Elderly Livings and Elderly Welfare Policy in Korea

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Contents

1. Current Demographic, Living and Socio-Economic Status of Elders
2. Overview of Elderly Welfare Services
3. Expectations and Future Directions
I. Current Demographic, Living and Economic Status of Elders
# of Elderly people: 6.62 million (13.1% of Total Population)

76.6% : Living Urban Area (56.4%, ’94)

Sex ratio: 71.7 (male): 100 (female)

Elderly Dependency Ratio: 17.9 (10.1 -2000, 57.2-2040)

% of No-Education: 9.6% (36.7%, ’94)
## Rapid Aging Trends

<table>
<thead>
<tr>
<th>Country</th>
<th>Year to reach % of the population</th>
<th>Years to change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>France</td>
<td>1864</td>
<td>1979</td>
</tr>
<tr>
<td>Germany</td>
<td>1932</td>
<td>1972</td>
</tr>
<tr>
<td>UK</td>
<td>1929</td>
<td>1976</td>
</tr>
<tr>
<td>Korea</td>
<td>2000</td>
<td>2018</td>
</tr>
</tbody>
</table>

International Comparisons for 50 years (1960-2009)

Life expectancy at birth, 2009

Years gained, 1960-2009

- Japan: 10.9
- Switzerland: 12.0
- Italy: 12.0
- Spain: 9.9
- Australia: 10.7
- Israel: 8.6
- Iceland: 8.3
- Sweden: 8.3
- France: 10.7
- Norway: 7.2
- New Zealand: 9.7
- Canada: 9.4
- Luxembourg: 11.3
- Netherlands: 7.1
- Austria: 11.7
- United Kingdom: 9.6
- Germany: 11.2
- Greece: 10.4
- Korea: 10.9
- Belgium: 11.0
- Finland: 10.0
- Ireland: 10.0
- Portugal: 11.2
- OECD: 15.6
- Denmark: 6.6
- Slovenia: 10.5
- Chile: 8.3
- United States: 6.7
- Czech Republic: 8.0
- Poland: 4.4
- Mexico: 6.5
- Estonia: 17.8
- Slovak Republic: 21.4
- Hungary: 25.5
- Turkey: 26.7
- China: 18.1
- Brazil: 26.7
- Indonesia: 30.0
- Russian Federation: 21.7
- India: 21.7
- South Africa: 21.7
Demographic Structure (2011)

- Total pop.: 48 million
- Aging Pop.: 11.3%

- 1980-1984 (birth) (3rd baby boomer)
- 1968-1974 (2nd baby boomer)
- 1955-1963 (1st baby boomer)

(Source Statistics Korea. 2011.5.30)
Living & Economic status
(2014 National Elderly Survey: KIHASA)

- % of Living Alone + Couple only Elders/ Total Elders
  - 25.2% (1994) → 44.9% (1998) → 67.5% (2014)

- Ave. Yearly Income: 23.5 million Won (20,000 $)
  - % of Public Pension: 39.6% (16.1%, ’05)
  - Very Low actual amount (’08: 20yr – contribution)

- Elderly Suicide (1st of OECD) 55.5 /100,000
  - Male: 2.7 times higher than female
Increasing Medical Care Cost

<% of Reimbursed pay for elderly care from NHI and Monthly Medical care cost per one elder >

(Source: Statistics Korea. 2011)
Ⅱ. Overview of Welfare

Elderly Services
Korean Social Welfare System

Social Welfare System

Social Insurance
- Health insurance
- Pension insurance
- Long-term care insurance
- Unemployment insurance
- Industrial accident compensation insurance

Public Assistance
- Livelihood protection
  (Elders - 30%)
- Medical Aid

Social Welfare Service
- Welfare for the elderly
- Welfare for the disabled
- Welfare for children
- Welfare for the women
- Medical for psychiatric
- Social work

The policies underlined are related to the aging population.
## Elderly Welfare Policies in Korea

<table>
<thead>
<tr>
<th></th>
<th>Funding Resource</th>
<th>Tax-based Services (Mostly for mid- or low-income)</th>
<th>Governing Organizations</th>
</tr>
</thead>
</table>
| Health & Long-term Care | - National Health Insurance  
- National Long-term Care Insurance for elders | - Center for the dementia  
- Service for early detection of dementia  
- Support for treatment for the dementia  
- Support for the old-age-related optical surgery | - MHW (Ministry of Health and Welfare)  
- National Health Insurance Corporation (NHIC)  
- Local government |
| Income Maintenance    | - National Pension service                                  | - Service for Job-seeking elders                  | - MHW  
- National Pension Corporation  
- Local government |
| Housing               |                                                             | - Living facility                                 | - Local government |
| Social Services       |                                                             | - Care services for elders  
- Elderly Welfare center  
- Meal service  
- Senior discounts etc. | - MHW  
- Local government |
## Elderly Welfare Services and Target Populations

