

Challenging the costs of relationship breakdown

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Why we need better evidence on 'relationship breakdown' costs

'Relationship breakdown', 'family stability' and relationship quality have increasingly taken a central role in UK social policy in recent years. The government states that relationship breakdown (often referred to as 'family breakdown'), alongside other factors, "cause[s] the entrenched poverty affecting many of our communities" (DWP, 2012) and that preventing breakdown "will produce financial and emotional benefits to their children as well as to themselves" (Spielhofer, et al., 2014). Policymakers are not just concerned about the effect on individuals; there is an understanding that relationship breakdown is also "costly to society as a whole" (DWP, 2012).

As a result, "family stability" has been used as a government outcomes framework indicator for monitoring the progress of its social justice strategy.¹ The government invested £30 million over 2011-2015 in relationship support services, and linked its 'Troubled Families' programme with its ambition to support the strength and stability of adult relationships.² From April 2015, marriage and civil partnership are recognised within the tax system via the 'marriage allowance'.

Given its impact on public policy, then, it is critical that our understanding of the consequences of poor quality relationships – across both intact and separated couples, as well as in the context of broader relational capability – is based on credible evidence and a valid interpretation of existing data. Without this, valuable debates about effective investment in family interventions and relationship support are undermined.

This briefing

This briefing makes a start in critically reviewing the evidence used in policy debates regarding the financial impact of relationship breakdown, focusing on the annual Cost of Family Breakdown Index produced by the Relationships Foundation. This cost figure is used widely, and generally taken at face value without interrogation of its underlying analysis.³ We provide a more detailed assessment of the reliability and validity of the estimate produced, and suggest next steps towards a more evidence-based approach to understanding these costs. Gingerbread sees this as a first step towards a more robust and useful framing of the policy debate on family relationships and support.

¹ Under the 2010-15 coalition government; measured by children not living with both their birth parents.

² Department for Education, 'Focus on families: New drive to help troubled families'. Available: <https://www.gov.uk/government/news/focus-on-families-new-drive-to-help-troubled-families>.

³ For example, see Lord Freud's comments: *HL Deb* (2013-14) 4 March 2014 c1215.

1. Estimating the cost of relationship breakdown

Since 2009, the Relationships Foundation has published an annual Cost of Family Breakdown Index (published as 'Counting the Cost of Family Failure'). The latest figure estimates the cost of 'family failure' to be £45.8 billion in 2014. A breakdown of the Relationships Foundation's analysis up to 2013 is provided on page 9.

The Relationships Foundation draws on previous attempts to estimate the cost of 'family breakdown', which vary in magnitude:

- £20-24 billion – Social Justice Policy Group (2006) *Fractured Families*, Vol. 2, Centre for Social Justice
- £15 billion – D Lindsay (2000) 'The cost of family breakdown', published by Family Matters for the Lords and Commons Family and Child Protection Group⁴
- £5 billion – The Hart Report (1999), updating previous research in 1994 which estimated costs of £3.7-£4.4 billion.

The methodology used by the Relationships Foundation is comparable to 'cost-of-illness' studies typically used in health economics, where the direct and indirect costs of a particular condition are estimated. However, this means that costs are not weighed against possible benefits, as with cost-benefit analysis.

Our principal concerns about this approach are based on two fundamental flaws in the methodology:

1. The cost assumptions used are not evidence-based
2. The outcome assumptions confuse *risk* with *causality*.

On this basis, we are concerned that public policy and support services that draw on this analysis are undermined by its significant flaws. We do, however, believe there is scope for the development of an accurate and meaningful estimate of the economic impact of relationship breakdown and a better understanding of how we can attribute causal effects in this policy area.

