

Who Cares?

Report on Childcare Costs & Practices in Ireland

Spring 2016



Welcome to the second in our series of policy and briefing papers, through which we hope to highlight some of the major deficits and issues facing this society, particularly in relation to social infrastructure and the Social Wage.

The issue of Childcare seems an obvious point of departure, given the huge obstacles that now face working families in terms of the cost of that care and the quality of what is on offer. A critical and linked issue is the fact that the childcare sector is one which is characterised by low pay and poor career progression, begging the inevitable question: how can we possibly hope to deliver a first class childcare system based on low wages and bad conditions?

It now appears that the net result of official policy to date has been to deliver working families the worst of both worlds: some of the most expensive childcare in the European Union, staffed by workers who are among the worst paid. By any definition, that represents policy failure on a major scale.

That is patently unsustainable and we would hope the findings and recommendations contained in this report will help shape a better outcome for working families and those who work in the sector.



A handwritten signature in white ink, appearing to read 'Patricia King', written over a dark blue background.

Patricia King,
General Secretary

Contents

Executive Summary	3
Chapter 1: Introduction	4
Chapter 2: Survey On Childcare Use	5
2.1 Methodology	
2.2 Profile Of Respondents	
2.3 Types Of Childcare	
2.4 Childcare Costs	
2.5 Influences On Childcare Choices	
2.6 Preferred Type Of After-School Care	
2.7 Type Of Leave Availed Of For Childcare Purposes	
Chapter 3: Policy Context	11
Chapter 4: Pay And Conditions In Sector	13
Chapter 5: Childcare Provision In EU	15
Chapter 6: Conclusion & Recommendations	19
Bibliography	22
Appendix 1 – State Support In Ireland	23
Appendix 2 – Congress Childcare Survey	24

Index of Figures

Figure 1: Types of childcare used	8
Figure 2: Influence on childcare costs: dual-earner households	8
Figure 3: Influence on childcare costs: single earners in two-adult households	8
Figure 4: Influence on childcare costs: lone parents	9
Figure 5: Preferred type of after school care	9
Figure 6: Uptake of various leave arrangements in public and private sector	9

Index of Tables

Table 1: Number of children by age	5
Table 2: Breakdown of childcare facilities availed of by county	6
Table 3: Monthly childcare costs by combined income category	7
Table 4: Pay in the childcare sector	13
Table 5: Turnover rates in selected employments	14

Executive Summary

This report was commissioned to examine how working families in the Republic of Ireland reconcile paid employment and childcare. The Irish Congress of Trade Unions (ICTU) carried out a survey of 3,703 members in seven affiliated unions, between September – October 2015, to gauge the cost of care for parents across a range of income bands, to assess the type of childcare available to members across the country and to analyse the main factors influencing childcare choices.

The overall findings of the study clearly point to the high burden on working parents faced with some of the most expensive childcare costs in the EU. More specifically, it found that:

- Family members, especially grandparents, continue to represent one of the most common forms of childcare, with close to a third (29%) of respondents saying they rely on relatives to mind their children.
- While private crèches account for the greatest use overall, they are distinctly less popular with households on lower incomes, which largely rely on cheaper and more flexible forms of childcare.
- Among those using private crèches, the largest proportion of households (18%) pay monthly fees of between €1,000 and €1,499.
- Only a very small number (1%) of parents avail of workplace crèches, the vast majority of which (91%) are public sector employees.

The report compares the price of childcare in Ireland to other EU countries, where fees are typically much lower. The contrast highlights the impact of low public investment in the Irish childcare sector, which remains chronically underfunded. The report also presents a number of recommendations to help ensure working families have access to more affordable

childcare. Among the key measures proposed to ease the financial burden of childcare is **paid parental leave of six months**, along with a review of capitation payments to childcare providers.

Congress further recognises that **the pay and conditions of childcare professionals** are pivotal to the development of a high-quality model of care. To this end, the report proposes that the entry-level rate for childcare professionals be no less than the **living wage of €11.50 per hour**. It also recommends subsidising schemes to allow staff achieve qualifications beyond the current minimum requirements and proposes possible mechanisms to fund training and increase public investment in childcare.



Chapter 1: Introduction

The cost of private childcare poses a major challenge for many working families with young children. The out-of-pocket costs incurred by parents here are among the highest in the EU: the average family with two children spends 40% of its income on childcare relative to the OECD average of 12% (OECD, 2014).

By contrast with other European countries, most Irish government funding on childcare is focused on supporting private operators rather than non-profit or state-owned services. Ireland also lags behind most other EU countries when it comes to investment in early care and education. Figures show that just 0.4% of Irish GDP is spent on early years services, compared to an OECD average of 0.7% and the international benchmark of 1% of GDP (OECD, 2013).

The low wages paid to childcare professionals are also a matter of concern. The question of pay is inextricably linked to the low capitation fees paid to operators by the Department of Children and Youth Affairs, with the lack of public funding for childcare meaning many working in the sector are effectively subsidising their services. While the free preschool year has proved popular with parents, government funding for the scheme applies for only 38 weeks a year. This has set a pattern of crèche closures during the summer months, which can, in some instances, force staff to take on second jobs to supplement their income.

To compound the problem, successive government childcare policies have failed to acknowledge the role of informal carers such as grandparents and au pairs. Legislation in the area has focused on the private and community sectors rather than the unpaid, informal care commonly provided by family members. Little policy attention has also been paid to the

wide network of au pairs employed in private, unregulated households. While both fill the gap left by underinvestment, there is regrettably no official recognition of their contribution to family life.

The question of childcare provision has long been a subject of concern for Congress. Notwithstanding the long-term benefits children receive from early education, Congress recognises that childcare is a vital resource for many of our affiliated members. Unaffordable services can particularly deter single parents and secondary earners – both typically female – from taking up paid employment. This has the potential to seriously undermine their economic security, as lengthy periods outside paid employment impact on future earnings and benefits, such as pensions.

This study follows on from the 2007 report on this issue for Congress, prepared by Margaret Fine-Davis, which found that Ireland had not moved any closer to the comprehensive, integrated national programmes operated in such countries as France and Denmark. Then, as now, the funding allocated to childcare primarily came in the form of capital and staffing grants to private sector and community-based services. More recent government policies, including measures around free preschool, have been helpful in easing the burden on families in the short term. However, a longer-term strategy is required to more adequately address the long-standing issues of cost, quality and working conditions in the sector.

Chapter 2: Survey on childcare

2.1 Methodology

The Congress survey combined qualitative and quantitative research methodologies. The quantitative component took the form of an online survey of members in seven affiliated unions: the Civil Public and Service Union (CPSU), the Communication Workers' Union (CWU), Impact, the Irish National Teachers' Organisation (INTO), Mandate, the Services Industrial Professional and Technical Union (SIPTU) and Unite. These unions were selected as they represent 67% of Congress-affiliated members in the Republic of Ireland.

