

2016

Northern Ireland Childcare Cost Survey

The seventh annual Childcare Cost Survey to be carried out in Northern Ireland, analysing the experiences of using and paying for childcare services.



October 2016

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Foreword

I am delighted to present the seventh annual Childcare Cost Survey for Northern Ireland. It is hard to believe how many years have passed since we first recognised the need to track the rising cost of childcare and the impact this has on local families...

Shockingly, since 2010 childcare costs have increased from an average of £155 per week to £168 per week. Indeed over the last year, not only has the cost of childcare rapidly exceeded the rate of inflation, more parents than in previous years have told us that they struggle to meet their childcare bill.

In 2016 a third of parents reported that their childcare bill was higher than their mortgage or rent payments; over half are under increased financial pressure as a result of paying for childcare; and one in four use means such as credit cards, overdrafts, loans or payday loans to ensure childcare costs are met. These are figures which we cannot ignore.

Amongst the statistics and numbers are the voices of local parents, those who are concerned about their family's financial security; those who are torn between working to pay for childcare or leaving the workforce; those who are worried about the impact providing childcare has on grandparents; the list goes on.

Despite the efforts of organisations like ourselves to raise childcare as an issue which needs political attention, little progress has been made. Like many, we were optimistic when the last Programme for Government committed to producing a Childcare Strategy for Northern Ireland by 2015. We are now in the next Programme for Government period and still awaiting the Childcare Strategy. This is not to say that no progress has been made – in 2013 the Bright Start framework was launched with the aim of addressing the main problems with childcare provision, a result of which is the School Age Childcare Grant Scheme.

£12 million was also allocated to improving childcare provision, yet despite the blatant insufficiencies in the childcare infrastructure, there are still millions waiting to be spent.

The political structures at Stormont have undergone a transformation in recent months as a result of the May elections and restructuring of departments. Responsibility for childcare policy now lies with the Department For Education.

We are hopeful that the new Programme for Government will commit to publishing the Childcare Strategy with urgency and that the Department for Education will use this opportunity to finally give childcare the recognition and resources it requires.

Marie Marin
Chief Executive

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1. Key Findings

Northern
Ireland
Childcare Cost
Survey 2016

Cost of childcare:

- The cost of a full-time place **has risen to £168 per week**. This represents an increase of 2.4%, 1.9% higher than the rate of inflation¹.
- A full-time day nursery place costs on average **£166 per week**, an increase of 5% on last year's figure.
- Childminding costs **decreased by 0.5%** over the last year and now sit at an average of £169 per week.
- As in previous years, **the highest full-time average costs are found in Counties Antrim and Down** (£175 and £172 per week respectively).
- **The lowest costs are recorded for counties Tyrone and Fermanagh** (£154 and £139 per week respectively).

Childcare in comparison to income and household costs:

- This year **average weekly costs consume 43%** of the median net weekly earning.
- A **third of parents** told us that the childcare bill was their largest monthly outgoing.
- After housing costs the **childcare bill was the largest monthly outgoing** for families, exceeding grocery bills, heating, transport and other household costs.

Impact of childcare costs:

1. Financial impact

- **63% of parents struggled to meet their childcare bill** either throughout the year or at some point during it.
- 55% of parents said the cost of childcare **put them under increased financial pressure**.
- **25% of parents regularly used credit cards, loans from family or friends or payday loans to pay their childcare bill**. Worryingly 5% of these parents regularly used payday loans to cover the cost of childcare and make ends meet.

¹At the time of writing.

2. Impact on Work

- **50% of the parents reduced their working hours or left work altogether** because of the cost of childcare.
- **More mums (55%) than dads (33%) reduced their working hours or left work altogether** due to the cost of childcare, indicating that mothers still bear the majority of caring responsibilities.
- **43% of parents changed the pattern of their working hours**, for example choosing flexi-time, shift work or compressed hours.

3. Family Impact

- The cost of childcare and its impact on work **affects family relationships for many parents**. It is clear that parental and family wellbeing, including mental and emotional health, is affected.
- **81%** of all informal childcare used by parents in the survey was provided by grandparents.
- **The role grandparents play in supporting parents to work is crucial for families** but can be detrimental to their own circumstances, physically, mentally, socially and financially.

Quality and Provision of childcare:

- **98% of parents stated that they were happy** with the quality of the care provided by their provider.
- 59% of parents said there was **insufficient childcare in their local area**.
- Parents living in Fermanagh and Tyrone were **more likely to comment on a greater lack of childcare** compared to those in Antrim or Down.
- **36%** of parents said it was difficult or very difficult to access affordable childcare and **47%** said it was difficult or very difficult to access flexible childcare.

Information:

- **34%** of parents found it difficult or very difficult to access information on the financial help with the cost of childcare. **37%** found it difficult to access information on family benefits and entitlements.
- **50% of parents are unsure that they are claiming all the family benefits and entitlements** available for their family.
- Only 31% of parents had **an awareness of the new Tax-Free Childcare scheme**, which will be introduced in 2017. Of these parents only 15% had a good understanding of how it would work.

Introduction

This is the seventh annual Childcare Cost Survey Employers For Childcare has conducted.

We began data collection in May 2016, at a time when the NI Assembly had re-formed and significant department restructuring had taken place.

At the time of writing we are still awaiting a full Childcare Strategy for Northern Ireland and are hopeful that a commitment to publish this will be included in the forthcoming Programme for Government.

The previous Programme for Government committed to publishing a Childcare Strategy but failed to deliver, providing only the Bright Start Framework which sought to deal with the main problems associated with local childcare provision.

As with previous years, our findings provide a bleak picture of local families. The cost of childcare continues to be a significant financial burden, which impacts on other issues such as family wellbeing and parental working patterns.

The following sections detail the change in childcare costs since 2015, depicting a rise in full-time average costs to £168 per week.

The report also explores the impact childcare costs have on local families and how parents manage their childcare bill.

We will use the findings to continue to lobby for better support for families, a call which is ever more urgent due to the changes to childcare support which will begin to roll out from next year.

Childcare Costs in Northern Ireland –

2. Childcare Provider Results

During May and June 2016, we contacted all day nurseries, childminders and out of school clubs in Northern Ireland and asked them to detail how much they charged parents for their services.

987 childcare providers responded, allowing us to calculate average childcare costs across each of the counties for each childcare type.

The results are detailed over the following pages...

Childcare Costs in Northern Ireland – 2. Childcare Providers Results

Private Childcare Costs: Full-Time Costs

Parents working full-time hours will typically require 50 hours of childcare a week; the majority of childcare settings which offer full-time places open between 8am and 6pm Monday to Friday.

The 2015 Childcare Cost Survey calculated that the average full-time childcare place cost £164 per week.

This year's results show that over the last year **the cost of a full-time place has risen to £168 per week.²**

This represents an increase of 2.4%, 1.9% higher than the rate of inflation.

Table 1 sets out the private weekly childcare costs recorded from this year's survey.

Table 1: Private full-time weekly childcare costs 2016

	Full-time	
	Day Nursery	Childminder
Total Average Cost	£166	169
Total Full-Time Average Cost	£168	

The key findings from this year's results are as follows:

General Costs

- A full-time day nursery place costs on average £166 per week, an increase of 5% on last year's figure of £158 per week.

Day nursery costs have risen steadily since 2013, however the increase from last year is the largest to date.

- Childminding costs decreased by 0.5% over the last year and now sit at an average of £169 per week.

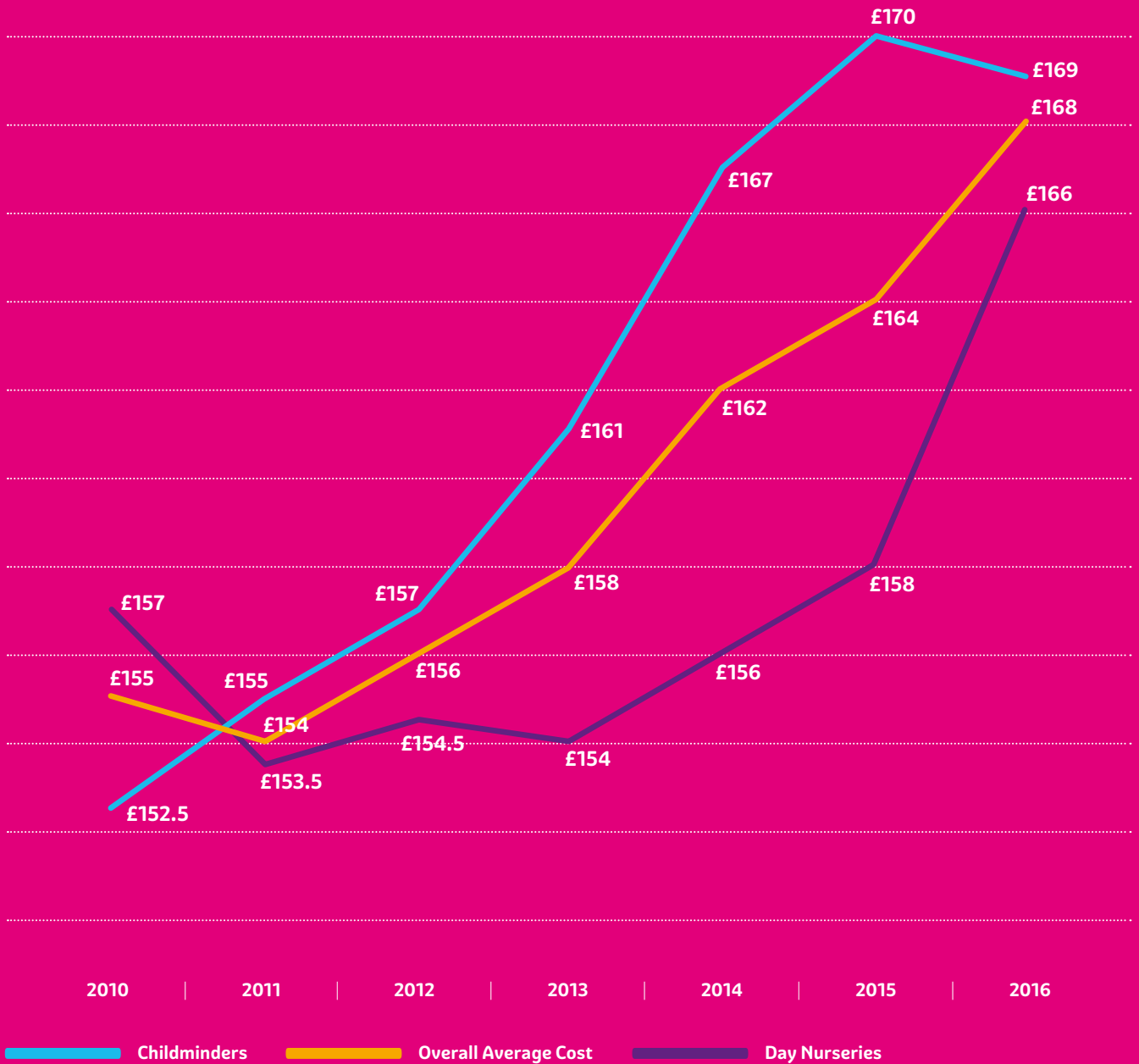
- Once again childminding costs exceed day nursery costs. This year there is a £3 difference between the average cost of a childminder and a day nursery place, compared to a £12 difference in the 2015 results.

