

# Northern Ireland Childcare Cost Survey 2017

## Executive Summary



# Introduction

## About Employers For Childcare

Employers For Childcare aims to make it easier for parents with dependent children to get into work and to stay in work. The organisation encompasses a charity and the only Social Enterprise Childcare Voucher company in the UK. We help parents maximise their incomes, manage childcare costs and create a suitable work-life balance. Through working with employers and policy makers, we have sought to encourage and secure better support for families in the workplace and in public policy.

**Research, Policy and Lobbying:** we undertake research to provide us with the evidence to lobby Government on childcare, family and work-related issues, striving to ensure that the voices of parents, childcare providers and employers are heard when policy decisions are being made. We engage with policy makers and political representatives across the UK, from the Northern Ireland Assembly to Westminster.

**Family Benefits Advice Service:** our specialist Advisors carry out personalised benefits checks and better-off calculations to ensure that every parent is claiming all the financial help they are entitled to, particularly towards the cost of childcare. We also deal with queries on childcare and work-related issues through a Freephone Helpline used by thousands of parents, employers and others across the UK, and deliver face-to-face events, presentations, seminars, and publish information and research.

## About the Northern Ireland Childcare Cost Survey

Employers For Childcare has been conducting the Northern Ireland Childcare Cost Survey since 2010 to explore the cost of childcare and how this impacts on parents in Northern Ireland. It is the most extensive study of its kind in Northern Ireland, and is widely used to inform political debates, policy development in relation to the affordability of childcare, and service delivery.

This survey is distributed through our network of stakeholders, partnership organisations, political parties, policy makers and the media so the views of local parents and childcare providers are heard far and wide. The 2017 survey, the eighth in this annual series of research, received more than 4,800 responses from parents and over 700 from childcare providers.

Data collection took place between May and July 2017. Childcare providers in Northern Ireland were contacted through hard copy questionnaires and online. Parents were invited to respond to a survey that was published online, circulated across a variety of networks and shared on social media. Parents could self-select to participate in the research.

# The key findings

## What is the cost of childcare in Northern Ireland?

- Overall, the average cost of a full-time formal childcare place has **remained consistent at £168 per week, or £8,736 per year.**
- However, many parents will have experienced an increase in cost depending on the type of childcare they use and, behind the average, costs **range from £100 up to £260 per week** – that could be **£13,520 per year!**
- The average cost of a **full-time place in a day nursery rose by £3 per week**, while the average cost of **a week at a holiday scheme has also risen.** A parent using a community based holiday scheme in 2017 could expect to pay, on average, **14% more than they had in 2016.**

**£168**  
per week

**£8,736**  
per year

## What are families actually paying?

- Not all families look the same and, depending on the family, some report spending a lot more and some are paying less.
- Overall, families report spending **an average of £135 per week** on childcare while families using formal childcare only are spending on average £164 per week.
- But if we look at different families, these averages can vary considerably:
  - **A single parent family** with two children spends an average of **£168 per week on childcare**, well above the overall average of £135.
  - A family with **a child under the age of five** reports spending, on average, **£213 per week on childcare** – 58% more than the overall average family spend!

**£168**  
per week on  
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**£213**  
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**Key findings** continued over >>

## continued >> The key findings



### What are families actually paying?

- The average cost of a full-time childcare place equates to 39% of the average household income in Northern Ireland. The average spend reported by a **family with a child under the age of five equates to 49% of the average household income** here.
- **Childcare is the largest monthly outgoing for almost one third of parents**, greater than their mortgage or rent. After housing costs, childcare is the largest monthly outgoing for families ahead of grocery bills, transport, heating and other household costs.
- As a result, almost half of families – **46% - report having had to go without or cut back on another expense in order to meet their childcare costs**. This rises to more than half – 56% - of single parent families.
- For some, this means **cutting back on luxuries such as nights out**. Others are cutting back on or **going without essentials such as food and heating**. Some families are impacting on their future financial stability through not saving money, **not paying into a pension, or switching to an interest only mortgage**.
- A third of parents - **33% - resorted to means other than their income to pay for their childcare bill including savings, credit cards, loans from family or friends, and even payday loans**.
- And yet, two thirds of parents had not sought to find out what financial support they are entitled to with the cost of childcare; for many parents this was because they were **not aware they could be entitled to help with childcare costs**.

## It is not just about cost...

### Work and career progression



The ability to access childcare is impacting on the working patterns of parents.

- **63% of households** reported a change in working patterns in the last year, 42% of which did so due to the cost of childcare.
- In households where a parent decreased their hours, more than half, 57%, attributed this to the cost of childcare.
- Many **parents who did not change their working patterns reported that they did so at a financial loss**, anticipating that this would be for the longer-term benefit of their career.

*"I love my career, I worked hard at university to get a good job but I feel that I have little choice but to leave work/significantly reduce my hours because it simply isn't worth our while for me to work and have pretty much all my wages go on childcare."*

*"Not enough childcare and it is too expensive preventing many women from returning to paid employment...Childcare is an economic issue as well as a social one and should be viewed as such by government."*

## Family well-being

It is also impacting negatively on the overall well-being of families.

