REPORT | CARE | WORK

What pushes unpaid carers into poverty?

Unpaid carers do difficult, skilled and life-saving work, but this labour can prevent them doing paid work and push them into poverty.

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Executive summary

No one deserves to live in poverty. Yet millions of people who provide care for their loved ones find themselves without sufficient income to participate in the very society that they sustain. As a society, we are biting the hand that feeds us.

Using data from the Understanding Society survey,[1] this report investigates the dynamics of poverty among unpaid carers between 2011 and 2012, and 2019 and 2020. We find that:

- Unpaid carers transition into poverty at a higher rate than adults overall, and exit poverty at a lower rate once there. For both unpaid child-carers and unpaid social-carers, poverty entry rates are particularly high among new carers, and higher still among those who became a carer unexpectedly, for these carers, the risk of entering poverty is twice as high as it is for the adult population as a whole, at 12% compared to 6%.
- Unpaid carers transition out of poverty at a lower rate than adults overall, and exit rates once there are slightly lower still for new carers.
- Unpaid carers are more likely to re-enter poverty after they exit, and more likely to remain in poverty after they enter, than adults overall. New unpaid child-carers, particularly those who became carers unexpectedly, have even higher persistence rates, while new unpaid social-carers have higher recurrence rates.

- Examining the factors that push unpaid carers into poverty, labour-market events like moving out of paid work or experiencing a reduction in household earnings account for the majority of transitions into poverty among unpaid child-carers, coinciding with around two-thirds of poverty entries. Falls in benefit income are also significant, although less so for new child-carers, for whom (unsurprisingly) an increase in the number of children, and so a higher number of mouths to feed, is the single most significant event.
- Meanwhile, among unpaid social-carers, falls in income from benefits like Universal Credit account for the majority of poverty entries. However, labour-market events are also significant (particularly among unpaid social-carers who were previously in paid work, for whom the carer exiting paid work is the single most significant event), as are reductions in other household income.
- Labour-market events are less common triggers for pulling unpaid social carers out of poverty.

To address the link between poverty and caring, we need to better understand what's driving the hardship that carers face. Given events in the labour market and falls in benefit income are key drivers, we need a new deal for carers. This should help carers juggle work and care, through flexible working support and paid care leave.

Reforms to the benefits system must provide a solid safety net and recognition of the difficult, skilled and life-saving work that carers contribute to society day in, day out, that prevents them doing paid work.

1. Introduction

Unpaid carers face an elevated risk of being in poverty: in 2019 and 2020, around one-quarter of unpaid child-carers (24%) and unpaid social-carers (28%) were living in relative poverty after housing costs, compared to 17% of the overall adult population.[2] As a result, 1 in in 4 adults living in poverty were unpaid carers, 1.9 million child-carers and 0.9 million social-carers. To this we can add those living in the same household as a carer, including millions of disabled and elderly people, and virtually all children. Unpaid carers have been particularly struggling during the cost-of-living crisis (Carers UK, 2022).

We know that much of the hardship faced by unpaid carers reflects a tension between paid work and unpaid care, along with inadequacies in the benefits system and statutory leave policies (Thompson et al., 2023; Casey, 2023). In particular, many unpaid carers are forced to exit paid work or reduce their working hours, often with little in the way of income replacement.

This is only part of the picture, however. Some unpaid carers may fall into poverty for other reasons even if they stay in paid work, and those who exit paid work may find that multiple life events coincide to push them into poverty. Others may not be in paid work to begin with.

This report uses data from the Understanding Society survey to quantify the risk of falling into poverty and the prospect of escaping it, and to identify the trigger events that are associated with these transitions. Our analysis builds on the Department for

Work and Pensions' methodology for analysing income dynamics (DWP, 2023; Jenkins and Rigg, 2001; Taylor and Schmuecker, 2023).

Following our previous work on the caring penalty (Thompson et al., 2023), we distinguish between unpaid social-carers (those providing at least 20 hours of unpaid care per week to someone who is sick, disabled or elderly) and unpaid child-carers (the adult in each household with children who is primarily responsible for the children). Poverty is defined as relative poverty after housing costs, with disability benefit income excluded for analysis on unpaid social-carers. You can read more details in the 'Methodology' section.

2. Poverty and unpaid care

One difficulty in studying the relationship between poverty and unpaid care is establishing causation. While becoming an unpaid carer will push many people into poverty by reducing their income, an effect that we quantified in Thompson et al. (2023) for those previously in paid work, income and factors contributing to income levels may themselves influence whether or not somebody becomes an unpaid carer.[3] Indeed, if individuals face a degree of choice, they are likely to take into account the potential effect of caring on household income.

One way to help disentangle the relationship between poverty and unpaid care is to focus on new unpaid carers, defined as those who have been providing unpaid care for up to 3 years. Most of the life events that we would expect to affect the impact of unpaid care on poverty status, such as exiting paid work and having children, may be more likely to occur in the first few years of being an unpaid carer, even if scarring effects persist for longer.

So, while differences in outcomes between unpaid carers and the overall population can help uncover relationships between unpaid care and poverty, differences in outcomes between new unpaid carers and unpaid carers as a whole can help reveal whether it is caring itself that is driving the relationship rather than other factors.

Still, new unpaid carers are not a random group, meaning that comparisons will not show us the pure impact of unpaid care on poverty. To get closer to this analytical ideal, we can attempt to identify individuals who became unpaid carers

unexpectedly. In the case of unpaid child care, these are individuals caring for a child who is not their natural or adoptive child, for example due to the death or sickness of a parent, by the intervention of social services and other arrangements leading to kinship care, or through family formation and breakdown.

Unexpected social-carers are those for whom the person receiving care experienced a sudden deterioration in health. To the extent that these carers had less choice and less time to make alternative arrangements, caring can be considered an external 'shock' that should be less affected by other factors. While the selection of these carers will still not be fully random, comparing their outcomes to those of all unpaid carers can at least help us understand the direction in which any selection bias is operating.

For each of unpaid child-carers and unpaid social-carers, we therefore have 3 groups: all carers, new carers and unexpected carers, each a subgroup of the group preceding it. For some analysis, we also present results for new unpaid carers who were in paid work in the previous year (some of whom may be unexpected carers). The methodology explains how we define these groups in more detail, and Appendix A contains a selection of demographic breakdowns of each group, focusing on age, sex and work status, as well as showing the size of each group.

Typical unpaid child-carers tend to be women, 35–44 years old, in couple households, and in paid work. The predominance of women, who comprise 97% of unpaid child-carers, is particularly striking, though this partly reflects the way that these carers are identified in the data with only 1 adult in each household counted as child-carer.

Unpaid social-carers are also predominantly women, but less so than unpaid child-carers. They also tend to be older than average, with 65+ being the most common age bracket, and the majority are not in paid work.

Unexpected carers in both groups more closely resemble the overall adult population in a number of dimensions, validating our treatment of this group as a more random distribution of individuals that is less subject to selection bias. In particular, unexpected carers contain a higher proportion of men, though women still make up the majority.

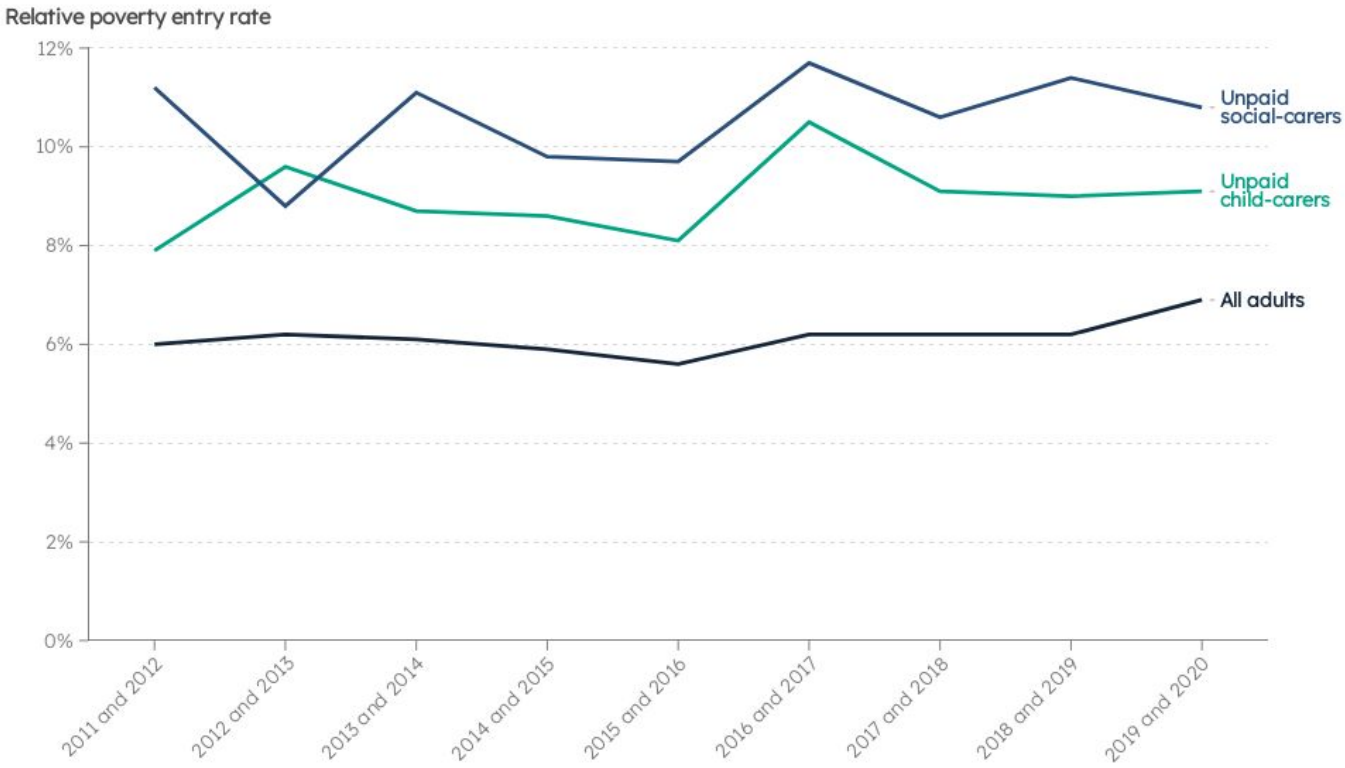
One exception is that unexpected social-carers tend to be older than unpaid social-carers overall, though due to the way this group is defined, based on changes in the health status of the person receiving care, this likely reflects a correlation between age and health rather than to selection mechanisms per se.

3. Poverty dynamics

Poverty entries

Figure 1 shows the number of unpaid carers who transitioned into poverty each year from 2011 and 2012 to 2019 and 2020, as a proportion of those who were not in poverty in the previous year. This is known as the poverty entry rate. The entry rate for all adults stayed relatively stable at 6–7% over the period. The rates for unpaid carers were higher, between 8% and 10% for unpaid child-carers, and between 9% and 12% for unpaid social-carers.

Figure 1: Unpaid carers move into poverty at a higher rate than adults as a whole

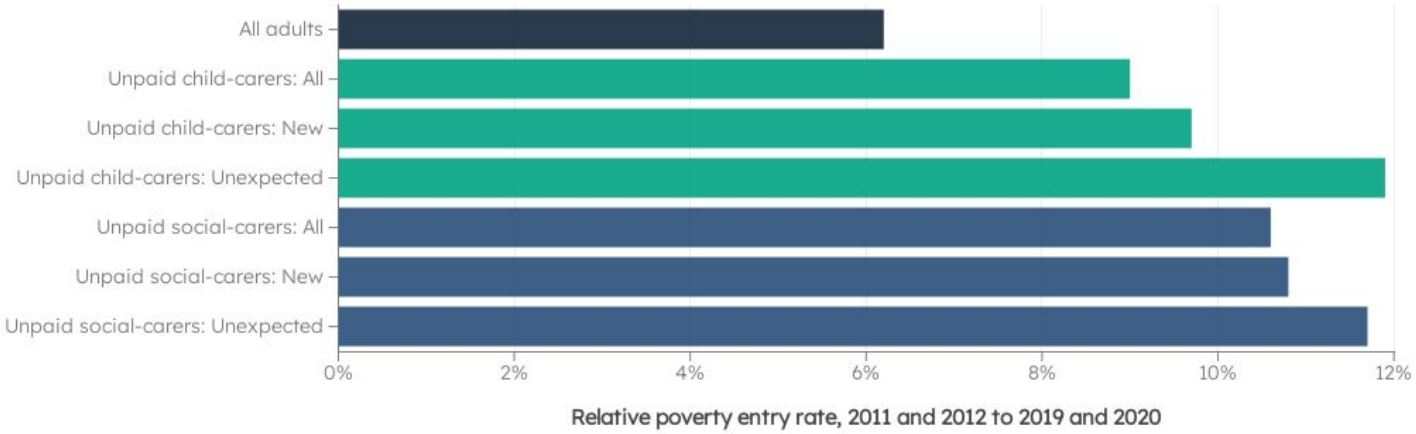


Source: Understanding Society, Waves 2–11

The overall entry rate includes all unpaid carers, regardless of how long they have been undertaking care. To get a more complete picture of the impact of unpaid caring on poverty, Figure 2 compares the poverty entry rate of all carers, new carers and those who became carers unexpectedly, for each type of carer from 2011 and 2012 to 2019 and 2020. The entry rates for new carers are higher than for carers overall, indicating the heightened poverty risk experienced by unpaid carers is caused by caring per se, rather than other factors such as their characteristics.

