

OECD: British mothers shun work over childcare 'tax' ^[1]

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Source: The Telegraph

Format: Article

Publication Date: 18 Dec 2012

EXCERPTS:

Nursery fees in Britain are so high that working mothers lose two thirds of their pay in what amounts to a childcare "tax", a major international study has found.

There is little financial incentive for women to work full-time due to steep bills for nursery places and nannies, the Organisation for Economic Cooperation and Development said.

The report, which rated 30 countries on their records for gender equality, urged the Coalition to act to create cheaper childcare places because "women pay a high price for motherhood".

Ministers are believed to be considering reforms to childcare including de-regulating the market and encouraging more private nurseries and childminders to set up business.

Nick Clegg, the deputy prime minister, has promised he will prioritise childcare to cut the "nightmare" of high nursery costs, which typically reach £5,100 a year for a part-time place.

The OECD study said improvements to girls' education were being wasted because high fees for nurseries meant it was not worthwhile for mothers to return to work.

"Despite gains in education and employment among women in the UK over the past decade, the high costs of childcare continue to be a major constraint to many mothers working full-time," the report said.

"In the UK, before accounting for childcare, the cost of entering work for an average-wage family's second earner is lower than the OECD average.

But after taking childcare into account, more than two-thirds of a typical family's second wage, 68 per cent, is "effectively taxed away", a rate that is "well above" the OECD average of 52 per cent.

"The government should facilitate the increase of working hours among women, and especially mothers, starting with more affordable high-quality childcare services," the report said.

Increasing women's employment rates to the level of men's would deliver a 0.5 per cent increase in GDP over the next 20 years, the report said.

While 70 per cent of British women work, 40% of these are in part time jobs "as many women struggle to combine work and family commitments", the study said.

Men typically earn almost one fifth more than women, with even greater gaps in the most highly paid jobs as only 8 per cent of board directors are women.

Fewer than 2 per cent of women are entrepreneurs, a low rate compared to other countries in the OECD report.

The number of childminders in England fell by almost half in recent years, while bills for nurseries are now among the highest in the world, costing up to £15,000 a year.

According to research from the Daycare Trust, the average spent on childcare for 25 hours per week for a child under two is now £5,100 a year.

A Department for Education spokesman said: "Rising childcare costs are a critical issue for parents. Too many parents do not feel it is worth going back to work because the costs of childcare are too high. This report shows that helping more parents back to work could provide a real boost to the economy.

"The Prime Minister launched the childcare commission in June to look at how we can improve the availability and affordability of childcare and reduce burdens on childcare providers.

"We are listening very closely to the views of front-line professionals, parents and others on these issues. We are also looking at practice in other countries including France, Germany, the Netherlands and Denmark. We will be setting out next steps in due course."

-reprinted from the Telegraph

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