EPIC Futures

The value of addressing the underemployment of mothers

Reliance Restricted

23 March 2026 | Version 2 (Final)

The better the question. The better the answer. The better the world works.

EY Parthenon

Shape the future with confidence

Reliance Restricted

The University of Ulster
2-24 York Street
BT15 1AP

Ernst & Young LLP
Bedford House,
16 Bedford Street,
Belfast
BT2 7DT

Simon MacAllister
Partner, Strategy and Transactions

Tel: +353 1 221 2611
Mobile: +353 86 830 4580
Email:
Simon.MacAllister@parthenon.ey.com

EPIC Futures NI Phase I

23rd March 2026

DISCLAIMER

This report has been prepared by Ernst & Young LLP, a limited liability partnership registered in England and Wales with registered number OC300001, in accordance with an engagement agreement for professional services with The University of Ulster. Ernst & Young LLP's obligations to The University of Ulster are governed by that engagement agreement. This disclaimer applies to all other parties (including The University of Ulster affiliates and advisors).

This report has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Refer to your advisors for specific advice.

Ernst & Young LLP accepts no responsibility to update this report in light of subsequent events or for any other reason.

This report does not constitute a recommendation or endorsement by Ernst & Young LLP to invest in, sell, or otherwise use any of the markets or companies referred to in it.

To the fullest extent permitted by law, Ernst & Young LLP and its members, employees and agents do not accept or assume any responsibility or liability in respect of this report, or decisions based on it, to any reader of the report. Should such readers choose to rely on this report, then they do so at their own risk.

Ernst & Young LLP reserves all rights in the Report.

Table of contents

1
Executive Summary

There is a potential opportunity to unlock over £107m in incremental tax and a further £705m in gross GDP contributions by addressing maternal underemployment in NI

Northern Ireland's labour market faces persistent challenges related to economic inactivity and underemployment, particularly among mothers. While headline employment and unemployment rates suggest relative stability, deeper analysis reveals that a significant proportion of women are either outside the workforce or working fewer hours than they would want, often in roles that do not fully utilise their skills and qualifications. This underemployment is not just personal choice, but due to systemic barriers, most notably, the affordability and availability of childcare.

Childcare costs in Northern Ireland are among the highest in the OECD, with estimates varying widely depending on methodology, family circumstances, and the mix of formal and informal care. Households using 31–40 hours of childcare per week typically pay around £630 per month per child, but costs can rise to £800[1] per month for those relying solely on formal provision. The support landscape in Northern Ireland is less extensive than in other UK regions. England, Scotland, and Wales offer up to 30 hours of funded childcare per week for eligible children. Until recently, NI provided only 12.5 hours per week of funded preschool education for three and four year olds during term time. This is being replaced by a phased rollout of 22.5 hours per week as of September 2025. There is no statutory entitlement for children under three, nor for wraparound or extended hours care. Recent policy changes have introduced incremental improvements, such as the Northern Ireland Childcare Subsidy Scheme (NICSS), but coverage remains uneven and eligibility constraints further complicate access.

The consequences of maternal underemployment extend beyond individual households, impacting the wider economy and society. Survey data shows that close to 50% of mothers report difficulties balancing work and childcare[2], with many unable to take on additional hours, reducing working time, or missing out on career progression and training opportunities. The financial impact is considerable, with missed opportunities for higher earnings and advancement translating into billions in lost income across the UK.

Underemployment among mothers produces both short term financial strain and long term economic disadvantages. Lower income during childrearing years coincides with missed opportunities for career advancement, reduced access to benefits, and slower asset growth. The motherhood wage penalty, estimated at 45% in medium to long term earnings in the UK, reflects time spent out of the labour market and slower progression once mothers return to work [3]. Royal London estimate a 35% gap in private pension wealth between men and women, with part-time work for childcare reasons contributing to a £92,000 shortfall over a 12 year period[4].

At the societal level, underemployment places additional pressure on public finances through lower tax revenues and higher welfare costs. Prolonged disengagement from the workforce is linked to poorer health outcomes[5], diminished social inclusion[6], and missed opportunities for individuals to participate fully in both society and the economy. These effects are particularly pronounced among women, who are disproportionately affected by caring responsibilities and thus more likely to experience underemployment or labour market detachment.

This analysis seeks to highlight the potential socioeconomic returns of addressing underemployment and closing the participation gap between mothers and non mothers through improved childcare provision. We have modelled potential gains to public finances and gross domestic product (GDP). This work also draws attention to the lack of data and policy focus on underemployment in Northern Ireland, as addressing this gap is important not only for designing effective interventions but also for recognising the challenging experiences of those whose potential remains underutilised in the current system.

Incremental Tax

an additional ~580,000 hours worked per week could generate

- **Up to £107.7m gross for public finances per annum** through increased income tax receipts and individual National Insurance contributions as individuals progress through tax brackets from additional hours worked. These hours worked equate to 15,240 FTE workers (38 hours) per week

GDP Contribution

using a productivity to wage ratio, we calculate that

Up to £704.8 in gross GDP contributions per annum could be achieved for the Northern Irish economy by addressing childcare barriers, reflecting the increased hours and productivity of mothers currently working below their desired level

EY Parthenon

2

Context and Case for Change

Childcare affordability and availability are central challenges to improving labour force engagement, and tackling these issues may unlock significant socioeconomic benefits

Childcare costs in NI represent a significant barrier to labour market participation for parents, particularly mothers. There is no single, definitive source for childcare costs in NI; instead, a range of estimates exists, each shaped by different methodologies, family circumstances, and the mix of formal and informal childcare.

For example, recent data indicates that households using 31 to 40 hours of childcare per week pay around £630 per month, or £7,560 annually, per child[1]. While this provides a useful benchmark, it does not capture the full cost for families relying entirely on full time formal provision, where estimates suggest expenses rise to approximately £800 per month if informal support, such as care from grandparents, is unavailable[2]. Official statistics combine paid and unpaid care, such as hours provided by grandparents, within their calculations. While this approach captures the breadth of childcare arrangements families rely on, it has the effect of pulling down reported averages and obscuring the financial reality for those dependent solely on formal services. As a result, headline figures can understate the actual costs that many households face, particularly where full time formal provision is required, and informal support is not available. In addition, there is evidence of informal, unregulated childcare offered by providers without suitable qualifications or training. Such arrangements fall outside official reporting and further obscure understanding of the true scale, cost, and barriers associated with childcare in NI[3].

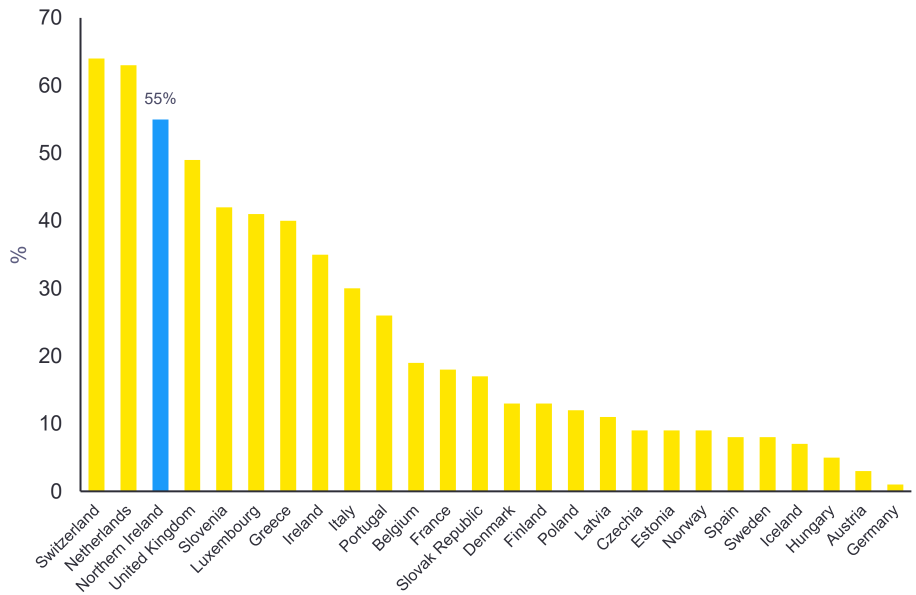
Advocacy groups such as Melted Parents have highlighted that including unpaid care distorts the true scale of the financial burden. Their reports suggest that the cost of placing two children in full time paid childcare in NI can reach as high as £39,000 per year, with net costs still exceeding £30,000 after available support—close to the region's median annual income[4]. Employers for Childcare found that the average annual cost of a full time childcare place in NI exceeded £10,000, rising to over £14,000 for younger children under five using only formal care[5]. These costs surpass the maximum support available through Tax-Free Childcare, which covers 20% of eligible costs up to £10,000 per child annually, leaving families to absorb substantial expenses.

The Childcare Survey further illustrates this strain with almost half (48%) of households in NI deeming childcare unaffordable or very unaffordable[6]. Additionally, 88% of parents have had to change their working arrangements because of childcare costs, most commonly by reducing hours, adopting flexible working practices or not taking on career progression [7].

