The Economic Value of Unpaid Work Performed by Volunteers and Carers in South Australia

Report prepared for The Office of Disability, Ageing and Carers, SA Department for Families and Communities

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The Economic Value of Unpaid Work

• Why is it important?
  – it makes a significant contribution to the South Australian community AND economy
  – need to identify and quantify the scale of the contribution for government and policy makers so unpaid work can be supported
  – economic value needs to be communicated to the media and community
What is Unpaid Work?

- Volunteering
- Caring
- Childcare
- The literature focusses on the first 2 of these, probably because informal childcare is difficult to quantify
- Unpaid work has social and personal benefits to individuals, esp for older persons
- Also has economic value to wider community –
  – older people can and do contribute to the economy (popular myth that they are a drain on it)
The Economic Value of Volunteering and Caring by Older People in SA

• Lots of literature on valuing volunteering and caring for Australia, and sometimes by age
  – Different age groups used (15+, 18+, 55+, 65+)
  – No consistency

• No literature on both of these groups for SA by age (ie 65+).

• Therefore had to update existing literature for SA

• Followed methodology established in the literature
Volunteering

• Consists of 3 parts:
  – Formal volunteering
    • through an organisation
  – Informal volunteering
  – Travel to and from place volunteering is done

• Time Use Surveys show the relative balance of each

• No ABS data collected on informal volunteering
  – Extrapolated based on time use
Distribution of Volunteers' Time Over Formal and Informal Volunteering and Related Travel

Sources of Data

• Census
  – Had question on both volunteers and carers in 2006
    • Can cross tabulate by other demographic characteristics and for a range of selected geographic regions
    • Covers the whole population, not just a small sample
    • But wording of questions in Census not comparable with other ABS surveys of volunteers and carers
    • Also a significant undercount
Data (cont)

- 2006 Survey of Volunteers
  - Formal volunteers only
  - Data on number of informal volunteers and travel time based on ABS Time Use Surveys
  - Assumes that informal volunteers spend the same amount of time on volunteering that formal ones do
  - Number of hours spent annually collected in S of V
    - Available by age groups via custom request from ABS
  - Multiplied by hourly value from 2006 Average Weekly Earnings
Data (cont)

• 2006 ABS Survey of Volunteers
  – By age 65+ and 75+
  – By capital city and rest of state
  – Sample size for SA in 2006 was 1500
    • 450-500 of those were volunteers
    • Further breakdowns by age and location unreliable due to small numbers

• 2009 ABS Survey of Volunteers
  – Only preliminary data released so far
  – Data for SA available in June 2011
  – Number of hours not collected
Comparison of Census 2006 and Survey of Volunteers 2006, Australia

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Census &quot;000</th>
<th>Census %</th>
<th>SofV &quot;000</th>
<th>SofV %</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 years</td>
<td>268</td>
<td>10.1</td>
<td>574</td>
<td>11.0</td>
</tr>
<tr>
<td>25-34 years</td>
<td>371</td>
<td>14.0</td>
<td>859</td>
<td>16.4</td>
</tr>
<tr>
<td>35-44 years</td>
<td>614</td>
<td>23.1</td>
<td>1275</td>
<td>24.4</td>
</tr>
<tr>
<td>45-54 years</td>
<td>586</td>
<td>22.1</td>
<td>1102</td>
<td>21.1</td>
</tr>
<tr>
<td>55-64 years</td>
<td>452</td>
<td>17.0</td>
<td>726</td>
<td>13.9</td>
</tr>
<tr>
<td>65-74 years</td>
<td>285</td>
<td>10.8</td>
<td>454</td>
<td>8.7</td>
</tr>
<tr>
<td>75-84 years</td>
<td>132</td>
<td>5.0</td>
<td>205</td>
<td>3.9</td>
</tr>
<tr>
<td>85 years and over</td>
<td>17</td>
<td>0.6</td>
<td>31</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>2654</td>
<td>100</td>
<td>5227</td>
<td>100</td>
</tr>
</tbody>
</table>
Carers

• Primary carers
• Non primary carers
• Definitions of primary and non primary changed (improved) between 2003 and 2009
  ABS Surveys of Disability, Ageing and Carers (SDAC)
  – But can’t compare numbers or proportions in each category over time
  – This study groups all carers together
Carers (cont.)

• Midpoint of 2006 used, based on 2003 and 2009 data to enable grouping with 2006 volunteer data

• Data on number of hours only available for primary carers
  – We impute a value of 5 hours per week for non-primary carers (after Access Economics 2010)
## Comparison of Census 2006 and Survey of Disability, Ageing and Carers 2003 & 2009

