PF3.3: Informal childcare arrangements

Definitions and methodology

This indicator presents information on the use of informal childcare arrangements through two main measures:

- i. *The proportion (%) of children using informal childcare arrangements during a typical week, by age group.* Data are presented for three age groups 0- to 2-year-olds, 3- to 5-year-olds, and 6- to 12-year-olds and also by income level and by the education level of mother:
 - The proportion (%) of children using informal childcare arrangements during a typical week, by age group and equivalised disposable income tertile. 'Equivalised disposable income' refers to the disposable (post-tax-and-transfer) income of the household in which the child lives, equivalised using the square root scale, to account for the effect of family size on the household's standard of living. The income tertiles are calculated based on the distribution by equivalised disposable income of children aged less than or equal to 12.
 - The proportion (%) of children using informal childcare arrangements during a typical week, by age group and mother's education level. Mother's education level is measured by whether or not the reported mother of the child has attained tertiary education (highest level of education attained at ISCED 2011 levels 5-8). The education level of the female household head is used if there is no mother in the household, and then of the father (or male household head) if there is no mother or female head in the household.
- *ii.* Average hours of informal childcare per week among those using at least one hour of *informal childcare during a typical week, by age group,* with data again presented for three child age groups 0- to 2-year-olds, 3- to 5-year-olds, and 6- to 12-year-olds.

Definitions of what does and does not count as 'informal' care differ across countries. Most of the information presented here is based on data provided by Eurostat's EU-SILC survey, with informal care defined as care provided by grandparents or other relatives, friends, or neighbours for which the provider did *not* receive payment. However, data for other countries (Australia, Korea and the United States) that use slightly different definitions are presented separately in Table PF3.3.A at the end of the document (see the notes to Table PF3.3.A and *comparability and data issues* for more detail).

Key findings

The proportion of children using informal care varies widely across OECD countries (Chart PF3.3.A). Among 0- to 2-year-olds, rates of informal care vary from as high as around 43% in Hungary to 1% or below in Denmark, Finland and Sweden. For 3- to 5-year-olds, rates range from 49% in Slovenia to 0.2% in Denmark and Sweden, and among 6- to 12-year olds from 39% in Slovenia to 0.2% in Finland. Across all three age groups, rates of informal care are – with the partial exception of Iceland – generally lowest in the Nordic countries. This reflects the comprehensive nature of formal ECEC systems in these countries, and in particular the effects of the Nordic childcare 'guarantees', which provide all children with a legal entitlement to a place in formal childcare from a very young age, should their parents wish.

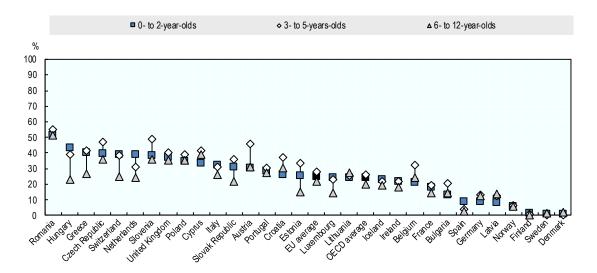
This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Other relevant indicators: PF3.1: Public spending on childcare and early education; PF3.2: Enrolment in day-care and pre-schools; PF3.4: Childcare support; PF4.1: Typology of childcare and early education services; PF4.2: Quality of childcare and early education services; and, PF4.3: Out-of-school-hours care.

Differences across age groups in the use of informal care vary between countries (Chart PF3.3.A). In many OECD countries, informal care rates increase as children move from the 0- to 2-year-old age group to the 3- to 5-year old age group, reflecting the increase in the likelihood of employment among mothers with a youngest child aged 3 to 5 (see LMF1.2). Informal care rates then often fall as children move into the 6- to 12-year-old age group, by which point they are attending compulsory school in almost all OECD countries. Still, on average across OECD countries with available data, about 20% of 6- to 12-year-olds continue to use informal care. The incompatibility of school hours with working hours as well as a lack of out-of-school-hours services (PF4.3) is associated with the use of informal care by older children.

