THE HIDDEN COST OF CARE: LABOUR FORCE OUTCOMES OF CANADA'S INFORMAL CAREGIVERS

by

Heather Lynch
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APPROVAL

Name: Heather Lynch
Degree: M.P.P.
Title of Capstone: The Hidden Cost of Care: Labour Force Outcomes of Canada’s Informal Caregivers

Examiner Committee:

Chair: Nancy Olewiler
Director, Public Policy Program, SFU

Kennedy Stewart
Senior Supervisor
Associate Professor, Public Policy Program, SFU

Jon Kesselman
Supervisor
Professor, Public Policy Program, SFU

Dominique M. Gross
Internal Examiner
Professor, Public Policy Program, SFU

Date Defended/Approved: May 20, 2009
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Abstract

This study uses the 20th cycle of Statistics Canada's General Social Survey to explain why some recent, working elder-caregivers modify participation in paid labour, using findings to propose and evaluate policy options designed to keep elder-caregivers as engaged as possible in the labour force. Regression analysis of 18 variables reveals (1) intense elder-caregiving activity, (2) added elder-caregiving expenses, and (3) not having access to flexible workplace arrangements corresponds to reduced work hours. Four proposed policy options proposed to counter work-hour reduction are evaluated according to five criteria including: effectiveness, equity, cost to government, stakeholder acceptability and administrative complexity. Options include the status quo, a non-refundable tax credit for employers permitting working elder-caregivers to telecommute or work a condensed workweek; expanding the Compassionate Care Benefit criteria; and, expanding the current Caregiver Tax Credit criteria. Policy analysis suggests the Federal government offer a non-refundable tax credit to employers permitting working elder-caregivers to telecommute or work a condensed workweek and expand the Compassionate Care Benefit eligibility criteria.

Executive Summary

An aging population is fuelling demand for eldercare, the overwhelming majority of which is provided by family members. Some studies show that in the next 30 years the population aged 75+ will increase by 150 per cent. This increased demand is putting pressure on recent, working elder-caregivers and in order to accommodate increasing eldercare responsibilities, they are reducing participation in paid labour. While elder-caregivers modify engagement in the labour force in a number of ways, this study focuses on work hour reduction by working Canadians who began eldercare within the last year, a modification that reduces income. Income reduction is of particular salience in this context, as more than half of all elder-caregivers see their expenses go up at the onset of eldercare.

This study investigates why some and not other recent, working elder-caregivers reduce hours of work, in order to propose policy options designed to facilitate high levels of labour force engagement by these same elder-caregivers. Using the 20th cycle of Statistics Canada’s General Social Survey, the study sample includes respondents who indicate their main activity during the past 12 months as working full-time at a job or business, as a paid worker, and who started to provide care to an adult relative within the last 12 months, for a period lasting 12 weeks or longer. The sample is weighted to represent the entire Canadian population.

Descriptive statistics and binary logistic regression tests are employed to analyze survey data, which generate the following findings:

- Approximately 20 per cent, or 140,550 recent, working elder-caregivers reduced hours of work within a 12-month period.
• Women are 37 per cent more likely than men to reduce hours of work. Married, working-elder-caregivers living in intact families with children are also substantially more likely to reduce work hours.

• The combination of care intensity and expense increases incurred by eldercare has a profound effect on labour force participation: an elder-caregiver who helps a relative every day and whose expenses increase is 83 per cent more likely to reduce working hours than all other working elder-caregivers.

• Working elder-caregivers whose care recipient relocated to be closer to them are 16.4 per cent more likely to reduce work hours than a working elder-caregiver whose care recipient did not relocate.

• Measures of workplace flexibility help working elder-caregivers stay employed: elder-caregivers who cannot determine the start or end time of their workday and who cannot take short-term leave are more inclined to reduce hours of work than caregivers who do have access to these provisions.

The binary logistic regression results, key informant interviews and the literature inform the proposal of four policy options designed to address the policy problem of keeping working elder-caregivers fully engaged in the labour force: the status quo, the introduction of a non-refundable tax credit for employers permitting workers elder-caregivers to telecommute or work a condensed workweek; expanding the Compassionate Care Benefit criteria; and, expanding the current Caregiver Tax Credit criteria. These policy alternatives are evaluated according to five criteria including effectiveness, cost, equity, stakeholder acceptability and administrative feasibility. The study concludes by recommending the Federal Government introduce a non-refundable tax credit for employers who permit employees with elder-caregiving responsibilities to telecommute or work a condensed workweek, and expanding eligibility criteria for the Compassionate Care Benefit by removing the end-of-life-care stipulation. Policy analysis determines these two alternatives offer the greatest possibility of assisting Canada’s working
elder-caregivers as they seek to balance work and caregiving responsibility, by providing the kind of flexibility this study determines to be critical to labour force participation, while protecting income.
Dedication

To Granny...who taught me that everything begins, and ends, with caring.
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Glossary

ADL Activities of Daily Living
AJCTC Apprenticeship Job Creation Tax Credit
CCB Compassionate Care Benefit
CFIB Canadian Federation of Independent Business
CRA Canada Revenue Agency
EI Employment Insurance
GSS General Social Survey
HE Horizontal Equity
HRSDC Human Resources and Social Development Canada
SME Small-Medium Enterprise
SPSS Statistical Package for the Social Sciences
SRA Strategic Review Assessment
TBS Treasury Board Secretariat
VE Vertical Equity
1 Introduction and Policy Problem

"There are only four kinds of people in this world: those who have been caregivers, those who are currently caregivers, those who will be caregivers, and those who will need caregivers" (Rosalyn Carter).

By the year 2020, one in every five Canadians will be 65 years of age or older, with the over-85 category growing faster than any other population demographic. Some analysts project that within the next 30 years the population aged 75+ will increase by 150 per cent (Legare et al, 2008). These trends are exponentially driving eldercare demand, the overwhelming majority of which is provided by family members.¹ The data show approximately 2.7 million Canadians provided unpaid care to a person over the age of 65 with a long-term illness or disability in 2007, marking a distinct increase of 670,000 people providing eldercare from 2002 (Cranswick and Dosman, 2008). Policy experts predict eldercare may soon surpass childcare as the most pressing social issue in Canada (OCSA, 2001). The overarching question propelling this public policy issue to higher prioritization is can Canada spare the human capital to supply this growing demand in elder-caregiving?

Elder-caregiver availability constitutes a critical component of Canada’s health care system, as informal care provided by spouses and/or adult children delays reliance on nursing home care while reducing formal, paid home care (Shaw, 2006). Evidence from Statistics Canada’s 1996 General Social Survey confirms the hours worked by unpaid elder-caregivers equalled approximately 300,000 full-time jobs (Government of Canada Depository Service Programs, 2002). While some estimates suggest unpaid, informal caregiving saves Canadian

¹ The term ‘caregiver’ used throughout this study refers to those providing care to a family member 65 years of age or over, on an informal and voluntary basis.
taxpayers $5 billion every year, I argue, through comprehensive quantitative and qualitative analysis, that reliance on informal care reveals greater costs than those assessed at first monetary glance. These costs have critical, lasting social and economic implications for Canada in the immediate years to come (Lero and Joseph, 2007).

Where there are a number of issues connected with eldercare, the policy options pursued in this study stem from a discernable tension between increased demands for informal eldercare and the direct impacts to the paid labour force participation rate in Canada. This study begins with the contention that too many caregivers are reducing their paid work hours. Elder-caregivers often modify participation in paid work to accommodate caregiving responsibilities, which decreases current and future income, compromises pension plan contributions and benefit access, while jeopardizing overall income security. Elder-caregiving is an expensive undertaking. Over a five to seven-year period, the average out-of-pocket expenses incurred were $30,630 per caregiver in 1999. During the same timeframe, these same caregivers reduced their savings by an average $39,267 and retirement savings by an additional $5,664 (Fast and Keating, 2001). Because middle-aged elder-caregivers who are at the peak of their earning potential provide the majority of eldercare, the impact of reducing participation in the labour force is particularly salient. A recent US study reported the average loss per elder-caregiver was $566,443, with annual pension benefits plummeting by US$5,339 annually, resulting in a US $67,202 reduction in pension wealth on average over retirement years (Brink, 2004).

If we turn our attention to issues of public policy and effectiveness, the conflict between paid work and unpaid eldercare is placing undue stress on those providing care, thus reducing

---

2 "Income security is about the level of income (absolute and relative to needs), assurance of receipt, expectation of income adequacy now and improvement or deterioration in the future, both during a person’s working life and in old age or disability retirement. Income security is about actual, perceived and expected income" (ILO, 2006).
overall workforce productivity\(^3\). Considered in light of current and projected occupational shortages, particularly in high-skilled sectors and the already overburdened and understaffed health care sector, this loss of labour is of great concern for Federal and Provincial governments as they seek to recruit and maintain an educated and skilled workforce.

Labour shortages will be felt not only in red-hot economic sectors, where new jobs will be created. Shortage pressures will also be felt in areas where existing jobs will be vacated by retiring workers. In fact, replacing retiring workers will be a more important driver of labour demand in the decade ahead that economic growth, accounting for over two of every three job openings on average (HRSDC, 2007).

### 1.1 Summary

The trend for working elder-caregivers to scale back participation in paid work to better accommodate eldercare demands is of concern to policymakers because it compromises individual income security while impeding labour force productivity. This study’s starting point is too many elder-caregivers reduce the amount of time they spend at work and seeks to propose policy options to counter this work-hour reduction. To do so, the study examines data from 20\(^6\) Cycle of the General Social Survey (GSS). The study sample comprises respondents whose main activity in the past 12 months was working at a paid job or business as a paid employee and who started to provide help to an adult relative within the last 12 months for a period of 12 weeks or longer. Using binary logistic regression tests, the study examines why some recent, working elder-caregivers did or did not reduce their work hours.\(^4\)

\(^3\) A recent US study estimates the cost of work hour reduction to business for every full-time employee providing eldercare is $23,060 (WFC Resources, 2006).

\(^4\) While the survey questionnaire used for the GSS does not explicitly emphasize eldercare, the term ‘adult relative’ is considered representative of eldercare. Data from the 2002 GSS confirms fewer than one in 10 caregivers were caring for a spouse. Previous cycles of the GSS reported the majority of caregivers look after an elderly parent or parents. Therefore, this work will be discussed in terms of eldercare, where the term ‘adult relative’ is considered representative of an elderly relative.
Section 2 examines the policy problem within a broader context of elder-caregiving costs to the individual, the state and the employer. Section 3 uses the work of other scholars investigating how elder-caregivers modify workforce participation to generate 18 independent variables tested in the binary logistic regression. Section 4 includes dataset descriptive statistics and Section 5 details the binary logistic regression test results. The study continues by providing policy recommendations to reduce the number of caregivers scaling back their hours of work, evaluated according to effectiveness, cost, equity, stakeholder acceptability and administrative feasibility. The final section offers a discussion of tradeoffs between criteria used to evaluate the policy alternatives, recommendations on what policy options should be adopted, and limitations of the study.
2: Background: Facts, Definitions and Issues

This section offers a discussion on costs associated with elder-caregiving to the state and to the employer. These costs are evaluated with reference to the productivity, employer and elder-caregiver costs of work hour reduction in order to conceptualise the policy problem.

2.1 What does eldercare cost?

Extensive research in Canada and the US provides estimates of the cost of eldercare provision. When considering the unpaid labour provided by elder-caregivers in isolation, the Canadian contribution rests at approximately $6 billion per year and translates to the equivalent of close to 300,000 jobs. However, if an elder-caregiver were to renounce caregiving responsibility, culminating in the institutionalization of the care recipient, the cost is enormous - between $145-$400 per patient, per day (Northcutt, 2009), or between $52,925-$146,000 per patient, per year. The working elder-caregivers in the sample considered in this study provide the equivalent work of approximately $300 million in institutionalization costs alone.

However, elder-caregivers do not cease to provide high levels of care once their care recipient relocates to a long-term care facility or hospital. In the instances where institutionalization is necessary and home care is not a viable alternative, additional caring responsibilities attached to the patient’s stay in a care facility translate to a welfare loss three times the direct cost of the nursing home itself (Kniesner et al, 1999).

When care recipients with Alzheimer’s are considered (one in three Canadians over the age of 85 has Alzheimer's or a related disease), the annual societal cost per patient was $36,794 for severe disease, and $25,724 for moderate disease, as measured by use of nursing home care, use of medications, use of community support services by caregivers and unpaid caregiver time.
When the patient is institutionalized, this accounts for 84% of the cost (Hux et al, 1998).
Interestingly, recent research confirms only one in every 30 Canadians aged 65+ lives in a
residential care facility (CBC, 2007), emphasizing the amount of eldercare provided by family
members. This voluntary care implies substantial savings in terms of circumvented
institutionalization.

On average, a care recipient receives informal care services amounting to $21,000 per
year (Brink, 2004). According to this estimate and within the context of the study sample,
Canada’s most recent working elder-caregivers provided $15 billion worth of eldercare in 2006.

2.2 What does elder-caregiving cost the employer?

The modifications elder-caregivers make to their participation in the labour force are
expensive for Canadian businesses. Not considering elder-caregivers who exit the labour force
altogether, absenteeism due to conflict between work and family responsibilities costs employers
approximately $2.7 billion every year, in lost time alone. Statistics Canada estimates stress­
related disorders due to overwork cost Canadian businesses $12 billion a year (Brink, 2004).

In the United States, costs to employers from elder-caregivers’ partial absences from
work cost approximately $500 million per year. Workday interruptions cost nearly $4 billion per
year, and costs attached to employees contending with eldercare crises cost employers more than
$1 billion each year (Brink, 2004).

When US employers are required to replace employees who quit their jobs because of
elder-caregiving requirements, the cost is nearly $5 billion each year (Brink, 2004). Supervisors
of working elder-caregivers spend approximately 55.7 million hours of company time providing
emotional support, arranging coverage for absent or late workers, counselling and managing work
disruptions for employed elder-caregivers, at a cost of more than $800 million annually (Metlife,
In aggregate, the total estimated cost to US employers for all full-time employed caregivers is $33.6 billion per year (Metlife, 2006).

2.3 **What does work hour reduction cost the elder-caregiver?**

Broadly, work hour reduction has a depressing effect on wages for elder-caregivers who continue to balance work and eldercare responsibilities. Caregivers have shown to be at a severe disadvantage in the labour market due to high absenteeism rates, difficulty in participating in additional training sessions and the tendency to be engaged in less demanding employment in order to accommodate eldercare responsibilities (Fuchs, 1990). When elder-caregivers providing high levels of care are considered (more than 20 hours of care per week), these caregivers lose approximately 17% of their income (Fuchs, 1990).

Conservative estimates suggest Canadian elder-caregivers spend $80 million annually on elder-caregiving (Canadian Caregiver Coalition, 2009). To accommodate these increased expenses, elder-caregivers use retirement savings, scale back contributions to retirement savings plans, and cut back spending on their own health and dental care. Some elder-caregivers even sell their own homes or declare bankruptcy in order to pay for elder-caregiving (Anderssen, 2009). A 2007 Ipsos Reid poll reported 25 per cent of people between the ages of 45-60 said elder-caregiving affected their retirements, with one in ten saying the timing of retirement changed, 8 per cent increasing their personal debt and six per cent reducing contributions to RRSPs (Anderssen, 2009). Research also shows elder-caregivers drastically underestimate the amount of time they will be caring for an elderly relative. Some of these caregivers modify their participation in paid labour under the assumption they will be providing eldercare for a short period and will then be able to return to a full working schedule, only to have eldercare continue for up to ten years (Anderssen, 2009). The Ipsos Reid poll further showed only one in four elder-caregivers who pay for caregiving with their own money budgeted for caring for elderly relatives.
Work hour reduction by elder-caregivers impacts access to benefits and social programs as well. A recent survey confirmed only 42 per cent of Canadian employers provide life, accidental death and dismemberment insurance to employees who do not work full-time hours, while only one third provides short and long-term disability coverage to employees not working full-time hours. A total of 10 per cent of employers of employees who do not maintain full-time hours are required to pay a higher percentage of their benefit plans (Benefits Canada, 2009).

2.4 What happens when working elder-caregivers don’t reduce their hours of work?

There is very little evidence to suggest working elder-caregivers will not reduce their hours of work when faced with eldercare responsibilities. Research consistently shows that employment status will not affect the decision to provide eldercare, or how much care will be provided, but that eldercare provision repeatedly dictates labour force response to increased caregiving responsibilities (Pavalko and Artis, 1997).

However, if working elder-caregivers were to tailor caregiving activity in response to employment responsibilities, thereby reducing the amount of time they spend providing eldercare, community and provincial health services would be used to accommodate unmet eldercare needs. The costs are substantial. Based on January 2009 prices, assisted community living services cost between $3,800 and $5,000 per person, per month. Services provided by a senior home care agency cost approximately $19 per hour, and the most common daily rate is $225 per day (Metlife, 2004). For help with less intense caregiving activity, for example, hiring a home health aide to assist with bathing activities, the cost is $19 per hour, and three-hour minimums typically apply. If help for this particular activity is sought three times per week, this totals $171 per week, or close to $9,000 a year (AARP, 2009).
2.5 Other options: part-time work, jobsharing

Part-time work or jobsharing solutions are suggested as ways of helping elder-caregivers balance competing work and eldercare responsibilities. These solutions are problematic on a number of levels, and imply a number of individual, employer and societal economic costs.

