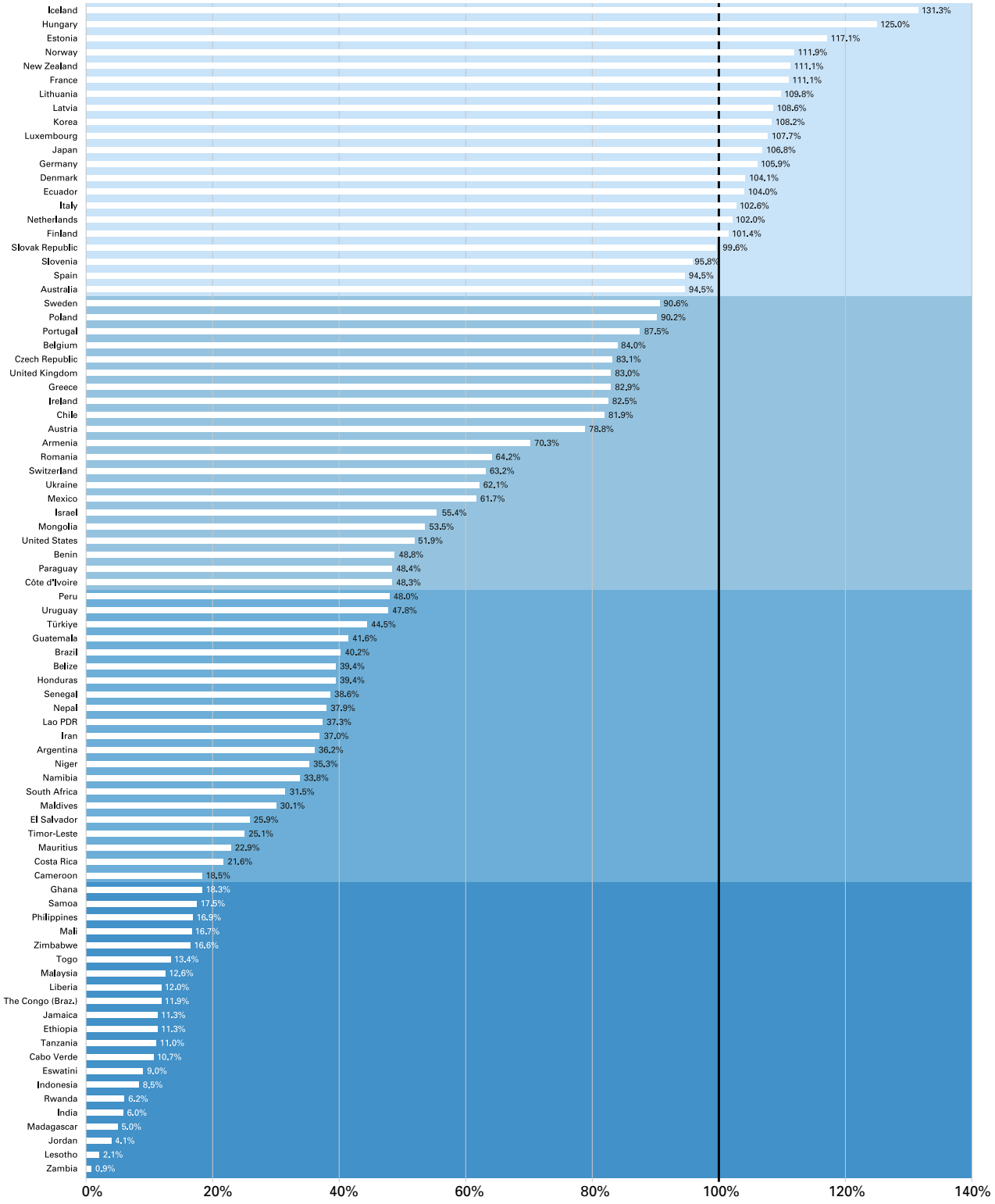
To facilitate reporting on the extent to which countries balance expenditures by the age of the child – and monitoring progress on rebalancing the portfolio based on the findings presented above – it is possible to calculate a measure of how equal spending is on the under 6s using an 'Early Childhood Parity Score' (ECPS).

The ECPS score reports the actual spend on the under 6s as a proportion of the share of the child population aged under 6. If one third of the child population is under 6, and children under 6 receive one third of all money spent on children under 18, the proportion would be 100 per cent. When younger children receive more money relative to their population, the proportion is over 100 per cent, and when young children receive less, the proportion is lower than 100 per cent. The focus on spending on young children only (as opposed to calculating an overall equality spending score, for example equivalent to a Gini coefficient) is justified based on: (i) younger children presently receiving the lowest levels of spending by age overall, (ii) the distinct age-related needs of younger children (see Table 1), (iii) the lack of education spending available to this group, and (iv) the higher demand for social protection benefits and services.

Box Figure 5.1 reports a baseline for comparing and monitoring progress on the ECPS. The majority of countries in the sample spend less than 2 of the 3 dollars needed to achieve parity for the youngest children. The highest performers are mainly European and/or OECD countries – although only 17 spend more on young children than age-spending parity. The lowest performers, from Indonesia to Zambia at the bottom of the chart, would need to increase spending on the youngest children by more than ten-fold to achieve parity in age-spending. To be clear, the ECPS is a measure of the 'too late' part of this report, and does not take into account the magnitude of the total spending on children in a country – the 'too little' part.

Box Figure 5.1: Early Childhood Parity Score (ECPS), spending on under 6s as a percentage of equal share of total (population weighted)

Only 17 countries spend an equal share, or more; all but one are OECD countries



Note: See note in Figure 6.

Source: Authors' calculations using data reported in Figure 6 of this report.

4.4 Typologies in the age-spending profiles

Among these 84 countries, it is clear from the profiles that, although there is no global consensus on how to allocate funds for children, regional patterns are evident, as are income patterns. The remainder of this section will review the regional patterns. To do this, Table 2 classifies countries into low-income, lower-middle-income, upper-middle-income and high-income groups, according to World Bank (2021) listings. All OECD countries, plus Uruguay, are in the high-income group. All European countries, with the exception of Romania, are also in the high-income group. The low-income group is made up of sub-Saharan African countries and Nepal.

