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Northern Ireland Childcare Cost Survey 2013

The fourth annual childcare cost survey to be carried out in Northern Ireland, analysing the experiences of using and paying for childcare services



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Employers For Childcare Charitable Group Foreword

I am delighted to introduce the fourth annual Childcare Cost Survey for Northern Ireland. Each year our surveys have highlighted the difficulties that local families face in sourcing affordable childcare within the region. The lack of affordable childcare puts many families in compromising situations and this year's report highlights this more than ever.



Over the last few months the increasing cost of living has hit the headlines time and time again. Reports have highlighted the particular struggles faced by families as the impact of the recession filters down to the cost of everyday essential items. Pay cuts, freezes and the risk of redundancy plague the labour market and as such there has been an increase in what has become known as the 'working poor'; a group which an increasing number of families now fall into. Amongst the raft of statistics which paint a worrying picture for families is the rising cost of childcare.

Employers For Childcare Charitable Group has always considered childcare to be both an economic and labour market issue. The annual findings of our Childcare Cost Surveys drive this fact home year on year. This year's report explores the measures families take to ensure that they have appropriate childcare to meet their needs. This involves making difficult sacrifices, seeking support from the wider family circle and changing their employment patterns. For many parents the high cost of childcare forces them to leave employment altogether.

The true cost of childcare for families is therefore not necessarily monetary, the decisions parents have to make due to the high cost of childcare has wider impacts, affecting the labour market and the local economy.

This year has seen the introduction of a childcare framework for Northern Ireland. The *Bright Start* framework is the precursor to the Childcare Strategy which will be implemented in 2014. We are pleased that the Assembly has taken steps to address the main issues with childcare in the region.

This report seeks to draw attention to the problems caused for local families by the lack of affordable childcare. I hope that its findings encourage policy makers and key stakeholders in childcare to prioritise the need for a fit for purpose Childcare Strategy which will benefit parents, families and the local economy.



Marie Marin
Chief Executive Officer
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Glossary of terms

Formal childcare: The definition of registered formal childcare provision as stated in the Children (NI) Order 1995 is as follows:

People running day care services, used by children aged under twelve and open for more than two hours a day. Day care services include facilities such as day nurseries, play groups, out of school clubs, holiday schemes and crèches. People who run these schemes are required to register whether or not they receive payment.

Childminders who look after children aged under twelve for more than two hours a day in a private house for reward.

Informal childcare: Informal childcare is generally defined as care arranged by the child's parent either in the child's home or elsewhere, and is provided by relatives, friends, neighbours or babysitters and is unregulated. It is referred to as informal care because the arrangements are not formalised with contracts or employment rights (OECD Family Database) and are not registered with the appropriate authority.

Private settings: Private childcare settings operate as a business, making a profit from providing their services. They are inspected by Health and Social Care Trusts in Northern Ireland to ensure they meet the standards set out in the Children (NI) Order 1995.

Community based/voluntary childcare: Community Childcare Providers offer community-based childcare services. Such provision is usually subsidised by Government funding to enable provision to be offered at a lower rate. Examples would be Sure Starts and women's centres which offer childcare services.

Childcare Voucher schemes: The Childcare Voucher scheme is a Government initiative which operates through employers. The scheme allows parents to pay for registered childcare from their pre-tax salary, thus making a significant saving in tax and National Insurance Contributions. The Childcare Voucher scheme is

available to both parents, provided they can access it through their employer. This means there is the potential for a family to double their saving. Childcare Vouchers are accepted as payment by all forms of registered childcare.

Working Tax Credit: Working Tax Credit is designed to help people on lower incomes who meet certain conditions and who are employed or self-employed. The amount received depends on various factors, including hours worked and annual income. Working Tax Credit may also include support for eligible childcare. The childcare element currently enables parents to claim up to 70% of the cost of eligible childcare. The current maximum amounts of eligible childcare are £175 per week for one child and £300 per week for two or more children.

Executive Summary

Employers For Childcare Charitable Group has been tracking childcare costs across Northern Ireland since 2010. The Childcare Cost Survey 2013 is therefore the fourth annual survey to be conducted. The survey provides information on childcare costs across Northern Ireland by childcare type. It also considers parents' experiences of using and paying for childcare in 2013. In particular it explores the impact high childcare costs have on families and the methods families use to manage their costs.

Methodology

- Two separate surveys were carried out in June 2013 to collect the data.
- The first survey was conducted with childcare providers across Northern Ireland. 761 childcare providers completed the survey.
- The second survey was available electronically for parents. 4,396 responded to the survey.

Key findings

Childcare costs

Northern Ireland childcare costs

- This year's survey has shown that the cost of a full-time childcare place (50 hours) has increased to £158 per week. This is a £2 increase on last year's figure.
- For families with two children in full-time childcare the annual overall cost can amount to £16,432 on average.
- Day nurseries have decreased slightly in cost over the last year (by 0.3%), from an average of £154.50 to £154 per week for full-time childcare.
- Childminding costs increased by 2.5% since 2012's survey, from £157 to £161 per week for a full-time place. Childminding costs have increased steadily since 2010.

- Childminding costs are more expensive per week than day nursery costs (£161 compared to £154 respectively). This is a trend which has continued since 2011.
- As with last year's survey, the highest average full-time childcare costs are in counties Antrim and Down. The lowest costs are recorded for counties Tyrone and Fermanagh.
- A part-time childcare place (25 hours per week) costs on average £117 per week. This is only £41 less than a full-time place.
- 35% of day nurseries charged either an equal amount for part-time places or a greater amount than full-time places.
- Only 10% of childminders charged more for part-time places.
- Breakfast clubs cost on average £84 per week, which represents an increase on last year's figure (£31 per week). Afterschool clubs and holiday schemes decreased in cost over the last year and now sit at £84 per week and £120 per week respectively.
- Community childcare costs remain less expensive than private childcare costs, yet have also seen an increase over the last year. Community childcare costs continue to increase at a faster rate than private costs.

Comparison with the other regions of the UK

- The average cost for a full-time day nursery place for children under two is currently £213 per week in Britain.
- The cost of childminding sits at £197 per week. These costs taken together provide an overall full-time average cost of £191 per week.
- This figure is £33 higher than the Northern Ireland full-time average which sits at £158 per week.
- When part-time costs are considered Northern Ireland's average costs are higher than those in each of the other regions of the UK. In Northern Ireland a part-time rate sits at £117 per week, in Great Britain it is £101 per week.
- Indeed our part-time costs are £14 per week higher than those in England and £24 higher than Wales' average.

Parents' use of childcare

- The majority of respondents used a day nursery as their main form of childcare (43%).
- 68% of families used one or more types of childcare in addition to their main childcare type.
- 45.4% of all additional childcare is provided through grandparents.
- The majority of parents used additional childcare for two reasons. Firstly, to manage their overall childcare costs and secondly for flexibility, which formal childcare services are unlikely to offer.

The impact of childcare costs

- 12.5% of parents incurred no childcare costs because they used informal childcare through family and friends or took responsibility for childcare themselves. Often these families used a mixture of both by working around informal childcare provision.
- 63% of parents struggled with their childcare costs either throughout the year or at some point during it.
- 78% of single parent families struggled with their costs compared to 62% of two parent families.
- 44% of the average net weekly earnings are allocated to childcare costs for one child in Northern Ireland.
- 48% of parent's childcare costs fluctuated during the year, for the majority this was during the summer holiday period.
- 46% of parents were required to pay additional fees to their childcare providers, including retainer (holding) fees and fees in advance. Parents also commented that some providers charged extra, for example, for pick-ups and drop-offs, lunches and the cost of essential items. All of these add to the overall childcare bill.
- 46% of parents stated that the high cost of childcare caused them to reduce their working hours, either by changing to part-time hours or by leaving work altogether.

- More women than men (50% compared to 40%) reduced their hours or left work due to the cost of childcare.
- 40% of parents commented that they had changed their working pattern due to the cost of childcare, for example working compressed hours.
- Many parents commented that they were prepared to work at a financial loss in order to stay in employment. Many felt that reducing their hours or changing their working pattern would impact negatively on their future career progression. Many of the parents who did change their working hours accepted the potential impact this could have on their careers.
- In order to avoid paying for full-time childcare costs many parents used different methods to manage their childcare costs. The three main methods which were apparent in the results were the use of informal childcare (in addition to the main childcare type or as the main childcare type), making financial sacrifices and changing employment patterns.

Childcare services in Northern Ireland

- The majority of parents stated that their formal childcare service was not flexible. Indeed 86% of parents using a day nursery, 49% using a childminder and 90% using an out of school club stated that their chosen setting was not flexible.
- 97% of parents were happy with the quality of care provided though their childcare provider.
- Almost a third (32%) of parents stated that there was a lack of childcare in their area. Over 50% of parents in County Tyrone noted a lack of childcare settings, this was the highest percentage amongst the counties.
- Parents in counties Antrim and Down were least likely to note a lack of childcare provision.
- 51% of respondents commented that affordable childcare was difficult or very difficult to access.
- 54% of parents said that flexible childcare was difficult or very difficult to access.

- In terms of financial information, 40% of parents found it difficult or very difficult to access information on financial help with childcare costs.
- 45% found it difficult or very difficult to find information on family benefits and entitlements.

Conclusions

Many parents are struggling financially due to the current economic context, the high cost of childcare adds to the difficult financial circumstances many parents find themselves in. Childcare costs have increased again over the last year, making childcare even more unaffordable for families.

The high cost of childcare can significantly impact on the family budget. In order to manage the high cost families alter their circumstances, such as using a mixture of formal and informal childcare, making financial sacrifices and changing employment patterns. However, making these changes can have a number of outcomes for families. The report has shown that these impacts can put additional strain on the wider family (particularly grandparents), can impact heavily on family finances and can cause long-term career damage.

We hope that the recently released *Bright Start* framework will begin to address the problems associated with childcare in Northern Ireland and will lay a good foundation for the forthcoming Childcare Strategy. We will use the findings of this report to engage with policy makers, with the aim of influencing the final strategy.

1. Introduction

The increasing cost of childcare has captured much of the media's attention over the last couple of years. A series of articles, investigations and reports have been completed which depict the high impact that childcare costs have on families across the UK. In response to calls for Government to address the cost of childcare, in July 2012 the Prime Minister announced the development of a Childcare Commission which would explore ways to make childcare more affordable for families.

The introduction of the Childcare Commission was a positive sign that the Government was taking the problems associated with childcare seriously. To date the Government in England has taken a number of steps to address the main issues with childcare provision. However, many of its approaches, for example Elizabeth Truss' *More Great Childcare* plans have been heavily criticised by the childcare sector and parents alike. The problem remains: how can childcare be made more affordable for families without affecting the quality of provision?

To practically address the cost of childcare the Government announced the introduction of the Tax-Free Childcare scheme, which will be available from 2015. The new scheme will allow eligible working families to claim 20% of their childcare costs, up to £1,200 per child per year. Although it is encouraging that the Government is taking new steps to assist parents financially with their childcare costs, the consultation (which closed in mid October) led to many questions as to how the new scheme will work in practice.

In Northern Ireland there have also been some developments in childcare policy. In December 2012 a consultation document was released which asked for views on how the Assembly could address the problems associated with childcare. In September 2013 a strategic framework was launched, with the aim that a full childcare strategy will be available in 2014. The framework introduced a series of first key actions which aim to establish a more accessible and affordable childcare system in Northern Ireland.

Employers For Childcare Charitable Group has been lobbying the Northern Ireland Assembly for many years to implement a fit for purpose Childcare Strategy for the region. Since 2010, our lobbying campaign has been fuelled by the stark findings of our Childcare Cost Survey series. Each of the surveys present a picture of local families who are struggling with the cost of childcare; this is an issue which urgently needs to be addressed. Our surveys, amongst other research and work with families, show that the lack of affordable childcare has very prominent social and economic impacts. This year's findings are no different.

It is clear that the high cost of childcare is only adding to the financial problems many families find themselves in. The impact of the economic downturn on families has not been helped by the fact that many of the Government's austerity measures directly affect parents. For example, since 2010 families have seen significant decreases in the amount they can claim under Tax Credits; Child Benefit eligibility has changed, Child Trust Funds and the Health in Pregnancy Grant have been abolished and eligibility for the Sure Start Maternity Grant has been restricted. In addition, some social security benefits, such as Statutory Maternity Pay and Paternity Pay, will only increase by 1% per year for three years. Traditionally these benefits have risen in line with inflation. Given that each of these changes to family benefits are in the context of the increasing cost of living, which has not been followed by an increase in wages, it is understandable why many families are struggling financially. The high cost of childcare adds to the difficult economic circumstances many families are now living in.

It is within this context that this year's childcare cost survey is placed. Our findings allow us to track how childcare costs have changed over the last year. They also explore the experiences of over 4,000 families in using and paying for childcare across Northern Ireland.

2. Methodology

As the fourth Childcare Cost Survey to be conducted in Northern Ireland, the methodology for collecting the data is the same as the previous three years. The data collection takes place in two stages:

1) Childcare Provider Survey

The childcare provider survey was posted to all childminders, day nurseries and out of school clubs in Northern Ireland in June 2013. 761 childcare providers responded to the survey, this was a 14% decrease from last year's survey.

The survey collects data on the actual cost of childcare by childcare setting and county. This is the first year that the survey has collected both part-time and full-time childcare costs.

2) Parent Survey

An electronic parent survey was also launched during June 2013. 4,396 parents responded to the survey, this represents a 30% increase on last year's survey.

The parent survey explores how much parents pay for their childcare and also how they manage these costs and the impact this has on other factors, such as employment.

Limitations

As with previous years we had less success in obtaining responses from lone parent families and parents living in Counties Fermanagh and Tyrone.

3. Childcare Costs in Northern Ireland - Childcare Provider Results

3.1 Private Childcare Costs

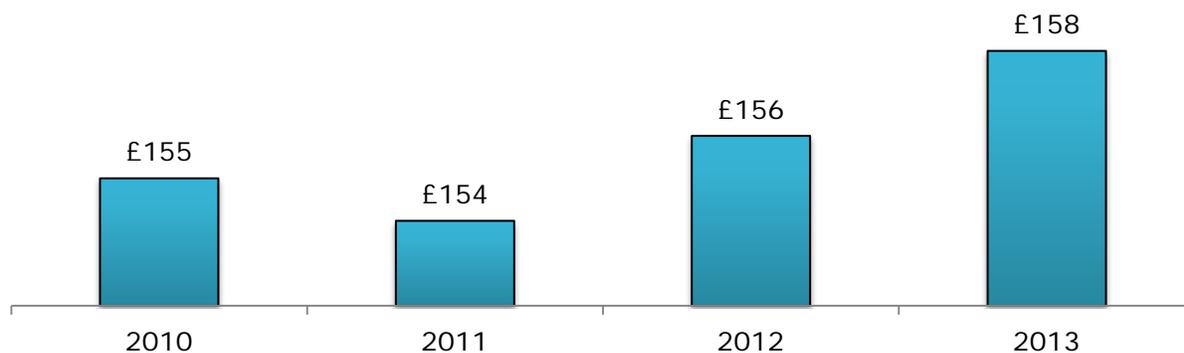
In previous Childcare Costs Surveys we have asked childcare providers to detail their costs for children under two and over two years of age. However, the difference in costs between the two types has been minimal since the 2010 survey, with the majority of childcare providers not differentiating between the two age categories. An issue which has been consistently raised over the last year by the parents we work with is the difference in costs between part-time and full-time places. Therefore in this year's survey we asked childcare providers to detail how much they charged for a part-time and full-time place rather than for children over or under the age of two. This allowed us to explore the differences in costs between the two sets of hours. This will be discussed later in the chapter.

3.1.1 Day Nursery and Childminder Costs

3.1.1.1 Full-time costs

This is the fourth annual Childcare Cost Survey to be carried out for Northern Ireland. The survey has allowed us to track how childcare costs have changed since 2010. This year's survey has shown that the cost of a full-time childcare place has increased to £158 per week. This is an increase on last year's figure which sat at £156 per week. Figure 1 shows the average costs since 2010.

Figure 1: Change in average childcare costs by year



3.1.1.2 Private Weekly Childcare Costs

Table 1 sets out the private weekly childcare costs recorded for 2013.

