

# State of Caring 2023

The impact of caring on: finances

October 2023



# About this research

Carers UK carried out an online survey between June and August 2023. A total of 11,667 carers and former carers responded to the survey.

This report summarises the responses from the 10,751 people who are currently providing care.

As not all respondents completed every question in the survey, a number of the figures given in this report are based upon responses from fewer than 10,751 people.

Of respondents to the survey:

- 61% were in England, 17% in Scotland, 12% in Wales and 10% in Northern Ireland
- 39% of carers were in receipt of Carer's Allowance
- 80% were female, 19% were male
- 1% had a different gender identity than their sex registered at birth
- 29% had a disability
- 89% of respondents were White: English/Scottish/Northern Irish/British. 4% were White Irish and 3% were from another White background. 1% were from a mixed or multiple ethnic background. 2% were from an Asian/Asian British background (Indian, Pakistani, Chinese, Bangladeshi or other) and 1% were Black/Black British (African, Caribbean or other)
- 5% were lesbian, gay, bisexual or defined their sexual orientation in another way
- 16% had childcare responsibilities for a non-disabled child under 18
- 3% were aged 0-34, 10% were aged 35-44, 22% were aged 45-54, 35% were aged 55-64, 20% were aged 65-74 and 11% were aged 75 and over
- 34% were employees (18% were full time and 16% part time), and 4% were self-employed
- 32% had been caring for over 15 years, 15% had been caring for 10-14 years, 24% had been caring for 5-9 years, 26% had been caring for 1-4 years and 3% for less than a year
- 47% cared for 90 hours a week or more, 15% cared for 50-89 hours, 24% cared for 20-49 hours and 15% cared for 19 hours or less
- 74% cared for one person, 19% cared for two people, 5% cared for three people and 2% cared for four or more people.

## Thanks

Carers UK would like to thank each and every carer who contributed to this survey, from those who helped us develop and test the survey to every single person who took the trouble and time to tell us about their experiences. Your experiences will be used to help build a society that recognises and supports carers more.

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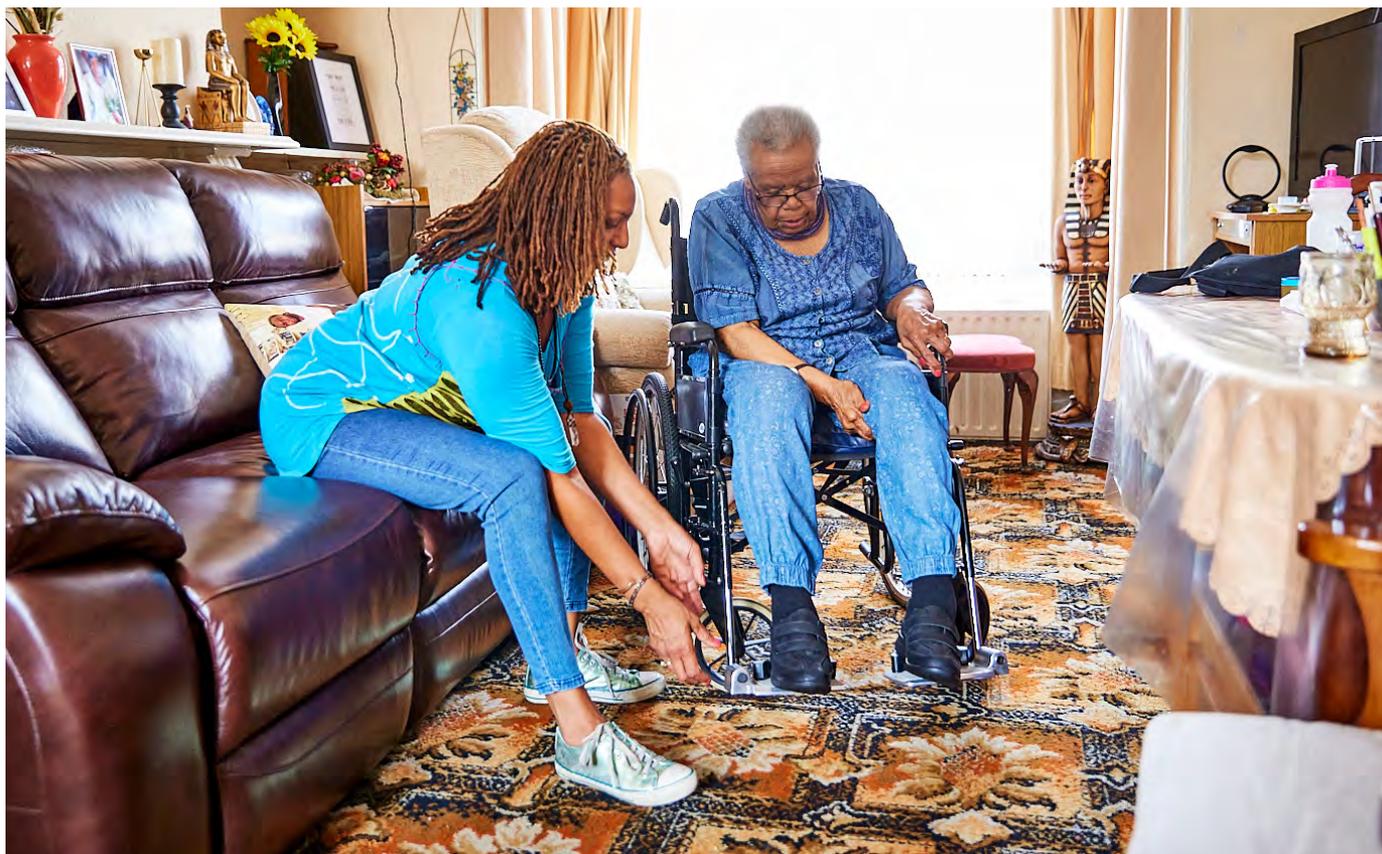
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# Introduction

Across the UK millions of people provide unpaid care for an ill, older or disabled family member or friend. Carers UK's polling suggests that there could be up to 10.6m people across the UK currently providing unpaid care.<sup>1</sup>



A significant proportion of carers are struggling financially, unable to afford the cost of food or bills. This is often because their income has been affected by caring: many carers have had to reduce their working hours to care, while others are unable to work at all due to caring responsibilities. A staggering 2.6m people have given up work to care; around 600 people a day.<sup>2</sup>

Carer's Allowance is the lowest benefit of its kind at only £76.75 per week (2023/24 rates) for providing a minimum of 35 hours of care.

