

Parents don't think the Government is on their side

We need a Budget for Families

Contents

Executive Summary	1
<i>Introduction</i>	1
<i>Cost of living crisis</i>	2
<i>Impact on voting of a Budget for Families</i>	2
<i>What should the Chancellor do?</i>	3
<i>Conclusion and Recommendations</i>	5
 1. Many families are under acute financial pressure	6
<i>The effects of our 'hyper-individualistic' tax system</i>	6
<i>The place of childcare in a Budget for Families</i>	9
<i>Improving Child Benefit</i>	10
<i>Marriage Allowance</i>	11
 2. Family breakdown and non-financial family support.....	13
 3. Voter intentions	15
 4. Conclusion and Recommendations.....	16
 Appendix – Key findings from Family Tax Polling Questionnaire	17

Executive Summary

Introduction

The Family Hubs Network has advocated for improvement to family support since 2019, and particularly for the expansion of the network of family hubs to every community in the UK. Now 87 local authorities in England are part of two large government pilots (financed by Department for Education Transformation Funds) and many others are developing family hub networks because it makes sense to do so – both financially and to improve frontline help for families.

However, there is a long way to go, both to make family support as freely available as health and education for those who need it and, to ensure wider government policy is far more family-friendly than is currently the case.

Notably, our taxation system gives almost no relief to parents raising children and we are an international outlier: in a league table of the extent to which over 30 OECD countries' tax systems help families, the United Kingdom is nudging the bottom.

To inform this crucial election year, and the forthcoming Budget on March 6th, the Family Hubs Network carried out polling to find out whether parents and the wider public consider current and proposed policies will alleviate the considerable financial and other pressures of raising the next generation.¹

We found clear support for a shift towards family taxation that would enable families to keep more of their hard-earned cash. There was particularly strong agreement among 18-24 year olds, as well as parents raising children, that our system does not take into account the additional costs of dependents. There were also indications that Marriage Allowance was seen as a good foundation on which to build, recognition that eligibility for child benefit was unfairly calculated and appetite for reform in both these areas.

Finally, a clear majority link family breakdown with financial pressures and again this is particularly marked among young people and parents with young children. There is also very high public recognition that families need a range of services, guidance and advice and support that goes beyond providing more money and childcare.

¹ With [Whitestone Insight \(January 19-21 2024\)](#). Whitestone Insight is a member of the British Polling Council and [CT Group \(May 6-8 2023\)](#), which is on the UK's Register of Consultant Lobbyists.

Cost of living crisis

Whilst in our nationally representative sample only 27% are parents of children under 18, 60% of all respondents agree that the cost-of-living crisis has hit the living standards of families with children hardest. That number increases to 75% of young people aged 18-24 with recent memories – or current first-hand awareness – of their parents' struggle to make ends meet. Slightly more than half of those without children also recognise this harsh financial reality.²

Hence there is strong support for the Chancellor cutting taxes for families in his March Budget. When asked what his priority should be, 55% of parents of children aged 0-18 said cutting taxes for families. This might seem unsurprising but 35% of *all* respondents agreed, only three points less than those pressing for a VAT reduction and boost to pensioners' net incomes and 11 points ahead of those pressing to cut inheritance tax.

Impact on voting of a Budget for Families

Our polling on whether voter intentions might change if the Government unveils a Budget for Families in March, indicates strong net favourability across all groups. Across the population almost a fifth are more likely to vote Conservative, three times as many who say that would put them off. The number of those more likely to vote Conservative more than doubles among those with children under 18 and reaches almost 50% for those with children under 5.

A third of 18–24 year olds say a Budget for Families might mean they now back the current party of Government and only 3% say it would deter them. This is potentially explained by recent surveys showing a misalignment between the values of this age group and those of the Conservative Party, as expressed through current policy.³ Perhaps the clearest bellwether of stagnating aspirations is many young people's sense of hopelessness about being able to afford their own homes and start a family.⁴

Whilst a Budget for Families is not as favourable for over 65s and those who do not have children, there is still net positive support in both these categories. 36% of Conservatives say this would strengthen their support, six times the number for whom this would make their vote less certain. Looking at voter intentions among those currently planning to support other parties, almost a quarter of Lib Dems say a Budget for Families would make them more likely to voter Conservative, again three times as many who would be less likely. Only 15% of current Labour backers would switch support but that is still two and a half times the number who say it would put them off.

2 Unless stated otherwise, polling figures can be found in the Appendix to this report and on [Family Hubs Network - Whitestone Insight \(Whitestoneinsight.com\)](#)

3 [Why are young people deserting conservatism in Britain but nowhere else? - The Financial Times \(ft.com\)](#)

4 [Is Gen Z the most conservative generation in history? - New Statesman Magazine \(newstatesman.com\)](#)

What should the Chancellor do?

Overall, there is high net agreement (+72 net agree-disagree) that household poverty is the biggest problem facing families today and almost half of those polled said reducing the cost of living is the one thing the Government can do now to improve family life.⁵

So, what measures should a Budget for Families include, that would also satisfy a broader range of voters? Echoing a large body of articles and reports published since 2019, from a wide range of commentators and thinktanks, there was very strong recognition in our polling that our taxation system fails to take account of the extra costs parents face when bringing up children.⁶

Almost two thirds of those polled, regardless of age or life stage agreed with this, and that leapt to 84% of those with children aged 0-18 and nearly three quarters of 18-24 year olds. The same number, 72%, of Labour voters also agreed as did 56% of those without children and 57% of over 55s.

