

# THE BUSINESS CASE FOR SUPPORTING WORKING CARERS

## The demographic drivers

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The 2011 census found that around 3 million people in the UK were combining paid employment with caring for older, disabled or seriously ill family members or friends. However more recent research<sup>1</sup> from Carers UK estimated that this number has risen to almost 5 million people in the UK, around 1 in 7 people in any workplace.

Furthermore, the outbreak of COVID-19 in 2020 saw an additional 2.8 million workers<sup>2</sup> taking on caring responsibilities in a matter of weeks to support family members and friends, with many employers talking about 1 in 4 or 1 in 5 of their staff being carers.

Nevertheless, even before the pandemic, there has been a continuing rise in working carers due to:

- An ageing population and more people living longer with disability because of advances in medical technology
- An ageing workforce, with fewer young people entering the job market and later retirement ages (including later state pension ages)
- Tighter public sector budgets for care and support services which are increasing the pressure on families and friends to care

More people are therefore needing to work and care longer. A recent study<sup>3</sup> showed that the average person now has a 50:50 chance of caring by age 50 – long before they reach retirement age, with half of women caring by the age of 46, compared with half of men who can expect to care at 57.

## The business case for employers

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Forward looking employers now recognise caring as an issue which will have an increasing impact on their employees and on themselves as businesses. Already

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<sup>1</sup> Carers UK and YouGov, *Juggling work and unpaid care: A growing issue* (2019)

<sup>2</sup> Carers Week 2020 Research Report, *The rise in the number of unpaid carers during the coronavirus (COVID-19) outbreak* (Carers UK, June 2020)

<sup>3</sup> Carers UK, *Will I care? The likelihood of being a carer in adult life* (Carers Rights Day report 2019)

90% of working carers are aged 30 plus – employees in their prime employment years. The peak age for caring is also 50-64<sup>4</sup> when many employees will have gained valuable skills and experience. However, research has shown that, if unsupported, caring can have an adverse impact on ability to work<sup>5</sup>; over 2.6 million people have given up work at some point to care for loved ones, equating to 600 people in a day, and 2 million people have reduced their working hours to care. The consequent loss of skills, talent and productivity also have negative consequences for employers.

### Employee wellbeing

Analysis of the 2011 Census shows that working - and working age - carers pay a heavy penalty in terms of their own health if not adequately supported to work and care. However, a key challenge for employers is that carers are often in hidden in plain sight in the workforce with more than 3 in 5 employees (62%) not believing that they have any colleagues who care for ill, older or disabled relatives<sup>6</sup>. More recent research by EfC found that 71% of working carers had felt lonely or isolated in the workplace due to caring responsibilities<sup>7</sup>. Recognition and identification of carers in the workplace is therefore critical to providing appropriate support for employees.

### Recruitment and retention

The Corporate Leadership Council estimates that the cumulative costs to an organisation of an employee leaving work are equal to the employee's last salary, while Hay Group suggests it could cost anywhere from 50-150% of their salary<sup>8</sup>. During recent years, and especially during times of economic downturn, more and more employers have been recognising the value of retaining - and re-hiring - skilled workers (many of whom will be carers) rather than incurring the costs of recruiting and retraining new staff.

### Productivity and performance

Research<sup>9</sup> has shown that, if unsupported, caring for as little as 5 hours a week can have an impact on a carer's ability to work, with 10 hours having a significant effect. In a recent survey, among carers continuing to work the same hours, 1 in 6 (17%) said their job had been negatively affected by caring, i.e. lateness, tiredness and stress<sup>10</sup>.

Here again the consequences of not addressing support for carers in the workplace are not only negative for employees but also for employers. There is evidence that the

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<sup>4</sup> Census 2011

<sup>5</sup> Carers UK and YouGov, *Juggling work and unpaid care: A growing issue* (2019)

<sup>6</sup> Carers UK and YouGov, *Make connections, get support, Recognising ourselves as carers* (Nov 2017)

<sup>7</sup> Employers for Carers and Carers UK, *Caring and Isolation in the workplace* (2015)

<sup>8</sup> Cited in *Supporting Working Carers: The Benefits to Families, Business and the Economy, Final Report of the Carers in Employment Task and Finish Group*, HM Government, Employers for Carers and Carers UK (2013)

<sup>9</sup> *Walking the tightrope: The challenges of combining work and care in later life*, Age UK and Carers UK (July 2016)

<sup>10</sup> Carers UK State of Caring 2019

impact of staff turnover, absence and stress as a result of juggling work and caring unsupported could be costing UK businesses over £3.5 billion every year, so there are significant savings to be made by better supporting employees to combine work and caring<sup>11</sup>.