An inflexible and strict earnings limit with the benefit hinders carers' ability to work extra hours to make ends meet. Carers often bear additional costs of caring which are not met but existing benefits.

The cost of living crisis has already had a profound impact on unpaid carers across the UK, with many anticipating that things will only get worse in the coming months. Equipment and increased fuel expenses are additional costs to caring, alongside their own day-to-day expenses.

<sup>1</sup> Carers Week charities (2023) *Carers Week Report*. <https://www.carersweek.org/media/yqdkdodx/carers-week-report-2023.pdf>

<sup>2</sup> Carers UK (2019) *Juggling work and care*. <https://www.carersuk.org/media/no2lwyxl/juggling-work-and-unpaid-care-report-final-web.pdf>

This combination means there is a triple threat of extra caring costs, reduced earnings and low benefit rates.

The Department of Work and Pension's Family Resources Survey found that 1 in 5 households in receipt of Carer's Allowance reported living in food insecurity – nearly three times the rate of the general population.<sup>3</sup> Research by the Joseph Rowntree Foundation found that between 2010/11 and 2020/21, the rate of poverty for carers in receipt of Carer's Allowance doubled from 16% in 2010/11 to 34% in 2020/21.<sup>4</sup>

Carers who are struggling financially often have to make extremely difficult decisions about spending. Many carers are turning to unsustainable solutions to cope with these challenges, such as falling into debt or cutting back on activities that improve their health and wellbeing. Financial difficulties can cause added stress and anxiety for carers who may already be facing challenges with their caring roles.

The recent Census 2021 in England and Wales found that there has been an increase in the proportion of people providing over 50 hours of care per week.<sup>5</sup>



## The triple combination of extra caring costs, reduced earnings and low benefit rates leave many carers struggling to make ends meet.

As the number of hours spent caring increases, so does the likelihood of an unpaid carer falling into financial difficulties. It is unacceptable that so many unpaid carers are struggling with their finances and worrying about the future when the economic value of the support they provide is a staggering £162 billion a year.<sup>6</sup> Carers are helping to reduce the pressure on health and social care systems which continue to struggle with demand, and yet many carers feel unsupported, undervalued and unrecognised.

Over 11,500 carers responded to the Carers UK State of Caring 2023 survey. Based on this data, this report considers carers' financial situations: the challenges they are facing and what support they need to overcome them.

3 Gov.uk Family Resources Survey: financial year 2020 to 2021. Household food security data tables, table 9.7. <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2020-to-2021>

4 Joseph Rowntree Foundation (2023) *The essential guide to understanding poverty in the UK*. [https://www.jrf.org.uk/sites/default/files/jrf/uk\\_poverty\\_2023\\_-\\_the\\_essential\\_guide\\_to\\_understanding\\_poverty\\_in\\_the\\_uk\\_0\\_0.pdf](https://www.jrf.org.uk/sites/default/files/jrf/uk_poverty_2023_-_the_essential_guide_to_understanding_poverty_in_the_uk_0_0.pdf)

5 ONS (2023) *Unpaid care, England and Wales: Census 2021* <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/unpaidcareenglandandwales/census2021#:~:text=In%20England%20and%20Wales%20an,2011%20to%204.4%25%20in%202021.>

6 Petrillo and Bennett (2022) *Valuing Carers*. <https://www.carersuk.org/media/2d51e03c/valuing-carers-report.pdf>

# Executive summary

This year's survey found that carers are struggling even more with their finances. A higher proportion of carers said they are struggling to make ends meet. Concerningly, this year carers have had to cut back much more on activities which improve wellbeing, such as their hobbies and leisure, and time with family friends.



With an increase in the proportion of carers caring for more hours,<sup>7</sup> it is vital that carers get a break, yet many feel unable to do due to the costs involved. Unsurprising, given the rise in the cost of living, a significant proportion of carers are worried about their ability to manage in the future.

- Even more carers who responded to our survey are cutting back this year compared to previous years. 58% of carers said they had cut back on hobbies/leisure activities compared to 47% in 2022 and 37% in 2021.
- There has been an increase in the proportion of carers who are struggling to make ends meet compared to last year (30% compared with 27%).
- A fifth (21%) of carers are struggling to afford the cost of food.
- Over a third (34%) of carers said they had cut back on essentials such as food or heating compared to 25% in 2022 and 13% in 2021.
- 60% of carers agreed they were worried about the impact of caring responsibilities on their finances.

<sup>7</sup> ONS (2022) *Unpaid care, England and Wales: Census 2021*. <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/unpaidcareenglandandwales/census2021#:~:text=In%20England%20and%20Wales%20an,2011%20to%204.4%25%20in%202021.>

- 62% of carers agreed that they've been finding it more difficult to manage financially due to the increase in the cost of living.
- 65% of carers agreed that the increase in the cost of living was having a negative impact on their physical and/or mental health.
- Over two thirds (68%) of carers agreed they were worried about their ability to save and plan for the future.
- A quarter of carers (26%) don't know where to go for help with their finances.
- 50% of carers said they needed more financial support.

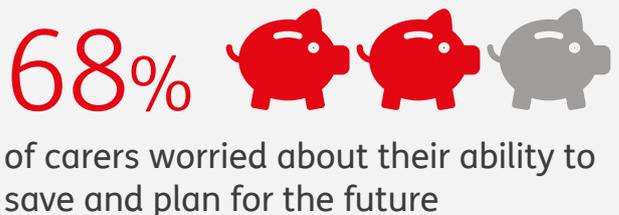
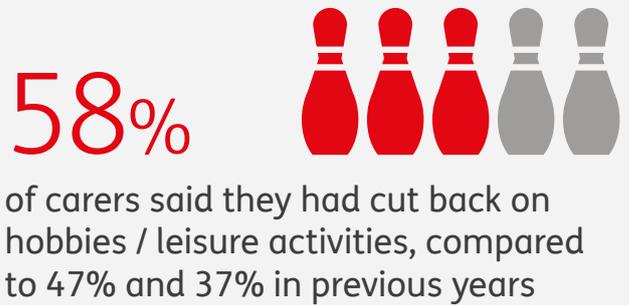
Carers in receipt of Carer's Allowance are even more likely to be struggling<sup>8</sup> and continued high inflation and food prices are clearly having an effect.

