Combining Work and Care

THE BENEFITS TO CARERS AND THE ECONOMY

REPORT NO. 1 WORK & CARE INITIATIVE
WHAT DO WE MEAN BY “CARER”?  

A carer is someone who provides unpaid care and support to family members and friends who have a disability, mental illness, chronic condition or terminal illness, and those who are frail aged.

This paper is part of a series of reports on employment and care by Carers Australia. Further reports will be released during 2014.

Report No.1 Combining Work and Care
The benefits to carers and the economy

Establishes the Australian demographic context of the ‘tipping point’ for care, looks at the impact of the caring role on employment and outlines why improving the employment prospects of carers is beneficial to both carers and the economy.

Report No.2 Combining Work and Care
The business case for carer-friendly workplaces

Illustrates what carers need to combine work and care and highlights the benefits to employers of implementing carer-friendly workplace policies. The paper also provides examples of flexible leave and working arrangements.
Many carers in Australia are currently not engaged in the workforce due to the demands of their caring role, a lack of available support options and workplaces which don’t support their need for flexibility. With changing demographic trends, an increasing number of Australians will need to take on caring responsibilities in the near future. The sustainability of this new balance of care to the wider economy will be contingent upon the ability of carers to combine work and care, and to enter or re-engage with the workforce when their caring role ceases or is reduced.

The ‘tipping point’ for care

With advances in healthcare, the elderly, chronically ill and those with disabilities are now living longer at the same time as the working age population is decreasing in relative terms.

With the proportion of Australia’s population aged over 65 years set to increase from 13.4 per cent to 20.5 per cent by 2027,1 Australia will soon reach the ‘tipping point’ for care, when there are likely to be fewer informal carers relative to the growing older population. According to the Australian Government’s Intergenerational Report, in 2007 there were 5 people of working age in Australia to support every person aged 65 and over, by 2047 there will only be 2.4 people.2

There are several factors which will influence the availability of informal carers to take on caring roles in the future, including the extension of the traditional working age, smaller family sizes and the increasing age of first-time mothers.3 According to the Productivity Commission inquiry Caring for Older Australians, the increasing prevalence of single person households (due to increased rates of separation and divorce) is also likely to reduce the availability of informal carers.4 Research undertaken by the National Centre for Social and Economic Modelling also illustrates that the rapid growth in the number of older persons will cause the overall rate of disability to rise much faster than the overall rate of carers, with only 35 carers projected to be available for every 100 persons needing informal care by 2031.5

Australia is thus experiencing conflicting pressures to increase both our labour supply and our carer supply6. Supporting people to combine work and care has consequently become not just a social imperative but an economic one.7

1 Taskforce on Care Costs 2007, The hidden face of care: Combining work and caring responsibilities for the aged and people with a disability, p. 11
2 Australian Government 2007, Intergenerational Report, p. 17
3 Productivity Commission 2011, Caring for Older Australians, Inquiry Report, No. 53, p. 56
4 Productivity Commission 2011, Caring for Older Australians, Inquiry Report, No. 53, p. 56
6 Taskforce on Care Costs 2007, The hidden face of care: Combining work and caring responsibilities for the aged and people with a disability, p. 13
Increasing numbers of unpaid carers

Data from the latest (2012) Survey of Disability, Ageing and Carers (SDAC) released by the Australian Bureau of Statistics shows that the total number of unpaid carers in Australia is now nearly 2.7 million. This means that around 1 in 8 Australians or 11.9 per cent of the population have an unpaid caring role. Approximately 770,000 of these are primary carers, who provide the majority of care to another individual.

