

BRIEFING PAPER
June 2023

**MAKE
CARE
FAIR**

BACKGROUND

The pandemic has shown us that care work – paid and unpaid – is the backbone of our economy. People who provide care and support for others, including parents, unpaid carers and the childcare and social care workforce, form an invisible network that holds our society together.

Yet the sector is in crisis. The majority of care and support work is provided by unpaid carers, with many struggling and in need of additional help. A lack of affordable childcare means many parents are unable to work or increase their hours. Pay and conditions for the childcare and social care workforce are forcing many to leave the sector, creating a high staff turnover rate and gaps in provision.

This crisis is not affecting everyone in society equally. Women are more likely to be working as carers, to be taking care of children, or to provide unpaid care and support for others. Women from Black, Asian and minority ethnic backgrounds are overrepresented in the most insecure and lowest-paying social care roles. Parents of disabled children are finding it particularly difficult to source appropriate childcare.

While the challenges are significant, there are also huge opportunities in making care fair and ensuring unpaid care work can be a free choice. Prioritising investments in affordable, high-quality childcare and social care would effectively tackle poverty and inequality and improve the overall resilience and wellbeing of our society.

This briefing provides an overview of the current challenges within childcare, social care and unpaid care, with a particular focus on their common links with poverty and inequality in Wales. It outlines the opportunities of investing in care and concludes with several recommendations.

Throughout the briefing, the term “care” is used in an inclusive way that covers the care and support provided by unpaid carers and parents, as well as the paid work of the social care and childcare workforce. This recognises that, although each group faces different challenges and circumstances, they have many important factors in common. All those who provide care share similar strengths and skills that they use in the everyday contribution they make to our society: they provide dignity and independence, nurture and support others and contribute to a healthy and functioning society. In addition, many of the challenges around care are driven by cultural norms and misconceptions that view care as low skilled and of little economic value, which are rooted in the undervaluation of work traditionally performed by women.

THE CURRENT CHALLENGES

Childcare

Free childcare is currently only available for three and four-year olds, with some provisions for two-year olds in Flying Start areas. Through the [Childcare Offer for Wales](#), the Welsh Government provides 30 hours a week of early education and childcare for working parents of three and four-year-olds. Since September 2022, the Childcare Offer has been extended to parents who are in [education and training](#), but this remains limited to three and four-year olds. The Welsh Government is rolling out free childcare to all two-year-olds under the Flying Start scheme, and committed [£46 million](#) to its expansion between 2023 and 2025. While the scheme has positive effects on [child development and parenting skills](#), the likely impact on employment and poverty is limited. Support is only available for 2.5 hours per day in defined Flying Start areas, and therefore does not reach the majority of [income-deprived families](#).

In 2022, Wales saw the [biggest increase in childcare cost \(8%\)](#) of the four nations, while having some of the lowest median incomes and [highest poverty rates](#). The impact is felt strongest by single parents, of which [86% are women](#). Between 2020 and 2022, [38% of single-parent households](#) in Wales were in relative income poverty, almost twice as high as the overall poverty rate for the country (21%).

As costs for childcare have gone up, availability has gone down. [The Family and Childcare Trust Survey 2022](#) showed that less than a third of local authorities (29%) have enough childcare under the Childcare Offer. Childcare sufficiency in Wales has decreased since 2021 for all categories, except for 12 to 14-year-olds after school provisions. The biggest shortages are affecting demographics who already experience higher poverty rates. This affects families with disabled children and parents working atypical hours, with no local authorities reporting that there is sufficient childcare for these groups in all areas of their authority, as well as those living in rural areas.

In the context of rising costs of living, a lack of affordable childcare often leaves those who shoulder the bulk of parenting responsibilities – mainly women – unable to take on more work to make ends meet. Many would end up losing money if they increased their working hours, as the costs of childcare are higher than the additional earnings they would make. Across the UK, [three quarters of mothers](#) who pay for childcare say it does not make financial sense for them to work. This pushes women whose earnings are too low to pay for childcare out of the labour market and into poverty.

