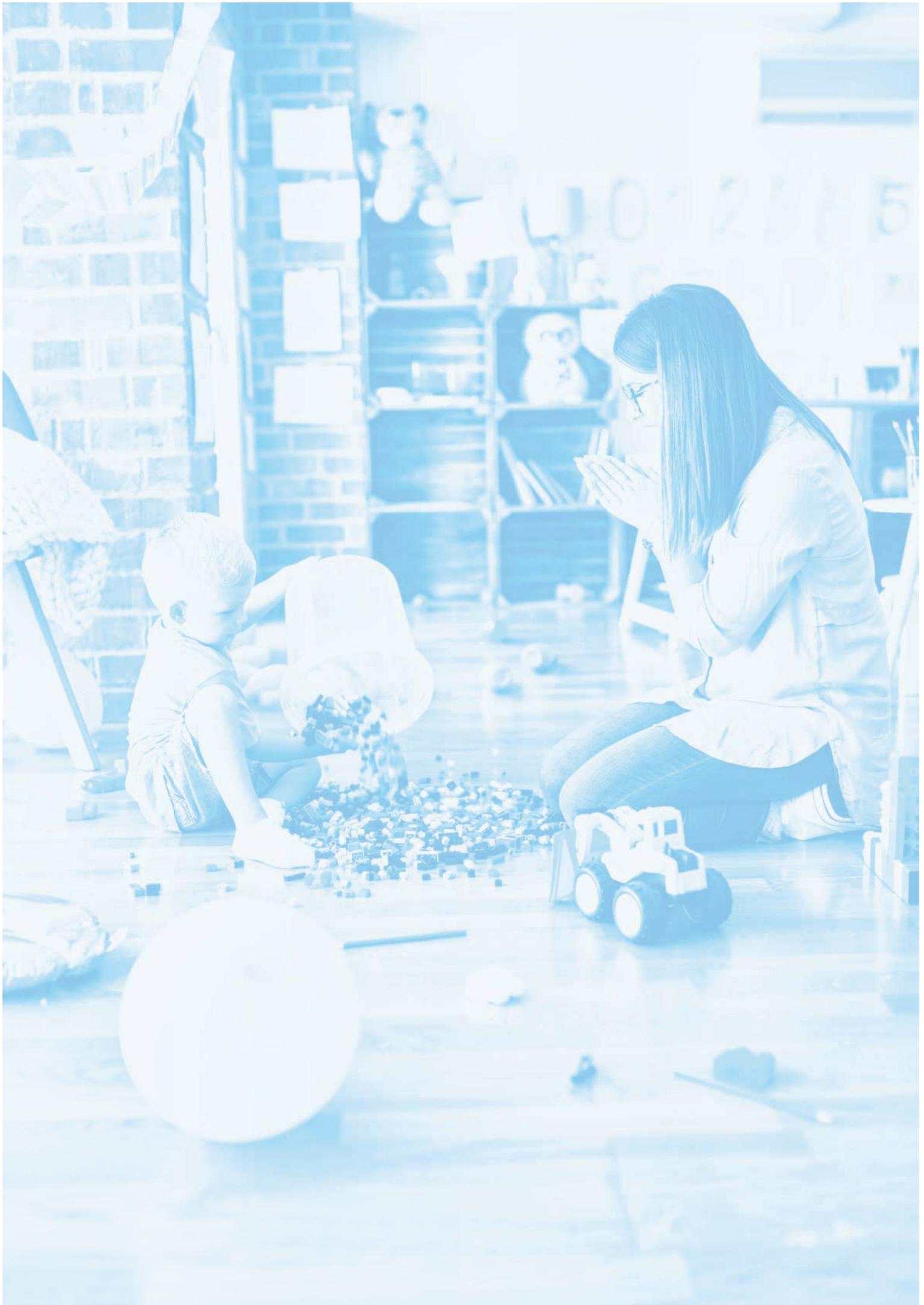


BUDGET 2022 A NEW DEAL FOR EARLY YEARS

*New Deal for
Early Years coalition
July 2021*





A Vital Public Service

The pandemic has demonstrated just how crucial Early Years services¹ are for parents, children and the economy. However, the sector is in crisis. Historic under-investment by government and a broken system have resulted in:

- A majority of Early Years Professionals **earning below the Living Wage**
- The **highest childcare fees** in the European Union
- Services experiencing a **recruitment and retention crisis** undermining sustainability
- Quality for children undermined by high staff turnover

In Budget 2022, the Government can implement a *New Deal for Early Years* and move towards a public service model that is appropriately funded².

By significantly **increasing investment** and implementing a **new model**, the sector can begin the transformation to a new system that is high quality for children, affordable for parents, pays educators a professional wage and ensures sustainable services.

