



OLDER PERSONS CARE NEEDS & SOCIAL GRANTS 2024

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a) In South Africa, the term for the state pension is the Older Person's Grant, however it is often referred to as the Old Age Grant or the Old Age pension. In this report we use the term 'The Older Person's Grant'.

b) In his report, we conceptualise care as caregiving which includes practical, personal, and financial caregiving. This approach allows us to consider both the hands on assistance required as well as the provision of financial resources.

INTRODUCTION

This reports explores the relationship between older persons, their care needs and social grants in South Africa.

A lot of the research on the OPG focuses on the poverty alleviating aspects of the grant, especially at a household level. There has been little attention paid to the outcomes for older persons at an individual level, particularly in relation to their needs such as their care needs, access to health, nutrition, assistive devices etc. Policy makes the assumptions that older persons get the OPG, therefore they don't invest more on funding services, even though it is widely known that the OPG is used for households not older persons alone. This report therefore examines how the older persons' needs are being met especially in relation to the actual outcomes that are possible given the amount of money that is available.

Measuring care needs is not straight forward. Most conventional assessments of care needs considers activities of daily living such as whether a person can eat, bathe, walk, get dressed, use a toilet. Most of these activities assume that there is food to eat, there is water available for a bath or washing, or there is electricity available to heat the water for the bath or to cook the food. You can only consider whether a person's care needs are being met, i.e. can they eat food, if you think about whether they can afford to go to the shop, buy the food, buy the electricity to cook and store the food. The same applies for getting dressed into clean clothes, you can only assess whether the person can do that if you see whether they are able to have or purchase water, electricity and clothes. Similarly you can only avail of free medication at the clinic if you can afford to get to the clinic, both in terms of the cost but also in terms of your own mobility but you most often need to

eat before taking medication, so you also need to be able to afford food before you take your medication.

It is for this reason, in this report that we place the emphasis on household income and expenditure as it is a pre-requisite for attending to the care needs of older persons.

Older persons in South Africa are aided by government-funded non-contributory pensions. The report tells the story of the financial lives of older person grant beneficiaries (hereafter referred to as OPG beneficiaries) and raises questions for reviewing ageing policy and better meeting the needs of older persons.

Whilst the Older Person Grant is a key feature of poverty alleviation in South Africa, the ways in which the grant supports the care needs and economic well-being of older persons is not well understood or explored.

South Africa's Older Persons Act (2006), as well as international documents, such as the Madrid International Plan on Ageing and Health (MIPAA) and the development of healthy ageing strategies in response to the United Nations Decade for Healthy Ageing 2021-2030, are all part of South Africa's policy framework in guiding long term care. Policies are used to guide action and support for older persons, especially the (approx.) 40% of older persons who require assistance with daily activities. But responding to long term care needs is still underdeveloped in South Africa. The findings from our [Community Care report](#) and [Funding Elder Care report](#) revealed that organised long-term care is limited and the responsibility for supporting care-dependent older people lies with the family.

The state's main support mechanism to older persons, albeit a poverty alleviating policy, is through the Older Persons Grant which is means-tested and reaches the vast majority of

older persons. In effect, the state prioritises support for older persons through the social grant, effectively giving resources to older persons and their families. Given the absence of state-subsidised or affordable long-term care, this report examines how far the OPG goes in supporting the older persons' care needs.

We argue that with little support for families to care for older persons, the OPG is used by older persons and families to secure older people's basic needs, such as access to food, whilst very few can use it to maximise their dignity or functional ability.

We are not questioning whether the OPG assists vulnerable households, but we are examining whether and how it attends to the older persons care needs.

Building on our earlier work on [Funding Elder Care](#), this report draws on national statistics and new qualitative findings to consider the lived experiences of older persons and how they manage and spend the OPG. Our report on 'Funding Elder Care' indicated:

- that 98 percent of state funding towards elder care is spent on the OPG.
- Over 3.8 million older persons received the grant in 2023.
- The number of older persons receiving the OPG has increased from 2.2 million people in 2006 to 3.8 million people in 2022.
- Almost three quarters of all persons aged 60 or older in South Africa receive the grant, which was valued at R2 080 per month in 2023.

In this report, we look at how the grant meets the needs of older persons. We consider how the grant is used to secure food, transport, energy, and other basic costs. We investigate what it does, how far it stretches, and in doing so, we examine the limitations.

The Older Person Grant is an important economic asset to older persons but also to households; as the literature over the last 20 years has indicated [1], the cash transfer often serves as a household resource rather than an individual resource.

The OPG has made a significant impact on reducing poverty. Many older women use the OPG to care for adult children and grandchildren. The need for this is shaped by the historical legacy of colonial and apartheid economic marginalisation and disenfranchisement of black people in South Africa. Furthermore, the need to support family members arises from ongoing high levels of poverty, unemployment, the consequences of the HIV/Aids crisis as well as the absence of state support for unemployed working-age adults. Whilst the introduction of the temporary Social Relief of Distress Grant has provided light relief in some households, the temporary nature of the grant, as well as the changing and strict eligibility requirements coupled with the relatively low value makes it less of a safety net for individuals let alone households.

Whilst the OPG is targeted at the older person as an individual, we investigate the reality of how the grant is redistributed within households.

Older person grant beneficiaries are overwhelming black and female. One in three OPG beneficiaries lives in KwaZulu-Natal and more than half live in a rural area. The vast majority of OPG beneficiaries are living in larger households with 60 percent living in a household that has 5 or more people. The diversity of OPG beneficiaries reminds us of the need to consider how the landscape of rural economies, including the cost of accessing care services but also gendered issues in relation to access to land, is essential for thinking about costs, care needs and care (work).

Moreover, older persons also have specific care needs and are often living with multiple chronic conditions; Recent data indicates that 24 percent of older persons have diabetes and 68 percent are living with hypertension[2], these conditions bring with it the increased need for dietary regulation,

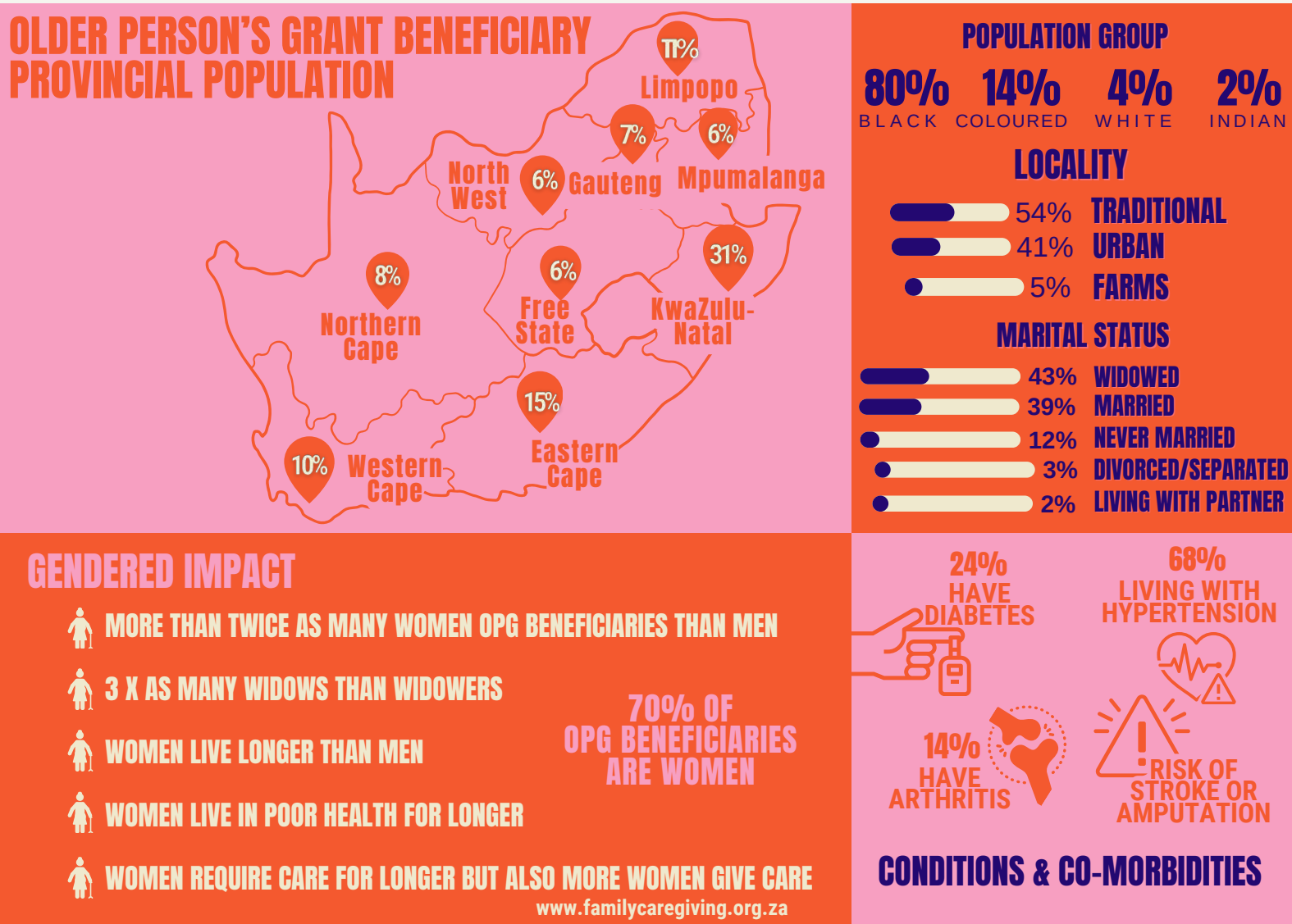
as well as the need for greater family care due to the increased risk of disability in later life caused by strokes or amputations. The reach of the OPG is shaped by the availability of home-based care, affordable access to clinics/ and medication, quality housing etc. When access to such services is limited, older persons must draw on the OPG to access such support.

In this report we don't consider issues regarding the implementation of the Older Persons Grant, i.e. the myriad of concerns with how the OPG is implemented and encounters many glitches, delays or problems with payments. We recognise that this is an ongoing feature and concern which many policy advocates, NPOs, and scholars continuing to advocate for improvements in this regard.

[1] For more see Case A and Deaton A (1998) 'Large Cash Transfers to the Elderly in South Africa', The Economic Journal 108(450): 1330–1361 and Burns K, Keswell M and Leibbrandt M (2005) 'Social Assistance, Gender and the Aged in South Africa', Feminist Economics 11(2): 103–105.

[2] Statistics South Africa (2023) Marginalised groups series Volume VI: The social profile of older persons, 2017–2021. Statistics South Africa

IN THIS REPORT WE FOCUS ON WHAT THE OPG DOES, ONCE RECEIVED BY THE OLDER PERSON BUT WE ARE COGNISANT OF THE RECENT ANNOUNCEMENT THAT SASSA ARE PHASING OUT CASH PAY POINTS AND THE CHALLENGES THIS WILL BRING FOR OLDER PERSONS.



Our findings are mixed and highlight both the contributions the grants make to support older persons and their households, but we also draw attention to how it falls short, given the fact that it doesn't always cover basic costs of food and energy and is not supported by key policy initiatives such as greater income support for the unemployed, as well as key policies in relation to care provision. We recognise that it reduces poverty and assists households [3], but we also need to highlight the shortcomings.

THE MAIN CONCERN IS THAT THE RESOURCES AN OPG BENEFICIARY CAN MATERIALISE WITH THE OPG IS NOT ADEQUATE FOR THEIR NEEDS.

The OPG is essentially covering the costs of food security and some basic energy requirements but not the wider care needs of older persons. Most importantly, the reach of the OPG is heavily dependent on the size of the household. In larger households where younger members of the family are unemployed the OPG is stretched very thinly.

As we detail in the report, almost two thirds of OPG beneficiaries are living in a household of 5+ people where the average household income is R5 729 for black OPG beneficiary households. According to the Pietermaritzburg Social Justice and Dignity household affordability index, the cost of a nutritious diet for a family of 5 per month in July 2023 was R4 459 which does not include the cost of electricity to cook the food, transport costs to acquire the food or cleaning products to clean up after meals. Our findings reveal that the average OPG household monthly expenditure is R2438. The discrepancy between what households are spending and what is deemed the 'basic cost of a nutritious diet for a family of 5 per month' is concerning. We consider what gets sacrificed when cutting back is essential.

[3] For more see HelpAge (2002) Pension, poverty and wellbeing report. Accessed: <https://www.helpage.org/silo/files/pensions-poverty-and-wellbeing-the-impact-of-pensions-in-south-africa-and-brazil.pdf>

IN THIS REPORT, WE CONSIDER WHAT THIS 'UNDER SPEND' MEANS FOR OLDER PERSONS AND THEIR CARE NEEDS AND WE ARE COGNISANT OF HOW POVERTY AMONGST OPG BENEFICIARIES WILL BE FELT MOSTLY BY BLACK WOMEN, ESPECIALLY WOMEN LIVING IN RURAL AREAS AND LIVING IN LARGER HOUSEHOLDS.



