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Who [^]cares? Caregiving Intensity,
Labour Supply and Policymaking
in Canada

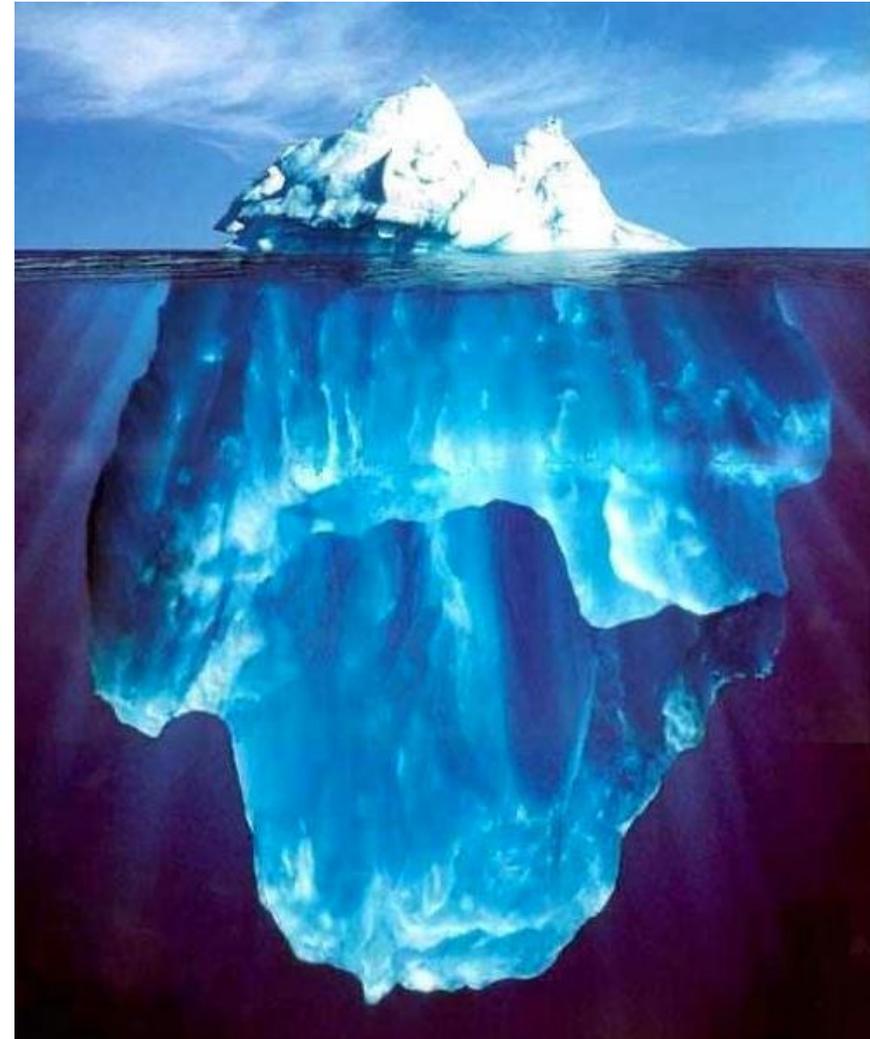
Meredith Lilly, PhD

Dept. Economics &
Centre for Health Economics and Policy Analysis
McMaster University

Meredith.lilly@mcmaster.ca

Family Caregivers

- ‘The backbone’ of the home and community care sector
- In health care circles, some view them as a vast pool of ‘free’ labour that can help alleviate demand on the public health care system
- Despite this recognized importance
 - Caregivers remain the least researched health human resource category
 - ‘Submerged iceberg’ –
Colombo et al 2011



Background

- A body of literature conducted from ~1990s to mid-2000s tried to shed light on caregivers
- Caregivers are more likely to be
 - Women, aged 50+, spouses or adult children of care recipients
- It also highlighted the negative impacts of caregiving on health and wellbeing
 - Fatigue, worse health status, depression, injury, employment consequences, out-of-pocket costs
- Bottom line: unpaid care is not 'free' care

