

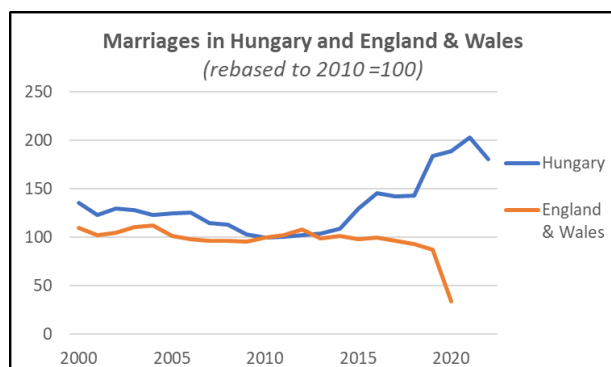


# Marriage Foundation

## Family Unfriendly Britain

Harry Benson, Marriage Foundation

- If the UK has any kind of family policy, it revolves around childcare and getting parents into work. Aside from regulatory changes, government almost entirely avoids distinguishing marriage, the family form most closely associated with couple stability and beneficial child outcomes. It is nine years since any cabinet minister gave a serious speech discussing marriage.
- The UK government's ambivalent attitude towards marriage couldn't be more obvious than when comparing with the enthusiastically 'family friendly' Hungary.
- In 2010, the Hungarian government implemented a series of financial incentives aimed at addressing a national fertility rate well below the EU average. Several of these incentives – tax breaks for newlyweds, up to £93,000 in loans that can be written off – were explicitly linked to whether couples are married.
- The consequence was that from 2010 the number of marriages in Hungary rose by 84% before lockdown in 2019 and 89% by 2020. Hungary was the only country in Europe to see an increase in new marriages during the first year of lockdown, rising 3% against the previous year.
- In sharp contrast, for decades UK government policy has failed to distinguish between married and cohabiting couples in both tax and benefits systems. Although married couples have greater protections in the event of death, retirement or separation, the only current financial advantage in getting married is a £252 tax allowance for low-income couples introduced in 2015. However there remains a substantial 'couple penalty' for low-income couples who stand to lose £'000s in welfare payments if they move in together or marry. This is a serious barrier to marriage among the poorest that has been completely neglected by politicians. Marriage is increasingly the preserve of the better off.
- The consequence is that the number of marriages in England & Wales fell by 13% between 2010 and 2019. Yet while marriages in Hungary rose by 3% during lockdown year 2020, a temporary ban on weddings followed by tight restrictions in England & Wales saw the number of marriages collapse by 61%, the sharpest fall in any country in Europe.
- Although the UK's eventual marriage figures for 2021 and 2022 will likely show a significant rebound, Hungary has shown that if family policy backs marriage, people will follow.



## The importance of marriage

It has been well acknowledged for decades that couples who stay together are significantly less likely to experience poverty and need higher levels of state support (Marsh & Perry 2003; Maplethorpe et al 2010). For example, 60% of lone parents receive housing benefit compared to just 10% of couple parents (DWP, 2015; ONS, 2022). This puts huge demands on the taxpayer, with direct annual costs equivalent to the entire defence budget (Ashcroft 2018).

Family breakdown also has huge consequences for children. Whether through the drop in income, loss of contact with one parent, or psychological impact of parental divorce, children living in lone parent families tend to fare worse on almost any negative social indicator (Amato, 2005; Brown, 2004; Panico et al, 2010).

Marriage is associated with higher rates of parental stability. Some researchers claim that this higher stability is mostly due to a selection effect of the kind of people who marry (Crawford et al 2013). However our own research using two different UK datasets finds consistent additional differences in stability between married and cohabiting parents, even after taking into account selection factors such as age, education, income and happiness (Benson 2022; Benson & McKay 2016, 2018).

Moreover we have also demonstrated direct links between both marriage and family breakdown with child outcomes. Teenagers with married parents are more likely to have higher self-esteem (Benson & James 2016), fewer mental health problems (Benson & McKay 2017), to achieve GCSE passes in both Maths and English (Benson & McKay 2023), attend university, avoid the need for benefits, and eventually get married themselves (Benson & James 2018).

## UK family policy

Other than pointing huge amounts of money reactively at supporting vulnerable families and the social care system, the flagship of UK family policy announced in March 2023 is on proactively encouraging parents into work. This involves expanding subsidies for childcare so that by September 2025 most working families with children under the age of 5 will have access to 30 hours of childcare support. Childcare is extended

from current policy to include children aged 9 months to 2 years old.

