

The Festering Burden of UK Child Care ^[1]

Author: Harmanci, Reyhan

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Excerpts

No one said that having kids would be cheap. But should preschool cost almost a third of your income?

The screams you're hearing are coming from UK parents, who are beginning to organize around the outrageously high costs of taking care of young children. As Bloomberg reporter Olivia Konotey-Ahulu explores in her article today, England is one of the most expensive places in the world to take care of young children, relative to income. She writes:

The average cost of a full-time nursery slot in Britain is about £14,000 (\$17,000) a year, but it can be double that in London and other places. After taxes, the average household income is just over £32,000, making the UK the most expensive country in which to obtain care for children aged 2 and 3, relative to wages, in the 38-member Organization for Economic Cooperation and Development.

The expense hasn't gone unnoticed. This fall, 15,000 people marched in 11 locations to protest the cost of child care and ask the government to help. There are subsidies available to parents of young children, but the rules can be complicated and onerous, according to people trying to navigate them. The cost to the economy is substantial, per Konotey-Ahulu:

A study published in 2022 by PricewaterhouseCoopers LLP found that the UK would see a \$177 billion boost to its annual gross domestic product by increasing the female employment rate to that of Sweden, a leader in the provision of early years child care.

This is also an election issue, as the Labour Party has promised to overhaul the system should it be elected, which polls suggest is likely. Labour would offer child care up until age 11, boosting after-school and meal programs. Conservative Party Prime Minister Rishi Sunak hasn't proposed any new plans that would help these parents.

How did we get to this state of play? You'll have to read the whole story, but it might not shock you to learn that privatization of child care has played a big role. (It's also a "broken business" in the US.) As Antonia Simon, an associate professor at University College London who co-authored a recent study on the sector, noted, "this isn't a usual business, these are children's lives, so it's an ethical and moral question." Hard to disagree.

Region: Europe ^[3]

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