



# Informal Care: a market factor

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# Trying to understand the system and the issues

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- \* 960,000 people over 65 act as unpaid carers and only 93,000 receive services
  - \* Over 414,000 people over 65 live in Care Homes. Average age is 85
  - \* Over 70% have dementia
  - \* The number of carers working more than 50 hours a week has doubled.
  - \* In Scotland Implementing Telecare and Telehealth cost around £10 Million providing gross benefits valued at £48 Million
  - \* DeLoitte UK figures
- Better Care for frail elderly people 2013

# Balancing the books

Balance planning with need

Balance the employment

Balance the home and institutional care

Balancing insurance with demand

Balance good and weak aspects

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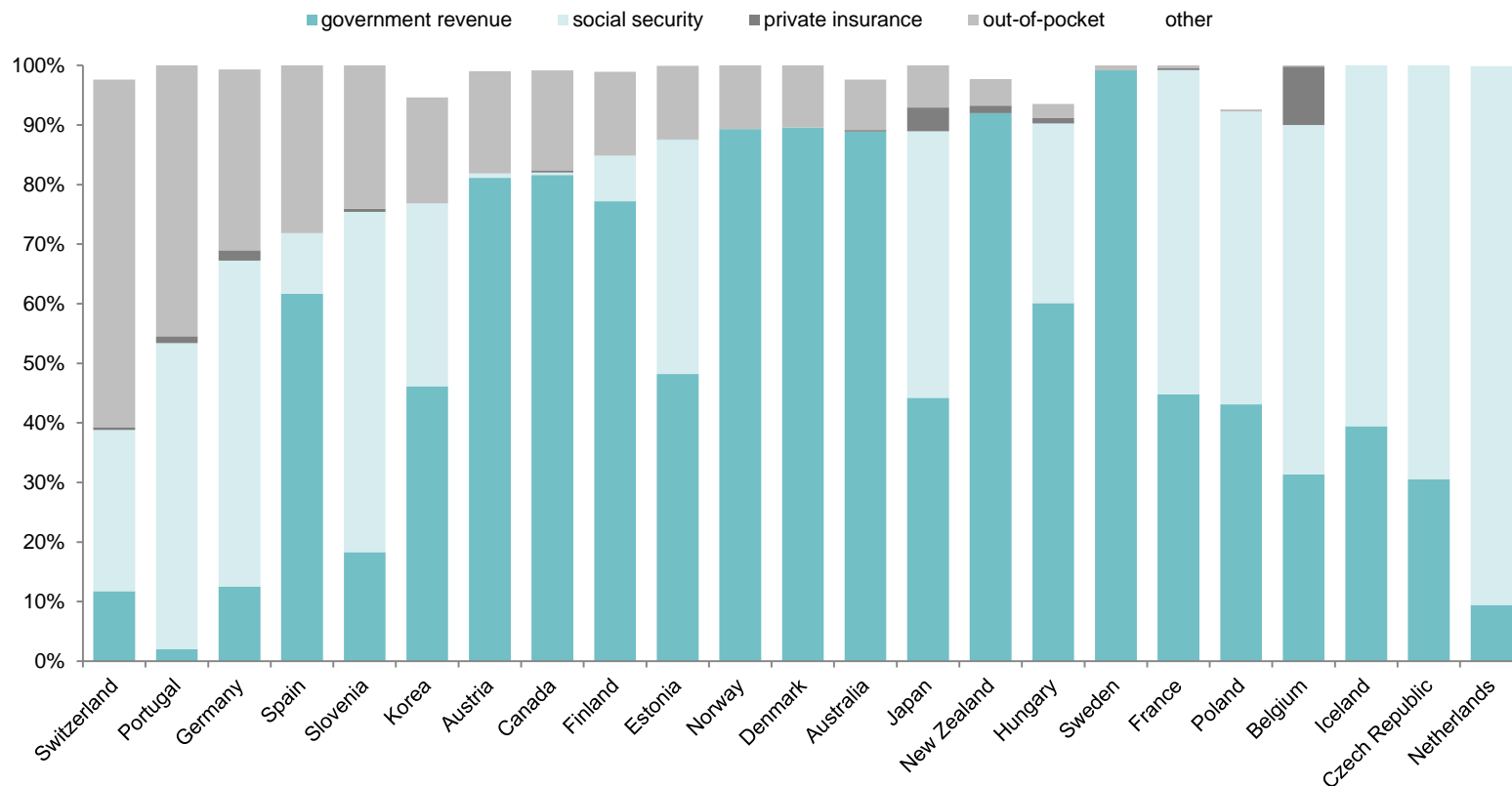
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# Public pension spending, % GDP

	2000	2030	2050
Denmark	10.5	14.5	13.3
France	12.1	16.0	n.a.
Germany	11.8	15.5	16.9
Greece	12.6	19.6	24.8
Netherlands	7.9	13.1	13.6
Sweden	9.0	11.4	10.7
UK	5.5	5.2	4.4
Source: UK Pensions Commission (2004, Table D2)			

Earlier stats for spending on Pensions 2004 explain why changes in Europe had to be made

