

# UK childcare takes bigger bite of parents' wages <sup>[1]</sup>

Childcare in the UK costs parents more of their income than in most other countries in the developed world, a study has found.

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## AVAILABILITY

See text below

Gender Brief - OECD Report <sup>[2]</sup>

## EXCERPTS

The report Gender Brief, by the Organisation for Economic Co-operation and Development (OECD), includes a chapter entitled 'Can Parents Afford to Work? Childcare costs, tax benefit policies and work incentives'.

The study found that the cost of a full-time place for two-year-olds was around a quarter of the average wage, compared with an average of 16 per cent across all of the 27 countries in the OECD. The cost of childcare as a proportion of salaries was higher only in Portugal, Spain, Luxembourg and Switzerland. However, the study found that benefits such as tax credits and childcare vouchers meant that the net cost of childcare in the UK was much lower for those earning below-average wages.

The OECD collected data on typical fees charged by accredited childcare centres for children aged between two and three.

The cost of childcare was found to be a major barrier to work in seven countries, including the UK.

The report notes that in all countries, parents' childcare choices were limited by both cost and the availability of appropriate care. It says that while many countries have subsidised fees for low-income families, and some settings offer them priority access, this approach means that childcare then becomes more difficult to access for more affluent parents.

A more effective approach, it says, would be replacing regulated fees with a combination of market prices, Government support for providers and state cash benefits to help parents meet the cost of childcare. This system would ease problems of under-provision and allow greater incentives for childcare providers, the report argues.

Kate Groucutt, policy director at the Daycare Trust, said, 'The Government has pledged to make the UK the most family-friendly country in Europe. In order to succeed, one of the most crucial things they must do is make childcare more affordable for all parents, through expanding free places, providing more subsidies to providers, and simplifying the tax credit system to allow low-income parents to claim for 100 per cent of childcare costs.'

-reprinted from Nursery World

**Region:** Europe <sup>[3]</sup>

**Tags:** affordability <sup>[4]</sup>

federalism <sup>[5]</sup>

work/life balance <sup>[6]</sup>

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[1] <https://childcarecanada.org/documents/child-care-news/10/08/uk-childcare-takes-bigger-bite-parents-wages> [2]

<http://childcarecanada.org/documents/research-policy-practice/10/04/gender-brief> [3] <https://childcarecanada.org/category/region/europe> [4]

<https://childcarecanada.org/category/tags/affordability> [5] <https://childcarecanada.org/category/tags/federalism> [6]

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