Statistics Canada defines part-time work as working less than 30 hours per week at a main or sole job, representing at minimum a ten-hour differential between full and part-time work status, where full-time employees work a 40-hour workweek. Job sharing refers to a voluntary, employee-initiated arrangement where employees (typically two) share one single position on an ongoing basis. (Job sharing is different from work sharing, which refers to an arrangement that requires workers to accept reduced working hours in order to avoid layoffs).

Job sharing offers several advantages: it introduces a wider range of skills and experience to the workplace, in addition to ensuring a certain degree of continuity in tasks performed. However, a study by Statistics Canada on job sharing highlighted a number of disadvantages associated with this arrangement, including difficulty in advancing in the labour force, less training opportunities, lack of some benefits, difficulty in trying to change jobs, and the extension of work time into time off. Job sharing also necessitates increased administrative procedures on behalf of the employer (Marshall, 1997).

Criticisms of part-time work are similar. While research suggests part-time work arrangements offer the “best of both worlds” by allowing for the opportunity to pursue work interests while accommodating familial obligations, part-time work is characterized by lower pay, routine tasks and limited advancement opportunities (Higgins et al, 2000). In a discussion paper on labour standards, HRSDC reports approximately 12% of the Federal workforce is comprised of part-time workers, and that a substantial number of workers with low pay, few benefits and poor job security are also part-time workers (HRSDC, 2006).
Costs of reducing hours from full to part-time work are additionally borne by employers. A study on productivity losses implied by caregiving reports the cost to a small business of an elder-caregiving employee switching from full to part-time work is $3,640 per employee, and $2,306 per employee of a large business (Metlife, 2006). If all working elder-caregivers who started to provide care within the last year moved from full to part-time work, this would cost Canadian businesses between and $1.7-$3 billion in one year alone.

Jobsharing is also an expensive arrangement for businesses: a firm typically devotes 153 hours to training a new worker during the first three months of employment (Ehrenberg, 2003). Training two individuals to perform the tasks of one job doubles this amount. Jobsharing and part-time work arrangements are additionally expensive for governments, as legally required payments, such as Employment Insurance and Canadian Pension Plan contributions are to be provided for each employee, regardless of hours worked. Hiring and training costs are quasi-fixed, meaning they are associated with each new employee, and not with the hours the individual works, and benefit costs are also quasi-fixed, meaning life and medical insurance policies are paid on a per worker basis, and are not reflective of number of hours worked (Ehrenberg, 2003).

2.5 Other studies

A recent US study looking specifically at work hour reduction of caregivers for frail elders finds 22 per cent of working caregivers reduce their working hours to better manage care responsibilities (Covinsky et al, 2001). The study finds ethnicity, co-residency of elder-caregiver and patient, patients with ADL function below the median, and being a daughter of the care recipient all share a significant relationship with work hour reduction (Covinsky et al, 2001).

A joint study by MetLife and the National Alliance for Caregiving confirms seven million working people in the US are also performing eldercare, which costs the average employer $2,220 every year for each full-time employed caregiver. The average age of caregivers
is 47, with women undertaking the majority of care, but men are assuming increasing
responsibility, at 40 per cent. Interestingly, roughly 15 per cent of elder-caregivers care for an
elderly person living more than one hour away. This study differentiates care intensity on the
basis of nature of caregiving activity as well as time spent providing it. Using a scale of one to
five, the authors note high intensity eldercare involves the provision of 12-87 hours of care per
week and includes a variety of activities from bringing an elderly person to a doctor’s
appointment, to assisting with ADLs. The cost borne by high intensity elder-caregiving is
approximately $300 more per month and includes costs associated with absences from work,
turnover and replacement, workday interruptions and reducing hours of work from full-time to
part time (National Alliance on Caregiving, 2009).

A study using data from the European Community Household Panel on the association
between changes in elder-caregiving and changes in weekly work hours for women aged 45-59;
found the onset of informal elder-caregiving shares a significant relationship with a change in
weekly work hours by women. Further, a change in care intensity also prompts a shift in work
hours, with an increase in weekly care hours acting as a restraint on extension of paid working
hours. The authors emphasize that moving from one level of care intensity to a higher one leads
to a greater reduction in working hours than does the onset of care (Speiss and Schneider, 2007).

Another study on competing work and eldercare demands found being a primary
caregiver for a disabled elder, and assisting someone with greater care needs render a working
elder-caregiver more likely to take unpaid leave, to reduce work hours, or to rearrange work
schedules to accommodate caregiving. Being white, female and in fair-to-poor health also share a
significant relationship with employment reduction and render an employed caregiver more likely
to modify participation in paid labour (Stone and Short, 1990).
2.6 When and why work hour reduction by elder-caregivers is a problem

The Canadian elder-caregiving context presents a significant challenge: the continued provision of informal eldercare is critical. A policy paper completed by researchers at Dalhousie University summarizes, “it must be recognized that the costs of nursing home care are substantial and provincial health care systems are unable to handle increased costs. There is a shortage of funds for the current levels of publicly-funded health care” (Stadnyk, 2002), meaning the transfer of eldercare to Federal and Provincial governments is a financially unfeasible alternative, costing tens of billions of dollars per year.

Equally vital is the preservation of income security of the individual working elder-caregiver, and the health and robustness of the labour force. As Himmelweit and Land noted, policies that rely on informal, unpaid care are “certainly not without cost, even from the point of view of governments, when that informal care comes at the expense of employment” (Himmelweit and Land, 2007).

Tension between these objectives, ensuring eldercare continues to be provided by the family, while protecting income security and the strength of the labour force implies substantial individual and societal costs. Elder-caregivers are often referenced in the literature as the ‘hidden patient’ and as the OECD succinctly summarizes, “the absence of policies or institutional support for the caregivers of older or chronically ill relatives, may have the effect of draining this very resource” (OECD, 2009).

It cannot be disputed the eldercare provided by family members is of tremendous economic and social value, translating to more than CAN $10 billion each year. However, the productivity losses and crippled income security prompted by the provision of this care cost just as much, if not more than is saved by relying on informal elder-caregivers, with work absences and stress-related illnesses created by improper work-life balance alone totalling more than CAN
$12 million each year and stress-related mental health problems costing CAN $33 billion in lost productivity every year (Bickford, 2005).
3: Study Methodology, Data Source, Sample

This study uses binary logistic regression analysis to understand why some and not other working elder-caregivers who started to provide eldercare within the last year, reduce their hours of paid work. This section provides a brief description of the methodology, as well as the data source and study sample used. An explanation of the dependent variable - work hour reduction by Canada's most recent working elder-caregivers - is provided and followed by descriptions of the demographic and main independent variables considered in this work.

3.1 Methodology: Binary Logistic Regression

Logistic regression is a method of statistical analysis that provides estimates of the effect of exogenous factors on the dependent variable in order to explain, in this instance, how much more likely a working elder-caregiver with particular characteristics is to reduce work hours, than is someone without those characteristics, while holding control variables constant.

Binary logistic regression is similar in concept to logistic regression, with the exception of the dependent variable being dichotomous. It assumes outcomes are both independent and mutually exclusive, and that a single case can be represented only once, and must fall into one group or the other. Binary logistic regression requires that several conditions be met before undertaking statistical analysis: each predictor variable must have approximately 20 cases, with a minimum of 60 total cases (Logistic Regression and Discriminant Analysis).

This study uses binary logistic regression to determine what characteristics render a working elder-caregiver more likely to reduce hours of work. Demographic and main independent variables are tested to determine which characteristics render a working elder-caregiver more likely to reduce work hours. Binary logistic regression estimates will determine
the percent of variance in work hour reduction accounted for by the independent variables, and will allow us to rank the relative importance of these independents (Garson, 2008).

3.2 Data Source: The GSS

The GSS is a national survey conducted by Statistics Canada with two main objectives: (1) to gather data on social trends in order to monitor changes in the living conditions and well-being of Canadians over time and, (2) to provide information on specific social policy issues of current or emerging interest (Statistics Canada, 2001). The 20th Cycle of the General Social Survey, entitled Family Transitions, is the fourth cycle of the GSS to collect information on family life in Canada. Data are collected over 12 months in 2006, from those aged 15 years or older living in private households. The 20th cycle of the GSS includes 23,805 respondents weighted to reflect the entire Canadian population (Statistics Canada, 2001).

3.3 Study Sample

As this study only investigates workers, it eliminates all respondents except those indicating their main activity in the last 12 months was working in a full-time, paid job or business and who started eldercare provision to an adult relative within the last 12 months for a period lasting longer than 12 weeks. An unweighted total of 658 respondents met these conditions, with the weighted sample size being 755,271.

Because the study only investigates working elder-caregivers who started providing care within the last year, it does not account for anyone who may have been providing eldercare while working outside of this 12-month timeframe. The recent nature of elder-caregiving considered in

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5 See Appendix A for GSS survey questions
6 All data that follow in this section is discussed as values weighted by person. Values are weighted in order to be representative of the Canadian population.
7 A recent report by the Canadian Caregiving Coalition suggests approximately 4-5 million Canadians are providing eldercare today, and roughly 70 per cent of these elder-caregivers are also employed (Canadian Caregiver Coalition, 2009).
this study must be emphasized, as findings cannot be generalized to all working elder-caregivers, but only to those new to the activity. Much of the factual evidence and literature discussed and referenced in this study considers individuals engaged in eldercare at any stage, and not only those who began eldercare within the past 12 months. As such, characteristics broadly attributable to all elder-caregivers cannot necessarily be associated with working elder-caregivers in this study sample.

This study considers demographic, care intensity and workplace flexibility variables and how they impact work hour reduction by working elder-caregivers. Table 4.1 presents frequencies for each of the 18 variables used in this study.

3.4 Dependent Variable – Reduction of work hours

The dependent variable considered in this study is whether working elder-caregivers reduced their hours of work, as assessed by the GSS question, “At the time when you started helping an adult relative, has helping an adult relative caused you to reduce your hours of work?” Everyone in the study sample was asked the dependent variable question and respondents were able to select between a ‘yes’ or a ‘no’ response. A total of 140,055 respondents reduced hours of work in the past year, while 614,721 respondents did not reduce paid work hours in the past 12 months. As the study sample includes only respondents who started to help an adult relative within the last 12 months for a period lasting for 12 weeks or longer, caregivers providing assistance to adult relatives for period of time longer than 12 months are not captured by this sample. This is of critical importance, as most employed caregivers provide care for more than two years (Lero and Joseph, 2007). Further, this sample does not capture respondents who may have reduced their hours of work for reasons other than helping an adult relative.

The initial GSS sample was reduced by screening out respondents who did not report their main activity in the past 12 months as working full-time, by removing respondents who are self-employed, and by screening out respondents who did not answer ‘yes’ when asked if they
started to provide help to an adult relative in the last 12 months for a period lasting 12 weeks or longer.

The study sample, which is weighted by person, is 775,721 respondents. Of these, 18.6 per cent (n=140,550) reduced hours of work at the time they started helping an adult relative, while 81.4 per cent (n=614,721) did not reduce working hours. While other studies have shown roughly two thirds of working elder-caregivers reduce employment, (Covinsky et al, 2001), the GSS asks respondents whether or not they started to help an adult relative within the last 12 months, for a period lasting longer than 12 weeks. Caregivers who have been helping adult relatives for 13 months or longer are therefore not captured by this sample. As such, caregivers reducing hours of work outside the 12-month timeframe are also not reflected in the study sample. It can be helpful to consider the context of the study sample in terms of ‘stock’ and ‘flow,’ where the flow measures the number of respondents who started to provide eldercare while working, and the stock represents Canadians already performing eldercare while working.

A total of 140,550 (18.4 per cent) of Canada’s most recent elder-caregivers reduced work hours, with the remaining 81.6 per cent currently managing to accommodate dual responsibilities. However, research shows one in every ten caregivers loses income due to elder-caregiving, more than half of all caregivers incur extra expenses due to elder-caregiving activity, and most caregivers provide eldercare for a period ranging from two to six years (Cranswick, 2003). This is compounded by the fact that caregivers who fall into low-income brackets demonstrate the greatest propensity towards work hour reduction. Further, it is not improbable to suggest caregivers in the early stages of helping an adult relative may be candidates for work hour reduction as time passes, and as care intensity predictably increases.

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8 “This is the basic weighting factor for analysis at the person level, i.e. to calculate estimates of the number of persons (non-institutionalized and aged 15 or over) having one or several given characteristics. WGHT.PER should be used for all person-level estimates that do not involve the Culture, Sports and Physical Activity, Social Networks or Transportation from sections 10 and 11 of the questionnaire” (General Social Survey, 2002).
This reduction of participation in paid work compromises income security of working elder-caregivers at the same time as expenses are increasing, which impacts not only their ability to pay for and provide eldercare, but also to accommodate their own health expenses, to contribute to retirement savings plans and to access some workplace benefits (Statistics Canada, 2001).

It should also be highlighted that care is not static. Needs of the care recipient increase with the progression of illness, but can also diminish as one adapts to physical limitations. Care intensity might be high when a care recipient is released from a hospital, for example, but might decrease with recovery. Further, the majority of caregivers share elder-caregiving responsibility with another family member, but this dynamic, too, is highly subject to variation, as availabilities and competing responsibilities change.

In summary, the context of the study sample is critical to the development of policy options designed to address the goal of helping working elder-caregivers remain fully employed. Characteristics of recent elder-caregivers arguably differ enormously from those attributable to someone who has been providing eldercare for a longer period of time. However, the sample also presents a unique opportunity to propose policy targeting what research identifies as a group highly vulnerable to work hour reduction. Studies such as Henz’s work on informal elder-caregiving show that if a caregiver manages to strike a balance between work and care demands within the first few years of caregiving, propensity to reduce work hours after combining work and eldercare for a five-year period decreases (Henz, 2006).

### 3.5 Independent Variables

The purpose of this study is to identify why some and not other working, recent elder-caregivers reduce their hours of work. The study tests two main theories for work hour reduction including: (1) working elder-caregivers without access to flexible workplace measures are more
inclined to reduce their hours of work; and, (2) work hours decrease as intensity of care increases, if the ability to share responsibility for elder-caregiving is not present and/or the care recipient relocates to be closer to the caregiver. While literature points to a number of factors that share a significant relationship with work hour reduction of working elder-caregivers, this study considers care intensity and workplace flexibility, as they offer two critical areas of policy development.

This study tests 18 variables either related to these two main theories or associated with other demographic characteristics. Table 1 illustrates three specific categories of research prominently featured in the literature, which are used in this study as predictors of work hour reduction, including, demographics, workplace flexibility and care intensity. The three variable sets are explained below along with the hypothesized relationship to the dependent variable and literature on which these hypotheses are based. In Table 1, a ‘+’ sign indicates survey participants with the indicated predictor category value are hypothesized to be more likely to report reduced hours of work. A ‘-’ sign indicates those with associated predictor category characteristics are less likely to be associated with work hour reductions. The ‘+/-’ symbol indicates no firm hypothesis can be drawn from the literature.
Table 1.1  Independent Variables

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Predictor Category</th>
<th>Reference Category</th>
<th>Hypotheses</th>
<th>Sources</th>
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<td></td>
</tr>
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<tr>
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<td>[B]</td>
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<td>[D]</td>
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<td>+</td>
<td>[D]</td>
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<tr>
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<td>Better than poor</td>
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<td>[D]</td>
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<td>+/-</td>
<td>[E]</td>
</tr>
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<td>Full-time</td>
<td>+</td>
<td>[D]</td>
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<td>Expenses</td>
<td>+</td>
<td>[I]</td>
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<td>Can leave</td>
<td>+</td>
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<tr>
<td>Leave Structure (2)</td>
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<td>+</td>
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<td>Did not relocate</td>
<td>+</td>
<td>[D]</td>
</tr>
</tbody>
</table>


3.6  Demographics

As shown in Table 1, ten independent variables are included in order to test whether or not demographic characteristics are associated with work hour reduction by recent, working elder-caregivers. Sex, age, income, region, education, marital status, health, family structure, work status and expense increases are considered.

3.6.1  Sex

Female working, recent elder-caregivers are hypothesized as more likely than men to reduce their work hours. The question taken from the GSS survey asked respondents to self identify as either ‘male or female.’ Men historically have a stronger attachment to the labour force, combine fewer hours of care with a larger number of paid work hours, and, interestingly, express less guilt as the amount of assistance and support they provide increases (Lero and

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9 See Appendix 1 for associated survey questions.
Joseph, 2007). In the same vein, women are more likely to experience higher levels of caregiver strain, which is particularly acute in situations where job flexibility is not available, financial resources are limited and outside support from community organizations or from family members is not readily available. As a result, women consistently make more workplace adjustments than men. (Lero and Joseph, 2007).