Table 1: Private full-time weekly childcare costs 2013

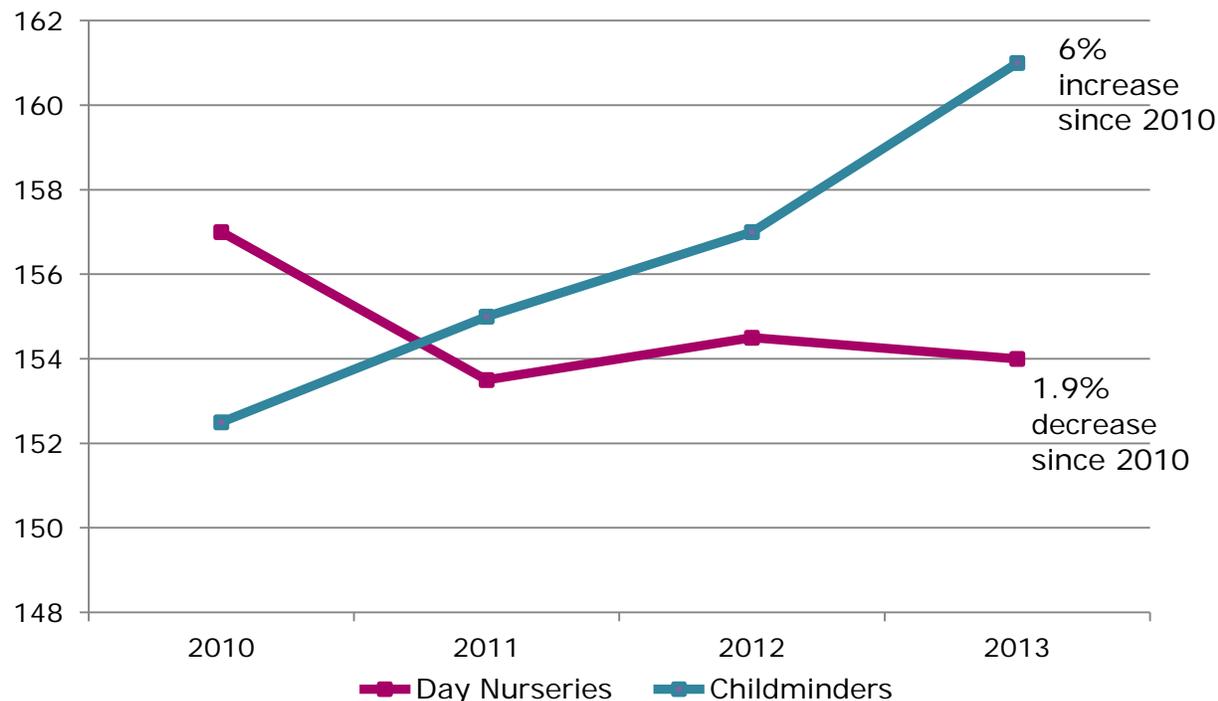
	Full-time	
	Nursery	Childminder
Total average cost	£154	£161
Total full-time average	£158	

Some key trends were noted in this year's results.

General Costs

- Day nurseries have decreased slightly in cost over the last year (by 0.3%), from an average of £154.50 to £154 per week.
- Childminding costs, however, increased by 2.5% since 2012's survey, from £157 to £161 per week. Childminding costs have increased steadily since 2010, however this year has seen the largest increase since the Childcare Cost Survey series began (see Figure 2).
- Childminding costs are more expensive per week than day nursery costs (£161 compared to £154 respectively). This is a trend which has continued since 2011.

Figure 2: Change in full-time private childcare costs 2010-2013



- £161 per week for a full-time childcare place is the highest average cost recorded since this series began in 2010.
- Since 2011 the difference in costs between the price of day nursery care and childminding has steadily increased. In 2011 there was a difference of £1-2 between the two costs. This increased to £2-3 in 2012. This year's results show a £7 increase in the difference in costs, the largest to date.

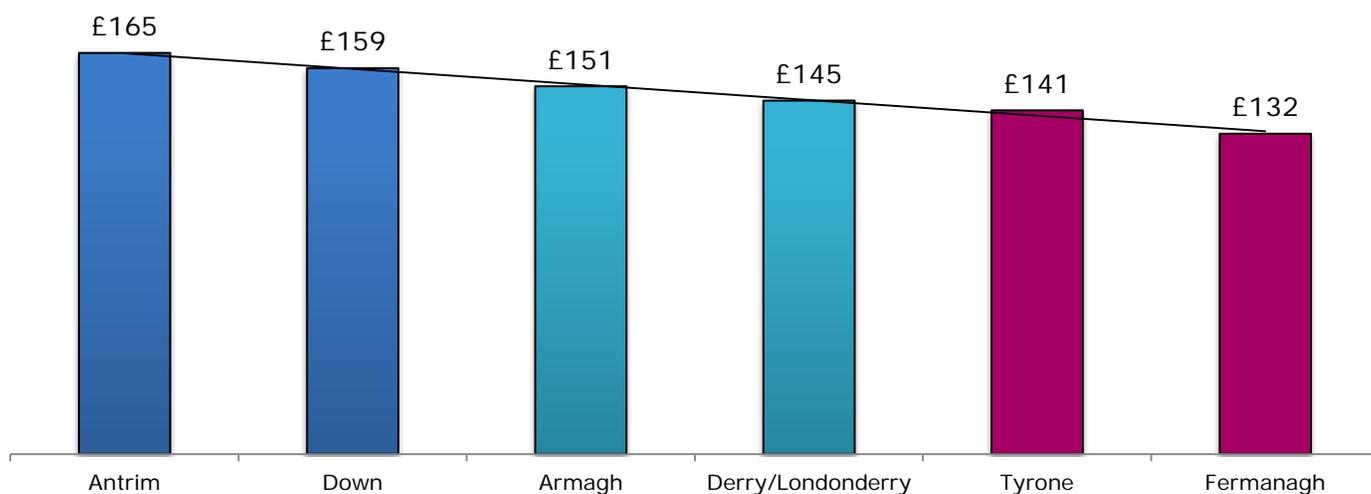
Childcare costs by County

Table 2: Childcare costs by County 2013

50 hours per week	Nursery	Childminder	Full-time total average
Antrim	£159	£171	£165
Armagh	£146	£157	£151
Down	£160	£157	£159
Fermanagh	£128	£136	£132
Derry/Londonderry	£144	£147	£145
Tyrone	£134	£149	£141

- The pattern of full-time costs by county has not changed over the last year. The highest average full-time childcare costs are still found in counties Antrim and Down. The lowest costs are recorded for Counties Tyrone and Fermanagh (see Figure 3).
- The full-time costs in County Antrim are recorded at £165 per week. This is higher than the overall Northern Ireland full-time average (£158).

Figure 3: Average full-time private childcare costs per week by county



- Breaking the costs down by childcare type, County Down now has the highest day nursery costs (£160 per week). For the first time since 2010 the costs in County Down have exceeded those found in County Antrim (£159).
- Fermanagh still has the lowest day nursery costs at £128 per week. There is a £32 per week difference between the highest day nursery cost in Antrim and the lowest in Fermanagh.
- County Antrim maintains the highest childminding costs at £171 per week. This is an £8 increase on last year's figure (£163), and represents a 5% increase in price over the last year.
- County Down has still the second highest childminding costs at £157 per week. In last year's survey Counties Down and Antrim were quite similar in cost (£160 and £163 per week respectively). However this year there is a £14 per week difference in costs, showing the extent of the increase in Antrim's prices.
- County Armagh's childminding costs have also risen extensively over the last year and are now aligned with the costs in County Down (both at £157 per week). This represents a 4% increase on last year's results (£151 per week).

3.1.2 Part-time versus full-time costs

In previous years we have asked childcare providers to detail how much they charge for a full-time childcare place (50 hours a week). However, much of the work we have carried out with parents since the last survey has shown that for many parents the cost of using a part-time place can be almost as expensive as using a full-time place. Therefore, in order to explore this issue, we asked childcare providers to provide us with details on how much they charged parents for both part-time and full-time hours. The results for both rates are displayed below.

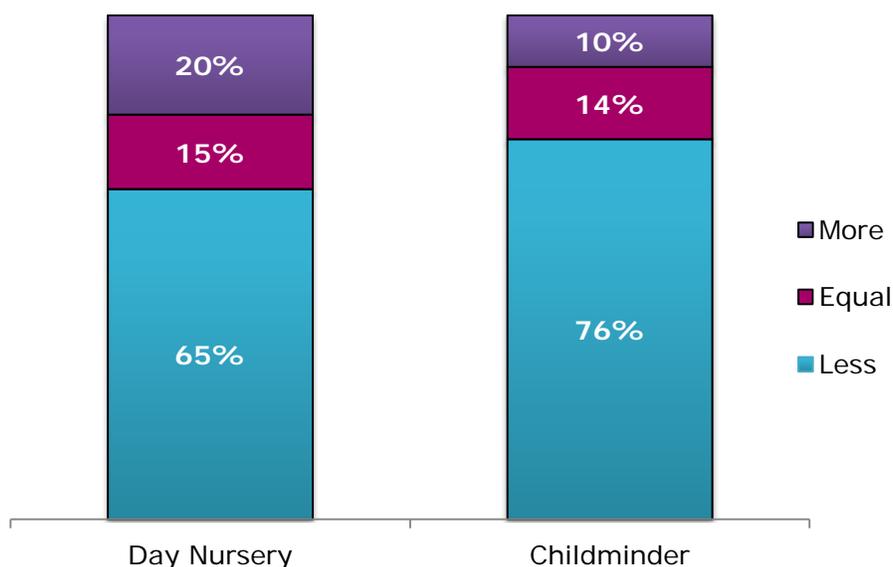
By taking an average of the two types of costs (nursery and childminder) for each set of hours, the results show that there is a £41 difference between a part-time and full-time childcare place. Given that a part-time place is usually half the number of hours of a full-time place (25 hours per week/5 hours per day compared to 50 hours per week/10 hours per day), many parents believe that the cost should be equivalent to the number of hours used. If this was the case there should actually be a £79 difference between the two costs.

Table 3: Average childcare costs by full-time and part-time hours (weekly amounts)

	Full-time (50 hours)		Part-time (25 hours)	
	Nursery	Childminder	Nursery	Childminder
Antrim	£159	£171	£125	£107
Armagh	£146	£157	£126	£107
Down	£160	£157	£130	£108
Fermanagh	£128	£136	£105	£87
Derry/Londonderry	£144	£147	£107	£103
Tyrone	£134	£149	£99	£109
Total average	£154	£161	£127	£107
Full-time v Part-time average	£158		£117	

To provide a further analysis of the results, for every childcare provider who provided both full-time and part-time costs we explored how many charged the same price for both or if the cost was higher or lower. The results are detailed below.

Figure 4: Cost of a full-time place compared to a part-time place



Childminders are more likely to charge less for a part-time place than day nurseries (76% compared to 65%). Only 10% of childminders charged more for part-time places. 35% of day nurseries charged either an equal amount for part-time places or a greater amount than full-time places.

3.1.3 Out of School Club costs

There are three types of childcare which are specifically available for school-age children; breakfast clubs, afterschool clubs and holiday schemes. These forms of childcare aim to facilitate working parents with school-age children both during term time (breakfast and afterschool clubs) and during school holidays (holiday schemes).

Table 4: Average out of school club costs per week 2013

	Breakfast club	Afterschool Club	Holiday scheme
Antrim	£30	£92	£136
Armagh	£26	£99	£139
Down	£26	£80	£126
Fermanagh	£29	£60	£104
Derry/Londonderry	£33	£76	£125
Tyrone	£18	£61	£72
Total average	£34	£84	£120

- Breakfast clubs increased in price again this year, similar to last year's results. Between 2011 and 2012 costs increased by 10.7%, similarly between 2012 and 2013 costs increased by 9.7% (from £31 per week in 2012). The results show that the price of breakfast clubs has increased steadily over the last couple of years.
- Last year's results showed that both afterschool clubs and holiday schemes increased in price. This year the costs have decreased, by 1.2% for afterschool clubs (from £85 in 2012 to £84 in 2013) and by 3.2% for holiday schemes (from £124 to £120 per week).
- When the costs are dissected by county we can see some changing trends from the previous years, for example breakfast clubs are now more expensive in Derry/Londonderry (£33 per week) than in any other county. This is the first time since the Childcare Cost Survey began in 2010 that the highest breakfast club cost has not been found in either County Antrim or Down.
- Five of the six counties have similar breakfast club costs, ranging from £26 per week in Down and Armagh to £33 in Derry/Londonderry. County Tyrone stands

out with an average cost of £18 per week. Breakfast club costs are consistently low in Tyrone, last year's survey showed a cost of £16 per week.

- In terms of afterschool club costs, County Armagh now holds the highest average cost (£99 per week). Last year the highest cost was recorded in County Antrim at £95 per week.
- The lowest afterschool costs are recorded in Counties Fermanagh (£60 per week) and Tyrone (£61 per week). The figure for Fermanagh represents a 14% decrease on last year's lowest cost which sat at £70 per week in County Derry/Londonderry.
- County Armagh also has the highest average cost for holiday schemes at £139 per week. In previous years County Down has consistently had the highest cost for holiday schemes. The highest cost last year was £131 per week, showing that costs have increased by 6% since 2012.
- As with last year's results, County Tyrone has the lowest holiday scheme cost at £72 per week. This is also a 6% increase on last year (£68 in 2012).

3.2 Community Childcare Costs

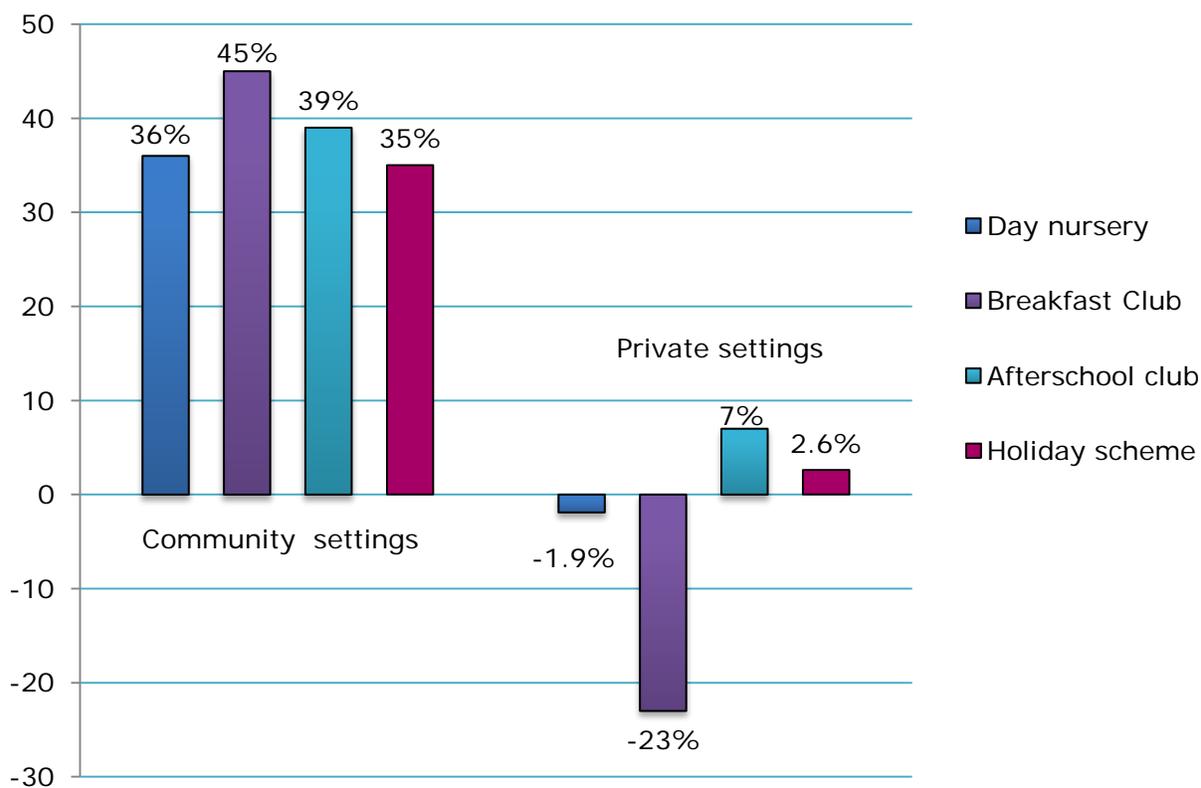
Figure 5 shows the difference in costs between community run and privately owned childcare settings.

