



Care-Related Out-of-Pocket Expenditures: Avenues for Financial Support of Canadian Caregivers

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Care and Caring: Future Proofing the New Demographics

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Context

- This research project is one of several in the Economic Costs of Care research program lead by Dr. J. Fast, University of Alberta
- The aim of the program was to examine the main sources of caregiving costs incurred by caregivers and employers

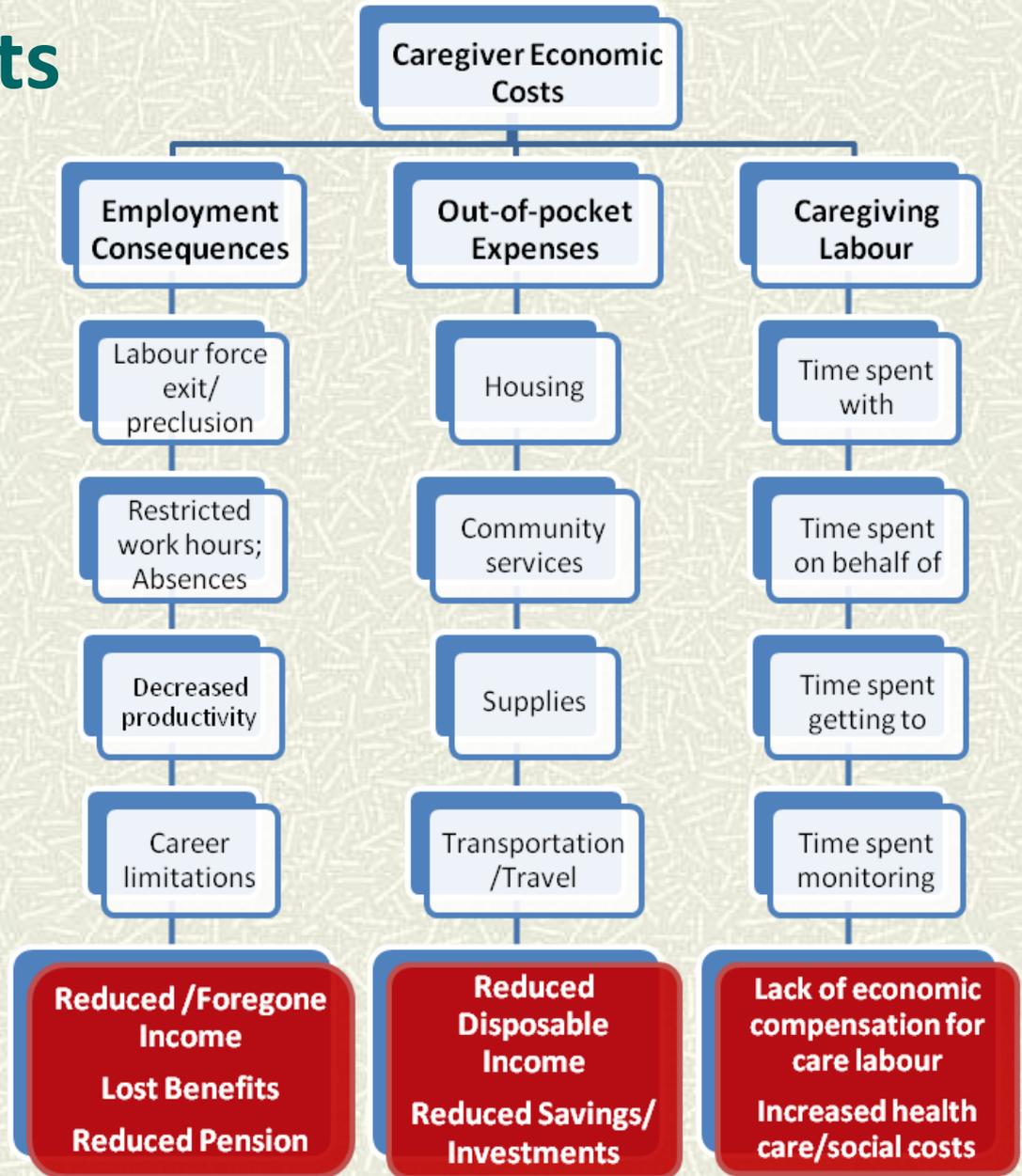
Caregiving is a normative experience

- ✦ In 2007, 29% of all Canadians age 45+ were caregivers of adults with long-term health problems
- ✦ By 2012 4.5 million Canadians age 45+ were family caregivers
- ✦ 52% of all women and 40% of all men provided care at some point since age of 15
- ✦ Women spend more of their lifetimes (5.8 years) providing care than men (3.4 years)

