

PREGNANT THEN SCREWED

Pregnant Then Screwed

Executive Summary

The Motherhood Plan, known as Pregnant Then Screwed (PTS), is a CIO founded and managed by mothers with lived experience of pregnancy and maternity discrimination. We run free specialist educational programmes and support services for women from the point that discrimination occurs, right the way through to a successful outcome. We campaign for changes that would reduce the motherhood penalty ensuring women, in all their diversity, are enabled to have children and a successful career. Pregnant Then Screwed has been conducting qualitative and quantitative research with UK mothers for the last 8 years. Our community of mothers stretches to over 400,000 active members who support our work - we are their voice.

Who cares?

- 96% of families with a child under 3 were likely to vote for the political party with the best childcare pledge¹
- 76% of mothers who pay for childcare say it no longer makes financial sense for them to work²
- 47% of parents say they cannot find suitable or available childcare³
- 42% of parents say that the cost and availability of childcare has prevented them from having any more children⁴

¹ Pregnant Then Screwed (2023) #UnhappyMothersDay
<https://pregnantthenscrewed.com/one-in-four-parents-say-that-they-have-had-to-cut-down-on-heat-food-clothing-to-pay-for-childcare/>

² Pregnant Then Screwed 2023
<https://pregnantthenscrewed.com/three-quarters-of-mothers-who-pay-for-childcare-say-that-it-does-not-make-financial-sense-for-them-to-work/>

³ Pregnant Then Screwed 2023 research
<https://pregnantthenscrewed.com/the-50k-parent-penalty-one-in-five-parents-in-households-earning-under-50k-leave-the-workforce-due-to-childcare-costs/>

⁴ Pregnant Then Screwed 2023 research
<https://pregnantthenscrewed.com/the-50k-parent-penalty-one-in-five-parents-in-households-earning-under-50k-leave-the-workforce-due-to-childcare-costs/>

PREGNANT THEN SCREWED

- Mothers miss out on £9.4 billion in earnings every year and the economy loses 1% in GDP as a result of unaffordable, inaccessible childcare⁵
- The average cost of a full-time place for a child under two in England is £14,000 per year⁶
- One in five parents in households earning less than £50k are leaving the workforce due to the cost of childcare.⁷
- 61% of parents say that they, or their partner, has had to reduce the number of hours they work due to childcare costs or availability; this increases to 67% for Asian parents and 75% for parents of disabled children.
- 60.5% of mothers who had an abortion in the last 5 years stated that childcare costs were a factor in their decision to terminate a wanted pregnancy with 1 in 5 saying this was the main reason they terminated a wanted pregnancy⁸
- Families who have a household income of under £50k are being hit the hardest – with over three-quarters (76.6%) reducing their hours to make childcare work.⁹

The measures announced in the Spring Budget of March 2023 were a welcome turning point in the campaign for affordable childcare and early learning. In October 2022, 15,000 parents from our community marched across the UK to demand the Government take action on a crisis that has pushed so many brilliant mothers out of work and, in some cases, into poverty. We marched and the Government listened - well, sort of.

The expansion of funded hour schemes will support lots of parents, mainly mothers, to return to work after maternity leave. Reforms to the way the childcare element of

⁵ Centre for Progressive Policy (2023) [Growing Pains](#)

⁶ Coram Family and Childcare Trust (2023) [Childcare Survey 2023](#)

⁷ The £50k parent penalty, Pregnant Then Screwed 2023 research <https://pregnantthenscrewed.com/the-50k-parent-penalty-one-in-five-parents-in-households-earning-under-50k-leave-the-workforce-due-to-childcare-costs/>

⁸ 6 in 10 women who had an abortion say childcare costs influenced their decision, Pregnant Then Screwed 2022 research <https://pregnantthenscrewed.com/6-in-10-women-who-have-had-an-abortion-claim-childcare-costs-influenced-their-decision/#:~:text=Date%208TH%20July%202022%3A%20Pregnant,chose%20to%20have%20an%20abortion.>

⁹ The £50k parent penalty, Pregnant Then Screwed 2023 research <https://pregnantthenscrewed.com/the-50k-parent-penalty-one-in-five-parents-in-households-earning-under-50k-leave-the-workforce-due-to-childcare-costs/>

PREGNANT THEN SCREWED

Universal Credit is paid is a great way to help some of the most disadvantaged parents back into work, and something we've been calling for for years.