Compared to other UK regions, NI faces higher costs and reduced supports, with the Department for Economy[8] ranking NI third highest among OECD countries for the proportion of household income required to cover the cost of two children in full time childcare. EY analysis calculated that the cost of full time childcare for two children is 55% of the median income in NI.[9]

Although the precise figures vary depending on the source and circumstances, all available data points to the same conclusion: childcare affordability is a significant structural barrier to employment and economic participation in Northern Ireland, especially for mothers. The consistently high costs relative to median income underscore the urgent need for policy attention and reform.

Figure 1: Cost of having 2 children in childcare relative to the median wage



Source: EY calculation from OECD and NISRA data

Childcare affordability and availability are central challenges to improving labour force engagement, and tackling these issues may unlock significant socioeconomic benefits

Northern Ireland's childcare support landscape remains significantly less comprehensive than in other UK nations, with direct implications for parental employment and economic growth. While England, Scotland, and Wales have expanded funded childcare to offer up to 30 hours per week for eligible children, Northern Ireland provides only 12.5 hours per week of funded preschool education for three- and four-year olds during term time. This is being replaced by a phased rollout of 22.5 hours per week, but there is still no provision for children under three and no statutory entitlement to wraparound or extended hours care that would enable parents to align work schedules with childcare availability. This limited provision stands in contrast to the broader entitlements available elsewhere in the UK, such as England's universal 15 hours per week for all three- and four-year olds, and Scotland's 1,140 hours per year for eligible children.

A detailed comparison of support types across the UK highlights these disparities. England is expanding free childcare to children aged nine months by September 2025, while Wales offers up to 30 hours per week for 48 weeks per year for eligible working parents of three- and four-year olds. Scotland provides 1,140 hours per year for all three- and four-year olds and eligible two-year olds. In contrast, Northern Ireland lacks a universal free childcare scheme, with provision limited to preschool education for three- and four-year olds only. There is no funded childcare for two-year olds or under twos, and term time only provision means limited flexibility. Childminders are excluded from delivering preschool places, further restricting provider options.

Recent policy developments have introduced incremental improvements. In May 2025, the Northern Ireland Executive announced a £55m package for 2025–26, which includes more full time preschool places and an extension of the Northern Ireland Childcare Subsidy Scheme (NICSS) to school age children[10]. The NICSS offers a 15% reduction in costs for eligible working parents, but coverage remains uneven and eligibility constraints further complicate access. For example, families eligible for Universal Credit cannot claim support through NICSS, and those exceeding the Tax-Free Childcare income threshold are also ineligible for NICSS. These overlapping rules and thresholds contribute to inconsistencies and can reduce the financial incentive for middle and lower income families to remain in or take on additional employment. Universal Credit childcare support covers 85% of registered childcare costs, and Tax-Free Childcare provides 20% of costs up to £10,000 per child annually, but the interaction between these schemes can create cliff edges and sudden losses of support when family circumstances change.

These structural gaps and complex eligibility rules have direct impacts on parental employment and economic growth. Many women in Northern Ireland are unable to return to their preferred working hours after maternity leave, increase hours, or pursue career progression due to limited access to affordable, flexible, and reliable childcare. For second earners, the net financial return from employment can be marginal or negative once childcare costs are accounted for, contributing to persistent gender differences in employment patterns and long term impacts on earnings and pensions. Employers also report challenges in recruitment and retention where childcare access limits the availability of workers, particularly in sectors reliant on part time or flexible labour.

Government policy documents have begun to frame childcare not only as a family support but as part of the infrastructure necessary for a functioning economy. The Equality Commission for Northern Ireland identifies access to affordable, flexible, and high quality childcare as essential for reducing gender inequalities in employment and enabling parents, particularly mothers, to enter, remain, and progress in the labour market.[11] The Executive's Programme for Government 2024–2027[12] recognises the importance of delivering a cohesive and effective childcare strategy for the region, with delivery still at an early stage. Despite this recognition, Northern Ireland continues to lack a coherent, cross-departmental approach to childcare, and past estimates suggest that as much as £400m would be required to deliver a comprehensive early learning and childcare strategy[13].

However, a key consideration when constructing childcare policy in Northern Ireland is ensuring that public investment reduces costs for families directly. While additional funding and subsidies are often introduced to ease affordability pressures, these measures do not always translate into lower costs. In some cases, support is absorbed within the system, for example through higher provider fees, meaning the affordability barrier remains in place. Although sometimes described as rent seeking, these dynamics also reflect the pressures providers face from rising costs, workforce shortages, and regulatory obligations. Regardless of cause, the outcome is that families may see limited improvement in affordability. For policymakers, design of funding mechanisms should consider how to that directly reduce household costs while ensuring the sustainability of provision and the childcare workforce. Without such reform, public investment risks falling short of its potential to unlock maternal employment, support household incomes, and strengthen Northern Ireland's labour supply.

The childcare support landscape across the UK is varied, with Northern Ireland being the only region which lacks 30 hours of free childcare per week

Northern Ireland remains the only UK nation without a universal free childcare entitlement for young children. Instead, it offers funded preschool education which is traditionally capped at 12.5 hours per week during term time, and exclusively for three and four-year-olds. While the scheme is seen primarily as early education rather than comprehensive childcare, and does not extend to children under three, a phased rollout of expanded provision (22.5 hours per week) is now underway.

Support Type	England	Scotland	Wales	Northern Ireland
Free Childcare Scheme (for working parents)	Yes – 30 hours/week for 3–4-year-olds (1,140 hrs/year). Expanding to children aged 9 months by Sept 2025.	Yes – 1,140 hrs/year for all 3–4-year-olds and eligible 2-year-olds.	Yes – Up to 30 hrs/week for 48 weeks/year for eligible working parents of 3–4-year-olds (includes early education + childcare).	No free childcare scheme. Provision limited to preschool education for 3–4-year-olds only.
Funded Preschool for 3–4-year-olds	Universal 15 hrs/week (570 hrs/year); working parents up to 30 hrs/week (1,140 hrs/year).	Universal entitlement of up to 1,140 hrs/year.	Up to 30 hrs/week for eligible working parents (48 weeks/year).	Minimum 12.5 hrs/week during term time (~475 hrs/year); phased rollout of 22.5 hours underway; education-focused, not childcare.
Funded Childcare for 2-year-olds	15 hrs/week for eligible 2-year-olds; expanded to working parents from April 2024.	Eligible 2-year-olds can access up to 1,140 hrs/year.	Limited to disadvantaged areas under Flying Start (12.5 hrs/week).	No funded childcare for 2-year-olds (occasional access if spaces unfilled)
Funded Childcare for Under-2s	From Sept 2024 – 15 hrs/week for children aged 9 months; expands to 30 hrs/week from Sept 2025.	No funded childcare for under-2s.	No funded childcare for under-2s.	No funded childcare for under-2s.
Universal Credit Childcare Support	85% of registered childcare costs	Same as England	Same as England	Same as England
Northern Ireland Childcare Subsidy Scheme (NICSS)	Not available	Not available	Not available	Yes – 15% reduction in costs for eligible working parents
Age Eligibility for Tax-Free Childcare	Under 12 (up to 17 for children with disabilities)	Same as England	Same as England	Same as England
Tax-Free Childcare (TFC)	20% of costs (up to £10k/child/year; £4k for disabled children)	Same as England	Same as England	Same as England
Flexibility of Funded Provision	Can stretch hours over more weeks; includes nurseries, childminders, schools.	Can stretch hours over the year; includes wide provider range.	Up to 48 weeks/year available; term + holiday cover.	Term-time only; no flexibility. Childminders excluded from delivering preschool places; limited provider types.

Headline employment and unemployment rates understate the scale of underutilised labour in Northern Ireland, with women disproportionately excluded

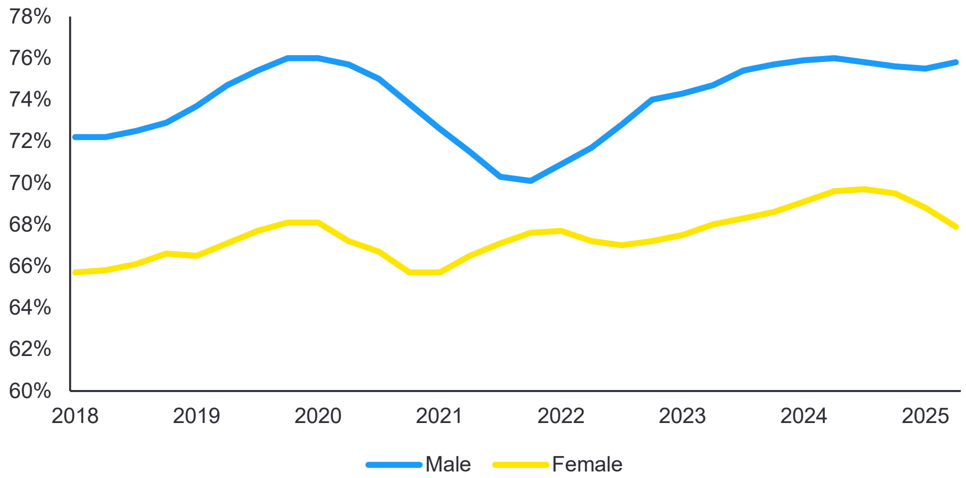
Having explored the limitations and complexities of childcare provision in NI, it is clear that these structural barriers have far reaching consequences for families and the wider economy. The challenges in accessing affordable and flexible childcare not only shape individual decisions about work but also influence broader patterns of labour market participation.

