

Support for childcare and the early years

Call for Evidence January 2023

Mothers at Home Matter Submission



**mothers
at home
matter.**

Executive Summary

The real emotive power driving mothers' anger at the cost of childcare is grief at not being with their children. When economic necessity steals you from your children to another workplace it adds insult to injury if most of the working wage ebbs away on 'childcare' – paying someone else to usurp our precious privileges – the first steps, the funny words, the infectious laugh, the awesome questions.

Subsidised childcare eases for some families the cost of living but it masks the real cause of why families are struggling and why they cannot support themselves through the rewards of their own efforts (i.e increasing their income by working harder). Further subsidised childcare will do very little to increase the disposable income of those on low income. It would be better to roll together existing childcare budgets and give it to parents to spend as they wish whether that be a nursery, childminder, extended family or use the money to help provide care themselves.

Parenting and the home learning environment has an even greater impact than childcare on children's educational development. The challenges around preparing young children for school and reducing the attainment gap cannot be resolved only by investing in more affordable childcare or even in better, affordable childcare. A more multifaceted approach is needed, one that acknowledges the central importance of parenting and the family, and that every family has vastly different needs and circumstances.

Who we are

Mothers at Home Matter (MAHM) campaigns for choice.

One freedom the average mother no longer has is to choose to be at home to care for her children. Successive government policies have stacked the economic system against staying at home whilst a political and social elite have devalued the role of care in the home. In practice this has led to the needs and emotional wellbeing of the very youngest children, babies and the under-threes, being over looked by successive governments in early years policy. The key role of parents and their vital contribution to optimum infant brain development continues to be ignored in debates about children's early years. Many reports no longer include parents as having a part to play in the care and education of young children.

Mothers at Home Matter's (MAHM) submission to the Call for Evidence on Childcare will address following questions:

Childcare Entitlements

- How affordable and easy to understand is the current provision of childcare in England and what steps, if any, could be taken to improve it, especially in relation to families living within the most deprived areas in England?
- Are the current entitlements providing parents/carers with sufficient childcare, and to what extent are childcare costs affecting parents/carers from returning to work full-time?
- Whether the current Tax-Free Childcare scheme, and support for childcare from the benefits and tax credit system, is working effectively or whether these subsidies could be better used within other childcare subsidies.

Early years provision

- To what extent does the early years system adequately prepare young children for their transition into primary education, particularly children from disadvantaged backgrounds.

Childcare Entitlements

Current childcare provision fails to address the underlying emotional desire:

1. Current childcare provision completely ignores the desire of many mothers to be home more for their children. There is no support for parents wanting to be the main caregiver either as allowances in the tax system or as any subsidy. The tax system does not recognise the dependent nature of the family, it taxes households as individuals. Single earner families are penalised and carry a disproportionately high tax burden. All government subsidy is directed to third party care.
2. It has become unaffordable for most families and particularly those with mortgages to stay home to care for their own infants and young children. Childcare eases the symptoms of these families but does not address the causes of why families are unable to support themselves.

To what extent are childcare costs affecting parents/carers from returning to work full-time?

Most Mothers Do not Want to Work Full Time

3. A recent study by the Department for Education August 2022 shows that the majority of mothers when asked would rather work fewer hours and be home more for their children than work extra hours outside the home (survey was of mothers with children 0-14yrs, the number would no doubt be higher between ages of

0-3yrs). When asked if affordable childcare would make a difference to the hours they worked the majority answered that they would not increase their hours. The overwhelming reason for using childcare was economic, they need to contribute to household bills. Very few with care commitments want to work full time particularly with very young children.

Parents need choice as to whether they pay someone else to look after their child or are supported so that they can care themselves. Current support is all directed to third party care rather than support the parent who is most invested in the child.