### Business benefits of carer support

Supportive employers can play a key role in mitigating these impacts, and in thereby increasing staff resilience, productivity and performance in the workplace. Indeed, far from compromising business objectives, research<sup>12</sup> shows that recognising caring and adopting a flexible approach achieves impressive **business results** including:

- Attracting and retaining employees
- Reducing stress, sick leave and absenteeism
- Reducing recruitment and training costs
- Increasing resilience and productivity
- Improving service delivery
- Producing cost savings
- Improving people management and staff morale

Or, to summarise, the 4 Rs:

- **Retention** of key staff (reduced recruitment and retraining costs)
- **Resilience** of staff (increased health, engagement and productivity and reduced stress, sick leave and absenteeism)
- **Recruitment** of talent to the workforce
- **Results** for the bottom line

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<sup>11</sup> Carers UK, *Care Leave: Impact on Business Research Report* (2014)

<sup>12</sup> *Supporting Working Carers: The Benefits to Families, Business and the Economy, Final Report of the Carers in Employment Task and Finish Group*, HM Government, Employers for Carers and Carers UK (2013). This includes evidence from over 200 employers of the business benefits of supporting carers in the workplace.

## The business case for the economy and society

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Supporting carers in the workplace also has business benefits for the wider economy. A study by the London School of Economics<sup>13</sup> estimated the public expenditure costs of carers in England being unable to continue working to be £1.3 billion a year in relation to carers' benefits and lost tax revenues. In addition, analysis from Age UK<sup>14</sup>, building on the LSE research, showed a cost of £5.3 billion a year to the economy in terms of lost earnings and tax revenue and additional benefit payments.

Supporting people to combine work and care also has benefits for society as a whole and, as with the economy, there are associated risks if this is not addressed. In recent years the contribution of unpaid carers has been calculated at £132 billion per year<sup>15</sup> – close to the cost of a second NHS. Since the outbreak of COVID-19, however, this contribution has increased still further. Research published in November 2020<sup>16</sup> calculated the care provided by families over the course of the pandemic (for eight months at that point) at £135 billion so far, equivalent to £530 million each day.

Carers (80% of whom are of working age) play a crucial role both in providing (unpaid) care and in helping their relatives or friends to stay out of hospital or, in some cases, residential care. They provide a very valuable contribution, therefore, not only for individuals and families but also for our wider economy and society.

## Workplace examples

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### Listawood (SME)

With a workforce of around 150 people, Listawood are a manufacturer of promotional products such as ceramic mugs, fridge magnets and mouse pads. The company have made a firm commitment to creating a culture of flexibility and support for those needing to balance their home and work lives, often at short notice, which they believe is a significant driver of their strong record of staff retention.

Recent economic downturns, and increased competition from emerging low wage economies, has placed enormous strain on Listawood's sector, creating pressure to

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<sup>13</sup> *Public expenditure costs of carers leaving employment*, Pickard, L, LSE Health and Social Care Blog, London School of Economics & Political Science (25 April 2012)

<sup>14</sup> *Estimation of the financial impact of leaving work due to caring responsibilities*, Age UK (2012)

<sup>15</sup> *Valuing Carers 2015 – the rising value of carers' support*, University of Sheffield, University of Leeds and CIRCLE, published by Carers UK (2015)

<sup>16</sup> Carers UK, *Unseen and undervalued: the value of unpaid care provided to date during the COVID-19 pandemic* (November 2020)

keep staff costs low. As part of their performance management framework, Listawood regularly survey their employees to measure staff satisfaction. The company are aware that they do not offer the best salary levels in the area – indeed only 56 per cent of staff surveyed felt their pay was competitive when compared with other employers locally. However, their deep-rooted culture of flexibility is well recognised by staff – 97 per cent felt that the company offered better opportunities for work life balance than other employers in the area.

