

## Poverty Alliance briefing for members' business – The Future of Childcare

25<sup>th</sup> January 2023

### 1. Introduction

The Poverty Alliance recently published research alongside the Scottish Women's Budget Group looking at the impact of the cost of living crisis on women in Scotland.<sup>1</sup> This research shows that women are being disproportionately impacted by the cost-of-living crisis due to existing inequalities - women are more likely to be living in poverty, have lower levels of savings and wealth and are less able to increase paid work than men due to caring responsibilities. Our research highlights that **women are falling into deeper poverty as a result of the cost of living crisis, with women unable pay existing debt and being at risk of accumulating more debt.** Given the inextricable links between women's poverty and child poverty, the rising tide of female poverty makes it increasingly difficult for Scotland to meet our child poverty targets.

**Our research showed that childcare was already unaffordable for many women and expected price rises in the cost of childcare alongside other living costs meant that some women were concerned about their ability to maintain employment.**<sup>2</sup> Data from the Organisation for Economic Cooperation and Development has indicated the UK now has the second highest childcare costs among leading economies. **Evidence from women in our research illustrated challenges in terms of managing costs and accessing childcare provision that met their needs in terms of working patterns.**<sup>3</sup> The costs of childcare for some women in the study made it unviable to engage in paid employment.

The Poverty Alliance has welcomed the introduction of 1140 hours of funded childcare. However, **this entitlement must be viewed as the starting point, rather than the end point, of reform.** The delivery of the funded entitlement at the local level is very often insufficiently flexible to meet the needs of women and their families and the 1140 entitlement also does not deliver sufficient funded hours to enable women to work fulltime.<sup>4</sup> Tackling women's poverty and child poverty necessitates the provision of wraparound childcare in Scotland. **The Poverty Alliance continue**

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<sup>1</sup> The Poverty Alliance and Scottish Women's Budget Group (2022) *"It's hard work being poor"* *Women's Experiences of the Cost-of-Living Crisis in Scotland* available at [https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG\\_PA\\_Cost\\_of\\_Living\\_Report\\_Final.pdf](https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG_PA_Cost_of_Living_Report_Final.pdf)

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Close the Gap (2021) Briefing for Scottish Government debate – Early Learning and Childcare <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Early-Learning-and-Childcare.pdf>

to call for a commitment to further increase the funded childcare entitlement to the equivalent of 50 hours a week.<sup>5</sup>

## 2. Childcare and women's employment

**Childcare remains the most immediate barrier to women being able to enter employment, increase their working hours and their earnings.** The provision of quality, flexible childcare is inconsistent in Scotland and the prohibitively high cost means that many women leave their job to do part-time or fulltime childcare. **The need to balance earning with caring means women are more likely to work part-time which sees women further concentrated into low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors. Too often these jobs trap women in poverty.**

One woman who participated in our research, Adabelle (aged 45-54), with three children, discussed the issues she faces finding affordable childcare that meets her working patterns: *“Right now, I’m trying to, because I’m working three to seven and I’m struggling with, it’s the kids, to look after them so, I have to leave my job, look for morning shift because now my work is, they have not got any money and childcare is expensive because I’ve got three kids. I cannot afford to pay it quickly. I’m not earning that much. Even if the Government help me, you have to top up and I’m only doing twenty hours, for three kids, so I just cannot afford it for after school club.”*<sup>6</sup>

Another woman, Annalise, a lone parent, aged 55-64, stated that: *“I think there’s still huge inequalities, because even now I think women still take the brunt of the childcare role. And it’s always women who reduce their hours, probably don’t work at all, take some maternity leave, and then... and maybe it’s not so common now amongst younger women, I’m not sure, but certainly my age group, you know, much, you work part-time. And the men didn’t do it. So you then, if you then find yourself on your own, you’ve got this kind of double whammy where you’ve... you’ve still got more of the childcare responsibility, you see still feel you need to work part-time, you, but you’ve got less of an income.”*<sup>7</sup>

Improving access to affordable and flexible childcare is therefore critical to securing women's incomes during the cost of living crisis. Any issues in the implementation of the 1140 hours of funded childcare is likely to particularly impact women's poverty, due to women accounting for over 90% of lone parents; continuing to be more likely to be primary caregivers for children; and being more likely to leave work or work part-time to look after children.

## 3. The provision of childcare and poverty in Scotland

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<sup>5</sup> The Poverty Alliance (2021) *A Scotland for All of Us – 2021 Scottish Parliament Election Manifesto* <https://www.povertyalliance.org/wp-content/uploads/2021/03/A-Scotland-for-all-of-us-Poverty-Alliance-2021-Scottish-Parliament-election-manifesto.pdf>

<sup>6</sup> The Poverty Alliance and Scottish Women's Budget Group (2022) *“It's hard work being poor” Women's Experiences of the Cost-of-Living Crisis in Scotland* available at [https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG\\_PA\\_Cost\\_of\\_Living\\_Report\\_Final.pdf](https://www.povertyalliance.org/wp-content/uploads/2022/11/SWBG_PA_Cost_of_Living_Report_Final.pdf)

<sup>7</sup> Ibid.

**One-quarter of parents in severe poverty have had to give up work and one-third turned down a job because of high cost of childcare.**<sup>8</sup> As highlighted by the current Child Poverty Delivery Plan, expanding the provision of ELC provision is therefore critical to address women's poverty, and child poverty. Childcare can also play an important role in local economic regeneration strategies in terms of dealing with area-based poverty through offering employment, providing opportunities for mothers to access the wider labour market, and improving the quality of provision for children in areas of deprivation.

Barriers to appropriate and affordable childcare are particularly acute for different groups who are already more likely to be experiencing poverty, including the priority families outlined in the Child Poverty Delivery Plan. **Parents and carers of disabled children pay higher than average costs, and three-quarters have reduced their hours or left their job because of difficulties accessing appropriate childcare.**<sup>9</sup> Securing a reliable number of working hours which fit with school and available childcare provision is a particular challenge for single parents, especially as single parents are more likely to be concentrated in sectors such as retail which are characterised by precarious and insecure work.

#### **4. Fair work and the ELC workforce**

While the increase in the funded entitlement has been accompanied with plans to fund providers to pay workers the Living Wage who are delivering the funded hours, this still means that many practitioners are paid less than the Living Wage. We welcome the continued focus to paying the Living Wage to the ELC workforce delivering the funded hours in the recently published Fair Work Action Plan. However, the Scottish Government must ensure that the national funding model enables private and third sector ELC providers in partner settings to pay the Living Wage to all ELC staff, not just those delivering the funded entitlement, with a more ambitious target around pay to set thereafter. This is critical to tackling in-work poverty among the ELC workforce, 95% of whom are women.

**For more information, please contact:**

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#### **About us**

*The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.*

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<sup>8</sup> Family and Childcare Trust (2017) *Childcare Survey 2017*

<sup>9</sup> UK Parliament (2014) *Report of the parliamentary inquiry into childcare for disabled children*