€11.91
the average hourly pay for Early Years Educators

€186
the average weekly fee for full-time childcare

40%
the average staff turnover in full day services per year

38%³
of all professionals in the sector actively looking for a job in a different profession

Under Investment

Irish investment in the Early Years' sector lags far behind other European countries. In 2019, Ireland spent €572 million on this sector. However, we would have to spend an additional €900 million to reach the EU average. To reach the UNICEF target of 1% spending of national income, we would have to raise an additional €1.5 billion per year. That is how far behind we are.

Public Spending on Early Childhood Education and Care: 2019 (% of GDP)



Government has committed to double expenditure on Early Years – nearly €500 million over the next few years.⁴

GRAPH: European comparison of Childcare Expenditure

¹ The sector is also referred to as childcare and Early Childhood Education and Care (ECEC).

² Private and community operators would continue to deliver Early Years services in a public service model

³ SIPTU (2022) Early Year Professionals Survey 2020

⁴ Programme for Government: Our Shared Future (2020). The implementation of the First 5 Strategy for Babies, Young Children and their Families includes a commitment to double expenditure

1 A Path to Professional Pay

Early Years Professionals, 98% of whom are women, are some of the lowest paid workers in Ireland. Despite mandatory qualifications, 50% earn below the Living Wage⁵ with many trapped in precarious work contracts. This situation has resulted in an unsustainable recruitment and retention crisis. Staff turnover is 40% in full day services⁶, directly undermining children's rights to quality early years provision.

Average Hourly Pay in the Early Years' Sector: 2017/2019 (€ in adjusted for PPP) ⁷				
Germany	Netherlands	France	Norway	Ireland *
18.54 – 30.49	26.04	19.92	19.13	12.55
*Includes all staff and management				

The vast majority of Early Years Professionals will leave the sector unless this situation changes, with almost 40% actively looking for job opportunities outside the sector. A recent survey indicates that poor pay was by far the biggest issue driving people out of their profession with 80% of respondents citing it as their top concern⁸.

Mercer⁹ consultants made recommendations on the appropriate remuneration¹⁰ for Early Years Professionals, benchmarking these with comparable roles in the public sector.

As a first step towards these recommendations, government should support Joint Labour Committee negotiated pay scales in Budget 2022 by:

Investing an additional €75 million to improve pay for early years professionals

This investment would start the path to professional pay, ensuring that all staff earn above the Living Wage in 2022. With an additional funding of €50 million in Budget 2023, all staff would reach the Mercer entry-level salary scale.

This would reduce staff turnover, enhance children's experiences in settings and make services more sustainable.



⁵POBAL (2021) Early Years Sector Profile 2019 / 2020

⁶Minister for Children, Equality, Disability, Integration and Youth Affairs (2020) Parliamentary Question 15789/20

⁷Frontier Economics (2021) Towards a New Funding Model, Working Paper 1

⁸SIPTU (2021) Early Years Professionals Survey 2020

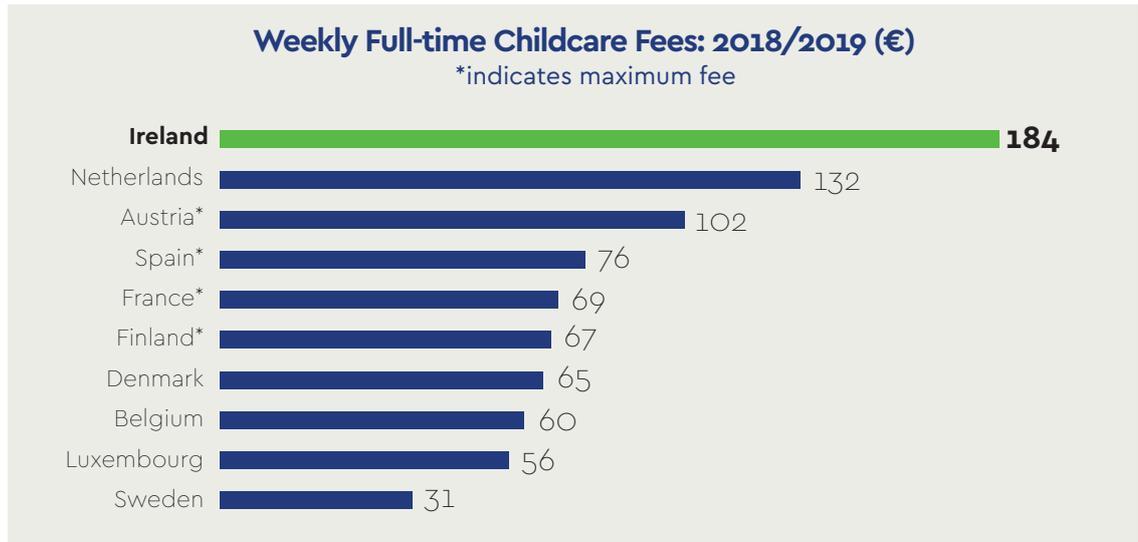
⁹Mercer (2018) Remuneration for Early Years Professionals

¹⁰Entry level rates of pay per hour (adjusted). Educator: €14.11, Room Leader: €16.72, Deputy manager: 17.77, Manager: €20.90

2 Affordability

Parents pay the highest fees in the European Union.