- 45% of carers receiving Carer's Allowance are struggling to make ends meet – an increase from 39% last year.
- 71% of carers in receipt of Carer's Allowance said they are worried about living costs and whether they can manage in the future.
- 34% of carers in receipt of Carer's Allowance were struggling to afford the cost of food - an increase from 29% last year.

**A significant proportion of carers are worried about their ability to manage in the future**



**At a glance...**



<sup>8</sup> 39% of carers took part in the survey were receiving Carer's Allowance compared with 35% last year.

# Carers' finances



## Summary

- There has been an increase in the proportion of carers who are struggling to make ends meet compared to last year (30% are struggling this year, compared with 27% last year).
- Carers in receipt of Carer's Allowance are more likely to be struggling to make ends meet (45%), an increase from 39% last year.
- 34% of carers receiving Carer's Allowance are struggling to afford the cost of food.
- 71% of carers in receipt of Carer's Allowance said they are worried about living costs and whether they can manage in the future.

### 30% of carers are struggling to make ends meet.

This is a slight increase from 27% in last year's survey, which could partly be explained by the rise in the number of Carer's Allowance respondents.

“I can't afford to live on what I have for two weeks until next payday, and also afford clothes and appliances if something breaks down in the home. I can't even afford to mend my floor, so I'm unhealthy because it's very dirty.”

“Constantly watching the smart meter. Not using the tumble dryer and then worrying when it rains because I can't get clothes dry. I have stopped using my oven and I used to love to bake. Don't ask family for dinner anymore because of the cost of buying the food and cooking it plus having the heating on. My house is cold because the heating isn't on as much.”

“I am at breaking point due to the abject poverty I am forced to live in whilst caring for my parent that has dementia. My debts are increasing at an alarming rate as my quality of life continues to decrease.”



Carers receiving Carer’s Allowance were more likely to say they were struggling to make ends meet (45%) than carers not in receipt of Carer’s Allowance (22%). There has also been an increase in the proportion of carers receiving Carer’s Allowance struggling to make ends meet compared to last year (39%).

Carers who were providing more hours of care per week were more likely to be struggling financially. 33% of carers providing 50 or more hours a week said they were struggling to make ends meet compared with 25% of carers providing less than 50 hours of care a week. Carers who had been caring for longer were also more likely to be struggling: 36% of people who have been caring for over 10 years said they were struggling to make ends meet compared with 24% of those caring for less than 10 years.

Carers who lived with the person they cared for were also more likely to say they were struggling to make ends meet than those who didn’t live with the person they cared for (31% compared with 24%).

**61% of carers said they are worried about living costs and whether they can manage in the future.**

This was a decrease from 69% in 2022. This might be explained by the drop in the rate of inflation and the Consumer Price Index (CPI) which was at 11.1% in October 2022 and fell to 6.3% in July 2023 and fuel prices also coming down in the summer of 2023.<sup>9</sup> However, 6 out of 10 carers worried about their financial future is unacceptably high.



**Carers receiving Carer’s Allowance were even more likely to say they were worried about living costs and whether they can manage in the future (71%).**

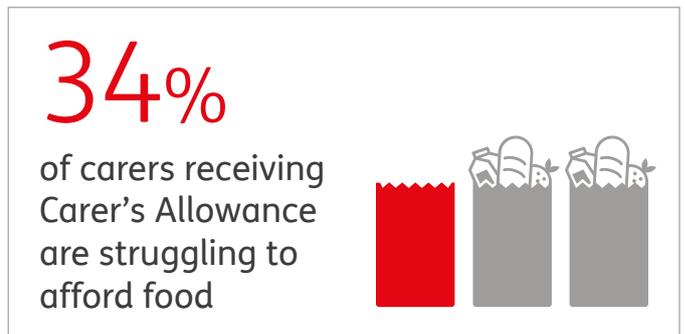
Worry and financial strain is being felt by those who provide the most care. Carers providing 50 or more hours of care a week were more likely to say they were worried about living costs and whether they can manage in the future than carers providing less than 50 hours a week (65% compared with 55%). A higher proportion of people who have been caring for over 10 years said they were worried about living costs and whether they can manage in the future than those caring for less than 10 years (65% compared with 57%).

Female carers were more likely to say they were worried about living costs and whether they can manage in the future than male carers (61% compared with 58%).

**21% of carers are struggling to afford the cost of food.** This was an increase from 18% in 2022.

**Carers in receipt of Carer’s Allowance were even more likely to be struggling to afford the cost of food (34%).** This was an increase from 29% in 2022.

People caring for 50 or more hours a week were more likely to say they were struggling to afford the cost of food than people caring for less than 50 hours a week (24% compared with 16%).



<sup>9</sup> Office for National Statistics (ONS), <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23> CPI annual rate

A higher proportion of people who have been caring for over 10 years said they were struggling to afford the cost of food than those caring for less than 10 years (27% compared with 16%).

Carers who lived with the person they cared for were more likely to say they were struggling to afford the cost of food than those who didn't live with the person they cared for (22% compared with 16%).

Some carers told us that they were unable to eat healthily, or that they had lost weight.

“ I know my own diet is not as nutritious as it should be to maintain my own health, but cannot afford luxury, always buy reduced...makes me embarrassed when shopping within my budget.”

“ I've lost weight because I can't afford to eat.”

“ The cost of living has resulted in me not following my Coeliac diet which is resulting in making me sick.”

#### **14% of carers are in debt as a result of caring. This increased to 23% for carers in receipt of Carer's Allowance.**

People caring for 50 or more hours a week were more likely to say they were in debt as a result of caring than people caring for less than 50 hours a week (16% compared with 11%). A higher proportion of people who have been caring for over 10 years said they were in debt than those caring for less than 10 years (18% compared with 11%).

