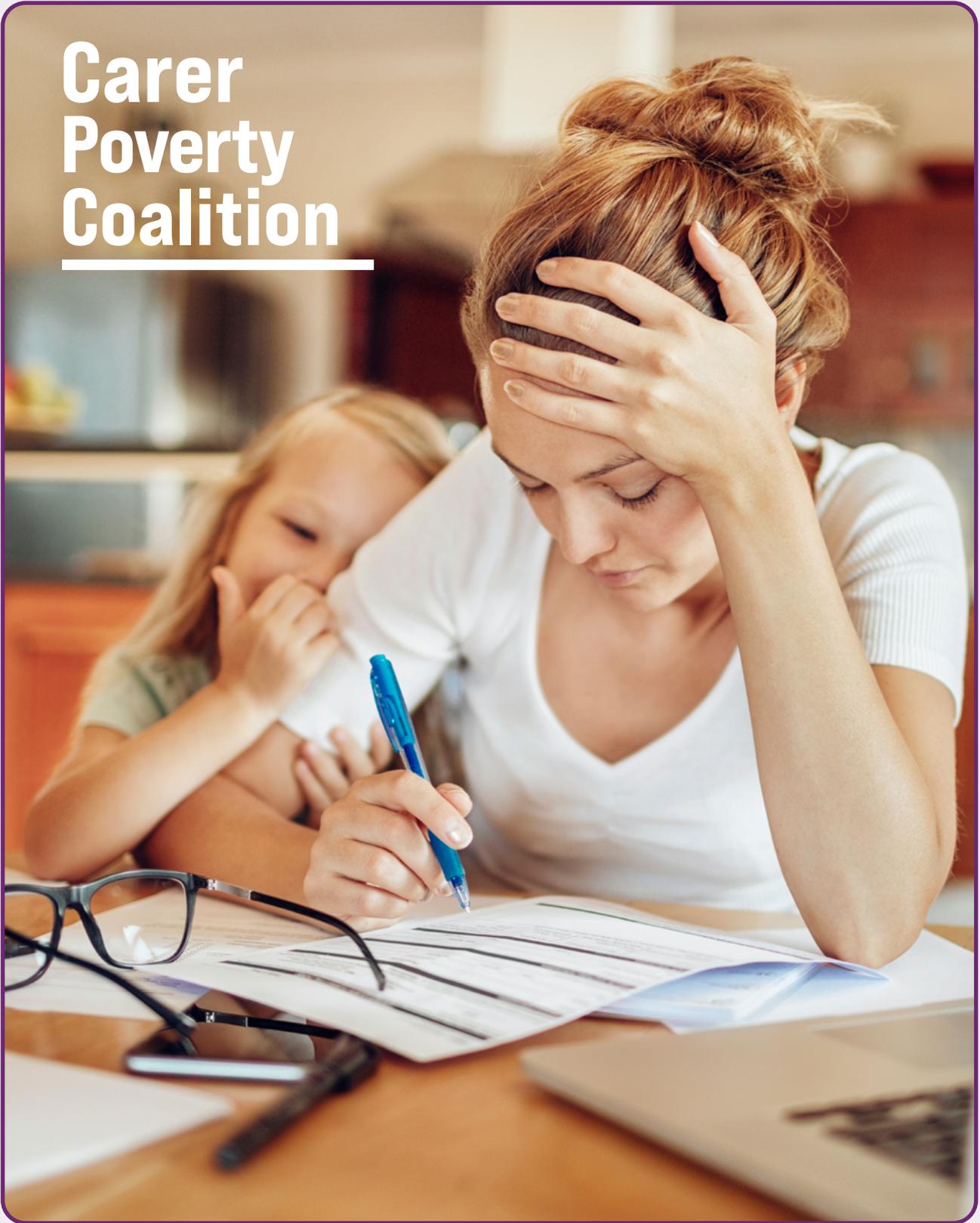


Carer Poverty Coalition



Carer Poverty Coalition Manifesto 2024

Introduction

Everyday across the UK, the work of unpaid carers helps hold society together – with around 10.6m people providing care across the UK for those who need it most.¹ The value of unpaid care provided by carers was estimated at £162 billion per year in England and Wales and £5.8bn per year in Northern Ireland.²

Providing care to family and friends often limits carers' earning potential and adds extra costs that they would not otherwise have.

As a result, unpaid carers end up in poverty or find themselves in precarious financial positions. This is particularly true of carers who care more intensively and those who provide unpaid care over longer periods of time.

The financial challenges carers face also has a significant impact on their physical and mental health, which often increases their own need for treatment, support and services to enable them to cope.