Table from Childcare & Early Years survey of parents¹

Th	A	B	C	D
1	Contents			
2	Summary: Table 8.12 Views on ideal working arrangements			
3	Coverage: England			
4	Year: 2021			
5		Family type		
6		Partnered mothers	Lone mothers	All
7	Views	%	%	%
8	<i>Base: All working mothers with child(ren) aged 0 to 14</i>	2,438	871	3,309
9	If I could afford to give up work, I would prefer to stay at home and look after my children			
10	Agree strongly	14	12	13
11	Agree	17	16	16
12	Neither agree nor disagree	17	20	17
13	Disagree	40	40	40
14	Disagree strongly	13	13	13
15				
16	If I could afford it, I would work fewer hours so I could spend more time looking after my children			
17	Agree strongly	24	17	22
18	Agree	36	34	36
19	Neither agree nor disagree	12	18	14
20	Disagree	23	25	24
21	Disagree strongly	5	6	5
22				
23	If I could arrange good quality childcare which was convenient, reliable and affordable, I would work more hours			
24	Agree strongly	4	8	5
25	Agree	17	21	18
26	Neither agree nor disagree	13	21	15
27	Disagree	47	37	44
28	Disagree strongly	19	15	17

¹ <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-survey-of-parents/2021#explore-data-and-files>

	Family type		Mother's working status		Family annual income					
	Partnered mothers	Lone mothers	Working part-time 16-29 hrs/wk	Working part-time 1-15 hrs/wk	Up to £9,999	£10,000 – £19,999	£20,000 – £29,999	£30,000 – £44,999	£45,000 +	All
Changes to working hours	%	%	%	%	%	%	%	%	%	%
Base: All mothers working part-time	1,261	517	1,423	293	58	283	301	327	624	1,778
Would increase hours	31	36	30	47	42	38	36	35	27	33
Would work full-time	14	21	17	13	4	19	27	20	10	17
Would not change working hours	55	43	53	41	54	42	37	45	63	51

Source: Childcare and early years survey of parents

	Age of child								
	0	1	2	3	4	0-2	3-4	All	
Reasons	%	%	%	%	%	%	%	%	%
Base: All pre-school children in the family who received childcare	75	332	628	863	989	1,035	1,852	2,887	
Economic	51	83	77	72	65	76	68	71	
Child-related	34	37	57	66	71	48	69	61	
Parental time	48	19	21	21	17	23	19	20	

Source: Childcare and early years survey of parents

Improving Childcare Costs will make little difference to many families' disposable income (those on Universal Credit)

Families on Universal Credit (UC) (which accounts for nearly half of all families) are entitled to 85% childcare costs. Making this 100% might help a little but in reality enabling mothers to work more hours will make little difference to the families' disposable income. This is the real cause of why families are struggling and why 'affordable childcare' is unable to help many families.

The reason is the Benefit tax trap. For a family on UC for every extra £1 the main breadwinner earns he/she will lose 69% (income tax, NIC & loss of UC). He will only bring home 31p! The mother returns to work to plug the gap but she too is caught in the trap. If she earns less than £12k she will bring home 55%, but if she earns more than £12.5 she loses 69%. There is little reward for effort and working longer hours.²

Easing childcare costs will make little difference particularly to low income families.

Childcare provision eases the symptoms of poverty but fails to address the causes which force mothers to plug the income gap:

² Tax & the Family: The Taxation of Families 2021 <https://static1.squarespace.com/static/599d9140f9a61e6173ace13a/t/62836244b29af44f09893c61/1652777541076/Tax+Report+2022+v3+final.pdf>

Those on mortgages have less access to Universal Credit and therefore do not have subsidised childcare costs nor do they have help with housing allowance. Affordable childcare will ease their cost of living struggles but it does not address the real desire to be with their children and it ignores completely the effect of separation on family life.

Extract from letter to MAHM:

Recently we bought a house and the reality of mortgage and bills has meant I am now working 16 hours/week at Tesco. I chose this job particularly for the flexibility (I can still be there for our children during the daytime and then my husband can have them when I go to work in the evening) but - wow, it's hard! I'm exhausted even with working just 16 hours.

As a result, I'm much less patient with the kids and my relationship with my husband is more distant. I can't stay on top of the housework and cooking as well as I previously did. This is a temporary Christmas job (that I took on because we have a big bill to pay in January) so we will reassess in a couple of months' time. It's just making me really appreciate the homemaker/stay-at-home mum role even more than I already did! I never intended to stay home with my kids but it's been an absolute blessing in my life. I only hope I can continue to do it. I'm burned out with birthwork but I probably do need to supplement our income somehow. I'm thinking about childminding. Any other

The fact that a family cannot survive on one income is not just a blind economic fact but a result of policy. In 1990 tax policy shifted from treating the family as a household unit with allowances for dependent spouse and children to taxing it as individuals disregarding whether they have family responsibilities or not. For tax purposes two incomes are better than one even if that one income is better than the two combined. A family on two incomes benefit from two personal tax allowances. Both partners can claim their first £12.5k income tax free. The second effect is how much a family can earn before becoming liable for the higher 40% tax rate. A double income family can earn twice as much before being hit with 40% tax.