This shows how steeply day nursery costs have risen over the last year, while childminding costs have remained similar to last year's results.

²At the time of writing

Figure 1 shows the change in full-time costs since 2010, including overall average costs and those for day nurseries and childminding settings.

Figure 1: Change in full-time private childcare costs 2010-2016³



³ See Northern Ireland Childcare Cost Surveys 2010-2015 for data, available at www.employersforchildcare.org/charity/reports (accessed 07/09/2016).

Childcare Costs in Northern Ireland – 2. Childcare Providers Results

Childcare Costs by County

Table 2: Full-time childcare costs by county 2016

50 hours per week...	Day Nursery	Childminder	Average Full-Time Total
Antrim	£174	£176	£175
Down	£172	£171	£172
Armagh	£164	£174	£169
Derry/Londonderry	£157	£163	£160
Tyrone	£146	£161	£154
Fermanagh	£137	£141	£139

As in previous years, the highest full-time average costs are found in Counties Antrim and Down (£175 and £172 per week respectively). The lowest costs are recorded for counties Tyrone and Fermanagh (£154 and £139 per week respectively).

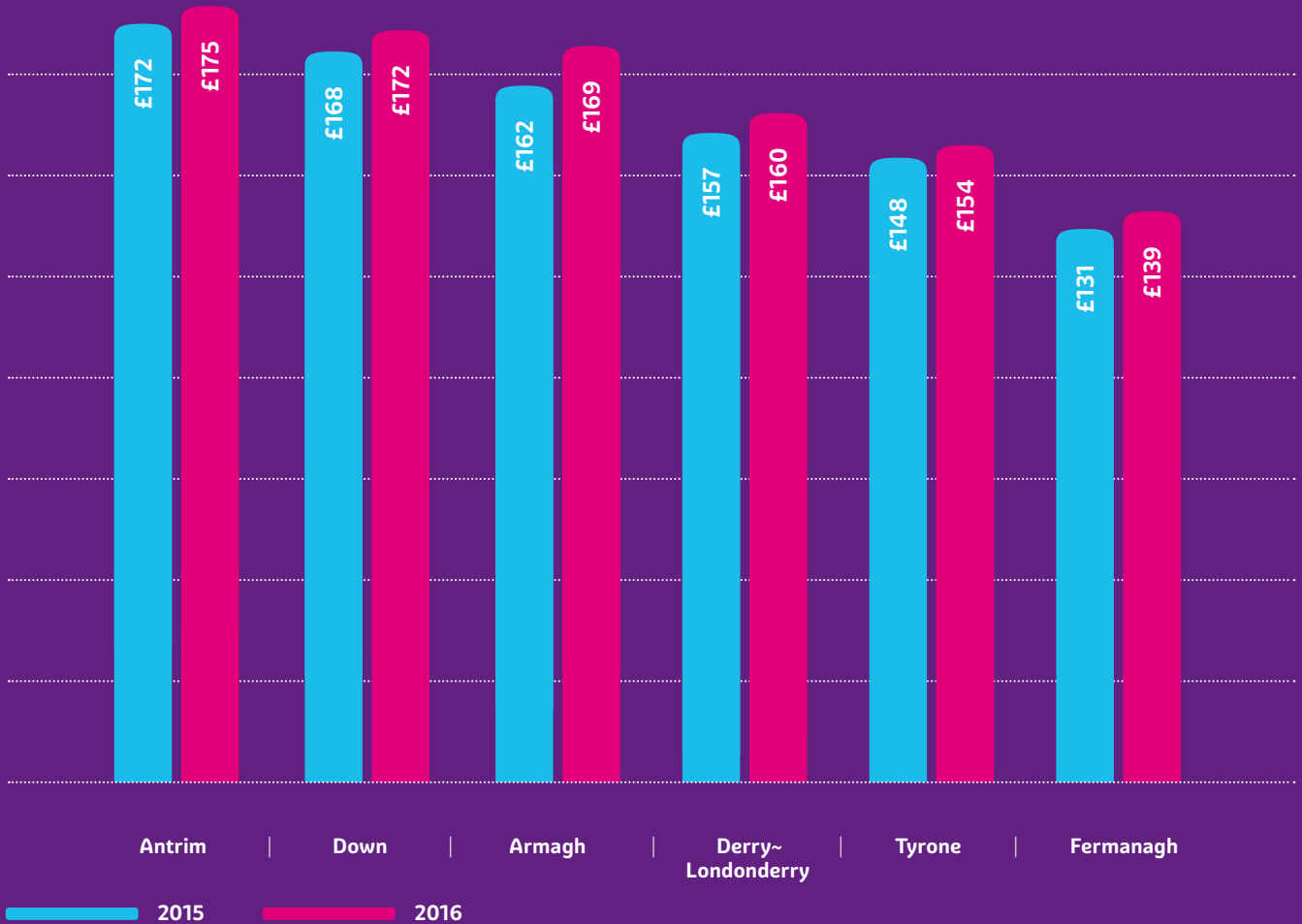
Once again, costs in Fermanagh are much lower than in the other counties.

The total average costs in each of the counties have increased over the last year. The highest increase was in County Fermanagh, in which the average full-time cost increased by £8.

There is a £36 difference between the highest average costs, in County Antrim (£175 per week), and the lowest average cost in Fermanagh (£139 per week).

This figure has narrowed over the last year by £5, showing the higher than normal rise in Fermanagh's costs.

Figure 2: Average full-time private childcare costs per week by county (2015-2016)



- To break down the results by childcare type, County Antrim has both the highest day nursery costs (£174 per week) and childminding costs (£176 per week) in Northern Ireland.
- On the other end of the scale, County Fermanagh has both the lowest day nursery costs (£137 per week) and childminding costs (£141 per week) across each of the counties.
- The difference between the highest and lowest day nursery cost in Northern Ireland is £37 per week, this is the equivalent to around the cost of one day's full-time childcare.
- Between the highest and lowest childminding costs there is a difference of £35 per week. Again this could be equal to or more than the cost of one day's childcare in Antrim, illustrating the variation of costs across the counties.

Childcare Costs in Northern Ireland – 2. Childcare Providers Results

Private Childcare Costs: Out of School Club Costs

There are three types of out of school clubs: breakfast clubs, afterschool clubs and holiday schemes.

Each type of provision is designed to cater for school aged children to wrap around the school day and during holidays.

Table 3 outlines average out of school club costs in 2016.

Table 3: Average out of school club costs per week 2016

	Breakfast Club	Afterschool Club	Holiday Scheme
Antrim	£36	£94	£140
Down	£31	£88	£143
Armagh	£29	£94	£141
Derry/Londonderry	£28	£77	£131
Tyrone	£40	£79	£130
Fermanagh	£30	£75	*
Total Average	£34	£90	£140

- Breakfast club costs have increased in price to £34 per week, an increase of £4 since 2015.
- Afterschool club costs also increased over the last year, by £6 per week.
- Similarly to breakfast and afterschool clubs, summer schemes have increased in price since last year's survey.

The average cost of a summer scheme is now £140 per week, an increase of £6 on last year's results.

* Insufficient data available.

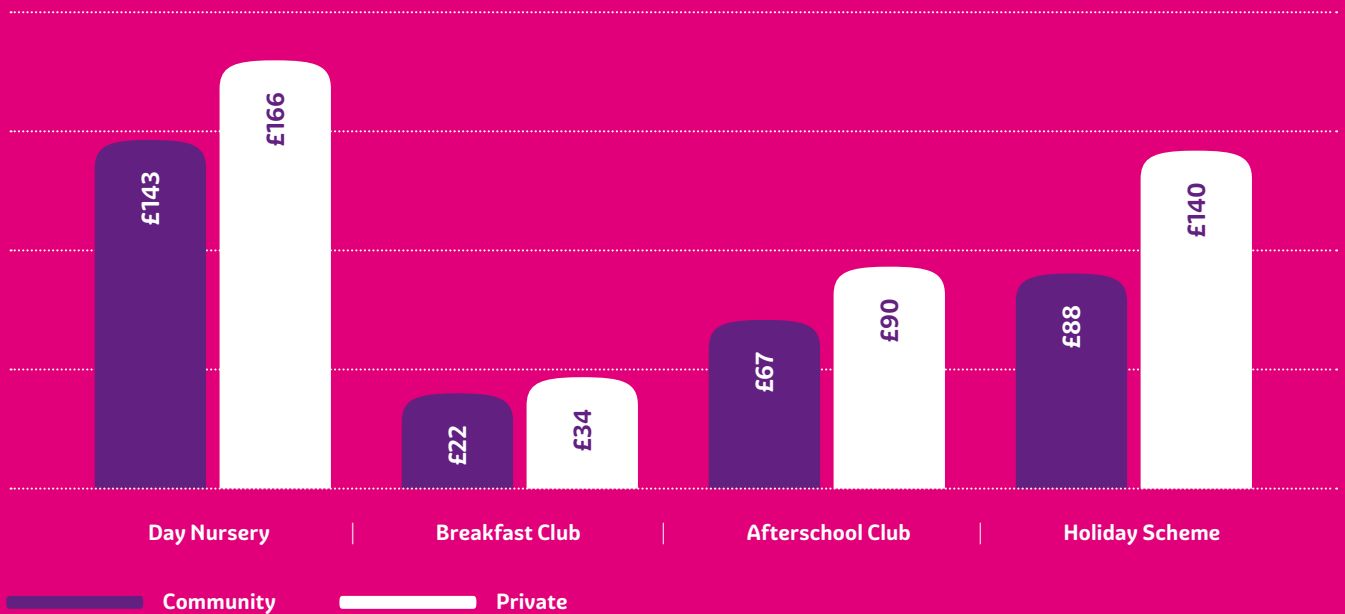
Community Childcare Costs

In previous years community childcare settings have been less expensive than private settings. This is a trend which has continued in 2016.

Between 2014 and 2015 community childcare settings decreased in price, however between 2015 and 2016 each type of community setting increased in price, matching the trend in previous years (pre 2014).

Figure 3 shows the difference between costs in community operated settings and privately owned settings.

Figure 3: Average costs of community and private childcare settings per week 2015



- Community day nurseries have increased in price by £16 since last year's survey and now cost £143 per week on average. This brings the cost differential between private and community settings down to £23, in 2015 there was a difference of £31.

- Afterschool clubs increased by £12 per week to cost £67. Matching last year, holiday schemes decreased by £1 per week, and now cost £88.
- Breakfast club costs increased from £17 in 2015 to £22 in 2016.

