



Why can't Mums choose?

Rethinking Child Benefit and childcare spending

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October 2022

First published: October 2022

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About the author

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Introduction

Getting more mothers into the workplace has been a policy aim of successive governments for at least 30 years.¹ In 1990 a ministerial working group on women, chaired by then Home Office minister John Patten, proposed a voucher scheme for young mothers wanting to go out to work.² Since these debates in the early nineties, childcare funding has been relentlessly focused on subsidising formal childcare to enable mothers to return to the workplace after childbirth. A recent report by Coram Family and Childcare declared that presenting childcare as a choice between supporting maternal employment or child development was a *'false binary'*,³ going onto say *'it is, should be, and can be both.'*⁴

When we ask women with young children today whether this is what they want, they tell us it is not. Two-thirds of mothers with children aged four and under would rather work fewer hours and spend more time looking after their young children.⁵

Mothers who suffer the financial consequences and opt to stay at home to raise their children tell us they are happy with their choice and are not looking for work.⁶ We have calculated that there are likely to be more than 2 million working mothers of pre-school children who actively want to reduce the number of hours they work, if 'they could afford it'.⁷

Childcare policy in this country is the wrong way round. Getting mothers of young children into the workplace works for HM Treasury since these mothers and the nursery workers employed to look after their children will all pay tax. But it doesn't work for the majority of mothers or, it would seem, children. More than nine in 10 mothers working part-time say they don't want to work full-time.⁸ We are spending more and more on subsidising formal childcare, for a small minority of mothers who might increase the number of hours they work. Policy and spending on childcare should be redirected toward mothers to give them choice.

¹ House of Commons sitting, 16 July 1990, 'Child Care Vouchers', https://api.parliament.uk/historic-hansard/commons/1990/jul/16/child-care-vouchers#S6CV0176PO_19900716_HOC_397

² *Ibid.*

³ Coram, 'Coram Family and Childcare Survey 2022', <https://www.coram.org.uk/resource/coram-family-and-childcare-survey-2022>

⁴ *Ibid.*

⁵ See 'Data tables: childcare and early years survey of parents 2019', ONS, 'Childcare and early years survey of parents: 2019', www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019 (table 8.12)

⁶ ONS, 'Families and the labour market, UK: 2019',

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 12a.

⁷ Data tables: childcare and early years survey of parents 2019', ONS, 'Childcare and early years survey of parents: 2019', www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019 Table 8.12 and

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019>

⁸ NS, 'Families and the labour market, UK: 2019',

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 11a.

Political parties are increasingly competing to offer ‘free’ childcare for younger and younger children, and it is unlikely to be long before every major political party ‘offers’ free universal childcare during a general election campaign.

The evidence for these policies suggests that they have done little to achieve their stated aim of helping more mothers into work.⁹ The new ambition for campaign groups is to go even further, encouraging ministers to offer parents 50 hours a week of free childcare.¹⁰ The average British adult works a full-time working week of just under 37 hours; our toddlers are expected to work for longer.¹¹

Campaigners want to go further still – pushing for unlimited free childcare for children from six months, something the evidence tells us would be detrimental to children. This ‘transformational’ idea is designed to ensure more mothers are able to work full-time, pay more tax to the Treasury and in turn fund higher paid childcare workers who would also then pay more tax.¹² Even after accounting for higher tax revenues, advocates of this scheme admit it will still need a minimum of £1.7 billion a year in additional funding from the taxpayer.¹³

The scientific evidence, which in other areas of life we are told to listen to, might be uncomfortable for the modern political world, but it points clearly towards the importance of children spending time with their mother in their first few years and the risks of extended separation.¹⁴

According to the Institute for Fiscal Studies (IFS) think tank, there is little evidence that this benefits children’s development, particularly at a very young age,¹⁵ yet policy and spending is directed exclusively towards formal childcare, something recently described as a ‘Ford-ist’ approach to policy, *‘We’ll offer all sorts of help with childcare as long as you pay someone else to do it’*.¹⁶

British governments have been offering cash payments to families for almost 80 years. In 1945 the UK Government passed the original *Family Allowances Act* to support families, with a weekly sum of five shillings (approximately £8 in today’s money) for families having more than one child. In 1956 this was extended to all school-age children. In 1977, the Government introduced Child Benefit, which is payable to mothers from their first child onwards to alleviate child-related costs.

⁹ IFS, ‘Does free childcare help parents work?’ *Does free childcare help parents work?* | Institute for Fiscal Studies (ifs.org.uk)

¹⁰ Coram, ‘Coram Family and Childcare Survey 2022’, <https://www.coram.org.uk/resource/coram-family-and-childcare-survey-2022>

¹¹ ONS, ‘Average actual weekly hours of work for full-time workers (seasonally adjusted)’,

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/ybuy/lms>

¹² Claire Vibert, ‘Universal free childcare could be truly transformational – Labour must back it’, <https://labourlist.org/2022/07/universal-free-childcare-could-be-truly-transformational-labour-must-back-it/>

¹³ WBG, ‘Costing and funding free universal childcare of high quality’, <https://wbg.org.uk/analysis/costing-funding-childcare/>

¹⁴ Childcare: What the Science Says’ *Childcare : what the science says* | by [criticalscience](https://www.criticalscience.com/) | Medium

¹⁵ Christine Farquharson, ‘Early education and childcare spending’, https://ifs.org.uk/sites/default/files/output_url_files/BN258-Early-education-and-childcare-spending.pdf

¹⁶ ‘Front-loaded Child Benefit Bill’, [https://hansard.parliament.uk/lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill\(HL\)](https://hansard.parliament.uk/lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill(HL))

We now spend over £23 billion on child-related benefits and childcare.¹⁷ Including significant sums to low-income families. We have chosen not to evaluate or reconsider spending contained within Universal Credit (UC) in this paper, since any payments taken from UC and spent on a wider audience would likely be regressive, taking money from those on low incomes and giving it to those on higher incomes. Instead, we have restricted our focus to the £16 billion of government spending on Child Benefit, a near universal payment, and childcare subsidies for households not in receipt of UC.¹⁸

Take up rates for government childcare schemes are persistently low (only around a third of eligible parents are taking advantage of subsidies). **During our own investigations we have discovered that the government is set to underspend on childcare support by over £650 million this year alone.**¹⁹

One radical idea that is gaining support are proposals to allow parents to frontload child benefit payments, receiving more money in the first few years of a child's life and less later on. This paper builds on these recent proposals. This is not a new idea; both the Policy Exchange and Centre for Social Justice think tanks have historically endorsed the concept of frontloading child benefit payments. More recently a Private Members' Bill was introduced into the House of Lords seeking to amend legislation to allow this to happen.

We have taken this concept further with proposals for a *Family Support Benefit* which would roll all £16 billion of government child benefit and child care expenditure into a frontloaded payment. We estimate this would give parents of pre-school children up to £8,000 a year in a cash payment, offering them genuine choice over work or childcare. This might not replace a full-time income, but it would start to tilt the balance and allow greater choice and the possibility that employers would respond by offering better part-time, flexible work. In addition to this, if proposals to allow families to transfer tax allowances between partners are introduced, a benefit of approximately £2,500 a year, this would give couples with young children upwards of £10,000 in government support.

In August 2022 the Policy Exchange think tank made a similar recommendation, repurposing Child Tax Credits towards a 'baby boost' allowance for parents of children aged two and under.

Most other countries' governments have recognised the family as people who share their assets for mutual benefit. The UK is an outlier in taking few, if any, steps to recognise the important role of families. However, there are signs that some politicians are starting to think about more progressive policies for parents. In her bid for the leadership of the Conservative Party during the summer of 2022, Penny Mordaunt proposed giving every family a 'childcare budget' in order to '*deliver greater choice for families*', saying: '*I believe parents and carers are best placed to decide what's right for their child.*' During the same contest, Liz Truss promised to conduct '*an immediate review of family taxation*' to ensure

¹⁷ Child Tax Credit £11.8billion, Child Benefit £11.4billion: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1091379/HMRC_Annual_Report_and_Accounts_2021_to_2022_Print.pdf; Childcare expenditure £5.4billion: <https://ifs.org.uk/publications/early-education-and-childcare-spending>

¹⁸ Civitas calculation – see 'Government spending on families and childcare' below.

¹⁹ See Parliamentary Questions submitted by Neil O'Brien MP, 19 July 2022 ref: 39981 and 39980.

that single-earner couple households are no longer penalised in the tax system. Under these plans one partner would be able to transfer their entire personal tax allowance to their spouse – potentially saving them up to £2,514 a year in tax.

These proposals would have still left UK parents paying much more tax than couples in other comparable countries. A new government could be much more radical by adopting a German style income splitting model, saving couples many thousands of pounds more than plans presented by Liz Truss.

The Labour Party has also recently announced its intention to build *‘a modern childcare system... that supports families from the end of parental leave, right through to the end of primary school.’*²⁰ There are few details on what this might eventually mean for parents, but the implications are clear that the Labour Party would move towards a more heavily subsidised formal childcare system, despite the Shadow Secretary of State for Education referencing parental ‘choice’ in the same speech.²¹

We have presented the evidence and radical proposals to change the way our country views parenthood, and in particular the role of mothers, to start an important conversation that too few people are willing to have. Childcare policy and spending on childcare is seemingly out of step with the wishes of mothers, something that might make policy makers re-think. Our present system, endorsed and built upon by successive governments, seems to understand the price of everything but the value of nothing.

²⁰ Bridget Phillipson, ‘Conference Speech’, <https://labour.org.uk/press/bridget-phillipson-conference-speech/>

²¹ *Ibid.*

Government spending on families and childcare

The government spends approximately **£15.85 billion** on children, families, and various schemes to support childcare costs for working families. This spending is intended to either support costs associated with having children (Child Benefit) or supporting parents, particularly mothers, to work by subsidising the costs of formal childcare.

Table 1.1

Item	Cost
Child Benefit	£11.9 billion
Tax Free Childcare	£411.3 million
15 Hours Free Childcare - <i>Universal Free Entitlement</i>	£2.3 billion
30 Hours Free Childcare – <i>Extended Entitlement</i>	£900 million
‘Childcare Vouchers’ (closed to new entries)	£340 million
Total	£15.85 billion

Source: Civitas calculations.

