

# Child care cuts spark rise of the stay-at-home mum <sup>[1]</sup>

New research challenges government claims over making work pay for families in Britain's 'squeezed middle'

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## EXCERPTS

Women are being priced out of the job market because of deep government cuts in state funding for childcare, according to research published on Sunday.

The study by the Institute of Public Policy Research (IPPR) thinktank challenges the claims made by ministers that their flagship welfare reforms will "make work pay" and encourage people off benefits and into work. Instead, the IPPR analysis highlights figures suggesting that the increased cost of childcare is persuading many mothers to stay at home to look after their children themselves. The research focuses on low- to middle-income families in the "squeezed middle", who are already suffering from declining real wages as pay is either frozen or increased at a lower rate than inflation.

Based on official employment data, the IPPR found that while unemployment had fallen by 20,000 over the past year to 2.45 million, the number of unemployed women had risen by 42,000.

The study says that the spike in the number of jobless women can be explained partly by the fact that public-sector job losses have disproportionately affected women. Over the past year, private-sector employment has increased by 520,000 but in the public sector it is down by 143,000. The official classification of "public administration, health and education" is the only sector where more women than men are employed.

Dalia Ben-Galim, IPPR's associate director, said: "During the recession, unemployment among men increased much more than among women. But our analysis of the latest figures shows that this experience is now being reversed, in large part because of the government's public spending cuts."

Another key factor driving the rise in female joblessness, IPPR said, was the 10% cut to the amount of childcare costs that low- to middle-income families can claim through the tax credit system. Until April, working tax credit covered 80% of the costs of childcare up to £175 a week for one child and £300 a week for two or more. But in April, this was reduced to 70% as ministers tried to slash the welfare bill.

"Cuts to childcare tax credits mean that for some women, work no longer pays and they are better off staying at home," Ben-Galim added. "The squeeze ... means that it may be more economical for parents - and in particular mothers who are often paid less - to leave the labour market. This not only has an impact on women's long-term career prospects, but can also have an impact on children."

Earlier this year another thinktank, the Resolution Foundation, calculated that almost 500,000 low- to middle-income families would lose an average of £436 a year in support for childcare costs. In London, where costs are highest, it estimated 50,000 families would lose an average of £600. In some cases, the loss could be as much as £1,300 a year.

A DWP spokesman disputed the IPPR's analysis and said that the government's changes to welfare were geared to offering the best possible help to people wanting to get into work.

"Women who are looking for a job should visit their local jobcentre where they will be given advice and be able to take advantage of the 10,000 jobs we take every working day. In June, we launched the Work Programme which offers long-term unemployed people tailored support to get back into work. The programme is different to previous schemes as it assesses people to discover what barriers are preventing them from getting a job and will then work with them to overcome these problems."

The OECD says the UK has some of the most expensive childcare in the world. The average cost of childcare is £97 a week (for 25 hours) with costs in the southeast rising to an average of £115.

IPPR wants fundamental reform of the welfare state to guarantee everyone out of work for more than a year gets a job on the minimum wage. People refusing to take work after a year of unemployment would lose their benefits. It also wants a reformed welfare state to provide universal childcare to parents to encourage full employment.

-reprinted from the Guardian

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

**Tags:** mother's labour force participation <sup>[3]</sup>

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