Unpaid carers experience an average pay penalty of nearly £5,000 per year, reaching nearly £8,000 per year after six years of providing unpaid care.³

28% of carers live in poverty compared to 20% of those not in a caring role.⁴

44% of working age adults who are providing unpaid care for more than 35 hours a week are in poverty.³ Significantly, this is the qualifying number of hours of unpaid care for a range of carers' benefits, including Carer's Allowance.

Putting an end to carer poverty

Recognition and commitments needed for carers living on the edge

Carers should not be ending up in poverty in the first place. There is a clear moral as well as economic argument for supporting unpaid carers to live on a decent and adequate level of income whilst caring. Through their role, unpaid carers make a huge contribution which is undoubtedly helping to support the NHS, social care and society as a whole.

Yet evidence shows significant numbers of unpaid carers are finding themselves in poverty and significant financial hardship as a result of their caring role. The recent cost of living crisis has only made the situation worse with many carers now struggling to survive.

30% of carers are struggling to make ends meet, compared with 27% the year before.

Over a third (34%) of carers were cutting back on essentials such as food or heating in 2023, compared to 25% in 2022 and 13% in 2021.

62% of carers are finding it more difficult to manage financially due to the increase in the cost of living.⁶

Why are so many unpaid carers living in poverty?

Unpaid carers are particularly vulnerable to all types of rising costs. This is due to their limited ability to earn an income, and the additional costs they face that they cannot cut back on without affecting the safety of the person they care for. This includes costs like taking the person they care for to hospital, keeping their home at a safe minimum temperature and doing extra laundry.

Carers who provide more hours of care and provide care for longer periods of time are twice as likely to be struggling to make ends meet.⁷ Currently, the social security system does not adequately support these carers.

31% of people caring for over 35 hours are struggling to make ends meet, compared to 16% of people caring for less than 35 hours.

17% of people caring for over 35 hours are unable to afford utility bills, compared with 6% of people caring for less than 35 hours.

20% of people caring for over 5 years are struggling to afford the cost of food, compared to 11% of people caring for less than 5 years.

The Government must tackle poverty for unpaid carers head on, by:

- Conducting an urgent inquiry into the relationship between unpaid care and poverty, with recommendations to identify and prevent unpaid carers from falling into poverty in the first place.
- Reviewing and reforming the social security system to better support carers, including a review of Carer's Allowance and means-tested benefits relating to carers, including the Carer Element, Carer Premium and Carer Addition.
- Commissioning projects and campaigns to increase awareness and identification of carers and support to apply for benefits they may be entitled to.

Reforming Carer's Allowance

So that it works to better support carers financially

Carer's Allowance provides some recognition for unpaid carers and the care they provide. However, this benefit is not available to carers in a number of different situations. Moreover, evidence shows that carers in receipt of Carer's Allowance are increasingly facing financial difficulties and poverty.

In just a decade, the rate of poverty for carers in receipt of Carer's Allowance more than doubled, from 16% in 2010/11 to 34% in 2020/21.¹⁴

The Department of Work and Pension's Family Resources Survey found that 1 in 5 households in receipt of Carer's Allowance is living in food insecurity – nearly three times the rate of the general population.¹⁵

Carer's Allowance remains one of the lowest benefits of its kind, at just £76.75 per week at 2023/24 rates, rising to £81.90 in 2024/25.

Current levels of support for those in receipt of Carer's Allowance are not sufficient to keep unpaid carers financially secure and resilient. Although the level of this benefit has been increased over the years, it has not kept pace with 'in year' changes to Consumer Price Index (CPI) inflation and remains one of the lowest benefits of its kind, at just £76.75 per week, rising to £81.90 in 2024/25.

Reform in Scotland shows CA can better support carers

Carer's Allowance is in the process of being reformed in Scotland. Over the past six years,¹⁶ carers in Scotland have been receiving a Carer's Allowance Supplement - currently worth £577.20 per year - in recognition of their role and the inadequacy of Carer's Allowance levels. This reformed benefit will be available nationally for new claims from Autumn 2024, with existing claims transferred throughout the year. It has been extended to most people in full-time education (removing the full-time study rule).

SARAH'S STORY*

Sarah is 68 years old and has been caring for her adult son for 42 years. He has autism, suffers from severe mental illness, and requires round-the-clock care. She also provides care to her adult daughter and grandson, who do not live at home.

Given the extent of her caring responsibilities, Sarah is unable to work. She last had a week's break from caring in 2001. The cost of respite cover has prevented her from taking any time off since.

She received Carer's Allowance from 1995 onwards, although this stopped when she reached state pension age. In order to cope financially, she has been "surviving on sell-by date foods" for years, and "sourcing clothes from charity shops".