KEY FINDINGS

The findings are derived from a mixed methods study drawing on the National Income Dynamics Study (2018) and qualitative in-depth interviews and monthly budgets from 80 families in South Africa.

The average OPG beneficiary household income is R5 729 for black OPG beneficiary households

The median income of an OPG beneficiary household in the Eastern Cape is R4 876 and is the lowest across the country. But the reach of the OPG is dependent on the membership and household size. Who is living with the OPG beneficiary, what do they contribute and how many people are living in the household are critical questions for understanding how the care needs of the older person are met. With almost 60 percent of OPG beneficiaries living in households of 5+ people, the OPG is spread thinly across more people as 64 percent of the adults living in the OPG beneficiary households are unemployed and will need support. Larger OPG beneficiary households are more common in rural areas. For the vast majority of OPG beneficiary households the household income does not cover the cost of a basic nutritional food basket, electricity and transport costs and household domestic and personal hygiene products, let alone additional items required for the care needs of the older person.

The OPG is assisting older persons, but its value covers only basic food and energy costs and does not cover the wider care needs of older persons

The cost of a nutritious diet for a family of 5 per month in July 2023 was R4 459 which does not include the cost of electricity to cook the food, transport costs to acquire the food or cleaning products to clean up after meals. Our findings reveal that the average OPG beneficiary household expenditure is R2 438, which covers food and non-food items including transport. The underspend on food, i.e. the difference between what households are spending and what is deemed the 'cost of a basic nutritious diet for a family of 5' per month is concerning.

The rise in the cost of living, is not matched by the annual increments in the OPG and is stretching OPG beneficiary households.

Electricity increases are above inflation and stretch OPG beneficiaries relying on an OPG. Because it is essential for older persons to eat before taking medication, the proportion of money having to be allocated to securing electricity creates challenges in meeting the cost of other needs. Increasing energy costs is also impacting the cost of transport. High transport costs to access the clinic, SASSA pay point, bank or retail shop impacts the reach of the OPG, especially for households living in rural areas where transport costs can be higher.

Food is often sacrificed so that OPG beneficiaries have monies for transport (to get to the clinic or SASSA pay point) and electricity, leaving less money available for food.

Stretching grant income is most common in OPG beneficiary households where there is no adult in employment.

This occurs in just under two thirds (64 percent) of all OPG households. This is experienced more specifically in rural areas where only one in four OPG beneficiaries are living with someone who is employed.

Whilst money within households is shared and redistributed there is less money shared across connected households

i.e. where members of the same family or kin group are living in different households. The findings show that just over one in ten (11 percent) OPG beneficiaries reported receiving contributions from kin who live in a different household.

Whilst older person grants beneficiaries do have access to other social grants, the number of older persons receiving multiple grants is not extensive.

Less than one in five OPG beneficiaries receives a Child Support Grant and roughly one in twenty OPG beneficiaries receives a foster care grant. Both child support grants and foster care grants are received on behalf of the children they are caring for. If the Child Support Grant is 25 percent below the food poverty line of R663 in 2023, older persons need to use the OPG to cover the shortfall. These costs and needs of other family members are absorbed by the OPG and the OPG beneficiary.

Just over 1 in 25 older persons receives the Grant in Aid

The Grant in Aid is a grant intended to support the costs of care for older persons who require full time care. Estimates suggest that at least 40 percent of the older person population require full time care. A large proportion of the older person population are incurring the costs of full-time care individually rather than drawing on state support

Whilst the living conditions of many persons in South Africa are poor, the effects of poor living conditions for older persons are much greater.

The findings reveal that over 28 percent of OPG beneficiaries do not have access to water in their own dwelling or yard. Only 26 percent of OPG beneficiaries have access to a flush toilet with onsite disposal. One in ten OPG beneficiary households use wood as an energy source. These findings show how poor access to basic care such as electricity, water and sanitation impact the cost of care for the OPG as it requires older persons to seek support from family members. It costs women and family caregivers their time and energy to collect water and wood and places a heavy load on them as they manage care and try to sustain a livelihood, whilst the state can limit expenditure on access to basic care services.

The analysis of OPG beneficiaries reveal that older persons receiving an OPG are living with specific health needs and conditions.

The three most common conditions were diabetes, hypertension, and asthma. Recent data indicates that 23 percent of older persons have diabetes and 68 percent are living with hypertension [4], these conditions bring with it the increased need for dietary regulation, a cost that needs to be considered, as well as the need for greater family care due to the increased risk of disability in later life caused by strokes or amputations. It is within this context with the rise of non-communicable diseases, we need to consider how income security together with the availability of and access to health and social services is experienced. The availability of home-based care, affordable access to clinics/ and medication, medical supplies etc are critical to understanding the economic lives of OPG beneficiaries. When access to such services is limited, as we highlight in more detail in the report, older persons must draw on the OPG to access such support. Health, housing and social grant policies co-exist and shape the economic lives of older persons.

[4] Statistics South Africa (20230) Marginalised groups series Volume VI: The social profile of older persons, 2017–2021. Statistics South Africa

ABOUT THE REPORT

In reviewing the ways in which the OPG is used, this report looks at the diversity of OPG beneficiaries who receive a state grant; the report looks at the living arrangements of OPG households so that it can examine the cost of living in small and larger households, and we can get a better sense of how far the social grant extends in different parts of the country and in households that have multiple sources of income.

There is a long literature on how older persons, particularly women, during the HIV/Aids pandemic bore considerable responsibility for supporting children and family members. Scholars referred to how older persons were cushioning the gaps in care and economic policies but very few studies examined how older persons were managing this, what it meant for their households or what it meant for them. It is for this reason that this report explores the reach of the OPG by analysing household level data on income and expenditure whilst highlighting the care needs of the older person. We believe that understanding the household contexts where OPG beneficiaries live is a more accurate way of reviewing the reach of the OPG and the care and economic needs of OPG beneficiaries.

This report paints a detailed picture of older person grant beneficiaries using data from the National Income Dynamics Study (2018) (hereafter referred to as NIDS) as well as a variety of other sources such as the South African Social Security Agency's Annual Reports (2022) and Pietermaritzburg Social Justice and Dignity data from 2023. The NIDS data is a nationally representative individual and household survey. In using the NIDS (Wave 5, 2018) dataset, we created a subset of the data, to focus on Older Person Grant beneficiaries and their households only. Therefore, in this report, there are 2897 OPG beneficiaries in the dataset. There are 2443 unique OPG households because in some households, there are more than one adult receiving the OPG. We have adjusted all rand values to reflect 2023-rand amounts. We also draw on the experiences and stories of 80 older persons and their family members (n=172 people) which is part of the Family Caregiving of Older Persons Programme in South Africa. Across the Western Cape and KwaZulu-Natal, we have been working with 80 families who have shared details about their care needs, care practices and their monthly budgets. The care practises and needs gives us better insight on impairment in activities of daily living and the care they receive. The budgets give us a better understanding of the economic lives of older persons whilst listening to the experiences of older persons and their caregivers helps us make sense of what the budget means in meeting daily needs. For more details on the research design of the study see Appendix 1 and www.familycaregiving.org.za.

The diversity of OPG beneficiaries across a range of characteristics reveals the inequalities across different households based on race, gender, class, geographical location and household size. The impact of structural inequalities across an older person's life is cumulative and the findings reveal the differences in terms of the older person's access to income and housing as well as the conditions of housing. When we examine which older persons and households have poorer access to electricity, toilets, water, rubbish collection and street lighting we see grave racialised, gendered and classed inequalities in how people will experience ageing, especially if they are living with a disability. A home with poor access to water, electricity and sanitation creates more work and additional challenges for older persons.

Drawing on both datasets we provide the national level trends on OPG households and decision making as well as in-depth insight into individual experiences of how the OPG is stretched to secure basic needs. We take a broad approach to assessing the 'reach' of the OPG in meeting the needs of the older person. We consider what the OPG beneficiary requires based on their understanding of their needs and their lived experience when seeking support.



FINDINGS

OLDER PERSONS,

CARE NEEDS & SOCIAL GRANTS

www.familycaregiving.org.za

NORTH WEST

Population Size: 379 000
OPG only: 192 486
OAG/GIA combination: 9 585
OAG/CSG combination: 50 336
OAG/FCG/CSG combination: 15 249

GAUTENG

Population Size: 1 391 000
OPG only: 565 408
OAG/GIA combination: 4 333
OAG/CSG combination: 99 418
OAG/FCG/CSG combination: 22 873

LIMPOPO

Population Size: 536 000
OPG only: 291 578
OAG/GIA combination: 41 252
OAG/CSG combination: 113 736
OAG/FCG/CSG combination: 19 578

FREE STATE

Population Size: 287 000
OPG only: 135 508
OAG/GIA combination: 7 237
OAG/CSG combination: 42 836
OAG/FCG/CSG combination: 13 772

MPUMALANGA

Population Size: 389 000
OPG only: 169 029
OAG/GIA combination: 12 793
OAG/CSG combination: 64 593
OAG/FCG/CSG combination: 12 870

OPG BENEFICIARIES &
THE COMBINATIONS
OF SOCIAL GRANTS

NORTHERN CAPE

Population Size: 132 000
OPG only: 47 484
OAG/GIA combination: 13 597
OAG/CSG combination: 14 442
OAG/FCG/CSG combination: 4 387

KWAZULU-NATAL

Population Size: 940 000
OPG only: 423 020
OAG/GIA combination: 45 162
OAG/CSG combination: 168 145
OAG/FCG/CSG combination: 41 446

WESTERN CAPE

Population Size: 777 5000
OPG only: 293 086
OAG/GIA combination: 12 244
OAG/CSG combination: 50 361
OAG/FCG/CSG combination: 10 794

EASTERN CAPE

Population Size: 771 000
OPG only: 315 891
OAG/GIA combination: 19 583
OAG/CSG combination: 170 567
OAG/FCG/CSG combination: 44 171

In South Africa, OPG beneficiaries have access to the OPG, and many OPG beneficiaries also receive other social grants either from caring for children (CSG or FCG), or to cover the cost of their care needs (GIA), if they have full time care needs.

The **infographic above** outlines the population of older persons across the country as well as the distribution of OPG beneficiaries and the combination of social grants that OPG beneficiaries' access in each province. Whilst the number of OPG beneficiaries in certain provinces are large, such as in Gauteng, we see that the number of OPG beneficiaries and the social grant combinations beneficiaries are high in specific provinces, such as KwaZulu-Natal. For example, Gauteng has the highest number of older persons with 1.39 million people over the age of 60. KwaZulu-Natal has 940 000 older persons, but KwaZulu-Natal has the highest proportion of OPG grant receipts as a proportion of the older population. It also has a higher percentage of OPG beneficiaries accessing a combination of social grants.

A point of interest from the findings reveals that the social grant combination of OPG and GIA radically differs across provinces.

**1 IN 25
OLDER PERSONS
RECEIVE THE
GRANT-IN-AID**

The South African government makes available a Grant in Aid social grant for older persons who have full time care needs. The R500 grant is intended to cover the costs of care for the older persons but why is the uptake so low and why does it vary across provinces? Who covers the cost of care?

In some provinces receipt of both social grants is 14 percent, as in Limpopo, but in other provinces it is as low as 5 percent, for example in the Eastern Cape. It is unclear why the number of older persons receiving the GIA would be almost the same in Limpopo and KZN, given that KZN has almost twice the number of older person grant beneficiaries. There are different possibilities that might explain this. There may be greater awareness of the GIA in Limpopo and the barriers to applying might be less. In the [Funding Elder Care report](#), we indicated that the OPG/GIA combo should be approx. 40 percent of the older person population given the estimates of older persons who need assistance with at least one Basic Activity of Daily Living. Further investigation into the low uptake as well as the variation across province is required.