In addition to the ageing of the population, there are a number of other factors which may influence further increases in the number of working age Australians who take on caring responsibilities. For instance, the shift in aged care policy to assist more people to stay in their own homes rather than in residential care has flow-on effects to the intensity of care required by unpaid family and friend carers. Similarly, with families geographically dispersed, the nature of the caring role (particularly for elderly parents) can become increasingly difficult as they try to organise medical and personal care needs from a distance. Furthermore, as more Australians delay having children until their late 20s and 30s, there is the potential for an increase in the proportion of the workforce who have both dependent children and elderly parents who require care.10 Finally, as the age pension age increases, and Australians stay in the workforce until later in their lives, there is also a greater likelihood of more people combining paid work with an unpaid caring role.

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10 Gray, M & Hughes, J 2005, Caring for children and adults: Differential access to family-friendly work arrangements, Australian Institute of Family Studies, Family Matters, No.70, p.18
What is the impact of caring on employment?

**AT A GLANCE**

- 53.6 per cent of primary carers aged 15–64 years are employed (compared to 79.4% of non-carers).
- 59 per cent of non-primary carers and 44% of primary carers are engaged in full-time work.
- 32 per cent of non-primary and 44% of primary carers are engaged in part-time work.

Source: Australian Bureau of Statistics Survey of Disability, Ageing and Carers 2012

Only 53.6 per cent of primary carers aged 15–64 years in Australia are employed, compared to 79.4 per cent of non-carers. Data from Waves 2 to 4 of the Household, Income and Labour Dynamics in Australia (HILDA) Survey show that approximately 3–4 per cent of Australian employees become carers each year,\(^{11}\) and that the probability of a new carer leaving the workforce is 8 per cent.\(^{12}\) However 26.7 per cent of primary carers have had reduced work hours since taking on a caring role.

There are a range of factors which will influence whether taking on a caring role leads to the carer leaving the workforce, and in fact the majority of primary carers (91.3 per cent) have never had to leave work for long periods (i.e. at least 3 months) to care. Many carers actually combine paid work with their unpaid caring role, with just under 27 per cent of primary carers reducing their work hours after becoming a carer.

Other studies have illustrated that the nature of a person’s employment prior to becoming a carer plays a role in whether they leave the workforce. For example, being in casual employment, working part-time prior to caring, having no supervisory responsibilities, and working for a smaller employer (less than 100 employees) are all associated with a higher risk of leaving employment upon becoming a carer.\(^{13}\) In fact, working in a casual rather than permanent job was found to increase the probability of leaving paid work by 12 per cent.\(^{14}\) It also appears that ‘labourers and related workers’ (which include employees such as cleaners, factory workers, product packagers and labourers in the mining, construction and agricultural industries) were the occupational group most likely to leave employment at the onset of caring.\(^{15}\)

**What does this mean? Why improving the employment prospects of carers is important**

Of the 109,400 primary carers who are not employed, 25 per cent indicate they would like to be employed, the majority of which (85.7 per cent) would like to work part-time.\(^{16}\) With nearly 20 per cent of Australia’s primary carers identifying the main barrier to re-entering the workforce while caring as the ‘difficulty in arranging work hours’\(^{17}\), focused efforts are required to ensure that unpaid carers are afforded the flexibility they need to combine work and care.

While many workplaces may have provisions for parent carers, it is important to distinguish why caring for someone who has a disability, mental illness, chronic condition or who is frail aged may require special provisions. Care needs for this group can often be unexpected and therefore difficult to plan for. The caring role can also often involve not just provision of personal care, but complex ‘care management’ of medical treatments, specialist appointments, organising paid carers and coordinating financial affairs. In addition, for those who care for someone who is frail aged, the intensity of care will often increase over time and the carer may not co-reside with the person being cared for, which can add to the complexity and time commitment of the caring role.

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\(^{13}\) Hill, T Thomson, C Bittman, M & Griffiths, M 2008, *What kinds of jobs help carers combine care and employment?* Australian Institute of Family Studies, Family Matters No 80, p 29


\(^{16}\) Australian Bureau of Statistics 2009, *Survey of Disability, Ageing and Carers*

\(^{17}\) Australian Bureau of Statistics 2009, *Survey of Disability, Ageing and Carers*
The benefit to carers

Improving carers’ employment prospects can help address a number of carer needs including reducing social isolation, improving their financial situation and their self-esteem, and providing a form of respite from the caring role.

