

**Forced out: The
cost of getting
childcare wrong**

Executive Summary

Disruption to the labour market caused by the impact of Covid-19 has had a huge impact on working families' lives, particularly the lives of working mums. A big challenge for working mums, before as well as during the coronavirus crisis, has been how to balance paid work with caring responsibilities. These difficulties have intensified since the crisis began and have damaged women's equal access to employment.

Not having enough childcare for working parents risks reversing decades of progress women have made in the labour market, and increasing the gender pay gap – as well as having a damaging impact on our national economic productivity.

Necessary measures, such as the mass and prolonged closure of schools and childcare settings and social isolation restrictions that prevent friends and family providing informal childcare support, has meant working parents have become full-time carers for their children. Due to the unequal division of care in household, this has created new, additional demands and burdens on working mums, negatively impacting their working lives and worsening the penalty they face in the workplace.

In this brief research note, we show that many of the economic issues women are facing right now are being exacerbated by policy failing to recognise or meet the needs of working mums in this time of crisis, alongside existing limitations on rights for working parents in the UK.

COVID-19 looks set to cause ongoing disruption to childcare provision, placing significant limits on the opening of schools and nurseries. The scale of the childcare squeeze looks set to be unprecedented. Childcare provision is a vital part of our economic recovery. We show that without immediate strategic action on the part of government, many women could lose their jobs or pay as they struggle to balance work and care.

Summary of key recommendations

The government cannot stand by while mums are forced out of work. Without immediate action to support women to stay in work we risk losing decades of progress on women's labour market participation. The recommendations below are emergency measures to prevent widespread and unnecessary job loss among working parents.

1. **Protect women's incomes during the Covid-19 crisis:** A more limited form of the job retention scheme should remain in place beyond October to support parents who are unable to return to work because of childcare responsibilities and enable them to remain on it until schools and childcare settings are fully reopened
2. **Enable mums and dads to balance work and care:** Give staff the right to work as flexibly as possible from their first day in the job. Flexible working can take lots of different forms, including the right to predictable hours, working from home, job-sharing, compressed hours and term-time working
3. **Prevent a large-scale collapse of the childcare sector:** Give an urgent cash injection to the childcare sector to ensure existing levels of provision can be maintained and meet

the needs of working families. Additional funding should be provided and targeted at children from low income households to ensure they do not lose out

4. **Ensure our parental leave is fit for purpose:** Give all workers, regardless of their employment status, a day one right to 10 days paid parental leave. This could be used, for example, to cover parents who are unable to work during a 14-day self-isolation mandated by NHS Track and Trace
5. **Employers must be given clear messages from government:** Employers will be breaking the law if they unfairly select women for redundancy because of caring responsibilities

Introduction

More mums are in paid employment than ever before, 75.1 percent up from 61.9 percent in 1996¹. Yet, mums continue to face a motherhood penalty in the workplace, experiencing large pay inequalities, discrimination and marginalisation.

- 54,000 women a year are forced out of work due to pregnancy and maternity discrimination²
- Five years after a child's birth, only 13 percent of mums' earnings have increased compared to 26 percent of dads³

Around seven in 10 two-parent families have both parents in employment, with over half of those households having both parents in full-time employment⁴. The employment rate for single parent families is 69.9 percent. This means childcare provision, both formal and informal, plays a critical role in enabling working parents to stay in paid work.

Prior to the crisis

- 75% of families in England with children aged 0 to 14 used some form of childcare during their most recent term-time week⁵
- Just over three in five families used formal childcare such as nurseries, schools, childminders, breakfast clubs, after-school clubs and holiday clubs
- 35 per cent used informal provision including grandparents, relatives and friends

As part of national social distancing measures to limit the spread of coronavirus, the government has taken necessary steps to limit the numbers of children and young people attending educational and childcare settings. Since 23 March, education and childcare settings have only been open to priority groups (children of critical workers and vulnerable children).

¹ ONS (2019) Families and the Labour Market
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2019>

² EHRC (2016) Pregnancy and maternity-related disadvantage: experience of mothers

³ TUC (2019) Good work plan: Proposals to better support families

⁴ ONS (2019) Families and the Labour Market

⁵ DfE (2019) Childcare and Early Years Survey of Parents in England 2018

While necessary, this action created huge disruption as working parents suddenly needed to provide at least six additional hours childcare per day, and in many cases far more. Without adequate rights and protections to help working parents balance these new pressures, decades of progress on gender equality at work could be damaged and women's immediate and long-term access to decent jobs weakened.

