



## Social and economic context

- 3 Marital status and living arrangements**
- 4 Housing**
- 5 Transport**
- 6 Workforce participation**
- 7 Retiring from paid work**
- 8 Community and civic participation**
- 9 Providing care**
- 10 Social participation and leisure**
- 11 Use of technology**
- 12 Income, wealth and expenditure**
- 13 Age Pension and superannuation**
- 14 Intergenerational transfers**

# 3

## MARITAL STATUS AND LIVING ARRANGEMENTS

Living arrangements are an important factor in the general health and wellbeing of older people, as they are for Australians generally. Despite a common myth that most older people live in cared accommodation, the majority of people aged 65 years and over live in a private dwelling with their husband or wife. The last 30 years in Australia have witnessed large changes in the stability and longevity of marital relationships, with increasing separation, divorce and remarriage rates. These changes are beginning to be reflected in the marital status of current older Australians with consequences for living arrangements.

Marital status and living arrangements may affect an individual's perception of vulnerability and feelings of safety at home. Older people are less likely than average to feel safe or very safe when at home alone, either after dark or during the day (AIHW 2007c). Being married and/or living with someone else may contribute to a sense of protection from potential harm.

### Marital status

Preliminary data from the 2006 Census show that the majority (57%) of older people were married (Table 3.1). This was evident for people aged 65–84 years; among people aged 85 years and over, however, almost

two-thirds (65%) were widowed. The proportion widowed increased with each age group, and the proportion divorced decreased. Almost 30% of older people were widowed in 2006 (759,536 people), and just under 8% (204,816) were divorced.

The marital status profile of men differed significantly from that of women. Older women were less likely to be married (45%) than their male counterparts (72%), and more likely to be widowed (42% compared with 12%). Almost 80% of women aged 85 years and over were widows in 2006 (170,078 people) compared with 37% of men. The number of older people who never married was higher for men (6%) than women (4%), with almost 70,000 older men having never married by 2006.

Over the last 30 years, life expectancy at age 65 has increased—currently, at age 65, men are likely to live another 17.5 years and women another 21.1 years (AIHW 2006e; see Topic 16: *Life expectancy, health status and causes of death*). In addition, although male mortality remains higher than female mortality, in the last 20 years the gap has narrowed (ABS 2005c). These demographic changes are gradually being reflected in the decreasing proportions of women at older ages who are widows. Widowhood has decreased for all age groups during the decade since 1996 (Table A3.1). This decrease was most pronounced in the

**Table 3.1: Registered marital status, by age and sex, 2006 (per cent)**

	Married	Divorced	Separated	Widowed	Never married	Total (per cent)	Total (number)
<b>Males</b>							
65–74	75.0	9.8	3.2	5.9	6.1	100.0	668,500
75–84	70.2	5.8	2.2	16.4	5.5	100.0	412,500
85+	52.6	3.3	1.5	37.2	5.4	100.0	105,000
65+	71.3	7.8	2.7	12.3	5.8	100.0	1,186,000
<b>Females</b>							
65–74	59.8	10.6	2.5	23.4	3.7	100.0	705,000
75–84	37.2	5.7	1.2	52.0	3.9	100.0	535,600
85+	13.5	2.9	0.5	78.1	5.0	100.0	217,800
65+	44.6	7.7	1.7	42.1	4.0	100.0	1,458,400
<b>Persons</b>							
65–74	67.2	10.2	2.9	14.9	4.9	100.0	1,373,400
75–84	51.5	5.8	1.6	36.5	4.6	100.0	948,100
85+	26.3	3.0	0.8	64.8	5.2	100.0	322,800
65+	<b>56.6</b>	<b>7.7</b>	<b>2.2</b>	<b>28.7</b>	<b>4.8</b>	<b>100.0</b>	<b>264,4400</b>

Source: Table A3.1.

75–84 year age group (44% of those aged 75–84 in 1996 were widowed compared with 36% of 75–84 year olds in 2006) (Figure 3.1).

In contrast, the proportions of older people who were married or divorced increased for all age groups over the last decade. The increase in the proportions of people who are married was most pronounced in the 75–84 year age group, whereas the increase in divorced people was most evident among the younger age group. Among people aged 65–74 years, the proportion who were divorced was 10% in 2006 compared with 6% in 1996 (see Figure 3.1 and Table A3.1).

## Living arrangements

ABS projections based on data from the 2001 Census estimate that over 2.5 million people aged 65 years and over (representing 94% of older people) lived in private dwellings as members of family, group and lone-person households in 2006 (Table A3.2).

Just over 6% were usual residents in non-private dwellings, which include hotels, motels, guest houses, and cared accommodation such as hospitals, aged care homes and supported accommodation. The large majority of people in each age group lived in private dwellings, although 26% of the very old (aged 85 years

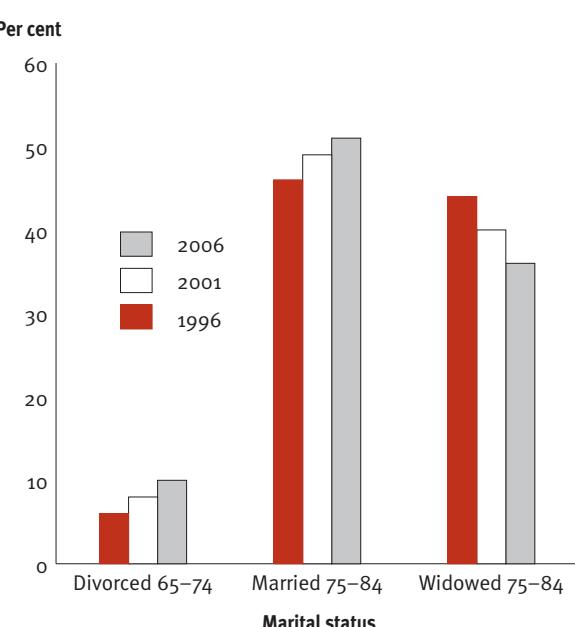
and over) lived in non-private dwellings. On 30 June 2006, 145,175 people aged 65 years and over were permanent residents in residential aged care homes, more than half of whom were aged 85 years and over (AIHW 2007f, see Topic 40: *Residential aged care resident profiles*).

Family households were the most common living arrangement in private dwellings for older people in 2006, with 58% living with their married or de facto partner in couple households (Table A3.2). The percentage of older people living with their partner declined significantly with increasing age, with only 26% of people aged 85 years and over living with a spouse in a couple-family household (Figure 3.2).

Around 783,000 (29%) older people lived alone in private dwellings in 2006, with the percentage increasing to 39% among those aged 85 years and over. Older people who live alone are at risk of experiencing loneliness and social isolation and are more likely to need outside assistance in the case of illness. This may more often be the case for unmarried older men who live alone, because unmarried women typically report stronger social networks than unmarried men (Yeh & Lo 2004).

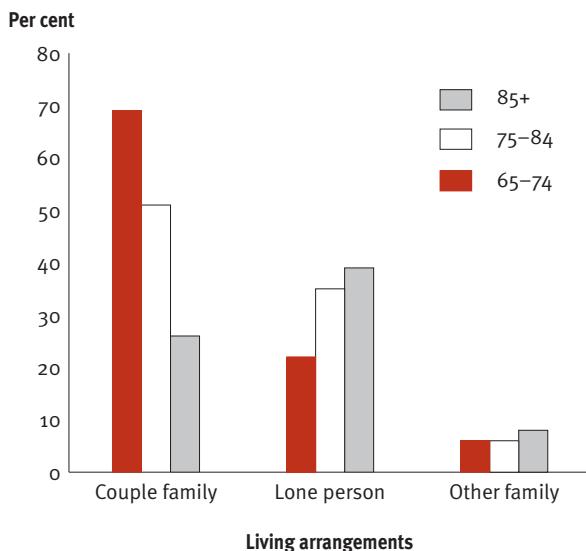
ABS projections (Series II) suggest that, by 2026, about 907,000 people aged 75 years and over will be living alone, most of them older women (685,600) (Table A3.2). Although ABS projections suggest that the number of older people living alone is set to increase, increases in life expectancy (and thus later age of widowhood) will also see an increase in the number of older Australians living with a partner. Under Series III projections (which assume a continuation of the 1986–2001 rate of change in propensities to belong to different living arrangements) the ABS estimates that by 2026 living with a partner will replace living alone as the most common living arrangement for people aged 80–84 (ABS 2004e).

**Figure 3.1: Selected changes in marital status, by age group, 1996, 2001, 2006**



Source: Table A3.1.

**Figure 3.2: Living arrangements, by age, 2006**



Source: Table A3.2.

## Feelings of safety at home

Feelings of safety are commonly measured in terms of whether people feel safe in selected situations when they are alone. In this sense, safety refers to individuals' perceptions of their vulnerability to or protection from personal harm, rather than, for example, national security. Feelings of safety may relate to people's perception of crime in their neighbourhood, their level of trust in the community and their sense of capacity to be in control (ABS 2004g).

Most older people feel safe or very safe at home alone during the day (93%), and to a lesser extent, after dark (84%) (Table A3.3). Over 7% of respondents reported feeling unsafe at home alone after dark, with 3% stating that they were never home alone at this time. People aged 65 years and over were less likely than average to feel safe or very safe when at home alone, either after dark or during the day (ABS 2006h).

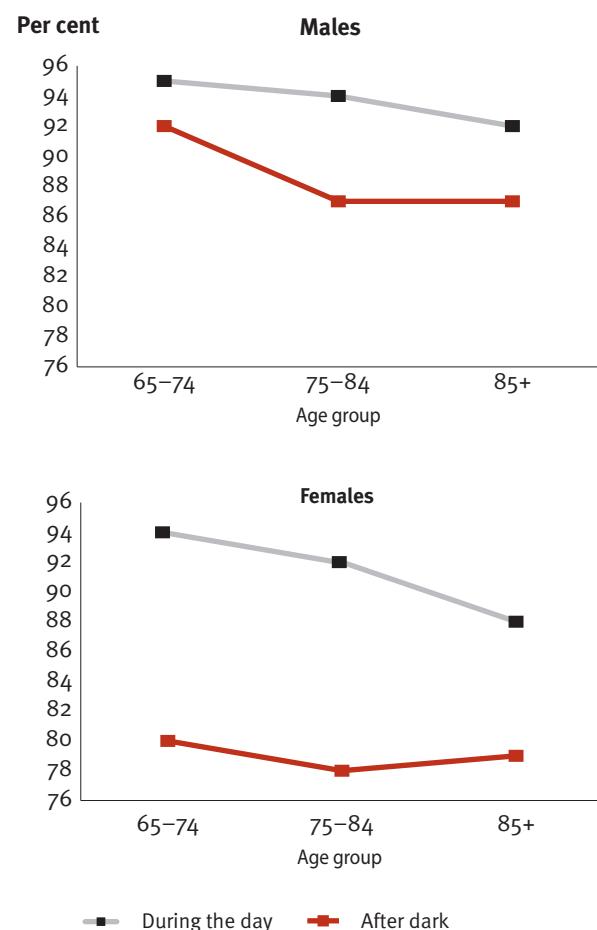
Perceptions of safety varied between males and females, especially after dark—90% of males compared with 79% of females felt safe or very safe at home alone after dark, with the proportions of females who felt unsafe or very unsafe double the proportions of males. A sex difference in feelings of safety at home alone during the day was also evident, but was not as pronounced—95% of males felt safe or very safe at home alone during the day, compared with 93% of females. The gap for women between their feelings of safety during the day compared with after dark was much greater than the gap for men. Women's sense of

vulnerability is considerably heightened when they are home alone at night.

Feelings of safety at home also vary according to age. There was generally a small but noticeable decrease in feelings of safety with increasing age (Figure 3.3). This decline was especially evident for males; for females it was most evident in terms of feeling safe at home alone during the day. Older women's feelings of safety at home alone after dark varied little by age.

Adverse feelings of safety at home may affect the quality of life of older people and for some may contribute to decisions to move to forms of congregate living or cared accommodation of some type. Strategies for increasing the feeling of safety by older people living alone could include better housing and urban design that increases security and community living that promotes social connectedness.

**Figure 3.3: Percentage of people who felt safe or very safe at home alone, by age and sex, 2006**



Source: Table A3.3.

# HOUSING

# 4

Secure and appropriate housing is fundamental to the health and wellbeing of older Australians. As well as meeting basic human needs for shelter, the home is a major store of household wealth, particularly for older people (see Topic 12: *Income, wealth and expenditure*). For certain groups of older people (those in the private rental market) housing costs are a significant budget item. The home is also increasingly the site of aged care service delivery of aged care services in the community (see Topic 36: *Home and Community Care Program*, Topic 37: *Community Aged Care Packages*, Topic 38: *Extended Aged Care at Home and Extended Aged Care at Home Dementia Packages*, and Topic 39: *Respite Care*). Its physical amenity and safety are important environmental factors that need to be considered (and perhaps modified) to reduce the risk of falls and injury among older people, and, more generally, to facilitate independent living among older people with disability.

## Housing profile

The period 1991–2001 covering the three Census years (1991, 1996 and 2001) witnessed significant changes in the housing profile of older people (at the time of writing comparable data from the 2006 Census was not available). The proportion of older Australians living in non-private dwellings (e.g. aged care accommodation and hospitals) fell from 9.9% to 8.1% (Table 4.1), reflecting the increased provision of aged care services to people in their own homes that has been occurring over the last 15 years. This decline is apparent for each age group, although over one-fifth of those aged 80 years and over still lived in non-private dwellings in 2001.

Over this 10-year period, the proportion of older people who owned (with or without a mortgage) their own home increased from 71% in 1991 to 73% in 2001. The vast majority owned their homes outright, with a relatively

**Table 4.1: Housing profile of older Australians, by age, 1991, 1996 and 2001 (per cent)**

Year	Age group (years)				Total 65 and over	
	65-69	70-74	75-79	80 and over		
<b>Private dwellings</b>						
<b>Owners</b>						
Owner	1991	69.2	67.4	65.1	52.7	64.7
	1996	73.2	71.1	67.3	54.1	67.3
	2001	73.0	73.2	70.4	56.8	68.5
Purchaser	1991	8.9	7.3	5.3	3.5	6.7
	1996	5.8	5.9	4.8	3.0	5.0
	2001	5.7	4.4	4.2	3.3	4.5
<b>Renters</b>						
Public tenant	1991	5.3	5.7	5.7	4.4	5.3
	1996	4.8	5.0	5.0	3.9	4.7
	2001	4.5	4.7	4.5	3.8	4.4
Private tenant	1991	6.3	6.5	6.5	5.4	6.2
	1996	7.3	6.6	6.7	5.8	6.7
	2001	8.0	7.2	6.7	6.1	7.1
<b>Other tenures</b>						
	1991	6.5	7.5	7.9	7.1	7.1
	1996	5.6	6.9	8.8	9.4	7.4
	2001	6.1	6.8	8.1	9.3	7.5
<b>Non-private dwellings</b>						
<b>All non-private dwellings</b>						
	1991	3.7	5.5	9.6	26.9	9.9
	1996	3.3	4.6	7.4	23.7	9.0
	2001	2.7	3.7	6.1	20.7	8.1

Source: Howe 2003; reproduced from AIHW 2005b:Table A6.2.

small (and decreasing) proportion still paying off a mortgage.

There was a modest change in the rental housing profile of older Australians, with the proportion renting privately owned dwellings increasing from 6.2% to 7.1%, and the proportion in public housing falling from 5.3% to 4.4%. These trends were generally evident for all age groups.

## Household tenure

Whereas 70% of all Australian households living in private dwellings were home owners, the figure for households with a reference person aged 65 and over was 84% in 2001 (Table 4.2). The comparable figure for households with a reference person aged less than 65 was 67%. Households with an older reference person were far more likely to own their home outright (81%) compared with younger households (21%). Home ownership therefore constitutes a significant financial resource for many older households (see Topic 12: *Income, wealth and expenditure*) and high rates of home ownership are the result of wealth accumulation in this form over a lifetime. In addition, home ownership is a personal and social resource: long-term residence in their own homes provides people with a sense of security and continuity.

The majority of older households own their home, but 6.0% of older households were public renters and 5.1% were in private rental accommodation. The rental profile of older households is very different from that of younger households where only 3.6% are in public rental accommodation and 19.1% are in the private rental market. Security of housing tenure can have an influence on quality of life and overall wellbeing, particularly for older people. The ability to remain in

the community with assistance has been shown to be important to people's capacity to maintain health and wellbeing (Waters 2001). People in private rental accommodation have the least secure form of tenure; this is the situation for a small but growing segment of the older population (Table 4.1).

Research by the Australian Housing and Urban Research Institute suggests that Australia is currently on the threshold of a steady and sustained increase in the number of low-income older renters, with the number of people aged 65 years and over living in low-income rental households projected to more than double from 195,000 in 2001 to 419,000 in 2026 (Jones et al. 2007:Table 16). The greatest projected change is among those aged 85 years and over, where the number of low-income renters is estimated to increase from 17,300 to 51,000. The number of low income older persons living alone is projected to more than double from 110,800 households in 2001 to 243,600 in 2026 (Jones et al. 2007:Table 17). Approximately two-thirds of these households will be lone women. The demand for housing for low-income older couple households is projected to increase from 32,200 to 69,900 over the same period.

