

# Carers and employment

People who provide care outside of institutions perform an important service, allowing people with disabilities and long-term health conditions, and those who are frail or aged, to live in the community rather than in institutions. While all carers make a valuable contribution to society, this article focuses on unpaid, informal carers. These carers provide services that might otherwise cost over \$30 billion annually.<sup>1</sup>

Caring can have beneficial effects for the carers, such as emotional satisfaction and strengthened relationships with those cared for. As well as the positive effects, a caring role may also have negatives. A person's ability to study, work or be involved in community activities may be limited by the time spent caring. The extent to which carers may miss out on various opportunities depends on the intensity, duration and timing of the care they provide.

Tension between caring and employment may mean that some carers change their working patterns, reduce their hours or leave the workforce altogether. For people who were out of the workforce before they started caring, the time pressures of caring may prevent them rejoining the workforce. In each of these cases, carers have a reduced capacity to earn income and build wealth and superannuation. For these reasons, some carers may be less able to provide for themselves and their families not only now, but also as they move into retirement. Carers may also miss out on the benefits of social interaction at work, such as boosted self-esteem and friendships. This article focuses on how carers balance employment with their caring role and how this may affect their financial future.

## Who cares and who do they care for?

The Survey of Disability, Ageing and Carers (SDAC) is the most comprehensive source of data on carers in Australia. In the 2003 SDAC there were 2.5 million carers aged 15 years and over (16% of the population). The rate of caring was higher for women (17%) than for men (14%) with women more likely than men to take on the caring role at an earlier age.

The 2007 Survey of Employment Arrangements, Retirement and Superannuation (SEARS) provides an insight into how carers balance caring with paid work and the subsequent implications for their retirement and superannuation. In the 2007 SEARS, around three-quarters (77% or 1.0 million) of the 1.3 million carers aged 15 years or over provided

## Data sources and definitions

This article draws mostly on data from the 2007 Survey of Employment Arrangements, Retirement and Superannuation (SEARS). Questions regarding retirement were only asked of those aged 45 years or over.

*Carers* in this article include those 1.3 million people aged 15 years or over who, in the week prior to interview, cared for someone who needed assistance because they had a disability, a long-term health condition, or who was frail or aged, where this care was not done as a part of paid work or voluntary work. People who provided general child care (for a child without a disability or long term health condition), or cared for someone who had a short-term illness, are excluded.

*Non-carers* in this article are those who did not provide care as defined above in the week prior to interview. Although not identified as carers, non-carers may have provided care prior to the one-week reference period and may well provide care in the future. Some people who usually provide care may not have done so in the reference week, perhaps due to respite care.

*Employed* people include employees and owner managers of incorporated or unincorporated enterprises. They exclude contributing family workers.

A person was *retired* if they had previously worked for two weeks or more, were not in the labour force and did not intend to look for, or take up, paid work in the future.

The population of carers in the 2007 SEARS is not identical to that in the 2003 Survey of Disability, Ageing and Carers (SDAC). SDAC counted all 2.5 million people in 2003 who provided any care, however small or infrequent, to people with a disability or long-term health condition or to the frail aged, of which 475,000 were identified as primary carers. SEARS, on the other hand, limited its scope to those who provided care in the week prior to the survey in order to link this care provision to working arrangements. This should be kept in mind when comparing the analysis in this article with analyses from SDAC.

Other useful sources of information about carers include [A Profile of Carers in Australia, 2008 \(ABS cat. no. 4448.0\)](#), the 2006 Census of Population and Housing, the 2006 General Social Survey and the 2003 Survey of Disability, Ageing and Carers.

care to an adult who needed assistance because they had a disability, a long-term health condition or because they were frail or aged. One-quarter (25%) provided care to a child under 15 years with a disability or long-term health condition. It was possible to provide care for more than one person. Younger carers (aged 15–44 years) were more likely than older carers (aged 45 years or over) to be providing care for a child (51% compared with 9%).

## Employment

Employment can lead to better health, wealth and self-esteem, in addition to building wider networks for social interaction. Having the opportunity to participate in employment is therefore seen as a key element of social inclusion.<sup>2</sup> However, carers may find it difficult to combine their caring role with paid employment. While this may cause some carers to reduce their hours or leave employment altogether, drawing a causal link between the caring role and labour force status is not straightforward. In some households, it may have been most convenient for a person already outside the labour force to take up a caring role when needed, rather than carers leaving the workforce due to their caring role.

