

## **Ethnic Minority Families and Caring Obligations**

### **Background**

Existing research shows higher rates of poverty among some minority ethnic and migrant groups in UK, with groups who have come to the UK as refugees or through family migration routes the most severely affected. This poverty is a consequence of unemployment, but also 'in work' poverty (Rutter and Latorre, 2009). But patterns of poverty among the UK's ethnic minority groups are complex and there are considerable differences between and within groups. There are also significant spatial differences across the UK, with rates of poverty and unemployment among the same ethnic groups varying from area to area.

As a consequence of these economic inequalities, there has been a significant amount of research that has focussed on the reasons for poverty and poor labour market outcomes. These studies have identified a range of factors, sometimes inter-related, that contribute to economic inactivity, unemployment and poverty among different minority ethnic groups (Prime Minister's Strategy Unit, 2003). Caring responsibilities – both childcare and responsibilities for caring for older or disabled relatives – are among those factors advanced that prevent adults, usually female, from working.

In order to reduce poverty, unemployment, as well as narrow educational gaps there has been a significant expansion of childcare over the last 15 years as well as financial support for it. (This has happened alongside an extension of support for the carers of older and disabled people). In relation to childcare, families on the lowest incomes receive financial support with their childcare costs through the tax credit system. Today, low income families can receive support with up to 70 per cent of their childcare costs up to a maximum of £175 per week for one child in childcare and £300 per week for two or more children in childcare. However, changes introduced to the tax credit system after 2010 mean that families with a gross income of more than £31,000 per year now do not receive any tax credit support, including help to meet childcare costs.

Tax Credits are being merged into a single Universal Credit between 2013 and 2017. The structure of childcare support under Universal Credit will be very similar to the childcare element of Working Tax Credit - with a percentage of costs covered up to a maximum weekly limit, with a taper applied based on earnings. Although the rates for Universal Credit have not yet been announced by Government, during the passage of the Welfare Reform Act the Government indicated that it would keep the current parameters, that is support for up to 70 per cent of childcare costs, with a weekly maximum.

Alongside tax credit support there has been a very significant expansion of childcare provision in all parts of the UK over the last 15 years. In England and Wales the Childcare Act 2006 makes

local authorities responsible for ensuring sufficient childcare for working families and those undertaking education and training and the intention of returning to work. While there is no primary childcare legislation in Scotland, Scottish policy has a similar understanding. Under the conditions of the Single Outcome Agreement (2008)<sup>i</sup>, local authorities are expected to follow the Early Years Framework (2008)<sup>ii</sup>, which has a medium-term objective requiring '*a strategic view of childcare accessibility*' and a longer-term objective that families have '*access to integrated pre-school and childcare services in every community matched to an assessment of local demand.*'

In England, Scotland and Wales all three and four year old children are now entitled to some free early education which is usually delivered in nurseries. In England all three and four year olds are now entitled to 15 hours free early education delivered over 38 weeks of the year. By September 2013 the 20 per cent most disadvantaged two year olds (based on national statistics) will be entitled to the same 15 hours free provision in England. This will be extended to the 40 per cent most disadvantaged children by September 2014. In some areas, the income profile of minority ethnic families means that they will disproportionately qualify for the two year old provision.

Despite this progress, some parents still struggle to find affordable childcare at the times of day that they need. These problems affect all communities and comprise:

- The high costs of childcare with 25 hours of nursery care for an under two costing an average of £102.05 per week in 2012 and after-school childcare costing £45.53 per week. Childcare for the under fives is particularly costly in London and the South east of England, with costs in London being about 25 per cent above national averages (Daycare Trust, 2012). As only families on the lowest incomes receive help through tax credits, the high costs of childcare put a severe financial burden on the 'squeezed middle'.
- Acute shortages of childcare in some areas. Parents of school age children and those with disabled children find it particularly difficult to find sufficient childcare, with just 11 per cent of local authorities having sufficient childcare for disabled children in 2012 (Daycare Trust, 2012). In London, 15 local authorities did not have enough breakfast and after-school childcare and another 16 lacked sufficient holiday childcare for school age children (Rutter and Evans, 2012).
- The extension of free early education to the most disadvantaged two year olds will put significant pressures on supply in many parts of England, particularly in London.
- There is very little childcare for parents who work outside normal office hours, or have other 'atypical' work patterns, for example, shifts or hours of work that vary from week to week. Many families who have atypical work patterns rely on informal childcare, provided by friends and relatives.

