

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON  
EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS**

**INQUIRY INTO ISSUES SPECIFIC TO WORKERS OVER 45 YEARS OF AGE  
SEEKING EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING  
UNEMPLOYMENT**

**Submission by The Salvation Army Employment Plus**

**BACKGROUND**

The Salvation Army has been providing services directly to unemployed people for the past 15 years under through our Employment 2000 and Training Centres. These services included skills and personal development training as well as job placement services. In some centres we specialised in developing programmes and services for mature workers, we have provided case management services in 20 centres throughout Australia and three of these centres, specialised in delivering case management services to older unemployed people.

For the last 12 months, The Salvation Army Employment Plus has been operating as part of the government's Job Network in over 63 offices throughout Australia. We are providing Intensive Assistance to over 20,000 people and Job Matching services to over 80,000 people.

Over 30% of our clients are over the age of 45 years and they are predominantly male. The majority of these people are unemployed as a result of company restructures and downsizing, primarily in the manufacturing area where technological change and relocation of industry off shore has resulted in job losses. However in some areas we have noticed an increase in the number of middle managers and professional people over the age of 45 years registering for assistance, primarily from large corporations and Public Service restructuring. Older employees tend to be disproportionately located in older industries which are likely to close down as newer technology emerges.

**Community Support Programme**

In addition, The Salvation Army is a provider of the Community Support Programme in 26 different locations throughout Australia. This programme aims to work with people who have pre employment issues which need to be addressed before assisting them along the work preparation continuum. Many of the people in our Community Support Programmes are over the age of 45 years. Some of the people we see in this programme have become marginalised and lack social and family supports. A significant percentage of these people have serious psychological and emotional issues to deal with and some suffer from mental illness.

## QUALITATIVE STUDY INTO THE IMPACT OF UNEMPLOYMENT

The Salvation Army recently commissioned The Roberts Research Group to undertake a study into the impact of unemployment on individuals. The study comprised a series of focus groups and the results of the findings have been published in a report which was released on 29<sup>th</sup> April 1999. A copy of this report is attached and it provides valuable insights into the impact of unemployment on particularly older people.

The objectives of the project were to

1. Identify the effect of unemployment on the whole-of life experience of individual and their partners and families.
2. Identify attitudes amongst employed people and their partners and families towards the state of unemployment.
3. Identify how the impact of unemployment differs for variable such as age, geographic location, socio-economic status and familial status (ie single or in a relationship, with or without children).
4. Develop an instrument to measure the extent of the impact in employed people and their partners and families.

The focus of the first phase of the study was on objective 1, however it is intended that a full quantitative study will be developed to follow the release of the qualitative report.

The study also looked at the studies by Richard Harrison which traced the impact of prolonged unemployed on a group of unemployed people in the UK in the 1970's and identified a typical emotional cycle – The Harrison Curve. The findings from the Roberts study agreed with the results of the Harrison Curve, although this study identified two emotional paths emerging dependent on whether the unemployed person had become 'voluntarily' or 'involuntarily' unemployed. However in both paths the research shows that eventually after 'a period of unemployment had passed and individuals felt that they had exhausted all possibilities of regaining employment, they not only experienced low levels of morale, but hopelessness and frustration as well..... The combination of these feelings led to depression and resignation that they would never re-enter the workforce.'

This report also identifies four main pressures experienced –

1. Financial Concerns.
2. New pressure of filling time productively (boredom).
3. Declining self respect.
4. Diminishing chance of regaining employment.

Whilst the impact of prolonged unemployment has serious implications for all unemployed people, there are issues which impact particularly upon older people.

In 1997, The Salvation Army published a document entitled, 'A Working Society'. In one section of this publication, reference is made to the Social and Economic implications of unemployment and an 'Unemployment Matrix' details the personal, inter-generational and societal impact of unemployment. The matrix makes reference to -

- Erosion of self esteem and confidence
- Atrophying of work skills
- Boredom, shame and stigma,
- Increased stress, anxiety and depression,
- Social isolation
- Family breakdown
- Deterioration of family health
- Loss of access to resources and personal supports
- Severe financial hardship and poverty
- Increased personal debt

(refer page 19, A Working Society – The Salvation Army 1997).

## **SERVICE EXPERIENCE IN WORKING WITH OLDER WORKERS.**

### **INDIVIDUAL IMPACT**

All of our employment consultants comment on the impact of unemployment on a individual's self esteem and sense of self worth. The experience of long term unemployment has a dramatic effect particularly on older workers who all raise the issues of loss of confidence and feeling socially isolated and marginalised.

