

## **A Primary Study on Long Term Care in China: Perceptions of the Elderly**

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*China has undergone dramatic changes in both economic and social situations for the past three decades. Faced with the challenges of an aging population, internal migration of labor, and rapid urbanization, China's current tradition of providing care for the elderly is no longer viable. A preliminary survey was conducted to collect data from Nanchang City in the Jiangxi Province of China to explore ideas of current and future generations concerned with Long Term Care facilities. This pilot study analyzes the preferences and perceptions of the elderly.*

### **INTRODUCTION**

Economic growth and the change to a market oriented economy have precipitated transformation in the dynamics of the family and the foundations and existing traditions involving the elderly in China today. Thirty years ago when people bought necessities such as food, they needed food stamps issued by the government according to family size, occupation and income level. Limited varieties of luxury products (such as a televisions, major appliance, etc.) were also purchased through similar types of rationing systems. An average household (with 2 paychecks and 2 children) lived on around \$92 (current international US dollars) a month. The \$92 was spent mostly on food and daily life supplies. General housing, educational, medical and pension expenses were provided publicly through central government planning.

Thirty years later, Gross Domestic Product (GDP) grew more than 30-fold and Gross National Income (GNI) per capita reached \$7640 compared with \$280 in 1980(The World Bank, 2012). Much of the economic development came about as a result of the reform under the leadership of Deng Xiaoping

(paramount leader of the People's Republic of China from 1978 to 1992). A free market place for most of the commodities replaced the centrally planned distribution system. However, much of the old system still has its strong presence in economic sectors such as real estate, education, and health care. Much of China's economic development is diluted by its fast growing population and an accompanying aging of this population.

An average GDP annual growth rate of 12% (estimated based on the World Bank data) (The World Bank, 2012) during the last thirty years, coupled with widened income disparity has had a profound impact on the daily lives of the Chinese people who find themselves undergoing metamorphosis adjusting to the market-oriented economy in replacement of the centrally planned economy.

China conducted its sixth national census in 2010. Based on the summary report, the total mainland population reached 1.34 billion, of which those older than age 60 numbered 177.6 million (13.26% of the total). The percentage increased by 2.93 points comparing with figures in the fifth national census conducted in 2000. The elderly above age 65 numbered almost 119 million (8.87% of the total population), and the percentage increased by 1.91 % compared with the 2000 census. China is characterized as an aging society based on the United Nations' standard (Population Division of Department of Economic and Social Affairs of the United Nation, 2009).

Another trend observed by the latest census is the mobility of the population. Inhabitants living away from their original place of residential registration increased by 81.03% compared with the 2000 census (the National Bureau of Statistics, 2000)(the National Bureau of Statistics of China, 2010). Part of these inhabitants consists of a floating population of essentially the temporary or permanent migrant labor between or within the provinces(Giacalone, 2010).

Local residency (urban vs. rural) in China is still governed by the household registration system, which determines the eligibility of residents in matters related to wide range of social benefits such as public health insurance and education. The current household registration system still imposes quite a constraint on labor mobility and obtaining a balance between urban and rural distribution. Any future reform in this area will have profound impact on China's long term care market(Luo, 2011).

This study explores the possibility that current and/or future generations might be open to the idea of accepting long term care facilities as alternatives to the thousand-year-old traditions. In the past, aged parents lived with adult children, especially sons. The dynamics of the changes in social and cultural aspects of Chinese living conditions have resulted in long term care becoming a social issue rather than mostly a private family matter.

An aging society with an increasingly mobile labor force has posed several challenges for meeting the long term care needs of the relevant population group. In short, China's current structure/tradition for providing care for the elderly is no longer consistent with the changing life styles of younger generations.

The following section briefs the reader on the history of long term care in China. Section 3 describes the data collected from the preliminary survey conducted in Nanchang City of the Jiangxi Province of China to reflect the consumers' perception on long term care facilities. Section 4 concludes the paper and comments on future directions of research.

## **A BRIEF HISTORY OF LONG TERM CARE IN CHINA**

Long term care is not a new concept in China, but a loosely defined term. It does not have a classification of different levels of care as used in the United States such as independent living, adult day care, assisted living programs, and skilled nursing facilities. The Chinese classification is more based on the individual's dwelling place rather than the level of care. For the purpose of this study, the authors focused on the level of care that requires a certain degree of daily assistance and medical care during the later years of life. China's long term care is dominated by family oriented care, supplemented by institutional care provided by the public or private sector. Challenged by the changed social and economic environment, the practice of the ancient tradition of seniors living with their adult children during the later years, however, remains the social norm.