Figure 5: Average costs of community and private childcare settings per week 2013



Each year the surveys have shown that community childcare costs are less expensive than private costs, this is still the case in the 2013 results. Each year community childcare costs have increased at a faster rate than private settings. While the average cost for private childcare settings have increased and decreased at different rates since 2010, community settings have consistently increased in cost. For example, calculating the change in costs from those recorded in 2010 shows how much community costs have increased in comparison to private costs, see Figure 6.

Figure 6: Percentage change in childcare costs by setting type (private and community) since 2010



The greatest increase in community childcare costs is for breakfast clubs, which interestingly has seen the greatest decrease when private costs are considered.

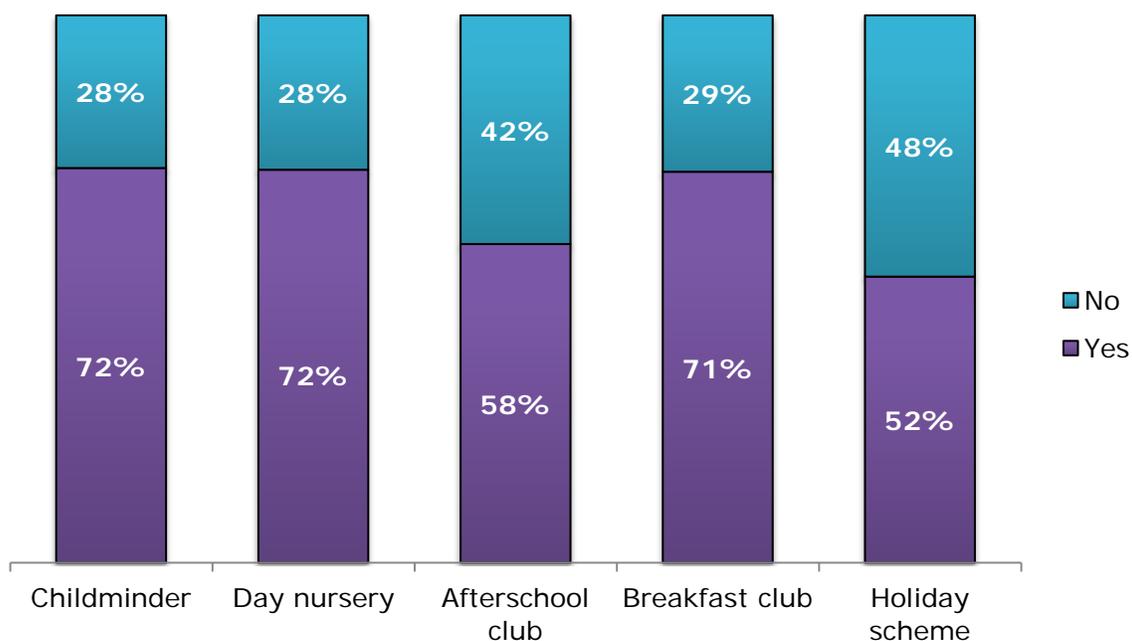
It was suggested in last year's survey that the narrowing of the pricing gap could be connected to the decrease in funding which is available to the community and

voluntary sector due to cuts to public spending. This remains as a possible reason for the pattern of costs.

3.3 Additional Costs and Discounts

In addition to the main costs of providing childcare, some providers charge a retainer fee to hold a childcare place during periods when the child does not require childcare, for example during holidays or before the child starts attending the setting. Figure 7 provides a breakdown of childcare providers who charge retainer fees by setting type.

Figure 7: Retainer fee charged by childcare type

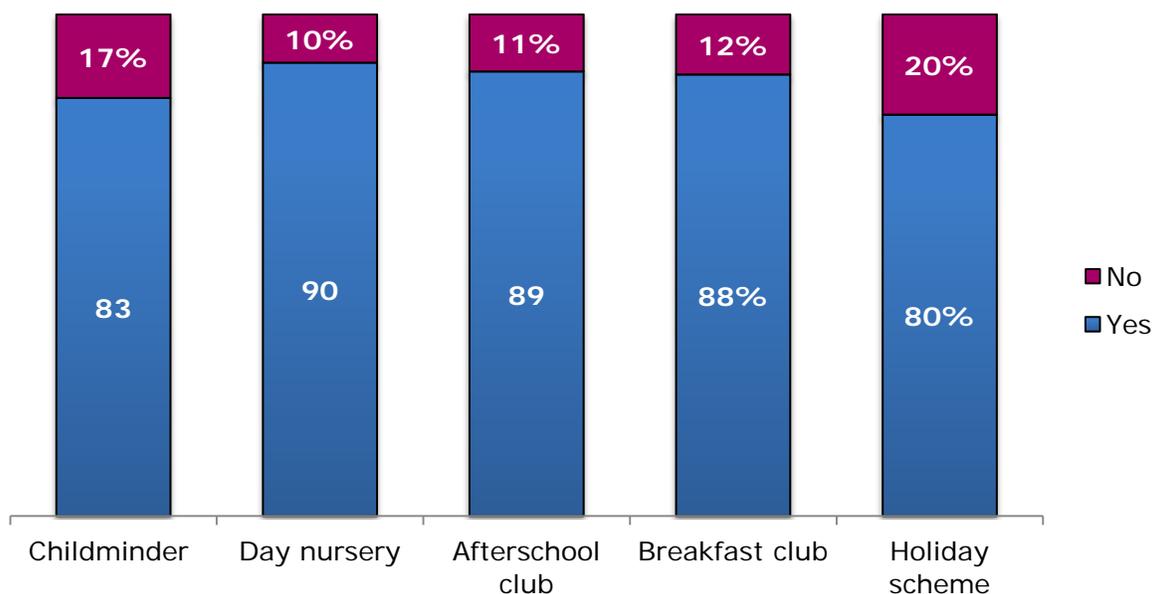


The majority of providers in each type of childcare charged a retainer fee to parents. Childminders (72%), day nurseries (72%) and breakfast clubs (71%) were more likely than afterschool clubs (58%) and holiday schemes (52%) to charge a retainer fee.

In addition to charging additional fees, some providers also offer discounts for families with more than one child using the same setting. A high number of respondents offered multi-child discount to families, indeed the lowest percentage

recorded of those offering discount across all the setting types was 80% for holiday schemes.

Figure 8: Multi-child discount offered by childcare type



3.4 Childcare costs in Northern Ireland within the context of the UK

For the last 12 years the Daycare Trust has collected information about childcare costs and availability across England, Scotland and Wales. We began collecting similar information for Northern Ireland in 2010. Together our childcare cost surveys and the Daycare Trust’s reports produce an annual picture of childcare costs across the UK. This section explores how costs have changed over the last year.

3.4.1 Average childcare costs across the UK

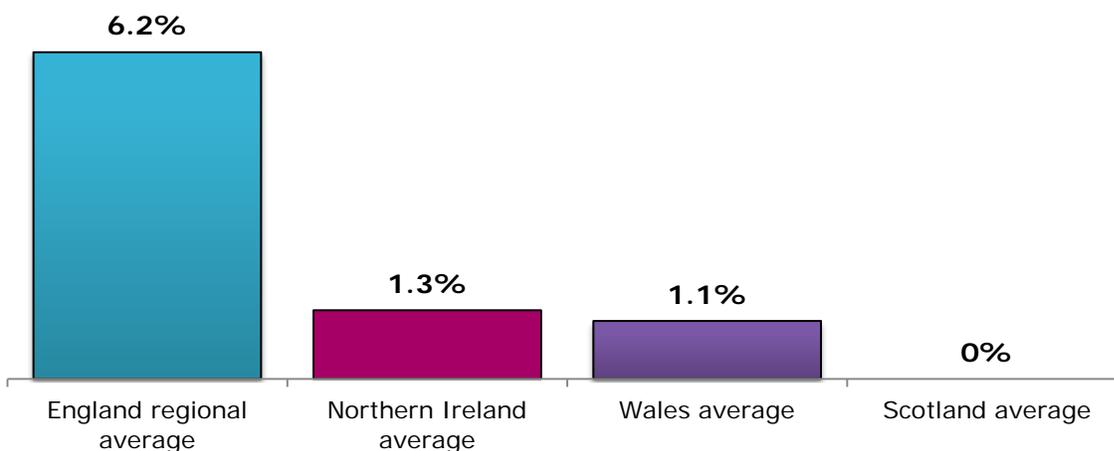
Until this year’s survey the Daycare Trust collected childcare costs for both full-time (50 hours per week) and part-time (25 hours per week) childcare. Their 2013 survey only collects complete data for part-time hours. To date we have only collected childcare costs for 50 hours per week. However in this year’s survey we collected both full-time and part-time costs. Therefore, although in previous years

we have been able to compare full-time costs, this year we will only be able to provide a comparison with part-time costs with the rest of the UK.

3.4.1.1 Change in childcare costs across the UK

Figure 9 aims to show percentage change in average childcare costs. However considering that the Daycare Trust only collected part-time data this year, the figures for England, Scotland and Wales are based on part-time hours, but the figures for Northern Ireland are based on change in full-time costs. Although this does not provide an accurate picture of change, it does provide an indication of the rate of increase in childcare costs across the UK. Next year's survey will be able to provide a more accurate calculation of change.

Figure 9: Percentage change in childcare costs 2012-2013 across the UK



England has seen the greatest increase in childcare costs over the last year. In contrast, Scotland's costs have stayed the same since 2012. Northern Ireland is more closely aligned with Wales in terms of percentage change, both have seen an increase in costs over the year; however this increase was not as extensive as the increase recorded for England.

3.4.1.2 Comparison of childcare costs across the four regions

The Daycare Trust survey provides some general figures for full-time childcare costs in Britain. The total average cost for a day nursery place for children under

two is currently £213 per week in Britain. The cost of childminding sits at £197 per week. These costs taken together to provide an overall full-time average cost show that childcare costs are on average £191 per week. This figure is £33 higher than the Northern Ireland full-time average which sits at £158 per week.

In terms of part-time costs, Table 5 provides a breakdown for each region of the UK.

Table 5: Private childcare costs in the UK (25 hours per week)

	Day Nursery	Childminder	Part-time average
England average*	£108	£98	£103
Scotland average*	£98	£93	£96
Wales average*	£91	£95	£93
Britain average*	£105	£97	£101
Northern Ireland average	£127	£107	£117

*The Daycare Trust record costs for children over and under two, the costs recorded here are an average of the two.

It is interesting that although Northern Ireland's costs are lower than those recorded for Britain when a 50 hour week is considered (£158 per week compared to £191 per week respectively), when part-time costs are concerned Northern Ireland's average costs are higher than those in each of the other regions of the UK. Indeed our costs are £14 per week higher than those in England and £24 higher than Wales' average.

The results in the last section showed that for many providers in Northern Ireland part-time costs are not the equivalent to half of the full-time cost, this is contrary to the findings for Britain. In Britain a full-time day nursery costs £213 per week, a part-time place is 105 per week; this is almost half of the full-time cost. The same applies to childminding costs, which for a full-time place costs on average £197 per week and £97 for a part-time place. Again, this is just under half of the full-time cost. This is not the case in Northern Ireland, with 35% of day nurseries and 24% of childminders charging the same amount for both full-time and part-time places or a greater amount for part-time hours. Earlier in the year as part of our response

to the Northern Ireland Childcare Strategy consultation, we asked parents for their opinions on childcare. A number of parents commented on the high cost of part-time places in comparison to full-time places. This is also an issue which has been raised by parents in the parent survey which will be discussed later in the report. The results in this section, however, show that this is an issue which is unique to Northern Ireland.

3.4.1.3 Northern Irish counties compared to English regions

When a breakdown of results across each of the counties in Northern Ireland and the regions in England is carried out, it is apparent that although Northern Ireland's part-time costs exceed the averages given in each of the other UK regions, the range of costs across English regions matches some of the patterns found within the Northern Irish counties.

In Northern Ireland day nursery costs range from £99 per week in Tyrone to £130 per week in Antrim. In England the costs range similarly, from £92 in the North West to £133 in London. The highest costs in both Northern Ireland and England are found around the capitals Belfast and London. The lowest costs are in less populated, rural areas.

When childminding costs are considered, Northern Ireland's costs do not vary as widely as day nursery costs. The lowest childminding cost is found in Fermanagh at £89 per week, the highest cost recorded was in Tyrone at £109 per week. Given this however, the average childminding costs across the counties were quite similarly priced, with the exception of Tyrone. This is not the case in England where there is a wide range of childminding costs across each of the regions, from £82 in the North West to £131 in London. This is a contrast to Northern Ireland results where the highest costs are found in Tyrone, one of the most rural counties.

3.5 Conclusions

This year's survey has shown that childcare costs in Northern Ireland have increased again over the last year. Although the cost of the average day nursery has not changed to a large extent, the significant increase in childminding costs over the last year has pushed up the overall cost of an average full-time place.

Northern Ireland's costs have not increased as much as those in England, however the difference in costs between part-time and full-time places here differ significantly to the trends in the rest of the UK, where part-time places cost around half of the full-time cost. Furthermore, in Northern Ireland childminding costs exceed day nursery costs which is also unique in the context of the UK.

The next section explores parents' perspectives and experiences of childcare costs and the impact an increase in cost can have for families in the region.

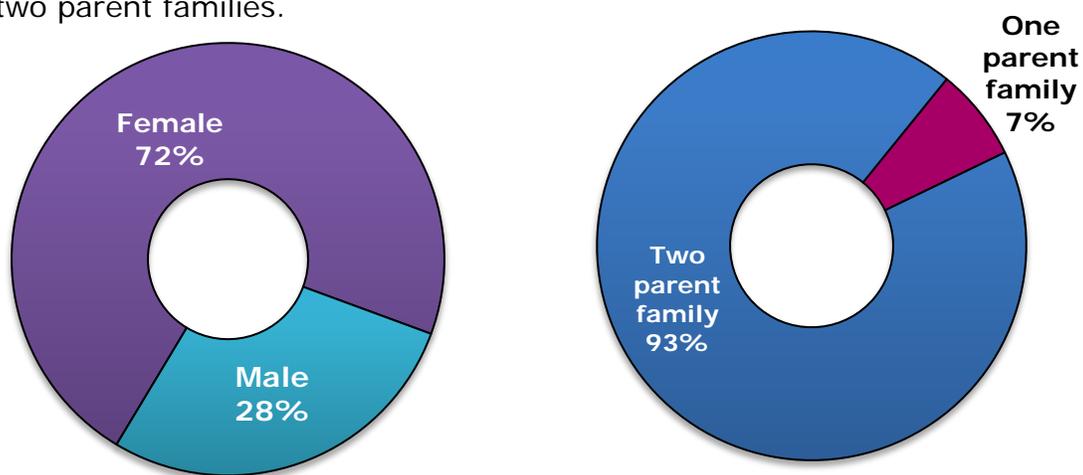
4. Parent results

4.1 Profile of respondents

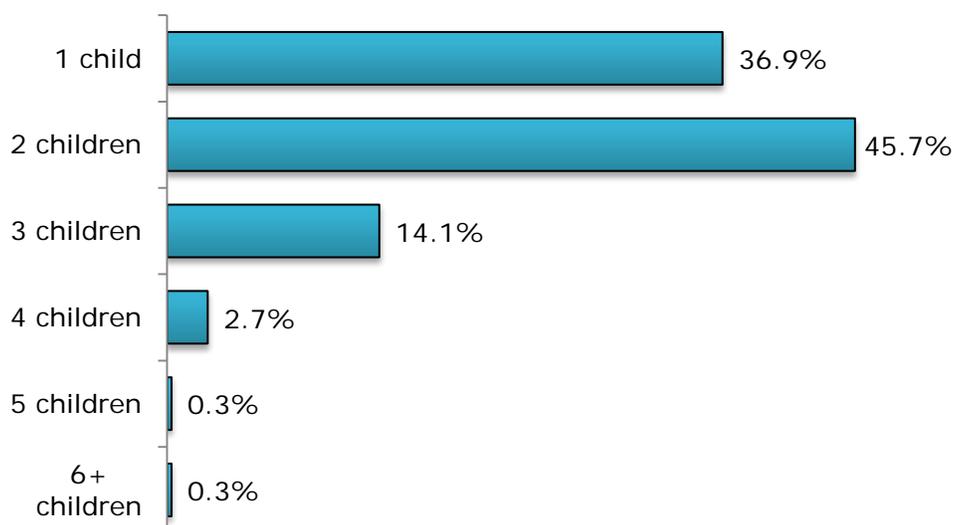
This year 4,396 parents responded to the survey. Yet again this is an increase on previous years' response rates and represents a 30% increase from last year's survey.