2. Principal concerns with estimating relationship breakdown costs

Cost assumptions are not evidence-based

The costs in the Relationships Foundation analysis are largely determined by attributing proportions of public service costs to 'family breakdown' (eg 15 per cent of prescriptions and mental health costs). These proportions are overwhelmingly not based on any further evidence – only three out of some 20 assumed proportions

⁴ This report seems to be available only in hard copy, therefore the methodology used has not been checked.

attribute these estimates to additional data. Some are claimed to be ‘conservative estimates’, but again, reasoning for this judgement is limited or non-existent.

We appreciate that judgements must on occasion be used where exact data is unavailable, but the extent to which they are used in this analysis raises serious questions. Moreover, we would at the very least expect the extent of these judgements to be made much clearer. A genuinely robust cost evaluation would include sensitivity analysis to ensure the uncertainty resulting from such assumptions is transparent. Our analysis highlights the need for such transparency by illustrating how these judgements can have significant implications for the costs generated (see Box 1).⁵

Outcome assumptions confuse risk with causality

The evidence for the outcomes attributed to ‘family breakdown’ virtually all relates to absolute risks. For example, the higher risk of young people not in education, employment or training from ‘broken families’ relative to those from other families, is used as evidence to determine which costs to include. This implies that the difference in marital status in itself *causes* these differences, but this is by no means clear. Indeed, there are comprehensive and robust reviews to show the opposite – particularly for child outcomes (see page 6 for more on outcome evidence), including:

- Recent Institute for Fiscal Studies (IFS) analysis suggests that risks to child outcomes associated with marital status are largely accounted for by parental/family background factors (eg income, age, etc)⁶
- Recent analysis which shows little to no difference in educational and emotional outcomes by family structure, once parental/family background factors are taken into account⁷
- A 2009 evidence review by Mooney et al suggests that differences are relatively small, vary depending on circumstance, and do not frequently persist in the long-term⁸

Inaccurate and inappropriate use and policy implications

The most common interpretations of the cost generated have been the state cost of ‘family breakdown’ and the potential savings if family breakdown were ‘prevented’. Both are inappropriate given the methodology (see below); a better understanding of what the cost actually means is needed if the analysis is to be used to direct policy responses effectively.

⁵ For example, see ranges used here: <http://www.scotland.gov.uk/Resource/Doc/297819/0092744.pdf>

⁶ Crawford, C. et al (2013) *Cohabitation, marriage, relationship stability and child outcomes: final report*. London: IFS.

⁷ Harkness, S. (2014) *Time to shift the policy spotlight off single parents*. Society Central.

⁸ Mooney, A. et al (2009) *Impact of family breakdown on children’s well-being: Evidence review*. London: Department for Children, Schools and Families.

- State costs: The analysis has lately been publicised using an ‘average cost to the taxpayer’ figure. However, the figure also includes individual/private costs (eg prescription costs relating to domestic violence and more generally). These do not make up a large proportion of the overall cost, but do point towards a misleading use of the data.
- Preventable costs: It is most commonly implied that these are the preventable costs of parental separation and that couples – specifically married couples⁹ – should be promoted above other family structures. However, costs will not be saved where parental separation or marital status do not have a causal effect on the outcomes measured (see previous section).

3. Detailed breakdown of the methodology

Cost assumptions not evidence-based

Out of around 20 assumptions used in the methodology, there are only three assumptions used to generate costs which refer to at least some evidence. However, the transparency and accuracy of these could still be improved:

- 75 per cent of the cost of all tax credits, and of all free school meals, are attributed to ‘family breakdown’ – 25 per cent of costs are excluded based on the proportion of couple families ‘on benefits’ (taken as an indication of the share of single parents who would still receive financial assistance if they were in a couple)

Caveat: The source for this statistic is unclear from the Relationship Foundation’s most detailed report on current methodology in 2011

- 70 per cent of vandalism costs attributed to ‘family breakdown’, based on the proportion of young offenders who were from a single parent family from a 2002 Youth Justice Board study
- Two-thirds of 16-24 year old JSA recipients are from single parent families, based on a 2002 Civitas report¹⁰

Caveat: The Relationships Foundation quotes the finding as “children from lone parent families are twice as likely to be unemployed”; the actual figure is *men at age 33* with divorced parents are twice as likely to be unemployed, and the odds of unemployment fall when controlling for other factors. Further, O’Neill suggests that data should also be controlled for local economic conditions, and further analysis in the original research suggests that “family circumstances prior to divorce” may account for the higher risk of unemployment in adulthood.¹¹

⁹ See, for example, <http://www.centreforsocialjustice.org.uk/policy/pathways-to-poverty/family-breakdown>.