Many older workers have been made redundant after many years in the same job and sometimes the fear of change seriously affects their self confidence and this has a deleterious affect on their ability to market themselves and to identify their own positive attributes.

Older people often have to be taught how to identify their personal skills and abilities and to talk to employers about the transferable skills they have gained not only in the workplace but also through their personal life experiences. Particularly given that many of them have been in the same job for over 20 years and have no experience of applying for jobs in a competitive environment. Many have never had to prepare a resume or a written job application and consequently job searching techniques have to be taught as a first step in finding employment.

Older people, are seriously impacted by negative stereotypical views and employer prejudice and myths about employing older people and this perpetuates feelings of hopelessness and inability to convince employers of the value of employing older workers.

One of our employment consultants stated – *‘Jobseekers can have a history of over 30 years of full, highly skilled employment and come to us with many other advantages such as good health and excellent presentation but it only takes a couple of employers to even hint that they are too old to get the job and they immediately suffer a crippling fall in self confidence and decide they are completely unemployable.*

*This is often very difficult to overcome and can take many months of support and encouragement from his or her employment consultant to even get to the stage of undertaking jobsearch. ‘*

After several rejections older job seekers tell us that they are ‘too old’ or they don’t think they would be able to cope with new technology. We understand that this response is often a result of loss of confidence and not factual .

## **SOCIAL IMPACT**

The financial pressures associated with living on a fixed income means that unemployed people have less disposable income and therefore are unable to participate in some of the basic entertainment options available to the community in general, ie going to the cinema, visiting friends. In the survey quoted above one focus group participant commented that it was difficult for her to go up the street and buy a coffee in a café because of the need for tight budgeting. This together with the loss of peer networks results in social isolation which is more pronounced for people over the age of 45 years, this in turn further impacts their sense of self worth.

Family tensions and breakdown can be a feature of prolonged unemployment in mature age as a result of reduced income and the changed relationships within the family and the fact that one member of the family now spends more time at home with no clearly defined role.

These factors can and often do lead to frustration and resentment and contribute greatly to fissures in what could previously have been a strong, loving relationship.

In the past 15 years the population growth for 45 – 64 year olds has been higher than 15 – 44 year olds. In the next decade the fastest growing sectors of the population are expected to be 45 – 54 and 55 – 64 years olds (projected growth 19 % and 42 % respectively compared to 10 % of the entire working age population.) With the reality of an aging population we should be developing strategies which will proactively encourage older people to stay in the workforce rather than the current trend which seems to be encouraging older people to retire early.

## **Employer and Community Prejudice**

Whilst employers understand that Age Discrimination in employment is illegal, we have observed that many employers are reluctant to employ older workers and this is largely because of a range of myths which exist around older people particularly in relation to health issues and ability to adapt.

Many employers believe that people over the age of 45 years -

- May not be as flexible or able to learn new skills
- Will suffer a high level of health problems and take more absences
- Will only last 2 or 3 years in the job
- Will be reluctant to take direction from a younger person
- Will have to 'unlearn' and that they are 'set in their ways'
- Will not be able to cope with pressure or work demands
- Present the 'wrong' company image particularly given that there seems to be an emphasis on youth culture in many companies.

It is not only young employers who discriminate unfairly on the basis of age. Employment Consultants report that this also occurs with older employers. *One example given was of an employer in his seventies in the car industry who refused to hire anyone over forty.* This leads to questions about the deeper reasons for prejudice. Whilst we can deal openly with the fears expressed by employers, deeper prejudices prove more difficult.

Employment Consultants endeavour to educate employers both in terms of their responsibilities under the law and also of the advantages of employing the 'best' person for the job regardless of age, gender, ethnicity etc. notwithstanding this, many of our consultants believe that covert age discrimination occurs in screening out candidates.

## **Advantages of Employing Older Workers**

Increasingly we are noticing a loss of skills / knowledge to industry when older people leave.

Many of the older job seekers we work with have had more than 30 years in the work force. They have proven themselves to be reliable workers and generally speaking have a highly developed 'work ethic'. The maturity and life experience of older people can bring a stabilising element to the working environment as well as the social and psychological advantage of having a mixed age team in the work place.

Older workers are usually very motivated to find work and to stay in the job as often they have fewer options and as a consequence value the opportunity to have stable employment. Many are still supporting families and for others it will be their last opportunity to save for retirement.

Some studies indicate that newly hired 50 year olds can be expected to stay with the company for 15 years, this is significantly longer than 20 and 30 year olds.

