

# Northern Ireland Childcare Survey 2019



# Foreword



“  
*I am hopeful...that with a genuine effort our local representatives can work in partnership to produce a long awaited and overdue childcare strategy, which takes into account the needs of all stakeholders.*  
”

This quote is taken from my foreword to the very first Northern Ireland Childcare Survey in 2010. Unfortunately, as we publish the 10<sup>th</sup> report, these words apply just as much today as they did then. Northern Ireland is still the only part of the UK without a Childcare Strategy, and is falling further behind the other UK regions in terms of vital investment in our childcare sector.

Since we published our first report, the average cost of a full-time childcare place has increased faster than wages when adjusted for inflation. Equally, we know that costs have gone up for childcare providers, and continue to rise. This is completely unsustainable. Urgent action is required to ensure that quality childcare is affordable both for families to access and for childcare providers to deliver. This research report is unique in bringing together the voices of families and childcare providers, giving a full and informed view of what is needed. Government must listen to these voices, and deliver the necessary investment.

Our society needs a childcare infrastructure that is affordable, accessible, flexible, high quality, and supports children's education and development. Childcare should be available to all families regardless of the age of their children, whether they have a child with a disability, whether they live in a rural or urban location, or in a lone parent household, and whether they have recently moved to Northern Ireland. At the same time, the value of childcare work must be recognised with decent pay and terms and conditions, and investment to ensure quality care is sustainable for childcare providers to deliver.

Employers For Childcare addresses childcare as a labour market and an economic issue, as well as a social one. Childcare provision should enable parents to access and stay in paid work or education and training. Through our annual Childcare Surveys we know that parents and carers may be locked out of work as a result of not being able to access or afford childcare. Our research this year highlights how there are still particular issues for women who have caring responsibilities, and who remain more likely than men to adjust their working patterns by reducing their hours or coming out of the workforce, impacting on their long term career prospects. We have also seen that lone parents can experience greater challenges in accessing and affording the childcare that they need.

We can get this right. Our Government needs to recognise that childcare is a vital part of our infrastructure equal to transport, education and healthcare. Just as we expect our roads and our schools to be there for us, we can redesign our childcare support system to work for us. We can do this by removing the barrier that affordability poses, ensuring access to quality care is always an option for families, and helping to give our children and young people the best start in life. In doing so we will ensure that our childcare infrastructure in Northern Ireland will unlock barriers to parents participating and progressing in the workforce, particularly women, and to families who are in work, maximising their incomes.

We are publishing this report just ahead of the long school summer holiday in Northern Ireland. This can be a challenging time for parents sourcing extra childcare, often with additional costs. Remember our Family Benefits Advice Service is here to help you find out what support your family is entitled to.

Thank you for your interest in this research. I hope that over the next ten years we see the changes that you, parents and childcare providers have told us you need.

Marie Marin, Chief Executive, **Employers For Childcare**

# Contents

<b>Key findings</b>	<b>2</b>
<b>Employers For Childcare and the Northern Ireland Childcare Survey</b>	<b>4</b>
<b>Section 1:</b> The cost of a childcare place in Northern Ireland	5
<b>Section 2:</b> How are families using and paying for childcare?	10
<b>Section 3:</b> Access to childcare that suits each family's needs	25
<b>Section 4:</b> How the ability to access childcare impacts on employment	31
<b>Section 5:</b> Experiences of childcare providers	35
<b>Section 6:</b> Conclusion	44
<b>Appendix 1:</b> Methodology and profile of respondents	46
<b>Appendix 2:</b> Key terms	48





*“Shopping on groceries and other household items needs to be reduced or carefully managed during school holidays.” Parent*

*“We live very frugally in every way possible to ensure essential bills (including childcare) are met.” Parent*

*“As I have recently changed jobs (and consequently had to change childcare provider) I had to watch the pennies until my wages were paid as I had to pay a full month childcare up front, before getting paid. This equates to over a third of my monthly wage...a lot to pay up front.” Parent*

*“As a single parent I had to leave work because I couldn't afford formal childcare.” Parent*

*“The weeks I need childcare, we go without a grocery shop.” Parent*

*“I welcome the opportunity to undertake the survey and highlight the challenges parents (in my case a single parent) face on a daily basis to juggle childcare responsibilities alongside working (I would likely be financially better off not working!).” Parent*

*“My husband and I use all our annual leave taking turns to cover school holidays or when my parents are on holidays. Life can be a bit of a juggle sometimes. I would like to use my annual leave along with my husband to add to family time but that is not possible at the moment.” Parent*

# Key findings

## Ten years of research with parents and childcare providers

- The average cost of a full-time childcare place is £166 per week or £8,632 per year. This is an increase of 11% since 2010 when the first Northern Ireland Childcare Survey was conducted.
- Ten years on from our first Childcare Survey, Northern Ireland remains without a Childcare Strategy. Parents and childcare providers continue to call for greater investment in our childcare sector.



## What are families paying for childcare?

- Families report spending an average of £137 per week on childcare. This rises to £178 where families use formal childcare only.
- 50% of all families report spending more than 20% of their overall household income on childcare. This rises to 63% of lone parent households.
- 41% of families resorted to means other than their income to pay for their childcare bill, including savings, an overdraft, loans and credit cards.
- Nearly half of respondents have had to cut back or go without another expense to pay their childcare bill.



## Lone parents can experience greater challenges

- More than one in ten lone parent households report spending over half of their overall household income on childcare.
- A higher proportion of lone parent households, 51% compared to 41% overall, report using means other than their income to pay for childcare. Lone parents are more likely to report having used a payday loan.
- 63% of lone parent households report having had to cut back or go without to meet their childcare bill.





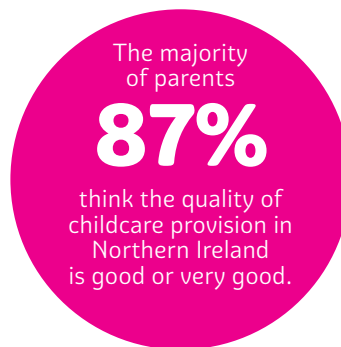
## Challenge of accessing holiday childcare

- Half of respondents with school age children reported an increase in childcare costs during the summer holidays. The average cost of a week at a holiday scheme has increased by 56% since the first Northern Ireland Childcare Survey in 2010.
- Where parents report there is insufficient childcare in their area, 45% say there is a lack of holiday scheme provision.



## Experience of accessing childcare provision

- More than half of parents think there is a lack of sufficient childcare in their area.
- One quarter of families report that they are not currently accessing the childcare they need. The three main reasons given for this are linked to childcare – cost of care, opening hours and availability.
- The majority of parents – 87% – think the quality of childcare provision in Northern Ireland is good or very good.



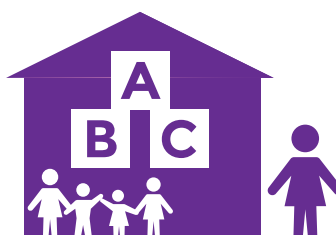
## Impact on work and career progression

- Almost half of all parents represented in the survey experienced a change in their working hours. One in five mothers decreased their hours of work or left work altogether last year, compared to 6% of fathers.
- 45% of mothers attributed this change to the cost of childcare.



## Experience of childcare providers

- In the last year, almost three quarters (73%) of childcare providers reported an increase in their overall expenditure, compared to 29% who reported an increase in overall income.
- Nearly one third of providers (32%) anticipate the economic situation of their organisation will get worse compared to 17% who feel that it will improve in the next 12 months.



*“Providers are excellent - it is costly but I understand the child / carer ratio requires a certain number of staff and therefore costs need to be covered.” Parent*

*“Government needs to do more to help working parents. We are basically paying an expensive second mortgage to enable us to send our children to childcare and allow us to continue in our careers.” Parent*

*“The amount I pay for childcare each month out of my salary, makes me consider leaving work. I believe the government could do more to support working parents and help mothers returning to work after maternity leave.” Parent*

*“A childcare strategy is urgently required in Northern Ireland in order to financially support families and invest in nurseries to ensure there is a sustainable framework in place that provides affordable, quality care for our children. The free 30 hours provided in mainland UK is certainly something to consider, however there are issues with this scheme also.” Childcare provider*

*“Economic environment unknown in the coming year due to Brexit worries and job security.” Childcare provider*

*“Massive increase in costs over last 12 months to get significantly worse as pension and minimum wage costs increase this year.” Childcare provider*

## About Employers For Childcare

Employers For Childcare comprises a Social Enterprise and a registered charity. 100% of the profits from our Social Enterprise business – a Childcare Voucher company, a recruitment service for childcare providers and High Rise (an indoor family adventure centre) are invested into our charity.

As a charity, our aim is to make it easier for parents with dependent children to get into work and to stay in work. 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 address childcare as a labour market and economic issue, as well as a social one.

Our charity's work includes:

**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 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 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.

**Family Friendly Employer Awards:** our annual UK Family Friendly Employer Awards recognise employers who go above and beyond legal requirements to implement family friendly working policies.

## About the Northern Ireland Childcare Survey

Employers For Childcare has conducted the annual Northern Ireland Childcare Survey since 2010 to explore the experiences of parents and childcare providers. This survey marks the 10<sup>th</sup> in the series, an important milestone for the most extensive study of its kind in Northern Ireland. The series is widely used to inform political debates and policy development in relation to childcare.

Data collection took place between February and March 2019. 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 512 responses from childcare providers and 3,121 from parents.

## Thank you!

We would like to thank each parent and childcare provider who completed the survey. This report highlights and reflects your views, attitudes and experiences of childcare provision in Northern Ireland. We continue in our mission to achieve a childcare system that is affordable, accessible and flexible to meet the needs of children, families, childcare professionals and providers.

# Section 1: The cost of a childcare place in Northern Ireland

1.1 Cost of a full-time childcare place: average

1.2 Cost of out of school childcare: average



## 1.1 Cost of a full-time childcare place: average

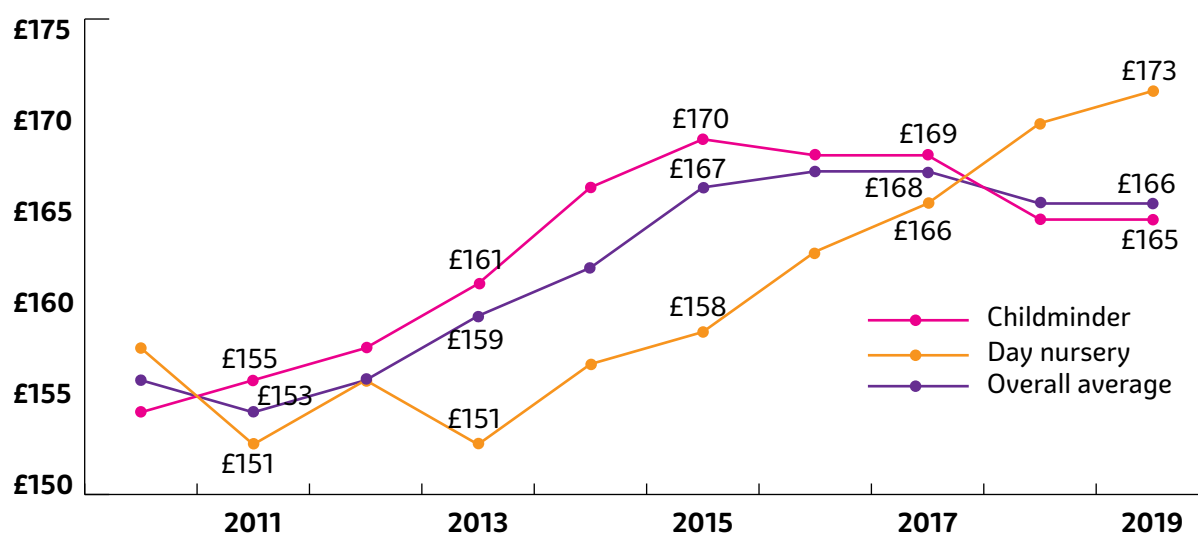
This year's results show that the average cost of a full-time place, as reported by childcare providers, is £166 per week.

The cost of childcare varies depending on the type of childcare provision. Since last year, the average cost of a full-time day nursery place has increased by £2 per week to £173 while the average cost of a full-time place at a childminder has remained unchanged at £165.

For a second year in a row, the average cost of a full-time place with a childminder has been lower than the average cost of a full-time place in a day nursery. This trend is linked to the introduction of work place pensions and increases in National Minimum and Living Wages which have resulted in some day nurseries having to increase their fees.

Average cost of a full-time place is

**£166**  
per week



**Figure 1: Full-time average weekly childcare costs since 2010**

Taking a closer look at these figures, the average cost of a childcare place as reported by childcare providers is £33 per day. If we break these costs down further again, the average cost of a full-time place is £4 per hour.

### Ten years on

The table below compares average costs reported in 2019 to those from 2010, when the research was first carried out.



	2019	2010	Change	% change
Day nursery	£173	£144	<b>£29</b>	<b>+20%</b>
Childminder	£165	£152	<b>£13</b>	<b>+9%</b>
Overall average	£166	£149	<b>£17</b>	<b>+11%</b>

**Table 1: Overall average cost of a full-time childcare place per week in 2019 compared to 2010**

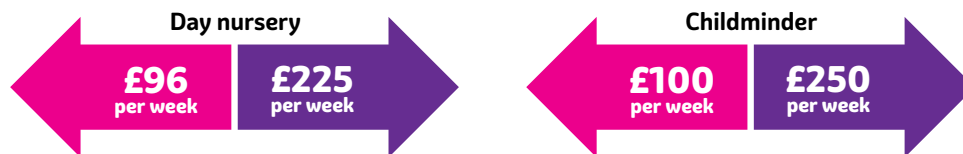
Since we published our first report in 2010, the average cost of a full-time childcare place overall has increased by 11%, while the average cost of a place at a day nursery has increased by 20%. This is likely linked to changes to the National Living and Minimum Wages, and the introduction of pension auto enrolment. While these are positive developments for staff, given that the median full-time gross weekly earnings in Northern Ireland – when adjusted for inflation – have increased by just 1.5% between 2010 and 2018,<sup>1</sup> action is required to ensure that quality childcare is also affordable to access.

<sup>1</sup> [www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings](http://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings)



## Full-time childcare costs: range

The average figures can mask what is a broad range in the fees charged by individual childcare providers depending on the nature of the setting. The cost of a full-time place for one child reported by a day nursery ranges from £96 per week to £225 per week. The cost of a full-time place reported by a childminder ranges from £100 to £250 per week.



## Variation across Northern Ireland

The cost of childcare also varies across Northern Ireland. For the fourth year in a row, the highest average cost for a full-time childcare place is in Armagh. Once again, childcare costs in Tyrone and Fermanagh are much lower than in other counties however both have seen an increase in the average reported costs.

In most counties, the cost for a full-time place at a day nursery is higher than a place at a childminder, with the exception being County Tyrone.

There is a £20 difference between the average cost in Armagh (£173 per week) and the average cost in Fermanagh (£153). Each year, this gap continues to narrow highlighting how childcare costs across Northern Ireland are changing.

