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# Absolute Care & Health

Future Care Study 2018

July 2018



mccrindle

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# Research objectives

Absolute Care & Health commissioned McCrindle in February 2018 to conduct research into older Australians' preparedness for their future aged care. The main objectives of this research were to:

- Gain insight into older Australians' confidence in managing their aged care needs in the future, including:
  - Their preferences and aspirations for their aged care;
  - Their awareness of the care services available;
  - How they plan to fund their future care; and
  - The extent to which they are having conversations with their family about their future care.
- Benchmark the above with the public's awareness of Absolute Care & Health as a provider of in-home care services.

The insights gained from the research would support a national media campaign to encourage older Australians to discuss their future care with their families and to inform themselves of the services available.

# Research methodology

A survey was deployed to an online panel and completed by 1,005 Australians aged 50 and above. The respondents are representative of the national population by gender, state, and age grouped in decade intervals. The survey was in field from 27 March to 3 April 2018.

Demographic data in the introduction to this report comes from the 2016 Australian Census of Population and Housing as conducted and released by the Australian Bureau of Statistics, unless otherwise referenced.

## Terminology

Participants who completed this survey are called 'older Australians' or 'Australians aged 50 and above' throughout this report. 'Future care' or 'care' refers to aged care, while 'in-home care' refers to services that assist people to live independently in their own home.

# Executive summary

## **Three in ten older Australians have been involved in organising care for a parent.**

Three in ten Australians aged 50 and above (30%) have had some responsibility in organising care for a parent, with one in nine (12%) organising all aspects of their parent's care. More than half of older Australians (54%) have not been involved in this process at all. Females are more likely than males to have organised the whole care process for a parent (15% cf. 9%).

## **Older Australians are making care decisions quickly and with limited information.**

The process of organising care for a parent is most often triggered by a sudden event causing ill-health or injury (41%). This may explain why nearly two in five older Australians (38%) spend less than one month actively exploring care options before making their decision about care provision, and why more than one in five feel uninformed about the care options available (22% - not really/not at all informed).

## **One quarter of older Australians who have organised care for a parent would now change their decision.**

Australians aged 50 and above who have organised care for a family member find the overall process stressful (77% - very/somewhat stressful), with one in three (33%) finding the overall process very stressful. More than two in five felt pressured in the decision-making process (43% - very/somewhat pressured).

One quarter (25%) would change their care decision based on new information they have found. This is consistent with the above findings that the care process is often rushed, and

decisions are made in an environment of stress and pressure.

## **Older Australians desire to live out their days in their own home.**

Nearly nine in ten Australians aged 50 and above want to live in their own home in their old age (87% - stay in my current home / downsize to a smaller residence / move to a retirement village and live independently).

Almost half of older Australians (48%) want to stay in their current home, and nearly one quarter (23%) want to stay in their own home but downsize to a smaller residence. One in six (16%) want to move to a retirement village where they can live independently.

## **Older Australians are unprepared for their future care and are putting off planning for it.**

Despite the intentions expressed above, most older Australians have not given much thought – if any – to the support they will need to remain in their own home.

More than two in five Australians aged 50 and above have not thought about the support they would need to remain in their own home (42% - haven't thought about it at all / haven't really thought about it), while nearly two in five (38%) have thought a little about it. One in five (20%) have thought a lot about what support they would need to remain in their own home.

Older Australians are putting off planning for their future care. When asked what steps they have taken to ensure they can receive their preferred future care, more than two in five (42%) say they haven't done anything yet but plan to do so, and one third (33%) have neither made plans nor intend to do so. Less than one

in ten (9%) have a financial or savings plan and only 3% have sought financial advice regarding their future care. Nearly two-thirds of older Australians aged 70+ (65%) have not yet taken any steps to ensure they can receive their future care.

### **Many older Australians have not discussed their future care with anyone.**

More than two in five Australians aged 50 and above (46%) have not discussed their future care with anyone, though they are most likely to discuss it with their spouse (37%) or children (23%). Males are more likely than females to have discussed their future care with their spouse (44% cf. 29%) while females are more likely to have discussed their future care with their children (27% cf. 20% males).

The largest proportion of those who have had conversations about their future care with their family have talked about it generally but nothing specific (37%).

### **Older Australians expect government support for their future care.**

Two-thirds of Australians aged 50 and above (67%) expect their future care to cost \$400 per week or less, and intend to use government payments (47%), superannuation (41%), and cash savings (30%) to fund it. More than one in six older Australians (18%) expect the government to fully fund their future care. One in five older

Australians (20%) don't yet know how they intend to fund their future care.

Older Australians are not very confident they will be able to fund their future care needs (40% - not very/not at all confident) and have a similar lack of confidence in the government's ability to fund their future care needs (43% - not very/not at all confident). Older Australians in their 50s are less confident (very/somewhat) they will be able to fund their future care needs than older Australians in their later years (54% cf. 60s 63%; 70s 64%).

### **Older Australians are likely to use in-home care services and are prepared to pay for them to remain at home longer.**

Australians aged 50 and above are most likely to use household assistance services in the future (74%) and know of household assistance services available in their area (82%). More than four in five (82%) are prepared to pay for in-home care services themselves to remain at home for longer, with only a small proportion of older Australians (4%) not at all prepared to pay for this.

One third of older Australians (33%) are unaware that the government funds in-home care services to help people stay at home longer, while two in five (39%) are aware that government support is available but don't know what in-home services might be supported.

# Introduction

## An ageing Australia: the challenge set before us.

### **Australia is ageing.**

Australia's population is older than ever before in our history. Our ageing population coupled with increased life expectancy presents challenges for policymakers, service providers, and all Australians.

Thirty years ago Australia's median age was 31.3, today it is 37.4 and in 30 years' time it will be approaching 40.

### **More Australians of retirement age.**

The rapid ageing has been driven by a growing older population and health and lifestyle advances that are increasing longevity. In 1988 there were 1.7 million Australians aged 65 and above. Today there are more than 3.8 million and in another thirty years, in 2048, there will be 7.5 million Australians.

### **Significant increase in the number of elderly Australians.**

Not only are there more people in our nation, but Australians are living longer than ever before. Life expectancy at birth thirty years ago in 1988 was 76.3. Today it is 81 for men and 85 for women, and in 2048 the average Australian life expectancy will be approaching 90 years.

In 1952, the year Queen Elizabeth II became sovereign, 40 letters of congratulations would need to have been written to Australians turning 100. This year, 2,925 Australians will turn 100 and in thirty years the number of congratulatory letters written to Australians turning 100 will increase to 25,938.

### **Extra 2,100,000 years of care required by 2048.**

In the next thirty years Australia will have 1.4 million more people aged 85 and above, with the average older Australian living 1.5 years longer than today. This equates to an extra 2.1 million years of care that will be required between now and 2048.

### **Australia's declining workforce ratio.**

Australia faces increasing economic pressures as the ratio of workers to retirees continues to decline.

Thirty years ago, only one in nine Australians were aged 65 and above (11%). Today this figure is one in seven (15%) and in thirty years from now one in five Australians (20%) will be aged 65 and above.

Our ageing population is placing greater demands on productivity in the labour force. In 1975 for every person of retirement age there were 7.1 people in the working age population.

By 2015 there were just 4.5 Australians of working age to support each Australian of retirement age, and this is projected to decline even further to just 2.7 people of working age for every Australian at retirement age by 2055.

**Australia's booming aged care industry.**

Deloitte estimates Australia's aged care industry to be worth \$13.5 billion per annum,<sup>1</sup> while IBIS World puts the figure at \$22 billion with growth of 6.4% p.a.<sup>2</sup>

The number of people in aged care grew from 189,000 in 2006 to 249,000 in 2016<sup>3</sup>, representing a 31% population increase compared to the overall population growth for Australia of 18% in the same period.

The fastest-growing sector within the aged care industry is in-home care. Between 2006 and 2016, growth in in-home care provision outstripped growth in residential care by five times (87% cf. 17%)<sup>4</sup>.

**New research from our online study reveals Australians are actively enjoying their retirement years.**

If there is an aged care challenge facing Australia, our older Australians don't seem to be worried.

Our new research shows that in the last three years almost half of older Australians (46%) have gone on an overseas holiday, including more than two in five (42%) Australians aged 70 and above.

Three in ten Australians have purchased a major asset such as a house, car or boat (30%), and undertaken home renovations (28%) in the last three years, while one in eight (13%) have purchased a luxury consumer item. Three in ten Australians (30%) have done none of the above in the last three years.

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<sup>1</sup> Deloitte Access Economics, 2016, *Australia's aged care sector: economic contribution and future directions*.

<sup>2</sup> IBIS World, 2017, *Aged Care Residential Services – Australia Market Research Report*, March 2018: <https://www.ibisworld.com.au/industry-trends/market-research-reports/health-care-social-assistance/aged-care-residential-services.html>.

<sup>3</sup> Australian Institute of Health and Welfare, 2018, *People using aged care*, March 2018: <https://www.gen-agedcaredata.gov.au/Topics/People-using-aged-care>.

<sup>4</sup> Australian Institute of Health and Welfare, 2018, *Services and places in aged care*, March 2018: <https://www.gen-agedcaredata.gov.au/Topics/Services-and-places-in-aged-care>.

# Experience

Four in five older Australians do not currently receive any type of care in their immediate family.