Background

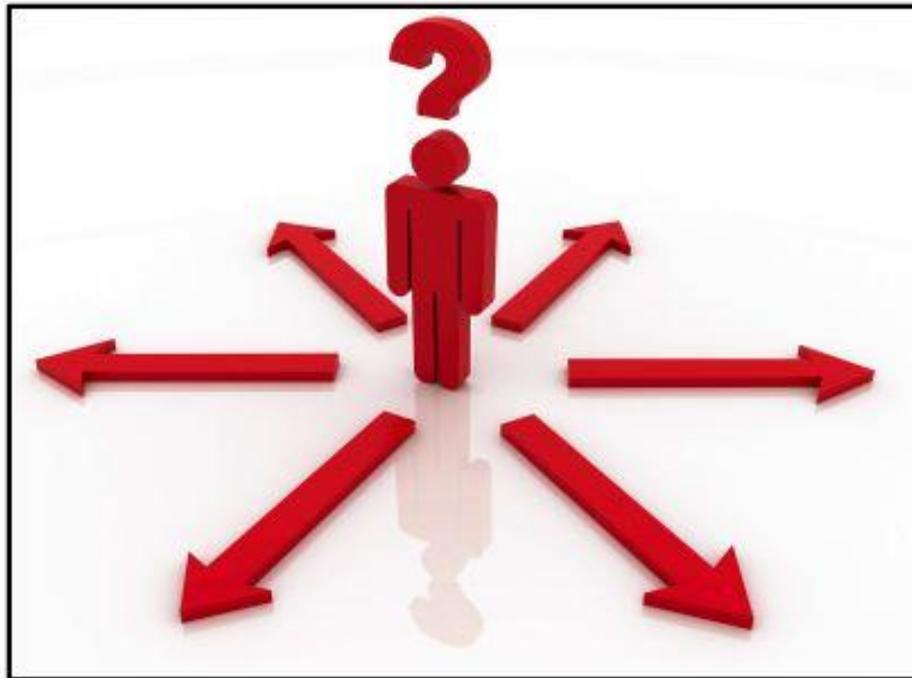
- A smaller body of research has more recently attempted to document the magnitude and economic value of caregiving contributions to society.
- Some estimates:
 - 1 in 5 Canadians 45+ is a caregiver (StatsCan 2007)
 - They provide 70% of all care to seniors in the community (Carstairs & Keon 2009)
 - The economic value of their contributions is \$25 Billion in Canada and \$375B in the US (Hollander et al 2009; Houser and Gibson 2007)

Background

- Although it has been both important and necessary to document these contributions
 - (to gain the attention of policymakers)
- This research presents the average caregiver
 - (who does not exist)
- If we are now to develop successful and targeted policies that meaningfully support caregivers (and recruit new caregivers), it is time to focus more closely on
 - Who *really* cares
 - What constitutes care that should be supported through public policy
 - What supports might be most helpful to individuals offering such care

With respect to caregiving and labour supply....

There is now sufficient evidence about these issues....



....to narrow the list of possible policy directions to a subset most likely to be successful