Table 2: Country income group classification as of 2015

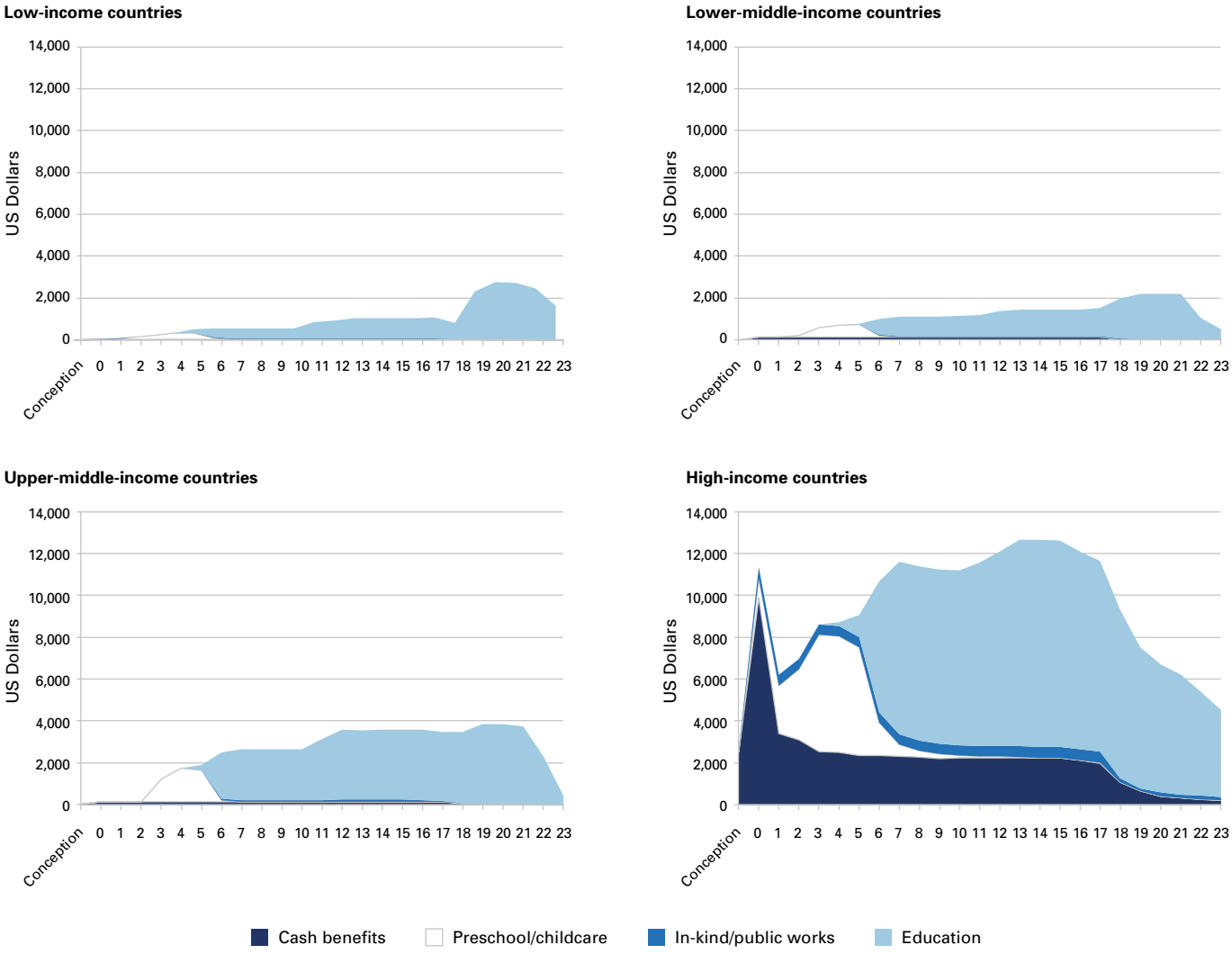
High-income countries	Australia, Austria, Belgium, Chile, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States and Uruguay
Upper-middle-income countries	Argentina, Belize, Brazil, Costa Rica, Ecuador, Jamaica, Jordan, Malaysia, Maldives, Mauritius, Namibia, Paraguay, Peru, Romania and South Africa
Lower-middle-income countries	Armenia, Cabo Verde, Cameroon, Côte d'Ivoire, the Congo, El Salvador, Eswatini, Ghana, Guatemala, Honduras, India, Indonesia, Iran, Lao People's Democratic Republic, Lesotho, Mongolia, the Philippines, Samoa, Timor-Leste, Ukraine and Zambia
Low-income countries	Benin, Ethiopia, Liberia, Madagascar, Mali, Nepal, the Niger, Rwanda, Senegal, Tanzania, Togo and Zimbabwe

Source: World Bank (2021).

Figures 9, 10 and 11 show two sets of comparisons of the same spending data on different axes. Figure 9 compares spending by income group by type on a fixed y axis – to highlight the differences in overall levels of investment across the life course. Figure 10 then compares the profile shapes on one graph, including a boundary for the variance that covers high and low levels of expenditure at a rate of 0.5 standard deviations from the mean, to test for clear differences between the groups as whole. Following this test, Figure 11 compares the same data as Figure 9, but this time on a 'best fit' y axis to allow for a more detailed review of the distribution of spending by type in the average countries in either low-, lower-middle-, upper-middle- or high-income countries.

When looking at Figure 9, with all the y axes set at high-income country levels (US$14,000 PPP), the differences in overall investment are stark. The backloading of investment in children is clear in the lower-income settings, and spending on education and preschool education/childcare dominates. It accounts for over 90 per cent of total spending in low-income and upper-middle-income countries, and 85 per cent and 68 per cent of spending in lower-middle-income and high-income countries respectively.

Figure 9: Comparing age-spending profiles by national income groups shows large differences in the level of investments (US$ PPP)



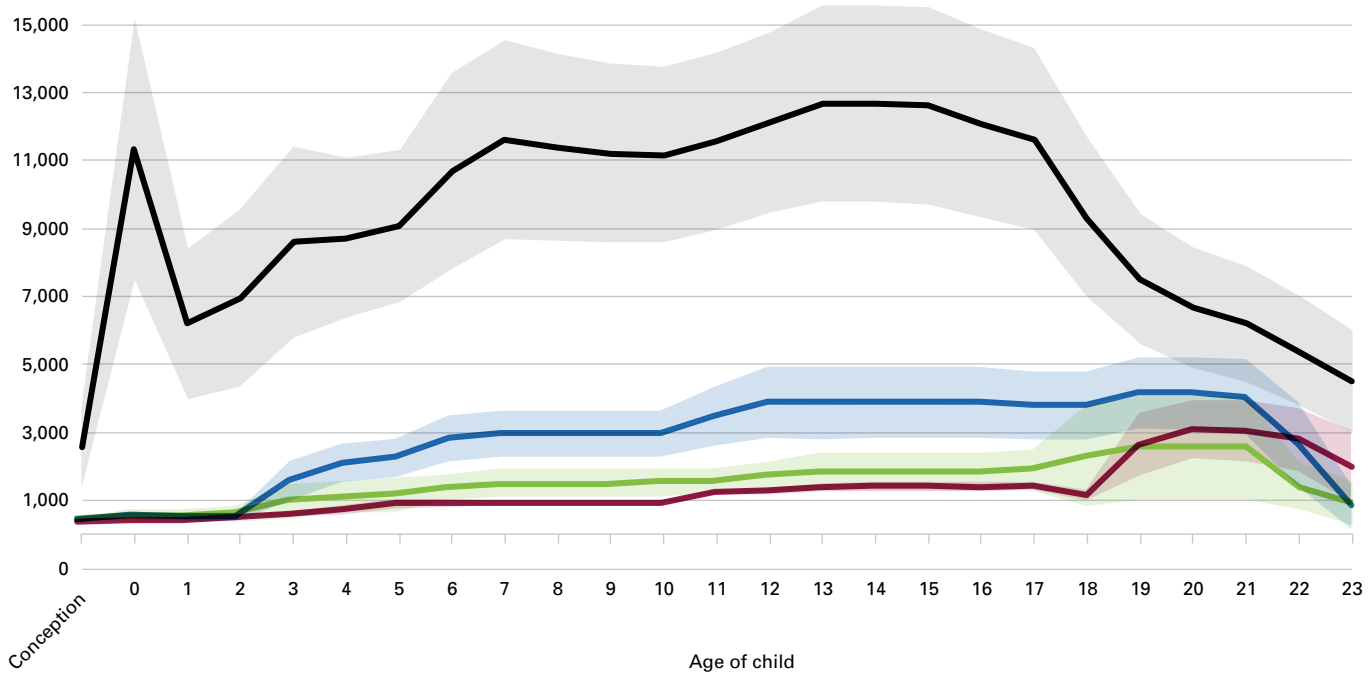
Note: See Table 2 for country groups, and Annex 3 for data.