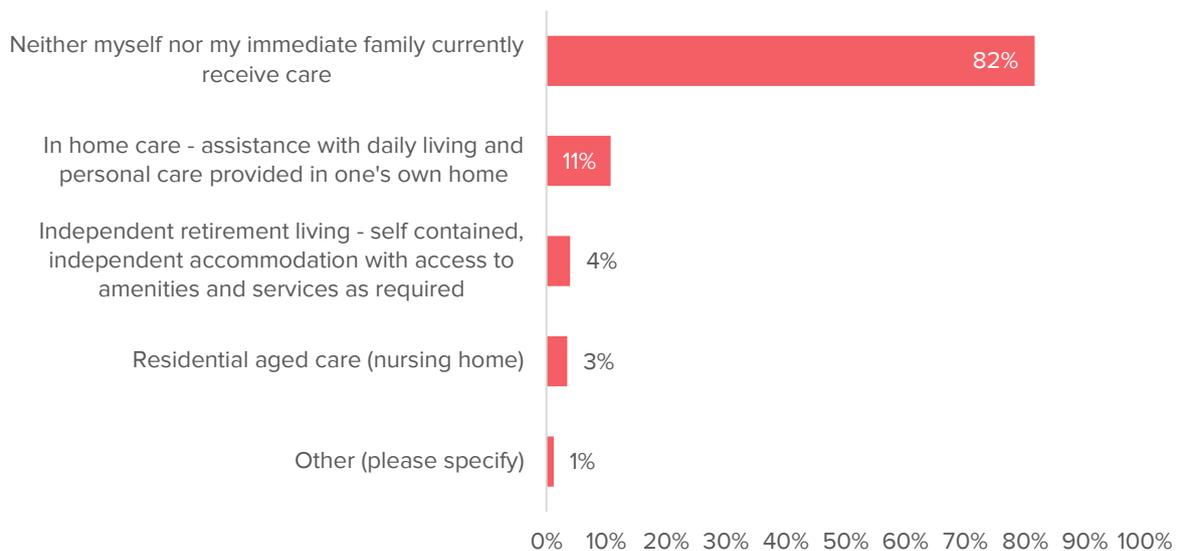
More than four in five (82%) Australians aged 50 and above express that neither they nor their immediate family currently receive care.

The most common form of care received by older Australians is in-home care (11%), followed

by independent retirement living (4%) and residential aged care (3%). Older Australians who receive other types of care (1%) were likely to be providing care themselves for a partner or family member.

## What type of care do you or any immediate family members currently receive?

*Please select all that apply.*



## Three in ten older Australians have been involved in organising care for a parent.

Three in ten older Australians (30%) have had some responsibility in organising care for a parent. One in nine (12%) organised all aspects of their parent’s care, while one in five (19%) organised part of the process.

One in seven (15%) older Australians say they weren’t really involved in the process, suggesting that they may have observed the process of organising care for a parent but not had any meaningful involvement in it. Meanwhile, more than half of older Australians

(54%) have not been involved in this process at all.

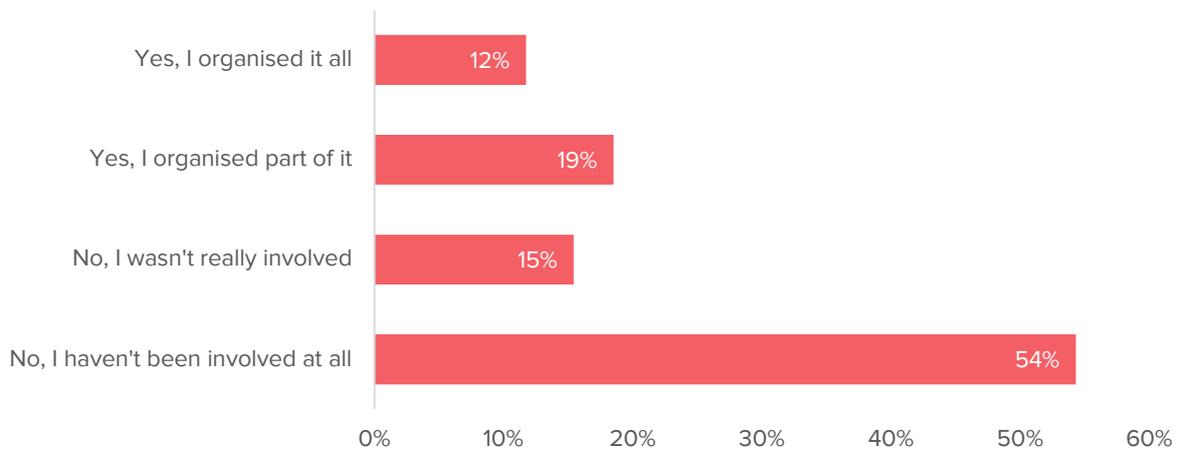
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**Females** are more likely than **males** to have organised the whole care process for a parent (15% cf. 9%).

Residents from **Victoria** and **New South Wales** are most likely to have organised care for a parent than those from **Queensland** (33% cf. 24% - organised it all/organised part of it).

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Have you been involved in organising care for a parent?



## Organising care for a family member is often prompted by sudden events.

Of the older Australians who have been involved in organising care for a parent, two in five instances were triggered by a sudden event causing ill-health (41% - sudden event causing deterioration of their health / sudden illness or injury). A further two in five (42%) instances were prompted by deterioration of a pre-existing illness or injury.

Only one in seven occasions (14%) of organising care for a parent were undertaken voluntarily by either the individual or their family without

adverse events prompting the decision. Older Australians who selected other (3%) were likely to suggest old age or dementia as prompting the organising of care.

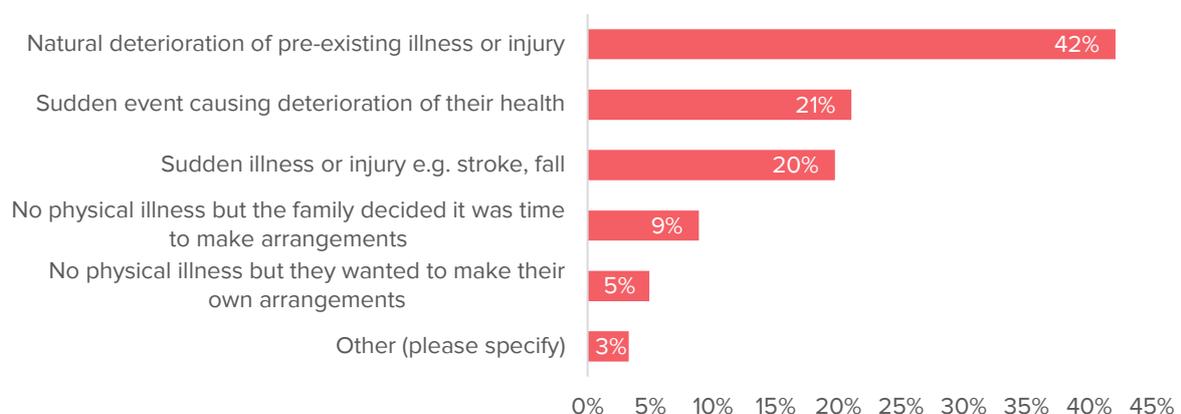
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**Victorians** are more likely to have been prompted to organise care because of a sudden event than those from **New South Wales** or **Queensland** (48% cf. 37% and 30%).

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### What prompted you to organise care for your parent?

n=304



## Older Australians are making care decisions quickly and with limited information.

Almost two in five older Australians who have organised care for a parent (38%) spend less than one month actively exploring options, which aligns with the responses to the previous question highlighting the suddenness of many care selection decisions.

That more than one in five feel uninformed (22% not really/not at all informed) about the care options available, and more than half (54%) feel somewhat informed suggests that many decide on their parent’s care with limited information or without strong confidence in their selection.

There are, however, a portion of conscientious older Australians who feel confident in the process of selecting care provision. One quarter

of those who have organised care for a parent spend more than four months actively exploring care options (25%), with one in ten (10%) taking more than a year to explore options before deciding about care provision. Similarly, more than one in five (22%) of those who have organised care for a parent feel very informed about the care options available.

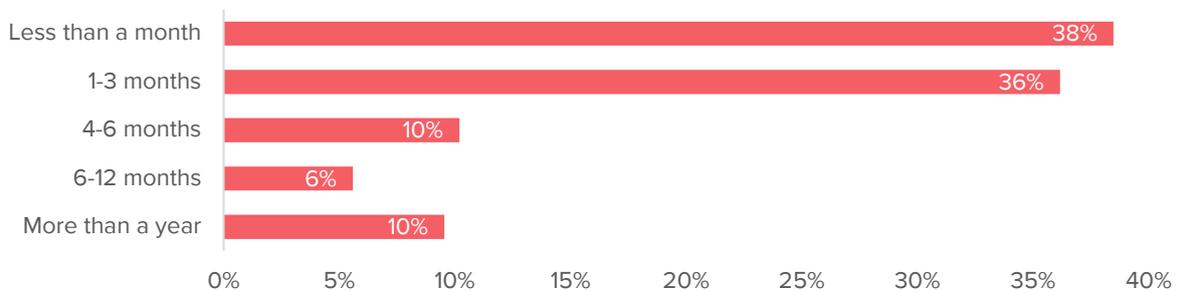
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**New South Wales** residents are more likely to actively explore options for less than a month than those from **Victoria** and **Queensland** (40% cf. 35% and 34%).