In January 2022, 92 per cent of all three- and four-year-olds were receiving some form of funded early education (1.2 million children in total), and 384,100 eligible three- and four-year-olds were registered for a 30 hours place in January 2022.²²

The IFS think tank projected expenditure of almost £3.2 billion in 2021/22 for free entitlement hours, intended to support couples not in receipt of Universal Credit (UC) or on low incomes to take up childcare places.²³ This was confirmed by HM Treasury in answer to written question placed by Neil O’Brien MP in June 2022.²⁴

Take up rates for Tax Free Childcare remain low (although Child Benefit as a near universal benefit enjoys a very high take up rate). In response to a series of recent parliamentary questions the government confirmed that the take up rate for Tax Free Childcare was between 30 and 39 per cent.²⁵ Based on figures provided in answer to these parliamentary questions, we estimate there is an underspend of approximately £662 million in 2021/22 on Tax Free Childcare.

In our overview of available childcare support, we have included the payments and support available to families outside of the welfare system in this analysis to avoid regressive proposals that would take money from recipients of UC and distribute it to a wider cohort of families, across the income range. Families not in receipt of UC can claim: Tax Free Childcare, universal and extended provision for childcare (15 and 30 ‘free’ hours), and, historically, childcare vouchers (although the scheme is now closed to new applicants).

²² ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-19/39981>

²³ IFS, ‘Early Years’, <https://ifs.org.uk/education-spending/early-years>

²⁴ ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-19/39981>

²⁵ *Ibid.*

Child Benefit

Child Benefit is claimed for over 12.8 million children in the UK, and by 7.9 million families.²⁶ Child Benefit provides support for families with children to alleviate the pressure of child-related costs. Children aged 16 and under are eligible for Child Benefit.

Children aged 17–19 are also eligible if they are in approved education or training (that is, A-levels, Scottish Highers, Foundation Apprenticeships and so forth) and this makes up approximately £1.1 billion of annual Child Benefit spending.²⁷

For any parent with an income over £50,000, Child Benefit will be reduced and the highest earner of the household will pay 'High Income Child Benefit Charge'. Once your income reaches over £60,000, all of the Child Benefit will be taken through tax.²⁸ In 2020-21, Child Benefit payments cost the taxpayer £11.8 billion, with the forecasted 2021-22 figure to increase to **£11.9 billion**.²⁹

Child Benefit is currently paid at a rate of £21.80 per week (or approximately £94.46 per month) for your first child and £14.45 per week (£62.61 per month) for further children.³⁰ Eligibility requires parents to have responsibility for the child and for them to be under 16 (or under 21 if they are still in education or training).

Tax-free childcare

In 2017 the then government launched 'tax free childcare' to help reduce the cost of childcare for working parents. This is paid to families where both parents earn under £100,000 and acts as a cash payment to pay childcare fees. Parents can receive up to £500 every three months (£2,000 per year) for each child. This can only be used to pay approved childcare providers, such as childminders, nurseries and after school clubs.³¹ The most recent data from March 2022 showed that 384,000 families were making use of the scheme for 458,000 children.³² However, this is only from an estimated 30 per cent take-up rate from eligible families.³³ In 2021/22 this cost the Government **£411.3 million**.³⁴

15 hours free childcare – universal free entitlement

All three- to four-year-olds can claim 570 free hours of childcare per year if they have not yet started school, equivalent to 15 hours per week for 38 weeks.³⁵

²⁶ HMRC issue briefing: explaining Child Benefit: www.gov.uk/government/publications/hmrc-issue-briefing-explaining-child-benefit/hmrc-issue-briefing-explaining-child-benefit

²⁷ Calculation: There are 1,086,770 17–19-year-olds who are eligible for Child Benefit (HMRC, Child Benefit Geographical Analysis Tables: 2017). If these were all first children receiving the full Child Benefit entitlement, total expenditure would be £1.17 billion per year.

²⁸ *Ibid.*

²⁹ 'Benefit expenditure and caseload tables 2022, UK Government'. UK Welfare Table.

<https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2022>

³⁰ 'Claim Child Benefit'. <https://www.gov.uk/child-benefit/what-youll-get>

³¹ 'Childcare you can get help paying for'. <https://www.gov.uk/help-with-childcare-costs>

³² HMRC, 'Tax-Free Childcare, UK Government'. <https://www.gov.uk/government/news/more-than-500000-families-used-tax-free-childcare-in-the-last-year>

³³ 'Children: Day Care', Parliamentary Question. <https://questions-statements.parliament.uk/written-questions/detail/2022-05-23/6945>

³⁴ 'Children: Day Care', Parliamentary Question. <https://questions-statements.parliament.uk/written-questions/detail/2022-07-19/39981>

³⁵ '15 hours free childcare for 3 and 4-year-olds'. <https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds>

In response to a parliamentary question in August 2022, the government confirmed that 582,295 three-year-olds and 629,939 four-year-olds were in receipt of the Universal Free Entitlement.³⁶

This must be used towards an approved childcare provider and stops when a child starts reception/compulsory school age. In 2022-23 the Department for Education forecast their spending on the Universal Entitlement as **£2.3 million**.³⁷

30 hours free childcare – extended entitlement

Working parents earning a minimum of £152 per week³⁸ each (equivalent to 16 hours a week on national minimum wage for those over 23) can claim the ‘extended entitlement’ of 840 free hours of childcare (equivalent to 30 hours per week for 38 weeks for children aged three- to four-years-old). If either partner earns over £100,000 in taxable income, they will not be eligible for the scheme.³⁹ This must be used towards an approved childcare provider and stops when a child starts reception/compulsory school age. The government is forecast to spend **£900 million**⁴⁰ on the extended entitlement in 2022/23.

In 2022, 249,388 three-year-olds and 98,738 four-year-olds were in receipt of the extended entitlement.⁴¹

Childcare Vouchers (scheme closed to new entrants)

The employer supported childcare scheme, or ‘Childcare Vouchers’, was introduced in 2005 by the then Labour government to support working parents with the cost of childcare.

Childcare Vouchers operate through salary sacrifice. Under the Childcare Voucher scheme, employees may ‘sacrifice’ part of their pay in exchange for Childcare Vouchers to save money on tax and National Insurance Contributions. Employees can only use Childcare Vouchers to pay for registered childcare. Each eligible parent can sacrifice a maximum of £243 per month from their salary into their Childcare Voucher account.

The Government closed the Childcare Voucher scheme to new entrants in October 2018. However, there are still an estimated 470,000 recipients of Employer Supported childcare in 2021-22. With spending projected to be **£340 million** in 2021/22.⁴²

³⁶ ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-21/hl2000>

³⁷ ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-19/39981>

³⁸ This threshold is reduced for those under 23.

³⁹ ‘30 Hours free childcare’. <https://www.gov.uk/30-hours-free-childcare>

⁴⁰ ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-19/39981>

⁴¹ ‘Children: Day Care’, Parliamentary Question, <https://questions-statements.parliament.uk/written-questions/detail/2022-07-21/hl2000>

⁴² See Parliamentary Questions submitted by Neil O’Brien MP, 19 July 2022, ref: 39981 and 39980.

Working Mums

Encouraging women with children to return to the workforce has been a long-term policy aim of successive governments, with financial incentives for using formal childcare places.

Political parties are increasingly competing to offer ‘free’ childcare for younger and younger children. In 2019 the Labour Party announced that they would introduce a ‘free nursery education’ childcare offer for one-year olds.⁴³ The Liberal Democrats, in the same election, committed to ‘a long-term goal of 30 hours of free childcare a week for all parents in England with children aged from nine months.’⁴⁴

There are 3,087,000 mothers with children under school age in the UK,⁴⁵ with 21 per cent choosing to stay at home and look after children. The overall employment rate for mothers with pre-school children is 71.6 per cent, a figure that has risen from 61.2 per cent since 2014,⁴⁶ with over half of these mothers working in ‘public administration, education and health’. Almost all fathers of pre-school children are in work (93.7 per cent), and mostly in full-time employment (86 per cent).

The same percentage of couples with children aged four and under work full-time as families where the father works full-time and the mother part-time (47.5 per cent).⁴⁷

Just over a third of mothers with children aged four and under work part-time (35 per cent) and the same number work full-time (35 per cent).⁴⁸ A significant number of mothers are ‘economically inactive’, meaning they are available for work – 25.6 per cent of mothers against only 4.6 per cent for fathers with young children aged four and under. But almost eight in 10 (77 per cent) mothers who are staying at home to look after children don’t want to find paid work,⁴⁹ bringing into question government efforts to encourage mothers into the (paid) workplace.

It should be noted this data masks a tendency for part-time work for mothers to be much closer to a full-time working week – with 37 per cent of part-time working mothers with children aged four and under working 16-29 hours and only just over one in 10 working less than 16 hours a week.

According to the most recent British Social Attitudes survey, the majority of UK adults believed this structure – where the father works full-time and the mother either works part-time or stays at home – is the best family structure for families with children below school age.⁵⁰ The same survey found that only seven per cent of the British public believe that

⁴³ Labour Party Manifesto 2019: <https://labour.org.uk/wp-content/uploads/2019/11/Real-Change-Labour-Manifesto-2019.pdf>

⁴⁴ Liberal Democrat Manifesto 2019: https://d3n8a8pro7vhmx.cloudfront.net/libdems/pages/57333/attachments/original/1574258742/Lib_Dem_Manifesto_2019.pdf?1574258742

⁴⁵ ONS, ‘Families and the labour market, UK: 2019’, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019>

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

⁵⁰ British Social Attitudes 39 (2108)

mothers with children under the age of five should have a full-time job,⁵¹ and a third of the British public agree that it is best for mothers of pre-school children to ‘stay at home.’⁵²

Over nine in 10 mothers working part-time don’t want a full-time job (92 per cent of all mothers in part-time work).⁵³

Our analysis suggests that there are likely to be in excess of 2 million mothers of pre-school children who would prefer to work fewer hours so they could spend more time looking after their children.⁵⁴

The Institute for Fiscal Studies (IFS) think tank demonstrated in its 2019 review of early education and childcare spending that current policies do little to increase the number of women in the workplace.⁵⁵

Surveys of parents commissioned by the DfE found that almost seven in ten (68 per cent) parents of pre-school children, who don’t use childcare, said they would rather look after their children themselves.⁵⁶ Only 16 per cent of mothers with children under four, who don’t use childcare, said this was because they could not afford it.⁵⁷ There is little point in focusing government policy and expenditure on increasing free childcare options because this would benefit only a small minority (around 16-17 per cent) of non-childcare users.

Over the last 25 years the proportion of mothers in work has increased from 61.9 per cent in 1996 to 75.2 per cent in 2020, with figures for fathers remaining largely unchanged.⁵⁸

Mothers of children aged four and under are almost eight times as likely to work part-time than fathers, and more than 12 times as likely to be economically inactive and looking after their family or home.⁵⁹ Fathers meanwhile are more than two and a half times as likely to be in full-time work.⁶⁰

Family time

Family life has also changed. Mothers of pre-school children are spending less time on childcare than they were in 2000 but slightly more on tasks associated with cognitive development.

