

SECTION 3

LOCATING THE ISSUES, IDENTIFYING THE BARRIERS

The following provides a distillation of key issues drawn from survey responses, from the literature on the over 45 age group, and from ABS data. In addition, barriers to secure employment for this age group are identified and discussed.

Age at Which 'Mature Worker' Factors Become Relevant

Mission Employment staff observe that the factors affecting employment and unemployment in this age group start at age 40 rather than at age 45. One staff member suggested that there is a critical stage at age 40 followed by a second critical stage at age 50. The tendency to use the age range 35-44 for official data collections prevents detailed analysis of the precise point at which the identified factors for this group become relevant but it is interesting to note a comment from an ABS publication where data was collected on 5-yearly age segments:

“For males, the incidence of long-term unemployment increased markedly with age. Although the incidence of long-term unemployment was also highest for older females, the level peaked for females aged 40 to 44 years [emphasis added] and then tended to decrease slightly with age, in line with decreasing participation rates.” (ABS 1994:13)

It is significant that the two existing State funded programs, Mature Workers Program in NSW and DOME in SA, use 40 as the age criterion for participation in their programs.

Regional Nature of Mature Worker Unemployment

The major focus of research in relation to mature workers has been on issues of retrenchment and impacts on individuals. There has been little focus on the crucial issue of the regional nature of mature age unemployment. More recent studies have begun to examine this issue, for example, Kinsella-Taylor (1998) refers to the issue of distribution: according to her study, numbers of those aged over 45 likely to be affected by unemployment are likely to vary regionally. In areas where traditional occupations have been middle and upper management, for example, numbers are likely to be high, given the downsizing and restructuring trend in this sector of the economy in recent years. Likewise for areas where manufacturing has been the employment “staple”, mature age unemployment will be high. Responses by Mission Employment staff to our survey threw further light on this matter, with considerable variation in numbers of unemployed mature workers from one region to another and from one category of the Job Network to another, indicating the influence of local factors, not only on numbers of clients, but on the degree of assistance required by clients, thereby indicating level of skills and past employment.

Analysis of regional distribution of industry, based on known links between particular industries and high unemployment in the over 45 age group, would provide a tool for easy identification and prediction of areas where assistance is most needed.

Diversity Within the Group

Occupation types affected by high levels of unemployment differ for **men and women**. As has been recorded elsewhere (COTA 1992), unemployment has most affected trades-persons and labourer occupations for men while occupations such as clerical and salesperson positions have been most affected for women. Unskilled jobs and middle management positions have been lost across all industries, affecting both men and women (see also statistical analyses in Section 4 of this submission).

Differences in life course patterns also affect the gender difference in the experience of unemployment in this age group. Women frequently leave the workforce for long periods to care for children. Thus their experience is often one of re-entering a very changed workforce after a long absence. However, in the changing pattern of workforce participation by women in recent decades, a proportion now return to work shortly after having children and, for these women, the experience is similar to that of most men, that is, becoming unemployed after holding one or a series of jobs.

Encel's (1995) study found that women find less difficulty in returning to the workforce as they are more prepared to accept jobs at lower pay and lower status than those they left, and also to take part-time work when full-time employment is available. This indeed may be the case in some instances, but responses from Mission Employment staff who assist unemployed people on a daily basis were mixed in their views as to whether women or men were most disadvantaged with some stating women have the greatest difficulties. On the other hand, the Jobs East study found that women as a group face special difficulties in a range of areas:

- ◆ Women who have been dependent on their spouse are particularly vulnerable.
- ◆ Women who have been outside the labour force face particular difficulties re-entering due to perceived lack of experience and lack of skills.
- ◆ Evidence from a range of studies show that the wives of unemployed men also tend to be unemployed, creating a poverty trap where the male has been the main breadwinner.
- ◆ For some women, the combined effects of loss of employment and onset of menopause compounded the physical and mental effects (Kinsella-Taylor 1998).