This perception of a flawed system is borne out by our international league table of how much over 30 tax regimes help families: when comparing how much less tax is paid by a single earner couple with two children, than by a single person with no dependents (on average wages), the United Kingdom has the fourth lowest reduction of 3.5%. Germany reduces tax to almost zero and the United States by two thirds.

Child Benefit

Since 1977 Child Benefit has been a non-means tested mainstay of state help with the costs of bringing up all children.⁷ However, in January 2013 entitlement to child benefit became means-tested but based on the income of individual parents rather than family income.⁸ Families where one parent earns £60,000 a year or more receive no child benefit at all, whereas families where both parents separately earn up to £50,000 a year are entitled to receive the full amount for their children.⁹

When asked whether they supported or opposed making child benefit entitlement dependent on family income rather than the income of individual parents, almost 70% of all respondents supported tying child benefit to family income. And there was negligible difference between parents and non-parents. 71% of Labour voters were in favour and only 14% opposed compared with, respectively 78% and 13% of Conservative voters.

Again, our polling suggested this would be an overwhelmingly popular policy and that there is strong understanding of the inherent injustice in the current system. Operationally, assessing child benefit entitlement on the basis of family income would likely mean 'joining up' the tax affairs of the adults in the household, in the same way that entitlement to Marriage Allowance is currently calculated and credited to families.

5 CT Group polling: a UK nationally representative survey of n=1,054 was fielded online with 18+ year-old members of the general public. The size of this survey yields a maximum margin of error of +/-3.5% at a 95% confidence interval, although note that margins of error vary by question and analysis group. Minimum quotas according to the latest ONS national figures were applied by age, gender, region, education and past vote with weighting applied where necessary to ensure the collection of a nationally representative sample. The predominant part of the survey was in field from 6-8th May 2023, with sample confirmation conducted in following week.

6 The Centre for Social Justice and Tax and the Family have been publicising these issues since 2007.

7 [Child Benefit \(commonslibrary.parliament.uk\)](https://commonslibrary.parliament.uk/pp8-9) pp8-9
Family Allowance, its predecessor from 1946, paid only for second and subsequent children.

8 [The High Income Child Benefit Charge - House of Commons Library \(commonslibrary.parliament.uk\)](https://commonslibrary.parliament.uk/)

9 [Child Benefit - Department for Work and Pensions \(Gov.uk\)](https://gov.uk/)

Marriage Allowance

Marriage Allowance adjusts in a very minor way the system of independent taxation introduced in 1990, which assesses all individuals for tax as separate persons. This overturned the principle underlying our tax system for almost two hundred years: that a married woman's income was adjudged for tax purposes to be part of her husband's income.¹⁰ There are therefore important cultural reasons why, almost 35 years later, taxpayers might still prefer wholly independent taxation.

So we tested the popularity of Marriage Allowance with our representative sample. This can reduce the amount of income tax payable by a married couple by up to £252 a year if one of them has not used up all their tax-free allowance and the other is a basic rate taxpayer. Almost twice as many backed the tax system giving a benefit to married couples as opposed it (51% agreed and 28% disagreed). Two thirds of those with young children agreed (and only 18% disagreed) as did 61% of retired people.

Yet take up of Marriage Allowance is low,¹¹ probably because it puts less than £5 a week back into families' pockets and is difficult to understand and apply for.¹² So we asked if there was support for the Chancellor doubling its value to £504 in the March budget. This was only marginally less popular than the Marriage Allowance itself: and support was again particularly strong among parents with young children.

Family breakdown and non-financial family support

We wanted to test public perceptions of the effects of depleted incomes and 51% agreed that if families had more money in their pockets, levels of family breakdown would reduce (compared to 31% who disagreed). In our earlier poll on public appetite for and awareness of the need for family support, the majority of people (+60 net agree-disagree) believed that family breakdown was a serious problem and that a comprehensive policy should be brought forward to address it (+52 net agree-disagree).¹³

On that point, there was also very strong net agreement (+74 net agree-disagree) with the statement that 'supporting families is not just about subsidising childcare or giving parents money, but providing a range of services, guidance and advice.'

Unfreezing tax thresholds

Finally, we asked what people thought about the current freeze on income tax thresholds which is set to last until 2028/29 and would draw an extra 3 million people into paying the higher, 40%, rate of tax. Whilst 36% opposed the freeze, 31% either agreed with it or wanted to extend it. Yet undoubtedly fiscal drag detrimentally affects incomes, and as the name suggests, the buoyancy of the economy. A third of those polled did not know whether they agreed, disagreed or wanted to extend it, suggesting this is an area of our tax system that is not readily understood.

10 [Income tax allowances for married couples - House of Commons Library \(commonslibrary.parliament.uk\) p4](https://commonslibrary.parliament.uk/p4)

11 In 2019, fewer than half of eligible couples claimed the allowance [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\) p14](https://policyexchange.org.uk/p14)

12 [Family-Friendly Taxation - The Centre for Policy Studies \(cps.org.uk\)](https://cps.org.uk) and [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\)](https://policyexchange.org.uk)

13 CT Group polling (May 6-8 2023)

Conclusion and Recommendations

So, looking across our polling results, in these difficult times there is clear and strong public appetite, across the full gamut of political affiliations, but particularly among families with dependent children and young people, for a major pro-family tax reform. Today's and tomorrow's parents need to know that the Government is on their side.

