

Does Adult Social Care boost local economies in England?

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Adult Social Care (ASC) in England provides services to help people with daily living, such as washing, dressing, or preparing meals. The services are aimed mainly at improving the quality of life of those who use them, as well as for those who provide informal care. But it is also possible that the beneficial impact is much wider, for example, through increasing employment in the ASC sector directly. In addition, indirect effects may include allowing users and carers of working age to spend more time in employment or education or freeing up the healthcare sector to provide more services to other groups. Our research investigated this issue by asking, can public spending on ASC services contribute to economic growth?

We analysed data from 143 English local authorities during the last six pre-Covid years (2014/15–2019/20) to test whether higher ASC spending leads to greater economic output. We found that an extra £1,000 spent per client increased local economic output by £216 in the short run and £670 in the long run. Expanding access to ASC by one percentage point of the adult population raised output by £556 in the short run and £1,726 in the long run. Put simply, every £1m invested in ASC generated £5m–£7m in short-term benefits and up to £22m over a longer period.

We also found that these benefits did not stop at local boundaries. When one local authority invested more in social care, neighbouring local authorities also experienced economic gains because resident service users and carers often commute to neighbouring areas to work.

Our findings challenge the idea that ASC is mainly a financial burden on society. By supporting users and carers, ASC enables more people to work, reduces pressure on the NHS, and drives spending in local communities. Therefore, policy makers making spending decisions should view ASC not only as providing valuable services in its own right, but also as an engine for growth.

[Read the full paper, funding sources and disclaimers in Health Economics.](#)

October 2025