A pilot survey was undertaken in early September 2015 to test and refine the questionnaire. An advisory group of members of key affiliated unions advised on an appropriate timeframe for completing the research and made recommendations on the phrasing and structure of survey questions. The final survey, which was disseminated to union members by individual unions, received a total of 3,703 responses. It was carried out between 25 September and 19 October 2015.

2.2 Profile of Respondents

The survey respondents were predominantly female (73 %) and the majority (76%) worked in the public sector. They represented a wide range of family structures: 81% lived in a dual-earner household, 10% lived in a household where one parent worked, and 9% were lone parents. **Table 1** below shows a breakdown of the number of respondents' children of school-going age, which is between four to six years in Ireland.

2.3 Types of Childcare

The results of the survey indicated that childcare by family continues to be common, with close to a third of respondents (29%) stating they relied on relatives for care. A similar proportion (30%) opted for childminders, working either in their own or parents' homes. However, the greatest number of respondents (32%) used private crèches. A smaller number (8%) availed of community crèches. Only a negligible proportion of respondents (1%) used a workplace crèche, suggesting a severe shortage of employer assistance for childcare. Nearly all of these (91%) worked in the public sector, furthermore, with only four of 45 being employed in the private sector.

Table 1: Number of children by age

	1 child	2 children	3 children	4 children	5 + children
Below school-going age	1,722	604	60	5	16
School-going age	1,199	930	313	59	33

Table 2: Breakdown of Childcare Facilities Available of by County

County	Total	Private crèche	Grandparents/ family	Childminder in your home	Childminder in their home	Community crèche	Workplace crèche
Dublin	1192	513	347	112	164	70	27
Cork	395	125	117	34	99	22	9
Galway	194	59	49	13	47	21	4
Kildare	172	65	50	9	52	7	0
Limerick	140	49	30	12	47	6	1
Meath	131	33	35	15	45	11	0
Mayo	129	21	43	14	39	18	0
Tipperary	127	41	39	10	33	14	0
Donegal	100	21	30	5	32	13	0
Louth	97	32	39	5	26	8	1
Wexford	87	27	25	9	25	10	0
Clare	87	26	27	4	25	11	0
Kerry	85	14	29	6	28	15	0
Wicklow	83	23	30	8	24	1	0
Waterford	73	18	27	6	18	5	1
Kilkenny	70	28	24	2	22	4	0
Westmeath	69	29	22	4	17	5	0
Sligo	68	20	19	2	23	11	1
Cavan	53	20	13	6	11	7	0
Laois	53	9	21	4	20	1	0
Roscommon	52	12	8	2	23	8	0
Offaly	47	16	16	5	8	1	1
Monaghan	37	9	10	1	11	12	0
Carlow	34	8	9	2	9	8	0
Leitrim	30	9	9	0	5	6	0
Longford	29	11	7	1	6	5	0
Totals	3,634*	1,238	1,075	291	859	300	45

* There are a number of respondents who use a combination of childminding facilities, the highest of these being: Dublin - 'Private Crèche' and 'Grandparents/Family': 55; Dublin - 'Community Crèche' and 'Grandparents/Family': 11; Cork - 'Private Crèche' and 'Grandparents/Family': 10; Cork - 'Community Crèche' and 'Grandparents/Family': 6; Kildare - 'Private Crèche' and 'Grandparents/Family': 10.

Table 2 gives a county-by-county breakdown of the different forms of childcare used by respondents. It is interesting to note that respondents who availed of workplace crèches were located in just eight of 26 surveyed counties: Dublin, Cork, Galway, Limerick, Louth, Offaly, Sligo and Waterford. By comparison, the number of community crèches is quite high in some areas, including Dublin, Cork, Galway, Mayo and Tipperary.

2.4 Childcare Costs

Respondents were asked to indicate the total monthly cost of their childcare arrangements. The largest single group (29%) paid costs in the survey's lowest price band of zero to €299 per month. Among this group, however, over half (55%) relied on relatives, with just 12% using a private crèche. This shows that costs jump significantly when one looks outside family care. To give another example, 54% of respondents who used family members as a form of childcare paid costs in the lowest category. Among those using private crèches, by contrast, the largest group (18%) paid between €1,000 and €1,499 per month.

Family members clearly provide a source of cheap and flexible childcare, but the popularity of this option declines as one progresses up the income scale. In the €15,000 – €24,999 household income bracket, for instance, 39% of respondents used relatives for childcare, while 24% of respondents availed of private childcare. In the €25,000 – €34,000 household income bracket, by comparison, the number relying on family members to provide childcare dropped to 31%, with the same percentage using private

crèches. The evidence strongly suggests that lower-income families are less likely to avail of private childcare and that cost plays a key role in determining the choice of non-parental care.

Table 3 below shows the monthly childcare costs paid by respondents in different combined household income categories. Note that the childcare costs of nearly half (46%) of respondents in the lowest income bracket come within the lowest price band of childcare cost, compared to 13% for those with annual household earnings of €85,000 or more.

2.5 Influences on Childcare Choices

Circumstances mean that parents choosing childcare for their infants are often forced to compromise on **quality** over concerns about cost, convenience and availability. When asked about the main influence on their choice of childcare, quality was deemed to be the most important issue for 51% of respondents in dual-earner households, 37% in households where one of two adults was in paid employment and 31% of lone parents. By contrast, **affordability** was ranked the highest priority by 62% of lone parents, 59% of respondents in households where one of two adults was in paid employment and 41% of people in dual-earner households. **Convenience/travel time** did not figure as highly in any category: it was selected as the most important factor by 8% of respondents in dual-earner households, 7% of lone parents and 4% of respondents in households where one of two adults was in paid employment.

Table 3: Monthly Childcare Costs by Combined Income Category

Combined annual household earnings	€0 – 299 household income spent on childcare	€300 – 599 household income spent on childcare	€600 – 899 household income spent on childcare	€900 – 1,499 household income spent on childcare	€2,000 + household income spent on childcare
€85,000+	13%	26%	29%	18%	2%
€65,000 – 84,999	20%	29%	29%	19%	0%
€35,000 – 64,999	31%	32%	20%	8%	0%
€15,000 – 34,999	49%	32%	11%	2%	0%
€14,999 or less	59%	24%	7%	7%	2%