Source: Authors' calculations based on data reported in Figure 6.

From conception to 17 years of age inclusive, the differences in cumulative spending are enormous. In the average high-income country, the total is equal to US$194,850 – more than four times the amount spent in countries in the upper-middle-income group (US$42,844 per capita). In lower-middle-income countries, the spending amounts to around US$1,000 per year, at US$18,033 for the average child, whereas in low-income countries spending is just over one-half of this at US$11,902 per capita – around 20 times less than a child growing up in an OECD country.

Figure 10 compares the overall spending levels by income groups to assess for significant differences. After the under-3s period, when expenditure can be as low as US$0 per child, the first point at which any of the margins of error cross one another is after 18 years of age – showing that the majority of countries within each income grouping have, in absolute terms, spending levels in a completely different range compared with the majority of countries in the other groups. After 18 years of age, the expenditure profiles begin to merge as higher-income countries' expenditure per person falls, and lower-income countries' expenditure per person increases. In each case, expenditure levels are largely determined by decisions related to higher education spending.

Figure 10: Average expenditure by income type, including variance around the mean by year spend



Note: Shaded areas represent 0.5 standard deviations above and below the average spending line: black is high-income countries; blue is upper-middle-income countries; green is lower-middle-income countries and red is low-income countries. See Table 2 for country groups, and Annex 3 for data.

Source: Authors' calculations based on data reported in Figure 6.

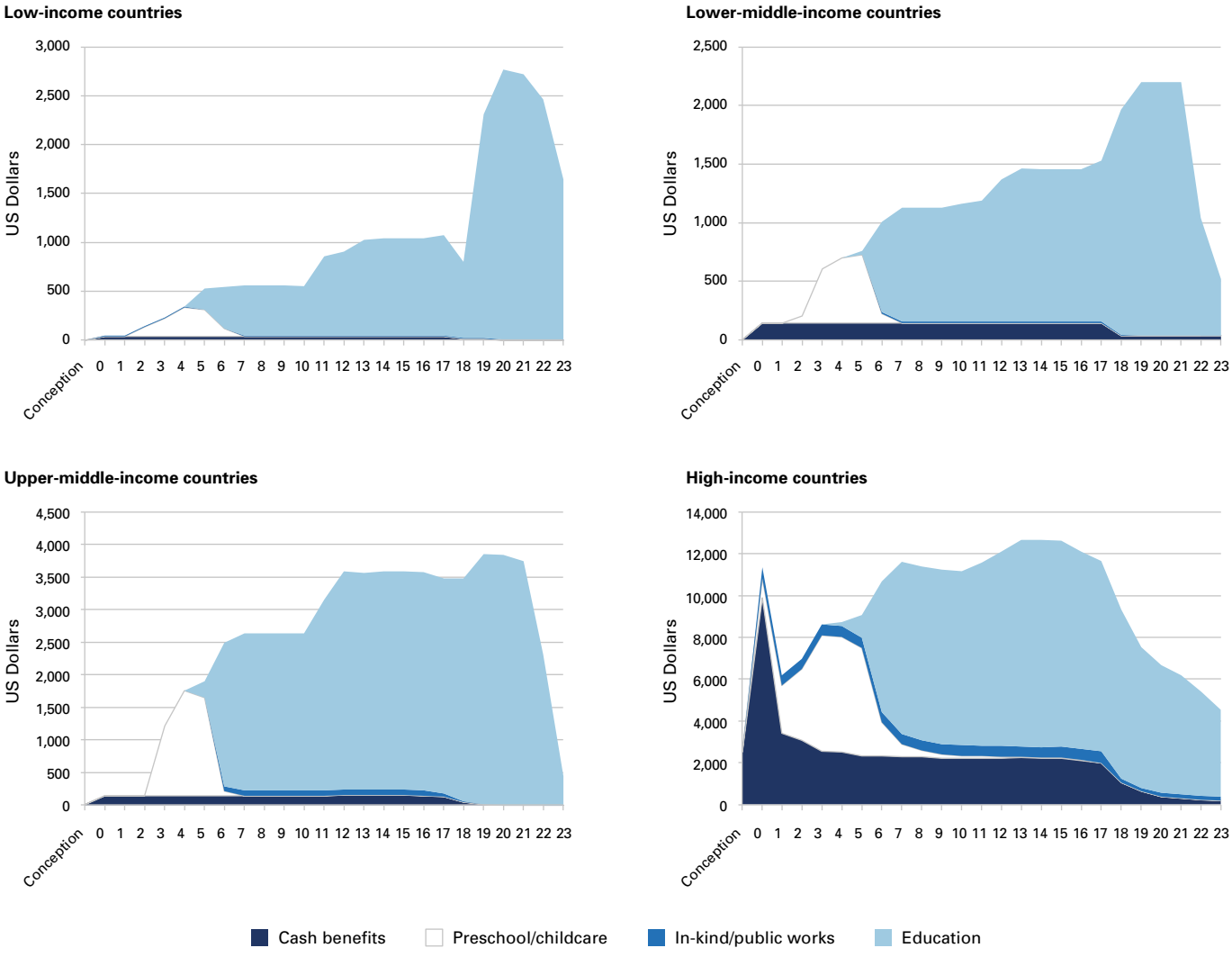
Notably, low-income countries spend more money per capita on higher education than lower-middle-income countries. This finding is likely to represent low enrolment rates overall – and differences in spending may be tied-up in fixed capital investments, as opposed to expenditure on teachers and teaching practices or materials.[5]

5 For those countries in this report with data, the higher education enrolment rate for low-income countries is 8.2 per cent compared with 28.0 per cent in lower-middle-income countries.

When looking at the distribution of spending, in Figure 11, it is most notable that outside of high-income settings, the average spending on children increases with age across the life course, showing backloaded investment (Figure 4). Prior to 18 years of age, this is at an average annual maximum of US$1,000 PPP per child in low-income countries and around US$1,500 PPP per child in lower-middle-income countries.

In upper-middle-income countries, as with low-income countries, the rates of investment in the first three to four years of a child's life – in the country sample – are low, below US$150 PPP per capita. In the same age group in low-income countries, expenditure levels are similar or lower, at less than US$50 PPP on average. In seven low-income countries – Benin, Ethiopia, Liberia, the Niger, Rwanda, Tanzania and Zimbabwe – total public expenditure in the first three years of a

Figure 11: Comparing age-spending profiles by distribution of spending: Majority of expenditure comes later in the life course



Note: See Table 2 for country groups, and Annex 3 for data.

Source: Authors' calculations based on data reported in Figure 6.

child's life amounts to US$0 per capita (this is also true for Cameroon, Côte d'Ivoire, Ghana, India, Lao People's Democratic Republic, Samoa and Zambia in the lower-middle-income country group).

