

The fees that parents pay for early care and education services in Ireland are among the highest in the world. At the same time, high costs are no guarantee of high quality. **Government action is needed if we are to achieve the “double dividend” of making early years care and education more affordable and higher quality.**



Double Dividend

Raise the standards of early care and education in Ireland

When early care and education is of high quality, it benefits children – and it also benefits the economy and society. Research shows it leads to better educational outcomes and a more skilled workforce, reduces poverty, and can even lower crime rates. Investing in our young children is investing in our future.

The evidence shows that children only benefit from early care and education services if the quality is high. Low quality services can be harmful to children. However, quality here in Ireland can be low, as was shown in the 2013 Prime Time investigation, *A Breach of Trust*.

Parents can't pay any more

Despite the variable quality of early years services in Ireland, the fees paid by a dual-earner family in Ireland with two young children aged 2-3 take up to 35% of their net income. In contrast, average fees across the EU are between 10% and 13% of family income. Irish parents simply can't afford to pay more.

Government investment in young children

According to the OECD, Ireland invests only 0.4% of GDP annually in early care and education services, compared to the OECD average of 0.7%. In fact, the picture is worse than these figures suggest. When spending in schools is excluded we only invest 0.2% of GDP. Countries that achieve the “double dividend” of affordable, high-quality services do so through public investment – improving quality while lowering costs paid by parents.

To improve quality we need to subsidise places, not use tax credits

While introducing tax credits may help reduce the cost of early care and education to some parents, it will not lead to any improvement in quality.

Following an in-depth study of 20 countries, the OECD concluded that the most effective way to make early care and education services more affordable and raise quality standards is to directly subsidise places in services so that fees are lower or fully covered (as already happens in schools and the Free Pre-School Year). These subsidies can then be made conditional on quality standards being met. This approach improves the quality of services while lowering the fees paid by parents.

Tax credits won't lead to any improvement in quality

How can we achieve the “double dividend” of making childcare more affordable while at the same time raising its quality? Tax credits won't improve quality, and won't help the most disadvantaged. Start Strong proposes an approach based on public investment in services, with funding linked to quality

There are 3 steps to achieving this “double dividend”

1. **Use public money to improve quality – link public money to quality**
2. **Make high quality services universal – continue to improve quality, moving to introduce a second free pre-school year, and providing additional support for those that need it**
3. **Help families out of poverty – make services affordable and accessible to all children**



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Childcare that's affordable and high quality



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Start Strong is a coalition of organisations and individuals committed to advancing high quality care and education for all young children in Ireland.

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