Family Investments Reveals The British Towns With Most Affordable Childcare For Working Families

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New Childcare Affordability Report examines the average cost of childcare relative to earnings across Great Britain.

Stoke is the most affordable location in Great Britain for childcare. The West Midlands is an affordability hotspot, with four of the ten most cost effective urban areas located in the region

In Great Britain today, a parent paying for 25 hours of childcare a week can expect to pay almost £5,000 over the course of year, a figure which is equivalent to 18.9% of average annual earnings

Childcare costs relative to earnings were found to be least affordable in Ebbw Vale, South Wales

Today, award winning childrens savings provider Family Investments publishes the most comprehensive analysis of local childcare costs and affordability in Great Britain. Local authorities were surveyed and official earnings data compiled to establish affordability within every county. Results have been mapped against urban areas to highlight wide local variations in care affordability.

In Britain today, a parent paying for 25 hours of care a week can expect to pay £4,993 a year, a sum which is equivalent to 18.9% of average earnings.
There are however significant disparities in childcare costs at a local level. Stoke in the West Midlands was found to be the most affordable urban area and a parent paying for 25 hours care a week would need to set aside just 13.7% of their income or £2,925 over the course of the year. By contrast, care costs in Ebbw Vale, South Wales are equivalent to 28.2% of a parents earnings or £5,539 a year.

The West Midlands was found to be a hotspot for childcare affordability. Four of the ten most affordable urban areas are located in the region. The North West of England also featured prominently with three of the most affordable locations in the top ten with Bolton ranked third overall.

Neath in West Glamorgan is the most affordable location in Wales and while Scotland did not feature in the top ten, Galalshiels in the Borders ranked 12th overall with a parent needing to set aside 16.5% of their earnings to cover care costs.

Kate Moore, Head of Savings and Investments at Family Investments said, Family Investments has developed the Childcare Affordability Report to provide parents with detailed information on a critical issue. Sixty five per cent of families regularly pay* towards their childrens care to enable parents to continue working. Across the country, these costs now equate to 18.9% of the average parents earnings, meaning that parents effectively spend a fifth of their time working towards meeting care costs.

Childcare has emerged as an important policy issue in recent months but the debate so far has focused on the national picture. The lack of correlation between local earnings and childcare costs highlighted in our report is stark. We urge those currently looking at childcare provision to investigate this disparity and identify whether more needs to be done to encourage greater provision, competition and ultimately greater affordability of care.

Regardless of whether a parent works as a result of financial necessities or because of lifestyle considerations, employment should offer parents the ability to provide a financial safety net for their family. At a time when the overall financial burden parents face is increasing, employment should allow them the ability to save towards the future and provide for some of lifes major costs such as higher education. It is therefore only reasonable that care costs are fair and allow parents to achieve this. Families can explore how their area ranks against the national average by selecting county level data at the following web address - www.family.co.uk/childcare

For more information on the Family Investments Childcare Affordability Report, visit www.family.co.uk/childcare to download a full PDF copy of the report
To visit the Family Investments Childcare Affordability webtool, please visit - www.family.co.uk/childcare
Research conducted by SQW during April 2012 on behalf of Family Investments
*Consumer polling undertaken by Mums Views in May 2012 on behalf of Family Investments. 500 parents were surveyed.

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About the Family Investments Childcare Affordability Report

Information on childcare costs was collected from 124 local authorities across Britain. In order to establish the average earnings across the different regions, data was taken from the Annual Survey of Hours and Earnings (ASHE) produced by the Office for National Statistics. The Survey reflects earnings data for males and females - both full time and part time - across local authority areas in Britain.

The report measures the annual cost of 25 hours of care per week and highlights the proportion of average earnings these costs represent. The local authority data on care costs and regional earnings data was mapped against every county in the country. To give the data additional local relevance, information was plotted against 150 urban areas, to show local variations within the counties and give parents a reference point for the affordability measure.

About SQW
SQW is a leading economic research agency working for public, private and not-for-profit organisations. Previous published work includes economic and sustainable development research projects for clients including HM Treasury, Department for Education, Department for Culture, Media and Sport, Department for Business and Innovation and Skills, UK Trade and Investment.

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