Women have significantly increased their participation in the workforce and so have parallel “caring careers” where the provide care in serial fashion to children, parents and spouses. The impact on women’s careers includes lower savings and pensions due to foregone promotions or advancement in addition to the stress of combining work and caregiving. There are some indications that women have interrupted work years, that they have jobs rather than careers and that they undertake part-time work more often than men. Research shows that women providing personal care have more short-term job costs, long-term career costs and personal costs (Brink, 2004).

3.6.2 Age

Fast and Keating report caregivers are not confined to one age group, but that all age groups, even children, are represented as caregivers for frail, older adults. However, the majority of caregivers tend to be between the ages of 45-64. The GSS question asked respondents to identify their age by selecting the appropriate group. In 2002, 16 per cent of all Canadians aged 45-64 provided care to roughly 2.3 million seniors with a long-term disability or physical limitation (GSS 2002). In 2007, 75 per cent of eldercare was provided by Canadians aged 45-64 (Statistics Canada, 2002). This age group represents the ‘Sandwich Generation;’ people who provide simultaneous child and eldercare, and consistently demonstrate a greater propensity toward work hour reduction due to multiple and conflicting care and work responsibilities (US Department of Labour, 1007). Building on this evidence, this work hypothesizes working, recent elder-caregivers aged 45-64 will be more inclined to reduce work hours than caregivers in other age categories.

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10 See appendix for GSS question
3.6.3 Marital Status

It is often argued the most critical development in the supply of labour has been the increased participation by women in paid work. In 1950, only 23 per cent of Canadian women worked, but this figure rose to 59.5 per cent in 2000. Between 1976 and 2000, the largest increase in labour force participation has been amongst married women. At the same time, women have assumed a greater share of home production, child and eldercare. As a result, many argue that women have a greater incentive to pursue non-traditional forms of employment in order to accommodate competing work and care responsibilities.

Most caregivers are married. Approximately three out of four caregivers in Canada in 2007 reported being married or living in a common-law relationship, with 57 per cent being employed in addition to being a caregiver (Statistics Canada, 2007). While slightly more than half of all caregivers reported they managed their elder-caregiving responsibilities well, the majority of those who indicated they were not managing were married women. While this particular study did not investigate how caregivers sought to better balance dual roles, it did note that nearly all of them were of working age (45-64 years old) and over half of them were employed (Statistics Canada, 2007).

This work proposes a two-sided hypothesis concerning marital status. The GSS question used to ascertain marital status asked respondents to identify their marital status from a number of selections: ‘married,’ ‘living common-law,’ ‘widowed,’ ‘separated,’ ‘divorced,’ ‘single’ (never married) or ‘don’t know.’ While literature suggests married persons experience greater instances of caregiver strain because they have dual roles, and would therefore be expected to reduce work hours more so than single persons, it is also reasonable to hypothesize that being part of a married couple provides caregivers with more choices when it comes to care, as elder-caregiving responsibilities can arguably be shared with a spouse or partner. As such, being married or part of
a common-law relationship could decrease the likelihood of work hour reduction by working, recent elder-caregivers.

3.6.4 Income

Caregivers who fall into low-income categories are more likely to alter their participation in paid work. The GSS question used to study income asked respondents to identify their total household income from a number of selections, starting with no income or loss, up to $100,000 or more. A US study reported that workers who fall into a very low-income category are twice as likely as those in upper income groups to provide 30 or more hours of unpaid eldercare every month (American Federation of Labor and Congress of Industrial Organization, 2008). In Britain, studies of informal care have noted that carers tend to have lower incomes than those who do not provide care. (Chesley, 2004). In Canada, people of all income levels provide eldercare, but typically draw incomes that are below the national average. Decima (2000) reported that only one in every three caregivers reported a household income of $45,000 or more. Research suggests caregivers with high incomes have greater flexibility to purchase services and are less likely to modify their participation in paid work (Covinsky et al, 2001). As such, this work hypothesizes that as income increases, propensity to reduce work hours by working, recent elder-caregivers, decreases.

3.6.5 Family Structure

Literature on the ‘Sandwich Generation’ - caregivers who provide assistance to elderly relatives while assuming the simultaneous responsibility for raising children, remains deeply divided on the prevalence of Canadians in this dual-care situation, and the impacts of being effectively ‘sandwiched.’ While the prevalence of simultaneous child and eldercare is increasing (in 1999 the percentage of employees providing care for elderly family members while having

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11 See appendix for GSS questions
children at home was 15 per cent, up from 9.5 per cent one decade ago) – how this exerts an impact on labour force participation is not clear (Work-Life Compendium, 2001). While women’s participation in the labour force is strongly linked to having children at home, how this interacts with the effects of providing eldercare remains contested. As such, this variable has a two-sided hypothesis. The GSS question used to measure family structure asked respondents to select the family structure that represents their current dynamic. Respondents were able to select from ‘couple only,’ ‘intact family,’ ‘step-family with common child(ren),’ step-family without common child(ren),’ ‘lone parent family,’ or ‘no spouse/partner, or child(ren) in household.’

3.6.6 Education

Research suggests both educated and non-educated caregivers experience work-life conflict (Stone and Short, 1990). A lack of workplace support for personal and family commitments has an impact on participation in paid labour, although women feel this more acutely. A study on competing demands of employment and informal eldercare found after controlling for work accommodation, need for care and availability of others to care, more highly educated caregivers will be employed. This work hypothesizes that higher levels of education relate to a lesser likelihood of work hour reduction by working, recent elder-caregivers (Stone and Short, 1990). The GSS question used to measure education levels of the study sample asked respondents to indicate the highest level of education they completed, asking, ‘Highest level of education obtained by the respondent?’ Respondents were to select between ‘Doctorate/masters/bachelor’s degree,’ ‘Some university/community college,’ ‘High school diploma,’ ‘Some secondary/elementary/no school’ and ‘Not asked.’

3.6.7 Expenses

The onset of elder-caregiving commonly coincides with an increase in expenses directly related to the provision of care. A 2004 Statistics Canada report on Sandwich Generation
caregivers reported 55 per cent of high intensity caregivers\textsuperscript{12} incurring extra expenses due to caregiving. Roughly half that percentage also reduced hours of work. While expense increases represent a higher level of care intensity, perhaps increasing propensity to reduce work hours, they can also translate to a real or perceived need to remain fully employed in order to manage these expense increases. As such, this work hypothesizes that a working, recent elder-caregiver with no expense increases will be more likely to reduce hours of work, as they have lesser incentive to remain fully employed and arguably greater financial flexibility to do so (OSCA, 2001). Respondents were asked the following question, ‘At the time when you started providing help to an adult relative, has helping an adult relative caused you to have extra expenses?’ and were able to answer ‘yes’ or ‘no.’

3.6.8 Health

Health of the caregiver also has an impact on participation in the labour force. High levels of caregiver strain, which have physiological and psychological health impacts, are positively correlated with a reduction in participation in paid work. In 2001, a study of more than 31,000 employees in large and medium-sized public, private and non-profit sector workplaces, 26 per cent of employees reported high levels of caregiver strain.

Caregiver strain is positively correlated with absenteeism due to eldercare problems and emotional, physical and mental fatigue. As such, this work proposes that poor health has a positive correlation with work hour reduction by working, recent elder-caregivers, meaning, respondents who report poor health are more likely than those reporting good health to reduce hours of work. GSS respondents were asked ‘in general, would you say your health is,’ with the option to select ‘excellent,’ ‘very good,’ ‘good,’ ‘fair,’ ‘poor,’ ‘not stated,’ or ‘don’t know.’

\textsuperscript{12} This study considered the provision of more than eight hours of month of eldercare as ‘high intensity’ caregiving.
3.6.9 Region

Geographic location shares a relationship with elder-caregiving activity. Elderly persons living in rural communities are more likely to receive care from community members, as family members or other relatives may not live nearby. Similarly, caregivers residing in rural regions commonly have less access to formal support systems and therefore extend more informal care and assistance. As a result, caregivers who live in a rural area report more stress and impacts of caregiving than their urban dwelling counterparts (McPherson and Wister, 2008). While this study does not consider the impact of rural/urban divide due to the nature of the GSS, it is important to consider its impact in discussions of labour force outcomes of eldercare providers.13

Labour force response to caregiver strain does appear to differ by province, however. Professional employees living in Quebec and Ontario have reported high caregiver strain, at 28 and 25 per cent respectively, while professional employees in the Prairie provinces reported strain levels of 18 per cent. These statistics have prompted researchers to undertake regional analysis before designing policy and programs, or removing them.

This re-emphasizes the need for more analysis of regional and provincial needs and resources in policy development and consideration of the issues associated with eldercare in the social and economic context in which it is immersed (Keefe, Fancey and White, 2005).

Therefore, region is expected to positively correlate with working, recent elder-caregivers reducing work hours. If a respondent lives in Quebec or Ontario, it is expected there will be a greater likelihood of reduced work hours. The GSS question used to measure the impact of region on work hour reduction asked respondents to select between the ‘Atlantic Region,’ ‘Quebec’ ‘Ontario,’ ‘Prairies’ or ‘British Columbia.’

13
3.6.10 Work status

It is important to consider a working, recent elder-caregivers’ previous attachment to the labour force when considering response to the combination of work and eldercare. While the study only emphasizes the labour force outcomes of women, Herz (2006) reports that women who work part-time demonstrate a greater tendency to leave the labour market than women who work full-time. It can also be assumed, she argues, that combining part-time work with family obligations is easier than trying to balance full-time employment with such obligations. This study hypothesizes that caregivers who demonstrate a weaker attachment to the labour force by indicating a combination of full and part-time work will be more likely to reduce work hours than caregivers who have worked only full-time since the start of their working careers. GSS respondents were asked to identify their work status since the beginning of their career by selecting ‘full-time only,’ ‘part-time only,’ ‘full and part-time,’ ‘not asked,’ ‘not stated’ or ‘don’t know.’

3.6.11 Care Intensity Measured by Amount of Time Spent Providing Care

Literature on eldercare supports two basic methods of measuring care intensity: the nature of the care activity, and the amount of time spent providing it\textsuperscript{14}. Both impact a caregivers’ participation in paid labour. In a study of men providing eldercare, the percentage of respondents who indicated their family obligations prompted them to delay education plans or to refuse a job promotion or transfer shot up from 5 per cent when providing less than two hours of care a week, to 34 per cent when care requirements increased to 7.5 hours per week or more. The number of hours per week spent providing care has demonstrated to be one of the most significant predictors of caregiver strain, which is often mediated by reducing hours of work. The Canadian Coalition of Caregiving points to research confirming caregivers who provide more than four hours of care

\textsuperscript{14} While it is acknowledged that nature of care activity is a significant consideration when predicting labour force response of eldercare workers, the GSS survey did not ask questions of care activity relating to care relevant to elderly persons.
per week reduce their hours of work, alter their work patterns, or refuse job offers or promotions (CCC-CCAN, 2008). A European study found that while the onset of caregiving activity shares a statistically significant relationship with work hour reduction, increasing the amount of time spent on care activity every week not only reduces work hours further, but prevents an extension of paid work hours. Further, the authors report that changes between levels of care intensity result in a larger change in work hours than does the onset of elder-caregiving (Spiess and Schneider, 2007).

As the amount of time a caregiver spends assisting a care recipient increases, it is hypothesized the propensity to reduce hours of work will increase. GSS respondents were asked to indicate how often they assist a relative by selecting ‘every day,’ ‘a few times a week,’ ‘a few times a month’ or ‘once a month or less.’

3.6.12 Care Intensity Measured by Shared Responsibility

Care intensity involves more than the actual amount of time spent providing it:

The concept of caregiving intensity in most of the literature suggests more than hours of care – it also suggests having primary or sole responsibility for care…which may result in caregivers being exhausted, anxious and sleep deprived. (University of Guelph, 2007).

Sharing the responsibility for caring for an adult relative impacts caregivers’ participation in the labour force as well. Having a weak support system often leads to higher instances of caregiver strain, particularly in situations where elder-caregiving demands increase and there are few supports available to share the burden (University of Guelph, 2007). A study by Dyxbury and Higgins (Lero and Joseph, 2007) estimates one in every four employed eldercare providers encounter high levels of caregiver strain, especially those who provide more hours of care and have primary responsibility for providing it.
This work hypothesizes that recent working elder-caregivers who do not share responsibility for elder-caregiving will be more likely to reduce hours of work than will be caregivers who share responsibility for assisting their care recipient. The GSS question used to measure this variable asked respondents, ‘did you share the responsibility for helping an adult relative?’ with ‘yes,’ ‘no,’ ‘don’t know,’ or ‘refusal’ as responses.

3.6.13 Care Intensity Measured by Geographic Proximity of Care Recipient

Geography plays a large role in the quality and frequency of care an elder-caregiver can provide. Evidence suggests more than one in ten Canadian seniors have no children residing within one-and-a-half hours of travel time from them (United Way, Guelph-Wellington, 2006). Providing assistance on a long-distance basis demonstrates to be particularly stressful for those helping relatives who live in remote or rural areas where services are spread over larger distances, or are simply not available. Further, for caregivers who are helping more than one person at a time, logistical challenges imposed by geography can be daunting.

Activities that long distance eldercare providers engage in include connecting (by telephone or e-mail) to support services that are often only open during the day, finding and monitoring access to home care and other services, monitoring the health status of the senior throughout the day and evening, and travelling sometimes significant distances without warning at all hours in crisis situations (Lero and Joseph, 2001).

As the average employed elder-caregiver provides roughly 20 hours of care per month, attempting to overcome the challenges imposed by travelling to provide care render a caregiver increasingly inclined to reduce hours of work. However, data from the 2001 census confirmed that most employed caregivers who were not residing with the person for whom they were caring, tended not to be the care recipients’ main care provider. As such, long-distance caregivers are not likely to provide the most hours of care or to assume the largest share of responsibility for the care recipient (Lero and Joseph, 2007), and may therefore be less inclined to reduce hours of work than a caregiver who lives with their care recipient.
Because geographic proximity of the care recipient has demonstrated to be both positively and negatively correlated with work hour reduction, a two-sided hypothesis is proposed for this variable. GSS respondents were asked, ‘At the time when you started providing help to an adult relative, has helping an adult relative caused the person(s) you are assisting to move closer to you?’ with ‘yes,’ ‘no,’ ‘don’t know,’ or ‘refusal’ as answers.

3.6.14 Flexible Workplace Measures

Access to flexible workplace measures designed to accommodate elder-caregiving employees consistently demonstrates a decrease in labour force modification. Flexible work schedules have been associated with a 15 percentage point reduction in average time lost from work, and employees with supervisors who exhibit sensitivity to their elder-caregiving responsibilities reportedly miss half as many work days as their counterparts without such provisions (Work-Life Compendium, 2001).

Workplace flexibility was assessed using four separate questions from the GSS. The first, autonomy concerning the start and end of the workday was based on the question: Do you have a flexible schedule that allows you to choose the time you begin and end your workday? Respondents were able to answer ‘yes,’ ‘no,’ ‘don’t know,’ or ‘refusal.’ It is hypothesized that being able to effectively choose when one starts and ends work will provide an employed caregiver with better flexibility to schedule dual work and care demands and will be less likely to reduce their hours of work.

The effect of being able to work part-time is also assessed as a proxy for workplace flexibility, and as a control variable. If an employed caregiver works for an employer who offers the opportunity to work part-time, it is likely they will reduce their hours of work. The following question from the GSS was used: Does your employer provide you with the option to work part-time? Respondents were able to answer ‘yes,’ ‘no,’ ‘don’t know,’ or ‘refusal.'
The last measure of workplace flexibility is twofold: the ability to take leave to care for family members other than a spouse or child, and the ability to take extended leave without pay to care for family members, or for personal reasons. The following questions from the GSS were used to assess these variables: Does your employer provide you with the ability to take leave, paid or unpaid, for care of other family members, and: Does your employer provide you with the ability to take extended leave without pay for personal reasons (e.g. being at home with child(ren), caring for family member, doing personal projects? Respondents were able to answer 'yes,' 'no,' 'don’t know,' or ‘refusal,’ for both questions. It is hypothesized that being able to take temporary leave from one’s place of employment that is supported by an employer, will render an employed caregiver less likely to reduce their hours of work via other means.

