Child care costs 'cancel out wages'

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EXCERPTS

One in 10 UK families see one earner's wages used solely to cover childcare and commuting costs, research by insurer Aviva has suggested.

Some 4% of women surveyed said they were "paying to work", because their costs were greater than their wages.

It concluded that juggling these costs was proving frustrating for parents.

Business leaders recently called on the government to extend childcare support for parents with children aged one and two.

The CBI employers' organisation said that this, and raising the threshold for National Insurance, would help raise family incomes and get more adults into work.

'Tackling the cost'

About 43% of parents with children aged up to five said they used childcare to enable them to go back to work.

The Family and Childcare Trust has calculated that the cost of childcare in the UK was £11,700 for an average family with one child in full-time nursery and one child in an afterschool club.

The Aviva survey of 2,000 parents with children aged up to five suggested the median average wage left by the lower earner's family was £243 a month. This was after the cost of childcare, commuting, workwear and work-related equipment.

"[Our] findings paint a picture of a nation of parents struggling to keep their heads, and careers, above water in the face of rising childcare costs," said Louise Colley, protection director at Aviva.

The government has said it is doing more than its predecessors to tackle the cost of childcare.

It has said that more families than ever before are now eligible for free childcare.

However, a recent report by the Pre-school Learning Alliance claimed that the government's free childcare scheme was facing "chronic underfunding".

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