

Older Australians at a glance (OAAAG)

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Better information and statistics
for better health and wellbeing



Outline

Some characteristics of people aged 65 or more relevant to housing:

- Diversity of population aged 65+
- Economic and social participation
- Housing assistance

Background/context

- 4th edition
- Part of 'healthy ageing' approach
- Compliments Intergenerational report
- Older people refers to persons aged over 65

“If we don’t change our policy,
the ageing population will
send us broke”

The Hon. Peter Costello, April 2007

What the report shows

Older people in Australia are:

1. A diverse group from an array of backgrounds who contribute in many ways to the social and economic wellbeing of Australia.
2. Make active contributors to family and community life, and not the 'burden on the community' some people imagine them to be

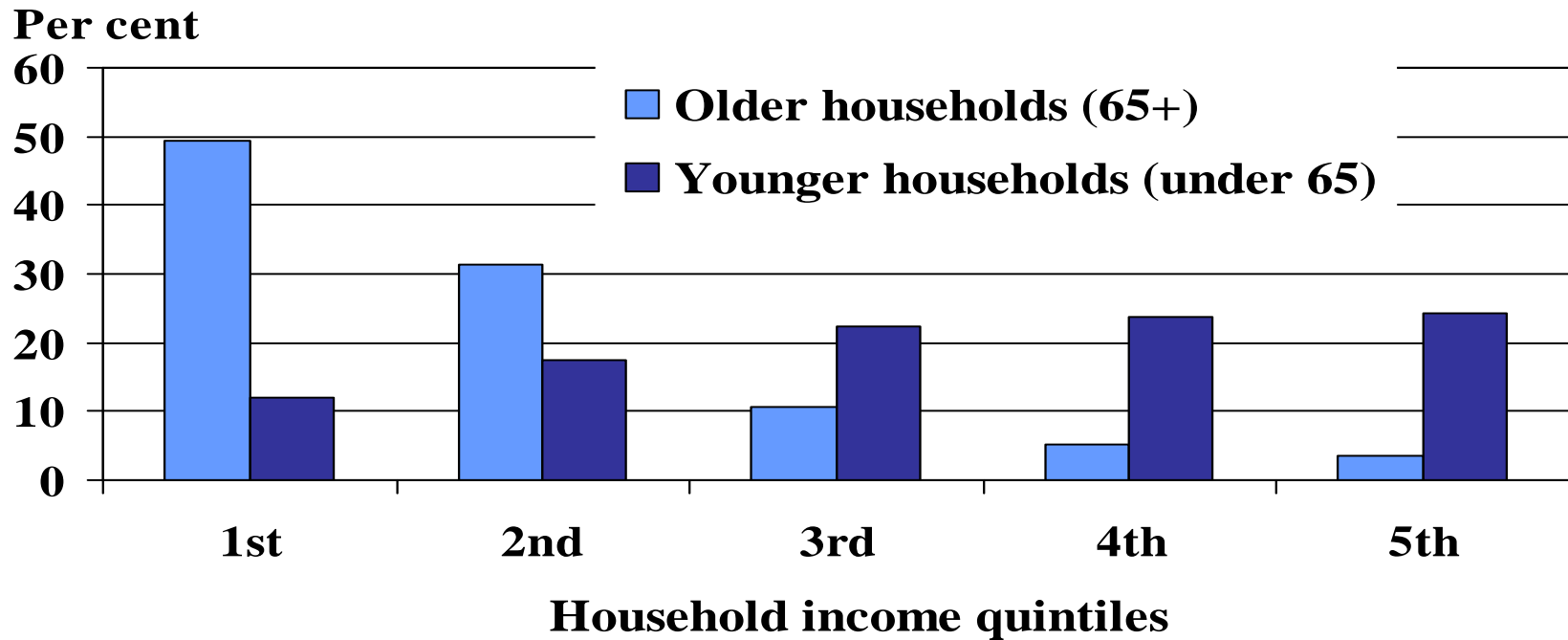
Older Australians as a group are difficult to categorise