These are both important building blocks, but not a silver bullet. The crisis in childcare is not just one of funding, it is also one of eligibility, availability and flexibility. These are not issues that can be fixed in isolation of each other, they require full system change. The general election poses an exciting opportunity for radical reform of our childcare and early years sector, something that is desperately needed if we are to give our children the best possible future, whilst closing the gender pay gap, and improving our economy.

Case Study

Anna, mother and webcam model told us, "A couple of years previously I graduated with a Master of Laws from a top London University. I have struggled with childcare costs since returning to work when my son was a year old. As a single mother, who had become pregnant (against my will) at the hands of a domestic abuser, I was attempting to rebuild my life. I had been made 'redundant' from my former job as a trainee solicitor when I announced my pregnancy, and shortly before, had found the strength to leave my abuser for the sake of my unborn child. I was at a complete loss for most of my pregnancy and first year postpartum, so first turned to webcam work when my son was eight months old. I did this to afford childcare so I could attend college to re-train, as it turns out no law firm wanted a single mum as a trainee solicitor."

PREGNANT THEN SCREWED

How can the next Labour government best deliver a modern and affordable childcare system that supports families from the end of parental leave to the end of primary school? How should Labour ensure that a new childcare system helps to tackle child poverty? How can Labour ensure that their commitment to childcare and early learning secures votes from parents after the Government's recent pledge to working parents of 30 hours of funded childcare from 9 months old?

These are big questions that require a serious, thoughtful response which is why we are thrilled to have the opportunity to contribute to this independent review; something we have also campaigned for for years¹⁰.

Where are we now?

1. The childcare system in the UK is broken. It is failing parents, particularly women, it is failing children and it is failing the economy, holding back growth and innovation. Pregnant Then Screwed has long campaigned for greater supply side investment into the childcare and early learning sector to prevent collapse, improve working conditions, and ensure childcare and early education is affordable for all families. We know this is essential to achieving genuine gender equality, women's full enrolment in a prosperous labour market and bringing down high levels of child poverty caused, in part, by exorbitant childcare fees.
2. The case for supply side investment is irrefutable: 1.7 million women are currently restricted from working more by childcare costs. Investment would unlock £28 billion annually, over four and a half times the net investment required calculated after job creation, consumption and social security savings¹¹.
3. Pregnant Then Screwed welcomes The Labour Party's ambition to establish a modern childcare system with wraparound care. Breakfast clubs are an important first step. However, this is a drop in the ocean compared to the reform and

¹⁰ <https://pregnantthenscrewed.com/news-childcare-change-now-update/>

¹¹ <https://wbg.org.uk/wp-content/uploads/2022/03/Childcare-and-gender-PBB-Spring-2022-1.pdf>

PREGNANT THEN SCREWED

investment needed, especially for parents with younger children who are on the cliff-edge between the end of maternity pay and the start of school.

4. Child poverty continues to rise with a further 350,000 children pulled into poverty last year according to CPAG¹². Investing in childcare will help tackle rising poverty and food bank usage in the UK as parents in England face some of the highest childcare costs in the world according to the OECD¹³. In March 2022, a PTS survey of over 27,000 parents of under-fives found that:
 - a. 62% say that childcare now costs the same as their rent or mortgage.
 - b. One in four (25%) parents say they have had to skip meals or forgo heating and fuel to pay for childcare.
 - c. 13% of single parents say they have had to use a food bank due to increased childcare costs.
 - d. 80% of parents expect their childcare bill to rise further in the next six months, and 99% of parents say that the cost of childcare is making the cost-of-living crisis even more challenging¹⁴.

5. Currently, the Government provides almost no support for parents with two-year-olds, except for the most disadvantaged, and no support at all from the end of paid maternity leave. This means that when paid maternity leave ends, many mothers are left with no choice but to continue caring for their child instead of returning to paid work. When support kicks in as children turn three, it is too late, we have either lost those parents (usually mothers) from the labour market altogether, or they have taken a significant step back from their career and it will take many more years to get back to an even keel. We have welcomed announcements in the 2023 Spring Budget that the Conservative Government is looking to introduce access to 30 free hours of childcare for more children, however, many children will still be locked out of this system as the offering is not universal. We are also cautious that most of these entitlements will likely not come into fruition until after the next General Election for most.