In Q1 2025, 898,000 people were in work in Northern Ireland, an employment rate of 71.7% of the working age population and the second lowest across the UK[14]. Over the same period, the unemployment rate stood at 1.9%, the lowest of any region[16]. At face value this combination suggests a relatively strong labour market.

The female unemployment rate in NI is 1.3%, considerably below the UK average of 4.1%[16]. Although unemployment rates are low across both genders in NI, not all employment is secure. In Q2 2025, around 15,000 people in NI were working on zero hours contracts, a form of employment where income and hours are uncertain.[17] The ONS has highlighted[18] how women are more likely than men to rely on such contracts, reflecting the concentrated of insecure work across sectors dominated by female employment, such as retail, health and social care, and hospitality. These forms of work allow participation in a narrow sense but do not necessarily align to the skills of all mothers.

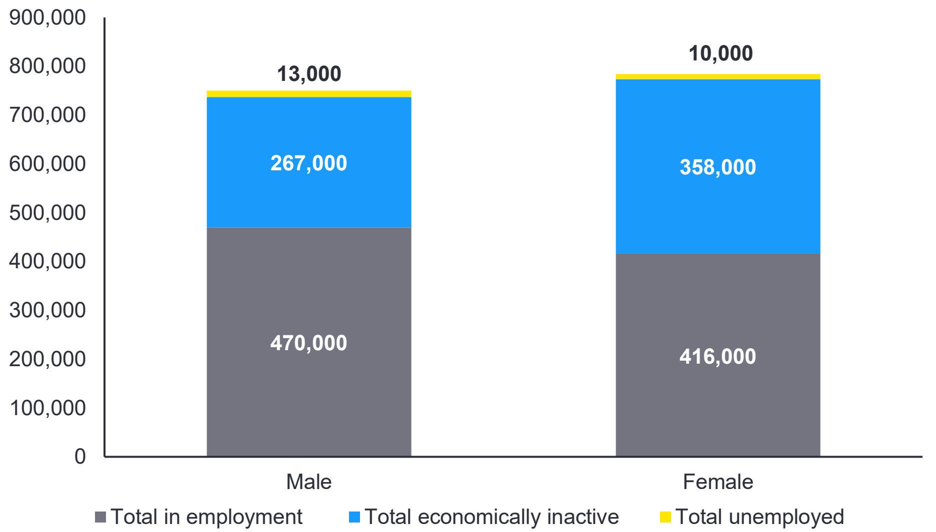
While official labour force statistics in the form of employment and unemployment numbers provide insight to those in the labour force, participation rates tell us about those who sit outside the labour force. Female participation in NI is the lowest among all regions, highlighting that less females in Northern Ireland are in the labour force generally (either employed or unemployed) than the rest of the UK[19]. Mothers with preschool children are especially affected, with only 70% of women in this group economically active, compared to 95% of men, a gap of 25 percentage points[20]. According to Employers for Childcare, about 31,000 economically inactive women in Northern Ireland say they would like to work, and 35% identify caring responsibilities as the main barrier based on 2023 data[21]. Caring responsibilities, particularly for young children or family members with additional needs, remain unevenly distributed and, when combined with the cost and availability of childcare, continue to limit both access to work and the ability to increase hours. These constraints are closely linked to occupational segregation and slower progression into roles that better match qualifications or experience.

Figure 2: Northern Ireland employment rate, by gender



Source: ONS, Labour Force Survey, UUEPC

Figure 3: Northern Ireland labour force, by gender



Source: NISRA Labour Market Report October 2025

The Northern Ireland economy has been challenged by consistently high rates of economic inactivity, with female inactivity being the highest out of all the UK regions

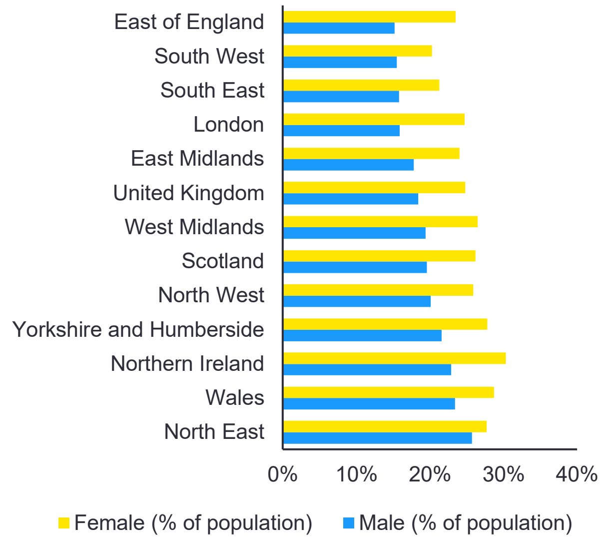
While headline employment and unemployment rates offer a snapshot of labour market health, they often mask deeper challenges related to economic inactivity and underutilised talent. These dynamics are notable in Northern Ireland, where longstanding patterns of economic inactivity persist despite improvements in employment figures.

Northern Ireland has consistently recorded one of the highest economic inactivity rates of any UK region. As of Q1 2025, 23% of the working age population (over 300,000 individuals) are economically inactive, compared with 18% across the UK [22]. Economic inactivity refers to individuals who are neither in work nor actively seeking employment and therefore fall outside official unemployment measures. This gap has remained largely unchanged over the past three decades, despite improvements in employment levels and broader economic development. Northern Ireland's overall female economic inactivity rate is the highest in the UK at 30.3%, while the male rate is much lower at 22.9%[23]. While some level of economic inactivity is expected in any labour market through students, early retirees, or those with long term health conditions, the scale and nature of long term inactivity is quite distinct in Northern Ireland. Among the economically inactive, 41% cite long term sickness or disability as their primary reason, compared with 32% across the UK[24]. This pattern reflects rising levels of chronic illness and mental health need, which are not being met with sufficient access to enabling public services, including health and social care, childcare, and mental health support.

The role of unpaid care is also a challenge for the Northern Ireland economy. In Q1 2025, 16% of economically inactive adults, around 50,000 people, reported that caring for the family or home was the reason they were not in work[25]. However, the reasons for economic inactivity vary significantly depending on the gender of the individual. Just 4% (5,700) of economically inactive men name caring responsibilities as their main reason for not working, whereas this figure is 24% for inactive women (44,000). In other words, around 90% of those individuals who are economically inactive due to caring responsibilities are female [26].

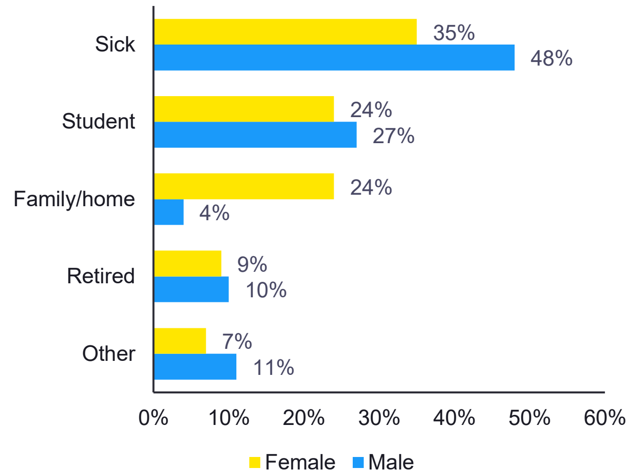
Economic inactivity is a widely recognised and documented long term challenge for the Northern Ireland economy, exacerbating issues around labour supply, productivity, social welfare costs, and adverse social and healthcare outcomes. Yet, labour force statistics often mask subtler dynamics within the labour market. Among these is underemployment, where individuals work fewer hours than they desire. A particularly affected group comprises mothers with childcare responsibilities, who frequently face structural barriers that push them into positions underutilising their qualifications or creating skills mismatches, largely due to inadequate childcare provision in Northern Ireland. While economic inactivity rightly commands attention, its narrow focus on those entirely outside the labour market risks overlooking these hidden inefficiencies. This limited view can obscure other forms of labour market failure and underestimate the region's productive capacity. A more holistic understanding demands moving beyond headline figures to interrogate the full spectrum of labour market disconnection.

Figure 4: Inactivity rate, by gender



Source: ONS, Labour Force Survey, UUEPC

Figure 5: Reason for economic inactivity, by gender



Source: ONS, Labour Force Survey, UUEPC

Parttime work is disproportionately taken up by women, especially mothers, reinforcing the 'motherhood penalty'

Employment structures in Northern Ireland continue to reflect differences between how men and women engage with paid work. These differences include the types of roles held, the hours worked, and earnings and are particularly pronounced among mothers and which suggests a linkage to ongoing challenges around care, flexibility, and progression. In 2023, 90% of employed men in Northern Ireland worked full time, compared to just 66% of women[27]. Women remain far more likely to take up part time roles, often to manage caring responsibilities or due to a lack of flexible full time opportunities. This imbalance in employment type has a direct bearing on working hours and earnings and further supports the 'motherhood penalty' whereby mothers find their careers and lifetime earnings disproportionately impacted by childcare.

