Counting the Cost of Family Failure

2011 Update
About the Relationships Foundation

Relationships Foundation is the think tank for a better connected society.

We believe that a good society is built on good relationships, from family and community to public service and business.

We study the effect that culture, business and government have on relationships. We create new ideas for strengthening social connections and campaign on issues where relationships are being undermined. And we train and equip people to think relationally for themselves.

We work with a wide range of leaders in business, academia, public services and politics to implement relational ideas. Our approach goes beyond the traditional left-right political distinction and we work with any party or group that wants to engage with us.

Authors: David Wong
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Executive Summary

The cost of family failure continues to be a huge charge on the public purse. The Relationships Foundation’s annual index of the cost of family failure shows that the overall cost remains very high – at £41.74 billion. This means failed relationships cost each current UK taxpayer £1,364 a year.

Summary of the costs of family failure, 2011.*

<table>
<thead>
<tr>
<th></th>
<th>(£ billion)</th>
<th>(£ billion)</th>
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<tr>
<td><strong>Tax and Benefits</strong></td>
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<td>Tax credits</td>
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<tr>
<td></td>
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<tr>
<td><strong>Housing</strong></td>
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<tr>
<td>Housing benefit and council tax benefit</td>
<td>4.41</td>
<td></td>
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<tr>
<td>Emergency housing following domestic violence</td>
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<td><strong>Health and Social Care</strong></td>
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<tr>
<td>Physical health</td>
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<td>Mental health</td>
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<td>Social services and care</td>
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<td>Children in care</td>
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<td><strong>Civil and Criminal Justice</strong></td>
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<td>Child Maintenance &amp; Enforcement Commission</td>
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<td>Disciplinary and behavioural problems</td>
<td>1.12</td>
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<td>Vandalism and criminal damage in schools</td>
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<td>Education Maintenance Allowance</td>
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<tr>
<td></td>
<td><strong>2.92</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total costs of family breakdown</strong></td>
<td></td>
<td>41.74</td>
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* The sum of items making up the sub-totals may differ slightly to the published sub-totals due to rounding up.
This latest update follows our two previous editions of this annual index. It shows a marginal increase from the previous year’s total of £41.67 billion and a substantial increase from £37.03 billion in 2009. Apart from health and social care and education and young people NEET, both of which show a slight drop this year, all other areas show an upward trend since we began with the first edition of our index in 2009. The relative sizes of the components have remained stable. Health and social care remained the largest component of the five throughout the three years, followed by tax and benefits, civil and criminal justice, housing, and education and young people NEET. Although the current figure continues to show an upward trend, it does not take into account the often intense pain and suffering felt by those experiencing family failure.

This edition’s figure of £41.74 billion is equivalent to nearly 3% of the UK’s GDP, 26.1% of government net borrowing and 4.2% of general government debt. It is also equivalent to about half of the £81 billion worth of planned cuts in overall public spending.

Only when this cost is taken seriously will people recognise how important relationships are to wellbeing and happiness. Family breakdown reduces health, wealth and wellbeing – the three things in which people are most interested. Reduced health, wealth and wellbeing all put pressure on relationships, thus reinforcing and perpetuating the vicious circle of breakdown.

Policy-makers and politicians can, and should, make informed choices in terms of public motivation, opportunity and support which will lead to more stable relationships, thriving lives and thereby reduce the costs of relationships failure. Unfortunately, there are no easy solutions or quick fixes to relationships breakdown. This £41.74 billion spending burden is unsustainable in the current economic climate, but can be reduced by supporting and encouraging relationships. Reducing pressure on relationships can ensure they work better and last longer. As the old saying goes, prevention is better than cure. Relationships education can be helpful in helping to prevent breakdown in family relationships.
1. Introduction

1.1 What is family failure?

Functioning families are extremely important for learning, capacity building, acquiring skills and providing welfare. They provide social care and support worth £73 billion a year in the UK. Family businesses generate turnover in excess of £1 trillion, contributing £73 billion each year in taxes alone.\(^1\)

It is an unpopular truth that choices people make have consequences and costs, and that these are not always borne by the decision-maker. Some choices are counter-productive for good and strong family relationships, and may instead lead to family breakdown. Family breakdown reduces health, wealth and wellbeing – the three things in which people are most interested. Reduced health, wealth and wellbeing all put pressure on relationships, thus reinforcing and perpetuating the vicious circle of breakdown.

In scholarly literature, family breakdown has been defined as follows:

“In essence, family breakdown and dissolution occurs when family members can no longer agree sufficiently on the rules for their relationship. The structure becomes uncoupled and two separate family units result.”\(^2\)

The Relationships Foundation’s annual index of the cost of family failure seeks to calculate and estimate the costs involved when family relationships fail. It includes not only the structural failure defined in the quote above, of which marriage breakdown is a prime example, but also the many dysfunctional families where relationships are clearly fractured. It includes the costs of domestic violence as these costs are clearly associated with relationship failure, even though family or household members may stay together, at least for a time. It focuses in particular on the relationships between couples, and also between parents and their children.

Whilst there is often relief when children are not involved, the pain and trauma of any couple relationship ending should not be underestimated. When children are involved the situation is often more complex and fraught with tension. For many it is like a bereavement, bringing with it feelings of grief and loss. Our calculations also include those who become parents without any form of ongoing relationship. The initial relationship within which the child is conceived no longer exists and has therefore, by definition, failed. Lone parenthood is a growing family type in the UK, accounting for 26% of all families with dependent children in 2009.\(^3\)
1.2 The wider costs of failure to our society

Family breakdown is a raw and painful experience for all who are involved. People, and their relationships with others, are affected in different ways. Some carry the losses with them the rest of their lives, while others are able to move on and rebuild more quickly. Relationships cost a great deal more than money, but the escalating financial and broader emotional costs should motivate policy-makers to increase their support for relationships.

When relationships break down the full costs are virtually incalculable. As Relate has noted:

“Family breakdown is a private tragedy, but on a wider scale is also a matter for public concern. Looking at social and family policy questions across government shows that family breakdown contributes to a wide variety of social problems, causing distress for individuals, families and communities.”

While our index seeks to update our estimate of the financial costs of family failure to the public purse, the broader costs to society and the human and emotional costs can clearly not be included in any figure. As relationships continue to fracture and the consequences multiply, the costs will undoubtedly continue to grow. Beyond the weakness of dependence and the loneliness of isolation comes the mature interdependence of people in relationships. Freedom and choice are vital. Equality and fairness are essential. But they must be held together by productive and responsible relationships.

1.3 How do you measure the cost of relationship breakdown?

Commenting specifically on the breakdown of marriages, the Hart Report in 1999 noted both the direct and indirect financial costs as well as the unquantifiable emotional damage that result:

“Marital breakdown inflicts enormous damage on many of the people involved – not only the couples, but their children, and others – and on society. In 1994 the costs of family breakdown to the public purse were estimated at between £3.7 billion and £4.4 billion a year. …… It is likely that today public spending caused by family breakdown is running at about £5 billion a year. There are also indirect costs, such as those arising from damage to children’s education, from subsequent criminal behaviour and from the impact of breakdown on the use of housing stock. Nor is it simply a question of financial costs. The human misery resulting from marital conflict and breakdown is immense.”

Research produced by Family Matters a decade ago conservatively estimated the direct costs of family breakdown at £15 billion. This figure was updated by the Centre for Social Justice, which suggested that the cost of family breakdown was nearer to £20-24 billion, or £680-820 for every taxpayer. Estimating the cost of breakdown is difficult but possible. This latest edition of our
annual index of the cost of family failure builds on previous editions by updating the figures as appropriate. The index addresses the overall cost of family failure by examining the component costs in five broad areas – Tax and Benefits, Housing, Health and Social Care, Civil and Criminal justice, and Education and Young People Not in Education, Employment or Training (NEET).

1.4 Technical note

While this edition of the index is comparable with the previous two editions, several adjustments have been made as part of the effort to refine its methodology and improve its overall rigour of estimation.

The data used for calculations in this edition is based, insofar as they are available, on the public accounts financial year 2008-09, i.e. year ending 31 March 2009. This allows for the index to build upon previous years’ calculations, which were based mostly on figures in the preceding years. This edition has, however, harmonised any financial year inconsistencies that appeared in previous editions of the index. Where data for 2008-09 is not readily available, best estimates are calculated, usually by extrapolating from the trends in the preceding years and by adjusting for inflation.

Where adjustments for inflation are made, figures are obtained by using the Bank of England’s Inflation Calculator, available at (http://www.bankofengland.co.uk/education/inflation/calculator/flash/index.htm). Using a figure provided for the base year, the Calculator returns a figure for the desired year and the average inflation per annum for the duration.

This edition also expands the components of the index. Whereas previous editions included only HM Courts Service as a sub-component of Civil and Criminal Justice, this edition includes a wider array of court and legal services related to family breakdown, such as HM Courts Service, the Parole Board, the Youth Justice Board, the Criminal Injuries Compensation Authority and others. Also, while previous editions considered Education as a whole component, this edition refines it by breaking it down to six sub-components, namely disciplinary and behavioural problems, vandalism and criminal damage in schools, free school meals, Education Maintenance Allowance, tertiary education and young people NEET.

