

Women's Budget Group

Commission on a Gender-Equal

Economy

Evidence submission

About Carers UK

Carers UK was set up in 1965 by Mary Webster, a single unmarried woman and quickly gained traction as it was expected that women like her would care, unsupported, with no independent income for older parents needing help.

We are the national membership charity for carers. We work to represent and support the 6.5 million people in the UK who provide unpaid care for ill, older or disabled family members, or friends. We:

- Provide information, advice and support for carers;
- Carry out and promote research to develop policy and practice for carers;
- Work with partners across the private, public and charitable sectors, using our experience and expertise to help them do more to support carers;
- Provide opportunities for carers to support each other, particularly through volunteering and online services.

Summary

Caring is still often thought of as being part and parcel of a woman's life and within families, women are still most likely to be providing care and most likely to be providing more hours of care. Women make up the majority, 58%, of carers and 20% of women

aged 45 to 54 are providing unpaid care to someone with a disability or illness or who is older¹.

Caring impacts gender inequality in the economy, in particular women's economic empowerment, by affecting women's employment and making them more likely to live in poverty whilst caring or in later life once their caring role has ended.

According to the 2011 Census there are around 3.2 million women at any given time providing unpaid care for older, disabled or chronically ill friends or relatives. Some studies suggest that the number of women caring could be far higher.²

Despite being valued at £77 billion per year, women's role in caring, unpaid, for disabled or older family or friends remains an invisible and undervalued part of our society and economy.³

Women's caring responsibilities for older or disabled family or friends affects gender inequality in the economy in a number of ways:

On individual women:

- Carers' earning potential is limited as many have to reduce their hours or give up work to care
- Once out of the labour market many struggle to return as skills developed whilst caring are not consistently understood or valued
- Carers are less able to flexibly prepare for retirement

On business and the wider economy:

- **Costs to business associated with turnover, recruitment, absenteeism and reduced productivity.** Leading companies, such as Centrica, have demonstrated strong business benefits to supporting carers and have suggested that, cumulatively, UK companies could save up to £4.8 billion a year in unplanned absences and a further £3.4 billion in improved employee retention by adopting flexible working policies to support those with caring responsibilities.⁴

¹ Census 2011

² Carers UK (2019) Juggling work and unpaid care and Social Market Foundation (2018) Caring for Carers – supported by Age UK

³ Carers UK (2016) 10 facts about women and caring on International Women's Day - based on analysis from Valuing Carers 2015 (Carers UK, University of Sheffield, University of Leeds)

⁴ Carers UK (2019) Juggling work and unpaid care

- **Costs for the Government of carers leaving employment.** Research from the London School of Economics found that the costs to government of unpaid carers leaving employment exceed **£2.9 billion a year**⁵. This is made up of £1.7 billion in welfare benefits paid to people who have left their jobs because of the responsibility of unpaid caring, plus another £1.2 billion in lost tax revenue from this group's lost earnings. LSE suggest that this figure is likely to be an under-estimate in many ways. It does not include lost national insurance contributions nor benefits such as council tax support and carer's credit. Nor does it take into account the long-term costs of carers leaving employment, such as pensions.
- **Reduced economic potential as carers experience health issues as a result of caring.** The 2018 State of Caring Report⁶ found that 72% of carers in the UK said they has suffered mental ill health as a result of caring and 61% had suffered physical ill health. In John Cridland's review of the State Pension Age both carers and people with ill health were highlighted as those at risk of leaving the workforce before pension age⁷.

1. What are the causes of gender inequality in the economy?

Impact on of unpaid caring employment

- Whilst men are more likely to be providing over 50 hours care per week at the same time as working full time, women make up the bulk of the workers juggling work and care. Women are more likely to be juggling work and care – 20% of women compared with 13% of men. Women are more likely to be working part-time⁸.

⁵ London School of Economics and Political Science (Personal Social Services Research Unit) (2018) Written evidence to the Work and Pensions Select Committee Enquiry into supporting unpaid carers to remain in employment

⁶ Carers UK (2018) State of Caring

⁷ John Cridland Independent Review (2017) Independent Review of the State Pension Age: Smoothing the Transition