⁵¹ British Social Attitudes, ‘Gender’, https://bsa.natcen.ac.uk/media/39248/bsa35_gender.pdf

⁵² *Ibid.*

⁵³ ONS, ‘Families and the labour market, UK: 2019’,

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 11a.

⁵⁴ 3.175 million mothers of 0-4 years olds in full time or part time work – 65% said ‘If I could afford it, I would work fewer hours so I could spend more time looking after my children’ = 2,063,000. ONS, ‘Families and the labour market, UK’,

<https://www.ons.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019>

⁵⁵ Mike Brewer, Sarah Cattan, Claire Crawford and Birgitta Rabe, ‘Does free childcare help parents work?’,

<https://ifs.org.uk/publications/does-free-childcare-help-parents-work>

⁵⁶ See ‘Data tables: childcare and early years survey of parents 2019’, ONS, ‘Childcare and early years survey of parents: 2019’,

www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019 Table 5.2.

⁵⁷ *Ibid.*, Table 5.2.

⁵⁸ Onward, ‘Family Fortunes’ 2021, p8.

⁵⁹ ONS, ‘Families and the labour market, UK: 2019’,

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 1a.

⁶⁰ *Ibid.*

The total amount of time spent on primary care (feeding, waking, supervising children at the playground, looking after sick children and so forth) has fallen by 8.5 per cent between 2000 and 2015 – from 149 minutes per day to 136.3 minutes per day. Time spent by mothers on development care (reading to/with children, playing with children, helping with homework and so forth) has increased by 4.6 per cent over the same period – from 60.3 minutes per day to 63.1 minutes per day.⁶¹

A more recent time survey conducted by the ONS⁶² shows that the time spent on childcare by working mothers with dependent children, of all ages, has fallen slightly between 2015 and 2022, from 88 minutes per day to 85 minutes per day.

There has been a more significant rise in the amount of time working fathers spend on childcare – from 47 minutes a day in 2015 to 56 minutes a day in 2022. Fathers are also doing more housework, up from 87 minutes a day in 2015 to 102 minutes a day in 2022. This corresponds with a slight fall in the amount of time mothers are spending on housework in the same period, from 174 minutes to 167 minutes per day.⁶³

While the amount of time fathers spend on childcare has seen an increase since the turn of the century, it is still mothers doing the majority of childcare in families. (This should be understood in the context of working patterns, with fathers most likely to be working full-time.) During the working week, mothers account for over three-quarters of the time spent on childcare activities – a figure which only decreases slightly to two-thirds on weekends. Overall, for every hour mothers spend doing childcare for pre-school aged children, fathers typically only do almost half an hour.⁶⁴

The time families spend together also seems to be changing, with a recent report from the Children’s Commissioner for England showing that ‘the average amount of time families were in the same location and doing something together decreased from 252 minutes in 2000-2001 to 243 minutes in 2014-2015, while the average amount of time families were in the same location but doing things alone increased from 95 minutes to 136 minutes.’⁶⁵

Time spent in childcare

According to the 2022 DfE childcare and early years survey of parents, 59 per cent of children aged four and under had used a formal childcare provider in the most recent term time week.⁶⁶ For nurseries in particular (that is, a nursery school, a nursery class attached to a primary or infants’ school, and/or a day nursery) 38 per cent of children aged four and under attend – making nurseries the most popular formal childcare provider. In total, four per cent of children under one are using nurseries – a figure which rises to over a quarter

⁶¹ ONS, ‘Changes in the value and division of unpaid care work in the UK: 2000 to 2015’, <https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/articles/changesinthevalueanddivisionofunpaidcareworkintheuk/2000to2015> p6.

⁶² ONS ‘Time Use Survey’ [Time Use - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/time-use)

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ Children’s Commissioner, ‘Literature Review to ‘Family and its Protective Effect: Part 1 of the Independent Family Review’’, <https://www.childrenscommissioner.gov.uk/wp-content/uploads/2022/09/Annex-Literature-review.pdf>

⁶⁶ Department for Education, ‘Childcare and early years survey of parents 2021’, <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-survey-of-parents/2021> Table S2.

(27 per cent) of one-year-olds, 45 per cent of two-year-olds, 64 per cent of three-year-olds and over one-third (36 per cent) of four-year-olds.⁶⁷

Thirty-four per cent of children aged four and under are solely placed in nurseries and do not use other formal childcare providers, such as childminders. This figure is three per cent of children aged one and under, 18 per cent of one-year-olds, 31 per cent of two-year-olds, 48 per cent of three-year-olds and 51 per cent of four-year-olds.⁶⁸ Most of these children (49 per cent) are attending for five days per week.⁶⁹

On average, pre-school aged children spend almost a day a week (23.6 hours) in a formal childcare setting. Children under one spend, on average, 22.4 hours in a formal childcare setting; children aged one spend 21.1 hours; and for children aged two it is 19.8 hours. Children aged three spend 22.3 hours a week in formal childcare setting, and for children aged four it is an average of 27.8 hours a week.⁷⁰

⁶⁷ Ibid, Table 1.6.

⁶⁸ Ibid, Table 9.1.

⁶⁹ Ibid, Table 9.5.

⁷⁰ Ibid, Table 1.7.

Why Mums matter in the early years

Early years policy is focused on supporting working families with the costs of childcare and encouraging parents (particularly mothers) into the workplace. Governments encourage this firstly because work is an important route out of poverty and secondly because working parents contribute taxes to the exchequer (as do childcare workers).

This ignores two important facts:

- At least two-thirds of mothers with pre-school children would rather work less and spend more time looking after their children.
- Very young children benefit from time spent with a primary care giver and there are potential harms associated with long-term institutional care. No political party is prepared to recognise this. For almost two decades, every 'family policy' has sought to separate mothers from their children at an ever-younger age and for ever-increasing hours.⁷¹

According to the IFS think tank, there is little evidence that this benefits children's development.⁷²

Government expenditure in the area of early years has little influence on most parents of pre-school children. Surveys of parents commissioned by the DfE⁷³ found that more than eight in 10 (83 per cent) parents not using childcare chose to care for their children themselves, and the remaining 17 per cent chose against childcare because they could not afford it. There is little point in focusing government policy and expenditure on increasing free childcare options because this would benefit only a small minority (17 per cent) of non-childcare users.⁷⁴

Furthermore, there is evidence to show that childcare subsidies have done little to increase the number of mothers in the workforce.

Free Childcare and Maternal Employment

A review of childcare spending by the Institute for Fiscal Studies (IFS) found '*no evidence that the work patterns of mothers with younger children, or those of fathers, were affected [by free childcare provision].*'⁷⁵ This undermines the case made by political parties that extending free childcare entitlement supports mothers to re-enter the workforce.

This research found some small effects for mothers whose youngest child is eligible for 30 hours a week of free care, but even in this group the IFS found that '*the gains [were] small* –

⁷¹ Early Years Commission, 'Written evidence submitted by Mothers At Home Matter', <https://static1.squarespace.com/static/5ed9e68a9557ec2f11733586/t/5f07776bc17252309b38cf99/1594324846563/June+2020+Early+Years+Commission+submission+Mothers+at+Home+Matter.pdf>

⁷² IFS, 'Early education and childcare spending', www.ifs.org.uk/publications/14557 p17.

⁷³ Department for Education, 'Childcare and early years survey of parents: 2019', <https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019>

⁷⁴ Centre for Social Justice, 'Child Benefit: An analysis of proposals to frontload Child Benefit payments'.

⁷⁵ IFS, 'Does free childcare help parents work?' [Does free childcare help parents work? | Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk/publications/14557)

*extending care from 15 hours of free childcare to 30 hours of school for one cohort of 690,000 4-year-olds moved 12,000 mothers into paid work.*⁷⁶

The universal entitlement to 15 free hours a week (during term time) resulted in an increase of only 1.6 hours of additional time children spent in formal childcare, with similar results being found in other countries with generous free childcare entitlements.⁷⁷ The IFS also found that the entitlement to 570 hours of free childcare over a year (for three-year-olds) resulted in only a small uplift in the number of hours used by parents (54 hours on average).⁷⁸

Researchers have suggested that the existing entitlement does not go far enough and the UK should move to a model of universal pre-school childcare, a policy the Labour Party is being encouraged to adopt ahead of the next general election.⁷⁹ A recent article looking at the impact of free childcare provision cites⁸⁰ experiments with universal free childcare schemes in places such as Quebec which had a more significant effect on maternal employment.⁸¹

‘Mums and dads literally build babies’ brains’⁸²

A significant body of evidence shows that the early years of a child’s life are critical for their cognitive, social, and emotional development. Although brain development continues from conception to childhood and into adolescence, the early years are especially important and sensitive.

Dame Andrea Leadsom concluded in her 2021 Early Years Review that:

‘The emotional health and physical wellbeing, social skills, cognitive and linguistic capacities that develop in the 1,001 critical days form the foundations for an individual’s success in school and in later life. These best develop when a baby has at least one stable and committed relationship with an adult. Where a baby forms a secure attachment with their primary caregivers, they feel safe and secure. It’s these relationships that build the emotional scaffolding to support early development.’⁸³

Despite this official recognition of the importance of parenting in the early years, government policy continues to be heavily tilted towards formal childcare – offering little choice to parents who want to spend more time with their young children.

⁷⁶ IFS, ‘Early education and childcare spending’ [BN258-Early-education-and-childcare-spending.pdf \(ifs.org.uk\)](#)

⁷⁷ Economics Observatory ‘Rising costs of childcare: which families are suffering most?’ [Rising costs of childcare: which families are struggling most? - Economics Observatory](#)

⁷⁸ IFS, ‘Does free childcare help parents work?’ [Does free childcare help parents work? | Institute for Fiscal Studies \(ifs.org.uk\)](#)

⁷⁹ <https://labourlist.org/2022/07/universal-free-childcare-could-be-truly-transformational-labour-must-back-it/>

⁸⁰ IZA World of Labor ‘Can universal preschool increase the labor supply of mothers?’ [IZA World of Labor - Can universal preschool increase the labor supply of mothers?](#)

⁸¹ IPPR ‘Lessons from Quebec’s universal low-fee childcare programme’ [Lessons from Quebec’s universal low-fee childcare programme | IPPR](#)

⁸² David Cameron, ‘Prime Minister’s speech on life chances’, <https://www.gov.uk/government/speeches/prime-ministers-speech-on-life-chances>

⁸³ Secretary of State for Health and Social Care, ‘The Best Start for Life A Vision for the 1,001 Critical Days The Early Years Healthy Development Review Report’,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/973085/Early_Years_Report.pdf

During the first 1,000 days (from conception to age two) of a child's life their brain is developing rapidly, even in the womb – where the majority of the 86 billion neurons an adult has are formed.⁸⁴ By the age of one the size of a child's brain is already almost three-quarters of adult volume on average, and by age two it is on average 83 per cent of an adult's volume.⁸⁵ At the age of two, 700 new connections are formed every second on average⁸⁶ – around double the speed of connections formed in adult brains.⁸⁷ In this early period, the brain is highly sensitive to its external environment and will be adapting to the quality of the relationships with parents and the home environment.⁸⁸ Good quality parental interaction in this period helps to develop the prefrontal cortex of the brain, which experiences huge growth within the first 1,000 days and is responsible for developing social and emotional capacity.⁸⁹

Attachment theory establishes how children develop emotional security and learn self-regulation through loving relationships at home. A recent article in the 'Journal of the Royal Society of Medicine entitled *Childcare outside the family for the under-threes: Cause for concern?*' explains some of the scientific evidence:

'A child's hormonal bonding system is compromised by disrupted attachments, since reduced synthesis of oxytocin receptors follows frequent maternal separations. The stress of maternal separation can produce changes in the neural-circuit functions. There is substantial evidence that children in nurseries, particularly in poor-quality ones, have persistently higher levels of cortisol than children at home...