However, in comparison to low-income countries, high-income countries see expenditure pick up quickly after early childhood, showing a flatter distribution of spending across the life course. It is only in high-income countries that public spending around the time of birth and through the preschool period is anywhere close to comparable with expenditure levels in the middle and later periods of childhood, and that cash benefits around birth (maternity and paternity payments) and in-kind benefits are distinguishable in the expenditure profile. Overall, there is a clear pattern of a higher utilization of child-specific cash-based social protection as countries' income levels increase.

5. Five key areas for action: Addressing the dual crisis of inadequacy and incoherence in public policies for children

The type and timing of public interventions for children need careful management and coherent coordinated approaches in conditions where needs are high and resources are limited. Altogether, the variation in the age-spending profiles in the years prior to COVID-19 shown in the figures above provides strong evidence that, in many countries, the most basic child policy portfolios are either not in place or inadequate. Where they are in place – despite agreed goals in the United Nations Convention on the Rights of the Child, the SDGs or the recommendations of organizations such as the ILO on adequacy in social protection – they are not yet aligned with international agreements or the best evidence on child development and well-being.

Inadequacy and incoherence are linked, the latter creating a drag on the former, as efficiencies and economies on expenditure for children are more likely to be lost in any given sector, when complementary policies from other sectors are under-resourced, or simply not in place.

Given the billions of children worldwide without access to social protection, and the hundreds of millions missing key education and human services (ILO/UNICEF, 2023; World Bank, 2021), priorities need to be in place for action and progressive change. Making good on the commitments and goals agreed for children in the United Nations Convention on the Rights of the Child and the SDGs, among others, can be boosted if all stakeholders – governments, international actors, donors and NGOs – work together to address five key areas for action. Indeed, with recognition that there is no sustainable human development without child development, implementation of the SDGs should be fully child-sensitive, and start with the youngest children.

Although ensuring child policies are adequately funded is a key step to achieving the necessary expansion of key benefits and services, at present – without addressing existing incoherence in the cross-sectoral design of the majority of policy portfolios – spending increases will not achieve intended returns. The need to manage cross-sectoral policy coherence in line with increasing levels of finance in existing schemes can be prioritized as follows:

- **Provide more for all of the youngest children, and families with the youngest children – in the form of family-friendly cash benefits, leave policies and maternity/paternity support for all, and care services.** The overwhelming evidence is that the vast majority of countries covered in this study have set up public policy portfolios that leave young children behind. This design makes no sense from an evidence perspective, nor from a social and economic perspective, and it is incoherent from a rights perspective. Given all of the evidence of the importance of early childhood, it is also incoherent, as good policy early in life begets positive returns to individuals and societies.

- **Prioritize social protection policies that are inclusive of all children. There is a glaring gap in social protection and social services for children across the entire life course.** Examples from high-income countries show the reliance on these policies to maintain system efficiency, facilitate shock responses and provide the highest attainable standards for children. A simple and 'cornerstone' policy is a universal child benefit, beginning at birth with the registration of all newborns and lasting throughout childhood. Indeed, a universal child benefit is an evidence-based and scaleable policy that can be readily deployed. When fiscal space is limited, a universal child benefit can be introduced for the youngest children, and expanded horizontally by age – as the Republic of Korea has done in recent years. Such registration would have the added benefit of acting as a 'linchpin' around which all other age-related and context-specific benefits and services could be built. In resource-constrained settings, a young child allowance could serve both to register children as well as bring resources into the household at the most vulnerable time for children, with the potential to reduce the vulnerability to poor outcomes in infancy, and its attendant downstream impacts. Child registration has the added benefits of providing data and information on populations and their needs for optimizing the delivery of child health and education services. Indeed, countries that provide a range of child-specific social protection benefits – specifically in the form of social assistance – will bolster the effect of educational investments, and more. To add to a universal child benefit, providing family-friendly policies and additional support to the most marginalized – including when shocks occur – provides the welfare infrastructure that is very important for effective responses (and resilience) in times of crisis, such as COVID-19 (see Mathers et al., 2023).

- **Use foreign assistance, and other less-sustainable sources of finance, to catalyze efforts to strengthen welfare systems**, and reduce the demands on short-term evaluations of the efficacy of foreign assistance. Foreign assistance needs optimizing, and at just 3.0 per cent of total government expenditure on health, education and social protection combined in low- and middle-income countries on average, existing levels of foreign assistance are small in comparison with overall spending and need in countries (UNICEF, 2021). Faster ways to achieve development are needed, and bit-part programming and experimentation cannot turn into scaled programmes without domestic resources. Foreign assistance should be used to catalyze domestic investment in statutory systems of welfare. The pressure on low-income countries to evaluate, sometimes multiple times,

localized programmes and pilots – and the associated delays in the expansion of social protection – is also in direct contradiction to high-income countries' own standards for policy development and social expenditure strategies, and needs to be reassessed.

- **Undertake incremental adjustment to the child policy portfolio.** Spending smarter does not mean reallocating existing monies within or between sectors in one go, but investing incrementally, using new funds to reshape systems into ones that are integrated, cross-sectorally complementary, coherent and frontloaded for efficiencies – prioritizing investment based on an overarching child policy portfolio. Wholesale reallocation of existing resources from backloaded to frontloaded creates a risk that the younger children of today, who have already missed out on early investment, will also miss out on later investment. It would also require rapid and disruptive structural reform in education systems – and for all these reasons should be avoided. A wealth of existing high-quality evidence on what works in public policies for children, and how, can support these transitions. For instance – in line with calls to focus/prioritize more resources on foundational learning by the Education Commission (2016) – each time there is an opportunity in a given country of allocation for new public resources (domestic and/or official development assistance) within the education sector, a proportion can be ringfenced for early learning.

- **Utilize international goals and agreements in efforts to promote political will and consensus for change*, particularly for the youngest children*.** Given the stark finding that so many young children are left behind around the globe, countries seeking to move towards meeting the SDGs could begin by reprioritizing young children. Such prioritization would begin to counter the position of young children around the world, which is that, while young children have rights in theory, in practice too often they are at the back of the line when it comes to realizing their rights. Countries across the globe can also utilize other international agreements, such as ILO recommendations on adequacy, and the United Nations Convention on the Rights of the Child, to gain political consensus and momentum for addressing these challenges in child policy portfolios. For instance, countries could consider writing-off debt – and debt servicing costs – when indebted countries commit to reinvest these funds into universal social protection and human services for preschool children. This will not only radically increase the investment in younger children and mean the existing investment in older children does not need to be redistributed, but also rebalance the child expenditure portfolio and produce productive investments at national and community levels, optimizing existing investments and social and human capital efforts in those populations.

These key areas for action may seem beyond the means and capacity of many countries, although evidence suggests that family policy portfolios of the types described are not only a necessary prerequisite to development, but are also affordable if managed incrementally, and if returns are realized. Costs for nascent universal child benefits are set at a range from less than 1 per cent of GDP up to 3 per cent of GDP annually (ILO/UNICEF, 2023), with high-income countries spending, on average, 2.4 to 2.6 per cent of GDP on the complete portfolio – excluding education and health (OECD, 2022). Countries' responses to COVID-19 mobilized public funds like never before, and showed what is possible in times of crisis. Underinvestment in children – in good times or bad – is a slow-burning and fundamental crisis for development, and needs to be addressed with equal urgency to conflict, COVID-19 and climate breakdown.

