

Paid Carer's Leave: A Case for Change

THE OPPORTUNITY: A CRITICAL MOMENT FOR ACTION

Now is the time to act. The Government's flagship [Employment Rights Bill](#) offers a rare opportunity to deliver meaningful change for millions of unpaid carers. Introducing a statutory right to **paid carer's leave** would lay the foundation for a more compassionate, equitable, and economically resilient society, while recognising the [unpaid care that quietly sustains our social care system](#) and supports an ageing population.

Paid carer's leave is a **low-cost, high-impact policy** with wide-ranging benefits:

- It helps carers stay in work and maintain financial stability
- It supports employers through better retention and productivity
- It strengthens the economy and reduces public spending

A modest, clearly defined entitlement to paid leave - backed by evidence, supported by employers, and championed by carers themselves - can deliver real change.

As the Employment Rights Bill progresses, we urge the Government to seize this moment.

Invest in carers.

Invest in the workforce.

Build a fairer future for all.

This document has been endorsed by the following individuals and organisations:

BACKGROUND

The [Carer's Leave Act 2023](#) introduced a statutory right to one week of unpaid carer's leave. This important step recognises the vital role played by [1.9 million people in paid employment who become unpaid carers every year](#). However, the **limitations, inequities, and ineffectiveness** of unpaid carer's leave are clear. As this *Case for Change* argues, the existing evidence suggests that making carer's leave **paid** would significantly improve its effectiveness in supporting unpaid carers - to the benefit of carers, the people they care for, employers, the economy, and society.

This *Case for Change* emerged from a 'Policy Breakfast' event exploring the evidence for paid carer's leave, co-hosted by the Centre for Care and Wendy Chamberlain MP in March 2025. It reflects the views and insights of researchers, working carers, Parliamentarians and policymakers, and voluntary sector organisations who participated in the discussion. For further detail, it can be read alongside our '[Evidence Briefing](#)'. We hope others will join us in advocating for this next step in strengthening carers' rights.

1. KEEPING CARERS IN WORK AND OUT OF POVERTY

Many carers have found that juggling paid work and caring responsibilities is [just too difficult](#)¹. Without proper support, carers are often forced to reduce their hours, move into lower-paid or more flexible work, or leave employment entirely - [every day, 600 people give up paid work to care](#). This can mean:

- Significant reductions in [income](#), whilst often facing additional costs related to caring.
- [A loss of the sense of identity and the social connections](#) that [\(good\) employment can bring](#).
- [Difficulties returning to the labour market](#) after an extended absence.
- [Long term financial strain](#), with reduced pension contributions and assets.

Carer's leave supports carers to better manage both roles. Yet, for many carers - particularly those in low-income or insecure jobs - [unpaid leave is not a viable option](#). Without financial support, taking time off can result in significant hardship, even leading to poverty or job loss.

International evidence shows that paid carer's leave can significantly boost uptake, helping carers to remain in work, and to manage essential expenses during times of crisis. It transforms carer's leave from a theoretical right into a practical lifeline.

Paid carer's leave would also help tackle **gender inequality**. [Women, who take on caring roles more often and earlier than men](#), face greater [disruption to their careers](#) and long-term financial security. By age 55, [women's private pension pots](#) are, on average, **35% smaller** than men's. Paid leave would help reduce this imbalance and address one of the most potent drivers of the gender pension gap and later-life poverty.



¹We acknowledge that it is not possible for all unpaid carers to be in paid employment; for some, the demands of caring are simply too high or unpredictable.

2. BOOSTING EMPLOYER RETENTION AND PRODUCTIVITY

Supporting carers with paid leave is not only good for employees - it's also good for employers. Without adequate support for carers to remain in work, employers face significant risks, including:

- The loss of experienced employees - [particularly those aged 45–60](#), who are most likely to have caring responsibilities.
- Higher recruitment and training costs due to reduced retention
- [Increased absenteeism and unnecessarily long absences](#), as carers lack flexible options to take short periods of leave.
- [Declining productivity](#), as the wellbeing of staff managing care and work deteriorates.
- Difficulty attracting and retaining the next generation of workers, who prioritise supportive, [flexible workplace policies](#).

There is particular strain in sectors with ageing and/or female-dominated workforces - such as [the NHS](#) - where productivity is already under scrutiny.

Paid carer's leave can help address these challenges:

- When carers feel supported at work, they're more likely to stay - reducing turnover, preserving valuable skills, and avoiding the high costs of recruitment and retraining.
- Paid carer's leave also cuts unplanned absences. [Without it, carers may use sick leave for care duties](#), taking the whole day off even when only a few hours are needed. A dedicated policy ensures leave is used appropriately and flexibly.
- Offering paid carer's leave strengthens morale, loyalty, and trust. It also enhances an employer's appeal to a more diverse range of workers.