Figure 1: Types of childcare used

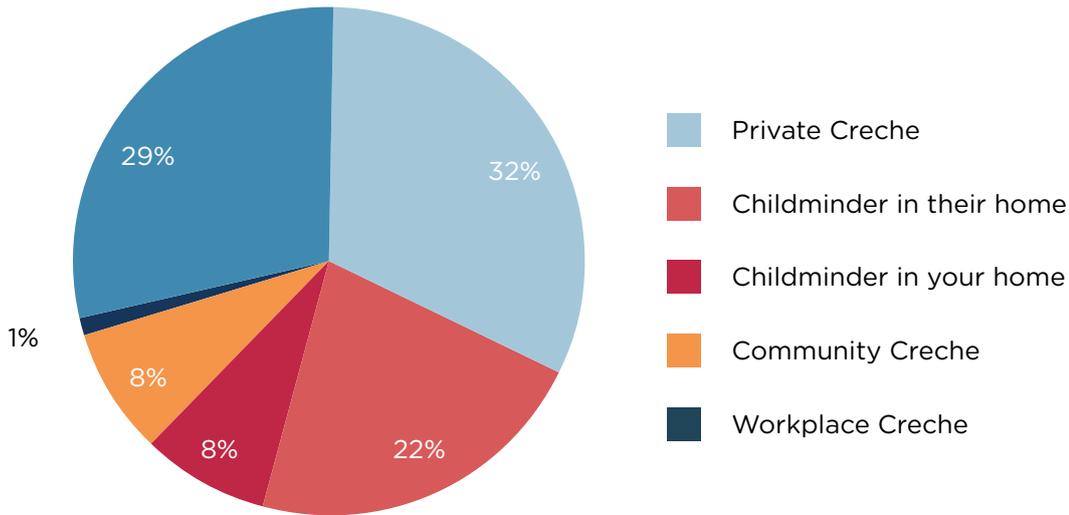


Figure 2: Main Factor for Respondents in Dual-earner Households

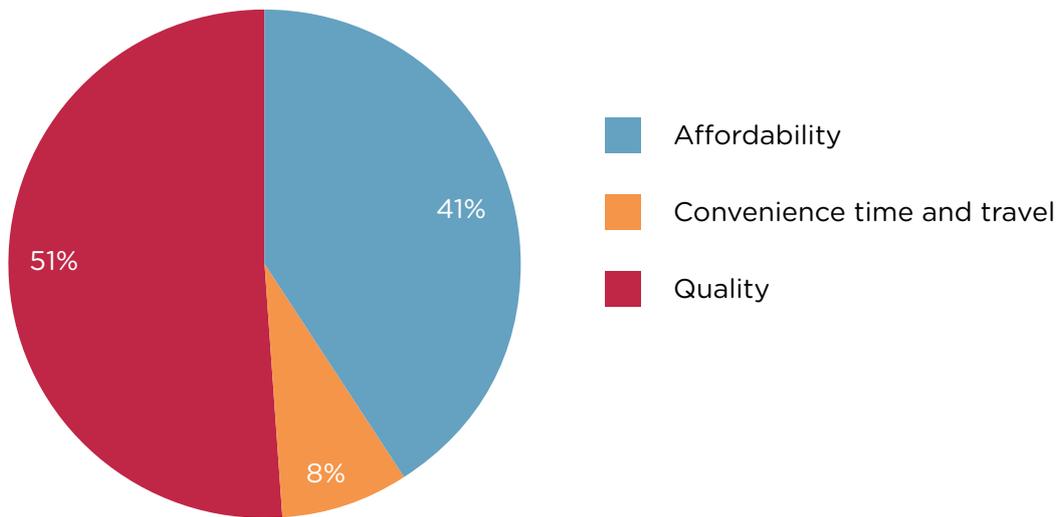


Figure 3: Main Factor for Wage Earners in Two-adult Households

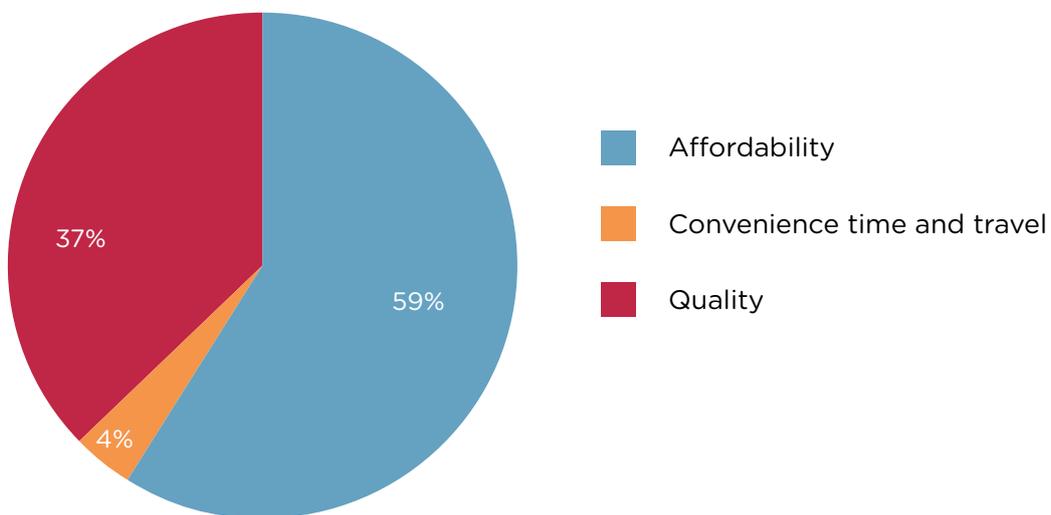


Figure 4: Main Factor for Lone Parents

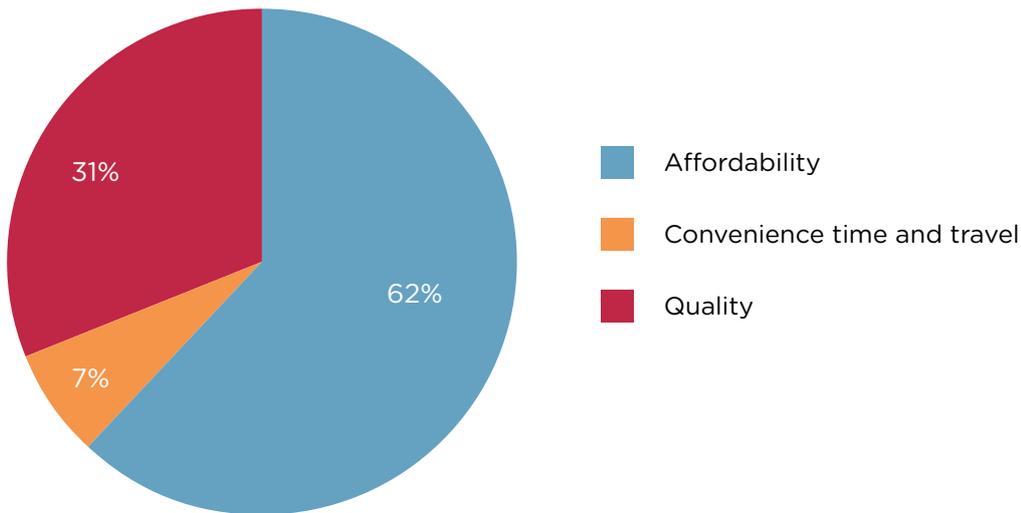


Figure 5: Preferred Type of After-School Care

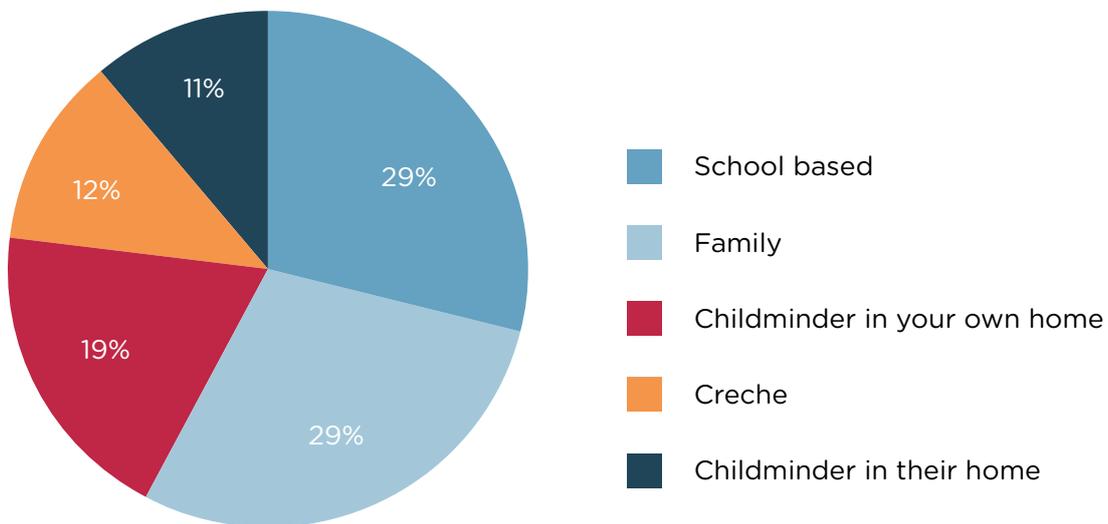
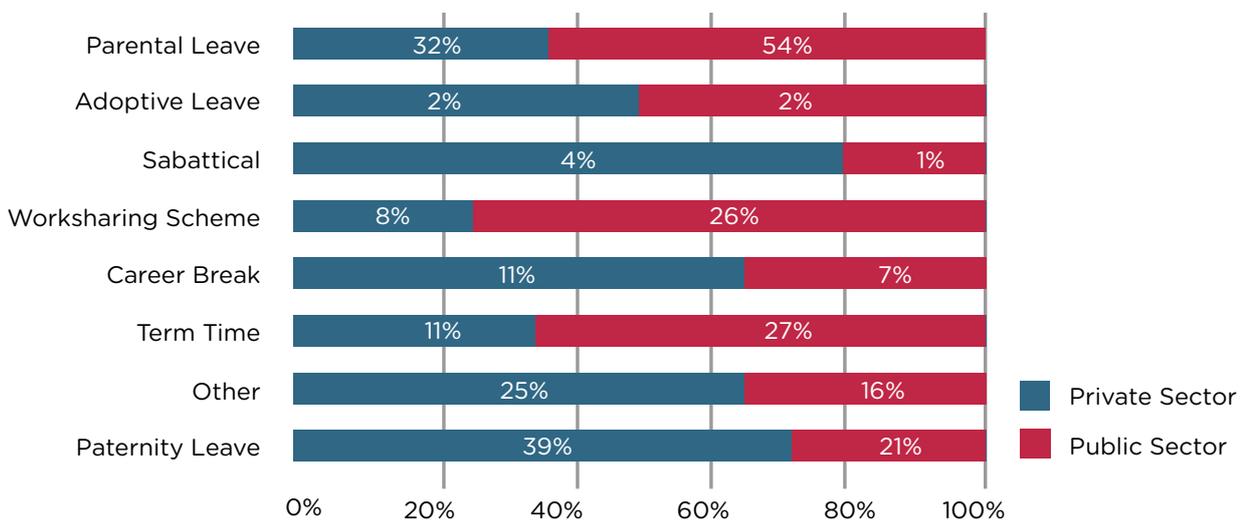


Figure 6: Uptake of Various Leave Arrangements in Public and Private Sectors



2.6 Preferred Type of After-school Care

Respondents were also asked to select their preferred type of after-school care. Interestingly, nearly a third (29%) opted for relatives, suggesting that parents place more trust in family members. The same proportion indicated that school-based care would be their first choice, while 12% said they would prefer to use a crèche.

2.7 Type of Leave Availed of for Childcare Purposes

While parental care is the most common form of care in the very early months of most childrens' lives, the type of non-maternity leave taken by new parents varies according to sector. Our survey found that parental leave is much higher (54%) in the public sector, compared to 32% in the private sector. Work-sharing schemes and term time are also more heavily availed of in the public sector.

By contrast, paternity leave was taken up by a far greater proportion of private sector respondents (39%) than public sector (21%). Career breaks and sabbatical leave were both more common in the private sector.

Figure 6 (see previous page) provides a broad sectoral breakdown of the types of leave, other than maternity leave, availed of by respondents for childcare purposes.

I'm on a carer's break and the hours I work go solely on paying for childcare. I have only two options: be a stay-at-home mum with my son by my side 24/7 or work the 15 hours I'm allowed to ensure he gets some time around other kids and I get some 'adult time'. I don't have the option of not working and still being able to afford crèche time for my son because of the expense of crèche/childminders for a household getting only one wage and the carer's benefit.