¹⁰ O’Neill, R. (2002) *Experiments in living: The fatherless family*. London: Civitas.

¹¹ Kiernan, K. (1997) *The legacy of parental divorce: Social, economic and demographic experiences in adulthood*. London: Centre for Analysis of Social Exclusion.

Box 1 A worked example of the effect of cost assumptions on relationship breakdown costs: School vandalism repair costs

The Relationships Foundation analysis assumes 50 per cent of school building costs are related to vandalism, without any further basis for this judgement. This is calculated as £583 million in 2010-11.

Conversely, figures obtained via a Freedom of Information (Fol) request by the Conservative Party put school vandalism costs in Scotland at £2.4m in 2010-11. If we assume vandalism costs were roughly proportionate to the relative number of pupils (around 0.7 million in Scotland and 7.7 million in England), the estimated cost of vandalism for England would be around £27.3 million in 2010-11 (calculation based on unrounded figures, rather than those stated in the box).

Even if we accept the analysis assumption that 70 per cent of vandalism is attributable to 'family breakdown' (see above), the respective vandalism repair costs attributed to family breakdown are **£408.1 million** compared with **£19.1 million**.

Source: Fol data available: <http://www.sec-ed.co.uk/news/school-vandalism-costs-taxpayers-2.4-million>

Beyond these, all other proportions assigned to costs appear to be conjecture – there is no reference to any other data that might justify or explain their use. These assumptions are listed below for information.

- Health:
 - 15 per cent of GP costs
 - 15 per cent of 'risky behaviour' costs (smoking, alcohol, STIs)
 - 15 per cent of prescription costs
 - 15 per cent of NHS mental health costs
 - Two-thirds of costs of children and families social care services (excluding costs for looked-after children)
 - 10 per cent of costs of older people social care services
 - 5 per cent of costs of other adult social care services
- Civil and criminal justice:
 - 27.5 per cent of all police service costs
 - 25 per cent of national offender management service costs
 - 25 per cent of court and legal service costs (HM Courts Service, parole board, youth justice board, criminal cases review commission, tribunals service, office of the public guardian, and criminal injuries compensation authority)
 - 25 per cent of criminal defence service costs
- Education and young people not in education, employment or training (NEET):

- Regular teachers' salaries: Two-thirds of disciplinary/behavioural costs attributed to 'family breakdown'
- Proportion of regular teachers' time spent on disciplinary/behavioural problems¹²:
 - Supply teachers: 75 per cent regular teachers' time
 - Education support staff: 50 per cent of regular teachers' time
 - Administrative and clerical staff time: 300 per cent of regular teachers' time
 - Other staff time: 200 per cent the regular teachers' time
- 10 per cent of development and training for special skills dealing with disciplinary/behavioural problems
- Vandalism: 50 per cent of school building/property-related costs
- 'Family breakdown' vandalism staff: 25 per cent of premises staff costs
- One third of public costs of full-time university student drop-outs
- 0.6 per cent of total public spending on tertiary education (based on above school building/property/premises costs)
- JSA claims from 16-24 year old recipients NEET for 11 months.¹³

Outcome assumptions confuse risk with causality

In most cases, the evidence provided for the purported outcomes of 'family breakdown' confuses *risk* with *causality*.