- These findings point to two conclusions, firstly, community childcare costs have risen over the last year, in many case quite steeply. Secondly, due to the rise in costs the differential between private settings and community settings is narrowing.

2. Childcare Providers Results

Conclusions

Once again average childcare costs have increased over the last year. A full-time average place now costs £168 per week, or £8,736 per year.

This year's rise in costs has been driven by the price of a day nursery place, which has risen by £8 per week over the last year.

Since 2010, when we began collecting data on childcare costs, the highest year on year increase in day nursery costs was £2. This year's cost shows a 5% rise from 2015.

The increase in day nursery costs could derive from the introduction of the National Living Wage which was introduced in April.

All employees over 25 years of age must earn a minimum of £7.20 per hour. In addition, pension auto-enrolment has added to staffing costs. These two changes could explain the rise in costs.

The next section explores childcare costs from the perspective of the parents.

It illustrates how families manage their childcare bill and the impact high costs have on local families.

The True Cost of Childcare –

3. Parent Results

Between May and July 2016 we opened an online survey and encouraged parents to participate.

6,059 parents responded, a 23% increase on last year's survey.⁴

The following sections detail how much families pay for childcare and the impact this has on their circumstances.

⁴A full breakdown of respondents is available in Appendix 1.

The True Cost of Childcare – 3. Parents Results

Section 1:

How much do local families pay for childcare?

The previous section detailed how much childcare providers charge for their services, with the average cost of a full-time place rising to £168 per week. However, although this is the average cost of a full-time place, recent surveys have

shown that many parents choose not to use full-time childcare.

The reasons for this choice could reflect working patterns, the availability of other childcare support or are due to the high cost of using full-time care, for example.

In the survey parents used an average of 41 hours of childcare each week, regardless of the type of childcare used. Almost half of our respondents (46%) used a mix of childcare, availing of both formal and informal childcare types.

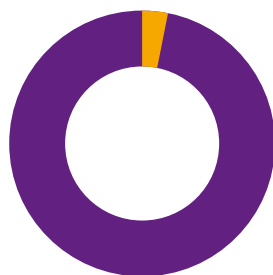
How families use childcare...

See Appendix 2 for more detailed information on childcare usage.



49%

**Formal
Childcare
Only**



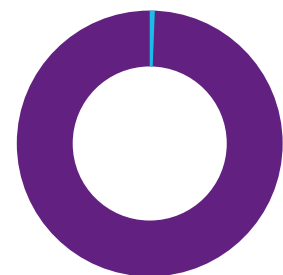
4%

**Informal
Childcare
Only**



46%

**Mix of Formal
and Informal
Childcare**



1%

**Parent
Provides
Childcare**

For these families the typical breakdown between the two types was an average of 20 hours of informal childcare and an additional 26 hours of formal childcare, making up the family's total childcare usage.

Of course families using only formal childcare will pay more towards their overall childcare bill than those using only informal childcare, for example through grandparents.

As with previous years therefore, the type of childcare used impacts the family's childcare bill. The results opposite show the amount parents paid for childcare according to the type of childcare used:

Figure 4: Childcare costs by type of childcare used



Given that almost half (49%) of parents in the survey only used formal childcare, these families pay an average of £180 per week. This equates to £9,360 per year.

Families who use a mix of formal and informal childcare save £50 per week on average, paying £130 per week to meet their childcare needs.

Those families who only use informal childcare, of which 81% was provided by grandparents, paid a lower amount of £82 per week.

For the majority of parents the decision to use a mix of formal and informal childcare was taken to reduce the childcare bill. Informal childcare is also more flexible than formal care, which is more beneficial for working parents.

The True Cost of Childcare – 3. Parents Results

How does the childcare bill compare to wages?

The childcare bill is a regular monthly payment for families, in last year's survey the average weekly childcare cost consumed 45% of the median net weekly earnings in Northern Ireland.

In 2015 the median net weekly earning was £376.72, current statistics show that it has increased to £390.71 per week⁵, an increase of £13.99.

The table below shows the proportion of weekly income which is consumed by childcare costs.

This year average weekly costs consume 43% of the median net weekly earning, a decrease of 2% since 2015.

As illustrated in the last section, many families do not use full-time formal childcare only, many use a

mix of childcare or rely solely on informal childcare, this impacts on the overall childcare bill.

Table 4 shows the impact this has on the proportion of earnings consumed by the childcare bill.

Table 4: Childcare costs in proportion to earnings

	Weekly Cost	Median Net Weekly Earning	Total Proportion of Salary
Average full-time weekly formal costs	£168	£390.71	43%
Survey families' costs – formal childcare only	£180	£390.71	46%
Survey families' costs – mix of formal and informal care	£130	£390.71	33%
Survey families' costs – informal childcare only	£82	£390.71	21%

It is clear that those families who only use formal childcare services pay a greater proportion of their earnings for childcare (46%), compared to those who only use informal care (21%).

This is a substantial proportion of income to pay, it is understandable why parents, particularly those in one parent families, struggle with the cost of childcare (see Section 2). Parents who can use a mix of formal and informal care fall in between, allocating 33% of earnings to childcare.

“The only reason we can afford childcare is because I accept a large proportion of my salary goes towards paying for it.”

⁵NISRA (2015) Northern Ireland Annual Survey of Hours and Earnings, available at www.economy-ni.gov.uk/sites/default/files/publications/deti/ASHE-Bulletin-2015.pdf (accessed 07/09/2016).

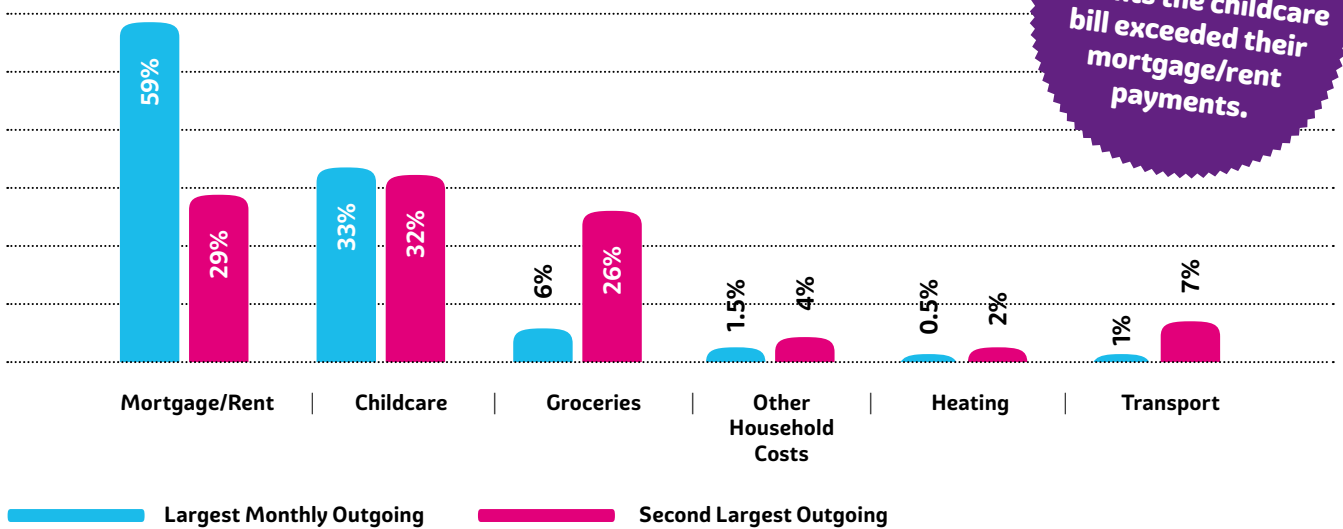
How does the childcare bill compare to other household bills?

The childcare bill is just one payment that families must meet month on month. To put the cost of childcare into perspective we asked parents to rate their highest to lowest monthly expenses.

Perhaps unsurprisingly mortgage or rent payments were the highest monthly bill for the majority of parents (59%), this mirrors the last two years' findings. However, the proportion of parents paying more for childcare than any other bill has risen since the 2015 survey.

This year a third of parents told us that the childcare bill was their largest monthly outgoing, this is an increase of 8% on last year's findings. After housing costs the childcare bill was the largest monthly outgoing for families, exceeding grocery bills, heating, transport and other household costs.

Figure 5: Parents' largest and second largest monthly outgoings⁶



For 1 in 3 parents the childcare bill exceeded their mortgage/rent payments.

Asda's latest Income Tracker report⁷ (July 2016) showed that families have an increased amount of disposable income, compared to the previous year. The findings also demonstrated that due to the low level of inflation 'essential costs', such as mortgages, were lower than the previous year, reducing the financial burden on families.

Our findings coincide with the Income Tracker results with fewer parents stating that their mortgage/rent payments, or indeed their home heating payments, consumed most of their outgoings. However, the cost of childcare continues to rise over the rate of inflation, perhaps explaining why more parents in this year's survey found their childcare bill to be higher than their mortgage/rent payments.

The impact of high childcare costs on family finances will be discussed fully in the next section.

"My childcare costs are actually more than my mortgage. We struggle to pay childcare costs each month and on occasions have fallen way behind on our payments."

⁶ Numbers rounded. ⁷ Asda (2016) Asda Income Tracker, available at http://your.asda.com/system/dragonfly/production/2016/07/25/15_14_01_357_pdfv1.1_ASDA_income_tracker_July_2016.pdf (accessed 28 July 2016).

The True Cost of Childcare – **3. Parents Results**

Section 2:

What impact do childcare costs have on local families?

There are **three main ways** in which childcare costs affect local families:

1

Impact
on
Finances



2

Impact
on
Work



3

Impact
on
Family



1. Impact on Finances

The results of the last section showed that not only have childcare costs risen for families over the last year, they continue to consume a large proportion of parents' salaries and are one of a family's largest monthly outgoings. With childcare costs at such a level there is undoubtedly an impact on the family's financial situation.

To explore this issue further we asked parents three questions:

Q1

Do you struggle to meet your childcare bill?

Q2

Does the cost of childcare put your family under increased financial pressure?

Q3

Have you ever relied on any means (other than your income) to ensure that you can pay your childcare bill?

The answers to these questions provide a deeper understanding of the financial impact high childcare costs have on local families.



1. Impact on Finances

Q1 Struggling to meet the childcare bill

63% of parents struggled to meet their childcare bill either throughout the year or at some point during it. This is an increase on last year's figure of 61%.

28% told us that they struggled throughout the year, while a further 35% said they 'sometimes' struggled with the bill. 37% of respondents did not struggle with their childcare bill.

When the results are broken down by family type it is clear that one parent families are more likely to struggle with the childcare bill than two parent families. 35% of one parent families struggled with their childcare bill consistently throughout the year, compared to 27% of two parent families.

79% of one parent families, compared to 62% of two parent families, struggled with their childcare bill either throughout the year or at some point during it.

It is very worrying that so many local families struggle to pay their childcare bill, indicating that costs are unmanageable for families.