# Long-term care expenditure by sources of financing, OECD 2007

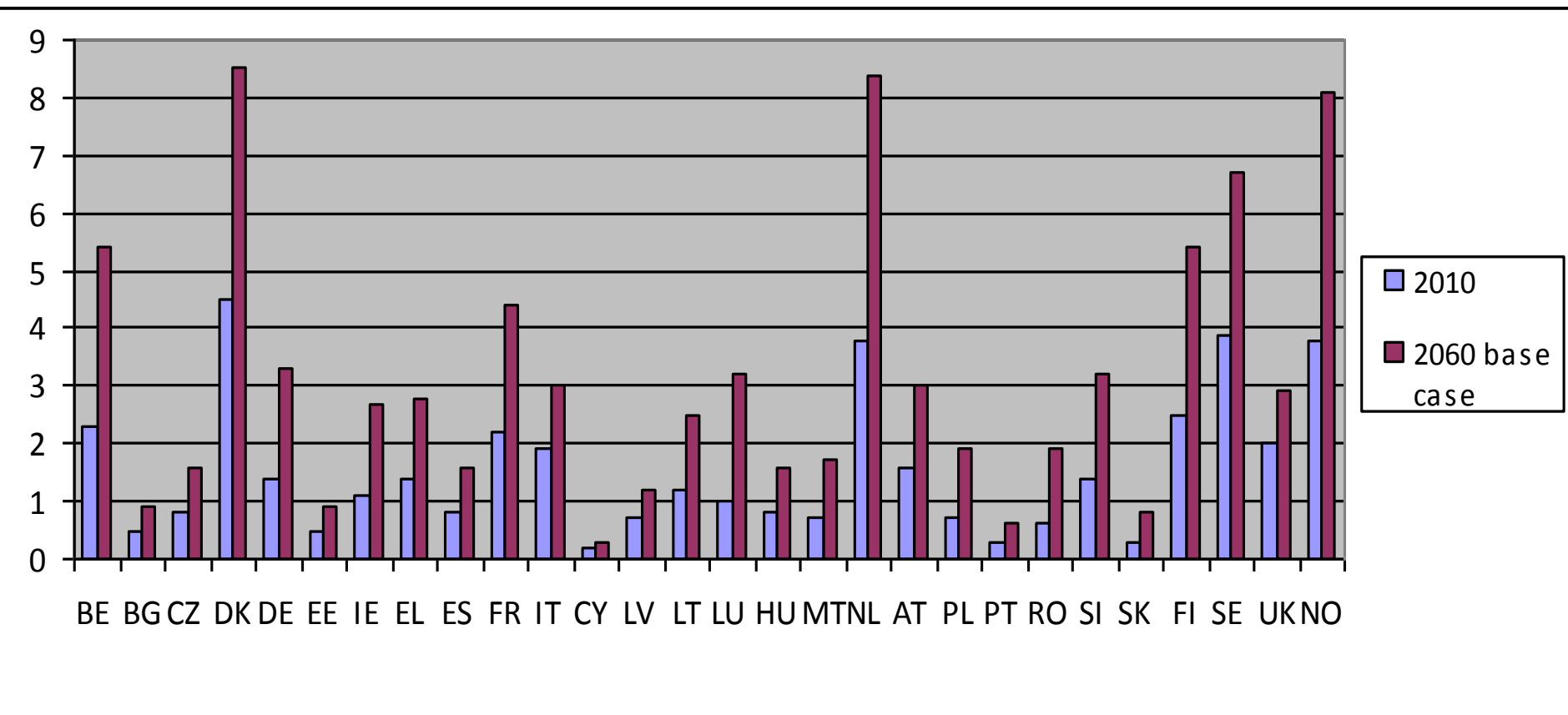


Note: Data on out-of-pocket spending for some of the countries are underestimated. For example, in the Netherlands, cost sharing on long-term care services is estimated to account for 8% of the total LTC expenditure. The share of out-of-pocket spending for Switzerland is overestimated as cash benefits granted for care in care facilities are not considered.

Source: OECD Health System Accounts, 2010.

# More resources needed to pay for LTC in the future: Public spending on LTC as % of GDP, 2010-2060

## Base case scenario



Source: The 2012 Ageing Report: Economic and budgetary projections for the EU27 Member States (2010-2060). European Commission.





# Number of people projected to live to age 100, United Kingdom

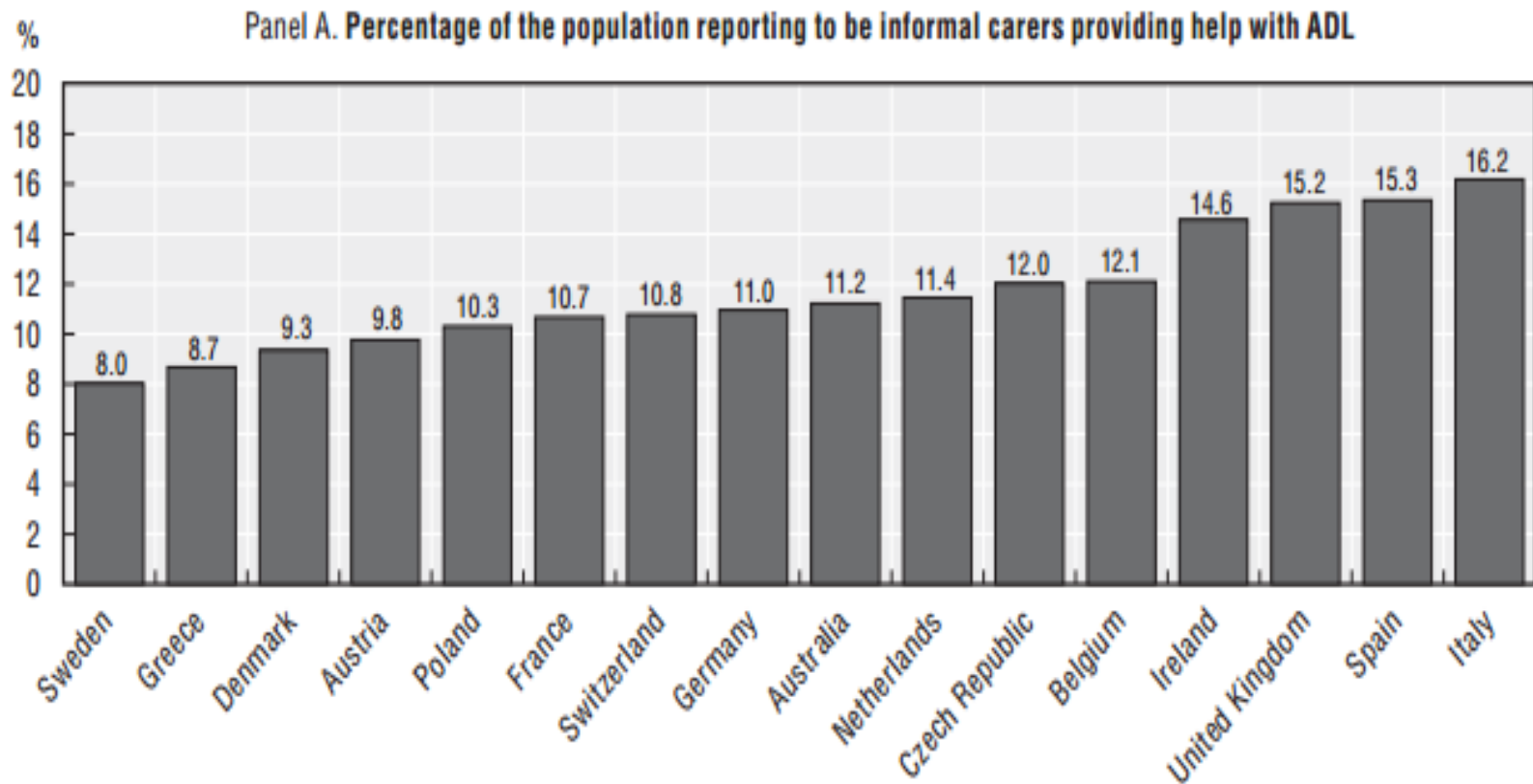
Age in 2010	Males			Females		
	Population in 2010 (000s)	Number to reach age 100 (000s)	Proportion reaching 100 (%)	Population in 2010 (000s)	Number to reach age 100 (000s)	Proportion reaching 100 (%)
Total aged under 100	30,607	4,441	<b>14.5%</b>	31,604	6,315	<b>20.0%</b>
0-15	5,926	1,359	<b>22.9%</b>	5,649	1,720	<b>30.4%</b>
16-50	15,025	2,272	<b>15.1%</b>	14,884	3,197	<b>21.5%</b>
51-65	5,444	512	<b>9.4%</b>	5,654	818	<b>14.5%</b>
66-99	4,211	299	<b>7.1%</b>	5,416	579	<b>10.7%</b>