For example, the Relationships Foundation cites evidence which shows divorced men are more likely to see a GP compared with those who are married. Yet there is mixed evidence on the direct causal link between physical health and divorce/separation in itself – some studies show the worst risk is for those who have *never* married¹⁴, while others suggest that at least part of the increased risk is explained by the 'selection effect' (ie those who divorce are predisposed to poorer health than those who stay married).¹⁵ Despite this, there appears to be no process by which costs are adjusted to solely focus on causal effects.

¹² For example, supply teachers are assumed to spend three-quarters of the time regular staff spent on disciplinary/behavioural problems. Costs are then calculated from this, based on the proportion of regular teachers' total salary costs ascribed to dealing with 'family breakdown'-related disciplinary/behavioural problems. For example, in 2013:

- Two-thirds of regular staff disciplinary/behavioural costs worked out as 4.53 per cent of total regular staff salary costs
- Supply teachers' 'family breakdown'-related disciplinary costs were therefore 3.40 per cent (0.75 x 0.0453) of total supply teacher salary costs.

¹³ Two-thirds of 18-24 JSA claimants receive JSA for less than six months (November 2013 data, [nomis](#)). A 2008 NAO study found a cohort of 16-18 year olds who had at least one spell NEET in 2007/08 spent 32 weeks out of the year NEET on average (ie less than eight months).

¹⁴ Kaplan, R.M. and Kronick, R.G. (2006) 'Marital status and longevity in the United States population'. *Journal of Epidemiological Community Health*, Vol. 60, 760-765.

¹⁵ Amato, P. (2000) 'The consequences of divorce for adults and children'. *Journal of Marriage and the Family*, Vol. 62 (4), 1269-1287.

There were also other assumed outcomes where not only was correlation confused with causality, but further considerations were omitted, or supporting evidence is weak and/or out of date. The following list describes these oversights in more detail.

- Housing:
 - Housing benefit (HB)/council tax benefit (CTB): The analysis does not account for any HB/CTB that would still be claimed by single parents even if they were in a couple
 - Emergency housing following domestic violence: The analysis does not account for any fall in HB claimed by an ex-partner
- Health:
 - Physical health: The evidence cited by the Relationships Foundation notes the likelihood of consulting GPs and hospital admittances; however the one study cited which accounts for some demographic differences is based on a very small sample (only 76 of 'intact' and 'divorced/separated' families each)
 - Mental health: Evidence shows no proof of causality; moreover, there is emerging evidence that the impact of separation on mental health for parents is temporary on average¹⁶
- Education and young people NEET:
 - Tertiary education: Vandalism at university is assumed to be the same as in school, but evidence suggests that these behaviours tend to decline as young people get older¹⁷
 - Young people NEET: A Scottish study found that having a single parent was not associated with being NEET once other factors were taken into account.¹⁸

¹⁶ Brewer, M. and Nandi, A. (forthcoming) *Partnership dissolution: How does it affect income, employment and well-being?*

¹⁷ Chowdry et al (2009) *Drivers and barriers to educational success: Evidence from the longitudinal study of young people in England*. London: Department for Children, Schools and Families.

¹⁸ Raffe (2003) *Young people not in education, employment or training*. Edinburgh: Centre for Educational Sociology.

4. Conclusions

Gingerbread is concerned that, despite significant flaws, this analysis of relationship breakdown costs is used by a range of organisations and the government – across all political parties – as fact. We believe its use undermines important debates about the impact of a range of relationship difficulties in both intact and separated families, and the best way to support these families.

We accept that there are costs related to the breakdown of couple relationships – just as there are costs attached to conflict within couples, and other poor quality relationships – and we recognise the value of services that help to mitigate the impact of this on both parents and children. Furthermore, we are confident that investment in relationship support is worthwhile, and recognise that it would be valuable to develop the case for why different types of relationship support – for both intact and separated families – can be cost-saving in the long-term.