Most of the assumptions for calculation adopted in this edition follow those in the previous editions. Where they are different, they have been adjusted to better reflect present realities and as part of the continuing methodological refinement.

A constant problem in any similar indices or studies on the UK is the inevitable country-related inconsistencies. This problem is obviously rooted in the devolution of power that has resulted in the application of different jurisdiction in different countries. As such, some available data from the central Government and its related bodies/agencies covers the entire UK, whereas other data covers only England and Wales. For instance, while figures in the Office for National Statistics’
UK Health Statistics publication represent the entire UK, figures from the NHS (published usually by The Health and Social Care Information Centre) are often representative of only England. Similarly, while official figures on tax credits cover the entire UK, those on Housing Benefit cover only Britain and those on crime only England and Wales. There is mixed representation for data on education, with most covering only England but some also include Wales. Apart from extrapolating and adjusting for harmonised financial year estimates as described above, our index is built on data that is published. To safeguard the integrity of our index, we have decided to use only available information as released by the Government and its related bodies/agencies and from credible sources including research studies. We have resolved not to make up figures that are unavailable for certain countries, even if this means country-related inconsistencies will remain.

Figures in the text are often rounded to two decimal places, but figures with more decimal places are usually used in calculations proper in order to enhance accuracy. It is safe to assume that where slight discrepancies occur between total figures and the sum of their parts, they can be solely attributed to rounding up.
2. Tax and Benefits

When relationships fail and families separate, the tax and benefit system often picks up part of the bill. Few of those involved in divorce or separation become financially better off as a result. Women generally have custody of the children, meaning they bear most of the former household costs, while their ability to earn is reduced by their care responsibilities. In fact, 60% of women who divorce go onto social security benefits immediately.\(^8\) The cost of running two households means it is extremely rare for all parties to be better off financially after separating, even if no children are involved.

2.1 Tax credits

Tax credits were introduced as a form of means-tested social security benefit. Those responsible for at least one child or young person may qualify for a Child Tax Credit (CTC). Those who are in work, but earn low wages, may qualify for Working Tax Credit (WTC).

The Government paid out £25.12 billion to tax credit claimants in 2008-09.\(^9\) There were 6.12 million families receiving tax credits, of which 2.24 million were “single adult with children” families.\(^10\) Data published for the financial year 2006-07, during which 5.96 million families received tax credits, revealed that a further £467 million was spent administering these payments.\(^11\) Updated information on this, however, was not published. Using available data on the number of families receiving tax credits and average inflation, we have estimated the cost of administering tax credits in 2008-09 to be

\[
\text{Payout + Administration} = \frac{6.12 \text{m families}}{5.96 \text{m families}} \times £467 \text{m} \times \text{Average inflation 1.7\% p.a.} \\
= £496.012m
\]

Hence the total cost of tax credits in 2008-09 was

\[
\text{Cost of Tax Credits} = £25.117b + £0.496b \\
= £25.613b
\]

A quarter of all couple families were on benefits. Assuming that a quarter of the lone parent families would be on benefits even if they were in a couple relationship, or if they were not lone parents, we can use the remaining 75% to find the basic cost of tax credits attributable to lone parents due to family breakdown. On a pro-rata basis the amount of tax credits spent on lone parents was

\[
\text{Cost of Tax Credits for Lone Parents} = £25.613b \times \frac{0.75 \times 2.242 \text{m families}}{6.12 \text{m families}} \\
= £7.037b
\]
however, jill kirby has noted that lone parents receive more child-contingent support (in tax credits and benefits) than an equivalent couple household. lone parent households are five times more likely than couples to be receiving welfare payments and more than twice as likely to be receiving tax credits. lone parents receive average tax credit and benefit payments five times larger than couples.

around half of all lone parent households are workless, mainly due to childcare duties, compared to 7% of couple households. a survey found that 60% of married mothers were in full- or part-time work, compared to 46% of lone mothers. the 2001 census found that just 21.4% of lone mothers work full-time. the childcare element of tax credits was paid to 173,600 couple families and 296,800 lone parents in 2008-09. of the in-work families receiving wtc and ctc, 829,600 were couples and 974,800 were lone parents. there were 276,200 couples as against 873,700 lone parents receiving the maximum out-of-work families with children award.

it is clear that lone parent families receive more than a pro-rata share. three times as many lone parents receive the maximum out-of-work award as couples. we therefore conservatively estimate that lone parents receive 25% more than the “basic share” of £7.04 billion above. taking this into account, the estimated amount of tax credits paid to lone parents owing to family breakdown in 2008-09 was

\[ = 7.037b \times 1.25 \]
\[ = £8.797 \text{ billion} \]

2.2 lone parent benefits

many lone parents do an excellent job in very difficult circumstances. however, the failure, for whatever reason, of a previous relationship imposes costs on the benefits system. lone parents with children under the age of 16 can claim benefits by virtue of being single parents. the government is in the process of changing this. however, given that this edition of the index uses data from the financial year 2008-09, the calculations are not affected by the proposed changes.

data from the department of work and pensions shows that, while couples with children claimed only £950 million, the total amount of income claimed by singles with children in 2008-09 was £3.79 billion.

<table>
<thead>
<tr>
<th>total tax and benefits costs</th>
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<td>tax credits</td>
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<tr>
<td>lone parent benefits</td>
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<tr>
<td>total cost for tax and benefits attributable to family breakdown in 2008-09</td>
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</table>
3. Housing

3.1 Housing Benefit and Council Tax Benefit

Housing Benefit (HB) and Council Tax Benefit (CTB) totalled £19.73 billion in 2008-09. 910,000 lone parents claimed HB at an average weekly rate of £89. The total amount claimed was £4.24 billion. 860,000 lone parents claimed CTB at an average weekly rate of £15. The total amount claimed was £660 million.\(^19\)

Findings from a Government research report show that 44% of lone parents received HB compared to 5% of couples, while 55% of lone parents received CTB compared to 7% of couples.\(^20\) Official data shows that lone parent recipients of HB and CTB outnumbered couple with children recipients by nearly 3 to 1 and 2.5 to 1 respectively in 2008-09.\(^21\)

We therefore assume that a large percentage of the HB and CTB claimed by lone parents would not have been paid if they were in a couple relationships. We have reduced the total amount claimed by lone parents by 10% to reflect the amount that would still be claimed even if they were in a couple relationships.

Hence, the total amount of HB and CTB claimed by lone parents in 2008-09 attributable to family failure was

\[
= (\text{£4.24b} + \text{£0.66b}) \times 0.9 \\
= \text{£4.41 billion}
\]

3.2 Emergency housing following domestic violence

The Cost of Domestic Violence report estimates the state spent £129.65 million on providing much needed emergency housing following domestic violence in 2001.\(^22\) A recent update of the report puts the total cost (including public cost) of emergency housing following domestic violence in 2008 at £196 million (2001: £157.86 million).\(^21\) However, it does not spell out the portion of the total cost that was borne by the public purse. While the former report also suggests that Housing Benefit paid to homeless families following domestic violence totalled £37.46 million in 2001, the latter report does not provide similar information.

As such, in order to estimate the cost to the public purse of providing emergency housing following domestic violence in 2008-09 without double-counting HB, we have to first estimate the public cost of emergency housing following domestic violence 2008

\[
= \text{public cost as a percentage of total cost in 2001} \times \text{total cost in 2008} \\
= (\text{£129.65m} / \text{£157.86m}) \% \times \text{£196m}
\]
= 82.13% x £196m  
= £160.97m ........................................................................................................(i)

Information from the British Crime Survey shows a decline in the incidence of domestic violence from 626,000 incidents in 2001-02 to 293,000 incidents in 2008-09. Given that we are comparing 2001 and 2008, ideally figures from 2000-01 and 2007-08 are used. However, data on the incidence of domestic violence in 2000-01 is unavailable, hence necessitating the use of 2001-02 and, as a matter of consistency, 2008-09 data as proxies for figures in the immediately preceding years.

Assuming cost of HB paid to homeless families following domestic violence is proportional to incidence of domestic violence, a fall of 53.19% in incidence of domestic violence between 2001 and 2008 should produce a corresponding fall in the cost of HB in 2008 to £17.54m, before adjusting for inflation. The figure after being adjusted for inflation is

= £17.54m x average inflation 3.1% p.a.  
= £21.74m ........................................................................................................(ii)

We can now estimate the total public expenditure on emergency housing following domestic violence (net of HB) in 2008-09 to be

= [ (i) – (ii) ] adjusted for inflation  
= (£160.97m – £21.74m) inflation -0.5% p.a.  
= £138.49 million

<table>
<thead>
<tr>
<th>Total housing costs</th>
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<tbody>
<tr>
<td>Housing benefit and council tax benefit</td>
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<tr>
<td>Emergency housing following domestic violence</td>
</tr>
<tr>
<td>Total cost for housing attributable to family breakdown in 2008-09</td>
</tr>
</tbody>
</table>
4. Health and Social Care

Health and social care costs are those incurred by GPs and other healthcare professionals, and social and care workers in dealing with the health and care consequences of family breakdown. These consequences include a myriad of physical problems, stress and depression, sexual diseases, excessive drinking and smoking, foster care, bed blocking as there are no relatives to offer help, and a variety of other increased care costs incurred because the family cannot offer normal support.