“My husband and I have two good incomes, but we really struggle to find the money each month for the fees for childcare. It is a constant struggle...with all the other bills we have to pay, car, insurance, petrol, heating it really is stressful.”

“The money going into childcare is taking away from the household income, so we struggle to meet costs of bills in other areas as a result.”

Q2 Increased financial pressure

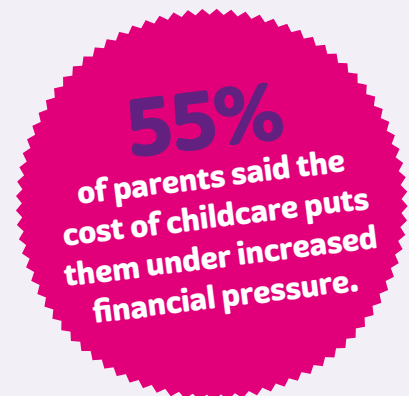
Considering the results of the previous section it is not surprising to find that over half of the parents surveyed (55%) said the cost of childcare placed them under increased financial pressure consistently throughout the year.

A further 27% of parents said that the cost of childcare 'sometimes' puts them under financial pressure.

When parents discuss the impact of childcare costs on their financial situation it is clear that for some the cost has a more significant impact than for others.

For example the majority of families commented on cutting back on 'luxury' items which were sacrificed at the expense of childcare, these items include family days out, entertainment, new clothes and holidays.

Other parents discussed curtailing spending on food and heating due to the cost of the childcare bill.



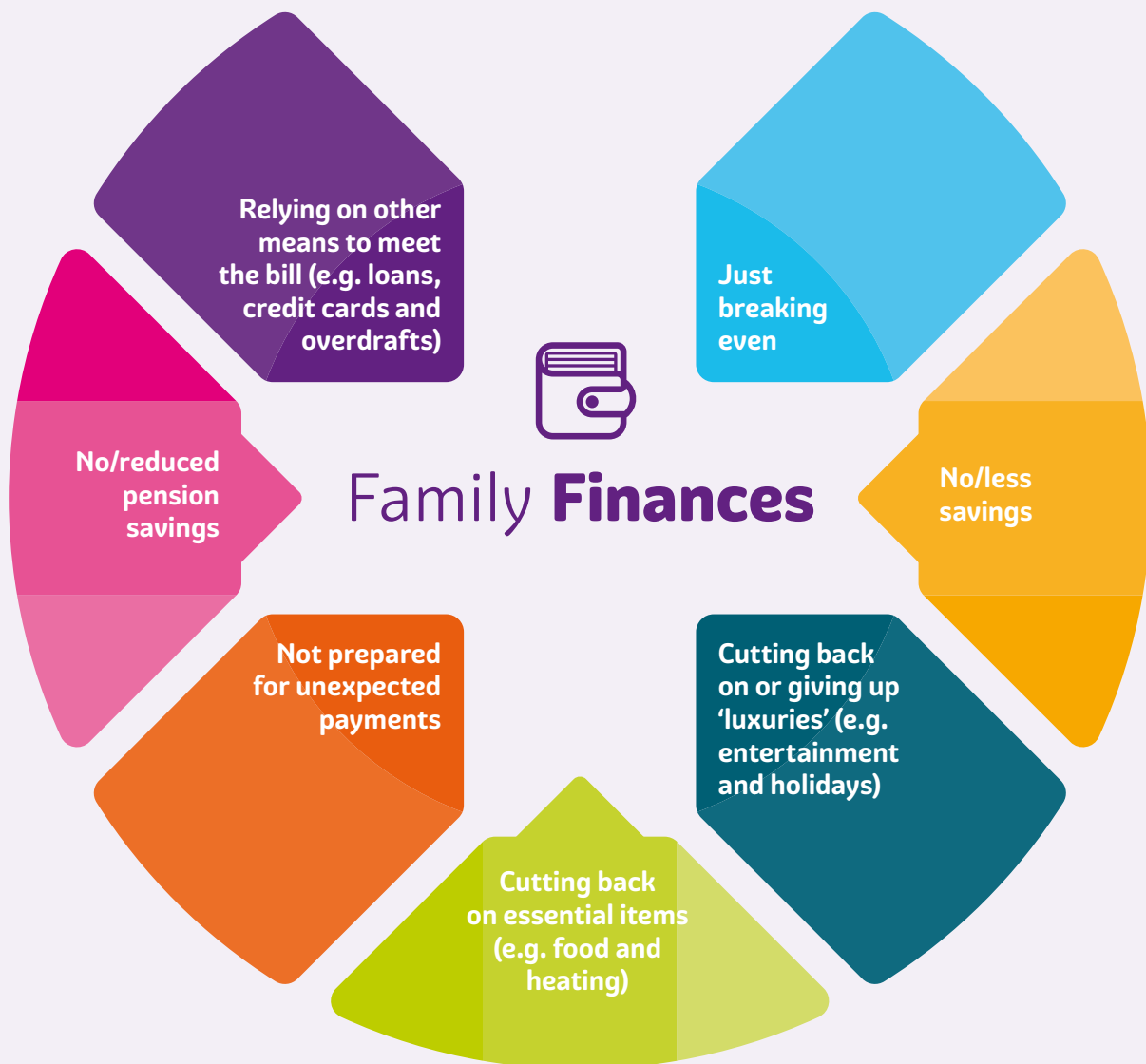
Therefore, for many of the respondents the consequence of paying for childcare is that other items must be sacrificed, ranging from non-essential to essential items. In addition, many parents told us that at the end of the month they are just breaking even, many others commented that they unprepared for unexpected

payments, such as a car breaking down or other household repairs.

Perhaps more worrying is the number of parents who commented on their inability to save for the future or to pay into a pension. Other parents told us that they felt forced to rely on credit cards, loans and overdrafts to make ends meet (see the next section).

The impact of childcare costs has both short term and long term consequences for families, impacting on day to day spending and affecting future financial stability. The childcare bill impacts financially, this in turn impacts on the family's lifestyle and overall wellbeing.

Figure 6: Impact of childcare costs on family finances





1. Impact on Finances

The following are quotes from parents:

“We have barely any money left after outgoings to save for anything - house deposit, child’s future, pension, rainy days etc. We have strict meal planning and limited shopping, the heating is only on when absolutely necessary.”

“Paying for childcare is similar to paying a 2nd mortgage and is simply currently not affordable. It is coming to a point where we will simply have to do without some basic amenities in order to manage our bills i.e. clothing, heating, food, etc.”

“We have gone without holidays, driven wrecks of cars and omitted home improvements for many years due to childcare costs when both of us were earning more than the national average salary - I don’t know how other people do it.”

“While paying for full-time child care all other expenses are on hold. The car needs changing, house needs repainted and carpets replaced but can’t afford these expenses when paying for childcare.”

Q3 Using other means to meet the childcare bill

In order to deal with the cost of childcare and the impact it has on family finances a number of parents rely on other means to either pay their childcare bill or make ends meet once the childcare bill has been paid.

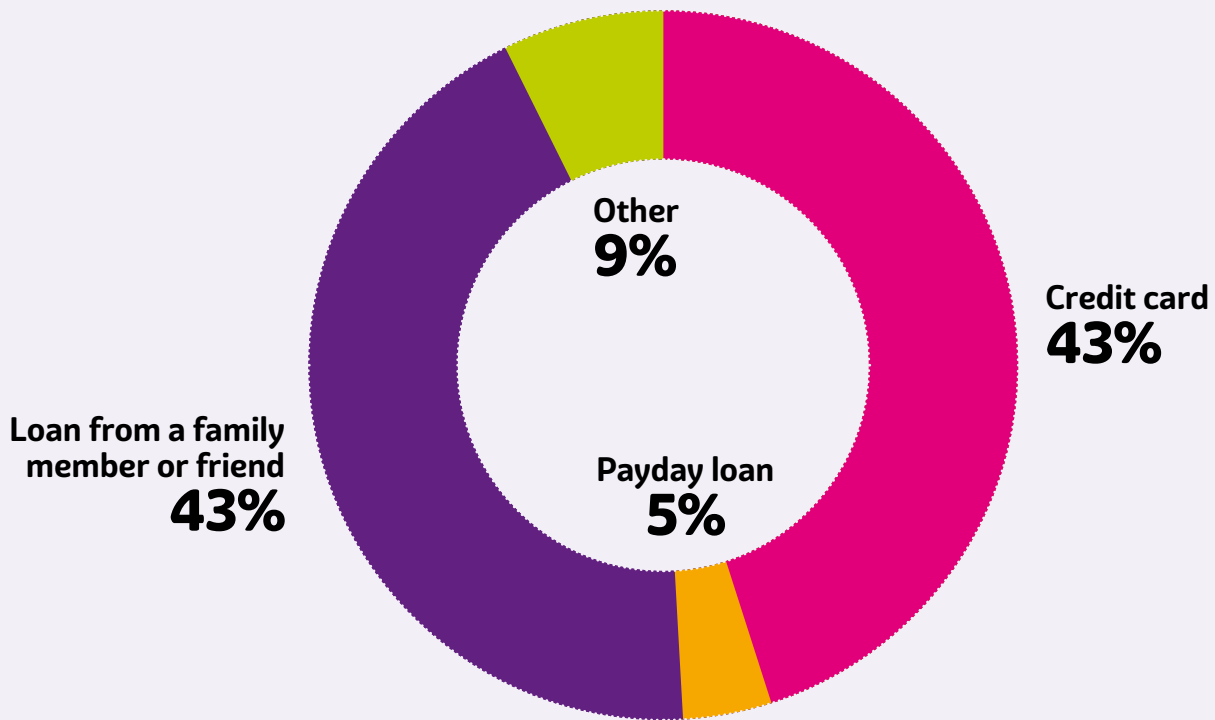
A quarter of parents in this year’s survey said that they relied on other means to meet their childcare bill. This is an increase of 1% on last year’s results.

Of the 25% of parents who used other means to meet their childcare bill an equal amount relied on credit cards (43%) or loans from a family member or friend (43%).

9% used other means, such as dipping into savings or overdrafts. Worryingly 5% of parents regularly used payday loans to cover the cost of childcare and make ends meet. This is an increase of 1% on last year’s survey.

25%
of parents regularly used credit cards, loans from family or friends or payday loans to pay their childcare bill.

Figure 7: Other means used to meet childcare costs



Relying on loans, credit cards and particularly payday loans can have serious financial repercussions for families, the following are quotes from parents:

- “The cost of childcare means that every month we are having to use credit cards to cover some costs, we are having to put off essential items and often have to approach family members for assistance.”**
- “The high cost had a massive impact on our family a while back. My wife and I fell behind on childcare costs and we both had to take loans to pay these off and eventually ended up in Debt management.”**
- “The bill is always paid however to meet the short fall in available cash during the month, I use credit cards to get through and am unable to pay the balance of each month as it would cause a spiral effect of less money.”**
- “I pay for everything else on my credit card so I can afford my childcare and then pay off what I can - not ideal.”**



1. Impact on Finances

Conclusions – Financial Impact

It is clear that the high cost of childcare has a significant financial impact on families, for many it is accepted that paying for childcare means making other financial sacrifices, it is particularly worrying that for many local families this means cutting back on essential items such as food and heating.