**Table 1, Department for Work and Pensions, Ed Price (ed.price@dwp.gsi.gov.uk), Number of Future Centenarians, December 2010**

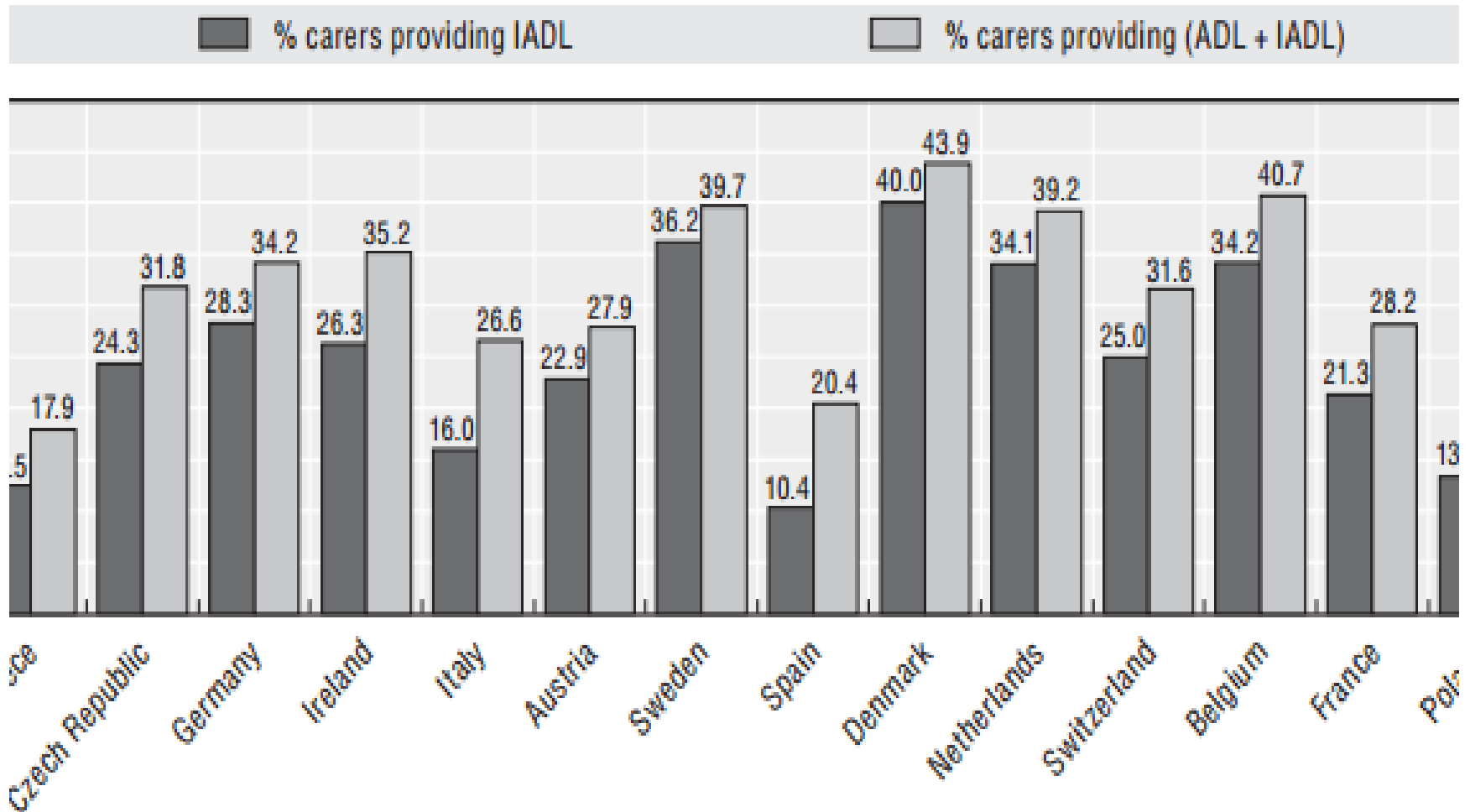
# How do we pay for care?