Mother of two, working in Finance Sector

What about those of us with a spouse who has had to stay at home to mind their child/children because the cost of childcare negates their earnings? This is my personal situation and it is the same for so many colleagues. We are just about surviving on my wages and if my wife were to return to work she would be working to cover the costs of childcare.

Father of one, working in Health Sector

Chapter 3: Policy Context

The public funding allocated to childcare in recent years has generally been provided indirectly through capital and staffing grants to the private and community sectors. This trend was repeated in Budget 2016, which restored the capitation grants provided to operators as part of the Early Childhood Care & Education (ECCE) scheme and extended the free pre-school year for children from three to five-and-a-half years of age. The childcare package further included an additional 8,000 low-cost places on the community childcare subvention programme for low-income families, as well as 15 million in funding to support children with disabilities in pre-school care and education.

Despite these welcome measures Ireland continues to spend a relatively low percentage of its GDP on childcare, with the result that significant gaps remain to be filled with regard to the provision of another free pre-school year. In its initial response to Budget 2016, Early Childhood Ireland described the measure as “the bare minimum” to deliver the ECCE scheme, saying it “leaves many childcare providers still struggling with a scheme that doesn’t cover the actual cost of delivery”. The group has also highlighted the lack of payment for professional time, or “non-contact time”, which the scheme does not reimburse, and pointed out that funding for the scheme has not been extended to allow services operate on 20 hours a week, 48 weeks a year.

While the free preschool year has proved popular with working parents, there is still little financial support available specifically for the care of children younger than three. This is worrying, as high childcare costs - a consequence of underinvestment - have the potential to deter single parents and secondary earners - typically women - from taking up paid employment.