The childcare bill is regarded as an necessary spend for families, so much so that parents will give up other items so that childcare can still be paid.

The childcare payment is discussed as a payment with similar importance to the mortgage or rent payment, showing the significance of retaining childcare provision, even if it means relying on other means to make sure the bill is paid.

It is concerning that the majority of families struggle to pay their childcare bill and are under increased financial pressure as a result of using and paying for childcare.

The financial impact cannot however be taken in isolation, there are knock on effects.

Whether it is the stress of being unable to save for the future, the effect on the family lifestyle or the risk of being reliant on credit and loans, these are issues which can have both short and long term effects on the family as a whole.

“It cripples us... we literally have no money left and regularly have to borrow from family... it puts us under so much stress we regularly row about it.”



2. Impact on Work

The previous section showed the financial impact the cost of childcare places on families. It is clear that the childcare bill can have a significant impact on family finances and in many cases consuming a large amount of income each month.

This is the tipping point for many families – forcing a decision to either work and pay significant amounts for childcare or leave work and save on the cost of childcare.

The last section showed the lengths parents will go to in order to afford childcare, however when childcare becomes too much of a burden on the family's finances the question about whether it is financially viable to stay in work at all must be asked.

For many parents the cost of childcare impacts on work, in previous years we have found that many parents choose to change the number of hours worked or the pattern of their working hours because of the cost of childcare.

As with each of the surveys in this series three trends are apparent:

1

Parents reduce their working hours or leave work altogether

2

Parents changed the pattern of their working hours

3

Parents continued to work full-time, but at a financial loss

These trends continue to appear in this year's results and will now be discussed in turn.



2. Impact on Work

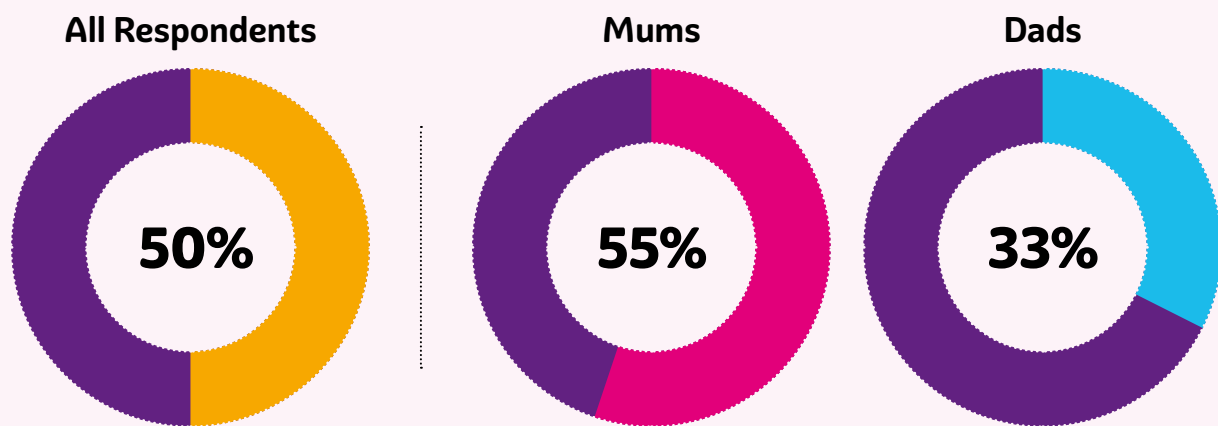
1. Reducing working hours or leaving work

One of the main aims of childcare is to support parents to access work and training. This provides the family with an income, financial stability and economic wellbeing. However, when the cost of using

a childcare service exceeds or consumes a large majority of earnings, the viability of working at all is questioned. As the results of the previous section have shown, the cost of childcare can cause families to struggle financially.

For many parents there is little choice but to leave work or to reduce their working hours, and for 50% of the parents in this year's survey this was the case. This is a 4% increase on the 2015 findings.

Figure 8: Reducing hours of work due to the cost of childcare



As with previous year's results, more mums (55%) than dads (33%) reduced their working hours or left work altogether due to the cost of childcare, indicating that mothers still bear the majority of caring responsibilities. The following are quotes from parents:

“It is more cost-effective for me to work part-time. I would have to pay more in childcare costs to work full-time that I would receive in the extra salary.”

“I work 4 days a week instead of 5 as paying for an extra day's day care for me to work full-time means I work for less than I pay out in childcare. I would like to work full-time but it simply does not add up.”

“When I returned to work after my second child, I reduced my hours because at that time I was paying full-time childcare for 2 children, I was really working to pay for my children to be minded.”

“I had to reduce to part time work to balance cost of child care and wages with my first. But after I finish maternity leave with my second, I may not be able to return to work as the cost of childcare will outweigh my monthly earnings.”

Once again, as in previous years, the way parents discuss the decision to go part-time or leave work demonstrates the impact high childcare costs have on their working arrangements.

The decision to change is linked to the childcare bill, it is not necessarily by personal preference.

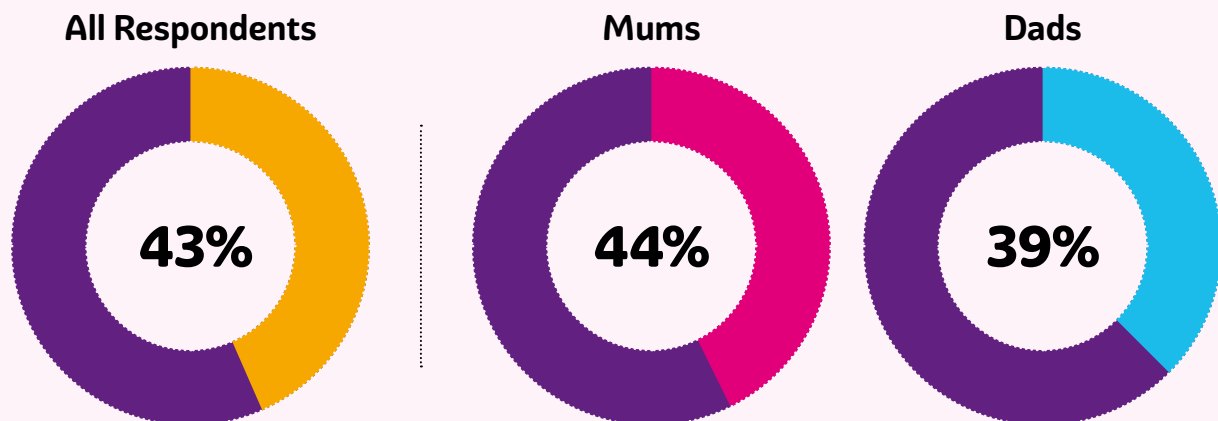
Childcare should aid work and support parents who want to work, however in reality it is one of the main factors in a parent's decision to give up work or reduce working hours.

2. Changing the pattern of working hours

43% of parents changed the pattern of their working hours, for example choosing flexi-time, shift work or compressed hours.

As with the proportion of parents reducing their working hours, more mothers than fathers changed the pattern of work due to the cost of childcare, see Figure 9 below.

Figure 9: Changing working hours due to the cost of childcare





2. Impact on Work

A number of working patterns were mentioned, many of which have been mentioned by parents in previous years, such as **compressed hours, shift work or flexi-time.**

In many cases both parents change the pattern of their working hours to ensure that minimum hours of childcare are needed, this was a trend which was also apparent in last year's results:

“I have to work full-time but applying for flexible working to reduce hours of childcare needed to split with husband, i.e. I will start later so can do school run then work longer into night. My husband works normal week day hours and then overtime at weekends to top up.”

“I work 30 hours and share childminding with my husband to keep costs down. Otherwise it wouldn't pay me to work. Husband works compressed hours full-time over 4 days.”

“Both my husband and I both now work 4 days a week. Last year only my husband did. I now work compressed hours so I can look after the children one day a week.”

“My husband and I both work non-standard days so that we cut down as much childcare as possible e.g. my husband works 4 days a week and I work compressed hours to get an afternoon off each week to cover childcare.”



For many parents reducing working hours or changing working patterns impacts on career. This was a particular concern for mothers in the survey, particularly those who choose part-time work with many commenting on the type of roles available to them, see the following quotes:

“I decided to return to part-time employment but I had to do so for a job below my skills and academic background because there were no other well paid part-time jobs. I put my son into day nursery at a cost of £38 per day. I only earn £60 per day working. The job gets me out of the house and affords me a bit of adult time but if it were not for my husband “keeping me” I wouldn’t be able to work. It’s really unfortunate that jobs are not offered more flexibly for working mums or indeed dads where pay is reflected appropriately in more skilled sectors.”

“My wife only works part time because of the cost of childcare, she would like to work full time and advance her career and personal development however this would mean working for nothing because of the costs of childcare.”

However, considering that over a third of male respondents also changed the pattern of their working hours, there is also an impact on father’s careers, for example:

“Is our largest bill by far and almost negates working, has impacted both our careers as our employer sees us as inflexible due to how we have had to change our working pattern to accommodate childcare.”

For some parents the impact of changing work hours or patterns due to the cost of childcare is detrimental to long term career progression. For this reason many parents continue to work full-time but at a financial loss for the benefit of their careers.



3. Working at a financial loss

In the previous section parents chose to change their working hours or patterns because of the cost of childcare and its financial impact.

For these parents this choice was made despite the potential negative impact on their career.

For many it was acknowledged that the choice was taken at the sacrifice of their career goals.

Many parents chose to avoid this risk and continue to work full-time despite the cost of childcare, the following quotes illustrate the financial pressure this decision places on them but that in the long term career progression is more important:

“It is soul destroying paying more for childcare than I take home but I don’t want to give up my job/career.”

“Childcare costs are extremely high and put financial pressure on working families. It does not pay me to go to work, but as a young mum I would like to keep my career that I worked hard in achieving!”

“I wonder if is it worth working if I’m only earning enough to cover childcare costs...but have to look long term and keep my career going!”

“I am returning to work in November with 2 children in childcare. I know it’s going to become really difficult to justify working, but I don’t want to de-skill myself or lose my career.”

“I have considered going part-time to reduce costs but I will never regain my full-time status, so we are absorbing the higher costs to protect my full-time status for the when the kids go to school.”

Despite the financial impact childcare costs have for families, for many this was the cost of pursuing and advancing a career – a short term loss for a long term gain. It is evident that the childcare infrastructure in Northern Ireland does little to support working parents, indeed conversely our results show that high childcare costs can damage a parent’s career.



Conclusions – Impact on Work

Childcare provision has two aims: to support the developmental needs of children and to support parents to work and train.

Concerning the latter, the cost of childcare, rather than enabling parents to work, provide financial stability for their family and progress their careers, can have the opposite effect.

