

Childcare costs and poverty

SMF Commission on Childcare

CALL FOR EVIDENCE

July 2022

SMF

Social Market
Foundation

The SMF recently launched a cross-party Commission on Childcare, supported by John Penrose MP and Siobhain McDonagh MP. Something needs to be done to reduce the impact of childcare costs on household budgets and the ability of women to remain – and flourish – in work. With the UK in the grip of a cost-of-living crisis, politicians looking to provide solutions need to ensure that fixing childcare is a high priority.

KEY POINTS

- The Commission is particularly concerned about the impact of childcare costs on those on lower incomes.
- New SMF analysis found that childcare accounts for 7% of household income among those paying for it, rising to 17% for those in the bottom income quintile.
- A third of childcare users in the bottom income quintile are in childcare poverty, defined as costing more than 20% of household income.
- Women are particularly affected by costs of childcare. For about a third of mothers out of work with young children, childcare costs are the leading reason for not working.
- SMF analysis has found that a woman who had her first child in 2010/11 typically suffered a cumulative income loss of £66,434 over the following nine years, relative to what would have happened if she had remained childless.
- Through engagement with expert stakeholders, and new research, we want to provide policy solutions to reduce childcare costs in the UK, which are among the most expensive in the world.

CALL FOR EVIDENCE

- Answers to each of the following questions should ideally be limited to one side of an A4.
 - (a) Who are the groups affected by the state of childcare?**
 - (b) Why is childcare so expensive?**
 - (c) What are the consequences of the inadequate provision of childcare on the aforementioned groups?**
 - (d) What can be done to resolve the crisis of childcare provision?**
 - (e) Any last points to add.**

Please submit responses to Richa Kapoor, Impact Officer at richa@smf.co.uk

DEADLINE: Monday 12th September, 2022