Explaining their approach, Managing Director Alex Turner said: *“Losing highly trained staff is incredibly disruptive in any business. In the sales environment it fractures customer relationships which can result in reduced levels of business, and in the factory*

*it compromises manufacturing efficiency. On top of this you then have to bear the costs associated with recruitment and training for their replacement. We are in no doubt that our staff retention levels are driven by our attitude to work life balance rather than the generosity of our remuneration packages. This makes it possible for us to remain competitive and profitable in a highly competitive market, even during these unusually difficult trading conditions.”*

### **Centrica/British Gas**

Centrica/British Gas have led on innovative family friendly and flexible working practices and in 2004 were one of the first employers to set up a carers’ network. They reported quantified business benefits from their innovative flexible working programme, “work:wise”, in 2004 and from a subsequent study in 2007 on the impact of flexible working on performance. The company have had particular success in retaining engineers, whom they had identified as leaving the workplace. More recently, they have estimated potential cost savings of £2.5 million through increased staff retention and £4.5 million through reduced unplanned absenteeism<sup>17</sup>.

With a 1,000 strong employee carers network, Centrica are one of a very few large companies who make it easier for employees to combine work with caring responsibilities by offering paid leave to carers. The company recognise the valuable contribution a diverse and inclusive workforce can make to its business success, and that achieving this requires a commitment to retaining older workers, including carers, not only for the depth of professional expertise they bring, but also for their valuable life experiences.

Centrica’s innovative carer’s leave policy provides up to one month of matched leave per year. This scheme means that each time an employee books, for example, a day off for care needs, this will be matched by doubling the leave. The company have found

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<sup>17</sup> <https://www.workingfamilies.org.uk/employers/case-studies/case-studies-carers/centrica-winner-2015-the-national-grid-and-carers-uk-best-for-carers-and-eldercare-award/>

that few carers need to take weeks off, but some may need a few days at a time on several occasions in a year, for instance, to make long-term care arrangements. Geoff Kitchener, Chair of the Centrica Carers Network explains how he has benefitted from the carers leave policy: *“It has helped me in the past when my wife, who I have cared for since 2001 had a major episode. It allowed me the benefit of being able to take*

*extensive time off using the matched leave option, and discussions with my Team Leader meant I could deal with the issues and not worry about work”.*

## **Sainsbury’s**

At Sainsbury’s, 20% of their colleagues are carers, this equates to a little over 20,000 colleagues that are providing care for an ill, frail or disabled family member or partner, friend or neighbour at any one time. The organisation is committed to supporting their carer colleagues as it is the right thing to do and a central part of their inclusion strategy which seeks to recognise the growing issue of balancing working and caring in today’s society, and a belief in the role large businesses can play in driving progress and improving things for carers in the workplace.

Sainsbury’s are longstanding steering group members of Employers for Carers and the organisation is proud of its leading and colleague centric approach to supporting colleagues who are balancing work with caring responsibilities. It is one of the few FTSE100 companies with a specific policy for carers, which is known as the Carers People Policy. Staff say that a formal policy in place has made a huge difference in having conversations with other colleagues and their own line managers around the support that is available during challenging times, such as taking time off to go to appointments, changing schedules to fit around caring commitments or making adjustments to ways of working (for example, allowing mobile phones on the shop floor in case of emergencies).

Sainsbury’s have recently launched their first carers network, WeCare@Sainsbury’s in which a group of carer colleagues and passionate allies represent the voice of our carer colleagues to ensure the business understands their needs and that their carer colleague population can be supported in the right way.

Sainsbury’s strive to create a positive workplace culture and encourage people to think about what it means to be a carer through involvement in campaigns such as Carers Week and Carers Rights Day. The organisation sees this not just as a support to colleagues, but also to the wider public. With over 1,300 supermarkets and convenience stores across the country the organisation is able to reach out to customers and help spread awareness of local community organisations.

## **Employers for Carers membership forum**

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*“In the current economic climate, it’s more important than ever that we attract new talent into the workforce and retain skilled and experienced employees to increase customer satisfaction, improve productivity and cost effectiveness.*

*Policies and practices that support carers are crucial to the resilience and success of your organisation. However, this need not be complicated or costly. It’s about knowing your employees and working flexibly with them to find solutions.”*

**Nick Baird, Chair, Carers UK**

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