The European Commission (EC) is one of a number of international bodies to have linked childcare costs to the relatively low labour market participation for women in Ireland. A report published by the EC last year noted that the difference between employment rates for women between the ages of 25 to 49 in Ireland was 20% - the fourth highest in the EU - while for men it was approximately 5% (EU Commission, 2014). The European Commission has also estimated that the Participation Tax Rate (PTR) - the effective rate of tax faced by someone entering or re-entering the workforce - for a single woman in Ireland is the second lowest in the EU at just over 10% (European Commission, 2015). When two children are factored in, the PTR comes in at a little less than 20%, about average for the EU. However, when childcare costs are considered, Ireland shoots up the ranking with a PTR of almost 100% - second only to the UK.

3.1 Quality of Services

Another focus of research and more recent government initiatives is the quality of services, which can be an important factor in children’s developmental outcomes. International studies have shown that high-quality pre-school education leads to immediate advances in cognitive and social development, which continue into adulthood and can have the potential to prevent later educational and social disadvantage (Expert Working Group on Childcare, 1999). The benefits of early years provision can vary for different types of children, but there is a broad research consensus that “gains from quality childcare are largest for low-income or immigrant households and those with less educated parents” (IDWG, 2015, citing Gambaro et al, 2014).

The importance of quality provision was recognised last year by the report of the Inter-Departmental Working Group (IDWG) on future investment in childcare in Ireland, which proposed an audit of quality in early years settings, as well as the introduction of quality standards and regulation for the childminding sector (IDWG, 2015). Budget 2016 subsequently included a number of measures to enhance the quality of services, including an audit of childcare quality, an expanded childcare inspection team and further roll-out of Síolta, the existing quality assurance programme.

More recent research on childcare policy has highlighted the need to invest in increased professionalisation in the sector. A 2014 study by Pobal, the body charged with the national coordination of childcare, found almost no change since 2012 in the proportion of staff at different qualification levels, despite the requirement for minimum qualifications to be implemented in September 2016 (Pobal, 2014). Of the total number of respondents, 9.1% were categorised as having no childcare training, compared to 8.1% in 2013.

The same study found that 20.9% of community sector employees were on a labour market scheme, an increase on the 18.2% figure recorded in 2013. Community services acknowledge that the CE schemes are not an appropriate way to staff a quality childcare service and have advocated a move to the community services programme, which provides employers with grants to facilitate the retention of CE staff in childcare positions.



Chapter 4: Pay & Conditions In The Sector

The pay and conditions of childcare professionals are central to the implementation of any high-quality model of early care and education. However, services in Ireland are predominately provided by female staff who are paid low wages for work that requires a high level of skill and expertise. While we know the sector is characterised by low pay and high turnover, specific details about pay rates in the industry can be difficult to gather from CSO sources, which group childcare workers with employees in other higher-paid education sectors such as teaching.

For this reason, we must rely instead on survey data from other sources. Annual surveys conducted by Pobal do not deal with pay, but there are two sectoral studies that are considered authoritative by unions operating in the sector. These are the 2012 Early Childhood Ireland survey and the 2015 Dublin City Childcare Committee survey, which point to an average base rate of up to €10 per hour for childcare workers, with a €2 plus payment for supervisors. **Table 4** below synthesises the findings on pay from these two surveys.

Table 4: Pay in the childcare sector

Position	Community crèche	Private crèche	Low quality	High quality	Average
Manager	18.83	15.25	14.90	16.76	16.44
Room Leader	14.30	12.45	10.96	10.76	12.12
Early Years Worker	11.34	10.26	10.76	10.89	10.81
Montessori Teacher	12.25	12.36	11.39	13.25	12.31
Montessori Worker	10.13	10.88	10.43	10.26	10.43
Cook	10.50	10.93	10.85	10.85	10.78

The results of the two studies are broadly in line with those of a 2013 survey of 616 childhood professionals by the Montessori Alliance, which found that 91% of respondents earned under €15 per hour, with 44% of those earning under €10 per hour (Montessori Alliance, 2013). The Montessori Alliance calculated that by working 40 hours per week for 52 weeks of the year, for an hourly rate of €10, a childcare worker would earn €20,800 per annum. At a rate of €9 per hour, their yearly earnings would reduce to €18,720. However, since they deal only with the regularly employed sector, surveys by industry bodies may over-estimate the level of prevailing wages, as they omit informal care arrangements in private households.

It should also be remembered that earnings are a function of hours worked. The operation of the ECCE scheme for only 38 weeks a year has led to a growth of casualisation in the sector as a result of closures during the summer months, when funding for the government initiative does not apply. As the Montessori Alliance has pointed out, if a childhood professional was working for €10 an hour, 15 hours a week for 38 weeks a year, as per the timeframe provided for under the ECCE scheme, their annual salary would amount to only €5,700. At an hourly rate of €9, this would drop to €5,130 (Montessori Alliance, 2013).

It is more difficult to ascertain the pay of informal carers in private households, but online job adverts for full-time positions in Dublin, Cork and Galway suggest it is not unusual for employers to expect au pairs to work for as little as €100 to €150 a week. A 2012 study by the Migrant Rights Centre Ireland (MRCI) found that 17% of au pairs were paid less than €100 per week, and 49% were paid between €100 and €119 per week (MRCI, 2015). Surveyed au pairs were paid low wages in spite of long hours, with 26% working between 40 and 60 hours per week and 8% working in excess of 60 hours per week. It is clear that the lack of official recognition of au pairs in Ireland leaves workers at risk of exploitation.

The contradiction here is that low wages co-exist with post-secondary educational requirements to work in many parts of the sector. A 2014 study by Eurofound noted that higher qualifications do not appear to influence salary levels for childcare workers in Ireland, except in the case of Montessori teachers and managerial posts (Eurofound, 2014). Once vacancies arise in other sectors, it seems plausible to suggest that childcare professionals – a significant proportion trained up to levels 6, 7 and 8 in the National Framework of Qualifications – will leave poorly-paid positions in search of higher wages.

While authoritative wage data for the sector is scarce, high turnover rates give some indication of the poor conditions and pay faced by childcare workers. Research conducted by Solas, the further education and training authority, shows that turnover rates for childminders are significantly higher than other industries, reaching 22.6% in 2014, over double the percentage for nursery nurses (Solas, 2015). This is summarised in **Table 5**.

Table 5: Turnover rates in selected employments

	Number	% Female	% Part-time	% Over 55	% Non Irish	% L3 grads	% Turn-over
Nursery nurses and assistants	4,800	93.6	65.2	10.1	4.2	36.7	10.6
Childminders	18,500	98.8	55.7	6.9	24.7	36.6	22.6
Educational support assistants	13,500	91.3	24.5	22.1	3.5	40.2	12.7
Waiters/waitresses	27,600	80.3	56.7	3.2	30.5	33.1	26.7

Chapter 5: Childcare Provision in EU 15

While Budget 2016 included helpful measures around free and affordable childcare places, Ireland still has a long way to go to achieve the kind of universal childcare services available in many other EU countries. This section summarises the structure and costs associated with early years care and education in the EU

15 states.¹ The 2004 accession states have been excluded as most inherited a system of universal free childcare from the old centralised, communist systems.