Government has also changed some of the regulatory issues around marriage in the last few years. For example, marriage was legalised for same sex couples through the Marriage (Same Sex Couples) Act 2013, which came into force in March 2014. Also the law on divorce removed the fault-based reasons for divorce through the Divorce, Dissolution and Separation Act 2020, which came into force April 2022.

Aside from the debate on same sex marriage, it is hard to find any mention of marriage in a major speech on the family by a government minister in nearly a decade. For example, two speeches on family policy in November 2021 by Families and Children Minister Will Quince to launch ‘family hubs’ made no mention of family stability or family breakdown, let alone marriage.

The most recent speeches on marriage were at our own Marriage Foundation conference in January 2014 by then Work and Pensions Minister Iain Duncan-Smith and in August 2014 by then Prime Minister David Cameron ahead of the introduction of a minor tax allowance for some married couples.

Government does treat marriage differently in terms of future pension, separation and inheritance rights, as the lack of a clear legal connection between unmarried cohabiting couples poses significant problems. There has recently been a concerted – if inconclusive – campaign to equalise these rights for cohabiting couples (Women & Equalities Committee 2022).

In terms of most fiscal policy, the government treats couples as married if they are ‘living together as married’. This has been the case in the welfare system since the 1970s and in the tax system since the 1990s. There is a key difference in assessment however, where welfare is based on household income while tax is based on individual income. In neither case is there any serious recognition of marriage as in any way different from cohabiting, with one minor exception: since 2015, there has been a small transferable tax allowance for some married couples currently worth up to £252 per year.

Arguably the single biggest barrier to stable family formation is the welfare system. Where partners move in together, let alone marry, it is the combined household income that is used to

calculate universal credit and other entitlements. While this makes sense in preventing benefits going to a parent living with a millionaire, it presents a formidable financial obstacle to stable couple formation among those in genuinely low-income groups.

Although this ‘couple penalty’ problem has been highlighted by our own research (Benson 2013) as well as more formal academic papers (Griffiths 2017, Michelmores 2018), it was only last month that DWP published a welcome discussion paper on welfare fraud and household formation (Nightingale et al 2023).

Marriage Foundation has regularly highlighted the huge gap in marriage rates between rich and poor (Benson & McKay 2015). Other UK studies confirm what one would assume. Welfare policies are ‘strongly influential’ on the decision of lone mothers to live with the father of their child or not (Griffiths 2017).

## Hungary family policy

Whereas Britain actively *discourages* marriage via financial *disincentives*, Hungary actively *encourages* marriage via financial *incentives*.

Since 2010, Hungary implemented a series of family policies aimed at addressing a demographic problem. Hungary’s fertility rate was not only below that of the EU as a whole but well below that necessary to replace her population. Family policy aimed at supporting those who wished to have children was therefore administered separately from social policy aimed at reducing poverty.

Nonetheless most of the subsequent family support measures have been tied to employment, school attendance and number of children. For example, income tax in Hungary is reduced for parents of two or three children and exempt altogether for mothers of four children or more.

But some of the family policies have also been tied to marriage, in particular government-backed subsidies or loans. For example, while all mothers with three existing children can access a one-off house payment of circa £28,000 for buying a new house or apartment, married couples can also access this payment if they say they will have three children in the future. The same principle applies to a further £40,000

subsidised residential loan that is available to all parents of three children and married couples who say they will in the future.

Married couples where the wife is between 18 and 40 can also access a £25,000 interest free loan. Repayments of this loan are then suspended or reduced if the couple has one or two children. The loan is written off altogether if they have three children. This loan is only available to married couples and can be used for anything. Newlyweds also receive a small reduction in income tax for the two years after their wedding.

The consequences of this ten year-long family policy are striking. According to the Maria Kopp Institute for Demography and Families, fertility rates have risen from 1.25 to 1.59 births per woman, just above the EU average. Births outside marriage have fallen from 48% in 2010 to 30% in 2021. And marriage rates have risen by 92%. In parallel, divorces decreased by 37% between 2010 and 2020 (Fűrész & Molnár 2022)

## Marriages in Britain and Hungary

Using data from the UK Office for National Statistics and Hungary Central Statistics Office, equivalent marriage statistics can be compared for England & Wales and Hungary.