County	Overall average 2019	Overall average 2018	Change
Armagh	£173	£179	-£6
Antrim	£169	£170	-£1
Down	£168	£166	+£2
Derry/Londonderry	£162	£159	+£3
Tyrone	£154	£149	+£5
Fermanagh	£153	£148	+£5

Table 2: Average full-time childcare costs by County 2019

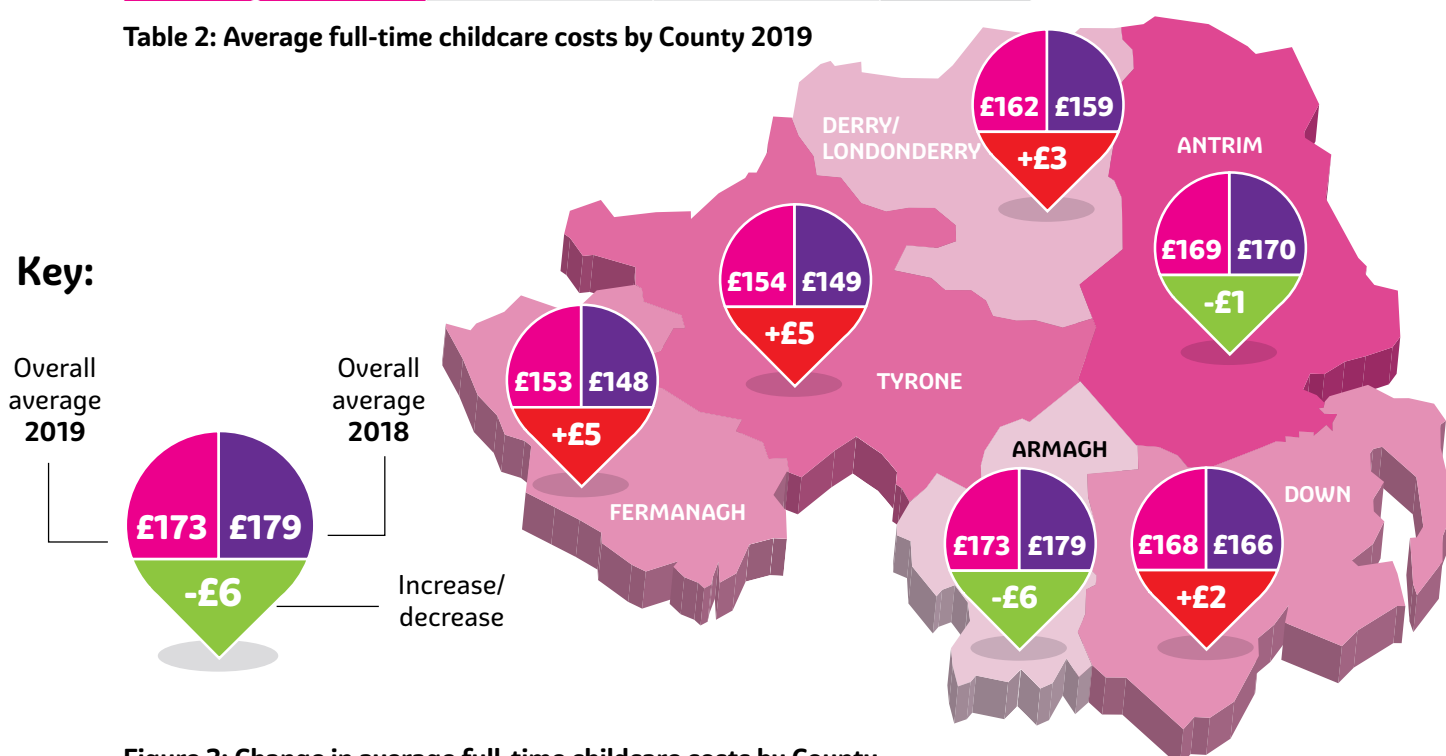
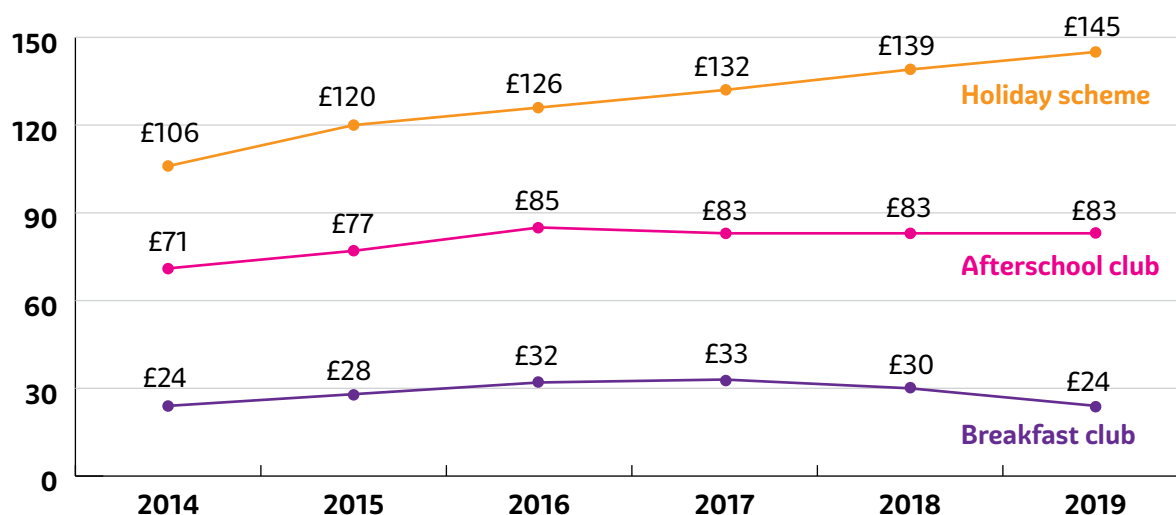


Figure 2: Change in average full-time childcare costs by County

## 1.2 Cost of out of school childcare: average

Breakfast clubs, afterschool clubs and holiday schemes are the three main types of out of school childcare or wraparound services. Each type is designed to cater for school-aged children to provide childcare that wraps around the school day and during holidays. Out of school childcare is essential for working parents. It can be provided in private, community or school-based settings.

Since last year's report, the average cost of a week at a holiday scheme has risen by £6. This marks a continuation in a trend of increasing holiday scheme costs. There was a small decrease in the cost of a week at a breakfast club. Similar to last year's results, the average cost of a week at an afterschool club has stayed the same.



**Figure 3: Average weekly cost of out of school provision: change over time**

The type of out of school provision families use and how often they use it varies. The average cost per hour of out of school provision is shown in the table below.

Type of out of school setting	2019 Average hourly cost
Breakfast club	£4
Afterschool club	£5
Holiday scheme	£6

**Table 3: Average per hour cost of out of school provision**

## Ten years on

The table below compares average costs reported in 2019 to those from 2010, when the research was first carried out.

Since we published our first report in 2010, the average cost of a week at a holiday scheme has increased by 56%. Interestingly, the cost of a breakfast club increased over a period of time, but has more recently seen a decrease making the cost in 2019 similar to the cost in 2010.



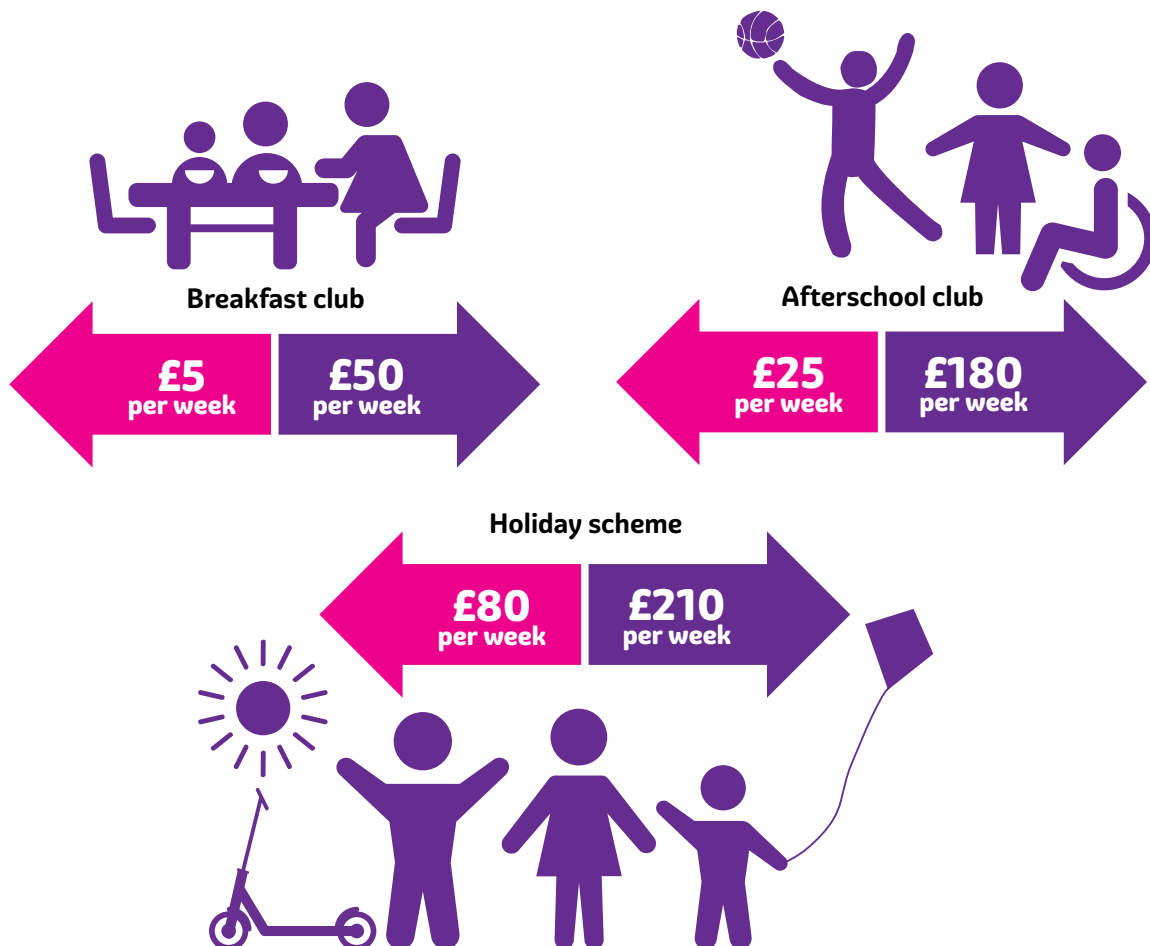
	2019	2010	Change	% change
Breakfast club	£24	£24	No change	No change
Afterschool club	£83	£68	+£15	+22%
Holiday scheme	£145	£93	+£52	+56%

**Table 4: Overall average cost of an out of school childcare place per week**

## Out of school childcare costs: range

The cost of out of school provision can vary depending on the nature of the provision. The average figures presented above hide a wide variation of costs, with many schemes costing less and many costing more.

Our research shows that across each out of school setting, the highest reported costs are in private settings. Notably, there is a £40 difference between the average cost of a holiday scheme in a community setting compared to a holiday scheme in a private childcare setting. To highlight the variation, the range in costs is set out below.



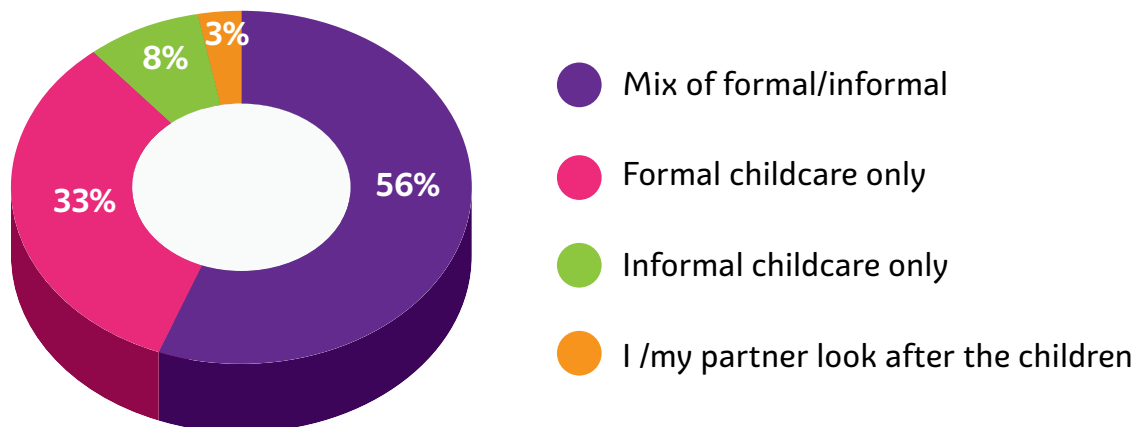
# Section 2: How are families using and paying for childcare?

- 2.1 How are families using childcare?
- 2.2 What are families spending on childcare?
- 2.3 What influences a family's choice of childcare?
- 2.4 How does the childcare bill compare to household income?
- 2.5 How does the childcare bill compare to other household bills?
- 2.6 Using means other than income to pay the childcare bill
- 2.7 Cutting back or going without to meet the childcare bill
- 2.8 Accessing support for childcare costs



## 2.1 How are families using childcare?

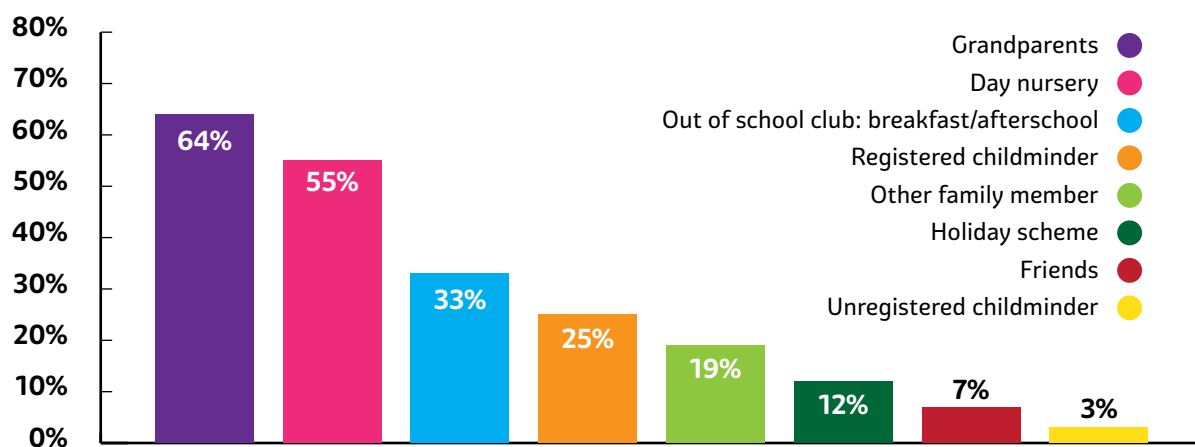
This year, families reported using an **average of 43 hours of childcare each week**. Over half of families use a mix of formal and informal childcare in an average week, one in three uses formal childcare only and 8% use exclusively informal childcare. A small proportion (3%) of respondents reported that their household did not use any formal or informal childcare provision and that they or their partner cared for the children themselves.