- **Unpaid care: biggest source of care resources**
- private savings and assets: maybe with special savings accounts or use of housing equity
- private insurance: takes very different forms depending on underlying public system and product design
- private insurance with public sector support: e.g. subsidy, tax concessions, partnership...
- public-sector tax-based support: funded from general taxation; usually allocated according to need and, in most countries, ability to pay
- social insurance: hypothecated payments; allocated according to needs and contributions.

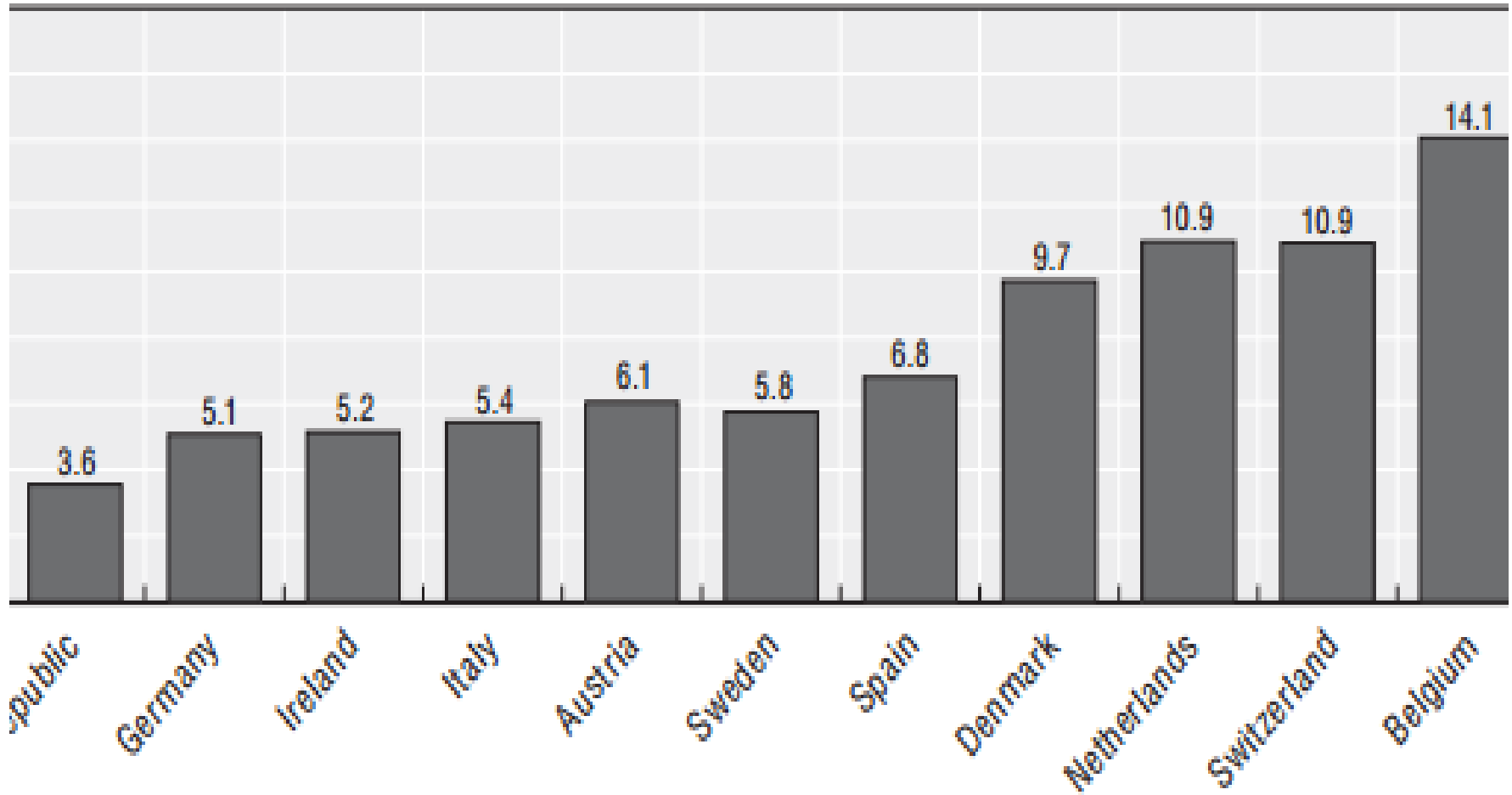
**Figure 3.1. Caregiving varies by country and type of help provided**



Panel B. Percentage of the population reporting to be informal carers providing help with IADL

