

2022 NATIONAL CARER SURVEY

Carers and the cost of living

Briefing 1, February 2023

The rising cost of living is a concern for many Australians, especially those living on lower incomes. Research suggests that carers have been disproportionately affected because of their reduced incomes and increased living costs (Carers NSW 2022, NCOSS 2022). This briefing draws on findings from the 2022 National Carer Survey to explore carers' experiences of financial stress across Australia between 2020 to 2022.

The 2022 National Carer Survey was conducted from June to July 2022 and received a total of 6,825 valid responses from carers across Australia. A carer is any individual who provides care and support to a family member or friend who lives with a disability, mental illness, alcohol or drug dependency, chronic condition, terminal illness or who is frail due to age.

Caring and income

Because caring can place high demands on their time and attention, carers frequently reduce their working hours or withdraw from the workforce altogether. To accommodate their caring responsibilities, more than 1 in 3 respondents (37.3%) to the 2022 National Carer Survey who were balancing care with paid work had reduced their working hours, and just over 1 in 3 (34.6%) had left their job or stopped looking for paid work.



1 in 3

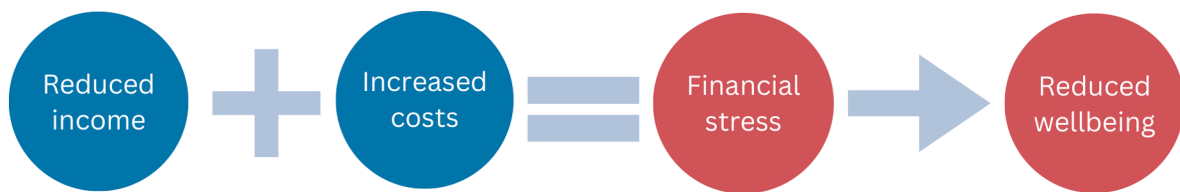
stopped work to care

Reduced engagement with paid work means that carers earn less on average than non-carers, and are more likely to depend on income support payments (ABS 2019). Lower incomes mean that carers can struggle to meet their basic needs, to save for emergencies and to accumulate superannuation to support their retirement (Carers NSW 2022, Furnival & Cullen 2022). Carers also appear to have been disproportionately affected by reduced income and job security in the past 12 months (NCOSS 2022).

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Caring and living costs

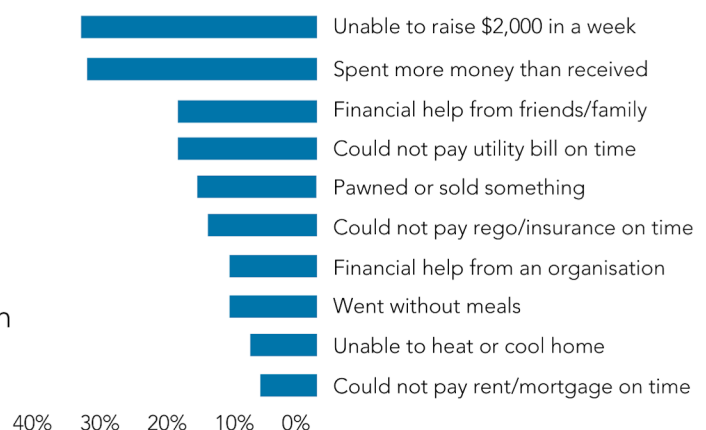
In addition to diminished income, many carers also have increased living costs. More than 3 in 4 respondents (77.8%) to the 2020 National Carer Survey* reported additional expenditure, mostly relating to medication (63.1%) and transport (49.9%) for the person they care for. Other relatively common costs included health services and equipment (33.0%), insurance (29.0%), support services (25.6%) and housing (21.4%). Just over one in five respondents (22.2%) did not incur any additional costs relating to their caring role.

Research indicates that price increases across these essential goods and services (ABS 2022) have disproportionately affected carers, with a recent report by the NSW Council of Social Service finding that carers were, for example, more likely than other disadvantaged groups to go without prescribed medication and be unable to afford essential travel (NCOSS 2022).