**Figure 4: Patterns of childcare used by families 2019**

Where families report using a combination of formal and informal childcare, they tend to use slightly more hours – 45 per week on average, which breaks down to 25 hours of formal care and 20 hours of informal childcare. Lone parent households report using fewer hours of childcare on average, 34 hours compared to 43 overall. One explanation for this may be that lone parents are more likely to be working reduced or part-time hours in order to reduce the proportion of household income that is spent on childcare. Similarly, lone parent households are more likely to not be in employment and 7% look after the children themselves. Families who have a child with a disability are more likely to be using informal childcare only (16%) than families overall.

Families use a range of different forms of provision to meet their childcare needs, shown in the figure below. Many families combine different types of provision therefore the percentages do not add up to 100%. Similar to last year, almost two thirds of households use grandparents to provide some or all of their family's childcare needs



**Figure 5: Breakdown of childcare usage**

## 2.2 What are families spending on childcare?

The amount families report spending on childcare depends on the nature of the family and the type of childcare they use. Our research found families using informal childcare only spend an average of £48 per week. A family using formal childcare only pays, on average, £178 per week, £9,256 per year. Families who use a mix of formal and informal childcare spend an average of £125 per week.

Overall, families spend on average

**£137**  
per week on  
childcare

These average figures capture a range of family circumstances, including those with different numbers and ages of children, lone-parent and two-parent households, families on a range of different incomes and those who have a child with a disability. Some families will be using and paying considerably more than the 'average' figure, and others less. For example, the average spend per week within lone parent families is £110, while a household with a child under the age of five reports a higher average spend of £148 per week. This rises further to £198 where the family is using formal childcare only. Reported spend ranges from families paying nothing each week if they are looking after their children themselves, up to families spending over £500 per week on childcare.



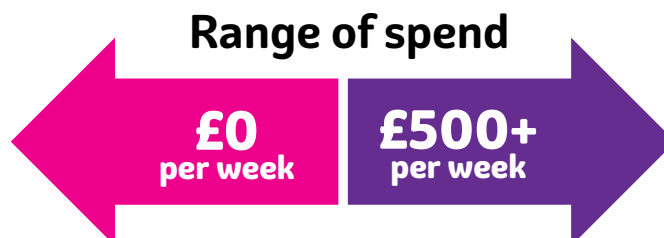
**£178** per week  
**Formal childcare**  
only



**£125** per week  
Mix of **formal**  
and **informal**  
childcare



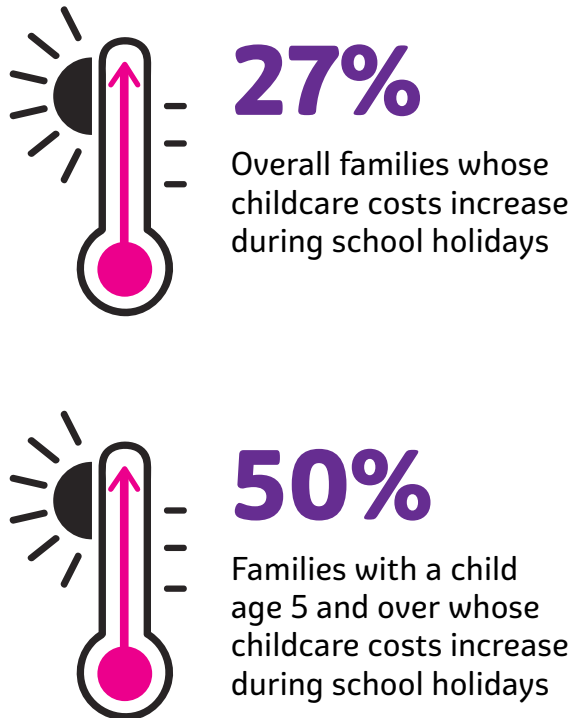
**£48** per week  
**Informal childcare**  
only





## Childcare costs during holiday times

The amount families spend on childcare in a typical week can vary at particular times of the year, for example, during a holiday period when school age children may need additional care arrangements. 27% of parents reported that their household's childcare costs increased during school holidays, however this rises to 50% of families who have a child age 5 and over.



**Figure 6: Families where childcare costs increase during school holidays**

As well as reporting additional costs, some families reported issues with the availability of suitable childcare during the school holidays, catering to the needs of their school age children. Where holiday childcare is unaffordable or unavailable, parents are left with few options, particularly where they do not have family or friends able to provide informal care. Some parents do not have enough annual leave to cover the long summer holiday, and may struggle to stay in work.

*“Groceries and other household items need to be reduced or carefully managed during school holidays.” Parent*

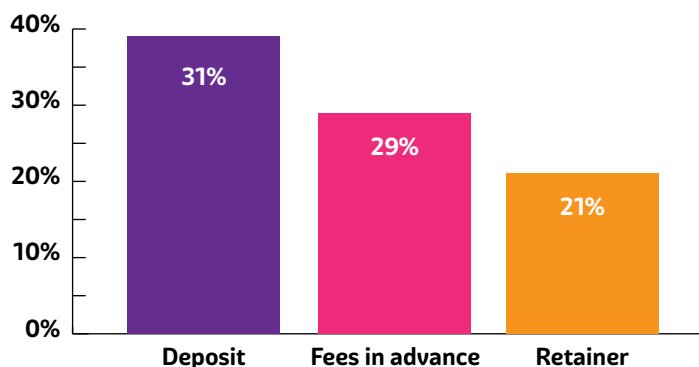
*“During school holidays I have to ask for unpaid leave as I don’t have any other childcare options.” Parent*

*“My husband and I use all our annual leave taking turns to cover school holidays or when my parents are on holidays. Life can be a bit of a juggle sometimes. I would like to use my annual leave along with my husband to add to family time but that is not possible at the moment.” Parent*

*“School holidays are always hard for me as I now rely on my parents full time for childcare, I feel very guilty during the holidays and feel like I expect too much from them. There are some private clubs that do summer camps but they are few and far between and expensive.” Parent*

## Additional and upfront costs

As well as their weekly or monthly bill, some families are required to pay additional or upfront costs to access or retain a childcare place. This can depend on individual childcare providers, and not all require costs to be paid upfront. Just over half of respondents (52%) reported having had to pay either a deposit or fees in advance, or to pay a retainer to keep a space.



**Figure 7: Families who report having to pay additional or upfront costs**

This can have a significant impact on the affordability of childcare for families. This may be a particular issue for specific groups including parents returning to work after maternity leave, after a period of unemployment, or in households where a parent is trying to increase the hours they work and require additional childcare as a result.

*“As I have recently changed jobs (and consequently had to change childcare provider) I had to watch the pennies until my wages were paid as I had to pay a full month childcare up front, before getting paid. This equates to over a third of my monthly wage... a lot to pay up front.” Parent*

*“Day nursery we used suddenly closed and our new nursery requested a deposit and then a month’s fees up front, also had to pay last amount to closing provider. Ended up very stretched in all other expense areas.” Parent*

This can be even more of an issue where a family is reliant on **Universal Credit** payments to support them with the cost of childcare. This is because parents are required to pay for their childcare costs upfront before claiming reimbursement from the Government, with delays in receiving payments resulting in some households waiting weeks or even months to get paid back. This could create a barrier to employment by locking some families out of the ability to access the childcare they need to enable them to get back into work.

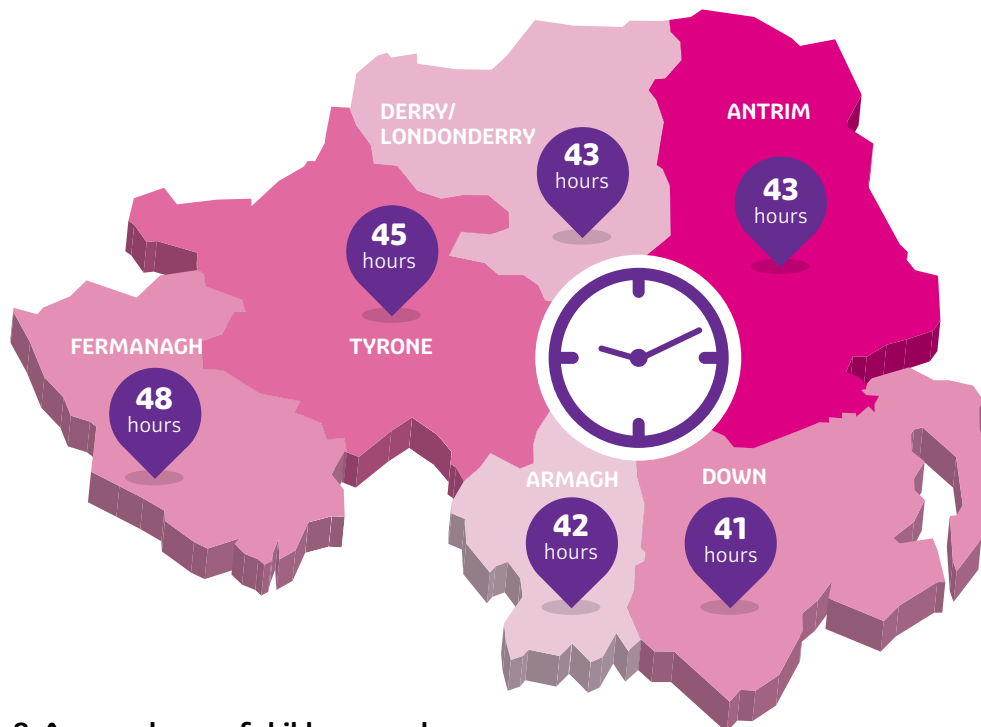
## Families living in different parts of Northern Ireland

There are also variations in terms of the average number of hours of childcare used and the amount spent per week by families depending on where they live in Northern Ireland.

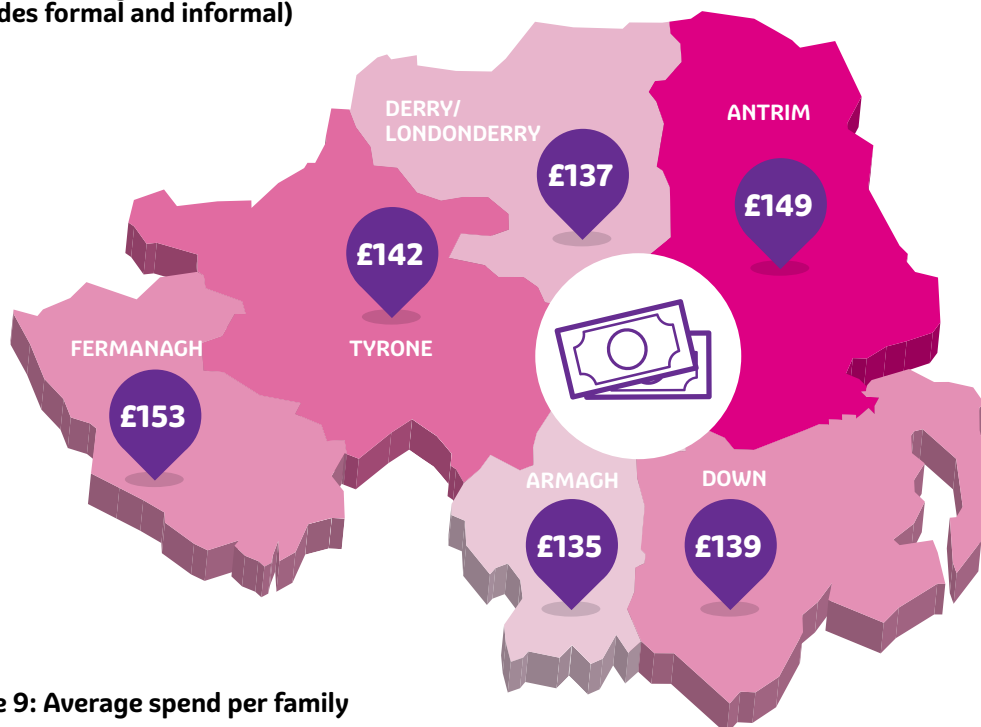
	Antrim	Armagh	Derry / Londonderry	Down	Fermanagh	Tyrone
Spend per week	£149	£135	£137	£139	£153	£142
Childcare usage	43	42	43	41	48	45

**Table 5: Average childcare usage and spend across Northern Ireland**





**Figure 8: Average hours of childcare used (includes formal and informal)**



**Figure 9: Average spend per family**

Similar to previous years, families in County Fermanagh are using more hours of childcare provision and are spending more per week than families living in other parts of Northern Ireland. This is despite the fact that childcare costs tend to be lower in County Fermanagh. The additional hours of usage can likely be attributed to a greater travel time to and from work for parents who are in employment. As a result of using additional hours, the average spend is higher.

Parents in County Fermanagh were also much more likely to report insufficient childcare provision in their area, therefore this may impact on hours of usage and spend as families have to travel further to secure the provision they need.

Families in Counties Armagh and Down report using fewer hours of childcare, and use a greater proportion of informal childcare. As a result, their average spend is lower.

### Not all families are the same: Case studies

The three case studies below represent real-life respondents who participated in this year's survey and show just how varied childcare usage and spend can be depending on the nature of the family.

*"We are extremely lucky that a grandparent can look after our children when we are working. I also have a child with additional needs and when I returned to work after my maternity leave I'm not sure I would have used formal childcare."*

Parent



**Ashley and Jamie** both work full-time and have two children, aged two and six years old. One child has additional needs. The family use informal childcare only – grandparents – for **45 hours** per week and spend £0 on their childcare.

*"My current childcare costs are £1,100 per month which is significantly more than the mortgage. I consider on a daily basis whether it is worth the stress of working purely to pay childcare costs or do I become a stay at home Mum."* Parent



**Jeanine** is a lone parent with two children. Her childcare bill is equivalent to **more than half of her monthly salary** and, as a result, she has had to use savings, her bank overdraft, and a loan from family to help meet her costs. She is considering giving up work as a result.