For both groups of carers, the entry rates for unexpected carers are higher still, to the extent that these carers are twice as likely to enter poverty as adults overall, with entry rates of around 12% compared to 6% for the adult population as a whole. This could imply that some individuals who would expect to enter poverty if they became carers choose not to undertake unpaid caring. In other words, the expectation of poverty may be deterring some individuals from becoming unpaid carers when an element of choice is involved.

Figure 2: New unpaid carers – particularly those who became carers unexpectedly – move into poverty at even higher rates



Source: Understanding Society, Waves 2–11 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), measured in Wave 3. Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), measured in Wave 11.

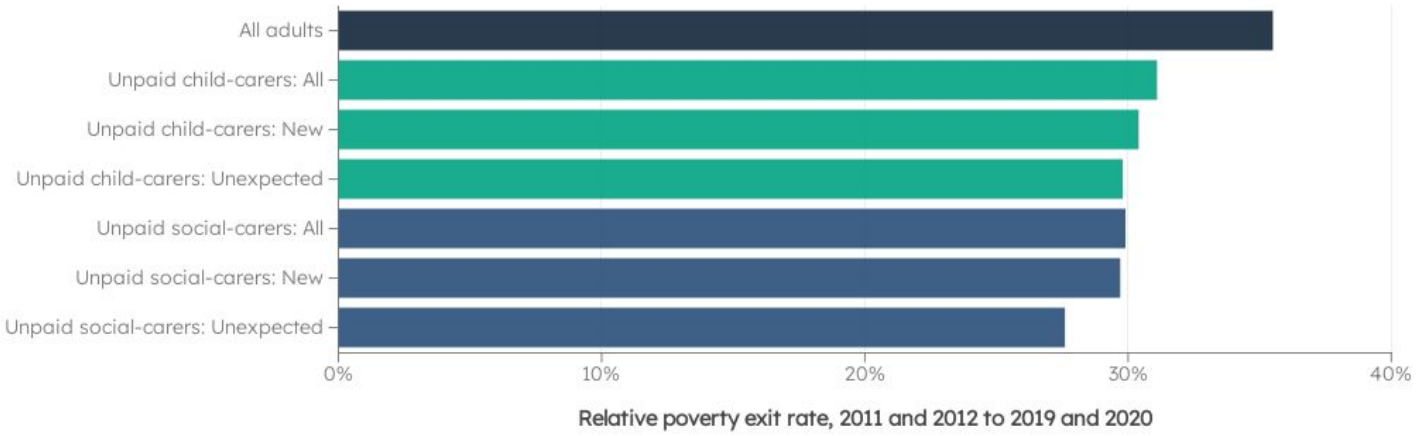
Poverty exits

While many households move into poverty each year, others move out of poverty, and it is the balance of these 2 flows that ultimately determines overall levels of poverty. Figures 3 and 4 show the poverty exit rate, defined as the proportion of individuals in poverty who move out of poverty, for all adults and for each type of carer from 2011 and 2012 to 2019 and 2020. The exit rate over the whole period for new carers and those experiencing a caring shock is also shown.

Exit rates for unpaid child-carers and unpaid social-carers are similar, despite the entry rate generally being higher for the latter group, and both are lower than for adults as a whole. For both types of unpaid carer, exit rates are lower for new carers, and lower still for unexpected carers.[4]

Figure 3: Unpaid carers move out of poverty at a lower rate than adults as a whole

Figure 4: New unpaid carers – particularly those who became carers unexpectedly – move out of poverty at even lower rates; poverty exit rate by carer status, 2011 and 2012 to 2019 and 2020



Source: Understanding Society, Waves 2–12 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), measured in Wave 3. Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), measured in Wave 11.

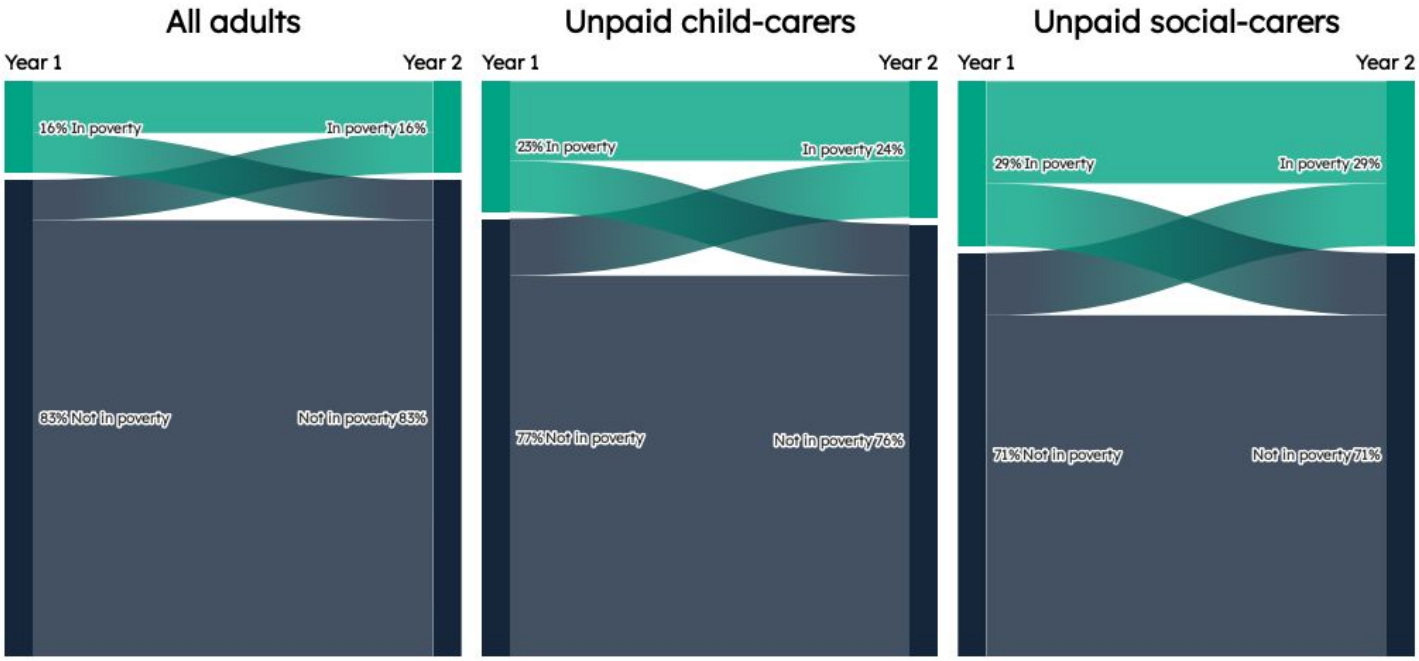
While at first glance this might appear to suggest that more people are exiting poverty than entering it, the 2 rates cannot be straightforwardly compared. Whereas the **poverty entry rate** is defined as the proportion of people not in poverty in the previous wave who entered poverty in the current wave, the **poverty exit rate** is defined as the proportion of people in poverty in the previous wave who exited poverty in the current wave.

This means that as long as most people are not in poverty, which will always be the case when using a relative poverty measure, the exit rate will be higher than the entry rate, and differences in exit rates between groups will appear smaller, even though a relatively even number of people move in and out of poverty.

This is shown in Figure 5, which displays flows in and out of poverty as proportions of adults, unpaid child-carers and unpaid social-carers. Within each group, a similar number of people move in and out of poverty each year. Across groups, these numbers are proportionate to the initial poverty rate: in groups with higher poverty rates, more people move both in and out of poverty.

This indicates that the combination of higher risk of entering poverty and lower likelihood of exiting poverty experienced by unpaid carers mainly reflects higher initial poverty rates, which stay relatively stable over time, rather than a smaller proportion of the overall caring populations exiting.

Figure 5: A similar number of people move in and out of poverty each year; poverty flows and percentage of people in poverty between 2011 and 2012, and 2019 and 2020



Source: Understanding Society, Waves 2–11 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), measured in Wave 3. Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), measured in Wave 11. Chart shows all transitions, even if they do not qualify as transitions for the purposes of our analysis – see Appendix A. Figures show proportions, scaled to 100% within each group. Although poverty is defined in each year, these do not represent poverty rates as they are pooled and longitudinally weighted.

In summary, unpaid carers enter poverty at a higher rate, and exit poverty a lower rate once there, than adults as a whole. These differences are larger when it comes to new carers, indicating that becoming a carer is associated with a higher risk of entering poverty and a lower likelihood of exiting it once there. The fact that these differences are even more pronounced for those who become carers unexpectedly further demonstrates that caring, rather than just the characteristics associated with being a carer, induces poverty.

Poverty duration

So far we have only examined the year in which carers enter or exit poverty. However, we should also be concerned with the length of time that carers spend in poverty after they enter. The scarring effects of poverty may compound over time, and the longer a household remains in poverty, the more difficult it may be for them to escape it (Jenkins and Rigg, 2001). Conversely, just because a carer exits poverty one year does not mean that they have escaped it permanently, so we need to consider poverty recurrence in addition to poverty persistence.

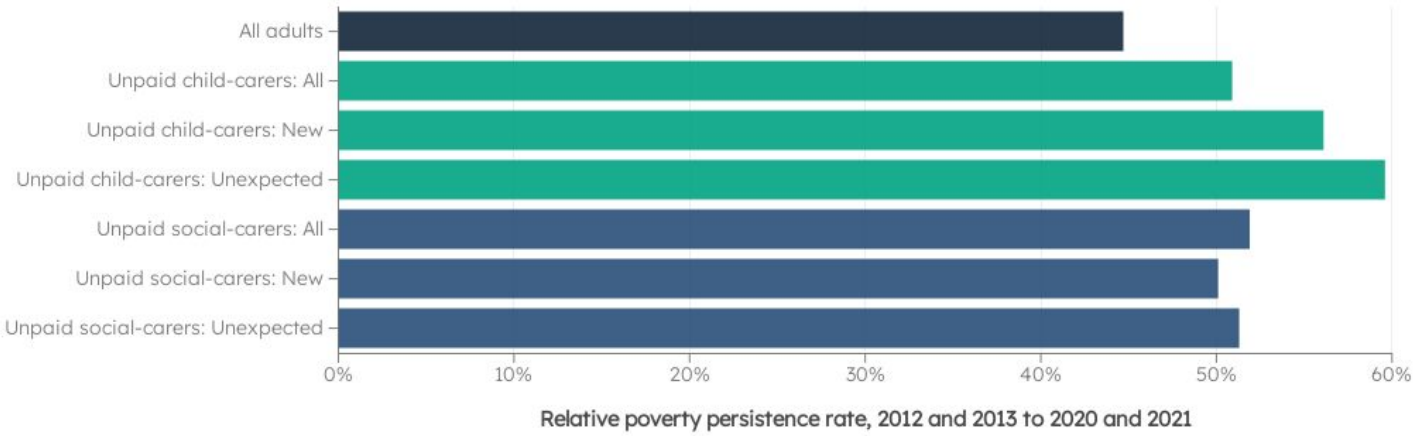
Unpaid carers are more likely to remain in poverty after they enter and more likely to re-enter poverty after they exit. Figures 6 and 7 show the proportion of individuals who are in poverty the year after transitioning into poverty (the persistence rate) or out of poverty (the recurrence rate). Both rates are higher for unpaid carers than for adults as a whole. For both groups of carers, around half of those who enter poverty remain in poverty the following year, and around one-third of those who exit poverty re-enter poverty the following year.

New unpaid child-carers, particularly those who became carers unexpectedly, have even higher persistence rates, whereas persistence rates are not markedly different among different groups of unpaid social-carers. This is in line with our findings (Thompson et al., 2023) that unpaid social care is often intermittent and variable. By contrast, unpaid child care follows more of a standard pattern, and the period around the beginning of child care often involves a permanent increase in household size.

When it comes to recurrence rates, new unpaid child-carers have similar or lower recurrence rates, while recurrence rates are higher among new unpaid social-carers. In both cases, the pattern is especially marked for unexpected carers. The particularly low recurrence rate among unexpected child-carers could reflect the fact that their child-care responsibilities are more likely to be temporary and one-off than most other child-carers.