OPG/CSG

Overall
443

Population Group

African 89%
Coloured 10%
Indian 1%

Sex

Female 95%
Male 5%

Household Type

OPGB +
someone
aged 0-17

12%



OPGB +
someone
aged 18-59

2%



OPGB +
someone
aged 18-59 +
someone
aged 0-17

86%



OPG/FCG

Overall
107

Population Group

African 90%
Coloured 9%
Indian 1%

Sex

Female 92%
Male 8%

Household Type

OPGB +
someone
aged 0-17

10%



OPGB +
someone
aged 18-59

4%



OPGB +
someone
aged 18-59
+
someone
aged 0-17

84%

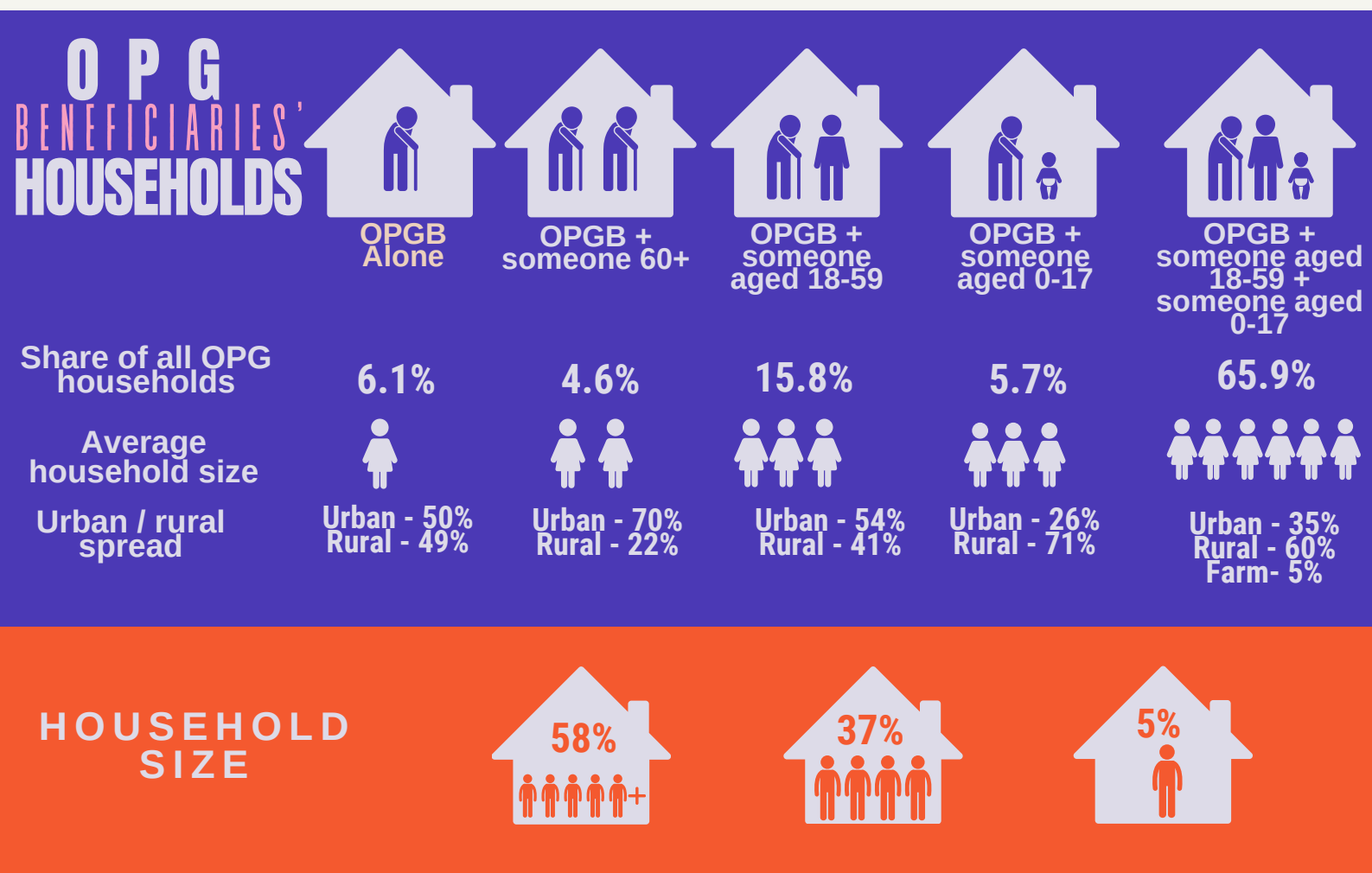


According to the NIDS analysis, the most prevalent combination of social grant receipt for the OPG beneficiary is with the Child Support Grant, which was received in 18 percent of all OPG beneficiary households. The figures indicate the number of (women) older person grant beneficiaries who are directly responsible for caregiving of a younger child. Whilst the CSG is received in a OPG household, the household and OPG beneficiary needs to cover the costs of caring for a child. Given the CSG at R500 is according to the Household Affordability index July 2023, 25 percent below the food poverty line at R663 and does not include the cost of school transport, the older persons will have to draw on the OPG grant to cover some child-related costs.

The OPG and Foster Care Grant combination was received in only 4.3 percent of all OPG beneficiary households. In considering both grant types, it shows that OPG beneficiary households have key responsibilities for children and older persons. These households are largely gendered, resonating with what Posel and Hall [5] (2021: 806–7) explain: “female-dominated households are far larger, and they are much more likely to include children (under 18 years) and adults of pensionable age (over 59 years).” The gendered responsibility of providing and financing care for older persons and children co-occurs in the same households. The cumulative care needs and the cumulative costs of care are high.

[5] Posel and Hall not included - Posel, D. and Hall, K. (2021) The economics of households in South Africa, in A. Oqubay, F. Tregenna and I. Valodia (eds) The Oxford Handbook of the South African Economy, Oxford University Press, pp 800–22.

The size of the household is an important aspect to consider when thinking about the economic lives and care needs of OPG beneficiaries. The diagram below presents an overview of OPG beneficiary households and there are a few important points to note. Firstly, OPG beneficiary households are generally large, with two thirds of OPG beneficiary households characterised as extended with at least three generations. Almost 60 percent of OPG beneficiaries are living in households that have 5 or more people. Secondly, the vast majority of OPG beneficiary households that are large are in rural areas.



Thirdly, a further large proportion (approx. 20 percent) of OPG beneficiaries are living only with one other person who is aged between 18-59. This is common in both urban and rural areas. Living with a 'working-aged adult' may mean that there is a co-resident adult available to help the older person with practical tasks or it may mean there is additional income in the household, but this all depends on the income-generating activities of the adult co-resident. In cases where the adult co-resident is unemployed, they may need to rely on the OPG income. These are some of the issues we explore later in the report. And finally, the findings show that 5.7 percent of OPG beneficiaries are living exclusively with children. Most skip-generation households are in a rural area.

The size of the household alone does not reveal the full picture of understanding how care needs in OPG households are met. We need to know who is in the household, and which income source they have access to. Through our analysis of OPG beneficiary households from the NIDS data set we see that in 2018, the average OPG household income is R6216. Economic access to resources has been found to vary substantially according to the size and composition of households. In terms of OPG beneficiary households, we see differentiation by gender, race, and geography but also by household type. The image below indicates that whilst the median income for a OPG household was R6 216 this figure masks some of the variations especially by race. The findings show that the median income for a white OPG beneficiary household is R13 529 compared to R5 729 for black OPG households. It also radically differs by geographic location, with the median income of a rural household being R5 434 compared to R7 254 for a OPG households living in urban area.

OPG BENEFICIARIES' HOUSEHOLD INCOME

R2681

R5349

R5576

R3604

R6850



OPGB Alone



OPGB +
someone 60+



OPGB +
someone
aged 18-59

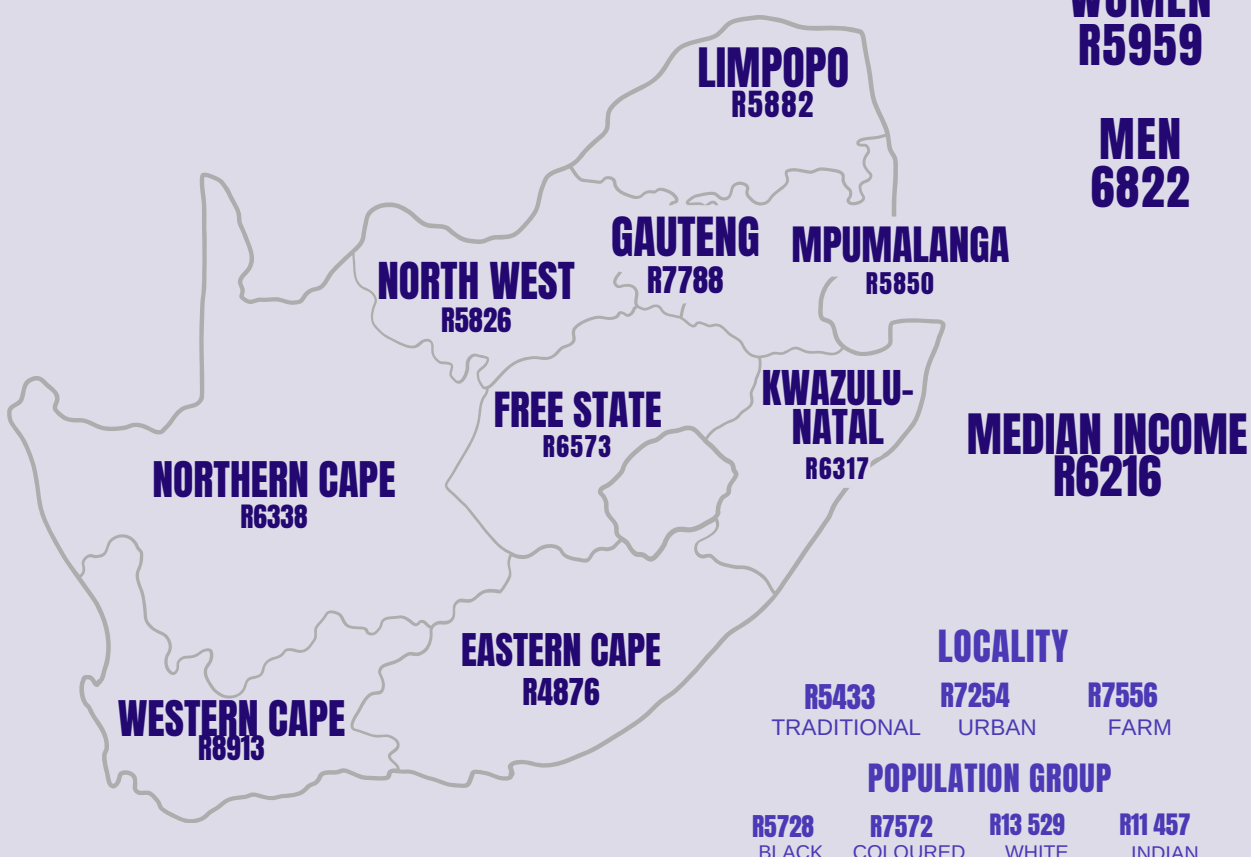


OPGB +
someone
aged 0-17

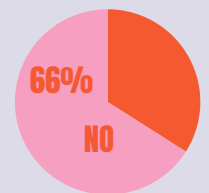


OPGB +
someone
aged 18-59 +
someone
aged 0-17

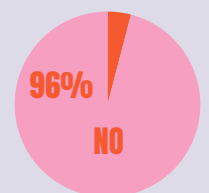
OPGB Household Income & Type



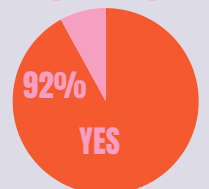
EMPLOYMENT



RENT



SOCIAL GRANTS



PRIVATE PENSION DIVIDENDS INTEREST



SOURCE OF HOUSEHOLD INCOME RECEIVED IN LAST MONTH

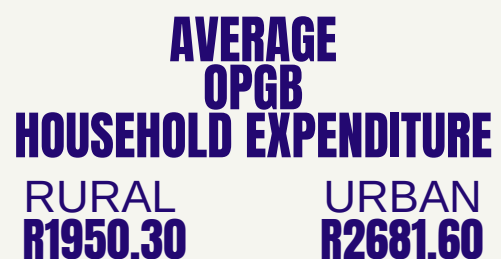
In terms of household income, 'OPG beneficiary alone' household has access to the OPG only (R2080), whereas having more people in the household generally increased the median household income. However, having more people in the household does not increase the household income or care receipt proportionately. For example, a two older person household doubles the income (with two OPG grant recipients R4160), whilst a multi-generational household (which is on average 5+ people) will still have the OPG and perhaps child support grants and possibly some income but as the average monthly income for a multi-generational household at R6 850 shows us that the amount per household member will decrease.

Although the costs of living do not increase linearly as household size increases; having more mouths to feed does increase the cost and the way in which household income is shared in ways that may support more household members, even with less.

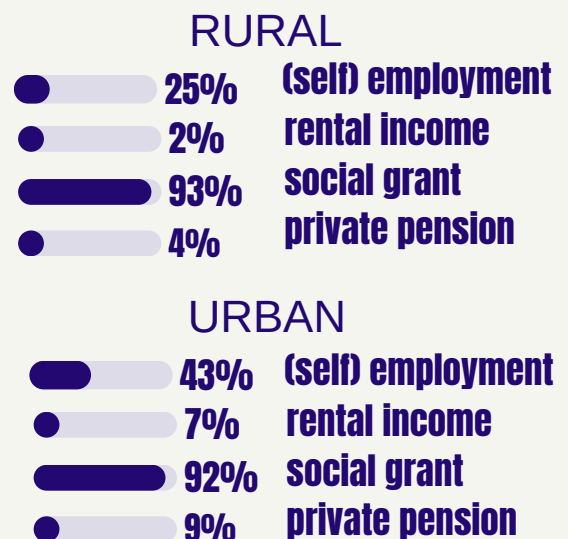
The median income of an OPG beneficiary household in the Eastern Cape is R4 876 and is the lowest across the country. **Whilst access to income is one key part of understanding the lives of older persons, the findings from our [Community Care Report](#) also highlight that the Eastern Cape has fewer service centres, so the ability to access food programmes or support from other sources is also limited.** It is here where we need to consider long term care policies as a package and not as either cash or care. In the absence of care provision (such as lunch clubs at senior centres), OPG beneficiaries will have to use a higher proportion of their OPG on food. Whereas OPG beneficiaries who are located close to senior clubs or other community support programmes can benefit from food programmes and other support services.