Sarah had to use up savings to ensure that her family's health needs were met. She has also had to subsidise rent and buy items like school uniforms, as housing and welfare support was "totally inadequate".

Although Sarah does what she can to cut costs, this is not always possible. As her son has irregular sleep patterns due to his illnesses, the house has to be lit and heated 24/7 – making her energy usage 50% higher than a similar sized home.

"Living in poverty, because of caring commitments, brings an additional level of pressure", explained Sarah. "[Carers'] mental wellbeing is not considered important, until they hit burn-out, and their care contribution is in jeopardy."

Despite training as a nurse, she wasn't able to progress her nursing career as anticipated and hence lost out on a higher pension.

"I am now a lone pensioner surviving on a low state retirement pension", said Sarah. "I still have entitlement to Carer's Allowance, but unfair rules prevent me from getting both."

"Many look forward to their golden years, with secured income and no ties. My life today is as physically and financially constrained as ever", she explained. "All I have ever experienced is a negative budget and all the stress that comes with that."

Sarah believes that a Carer Recognition Payment for pensioners would demonstrate "respect for older citizens who continue to provide care, even when in poor health themselves."

The Government must commission a full review into Carer's Allowance and its eligibility rules to ensure that it adequately values and supports carers. This review should include:

- Increasing the level of Carer's Allowance, so that it better reflects the level of financial penalty carers incur.
- Increasing the earnings limit and pegging it to National Living Wage increases.
- Scrapping the 21 hour study rule.
- Adding hours of care together if someone is caring for more than one person.
- Exploring different payments for people providing 20, 35, 50+ hours of care, to take account of the intensity of caring.
- Modernising and digitising Carer's Allowance processes including preventing and reducing the number and size of Carer's Allowance overpayments..
- Provide an additional payment for carers of State Pension Age.

Supporting carers from start to finish

Making sure carers in specific circumstances are looked after

Bereavement

Currently, Carer's Allowance is paid for 8 weeks after someone's caring role comes to an end. A significant proportion (20%) of carers said they were struggling to make ends meet after their caring role ended, and 35% said that their financial situation had got worse since they began caring.⁸ A longer transition period of 12 weeks would better support carers as they make plans to re-join the workforce, after what may have been a significant period out of work. Commissioning specific support for bereaved carers, while not a financial benefit, would also be especially useful in allowing carers to feel supported by services in the initial period after bereavement.

Older pension-age carers

Census 2021 shows that older people are providing the highest hours of unpaid care, with women aged between 75-79 providing the highest percentage of 50 hours or more of care compared with all other age groups.⁹

Despite providing substantial levels of care, most older carers who are over the State Pension Age do not receive Carer's Allowance due to the overlapping benefits rule. Providing additional payments for this group would help to meet the costs of caring as well as providing recognition of their role, especially as many carers end up with lower pensions due to leaving paid work earlier.

Young carers and those in full time education

Families with young carers aged under 18 are more likely to be in poverty. Young carers are more than twice as likely as their peers to experience food poverty, at 37% compared to 16% of non-carers. They are also more than twice as likely to live in the most deprived areas of the country (16%) than in the least deprived (7%).¹⁰ Nearly one-third of young and young adult carers "always" or "usually" face additional costs because they are a carer.¹¹

Although Carer's Allowance is available to anyone over the age of 16, there is a rule that means that if someone is in full time education, studying for over 21 hours a week, they are not eligible to receive Carer's Allowance. In practice this means that many young and young adult carers wishing to study often have to choose between getting an education and receiving Carer's Allowance. There are 19,000 carers aged 16-24 are caring 35 hours and in fulltime education.¹² The 21 study rule should be removed from the eligibility criteria for Carer's Allowance in order to support young and young adult carers to attain qualifications to enable them to fulfil their earnings and career potential later life.

Scotland provides more support for young carers

This is why the Young Carer Grant has already been introduced in Scotland, worth £326.65 a year, benefiting 16-18 year olds who are caring for an average of 16 hours per week for the last three months.¹³ Scottish Government has also decided to remove the 21 hour study rule from Carer's Allowance, meaning that anyone in full time education is able to receive Carers Support Payment (Carer's Allowance in Scotland). This will help to reduce barriers to obtaining skills and qualifications for carers in full time education in Scotland.

The Government must:

- Extend financial and practical support for carers whose role has come to an end, from 8 weeks to 12 weeks.
- Provide better support for younger carers to enable them to train, gain workplace skills and attain a decent income later in life.
- Introduce a Young Carers Grant and remove the 21 hour study rule for Carer's Allowance across the UK to match Scotland.
- Provide an additional payment for carers of State Pension Age.

