

# The costs of childcare <sup>[1]</sup>

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## AVAILABILITY

Full report in pdf <sup>[2]</sup>

### Description:

This report was commissioned from the Childhood Wellbeing Research Centre by the Department of Education in response to public concern about the apparent high costs of childcare to parents in the UK. The Department requested a technical analysis of the current comparative literature and data on the affordability of childcare to parents. It also requested further analysis on the costs to providers of providing childcare; and on the contribution of governments in providing subsidies to parents and/or providers.

The two agreed research questions were:

1. What is the scope and what are the limitations of the comparative literature on the net costs to parents (childcare fees) of using childcare?
2. Why are the net costs to parents in the UK so high, given the relatively high level of expenditure on Early Childhood Education and Childcare (ECEC)?

Some conclusions from the report:

- The provision of early childhood education and care is a complex area and not easily comparable across OECD countries. The OECD database represents a general indication of comparative position, rather than any hard and fast ranking.
- The high gross cost of childcare for parents in the UK given in the OECD comparative table on childcare fees is partly an artifice of the way in which data is presented. Childcare fees for two year olds in centre-based care are compared at the point of use after direct provider subsidies are taken into account. Since many countries use direct provider subsidies as a means of keeping fees low it is problematic to compare these fees directly with countries like the UK where subsidies for childcare are instead given to parents through the tax and benefit system.
- There are no comparative figures available on how much it costs to provide childcare, since there are a wide range of factors which affect uptake and type of provision.

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

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

affordability <sup>[5]</sup>

funding <sup>[6]</sup>

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