

# Childcare grows into £2.15bn business [GB] <sup>[1]</sup>

**Author:** Carvel, John

**Source:** Guardian [UK]

**Format:** Article

**Publication Date:** 6 May 2003

## AVAILABILITY

See text below.

## EXCERPTS

The changing pattern of parenting and childcare in Britain is revealed today in figures showing a fivefold growth in nurseries for the under-fives in the past 10 years.

The health and community services analysts Laing and Buisson found that more than 400,000 children attended day-care nurseries on the average weekday last year, costing their parents an average £120 a week.

The company's report said the market was worth £2.15bn last year, more than five times as much as at the beginning of the 1990s.

Parents spent £1.8bn from their own pockets and the rest came from employers and the government, including a £165m subsidy for nearly 100,000 three- and four-year-olds.

Most of the nurseries were single-establishment businesses but companies running three or more establishments were rapidly increasing their share of the market and the trend was likely to accelerate.

About 130 groups providing more than 70,000 places accounted for 16% of the total. The top 20 had 10% of the market and Asquith Court, the market leader, had 1.4%.

Nurseries employed 154,000 people in January; qualified full-timers averaged £6.10 an hour and the unqualified £4.70, close to the revised adult minimum wage of £4.20.

Since wages account for up to 60% of their costs, the businesses would be vulnerable to increases in the national minimum wage and likely to pass it on in higher fees, he added.

Most nurseries reported difficulty in getting enough staff, mainly because of low wages and a shortage of students to fill temporary vacancies.

Other problems included competition for staff from social services and education, lack of career opportunities, and the low average age of staff.

Despite these problems the sector grew by 16.5% last year because of higher fees and increased demand.

Parents were getting more choice, since vacancy rates rose from 11% in January 2002 to 14% in January this year.

-Reprinted from The Guardian [UK]

**Region:** Europe <sup>[2]</sup>

**Tags:** economics <sup>[3]</sup>

affordability <sup>[4]</sup>

privatization <sup>[5]</sup>

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/03/07/childcare-grows-%C2%A3215bn-business-gb>  
**Links**

[1] <https://childcarecanada.org/documents/child-care-news/03/07/childcare-grows-%C2%A3215bn-business-gb> [2]

<https://childcarecanada.org/category/region/europe> [3] <https://childcarecanada.org/category/tags/economics> [4]

<https://childcarecanada.org/category/tags/affordability> [5] <https://childcarecanada.org/category/tags/privatization>