*'...Raised blood cortisol levels in babies and small children are associated with changes in the temporal lobe, e.g. the hippocampus and the amygdala. These parts of the brain are where emotional stability is learned with the development of conscience. The amygdala is associated with the development of empathy.'*⁹⁰

The crucial role mothers play during her child's infant years *'has been widely researched and shown to affect a child's brain development... ability to cope with stress... tendencies towards addiction in later years... social responsibility and communication... language development... and emotional health in adulthood'*.⁹¹

⁸⁴ S. Herculano-Houzel, (2009), *The Human Brain in Numbers: A linear scaled-up primate brain*. *Frontiers in Human Neuroscience*, 3:31. And U. Goswami, (2015), *Children's cognitive development and learning*. Cambridge Primary Review Trust: Cambridge.

⁸⁵ C.R. Knickmeyer, S. Gouttard, C. Kang, D. Evans, K. Wilber, K.J. Smith, M.R. Hamer, W. Lin, G. Gerig and H.J. Gilmore, (2008), *A structural MRI study of human brain development from birth to 2 years*. *The Journal of Neuroscience*, 28 (47) 12176 – 12182.

⁸⁶ National Scientific Council on the Developing Child (2007) *InBrief: The Science of Early Childhood Development*. Centre on the Developing Child: Harvard. Available: <http://developingchild.harvard.edu/wpcontent/uploads/2015/03/InBrief-The-Science-of-Early-Childhood-Development.pdf>

⁸⁷ J. Stiles and L. T. Jernigan, (2010). *The basics of brain development*. *Neuropsychology Review* (2010) 20:327-348.

⁸⁸ The Wave Trust. *Conception to age 2 – the age of opportunity*, 2014.

⁸⁹ Andrea Leadsom, *House of Commons Debate, Early Years Family Support: 2019*. via <https://hansard.parliament.uk/Commons/2019-07-16/debates/5C7FA151-A4F1-4F0F-88F1-5A66A7F8F060/EarlyYearsFamilySupport>

⁹⁰ Denis Pereira Gray, Diana Dean and Philip M Dean, *'Childcare outside the family for the under-threes: cause for concern?'*, <https://journals.sagepub.com/doi/full/10.1177/0141076820903494>

⁹¹ Early Years Commission, *'Written evidence submitted by Mothers At Home Matter'*, <https://static1.squarespace.com/static/5ed9e68a9557ec2f11733586/t/5f07776bc17252309b38cf99/1594324846563/June+2020+Early+Years+Commission+submission+Mothers+at+Home+Matter.pdf>

Erica Komisar, an American psychotherapist and author of *Being There: Why Prioritizing Motherhood in the first three years matter*,⁹² discusses the role of oxytocin and the 'uniqueness' of mothers in her 2017 book:

'[A] mother's presence and attachment to her baby in the first three years of life are critical for the development of the social part of the baby's brain and for the ability of the baby to cope with stress.

'Oxytocin is responsible for the development of later empathetic traits and is increased when mother and infant are present with each other. Oxytocin receptors are concentrated in the part of the brain involved in visual attention, eye gaze and auditory reception, created by eye to eye contact between baby and mother.'

Women produce more oxytocin than men, which explains the unique importance of mothers and infant development.

Research conducted by Joan Luby at the Washington University School of Medicine in St Louis shows pre-school children with close maternal bonds have an increased hippocampus, the part of the brain involved in learning, memory and emotional regulation, which *'suggests there's a sensitive period when the brain responds more to maternal support.'*

Psychiatrists have used brain imaging to show the importance of early nurturing contact between mother and baby. These close maternal bonds are *'essential in the shaping of the neural architecture of the amygdala [the part of the brain responsible for emotional regulation] and its connections to the pre-frontal cortex [the grey matter which plays a large role in personality development]'*.⁹³

Formal Childcare

A recent assessment of scientific evidence found that long periods spent in a formal childcare setting before the age of three provides few cognitive advantages for most children and makes children *'more likely to misbehave and be angry once they reach school.'*⁹⁴

Evidence on the cognitive effects of very long periods spent in formal childcare are mixed. Several US studies suggest that cognitive benefits will only become apparent from the age of two, with few benefits before this age,⁹⁵ while research by the Department for Education

⁹² Erica Komisar, *Being There: Why Prioritizing Motherhood in the First Three Years Matters*.

⁹³ *Ibid.*

⁹⁴ See NICHD Early Child Care Research Network, 'Early Child Care and Children's Development Prior to School Entry: Results from the NICHD Study of Early Child Care', <https://www.jstor.org/stable/3202474?seq=1>; NICHD Early Child Care Research Network, 'Type of child care and children's development at 54 months', <https://www.sciencedirect.com/science/article/abs/pii/S0885200604000389>; Edward Melhuish, Karen Hanna, Louise Quinn, Kathy Sylva, Iram Siraj-Blatchford, Pam Sammons and Brenda Taggart, 'Pre-school experience and social/behavioural development at the end of year 3 of primary school', <https://ro.uow.edu.au/sspapers/1993/>; A. Stein, L.-E. Malmberg, P. Leach, J. Barnes, K. Sylva and the FCCC Team, 'The influence of different forms of early childcare on children's emotional and behavioural development at school entry', <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1365-2214.2012.01421.x>; Susanna Loeb, Margaret Bridges, D Bassok, B Fuller and Russell W Rumberger, 'How much is too much? The influence of preschool centers on children's social and cognitive development', https://www.researchgate.net/publication/313661523_How_much_is_too_much_The_influence_of_preschool_centers_on_childrens_social_and_cognitive_development; and Youngjo Im and Tyler J Vanderweele, 'Role Of First-Year Maternal Employment And Paternal Involvement In Behavioral And Cognitive Development Of Young Children', <https://pubmed.ncbi.nlm.nih.gov/29904929/>

⁹⁵ 'Childcare: What the Science Says' [Childcare: what the science says | by criticalscience | Medium](https://www.criticalscience.com/childcare-what-the-science-says/)

suggests that for children, particularly from disadvantaged backgrounds, time spent in high-quality formal childcare settings can support improvements in vocabulary and early language.⁹⁶

For children aged three and above, formal childcare of between 15-30 hours a week can have an advantageous effect on both cognitive and behavioural development.⁹⁷

Younger children, especially those under 12 months, are more likely to experience adverse effects from long periods in formal childcare. Children under three who spend over 30 hours a week in formal childcare see the largest increase in cortisol (stress) levels.

There are also few social benefits to very young children placed in formal childcare settings for children under two.⁹⁸ On average, children tend to interact with adults until the age of 2-2½ and not to play alongside each other or until around age three.⁹⁹ Larger adult-to-child ratios found in formal childcare leads to less social interaction with adults.¹⁰⁰

Other important factors are the income group of the children's parents and the quality of the childcare facility. For children with lower income parents, evidence suggest children benefit from starting formal childcare earlier, whilst those with higher income parents benefit from starting later.¹⁰¹

Through better quality provision,¹⁰² the potential negative impacts of formal childcare can be reduced (although not eliminated), and the potential positive impacts can be increased.¹⁰³

The Centre for Social Justice think-tank cited evidence showing '*children who attend high-quality [formal childcare] settings for two to three years [before primary school] start school 3.2 months ahead of their peers who attend low-quality settings, and 7.8 months ahead of children who attend no provision, with this effect disproportionately higher for disadvantaged children*'.¹⁰⁴

The Department for Education's (DfE) 2020 Study of Early Education and Development (SEED) report found that more hours per week of group formal childcare can negative effects on emotional development:¹⁰⁵

⁹⁶ Department for Education [Effective pre-school, primary and secondary education project \(basw.co.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/867140/Effective_pre-school_primary_and_secondary_education_project_basw.co.uk)

⁹⁷ 'Childcare: What the Science Says' [Childcare : what the science says | by criticalscience | Medium](https://www.criticalscience.com/childcare-what-the-science-says/)

⁹⁸ Ibid.

⁹⁹ See Justine Howard 'Mary D. Sheridan's Play In Early Childhood: From Birth to Six Years' [Mary D. Sheridan's Play In Early Childhood | From Birth to Six Years | \(taylorfrancis.com\)](https://www.taylorfrancis.com/books/9781138000000/children/early-childhood/Howard-Justine)

¹⁰⁰ Ibid.

¹⁰¹ Childcare: What the Science Says' [Childcare : what the science says | by criticalscience | Medium](https://www.criticalscience.com/childcare-what-the-science-says/)

¹⁰² For how quality is measured, see the Early Childhood Environment Rating Scale-Revised (ECERS-R, Harms et al., 1998), the Early Childhood Environment Rating Scale-Extension (ECERS-E, Sylva et al., 2003) and the Child-Care Interaction Scale (Arnett 1989)

¹⁰³ See Burchinal 'Measuring Early Care and Education Quality' [Measuring Early Care and Education Quality - Burchinal - 2018 - Child Development Perspectives - Wiley Online Library](https://www.wiley.com/doi/10.1002/9781118520000.ch18)

¹⁰⁴ Centre for Social Justice 'A Bright Start' [CSJJ6068-Childcare-Report-181127.pdf \(centreforsocialjustice.org.uk\)](https://www.centreforsocialjustice.org.uk/wp-content/uploads/2018/06/CSJJ6068-Childcare-Report-181127.pdf) page 18.