Unpaid Carers

Wales has the [highest proportion of older carers](#) and of carers providing more than 50 hours of care a week in the UK. In 2019, an [estimated 96% of annual care](#) in Wales was provided by unpaid carers. This [intensified during the pandemic](#), with an increase in the number of unpaid carers and hours of unpaid care. The [2021 census](#) indicated there were 311,000 unpaid carers in Wales, with [Carers Wales estimating](#) they provide care worth [£10.6bn](#) to the Welsh economy each year. Women make up approximately [60% of unpaid carers](#) in Wales.

The cost-of-living crisis, combined with staff shortages in the social care sector, are having a devastating impact on unpaid carers in Wales. [Social care packages are often delayed](#) or initially only partially delivered. This leads to unpaid carers stepping in to fill the gaps and makes lack of social care capacity the biggest driver of delayed hospital discharges. Unpaid carers experience [poorer health outcomes](#), sometimes as a direct result of their caring role. Many unpaid carers are experiencing difficulties accessing NHS treatment, which in turn is impacting their ability to provide care. Three quarters of carers waiting for medical treatment say this is having a [negative impact](#) on their mental or physical health.

The cost-of-living crisis has piled further stress on unpaid carers. According to the [State of Caring in Wales 2022 report](#), nearly three quarters (72%) of carers were extremely worried about managing their monthly costs. These issues are compounded by Wales having a higher average population age and lower economic output than other parts of the UK. The cost of respite care is also becoming unaffordable. In Wales, a quarter of carers (24%) believe the cost of care is too high and over half (58%) are worried that they will not be able to afford services or practical support in the future.

The Care Workforce

Workers in the social care and childcare workforce are frequently facing low pay and uncertain contracts, which puts them at a higher risk of experiencing poverty compared to other sectors. Women make up more than 80% of the [childcare](#) and [social care](#) workforce in Wales.

Childcare sector

Since before the pandemic, the [Welsh childcare sector](#) has been characterised by low pay and low profit margins. Lockdowns and inflation have exacerbated workforce and sustainability challenges in the sector. Between 2021 and 2022, [Care Inspectorate Wales](#) saw a 13% reduction in childminders and an 8% reduction of registered childcare and play services overall.

Even though childcare is expensive for parents, childcare workers are [low-paid and on precarious job contracts](#). Term-time only contracts are common and almost [60% of staff](#) rely on multiple jobs or incomes. Better pay in another sector and unsuitable hours are among the [three most-cited reasons](#) for staff leaving. Many workers also felt [undervalued and underappreciated](#) during the Covid-19 pandemic. There is a lack of [staff from ethnic minorities and Welsh-speaking staff](#), which raises concerns about the ability of people to access Welsh language provisions and childcare that meets the needs of families from different backgrounds.

The Welsh Government has taken steps to support the sector in light of ongoing financial struggles. Since April 2019, registered childcare providers in Wales can receive a [100% relief on non-domestic rates](#) (business rates). Following a review, the rates relief has been [extended to March 2025](#). In April 2022, the Welsh Government [increased the hourly rate](#) paid under the Childcare Offer from £4.50 to £5. Yet the ongoing reduction in the number of childcare providers suggests that more action is needed to guarantee a robust and sustainable childcare sector in Wales.

Social care sector

The Welsh social care sector faces long-standing [recruitment and retention issues](#), which contribute to people in Wales being unable to access adequate care and support. According to [research commissioned by the Senedd](#), four in ten people did not access the social care services they needed during the pandemic, with many citing a lack of availability or staff shortages as a reason. Staffing shortages in social care also significantly impact other parts of the healthcare system, leading to delays in hospital discharges and patient flow through the hospital.

Unfilled vacancies have an enormous impact on those who are working in the sector, increasing [pressures and workloads](#) exponentially. Women from Black, Asian and minority ethnic backgrounds are overrepresented in [the most insecure and lowest-paying roles](#) and experience poorer treatment and lower awareness of employment rights.

