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Inquiry into issues specific to older workers seeking employment

The Brotherhood of St Laurence has been assisting those most disadvantaged in the community for more than 60 years and has provided services and support for unemployed people over this entire time, but particularly through job-readiness, training and work experience programs during the last twenty years.

Over the last decade the Brotherhood's services have included the delivery of a range of labour market programs. The organisation currently provides some of these as part of the Job Network; others are funded from elsewhere (for example JPET). Over this time research and policy work has also concentrated in this area, including evaluations of various programs such as Jobskills and case management.

This submission draws on the Brotherhood's research and service experience of recent years to highlight some key issues specific to workers 45 years of age seeking employment or establishing a business following unemployment.

The size of the problem

As a group, people who are older than 45 are not particularly likely to be classed as unemployed, although when they are, they are clearly likely to remain so for long periods.

VandenHeuvel (1999) has provided data suggesting that official statistics on older unemployment may understate the problem.

- The number of discouraged jobseekers is high, particular for older age groups - in fact the majority of discouraged jobseekers are aged over 45.
- This means that particularly for older women, and but also for men aged over 55, rates of 'hidden plus measured' unemployment are significantly higher, and more so than for the prime age workers.
- There has been a significant growth in part-time employment amongst the oldest group - people aged above 60 years. Men in the slightly younger age groups are now more likely to be in part-time work, but this has been offset by a decline in the (still very much higher) rates of part-time work among women.
- Across the whole age group, a growing share of part-time employment is involuntary. This is particularly true for men; women may be more likely to move out of active job-searching and therefore no longer be regarded as unemployed.

Older unemployed are a diverse group

The reasons older workers come to be unemployed vary enormously. They include, for example:

- both men and women with long periods of semi-skilled employment in a manufacturing industry whose operations have largely disappeared;

- people with long periods of professional and well-paid employment whose particular firms have closed and who are judged too old to fit into any new enterprise;
- former public sector workers who have taken redundancies and whose small business plans have not succeeded;
- people whose limited formal education, limited English or lack of personal confidence makes it hard to translate their undoubted -skills and experience to take advantage of different occupational niches which might be present;

manual workers whose workplace injuries have left them with little prospect of further employment; and

people who have always been on the periphery of the job market but now, in a period of chronic high unemployment, are deemed less employable due to illness, alcohol or drug use, disability or personal behaviour.

Experience of unemployment

While the histories of job loss vary enormously, people in the 45-65 age group do face at least some common experiences, particularly employer rejection on account of their age.

Existing but not living (Jackson & Crooks 1993) canvassed the attitudes, aspirations and expectations, as expressed in focus group discussions, of 112 long-term unemployed people. Thirty per cent of these people were aged 50 years or over.

Many of the issues and experiences documented were common to all age groups. However, there were some specific issues and common experiences of older unemployed workers.

- The trauma and resentment at being rejected, and feeling discarded, after working hard all their lives, contributed to the negative experience of unemployment.
- A number of older people said that they had used up their savings and assets because they had been too proud to claim benefits when they first became unemployed. Some had claimed social security benefits only when faced with the loss of their home.
- In relation to what they believed were the attitudes of employers older people expressed concern that younger managers and employers were uncomfortable with supervising an older, possibly more experienced worker, and are therefore reluctant to employ them.
- While people of all ages said that their age was a barrier to gaining employment, older people spoke about being rejected for jobs in favour of younger people and of feeling that because of their age they had been thrown 'on the scrap heap'.
- Lack of current experience was cited as a problem by older people who had been out of work for some time and who were seeking employment in areas, such as clerical work or motor mechanics, where there has been significant technological change. On the other hand, some people said that they were constantly told they were over-qualified for the jobs for which they were applying.
- Quite a few older people said they had ideas for and had thought about starting a small business or setting themselves up in self-employment. Some, but not all of them, said they had been informed about the New Enterprise Initiatives Scheme (NEIS). A number of people said that they were unable to access

the science because they were too old, because they were not eligible for social security payments or because they wanted to buy an existing business rather than start a new one.

- With one or two exceptions, older people in their fifties and sixties did not view themselves as being retired and were not keen on the idea of retiring before they reached the standard retirement age. They wanted to be active and felt they still had things to contribute. -However, some believed that they should be entitled to the fringe benefits and concessions available to old age pensioners. They also wished to be excluded from what they identified as some of the more demeaning requirements of the (then) CES and DSS.
- Most said that they needed to work so that they could accumulate the financial resources they would need in order to enter retirement with some minimal degree of security. Older women in particular indicated that they felt particularly insecure because they had not, in the past, had the opportunity to participate in superannuation schemes.
- Most people recognised the value of voluntary work in terms of their self-esteem, and as a pragmatic approach to possible avenues of future employment. However they all asserted that voluntary work was not a viable alternative to paid employment. There seemed to be a greater expectation on the part of employers that older people would be satisfied with voluntary work.

