



The Employment Rights Bill and the Case for Paid Carer's Leave

A CARING SOCIETY MATTERS TO US ALL

- **Most people are carers at some point in their lives.** The average person is just as likely to care for a loved one as to be a homeowner in the UK.¹
- Caring is a normal but unpredictable part of life. The caring population is not static: **12,000 people become carers every day**,² and at the same time, others leave their caring roles.
- **The economic value of unpaid care in the UK is greater than ever before**, and is now estimated to be **£184bn** - almost the same as the entire NHS budget.³
- Current demands on unpaid carers are unsustainable. Evidence shows that many carers face a **triple penalty** in return for caring:
- **A deterioration in their own health** - especially when caring is intense, demanding or lasts for long periods of time.
- **Financial strain**⁴ - as the costs of caring mount and income and assets fall, with paid work abandoned or reduced, lowering earnings and pension contributions.
- **Isolation, loneliness**, and a feeling of being cut off from the daily life that others take for granted.⁵

THE CASE FOR PAID CARER'S LEAVE

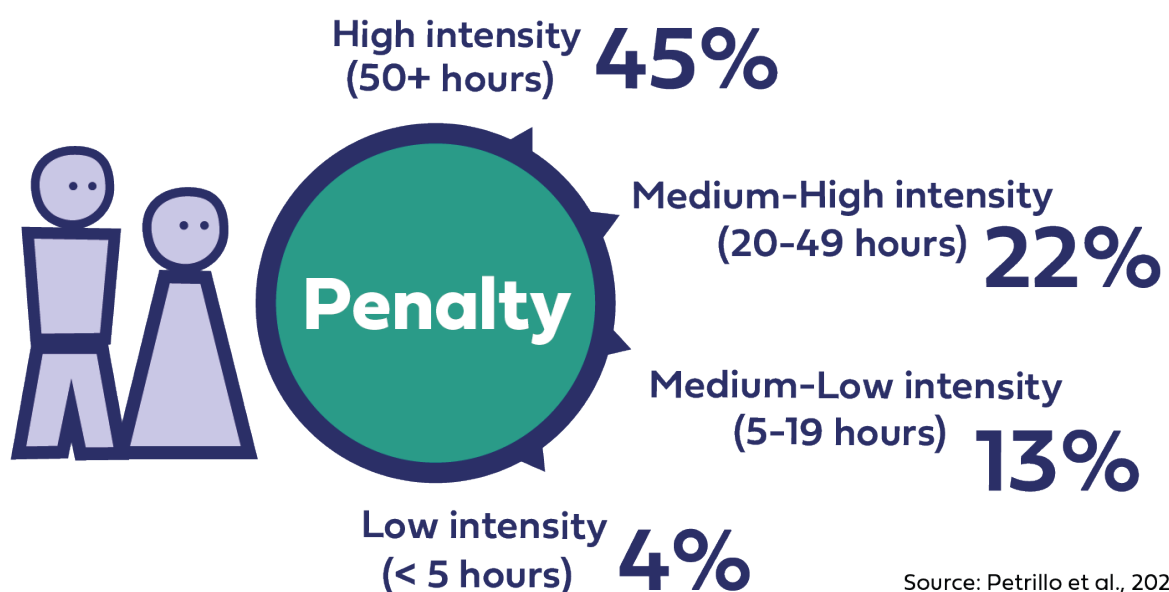
1. WITHOUT THE RIGHT SUPPORT, CARERS' ABILITY TO WORK AND PRODUCTIVITY IS IMPACTED

- **Every day, 600 people give up paid work to care.**⁶ A range of measures - including paid carer's leave - could support people to stay in employment, with knock-on effects for their financial wellbeing, employee retention, and productivity.⁷
- A representative survey⁸ conducted in by the University of Sheffield collaboration with CIPD of almost 1,000 working carers found that:
 - 24% were considering giving up their job because of the difficulties related to combining work and care.
 - 30% had reduced their hours of work because of their caring role.
 - 36% had refused a job offer or promotion, or decided against applying, because of caring.
 - Carers surveyed had also used sick leave (15%) and annual leave to care (45%).

2. CARERS ALREADY EXPERIENCE A SIGNIFICANT INCOME PENALTY BECAUSE OF CARING

- Centre for Care [analysis](#) that carefully isolates the causal impact on income of becoming a carer role finds that caring results in a **lower income for carers when compared to non-carers. The gap widens over time and with higher intensity caring:**
 - Two years after becoming a carer, high-intensity carers (50+ hours a week) report a decline in personal income of £166 per month compared to their counterpart (someone of the same sex, and of similar age, education and socioeconomic background) who does not become a carer.⁹ This income penalty increases to nearly £192 per month four years after becoming a carer.
 - High-intensity carers (50+ hours a week) experience a 45% income reduction compared to a 4% income reduction for low-intensity carers (0-19 hours a week).
- There are gender differences: **the financial penalty is more severe for women** who face a 30% reduction in individual income for high-intensity caring, compared to 25% for men.
- These income penalties make taking unpaid carer leave challenging for some working carers.