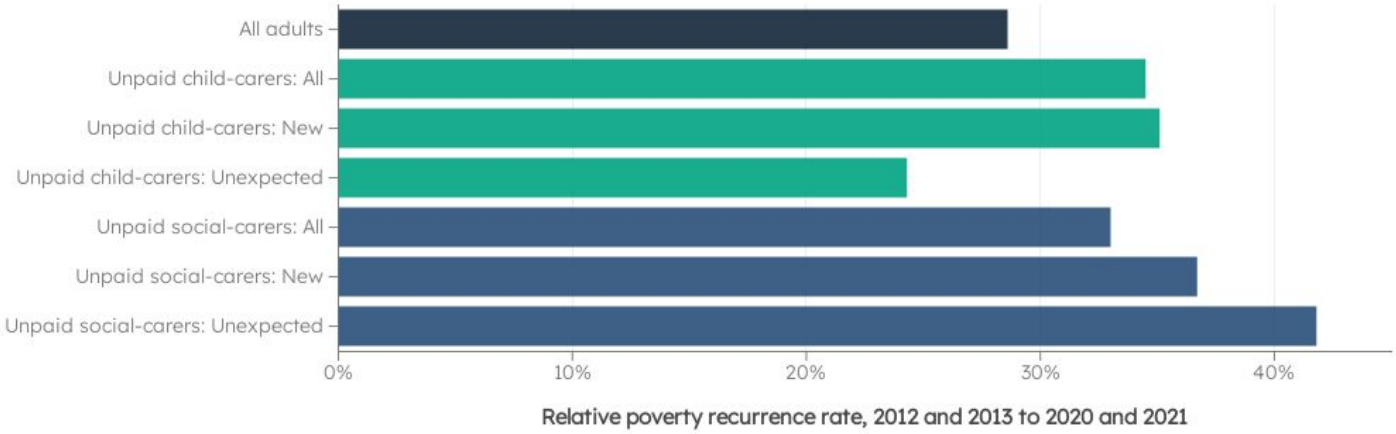
Meanwhile, the higher recurrence rates among new unpaid social-carers could indicate that the period when the need for caring arises is particularly volatile, particularly if the need for unpaid caring was unexpected.

Figure 6: Unpaid carers are more likely than adults overall to stay in poverty after they enter (persistence)



Source: Understanding Society, Waves 2–12 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence measured in Wave 12 (2020 and 2021).

Figure 7: Unpaid carers are more likely than adults overall to move back into poverty after they exit (re-entry)



Source: Understanding Society, Waves 2–12 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 12), with recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with recurrence measured in Wave 12 (2020 and 2021).

We saw in the previous section that unpaid carers enter poverty at a higher rate, and exit poverty at a lower rate, than adults as a whole. The fact that they are also more likely to stay in poverty once they enter, and more likely re-enter poverty after they exit, further highlights the struggles that unpaid carers face in maintaining a decent standard of living while caring for others.

4. Trigger events and poverty status changes

To understand what is driving these patterns, we can examine the events that most often coincide with and can affect transitions in and out of poverty. These 'trigger events' only represent proximate causes, they help us understand which components of household income change, but not the underlying reasons for these changes. Trigger events are also proximate in a temporal sense: they only include events that coincide with a poverty transition, when in reality important events may have occurred leading up to the transition, spanning from the years immediately prior all the way back to before the survey respondent was born.

So while trigger events are informative, particularly for comparing poverty dynamics between groups, they need to be complemented by a deeper understanding of the causes of poverty and the context in which transitions occur. This includes an appreciation for how different components of income interact.

For example, falls in household income due to demographic and earnings-related changes should, in theory, elicit offsetting changes in entitlements to means-tested benefits for low-income households. However, we know that the benefits system often fails to provide an adequate safety net: around half of people in households receiving Universal Credit or legacy benefits are in poverty, due in part to the series of welfare reforms introduced in the 2010s (JRF, 2024).

In addition, some households may be ineligible for these benefits despite being in poverty, for example, if their savings exceed the capital limit of Universal Credit, while others may not claim their entitlement, for example because the system is confusing or laced with stigma (Schmuecker and Elliot, 2023). Similarly, leave policies may not sufficiently replace earnings, particularly in the case of unpaid social care, for which no statutory paid leave is available at all (Thompson et al., 2023).

For households already receiving benefits, there are multiple reasons why a household may fall into poverty as a result of benefit income falling.[5] Most notably, the welfare reforms mentioned above, including the benefit cap (introduced in 2013, with a further reduction in 2016), the social sector size criteria (also known as the 'Bedroom Tax', 2013), the two-child limit (2017), the removal of the family element (2017) and various changes to disability assessments, led to significant reductions in benefit income for millions of households.[6]

A means-tested benefit can also fall when household earnings increase, and although this in itself should not leave the household worse off, it can trigger knock-on effects on other benefits. Other aspects of a means test, such as savings and income from other sources, can also have a bearing. In addition, working-age benefit recipients may be subject to sanctions if they are deemed to have violated their claimant commitment.

And when it comes to Universal Credit, the lag in the monthly assessment can mean that recipients with volatile earnings face a simultaneous drop in earnings and benefits.

Trigger events and poverty entries

For each type of unpaid carer, Figure 8 shows a range of trigger events and the proportion of transitions into poverty that coincided with each event from 2011 and 2012 to 2019 and 2020. All events reduce the measure of household income used to determine a household's poverty status, labour-market and benefit events through income, demographic events through the needs adjustment (equivalisation) and other events through housing costs as well as income.

In addition to showing results for new carers and those who became carers unexpectedly, this analysis includes a breakdown for new carers who were in paid work in the previous year.

For adults as a whole, labour-market events, someone in the household moving out of paid work, or staying in work but experiencing a reduction in earnings, account for the majority of transitions into poverty, with falls in another household member's earnings representing the most common event. Labour-market events coincide with an even larger proportion of poverty entries for unpaid child-carers.

This difference is mostly due to household members other than the carer experiencing a fall in earnings, but if we focus on new unpaid child-carers who were previously in paid work, the most significant event is carers themselves exiting work, coinciding with around one-third (35%) of poverty entries.

Falls in benefit income are also associated with a slightly higher proportion of poverty entries for unpaid child-carers than for adults overall, 41% compared to 38%,

with means-tested benefits the most common source. However, the opposite is true if we focus on new child-carers, for whom benefit-related events account for only one-quarter (25%) of poverty entries.

For these carers, demographic events are more significant, particularly an increase in the number of children, which is unsurprisingly the single most significant event for new child-carers, though increases in the number of adults are also significant for unexpected child-carers.

Falls in benefit income account for a larger proportion of entries into poverty for unpaid social-carers than adults in general. This difference is spread across all categories of benefits, including means-tested and disability benefits,[7] which include Carer's Allowance.[8]

The flip side is that labour-market events coincide with a smaller proportion of poverty entries for unpaid social-carers, reflecting the fact that unpaid social-carers are less likely to be in paid work even before entering poverty.[9]

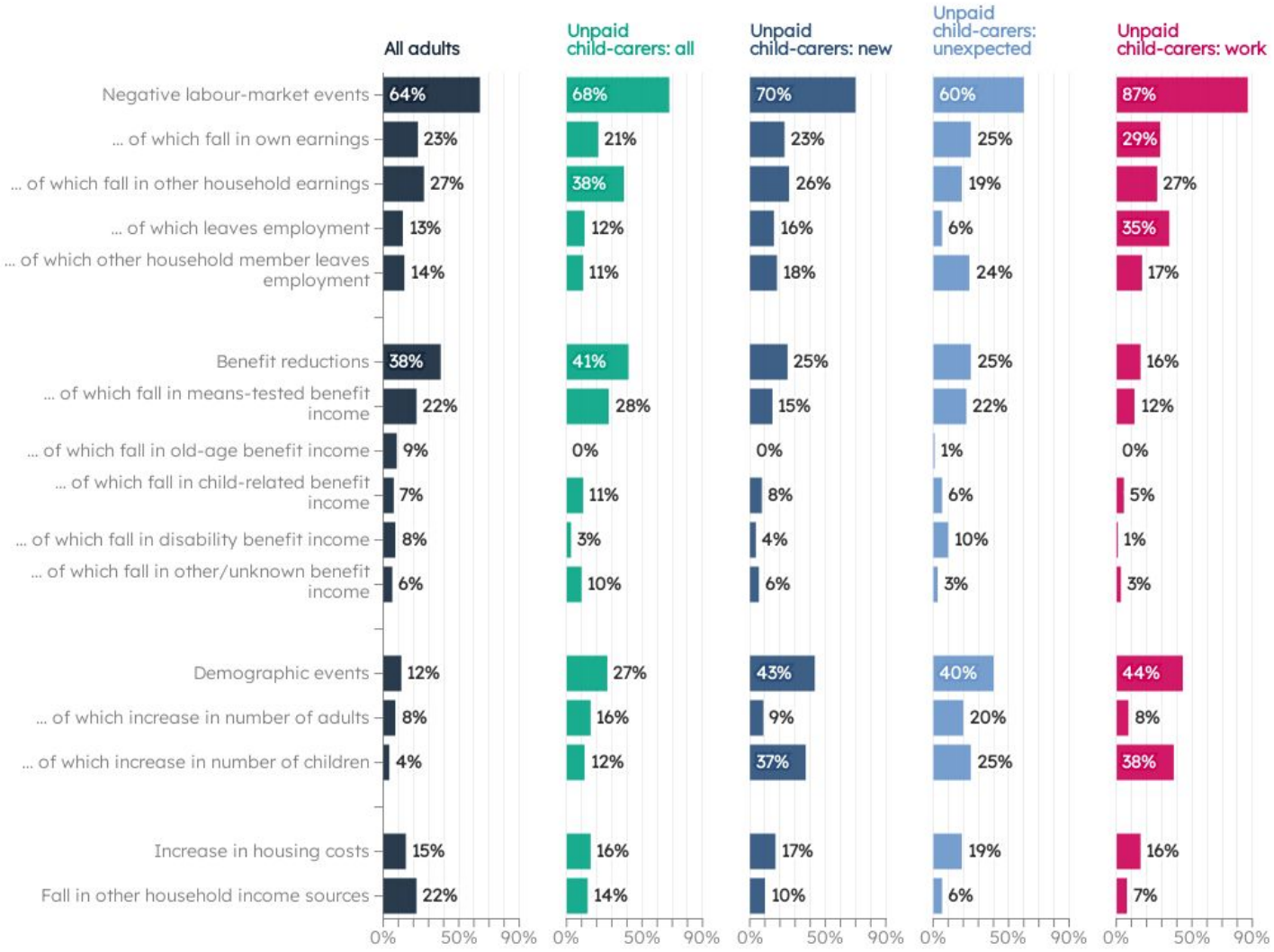
Importantly, then, the relative frequency of benefit-related triggers as compared to labour-market triggers does not mean that the labour market is functioning well for this group; on the contrary, the high levels of poverty among unpaid social-carers largely reflects their exclusion from the labour market.

In any case, if we focus on unpaid social-carers who were previously in paid work, labour-market events become more significant, particularly the carer's own work status, which comprises the single most significant event.

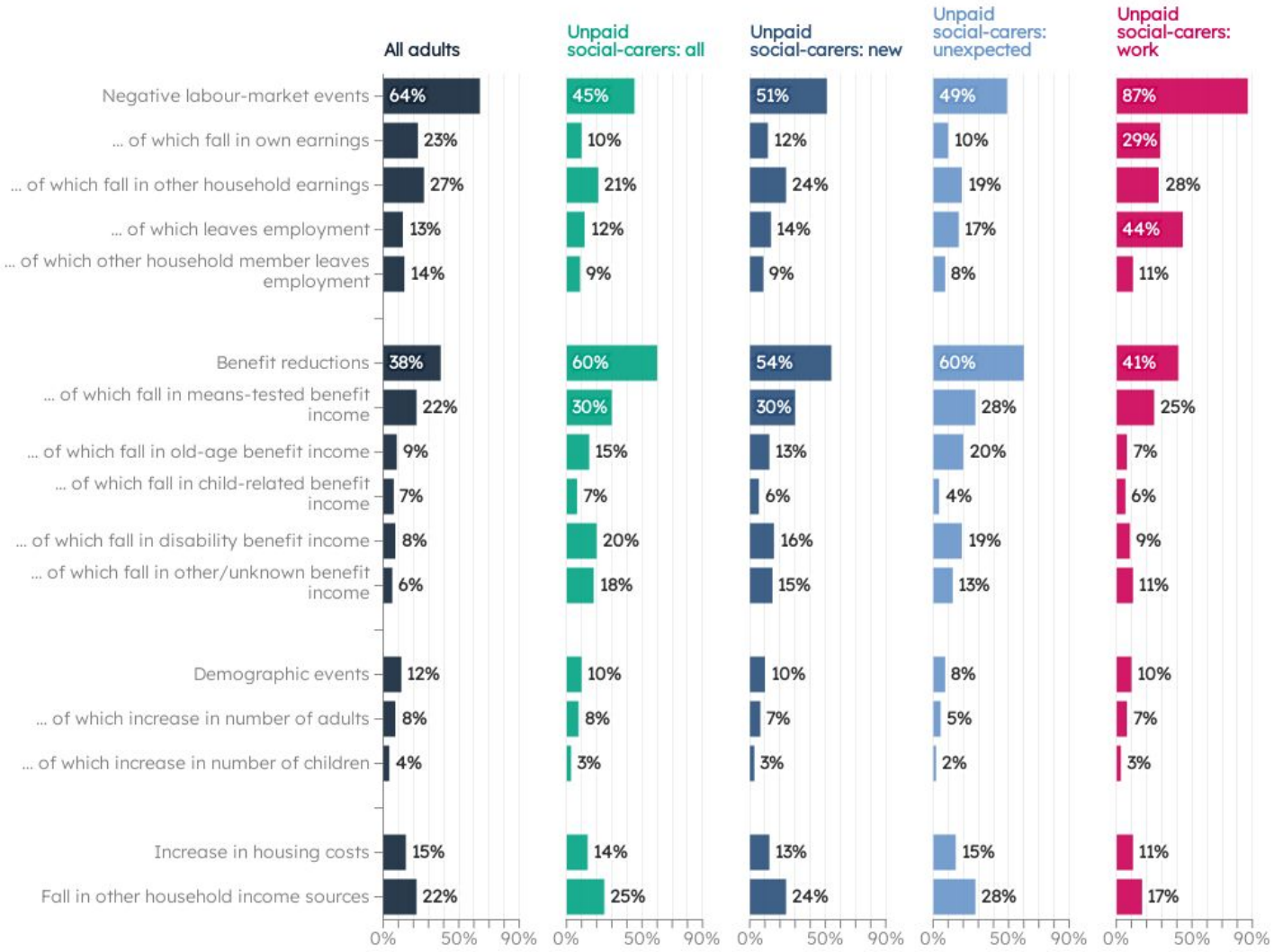
Interestingly, exiting paid work is a less common trigger for new child-carers who were previously in work than the previously working informal social-carers, even though going on maternity leave would be classified as a work exit in this analysis. This will in part reflect the availability of Statutory Maternity Leave, for which there is no equivalent in the case of unpaid social care.