Australia's diverse older population

- 2.7 million aged 65+
 - 322,000 aged 85+ (fast growing group)
- 953,700 born overseas
 - 61% born in non-English speaking countries
- 14,900 Indigenous people aged 65+
 - 55,493 Indigenous people aged 50+

Income



Workforce participation and support

- 24% of men and 13% of women aged 65–69 years participate in the workforce
- Despite having relatively low average levels of income, 24% of all older Australians were providing direct or indirect financial support for adult children or relatives outside their household

Intergenerational transfers

The contribution older Australians make to their families and communities take many forms including:

- provision of care for family members and friends
- voluntary work and contributions to other community activities
- financial support
- indirect (or in-kind) financial support

Financial support

It is estimated that:

- About 24% (600,000) of older Australians were providing support for older children (aged 25 years and over) or other relatives living outside the household
- The proportion of people providing such support declined with age group, although was still quite common (21%) among those aged 75 years and over.
- A higher proportion of older men compared with older women provided such support, although the reverse was true in the younger age groups.

Financial support

The most common forms of direct financial support to other relatives (excluding children under age 25) were for older people:

- to give money to pay bills or meet debt
- to give spending money (both about 6%).

For people aged 55–64 years most commonly provided direct financial support

- provide or pay for food (8.6%) and
- assist with housing costs (8%).

Indirect financial support

The most common forms of indirect (or in-kind) financial support identified through the ABS GSS was

- driving relatives to places (8.8%)
- Letting relatives borrow the car (7%)
- Another form of indirect financial support within families is the continued use of the parental home by adult children, a situation that has increased in recent decades.

Indirect financial support

For example, the proportion of people in their 20s who were living with at least one parent increased from 21% in 1976 to 30% in 2001.

Some of the major reasons cited as underlying this phenomenon include:

- The increasing cost of housing
- Higher attendance rates at tertiary educational institutions
- Delayed marriage ages, marriage breakdown, and
- The rising cost of living

Housing related support

In 1999:

- 10% of older Australians (aged 65 years and over) and 30% of people aged 55–64 years experienced children returning to the household
- Adult children living at home (remaining at home or returning home) may of course pay board or provide services to their parents.
- In turn, some older people live in accommodation owned by or provided by their immediate family (e.g. Granny flat, attached flat, living with family) but there are few national data available

Provision of informal care

- Grandparents are the main providers of informal child care and around 97% of care by grandparents was provided at no cost
- At June 2005, some 661,200 children were receiving some level of child care from grandparents, which represents 20% of all children under the age of 12 and 60% of all informal child care.