In considering other forms of household income such as employment, OPG beneficiaries live in households where only 36 percent of household members had income from employment.

The source of household income in rural and urban areas differs markedly. We see that only 25 percent of OPG beneficiary household's income in rural areas derives from employment compared to 43 percent in urban areas. At the same time, it is interesting to note that opportunities do arise for OPG beneficiary households through rental income, as 14 percent of household income in rural areas comes from rental income, a feature found in some of our qualitative data, as we will discuss below.

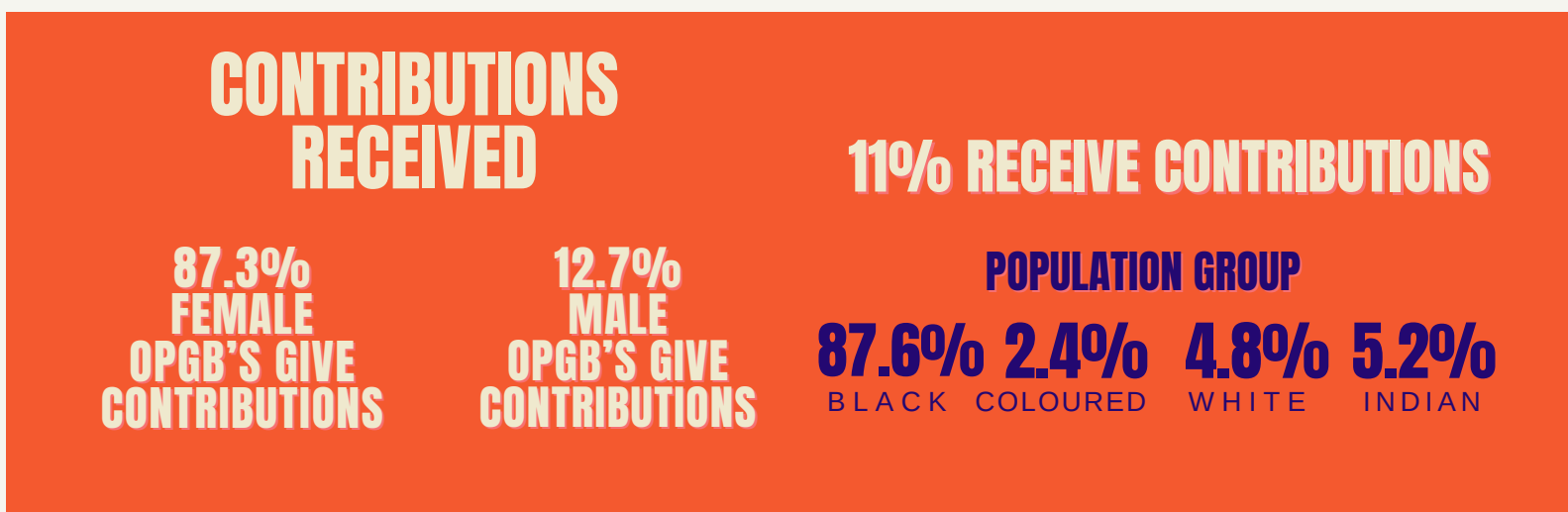
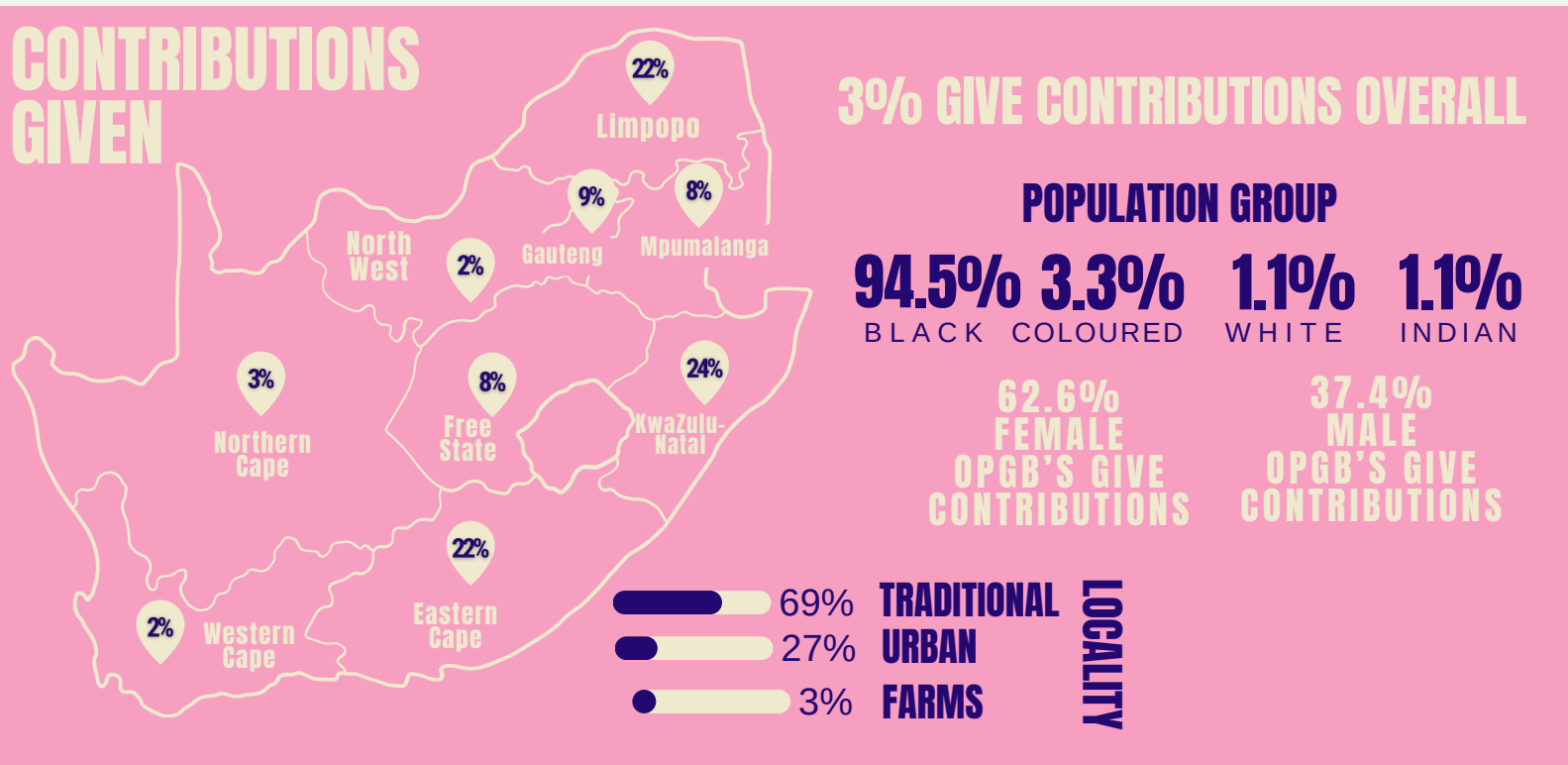


SOURCE OF INCOME



Whilst most income in OPG beneficiary households derives from social grants and some income, only 11 percent of OPG households reported receiving contributions from kin. This also differed largely according to geographical location.

Contributions from kin (who live elsewhere) is more prevalent in rural areas, especially in the Eastern Cape, Limpopo and KwaZulu-Natal. Furthermore, only a few OPG beneficiary households reported giving contributions to people outside of the household.



THESE FINDINGS SUGGEST THAT RELYING ON KIN FOR SUPPORT MAY BE LESS SECURE AND INFORMAL SYSTEMS OF SUPPORT WHILST A FEATURE OF EVERYDAY LIFE, ARE OFTEN CONTESTED AND NOT FORTHCOMING.

COST OF LIVING AND OPG HOUSEHOLDS

As well as looking at the OPG beneficiary household income, it is important to get an indication of what a household needs to sustain a livelihood. There are different ways of considering what a OPG beneficiary household needs. There are food poverty measures that measure both upper and lower bound poverty lines. The OPG value at R2 080 exceeds the upper bound poverty line (R1 417 in July 2023) but the reality is that individual poverty lines and income levels are not as informative as OPG beneficiaries share the OPG and resources within households.

As the image below outlines, there is a general household monthly cost which is based on a family of two adults and two children. The estimated cost to afford food, electricity and cleaning products is R9 627 per month for a family of two adults and two children. But as the findings indicate the majority of OPG beneficiaries are living in larger households. According to the Pietermaritzburg Social Justice and Dignity household affordability index, the cost of a nutritious diet for a family of 5 per month in July 2023 was R4 459. The household affordability index also includes the cost of electricity for 'humble consumption' of 350kWh per month is R934.

Pietermaritzburg Economic Justice and Dignity
July 2023: Household Affordability Index

COST OF LIVING



NATIONAL MINIMUM WAGE

R25.42/hour
R203.36/day
R4240.56/month

OPG
R2535

HOUSEHOLD COSTS
R6356.78

BASIC NUTRITIONAL FOOD BASKET FOR 4
R4459

HOUSEHOLD DOMESTIC & PERSONAL HYGIENE PRODUCTS
R963.78

HUMBLE ELECTRICITY CONSUMPTION
R934.36

1 wage typically supports 4 people
shrinking national wage
to R1292 per person –
below the upper-bound poverty line

NATIONAL POVERTY LINES

Upper Bound poverty line – R1417
Lower bound poverty line – R945
Food poverty line – R663

**THE REAL
COST OF LIVING
HOUSEHOLD
EXPENDITURE**

WOMEN
R2437
MEN
R2437

LOCALITY

R2437

R1950

R2681

R2437

OVERALL

TRADITIONAL

URBAN

FARMS

Whilst the estimates of the cost of living gives us what is needed, data from NIDS informs us about what people are spending. The NIDS data reveal that the average household expenditure is R2 438, covering, food and non-food items including transport. There were differences in rural and urban spending, with rural spending significantly lower. These sums more accurately align to what we see in our qualitative findings.

In the next part of this chapter, we reveal how the older persons and households in our qualitative study manage their household budgets. We examine not only the income sources and forms of expenditure, but most importantly we uncover the experience of managing costs and care needs. In what is presented below, we unpack the different experiences by listening to older persons and their caregivers in different households, including both low income households (that have access to less than R5000 per month) and low-middle income households (that have access to between R5001 and R10 000 per month). The sample of older person households include households that rely solely on OPGs and/or a combination of social grants and other OPG households that have access to income from employment.



LOW INCOME HOUSEHOLDS

There is a wide range of experience of managing costs and care needs in low-income households. We present the experience of four families. In this first household in Khayelitsha (Site C), Cape Town, there are five people living in the household, four of whom are adults and there is one child. The household income consists of two OPGs and one child support grant. In this household, the older person requires full time care following a stroke. She is partially blind and has Parkinsons. Her husband is the primary caregiver, and he is 74 years old.

"The challenges that I face devastated me also impacted to my health, this is not my normal weight I was bigger than this, as I mentioned we survive with this grant from government. My wife illness causes her to eat in an abnormal way, the grant we get from government do everything in the household then we run out of food, when she gets ill again, we are out of food.... I'm doing everything because I am fighting for my wife's health, this is destroying me.

The other challenge is that my wife needs someone to help me to bath her, as a result her body have bruises because she baths occasionally, that is another difficult challenge for me, I wish there could be a female so she can help her to bath every day"

74 year old male family caregiver

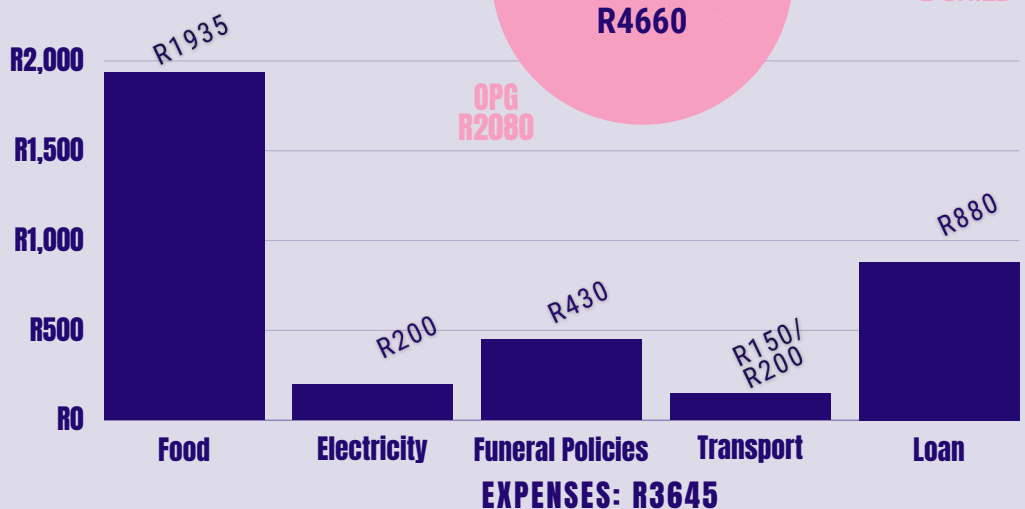
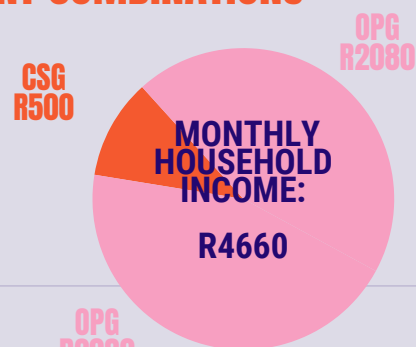
**KHAYELITSHA
WESTERN CAPE**

LOW INCOME: SOCIAL GRANT COMBINATIONS

"There are moments where there is no food and I go knock on neighbours

"The loan shark I borrow from, I take R1200 per month then he takes back R880 per month for two months to cover R1200. After two months I go back & take another R1200

**74 year old male
family caregiver**



**HOUSEHOLD INCOME
CONSISTS OF A COMBINATION
OF SOCIAL GRANTS**

The illustration above may depict a scenario that the household income is greater than their expenditure and therefore the household is managing but the experience of the caregiver tells the real story. The household manages by underspending on food. As the illustration above reveals, the food bill at R1935 per month takes up almost the entire amount of the OPG (at R2080). According to our calculations and working from the Household Affordability Index the family are underspending on food by more than 50 percent (basic cost of nutritious food for month at R4459). The funeral policies [6], electricity and transport take up a third of the second OPG and cannot be sacrificed. All these costs are essential.