3.7 Summary

The information in the preceding section sets up the hypotheses for subsequent statistical analysis. Hypotheses for the 18 variables included in this study and the expected direction of their relationship to the dependent variable were provided on the basis of literature, and measures were detailed for each. The next section uses statistical analysis to determine the characteristics of fully employed caregivers. This work uses descriptive statistics of the sample, which are then regressed to determine the probability that employed caregivers, will, or will not, reduce their hours of work. The two main independent variables considered in this work, care intensity and workplace flexibility are tested to see whether or not they increase propensity of work hour reduction.
4: Descriptive Statistics

The following sections analyze the 20th Cycle of the GSS. After discussing the sample, dependent and independent variable statistics and descriptive statistics, these variables are then tested using binary logistic regression to determine the probability a respondent who possesses these characteristics will reduce hours of work.
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<th>Query</th>
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<td>Did not Reduce Hours of Work</td>
<td>81.4%</td>
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33
4.1 Caregiver Demographics

As shown in Table 4.1, women undertake more than 60 per cent of all elder-caregiving activity and the majority are married. That most caregivers are between the ages of 45-64 matches the demographic statistics found in other studies (Statistics Canada, 2001). As such, the age category as a variable is recoded to compare the 45-64 age group to all others. Because research remains somewhat divided on the impact of income on elder-caregiving decisions, income categories are recoded into four possibilities: (1) $29,000 or less, (2) $30,000-$59,000, (3) $60,000-$99,000 and (4) $100,000 or more. As the table illustrates, Canada’s caregivers tend to fall into higher income brackets, with 45 per cent claiming a total household annual income of $60,000-$99,999; 25.2 per cent reported income of $100,000 or more.

While elder-caregiving is not concentrated in any one province, past research suggests caregiver strain is higher in Quebec and Ontario. Therefore, the ‘region’ variable is recoded to consider Quebec and Ontario against the Prairie, Atlantic and BC provinces. According to frequency tests, 74.3 per cent of elder-caregivers reside in Quebec or Ontario, with the remaining 26 per cent spread between BC, the Prairie and Atlantic provinces.

Respondents were asked to rate their health according to five categories, ranging from ‘excellent’ to ‘poor.’ Caregivers report being generally healthy, with 34 per cent describing their health as ‘good,’ 30 per cent as ‘very good’ and 23 per cent as ‘excellent.’ Only 2.5 per cent report their health as ‘poor.’

Research suggests caregivers with higher education typically have greater flexibility in making elder-caregiving decisions and are less likely to reduce hours of work (Marak, 2007). The ‘education’ variable in this work was recoded to consider respondents holding a University
degree (a Bachelor, Masters’ or Doctorate) against all other levels of education. As table 3.1 highlights, close to 30 per cent of caregivers hold a University degree.

Literature remains deeply divided on the impact of family structure on caregiving and labour force participation. Questions revolving around children in the home combined with eldercare and how this translates to workplace behaviour offer little concrete evidence. For this purpose, ‘family structure’ is recoded into two categories: living as a couple without children, or as an intact family with children. A total of 46.2 per cent of caregivers report their family structure as a ‘couple only, or no spouse, partner or children,’ while 53.8 per cent reported living as an intact family, a step-family with or without a common child(ren) or as a lone parent family.

In anticipation of future care demands, some working elder-caregivers tailor labour force participation in such a way as to allow for flexibility in the amount of time spent at work, even before care requirements dictate this modification (Chesley, 2004). For this purpose, the ‘work status’ variable is recoded into (1) those reporting always having worked full-time since beginning their career and (2) those combining full and part-time work or only having worked part-time since starting their career. The majority of caregivers report having worked as full-time employees since beginning their careers, while 33.4 per cent reported working other than full-time.

4.1.1 Workplace Flexibility

All questions on workplace flexibility used in this study are recoded as ‘yes’ or ‘no’. ‘I don’t know’ responses are coded as ‘no,’ as even if the respondent has access to a flexible workplace measure, if he or she is not aware of it, the flexibility measure is as good as not being available. Table 4.1 illustrates the majority of caregivers have access to some flexible workplace measures, with 62.1 per cent able to take leave, paid or unpaid to care for a family member other than a spouse or child, and 68.4 per cent able to take extended, unpaid leave to care for a family
member or to pursue personal projects. However, only 35.8 per cent of respondents are able to determine the start and end time of their workday, while 41.4 per cent work for an employer who enables them to work part-time.

These statistics can be broadly summarized by two categories: the ability to take leave from work, and flexibility of the actual workday. It is interesting to note that approximately 7 out of 10 working elder-caregivers are able to take leave, while less than four in ten are able to determine the start and end time of their workday. These findings relate to a study by Lero and Joseph which report the flexibility women secure in the workplace to provide eldercare often comes at the cost of reduced wages, forfeited career enhancement opportunities, pension benefits and access to non-wage benefits (Lero and Joseph, 2007). The findings of this study confirm Lero and Joseph’s work, as working elder-caregivers have access to measures that will reduce their income (the ability to take unpaid leave), but not the ability to determine the start and end time of their workday – a flexibility measure that does not impact income.

It is important to note that working elder-caregivers consistently indicate access to workplace flexibility would help them remain fully employed. The Canadian Caregiving Coalition recently reported 42 per cent of caregivers believe flexible work hours would be helpful. Further, 66 per cent of caregivers according to the CCA report benefiting from flexibility from their employer, suggesting close to 7 in 10 working elder-caregivers has access to flexible workplace measures (Canadian Caregiving Association, 2009).

4.1.2 Care Intensity

A total of 28.7 per cent of respondents confirmed their care recipient moved closer to them. It is difficult to interpret the meaning of roughly 30 per cent of care recipients relocating to be closer to their working elder-caregiver. The GSS question does not ask whether this relocation translates to co-residency between caregiver and recipient, if the care recipient moved to a long-
term care facility, or to another location nearby the caregiver. It also does not account for caregivers and recipients who already co-reside or live close together. However, a report released by Statistics Canada in November 2008 confirmed the majority of senior primary care receivers (78 per cent) continue to live in their own homes, while only 22 per cent live in care facilities (Cranswick, 2008); findings that are largely consistent with the 30 per cent reporting relocation in this work.

Close to 60 per cent of respondents reported their expenses increased at the onset of elder-caregiving, because of elder-caregiving. This finding is significant, particularly in light of a recent report by the Canadian Caregiving Coalition, which reported only one third of elder-caregivers had increased expenses (Canadian Caregiving Coalition, 2009).

Care intensity measured by the amount of time spent on care activity is a significant predictor of work hour reduction (Covinsky et al, 2001). From this premise, care intensity as measured by time was recoded to consider three classifications, ‘caring every day’ ‘caring a few times a week’ or caring a few times a month or less.’ Respondents who indicated they helped an adult relative a few times a year or less were recoded into ‘caring a few times a month or less’ as it is expected the difference in care intensity between these two options is minimal and will not have a significant impact on labour force behaviour. The majority of caregivers report helping their care recipient a few times a week, while 26.2 per cent report helping every day; only 20.7 per cent report helping a few times a month or less. Close to 80 per cent of respondents report sharing the responsibility for helping an adult relative with someone else.

It is interesting to note that half of all working elder-caregivers are providing care a few times a week. Again, the context of the sample must be emphasized, as only the most recent working elder-caregivers are represented, and already, close to 80 per cent (46 per cent helping a few times a week and roughly 28 helping every day) are providing significant amounts of care. The question must be raised of what the elder-caregiving and labour force dynamics of these
respondents will be in the following year. Care intensity typically increases as time progresses, as the patient ages, illness progresses, mobility decreases, etc (McPherson and Wister, 2008), which has a subsequent and negative impact on participation in the labour force.

4.2 Summary: The ‘typical’ recent working elder-caregiver

The typical working elder-caregiver who started to provide care within the last year is married, female, between the ages of 45-64, with a total household income of $60,000-$99,999. These demographic findings remain consistent with literature suggesting ‘sandwiched’ women are more inclined to reduce hours of work to accommodate eldercare (Canadian Caregiver Coalition, 2009). More than half of caregivers incurred additional expenses at the onset of eldercaregiving, which represents a substantial shift from literature reporting only one third of eldercaregivers incurring extra expenses (Canadian Caregiver Coalition, 2009).

In terms of our variables of interest, while approximately 60 per cent of working eldercaregivers have access to flexible workplace measures in terms of leave and extended leave, only one third can determine the start and end time of their workday. The workplace context of caregivers should be considered in light of the amount of care they are providing, which, as the frequency tests demonstrate, is extensive. (More than half of caregivers are helping an adult relative a few times a week, in addition to full-time employment, and close to 60 per cent have increased expenses because of eldercare.) While having access to flexibility provisions that allow working elder-caregivers to take leave is encouraging, the majority have access to flexibility that is unpaid and will reduce income (leave and extended leave from work), and lesser access to flexibility that will not impact income (autonomy in deciding start and end time of workday).

The majority of working elder-caregivers are helping adult relatives a few times a week at close to 53 per cent, while roughly 26 per cent are helping every day. Considering the sample only accounts for the most recent working elder-caregivers, that respondents are already
providing high levels of care is of concern. Care intensity increases as time progresses (McPherson and Wister, 2008) and it is probable that low intensity working elder-caregivers (20 per cent) will shift into a higher level of caregiving intensity in the near future.

Approximately 80 per cent of working elder-caregivers share responsibility for care with someone else, but, as research consistently shows, this responsibility is typically shared with another family member (Statistics Canada, 2001), which does little to offset the policy problem of work hour reduction by informal, working elder-caregivers.

The next section provides an explanation of binary logistic regression tests used to determine the probability a working elder-caregiver will reduce hours of work.
5: Logistic Regression Results

This section provides the results of binary logistic regression tests, which help inform the proposed policy recommendations in Section 6.

5.1.1 Specification 1

This study uses binary logistic regression to estimate the probability an employed elder-caregiving GSS respondent with a particular characteristic reports reducing their hours of work as compared to other respondents. Three types of variables are included in the specification: demographic variables, measures of care intensity, and variables considered representative of workplace flexibility.

Where most independent variables are comprised of single measures, care intensity and workplace flexibility contain multiple measures. As explained in the methodology chapter, Care Intensity is divided into three separate variables including whether the care recipient relocated to be closer to the respondent, how often the respondent helps an adult relative (every day, a few times a week, or a few times a month or less) and whether the respondent shares responsibility for helping the adult relative. Workplace flexibility is measured by four variables including whether the respondent has the ability to determine the start and end time of his or her workday, if the respondent’s employer allows him or her to work part-time, if the respondent’s employer provides the ability to take leave, paid or unpaid, to provide care for a relative other than a spouse or child, and if the respondent’s employer provides the ability to take extended, unpaid leave to provide care for a relative, or to pursue personal projects or endeavours.
5.1.2 Specification 2

It is hypothesized there exists an important relationship between care intensity and expenses. As the results of Specification 1 indicate, caregivers whose expenses do not increase are 72.3 per cent less likely to reduce hours of work than caregivers whose expenses do increase. While this suggests if a caregivers’ expenses are increasing, care intensity is likely increasing, which makes a respondent more likely to reduce hours of work, it is somewhat counterintuitive: if expenses are going up, how can caregivers afford to reduce hours of work, which reduces their income? Testing how expense increases interact with different levels of care intensity is necessary in order to verify this relationship. To determine whether expense increases at any level of care intensity will render a caregiver more or less likely to reduce hours of work, an additional three variables were created: expense increases and providing help to an adult relative every day (high intensity caregivers), expense increases and helping an adult relative a few times a week (medium intensity caregivers), and expense increases and helping a relative a few times a month or less (low intensity caregivers). These three variables were created by recoding all respondents who said ‘yes’ to expense increases at onset of elder-caregiving and ‘yes’ to the relevant category of care intensity as measured by time as a ‘1’ and all respondents who said ‘no’ to expense increases at onset of elder-caregiving and ‘no’ to the relevant category of elder-caregiving as a ‘2.’ These three variables then considered all ‘1s’ as the predictor category.

Weighted frequency tests demonstrate there are more medium intensity caregivers with expense increases than low or high intensity caregivers with expense increases, at 23.1 per cent. Only 13 per cent of respondents are low intensity caregivers with increased expenses, while 21.1 per cent are high intensity caregivers reporting an increase in expenses congruent with elder-caregiving.
The three variables are added to the regression equation as part of Specification 2. The separate variables used to measure care intensity as measured by amount of time spent providing care, and expenses Specification 1 were removed.

5.2 Regression Results

As shown in Table 5, the variables included in Specification 1 explain little of the variation in the dependent variable, although the Nagelkerke Pseudo-\(R^2\) scores of 0.173 in Specification 1 and .176 indicate the Specifications have at least some predictive power. Difficulty in attempting to predict individual behaviour, and complications with endogenous variables partially account for the low scores. The inability to account for needs of the care recipient means trying to predict when a recent, working elder-caregiver will reduce work hours is a challenge, as the requirements of the care recipient likely drive this relationship to a significant degree (Wister, 2009).

Endogenous complications must also be highlighted. Two variables in the specification are complicated by endogenous factors. The independent demographic variables that measure health and income offer respondents several possibilities for responses, while all other variables are dichotomous, prompting respondents to select between two options, either ‘yes’ or ‘no.’ This lack of nuance in responses, prompted by the necessary ‘yes’ or ‘no’ response, fails to account for possible subtle variations in health or income status and may therefore skew the results.

An endogenous variable refers to a “factor in a causal model or causal system, whose value is determined by the states of other variables in the system” (Hendry, 2005). If self-reported health by a working elder-caregiver is considered, it is possible that caregiving and employment activity direct the relationship with health, and not the other way around, with health status impacting work hour reduction. This means the variable measuring health is determined or
influenced by one or more of the independent variables in the system, excluding itself (Hendry, 1995).

Similarly, it is also possible that income does not dictate work hour reduction, but rather, a respondent reducing hours of work informs the decision to select an appropriate response when asked to identify total annual household income.

Despite these complications, every variable included in the Specification is significant at the 99% confidence level for both Specifications and direction of the relationship between variables stays constant across the Specifications. Diagnostic tests reveal no multicollinearity between independent variables. There are no missing cases in either Specification. Due to the similarity between Specifications 1 and 2, all discussion on coefficient results will refer to Specification 2, which has slightly higher predictive ability, with a Nagelkerke Pseudo-R$^2$ of 0.176.
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<td>Increased Expenses</td>
<td>.278(.008)</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Care Intensity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care Intensity</td>
<td>High/medium</td>
<td>Low</td>
<td>.942(.008)</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>High Intensity</td>
<td>Medium/Low</td>
<td>1.873(.008)</td>
<td></td>
</tr>
<tr>
<td>Shared Responsibility</td>
<td>Did not share</td>
<td>Shared</td>
<td>.933(.008)</td>
<td>.939(.008)</td>
</tr>
<tr>
<td>Moved Closer</td>
<td>Did move closer</td>
<td>Did not move closer</td>
<td>1.710(.007)</td>
<td>1.164(.007)</td>
</tr>
<tr>
<td>High Intensity and Increased Expenses</td>
<td>Low &amp; Med Intensity/No increased Expenses</td>
<td>High intensity/ increased expenses</td>
<td>NA</td>
<td>.168(.009)</td>
</tr>
<tr>
<td>Medium Intensity and Increased Expenses</td>
<td>High &amp; Low Intensity/no Increased Expenses</td>
<td>Medium intensity/ increased expenses</td>
<td>NA</td>
<td>.380(.008)</td>
</tr>
<tr>
<td>Low Intensity and Increased Expenses</td>
<td>Med &amp; High Intensity/No Increased expenses</td>
<td>Low Intensity/Increased expenses</td>
<td>NA</td>
<td>.304(.010)</td>
</tr>
<tr>
<td><strong>Workplace Flexibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time</td>
<td>Part-time allowed</td>
<td>No part-time allowed</td>
<td>1.701(.007)</td>
<td>1.777(.007)</td>
</tr>
<tr>
<td>Leave</td>
<td>Cannot take leave</td>
<td>Can take leave</td>
<td>1.189(.007)</td>
<td>1.203(.007)</td>
</tr>
<tr>
<td>Extended Leave</td>
<td>Cannot take extended leave</td>
<td>Can take extended leave</td>
<td>.939(.008)</td>
<td>.974(.008)</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Cannot determine start and end time of work day</td>
<td>Can determine start and end time of work day</td>
<td>1.152(.007)</td>
<td>1.175</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nagelkerke $R^2$</th>
<th>Correctly Categorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.173</td>
<td>81.3</td>
</tr>
<tr>
<td>0.176</td>
<td>81.4</td>
</tr>
</tbody>
</table>
5.2.1 Demographic Variables

Specification 2 estimates women are 37 per cent more likely than men to reduce hours of work, supporting the original hypothesis. Surprisingly, caregivers aged 45-64 are 14.5 less likely to reduce hours of work than all other age demographics, which disproves the original hypothesis. While research consistently shows elder-caregivers in this age demographic are more likely to reduce hours of work (Statistics Canada, 2001), the GSS includes respondents aged 15-75, which may skew the results. Married caregivers are 43.9 per cent more likely than single caregivers to reduce hours of work, perhaps due to financial flexibility supplied by an additional household income, which facilitates work hour reduction by one spouse. Employed caregivers living in an intact family, a step-family with or without a common child(ren) are 75 per cent more likely than caregivers living in a coupled relationship, or with no spouse, partner or children, to reduce their hours of work because of caregiving. This confirms literature suggesting sandwiched caregivers, or those who provide care for children in conjunction with eldercare, are increasingly susceptible to high levels of caregiver strain, and are therefore more likely to modify participation in paid work. Non-degree holding working elder-caregivers are 22.2 per cent less likely than degree holders to reduce work hours. This proves the original hypothesis, suggesting respondents with higher education have greater flexibility in making care decisions and do not necessarily have to reduce hours of work in order to provide care themselves.