In 2007, of people aged 15–64 years, carers were less likely than non-carers to be employed (61% compared with 74%). Carers were also less likely than non-carers to be working full-time (62% of those employed compared with 72%).

The unemployment rate was higher for carers aged 15–64 years (7.2%) than it was for non-carers (4.8%). Carers of this age were also more likely to be outside the labour force (35% compared with 22%). The differences in full-time employment between carers and non-carers were evident for both males and females and for those aged 15–44 and 45–64 years.

The most common reason carers gave for being outside the labour force was that they were caring for at least one person who was ill, disabled or elderly (39%). This was more common for older carers aged 45–64 years (46%) than for carers aged 15–44 years (29%). The older carers were more likely to be caring for a parent (45% compared with 33%) or a partner (28% compared with around 6%) than were younger carers. Around half (48%) of carers aged 15–44 years said that they were outside the labour force because they were caring for children (this child care may or may not have been for someone with a disability or long-term health condition). Another 30% of carers this age said that they weren't working because of home duties.

## ...balanced with caring

While carers who are employed benefit from the income and social interaction that their jobs provide, employed carers may feel pressures on their time which can have adverse effects on their capacity to engage with other community life and on their mental and physical health. In 2007, three-fifths (60%) of employed carers, aged 15–64 years, always or often felt rushed or pressed for time compared with 47% of employed non-carers. Always or often feeling rushed or pressed for time was more common for carers who were employed full-time compared with those employed part-time (63% compared with 56%), this being true for both female carers (69% compared with 59%) and male carers (58% compared with 43%).

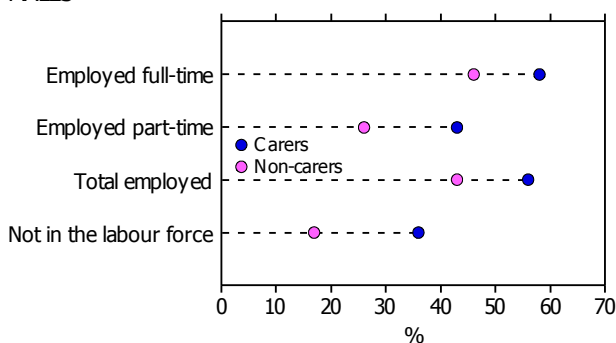
**In 2007, around two-thirds of female carers who were working full-time always or often felt rushed or pressed for time.**

Among employed people aged 15–64 years, carers were slightly more likely to prefer to work a different number of hours (39% compared with 35% of employed non-carers), with 24% wanting fewer hours and 16% wanting more hours. Employed male carers were more likely than female carers to want to work fewer hours (27% compared with 21%), consistent with men being more likely to work more hours than women. Older employed carers aged 45–64 years were also more likely to want to work fewer hours than younger carers aged 15–44 years (28% compared with 19%).

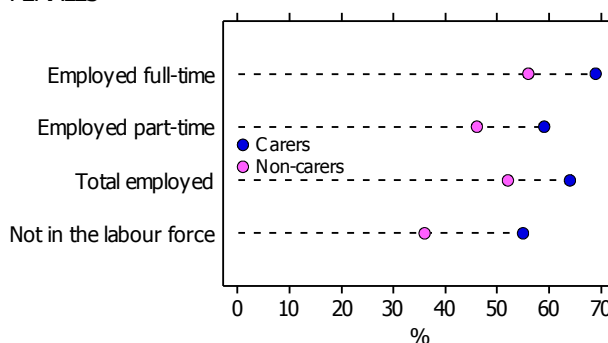
The most common reason carers gave for preferring to work fewer hours was to spend more time on social and recreational activities and have more free time (31%). A further 15% said the main reason they wanted to work fewer hours was because their current job regularly involved long hours, and 14% said it was because they were caring for children (not necessarily with a disability or long-term health condition). Of those carers who would prefer to work more hours, the vast majority said that they wanted more income (89%).