While undertaking the caring role can be a rewarding and beneficial experience, the impact of the responsibilities involved can also take an immense physical and emotional toll on the carer. For those who care for someone with a severe or profound disability, or whose condition requires intense support and supervision, the caring role can also be an incredibly socially isolating experience. Employment can therefore represent an opportunity to take a break from the caring role at home, to engage with other peers, and to have an identity outside of being a carer.

“It’s the opportunity to use my experience and skills, to contribute to my workplace and community, and to enjoy some social life among a wonderful group of supportive colleagues. Very importantly, it gives me the chance to be just me, ‘Helen’ the person, as well as the loving mother and carer of Ben.”

Mother and carer of a profoundly disabled son (not pictured)

The impact of a loss of or reduction in employment due to caring also obviously carries with it a significant financial burden. Sixty-five per cent of primary carers reside in households with standardised household income in the lowest two quintiles18 and 54.9 per cent of primary carers and 36.9 per cent of all carers have a government allowance or pension as their main source of income.19 With many carers having been in the caring role for 5 to 25 years20, engaging in employment represents a vital opportunity for carers to achieve greater financial security both for themselves and the person they care for.

Furthermore, if carers are afforded the opportunity to combine work and care it will also assist in their efforts to gain full-time work when their caring role ceases or is diminished by keeping them engaged in the workforce with relevant and up-to-date skills. This will potentially reduce the number of people who may become solely reliant on income support when they can’t find employment after prolonged periods out of the workforce.

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18 Australian Bureau of Statistics 2012 Survey of Disability, Ageing and Carers
19 Australian Bureau of Statistics 2012 Survey of Disability, Ageing and Carers
20 Australian Bureau of Statistics 2009 Survey of Disability, Ageing and Carers
The benefit to the economy

There is also a broader economic argument for increasing the numbers of carers who can combine work and care. According to the Australian Government’s 2010 Intergenerational Report, population ageing, and the associated decline in workforce participation is projected to reduce the potential economic growth rate of the Australian economy. As a consequence, the proportion of the population of traditional working age, and therefore the rate of labour force participation across the whole population, is projected to decline.

In this context, efforts to improve the employment prospects of those who have been out of the workforce for extended periods due to their caring responsibilities (or those who are at risk of losing employment) can therefore play an important role in improving Australia’s productivity. For example, research undertaken by the Grattan Institute identifies increasing workforce participation among women and older people as two of the most effective strategies for enhancing Australia’s productivity. Modelling by Deloitte Access Economics also estimates that an extra 3 percentage points of participation among workers aged 55 and over would result in a $33 billion boost to GDP – or around 1.6 per cent of national income.

Allowing more carers to combine employment with their caring responsibilities will also assist more carers to gain greater financial security and, in turn, allow them to contribute to the tax base and their own superannuation. Furthermore, as an increasing number of carers move into the workforce and purchase care services for their care recipient, there is great potential not only for job creation in the care industry, but also for increases in the finances flowing into the paid care sector through private investment.

CONCLUSION

The circumstances which may lead to an individual becoming an unpaid carer are as diverse and complex as the caring role itself. For some, a family member or friend may suddenly become unwell, others may have a child with a disability or a parent who has become frail aged. There are also many factors which will influence whether taking on this caring role has an impact on employment; the nature and intensity of the care provided, the availability of alternative care arrangements, and both the context of employment conditions and the attitude of employers to provide flexible working options. With an ageing population and a projected decline of the working age population in relative terms, efforts to address the future tipping point for care are essential. This necessitates employment initiatives that not only assist people to combine work and care but also those which assist carers to enter or re-engage with the workforce once their caring role ceases or is reduced.