⁸ Census 2011

- Employers not recognising that unpaid caring has an impact on workers. 1 in 7 workers is also an unpaid carer. This could be as many as 1 in 5 of public sector workers⁹.
- Women are more likely to have given up work as a result of caring – 1.6 million women compared with 1 million men have done so¹⁰.
- The types of employment that carers tend to do differ from those undertaken by the rest of the population. Women carers in particular are overrepresented in caring and service sector roles relative to other women (at 20% compared to 17%), as well as administrative occupations, and under-represented in professional occupations (at 16% compared to 21%)¹¹.
- Carers often turn down promotions or restrict their job searches to be able to manage caring – often working below their potential. Two in 10 carers (20%) said they had taken a less qualified job or turned down a promotion as a result of their caring responsibilities or that they had retired early in order to provide care¹².
- Relative to other women, those who provide unpaid care were slightly more likely to be part-time employees (24%, compared to 22% of other women), which is unsurprising given that more flexible forms of work may be needed to fit around caring responsibilities. However, the proportion of men who are part-time employees remains the same regardless of carer status (at 6%).
- For carers who gave up work to care, there was insufficient good quality social care (31% of those who gave up) or it was too expensive (21%), as reasons for giving up.¹³
- Once out of the labour market, women have great problems trying to return. The skills they have gained are not valued, recognised or accredited.¹⁴

Wider causes of gender inequality in the economy as a result of caring

- Caring also incurs higher costs of bills, travel, equipment, etc. that drain disposable income.¹⁵

⁹ Carers UK (2019) Juggling work and unpaid care, and additional analysis

¹⁰ *ibid*

¹¹ NPI (2015) Informal Carers and Poverty

¹² State of Caring Report 2048 (Carers UK 2018)

¹³ Carers UK (2016) State of Caring report 2016

¹⁴ Evidence from various Carers UK reports and personal testimony

¹⁵ Carers UK State of Caring report series since 2013

- Over a third of carers (37%) responding to our Carers UK’s research described their financial situation as ‘struggling to make ends meet’, while a further 20% said they are in or have been in debt as a result of caring¹⁶.
- Carer’s Allowance, the main carers’ benefit, is the lowest benefit of its kind. 72% of people who receive it are women – and this has been the case ever since the benefit was first introduced.
- The rules around Carer’s Allowance create a number of challenges for people trying to juggle part time work and receive it. This includes the cliff-edge nature of the earnings rule, the complexity of reporting variable income and the lack of a link with the National Living Wage at 16 hours a week. Many of these issues were explored in depth by the Work and Pensions Select Committee in its report on Employment Support for Carers¹⁷.
- The long-term implications for carers’ finances were highlighted by John Cridland CBE in his final report following his independent review of State Pension age arrangements after 2028: *“Whilst a later State Pension age can be mitigated by longer working, the two objectives of unpaid caring, and longer working are not easy to reconcile. It is the same group of people, at the same age, needing to allocate their time in two different ways. Both contributions are important to society and to the Exchequer. Family social care is essential, and its reduction would lead to increased State social care. However, carers in their 50s and 60s also need an income; they need to build up a pension; and they need to save. If they do, they add to national wealth. We need to value their unpaid contribution to a decent society.”*

2. How does gender inequality interrelate to other forms of inequality in the economy, such as race inequality, disability, and poverty?

Carers are more likely to be both in poor health and to live in poverty.

¹⁶ Carers UK (2018) State of Caring Report 2018

¹⁷ <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/581/58102.htm>

- Carers tend to have poorer health and wellbeing than non-carers. Those caring for 50 hours or more per week are twice as likely to be in bad health as non-carers.¹⁸
- Carers are more likely to report having a long term condition, disability or illness – 61% of carers compared to 50% of non-carers. 62% of carers reported trouble with day to day activity compared to 57% of non-carers.¹⁹
- 2.1 million carers are in poverty in the UK. 22% of carers live in poverty, this compares to a national figure of 16% living in relative poverty in 2014/15. Poverty levels are highest in the working age carer population and increases with the number of hours of care they provide, with a 37% poverty rate among carers who provide at least 20 hours of care per week.²⁰

3. What issues are important to research and make proposals on in order to create policies for a gender-equal economy?

Whilst the literature and evidence has focussed on the impact of having children and childcare on a women's earning potential and pensions, there is very little research or data of the effects of unpaid caring on a women's life longer term. This includes women who do not have children, but whose earning potential and pensions provision may be reduced, as well as those who do have children. The potential life-long impact of a disabled child growing up into adulthood when caring continues has also not been explored as much as it could be.