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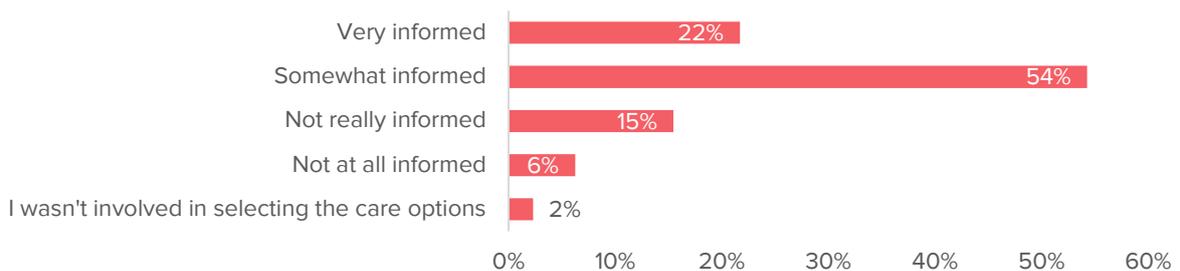
How long did you actively explore care options before making the decision about care provision?

n=304



How informed did you feel about the care options available?

n=304



## Older Australians find organising care stressful.

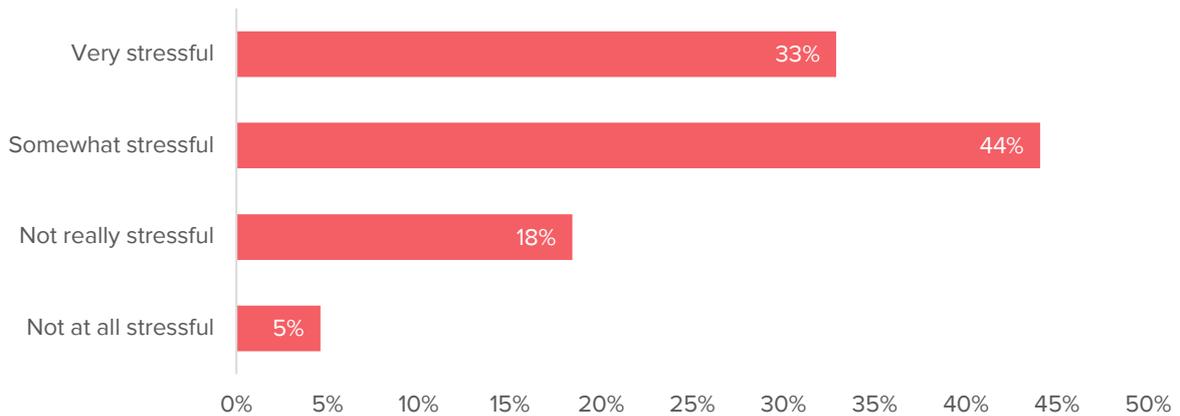
More than three quarters of older Australians who have organised care for a family member find the process stressful overall (77% very/somewhat stressful). One in three (33%) find the overall process very stressful.

More than two in five older Australians feel pressured (43% very/somewhat pressured) in the decision-making process of organising care for a family member. On the other hand, slightly

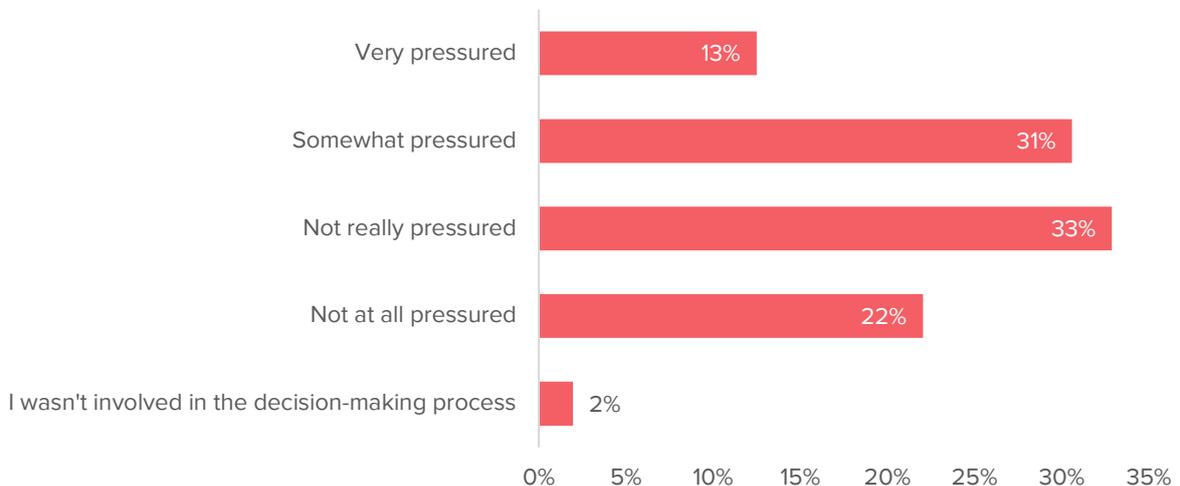
more than one in five (22%) do not at all feel pressured in the decision-making process.

**Victorians** are more likely to find the process very stressful overall than those from **New South Wales** and **Queensland** (37% cf. 35% and 26%).

How stressful was the process overall?  
n=304



How pressured did you feel in the decision-making process?  
n=304



## One quarter of older Australians would change their care decision.

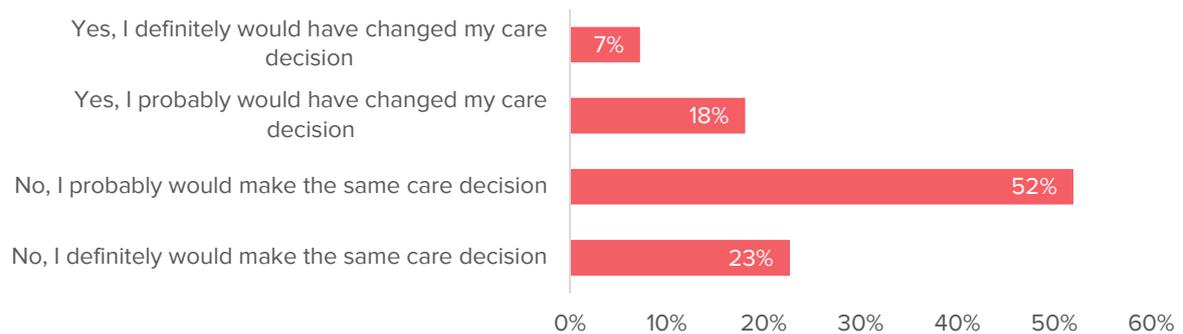
Of the older Australians who have organised care for a family member, one quarter (25%) would have changed their care decision based on new information they have found.

Slightly less than one quarter (23%) feel very confident in their care decision and would definitely make the same care decision, while half (52%) would probably make the same decision.

Since making your care decision, have you found out more information that would have changed your decision?

Based on the new information I have found...

*n=304*



# Preparation

## Older Australians desire to live out their days in their own home.

Almost nine in ten Australians aged 50 and above want to live in their own home in their old age (87% - stay in my current home / downsize to a smaller residence / move to a retirement village and live independently).

Almost half of older Australians (48%) want to stay in their current home, and nearly one quarter (23%) want to stay in their own home but downsize to a smaller residence. One in six (16%) want to move to a retirement village where they can live independently.

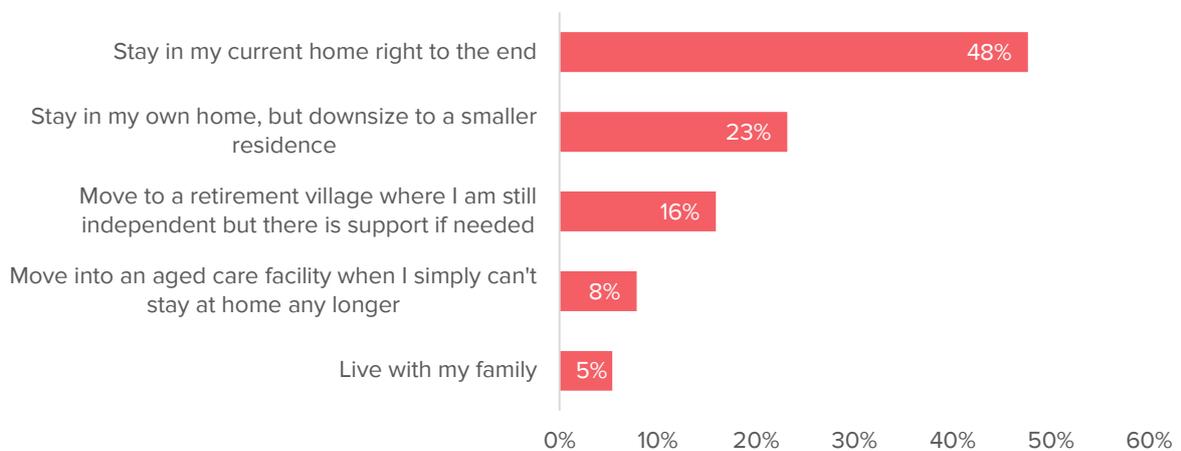
Meanwhile, less than one in ten older Australians (8%) want to move into an aged care facility in their old age.

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**Males** are more likely than **females** to want to stay in their current home right to the end (52% cf. 44%).

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Where do you want to be living in your old age?



## Most older Australians have not given much thought to what support they will need to remain in their own home.

Although most older Australians want to remain in their own home, more than two in five have not thought about what support they would need to remain in their own home (42% - haven't thought about it at all / haven't really thought about it).

Nearly two in five (38%) have thought a little bit about what support they would need to remain

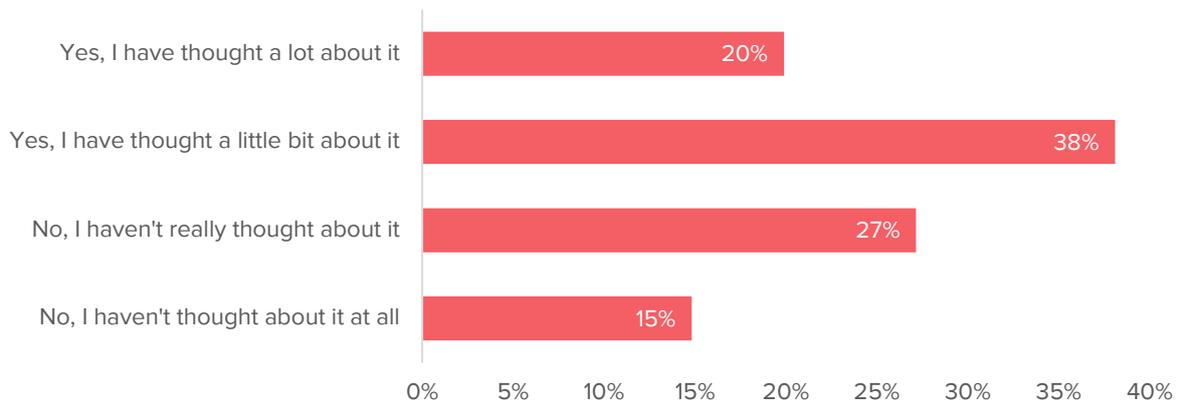
in their own home, while one in five (20%) have thought a lot about it.