There is still a partial vacuum in our understanding of the particular circumstances of unemployed men and women in the mature age group and this needs detailed research programs.

Responses to our survey highlight the plight of **immigrants and refugees**. Their difficulties often stem from lack of recognition by Australian employers of overseas qualifications and/or irrelevance of overseas qualifications/experience. Adding to their difficulties are lack of language skills for those from non-English speaking backgrounds, preventing them from benefiting from training courses which are

available. For some who have come to Australia as adults and have already started their careers all over again, subsequently losing their jobs as mature workers places them in a position of having to start yet again. Given the many other dislocations that often accompany unemployment – loss of social network, perhaps loss of home, relocation to a different area – a second upheaval of this magnitude can have severe traumatic impacts on those concerned.

For those people who left school early, **literacy and numeracy** may be a problem. This may not have surfaced as a difficulty throughout the working life depending on the skills required in the workplace but may surface as a major barrier and source of embarrassment on becoming unemployed. Lack of literacy and numeracy skills not only poses problems in terms of preparation of resumes and doing interviews but it also prevents participation in training, a crucial part of employment assistance strategies for this age group.

There may be extra barriers for those who have been **in one job** for many years or in two or three jobs requiring the same skills. These people may still live in a world of secure employment and may require extra assistance to accept the reality of the changed labour market. Job Network staff report that these people often find it difficult to cope with the “system” – Centrelink and the Job Network – and that they are not skilled in producing resumes and do not have the interview skills required today.

The Mature Worker and the Job Network

The Job Network “selects” unemployed people into groups, depending on the level of assistance required. This, of course, applies equally to the over 45 age group. It is clear from the responses of Mission Employment staff that the process of selection results in quite distinct clusters of difficulties, depending on category, in the over 45 age group. Responses of Flex 1 staff indicate that mature workers in this category tend to have a history of steady employment, usually in one job or in “serial” employment in a similar type of job; they do not have major problems of low self-esteem. Flex 3, selecting for intensive assistance, results in a cluster of employment problems quite different to those found in Flex 1, as is to be expected. Flex 3 staff report people who have had a scattered work history and find greater difficulties in returning to the workforce. Further research would allow the design of specific programs, tailored to the needs of individuals, and which could be delivered through the Flex levels of the Job Network. The Mission Australia survey responses indicate the need for different programs, rather than a generalised program for those aged 45 and over.

Rate and Duration of Unemployment

The rate of over-45 unemployment often appears lower than that of, say, the 15-44 age group. However, this is artificially low for a number of reasons:

- ◆ Older workers are more likely to abandon job search faster than others
- ◆ There is a high rate of non-participation in the labour force

- ◆ There are likely to be high rates of underemployment in this group

Kernot (1998) reports that the rate of discouraged jobseekers is much higher in the over 45 age group – those aged 45 to 69 account for 62 percent of all discouraged jobseekers.

However, one of the most crucial aspects of unemployment in this age group is its long-term nature:

- ◆ Long-term unemployment increases with age.
- ◆ On average, those aged 35-54 are unemployed for 90.4 weeks compared to 37.1 weeks for those aged 20-24.
- ◆ Within the mature worker age groups, duration of unemployment increases with age, peaking at age 55-59.

In the 45 plus age group, hidden unemployment and underemployment are suspected to be high; and insecure and unsuitable employment are also a problem.

A detailed statistical analysis of mature age unemployment is provided in Section Four (See particularly Tables 1, 2, 3 and 4) where participation rates and duration of unemployment are examined for the 45 plus age group.

Health Issues

A recent study by the South Western Sydney Area Health Service (SWASHS), *Taking action to address the health impact of unemployment: experiences from South Western Sydney* (1998), provides a comprehensive summary of research in this area and further attempts to provide some answers.