This house receives a CSG, but it is used for child-related expenses such as lunchboxes and school transport and doesn't include the cost of food for the child outside of school time. The care giver is responsible for managing the income and costs in the household. He outlined how they frequently have no money for basic items such as food. He often turns to neighbours or loan sharks to secure some extra money until the end of the month as he stated: *"the loan shark I borrow from, I take R1200 per month then he takes back R880 per month for two months to cover R1200. After two months I go back and take another R1200 again"*. This process locks the 74-year-old caregiver and his household into a cycle of debt and repayment which effectively pushes him deeper into poverty. Whilst the OPG is a critical source of income for this household, it is also limited by the needs of the household.

In many cases, low income OPG beneficiary households have household members who are engaged in income-generating activities but still struggle to meet their needs. In a low income OPG household in Eerste River, as indicated in the image below, there are three people living in the household. The older person has dementia and requires constant care. The older person's daughter is her primary caregiver but also does some childminding which brings in R1000 per month. The youngest member of the family is 22 and has a full-time contract position as a cleaner. She can only contribute R1000 to the household every month as her salary barely covers her transport costs.

[6] For many people in South Africa, planning a funeral, including the financing of a funeral is a critical expense given the cultural importance placed on funeral arrangements. Case et al (2012) demonstrated that "on average, households spend the equivalent of a year's income for an adult's funeral." They found that about 25 percent had funeral policies whilst approximately the same percentage needed to borrow money to pay for the funeral. Case, A., Garrib, A., Menendez, A., & Olgati, A. (2013). Paying the Piper: The High Cost of Funerals in South Africa. Economic development and cultural change, 62(1), 10.1086/671712. <https://doi.org/10.1086/671712>

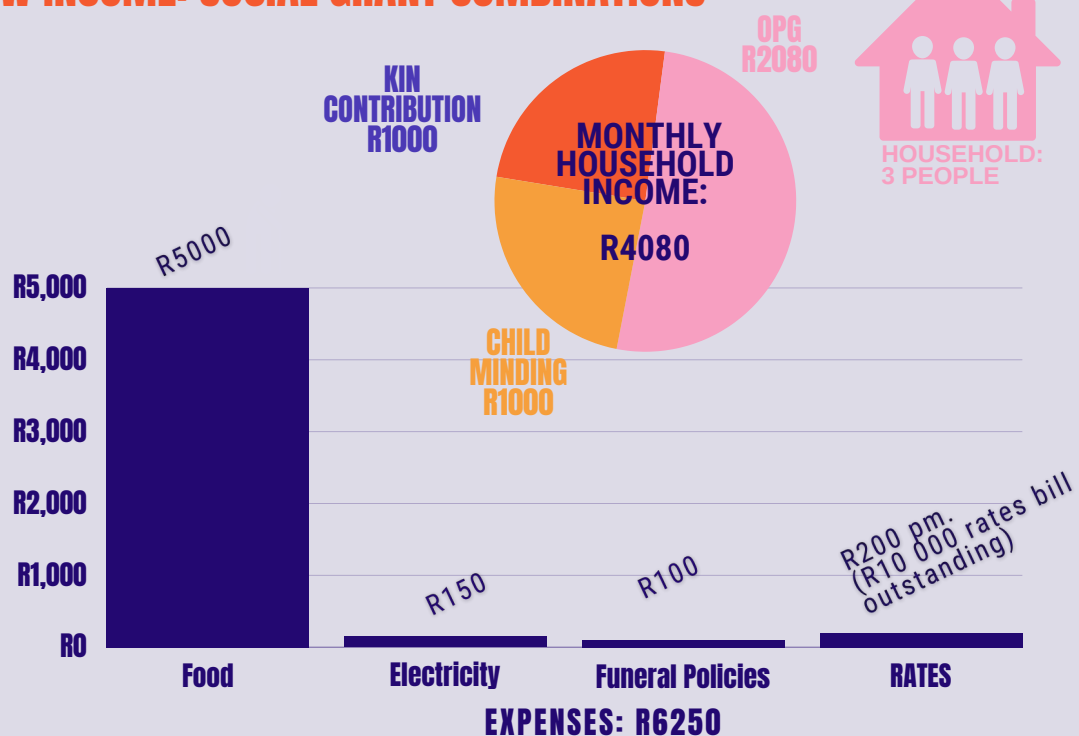
EERSTE RIVER WESTERN CAPE

LOW INCOME: SOCIAL GRANT COMBINATIONS

"Currently no money for electricity...and she moans more than what I do about this electricity because she can't get up and that, moaning there about going to the toilet because now she has to walk in the dark. And then I said to her but there's, I'm doing my best"

40 year old, female,
family caregiver

**HOUSEHOLD INCOME
CONSISTS OF SOCIAL GRANT &
LIMITED CASH INCOME
COMBO**



When we spoke with the 50-year-old caregiver she was deeply distressed about the lack of money for basic costs, such as electricity. She explained that there had been no money for electricity for months. Eskom's hikes in early 2023 were unable to be absorbed. As a result, the family bought food items daily as a way of trying to manage their bills and the inability to freeze or refrigerate food. The inability to refrigerate food curtailed what the household could eat. Shopping for food items daily at a local store where the prices are higher increases the cost of food and the household were spending more than they had. The cost of electricity posed a real threat to the safety and well-being of the older person. The household didn't have lights on in the evening and were unable to cook nutritious meals.

The caregiver owns the house, but she is unable to pay the rates bill. Currently there was R10 000 outstanding on her rates bill which she is trying to pay off monthly. In times of real need, she asks the daughter for a little extra each month, but she doesn't like asking the daughter for help as the daughter's income is needed to cover transport costs to work.

In some low income OPG households, the rent takes up a large proportion of the costs. The third low-income house in Cape Town is a social grant only household. Normally the household is a two-person

household whereby the care receiver receives the OPG, and her 55-year-old son receives the disability grant. When we met the family, the daughter in law was temporarily living in the house as the care receiver needed more practical care support. The household are struggling to cover their costs as the rental cost is high and has been increasing every year.

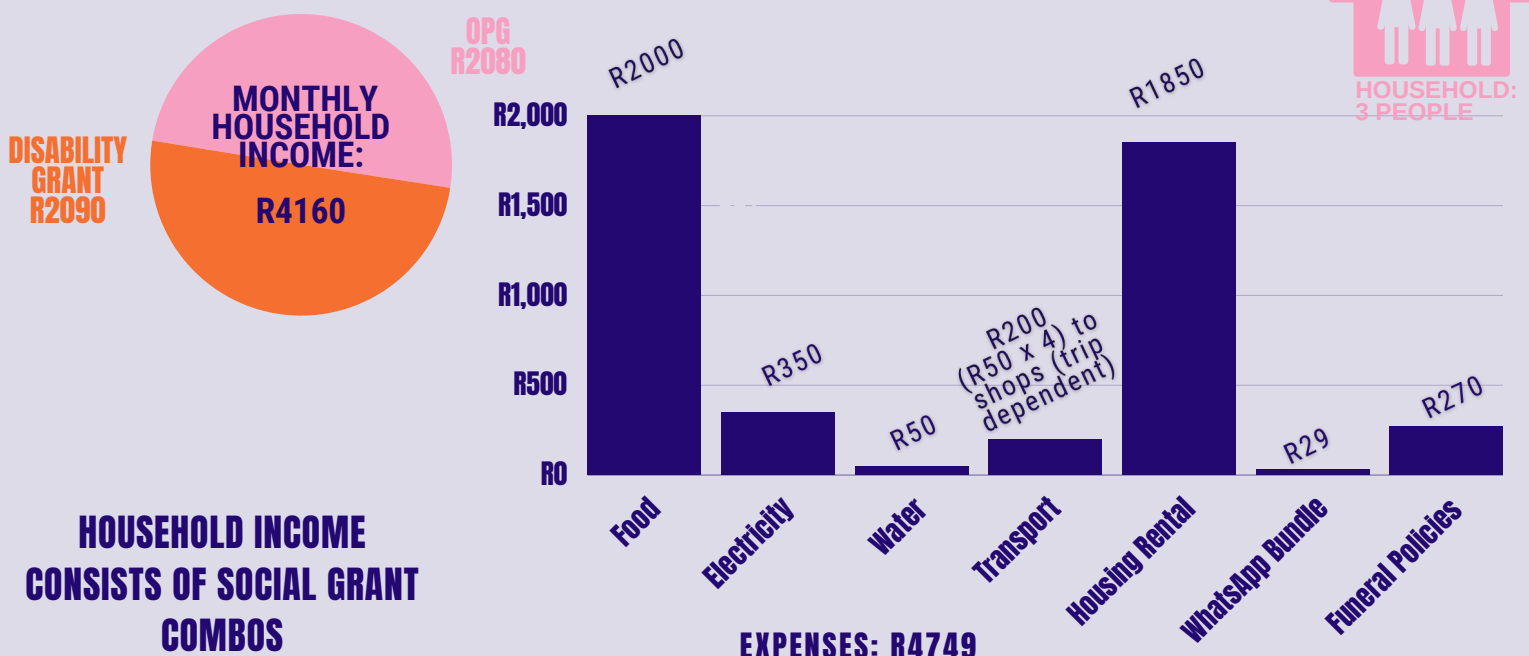
We went last, my husband went last with ouma to them, and she spoke about the rent story then because the rent they keep push up push up... And her money is too little to pay everything, she is struggling. Every year they push it up, I think by, I don't know, but ouma's rent was 1400 and then 1 500, and now it is 1850, so I say, every year they're gonna push it up. And you must know, if electricity goes up, everything goes up

Rising rental prices in this area mean that many older persons are facing housing insecurity. In such cases, rent is often prioritized over food or electricity. In this household, the food budget is tight especially as the adult son consumes a lot of food:

"I mean what do you buy with a R2000 if you've got a son what eats a half a bread, a day. Because I mean we make one pot, we put together the monies, and we make one pot. She gives me the SASSA card and then I go buy like mince, then I go close by, because they are cheap, a 2kg boerewors for R70, then I buy 2 packs like that. You know that, and the mince, stuff like that. ...Yes, then it keeps us the whole month, I mean we don't eat a lot.

WESTERN CAPE

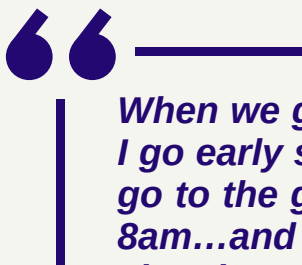
LOW INCOME: SOCIAL GRANT COMBINATIONS



The older person in this house, like in many of the houses we worked with, requires special transport. The older person is unable to walk to the bus stop or taxi rank. In this neighbourhood there is a local informal taxi service that charges R50 for a return trip to the local clinic, shop, SASSA office etc. In other areas the transport costs for older persons accessing services were higher. In some cases, this is because the distances between retail areas and the older person’s home is greater or that public transport is inaccessible and therefore private transport is required. In many cases the older persons need to be accompanied to the clinic or shop and therefore the transport costs are doubled. The cost of transport to access essential services was listed as a key expense in both urban and rural areas. Below is an example of the costs in attending shops and clinics at two of our sites.