¹⁰⁵ Edward Melhuish and Julian Gardiner, 'Study of Early Education and Development (SEED): Impact Study on Early Education Use and Child Outcomes up to age five years', https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867140/SEED_AGE_5_REPORT_FEB.pdf

‘Greater use of formal group ECEC [Early Childhood Education and Care] (mean hours per week) between age two and the start of school is associated with negative effect on socio-emotional well-being in school year one.’¹⁰⁶

This finding, particularly for internalising behaviour, was especially notable for children under four having over 35 hours a week of formal childcare.

The study also found that informal childcare (from friends, relatives and so on) *‘mitigates the negative socio-emotional effects’* of high formal childcare use, whilst also being *‘associated with better verbal ability’* during year one.¹⁰⁷

The analysis found that, for children under four using formal childcare, starting before the age of two and having fewer than 20 hours per week was most effective for children’s numeracy and non-verbal ability, particularly when combined with individual childcare at home (with childminder/relative/parent).

Over 20 hours per week of formal childcare was associated with *‘more externalising behaviour, more internalising behaviour, less prosocial behaviour, less behavioural self-regulation and less emotional self-regulation, during school year one, at age five to six.’¹⁰⁸*

Examining the effect of affluence, children from the 60 per cent least disadvantaged families benefited from fewer hours per week compared to the 40 per cent most disadvantaged, although the effect was mild.

The study also noted that there have been substantial increases in the standard of formal childcare in the last 20 years. Indeed, when examining the impact of quality of provision, it was noted that there is no longer much poor-quality provision to use for comparison.¹⁰⁹

Toxic Stress

The evidence suggests that cortisol levels are found to be significantly increased in children under two attending over 30 hours a week of formal childcare compared to the home setting.¹¹⁰

Scientists have observed significantly increased levels of cortisol in very young children placed in formal childcare settings for long periods. Raised cortisol levels are associated with toxic stress with longer-term associations with emotional regulation and behaviour.¹¹¹

The normal pattern for cortisol (a stress hormone) levels are for them to be at their highest point in the morning and then decline throughout the day. Evidence shows that this is the case for children cared for at home, but for children spending long periods in formal

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ Melhuish, E. & Gardiner, J. (2017). Study of Early Education and Development (SEED):

Study of Quality of Early Years Provision in England. DFE-RR706. London: DfE.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/665077/SEED_Quality_Report_December_2017.pdf

¹¹⁰ Childcare: What the Science Says’ [Childcare : what the science says | by criticalscience | Medium](#)

¹¹¹ Ibid.

childcare, cortisol levels increase as the day goes on – meaning the longer a child is in formal childcare, the more stressed they become.¹¹²

Regular exposure to high levels of stress causes unrelieved activation of the baby's stress management system. Without the protection of adult support, toxic stress becomes built into the body by the processes that shape the architecture of the developing brain. This has long-term consequences for learning and a baby's future physical and mental health.¹¹³

While the scientific evidence is not conclusive and does not prove an increased risk for all children, a recent systematic review of the evidence suggests that as many as 40 per cent of children placed in formal childcare for long periods may be affected.¹¹⁴

We should be cautious in our approach to this data where studies measure the average effects on children. Household income and the quality of the home environment remain important factors, some children from low-income homes will benefit from formal childcare, while children from better-off homes might benefit from increased parental interaction.

The Impact of Free Childcare on Mother's Employment

A review of childcare spending by the Institute for Fiscal Studies (IFS) found *'no evidence that the work patterns of mothers with younger children, or those of fathers, were affected [by free childcare provision].'*¹¹⁵ This undermines the case made by political parties that extending free childcare entitlement supports mothers to re-enter the workforce.

This research found some small effects for mothers whose youngest child is eligible for 30 hours a week of free care, but even in this group the IFS found that *'the gains [were] small – extending care from 15 hours of free childcare to 30 hours of school for one cohort of 690,000 4-year-olds moved 12,000 mothers into paid work.'*¹¹⁶

The universal entitlement to 15 free hours a week (during term time) resulted in an increase of only 1.6 hours of additional time children spent in formal childcare, with similar results being found in other countries with generous free childcare entitlements.¹¹⁷ The IFS also found that the entitlement to 570 hours of free childcare over a year (for three-year-olds) resulted in only a small uplift in the number of hours used by parents (54 hours on average).¹¹⁸

Researchers have suggested that the existing entitlement does not go far enough and the UK should move to a model of universal pre-school childcare, a policy the Labour Party is being encouraged to adopt ahead of the next general election.¹¹⁹ A recent article looking at

¹¹² See Marie-Claude Geoffroy, Sylvana M Côté, Sophie Parent and Jean Richard Séguin, 'Daycare attendance, stress, and mental health', <https://pubmed.ncbi.nlm.nih.gov/17007228/> and Vermeer, H. J. and van IJendoorn, M. H., 'Children's elevated cortisol levels at daycare: A review and meta-analysis', <https://psycnet.apa.org/record/2006-11665-010> for the link between cortisol and childcare.

¹¹³ *Ibid.*

¹¹⁴ Denis Pereira Gray, Diana Dean, and Philip M Dean, 'Childcare outside the family for the under-threes: cause for concern?', <https://journals.sagepub.com/doi/full/10.1177/0141076820903494>

¹¹⁵ IFS, 'Does free childcare help parents work?' [Does free childcare help parents work? | Institute for Fiscal Studies \(ifs.org.uk\)](https://ifs.org.uk/does-free-childcare-help-parents-work/)

¹¹⁶ IFS, 'Early education and childcare spending' [BN258-Early-education-and-childcare-spending.pdf \(ifs.org.uk\)](https://ifs.org.uk/early-education-and-childcare-spending/)

¹¹⁷ Economics Observatory 'Rising costs of childcare: which families are suffering most?' [Rising costs of childcare: which families are struggling most? - Economics Observatory](https://economicsobservatory.org/rising-costs-of-childcare-which-families-are-struggling-most/)

¹¹⁸ IFS, 'Does free childcare help parents work?' [Does free childcare help parents work? | Institute for Fiscal Studies \(ifs.org.uk\)](https://ifs.org.uk/does-free-childcare-help-parents-work/)

¹¹⁹ <https://labourlist.org/2022/07/universal-free-childcare-could-be-truly-transformational-labour-must-back-it/>

the impact of free childcare provision cites¹²⁰ experiments with universal free childcare schemes in places such as Quebec which had a more significant effect in maternal employment.¹²¹

¹²⁰ IZA World of Labor 'Can universal preschool increase the labor supply of mothers?' [IZA World of Labor - Can universal preschool increase the labor supply of mothers?](#)

¹²¹ IPPR 'Lessons from Quebec's universal low-fee childcare programme' [Lessons from Quebec's universal low-fee childcare programme](#)
[| IPPR](#)

What do mothers *actually* want?

The recent focus of policy and political discussion around early years has focused on formal childcare and supporting parents (particularly mothers) of very young children into work, but there is good evidence that this is not actually what mothers, particularly of young children, *actually* want.

The direction of government policy is likely to fail because very few mothers not in employment or working part-time want to increase their hours. Seventy-seven per cent of mothers who don't work are not looking for work and have no intention of finding it,¹²² and 92 per cent of mothers who work part-time don't want a full-time job.¹²³

A major survey of 5,057 parents conducted by the Department for Education in 2019¹²⁴ found that almost two-thirds (65 per cent) of mothers with children aged four and under would rather work fewer hours so they could spend more time looking after their children when asked about their ideal working arrangements.¹²⁵ Over a 10-year period the number of working mothers who would rather work fewer hours has grown by almost 10 percentage points (57 per cent).¹²⁶

The survey found that the main reason for mothers returning to the workplace was simply needing the money (63 per cent).¹²⁷ There is little in public policy to reflect this aspiration or offering the choice to parents of young children. The same survey found that almost four in 10 (37 per cent) working mothers of children aged four and under would prefer to stay at home full-time if they could afford to do so.¹²⁸

In an update to the survey in 2021,¹²⁹ only 15 per cent of part-time working mothers said they would work full-time if their 'were no barriers'.¹³⁰ Even mothers with older children are still reluctant to work full-time, when given a real choice. Public policy is leaving mothers feeling pushed towards more formal childcare, more work, and less time with their children than they want. Of working mothers with children aged 14 and under, 58 per cent agreed that if they could afford it, they would work fewer hours so they could spend more time looking after their children.¹³¹ A fall of only seven percentage points from mothers with pre-school age children in 2019.

¹²² ONS, 'Families and the labour market, UK: 2019',

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 12a.

¹²³ ONS, 'Families and the labour market, UK: 2019',

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019> Table 11a.

¹²⁴ See 'Data tables: childcare and early years survey of parents 2019', ONS, 'Childcare and early years survey of parents: 2019',

www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019

¹²⁵ *Ibid*, Table, 8.12.

¹²⁶ DfE, *Childcare and Early Years Survey of Parents 2012*,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/275720/Main_tables_SFR062014.xlsx Table 9.12.

¹²⁷ *Ibid*, Table 8.10.

¹²⁸ *Ibid*, Table 8.12.

¹²⁹ Department for Education, 'Childcare and early years survey of parents', <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-survey-of-parents/2021> see 'Childcare and Early Years Survey of Parents 2021 - Accompanying Tables'.

¹³⁰ *Ibid*, Table 8.1.

¹³¹ *Ibid*, Table 8.12.

When asked 'If I could arrange good quality childcare which was convenient, reliable and affordable, I would work more hours', 61 per cent of mothers with children aged 14 and under would not take up the offer, only 23 per cent said they would work more hours.¹³²

Almost a third (29 per cent) of working mothers with children aged 14 and under agreed that they would rather be at home caring for their children full-time.¹³³ This question was last asked of mothers with children aged four and under in 2019, and 37 per cent of mothers agreed.¹³⁴

Almost six in 10 (58 per cent) parents have not used childcare in the last year because they would rather look after their children themselves. Only 10 per cent have not used it because they can't afford it.¹³⁵ Only 17 per cent of mothers not working and looking after pre-school children would return to work if childcare were cheaper (or free); 83 per cent wouldn't. Thirty-eight per cent of parents said that nothing would make childcare better suited to their needs.¹³⁶ Government spending on childcare with the aim of helping parents into work will only make a difference to about one in six non-childcare users.¹³⁷

Looking back at surveys of working mothers conducted by the DfE over a 13-year period, the number of mothers in work who say they would prefer to work fewer hours so they could spend more time looking after their children has stayed consistent, at about 55-58 per cent. This figure rises to 65 per cent for mothers with pre-school age children.¹³⁸

What the public thinks

In the 2018 edition of the British Social Attitudes survey, a majority of UK adults believed that the best family structure for a family with a child below school age was for the mother to work part-time and the father full-time (32 per cent),¹³⁹ or for the mother to stay at home and the father to work full-time (19 per cent). Only six per cent felt the best way for a family with a child under school age to organise family and work life was for both parents to work full-time.¹⁴⁰ Over time there has been a decline in the view that women should stay at home if they have a child under school age, yet the public still show a preference for the father working full-time and the mother to bear most or all childcare duties.¹⁴¹ The proportion of people agreeing that being a mother and housewife is just as fulfilling as working for pay actually went up from 41 per cent to 45 per cent between 1989 and 2012.¹⁴²

In 2017 the Department for Education published research, conducted by NatCen, on public attitudes to childcare. This survey found that 86 per cent of the British public felt the main

¹³² *Ibid*, Table 8.12.