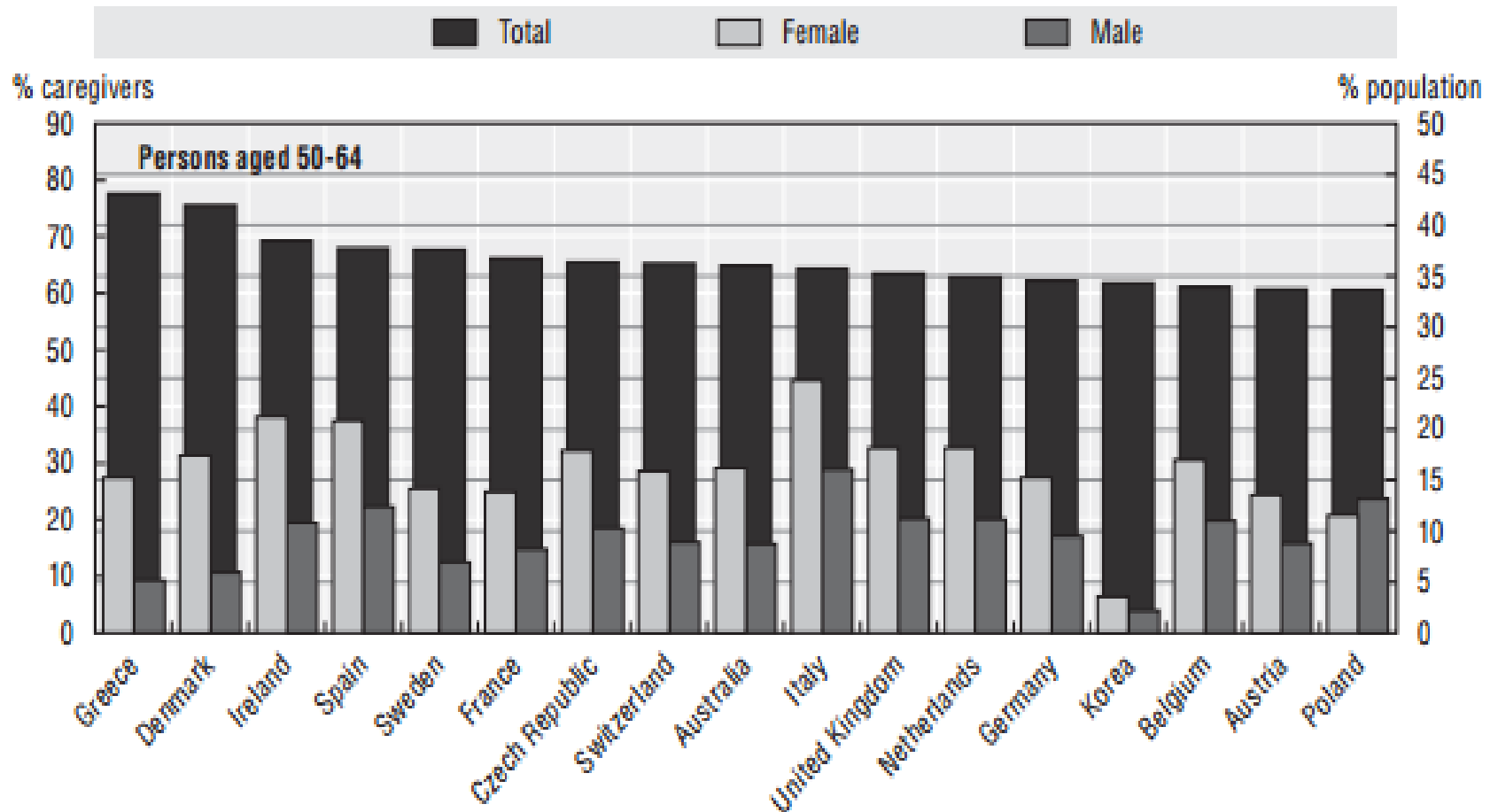


Panel C. Percentage of the population receiving home care



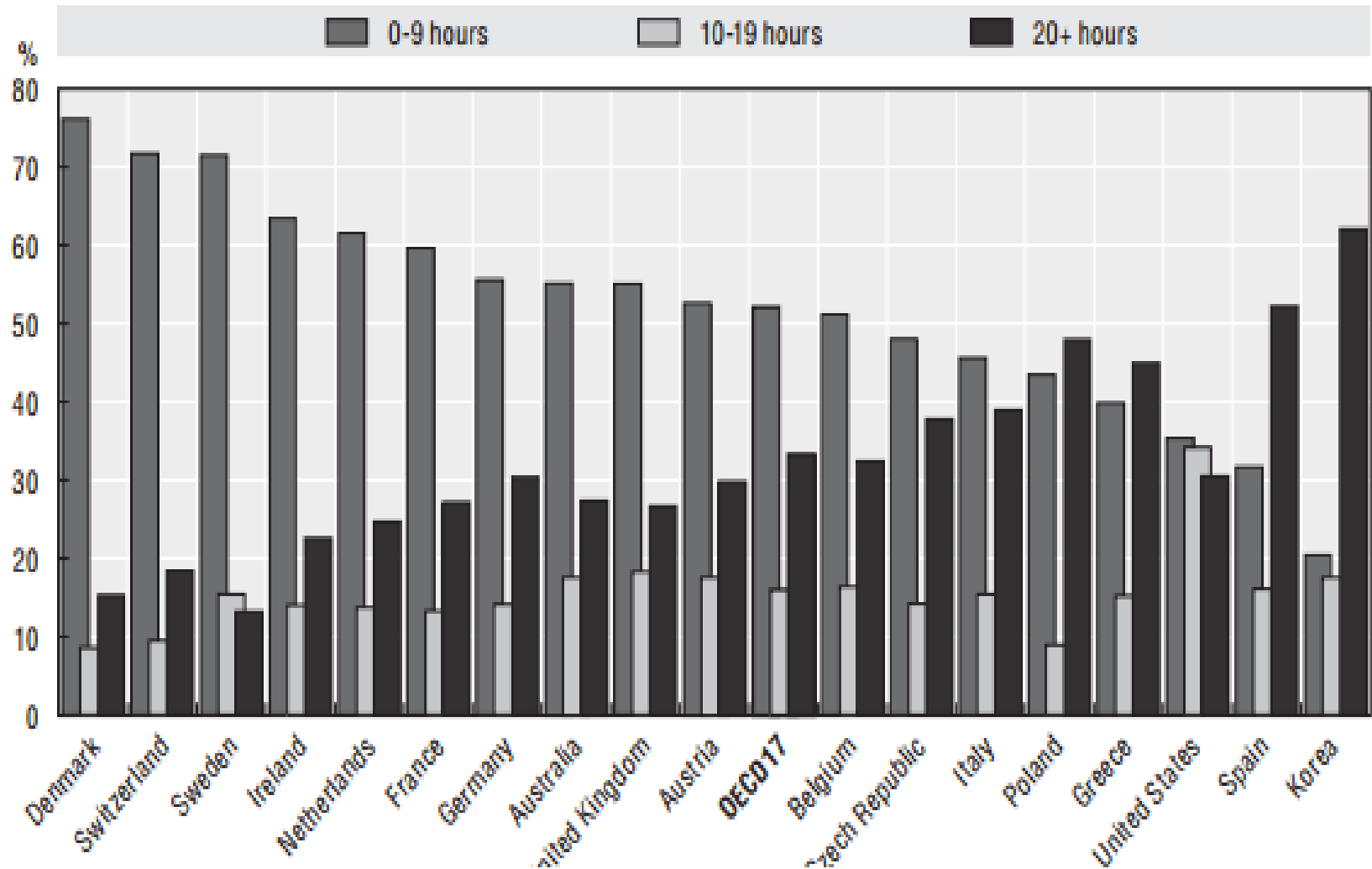
### Figure 3.2. Informal carers are predominantly women