Not only do high fees block women's participation in all sectors of society, they also undermine children's rights to early education and care and can prevent their participation in these services.



In order to address affordability in Budget 2022, we are calling on the Government to:

Invest €75 million in affordability measures. This would reduce full-time childcare fees by between €30 and €35 per week.

Fixing the Broken Model

Ireland's market approach to Early Years is not working. It fails children, parents, professionals, and providers by pitting the goals of affordability and quality (professionalised wages) against each other.

We need a new public service model that places the rights of children and the needs of families at its heart. We need a system that recognises the essential contribution of all Early Years providers, private and community, and the commitment of qualified early years professionals to the provision of high-quality services that are accessible and affordable.

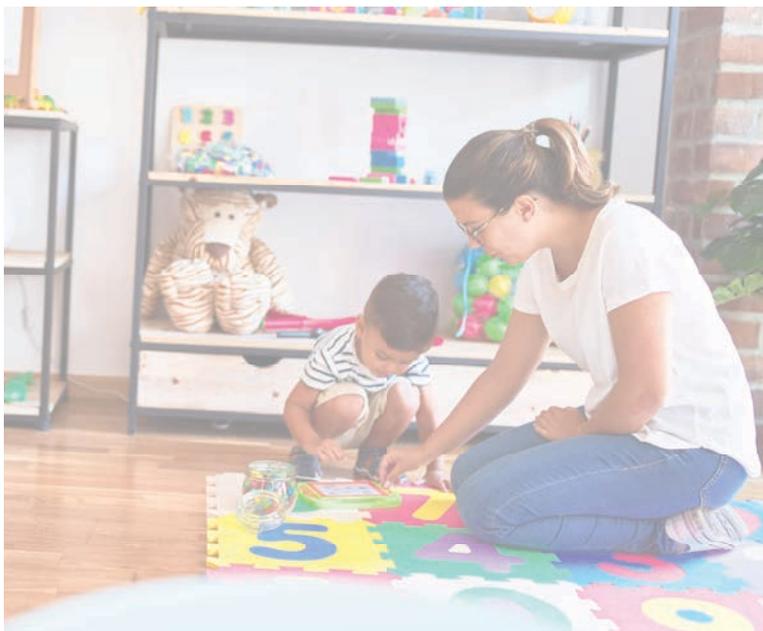
Funding such a model must be based on staffing grants¹¹, similar to the current Employment Wage Subsidy Scheme (EWSS). This approach is already widely supported by Early Years organisations, services and civil society groups¹².

The full year cost in 2022 would be €150 million. This is significantly less than the €500 million the Government is already committed to in additional investment.

By making this investment, the Government can guarantee affordable provision by capping parental fees and ensure the sustainability for providers.

Budget 2022 is the opportunity to radically reform the Early Years sector, if there is the political will to do so.

“Average monthly fees are the highest in the countries which rely on market mechanisms to supply ECEC”¹³



¹¹ SIPTU & NWCI (2021) *A New Model for Early Childhood Education and Care*

¹² Association of Childhood Professionals (ACP), Barnardos, BLÁTHÚ Steiner Early Childhood Association, Gaeloideachas, Irish Congress of Trade Unions, Men In Childcare, National Childhood Network, National Community Childcare Forum, PLÉ: The Irish Association of Academics in Early Childhood Education and Care in Higher Education, Saint Nicholas Montessori Society of Ireland, SIPTU and the Union of Students of Ireland (2020) *A New Framework for Early Years and School Age Services*

¹³EU Commission (2019) *Key Data on Early Childhood 2019 Edition, Eurydice Report*



The New Deal for Early Years coalition includes:

SIPTU, National Childhood Network, CRANN Support Services, National Community Childcare Forum, National Women's Council of Ireland, Irish Congress of Trade Unions, OMEP Ireland (World Organisation for Early Childhood Education), Further Education Teachers Network, Association of Childhood Professionals (ACP), Men In Childcare, PLÉ: The Irish Association of Academics in Early Childhood Education and Care in Higher Education, SPARK: Single Parents Acting for Rights of Kids.