Single income families are further disadvantaged by the loss of child benefit at £50k whereas a double income family can reach £100k household income before losing this benefit. Single income families have the greatest tax burden and may be in the poorer half of the population but still lose their child benefit and pay higher rate tax.

In 2008 38% families with children where someone works full time and partner does not work were struggling to get by, by 2015 [after Coalition policies penalising single earner families] this had risen to 51%.³

Whether these subsidies could be better used within other childcare subsidies?

The Government spends nearly £4 billion per year subsidising childcare for families, it is complex and confusing and takes no account of the desire of most parents to spend more time with their children rather than pay someone else to.

It would be better to roll together existing childcare budgets and give it to parents to spend as they wish – whether that be a nursery, childminder, extended family or use the money to help provide care themselves. MAHM support ideas such as the ‘Family Credit’ explored by the Centre for Social Justice. ⁴

Other proposals would be to give families:

- the option of being taxed as a household rather than individuals
- increasing the married tax allowance and extend it to co-habiting couples
- an additional allowance as in the past for single parents
- making child benefit fair so that families lose the benefit at the same household income

To what extent does the early years system adequately prepare young children for their transition into primary education, particularly children from disadvantaged backgrounds?

Research suggests that Early Years Care and Education (ECEC) has the potential to enhance school readiness (both academic and socio-emotional skills) particularly for children from disadvantaged backgrounds, **but only if the quality of the care provided is high** (i.e. if it is warm, stimulating, responsive, etc.⁵. **If the quality of childcare is poor it can have a negative impact on children**, especially children from disadvantaged backgrounds⁶.

Research consistently shows that **parenting** and the **home learning environment has an even greater impact than childcare on children's educational development**. While socio-economic status (e.g. household income and parental education) is generally associated with children's learning outcomes, some studies have indicated that the home learning

³ 20/01/2015 JRF report www.jrf.org.uk/almost-four-in-ten-families-struggling-to-make-ends-meet

⁴ <https://www.centreforsocialjustice.org.uk/library/parents-know-best>

⁵ See e.g. NICHD 2006; Melhuish et al 2015; Sylva et al 2004)

Melhuish et al 2015; Pinto et al 2013

⁶ Melhuish 2015; NICHD 2006; Scobie et al 2017; Russel et al 2016; Bell 2016; SEED 2017

environment (which includes the quality of interaction between parents and children, types of activities carried out the resources available to children) is an even more important factor. Moreover, low socio-economic status is not always associated with a low quality home learning environment. **In other words, children from families who are disadvantaged in other ways may still have a stimulating home learning environment, while children from high socio-economic backgrounds may have a low quality home learning environment** (Melhuish et al 2008).

The effects of the early years system are thus moderated by many factors and **formal childcare may only be beneficial for those children for whom the childcare is of higher quality than the care provided at home**. A final problem with the system identified by some studies is that children from the most disadvantaged backgrounds may be the least likely to access high quality childcare, whether this is due to the absence of high quality care in their local area or for other reasons.⁷

To answer the question, **the early years system is adequately preparing some children for the transition to primary school, while it is likely failing others**. If for instance, a child has a high quality home learning environment but receives low quality formal care for long hours because both parents must work for financial reasons, then the system is failing that child. Likewise, if a child has a low quality home learning environment and the parents cannot access a good nursery, the system is failing that child. **All of this serves to paint a complex picture and demonstrates that the challenges around preparing young children for school and reducing the attainment gap cannot be resolved only by investing in more affordable childcare or even in better, affordable childcare**. A more multifaceted approach is needed, one that acknowledges the central importance of parenting and the family, and that every family has vastly different needs and circumstances. One aspect of this could be to invest more public resources in schemes which directly support struggling families in their own homes. There is evidence to suggest that parenting skills are teachable and that targeted programmes can have a positive impact on children's skills, such as numeracy and literacy (see e.g. Hannon et al 2016). Another aspect of this would be to give parents a choice in how they spend their childcare allocation, as described above.

⁷ see e.g. Blanden 2018; Sylva