

# **Employers** **For Childcare**

## **Northern Ireland Childcare Survey 2021**

### **Executive Summary**





*“I need to increase my fees due to not having as many children but I feel I can't or parents will struggle to afford childcare.”  
(Childcare provider)*

*“The pandemic has mainly affected my setting throughout the various lockdowns in which our numbers of children attending significantly reduced yet we focused from July 2020 to stay open to support keyworker parents. I am proud to say I work with an amazing team who push forward despite the many obstacles in our way as the welfare of our children is always the most important factor.”  
(Childcare provider)*

*“My business is really struggling. I've lost families and can't seem to get built up again. I'm fearing having to close permanently.”  
(Childcare provider)*

*“Keeping up with and on top of changes has been exhausting. Increased working hours and responsibilities could take its toll on staff morale and health.”  
(Childcare provider)*

## Key findings

Employers For Childcare received over 2,200 responses from parents and childcare providers to the Northern Ireland Childcare Survey 2021. The findings provide a vital insight into the challenges they are experiencing, that have been exacerbated by the impact of the Covid-19 pandemic. They highlight that parents and childcare providers in Northern Ireland are under real and mounting pressure.

For childcare providers, budgets that were already squeezed, have become ever tighter in the face of rising costs, an end to Covid-19 related funding and difficulties in recruiting and retaining staff. While providers have sought to minimise passing the cost on to parents, it is clear that this is not sustainable and we would anticipate rising fees for parents in the next 12 months. This in turn could force parents into having to make difficult choices about their working lives, impacting on the financial stability of their family and the early educational and social development of their children.



### A small increase in average fees with further increases anticipated

- A full-time childcare place costs an average of £170 per week, an increase of £1 on last year and equivalent to 34% of the median household income in Northern Ireland
- Fees vary across Northern Ireland, but are typically highest in the Belfast Health and Social Care Trust and lowest in the Western Health and Social Care Trust
- Providers report having tried not to pass rising costs on to parents, and having benefited from Covid-19 related funding from the Department of Education
- However, this is unsustainable with a third of providers (34%) anticipating that the fees they charge will increase in the next 12 months – rising to 68% of day nurseries.

### Childcare providers reaching financial breaking point after a difficult 18 months



- In the last year, 84% of providers reported that their outgoings had increased, while income had increased for just 7%
- 71% of providers reported that they are either just breaking even or are making a loss
- Almost a third describe their current financial position as 'distressed' or 'struggling', meaning that they are at immediate risk of closure or are focused on survival over the next 12 months
- Challenges are long-standing, but also Covid-19 related, including staff absences, recruitment and retention, spare capacity and an increase in the cost of food, materials and equipment
- The challenges for providers are not only financial:
  - 74% of providers report that the pandemic has had a negative impact on them/their staff in terms of mental health and well-being, and
  - 57% report it has had a negative impact on their physical health and well-being.

### Parents struggling with a perfect storm of rising costs for essentials, including childcare, and the challenge of accessing the childcare they need

- Families report an average spend of £140 per week on childcare, which is the largest monthly bill – ahead of their mortgage or rent – for a third of families
- Over a quarter – 28% – report that they are struggling to meet the costs of childcare
- 41% of parents report regularly having to use means other than their income to pay for childcare including savings, overdrafts, credit cards and even payday loans
- 69% of parents report that there is insufficient provision of childcare in their area, an increase from 61% last year. This rises to 73% of lone parents and 87% of parents who have a child with a disability
- More than half of families (54%) report challenges in accessing the formal childcare they need, and raise the issues not just of cost but also of flexibility and accessibility
- Lower income households are much less likely to be using childcare than households on a higher income – 26% of families with a household income of £15,000 or less are using no childcare, and a parent is looking after the children themselves. This compares to 4% of families with a household income of £50,000+. Enabling parents on lower incomes to access the childcare they need to work is a key contributing factor to increasing household income.



### Difficulties in accessing or affording childcare impact on parents' ability to work

- For 44% of parents, difficulties in accessing or affording the childcare they need have impacted on their ability to work. This rises to 58% of mothers, compared to 27% of fathers.
- Of those affected:
  - mothers are more likely to have had to reduce their working hours (71%) or to have seen their career prospects or progression limited (49%)
  - fathers are more likely to have increased their working hours to pay for childcare (36%)
- Parents revealed that the times when it is more difficult to afford the childcare they need to work are when returning to work from parental leave and when their child is aged 0-2 years
- They also highlighted an important role for employers in supporting working parents through offering flexible, family-friendly working and in the provision of financial support, advice and guidance and workplace childcare.