Research shows that those who are divorced are consistently more likely to suffer from a range of diseases and conditions which place a burden on the NHS. People who are divorced are more likely to suffer from diseases of blood and blood-forming organs, diseases related to the circulatory and respiratory systems, mental disorders, and injury and poisoning.\(^{25}\)

A more recent study involving 8,652 people aged 51-61 has confirmed that divorce has a lingering and detrimental impact on health, not least due to a drop in household income and the stress that develops over issues such as shared childcare. By contrast, marriage tends to bring an immediate health benefit, in that it improves health behaviours for men and financial wellbeing for women.\(^{26}\)

4.1 Physical health

Divorced men and women are about 35% more likely to consult their GPs than those who are married,\(^{27}\) while children of divorced parents are 50% more likely to be admitted to hospital\(^{28}\) or to suffer accidental injury or poisoning than children whose parents are not divorced.\(^{29}\) *The Exeter Family Study* compared 76 intact families with 76 families reordered by separation or divorce, matching them for age and gender and socio-economic background. There were 27 children with three or more current health problems in the reordered families compared with only nine for those in intact families. Those who had experienced multiple family disruptions reported the most problems.\(^{30}\)

4.1.1 GPs

Official figures show that the total cost of GPs was £8.63 billion in 2008-09.\(^{31}\) Excluding other costs listed below, it is estimated that some 15% of all GP visits were related to family breakdown. This would equate to a cost of

\[
= £8.63b \times 0.15 \\
= £1.295b
\]
4.1.2 Injuries as a result of domestic violence

The Cost of Domestic Violence report puts healthcare costs as the biggest portion of the overall bill as a result of injuries sustained from domestic violence.\textsuperscript{32} Table 1 lists the figures as presented in the original and updated editions of the report.

Table 1: Healthcare costs of treating injuries that result from domestic violence, 2001 and 2008.

<table>
<thead>
<tr>
<th>Total healthcare costs related to domestic violence injuries</th>
<th>2001</th>
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<tbody>
<tr>
<td>Of which were</td>
<td>2008</td>
</tr>
<tr>
<td>• NHS costs</td>
<td>£1.209b</td>
</tr>
<tr>
<td>• Patient-borne (private) costs</td>
<td>£11.743m</td>
</tr>
<tr>
<td>• Related mental health costs</td>
<td>£176m</td>
</tr>
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</table>


While the 2004 report provides an estimate of the cost to the NHS of physical injuries from domestic violence in 2001, the updated edition in 2009 does not provide similar information. It is therefore necessary to estimate the current cost to the public purse of treating physical injuries from domestic violence by extrapolating the figures from 2001.

From the available information, we can calculate mental health and patient-borne (private) costs as a percentage of total healthcare costs related to domestic violence injuries in 2001. The combined percentage was

\[
= \left[ \frac{\£176m + \£11.743m}{\£1.396b} \right] \%
= 13.45\%
\]

Assuming that the respective mental health and private costs remained in similar proportions out of the total healthcare costs of treating physical injuries from domestic violence in 2008, the NHS portion of the total costs in 2008 can there be determined as

\[
= \£1.73b (100\% - 13.45\%)
= \£1.73b \times 0.8655
= \£1.497b
\]

Mental health costs related to domestic violence are omitted here in order to avoid double-counting, as they are include within overall mental health costs in section 4.2.
After adjusting for inflation, the NHS costs of treating physical injuries from domestic violence in 2008-09 can be expressed as

\[ £1.497b \times \text{inflation -0.5\% p.a.} \]

\[ = £1.489b \] 

(iv)

### 4.1.3 Risky behaviours

People who suffer from the strains and stresses of family breakdown, particularly those who are divorced, are more prone to engage in risky, unhealthy behaviours such as smoking, excessive drinking and participating in unsafe sex. The consequences of these accrue not only to the individuals themselves but also to the public purse in the form of healthcare costs.

Divorcees of both sexes are more likely to smoke than married people.\(^{33}\) Although the latest figures are not available, NHS costs of treating smoking-related problems were as high as £5.2 billion 2005-06, although hospital admissions attributable to smoking had fallen from 571,400 in 2005-06 to 462,900 in 2008-09.\(^{34}\)

Assuming NHS costs of treating smoking-related problems are proportional to hospital admissions attributable to smoking, NHS costs of treating smoking-related problems in 2008-09 can be expressed as

\[ \frac{\text{Admissions 2008-09}}{\text{Admissions 2005-06}} \times \text{NHS costs 2005-06} \]

\[ = \frac{462,900}{571,400} \times £5.2b \]

\[ = £4.213b \] 

(v)

Over three times as many divorced men as married men reported drinking in excess of 50 units of alcohol per week.\(^{35}\) This is cited as a key factor contributing to the increased rate of accidents experienced by divorced people, as marriage breakdown very often leads to an impaired ability to concentrate, tiredness and lowered performance – all factors associated with increased risk of accidental injury. A Government report published in 2008 estimated the cost of alcohol harm to the NHS to be as large as £2.7 billion using 2006-07 prices.\(^{36}\) Although no recent figures have been published, we can estimate the cost of alcohol harm to the NHS in 2008-09 using figures on hospital admissions attributable to alcohol\(^{37}\) (Figure 1).

By first calculating the average increase in hospital admissions attributable to alcohol between 2002-03 and 2007-08, we can then estimate the number of similar admissions in 2008-09, which can be expressed as

\[ \text{Admissions 2007-08} \times \text{Average increase in admissions between 2002-03 and 2007-08} \]

\[ = 863,300 \times 0.1112 \]

\[ = 959,299 \]
Figure 1: Hospital admissions attributable to alcohol, 2002-03 to 2007-08.*

* At the time of publication, updated information on alcohol-related hospital admissions in 2008-09 was still unavailable.


Assuming NHS costs of treating alcohol-related problems are proportional to hospital admissions attributable to alcohol, NHS costs of treating alcohol-related problems 2008-09 was

\[
\text{NHS costs 2008-09} = \left( \frac{\text{estimated admissions 2008-09}}{\text{admissions 2006-07}} \right) \text{NHS costs 2006-07}
\]

\[
= \left( \frac{959,299}{799,100} \right) £2.7b
\]

\[
= £3.241b
\]  

Divorced men report the highest rate of unsafe sex, as measured by multiple partnerships and the lack of condom use. It is widely acknowledged that married people engage in less risky sexual behaviour in general. The annual cost of treating sexually transmitted infections (STIs) in 2004 was estimated to be in excess of £700 million.\(^{38}\) Although no updated figures are available, we can estimate the increased NHS cost of treating STIs in 2008-09 by using a simple inflation factor. We estimate the NHS cost of treating STIs in 2008-09 was

\[
= £700 \text{ million x average inflation } 2.7\% \text{ p.a.}
\]

\[
= £801.22m
\]  

Consistent with the percentage that we use in attributing the costs in other areas of health and social care to family breakdown, we conservatively estimate that 15% of the NHS costs of
treating problems associated with smoking, alcohol and STIs can be attributed to family failure. This figure equates to

\[ [ (v) + (vi) + (vii) ] \times 0.15 = (£4.213b + £3.241b + £801.22m) \times 0.15 = £1.238b \] ..........................(viii)

### 4.1.4 Prescriptions

The cost of prescriptions in England in 2009 was £8.54 billion, of which 94% were dispensed free of charge.\(^{39}\) It is very likely that a significant number were prescribed for conditions related to, or exacerbated by, relationship breakdown. Lone parents who suffer from a greater range of medical conditions are more likely to receive free prescriptions. Given that those who suffer breakdown are more likely to need medication and less likely to pay, we have likewise included 15% of the total cost of prescriptions in 2008-09 as the proportion that was attributable to family breakdown

\[ £8.539 \text{ billion} \times 0.15 = £1.281b \] ..........................(ix)

We can now estimate the total public cost of treating physical health problems attributable to family breakdown in 2008-09 to be

\[ (iii) + (iv) + (viii) + (ix) = £1.295b + £1.489b + £1.238b + £1.281b = £5.303 \text{ billion} \]

### 4.2 Mental health

The NHS spends £10.42 billion a year on mental health issues.\(^{40}\) The Children’s Society’s *The Good Childhood Inquiry* found the primary cause of mental health problems in children to be family breakdown.\(^{41}\) Accounting for demographic factors, children from single parent households are twice as likely to be unhappy, have low self-esteem or mental health problems.\(^{42}\) A survey for the Office for National Statistics carried out in 1999 found that children of lone parents were approximately twice as likely to have a mental disorder as the children of married or cohabiting parents, at 16% and 8% respectively.\(^{43}\)

The impact of family breakdown on the mental health of children and adults is one of the most significant health costs. Although those who have been directly involved in family breakdown represent between 20% and 25% of the total population, they are almost twice as likely to see their mental health suffer. As such, and in keeping with our practice across most areas in health
and social care, we estimate 15% of all mental health costs to the NHS in 2008-09 were attributable to family breakdown, giving a figure of

\[ £10.416b \times 0.15 \]
\[ = £1.562 \text{ billion} \]