## Housing affordability

Housing affordability is discussed here in terms of the proportion of household income spent on housing costs, where housing costs are the recurrent outlays by household members in providing for their shelter. Data on housing costs reported in this section are from the 2003–04 ABS Survey of Income and Housing (SIH) and are limited to major cash outlays on housing, that is, mortgage repayments and property rates for owners,

**Table 4.2: Housing tenure profile of household, by age of reference person, 2000–01 (per cent)**

Housing tenure type	Older households (65+)	Younger households (under 65)	All households
Owner without a mortgage	80.7	27.5	38.2
Owner with a mortgage	3.6	39.4	32.1
State/territory housing authority	6.0	4.7	5.0
Private renter	5.1	25.0	21.0
Other landlord	1.4	1.4	1.4
Total renters	12.5	31.1	27.4
Other tenure type	3.3	2.0	2.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total number of households ('000)</b>	<b>1,480.2</b>	<b>5,834.7</b>	<b>7,314.9</b>

Source: Reproduced from AIHW 2005b:Table A6.3.

and rent. A fuller measure of housing costs would include a range of outlays not collected in the SIH, but which are necessary to ensure that the dwelling can continue to provide an appropriate level of housing services, e.g. repairs, maintenance, body corporate fees and dwelling insurance. The ABS estimates suggest that adding these costs to SIH housing costs estimates would more than double average housing costs for owners without a mortgage and would increase average housing costs for owners with a mortgage by about 15% (see ABS 2006m for further detail about this measure and its limitations).

In general, because of their high rates of home ownership, households with a reference person aged 65 years and over spend a lower proportion of their gross income on housing costs compared with younger households. In 2003–04, older households spent 7% of their gross income on housing costs compared with 14% for all households (ABS 2006m:Table 8). Older households which own their own home without a mortgage spent 4% of their income on housing, and older households with a mortgage spent 14%.

However, the situation is different for older renters. Compared with younger households in public rental accommodation, older renters in public housing spent a larger proportion of their gross income on housing (23%), and significantly more than older home-owner households. For public renters, state housing authorities consider that housing costs taking up more than 25% of household income may cause affordability problems for low-income households (SCRCSSP 2006).

Older households living in private rental accommodation are most at risk of housing affordability problems, spending 33% of their gross income on housing (ABS 2006m:Table 8). Older private renters spent the highest

proportion of their income on housing costs compared with households of any age group or tenure type.

In interpreting this data it is important to note that the average income of older households is relatively low (see Topic 12: *Income, wealth and expenditure*). In addition, households are sometimes reimbursed some or all of their housing costs, but these reimbursements are not collected in the SIH. Commonwealth Rent Assistance (CRA), paid by the Australian Government to qualifying recipients of income support payments and family tax benefit, is the most relevant type of reimbursement. Attempts to reliably collect this information in a household survey have not been successful (ABS 2006m). The ABS estimates that if rent assistance receipts are subtracted from gross housing costs, the housing costs of households receiving rent assistance will be about 30% lower on average, and the housing costs of all households renting from landlords other than the state/territory authorities will be about 10% lower on average (ABS 2006m).

An area requiring closer examination is the nearly 30% of older CRA recipients who spend 30% or more of their income on rent. In particular, 6.5% (more than one in 20) of older CRA recipients spend over half their total income on rent after CRA payments. For people in extreme housing stress (paying half or more of their income on rent), those paying ‘private rent’ and ‘maintenance and other fees’ are over-represented. Those who spend less than half but over 30% of their income on rent are mainly paying ‘private rent’ or for ‘board and lodging’ (Table 4.3).

Although most of the current cohort of older Australians enjoy secure and affordable housing, a small but

**Table 4.3: CRA recipients aged 65 and over, affordability after CRA payment by rent type, June 2002 (per cent)**

	Less than 25%	25% to < 30%	30% to < 50%	50% and more	Total
Private	50.1	15.5	27.0	7.4	100.0
Board and lodging	45.5	13.8	35.7	5.0	100.0
Lodging only	62.6	14.9	18.9	3.7	100.0
Site and mooring fees	93.4	4.3	2.0	0.2	100.0
Maintenance and other fees	80.6	2.5	5.1	11.8	100.0
<b>Total</b>	<b>57.4</b>	<b>12.9</b>	<b>23.2</b>	<b>6.5</b>	<b>100.0</b>

Note: Older people in government-funded hostels or nursing homes are not eligible for CRA, hence they are not part of the base population in this table.

Source: 2002 Department of Family and Community Services (FaCS) Housing Data Set.

growing proportion of low-income older renters are vulnerable to housing stress. Changes evident in the Australian housing system are likely to affect this group of current older renters in terms of housing affordability and availability—these changes also signal the possibility of very different housing profiles among future generations of older Australians. Across all ages in the Australian population there has been rising demand for affordable housing both for purchase and rental. However, the supply or availability of low-rent housing in the private rental market has not kept pace with this increased demand, particularly by low-income households (Yates et al. 2004).

Several social and economic factors have changed housing patterns, with increases in the number of people not achieving or unable to sustain home ownership which is reflected in people remaining longer in the private rental market. Also, the availability of social housing is declining with a drop in the level of public housing stock nationally from around 372,100 dwellings in 1995–96 to 341,380 dwellings in 2005–06 (AIHW 2005b, 2006f). These changes may result in people who have spent all or most of their adult lives in private rental housing having higher lifetime housing costs, with subsequent implications for their ability to achieve financial independence in retirement (AIHW 2005b; Reference Group on Welfare Reform 2000).

# TRANSPORT

# 5

Access to transport is important for participation in community, social and everyday life (see Topic 6: Social participation and leisure, and Topic 8: Community and civic participation). A fit and healthy older person will generally have a wide choice of transport options—choices similar to those they had as a younger adult. As people age, the transport choices they have alter to suit changing capabilities. Walking, driving and using public transport may become more difficult and some people will become dependent, in varying degrees, on others to meet their transport needs.

## Access to transport

The ABS General Social Survey (GSS) shows that 80% of those aged 65 years and over can easily get to places as needed, compared with 84% of all over aged 18 (Table 5.1). This ability declines with age, so that by age 85 years and over for men and age 75–84 years for women, only around two-thirds (65% and 68% respectively) can travel easily. Older people living in major cities have more difficulty than those living in inner regional areas; 77% of older people in major cities can easily get to the places they need to go compared with 86% for those living in inner regional areas (Table 5.1; ABS 2007d).

Transport availability is critical for many older people's ability to access services. Transport difficulties or distance from services was the main reason cited by over half (54%) of those people aged 85 years and over who have difficulty accessing service providers (Table A5.1).

## Use of private vehicles

With increasing financial wellbeing and longer term driving histories of people currently moving into older age groups, there is evidence that cars are becoming increasingly important for older people. Projections by VicRoads suggest that 99% of older men and 94% of older women in Victoria will hold a driver's licence by 2031 (Victoria Parliament Road Safety Committee 2003). Many recent retirees in Australia had two-car households and an increasing proportion of older people (particularly women) are licensed to drive (Rees & Lyth 2004).

In 2002, 66% of older people had access to a car to drive; in 2006 the comparable figure was 73% (ABS 2003c:31, 2007d:41). However, access to a car to drive still decreases with age (82% of people aged 65–74 years compared with 68% of those aged 65–74 years and 32% of those aged 85 and over) (Table 5.2).

Access to a car to drive was most restricted for older people in metropolitan areas (69%) where a wider array of public transport options is available. In contrast, 81% of older people in inner regional areas and 78% in other areas had access to a car to drive.

A lower proportion of older women have access to a car to drive than older men (60% compared with 87% respectively) (Table 5.2), and a higher proportion take trips as a passenger (Table A5.2). In 2002, 66% of trips taken by older people in the Sydney Greater Metropolitan Region were taken by car. Men were drivers for 62% of their trips and passengers for only 8%, compared with

**Table 5.1: Ease of getting to places needed, by age, sex, and remoteness area, 2006 (per cent)**

Remoteness Areas	Male					Female					Persons				
	65–74	75–84	85+	All 65+ (18+)	All	65–74	75–84	85+	All 65+ (18+)	All	65–74	75–84	85+	All 65+ (18+)	All
<b>Can easily get to the places needed</b>															
Major cities	86.3	84.0	62.3	83.6	84.6	78.0	64.9	63.3	71.6	81.8	82.0	73.4	62.9	77.1	83.1
Inner regional areas	95.1	90.9	77.1	92.6	88.6	86.0	77.2	61.9	80.4	86.5	90.5	83.4	66.8	86.1	87.6
Other	78.9	81.0	70.3	79.3	81.6	94.1	64.0	87.7	82.7	84.1	86.0	71.6	83.2	81.0	82.9
All areas	87.5	85.4	65.4	85.3	85.2	81.5	67.8	65.0	74.7	83.0	84.5	75.7	65.1	79.6	84.1
<b>Often have difficulty, can't get to places needed, or doesn't go out/housebound</b>															
Major cities	**3.1	*4.5	**22.6	*5.2	3.5	*6.0	15.2	*22.4	11.2	5.2	*4.6	10.5	*22.5	8.4	4.4
Inner regional areas	0.0	**4.0	0.0	**1.5	2.9	*7.2	*13.5	**6.7	9.5	4.7	**3.6	9.2	**4.6	5.8	3.8
Other	*9.2	**12.1	0.0	*9.8	*6.0	**2.7	*19.6	**10.5	*9.4	6.0	*6.1	*16.3	7.8	*9.6	6.0
All areas	*3.1	*5.1	*17.3	4.8	3.6	*6.0	15.2	*18.0	10.6	5.2	4.6	10.7	17.8	7.9	4.4

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

Note: Not all responses are included in the table.

Source: AIHW analysis, ABS 2007c, 2007d.

31% as a driver and 31% as a passenger for women. Although over half of women aged 76–81 years in the Australian Longitudinal Study on Women's Health drove a car as their main form of transport, around a quarter reported that their main form of transport was a car driven by someone else (Byles et al. 2007).

## Use of public transport

Data on the use of public transport by older people are limited, but suggest that they are not intensive users (see also Productivity Commission 2005). In a 2002 survey of household travel conducted in the Sydney Greater Metropolitan Region, only 10–11% of trips taken by older people were on public transport (bus, ferry, rail or taxi) (Table A5.2; ABS 2004g). Only 9% of trips for those aged 61–70 years and 12% for those aged 70 years and over were taken by public transport. In Sydney, between 1991 and 2004, there was a 7% increase in the use of cars by those aged 70 years and over, almost equally at the expense of public transport and walking (Transport and Population Data Centre 2006).

The most common reasons for older people not using public transport are difficulty getting into or out of vehicles (53%), difficulty getting to stops and stations (30%), lack of seating combined with difficulty standing (12%) and pain or discomfort (12%) (ABS 2004g).

## Factors influencing access to transport

Difficulty accessing transport increases with age, but this is mainly a result of the increasing proportions of people with disabling health conditions rather than age itself. Physiological changes related to ageing make walking and driving more difficult, and may preclude driving altogether, although these changes are not uniform across age groups. Neurodegenerative diseases such as dementia affect concentration, geographical orientation, visuo-spatial skills, attention, information processing and problem solving, judgment, memory, reaction time and coordination (Hecker & Snellgrove 2002), which are all important capabilities for safe driving and for getting about independently, particularly in unfamiliar areas. Arthritis and other musculoskeletal conditions, hearing and vision loss, cardiovascular disease, and difficulties with balance can also affect a person's mobility options.

## To drive or not to drive?

A significant lifestyle decision for many older people is whether to keep driving. Forfeiture of a driving licence is considered a major loss of control, leading to greater dependence on others, and loss of flexibility and choice, and usually results in a reduction in the number of trips made. The person may no longer be able to participate in activities which contribute to feelings of self-worth, with decreased quality of life and possible associated depression.

**Table 5.2: Whether had access to motor vehicles to drive, by remoteness, 2006 (per cent)**

Sex/Remoteness areas	65–74	75–84	85+	65+	18+
<b>Males</b>					
Major cities of Australia	90.6	80.6	56.1	84.4	..
Inner regional Australia	97.1	91.7	89.8	94.8	..
Other	93.9	77.5	85.2	88.6	..
<i>All areas</i>	<i>92.5</i>	<i>83.2</i>	<i>63.7</i>	<i>87.3</i>	<i>90.2</i>
<b>Females</b>					
Major cities of Australia	66.0	51.9	*14.4	55.2	..
Inner regional Australia	84.5	62.9	*15.8	69.7	..
Other	81.5	61.2	*7.6	67.7	..
<i>All areas</i>	<i>71.9</i>	<i>55.3</i>	<i>*14.2</i>	<i>59.8</i>	<i>82.2</i>
<b>Persons</b>					
Major cities of Australia	77.8	64.6	30.3	68.5	84.0
Inner regional Australia	90.7	76.0	39.4	81.4	90.7
Other	88.1	68.5	27.7	77.9	90.6
<i>All areas</i>	<b>82.0</b>	<b>67.8</b>	<b>32.0</b>	<b>72.5</b>	<b>86.1</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: AIHW analysis, ABS 2007c.

Many older drivers stop driving for health reasons. However, many health conditions which affect driving capacity also affect general mobility (hence walking and public transport use), which increases risks for older people as pedestrians. Evidence suggests that, with the exception of those with impaired mental status, most older adults will adapt their driving to suit their physical condition, typically by limiting the distance and conditions under which they drive, for example driving only in good weather and in well-known local areas, and restricting night driving (Anstey & Smith 2003).

Apart from health considerations, the timing of the decision to stop driving is associated with driving history and cultural beliefs and practices. For example, women with a strong driving history are likely to retain their licences for as long as possible. Where women have less experience driving and drive less distance per year, or have a spouse available to drive them, they are more likely to stop driving voluntarily, but unnecessarily (Hakamies-Bloomqvist & Siren 2003; Stutts 2003). Financial considerations and availability of alternative transport options are also factors in the decision.

All states and territories have age-related requirements for the provision of medical certificates to support driving licence renewal (Austroads Inc. 2003), and restricted licences are available in at least one state (NSW Committee on Ageing 2000). There is evidence that mandatory testing increases the likelihood of fit older drivers prematurely allowing their licence to lapse. This can be seen in the drop in the proportion of licensed drivers aged 80 years and over in New South Wales compared with Victoria, and in the peak in Queensland drivers who fail to renew their driver's licence at age 75 when a medical certificate is required; this peak is considerably higher than for those who are

required to surrender their licence for medical reasons (Whelan et al. 2006).

### Driving and dementia

It is estimated that around 180,900 older Australians had some form of dementia in 2006 (see Topic 25: *Dementia*). In view of its progressive nature, people with dementia must eventually stop driving. Nevertheless, a diagnosis of dementia may be based on functions which are not related to driving skills, and people with mild dementia may still be able to drive safely (Hunt 2003; see also recommendations of Australian Society for Geriatric Medicine in Hecker & Snellgrove 2002). Freund & Szinovacz (2002) found that 37% of those with low cognitive functioning were still driving, although mostly short distances.

However, it is also recognised that people with dementia often do not have the ability to monitor their own driving capabilities, to adjust their driving to suit their capacity, or to stop driving when needed. Cessation of driving was more likely when there were other available drivers in the household, and when dementia was associated with hallucinations or apathy; symptoms which included agitation and aggression were associated with lower likelihood of driving cessation (Herrmann et al. 2006).

### Road safety issues

Road safety is an important consideration in the continued licensing of older drivers. In 2006, 227 older Australians died in traffic accidents, 14% of all road deaths (Table 5.3). Older people are overrepresented as a proportion of deaths for both pedestrian and motor vehicle fatalities. The Australian Transport Safety Bureau attributes the high rate of older pedestrian fatalities to

**Table 5.3: Road fatalities by road user type, Australia 2006**

	65–74	75–84	85+	All 65+	All	65–74	75–84	85+	All 65+	All
	Number					Per cent				
Driver <sup>(a)</sup>	54	46	18	118	761	7.1	6.0	2.4	15.5	100.0
Passenger	12	10	7	29	335	3.6	3.0	2.1	8.7	100.0
Pedestrian <sup>(b)</sup>	25	26	19	70	227	11.0	11.5	8.4	30.8	100.0
Motor cyclist	2	2	0	4	238	0.8	0.8	0.0	1.7	100.0
Cyclist	4	2	0	6	40	10.0	5.0	0.0	15.0	100.0
<b>Total fatalities</b>	<b>97</b>	<b>86</b>	<b>44</b>	<b>227</b>	<b>1,601</b>	<b>6.1</b>	<b>5.4</b>	<b>2.7</b>	<b>14.2</b>	<b>100.0</b>
<b>Total population</b>	<b>1.4m</b>	<b>0.9m</b>	<b>0.3m</b>	<b>2.6m</b>	<b>20.6m</b>	<b>6.9</b>	<b>4.7</b>	<b>1.6</b>	<b>13.3</b>	<b>100.0</b>

(a) Excludes driver deaths which were the result of a medical condition, for example a heart attack which caused the accident.

(b) Includes deaths of drivers of motorised scooters.

Source: AIHW using data obtained from the Australian Transport Safety Bureau (see ATSB 2007).

'greater reliance of older people on pedestrian travel, the perceptual, cognitive and physical deteriorations associated with ageing, and the older person's greater frailty and risk of death if hit by a motor vehicle' (ATSB 2002). There is evidence that older people are either fully or partly responsible for the collision in the majority of pedestrian deaths; most of the fatal pedestrian accidents occurred when the older pedestrian was crossing a road in an urban area (ATSB 2002).

Age is related to overall crash risk and deaths of older drivers are particularly high when related to distance travelled. This partly reflects the relatively higher levels of short-distance urban driving by older people, which has a higher crash risk than driving longer distances on country highways (Victoria Parliament Road Safety Committee 2003). The frailty of some older people increases the likelihood of severe injury or death as a result of a road accident, and accounted for 60–90% of excess death rates.

Overseas studies which have investigated driving safety and risk to others in relation to older drivers found that, after being matched for yearly driving distance, most drivers aged 75 years and over were safer than drivers of other ages (Whelan et al. 2006; Meuleners et al. 2006; see also OECD 2001). Nor do older drivers pose a greatly increased risk to other road users (Dulisse 1997; Langford et al. 2006).