4.1.1 Family profiles

As with the last three surveys, the majority of respondents were female (72%) from two parent families.



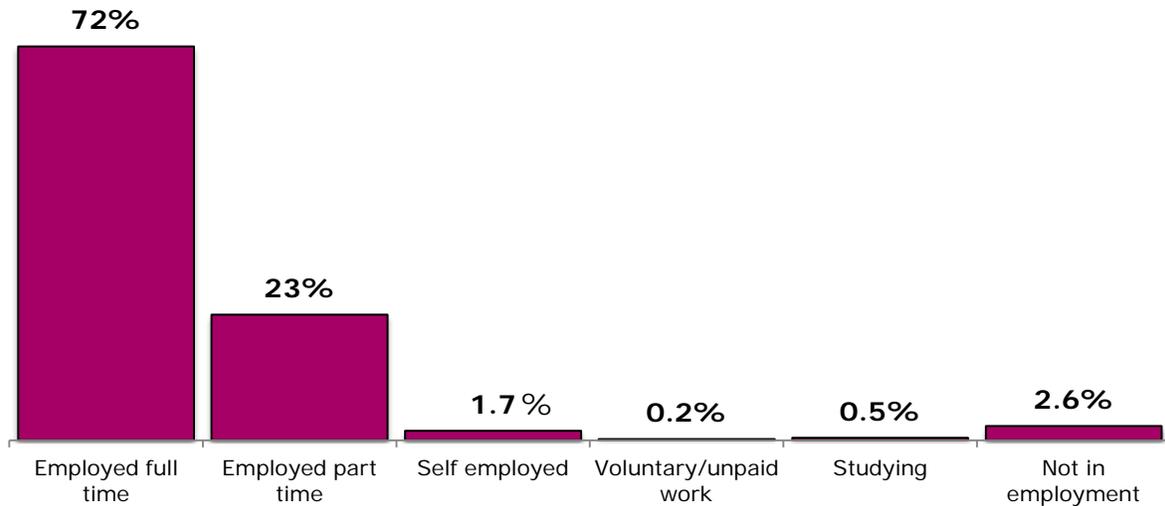
Most families had two children (45.7%); this was followed by 36.9% with only one child. These results mirror those from last year's survey.



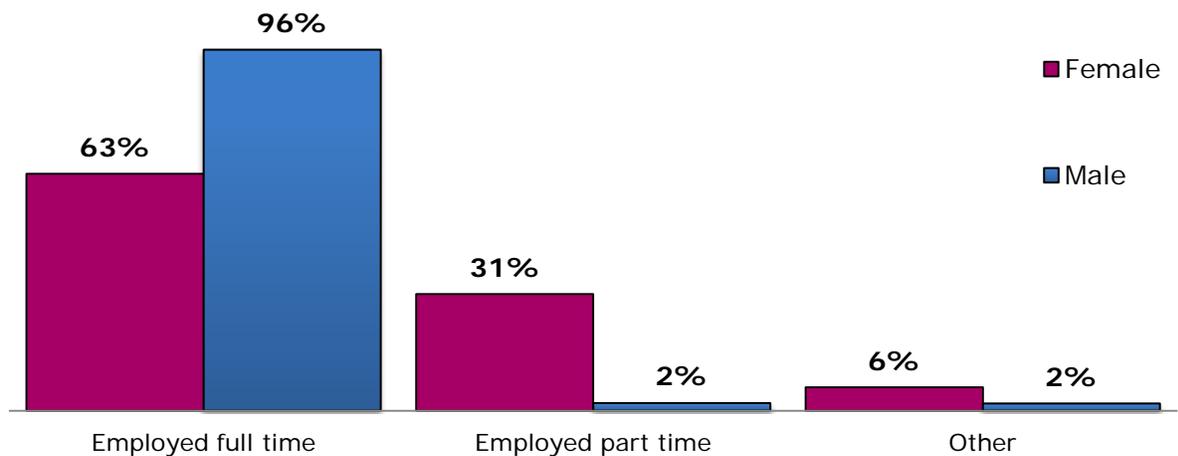
Only 5% of families had a child with a disability and/or special needs. This is an increase of 1% on last year's results.

4.1.2 Employment

72% of respondents worked full-time and 23% worked part-time.



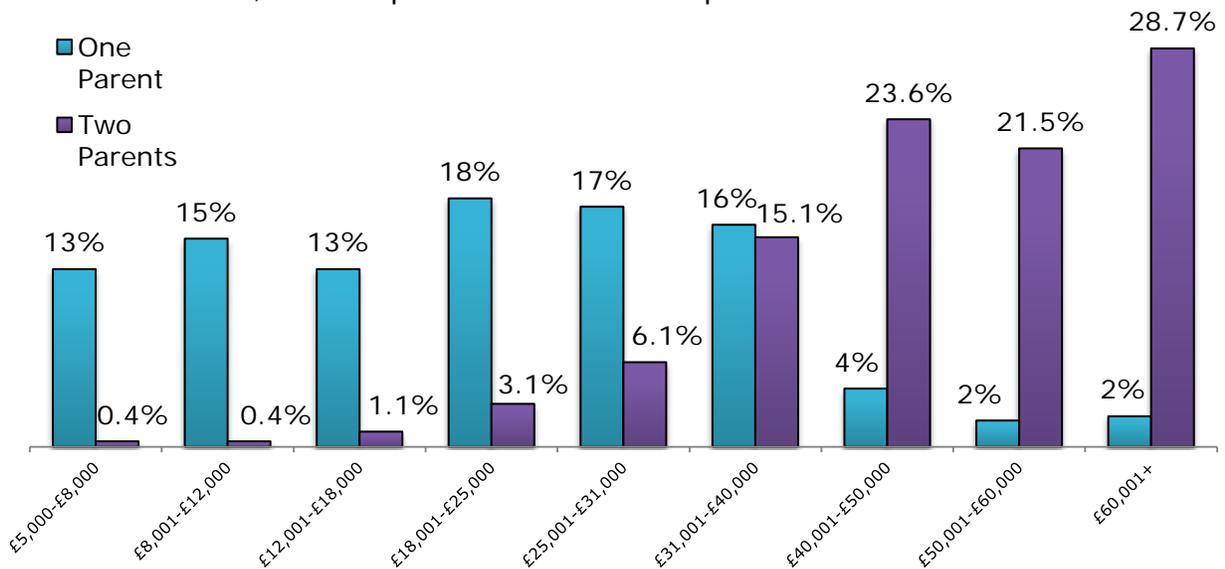
When the results are broken down by gender, a higher percentage of male than female employees worked full-time. Almost a third of female respondents worked part-time, compared to only 2% of males.



Only 5% of parents worked outside 'typical' working hours (Monday to Friday 8am-6pm).

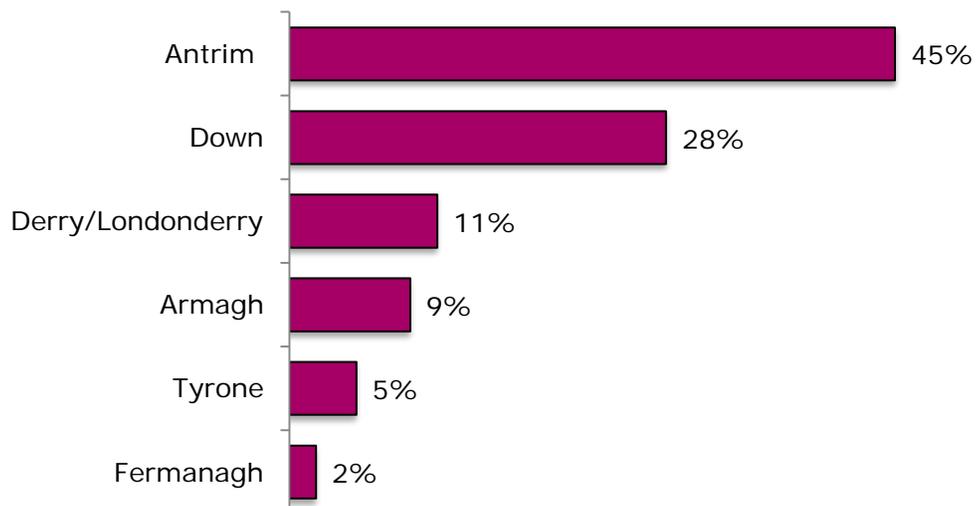
4.1.3 Household Income

The majority of households had an income of over £40,000 (69%). However when the results are broken down by household types, only 8% of one parent families earned over £40,000 compared to 74% of two parent families.



4.1.5 Location

In previous years we have had less success in attaining respondents in Counties Tyrone and Fermanagh. This year was no different and as a result the lowest response rates are in these counties, the chart below shows the spread of respondents.

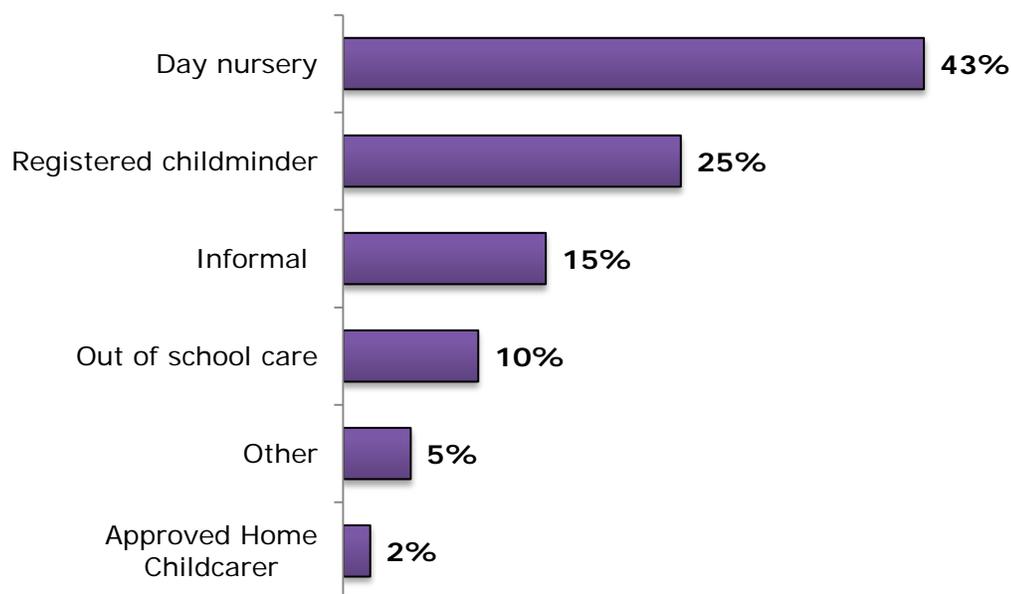


4.2 Parents' use of childcare

4.2.1 Main type of childcare used

As with last year's survey, the majority of parents used a day nursery as their main form of childcare. This was followed by 25% of respondents who used a childminder, Figure 10 gives a breakdown of childcare used by respondents.

Figure 10: Main type of childcare used by families

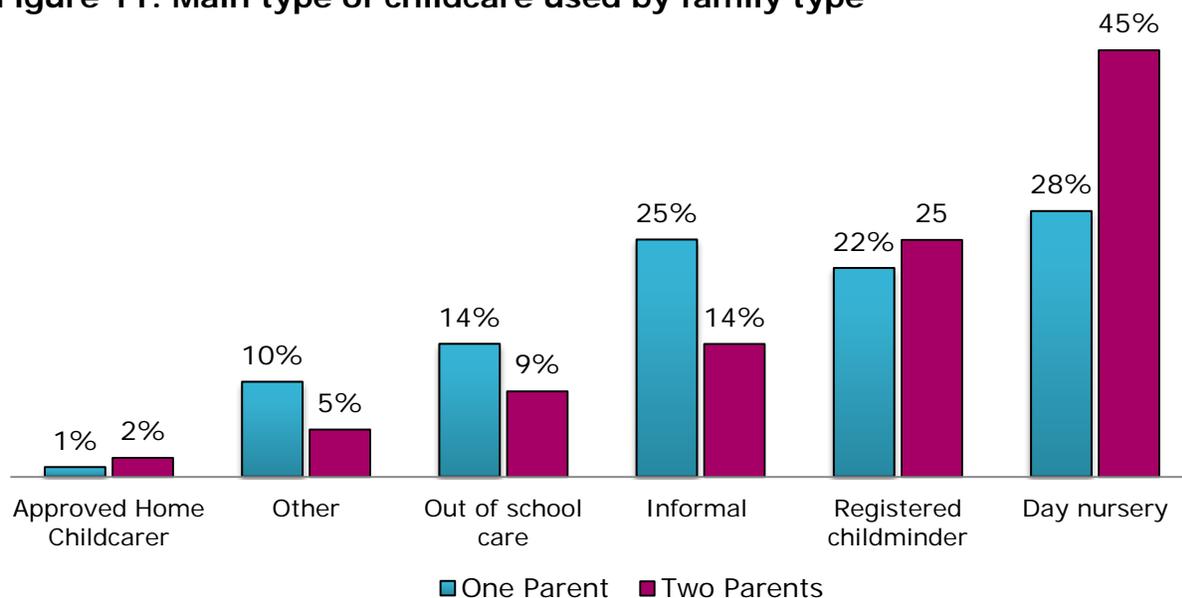


10% of respondents used out of school care as their main form of childcare. Out of school care consists of breakfast clubs, afterschool clubs and holiday schemes. Of the three types, afterschool clubs are the most used by parents with 8.5% using an afterschool club as their main childcare type. Informal childcare, provided by family and friends, was used by 15% of respondents as their main childcare type.

When the results are broken down by family type it is clear that one parent families are more likely to use informal childcare as their main childcare type than two parent families. 25% of lone parents used informal childcare (compared to 14% of two parent families), from family or friends, as their main childcare type. This is a significant increase from last year, when the figure sat at 14.3%.

Two parent families were more likely to rely on a day nursery as their main form of childcare (45%), whereas similar proportions of both two parent and one parent families used a childminder (25% and 22% respectively).

Figure 11: Main type of childcare used by family type



The differences in the type of childcare used by family type could be explained by the differences in cost, in particular between formal and informal childcare. Informal childcare is typically significantly less expensive than formal childcare options. Considering that one parent families are likely to be dependent on one source of income and that the majority of two parent families in the survey not only had household incomes over £40,000 per year, but also that in 55% of these families both parents worked full-time, it is perhaps not surprising that two parent families are more likely to be able to afford formal childcare compared to one parent families.

