



# FOSTERTALK

COST OF LIVING REPORT

2022



## ABOUT FOSTERTALK

Supporting those who care since 2004, FosterTalk is the Centre of Excellence UK for the Martin James Foundation and are recognised as the 'go to' organisation for fostering advice, practical guidance and independent support for both foster carers and fostering services alike.

FosterTalk's comprehensive membership packages provide support for foster carers, special guardians, retired and pre-approval carers and local authority or independent fostering services staff.

In addition to memberships, FosterTalk also provide expert allegations support and market leading training for foster carers and fostering staff.

FosterTalk delivers Fosterline, an independent support service on behalf of the Department for Education. Fosterline is free to access for all foster parents and those thinking of becoming foster parents in England.



## FOREWORD

Foster carers have been the foundation of our social care system since Reverend John Armistead removed children from a workhouse in Cheshire and placed them with local foster families in 1853. Many other references of children in fostering type of arrangements exist before this time but fostering as we understand it in the modern sense really started at this time. The local authority (then called a union) agreed that it would still hold responsibility for the children and agreed that they would pay the foster families a sum equal to the amount their care would cost at the workhouse.

It's dire reading nearly one hundred and sixty-nine years later to consider the circumstances in which the first children entered foster care in the U.K., however it's important to recognise that even at that time an agreement on payments to foster carers was made in relation to the cost of caring for a child.

Since then of course, our social and economic systems have thankfully taken huge strides forward, and we are now fortunate enough to have dedicated and passionate families all over the country willing to open their homes and care for a child, and more importantly to advocate, protect and support a child when they need it most.

The current financial pressures on our foster carers have never been greater and if we do not act, we are at risk of losing the largest dedicated workforce for children in the U.K.

At the very minimum, a review of payments to foster carers is now urgent, they must receive a payment that is in line with the cost of caring for a child in 2022/23 and beyond.



**DANIEL CROFT**

Vice Chair Martin James Foundation and  
CEO Key Assets Europe



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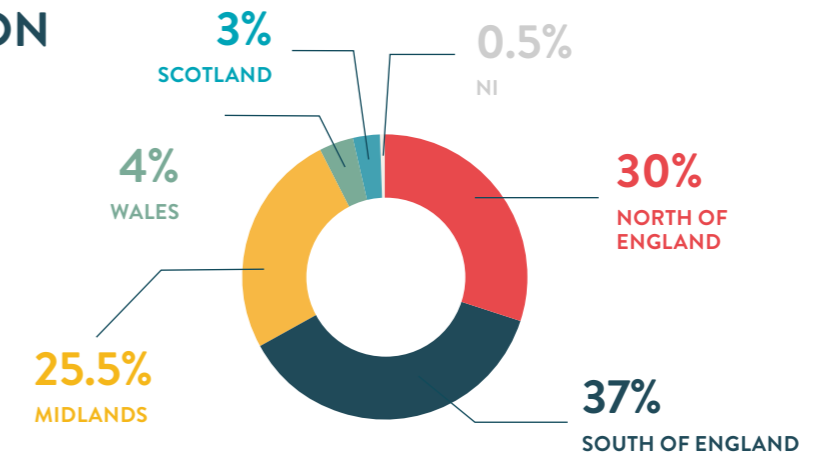
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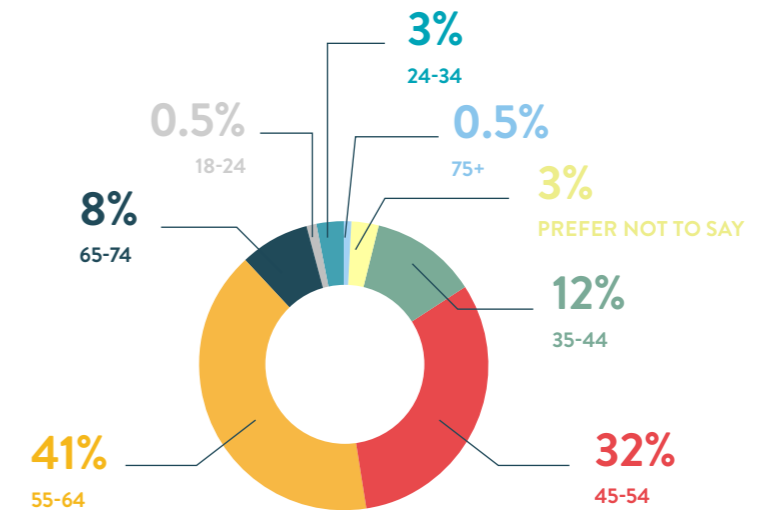
# DEMOGRAPHICS