## Transport alternatives

Access to alternative forms of transport is an issue for older people with limited or no access to a car or public transport, regardless of whether they live in the community or in cared accommodation. Walking is an option for older people who are fit. Other options include formal service provision from aged care services or special transport programs, assistance from family and friends, motorised scooters, taxis, and finding other ways to do things.

The NSW Council of Social Services has identified transport as an area of relatively high unmet need by aged care residents (Edmonds 2003; NCOSS 2003). A 2001 pilot project providing transport to aged care residents found the actual use of transport services greater than the expected demand (Edmonds 2003). People living in residential aged care can only access transport services through the Home and Community Care (HACC) Program with extreme difficulty when no other options are available; access is on a full cost recovery basis (generally at the resident's expense) and priority is given to people living in the community, which may mean that there is not sufficient community transport available to meet resident needs (Edmonds 2003).

The ABS 2003 Survey of Disability, Ageing and Carers found that 22% of older Australians living in the community needed help from a person with private transport, increasing from 12% for those aged 65–74 years to 27% for those aged 75–84 years and 41% for those aged 85 years and over. Of those who needed assistance with transport, this need was only partly met for 10% and not met at all for another 10% (see Topic 29: *Care needs and sources of care*; Table A29.1); 10% reported a need for more formal assistance and 6% for more help from family and friends (AIHW 2007c).

Transport assistance is available for community-dwelling older Australians through a number of community aged care programs. Clients may receive ad hoc service as needed to attend medical appointments, group outings organised by community transport services, and/or regular transport to and from centre-based activities. In 2004–05, around 17% of HACC clients received help with transport—an overall average of 0.7 of a trip per week was provided for each HACC client; for those who received services in all four quarters of the year this rose to 1.6 per week and did not differ with age (Table A5.3). Data collected in 2002 indicated that 36% of Community Aged Care Packages (CACP) recipients and 9% of Extended Aged Care at Home (EACH) recipients who were aged 65 years and over received help with transport (Table A5.3). An average of around 3 trips per week was provided for each CACP and EACH recipient. (This profile of transport assistance may have changed during the five years since this census).

Not all formal alternative service provision is classified as transport services; the provision of services to assist with activities such as shopping, banking or social activities typically includes the provision of transport. The data reported above therefore do not capture the full extent of transport assistance.

Motorised mobility scooters are becoming an increasingly popular form of alternative local transport, allowing older people more control and flexibility without the restrictions and access problems imposed by public transport or reliance on friends or formal transport services. Scooters can travel at up to 10 km per hour with a range of between 15 and 40 kilometres (depending on the model) before needing to be recharged. Finally, there are lifestyle options which can reduce a person's need for transport. For example, information and communication technologies facilitate online transactions such as paying bills, making purchases and banking (see Topic 7: *Use of technology*). However, managing affairs remotely, or having someone else do tasks for them does not assist with a person's need for social participation.

## WORKFORCE PARTICIPATION

Although there is no statutory retirement age in Australia, labour force participation drops sharply between the age groups of 45–54 and 55–59; the participation rate of males is currently highest in the age groups 25–34 years and 35–44 years, and of females, in the 45–54 years age group. In October 2006, only 13% of men and 4.4% of women aged 65 and over were employed or looking for work.

There is a strong public policy emphasis on encouraging older workers to remain in paid employment for as long as possible. Australia has introduced age discrimination legislation at the federal, state and territory levels; is gradually increasing the age at which women can access the Age Pension; has effected ongoing increases to the minimum age for accessing superannuation benefits; and has introduced incentives for workers who stay on in employment beyond the Age Pension age (e.g. the Pension Bonus Scheme) (see Topic 13: *Age Pension and superannuation*).

### Participation rates

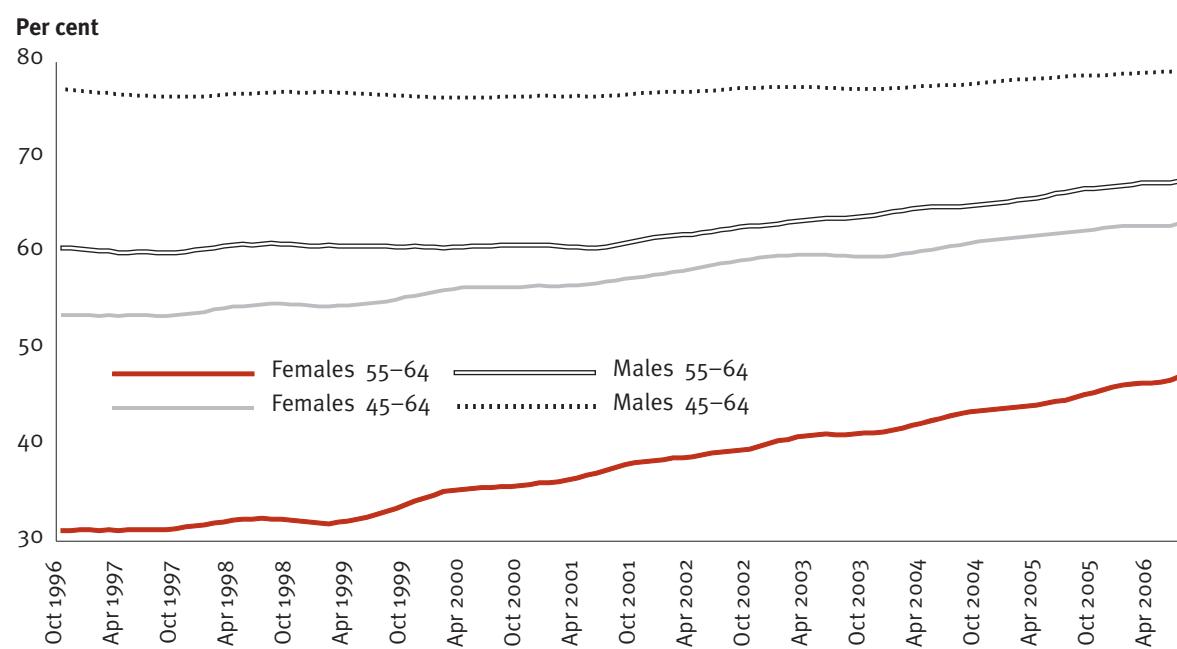
Over the last decade the labour force participation rate for people aged 65 and over has risen (up by 2.7 percentage points to 8.2% in October 2006), but remains considerably lower than the participation rate for people aged 45–64. This is hardly surprising,

however, given that many people choose to retire upon reaching qualifying age for the Age Pension. That said, greater numbers of older people are choosing to remain in the labour market despite continuing public perceptions that the opposite is the case.

Over the same period however, there has been a significant increase in the labour force participation of mature-age people (i.e. those aged 45–64 years). Between October 1996 and October 2006, the labour force participation rate for this group increased by 6.2 percentage points to 71.6%. The increase in overall mature-age participation has been due largely to the substantial rise in the participation rate for mature-age women, from 53% in October 1996 to 64% in October 2006. This compares with a much smaller increase in the participation rate for mature age-men over the same period, up by 1.7 percentage points to 79%. Most of these increases occurred during the latter half of the reporting period (ABS 2006n).

As shown in Figure 6.1, the older portion of the mature age cohort (people aged 55–64) recorded a larger rise in labour force participation over the decade than all people aged 45–64. This is particularly evident for women aged 55–64 years, who recorded an increase in their participation rate of 17.4 percentage points over the period, to 48% in October 2006; the comparable increase was 6.9 percentage points for men, to 68%.

**Figure 6.1: Participation rates for persons aged 45–64 and 55–64, by sex, October 1996 to October 2006**



Source: 12-month averages of data from ABS 2006n.

Many factors have contributed to the increased labour force participation of mature-age people. The increased availability of casual and part-time positions may have helped attract and retain women in the workforce. Changing employment practices may also have contributed, particularly as employers become increasingly aware of the impact of population ageing on the structure of the working-age population (15–64 year old). In October 2006, 47% of the working-age population was aged 45 years and over, up from 42% in October 1996. However, it is important to recognise the possibility of a cohort effect—the increase in mature-age participation may be influenced by people who are moving into the 45–54 and 55–64 year age groups with higher participation rates than those who are moving out of the cohort; this cohort effect is likely to be more pronounced among women. Together with a strengthened employment market, this has driven the proportion of all persons aged 45–64 years in employment from 61.5% in October 1996 to 69.5% in October 2006 (ABS 2006n).

Unemployment rates for the mature-age population are not high by comparison with other age groups. The unemployment rate for people aged 45 years and over in October 2006 was 2.8%. However, mature-age workers who become unemployed have a relatively low probability of re-employment, and hence spend long periods of time unemployed (Borland 2005). Additionally, many mature-age job seekers do not appear in unemployment statistics—prolonged experiences of unsuccessfully competing for jobs may lead to a significant ‘discouraged worker effect’, where individuals become resigned to failure and withdraw from the very process of seeking jobs and hence no longer appear as ‘unemployed’ in labour force statistics (Bittman et al. 2001).

## Part-time work

When examining employment trends for mature-age persons, it is also important to note the increasing trend towards part-time employment for this cohort. In October 2006, 28% of mature-age employment was part time, compared with 24% in October 1996 (derived from ABS 2006n). This trend is evident for all age groups (Table 6.1). A larger proportion of employed women aged 45 years and over was working part time (45%) than are men (15%) (derived from ABS 2006n). The prevalence of part-time employment also increases with age, from 24% of total employment for persons aged 45–54 years to 52% for persons aged 65 years and over.

Part-time employment is useful to older workers who may wish to ease the transition from full-time work to total retirement, or who want to maintain a higher level of income into their older years. It also has benefits for businesses. Valuable corporate knowledge can be passed on from retiring workers to others in the organisation, and skill shortages may be met through the retention of older workers who may not want to work full time.

## Industry and occupation profile

As shown in Figure 6.2, mature-age employment varies considerably by industry. For example, 56% of workers in agriculture, forestry and fishing are mature age, as are 50% in education and 45% in health and community services. On the other hand, industries such as retail trade, accommodation, cafes and restaurants, and cultural and recreational services continue to be dominated by younger workers.

**Table 6.1: Labour force status of persons aged 45 and over, October 1996 and October 2006 (per cent)**

	October 1996				October 2006			
	45-54	55-59	60-64	65+	45-54	55-59	60-64	65+
Employed	73.7	54.4	29.7	5.5	79.9	66.7	43.7	8.1
Full-time	58.2	40.3	21.1	2.8	60.3	48.5	27.9	3.9
Part-time	15.6	14.1	8.6	2.7	19.6	18.2	15.8	4.3
Unemployed	4.6	4.2	1.7	—	2.5	1.8	1.4	0.1
Looking for full-time work	4.1	3.7	1.3	—	2.1	1.3	1.2	—
Looking for part-time work	0.5	0.5	0.3	—	0.4	0.5	0.3	—
Labour force	78.3	58.6	31.3	5.5	82.4	68.5	45.1	8.2
Not in the labour force	21.7	41.4	68.7	94.5	17.6	31.5	54.9	91.8
<b>Total number</b>	<b>2,331,400</b>	<b>836,000</b>	<b>714,800</b>	<b>2,215,800</b>	<b>2,846,900</b>	<b>1,280,100</b>	<b>1,013,600</b>	<b>2,757,500</b>

— Nil or rounded to zero.

Source: Reproduced from ABS 2006n:Table1.

Mature-age persons are quite evenly distributed between all of the major occupational groups, with the exception of the larger proportion in the higher skilled occupation category of managers and administrators (where mature-age persons constituted 52% of total employment) and the smaller proportions in the lower skilled occupation of elementary clerical, sales and service workers (26% of total employment, ABS 2006).

## Employer attitudes and productivity

Among the barriers to employment faced by mature-age and older workers are employer perceptions that their productivity declines with age. The nature of the relationship between age and productivity is a contentious issue. Not only is there a general lack of data as many employers do not track or report measures of productivity, but empirical estimates of the relationship are difficult to make and at best show only a weak relationship. The reliability or suitability of productivity measures can also be questioned (Australian Psychological Society 2004; Bacon 1999).

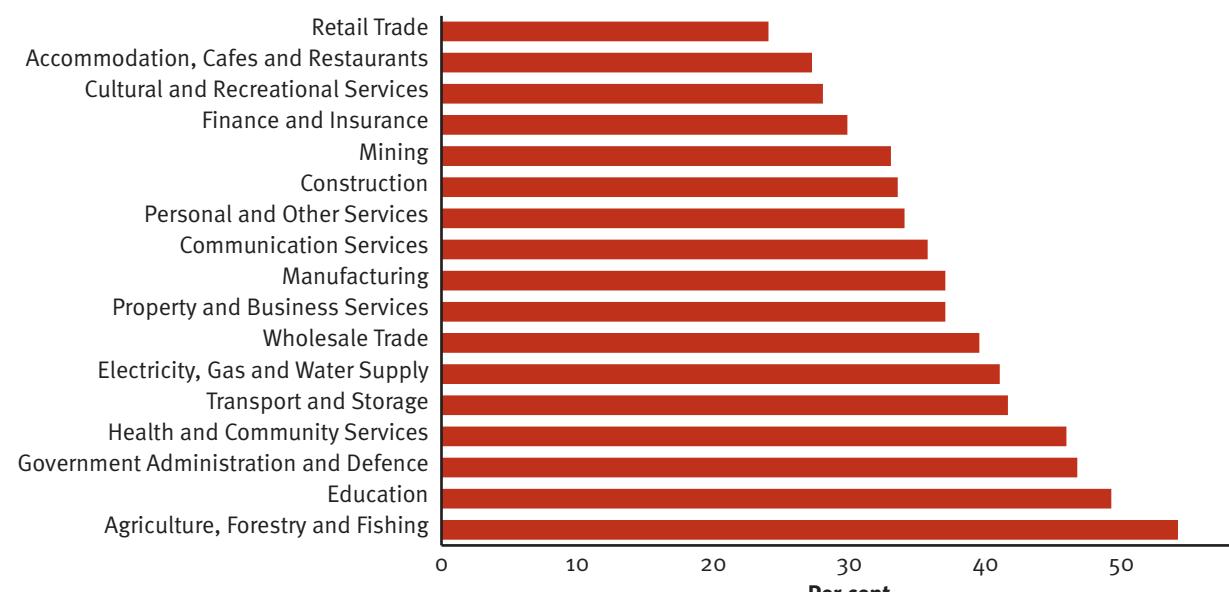
The available evidence suggests that there is no significant decline in productivity with age (Warr 1994; Lowther 2003), although mature-age workers may be productive in different ways to younger workers (Commonwealth of Australia 2003). Although differences between jobs and between dimensions of performance exist, variations within an age group tend to exceed the average difference between age groups (Warr 1994; Shea 1991; Rix 1990). The Australian Psychological

Society (2004) also notes that the tremendous diversity in jobs, the variety of tasks to be done in those jobs, and the various skills of individual workers across all age groups make it extremely difficult to uniformly measure productivity across workers and industries. Additionally, there are huge variations in the skills, work experience and productivity levels within the older workers group.

Furthermore, any decrease in productivity may be compensated for by an increase in work-related and general experience (Barnes & Kennard 2002; Access Economics 2001), corporate knowledge and more mature judgment (Australian Psychological Society 2004; WA Department of Education and Training 2003). Research also suggests that quality of work improves, turnover rates fall and worker loyalty, work ethic and reliability increase with age (Australian Psychological Society 2004; Lowther 2003; WA Department of Education and Training 2003; Access Economics 2001).

Several studies report lower levels of absenteeism (AIHW 2005d; Lowther 2003; Access Economics 2001; WA Department of Education and Training 2003) and accidents (Warr 1994) among mature-age workers. Other studies suggest that although unavoidable absence because of illness or injury is greater at older ages, avoidable absence from work declines with age (Bennington & Tharenou 1996; Warr 1994). However, longer absences because of ill health experienced by older workers can be less disruptive to an organisation than the more frequent avoidable absences of younger workers (DEWR 2003).

**Figure 6.2: Proportion of mature-age workers (age 45 and over), by industry**



Source: ABS 2006a.

## RETIRING FROM PAID WORK

Retiring from paid work is a major life transition. Retirement is a significant event in the life of the individual, but it has assumed even greater importance at the societal level because of the labour market implications of Australia's ageing population—the Department of Workplace Relations (DEWR 2005) predicts that Australia faces a potential shortfall of 195,000 workers over the 5 year period from 2004–05 to 2009–10. Raising the level of labour market participation, especially encouraging continued workforce participation among older people, has assumed greater policy importance. Better understanding of the retirement transition, including when older people retire and their reasons for doing so, will therefore guide future developments in policy and workplace practices.

### What does retirement mean today?

During the 20th century, 'retirement' generally meant a sudden and complete withdrawal from paid employment (which was typically full time). Although retirement may still encompass this same process for some workers today, others now phase their retirement, reducing hours of employment gradually or withdrawing from and re-entering the workforce intermittently over a period

leading up to full retirement. The idea of 'retirement' has come to have different connotations for different people. Some workers, having fully retired, reverse the process and re-enter with the workforce. The notion of a 'transition to retirement' has become widely accepted (Borland 2005) along with the concept of partial retirement (Warren 2006). A retired person is still seen as an individual who is not engaged in any paid work, but the notion also now seems to encompass situations where an individual is over age 65 and engaged in a small number of hours per week of paid work (Borland 2005).