Falls in other household income, which includes income from private pensions and investments, are more significant for unpaid social-carers than they are for adults overall, coinciding with a quarter (25%) of poverty entries. This event is less significant for unpaid child-carers than for adults overall, likely reflecting differences in age between the two groups. Increases in housing costs account for between 10% and 20% of poverty entries for all groups.

Figure 8: The events that move people into poverty vary between groups; trigger events as proportions of poverty entries, 2011 and 2012 to 2019 and 2020



Source: Understanding Society, Waves 2–11 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), measured in Wave 3. Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), measured in Wave 11. Totals do not sum to 100% because events are not mutually exclusive. Likewise, event categories may be less than the sum of their parts, because some individuals or households will experience multiple transitions within a category. See Appendix A for event definitions.



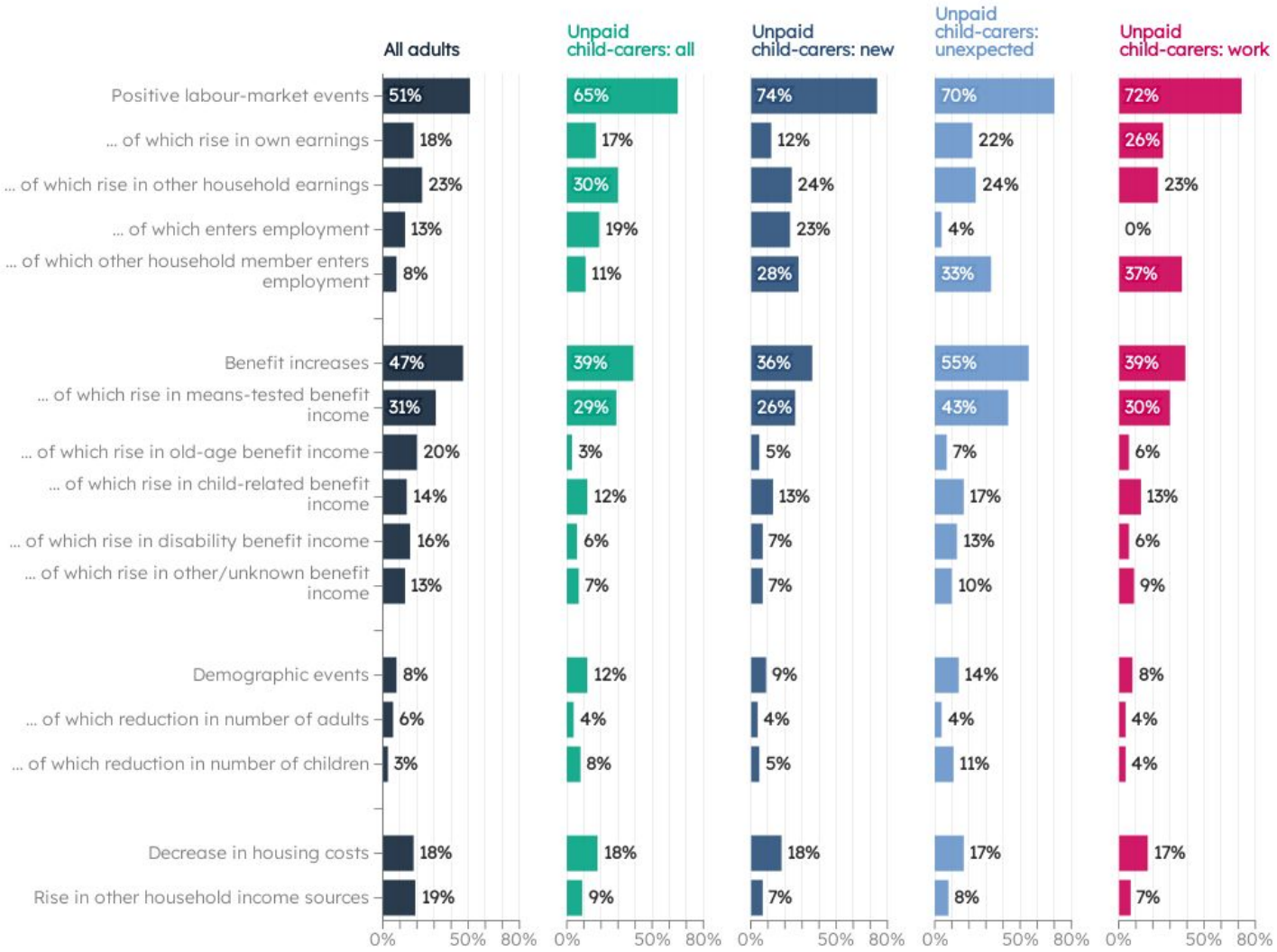
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Trigger events and poverty exits

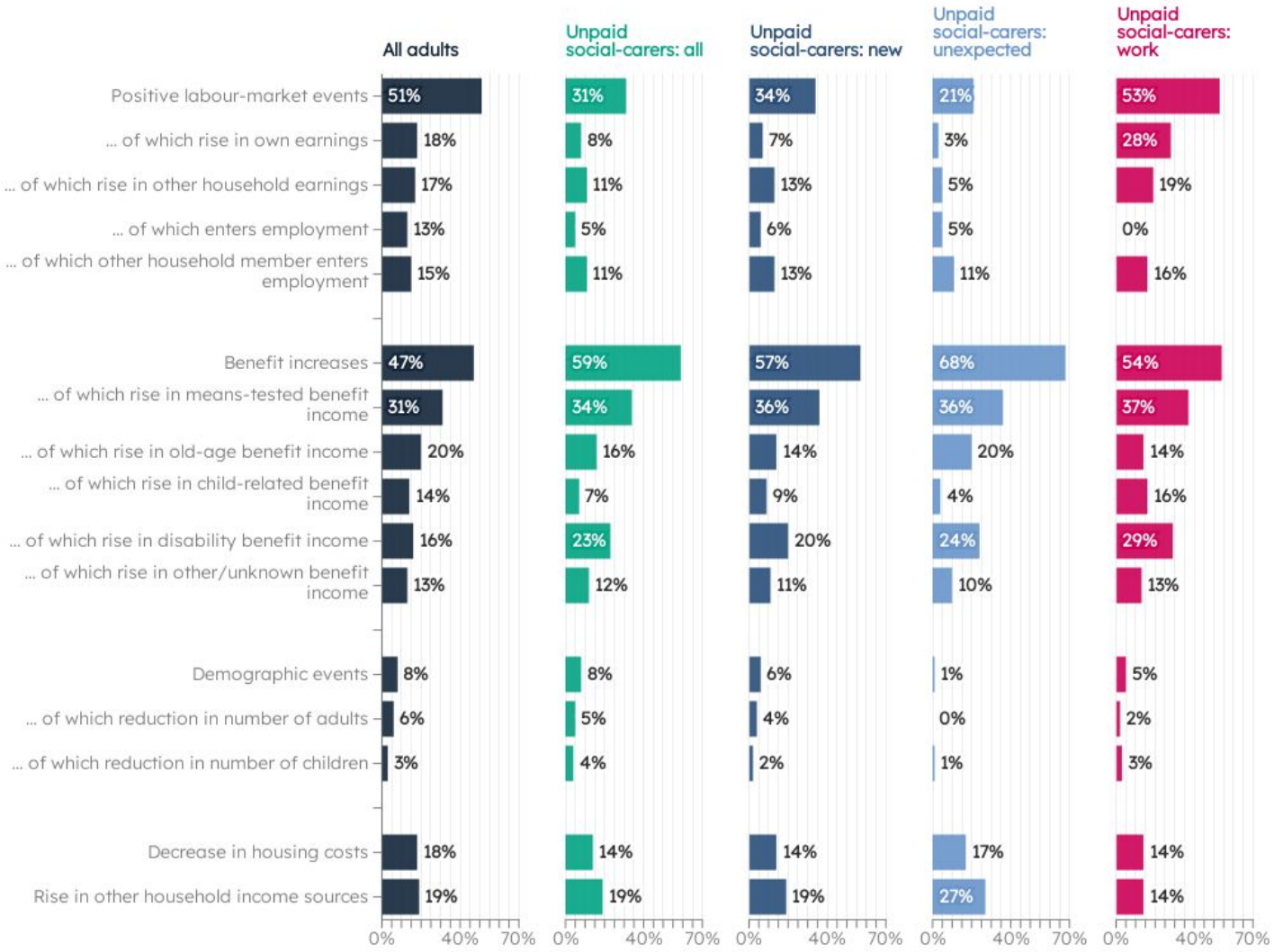
Figure 9 repeats this analysis for poverty exits. For all adults and social carers, labour-market events are less significant in terms of poverty exits than they are for poverty entries. Labour-market events do make up the largest grouping of trigger events for unpaid child-carers and adults as a whole.

Meanwhile, changes in benefit income are significant for all groups, overtaking labour-market events in the case of unpaid social-carers, particularly those who became carers unexpectedly, for whom increases in benefit income account for around two-thirds (68%) of poverty exits. Also notable is that around one-quarter (27%) of poverty exits among unexpected social-carers involve increases in other household income.

Figure 9: The events that move people out of poverty largely reflect those that move them into poverty, though the benefit system plays a large role; trigger events as proportions of poverty exits, 2011 and 2012 to 2019 and 2020



Source: Understanding Society, Waves 2–11 • Notes: Pooled longitudinal analysis. First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), measured in Wave 3. Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), measured in Wave 11. Totals do not sum to 100% because events are not mutually exclusive. Likewise, event categories may be less than the sum of their parts, because some individuals or households will experience multiple transitions within a category. See Appendix A for event definitions.



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5. Event prevalence and transition risk

The analysis in this section focuses on the proportion of poverty entries and exits that are associated with particular events. For example, we found that 60% of poverty entries among unpaid social-carers involve a fall in benefit income. However, this does not tell us whether benefit-related events represent such a high share of poverty entries among this group because they happen particularly often, or because they are particularly likely to move people into poverty when they do happen.

To understand which of these effects is at play, we can examine the incidence of each event among those at risk of a transition into poverty (event frequency) and the probability of transitioning into poverty when the event occurs (transition risk), alongside the share of transitions associated with the event.[10] This is shown in full in Appendix B, with summary figures presented here (Figure 10). Note that like transition rates, transition risks will tend to be higher for poverty exits than poverty entries even if a similar number of people are affected, simply because a minority of people are in poverty at any given time.