### 4.3 Social services and care

The updated *The Cost of Domestic Violence* report puts the cost of domestic violence to social services at £283 million.\(^4^4\) .................................................................(x)

Local authorities in England spent £16.08 billion on adult social care services in 2008-09.\(^4^5\) In the same financial year, the expenditure on services for children and families totalled £5.99 billion, or £3.37 billion if the amount spent on children looked after is omitted.\(^4^6\) This amount was spent on a variety of services such as safeguarding vulnerable children, substances misuse services, teenage pregnancy services, adoption services and special guardianship support. We conservatively estimate that two-thirds of this amount can be attributed to family breakdown, giving a figure of

\[ £3.367b \times 0.6667 \]
\[ = £2.245b \] .................................................................(xi)

In the same financial year, £9.08 billion was spent on services for older people who required more care from the state as families played a lesser role in their lives. While older people are mainly cared for by their spouse or their children, children of divorced parents are less likely to have close relationships as adults with their fathers and are less likely to give financial assistance to them.\(^4^7\) They are also less willing to let a sick or ageing father live with them.\(^4^8\) We therefore conservatively estimate that some 10% of the cost associated with care services for older people can be attributed to such relationship breakdown, hence giving a figure of

\[ £9.08b \times 0.1 \]
\[ = £908m \] .................................................................(xii)

The remaining £7.0 billion of the adult social care budget was spent on adults in a variety of circumstances. We assume only 5% of this was related to adults dealing with family breakdown, giving a figure of

\[ £7.0b \times 0.05 \]
\[ = £350m \] .................................................................(xiii)

Our estimate the total public cost of social care and services (excluding children looked after) attributable to family breakdown in 2008-09 is
\[
= (x) + (xi) + (xii) + (xiii) \\
= £283m + £2.245b + £908m + £350m \\
= £3.786 billion
\]

### 4.4 Children in care

There were 60,900 looked after children as at 31 March 2009, representing a 2% increase on the previous year’s figure of 59,400 and relatively unchanged compared to the 2005 figure of 61,000.\(^{49}\) The Cost of Domestic Violence report suggests it costs the state £500 per week to keep a child in care,\(^{50}\) while another report notes that the Government spent £2.5 billion looking after these children in 2005 – the equivalent of over £40,000 on each child.\(^{51}\) At the House of Lords, Baroness Seccombe noted that of the approximately 60,000 children living in care 98% were there due to family breakdown.\(^{52}\)

In 2008-09, public expenditure on children in care totalled £2.62 billion.\(^{53}\) Using the figures provided in the House of Lords, we estimate the total cost of children in care services attributable to family breakdown to be as much as

\[
= £2.621b \times 0.98 \\
= £2.569 billion
\]

<table>
<thead>
<tr>
<th>Total health and social care costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical health</td>
<td>£5.303 billion</td>
</tr>
<tr>
<td>Mental health</td>
<td>£1.562 billion</td>
</tr>
<tr>
<td>Social services and care</td>
<td>£3.786 billion</td>
</tr>
<tr>
<td>Children in care</td>
<td>£2.569 billion</td>
</tr>
<tr>
<td><strong>Total cost for health and social care attributable to family breakdown in 2008-09</strong></td>
<td><strong>£13.22 billion</strong></td>
</tr>
</tbody>
</table>

Given that the total expenditure on health and personal social services in England reached a staggering £113.81 billion (UK: £138.56 billion) in 2008-09, our estimate of the amount attributable to family failure equates to just 11.62% of total spending in England (UK: 9.54%).\(^{54}\)
5. Civil and Criminal Justice

5.1 Police

Despite the reported fall in long-term trends of crime, the Home Office’s own survey carried out in August 2008 shows that 9% of the public worried about becoming a victim of crime on a daily basis, almost double the 5% who said the same in February 2008, while 20% feared being a victim every couple of weeks, compared to 10% almost a year prior. 59% of people attributed the fact that they were more frightened or anxious than they used to be to the risk of crime. Interestingly, as many as 30% of respondents in the 2008-09 British Crime Survey identified the main cause of crime as the lack of discipline from parents. Conventional logic asserts that offenders from broken homes are even much less likely to receive proper discipline from parents, who in many cases are either absent or have separated or divorced.

Children looked after, 98% of whom come from broken families, are more prone to committing crime and end up in the criminal justice system. Official figures show that children looked after are twice as likely to be cautioned or convicted for an offence. 9% of children looked after aged 10 or above were cautioned or convicted for an offence in 2009, just over twice the rate for all children of this age. An analysis of 4,000 offenders by the Youth Justice Board found that a staggering 70% were from broken families. Young men from lone parent families are 1.6 times as likely to be persistent offenders as those from dual parent families. The effects of living in lone parent families seem to operate indirectly, through reduced levels of parental supervision.

The total expenditure on police services in 2008-09 was £18.724 billion. We conservatively assume that some 27.5% of officers’ work and time were spent dealing with cases and tasks that can be traced to broken families. We therefore estimate that the cost of police services attributable to family breakdown in 2008-09 was as high as

$$= £18.724 b \times 0.275$$

$$= £5.149 billion$$

5.2 Prisons

The Centre for Social Justice claims 70% of young offenders come from single parent families. 27% of the prison population had been taken into care as a child, compared to 2% of the general population, while 47% male and 50% had run away from home as a child, compared to 11% of the general population. 71% of children in custody have been involved with, or in the care of, social services before entering custody, while 75% have lived with someone other than a parent at some time, compared with only 1.5% of children in the general population. Two out of five girls and one out of four boys in custody report suffering violence at home. It is
arguable that family breakdown was a key contributory factor to many of these statistics. Whereas, according to research published by the Government, having family ties can reduce the likelihood of reoffending by 39%.

The National Offender Management Service’s net operating cost for 2008-09 stood at £4.94 billion compared to £4.23 billion in the previous year, an increase of 16.95%. We estimate a quarter of all prisons costs can be attributed to family breakdown. This equates to

\[ \text{\£}4.944\text{b} \times 0.25 = \text{\£}1.236 \text{ billion} \]

### 5.3 Court and legal services

When detainees are charged and brought to court, a number of costs associated with court and legal services may be incurred. Insofar as cases with roots in family failure are concerned, costs may be incurred on not only HM Courts Service but also a number of other bodies within the civil and criminal justice system. Table 2 lists the net operating costs of the bodies whose function may be invoked should cases related to or derived from family failure be brought to court.

<table>
<thead>
<tr>
<th>Body</th>
<th>(£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HM Courts Service</td>
<td>1,483.74</td>
</tr>
<tr>
<td>Tribunals Service</td>
<td>309.84</td>
</tr>
<tr>
<td>Office of the Public Guardian</td>
<td>6.64</td>
</tr>
<tr>
<td>Youth Justice Board</td>
<td>459.34</td>
</tr>
<tr>
<td>Criminal Injuries Compensation Authority</td>
<td>254.50</td>
</tr>
<tr>
<td>Criminal Cases Review Commission</td>
<td>6.04</td>
</tr>
<tr>
<td>Parole Board</td>
<td>8.36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,528.46</strong></td>
</tr>
</tbody>
</table>


As in the cost of prisons, we estimate a quarter of all court and legal services costs can be attributed to family breakdown. This equates to

\[ \text{\£}2.528\text{b} \times 0.25 = \text{\£}632 \text{ million} \]
5.4 Legal aid

The Community Legal Service (CLS) is a network of solicitors, barristers and advice agencies which provides and promotes publicly-funded civil and family legal advice and representation. The total CLS Fund expenditure in 2008-09 was £914.7 million, up from £703.4 million the year before. Out of that total in 2007-08, £531 million was spent on family cases. The amount spent on family cases in 2008-09 was not published. However, average Licensed Work case costs increased by 4% for both family work and non-family work in the same year. Based on this information, we assume that the amount spent on family cases from the CLS Fund in 2008-09 was proportional to the increase in average Licensed Work case costs, thus giving a figure of

\[ = £531m \times 1.04 \]
\[ = £552m \]…………………………………………………………………………..(xiv)

The Criminal Defence Service (CDS) likewise provides publicly-funded legal advice and representation to people being investigated or charged with a criminal offence. The total CDS expenditure in 2008-09 was £1.18 billion. In keeping with the principle used in estimating the cost of family failure to court and legal services, we assume a quarter of the CDS cost can be attributed to family breakdown. This equates to

\[ = £1.176b \times 0.25 \]
\[ = £294m \]…………………………………………………………………………..(xv)

Therefore, our estimate the total cost of legal aid attributable to family breakdown in 2008-09 is

\[ = (xiv) + (xv) \]
\[ = £552m + £294m \]
\[ = £846 million \]

5.5 Child Maintenance & Enforcement Commission

The Child Support Agency (CSA) was set up in 1993 in response to the growing concerns that the increasing cost of raising children in one-parent households was placing an unfair burden on the taxpayer. In November 2008 the newly-established Child Maintenance and Enforcement Commission (CMEC) took over the responsibilities for the CSA’s functions from the Department for Work and Pensions, and since then has continued to operate the existing statutory maintenance scheme through a division operating under the CSA brand.