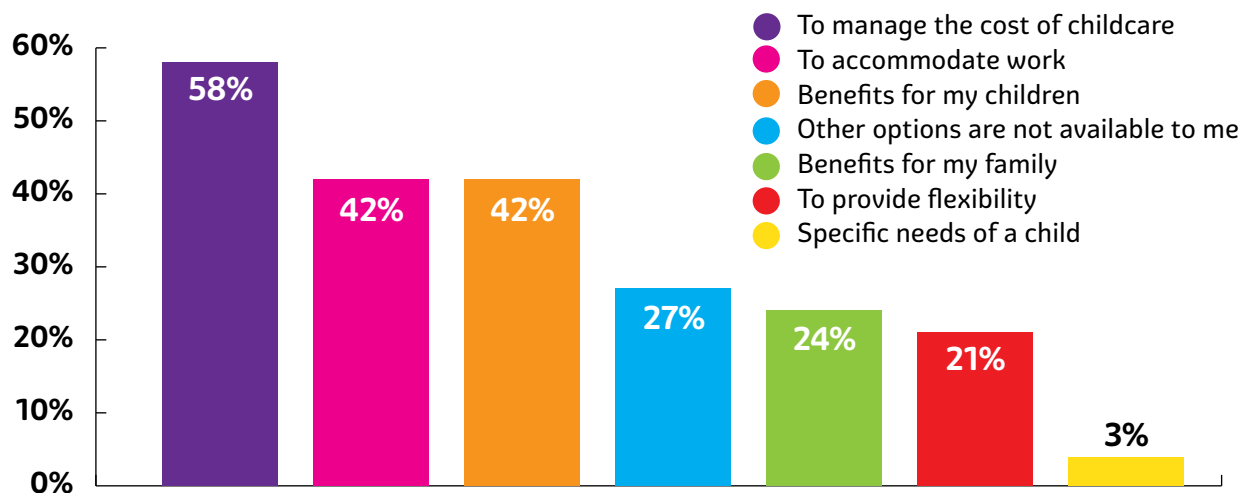
*"I work two jobs to cover childcare costs - 60 hours every week - and have done for the last 5 years, and plan to do so for another 5 years when my 2nd child is out of full time child care. My childcare is twice my mortgage."* Parent



**Chris and Charlie** both work full-time and have two children aged one and five years old. They use **55 hours** of formal childcare each week at a cost of **£400, or £20,800 across the year**. They do not have access to informal childcare. The family reports spending more than 51% of their household income on childcare each month.

## 2.3 What influences a family's choice of childcare?

There are a range of reasons why families choose their particular childcare arrangements, whether that is formal childcare exclusively, informal care only, or a combination of these.



**Figure 10: Reasons that influence a family's choice of childcare arrangements**

Similar to previous years, the most commonly identified factor that influences a family's choice of childcare arrangements is a need to manage the cost of childcare. This continues to be a key issue raised by parents, many of whom combine formal and informal childcare to reduce their overall childcare bill. If we look at families who are using informal childcare only, or who are combining formal and informal care, four out of five said they chose these arrangements in order to manage the cost of childcare.

Where a family was using formal care only, they were not typically doing so to manage the cost of childcare, rather the most commonly identified factors behind these families' choice of childcare were to accommodate work (56%) and because other options were not available to them (55%) for example, informal childcare.

Families also seek to use childcare arrangements that they perceive are best for their children and their family as a whole. 42% of respondents reported choosing their childcare arrangements for the benefit of their children. Many parents expressed peace of mind in knowing their children are safe, happy and have access to development opportunities, whether that is in a formal or informal setting.

Overall, 42% of families said their choice of childcare arrangements was designed to accommodate work. This highlights the importance that working parents place on being able to access support to help them achieve the right balance for their family.

Over one quarter of parents told us their choice of childcare arrangements reflected that other options were not available to them. This suggests that some families are not accessing their first preference of childcare provision, and highlights that while some families have a real choice in terms of childcare provision, others do not. For example, some families identified that they are unable to access informal childcare because they live far away from family members who could otherwise provide care. Conversely, some families reported a preference for formal care, but could not afford it.

Families who have a child with a disability were much more likely (29% compared to 3% of all families) to report their childcare arrangements were determined by the specific needs of their child.

## 2.4 How does the childcare bill compare to household income?

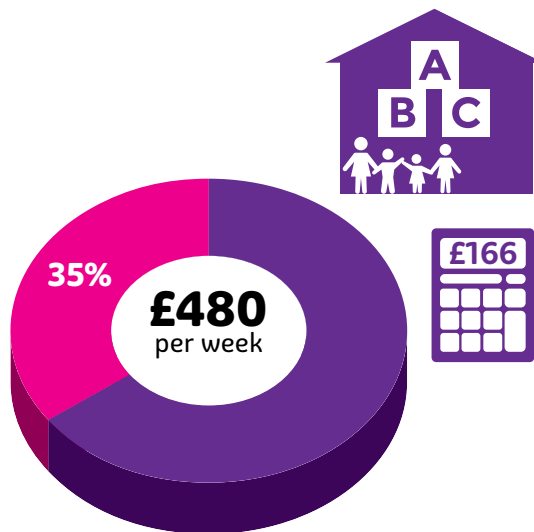
For many families, the childcare bill is a regular monthly payment and can be a significant proportion of their household income. According to Government statistics<sup>2</sup> median weekly income in Northern Ireland before housing costs is the lowest across the UK. According to the Department for Communities Poverty Bulletin, the median weekly household income in Northern Ireland in 2017/18 was £480.<sup>3</sup>

This year, the average cost of a full-time childcare place here per week equates to 35% of the median household income before housing costs.

However, the type of childcare families use can impact how much they spend on childcare and the proportion of income this equates to.

For example, families using informal childcare spend an average of £41 per week, which equates to 11% of household income. A family using formal childcare only spends £178 per week on average, which equates to 39% of household income.

In England, OECD data<sup>4</sup> reported that a couple with two young children, and earning the average wage, could expect to pay 35.7% of their wage on childcare. We have found that a two parent household in Northern Ireland, with two children age five or under, reported spending an average of £195 per week on childcare which equates to 41% of the average household income. This suggests that families in Northern Ireland are paying a greater proportion of their household income on childcare than families in England.



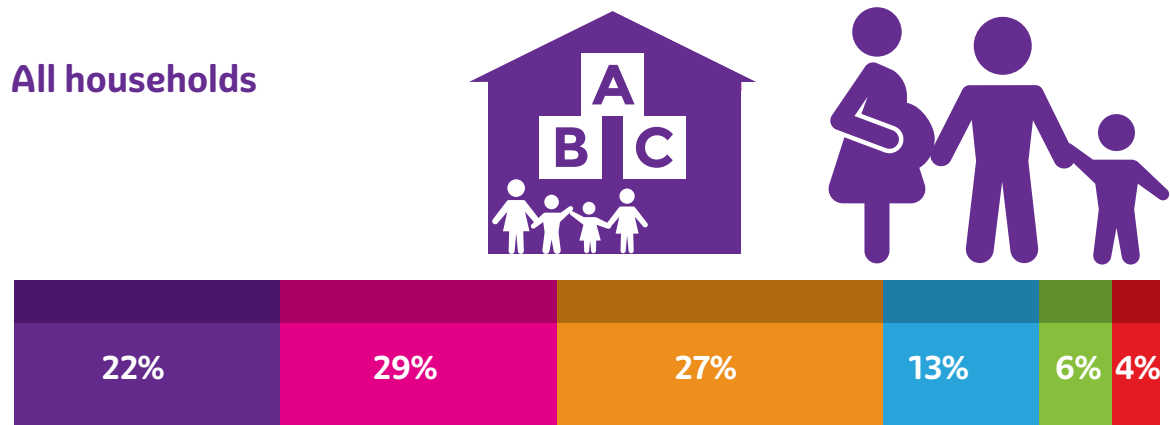
**Figure 11: Average cost of a full-time childcare place as a % of average household income**

<sup>2</sup> <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8191#fullreport> published 25 April 2018.

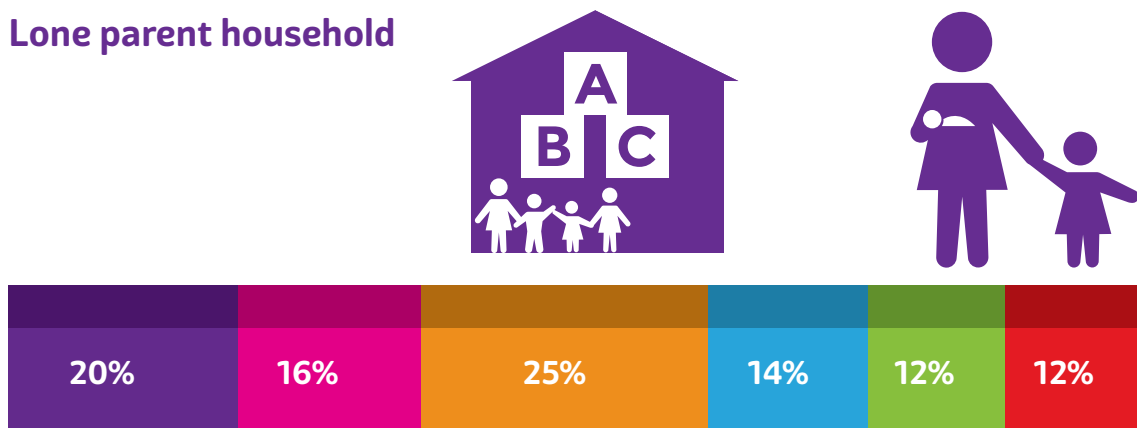
<sup>3</sup> <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-poverty-bulletin-201718.pdf>

<sup>4</sup> <https://www.weforum.org/agenda/2019/04/these-countries-have-the-most-expensive-childcare/> published 23 April 2019.

We asked parents to select approximately what proportion of their overall household income is spent on childcare in an average month. Half of families report spending more than 20% of their overall household income on childcare. If we look at lone parents only, this increases to almost two thirds (63%). In lone parent households, more than one in ten are paying over 50% of their household income on childcare.



**Figure 12: Percentage of overall household income parents report spending on childcare in an average month**



**Figure 13: Percentage of household income lone parents report spending on childcare in an average month**

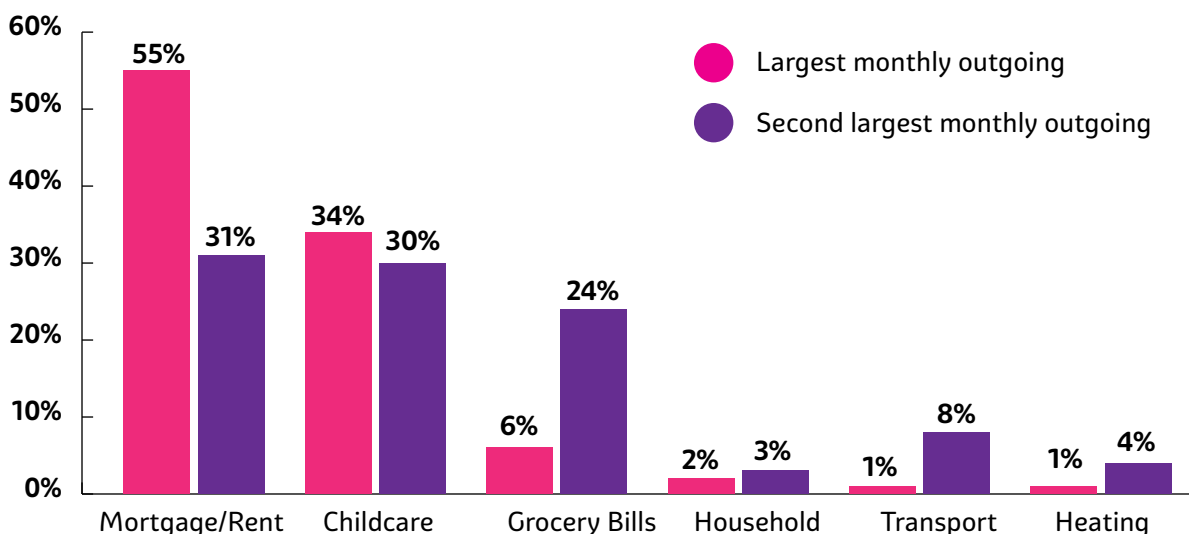
12% of lone parent households report spending more than half of their income on childcare, compared to just 4% of families overall. While 23% of families report spending over a third of their household income on childcare, if we consider lone parent households, this figure increases to almost 1 in 4 – 38%. Overall, the findings demonstrate how lone parent households are more likely to report spending a greater proportion of their household income on childcare.



*“Most of our household income goes on childcare for our two children. This is incredibly stressful and unfortunately it means that although we would love to have a third child, the cost of childcare is so high that we cannot afford to.” Parent*

## 2.5 How does the childcare bill compare to other household bills?

Respondents were asked to rate their household bills in order of highest to lowest. For 55% their mortgage or rent payments were their highest monthly outgoing. Over one third of respondents commented that their childcare bill actually exceeded their mortgage or rent payments and was their largest monthly outgoing. Almost two thirds of families rank their childcare bill as their largest or second largest monthly outgoing.



**Figure 14: Household’s largest and second largest monthly outgoings**

Many respondents commented that their childcare costs have increased in recent years, while their income or salary has remained static. Several parents who have not experienced a pay rise in a number of years voiced their frustration.

As a result, many parents have reported either cutting back on other expenses to pay their childcare bill, or using means other than their income to help them cover costs.

*“Working parents are not given much help with childcare costs and no incentive for parents to work. I work in NHS and have not had pay rise in 7 years however nursery fees go up every year.” Parent*

*“Cost of childcare is increasing whilst salaries are not - we are working to keep our children in childcare.” Parent*

*“Childcare rates have just gone up. But my pay as a teacher hasn’t risen in 6 years. Neither has my husband’s. It’s not always easy yet we have to manage.” Parent*

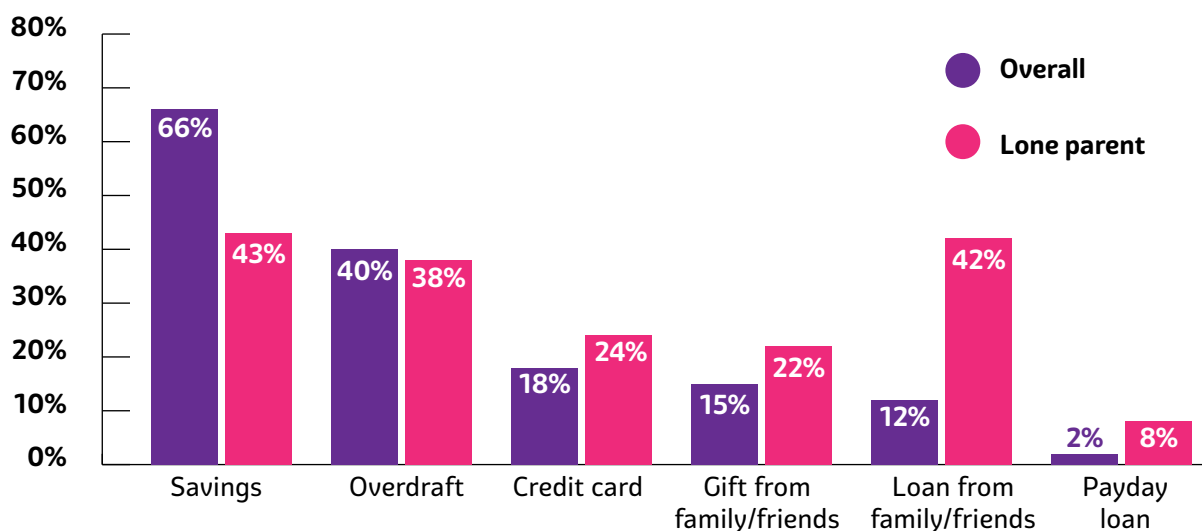
## 2.6 Using means other than income to pay the childcare bill

This year, 41% of respondents reported using means other than their income to pay for childcare. This is higher than the figure of 33% reported in last year's survey.

A higher proportion of lone parent households, 51%, report using means other than their income to pay for childcare.