Minimum Costs of Accessing Health Services and SASSA office

DESTINATION	TRANSPORT MODE	DISTANCE	TIME	COST
Milnerton Medi-Clinic	Ambulance	20km	30 minutes	R2000
Atlantis SASSA Office	Mi Citi	13km	45 minutes	R50
Day hospital every 6 Weeks	Driver (neighbour’s son-in-law)	13km	20 minutes	R100
District Hospital	Driver (neighbour)	17km	25 minutes	R120



When we go to the hospital or SASSA, I must use my money for the MiCiti. I go early so I can queue, I take the 06.02 bus, I must be early there. When I go to the gate, I get a ticket and then I say bring him (the older person) for 8am...and then he gets seen past 12 or 13.00 and then I must go to the chemist, get the script, take a wheelchair, and wait there until. Sometimes I finish at 4. The same people will come and get us. R100.

In the rural area, older persons and their family members encounter high transport costs to get to their nearest retail shops, Postbank or pay point. In the example we highlight below, the participants in the rural area of KZN where we were working outlined the different costs:

COSTS INVOLVED IN ACCESSING HEALTH SERVICES IN A RURAL SITE IN KZN

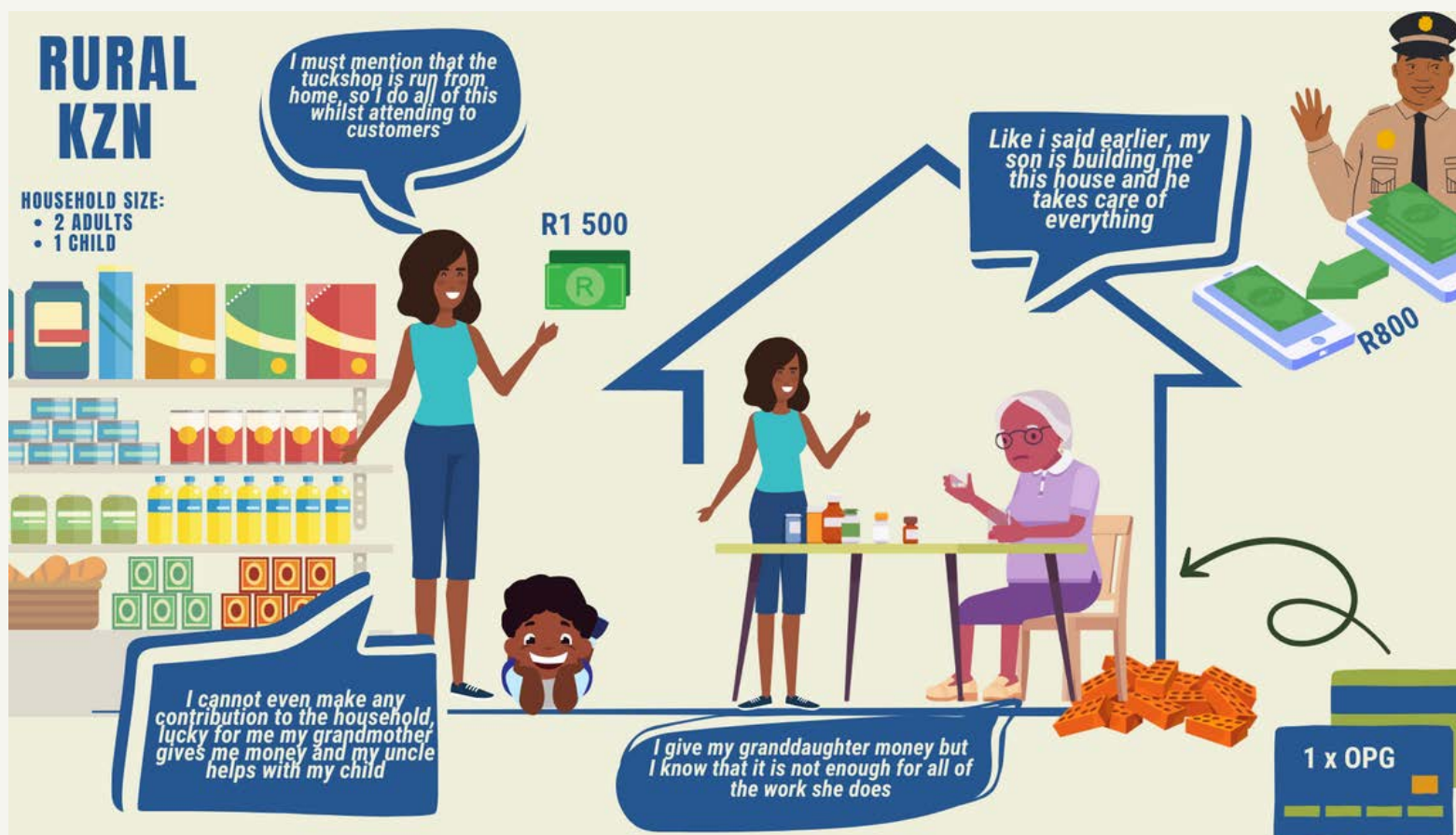
The taxi fare to town is R23.00 (round trip of R46.00).

Accessing the clinic:

Sundumbili Clinic R23.00 from rural site to Sundumbili, and another R18 from the rural site to Sundumbili, this is a total round trip of R82.00.

The main method of transportation is by taxi for most people in the area and in this study. But, for participants who were physically constrained to walk for example who had a stroke, who were battling with arthritis, they hired a car which was R200 (round trip) to the clinic in the rural site. Sundumbili Clinic was R400 (round trip) and Stanger (hospital) was R600 (round trip).

In KZN, one of the households in the rural area included two adults and one child. The household income was R4380 which included the receipt of an OPG (R2080) as well as approximately R1500 from running a tuckshop and the receipt of the CSG (R500) as well as a regular contribution (R800) from a non-resident adult son who was employed full time. The household expenses were approximately R5000 as the family spent R1500 on food; R500 on transport and R300 on electricity, the remaining R2700 was spent on restocking the tuckshop.



Overall, the low-income households in the rural site in KZN were much larger and included many children. In most households there were 8-9 household members, and the households were struggling to cover a range of costs such as the cost of adequate food, the cost of medical supplies, such as adult incontinence products (R219 per pack of 14 - lasting approximately 7 days only) and the cost of transport to access health clinics. The households were spending R1000 – R1500 on average on food despite the size of the household. Again, food was often bought after money for school transport, transport to the clinic and electricity had been paid. There was never enough food to last the month and there were no local community food programmes or senior clubs to rely on. Neighbours were often unable to help as they too were struggling.

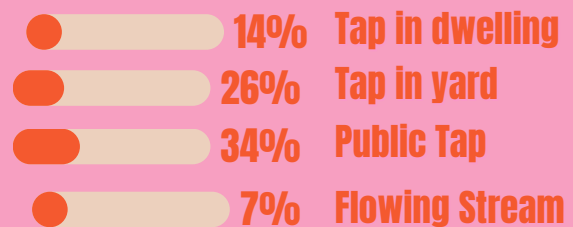
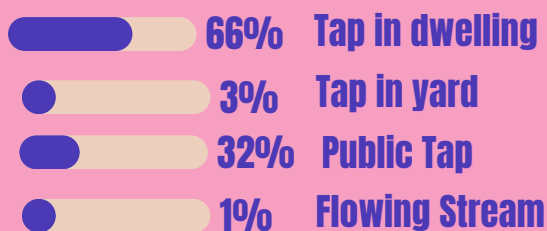
However, the needs of the older persons in rural areas were also greater as they were less likely to have access to running water or electricity. On all indicators living in a rural area, as an OPG beneficiary, means more work is required to gain access to basic services. This work involves a cost as the excerpt here indicates.

OPG BENEFICIARIES' URBAN & RURAL HOUSEHOLD LIVING STANDARDS

URBAN

RURAL

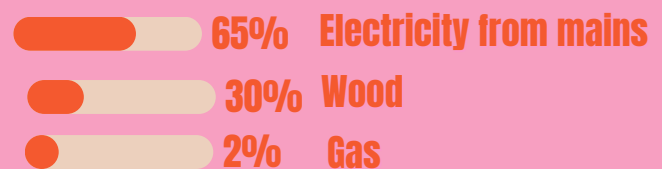
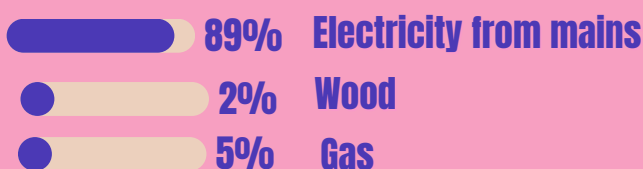
HOUSEHOLD WATER SOURCE



DISTANCE FROM WATER SOURCE



HOUSEHOLD ENERGY SOURCE



86% OF OPGB HOUSEHOLDS HAVE ELECTRICITY

86% OF OPGB HOUSEHOLDS HAVE ELECTRICITY

The excerpt below was described by Dr. Nonzuzo Mbokazi who worked with the families in the rural part of KZN.

In the rural site in KZN, all 15 families did not have access to running water.

The households relied on water delivered by a water truck, which delivers water in the area every Thursday. There are water points throughout the rural settlement, people use wheelbarrows to take buckets and other water containers to collect water from the water truck. There are some instances when the truck does not come, and people will have to rely on rainwater or collect water from a river nearby. The water in this river is unclean and used by cattle, so it cannot be used for consumption.

For older persons who need more water due to frequent linen and clothing change, this is often a challenge, and they must ask neighbours if they run out of water. In the Mhlangu household who participated in this research study, the care receiver was 90 years old, she was no longer able to use the toilet herself and often had accidents and this was a challenge. The caregiver Thoko explained that she would collect more water containers to accommodate for this (25 litres x4), and the usual number of containers they used to take is 25 litres (x8). This meant that Thoko had more containers to move to and back from the water point. She had added to this work by 4 containers. A total of 6 trips using a wheelbarrow. Luckily, there is no strict water allocation for households at least not yet.

The analysis from the NIDS data reveal that over 28 percent of OPG beneficiaries do not have access to water in their own dwelling or yard. In which case household members are required to collect water. This is work. It is time, it is tiring, and it requires planning and organising. For many OPG beneficiaries they may be unable to collect water themselves and they will require support from others. In terms of access to electricity, 88 percent of OPG households have electricity whereas only three quarters of OPG beneficiaries have access to electricity from mains, with many OPG beneficiaries using wood or gas. The use of wood requires extra work in collecting, preparing, and maintaining a fire for cooking or heating. Again, older persons may require support with this work.

Whilst 8 percent of OPG beneficiaries share a toilet, only 26 percent have access to a flush toilet with onsite disposal. The majority of OPG beneficiaries have a toilet facility that is a pit latrine. The dignity, safety and health concerns of sharing and using such facilities needs to be evaluated in terms of meeting the need for basic decency, especially when an older person has sight, mobility, or cognitive difficulties. When older persons require assistance in managing this, it becomes an additional need and cost to the household. Whilst the cost might not be a monetary cost, it can have an opportunity cost or a social cost.



WHEN WE LOOK ACROSS ALL LOW-INCOME HOUSEHOLDS, THERE ARE A FEW POINTS OF INTEREST

WHEN WE LOOK ACROSS ALL LOW-INCOME HOUSEHOLDS, THERE ARE A FEW POINTS OF INTEREST. FIRSTLY, WE SEE THAT WHILST INCOME AMOUNTS ARE SIMILAR, THE NUMBER OF PEOPLE LIVING IN THE HOUSE PUTS CONSTRAINTS ON THE OPG AS THE OPG IS STRETCHED THINLY TO COVER MANY HOUSEHOLD MEMBERS.

SECONDLY, FAMILIES ARE MANAGING AS THEY ARE UNDER SPENDING ON FOOD, AS THERE IS NO POSSIBILITY OF BEING ABLE TO AFFORD ENOUGH NUTRITIOUS FOOD. FAMILIES ARE UNABLE TO COVER THE RISING COST OF FOOD. THIS HAS CONSEQUENCES ON THE OLDER PERSON'S DIETARY NEEDS, AND ABILITY TO TAKE MEDICATION.

THIRDLY, THE ELECTRICITY COSTS IN ALL AREAS ARE TIGHTLY MANAGED AND FAR BELOW WHAT IS EXPECTED OR REASONABLE FOR THAT HOUSEHOLD SIZE OR NUMBER OF PEOPLE.

THE CAREGIVER IN THE SECOND HOUSEHOLD COMMENTED THAT HER OLDER MOTHER OFTEN TRIPS AND HAS FALLEN IN THE MIDDLE OF THE NIGHT AS SHE WALKS TO THE BATHROOM IN THE DARK. WE SEE THAT IN SOME HOUSES, THE INABILITY TO AFFORD A FRIDGE OR FREEZER INCREASES THE COSTS OF FOOD OVERALL AS ONLY CERTAIN FOODS CAN BE PURCHASED WHICH IMPACTS NOT ONLY THE COST OF THE FOOD BUT WHAT FOOD IS MORE SUITABLE. THE DIFFICULTIES IN STORING FOOD AND THE INABILITY TO AFFORD MORE FOOD ARE CRITICAL ISSUES BEING EXPERIENCED IN LOW-INCOME OPG HOUSEHOLDS.