### Always or often feels rushed or pressed for time, people aged 15-64 years – 2007

MALES



FEMALES



Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

## Sharing care

Balancing work and care is not something that carers always have to do by themselves. Over two-thirds of carers aged 15–64 years (70%) were living with a partner and may have shared the caring and earning roles. While 45% of carers of this age had at least one other carer in their household, this was more common for carers who were employed full-time (56%) than those employed part-time (43%) or those who were not employed (36%). Care may also be shared by those outside the household.

Access to leave entitlements provides carers with increased options to balance their caring role with paid employment. Paid leave may also help manage family cash flow and caring responsibilities. Carers who were part-time employees<sup>3</sup> were more likely than non-carers who were part-time employees<sup>3</sup> to have access to paid leave entitlements (50% compared with 41%).

Access to flexible working arrangements can also help carers to manage their care and employment commitments more easily. Of male employees<sup>3</sup>, carers were slightly more likely than non-carers to have some say in their start and finish times (45% compared to 41%), while for female employees there was no significant difference. Carers and non-carers both had similar access to a formal system of flexible working hours (around 10%). Similarly, carers were no more likely than non-carers to have some say in the days they worked (around 28% for all male employees regardless of caring roles, and 40% for all women employees).

One option that could make it easier to balance work and caring is working from home, since this reduces travel time and may allow a carer to spend more time with the person they care for (especially if they live in the same household as the care recipient, or close by). Younger carers, aged 15–44 years, who were employed were more likely than young employed non-carers to usually work at least some hours from home (35% compared with 25%) but there was no significant difference in working from home between carers and non-carers aged 45–64 years.

## Retirement

Retirement from the work force is often seen as an opportunity for people to get involved in activities for which they had no time while working. However, caring responsibilities may well change the experience of retirement for many people. A carer may enter retirement primarily to continue to provide care on a more intensive basis or to take up new caring roles, or a person may become a carer after retirement due to the deteriorating health of their partner, elderly parents, or other relatives or friends. In such cases, retirement for carers may not involve as much free time or leisure as it does for others.

In 2007, 41% of both carers and non-carers aged 45 years and over were retired. For non-carer retirees who had worked at some time in the last 20 years, by far the most common main reason for retirement was the retiree's own health (33%). For retired carers the most common main reasons for retirement were their own health, as well as caring responsibilities (around one-quarter each).

## ...intentions

Of employed people aged 45 years or over, around 85% of both carers and non-carers intended to retire at some point (the remainder did not state an intention to retire). Of those who intended to retire, most were planning to do so in their 60s, with around two-fifths of both carers and non-carers planning to retire in their late 60s. Among carers intending to retire, the most common main factor influencing the decision about when to retire was financial security (35%), followed by personal health or physical abilities (16%). These were also the most common factors for non-carers. A small group of carers (7%) cited the need to care for their partner or a family member as the main factor influencing their decision about when to retire.

## ...returning to work

People may come out of retirement for a number of reasons, perhaps for financial necessity, to top-up finances, because new employment opportunities arise or family circumstances change, or because they have had difficulty adjusting to a retired lifestyle. Of all employed carers aged 45 years or over, 11% had previously retired, that is, stopped working with no intention at the time of ever working again. This rate was a little higher than for non-carers (8%).

Perhaps demonstrating the financial costs of providing care, around half (54%) of carers who had returned from retirement to work cited financial need as their main reason for returning to work after retiring, compared with about two-fifths (38%) of non-carers.

## Funding retirement

Over the next half century, Australia's population structure is projected to continue to age. In 2007 there were five people aged 15–64 years for each person aged 65 years or over, but this ratio may drop to less than three by 2056 (see *Australian Social Trends*, March 2009, '[Future population growth and ageing](#)'). Superannuation is important in boosting retirement savings and relieving some of the need to provide financially for a growing number of retirees. For carers who are retired, superannuation may be particularly important, as financial commitments relating to care may eat into savings.

## ...source of income

In 2007, around half (51%) of carers aged 45 years or over who had retired in the previous 20 years had a government pension or allowance as their main source of income at retirement. About one in ten (11%) relied on superannuation or an annuity as their main source of income at the time of retirement. These rates were similar to those for non-carers.

Of employed carers aged 45 years or over intending to retire, around half (47%) expected superannuation or an annuity to be their main source of income at retirement, while only 26% were expecting their main income to be a government pension or allowance. These rates were again similar to non-carers.