The problems rooted in individual taxation stem back to the 1990s, and have been highlighted for two decades, but the detrimental effect on many households' finances has been ignored. Given this neglect of families, we recommend the Government announce in the forthcoming Budget:

1. A doubling of the maximum value of the Marriage Allowance to £504, to soften further the disproportionately high tax burden faced by families with dependents where one parent earns nothing or significantly less than the other.
2. An adjustment to Child Benefit which addresses its anomalies (and complexities) where one parent earns at or around the withdrawal threshold.
3. A fundamental review of how families are taxed which prioritises the option of giving them choice about whether they want to be assessed jointly or as individuals.
4. Further money for family hubs for the remaining local authority areas that have not yet received central government funding to improve and join-up the help and support available for families.

1. Many families are under acute financial pressure

The March 2024 Budget cannot avoid the reality, as stated by Tax and the Family, that:

“ The tax burden is now at its highest level since the 1950s, with income tax accounting for more than a quarter of tax revenue. Following the pandemic, the cost of living is reaching a crisis point.¹⁴

Families are particularly hard hit. Whilst in our nationally representative sample only 27% are parents of children under 18, 60% of all respondents agree that the cost-of-living crisis has hit the living standards of families with children hardest (see Appendix, Q2). That number increases to 75% of young people aged 18-24 with recent memories – or current first-hand awareness – of their parents’ struggle to make ends meet. Slightly more than half of those without children also recognise this harsh financial reality.

Overall, there is high net agreement (+72 net agree-disagree) that household poverty is the biggest problem facing families today and almost half of those polled said reducing the cost of living is the one thing the Government can do now to improve family life.¹⁵

The effects of our ‘hyper-individualistic’ tax system

It is against such a background that this submission to the Chancellor echoes several previous reports, many of which are cited below, in calling for fairer sharing of the tax burden. Single earner families in particular bear the brunt of our individualised tax system which does not take into account a) family (household) income and b) the costs of children and other dependents.

Tax and the Family explain how much-needed reforms which began with then-Chancellor Nigel Lawson’s Green Paper, *The Reform of Personal Taxation*, in 1986, eventually resulted in the loss of certain allowances that meant families began to be disadvantaged by individual taxation.¹⁶

Our lack of recognition of the dependents which wages support makes us an outlier among developed countries: our families are taxed very differently and more prohibitively when compared with, for example, France, Germany and the United States.

Tax and the Family and the Centre for Social Justice have drawn attention to these issues since the mid-2000s. Since 2019 they have been joined by several centre-right and other thinktanks which are now highlighting how the UK taxation system contributes significantly, not just to the financial challenges facing families, but also, more fundamentally, to parents’ inability to choose what they want their families to look like.

14 [The Taxation of Families 2021 - Tax and the Family \(taxandthefamily.org\)](#) p8

15 CT Group polling (May 6-8 2023)

16 [History - Tax and the Family \(taxandthefamily.org\)](#)

Policy Exchange' *Taxing Families Fairly* report warns that:

“...this approach to taxation both pre-supposes and encourages a hyper-individualistic mentality. For fiscal purposes, we ignore the basic unit from which societies are built. This is a cultural and political problem which among other things leaves the UK with a bigger fertility gap (the gap between the number of children people say they want and the number they actually have) than most comparable countries.”¹⁷

Onward highlight, in their *Family Fortunes* report, how:

“‘Couples with children face a considerable financial penalty through our tax system. The tax burden on single-earner married families with children in the UK is 9th highest in the OECD, well above the developed world average (18.3% of gross wage earnings compared to 12.9%). Single-earner households are considerably more likely to be represented in the bottom-fifth of families for disposable income (35%) than lone parent families (24%)...One reason why the UK has a high tax burden on single-earner families is that the UK is unusual in its treatment of such families within the tax system.’”¹⁸

Our 'league table' below further substantiates Onward's claim, using the most recently available figures from (mainly) European and North American OECD countries. It expresses as 'family-friendly tax points' the percentage reduction in tax levied on a single earner couple with two children, in comparison with a single person with no dependents, where both are on average wages. The United Kingdom is very near the bottom of the table with the fourth lowest reduction of 3.5%, compared with the OECD average of 44%.

Worked Examples of the effect of Family-friendly Tax Points

In the Czech Republic an individual on average wages (472,783 Kč) pays 8.5% (net) income tax whereas a married couple with two children on the same wage actual receives 7.9% from the Government through tax credits and allowances (in effect they pay -7.9% tax). Hence, the family's tax bill is reduced by 193% (so the Czech Republic is on 193 points).

In Germany the individual on average wages (€55,041) pays 17.65% income tax whereas a married couple with two children on the same wage pays only 0.04% tax due to joint taxation, credits and allowances. So, the family's tax bill is reduced by almost 100% (and Germany is on 100 points).

In the United States, the individual on average wages (\$64,899) pays 17.2% income tax whereas a married couple with two children on the same wage pays only 5.7% tax due to joint taxation, credits and allowances. So, the family's tax bill is reduced by almost 66% or two thirds (the US is on 66 points).

In the UK, an individual on average wages (£44,300) pays 14.3% income tax whereas a married couple (with or without children) on the same wage pays 13.8% if they claim the marriage allowance. So the income tax burden for a couple family is only 3.5% less than for an individual and we are on 3.5 points.