Care-related out-of-pocket spending

- ✦ Out-of-pocket costs are expenditures by caregivers for care, goods, and services for care receivers
- ✦ Evidence that a substantial proportion of caregivers incurred out-of-pocket expenses
- ✦ However, we know little about the amount incurred, the correlates, or the outcomes

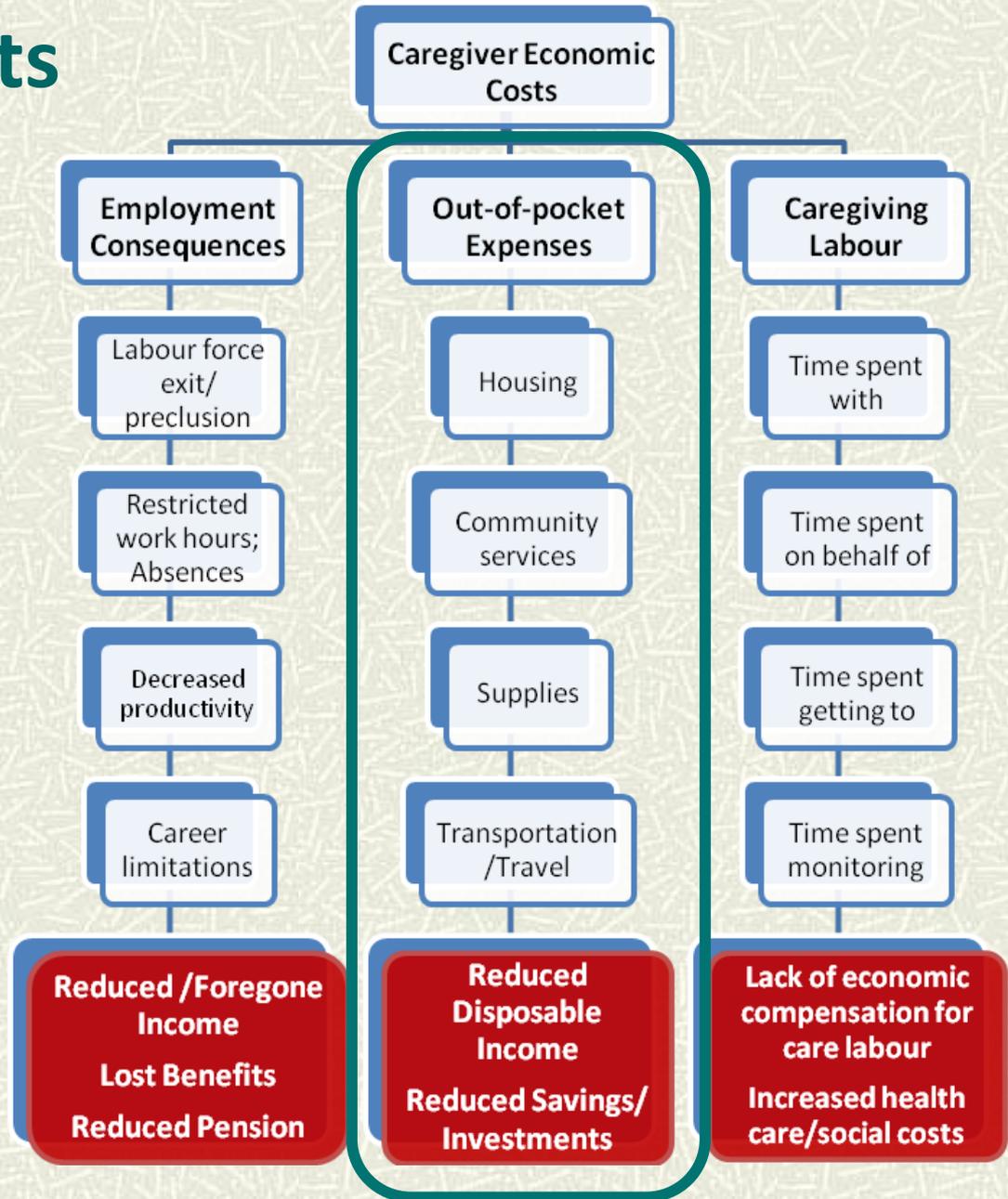
Typology of Costs



Source:

Keating, N. C., Fast, J. E., Lero, D. S., Lucas, S. J., & Eales, J. (2014). A taxonomy of the economic costs of family care to adults. *Journal of the Economics of Ageing*, 3, 11-20.