All income categories are more likely than the $100K + income bracket to reduce work hours, with <$29K 19 per cent less likely, $30-$59,999K 5 per cent less likely and $60-$99,999K 15 per cent less likely to reduce hours of work than respondents in the top income category. While the inconsistency across income levels is somewhat puzzling, all categories of income undermine the hypothesis that lower income respondents are more likely to reduce hours of work due to financial inflexibility to purchase care services instead of reducing work hours to provide care themselves. When considered together, education and income provide critical information:
lower educated and lower income caregivers demonstrate a lesser propensity towards work hour reduction than higher educated, higher income caregivers. If higher education can be associated with a higher total household income, the argument can be made that higher educated individuals have greater access to measures of workplace flexibility (Statistics Canada, 2001), which act as safeguards against work hour reduction, and may account for these results.

As hypothesized, caregivers in Quebec or Ontario are 19 per cent more likely to reduce hours of work than respondents living in BC, the Prairies or Atlantic provinces. This remains consistent with literature suggesting levels of caregiver strain are highest in these two provinces.

Self-rated health results are uneven. Working elder-caregivers self-reporting their health as ‘poor’ are 32 per cent more likely than those in ‘excellent’ health to reduce work hours. However, those reporting their health as ‘fair’ are 90 per cent more likely to reduce their working hours than someone who reports being in excellent health. Working elder-caregivers in ‘good’ health are 20 per cent more likely than a counterpart in excellent health to reduce hours of work, while someone in ‘very good’ health is 44 per cent more likely to reduce hours of work than a respondent in excellent health. While inconsistencies across different health levels point to the difficulty in trying to assess health status on the basis of self-reported answers, the results do confirm that working elder-caregivers in less-than-excellent health all demonstrate greater propensity toward work hour reduction.

Finally, respondents with a ‘weaker’ attachment to the labour force measured by a combination of full and part-time, or part-time only work since starting one’s career, are, as hypothesized, 12.6 per cent more likely to reduce hours of work than respondents who only work full-time.
5.2.2 Care Intensity Measures

When expense increases and care intensity are considered together, higher intensity/higher expense working elder-caregivers are consistently more likely than all other classifications of caregiving to reduce hours of work. All other classifications of working elder-caregivers than high intensity caregivers with expense increases are 83 per cent less likely to reduce hours of work. Working elder-caregivers who do not fall into the classification of a medium intensity caregiver with expense increases are 62 per cent less likely to reduce hours of work than someone who does provide medium intensity caregiving and has expense increases, while all other caregivers apart from those providing low intensity care with expense increases are 70 per cent less likely to reduce hours of work.

While the findings of the first Specification confirm high intensity working elder-caregivers and working elder-caregivers with increased expenses are the most likely group to reduce hours of work, the second Specification further suggests the combined effect of caregiving intensity and expense increases has a much greater impact on propensity of work hour reduction than when care intensity and expense increases are considered in isolation.

It is also important to note that low intensity caregivers with expense increases are more likely to reduce work hours than medium intensity caregivers who incurred extra expenses from eldercare. This can possibly be accounted for by characteristics of long-distance caregivers, who, by definition help an adult relative only a few times month, but travel an average distance of 450 miles and 7.23 hours in order to provide this care. It is not surprising that long-distance caregivers who travel one to three hours spend an average of $392 per month on travel and out of-pocket expenses, while caregivers for people who live more than three hours away spend roughly $674 per month, or $8,088 per year. Not surprisingly, more than four in ten long-distance caregivers made workplace sacrifices in order to manage this schedule, with 36 per cent missing days of work (Metlife, 2004).
The implications of these results are critical: while the GSS does not ask respondents to indicate the dollar amount by which their expenses increased, high intensity caregivers (those helping an adult relative every day) arguably incur more expenses than caregivers helping at lesser intensities. Therefore, it is the most vulnerable group of caregivers – those providing the most care, and incurring the most expenses, who demonstrate the greatest propensity towards work hour reduction.

While an increase in expenses cannot be considered representative of a caregiver’s overall income security, if an employed caregiver does not experience an increase in expenses because of caregiving, it is possible he or she will have more financial flexibility in deciding whether or not to reduce work hours. Research demonstrates that a high household income provides members of that household with a wider breadth of options in their decisions about caregiving, in terms of being able to reduce hours of work, or to alternatively purchase care services. The results of this study, as noted before, confirm this research.

The relationship between sharing responsibility for caregiving and work hour reduction is surprising and counter to the hypothesis, with caregivers who did not share responsibility 6.2 per cent less likely to reduce hours of work. However, caregivers whose care recipient relocated in order to be closer to them were 16.4 per cent more likely to reduce hours of work than caregivers whose care recipient did not relocate. While there is no way of knowing if the care recipient’s relocation translates to co-residency with the caregiver, it is reasonable to assume this is the case.

5.2.3 Flexible Workplace Measures

Employed caregivers whose employers offer the ability to work part-time are 77 per cent more likely to reduce hours of work than those who work for an employer who does not make this provision available. It is possible that some respondents seek out employment that can be shifted to part-time work with relative ease in anticipation of future care demands.
Employees whose employer does not provide the ability to take leave, either paid or unpaid, to take care of a relative other than a spouse or child are 20.3 per cent more likely to reduce hours of work than are employees whose employer does permit them to take leave. The provision of extended leave, to take care of family members or to pursue personal projects has a different result, however. Employed caregivers not able to take extended leave are 2.6 per cent less likely to reduce hours of work than are people who can take extended leave. However, the wording of the GSS question on extended leave considers extended leave for reasons other than caregiving, factoring in the pursuit of personal projects and/or endeavours as well.

Employed caregivers who do not have the ability to decide the start and end time of their workday are 17.5 per cent more likely to reduce hours of work than employees who do have autonomy concerning work hours.

5.3 Semi-Standardized Coefficients

In order to effectively rank the demographic, care intensity and workplace flexibility variables considered in this study, coefficients were semi-standardized by multiplying the standard deviation of each variable by its logit coefficient. This provides some insight into which variables account for more of the variation in the dependent variable, by ranking the independent variables in terms of their predictive ability (Walker and Maddan, 2005).
Table 5.2  
Semi-Standardized Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Std Dev</th>
<th>Logit</th>
<th>Semi-Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Expenses/Everyday care</td>
<td>.385</td>
<td>-1.781</td>
<td>0.686</td>
</tr>
<tr>
<td>Increased expenses/few times a month or less care</td>
<td>.336</td>
<td>-.968</td>
<td>0.428</td>
</tr>
<tr>
<td>Increased expenses/cares a few times a week</td>
<td>.422</td>
<td>-1.189</td>
<td>0.408</td>
</tr>
<tr>
<td>Employer doesn’t allow part-time</td>
<td>.492</td>
<td>5.75</td>
<td>0.283</td>
</tr>
<tr>
<td>Family structure</td>
<td>.499</td>
<td>.560</td>
<td>0.279</td>
</tr>
<tr>
<td>Care recipient moved closer</td>
<td>.452</td>
<td>.494</td>
<td>0.224</td>
</tr>
<tr>
<td>Fair health</td>
<td>.315</td>
<td>-.645</td>
<td>0.203</td>
</tr>
<tr>
<td>Very good health</td>
<td>.456</td>
<td>-.366</td>
<td>0.167</td>
</tr>
<tr>
<td>Single</td>
<td>.445</td>
<td>.353</td>
<td>0.157</td>
</tr>
<tr>
<td>Education</td>
<td>.452</td>
<td>.252</td>
<td>0.114</td>
</tr>
<tr>
<td>Leave</td>
<td>.485</td>
<td>-.185</td>
<td>0.089</td>
</tr>
<tr>
<td>Good health</td>
<td>.474</td>
<td>-.188</td>
<td>0.089</td>
</tr>
<tr>
<td>Aged 45-64</td>
<td>-.158</td>
<td>-.157</td>
<td>0.078</td>
</tr>
<tr>
<td>Employer doesn’t allow flexible work schedule</td>
<td>.479</td>
<td>-.161</td>
<td>0.077</td>
</tr>
<tr>
<td>Region</td>
<td>.437</td>
<td>.174</td>
<td>0.076</td>
</tr>
<tr>
<td>Sex=Woman</td>
<td>.489</td>
<td>.316</td>
<td>0.076</td>
</tr>
<tr>
<td>$30,000-$59,999 HH Income</td>
<td>.421</td>
<td>-.159</td>
<td>0.067</td>
</tr>
<tr>
<td>Work Status</td>
<td>.472</td>
<td>-.118</td>
<td>0.056</td>
</tr>
<tr>
<td>&lt;$29K HH Income</td>
<td>.250</td>
<td>.214</td>
<td>0.053</td>
</tr>
<tr>
<td>Poor health</td>
<td>.156</td>
<td>-.281</td>
<td>0.044</td>
</tr>
<tr>
<td>Don’t Share Responsibility</td>
<td>.410</td>
<td>-.064</td>
<td>0.026</td>
</tr>
<tr>
<td>$60,000-$99,999 HH Income</td>
<td>.498</td>
<td>-.047</td>
<td>0.023</td>
</tr>
<tr>
<td>Employer doesn’t allow extended leave</td>
<td>.465</td>
<td>-.026</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Not surprisingly, the three measures of combined effects of caregiving and expenses account for the largest amount of variance in the dependent variable considered in this study.

When combined with increased expenses, all levels of care intensity demonstrate propensity towards work hour reduction. The part-time variable, as measured by a respondent’s employer providing the ability to work part-time also ranked high in this particular ordering, which makes intuitive sense: if an employed caregiver can work part-time, it is more likely they will reduce work hours. (While this rests on speculation, it is indeed possible that respondents sought out this particular employment due to the ability to work part-time).

Geographic proximity of the care recipient also placed relatively high in the ordering, with caregivers whose care recipient relocated in order to be closer to them more likely to reduce hours of work. The other measure of care intensity, however, shared responsibility, ranked comparatively low on the list, which is somewhat surprising.
Measures of workplace flexibility are somewhat scattered in their ordering. The inability to take extended leave from work accounts for the least amount of variance in the dependent variable of all independent variables considered in this work. The inability to take leave to provide care for a family member other than a spouse or child placed midway in the list, suggesting that while a significant consideration in work hour reduction, demographic variables such as health, marital status and family structure are more important than this measure of workplace flexibility.

Predicting individual behaviour, as suggested by the results of the semi-standardized coefficients, is inherently difficult. Dr. Andrew Wister, Professor and Chair of the Department of Gerontology at Simon Fraser University and a key informant consulted for this work, emphasized the importance of considering need of the care recipient when attempting to predict labour force outcomes of caregivers. While the GSS does not include any survey questions that reveal relative need or care requirements of the care recipient, it must be emphasized that needs of the care recipient likely dictate, to a considerable degree, how caregivers will, or will not, make adjustments to their participation in the labour force.

5.4 Major Findings

The results from the binary logistic regression conducted in this work must be considered in light of the low explanatory power of the Specification, with a final Nagelkerke R2 of .176. While the sample is random and can therefore be generalized to the wider Canadian population, difficulty in interpreting individual behaviour often results in Specifications with low predictive ability.

The relationship demonstrated by the binary logistic regression between sex and a reduction of work hours is as expected. While the results of this work confirm that women are 37 per cent more likely than men to reduce working hours, men are becoming increasingly involved
in eldercare activity. As such, policy alternatives designed to help caregivers remain fully engaged in the labour force should target both sexes equally. In the same vein, the relationship between age and reduction in work hours is worthy of note. Literature on combining work and eldercare makes repeated and pervasive reference to caregivers aged 45-64, as that age demographic provides more care than any other age category. This is confirmed by the above-mentioned frequency tests. However, the results of binary regression indicate caregivers aged 45-64 age categories are slightly less likely to reduce work hours than are caregivers of all other ages. The results of this work suggest, once again, that policy options to help support caregivers remain engaged in the labour force cannot be directed to one particular age group.

Perhaps the most salient finding of this Specification is the relationship between two of the measures of workplace flexibility, including autonomy concerning start and end time of the work day, and the ability to take leave in order to care for a family member other than a child or spouse, and work hour reduction. The results confirm respondents who do not have such provisions available are more likely to reduce hours of work than respondents whose employers do offer such flexibility. This confirms research on the importance of flexible workplace measures as a support to caregivers, as well as the hypotheses guiding this study. While the findings of this work must be considered in light of the Specification’s low predictive ability, it should be emphasized that caregivers who cannot determine the start and end time of their workday are more likely to reduce hours of work than caregivers who can. As the frequency tests demonstrated earlier, only 33 per cent of all caregivers in the study sample have access to this measure of flexibility. This highlights a possible area for policy development.

The relationships between measures of care intensity and reduction in work hours are somewhat counterintuitive. When measures of care intensity are combined with increased expenses, all levels of care intensity demonstrate an overwhelming propensity towards work hour reduction, with high intensity caregivers with expense increases 83 per cent more likely to reduce
work hours than all other caregivers. That caregivers with expense increases continue to reduce
hours of work and therefore forfeit income that would help them manage these extra costs
highlights a vital need to reduce care intensity and expenses.

The findings from the GSS and subsequent statistical analysis guide and inform proposed
policy alternatives in the following sections. Major findings from this analysis are used to
evaluate the effectiveness of policy recommendations to reduce the number of caregivers scaling
back participation in paid work.

5.5 The typical recent, working elder-caregiver who reduces hours of work

From the binary logistic regression findings emerge characteristics of the ‘typical’ recent
working elder-caregiver who reduced hours of work. The archetypal member of this sub-sample
is female, married, living in an intact family with children and, interestingly, falls outside of the
45-64-age bracket. A working, recent elder-caregiver holding a university degree and with a total
household income of $100,000 or more is more inclined to reduce work hours than a lower-
educated, lower income caregiving counterpart. The typical recent working elder-caregiver
reducing work hours resides in Quebec or Ontario, is in fair health, with a weaker attachment to
the labour force, having previously combined full and part-time work, with increased expenses
due to elder-caregiving activity.

The typical member of the sample who reduced hours of work provided help to an adult
relative every day, shared responsibility for eldercare, and had their care recipient relocate in
order to be closer to them. The typical recent, working elder-caregiver who reduced hours of
work is able to work part-time, but does not have access to measures of workplace flexibility
involving autonomy concerning start and end time of the work day, the ability to take leave or
extended leave from work.
6 Evaluating Policy Options: Criteria and Measures

The following section describes criteria and measures used to evaluate the policy options designed to reduce the number of recent, working elder-caregivers cutting back participation in paid work. The criteria used to evaluate these options include effectiveness, equity, cost, stakeholder acceptability and administrative complexity. Each of the policy recommendations in this work is considered relative to the status quo. Table 6.1 illustrates these criteria, and the following sections provide descriptions of measurement.

Table 6.1 Criteria Matrix

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Definition</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>Reduction in number of people who reduce hours of work due to elder care compared to status quo.</td>
<td>(Number of people who reduce work hours under status quo) – (Estimated Number of people who reduce hours of work under policy option assessed)</td>
</tr>
<tr>
<td>Equity</td>
<td>Impact on caregivers by care intensity, income and work status</td>
<td>Does the policy impact working caregivers equally?</td>
</tr>
<tr>
<td>Cost</td>
<td>Cost to Federal government</td>
<td>Incremental annual costs, in dollars</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Caregivers Acceptability to caregivers as represented by key informants</td>
<td>Comparison of the policy option to positions stated in key informant interviews</td>
</tr>
<tr>
<td>Acceptability</td>
<td>Federal Government Acceptability to federal government as represented by key informants</td>
<td>Comparison of the policy option to positions stated in key informant interviews</td>
</tr>
<tr>
<td></td>
<td>Business Acceptability to business as represented by Canadian Federation of Independent Business (CFIB)</td>
<td>Comparison of policy option to stated positions on CFIB web site</td>
</tr>
<tr>
<td>Administrative</td>
<td>Ease of implementing and administering the policy option as represented by key informants</td>
<td>Extent to which inter departmental collaboration required.</td>
</tr>
<tr>
<td>Feasibility</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.1 Effectiveness

This study evaluates effectiveness on the basis of the option’s ability to reduce the number of caregivers modifying participation in paid work by cutting back their hours. The
option able to reduce the greatest number of caregivers scaling back work hours earns the highest score. It is measured using results from the binary logistic regression results of Specification 2. Consideration is also given to information from key informant interviews and the literature. Findings indicate an absence of workplace flexibility involving autonomy concerning start and end time of the work day, and the ability to take short-term leave to provide care for a relative other than a spouse or child render a caregiver more likely to reduce hours of work. Further, caregivers whose care recipient relocated in order to be geographically closer to them are also more likely to reduce working hours, as are caregivers with expense increases. Therefore, the effectiveness of policy options in this work is measured by the ability to limit the gap between caregivers who reduce work hours and caregivers who do not reduce work hours, by addressing these findings. The option that offsets the largest number of elder-caregivers from reducing work hours earns the highest score (3). The option that reduces the medium number of working elder-caregivers from scaling back paid work hours earns a medium score (2), while the option that offsets the least amount of 140,550 working elder-caregivers from reducing work hours earns the lowest score (1). The scores for effectiveness will be multiplied by 2, in order to provide greater weight to this criterion.

