Keynote Address

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Challenges and Opportunities of Family Policy in an Ageing Society

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The views expressed in this paper are those of the author and may not reflect the views of the Australian Institute of Family Studies or the Australian Government.
The ageing population: a challenge or opportunity?

• Proportion of Australians aged 65 and over: currently 13% and expected 25% by 2056
• Population is ageing faster in Asia
• Everywhere the number of “working age” people is shrinking in comparison
• “How will we pay for all these elderly people”?
The Australian Retirement Income System

1. A publicly funded, means tested Age Pension
2. Mandatory employer superannuation contributions
3. Voluntary savings
Policy reform aims to:

• Increase mature age labour force participation

• Provide higher levels of savings and a better standard of living in retirement

• Reduce reliance on the Age Pension as the main source of retirement income
Gender gap in retirement savings

Three main causes of the gender gap in superannuation savings:

1. **The gender–wage gap**: On average, men earn more than women. In 2015, the full-time gender pay gap was 18%.

2. **Time out of paid employment**: Women are more likely to take time out of paid employment to care for children or other family members.

3. **Differences in working hours**: Women are also more likely to work part-time because of caring responsibilities.

These factors combine to increase the gender difference in superannuation savings over time, due to the compounding effect of accumulating returns on superannuation.
The superannuation gender gap

- **Man:** Continuous full-time employment
- **Woman:** Continuous full-time employment
- **Woman:** 5 year career break, then full-time
- **Woman:** 1 year career break, then part-time
- **Woman:** 5 year career break, then part-time
- **Woman:** 1 year career break, then full-time

Age vs. Expected Superannuation Balance ($)

- $751K
- $611K
- $584K
- $487K
- $384K
- $326K

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Mature age labour force participation currently highest on record: more women participating and fewer men leaving the workforce
Reasons why

• Those approaching retirement are healthier and better educated
• Higher expectations about living standards
• Superannuation as incentive to delay retirement
• Increased demand for older workers
• Fewer children/more access to childcare and maternity leave: women staying in workforce
• Pressure from inadequate retirement savings (after the Global Financial Crisis)
How to maintain good health at older ages?

1. Physical activity

2. Social engagement
Physical activity and health

- Adults who are physically active have lower rates of all-cause mortality, coronary heart disease, high blood pressure, stroke, type 2 diabetes, metabolic syndrome, colon and breast cancer, and depression
- Physical inactivity makes the second largest contribution to the cancer burden in Australia (behind tobacco smoking)
- The total annual economic cost of physical inactivity in Australia has been estimated at $13.8 billion

However:
- Only one-third of children, and 1 in 10 young people meet the physical activity recommendation for their age group
- 60% of adults did less than the recommended 30 minutes of moderate intensity physical activity per day. (Aust Health Survey 2012)
Adults who engage in regular physical activity are more likely to be in good health.

Source: Self-completed questionnaire HILDA Wave 1, adults aged 50-54, weighted.
Adults physically active at younger ages more likely to be physically active later in life

Source: Self-completed questionnaire HILDA Waves 1 and 15, weighted.
Social engagement and health

- Strong social networks are associated with survival in older Australians.
- The effect of social relationships on survival is stronger than the negative effects of drinking alcohol excessively and the lack of physical activity.
- Older adults are at higher risk of social isolation than other groups. Around 20% of older Australians are socially isolated.
Females engage in social activities more regularly than males

Frequency of social activities with family and friends who do not live with you, by age

Source: Self-completed questionnaire HILDA Wave 1, adults aged 50 or over, weighted.
Adults who have been socially active in the past, are more likely to continue regular social activities later in life.

Source: Self-completed questionnaire HILDA Waves 1 and 15, weighted.
Adults who engage in regular social activities with family and friends are more likely to be in good health.