Of those parents who had used means other than their income to pay for childcare, two thirds reported using savings to pay their childcare bill, while 40% reported that they had used an overdraft. Almost one in five (18%) reported using a credit card where they have not paid the balance off in order to pay for childcare. Those who have used an overdraft or a credit card may face having to pay either fines or interest and are potentially at risk of getting into debt. Some have used a combination of different means, so the percentages in the figure below do not add up to 100%.

*"We have spent all our savings on childcare and have no buffer should anything go wrong in the house."*  
 Parent



**Figure 15: Means used other than income to pay the childcare bill**

It is interesting to compare the means used by families overall, with those used by lone parent households. Lone parents are more likely to turn to family and friends for a loan or a gift and to have put costs on a credit card, but are less likely to use savings to pay for childcare. This requires further research to understand, for example, it may be that lone parents are less likely to have savings<sup>5</sup>. Lone parents are also more likely to have used a payday loan to meet their childcare costs.

Research from the Financial Conduct Authority found over half (54%) of adults in Northern Ireland have either no cash savings or savings of less than £2,000<sup>6</sup>. They also found that fewer adults in Northern Ireland have a savings account than adults in other parts of the UK. The proportion of parents who report using their savings is worrying, and if savings begin to significantly decrease this can lead to long term financial hardship and vulnerability for families. This is concerning in the context of poverty levels within Northern Ireland. According to the most recent Department for Communities bulletin, 19% of our children are living in poverty<sup>7</sup>. To address this figure, our research shows the importance of addressing the affordability and accessibility of our childcare infrastructure.

<sup>5</sup> [https://www.gcph.co.uk/assets/0000/4284/Lone\\_parents\\_Literature\\_Review\\_web.pdf](https://www.gcph.co.uk/assets/0000/4284/Lone_parents_Literature_Review_web.pdf)

<sup>6</sup> <https://www.fca.org.uk/publication/research/financial-lives-consumers-across-uk.pdf> published 20 June 2018.

<sup>7</sup> <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-poverty-bulletin-201718.pdf>

## 2.7 Cutting back or going without to meet the childcare bill

Almost half of respondents (48%) told us their household has had to go without or cut back on another expense to meet their childcare costs. This rises to 63% of lone parent households, slightly higher than last year's reported figure, and 51% where the family has a child under age 5.

Parents provided several different examples of the expenses they have either cut back on or are going without. The most common were:



**Food/  
groceries**



**Electricity/  
heating**



**Holidays/  
activities**



**Savings**



**General  
spending**

“

*“Not being able to afford food adequately and have had to cut back on food for the house and heating. Money is very tight.” Parent*

*“I skip meals a couple of times week and have to really limit when we use our heating, our groceries are cut down and we have to feed 4 people.” Parent*

*“We have gone without new clothes and cut back on portion sizes of food.” Parent*

Amongst those who reported having had to cut back or go without, **one in ten** have to do this every week, while a quarter have to do so every month. **One in five** are cutting back or going without at certain times of the year, primarily during school holidays when costs increase for some families.

For some families, this may mean cutting back on extras such as TV/entertainment subscriptions or gym memberships, and they recognise this is for a limited period of time. However, many parents said they had reduced spending on essentials such as food, heating or electricity. This reflects a reality for some families who have no other option in order to pay their childcare bill.

For some families, the lack of disposable income means they are unable to put money into savings or into pensions for the future. Many emphasised their concern that, in order to pay the childcare bill now, they are reducing their long-term financial stability.

These findings are particularly important in the context of work to address child poverty, including issues such as food insecurity. One in three children in the UK are living in poverty, and a significant proportion are experiencing symptoms of food insecurity<sup>8</sup>. It is vital that children, especially during their early years, can access nutritious meals. However, our research identifies that difficulties in accessing affordable childcare can contribute to food insecurity with some parents telling us they have cut back on fresh food and groceries for their family in order to pay their childcare bill. For other families, being locked out of employment due to an inability to access or afford childcare impacts negatively on overall household income. We recently provided oral evidence to the Children's Future Food Inquiry and highlighted the impact of this on families in Northern Ireland, calling for investment in our childcare infrastructure to support parents to access provision<sup>9</sup>.

<sup>8</sup> <https://foodfoundation.org.uk/wp-content/uploads/2019/04/Childrens-Future-Food-Inquiry-report.pdf>

<sup>9</sup> <https://foodfoundation.org.uk/wp-content/uploads/2019/04/Childrens-Future-Food-Inquiry-report.pdf>





## 2.8 Accessing support for childcare costs

For some parents, the ability to access the childcare they need depends on their ability to access financial support and therefore, they need to be able to get information on what support they are entitled to. Currently, there are several different options available to help with childcare costs, however, it can be difficult for some parents to compare options and identify the most appropriate financial option for their family. Other parents are unaware of what support they may be entitled to and, as a result, can struggle to afford and access the childcare they need. Almost four out of five respondents received some form of financial support with their childcare costs. Amongst these parents the breakdown is:

Almost **1 in 5** parents have little or no confidence they are accessing financial support they are entitled to

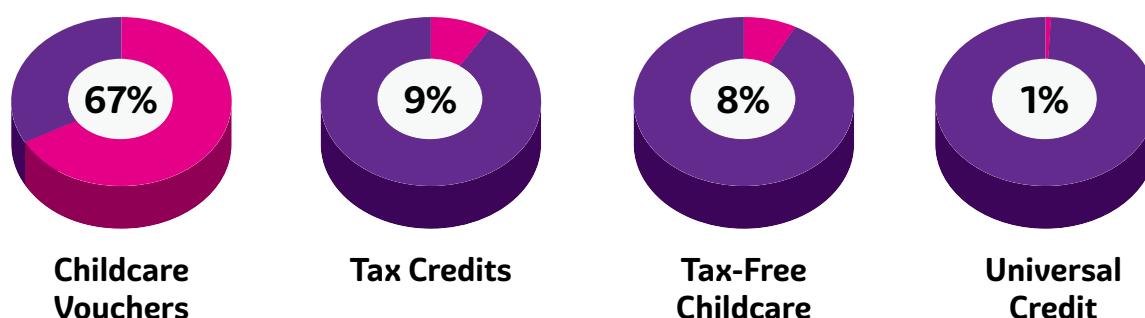


Figure 16: Financial support respondents access

Greater awareness of financial support that is available to parents for their childcare costs can enable them to make informed decisions about childcare that best suits the needs of their family.

We asked parents how confident they were that they were accessing all of the financial support they are entitled to. Two thirds said they were either very or somewhat confident, however, almost one fifth said they had little or no confidence at all. This was also highlighted in several comments from parents who suggested the need for greater promotion and advertising of financial support available for childcare.

Considering the changing landscape of financial support available to parents, we can anticipate changes to these figures over the next year. In this context it is vital that parents have access to information both on childcare options and financial support available. While 47% of parents are positive in relation to the availability of information on childcare options, just 28% are positive about information on the financial support that is available. This highlights the importance of the service delivered by advice giving organisations, and reinforces the need to promote these services to ensure all families in Northern Ireland are aware of them.

*“Make the information about financial support available more clear and readily available.” Parent*

*“Increase awareness of how to find childcare provision and, if needs be, information to support paying for this.” Parent*

	Weighted average	Very good	Good	Neither good nor poor	Poor	Very poor
Information on childcare options	+17	14%	33%	28%	20%	4%
Information on financial support	-21	6%	22%	29%	29%	13%

Table 6: Parent attitudes towards accessibility of information

## 2.8 Access to support

*“Families in England can access up to the first 30 hours of childcare free with chosen providers. This would immediately “uncripple” my family if available in N.I.”*

Parent

*“Why don’t we have the 30 hours free childcare - we are both working parents, we barely see each other due to the alternative hours we work, the pressure would greatly be taken off us (financially and in other ways) if we had access to 30 hours free childcare like England.”* Parent

*“Childcare provision should be brought in line with what is offered in England. 15 hours free childcare at age 2 years and 30 hours at age 3 years. For working parents, paying tax and national insurance, and for the children in NI there is a clear inequality in the provision of childcare.”*

Parent

Parents continue to be frustrated that access to childcare is considerably different in Northern Ireland than in other parts of the UK. A large number of parents referred to the availability of 30 hours free childcare for eligible children in England and expressed their anger that similar support is not available here. Many parents provided commentary on the difference that access to this type of support would mean for their family.

There is strong support for this model, or a similar one, to be introduced in Northern Ireland to help alleviate their spending on childcare. However, as childcare is a devolved matter, it is difficult to see how policy or legislative reform introduced in England can be introduced here without a functioning Assembly.

At a time of political instability and ongoing changes to family benefits and entitlements, we are concerned that Northern Ireland is falling behind other UK jurisdictions, where greater attention has been paid to addressing the affordability and accessibility of childcare. Northern Ireland is the only UK jurisdiction without a current childcare strategy, a situation which we believe is unacceptable, and which lets down children and their families.



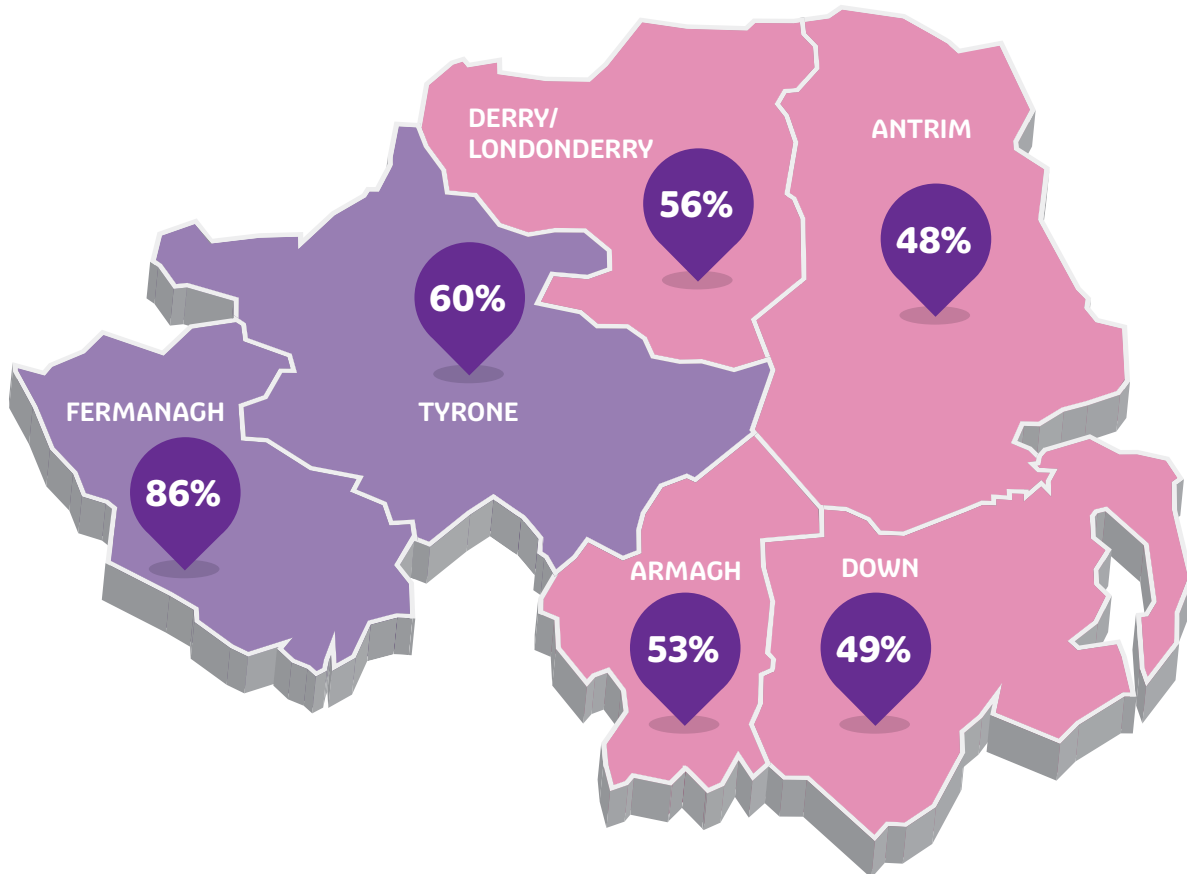
# Section 3: Access to childcare that suits each family's needs

- 3.1 Availability of childcare
- 3.2 Are families accessing the childcare they require?
- 3.3 Experience of accessing childcare provision



### 3.1 Availability of childcare

We asked parents if they think there is a lack of childcare provision in their area. Over half (51%) of respondents feel there is a lack of sufficient provision of one or more types of childcare in their area. This rises to 60% of parents in a lone parent household and 61% of those in a household where a child has a disability. There is also variation across Northern Ireland.



**Figure 17: Percentage of parents who believe there is a lack of childcare provision in their area**

Parents living in rural parts of Northern Ireland, particularly counties Tyrone and Fermanagh are more likely to report insufficient childcare provision in their area.

Statistics from the Department of Health highlight that there are fewer childcare settings, and fewer registered places, in the Western Health and Social Care Trust in particular. In the Western Trust, for example, there are just 46 day nurseries compared to 110 in the Belfast Health and Social Care Trust. The largest number of childminders are located in the Northern Health and Social Care Trust.

*“Living in a rural area means no access to afterschool provision - had to rely on unregistered as no registered childcare in my area. This was very difficult for my family”*  
Parent

*“Rural areas desperately need additional childcare spaces either via nurseries or registered childminders.”* Parent



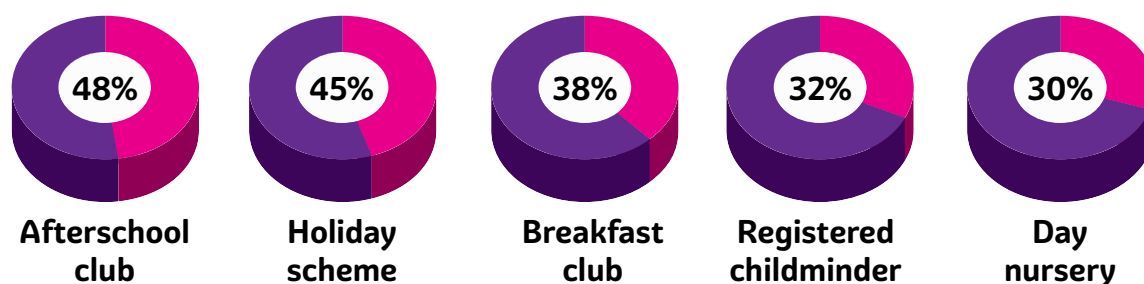
The Western and Southern Trusts have a lower percentage of registered childcare places compared to the percentage of the child population living in these areas. Comparatively, the Belfast Trust has a higher percentage of registered childcare places (22%) than the percentage of the child population in Northern Ireland who live in the Trust (18%). This suggests that more can be done in particular Trust areas to enhance the availability of childcare provision. The Children (NI) Order 1995 defines formal childcare for children up to age 12, however, financial support may be available for older children and typically care may be required up to age 15/16.

