

# Poverty amongst unpaid carers in the UK

## Executive summary



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Unpaid carers are a large and diverse population – around 5.7 million across the UK. Yet large numbers live in poverty and deep poverty – this is when someone’s resources are 50% below the poverty line.

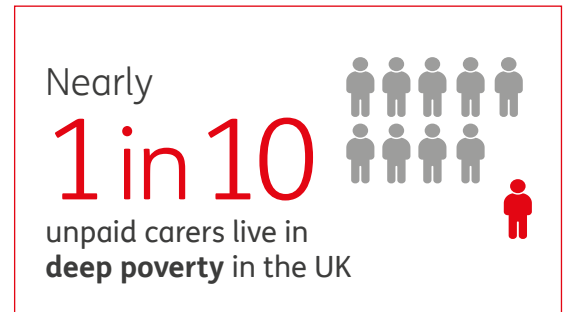
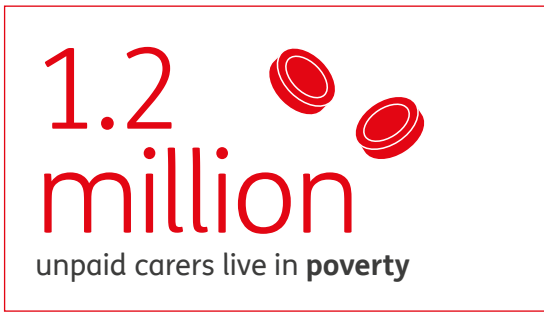
- 1.2 million unpaid carers live in poverty, and 400,000 live in deep poverty in the UK.<sup>1</sup>
- In 2021/22 in the UK, the poverty rate for unpaid carers was 50% higher than for those who did not provide care (27% vs 18%).
- Nearly 1 in 10 unpaid carers (9%) live in deep poverty in the UK. The rate of deep poverty amongst unpaid carers (9%) is 50% higher than for those who did not provide care (6%).
- Poverty rates amongst unpaid carers in 2021/22 are slightly higher in Scotland (28%) than in England (26%) and Wales (26%).

## There are different groups of carers who are more likely to experience poverty:

- For those who care for more than 35 hours a week, the poverty rate is 43%, more than double the rate in people who are not unpaid carers (18%).
- Caring for more than one person increases the rate of poverty: 26% of unpaid carers caring for one person are living in poverty compared to 35% of those caring for 2 people.
- Carers aged 25-44 have the highest rate of poverty of any age group, at 38-39%, compared to those aged over 65, who have the lowest poverty rate (20%).
- Unpaid carers who are women are somewhat more at risk of poverty than men (28% vs 25%).
- Unpaid carers from ethnic minority groups have higher rates of poverty than unpaid carers who are white (26%) – with the highest rates amongst Other ethnic groups (53%), Mixed ethnic groups (48%) and Black ethnic groups (44%).
- Carers who live in the in the West Midlands (33%), in the North West (32%), and in the North East (31%) have the highest rates of poverty, compared to areas such as the East of England (19%) and the South East (21%).<sup>2</sup>

## There were a number of key drivers of poverty identified:

- **Difficulty combining paid work with unpaid care:** The demands of caring are difficult to combine with paid employment, particularly roles that do not offer flexibility. Being out of work is the single strongest quantitative predictor of poverty for unpaid carers<sup>3</sup> and there is a significant employment gap between working-age carers and non-carers (62% vs 75% in employment).
- **Lack of support and access to social care services:** The high cost and lack of paid replacement care available leaves many unpaid carers no choice but to provide the care themselves, with carers saying that this leaves them feeling abandoned by the system and unable to combine paid employment with their caring responsibilities.
- **Inadequacy of social security:** Two-thirds (67%) of unpaid carers who receive Universal Credit live in poverty – around 900,000 carers. 62% or approximately 500,000 Carer’s Allowance recipients live in poverty.<sup>4</sup>
- **High costs faced by unpaid carers:** Unpaid caring can be very expensive due to the costs of transport, food and replacement care that unpaid carers have to take on. Additionally, many end up covering the extra costs of the disabled person’s disability out of their own pocket.
- **Housing costs:** Unpaid carers are struggling to cover the cost of housing. Many are at risk of losing their home and becoming homeless.