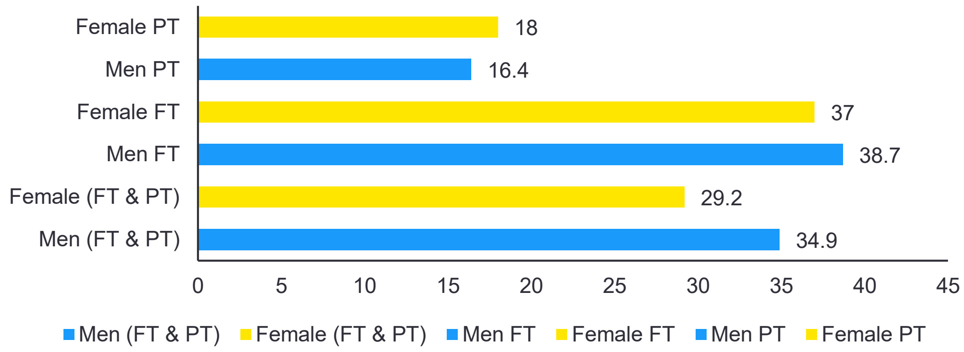
These patterns in employment type are mirrored in working hours, where the presence of dependents further amplifies gendered differences. In 2024, full time male employees worked an average of 38.7 hours per week, compared with 37.0 hours for full time female employees, indicating a relatively small gender difference in hours worked[28]. However, the presence of dependent children has a more pronounced association with women's employment patterns. Full time employment among women with dependents was 58.6%, compared with 71.7% among those without dependents, while part time employment was 13.1 percentage points higher for mothers[29]. Among men, full time work remained the most common arrangement, with only a slight increase in full time employment for fathers relative to men without dependents (96.3% versus 90.6%)[30]. Overall, the data reflect that caring responsibilities are linked to reduced full time participation among women, while men's working arrangements remain largely unaffected by parenthood.

Differences in work arrangements influence earnings and sustain gender-based inequalities. In 2024, full time men earned 6.5% more than women who worked full time. Among part time workers, the gender gap was narrower, at just 2.5%, with women earning slightly more than men per hour[31]. However, because women are more likely to be in part time roles, and men are more likely to work longer hours overall. The average hourly earnings across all employees differs by 7.3% in favour of men. The combination of shorter hours, lesser earnings, and greater concentration in part time roles results in a labour market that does fully utilise the skills, experience and availability of women, and those women with children are particularly burdened. These outcomes are shaped less by individual choice and more by structural constraints: inflexible working practices, limited childcare options, and occupational patterns that restrict progression.

Work Foundation research has found that with one in five workers in severely insecure jobs, which are those roles characterised by low pay, unpredictable hours, and limited autonomy. Women are 1.8 times more likely than men to be in these roles[32], and are 35% more likely than men to be on zero hour contracts in low paid sectors[33]. This structural inequality reinforces the motherhood penalty, with ONS estimates suggesting mothers earn on average £65,000 less across the first five years after their first child is born[34], reflecting sustained setbacks in employment and career progression. Moreover, 20% of mothers in England reported being unable to take up a more senior role due to childcare costs.[35] Such figures highlight the economic case for addressing underemployment and barriers to employment for parents, particularly mothers, and ensuring individuals are better supported to participate fully in the labour market.

There is also the challenge of time spent out of the workforce and general lack of availability of back to work supports. Returning to work after time away is challenging and difficult, with mothers not always being fully supported by employers to overcome barriers to returning. This may also contribute to a change in roles, whereby mothers seek less productive, lower paid roles. The rapid pace of technological change can leave returnees feeling outdated or underqualified compared to peers who have remained in employment. Limited access to flexible working arrangements further complicates the transition, making it harder to balance work and family responsibilities. Additionally, societal expectations and workplace biases may lead employers to undervalue the skills and experience that mothers bring when reentering the workforce.

Figure 6: Paid hours worked, male and female, by employment type



Source: NISRA

Underemployment impacts the productivity of an economy, places strain on public spending, and has adverse social and welfare implications for individuals

Building on the challenges outlined in previous slides, it is clear the headline figures do not capture the full extent of labour market detachment in Northern Ireland. Beyond those who are entirely outside the workforce, a significant number of individuals, particularly mothers, remain employed but are working fewer hours than they would prefer, or are in roles that do not fully utilise their skills and qualifications. This underemployment, often driven by childcare responsibilities and structural barriers, represents a constraint on both personal and economic potential. Understanding these dynamics is essential for addressing the productivity gap and designing policies that support more inclusive participation.

Recent survey data from the Centre for Progressive Development highlights the scale of this issue. More than half of respondents (around three million) reported difficulties since becoming a parent. Among this group, 46% said they were unable to take on additional hours, and 29% reduced their hours instead. Career progression was also affected: 34% were prevented from applying for new roles, 31% reported limited promotion opportunities, and 21% could not accept a job offer. The financial implications are considerable, with 18% of mothers said they had been unable to take a job offering a higher salary due to childcare limitations, with the average missed opportunity worth £12,000 a year[36].

Underemployment in this context is not a matter of personal choice, but rather the result of systemic obstacles that limit parents' ability to realise their full potential in work. High childcare costs, limited availability, and inflexible working arrangements frequently force mothers into part time roles or positions that do not match their qualifications, even when they are willing and able to contribute more. The widespread reliance on informal care, particularly from grandparents, also amplifies this underrecognised scale of underemployment. By absorbing a substantial share of childcare needs outside formal provision, such arrangements obscure the true extent of unmet demand for affordable and flexible childcare. Many parents adapt their working patterns in response, whether by reducing hours, stepping into roles with limited progression, or delaying career advancement, which are decisions that remain invisible in headline statistics but have considerable implications for household income, gender equality, and economic resilience. Recent evidence suggests that almost 9 in 10 parents in Northern Ireland have altered their working hours or career development decisions due to childcare limitations[37], underscoring the magnitude of adjustments that remain invisible in headline statistics.

Beyond individual consequences, underemployment places additional pressure on public finances through lower tax revenues and higher welfare costs. At a societal level, prolonged disengagement from the workforce is linked to poorer health outcomes[38], diminished social inclusion[39], and missed opportunities for individuals to participate fully in both society and the economy. These effects are particularly pronounced among women, who are disproportionately affected by caring responsibilities and thus more likely to experience underemployment or labour market detachment.

Despite its significance, underemployment is not formally recognised as a labour market indicator in Northern Ireland's official reporting, and the Labour Force Survey does not produce a dedicated measure for the region. This lack of consistent, government backed data means policymakers have limited visibility of the problem and may underestimate its implications for productivity, fiscal health, and gender equality. Focusing only on hours worked risks overlooking a significant share of the workforce whose skills and potential remain underused, making it harder to design interventions that unlock additional capacity. It also means decisions on childcare investment, workforce planning, and gender equality strategies are being made without a clear evidence base. The available evidence suggests the true scale of underemployment in Northern Ireland is greater than current estimates indicate.

This has direct policy consequences: it produces an incomplete picture of labour supply, understates the fiscal benefits of higher participation, and downplays the link between constrained utilisation and gender inequality, particularly for mothers facing structural barriers. Beyond economic consequences, the lack of data limits the ability to address social outcomes, such as health disparities and reduced social mobility, which are often compounded by persistent underemployment. A broader definition, coupled with improved data availability, would enable policymakers to better quantify and understand these impacts, target enabling measures such as childcare investment more effectively, and build a stronger evidence base for long term planning. Without this, Northern Ireland risks perpetuating structural inefficiencies that constrain growth and deepen inequalities. Addressing underemployment and its causes, particularly barriers created by childcare costs and availability, is required to unlock the region's full productive potential, improve household financial resilience, and advance gender equality and social mobility.

3

Evidence and Impacts

Maternal underemployment represents a substantial but underrecognised drag on Northern Ireland's economy and households, driven by childcare constraints

