



Marriage  
Foundation

## Refocus the Marriage Allowance

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- **We recommend scrapping the two poorly targeted Marriage Allowances, which cost the Treasury £700 million per year, and front-loading the money as a taxable Child Benefit worth £3,000 per year to married mothers with a first child under three.**
- This would send an important policy signal about the value of marriage, offset a large part of the ‘couple penalty’ which is the single biggest barrier to marriage and stability among the poorest couples, and potentially increase births to married couples by 47%.
- Policymakers should be concerned about historically high levels of family breakdown in the UK. Nearly half of all teens are not living with both natural parents (Kiernan et al., 2022). Family breakdown reduces parental resources and is related to higher levels of poverty, father absence and negative child outcomes (Fitzsimons et al., 2017; Leturcq & Panico, 2019; McLanahan et al., 2013). The need for financial and other support for lone parent families costs the taxpayer at least £51 billion per year (Ashcroft, 2018).
- Marriage acts as a buffer against the risk of family breakdown. Three UK studies using different national datasets – including my PhD thesis to be published this autumn – show married parents are significantly more likely to stay together compared to parents who never marry (Benson, 2024; Kiernan et al., 2022; Musick & Michelmore, 2018). These findings are all independent of a wide range of socioeconomic factors. Intact families are the norm among married families but the exception among unmarried families. While 84 percent of parents who stay together are married, two thirds of parents who split up never married (Benson, 2023b). Yet it is a decade since any government minister made a speech about marriage (Benson, 2023a).
- Government policy should actively encourage marriage, but it does not. Except for the two small Marriage Allowances, fiscal policy treats all couples as ‘living together as married’ (DWP, 2013). Yet for the lowest earners, the welfare system is ‘strongly influential’ as a barrier to partnering decisions and marriage (Griffiths, 2017). Couples on low income who want to form a stable relationship stand to lose part or all of their benefits by moving in together or marrying. This is known as the ‘couple penalty’ (Nightingale et al., 2023).
- This systemic barrier to marriage is apparent in birth statistics. Only 18 percent of births in the lowest income households involve married families, compared to more than 70 percent in higher income households (Office for National Statistics, 2023).
- Since 2015, government has supported marriage through the transferrable Marriage Allowance worth £252 per year per family. This funding would be far more effective and influential if focused on addressing the ‘couple penalty’ (Benson, 2013; CSJ, 2019).



## How it would work

The primary purpose for state regulation of marriage – rather than informal cohabitation – is to bond men to the mothers of their future children (Bethmann & Kvasnicka, 2011). Two major recent studies involving large UK cohorts show that being married significantly boosts stability for parents above and beyond any socio-economic effects that might select couples into marriage (Kiernan et al., 2022; Musick & Michelmore, 2018). Psychological theories of commitment help explain why the process of marriage might account for this additional stability (Benson, 2024; Kiesler, 1971; Rosenblatt, 1977; Rowthorn, 2002; Stanley et al., 2006).

The Marriage Allowance was introduced in April 2015 to recognise the importance of marriage in the tax system and to help couples on lower incomes. This followed an original recommendation from the Centre for Social Justice think tank (Callan et al., 2007). The Marriage Allowance allows couples to transfer 20% of their tax-free allowance from one spouse to another where one spouse earns under a threshold. The allowance is currently worth a maximum of £252 per year.

In our view, this allowance has always been poorly targeted because (a) it is too small to incentivise any change in behaviour and (b) it does not specifically encourage or reward marriage among those becoming parents. The hard evidence that government policy on family stability must focus on couples with children is that almost all the costs borne by the taxpayer when families break down involves parents, rather than couples without children (Ashcroft, 2018).

Notwithstanding these shortcomings, the cost of the Marriage Allowance is substantial. Research by the House of Commons library cites HMRC estimates that the allowance cost £580m in 2021/22, claimed by over 2 million couples (Seely, 2023). Were the cost of the Married Couples Allowance for older couples included this would add a further £120m. Based on costs estimated by HMRC three years ago, the government spends at least £700 million per year on a marriage support policy which neither acts as an incentive to marry nor is focused on new parents.

Without any net cost, and with the possibility of significant future return, this £700 million annually could be refocused as a taxable Child Benefit payable to married mothers with their first child aged under three. This would counter the ‘couple penalty’, increase marriage rates, and reduce family breakdown.

There are currently 605,000 births in England and Wales each year. Of these 43% are first births, making a total of 262,000 first births. Were all of these to involve married parents, this would total 788,000 families per year. Assuming a take-up of 90% among married mothers, 50% among cohabiting mothers and 25% among dual-registered parents living at separate addresses, this new Child Benefit would be payable to some 500,000 mothers per year. It would also increase the proportion of births to married mothers by 47%.



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Dividing £700 million by 500,000 families produces a potential annual payment of an absolute minimum of £1,382 per married mother with a child under three. This in itself is unlikely to act as sufficient incentive to offset the ‘couple penalty’, which could run to £’000s.

However, simplifying payment as a taxable Child Benefit for all should allow payment to be significantly higher. There would be current cost savings from reduced administration costs of the two Marriage Allowances and a marginal tax rate of 40% return to the Treasury for higher earners. Moreover, the ultimate purpose of the policy is to save future costs. Reduced levels of family breakdown among the additional 160,000 couples every year – who might otherwise not have benefitted from the psychological advantages of marriage – means this policy has a clear payback. These assumptions of course require more detailed modelling.

**We therefore propose scrapping the two Marriage Allowances and using the savings to fund a taxable Child Benefit for married mothers with a first child under three worth £3,000 per year.**

Marital status at child's birth	Live births in 2022	Estimated first births in 2022	Maximum over 3 years	Take-up %	Estimated recipients
	<i>a</i>	$b = 43\% \times a$	$c = 3 \times b$	<i>as % of c</i>	<i>number</i>
Married	294,173	127,671	383,013	90%	344,712
Cohab	215,702	93,615	280,844	50%	140,422
Separate	65,846	28,577	85,731	25%	21,433
Single	29,758	12,915	38,745	0%	-
Married couples claiming					506,567
Estimated increase in marriages					161,855
Cost per couple per year					£1,382

*Birth data from ONS (2024) Births by parent characteristics*

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