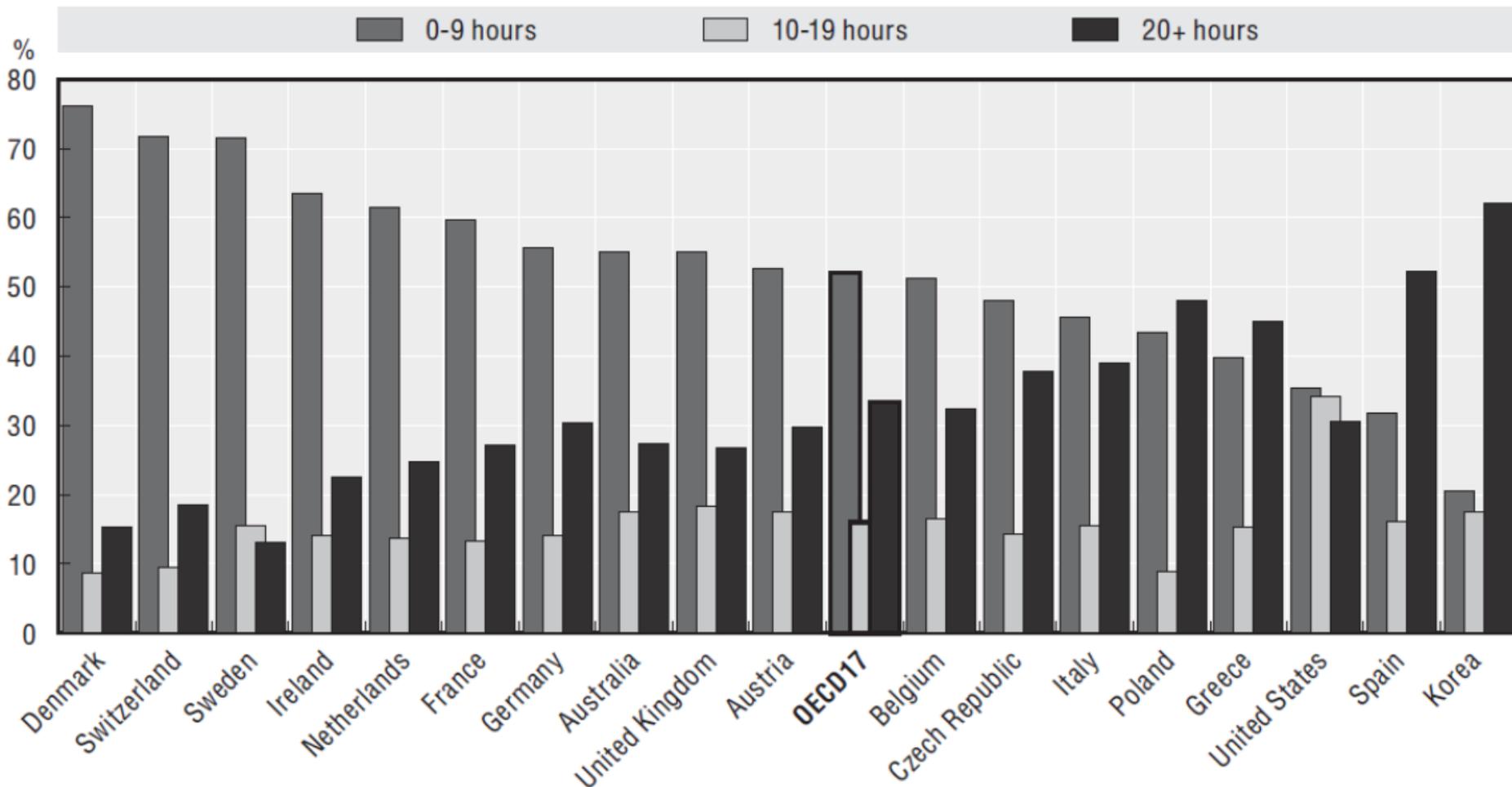


So, who *really* cares?

- Evidence from the OECD (Colombo et al 2011)
 - Broadly defined, there are 100 million caregivers across all EU member states
 - But, 50% of all informal care is low intensity (<10hrs/wk)
 - 20 million provide 20+hrs/wk
 - Less than 10 million care 35+hrs/week
- Many of these people would also be 65+