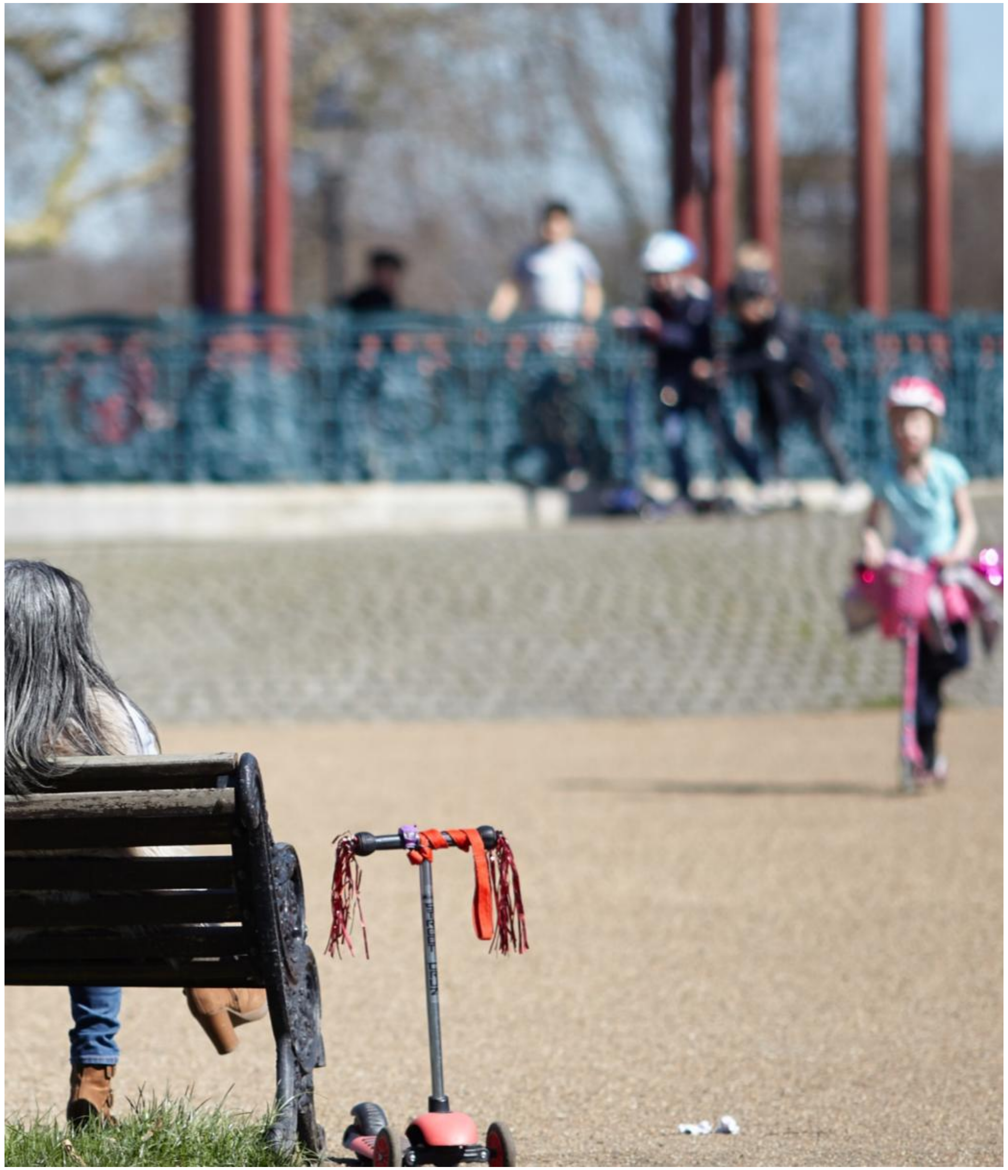
Maternal underemployment reflects a form of labour market underutilisation that is not consistently addressed in policy or official statistics. Unlike economic inactivity, underemployed mothers are counted in employment figures but may not be operating at their full productive capacity, resulting in suboptimal use of skills, training, and experience across a significant segment of the workforce.

The drivers of maternal underemployment are both supply and demand side. On the supply side, the affordability, availability, and flexibility of childcare services directly influence mothers' ability to increase working hours or access roles aligned with their qualifications. On the demand side, workplace inflexibility and prevailing gender norms around caregiving can constrain career progression, often in ways that appear voluntary but are shaped by structural limitations in childcare provision.

The implications of maternal underemployment extend beyond individual earnings. Reduced working hours and limited career progression have broader economic consequences, including lower GDP, diminished productivity, and reduced exchequer revenues. At the household level, these constraints affect financial stability, gender equality, and social mobility, and contribute to long term disparities in wealth accumulation and educational outcomes. These effects are transmitted through mechanisms such as reduced disposable income, lower tax contributions, constrained consumer demand, and limited investment in children's development.

Addressing maternal underemployment requires targeted interventions that go beyond individual choice and tackle structural barriers, particularly childcare provision and workplace flexibility. By enabling mothers to participate more fully in the labour market, Northern Ireland can unlock significant economic and social benefits for individuals, families, and the wider community.

This section explores the social, financial, and economic challenges of maternal underemployment. Drawing on domestic and international evidence, it highlights both the costs associated with maternal underemployment and the potential benefits of addressing childcare related barriers to maternal labour market participation.



Underemployment has negative societal consequences, including worsening health and wellbeing outcomes, impacting educational outcomes in children and more

While mothers experiencing underemployment remain part of the workforce, their contribution is often constrained by structural barriers rather than personal choice.

The social effects of underemployment are most immediately visible in health and wellbeing outcomes. Bell and Blanchflower[1] find that individuals working fewer hours than they desire report significantly lower life satisfaction, heightened anxiety, and increased rates of depression, particularly when the gap between actual and preferred hours is large. These findings underscore the psychological toll of underemployment and its broader implications for individual wellbeing. Broader evidence from the Health Foundation[2] highlights that employment status is strongly linked to physical health outcomes. Unemployed individuals, for example, are nearly 6 times more likely to report poor health than employees, and significantly less likely to rate their health as very good or excellent. These disparities suggest that inadequate or insecure employment, including underemployment, may contribute to stress related conditions and poorer overall health. For mothers, these pressures are compounded by the dual demands of limited professional progression and the expectation of primary caregiving. In the absence of accessible, high quality childcare, many are left balancing reduced earnings with a disproportionate share of unpaid labour, a combination that can erode confidence, autonomy and long term wellbeing.

These pressures extend into workplace dynamics and career development. When childcare is unaffordable or inflexible, mothers are more likely to reduce their hours, accept roles that underutilise their qualifications or decline career advancement opportunities[3]. Such patterns reinforce occupational segregation, concentrating women in part time and lower paid sectors and sustaining persistent gender pay and promotion gaps. Employers may, consciously or otherwise, adjust expectations around mothers' availability and commitment, restricting access to leadership roles and high growth industries. This process is reenforcing as constrained participation reduces women's visibility in senior positions, which in turn shapes workplace norms around gender, care and ambition. Analysis by the Centre for Progressive Policy estimates that closing gender participation gaps across all local authorities could add £23bn to UK output[4], underlining both the social and economic scale of this untapped potential.

At the household level, reduced maternal earnings limit disposable income and heighten financial strain, with direct implications for children's development and long term outcomes. Research indicates that income is a significant determinant of educational attainment. The Joseph Rowntree Foundation[5] suggests that raising household income for children in receipt of free school meals to the average level could substantially reduce the attainment gap at Key Stage 2. Lower income restricts access to enrichment activities, reduces the ability to save for further education and increases exposure to financial stress, which are all factors that shape life chances well beyond childhood. Persistent underemployment among mothers can compound these inequalities, reinforcing disadvantage across generations.

Underemployment has consequences that extend beyond the individual and into the next generation. Research from Imperial College London[6] shows that parental joblessness and prolonged nonemployment during childhood are linked to poorer health, lower educational attainment, and weaker labour market outcomes in adulthood – with such effects likely to also impact households impacted by underemployment. These effects tend to accumulate over time, with repeated spells of nonemployment deepening disadvantage and limiting opportunities for children as they grow up. Household dynamics also play a role, as when mothers' employment is constrained by care responsibilities, this can reinforce traditional expectations about gender and work, shaping attitudes that influence future labour market equality.

Taken together, these household and intergenerational impacts make maternal underemployment a clear public policy concern. Addressing it requires interventions that go beyond individual choice to tackle structural barriers, particularly childcare provision and workplace flexibility. While the issue begins at the household level, its implications for workforce capacity, economic performance, and equality objectives position it firmly within the wider policy agenda.

The financial impacts of maternal underemployment are considerable, reducing financial security of women across their lifetime and represent untapped potential

Underemployment among mothers produces both short term financial strain and long term economic disadvantages. Lower income during childrearing years often coincides with missed opportunities for career advancement, reduced access to benefits, and slower asset growth. Although underemployed mothers retain some earnings, these are typically below their potential due to reduced working hours, lower hourly pay, or limited career progression. As a result, the gap in lifetime earnings between men and women, as well as between mothers and childless women, continues to widen.

At the individual level, moving into part time or lower paid roles has immediate financial consequences. Reduced earnings limits disposable income, which in turn affects household spending, savings capacity, and resilience to unexpected costs. Royal London estimate a 35% gap in private pension wealth between men and women, with part time work for childcare reasons contributing to a £92,000 shortfall over a 12 year period[7]. This gap reflects not only lower contributions but also missed investment growth, meaning the effects compound across decades. As a result, women are more likely to enter retirement with limited independent financial security, often relying on a partner's income or state provision. This reliance creates vulnerability in circumstances such as relationship breakdown, illness, or redundancy, where reduced lifetime earnings leave fewer options for maintaining stability.

The motherhood wage penalty, estimated at 45% in medium to long term earnings in the UK, represents a significant constraint on women's lifetime income[8]. This penalty reflects a combination of factors. Time spent out of the labour market reduces earnings in the short term, but the longer term impact stems from slower progression once mothers return to work. Many transition into part time roles that provide limited access to training, offer fewer opportunities for advancement, and offer lower pay. These roles often fall outside structured career pathways, making it difficult to regain lost ground. Even where mothers remain employed, these constraints restrict their ability to accumulate experience and progress into higher paying positions, reinforcing gaps in income and productivity contributions.

The Centre for Progressive Policy estimates that if women were able to work the hours they wanted with adequate childcare in place, their earnings could rise by between £9.4bn and £13bn per year. If the desired jobs were taken, rather than being forgone due to childcare then the average earnings would be on average £12,000 higher – totalling £8.8bn[9]. These figures highlight the scale of productive capacity currently underutilised in the economy. At the household level, reduced maternal earnings often necessitate greater reliance on in-work welfare and tax credits, particularly among single parent families. This represents a fiscal cost to government and can constrain household behaviour, as eligibility thresholds may create disincentives to increase working hours if the marginal gain is offset by reduced welfare receipts. For families on tight budgets, underemployment can delay or prevent investment in housing, education, or training, each of which carries long term implications for economic mobility. Lower disposable income also reduces household spending power, with knock on effects for local economies.

