

Can we save the Government £1.3bn in benefits and lost taxes annually by supporting carers to stay in work?

Our unique research examines interventions to cut the numbers – over 300,000 people – estimated to have left their jobs because of unpaid caring.

It is well known that many carers in employment have a crunch point – when the burden of both unpaid caring and paid working becomes simply too much to manage. Something has to give. Typically, it's the job, creating long-term damage for the carer's financial well-being and for the Treasury.

At the London School of Economics and Political Science, Dr Linda Pickard estimates that the annual cost to the Government of carers leaving their jobs comes to at least £1.3 billion a year. That's £300 million in Carers' Allowance paid to people who have left their jobs because of unpaid caring. To that, add in another £1 billion in taxes forgone on this group's lost earnings. The £1.3 billion figure is a conservative estimate – it does not include additional claims, such as housing benefit and income support, to which these carers may be entitled, nor the likely continued depression of earnings, when a person eventually gets back into employment.

So how much would it cost the Government to help at least some of the 300,000 people who leave work because of caring to avoid the 'crunch point' and stay in their jobs? Dr Pickard suspects that it might not require much help but the costs have never been estimated. Her

team is seeking to enumerate a reliable estimate that could guide a rethink of policies for both social care and employment.

'We're trying to help people already in employment to stay in their jobs,' says Dr Pickard. 'It is much easier to help people to stay in work than to get them back into jobs once they are out of work.'

First of all, the LSE team, funded by the SSCr, is analysing a survey of over 35,000 carers, which details whether they are in work and whether the people they look after receive help from social services. It's the first time researchers have had the opportunity to establish reliably the links between getting help and being able to stay in work. When the team conducted their initial literature review, they could find no papers in the UK on whether 'replacement care' is effective in helping carers to stay in employment.

Next, the team is assessing levels of unmet need among hundreds of people who are cared for by people who are employed. They are collecting information from both the cared-for person and the carer. That way, they can accurately assess the level of unmet needs and, therefore, the costs of addressing them.

'We're looking at ways of helping carers to stay in employment and asking if 'replacement care' for the cared-for person is a cost-effective way of doing this.'

Dr Linda Pickard, Researcher

It may be that, by satisfying what may be relatively small levels of unmet need, the Government could staunch, at least to an extent, the haemorrhaging of carers from the jobs market. That would be good news for tax payers as well as for the financial prospects of carers.

'In the long run, we may not be able to save the Government much of that £1.3 billion,' says Dr Pickard. 'But, if it were spent in a different way – on support to keep carers away from the crunch point and in jobs – it might be a way to improve outcomes for a similar expenditure. It might also improve gender equality, since the task of providing unpaid care, and the accompanying loss of employment, tends to fall disproportionately on women, contributing to unequal female participation in the labour market.'

'The needs of the people we are researching may last for only a few years, during a period when a parent or friend perhaps has particularly high levels of need. Yet, in that time, a carer might have lost their job, their confidence, their skills and their employability. They will have aged and they will be poorer when they reach retirement, with lower pension prospects.'

'At a policy level, this type of discussion is very important. Policies around supporting unpaid carers should be integral to social care reform because that will facilitate a system that best addresses the needs of those requiring care.'



Project: Overcoming barriers: Unpaid care and employment in England (follow-on study)

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