

Early education entitlements – the disadvantage gap

September 2025

Executive Summary

- Eligible working parents in England can now access 30 hours per week of government-funded childcare, for 38 weeks per year.
- Families who are not in work, or who do not earn enough to be eligible, will need to pay if they want to give their child the same amount of early education in a nursery:
 - An average of £205 per week for a child under the age of two
 - Between £100 and £193 per week for a two-year-old, on average, depending on whether they are eligible for 15 funded hours for families in receipt of additional support
 - An average of £96 per week for a child aged three to four, to pay for the 15 additional hours (on top of the 15 hours universally available to this age group) needed to bring the total to 30 hours per week.

The final expansion of funded early education entitlements

This week, the final stage of the current expansion of government-funded early education entitlements was set in motion, giving children with eligible working parents 30 hours per week of funded early education, for 38 weeks of the year, from the age of nine months until they start school. To be eligible, parents (and their partner if they have one) must be earning at least the equivalent of 16 hours per week at National Minimum or Living Wage, and no more than £100,000 each per year. This is very welcome support for working families of young children, who have faced years of increasingly high childcare costs. However, by focussing on work and parental earnings, some disadvantaged children are excluded:

- Children whose parents do not regularly earn enough to qualify
- Children who have a parent who cannot work due to terminal illness
- Children who have at least one parent in education or training
- Children whose parents are migrants and meet the work criteria but have no recourse to public funds
- Children of disabled single parents

In March 2025, our annual Childcare Survey found that childcare costs had fallen for working parents of children under the age of three thanks to the expanded funded entitlement, which at that time was 15 hours per week for children aged nine months to three years old (building on the existing 30-hour entitlement for three- and four-year-olds with working parents), but that disadvantaged families were paying more. With the funded entitlement for working parents now fully expanded to 30 hours per week, we re-examined the data and found that the cost of giving disadvantaged

children the same amount of early education as their more affluent peers is even higher, as much as £205 per week.

Box 1. Funded early education and childcare in England

Age of child	Number of government-funded hours per week	
	Children with eligible working parents	Other children
Nine months	30	0
Two-year-olds	30	15 (depending on additional support criteria)
Three- and four-year-olds	30	15 (universal for all children)

The cost of 30 hours of early education for ineligible families

Table 1, below, shows the average cost of nursery for under-fives in England for families who are not entitled to the working parent entitlement. The number of hours a family must pay for, if they want to give their child the same 30 hours of early education, depends on the child's age and eligibility for other entitlements as shown in Box 1, above.

- **Under-twos:** There is no universal or targeted entitlement for children aged under two; only children with eligible working parents are entitled to any funded early education at this age. Ineligible parents will have to pay for the full 30 hours per week to give their child the same amount of early education. This costs £204.82 per week on average in England, or as much as £273.63 per week in Inner London.
- **Two-year-olds, with 15 funded hours:** Some two-year-olds are eligible for 15 hours of funded early education, for example if their parents are receiving certain benefits or if the child has an education, health and care plan (EHCP)¹. Parents of these children will have to pay for an additional 15 hours of early education to equal the funded entitlement for children of working parents, costing £99.51 per week on average in England.
- **Two-year-olds, with no funded hours:** Some two-year-olds fall between the two entitlements and are therefore not eligible for either the 15-hour entitlement for families receiving additional support or the 30-hour entitlement for eligible working parents. Families in this situation would have to find an average of £193.45 per week in England to give their child 30 hours of early education in a nursery.
- **Three- and four-year-olds:** All three- and four-year-olds in England are entitled to 15 hours of funded early education per week; and the 30-hour entitlement for working parents has been in place for this age group since 2017. Any parents not eligible for the latter will pay an average of £96.13 per week for the additional 15 hours needed to give their children the same amount of early education as children benefiting from the 30-hour entitlement.