6.2 Equity

Equity considerations are broadly defined by determining who benefits and who pays. This analysis focuses on measures of horizontal equity, which seeks the reduction of welfare gaps between equal individuals as opposed to vertical equity, which seeks the reduction of welfare gaps between unequal individuals. In this study, I consider horizontal equity in relation to employed caregivers, as opposed to vertical equity, which measures employed caregivers versus employed non-caregivers. As several of the proposed policy alternatives deal with tax credits, horizontal equity is advocated as it is considered more ethically robust than vertical equity which allows for wider variance in achieving equity. This work measures equity by assessing the impact
on caregivers by care intensity, income and work status to determine if the option treats caregivers equally on the basis of these characteristics. Interviews with key stakeholders and the literature inform equity rankings. If an option discriminates on one or no categories, it earns the highest score (3). If it discriminates one two categories, it earns a medium score, or a 2, and if it discriminates on three categories, it earns the lowest score (1).

6.3 Cost to Government

Consideration of cost is critical to the implementation of any policy. This work evaluates cost by estimating annual operating costs. Data from the GSS, information from key informant interviews and the literature are used to provide approximate annual costs, measured in dollars, for each of the policy recommendations. The highest cost option earns the lowest score, while the lowest cost option earns the highest score. While there is no amalgamated Federal budget allotment for total spending on measures to assist working elder-caregivers, the capital directed to the most recent Federal policy to help caregivers will be used as a benchmark; the $192 million budgeted annually for the Compassionate Care Benefit. If an option costs less than $192 million, it earns the highest score (3). If an option costs approximately $192 million, it earns a medium score (2). Finally, if an option costs more than $192 million, it earns the lowest score (1). The scores for cost will be multiplied by 2, in order to provide greater weight to this criterion.

Once again, the context of the study sample must be emphasized: Only the most recent, working elder-caregivers are considered, with all cost calculations premised on the sample. As a result, costs to the Federal government of the proposed policies will indisputably be much higher, as the suggested alternatives will necessarily be made available to all working elder-caregivers, and not only those in the study sample. Further, as the study sample illustrates, nearly one million Canadians began providing eldercare while working over a 12-month period. Should this trend continue, the cost of the policy options discussed in this work will increase exponentially each year.
6.4 Stakeholder Acceptability

There is significant research on what caregivers view as effective tools to making participation in the labour force with simultaneous eldercare responsibilities an easier task. This literature and key informant interviews are used to estimate stakeholder acceptability. Interviewees include Dr. Andrew Wister, Chair of the Gerontology Department at Simon Fraser University, a government official from TBS, a government official from HRSDC and one government official who requested his affiliation remain anonymous. Information from these interviews represents government stakeholder acceptability. The Canadian Federation of Independent Business represents business stakeholders and acceptability to business is measured using information from the CFIB’s website. The lowest-scored option evaluated by stakeholders in terms of acceptability earns a 1, the medium-scored option by stakeholders earns a 2, and the highest-scored option by stakeholders earns a 3. Because three groups of stakeholders are represented and are each scored out of three, so as not to provide greater weight to this criterion, the total score for Stakeholder Acceptability will be divided by 3.

6.5 Administrative Complexity

Eldercare is a national issue. Therefore, any policy alternatives designed to address the labour force outcomes of Canada’s elder-caregiving population will be Federal. As such, the administrative complexity associated with policy implementation must be considered. Administrative complexity refers to the degree of difficulty in implementing a policy option, as opposed to the status quo. The three government stakeholders interviewed for this study offer insight on the administrative complexity of implementing each option, and their feedback, while a rough estimate, is used to score each option on this criterion. This work considers whether implementation of the policy alternative requires recognition, acceptance and coordination of multiple departments, as measures of administrative complexity. Easy administrative complexity of implementation earns the highest score (3), meaning no or little coordination of various
departments is required. Medium administrative complexity of implementation earns a 2, meaning the option requires some new coordination of various departments. High administrative complexity of implementation earns the lowest score (1) meaning significant interdepartmental coordination is required to put the policy in place.

6.6 Summary

This section presented the criteria and measures that will serve as evaluative benchmarks for the policy options to reduce the number of working elder-caregivers scaling back hours of work. Section 7 identifies the policy alternatives proposed to address this problem. Effectiveness, equity, cost, stakeholder acceptability and administrative complexity are considered in relation to the implementation of each of the proposed policy options.
7: Policy Options

The following section describes the four policy options proposed to address the policy problem of recent, working elder-caregivers reducing work hours. As the study’s findings confirm, the absence of flexible workplace measures to facilitate the continued, full-time participation by working eldercare providers in the labour force push caregivers towards work hour reduction. Further, recent, working elder-caregivers experiencing expense increases due to elder-caregiving demonstrate a greater propensity to reduce hours of work. When expenses and care intensity are combined, caregivers helping an adult relative every day, and who incurred extra expenses at the onset of this care, are the most likely group to reduce hours of work. Caregivers whose care recipient relocated in order to be closer to them are more likely to reduce work, likely because the relocation translates to an ability to provide more frequent care.  

These following options are initiatives to be taken by the Federal government. Recommendations are made to Human Resources and Social Development Canada and Canada Revenue Agency for research, consideration and implementation.

7.1 Status Quo

The status quo is a baseline from which all other policy recommendations are evaluated. This study starts from the premise that currently policies to support caregivers are not working. Close to 20 per cent of Canada’s most recent employed elder-caregivers reduced work hours to better manage their care responsibilities.

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1. A crosstabulation test between care intensity and relocation confirmed 60.6 per cent of caregivers who help an adult relative every day responded affirmatively when asked if the person they were assisting relocated in order to be closer to them.
Federal measures designed to help elder-caregivers participate in paid labour while simultaneously providing eldercare are multiple but disjointed. There are no national, direct financial support policies for caregivers, such as caregiver allowances or wages in Canada (McCloskey, 2005). There are currently three tax credit measures offered federally that attempt to partially offset the cost of caring, including the Caregiver Tax Credit, the Medical Expenses Tax Credit and the Infirm Dependent Tax Credit. A more recent initiative is the implementation of the Compassionate Care Benefit, an EI-based program that provides caregivers with 55 per cent of their salary for six weeks of leave from work in order to provide end-of-life care to a dying relative. Restrictive eligibility criteria to the three tax credits and the Compassionate Care Benefit translate to poor uptake and a failure to adequately assist elder-caregivers as they seek to balance work and care demands.

The Federal Government has directed significant attention to developing of flexible workplaces to help Canadian caregiving employees achieve an improved work-life balance. In 2005, Human Resources and Social Development Canada made available results of a study on work and family provisions in Canadian Collective Agreements. In its concluding remarks, the study indicates that while family-friendly provisions can be beneficial to both employees and employers, there remain inherent drawbacks that must be considered before specific policies can be adopted and implemented.16 Further, while a number of federally-regulated workplaces offer flexible measures designed to assist employees with eldercare demands, less than one in ten Canadian workers are covered by federal jurisdiction (HRSDC, 2005). Additionally, there are 14 distinct labour codes across the country, “each with its own particularities, reflecting regional economic and socio-political realities, as well as the ideological leanings of current and former

16 In the context of the HRSDC study, family provisions are defined as “clauses contained in collective agreements which offer employees work arrangements – whether in terms of hours of work, leave or other support mechanisms – that can assist them in balancing the demands of work and family responsibilities” (HRSDC, 2005).
governments” (HRSDC, 2005). In conclusion, not all employed caregivers have access to similar flexible workplace policies and programs.

7.2 Introduction of Tax Credit for Employers of Telecommuters or Compressed Work Week Employees

Caregivers unable to determine the start and end time of their workday are more likely to reduce work hours, but those with the ability to work part-time are more likely to reduce hours of work. In order to approximate the flexibility of part-time work and to allow caregivers to determine the start and end-time of their workdays without reducing overall work hours, this option proposes the Federal government provide a non-refundable tax credit to employers allowing full-time employees providing care, to telecommute or work a condensed workweek. Research indicates telecommuting is an effective retention tool and reduces absenteeism (Canadian Telework Association, 2009). It also provides employees with flexible hours and reduces costs associated with commuting. However, not all occupations lend themselves to telecommuting, and as such, the same tax credit should be applied to employers permitting caregiving employees to work condensed work weeks. This allows caregivers to readjust hours of work to have one extra day off per week to better balance care and work responsibilities. The program is partially modelled on the Apprenticeship Job Creation Tax Credit.\(^{17}\) The maximum credit is $500 per year for each eligible telecommuter or compressed workweek employee. In order to qualify, caregivers are to provide proof of caregiving activity through the provision of receipts related to caregiving, confirmation from a medical practitioner or proof of co-residency.

\(^{17}\) “The AJCTC is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment. The maximum credit is $2,000 per year for each eligible apprentice” (CRA, 2005).
7.3 Expand Caregiver Tax Credit Criteria

The Caregiver Tax Credit provides limited tax relief to those co-residing with a parent, grandparent 65 years of age or older, or a mentally or physically infirm dependent age 18 or over. The credit currently provides $4,095 and is available to roughly 400,000 Canadians (Keefe and Fancey, 1999). The dependent must have a net income less than $18,081. However, studies show the tax credit has very little impact on out-of-pocket expenses as restrictive eligibility criteria make it difficult for caregivers to access the benefit.

This study indicates working elder-caregivers whose care recipient relocated in order to be closer to them are more likely to reduce hours of work, and yet, the current criteria for the Caregiver Tax Credit serve as an incentive for co-residency. While caregivers most likely to reduce working hours are those providing the greatest intensity of care and who incurred extra expenses, all recent, working elder-caregivers with increased expenses are substantially more likely to reduce hours of work—albeit to different degrees. In recognition of this, this option recommends the Federal government expand eligibility criteria for the Caregiver Tax Credit by removing the co-residency requirement. The current eligibility criteria discriminate against caregivers assisting those living nearby, either independently, or in a long-term care facility, but who are still providing high levels of care. Expanding and offering the credit to caregivers not residing in the same household as their care recipient addresses the results of the study by assisting caregivers providing all levels of care intensity by partially offsetting their expenses.

7.4 Expand Compassionate Care Benefit Eligibility Criteria

The Federal government introduced the Compassionate Care Benefit in 2005 (Osborne and Margo, 2005). An Employment Insurance-based program, the benefit operates as a piece of labour legislation designed to provide employed caregivers who must be absent from work to provide care to a gravely ill family member who is at risk of dying within 26 weeks, with six
weeks of paid leave at 55 per cent of their salary. Successful applicants must demonstrate an
interruption in earnings, or a reduction of more than 40 per cent of their normal weekly earnings.
The maximum allowable amount to be claimed is $435 per week. Uptake of this benefit has been
remarkably low, with less than four per cent of the $190 million budgeted claimed in 2005/2006
(Osborne and Margo, 2005). Restrictive eligibility criteria, including its association with EI, mean
many employed caregivers who would benefit from the CCB are not able to access it. This is
particularly relevant in light of this study’s results, confirming caregiving respondents who are
not able to take leave in order to provide care for a relative other than a spouse or child, are more
likely to reduce hours of work.

The results of this study show roughly 20 per cent of caregivers reduced hours of work in
the past year. Of all caregivers reducing their hours, data from the GSS confirm 86.6 per cent did
not use the Compassionate Care Benefit\(^\text{18}\). While there is no way of knowing precisely why these
caregivers did not use the benefit it is reasonable to assume it is linked to beneficiaries requiring
the care recipient’s doctor to confirm in writing he/she is expected to die within the next 26
weeks. Further, it can be assumed the care recipients of caregivers in the study sample do not
meet this criterion, as onset of caregiving activity does not typically coincide with a terminal
diagnosis in this timeframe.

On the basis of these results, this option proposes the Federal Government expand the
eligibility criteria of the Compassionate Care Benefit by removing the end-of-life care
requirement to include intense caregiving activity. This includes relocation of the care recipient
into the home of the caregiver, relocation of the care recipient into a long-term care facility,
admittance or discharge of the care recipient from a hospital, or the onset of acute illness of the
care recipient. Documentation provided by a medical practitioner as a criterion will not to be

\(^{18}\) To determine how many respondents reduced work hours and used the Compassionate Care Benefit, the
study sample was readjusted to consider only those who responded they had reduced work hours within
the past 12 months. A frequency test was then run on the variable asking respondents, “Did you take a
Compassionate Care Leave to help or care for any of the people you helped in the last 12 months?”
removed. In the instance that involvement of a medical practitioner is not called for, such as relocation into the home of a caregiver, for example, receipts to substantiate validity of the claim will be required. This option addresses the study’s results by allowing caregivers to take leave to provide care for an elderly relative, while supporting the group of caregivers demonstrating the greatest propensity towards work hour reduction: high intensity caregivers with expense increases.


### 8 Evaluating Policy Options

#### Table 0.1 Comparative Rankings Matrix

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Policy Option 4</th>
<th>Policy Option 1</th>
<th>Policy Option 2</th>
<th>Policy Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Status Quo</td>
<td>Tax Credit</td>
<td>Caregiver Tax Credit</td>
<td>Compassionate Care Credit</td>
</tr>
<tr>
<td>Equity</td>
<td>(1) Discriminates on intensity, income, work-status</td>
<td>(2) Discriminates on occupations, income levels</td>
<td>(3) DISCRIMINATES ON INCOME</td>
<td>(2) Discriminates on income and work-status</td>
</tr>
<tr>
<td>Equity Score</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>(1) $40,550</td>
<td>(2) Approx. 105,413</td>
<td>(3) $2,380</td>
<td>(2) Approx. 93,999</td>
</tr>
<tr>
<td>Effectiveness Score x 2</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Additional Cost ($Million)</td>
<td>(3) None</td>
<td>(3) $162</td>
<td>(1) $330</td>
<td>(2) $229</td>
</tr>
<tr>
<td>Additional Cost Score x 2</td>
<td>6</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Stakeholder Acceptability</td>
<td>Caregivers (1) Current programs inequitable and insufficient</td>
<td>(3) CAREGIVERS CALL FOR WORKPLACE FLEXIBILITY</td>
<td>(1) Tax credits don't effectively offset expense increases</td>
<td>(3) MORE INCOME PROTECTION THAN TAX CREDITS.</td>
</tr>
<tr>
<td></td>
<td>Federal Government (2) Supports status quo because it is currently in effect</td>
<td>(2) Balance between caregiver and business requirements.</td>
<td>(1) Potential to undermine program's legitimacy</td>
<td>(3) HIGH-RECOGNITION OF LOW UPTAKE TIED TO RESTRICTIVE CRITERIA</td>
</tr>
<tr>
<td></td>
<td>Business (2) Medium support for CBI</td>
<td>(2) Medium - recognition of need for flexible workplaces</td>
<td>(1) NA</td>
<td>(1) Low - CFIB unlikely to support increased access</td>
</tr>
<tr>
<td>Stakeholder Score</td>
<td>Total: 1.5</td>
<td>Total: 2</td>
<td>Total: 1</td>
<td>Total: 2.5</td>
</tr>
<tr>
<td>Administrative Feasibility</td>
<td>1.5</td>
<td>2</td>
<td>1</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>(3) REQUIRES NO NEW ADMINISTRATIVE CAPACITY</td>
<td>(2) ATCTC can be used as model, but still requires increased capacity.</td>
<td>(3) ALREADY IN PLACE, SOME EXTRA SUPPORT REQUIRED</td>
<td>(3) ALREADY IN PLACE, SOME EXTRA SUPPORT REQUIRED</td>
</tr>
<tr>
<td>Total</td>
<td>13.5</td>
<td>16</td>
<td>13</td>
<td>15.5</td>
</tr>
</tbody>
</table>

**BLUE TEXT (CAPITALS) = BEST OPTION = 3**  
**red text (italics) = worst option = 2**  
**black text (normal) = neither best nor worst option = 1**
8.1 Status Quo

If no changes to caregiver policy are enacted, current levels of work hour reduction will remain consistent, meaning, approximately 20 per cent, or 140,550 recent, working elder-caregivers will reduce their hours of work every year in order to better manage elder-caregiving responsibilities. While maintaining the status quo ranks the best option in terms of cost, as no extra annual costs are required, it scores low on effectiveness, as it makes no improvements to the variables found to be significant in the regression results and therefore does not reduce the percent of caregivers cutting back work hours. The status quo also ranks low in terms of equity, as restrictive eligibility criteria such as co-residency for the Caregiver Tax Credit, and medical certificates confirming expectation of death of the care recipient for the Compassionate Care Benefit, discriminate against caregivers with different care intensity levels, income and work status\textsuperscript{19}.