Health and Social Care Trust	Children age 0-15 <sup>10</sup>	Percentage of population	Percentage of registered childcare places <sup>11</sup>
Belfast	68,618	18%	22%
Northern	96,991	25%	25%
South Eastern	72,589	19%	19%
Southern	87,262	22%	18%
Western	65,224	17%	15%

**Table 7: Registered childcare places across Northern Ireland**

Amongst parents who identified a lack of provision in their area, there is a particular issue with out of school childcare, specifically afterschool provision and holiday schemes. This marks a continuation in a trend over a number of years.

*“Local areas need more summer schemes for lower secondary school age. Government needs to look at funding this.” Parent*



**Figure 18: Parents who report insufficient provision of one or more types of childcare**

High quality holiday childcare is essential for families and the economy, supporting parents to work and giving children the opportunity to take part in social and physical activities during the summer months. However, our research shows many parents struggle to afford or find suitable holiday care.

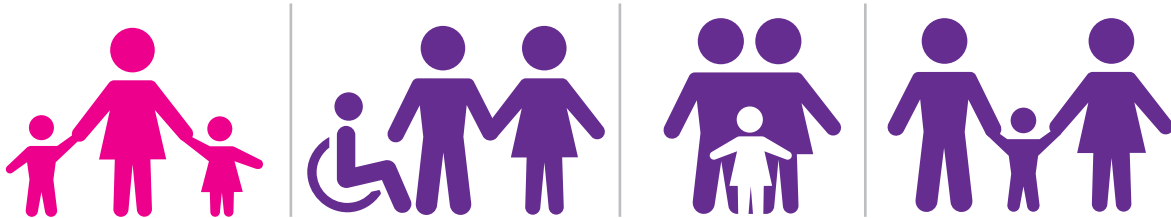
*“There’s a gap in appropriate childcare for ages 11-16. My son’s now feeling too old for typical summer schemes but is too young to leave alone during holiday times. I’d like to see more options for young teens.” Parent*

<sup>10</sup> At 30 June 2017, <http://www.ninis2.nisra.gov.uk/public/Home.aspx>

<sup>11</sup> <https://www.health-ni.gov.uk/publications/childrens-social-care-statistics-northern-ireland-201718>

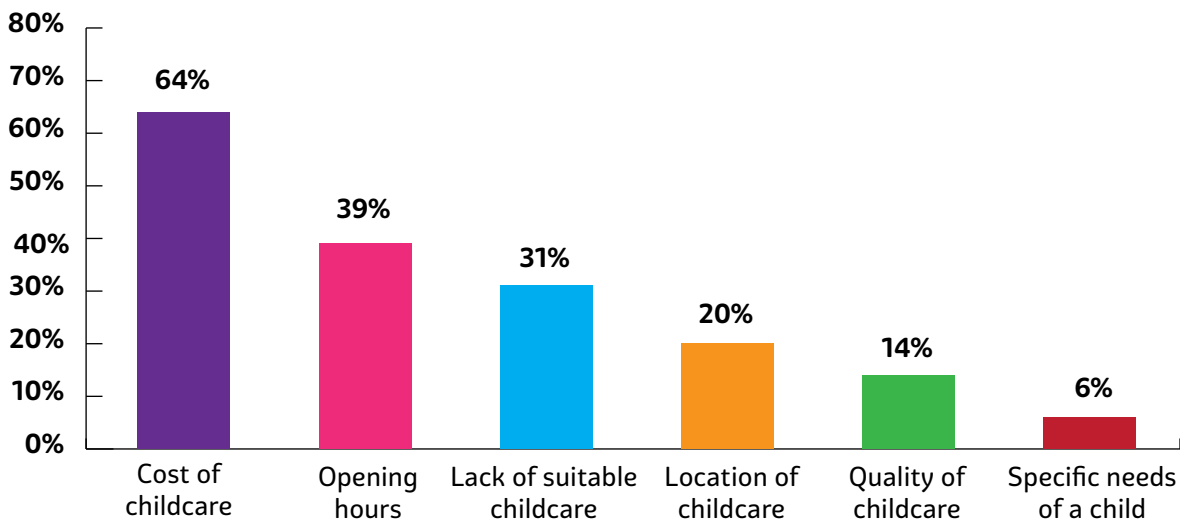
## 3.2 Are families accessing the childcare they require?

A large proportion of respondents (75%) told us their family is currently accessing the childcare that best suits its requirements. This is a positive figure, however it means that a quarter of families (25%) are not currently accessing the childcare that they require. This figure rises to 39% of lone parent households, and 32% of families where a child has a disability. This suggests that these families face greater difficulty in accessing the childcare that they require.



**1 in 4 families are not accessing the childcare they require**

There are a number of reasons given by those families not accessing the childcare they require. The cost of childcare continues to be the main barrier preventing families from accessing the childcare that best suits their needs.



**Figure 19: Reason given by those families not currently accessing the childcare that best suits their needs**

*“Childcare costs are crippling us. Part-time is not an option and we don’t have grandparents who can help out. Our childcare bill is more than three times our mortgage.”*

Parent

### Cost of childcare

Of those who said they are not currently accessing the childcare they require, almost two thirds linked this to the cost of childcare. For some parents the cost of formal childcare leads them to combine formal and informal childcare to help reduce their overall childcare bill. Other parents attribute their decision to use informal childcare exclusively to the cost of formal childcare. Where the cost of childcare is a factor in determining a parent’s choice of childcare, this could prevent them either from using the form of care that would be their first preference, or from using as many hours of care as they would prefer.



## Flexibility: Childcare and employment

Amongst parents who do not access the childcare they need, 39% attributed this to unsuitable opening and closing hours. Parents who work outside typical working hours, or who face longer travel times to and from work, highlighted the difficulties they can experience in accessing the childcare they require.

This is a particular issue for families who live in rural parts of Northern Ireland, where there is less provision of childcare available. This means some parents are choosing childcare that is close to their place of work rather than their home.

Of the parents represented in this year's survey (including respondents, and their partners – where applicable) over one third work outside of the typical Monday to Friday 9am to 5pm working hours where they require childcare from 8am to 6pm. This can influence the type of childcare they use and how much they pay. Having flexible working solutions can support working parents with their childcare.

## Lack of suitable childcare

Some parents reported that they had limited options for childcare due to a lack of availability or options in their area.

They drew attention to particular areas of need such as out of school childcare.

## Quality of childcare

For many parents the choice of childcare comes down to what they perceive is best for their children and family as a whole. Some linked this to features such as having access to healthy food, developmental opportunities and stimulating activities. However, some parents felt that accessing high quality childcare provision could cost more as a result.

## Specific needs of a child

In some families, the specific needs of a child have a significant influence on the form of childcare that is accessed. If we look only at families who have a child with a disability, one third said they are not currently accessing the childcare they require compared to 25% overall.

*“Formal childcare does not cater for shift work, late nights and weekends therefore people rely on family or cannot accept jobs in these roles due to lack of childcare.” Parent*

*“We put our daughter in crèche close to work not home because of opening hours / travel time.” Parent*

*“I felt I had very little choice in my area which suited my family's needs and ultimately took the choice to reduce my hours so between my mother and myself I would not need any external childcare. The cut in wage has had a detrimental effect on the household and we are living in debt.” Parent*

*“Quality of provision in my area is largely determined by price. We have been fortunate to be able to afford childcare we have been very happy with - but it has been very expensive; costing more than our mortgage.” Parent*

*“I understand childcare providers have significant costs to meet but the cost of accessing quality childcare is so high it is crippling on an average family income.” Parent*

### 3.3 Experience of accessing childcare provision

Each year, a significant proportion of parents tell us how satisfied they are with their childcare provision. The majority of parents (87%) believe the quality of childcare provision in Northern Ireland is good or very good. A similar percentage feel the location and accessibility of childcare is good or very good. Perhaps unsurprisingly, over two fifths rated affordability of childcare provision as poor or very poor.

	Very good	Good	Neither good nor poor	Poor	Very poor
Quality of provision	44%	43%	9%	3%	1%
Location / accessibility of childcare	42%	43%	11%	5%	0%
Affordability	6%	24%	29%	29%	12%
Flexibility of provision	18%	43%	23%	15%	2%
Suitability of opening times	26%	46%	15%	11%	2%
Sufficient places	18%	42%	21%	16%	3%
Waiting time to access provider of choice	21%	35%	30%	12%	3%
Accessibility for children with additional needs	14%	23%	53%	7%	2%

**Table 8: Parents attitudes towards aspects of childcare provision**

It is clear from the responses that parents recognise and value the high standard of care their children receive with many identifying the learning and development opportunities they are given.

*“The setting which my child attends is excellent, staff providing childcare are well trained and the activities that they provide have improved my child’s development.”*

Parent

*“The staff in the sector work extremely hard and this gives our family great comfort.”*

Parent

*“Standard of service from current provider is excellent and knowing your child is being well cared for gives us peace of mind.”*

Parent



# Section 4: How the ability to access childcare impacts on employment

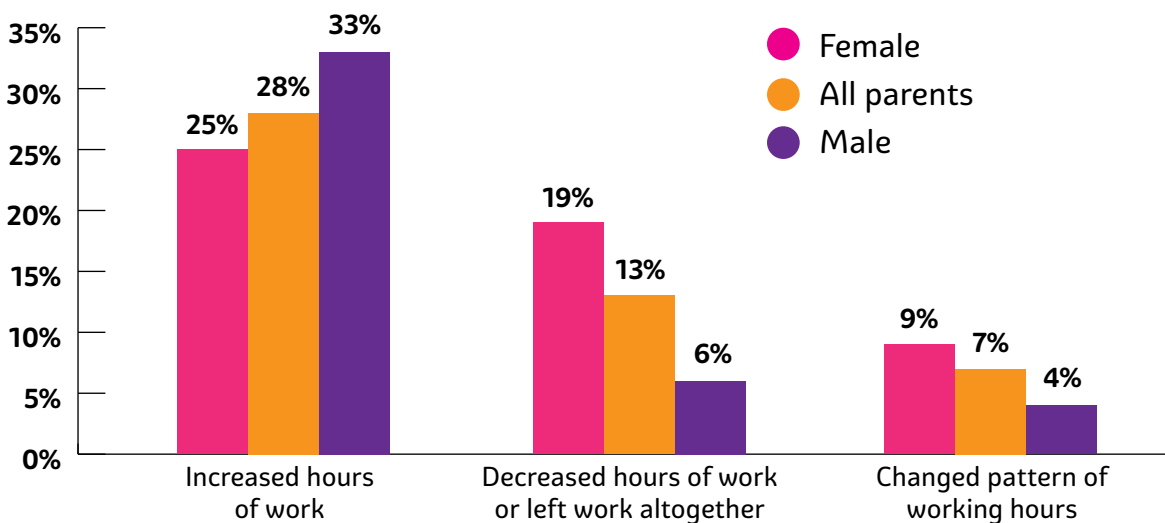
- 4.1 Impact on work and career progression
- 4.2 Access to emergency care
- 4.3 Additional caring responsibilities
- 4.4 Flexible and family friendly working



## 4.1 Impact on work and career progression

Access to affordable childcare is essential for parents to access work, training and education. Where the cost of childcare equates to a large proportion of household income, parents may question whether they need to change their working patterns. In some circumstances, parents may feel they have no other option but to consider leaving work altogether.

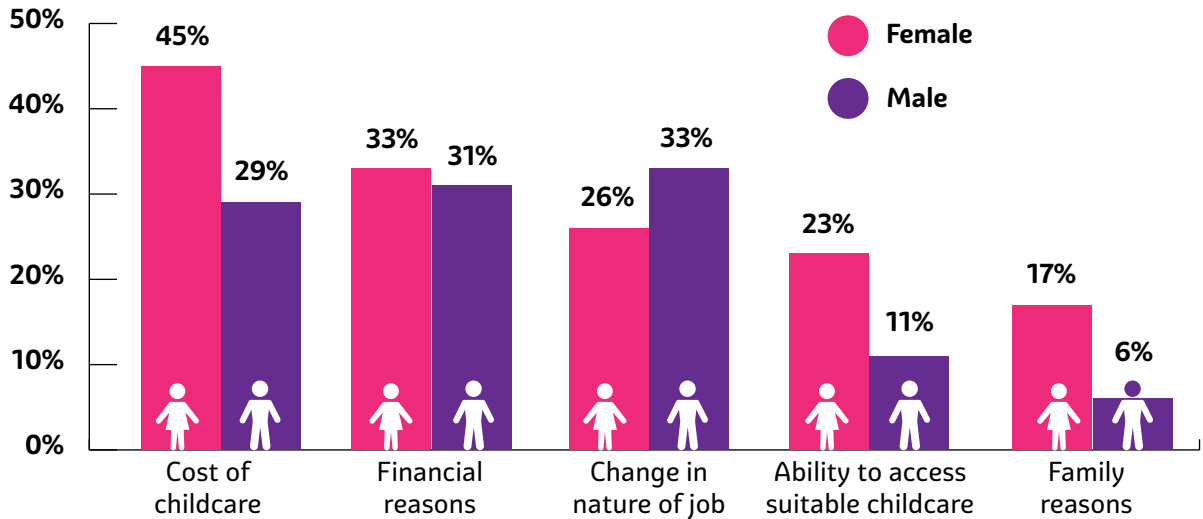
We asked respondents, in the last year, if they or their partner (if applicable) had experienced a change in the hours they worked. Almost half of parents represented in the survey (47%) reported a change in their working hours. 28% of parents experienced an increase in the hours they work. For some, this is likely to reflect parents who have been on part-time hours and are moving back into full-time employment. Male parents were more likely than female parents to have increased their hours of work. 13% of parents had decreased their hours or left work altogether.



**Figure 20: Reported change in working patterns**

Our findings show that across households, female parents are more likely to experience a change in their working hours. Almost 20% of female parents reported having decreased their hours of work, or left work altogether, compared to 6% of male parents. Similarly, women were more likely to have changed their pattern of working hours than men.

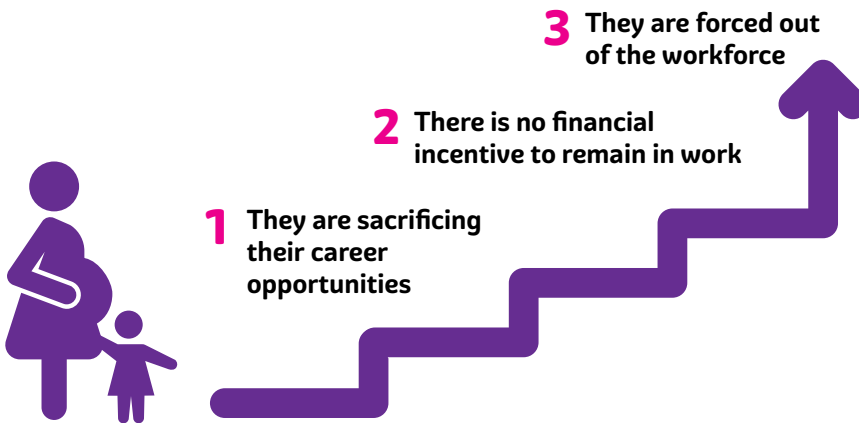
Where there was a change in working hours, we asked respondents to identify reasons for this. Almost half of female parents (45%) linked this to the cost of childcare compared to 29% of male parents. Almost a quarter of female parents linked a change in their working hours to the ability to access suitable childcare, while only 11% of male parents attributed this reason to a change in their working hours. More female parents than male parents said a change in their working hours was influenced by family reasons, for example, caring responsibilities or having another child.