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Despite being less likely to want to stay in their own home, **females** are more likely than **males** to have thought a lot about what support they would need to remain in their own home (22% cf. 17%).

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### Have you thought about what support you would need to remain in your own home?



## Older Australians are putting off planning for their future care.

When asked what steps they have taken to ensure they can receive their preferred future care, more than two in five older Australians (42%) say they haven't done anything yet but plan to do so. One third (33%) have neither made plans nor intend to do so. This means that three quarters of older Australians (75%) have not taken any steps to ensure they can receive their preferred future care.

Few older Australians have taken steps to financially prepare to receive their preferred future care, with less than one in ten (9%) having a financial or savings plan in place for their

future care, and only 3% seeking financial advice regarding their future care.

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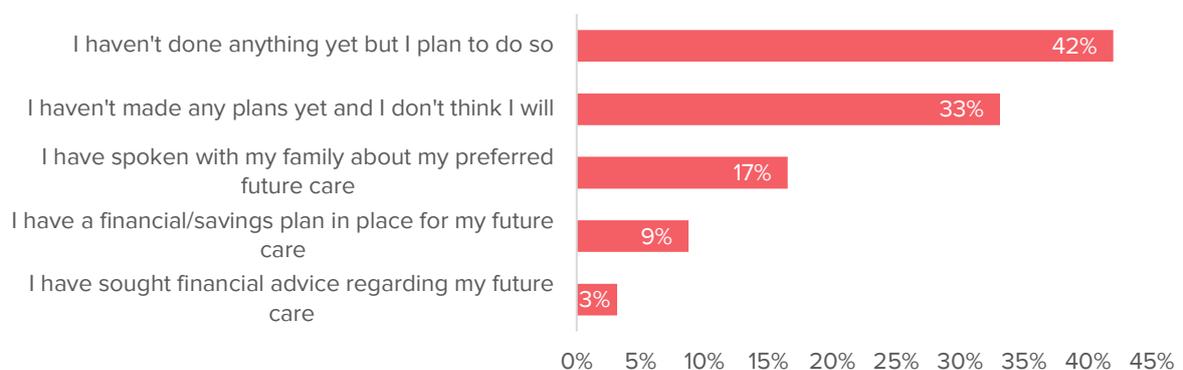
**Males** are more likely than **females** to seek financial advice regarding their future care (4% cf. 2%), but also more likely to have no plans yet and no intention to make any (35% cf. 31%).

Nearly two-thirds of Australians **aged 70+** (65%) have not yet taken any steps to ensure they can receive their preferred future care.

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### What steps have you taken to ensure you can receive your preferred future care?

*Please select all that apply.*



## Many older Australians have not discussed their future care with anyone.

More than two in five older Australians (46%) have not discussed their future care with anyone.

Less than two in five (37%) have discussed their future care with their spouse, and less than a quarter (23%) have discussed their future care with their children. A small number have discussed their future care with a professional such as a GP or financial adviser (5%).

While nearly half of older Australians have not talked about their future care with their family (48%), the largest proportion of those who have done so have talked about it generally but nothing specific (37%).

One in ten older Australians (10%) have discussed their future care with their family in detail while 7% have talked about different care options.

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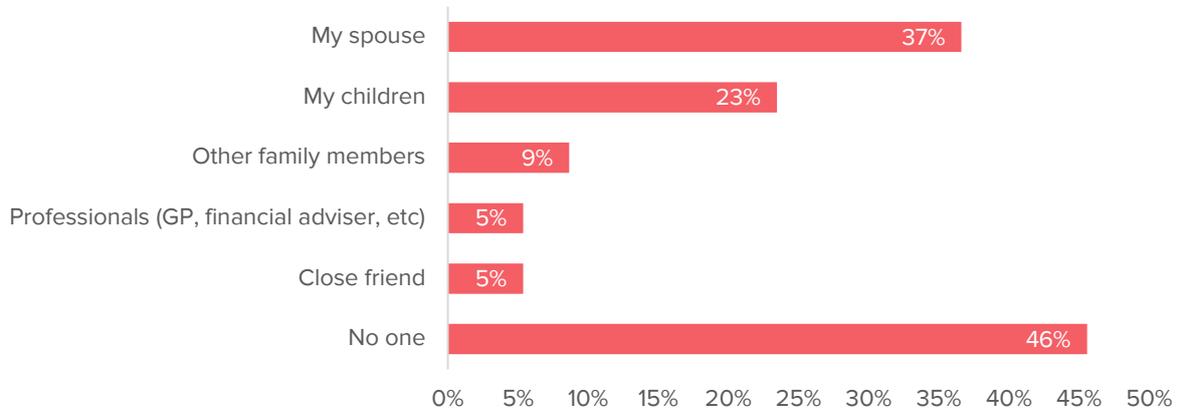
**Males** are more likely than females to discuss their future care with their spouse (44% cf. 29%), while **females** are more likely to discuss their future care with their children (27% cf. 20%).

Three in ten Australians in their **70s** (30%) have not discussed their future care with anyone.

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### Who have you discussed your future care with?

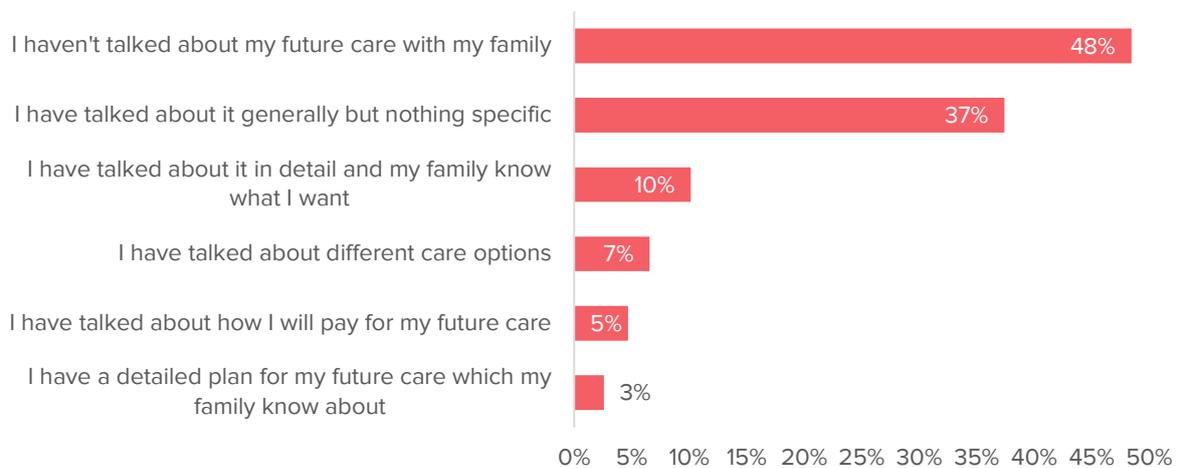
Please select all that apply.



| Who have you discussed your future care with? |       |       |       |     |
|---|-------|-------|-------|-----|
|   | 50-59 | 60-69 | 70-79 | 80+ |
| <b>My spouse</b>                              | 29%   | 36%   | 47%   | 42% |
| <b>My children</b>                            | 14%   | 21%   | 37%   | 42% |
| <b>No one</b>                                 | 56%   | 48%   | 30%   | 33% |

### What conversations about your future care have you had with your family?

Please select all that apply.



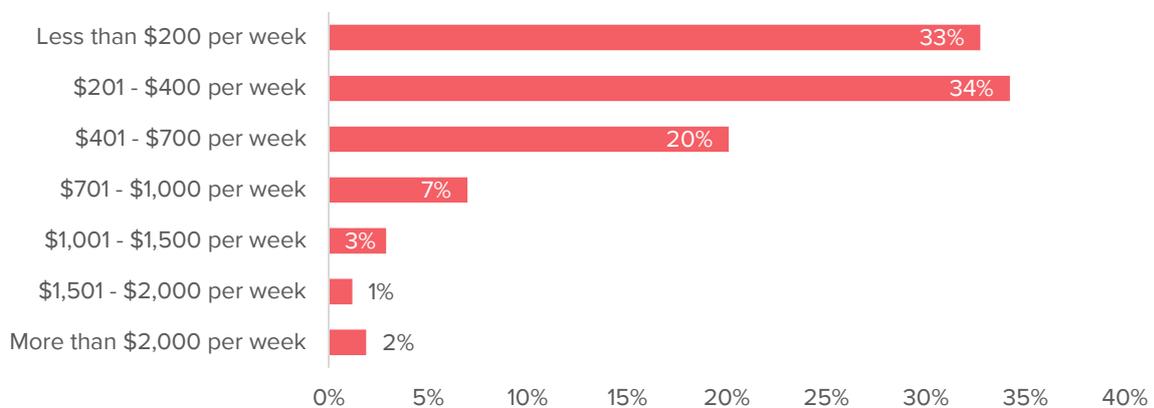
# Expectations

Two-thirds of older Australians expect their future care to cost less than \$400 per week.