FINALLY, THE FINDINGS SHOW THAT WHILST THERE IS SUPPORT RECEIVED FROM FAMILY MEMBERS AND NEIGHBOURS, IT HELPS BUT IT DOESN'T PROVIDE SECURITY AND OLDER PERSON HOUSEHOLDS NEED TO FIND OTHER WAYS OF SECURING MONEY OR CUTTING EXPENDITURE ON KEY ITEMS SUCH AS FOOD OR ELECTRICITY. WHILST DEBT MAY ASSIST TEMPORARILY IT TENDS TO ADD TO THE MORE LONG-TERM COSTS, LOCKING OPG BENEFICIARIES AND THEIR HOUSEHOLDS INTO PRECARIOUS ECONOMIC POSITIONS.

LOW-MIDDLE INCOME HOUSEHOLDS

In this part of the findings, we consider how low-middle income OPG beneficiary households (R5000-R10 000) also struggle to cover basic costs. Housing is a key part of understanding the income, expenditure and care needs of this group of OPG households. Whilst OPG households in this group might use their house to generate extra income, housing also comes with costs that can be difficult to manage.

For example, one of the OPG households we interviewed, who lives in a RDP house in Khayelitsha rent out their house. The two-person household comprises of an elderly couple. The household has access to two OPGs. They supplement the grant income with rental income they receive from renting out their RDP house and they live in an informal dwelling at the side of the house. The caregiver and receiver are a married couple. The care receiver is in a wheelchair and is unable to cook, bathe, dress, or laundry etc. They have three adult children, two girls and one boy. One of their sons lives nearby and comes and eats with them during the day but does not sleep in the house. The couple also support a sister who lives close by. The couple have a home in the rural Eastern Cape, and they pay a family member to look after that property. The RDP house has been rented out so they can meet their needs. The living conditions in the informal dwelling where they stay is very poor and has consequences on their physical and mental health.

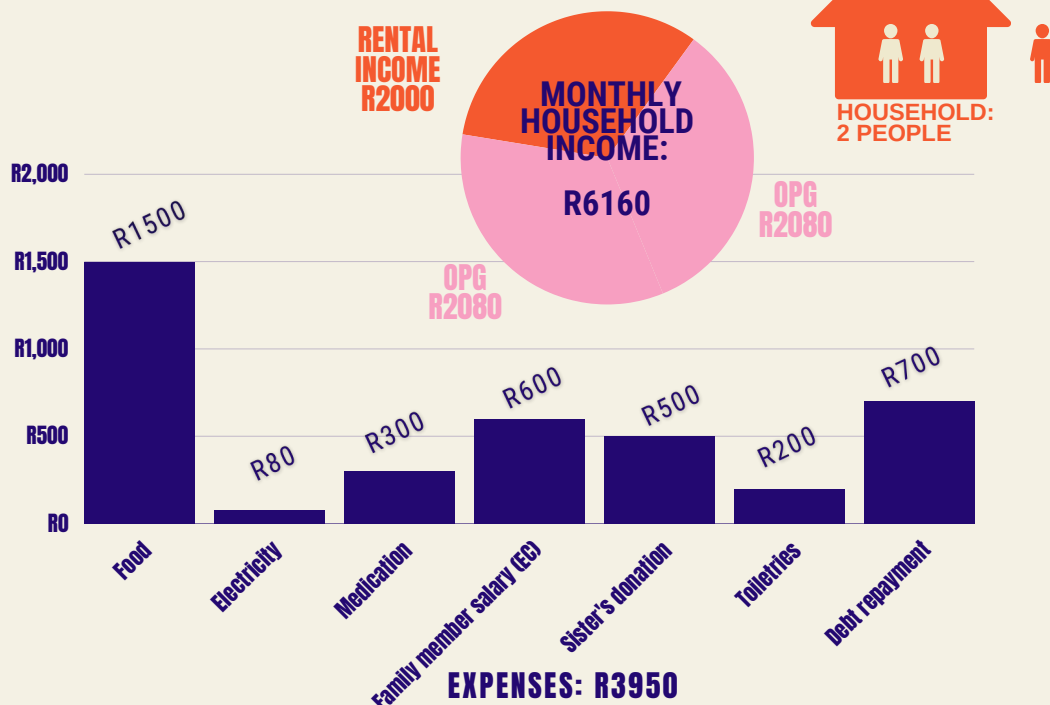
KHAYELITSHA WESTERN CAPE

"...like I am in a corner financially, the worst part is that no one lends money anymore, so it's only the loan sharks that run business of lending money with interest...sometimes the situation is so serious we decide that he needs to be seen by a doctor in such cases..."

**63 year old male
family caregiver**

**HOUSEHOLD INCOME
CONSISTS OF A COMBINATION
OF SOCIAL GRANTS &
(RENTAL) INCOME**

LOW-MIDDLE INCOME: SOCIAL GRANT COMBINATION & INCOME



Whilst the household is based on two people living there, the older persons need to buy food to cover three adults as the adult son has no income or grant and eats with them daily. They spend R1500 per month on food, which is an under spend of roughly 50 percent, but it is allowing them to cover other costs, including the cost of debt and the cost of supporting other family members who do not receive a social grant. Ageing in place and living conditions for older persons living in informal dwellings will be a critical issue going forward as the population ages.

These items compete with the food bill. The couple explained that they used to receive more help from their adult children, but their daughter lost her job, and she was unable to support them. They moved into the backyard dwelling as a way of maintaining themselves. The couple didn't list transport or toiletries or cleaning products as they are unable to afford these items.

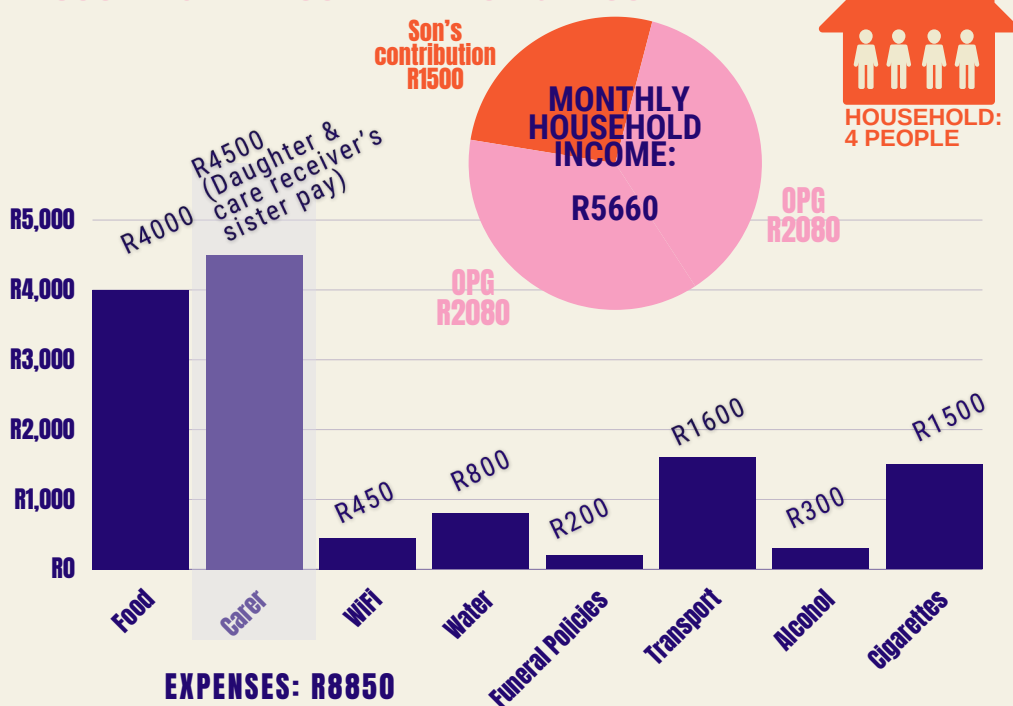
The cost of care also pushes some OPG households into poverty. In the following example, as illustrated below, there are 4 adults living in the house in Eerste River. The house comprises of a married couple, the couple's adult son and the husband's sister. The wife (63 years old) had a stroke and requires full time care. She needs assistance with eating, walking, dressing, and washing. She uses a wheelchair. The household was the only household in the entire 80 households who could afford to pay a care worker. The son also lives in the house, he pays 'rent' and eats there but doesn't help in caregiving. The son earns R4000 per month but also needs R1000 for child maintenance and R500 for transport. The care receiver has full time needs and there is a paid care worker who helps from 9 am to 5 pm each day. The care worker's salary is R4500 per month and is paid by the caregiver's daughter and sister. The household wouldn't manage the care needs of the older person if the cost of the care worker were not covered by the adult daughter and sister. It is unclear how long this can go on as the daughter who is responsible for half the care worker's salary, is employed on a short term, low paid contract.

EERSTE RIVER WESTERN CAPE

"When we need something, we ask her, but we don't want to give her such a lot of problems, because she's expecting her second child and they've got their own lives to live as well, you see? So we don't want to burden them as well"
Caregiver

**HOUSEHOLD INCOME
CONSISTS OF A COMBINATION
OF SOCIAL GRANTS & SON'S
SALARY CONTRIBUTION**

LOW-MIDDLE INCOME: SOCIAL GRANT COMBINATION & INCOME



The couple encounter regular conflict regarding meal preparation and expenditure. The care receiver feels that she is not fed properly, and she does not get adequate meals. The husband feels that he is constantly trying to support her and shops everyday but is struggling to manage. The family are not coping, and they are spending more than they have. There is an employed daughter living away from home who is married and has children, but they don't want to ask her for regular help.

In another OPG low-middle income household there are two adults living in the household. The older person lives with her 55-year-old adult daughter. They live in one bedroom of their house and rent out three rooms in their house as a way of generating an income. They share their kitchen and bathroom with the tenants. There are three households living in three separate rooms. Whilst the tenant's rental payment can be unreliable at times, it allows the older person and caregiver to manage their costs. The electricity costs in the household are high given the nature of the older person's condition, who relies on regular nebulizer use. The electricity price hikes pose a risk to the household budget and food security. **The rising cost of electricity was a real concern in this household and the caregiver could tell me how many units she needs per month. The cost of electricity puts a enormous pressure on the full time care giver who tries to find odd jobs to buy more units.**

Despite the household having a relatively high income, they manage costs daily by sacrificing food and by relying on food programmes which allows them to get a decent meal at least three days per week. The under spend on food is massive and is managed by relying on support from others. The care giver and care receiver both reported having lost a lot of weight. They both smoke but buy 'cheaper' cigarettes and rely on their friends for cigarettes. Their accounts bill is very high as they are paying off the cost of a few items they required after they reconfigured the house and started renting out rooms. There is also outstanding rates and water bill.

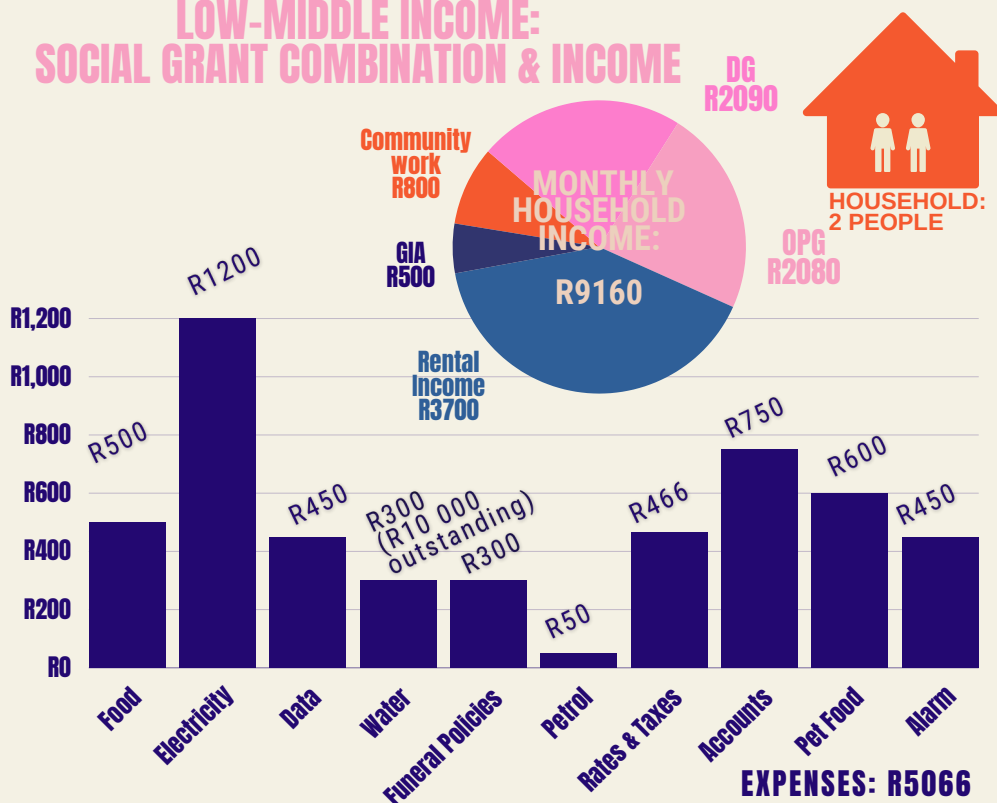
WESTERN CAPE

"I used to spend R1000 which gave me like 800 units, uhm, that was then, and since the electricity went up so high that I pay R1200 now for 500 units...yes, so yes, I most probably will have to go and make a plan somewhere and see if I can borrow another R200 somewhere just to fill up there unfortunately"

53 year old female, caregiver

HOUSEHOLD INCOME CONSISTS OF A COMBINATION OF SOCIAL GRANTS & RENTAL INCOME

LOW-MIDDLE INCOME: SOCIAL GRANT COMBINATION & INCOME



Whilst the house is an asset and they are making income from it, the house is still in the deceased father's name, and it costs at least R20 000 to rectify this at the deed's office. This is a costly problem as the older person can't qualify for a rates rebate as the house is not in her name. The outstanding rates and water bill means they will be cut off if they don't manage it. When we met the family more recently, they said that the water had been cut off.