To combat some of these challenges, the Welsh Government has introduced a real living wage for social care workers, with an [uplift to £10.90](#) announced for June 2023. However, [over two thirds](#) of social care workers in Wales are employed in commissioned services and [Unison expressed concerns](#) that some independent employers may not be passing this on to their staff.

THE BENEFITS OF INVESTING IN CARE

The care sector forms an invisible network that is key to well-being in Wales. Its importance will only increase over the coming years as we face continuing pressures on the NHS and challenges around meeting the needs of an aging population. The [Inequality in a Future Wales report](#) identifies care as a key area for action and recommends prioritising a care-led recovery to meet the needs of a changing demographic.

As the discussion shows, each part of the care crisis is connected. Unpaid carers are propping up a failing social care system. Social care and childcare workers are underpaid and undervalued, leading to high staff turnover rates and gaps in provision, which prevents unpaid carers and parents with childcare responsibilities from accessing support. Gaps in social care provisions are causing delays in hospital discharges, putting even more pressure on our NHS.

While providing care and support for others can be a valuable experience and personal choice, people in these roles are often at an increased risk of poverty and financial pressures. There is clear [evidence for the gendered nature](#) of that impact, as can be seen from the fact that women are less likely to be “economically active” than men, are three times more likely to cite caring responsibilities as the reason they are economically inactive, and are more likely to be not working or working less than their partner to accommodate caring responsibilities.

All of this demonstrates that investments in childcare and social care are key to addressing poverty and inequality, and to improve the wellbeing and resilience of our

society and economy. Polling shows that people across Wales are highly alert to these challenges. [68% of adults in Wales](#) think that care work is not valued highly enough by the Welsh Government and [7 out of 10 young voters](#) across the political spectrum in Wales want to see greater investments in childcare and social care.

There is growing evidence within and beyond the UK that investments in the care sector would promote equality, employment, and net zero targets at the same time. According to research by the [UK Feminist Green New Deal](#):

- The average job in health and care produces 26 times less greenhouse gas emissions than a manufacturing job, over 200 times less than an agriculture job and nearly 1,500 times less than a job in oil & gas.
- Investment in early education and childcare creates 2.5 times as many jobs as the same investment in construction and yields greater tax returns. It also leads to reductions in spend on social security benefits as it enables more parents - usually women - to work more hours.
- Investment in care also has a greater multiplier effect on other sectors in the economy, spurred by the expansion of the care sectors which increases the disposable income of more families.
- Compared to similar investment in construction, investments in care would generate a vastly higher number of jobs for women while creating a similar amount of jobs for men - 6.3 times as many jobs for women and 10% more for men.

A list of key publications is included at the end of this document.

THE MAKE CARE FAIR CAMPAIGN

We believe caring affects all of us and we need to work together to create a Wales where carers are treated fairly, and where high quality, affordable childcare and social care is available to everyone who needs it.

Our campaign is calling for:

- Strategic government investment in care to reduce income inequalities for paid and unpaid carers and to boost the economy.
- An extension of the childcare offer to all children from the age of six months, regardless of the parents' employment status.
- A sector-wide real living wage for social care and childcare workers, alongside better opportunities for career progression and more support for workers' mental health and well-being.
- Unpaid care work for all ages to be recognised and valued accordingly, with appropriate investment in respite care and breaks, support services and action to improve identification of unpaid carers.

Please visit our [webpage](#) to find out more about the Make Care Fair Campaign, sign up as a supporter and share your story.

KEY PUBLICATIONS

UK Feminist Green New Deal

[A Green and Caring Economy Report](#)

[A Green and Caring Economy Key Messages](#)

[A Care-led recovery from Coronavirus](#)

Health and Social Care Alliance Scotland

[Reports from Scotland's Climate Action and the social care collective roundtables](#)

European Commission

[A European Care Strategy](#)

UN Women

[Putting care for people at the centre of a sustainable and just economy](#)

Century Foundation (US based think tank):

[Care Infrastructure Is Key to an Equitable, Green Recovery from the COVID-19 Crisis](#)

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For further information, please contact:

Dr Jessica Laimann

Policy and Public Affairs Manager

jessica@wenwales.org.uk

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