All figures here and in the 'league table' overleaf are from [OECD: Taxing Wages 2023](#).

¹⁷ [Taxing Families Fairly](#) - Policy Exchange (policyexchange.org.uk) p5

¹⁸ [Family Fortunes](#) - Onward (ukonward.com) p35 p3

How family-friendly is our tax system?

	Country:	Family-friendly Tax Points
1	Czech Republic	193
2	Poland	161
3	Slovak Republic	127.5
4	Germany	100
5	United States	67
6	Slovenia	64
7	Luxembourg	62
8	Austria	59
9	Portugal	56
10	Switzerland	55
11	Hungary	51
12	Latvia	44
13	Average	44
14	Spain	43
15	Belgium	43
16	France	41
17	Ireland	40
18	South Korea	29
19	Israel	28
20	Estonia	24
21	Iceland	21
22	Japan	18
23	Canada	17
24	Italy	10.5
25	Denmark	10
26	United Kingdom	3.5
27	The Netherlands	1
28	Finland	0
29	Norway	0
30	Lithuania	0
31	Sweden	0
32	Greece	-6

Colour Key



Points represent the percentage reduction in tax a single-earner family with two children pays, compared to a single person where both are on average wages in (mainly) European and North American OECD countries.

Table: Daniel Dieppe, 2024 • Source: OECD, 'Taxing Wages 2023' • [Get the data](#) • Created with [Datawrapper](#)

The result of the high tax burden on single earner couple families, as the Centre for Policy Studies' *Family-Friendly Taxation: How to restore fairness to the tax system* report highlights, is that:

“ ‘...families with the same overall earnings can pay wildly different amounts of tax – and have very different disposable incomes as a consequence, hitting the quality of life of millions. This is the result of pairing a highly ‘progressive’ tax structure with the individual as the sole tax unit – and it is getting worse right now, as frozen tax thresholds combine with high inflation to make many more people higher rate taxpayers.’¹⁹

They point out that when two families with the same overall income pay such widely divergent amounts of tax, this offends the notion of horizontal equity. However, all families are subject to the wider problem in our taxation system that the extra costs of children are not factored into thresholds and allowances, and the public's awareness of this was reflected in our polling (See Appendix, Q3).

Almost two thirds of those polled, regardless of age or life stage agreed with the statement that ‘the UK income tax system fails to take into account the extra costs parents face in bringing up children’, and that leapt to 84% of those with children aged 0-18 and nearly three quarters of 18-24 year olds. The same number, 72%, of Labour voters also agreed as did 56% of those without children and 57% of over 55s.

Hence there is strong support for the Chancellor cutting the taxes families pay in his March Budget. When asked what his priority should be, 55% of parents of children aged 0-18 said cutting taxes for families (see Appendix, Q1). This might seem unsurprising but 35% of *all* respondents agreed, only three points less than those pressing for a VAT reduction and boost to pensioners' net incomes and 11 points ahead of those pressing to cut inheritance tax.

We also asked what people thought about the current freeze on income tax thresholds which is set to last until 2028/29 and would draw an extra 3 million people into paying the higher, 40%, rate of tax (see Appendix, Q7). Whilst 36% opposed the freeze, 31% either agreed with it or wanted to extend it. Yet undoubtedly fiscal drag detrimentally affects incomes, and as the name suggests, the buoyancy of the economy. A third of those polled did not know whether they agreed, disagreed or wanted to extend it, suggesting this is an area of our tax system that is not readily understood.

The place of childcare in a Budget for Families

It could be argued that more contribution is being made to the cost of children than ever before with the £8bn that the Government now plans to spend on childcare and there is pressure to increase this further, given the significant affordability and workforce issues faced by the childcare sector.²⁰ However, this obviously has to be paid for through everyone's tax bills including those of single earner couples where one parent has chosen to look after their children at home in the early years rather than use formal childcare. This choice is not necessarily driven by lack of affordable childcare and it is increasingly hard to make when their tax burden is so high.

19 [Family-Friendly Taxation - The Centre for Policy Studies \(cps.org.uk\)](#) p5

20 [What child-care reforms say about Britain's welfare state - The Economist \(economist.com\)](#)

Almost 70% of those parents who do not use childcare said they wanted to look after their own children.²¹ Moreover, the Department for Education's own research indicates that almost two thirds of mothers with children aged four and under would rather work fewer hours so they can look after their own children,²² and there has been an upward trend over ten years on this number.²³

The time bind many parents find themselves in and their desire for greater choice has been highlighted by many recent reports and would be alleviated if the Government were to make family taxation fairer.²⁴

Improving Child Benefit

Similarly, the state has made some contribution to the costs of bringing up children through Child Benefit which has, since 1977, been an iconic cash payment for all children regardless of means.²⁵

However, in January 2013 entitlement to child benefit became means-tested but based on the income of individual parents rather than family income.²⁶ Families where one parent earns £60,000 a year or more receive no child benefit at all, whereas families where both parents separately earn up to £50,000 a year are entitled to receive the full amount for their children.²⁷

With these changes, as *Taxing Families Fairly* says,

“*Its operation seems to have been designed to impose a discriminatory burden on single-earner families. If any earner within a family earns more than £50,000 per annum, the child benefit is withdrawn, even if the child benefit was paid to a non-earner (for example, the mother). The withdrawal takes place over the following £10,000 of income until all the child benefit has been withdrawn once the individual is earning £60,000.*”²⁸

