

Northern Ireland Childcare Cost Survey 2018

Executive Summary



Foreword

An affordable and accessible childcare infrastructure has the potential to deliver improved well-being for all citizens in Northern Ireland. In this 9th annual Childcare Cost Survey Employers For Childcare has found there is some reprieve for families as the average cost of a full-time childcare place has, overall, dropped by £2 per week. However, this is not experienced by all families as there is variation across childcare settings. There is limited relief for families who continue to spend a significant proportion of their household income on childcare.



In this year's Childcare Cost Survey the stories we hear from families echo those of previous years, presenting a vivid picture of the difficulties they experience in balancing childcare, work, household income and family life. These highlight the impact the childcare bill can have on local families including extreme financial pressure which can negatively affect family well-being.

Parents again shared genuine appreciation of the important role quality childcare provision plays in their lives. They recognise the cost of delivering quality childcare and, as such, our focus in highlighting this year's findings is not on the cost of a childcare place but, rather, on the need for investment in the childcare infrastructure to ensure it is affordable as a proportion to the household income. This means a strategic approach targeting support where it is needed – for parents and for providers. In fact, the evidence is clear that aligning high quality early years education and childcare – educate - supports children to achieve their best. Research shows the earlier children access high quality early years education, the better their life chances and long-term outlook in adulthood.

It is in this context that we find ourselves as frustrated as the parents and childcare providers who respond to our survey every year who tell us something needs to change. It is time for a fundamental overhaul of the childcare and early education funding system in Northern Ireland, and we can look to other parts of the UK for inspiration. For example this year, many parents told us of their anger that they are unable to avail of 30 hours free childcare – a scheme available to eligible families in England. There is strong support for this or a similar model to be introduced in Northern Ireland.

Once again, this year's survey is published at a time when Northern Ireland is without an Executive, without a childcare strategy and is facing significant changes to the financial landscape with the roll out of Universal Credit and uncertainty arising from Brexit. These are precarious and uncertain times for families and childcare providers and many who participated in this year's survey expressed worry and despair in regard to the affordability of accessing – and delivering – high quality childcare.

By not investing adequately in childcare, the Government is not only impacting on the ability of families to access the support they need to get into and stay in work, they are putting children's life chances at risk. This is not acceptable. We will be using the results of this research to inform our call for the fundamental overhaul of the childcare and early education funding system in Northern Ireland.

Marie Marin, Chief Executive, Employers For Childcare

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 a Social Enterprise which provides the only Social Enterprise Childcare Voucher scheme in the UK, 100% of the profit from which goes to fund the work of our charity.

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. We do this through:

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.

Family Benefits Advice Service: our trained advisors carry out personalised benefits checks and better off calculations to ensure that parents are 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 an impartial Freephone Helpline used by thousands of parents, employers and others across the UK, and deliver face-to-face events and presentations across Northern Ireland.

About the Northern Ireland Childcare Cost Survey

Employers For Childcare has been conducting the annual Northern Ireland Childcare Cost Survey since 2010 to explore experiences of childcare provision with parents and providers. It highlights the views of parents and childcare providers towards childcare costs and provision. It is the most extensive study of its kind in Northern Ireland and is widely used to inform political debates and policy development in relation to childcare affordability and provision.

Data collection took place between May and July 2018. Childcare providers and parents were invited to respond voluntarily to an online survey that was circulated across a variety of networks and shared on social media. In total, we received 386 responses from childcare providers and 1,872 responses from parents.

Key findings

The average cost of a full-time childcare place is **£166 per week** or **£8,632 per year**.

Strong support was expressed to bring Northern Ireland in line with England by introducing **30 hours free childcare**.

£166
per week
£8,632
per year



How much are families paying?

- Overall, families report spending an **average of £133 per week** on childcare while families using **formal childcare** only are spending on average **£158 per week**.
- Childcare is still the **largest monthly outgoing** for over **one third** of families, more than their mortgage or rent.
- In the last year, over half of families report they have gone without or had to cut back on another expense to meet their childcare costs.
- Families told us they have cut back on groceries, clothes, heating and home repairs. As a result, some families have been unable to save or pay into a pension impacting on their future financial stability.
- One third of parents (**33%**) resorted to means other than their income to pay for their childcare including savings, loans from family or friends, credit cards and payday loans.
- Over two thirds of parents (**68%**) had not taken steps to find out what financial support they are entitled to with the cost of childcare and many told us this was because they were not aware they could be entitled to help with childcare costs.