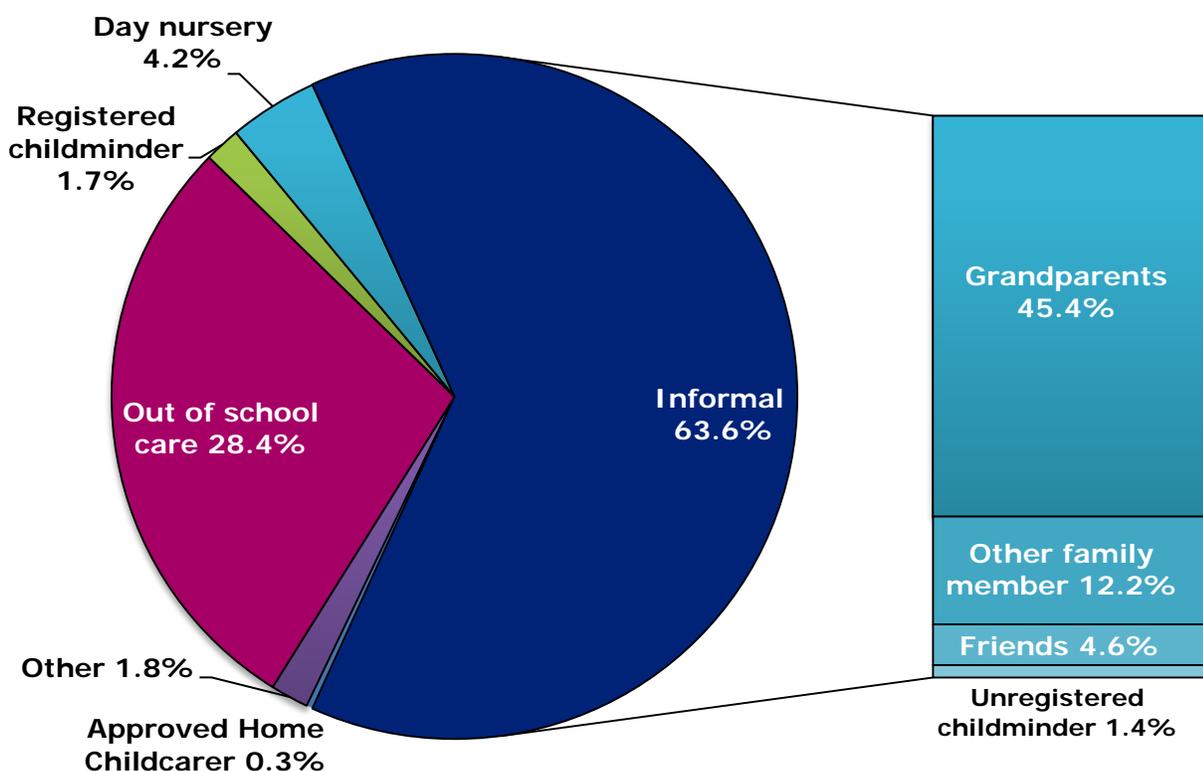
4.2.2 Additional Childcare

68% of families used one or more types of childcare in addition to their main childcare type. The same percentage of parents used additional childcare in last year's survey. Indeed the reliance on additional childcare to supplement the main childcare type is a trend which has been apparent since the first childcare cost

survey in 2010. It is clear that for the majority of parents a variety of childcare services are necessary to meet the childcare needs of the family.

Figure 12 shows that for the majority of parents additional childcare is provided through informal childcarers (63.6%), of which Grandparents make up 45.4%. Indeed family members and friends provide 62.2% of all additional childcare used by families. We asked parents why they used additional childcare to supplement their main childcare type, two main themes stood out: flexibility and affordability.

Figure 12: Additional childcare used by families



4.2.2.1 Flexibility

Many parents commented that their main childcare type (for 63% of parents this was either a day nursery or a registered childminder) was not flexible in the hours or days of care provided. Despite the fact that only 5% of respondents worked on a permanently atypical hours contract (outside the 'normal' working hours of Monday

to Friday 8am-6pm), many of the parents who completed the survey commented that they are required to work various additional hours, for example early mornings or late evenings and weekends. Many other parents also commented that they were often required to travel for work and needed extra hours of childcare in these instances. The results showed that formal childcare services are not flexible enough to cover these additional times. The availability of informal childcarers, such as grandparents, to cover these extra hours is invaluable for many of the respondents:

"There are times when both parents are required to work outside the normal hours provided by the day nursery. At these times I rely on grandparents to provide childcare".

"[Childcare] facilities don't open until 8am and close at 5.30, I often have to work late, or go away for work, so I require other forms of help".

"I have to travel sometimes for my job and therefore need flexibility; therefore I need to rely on different people to cover the different times".

Furthermore, many formal childcare settings charge parents additional fees if children are picked up late in the evening. The majority of formal settings close at 6pm, however some close earlier. For working parents, particularly those who commute long distances to work, it can be difficult to always be there on time to pick up the children. In these instances many parents commented that they relied upon grandparents or other informal carers:

"Work commitments mean that I cannot always get away from work, nor can my husband, in time for the 5.30pm pick up from afterschool club. Therefore we rely on friends or family to assist".

Grandparents are also relied upon to provide childcare at short notice or in emergencies, for example if the child is ill or if the childcare setting or school is closed.

For those parents who do work atypical hours, family members and friends are essential for providing additional childcare, rather than being a one off or ad hoc occurrence, informal childcare is provided in a fixed, regular pattern:

"I need additional childcare for my hours of work, hours that the nursery does not cover, for example Saturdays".

"My work commitments are outside of normal working hours when childcare is provided".

Formal childcare services are simply not available for all parents' working patterns, for some parents this is when additional childcare is necessary.

4.2.2.2 Affordability

The main reason parents in the survey used additional childcare was to manage the cost of childcare. Most families used a mix of formal and informal care to reduce their costs. Grandparents and family members, in particular, charge little or no fees for childcare; families therefore only pay for the days/hours of formal childcare used which reduces their overall costs, yet they still have childcare provision for the full week. The cost of paying for a full week/month of formal childcare is too expensive for some families:

"Paying for childcare is too expensive, if grandparents didn't mind our kids free of charge there would no point me working as my wage would go straight to pay for childcare".

"To keep the costs of the childcare manageable my parents' look after my son from 12.45pm until 6pm when I get home. If they did not do this I would not be able to pay rent each month and run a home".

"I cannot afford a childminder for all the hours I work. If it was not for grandparents, I would not be able to afford to go out to work".

These quotes from parents are three of many which highlight that the cost of childcare is so prohibitively expensive that without the support of grandparents, many parents would not be able to work.

For many families grandparents provide more than just extra hours of care on an inconsistent basis. Rather the use of formal and informal care makes up the weekly/monthly pattern of childcare used by families. For example, parents will use a day nursery three days a week and the other two days are provided by

grandparents. The pattern of care from week to week will not usually change, for example:

"To pay for childcare 5 days a week is too expensive, we save a lot of money by having the grandparents do one day and I do a day so we only have to pay for 3 days of nursery a week".

Grandparents and other family members are therefore fundamental to how childcare is managed by families. It is interesting that many respondents commented that grandparents were able to provide care on certain days in which they did not have work commitments themselves:

"Gran only works a three day week and so can look after our son two days a week for us for FREE!"

"My mum cares for the child one day per week (she works part-time) to reduce the weekly cost of childcare for me. My mum does it for free".

"Grandmother is only available one day per week, due to work commitments. Me and my partner are off one day during week each, so we need daycare for two days".

Many parents commented that grandparents willingly committed to providing childcare as this enables them to spend time and bond with their grandchildren. However, it is worth noting that this provision of care is provided at the expense of their own free time, particularly when working grandparents are considered. It is evident that the cost of formal childcare therefore impacts upon not only the parents themselves, but also the wider family circle.

Grandparents therefore provide an invaluable service for families - assisting when formal childcare services are unavailable, providing flexibility which fits in with parental working patterns, enabling parents to stay in work and essentially providing necessary childcare which would otherwise, if provided through formal settings, be unaffordable. The fact that 10% more parents relied on grandparents for additional childcare in this year's survey in comparison to last year shows that families are depending on grandparents more and more.

4.3 Childcare costs

4.3.1 No childcare costs

12.5% of parents did not incur any childcare costs. This is almost double the amount of respondents which gave the same response in last year's survey (6.5% in 2012). We asked these parents why they did not pay for childcare and three main themes were apparent in the results, coincidentally these are the same three trends which were prominent in the 2012 results. Firstly, the majority of parents who did not pay for childcare relied solely on grandparents (and to a much lesser extent other family members) for childcare. These grandparents provided childcare at no cost, indeed many parents commented that they refused to accept payment for the care provided. Parents compensated for this by 'paying' grandparents in other non-monetary ways, for example:

"Family will not accept money so we try and give presents or vouchers for dinner to make up for it".

"My parents would not accept money, as they feel we are under financial pressure, in return we buy them extra presents at birthdays and Christmas".

"I pay 'in kind'. I help my family out with other jobs - decorating, cleaning etc"

The care provided at no cost is of great value to families, with many parents commenting that without it they would struggle financially or have to leave work:

"I rely on grandparents, if I had to pay, it wouldn't be worth my while working as salary wouldn't cover the cost of childcare".

"I couldn't afford childcare it is too expensive and financially I would be better on benefits if my mother didn't help me".

Secondly, many parents changed their patterns of work to avoid paying for childcare. One respondent referred to this as 'tag parenting' whereby both parents work but at different times so that the children are always cared for:

"We do Tag-parenting. She's at home while I work and I'm there while she works".

"My husband and I both work three days a week, we try to work opposite each other so there is always a parent at home for the kids".

"We cannot afford childcare. My wife had to get a job in the evenings so that we did not require any. I work 8am to 4pm and my wife works from 5pm to 9pm".

Thirdly, some parents used a mixture of the two, whereby parents have changed their working hours to cover the majority of childcare and grandparents (or other family members) fill in during times when neither parent is available.

"We use a combination of part-time, flexible working and grandmother care".

"My partner and I work on different days of the week, allowing us to share parenting every day with occasional help from the grandparents".

"We both work part-time to share the care of our child. A grandparent and one other family member also provide childcare for 1-3 days a week for our child".

As with the results of the previous section on additional childcare, grandparents play a fundamental role in how many families arrange childcare. The last section showed the reliance of family members to provide childcare which is more flexible and affordable to fit in around the use of formal childcare services. The last sections showed that for many families the care from grandparents was built into the weekly or monthly pattern of childcare. The same is apparent in this section, the difference being that as a family childcare is shared, both between parents and grandparents. A pattern of care is created which involves the wider family. This combination of care enables parents to manage financially and stay in work. As was referred to in the previous section, this can impact upon grandparents who are also in employment, indeed one particular parent shared their experience whereby the grandparents also changed their working hours in order to be able to provide childcare:

"We could not have afforded to live if I had stayed working full-time and had to pay full-time childcare costs on top of our monthly outgoings. Nor could I

have afforded to give up working altogether in order to care for my children full-time. My parents (who also both work) agreed to help us by re-arranging their hours of work opposite my hours of work in order to care for the children between us and so I would not have to pay childcare costs, which when we priced even part-time for 2 children under 4 would have cost twice the price of our mortgage”.

The importance of both being able to work family-friendly hours, and the ability to rely on grandparents is essential for some families in finding a pattern of childcare usage which meets their needs. For many the ability to arrange a combination of care is the factor which keeps parents in work.

4.3.2 Total Average Childcare Costs

The childcare provider survey provides us with an accurate picture of the average weekly cost of childcare across childcare types and counties, as supplied by the childcare providers themselves. In previous years we have calculated how the results of the parents’ survey compare to the average costs detailed in the childcare provider survey. This is calculated by taking every individual cost supplied by parents, for each child in childcare, and working out the costs by county and childcare type. In previous years the cost data collected for both sets of respondents (parents and childcare providers) have matched, showing that both methods of measuring childcare costs are accurate. The same is true in this year’s results proving that the costs recorded in the childcare provider section represent a true picture of how much formal childcare costs.

However, it is clear from the results of the parent survey that families do not simply rely on one form of childcare to meet their needs. Indeed only 32% of respondents only used one type of childcare. Therefore, for these families the average cost of a full-time childcare place in a formal childcare setting may mirror their total weekly childcare bill. Yet for two thirds of families a combination of care is used which includes formal childcare, informal childcare and care provided by the parents themselves. Previous sub-sections have shown that the balancing of care between various providers is mainly carried out to manage costs. The childcare provider survey has shown us that the average full-time childcare place costs £158 per week

for each child in childcare. This can amount to almost £16,500 per year for an average family with two children in childcare. The majority of families use different forms of childcare, mainly informal through family and friends, or change the way they work so that they do not need childcare, in order to avoid paying this cost.

Therefore, to gain a realistic picture of how much families are paying for childcare each week we asked respondents how much an average week of childcare costs in total. Table 6 shows the results by family type.

One parent families in the survey paid on average a total of £129 per week for childcare. This is lower than the amount recorded for two parent families which sits at £160 per week.

Table 6: Childcare costs by family type per week

How much in total do you pay for childcare in an average week?	
Two Parent Families	£160
One Parent Families	£129
All respondents	£158

One parent families are more likely to rely on more than one form of childcare than two parent families. Indeed 17% of respondents from one parent families, compared to 24% of two parent families, did not use an additional form of childcare to supplement their main childcare type. One parent families are also more likely to use informal childcare as their main childcare type. This perhaps explains why one parent families incur lower weekly childcare costs. The amount that two parent families pay per week is closer to both the average costs recorded in the childcare provider survey, and the total average costs recorded for all respondents in the parent survey. This is a trend which has continued from previous years, see Figure 13.

The Figure shows that the total average childcare costs have increased year-on-year since 2011. This is in line with the increase in childcare costs recorded in the

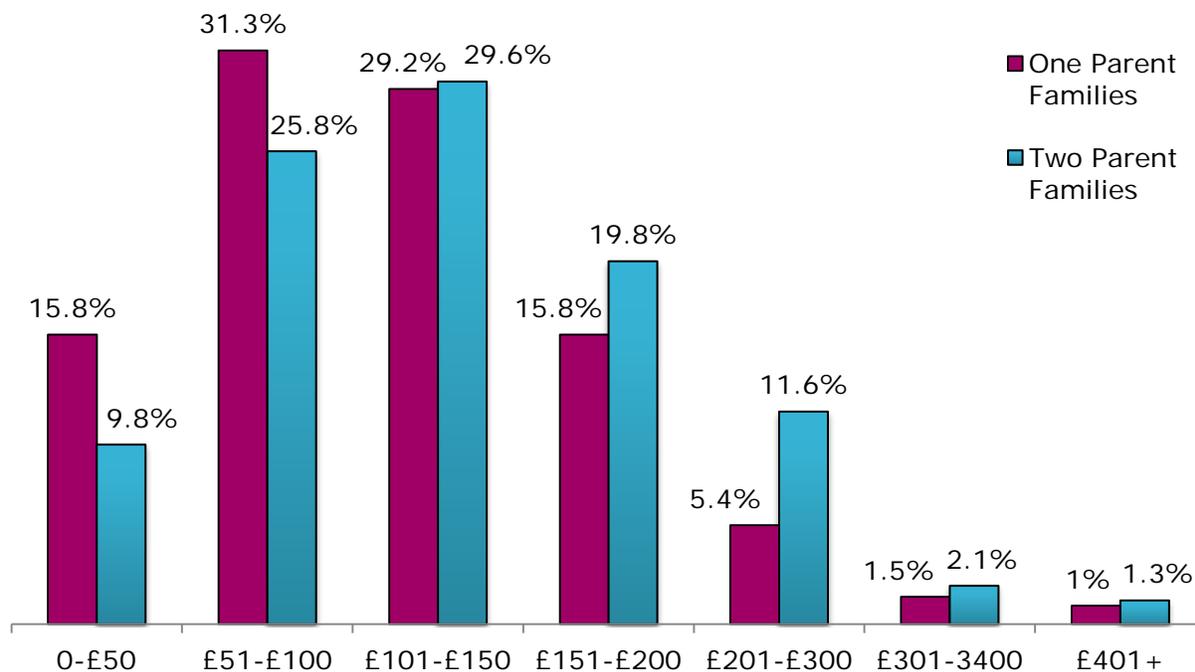
childcare provider survey. This proves that childcare is becoming increasingly expensive for parents, even when families try to manage their costs.

Figure 13: Change in actual childcare costs by family type (2011-2013)



It is clear that one parent families have maintained lower total costs than two parent families in recent years. Figure 14 breaks down weekly spend by family type.

Almost a third of one parent families spend between £51 and £100 per week on childcare. In fact only 23.7% of single parents spend over £151 per week on childcare, compared to 34.8% of two parent families. These findings match those recorded in the previous three surveys.

Figure 14: Weekly average childcare costs by family type 2013

4.3.4 Fluctuation in costs

Each year the survey asks parents if their childcare costs fluctuate during the year. In each of the last three years the number of parents stating that their childcare costs fluctuated at some point during the year had increased. Last year 49% of respondents commented that their costs fluctuated during the year, this figure has remained practically unchanged in this year's survey with 48% of respondents noting an increase in costs. As with each of the previous years' results, the summer holiday period is when parents see the greatest increase in their childcare costs. 86% of parents (the same figure as last year) commented that their costs increased during the summer months.

This is a particularly difficult time for families with school-age children as parents have to find full-time childcare when school is closed. Two main problems emerged from the qualitative responses. Firstly, parents who do not usually require full-time childcare for school-age children during term-time struggled with the increased

costs during the summer months. To manage the cost, or to avoid paying altogether, many parents relied on grandparents:

"It would be a struggle if I did not use my mother to help during the school holidays as the cost goes up from £69.00 per week to £160.00 per week and I could not afford to pay that for the full 9 weeks of summer holidays. My mum therefore looks after him".