About the 4,349 foster care respondents:

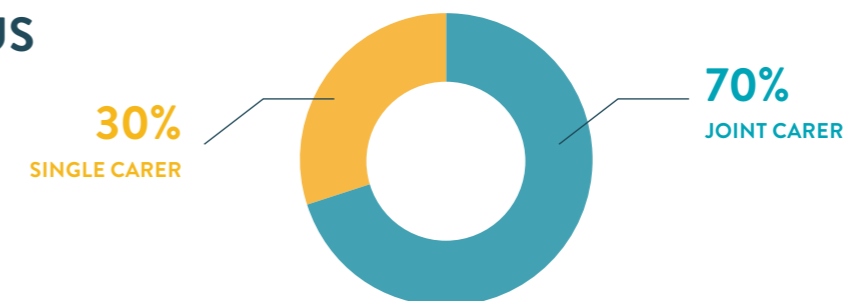
## LOCATION



## AGE



## STATUS



## COST OF LIVING SURVEY



As of 31 March 2021, there were 45,370 fostering households and 76,640 foster carers in England alone. Over the period to March 2020, the number of children in foster care grew by around 11%. Despite the numbers of fostering households and foster carers in England being at their highest ever levels, the increases are not keeping up with demand in the sector.

The Independent Review of Children's Social Care (May 22) called upon the government to **'immediately launch a new national foster care recruitment programme, to approve 9,000 new foster carers over three years so that children in care can live in family environments.'**

The cost of living has been increasing across the UK since early 2021. The annual rate of inflation in June 2022 was the highest it has been since 1982, affecting the affordability of goods and services for households. Household energy tariffs and fuel costs are also increasing. From June 2021 to June 2022, domestic gas prices increased by 95% and domestic electricity prices by 54%.

This is one of the largest independent survey of foster carers to date with responses collated from 4,349 carers from across the United Kingdom. At the time of the survey (July 22), respondents cared for approximately 6,702 children. This represents around ten percent of all children currently living in foster care in the U.K.

The survey included questions about foster carers' finances and debt position as a direct result of the cost of living increase, as well as whether their fostering allowances were sufficient enough to provide adequate care for foster children. We asked about the impact of rising energy costs, mental health and wellbeing and whether foster carers will continue to foster without further financial support.

## RECOMMENDATIONS

**We call on the Government and fostering services to provide an urgent review of the fostering allowances paid to foster carers across the U.K.**

**Our key recommendations are:**

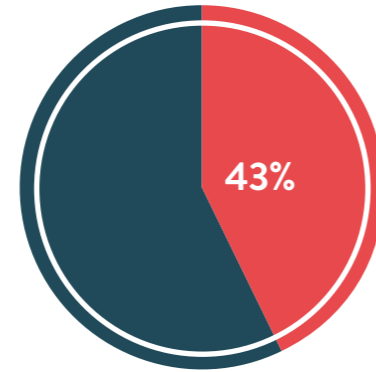
- ✓ The fostering allowance to be increased in line with the cost of caring for a child in 2022/23.
- ✓ Mileage allowance paid for all mileage covered at the national recommended rate of 45p/p/mile.
- ✓ HMRC to review the £10,000 tax exemption level for foster carers.
- ✓ All fostering services to be aware of the reported increased in carer mental health difficulties due to the cost of living and to address this with carers during supervision, so they can take steps to support foster carers appropriately.
- ✓ Foster carers to be recognised as care professionals within the sector.



## KEY FINDINGS

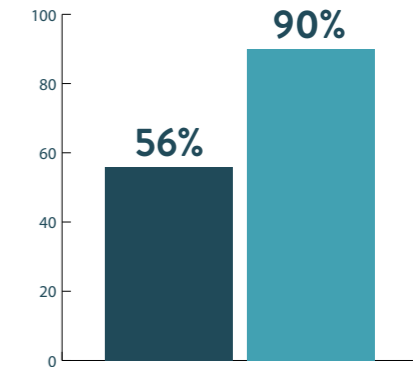
**43%**

of foster carers may leave fostering in the next 2 years without further financial support.