Two thirds of Australians aged 50 and above (67%) expect their future care to cost less than \$400 per week, with one third (33%) expecting it to cost less than \$200 per week. One in five (20%) expect their future care to cost between \$401 and \$700 per week, while one in eight older Australians (13%) expect their future care to cost more than \$700 per week.

**Females** are more likely than **males** to expect that their future care will cost \$400 per week or less (71% cf. 63%).

How much do you expect your future care to cost per week?



## Older Australians expect government support to fund their future care.

Older Australians intend to use a variety of means to fund their future care, with the top three options being government payments (47%), superannuation (41%), and cash savings (30%).

One in five older Australians (20%) don't yet know how they intend to fund their future care. A similar number (21%) intend to use funds from the sale of capital assets, such as selling or downsizing their house, to fund their future care.

More than one in six (18%) expect the government to fully fund their future care, with a further one quarter (26%) expecting the government to mostly fund it. In total, 88% of older Australians expect the government to at

least partly fund their future care (fully/mostly/partly fund it).

The funding support expected of families is much less than that of government, with one in five older Australians (20%) expecting their family to partly fund their future care.

Meanwhile, one in five (21%) expect to fully fund their own future care.

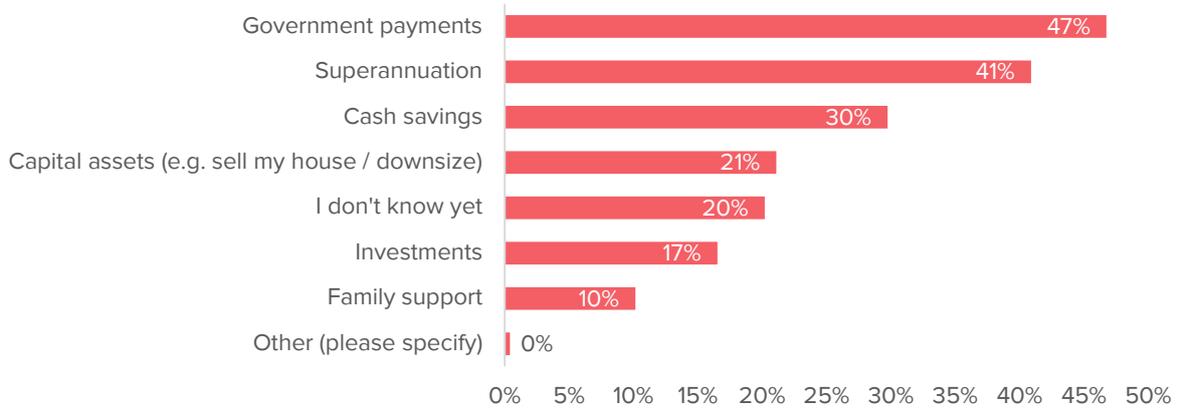
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Australians in their **70s** are more likely to intend to fund their future care using government payments than Australians in their **60s** or **50s** (58% cf. 48% and 36%).

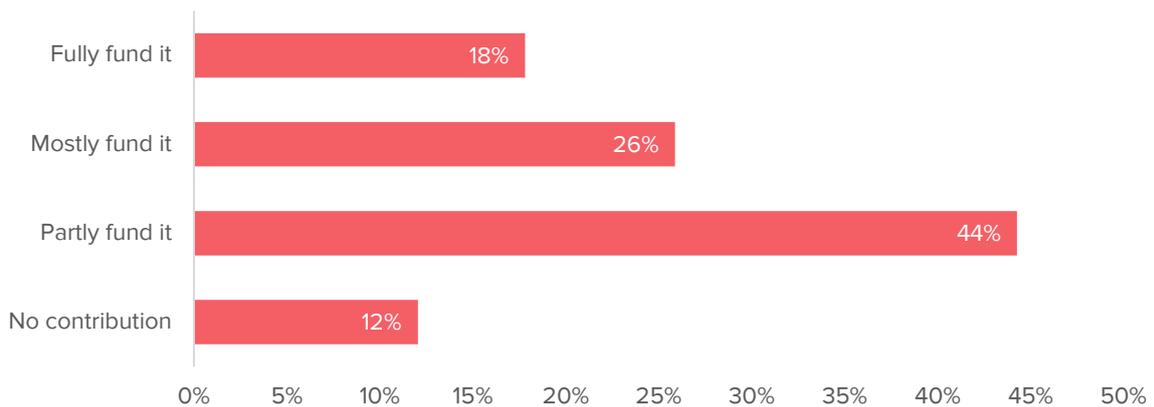
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### How do you intend to fund your future care?

Please select all that apply.

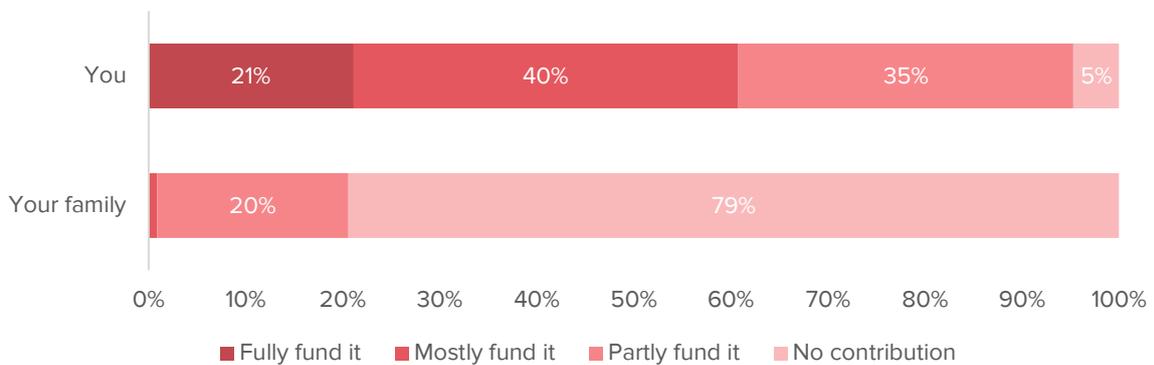


### To what extent do you expect the government to fund your future care?



### To what extent do you expect you and your family to fund your future care?

n=826



## Two in five older Australians are not confident they will be able to fund their future care needs.

Two in five older Australians are not confident they will be able to fund their future care needs (40% - not very confident/not at all confident), with one in six older Australians (17%) not at all confident they will be able to fund their future care needs.

Almost half of older Australians (49%) are somewhat confident they will be able to fund their future care needs, while only one in ten older Australians (11%) are very confident.

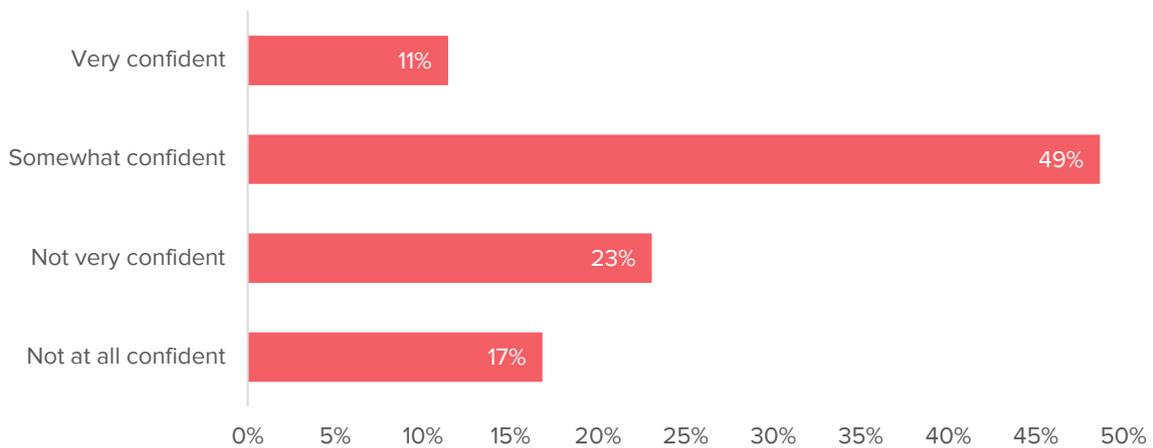
Older Australians have a similar lack of confidence in the government's ability to support their future needs, with more than two in five not confident the government will be able

to fund their future care needs (43% - not very/not at all confident) and less than one in ten (9%) very confident the government will be able to fund their future care needs.

Older Australians are even less confident in their family's ability to fund their future care needs, with almost two thirds not confident (65% - not very/not at all confident).

Australians in their **50s** are less confident (very/somewhat) they will be able to fund their future care needs (54% cf. 60s 63%, 70s 64%).

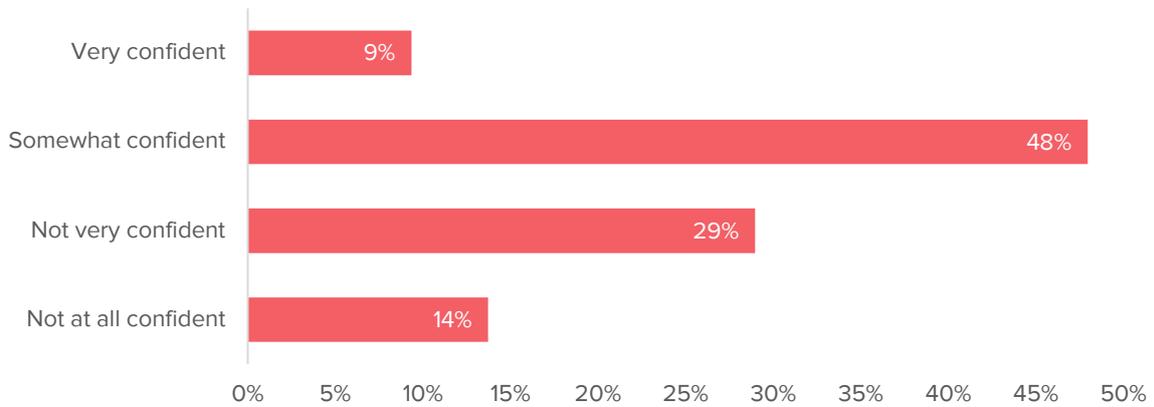
How confident are you that you will be able to fund your future care needs?