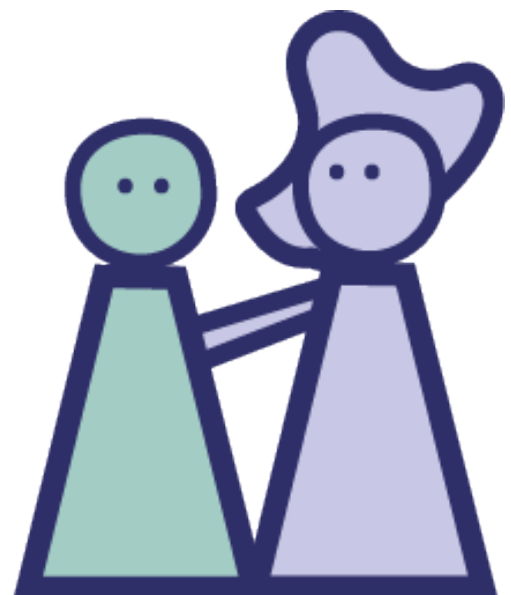
[Employers who provide paid carer's leave report higher retention, improved productivity, and greater staff satisfaction](#) - making it a smart and cost-effective investment. [Centrica](#), for example, provides 10 days of paid carers leave and has saved an estimated **£1.8 million annually** by reducing unplanned absences and 'presenteeism' (working while unwell or distracted by caring duties). An additional [£1.3 million](#) was saved through improved retention.

3. VALUING CARE AS AN ECONOMIC AND SOCIAL ASSET

There are also wider societal benefits to paid carer's leave.

The economic **value of unpaid care** in the UK is estimated to be **£184bn per year** - [equivalent to a second NHS](#). Unpaid carers play a critical role in ensuring the sustainability of health and social care systems - yet their contributions often go unrecognised and unrewarded.

Carer's leave acknowledges this role, offering a dedicated entitlement that brings dignity and flexibility to those balancing work and care. Making this leave paid would go further - ending a strong message that care is not just a private duty, but a public good worthy of formal support. This aligns with existing paid entitlements such as maternity leave and jury service.



4. A SMART INVESTMENT FOR THE FUTURE WITH STRONG ECONOMIC RETURNS

Paid carer's leave is not just socially just - it's also a strategic investment in making the UK more economically resilient to demographic ageing. Working carers will be vital to how the economy absorbs the socioeconomic impacts of unprecedented demographic change. Introducing measures now to support the working lives of unpaid carers is therefore economically prudent.

According to Carers UK, the cost of implementing five days of paid leave would range from **£5.5m–£32m per year**, whilst the **cost of inaction** - from lost tax income and increased welfare benefits - is estimated at around £1.3 billion annually. Their modelling suggests the UK economy could gain up to **£8.2 billion** a year through better staff retention, lower recruitment costs, and improved productivity. The Government's own figures put the cost of lost productivity due to unpaid care at £37 billion a year - making the case for investment in paid leave all the more compelling.

5. PLANNING FOR FUTURE DEMOGRAPHIC PRESSURES

The population aged 85 and over is predicted to double by 2045, while the working-age population will grow by only **5% by 2035** before levelling off. As our society ages, the proportion of working carers will rise sharply.

Without action, the care burden will fall more heavily on individuals, employers, and the state. Forward-looking policies - like paid carer's leave - are essential to support carers, protect workforce participation, and maintain a sustainable economy.

6. BRINGING THE UK IN LINE WITH COMPARABLE ECONOMIES



Recent comparative analysis of paid and unpaid carers leave in countries across the world has highlighted that the UK lags behind many nations by not providing paid carer's leave. Countries across Europe, North America and Asia offer both short- and much longer-term paid carers leave, often exceeding 10 days a year.

Analysis has highlighted that when comparing paid and unpaid carer's leave schemes in other countries, those that are paid positively influence continued labour market participation, which is not the case for unpaid leave. Evidence also suggests the costs of paid carers leave are likely to be offset by savings elsewhere in the care systems: for example, in California the introduction of paid carer's leave led to a relative decline of over 11% in the proportion of the state's population of older people (age 65+) residing in a nursing home.



**Centre
for Care**

The Centre for Care is an ESRC-funded research centre, which co-produces excellent research on care topics that really matter. We work closely with partner organisations in the care sector including Carers UK, and people with lived experience. The Centre for Care links experts on care in 5 universities, 3 major charities including Carers UK, SCIE, National Children's Bureau as well and the UK's Office for National Statistics.

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Please get in touch if you would like to know more, or to work with us on related issues, by contacting us at centreforcure@sheffield.ac.uk

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