Caring and financial stress

The combination of reduced income and increased living costs results in high financial stress among carers, and in turn, reduced wellbeing. Financial stress means difficulty meeting basic financial needs and commitments, such as housing and food.

Most respondents (57.1%) to the 2022 National Carer Survey reported at least one form of financial stress. Approximately 1 in 3 (34.4%) had been unable to raise \$2,000 in a week for something important and a similar proportion (33.7%) had spent more money than they received in a month. In NCOSS' study (2022), carers were also more likely than other groups to go without meals or be unable to pay bills on time.



* This question was not repeated in 2022.

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Nearly 1 in 5 respondents (16.9%) reported being in financial distress, defined as four or more experiences of financial stress. Financial distress was higher overall for carers receiving income support payments. For example, 29.4% of respondents receiving Carer Payment reported financial distress compared to 8.4% of those who did not receive income support.

The impact of financial stress

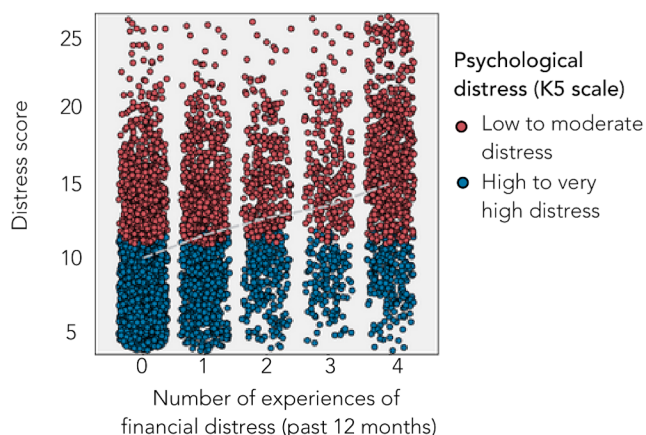
The financial stress experienced by carers is significantly associated with reduced overall wellbeing, reduced social connectedness, and increased psychological distress. Respondents to the 2022 National Carer Survey who reported financial distress scored 30 points lower on the Personal Wellbeing Index (38.1%) than carers who did not experience any financial stress (68.1%). For comparison, the average wellbeing of the Australian population is 75%.

Financial stress also affects carers' social connectedness. There are often costs associated with participating in social engagement, for example costs associated with transport or food and beverages. Therefore, the more carers experience financial stress, the less able they are to participate in social activities and the less socially connected they are. The majority (62.2%) of Survey respondents who reported financial distress were also highly socially isolated.

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General wellbeing and social connections are important protective factors against psychological distress. Carers reporting financial distress were therefore significantly more likely to experience high or very high psychological distress, which is associated with poor mental health outcomes such as anxiety and depression.

Conclusion

Due to their already precarious financial situation, increased costs of living are exacerbating the financial pressure on carers, resulting in poorer health and wellbeing. For carers, the rising costs of living for carers are not just a short term problem, but are likely to contribute to accumulated disadvantage in the longer term.

Financially stable and mentally well carers support safe and sustainable care in the community, reducing costs to the health and welfare systems. It is therefore critical that governments act to address the increasing costs of living overall, and in particular find ways to mitigate the immediate and longer term impacts on carers.

Summary

- The rising cost of living is a concern for many Australians, but research suggests that carers have been disproportionately affected
- A combination of reduced income and increased living costs makes carers particularly vulnerable to financial stress
- Financial stress adversely impacts carers' wellbeing, social connectedness and ultimately their mental health.
- Supporting carers to meet their elevated living costs should be a critical component of addressing the present cost of living crisis

Sources

ABS, 2019: Survey of Disability, Ageing and Carers. TableBuilder dataset. Australian Bureau of Statistics: Canberra.

ABS, 2022: Selected Living Cost Indexes, Australia. Australian Bureau of Statistics: Canberra. viewed 20 January 2023, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/latest-release>

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