The opportunity costs of underemployment are also reflected in lost productivity and foregone tax revenue. PwC's analysis of the 2017 expansion of free childcare in England found that the policy increased employment among adults of childbearing age by 1.3 percentage points, equivalent to around 286,000 additional people in work, and generated a £22.3bn uplift in GVA[10]. Notably, the economic benefits of the policy outweighed the government's expenditure on the subsidy, reinforcing the fiscal case for investment in affordable childcare. This aligns with international evidence where subsidised childcare increased maternal labour force participation and produced net positive returns in tax revenue.

Financial insecurity linked to underemployment intersects with broader patterns of inequality. Women's shift into part time and lower paid roles after childbirth is recognised, with evidence showing that most mothers who return to work early do so part time and often for financial necessity rather than choice[11]. These patterns reduce opportunities for career progression and occupational upgrading, reinforcing long term earnings gaps. Constraints are particularly stark for mothers in low income households, where the high upfront cost of childcare can make full time work financially unviable. In the UK, childcare costs are also particularly burdening for the lowest income households who spend up to 30% of their household income on childcare, compared to higher income groups who spend approximately 10%[12].

The economic impacts from tackling maternal underemployment are considerable, with opportunities to address labour market shortages, GVA and increase tax revenues

When childcare becomes more affordable and accessible, maternal participation rates and average working hours increase consistently, particularly among lower income households. Evidence from the Centre for Progressive Policy suggests that if childcare barriers in the UK were reduced and women were able to work their preferred hours, the resulting uplift in labour supply could generate £27bn-£38bn in additional Gross Value Added each year, around 1% of GDP[13]. This scale of potential gain underscores that childcare policy is a lever for effective economic growth. In practical terms, measures that reduce maternal underemployment strengthen the labour force and expand the productive base of the economy.

Recent UK evidence supports these findings, with modelling by the Confederation of British Industry indicating that by enabling around 60,000 additional mothers to enter or return to work through comprehensive childcare provision GDP could rise by £1.7bn and female employment by 0.6%[14]. Notably, employment gains have been demonstrated without evidence of wage suppression, suggesting that the additional labour supply can be absorbed productively rather than displacing existing workers[15].

The costs of continued underemployment extend beyond participation rates. When highly skilled women reduce their hours or step back from senior roles because of childcare barriers, the economy loses both their direct output and their wider contributions to innovation, management, and knowledge diffusion. This represents a misallocation of human capital that can suppress productivity and slow economic dynamism. Addressing childcare constraints can therefore deliver a double dividend, expanding labour input while improving the allocation of talent across the economy. Over time, such measures contribute to stronger firm level performance, greater innovation capacity, and a more resilient labour market.

International experience offers clear evidence of the economic and fiscal impact of childcare investment. Quebec's universal low-fee childcare programme, introduced in 1997 and expanded over subsequent years, demonstrates the economic and fiscal impact of childcare investment. By 2008, the policy was linked to a 3.8% rise in female employment, around 70,000 additional mothers, and an estimated 1.7% increase in provincial GDP. Fiscal returns were also significant, as higher tax revenues and reduced welfare transfers generated savings that exceeded programme costs by nearly 50%, making the initiative net positive for public finances[16]. However, evidence from Quebec highlights that rapid expansion, where not accompanied by sufficient investment in quality and workforce capacity, was associated with adverse developmental outcomes for some children. This case illustrates how childcare policy can act as an economic lever, supporting labour supply while improving fiscal sustainability provided the childcare infrastructure exists. For Northern Ireland, where participation and productivity remain below UK averages, similar measures could help unlock underused labour capacity and contribute to growth[17].

Addressing maternal underemployment delivers fiscal benefits in the form of increased revenues and potential lower welfare spend as higher employment and earnings increase income tax and National Insurance contributions, while reduced reliance on in-work welfare and housing support eases pressure on public spending. These effects accumulate because as household incomes rise, consumption strengthens, generating additional VAT receipts and supporting local economic activity. Policymakers should recognise that measures which enable mothers to work in roles and hours aligned with their skills are supportive to long term economic growth and a successful labour market.

Conversely, where childcare remains inaccessible or unaffordable, the productive potential of a significant share of the workforce remains underused, slowing growth and constraining revenue. These gaps deepen gender disparities in pay, progression, and leadership, creating long lasting social and economic consequences. Strengthening childcare provision and addressing maternal underemployment would therefore support families whilst contributing to labour market efficiency and sustainable economic performance in the long term.

4

Methodology and Results

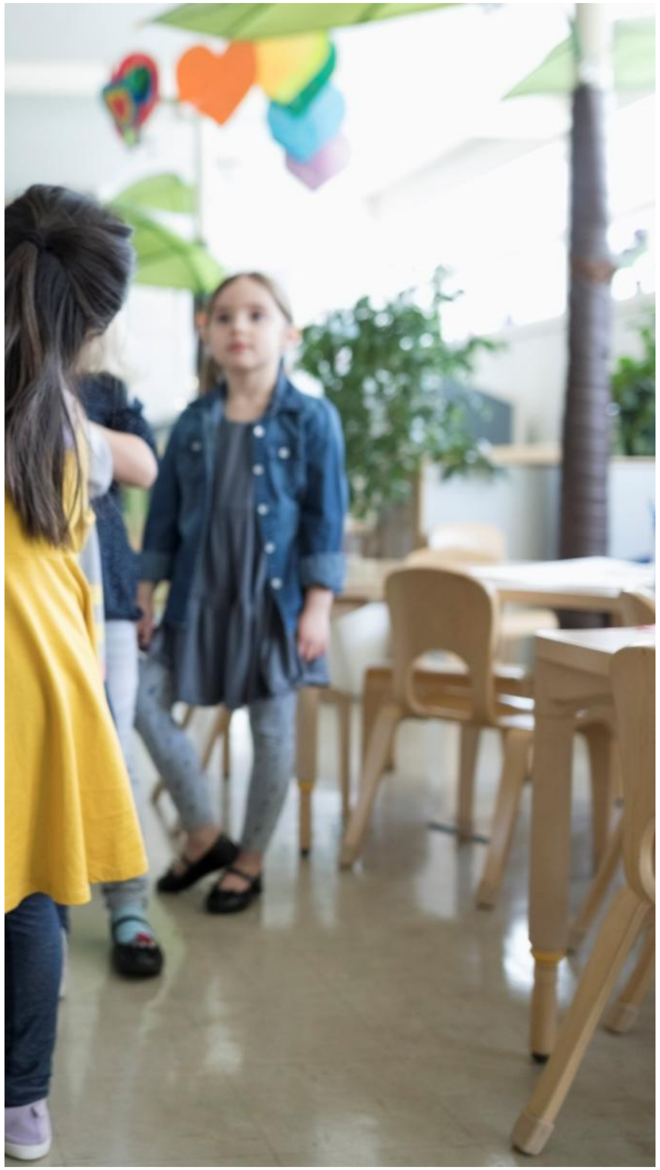
Approach to quantifying the economic and fiscal implications of addressing childcare related underemployment in Northern Ireland

This modelling assesses the potential economic and fiscal impact of addressing childcare-related barriers to employment among mothers in Northern Ireland. The analysis draws on official labour market data combined with behavioural assumptions from the literature on maternal labour supply. Evidence from the Northern Ireland Childcare Survey data indicates that around 55% of mothers would increase their working hours if childcare were no longer a constraint. This has been applied on the assumption that the supply of childcare can accommodate the associated increase in demand, such that supply-side constraints do not limit behavioural response. The maximum increase was capped at 12 hours per person based on research from the Institute for Fiscal Studies which examined the careers and time use of parents and identified a fall in hours worked of around 12 hours in the decade following a child's birth, and an upper limit of 35 hours per week was applied to represent a typical full-time threshold.

To capture variation across families, these assumptions were applied to cohorts defined both by the age of the youngest child (0–2, 3–4, 5–10, 11–15, 16–18) and by current working patterns (1–15 and 16–29 hours per week). While these age bands reflect differences in family composition, the modelling adopts a simplified, uniform approach across cohorts, with no age-specific behavioural adjustments applied. This approach is intended to illustrate the scale of potential labour supply that could be unlocked in a scenario where childcare constraints are fully removed. Within each hours band, women were distributed evenly across single-hour increments. Those at the lower end of the distribution were assigned the maximum increase, while those closer to 35 hours saw proportionally smaller uplifts so as not to exceed full-time employment. This allowed us to build a granular picture of potential additional hours across groups. Aggregating these changes generated an estimate of the total additional labour supply that could be released if childcare constraints were removed.

The next step linked these hours to earnings and fiscal contributions. Hourly pay was derived from Northern Ireland earnings data and calculated separately for each decile of the income distribution to reflect variation across the labour market. Existing and potential earnings were then estimated for each decile based on current and modelled hours. Income tax and National Insurance (individual) contributions were applied to both, with allowances for individuals moving into higher tax bands as hours rose. The difference between current and modelled income tax and individual National Insurance contributions represents the additional fiscal contribution that could accrue to the Exchequer.