5.1 A final word on future data and research

Because the profiles presented do not cover all countries, post-COVID-19, and not all expenditure is captured, work is needed to improve access to data on public finances for children – including local government expenditure – and policy design and implementation evidence (such as eligibility criteria, and coverage of take-up rates).[6] This will require:

- **Improvement in collections of spending data and related policy mapping:** At present, reporting rates – in terms of public expenditure and accounts, the mapping of public policies for children worldwide, and the next collection of spending data, as well as age profiles – will still not account for the conditions experienced by countries during the COVID-19 crisis, nor the policy and expenditure changes undertaken in response to this.[7]

- **Information on school participation, access to and take-up of human services** would further benefit the development of these profiles – at present, too many countries are missing basic data for this type of analysis of what countries are doing for children. In the case of compulsory school participation, however, this does not affect the main message of spending too little and too late derived from the profiles.

- **Regular updating of the profiles in this study:** New and more up-to-date data are needed to monitor the development of type, adequacy, timeliness and coherence of expenditure on children, in low-, middle- and high-income countries.

To do this:

- International organizations, in close collaboration with governments, need to improve the coverage, quality and timeliness of data collection of public expenditure, as well as policy mapping. Existing mechanisms, such as the World Bank ASPIRE database, the United Nations system of national accounts, and the policy mapping undertaken in the Social Security Programs Throughout the World could also be strengthened through greater financial support and cooperation by the international communities.

- Donors can propose multi-lateral funding solutions to map more family- and child-relevant policies in international collections (e.g., birth grants and parental leave policies, childcare systems, child protection systems), building on existing mechanisms – in this case, through the Social Security Programs Throughout the World – and support efforts by international partners to set up systems of real-time standardized data collections of expenditure country by country in partnership with governments (through systems like ASPIRE). The regularization and standardization of these collections could be strengthened by inclusion in international agreements, and domestic policy (both in donor and recipient countries).

6 Acknowledging data limitations, the authors will be happy to share all data and underlying calculations via email and invite readers to provide updated information which can be used to amend and improve these profiles.

7 Indeed, the most recent updates using OECD data, use 2019 data (see the OECD Family database, 2023).

It is in the interest of donor countries that these accounts are kept up to date and accurate. Without this information, the financial and policy contexts in which international aid is spent are unclear, and judgements on optimal investments, and basic accurate assessments of effective returns on specific investments – from a system-strengthening perspective, but also in terms of case-by-case cost-effectiveness or impact studies – are basically impossible.

As more regular and robust evidence is developed, more can be learned about which portfolios and spending patterns are most closely associated with various child rights and child well-being goals. That said, the data used here, are the same data reported in international series of expenditure, and global policy reports. This means that there is a long way to go for children – and particularly younger children – when providing the resources and policies needed to improve their living conditions, and achieve their rights. Simultaneously, through implementing policies at scale – such as universal child benefits, beginning with the youngest children – there is an enormous opportunity for policymakers to address this imbalance.

With this in mind, all public policy stakeholders, from domestic governments to international donors, international organizations and NGOs, can utilize the age-spending profiles in decision-making, regarding what to do now, and what to do next – by policy type and by child age – and reflect on whether the most basic aspects of a standard child policy portfolio are adequately covered, for all children, in the countries in which they work.

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Annex 1: Methodology for cross-country profiles on public spending on the life course of children

Age-spending profiles map public social and education expenditure by year of age from conception to 23 years of age. The data include family and child policies, as nominally defined in the eligibility rules for each benefit or service.

The expenditure is then allocated by benefit rules related to age, and population or enrolment data by age, where these data are available. All data reported in the figures are for 2015 or nearest year.

Public spending is categorized into four types: cash benefits, in-kind and public works, preschool and childcare, and education spending.

Sources of data

Social expenditure data are taken from the University of Manchester's Social Assistance Explorer (SAE) database (Home – Social Assistance Explorer (manchester.ac.uk) and from the World Bank's ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (www.worldbank.org/en/data/datatopics/aspire).

Data for education spending and enrolment data, plus education programme details, are from UNESCO Institute for Statistics (UIS) and the World Bank's DataBank.

Data on child populations are taken from the World Bank's DataBank.

Information on policies are taken from the Social Security Programs Throughout the World (SSPTW) database (www.ssa.gov/policy/docs/progdesc/ssptw/) and cross-checked against available information in ASPIRE.

Figures for purchasing power parities (PPPs) and GDP data used for inflation purposes, and standardization of the findings, are taken from the World Bank's DataBank.

Standardizing expenditure data

The spending amounts that contribute to the profiles are reported as a proportion of GDP or in National Currency Unit per calendar year. All expenditure is translated into US dollar PPP using information available in the World Development Indicators database (2020) using PPP conversion factor, GDP (National Currency Unit per international dollar).

Annex 2: Data sources and dates by country

Country	Base Year	Notes for when data are different from Base Year
Argentina	2015	ASPIRE data 2017
Armenia	2015	ASPIRE data 2017. Education data various years between 2014 and 2017.
Belize	2015	SAE data 2012
Benin	2014	Education data various years between 2013 and 2015.
Brazil	2015	ASPIRE data 2018. Some education data 2011.
Cabo Verde	2015	ASPIRE data 2011
Cameroon	2015	ASPIRE data 2016. Some education data 2012 and 2013.
Congo	2015	Education 2010 and 2013.
Costa Rica	2015	ASPIRE data 2014.
Côte d'Ivoire	2015	ASPIRE 2017. Some enrolment data 2014/2016.
Ecuador	2015	
El Salvador	2014	
Eswatini	2014	ASPIRE data 2015
Ethiopia	2015	ASPIRE data 2017. Some enrolment data 2014.
Fiji	2015	ASPIRE data 2016
Ghana	2014	ASPIRE data 2016.
Guatemala	2013	
Honduras	2013	ASPIRE data 2018.
India	2013	ASPIRE data 2016.
Indonesia	2015	ASPIRE data 2016. Some education data 2014–2016.
Iran	2015	Some enrolment data 2014–2016
Jamaica	2015	ASPIRE data 2018
Jordan	2015	Education spending 2016; enrolment data various years 2014–2017.
Kenya	2015	ASPIRE data 2017
Lao PDR	2014	ASPIRE data 2011.
Lesotho	2015	ASPIRE data 2018. Education expenditure 2018.
Liberia	2015	ASPIRE data 2016. Education expenditure data 2012. Some enrolment data 2012 or 2014.
Madagascar	2015	ASPIRE data 2018. Education expenditure data 2012. Enrolment data various years 2014–2018.
Malawi	2015	ASPIRE data 2016. Education expenditure data 2011.
Malaysia	2016	Some enrolment data 2015.
Maldives	2015	ASPIRE data 2011
Mali	2015	ASPIRE data 2016
Mauritius	2015	

Annex 2: Data sources and dates by country (cont.)