“ I'm heavily in debt because the benefits system was not properly explained when I started my caring role.”

“ The person I care for does not know about my debts - I was unable to ask for money due to the nature of their mental health condition so I used credit cards to buy food and necessities.”

“ Respite is very expensive, so is the day placement/ college fees and transport contribution, this is putting me into debt. I am over £1000 in debt to the council because the bills come in every 4 weeks faster than I can pay them off.”

#### **13% of carers said they cannot afford utility bills like electricity, gas, water or telephone bills.**

People caring for 50 or more hours a week were more likely to say they cannot afford utility bills than people caring for less than 50 hours a week (16% compared with 9%). A higher proportion of people who have been caring for over 10 years said they cannot afford utility bills than those caring for less than 10 years (17% compared with 10%).

“ I do not heat the house to a satisfactory temp and layer up clothing. This worries me as don't want damp in my home to add to problems.”

“ Couldn't afford my internet bill, explained to them I need it to get medication, food, heating and light, contacting in emergency and they cut me off, I was literally crying on the phone to them, telling them it is my lifeline, they didn't care.”

“ We cannot afford to keep heating on. We don't get any benefits to assist so have to rely on blankets.”

**8% of carers aged under 55 cannot afford their rent/mortgage payments.** Facing homelessness on top of caring for someone would be a catastrophic outcome, yet it is clear that the housing crisis in the UK is affecting carers, with the increase in rental and mortgage payments making it even more difficult for carers to keep on top of their finances.

“ I am worrying about becoming homeless and was refused any substantial help from my local council.”

“ Rise in mortgage interest rates is crippling us. This alone has put our finances under severe strain.”

“ I'm 3 months in rent arrears. Though my landlord has been very understanding, I don't know how to catch up with the rent.”

The longer someone cares and the more hours of care they provide, the more likely they are to be struggling financially, more at risk of debt and longer term financial hardship as a result.

# How carers are managing financially



## Summary

- More carers are cutting back this year, compared to previous years. 58% of carers said they had cut back on hobbies/leisure activities compared to 47% in 2022 and 37% in 2021.
- 47% said they had cut back on seeing family and friends, compared to 34% in 2022 and 27% in 2021.
- 82% of carers struggling to make ends meet have cut back on hobbies/leisure activities, and 70% have cut back on seeing family and friends.
- Over a third (34%) of carers said they had cut back on essentials like food or heating.

Carers who are struggling financially often have to make difficult decisions about spending. Many carers are turning to unsustainable solutions to cope with these challenges, such as falling into debt.

We're also starting to see large changes in the past two years, where carers are cutting back on social connections and precious breaks, time that allow them to focus on their own wellbeing. This year, 58% of carers said they had cut back on hobbies/leisure activities compared to 47% in 2022 and 37% in

2021. 47% said they had cut back on seeing family and friends compared to 34% in 2022 and 27% in 2021.

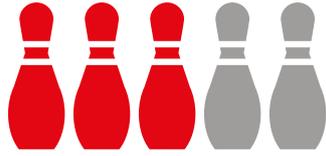
This is a deeply worrying trend and suggests that risk factors for carers' health, wellbeing and loneliness are increasing. In previous surveys, 8 out of 10 carers said had felt lonely, with nearly one third feeling lonely for all or most of the time.<sup>10</sup> Prior to the pandemic, 46% of carers in our survey providing substantial care had not been able to take a break<sup>11</sup> and during the pandemic, 72% of carers did not get a break at all.<sup>12</sup>

<sup>10</sup> *State of Caring 2022*, op cit

<sup>11</sup> Carers UK (2019) *Carers at Breaking Point: Making the case for carers' breaks in England*. <https://www.carersuk.org/media/gxapxqma/carers-at-breaking-point-making-the-case-for-carers-039-breaks.pdf>.

<sup>12</sup> *Carers Week 2021 Report. Breaks or breakdown*. <https://www.carersweek.org/media/u4jby32a/carers-week-2021-research-report.pdf>

58%



of carers said they had cut back on hobbies / leisure activities, compared to 47% and 37% in previous years

Carers in receipt of Carer's Allowance were even more likely to cut back on hobbies/leisure activities and seeing friends/family. 67% of carers getting Carer's Allowance, had cut back on hobbies/leisure activities, compared to 54% of carers not in receipt of Carer's Allowance. 54% of carers getting Carer's Allowance had cut back on seeing family and friends compared to 44% of carers not receiving Carer's Allowance.

Carers in receipt of Carer's Allowance were more likely to be cutting back compared to previous years. This year, 67% of carers in receipt of Carer's Allowance had cut back on hobbies/leisure activities, compared with 57% in 2022 and 50% in 2021. 54% had cut back on seeing family and friends, compared with 43% in 2022 and 38% in 2021.

Unsurprisingly, carers who said they were struggling to make ends meet were much more likely to cut back on hobbies/leisure activities (82%) and seeing family and friends (70%).

Many carers said that they were only able to manage financially because they were cutting back on things that weren't essential.

“We have enough because I am careful, but very little outside that. I haven't taken a holiday in over a decade because I don't have the money for it.”

“I have to be constantly cautious in spending money. Very few in essentials can be permitted in order to keep financially balanced.”

“I'm putting the financial needs of the people I care for first and neglecting things I and my immediate family need.”

**55% of carers said they had used their savings.** 30% had used credit cards and 23% had used their bank account overdraft. 18% had used Buy Now Pay Later services. 16% had borrowed from family or friends.

“I am burning through my life savings to live.”

“No spare cash and credit card debts increasing.”

“I've had to borrow off my son, which I feel bad and guilty about.”

**Over a third (34%) of carers said they had cut back on essentials like food or heating.** 6% of carers said they were using a food bank, and 9% said they had fallen into arrears with utility bills.

Some carers were even more likely to cut back on essentials. **46% of carers in receipt of Carer's Allowance, and 66% of carers who were struggling to make ends meet had cut back on essentials like food and heating.**

“I have cut down on washing my hair. No baths, only showers, filling toilet cistern with rainwater, cutting back on food and fuel for the car, cutting back journeys by car – no socialising.”