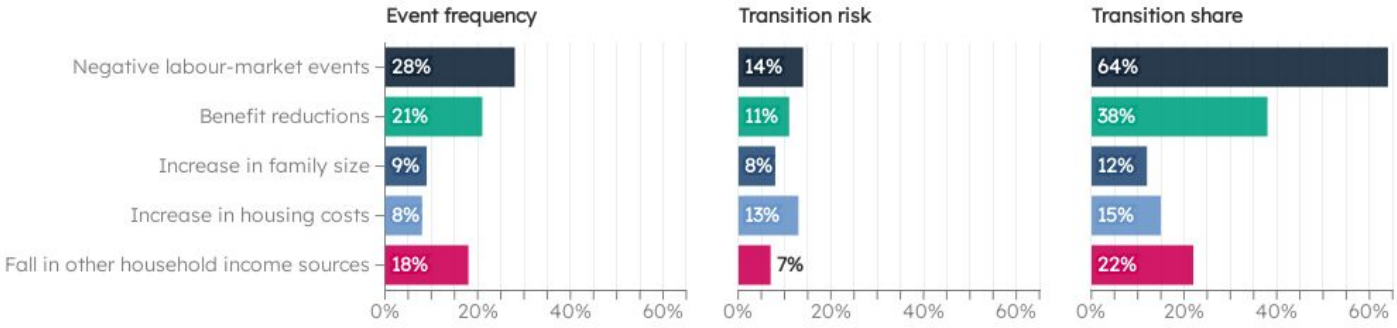
We have seen that labour-market events make up a larger proportion of poverty entries than any other event category (68%) for unpaid child-carers. Appendix B shows that this is the result both of adverse labour-market events being more common than other events, affecting 33% of those not in poverty in the previous year, and also presenting the highest risk of pushing child-carers into poverty when they do happen, with 19% of those experiencing an adverse labour-market event

moving into poverty.

Meanwhile, among unpaid social-carers, the high proportion of poverty entries associated with benefit-related events (60%) mainly reflects their high frequency, affecting 40% of those not in poverty in the previous year. Their transition risk is actually lower than that of labour-market events, at 16% compared to 20%.

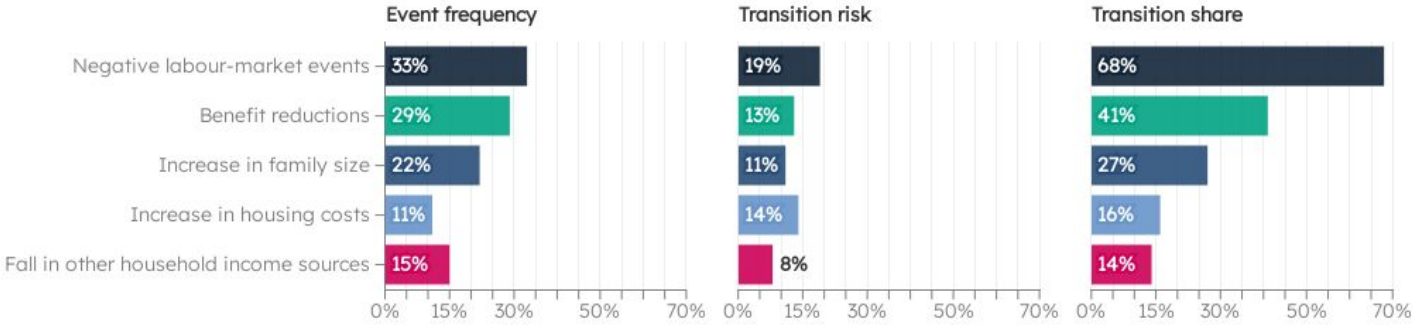
Thus, for both groups of carers, falls in income resulting from labour-market events are particularly detrimental when they occur. The reason that they do not represent a higher proportion of poverty entries among unpaid social-carers is because benefit-related events are more likely to occur in the first place, reflecting the lower proportion of this group who are in paid work.

Figure 10: Poverty entries' transition shares are driven by the frequency of the event and the risk of it pulling someone into poverty if it occurs
All adults



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2010 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid child-carers



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2010 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid social-carers

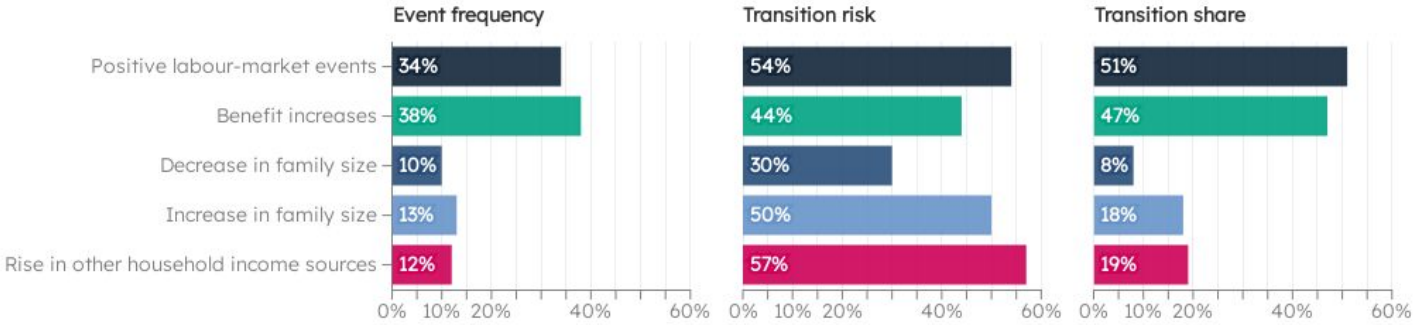


Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2010 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Similar patterns are observed when it comes to poverty exits as shown in Figure 11.

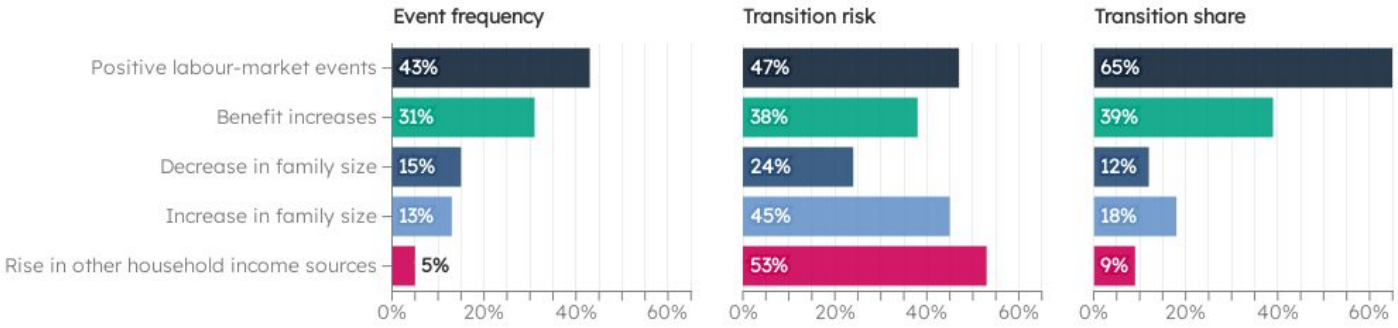
Figure 11: Poverty exits' transition shares are driven by the frequency of the event and the risk of it pulling someone into poverty if it occurs

All adults



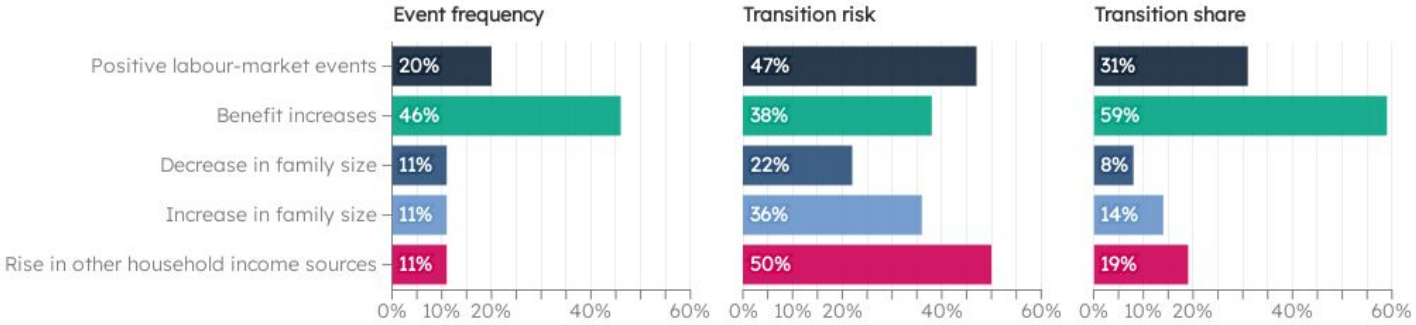
Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid child-carers



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid social-carers



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

6. Conclusions

The analysis in this report has shown that unpaid carers face elevated risks of falling into poverty, and weakened prospects of escaping it once there. Carers who do exit poverty are disproportionately likely to re-enter poverty, and those who enter poverty are disproportionately likely to remain in poverty. For unpaid child-carers, labour-market events are the most common triggers for moving in and out of poverty, whereas unpaid social-carers are more reliant on the benefit system.

All of this paints a bleak picture, but we should not accept it as a fact of life. It reflects a failure of the labour market to provide flexible, stable, well-paid jobs; a failure of leave policies to support people while they take time off and to give them a route back into paid work; and a failure of the benefit system to ensure that nobody falls below a decent standard of living.

These failures impact people across the population, but unpaid carers are among those who suffer the most, along with the people they care for, including millions of children, disabled people, and others who are unable to care for themselves.

Methodology

Data

We use Waves 2–12 of the UK Household Longitudinal Study, also known as Understanding Society. Since a poverty transition can only be identified if we know an individual's poverty status in the prior year, the first transition is between Waves 2 and 3. The final transition is between Waves 10 and 11, to ensure that we can examine poverty persistence and recurrence in the following year while using a consistent time period throughout the analysis. A transition is recorded as occurring in the second wave (year) of the transition.

Definitions

In each household with children, an unpaid child-carer is defined as the adult who is primarily responsible for looking after the children. An unpaid social-carer is defined as an adult who provides at least 20 hour per week of care to someone who is sick, disabled or elderly, whether in the same household or another household. In a transition between 2 years, an individual need only meet 1 of these definitions in the second year to be counted as an unpaid carer.[11]

Unexpected social-carers are identified as those who are within 3 years of becoming a carer according to the definition above, were previously providing no unpaid care, and who care for someone that experienced a deterioration in health over the previous 2 years such that they became limited in performing moderate activities or

more limited than before. We designate an individual as an unexpected child-carer if they are within 3 years of becoming a carer, and are not a biological or adoptive parent of the children for whom they care. These individuals could have become carers following the death or sickness of a parent, by the intervention of social services and other arrangements leading to kinship care, or through family formation and breakdown.

Poverty is defined as having a net equivalised household income after housing costs that is less than 60% of the national median in a given year.[12] Household income and its components are uprated by an adjusted version of the Consumer Price Index (CPI), which is also used in DWP's Households Below Average Income (HBAI) statistics. Analysis on unpaid social-carers removes particular disability benefits from household income, namely Disability Living Allowance, Personal Independence Payment and Attendance Allowance, since these are intended to cover the additional costs associated with disability. A poverty transition is only counted if household income clears the poverty line by a margin of at least 10%.

Trigger events

Table 1: How each trigger event is defined, for both poverty entries and poverty exits

	Poverty entry event	Poverty exit event
Own work status	Carer moves out of paid work. Event includes workers going on maternity leave.	Carer moves into paid work. Event includes workers returning from maternity leave.

	Poverty entry event	Poverty exit event
Other household work status	The number of people in paid work in the household decreases (but the overall household size stays the same), and this decrease is greater than 1 if the carer moves out of paid work. Event includes workers going on maternity leave or leaving the household.	The number of people in paid work in the household increases (but the overall household size stays the same), and this increase is greater than 1 if the carer moves out of paid work. Event includes workers returning from maternity leave or joining the household.
Own earnings*	Carer's work status does not change and their net, real earnings decrease by at least 20% and at least £10 per month.	Carer's work status does not change and their net, real earnings increase by at least 20% and at least £10 per month.
Other household earnings*	Other household work status does not change, and other household earnings, defined as total household net real earnings minus the carer's net real earnings, decrease by at least 20% and at least £10 per month.	Other household work status does not change, and household earnings, defined as total household net real earnings minus the carer's net real earnings, increase by at least 20% and at least £10 per month.
Benefit income*^	The size of the household does not change, and the given category of benefit income decreases in real terms by at least 20% and at least £10 per month.	The size of the household does not change, and the given category of benefit income increases in real terms by at least 20% and at least £10 per month.

	Poverty entry event	Poverty exit event
Other household income*	The number of adults in the household does not change, and other household income, including private benefit income, investment income, occupational pension income and miscellaneous income, decreases in real terms by at least 20% and at least £10 per month.	The number of adults in the households does not change, and other household income, including private benefit income, investment income, occupational pension income and miscellaneous income, increases in real terms by at least 20% and at least £10 per month.
Number of children	The number of children in the household, as defined by the OECD for purposes of equivalisation, increases.	The number of children in the household, as defined by the OECD for purposes of equivalisation, decreases.
Number of adults	The number of adults in the household, as defined by the OECD for purposes of equivalisation, increases.	The number of adults in the household, as defined by the OECD for purposes of equivalisation, decreases.
Housing costs*	Housing costs excluding mortgage principal payments increase in real terms by at least 20% and at least £10 per month.	Housing costs excluding mortgage principal payments decrease in real terms by at least 20% and at least £10 per month.