The report states that, for over 50 years, evidence of an association between unemployment and poor physical and mental health has been consistently demonstrated in large scale longitudinal, cross-sectional and case control studies. Over this time, there has been continuing debate as to whether this association was due to the general effects of poverty, adoption of an unhealthy lifestyle, loss of employment due to illness or to unemployment itself. And although it is acknowledged that all of these factors play a role, a recent Australian review of the literature concluded:

Health selection effects do occur, but longitudinal studies do provide reasonably convincing evidence that unemployment has a direct effect on health over and above the effects of socioeconomic status, poverty, risk factors, and prior ill health.(Harris et al 1999)

Data in the recently released *Mental Health and Well Being Profile of Australians* (ABS 1997) and shown in the Table below supports the findings in relation to Australians in the labour force.

Age Standardised prevalence Rates of disorders for persons in the workforce			
	Employed %		Unemployed %
	Full Time	Part-Time	
Physical Conditions	33.5	37.6	29.8
Anxiety Disorders	7.1	10.2	14.9
Affective Disorders	3.8	6.4	10.1
Substance Use Disorders	7.8	7.2	15.6
Total mental disorders* (*includes people with co-morbidity)	15.0	17.9	26.7
No mental or physical conditions	56.8	52.0	39.2
Total	100.00	100.00	100.00
Total persons	6104.1	2420.2	565.40
Source: Table 8, Mental Health and Wellbeing Profile of Adult Australians. ABS 1997			

Compared to people in full time employment, people who were unemployed consistently reported almost double the rate of anxiety, affective disorders and substance abuse. A gradient was observed in differing rates between people employed full time, people employed part time and those who were unemployed. And while between 52-57% of people working full or part time reported no medical or physical conditions, only 39% of people who were unemployed reported having no problems.

Elements of the above are supported by our survey responses, where staff frequently referred to workplace injury as a cause of unemployment and where this in turn then became a barrier to re-employment. The relationship between unemployment and poor health outcomes is complex, related to the broad social and economic environments in which people are living, and appears to have differing impacts depending on age and gender. A particular impact of health issues on the mature worker may be its role in precipitating unemployment, and then contributing to long-term unemployment.

Social/Emotional/Psychological Issues

Given the crucial role of work in identify, forced departure can be highly stressful. Lobo and Parker's (1995) study, for example, confirm that unemployed people generally experience higher levels of depression, anxiety and distress, together with lower self-esteem and confidence. The difficulties are exacerbated for the older worker, given a long associated identification with the labour market, and issues to be faced within the family especially with dependent partners and teenage children. Continued rejection exacerbates the situation further and contributes to the situation of older workers eventually applying for positions lower in status, creating alienation and bitterness in those who have long contributed to the labour market.

Encel (1995) found that for men, employment difficulties are liable to lead to break up of marriage. This in turn has a rolling impact on the partner, as she may then also be forced to seek employment. In situations where the male has been the main breadwinner and the woman has been out of the workforce for a lengthy period, barriers to the woman's entry or re-entry to the workforce can be formidable.

Unemployment is often responsible for setting off a series of events. Loss of income results in poverty, which in turn causes social isolation. Lack of money prevents participation in usual cultural and social events. Loss of income may also force people to move house, to find more affordable accommodation, but in the process forcing a break with established support and friendship networks. Shame and embarrassment may also cause unemployed people to sever connections, cementing social dislocation.

This results in severe psychological and emotional distress, not only for the unemployed person, but as the ripple effects spread, for family and friends also. One of the serious consequences relates to the role of such isolation in reducing further prospects for re-employment. Encel's (1995) study of the *Job Search Experience of Older Workers* found that the greatest proportion of the group studied (38 people) who had found work had done so through their personal contacts and not through answering advertisements or being placed by employment agencies. It was found, for example, that people found re-employment in the banking industry relatively easily. One reason given for this was that personal contacts were important and were used for securing re-employment. It is striking to note how the Encel case studies support the notion that jobs are most readily obtained through contacts; that relatively low levels of part-time employment can readily change to reasonable part-time or even full-time employment, supporting the notion that 'being where the jobs are' is of crucial importance in gaining employment.