¹ <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds-claim-benefits>

Table 1. Average nursery costs for 15 hours and 30 hours of early education per week in England for parents ineligible for the 30-hour funded early education entitlement

Age of child	Under-twos	Two-year-olds		Three- and four-year-olds
Number of hours paid for by parents	30 hours	15 hours	30 hours	15 hours
England	£204.82	£99.51	£193.45	£96.13
East Midlands	£169.27	£86.53	£162.30	£84.67
East of England	£229.91	£105.64	£211.46	£93.76
London, Inner	£273.63	£135.38	£268.65	£139.94
London, Outer	£235.27	£125.60	£228.13	£115.15
North East	£192.41	£87.64	£174.97	£86.39
North West	£181.85	£87.64	£166.59	£87.39
South East	£207.57	£96.89	£195.35	£96.31
South West	£210.30	£96.97	£194.53	£91.37
West Midlands	£209.39	£102.83	£205.46	£101.76
Yorkshire and the Humber	£180.65	£89.29	£172.40	£84.90

Why does this matter?

High-quality early education boosts children's outcomes in childhood and beyond while also enabling parents to work or train, thereby improving circumstances for themselves and their children. The benefits of early education for children are especially significant for children from disadvantaged backgrounds.

When considered over the full period, due to the earlier start (9 months old instead of two years old) and the higher number of hours per week (30 instead of 15), a child with eligible working parents will receive three times as much government-funded early education than a disadvantaged child, by the time they start school.

Best start in life

The Government's Plan for Change outlines their target of 75% of children being school-ready by 2028² (measured by the number of children who achieve a "good level of development" in the Early Years Foundation Stage Profile). Achieving this target requires a holistic approach, including funded early education for children who are most at risk of not reaching a "good level of development" at age five³, such as children who meet the eligibility criteria for free school meals or who speak English as an additional language⁴. The Government's Best Start in Life strategy recognises the importance of affordable, accessible early education, especially for children from low-income backgrounds⁵. This represents a shift in focus from the expanded entitlement policy, the primary aim of which was to help parents into work, and which the current government inherited from the previous government. However, sustaining this policy without taking measures to close the gap it has created works against the Best Start in Life mission by excluding the most disadvantaged children from the most generous early education offer.

- 48% of all children in poverty are in families in which the youngest child is under five⁶. Only 10% of the poorest families in England with children under five years old are estimated to be eligible for the expanded funded hours⁷.
- Young children with a terminally ill parent are at heightened risk of poverty because of the cost of childcare and the impact of at least one parent having to stop work⁸. Under the current policy, one parent stopping work due to illness would take away that family's eligibility to 30 hours of funded early education.
- Many children with Special Educational Needs and Disabilities (SEND) will not be entitled to the expanded 30 hours of funded early education because their parents may be less likely to be in work. 23% of families with disabled children have no adults in paid employment due to caring responsibilities, with 62% of parents reporting having to give up paid work or reduce their hours⁹.
- Parents in education or training are excluded from the 30-hour funded entitlement, running the risk of keeping families trapped in low-skilled, low-paid work.
- Disabled adults are much less likely to be in paid work than adults without a disability¹⁰. In two-parent families in which only one parent meets the work criteria, children can access the 30 hours of funded early education if the other parent is not working due to a disability

² <https://www.gov.uk/missions/opportunity>

³ <https://www.nesta.org.uk/blog/the-pms-plan-for-change-is-a-big-moment-for-the-early-years/>

⁴ <https://explore-education-statistics.service.gov.uk/find-statistics/early-years-foundation-stage-profile-results/2023-24>

⁵ <https://www.gov.uk/government/publications/giving-every-child-the-best-start-in-life>

⁶ <https://cpag.org.uk/news/child-poverty-statistics-new-record-high-and-further-breakdowns>

⁷ <https://new-economicsf.files.svdcn.com/production/files/The-Universal-Family-Childcare-Promise-final.pdf?dm=1753872465>

⁸ <https://www.mariecurie.org.uk/get-involved/campaigns/poverty>

⁹ <https://contact.org.uk/help-for-families/campaigns-and-research/research/>

¹⁰ <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2024/the-employment-of-disabled-people-2024>

or a caring role. However, children of single parents who cannot work due to disability or caring role are not eligible for the 30 hours of funded early education.

