

Can parents afford to work? Childcare costs, tax-benefit policies and work incentives ^[1]

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AVAILABILITY

- Report in pdf ^[2]
- OECD Social, Employment and Migration Working Papers index ^[3]

Abstract:

Finding a suitable balance of work and family life is not an easy task for parents who face multiple, and potentially conflicting, demands. Childcare policies play a crucial role in helping parents reconcile care and employment-related tasks. But inconsistent or poorly implemented policies can also introduce additional barriers that make it harder for families to arrange and share their responsibilities according to their needs and preferences.

This paper quantifies the net cost of purchasing centre-based childcare in OECD countries taking into account a wide range of influences on household budgets, including fees charged by childcare providers as well as childcare-related tax concessions and cash benefits available to parents. Building on these calculations, family resources are evaluated for different employment situations in order to assess the financial trade-offs between work and staying at home. Results are disaggregated to identify the policy features that present barriers to work for parents whose employment decisions are known to be particularly responsive to financial work incentives: lone parents and second earners with young children requiring care.

Region: Australia and New Zealand ^[4]

Asia ^[5]

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Tags: affordability ^[9]

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