Thus social, emotional and psychological factors can have a severe impact, not only on the experience of unemployment, but also on the prospects for re-employment.

Industrial Issues

A detailed analysis of industrial issues is presented in Section Four (see particularly Tables 5, 6, 7 and 8). The tables show:

- ◆ The relationship between numbers of unemployed people, their stated reasons for ceasing last full-time employment and occupation group. Job losses and retrenchments in the 'Labourers and Related Workers' category clearly predominate, followed by losses/retrenchments in the Tradespersons and Intermediate Production categories.
- ◆ A second table shows that those whose last job was in the Labourer and Related Workers category suffer longer periods of unemployment than others.
- ◆ The relationship between numbers of unemployed people, the industry division of last full-time job and the duration of unemployment. The manufacturing and retail trade emerge as clear leaders in 'producing' high numbers of unemployed people and long-term unemployment.

- ◆ The relationship between unsuccessful jobseekers and preferred occupation for the over 45 age bracket. The statistics reveal that the areas where jobseekers want to work (but are unsuccessful in finding work) are Intermediate Clerical, Professionals, Labourers and Tradespersons.

Mission Employment staff responses to our survey provided qualitative evidence supporting the quantitative data above. The responses to our inquiry about previous occupations, job history and future aspirations supported the patterns set out in the Tables relating to areas of industry where jobs have lost, areas of industry where jobs are sought by mature workers and areas in which it is difficult to secure employment.

Economic Issues

Because many older people have the role of breadwinners in the family, the economic impact is severe, not only for the individual but, as with social issues, with ripple effects for the family. Statistics show that over 300,000 children live in families dependent on unemployment benefits and there is evidence that about one-third of unemployed families live in poverty (COTA 1995).

Economic impacts must also be considered within the context of an ageing population. As indicated in the Kinsella-Taylor (1998) study, workers forced to deplete savings at an earlier age, for example, those retrenched in their forties and/or early fifties, are forced to draw on assets, savings and superannuation (at 55 and above), thus risking depletion of resources and forcing dependency by the time they are in their sixties. Thus, forcing mature workers from the labour market increases the numbers dependent on a shrinking labour market. To redress this imbalance, active intervention by governments in the labour market is required so that policies may be put in place which would redress the potential imbalance indicated by demographic trends and accelerated by current policies and practices towards mature workers. Employment of older workers would simultaneously raise tax revenues and reduce welfare spending, a double economic benefit for both individual and the country as a whole.

Mission Employment staff spoke of instances of extreme poverty in the over 45 age group, dispelling the myth that older unemployed people have savings on which to draw. Staff spoke of cases where unemployed people in this age group were unable to afford suitable clothing for interviews, unable to afford to have a telephone connected, unable to afford transport to job interviews. The different circumstances of this age group, as opposed to younger age groups, is noted in our survey and in other studies, that is, the likelihood of financial commitments in terms of mortgage/rent, education, family support and therefore leading to a differential impact of a period of unemployment.

Attitudes of Employers

A considerable body of evidence is gradually coming together pointing to the attitudes of employers as being one to the major factors in, firstly, the retrenchment of mature workers and then as a barrier to their re-employment. The accumulated evidence comes from;

- ◆ Statistical analyses of the ABS data
- ◆ Interviews with mature workers about their experiences of unemployment
- ◆ Surveys of Job Network providers regarding barriers to employment.

Our analyses of ABS data are presented in Section Four. Tables 9, 10, 11 and 12 present recent statistics on the main difficulty unemployed people in the over 45 age group experience in finding work. “Considered too old/young by employers’ emerges as a clear leader for people aged 45 and over.

A recent report, *Attitudes of Employers Towards Older Workers* (Falconer and Rothman 1994), thoroughly canvassed the issue through both quantitative and qualitative research. The quantitative research, involving 500 interviews with managers (200 in small business, 200 in line positions, 100 in human resource areas) throughout NSW focused on the actual work practices and behaviour of employers. The qualitative research involved a series of eight focus groups, six being with employers from small business and medium and large organisations; and two being with workers over the age of 45, one group being employed and the other unemployed for up to 12 months.

