

Working mothers earning as little as \$5 an hour after childcare, tax, study shows ^[1]

Author: ABC News

Source: ABC News

Format: Article

Publication Date: 18 May 2016

AVAILABILITY

Read online ^[2]

EXCERPTS

Mothers with full-time jobs are earning as little as \$5 an hour after paying tax and childcare costs, and in some cases are "going backwards" financially, a study has found.

The Australian National University (ANU) study, commissioned by a leading childcare provider, found a working mother could lose up to two-thirds of her gross earnings in tax and childcare fees.

The ANU Centre for Social Research and Methods calculated that a woman on an average income would be left with \$22.39 an hour for the first day of work, \$13.83 for the second day and \$5.08 on the fifth day.

Women on a lower income would actually be losing money by the fifth day.

As a self-employed architect and mother of two young children, Canberra woman Shannon Battisson said she could not afford to keep her children in day care all week.

"It's not actually affordable for me to have my kids in day care for five days a week, so I work a full-time load but have my kids in care only four days a week," she said.

"I make up the rest of the hours on weekends and in the evenings, so that I am able to basically afford to be able to keep working.

"I can't afford to work in business hours that fifth day."

Researcher Ben Phillips said the findings showed women on lower wages were the hardest hit.

"We found for a low-income case where a woman was earning only around \$43,000 per year, when you include her husband's wage you'll also find she's going backwards financially on the fifth day," he said.

"What drives that is you've got say childcare costs of around \$9 an hour or around say \$90 a day, she's paying tax at around 32 cents in the dollar for around \$43,000 a year, she's losing family payments.

"So she's actually losing money by turning up for work."

Women earning a higher income of \$66,000, including their partner's wage, are also worse off by \$90 by their fifth day of work.

Working mums face 'difficult choice'

Executive director of advocacy group The Parenthood Jo Brisley said the cost of childcare was making the choice for parents "very difficult".

"[Mums] go 'What is the point of going back to work when it costs so much in childcare costs that I am left with earning \$5 to \$6 an hour and in some cases it's actually costing me to go back to work?'," she said.

The parent lobby group called for more affordable and accessible early learning care.

"Our politicians keep telling us that they are committed to jobs and growing our economy, but where is the evidence of that?," Ms Brisley said.

"When half of the potential workforce is held back by the prohibitive cost of childcare, reforms should be on top of the election agenda."

Ms Battisson said she was left with few options, being unable to take on part-time work.

"It's simply not feasible for me to work less than five days, all of my construction sites run five days, and therefore I need to be contactable five days a week," she said.

"The rest of my industry doesn't stop working because I'm not able to be in the office.

"There's got to be a way that the Government can support the entire workforce and not simply one half of the workforce."

-reprinted from ABC News

Region: Australia and New Zealand ^[3]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/16/05/working-mothers-earning-little-5-hour-after-childcare-tax-study>

Links

[1] <https://childcarecanada.org/documents/child-care-news/16/05/working-mothers-earning-little-5-hour-after-childcare-tax-study> ^[2]

<http://www.abc.net.au/news/2016-05-18/some-mothers-losing-money-by-turning-up-to-work-study/7426416> ^[3]

<https://childcarecanada.org/category/region/australia-and-new-zealand>