Making work pay

Reducing barriers to paid work alongside and after a caring role

Unpaid carers, make up a significant proportion of the workforce, with 1 in 7 of all employees currently juggling work and unpaid care.¹⁷ For those carers who are able to combine paid work with caring, working is an important way to top up their incomes and preserve their financial security in the future, including pension savings.

However, we know that many unpaid carers are forced to reduce their working hours or leave work altogether. Nearly two-thirds (64%) of unpaid carers say they have been forced to give up paid work altogether or reduce their paid hours because of the pressures of their caring role.¹⁸ This has a huge impact on the availability of skilled workers in the economy, particularly in sectors like the NHS and adult social care, and in turn negatively impacts productivity and growth.

More than 1.9 million people are in paid employment when they become unpaid carers.¹⁹

A staggering 2.6m people have given up work to care; around 600 people a day.²⁰

41% of people who became carers were aged 45-65 and the highest levels of care provided by women was by those aged 31-45.²¹

Every year, more than 4 million people stop providing unpaid care. If they've had a long break from paid work, they often find it much harder to re-enter the labour market.

Encouraging carers to stay in employment alongside their caring responsibilities could make this transition easier. More specialist support could also help those who have not been employed for a long time.

Paid Carer's Leave, in particular could benefit many employees to stay in work, while providing unpaid care. It has been estimated that introducing 2 weeks of Paid Carer's Leave, paid at the same rate as maternity/paternity pay would cost the Government £13m per year.²²

ELEANOR'S STORY*

Eleanor, 59, cares for her 25-year-old son, James, who has autism and brain damage. She also cares for her elderly mother, who is 90 and housebound.

James requires constant adult supervision, and Eleanor and her husband have been caring for him since he was born. They do all the cooking, washing, and cleaning, as well as taking James to medical appointments and day services.

On top of this, Eleanor does all the shopping for her mum, sorts out her bills and appointments, and visits her every day. She estimates that she provides well over 100 hours of care each week.

Eleanor has a part-time job, which she juggles alongside her caring responsibilities. 'If I wasn't caring for James, I would be working full-time,' explained Eleanor. 'I would be earning twice as much as what I'm earning now... I don't like to think about it.'

The constraints on her time aren't the only thing preventing Eleanor from working more hours. As she receives Carer's Allowance, she has to ensure she doesn't earn more than the earnings threshold.

'I would love to be able to work more hours, I would love to be able to contribute more, but I can't because of the threshold,' said Eleanor. 'I could be doing 4 extra hours when James is at day service, but I can't.'

Eleanor would also like to work more because of the benefits for her mental health. 'I like going to work because it's a break. My job keeps me sane – it's not just about the finances,' she added.

Cuts to local services have also put additional strain on the family's finances. Eleanor has to drive James to day service twice a week - a 20-mile round trip for which there was previously a free local transport service.

Eleanor wants to see the earnings threshold on Carer's Allowance raised, to allow her to work additional hours to support her family. She says that more funding of adult social care services would also make a huge impact.

'Pay us what we're worth. It's as simple as that. We save the Government thousands and thousands.'

The Government must develop a comprehensive plan for supporting unpaid carers to stay in and return to paid work, where this is possible alongside their caring role by:

- Introducing better employment rights for unpaid carers, including the introduction of dedicated paid Carer's Leave and increased flexible working rights.
- Commissioning of specialist support for carers who have not been in paid employment for some time, including financial and practical support, work placements and confidence building.
- Changing eligibility criteria for certain carers' benefits, to enable more carers to combine paid work and unpaid care.
- Providing more long-term funding of social care to support carers juggling work and care.
- Producing guidance for employers on better support for unpaid carers in the workplace and encouragement for more employers to join carer positive schemes.
- Making caring a protected characteristic to ensure that carers are protected from discrimination in the workplace and other areas.

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About the Carer Poverty Coalition

The Carer Poverty Coalition was launched in February 2023 by Carers UK and is made up of over 130 national and local organisations coming together to campaign to end poverty amongst carers. Collectively we advocate for policy change that values, recognises and supports unpaid carers. In particular, the coalition focuses on reform of the benefits system to better support carers financially in the short and long term, as well as for better systems to support carers to continue with paid work.

The Coalition builds awareness of carer poverty and the impact that the cost of living crisis continues to have on unpaid carers with Government, parliamentarians, decision makers and the general public. For further information on the Carer Poverty Coalition and a full list of members see this webpage.

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To read more about the work of the Carer Poverty Coalition, visit go.carersuk.org/CPC

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