“Highly qualified people are leaving work to look after kids or taking jobs for which they are over qualified. This means your years of experience, skills and expensive education have been wasted. Once you leave the work environment I feel it is difficult to get back into it, you may have been left behind in training or advancements and perhaps simply have lost confidence. You may never return at the level you once were and never reach full potential.”



3. Impact on Family

The ways in which families manage their childcare usage in order to lower costs, such as working in

a different pattern or relying on informal childcare from grandparents, may be successful in alleviating some of the financial

burden, but it can have other impacts on the family. **Two trends are apparent in the data:**

1

Impact on parents

2

Impact on grandparents

1. Impact on parents

As noted in the last section, in order to manage the cost of childcare parents may change their working hours and patterns.

For many parents choosing to work atypical hours or shift work is an option, however although this may reduce the cost of childcare

it has other impacts on the parent and their family. Many parents commented on the impact on their wellbeing and relationships:

“It affects us every day - it effects our mental health - it effects our relationship... at the end of the day it's our choice.”

“This [childcare] is a serious issue that the government need to tackle asap as it is straining the life out of working parents, straining relationships and therefore possibly stressing parents out which only leads to kids growing up in a stress situation. It's not only a financial issue it's a child's social and wellbeing that could be affected by this.”

“It is so stressful on financial and emotional wellbeing and on my marriage”

“I work a late night so I never see my husband, as soon as he is home I have to go out to work. Never get to say goodnight to my children or put them to bed that breaks my heart.”

“I try to work opposite shifts to my husband to cut down on cost. The issue is the cost that it is having on our marriage constantly working opposite each other.”



The quotes opposite illustrate the stress and strain felt by families, affecting emotional and mental health. In particular the relationship between partners is affected due to changing working

hours and the stress associated with arranging suitable childcare.

In the quotes above it is clear that the strain on relationships and trying to balance work, family and

childcare can impact on the overall wellbeing of the parent.

A number of parents also commented on the impact on the time spent together as a family, which is diminished:

“ I try to work opposite hours to my husband therefore am working every Sunday so we don't need childminder that day but then missing out on family life.”

“ I have to start early to leave early. My husband drops kids off to breakfast clubs etc but then he's in late and gets home late. Very disjointed currently. Family time all together is minimal”

“ I try to work as many weekends as possible to cut childcare costs which means I am missing out on valuable family time.”

“ We spend less time together as a family.”

“ It's the most stressful thing we are having to deal with... We spend little time with our own children and cripple ourselves financially for the pleasure of it... The guilt is overpowering constantly.”

If affordable, flexible childcare was available many families would not find themselves in these situations. The existing childcare system works against parents, rather than supporting them to work and create a suitable work-life balance it conversely impacts on family life causing significant strain.

“ I feel we are living in modern day poverty in Northern Ireland because of our childcare costs. I think it is really unfair to put so much pressure on families concerning child care costs and something which causes me great concern and worries.”



3. Impact on Family

2. Impact on grandparents

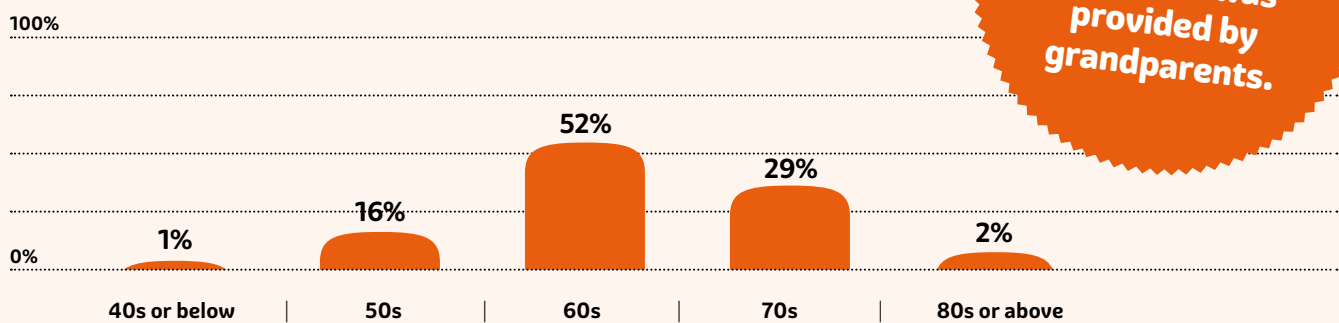
Many parents use informal childcare to meet their childcare needs, this is typically provided by grandparents, to lower the cost of childcare.

In this year's survey 43% of parents used a mix of formal and informal childcare to meet their childcare needs, 8% of parents only used informal childcare.

In this year's survey we asked parents about the age of the grandparents who provide childcare. **The results are detailed below:**

81% of all informal childcare used by parents in the survey was provided by grandparents.

Figure 10: Age of grandparents providing childcare



81%
of all informal
childcare was
provided by
grandparents.

Over half of grandparents providing childcare are in their 60s, with almost 30% in their 70s.

Although availing of informal childcare can significantly decrease the amount paid for childcare, and enable the parent to work, it can impact on the grandparents who provide the care.

Many of the parents in the survey commented on how grateful they were for the help provided, particularly through enabling them to remain in work and progress their careers:

“If it wasn't for my mum helping me out I wouldn't have a career.”

“If I worked full time my childcare bill would be higher than my monthly take home salary. We are fortunate enough to have grandparents that are able to help us with additional childcare. If it wasn't for grandparents providing childcare I don't know if I'd stay in the workplace.”

“I am very fortunate to have help from grandparents. If they were no longer available I would not be able to afford to work full time and this would have a huge impact on my family circumstances and my ability to provide for my family. As a single parent this is a huge concern. I earn a good salary and struggle so don't know how others with lesser salaries get by, especially if they have no support with childcare.”



Parents also remarked on the benefits for grandparents, including a strengthening of the bond with their grandchildren and being more involved with their upbringing.

However, many parents also commented on the negative impact providing childcare had for grandparents, these can be summarised into four types of

impact, on physical wellbeing, mental wellbeing, social wellbeing and financial wellbeing.

Physical Wellbeing:

- **Tiredness**
- **Exhaustion**
- **Can exacerbate other health problems**

Many parents commented on the physical toll providing childcare had on grandparents. For the majority tiredness and exhaustion was linked to the provision of childcare.

Some parents, particularly those with elderly grandparents, commented on how providing

childcare had visibly exacerbated other health problems.

A number of parents commented that although the grandparents suffered from ill health they continued to provide childcare. Many respondents commented that they worried about this.

“It is always on my mind that the grandparents are not getting any younger and health is beginning to deteriorate which is a big worry.”

“I worry about it having a strain on their health as they are both in their late 60’s and some days I find it exhausting so it’s bound to affect them more so.”

Mental Wellbeing:

- **Stressful**
- **Additional responsibility**
- **Tiring, relentless work – no breaks**

In terms of mental wellbeing, parents commented on the additional stress grandparents felt as a result of providing childcare, with many commenting on the added responsibility of caring for their grandchildren.

Linked with the physical impact, a number of parents commented on the nature of providing childcare as relentless, energetic work, which can take a lot out of grandparents both physically and mentally.

“My family love helping out with my children when they can but it can be stressful especially for grandparents who are older and not as fit and able. I feel guilty at times depending on my family so it affects both them and me.”

“It’s an enormous impact and unnecessary pressure on Grandparents in the later stages of their lives.”



3. Impact on Family

Social Wellbeing:

- Restrictions on time
- Additional commitment
- Can be inconvenient

A number of respondents commented on the time restrictions placed on grandparents because of their childcare responsibilities, such as having to plan their days around childcare commitments.

In particular for school age children, being there for school pickups and drop offs can be particularly restricting. A number of parents commented on the impact this has on grandparents' retirement.

“We often carry a huge burden of guilt with having to rely on help from grandparents and it often impinges on their lifestyles.”

“My parents are in their 70s and feel obliged to looking after our baby for 1 day a week to help reduce our childcare costs. Their help is very much appreciated but it puts them under a lot of strain at an age when they should be enjoying their lives having already raised their own kids.”

“Stress, early morning starts and guilt over feeling like they are not fully getting to enjoy their retirement.”

Financial Wellbeing:

- Can impact on working hours
- Reduced earning power
- Forced to take on less work

While providing childcare grandparents often have to cover the cost of food and activities for the children in their care. However, many of the parents in the survey stated that the grandparents had

changed their working hours, left work or turned down work in order to provide childcare, the financial impact of this is much greater, particular though the reduction in a grandparent's earning power.

“Grandparents have raised their children and retired from work to relax. Looking after their grandchild is something they enjoy but when not being paid for this work it tires them down and impacts them financially.”

“My mother in law retired specifically to help us look after our child as she knew we could not afford day care fees of £800 per month. This has impacted dramatically on her life socially, financially and is dependent on her continuing to have good health.”

“They [grandparents] have had to reduce their hours in work so they can help us with childcare and I am noticing that it is impacting them financially.”



It is clear from the qualitative results that grandparents were happy to make these sacrifices for the good of the family.

As well as the benefits from spending time with their grandchildren and strengthening the relationship, they are able to support the family and in doing so reduce the childcare bill.

In these circumstances the high cost of childcare affects both the immediate and wider family circle.

If the childcare infrastructure supported parental employment, it would in turn enable more grandparents to stay in the workforce.

In addition it would remove the burden of providing hours of childcare each week, reducing the impact this has on them.

Conclusions – Impact on Family

The impact childcare costs have on families is clearly demonstrated in each of the quotes from parents in this section. The stress and strain caused by unaffordable childcare impacts on overall wellbeing, mentally and emotionally.

In particular it is concerning to note that numerous parents commented on feeling guilty about relying on grandparents for childcare and worried about the impact this has on their health and wellbeing.

Changing working hours or relying on informal childcare may reduce the overall childcare bill, but the cost of using these measures is the impact it has on family relationships and wellbeing, for both the immediate and wider family.

“Paying for childcare is a massive cause for poverty and stress and unhappy home environments and no doubt the splitting of relationships due to the financial pressures.”

The True Cost of Childcare – 3. Parents Results

Section 3: How do parents perceive childcare provision?

This section explores parents' perceptions of childcare quality and provision.

Quality of childcare

In previous years the majority of respondents have been generally happy with their childcare provision and this year is no different. 98% of parents stated that they were happy with the quality of the care provided by their provider.

The results were consistently high across each of the childcare types.

Many parents commented that although the cost of childcare is high they were happy with the

care provided and the benefits for their children.

If a child is content, settled and the parent feels comfortable and trusts the provider then the cost is not begrudged:

“I have an excellent childminder and she is expensive but my children are very happy so I won't take the chance with a non-registered one to save money. We will endure the costs as we have no choice.”

“It is very expensive but I am happy with my son's nursery as he is interacting with other children his own age and he is continuing to learn something new every day.”