We are concerned that as the job retention scheme winds down and employers begin to make decisions about job losses, women with caring responsibilities and those returning from maternity leave are at higher risk of being unfairly targeted for redundancy and dismissal due to difficulties with their childcare. The Equality and Human Rights Commission have already warned that pregnant women and new mums face being made redundant during the crisis due to discrimination. Our affiliated unions are also hearing from mums returning from maternity leave who are stuck without any childcare at all, as the limited places on offer at to children already in a setting prior to Covid-19.

BME and disabled women also face intersecting barriers to equal participation in the labour market that prevent them from accessing and thriving in the labour market fairly and additional difficulties accessing childcare could intensify and damage the discrimination they face.

Throughout the crisis, trade unions have challenged unfair treatment and discrimination in the workplace and we will continue to do so. We believe the government must also do their part to ensure employers are compliant with their obligations under existing legislation such as the Public Sector Equality Duty and strengthen the rights of pregnant women, those on maternity leave and with caring responsibilities to ensure their jobs and incomes are protected. Employers must be given clear messages from government, highlighting existing guidance, that redundancy procedures and the criteria used must not unlawfully discriminate against workers with protected characteristics.

In doing so, the government must make clear that decisions employers take in regards to redundancy processes must not discriminate against those with caring responsibilities as doing so would indirectly discriminate against women.

The government should immediately follow through with its commitment, made in July 2019, to extend protection from redundancy for all mums to six months after they have returned to the workplace from maternity leave. The government should also ensure employers and individuals of their respective obligations and rights, and that there will be consequences for failure to do so. Particular emphasis should be placed on redundancy procedures and selection criteria, and pregnant women and those on or returning from maternity leave. In addition, the Equalities and Human Rights Commission should be given an additional resources to ensure they are in a position to deal with discrimination when it does happen.

Equally ours? How mums and dads share care

Women do the majority of caring, whether paid or unpaid, doing three times more unpaid care than men⁶.

Since the crisis began, the unequal division of labour between mums and dads has deepened, with mums doing two hours less paid work a day than fathers and four hours more childcare and housework⁷. This is having a damaging impact on women's ability to stay in paid work.

Prior to Covid-19

- Over half of mothers (56.2%) said they had made a change to their employment for childcare reasons, compared with 22.4% of fathers⁸
- Three in 10 mums with a child aged 14 years and under said they have reduced their working hours because of childcare reasons compared to one in 20 fathers⁹

Since the crisis began

- Mums are one and a half times more likely than dads to have quit or lost their job or been furloughed¹⁰

In recent decades, successive governments have taken action to equalise care between mums and dads. Policies such as Shared Parental Leave aimed to drive workplace cultural change and reform models of parental leave which entrench the concept that mums are primary care givers and dads the secondary care givers.

However, in the context of Covid-19, policy-makers have missed opportunities to continue making progress on this issue. For instance, while the extension of the job retention scheme (JRS) to working parents has so far avoided redundancies for some and helped some families balance work and care, it has not allowed mums and dads to share care equally. The lack of short-term working or a 'part-time furlough' option thus far has meant that it has mainly been women, faced with no alternative but unpaid leave, who have been forced back into full-time caring roles and out of the workplace on full-time furlough.

We welcomed the government's announcement on 29 May 2020 that they plan to introduce short hours working flexibility. These changes are welcome and should help some women affected by childcare issues to maintain their links with the labour market. However, this needs to be accompanied by tapered support for employers to enable women with caring responsibilities to remain on the scheme until such time as schools and childcare settings are fully reopened.

⁶ OECD Development Centre, 2014. *Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes (2014)*. Available at: https://www.oecd.org/dev/development-gender/Unpaid_care_work.pdf

⁷ IFS (2020) How are mothers and fathers balancing work and family under lockdown?

⁸ ONS (2019) Families and the Labour Market

⁹ ONS (2019) Families and the Labour Market

¹⁰ IFS (2020) How are mothers and fathers balancing work and family under lockdown?
<https://www.ifs.org.uk/publications/14860>

In addition to strengthening existing protections, the government can take decisive action to protect women's jobs and incomes. We believe a more limited form of the CJRS should be remain in place beyond October to maintain skills and productive capacity. This should support workers who cannot safely work outside the home or are unable to work outside of the home. For instance, parents whose childcare has not yet fully reopened or resumed.