MacDonald (1996, p23), reporting interviews of older long-term unemployed undertaken by the Brotherhood two years later, found people to be very vocal on the negative impacts on their well-being, feeling 'discriminated against, disenfranchised, frustrated and at times patronised'.

Differing levels of need for assistance

The Brotherhood's experience of working with long-term unemployed people has been that the complexity of needs often meant that one program in itself was very often not sufficient to assist people into stable employment. In some cases, jobseekers needed help other than with job search or training.

The introduction of case management, as a way of providing individualised assessment of and assistance to people who had been unemployed for very long periods, provided some particular insights into the situation of older unemployed (MacDonald 1996).

- Some jobseekers were clearly keen to return to full-time work, feeling that they had 'a lot to offer', and were actively seeking work in a variety of ways.
- Others clearly felt that they were unable to work (people with work-related injuries but ineligible for Disability Support Pension; women with little labour force experience moving off Sole Parent Pension or caring for elderly relatives).
- A third group simply judged that they had no chance of gaining work because of their age, length of unemployment and limited qualifications.

Access to employment assistance

Brotherhood case managers found that a portion of the very long-term unemployed group of older people with whom they were dealing required access to other supports for related needs. This was a significant subgroup of the case management target-population, and was dominated by older men with a range of particular attributes including injuries or disabilities, drug and alcohol use, psychological or behavioural difficulties.

The Government response to this case management experience has been a crude categorisation of people through the 'capacity to benefit' test, apparently taking the view that such (often older) workers were unlikely to gain work through case management and thus represent a group for whom the returns from assistance were too low.

It remains unclear whether this is a preferable strategy than continuing to work with this group within an employment assistance context but over a longer period and with additional and more flexible resources.

The Community Support Program (CSP) has some positive features.

- Assistance is provided over a longer period ~ two years - suited to persistent personal needs.
- Funding is not dependent on employment outcomes but achievements of 'milestones', again allowing a focus on longer-term issues and multiple problems.

However, the capacity of the CSP is clearly limited by the total amount of funding (\$ 1,000 pa per person assisted) and the lack of linkages to employment services. The effectiveness of the CSP is not yet known; the Brotherhood is currently undertaking an evaluation of the program's implementation in three different sites.

Access to training

Until recently, a difficulty with most training options for older workers was that most offered training in entry level skills. While for some this was of some general value, for many older jobseekers this did not assist in finding work (Brotherhood of St Laurence 1995). Some employers appeared unwilling to accept older jobseekers for entry level positions.

In recent years, access to entry level traineeships have been widened to allow older people to access these. For training to contribute to long-term employment potential, opportunities for the development of higher level skills -than entry level are also needed. The balance in the traineeship system between levels 1 and 2 and higher may require consideration.

Social security responses

Social security responses to date have been useful but could be extended. The creation of the Mature Age Allowance (MAA), as a bridging payment for those aged 60-65 which offered some contact with the labour market but with no activity test and which was paid at pension rates, was in keeping with community norms for this age group (the growth of early and semi-retirement).

In terms of the Brotherhood's experiences, discussed above, it seemed a sensible response to the diversity of expectations within the oldest group of unemployed:

- those who clearly were able to work were almost certainly going to be actively jobsearching without direction from government;
- the jobs that they found were more likely to be of limited duration or part-time than for younger age groups;
- those who had fairly limited capacity to work would be able to benefit by assistance and would not be either diverted to or seeking the protection of a pension; and

- those whose chances of gaining full-time work were in practice extremely low could be freed of the activity test the application of which was probably as embarrassing for some public servants as it was irritating for some recipients.

The subsequent downgrading of MAA to allowance rates was a mistake from the point of view of protecting living standards. It may also have been counterproductive in terms of work force activity, given that the allowance income test remains much more stringent than that for the pension.

It is possible that the MAA could be extended downwards in age - to perhaps 55 rather than 60 - since the experiences are probably not too dissimilar. Going beyond that would appear more difficult to justify as an age-specific response. It is worth noting that immense difficulty in gaining stable full-time employment after a period of living on unemployment allowances is not restricted to older workers. Macdonald (1998), analysing data from the Brotherhood's longitudinal study of families in inner-Melbourne, found that very few of the fathers in low-income couple families with young children who were unemployed in 1990 had stable employment in 1996 - although almost all had periods of (part-time, casual or short-term) employment and self-employment during the six years.

Conclusions

Older unemployed people require different forms of assistance than do young people or prime working-age people.

Consideration should be given to:

- restoring the conditions of MAA back to pension equivalence in- terms of rates and income tests;
- extending the MAA exemption from the activity test requirement to be seeking full-time work to the 55-60 age group, in recognition of the extent to which this is difficult to achieve; and
- providing greater funding for specialist employment assistance places for this age group.

References

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