Ireland

Population: 4.6m

Childcare % GDP: 0.2%

Women's participation rate: 61.2%

Fertility rate: 1.96%

There is no charge for pre-school education provided to children between three and the school-going age under the ECCE scheme for 38 weeks of the year. In 2013, 29% of children aged three and under were in formal childcare institutions, a slightly higher proportion than the EU28 average rate of 27%. There was also a higher proportion (89%) of older children aged between three and the compulsory school age in formal childcare settings relative to the EU average of 82%. Mothers are entitled to 26 weeks of maternity leave as well as 16 weeks additional unpaid maternity leave, while fathers will be able take two weeks of paternity leave from September 2016.

Belgium

Population: 11.2m

Childcare % GDP: 0.7%

Women's participation rate: 62.9%

Fertility rate: 1.75%

Early years services are free from the age of three and 100% of children between three and the compulsory school age were enrolled in formal childcare in 2012. Parental leave available to both parents can be taken in the form of four months of full-time leave from work, eight months of part-time work or 20 months of work at 80% of normal working hours. Women also have the right to paid maternity leave of 15 weeks

1 The following profiles are based on information collated by the European Platform for Investing in Children. Note that childcare as a percentage of GDP refers the percentage of GDP spent on childcare. Women's participation rate is the percentage of working age women in the labour force. The fertility rate is the expected number of children born per woman in her child-bearing years.

Denmark

Population: 5.6m

Childcare % GDP: 2.0%

Women's participation rate: 72.2%

Fertility rate: 1.67%

Danish municipalities are responsible for providing all children from the age of 26 weeks up to six years with a full-time day care places. Some 91% of children between the ages of one and two, and 97% of children from the ages of three to five are enrolled in day care in Denmark. The childcare fees paid by parents, which are related to earnings, must not exceed a quarter of the average gross operation cost for the specific type of day care in the municipality. Subsidies are available to ensure low-income families can avail of free services. Mothers are entitled to a total of 18 weeks of maternity leave, while fathers are entitled to two weeks of paternity leave.

Finland

Population: 5.4m

Childcare % GDP: 1.1%

Women's participation rate: 66.2%

Fertility rate: 1.75%

The monthly cost of day care varied between €0 and €283 in 2014, depending on family size and income. Despite the low cost of childcare, only 22% of children under the age of three were in full-time and 7% in part-time formal childcare facilities in 2013. Earnings-related benefits are paid for roughly a full year of parental leave, comprised of about 18 weeks of maternity leave, 26 weeks of parental leave and nine weeks of parental leave. Parents are also entitled to paid childcare leave after the end of parental leave if they choose not to use day care.

France

Population: 65.8m

Childcare % GDP: 1.2%

Women's participation rate: 72.1%

Fertility rate: 1.99%

Children can start nursery school in France from the age of two and 44 % under three years are in childcare facilities. Pre-school is free and attended by about 95% of children aged between three and six. Women can take 16 weeks of maternity leave with no loss of pay, and 26 if it is their third child. Fathers are entitled to 11 consecutive days of paid paternity leave.

Germany

Population: 80.7m

Childcare % GDP: 0.5%

Women's participation rate: 73.1%

Fertility rate: 1.39%

Legislation introduced in 2013 gives every child between one and the school-going age the legal right to early childhood services. Germany's parental allowance covers one of the parent's incomes losses for a maximum of 14 months after their child's birth. An additional bonus is paid to parents who take care of their child together and each work between 25 and 30 hours per week for four months. Mothers also have 14 weeks of compulsory paid maternity leave.

Italy

Population: 60.7m

Childcare % GDP: 0.6%

Women's participation rate: 50.3%

Fertility rate: 1.39%

Care for children up to the age of three is offered by nurseries directly run by the municipalities, while services for those between the ages of three and six is provided through “scuola dell’infanzia”, preschool centres that are part of the education system but not compulsory to attend. Women are entitled to five months of paid maternity leave.

Luxembourg

Population: 2m

Childcare % GDP: 0.5%

Women's participation rate: 65.5%

Fertility rate: 1.55%

Each municipality runs at least one elementary school, which has to offer an early childhood education programme for three year olds. Maternity leave is compulsory and 16 weeks long. There is no legal entitlement to paternity leave, but either parent can also take paid parental leave for six months (full-time) or 12 months (part-time).

Netherlands

Population: 16.8m

Childcare % GDP: 0.9%

Women's participation rate: 69.7%

Fertility rate: 1.68%

Play groups providing early childhood education are in principle open to all children aged between two and a half and four, but individual municipalities may prioritise those suffering from socio-medical problems or developmental delay where demand is high. Mothers are able to take 16 weeks of paid maternity leave, while fathers are entitled to three days of paternity leave.

Portugal

Population: 10.4m

Childcare % GDP: 0.4%

Women's participation rate: 64.2%

Fertility rate: 1.21%

Access to childcare has significantly increased in recent years, with many of the country's crèches open for over 11 hours a day to accommodate parents. In 2012, 35% of children up to the age of three benefitted from childcare services. Maternity leave is paid for 120 days, while fathers are entitled to five days of paternity leave.

Spain

Population: 46.5m

Childcare % GDP: 0.6%

Women's participation rate: 54.8%

Fertility rate: 1.27%

State nurseries usually provide childcare for the entire day, for costs as low as €250 a month. The regional authorities that oversee admissions prioritise low-income families, meaning many parents turn instead to the private sector. Maternity leave lasts 16 weeks, while paternity leave is 30 days.

Sweden

Population: 9.6m

Childcare % GDP: 1.6%

Women's participation rate: 77.6%

Fertility rate: 1.89%

Public childcare is guaranteed for all children and pre-school is free for children aged between three and six for up to 15 hours per week. Fees can be up to 3% of the family's monthly income, but no more than 1,260 SEK (about €146) per month. Heavily subsidised services mean 51% of children under three and 95% of children between three and six are enrolled in formal childcare, well above EU averages. Mothers and fathers are both together entitled to up to 16 months of paid leave: each parent is personally entitled to two months, with the remaining 12 being shared between them. Parents who choose not to use private childcare are also able to apply for an allowance, which can be combined with paid employment, to mind children over the age of one but younger than three.

United Kingdom

Population: 64.3m

Childcare % GDP: 1.1%

Women's participation rate: 70.6%

Fertility rate: 1.83%

UK: The UK government initiative Sure Start offers a developmental programme for 2 to 3 year olds in the year before starting pre-school, targeted at and free to vulnerable children. Free part-time, preschool education is also available to children in the year immediately before they start compulsory education, i.e. three and four year olds. Some 27% of children under three were in formal childcare in 2012. New parents are able to share up to 50 weeks of leave, 37 weeks of which are paid, depending on eligibility.