Furthermore, the IFS point out that as the thresholds for Child Benefit withdrawal have not increased in over ten years, the Higher Income Benefit Charge now affects over a quarter of families, rising to almost one third (31%) in 2025-26, ‘if the freeze continues’.²⁹

The Resolution Foundation also highlight how the operation of this Higher Income Child Benefit Charge in the tax system can hit parents with effective marginal rates of 80 or even 100 per cent, depending on their number of children.³⁰

21 [Better Childcare: Putting Families first - Policy Exchange \(policyexchange.org.uk\)](#) p25 referring to [Childcare and early years survey of parents: 2019 - Department for Education \(gov.uk\)](#) Table 5.2

22 [Childcare and early years survey of parents: 2019 - Department for Education \(gov.uk\)](#) Table 8.12

23 [Why can't mums choose?: Rethinking Child Benefit and childcare spending – Civitas \(civitas.org.uk\)](#) p16 referring to [Childcare and early years survey of parents: 2012 to 2013 – Department for Education \(gov.uk\)](#) Table 9.12

24 [Why can't mums choose?: Rethinking Child Benefit and childcare spending – Civitas \(civitas.org.uk\)](#); [Parents Know Best: Giving Families a Choice in Childcare – Centre for Social Justice \(centreforsocialjustice.org.uk\)](#); [Better Childcare: Putting Families First – Policy Exchange \(policyexchange.org.uk\)](#)

25 Its predecessor, from 1946, was Family Allowance, which was similarly non-means tested but paid only for second and subsequent children.

26 [The High Income Child Benefit Charge - House of Commons Library \(commonslibrary.parliament.uk\)](#)

27 Current rates of child benefit are set at £24 a week for the eldest child, and £15.90 a week for all subsequent children.

28 [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\)](#) p19

29 [Thresholds in the tax system: Policy and administrative considerations | Institute for Fiscal Studies \(ifs.org.uk\)](#) p21

30 [Ending stagnation - The Inquiry \(resolutionfoundation.org\)](#) p215

In our polling, when asked whether they supported or opposed making child benefit entitlement dependent on family income rather than the income of individual parents, almost 70% of all respondents supported tying child benefit to family income (see Appendix, Q6). There was negligible difference between parents and non-parents. 71% of Labour voters were in favour and only 14% opposed compared with, respectively 78% and 13% of Conservative voters.

Again, our polling suggested this would be an overwhelmingly popular policy and that there is strong understanding of the inherent injustice in the current system.

Operationally, assessing child benefit entitlement on the basis of family income would likely mean 'joining up' the tax affairs of the adults in the household, in the same way that entitlement to Marriage Allowance is currently calculated and credited to families.

Marriage Allowance

The Marriage Allowance chips away at the lack of recognition of dependents in our tax system, and the disproportionately high tax burden faced by households where one parent earns nothing or significantly less than the other, but only minimally. Introduced in 2015, it enables someone to transfer up to £1,260 of unused personal allowance to their husband or wife (or civil partner) if they earn more than them but are a basic-rate taxpayer.³¹ It is only worth up to £252 per family, per year, but fewer than half of eligible married couples claim it.³² The Centre for Policy Studies and Policy Exchange reports surmise that this may be because the allowance is not well advertised, too complicated to understand or of too little value to make it worth applying for.^{33,34}

They also describe the controversial aspects of an allowance limited to married couples, but both conclude that whatever can be done to redress the balance in our tax system would be a step in the right direction.

Whilst *Taxing Families Fairly* points out,

“*The marriage allowance has been promoted as a way of rewarding marriage rather than a way of gradually ending discrimination against households where the split of earnings between individuals within households is uneven.*”³⁵

Family-friendly Taxation agrees that:

“*...the legal advantages of coupledness should be tied to people making a binding legal commitment to each other, whether through marriage or civil partnership, both of which are open to everyone. We also cannot overlook the evidence that marriage leads to greater family stability and, even adjusting for income and education, better outcomes for children.*”³⁶

31 [Income tax allowances for married couples – House of Commons Library \(commonslibrary.parliament.uk\)](https://commonslibrary.parliament.uk)

32 In 2019, fewer than half of eligible couples claimed the allowance [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\)](https://policyexchange.org.uk) p14

33 [Family-Friendly Taxation - The Centre for Policy Studies \(cps.org.uk\)](https://cps.org.uk)

34 [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\)](https://policyexchange.org.uk)

35 [Taxing Families Fairly - Policy Exchange \(policyexchange.org.uk\)](https://policyexchange.org.uk) p14

36 [Family-Friendly Taxation - The Centre for Policy Studies \(cps.org.uk\)](https://cps.org.uk) p5

Our polling about the level of recognition of the greater stability of marriage yielded some interesting results (see Appendix, Q11). Whilst only a third of all respondents agree (and 45% disagree, 22% don't know) that number rose to close to two fifths of 18-24 year olds and those with children under 5.

We wanted to find out if the public agreed with the concept of a marriage allowance and our polling (see Appendix, Q4) found that, by a ratio of almost two to one, voters agree the tax system should benefit married couples (51% agree v 28% disagree). The number of those agreeing rose to 66% of those with young children.

