

SEPTEMBER 2009

NEW GENERATION OF PARENTS FACE COSTS OF OVER £25 A DAY TO RAISE A YOUNG CHILD

New parents now face paying out over £25 a day to raise their child in the first few years of life – a rise of nearly 40% since 2003.

Information compiled by Busy Bees Childcare Vouchers, the UK's leading provider of Government-backed childcare voucher schemes, has revealed parents could now be spending up to £27,615, equivalent to over £25 a day, on raising a child to the age of three.

In just six years, the cost of raising a child has increased by nearly 40% to an estimated £769 per month, with childcare remaining one of the biggest expenditures.

Childcare vouchers are a scheme designed to help working parents save on the cost of registered childcare. Under the scheme parents can exchange part of their salary for the same-amount of tax and national insurance exempt childcare vouchers. For a family, this can mean yearly savings of up to £2,392 - equivalent to nearly £200 a month.

THE GROWING PAINS

- **Childcare**

A typical full-time nursery place for a child under two now costs £167 per week, and parents face a yearly bill of £8,684 in England, £8,216 in Scotland and £7,592 in Wales, according to the Daycare Trust.

- **The Early Years = £27,615**

Raising a child from birth to age three will typically cost parents £27,615, including baby and maternity wear, childcare, toys, furniture and food. For the parents of toddlers, childcare is the single biggest expense. Working mums also lose an estimated £6,667.65 in income while on maternity leave, according to a study of 3,000 new mothers by website gurgle.com

- **The Junior Years (6-18) = £94,996**

Childcare from six months until the age of 14 could cost as much as £53,818 for a typical UK household, including nursery fees of £35,854 from six months to school age, £14,319 for after school clubs, and £3,645 for holiday clubs, according to investment group LV=.

- **Schooling**

Parents putting their child through private school could pay up to an additional £71,660, or £129,260 if their child boards.

Simon Moore, managing director of Busy Bees, which is soon to be known as Computershare Voucher Services, said: “The cost of raising a child has increased by as much as 40% in the last six years alone, which is a huge amount for new parents to bear.

“Having a child is a wonderful life-changing experience, but it is easy to underestimate how expensive it can be. For example, for many families, giving up work to care for a child full time is just not possible or practical, so childcare can quickly become a main expenditure.

“We are urging parents to ensure they are taking advantage of all family-friendly schemes and benefits they are entitled to. Schemes, such as Government-backed childcare vouchers, which could help working parents save thousands and eliminate some of the extra costs they now face. “

Busy Bees Childcare Vouchers administers voucher schemes for 110,000 working parents in the UK via 14,000 organisations. From autumn, the company will be known as Computershare Voucher Services Ltd, as part of a co-ordinated rebranding programme that includes a new automated administrative system and new website.

Editors Notes

Research conducted by insurance and investment group LV=. The annual 'Cost of a Child survey' shows that parents could spend £193,772 on raising a child from birth to the age of 21. This is equivalent to £9,227 a year, £769 a month or £25 a day.

In 2003 the cost of raising a child from birth to 21 was reported by LV= to be £140,398, meaning an increase of £53,374 equivalent to over a 38% rise in the last six years.

The Daycare Trust states the yearly cost of a typical nursery place for a child under two is now £8,684 in England, £8,216 in Scotland and £7,592 in Wales. A typical full-time nursery place for a child under two is now £167 per week compared with average earnings of £479 per week. Costs have increased by 5 per cent in the past twelve months, whereas inflation currently stands at 3.1 per cent.

A study of more than 3,000 new mothers in the UK, commissioned by Gurgle.com, reveals that babies are costing more than ever before with parents spending £27,615 by the time they reach their third birthday.

The Centre for Economics and Business Research – In 2003, children aged between two and five were estimated to cost their parents up to £9,889 a year, a total of £39,557, largely due to an average childcare bill of £25,000 over these years.

A 1997 study found that raising a child in Britain costs an average of nearly £3,000 a year - or £50,000 from birth to the age of 17, according to the first results from a unique national study supported by the Joseph Rowntree Foundation.

About Busy Bees Childcare Vouchers - soon to be known as Computershare Voucher Services

Childcare vouchers help working parents to save money on the cost of registered childcare.

Busy Bees Childcare Vouchers operates and administers its childcare voucher scheme for more than 14,000 organisations across the UK. Clients range from SMEs to some of the FTSE 100's largest corporations. The company is also strong in the public sector, with many NHS trusts, police forces and councils all offering the childcare voucher scheme to their employees.

Vouchers are an employee benefit that can save families up to £2,392 a year on registered childcare, including nurseries, nannies, childminders, au pairs, out of school clubs and holiday schemes. Parents simply exchange up to £243 worth of their salary for the same amount of tax and National Insurance-exempt Vouchers.

About Computershare

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust services, tax voucher solutions, bankruptcy administration and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in data management, high volume transaction processing, payments and stakeholder engagement. Many of the world's leading organisations use these core competencies to help maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 10,000 employees worldwide.

For more information, visit www.computershare.com