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Raising grandchildren

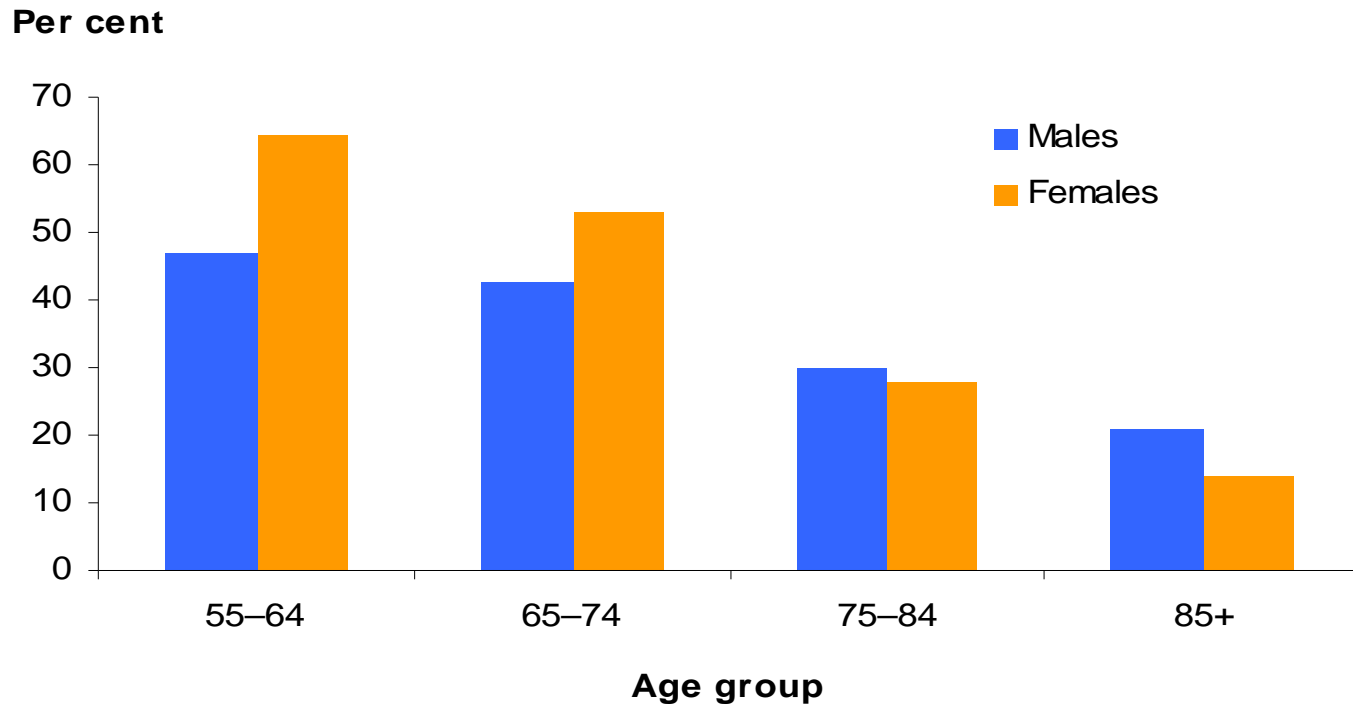
- In 22,500 Australian families, grandparents have assumed responsibility for raising their grandchildren when the children's parents are not able to fulfil their parental responsibilities
- The financial value of this support is unquantified but considerable.

Providing unpaid assistance

Almost half of all people aged 65–74 years provide unpaid assistance to someone outside their household:

- one-third provide volunteer services, and
- 29% are actively involved in a community organisation

Providing unpaid assistance, 2006



Older people caring for people with disability

- In 2003, about 452,000 older Australians provided assistance to people with disability—around one-quarter (113,100) as primary carer
- The majority of older primary carers provided assistance to their spouse (93,700 representing 83% of older primary carers)
- 10,600 older primary carers assist adult children with disability or frail older parents

Recipients of informal care

- Older people are also the recipients of informal care provided by younger family members with resultant financial benefits to them.
- Adult children (mostly daughters) represent 43% of primary carers assisting older people with disability—even though some of these adult children are aged 65 years and over.

Recipients of informal care

- The source of informal care for people aged 65–74 years with disability is most often a person or persons living in the same household (72%).
- The opposite is true for those aged 85 years and over, most of whom receive assistance from someone who lives in another household (79%), that is, more likely to be adult offspring than a spouse

Wealth

- Older people's share of total wealth has increased over the past two decades
- This pattern is prompting considerable public commentary on the potential for personal wealth, such as owner-occupied housing, to be a source of increased self-provision in retirement.

Household Wealth

In 2005–06, households with a reference person:

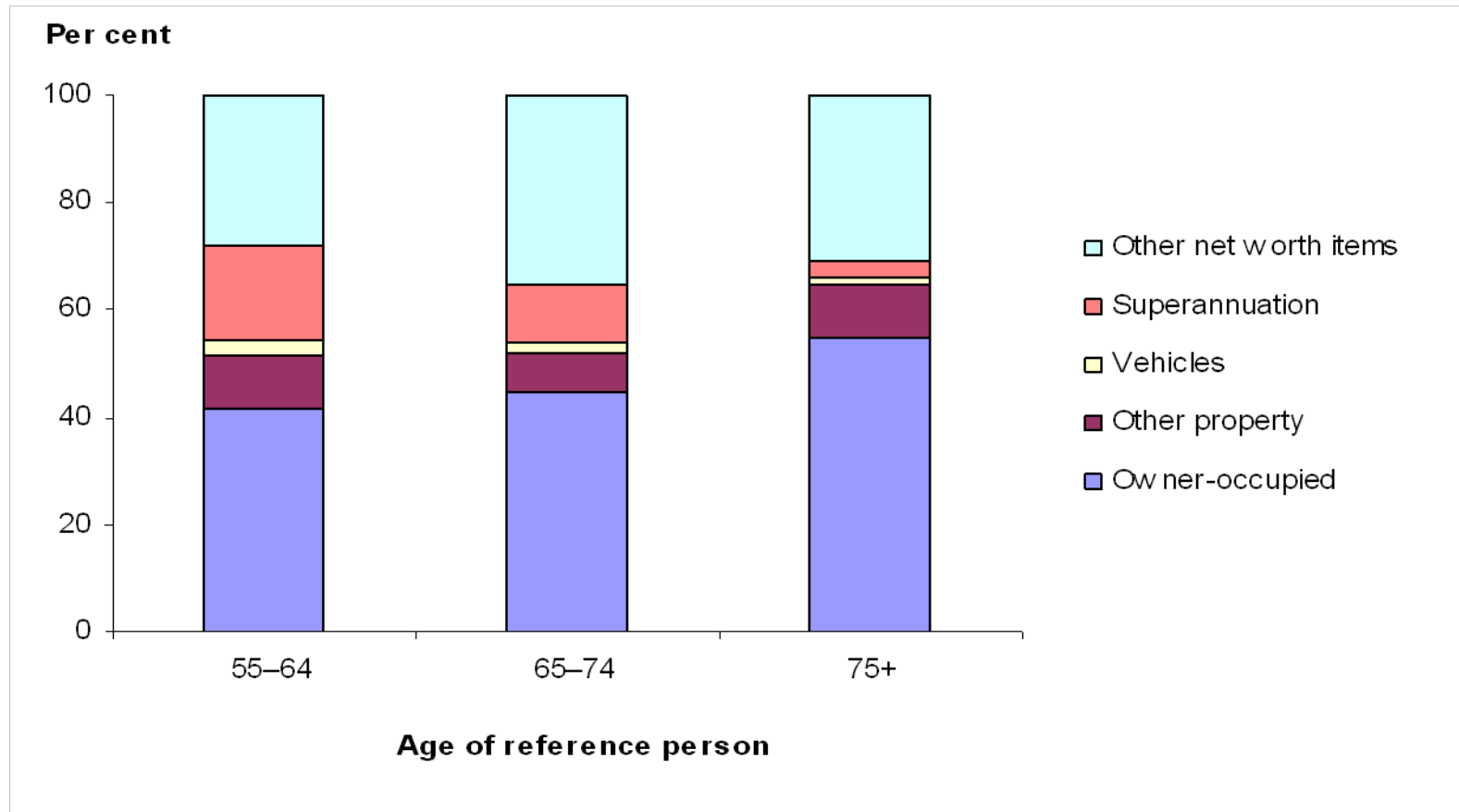
- 55–64 years had the highest mean household net worth (\$824,000)
- 65–74 years was somewhat lower than this at \$743,000, and
- Households with a reference person aged 75 years and over was lower again at \$575,000.
- Reductions are attributed to the drawing down on assets for consumption during retirement and different patterns of wealth accumulation throughout the lifecycle for different age cohorts

Household Wealth

In 2005–06:

- The mean net worth of older households was higher than the average mean net worth of all households (\$563,000) and
- Also higher than for all younger households with a reference person aged under 45 years
- Older households also have significantly lower levels of debt than younger households

Composition of household net worth by age group of reference person, 2003–04



Inheritance

- Some intergenerational transfer of wealth occurs through inheritance, and older Australians have become wealthier over recent decades.
- By 2004–05, real net worth per Australian (\$305,000) had increased for 14 consecutive years and has risen by over \$86,000 in the previous 3 years
- Older Australians have shared in this national growth and own much of this national wealth mostly in the form of property and superannuation