### Retirement status

Data from the 2004–05 ABS Multi-Purpose Household Survey (MPHS) show that of the 7.4 million people aged 45 and over, 3.7 million (51%) were in the labour force, and 3.0 million (41%) had retired from the labour force (i.e. they had previously worked for 2 weeks or more and had retired from work or looking for work, and did not intend to look for, or take up, work at any time in the future) (Table 7.1). The remaining 620,100 (8.4%) were neither in the labour force nor retired (consisting of people who intended to work in the future, whose retirement status was not determined or had never worked 2 weeks or more). A greater proportion of men

**Table 7.1: Labour force status, by age and sex, 2004–05 (per cent)**

	In the labour force	Retired	Neither in the labour force nor retired <sup>(a)</sup>	Total	Number
<b>Females</b>					
45–49	81.6	7.7	10.6	100.0	726,000
50–54	72.0	17.7	10.3	100.0	665,100
55–59	56.7	31.4	12.0	100.0	610,400
60–64	35.6	51.2	13.2	100.0	458,700
65–69	12.7	77.4	9.8	100.0	375,500
70+	2.6	83.4	14.0	100.0	955,600
<i>Total females</i>	<b>43.6</b>	<b>44.5</b>	<b>11.9</b>	<b>100.0</b>	<b>3,791,400</b>
<b>Males</b>					
45–49	91.3	3.4	5.3	100.0	710,000
50–54	87.1	8.0	4.9	100.0	651,900
55–59	78.0	17.4	4.6	100.0	612,500
60–64	56.5	37.2	6.3	100.0	465,600
65–69	23.7	71.6	4.7	100.0	374,300
70+	6.1	90.6	3.3	100.0	759,300
<i>Total males</i>	<b>58.5</b>	<b>36.7</b>	<b>4.7</b>	<b>100.0</b>	<b>3,573,600</b>
<b>Persons</b>	<b>50.8</b>	<b>40.7</b>	<b>8.4</b>	<b>100.0</b>	<b>7,365,000</b>

(a) Includes people who have never worked 2 weeks or more and 27,900 persons (11,100 males and 16,800 females) whose retirement status was not determined.  
Source: Reproduced from ABS 2006v:Table 1.

were in the labour force (59%) than women (44%). The proportion who were retired increased strongly with age; whereas only 7.7% of women and 3.4% of men aged 45–49 years had retired, the proportions increased to 83% of women and 91% of men among those aged 70 years and over.

### Partial retirement

Partial retirement is a fluid concept that may involve working fewer hours, in a less demanding job, in a different job, on a casual or occasional basis, or from home. In many cases, this will involve part-time and/or non-traditional forms of employment (e.g. casual, fixed-term or labour hire employees and self-employed contractors). Analysis of Household, Income and Labour Dynamics in Australia data by (Warren 2006) showed that about 50% of women and 40% of men aged 45 years and over considered themselves to be 'completely retired' and 8% of men and women in this age group said they were partly retired (Table 7.2). For both men and women, the proportion who considered themselves retired increased strongly with age; increasing from 14% of women and 7% of men aged 45–54 years to 85% of women and 88% of men aged 65 years and over.

The most common reasons for both men and women considering themselves partly retired were that they

worked fewer hours than before or worked only casually or occasionally (Warren 2006). A recent report by the Productivity Commission (2006), found that almost three-quarters of those who describe themselves as partially retired work as 'non-traditional' employees (e.g. self-employed contractors, or fixed-term or labour hire employees).

The concept of 'bridging jobs' has been used to characterise the various types of work engagement where the individual sees the job as being part of a transition to retirement. Around 20% of mature-age workers report that their current job is in this category (Borland & Warren 2005). The proportion of workers in transition jobs increases from 10% to 15% among those aged 45–54 years to over 50% of those aged 65 years and over, and is generally higher for women than for men.

This is still a relatively recent phenomenon. Data from the 2004–05 MPHS show that of the 1.8 million retirees aged 45 and over whose last job was less than 20 years ago, the majority (72% or 1.3 million people) had retired from a full-time job rather than part-time or unpaid/voluntary jobs and had worked 35 hours or more a week (ABS 2006v:Tables 3.1 & 3.2).

**Table 7.2: Self-reported retirement status, by age and sex, 2003 (per cent)**

	Completely retired	Partly retired	Not retired at all	Not relevant— have never been in paid work	Total
<b>Females</b>					
45–54	14.1	7.7	74.2	4.1	100.0
55–59	38.6	12.9	45.1	#3.5	100.0
60–64	67.0	12.8	13.8	6.4	100.0
65+	85.4	3.5	1.9	9.2	100.0
<i>Total females</i>	<i>48.9</i>	<i>7.6</i>	<i>37.4</i>	<i>6.0</i>	<i>100.0</i>
<b>Males</b>					
45–54	7.2	3.7	88.8	#0.4	100.0
55–59	24.4	10.8	64.7	#0.0	100.0
60–64	50.1	17.7	32.1	#0.2	100.0
65+	87.8	6.7	5.2	#0.3	100.0
<i>Total males</i>	<i>40.5</i>	<i>7.6</i>	<i>51.6</i>	<i>#0.3</i>	<i>100.0</i>

# Cell size less than 20.

Note: Population weighted results, sample n=5,754.

Source: Reproduced from Warren 2006.

## Age at retirement

There were 3.0 million retired people aged 45 and over in 2004–05 (Table 7.1). Around 33% of men had retired at ages 60–64 and 23% had retired at ages 55–59 (Table 7.3). Women tended to retire earlier than men—around 33% retired aged less than 45, followed by 19% who retired aged 55–59.

Of the 3.7 million people aged 45 and over in the labour force in 2004–05, the vast majority (90%) indicated that they intended to retire in the future. The remaining 384,400 people indicated that they never intend to retire from the labour force. Among those able to indicate an intended retirement age (53%), Table 7.4 shows that the majority intended to retire aged 60–69 (70%). Should these intentions be realised, this would

suggest that a larger proportion of the current labour force will delay their age of retirement beyond that of currently retired people.

Of those who intended to retire, almost half (47%) did not know at what age they would retire. Estimating the age at which one will leave the labour market may be easier for workers in jobs with well-defined pension benefits and standard retirement ages (Cobb-Clark & Stillman 2006). Individuals with long-term savings and spending goals are significantly more likely to have standard retirement plans than workers with more short-term financial outlooks. Factors associated with higher levels of uncertainty, hence increased likelihood and expectation of delayed retirement, include foreign-born status and being single. Living in a

**Table 7.3: Age at retirement, retired persons aged 45 and over, by sex, 2004–05**

	Males		Females		Persons	
	Number	Per cent	Number	Per cent	Number	Per cent
< 45	101,900	7.8	551,700	32.8	653,700	21.9
45–49	73,600	5.7	223,700	13.3	297,300	10.0
50–54	157,400	12.1	266,300	15.8	423,700	14.2
55–59	294,100	22.6	318,300	18.9	612,400	20.5
60–64	423,300	32.5	222,300	13.2	645,600	21.6
65–69	202,000	15.5	70,100	4.2	272,200	9.1
70+	49,800	3.8	31,100	1.8	80,900	2.7
<b>Total</b>	<b>1,302,200</b>	<b>100.0</b>	<b>1,683,500</b>	<b>100.0</b>	<b>2,985,800</b>	<b>100.0</b>
<i>Not determined</i>	10,200	..	4,100	..	14,300	..
Average age <sup>(a)</sup>	58.1	..	47.4	..	52.1	..

(a) Excludes persons whose retirement age was not determined.

Source: ABS 2006v.

**Table 7.4: Persons aged 45 and over who intend to retire from the labour force, age they intend to retire, by sex, 2004–05**

	Males		Females		Persons	
	Number	Per cent	Number	Per cent	Number	Per cent
45–54	*11,400	*1.1	29,800	4.1	41,300	2.3
55–59	142,800	13.8	197,600	27.1	340,500	19.3
60–64	306,200	29.5	237,900	32.6	544,000	30.8
65–69	471,800	45.5	218,700	30.0	690,600	39.1
70+	103,900	10.0	45,200	6.2	149,200	8.4
<b>Total</b>	<b>1,036,200</b>	<b>100.0</b>	<b>729,300</b>	<b>100.0</b>	<b>1,765,500</b>	<b>100.0</b>
<i>Did not know</i>	801,800	..	789,000	..	1,590,700	..
Average age <sup>(a)</sup>	63.2	..	61.1	..	62.3	..

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

(a) Excludes persons who did not know what age they intend to retire.

Source: ABS 2006v.

couple household, being in good health, and expecting a relatively high retirement income all seem to be associated with expectations of early retirement among middle-aged Australian workers (Cobb-Clark & Stillman 2006).

Around 60% of working middle-aged Australians expect to retire later than they want (Cobb-Clark & Stillman 2006), suggesting that, for a majority, early retirement is a more attractive option, even if not always achievable, compared with continued employment. There are also indications that a partner's income, and perhaps a partner's own retirement plan, has been a major consideration in the timing of retirement for many retired women.

## Reasons for retirement

A range of factors influence why and when people retire or start a transition to full retirement, including family and lifestyle considerations, health status and disability, access to superannuation benefits and pension, job satisfaction, and redundancy.

Data from the 2004–05 MPHS show that for those retired people whose last job was less than 20 years ago, the main reason for stopping work altogether was reaching retirement age or being eligible to receive superannuation or the pension (34%) (ABS 2006v). This appeared to be more important than reasons of sickness, injury or ill health (26%) or being retrenched, dismissed or not having any work available (11%).

The most common factor influencing the decision about when to retire among people still in the labour force was health or physical abilities (40%). This was ranked higher than factors such as financial security (36%) and reaching the eligible age for an Age or Service Pension (15%). In addition, Warren (2006) found that other factors such as the need to care for a spouse or other family member and the ability to access superannuation funds were considered 'very important' by more people than reaching the eligibility age for an Age or Service Pension.

Almost two-thirds (60%) of fully retired and a similar proportion of partly retired women (62%) retired at a time of their choosing. These proportions were higher than the comparable proportions for men (43% and 54% respectively) (Warren 2006). The experience of external pressure in relation to retirement was higher for younger age groups—for example, 45% of fully retired women aged 45–54 years but only 23% aged 65 and over experienced such external pressure. The same pattern was evident for men (78% of those aged

45–54 and 38% of those aged 65 and over). For men and women, the pressure to retire most commonly came from their doctor or employer; however, women experienced more pressure from their spouse or partner than men did. Results from the Healthy Retirement Project suggest that control of the decision to retire is a more important factor in affecting wellbeing in retirement than whether the pathway to retirement is gradual or abrupt (Wells et al. 2006).

Some mature-age and older workers may be motivated to postpone retirement, and indeed about 10% indicate they do not intend to retire at all. Furthermore, some who had previously retired from the labour force may rejoin the labour force. There are signs that some people may have retired prematurely. For example, 209,900 people aged 45 years and over who had previously retired from the labour force were either in the labour force or planning to look for employment in the future at the time of the 2004–05 MPHS. The most common reasons cited for this were financial need (45%) and boredom (36%).

## COMMUNITY AND CIVIC PARTICIPATION

Older people make valuable contributions to their families and communities through unpaid household, volunteer and community work (De Vaus et al. 2003) as well as providing care to grandchildren, spouses and relatives with disability. Retired older people remained engaged in productive activities into later life, making a partial substitution of one form of productive engagement for another.

### Unpaid assistance

The 2006 ABS General Social Survey (GSS) collected information about a number of ways in which Australians provide unpaid assistance to people living outside their household. These forms of unpaid assistance include activities such as domestic support, running errands and providing child care (see Table A8.2) which represent an important component of social capital formation and maintenance (see ABS 2004f for a discussion of its social capital framework). In 2006, 430,600 older males and 535,200 older females provided unpaid assistance to people living outside their household (usually a relative or friend) in the previous 4 weeks (Table A8.1). Emotional support was the most common type of unpaid assistance provided by older females, and older males most often provided transport or ran errands, although this varied across age groups—for example, among those aged

between 65–74 years helping with child care was the most common type of assistance provided by both males and females (Table A8.2, see also Topic 9: *Providing care*). Teaching, coaching or giving practical advice was the least common type of unpaid assistance provided by older people.

After reaching a peak at age 55–64 years, the proportion of older people providing assistance decreased with age, particularly for women—for example, 43% of men and 53% of women aged 65–74 years provided assistance, compared with 21% of men and 14% of women aged 85 years and over (Figure 8.1).

### Voluntary work

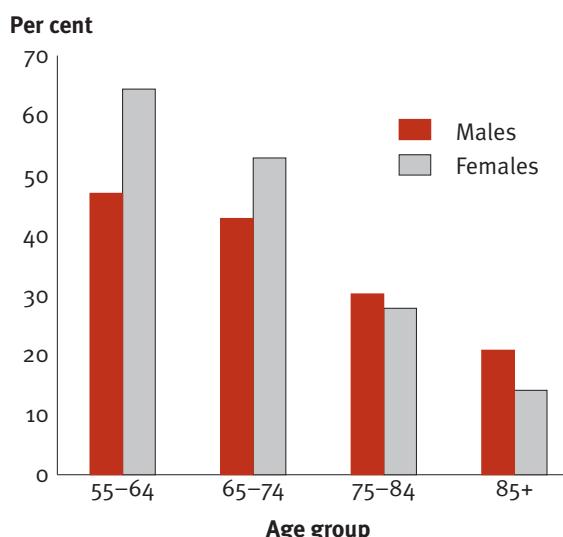
Older people may also provide unpaid help, in the form of time, service or skills, through an organisation or group. According to the voluntary work component of the 2006 GSS, 27% of older Australians (690,400 people) participated in organised voluntary work contributing 160 million hours to the community (Table 8.1).

Overall, rates of volunteering were similar among older males and females (27% and 28%, respectively). However, volunteer rates decreased sharply with age for older females, but remained relatively constant across the older age groups for males. Not surprisingly, the length of time since first volunteering increased with age (ABS 2007m:Table 9). However, older people (particularly males) spent more time doing voluntary work than their younger counterparts (ABS 2007m: Table 1). This pattern was evident using both median and average hours measures (ABS 2007m:Table 15).

The most common type of organisation for which people of all ages volunteered was in the area of sport and physical recreation (ABS 2007m:Table 23). However, older people were more likely to volunteer for community or welfare organisations (33%) than sport and physical recreation organisations (13%), although older male volunteers (19%) were more likely to be involved in sport or recreational organisations than females (8.5%).

The activities most frequently undertaken by older volunteers were fundraising and sales, preparing and serving food, and administration, clerical, recruitment and information management (ABS 2007m:Table 24). Older females were much more likely than males to be preparing and serving food (40% compared with 13% of involvements) or involved in fundraising and sales (51% compared with 38%), whereas older males were more likely to be involved in such activities as repairs, maintenance and gardening (30% compared with

**Figure 8.1: Proportion providing unpaid assistance to persons living outside the household in the last 4 weeks, by age and sex, 2006**



Source: Table A8.1.

7.1%), and coaching and refereeing (11% compared with 4.3%). Males and females had similar rates of participation in personal care and assistance (9.1% and 9.6%, respectively).

The motivation of older volunteers included a desire to help others or the community (62%) and personal satisfaction (50%) (ABS 2007m:Table 12). Compared with younger age groups, older people were more likely engage in voluntary work in order to do something worthwhile, to have social contact and to be active, and personal or family involvement was less common as a motivation. Religious beliefs were a common motive for volunteering among those aged 85 years and over (35% compared with 15% overall).

As for the general population, volunteer rates were higher among older Australians who were involved in the community in other ways—for example, those who attended community events, were actively involved in religious or spiritual groups or organisations, donated money to an organisation, or believed that most people can be trusted were more likely to be volunteers (ABS 2007m:Table 8). Although the overall proportion volunteering was higher for those who were employed, employed people gave on average fewer hours a week to voluntary work compared with unemployed people or those not in the labour force (ABS 2007m:Tables 3–6).

People who volunteer through organisations were also more likely to provide informal support in the community in terms of unpaid care and assistance, and this was true for all age groups. For example, older volunteers

were more likely than non-volunteers to provide informal care to someone because of old age, long-term illness or disability (30% compared with 17%) and were more likely to provide unpaid assistance to people living outside their household (56% compared with 32%) (ABS 2007m:Table 35). In particular, volunteers were more likely than non-volunteers to provide unpaid assistance to less familiar ‘other people’ who were not their family, friends or neighbours.

## Civic activity

In 2006, 902,400 older persons were engaged in civic activity (Table 8.2). Boycotting or deliberately buying products for political, ethical or environmental reasons and signing a petition were the most common types of civic activity, and attending a protest march, meeting or rally and writing letters to the editor of a newspaper were the least common types for older people (AIHW analysis of 2006 ABS GSS CURF).

A substantial number of older people were actively involved in governance and citizenship groups (335,600 persons) and community organisations (640,900 persons). Older people involved in governance and citizenship groups were most often part of a body corporate or tenants’ association and least often part of human and civil rights groups or trade unions or professional or technical associations. Service clubs and welfare organisations were the most common community organisations in which older people were

**Table 8.1: Volunteering, by age and sex, 2006**

	Males				Females				Persons			
	55–64	65–74	75–84	85+	55–64	65–74	75–84	85+	55–64	65–74	75–84	85+
Volunteers ('000)	304.8	203.7	89.2	*20.1	421.6	250.4	116.0	*10.9	726.4	454.1	205.2	31.1
Volunteer rate (%)	27.2	29.9	21.8	*25.7	37.6	35.1	22.9	*7.8	32.4	32.6	22.4	14.2
Total annual hours (million)	63.7	53.6	*36.2	*1.6	68.5	49.5	17.8	**1.3	132.2	103.2	54.0	*2.9
Average annual hours	209.1	263.2	405.8	*76.9	162.5	197.9	153.8	**122.1	182.0	227.2	263.3	*92.8
Median annual hours	66	120	*121	**50	84	81	*90	**47	80	104	104	**28
Median <sup>(a)</sup> weekly hours	1.3	2.3	*2.3	**1.0	1.6	1.6	*1.7	**0.9	1.5	2.0	2.0	**0.5
<b>All persons ('000)</b>	<b>1,119.5</b>	<b>681.1</b>	<b>409.9</b>	<b>78.5</b>	<b>1,119.8</b>	<b>713.8</b>	<b>506.8</b>	<b>139.8</b>	<b>2,239.3</b>	<b>1,394.8</b>	<b>916.7</b>	<b>218.4</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

(a) Median annual hours divided by weeks in the year (52).

