4.3 Seniors in the workforce

Australia’s older generation (people aged 65 and over) is continuing to grow. With increasing life expectancies and improvements in health care, more of us will grow older and live longer, healthier and actively engaging lives. This has implications at both the national and individual level, including (but not limited to) those to do with the economic workforce and retirement income planning.

Recent policy changes to meet these challenges include increasing the eligibility age for the Age Pension as well as introducing incentives (such as the Work Bonus and Restart) to encourage seniors back into the workplace, and employers to hire mature-aged workers.

Increasing participation and part-time work

Over the last 3 decades, the employment rate (employment to population ratio) has generally increased among people aged 65 and over, from 5.1% in 1986 to 13% in 2016 (ABS 2016a; Figure 4.3.1). Over the same period, the unemployment rate for this age group remained relatively stable at around 1.4%.

Source: AIHW analysis of ABS 2016a.

Figure 4.3.1: Employment rate, people aged 65 and over, by sex, June 1986 to June 2016
In recent decades, there has been a downward trend in full-time work and an upward trend in part-time work for older Australians. In 1986, a slightly higher proportion of employed older people worked full time (51% compared with 49% working part time) (ABS 2016a). However, the balance between full-time and part-time work shifted in 1997. Since then, there has been a higher proportion in part-time work, steadily increasing to a peak of 59% in 2016.

Employed older women were more likely to work part time than men (Figure 4.3.2). Over the last 3 decades, the majority of employed older women worked part time, with the proportion doing so increasing from 66% in 1986 to 76% in 2016. The proportion of employed older men who worked part time has also increased—though not as much—rising from 43% in 1986 to 48% in 2016.

**Source:** AIHW analysis of ABS 2016a.

**Figure 4.3.2:** Proportion of employed persons aged 65 and over working full time and part time, by sex, 1986, 1996, 2006 and 2016, as at June

**International comparisons**

Labour force data for Australia, relative to that for other countries, suggest that older Australians are faring relatively well against the Organisation for Economic Co-operation and Development (OECD) average (Table 4.3.1). The latest OECD data show that the unemployment rate for Australians aged 65 and over in 2015 was below the OECD average. However, the participation (people working and actively looking for work) and employment rates for people aged 65 and over were just short of the OECD average and well below the rates for New Zealand, Japan and the United States.
Table 4.3.1: Labour force participation, employment rate and unemployment rate, people aged 65 and over, selected OECD countries and OECD average\(^{(a)}\), 2015

<table>
<thead>
<tr>
<th>Participation rate (%)</th>
<th>OECD</th>
<th>Australia</th>
<th>Canada</th>
<th>Japan</th>
<th>New Zealand</th>
<th>United Kingdom</th>
<th>United States</th>
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<tbody>
<tr>
<td></td>
<td>13.8</td>
<td>12.2</td>
<td>13.4</td>
<td>22.1</td>
<td>22.1</td>
<td>10.3</td>
<td>18.9</td>
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</table>

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<tr>
<th>Employment rate (%)</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>14.1</td>
<td>12.0</td>
<td>12.8</td>
<td>21.7</td>
<td>21.7</td>
<td>10.1</td>
<td>18.2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Unemployment rate (%)</th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.6</td>
<td>1.5</td>
<td>4.5</td>
<td>2.0</td>
<td>1.6</td>
<td>1.9</td>
<td>3.8</td>
</tr>
</tbody>
</table>

(a) International comparisons should be treated with caution as countries have different population profiles. For example, the share of the population in the upper age ranges (80 and over) might vary.


Reasons for not working

The most recent data on persons not in the labour force show that, in 2016, there were around 101,100 discouraged job seekers—people available to start work within the next 4 weeks but not actively seeking work (ABS 2016b). Of these people, close to one-third (30% or 30,400) were aged 65 and over. The most commonly reported reason for not actively looking for work among older discouraged job seekers was that they believed they would be considered too old by employers.

In 2014–15, close to 4 in 5 people (79%) aged 65 and over had retired (ABS 2016c). Among men and women, the retirement rate was similar (78% and 80%, respectively). For people who had retired at age 65 and over, reaching retirement age was the most commonly reported reason for leaving their last job (62%). The retirement rate of seniors in 2014–15 was lower than what is was a decade ago (83% in 2004–05).

What is missing from the picture?

Information on Indigenous labour force participation and retirement is limited and is not presented in this article. While the Australian Bureau of Statistics (ABS) publishes labour force data for Indigenous Australians in the National Aboriginal and Torres Strait Islander Social Survey and the Aboriginal and Torres Strait Islander Health Survey, there is no annual measure currently available. Similarly, there are limitations to presenting data on retirement as the ABS Retirement and Retirement Intentions Survey, used in this article, does not include information on the Indigenous status of respondents.
Where to go for more information?

For more information on labour force participation and retirement, see the ABS reports Labour Force and Retirement and Retirement Intentions.

To find out more on the Work bonus and Restart incentives, visit the following sites: Department of Human Services and Department of Employment, respectively.

A paper assessing the changing role of part-time work in Australia was released in 2008 and is available for free download via the Productivity Commission's website. See: www.pc.gov.au/research/supporting/part-time-employment.

The report Too old to work, too young to retire overviews seniors in the workforce, providing insight to their experiences, vulnerabilities and future aspirations. For further information on research around age discrimination in the workplace, and the laws in place to prevent this, see the Willing to Work report by the Australian Human Rights Commission.

References