Finally, the increase in earnings was used as the basis for estimating the impact on gross domestic product (GDP). A standard productivity-to-wage ratio was applied to translate the increase in labour input into its contribution to overall economic output.



EY Parthenon

Our analysis has identified that £107.7m in incremental tax and £704.8m in GDP could be unlocked by addressing the underemployment of mothers

This assessment estimates the socioeconomic contribution to Northern Ireland of addressing the underemployment of women, specifically mothers, through a reduction in childcare barriers. It quantifies the gross incremental tax gains from additional income tax and National Insurance stemming from increased hours worked, as well as the gross GDP contribution of increasing maternal underemployment. The key findings are set out below:

Incremental tax potential gains

£107.7m incremental tax generated

Addressing maternal underemployment also strengthens public finances. As mothers increase their working hours, higher earnings broaden the tax base and raise overall fiscal contributions. These effects are further amplified as more individuals move into higher tax and social contribution brackets.

In this way, reducing underemployment delivers a clear fiscal return alongside wider economic and social benefits.

Provides a strong fiscal rationale for sustained investment in childcare, showing that policy reforms can deliver long term returns to the public purse.

Potential value added to the economy

£704.8m in GDP

Addressing maternal underemployment through targeted childcare interventions yields measurable gains in economic output. By increasing both hours worked and job stability, improved childcare provision enables mothers to participate more fully in paid employment.

This enhances the utilisation of existing human capital, improving labour market efficiency and contributing to more inclusive and sustained economic growth.

This figure represents approximately 1.1% of Northern Ireland's GDP in 2023.

Positions childcare as part of Northern Ireland's economic strategy, unlocking labour supply that supports competitiveness and reduces regional productivity gaps.

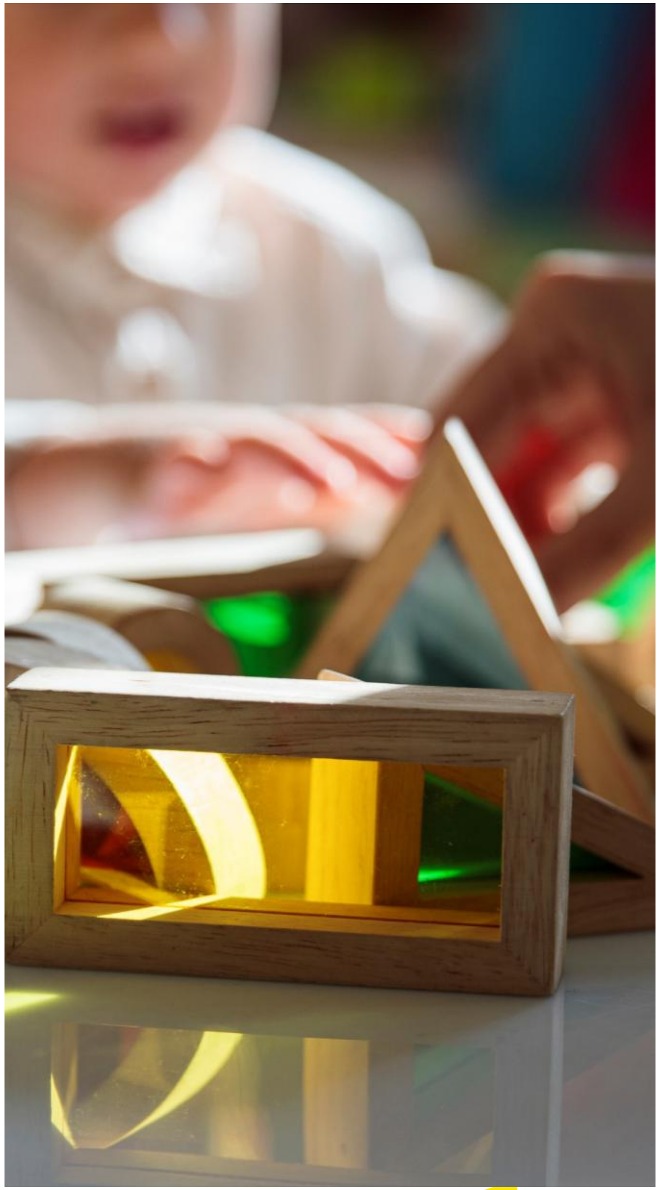
Addressing maternal underemployment may also generate a sizeable reduction in welfare spend in Northern Ireland

In addition to the projected incremental tax gains and GDP contributions, reductions in maternal underemployment are expected to yield fiscal benefits through lower welfare expenditure. As we have outlined, increased participation in the workforce in the form of increasing hours of paid work results in higher household income, reducing eligibility for income related benefits and associated transfer payments. This adjustment has implications for both short term fiscal balances and the longer term sustainability of social protection systems.

The economic rationale for this effect is grounded in established labour market dynamics, referred to as transmission mechanisms, whereby as individuals move from partial employment or inactivity into sustained employment, dependency on welfare support declines. This reduction can span multiple benefit categories, including income support, housing assistance, and child related allowances, depending on household composition and earnings thresholds. Over time, these changes contribute to improved household financial resilience, reduced poverty risk, and enhanced social mobility objectives that align closely with broader policy priorities. Moreover, the literature discussed supports that addressing underemployment and improving engagement in the workforce can reduce adverse mental health impacts which may also generate health expenditure savings

From a public finance perspective, lower welfare outlays represent a direct saving to government expenditure. These savings, while unquantified in this analysis, could be material when aggregated across the population. Furthermore, reduced reliance on welfare can generate indirect fiscal benefits by alleviating administrative burdens and enabling the reallocation of resources toward targeted interventions for vulnerable groups.

Despite the clear qualitative case, quantifying these impacts was not feasible within the scope of this study. The absence of robust, evidence on benefit withdrawal rates, tapering structures, and household eligibility dynamics constrained the development of a reliable modelling framework. Attempting to estimate these effects would have required simplified assumptions, introducing a risk of distortion and undermining the credibility of the overall findings. For this reason, welfare expenditure impacts are presented as an unquantified but significant benefit, meriting further research to capture their fiscal and social implications.



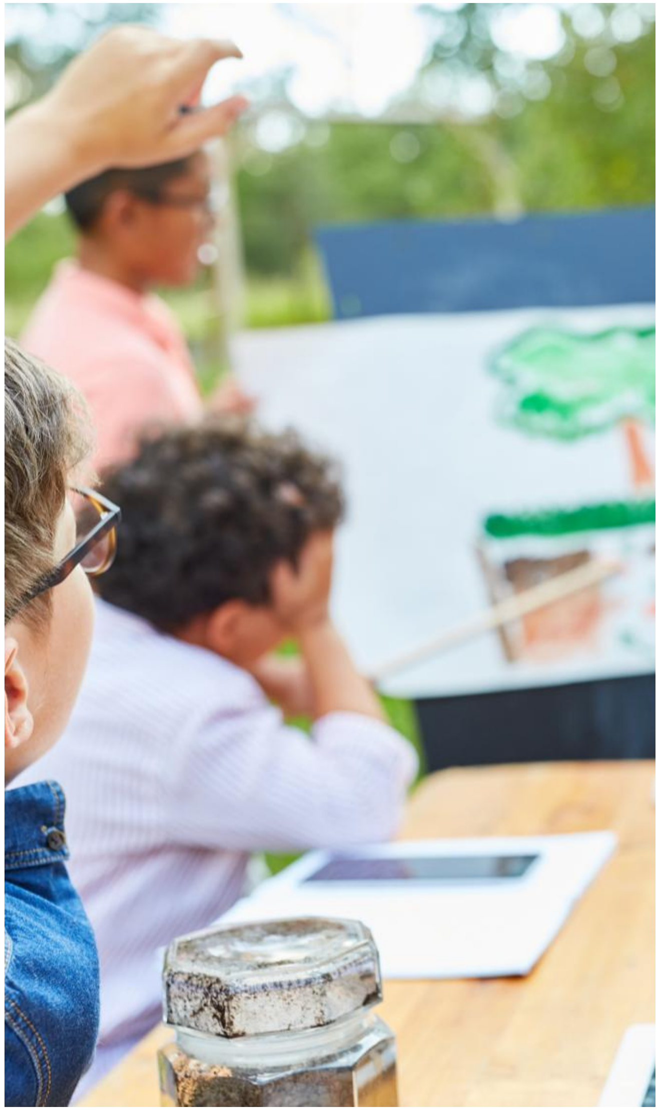
This report is an initial assessment of maternal underemployment costs and the possible reward of addressing them, yet data gaps underscore the need for exploration

Maternal underemployment in Northern Ireland represents a complex and multifaceted challenge that carries significant implications for the region's economy, society , and policy landscape. Through this report, we have attempted to quantify the scale of the issue and illuminate the mechanisms through which childcare constraints and labour market structures interact to limit the productive potential of mothers. The headline findings of almost £704 million in potential GDP uplift and £107 million in incremental tax revenue underscore the magnitude of opportunity that exists should these barriers be addressed. Yet, these figures only begin to capture the broader societal and fiscal benefits that could be realised through targeted interventions.