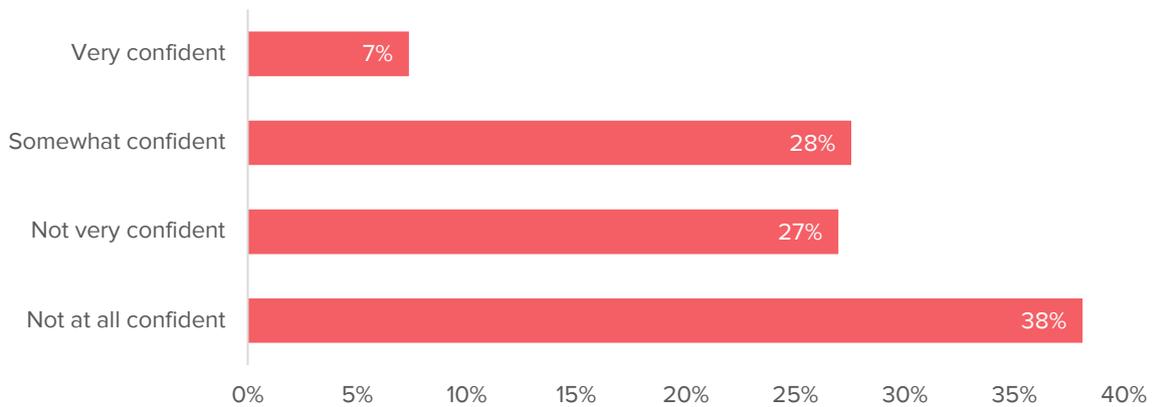
How confident are you that you will be able to fund your future care needs?

|                                  | 50-59 | 60-69 | 70-79 |
|----------------------------------|-------|-------|-------|
| <b>Confident (very/somewhat)</b> | 54%   | 63%   | 64%   |

How confident are you that the government will be able to help fund your future care needs?



How confident are you that your family will be able to help fund your future care needs?



# In-home care

## Three in four older Australians are likely to use household assistance services.

Nearly three quarters of Australians aged 50 and above (74%) say they are likely to use household assistance services in the future. Household assistance services may include gardening, housework, cleaning or laundry.

More than half (53%) are likely to use assistance with errands, such as driving or shopping, in the future. Three in ten older Australians (31%) are likely to use personal care services such as hygiene, showering and medication assistance in the future.

Older Australians are quite aware of in-home care services available in their area. Four in five are aware of household assistance (82%) and meal preparation/delivery (79%) services available in their area, with slightly less aware of

errands assistance (70%) and personal hygiene (67%) services available in their area.

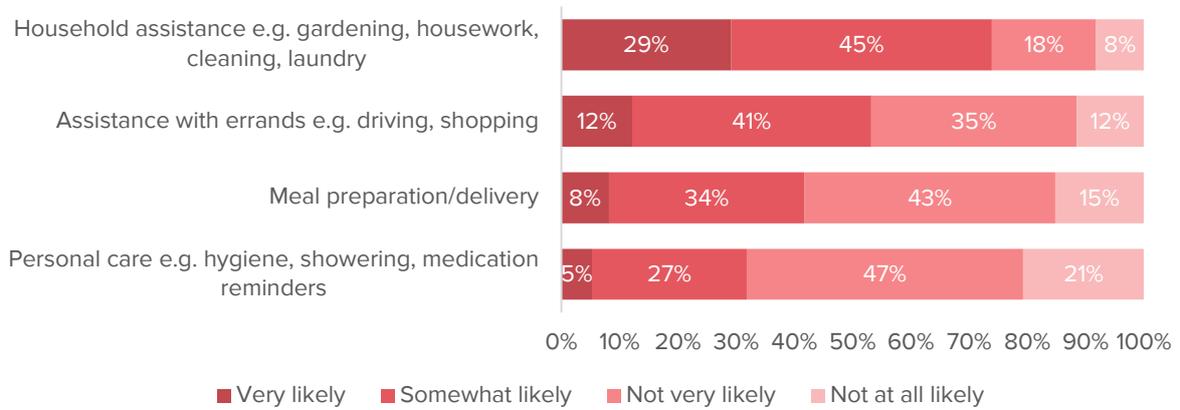
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**Females** are more likely than **males** to use household assistance (78% cf. 70%), assistance with errands (58% cf. 48%), and personal care (34% cf. 30%) in the future.

**Females** are also more likely than **males** to know the following services are available in their area: household assistance (84% cf. 79%); assistance with errands (74% cf. 65%); and personal care (72% cf. 61%).

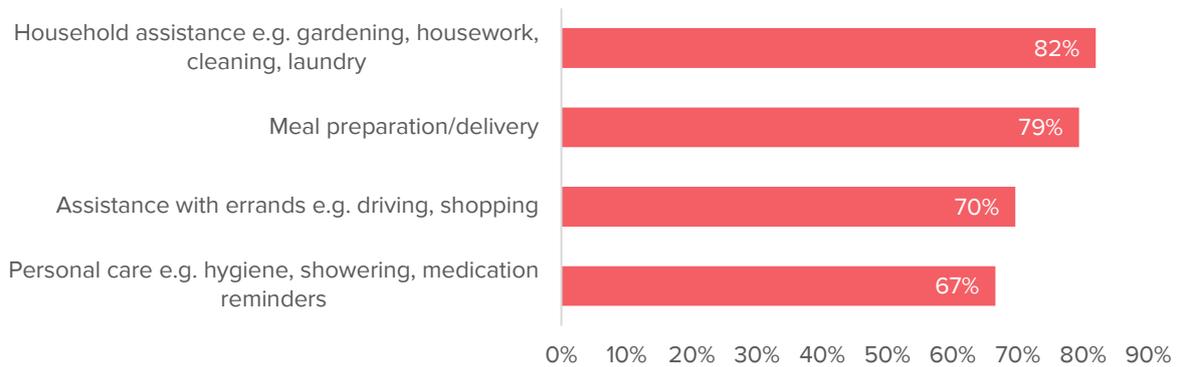
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### How likely are you to use the following in-home care options in the future?



### Which of the following in-home care services do you know are available in your area?

*Please select all that apply.*



## Older Australians are prepared to pay for in-home care services to remain at home longer.

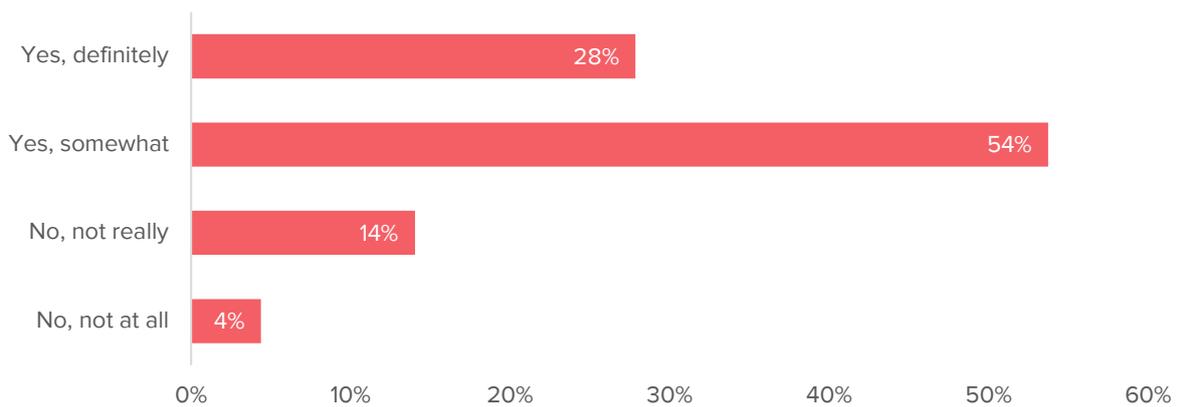
More than four in five older Australians (82%) are prepared to pay for in-home care services themselves to remain at home for longer. Only a small proportion (4%) are not at all prepared to do this.

One third of older Australians (33%) are unaware the government funds in-home care services to help people stay at home longer, and two in five (39%) are aware that government support is

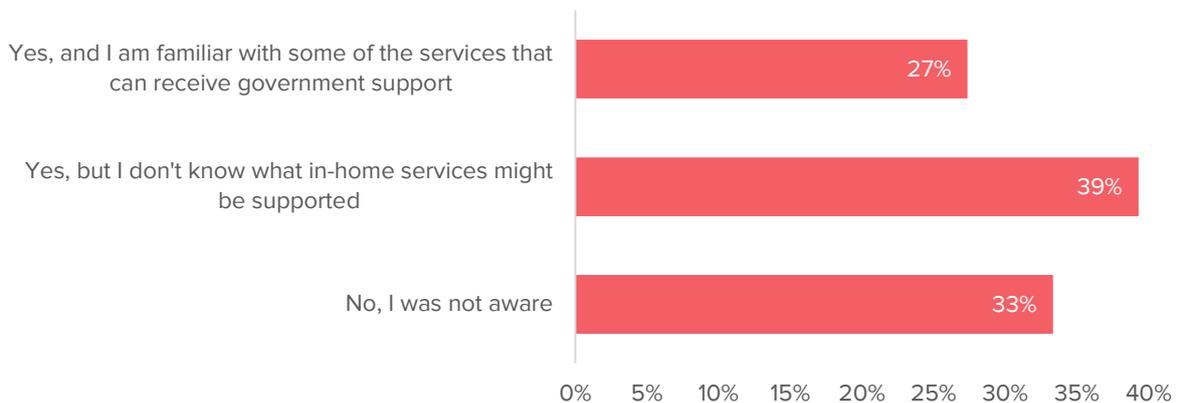
available but don't know what in-home services might be supported.