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Objectives

1. Estimate the proportion of family/friend caregivers who have incurred out-of-pocket expenses.
2. Estimate the average annual amount of out-of-pocket expenses due to care provision.
3. Examine the factors associated with out-of-pocket expenses.
4. Explore sources that could off-set some of the economic costs of caregiving.

Methods

Study Design:

- ✦ Cross-sectional

Data Source:

- ✦ Statistics Canada's 2007 General Social Survey (Cycle 21) on Family, Social Support and Retirement

GSS Target Population:

- ✦ Non-institutional persons aged 45+, living in the ten provinces
- ✦ 23,404 participants
- ✦ Response rate: 57.7%
- ✦ Proxy interviews permitted (2.6%)



Methods (Cont'd)

Study Sample:

- ✦ 6,306 caregivers aged 45+, who reported providing care to family members, close friends and neighbours

Data Access:

- ✦ SSHRC/Statistics Canada approved the project.
- ✦ Data were obtained from the master data file at Manitoba RDC

Methods (Cont'd)

Out-of-Pocket Expense Variables:

- **Amount of out-of-pocket spending** (ordinal variable):
 - less than \$500 per month
 - \$500 to \$2,000 per month
 - more than \$2,000 per month
- **Out-of-pocket expenses** (binary variable):
 - whether or not the caregiver had incurred care-related OPE in the previous twelve month period

Methods (Cont'd)

Categories	Variables
Caregiver characteristics	Age, sex, marital status, education, place of birth, employment status, source of income, annual household income, annual personal income, health status, level of stress, daily limitations due to health
Care receiver characteristics	age, sex, reason for care
Characteristics of the caregiver-care receiver dyad	relationship to caregiver, proximity to care receiver
Caregiving context	complementary sources of financial support, urban/rural indicator, ever provided end-of-life care, currently providing end-of-life care, years provided support, number of people caregiver has ever supported

Methods (Cont'd)

Data Analysis:

- Frequencies
- Bivariate analyses
- Multivariate logistic regression analyses for:
 - total sample
 - men
 - women

Methodological Considerations:

- To fully account for the survey design effect, bootstrap weights in the master data file were used

Statistical Software:

- STATA

Characteristics of the sample

- ✦ Caregivers tended to be:
 - 45-64 years old (77.7%)
 - Female (57.0%)
 - Married or living-common law (75.6%)
 - Educated (55% had a post secondary degree or diploma)
 - Employed (59.1%) or retired (29.4%)
- ✦ Had personal income:

<30,000	(29.5%)	60,000-<100,000	(24.2%)
30,000-<60,000	(30.3%)	100,000 or +	(16.2%)
- ✦ Reported their health as good to excellent (88.6%) and experienced stress at least some of the time (69.2%)

Characteristics of the sample (Cont'd)

★ Care receivers tended to be:

- 45-64 (17.9%) or 65 and older (67.6%)
- Female (66.7%)
- Needed care for:
 - ☞ a physical health problem (69.1%), or
 - ☞ a combination of physical and mental health problems (21.5%)

and were either co-resident with (21.6%) or lived in the same area as (63.2%) the caregiver

Prevalence of out-of-pocket spending and annual amount spent

- 35.1% of the sample reported out-of-pocket expenses
- Of this 35.1%:

Average Spending per Month	Percentage
Less than \$500	78.3
\$500 – 2,000	16.1
More than \$2,000	3.1

- Most respondents spend \$6,000 or less per year on out-of-pocket expenses; but 3% spend more than \$24,000 annually