¹² CPAG official child poverty stats

<https://cpag.org.uk/news-blogs/news-listings/official-child-poverty-statistics-350000-more-children-poverty-and-numbers>

¹³ <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=69a72e4c-0231-4b42-8b41-35b6148f4f4d>

¹⁴ <https://www.workingmums.co.uk/childcare-rises/>

PREGNANT THEN SCREWED

6. In reverse of international trends, the lowest earning households spend the highest percentage of their annual income on childcare in England, at 31% - while a couple earning an average wage pays 22%¹⁵. This is a regressive system which disadvantages the most deprived households and increases inequality among parents and children alike.
7. In 2019 research found that early years providers in deprived areas were twice as likely to close as those in the most affluent areas¹⁶. Provision favours affluent areas: of the 68,000 childcare providers registered with Ofsted in England, 10,900 (16%) were located in the most deprived areas of England, while there were 14,800 (22%) in the least deprived areas¹⁷.
8. There is a clear economic case for investment in the childcare and early years sector which follows the three principles set out above:
 - a. Just like public transport, childcare enables people, particularly mothers, to go to work. Currently, 1.7 million women are prevented from taking on more paid hours of work because of the cost of childcare. Unlocking this potential by investing in early years would boost the economy by an estimated £28.2 billion annually¹⁸.
 - b. Analysis estimates that if women had access to adequate childcare services, and were able to work the hours they wanted, they would increase their earnings by between £7.6bn and £10.9bn per year¹⁹.
 - c. Like primary and secondary education, high quality childcare and early learning helps children to reach their potential. Every £1 invested in early years education saves £13 in later interventions²⁰.
 - d. Childcare investment is also favoured by voters across the political spectrum. In 2022, a Survation survey found that 66% of voters in the 'red wall' support 'a policy of free universal childcare.'²¹

¹⁵ <https://www.fawcettsociety.org.uk/childcare-and-early-education-systems>

¹⁶ <https://www.nurseryworld.co.uk/news/article/nurseries-in-poor-areas-facing-closure>

¹⁷

<https://www.theguardian.com/money/2022/sep/20/ive-never-been-so-low-the-childcare-providers-facing-closure-over-rising-costs>

¹⁸ <https://wbg.org.uk/wp-content/uploads/2022/03/Childcare-and-gender-PBB-Spring-2022-1.pdf>

¹⁹ <https://www.progressive-policy.net/publications/women-in-the-labour-market-2>

²⁰

<https://heckmanequation.org/resource/invest-in-early-childhood-development-reduce-deficits-strengthen-the-economy/>

²¹ <https://pregnantthenscrewed.com/majority-of-red-wall-voters-back-free-childcare/>

PREGNANT THEN SCREWED

Case study:

"I went on maternity leave, but I had to return to work after 6 months because maternity pay wasn't covering the bills. My daughter now gets the 30 free hours but it only means a saving of about £100 a month, so I have had to go back full time instead of part time to repay the money we borrowed from my family, but this means even more money is going on childcare. We don't have anyone near us that can watch the children. On top of this we are needing to move because our landlord increased our rent by £400 a month which we could never afford. I'm feeling really helpless and overwhelmed and I have no idea how we will manage this winter, I know we will need to use a food bank soon but I'm trying everything so we don't. We have 2 young children and we are having to rug them up as if we are outdoors as we can't afford to put the heating on"

Proposals for Reform

The next Labour government must prioritise **supply side reform** to the early years sector if it is serious about delivering a modern and affordable childcare and early learning system that supports families. Staff must be paid a decent wage to improve recruitment and retention and to ensure practitioners feel valued.

By guaranteeing staff are paid the same as primary school teachers, provision begins 9 months after the birth or adoption of a child, and that no household will pay more than 5% of their income on childcare, Labour can tackle child poverty and gender inequality for good. We also believe that this policy would be a vote-winner at the next election.