Self-assessed health by frequency of social activities
adults aged 65-69

Source: Self-completed questionnaire HILDA Wave 1, adults aged 65-69, weighted.
Household type of older Australians

Household Type, by Age Group and Country of Birth

<table>
<thead>
<tr>
<th>Age Group</th>
<th>People Born in Australia</th>
<th>People Born in Mainly English Speaking Countries other than Australia</th>
<th>People Born in Other Non-English Speaking Countries</th>
<th>People Born in Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64</td>
<td>31%</td>
<td>29%</td>
<td>41%</td>
<td>45%</td>
</tr>
<tr>
<td>65-74</td>
<td>12%</td>
<td>10%</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>75+</td>
<td>5%</td>
<td>8%</td>
<td>11%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Who do your parents live with?

Parents' living situation, by country of birth (individuals aged 50+)

Ageing in place

- Two in three people aged over 50 intend to remain in their current home
- Yet only 38% have plans in place to prepare for getting older and becoming frailer
- For those who intend to remain in their own home:
  - 36% have no design features in their home to assist frail people
  - 29% cannot afford such changes

Source: 2012 National Seniors Survey
Ageing in place

- From age 65: 28% of males and 46% of females will be admitted to residential care.
- Affordability and suitability of housing is a key concern:
  - Only 25% believed they could afford costs of aged care.
  - 40% of respondents did not know if they could afford their aged care costs in the future, underscoring the importance of retirement planning.

Source: 2012 National Seniors Survey
The new “young old”?  

A new stage of life is emerging between the end of the conventional working age and the onset of old age
What do we know about these “young old”?

• Relatively good health

• Often still working

• Money to spend

• Want financial security and flexibility

• They will remain productive for longer, not just because they must but because they can
“Inequalities experienced in earlier life in access to education, employment and health care, as well as those based on gender and race, have a critical bearing on status and well being in older age”.

WHO 2002
Grandparenting

• Children with a co-resident grandparent - percentages are highest among the 0–1 year old children: 7%
• Non-resident grandparents are providing a lot of support:
  – 40% of kids under 3 years have grandparent care weekly, often supplementing other forms of childcare
  – Grandparent child care is also significant for school-age children

Source: LSAC; Baxter 2013
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Intergenerational relationships
Perspectives on Family Policy and Ageing

Intergenerational

Design of policy & services

Lifecourse

Multi-disciplinary
“Active ageing” - WHO 2002
Policy opportunities

- Change employment practices to facilitate mature workers’ participation
- Facilitate lifelong learning
- Promote intergenerational support and forward planning
- Facilitate “active ageing” by making healthy behaviours and social participation easy to choose
- Culture change and multidisciplinary action and collaboration required
Policy opportunities

- Promote lifelong learning (and earning)
- Promote good interpersonal relationships
- Promote healthy behaviours (physical activity, no smoking, nutrition)
- Promote adaptive capabilities and socio-emotional skills (to deal with change, stress and relationships)
- Structural measures to address disadvantage and barriers due to gender, disability, race and poverty.
- Review employment policies, and workplace culture and practices
- Review housing policies; transport;
- Create safe neighbourhoods (good for young and old)
Policy opportunities

Designing “human-centred” policy and services means we are interested in the experience and aspirations of people, and what requires change or adaptation in situations or circumstances.
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Understanding “what matters most”

Good for young and older

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What matters most to families in the 21st Century?

SAVE THE DATE

25–27 July 2018

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• Advance planning tools (for eg., executing a will; enduring appointments):
  ➢ opportunity to exercise choice and control in decision-making into older age and in the event of loss of capacity in the future.
• Legislation in each state and territory provide for enduring appointments but there are variations between the states and territories:
  ➢ ALRC 2017 recommendation: “national approach to enduring documents”.
• Benefits of advance planning include:
  ➢ Making arrangements for the management of financial, medical and other personal matters.
  ➢ Selecting trusted person/s to support or make decisions.
• However, advance planning cannot remove all risk of abuse.
Who cares for your parents?

Who spends most time meeting the needs of your parent(s)? (individuals aged 50+)


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