Source: Reproduced from ABS 2007m:Table 1.

actively involved, and emergency services were the least common (ABS 2007d:Table 29).

Engagement in civic activity was similar for older men and women across the age groups—overall, 37% of older men and 35% of older women were engaged in civic activity in the last 12 months (Table 8.2).

The proportion of older persons involved in governance and citizenship or community groups or engaged in civic activity decreased with age—for example, 41% of men and 43% of women aged 65–74 years were engaged in civic activity, compared with 18% of both sexes aged 85 years and over. This decrease was also particularly evident for men involved in governance and citizenship groups (19% of men aged 65–74 years compared with 2% aged 85 years and over) and women involved in community organisations (31% of women aged 65–74 years compared with 15% aged 85 years and over).

## Organised sport and physical activity

In addition to attending and participating in sport and physical activity (Topic 10: *Social participation and leisure*), older people may also be involved in organised sport and physical activity as coaches, umpires, committee members, scorers, medical support or in other roles. In 2004, 4.4% of those aged 65 years and over had non-playing involvement—the lowest rate of any age group. However, older people were also less likely to be paid for their involvement—of the 105,600 older persons with non-playing involvement, 98,400 (93%) were not paid (ABS 2005f:Table 4).

## Donations

The voluntary work component of the 2006 ABS GSS collected information about personal donations of money to organisations in the past 12 months, for reasons such as concern for people's basic welfare needs or religious beliefs.

In 2006, personal donations of money to organisations were made by almost 2 million older people, 78% of all people aged 65 years and over (Table 8.3). Proportionally more females than males gave donations in each age group, although the proportions were similar for all older females (79%) and males (76%). For both men and women, the proportion giving donations increased with age until age group 45–54 years, and then decreased in the older age groups.

Volunteer rates were higher among older people who donated money than those who did not (30% compared with 17%) (ABS 2007m:Table 8).

Analysis of Australian Tax Office data about tax-deductible donations in 1999–2000 by Steinberg et al. (2005) found that 50% of Australian taxpayers aged 65 and over claimed tax-deductible donations compared with 36% of taxpayers overall. Older taxpayers donated 22% of the \$1.3 billion donated in the 1999–2000 tax year, even though they made up only 8.5% of the taxpaying population and earned 7% of the total income.

**Table 8.2: Community and civic participation in the last 12 months, by age and sex, 2006**

	Active involvement in governance and citizenship groups		Active involvement in community organisations		Engagement in civic activity		
	Number	Per cent	Number	Per cent	Number	Per cent	Total persons
<b>Males</b>							
55-64	285,100	25.4	272,800	24.3	535,100	47.7	1,121,600
65-74	126,300	18.6	180,000	26.4	278,800	41.0	680,700
75-84	61,900	15.2	82,700	20.3	134,000	32.9	406,700
85+	**1,800	**2.3	*16,400	*20.8	*13,900	*17.7	78,500
<i>Total males 65+</i>	<i>190,000</i>	<i>16.3</i>	<i>279,100</i>	<i>23.9</i>	<i>426,700</i>	<i>36.6</i>	<i>1,166,000</i>
<b>Females</b>							
55-64	223,900	19.9	360,400	32.0	606,100	53.9	1,125,100
65-74	88,700	12.5	219,000	30.8	304,900	42.9	710,100
75-84	48,700	9.6	121,300	24.0	145,900	28.9	505,100
85+	*8,100	*5.8	*21,600	*15.4	24,900	17.8	139,800
<i>Total females 65+</i>	<i>145,500</i>	<i>10.7</i>	<i>361,800</i>	<i>26.7</i>	<i>475,700</i>	<i>35.1</i>	<i>1,355,100</i>

Source: AIHW analysis, ABS 2007c.

**Table 8.3: Donors of money, by age and sex, 2006**

	Males		Females		Persons	
	Number	Per cent	Number	Per cent	Number	Per cent
18-24	539,000	54.4	657,900	69.3	1,197,000	61.7
25-34	1,003,200	71.4	1,121,900	79.9	2,123,800	75.6
35-44	1,102,500	74.4	1,248,800	82.9	2,351,800	78.7
45-54	1,098,100	79.2	1,213,000	85.8	2,313,000	82.6
55-64	862,000	77.0	952,900	85.1	1,816,100	81.1
65-74	522,400	76.7	574,600	80.5	1,097,700	78.7
75-84	313,600	76.5	397,800	78.5	711,400	77.6
85+	54,400	69.3	103,000	73.7	157,500	72.1
<b>Total 65+</b>	<b>890,400</b>	<b>76.1</b>	<b>1,075,500</b>	<b>79.1</b>	<b>1,966,500</b>	<b>77.7</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

Source: Derived from ABS 2007m:Table 33.

## PROVIDING CARE

Informal assistance provided by family and friends is the main source of non-parental care of children as well as care for people of all ages with disability. Older people are a significant source of informal care for family and friends who need assistance in their daily lives. They supply the majority of informal care for children, and in almost 23,000 families, children are being raised by grandparents. Older spouses represent a substantial proportion (43%) of primary carers of older people with disability or poor health. A number of older people continue to provide care for adult children with disability, a role that for some has extended over many years.

Informal care is important in helping older people with disability to remain living in the community. However, it is important to recognise that older people are themselves significant providers of informal care.

### Informal child care

Most families need someone else to look after their children at times, so that parents or guardians can work, study or do other things. Grandparents make a considerable contribution to informal child care. Findings from the ABS Child Care Survey reveal that, in 2005, grandparents were the main informal child carers, providing care for 60% of children receiving

informal child care (661,200 children) or 20% of all children aged 0–12 years (ABS 2006g). Grandparents were used as informal carers mainly for work-related (52%) or personal (36%) reasons. Around 97% of care by grandparents was provided at no cost.

Although grandparents may enjoy their caring role, it can affect their income, health or access to free time, particularly if they provide large amounts of care (ABS 2005b). Grandparents tended to care for shorter amounts of time than other relatives, although some provided extensive care—overall, grandparents provided around 50% of the total hours of informal child care in the survey week. The majority of children (62%) received less than 10 hours of care per week from their grandparents and were cared for on 1 or 2 weekdays per week (63%) or only on weekends (14%). However, 7% received care for 35 or more hours per week, 11% were cared on 5 weekdays per week and 10% were cared for on both weekdays and weekends.

### Grandparents raising grandchildren

Grandparents may assume responsibility for their grandchildren's emotional, practical and financial support, when parents are no longer able to fulfil their parental responsibilities. The reasons for this include substance

**Table 9.1: Characteristics of grandparent families, 2003**

	Grandparent families		Children in grandparent families	
	Number	Per cent	Number	Per cent
<b>Age of younger partner or lone grandparent</b>				
<55	8,700	38.7	13,100	42.1
55–64	10,100	45.1	12,900	41.3
65+	*3,700	*16.3	*5,100	*16.5
<b>Age of youngest child</b>				
0–4	*3,300	*14.8	*6,800	*21.9
5–11	8,400	37.4	11,500	36.8
12–14	8,000	35.8	9,800	31.5
15–17	*2,700	*12.1	*3,000	*9.7
<b>Labour force status</b>				
One or both grandparents employed	7,600	33.8	10,100	32.5
No grandparent employed	14,900	66.2	21,000	67.5
<b>Main source of income</b>				
Government pension, benefit or allowance	13,900	61.6	20,700	66.4
Other	8,100	36.2	9,700	31.0
<b>Total</b>	<b>22,500</b>	<b>100.0</b>	<b>31,100</b>	<b>100.0</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: Reproduced from ABS 2004d:Table 25.Z

abuse, relationship breakdown, mental or physical illness, or death (COTA National Seniors Partnership 2003).

There were 22,500 grandparent families with children aged 0–17 years in Australia in 2003 (Table 9.1). These families represented around 1% of all families with children aged 0–17 years. In the majority of grandparent families (73%) the age of the youngest child was between ages 5 and 14. In 39% of grandparent families, the younger partner or lone grandparent was younger than age 55, and in the majority (61%) of grandparent families, the younger partner or lone grandparent was aged 55 years or more.

The literature indicates that, despite differences in the social security, education and health systems between developed countries, the experiences of grandparents are similar—grandparents struggle with financial and legal issues, they are often not eligible for payments and support services available to others who provide formal out-of-home care to children not their own, and their legal rights are often ambiguous and difficult to enforce (COTA National Seniors Partnership 2003). Grandparents who have to resume parenting roles often experience huge life change because of this. They may become socially isolated from their peers because of the demands of raising children and feel a sense of loss for their child-free retirement years (AIHW 2003a).

They may also face financial hardship. In around one-third (34%) of grandparent families, one or both grandparents were employed, and 62% received a

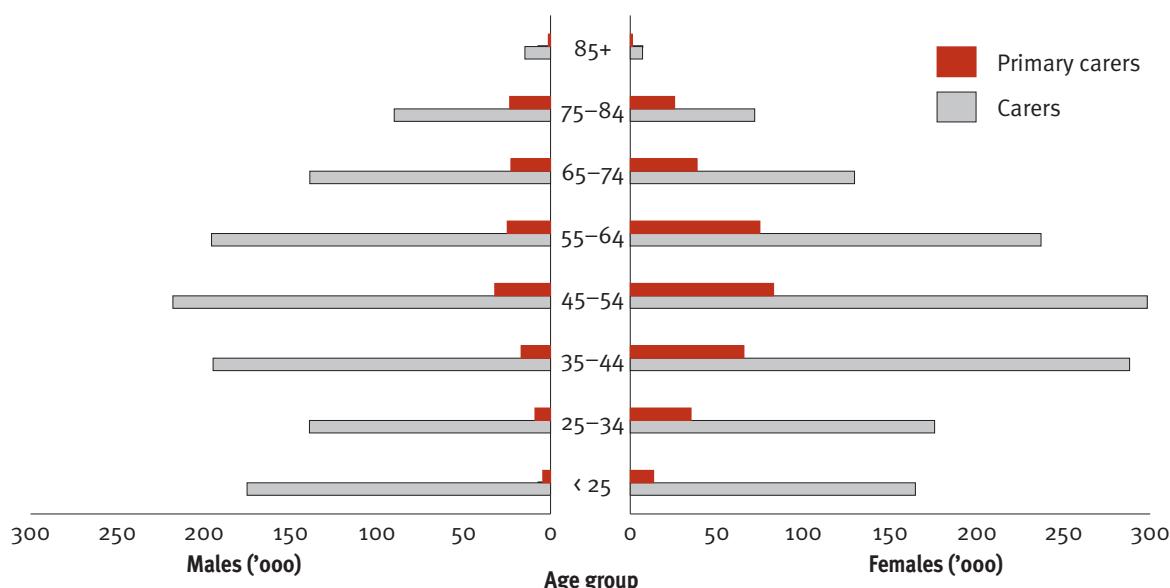
government pension, benefit or allowance as their main source of income (Table 9.1). The government support and payments available to grandparents to support their parenting role has depended on whether grandchildren come into and remain in their care under Commonwealth Family Law, state child protection legislation or informal arrangement (COTA National Seniors Partnership 2003). These issues are currently under consideration by federal, state and territory Community and Disability Services Ministers.

## Older carers

According to the ABS Survey of Disability, Ageing and Carers (SDAC), a carer is a person who provides ongoing help or supervision to people with disability or a long-term health condition, or to people aged 60 years and over (ABS 2004b). In 2003, there were 2.5 million carers, of whom 18% (452,300) were aged 65 and over (Table A9.1). Around 472,500 carers were primary carers—providing the most ongoing informal assistance with self-care, mobility or communication to a person with disability—and 24% (113,100) of these were aged 65 years and over.

This means that, overall, 19% of older people were carers and 5% were primary carers—among older people this proportion peaked in the 75–79 year age group among whom 6% were primary carers (AIHW 2005b). By age 85 few people were the primary carers of others (under 1%).

**Figure 9.1: Carers and primary carers, by age and sex, 2003**



Although 54% of all carers were women, less than half of older carers were women (46% or 208,300 carers). Women predominated among primary carers—over two-thirds (71%) of all primary carers were women and women outnumbered men in all but the oldest age group (aged 85 years and over) (Figure 9.1).

Women take on the caring role at a younger age than men and are more likely to provide care for people other than their own partners (ABS 2005d: Table 19). Among older carers, 92% of male carers were caring for a partner compared with 76% of female carers; 8% of older female carers were looking after their son or daughter and 5% were caring for a parent. Around 9,000 older people were primary carers for people who were neither their partner, child nor parent (AIHW 2005b).

## The caring role

The type of assistance provided by carers is potentially wide-ranging, including emotional support, financial and practical assistance, and supervision and assistance with personal care, mobility and communication for extended periods. Among older primary carers, 77% assisted with mobility, 66% assisted with self-care and 29% assisted with communication (AIHW analysis, ABS 2004a).

The caring role can be undertaken by people for a number of years. One-third (33%) of older primary carers had spent more than 10 years in the caring role, with a further 23% having spent between 5 and 9 years. Caregiving by primary carers can also be intense—79% of older carers were assisting a person with continuous rather than episodic care needs (AIHW analysis, ABS 2004a).

Caregiving is bound up with interpersonal relationship and role expectations (Hales 2007) and many carers see their role as a natural expression of their relationship with a family member or friend. This may at times result in reluctance to seek help or support. Most older carers are caring for a spouse or partner (83%). Since primary carers of a spouse or partner are the least likely of all primary carers to seek help (Hales 2007), they may be at risk of not receiving support when it is needed.

## Health and disability status

Along with personal rewards, caregiving can also involve significant costs for carers, including negative effects on carer health and wellbeing.

The health of the majority of older primary carers (based on self-report) is good (40%), very good (21%), or excellent (7%), although almost a third have either fair (27%) or poor (5%) health (AIHW analysis, ABS 2004a). Perhaps not surprisingly, younger primary carers reported

better health than older carers, with 50% of carers aged 15–44 years reporting their health as either very good or excellent compared with 38% of those aged 45–64 and 28% of those aged 65 years and over. A lower proportion of older primary carers also reported excellent or very good health compared with the overall population aged 65 years and over, of whom 36% reported having excellent or very good health (ABS 2006r).

Although the majority of older primary carers reported relatively good health, a significant proportion (59% or 66,400) had disability and around 15,100 (13%) had a severe or profound core activity limitation (AIHW analysis, ABS 2004a).

## Income support for carers

Government pensions and allowances were the main source of cash income for 75% of older carers and 82% of older primary carers (AIHW analysis, ABS 2004a). Age Pension was the most common type of government pension, allowance or benefit provided to around 69% of older carers and 67% of older primary carers. In addition to general income support, older carers may be able to access government payments for carers: the Carer Payment and the Carer Allowance. At the end of 2006, 6,019 older carers were receiving the Carer Payment and 96,198 older carers were receiving the Carer Allowance (AIHW 2007c).

The Carer Payment is an income support payment for people who are unable to support themselves through substantial participation in the workforce while caring for someone with disability, or severe medical condition or who is frail aged. It is set at the same rate as the Age Pension. As at September 2007, a single person on the maximum rate of Carer Payment received \$537.70 a fortnight, and a couple \$898.20 per fortnight. The Carer Payment is subject to the same income and assets tests as the Age Pension. Older carers who are eligible for the Age Pension generally receive this instead of the Carer Payment.

The Carer Allowance is an income supplement payment available to people who provide daily care and attention in a private home to a person who has disability or a severe medical condition or who is frail aged. It is adjusted on 1 January each year, and in 2007 was set at \$98.50 per fortnight (Centrelink 2007). The Carer Allowance is free of income and assets tests and may be paid in addition to the Carer Payment or other payments.

# SOCIAL PARTICIPATION AND LEISURE

# 10

The extent and nature of older people's involvement in family, community and social life are important influences on their quality of life. This topic discusses older people's social involvement with family and friends, their participation in ongoing learning, cultural and sporting activities and events, and their involvement in other leisure and recreational activities such as travel and tourism. Older people's ability to participate in some of these activities may be affected by a range of factors considered elsewhere in this publication, such as housing, transport, access to information technology, income, health, and disability. Although many older people are socially and physically active, participation and attendance rates generally decline with age, leaving a significant proportion of older people who do not participate in or attend these activities.

This topic does not capture the full range of activities and interests in which older people engage. Information about participation in other activities and interests such as hobbies (e.g. games and puzzles, arts and crafts, reading, music, collecting, gambling and computing) was collected as part of the 2006 ABS Time Use Survey; the data were not, however, available at the time of preparing this publication.

## Social contact and participation

### Contact with family and friends

According to the 2006 ABS General Social Survey (GSS), around 96% of the 2.5 million people aged 65 years and over living in the community (people living in residential aged care are excluded from this survey) had contact at least once a week with family or friends living outside the household (Table 10.1). Around 76% had face-to-face contact in the previous week with family and friends with whom they did not live.

A larger proportion of older women were in face-to-face contact in the previous week with family and friends than men (82% compared with 69%), and this was true for all but the oldest age group. Patterns of contact across age groups differed for men and women. For example, compared with their younger counterparts, a lower proportion of men aged 85 and over had any form of contact with family or friends, but a higher proportion had face-to-face contact. The pattern for women was broadly similar across age groups for each type of contact.