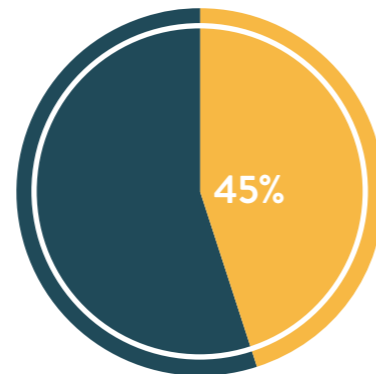
**56%**

of foster carers have not received an uplift in their allowance in the last 6-12 months. Of those who had received an uplift, 90% felt that the increase was not enough to cover the rise in the cost of living.



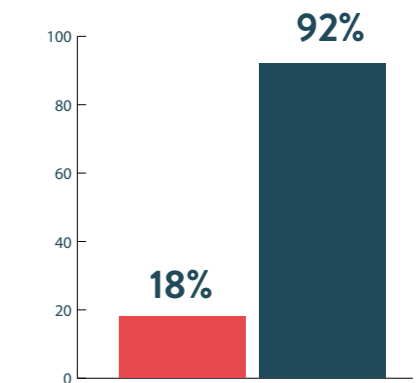
**45%**

of foster carers have taken on new or additional work or employment hours to supplement their household income.



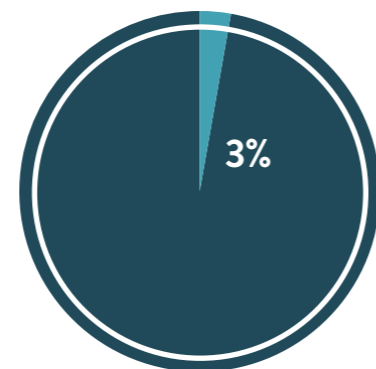
**92%**

feel financially worse off compared to this time last year and 18% are currently in debt due to the cost of living increase.



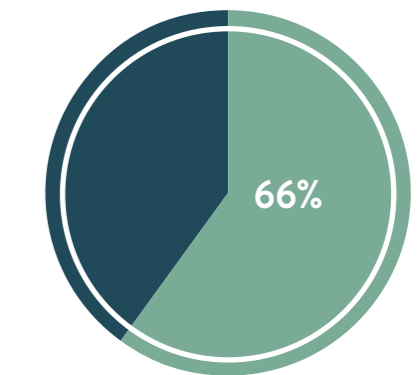
**3%**

have used a food bank in the last 6 months to support their family.



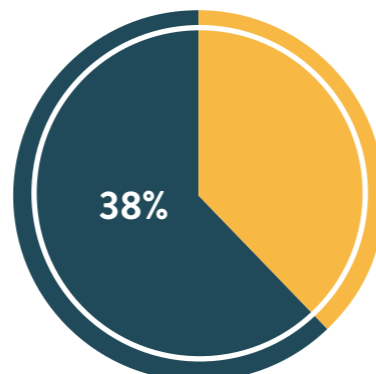
**66%**

will significantly cut down on their heating to survive the energy price rises.



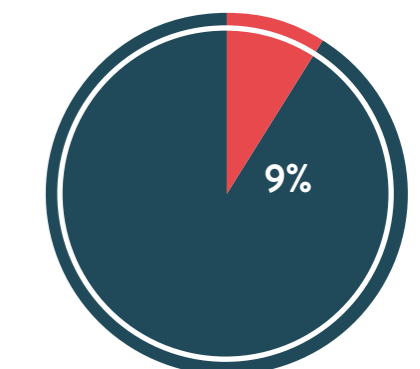
**38%**

of foster carers have experienced negative mental health due to the cost of living increase.



**9%**

of foster carers state that the cost of living increase has had a negative impact on their foster child's mental health.



## CURRENT FINANCIAL IMPACT

In order to provide an up-to-date snapshot of the levels of debt amongst foster carers we collected data and responses from the following questions.

Are you in debt as a direct result of the cost of living increase?  
Compared to this time last year, how do you feel financially?  
Have you or your family had to take on new or additional work/employment hours to supplement your household income?

## KEY FINDINGS



**92%**

of foster carers feel financially worse off compared to this time last year.

**45%**

of foster carers have taken on new or additional work or employment hours to supplement their household income.

**18%**

of foster carers are currently in debt as a direct result of the cost of living increase.