Areas for further research and proposals:

Investment in social care as an economic enabler

Immediate investment in social care is needed to enable people to remain in or return to work alongside caring responsibilities. The upcoming Government Social Care Green Paper needs to ensure that care and support systems are seen, in the same way as

¹⁸ Census 2011

¹⁹ NHS England (2019) GP Patient Survey 2018 - Experience and health of carers

²⁰ New Policy Institute (2016) 'Informal carers & poverty in the UK: An analysis of the Family Resources Survey'

investment in childcare, as essential infrastructure to support employment and in particular women's participation in the labour market.

Modernisation of workplace rights and workplaces

Improved recognition of caring in the workplace would help women, but also help those men who experience similar negative impacts of caring. Workplace rights need to catch up with today's population and society. Government has pledged to bring forward a consultation on care leave and the right way to do it, which Carers UK has welcomed. We believe this consultation would be highly valuable. We consider that a right to paid care leave of between 5 – 10 days is progressive, more flexible for employers, more flexible for those providing care to care.

International approaches to their ageing population

Future generations of women will need to be able to juggle work, caring for family which may also include caring for younger children at the same time – 2.4 million do²¹ – and preparing for their own future. As we look to other countries ageing faster than our own, we see a stronger rights base for workers (Japan), increased investment in social care systems (Germany and Japan), the role of technology being explored (Japan and Scandinavia) different housing options for living which increases support and reduce pressure on families (Sweden and Holland).

Recognition of the value of carers' skills

Recognising skills gained whilst caring to support carers into or back to work – Carers UK is developing a skills recognition tool that will be launched later in the year. To build up recognition of the skills, matched with understanding employers and flexible working will improve women's ability to return to the labour market.

Measures to secure carers' incomes in later life

Detailed modelling must take place including what happens to women who are providing unpaid care and modelling of pensions systems that look at this planning for retirement and the future, taking into account unpaid care as well as the costs of paying for care. Options to be explored include providing carers close to retirement age with enhanced income/ early drawdown of their pension and auto-enrolling carers in a

²¹ YouGov Poll April 2012 (2012) YouGov and Engage Mutual Survey - polling a GB representative sample of 1,008 people aged 45-60 who had elderly parents and 500 people aged over 65 who had adult children.

second pension (a Carers' Pension) that recognises the value of unpaid work and ensures that they do not suffer financial hardship later in life.

Improve financial support for carers

Carer's Allowance needs to be increased made more flexible to support claimants to stay in touch with the labour market. The fact that it is the lowest benefit of its kind, not even equivalent to contributions based Job Seeker's Allowance (JSA), and the fact that a majority of women claim it, is a real inequity. The Scottish Government recently raised the level of Carer's Allowance to that of JSA and will continue to increase it year on year in line with CPI. This will leave the women of England, Wales and Northern Ireland ever further behind. The earnings threshold for Carer's Allowance needs to rise year on year in line with the National Living Wage pegged at least to the equivalent of 16 hours a week so carers don't have to choose between Carer's Allowance and keeping in touch with the workplace.. Government needs to review the freezing of benefit rates. Although disability and carer's benefits continue to rise, freezing other benefits has a wider impact on families' income, thereby affecting carers.

4. What resources or publications are important for the Commission on a Gender-Equal Economy to consider?

Carers UK (2019) 'Juggling work and unpaid care'

http://www.carersuk.org/images/News_and_campaigns/Juggling_work_and_unpaid_care_report_final_WEB.pdf

Carers UK, University of Sheffield, University of Leeds (2015) 'Valuing Carers'

<https://www.carersuk.org/for-professionals/policy/policy-library/valuing-carers-2015>

Carers UK, Employers for Carers and Her Majesty's Government (2013) 'Supporting Working Carers: The Benefits to Families, Business and the Economy. Final Report of the Carers in Employment Task and Finish Group'

<https://www.employersforcarers.org/resources/research/item/808-supporting-working-carers-the-benefits-to-families-business-and-the-economy>

Carers UK and Employers for Carers (2012) 'Sandwich Caring Combining childcare with caring for older or disabled relatives' <https://www.carersuk.org/for-professionals/policy/policy-library/sandwich-caring>

Social Market Foundation (2018) 'Caring for carers, The lives of family carers in the UK' by Kathryn Petrie and James Kirkup
<http://www.smf.co.uk/wp-content/uploads/2018/07/Caring-for-Carers.pdf>

Contact us

To find out more contact:

Rachael Graham, Policy and Public Affairs Officer

T: 020 7378 4930 E: rachael.graham@carersuk.org

Keep up to date with our campaigns and research:

Carers UK

20 Great Dover Street
London SE1 4LX

T: 020 73784 4999

E: info@carersuk.org

CarersUK.org

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