Percentage of informal carers who are female by age group (left axis)  
 Percentage of the population reporting to be carers by gender and age group (right axis)



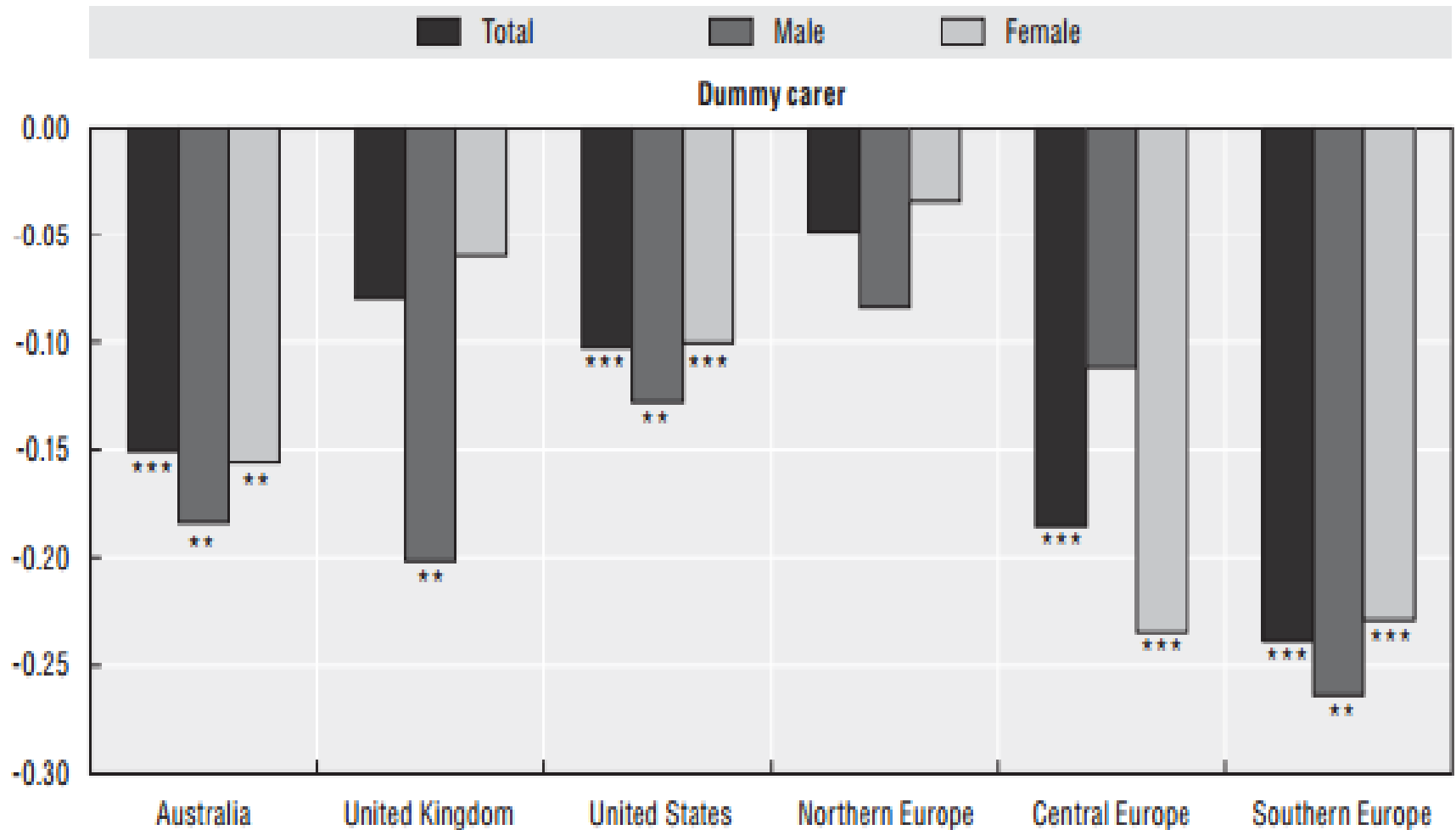
**Figure 3.3. Carers tend to provide limited hours of care**