PREGNANT THEN SCREWED

Our core principles for reform are as follows:

- 1) The Government must take immediate steps to shore up the sector including increasing funding rates, particularly for the 3-4 year old entitlement whilst removing nonsensical work search requirements
- 2) Scrap the recent ratio changes for two-year-olds
- 3) Consolidate the 8 benefit schemes available to parents into one benefit scheme which ensures no family pays more than 5% of their household income for childcare and early learning²²
- 4) Providers to receive funding from the Government based on fulfilling certain criteria which include decent pay, working conditions, and progression opportunities for staff
- 5) Take measures to prevent private equity investment and move towards a system where any profit is invested back into providing the best care and education for children
- 6) Invest in training for the workforce to ensure qualifications in childcare and early learning are affordable and of a high quality

Short-term and long-term:

The many problems with our childcare sector will not be solved overnight. Capacity has decreased over the last few years, the workforce is on its knees and costs have skyrocketed. It is imperative that the new government commits to short-term measures to shore up the sector now, while also setting out a longer term programme of reform that will transition the sector away from the current 'funded hours' model to a system that delivers for all families.

²² Please note: Pregnant Then Screwed is working with the New Economics Foundation on economic modeling of this policy which will include: the cost to the taxpayer as well as the expected increase in tax revenues from increased maternal employment. This modeling will be complete by mid March 2024

PREGNANT THEN SCREWED

Short Term

Increase the funding rates

In the short-term, the new government must commit to fair and sustainable levels of funding for the sector by immediately addressing the current shortfall in funding. Despite the expanded offer of 'free hours' from nine months old, the funding rates for the existing '30 hours' for three-and-four-year-olds remain critically low. This will continue to place unsustainable financial pressures on providers who may be forced to close.

Funding must meet the true cost of provision, and the incoming government must provide transparency on how those rates are calculated, ensuring they are indexed to inflation and rises in National Living Wage. It should also provide enhanced levels of funding for settings in deprived areas in order to incentivise providers to open in communities where the benefits for both parents and children are evidently higher but sustaining a business is far more challenging.

Staff: Child Ratios

In September 2023 the government increased the staff: child ratio in early years settings for two year olds. This means one staff member can now be asked to look after five two-year-olds at once. Increased ratios have been widely opposed by the early years sector and parents. The new ratio is likely to increase the pressure on staff, at a time when there is already a staffing crisis in early years and decrease the quality of care given to children.

Pregnant Then Screwed opposes the increasing of ratios as a false solution to the childcare crisis. We implore the next Labour government not to follow the Conservatives down this path:

- A 2018 report on structural quality in early years provision by the Education Policy Institute states: "The evidence on child to staff ratios is fairly conclusive: having fewer children per staff leads to better children's outcomes as it provides the opportunity for more individualised attention and leads to better teacher and child behaviour."

PREGNANT THEN SCREWED

- Similarly, a 2011 OECD report states: “The child-to-staff ratio is an important indicator of the resources invested in education and childcare, and also the quality of these services. A low child-to staff ratio impacts staff working conditions, alongside other factors such as reasonable hours or workload and salary levels. These affect job satisfaction and staff retention, and through this, contribute to the quality of early childhood education and care services.”

We call on the next Government to scrap these ratio changes so that staff care for a maximum of four two-year-olds at once.

Remove work search requirements

The new government must also remove the recently imposed work search requirements on parents of children over the age of one who are claiming childcare costs through Universal Credit. Sanctions have been proven not to work and often have negative impacts on the claimants’ mental health; this is a particular risk for new mothers who are more prone to perinatal mental health issues. The childcare element of Universal Credit must also be indexed to inflation and other increases in National Living Wage and National Minimum Wage.

Long term

Means-tested childcare

Childcare and early learning supports a child’s cognitive and emotional development, helping to close the attainment gap, particularly among disadvantaged children. However, the funded hours schemes are only available to children whose parents are working a specific number of hours. This entrenches educational inequality early on in a child’s life with many of the most disadvantaged children starting school well behind their peers as a result. It also penalizes parents who are training or studying and those who are job hunting.

We’re calling on the Labour Party to equalise access to childcare benefits. That means addressing the gaps in eligibility to ensure that all parents are supported to work if they

PREGNANT THEN SCREWED

want to and that all children can access vital early education and care. The 8 different benefit schemes currently available create barriers to access and are costly to administer. We believe that radical reform of the sector includes streamlining these schemes to create a means-tested approach where no family pays more than 5% of their household income on childcare and early learning. Those eligible for Universal credit should be able to access childcare and early learning for free.