**Figure 21: Reason for change in working hours by gender**

This is only a snapshot of some reasons why parents may change their working hours. Nonetheless, the findings show the significant impact on parents and the household both in the short and the long term.

Our research highlights three key themes raised by parents which can impact on their work and career progression and overall family well-being. Parents told us they feel:



Parents frequently mentioned the role that childcare should play in supporting access to labour market participation, but for some parents it can act as a barrier to work or leave families in a position where one parent is working mainly to cover the cost of childcare. Some parents feel they are working at a financial loss and question whether it makes financial sense for them to remain in the workforce full-time or at all.



*“We are having to consider my husband taking a career break, leaving work or going part time because that makes more financial sense as a family.” Parent*

*“I am currently employed in a professional position but would be financially better off to work part time evenings or weekends in a lower paid job than pursue a career.” Parent*

*“Given it is usually women who earn less than their male partners, it is almost always the woman who gives up work. So I feel that the high cost of childcare falls disproportionately on women, and further disadvantages them in their careers after taking time off for maternity leave.” Parent*

*“If we’re supposed to be helping women stay in work and progress, the existing system is completely inadequate.” Parent*

*“To give up or reduce work to raise your children you risk missing out on career progression” Parent*



*“It is very difficult to find ad hoc childcare to cater for school holidays or emergencies.” Parent*

*“Employers should be equipping parents with a more flexible approach to childcare. There should be a fair approach with all employers.” Parent*

*“Better understanding among employers about the necessity for flexible working hours.” Parent*

## 4.2 Access to emergency care

More than half of parents, 55%, reported that they do not have access to back up childcare in case of an emergency. This rises to 61% of those in lone parent households, and 57% of families where a child has a disability. This can put significant pressure on working parents, as they may have no other option but to use holiday leave, or take unpaid leave, should an emergency situation arise. This can be difficult to arrange at short notice and can also have consequences in the workplace.

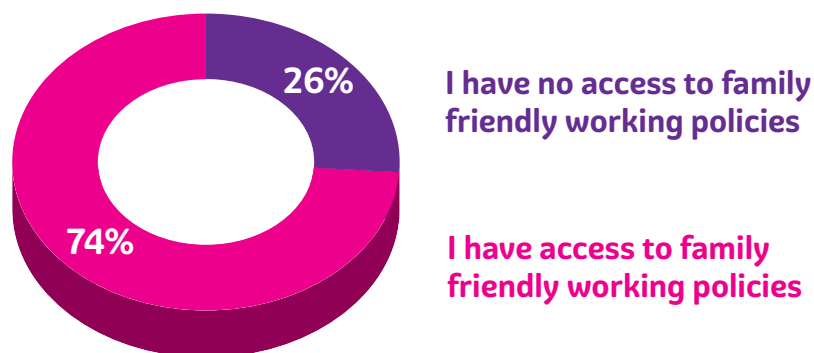
## 4.3 Additional caring responsibilities

13% of respondents reported that, in addition to caring for their dependent children, they have other caring responsibilities such as for an older child with a disability or for elderly parents or relatives.

This is in line with the broader population, with recent research from Carers UK revealing that one in eight adults in the UK are carers<sup>12</sup>. Having caring responsibilities, alongside those for dependent children, can create additional pressures for working parents.

## 4.4 Flexible and family friendly working

Parents also mentioned the role of their employers, alongside access to affordable childcare, in supporting them to combine their work and caring responsibilities. In this year’s survey for the first time we asked respondents if they have access to flexible working. While many did, more than a quarter stated that they did not.



**Figure 22: Access to family friendly working policies**

<sup>12</sup> [www.carersuk.org/news-and-campaigns/press-releases/facts-and-figures](http://www.carersuk.org/news-and-campaigns/press-releases/facts-and-figures)

# Section 5: Experiences of childcare providers

- 5.1 Financial sustainability
- 5.2 Changes in fees
- 5.3 Looking ahead: Economic outlook
- 5.4 Income and expenditure
- 5.5 Main challenges
- 5.6 What is working well for providers?
- 5.7 Recommendations



The role of quality childcare can be vital both in supporting parents to access and progress in work, and in nurturing a child's educational and social development. Through our research with parents and providers it is clear this essential infrastructure requires investment in order to be sustainable, accessible and affordable. This section of the report explores the experiences of providers and includes recommendations they have to support their sector, important insights and projections.

## 5.1 Financial sustainability

Any organisation operating at a loss, or just breaking even, will struggle to be sustainable. To secure the sustainability of the childcare sector, and support providers to invest in their settings, they must be financially viable. We asked providers whether, considering their overall income and expenditure in the last 12 months, they were breaking even, making a loss or making a profit. Almost half (49%) reported they were just breaking even while 13% reported making a loss. Day nurseries and out of school providers were more likely than childminders to report making a loss.

Nature of provider	Making a loss	Breaking even	Making a profit
Overall	13%	49%	38%
Childminder	10%	47%	43%
Day nursery	22%	55%	24%
Out of school	23%	58%	19%

Table 9: Profit and loss by nature of provider in the last year

## 5.2 Changes in fees

Day nurseries and out of school providers were more likely to have increased their fees while the only providers who decreased their fees were childminders, typically stating the main reason for this was linked to the ability of parents to pay for childcare.

Nature of provider	Increased	Stayed the same	Decreased
Overall	21%	78%	1%
Childminder	11%	88%	1%
Day nursery	52%	48%	0%
Out of school	50%	50%	0%

Table 10: Change in fees by nature of provider in the last year

Where there was an increase in fees, the top six reasons identified for this were:

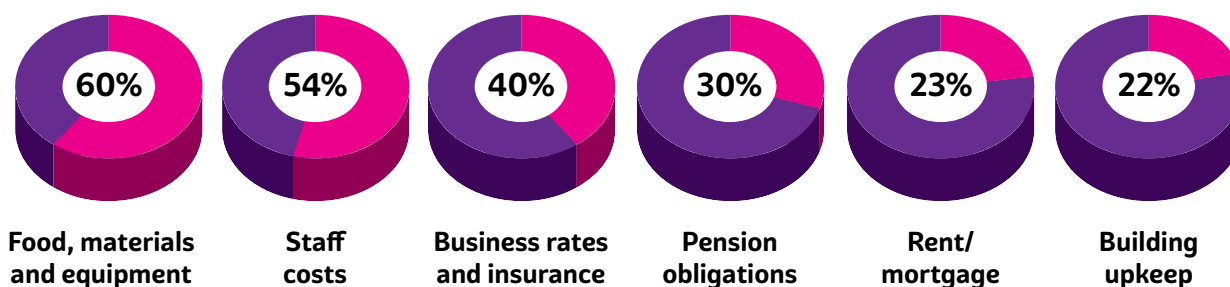


Figure 23: Reasons given for an increase in fees



There was some variation depending on the nature of the provider. Childminders were much more likely than day nurseries and out of school providers to report that food, materials and equipment costs were behind an increase in fees – 83% compared to 46%. Conversely, day nurseries and out of school providers were more likely to report staff costs as a reason (88%) or pension obligations (50%). This is explained by the fact that day nurseries and out of school providers are employing staff, while childminders are more likely to be working on their own.

Some providers expressed concern about increasing fees and the potential impact on parents, with many trying to absorb costs to minimise the impact. There was worry about losing children if parents decide to use informal childcare instead, or reduce their own hours, or leave work. Nonetheless, some providers told us they will increase their fees to manage costs.

There was broad agreement that staff need to be adequately paid to reflect the work they do, alongside recognition of the challenge in achieving this, particularly when just breaking even or making a loss. Providers reflected that while it may be necessary to raise fees in order to cover staff costs, they can face a perception from parents that any increase in fees is about profit.

### 5.3 Looking ahead: Economic outlook

Over half of providers (52%) anticipate their economic situation will stay the same over the next 12 months. Worryingly, almost a third (32%) anticipate their economic situation will get worse.

Provider	Significantly improve	Slightly improve	Stay the same	Slightly worsen	Significantly worsen
<b>Overall</b>	<b>2%</b>	<b>15%</b>	<b>52%</b>	<b>26%</b>	<b>6%</b>
Childminder	1%	14%	55%	26%	4%
Day nursery	2%	19%	34%	28%	17%
Out of school	6%	26%	32%	26%	9%

**Table 11: Economic outlook by nature of provider**

Similar to previous years, day nurseries and out of school providers were more likely to anticipate an improved economic situation in the next 12 months, although this has declined since last year’s report. In 2018, 45% of out of school providers anticipated their economic situation would improve compared to 32% this year. This is also reflected in the lower percentage of out of school providers (19%) who reported making a profit in the previous 12 months, compared to 2018’s figure of 32%.

**“Feel unable to raise my prices due to concerns from parents.”**

(Childminder, SHSCT)

**“Parents can’t afford childcare and I cannot afford to lose children so I decrease my charges/rates to help parents, but it means I also take a cut in salary.”**

(Childminder, NHSCT)

**“Parents thinking they are paying too much money for childcare but I am getting less than half the minimum wage.”**

(Childminder, NHSCT)

**“People need to be made aware of the work childminders do. Too many people refer to us as babysitters. We work long hours and...the money we earn is not all profit, we incur a lot of expenses.”**

(Childminder, BHSCT)

## 5.4 Income and expenditure

In the last 12 months, almost three in four (73%) providers reported an increase in expenditure, compared to 29% who reported an increase in income. Conversely, while more than one in four said their income decreased, just 3% reported a decrease in expenditure. This is not sustainable, and the balance needs to be readjusted to ensure providers secure sufficient income to meet necessary expenditure, and allow for investment in their setting.

Last 12 months	Income	Expenditure
Increased	29%	73%
Stayed the same	45%	24%
Decreased	26%	3%

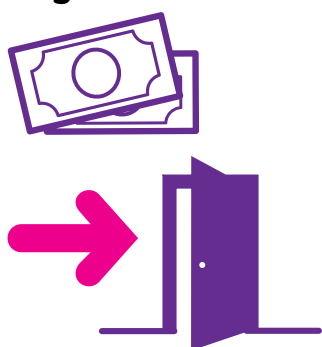
**Table 12: Income and expenditure looking back**

This trend looks set to continue. Almost two in three providers (60%) anticipate their expenditure will increase in the next year, compared to 21% who anticipate their income will increase.

Next 12 months	Income	Expenditure
Increase	21%	60%
Stay the same	56%	36%
Decrease	24%	4%

**Table 13: Income and expenditure looking forward**

**Going in**



**Going out**





## 5.5 Main challenges

Key challenges identified by providers include unregistered childminders, ensuring financial sustainability and maintaining occupancy of places. The top six challenges identified are below.

	Overall	Antrim	Armagh	Derry/Londonderry	Down	Fermanagh	Tyrone
Unregistered childminders	54%	41%	66%	68%	46%	59%	78%
Financial sustainability	45%	47%	45%	43%	41%	35%	36%
Maintaining occupancy of places	44%	39%	45%	53%	49%	47%	34%
Securing sufficient income to cover expenditure	39%	40%	45%	35%	38%	53%	38%
Competition from other providers	36%	34%	28%	38%	36%	35%	38%
Upkeep of building/facilities	35%	34%	38%	23%	37%	59%	38%

**Table 14: Challenges identified by childcare providers 2019**

There are variations depending on the nature of the provider. Childminders were more likely to identify unregistered childminders as a challenge (73%), while day nurseries and out of school providers were more likely to identify the challenges of ensuring financial sustainability (89%), maintaining occupancy of places (55%) and securing sufficient income to cover expenditure (54%).

Comments shared by childcare providers reflect their differing experiences, attitudes and perceptions, with themes set out below.

**Unregistered childminders:** Over half of providers (54%) identified the services offered by unregistered childminders as a key challenge facing their setting, rising to 73% of childminders. This seems to be a particular issue in more rural parts of Northern Ireland, with more providers in counties Tyrone, Derry/Londonderry, Armagh and Fermanagh identifying this as a challenge. As in previous years, many respondents voiced their frustration regarding those who provide paid childcare without being registered to do so and highlighted how this can affect their own settings.



*“Increase in utility bills, food costs, minimum wage, pension contributions, nappies etc are having a huge impact on us.”*

(Day Nursery, SHSCT)

*“Unregistered childminders continue to work illegally which has a tremendous effect on us legal registered childminders. Something more needs to be done about this.”*

(Childminder, NHSCT)

*“More proactive in addressing the unregistered service which is undermining registered childminders occupancy rates and their business. Resulting in registered childminders leaving the service.”*

(Childminder, SHSCT)



***“The increased costs in the provision of childcare in particular staffing costs, pensions etc have impacted on the cost of childcare places. This has led to parents using friends and family and reducing their days of attendance which has again had a detrimental impact on our provision.”***

(Day Nursery, SHSCT)

***“I find living costs rising and parents unable to face higher childcare charges themselves. Lots of parents now depending on grandparents to care for their children.”***

(Childminder, BHSCT)

***“Better set up of childcare entitlements, parents being left with no childcare benefits which in turn leaves us with no payments or late payments, I think all childcare benefits should be paid directly to childcare facility.”***

(Day Nursery, WHSCT)

***“Universal Credit will affect my customers ability to pay their childcare. A full roll out means that all my customers will be without finance for 6 weeks - and will not be able to pay their childcare costs.”***

(Day Nursery, BHSCT)

***“Universal credit, specifically the length of time it takes for parents to receive payments - catch 22 situation - they cannot get paid if they don't have a place and we have to wait several weeks before payments are received.”***

(Day Nursery, BHSCT)

***“Brexit is a worry - if people lose jobs they don't need childcare.”***

(Out of School, WHSCT)

***“Daily challenges of the unknown. Our work is not guaranteed. On any day we may be given notice from the families in our setting and although we have a notice policy ... we are not guaranteed to have that place filled. This is scary when we have mortgages and bills to pay.”***

(Childminder, WHSCT)

**Parental ability to afford formal care and increased use of informal care:**

Some providers identified that a rise in the use of informal care or parents changing their own working patterns, as a result of difficulties affording full time formal care, has impacted on their occupancy levels and ongoing sustainability.



Where parents are accessing financial support, a number of providers stated that these payments are not always paid on time to providers resulting in late payments and, in some cases, no payment altogether. Respondents suggested that Government funding should be paid directly to providers.

**Universal Credit:** Several providers referred directly to the Universal Credit system as generating difficulties for them and parents using their service. They highlighted the time it can take for parents to receive payment, and the difficulty parents then have in securing and paying for childcare.



**Financial uncertainty:** Financial stability remains a key challenge highlighted by many providers. Some emphasised how financial assistance from Government could help with staff wages, access to training and resources and expenditure. There was uncertainty given the current political vacuum in Northern Ireland and the potential unknown impact of Brexit for childcare providers.