- Looked after children are at increased risk of poorer cognitive, socio-emotional and academic outcomes and are seven times as likely to have an EHCP than their peers¹¹. Currently, looked after children are entitled to the 15-hour entitlement for disadvantaged two-year-olds but children in foster care can only access the expanded 30 hours of funded early education if their foster carer/s engages in paid work outside of their foster carer role.
- Migrants who meet the work criteria by working at least 16 hours a week at the National Minimum Wage or above – but who have no recourse to public funds (NRPF) – are ineligible for the 30-hour offer, risking pushing families into poverty after childcare costs.

Universal Credit

Many families who are ineligible for the 30-hour funded early education entitlement may be eligible for help with childcare costs through Universal Credit. Under Universal Credit, parents can receive up to 85% of their childcare bill paid by the government but this is usually paid in arrears, making the support inaccessible for those who cannot cover the cost upfront. The childcare element of Universal Credit is only paid upfront if parents are moving into work or increasing their hours, and the amount paid is limited at £1,768.94 for two or more children, meaning families with more than two children are less likely to afford childcare for all of their family.

Parents cannot use Universal Credit childcare support towards additional charges for consumables – such as nappies, wipes and food – because these charges must be voluntary, whereas parents using Tax-Free Childcare (which has the same income criteria as the 30-hour funded early education entitlement) can use this support towards the cost of voluntary additional consumable charges.

Conclusion

This report shows that the gap between entitlements for disadvantaged children and those with working parents is wider than ever before. Children whose parents are not in work, or who do not earn enough to qualify, must wait until they turn two to access a funded entitlement (subject to criteria such as accessing certain benefits) at the earliest. That entitlement is for 15 hours per week and stays at 15 hours per week until they start school. There is no entitlement at nine months and no increase to 30 hours. Families wanting to bridge this gap and give their child the same opportunity of early education, will need to pay hundreds of pounds per week. This will be simply unaffordable for many families in these circumstances. The situation is further complicated by Universal Credit rules that require families to cover costs up-front, and do not offer support with additional costs like food and nappies.

¹¹ <https://explore-education-statistics.service.gov.uk/find-statistics/outcomes-for-children-in-need-including-children-looked-after-by-local-authorities-in-england/2024>

There is no question that support with childcare costs for working parents is needed, and very welcome, but focussing support in this way gives less early education to children who stand to benefit from it the most and risks widening the disadvantage gap.

A universal right to 30 hours of funded early education would remove the current inequality for disadvantaged children, reduce confusion and complexity for parents and facilitate work.

Areas for action

We are calling on the Government to give all children the same chance to benefit from early education and ensure they have the best possible start in life.

Immediate action:

- **Extend the working parent funded early education entitlements to children whose parents are in training or education, are migrants who meet the work criteria, or who are unable to work due to terminal illness.**

Long term action:

- **Remove the parental work criteria from the early education entitlements**, giving all children an equal right to 30 hours per week of early education from the age of nine months until they start school, and introduce a single, means-tested co-payment system for families wishing to access additional hours, with families below the poverty line paying nothing.

Methodology

This report is based on data collected as part of the 2025 edition of Coram's annual Childcare Survey. In particular, the cost of 25 hours and 50 hours of childcare, without entitlements, for children under two years old, two years old, and three and four years old.

The cost of 15 hours of childcare in this report was calculated using the 2025 annual Childcare Survey cost of 25 hours of childcare, before entitlements were taken into account, to establish the most relevant cost of a single hour of childcare. This hourly cost was multiplied by 15 to give the cost of 15 hours. To calculate the cost of 30 hours of childcare in this report, the same method was followed, using the 2025 annual Childcare Survey cost of 50 hours of childcare. This method reflects the fact that hourly costs reduce as greater number of hours are purchased. This means that the cost for 30 hours is not necessarily double the respective cost for 15 hours.

A full breakdown of the methodology of the Childcare Survey can be found in the Methodology section of the main report, accessible through the [Coram Family and Childcare website](#).