



International childcare cost comparisons

Example family in England

Our example low income family in England includes two parents and two young children (ages 2 and 3), with a household income of £16,575 a year. This would put the family into relative poverty. The family is eligible for Universal Credit, and the disadvantaged two year old offer for 15 hours per week.ⁱ They are not eligible for the 30 hour offer at age 3 (as both parents don't work 16 hours per week), and would not qualify for the incoming expansion at age 2 (note – only one fifth of families earning less than £20,000 per year can access this extension).ⁱⁱ But they do receive the universal offer of 15 hours at age 3, and can claim 85% of their childcare costs (up to £1,630 per month).

Using average childcare costs from the Coram Childcare Survey 2023,ⁱⁱⁱ and taking into account the 15 hours of free provision the family would have for both their 2 and 3 year olds, as well as the 85% of costs they would be able to recover, the family's costs for 30 hours a week of early education and care for both children would be roughly **£105 per month, or roughly 8% of their pre-tax income.**

If the family were eligible for 30 hours for both their 2 and 3 year old, this would cover their full costs, so they would spend **0% of their income** on early education and care.

International comparisons

Using the OECD's compare your income tool,^{iv} we have estimated the earnings level of a family at the same relative income level as our example family in England in 10 other OECD countries (which, out of the 13 countries featured in the *World Class* report, were those where information was available online to allow us to carry out these estimates). All would be in relative poverty for a two parent, two child family within their own country.

Using available online sources, we have estimated the amount of government support these similar low income families would receive in each country, and given average childcare costs in that country, the proportion of their income their costs would then make up, taking that support into account. Where support within a country has differed by area, or where information was only available for a certain area, we have stated the area the estimate is derived from.

International comparisons are challenging, as without a depth of local knowledge and insight, support in a country available to families could be missed. These are the best possible estimates researchers at the Sutton Trust based in England were able to make using online sources. While these figures should therefore be treated with some caution – it should be noted that throughout, our figures are broadly similar as a proportion of income on childcare costs to those derived by the OECD for a low income single parent family with two children (highlighted in the *World Class* report) for the countries where this information was available.

Sources additional to those included in [World Class](#) are shown in endnotes.

Country	Household income level for comparator family (in £s) at same relative poverty level ^v	Policies impacting family	Estimate cost for both children in 30 hours of early education and care (or closest calculatable equivalent) per month in £s ^{vi}	% of income
England - if not eligible for 30 hrs ^{vii}	£16,575	85% childcare costs universal credit, qualifies for 15 hour offer at age 2, qualifies for 15 hour offer at age 3 (both parents don't work enough hours to qualify for 30 hours)	£105	8%
England – if eligible for 30 hrs ^{viii}	£16,575	85% childcare costs universal credit, qualifies for 30 hours at age 2 and 3 (both parents work enough hours to qualify, assuming expansion to 2 year olds in place)	£0 ^{ix}	0%
Australia ^x	£23,627	Family at this income level would be eligible for a 90% of costs subsidy, for families earning less than 80000 AUS	£154	8%
Canada ^{xi}	£23,126	If family in Quebec - flat day rate for all parents, no specific support for low income families.	£201	10%
Denmark ^{xii}	£24,126	If family in Copenhagen - at this income level they would not qualify for low income support (which would be entirely free) - but would qualify for an income subsidy.	£52	3%
Estonia ^{xiii}	£9,021	If family in Tallin, at this income level they would be exempt from all fees.	£0	0%
Iceland ^{xiv}	£25,189	If in Hafnarfjörður, families at this income level would qualify for 75% off of pre-school fees.	£84	4%
Ireland ^{xv}	£20,806	Family would qualify for the maximum subsidy rate (between €5.10 and €3.95 - different for each child) and for 15 free hours per week.	£85	5%
Norway ^{xvi}	£26,116	6% maximum charge for all families, no specific support for low income families (assuming here this family doesn't live in an area with high levels of migrants, where there is additional support)	£131	6%