It has been argued that since every child has two parents, why the state should be obliged to direct more resources towards parents who ceased to live together than to those who continued under one roof. As such, it stands to argue that the entire operating cost of the CMEC (incorporating CSA) in 2008-09, which totalled £601.4 million, was directly related to family
failure, for the Commission itself would not have existed should parents not cease to live together.

**Total civil and criminal justice costs**

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>£5.149 billion</td>
</tr>
<tr>
<td>Prisons</td>
<td>£1.236 billion</td>
</tr>
<tr>
<td>Court and legal services</td>
<td>£0.632 billion</td>
</tr>
<tr>
<td>Legal aid</td>
<td>£0.846 billion</td>
</tr>
<tr>
<td>Child Maintenance &amp; Enforcement Commission</td>
<td>£0.601 billion</td>
</tr>
<tr>
<td><strong>Total cost for civil and criminal justice attributable to family breakdown in 2008-09</strong></td>
<td><strong>£8.464 billion</strong></td>
</tr>
</tbody>
</table>

To put things into perspective, according to *The Cost of Domestic Violence* report, domestic violence alone costs the criminal justice system £1.26 billion per year. However, the report takes into account only the police, prosecution services, courts, probation services and prisons. Against the backdrop of this figure, our estimate of the cost of civil and criminal justice attributable to family breakdown would appear conservative.
6. Education and Young People NEET

A comprehensive review of research evidence on the impact of divorce and separation on the outcomes for children shows that children of separated parents perform less well in school and gain fewer educational qualifications, experience behavioural problems and leave school and home when young.\(^75\)

Family failure affects children’s educational attainment and behaviour in and attitude towards school. Delegates at the annual conference of the Association of Teachers and Lecturers in 2008 said chaotic home lives and poverty made children unable to learn.\(^76\) Research consistently shows that optimal school outcome is significantly associated with increased parental education, child-rearing by two parents and stability in family composition and geographic residence.\(^77\) Children in care, 98% of whom come from broken families,\(^78\) are the lowest achieving social group. Only 15% of children looked after obtained at least 5 GCSEs or GNVQs at grades A* to C, compared to 70% of all school children in year 11.\(^79\) They are also much more likely than their peers to be “not in education, employment or training” (NEET).\(^80\)

Lone parenthood is a growing family type, accounting for 26% of all families with dependent children in 2009. In the same year, 3.2 million dependent children (24%) lived in lone parent families. This figure is rising as an increasing number of children are born outside marriage. In 2008 there were 320,800 live births outside marriage in England and Wales, accounting for 45% of all live births that year. 21% were registered by parents living at different addresses, while 14% were solely registered.\(^81\) This growing group of children do less well at school, have more mental illness issues and are more disruptive. They are also 75% more likely to suffer educational failure.\(^82\) While educational failure might result in a host of potential personal lifetime costs, such as reduced earnings and employment opportunities and impaired social mobility, there are a number of education-related costs associated with family breakdown that the taxpayer has to shoulder annually.

6.1 Disciplinary and behavioural problems

In broken homes, parents are often not available to assist with homework and to encourage learning and basic skills. The General Secretary of the National Union of Head Teachers complained that teachers had to spend time giving children the social skills that should have been given by the family.\(^83\) He also noted that parents weren’t feeding their children properly and ensuring they got a good night’s sleep. That teachers are increasing forced to spend time shouldering parents’ responsibilities is a view that was shared by the General Secretary of the teachers’ union Voice, who warned that a decline in parenting skills had created a generation of children without moral boundaries, resulting in teachers being increasingly forced to discipline bad behaviour and take on the role of bringing up children.\(^84\) While any parent might be guilty of the so claimed poor parenting skills, children from broken families suffer worse because they
do not in the first place receive much parenting at all, let alone good parenting. One unfortunate consequence of this is that teachers are forced to pick up the pieces, often at the expense of precious teaching or instruction time.

Children from dysfunctional and broken families are more likely to exhibit behaviour difficulties and are therefore more likely to face exclusion. For instance, children looked after are more likely to receive a permanent exclusion from school. Out of the 32,300 children looked after of school age in 2008-09, there were 130 (0.4%) permanent exclusions, compared with just 0.1% of all children in England. After controlling for other demographic factors, children from lone parent households are 50% more likely to report difficulties with teachers. After controlling for social class, level of parental supervision, attachment to family, whether peers and siblings were in trouble with the police and standard of work at school, boys in lone parent households are still 2.7 times more likely to truant than those from dual parent households.

Bad behaviour, if left unchecked, may in turn perpetuate the vicious circle of family breakdown when children enter adulthood. A longitudinal study involving more than 3,500 Britons born in the 1940s, who were aged between 13 and 15 at the start of the study and between 36 and 53 when followed up later, has found that badly behaved schoolchildren were twice as likely to suffer from teen pregnancy or to experience divorce as their classmates.

6.1.1 Time cost of staff

Badly behaving and disruptive pupils incur a cost in the form of teachers’ and other school staff’s time. Much time is spent in dealing with and restraining these pupils in the classroom; reprimanding and counselling them; authorising and administering detention or exclusion; meeting with their parents or guardians; and liaising with local authorities, special schools, social services and the police.

Based on data from the Teachers’ Workloads Diary Survey 2009, we can estimate the amount of time classroom teachers and leadership teachers (head and deputy/assistant head) spent dealing with tasks related to disciplinary or behavioural problems in primary, secondary and special schools. Official figures on school workforce and teachers’ pay allow us to compute the total pay for classroom teachers and leadership teachers (head and deputy/assistant head) in primary, secondary and special schools in 2008-09.

By knowing the percentage of time teachers spent dealing with disciplinary or behavioural problems and total teachers’ pay, we can then find out the proportion of teachers’ pay that was expended on dealing with disciplinary or behavioural problems. In other words, these figures represent the public cost of teachers handling disciplinary or behavioural problems in school. However, not the entire cost can be attributed to family breakdown. Given that various statistics show that a disproportionately high number of children with disciplinary or behavioural problems come from broken homes, we estimate that two-thirds of the public cost of teachers
handling disciplinary or behavioural problems in school can be attributed to family failure. These analyses are shown in Table 3.

Table 3: Time spent by classroom teachers and leadership teachers (head and deputy/assistant head) dealing with tasks related to disciplinary or behavioural problems by type of schools, 2009.

<table>
<thead>
<tr>
<th></th>
<th>Primary schools</th>
<th>Secondary schools</th>
<th>Special schools</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average hours worked per week</td>
<td>51.2</td>
<td>50.4</td>
<td>42.8</td>
<td></td>
</tr>
<tr>
<td>Average hours spent dealing with disciplinary or behavioural problems per week</td>
<td>2.6</td>
<td>3.3</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>% of time spent dealing with disciplinary or behavioural problems per week</td>
<td>5.08</td>
<td>6.55</td>
<td>7.01</td>
<td></td>
</tr>
<tr>
<td>Total pay per annum</td>
<td>£4.447b</td>
<td>£5.997b</td>
<td>£0.513b</td>
<td>£10.959b</td>
</tr>
</tbody>
</table>

Proportion of total pay expended on dealing with disciplinary or behavioural problems
- Of which can be attributed to family breakdown (2/3)
  - Classroom teachers
    - £225.92m
  - Leadership teachers
    - £150.62m

* Data for leadership teachers in special schools is not available, hence an estimate of the percentage of time spent dealing with disciplinary or behavioural problems per week is based on the average between the percentages in primary and secondary schools.


Hence, the total time cost of regular teaching staff dealing with disciplinary or behavioural problems attributable to family breakdown in 2008-09 was

\[
= £436.438m + £179.085m
= £615.52m
\]

\[
\text{(xvi)}
\]
Besides incurring the time cost of regular teaching staff (classroom and leadership teachers), dealing with pupils’ disciplinary and behavioural problems can also take up a sizeable amount of other school staff’s time for which there is most certainly a public cost. Groups of staff that are involved include supply teachers, education support staff, administrative and clerical staff, and “other staff”. The two latter groups are mainly engaged in much of the paperwork and the clearing of red-tape involved in fixed period and permanent exclusions, as well as in the administration of disciplinary procedures such as handling correspondence with parents, social services or the police. Total employee costs of supply teachers, education support staff, administrative and clerical staff, and “other staff” in 2008-09 were £423.01 million, £4.65 billion, £1.80 billion and £488.70 million respectively.91

In order to calculate the time cost of these groups of staff dealing with disciplinary or behavioural problems attributable to family breakdown, we assume that the time cost relative to the total expenditure for each of these groups of staff was proportional to the time cost of regular teaching staff relative to the total expenditure on regular teaching staff. Total public expenditure on teaching staff in 2008-09 was £17.949 billion.92 Hence, the time cost of regular teaching staff dealing with disciplinary or behavioural problems attributable to family breakdown as a percentage of total expenditure on regular teaching staff was

\[
\text{\%} = \left( \frac{\text{total expenditure on regular teaching staff}}{\text{total expenditure on regular teaching staff}} \right) \times 100
\]

\[
= \left( \frac{\text{£615.52m}}{\text{£17.949b}} \right) \times 100
\]

\[
= 3.43\% 
\]