**31%**

of foster carers are not currently in debt but may be in the next 3-6 months.

## CARER FEEDBACK

*To enable us as foster carers to give our best to the children we care for, we should not have to need a second income. Our child needs lots of support and nurture, it is important that we are there for the child 24/7 as this helps with their growth, resilience, trust, and nurture.*

*I know everyone is feeling the pinch, but foster carers need to be able to provide care and support without the worry of putting food on the table.*

*We can't give up on the kids we have on permanent, but may have to look for additional work to increase income, and reduce our private pension contributions.*

*The onset of covid has left many agencies with a lack of staff which has in turn left me without a supporting social worker. I regularly have to chase up payments quite often over months. As the cost of living rises, I have been living in debt much of the time. If a child causes damage I, then have to pay for repairs myself. I'm now find myself questioning whether I can continue doing respite care.*



## ADDITIONAL BORROWING

With credit card borrowing at a record high since 2005 and the use of Food Banks increasing by 22% in early 2022, we wanted to find out if foster carers had increased their reliance on third party support or lending to provide for their families.

### KEY FINDINGS



#### In the last 6 months

**3%** of foster carers have used a Food Bank.

**30%** have borrowed on a credit card.

**15%** have borrowed money from family or friends.

**8%** had taken a bank loan to support their family.

**50%**

of foster carers have increased their usage of discounts, coupons, and promotional offers to support their everyday living.



## CARER FEEDBACK

*My husband and I are using our retirement pots to subsidise the care of the children to be able to provide both what is expected and what other children are able to have.*

*We do not have the same days out, or eat out anymore.....our days out are to food banks.*

*The fostering allowance is not enough to afford the savings, pocket money, hobbies, and everything else that children need with everything else going up. Having just 1 child is less than receiving a minimum wage, yet we are not allowed a second job!*

*It really is becoming difficult 'funding' it all. I no longer have any savings and I have even resorted to borrowing money from my family. I never know from one day to the next if I'll have money coming in. If things don't change and we Foster Carers aren't better looked after, then people are just not going to be able to carry on.*

*Over 10 years the amount we receive per child has not increased with inflation and a small rise in the last two years comes nowhere near what is needed. We aim to give children better care and at the moment we are using our savings and pensions to supplement their needs.*

*The allowance we receive does not cover the amount we spend on the children; husband and I subsidise from our own funds.*

## UTILITY COSTS

Gas and electricity prices have risen to their highest level in decades. The average UK energy bill stood at £1,400 p/a in October 2021 and the pending energy cap rise in October 2022 could see the typical household energy bills increase by 42% to a staggering £3358 per year at the time of writing.

The national minimum standards for Fostering Services in England and Wales state that 'the foster home should be warm'.

We asked foster carers whether the current energy costs are impacting their finances and how they are planning to manage the potentially high price increase later in the year.

## KEY FINDINGS



**74%**

of Foster Carers have seen a rise in their energy prices and as such, they have started to reduce their usage.

In order to survive the expected energy price rises in October 22,

**66%** of foster carers will significantly cut down on their heating.

**14%** will cut down on other essential items such as food.

## CARER FEEDBACK

*My energy bill has increased from £130 pcm to £360pcm and will apparently increase by 65% in October. There is no way I can continue to pay these bills and still foster.*

*Whilst our allowance did increase by 2.25% this no way covers the amount gas and electric has increased and continues to also increase, also the price of food.*

*As the prices of fuel, gas and electric, food etc increase significantly, the extra money to cover heat and food will need to come from our allowance, which means it WILL have a negative effect on the activities needed to help children in care grow and learn skills needed in life.*

*I worry that energy fuel and food prices will keep going up and we get more strike action more disruption and it all impacts negatively on our foster children who already have had too much worry and negativity in their lives.*

*Since prices have risen so high everything has to be cut back so it's not a good result for the children in care as activities has been cut down with costs rising even socially everything gas doubled.*

*We are a family who have been able to commit fully to our foster children with time and adding to their cultural capital. Now my husband and I work full time and foster one child. We can't give up any of these with the cost of living. Running a home big enough to foster in is costing us so much in gas and electric it's actually scary.*

*We signed up in March 2022 and we are only 4 months in and between our mortgage rate going up, utilities jumping astronomically, food going through the roof and fuel at an all-time high we are nearly £500 a month worse off!!!!*



## FOSTERING ALLOWANCES

All foster carers receive a foster care allowance to cover the cost of caring for a child. Scotland does not have a minimum allowance, however the minimum allowance for foster carers in England, Northern Ireland and Wales is usually between £137 and £240 a week. The total amount received can depend on your location, the fostering service used, the child's age, your skills and experience and whether the child has specific needs.