Bivariate results: Out-of-pocket expenses and complementary funding sources

Financial support from:		Out-of-Pocket Expenses		χ^2
		Yes (Percent)	No (Percent)	
Government programs:	Yes	6.0	2.0	61.36***
	No	94.0	98.0	
Tax benefits for care expenses:	Yes	10.0	3.0	141.48***
	No	91.0	97.0	
Gifts from care receiver:	Yes	21.0	16.0	16.54***
	No	79.0	84.0	
Family or friends:	Yes	8.0	3.0	111.16***
	No	92.0	97.0	

Logistic regression on out-of-pocket expenses results

	Significant variables
Caregiver characteristics	Age 65+ (-ve) Highly educated (post-secondary education) Retired Reported stress sometimes, often or always
Care receiver characteristics	Caring for someone age 65+ Caring for someone with both physical and mental health problems
Characteristics of the caregiver-care receiver dyad	Caring at a distance Caring for a friend or neighbour (-ve)
Caregiving context	Complementary sources of financial support Number of people caregiver has supported Number of hours spent on care per week

Note: All variables have a positive effect, except where noted.

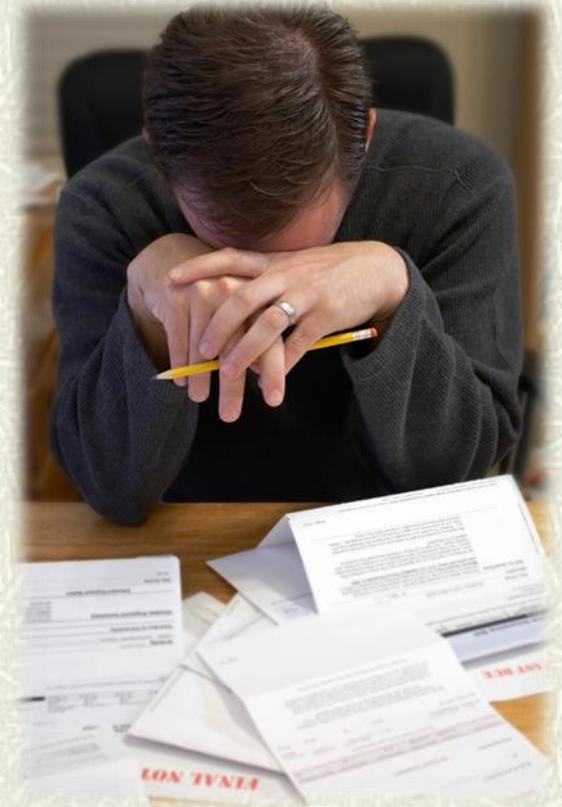
Logistic regression on out-of-pocket expenses results: Complementary funding

Complementary Funding Sources	Odds Ratios		
	Total	Women	Men
Government programs	1.251	1.554	1.002
Tax benefits for care expenses	2.337***	3.048***	1.676*
Gifts from care receiver	1.326**	1.275*	1.484*
Financial support from family or friends	2.290***	2.516***	2.068*

***p<.001, **p<.01, * p<.05

Discussion and Conclusions

- An estimated 35.1% of the respondents to the GSS, or over 1.2 million Canadians aged 45 years or older, reported incurring care-related out-of-pocket expenditures
- In total, almost \$12.6 million in 2007



Discussion and Conclusions

- ✦ Receipt of financial support from government programs was not a significant source of complementary funding
- ✦ Receipt of financial support from:
 - Tax benefits for care expenses
 - Gifts from the care receiver
 - Financial support from family or friendswere important predictors of spending out-of-pocket
- ✦ Yet, relatively few caregivers received financial support of any of the four types

Discussion and Conclusions

✦ Nationally:

- The **Compassionate Care Benefit** was the sole federal government support program for family caregivers in 2007
- Some caregivers may have been eligible to claim the **Disability Tax Credit**
- A caregiver tax benefit was introduced in 2011

✦ Provincially, in 2009:

- The province of Nova Scotia introduced a caregiver allowance
- The province of Manitoba introduced a primary caregiver tax credit

Discussion and Conclusions

- Given its high prevalence and negative consequences, more research on care-related out-of-pocket expenditures is needed to inform policies to support Canadian caregivers, who provide unpaid care to a family member, friend, or neighbour.
 - Federal and provincial tax credits?
 - Caregiver allowances?
 - Extension of drop out provision in the Canada Pension Plan?
 - Publicly funded respite care?
- Opportunity to explore these issues further with more detailed data in the 2012 GSS

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