Country	Base Year	Notes for when data are different from Base Year
Mongolia	2015	ASPIRE data 2016.
Namibia	2015	ASPIRE data 2018. Education expenditure data 2014.
Nepal	2015	ASPIRE data 2016. Enrolment data 2016.
Niger	2015	ASPIRE data 2017. Some enrolment data 2016.
Paraguay	2015	ASPIRE data 2015. Education expenditure data 2016. Enrolment data 2010 or 2016.
Peru	2015	ASPIRE data 2018. Some enrolment data 2016.
Philippines	2015	ASPIRE data 2016. Education expenditure data 2009.
Romania	2015	ASPIRE data 2018.
Rwanda	2015	ASPIRE data 2016. Some enrolment data 2016.
Samoa	2016	
Senegal	2015	
South Africa	2015	ASPIRE data 2016. Some education expenditure data 2014. Some enrolment data 2014–2016.
Tanzania	2015	ASPIRE data 2016. Education expenditure data 2014. Enrolment data from a multitude of years.
Timor-Leste	2014	ASPIRE data 2016.
Togo	2015	Enrolment data 2017–2018
Ukraine	2015	ASPIRE data 2017. Education expenditure data 2014–2016.
Uruguay	2015	Education expenditure data 2016.
Zambia	2015	ASPIRE data 2016.
Zimbabwe	2014	ASPIRE data 2015. Enrolment data 2013–2015.

Note: All OECD countries' profiles are reported in the OECD Family policy database (OECD, 2023).

Annex 3: Average per capita expenditure by policy type and age

	Low-income countries				Lower-middle-income countries				Upper-middle-income countries				High-income countries			
	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education
Conception	0.0	0.0	0.0	0.0	5.1	0.0	0.0	0.0	11.5	0.0	0.0	0.0	2,511.9	41.8	5.4	0.0
0	41.0	0.0	2.5	0.0	144.0	0.0	0.0	0.0	145.8	0.0	0.0	0.0	9,872.4	955.6	507.1	0.0
1	41.0	0.0	4.9	0.0	144.0	0.0	0.0	0.0	143.4	0.0	0.0	0.0	3,404.7	2,296.5	497.6	0.0
2	41.0	94.6	4.9	0.0	144.0	63.1	0.0	0.0	143.4	0.0	0.0	0.0	3,089.4	3,390.4	495.0	0.0
3	41.0	183.1	4.9	0.0	144.0	459.9	0.0	0.0	143.4	1,070.7	0.0	0.0	2,548.5	5,559.3	495.2	0.1
4	41.0	296.0	4.9	0.0	144.0	554.7	0.0	0.0	143.4	1,608.6	0.0	0.0	2,516.9	5,514.7	493.8	192.6
5	40.2	266.9	0.5	219.1	144.0	586.4	0.0	30.7	143.4	1,497.4	0.0	260.1	2,347.4	5,153.8	489.8	1,079.3
6	40.2	74.3	6.6	425.7	144.0	84.2	11.6	768.0	143.4	68.0	74.8	2,202.8	2,344.7	1,577.8	486.2	6,269.6
7	40.2	0.0	7.5	510.6	144.0	0.0	17.1	965.1	143.4	0.0	81.9	2,407.0	2,304.8	567.5	495.7	8,234.5
8	40.2	0.0	7.5	510.6	144.0	0.0	17.1	965.1	143.4	0.0	81.9	2,407.0	2,273.7	306.9	498.2	8,311.5
9	40.2	0.0	7.5	510.6	144.0	0.0	17.1	965.1	143.4	0.0	81.9	2,407.0	2,213.7	191.2	498.5	8,314.1
10	40.2	0.0	7.5	500.1	144.0	0.0	17.1	1,001.0	143.4	0.0	81.9	2,409.7	2,219.1	119.3	498.4	8,336.3
11	40.2	0.0	7.5	808.5	144.0	0.0	17.1	1,027.4	143.4	0.0	81.9	2,924.7	2,235.4	82.4	497.8	8,748.7
12	39.3	0.0	7.5	859.8	144.0	0.0	17.1	1,210.8	154.4	0.0	81.9	3,350.7	2,224.8	82.3	497.9	9,302.7
13	38.4	0.0	7.5	982.4	144.0	0.0	17.1	1,304.4	154.4	0.0	81.9	3,325.8	2,252.3	29.9	501.6	9,885.9
14	38.4	0.0	7.5	998.5	143.4	0.0	17.1	1,295.5	153.7	0.0	81.9	3,347.5	2,221.6	29.0	502.6	9,911.7

Annex 3: Average per capita expenditure by policy type and age (cont.)

	Low-income countries				Lower-middle-income countries				Upper-middle-income countries				High-income countries			
	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education	Cash benefits	Preschool or child-care	In-kind and public works	Education
15	38.4	0.0	7.5	998.5	141.8	0.0	17.1	1,295.5	153.7	0.0	81.9	3,347.5	2,221.5	23.5	519.7	9,839.1
16	37.9	0.0	7.5	998.5	141.8	0.0	17.1	1,295.5	140.3	0.0	81.9	3,347.5	2,110.0	21.9	520.3	9,433.1
17	37.9	0.0	7.0	1,027.0	141.8	0.0	16.9	1,370.9	129.3	0.0	42.2	3,305.7	1,985.5	20.8	531.2	9,095.7
18	13.4	0.0	7.5	777.7	40.7	0.0	5.5	1,918.8	48.9	0.0	8.5	3,416.8	1,069.1	0.2	184.8	8,065.0
19	13.3	0.0	6.2	2,290.0	40.7	0.0	0.0	2,155.7	13.3	0.0	0.0	3,836.1	649.1	0.2	138.9	6,727.6
20	0.0	0.0	5.7	2,763.4	40.7	0.0	0.0	2,155.7	0.0	0.0	0.0	3,836.1	398.6	0.1	170.3	6,107.6
21	0.0	0.0	5.7	2,710.4	40.7	0.0	0.0	2,155.7	0.0	0.0	0.0	3,739.4	315.8	0.0	171.9	5,714.7
22	0.0	0.0	5.7	2,459.5	40.7	0.0	0.0	997.8	0.0	0.0	0.0	2,314.5	249.3	0.0	171.9	4,979.4
23	0.0	0.0	5.7	1,633.8	40.7	0.0	0.0	476.6	0.0	0.0	0.0	443.9	202.4	0.0	168.9	4,149.0
Total	**743.2**	**914.9**	**147.3**	**21,984.6**	**2,834.9**	**1,748.4**	**205.0**	**23,355.1**	**2,682.8**	**4,244.8**	**944.2**	**52,629.8**	**55,782.7**	**25,965.2**	**10,038.5**	**142,698.1**
Total up to 18 years	**716.5**	**914.9**	**110.7**	**9,349.9**	**2,590.5**	**1,748.4**	**199.5**	**13,494.8**	**2,620.6**	**4,244.8**	**935.6**	**35,043.0**	**52,898.4**	**25,964.7**	**9,031.9**	**106,954.9**
Percentage of total up to 18 years	**6.5%**	**8.2%**	**1.0%**	**84.3%**	**14.4%**	**9.7%**	**1.1%**	**74.8%**	**6.1%**	**9.9%**	**2.2%**	**81.8%**	**27.1%**	**13.3%**	**4.6%**	**54.9%**

Annex 4: Changes in OECD expenditures in the early years, by type, since 2013

To complement the 2019 'total' lines included in the OECD country profiles, this annex provides specific information by type, for the youngest children, using the 2019 family and child policy expenditures published by the OECD in early 2023.

