

employers

For Childcare

charity

2014 Childcare Costs Report: Key Findings



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

Our charitable services include the Family Benefits Advice Service which provides free, impartial and confidential advice and information on:

- Tax Credits
- Childcare Vouchers
- Social Security Benefits
- Free School Meals
- School Uniform Allowances
- Maternity/Paternity Leave and Pay
- Flexible Working Options
- Finding Childcare in your area.

Contact us now for your free benefit entitlement check on **0800 028 6538** or **028 9267 8200** or email **info@employersforchildcare.org**

Introduction

This short guide summarises the key findings of the 2014 Childcare Costs Report. It is based on data collected from over 980 childcare providers and 4,200 parents across Northern Ireland.

**For the full report please visit
www.employersforchildcare.org**



How much does childcare cost?



This has increased by **2.5%** since 2013 – higher than the rate of inflation

Average costs:



How do childcare prices vary across Northern Ireland?

97% are happy with the quality of childcare provision

Highest day nursery costs (£163 per week) and childminding costs (£173 per week)

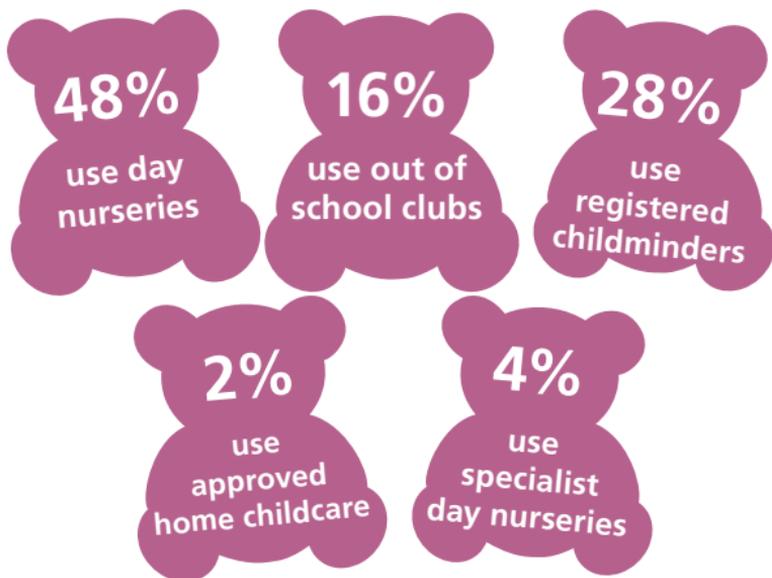


Lowest day nursery costs (£129 per week) and childminding costs (£136 per week)

61% of parents said there was insufficient childcare provision in their local area



Usage of formal childcare



Usage of informal childcare



Mixing formal and informal childcare

Families relying on **formal** childcare are more likely to allocate a **larger proportion** of their pay to childcare.

Using a mix of formal and informal childcare reduces the impact on family budgets.

Families paid:



Childcare costs as a proportion of family incomes

On average **44%** of earnings are allocated to childcare.

£136

per week

Average weekly mortgage payment

compared to

£162

per week

Average full time childcare place or one child

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

Impact of childcare costs on family finances

58% of parents struggle with childcare costs throughout the year or at some point during it

48% of respondents said childcare costs placed them under increased financial pressure

49% of parents were unsure at whether they were claiming all of the family benefits and entitlements that are available

22% of respondents regularly used credit cards, loans from family or friends or payday loans to pay their childcare bills

27% of respondents told us their childcare bill exceeded their rent or mortgage payments

Impact of childcare costs on employment

51%

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



46%

of parents
changed their
working
patterns due to
childcare costs



**Examples of changing
working patterns:**

working
weekends
and evening

parents
using their
annual leave
entitlements

Changing employment patterns impacts negatively on:

**career
progression**

**family
life**

**family
incomes**

**parental
well-being**

**working
opposite
hours to
each other**

**using
flexi-time**

**working
compressed
hours**

**What do parents think could
be done to make childcare
more affordable?**

**capping
childcare costs**

**subsidising
childcare**

**introducing
tax breaks**

**extension of
the Childcare
Voucher Scheme**

**introduction of a
standardised, flat-rate,
costs across providers**



**Childcare loan
supplied by
government**

**government should
help to subsidise
workplace nurseries**

**grandparents should be
eligible for some form of
financial assistance**

**childcare should
be universally available
and not means-tested**

**government
should
impose
stricter
regulations
on employers
with regards
to flexible
working
and the
availability of
part-time jobs**

Overall impact of childcare costs



On parents

- » childcare costs place a significant financial strain on families
- » many families are making significant financial sacrifices to manage their costs
- » Risk of in-work poverty
- » Career progression
- » Child development



On older generations

- » 78% of all informal childcare usage was provided through grandparents

- » may not be sustainable in the long term due to the extension of the retirement age and the impact of people having children later in life compared to previous generations
- » increases costs through the need for additional recruitment and/or training
- » economic inactivity increases



On local labour market and economy

- » Over half of the parents in the survey commented that they had changed their working hours because of the cost of childcare. This impacts on local employers because productivity reduces
- » risk losing staff if childcare becomes financially unviable



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