**Table 10.1: Contact at least once a week with family and friends living outside the household by people aged 55 and over, by sex, 2006**

	Any form of contact		Face-to-face contact		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
<b>Female</b>						
55-64	1,084,500	96.4	922,100	82.0	1,125,100	100.0
65-74	681,500	96.0	584,900	82.4	710,100	100.0
75-84	488,600	96.7	409,100	81.0	505,100	100.0
85+	139,200	99.5	114,000	81.5	139,800	100.0
<i>Total females 65+</i>	<i>1,309,300</i>	<i>96.6</i>	<i>1,107,900</i>	<i>81.8</i>	<i>1,355,100</i>	<i>100.0</i>
<b>Male</b>						
55-64	1,059,300	94.4	848,800	75.7	1,121,600	100.0
65-74	649,500	95.4	476,400	70.0	680,700	100.0
75-84	388,700	95.6	263,100	64.7	406,700	100.0
85+	69,900	89.0	65,300	83.1	78,500	100.0
<i>Total males 65+</i>	<i>1,108,100</i>	<i>95.0</i>	<i>804,700</i>	<i>69.0</i>	<i>1,166,000</i>	<i>100.0</i>

Source: AIHW analysis, ABS 2007c.

## Participation in informal social activities

Around 93% of older people living in the community participated in informal social activities (e.g. visiting or socialising with friends) in the 3 months before interview (Table A10.1). The most common type of social activity was visiting (or being visited by) friends (87%), followed by meeting friends for indoor (61%) or outdoor (58%) activities. Internet social activity was the least popular form of social activity (7%). The decline in social activity by age was most marked for socialising with outdoor activities—this was true for both men and women.

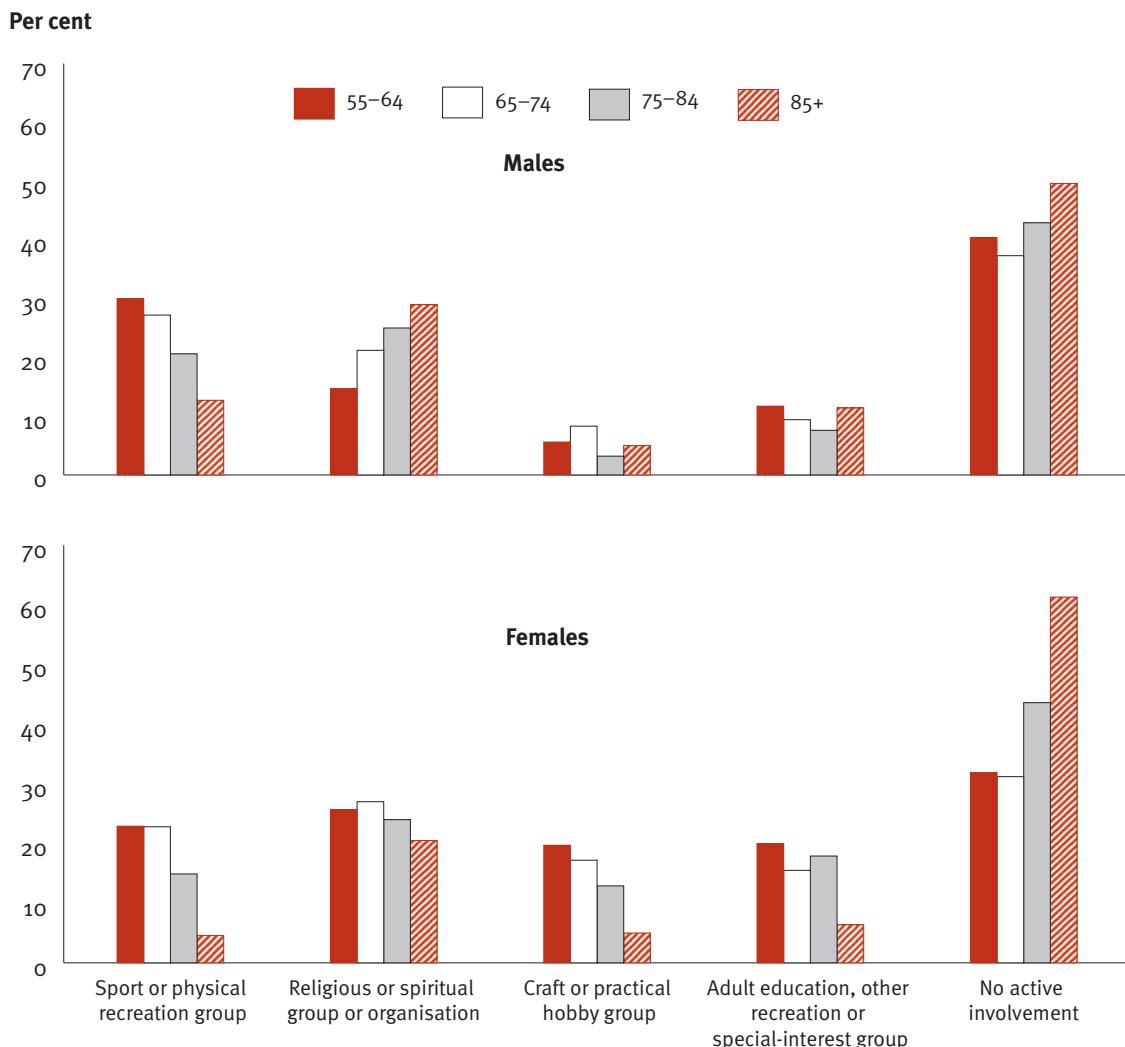
Similar proportions of older men and women participated in these social activities until aged 85

years and over where males had lower participation rates than females. At these ages, 15% of males and 9% of females had not undertaken any of these informal social activities in the previous three months.

## Participation in social or support groups

Over 1.5 million community-dwelling people aged 65 years and over (61%) were actively involved in a social or support group in the 12 months before the 2006 GSS (Table A10.2). The overall proportion of older people actively involved in a social or support group decreased with each subsequent age group, particularly

**Figure 10.1: Active involvement in social or support groups in the last 12 months, by age and sex, 2006**



Source: Table 10.2.

for women—66% of people aged 65–74 years were actively involved in a social or support group compared with 43% of people aged 85 and over. Religious or spiritual organisations were the most popular social or support group among older people (24%) followed by sports and physical recreation groups (21%).

The pattern of involvement is quite different in some respects for men and women. Overall, similar proportions of older men and women were actively involved in a social or support group, although older men appeared more likely to be involved in a sport or physical recreation group (24% compared with 18%) and older women were more likely to be involved in craft or practical hobby groups (6% compared with 14%) or adult education, other recreation or special interest groups (9% compared with 15%) (Figure 10.1). The decline in participation in any social group by age group is much more striking for women than men—by age 85 years and over, 61% of women have no active involvement compared with 50% of men. This may reflect higher rates of severe disability among women in this age group compared to men (see Topic: *Disability*), along with higher rates of widowhood (see Topic 3: *Marital status and living arrangements*), and lower rates of access to a car to drive (see Topic 5: *Transport*).

Women's participation in all types of groups generally declines with age, although the decline is smallest for religious or spiritual groups. Men's participation profile by age group is more variable—their participation in

religious organisations increases with age and their participation in adult education and other special-interest groups, declines from ages 55–64 to 75–84 then increases for those aged 85 years and over (Figure 10.1 and Table A10.2).

## Education participation

Relatively small numbers of older people participate in mainstream formal education. In 2005, there were 4,214 students aged 60 years and over enrolled in higher education courses around Australia—around 62% were for postgraduate awards (DEST 2006:Table 19). Approximately 31,600 people aged 60–64 years and 28,500 people aged 65 years and over were in a publicly-funded vocational education and training course in 2005 (NCVER 2006:Table 3).

Somewhat larger numbers of older people participate in less formal learning and training activities. The University of the Third Age (U3A) encourages retired people to take part in lifelong learning activities for pleasure in a relaxed environment at low cost. The U3A Online website provides considerable resources to help U3As meet their educational objectives. In 2005, there were 178 U3A groups providing courses and allied social activities for more than 54,000 older Australians (Swindell 2005).

**Table 10.2: Attendance at cultural events and venues, by age and sex, 2005–06 (per cent)**

	Males			Females			Persons		
	55–64	65–74	75 & over	55–64	65–74	75 & over	55–64	65–74	75 & over
Art galleries	23.8	20.5	14.1	27.9	22.4	16.7	25.8	21.5	15.6
Museums	26.8	19.7	12.1	23.0	18.6	10.2	24.9	19.2	11.0
Zoological parks & aquariums	29.9	20.2	9.4	32.1	25.1	12.3	31.0	22.7	11.0
Botanic gardens	34.6	33.4	21.5	40.2	36.4	24.9	37.4	34.9	23.5
Libraries	25.5	29.6	29.7	35.0	37.4	30.0	30.3	33.6	29.9
Classical music concerts	12.0	11.9	7.6	13.7	11.6	11.0	12.8	11.8	9.6
Popular music concerts	17.9	14.0	6.4	19.4	11.9	6.5	18.7	12.9	6.5
Theatre performances	15.9	13.8	4.2	24.3	19.6	10.1	20.1	16.8	7.6
Dance performances	5.2	5.1	*1.9	11.8	8.4	6.1	8.5	6.7	4.3
Musicals & opera	17.3	14.7	8.1	22.5	17.3	14.1	19.9	16.0	11.5
Other performing arts	14.0	10.4	7.8	17.9	12.9	6.5	15.9	11.7	7.1
Cinemas	53.1	40.3	23.6	58.1	49.1	28.9	55.6	44.8	26.7
<b>At least one venue or event</b>	<b>79.6</b>	<b>68.6</b>	<b>54.4</b>	<b>82.0</b>	<b>76.6</b>	<b>61.7</b>	<b>80.8</b>	<b>72.7</b>	<b>58.6</b>
<b>Total population ('000)</b>	<b>1,109.1</b>	<b>677.1</b>	<b>485.3</b>	<b>1,108.3</b>	<b>709.1</b>	<b>644.9</b>	<b>2,217.3</b>	<b>1,386.2</b>	<b>1,130.2</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: Reproduced from ABS 2007a: Table 3.

## Attendance at cultural venues and events

In 2005–06, almost 1.7 million people aged 65 years and over attended at least one cultural event or venue in the previous 12 months. The proportion of adults attending at least one cultural event or venue decreased with each subsequent age group—for example, 97% of people aged 15–17 (794,700 persons) to 59% of people aged 75 years and over (661,900 people) (ABS 2007a: Table 3). Older women were more likely to have attended at least one cultural event or venue in the 12 months before interview than older men (70% and 63% respectively); this was true for most activities. The cinema was the most popular cultural event or venue among older people (37%), followed by libraries (31%) and botanic gardens (29%).

## Sport and physical activity

In 2005–06, around 575,900 people aged 65 years and over attended at least one sporting event in the 12 months before interview (ABS 2007k :Table 1). The proportion of adults attending a sporting event generally decreased with each subsequent age group—only 23% of people aged 65 years and over attended a sporting event compared with 39% of those aged 55–64 years

and 57% of people aged 18–24 years (ABS 2007k: Table 1). Attendance rates were higher for men than for women at all ages—30% for men and 18% for women aged 65 years and over (ABS 2007k:Table 1).

A much larger number—over 1.2 million people aged 65 years and over—participated in sport or physical recreation in 2005–06 (Table 10.3). The proportion of adults participating in sport or physical recreation generally decreased with each subsequent age group—49% of people aged 65 years and over participated in sport or physical activity compared with 63% of those aged 55–64 years and 73% of people aged 18–24 years (ABS 2007i:1). Participation rates were slightly higher for older men (51%) than for women (48%), and were higher for non-organised sport and physical activities (39%) than for organised sport and physical activities (18%) (Table A10.3).

Walking for exercise was the most popular activity among those aged 65 and over (29%), followed by lawn bowls (5.6%) and golf and aerobics/fitness (both 5.4%). Participation rates decreased between ages 55–64 years and 65 years and over for most activities—notable exceptions were carpet bowls and lawn bowls which increased their popularity among those aged 65 years and over (5.6%).

**Table 10.3: Participation in selected sports and physical recreation activities, by age, 2005–06**

	55–64		65+	
	Number	Per cent	Number	Per cent
Aerobics/fitness	168,200	7.6	136,200	5.4
Bush walking	90,100	4.1	41,800	1.7
Carpet bowls	**1,800	**0.2	39,100	1.6
Cycling	114,200	5.2	42,800	1.7
Fishing	35,600	1.6	34,100	1.4
Golf	190,100	8.6	135,000	5.4
Lawn bowls	65,400	2.9	141,900	5.6
Swimming	134,300	6.1	104,500	4.2
Tennis	84,600	3.8	51,300	2.0
Walking for exercise	771,500	34.8	732,100	29.1
Yoga	44,900	2.0	*6,800	0.3
<b>Any activity</b>	<b>1,386,500</b>	<b>62.5</b>	<b>1,243,900</b>	<b>49.4</b>
<b>All persons</b>	<b>2,217,300</b>	<b>100.0</b>	<b>2,516,400</b>	<b>100.0</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error of greater than 50% and is considered too unreliable for general use.

Note: Table includes the top 10 activities for each age group.

Source: Reproduced from ABS 2007i:Tables 1 & 7.

## Tourism

Older people are a significant and growing tourism market, but are not a homogeneous tourism segment (Franklin 2006). The myth that older tourists are all grey-haired nomads on an Australian safari with high disposable income and endless leisure time is not supported by the evidence—in fact, older people take fewer trips than the average Australian but stay longer, only 1 in 10 trips have people staying in caravans, and many older people face different financial, carer and health realities in their later years.

In 2005, domestic overnight travellers aged 65 years and over took an estimated 8.0 million overnight trips, accounting for 11% of all domestic overnight trips; they spent 48.1 million nights, accounting for 17% of total nights spent by all domestic overnight visitors (Table 10.4).<sup>1</sup> This equates to an average length of 6.0 nights, higher than the average length of stay for those aged 15–54 years or 55–64 years. Older domestic day travellers took an estimated 17.7 million daytrips, accounting for 14% of all domestic daytrips.

Outbound or international travellers aged 65 years and over took an estimated 381,000 trips, accounting for 9% of all outbound trips. They spent 10.3 million nights, accounting for 11% of total nights spent by all outbound tourists. This equates to an average length of 27

nights, higher than the average length of stay for those in younger age groups.

Not surprisingly, Hossain et al. (2003) found that in 2002 older domestic travellers were more likely to be female, retired or on a pension, have less household income and be less likely to travel for business purposes than those aged between 15–64 years. Domestic travellers aged 55 and over tended to undertake less active activities than those aged 15–54 years and were more likely to be part of a couple. Taking a holiday and visiting friends and relatives were the two main reasons for taking overnight trips or daytrips, regardless of age. Older domestic travellers were more likely to stay with friends or relatives on overnight trips.

<sup>1</sup> In 2005, people aged 65 and over represented 16% of the Australian population aged 15 years and over (ABS 2006d).

**Table 10.4: Domestic overnight trips, domestic daytrips and outbound trips, by age, 2005**

	15–54	55–64	65+
<b>Domestic overnight trips &amp; visitor nights</b>			
Overnight trips ('000)	52,245	9,682	7,997
Visitor nights ('000)	184,667	43,119	48,073
Average length of stay (nights)	3.5	4.5	6.0
<b>Domestic daytrip visitors</b>			
Daytrip visitors ('000)	94,137	18,289	17,694
<b>Outbound trips &amp; total nights <sup>(a)</sup></b>			
Outbound trips ('000)	3,217	657	381
Total nights ('000)	66,513	14,761	10,339
Average length of stay (nights)	20.7	22.5	27.1
<b>Total population ('000)</b>	<b>11,492</b>	<b>2,190</b>	<b>2,668</b>

(a) Outbound trips refer to international trips.

Source: ABS 2005.

# 11

## USE OF TECHNOLOGY

Technology is playing an increasing role in the lives of older Australians in maintaining independent living and enhancing quality of life, including through helping older people to maintain contact with their family and community. Some of the impediments to independence for older people are frail physical and mental health, poor or inappropriate housing conditions, low income levels, lack of transport facilities, and low levels of community information and community services (IPTS 2006). Rapid advances in information technology and assistive technology are playing an important role in helping older people to maintain or regain their independence by preventing, delaying or overcoming such obstacles. These advances have the potential to change the way many aspects of health and social care are delivered (Audit Commission 2004).

### Information technology

Personal computers and the Internet provide ever-expanding opportunities for older Australians to communicate, gather information, carry out business and access services. A smaller proportion of older Australians use a home computer compared with younger age groups—in 2004–05, 20% of older Australians had used a computer at home in the previous 12 months (Table 11.1). Almost all of these had used it for personal or private purpose (97%). For 19% of users the purpose was work or business related, and 18% used it for education or study. About 30% of users reported using it for voluntary or community purposes, higher than for any other age group.

Over the same period, 17% of older people had used the Internet compared with 68% of those aged 45–54 years and 49% of those aged 55–64 years (Table 11.2). Among older people accessing the Internet at home, dial-up access (71%) is more common than broadband (26%).

Although users aged 65 years and over were much less likely than other age groups to purchase or order goods or services via the Internet (5%) (Table 11.3), the proportion has been increasing over recent years in line with a general trend (ABS 2005e). The proportion is also likely to increase in the future as those currently aged 55–64 years move into older age groups.

In common with people aged 45–64 years, travel, accommodation or tickets of any kind was the most common goods or services purchased over the Internet by older users (76%) followed by computer software, hardware or internet time (39%). The proportion purchasing CDs, music, DVDs, videos, books or magazines (18%) was less than for other age groups.

The most common ‘main reason’ among older Australians for not purchasing via the Internet was ‘have no need’ (39%) followed by ‘security concerns’ (27%) and ‘prefer to shop in person/ like to see the product’ (21%). Overall, the pattern of reasons for older people was similar to that for younger age groups (Table 11.4).

Latest results from the 2006 ABS General Social Survey (GSS) show that use of computers and the Internet by older Australians is rapidly increasing (ABS 2007d). In 2006, 29% of older Australians used a computer at home in the 12 months before interview and 21% accessed the Internet at home (AIHW derived from ABS 2007d). These are marked increases from 20% and 15% respectively in 2004–05 (Tables 11.1 and 11.2).