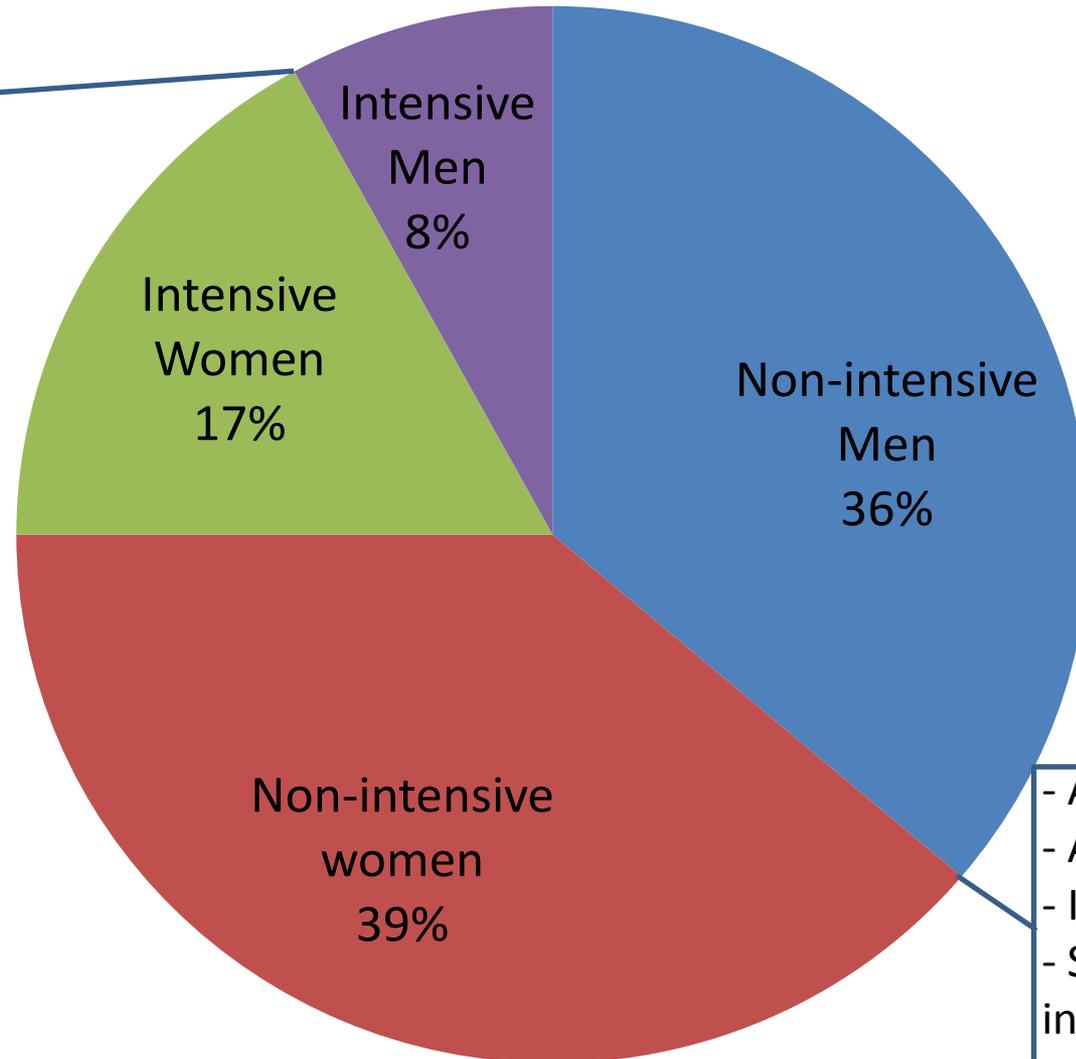
Care intensity in OECD

Figure 3.3. **Carers tend to provide limited hours of care**
Percentage of carers by category of weekly hours of care



(OECD, Colombo et al 2011)

Distribution of Caregivers in Canada by Sex and Intensity



- Assist multiple times/wk
- Avg 30 hrs/wk
- ADL & IADLs
- Support function
- More women

- Assist once/wk
- Avg 3 hrs/wk
- IADL only
- Support independence

How does intensity impact labour supply?

- Results of a 2007 systematic review summarizing 30 years of literature (predominantly US & UK)

(Lilly et al 2007)

- Reports that care intensity matters:
 - After controlling for age and sex, caregivers were no less likely than their non-caregiving peers to be in the labour force
 - But, more intensive caregivers are significantly less likely to be in the LF than their non-caregiving counterparts

What is the intensity threshold for labour force withdrawal?

- The new OECD report suggests the threshold is 20+ hrs/week (Colombo et al 2011)
 - Except in the US, where it is 10-19hrs for women
- In Canada
 - Our current research analysing the General Social Survey detects effects at 15+ hrs/wk for both men and women
 - In addition, care intensity is robust to different ways of measuring it (type, hours, both)
 - Also, the 'primary caregiver' designation is associated with LF non-participation (Lilly et al 2010)

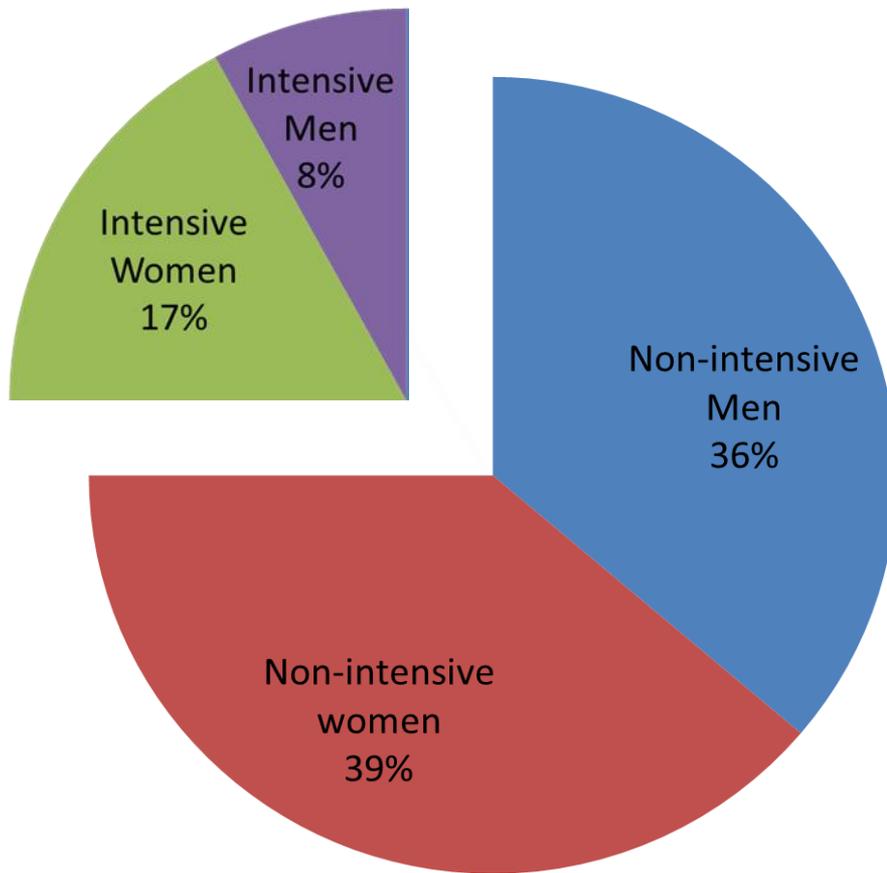
What about hours of work and wages?