### **Perceptions of childcare provision as a sector:**

A number of providers shared their view that childcare is often not perceived as a profession. As well as impacting on investment in the sector, and its prioritisation from a policy perspective, this can limit the value placed on childcare as a career. This can lead to difficulties in recruiting and retaining staff, with many emphasising the need for greater recognition placed on attracting people – from diverse backgrounds - into the workforce.

Some respondents highlighted a misleading perception that the ‘cost’ of childcare is too high with the sector profiting as a result, without consideration being given to the cost to deliver quality care.

**Regulations and inspections:** Similar to previous years, some providers voiced their frustrations at what they perceive is an inconsistent approach used across Trust areas when interpreting the Minimum Standards<sup>13</sup>. This continues to be a key concern for childcare providers and it was suggested that standardising these would achieve a more consistent approach.



*“We feel that our staff should be seen in a more professional light within society. Early Years is still viewed as ‘looking after children’ as opposed to laying the foundations for lifelong learning despite the wealth of research. Raising the profile of early years should be seen as a priority within society in order to attract qualified/experienced people, and to make it an appealing career for apprenticeships. Early years is one of the lowest paid sectors in Northern Ireland, yet it is one of the most important.”* (Day Nursery, WHSCT)

*“Improve pay for early years workers which is reflective of their skills and qualifications to retain staff and attract male workers which are under-represented.”* (Day Nursery, SHSCT)

*“The private sector is continually castigated because of costs however no-one seems to make the point that the costs are driven by staffing, rates, staff pensions etc, which are, in some cases, driven by unrealistic staffing enforcement by the Trusts.”*

(Day Nursery, SHSCT)

*“All social workers should have same rules and lists we have to follow as each one says different.”* (Childminder, SHSCT)

*“The school can have 30 children in the playground with 1 staff member. I have to provide 4 staff members for the same children in the same playground. We have to have 2 staff members for even 1 child...We need a 3rd category (wrap around care) with more appropriate regulations - not the present 2 (sessional or full day care). It is the unnecessary rules that make life so difficult for After School Clubs. They are unfit for purpose.”*

(Out of School, SHSCT)

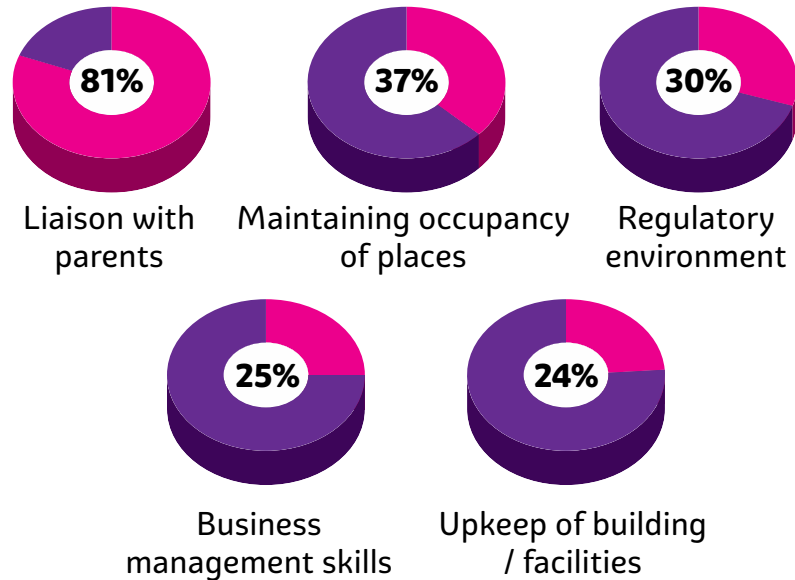
*“Review the minimum standards and Implementation Guidance to reflect what happens in the rest of the UK. Requirements have been made in Northern Ireland that do not exist in the rest of the UK that add unnecessary costs.”*

(Day Nursery, NHSCT)

<sup>13</sup> ‘Childminding and Day Care for Children Under Age 12 Minimum Standards’ (Health and Social Care Board, 2012) <http://childcarepartnerships.hscni.net/wp-content/uploads/2019/02/early-years-standards-full-version-Updated-October-2018.pdf>

## 5.6 What is working well for providers?

Childcare providers were asked to identify, from a range of options, what was working well for them.



**Figure 24: What is working well for childcare providers 2019**

Similar to previous years, a significant proportion of childcare providers (81%) told us their relationship with parents was the key thing working well for them. Many reported that building good relationships with parents is vital to their work both in ensuring quality care is delivered and in generating ‘word of mouth’ recommendations for their service.

37% of providers reported that maintaining occupancy of places was working well for them, with some providers explaining they are at full capacity and have a waiting list. At the same time, 44% identified this aspect of providing childcare as a challenge. This reflects the differing experiences of childcare providers across Northern Ireland.



**“Feedback from parents is always excellent in relation to the care provided. We have a very low staff turnover and as such the team work really well together to provide a very high standard of care.”**

(Day Nursery, SHSCT)

**“We have very good relationships with our parents, maintained through effective communication on a daily basis. We express to parents the importance of creating two way communication between home and nursery enabling us to share important details such as changes/children’s current play interests/health and well-being ensuring that we are meeting the needs of individual families.”**

(Day Nursery, WHSCT)

**“Everything works really well - I am happy and the children are happy. I have a full quota for the four days a week that I work. It is flexible and the families are great.”**

(Childminder, BHSCT)



## 5.7 Recommendations



Childcare providers were passionate to continue to support the development of the sector, and made a wide range of recommendations to enhance its sustainability and its role in enabling parents to access work, and

developing the educational and social abilities of children and young people.

A number of themes emerged, particularly focused on delivering financial support, both to parents and providers, to ensure that quality childcare is affordable to access and to deliver. Regarding financial support, various providers suggested that payments currently made to parents could instead be made directly to the provider, whilst others urged direct investment, rates relief, grants or the introduction of a scheme similar to the 30 hours free childcare in England where providers receive funding when they offer a place.

Providers emphasised that parents need to be made aware of the support that is already available, as a lack of awareness can result in them perceiving they cannot afford formal care.

Providers also shared a call for a more strategic approach to developing and supporting Northern Ireland's childcare infrastructure, including a reform of the pre-school education programme.

***“I sit on as many committees as I can to inform and shape our sector. We need a childcare strategy urgently but as a sector we need to unite and work together not on individual agendas. I’m passionate about the need for flexible, affordable childcare but we just need help!”*** (Day Nursery, NHSCT)

***“Financial support from the government could be through rates relief, or a set contribution per child in line with England.”*** (Day Nursery, WHSCT)

***“30 hrs free childcare per week.”*** (Day Nursery, SHSCT)

***“Provide discount cards so we can travel on bus/train cheaper, provide us with discount to national trust/W5/NI museums/leisure centres/local daytime arts events - play or panto and indoor play areas.”*** (Childminder, WHSCT)

***“Running a private after school is increasingly difficult as we are denied any funding for improvements when we apply for any grants. A great improvement would be if all day care/ after school places were partly funded by the government and a cap put on the cost for the individual parents. However, this would need to be sufficient to provide a decent salary for the people working in this sector.”*** (Out of school, BHSCT)

***“The Pre-School Education Programme has been effectively closed to nurseries not included in the initial tranche put on the programme many years ago. We have many children who come to us in the morning then leave for a couple of hours to attend funded (mostly primary school) nurseries and then return to us. We have asked to be considered for funding but rejected for many years because we are told no new places are required. This is not equitable, it is disruptive and displaces children from our nursery for a couple of hours each day. This programme needs reconsidered.”*** (Day Nursery, NHSCT)

***“A childcare strategy is urgently required in Northern Ireland to financially support families or invest in nurseries to ensure there is a sustainable framework that provides affordable, quality care for our children.”*** (Day Nursery, SHSCT)

# Section 6: Conclusion



NI Childcare Survey

**Employers**  
**For Childcare**

## Conclusion

The first Northern Ireland Childcare Survey in 2010 found parents and childcare providers calling for greater investment in the childcare sector. For the tenth year in a row, we are hearing the same message from parents and childcare providers - frustratingly, it seems that little has changed.

Families continue to struggle to afford the childcare they need, with many telling us about the financial hardship they experience as a result. For some families, this can be particularly difficult during the summer as the cost of holiday schemes has significantly increased and many identified a lack of provision. We have also seen that lone parents can experience greater challenges in accessing and affording the childcare they need, with a greater proportion using means other than their income to pay for the childcare bill. This can leave families financially insecure and at risk of, or experiencing, in-work poverty.

Our research found that the current childcare infrastructure can present a barrier to getting into work and career progression. There are particular issues for women who have caring responsibilities, and who remain more likely than men to change their working patterns as a result. Where a tipping point is reached, and the cost of childcare reaches or exceeds a parent's income, some make the decision to leave work altogether.

At the same time, childcare providers emphasise the difficulties they face with many reporting making a loss or just breaking even. This is not sustainable for any type of childcare provider, and investment is required to support them in providing high quality services and to ensure parents can access affordable, quality childcare.

It is clear the childcare system requires fundamental and urgent reform. There is no time to waste, families and childcare providers cannot financially afford to wait any longer. At a time of political instability and ongoing changes to family benefits and entitlements, we are concerned that Northern Ireland is falling behind other UK jurisdictions, where greater attention has been paid to investing in childcare. In 2010 when we wrote that Northern Ireland was the only UK jurisdiction without a current childcare strategy, little did we think that this would still be the case ten years on. This is a situation which we believe is unacceptable and lets down everyone using and working in the childcare sector.

## Our key ask:

**Employers  
For Childcare**

**Based on our research, we are calling on Government to invest in our childcare infrastructure by:** Developing a costed Childcare Strategy with a legal framework, that is informed by learning from other jurisdictions.

## A shared vision

Our Government needs to recognise that childcare is as vital a part of our infrastructure as transport, education and healthcare. It is a key to unlocking barriers to getting parents into and staying in work, particularly women. It can also unlock a child's potential, providing an opportunity for early intervention, and nurturing development.

Just as we expect our roads and our schools to be there for us, we can redesign our childcare infrastructure to work for all of us. We can do this by removing the barrier that affordability poses, protecting the sustainability of the sector and ensuring access to quality care is always an option for families – this will give our children and young people the best start in life.

# Appendix 1: Methodology and profile of respondents

Data collection took place in February and March 2019. Parents and childcare providers were invited to take part in an online survey questionnaire. The online survey was widely circulated across a range of networks and shared on social media. Participation in the survey was voluntary, and all individual responses were anonymised. All data collected was analysed using Microsoft Excel.

## Childcare provider respondents

Nature of provider	Number	Percentage	Department of Health statistics <sup>14</sup>
Day nursery	74	13%	8%
Out of school club	92	16%	5%
Registered childminder	372	66%	67%
Other	24	4%	20%
<b>Total</b>	<b>512</b>	<b>100%</b>	<b>100%</b>

In total, we received 512 complete responses. This represents 13% of the overall population of day care providers in Northern Ireland (excluding playgroups). This gives a statistical margin of error of 4% at a 95% confidence level indicating a robust sample. 50 day nurseries are also registered as out of school providers (afterschool and breakfast clubs), these 50 are included in both categories. Percentages are therefore calculated based on a figure of 562.

The breakdown of responses in terms of nature of provider is reflective of the population of day care providers in Northern Ireland in that the largest proportion of respondents are registered childminders. We have sought to secure a higher proportion of day nursery and out of school childcare providers in the sample to ensure our findings are representative and meaningful.

## Parent respondents

This year we received 3,121 responses from families in Northern Ireland, reflective of 4,614 parents and 4,346 children who are using childcare. Projections from NISRA suggest there are approximately 215,800 households with children in Northern Ireland<sup>15</sup>. This gives a margin of error of 2% at a 95% confidence level, indicating a robust sample.

## Family profile

- 94% of respondents identified as a two parent household and 6% as a lone-parent household.
- 5% of respondents have a child with a disability or additional needs.
- Other than their dependent children, 13% of respondents have caring responsibilities for another family member.
- 5% of respondents belong to an ethnic minority group in Northern Ireland.
- 74% of respondents were female, and 26% male, however respondents were asked for information on both parents in a two parent household (where applicable).

<sup>14</sup> <https://www.health-ni.gov.uk/publications/childrens-social-care-statistics-northern-ireland-201718>

<sup>15</sup> <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/HP16-bulletin.pdf> published 8 December 2018.



**Household income: Two parent household**

Less than £8,000	1%
£8,000 - £15,000	2%
£15,001 - £30,000	10%
£30,001 - £40,000	15%
£40,001 - £50,000	21%
£50,001 - £60,000	20%
£60,001 - £70,000	15%
£70,001 - £80,000	9%
£80,001+	8%

**Household income: Lone parent household**

Less than £8,000	9%
£8,000 - £15,000	24%
£15,001 - £30,000	41%
£30,001 - £40,000	15%
£40,001 - £50,000	6%
£50,001 - £60,000	5%
£60,001 - £70,000	0%
£70,001 - £80,000	1%
£80,001+	0%

**Location**

County	Percentage of respondents	Population (2011 census)
Antrim	42%	34%
Armagh	9%	10%
Derry/Londonderry	9%	14%
Down	30%	29%
Fermanagh	3%	3%
Tyrone	8%	10%

The location of respondents from across Northern Ireland is broadly reflective of the overall population.

# Appendix 2: Key terms

**Formal childcare:** As defined in the Children (NI) Order 1995, formal childcare refers to people running day care services, used by children aged under 12, and open for more than two hours a day. Day care services include facilities such as day nurseries, out of school clubs, holiday schemes, crèches and childminders who look after children aged under 12 or more than two hours a day in private house. Formal childcare can be provided either in private settings or in community or voluntary based settings.

**Informal childcare:** This is generally defined as care arranged by the child's parent either in the child's home or elsewhere, and is provided by relatives, friends, neighbours or babysitters and is unregulated. It is referred to as informal care because the arrangements are not formalised with contracts or employment rights and are not registered with the appropriate authority.

**Childminder:** Registered childminders are self-employed carers based in their own home. They must be registered with their local Health and Social Care Trust (HSCT). Once registered, annual inspections are carried out by the HSCT. For new applicants references and health checks are required, as are police checks on all individuals in the household over the age of 10. Registered childminders can be registered to care for up to 6 children between 0 and 12 years of age (this number includes their own children).

**Day nursery:** Day nurseries may be privately owned businesses, or run as charities or in community settings, and offer a structured approach to childcare. They must be registered with the HSCT and once registered are inspected annually. Day nurseries must follow staff to child ratios as set out by the HSCT and can accept children as young as 6 weeks old.

**Out of school club:** This refers to a range of childcare provided before and after school and during school holidays. Clubs can be run by schools, private businesses or community groups. There are three main types:

- **Breakfast club** – open in the morning before school.
- **Afterschool club** – open after school until around 6pm.
- **Holiday scheme** – open during the holidays with varying opening hours.

# Employers For Childcare

---

## Employers For Childcare

Blaris Industrial Estate  
11 Altona Road  
Lisburn  
BT27 5QB

028 9267 8200  
Freephone 0800 028 3008  
[hello@employersforchildcare.org](mailto:hello@employersforchildcare.org)