The funding rates for providers must cover the costs to deliver those places, whilst ensuring there is enough money to pay workers a decent salary. To prevent local authorities from top slicing different amounts from this funding, creating a postcode lottery for providers, the government must provide guidance on what percentage is reasonable for local authorities to keep for administration charges.

This funding can only be accessed if parents are using a provider which fulfills certain criteria and is therefore eligible for government support. These conditions have to include better pay for a workforce that is 97% female and among the lowest paid in the labour market - some of whom are mums themselves using food banks or are unable to pay for their own childcare. It must also include better progression opportunities and working conditions for staff.

The sector is in the midst of an acute recruitment and retention crisis with 1 in 6 providers saying that staffing challenges may force them to close within a year. Two-fifths (41%) of staff say low pay is their reason for leaving the sector. Providing decent pay and improved working conditions will support the sector to recruit and retain the staff needed to meet increased demand, whilst also improving the quality of early years education.

Pay, qualifications and progression for staff:

- Every childcare setting must have one lead practitioner who is qualified to degree level. Pay at this level should be commensurate with a primary school teacher
- All entry level practitioners must be trained to at least level 2 with pay starting at the national living wage and increasing depending on qualifications and experience
- Every childcare practitioner must undertake professional development on an annual basis

PREGNANT THEN SCREWED

- In return for government funding, providers must ensure that all staff are paid at least the National Living Wage regardless of age, and that trade union membership is recognised.
- Parents with children who have special educational needs and disabilities are particularly disadvantaged by the crisis of availability. Less than one in five local authorities currently has enough places for children with a disability. The new government must commit to investing in specialist skills training for early years and childcare staff, with higher pay for those staff who are qualified to educate and care for children with a disability.

Market reform

In the longer term, the new government must set out a framework that will transition the sector away from its current reliance on private equity investment to more maintained, not for profit, or social enterprise settings. To secure Government funding, providers must demonstrate that any profit is invested back into the care and education of the children.

At the heart of any programme of reform must be the overall social good that early education and childcare provides to children, their parents, and the economy as a whole. Private-for-profit providers have been shown to be heavily indebted; they generally use profits to repay that debt rather than reinvesting it to grow or improve staff pay and conditions.

As we've seen in other sectors and other countries, highly indebted financial models like this are more prone to collapse - and if that happens, it'll be working mothers left to fill the care vacuum and pick up the pieces. Moreover, there is evidence that outcomes for children are better in not for profit settings.

Flexible provision for all types of families

For shift workers, including frontline employees, finding flexible childcare that fits their working hours can be difficult and costly. The In-Work Progression Commission has previously identified a lack of flexible childcare as a cause of mothers becoming stuck in low-paying jobs. The £289 million of start-up funding announced in Spring 2023 will

PREGNANT THEN SCREWED

support primary schools to pilot wraparound care. The new government should build on this and extend funding beyond 2025, providing grants to schools in areas where there are high levels of unemployment and underemployment among mothers. These facilities should also be used to create more affordable holiday club care for children in a setting with which they are familiar. Additional funding must be provided to create more holiday care for disabled children. In addition to this, the new Government must commit to continue the holiday activities and food programme, which provides free activities and healthy food for children eligible for free school meals.

Case Study:

*"I work part time three days a week as I worked out if my daughter went to nursery three days a week I'd have *some* money leftover. However it's barely enough to help cover the cost of half the mortgage let alone any other bills and stuff or outings for the kids.*

I had my son in March 2023 and went back to work in August as we couldn't afford to live, however the nursery my daughter goes to didn't have their baby room open so I work from home and have my son with me at home, so I don't even have the luxury of having work as a "break".

The cost of living in the UK and the lack of childcare and support from the government has led to my husband and I relocating out of the country to Canada in March 2024. We have secured day care for both our children for \$10 a day and have secured jobs which are fully flexible in terms of working from home or the office and on double the salary.

We love this city, it has been our home for many years but we've officially been pushed out and will be making a home across the pond instead."

How can the next Labour government ensure all young children enjoy a childhood that enables them to thrive?