**Females** are more likely than **males** to be familiar with some of the in-home services that receive government support (33% cf. 22%).

### Would you be prepared to pay for in-home care services yourself to remain at home longer?



### Aware you aware that the Government funds in-home care services to help people stay at home longer?



## One in fifty older Australians have heard of Absolute Care and Health as an in-home care provider.

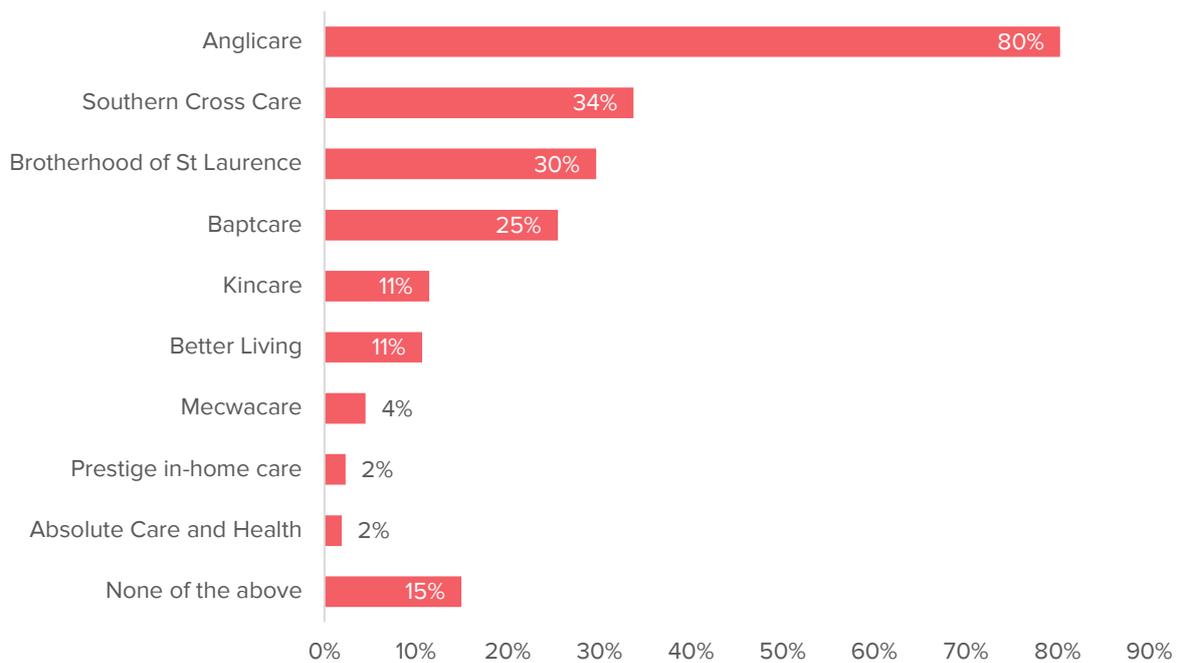
There is great opportunity for Absolute Care and Health to increase its brand awareness, with one in fifty older Australians having heard of Absolute Care & Health an in-home care provider (2%).

That almost one in six older Australians (15%) have not heard of any of the listed providers highlights the opportunity to grow brand

awareness and make ground on key competitors.

Anglicare is by far the most familiar in-home care provider for older Australians, with four in five (80%) having heard of Anglicare as an in-home care provider. Southern Cross Care (34%), Brotherhood of St Laurence (30%), and Baptcare (25%) were also familiar to many older Australians.

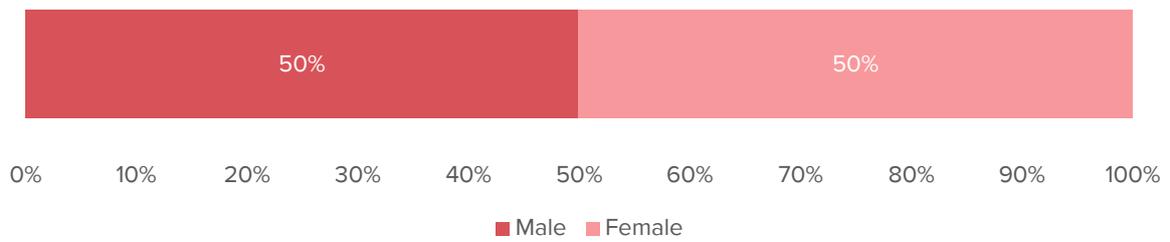
Which of the following in-home care providers have you heard of?



# Demographics

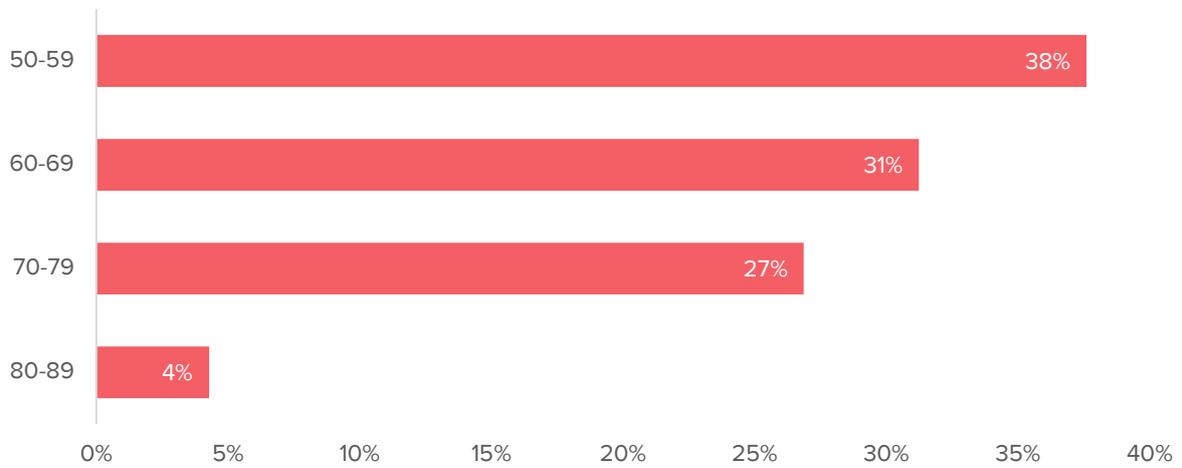
## Gender

Are you male or female?



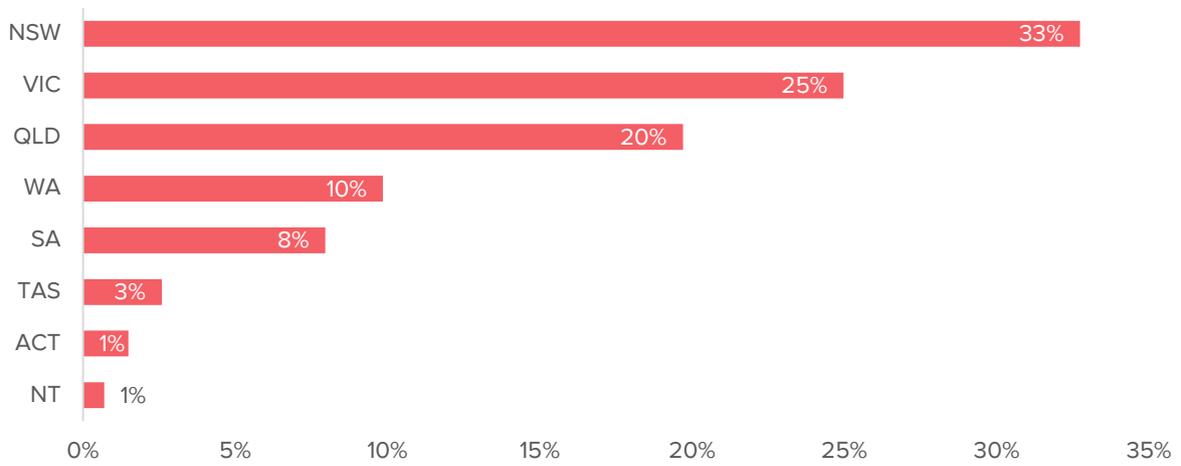
## Age

What age will you be in 2018?

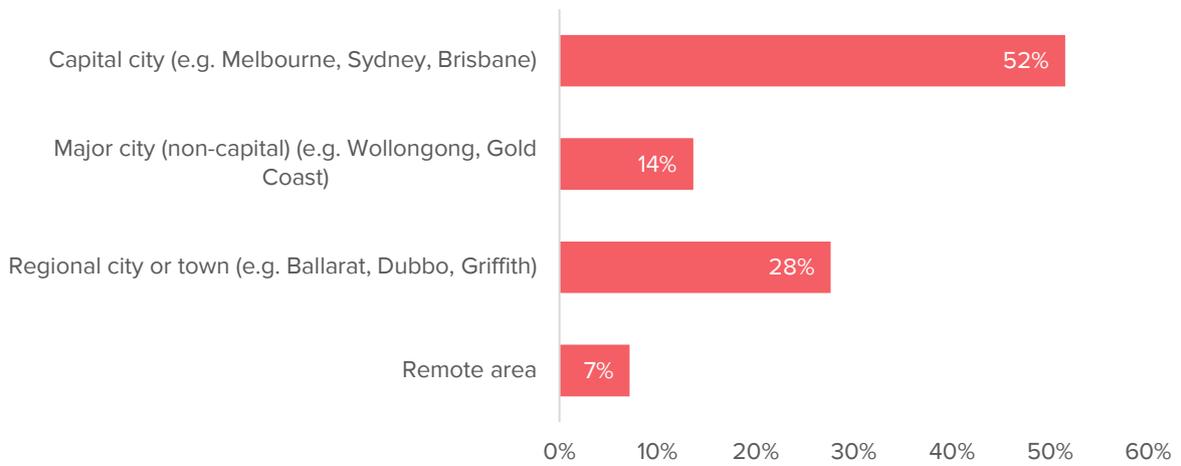


Location

Where do you usually live?