Inheritance

- Total household wealth potentially available for transfer by bequests has been estimated at about \$8.8 billion in 2000 and this is expected to increase markedly over coming decades
- This trend in the growth of retirees' wealth has occurred in many countries including the united states, the united kingdom, sweden and italy
- However, household net worth is unevenly distributed and the majority of large inheritances go to people who are already financially secure

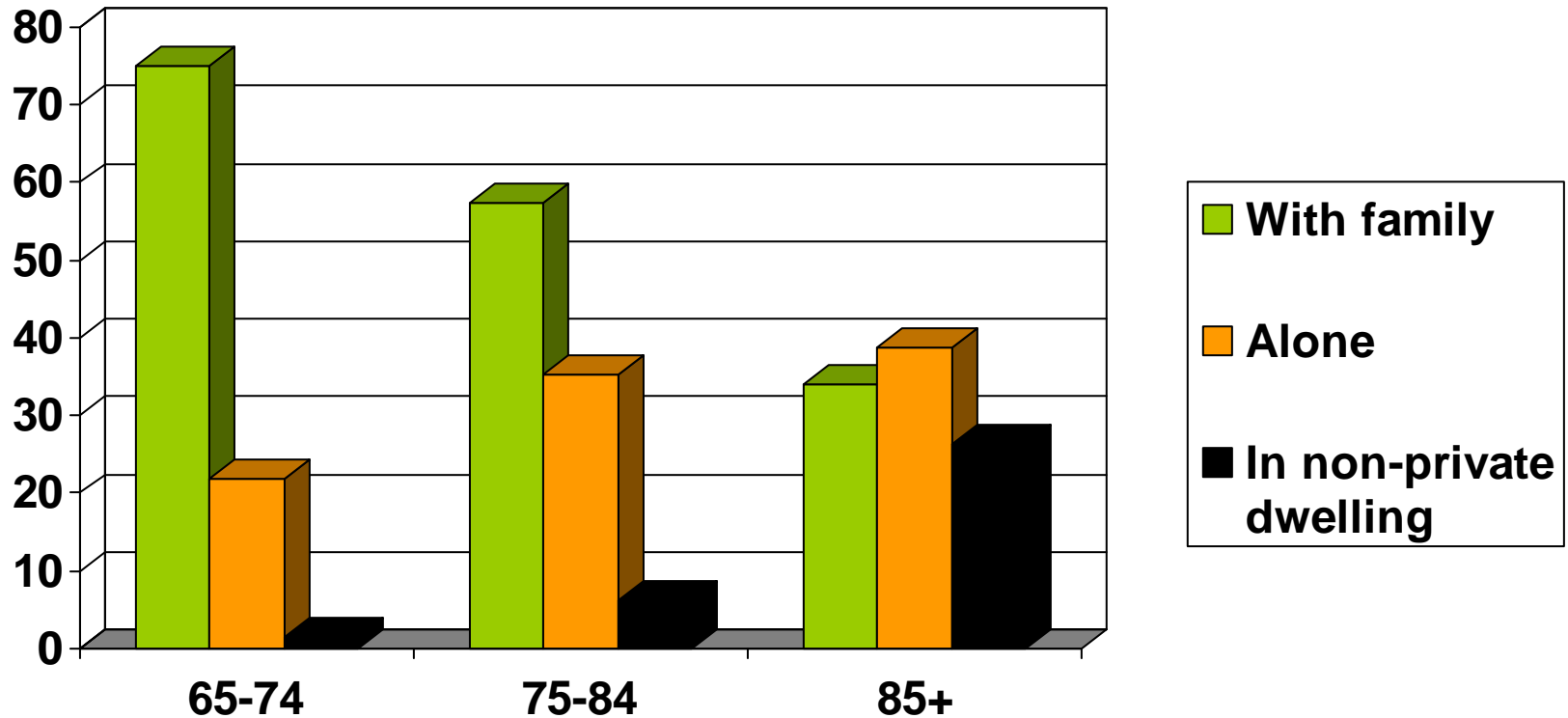
Inheritance

- The likelihood of receiving a substantial inheritance in any particular year is small
- It has been estimated that approximately 220,000 people received an inheritance in each of the years 2002 and 2003, representing 1.4% of Australians aged 15 years and over
- For these people, the median inheritance was less than \$20,000 and the average age of beneficiary was 48 years.