<table>
<thead>
<tr>
<th></th>
<th>SDAC 2003</th>
<th>Census 2006</th>
<th>SDAC 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&quot;000</td>
<td>&quot;000</td>
<td>&quot;000</td>
</tr>
<tr>
<td>NSW</td>
<td>748</td>
<td>547</td>
<td>850</td>
</tr>
<tr>
<td>Vic</td>
<td>690</td>
<td>412</td>
<td>703</td>
</tr>
<tr>
<td>Qld</td>
<td>536</td>
<td>294</td>
<td>494</td>
</tr>
<tr>
<td><strong>SA</strong></td>
<td><strong>223</strong></td>
<td><strong>136</strong></td>
<td><strong>214</strong></td>
</tr>
<tr>
<td>WA</td>
<td>247</td>
<td>140</td>
<td>252</td>
</tr>
<tr>
<td>Tas</td>
<td>70</td>
<td>41</td>
<td>66</td>
</tr>
<tr>
<td>NT</td>
<td>-</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td><strong>ACT</strong></td>
<td><strong>34</strong></td>
<td><strong>26</strong></td>
<td><strong>35</strong></td>
</tr>
<tr>
<td>Australia</td>
<td>2,557</td>
<td>1,606</td>
<td>2,632</td>
</tr>
</tbody>
</table>
## Value of Unpaid Work by Age and in Relation to Gross State Product, South Australia, 2006

<table>
<thead>
<tr>
<th>Unpaid work</th>
<th>Persons aged 65+</th>
<th>Share of GSP</th>
<th>All unpaid workers aged 18+</th>
<th>Share of GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$millions</td>
<td>%</td>
<td>$millions</td>
<td>%</td>
</tr>
<tr>
<td>Volunteering</td>
<td>456</td>
<td>0.7</td>
<td>2,963</td>
<td>5.0</td>
</tr>
<tr>
<td>Caring</td>
<td>474</td>
<td>0.8</td>
<td>3,665</td>
<td>6.0</td>
</tr>
<tr>
<td>Total</td>
<td>930</td>
<td>1.5</td>
<td>6,629</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Total GSP in 2006 = $65,177 million*

*Source: 5220.0 Australian National Accounts: State Accounts, Table 5. Expenditure, Income and Industry Components of Gross State Product, South Australia, Chain volume measures and current prices, all sectors.
<table>
<thead>
<tr>
<th></th>
<th>Aged 65+</th>
<th>All Ages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers</td>
<td>15.4</td>
<td>100</td>
</tr>
<tr>
<td>Carers</td>
<td>12.9</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>14.0</td>
<td>100</td>
</tr>
</tbody>
</table>
Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Volunteering Rates by Age Group Up to 75+, South Australia 2006

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Median Annual Hours Spent Volunteering by State, 1995-2006

Source: ABS (2007:75) Survey of Volunteers Cat. No. 44441.0
Formal Volunteer Rates 1995-2006 by State, Australia

Source: ABS (2007:75)
Survey of Volunteers Cat. No. 44441.0
Formal Volunteer Rates by Sex, 1995-2006, South Australia

Source: ABS (2007:75)
Survey of Volunteers Cat. No. 44441.0
Number of Annual Hours Spent Volunteering by Age Group, South Australia, 2006

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Millions of hours

Age Group

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Annual Number of Hours by Age Group, Non-Metro SA, 2006

Estimate has a relative standard error of 25% to 50% and should be used with caution.

Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Formal Volunteering Rates by Age Group and Location, South Australia 2006

* Estimate has a relative standard error of 25% to 50% and should be used with caution

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Formal Volunteering Rates by Age Group Up to 75+ and by Location, South Australia 2006

* Estimate has a relative standard error of 25% to 50% and should be used with caution

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Total Annual Hours by Age Group, South Australia, 2006

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Millions of hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>*</td>
</tr>
<tr>
<td>25-34</td>
<td>4.1</td>
</tr>
<tr>
<td>35-44</td>
<td>7.1</td>
</tr>
<tr>
<td>45-54</td>
<td>10.2</td>
</tr>
<tr>
<td>55-64</td>
<td>11.9</td>
</tr>
<tr>
<td>65 and over</td>
<td>9.7</td>
</tr>
</tbody>
</table>

* Estimate has a relative standard error of 25% to 50% and should be used with caution

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Total Annual Hours by Age Group and Location, South Australia, 2006

* Estimate has a relative standard error of 25% to 50% and should be used with caution

Source: ABS 2006 Survey of Volunteers, unpublished data, Cat. No. 4441
Value of Unpaid Carers by Type of Carer and Age, South Australia, 2009

- Primary carers
- Non-primary carers

Age Group

65+  All ages

$'000s

- **65+**
- **All carers**

**Year**
- 2003
- 2006
- 2009

**Millions of dollars**
- 2003: 3000
- 2006: 3500
- 2009: 4500

Number of Older Carers, 2003-2009, South Australia

*2006 data extrapolated from midpoint of 2003 and 2009 SDAC surveys

Source: ABS 2003 and 2009 Survey of Disability, Ageing and Carers Cat. No. 4430
Other recent work in SA

• Harrison Research (2010) report for Office of Volunteers
  – Overstates level of formal volunteering at 51% in 2006, compared with 32% using Survey of Volunteer data for SA in 2006
  – Different data collection method
    • Easier to refuse
    – Biased toward including volunteers in survey
• No economic value calculated
Concluding remarks

• Conservative ballpark estimates
  – Values depend on method used (opportunity cost vs replacement cost) and inclusion of indirect benefits and losses

• Older volunteers and carers make a small but significant contribution to GSP
  – Potential to encourage more older persons to volunteer
  – Need to support older persons in caring roles