“I have been extremely cold all winter. It saps my energy for caring and makes it harder to look after myself and [the person I care for].”

“I am regularly skipping meals. We have skipped lunch for the last nine months. Now I sometimes cook just for my husband, and I skip dinner. Sometimes I have cereal for dinner. Sometimes I have a jar of baby food. It is 95p and often reduced further. I can eat baby food for dinner to save money.”

“Yesterday I had breakfast cereal for three meals, so [the person I care for] could have their required lunches for the week.”

34%



of carers said they had cut back on essentials like food or heating





**16% of carers felt they had already cut back on spending as much as possible.**

“... [I] cut back on everything as much as possible, cannot afford household maintenance, washing by hand in cold water, tumble dryer broken, cannot afford a new one ... We cannot have a washing line so drying clothes indoors as best I can. Downsized property in very poor condition, it was all we could afford after paying Dad’s care costs in the last year of his life... I had to sell my home too to fund this and Mum’s costs. ... I have three ceilings with black mould, shower leaking through to hall and plaster on walls destroyed, can’t afford repairs, I need new radiators cannot afford them so turned off. I have [broken] windows ... can’t afford repairs. I have boiler not working properly for hot water or heat, can’t afford repairs. I can’t afford heat in winter so piles of blankets, Mum is immobile. My nearly 14 year old car needs new brakes, can’t afford them. Haven’t had a haircut pre covid, can’t afford it. Can no longer afford prescription charges, glasses or dentist for myself. Can’t afford taxi or bus fare. Survive on cheap food. Oven is not working properly can’t afford repairs so rely on microwave food ie jacket potatoes etc. ... Garden is not suitable for Mum can’t afford to get it done. Mum has difficulty getting out of front ... can’t afford alterations. ...

“I spent my last income support on medical equipment for my daughter. We cannot cut down on anything else. We have less showers, wash clothes less but my daughter has no bowel or bladder control and IBD so end up changing her bedding most nights so the washing machine is on every day. I lie in bed at night thinking of ways to make £2 feed us both the following day so I don’t have to use the credit card. I can’t see my friends anymore as I can’t afford to put petrol in the car to see them and I can’t afford to meet them for any social activity or even dress for that. Life has become so difficult and yet I still hear so many comments about benefit scroungers and how much they get which makes me sad.”

16%



of carers felt they had already cut back on spending as much as possible

# Carers' concerns about finances



## Summary

- 60% of carers said they were worried about the impact of caring responsibilities on their finances.
- 62% of carers agreed that they've been finding it more difficult to manage financially due to the increase in the cost of living.
- Three quarters of carers receiving Carer's Allowance (75%) said they were finding it more difficult to manage financially due to the increase in the cost of living.
- 65% of carers agreed that the increase in the cost of living was having a negative impact on their physical and/or mental health.
- 96% of carers struggling to make ends meet said that the rising cost of living would be a challenge over the next year, and 95% agreed that the increase in the cost of living was having a negative impact on their physical and/or mental health.
- Over two thirds (68%) of carers agreed that they were worried about their ability to save and plan for the future.

## Cost of care

Many carers are spending their own money on costs associated with caring. Over half of carers (54%) are paying for extra costs such as transport, fuel or taxis.

A fifth of carers (21%) are paying for equipment in the home of the person they care for, such as hoists or grab rails, and a fifth (21%) are paying for technology like alarms, sensors or remote monitoring. 18% of carers are paying for incontinence products.

19% of carers are paying for support to help them cope with their caring role, such as therapy or counselling. 15% of carers are paying for a cleaner.

36% of carers are paying between £50 and £250 per month on care/support services, equipment, or products. 14% of carers are paying over £250 a month.

### **60% of carers said they were worried about the impact of caring responsibilities on their finances.**

This increased to 72% for carers in receipt of Carer's Allowance, and 84% for carers who were struggling to make ends meet.

“Transport cost to dialysis three times a week is impacting on the money we have.”

“Mum is always cold so heating bills are £500 a month. She likes heating on 24/7 even in July.”

“My wife's diet is complicated. She needs foods that are higher in iron, which is mainly red meat, the cost of that is horrendous. We do what we can and shop in the cheapest shops. We also need to make sure the meat has low carb amounts as she has diabetes. We also need to keep her B12 and potassium levels up as she has had issues in the past. So we struggle to tick all the boxes. She has asked for help from a dietician, but we have been waiting over 18 months for this.”

# 60%



of carers were worried about the impact of caring responsibilities on their finances

## Cost of living

**62% of carers agreed that they've been finding it more difficult to manage financially due to the increase in the cost of living.** Three quarters of carers receiving Carer's Allowance (75%) said they were finding it more difficult to manage financially due to the increase in the cost of living.

“Fuel costs are a massive concern for me as I have to drive to the people I care for and cannot reach them by any other means. The additional costs relating to maintaining a car have also impacted on my finances.”

“My daughter has OCD and autism. I am worried every time the hot water tap goes on, in terms of being on a water meter, and the electric used, but I cannot say anything to her because it will make her disorder worse.”

“The increased cost of living, especially food prices, means my wages are almost immediately gone as soon as they come in on bills and I usually end up living out of my overdraft. This worries me as the bank could remove that at any time.”

**66% of carers agreed that they were managing now but were worried about a future increase in the cost of living.**

“I am terrified at what will happen when costs increase as we have no more money.”

“If it increases anymore we will need food banks.”

**41% of carers said they've been finding it more difficult to afford the cost of care** (eg paying for equipment in the home, transport, technology, or alternative care) **due to the increase in the cost of living.**

“Food and energy bills increasing as well as private care (such as carers and daycare) has meant I have had to restructure finances a lot. I am very worried about finances in the future due to the cost of care and possible care home costs.”

“Disability aids, adaptations are already overpriced and are increasing with the cost of living just like everything else and as they are less commonly available have to pay whatever from wherever they can be found. Transport costs are an issue.”

**68% of carers agreed they were extremely worried about the increase in the cost of living, and 65% agreed that the increase in the cost of living was having a negative impact on their physical and/or mental health.**

Carers who were struggling to make ends meet were more likely to be worried. 95% of carers struggling to make ends meet agreed that the increase in the cost of living was having a negative impact on their physical and/or mental health.