In KZN, one household in the rural area had a household income of R5820 per month. The income was predominantly based on grant receipt, as seven of the nine children living in the house received CSG grants and the older person received the OPG. There were two young children who did not get a CSG as they had no identity documents. The caregiver in this household was a full-time carer for the older person and the children whilst also attempting to boost the household income by doing ad hoc washing and farm work for approximately R60-R80 a job. The family managed to keep their expenditure to R1750 per month by cutting back on food costs. The household were really struggling to cover basic costs of food. The care receiver is in a wheelchair and felt extremely overwhelmed by the cost of electricity and water, and explained:

“

my child I have nothing. I have nothing. So, it is my grant, from the R630 goes to the funeral policy which covers me and my daughters. From what is left it is all for food, the child grant (for 9 kids) helps with the children because it covers the transport cost and snacks and if they like need clothes for school, things like that you see. My daughter in Durban will send like R300 sometimes. But if she does not and we need something, we ask her, but I also try to not ask all the time. I would not want to strain her marriage because of things she needs to do for us. Otherwise, there is my friend, my neighbour, I would ask her, but she also struggles financially. It would not be fair to burden her. But now, my daughter who works in Durban is the only one we can ask when the situation is really bad, if she has she will send money but if she does not, then we are in trouble.



When we consider the experiences of managing financially in low-middle income OPG households, we see that again the size of the household membership is critical. Large households struggle to cover the cost of food and electricity needed to sustain many members. Moreover, we saw how housing was used to increase personal income and supplement OPGs. However, there was also a cost to housing. Whilst the size of households is not always large, the range of expenses increases with home ownership, especially debt repayment (in its multiple forms). Although rental income assisted the household, the irregularity of receipt of rental income and the work involved in managing rents was a source of stress for many. What is interesting to note is that increased income didn't allow for greater security in ways that resulted in more food security. All households in this group felt like they were on the brink of poverty and relied on food programmes or kin to ensure they could get enough food.

THE FINDINGS SHOW US THAT OPG BENEFICIARY HOUSEHOLDS NEED TO MAKE ASTUTE DECISIONS ABOUT SPENDING AND RESOURCE ALLOCATION WITHIN LIMITED CONSTRAINTS. BASED ON OUR FINDINGS, WE SEE THAT OPG BENEFICIARIES HAVE A STRONG DEGREE OF AUTHORITY AND DECISION-MAKING POWER IN THEIR HOUSEHOLD. IN WELL OVER TWO THIRDS OF ALL OPG HOUSEHOLDS, THE OPG WAS THE PERSON MAKING BOTH EVERYDAY DECISIONS SUCH AS DAILY HOUSEHOLD EXPENDITURE AS WELL AS BIG DECISIONS SUCH AS WHERE THE HOUSEHOLD SHOULD LIVE.

14%

OPG BENEFICIARIES
**BELONG TO A
STOKVEL**

29%

OPG BENEFICIARIES
**OWN A
BANK ACCOUNT**

OPG BENEFICIARIES ARE THE MAIN DECISION MAKER IN THEIR HOUSEHOLDS ABOUT:

65% DAILY HOUSEHOLD EXPENDITURE

68% LARGE UNUSUAL PURCHASES

70% WHO IS ALLOWED TO LIVE IN HOUSE

71% WHERE HOUSEHOLD SHOULD LIVE

The findings also revealed that only 14 percent of OPG beneficiaries belonged to a stokvel. Some literature has documented the changes taking place in stokvel participation where unemployment often prevents people from contributing but the ability to make member's pay back was also an increasing challenge.[7] Any thinking around formal social protection measures being supported and bolstered by informal social security activities need to be realistic and consider the changing role of stokvels and the ability of wider kin to make contributions.

The findings also show that over a quarter of OPGs have a bank account. Whilst having a bank account does not necessarily imply that you receive your OPG into a bank account as the OPG can be paid out in cash at a specific pay point. The bank account ownership data based on 2018 might be a little outdated, and bank account ownership might have subsequently increased but the figure indicates that many OPGs without a bank account will receive the grant in cash at pay points. Saying that, we recognise that many OPG beneficiaries may under report bank account ownership. A recent article indicated that SASSA cash pay points are going to be phased out by April 2024[8]. It is anticipated that there will be many problems in moving to a fully digitised system and that the impact on OPG beneficiaries, especially OPG beneficiaries living in rural areas, who need to find alternative ways of accessing the grant will be grave.

[7] For more see Deborah James (2015) 'Women Use their Strength in the House': Savings Clubs in an Mpumalanga Village, Journal of Southern African Studies, 41:5, 1035-1052, DOI: [10.1080/03057070.2015.1062263](https://doi.org/10.1080/03057070.2015.1062263)

[8] <https://www.groundup.org.za/article/sassa-cash-pay-points-to-be-phased-out-by-april-2024/>

CONCLUSIONS

The Older Person Grant in South Africa is the backbone of many families as it reduces poverty amongst older persons and their families. The national funding and support for state pensions indicates its place as a cornerstone of social protection coverage. As we stated earlier, 98 percent of DSD funding on older persons is spent on the Older Person Grant indicating it as a key priority. Without the Older Person Grant many older persons and their families would be living in extreme poverty. As seen in the findings and as indicated elsewhere, the OPG is used as a household resource, not an individual resource.

The report reveals three major issues that need to be highlighted. Firstly, the OPG is essentially covering basic food security and is not being used to meet the wider care needs of older persons. Secondly, the value of the OPG is significantly reduced by the household size. Thirdly the OPG, in the absence of a wider suite of care provision and more adequate social protection systems, is being used to access basic care services such as the cost of transport to buy food; access SASSA pay points or offices and access the clinic.

The report highlights the reach of the OPG and draws attention to the ways OPG beneficiaries, largely black women, manage their OPG in ways that cushion some of the hardships incurred due to high levels of poverty, unemployment, and holes in the social protection safety net for working-aged able-bodied adults. The report focuses on a critical review of how the OPG gets used and calls for greater insight into understanding how OPG beneficiaries redistribute resources whilst managing their own care needs and vulnerabilities.

What we are unable to assess are the consequences of the redistribution of the OPG on older persons and their care needs. The report has elucidated some of the challenges older persons encounter in managing their care needs and costs in their households.

The national level findings from the NIDS data as well as our qualitative findings show the ways in which 'basic cost of living' are out of sync with spending patterns in households. OPG beneficiaries that are generally larger, are spending far less than might be expected to secure basic goods, especially food. The OPG is essentially used to ensure household food security, so any assumption that an OPG can finance basic care of the older person is concerning on several grounds. There are extensive costs to securing basic care needs due to the existing care infrastructure and cost of living crisis, unemployment crisis and most importantly due to the erroneous assumption that the OPG beneficiary is used for an individual exclusively.

The findings reveal the gendered, racialised, classed and geographical experience and the work involved in managing care needs and the household budget where the OPG is used widely. As we detail in the report, almost two thirds of OPG beneficiaries are living in a household of 5+ people where the average household income is R6216. The estimated basic cost of food for a family of five in July 2023 was R4 459 which does not include the cost of electricity or transport. The under spend on food, together with the ways in which transport and electricity rising costs take up a disproportionate amount of the OPG, especially when they are required to access the OPG as well as medication and medication care is deeply alarming. The under spend on food and the inability to afford nutritious food, especially in the context of high levels of diabetes and hypertension, will be felt mostly by women, black women, especially women living in rural areas and living in larger households.

KEY ISSUES FOR POLICY MAKERS

In the context of increasing unemployment coupled with rising food, transport and energy costs, older persons are not only supporting younger generations, but they are doing so at a time when all costs are increasing.

Effectively they are doing more with less and the consequences on them is unclear. A review of the value of the OPG and the low uptake of the GIA is warranted

Given the size of OPG beneficiary households and given the fact that there are competing needs in such multi-generational households, the OPG is used to compensate for the shortfall in the CSG as well as the SRD grant and the more permanent relief for unemployed working-aged able-bodied adults.

In this regard the monthly budget has to be managed and the underspend on food to cover transport and electricity is a real concern and requires more attention.

The availability of home-based care, affordable access to clinics/ and medication, quality housing etc are critical to understanding the economic lives of OPG beneficiaries.

When access to such services is limited, as we outlined in this report, older persons must draw on the OPG to access such support. Health, housing, and social grant policies co-exist and shape the care needs and economic lives of older persons. Collaboration and dialogue across departments is key to improving care provision for older persons.

As the number of older persons grow, and more persons rely on the OPG, a comprehensive set of policies needs to be developed to combat the over-reliance on the OPG as the main form of state support for older persons and their households.

In the absence of greater community care structures, the OPG is needed to meet the care needs however more sustainable community care packages and opportunities could indirectly help older persons manage their costs. Examples might include free transport to clinics, or mobile clinics to reduce transport costs etc. One example already active in some communities is the regular and reliable supply of incontinence products which prevent OPG beneficiary households having to purchase such expensive but necessary items.

With the forthcoming phasing out of cash pay points, the transition of OPGs to digital services will need to be managed and observed.

The cost of accessing the OPG or delays in accessing the OPGs, especially for beneficiaries living in rural areas needs to be reviewed.

Furthermore, more research is required to understand the ways in which the introduction of social protection systems for unemployed working-aged adults, such as the SRD grant shapes the claims made on the OPG and the OPG beneficiary.

APPENDIX 1: METHODOLOGY

The findings in this report are derived from a larger longitudinal qualitative study of Family Caregiving of Older Persons in Southern Africa. For the purposes of this report, we are drawing on the findings of working with 80 families in 2023 in South Africa. In South Africa we are working in six sites, two sites in KwaZulu-Natal and four sites in Western Cape. The sites include both urban, peri-urban and rural sites some of which are under traditional leadership. The sites were chosen as they include the necessary variation in households by race and geographical location. They also include areas that have senior's clubs and NPOs that support older persons and areas that do not have access to such services. In 2024 the study will expand to include sites in the Eastern Cape.

Ethical approval from the University of Cape Town was achieved. More importantly, individual consent was obtained from each participant at different stages of the research. At the first stage, at the community stage, the research team worked with gatekeepers to get a better sense of the community and area. In all areas the research team held a community meeting to explain the reason for their presence in the area and to give an overview of the research. At such meetings it was explained that the research team would be working with individual families to get a better sense of how family caregiving is experienced. In each community we worked with several local gatekeepers, who were older persons themselves and had considerable knowledge of the area and the residents. Once a household had been identified as having an older person who had a care need, the research team met with the family to see if they were keen on participating in the study. A more detailed overview of the ethical protocol can be found [here](#).

At least two members in each family were interviewed. Not all caregivers were co-resident with the care receiver. Caregivers and care receivers in all families were interviewed separately. All participants were interviewed in their home language and all interviews took place at the home of the older person. Households were selected based on the knowledge that an older person lived in the household and had a care need. The definition of a care need was kept loose and included older persons who had a high care need and required full time care as well as older persons who might need assistance going to the shops but could walk, eat, dress, and bathe themselves.

Each participant took part in an in-depth interview which lasted approximately 90 minutes. The interview included drawing a family map as well as completing a family budget. The interviews also drew on three vignettes to find out more about norms and values on care for older persons. In addition to this, the older person completed a standardised assessment, which measures basic activities of daily living. This was undertaken to obtain consistency in reporting health conditions and care needs across multiple sites and multiple countries.

The analysis for the purposes of this report was undertaken by analysing the monthly budgets, i.e. income and expenditure and listening to the experience of managing budgets and covering costs. All transcripts were read and first level descriptive coding of the household budget and OPG were undertaken, i.e. items relating to income, expenditure especially in relation to explanations around these, understanding and meaning of cost were identified. This was done separately for each caregiver and care receiver in each household. In doing this we paid close attention to the number of people in each household, the different income sources as well as the different care needs, especially the care needs of the older person. In this way experiences of each household member and the relations with the household was ascertained before drawing any comparisons across households.

This research would not be possible without the support of the families who provided insight into their care practices, needs and monthly budgets. We are very grateful for their time, insight and support. We are also indebted to our funders, the Wellcome Trust, for supporting the research programme on Family Caregiving of Older Persons in Southern Africa.

Prepared for **The Family Caregiving of Older Persons in Southern Africa Programme**

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