Even if many businesses are up and running, there are likely to be some workers who cannot safely work outside the home, including those who are shielding, caring for someone shielding, some who are in vulnerable groups and those whose caring responsibilities mean they cannot work outside the home. These workers are likely to face a significant threat of redundancy, and a particularly hard time finding new work in a difficult labour market. A form of furlough scheme enabling their jobs to be protected should remain in place beyond October, until such time as schools, wraparound provision and childcare settings are fully reopened. Doing so would prevent even more women from unfairly and unnecessarily losing their jobs or income and help employers retain the largest pool of talent.

Meanwhile, government need to maintain its focus on policies that drive progress in equalising care between mums and dads so that women are not disproportionately affected by the economic fallout of the Covid-19 crisis. The Government Equalities Office should review and where necessary redraft the Gender Equality Roadmap to reflect the current context and challenges working mums face, including a clear timetable for delivery.

Balancing act? Flexible work, flexible care

Women's pay and career progression opportunities are often held back by the tensions between caring responsibilities and current ways of organising work and childcare.

Mums are often forced to withdraw from full-time employment after having children and enter low paid, part-time work or leave the workforce altogether in order to balance work and care¹¹. Whilst this is often positioned as an active choice, in truth it is often a necessity driven by the lack of quality flexible jobs and affordable, flexible childcare.

These practical challenges have intensified for mums since the crisis began, with huge concerns about the sustainability of formal childcare provision in the coming months.

Prior to Covid-19

- One in three requests for flexible work were rejected by an employer¹²
- One in five parents said childcare was not flexible enough to meet their needs¹³
- 87 percent of men in paid work were full-time workers compared to 59 percent of women¹⁴

¹¹ TUC (2019) Good work plan: Proposals to better support families

¹² TUC (2019) Flex For All

¹³ DfE (2019) Childcare and Early Years Survey of Parents in England 2018

¹⁴ ONS (2019) Families and the Labour Market

Since the crisis began

- Two in three early years providers have had to completely close their doors to children, even to those of key workers¹⁵

Since March 21, early years settings and schools have been allowed to open to vulnerable children and those with a parent identified as a critical worker. Mums are more likely to be key workers than dads or non-parents¹⁶. However, the TUC has learnt that key workers have struggled to access childcare during the crisis. 67 percent of early years providers have been unable to offer provision to any parents, having to close completely on a temporary basis. Many fear they will be unable to reopen due to financial loss.

As more people are encouraged back to work that cannot be done at home, this means many mums remain unable to return, as no one else can look after their children. Without access to furlough these mums are at high risk of losing their jobs or hours. Many mums who continue to be asked to work at home during the crisis are also left with a childcare crisis, as they attempt to undertake paid work at the same time as unpaid care, inevitably reducing their productivity and availability during normal working hours.

Action is needed to ensure that while social distancing measures remain in place, enough childcare places are available to enable working mums to do their paid jobs. The government should take urgent action to give a critical cash injection to the childcare sector to ensure providers can remain open and financially viable.

The lack of consideration of childcare in the government's exit strategy has left working parents, particularly mums, in a terrible bind. Many working parents will be asked to return to work before there is the childcare to enable them to do so and without the necessary rights to protect their jobs and income.

In Wales and Scotland schools will not re-open at all until after the summer holidays. English schools gradually start to re-open from 1 June, however this will only be for a limited number of children¹⁷. Some primary aged children in nursery, reception, year 1 and year 6 will return to school alongside priority groups such as children of critical workers. Secondary schools, sixth form and further education colleges will begin to offer some face-to-face support to supplement the remote education of year 10 and year 12 students who are due to take key exam next year, alongside the full time provision they are offering to priority groups. The position in September is unclear, and it is hard to see how schools could maintain social distancing measures while offering full-time school places to all year groups. In Scotland the government has indicated that when children return it will be on a rota basis.