Slovenia ^{xvii}	£11,276	Sliding scale of fees - A family at this income level qualifies to only pay 35% of fees for their first child, and the second child would be free	£195	21%
Sweden ^{xviii}	£18,537	If in Stockholm - 3% cap for first child, 2% cap for subsequent child - no specific support for low income families.	£77	5%
USA – if not eligible for Head Start ^{xix}	£24,800	If in New York - majority of families at this income level would not be eligible for Head Start (as just above automatic eligibility level) – so no specific support.	£799	39%
USA – If eligible for Head Start ^{xx}	£24,800	If in New York – small number of families earning at this level (as only just above cut off of \$30,000 for family of 4) would receive Head Start and Early Head start, giving 8 hours a day of free early education and care.	£0	0%

ⁱ As their income would be less than £15,400 a year after tax, and they are eligible for UC. See - <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds#:~:text=You%20must%20live%20in%20England,with%20two%20or%20more%20children>

ⁱⁱ IFS analysis, see - <https://ifs.org.uk/news/childcare-reforms-create-new-branch-welfare-state-also-huge-risks-market>

ⁱⁱⁱ See - https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023_Coram%20Family%20and%20Childcare.pdf

^{iv} <https://www.oecd.org/wise/compare-your-income.htm> - the calculator allows users to look at the minimum income a family of two parents and two children would require in each country to be above the relative poverty threshold. We have then reduced all of these figures by 15%, to bring them into relative poverty and to bring the family in England into eligibility for the disadvantaged offer at age 2.

^v Note - all figures in table rounded to the nearest £ or %

^{vi} Note – In England free entitlements are only for 38 weeks per year, income % in England based on weeks where this provision is in place. However, many providers will not allow parents to take up a place for only 38 weeks, so costs for an equivalent family may be even higher to cover additional weeks at full cost.

^{vii} <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds#:~:text=You%20must%20live%20in%20England,with%20two%20or%20more%20children>, https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023_Coram%20Family%20and%20Childcare.pdf and <https://www.gov.uk/help-with-childcare-costs/universal-credit>. Not for all England examples here,

^{viii} <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds#:~:text=You%20must%20live%20in%20England,with%20two%20or%20more%20children>, https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023_Coram%20Family%20and%20Childcare.pdf and <https://www.gov.uk/help-with-childcare-costs/universal-credit>

^{ix} Note – Family may be some charges for extras e.g. lunch

^x <https://www.education.gov.au/early-childhood/early-childhood-data-and-reports/quarterly-reports-usage-services-fees-and-subsidies/child-care-subsidy-data-report-december-quarter-2022>

^{xi} N/A no additional sources used

^{xii} <https://international.kk.dk/live/childcare-and-school/childcare-services/cost-of-childcare>

^{xiii} <https://www.tallinn.ee/en/news/kindergarten-fees-remain-unchanged-tallinn-residents#:~:text=With%20the%20increase%20in%20the,%E2%82%AC8.54%20as%20a%20subsidy> and <https://www.tallinn.ee/et/haridus/soodustused-ja-toetused-tallinna-lasteaedades>

^{xiv} <https://en.hafnarfjordur.is/services/schools-and-children/preschool/preschool-fees/>

^{xv} https://www.pobal.ie/app/uploads/2022/05/Pobal_22_EY_20-21-Report_final_2.pdf

^{xvi} <https://www.oslo.kommune.no/barnehage/pris-og-betaling/#toc-5>

^{xvii} <https://www.gov.si/teme/znizano-placilo-vrtca/> and [https://welcome.upr.si/student/prepare/moving-with-family/#:~:text=Public%20kindergartens&text=Full%20kindergarten%20price%20is%20EUR,cost%20\(so%20EUR%20585\)](https://welcome.upr.si/student/prepare/moving-with-family/#:~:text=Public%20kindergartens&text=Full%20kindergarten%20price%20is%20EUR,cost%20(so%20EUR%20585))

^{xviii} <https://forskola.stockholm/>

^{xix} https://info.childcareaware.org/hubfs/FINAL-Demanding%20Change%20Report-020322.pdf?utm_campaign=Budget%20Reconciliation%20Fall%202021&utm_source=website&utm_content=22_demandingchange_pdf

Figure used is for average cost for a full time place (assuming length of 50 hours) adjusted to 30 hours. Note – nationwide estimate of childcare costs has been used, but costs differ considerably across the USA.

^{xx} <https://www.schools.nyc.gov/enrollment/enroll-grade-by-grade/head-start#:~:text=Early%20Head%20Start%20and%20Head,ready%20for%20kindergarten%20and%20beyond> information shown is for New York, but Head Start is a nationwide, federal programme.