* Changes to or from 0 and changes that involve moving from a positive to a negative number or vice versa are not subject to the 20% threshold, but are still subject to the £10 threshold.

^ Means-tested benefits include Universal Credit and legacy benefits, plus Council Tax Reduction. Old-age benefits include State Pension, Pension Credit, and widows pensions and allowances. Disability benefits include Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Carer's Allowance, War Disablement Pension, Incapacity Benefit, Severe Disablement Allowance, Industrial Injury Disablement Allowance, and 'other disability related benefit[s] or payment[s]' as recorded by the relevant Understanding Society variable. Child-related benefit income includes Child Benefit, Maternity Allowance and Foster/Guardian Allowance. Other benefits include any reported benefit not included in these categories, as well any remaining difference between total benefit income and all reported benefits.

Appendix A: Carer demographics

Table 2: Unpaid carers as proportions of the adult population, 2011 and 2012 to 2019 and 2020

	Proportion of the adult population
Unpaid child-carers	14%
Unpaid social-carers	5%
Unpaid sandwich carers	1%

Source: Understanding Society, Waves 3–11

Notes: Pooled longitudinal analysis. 'Unpaid sandwich carers' are those performing both unpaid child care and unpaid social care, and are included in the proportions for both groups.

Table 3: Unpaid carer subgroups as proportion of all unpaid carers, 2011 and 2012 to 2019 and 2020

	Unpaid child-carers	Unpaid social-carers
All	100%	100%

	Unpaid child-carers	Unpaid social-carers
New	12%	50%
Unexpected	3%	15%
Previously in work	7%	16%

Source: Understanding Society, Waves 3–11

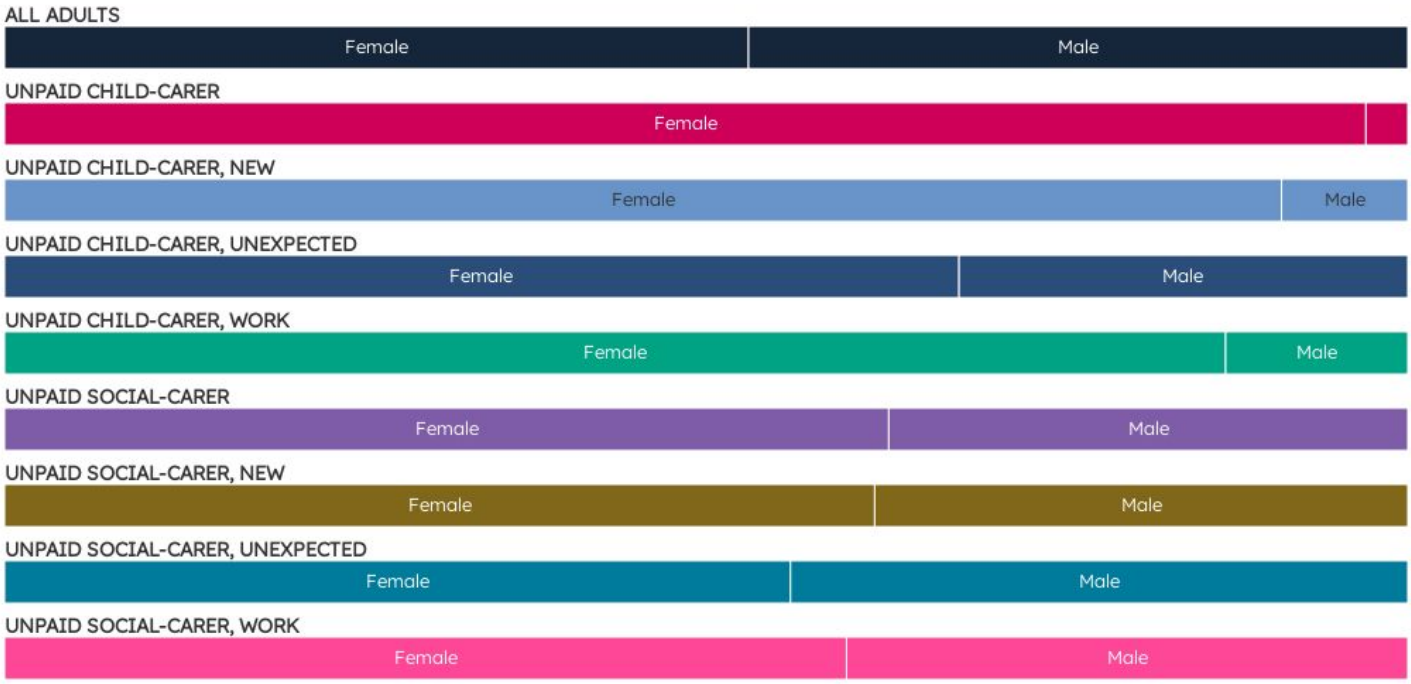
Notes: Pooled longitudinal analysis. Denominator of all figures is all unpaid carers.

Figure 12: Unpaid carers by age group, 2011 and 2012 to 2019 and 2020



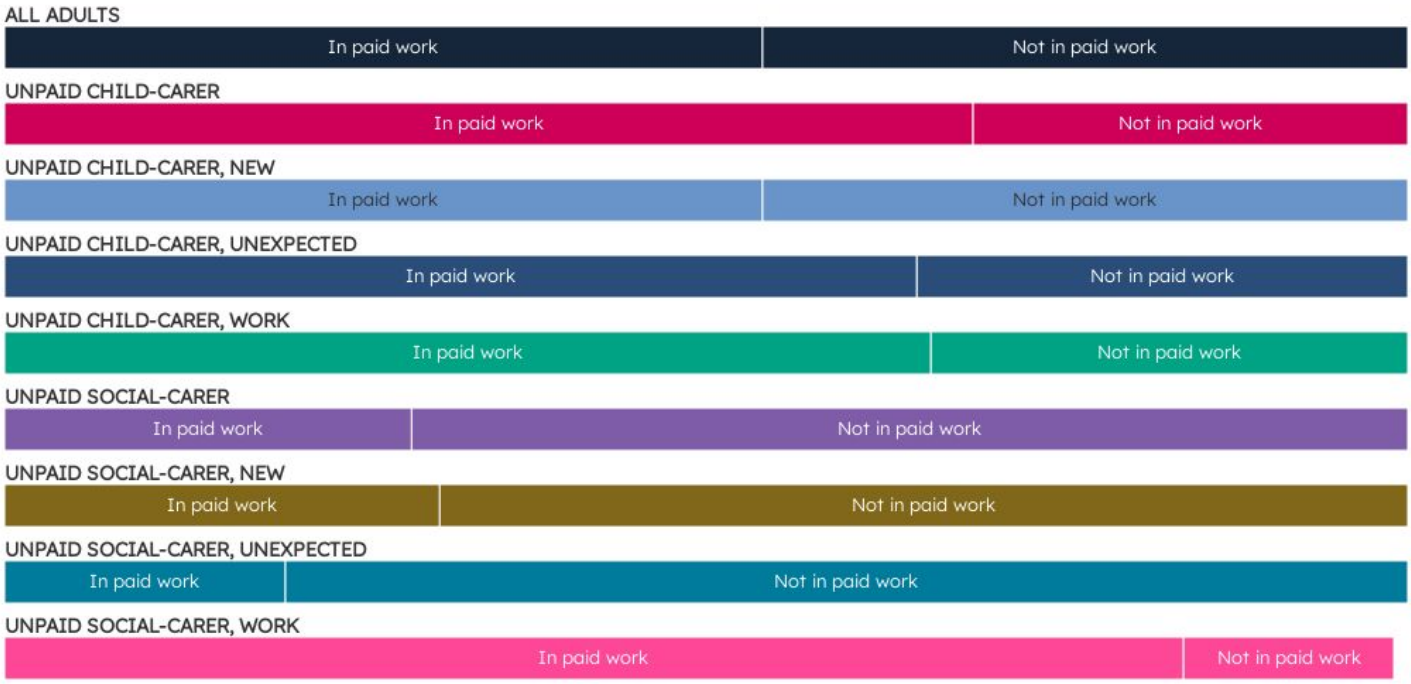
Source: Understanding Society, Waves 3–11 • Notes: Pooled longitudinal analysis. Figures scaled to 100%, including missing values.

Figure 13: Unpaid carers by sex, 2011 and 2012 to 2019 and 2020



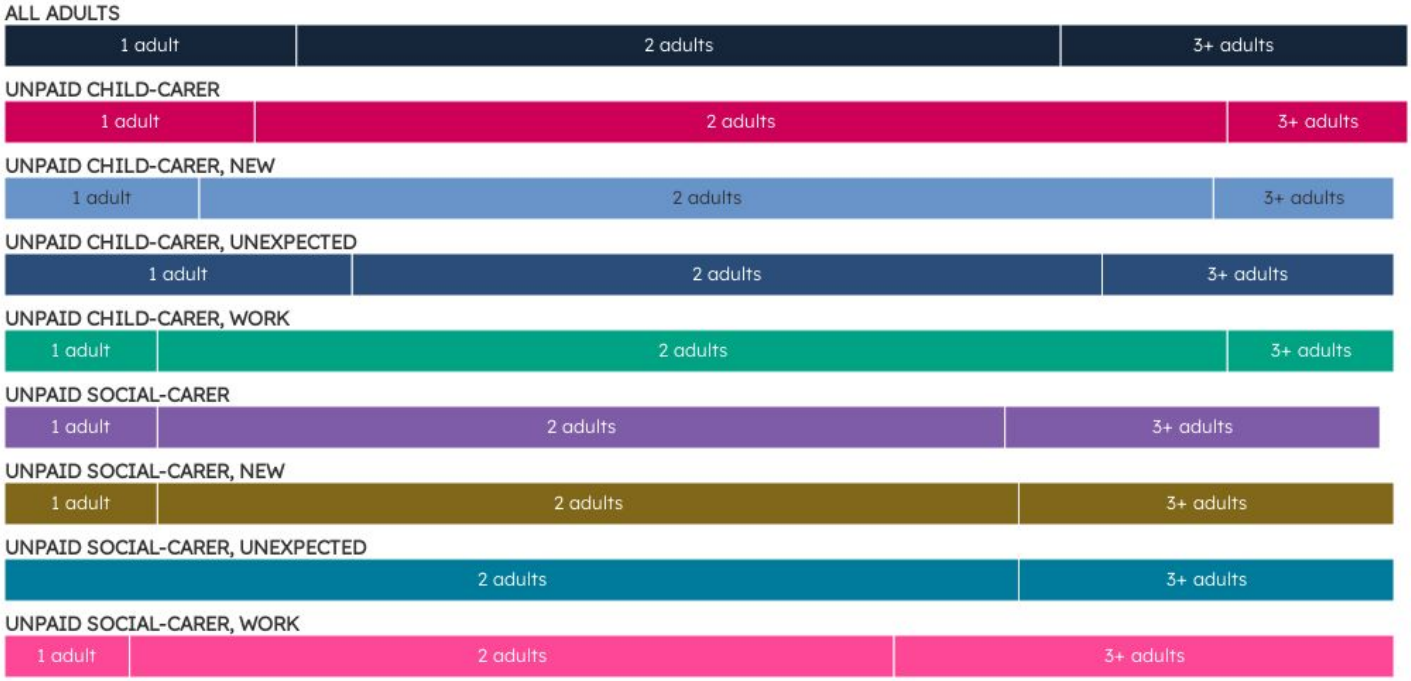
Source: Understanding Society, Waves 3–11 • Notes: Pooled longitudinal analysis. Figures scaled to 100%, including missing values.

Figure 14: Unpaid carers by work status, 2011 and 2012 to 2019 and 2020



Source: Understanding Society, Waves 3–11 • Notes: Pooled longitudinal analysis. Figures scaled to 100%, including missing values.