Impact on family life

- **59% of families** are using a mix of **formal** and **informal childcare** arrangements.
- On average, families use **41 hours** of childcare per week.
- **63% of all families access childcare provided by grandparents**, for some or all of their childcare needs. The majority of these families told us the key reason for this is to manage the cost of childcare.

"Grandparents are the unsung childcare provider heroes!"

Impact on work and progression

- The ability to access affordable childcare is impacting on the working patterns of parents: **57%** of households reported a change in working patterns in the last year, **46%** of these households attributed this change to the cost of childcare.



Parental experience of childcare provision

- The majority of parents in Northern Ireland (**86%**) think the **quality of childcare provision is good or very good.**
- More than half of parents (**58%**) think there is **insufficient childcare provision** in their area.
- In particular, afterschool clubs, breakfast clubs, specialist day nurseries and holiday schemes were identified as having insufficient provision.
- **38%** of parents told us the cost of childcare in their area is preventing them from accessing the childcare that best suits their family's needs.

For **two thirds** of families the childcare bill is the **largest or second largest** monthly outgoing.

"The cost of childcare significantly affects our family as I've chosen to work part-time as we could not afford full-time childcare costs. This has significantly affected my career prospects and the type of job I can apply for, there are very few managerial part time roles so I had to take a job two grades below my previous full-time job."

Parent

"The quality is superb! Both my previous registered childminder and current nursery are committed to their roles and go above and beyond."

Parent

"We have excellent staff retention and a very loyal staff team, we have also started to use an excellent new software system which keeps us in instant contact with our parents."

Childcare provider

"Our childcare provider is excellent. We know they are well regulated and standards are high. We are very happy with the quality of facilities, staff and training."

Parent

"I love the work I do and try to keep up to date with courses to enable me to provide the best service to my clients."

Childcare provider



Experience of childcare providers

- In the last year, **67%** of childcare providers reported an increase in expenditure. Yet, **only 23%** of childcare providers reported an increase in their income.
- **19%** of childcare providers increased their fees with key reasons identified as being the cost of food, materials and equipment, business rates and insurance, and staff costs.
- Looking ahead, **51%** anticipate their expenditure will increase in the coming year, with just **23%** anticipating income will increase.
- Key challenges raised by providers are related to competition with unregistered childminders (**59%**) and securing sufficient income to cover expenditure (**48%**).
- For **74%** of childcare providers the key thing working well for them is their liaison with parents.

Conclusions



Two broad conclusions emerge from this year's research:

- 1** Quality childcare must be properly valued by Government and recognised for the role it plays both in promoting child development and enabling parents to access work.
- 2** Quality childcare must be affordable and accessible for parents whilst being sustainable for childcare providers to deliver.

What we have seen in 2018 is that more families are dedicating a significant proportion of their household income to paying for childcare. Worryingly, parents and families continue to experience difficulties in affording and accessing the childcare that best suits their needs. Many parents shared with us the challenges they face in paying their childcare bill and balancing costs to make work pay coupled with the financial worry their childcare bill has on the family.

On the same note, many childcare providers report they are either making a loss or are just breaking even. They are experiencing an increase in their annual expenditure whilst seeking to limit any increases in fees. Just 19% of providers reported increasing their fees in the last year and some expressed concerns about potential implications of increasing fees, as they felt parents would not be able to afford those fees. Instead, many providers told us how they have tried to absorb the cost in an attempt to minimise the impact. This is not sustainable, and providers - as well as parents - are calling for strategic investment to support them in providing high quality services and to ensure parents can access affordable childcare.

These findings demonstrate how our current childcare infrastructure is not being supported to meet the needs of parents, childcare providers or employers. It is clear the childcare system in Northern Ireland requires urgent reform.

So what next?

By not investing adequately in childcare, the Government is impacting negatively on parents' ability to get into and stay in work and they are putting children's life chances at risk. Employers For Childcare believes this is not acceptable and we will be using the results of this research to call for a fundamental overhaul of the childcare and early education funding system in Northern Ireland.

In the immediate future, we will work alongside Government, statutory agencies and stakeholders to ensure a Northern Ireland Childcare Strategy is costed, with appropriate support allocated to support parents, and providers and that recognises childcare as a vital part of our infrastructure. An important first step in this process will be for the Government to cost delivery of a scheme similar to the 30 hours free childcare scheme available in England and being piloted in other parts of the UK.



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