Some foster carers may also receive a fee payment on top of their allowance, however this is not a national requirement and will vary depending on the foster carers experience and their fostering service.

We asked; Has your local authority or independent fostering service provided any uplift to your allowance in the last 6-12 months?

## KEY FINDINGS



**56%** of foster carers have not received an uplift in their allowance in the last 6-12 months. Of those who had received an uplift.

**90%** felt that the increase was not enough to cover the rise in the cost of living.

**4%** of those surveyed had received an uplift and were happy with the amount.

**75%** of foster carers would like to see an allowance increase of between £21-£50 per week per child to cover the cost of living rise.

**2%** stated that they didn't need an increase.

## CARER FEEDBACK

Our Local Authority has given no indication of how/if they intend to address the cost of living crisis with us foster carers. Months ago, we were told they were 'looking in to it' but we have heard nothing since. I would just like to be kept in the loop. As a single carer this is my only income. None of us do this for the money, however we all still have bills to pay. It still seems to be frowned upon to talk about money and allowances within this sector. However, to be able to provide a decent standard of living for the children we care for (and our own birth children) this should not be a taboo subject - we can't do it for next to nothing. We are told that we are 'professionals' however, we are not being treated as such.

As the prices of fuel, gas and electric, food etc increase significantly, the extra money to cover heat and food will need to come from our allowance, which means it WILL have a negative effect on the activities needed to help children in care grow and learn skills needed in life.

I need to be able to cover £120 per month increase in gas/electricity, and the extra £60 per month fuel cost. Also, the food bill per week has increased by around 30%. These outgoings amount to an additional £300 per month to cover these basics. This does not include the rising cost of activities/eating out/hobbies/clothing.

Independent Fostering Agencies should automatically increase foster carer's allowances, we shouldn't have to ask for it. It's in the news daily inflation has risen and so should our allowances. We are giving a public service so we should get recognition for it. Everything is expensive nowadays and some of the children have seen hunger and felt traumatised on their journeys here, so the least we can do is feed them 3 good meals. Some changes should be made.

As a foster carer I have not seen an increase in pay in the 11 years I have fostered except for a standard placement, however the allowances we have to give to our young people have increase now with costs spiralling no matter what you do you are earning less and less and it does make you question why you are should continue when you could work elsewhere and get a pay rise annually. If you work out what we get after allowances are taken out it is less than minimum wage at 40 hours per week and we work far more than that.

Considering our job is to provide these kids with a good life style and lots of experiences. We seem to be the bottom of the food chain and paid less.

HMRC allowances need a massive increase. No increases have EVER happened. Higher fees paid now just mean bigger tax bills to us.

## ADDITIONAL COSTS FOR FOSTER CARERS

The fostering allowance is expected to cover the cost of caring for a child which can include food, clothing, utilities, transport, outings and activities and pocket money.

We asked foster carers what costs they incur from fostering that are not current covered by their allowance.

### KEY FINDINGS



**70%** of foster carers stated that their fostering allowance does not cover the cost of days out.

**69%** have had to cut back on days out due to the cost of living rise.

We found that a high number of foster carers who have not cut back on days out are using their own funds to cover the costs.

**7%** have not made any cut backs to days out, eating out, hobbies, holidays and activities.

**80%** of foster carers have cut back on eating out.

**52%** have cut back on hobbies for their foster children.

**64%** stated that activities and holidays are not covered by their allowance.

**59%** have cut back activities and holidays due to the cost of living rise.

## CARER FEEDBACK

*I used to take my little ones on days out all the time using trains and buses as I don't drive but everything is too expensive, and the children are missing out because of this.*

*As a single respite foster carer, I am always paid AFTER I have looked after a child, this can be quite challenging with the present economic climate. Any special foods, days out, hobbies have to be paid for out of the very little income I have.*

*Most of the above because the allowance is spent keeping us fed and trying to stay out of debt.*

*While these are supposed to be covered by the allowance it just doesn't stretch that far and will become worse with the impending utility rises.*

*The cost of living is so high that I think all carers allowances should be in line with that it's unfair to expect people to pay out of savings for essential items for the foster child. It is also not fair or good for anyone's mental health that holidays and days out have had to stop. We all need things to look forward to.*



## MILEAGE

As of 30th July 2022, unleaded prices had risen to 188.5 p/litre and diesel has increased to 196.8 p/litre.