The option earns a medium score on government stakeholder acceptability. The TBS official consulted for this work under conditions of anonymity explains the ranking: “Within this political climate and the rigorous reporting that is connected to all government spending a status quo is most likely to receive medium to high support” (TBS, 2009).

However, the status quo scores low in acceptability to caregiver stakeholders. Low uptake of the Compassionate Care Benefit can\textsuperscript{20}, in large part, be attributed to restrictive eligibility criteria that limit the number of successful applicants. Because the benefit is an EI-based program, a substantial number of applicants are not eligible for it, because they are not eligible for EI. As a result, caregivers who are not eligible for EI must assume the financial

\textsuperscript{19}To be eligible for the Compassionate Care Benefit, successful applicants must have worked in a job that offers EI premiums and have worked for 600 insurable hours in the last 52 weeks, or since their last claim, whichever is less.

\textsuperscript{20}“In 2004/2005, actual claims accounted for only $7.25 million, less than four per cent of the $190 million annual budget in 2004/05” (Osborne and Margo, 2005).
responsibility of providing end-of-life care to terminally ill family members. A review of the benefit notes the following:

A number of stakeholders have criticized this aspect of the program...A long-standing criticism of the Compassionate Care Benefit Program is that it fails to alleviate the economic stress of women who both constitute the large majority of caregivers and disproportionately fall within the classes of people ineligible to receive the benefit. This criticism is at least partially confirmed in the Compassionate Care Benefit post-implementation figures that show the vast majority of claimants are women (71 per cent) (Osborne and Margo, 2005).

The three tax credit measures available to assist caregivers are subject to the same criticisms. Restrictive eligibility criteria and inadequate compensation levels render the Caregiver Tax Credit, the Disability Tax Credit and the Medical Expenses Tax Credits largely ineffective measures.

While collectively these tax credits may amount to as much as $10,000, few caregivers are, in fact, eligible for anywhere near this amount. As a general principle, the credits are least useful to caregivers who most need financial assistance (McCloskey, 2005).

Additionally, these credits are means-tested against the income of the caregiver, or the care recipient, and at times the cut-off points are so low the only caregivers able to benefit from their provision are “severely impoverished themselves or caring for severely impoverished seniors” (McCloskey, 2005). While non-refundable tax credits require a taxable income, meaning the recipient must be employed, these low cut-off points may serve as an incentive to reducing participation in paid labour in order to qualify.

According to the Canadian Federation of Independent Business, there is medium support for status quo policies that directly impact businesses. The CFIB recognizes the importance of flexible workplaces, noting, “SMEs must involve the employees and offer flexible work arrangements in order to quickly adapt to market demands and maintain a sharp competitive edge (CFIB, 2004).” There is weaker support for the CCB, and the CFIB has called on the Federal government to revisit the benefit’s funding model:
EI: Employers pay 60 per cent of the cost of the EI program, while employees pay 40 per cent. CFIB has long been advocating for employers and employees to share the cost equally or for a return to the earlier finding model, which saw the premiums, shared 40-40-20 between employers, employees and government. Since many of the benefits paid from the program are for social programs such as maternity, parental and compassionate leave, there is a good argument to fund a share of the cost from general revenues (CFIB, 2009).

Because the status quo requires no new administrative tools, programs or structures to be put in place, it earns a high ranking.

8.1.1 Cost Savings for Status Quo

Maintaining the status quo and implementing no new policy to address work hour reduction by Canada’s most recent, working elder-caregivers implies no cost-savings for the Federal government.

8.2 Introduction of Tax Credit for Employers of Telecommuters or Compressed Work Week Employees

A crosstabulation test between work hour reduction and access to flexible work measures allowing a working elder-caregiver to determine the start and end time of their work day indicates 93,195 respondents reduced work hours and do not have this flexibility, while 47,355 reduced hours and have this flexibility. The goal of this policy recommendation is to reduce the number of caregivers who decrease their work hours by approximating this kind of flexibility – essentially ‘pushing’ caregivers into the decreased hours and flexibility category, through provision of a non-refundable tax credit that stipulates full-time hours. Currently, one in ten Canadians is able to work from home, while one in four has access to flexible workplace measures. To provide an approximate measure of effectiveness, I assume 25 per cent of all caregivers are eligible to telecommute or work a condensed work week. If 25 per cent of all caregivers who reduced work hours shifted to work by telecommute, or a condensed work week as a result of this policy option, 35,137 caregivers who reduced work hours would shift to the category of non-work hour
reducing caregivers. This result earns the option a 'neither best nor worst’ score on the effectiveness criterion.

This option earns a medium score on the equity criterion. Not all occupations lend themselves to telecommuting or a condensed workweek. It therefore discriminates against some caregivers on the basis of work status. Further, according to Statistics Canada, the likelihood of working from home increases with educational attainment, with roughly 23 per cent of university degree-holding employees completing some or all of their work from home, while only 4 per cent of employees without a high school diploma able to do so (Akyeampong and Nadwodny, 2001). While the equity criterion in this study looks at income as opposed to education, higher education levels can be considered a proxy for higher income, and as such, this option discriminates against caregivers in lower income brackets.

To calculate the approximate cost of this option, I assume implementation costs to be negligible, as it will involve the addition of minimal information to the T2, the Corporate Income Tax Form. Approximately 1.3 million Canadians provide eldercare while working full-time. If 25 per cent of these 1.3 million are eligible to telecommute or work a condensed workweek, this represents 325,000 caregivers. Corporate Income Tax Credits are not subject to percentage deductions, meaning the entire $500 for this non-refundable tax credit is applied, costing a total of $162 million. This is in line with costs for the AJCTC, which totalled $125 million for roughly 100,000 beneficiaries.

The three government stakeholders consulted expressed medium support for this option, recognizing that while increased flexibility for working elder-caregivers is required, it can be difficult to strike a balance between the needs of business with work-life balance demands. The HRSDC official interviewed said of this option:

We want a certain amount of flexibility that provides caregivers with the ability to combine both work and care, and we want to make sure they aren’t penalized by caregiving activities. But we need to be careful because this can impose costs
on small employers - sometimes they need to backfill positions and they can’t possibility function in this kind of environment – they just can’t accommodate this kind of balancing act and these people need to be protected, too.

Representing working elder-caregiving stakeholders, Dr. Andrew Wister, Chair of the Gerontology Department at Simon Fraser University, scored this option high, saying:

This provides greater flexibility in allowing people to provide more care, and that’s a good thing. The notion of economic bias, that caregiving is in the way of people’s long-term income security is misguided. The only problem is that we aren’t providing enough flexibility to facilitate this caregiving.

The CFIB would likely provide medium support for this option. In a presentation to the Federal Labour Standards Review Commission, the CFIB said:

A growing shortage of skilled labour is another major concern for SME owners. The shortage will likely worsen as the baby boomer generation retires. The shortage has accelerated alternative forms of employment, such as self-employment, and provided additional incentives for employers to provide flexible working conditions in order to attract and retain skilled employees (CFIB, 2005).

This option will require extensive administrative support. It will require coordination between two departments; CRA and HRSDC and will necessitate increased personnel and training in order to be implemented. The recommendation earns a low score for this criterion.

8.2.1 Cost Savings of Tax Credit for Employers of Telecommuters or Compressed Work Week Employees Policy Option

Research estimates the average elder-caregiver provides the equivalent of CAN $21,000 of eldercare each year. If the recent, working elder-caregivers in the study sample who reduced hours of work were to renounce caregiving in favour of employment demands, this would cost approximately $3 billion. The tax credit policy option offers the potential to prevent 35,127 recent, working elder-caregivers from reducing hours of work while providing eldercare, saving close to $800 million every year.
To provide an approximation of cost savings for businesses of this policy option, the estimate suggesting employers lose roughly $3,500 per employee when an elder-caregiving worker switches from full to part-time work is used (Metlife, 2006). If implementation of this policy alternative prevents 35,127 recent, working elder-caregivers from reducing hours of work, businesses will save more than $120 million per year.

8.3 Expand Caregiver Tax Credit Criteria

There is little research or evidence to offer insight on how tax credits benefit caregivers, and how efficient they are in offsetting elder-caregiver burden. While they promote consumer choice and may prompt both caregivers and receivers to purchase alternate forms of care or support, thereby reducing caregiver burden and perhaps decreasing propensity towards work hour reduction, “little empirical evidence exists to interpret the usefulness of these initiatives for informal caregivers” (Keefe and Fancey, 1999). To one government official consulted for this study, this is not surprising, as the Federal Government introduced the credit as a measure to assist caregivers and to alleviate their burden, but the Ministry of Finance and Provincial ministries justify many of the measures in the tax system on the grounds that they are part of the tax system and not benefits.

However, to provide a rough approximation of effectiveness, I assume the removal of the co-residency requirement opens the credit to working elder-caregivers who do not live with their care recipient, as measured by the GSS question asking respondents if their care recipient relocated in order to be closer to them. This represents 82,279 caregivers who reduced work hours and who do not reside with their care recipient who are now eligible. It is unreasonable to anticipate the provision of this benefit will reduce the gap between work hour reducing and non-work hour reducing caregivers by 82,279 people. However, the credit will impact this number of people, reducing their federal tax by up to $614, which helps offset increased expenses and makes the purchase of care services easier, arguably decreasing propensity towards work hour reduction.
However, as a government official consulted for this work highlighted, there is no evidence to suggest that if people are able to increase expenditures on caregiving that they won’t continue to reduce hours of work regardless. Further, the amount of money the credit provides to caregivers is minimal and is not likely to significantly reduce the gap between caregivers who reduce work hours and those who don’t. These factors considered, the option earns a low score on effectiveness.

This option improves on current equity, as it no longer discriminates against caregivers who are assisting relatives who may live nearby or in a long-term care facility. Because the benefit is income-tested it continues to treat caregivers with different household incomes differently, but does not discriminate on the basis of work status. Therefore, the option earns a medium score for equity.

As with the Compassionate Care Benefit, changing eligibility criteria for this credit implies a greater number of beneficiaries, which will drive up cost. To provide a rough approximation of cost, I assume the 538,234 caregivers whose care recipient did not relocate are now eligible for this benefit are able to claim the full amount of $614, totalling $330 million. This amount should be considered relative to the budget for the Caregiver Tax Credit introduced by the Federal government in 1998: Finance Canada predicted 450,000 caregivers would be eligible, and the maximum amount Federal tax could be reduced by was then $400, costing $180 million.

Government stakeholders expressed medium support for this option. While discussions of eligibility criteria tend to centre on their being too restrictive, a valid counterargument is that eligibility criteria must be restrictive in order to safeguard against potential abuses that undermine a program or benefit’s legitimacy and can raise costs. Further challenges imposed by difficulties in defining eligibility criteria, particularly with regards to the domain of caregiving must also be accounted for. The government official emphasized the difficulty in trying to assess who in effect needs care, as this is a highly subjective and personal interpretation.
Dr. Andrew Wister also expressed medium support for this option, recognizing the simplicity of using the current tax system to assist caregivers, while cautioning the credit will not offset to any effective degree the burden of employed elder-caregivers.

This option earns a high score in terms of administrative complexity. All stakeholders consulted for this work emphasized the relative ease with which changes can be made to tax credits. Further, the credit is already in place and would not require any new interdepartmental coordination.

8.3.1 Cost Savings of Expansion of Caregiver Tax Credit Policy Option

Expanding the Caregiver Tax Credit offsets the expenses of elder-caregivers, making the purchase of care services an easier option. While it is difficult to predict how elder-caregivers will dispense the money they receive from the credit, if the total amount of $614 is used to purchase care services, the $180 million allocated to the provision of the credit could arguably be saved by not using the health care system to obtain these services.

Further, the ability to pay for care as opposed to reducing hours of work in order to provide eldercare improves productivity. As noted earlier, care services cost approximately $19 per hour (Metlife, 2006). If the total amount of $614 is used to purchase eldercare services, this translates to 31.5 hours, or an approximate week’s worth of time an elder-caregiver need not be absent from work in order to take care of an elderly relative.

8.4 Expand Eligibility Criteria for Compassionate Care Benefit

Research consistently indicates measures of workplace flexibility help caregivers remain fully employed. While the Compassionate Care Benefit provides short-term leave and income protection to caregivers at a critical time, restrictive eligibility criteria that confine access to end-of-life care mean hundreds of thousands of elder-caregivers reduce hours of work, and aren’t eligible for the benefit. A comprehensive review of the benefit by the Health Council of Canada
highlights the unpredictability of the dying process, and an emphasis from stakeholders on wanting flexibility in access to the benefit apart from the last 26 weeks of life window. The Council notes, “A longer window within which to access the benefit would provide employees with greater flexibility to provide care to family members at the most critical stages of illness (Osborne and Margo, 2005).

It is difficult to estimate the number of caregivers who, provided the ability to take leave, would not reduce their work hours on the basis of the flexibility provided by this policy option. However, to calculate a rough approximation of effectiveness, I consider that 52,798 caregivers who do not have the ability to take short-term leave to provide care for a relative other than a spouse or child reduced their hours of work. This represents 37.6 per cent of all caregivers who reduced work hours. Of these, 28,253 caregivers reduced work hours, cared for someone who moved closer to them and had reduced income, while 18,781 reduced work hours, are medium intensity caregivers, and have reduced income as a consequence of caregiving. Under the new criteria according to this policy option, an additional 47,034 caregivers who reduced work hours and do not have access to short-term leave, will now be eligible for the CCB. In other words, the option provides caregivers who were more likely to reduce work hours if they did not have access to short-term leave, with the ability to take leave.

Removing the end of life care requirement improves upon equity of the status quo, but earns a medium score, as the newly framed benefit would not be available to low intensity caregivers, and is still tied to income, meaning it isn’t accessible to all work-hour reducing caregivers. It also continues to discriminate on the basis of work-status, as caregivers have to have worked 600 insurable hours to be eligible.

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21 Successful applicants are required to provide proof of interrupted earnings, or that regular weekly earnings have decreased by at least 40 per cent.
Expanding the eligibility criteria of the CCB will substantially increase the number of beneficiaries. While current criteria mean only caregivers providing end of life care are eligible, this option proposes making the benefit accessible to a much wider pool of applicants. While it provides a rough estimate, as noted above, it is presumed ‘medium’ intensity working elder-caregivers, and working elder-caregivers whose care recipient relocated in order to be closer to them, and who have reduced income due to caregiving, are now additionally eligible for the benefit. (For purposes of this calculation, high intensity caregivers are considered as already having access to the benefit.) According to the GSS, 49,834 of all caregivers have reduced income because of caregiving and had their care recipient move closer, while 38,147 respondents are medium intensity caregivers with reduced income because of caregiving, meaning an additional 87,981 caregivers will have access to the CCB. (While there is no way of knowing if these respondents had their income reduced by the 40 per cent required to qualify for the benefit, this GSS question is used as an approximation.) Cost of the CCB is calculated on the basis of income. I base this calculation using the $60,000-$99,999 income bracket, as close to half of the sample falls into this category. The CCB provides beneficiaries with 55 per cent of their income to a maximum of $435 per week, for six weeks. If a caregiver with an income between $60,000-$99,999 were to take six weeks of leave from work without the benefit, he/she would lose $9,230. The CCB provides them with $2,610, for this six-week period. While it represents an inflated cost, if all 87,981 caregivers have an income between $60,000-$99,999 and received the maximum benefit, $435 a week for six weeks, total cost would be $229 million, a $37 million increase from the $192 million budgeted for the benefit in 2005/06.

The three government officials consulted for this work, one from TBS, and another from HRSDC, and an official who requested his affiliation remain anonymous, all ranked this option high in terms of stakeholder acceptability. Further, the Government of Canada has already recognized a need to review eligibility criteria attached to this benefit. A summary paper from the
National Conference of Caregiving, held in 2005 in Quebec and sponsored by Human Resources and Social Development Canada noted the following:

Participants recommended a range of actions, including reforming existing financial supports to caregivers including revamping the Employment Insurance Compassionate Care Benefit to remove the focus on end of life care, extending the benefit to the same level as maternity leave, and expanding the definition of caregiver, as well as creating a refundable caregiver tax credit (HRSDC, 2006).

Dr. Andrew Wister, Chair of the Department of Gerontology at Simon Fraser University also rates this option high, as it helps strike a critical balance between work and care:

Flexibility allows people to be better workers. If you don’t allow them to have time off, at least some degree of flexibility, the work they are going to do will be lesser quality work. If you don’t provide some degree of flexibility, you run into issues of double duty, caregiver burden, stress, and women in the middle – these things make workers worse workers. We need to compensate people for work lost and while the simplest way to do this is through the tax system, it doesn’t provide them with anything near the amount of money these lose in terms of caregiving. Improving access to Compassionate Care is a good way to go.