Other parents changed their own working hours to provide care themselves:

"My husband and I try to cover the summer months and school holidays between us to cut down the amount we have to spend on summer schemes. Sometimes this means that we do not get family holidays as we are not off together".

"Reduced number of working hours due to childcare cost and at present I am considering trying to work term time only as I cannot afford the extra cost of childcare over the summer".

Some other parents used a mixture of both grandparent care and changing their working hours.

Secondly, many parents commented that during the summer, and other times of the year such as Easter and Christmas, their childcare provider is closed. Parents stated that not only do they have to pay a retainer fee to hold their child's place, they also have to find and pay for alternative childcare arrangements during this time.

"My childminder takes regular holidays/days off which I pay for but then also have to pay someone else to look after the children - paying twice for childcare is not good".

"Day Nursery closes for 5 weeks per year with full costs - have to find alternative childcare arrangements to cover this period".

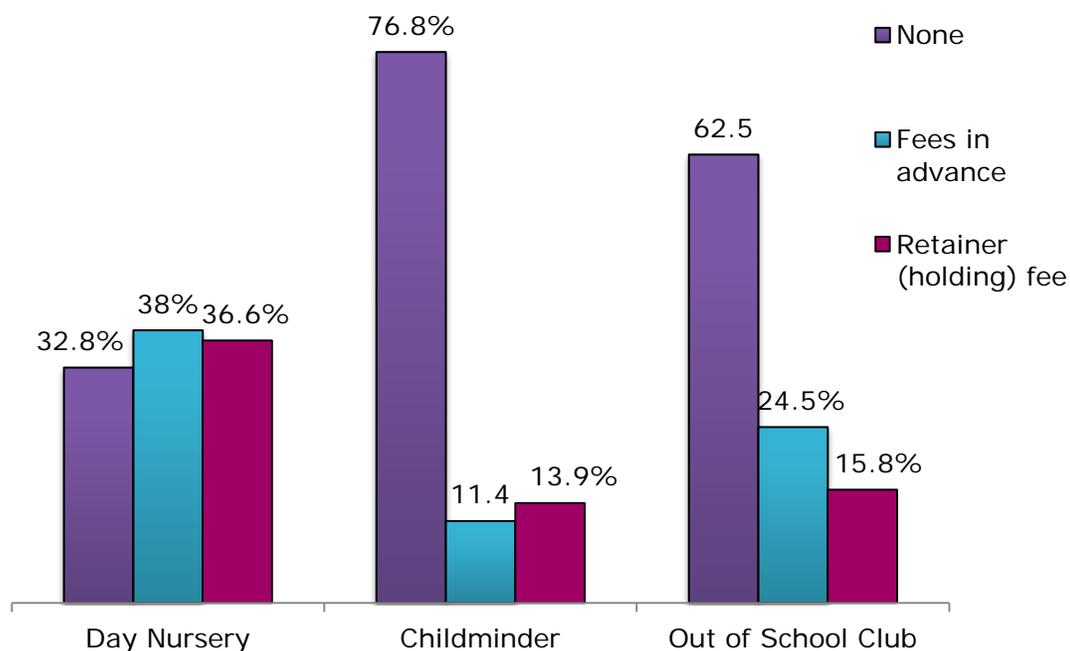
For many parents, therefore, the summertime is the most difficult time to arrange childcare and many also find that their childcare costs increase substantially, making it difficult to meet costs.

4.3.5 Additional Fees

Childcare providers often charge additional fees to parents, usually to hold a childcare place (retainer fee) or an up-front payment upon securing a childcare place.

We asked respondents if they were required to pay additional fees, 26% of parents paid fees in advance and 25% were required to pay a retainer fee. 54% had no additional fees to pay at all. Figure 15 breaks down the results by formal childcare type.

Figure 15: Additional fees by formal childcare type 2013



Parents using a childminder as their main childcare type were less likely than those using either a day nursery or an out of school club to pay additional costs. Indeed 76% of parents using a childminder did not incur additional costs compared to 32.8% and 62.5% of parents using a day nursery or an out of school club (respectively). In fact parents using day nurseries incurred higher additional costs than parents using other types of childcare.

Many parents commented that they thought it was unfair for childcare providers to charge additional fees, in particular retainer fees to hold places during summer months were mentioned by a large amount of parents:

"I think it is entirely wrong that I have to pay retainer fees during the holidays (I'm a school teacher and therefore pay my childminder half pay every school holiday for me to look after my kids!)"

"I do not mind paying a reasonable amount for good childcare, but I think things such as retainers and having to pay when my kids are on holiday etc is completely wrong. I don't have any other option though as all childcare providers in my area do this".

"I do not require childcare in the school holidays but I still have to pay a large retainer of half my childcare costs. This is a lot of money for no childcare".

The majority of parents who were required to pay a retainer fee were charged half the normal cost. In addition to retainer fees parents also commented about other additional costs they were required to pay. One parent's quote summarises the experience of many parents:

"I must pay a retainer fee per week per child even if they are not availing of childcare that week. If I fail to give 48 hours notice for cancelling childcare (due to a sick child) I must still meet costs. Our local nursery opens from 8.30 am until 6 pm daily. I must pay an early morning booking fee for childcare as I drop my children off at 8.15am before the nursery officially opens. This additional fee charged per child increases the monthly bill".

In addition to cancellation fees and early pick-up or drop-off fees, other parents mentioned additional fees to cover school runs, fuel costs and fees to cover other essential items such as food, baby wipes and creams. One parent even stated that her childminder charged an additional £10 per week to cover 'wear and tear' to her house. As the parent quoted above states, all of this adds to the childcare bill.

Another major aspect to the cost of childcare incurred by families, which was a main theme in the responses, was the difference, or lack of, in costs between part-time and full-time places.

4.3.6 Part-time and full-time childcare costs

The cost of part-time and full-time childcare places was highlighted in the results of the childcare provider survey. In particular, it was noted that in Northern Ireland the difference between part-time and full-time costs was higher than the same results in the childcare cost's results for England, Scotland and Wales. The parent survey confirms the findings of the childcare provider survey, with many parents commenting about the high cost of part-time childcare.

For most childcare providers part-time childcare equates to 25 hours of childcare a week, or 5 hours per day. Many parents commented that because of the way the childcare bill is calculated even if they use only six hours of childcare per day, for example, they are still charged a full-time rate:

"Even though my son is only in the day nursery from 9am to 4.30pm, as we flexi time our hours to ensure that one parent is there at either end of the day, we still pay full day fees".

Furthermore, even if parents only do use part-time hours there is very little cost difference between part-time and full-time costs. These findings complement the earlier findings of the childcare provider survey. For many parents reducing to part-time working hours in order to manage the cost of childcare was therefore not an option, as the reduction in salary did not match the reduction in childcare costs:

"I would like to reduce my hours in work, however I could not afford to pay the nursery fees and take a drop in salary for part-time hours. In many cases full-time child care is at a cheaper daily rate than part-time".

"I started back to work initially on a part-time basis, but I found that it was not that much more affordable to pay for part-time childcare. Part-time rates were not significantly lower than full-time rates, i.e. it was not simply half the price for half the time, whereas earnings were halved! In the end I went back to full-time work because the loss of earnings did not balance well with the cost of part-time childcare".

"Cost of part-time childcare is almost the same as it would be for full-time so made decision to work full-time".

"I have to work full-time, part-time rates per day are higher than full-time rates per day so it only pays me to work full-time".

"I reduced my working hours to 4 days per week but this has resulted in 20% pay cut and not a good discount in childcare fees – it was not worth my while reducing my hours".

Again, many parents turn to grandparents for the childcare shortfall, although many felt guilty about this dependence for additional childcare, for example:

"I only use a nursery two days a week for one child and I still pay £320 a month for that! I want to ease the pressure on overworked grandparents but we can't afford to pay for any more nursery fees. It's a vicious circle".

The inflexibility of part-time childcare places, for example charging a full-time rate if the parent even uses just one hour over part-time hours, also causes parents to depend on grandparents and other family members. This is discussed in the next section.

4.4 Flexibility of childcare services

Many parents were disillusioned about the high cost of childcare and the fact that in spite of the cost, some childcare providers are very inflexible, for example:

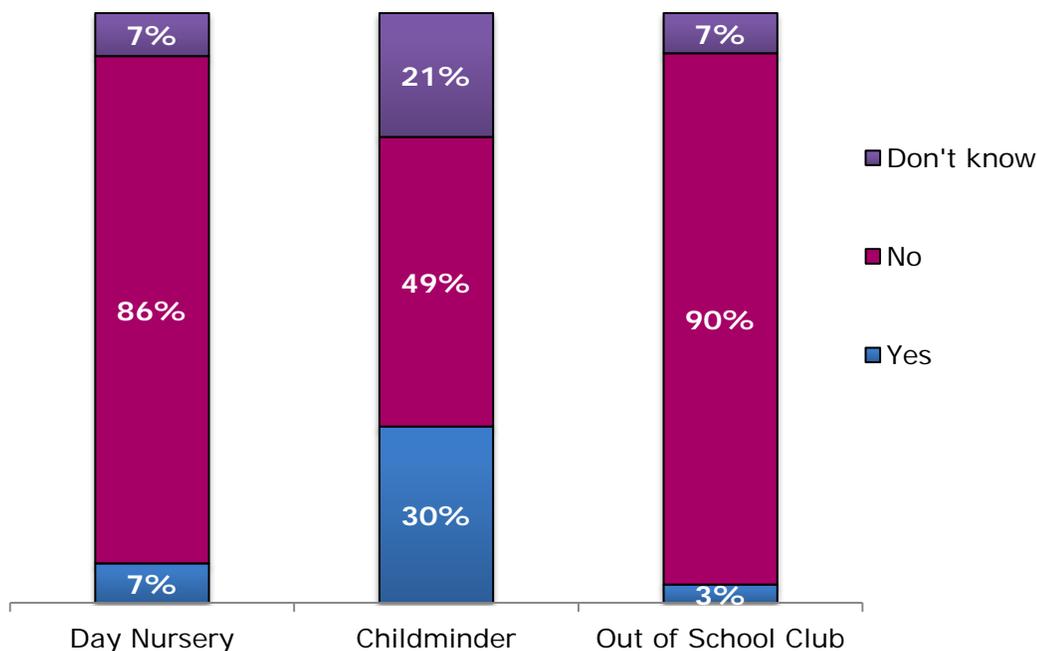
"Our childcare provider seems happy to take the money, plus additional fees - but seems very reluctant (understatement) at times to be flexible in our current arrangements, for example 1-2 times a year that you may need to change the days the kids are present (for whatever reason)".

The results have already shown that many parents rely on additional informal childcare to manage the inflexibility of formal childcare settings. We asked parents who used formal childcare if their childcare provider was flexible. The results are presented in Figure 16 by childcare type.

It is clear that childminders offer the most flexible childcare service, with almost a third (30%) of parents that use them stating that they were flexible. Although this is positive, the results still show that almost 50% of childminders are not flexible, and the results are worse when other forms of childcare are considered. Only 7% of

parents who used a day nursery and 3% of those who used an out of school club said that their setting was flexible.

Figure 16: Flexibility by childcare type



The inflexibility of formal childcare services is one reason for parents to turn to informal childcare types, either for a permanent pattern of hours or on an ad-hoc basis.

4.5 Impact of childcare costs on family income

4.5.1 Childcare costs in proportion to salary

The last three surveys have calculated the proportion of salary which is consumed by childcare costs¹. Each year, Northern Ireland's figure has sat at 44% of the average net weekly earnings (with the exception of 2011 when the figure rose to 45%). This year the figure still sits at 44%.

¹ Our calculations are based on DETI's Annual Survey of Hours and Earnings 2012. Net weekly earnings are calculated using gross weekly earnings minus basic rate tax and NIC (Tax code 810L, 32%)

Therefore parents who are paying average full-time childcare costs of £158 per week, for one child, are allocating, on average 44% of one parent's earnings to cover the cost of childcare. For families with two children, such as the majority of parents in the survey, the cost doubles. Table 7 shows the proportion of salary allocated to full-time childcare costs in both Great Britain and Northern Ireland.

Table 7: Proportion of salary allocated to childcare costs – full-time childcare

	Median Net Weekly Earnings	Average Weekly Full-time Childcare Costs	Total Proportion of salary
Great Britain	£393.88	£191	48%
Northern Ireland	£361.17	£158	44%

In Great Britain the average full-time childcare place costs on average £191 per week. When the same calculation is conducted, childcare costs make up 48% of the average weekly earning. This is 4% higher than the Northern Ireland proportion.

This is the first year we have collected information on part-time childcare costs. therefore we are now in a position to carry out a similar calculation based on part-time costs, see Table 8.

Table 8: Proportion of salary allocated to childcare costs – part-time childcare

	Median Net Weekly Earnings	Average Weekly Part-time Childcare Costs	Total Proportion of salary
Great Britain	£393.88	£101	26%
Northern Ireland	£361.17	£117	32%

Previous sections have shown that part-time childcare costs are higher in Northern Ireland than in Great Britain. Therefore it is not surprising that the results show

that in Great Britain part-time costs make up 26% of the average salary, this is almost half the percentage allocated to full-time costs (48%). In Northern Ireland there is only a 12% difference in the proportion allocated by parents between part-time and full-time costs. Indeed, part-time costs can take up almost a third of the average weekly earnings – for one child.

Although these figures are calculated on DETI's Annual Survey of Hours and Earnings, many parents have been affected by pay freezes and stagnant wages which have affected employees across each of the sectors. As such, many of the parents in the survey commented that their childcare costs have increased over the last year, but their salaries have not risen at all:

"In the 8 years that we have used a Registered Childminder, there has been an increase of £8 per day. This is an increase of almost 33%, an increase that we have not enjoyed in our own careers".

"Childcare is very expensive and the price rises every year, even though my pay has not increased. Therefore each year it's more of a struggle, but I have no option but to pay it as I have to work".

"Childcare costs are rising and salaries are not, I work for the department of education and have been on a pay freeze, whereas childminders increase their fees and want money in advance".

"The fees go up every year but my wages don't!"

For these families childcare costs become an increasing struggle as for many the cost of childcare ate up a huge proportion of their wage, even before an increase in costs. As with previous years, many parents commented on the proportion of their incomes that childcare consumes, for some it is the entire amount of one parent's salary:

"By the time I pay childcare, 50% of my wages are gone. It is a balancing act to decide if it is worthwhile to continue working".

"It would be nice not to have this large chunk of my wages taken up by child care. Its half my wage - sometimes wonder is it worth my while working".

"Childcare is far too expensive, I never have much of my wages left by the time childcare costs, on top of my other bills, are paid".

"It is extortionate - more than wipes out one salary".

The high cost of childcare has caused many parents to consider if they should continue working, this is a theme which will be discussed in more detail later in the report.

4.5.2 Struggle to meet costs

We asked parents if they struggled with their childcare costs, either throughout the year or at any point during it. 24% of parents answered 'yes' to the question. A higher percentage (39%) said that they sometimes struggled with the cost. The remaining 37% said that they did not struggle.

These findings show that for 63% of respondents the cost of childcare is a struggle either throughout the year or at some point during it. Although 37% said that they did not struggle, many of these parents commented that to manage their costs and to avoid struggling to meet them each month, they relied on informal childcare. The dependence of families on grandparents has been a major theme through the results of the parent survey, this section is no different:

"If we did not have the support of grandparents and our son had to attend nursery full-time we would definitely struggle with the costs".

"I would have more difficulty if I didn't have grandparents to rely upon".

"My salary does not cover the cost of childcare, hence why I need to rely on grandparents".

For many families the cost of childcare is the biggest, or one of the biggest, monthly outgoings, often the equivalent to a mortgage:

"The costs are substantial when compared with other household outgoings such as mortgages".

"By the time we pay child care and mortgage there is practically nothing left".

"It's our most expensive outgoing every month".

Many parents considered childcare to be a necessary payment which must be made, this is often at the expense of other items. For some families these items included essentials such as food and heating:

"This is an expense that just comes out every month like the mortgage. I have to reduce in other areas like food and heating in order to ensure that it is paid".

"We budget accordingly but £800 each month is a significant chunk of our disposable income. There are a lot of other things that we could be doing with this money to benefit our family".

"I always ensure we have enough to pay for childcare however it obviously impacts greatly on how we live in terms of budgets for other things i.e. clothes, food etc".