Living arrangements

- The overwhelming majority of older people live in private dwellings in the community, with only 6% living in facilities such as aged care homes and hospitals.
- Even among those aged 85 years and over, the great majority (74%) live in private dwellings.

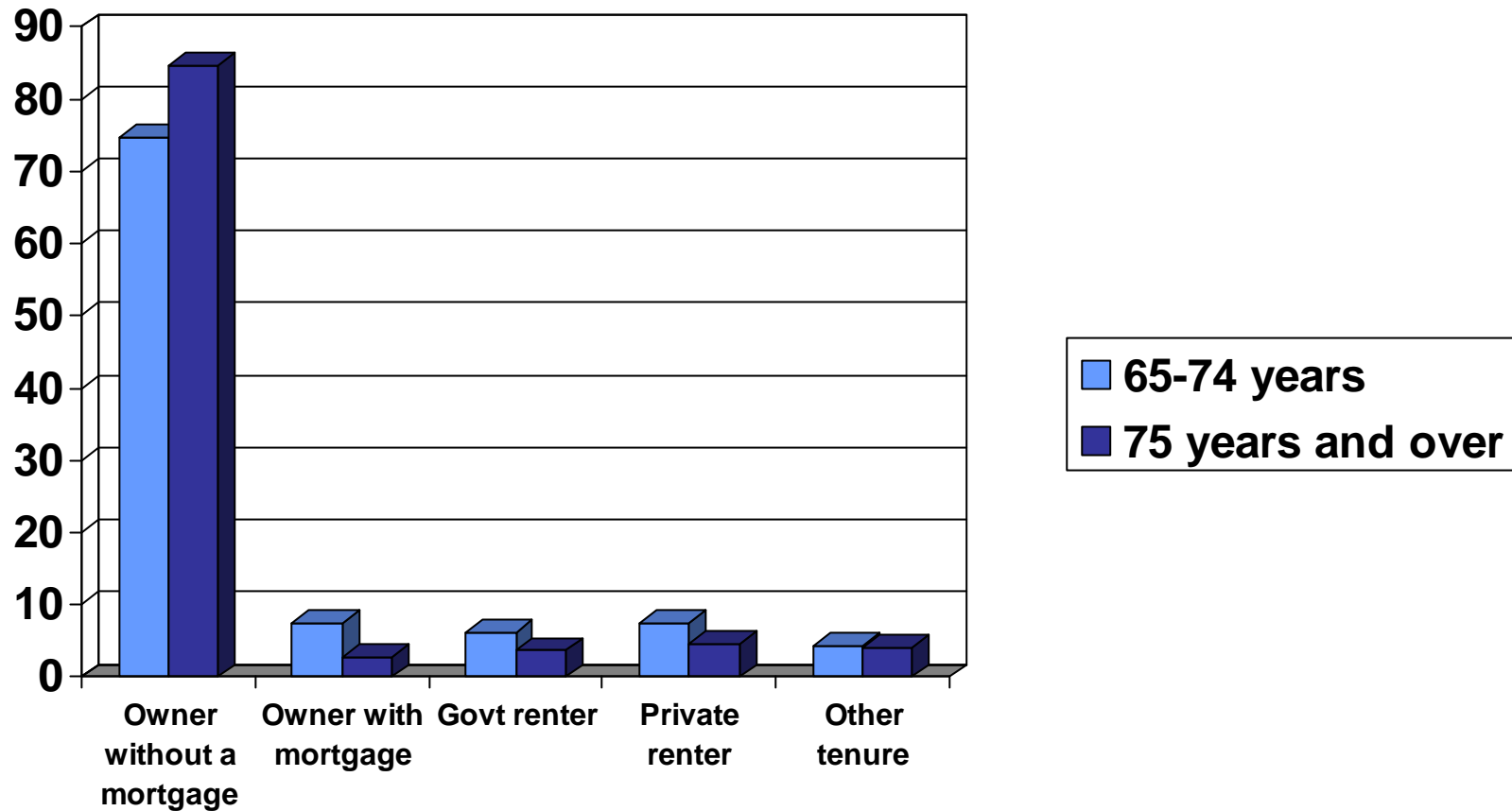
Living arrangements, 2006



Housing profiles

- In 2005-06, while 85% of older people were home owners, about 11% of older Australians were renting.
 - 55% in the private rental market
 - 45% in public housing

