



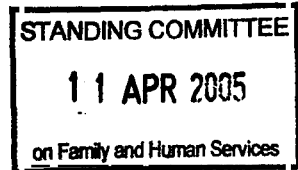
Financial, Career and social disincentives

Financial

The biggest impact and I would say in most cases, the 'deciding factor' would be the financial consequences of having children. In today's society both partners are required to be in the work force in order to make 'ends meet'. When one partner is not working, they are not contributing to the 'household' expenses; the financial impact of this is significant.

To put things in perspective, it's always good to look at numbers:

	Day	Week	Month	After Tax	Before Tax
				Annual	Annual
Child care costs	\$120.00			\$31,204.80	\$45,889.41
Rent		\$350.00		\$18,200.00	\$26,764.71
Food			\$600.00	\$7,200.00	\$10,588.24
Bus to city		\$72.00		\$3,744.00	\$5,505.88
	\$120.00	\$422.00	\$600.00	\$60,348.80	\$88,748.24



The child-care costs assume the household has two children, which costs \$120 per day (the cost can range from \$60 - \$90 per child, the assumption is that the costs are on the lower end of the scale). The rental is for a 2-3-bedroom house in Sydney.

The above only takes the very basic cost of living – this would indicate that a household would need to at least have a gross earnings of \$100,000 just to cover child care costs, rent, food and transport costs to work - of which half goes to the cost of childcare. Considering that the mean weekly income per adult is approximately \$1,000 per week for Australia (equating to +- \$52,000 p.a.), you can do the maths and see that it does not make economic sense.

The cost of childcare is so exorbitant, that it pays for one parent to stay home to baby-sit instead of paying for a stranger to baby-sit your children. However, that parent faces a choice; to stay at home and suffer the career consequences of leaving the workforce, or remain at work and lose out on raising your child (not to mention the guilt that goes with it).

Working parents of school age children must also fork out for before- and after-school care and school holiday programmes if the parents are both required being in the workforce.

The value of the work at home and the value of raising children and the cost of loss of career and the cost of raising children have a significant impact on the decision on whether or not to have children.

Career

For many working women their career peaks around 30yrs of age. Careers become more demanding and there are tougher challenges out there for women to face. It is also at this time that women consider their biological clock as fertility starts to decline at this age. If a woman takes a career 'break' at this stage, she normally takes a step back in her career as she is considered 'out the picture'. The most demanding years at work normally in most cases are the most demanding years with children.

There is also a reluctance to discuss the future with your work manager as the woman feels they need to put out a perception that they can cope with their career and the additional demands of having children..

When the woman does return to her career, she is expected to give the same commitment as she had done previously (prior to having children). This is not always possible due to the new child/ren commitments that she has. She then feels bad that she can't give 100% and normally opts for a demotion. She ends up feeling grateful for just having a job – from climbing the corporate ladder, she is left holding onto the first rung of the step ladder.

Social

Because fewer families are having fewer children, 'out of sight is out of mind'. Society has become very child 'unfriendly'. It is not seen attractive anymore to have children because of the burden they are perceived to be. The burden relates to the economic drain, the drain of the parents' energies and the work involved in raising them. Society does not want to know about the practicalities of raising children; therefore society does not cater for parents needs. This is all supposed to happen in the background behind closed doors and not to be talked about. The burden of all this ultimately always rests with the mother (the mother is literally left holding the baby). Society grossly underestimates the value of motherhood.

Making it easier for parents who so wish to return to the paid workforce

Employers need to recognise that they also have a social responsibility to support families and especially woman who have a 'break' in their careers due to having children. The support would be of a financial nature ie paid maternity leave and being able to be flexible with the work arrangements eg. Work from home, job sharing, part-time employment, and subsidised day-care facilities on the premises.

Perhaps government could encourage employers through tax incentives? Examples could be tax breaks for companies providing day care facilities, (also no FBT for these costs), and assisting in paid maternity leave.

At least when a woman does take maternity leave, she is not worried about the financial consequences of not working, and when she does return to work, she is able to "conveniently" place her child in child-care that is on the premises. As I write this, these are for me the two most fundamental and important issues that I currently face in having children – the fact that I (we) cannot afford to take off work because of the financial consequences and the fact that childcare is so exorbitantly expensive.

Parental leave also needs to be considered. Raising children does not belong to the mother who stays at home and cooks and cleans. That picture has died a long time ago. Both parents are out in the workforce in order to pay the bills. The raising of children is a combined effort. Parental leave encompasses the 'other' partner who is also required to do their share of the child-raising. Child-care is a shared effort; therefore companies need to cater for the fact that they need to be more flexible to the 'parents'. The ability of both men and women to be active parents in the early years of their children's lives will take an enormous cultural shift in the workplace – employers need to recognise and support this. It is extremely stressful to know that you cannot be with your child in times of need as your boss might fire you!

The impact of taxation and other matters on families in the choices they make in balancing work and life.

- No support from the work place – only a handful of companies offer paid maternity leave.
- Childcare centres have long endless waiting lists; the logistics of getting your children there in the morning and picking them up after work are impractical (not to mention that most companies are not entirely *flexible* in this regard i.e. for mothers to leave work early in order to collect their children from childcare.)
- The cost of childcare being unaffordable
- Shortage of childcare centres
- There are major shortfalls between the cost of caring for young children and available help from the government. The gap between the minimum cost of care - either at home or at day care centres - and relevant family payments and child care benefits is between \$130 and \$260 per week for typical low and middle income families with children under 3 years. (ACOSS – 31/3/04)
- If a woman is not earning a salary, the chances are she won't be contributing to her super fund either – therefore when she takes maternity leave, she takes 'super leave' too! Another financial blow!
- While a woman is working, she is earning a salary and is 'independent' with her monies. When she is required to take maternity leave/become the main caregiver, she is required to lose her 'independence' and ask for handouts from her partner and explain her expenditure.
- Lack of information on how to prepare for a career break and return to work.
- Flexibility of working hours to take children to the doctor; attend to them when they are sick etc.
- Long working hours – a 40hr week always ends up being on average a 50hr week.
- Weekends are for house chores – there is no 'down time'. With all the costs already mentioned previously, outsourcing house chores is not even a consideration due to the cost involved.
- There is a skew tax benefit: Tax benefits are for low income earners, but no (nominal) tax benefits for middle to high income earners i.e. who contribute to the skilled work force, yet they pay the most tax as they are on the marginally top bracket – yet they receive the least amount of benefit in relation to the amount of taxes paid.
- Taxation is too high! Tax benefits are token gestures; they do not reflect realistic costs.

I know that Sweden has an excellent program for working women (in the form of paid maternity leave of 15mths – for either parent, etc), although I am aware that the top marginal rate is 60%. That is only 15% more than our top marginal rate of 15%. I cannot see why with our current top marginal rate we cannot not at least achieve half of the benefits the Swedes do! It must be possible!

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