Most fostering services pay additional mileage costs to foster carers outside of their fostering allowance to cover school transport, social, domestic and leisure trips and appointments with the child's GP and birth family contact. The additional mileage payment and terms can vary between fostering services. The HMRC approved mileage rate (tax year 2011/12 to current) is up to 45p per mile for cars and vans.



## CARER FEEDBACK

*Our agency is still only paying 40p per mile (and has done for over 10 years) when the minimum recommended amount to Employers by the HMRC is now 45p per mile. However, our Agency's policy is to deduct 28 miles per child off each daily claim.*

*We often don't get petrol allowance but when we do it's only 25p per mile.*

*They have tried to cut mileage by making us responsible for first 100 miles a week. The mileage rate has not kept up with the cost of fuel.*

*We do not get a petrol allowance unless we do over 200 miles in a month. With the current cost of petrol, we should be compensated. I have used 35 pounds of petrol in one week taking a child to contact. I think petrol allowance should be brought back and at the same level as other professionals that are part of the team ie 45p a mile.*

*Petrol allowances haven't been raised in 20 years. This needs urgent review.*

*Fuel costs to contact is painful as I have to go 75 miles x2 pw I pay £25 more in that alone since prices gone up. Along with price of electricity increase when you are having to wash bedding daily and extra clothing. The child will never know or feel the impact as it's my job to protect them from everything including my own stresses and anxieties.*

*Mileage of 45p a mile does not cover what we do travel wise for the children. It works out that I am paying to take them to appointments or seeing their family. This cannot be right.*

*We had a small pay rise but then they cut mileage, so we have to do 200 miles per child before allowance is given which you never meet.*

*We are expected to make ends meet continually. Even our mileage is worked out in such a way (over 25 miles before paying) that you can rarely claim even though we do very many local journeys ie school football etc.*

## MENTAL HEALTH & WELLBEING

Many foster children experience high levels of mental health disorders and can be at an increased risk of experiencing negative long-term outcomes. It is often the case that children in care have experienced or a continuing to suffer from post-traumatic stress disorder, anxiety, depression, social phobia or eating disorders.

Foster carers look out for and support the mental wellbeing of the children they care for but it is also important that the carers are able to access services to support their own wellbeing. The role of a foster carer is not without its stresses and the added pressure of financial worry can contribute to negative mental health.

We asked foster carers whether the cost of living increase is having a negative impact on their and their foster children's mental health.

### KEY FINDINGS



38%

of foster carers state that the cost of living increase is having a negative impact on their mental health

9%

of foster carers state that the cost of living increase is having a negative impact on their foster children's mental health

### CARER FEEDBACK (FOSTER CARERS)

*It's stressful not knowing where we will be in 6 months' time we've not even been asked if we can cope with all the rises in weekly shopping bills and petrol costs for visits.*

*I worry about keeping up the standard of living the children have become used to as my gas and electric bill is now £300 per month. It's doubled. And I thought it was bad enough when it was £150 per month.*

*The worry of being able to afford to carry on fostering.*

*The additional stress worrying about the massive hikes in the cost of everything, food, utilities, other essentials, motoring .... its endless!! And scary!!*

*Wondering how I'm going to get through the week.*

*I am continually worrying about money/ paying the bills and haven't had a yearly pay rise for 3 years.*

*My anxiety has returned as I'm stressed juggling money and moody sometimes. Luckily my foster child is fine, and I try and make sure it doesn't affect.*

*Before fostering I had savings for when I retire in 8 years' time. That money has now all gone.*

*Constant worry about money and how I can afford to do activities with the children, buy them clothes and shoes, upkeep of the house so its suitable for the children.*

### CARER FEEDBACK (FOSTER CHILDREN)

*She has come from being severely deprived situation. Why can I not improve her standard of living. Why do I have to make choices on how much they can eat?*

*My foster child resents the measures and cut backs I am trying to put in place. He seems to believe that I am just being awkward and says that things can't be that bad and that it is "fake news".*

*Due to the increases, we have not been able to take them out as much which causes them to worry about what they cannot do.*

*My young person has complex needs and is unable to access school. We can't afford to have days out so are stuck at home together.*

*We also have a 21-year-old staying put young person. Both young people are aware of the rise in prices, and they ask questions about how we will manage.*

*Our foster child hates it when I tell him to turn off a light when he comes out of a room, he thinks I am getting at him.*

## THE FUTURE OF FOSTER CARE

Around three-quarters of all looked after children in England rely on foster care and typically, children experiencing the care system have significantly poorer outcomes than their peers without care experience.