Our employment consultants are often frustrated that people over the age of 45 years are overlooked for some jobs notwithstanding the fact that they have the skills, experience, attitude and fitness required, the following are comments from some of our employment consultants –

*‘I have decided not to include ages on resumes any longer for those over 35 years. I have a few clients who are in their late/early 50’s and look great – fit and healthy and certainly don’t look their age. Should an employer receive their resume with the date, they will have no chance of employment. I would suggest that on first meeting with the employer, the employer would not even guess their age ‘.*

## **REDUNDANCIES**

The trend to downsizing through restructuring has resulted in significant retrenchments particularly for people over the age of 45 years. A higher proportion of mature aged unemployed persons cite being made redundant than 15 – 44 year olds. Initially the offer of lump sum retrenchment packages can seem very attractive to many in this age group and unfortunately are often accepted quickly without real investigation into the financial ramifications.

Often people accept redundancy without having investigated the labour market or the processes involved in finding employment. It is critical that people facing redundancy commence their search for work before they cease employment, research has proven that it is easier to find a job when you are in work than for those who are actually unemployed.

## **RECOMMENDATIONS**

### **Early Intervention Approaches**

As stated in this submission, the impact of prolonged unemployment has a deleterious affect on an individual’s self esteem and confidence. Over a period of time unemployed people lose the ability to positively promote their personal attributes and the atrophying of skills further compounds their ability to obtain employment. We need to try to address the issue of re employment at the point where people are made redundant.

Some companies already bring in outplacement agencies to work with people and to try to find suitable employment opportunities. However this is not a consistent approach and we believe that there needs to be some mechanism

where companies are able to bring in specialised agencies to assist potential retrenched workers with information and advice in relation to -

- Job placement processes
- Re-skilling and training opportunities and emerging new growth industries, such as information technology.
- Job search techniques.
- Educational options.
- Understanding the labour market and the increased casualisation of employment and how to manage in this environment.
- Financial implications to people seeking early retirement
- How to make the social and personal adjustments necessary to make the change from full time work to retirement – how to make use of leisure time etc.

### **Affirmative Action Programmes**

It may be appropriate to offer incentives to companies who have deliberate policies to recruit older people as occurs in some other countries, (eg. Japan, France, Germany, and Spain). In addition, companies who are retrenching workers over the age of 45 years, could be required to register their intentions and outline strategies to assist in the placement of retrenched workers in new employment. Government assistance may be necessary to assist companies in acquiring the services of specialist out placement agencies to facilitate the job search training and support of retrenched workers.

### **Community Awareness Campaign**

We believe that a high profile, proactive media campaign may assist in helping the community and employers better understand the issues impacting upon older workers and to try to dispel some of the popular myths that abound in relation to older people. A well developed marketing campaign similar to the TAC and Work Cover campaigns could promote the value in employing people over the age of 45 years and reinforce the message that we should value the skills and experience of people who have a contribution to make in the paid workforce.

### **Older Role Models**

Motivational and job search material (literature, ads, videos) could be prepared to encourage older job seekers, featuring high profile role models. The focus should be on people who are actively contributing in all fields of endeavour, particularly those who have had to overcome barriers.

## **Volunteering**

Our research has shown that unemployed people often suffer boredom and withdraw from society after periods of prolonged unemployment. Voluntary activities can often bring a sense of fulfillment and achievement, however there are financial costs associated with volunteering, eg. Cost of transport, clothing, incidentals etc. Financial incentives to cover the costs of incidentals should be offered to make it easier for people to become involved in voluntary activities.

Of course many older people already volunteer their time and skills in local community activities. We need to recognise the value of this and promote the altruism of voluntarism.

## **Incentives to take Part time and Casual Employment**

The Tax System and the Social Security System need to be structured in a way that will encourage people to undertake casual and part time work, without undue interruption to payments and loss of other important ancillary benefits.

## **Workplace Adjustment Payments**

In some instances, specialised equipment can assist older workers cope with the physical demands of the job, particularly in materials handling where heavy lifting may be an issue. Subsidies or rebates to companies to purchase equipment may be a further incentive to employ people over the age of 45 years.

## **CONCLUSION**

Many people over the age of 45 years feel that their skills, experience and contribution have been totally rejected, they feel undervalued notwithstanding the fact that they have much to offer in the paid workforce. After a period of prolonged unemployment, the loss of self esteem coupled with financial pressures can result in depression and other health problems.

Many of the people we have interviewed who are over the age of 45 years have a great deal to offer, we believe that it is incumbent upon us as a progressive society to value, acknowledge and encourage the contribution they have to make through paid employment and to create the environment where this is possible.

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