## **San Wu Elderly**

Institutional care has a long history (1950s) as the major sources of care for those “San Wu Elderly”. These were citizens who had no children, no dependable relatives, and no work ability or income. These centers were fully funded and operated by the government, with government employed personnel. The nationwide social welfare institutions were initially set up to satisfy the local needs of the San Wu Elderly, injured soldiers, and orphans. Because of its history and traditions, institutional care has been associated with senior abandonment by family members and perceived as a social stigma by the general public.

In the past three decades, institutional care has been expanded to cover beyond the San Wu Elderly population to include those who are in need with the financial means to pay (Pei, 2003). For both the San Wu Citizen and the qualifying elderly who have contributed to the State in the past through their employment, institutional care service is free of charge, otherwise, financial resources to cover the services are required at the time of admission (Pei, 2003). For the past decade there has been increased involvement from the private sector in long term care in the forms of informal home care, non-institutional formal care, and institutional long term care (Pei, 2003). By the end of 2005, there were 39,546 long term care institutions, of various kinds, nationwide, totaling 1,497,000 thousand beds and occupied by 1,102,895 seniors. The capacity only covers 1% of the senior population; a capacity much lower than the international standard of 5-7% (Li W. , 2008)

## **Types of Institutional Care**

There are mainly four types of institutional care in the Chinese market: Social welfare institutions funded by government; senior care homes funded by private entrepreneurs and enterprises; senior living communities created by real estate developers; and community service centers providing recreational activities and lunch services to seniors. From year 2005 to 2008, there were 7898 such community service centers being established. In addition, the “Starlight Project” has built nearly 30,000 Starlight Senior Centers nationwide, providing tens of thousands of extra community based beds for the covered population (Li W. , 2008). Seniors in need of a certain degree of daily assistance and medical attention will most likely rely on social welfare institutions, senior care homes, and home care. The disparity in access to resources and support from the government between public centers and private centers has a few important consequences: 1). Public centers are perceived by the general public as better equipped to provide more facility amenities and better trained full time staffs who are compensated at higher rates because of their expertise. Therefore, quality is perceived to be better; 2). For those public centers that are open, not only to the San Wu population, but also to the population in need, and those with financial means to pay for it, the facilities tend to be fully occupied with a long waiting list (Tang, 2012). Being the first choice by a population beyond the San Wu group, these centers tend to have an advantage of admitting low risk healthy seniors over the private centers; 3). Private centers, lacking well defined and materializing support from the government, are faced with a resident mix that trends toward those with high risk health issues and limited financial resources to pay; 4). There has been over investment in physical facilities on one end and under investment in human resources on the other.

## **Nanchang City**

Nanchang city was chosen as the pilot city because of sampling convenience. It is the hometown of one of the authors’ of this study. Nanchang is the capital city of Jiangxi province, located in the mid north of the province and south of the Changjiang River. Populated with 5.04 million residents, its aging trend matches the national average. The city population consists of 7.71% seniors aged 65 and above (Jiangxi Provincial Government Statistics Department, 2010) (the National Bureau of Statistics of China, 2010). Institutional care facilities are scattered across the metro Nanchang area, surrounding town centers, and the rural area to meet the local needs. The metro Nanchang area is defined by Nanchang city surrounded by 4 satellite city centers. The whole metro area is divided into 5 districts.

There is one social welfare center for each district. The five social welfare centers together offer around 1,300 beds to cover a mixed population group including San Wu seniors, orphans and other

qualifying San Wu population (homeless, disabled, and injured soldiers etc.). The surrounding area is divided into 47 town centers and 33 rural areas. Historically, there has been one publically operated facility for each rural center/town center. As of the year 2012, there are 81 such public centers in existence covering the Wu Bao population (counterpart for San Wu population in rural area) in sub-urban and rural areas(Xiong, 2012). Public centers with excess capacity are also open to the general public and can accept residents in need depending on their financial ability to pay. In addition to the public facilities, there are 23 privately operated centers scattered throughout the area(Xiong, 2012).

The current number of beds available from both private and public institutions covers less than 2% of the seniors aged 65 and above in Nanchang area, which is far from meeting the local needs, but twice the national average. It is estimated that 90,000 seniors live by themselves without either spouse or children in the household in Nanchang (Xu & Zhang, 2010). The shortage of staff and the lack of support from government in terms of both funding and policy orientation have been obstacles in incentivizing private entities to fill the gaps in the market. In 2010, The Nanchang City government issued a proposal with specific line item subsidies to expedite the development of the long term care market for seniors. In terms of funding support, the government offers RenMinBi Yuan (RMB¥) 2000 per bed for private developer if it is purchasing fixed asset/real estate for facility development, and RMB¥ 1000 per bed if it is leasing real estate for facility development. Based on occupancy, government offers RMB¥ 100 per month for each resident for the first three years of residence (Secretary of People's Government of Nanchang, 2012). It was a starting point for collaboration of the government and private sector in tackling some of the challenges faced by this segment.