The Social Market Foundations report in 2021 found that based on the average 2.9% year on year growth seen in the last five years, the number of children requiring foster care could rise by 33% by 2030. The range and complexity of needs is also growing; and poor retention of foster carers means that around 20% of fostering households leave the system every year.

Current trends would deliver fewer than 40,000 new families, meaning a deficit in recruitment of around 25,000 foster care families.

We asked; Has the cost of living increase had an impact on your decision to continue fostering?

## KEY FINDINGS



43%

of foster carers may leave fostering in the next 2 years without further financial support.

52%

said they continue to foster regardless and many were preparing to supplement their fostering allowance with additional work or by using personal savings.

## CARER FEEDBACK

*Please help us. I will be devastated to stop fostering but having babies at home all day means I'll be getting energy bills of £300 a month when my tariff changes. I get £600... It just isn't do able anymore.*

*Please help us do the job we love doing. We're not asking for riches, just enough to survive.*

*Really debating quitting fostering due to the demands of current child and impact on family for the very low professional fee awarded throughout the first year. With all that is rising in daily life plus the added stresses and strains it unfortunately, just doesn't seem worth it.*

*The local authority needs to seriously overhaul the amount it pays its foster carers before they lose more than they are able to replace, I already know foster carers who have decided to leave fostering in order to get a job that will help pay the bills. I love fostering but I also like to eat and be warm.*

*We got a 2% increase with an IFA. Minimum recommended pay rise. Their profits went up (NET) 100% in the same period. They do that again...we leave*

*I worry about money when I retire, No pension or support as in an amount for each year of service.*

*Fostering maintenance payments should just be index linked and continually tracked to inflation so there is no unfair cost burden on the foster family as there is now, as we rise to meet the burden of increased prices.*

*I don't feel foster carers are though of much. Many professions seem to be striking but that's not something that would even be possible as a foster parent. Times are hard for everyone, but I feel any increase to help us has been forgotten. I've not had an increase in 3 years and now the cost of living is even higher. It's a worrying time for many and foster carers are no different. Without foster carers the system will fall down, I think many have forgotten that.*

## CARER FEEDBACK

*We are long term placement so will not leave BUT it affects our willingness to support fostering services (we feel we're doing enough/being taken advantage of already) and when our child 'ages out', we will not continue.*

*Can't give up on the kids we have on permanent, but may have to look for additional work to increase income, and reduce our private pension contributions*

*My placement is long-term. I wouldn't want to create uncertainty, instability for him as he has already been through a lot.*