People who care more face a higher income penalty



Source: Petrillo et al., 2024b

3. UNPAID LEAVE RAISES ISSUES OF EQUITY AND FAIRNESS

- An **unpaid or uncompensated right to take additional leave risks exacerbating inequalities** already known to exist. Policies that appear 'neutral' may reinforce gender inequalities because they are affected by related issues including persistent gender pay gaps, gendered divisions in unpaid labour and in formal labour markets. A statutory right to unpaid carer's leave in the context of a gender-segregated labour market with a substantial gender pay gap is likely to substantially exacerbate inequality.
- Women are more likely to provide care, to have provided care for longer and to care more intensively than men.¹⁰ On average, **women can expect to take on caring responsibilities over a decade earlier than men**. This has consequences for their employment opportunities, financial security and pensions, and health and wellbeing. Note that by the time they reach 55, women in the UK have private pension pots that are on average 35% less than men.¹¹
- When carers bear the cost of taking leave by losing pay, then it is likely that **women and those on lower incomes will face significant barriers** to using it. If leave is not paid, then employees may use their sick leave or annual leave, with detrimental consequences for their overall wellbeing.



4. THE UK LAGS BEHIND POLICY IN OTHER COMPARABLE ECONOMIES

- International comparison¹² highlights¹³ **variety of short- (10 days or less) and long-term (10 days or more) paid leaves, ranging in level of income replacement**.
 - Short-term: Australia (base salary), German (90%), Sweden (80%), Poland (50%).
 - Long-term: Poland (80%), Sweden (80%), Japan (67%), Canada (55%), Finland (70% or unemployment allowance).
- **Where carer's leave is unpaid, existing inequalities create barriers to equitable access:** in Finland, short-term leaves are unpaid (unless subject to collective bargaining agreements); women are more likely than men to be unable to afford to take unpaid leave as the existing gender pay gap makes this unaffordable.
- **International evidence shows paid carers leave makes a difference to carers ability to remain in work:**
 - A study of carers leave in **Japan**¹⁴ indicates unpaid leave does not reduce the probability of leaving employment in the first year of caring; **paid leave does have a positive impact on carers remaining in work**.
 - **California's paid family leave law had positive effects on employment** and participation in the labour market among adults caring for an adult family member with a disability or long-term illness, with stronger effects for women.¹⁵
- **Costs of paid leave may be off-set elsewhere:** Also, in California, a study found that this leave led to an **11% fall in the proportion of the state's population of older people (65+) residing in a nursing home**.¹⁶

ENDNOTES

- ¹ Zhang, Y. and Bennett, M.R (2019) Will I care? The likelihood of being a carer in adult life, London: Carers UK
- ² Petrillo, M., Bennett, M.R., and Pryce, G. (2022) Cycles of caring: transitions in and out of unpaid care. London: Carers UK.
- ³ Petrillo, M., Zhang, J. and Bennett, M.R. (2024) Valuing Carers 2021/22: the value of unpaid care in the UK. . London: Carers UK.
- ⁴ Watkins, M. and Overton, L. (2024). The cost of caring: a scoping review of qualitative evidence on the financial wellbeing implications of unpaid care to older adults. *Ageing & Society*, online preview.
- ⁵ Keating, N., McGregor, J.A. and Yeandle, S. (2021) Sustainable care: theorising the wellbeing of caregivers to older persons. *International Journal of Care and Caring*, 5 (4). pp. 611-630.
- ⁶ Zhang, Y. & Bennett, M. (2019) Will I care? The likelihood of being a carer in adult life, Carers UK
- ⁷ Austin, A. & Heyes, J. (2020) Supporting working carers: how employers and employees can benefit, research report, London: CIPD and University of Sheffield.
- ⁸ Austin, A. and Heyes, J. (2020) Supporting Working Carers: how employers and employees can benefit, research report, CIPD/ University of Sheffield.
- ⁹ The estimation is based on comparing the income trajectories of individuals who take on care with their “synthetic doppelgangers” – synthetic comparator individuals created from the weighted sum of very similar individuals who do not take on informal caring responsibilities. It is considered to be one of the most robust methods currently available for identifying the causal impacts of taking on informal care.
- ¹⁰ Zhang, Y. & Bennett, M. (2019) Will I care? The likelihood of being a carer in adult life, Carers UK
- ¹¹ Department for Work and Pensions (2024). The gender pensions gap in private pensions. Accessed: 2025-899 04-25.
- ¹² Between Australia, Canada, Finland, Germany, Japan, Poland, Slovenia, Sweden and the UK.
- ¹³ Fast, J.; Hamblin, K. and Heyes, J. (eds.) (2024). Combining Work and Care: Care Leave and Related Employment Policies in International Context, Bristol: Policy Press.
- ¹⁴ Niimi, Y. (2021). Juggling paid work and elderly care provision in Japan: Does a flexible work environment help family caregivers cope?. *Journal of the Japanese and International Economies*, 62, 101171.
- ¹⁵ Saad-Lessler, J. (2020). How does paid family leave affect unpaid care providers? *The Journal of the Economics of Ageing*, 17, 100265.
- ¹⁶ Arora, K., & Wolf, D. A. (2018). Does Paid Family Leave Reduce Nursing Home Use? The California Experience. *Journal of Policy Analysis and Management*: 37(1), 38–62.

ABOUT THE CENTRE FOR CARE AND PUBLICATION DETAILS

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 and the UK’s Office for National Statistics.

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CONTACT

We would be delighted to discuss evidence about the needs of unpaid carers in more depth, and to put you in touch with researchers with the relevant expertise.

Please contact Becky Driscoll for more information - b.driscoll@sheffield.ac.uk

Website: centreforcure.ac.uk

LinkedIn: [@Centre for care](https://www.linkedin.com/company/centre-for-care)