Assuming that supply teachers spent three quarters as much time as regular teachers spent dealing with disciplinary or behavioural problems attributable to family breakdown, while education support staff half as much, administrative and clerical staff three times as much, and “other staff” twice as much, we can now calculate the total time cost of these groups of staff dealing with disciplinary or behavioural problems attributable to family breakdown in 2008-09

\[
= \left( \frac{\text{£423.011m (0.75 x 0.0343)}}{\text{£4.645b (0.5 x 0.0343)}} \right) + \left( \frac{\text{£1.801b (3 x 0.0343)}}{\text{£488.703m (2 x 0.0343)}} \right)
\]

\[
= \left( \frac{\text{£423.011m x 0.0257}}{\text{£4.645b x 0.0172}} \right) + \left( \frac{\text{£1.801b x 0.1029}}{\text{£488.703m x 0.0686}} \right)
\]

\[
= £10.87m + £79.89m + £185.32m + £33.53m
\]

\[
= £309.61m 
\]

In total, the time cost of all education staff incurred in dealing with disciplinary or behavioural problems attributable to family breakdown in 2008-09 was

\[
= \text{(xvi) + (xvii)}
\]

\[
= £615.52m + £309.61m
\]

\[
= £925.13m 
\]
6.1.2 Development and training

Teachers are also sent for development and training – specifically on courses that help them develop special skills – to equip them to handle disruptive and difficult pupils, many of whom come from unstable or broken families. The total expenditure on development and training in 2008-09 was £184.33 million.\(^{93}\) We conservatively estimate that only one-tenth of this cost was for the development of special skills to deal with disciplinary or behavioural problems attributable to family breakdown, thus giving a figure of

\[
= £184.326 \times 0.10 \\
= £18.43m \hspace{1cm} \text{(xix)}
\]

6.1.3 Pupil Referral Units

Many badly behaved and highly disruptive children, and those excluded from mainstream schools, are sent to Pupil Referral Units (PRU) each year. Official school figures show that as at January 2009, there were 24,000 pupils in PRUs.\(^{94}\) Approximately 51% of the population of pupils in PRUs came from broken homes, as compared to 24% in mainstream education.\(^{95}\) The cost of a place per year in PRUs in 2008-09 was £14,664.\(^{96}\) The total cost of PRUs attributable to family breakdown can therefore be expressed as

\[
= \text{number of pupils in PRUs from broken homes} \times \text{unit cost of a place in PRU} \\
= (0.51 \times 24,000) \times £14,664 \\
= £179.49m \hspace{1cm} \text{(xx)}
\]

We can now estimate the total public cost of dealing with pupils’ disciplinary and behavioural problems attributable to family breakdown in 2008-09 to be

\[
= (\text{xviii}) + (\text{xix}) + (\text{xx}) \\
= £925.13m + £18.43m + £179.49m \\
= £1.123 \text{ billion}
\]

6.2 Vandalism and criminal damage in schools

Vandalism and damage to school buildings, equipment and facilities also incur a hefty cost, not least in repairs, cleaning, maintenance and extra security measures. For instance, a primary school in Coseley suffered £4,000 worth of damage in one case alone last year when vandals wrecked an outdoor classroom,\(^{97}\) while another primary school, in Swansea, spent £300,000 to counter vandalism after being targeted by yobs 16 times in a space of just 9 months.\(^{98}\)

Vandalism and criminal damage in schools can also trace many of their roots to broken families. Children from lone parent households are more likely to engage in anti-social behaviour,\(^{99}\) while
boys from lone parent households have a nasty streak when it comes to vandalism or criminal damage, as they are more likely to be destructive of belongings.\textsuperscript{102} Generally, some 70\% of young offenders come from broken families,\textsuperscript{101} while young men from lone parent families are 1.6 times as likely to be persistent offenders as those from dual parent families.\textsuperscript{102}

The total cost of school building- and property-related expenditure in 2008-09 was £1.224 billion. This was made up of costs related to school building maintenance and improvement, school grounds maintenance and improvement, and school cleaning and caretaking, which amounted to £738.49 million, £120.12 million and £365.30 million respectively. In the same year, total employee cost of premises staff reached £816.76 million.\textsuperscript{103}

We estimate that around half of all school building- and property-related expenditure can be linked to vandalism, criminal damage and anti-social behaviour, giving a figure of

\[= £1.224b \times 0.5\]
\[= £611.96m\]

Of this figure, we reckon that 70\% of the damage was committed by offenders from broken families, hence the total cost of vandalism, criminal damage and anti-social behaviour to school buildings, equipment and facilities in 2008-09 that can be attributed to family breakdown was

\[= £611.96m \times 0.7\]
\[= £428.37m\] \hfill \textsuperscript{(xxi)}

This figure might be deemed conservative as it does not even take into account the increased insurance premium for school buildings as a result of being tagged as high-risk properties.

However, the total cost of vandalism and criminal damage in schools is not limited to just the cost of damage to buildings, equipment and facilities. Just as much of staff time is incurred dealing with disciplinary and behavioural problems, a sizeable amount of premises staff time is also incurred to deal with vandalism and criminal damage in schools. We estimate a modest quarter of their time was taken up handling tasks arising from vandalism and criminal damage in schools in 2008-09. Thus, the time cost of premises staff dealing with vandalism, criminal damage and anti-social behaviour attributable to family breakdown in 2008-09 was

\[= £816.761m \times 0.25\]
\[= £204.19m\] \hfill \textsuperscript{(xxii)}

Hence, the total cost of vandalism and criminal damage in schools in 2008-09 that can be attributed to family breakdown was

\[= (\text{x}x\hspace{1pt}i) + (\text{x}x\hspace{1pt}ii)\]
\[= £428.37m + £204.19m\]
6.3 Free school meals

Free school meal (FSM) status is often used as a proxy measure for financial hardship or for lower socio-economic status. FSM eligibility is means tested; eligible children are usually those whose parents receive one of the following: Income Support, income-based Jobseeker’s Allowance, Child Tax Credit, the guarantee element of State Pension Credit. Research has shown that approximately 73% of FSM-receiving pupils come from lone parent families.\textsuperscript{104}

Official figures show that, in 2008-09, 656,570 primary school pupils, 438,860 secondary school pupils and 29,290 special school pupils were registered for FSM.\textsuperscript{105} The average cost per meal in primary, secondary and special schools in the same year were £1.77, £1.88 and £1.83 respectively.\textsuperscript{106}

Based on the available information, we can work out the total cost of FSM in the 2008-09 school year

\[
= 190 \text{ days } [(656,570 \times £1.77) + (438,860 \times £1.88) + (29,290 \times £1.83)] \\
= £387.75m 
\]

Not all of the 73% FSM-receiving pupils from lone parent families received FSM necessarily by virtue of coming from broken homes. As in our tax credits calculations in section 2.1, we assume that a quarter of pupils from lone parent families would receive FSM even if their parents lived together – meaning they would be eligible for FSM anyway due to low household income. As such, we can use the remaining 75% to find the total cost of FSM attributable to pupils from lone parent households that were a result of family breakdown, which can be expressed as

\[
= (\text{xxiii}) \times \text{percentage FSM pupils from broken families} \\
= £387.75m \times (0.73 \times 0.75) \\
= £212.29 \text{ million}
\]

6.4 Education Maintenance Allowance

The Education Maintenance Allowance (EMA) scheme, which will stop at the end of academic year 2010-11, was rolled out nationally at the start of academic year 2004-05. From 2006-07, 16-18 year olds were eligible to apply based on the criteria of type of course and household income. Eligible students need to be on either a full-time further education course at a school or college, a course leading to an apprenticeship or a Foundation Learning Programme. In 2008-09, students from households with income of up to £30,810 per annum are eligible.\textsuperscript{107}
Data released by the Department for Education last year in response to a Freedom of Information request reveals that EMA take-up in 2008-09 totalled 581,899. A total of £490.20 million was paid out, while the total cost to the Exchequer for the distribution of EMA, including staff and administration costs, was £517.32 million.

Official figures show that there were 13.12 million dependent children in the UK in 2009, of which 3.15 million, or 24%, lived with lone parents. In the same year, there were 1,645,647 16-18 year-olds in education or training.

We already know that 24% of all dependent children live with lone parents. Assuming a similar percentage of exists among 16-18 year-olds in education and training, the number of 16-18 year-olds in education and training from lone parent families was

\[
0.24 \times 1,645,647 = 394,955
\]  

Students who received FSM while at school and who came from lone parent households were among those who received the highest overall EMA and average weekly amounts. In fact, almost 90% of students who received FSM at school received EMA and almost all of them at the top rate. 75% of 17-18 year-old full-time students from lone/no parent background received EMA. However, this does not tell us how many among EMA recipients actually came from lone/no parent background. As such, a reverse calculation is needed in order to estimate the proportion of all EMA recipients who came from broken families in 2008-09.