Chart PF3.3.A. Use of informal childcare by child's age

Proportion (%) of children using informal childcare arrangements during a typical week, by age group, 2019

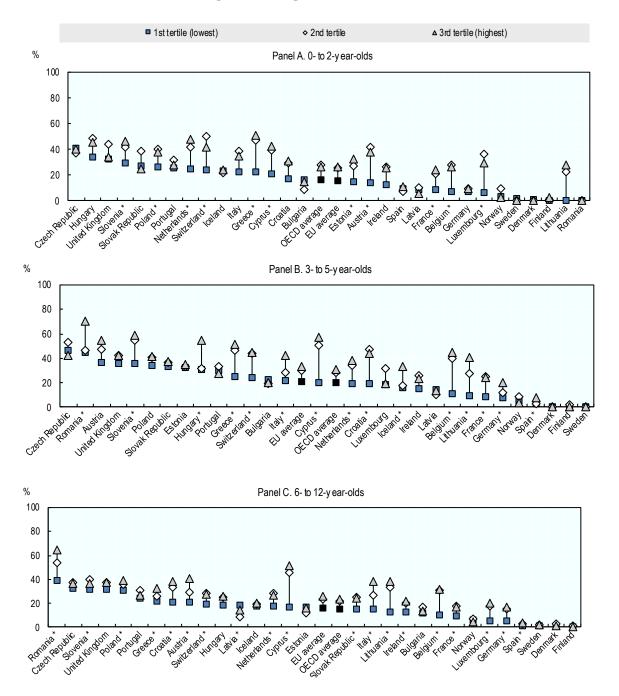


Note: Data for Iceland and the United Kingdom refer to 2018. 'Informal' childcare here refers to unpaid care, usually provided by a grandparent of the child or by other relatives, friends or neighbours. It excludes any care that is paid for regardless of who is providing the paid-for care. Sources: for all countries, EU SILC

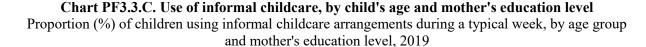
In many OECD countries, children are more likely to use informal care when they come from relatively advantaged socio-economic backgrounds. For example, in many OECD countries, the use of informal care increases with household income (Chart PF3.3.B) and also, in some countries, with mother's education (Chart PF3.3.C). For very young children (0- to 2-year-olds), differences across socio-economic groups in informal care tend to are largest in Austria, Greece, Luxembourg, Lithuania and the Netherlands. For slightly older children (3- to 5-year-olds), the largest gaps are in Belgium, Greece and Lithuania.

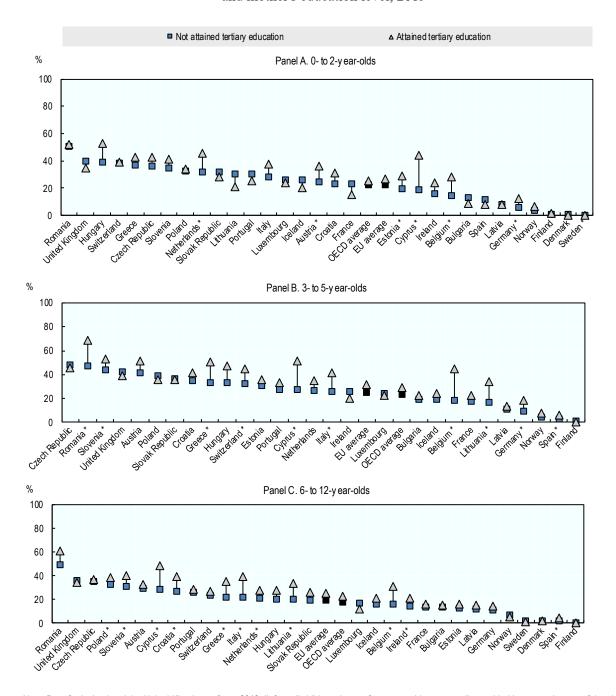
Chart PF3.3.B. Use of informal childcare, by child's age and equivalised disposable income tertile

Proportion (%) of children using informal childcare arrangements during a typical week, by age group and equivalised disposable income tertile, 2019



Note: Data for Iceland and the United Kingdom refer to 2018. 'Informal' childcare here refers to unpaid care, usually provided by a grandparent of the child or by other relatives, friends or neighbours. Equivalised disposable income tertiles are calculated using the disposable (post-tax-and-transfer) income of the household in which the child lives – equivalised using the square root scale, to account for the effect of family size on the household's standard of living – and are based on the equivalised disposable incomes of children aged less than or equal to 12. It excludes any care that is paid for regardless of who is providing the paid-for care. In countries marked with an *, differences in usage rates across groups are statistically significant at p<0.05 Sources: for all countries, EU SILC