When asked if they would agree or disagree with the Chancellor increasing the marriage allowance from £252 to nearer £504 in the forthcoming Budget (see Appendix, Q5), the numbers were similar: 49% agree, 29% disagree and 65% of those with children under 5. In other words, if the Chancellor wanted to start addressing how unfairly the tax system currently penalises families, increasing the marriage allowance has far more supporters than detractors.

2. Family breakdown and non-financial family support

The Family Hubs Network was set up in 2019 to drive improvement to family support: this country has very high rates of family breakdown (44% of children do not live with both their biological parents throughout childhood³⁷) and demographers describe our families as more fragile and complex than in other western European countries.³⁸

When families crumble and parents are unable to nurture their children, there are major negative effects on human flourishing and the health of the nation's finances. Productivity takes a massive hit and those who experience family breakdown in childhood are also significantly more likely to experience:

- homelessness;
- debt;
- alcoholism;
- mental health issues; and
- being on benefits.

They are also significantly more likely to:

- get into trouble with the police or spend time in prison;
- underachieve in education;
- not live with the other parent of their child/ren; and
- become a teenage parent.³⁹

Adversity, including from financial difficulties, piles pressure on families, and we have already highlighted high agreement of all respondents (60%) to our poll that cost-of-living pressures have hit families with children hardest (see Appendix, Q2).

³⁷ Families and inequalities - Institute of Fiscal Studies (ifs.org.uk)

³⁸ Families and inequalities - Institute of Fiscal Studies (ifs.org.uk)

³⁹ [Why Family Matters: Comprehensive analysis of the consequences of family breakdown - The Centre for Social Justice \(centreforsocialjustice.org.uk\)](https://www.centreforsocialjustice.org.uk)

In our earlier poll on public appetite for and awareness of the need for family support, the majority of people (+60 net agree-disagree) believed that family breakdown was a serious problem and that a comprehensive policy should be brought forward to address it (+52 net agree-disagree).⁴⁰ More recently we asked if people agreed or disagreed that 'Family breakdown is associated with higher rates of educational failure, criminality and unemployment among the children affected.' (See Appendix, Q9) Again, young people aged 18-24 (71%) and those with young children (67%) agreed in significantly higher numbers than the overall total (61%).

We wanted to test public perceptions of the effects of enabling families to keep more of the money they earn, and 51% agreed that if families had more money in their pockets, levels of family breakdown would reduce (compared to 31% who disagreed, see Appendix, Q10).

The cost of family breakdown was last estimated, in 2018, at £51bn,⁴¹ and calculated highly conservatively: for example, the costs to productivity were not included. All those they did include, such as the contribution to family court, mental health and prison costs, have increased markedly. So, reducing the pressures on families is an investment that will save the Treasury money. On that point, there was also very strong net agreement in our earlier poll (+74 net agree-disagree) with the statement that 'supporting families is not just about subsidising childcare or giving parents money, but providing a range of services, guidance and advice.'⁴²

Among those polled, the main priorities for government family policy were drop-in centres (56% total) and ongoing one-to-one help from a family support worker (51% total). When we probed further what form family and parenting support should take, almost 50% emphasised the importance of them being low or no cost, 36% said they should provide immediate help and 31% that they should be accessible in one place.

Hence, the Family Hubs Network has welcomed this Government's championing of Family Hubs, where families can receive the joined-up support they need from a range of public, voluntary and private services, including community volunteers.

87 local authorities in England are now part of two large government pilots (financed by Department for Education Transformation Funds) and many others are developing family hub networks because it makes sense to do so – both financially and to improve frontline help for families.

However, there is still a long way to go both to expand the network of Family Hubs across the country and make family support as freely available as health and education for those who need it. Moreover, public awareness of the Government's policies and programmes is low: 62% of voters either do not know or are neutral and the majority are unfamiliar with what the programmes currently in place (-53 net familiar-unfamiliar).⁴³

40 CT Group polling (6-8 May 2023)

41 [Cost family failure 2018 update – Relationships Foundation \(relationshipsfoundation.org\)](#)

42 CT Group polling (6-8 May 2023)

43 CT Group polling (6-8 May 2023)

3. Voter intentions

This report highlights the clear public appetite for wider government policy to be far more family-friendly than is currently the case. Our polling on whether voter intentions might change if the Government unveils a Budget for Families in March (see Appendix, Q8), indicates strong net favourability across all groups. Across the population almost a fifth are more likely to vote Conservative, three times as many who say it would put them off. The number of those more likely to vote Conservative more than doubles among those with children under 18 and reaches almost 50% for those with children under 5.

A third of 18-24 year olds say this might mean they now back the current party of Government and only 3% say it would deter them. This is potentially explained by recent surveys showing a misalignment between the values of this age group and those of the Conservative Party as expressed through current policy.⁴⁴ Perhaps the clearest bellwether of stagnating aspirations is many young people's sense of hopelessness about being able to afford their own homes and start a family.⁴⁵ Their own parents' financial struggles are likely still very vivid to them and many young people could understandably imagine that, without a more family-friendly approach by the Government, theirs might be insurmountable.

36% of Conservatives say this would strengthen their support, six times the number for whom this would make their vote less certain. Looking at voter intentions among those currently planning to support other parties, almost a quarter of Lib Dem say a Budget for Families would make them more likely to vote Conservative, again three times as many who would be less likely. Only 15% of current Labour backers would switch support but that is still two and a half times the number who say that would put them off.