In summary, there has been marked growth in access to a home computer and to the Internet in Australia during the 1990s and recent years (ABS 2006k, 2007d). Computer use and Internet access by older Australians remains lower than for younger age groups but both are increasing rapidly. This is important because information technology is being increasingly used for information dissemination and service delivery to older people.

**Table 11.1: Home use of computers, by age, 2004–05 (per cent)**

	45–54	55–64	65+
Home use of computer	67	51	20
Use of computers by purpose			
Personal or private	95	95	97
Work or business related	65	50	19
Education or study	39	26	18
Voluntary or community	20	18	29
Other	10	9	8

Note: Estimates for ‘home use of computer’ from the 2006 ABS GSS are 75% (45–54), 60% (55–64) and 29% (65+). However, this later survey did not collect the detailed information collected in the 2004–05 Household Use of Information Technology Survey, which forms the basis for this topic.

Source: ABS 2005e.

**Table 11.2: Use of the Internet, by age, 2004–05 (per cent)**

	45-54	55-64	65+
Use of Internet by site			
Home	59	42	15
Work	37	23	3
Neighbour's/ friend's or relative's house	13	8	3
Public library	6	4	2
TAFE or tertiary institution	5	3	*1
Other	13	8	2
Any site	68	49	17
Personal use of the Internet by type of access			
Dial-up	61	71	71
Broadband	37	27	26
Both	*1	*1	**2
Don't know	*1	*1	*1

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

Note: More than one site may be nominated.

Source: ABS 2005e.

**Table 11.3: Internet transactions, by age, 2004–05 (per cent)**

	45-54	55-64	65+
Purchased or ordered goods or services via the Internet for private use			
	37	22	5
<b>Goods or services purchased or ordered via the internet</b>			
Food, groceries or alcohol	9	7	*6
CDs, music, DVDs, videos, books or magazines	30	24	18
Software, hardware or Internet time	36	35	39
Clothes, sporting equipment or toys	14	8	*6
Travel, accommodation or tickets	80	79	76
Other	16	14	*14

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: ABS 2005e.

**Table 11.4: Main reason for not purchasing via the Internet, by age, 2004–05 (per cent)**

	45-54	55-64	65+
Have no need	33	31	39
Prefer to shop in person/like to see the product	19	22	21
Security concerns/concerned about providing credit card details online	31	30	27
Privacy concerns/concerned about providing personal details online	4	4	*5
Trust concerns/concerned about receiving or returning goods	*2	*3	*3
Other	11	10	6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: ABS 2005e.

## Assistive technology

Aids and equipment have been important for a long time in helping people maintain independence. This 'traditional' assistive technology has included, for example, orthotics and prosthetics, wheelchairs, hearing and speech aids, and showering and bathing aids. In 2003, 923,400 older Australians with disability used aids and equipment to help with daily functioning in the areas of self-care, mobility, communication, hearing, meal preparation and health care. The more commonly used equipment were mobility aids, medical aids, hearing aids, showering/bathing aids, toilet aids, incontinence aids, seating/ bedding aids, and mobile/cordless phones (AIHW analysis, ABS 2004a).

Other ways currently being developed and promoted to support the ability of older Australians to remain in their homes for longer are the concept of 'lifetime homes' (flexible housing design adapting to a person's changing needs as they age) and 'smart home' technologies (CDC 2005). These include technologies in areas of home security (e.g. keyless access, video doorbell), safety (e.g. smoke or gas detectors, fire sprinklers, iron safety options), intelligent housing (e.g. monitored hot water systems, personal heating systems, internal and external lighting, garden care), and communications (e.g. Internet shopping, banking and information access; voice over internet protocol (VoIP) services; captioning; phone amplification; talking watches).

Two broad applications of electronic assistive technology focus on the delivery of health and care services (sometimes called telehealth and telecare respectively).

## Telehealth

Telehealth enables the routine monitoring by health professionals of vital signs of patients in their homes. Its application is growing with the development of multimedia capability; the range of remote sensors available for diagnosis, monitoring and treatment; the introduction of wireless technology; and the potential for systems to be made artificially intelligent. Some specific examples include the remote monitoring of heart rate, body weight or blood glucose. Data from the home are transmitted to a response centre or clinician's computer and compared with 'normal' parameters. In the area of preventive medicine, telehealth includes home monitoring for the early detection of the onset of certain medical conditions; using the computer to motivate health-conscious behaviour change; and using home sensors to help health professionals with diagnosis and treatment. Information and

communications technology is increasingly being used to improve the management of chronic disease (Cellar et al. 2003).

## Telecare

Telecare involves the provision of equipment and services that support people in their homes and meet their needs. Examples relevant to safety and movement include community alarm and emergency response systems, and detectors or monitors for falls, fire and gas that trigger a warning to a response centre. Remote monitoring of cooking and washing facilities, sleep patterns and toilet usage can provide useful information for carers (Audit Commission 2004). Lifestyle monitoring can provide early warning of deterioration in an individual's health or wellbeing, prompting a response from family or professionals. Telecare systems can provide reminders for a variety of users and are particularly useful for people suffering short-term memory loss or people in the early stages of dementia. An important application is to help people manage their medications.

## Ethical considerations

The potential benefits associated with the use of assistive technology need to be balanced with important ethical issues around informed consent, data access and privacy. The right of users to override the technology and the right to opt out from using the technology should they so wish are also important considerations.

## Current situation in Australia

Although there are some data on the use of information technology by older Australians and on the use of aids and equipment by older Australians with disability, there are no reliable national estimates on the uptake of the newer assistance technologies.

There is much interest in these areas and, in 2006, a forum on assistive technologies and information technology for managing health and disease in ageing communities was held under the auspices of the Australian Research Council/NHMRC Research Network in Ageing Well (ARO 2006). The Network has a special-interest group on ageing and technology which, apart from looking specifically at chronic disease, is pursuing a broader research agenda on the role of technology in ageing including the use of low tech solutions and the wider incorporation of technologies into the built environment.

# INCOME, WEALTH AND EXPENDITURE

# 12

As people retire and enter the older age groups, income from wages, salaries and business activities tends to be replaced by income from superannuation, investments and/or government pensions. In addition to income level, wealth accumulated over a lifetime contributes to an older person's economic wellbeing and lifestyle opportunities.

This topic examines levels and sources of current household income and wealth as well as patterns of household expenditure of older Australians living in the community. Reporting household income recognises that income received by individuals is normally shared between partners in a couple relationship and with dependent children. Even where income is not directly shared, other people living in the same household may benefit from the provision of free or low-cost accommodation, or at least from the economies of scale that arise from sharing a dwelling (ABS 2007e).

## Income

In 2005–06, households with a reference person in the age group 65–74 years recorded a median gross household income of \$472 per week; households with a reference person aged 75 years and over recorded a

lower median income of \$421 per week (Table 12.1). These income levels reflect the high proportion of older Australians who are reliant (fully or partially) on Age or Service Pensions.

Government pensions and allowances are the main source of income for most people aged 65 years and over, followed by income from superannuation and investments (Table 12.1; see Topic 13: *Age Pension and superannuation* for more detail). Wages, salaries or income from privately run businesses is a principal source of income for approximately 62% of households with a reference person in the age group 55–64 years but only 13% of households with a reference person in the age group 65–74 years. Government pensions and allowances were the principal source of income for 65% of households with a reference person in the age group 65–74 years and for more than three-quarters (77%) of households with a reference person aged 75 and over. Superannuation and investments were the main source of income for nearly equal proportions of households with a reference person in the age group 65–74 years and 75 years and over (22% and 21% respectively).

Differences in household composition complicate the comparison of average household incomes across age groups. The ABS uses the concept of equivalised household income to enable comparisons of incomes

**Table 12.1: Weekly household income and principal source of household income by age group of reference person, 2005–06**

	Age of reference person in household (years)			
	55–64	65–74	75+	All households <sup>(a)</sup>
<b>Weekly household income</b>				
Mean gross weekly household income (\$)	1,279	668	526	1,305
Median gross weekly household income (\$)	989	472	421	1,040
Mean equivalised disposable household income (person-weighted) (\$ per week)	708	451	406	644
Median equivalised disposable household income (person-weighted) (\$ per week)	611	362	331	563
<b>Proportion of households by principal source of household income (%)</b>				
Wages/salaries or income from own unincorporated business	62.4	12.8	2.3	65.4
Government pensions and allowances				
Retirement pensions	4.9	60.1	65.3	13.4
Other pensions	19.6	5.3	11.5	12.7
Total government pensions and allowances	24.5	65.4	76.8	26.1
Other income				
Superannuation or annuities	6.1	14.4	11.3	3.7
Investments and other income	6.3	7.2	9.6	4.3
Total other income	12.4	21.6	20.9	8.0
Zero or negative income	0.8	0.1	0.0	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) Includes households with a reference person aged 15 or over.

Source: ABS 2007f:Table 13A.

across households with different composition (for example, lone person households versus couple only households or households of couple with dependent children). Measures based on this concept show that, after adjusting for household composition, average (mean or median) income in households with a reference person aged 65 years and over is lower than the national average and is also lower than the average equivalised household income of other age groups (Table 12.1; ABS 2007f).

## Wealth

Although average incomes of older individuals and households are relatively low, average wealth is relatively high. Older people's share of total wealth has increased over the past two decades (due in part to demographic change) (Kelly & Harding 2004). 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.

Wealth is a net concept and measures the extent to which the value of household assets exceeds the value of household liabilities. In 2005–06, households with a reference person in the age group 55–64 years had the highest mean household net worth (\$824,000) (ABS 2007f:Table 13A). The mean net worth of households with a reference person in the age group 65–74 years was somewhat lower than this at \$743,000, and that of households with a reference person aged 75 years and over was lower again at \$575,000. Reduced mean net worth at older ages compared with wealth at age 55–64 years is attributed to the drawing down on assets for consumption during retirement and different patterns of wealth accumulation throughout the lifecycle for different age cohorts (ABS 2006f).

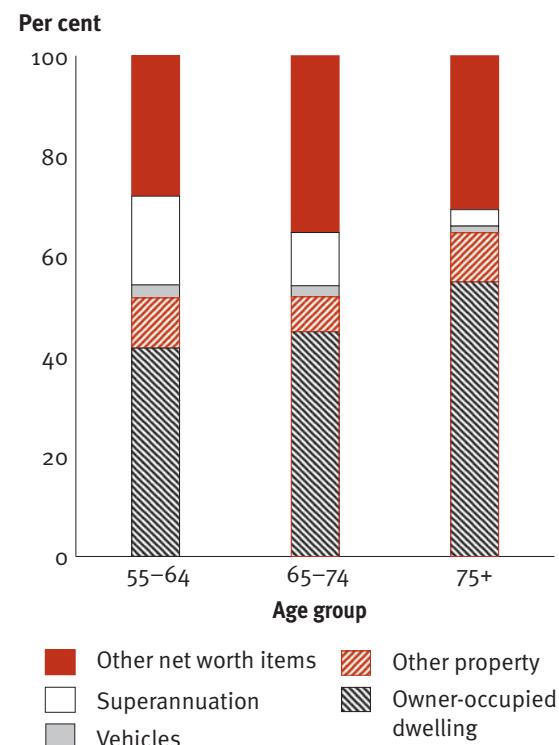
The mean net worth of older households was higher than the average mean net worth of all households (\$563,000) and also higher than for all younger households with a reference person aged under 45 years (ABS 2007f:Table 13A). Older households also have significantly lower levels of debt than younger households (ABS 2006f:Table 20).

In 2003–04 (more detailed wealth data from the 2005–06 survey was not available at the time of writing), 85% of couples with a reference person aged 65 years and over owned their home without a mortgage as did 74% of lone persons aged 65 years and over (ABS 2006f:Table 3). For many older people their home represents a significant part of their assets;

the net value of owner-occupied housing comprises a higher proportion of net worth in households with a reference person aged 65–74 years (45%) and households with a reference person aged 75 years and over (55%) than in households with a reference person aged 55–64 years (42%) (Figure 12.1).

Consistent with its lifecycle stage, households with a reference person aged 55–64 years hold a larger proportion of their net worth in the form of financial assets, especially superannuation (18%), compared with older households (ABS 2006f:Table 20). Superannuation assets currently represent 11% of the wealth of households where the reference person is aged 65–74 years and 3% where the reference person is 75 years and over. Many retired households will have converted superannuation lump sums into other asset classes and/or have drawn down on their superannuation lump sums to generate income streams, to reduce debt or fund large purchases. In addition, only a small proportion of older households will have had access to superannuation schemes over their entire working lives (FACSA 2007b).

**Figure 12.1: Composition of household net worth by age group of reference person, 2003–04**



Source: ABS 2006f:Table 20.

A number of researchers and commentators suggest that greater use can be made of private housing wealth to fund retirement income needs and aged care. Financial products such as reverse mortgages are increasingly available—these products allow the home owner to draw down on home equity while continuing to live in the home, an arrangement that might appeal to older people who wish to remain in their familiar local community rather than move house in order to release home equity. A 2004 study found that older Australians were generally dissatisfied with existing products and the level of regulation applying to this financial sector (Olsberg & Winters 2005). Beal (2001) reported the findings of a survey of home owners that suggested a greater willingness among 45–64 year olds to draw on housing wealth to support retirement compared with those aged 65–74 years, and concluded that community attitudes to the use of housing wealth are changing (assuming the results reflect a cohort, rather than age, effect).

## Household expenditure

Household expenditure patterns reflect the expenditure patterns of individual households which are affected by factors such as lifecycle stage and household composition.

On average, older households spend less per week on goods and services than younger households (ABS 2006j: Table 19). This is the case for both overall expenditure and the goods and services component. Estimated average weekly expenditure on goods and services by households with a reference person aged 65 years and over in 2003–04 was \$509.70, compared with \$853.96 for a household with a reference person aged 55–64 years and an average for all households of \$892.83.

Older couple-only households spent an average of \$614.65 per week on goods and services; the comparable figure for older lone person households was \$350.78 (ABS 2006j:Table 17). These household types spent less on average than comparable household types with younger aged reference persons.

Expenditure on goods and services represented around 91% of total household expenditure in households where the reference person was aged 65 years and over, whereas such expenditure constituted a considerably lower proportion of total household expenditure in younger households (ranging from 73% to 82% on average; ABS 2006j:Table 19). Older person households tend to have lower expenditure in

areas other than goods and services, such as income tax, mortgage principal repayments, superannuation contributions and insurance premiums.

Different categories of goods and services account for different proportions of total household goods and services expenditure across the age groups. The relative contributions of broad categories of goods and services to total expenditure are similar for older (65+) and mature-age (55–64 years) households. In both cases, food and non-alcoholic beverages, transport, and recreation consume approximately 48% of total goods and services expenditure. On average, current housing costs contribute 13% of goods and services expenditure in older households and 11% in mature-age households.

The profile of expenditure in lone person older households is quite different in some respects from that of older and mature-age couple households. Current housing costs represent a larger proportion of expenditure on goods and services in older lone person households (21%) than in older or mature-age couple-only households (10% and 9% respectively). Older lone person households also spend relatively more on household services and operation and relatively less on transport and recreation than older or mature-age couple households (Table A12.1). A higher proportion of expenditure on current housing costs in lone person households is most likely to be related to the higher proportion of renters in this population (21%) compared with older and mature-age couple households (8% and 7% respectively) (ABS 2006j:Table 18).

The affordability of health care is a concern for many older people. At a national level, spending on health practitioner fees was one of the areas of greatest increase in household expenditure between 1998–99 and 2003–04 (44% increase; ABS 2006j). Medical and health expenses account for a higher proportion of expenditure in both older and mature-age couple-only households (8% for each household type) and lone person older households (9%) than for younger household types.

The ABS has developed analytical cost-of-living indexes to measure the impact of changes in prices on the out-of-pocket living costs of four types of households, including age pensioner and self-funded retiree households. These analytical indexes have been designed to answer the question ‘By how much would after tax money incomes need to change to allow households to purchase the same quantity of consumer goods and services as purchased in the base period?’ (ABS 2003a).

Over the 8-year period covered by the indexes, changes in living costs for each household type (29.2% for age pensioner householders and 26.9% for self-funded retiree households) have tracked closely to the Consumer Price Index (CPI) (27.4%) (ABS 2006a). Over the four quarters from June 2005 to June 2006, living costs for each of the household types covered by the indexes have increased at a higher rate than the CPI—age pensioner households had the highest percentage increase (5.0%) and the rise for self-funded retiree households was 4.6%. The CPI rose by 4.0% over the same period.

The relatively greater increases in this period have been attributed to changes in the cost of particular goods and services which are used more by these household types than others. In particular, older households spend more on certain food items, such as fruit, which had relatively higher price increases during this period, and less on eating out, which had a relatively smaller increase. In terms of housing, all household types had price increases above the CPI. The CPI includes house purchases which are excluded from the analytical indexes—while house purchase costs increased by 3.6% in the CPI, utilities charges and property rates, which have a greater weight in the analytical series compared with the CPI, rose by 5%. Older households also experienced slightly higher increases in health costs compared with employee households—this is attributed to higher increases in concession Pharmaceutical Benefits Scheme (PBS) prices compared with non-concession PBS costs.

# AGE PENSION AND SUPERANNUATION

13

Australia's retirement income system is built on three main 'pillars': pension payments (Age Pension and Service Pension); compulsory employer superannuation contributions (the superannuation guarantee); and voluntary savings, including voluntary superannuation savings, home equity and other cash and non-cash assets. Currently, government-funded pensions and income from superannuation and investments are the main sources of income for most retired older people (see Topic 12: *Income, wealth and expenditure*).