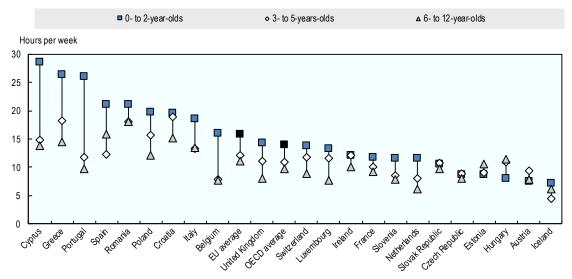


Note: Data for Iceland and the United Kingdom refer to 2018. 'Informal' childcare here refers to unpaid care, usually provided by a grandparent of the child or by other relatives, friends or neighbours. It excludes any care that is paid for regardless of who is providing the paid-for care. Mother's education level based on whether or not the reported mother of the child has attained tertiary education (highest level of education attained at ISCED 2011 levels 5-8). The education level of the female household head is used if there is no mother in the household, and then of the father (or male household head) if there is no mother or female head in the household. In countries marked with an *, differences in usage rates across groups are statistically significant at p<0.05. Sources: for all countries, EU SILC

Informal care tends to be used for around 10-20 hours per week, on average across children who use any informal care, though rates vary considerably across countries and age groups (Chart PF3.3.D). Among 0- to 2-year-olds, for example, average weekly hours range from about 26 hours in Greece and Portugal to below 8 hours Austria and Iceland. For 3- to 5-year-olds, average hours range from 18 hours per week in Greece to five hours per week in Iceland. Among 6- to 12-year-olds, average hours stretch from almost 16 in Greece and Spain to six in Iceland and the Netherlands. In most countries, weekly hours in informal care tend to be longest for 0- to 2-year-olds. This is particularly the case in Portugal, where average weekly hours for 0- to 2-year-olds (26 hours per week) are 12 hours longer than the average for 3 to 5-year-olds (12 hours per week) and 16 hours longer than average hours for 6- to 12-year-olds (10 hours per week).

Chart PF3.3.D. Average hours of informal childcare by child's age

Average hours of informal childcare per week among those using at least one hour of informal childcare during a typical week, by age group, 2019



Note: Data for Iceland and the United Kingdom refer to 2018. 'Informal' childcare here refers to unpaid care, usually provided by a grandparent of the child or by other relatives, friends or neighbours. It excludes any care that is paid for regardless of who is providing the paid-for care. Sources: for all countries, EU SILC

Comparability and data issues

The figures presented above come from EU-SILC, which gathers information on childcare according to the following activities: day-care centres (organised by a structure), "professional" childminders (a person for whom looking after the child represents a job of work or paid activity), informal care (unpaid care by grandparents, other relatives, friends and neighbours) and pre-school for children aged 2-to-6 (or who still have not started compulsory school). Note that under this definition, a grandparent who receives payment for child-minding is classified as a professional child-minder. The question asked to identify informal providers is: "During a *usual week* how many hours is <child> cared for by grandparents, other members of the household (excluding parents/ guardians or partners) other relatives, friends or neighbours where there is no payment for child-minding?"

Data for other countries (e.g. Australia) are available but differences in the methods used when collecting data make direct comparisons challenging. The main issues involved include discrepancies in the type of provider (e.g., relative versus non-relative) and whether the provider can or cannot receive payment (paid or unpaid). For example, some data are available for Australia from the Childhood Education and Care Survey. This source defines informal care as paid or unpaid care provided by grandparents, other relatives, a non-resident parent, or other person (friends, neighbours, nannies or babysitters). It is possible to remove from the data children cared for by non-resident parents to increase comparability with EU-SILC, but the fact that the survey does not differentiate between paid and unpaid informal care means full and direct comparisons are difficult. Table PF3.3.A presents data on informal childcare use in Australia. Data include children cared for by grandparents or other relatives (paid or unpaid) only.

Generally, based on the definitions above, informal childcare use Australia is similar to many European countries (Table PF3.3.A). For example, in Australia just over 30% of 0- to 2-year-olds use informal care. For comparison, the cross-country OECD average rate for 0- to 2-year-olds shown in Chart PF3.3.A is 26%. Similarly, for 6- to 12-year-olds, the rate in Australia is 26%, while the OECD average in Chart PF3.3.A is a 22%.

Table PF3.3.A. Use of informal childcare in other countries

Proportion (%) of children using informal childcare arrangements, by age group, latest available

| | Proportion (%) using informal childcare | | |
|-----------|---|--------|---------|
| | 0 to 2 | 3 to 5 | 6 to 12 |
| Australia | 30.7 | 27.6 | 25.7 |

Note: Data for Australia refer to 2017. For Australia, data refer to children cared for by grandparents or other relatives, paid or unpaid. Sources:

For Australia, Australian Childhood Education and Care Survey

Sources and further reading: OECD (2019), <u>Rejuvenating Korea: Policies for a Changing Society</u>; OECD Babies and Bosses (various issues); Early Childhood and Education in Europe: Tackling Social and Cultural Inequalities (2009); OECD, Education at a Glance 2020; OECD Starting Strong (various issues); OECD (2011) Doing Better for Families. OECD (2012) Closing the Gender Gap.