That is why we are keen to work with others to establish a more credible and reliable understanding of the impact of poor quality relationships, and conversely the positive impact of increasing relational capability. We believe that, for any cost figure to be genuinely useful in gauging the scale of economic impact and justifying investment in support services, we need an approach which:

- Clarifies the definition of ‘relationship quality’ (for example, should this include conflict within couples, the breakdown of cohabiting relationships, and so on)
- Is more grounded in evidence and, where judgements must be made, estimates are used with clear caveats and published against lower and upper estimates to ensure transparency
- Is clearly limited to the costs of the *causa*/effects of poor relationship quality and relational conflict on outcomes for adults and children
- Presents any gains, benefits, or savings that may result from relationship breakdown (eg increased well-being for some parents and children) alongside costs.

In the meantime, we would like to see the Relationships Foundation take the first steps in reviewing its own calculation of the cost of relationship breakdown, particularly:

- Publishing clear and transparent caveats to highlight any assumptions used without further evidence
- Producing sensitivity analysis to illustrate the uncertainty of the cost generated as a result of assumptions made.

We believe that making progress against the recommendations above will move the sector towards a meaningful estimate of the economic impact of poor quality relationships. This approach will help us to refocus the policy debate on relationships in themselves, and their quality, regardless of family type – in other words, to ensure the right support is provided, to those who need it most.

Appendix 1 Relationships Foundation analysis, 2009-2014

£ billion		2009	2010	2011	2012	2013	2014
Tax and benefits	Tax credits	6.31	8.31	8.80	9.37	9.79	11.44
	Lone parent benefits	4.34	4.07	3.79	3.96	3.83	3.34
	<i>Total</i>	<i>10.65</i>	<i>12.38</i>	<i>12.59</i>	<i>13.33</i>	<i>13.62</i>	<i>14.78</i>
Housing	Housing and Council Tax benefit	3.68	4.16	4.41	4.61	4.78	5.18
	Emergency housing	0.11	0.11	0.14	0.15	0.14	0.16
	<i>Total</i>	<i>3.79</i>	<i>4.27</i>	<i>4.55</i>	<i>4.75</i>	<i>4.92</i>	<i>5.34</i>
Health and social care	Physical health	4.63	4.73	5.30	5.48	5.82	5.74
	Mental health	1.16	1.54	1.56	2.07	1.79	1.84
	Social services and care	4.58	4.91	3.79	3.76	5.51	4.66
	Children in care	2.04	2.50	2.57	2.83	2.98	2.60
	<i>Total</i>	<i>12.41</i>	<i>13.68</i>	<i>13.22</i>	<i>14.14</i>	<i>16.10</i>	<i>14.84</i>
Civil and criminal justice	Police	3.94	4.71	5.15	5.31	5.09	5.00
	Prisons	1.18	1.18	1.24	1.23	1.05	0.98
	Court and legal services*	0.50	0.55	0.63	0.55	0.56	0.48
	Legal Aid	0.92	0.98	0.85	0.85	0.88	0.90
	CMEC**	0.52	0.61	0.60	0.57	0.51	0.49
	<i>Total</i>	<i>7.06</i>	<i>8.03</i>	<i>8.46</i>	<i>8.52</i>	<i>8.09</i>	<i>7.85</i>
Education	Disciplinary/behavioural problems	-	-	1.12	1.46	1.46	1.26
	School vandalism/criminal damage	-	-	0.63	0.61	0.61	0.58
	Free school meals	-	-	0.21	0.24	0.24	0.25
	EMA	-	-	0.17	0.18	0.18	0.06
	Tertiary education	-	-	0.15	0.15	0.17	0.15
	Young people NEET***	-	-	0.63	0.57	0.67	0.64
	<i>Total</i>	<i>3.12</i>	<i>3.31</i>	<i>2.92</i>	<i>3.20</i>	<i>3.34</i>	<i>2.94</i>
Total		37.03	41.67	41.74	43.94	46.07	45.76

* 2009 and 2010 reports only included HM Courts service

** 2009 and 2010 reports refer to Child Support Agency, 2011 and 2012 to Child Maintenance and Enforcement Commission

*** 2009 and 2010 reports do not include young people not in education, employment, or training