- The OECD report concludes
 - Increasing care intensity predominantly influences LFP, not LF hours
 - Caregivers in the labour force are more likely to stop working than reduce their labour force hours
 - Caregiving does not significantly influence the wages of LF participants
- In Canada
 - Both past and current research support these findings
(Lilly et al 2010)

Implication: Caregivers cannot be in two places at one time

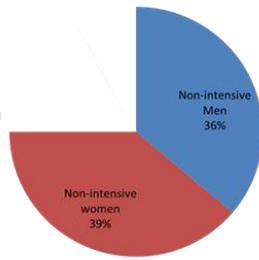
- Caregivers are not balancing both heavy care AND employment successfully
 - Caregivers are more likely to leave the LF entirely than to reduce their labour force hours
- or***
- They may limit/reduce/refuse care hours (remain as 'light' caregivers) in order to remain fully employed

Developing Effective Policies for These Different Groups of Caregivers



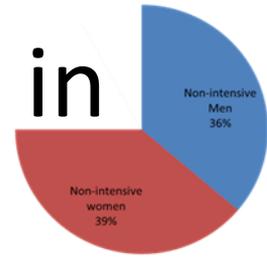
- Given that these two groups behave differently in the labour force
- They are also likely to benefit differently from public policies to support them
 - Which care and which labour force behaviours do we want to reinforce with public policy?
 - What might these policies look like?
 - Should one group be prioritized?

Supporting the dual carer/earner

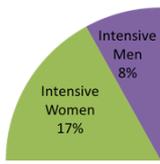


- We can learn from countries that are ‘older’ than Canada
- They are clearly selecting the promotion of the dual earner/carer
 - They need to encourage full labour force participation
 - To replace retiring cohorts
 - To support tax base for social/health demands/consumption
 - Pushing productivity – actively encouraging the non-workers and delayed retirement
 - They also need to encourage and recruit more caregivers
 - To relieve demand on publicly funded social/health programs by older people

Supporting the Dual Carer/Earner in Canada



- Most working-aged caregivers in Canada fall into this category and are well positioned to benefit (Lilly 2010)
- Focus on workplace supports
 - Flexible hours (UK and Australia)
 - Temporary leave – broaden access to EI
 - Broaden access to Caregiver Tax Credit and similar initiatives
 - Manitoba Primary Caregiver Tax Credit (\$1275)
 - Based on care recipient needs, means-tested, refundable

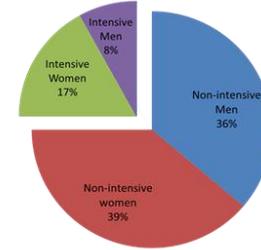


When the dual role is not possible

For intensive caregivers

- Workplace supports are less likely to be helpful and/or accessible
- Policy supports for this group must also address their care responsibilities
 - Option: discourage heavy caregiving
 - Provide more formal supports to care recipients thereby enabling caregivers to maintain full-time work
 - Alleviate heavy caregiving through targeted, flexible respite
(Cameron 2003; Lilly et al 2011)
 - Counter-option: encourage heavy caregiving
 - creating care incentives that may also result in LF withdrawal, such as care allowances to caregivers (Colombo et al 2011)
 - Self-directed care allowances to care recipients

Summary



- Caregivers offer different levels of care intensity and make different contributions to the labour force
 - Missing: *quality* (of both care provision, and labour market work)
- The majority of caregivers provide low intensity care
 - Current policy responses in some OECD countries (Europe) are geared to supporting the full labour force participation of this group
- The minority of heavy caregivers who are most vulnerable to labour force exit would also benefit from supports geared toward addressing their care contributions
 - Here, intensive caregiving is not likely to be ‘no-cost’ or ‘low-cost’
 - At some point, the returns on investment in supporting intensive caregiving may increase the relative attractiveness of increasing formal (paid) support to care recipients directly

Thank You

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