## ...superannuation coverage

While the majority of both carers and non-carers aged 15 years or over had superannuation coverage, the rate was slightly lower for carers (68% compared with 71%). However, there were differences in the rates of coverage for different age groups. The largest gap in superannuation coverage was between carers and non-carers aged 35–44 years (79% compared with 88%). The gap in superannuation coverage was not apparent for those aged 65 years or over, where coverage was relatively low for both carers and non-carers (around 30%). While carers had a lower level of superannuation coverage, they were more likely than non-carers to be in a couple relationship in their household and may therefore have access to their partner's superannuation.

## ...superannuation balances

It is important to look not just at the rates of superannuation coverage, but also at superannuation balances. People with higher balances when approaching retirement are more able to self-fund a comfortable retirement lifestyle without relying on the aged pension.

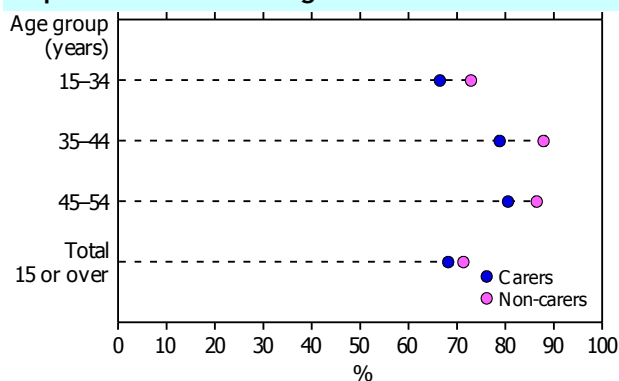
For both those aged 35–44 years and those aged 45–54 years, the median superannuation balance

### Superannuation definitions

In SEARS, a person has *superannuation coverage* if they are currently receiving a superannuation pension or annuity, or had received a superannuation lump sum within the previous four years, or have a superannuation account in the accumulation phase.

Accounts *accumulate* from a mix of personal and employer contributions, and investment earnings. Accounts are considered to accumulate even if contributions are not currently being made to them, or if there are negative investment returns. For some people, it is possible to accumulate benefits, as well as draw on superannuation, at the same point in time.

## Superannuation coverage – 2007



Source: 2007 Survey of Employment Arrangements, Retirement and Superannuation

for carers was around \$9,000 lower than for non-carers. There were no significant differences between carers and non-carers aged 15–34 years, who had a lower rate of caring and had not had long to accumulate superannuation, or those aged 55 years or over, who may not have benefited from compulsory superannuation or who may have only taken up their caring role after retirement.

## Looking ahead

Recognising the difficulties that carers may face in balancing their caring role with employment, the House of Representatives report on the inquiry into better support for carers *Who Cares...?*, provided several recommendations specifically aimed at improving support for carers who work or hope to (re)enter the workforce. Recommendations 39–44 promote improved respite care, more flexible working arrangements, and broader Carer Payment eligibility for working carers, increased employment opportunities and training for carers hoping to (re)enter the workforce and more flexible policies allowing students to better combine care, work and study.<sup>4</sup>

## Median superannuation balances(a) – 2007

| Age                 | Carers  | Non-carers |
|---------------------|---------|------------|
|                     | \$ '000 | \$ '000    |
| 15–34 years(b)      | 8.1     | 6.7        |
| 35–44 years         | 24.5    | 33.2       |
| 45–54 years         | 37.0    | 46.4       |
| 55 years or over(b) | 74.8    | 72.1       |

(a) Of people with one or more superannuation accounts in the accumulation phase. Balances are limited to three accounts per person, and calculated on known values only.

(b) Differences between carers and non-carers were not statistically significant.

Source: 2007 Survey of Employment Arrangements, Retirement and Superannuation

## Endnotes

- 1 Access Economics (2005), *The Economic Value of Informal Care*, Canberra, p. 15.
- 2 Australian Government, 2008, [Social Inclusion Principles for Australia](#).
- 3 *Employees* include all employed people except: owner managers of incorporated enterprises (a group of people usually classed as employees, but excluded for the purposes of this article); owner managers of unincorporated enterprises; and contributing family workers.
- 4 House of Representatives, Standing Committee on Family, Community, Housing and Youth, 2009, *Who cares?... Report on the Inquiry into Better Support for Carers*, The Parliament of the Commonwealth of Australia, Canberra.