*“Both my husband and I work full time. My husband is on minimum wage and so his entire wage goes on childcare. It is unaffordable when you have no alternative support. I have sleepless nights worrying about the cost of childcare. It is soul destroying.”  
(Parent)*

*“Better funding is needed for childcare as fees that cost the same as or more than mortgage or rent discourages people working and forces working people into debt. Our childcare costs are more expensive than our mortgage.”  
(Parent)*

*“The quality of care is excellent! But it is tailored to people who work 9-5 not nurses married to farmers with unpredictable hours and long days/shifts.”  
(Parent)*

*“Childcare needs to be more affordable. I'm in a reasonably paid part-time job but I couldn't afford to go full-time as 90% of my wage would go on child-care costs which is pointless. One parent (usually the mother) of most families has to work part-time as they can't afford full-time childcare.”  
(Parent)*

*“I gave up work and my career to care for our children because I felt I had no other option. This impacted my well being, mental health and our family's ability to buy a home. I feel I now have very limited career options for the future.”  
(Parent)*



*“Working from home has made a massive impact, really helps with childcare costs.” (Parent)*

*“I am using more formal childcare - Grandparents are more reluctant to help with informal childcare because of their own health concerns because children are socialising at school - but working from home also allows me to pick the kids up from school one day a week.” (Parent)*

*“Working at home through Covid was the first time I had no childcare costs in years and the first time I wasn't waiting on my wages to go in to buy food for the next morning! That's the reality for working families these days, when paying for childcare.” (Parent)*

*“Childcare has to be addressed as a government policy. Other countries are doing a better job. Here parents are seen as a burden on the workplace, on their colleagues, on society. Someone has to raise the next generation, and that is a societal issue that needs to be supported by government, to ensure the next generation get the best start in life.” (Parent)*

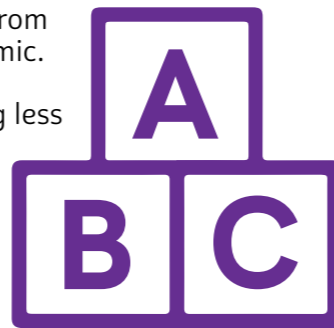
### The pandemic has changed the way in which many parents are working

- 69% of parents report that Covid-19 is continuing to impact on their working arrangements, with changes including working from home and hybrid working
- 70% expect changes to their working arrangements are likely to continue in the longer term
- For many parents this has been a positive experience – 61% report that it is now easier to balance work and childcare because of these changes
- For others – 26% – it has become more difficult, as they have struggled to balance competing demands, or to carve out the space needed to work without interruption. For others, working from home was simply never an option.



### The pandemic has also impacted on how parents are accessing and using childcare

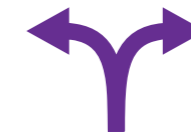
- 51% of parents report their childcare arrangements now have changed from what they were prior to the pandemic. Where there has been a change:
  - 34% of parents are now using less formal childcare, compared to 27% using more
- This is seen in the small decrease in the average number of hours of childcare used by families, 39 hours per week compared to 42 hours last year
- 57% think changes in their childcare arrangements are likely to continue longer term
- Fewer families report using a mix of formal and informal childcare this year, compared to previous years, suggesting that parents are still seeking to limit household interactions
- There has been a decrease in the percentage of families using grandparents to provide some or all of their childcare – although they are still the most popular form of provision
- Similarly, there has been a small decrease in the percentage of families using out of school childcare provision, suggesting that with more parents working from home, it may be easier to accommodate pick ups, drops offs and older school age children being at home for part of the working day.



### Alongside these challenges, the pandemic has highlighted the essential role of childcare as a vital part of our economic, educational and societal infrastructure

- Parents reported that quality, accessible and affordable childcare is:
  - Good for children: 98% agree it has a positive impact on the learning, social and emotional development of children
  - Good for parents: 98% say it is key to enabling parents to work
  - Good for the economy and society: 94% believe childcare is essential to the economic and societal recovery from Covid-19
- Similarly, 94% of childcare providers agreed that Covid-19 has highlighted the vital role of the sector to the economy in enabling parents to work
- And yet, both parents and childcare providers expressed the view that the sector is ‘undervalued’ and needs to be better supported by Government.