“It is an astronomical amount of money to lay out, but paying for good childcare that I am happy leaving my children in is hard to put a price on.”

“It's expensive but I want my child to be safe and happy while I am at work. The nursery provides good activities throughout the day and my child is well cared for... I also would not want the carers to be short changed.”

The last quote mirrors the sentiment of many parents in the qualitative data, although childcare can be expensive they recognise

the role of childcare workers and the important work they do. In particular parents mentioned the positive impact good quality childcare has on their children,

this is weighed up against the cost of the provision and the impact this has on the family; this is best summed up in the quotes below:

“I think having children in formal childcare greatly benefits the child in terms of learning and development. In my opinion, the cost of one day in the daycare is good value for my money as they do so much during the 10 hours my child is in; playing, learning, meals and nap times. However, when you take the childcare bill at the end of the month into account with other household bills, it really does put a financial strain on all families.”

“My childcare is excellent, it is worth every penny, and it is the best investment I can make in my child.”

Provision of childcare services

59% of parents said there was insufficient childcare in their local area. This is an increase of 2% from last year's results.

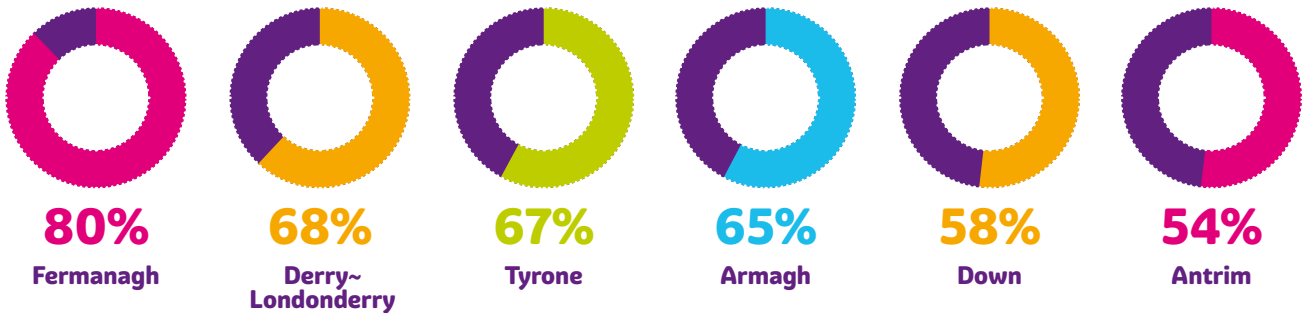
Perception of the lack of available and affordable childcare is felt more acutely in the more westerly counties in comparison to the easterly counties.

This is a trend which has continued throughout the Childcare Cost Survey series, with parents living in Fermanagh and Tyrone commenting on a greater lack of childcare compared to those in Antrim or Down.

This said, however, in each of the counties over half of respondents stated there was insufficient childcare, pointing to the inadequacies in childcare provision across Northern Ireland.

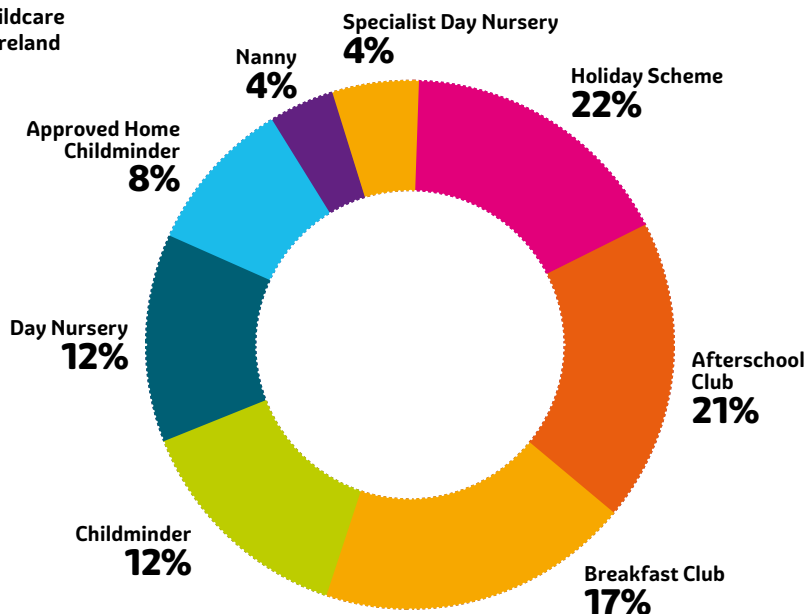
The chart below breaks down the results by county:

Figure 11: There is insufficient childcare provision in my local area



When the results consider parents' perception of lack of a particular type of childcare, they largely mirror previous years' findings. The main concern for parents was the lack of school age childcare: holiday schemes, afterschool clubs and breakfast clubs.

Figure 12: Lack of childcare provision Northern Ireland



Regarding flexibility and affordability, 36% of parents said it was difficult or very difficult to access affordable childcare and 47% said it was difficult or very difficult to access flexible childcare. Once again this points to the inadequacies in the childcare infrastructure.

The True Cost of Childcare – 3. Parents Results

Table 5: Parent's perception of finding information on childcare in their local area

	Very Easy	Easy	N/A	Difficult	Very Difficult
Accessing affordable childcare in my area	6%	26%	32%	28%	8%
Accessing flexible childcare in my area	4%	16%	33%	34%	13%

Information

Employers For Childcare operates a helpline for parents on childcare and work related issues. Helping parents decide which type of childcare is best for their circumstances and source a suitable provider is one type of advice we offer.

We also offer a Family Benefits Advice Service which carries out personal calculations for parents to ensure they are claiming all of the

family benefits and entitlements available to them, particularly with the cost of childcare.

We know that parents can find it difficult to source this type of information, but with limited funding our reach is also limited.

In last year's survey 33% of parents found it difficult or very difficult to access information on the financial help with the cost of childcare.

40% found it difficult to access information on family benefits and entitlements. This year the results have remained broadly similar, see Table 6.

There is a greater need to promote the financial help available to parents, particularly given the number of parents who are under increased financial pressure due to the cost of childcare.

Table 6: Accessibility of information on financial support with childcare costs and family benefits and entitlements

	Very Easy	Easy	N/A	Difficult	Very Difficult
Financial help with childcare costs	3%	16%	47%	27%	7%
Information relating to family benefits and entitlements	3%	14%	46%	29%	8%

Information

A particular concern for us was the number of parents who are unsure that they are claiming all of the support available to them.

Last year 51% of parents said they were unsure whether they were claiming all of the support available for their family.

This year’s findings remain broadly similar at 50%. It is concerning that so many parents are in this situation, there is a clear need for better promotion of the support available, a call we have issued to local politicians and policy makers time and time again.

The need for better promotion and awareness raising is becoming increasingly urgent as a series of changes to family support are due to take place from next year.

The two main developments are the introduction of Universal Credit (which will replace Tax Credits) and the Tax-Free Childcare scheme.

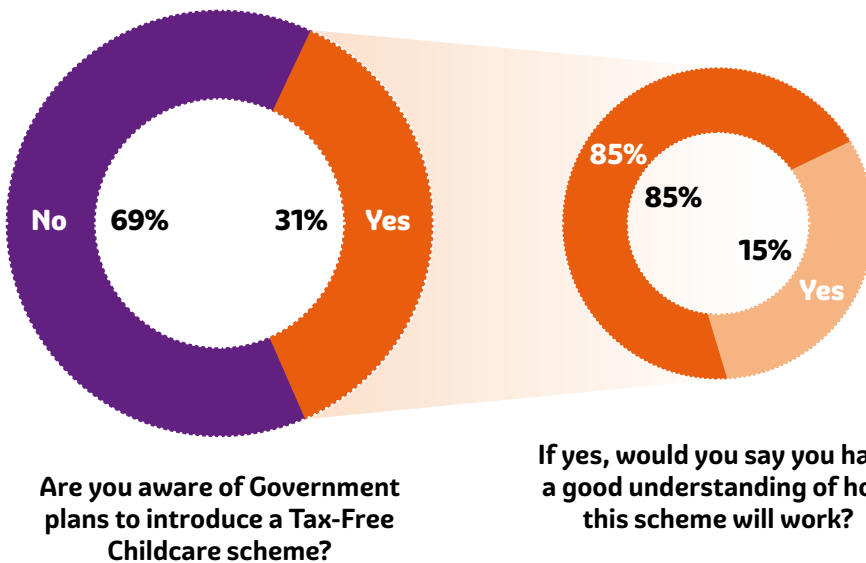
Tax-Free Childcare is a new government scheme to help parents with the cost of childcare, despite the scheme being introduced early next year awareness amongst parents is low due to lack of promotion.

In last year’s survey we asked parents if they were aware of the Tax-Free Childcare scheme, only 41% of respondents knew of the scheme, but of those respondents

only 14% said they had a good understanding of how the scheme would work. This year only 31% of parents had an awareness of the new scheme, and of these 15% had a good understanding of how it would work.

50%
of parents are unsure that they are claiming all the family benefits and entitlements available for their family.

Figure 13: Awareness of Tax-Free Childcare scheme



This is particularly worrying considering that in a couple of months the scheme will be introduced.

The True Cost of Childcare – 3. Parents Results

Section 4: What should Government do to make childcare more affordable?

The previous sections have shown that not only has the cost of childcare increased, but that the lack of affordable childcare heavily impacts local families. It is an issue which impacts financially, causing parents to struggle to attain financial security for their families. However, it also has a social impact, affecting family relationships and wellbeing, both for the immediate family and the wider family circle.

The lack of available affordable childcare, coupled with deficiencies in information sharing and awareness of financial assistance point to failings in the existing childcare infrastructure.

In Northern Ireland we are still awaiting an up-to-date Childcare Strategy.

In 2013 the Bright Start Framework⁸ sought to address some of the most pressing problems with local childcare provision, however this was intended only to be a precursor to the full strategy which was expected in March 2016. This has been delayed until 2017, with no launch date confirmed.

When we asked parents what Government can do to address childcare provision the overwhelming majority suggested measures which could reduce the cost of childcare, such as tax breaks, subsidies, capping costs or enhanced financial support. Many also called for universally free childcare provision. A number of parents referenced childcare systems in other countries, such as France, Germany, Norway and Sweden, as examples of good practice.

In addition to these suggestions, numerous parents called on Government to make changes which could make childcare easier to manage, for example extending the school day, enhancing wraparound childcare provision, workplace nurseries and standardising provider practice (for example no cost for public and bank holidays, no retainer fees etc.).

Many of the suggestions mirrored those of previous years, showing that Government has made very few inroads to addressing the problems associated with childcare provision.

Figure 14: How can Government make childcare more affordable?



⁸ NI Executive (2013) Bright Start - the Executive's programme for affordable and integrated childcare, available at www.northernireland.gov.uk/topics/work-executive/bright-start-executives-programme-affordable-and-integrated-childcare (accessed 07/09/2016).