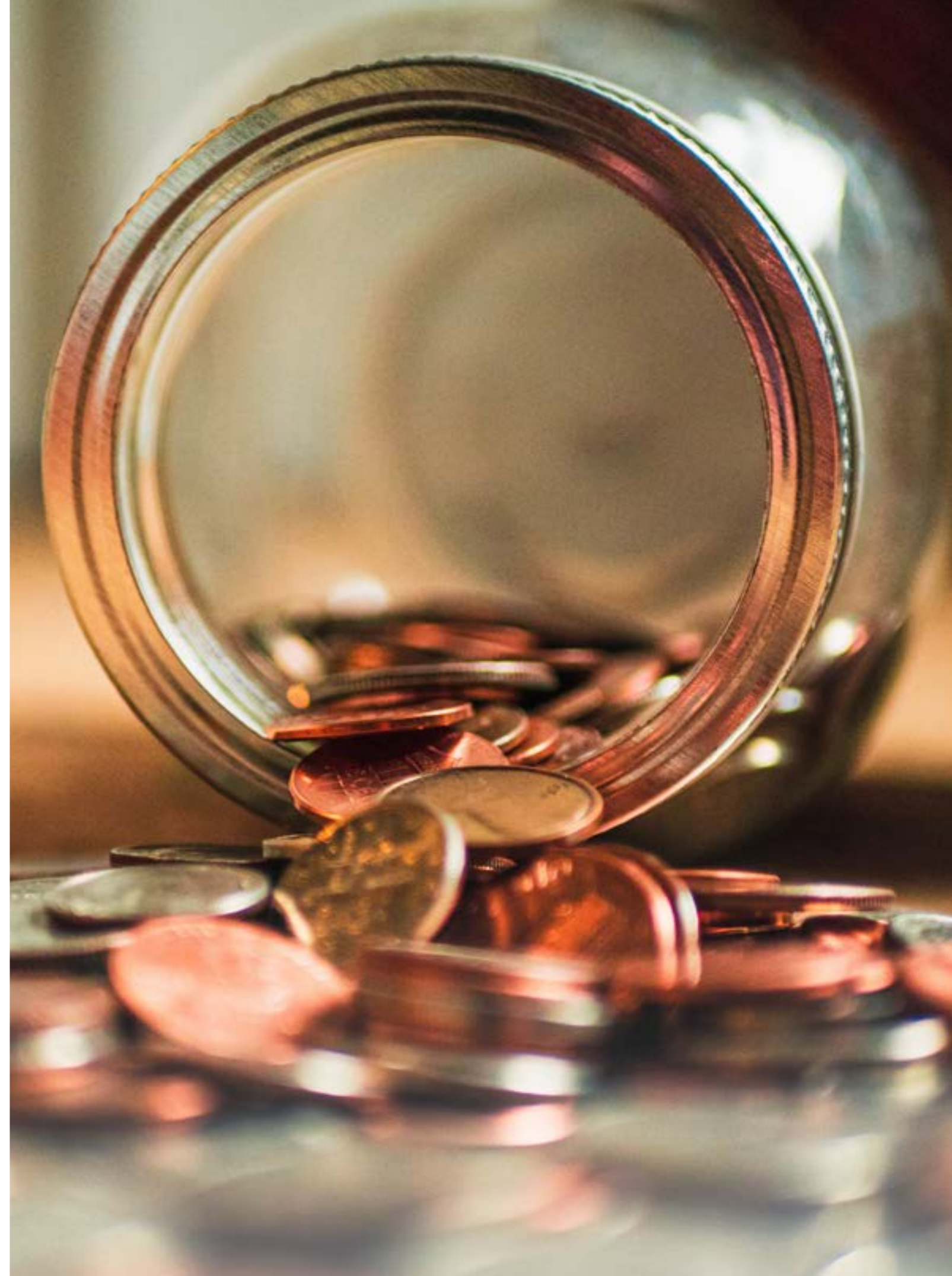
*Will likely have to sell the car and take part time work which will impact on the childcare resulting in stopping fostering when this placement is adopted shortly.*

*I have a long term placement and so he will stay with me until he is 18 ( 4 years) regardless of any financial hardship. However, I will not continue to foster after this.*

*It's not the child's fault that the cost of living is so high. I don't think it would be fair to stop placement because of this.*

*I will continue to foster as I love it and I know I do a spectacular job at supporting and promoting better outcomes for children; however, I will be looking to supplement my income with a part time job that I can do around school hours and around the needs of my children.*

*Our local authority has not offered any financial support to us as carers hence deciding to leave.*



## ACKNOWLEDGEMENTS

We would like to thank all of the foster carers who shared their honest feedback and opinions in our cost of living survey.

## CONTACT INFORMATION

For more information, please contact Amanda Mogan-Wilson in the FosterTalk press office by emailing [Amanda.mogan-wilson@martinjamesgroup.com](mailto:Amanda.mogan-wilson@martinjamesgroup.com) or call 07549 120771.

## SOURCES

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<https://www.gov.uk/government/statistics/fostering-in-england-1-april-2020-to-31-march-2021/fostering-in-england-2020-to-2021-main-findings>

### Rising cost of living

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### Credit card borrowing

<https://www.bankofengland.co.uk/statistics/money-and-credit/2022/april-2022>

### Food bank statistics

<https://www.trusselltrust.org/2022/04/27/food-banks-provide-more-than-2-1-million-food-parcels-to-people-across-the-uk-in-past-year-according-to-new-figures-released-by-the-trussell-trust/>

### Fostering allowances England

<https://www.gov.uk/becoming-foster-parent/help-with-the-cost-of-fostering>

### 2022 Fuel prices

<https://www.theaa.com/driving-advice/driving-costs/fuel-prices>