Spending by age group in OECD countries with data, 2013 to 2019

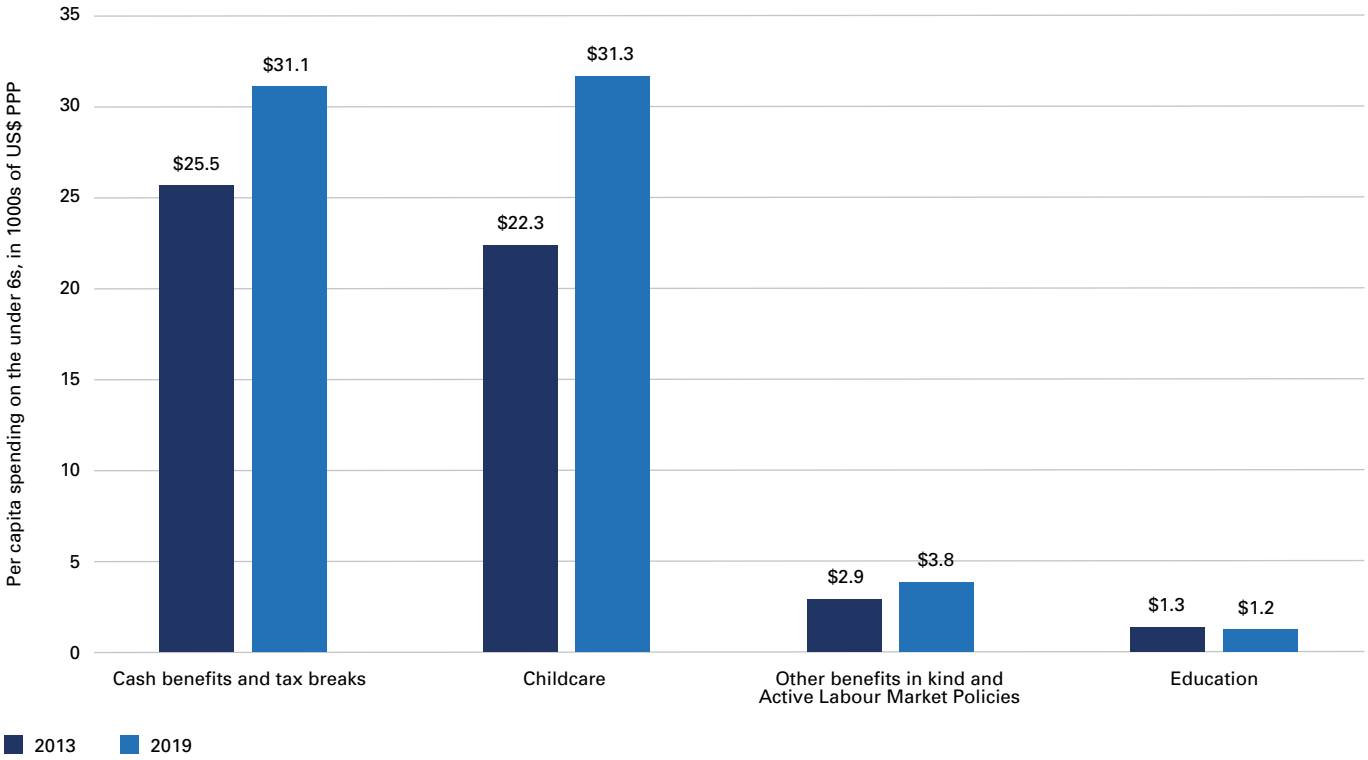
Overall shares of expenditure by age group have changed slightly between 2013 and 2019 – with early year expenditure getting closer to one third of 0–17 total, at 28.5 per cent of total (up from 26.2 per cent in 2013). This is balanced out by a 0.8 percentage point fall for middle childhood total (ages 6–11 – from 35.5 per cent to 34.7 per cent), and a 1.5 per cent fall for late childhood spending (12–17 inclusive, from 38.3 per cent in 2013 to 36.8 per cent in 2019). The pattern of increased spending by age group holds for OECD countries in 2019.

Spending by type on under 6s in OECD countries with data, 2013 to 2019

Annex Figure 4.1 shows that on average, across the OECD, spending on children per capita has grown. In the category of benefits and tax breaks, the increase is around one fifth of the 2013 total (from 25.5k US$ per child on average, to 31.1k US$), and for childcare around one third of the 2013 total (from 22.3k US$ per child on average, to 31.3k US$). Childcare, in 2019, reports higher average expenditure than cash.

Spending on other benefits in kind has also increased by approximately one fifth of the 2013 total (from 2.9k US$ per child on average, to 3.8k US$$). whereas education spending per capita fell slightly (from 1.3k US$ per child on average, to 1.2k US$).

Annex Figure 4.1: Average spending on childcare has exceeded average cash benefits as the main benefit for the under 6s – although both have grown



Note: Data are missing for Canada (2013 and 2019), Latvia and Lithuania (2019).

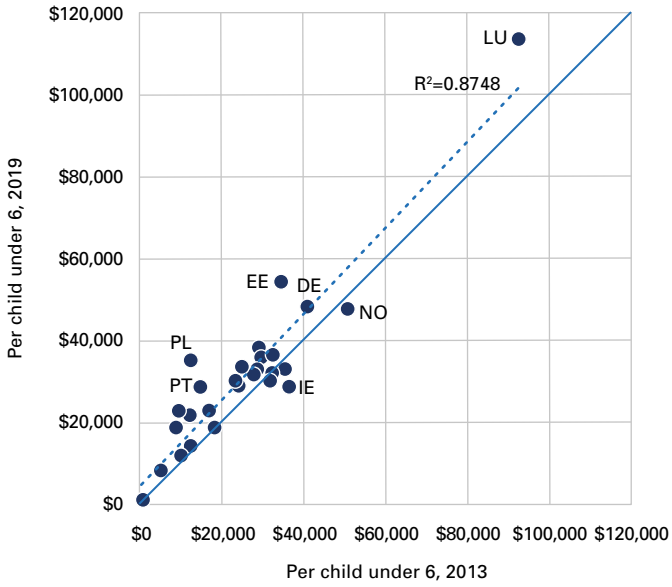
Source: Author's calculation of OECD Family database indicator PF1.6 (OECD, 2023).

Annex Figure 4.2 and Annex Table 4.1 break down the spending by type on under 6s by country, 2013 to 2019. Average increases by type are mirrored by trends lines mapping above the 45-degree line in all cases with the exception of education spending (where there is little change).

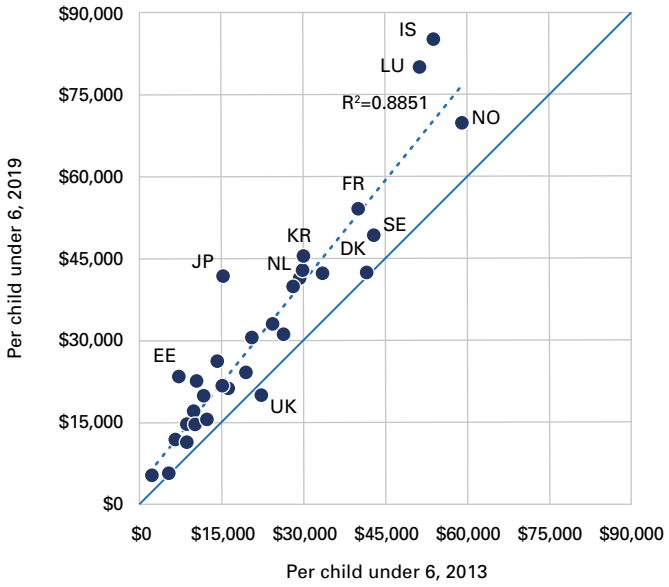
The United Kingdom is the only country to report a fall in per capita spending on childcare – indeed the United Kingdom is the only country to report falls in spending in every category. Cash benefit spending falls in Australia, Czechia, Ireland, Mexico and Norway. Spending on other benefits in kind falls in Estonia, Ireland, Portugal and Slovakia. Education spending increases marginally in Australia, Czechia, Germany, Iceland, Israel, Italy, Luxembourg, Mexico, Slovenia, Sweden and Switzerland.