¹³³ *Ibid*, Table 8.12.

¹³⁴ See 'Data tables: childcare and early years survey of parents 2019', ONS, 'Childcare and early years survey of parents: 2019', www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019 Table 8.12.

¹³⁵ Department for Education, 'Childcare and early years survey of parents', <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-survey-of-parents/2021> see 'Download all data', 'CEYSP 2021 Tables', Table 5.2.

¹³⁶ *Ibid*, Table 5.15.

¹³⁷ Department for Education, 'Childcare and early years survey of parents: 2019', <https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2019> [Table 5.2].

¹³⁸ Civitas analysis of Department for Education childcare and early years survey of parents 2009- 2021.

¹³⁹ *British Social Attitudes 39 (2018)*.

¹⁴⁰ *Ibid*.

¹⁴¹ *Ibid*.

¹⁴² *Ibid*.

reason parents of a child under five years of age use childcare was to help parents to work, with only 12 per cent saying it was of any benefit to the child.¹⁴³ The same survey found that 56 per cent of the public felt there were disadvantages to children under three attending nursery, with the reasons ranging from children being too young to the quality of care not being as good as at home.¹⁴⁴

¹⁴³ DfE, *Attitudes to education and children's services: the British Social Attitudes survey 2016, Research brief* November 2017:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914276/Attitudes_to_education_and_children_s_services_-_BSA_2016.pdf

¹⁴⁴ *Ibid.*

Reforming the tax system to support parents

There is long-standing criticism that the UK system of personal taxation penalises single-earner households, where one partner works while the other takes on caring responsibilities.

The only recognition of family in the tax system is the Marriage Allowance,¹⁴⁵ introduced in 2013. This allows a married couple where one spouse earns below the personal taxation threshold of £12,570 to transfer £1,270 of their allowance to their spouse – reducing their tax bill by up to £252 a year.¹⁴⁶

During the Conservative Party leadership election in summer 2022, Liz Truss proposed changes to the tax system to allow one partner in a couple to transfer any unused personal allowance to their spouse, if their partner is caring for children or a family member. Estimates suggested this would have enabled families to save around £2,500 in tax payments each year.¹⁴⁷

The UK tax system is unfair on families

The UK tax system is not neutral in relation to family life, with single-earner couples heavily penalised for taking time away from the workforce to look after children. At every level of income, single-earner families pay more in tax than equivalent dual-earner household.¹⁴⁸

The UK's tax burden for a single-earner, married couple with children is the ninth highest in the OECD. The latest figures available show that the average tax rate for a single-earner married couple with two children in the UK was 18.3 per cent of gross wage earnings, compared to the OECD average of 12.9 per cent.¹⁴⁹ This leads to single-earner families being much more likely to be represented in the bottom fifth of families for disposable incomes than lone parent families (35 per cent compared to 24 per cent).¹⁵⁰

Why does the UK tax system penalise couples with children, particularly those families who want to care for their children themselves? Other developed countries better support single-earner couples in their tax system and they do not experience the associated fall in female employment.

Decreasing the tax burden on couples with children means children can be cared for by their parents at home, with evidence suggesting this does little to effect women's participation in the workforce.¹⁵¹

The UK tax system is based on individuals, rather than households or families. This disadvantages single-earner couples, where one partner works and another takes on caring

¹⁴⁵ Gov.uk, 'Marriage Allowance', <https://www.gov.uk/marriage-allowance>

¹⁴⁶ Mary Dejevsky, 'Liz Truss is right to look at family taxation', <https://www.spectator.co.uk/article/liz-truss-is-right-to-look-at-family-taxation>

¹⁴⁷ Daily Mail [Millions of public sector workers face a two-year pay squeeze before the general election \(msn.com\)](https://www.dailymail.co.uk/news/health/2022/07/millions-of-public-sector-workers-face-a-two-year-pay-squeeze-before-the-general-election-msn-com)

¹⁴⁸ *Ibid*, p16.

¹⁴⁹ Onward, 'Family Fortunes: The case for a broader and deeper family tax allowance', <https://www.ukonward.com/wp-content/uploads/2021/12/family-fortunes-final.pdf> p22.

¹⁵⁰ *Ibid*, p3.

¹⁵¹ *Ibid*, p3.

responsibilities. The mismatch between our welfare system which makes payments based on household income and our tax systems based on individuals can further compound this problem, creating preserve ‘couple penalties’ within the welfare system.¹⁵²

A recent analysis conducted by the Policy Exchange think tank showed that the amount of income tax and National insurance paid by a household earning £30,000 per annum varies from £1,502 to £4,894, depending upon the composition of earnings. A single-earner with an annual income of £30,000 would pay £3,392 more in income tax and National Insurance contributions than a dual-earner household on the same level of annual income. A single-earner family with an income of £30,000 per annum would therefore need to earn an additional £4,988 a year to have the same disposable income as a dual-earner family where both earn £15,000 per annum.¹⁵³

A single-earner family with an annual income of £70,000 would pay £7,935 more in income tax and National Insurance contributions than the equivalent dual-earner household. As such, a single-earner household would need to earn an additional £13,681 to have the same disposable income as a dual-earner family where both earn £35,000 per annum.¹⁵⁴

Any review into family taxation should attempt to quantify the impact on households where there is a wish to reduce the number of hours worked to take on caring responsibilities, particularly among families with young children. This modelling will inform the debate and quantify the extent to which the tax system forces parents to make choices they otherwise would not make.

Marriage Allowance

The impact of the Marriage Allowance on household finances is small, with a maximum saving of approximately £250 a year¹⁵⁵ – although couples can claim retrospectively for missed years up to a maximum of four years.

Take up of the Marriage Allowance has fallen below 50 per cent and estimates from the HM Treasury suggest it costs £525 million a year.

It is arguable that the allowance has had little impact, beyond being a signal, in arresting declining marriage rates. 2021 was the first year on record that the number of children born to unmarried couples exceeded the number of children born to married couples.

Any review into family taxation should act with caution before removing any preferential treatment of married couples within the tax system. Despite the failure of the Marriage Allowance to improve marriage rates, especially among low-earning households, the case for marriage remains strong and important to any government wishing to promote wider family stability. Nearly all parents (90 per cent) who stay together until their children reach 15 are married.¹⁵⁶

¹⁵² Prof. Philip Booth and Andrei E. Rogobete, ‘Taxing Families Fairly’, <https://policyexchange.org.uk/wp-content/uploads/Taxing-Families-Fairly.pdf> p15-20.

¹⁵³ *Ibid*, p20.

¹⁵⁴ *Ibid*, p20.

¹⁵⁵ *Ibid*, p17.

¹⁵⁶ <https://marriagefoundation.org.uk/top-ten-key-facts-on-marriage/>

There is clear evidence marriage remains the most stable family form and policymakers should be reluctant to dismiss any recognition of marriage within public policy.

High Income Child Benefit Charge

The single-earner household is potentially disadvantaged again through the 'High Income Child Benefit Charge' which removes entitlement to Child Benefit for families where one earner has an income above £50,000, even if the Child Benefit is paid to a non-earner.

The High Income Child Benefit Charge requires Child Benefit to be repaid on a sliding scale up to an income of £60,000, when 100 per cent of Child Benefit has to be returned. Analysis by the Policy Exchange think tank suggests that a single-earner family with a household income of £60,000 and three children would lose a total of £2,566 through this mechanism. The equivalent dual-earner household where both partners earn £30,000 year would receive £2,636 in Child Benefit.¹⁵⁷

Income Splitting

The UK is a relative outlier in having almost no recognition of the family within the tax system, many other countries allow families to share tax allowances or seek to reduce taxation on families in recognition of the role families play in raising children.

German families benefit from 'income splitting', where *'the tax of a married couple is determined by taxing half of their combined incomes and then doubling the amount to result in the total tax payable.'*¹⁵⁸

This means that households pay approximately the same amount of tax, regardless of how income is split between individuals within the household. If the UK adopted an income splitting model, single-earner households would see significant financial benefits.

A single-earner household with an annual income of £30,000 would pay £1,000 in income tax under the German principle of income splitting, instead of the £3,250 they currently pay. A single-earner household with an annual income of £70,000 would pay £9,000 in income tax instead of £15,500.¹⁵⁹

Income splitting would go some way to removing the bias against family life and parents, particularly mothers, taking time away from the workforce to focus on raising children.

A system of income splitting, alongside proposals to frontload benefit payments recommended elsewhere in this paper, would allow couples a greater choice over childcare arrangements and juggling the demands of work and family life.

Any new government looking for radical ideas to support families, should look carefully at 'income splitting' models adopted by countries where the basic unit of taxation is the family rather than the individual.

¹⁵⁷ *Ibid*, p19-20.

¹⁵⁸ *Ibid*, p27.

¹⁵⁹ *Ibid*, p27.

‘Frontloading’ Child Benefit

In June 2022, Conservative peer Lord Farmer brought forward proposals to ‘frontload’ Child Benefit payments through a private members’ bill presented to the House of Lords. This Bill built on previous recommendations from think tanks such as the Centre for Social Justice and Policy Exchange to allow parents to claim more of their total Child Benefit entitlement while their children are very young. During the first reading of his Bill in the House of Lords, Lord Farmer described existing government support for childcare as *‘Ford-ist...’* “you can have any colour as long as it’s black” – or, “We’ll offer all sorts of help with childcare as long as you pay someone else to do it”.¹⁶⁰

The 2007 Centre for Social Justice report, *‘Breakthrough Britain: Family Breakdown’*, recommended ‘frontloading’ Child Benefit to provide choice for parents who wish to stay at home with their child, rather than work.¹⁶¹ In 2009, Policy Exchange recommended paying half the child’s total entitlement to Child Benefit during their first three years and the other half over the remainder of their childhood.¹⁶² Proposals to ‘frontload’ Child Benefit are not new, but Lord Farmer’s Bill is the first attempt to amend legislation and proposes amendments to the Child Benefit (Rates) Regulations 2006 to enable the Treasury to give parents the option to have their Child Benefit frontloaded. The Bill as presented to the House of Lords would allow the recipient of Child Benefit the choice of receiving it on a sliding scale, getting more in their child’s early years and less as they get older. The total amount of Child Benefit paid over childhood would be the same as if paid at the current flat rate.