In response to population ageing, current policy directions are broadly aimed at reducing reliance on government-funded pensions by increasing superannuation coverage and entitlements (e.g. through the introduction of the superannuation guarantee in 1992 and changes to the taxation of superannuation benefits for people aged 60 years and over from 1 July 2007) and encouraging increased workforce participation among mature-age workers (e.g. through the phased increase in the superannuation preservation age for people born on or after 1 July 1960 from ages 55 to 60, and the introduction of the Pension Bonus Scheme in 1998).

## Age Pension

The Age Pension in Australia has always been a non-contributory payment funded from general revenue. Eligibility is not linked to previous labour force participation but is subject to income and assets tests. The qualifying age for women is being progressively

increased and will be the same as men (age 65) from 1 July 2013. In June 2006, 66% of the Australian population over the qualifying age received the Age Pension (at 30 June 2006, the qualifying age for men was 65 years and for women 63).

Age Pension payments are indexed to the Consumer Price Index (CPI) and benchmarked to 25% of male total average weekly earnings. At 30 June 2006, the maximum single pension rate was \$499.70 per fortnight (by September 2007 this had risen to \$537.70). For those on the partnered full-rate pension, the maximum amount for each member of a couple was \$417.20 per fortnight in June 2006 (rising to \$449.10 in September 2007). In addition to the pension payment, recipients of the Age Pension receive a Utilities Allowance, an allowance to help with utilities bills. A Pensioner Concession Card entitles the holder to price reductions for certain prescription medications, reduced thresholds for the Medicare Safety Net and discretionary bulk-billed medical services<sup>2</sup>, as well as Rent Assistance and Telephone Allowance. State and territory governments and private organisations also offer various concessions to age pensioners, for example on health, household, transport and recreation services.

- 2 Self-funded retirees may be eligible for the income-tested Commonwealth Seniors Health Card, which entitles the holder to concession rates on PBS medicines, increased benefits for out-of-pocket expenses incurred for hospital outpatient services, and bulk-billed general practitioner appointments at the doctor's discretion.

**Table 13.1: Age Pension recipients as at 30 June 2006 (per cent)**

	Under 65	65–69	70–74	75–79	80–84	85+	Total
<b>Males</b>							
Full-rate pension	—	17.1	17.2	15.0	6.4	4.1	59.8
Part-rate pension	—	12.6	11.4	9.6	4.3	2.3	40.2
<i>Total</i>	—	29.7	28.6	24.6	10.7	6.4	100.0
<i>Total (number)</i>	—	235,870	227,077	195,446	85,229	50,923	794,545
<b>Females</b>							
Full-rate pension	5.1	15.0	14.0	11.9	8.3	8.9	63.3
Part-rate pension	3.6	10.0	8.2	6.6	4.3	4.0	36.7
<i>Total</i>	8.7	25.0	22.2	18.5	12.6	12.9	100.0
<i>Total (number)</i>	97,056	278,843	248,331	206,945	140,817	144,357	1,116,349
<b>Persons</b>							
Full-rate pension	3.0	15.9	15.3	13.2	7.5	6.9	61.8
Part-rate pension	2.1	11.1	9.6	7.9	4.3	3.3	38.2
<i>Total</i>	<b>5.1</b>	<b>26.9</b>	<b>24.9</b>	<b>21.1</b>	<b>11.8</b>	<b>10.2</b>	<b>100.0</b>
<i>Total (number)</i>	<b>97,056</b>	<b>514,713</b>	<b>475,408</b>	<b>402,391</b>	<b>226,046</b>	<b>195,280</b>	<b>1,910,894</b>

Note: Table excludes manually assessed and suspended recipients paid by Centrelink and excludes Age Pension recipients paid by DVA.

Source: FaCSIA unpublished data.

Of the 1.9 million recipients of the Age Pension at 30 June 2006, 62% received a full-rate pension (Table 13.1). Part-rate pensions are more common among younger age pensioners, accounting for approximately 41% of pension recipients aged less than 70, compared with 32% of recipients aged 85 and over. Recent trends show people reaching Age Pension qualifying age with higher levels of income and assets and therefore more likely to receive a part-rate than full-rate pension than previously (FaCSIA 2006). It is projected that by 2050 two-thirds of age pensioners will receive a part-rate pension owing to rising superannuation coverage and higher workforce participation rates in older age groups (Costello 2007; DFACS 2003).

In June 2006 women made up 58% of age pensioners but were a higher proportion in older age groups, rising to 74% at ages 85 years and over, consistent with women's greater longevity. Both overall and across ages, relatively more women than men were on a single rate of payment as opposed to a partnered rate (56% of female pensioners compared with 30% of male pensioners; see Table A13.1).

The Pension Bonus Scheme is a voluntary program that provides an incentive for older Australians to stay in the workforce. Eligible scheme members defer claiming the Age Pension and are rewarded with a tax-free lump sum payment for continuing to work a set number of hours a year (Centrelink 2004) when they eventually claim and receive the Age Pension. In 2005–06 bonus payments were made to 8,030 people under this scheme (FaCSIA 2006).

## Superannuation

In 2000, an estimated 78% of males and 71% of females in the pre-retired population had some level of superannuation coverage; however, among retired people aged 45 years and over, only 55% had contributed to a superannuation scheme at some stage. Two-thirds of retired people who had contributed to superannuation received a lump sum benefit—this benefit for more than half (54%) those who received a lump sum benefit within the previous 4 years was less than \$40,000. The majority of those who had received a lump sum benefit (31%) used it to clear home mortgage debt, pay for home improvements or purchase a home. Smaller proportions used the lump sum to purchase or pay debt on a motor vehicle (14%) or pay for a holiday (12%) (ABS 2006v). Around one-fifth (22%) rolled the lump sum over into an approved deposit fund, deferred annuity or superannuation scheme, and a similar proportion (23%) invested the money elsewhere. In 2004–05, around 12% of the retired

population aged 45 years and over received income from superannuation or annuities (ABS 2006v).

It has been argued that the superannuation savings of many people now approaching traditional retirement ages will not provide for an adequate level of income in retirement. For example, an estimated 50% of females born between 1946 and 1961 have superannuation accounts of \$8,000 or less (Kelly 2006). Gender differences in superannuation coverage reflect differences in the occupational and earning profiles of men and women and women's higher rates of part-time and casual work.

Historical data may not be a reliable guide to retirement incomes in the future. Changing patterns in superannuation coverage for people in the labour force and in the use of superannuation savings by retired people stem from a range of factors, for example:

- changes to superannuation and related taxation policy that affect whole cohorts of working-age people (e.g. introduction of the superannuation guarantee, superannuation co-contributions)
- changing workforce participation and workplace relations that may have a greater or less impact on certain groups of employees (e.g. women or specific industries or occupations)
- social changes that affect the living and income sharing arrangements of large numbers of people
- changing patterns of educational attainment
- changing patterns of housing tenure and the accumulation of wealth more generally over a lifetime
- time effects, such as when a retired person exhausts his or her superannuation savings and that person's retirement income profile changes as a result.

## Changes to income sources in retirement

The main source of income for some individuals can change over the course of retirement. Almost two-thirds of retired men in 2004–05 relied on a government pension or benefit as their main source of income (Table 13.2). However, at the time of their retirement, only 54% had received government pensions as their main source of income. Government pensions and allowances show the greatest change in numbers of people when comparing source of income at retirement with current income source. Just over 1.3 million retirees received government pensions and allowances as a main source of income at retirement; this number had increased to almost 2 million for current income in 2004–05.

People who rely on 'other' main sources of income at retirement (which includes a partner's income) are more likely to subsequently receive most of their retirement income from another source. Around 590,000 people relied on 'other income' at retirement, yet only 60,000 people reported 'other income' as their current main source of income in 2004–05. The bulk of movement from 'other income' on retirement to different sources of income is people taking up government pensions and allowances.

'Other income' is associated with the lowest average age at retirement of all income categories, for both men and women (ABS 2006u:Table 4.2 online data cubes). The average age at retirement of women who report 'other income' (40 years) is 7 years younger than the average age at retirement for currently retired women. Potentially, access to income from a spouse or partner in his or her prime working years enables people to retire at comparatively early ages, but they would then

forgo additional years of independent earning and superannuation contributions.

Superannuation was the main source of income at the time of retirement for 20% of retired men and 6% of retired women. Around two-thirds of fully retired people in 2004–05 who had retired to live mainly on superannuation or annuities or income from rental properties continued to rely on these as a main source of income (ABS 2006u:Table 4.2 online data cubes).

Such changes may be due to events such as divorce or death of a spouse, the exhaustion of private sources of income or by reaching qualifying age for the Age Pension. Changes are more common among retired women than men, and are evident in each source of income category with the exception of superannuation and annuities.

**Table 13.2: Retired persons, source of income at retirement and current income, 2004–05<sup>(a)</sup>**

	Main source of income at retirement		Main source of current income	
	('000)	(per cent)	('000)	(per cent)
<b>Males</b>				
Government pension/allowance	707.3	53.9	855.8	65.2
Superannuation or annuity	260.4	19.8	234.0	17.8
Profit or loss from own unincorporated business or share in a partnership	29.3	2.2	*12.0	0.9
Other (includes partner's income)	89.8	6.8	*23.4	1.8
No income – living off savings, lump sum payments or other assets	86.6	6.6	40.2	3.1
Dividends or interest	73.7	5.6	83.8	6.4
Profit or loss from rental property	*25.0	1.9	29.4	2.2
Did not know	26.5	2.0	**2.5	0.2
Not stated/not determined	*13.7	1.0	31.4	2.4
<b>Total</b>	<b>1,312.4</b>	<b>100.0</b>	<b>1,312.4</b>	<b>100.0</b>
<b>Females</b>				
Government pension/allowance	621.3	36.8	1,140.0	67.5
Other (includes partner's income)	502.4	29.8	39.9	2.4
No income – living off savings, lump sum payments or other assets	298.1	17.7	114.6	6.8
Superannuation or annuity	106.2	6.3	102.6	6.1
Dividends or interest	48.3	2.9	168.7	10.0
Profit or loss from own unincorporated business or share in a partnership	41.4	2.5	*24.2	1.4
Profit or loss from rental property	32.8	1.9	47.7	2.8
Did not know	28.2	1.7	*8.5	0.5
Not stated/not determined	*8.9	0.5	41.3	2.4
<b>Total</b>	<b>1,687.7</b>	<b>100.0</b>	<b>1,687.7</b>	<b>100.0</b>

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

(a) Persons aged 45 and over fully retired from the workforce in 2004–05 who had been in paid employment for at least 2 weeks in the previous 20 years (ABS 2006v).

Source: ABS 2006u:Table 4.1 online data cubes.

## INTERGENERATIONAL TRANSFERS WITHIN FAMILIES

One major public policy response to population ageing in Australia has been to identify the projected fiscal burden that will arise from the provision of income support, and health and aged care services to growing numbers of older people (e.g. Costello 2002, 2007). A focus on the ‘fiscal burden’ of an ageing population can result in a reduced appreciation of the contribution that older Australians make to their families and communities. These contributions take many forms, including the provision of care for family members and friends (see Topic 9: *Providing care*), voluntary work and contributions to other community activities (see Topic 8: *Community and civic participation*).

Older Australians also provide financial and material support to others in the community, particularly to other family members. This topic considers some of the ways that financial and ‘in-kind’ transfers occur between older Australians and their families. The main focus is on the provision of such support by older people, at least some of which will be directed to other older people (e.g. ageing parents, siblings). The topic does not consider transfers over a lifespan (see, for example, King & McDonald 1999; Lloyd et al. 2005) but rather takes a snapshot-in-time approach. Previous Australian

studies have tended to show that older people are major monetary and non-monetary contributors to their adult children and their families (De Vaus & Qu 1998; Millward 1998; Legge & O’Loughlin 2000). These studies concluded that, while the flow of support between generations is in both directions, the evidence suggests that the balance within families appears to be in the direction of older generations supporting younger generations.

### Financial support

The 2006 ABS General Social Survey (GSS) collected self-reported information on certain types of financial support given by selected adults to relatives living in other households, including to children aged 25 years and over, elderly parents or grandchildren. Based on these self-reported data, 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 (Table 14.1). The proportion of people providing such support declined with age group, although was still quite common (21%) among those aged 75 years and over. Overall, a higher proportion of older men compared with older

**Table 14.1: Persons providing support to other relatives<sup>(a)</sup> living outside the household, 2006 (per cent)**

	55–64	65–74	75 and over	Total 65 and over
Men	34.1	26.6	25.0	25.9
Women	38.3	27.3	17.9	22.8
<b>Persons</b>	<b>36.2</b>	<b>27.0</b>	<b>21.0</b>	<b>24.3</b>
<b>Types of support<sup>(b)</sup> (persons)</b>				
Money to help pay housing costs	8.0	4.8	3.4	4.2
Provide or pay for food	8.6	3.5	2.5	3.1
Provide or pay for clothing	5.5	4.0	2.2	3.2
Pay for educational costs or textbooks	3.5	2.8	2.5	2.7
Give them spending money	6.5	5.9	6.0	6.0
Buy or give them money to buy big cost items	7.0	4.0	3.0	3.5
Give them money to pay bills or meet debt	11.7	6.7	5.5	6.2
Let them borrow car	7.7	8.1	5.6	7.0
Drive them places	15.5	11.1	5.9	8.8
Other support	2.4	3.3	1.4	2.4
<b>Total</b>	<b>36.2</b>	<b>27.0</b>	<b>21.0</b>	<b>24.3</b>

(a) Support provided to relatives such as children aged 25 and over, elderly parents or grandchildren who live outside the household. Own or partner’s children aged under 25 are excluded.

(b) Categories are not mutually exclusive so components do not add to the total.

Note: Few older Australians (< 1%) had children aged under 25 living outside the household.

Source: ABS 2007d.

women provided such support, although the reverse was true in the younger age groups.

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, or to give spending money (both about 6%). This pattern was slightly different for people aged 55–64 years who most commonly provided direct financial support to provide or pay for food (8.6%) and assist with housing costs (8%).

No data were collected on the amount of financial support or the characteristics of the recipients (e.g. are the recipients younger relatives or older parents), and data in these areas are scarce. A study by the Australian Institute of Family Studies in 1996 found that about 73% of 'later life' parents (parents aged between 50 and 70) said that they had given financial support to their adult children, and that the amount was related to their financial ability to assist (Millward 1998). More recently, a study of Australians aged 50 years and over reported that more than a third of respondents said they had given financial assistance to their children or younger family members to purchase a home (Olsberg & Winters 2005).

Younger people also provide financial support to older relatives, and the 2006 GSS provides data similar to that in Table 14.1 for younger age groups. However, because it is not possible to identify the characteristics of recipients, the extent to which such support from younger age groups was directed to people aged 65 years and over is unclear (ABS 2007d). Nor does the GSS collect data on the amount of financial assistance provided by immediate family members to older people (e.g. to buy household equipment). The Australian Institute of Family Studies (1996) found that 23% of 'later life' parents (parents aged 50–70 years) said that they had received financial assistance from their adult children (Millward 1998).

## Indirect financial support

The most common forms of indirect (or in-kind) financial support identified through the GSS was through driving relatives to places (8.8%) and letting relatives borrow the car (7%) (Table 14.1). 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. 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 (ABS 2005g). 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 (ABS 1999; Legge & O'Loughlin 2000). 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 (ABS 2002b). 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.

The provision of various types of informal care by older people may also carry financial benefits to recipient family members. There are clear financial benefits to younger family members from the provision of informal child care by grandparents. Grandparents are the main providers of informal child care and around 97% of care by grandparents was provided at no cost (ABS 2006g; see Topic 9: *Providing care*). 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. This can be an important factor in enabling parents to continue or return to work, and reduces the associated costs to these families of caring for children. British and Australian studies have shown that between a quarter and a half of employed women have their children looked after by the grandmother while they are at work (Millward 1998).

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 (ABS 2004d; see Topic 9: *Providing care*). The financial value of this support is unquantified but considerable.

Similarly, the financial value of older people caring for people with disability has not been fully estimated but there are clear benefits to other family members and to the government (Access Economics 2005; NATSEM 2006). In 2003, about 452,000 older Australians provided assistance to people with disability—around one-quarter (113,100) as primary carer (Table A9.1; Topic 9: *Providing care*). The majority of older primary carers provided assistance to their spouse (93,700 representing 83% of older primary carers) (ABS 2004b). However, 10,600 older primary carers assist adult children with disability or frail older parents. The

Australian Government has implemented a package of measures to assist families wishing to make private financial provision for the current or future accommodation and care of an immediate family member with severe disability (FaCSIA 2007a).

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 (AIHW 2007c). 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 (see also Topic 29 *Care needs and sources of care*).

Wealth tends to be gradually accumulated throughout the working life and then used during retirement. Many factors will influence the amount of wealth available for inheritance, such as increasing longevity and longer retirement period, the range of economic options available, the changing attitudes, values and priorities of older Australians, and their need to contribute to their future health and aged care costs. Nevertheless, it seems likely that succeeding generations, as a whole, will receive substantial capital injections over the next decade or so because of the death or advancing years of older Australians, although this will not be evenly distributed.

## 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 (Treasury 2006). Older Australians have shared in this national growth and own much of this national wealth (ABS 2006i), mostly in the form of property and superannuation (Headey et al. 2004; also see Topic 12: *Income, wealth and expenditure*). 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 (Kelly & Harding 2003). This trend in the growth of retirees' wealth has occurred in many countries including the United States, the United Kingdom, Sweden and Italy (Kelly & Harding 2003). However, household net worth is unevenly distributed (ABS 2006i; Headey et al. 2004) and the majority of large inheritances go to people who are already financially secure (Kelly & Harding 2003, 2006).

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 (Kelly & Harding 2006). For these people, the median inheritance was less than \$20,000 and the average age of beneficiary was 48 years.