Government perception of childcare and existing support

Numerous parents alluded to perceived inconsistencies in the Government's approach to childcare provision (in particular free pre-school places) and financial support; with many commenting that any help available is skewed towards parents who do not work.

Many parents commented that they felt working parents, who contribute to the economy, were penalised by the system. For many respondents there was a sense that working parents are 'let down' by politicians and policy makers.

Many of these respondents made reference to how the free preschool places are allocated and the eligibility criteria for other support, such as free school meals and school uniform allowance.

A number of parents commented on the role of childcare in supporting work, when in fact many found themselves in a position where they were working simply to cover the cost of childcare. For many this called into question the viability of continuing to stay in work and contribute to the economy.

For many parents this was an indication that the current system of childcare was not fit-for-purpose.

Many called on Government to recognise the role of childcare as a necessary measure which should be supporting parents to work and create financial stability for their families.

The existing system works against parents and is a contributing factor to in-work poverty:

“The childcare industry is perennial and could be the greatest boon for the economy if the government chose to support it. Better, government-funded or government-supported childcare means lower costs for parents/guardians, meaning a greater ability to go out to work, boosting the economy, encouraging spending.”

“Childcare is too expensive - it should be more affordable - it is unfair in the sense that it does not encourage parents to seek employment and can actually act as a deterrent to parents staying in employment.”

“Families have to spend an inordinately large proportion of their monthly income on childcare. This means that families are not saving as much as they should or indeed investing as much as they could back into their local economies as their disposable income is significantly reduced. If childcare costs were reduced then families would spend more on other goods and services which would ultimately benefit the economy.”

It is interesting to note that none of the parent respondents mentioned the new Tax-Free Childcare scheme in answer to this question, providing an insight into both the level of awareness of the new scheme and parents' perception of the benefits to be gained from it.

It is clear that Government has much work to do, not only to adequately address the affordability of childcare and the deficiencies in the existing system, but also to show its commitment

to and recognition of childcare as an economic issue, which if left unaddressed has serious repercussions for families and the local economy.

4. Conclusions

It is clear from this year's findings that local families continue to struggle with the cost of childcare, we can draw four conclusions from our results:

Childcare costs have risen again

1

A full-time childcare place now costs on average £168 per week, a rise of £4 on last year's results.

This pushes
the cost of
childcare up to
£8,736
per year, per child

This year has seen a number of changes to the policies and procedures that day nurseries must adhere to, including the introduction of the National Living Wage and Pension Auto-enrolment.

Considering that the increase in costs over the last year was driven by a steep rise in day nursery costs, this perhaps explains the increase in the cost of an average place.

Childcare continues to place a significant financial burden on families

2

The cost of childcare consumes a significant proportion of median weekly earnings (43%) and is also one of the highest, if not the highest, monthly bill for families.

Indeed for a third of our 6,000 respondents the childcare bill amounted to more than the mortgage or rent bill.

Unsurprisingly over 60% struggled to meet their childcare bill either throughout the year or at some point during it and over half (55%) of parents said they were under increased financial pressure as a result of paying for childcare.

Worryingly the number of parents who rely on other sources to meet their childcare bill has grown in this year's survey.

It is particularly concerning that a fifth of these parents used payday loans to pay for childcare.

The knock on effect of increased financial pressure is financial insecurity for families, which manifests itself in less savings, vulnerability to unexpected payments and sacrificing non-essential items.

More worryingly, for some families essential items such as food and heating are also reduced.

The impact of high childcare costs is more than financial

3

Understandably many parents commented on feeling additional stress and strain due to the cost of childcare, whether it is because of the financial impact or due to the choices made because of the cost of childcare, such as changing working patterns which can impact on career progression and family relationships.

In terms of work, half of our respondents had reduced their working hours or left work altogether because of the cost of childcare, for many this was a decision they has no choice but to make. Other parents continue working full-time to preserve their careers but suffer financially as a result.

The impact on family relationships is a concerning finding, especially those parents who sacrifice family time or time with their partner to keep working and pay for childcare.

It is clear that parental and family wellbeing, including mental and emotional health, is affected. The impact on grandparents is also significant; their role in supporting parents to work is crucial for families but can be detrimental to their own circumstances, physically, mentally, socially and financially.

81% of all informal childcare is provided by grandparents, their support is critical for families and the local economy.

It can be argued that in many instances the role grandparents play in supporting parental employment fills the gaps in Northern Ireland's childcare infrastructure.

However, considering the impact providing childcare has on this generation, as demonstrated by our results, the lack of investment in a fit-for-purpose childcare system is to the detriment of the older generation.

4. Conclusions

Urgent action must be taken to address childcare

4

Our findings demonstrate very clearly that childcare is both a social and economic issue. Failure to address childcare contributes to many other issues, such as the level of in-work poverty, family debt and economic inactivity.

Current economic circumstances, such as continuing austerity measures, welfare reform, the rising cost of living and the uncertainly arising from Brexit provide for a bleak outlook, it is therefore necessary that childcare provision is addressed as a matter of urgency to support working families and bolster the local economy.

It is concerning that many parents made reference to Government's lack of interest in childcare and called on local politicians to put in place measures which will make childcare affordable and enable them to work.

We call on the Executive to publish and implement the full Childcare Strategy, with a commitment that adequate funding will be available to finance the strategy.

We believe this should be the first step in working towards a system of universal childcare for Northern Ireland. The childcare strategy must be innovative and sympathetic to the needs of working parents.

In particular measures should be included to ensure that all parents are aware of and claiming all of the financial support available to them.

This is particularly urgent given the introduction of Tax-Free Childcare and Universal Credit from next year.

In sum, the lack of affordable childcare is an issue of growing concern in Northern Ireland, and one which must be addressed urgently.

Our findings show that without suitable childcare provision parents, children and families suffer.

**Northern
Ireland
Childcare Cost
Survey 2016**



Appendix 1 & 2:

Appendix 1: Profile of respondents

Methodology:

Data collection took place between May and July 2016. Childcare providers were contacted through hard copy questionnaires.

Parents were invited to respond to an online survey.

Number of Childcare Provider respondents: **987**

Breakdown by type:

- 11% Day nurseries
- 55% Childminders
- 34% Out of School Clubs

Number of parent respondents: **6,059**

General profile:

- 76% were mums and 24% were dads.
- 92% were from two parent families and 8% were from one parent families.
- 36% had one child, 45% had two children, 15% had three children and 4% had four or more children.
- 6% of children had a disability or special needs.

Work status:

- 73% worked full-time hours, 25% worked part-time.
- + **Mums:** 62% worked full-time, 33% worked part-time, 5% other
- + **Dads:** 98% worked full-time, 1% worked part-time, 1% other
- 24% worked outside typical 8am-6pm Monday-Friday hours.
- Sector of work: 65% worked in the public sector, 31% worked in the private sector and 4% worked for Voluntary/Community organisations or Social Enterprises.

Household income:

- Less than £18,000 – 5%
- £18,000 to £31,000 – 14%
- Between £31,000 and £40,000 – 16%
- Between £40,000 and £50,000 – 22%
- Between £50,000 and £60,000 – 18%
- £61,000+ - 25%

Location:

- Down – 29%
- Armagh – 9%
- Antrim – 45%
- Fermanagh – 2%
- Derry/Londonderry – 9%
- Tyrone – 6%

Appendix 2: Use of childcare

How families use childcare:

- Formal childcare only – 49%
- Informal childcare only – 4%
- Mix of formal and informal – 46%
- Parent provides childcare – 1%

Hours of childcare:

- Parents used an average of 41 hours of childcare each week.
- For parents using a mix of formal and informal childcare the average breakdown was 26 hours of formal childcare and an additional 20 hours of informal childcare per week.

Formal Childcare use:

- Day nursery – 50%
- Registered childminder – 27%
- Out of school club – 16%
- Specialist day nursery unit – 4%
- Approved home childcarer – 2%
- Other – 1%

Informal Childcare use:

- Grandparents – 81%
- Other family member – 10%
- Unregistered childminder – 3%
- Friends – 3%
- Other – 3%

Appendix 3:

Appendix 3: Financial help with the cost of childcare

There is help available with the cost of childcare, however it can be difficult to navigate what is available and which type is the best for each family's circumstances.

Existing help

There are two main forms of help with the childcare bill:

Childcare Vouchers:

The Childcare Voucher scheme is offered through employers as a benefit to staff.

The majority of schemes operate through a 'salary sacrifice' agreement, meaning that parents choose to sacrifice a certain amount of their gross salary each month and this amount is converted to Childcare Vouchers.

The maximum a parent can sacrifice each month is £243.

The amount sacrificed each month is tax and National Insurance Contribution free, creating a saving of £77.76 each month or £933 per year.

As both parents can join the scheme there are annual savings of over £1,860 to be made.

The Childcare Element of Working Tax Credit:

Some families are entitled to Tax Credits which supplement their income.

There are two types of Tax Credits – Working Tax Credit and Child Tax Credit.

Parents eligible for Working Tax Credit can claim up to 70% of their childcare costs, however this is subject to a maximum limit:

- 1 child - the maximum childcare cost which can be claimed is £175 a week
- 2 or more children - the maximum cost which can be claimed is £300 a week

The maximum help a parent can receive through tax credits is £122.50 a week for 1 child or £210 a week for 2 or more children. However the actual amount is dependent on income.

Forthcoming changes

There are changes to childcare support expected in 2017:

Tax-Free Childcare:

From next year a new form of help with the cost of childcare will be available. Tax-Free Childcare is a completely new scheme, it enables families to save up to 20% of their childcare costs.

The maximum amount a parent can receive is £2,000 per year (only parents who have a childcare bill of £10,000 per child will receive the full £2,000).

For a family to be eligible, both parents will have to be in employment, working over 16 hours a week, earning a minimum of £115.20 per week and not more than £100,000 per year. Self-employed parents will also be eligible to join.

The scheme will be available to parents of children up to the age of 12 (or age 16 for children with disabilities).

Tax-Free Childcare will begin to roll out in early 2017, families with younger children will be eligible to join first.

N.B Childcare Vouchers and Tax-Free Childcare:

The Childcare Voucher scheme will close to new entrants in April 2018. At this point only those parents who are members of the scheme will be able to continue using it.

It is important that anyone who will be better off on Childcare Vouchers is a member of the scheme at this time or they will miss out on greater savings.

Universal Credit:

Universal Credit is a new benefit which will replace 6 existing benefits, including Tax Credits.

From autumn 2017 Universal Credit will begin to roll out across Northern Ireland, the details of which are still being finalised.

Childcare support under Universal Credit will increase to cover up to 85% of childcare costs for working parents.

Still confused? We can help!

We have a dedicated Family Benefits Advice Team which offers free, confidential advice and information on all family benefits and entitlements, including help with the cost of childcare. Our Advisors can carry out a 'better off' calculation to help you work out what type of childcare support you are entitled to and which type of support is better for your family.

*Contact our Family
Benefits Advice Team
on **0800 028 3008**
or **028 9267 8200***

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