## **SURVEY AND THE PROFILE OF TARGET POPULATION**

Given the environment and market conditions, this study is particularly interested in investigating a consumers' perceptions by collecting opinions from Nanchang residents on the following fundamental questions concerning acceptance of long term facility care:

1. Is facility care an acceptable option?
2. Do consumers have any knowledge about local facilities?
3. Have consumers already chosen a facility or have a list of preferred providers?
4. If they have made a choice, how satisfied are the consumers with the facility of choice?
5. Have consumers considered other alternatives?

The survey also included an open question for respondents to voice any concerns or opinions about facility care. Five questions were used to collect data on demographic features of the population: age, occupation, monthly income, own housing or not, and current living status. Occupations are divided into 7 categories: 1. factory worker; 2. government worker; 3. self employed; 4. retired factory worker; 5. retired government worker; 6. retired others; and 7. others.

Only city dwellers were surveyed in this preliminary study because of the resident author's hypothesis that the "with son" long term care tradition is more deeply rooted in the value system of rural residents rather than the urban. Given this assumption, acceptance of the facility care as a long term care option should be more easily detected with a small sample in urban areas rather than rural areas.

Successfully collected data are from a sample of convenience from three sites selected based on personal connections utilizing the assumption that participants tend to treat a survey more seriously when they know that it is collected by someone familiar. One group consists of the former and current employees of Cultural Center of Nanchang City. The second group is from a daycare center where grandparents are highly involved in caring for children in the family. The third group is from the city's central park which serves as a recreation center for seniors with offerings of workout sessions and martial art/folk performance art lessons.

### **Data Description and Analysis**

Over a one month period these three sites produced 84 usable surveys with 20 submitted from the Cultural Center, 39 from the daycare center, and 25 from the central park. The majority (62%) of

respondents were above age 60. Most respondents have family living in the city with 66% out of 70 reporting living with their adult children. Of the 81 reporting, 77.8% indicated a monthly income below RMB¥ 2000 (mid-low income group). Over three fourths (76.5%) of the 81 respondents reported owning their own housing.

Based on the sample mode from histogram plots of the demographic variables, a typical respondent is a retired factory worker aged 60 and above with monthly income between RMB¥ 1000-2000, who lives with adult children and also owns their own housing. Based on the resident author's experience and observations, this typical respondent should represent the majority of the population demanding facilities for long term care in the future.

Statistical analysis is limited due to large number of observations with missing data. In particular, only 49 out of the 84 (58%) responded to the key question asking whether they have considered LTC facilities as an alternative to traditional home care. Our analysis focuses on these 49 observations.

A couple of observations should be made about the respondents who did not respond to the key question of whether they would consider LTC facilities. Nine out of the 35 non-respondents (26%) answered positively to having knowledge about a local facility. Four of these nine indicated their perception of the quality of care being poor or very poor. Five of these nine plan to either live with their adult children in the future or continue to live with their children. Although none of these nine directly responded to the use of LTC facilities question, their choice of which questions to answer might reflect their unwillingness to accept facility care as an alternative rather than their lack of knowledge/information about the alternatives. Although one could argue these nine observations could be added by imputation to those explicitly negative to utilizing facility based long term care, we did not do so in this analysis.

#### Primary Results

Only 49 individuals replied to the key question "Is facility care an acceptable option?". An overwhelming majority (37 of 49 which is 75%) responded negatively to the acceptability of facility use and reported doing so mainly without any specific knowledge about the long term care facilities. (Only 6 of these 37 reported knowledge about local long term care facilities.)

All the negative respondents reported monthly income below RMB¥ 4000 and all but one<sup>1</sup> are either currently living with their children or living with their spouse. Slightly over 80% of the negative respondents own their own housing (30 out of 37). No patterns were noted in regards to age and occupation.

Among the 12 individuals who responded positively to facility use (25% of those responding), half already claimed some knowledge of local facilities. When asked about the impression of quality of the facility care, all nine responders to the question remained neutral in their response (The authors speculate that this neutrality could be due to an uneasiness about admitting to a desperate decision and then saying bad things about it or the unconditional acceptance due to lack of power to change the situation).

All respondents reporting positive considerations to facility care were aged 55 or older. Five among the 12 reported monthly income less than RMB¥ 1000 (very low income group), four respondents have monthly income between RMB¥ 1000 to RMB¥ 2000, two respondents have monthly income higher than RMB¥ 4000 (these are the only 2 high income observations in the entire sample of 84 respondents). All but one of the 12 are either currently living with their children or living with their spouse. Only 46% of the 11 reporting residence ownership reported owning whereas individuals not considering facilities reported 80% ownership.

A detailed comparison of profiles of the respondents based upon their consideration of the use of facilities for long term care is found in Table 1.