44 [Why are young people deserting conservatism in Britain but nowhere else? - The Financial Times \(ft.com\)](#)

45 [Is Gen Z the most conservative generation in history? - New Statesman Magazine \(newstatesman.com\)](#)

4. Conclusion and Recommendations

Many families are now facing acute financial pressures and the operation of our tax system is exacerbating these rather than rewarding people who are doing the right thing and working hard to provide and care for their children.

Looking across our polling results, this is recognised not just by parents but by groups across the whole population and political spectrum and there is strong support for a Budget for Families on March 6th. Young people are particularly aware of the difficulties they would face if they wanted to start their own families, and a third of them would be more likely to vote for a party that alleviated those pressures.

There are many competing pressures on the public purse, and the boost for business in the 2023 Autumn Statement lifted the prospects of the whole economy and should be welcomed. However, the time has now come for the Chancellor to lift the financial burdens that have been piled on the nations' families. They are the precious building blocks of our society, where our current workforce and the workforce of the future are sustained and nurtured.

In these difficult times there is clear and strong public appetite for a major pro-family tax reform. Today's and tomorrow's parents need to know that the Government is on their side.

As this paper explains, the problems rooted in individual taxation stem back to the 1990s, and have been highlighted for two decades, but the detrimental effect on many households' finances has been ignored.

Given this neglect of families, we recommend the Government announce in the forthcoming Budget:

1. A doubling of the maximum value of the Marriage Allowance to £504, to soften further the disproportionately high tax burden faced by families with dependents where one parent earns nothing or significantly less than the other.
2. An adjustment to Child Benefit which addresses its anomalies (and complexities) where one parent earns at or around the withdrawal threshold.
3. A fundamental review of how families are taxed which prioritises the option of giving them choice about whether they want to be assessed jointly or as individuals.
4. Further money for family hubs for the remaining local authority areas that have not yet received central government funding to improve and join-up the help and support available for families.

Appendix – Key findings from Family Tax Polling Questionnaire

Whitestone Insight polled a nationally representative sample of 2039 GB adults online, between 19th-21st January 2024. Full data tables available at www.whitestoneinsight.com. Whitestone is a member of the British Polling Council and abides by its rules.

Q1 The Chancellor is widely expected to cut taxes in his March Budget. Which of these should be his top priority? Please indicate all that apply.

- ☐ Cutting VAT and pensioners' taxes rank joint-top in the public's concerns for the next budget (38%). Cutting taxes for families with children U18 comes a close third at 35%.
- ☐ 53% of Tories support tax cuts for pensioners
- ☐ 18% of Labour voters don't think he should cut taxes, vs 6% of Tories
- ☐ 55% of respondents with children believe tax cuts for families should be a top priority, vs 28% of those without

PROPOSED TAX CUTS	TOTAL %	CON	LAB	KIDS
VAT	38	41	37	36
Taxes on the income of pensioners	38	53	31	36
Taxes on the incomes of families with children under 18	35	35	36	55
Inheritance tax	24	32	18	25
Business tax	16	24	13	20
He should not cut taxes	12	6	18	7
Don't know	14	7	12	10

Q2 “The cost of living crisis has hit the living standards of families with children aged 18 or under harder than any other group of people.” Do you agree or disagree with this statement?

- ☐ 60% of respondents agree the cost of living crisis has hit families hardest
- ☐ Including 75% of young people (vs 50% of 55-64 year olds)
- ☐ 51% of respondents without children agree v 84% of those with kids

	TOTAL	18-24	55-64	NO KIDS	KIDS
Net agree	60	75	50	51	84
Net disagree	24	15	34	30	8
Don't know	17	11	16	20	8

Q3 “The UK income tax system fails to take into account the extra costs parents face in bringing up children.” Do you agree or disagree with this statement?

- ☐ 63% agree the UK tax system fails to take family costs into account
- ☐ 72% of 18-24s v 57% of 55+
- ☐ 72% of Labour voters v 56% of Tories
- ☐ 84% of those with children under 18

	TOTAL	18-24	55+	CON	LAB	NO KIDS	KIDS
Net agree	63	72	57	56	72	56	84
Net disagree	20	11	26	34	15	24	11
Don't know	17	17	18	10	13	21	5

Q4 The marriage allowance can reduce the amount of income tax payable by a married couple by up to £252 a year. Do you agree or disagree with the tax system giving a benefit to married couples?

- ☐ By a ratio of almost two to one, voters agree the tax system should benefit married couples.
- ☐ 51% agree, 28% disagree, 21% don't know
- ☐ 66% of Tories, 47% of Labour voters
- ☐ 61% of retired people agree
- ☐ 66% of those with young children

	TOTAL	RETIRED	KIDS U5	CON	LAB
Net agree	51	61	66	66	47
Net disagree	28	25	18	23	35
Don't know	21	15	16	11	18

Q5 Would you agree or disagree with a proposal that the Chancellor should increase the marriage allowance from £252 to nearer £504 in the forthcoming Budget?

- ☐ 49% agree, 29% disagree, 22% don't know
- ☐ 59% of Tories v 47% Lab agree
- ☐ 65% of those with children under 5
- ☐ 63% of homemakers

	TOTAL	HOMEMAKERS	KIDS U5	CON	LAB
Net agree	49	63	65	59	47
Net disagree	29	17	21	26	34
Don't know	22	20	15	15	18

Q6 In the UK, child benefit is based on the income of individuals rather than families. No child benefit is paid in families where one parent earns £60,000 a year or more, whereas families where both parents separately earn up to £50,000 a year are entitled to receive child benefit of £24 a week for the eldest child, and £15.90 a week for any other children. Would you support or oppose a proposal to make child benefit entitlement dependent on family income rather than the income of individual parents?