Scotland: Government funding has enabled all local authorities to fulfil their obligation to provide free, part-time early learning and childcare for all three and four year olds, as well as the most vulnerable two year olds, whose parents want it.

Chapter 6: Conclusion & Recommendations

This report set out to investigate the cost and forms of childcare used by union members in Ireland, as well as the main influences on choice of early years care. A comparison was drawn with childcare arrangements in other EU countries, where early years care and education are typically subsidised by the state, and parental leave policies are stronger than those currently in place in this country. Despite the recent increase in the number of childcare places, it is clear that grandparents and relatives continue to provide a large proportion of non-parental care in Ireland, though their roles are not formally acknowledged by policymakers.

In light of the evidence contained in the report, Congress recommends increased investment in childcare, linked to quality, and a cap on parental fees. We broadly welcome the blueprint set out in the Interdepartmental Working Group (IDWG) report, which includes recommendations around expanding existing childcare schemes and ensuring the quality of services.

However, Ireland is still a long way off the OECD average of 0.8% GDP investment in childcare and even further behind the UNICEF-recommended benchmark of 1% GDP, which is already exceeded by New Zealand, France, the UK and the Nordic countries. Given the clear social and economic benefits of quality childcare, the lack of a universal, integrated system should be considered a serious social policy flaw with repercussions for the needs of children, working parents, employers and wider society.

Sustained investment in these early years will be crucial in the next government term to ensure more families benefit from quality, affordable childcare. We therefore call on the next government to commit to increasing early

years care and education investment **to reach the OECD average within five years** and the **1% GDP benchmark within 10 years**. This increased investment should be linked to quality provision, with basic funding conditional on meeting quality standards, with higher quality services attracting higher funding.

A future Government needs to commit to addressing this infrastructural deficit by assigning sufficient resources, linked to the quality of services, to bring us up to the OECD average of expenditure on early years services.

Employers have a vested interest in creating an integrated, quality and accessible childcare infrastructure. Staff turnover and skill gaps are exacerbated by a system that leads some parents to exit the workforce due to the prohibitive cost of care. Increased public investment in early year's services will enable more companies to retain their staff, grow their businesses and create more jobs. The Congress pre-budget submission for Budget 2016 pointed to the fact that €150 million could be raised through an increase in employer's PRSI (to 13.75%) on the portion of salaries in excess of €100,000. This measure would affect relatively few employments (circa 45,000) and would not impact on the marginal tax rate on employee salaries. The revenue from this measure could be ring-fenced to expand on the provision of an affordable, quality and accessible early years' service with all the ensuing benefits for children, working parents and employers.

6.1 Recommendations

1. Increase spending on childcare over a ten year period to reach the UNICEF-recommended benchmark of 1% GDP

Public investment in early years care and education should be gradually expanded year-on-year over the next decade so that Ireland reaches the OECD average level of spending as a percentage of GDP within five years and the UNICEF recommended benchmark level of spending within ten years.

This increased investment should be conditional on quality, with higher quality services receiving additional funding.

2. Increase employer's PRSI to contribute to the cost of childcare

Congress noted in the pre-budget submission that Ireland's extremely low take from social contributions is unsustainable in the long-term. The yield from an increase in employer PRSI should be hypothecated (ring fenced) to a childcare fund to provide state subsidies for childcare. Increasing the employer PRSI rate to 13.75% on the portion of salaries in excess of €100,000 would yield €150 million. Employer PRSI could be further adjusted in subsequent years to ensure employers make a fair contribution to childcare costs.

3. Sufficient resources to be set aside for investment in early years care and education

The government's capacity to support public spending will increase over the next decade as the economy grows. According to estimates from the government's Budget 2016 Economic and Fiscal Outlook the gross fiscal space available for 2016-2021 on a cumulative basis amounts to €10.9 billion. However, demographic and other spending pressures e.g. the need to increase benefits in line with inflation, will absorb a substantial

portion of this. Despite these pressures there should be sufficient resources available to government under the fiscal rules to gradually expand state investment in early years care and education.

4. Review of Capitation Payments

Congress calls for a review of capitation payments to be conducted as part of the work of the project team announced in Budget 2016.

5. Affordable Childcare Programme

The new Affordable Childcare Programme, due to be in place by 2017, will be critically important in delivering a new subsidy scheme through both community and private childcare providers. It is vital that the government follows through on IDWG proposals on this issue.

6. Extension of the Learner Fund to support existing staff in upskilling to level 7 and level 8 qualifications

The Learner Fund, launched in March 2014 to assist childcare staff in meeting new qualification requirements, is currently used to subsidise accredited level 5 and level 6 FETAC courses. Congress recommends that the government support staff seeking to further upskill by extending the scheme to include level 7 and level 8 training courses.

7. A detailed road map for paid parental leave to cover the first year of a child's life

Disappointingly, there was no progress in Budget 2016 on the proposed six months of paid parental leave recommended by the IDWG. This has been a longstanding demand from Congress for many years and Ireland continues to lag far behind our EU partners in this regard.

8. Entry-level pay for childcare staff to be no less than the living wage of €11.50 per hour

Improved wage structures, linked to qualifications, should inform discussions between trade unions representing workers in the sector, the government and employers.

Other stages of our education system are staffed by professionals who earn appropriate salaries, agreed by a collective bargaining process. This model should apply also to early years' services.

9. Enforce stricter legislation on pay for domestic workers

The International Labour Organisation's Domestic Workers Convention, 2011 (No. 189) states that each member should "take measures to ensure that domestic workers enjoy minimum wage coverage, where such coverage exists". Congress recommends that au pair industry recruitment agencies be made aware and comply with this convention.



Bibliography

Chambers Ireland (2015), *Investing for Tomorrow Supporting the Economy through Affordable Childcare*: Dublin: Chambers Ireland

Early Childhood Ireland (2015), *Briefing for members on Budget 2016*: Dublin: Early Childhood Ireland

Eurofound (2014), *Early Childhood Education and Care: Working Conditions and Training Opportunities*, Dublin: Eurofound

European Commission (2014), *Use of Childcare in the Member States and Progress towards the Barcelona Targets*, Brussels: European Commission Directorate General of Justice and Fundamental Rights

European Commission (2015), *Secondary Earners and Fiscal Policy in Europe*, Brussels: European Commission Directorate General of Justice and Fundamental Rights.

Expert Working Group on Childcare (1999), *National Childcare Strategy - Report of the Partnership 2000 Expert Working Group on Childcare*. Dublin: The Stationery Office.

