## Key Findings

### Employers
Availability of employer-provided family-friendly policies
- **89%** had family-friendly policies

**Top three family-friendly policies**
- **86%** Job sharing
- **79%** Maternity leave
- **65%** Flexible emergency leave

**Significant gaps**
- **21%** did not provide maternity leave
- **82%** did not provide paternity leave
- **92%** did not have a lactation room

**Employer-supported Childcare**
- **19%** provided childcare support, mostly childcare allowances
- **5%** provided on-site childcare

### Employees
Demand for family-friendly workplace policies, including childcare services
- **40%** of women want longer paid maternity leave
- **28%** of men want longer paid paternity leave
- **24%** of women want a lactation room

**Childcare demand**
- **67%** of men and women said employer-supported childcare improved their productivity
- **47%** want on-site childcare or a babysitter at work
- **22%** seek a childcare allowance
- **64%** of parents used family for childcare, but 24% of these parents consider formal childcare more dependable and safer

**Projected employee demand**
Demand for childcare services in the private sector could rise by 10% by 2025.
- 65% will need crèches (ages 0–2)
- 44% will need pre-schools (ages 3–4)
- 41% will need nursery school (ages 3–5)

### Barriers to accessing formal childcare
Childcare is expensive, inconvenient, and low quality

#### Expensive
- Average cost for one child is **₦228,000 ($550)** annually—**63%** of the annual minimum wage

- **45%** of families spend 10%–20% of their income on childcare services and related costs, which is a financial strain

#### Inconvenient
- Operating hours often do not match parents’ work schedules
- Providers are far from parents’ work and home
- Only half (48%) of providers could show a license

- 1.5–2 hours of commuting per day
- Commuting is stressful
- Commuting negatively impacts productivity
**KEY FINDINGS**

### Childcare Services Supply

**Opportunities to scale-up childcare**

- **Childcare market is fragmented**
- **48,000** private sector facilities, nationally (Government of Nigeria, 2018)
- **92%** of childcare services are privately owned (this study)
- **97%** of childcare services are for-profit (this study)

- **Few large-scale childcare facilities or chains**
  - **74%** of providers have one location
- **Facilities are small**
  - Average enrollment was 25 children
  - The largest center had 168 children
- **Facilities are independently owned**
  - **88%** are owned by a woman or a husband and wife.
  - Female owners face more challenges than male owners

- **Client profile**
  - **56%** of childcare users were private sector workers and entrepreneurs

- **Attractive investment opportunity**
  - Demand for childcare will grow by **10%** by 2025
  - **76%** of care entrepreneurs lack access to formal financing

### Gaps in the Legal and Regulatory Framework

- **Maternity Leave**
  - Lack of a uniform federal legal requirement for maternity leave that applies to all workers
  - Only covers manual and clerical workers
  - Millions of Nigerian women lack this fundamental right
  - Some employers won’t hire women
  - Labour Act prescribes less than the international standard
    - 12 weeks not 14 weeks
    - 50% pay, not 66% of pay
  - Employers can decide whether to grant maternity leave or not, and for how long
    - Leave ranges from 0 to 24 weeks (6 months)
    - Wide variation in maternity pay

- **Paternity Leave**
  - No provision in the Labour Act
  - Federal workers have 14 days leave at 100% pay (Federal Public Service Rules)

- **Breastfeeding**
  - Two breastfeeding breaks of 30 minutes per day (1 hour per day) (Labour Act)
  - Does not apply to all employees
  - No requirement to provide a lactation room
  - No standards for a lactation room

- **Childcare**
  - No legal mandate for employer-supported childcare
  - Little enforcement of childcare facility standards

### Challenges in launching and operating a childcare enterprise

1. Lack of business management expertise
2. Lack of qualified and reliable workers
3. Lack of access to finance

- **Financing Needs**
  - Private childcare providers will need an average of **₦15 million** ($37,000), and in some cases they need up to **₦100 million** ($240,000) to upgrade their facilities, improve standards, and fund expansion.

- **UN Women estimates** that the gross annual investment to fund universal childcare in Nigeria would be **₦7 trillion to ₦15 trillion** ($17 billion to $35 billion).
KEY RECOMMENDATIONS

Government and Policy Makers

**Maternity Leave**
Update the Labour Act to provide
- **14w** a minimum of 14 weeks
- **66%** a minimum of 66% of pay

(ILO 2000, World Bank 2021a)

**Paternity Leave**
Establish a minimum for paternity leave
- **2 weeks** 100% pay

**Lactation**
- Establish minimum requirements for workplace lactation rooms that address hygiene, privacy, and refrigeration

**Labour Act**
Expand the types of workers covered

Employers’ policies

**Maternity Leave**
Consider investing in policies that provide
1. a minimum of 14 weeks
2. a minimum of 66% of pay
3. Advocate for federal laws that use social insurance to fund maternity leave for all types of workers

(ILO 2000, World Bank 2021a)

**Paternity Leave**
Provide a minimum of
- **2 weeks** 100% pay

**Lactation**
- Provide breastfeeding breaks of 30 minutes, twice per day
- Provide a lactation room that is hygienic, private, and has refrigeration

**Childcare**
Help retain employees by providing childcare that is convenient, good quality, and affordable

- **Quality**
  - Ensure compliance with standards

- **Affordability**
  - Make access more affordable by incentivizing providers and employers to invest in childcare

- **Distance**
  - Incentivize employers to attract providers to set up on-site or near-site childcare centers in business hubs or industrial clusters

- **Access**
  - Encourage equitable access to affordable childcare for all working parents
  - Avoid discrimination by basing company childcare policies on the total number of employees, not the number of female employees

**Childcare**
Introduce mandates and incentives on quality, affordability, distance, and access
### KEY RECOMMENDATIONS

#### Childcare Providers

**Partner with employers to establish childcare centers**
- On-site at employers' locations
- Near-site in business hubs and industrial clusters that serve multiple employers

**Scale-up**
- Serve more children, more affordably, by scaling up provision
- Consider growth strategies through • networks • organic growth • mergers and acquisitions
- Adopt cost-efficient business strategies • offer volume discounts • share back-office functions such as for HR and IT

**Improve quality**
- Exceed government quality standards
- Establish internal monitoring and quality assurance systems
- Obtain and maintain licenses
- Hire qualified staff
- Provide training to upgrade staff skills
- Compensate childcare workers with appropriate wages

#### Associations

**Industry associations**
- Facilitate common solutions to gaps in employers’ family-friendly policies, including those related to childcare
- Champion change
- Ensure long-term sustainability

**Childcare quality associations**
- Establish a voluntary national accreditation system to improve quality and transparency
  - Set standards that exceed the legal requirements
  - Widely advertise quality standards to parents and employers

#### Financial Institutions

**Market Opportunity**
- Tap into ₦7 trillion to ₦15 trillion ($7 billion to $35 billion) childcare market opportunity
- Facilitate providers’ access to finance
- Facilitate learning exchanges to bridge the knowledge gap between financial institutions and providers
- Enhance market scoping
- Tailor financial products
- Conduct pilots

Offer childcare providers financial literacy and business management training

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**Note:** The $35 billion figure represents the market opportunity in the childcare sector, with ranges for the lower and upper ends of the market size.