The (non-)take-up of cash for care benefits: An analysis of the Austrian long-term care allowance

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Background and Research Question: The literature dealing with inequalities in long-term care has grown substantially in recent years. It explores the impact of socio-demographic and socio-economic factors as well as infrastructure patterns on the use of community and/or residential care provisions, on formal and/or informal care provisions and potential complementarity between the two as well as issues of unmet need and care poverty (for an overview see, e.g., Kröger 2022). What has received less attention in this research field is (in)equalities in the take-up of cash for care benefits. In many European countries, cash-for-care programmes represent a major pillar of national long-term care systems. But the features of these benefit schemes vary a lot, in terms of needs assessment, eligibility criteria and generosity, in terms of the recipients (care giver or care user) and whether they are bound to a pre-defined use of care services or not. This paper is concerned with the latter, cash-for-care benefits that are not bound to a specific use of the benefit. More specifically, it studies the long-term care allowance in Austria, a universal cash benefit paid to those in need of long-term care. The allowance is paid in seven different levels according to the care needs of the beneficiary and is not means-tested. The paper explores the (non-)take-up of this benefit. More specifically, it asks whether take-up and distribution of the benefit reflect need in terms of demographic structure and health status of the population. In terms of potential inequalities, the paper examines local variations and socio-economic variables that potentially have an impact on inequalities in take-up and distribution of the long-term care allowance.

Data and Methods: For the analysis, we combine quantitative analysis and institutional analysis. The first data set comprises information on the number of allowance recipients for each care need level in each Austrian municipality for the years 2013 to 2020. The second data set contains information on the socio-demographic structure of the population on a municipal level for the years 2013 to 2020, including e.g. the age structure, the number of single households, female employment rates, the educational structure and the share of foreigners in a municipality. Finally, results of the Austrian health survey 2014 and 2019 are used as a third data set to capture variations in subjective health between NUTS3 regions. We estimate fixed-effects regressions for the years 2013 to 2020 and regressions for 2019. The results are then discussed in-depth in the context of Austrian long-term care policies and the specific institutional setting.

Results and Discussion: The empirical results suggest non-take-up and regional variation in the receipt of long-term care allowances. As is hypothesized, variations between municipalities are much more pronounced for lower levels of care needs than for higher levels. In terms of socio-demographic factors impacting take-up and distribution of care allowances, the analysis shows, e.g., that higher educational level in a municipality is associated with a lower share of recipients of the allowance, while a lower household size is associated with a higher share of recipients. Results in terms of migration background of the population are more ambiguous. Finally, the regressions that include variations in subjective health on a NUTS3 level as an independent variable indicate that regional variations in subjective health can only partly explain regional variations in the share of care allowance recipients per municipality. The discussion of the results draws on the theoretical and empirical literature on non-take-up of social benefits and pays particular attention to the institutional context of the care allowance. It will discuss the role of primary non-take-up (not claiming a benefit) and secondary non-take-up (not being granted a benefit), implications of non-take-up for access to and quality of long-term care, and the opportunities to improve take-up.