To do this, we first assume that 75% of 16-18 year-olds in education and training from lone parent families likewise received EMA. This gives a figure of

\[
0.75 \times 394,955 = 296,216
\]

Consistent with the principle used in our tax credits calculations in section 2.1 and our FSM calculations in the previous section, we assume that 75% of the 296,216 came from broken families. Hence, EMA recipients from broken families as a proportion of all EMA recipients in 2008-09 was

\[
\frac{0.75 \times 296,216}{581,899} = 38.18\% 
\]  

This is the proportion of EMA recipients that effectively received this publicly-funded benefit as a result of family breakdown. Put it another way, family breakdown causes parents to separate, which in turn reduces household income and shifts many lone parent households into the income bracket below the threshold above which their children will not be eligible for EMA.
However, as the Government has found, there was an 88% “deadweight” factor in EMA, meaning that for 88% of recipients the receipt of EMA actually did not affect their participation in education. In other words, they would have remained in education whether or not they received EMA, thus rendering some 88% of EMA paid out effectively a waste of public funds. For the remaining 12% of recipients, whether or not they came from broken homes, EMA was the difference between the opportunity to remain in education and the risk of becoming part of the NEET statistics.

As such, the total cost of EMA, including staff and administration costs, attributable to recipients from broken families in 2008-09 after adjusting for the deadweight factor was

\[ = \left( \frac{0.3818 \times \text{£517.323m}}{0.88} \right) \]

\[ = \text{£173.81 million} \]

### 6.5 Tertiary education

The cost of drop-out from tertiary education is potentially huge, but has rarely been properly researched. More than a fifth of students still dropped out of university courses in England and Wales despite the previous government spending some £800 million on tackling the problem. The House of Commons Education Select Committee was told in 2001 that the estimated public cost of university drop-out was as high as £200 million per year. 10% of full-time university students dropped out in 2001, while the figure was 8.6% in 2009.

Holding all else constant, the estimated public cost of university drop-out among full-time students in 2009 can be expressed as

\[ = \left( \frac{0.086}{0.1} \right) \text{£200m} \] average inflation 2.6% p.a.

\[ = \text{£212.075m} \]

Assuming a third of all drop-outs can be traced to reasons related to family breakdown, the estimated public cost of university drop-out among full-time students in 2009 attributable to family breakdown was

\[ = \frac{1}{3} (\text{£212.075m}) \]

\[ = \text{£70.69m} \]

This figure is most likely understated, as it does not take into account part-time university students and students from other types of higher education institutions.
The cost to the public purse of tertiary education as a result of family breakdown is not limited to just university drop-outs. Just as family failure-related vandalism and criminal damage to school buildings and properties cost nearly half a billion pounds of taxpayers’ money, vandalism and criminal damage to buildings, equipment and facilities in tertiary education institutions that stem from family failure likewise carry a potentially huge cost. Unlike for schools, detailed breakdown of outturn in tertiary education is not available. As such, to estimate the cost of vandalism and criminal damage in tertiary education institutions, it is necessary to use overall public expenditure data on education subsectors. Total public expenditure on schools (primary, secondary and special schools) in 2008-09 was £62.55 billion, whereas total public expenditure on tertiary education was £11.64 billion.117

The cost of school building- and property-related vandalism and criminal damage attributable to family breakdown as a percentage of total expenditure on schools in 2008-09 was

\[
\frac{(xxi)}{\£62.545b} \%
\]

\[
= \left( \frac{\£428.37m}{\£62.545b} \right) \%
\]

\[
= 0.68\%
\]

Assuming the same percentage applies to tertiary education, the estimated cost of vandalism and criminal damage to buildings, equipment and facilities in tertiary education institutions attributable to family breakdown in 2008-09 was

\[
0.68\% \times \text{total public expenditure on tertiary education}
\]

\[
= 0.0068 \times \£11.639b
\]

\[
= \£79.15m
\]

\[
\text{…………………………………………………………………………………(xxvii)}
\]

We can therefore estimate the total public cost of tertiary education attributable to family breakdown in 2008-09 to be

\[
= (xxvi) + (xxvii)
\]

\[
= \£70.69m + \£79.15m
\]

\[
= \£149.84 \text{ million}
\]

6.6 Young people NEET

Statistics from the Labour Force Survey show that by the end of the second quarter of 2009, there were 959,000 16-24 year olds who were NEET.118 Research shows that young people NEET are more likely to grow up in a lone parent household, go to schools of lower quality, are less likely to enjoy school, have less positive relations with their teachers, have lower aspirations for their future, are more likely to experience bullying at school, do not feel that their future economic destiny is within their own locus of control, and have access to fewer educational resources.119 16 year olds from lone parent households are twice as likely to leave school with
no qualifications as those from intact families. The lack of qualifications further impairs their chances in obtaining employment, and thereby increasing their risks of becoming NEET. This direct link is startling, as a report claims, compared with children growing up with both parents, children from lone parent families are twice as likely to be unemployed. Government research suggests only 10% of 19 year olds who had been in care, 98% of whom came from broken homes, had obtained full-time employment or training, with a further 4% having obtained part-time employment.

Young people NEET can place a financial burden on the public purse in the form of Jobseekers’ Allowance (JSA) claims. The number of 16-24 year-old income-based JSA claimants in England and Wales as at August 2009 stood at 413,030, each claiming £47.95 per week in 2008-09.

To calculate the amount of JSA claimed by young people NEET that was attributable in one way or another to family breakdown, and in the light of evidence showing young people NEET from broken families are at least twice as likely to be unemployed as their peers from intact families, we first assume that two-thirds of JSA recipients aged 16-24 in 2008-09 were NEETs from broken families. Based on this assumption, the total amount of JSA claimed by young people NEET aged 16-24 from broken families in the entire 2008-09 financial year was

\[ \text{Total JSA claimed} = \frac{2}{3} \times 413,030 \times \£47.95 \text{ per week} \times 52 \text{ weeks} \]

\[ = \£686.57 \text{m} \]

However, young people NEET do not necessarily remain NEET throughout the year. We assume that the average time young people NEET remained NEET in 2008-09 was 11 months. By factoring this in, we can now estimate that the total amount of JSA claimed by young people NEET aged 16-24 from broken families in 2008-09 was

\[ = \frac{11}{12} (\£686.57 \text{m}) \]

\[ = \£629.35 \text{ million} \]

This figure is somewhat conservative when compared with figures presented in other studies. For instance, a study by the Prince’s Trust suggests youth unemployment in England and Wales, based on JSA claims by those aged 18-24, costs taxpayers £17.76 million a week, or £923.52 million a year. A recent study, carried out for the Audit Commission, puts the estimate of the life-time public finance cost of NEET at £11.72 billion, with its upper-bound estimate at £32.5 billion. This estimate is largely based on the accumulation of benefits, lost tax and national insurance contributions and small notional costs for things like health and criminal justice.
### Total education and young people NEET costs

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disciplinary and behavioural problems</td>
<td>£1.123 billion</td>
</tr>
<tr>
<td>Vandalism and criminal damage in schools</td>
<td>£0.633 billion</td>
</tr>
<tr>
<td>Free school meals</td>
<td>£0.212 billion</td>
</tr>
<tr>
<td>Education Maintenance Allowance</td>
<td>£0.174 billion</td>
</tr>
<tr>
<td>Tertiary education</td>
<td>£0.150 billion</td>
</tr>
<tr>
<td>Young people NEET</td>
<td>£0.629 billion</td>
</tr>
<tr>
<td><strong>Total cost for education and young people NEET attributable to family breakdown in 2008-09</strong></td>
<td><strong>£2.921 billion</strong></td>
</tr>
</tbody>
</table>
7. Summary and Comparisons

7.1 Family failure bites – what it costs taxpayers

The cost of family failure continues to be a huge charge on the public purse. Our annual index of the cost of family failure shows that the overall cost remains very high – at £41.74 billion (see Table 4). This means failed relationships cost each current UK taxpayer £1,364 a year.\(^\text{127}\)

Table 4: Summary of the costs of family failure, 2011. *

<table>
<thead>
<tr>
<th></th>
<th>(£ billion)</th>
<th>(£ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax and Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax credits</td>
<td>8.80</td>
<td></td>
</tr>
<tr>
<td>Lone parent benefits</td>
<td>3.79</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>12.59</strong></td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing benefit and council tax benefit</td>
<td>4.41</td>
<td></td>
</tr>
<tr>
<td>Emergency housing following domestic violence</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>4.55</strong></td>
</tr>
<tr>
<td><strong>Health and Social Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical health</td>
<td>5.30</td>
<td></td>
</tr>
<tr>
<td>Mental health</td>
<td>1.56</td>
<td></td>
</tr>
<tr>
<td>Social services and care</td>
<td>3.79</td>
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<tr>
<td>Children in care</td>
<td>2.57</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>13.22</strong></td>
</tr>
<tr>
<td><strong>Civil and Criminal Justice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>5.15</td>
<td></td>
</tr>
<tr>
<td>Prisons</td>
<td>1.24</td>
<td></td>
</tr>
<tr>
<td>Court and legal services</td>
<td>0.63</td>
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</tr>
<tr>
<td>Legal aid</td>
<td>0.85</td>
<td></td>
</tr>
<tr>
<td>Child Maintenance &amp; Enforcement Commission</td>
<td>0.60</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>8.46</strong></td>
</tr>
<tr>
<td><strong>Education and Young People NEET</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disciplinary and behavioural problems</td>
<td>1.12</td>
<td></td>
</tr>
<tr>
<td>Vandalism and criminal damage in schools</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>Free school meals</td>
<td>0.21</td>
<td></td>
</tr>
<tr>
<td>Education Maintenance Allowance</td>
<td>0.17</td>
<td></td>
</tr>
<tr>
<td>Tertiary education</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>Young people NEET</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>2.92</strong></td>
</tr>
<tr>
<td><strong>Total costs of family breakdown</strong></td>
<td><strong>41.74</strong></td>
<td></td>
</tr>
</tbody>
</table>

* The sum of items making up the sub-totals may differ slightly to the published sub-totals due to rounding up.
Only when this cost is taken seriously will people recognise how important relationships are to wellbeing and happiness. Policy-makers and politicians can, and should, make informed choices in terms of public motivation, opportunity and support which will lead to more stable relationships, thriving lives and thereby reduce the costs of relationships failure.