“I now get much more anxious than before and am constantly checking my bank balance and adding up bills that are coming due.”

“Sucks the joy out of everything, constantly thinking about money, always saying no to treats.”

“Life is on hold. Our quality of life is awful due to lack of funds. Food is scarce and basic due to no funds. We have no extra to pay off bills which cause extra stress as in debt.”

“I was made redundant at the end of 2022 and have been unable to get work due to my caring responsibilities and lack of flexible part-time roles; this has had a huge impact on household income and every week the price of general shopping increases. It's impossible to budget as things are going up so much & so quickly. It's very, very worrying.”

Only 14% of carers said they were not worried about the increase in the cost of living.

**68% of carers said that the rising cost of living would be a challenge over the next year.** This was a decrease from last year's survey, when 77% of carers said the increase in the cost of living would be a challenge. However, the survey was undertaken at a time of rapidly increasing actual and predicted prices that were unprecedented in the last 40 years.<sup>13</sup> Whilst there is a reduction in the overall worry, nearly seven out of ten unpaid carers saying that the rising cost of living would be a challenge is unacceptably high. Most worryingly, 96% of carers struggling to make ends meet said that the rising cost of living would be a challenge over the next year.

65%



of carers felt the increase in the cost of living was having a negative impact on their physical and/or mental health



Carers who had been caring for over 10 years were more likely to say that the rising cost of living would be a challenge than those caring for less than 10 years (75% compared with 62%). Carers who were caring for 50 or more hours a week were much more likely to say that the cost of living would be a challenge than those caring for less than 50 hours (73% compared with 60%).

Some carers said that they had had to give up paid employment or take early retirement, which had affected their ability to manage financially.

“I had to leave my job to care full time for mother, I feel I was pushed out of my job & now watch as my bank balance reduces constantly. £76 is not enough to live on.”

“I had to retire early which obviously affected my pension.”

“I can't work and am living on Carer's Allowance and savings which are depleting quickly.”

<sup>13</sup> ONS, CPI, op cit

## Planning for the future

**Over two thirds (68%) of carers agreed that they were worried about their ability to save and plan for the future. 91% of carers struggling to make ends meet said they were worried about their ability to save and plan for the future.**

- “Just about managing but wouldn’t want an unexpected cost to arise.”
- “We are managing OK, we can pay our bills etc. but we don’t really have any disposable income which limits what we’re able to save to plan for the future and any emergencies we may face with the house etc.”

Many carers said they worried what they’d do when their savings ran out.

- “I worry about whether our savings will be enough to cover the cost of good care for as long as we live and support our disabled daughter.”
- “I am managing at present by constantly dipping into our savings but things will get worse when our savings run out.”

Other carers said they were worried about having to reduce their working hours or give up work completely, and the impact this would have on their finances.

- “I’m coping at the moment but feel I may have to give up my full-time job for my own mental health and wellbeing and to provide better care for my child so I will be then in a financial situation, but don’t really know what else to do.”
- “I’m not in arrears with my mortgage yet but my current job ends in two months and I can’t see where else I can work when two family members in different locations need almost 24/7 support.”

68%



of carers worried about their ability to save and plan for the future

Several carers said they were reliant on the income of the person being cared for, or another family member, and worried how they would manage in the future if their situation changed.

- “I care for a parent and live in their home but worry a lot about how I will manage and where I will live in the future.”
- “I am worried about what would happen if I was on my own as a carer with my daughter if my other adult child moved out and my spouse died before me. I could not cope financially on my own. My only personal income in my name is my Carer’s Allowance, so I am reliant on others helping me pay all the bills.”
- “... I dread what would happen should my husband need to go into a nursing home or hospital and his pension and benefits be removed - the bills wouldn’t reduce, I’d have extra travel expenses and I have only a state pension and a £56 a month private pension. Our ‘savings’ were used up about four years ago.”



# Supporting carers with finances



## Summary

- A quarter of carers (26%) disagreed that they knew where to go for help with their finances.
- 50% of carers said they needed more financial support.

## Carers knowledge about support available

We asked carers whether they knew where to go for help with their finances. 44% of carers agreed that they knew where to go for help. However, over a quarter (26%) of carers disagreed with this statement.

Similarly, 47% of carers agreed that they knew where to go for help with their energy bills, but over a quarter (26%) disagreed this was the case.

This suggests that although many carers are aware of support available, there is still a significant proportion who need more information and advice. It is the carers who are struggling the most who do not know where to go for help: 45% of carers struggling to make ends meet disagreed that they knew where to go for help with their finances.

Carers' awareness of the benefits they are entitled to was mixed. 43% of carers agreed that they were aware of what benefits they were entitled to, and 36% disagreed.

A stronger picture emerged in relation to carers' discounts. Only 16% agreed they knew what discounts they were entitled to as a carer – 68% said they disagreed with this.

Some carers felt that although they had been given information about financial benefits, there was still a lack of help available.

**“ We are at crisis point. We know and have received the support (information) but it's not practical financial help to get out of the problem.”**

## Support with cost of living

Some carers had received help from the state, but many of those found this wasn't enough.

The table below shows the support received from carers in receipt of Carer's Allowance.

**Table 1: Types of help provided in 2022/23 and whether carers' view about whether it had helped with the cost of living not**

Type of help	Carers receiving Carer's Allowance	
	Yes, I found this helpful	Yes, but this wasn't enough to help me manage
A fuel voucher from the local council or food bank	4%	3%
A £150 disability cost of living payment	36%	25%
A £150 discount off your electricity bill under the Warm Home Discount Scheme	27%	14%
A £300 pensioner cost of living payment	10%	4%
A £650 cost of living payment for households on means-tested benefits	33%	18%
Advice or support from your energy supplier	8%	8%
Financial support from the Government in Northern Ireland, Scotland or Wales	12%	7%
Help from the Household Support Fund	3%	3%
Temporary credit from your energy supplier	3%	3%

## Benefits

We asked carers in England whether they were receiving any financial benefits. 39% of carers were receiving Carer's Allowance. 16% were receiving Universal Credit, of which 10% were receiving Universal Credit with Carer Element.