Tenure by age of reference person



Housing profiles of older renters in (1991, 1996, 2001)

Private tenant  (from 6.2% to 7.1%)

Public tenant  (from 5.3% to 4.4%)

Housing assistance and income support

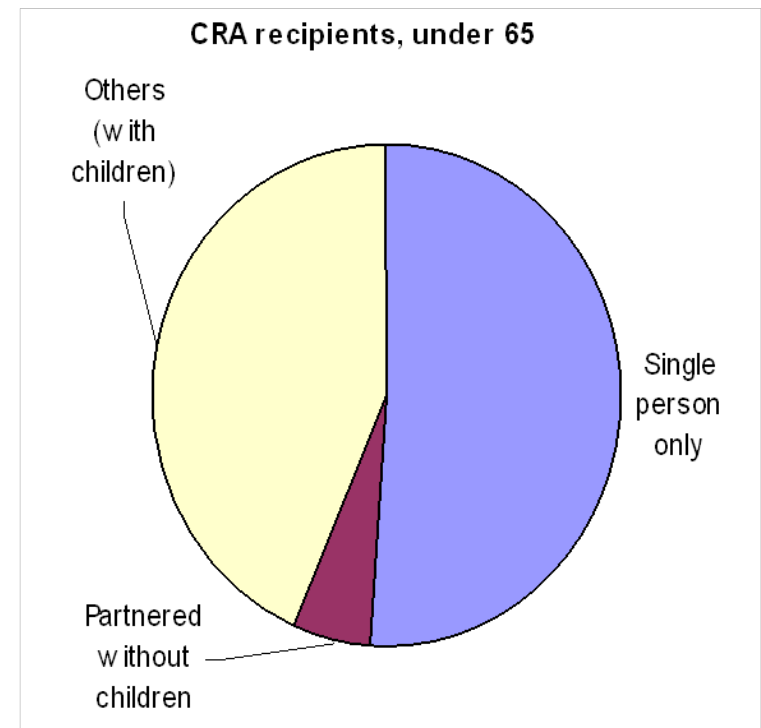
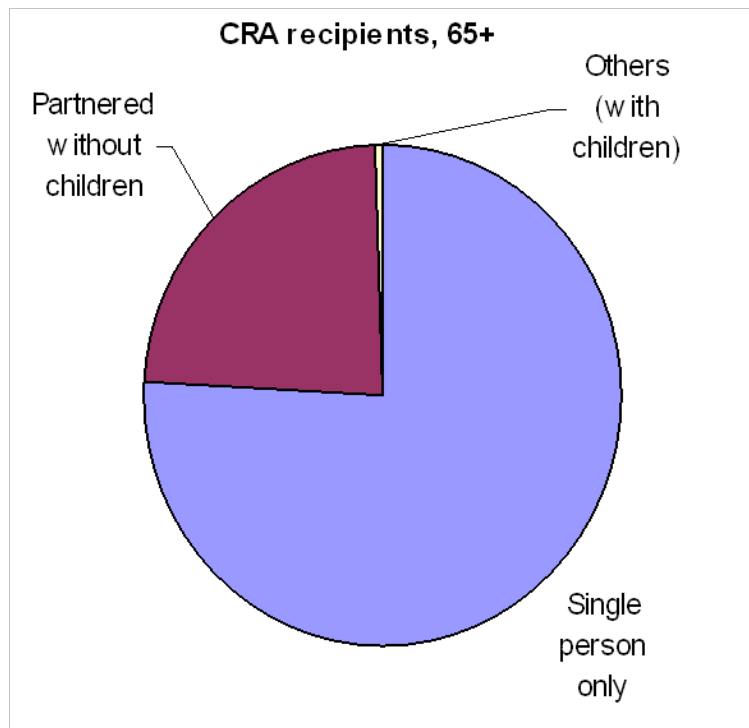
- 31% of Centerlink clients are aged 65 years and over
- nearly 1 in 5 older Centrelink recipients are receiving assistance either through public housing or Commonwealth Rent Assistance.