- ☐ 69% support child benefit tied to family income
- ☐ Including 78% of Tory voters, 71% Labour voters
- ☐ No difference whether or not you have children (69% v 68%)

	TOTAL	CON	LAB
Support	69	78	71
Oppose	14	13	14
Don't know	17	9	15

Q7 The current freeze on income tax thresholds lasts until 2028/29 which on current forecasts will draw an extra 3 million people into paying the higher rate band of 40 per cent. Do you agree with this freeze on income tax thresholds, or would you prefer an alternative?

- ☐ 33% don't know
- ☐ 36% disagree with the freeze
- ☐ 36% Tories support freeze, vs 23% the general population

	TOTAL	CON	LAB	REFORM
Agree with freeze	23	36	23	14
Oppose freeze	36	39	37	56
Extend freeze	8	7	9	8
Don't know	33	18	31	23

Q8 If the Chancellor unveils a 'Budget for Families' in March and cuts their taxes significantly, would that make you more or less likely to vote Conservative at the next general election?

- ☐ 43% wouldn't make a difference, 28% wouldn't vote Tory anyway
- ☐ By a ratio of three to one, voters are more likely to support the Conservatives if they unveil a Budget for Families in March.
- ☐ 24% of Lib Dems say they are more likely to support
- ☐ 33% of 18-24 year olds v 9% of 55+
- ☐ 36% of likely Tory voters approve
- ☐ 61% of 65+ say it wouldn't make a difference
- ☐ 38% of those with children say they'd be more likely, particularly those with young children – 47%, 11% of those without

	TOTAL	18-24	55+	NO KIDS	KIDS	KIDS U5	CON	LAB	LIB DEMS
More likely	18	33	9	11	38	47	36	15	24
No difference	43	30	61	46	33	27	57	38	30
Less likely	6	5	5	8	2	3	6	6	8
Not voting Tory	28	24	24	30	23	17	n/a	40	34

Q9 "Family breakdown is associated with higher rates of educational failure, criminality and unemployment among the children affected." Do you agree or disagree with this statement?

- ☐ 61% agree
- ☐ 71% of 18-24 year olds, v 63% of 25-34 year olds
- ☐ 66% of Tories, 65% of Labour
- ☐ 20% disagree, 19% don't know
- ☐ 67% of those with degree-level education agree v 57% those without degrees
- ☐ 59% those with no children v 67% with children

	TOTAL	18-24	CON	LAB	NO DEGREE	DEGREE	NO KIDS	KIDS
Agree	61	71	66	65	57	67	59	67
Disagree	20	12	19	20	21	19	20	18
Don't know	19	17	15	15	22	15	20	15

Q10 “If families had more money in their pockets, levels of family breakdown would reduce.” Do you agree or disagree with this statement?

- ☐ 51% agree, 31% disagree, 17% don't know
- ☐ 67% of 18–24 year olds agree, v only 35% of 65+
- ☐ 69% of opinion influencers agree
- ☐ 60% of Lab voters, 49% of Tories, 39% of Reform voters
- ☐ 70% with children (78% of children under 5), 45% those without children

	TOTAL	18-24	65+	CON	LAB	REFORM	INFLUENCERS	NO KIDS	KIDS
Agree	51	67	35	49	60	39	69	45	70
Disagree	31	20	43	38	26	44	25	36	19
Don't know	17	13	21	12	14	17	6	20	11

Q11 “Married couples with children are less likely to split up than unmarried couples with children.” Do you agree or disagree with this statement?


- ☐ Agree 34%, disagree 45%, don't know 22%
- ☐ 40% of men v 28% of women agree
- ☐ 56% 18-24 v 28% of 55+ agree
- ☐ 44% of Tories agree, and 30% of Labour voters
- ☐ 31% below degree v 37% at degree level
- ☐ Those with young children (under 5) most likely to agree (57%). Drops to 36% of those with children aged 16-18

	TOTAL	MEN	WOMEN	18-24	55+	CON	LAB	NO DEGREE	DEGREE	NO KIDS	KIDS
Agree	34	40	28	56	28	44	30	31	37	31	42
Disagree	45	37	51	31	48	40	47	48	41	46	42
Don't know	22	22	21	13	25	16	23	21	22	24	17

Q12 Thinking of the following social problems, which do you think are the greatest facing society?
Tick all that apply.

- ☐ Mental health (62%), debt (51%), addiction (49%), unemployment (44%), welfare dependency (43%), alcoholism (39%), schools failing children (37%), family breakdown (31%)
- ☐ Those more likely to say family breakdown were: elderly, lower social grade, Tory (at 35%), and not in full-time employment
- ☐ 70% of Labour voters say mental health problems, versus 47% of Tories
- ☐ 72% of 45-54 year olds identify mental health as a primary problem, v 53% of 18-24 year olds

	TOTAL	18-24	65+	CON	LAB
Mental health	62	53	55	47	70
Serious debt	51	35	58	47	51
Drug addiction	49	35	65	57	45
Unemployment	44	48	48	38	46
Welfare dependency	43	24	58	56	33
Alcoholism	39	32	51	45	35
Schools failing children	37	35	38	25	42
Family breakdown	31	25	38	35	29



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