"It's a constant worry and struggle as to whether I can afford it or not and what I'll have to do without to pay my childcare costs".

For other families childcare costs meant sacrificing luxuries like family holidays and other treats, for example one parent commented "we just have to do without other things e.g. new clothes, holidays and treats".

Each of these themes have been apparent in the results of the last few year's surveys, however a new theme which emerged in this year's results paints a worrying picture of some families. Some parents commented that they sometimes have to use a credit card to afford either childcare or other essentials due to the high cost:

"I am always overdrawn at the end of a month. I sometimes have to use credit cards for food bills".

"Along with all our other household bills, there is nothing left at the end of the month and sometimes have to use credit card for groceries".

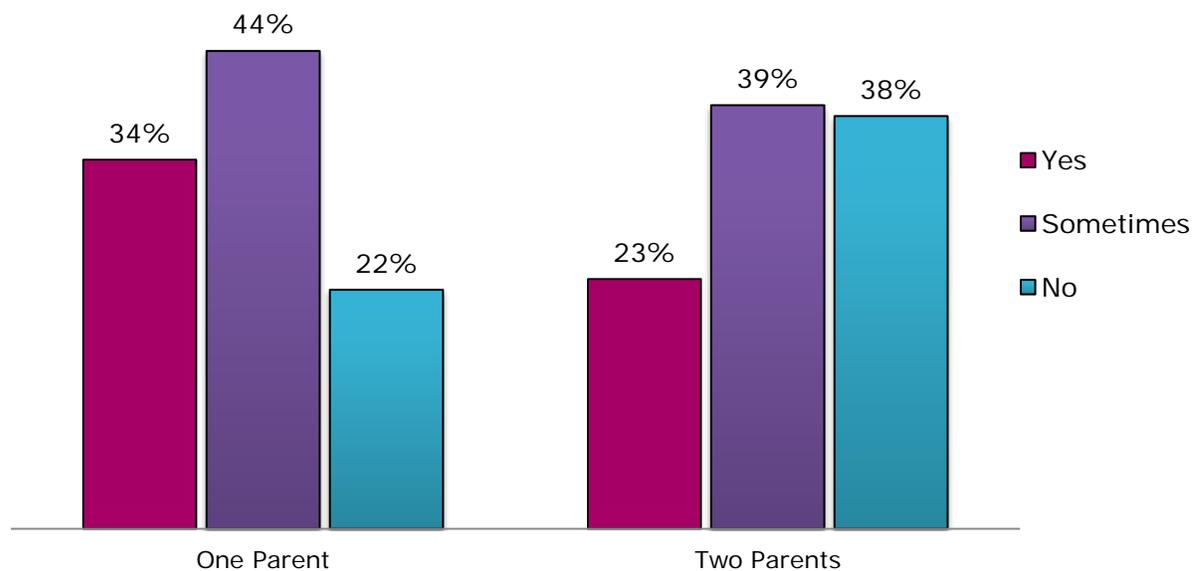
"Every month it's a struggle to meet the nursery bill, I sometimes have to use my credit card, it's a difficult and stressful balancing act!"

It is worrying that for some families the cost of childcare is so unaffordable that they must rely on other sources to meet the cost.

Family Type

In previous year's results have shown that one parent families struggle more with their childcare costs than two parent families. Considering that these families are dependent on one salary this is perhaps unsurprising, particularly considering that almost 30% of one parent families had an annual household income of £12,000 and under, compared to just 0.8% of two parent families. The results of this year's survey show a continuation of the trend, with 34% of one parent families stating that they struggled with their childcare costs compared to 23% of two parent families.

Figure 17: The struggle in meeting childcare costs by family type



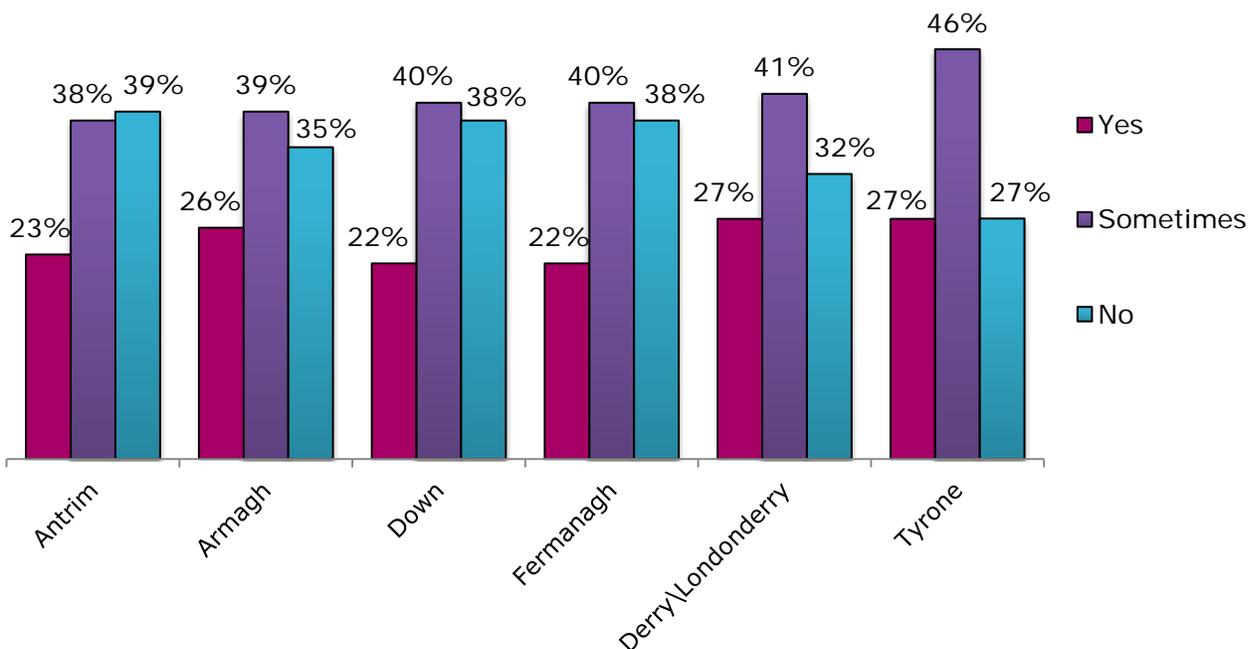
Interestingly, the proportions of two parent families struggling with their costs has not changed over the last year. Yet, a lower proportion of one parent families struggled with their childcare costs this year when compared to last year. Indeed last year's survey showed that 85% of one parent families struggled either throughout the year or at some point during it. This year the figure dropped to

78%. This change could be explained by the increase in one parent families who use informal childcare as their main childcare type in this year's results. In 2012 14% of one parent families used informal childcare as their main type. This year the figure rose to 25%, an increase of 11%. Based on the other findings of this report it is possible that this shift from formal to informal care was carried out to manage childcare costs.

County

Last year's survey showed that when the results were broken down by county, parents living in counties Antrim, Armagh and Down were less likely than parents living in the other three counties to struggle to meet their childcare costs. Figure 18 shows the findings of this year's survey.

Figure 18: The struggle in meeting childcare costs by county



This year's findings show an alignment of each of the counties' results, with a lower number of parents in counties Antrim, Armagh and Down stating that they didn't struggle with their costs and a lower number in counties Fermanagh and Derry/Londonderry commenting that they did struggle. County Tyrone is the only

exception, with 73% of parents struggling with their childcare costs either throughout the year or at some point during it. This is the highest percentage when each of the counties are considered.

4.6 Childcare and employment patterns

Other areas of this report have shown that in order to manage the cost of childcare parents use a series of mechanisms, for example using a mix of formal and informal childcare, using part-time childcare, and making other financial sacrifices. However, a common theme which runs through the results is the strained relationship between parents' employment and their childcare arrangements. We asked parents if the cost of childcare had impacted on the number of hours they worked or their working pattern. 46% of respondents commented that the high cost of childcare had caused them to reduce their working hours, either by changing to part-time work or by leaving the labour market altogether. 40% of parents commented that childcare costs had impacted upon the pattern of the hours they worked. For example, many commented that they had changed to a compressed hours working pattern whereby they work the same number of hours but over a shorter period of time. Other parents in the survey changed to shift work or began working during evenings and weekends to manage their childcare costs.

These findings mirror exactly the findings of last year's survey, showing that the cost of childcare has a continuing impact on parental employment patterns. It is clear that although this is an issue which affects both parents, more women than men reduce their hours of work due to childcare costs (50% compared to 40%). Yet the same percentage of women and men (40%) changed their pattern of work. The results therefore show that if a family is struggling with childcare costs it is more likely that the woman will reduce her hours or leave work altogether.

It is clear that childcare costs impact on parental employment; this is largely to do with the cost of childcare in proportion to earnings. Considering that for many the cost of childcare takes up a large part, if not all, of one parent's salary, the question for many parents is whether to stay in work and allocate a large proportion of their earnings to paying for childcare, or to leave work and look after the children

themselves. This is a difficult decision for parents, the qualitative survey responses show that for many parents in order to keep their job they are prepared to work at a loss:

"It was hard to find a balance where it was worth my while going out to work at all. But even though almost everything I earn goes towards childcare costs, it isn't forever and I need to keep my job".

"Working families are being crucified by the cost of child care. I have worked since I was 13 yrs old and the work ethic is in me. But I can see why people don't work. I am basically working to pay for child care to keep me in the work force".

"I have found childcare a large benefit to my family life although at times struggle with the fees. I do not want to give up my career or reduce my hours further. It is hard to find the balance between family life and work / childcare!"

"I have basically worked full-time at a loss for the first couple of years to hopefully gain in the future".

Although it may make financial sense to reduce working hours or change the pattern of hours worked, for many parents this decision can potentially cause long-term career damage, this is the deterrent for many parents:

"By asking to work reduced hours in the private sector may lead to loss of job and/or missing out on promotion opportunities".

"I need to work full-time to retain my grade as reducing hours would mean I couldn't do my current role and therefore it would not pay me to work full-time at a lower grade due to the childcare costs".

"I have worked too long and hard to carve a career to risk it all now but moving to a lower paid and probably less secure job".

"My husband was part-time and has just recently gone back to full-time despite this being of no financial benefit to us as his additional earnings are now cancelled out by childcare costs. The decision to return full-time was based on his long term career prospects and will actually leave us out of pocket in the short term".

Other parents feel that they have no choice and take the risk forfeiting career progression as a result:

"Working condensed hours impacts my progression in work. However it was the only way to avoid paying for childcare for two children instead of one".

"My wife only now works 3 days per week which has hurt her career prospects relative to colleagues".

"I have not applied for promotions in my career as it would entail flexibility of working late in the evenings. Jobs now require flexibility but do not have work life balance for working parents".

The link between high level employment and the need for flexibility was apparent in many of the results. Yet for many parents the inflexibility of formal childcare services (as explored in more detail earlier in the report) restricts the types of jobs they can fulfil. Therefore in addition to parents reducing their hours or changing their pattern of work in their current roles, other parents found that they had to change jobs altogether. For some parents this means taking a job which they are over qualified for, or one which is on a different career path:

"Having to pay for childcare has meant that I have made career decisions solely on reasons of availability and cost of childcare. I have been underemployed for quite some years because of this".

"I need to find new, more flexible, work, this will equal less pay and will not be on my career path".

It is worth noting that for some parents reducing their hours with the aim of also reducing their childcare costs is not a viable option. For example parents who rely solely on formal childcare can find that part-time childcare is just as, if not more, expensive than full-time care (see section 4.3.6). This places parents in the position that they have no choice but to work full-time in order to be able to afford childcare at all:

"I need to work full-time to be able to afford to pay for childcare as if I reduce my hours the amount my pay reduces does not reflect the amount of reduction in childcare cost as you get a discount for having your child in full-time".

"I am currently working 4 days per week as I want to have an extra day at home with my child; however the nursery only works out £20 per month cheaper than having my child attend nursery 5 days per week. Based on the minimum savings I am making and reduction in salary, I may have to increase my working hours and enrol my son 5 days per week".

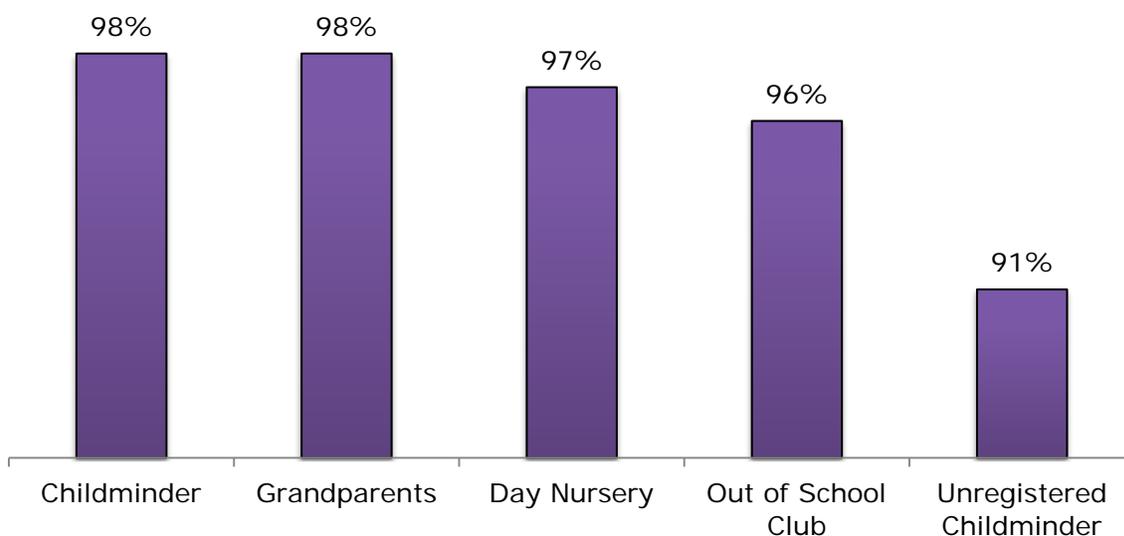
It is apparent in the results that for many parents work simply does not pay. Childcare services should enable parents to enter the workforce, yet this survey shows that on the contrary the high cost of childcare forces many parents to choose between their careers and their family finances. The lack of affordable childcare is therefore an economic issue.

4.7 Childcare Services in Northern Ireland

4.7.1 Quality of childcare

Over the last three years parents were generally very happy with the quality of care provided through their childcare provider. 97% of parents in this year's survey also stated that they were satisfied with the quality of care. Figure 19 shows a breakdown of the results by childcare type.

Figure 19: Quality rating according to childcare type



It is clear that across each of the childcare types parents were very happy with the quality of service. Grandparents and childminders received the highest percentages of satisfied parents. Although the figure for unregistered childminders is still high at 91%, it received the lowest result amongst the childcare types.

Although parents acknowledge that childcare is expensive, for many the quality of care is worth the price:

“Childcare is a large part of my salary and I think I earn a reasonable salary, I could possibly get cheaper childcare but I do not want cheaper childcare at the expense of quality, inexperienced, unregistered or overcrowded childcare as my child is in childcare full-time it is important it is appropriate and of high standard”.