The answer to the question: At what age does a worker become “older”? provided illuminating answers for policy makers and practitioners:

“Overall, workers become older at the age of 40, with the next plateau at age 50. The age at which a worker becomes older varies with the type of job they have. Senior managers/professionals become “older” at an older age than the rest of the workforce. Junior level white collar workers become “older” younger than any other worker category.”

Nearly half the sample agreed that opportunities for promotion tend to be reduced as an employee gets older and nearly half the sample agreed that employment agencies rarely send anyone over 40 to a job interview. This was reported in 1994, in the period pre-Job Network, when agencies were not paid on job placements made. If true then, it is likely to have been exacerbated by current conditions whereby employment agencies gain income from job placements made and are in competition with one another. Therefore competition between agencies may be a factor in reducing opportunities for the older worker, thus contributing further to potential for ongoing unemployment. However, it must be remembered that employers, to a large extent, “call the tune”, in terms of their stated requirements to employment agencies, thus causing a filtering out of mature workers, even from interview stage, due to conditions set down by employers.

According to Kinsella-Taylor (1998), older workers may take on the biases which surround them, and thus may not take opportunities that are available, for example, training may be taken up more readily by younger workers while older workers may not take it up, taking up instead the perception that they have limited capacity to benefit from it.

In contrast to many perceptions about older workers, the Employment Skills Council (1996) reported that lower productivity, including higher turnover and absenteeism, is more common among age groups other than the mature worker (over 45) age group. Older workers are presumed to have a shorter working life and thus may produce low returns on career development investments – this, in an environment where the trend is away from long term employment with one employer.

Two simple innovations spring to mind as a starting point in breaking down the barrier between older worker and employer:

In Encel's (1995) study, some respondents noted the importance of a mature worker on the interview panel. In our survey responses, there were frequent references to the problems raised by younger people interviewing older workers, for example, the perception that the younger person may feel threatened by the experience of the older worker, or the perception that the younger employer may want to preserve an image of youthfulness in his/her workforce. Changes in the gender balance of interview panels have occurred in recent times; there appears little reason as to why it should not also be possible to strive also for a balance in terms of age thus addressing the conflict in perceptions which emerge from the dynamic of younger interviewer and older interviewee.

Much of the research to date on issues for the mature worker has focused on 'what doesn't work'; a balance in this area by means of a set of data on 'what works' would provide policy-makers and practitioners with some useful signposts towards future developments. In developing such a database of good practice, it should be possible to tap into the experience of the two specialist programs for mature workers, the Mature Workers Program in NSW and DOME in SA where a rich source of material is available

Responses to the Mission Employment survey revealed something of the sense of frustration staff experienced because of the solid barrier of employers' attitudes. Staff went so far as to say that, as long as employer attitudes remain unchanged, extra training and/or assistance would be pointless. Our "Let me count the ways" response to Question 6 of our Survey provides an ideal starting point for action to introduce measures of attitudinal change.

Stated Needs of Mature Workers

There is now the beginnings of a literature where mature workers express their views and identify clearly their needs, wishes and hopes in relation to employment. Encel (1995) recorded the stories of 38 people aged from their mid-forties to their eighties who, through restructuring, early retirement or other circumstances, found themselves unemployed. While many of the interviewees reported age as the number one barrier

to re-employment (confirmed by other studies and reinforced by the responses of Job Network providers in our survey), they did not give up and challenged the myth and stereotypes of older workers lacking flexibility. It is clear the older people still wish to contribute and to earn money, and that they view paid employment as vital to their happiness and well-being.

Kernot (1998) reports a pervading feeling in her interviews with over 45 year olds of being left behind and forgotten – “they feel forgotten by governments, employers and the wider Australian community. All welcomed the opportunity to have input into policies affecting their lives.”