This latest update follows our two previous editions of this annual index. It shows a marginal increase from the previous year’s total of £41.67 billion and a substantial increase from £37.03 billion in 2009. Although the current figure continues to show an upward trend, it does not take into account the often intense pain and suffering felt by those experiencing family failure.

Figure 2 shows the breakdown of the overall cost of family failure. It is clear that family failure places the greatest strain on health and social care (32%) in terms of public finances. This is followed closely behind by the impact on tax and benefits (30%). Civil and criminal justice, too, forms a substantial portion (20%) of the overall cost.

Unfortunately, there are no easy solutions or quick fixes to relationships breakdown. This £41.74 billion spending burden is unsustainable in the current economic climate, but can be reduced by supporting and encouraging relationships. Reducing pressure on relationships can ensure they work better and last longer. As the old saying goes, prevention is better than cure. Relationships education can be helpful in helping to prevent breakdown in family relationships.
7.2 How does it compare with previous years?

Table 5 and Figure 3 show how the public costs related to family failure compare over three years. Apart from health and social care and education and young people NEET, both of which show a slight drop this year, all other areas show an upward trend since we began with the first edition of our index in 2009.

Table 5: Summary of the costs of family failure, 2009-2011.*

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£ billion</td>
<td>£ billion</td>
<td>£ billion</td>
</tr>
<tr>
<td><strong>Tax and Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax credits</td>
<td>6.31</td>
<td>8.31</td>
<td>8.80</td>
</tr>
<tr>
<td>Lone parent benefits</td>
<td>4.34</td>
<td>4.07</td>
<td>3.79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10.65</td>
<td>12.38</td>
<td>12.59</td>
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<tr>
<td><strong>Housing</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Housing benefit and council tax benefit</td>
<td>3.68</td>
<td>4.16</td>
<td>4.41</td>
</tr>
<tr>
<td>Emergency housing following domestic violence</td>
<td>0.11</td>
<td>0.11</td>
<td>0.14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3.79</td>
<td>4.27</td>
<td>4.55</td>
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<tr>
<td><strong>Health and Social Care</strong></td>
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<td></td>
</tr>
<tr>
<td>Physical health</td>
<td>4.63</td>
<td>4.73</td>
<td>5.30</td>
</tr>
<tr>
<td>Mental health</td>
<td>1.16</td>
<td>1.54</td>
<td>1.56</td>
</tr>
<tr>
<td>Social services and care</td>
<td>4.58</td>
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<td>Children in care</td>
<td>2.04</td>
<td>2.50</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>12.41</td>
<td>13.68</td>
<td>13.22</td>
</tr>
<tr>
<td><strong>Civil and Criminal Justice</strong></td>
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<td>Police</td>
<td>3.94</td>
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<td>Prisons</td>
<td>1.18</td>
<td>1.18</td>
<td>1.24</td>
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<tr>
<td>Court and legal services**</td>
<td>0.50</td>
<td>0.55</td>
<td>0.63</td>
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<td>Legal aid</td>
<td>0.92</td>
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<td>0.85</td>
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<td>Child Maintenance &amp; Enforcement Commission***</td>
<td>0.52</td>
<td>0.61</td>
<td>0.60</td>
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<tr>
<td><strong>Total</strong></td>
<td>7.06</td>
<td>8.03</td>
<td>8.46</td>
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<tr>
<td><strong>Education and Young People NEET</strong>**</td>
<td></td>
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<tr>
<td>Disciplinary and behavioural problems</td>
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<tr>
<td>Vandalism and criminal damage in schools</td>
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</tr>
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<td>Free school meals</td>
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<td>0.21</td>
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<td>Education Maintenance Allowance</td>
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<td>0.17</td>
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<td>Tertiary education</td>
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</tr>
<tr>
<td>Young people NEET</td>
<td></td>
<td></td>
<td>0.63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3.12</td>
<td>3.31</td>
<td>2.92</td>
</tr>
</tbody>
</table>

**Total costs of family breakdown**

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ billion</td>
<td>£ billion</td>
<td>£ billion</td>
</tr>
<tr>
<td>37.03</td>
<td>41.67</td>
<td>41.74</td>
</tr>
</tbody>
</table>

* The sum of items making up the sub-totals may differ slightly to the published sub-totals due to rounding up.

** Previous editions include only HM Courts Service. The 2011 edition includes a wider array of court and legal services related to family breakdown.

*** Formerly known as Child Support Agency, now part of the Child Maintenance & Enforcement Commission.

**** Previous editions do not include young people not in education, employment or training, and do not provide a breakdown of sub-categories within Education.
The relative sizes of the components have remained stable. Health and social care remained the largest component of the five throughout the three years, followed by tax and benefits, civil and criminal justice, housing, and education and young people NEET. What is clear, though, is that the overall costs have remained very high over the period. This implies that, despite living in an era of austerity brought about by the recession and in the face of imminent public spending cuts, taxpayers continue to shoulder a huge financial burden when family fails.

7.3 How does it compare with other key economic figures?

Figures from the latest full financial year (2009-10) show that UK’s GDP totalled £1.4 trillion. General government net borrowing was £159.8 billion, or 11.4% of GDP, whereas general government debt was £1 trillion, or 71.3% of GDP. Our index shows that family failure costs the public purse £41.74 billion. This is equivalent to nearly 3% of the UK’s GDP, 26.1% of government net borrowing and 4.2% of general government debt.

Reforms outlined in the recent Spending Review will deliver £81 billion worth of cuts in public spending by 2014-15. There will be £7 billion extra welfare cuts, while a 34% cut in administration budgets across the whole of Whitehall and its arms-length bodies will deliver savings totalling £5.9 billion a year by 2014-15. Cuts in defence, including a reduction in civilian staff by 25,000 by 2015, will deliver savings of £4.7 billion. Total managed expenditure and receipts in 2010-11 will be as much as £697 billion. The public cost of family failure alone is equivalent to about half the planned cuts in overall public spending.
At the end of July 2010, personal debt in the UK stood at £1.46 trillion, as much as the nation’s GDP. Including mortgages, every adult in the UK owes an average of £29,918, while every household an average of £57,789. Against the backdrop of these figures, each UK taxpayer will still have to foot a £1,364 bill a year to help defray the cost of family failure.
Notes and References

8. Ibid.
13. Ibid.
14. Ibid.
17. HM Revenue & Customs (2009), op. cit.
19. Ibid.


44. Walby, S. (2009), op. cit.


68. The relevant bodies were selected from Ministry of Justice (2009), *Ministry of Justice Resource Accounts 2008-09*, London: The Stationery Office.
71. Legal Services Commission (2009), op. cit.
74. Walby, S. (2009), op. cit.
85. Ibid.
89. Angle, H., Fearn, A., Elston, D., Bassett, C. and McGinigal, S. (2009), “Teachers’ workloads diary survey 2009”, *Research Report DCSF-RR159*, London: Department for Children, Schools and Families. The tasks taken into account are “registration/general classroom management/pastoral/counselling session”, disciplining/praising pupils (incl. detention), “pastoral care with individual pupils”, “any contact with parents/families (incl. contact with individual parents, PTA, parents’ evening)”, “other non-teaching activities relating to particular pupils or parents” and “contact with community (e.g. social services, police, employers, newspapers)”. Family failure does not wholly account for the time spent on these tasks, but arguably contributes to a large proportion of it. This assumption is reflected in the calculations that follow.
92. Ibid.
93. Ibid.


101. Youth Justice Board figures quoted in Ware, J. (2009), op. cit.


124. Data obtained using the Department for Work and Pensions Tabulation Tool (http://83.244.183.180/100pc/tabtool.html), which produced the following output page: (http://83.244.183.180/100pc/jsa/cnage/ccgor/a_carate_r_cnage_c_ccgor_aug09.html).


127. Based on latest data from HM Revenue & Customs (2011), “Number of individual income taxpayers by marginal rate, gender and age, 1990-91 to 2010-2011”, in HMRC Income Tax Statistics and Distributions, (http://www.hmrc.gov.uk/stats/income_tax/menu.htm), accessed on 28 Jan 2011, if the overall cost of £41.74 billion were to be borne by all current taxpayers, which totalled 30,600 in the 2010-2011 financial year, it will cost each taxpayer £1,364.