The Canadian Federation of Independent Business is unlikely to support this option as the organization has already expressed malcontent with the benefit in its current form and is not expected to endorse an expansion.

This option scores well in terms of administrative complexity. The benefit is already in place and while it may require extra support to process the increased number of claims, multi-departmental coordination is not required.

8.4.1 Cost Savings of Expansion of Compassionate Care Benefit Policy Option

The Compassionate Care Benefit, as described by the government official from HRSDC interviewed for this study, was designed to perpetuate an employment relationship between caregivers and employers by facilitating the caregiving process and a return to work. If the 40,734 recent, working elder-caregivers now eligible for the benefit return to full employment, as opposed to exiting the labour force completely, businesses save the costs associated with
replacing these workers, which is typically estimated at approximately $75,000 per employee (Bliss, 2008). If these 40,734 recent, working elder-caregivers chose to exit the labour force to provide eldercare, this would cost more than $3 billion every year.
9: Tradeoffs, Recommendations and Limitations

9.1 Tradeoffs

Table 8.1 provides a visual illustration of comparative rankings of each of the policy alternatives. Capitalized blue text represents the best option for a particular criterion and are awarded three points, while red, italicised text indicates the option scored the worst on a criterion and earns a score of ‘1’. Black (normal) text indicates the option represents neither the optimal nor worst option and earns a ‘2’. It must be noted this system is an oversimplification of complex analysis and a simple ‘adding’ of colours and numbers is not intended to inform a concrete ranking of the suggested alternatives. Rather, this colour-coding and ranking system is intended to facilitate a crude assessment of how each policy option scores on the selected criteria.

As the table indicates, none of the options earns a high score on all selected criteria. However, the scope of the policy problem and suggested alternatives necessarily implies that not all criteria can be weighted equally. The Federal policies discussed in the preceding sub-sections are costly, and as such, efficiency and cost must be weighted accordingly.

While option 1, the non-refundable tax credit to employers who permit working elder-caregiving employees to telecommute or work a condensed work week does not earn the highest score for effectiveness, I suggest it provides the greatest opportunity to limit work hour reduction by caregivers. It directly addresses the binary logistic regression results and provides caregivers with the flexibility the data, literature and stakeholder interviews indicate as being critical to the facilitation of simultaneous elder-caregiving and full-time employment. While this option earns the lowest score for administrative complexity, as it represents the introduction of a new tax
credit as opposed to modifications made to existing programs, I further suggest this score be considered at a lesser weight than the effectiveness and cost criterion.

Policy option 2, an expansion to the Caregiver Tax Credit eligibility criteria by removing the co-residency requirement earns the same score as policy option 3. Context and caution must accompany this ranking. The results of this study, and many others, confirm that caregivers with expense increases are at a double disadvantage: not only does the onset of caregiving activity make new and oftentimes unplanned demands on their time, necessitating work hour reduction, the loss of income prompted by reducing hours of work is compounded by additional expenses associated with caregiving. To presume caregivers who co-reside with their care recipient represent the greatest need for the Caregiver Tax Credit is a gross misunderstanding of caregiving dynamics: as the results of this study confirm, more than half of all working elder-caregivers in this sample incurred extra expenses due to caregiving, and studies show long-distance caregivers commonly spend the most money to provide care. While the removal of the co-residency requirement opens the credit to a much larger number of beneficiaries, the maximum amount a caregivers’ federal tax will be reduced by is $614. On the basis of stakeholder interviews and the literature, I do not anticipate the expansion of this credit to make a substantial difference in work hour reduction of caregivers. The results of this work clearly demonstrate a need to offset expenses of caregivers, and while this policy option presents a way to do this, I do not believe it will be as effective as options 1 and 3. Therefore, while this option earns the highest score for cost, this must be considered in light of the lower effectiveness it provides.

Option 3, to expand the Compassionate Care Benefit by removing the end-of-life care requirement earns a medium score for cost. However, context must again be provided. The Federal government budgeted $192 million for this benefit in 2005/06. Roughly $7 million was claimed for the same time period. Low uptake has prompted comprehensive reviews of the benefit, and suggestions have already been made to remove the end-of-life criterion.
To suggest the need to take leave from work to provide intense caregiving activity should be confined to end-of-life care once again misrepresents caregiving dynamics. Relocation of a care recipient into a long-term care facility, into the home of the caregiver, into a hospital, or discharge from a hospital, all represent situations characterized by intense caregiving activity. The results of this work clearly indicate caregivers who are not able to take short-term leave to provide care are more likely to reduce their hours of work. As the literature and stakeholder interviews indicate, caregivers must be supported in their caregiving roles, and supports are to be put in place to facilitate their continued, full-time participation in the labour force. While this option scores poorly on cost, it’s ability to support a much wider pool of beneficiaries by allowing them to take income-protected leave in order to provide care without reducing work hours must be considered in light of its effectiveness and ability to address the policy problem.

9.2 Recommendations

Based on the evaluation of policy alternatives considered in the previous section, I recommend the Federal government implement two alternatives to address work hour reduction by caregivers. The introduction of a tax credit for employers who permit caregiving employees to telecommute or work a condensed workweek, and an expansion of the Compassionate Care Benefit demonstrate the greatest ability to reduce the gap between caregivers who modify participation in paid labour, and those who don’t.

9.2.1.1 Introduction of Tax Credit for Employers of Telecommuters or Compressed Work Week Employees

The first recommendation to reduce the number of caregivers scaling back participation in paid work is to offer a non-refundable tax credit to employers who permit caregiving employees to telecommute, or work a condensed workweek. Caregivers without access to workplace flexibility that allows them to determine the start and end time of their work day are
more likely to reduce hours of work. However, when permitted to work part-time, caregivers overwhelmingly switch to part-time employment in order to better accommodate work and care responsibilities. Telecommuting or working a condensed workweek approximates this kind of flexibility while assisting caregivers in offsetting expenses related to commute/travel to place of work. This policy alternative will assist caregivers in meeting their care responsibilities without reducing hours of work; the provision of a tax credit encourages employers to help them do so.

9.2.2 Expansion of Compassionate Care Benefit Eligibility Criteria

The second recommendation is to expand the eligibility criteria for the Compassionate Care Benefit by removing the end-of-life care stipulation. Caregivers who are unable to take short-term leave from their employment are more likely to reduce hours of work, and yet, the current eligibility criteria of the CCB make the program largely inaccessible to these work hour reducing caregivers. Expanding the program to make it accessible to ‘intense’ caregivers is a considerable improvement to the status quo, as the new eligibility criteria ensure caregivers who would reduce work hours because they cannot take short term leave to provide care, are now able to do so.
9.3 Study Limitations

The results of this study must be considered in light of a number of limitations. Firstly, the study sample only considers caregivers who began to undertake care activity in the past 12 months, and as a result, underestimates the actual caregiving population. The characteristics of caregivers who have been engaged in care activity for a longer period of time would offer helpful insight into how policy might best be developed to support this population. This is also problematic, as recent caregivers are unlikely to have gone through an adjustment-to-care process. The onset of caregiving may coincide with a labour force outcome that may no longer reflects individual association or response once a caregiver has had an opportunity to effectively adjust to his or her new responsibilities.

The survey does not account for the nature of care activity, or care requirements of the care recipient. As Dr. Andrew Wister emphasized, need of the care recipient is arguably the most critical factor in predicting labour force responses of caregivers. With regards to measures of workplace flexibility Wister further noted it isn't necessarily the provision of these measures that encourages reduction of work hours, but rather, need of the care recipient. "When need reaches a particular level whereby assistance is required, and flexible workplace measures are available, then work hour reduction happens. But, need is directing the association."

There is an inherent tension between economic and social goals. All five stakeholders interviewed for this study agreed that maximizing labour force participation at the cost of caregiving is not necessarily a desirable goal. As the HRSDC official summarized:

---

22 Statistics Canada estimates close to 3 million Canadians are providing assistance to at least one elderly relative.
We don’t want people to work 200 hours a week. We want them to have sufficient flexibility to combine work and care, and above all, to make sure they aren’t penalized by their caregiving activities.
10: Conclusion

Our health care system relies overwhelmingly on the informal, voluntary care provided by family members of elderly Canadians. The dollar value attached to this care is estimated at $5 billion every year. Elder-caregivers make invaluable contributions to the social welfare of our society, and yet, very few supports are in place to facilitate the participation of these caregivers in the labour force. Caregiving is an expensive undertaking, with the average elder-caregiver spending tens of thousands of dollars every year on travel, medical expenses and home renovations to accommodate the needs of their care recipients. To manage these costs, caregivers dip heavily into personal and retirement savings, reduce expenses on their own health care, all the while forfeiting current and future income by reducing the amount of time they spend at work in order to provide this care.

This study investigates a very small piece of this problem by considering the characteristics of recent working elder-caregivers that make them more likely to reduce hours of work. Expense increases, an absence of workplace flexibility and care intensity all share a significant relationship with work hour reduction by elder-caregivers. These results informed policy avenues that can be pursued to reduce the gap between caregivers who are able to manage elder-caregiving activity without reducing hours of work, and those who scaled back participation at work to provide this care. Consultation with stakeholders, data from the GSS and literature suggest an initiative that encourages employers to allow caregiving employees to telecommute or work a condensed work week, and loosening criteria attached to the Compassionate Care Benefit present the best possible options to accomplish this goal.
Appendices

Appendix A - GSS Survey Questions

1) Sex of respondent:
   Male, Female

2) Age group of the respondent:
   15 to 17
   18 to 19
   20 to 24
   25 to 29
   30 to 34
   35 to 39
   40 to 44
   45 to 49
   50 to 54
   55 to 59
   60 to 64
   65 to 69
   70 to 74
   75 to 79
   80 years and over

3) Total household income: No income or loss
   Less than $5,000
   $5,000-$9,999
   $10,000-$14,999
   $15,000-$19,999
   $20,000-$29,999
   $30,000-$39,999
   $40,000-$49,999
4) Region of the respondent:
   Atlantic Region
   Quebec
   Ontario
   Prairies
   British Columbia

5) Highest level of education obtained by the respondent:
   Doctorate/masters/bachelor's degree
   Some university/community college
   High school diploma
   Some secondary/elementary/no school
   Not asked

6) Marital Status of the respondent:
   Married
   Living common-law
   Widowed
   Separated
   Divorced
   Single (never married)
   Not stated
   Don’t know

7) In general, would you say your health is:
   Excellent
   Very good
   Good
   Fair
   Poor
   Not stated
   Don’t know

8) Respondent's type of family structure:
   Couple only
   Intact family
   Step-family with common child(ren)
   Step-family without a common child(ren)
   Lone-parent family
   No spouse/partner or child(ren) in household

9) Respondent's work status since beginning of career:
   Full-time only
   Part-time only
   Full & Part-time
10) At the time when you started providing help to an adult relative, has helping an adult relative caused you to have extra expenses?
   Yes
   No
   Not asked
   Don’t know

11) Did you share the responsibility for helping an adult relative?
   Yes
   No
   Don’t know
   Refusal

12) At the time when you started providing help to an adult relative, has helping an adult relative caused the person(s) you are assisting to move closer to you?
   Yes
   No
   Don’t know
   Refusal

13) Does your employer provide you with the option to work part-time?
   Yes
   No
   Don’t know
   Refusal

14) Does your employer provide you with the ability to take leave, paid or unpaid, for care of other family members? (Other than child, spouse, partner)
   Yes
   No
   Don’t know
   Refusal

15) Does your employer provide you with the ability to take extended leave without pay for personal reasons (e.g. being home with child(ren), caring for family member, personal projects?)
   Yes
   No
   Don’t know
   Refusal
16) Do you have a flexible schedule that allows you to choose the time you begin and end your work day?
Yes
No
Don't know
Refusal

Appendix B - GSS Methodology

The methodology of this work consists of two phases – quantitative data and analysis based on the GSS, and interviews with key stakeholders in order to evaluate policy proposals. While the General Social Survey is designed and executed to be representative of the entire Canadian population, only respondents who indicated they had started to provide care to an adult relative within the last 12 months for a period lasting longer than 12 weeks were considered. This was done so as to consider only Canada’s caregiving population. Quantitative analysis was used to provide a contextual basis for the characteristics of Canada’s caregivers. Demographic variables including sex, age, income, health status, education, ethnicity and region were assessed in order to provide a profile of Canadians who started to provide adult care in the last 12 months. The following section will explain the two main hypotheses and independent variables that guide this study: flexibility in the workplace, and care intensity.

23 A notable limitation of the data is that it only captures caregivers who started to provide care to an adult relative within the last year. While the data for the 21st Cycle of the GSS is not publicly available, preliminary results indicate that roughly 2.7 million Canadians are providing eldercare, while results from this study demonstrate that 1.6 million Canadians started to provide care within the last 12 months.
Appendix C - The General Social Survey

The General Social Survey amasses data on a variety of social subjects in order to identify changes in the living conditions and well being of Canadians over time, and to make available information on targeted social policy issues that are of current and emerging interest. The target population for Cycle 20 of the GSS was all persons 15 years of age and older in Canada, excluding:

1. Residents of the Yukon, Northwest Territories, and Nunavut
2. Full-time residents of institutions.

Data was collected by computer assisted telephone interviewing (CATI), and the target population was divided into geographic strata. Households were selected using a Random Digit Dialling method, which ensured that each telephone number had an equal likelihood of being chosen. One person living in the household aged 15 or over was then randomly selected from each chosen household to respond to the survey. Respondents could respond in either English or French, and interviews by proxy were not permitted. Data was collected in four waves, from October until June 2006. Estimation weights were adjusted using a raking ratio calibration (post-stratification) technique, for congruence with Canada’s Census based population estimates for strata and for provincial age-sex groups. While households without telephones were excluded from the survey (interviews were not conducted via cellular telephone), evidence suggests that households without telephone represent less than 2 per cent of the target population (Residential Telephone Services Survey, December, 2006). However, survey estimates were weighted in order to represent the entire target population, including those without telephones.

While the methodology of the GSS was designed to control errors and to minimize their effects, the results of the survey remain subject to sampling and non-sampling errors, due to the fact that a sample is observed and not of the entire population, and that the difference between the estimates and the true values are not because of sampling.
## Appendix D - Crosstabulation Tests

<table>
<thead>
<tr>
<th>Query</th>
<th>Responses</th>
<th>% who reduced work hours</th>
<th>% who did not reduce work hours</th>
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<tr>
<td>Sex**</td>
<td>Male</td>
<td>13.8%</td>
<td>86.2%</td>
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<tr>
<td></td>
<td>Female</td>
<td>21.8%</td>
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<tr>
<td>Age**</td>
<td>45-54</td>
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<td>81.3%</td>
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<td></td>
<td>All other age groups</td>
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<td>81.5%</td>
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<tr>
<td>Marital Status**</td>
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<td></td>
<td>Separated/divorced/ widowed</td>
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<td>Single</td>
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<td>Income**</td>
<td>$29,999 or less</td>
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<td>85.4%</td>
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<td>$60,000 - $99,999</td>
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<td>82.7%</td>
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<td>$100,000+</td>
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<td>Expense Increase**</td>
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<tr>
<td>Health**</td>
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<td>Very good Health</td>
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<td>Good Health</td>
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<td></td>
<td>Fair Health</td>
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</tr>
<tr>
<td></td>
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<td>Intact family</td>
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<td>Every Day Care**</td>
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<td>Few Times a Week**</td>
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<td>Few Times a Month or Less Care**</td>
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<td>Relocation of care recipient**</td>
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<td>Flexible workplace schedule**</td>
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<td>Employer provides ability to take extended leave**</td>
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<tr>
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<td>16.5%</td>
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Pearson Chi-2 tests *Significant at < .05, Significant **<.001
Appendix E - Combined Effects of Care Intensity as Measured by Time and Expense Increases

Combined Effects of Care Intensity as Measured by Time and Expenses Increases Crosstabulation Tests

<table>
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<th>% who did not reduce work hours</th>
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<td>High intensity caregiving respondent with increase in expenses</td>
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<td>Medium intensity caregiving respondent with increase in expenses</td>
<td>Yes</td>
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<td>78.9%</td>
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<td>No</td>
<td>17.9%</td>
<td>82.1%</td>
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<tr>
<td>Low intensity caregiving respondent with increase in expenses</td>
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<td>No</td>
<td>17.9%</td>
<td>82.1%</td>
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Bibliography

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http://www.yoursdaily.com/money/employer__costs_of_working_family_caregivers


http://www.ocsa.on.ca/PDF/In_20_Short_Years.PDF


## Interviews

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<td>Anonymous Government Official</td>
<td>Anonymous</td>
<td>Human Resources and Social Development Canada</td>
<td>March 20, 2009</td>
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<td>Cara Williams</td>
<td>Statistician</td>
<td>Labour and Household Surveys Analysis division of Statistics Canada</td>
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<td>Dr. Andrew Wister</td>
<td>Professor and Chair of the Gerontology Department at Simon Fraser University</td>
<td>Simon Fraser University</td>
<td>March 20, 2009</td>
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