

PRESS RELEASE

Embargoed until midnight February 6, 2009

Breakdown bailout costs £37 billion – every year

In what is believed to be the first ever 'flipping' research pamphlet¹ the Relationships Foundation shows that taxpayers spend £37 billion each year picking up the costs of family breakdown, more than the entire Scottish budget of £33 billion debated this week. They also suggest it doesn't have to be that way.

As Marriage Week UK approaches (7th-14th February 2009) research from the Relationships Foundation highlights the costs and benefits of relationships. Their pamphlet *Go Right/Go Wrong* looks at the flipside of relationships, estimates that relationship breakdown costs taxpayers £37 billion each year, but that the benefits of stable relationships far outweigh this.

Michael Trend, Executive Director of the Relationships Foundation comments, "In *Go Right/Go Wrong* we recognise that lone parents and their children bear the brunt of the costs of breakdown. However we also note that taxpayers foot much of the financial bill and therefore the government must take support for relationships more seriously."

"When relationships go wrong the cost of breakdown is higher than previously estimated – approximately £37 billion. The same amount would buy RBS, Lloyds Banking Group and Barclays leaving enough change to pick up M&S and British Airways.² Our report deals with the unpopular truth that choices have costs and consequences, and that these are not always borne by the choice-maker. Breakdown reduces health, wealth and wellbeing – the three things people are most interested in. And reduced health wealth and wellbeing all put more pressure on relationships making the cycle of breakdown more likely to continue."

"When relationships go right they provide significant benefits for society. Family businesses are the backbone of the economy employing 9.5 million people and contributing £73 billion in tax. Carers, usually family members, provide unpaid care support worth almost £90 billion each year."

The scale of the costs borne by taxpayers show the nonsense of the claim by some, that personal relationships are none of the State's business. The government is interested in people remaining in, and re-entering the workforce – to reduce welfare costs and to increase wellbeing. Likewise, strong stable relationships reduce the reliance of many on the benefit system and increase their wellbeing. The government can encourage stable relationships by moving away from a highly individualised tax system and recognising family support. It can create the opportunity to build better relationships by legislating to allow more flexible working and greater parental leave. Finally, it can support those who are struggling by funding the voluntary sector to provide relationships education and

counselling. Increased spending in the short term could lead to significant savings and improved wellbeing in the long term.

When relationships work they bring innumerable benefits to a wide range of people. When they fail we all pay. The government already is involved in relationships, it should continue to be so and in fact can do more. As the recession strikes it's not just the financial system that is in need of reconstruction but also the social system.
ENDS

NOTES TO EDITORS: □

For more information or an interview with Michael Trend please contact Peter Lynas.

p.lynas@relationshipsfoundation.org 01223 341286 07546 590902

The Relationships Foundation, established in 1993, is a Cambridge-based independent think tank seeking a better connected society. It studies the effect that culture, business and government have on relationships. It proposes new ideas for strengthening social connections, campaigns on issues where relationships are being undermined, and trains and equips people to think relationally for themselves. The enclosed pamphlet is part of our series on wellbeing. Previous publications are available on our website. Future pamphlets will continue to explore solutions to the relational problems facing Britain.

1. *When Relationships Go Wrong: Counting the cost of family failure and its flipside, When Relationships Go Right: Enabling thriving lives*, have to be read from both ends of the document - seriously! We present our material in such a way because our aim is to confront the extent of failure whilst suggesting how to move towards solutions. We are not in the business of spreading doom and gloom, but neither are we naive. There is a cost to relationship breakdown and it is large - £37 billion. Only when the cost is taken seriously will people recognise how important relationships are to wellbeing and happiness. You can begin at either end of this document but you need both views to see the whole picture.

2. Market capitalisation figures taken from www.citywire.co.uk on February 4, 2009. RBS £8.44bn + Lloyds Banking group £15.28bn + Barclays £8.06bn + M&S £3.85bn + British Airways £1.43bn = £37.0bn.

The Relationships Foundation, 3 Hooper Street, Cambridge, CB1 2NZ
www.relationshipsfoundation.org