**TABLE 1**  
**MODAL DEMOGRAPHIC DESCRIPTORS BY ACCEPTABILITY OF**  
**USE OF FACILITY BASED LTC**

<b>Facility Based LTC Acceptability</b>	<b>Positive (n=12)</b>	<b>Negative (n=37)</b>	<b>No Response (n=35)</b>	<b>Total (N=84)</b>
<b>Age (years)</b>	60 to 65 (50%)	60 to 65 (22%) Above 70 (22%)	Above 70 (22%)	Above 70 (26%)
<b>Occupation</b>	Retired factory workers (50%)	Retired gov't worker (27%) Retired factory worker (27%)	Retired factory worker (42%) (n=33)	Retired factory workers (37%) (n=82)
<b>Monthly Income (RMB¥)</b>	Below 1000 (42%)	1000-2000 (62%)	Below 1000 (53%) (n=32)	1000-2000 (44%) (n=81)
<b>Own Housing</b>	Not Own (55%) (n=11)	Own (81%)	Own (82%) (n=33)	Own (77%) (n=81)
<b>Current residence status</b>	Living with children (58%)	Living with children (71%) (n=34)	Living with children (63%) (n=24)	Living with children (66%) (n=70)
<b>Data Source</b>	Clutural Center (50%)  Daycare Center (50%)	Daycare Center (70%)	  Central Park (66%)	Daycare Center (46%)

### Discussion

Several observations can be drawn from comparing the above results:

1. A positive response to the facility option appears as respondents move closer to the retirement age; the question seems more relevant and topical for them;
2. Respondents who do not have their own housing tend to be more accepting of facility care. The public housing allocation system in China before the turn of the century intended that housing be publically distributed through the central allocation system. That allocation was then executed at the local level through the place of employment based on years of dedication to the work place, marital status, number of children and senior dependents in the households. While that allocation system is still observed in some sections of the government and publically owned firms, it is no longer the norm for the majority of the enterprises in the market. Therefore, it is common to observe that a typical Nanchang citizen approaching the age of 65 has his/her own housing. The survey data indicates that a majority of the respondents have their own housing and that their adult children are staying in their parents' homes.
3. The majority of respondents who considered facility care as a potential alternative report lower income than individuals who view facility based long term care negatively and lower income than the sample as a whole.

4. All the members in a high income bracket (monthly income higher than RMB¥ 4000 and n=2) are open to the idea of facility care. Responders from both the low and high income brackets have some knowledge about long term care facilities and both groups remain neutral about their impression of facility care. The survey data seem to suggest that low income individuals are limited by financial resources, available housing, and family support. Facility care seems to be one of the few choices available to them. High income elderly are possibly tempted by what the private market could potentially offer. These long term care facilities, as planned, could provide a place to enjoy one's retirement years with access to a high end quality residential space and services without the intrusion into the adult children's privacy that occurs when sharing same space with them. This assumption may partially explain why the private market is acting fast to capture the low hanging fruit of this high income segment in the long term facility care market.

Out of the complete sample of 84 survey participants, eight respondents also voiced their specific concerns in open comments about long term care issues and the present situations they view surround long term care. Those concerns include insufficient personal funds to be admitted to a long term care facility and a lack of government support to finance personal care. Additionally, some of these study participants have the perception that the quality of services in the publically operated centers has deteriorated when compared to the service level of the 1980s. The commenter's also suggest there is a lack of clear government policy in guiding the future direction of private sector development in filling the gaps for long term care and that there are a very limited number of facilities. There is the concern that the long term care facilities that do exist do not meet the needs of the local citizens and do not offer enough affordable choices in the market. One important fact worth mentioning is the popular idea of forming community based self-help groups with friends or relatives according to the data responding to the fifth question on the survey. That alternative could potentially become the key holder for the future of China's long term care market with the help of modern technology. In fact, Nanchang has piloted in Donghu district an electronic monitoring system to facilitate senior care in communities through mobile phone and telecom installation since 2009(Li, Yu, & Shen, 2009). However, the scale of operation and effectiveness in meeting the population needs is still yet to be determined.

## **CONCLUSIONS**

This pilot study sought to increase understanding of the current situation in China in regards to facility based long term care market. These preliminary data indicated that two groups of elderly citizens are willing to consider placement in a long term care facility rather than the traditional live with son approach; those with limited or no housing options (particularly those without adult children), and those who can afford a prestigious facility.

The findings of this pilot study are limited due to the use of convenience sampling from one region of the country and one urban area (no rural data). Obviously, more data are necessary before results can be generalized to the larger population of senior citizens in China.

However, several possible trends appear in the results and these insights can be used to help direct a more intense investigation. As with most industrialized countries, the percentage of elderly citizens in China is increasing; but one must also consider China's massive population. Therefore, preplanning how to positively act on the situation is preferable to reacting when the issue seems insurmountable.

## **ENDNOTE**

1. One observation indicated current residence status as others but didn't specify the details.

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