Percentage of carers by category of weekly hours of care



**Figure 3.6. Informal caring results in a lower probability of employment**

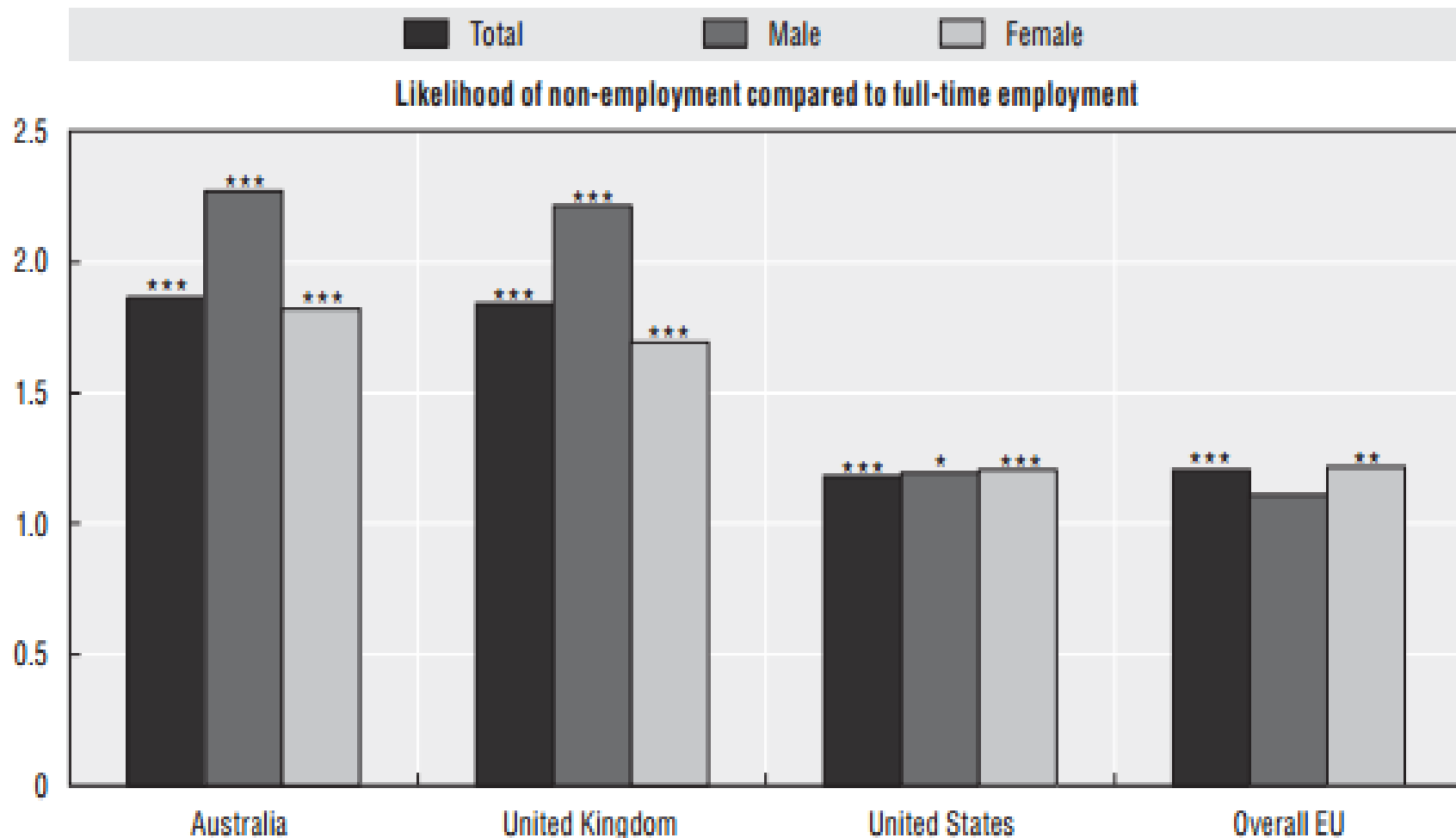
Coefficients from a dynamic probit





**Figure 3.8. Carers are more likely to stop working rather than work part-time**

Relative risk ratios from a multinomial logit



# Average cost per person in last 12 months of life by age group

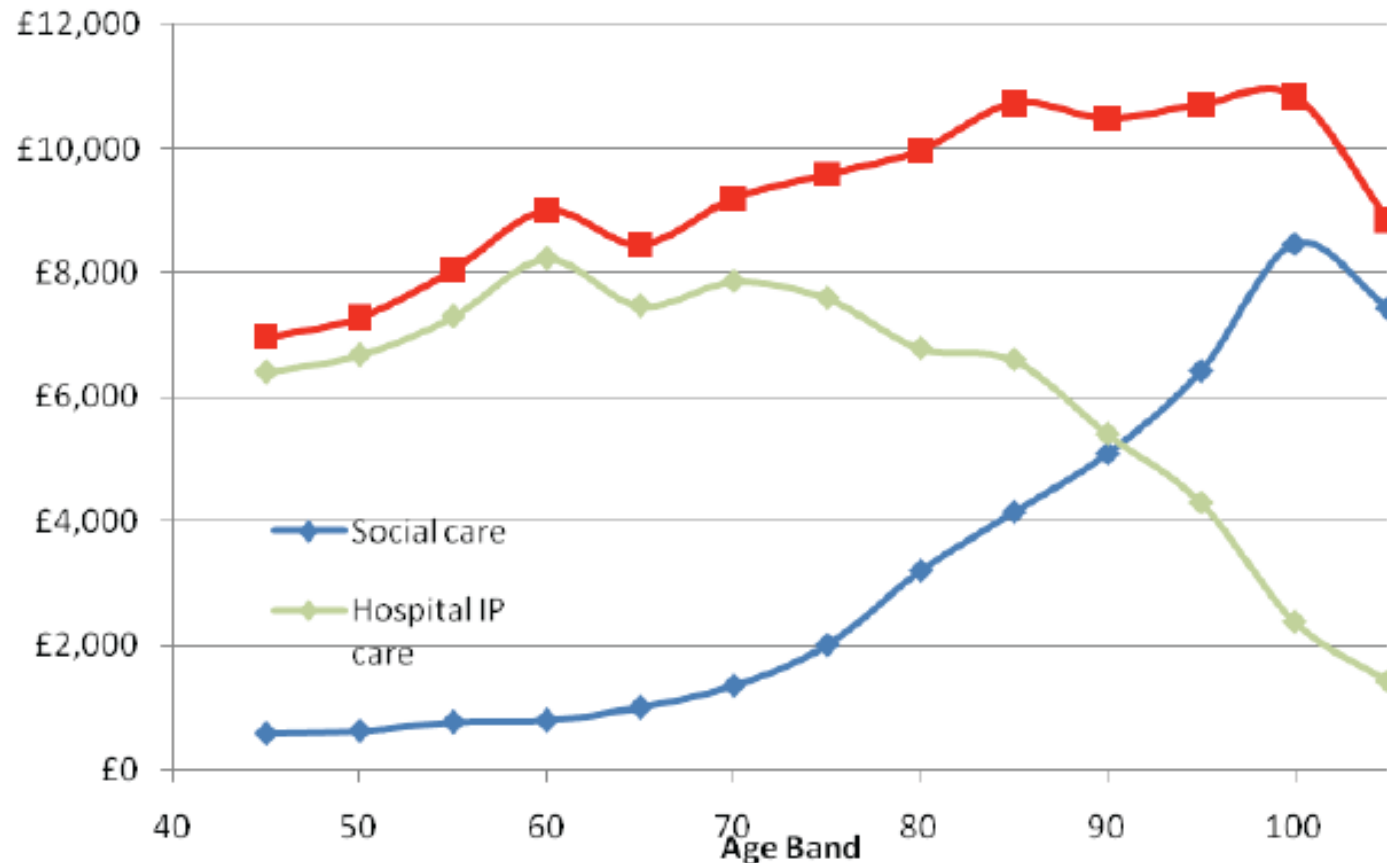
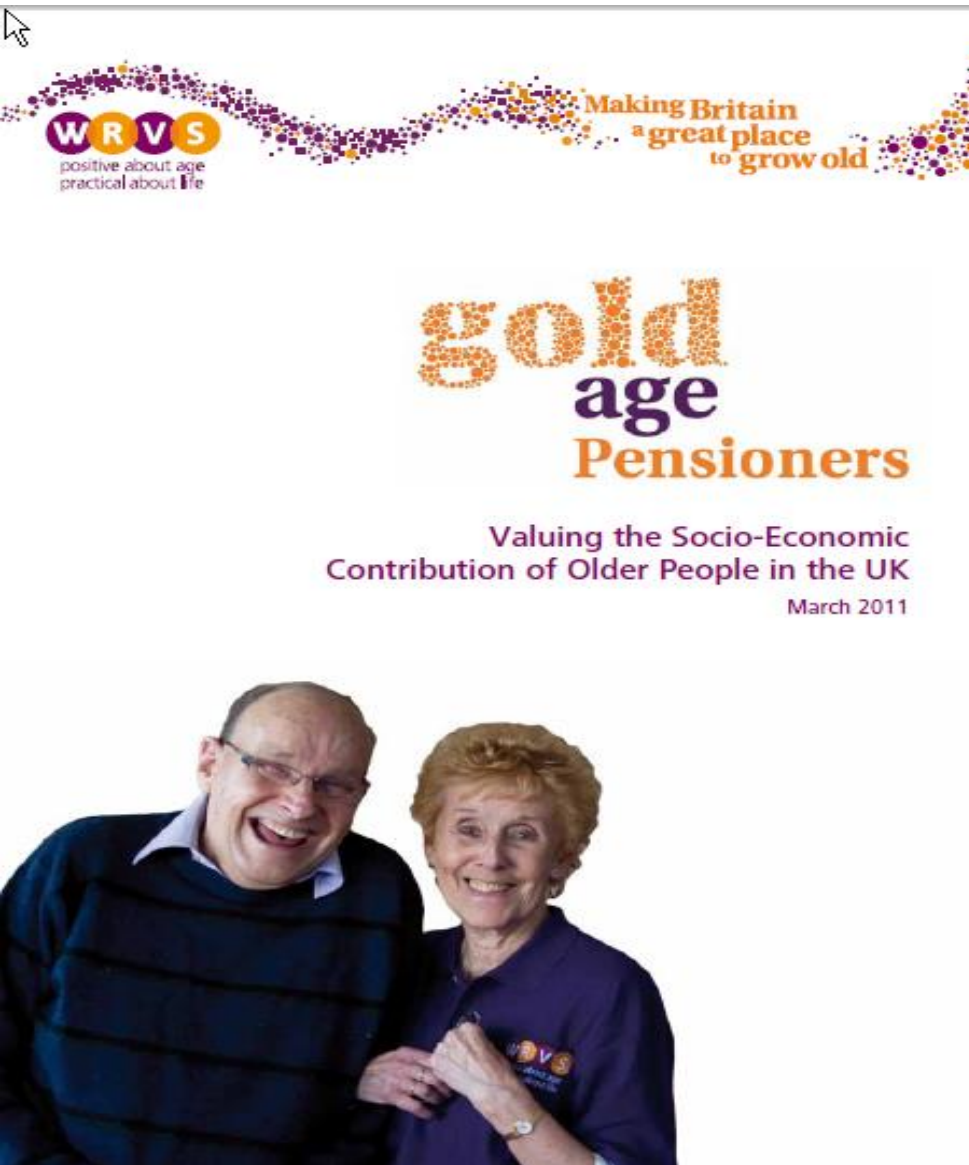


Figure 8 in Martin Bardsley, Theo Georghiou, Jennifer Dixon (2010)

Social care and hospital use at the end of life [www.nuffieldtrust.org.uk/publications](http://www.nuffieldtrust.org.uk/publications)

# Valuing the socio-economic contribution of older people in the UK (2011)



- In 2010 positive net contribution to UK economy £40 billion rising to £77 billion by 2030.
- Costs: takes account of pension, welfare, health costs.
- Benefits: Tax revenues, Consumer Spending, Provision of Care, Volunteering

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