

employers

For Childcare

charity

2015 Childcare Costs Report: Key Findings



Employers For Childcare Charitable Group was established in 2002 with the aim of supporting parents to get into work and to stay in work.

Our range of charitable services aim to help families strike a work-life balance, and include:

Family Benefits Advice Service

Our Advisors work with parents to make them aware of the potential support available. They offer free one-to-one confidential benefits advice relating to childcare costs, including tax credits, Childcare Vouchers and flexible working arrangements.

Research, Policy and Lobbying

We undertake both quantitative and qualitative research which provides us with the evidence to lobby Government on childcare, family and work-related issues.

Call 0800 028 6538 or email us at info@employersforchildcare.org.

Introduction

This booklet details the key findings of the Northern Ireland Childcare Cost Report 2015. The report details the cost of childcare and explores the impact high childcare costs have on local families.

It is based on data collected from over 900 childcare providers and almost 5,000 parents across Northern Ireland.

The full report can be downloaded from www.employersforchildcare.org



How much does childcare cost?



This has increased by **1.2%** since 2014 – higher than the rate of inflation

Highest to lowest average weekly full-time costs by county:

Highest

Antrim
Down
Armagh
Derry/Londonderry
Tyrone
Fermanagh

Lowest



Use of childcare

57%

of parents said there was insufficient childcare provision in their area.

98%

were happy with the quality of care provided by their childcarer.

8%

used only informal childcare.

41%

used a mix of formal and informal childcare.

2%

covered childcare themselves.

49%

of parents used only formal childcare.



Informal childcare use



78% of all informal childcare use was provided by grandparents.

Grandparents typically provide **20 hours of childcare a week** for families.

The main reason parents rely on informal childcare is to lower the childcare bill, however parents mentioned a range of benefits and disadvantages associated with informal care:

Benefits of informal childcare:

- Home environment for children
- Encourages bonding with grandparents
- Strengthens grandparent-grandchild relationship
- Grandparents contribute to upbringing





Disadvantages of informal childcare:

- **Impact on grandparents**
 - More pressure/responsibility
 - Restrictions on time
 - Reduced earning power
 - Impact on health and wellbeing
- **Impact on parents**
 - Guilt about relying on grandparents
 - Worry about future care arrangements



The affordability of childcare

On average

45% of earnings
are allocated to
childcare.

Parents using only
formal childcare
allocated a greater
proportion of their
income to cover the
childcare bill.

Parents commented that the Government has a role in making childcare more affordable, such as introducing:

- A fixed rate for costs
- Subsidies
- Free childcare places
- Workplace nursery provision
- Financial assistance for grandparents

Childcare and other household bills

The average mortgage payment is **£139** per week, compared to **£164** per week for an average full-time childcare place.

25% of respondents told us their childcare bill **exceeded** their rent or mortgage payments.

After housing costs, the **childcare bill** is the **largest** monthly outgoing for families.



Childcare costs and family finances

61%

of parents struggled with their childcare bill either throughout the year or at some point during it.

56%

of parents said their childcare costs placed them under increased financial pressure

24%

of parents regularly used credit cards, loans from family or friends, or payday loans to pay their childcare bills.



Impact of making financial sacrifices to afford childcare...



- **Financial instability**

- No/reduced savings
- Unprepared for emergency payments
- Just making ends meet

- **Less disposable income**

- Lifestyle changes
- Less non-essential spending (e.g. entertainment, holidays)
- For some families essential items are reduced (e.g. food and heating)

- **Relying on other methods of payment (loans, credit cards)**

- Mounting debt
- Vicious cycle



Childcare and employment

46% of parents reduced their working hours or left work altogether due to the high cost of childcare.

44% of parents changed their working patterns due to high childcare costs.

Impact of changing work arrangements:

- Career impact
- Reduced earning power
- Impact on parental and family wellbeing



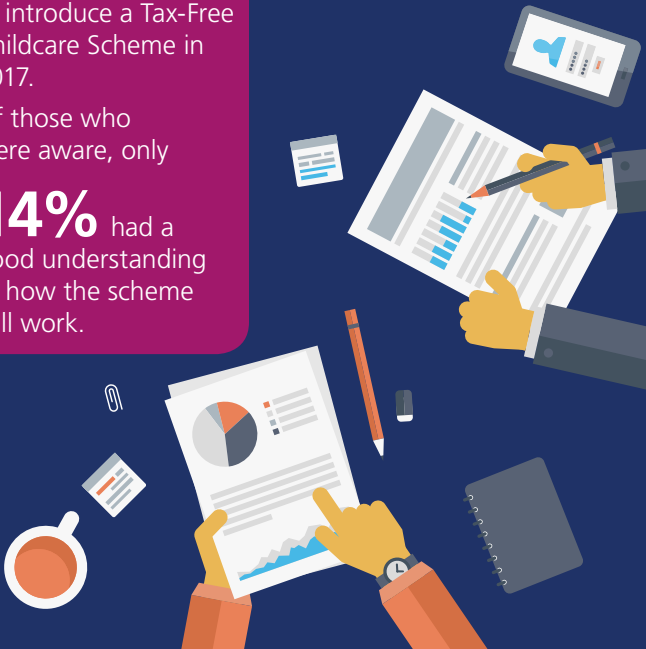
Availability of information

51% were unsure they were claiming all the financial help available to them.

59% of parents were unaware of Government plans to introduce a Tax-Free Childcare Scheme in 2017.

Of those who were aware, only

14% had a good understanding of how the scheme will work.



Conclusions

The cost of a childcare place has risen again over the last year, despite the rate of inflation sitting at 0.0%.

Our findings show that childcare costs place families in difficult financial circumstances and can force them to make tough decisions about family, work and spend.

Policy makers in Northern Ireland are currently working on a Childcare Strategy for the region, and although we welcome this development, we believe that the strategy should contain more firm commitments, and in particular more of the proposed measures should be focused on affordability.

There is a crucial need to promote existing financial assistance for families, both now and in the coming months when there will be a series of changes to the support available.



Each year more and more financial help is drawn away from families, yet the cost of childcare continues to grow. High childcare costs act as a barrier to work and childcare use; now that childcare is on the political agenda the opportunity to address affordability cannot be missed.





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