The table below shows the number of marriages in both countries rebased to 100 in 2010 for ease of comparison. The decline of marriage between 1970 and 2010 was faster in Hungary than in England & Wales, reducing from a rebased ratio of 160% in 1970 to 100% in 2010.

|      | Hungary |                 | England & Wales |                 | Ratio |
|------|---------|-----------------|-----------------|-----------------|-------|
|      | Number  | rebased to 2010 | Number          | rebased to 2010 |       |
| 1970 | 96,612  | 272.0           | 415,487         | 170.4           | 160%  |
| 1980 | 80,331  | 226.2           | 370,022         | 151.8           | 149%  |
| 1990 | 66,405  | 187.0           | 331,150         | 135.8           | 138%  |
| 2000 | 48,110  | 135.4           | 267,961         | 109.9           | 123%  |
| 2010 | 35,520  | 100.0           | 243,808         | 100.0           | 100%  |
| 2019 | 65,268  | 183.8           | 213,122         | 87.4            | 210%  |
| 2020 | 67,095  | 188.9           | 82,959          | 34.0            | 555%  |

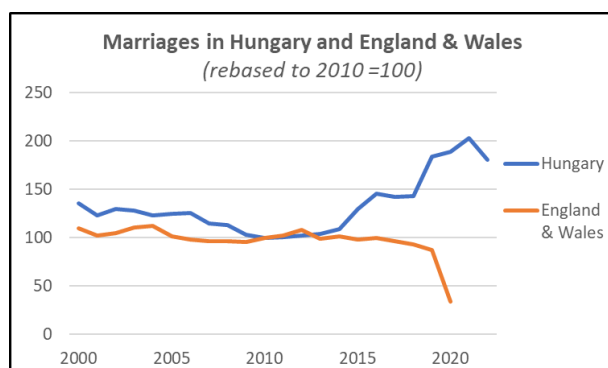
However whereas marriages rose to a rebased index of 183.8 in Hungary in 2019, the year before lockdown, marriages fell to 87.4 in England & Wales, increasing the comparative marriage ratio to 210%. In other words, there were more than twice as many marriages in

Hungary as in England & Wales by 2019 compared to 2010.

The table also shows the contrast in marriages during lockdown year 2020. Whereas draconian restrictions on weddings in England & Wales led to a decline of 61% against the previous year, weddings in Hungary rose by 3% despite their own COVID restrictions.

In effect there were more than five times (555%) more weddings in Hungary than in England & Wales in 2020 compared to 2010.

The chart below, where the scale rebases both countries to 2010 = 100, shows how marriages declined more in Hungary between 1970 and 2010. However marriages diverged sharply from 2010 onwards, especially during lockdown year 2020.



A comparison of marriage rates per '000 unmarried adults over the age of 15 takes better account of changes in population. The table below shows the ratio of marriage rates between the two countries.

While marriage rates were relatively lower in Hungary compared to England & Wales in 2010 (73% for men and 64% for women), the divergence in marriage trends meant that marriage rates were relatively higher by 2019 (160% for men, 144% for women). The divergence became most dramatic during lockdown year 2020 where the ratio increased to 426% for men and 382% for women.

| Marriage rates per '000 unmarried population over 15 |         |       |      |       |       |       |
|--|---------|-------|------|-------|-------|-------|
|  | Hungary |       | E&W  |       | Ratio |       |
|  | Men     | Women | Men  | Women | Men   | Women |
| 2001   | 24.4    | 18.9  | 27.4 | 23.7  | 89%   | 80%   |
| 2010   | 17.2    | 13.7  | 23.6 | 21.3  | 73%   | 64%   |
| 2019   | 29.7    | 24.7  | 18.6 | 17.2  | 160%  | 144%  |
| 2020   | 30.7    | 25.6  | 7.2  | 6.7   | 426%  | 382%  |

Comparing both marriage numbers and marriage rates between the two countries, all rebased to 2010, shows that marriages in Hungary more

than doubled compared to England & Wales by 2019. Marriages rose by 210% while marriage rates rose by 219% among men and 223% among women, compared to marriages in England & Wales.