22% were receiving Council Tax Reduction/Rate Relief.

Many carers said the person they were caring was in receipt of benefits, including a Personal Independence Payment (49%), Attendance Allowance (35%), Council Tax Reduction/Rate Relief (28%), Employment and Support Allowance (23%), and Housing Benefit (14%).



## Carers' financial needs

**50% of carers said they needed more financial support.** This increased to 81% for carers who were struggling to make ends meet. People caring for 50 or more hours a week were also more likely to say they needed financial support than those caring for less than 50 hours (55% compared with 41%).

Many carers felt that the value of Carer's Allowance should be increased.

“My mum requires 24 hour care and I feel that £76.70 per week is an insult to the important work I do for my Mum. I love my Mum and want to provide all the love and care a son can give in her twilight years, but I feel worthless and not important because the Carer's Allowance the Government provides is quite simply a pittance and not enough for my needs and independence.”

Many older carers told us that they were struggling to manage financially because they weren't able to access Carer's Allowance while in receipt of a pension.

“I'm now in receipt of my state pension and have had my Carer's Allowance withdrawn. However, they still recognise me as a carer. Except I'm now using my pension, that I have contributed to all my life, to look after my father-in-law who has a better pension than I do. A state pension is not a benefit I have paid for this with 46 years of contributions.”

“I feel aggrieved that having worked for most of my life and having paid tax and NI, I am not paid the Carer's Allowance which I am told I am entitled to, because I am getting a pension.”

Several carers also felt that the eligibility criteria for Carer's Allowance should be changed to allow them to juggle work and care.

“I got a wage increase of £3 per week and lost £300 per month Carer's Allowance as I went over the limit. Why can't it be tiered?”

50%



of carers said they needed more financial support

“I need to be able to earn £200 per week self-employed before I can afford to lose my Carer's Allowance, but I can only earn £132. I just feel that I can't take on a reasonable amount of work for fear of losing my Carer's Allowance at a time when I'm just starting out after years off work caring full time...”

“I work part-time hours so I can look after my mother and yet I earn too much money to be eligible for Carer's Allowance. The system needs an overhaul!”

“I need the Carer's Allowance earnings cap to increase in line with the minimum wage to enable me to maintain my weekly hours at work.”



# Conclusion

The cost of living crisis is still having a huge impact on carers, with a substantial increase in the proportion of carers having to cut back on vital things which improve their wellbeing, such as spending time with family and friends, or engaging in hobbies and interests.

Carers – and particularly those who are receiving Carer’s Allowance – are extremely vulnerable to rising costs due their limited ability to earn an income, and the additional costs of care that they face, many of which they are unable to cut back on. Some of these costs have been significantly exacerbated by the recent cost of living crisis; the rise in inflation, which has seen energy prices soar, increases in food costs and a huge increase in petrol/fuel costs. These unprecedented financial difficulties are piling further stress onto those caring for family and friends who are disabled, ill or older and need support.

Our results tell a story of decreasing financial resilience over time as the extra costs of caring wear down carers’ financial strength leaving many in debt and caring on the breadline. The cuts carers are making to try to make ends meet, combined with worry about finances are clearly impacting on their health and wellbeing. With those providing most care, often round the clock, being most vulnerable to financial hardship, the whole system needs to be revised and refreshed to reflect carers’ needs as well as recognising and valuing their role in society.

The low value of Carer’s Allowance, in relation to the care families’ provide, clearly leaves unpaid carers feeling undervalued and invisible.

Given that the value of carer’s support is estimated to be a staggering £162 billion per year in England and Wales alone, it is unacceptable that so many carers are struggling. The financial hardship that many carers face through no fault of their own is ‘untenable’, with a social safety net that is not fit for purpose. It is vital that the Government immediately provides additional and targeted financial support, or more carers are at risk of falling into poverty. With the amount of care on the rise, there are increasing risks that more carers will be pulled into poverty without mitigation.



In terms of the cost of living support delivered by Government, it’s clear that it made some difference to some people and that it came at a critical time. However, the continued ongoing pressures on carers’ incomes given the inadequacy of benefit levels is endemic and a fundamental issue that needs to be tackled.

Providing greater support for unpaid carers is not only the right thing to do for society and our economy but is also supported by an overwhelming percentage of the public. Indeed, 69% of the public feel that the role of unpaid carers is not well valued, and 84% agree that the Government should provide additional support to unpaid carers.<sup>14</sup>

Anyone can become a carer at any time – it can happen suddenly and be life altering, often resulting in people having to stop working to provide the care their family member or friend needs. When this happens, people should be able to rely on the social security system to support them to have a decent standard of living. This is currently not the case for too many people.

<sup>14</sup> Carers Week charities (2022) Make caring visible, valued and supported. [https://www.carersweek.org/media/qf0p5u4t/carers-week-2022-make-caring-visible-valued-and-supported-report\\_final.pdf](https://www.carersweek.org/media/qf0p5u4t/carers-week-2022-make-caring-visible-valued-and-supported-report_final.pdf)

# Recommendations

Government and policy makers need to have a clear understanding of the risks of financial hardship for unpaid carers, and the routes there. There must be a robust poverty prevention strategy across government which targets and prevents poverty, using the best data available. This needs to be shared publicly to aid discussion and creative intervention.



## Reform the benefits system to better support carers financially in the short and long term

Carer's Allowance is the lowest benefit of its kind, currently just £76.75 per week (2023/24 rates). It is also only available to carers who provide more than 35 hours a week of unpaid care. The eligibility rules prevent carers in receipt of Carer's Allowance from working more hours and increasing their earnings. This goes directly against the UK Government's policy of 'making work pay' and puts carers in an impossible position, where they are not able to work more hours to make ends meet without potentially losing this benefit.

The Scottish Government is developing a new carers' benefit to replace Carer's Allowance and is making positive changes such as allowing people studying for over 21 hours per week to access the benefit.

Carers with more caring responsibilities and those who have been caring for longer are much more likely to be struggling financially and falling into poverty as a result of providing unpaid care. This is a clear failure of the current support system and wider structural reforms are required to ensure that unpaid carers are on a more secure financial footing. Carers have been overlooked for additional financial support from the social security system which other groups have received over the last few years.