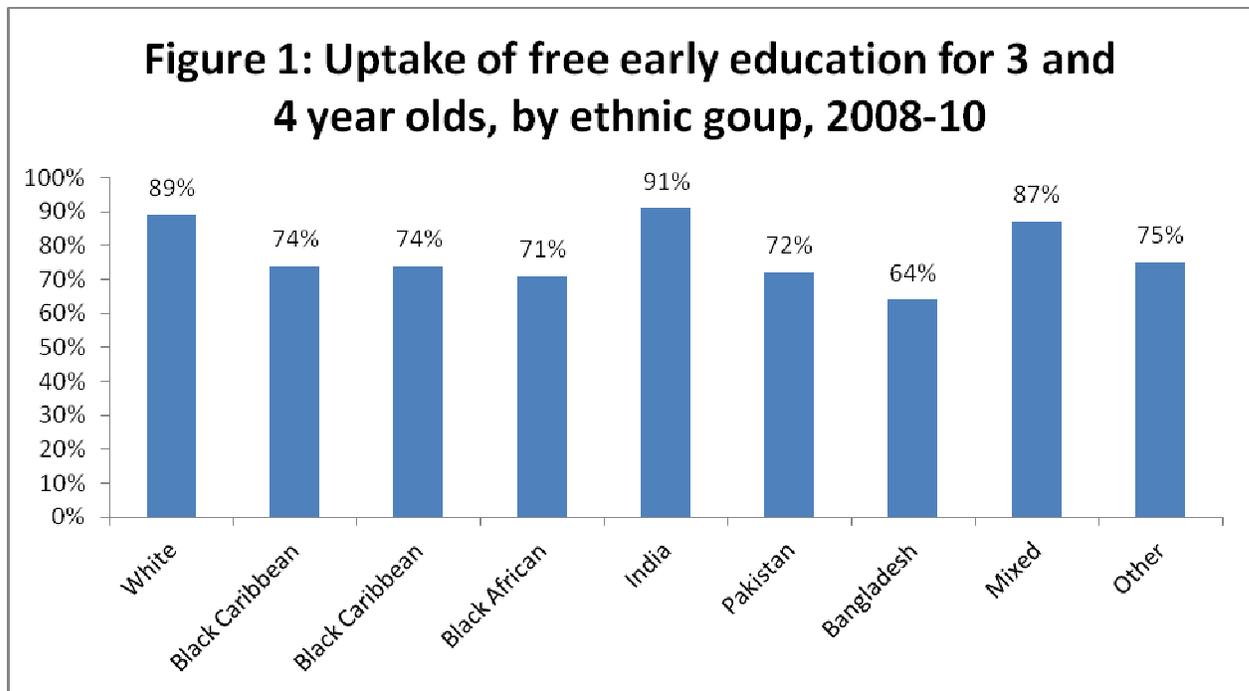
There are also childcare issues that are specific or more frequent in some minority ethnic families. These issues are outlined below.

The Coalition Government has recently set up a Childcare Commission that will report in late autumn 2012 with a remit to look at increasing childcare affordability and flexibility. Childcare is going to remain a high profile issues in the run up to the next election. Welfare reform and the implementation of the Work Programme have meant that there is an increased focus on getting the least 'job ready' into work or closer to labour market participation. Given these policy objectives it is important that policy debates take into account differences in views about caring, the acceptability of formal care services and the interactions with the labour market if all minority ethnic groups are to be assisted to move out of poverty. It is also important to influence local commissioners so that services are appropriate for all communities and barriers to the take up of services are removed.

### **Childcare and minority ethnic families**

As noted above, there are a number of childcare issues that impact on minority ethnic groups to a greater extent than the majority community.