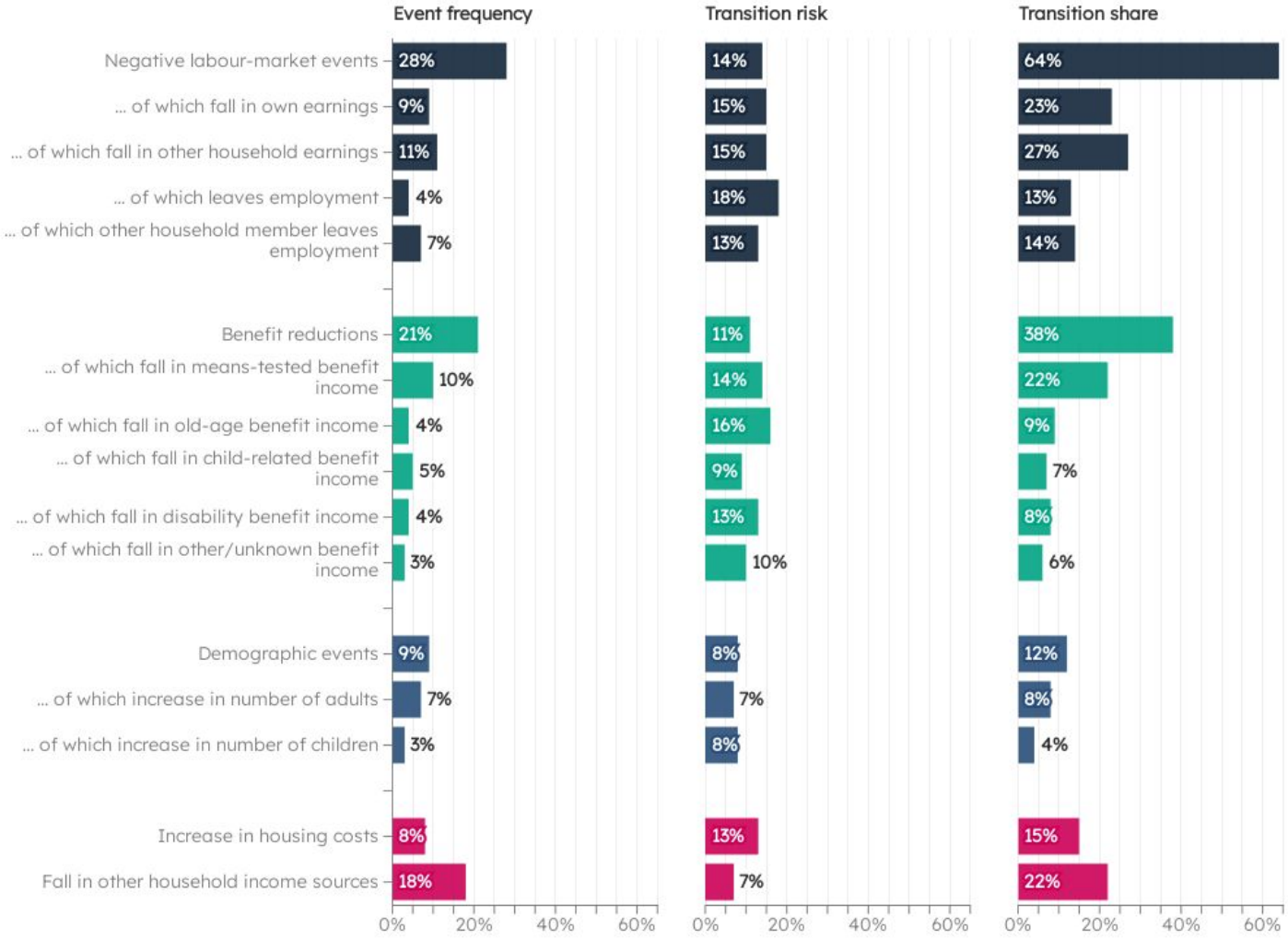
Figure 15: Unpaid carers by number of adults in household, 2011 and 2012 to 2019 and 2020



Source: Understanding Society, Waves 3–11 • Notes: Pooled longitudinal analysis. Figures scaled to 100%, including missing values.

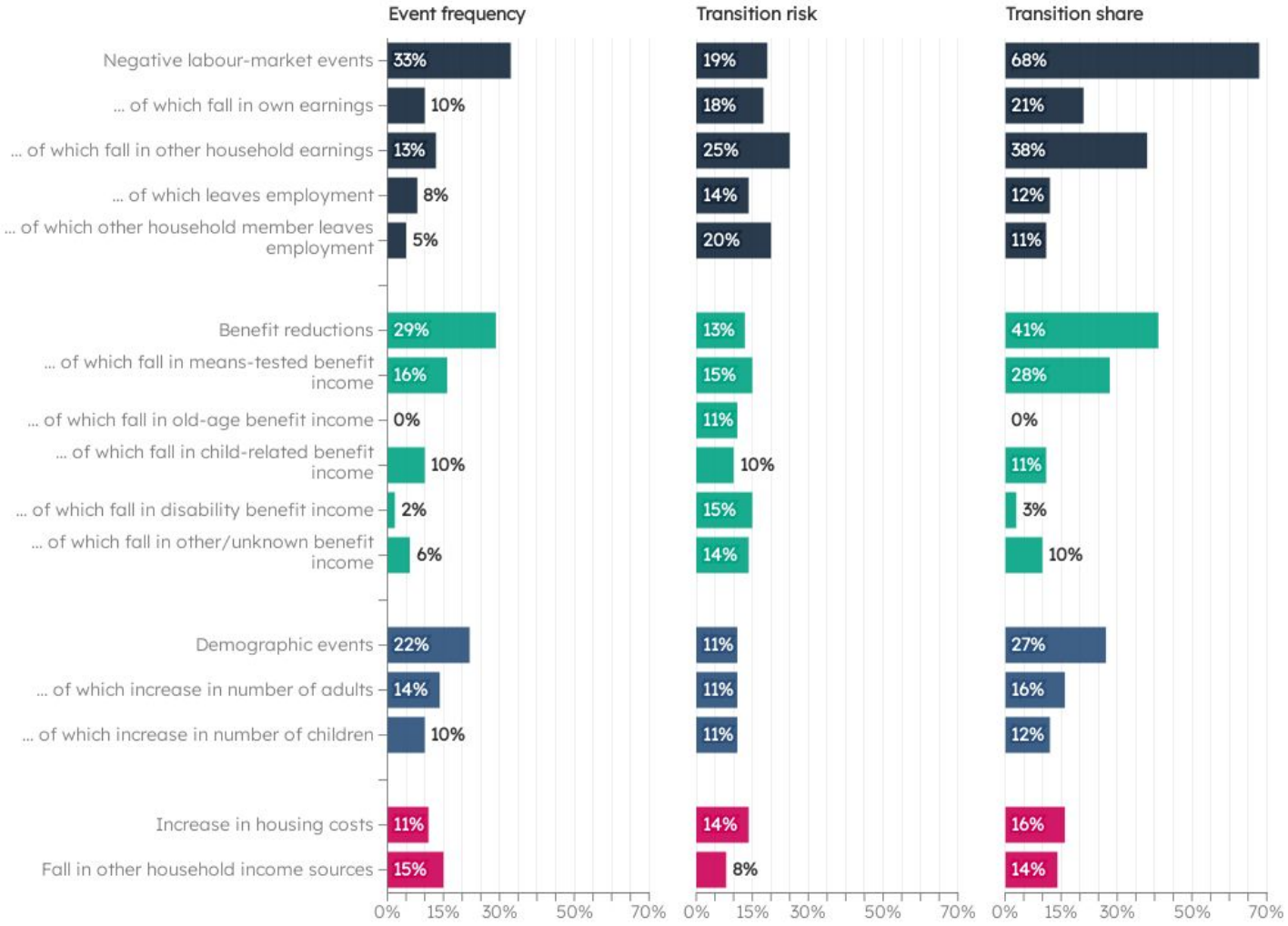
Appendix B: Event prevalence and transition

Figure 16: Event frequency, transition risk and transition share by trigger event, poverty entries, 2011 and 2012 to 2019 and 2020
All adults



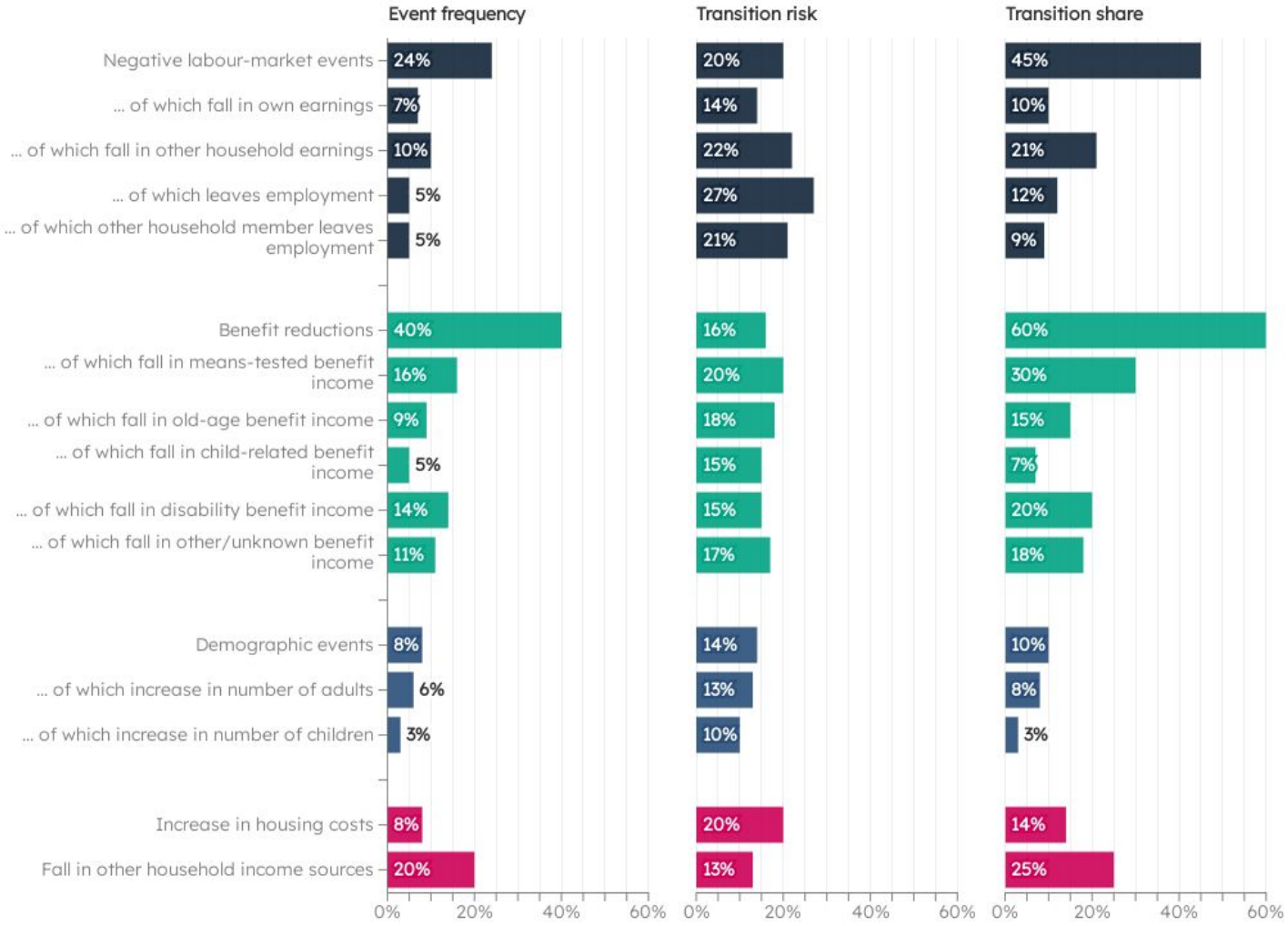
Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid child-carers



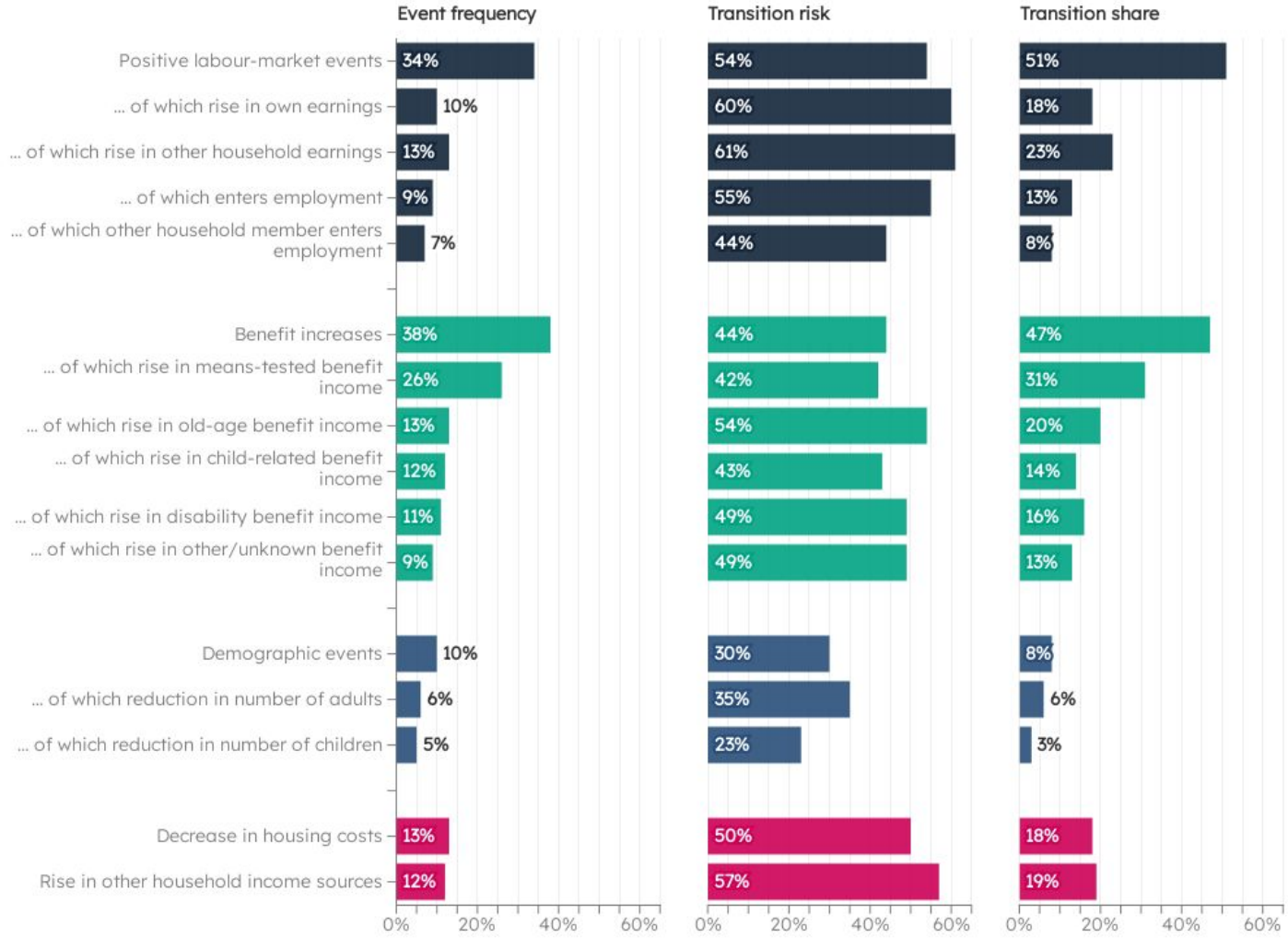
Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid social-carers