The Carer Poverty Coalition, established and run by Carers UK with over 110 organisations as members has called for an inquiry into carers' poverty and an urgent review of carers' benefits.

In the run-up to the next General Election, all political parties need to address the issue of inadequate financial support for unpaid carers in their manifestos. A reformed package of benefits and financial support needs to address the extra costs of caring, prevent carers' poverty and support carers' ability to work, whilst properly valuing their role.

**Carers UK recommends that the UK Government creates a social security system to support carers, which is fit for the 21st century.** This needs to be made up of measures delivered quickly to support carers, as well as longer review:

- In their Autumn Statement in November and Budget in March, **Government needs to announce an extra package of urgent support for unpaid carers over Winter**, reducing the impact of the higher cost of living.
- **The level and eligibility rules for Carer's Allowance – the lowest benefit of its kind – should be urgently reviewed and reformed** to ensure it adequately values and supports unpaid carers to continue to provide care and to look after their own needs and wellbeing. It should be increased to at least match other similar benefits.
- **The earnings limit for Carer's Allowance should be raised to the value of 21 hours work a week at the National Living Wage rate** (£218.82 at 23/24 rates) to allow carers to work more hours a week where they wish to do so, without losing their entitlement. This would allow those who are able to work more hours to do so, thereby increasing their income and helping them cope with the cost of living crisis. It would also support carers to continue with paid work while caring.
- **The earnings threshold for Carer's Allowance should be linked to increases in National Living Wage in law** so that the number of hours a carer is allowed to work, whilst claiming Carer's Allowance, does not continue to reduce year on year.
- **A lower rate of Carer's Allowance should be introduced to give access to the benefit for those caring between 20 hours a week and 35 hours a week.** 20 hours per week is equivalent to having a part-time job and should be recognised and valued. This would allow to support many carers who have had to reduce their working hours to provide care.
- **More than one person should be entitled to receive Carer's Allowance, when multiple people are providing care for the same person.** This would give more people the opportunity to continue with their career and paid work whilst caring, meaning they should be better able to support themselves financially. Many family members will take turns to provide care for a person who needs round-the-clock care.
- **Carer's Allowance operations should be digitised** to enable the Government to make much faster adjustments to payments and to introduce different rates. The current system is overly complex and difficult to navigate, leaving people unsure about what support they may be entitled to, or how to get it. Carers tell us when they do access support, the experience is time consuming and bureaucratic.
- **The run on of Carer's Allowance payments following the death of the person being cared for should be extended from 8 to 12 weeks.**

## Providing targeted financial support

- Government should provide all carers with **targeted financial support** during the current cost of living crisis.
- Government should introduce **a new social tariff for energy costs**, including Carer's Allowance as a gateway benefit.

## Supporting carers to remain in paid employment

Analysis of the Family Resources Survey by the New Policy Institute found that the employment rate among working-age carers is 64%, which is low relative to the employment rate for non-carers at 74%. 2.6m people have given up work to care.<sup>15</sup> It is vital that carers receive the support they need to continue juggling work with care. Better support for carers to stay in work has clear benefits to the wider economy by improving productivity and reducing unemployment.

- Government should ensure that the **Carer's Leave Act 2023 which gives carers up to one week of unpaid leave from work per year and new flexible working rights are brought in by April 2024**, and ensures that there is robust awareness and implementation.
- Carers UK wants to see Government hold a **longer term vision about carers juggling work and care**, including the introduction of two weeks paid Carer's Leave and a longer period of unpaid leave.
- Government should **deliver a short strategic review and implement changes that better support carers to juggle work and care within the benefits system**.
- Government should provide a **dedicated Work Allowance for carers in receipt of Universal Credit**, thus enabling more carers to keep their paid work and to return to work alongside their caring role.

- **Employers should consider becoming early adopters for unpaid Carer's Leave** – or go one step further and provide paid Carer's Leave, making it even more accessible to their employees with caring responsibilities.
- **Employers should adopt Carers UK's Carer Confident benchmark**, run by Employers for Carers, to move towards becoming a carer-friendly employer.
- In Scotland, we recommend employers use Carer Positive run by Carers Scotland.

## Build strategic and targeted support to analyse the risks of carers' poverty and design interventions to prevent financial hardship

- Government should produce a **funded National Carers Strategy** to provide medium and long-term changes to improve the lives of unpaid carers, including matched funding for similar strategies in the UK Nations.
- Government should carry out a **review of the links between caring and poverty** to identify key levers to support different groups of unpaid carers, to prevent them from falling into poverty.
- Government should commission an **independent inquiry into the relationship between carers and poverty**, to explore longer-term solutions to bringing more unpaid carers out of poverty, including food poverty. This should include consideration of higher intensity caring and longer-term carers' needs.

<sup>15</sup> Carers UK (2019) Juggling work and care. <https://www.carersuk.org/media/no2lwyl/juggling-work-and-unpaid-care-report-final-web.pdf>

## Reviewing pension rules

State Pension and Carer's Allowance are considered overlapping benefits so when someone starts receiving their State Pension, they automatically lose their right to receive Carer's Allowance, unless their State Pension is less than the value of Carer's Allowance. Unpaid carers of State Pension age should be recognised and supported for the role they perform. Government should introduce an additional non-means-tested payment for older carers in recognition of their caring role.

- There should be a **review of pension rules for unpaid carers** with implementation of initiatives to get carers up to similar pension levels as non-carers. This should include:
  - » Ensuring that the state pension age does not increase, as this would significantly disadvantage carers.
  - » Creating a mechanism by which carers are able to receive their state pension up to five years early.
  - » Creating auto-enrolment payments for carers in receipt of Carer's Allowance to ensure that they continue to contribute to additional pensions.

This is the first of a series of reports based on data from State of Caring 2023



Across the UK today 5.7 million people are carers – supporting a loved one who is older, disabled or seriously ill.

Carers UK is here to listen, to give carers expert information and tailored advice. We champion the rights of carers and support them in finding new ways to manage at home, at work, or in their community.

We're here to make life better for carers.

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