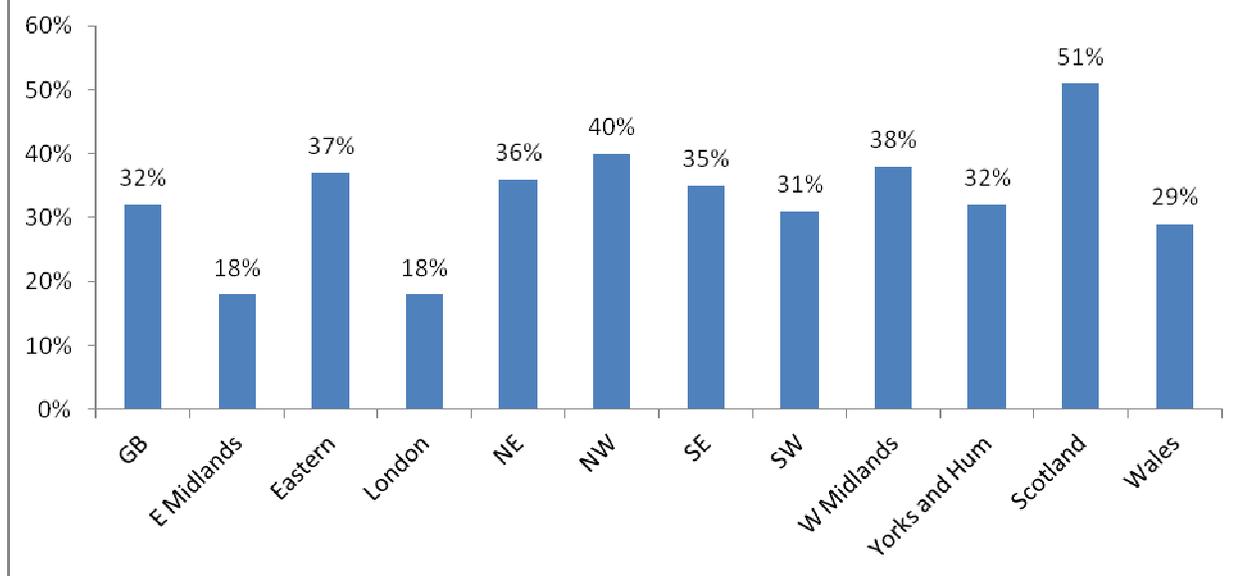
- Evidence suggests that families from minority ethnic communities are less likely to take up tax credit support for childcare (Ipsos MORI, 2011). This may be due to the complexity of the system, language barriers, its lack of flexibility or negative past experiences of tax credit over-payment.
- There are differences in the extent to which different ethnic groups access formal childcare and support. While all three and four year-old children are entitled to a free early education place, yet Department for Education data (for England) suggests that 31 per cent of children of Bangladeshi ethnicity and 20 per cent of children of Pakistani ethnicity do not receive any free early education. Figure 1 shows differences in the uptake free early education offer for three and four year olds by broad ethnic group. Analysis of these figures show that the differences in the uptake in free early education cannot be solely accounted for by differences in labour market participation, maternal education or income. There appears to be specific ethnic factor that relates to the lower uptake of the free early education offer (Speight and smith, 2011)



Source: Speight and Smith, 2011

- Women from minority ethnic groups are much less likely to use informal childcare than those of white British ethnicity. A survey undertaken by Daycare Trust in 2011 suggested that 36 per cent of white parents had used a family member to provide childcare in the last six months, but only 23 per cent of those from minority ethnic communities had done so (Rutter and Evans, 2011). This difference is likely to be because migration to the UK usually splits up childcare support networks. As a consequence, informal childcare use in London is particularly low, compared with the rest of the UK (Figure 2). As informal childcare is often used outside normal office hours, when formal care is not available, its absence limits the range of work that women can take.

**Figure 2: Percentage of parents using grandparent childcare use in last six months by GB region and nation**



Source: Rutter and Evans, 2011

- For three to five year olds early years provision in the UK tends to be segregated according to maternal employment patterns. The children of working mothers tend to be over-represented in private and voluntary sector nurseries offering full-daycare. Children whose mothers do not work tend to be over-represented in the maintained sector – in school nurseries – and in sessional pre-school provision. This trend mean that in some areas where employment among minority ethnic women is low, early years provision tends to be segregated along ethnic lines.
- As the higher proportions of the UK's minority ethnic populations live in London and the south east, they are disproportionately affected by the high cost of childcare.
- There is a limited amount of research that has shown that attitudes towards paid work and childcare differ across cultures (Duncan and Edwards, 1996). But overall there is little research on values and opinions on caring obligations among minority ethnic groups, as well as values about female labour market participation and how these views may shift over time. There is also limited knowledge about decision-making in relation to the use of childcare across different ethnic groups (Rutter and Evans, 2011). Research on caring obligations among minority ethnic groups has largely not explored differences between and within groups.

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<sup>i</sup> Explanation of Performance and Single Outcome Agreements

<http://www.scotland.gov.uk/Topics/Government/local-government/delperf/SOA>

<sup>ii</sup> Scottish Government, Early Years Framework, 2008

<http://www.scotland.gov.uk/Publications/2009/01/13095148/0>