Rental assistance recipients

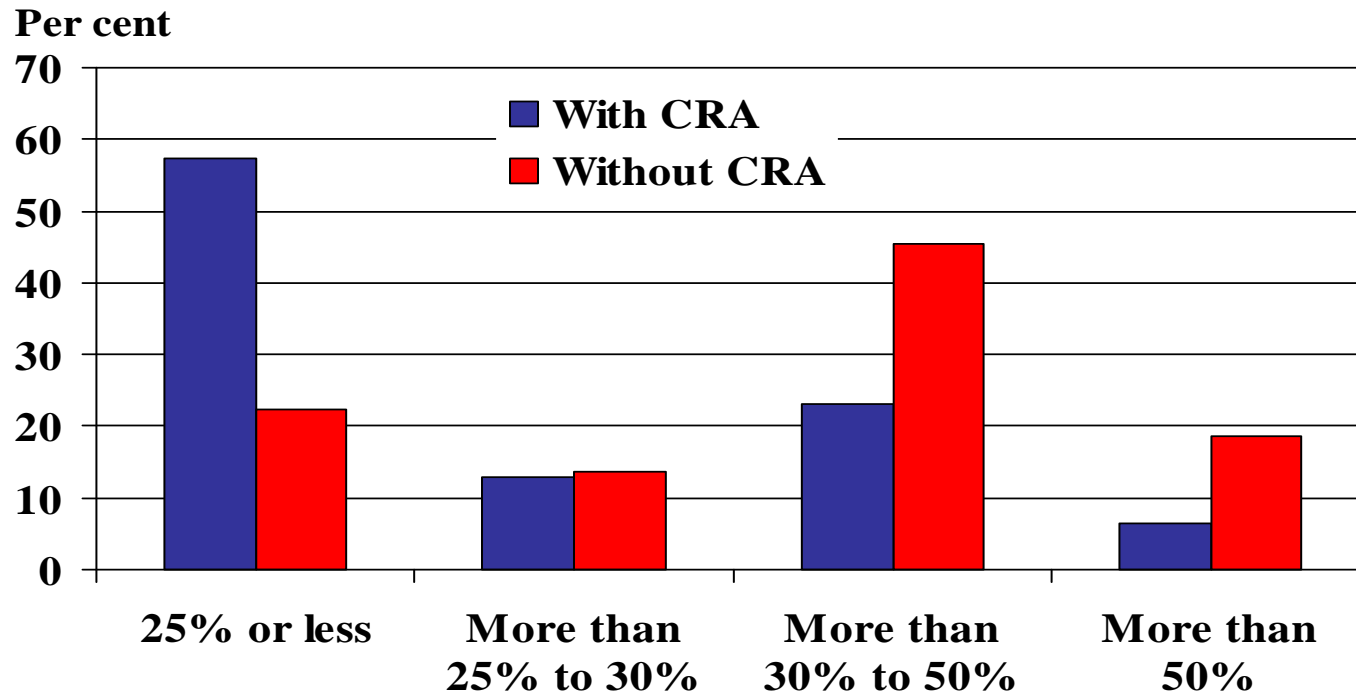
In 2002

- 142,800 older CRA recipients
— 16% of total CRA recipients
- 94,578 older public housing tenants
— 28% of total public housing tenants

Income unit type - CRA recipients



Proportion of income spent on rent with and without CRA payments (%)



Rental Assistance summary

- 31% of Centrelink recipients are aged 65 and over
- 1 in 5 older Centrelink recipients receiving rental assistance
- 28% of public tenants are aged 65 and over
- 16% of CRA recipients are aged 65 and over
- Issues facing older low income renters
 - Affordability
 - Security of tenure
- Further study needed

This presentation only a part of the report



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