In early years childcare settings, providers have been asked to welcome back all children. However, government guidance states that "it may be necessary to introduce a temporary cap on numbers to ensure that safety is prioritised¹⁸". These restrictions will place even

¹⁵ EY Alliance (2020) A quarter of childcare providers fear closure within a year

¹⁶ TUC (2020) Key Worker Pay

¹⁷ DfE (2020) Coronavirus implementing measures in education and childcare settings

¹⁸ DfE (2020) Coronavirus implementing measures in education and childcare settings

<https://www.gov.uk/government/publications/coronavirus-covid-19-implementing-protective-measures->

more financial strain on childcare providers, who were already struggling after years of underfunding, and create a squeeze on childcare places as parents return to work. Some nurseries have already reported that while they will open, it will be on a significantly reduced hours basis.

To help working mums continue to work in this situation, the government should urgently act to deliver on its commitment to making flexible work the default, as set out in the Queens Speech¹⁹. Flexibility at work can take lots of different forms, including the right to predictable hours, working from home, job-sharing, compressed hours and term-time working.

Currently, employees have the right to request flexible working arrangements, as long as they have been with their employer for at least 26 weeks. However, analysis by the TUC shows this right is limited and not fit for purpose²⁰. Flexi-time is unavailable to over half (58%) of the UK workforce²¹. This number rises to nearly two-thirds (64%) for people in working-class occupations.

We need to reform the right to flexible working, making it a day one right for all workers. Government should introduce a duty on employers to publish flexible working options in job adverts and give workers the right to take up the advertised flexibility from day one. If employers feel that a role cannot accommodate any form of flexibility, they should be required to transparently set out the exceptional circumstances that justify this.

Alongside this, government needs to strengthen the current right to request flexible working legislation to include a day one right for all workers to request flexible working. The criteria which employers can use to justify refusing requests should also be more tightly drawn and an appeal process should be introduced that allows individuals to scrutinise and challenge the reasons given for rejecting a request.

By giving workers a day one right to flexible work the government could create more opportunities for parents, particularly working mums, to balance work and care amidst hugely restricted childcare options.

Access for all? Protecting children's futures

As the crisis in childcare worsens, pre-existing issues of inequality of access for children from low income backgrounds looks set to deepen. With the number of childcare places under threat, demand for places is likely to increase, worsening existing problems that low income families face accessing childcare.

[in-education-and-childcare-settings/coronavirus-covid-19-implementing-protective-measures-in-education-and-childcare-settings](#)

¹⁹ PMO (2019) The Queen's Speech 2019 available at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/853886/Queen_s_Speech_December_2019_-_background_briefing_notes.pdf

²⁰ TUC (2019) Transparency: Flexible working and family related leave and pay policies,

<https://www.tuc.org.uk/research-analysis/reports/transparency-flexible-working-and-family-related-leave-and-pay-policies>

²¹ TUC (2019) Flex For All

Prior to the Covid-19 crisis

- Children from low income backgrounds were the least likely to attend early years provision but stand to gain the most from it²²
- Between 2008 and 2018, the cost of nursery fees rose three times faster than working parents' wages²³
- Childcare costs for a single mum or dad working full time in that same time period rose seven times faster than earnings

Since the crisis began

- One in four early years providers in England say it is "unlikely" that their setting will still be operating this time next year²⁴

Affordability is a key barrier for working parents on low incomes when accessing childcare. A squeeze childcare places could result in low income families being priced out of formal childcare. With social distancing measures still in place, particularly for older adults who often provide informal childcare that low income families and single parents rely on, some families could be left without any childcare at all. With only one in 10 low paid jobs being able to be done from home²⁵, this could create huge job losses for low paid mums and parents.

The government must ensure that what limited provision is available to working parents is targeted at those that need it most. Despite recent government schemes that have aimed to help working parents with childcare costs, working parents with children under five have seen nursery fees soar. As a result, one in five parents found it difficult or very difficult to meet their childcare costs and the number of families using formal childcare dropped between 2017 and 2018²⁶.

The high cost of childcare contributes to the inequality in access to quality early years education experienced by children from low income households. Children from low income backgrounds are less likely to attend formal early years childcare than their peers²⁷. As the squeeze on childcare places increases, the government must ensure these children do not lose out further. Particularly as doing so could improve their parents' ability to maintain employment throughout the crisis and prevent a worsening of the child poverty crisis.

