

# Childcare costs rise by nearly 6% <sup>[1]</sup>

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## EXCERPTS:

Daycare Trust survey finds working parents are spending up to £15,000 on childcare, while wages have risen by only 0.3%. Working parents are spending up to £15,000 a year on childcare as costs rise and fewer families receive help with the financial burden.

Nursery costs have risen by nearly 6% in a year, while 44,000 fewer families are getting help with childcare bills since the April tax credit cut, figures compiled by the Daycare Trust show.

The hourly rate for a child under two is up 5.8% from 2009-10 to 2010-11, and 3.9% for a child aged two and over. Wages have remained stagnant, increasing by only 0.3% in the same period, the survey found. The average bill for a parent using 25 hours of nursery care for 50 weeks of the year for a child under two is £5,103. The most expensive nursery recorded by the survey costs £300 for 25 hours, or £15,000 for a year's childcare.

The cost of childminders has also risen, by 3.2% for a child under two and 3.9% for a child aged two and over.

By cutting the maximum level of support available through the childcare element of working tax credit from 80% of costs to 70%, the average claim has fallen by more than £10 a week, the trust said. This costs the low-income working families that receive it more than £500 a year.

The study also found significant gaps in childcare availability across the country, with a lack of services for disabled children and parents who work outside normal office hours.

More than half of local authorities said that parents had reported a lack of childcare in the previous 12 months, the trust found.

Anand Shukla, chief executive of Daycare Trust said: "These above-inflation increases in the cost of childcare are more bad news for families, heaping further pressure on their stretched budgets as wages remain stagnant and less help is available through tax credits.

"The latest HMRC figures reinforce Daycare Trust's fear that the loss of this vital lifeline is forcing families out of work and into poverty.

"Today we are calling on the government to reverse its self-defeating childcare tax credit cut, and to deal decisively with the childcare affordability crisis for parents by pledging to provide free childcare for all two year-olds by the end of the current parliament.

The Daycare Trust also wants a wider range of children to benefit from the free early education entitlement and are calling for ministers to extend the provision to all two, three and four-year-olds by 2015. Self-employed workers should also be entitled to childcare vouchers, it said.

The chief executive of the charity 4Children, Anne Longfield said: "Parents are finding themselves trapped in a double whammy of needing more help with childcare because finances are tight at the same time that the government is reducing its own spending in this area.

"The result is a cocktail of stress, juggling childcare and for some the difficult decision of giving up work.

"Helping them through these difficult times has to be a priority - locally and nationally - and this is why we are now carrying out our annual Children's Centre Census."

Parents' website Mumsnet said worries about the high costs of childcare were expressed frequently online.

Chief executive Justine Roberts said: "While this government has taken some positive steps like extending free childcare for some two year olds, changes in tax credits actually leave more families struggling to meet childcare costs.

"If the government seriously wants to meet its stated aim to make the UK the most family-friendly country in Europe then, frankly, there's a long way to go."

-reprinted from the Guardian

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

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

[1] <https://childcarecanada.org/documents/child-care-news/12/02/childcare-costs-rise-nearly-6> [2] <https://childcarecanada.org/category/region/europe> [3] <https://childcarecanada.org/category/tags/affordability>