



NSW

Carers

AUSTRALIA

# Caring costs: the impact of caring on women's economic health

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# Overview

- Contribution of carers
- Caring - women's work?
- Cost of caring for female carers
- A national agenda for improving female carers economic health and wellbeing

# Economic health of women

- Gender wage gap of 15-17% (NATSEM 2009)
- Women retire with half the savings men do (AHRC 2009)
- Single elderly female households:
  - highest incidence of poverty
  - greatest risk of persistent poverty(NATSEM 2008)

# Economic health of women

- Caring entrenches the disadvantage faced by women
- The disproportionate amount of care provided by women is also an underlying factor in the economic inequality faced by women in general
- Future face of poverty: old, grey and female

(O'Halloran, 2010)

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# Who is a carer?

A carer is any individual who provides unpaid care and support to a family member or friend who has a disability, mental illness, drug and alcohol dependencies, chronic condition, terminal illness or who is frail

# Contribution of carers

- Carers: our 'invisible health workforce'
- Carers provide the majority of care in Australia
- Replacement value in 2005: \$30.5 billion  
(Access Economics 2005)
- Equivalent to 1 million full-time carer positions in 2003 (AIWH 2004)



# Future of care in Australia

- Ageing population
- Decreasing carer ratio
- 10% reduction in informal care translates to a 40% increase in the need for funded services  
(Disability Investment Group 2009)
- Contribution of carers increasingly critical

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# Caring - Women's work?

- Women are more likely to be carers
  - 54% of all carers are women (ABS 2004)
- Female carers provide more intense care than male carers
  - 71% of all primary carers are women
  - 52% of female primary carers provide 40+ hours of care per week (compared to 39% of male carers) (ABS 2008)

# Female carers of working age

- Women more likely than men to be carers while of working age
- Proportion of women caring peaks at 55-59 yr cohort (25%)
- Proportion of men caring peaks in 75-79 yr cohort

(ABS 2008)

# Caring - women's work

- Women are more likely than men to be carers
- Women provide more intense levels of care than men
- Women are more likely to be carers during working age

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# Cost of caring for female carers

- Overall health and wellbeing
- Employment and labour force participation
- Income
- Dependence on government income support
- Financial stress
- Long term costs of caring

# Carer health and wellbeing

- **Lowest collective wellbeing of any known group** (Australian Unity Wellbeing Index Survey 2007)
- **Poor economic health and wellbeing exacerbates other negative impacts of caring**



# Employment and labour force participation

Carers, in comparison to the general population have:

- lower rates of employment
- lower rates of labour force participation
- fewer hours of paid work (for employed carers)

# Female carers vs. male carers

- Female and male carers have different employment and participation patterns
- Labour force non-participation rate for female carers is double that for male carers (42% and 21%)
- 24% of female carers work full-time vs 60% of male carers
- Female carers are twice as likely to work part-time

(Thomson et al 2008)

# Female carers vs. non-carers

- Significant difference in employment patterns of female carers and other women
- Over half of female primary carers aged 30-64 yrs not in the labour force compared to less than a third of other women
- Only 1/5 of female primary carers in full-time employment compared to nearly 2/5 of other women (aged 30-64)

# Caring and employment: a causal relationship?

- Relationship between caring and employment and labour force participation is not simple
- Carmichael and Charles (2003): four common scenarios to illustrate the relationship between caring and paid work

## **Substitution effect**

Carers substitute time spent caring for time spent in the labour force

## **Restricted job choice effect**

Wages are depressed because the pursuit of better positions is restricted and/or carer changes to position with less responsibility (and remuneration)

## **Respite effect**

Carers seek to work for the relief it provides from the caring role

## **Income effect**

Carers seek to work to counter the costs associated with caring, and for financial security

# Caring and employment: evidence of causality

- Just over half of unemployed primary carers had left paid work specifically to start or increase care
- 38% of primary carers who had left paid work to care because alternative care was not available or was too expensive, or because they had been unable to change their working arrangements

(SDAC 2003)

# Caring and employment: evidence of causality

- More than half of carers would increase their work hours if the cost of alternative care was more affordable (Taskforce on Care Costs 2006)
- Over one third of employed carers are concerned about losing their job because of their caring responsibilities

# Cost of caring: income

- Carers, especially primary carers, are more likely to live in low income households  
(Thomson 2008)
- Average income of carers is 25% lower than that of non-carers (SDAC 2003)
- Average household income of a carer is much less than general population (Cummings 2007)



# Cost of caring: dependence on income support

- Carers much more likely than non-carers to have a government pension as their main source of income (40% compared to 24%, 57% for primary carers)
- More likely for female carers than male carers (for people aged 35-54 yrs, 33% of female carers compared to 17% of male carers)

(ABS 2008)

# Cost of caring: financial stress

- In addition to low income levels, there are considerable costs associated with caring
- Carers are more likely to take dissavings actions, and to experience difficulty in paying utility bills (ABS 2008, Edwards 2008)
- Employed intensive carers had a rate of financial stress twice their income poverty rate (Thomson et al 2008)

# Cost of caring: long term

- Impacts on female carers are long term and affect the rest of life
- Low employment and labour force participation, low income, high financial stress = little or no superannuation or other savings for retirement
- For a woman, taking on primary care responsibilities can reduce superannuation by \$80 000 on average (NATSEM 2008)

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# Need for a national agenda

- Improve economic and overall wellbeing of carers, particularly female carers
- Provide carers with real choice about how they balance paid and unpaid work, and informal and formal care
- Make caring more sustainable - avoid care crisis

# A national agenda

- Carer-friendly work place provisions
- Alternative care and support services
- Financial assistance which recognises the cost and value of caring

# Workplace provisions

- Introduction of true Carer Leave provisions for carers
  - Current arrangements deprive carers of sick leave
  - Current arrangements favour some carers over others
- Extension of the right to request flexible work arrangements to all carers

# Alternative care

- Carers have a right to choose how they balance informal and formal care
- Lack of appropriate, affordable alternative care a significant cause for withdrawal from labour force and reduction of working hours



# Adequate financial assistance

Income support for carers, as a minimum, needs to:

- Adequately compensate for the financial costs associated with caring
- Address long-term economic disadvantage experienced by female carers in particular – superannuation scheme for carers?

# Conclusion

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