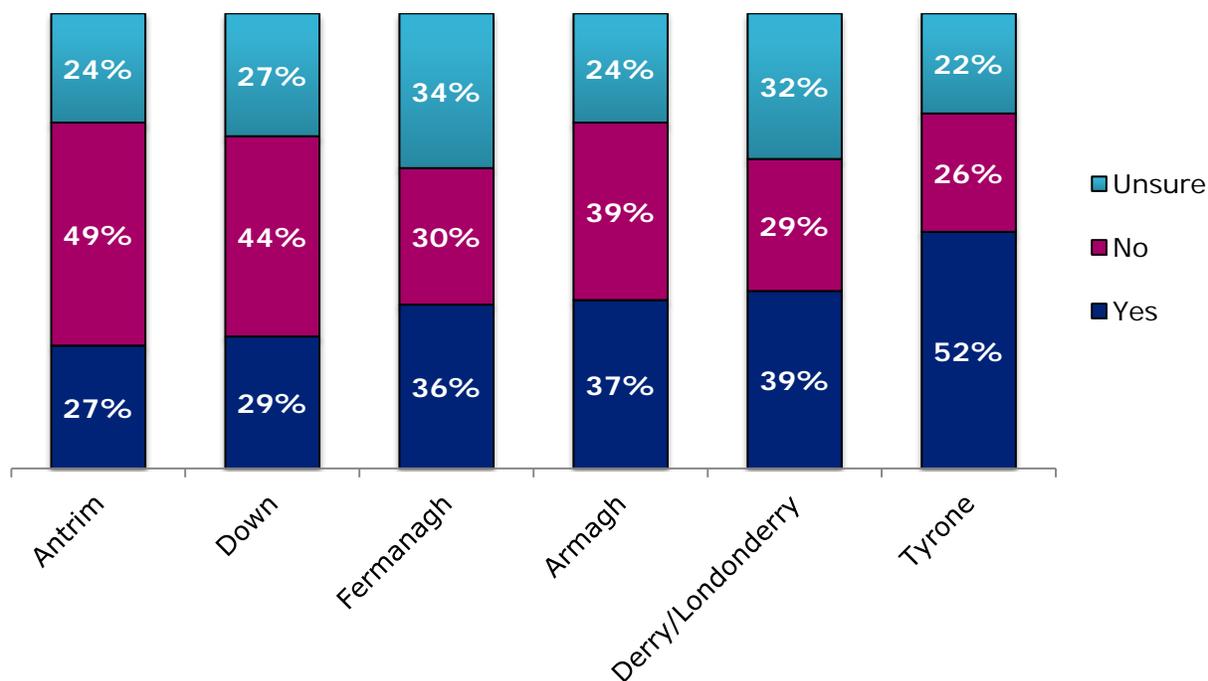
“We find childcare expensive and all the providers seem to charge roughly the same amount. In saying that our provider is excellent and maybe this is what it costs for such a good service?”

Only 3% of parents stated that they were not happy with the quality of service they received. In many of the qualitative responses the reason given for this was the inflexibility of childcare services, for example rigid opening hours and charging for late pick-ups. Some other parents commented that they could not find a quality childcare service. For example one parent commented “I think it is very hard to find high quality Childcare in Northern Ireland. I have heard more and more horror stories about a variety of settings”.

4.7.2 Childcare Accessibility

Almost a third of respondents in the survey (32%) stated that there was a lack of childcare in their area. A larger percentage of parents, 43%, said that childcare was not lacking. In order to establish in which areas parents felt there was a lack of childcare, the results have been broken down by county, see Figure 20.

Figure 20: Perceived accessibility of childcare by county



The breakdown of results reveals that over half of parents in County Tyrone perceived there to be a lack of childcare in their area (52%), this is the highest result from each of the counties. This is in contrast to last year's survey when over half (51%) of parents in County Fermanagh stated that there was a lack of childcare. This year Fermanagh's results showed a decrease in this figure, with 36% of parents noting a lack of childcare services.

Counties Antrim and Down still have the lowest percentage of parents stating that there is a lack of childcare (27% and 29% respectively). This is a trend which has continued since 2011.

Counties Fermanagh and Derry/Londonderry had two of the highest figures for perceived lack of childcare in last year's survey. Both have seen a decrease in this year's results. Although they are still amongst the highest of the counties, this is an interesting trend.

4.7.3 Information services for parents

It is generally acknowledged that there is a lack of childcare in Northern Ireland, in particular affordable and flexible childcare can be difficult to find. The qualitative results of the survey have pointed to both these issues, however to quantify parents' perceptions about finding suitable childcare we asked respondents to rate how easy they found it to access both affordable and flexible childcare. Table 9 displays the results.

Table 9: Parents' perception of finding information on childcare in their local area

	Very easy	Easy	Neither easy nor difficult	Difficult	Very difficult
Accessing affordable childcare in my area	2%	12%	35%	38%	13%
Finding flexible childcare in my area	2%	10%	34%	37%	17%

It is clear that when both flexible and affordable childcare are considered, respondents were more likely to state that such services were difficult, or very difficult, to access than easy, or very easy. Indeed, 51% of respondents rated affordable childcare as difficult or very difficult to find, compared to only 14% who said that it was easy or very easy to access. A slightly higher amount, 54%, of parents found flexible childcare difficult or very difficult to find. Furthermore only 12% of respondents found it easy or very easy to access flexible childcare. These findings correspond with the many qualitative responses received from parents across the general survey findings.

It could be argued that part of the problem for parents in sourcing suitable childcare is the lack of information about the childcare services that are available. The lack of information extends beyond helping parents source childcare, it also

covers information about financial help with childcare costs and about family benefits and entitlements. We also asked parents to rate how easy they found accessing information about financial help with childcare costs and information about family benefits and entitlements. Table 10 shows the results.

Table 10: Accessibility to information on financial support and family benefits and entitlements

	Very easy	Easy	Neither easy nor difficult	Difficult	Very difficult
Financial help with childcare costs	2%	17%	41%	30%	10%
Information relating to family benefits/ entitlements	1%	15%	39%	36%	9%

The results in Table 9 show that over half of parents found it difficult or very difficult to access suitable childcare. The results for accessing information were not as negative with 40% of parents stating that it was difficult or very difficult to access information on financial help with childcare costs and 45% giving the same rating to information on family benefits and entitlements.

Although the figures are not as high, the results still show that parents find it more difficult than easy to access information.

This year's results mirror last year's findings, showing that this is an ongoing problem for parents. There are, however, sources of information available to parents to help them find suitable childcare and also find information on financial support and family benefits and entitlements.

Employers For Childcare Charitable Group operates an information service for parents. We provide advice and information on the types of childcare which is available to families and also have a free online childcare search which is available to parents through our website. In 2010 we introduced a Family Benefits Advisory

service which provides parents with information on the family benefits and entitlements that they can claim based on their individual circumstances.

We do not receive any Government funding to provide our services, we operate as a Social Enterprise and are entirely self-financing. Although we help thousands of parents each year, there is a limit to how many families we can reach on our resources.

Parents can also access information about childcare facilities through the Family Support NI website provided by the Health and Social Care Board. It is clear, that although these two sources exist, more needs to be done to ensure that parents are aware of the information available to them. This is an area which will be addressed through plans under the Bright Start Strategic Framework for Childcare.

5. Conclusions

5.1 What does this report tell us about childcare costs in Northern Ireland?

The findings of this report show that childcare costs have increased over the last year. The average cost of a full-time childcare place now sits at £158 per week for one child. This means that for an average family with two children in full-time childcare the annual cost can amount to £16,432 per year.

For the first time the survey has carried out an analysis of part-time childcare costs. Interestingly, the cost for a part-time place is not proportional to the number of hours used in comparison to a full-time place. A part-time place costs around £117 per week on average; this is only £41 less than the full-time rate - almost the equivalent of one day's costs for full-time care. This phenomenon is unique to Northern Ireland. In the other regions of the UK part-time childcare is charged at a more proportional rate to full-time childcare.

In addition to main childcare costs, many settings also charge additional fees to parents, for example to cover school pick-ups and drop-offs, the cost of lunches and snacks, retainer fees and 'wear and tear' fees to name a few. Each of these additional charges increases the family's overall childcare bill.

The findings show that childcare is becoming increasingly expensive for families. The strain that high childcare costs place on families is apparent in the parents' survey results with 63% of families struggling to meet their childcare costs either throughout the year or at some point during it. Furthermore, childcare costs for one child make up 44% of the average weekly earning.

The parent results show that in order to avoid paying the high cost parents employ a number of mechanisms to manage financially. These mechanisms include relying on informal childcare, making financial sacrifices and changing employment patterns to manage the cost. It is worrying however that even when these measures are in place, families still struggle with their childcare costs.

Therefore, although we can measure the actual financial cost of childcare, the true cost of childcare is not monetary. The mechanisms which parents employ to manage the cost and the impact that they have is what childcare costs in reality. Three clear areas stood out in the results, the impact on grandparents; the impact on family lifestyle; and the impact on employment. These will now be discussed in turn.

5.1.1 Childcare costs and grandparents

It is very clear from the results that many families rely heavily on the support provided by grandparents, and to a much lesser extent other family members. The main reason for this reliance is the cost – grandparents provide vital hours of childcare at little or no cost, and in the majority of cases refuse to accept payment. Although some families use childcare provided through grandparents in emergency, ad-hoc circumstances, for many parents care provided by grandparents is built into the weekly or monthly pattern of childcare. Formal childcare services fit in around informal childcare, thus enabling families to lower their childcare costs, yet still fulfil their childcare needs.

It is interesting that many of the grandparents mentioned in the survey are also working. Those who are employed part-time can provide care on their non-working days. Other grandparents change their working hours to accommodate the family's childcare needs. In this respect the organisation of childcare is more complex; it becomes a responsibility shared by both the immediate and the wider family circle.

Many of the characteristics of the type of childcare provided through grandparents highlight the failings in the current childcare infrastructure. Firstly, grandparents provide more flexible childcare than formal childcare services. The care provided is more realistically based on parental working patterns, particularly for those parents who work outside the normal Monday to Friday, 9am to 5pm, or those who have to commute to work. The inflexibility of formal childcare services conflicts with parents' working patterns and can often incur additional childcare costs. Secondly, and perhaps more prominently, the lack of affordable formal childcare causes many

parents to turn to grandparents for support. Otherwise childcare can become unaffordable for families.

Grandparents, therefore, provide an important service for families. Without their support many parents would struggle and the impact childcare costs have on families would be more severe.

5.1.2 Childcare costs and family lifestyles

Many parents commented that childcare costs are their largest outgoing each month, for many even above mortgage or rent payments. Childcare is viewed as one of the most necessary payments, therefore other items are sacrificed in order to meet the cost. For some these items were branded as luxuries, such as new clothes, holidays or entertainment. However, for other families these items included essentials such as food and heating. Worryingly a number of families commented that the cost of childcare caused them to rely on using credit cards to meet outstanding payments.

The cost of living has increased significantly over the last few years, yet wages have remained fairly stagnant. Furthermore, it is arguable that families in particular have borne the brunt of many of the Government's austerity measures. The cuts to various family benefits, entitlements and other social security benefits has placed many families in difficult financial circumstances. The Government aims to make work pay, yet for parents the cost of childcare is adding to the financial problems many families find themselves in. For the parents in this survey the wages earned from working can be almost entirely allocated to childcare costs. This impacts on family lifestyles as there is less disposable income for other items, both essential and non-essential.

5.1.3 Childcare costs and employment

The conflict between employment and the cost of childcare places many parents in a catch-22 situation. Childcare services should enable parents to work and earn a wage, yet when the cost of childcare consumes the majority of the earnings, many parents are left with the decision to either work at a loss or leave work altogether.

For some parents the compromise is to reduce their working hours or change their pattern of work. However this decision comes with the risk of causing long-term career damage, even when employees simply reduce their hours.

With almost 50% of the respondents in the survey stating that childcare costs had impacted on the number of hours worked, the economic impact that the lack of affordable childcare has is apparent. The fact that more women than men reduce their working hours or leave the workforce altogether shows that this also has a significant gender impact. Many of the parents who commented that they had reduced their hours did so knowing that it would likely impact on their future career progression, but felt that they had no choice. Furthermore, a large number of parents are 'under-employed' because of the lack of affordable and flexible childcare.

Again there is a link not only between the cost of childcare and employment, but also between the lack of flexibility in formal childcare and its impact on parental employment. Higher level jobs regularly require a higher level of flexibility, for example longer working hours and antisocial hours, both of which 'normal' formal childcare services will not facilitate. This leaves parents in a difficult situation. For those without the support of informal childcare to rely on, it is impossible to fulfil the requirements of such job roles. This again impacts on parental career progression.

Childcare and employment should complement one another; instead the cost of childcare is having the opposite effect and causing parents to question whether it is worth their while working at all.

5.2 The true cost of childcare

Childcare costs are increasing year on year, but many families commented that their wages are not increasing by the same extent, meaning that childcare is becoming more and more unaffordable. The results have shown that families will alter their circumstances, for example using a mixture of formal and informal childcare, making financial sacrifices and changing employment patterns, in order

to keep working. It is apparent in the results that for most leaving work is a last resort, so much so that many parents are prepared to work for years at a financial loss in order to stay in the workforce. The mechanisms which parents use to continue to avail of childcare and manage the overall cost do not come easily and can put additional strain on the wider family, can impact heavily on family finances, and can potentially cause long-term career damage. This is the true cost of childcare for families.

5.3 How can this be addressed?

The findings of this year's Childcare Cost Survey highlight two main problems which parents encounter with current childcare provision: lack of affordability and flexibility. There is also a need for better information services, not only for helping parents access suitable childcare, but also on the financial assistance which is available with the cost of childcare. These are therefore all key areas which need to be addressed to support parents who are using childcare.

The *Bright Start* policy framework (the precursor to the Childcare Strategy), which was recently released, aims to take the first steps in addressing the problems associated with childcare in Northern Ireland. The policy document outlines six underlying principles: affordability, accessibility, sustainability, an integrated approach, quality and informed parental choice. The framework introduced a series of key actions which will be implemented before the end of this financial year. Taken together these actions aim to increase the number of overall childcare places, pilot a new approach to wraparound childcare, and address the lack of childcare in both rural areas and for children who have a disability. The need for better information services and childcare workforce development are also included. Although the framework sets out these actions it does not detail how they will be achieved, nor are any measures of progress or achievement outlined.

The document itself makes references to the need for suitable childcare to enable parents to enter and remain in the workforce, leading to enhanced economic activity. This reflects the findings of the survey which show that without suitable, affordable and flexible childcare parents are forced to make difficult decisions about

staying in the workforce. However, one of the other key findings from the report is the need for flexibility in formal childcare. The results show that the lack of flexible childcare services encourages greater use of informal childcare and hence puts increased pressure on the wider family, particularly grandparents. Furthermore, the lack of flexibility can limit the types of jobs parents can apply for, particularly in higher level employment. The *Bright Start* framework does make reference to the need for flexible childcare services, however it is disappointing that such a prominent issue is not considered to be a key principle in the framework, particularly since much of the document focuses on building on and improving the existing childcare system. Encouraging providers to increase the flexibility of their services is one action which could be achieved under this commitment.

It is positive that the need for greater information services is recognised in the framework document. The information available around the financial support for childcare costs is a key area which needs urgent action. The findings of the survey have shown that parents are clearly struggling with the cost of childcare, so much so that its impact reaches far beyond the family budget. Although there is financial help available, many parents (40%) found information about their entitlements difficult to access.

The findings of this survey have shown that the impact of the lack of affordable childcare has reaches far beyond the family budget. Childcare affordability is one of the main problems associated with childcare in Northern Ireland, which if addressed will ease the burden on many families, financially and otherwise. This said, each of the problems associated with childcare cannot be considered in isolation. Our findings have shown that the main issues parents have with childcare are interlinking and each taken together, or alone, create significant problems for families in finding a childcare service which meets their needs. This in turn has other social and economic effects. The interlinking effects of the lack of affordability and flexibility in childcare are one example of this which is apparent in the survey results.

This leads to an important conclusion, for a Childcare Strategy to be fit for the purpose a childcare infrastructure which makes inroads to address each of the problems with current provision combined must be created.

On face value, the *Bright Start* framework appears to put forward key actions and objectives which will work towards addressing the main issues associated with childcare. Yet the lack of detail and clear plans of action make it difficult to envision how this will work in practice. It is positive, however, that the framework document states that further engagement with key stakeholders will be involved in the development of the final Childcare Strategy. The findings of this report will be used to take part in this process.

6. References

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7. Appendix

Approved Home Childcare

This report does not take into account the cost of childcare provided through Approved Home Childcarers. In Northern Ireland childcarers who care for children in the family home, which are not required to undergo the registration process, can be approved by the Health and Social Care Trust (HSCT). The Approved Home Childcare Scheme was introduced in Northern Ireland in 2006. The scheme allows childcarers to be formally recognised, checked and regulated by the HSCT.

In 2012, Employers For Childcare Charitable Group established a new Social Enterprise, Approved Home Childcare, which matches Approved Home Childcarers and families in Northern Ireland, filling a gap in the childcare market.

The Approved Home Childcare service recruits home childcarers and supports those who are not currently approved through the HSCT's approval process through the provision of training and support. Once the childcarers have completed the strict recruitment process they can be matched with families.

The Approved Home Childcarers provide a formal, quality and tailored childcare service to families. Families only pay for the hours of childcare they use. The cost of the service is calculated on the individual family circumstances. The family is charged per hour not per child, no retainer fees or holiday fees are charged. Therefore an average cost cannot be calculated in the same way as it can for other formal childcare services.

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