During lockdown year 2020, marriages in Hungary were (albeit temporarily) 555% higher than in England & Wales, while marriage rates were 585% higher among men and 594% higher among women. Marriage data for England & Wales has not yet been released for the years 2021 and 2022.

| Comparison of marriages since 2010 |                     |                |       |
|------------------------------------|---------------------|----------------|-------|
|                                    | Number of marriages | Marriage rates |       |
|                                    |                     | Men            | Women |
| 2010                               | 100%                | 100%           | 100%  |
| 2019                               | 210%                | 219%           | 223%  |
| 2020                               | 555%                | 585%           | 594%  |

## Discussion and conclusions

Marriage is good for couples, their children and wider society. Hungary recognises this. The UK does not.

While Hungary has actively encouraged marriage via financial incentives since 2010, the UK has actively discouraged marriage via financial disincentives in the welfare system.

The consequence is that marriages in Hungary have doubled, rising even during the year of worldwide lockdown restrictions, while marriages in England & Wales have steadily declined with a particular collapse during 2020.

Even if marriages in England & Wales are shown to rebound dramatically in the 2021 and 2022 data, when they are finally published, it remains the case that public policy values marriage very differently in the two countries and family household formation has responded accordingly.

Should the UK government copy the Hungarian model?

Even if the UK actively promoted marriage, using similar tax breaks and loan write-offs, these financial incentives may not adequately offset the financial disincentives built into the welfare system through the couple penalty.

The new DWP report on 'Living together as a married couple' is a welcome step in the direction of acknowledging how the couple

penalty influences couple formation and that the issues are complex.

However, with the notable exception of Iain Duncan Smith in his speech at our conference in 2014, we have yet to hear a single politician, let alone cabinet minister, recognise the scale of the ‘couple penalty’ problem or how it affects couple formation.

## References

- Amato, P. (2005) The impact of family formation change on the cognitive, social, and emotional well-being of the next generation. *Marriage and Child Wellbeing*, 15, 75 – 96
- Ashcroft, J. (2018) Counting the Cost of Family Failure, 2018 Update. Relationships Foundation, Cambridge.
- Benson, H. (2013). A marriage tax break must counter the crazy incentive for parents to “pretend to live apart.” London: Marriage Foundation
- Benson, H. (2022) Married poor more stable than unmarried rich. Romford: Marriage Foundation.
- Benson, H. & James, S. (2016). Marriage boosts self-esteem for teenage boys and girls. A robust analysis of BHPS data. Cambridge: Marriage Foundation
- Benson, H. & James, S. (2018). The long term effect of marriage on social mobility. Cambridge: Marriage Foundation
- Benson, H. & McKay, S. (2016). Does religion help couples stay together? Cambridge: Marriage Foundation
- Benson, H. & McKay, S. (2017). Family breakdown and teenage mental health. Cambridge: Marriage Foundation
- Benson, H. & McKay, S. (2018). Family planning. Cambridge: Marriage Foundation
- Benson, H. & McKay, S. (2023) Marriage and GCSEs. Romford: Marriage Foundation.
- Brown, S. L. (2004) Family structure and child well-being: the significance of parental cohabitation. *Journal of Marriage and Family*, 66, 351-367.
- Crawford, C., Goodman, A., & Greaves, E. (2013). Cohabitation, marriage, relationship stability and child outcomes: final report (No. R87). IFS Reports, Institute for Fiscal Studies.
- Department for Work and Pensions (2015) Housing Benefit caseload statistics, data to February 2015.
- Fűrész T. & Molnár B. (2022) The first decade of building a family-friendly Hungary. In *Quaderns de*
- Polítiques Familiars* | nº 7 – 2021 6-17. <https://www.quadernsdepolitiquesfamiliars.org/revistas/index.php/qpf>
- Griffiths, R. (2017). No Love on the Dole: The Influence of the UK Means-tested Welfare System on Partnering and Family Structure. *Journal of Social Policy*, 46(3), 543–561.
- Maplethorpe, N. et al. (2010). Families with Children in Britain: Findings from the 2008 Families and Children Study (FACS). DWP RR 656
- Marsh, A. & Perry, J. (2003) Family change 1999 to 2001. DWP research no 181. CDS: Leeds.
- Micheltmore, K. (2018). The earned income tax credit and union formation: The impact of expected spouse earnings. *Review of Economics of the Household*, 16(2).
- Office for National Statistics (2022) Families and Households, 2021
- Panico, L., Bartley, M., Kelly, Y., McMunn, A., & Sacker, A. (2010) Changes in family structure in early childhood in the Millennium Cohort Study. *Population trends*, 142, 78-92.
- Women and Equalities Committee (2022) The rights of cohabiting partners: Government response to the Committee’s Second Report. House of Commons