### Longer term financial support as part of an ambitious Childcare Strategy is critical to ensuring a quality childcare infrastructure that is affordable for parents to access and sustainable for providers to deliver



- Covid-19 related financial support for the childcare sector was a real lifeline for providers during the pandemic:
  - 88% reported that it had helped their business/setting to re-open and recover
  - 91% said it had helped the financial sustainability of their business/setting
- However, looking ahead almost 9 in 10 providers – 89% – believe that, excluding the Covid-19 related support, the childcare sector in Northern Ireland is underfunded to deliver affordable, high-quality childcare that is financially sustainable
- Similarly, a majority of parents – 73% – agree that current financial support available to parents with the cost of childcare is insufficient
- With almost a third of families not claiming any financial support towards the cost of childcare, it is essential that we continue to raise awareness of the support that may be available to parents, enabling them to make informed decisions about childcare that best suits the needs of their family.



*“Childcare needs to be subsidised by the Government, so it is more affordable to parents, and ensure that formal childcare settings have the resources they require to provide quality childcare.” (Parent)*

*“The childcare staff are the key - we have had a wonderful experience with them. They make our child feel so welcome and always make them feel supported and safe. This really sets my mind at ease when doing drop off/pick up every day.” (Parent)*

*“Childcare sector should be better supported and funded to maintain the high standard of service to children and their parents and promote their well-being, and meet their needs. Hence it will also help to support and improve our economy. Thank you!” (Childcare provider)*

*“Childcare is the forgotten essential workforce, we need it to keep the parents in work and are so badly underfunded.” (Childcare provider)*

*“There needs to be a childcare strategy; 30 hours of funded care a week from age 2 instead of a measly 12.5 at pre-school would have made a big difference. I would have liked another child but we couldn't afford the childcare even though I earn a good wage.” (Parent)*

*“As a first-time parent, working full time, with all the childcare providers fully booked in my local area, and my son on waiting lists, we are just getting by using grandparents. It's not ideal, but we have no other option. Hopefully something positive comes out of the engagements for a new Childcare Strategy.” (Parent)*

## Conclusion



As work gets under way on progress towards a new Childcare Strategy for Northern Ireland the Executive has a real opportunity to demonstrate its recognition of the vital role of childcare as fundamental economic, societal and educational infrastructure. This will require ambition, vision, investment and engagement with those directly impacted – children, parents, childcare providers and employers.

This research provides a strong evidence base, sharing the experiences of parents and childcare providers in accessing and delivering childcare. This includes the changes and developments that have emerged as a result of the Covid-19 pandemic, impacting on how parents access childcare and how providers deliver it. It also provides their recommendations for a new Childcare Strategy that:

- Values the childcare sector by providing certainty of income to providers and the ability to invest in their settings and their staff
- Values the contribution of parents to the economy by ensuring childcare is affordable and allows them to work and be better off
- Values the role of childcare in delivering vital learning and development opportunities to young children.

It is important to acknowledge that the Government has provided welcome – and much needed – financial support through the Department of Education to assist the childcare sector in Northern Ireland during the height of the pandemic. We have also increasingly heard from Ministers recognising the varied and vital role of childcare.

But it shouldn't have taken a global pandemic for this to be the case. In responding to the evidence in this report, based on the experiences of thousands of parents and childcare providers, the Government must build on the support and recognition they have provided, to agree and publish a fully costed, comprehensive Childcare Strategy. Already long overdue, the challenges to the sector, families and the economy – which were building in its absence – have been exposed and magnified by Covid-19. Without a robust strategy, the risks are clear:

- A collapse in the supply of quality childcare and increase in costs for parents and providers
- Parents having to reduce their hours at work or leave work altogether
- Employers unable to recruit and retain the staff that they need
- Our overall economic and societal recovery from Covid-19 will be held back
- Increase in levels of household and child poverty
- Prolonged negative impact on the social and educational development of our children.

Given the time that has passed since a draft Childcare Strategy was last consulted on, there is a high level of expectation across parents and the childcare sector for a Strategy that delivers what they need. Failure to do so would let down the tens of thousands of parents and childcare providers who have given their time and expertise to share their views over the years, as well as this and future generations of children who we should be investing in. This would mark a truly missed opportunity for the Government to build back better from the Covid-19 pandemic.

**There is real scope for Northern Ireland to secure a world class Childcare Strategy. Given the guaranteed return on such an investment, and the benefits it will bring in both the short and long term, neither we – nor the parents or childcare providers who we work with – believe this is too much to ask.**