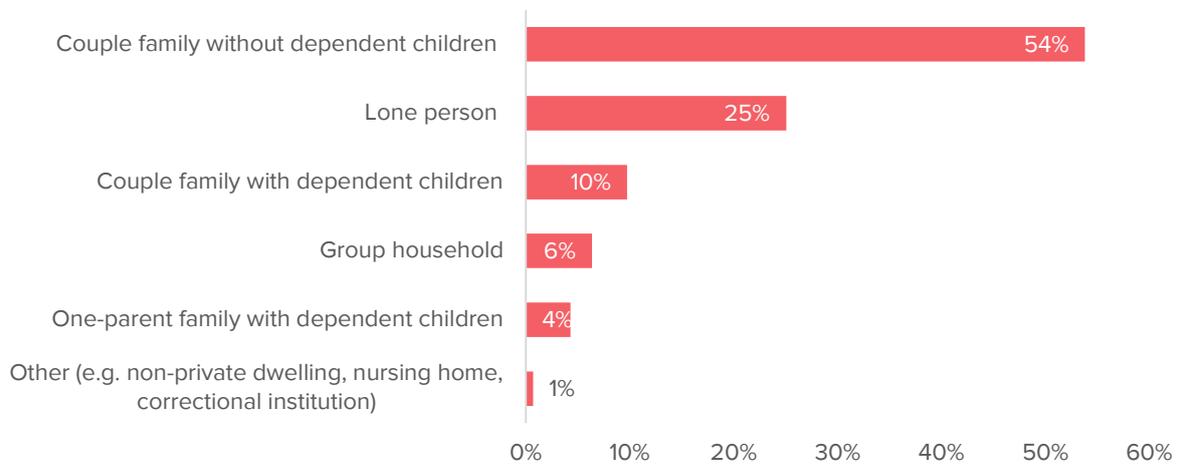


Which of the following best describes where you live?



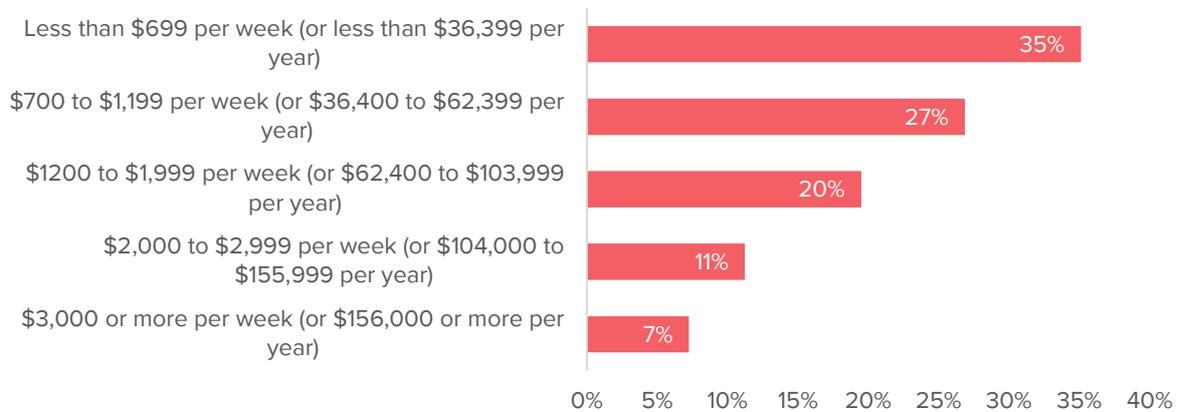
### Household composition

What type of household do you currently live in?



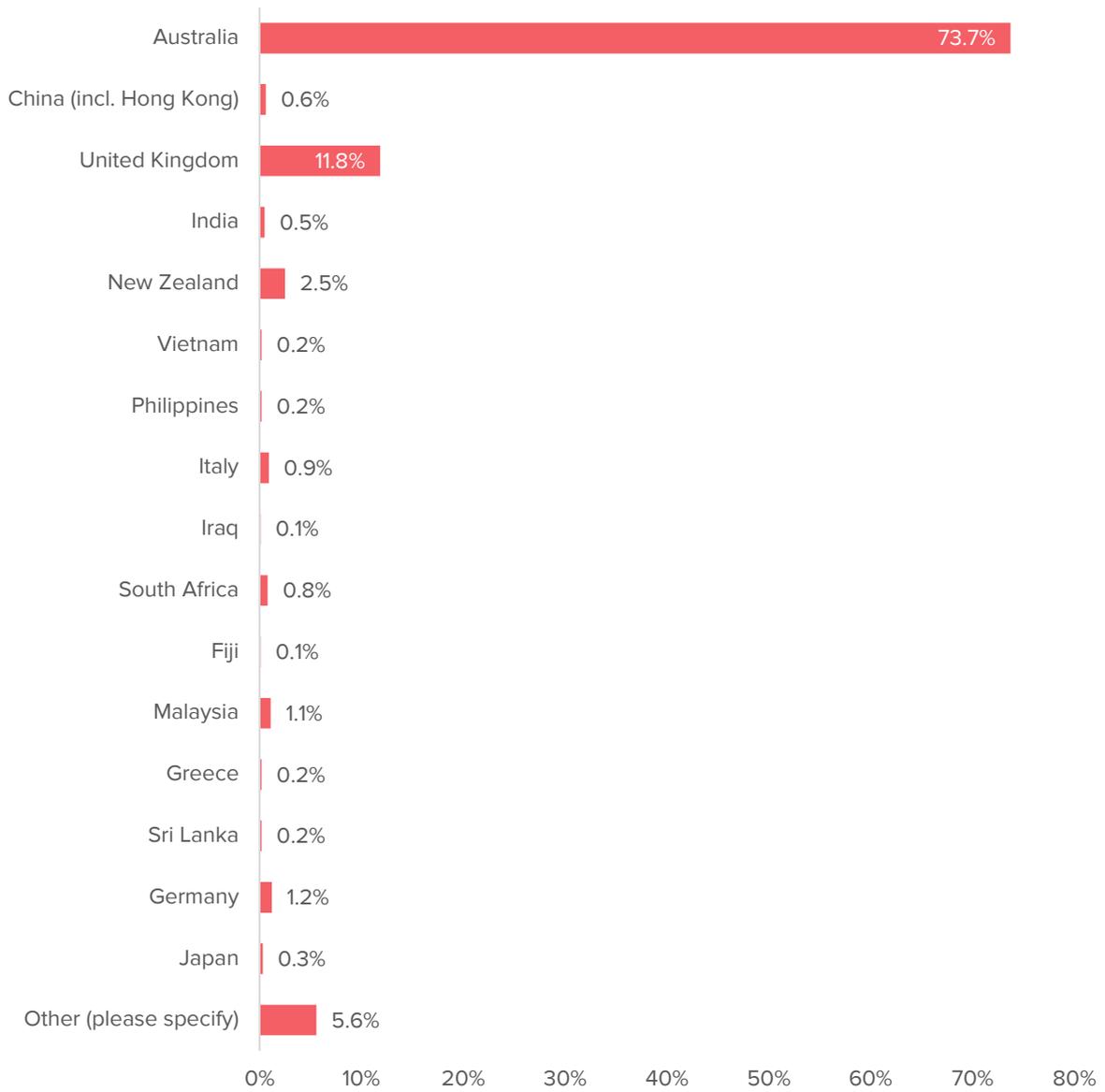
### Household income

Which of the following best represents your household's combined gross annual income?



Country of origin

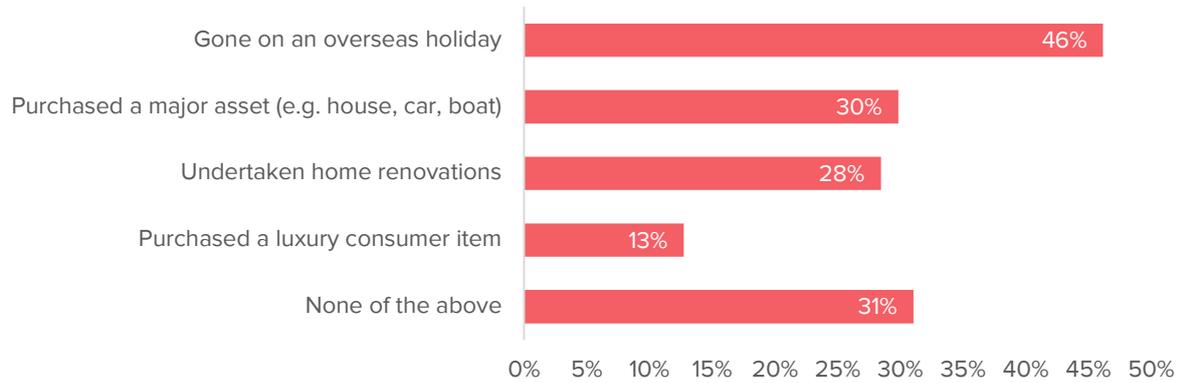
Which country were you born in?



## Older Australians' activities

Which of the following have you done in the last three years?

*Please select all that apply.*



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## For further information

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