Fine Davis, M. (2007), *Briefing Paper to the Irish Congress of Trade Unions*, Dublin: ICTU

Gambaro, L., Stewert, K. and Waldfogel, J. (eds.) (2014) *An Equal Start? Providing Quality Early Education and Care for Disadvantaged Children*, Bristol: Policy Press

Growing up in Ireland (2013), *Mothers' Return to Work and Childcare Choices for Infants in Ireland*, Dublin: Department of Children and Youth Affairs

Kerrins, L. and Share, M. (2009), *The Role of Grandparents in Childcare in Ireland: Towards a Research Agenda*, Irish Journal of Applied Social Studies, 9/1

Migrant Rights Centre Ireland (2015), *Childcare in the Domestic Work Sector - Who's Minding the Children?* Dublin: MRCI

Organisation for Economic Cooperation and Development (2013) *Family Database*, Paris: OECD

Organisation for Economic Cooperation and Development (2014), *Society at a Glance*, Paris: OECD

Montessori Alliance (2013), *Analysis of the Hourly Rate of Pay Childhood Professionals in Ireland*, Dublin: Montessori Alliance

Pobal (2015), *Annual Early Years Sector Survey*, Dublin: Pobal

Pobal (2014), *Annual Early Years Sector Survey*, Dublin: Pobal

Solas (2015), *National Skills Bulletin*, Dublin: Solas

Start Strong (2015), *Childcare - Business or Profession?*, Dublin: Start Strong

Inter-Departmental Working Group (2015), *Future Investment in Childcare in Ireland*, Dublin: Department of Children and Youth Affairs

Appendix 1: State Support in Ireland

In Ireland, universal child benefit is paid in respect of all children up to 16 years of age, and continues to be paid up to the age of 18 in respect of children who are in full-time education or have a disability. In Budget 2016, the rate of child benefit was increased by €5 to €140 per month.

In addition to the universal child benefit payment, the social protection system provides assistance to low-income families with children through the payment of qualified child increases (QCIs) on primary social welfare payments.

The one-parent family payment (OFP) is a means-tested and taxable support for men and women under 66 who are bringing children up without the support of a partner. The weekly payment currently stands at €188.00 per adult and €29.80 per child. In 2011, changes aimed at promoting labour market participation gradually reduced the age limit for dependent children from 18 years to 7 years by 2014 for new recipients and 2015 for existing recipients.

The single person child carer credit (SPCCC) is an additional support paid to single parents. It acts to ensure that such individuals who are employed do not enter the income tax net until their income exceeds €24,750. Thereafter they have an additional standard rate tax band of €4,000 over and above other single individuals.

The family income supplement (FIS) is a weekly tax-free income support payment available to low-earning employees with children. To be eligible, an applicant must work a minimum number of hours and have at least one child who normally lives with or financially depends on them. The child(ren) must be under 18 years of age or between 18 and 22 years of age, and in full-time education. To qualify for FIS, an applicant's average weekly family income

must also be below a certain amount for their family size. The payment is set at 60% of the difference between the recipient's average weekly family income and the income limit that applies to their family, effectively preserving the incentive to take up or remain in employment in circumstances where the employee might be marginally better off unemployed.

The back-to-school clothing and footwear allowance helps meet the cost of uniforms and footwear for children going to school. The parent or guardian must be in receipt of certain social welfare payments or taking part in training, employment or adult education schemes, and their child(ren) must be aged between 4 and 17 on or before September 30th of the year they apply, or aged between 18 and 22 if in second-level education. The current allowance paid for each eligible child is €100 for children under the age of 12 and €200 for older children.

The guardian's payment is payable to a person taking care of an orphan - it is not necessary to be a legally appointed guardian. The allowance, which benefits the orphan, is currently set at a standard rate of €161 per week.

Total voted expenditure on these payments in 2014 was €2,281,440,000. As can be seen from the previous section on European comparisons, Ireland is about mid-range in terms of the percentage of GDP spent on childcare - a combination of subsidies and cash payments such as child allowance.

APPENDIX 2: Congress Childcare Survey – Polldaddy.com

Question No.	Question Asked
01	<p>Please select your trade union (drop down menu):</p> <ul style="list-style-type: none"> IMPACT SIPTU CPSU Unite Mandate CWU INTO Other Not a union member
02	<p>If ‘other’, please specify your union.</p>
03	<p>Select the county where you avail of childcare (drop down menu of all counties in ROI).</p>
04	<p>Gender:</p> <ul style="list-style-type: none"> Male Female
05	<p>Working hours per week:</p> <ul style="list-style-type: none"> Full-time Part-time
06	<p>If part-time, please select the number of hours per week:</p> <ul style="list-style-type: none"> 22 – 30 15 – 22 8 – 15 8 or less
07	<p>Please select a category of employment below:</p> <ul style="list-style-type: none"> Public sector Private sector Self-employed Freelance

08	Household type: Couple with child/children both working Couple with child/children one working Lone parent
09	Number of children below school age (i.e. not yet attending school): 1/2/3/4/5+
10	Number of children of school going age (primary and secondary): 1/2/3/4/5+
11	Do you currently use any childcare services? Yes No
12	If you answered “no” to number 11, why not? Not affordable Personal choice Not available
13	Primary type of childcare currently used? Private crèche Grandparents/family Childminder - in their home Childminder - in your home Community crèche Workplace crèche
14	What would your preferred choice of after school care be? School-based Family Childminder in your own home Childminder in their home Crèche
15	What influences your choice of childcare the most? Rank in order of preference: Affordability Quality Convenience/Travel time
16	How would you rate the quality of care you use? Excellent Very good Good Adequate Poor

17	<p>What is your gross (individual) pay per year?</p> <p>Less than €14,999 €15,000 – 24,999 €25,000 – 34,999 €35,000 – 44,999 €45,000 – 54,999 €55,000 – 64,000 €65,000 – 74,000 €75,000 – 84,999 €85,000+</p>
18	<p>What is your household income per year?</p> <p>Less than €14,999 €15,000 – 24,999 €25,000 – 34,999 €35,000 – 44,999 €45,000 – 54,999 €55,000 – 64,000 €65,000 – 74,000 €75,000 – 84,999 €85,000+</p>
19	<p>What are your current total childcare costs per month?</p> <p>Zero – 299 €300 – 399 €400 – 499 €500 – 599 €600 – 699 €700 – 799 €800 – 899 €900 – 999 €1000 – 1499 €1500 – 1999 2000+</p>
20	<p>Is your childcare subsidised (other than the free pre-school year)?</p> <p>Yes No</p>
21	<p>Have you ever availed of parental leave?</p> <p>Yes No</p>
22	<p>Was your/your partner’s maternity leave for a duration of:</p> <p>6 months or less (statutory amount) 6 months or more</p>

23	<p>Have you ever availed of other leaves/schemes for childcare purposes?</p> <p>Term time Paternity leave Worksharing scheme Career break Adoptive leave Sabbatical Other</p>
24	<p>Would you agree with the extension of paid parental leave in respect of children under the age of one, which could be shared between both parents?</p> <p>Yes No</p>
25	<p>Would you agree with the introduction of a second free pre-school year?</p> <p>Yes No</p>
26	<p>Would you support the idea of increased taxation in order to fund investment to improve and expand childcare and family leave arrangements?</p> <p>Yes No</p>

31-32 Parnell Square Dublin 1

Tel: 01 889 7777

Email: congress@ictu.ie

www.ictu.ie

Printed by Trade Union Labour