<table>
<thead>
<tr>
<th>Health &amp; Long-term Care</th>
<th>Social services for elders</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Long-term care insurance</td>
<td>• LTC level 1-5</td>
</tr>
<tr>
<td></td>
<td>• Center for the dementia support</td>
<td>• Elders with dementia and their family</td>
</tr>
<tr>
<td></td>
<td>• Service for early detection of dementia</td>
<td>• 60 over (low-income priority)</td>
</tr>
<tr>
<td></td>
<td>• Support for treatment for the dementia</td>
<td>• 60 over (50% below average income)</td>
</tr>
<tr>
<td></td>
<td>• Support for the old-age-related optical surgery</td>
<td>• 60 over (below poverty line and threshold)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job</th>
<th>Social services for elders</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Service for Job-seeking elders</td>
<td>• 60 over with working-condition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing</th>
<th>Social services for elders</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Living facility</td>
<td>• 65 over (below poverty line and threshold)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Services</th>
<th>Social services for elders</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Social Care services for elders</td>
<td>• No LTC eligible elders with frailty</td>
</tr>
<tr>
<td></td>
<td>• Elderly Welfare community center</td>
<td>• 60 over</td>
</tr>
<tr>
<td></td>
<td>• Meal service (Free or low-price)</td>
<td>• 60 over</td>
</tr>
<tr>
<td></td>
<td>• Senior discounts etc.</td>
<td>• 65 over</td>
</tr>
</tbody>
</table>
## NLTCI Coverage in Korea

### Applicants (% of all elders)

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<tbody>
<tr>
<td></td>
<td>295,715 (5.9)</td>
<td>402,815 (9.5)</td>
<td>759,339 (13.8)</td>
<td>632,695 (10.9)</td>
<td>696,480 (11.1)</td>
<td>727,748 (11.9)</td>
</tr>
</tbody>
</table>

### Eligible population (% of all elders)

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<tr>
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<tbody>
<tr>
<td></td>
<td>146,643 (2.9)</td>
<td>286,907 (5.2)</td>
<td>315,994 (5.7)</td>
<td>320,261 (5.7)</td>
<td>385,094 (6.1)</td>
<td>412,239 (6.7)</td>
</tr>
</tbody>
</table>

### Utilization rate

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65.6</td>
<td>82.0</td>
<td>89.9</td>
<td>88.2</td>
<td>86.9</td>
<td>87</td>
</tr>
</tbody>
</table>

(Source: NHIC LTC statistics, 2008-2014)
**LTC Level Distribution between 2008-14**

<table>
<thead>
<tr>
<th>Care Level</th>
<th>Level Points</th>
<th>2008</th>
<th>2012</th>
<th>2014.3</th>
<th>2014.9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>*Accum</td>
<td>*Accum</td>
<td>*Accum</td>
<td>*Accum</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>95 pt. -</td>
<td>1.1</td>
<td>-</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>2</td>
<td>75 – 94</td>
<td>1.2</td>
<td>2.3</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>3</td>
<td>60–74</td>
<td>1.9</td>
<td>4.2</td>
<td>3.9</td>
<td>5.8</td>
</tr>
<tr>
<td>4</td>
<td>51–59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>45–51 + Dementia</td>
<td>Not covered by LTCI until 2014.6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Accum: Accumulated %

Entry of Level 3 lowered to 55 → 53 (2012.7) → 51(2013.7)
III-1. Social and Economic Expectations

- Enhancing QOL in elders’ later life
- Reducing caregiving burden: Economic and psychological burden
- Support for Women Workforce Attendance
- Social Service Job Opportunity: 2012 – 4,400 LTC nursing homes, 11,000 community care center & 200,000 nursing aides working
- Elderly care industry: Care devices, interior, architecture etc.
- Efficiency of Health care cost: Acute care beds → Convalescent(preparing) → Nursing home
III-2. Future Direction of Elderly Welfare

- Coordination between medical field and social care field
- Housing issues for elders
- Increase of in-home care services instead of institutionalized care: Variation of Community care service
- Encouraging Social Involvement and Maintaining social links
- Coordination btw Central and Local Gov.
- Financial sustainability and Political Power
Thank You.