## Policy recommendations

### Within the next year

- **The DWP should begin a review of the current support provided to unpaid carers through the social security system, including increasing the level of support to sustainable levels, setting objectives for carers' social security benefits as well as timescales and options for change.** The review should particularly investigate interactions between benefits in the current system to understand how they affect individual entitlements and set out options for increasing the level of Carer's Allowance. The review should also consider eligibility criteria, processes for claiming and back to work support for carers.
- **The DWP should increase the value of Carer Element, Carer Premium and Carer Addition by £11.10 per week as an immediate step.** Our research clearly shows that unpaid carers in receipt of benefits are at a very high risk of poverty – more than three times higher than the general population. Our modelling shows that increasing Carer Element by £11.10 / week could reduce the number of carers in poverty by 20,000 and the number in deep poverty by 40,000 at the cost of £500 million a year.<sup>5</sup>
- **The DWP should set out clear options to fix issues surrounding Carer's Allowance, including:**
  - » Increase the Carer's Allowance earnings limit to 21 hours at National Living Wage (£240.42/ week) and peg it to National Living Wage increases.
  - » Take proactive steps to remove the Carer's Allowance cliff edge, whereby someone loses all of their Carer's Allowance by going over the earnings limit by just a few pence.
  - » Prevent the accumulation of Carer's Allowance overpayments, by implementing the recommendations in Carers UK's Carer's Allowance Overpayments report (2024).
- **Remove the 21-hour study rule, whereby someone is not allowed to claim Carer's Allowance and be in full time education of more than 21 hour a week.**
- **The UK Government should commit to introducing a National Carers Strategy, including carrying out a consultation with stakeholders and carers.**
- **The UK Government should take steps towards recognising 'caring' as a protected characteristic within the Equality Act 2010.**
- **The UK Government to make improvements to social care provisions by:**
  - » Developing a plan for the National Care Service and delivering much-needed funding to help stabilise social care, particularly in the run up to winter.
  - » Building on the Skills for Care's proposals to deliver a workforce strategy for the care sector.<sup>6</sup>
- **The UK Government should support carers in paid employment by:**
  - » Ensuring that the Employment Rights Bill fully implements the commitments from Make Work Pay in full, including provision for day-one rights to flexibility.
  - » Introduce a new statutory right to paid Carer's Leave to support more people to balance employment and unpaid care and remain in work.
- **Local authorities should:**
  - » Ensure that they have benefits take-up work targeted at unpaid carers to ensure that carers' incomes are maximised. This includes raising identification and awareness to help carers claim benefits they are entitled to, including Carer's Allowance.
  - » Investigate how additional charges for social paid care services are affecting the most vulnerable unpaid carers.
  - » Introduce more housing support for unpaid carers: ensure that Carer's Assessments include an assessment and plan for addressing different housing situations carers could be at risk of or dealing with.

- **Employers should:**

- » Implement the Carer's Leave Act 2023 and Employment Relations (Flexible Working) Act 2023 and consider going beyond the statutory minimum.
- » Consider joining Employers for Carers and Carer Confident schemes to set up better systems and structures to identify and better support unpaid carers in the workplace.

## Within the next 2-3 years

- **The DWP should deliver the outcomes of the review of the support provided to unpaid carers through the social security system.**
- **The DWP should raise Carer Addition, Carer Element and Carer Premium to £81.90 per week – the same level as Carer's Allowance.** An uplift of Carer Addition to the same level could reduce the number of people living in poverty and deep poverty by 20,000 at the cost of £300 million. An uplift of Carer Element to £81.90 / week would reduce the overall number of people in deep poverty by 140,000 and the overall number of people in poverty by 110,000, at the cost of £1.8 billion a year.
- **The UK Government should support carers' return to employment through:**
  - » Introducing specialist employment support for unpaid carers.
  - » Introducing a specialist fund for re-training and vocational qualifications.
  - » Investing in structural support to enable carers to return to work following a period of absence related to their caring responsibilities, including a new national network of carers' partnership managers, to coordinate and review carers' pathways back into work.

- **The UK Government should also better support unpaid carers by:**

- » Legislating to recognise 'caring' as a protected characteristic within the Equality Act 2010.
- » Delivering a National Carers Strategy.

## Within the next 3-5 years

- **The DWP should continue to implement the recommendations of the support provided to unpaid carers through the social security system.**
- **The UK Government should provide more support for carers from the NHS and social services by:**
  - » Providing all unpaid carers with a statutory right to a break from their caring responsibilities and provide funding to ensure that all carers can access the breaks they need when they need them.
  - » Legislating to place a new statutory duty on the NHS to have regard to carers and support their wellbeing, to ensure systematic identification of carers in all NHS settings.

## References

- 1 The measure of poverty used is Social Metrics Commission Poverty with costs of caring. For a discussion of this measure and comparisons to the HBAI poverty measure, please see the main body of the report.
- 2 WPI Economics analysis of Family Resources Survey 2021/22
- 3 WPI Economics analysis of Family Resources Survey 2021/22
- 4 WPI Economics analysis of Family Resources Survey 2021/22
- 5 WPI Economics analysis of Family Resources Survey 2021/22
- 6 <https://www.skillsforcare.org.uk/news-and-events/news/turning-point-for-social-care-as-the-sector-launches-a-workforce-strategy>