

Economic Inactivity in Wales – a submission to the Economic Development and Transport Committee.

1. About Carers Wales and Carers UK

- 1.1 Carers Wales (formerly Carers National Association Wales) is part of Carers UK and is an organisation of carers, run by carers. We represent the views and interests of the 350,000 carers in Wales. Carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. Carers Wales provides information and advice to carers and raises their needs and concerns with policy makers and service providers.
- 1.2 Carers UK is leading ACE National, a major European Social Fund partnership project and part of the EQUAL programme. Carers Wales is part of this partnership. ACE National is aiming to reduce the barriers facing carers who wish to return to the work force and to support carers that are already combining caring responsibilities and work and thereby enable them to remain economically active. The partnership includes government departments and agencies, employers, training organisations, trade unions and key carer organisations. (For more information, see www.acecarers.org.uk)

2. Why are carers relevant to this review ?

- 2.1 Carers Wales welcomes the opportunity to present a brief submission to the Economic Development and Transport Committee. The Welsh Assembly Government's Carers Strategy makes Carers and Employment a priority.¹
- 2.2 Carers are net contributors to the economy of Wales. This contribution is often unrecognised by policy makers, particularly in economic development. If the care provided by family and friends had to be provided by the state, it would cost an estimated £ 57 billion each year across the UK and **£3.5 billion** a year in Wales.² Without carers, health and social care services in Wales would collapse.
- 2.3 Economic inactivity and economic under-activity are important issues for many carers. There are 5.7 million carers in the UK and approximately 350,000 carers in Wales. 4 million carers in the UK are of working age (16–64).³
- 2.4 Many carers are unable to combine paid employment with the responsibilities they carry for looking after ill, frail or disabled family members, friends and neighbours. 90,000 carers in Wales are caring for more than 50 hours every week (3.1% of the population of Wales)⁴. This makes it very difficult for them to juggle caring and any other activity, including paid work. The members of Carers Wales and Carers UK tend to be carers with caring responsibilities that

¹ "Caring about Carers – A Strategy for Carers in Wales" NAFW June 2000

² Carers UK (2002) Without us...? Calculating the value of carers' support Carers UK: London

³ Census 2001

⁴ Census 2001

are both substantial and long term. In a Carers UK report⁵ on the financial hardship and social exclusion experienced by many carers, 70% of respondents said they had given up work to care and a third of all the respondents were living on Income Support.

- 2.5 The role of caring responsibilities as an important contributory factor in economic inactivity has been reiterated in the recent TUC report on working age inactivity⁶. 60% of women who wanted to work but didn't, gave family and care responsibilities as the main contributory factor. This figure includes both the women with normal childcare responsibilities as well as those with caring responsibilities for adults and children with disabilities.
- 2.6 Not all carers are economically inactive; very many combine paid employment and caring. In England and Wales⁷, carers make up 11.9% of the total workforce (1 in 8). 52% of all carers work. Of these 1.1 million are men and 1.5 million are women. 1,850,000 carers work full time (44% of carers of working age) and 850,000 part time (20% carers of working age). 340,000 people combine full time work with caring for 20 hours a week or more and 2% of these carers are in full time work. Of the full time working carers, 170,000 are caring 50 hours per week or more. This means that on average a company employing 100 full-time staff will employ 2 people caring for 20 or more hours per week, of these 1 will care for 50 or more hours per week.
- 2.7 Combining paid work and caring is often at great cost to carers' own health and well being as they try to juggle a variety of demanding and competing roles.⁸⁹ In order to cope, many carers choose to work reduced hours or forego taking on more demanding jobs. The majority of carers are aged between 45-64. This is 24% of the total population in this age group.¹⁰ These carers are often very experienced and skilled members of staff and their ability to make a full contribution to the direct economic activity of Wales is curtailed.
- 2.8 Among the carers of working age and not in paid employment, there will always be a substantial number who feel the needs of the person they care for are so great that they do not wish to enter the job market. This important role as contributors to the social economy must be recognised, valued and supported.
- 2.9 There are also many carers who do wish to return to paid employment but there are a number of significant barriers that make it difficult for them to do so.
- 2.10 Some of these key barriers are:-

⁵ Caring on the Breadline –the financial implications of caring – Carers National Association 2000

⁶ "Full employment – the next steps". TUC January 2004 (available on www.tuc.org.uk)

⁷ Census 2001

⁸ Caring Costs (1996) *The true cost of caring – a survey of carers' lost income*, Carers National Association: London

⁹ Singleton N *et al.* (2002) *Mental Health of Carers* Office of National Statistics, The Stationery Office: London

¹⁰ Maher J & Green H (2002) *Carers 2000* Office 555 for National Statistics, The Stationery Office: London

- The stress and social isolation that result from a substantial caring role makes carers lose confidence in their own abilities. This seems to affect carers who have been out of the job market for any length of time irrespective of the levels of educational attainment, work related skills and responsibility they had before becoming carers.
- Many carers will need to update their work skills before they can take up paid employment but find it difficult to access courses because of their caring situations.
- The “poverty trap” affects the very high percentage of carers in Wales that are dependent on benefits. This is particularly problematic for those carers who may only be able to consider part-time or low paid options. The poverty trap is an issue for all claimants wishing to return to work but, for carers and their families, it is exacerbated by the fact that they have to pay for replacement care. The costs of appropriate care services can be extremely high.
- There is a very real shortage of replacement care services. The services that do exist are inadequate in both quantity and quality to meet the current levels of need. They could not easily be expanded to meet the needs of much greater numbers of people wishing for higher levels of alternative care. Also they are rarely flexible, appropriate or affordable enough to meet the needs of carers wishing to work.

3. Key Recommendations for policy development in this area

- 3.1 The implementation of the pledge by the government in Wales to abolish charges for services to disabled people would get rid of a major disincentive for those carers wishing to become economically active. It would enable more carers to break out of the poverty trap. Currently very few carers would be able to earn enough to pay for the replacement care costs for the disabled person they look after. This is particularly difficult for the many carers that are part of low income households.
- 3.2 There needs to be significant and sustained investment in increasing the availability of high quality, flexible, appropriate and affordable care services that can replace the care provided by family and friends. This would enable carers to have equality of opportunity in terms of choosing to re-engage in paid employment. It would also create more jobs.

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