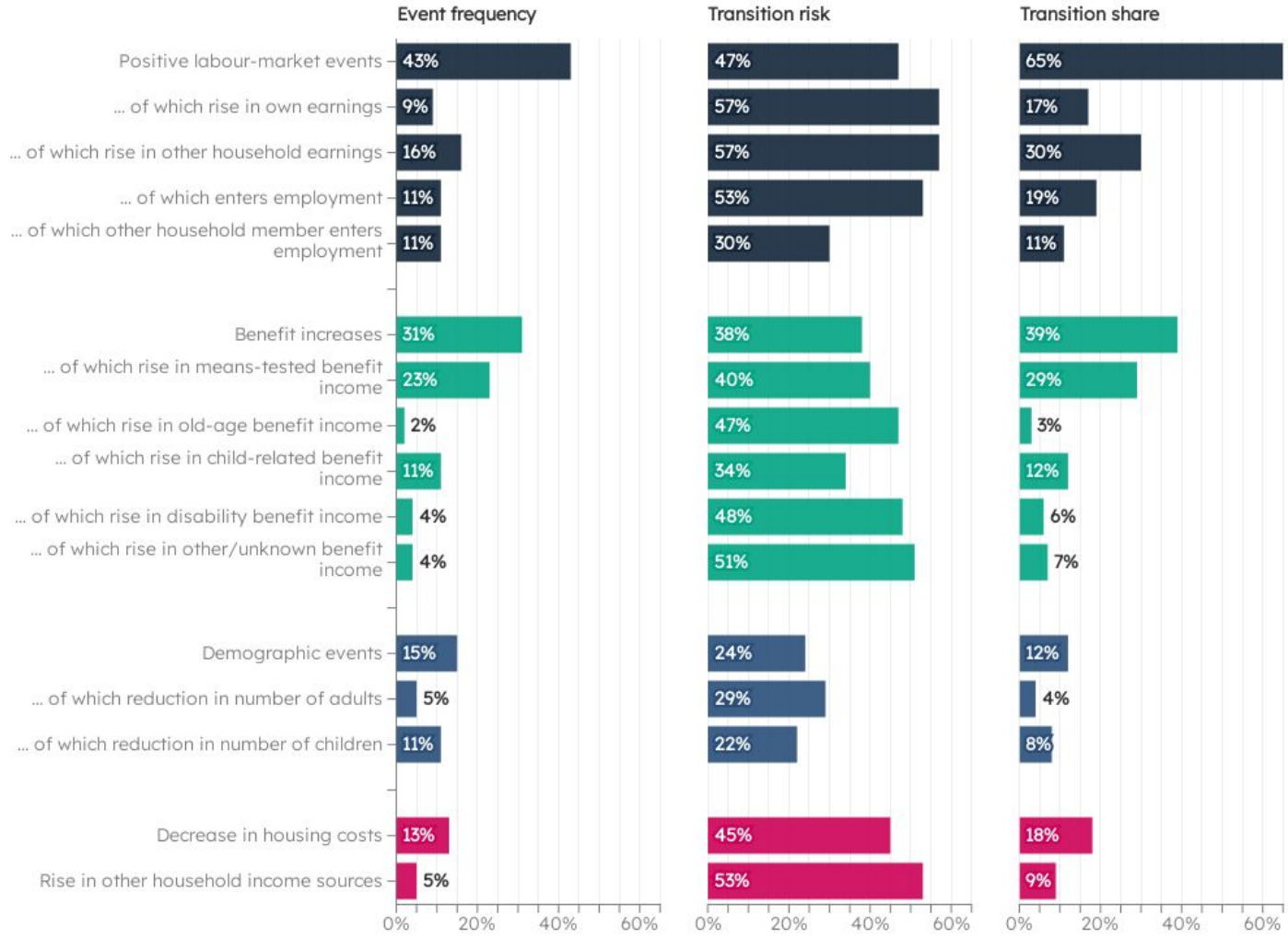
Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Figure 17: Event frequency, transition risk and transition share by trigger event, poverty exits, 2011 and 2012 to 2019 and 2020
All adults



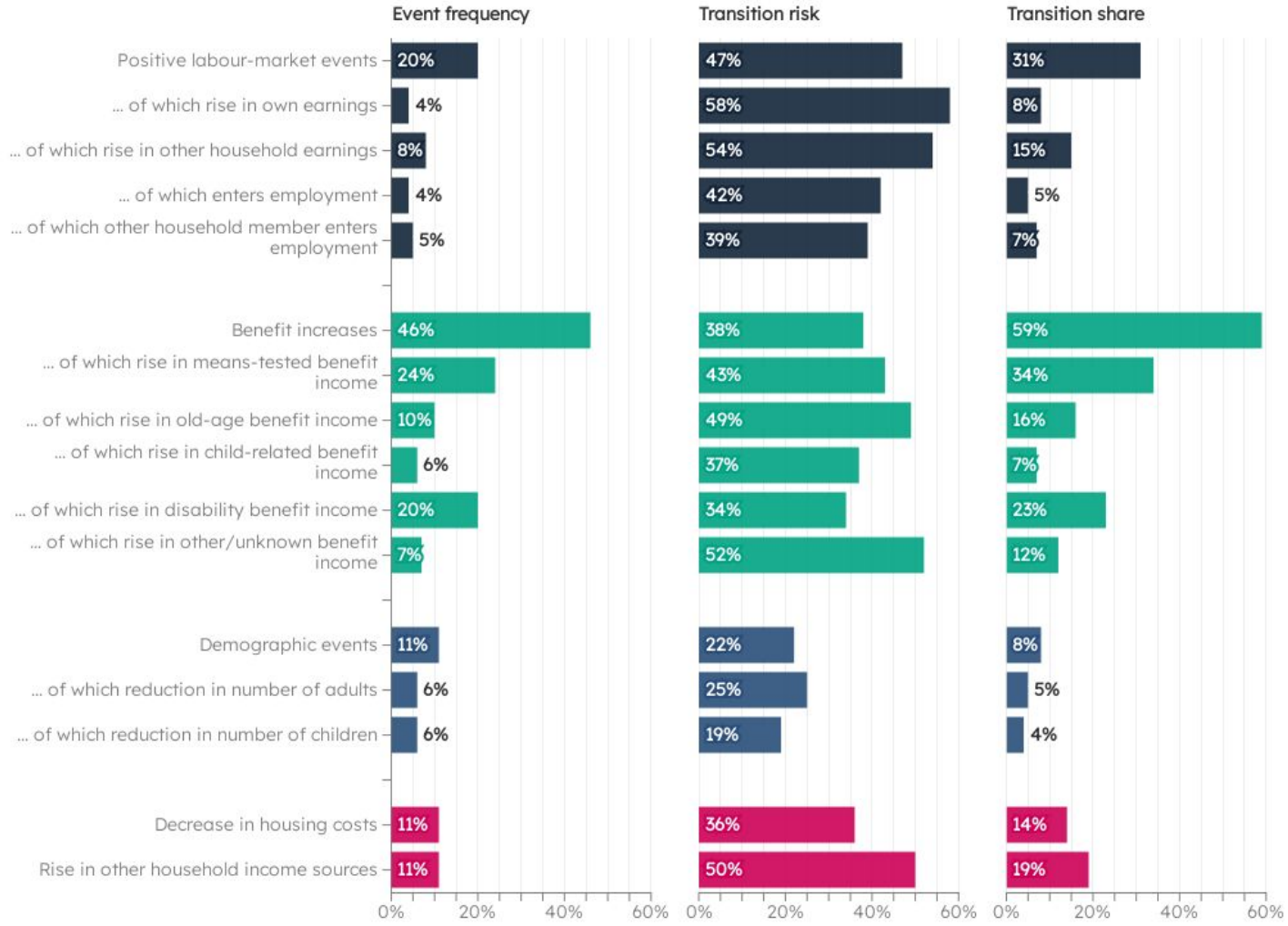
Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid child-carers



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Unpaid social-carers



Source: Understanding Society, Waves 2–11 • Notes: First transition is between Wave 2 (2010 and 2011) and Wave 3 (2011 and 2012), with persistence and recurrence measured in Wave 4 (2012 and 2013). Last transition is between Wave 10 (2018 and 2019) and Wave 11 (2019 and 2020), with persistence and recurrence measured in Wave 12 (2020 and 2021).

Notes

1. The UK Household Longitudinal Study (https://www.understandingsociety.ac.uk/)
2. Based on Understanding Society. Poverty rates derived from DWP's Households Below Average Income (HBAI) dataset will differ slightly. See Fisher et al. (2019).
3. See Thompson et al. (2023) for a discussion. This is partially addressed in our analytic approach, since we are examining individuals who move into poverty rather than those who were in poverty to begin with. However, there are a number of reasons why these determinants may still play a role. First, there is likely to be a strong correlation between poverty entry and previous experience of poverty. Second, because the poverty line is binary, poverty entries will include households that already had low incomes but were not technically in poverty, so correlations between unpaid care and household income can have a bearing on the results. Third, the discrete nature of the data, consisting of annual snapshots rather than a continuous record, means that we cannot be sure that a poverty entry did not precede an individual becoming an unpaid carer. This is particularly relevant since we count an unpaid carer as moving into poverty regardless of whether they were an unpaid carer in the previous year, in order to capture the effects of unpaid care in the first year of caring. Lastly, whether or not somebody becomes an unpaid carer may be influenced by income potential (and its determinants), not just income (and its determinants) at the time.

4. These differences are small, though this is due to the exit rate having a larger denominator than the entry rate, as explained in the next paragraph.
5. These changes are not due to demographic changes, which are classified as separate trigger events. See Appendix B for more details.
6. In isolation, benefit freezes would most likely not meet the criteria for a trigger event, particularly the condition that income falls by at least 20% year-on-year. However, they could combine with other events, and likely increase the poverty entry rates associated with labour-market and demographic events by weakening the safety net.
7. This is despite the fact that a change in particular disability benefits, namely Disability Living Allowance, Personal Independence Payment and Attendance Allowance, would not in itself move the household of an unpaid social-carer into or out of poverty, since these benefits are subtracted from the household income of these carers when it comes to determining poverty status.
8. Carer's Allowance makes up a relatively small proportion of entry trigger events. However, this largely reflects the low rate of the benefit, at just £76.65 per week in 2023/24, which means that few households are likely to be kept above the poverty line by Carer's Allowance alone, and therefore to enter poverty when the benefit falls. This is particularly true in our analysis because a household needs to fall below 10% of the poverty line to count as entering poverty.
9. See Section 2 of the House of Commons Library report (https://commonslibrary.parliament.uk/research-briefings/cbp-7756/) on informal carers for an analysis of informal care and employment.

10. Being at risk of entering poverty simply means that an individual was not in poverty in the previous year, and conversely for exiting poverty. Transition risk refers to the conditional probability of poverty exit as well as poverty entry, even though the term 'risk' refers to undesirable outcomes in ordinary usage.
11. This approach varies from DWP's methodology, in which characteristics are defined based on the first year of a transition. The characteristics analysed by DWP are essentially demographic, whereas caring is an activity that can begin and end. Our approach ensures that the life events that occur when somebody first becomes a carer are taken into account.
12. The measure of after housing costs income in Understanding Society differs in some respects from that in DWP's Households Below Average Income (HBAI) dataset, which forms the basis of the official poverty statistics. See Fisher et al. (2019).

Acknowledgements

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