PREGNANT THEN SCREWED

9. The next Labour government should also target **parental leave and flexible working** to ensure all young children can thrive because their parents are thriving. Current parental leave policy reinforces the idea that women are the primary carer and gives fathers just two weeks of paid leave with their child. This stops mothers, fathers and second parents and children from thriving throughout their childhood and reinforces gender inequality.

Parental leave: essential reform

10. To help all children, and their parents, thrive the next Labour government should invest in a new system of parental leave which should:
 - a. Provide both new parents with a **minimum of six weeks paid leave at 90% of their salary**. This should apply to all new parents – employed, self-employed and adoptive – and it should be ring-fenced and non-transferable.
 - b. Recognise that parental leave exists for multiple reasons; some of maternity leave is about recovery from birth, while some is about caring for the baby – something the other parent is also capable of doing, and something they want to do.
 - c. Maternity, paternity and parental leave must also be available to all workers, regardless of their employment status. Currently, many ‘workers’ do not have a day one right to time off for antenatal appointments, statutory maternity leave or shared parental leave. Crucially, to access Statutory Maternity Pay (39 weeks) women must have been employed for 26 consecutive weeks, be paid more than £123 a week and notify their employer 15 weeks before birth. The next Labour government should reform this system as part of their Employment Bill to guarantee that all workers including those who are genuinely self-employed can access a day one right to statutory paternity leave and pay.
 - d. At around 25 per cent of the median UK salary, current rates of maternity and paternity leave are among the lowest in the OECD²³. The next Labour government should consider increasing the statutory payment rate.
11. Reform of our childcare sector coupled with reform of parental leave policies has the potential to radically transform the economic fortunes of mothers, help to

²³ <https://wbg.org.uk/wp-content/uploads/2021/10/Parental-leave-PBB-Autumn-2021.pdf>

PREGNANT THEN SCREWED

close the gender pay gap and improve labour market participation. There are also huge benefits to children as many studies find that essential bonds and developmental capacities are developed in the first year of a child's life. Providing properly paid and individual, non-transferable parental leave to both parents would be transformative for a child's development and their parent's incomes. For example:

- a. A 2022 study found that where employees were eligible for earmarked paternity leave, life satisfaction of both the father and mother in that family increased by 10.8%²⁴.
 - b. Previous research has shown that the more time children spend with their fathers growing up the higher their outcomes, the higher their IQ and the more secure their attachment²⁵.
12. Pregnant Then Screwed conducted research with the Centre for Progressive Policy which found that in countries which offer more than 6 weeks of well paid paternity leave there is a 4% decrease in the gender wage gap and a 3.7% smaller labour force participation gap. If the gender employment gap were closed across the UK then this could have an economic benefit of £23 billion.²⁶
13. Just 8% of Labour voters think that 2 weeks paternity leave is enough²⁷

Case studies:

"I stopped training as a nurse because I couldn't afford childcare"

"I'm a student nurse. Studying full time hours plus more and my partner works 45 hours a week. Our household income is low yet I don't qualify for any childcare help. We get no universal credit. We get no free hours or tax free childcare because I'm a student so I'm classed as not working! We can not afford childcare, which means I am behind on my University work and this

²⁴ <https://www.weforum.org/agenda/2022/03/earmarked-paternity-leave-increases-parental-wellbeing/>

²⁵

<https://www.nicswell.co.uk/health-news/fatherly-contact-and-child-intelligence#:~:text=The%20father's%20role%20at%20age,of%20a%20higher%20social%20class.>

²⁶ Pregnant Then Screwed and the Centre for Progressive Policy report: Leave in the Lurch <http://www.progressive-policy.net/publications/leave-in-the-lurch#:~:text=CPP%20and%20Pregnant%20th en%20Screwed.financial%20hardship%2C%20the%20gender%20employment>

²⁷ Pregnant Then Screwed and the Centre for Progressive Policy report: Leave in the Lurch <http://www.progressive-policy.net/publications/leave-in-the-lurch#:~:text=CPP%20and%20Pregnant%20th en%20Screwed.financial%20hardship%2C%20the%20gender%20employment>

PREGNANT THEN SCREWED

is negatively affecting my chances of qualifying. We are drowning in debt, struggling to feed our son and are unable to afford basics such as petrol, food, and utilities. I've had to go back on antidepressants because I just can't cope any more. We are being pushed into poverty because the system does not work for us."