The same goes for wraparound childcare provision in schools, such as breakfast and afterschool clubs. These are vital forms of childcare support that enable parents to work longer hours than the school day. The government should ensure that when as soon as it is safe to do so, this provision be opened and targeted at children in receipt of free school

²² DfE (2019) Childcare and Early Years Survey of Parents in England 2018

²³ TUC (2018) Childcare fees have risen three times faster than wages since 2008

<https://www.tuc.org.uk/news/childcare-fees-have-risen-three-times-faster-wages-2008-tuc-analysis-reveals>

²⁴ EY Alliance (2020) A quarter of childcare providers fear closure within a year

<https://www.eyalliance.org.uk/news/2020/05/quarter-childcare-providers-fear-closure-within-year>

²⁵ Resolution Foundation (2020) Risky business

²⁶ DfE (2019) Childcare and Early Years Survey of Parents in England 2018

²⁷ DfE (2019) Childcare and Early Years Survey of Parents in England 2018

meals, to ensure any existing inequalities between these children and their peers are not exacerbated. The government should consider extending the Pupil Premium grant, designed to allow schools to help disadvantaged pupils²⁸, to before and after school provision to ensure schools are able to provide support to children and families who need it most.

Fit for purpose? Parental leave system for all

As we have set out above, the childcare challenges of the pandemic look set to remain significant for some time to come.

As track and trace systems come in, any parent could find themselves at short notice required to isolate their entire household as a result of someone coming into contact with coronavirus or a local lockdown being put in place for up to 14 days. This could lead to many working parents being faced with significant additional childcare requirements at short notice. Under current employment rights legislation, many mums and dads will be faced with no choice but to request unpaid time off.

Parents in this situation have two options both of which are limited and unpaid. Many working parents and guardians have a right to emergency dependants leave. This can be taken at any time without needing to give notice and is for a period of between several hours and several days. This is unpaid, and only covers sorting out an immediate problem, but may be helpful when faced with sudden school closure but would not provide parents an option for the full 14 days they and their child may be required to isolate.

Working parents and guardians are also entitled to 18 weeks' unpaid parental leave for each child in their care. That leave can be taken at any point before each child turns 18. This leave must usually be taken in blocks of a week, and you can use up to four weeks of it each year. However, with unpaid parental leave, employers are allowed to insist that parents give 21 days' notice of intention to take this leave.

For most people, the idea of going weeks without pay isn't an option, even if their employer agrees to the time off. Many working mums in secure jobs have therefore either had to attempt to balance paid work and care at home, where they can, or use annual and then unpaid leave to care for children. This cannot continue ad infinitum without having a huge impact on the incomes of working households.

Furthermore, not everyone even has the right to take time off. To access either of these rights you have to be an employee – to have a 'contract of employment' – and to have worked for your current employer for at least 12 months. This has denied many women in insecure employment any right to leave at all and for many in this position has made managing work and care almost impossible. Many women with children in this position are likely to have lost their jobs as a result.

²⁸ DfE (2020) Policy paper: Pupil Premium <https://www.gov.uk/government/publications/pupil-premium/pupil-premium>

The government should urgently address the failings of our current parental leave system, ensuring all parents have the right to five days paid parental leave, with a notice period proportionate to the time being taken off. Same as they do with annual leave.

More widely, a strategy is needed now to ensure that working parents, particularly those on the lowest pay and whose work is outside the home, are not left facing months of unemployment as a result of the childcare crisis that coronavirus continues to cause.

Summary of key recommendations

- 1. Protect women's incomes during the Covid-19 crisis:** A more limited form of the job retention scheme should remain in place beyond October to support parents who are unable to return to work because of childcare responsibilities and enable them to remain on it until schools and childcare settings are fully reopened
- 2. Enable mums and dads to balance work and care:** Give staff the right to work as flexibly as possible from their first day in the job. Flexible working can take lots of different forms, including the right to predictable hours, working from home, job-sharing, compressed hours and term-time working
- 3. Prevent a large-scale collapse of the childcare sector:** Give an urgent cash injection to the childcare sector to ensure it remains sustainable and target additional funding at provision supporting children from low income households
- 4. Ensure our parental leave is fit for purpose:** Give all workers, regardless of their employment status, a day one right to 10 days paid parental leave. This could be used, for example, to cover parents who are unable to work during a 14-day self-isolation mandated by NHS Track and Trace
- 5. Employers must be given clear messages from government:** Employers will be breaking the law if they unfairly select women for redundancy because of caring responsibilities