- The cost of childcare and its impact on work affects parents and children through **limiting family size, contributing to stress associated with financial worries**, and resulting in **families not spending time together**
- The role grandparents play in supporting parents to work, and in the development of their grandchildren, is well recognised, however **over reliance on grandparents can lead to negative impacts in terms of their physical, mental, social and financial well-being.**



*"The cost of childcare is the single biggest worry for our family. We do not have any safety net. If our car breaks down, we are not in a position to fix it because £800 every month must go to childcare. Neither of us sleep very well because of financial pressure and we both work full time in reasonably well paid jobs. We are not coping very well and a family member now has a serious illness. I do not know how we can continue to do this."*

*"Childcare has severely restricted our quality of life - we struggle and stress about money every month and it has had a severe impact on both our marriage and our mental health... all the while feeling guilty as we're away from our baby trying to do our best for him and give him everything we can."*

## Lack of provision

- Parents identify a lack of provision of childcare.
- **More than half – 53% - of parents think there is insufficient provision of childcare in their area.** This rises to more than one in six – 64% - of parents who have a child with a disability.
- There is a particular issue with a **lack of out of school childcare with afterschool clubs, holiday schemes and breakfast clubs** being the forms of provision most likely to be identified as insufficient.
- **Parents in Fermanagh and Tyrone are more likely to report insufficient childcare provision** in their area.
- This results in almost one in six – 56% - of parents reporting that they are not currently accessing the childcare they require. Amongst these parents, almost two thirds – 65% - state that the cost of childcare is a key reason.
- **The majority of parents - 87% - think the quality of childcare provision in Northern Ireland is good or very good** compared to just **26% who rate the affordability of childcare provision positively.**

# Conclusions

It is clear from this year's findings that many local families continue to struggle with the cost of childcare, whilst recognising the value that childcare can play in their lives and supporting the social and educational development of children. When parents feel unable to access those benefits due to the cost of childcare, or when they take on this cost and experience a negative impact on their financial well-being and on the overall well-being of the family, their frustration and their anxiety comes across strongly.

This research also reflects the value that parents place on the ability to choose the childcare that best suits their family's needs, whether due to a need for flexibility, or through personal preference. This often includes informal childcare, for example grandparents, and the benefits of this are clearly identified. However, for many parents, they do not feel that they have a real choice in terms of the childcare they can access, principally due to the cost of formal childcare. A number of broad conclusions therefore emerge from this year's research:

1. Parents value the role that childcare can play in their lives where it promotes the development of children and enables parents to access work.
2. Parents want to be able to make the right choice about accessing the childcare that best suits the needs of their whole family.
3. However, the cost of, or an inability to access, childcare can:
  - a. prevent families from having the choice they want,
  - b. act as a barrier to employment,
  - c. place a significant financial burden on families, and
  - d. impact negatively on family wellbeing.

## It's not just about cost...

These conclusions highlight how our current childcare infrastructure does not meet the needs of parents, childcare providers or employers. This is in part due to: high costs; lack of flexibility on opening hours; the availability of adequate provision across Northern Ireland; and a lack of childcare provision that meets the needs of families with specific needs. It is evident from the responses in this research that being unable to access affordable and adequate childcare can be a barrier to parents staying in work and their children accessing the developmental opportunities associated with quality childcare.

It can lead parents to reduce their hours, change their pattern of work, or leave work altogether, impacting on the financial well-being of the family and the longer-term career prospects of the parent. Conversely, in order to meet the costs of childcare, some parents are increasing the hours they work or taking on additional jobs which can, in turn, have a negative impact on overall family well-being, with families spending less time together. The choice to remain in work at a financial cost can also cause families to struggle.

## Relationship with in-work poverty

In October 2017, on the 25th International Eradication of Poverty Day, the Northern Ireland Commissioner for Children and Young People highlighted that, of 444,000 children in Northern Ireland, 103,400 live in poverty and the majority of these children, 61%, live in households where at least one parent is working<sup>1</sup>:

*“That is almost 1 in every 4 children in Northern Ireland living in a family which struggles to provide for their basic needs, provide a warm, adequate home, nutritious food, appropriate clothing and to pay for childcare.”<sup>2</sup>*

In our survey, a clear sense of frustration emerged regarding what some parents perceived as a system that can penalise working parents, with some expressing the view that they would be better off not working. In looking to the future, it is essential that the childcare infrastructure in Northern Ireland is one that supports parents to access and stay in work or training and, once they are there, helps to ensure that work pays for those families and helps to lift them out of poverty.

## Looking forward

The results of this survey give a strong voice to parents from across Northern Ireland, and Employers For Childcare will work to make sure their collective voice is listened to. We will continue in our mission to achieve a childcare system that meets the needs of children, families, childcare workers and providers as well as the economy and broader community. A childcare system that is affordable, accessible, high quality and flexible, and which supports those parents who have a child with a disability. A childcare system that enables parents to access and stay in paid work, education or training, and that recognises the value of childcare and those employed within the sector.

At the time of writing, Northern Ireland is without a childcare strategy, without an Executive, and parents are looking into the face of welfare reform, rising cost of living, uncertainty arising from Brexit and changes in the landscape of financial support for childcare. This report provides robust evidence highlighting issues which must be addressed to ensure childcare is affordable, accessible and meets the needs of parents, children and the wider economy.

<sup>1</sup> <http://www.niccy.org/media/2904/niccy-child-poverty-briefing-october-2017.pdf>

<sup>2</sup> <http://www.niccy.org/about-us/news/latest-news/2017/october/17/social-security-cuts-likely-to-drive-more-children-into-poverty/>

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