‘Frontloading’ Child Benefit payments into the pre-school period would give parents a genuine choice before their child reaches school age: to stay at home and care for their child, to work fewer hours and spend more time with their child, or even to work full-time and put the benefit towards the cost of childcare. It would provide parents with the opportunity to receive the entire amount of Child Benefit that their child is entitled to across their 18 years. Parents could then access this sum upon becoming a new parent and use it to invest in the early years (up to five-years-old) of their child’s life. This would supplement lost income incurred through being a stay-at home parent or alleviate childcare costs for working parents.

YouGov polling from 2007 found that 76 per cent of people strongly agreed that money should be available in the form of home care allowances, and 52 per cent agreed that Child Benefit should be ‘frontloaded’ to allow parents to claim more benefits in early childhood and less when they are older.¹⁶³

¹⁶⁰ ‘Front-loaded Child Benefit Bill’, [https://hansard.parliament.uk/lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill\(HL\)](https://hansard.parliament.uk/lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill(HL))

¹⁶¹ Centre for Social Justice, *‘Breakthrough Britain: Ending the costs of social breakdown: Family Breakdown’*, https://www.centreforsocialjustice.org.uk/wp-content/uploads/2018/03/BB_family-breakdown.pdf

¹⁶² Policy Exchange (2019), <https://policyexchange.org.uk/publication/reforming-the-uk-family-tax-and-benefit-system/>

¹⁶³ *Ibid.*

The companion Centre for Social Justice report, *'Breakthrough Britain: Economic Dependency and Worklessness'*, also suggested that a 'bolt-on' support for parenting and relationships should be made available to families in receipt of additional Child Benefit funds. In addition, 'frontloading' is recommended as a measure to reduce child poverty and noted that this would also support lone parents in working and caring for their children.¹⁶⁴

A subsequent report from the Policy Exchange think tank noted,

*'Evidence suggests that children up to two years of age benefit from being raised at home, but for older children, formal childcare can generate significant benefits. Child Benefit could be 'frontloaded' onto the first three years to help defray the cost of lost wages when a parent stays home'.*¹⁶⁵

'Frontloading' would reduce financial pressure on parents and provide real choice for those who may otherwise be forced to work when they would rather care for their child during those crucial early years.

Finnish Home Care Allowance¹⁶⁶

Introduced in 1990, Finland's Child Home Care Allowance provides parents with additional monthly support on top of child benefit to help parents who choose to look after their children at home and to remove economic obstacles of looking after their child for longer by choice.¹⁶⁷ This is provided by Kela, an independent social security institution that is supervised by the Finnish Parliament.¹⁶⁸ The amount that is paid is deemed as taxable income.

Once a mother becomes pregnant and exceeds the five-month pregnancy mark, she is eligible for a one-time payment of £145.96 as a cash benefit. After this, parents can register for the following payments and benefits:

¹⁶⁴ Centre for Social Justice, *'Breakthrough Britain: Economic Dependency and Worklessness'*.

https://www.centreforsocialjustice.org.uk/wp-content/uploads/2018/03/BB_economic.pdf

¹⁶⁵ *Reforming the UK Family Tax and Benefits System, 2009*. Policy Exchange. Accessed on 19/07/2019 via

<https://policyexchange.org.uk/publication/reforming-the-uk-family-tax-and-benefit-system/>

¹⁶⁶ The following figures are converted from Euros to Great British Pounds using the June 2022 conversion rate.

¹⁶⁷ Child Home Care Allowance and the Transition to Second and Third Order Births in Finland, Anni Erlandsson.

<https://pubmed.ncbi.nlm.nih.gov/28769142/>

¹⁶⁸ Child Home Care Allowance, Kela. <https://www.kela.fi/web/en/child-home-care-allowance>

Table 5.1.

Child Home Care Allowance	Care Allowance per month	Care Supplement per month *	Allowance in Total
First child under 3	£290.42	£155.45	£290.42 - £445.87
Each additional child under 3	£87	£0	£87
Child between the ages of 3 and 7	£55.90	£0	£55.90

Source: Child Home Care Allowance, Kela. <https://www.kela.fi/web/en/child-home-care-allowance>

* Care supplement is means-tested and only given for the first child. Its upper limit is €181.07 and is linked to the parents' income and the family's size.

Different municipalities across Finland may pay an additional supplement. In the capital, Helsinki, parents are eligible for supplemented amounts as follows:

Table 5.2.

Child Home Care Allowance	Care Allowance per month	Care Supplement per month*	Helsinki Supplement per month**	Allowance in Total ***
Child under 12 months	£294.93	£158.21	£226.70	£521.63 - £679.84
Child between ages of 1 and 3	£294.93	£158.21	0	£294.93 - £453.14
Additional siblings under the age of 3***	£88.09	£0	£0	£88.09

Source: Child Home Care Allowance, Kela. <https://www.kela.fi/web/en/child-home-care-allowance>

*Care supplement is means-tested and only given for the first child. Its upper limit is €181.07 and is linked to the parents' income and the family's size.

** The Helsinki supplement is only for the family's first child.

*** Families are also eligible for €65.97 euros per child if they are between the ages of three and seven (that is, over three-years-old but not yet at school age).

What is the impact of the Finnish Home Care Allowance?

Although there are different state-supported alternatives in Finland, with public childcare universally available, evidence suggests that the majority of small children are cared for at home.¹⁶⁹ This supports the idea that mothers, when given a genuinely free choice, would generally prefer to take care of their children over placing them in formal childcare settings.

The preferences of mothers in Finland have been so clear that one paper described the situation as 'paradoxical'¹⁷⁰. Finland has the most extensive rights to free childcare in

¹⁶⁹ Repo, Katja. (2021). *Families, Work and Home Care: Assessing the Finnish child home care allowance*. BARN - Forskning om barn og barndom i Norden. 28. 10.5324/barn.v28i1.4253.

¹⁷⁰ Haataja, A. 2005. *Lasten hoitomuodon valintaoikeudet – mahdollisuuksia ja riskejä*. I: Ta-kala, P., red. *Onko meillä malttia sijoittaa lapsiin?* Helsinki: Kela: 80–109.

Scandinavia, but four times as many mothers choose to use the Finnish Home Care Allowance as chose to take up free childcare places.¹⁷¹

This is of course not paradoxical; it is the impact of allowing mothers to do what they *actually* want.

When interviewing Finnish parents, they felt that home care *'needed to be more highly valued'* and that it was a means to further the *'best interest of the child'*.¹⁷² Another survey wrote that *'it is extremely exceptional that parents do not think that time spent with family is most important, and there are actually very few of them'*.¹⁷³

Canadian Child Benefit (CCB)

In 2016, the CCB rolled five benefits, costing \$24 billion (£14 billion) per year, into a single, frontloaded cash payment to support parents with the cost of childcare and raising children.¹⁷⁴ The CCB is a tax free and means-tested cash payment targeted at middle to low-income households. A study by Ipsos found that 79 per cent of parents believed it represented an improvement on previous measures.¹⁷⁵

The CCB replaced:

The Universal Child Care Benefit. It cost a net total of \$4.4 billion (£2.58 billion) after federal taxation and paid \$1,129.20 (£1,129.20) a year per child under six and \$720 (£423.48) per year per child between six- and 17-years-old.¹⁷⁶

Canada Child Tax Benefit. Estimated to cost \$10.6 (£6.3) billion in 2015–2016. It paid a maximum of \$3,761 (£2,218) per child for families with net incomes of \$26,380 (£15,557.34) or less.

National Child Benefit (a supplement for low-income families).

The Family Tax Cut, a \$1.9 (£1.1) billion programme that allowed families on different income brackets to transfer \$50,000 (£29,305.50) from one spouse to another for tax purposes.¹⁷⁷

Children's Fitness Tax Credit and Children's Arts Tax Credit – these were worth up to \$150 (£87.92) and \$75 (£43.96) per child and were phased out for 2017.

¹⁷¹ In 2020, there were 53,706 families claiming the Child Home Care Allowance, compared with only 11,462 families claiming the Private Day Care Allowance for children below school age (under 6).

¹⁷² Repo, Katja. (2021). *Families, Work and Home Care: Assessing the Finnish child home care allowance*. BARN - Forskning om barn og barndom i Norden. 28. 10.5324/barn.v28i1.4253.

¹⁷³ Jallinoja, R. 2009. *Perhe yhdessä vapaa-aikana. I: Liikanen, M., red. Suomalainen vapaa-aika. Arjen ilot ja valinnat*. Helsinki: Gaudeamus / Helsinki University Press: 49–77.

¹⁷⁴ Johnathan Rhys Kessleman, 'Policy Options for Retargetting the Canada Child Benefit', *Canadian Public Policy* (2019), p. 310.

¹⁷⁵ Ipsos, 'Eight in Ten (79%) Canadian Parents say new Canada Child Benefit Will be an Improvement over Universal Childcare Benefit', www.ipsos.com/sites/default/files/ct/news/documents/2017-08/canada-child-benefit-knowledge-first-financial-2016-07-18-v1.pdf> Accessed 9 January 2019.

¹⁷⁶ CBC, '5 things to know about new Canada Child Benefit', (July 11 2016), www.cbc.ca/news/politics/canada-child-benefit-july-rollout-1.3668698> Accessed 9 January 2019; Ken Battle, *Caledon Institute of Social Policy, Child Benefits and the 2015 Federal Budget* (2015), p. 10.

¹⁷⁷ *Ibid.*

As a universal cash transfer, the CCB allows Canadian parents to choose the childcare option that works for them, rather than payments made to formal childcare providers. The CCB also brings simplicity to a previously complex welfare system for childcare payments.

By providing a universal cash transfer and increasing the provision for 90 per cent of families, the Canada Child Benefit is said to have helped reduced the child poverty rate from 11 per cent to nine per cent between 2016–2017.¹⁷⁸ By providing the most support for those on low incomes, the poverty rate for low-income families decreased from 29.2 per cent to 22.7 per cent between 2016–2017.¹⁷⁹

How much would parents receive if Child Benefit was ‘frontloaded’?

One of the challenges of frontloading Child Benefit is that it is unlikely to provide a replacement income that would enable parents, most likely mothers, to choose between work and caring for young children. However, a direct payment to mothers might enable them to work part-time, something they tell polling companies they would prefer to do, and the creation of more ‘mum-sized jobs.’