Annex Figure 4.2: The increases in childcare expenditures are larger among countries who were already mid- to high-level spenders

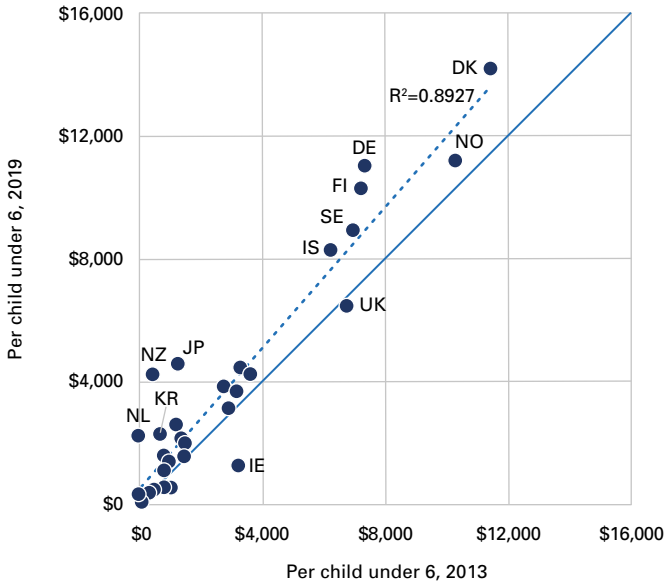
Cash benefits and tax breaks



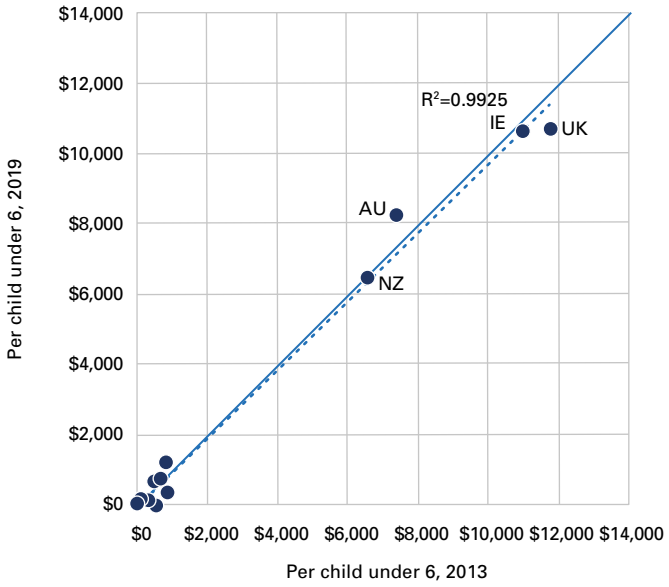
Childcare



Other benefits in kind and Active Labour Market Policies



Education



Note: Data are missing for Canada (2013 and 2019), Latvia and Lithuania (2019). Labels are included for the higher spenders and countries deviating from the trend line.

Source: Author's calculation of OECD Family database indicator PF1.6 (OECD, 2023). See Annex Table 4.1 below for more details.

Iceland, Israel, Italy, Luxembourg, Slovenia, Sweden, Switzerland and the United States all report increases in each category of spending per capita on the under 6s to varying degrees (notable increases are marked in Annex Figure 4.2).

Annex Table 4.1: Average per capita spending on children age under 6 in OECD countries 2013 and 2019

	Per capita spend on under 6s, 2013				Per capita spend on under 6s, 2019			
	Cash benefits and tax breaks	Childcare	Other benefits in kind	Education	Cash benefits and tax breaks	Childcare	Other benefits in kind	Education
Australia	32,455	19,877	3,292	7,406	31,223	24,208	4,442	8,250
Austria	28,900	24,962	2,809	6	32,961	32,707	3,831	5
Belgium	30,940	28,356	3,123	98	36,764	39,944	3,706	96
Chile	5,427	6,702	1,411	8	8,107	11,781	2,095	4
Czech Republic	35,326	10,012	1,199	1	32,758	16,718	2,553	1
Denmark	29,918	41,803	11,410	276	35,513	42,654	14,185	174
Estonia	34,849	7,302	477	3	54,505	23,115	451	1
Finland	30,135	33,615	7,249	0	37,843	42,443	10,303	0
France	27,325	40,271	857	62	31,693	54,281	1,514	59
Germany	40,805	29,693	7,349	24	48,182	41,331	10,994	30
Greece	9,386	9,086	145	0	18,487	11,385	323	0
Hungary	32,894	11,826	3,686	0	36,318	19,913	4,198	0
Iceland	25,236	53,849	6,190	39	33,129	84,979	8,280	48
Ireland	37,050	15,332	3,280	10,948	28,621	21,887	1,212	10,693
Israel	10,535	12,590	1,521	31	11,705	15,141	1,936	41
Italy	23,683	20,558	1,503	685	30,355	30,580	1,535	708
Japan	18,430	15,624	1,327	0	18,547	41,638	4,596	0
Luxembourg	93,080	51,163	3,391	873	113,250	79,860	4,445	1,177
Mexico	1,196	5,549	72	687	384	5,659	112	728
Netherlands	23,397	30,153	0	1	30,003	42,740	2,235	0
New Zealand	17,286	26,378	487	6,574	22,705	31,074	4,243	6,477
Norway	51,166	59,162	10,267	0	47,625	69,374	11,190	0
Poland	12,672	10,034	942	532	35,093	15,136	1,336	0
Portugal	15,068	10,659	802	24	28,612	14,533	506	17
Republic of Korea	9,615	29,995	723	46	23,004	45,534	2,278	41
Slovak Republic	24,261	9,264	1,007	2	29,066	14,614	581	2
Slovenia	25,073	14,309	249	0	33,614	26,123	321	13
Spain	12,425	15,969	3,236	15	21,818	21,611	3,641	13
Sweden	28,358	43,116	7,001	0	31,332	49,203	8,873	0
Switzerland	29,294	10,880	823	59	38,152	22,355	1,080	112
Türkiye	991	2,485	0	824	1,644	5,158	307	403
United Kingdom	32,000	22,551	6,693	11,762	30,273	20,179	6,491	10,728
United States	13,135	12,548	2,963	546	14,049	15,860	3,115	681
Average	25,525	22,293	2,893	1,258	31,131	31,325	3,846	1,227

Note: Data are missing for Canada (2013 and 2019), Latvia and Lithuania (2019).

Source: Author's calculation of OECD Family database indicator PF1.6 (OECD, 2023).

for every child, answers

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