



Childcare costs

Many Irish consumers now spend more on childcare than on their mortgage. We examine childcare options, and ask what changes need to be made to bring Ireland into line with Europe.

While some mothers choose to care for their children full-time, others are reluctant to abandon careers that may have taken years to establish.

Statistics from the Central Statistics Office (CSO) show that 87.2% of childless Irish women aged 20 to 44 were employed in 2004, but for women with children aged under 3 years, this figure dropped to 52.4%.

According to a report issued by the Forum for the Workplace of the Future in March 2005, cost of

childcare is one of the largest obstacles for working mothers. Irish parents pay on average 20% of their annual income on childcare – almost twice the EU average. However, at costs of up to €10,000 or more annually per child, childcare for larger families may be a far higher percentage.

Europe

Ireland does not compare well with the other EU-15 States when it comes to childcare issues.

An EU Commission-funded study, *Rationale of Motherhood Choices: Influences of Employment Conditions and Public Policies (MOCHO)*, released a comparison of the EU-15 childcare systems in October 2004. It compared the States for:

- public childcare
- child cash and tax benefits
- maternity or parental leave.

Public childcare

Denmark was the best EU-15 State for reasonably priced and readily available public childcare, while Ireland was the worst. Conclusions were based on:

- percentage of children receiving public or publicly-funded childcare
- opening hours of childcare facilities

AT A GLANCE

Irish childcare.

Expensive options.

European standards.

- staff:child ratio
- share of costs paid by the State.

Care options

Childcare in Ireland is almost completely private, and falls into four main categories:

- **Sessional services**

Playgroups, crèches, montessori groups, playschools, and so on, which offer a planned 'session' of up to 3.5 hours daily for children aged 2 to 6. Some also accept younger children.

- **Full-day care**

Day nurseries and crèches that offer a structured care service for over 3.5 hours daily.

- **Childminders**

Care for children in their home.

- **Drop-in centres**

These centres care for children while parents are busy in shopping centres, gyms, and so on.

Childcare laws

Pre-school childcare facilities must meet certain hygienic, safety, sanitary, and structural standards, as set out in the Childcare Act 1991. There are also required ratios of competent adult minders to children (see Table for details). Because 1 adult minder is required for every 3 children aged under 1 year, many childcare facilities will not accept them.

The Childcare Act does not cover some traditional forms of childcare:

- Minders caring for less than three children at home.
- Minders related to the child.
- Minders caring for children from just one family other than their own.

Stuck in the past

Traditionally in Ireland, childcare was kept within a small circle of unpaid family and friends. The EU MOCHO study suggests that this is partly responsible for Ireland's poor score in this area. However, as the Irish population becomes more mobile, new parents no longer have a supportive extended family close at hand, and public childcare has become crucial.

Cash in hand

Cash child benefit in Ireland is good in comparison to several of the other States. Current rates are €141.60 monthly each for the first two children and €177.30 for subsequent children, with an

increase of 50% for twins and 100% for other multiple births.

However, this benefit does not even begin to cover the cost of childcare. According to figures from the National Children's Nurseries Association (NCNA, see *Useful contact*), full-time childcare in Ireland (whether private, community or workplace) costs on average €172 weekly for a baby aged under 1 year, and €145 for a child over 1 year – almost four times more than child benefit. In certain parts of Dublin, the average fee can reach €215 per week.

Tax unrelieved

Ireland is once again worst in the EU-15 when it comes to tax benefits. While lone parents receive a tax credit of €1,520, this is means tested and not directed at or sufficient to cover childcare costs. There is no tax relief directed specifically at childcare costs.

Scarcity

Even when parents are willing to pay for childcare, it can be difficult to find a place, and many parents are resorting to extreme measures – reserving crèche places for babies long before they are born.

The Government's Equal Opportunities Childcare Programme is providing funding to increase childcare facilities in Ireland in an attempt to meet targets set under the EU Lisbon Strategy.

The target was to have public or publicly-funded childcare places available for:

- 90% of children aged between 3 years and school age.
- 33% of children aged under 3 years.

Since 2000, the Government has created 24,600 new places and has committed funding for another 12,000. However, the Forum for the Future of the Irish Workplace suggests that there may still be a shortfall of 40,000 or more places by 2010.

Maternity leave

The availability and generosity of maternity or parental leave also affects childcare cost for consumers, as childcare for young babies is both more expensive and harder to find. In this area, Ireland scored 13th out of 15, lower than every State except Britain and Greece.

The EU requires a minimum

HOW MANY CHILDREN PER MINDER?

Service	Age (years)	Ratio (adult : child)
Sessional ^{a, b}	0 to 6	1:10
Full day care ^c	0 to 1	1:3
	1 to 3	1:6
	3 to 6	1:8
Childminders ^d	0 to 6	1:6 ^{e, f}
Drop-in centres ^a	0 to 1	1:3
	1 to 6	1:8

^a Second adult must be present at all times.

^b Maximum of 20 children in one room.

^c When full day service also takes children on a sessional basis, sessional numbers apply.

^d Must have either a telephone or second person on the premises in case of emergency.

^e Including own children.

^f Maximum of 3 children under 1 year.

maternity leave of 14 weeks. All States except Austria, Britain, Ireland and Italy also offer paternity leave, which enables fathers also to contribute to childcare. Irish fathers must depend on the goodwill of their employers.

In Ireland maternity leave is for 18 weeks; 2 weeks must be taken before the birth. This is available to all female employees regardless of length of employment or number of hours worked. They may also take a further 8 weeks unpaid if they wish.

The Government pays maternity benefit to women on maternity leave, but this is dependent on a certain number of PRSI contributions and must be applied for 6 weeks in advance. Maternity benefit is calculated at 75% of your weekly income from the second last tax year before the pregnancy begins. The minimum weekly payment is €165.60 and the maximum is €249.

Useful contact

National Children's Nurseries Association

Unit 12c Bluebell
Business Park
Old Naas Road
Bluebell
Dublin 12
tel (01) 460 1138
fax (01) 460 1185
email info@ncna.ie
www.ncna.ie

Report by
Margaret Brady



choice comment

Consumers should have a choice of readily available, reasonably priced childcare options, but it should not cost 20% of their income. The Government is so far out of step in planning to increase childcare places, increasing subsidies for all crèches, and including those in parents' workplaces, that it defies belief.

We need a realistic, income-based sliding scale for childcare to bring consumer costs in line with European levels, with the balance made up from public spending. The Tanaiste's recent announcement that childcare costs would be taken into account for medical card means testing is a step in the right direction, but much more needs to be done. For example, why are there no tax credits for childcare, as is common practice in many other EU States?

Childcare is a major consumer issue and Government policy needs to recognise this. The CAI would like to see it become a major election issue in 2006, so that Ireland does not stay at the bottom of the EU league, and our children do not stay at the bottom of the concerns of elected ministers.