Our analysis has necessarily been shaped by the limitations of the available data. While we have drawn on the evidence from public, private, and third sector, the absence of robust, granular, and timely data has constrained the scope of our modelling. Key impacts, such as reductions in welfare expenditure and improvements in health and social outcomes, remain unquantified not for lack of relevance but because of the difficulties in accessing and reconciling fragmented data sources or the absence or lack of availability of data. As a result, our approach has relied on literature informed assumptions and proxy measures, which highlight the need for a more comprehensive evidence base to support future policy development.

Gaps in consistent, official reporting on underemployment mean that policymakers may underestimate both the scale and the consequences of the issue. As a result, decisions on childcare investment, workforce planning, and gender equality strategies are often made in the absence of a clear and complete evidence base. Improved data availability would enable more robust analysis, reduce reliance on assumptions, and enhance the validity and applicability of future findings. In turn, this would better inform decision making and support the design of more effective interventions to unlock the full productive capacity of Northern Ireland's workforce. Given the scale of the impacts across households, employers, and the wider economy, maternal underemployment warrants sustained attention and further investigation. Further work would be welcome that prioritises the collection of better and more data on maternal labour market participation, childcare provision, and the drivers of underemployment.

These findings point to several policy considerations. Increasing childcare capacity, improving access to flexible and secure employment, and helping mothers access quality jobs all matter for reducing maternal underemployment. However, these objectives must be balanced against fiscal constraints and limits on childcare and workforce capacity.



5
Appendix

Bibliography

Executive Summary

1. Department of Education - Northern Ireland Childcare Survey Results
2. Centre for Progressive Policy - Growing Pains
3. PwC - Impact of Childcare Policy
4. Royal London - Gender Pension and Wealth Gap Report
5. Health Foundation - How employment status affects our health
6. Bell and Blanchflower - The well-being of the overemployed and the underemployed and the rise in depression in the UK

Section 2

1. Department of Education - Northern Ireland Childcare Survey Results
2. Department of Education - Northern Ireland Childcare Survey Results Supplementary Data
3. Employers for Childcare - Using an unregistered childcare provider can be an expensive mistake
4. Melted Parents NI
5. Employers for Childcare - Northern Ireland Childcare Survey 2023
6. Department of Education - Northern Ireland Childcare Survey Results
7. Employers for Childcare - Northern Ireland Childcare Survey 2023
8. DfE Economic Commentary - Spring 2024
9. OECD - Net Childcare Costs
10. DoE - Education Minister announces extension of the Northern Ireland Childcare Subsidy Scheme to cover school-age children
11. Equality Commission for Northern Ireland - Childcare and Early Learning
12. The Northern Ireland Executive - Programme for Government 2024-2027 ‘Our Plan: Doing What Matters Most’
13. BBC - Childcare provision: NI strategy could cost up to £400m
14. UUEPC - Labour Market Intelligence (LMI) Portal
15. UUEPC - Labour Market Intelligence (LMI) Portal
16. UUEPC - Labour Market Intelligence (LMI) Portal
17. TUC - Women are “bearing the brunt” of exploitative zero-hours contracts
18. ONS - People in employment on zero hours contracts
19. PwC - Women in Work Index 2025
20. NISRA – Women in Northern Ireland 2023
21. BBC – Childcare Strategy could enable 11,000 NI women to return to work, committee hears
22. UUEPC - Labour Market Intelligence (LMI) Portal
23. UUEPC - Labour Market Intelligence (LMI) Portal
24. UUEPC - Labour Market Intelligence (LMI) Portal
25. UUEPC - Labour Market Intelligence (LMI) Portal
26. UUEPC - Labour Market Intelligence (LMI) Portal
27. NISRA – Women in Northern Ireland 2023
28. ASHE 2024
29. NISRA – Women in Northern Ireland 2023
30. NISRA – Women in Northern Ireland 2023
31. ASHE 2024
32. Lancaster University - The Gender Gap: Insecure work in the UK
33. TUC - Women are “bearing the brunt” of exploitative zero-hours contracts
34. Office for National Statistics - The impact of motherhood on monthly employee earnings and employment status, England
35. Pregnant Then Screwed - Shocking new stats about the cost of parenting

Bibliography

Section 2

36. Centre for Progressive Policy - Growing Pains
37. Employers for Childcare - Northern Ireland Childcare Survey 2023
38. Health Foundation - How employment status affects our health
39. Laura Pohlan, Journal for Labour Market Research - Unemployment's long shadow: the persistent impact on social exclusion

Section 3

1. Bell and Blanchflower, Journal of Economic Behaviour and Organisation - The well-being of the overemployed and the underemployed and the rise in depression in the UK
2. Health Foundation - How employment status affects our health
3. Centre for Progressive Policy - Growing Pains
4. Centre for Progressive Policy - Leave in the lurch
5. Joseph Rowntree Foundation - Does money affect children's outcomes?
6. Mario Martínez-Jiménez, Economics & Human Biology - Parental nonemployment in childhood and children's health later in life and Mario Martínez-Jiménez - How parental unemployment impacts children's health in the long run
7. Royal London - Gender pension and wealth gap report
8. Vagni and Breen, European Sociological Review - Earnings and Income Penalties for Motherhood: Estimates for British Women Using the Individual Synthetic Control Method
9. Centre for Progressive Policy - Growing Pains
10. PwC - Impact of Childcare Policy
11. Harkness, Borkowska and Pelikh - Employment pathways and occupational change after childbirth and Wyatt et al., National Library of Medicine - Early employment after childbirth: a cross-sectional analysis using data from a national maternity survey in England
12. Centre for Population Change - Who uses childcare in the UK and how much does it cost?
13. Centre for Progressive Policy - Growing Pains
14. CBI - Potential impact of childcare reform: Draft analysis of the GDP impacts from greater numbers of women in employment
15. PwC - Impact of Childcare Policy
16. IPPR - Lessons from Quebec's universal low-fee childcare programme
17. Baker, Gruber and Milligan, Journal of Political Economy - Universal Child Care, Maternal Labor Supply, and Family Well-Being and Baker, Gruber and Milligan, National Bureau of Economic Research - Non-Cognitive Deficits and Young Adult Outcomes: The Long-Run Impacts of a Universal Child Care Program

Section 4

1. Office for National Statistics - Regional economic activity by gross domestic product, UK

Supports Summary Table

1. nidirect - Help paying for approved childcare
2. mygov.scot - Help paying for childcare
3. gov.wales - Help paying for childcare
4. GOV.UK - Help paying for childcare: Childcare you can get help paying for ('approved childcare')

EY Parthenon

Employment data

The employment rates for men and women living with and without dependent children by age group of parent	Men with dependent children %	Men without dependent children %	Women with dependent children %	Women without dependent children %
16 to 24 years	[w]	38.4	49.7	45.3
25 to 34 years	96.5	83.8	73.1	90.5
35 to 49 years	93.6	79.7	82.6	82.2
50 to 64 years	81.5	63.1	82.2	60.7

Labour Force Survey: Worksheet 8: The employment rates for men and women living with and without dependent children by age group of parent. April to June 2021.

All women with dependent children %	Women with dependent children aged 0 to 2 years %	Women with dependent children aged 3 to 4 years %	Women with dependent children aged 5 to 10 years %	Women with dependent children aged 11 to 15 years %	Women with dependent children aged 16 to 18 years %
184,386	44,053	25,647	53,276	46,178	15,232

Labour Force Survey: Worksheet 4: The percentage of families living with and without dependent children by number of hours worked and age of youngest dependent child. April to June 2021.

EY Parthenon

Employment data

The percentage of families living with and without dependent children by number of hours worked and age of youngest dependent child	All parents with dependent children %	Parents with dependent children aged 0 to 2 years %	Parents with dependent children aged 3 to 4 years %	Parents with dependent children aged 5 to 10 years %	Parents with dependent children aged 11 to 15 years %	Parents with dependent children aged 16 to 18 years %	All adults without dependent children %	All adults aged 16 to 64 %	All parents with dependent children %
1 to 15 hours worked	3.8	3.4	4.2	5.0	1.6	6.0	8.4	6.3	3.8
16 to 29 hours worked	18.6	15.9	20.3	19.7	20.4	14.7	15.3	16.8	18.6
30 to 44 hours worked	69.0	70.1	65.9	71.0	67.8	67.5	68.3	68.6	69.0
45 or more hours worked	8.6	10.6	9.6	4.2	10.1	11.8	8.0	8.3	8.6

The percentage of families living with and without dependent children by number of hours worked and age of youngest dependent child	All men with dependent children %	All women with dependent children %	Women with dependent children aged 0 to 2 years %	Women with dependent children aged 3 to 4 years %	Women with dependent children aged 5 to 10 years %	Women with dependent children aged 11 to 15 years %	Women with dependent children aged 16 to 18 years %	All Women without dependent children %	All Women aged 16 to 64 %
1 to 15 hours worked	0.9	6.4	5.5	7.8	8.7	2.9	9.8	11.9	9.3
16 to 29 hours worked	4.0	31.9	29.7	31.2	33.2	33.5	29.6	24.4	28.0
30 to 44 hours worked	82.3	56.9	60.5	54.7	55.7	58.2	50.6	60.8	58.9
45 or more hours worked	12.8	4.8	4.3	6.3	2.4	5.4	9.9	2.9	3.8

Labour Force Survey: Worksheet 4: The percentage of families living with and without dependent children by number of hours worked and age of youngest dependent child. April to June 2021.

EY Parthenon

Shape the future with confidence