We have calculated that approximately £14 billion is spent on childcare support annually (see table below). In addition to the £11.9 billion annual spent on Child Benefit, the government also spends a further £3.95 billion annually on childcare subsidies for parents.

Table 5.3. Annual cost of Childcare support, Child Tax Credits and Child Benefit support to parents:

Provision	Totals (P/A, £b)
Childcare support to parents	3.95 billion
Child Benefit	11.9 billion
Total	15.85 billion

Source: Civitas calculations.

‘Frontloading’ Child Benefit

The classic definition of frontloading would take approximately 18 years-worth of entitlement and reduce it into a three- or four-year payment period. This is the proposal contained within Lord Farmer’s frontloading Child Benefit Bill which allows parents the right to choose how they draw down on their entitlement.

An approximate calculation would indicate this would give a parent (or mother) who chooses to take £20,404 worth of Child Benefit entitlement over four years roughly **£5,100** per annum for their first child.¹⁸⁰

These calculations are based on the entitlement for a first child (£21.90 per week) and take no account of expenditure for subsequent children. Using the model above this could simply be reduced for parents claiming frontloaded Child Benefit for subsequent children. Using

¹⁷⁸ Statistics Canada, ‘Canadian Income Survey, 2017’, <https://www150.statcan.gc.ca/n1/daily-quotidien/190226/dq190226b-eng.htm>

¹⁷⁹ *Ibid.*

¹⁸⁰ Calculation: £1,113.60 per year x 18 years = £20,404, divided by 4 = £5,101 per year.

the same calculation this would entitle a mother opting to frontload her Child Benefit for a subsequent child to approximately £3,381 per year.¹⁸¹

Parents could be given the choice of whether to 'frontload' their benefits or receive them evenly across the 18 years of their child's life. They would be able to assess the level of 'frontloading' that would support them (or a relative) in caring for their children or paying for formal childcare.

Like many benefits, Child Benefit has been uprated below inflation for more than a decade – with recent calculations suggesting that Child Benefit is now worth 23 per cent less than it was in 2010.¹⁸² Returning Child Benefit to its pre-2010 levels would increase the figure of £5,100 to **£6,273** per annum.

¹⁸¹ Calculation: £751.40 per annum Child Benefit entitlement x 18 years = £13,325, divided by 4 = £3,381.

¹⁸² 'Front-loaded Child Benefit Bill', [https://hansard.parliament.uk/Lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill\(HL\)#contribution-629DB4D4-382A-4228-AC3B-973FB3BB1EB2](https://hansard.parliament.uk/Lords/2022-07-08/debates/CB36EC73-C06C-4DBE-84E5-67DFFEFF9A2C/Front-LoadedChildBenefitBill(HL)#contribution-629DB4D4-382A-4228-AC3B-973FB3BB1EB2)

Family Support Benefit

A more radical option would be to merge all government expenditure on the early years into a single, family support payment. This would provide an extra £1,832 per annum to parents of children aged four and under¹⁸³ and would increase the above figure of £6,273 to approximately **£8,105**.

We would propose that the ‘missing’ £662 million of childcare expenditure is offered to schools in the form of a grant for low-cost, ‘wrap around’ care for school-aged children.

A Family Support Benefit would provide parents with the total support they are entitled to for their child and leave them with the freedom to choose how that is used.

We would also propose that active parenting and relationship support is ‘bolted on’ to this benefit with some conditionality as a requirement – looking at the ‘how’ as well as the ‘how much’.

This would allow working parents to place their children in early education facilities and childcare support provision but would also support stay-at-home parents and give them the financial freedom for one parent to care for their child full-time.

A National Online Family Hub:

The government should look at how people access payments or apply for tax allowances through an online ‘family hub’ (an innovative way to deliver on the manifesto commitment to introduce ‘family hubs’) with digital relationship and parenting support included as a pre-condition of receipt. This allows a significant level of personalised targeting of advice and support. Tax Free Childcare claimants already have to access their payments through a gov.uk portal which provides no advice on available parenting or family support. This is a missed opportunity.

In 2017, the *Manifesto for Strengthening Families*, a grouping of MPs and peers supporting new family policies, also recommended the development of a virtual Family Hub ‘*offering online support and guidance that mirrors the depth of quality of NHS.gov and links families to local provision.*’

There is an increasingly active market in online relationships and family support and an online Family Hub could provide quality assured gateway to this support. This online offering could also use ‘geo-location’ technology, often used within apps, to link families to local support to ensure that the online connects directly to physical support.

The national online Family Hub will help normalise families accessing support and extend reach beyond a physical building. Making Family Support Benefit payments through a new online Family Hub would provide a nudge towards parenting and family support alongside any conditionality placed on the payment.

¹⁸³ Calculation: £3.95 billion divided by 2,155,000 mothers with children aged 0-4 = £1,832.

To actively support families some form of conditionality could be built into this new benefit to encourage uptake of relationship and/or parenting support. The type of conditionality could be targeted by looking carefully at how the benefit is paid, particularly if this involves an online platform, like the current process for claiming Tax Free Childcare. Expectations of behaviour change could be built into a new family support benefit in return for financial aid.

This example is at the extreme end of ring-fencing money to parents of pre-school children only. However, choice could be retained within the system – allowing mothers to choose how to use their entitlement.

It is time to review Child Benefit

Frontloading Child Benefit offers parents of pre-school children greater choice between care and work during this period. These options are presented to provoke discussion. Child Benefit alone is one of the largest welfare expenditure lines in the budget, and so we are asking the question: is this nearly £12 billion well spent, or could we spend the money more effectively to support children and families?

A reformed Child Benefit with a focus on providing parents of pre-school children with greater choice would help parents spend more time on care during this phase (something research indicates they want) rather than having to choose work over care. This nudge towards work rather than care also has a potentially significant impact on child development during this period.

We have presented evidence that maternal time spent with young children has a significant impact on the development of the human brain and later outcomes. We have also shown that mothers are spending more time than they would like working rather than caring. Is this the right balance and should we be concerned by a tax and welfare system that seems to encourage work over family? Ultimately these decisions will be made on a household basis, although these households will not be immune from the penury influence of the tax and benefit system. By providing greater financial provision (in the early years) we are ultimately offering choice.

We have attempted to expand on proposals for front loading Child Benefit and have outlined how much eligible claimants would be entitled to in such a scenario. The most cautious form of frontloading would see weekly payments increase from around £21 per week to £98. A more radical approach would see eligible parents entitled to £8,000 per year with money left over to fund school-age, wraparound care.

The intention of this paper is to stimulate discussion and ultimately encourage government to consider whether money spent on Child Benefit and child care spending could be spent more effectively.

House of Lords debate on Lord Farmer's Child Benefit Front-loading Bill, June 2022

During a recent debate in the House of Lords following the introduction of Lord Farmer's Child Benefit Frontloading Bill, a number of arguments were put to Lord Farmer in opposition to his proposals. One argument was put that teenagers are more expensive than babies and very young children. It is undoubtedly true that children are expensive, but evidence presented by the Child Poverty Action Group suggests that the weekly cost of a child aged one is more than double the cost of the same child when they are 10-years-old and more than three times the cost at age 16.¹⁸⁴

Other opponents of proposals to frontload Child Benefit suggest that the total amounts available to potential claimants would be relatively small and no substitute for a salary. As

¹⁸⁴ Policy Exchange (2022), p53: <https://policyexchange.org.uk/wp-content/uploads/Better-Childcare.pdf>

we have demonstrated, this is true – but even within existing expenditure and a more generous Child Benefit settlement, parents could receive over £8,000 a year. This might not replace a full-time salary (even at a low-income level) but it would allow mothers greater choice between full-time parenting and full-time work, or supplementing parenting with part-time work. ONS data suggests more than three in five mothers who are seeking work would like a part-time job, and as we have previously set out, the ideal preference for most mothers with pre-school children is to work fewer hours than they already are. These proposals would provide greater choice to do so, and possibly see the creation of more ‘mum-sized jobs’ in the job market to reflect their new relative purchasing power.

How much to frontload

The frontloading model needs to consider how far it wishes to curtail benefits to parents of older children and the impact of this. The costs associated with parenthood continue well beyond any article cut off point associated with frontloading, and modelling would need to be done to demonstrate the effects of this. In his remarks to the House of Lords, Lord Farmer proposed an element of choice in being able to draw down future payments as a more sophisticated method of paying Child Benefits.

The quality of childcare at home

Providing significantly more money to parents (especially mothers) of pre-school children would likely see a substantial rise in the amount of time parents spend with their children, displacing (but not necessarily replacing) formal childcare settings.

The onus therefore is proponents to demonstrate how this new system would address families where there are other issues that will impact on the quality of the home environment. Is it good to have children spend a large amount of their time and early years period where there may be poverty-related issues that make for a difficult home environment?

Just as we address issues of ‘quality’ in formal childcare settings, we need to address this issue within informal settings (or the family, as it is more traditionally known!). An extensive review would need to demonstrate not only the evidence related to attachment and nurturing from parents (as opposed to professionals) but also address how we improve parenting and family relationships to support families where additional support is needed – ultimately, is it better for a child from a dysfunctional household to be in a formal care?

The other side of this is taking the arguments either side to absurd extremes. For example, if we really believe formal childcare is better for some children, why do we allow these children back to their families at all?

Disincentivising work

The effect of this new benefit will clearly have an impact on the workforce, and likely for mothers in particular. We need to address the question: will removing disincentives to informal childcare during the early years period affect one or more parents’ ability to get

back into work, especially where a family might have multiple children over successive years?

The notion of a family benefit that is morally and economically neutral might result in uncomfortable consequences that the political world will need to face up to if women (in particular but not exclusively) actively choose motherhood over paid work. Frontloading offers genuine choice and there is evidence to demonstrate how mothers would use that choice. The biggest challenge will likely be to employers who will need to respond to this new empowerment of mothers by shaping jobs to fit family life rather than the other way round.

In any review of Child Benefit to significantly increase payments to parents in the early years, the issue of work will need to be addressed. What happens to a parent's career if they have their children in quick succession? (Meaning that the parent could be out of work for a long time, therefore finding it hard to re-enter into the job market.) At the lower income end of the jobs market, the Conservative Party has prioritised the value of work as a route out of poverty through work incentives. The question of how far this removes a parent from the jobs market or even incentivises them away from it for long periods will need to be addressed.

There will be many who will question whether we should focus so intently on the first few years at the possible expense of the remaining years of childhood and adolescence. There will likely be concerns that this goes further than simply offering choice but encourages working mothers out of the workplace, with serious implications for their future career success. There will be answers to these questions and many others, but we have, for now, presented options and research to stimulate a wider discussion on reforming Child Benefit.