



Mature age workers and the labour market

A REOS special report

August 2024



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Mature age workers

Introduction

This Mature age report is based on research undertaken by the Jobs and Skills Australia using the Recruitment Experiences and Outlook Survey (REOS). The REOS is an ongoing recruitment survey of employers across Australia with approximately 1,000 employers surveyed each month, and data published on the <u>Jobs and Skills Australia</u> website.

This research was undertaken between August and November 2023 when a temporary set of supplementary questions were added to the REOS. During this time interviewers spoke with over 1000 employers who were both directly involved with the recruitment of staff and could recall having at least one mature age applicant in the previous 12 months.

Understanding what employers are looking for and how they go about finding workers can assist mature age job seekers find employment, tailor an application, and prepare their approach. The research captured information on why employers thought their mature age applicants were successful or not in getting the job. The research also examined strategies and supports employers extended to successful mature aged candidates, and whether these conditions were available to all staff. The analysis looks at how these findings varied by business size, industry, occupation, and skill level.

Mature age workers in the labour market.

In the context of an ageing Australian population, it is important that mature age people have access to employment opportunities to keep them engaged in the labour force for as long as they wish to work. Retaining older workers will help to help offset the effects of an ageing population on the labour force participation rate and the labour market more broadly.¹

Mature age workers aged 55 and above have a low unemployment rate (2.8% in June 2024) compared with those aged 15 to 54 (4.3%). The participation rate for persons aged 55 to 64 years was also relatively strong, at 69.6% in June 2024, although it is well below the 82.7% recorded for those aged 15 to 54. That said, the participation rate declines considerably for those aged 65 years and over, to 16.3% in June 2024 and reflects the fact that many workers in this age bracket often retire and leave the labour force altogether.²

While the mature age unemployment rate is low, older people can often face much greater difficulty finding subsequent employment if they lose their job. For instance, ABS data show that the average duration of unemployment for mature age people stood at 86 weeks in June 2024, more than double the 37 weeks recorded for 15 to 54 year-olds³.

ABS data show that there were many potential mature age workers who are neither employed nor unemployed. Around 221,000 aged 55 and over wanted to work and were available to start a job within four weeks but who were not actively looking for work in February 2023 (latest available data). Of this group, one in five stated that employers considering them as being too old to work was a reason for them not actively looking for work. Another commonly cited reason was own long-term health condition or disability.⁴

¹ Commonwealth of Australia, Intergenerational Report 2023: Australia's future to 2063

² Data for **mature age** persons are sourced from ABS, *Labour Force, Australia,* June 2024, and are 3-month average of *original* estimates.

³ Average duration of unemployment data are sourced from ABS, *Labour Force, Australia, Detailed,* June 2024 and are 12-month averages of *original* estimates.

⁴ ABS, Participation, Job Search and Mobility, February 2023

In addition, around 20% of those aged 65 and over, who were available and ready to work but were not looking, were discouraged jobseekers – that is, they were not looking for work because they felt they would not be able to find a job. This compares with just 5% of those aged 55-64 years.⁵

Survey questions

The mature aged module questions began by filtering out any respondents who were not directly responsible for recruitment, thus ensuring a high quality of responses. A mature age worker, for this research, was then defined as someone who was 55 years and older. The question covered the following topics:

Have they had a mature age applicant in the previous 12 months?

For their most recent vacancy with a mature age applicant in the previous 12 months:

- For which occupation?
- How did they fill the vacancy?
- Did the mature age applicant get the job?
- Why were they successful/unsuccessful?
- Were any Government programs and incentives accessed?
- What strategies were put into place to help the mature age worker do the job?
- Were strategies implemented available to all staff or specific to this staff member?

The Mature age module format and questions were based on prior REOS work undertaken to examine cohorts who might experience disadvantage in the labour market. Most notably the <u>Employers' experiences of First Nations job applicants</u> report that can be found on the Jobs and Skills webpage.

Between 1 August and 3 November, around 2,450 employers who were directly involved with recruitment were asked questions about recruitment in the last 12 months that had mature age applicants⁶.

The information gathered in this research relies on employers recall over a 12 month period which can often lead to recall bias. For example, employers are more likely to remember instances where a mature age candidate was successful over those where the candidate was not hired (or perhaps not even interviewed). Additionally, there are many instances where employers do not ask candidates their age. This should be kept in mind when interpreting results.

⁵ ABS, Participation, Job Search and Mobility, February 2023

⁶ The 2,450 refer to surveyed respondents who were directly involved in recruitment and were able to confirm if they had received a mature age applicant or not in the last 12 months. There were also an additional 1,250 surveyed respondents who are not included in the analysis in this paper, 90% of whom were not directly involved with recruitment. The remaining were either unsure as to their involvement or didn't want to participate in questions around either their involvement in recruitment or whether they have received a mature age applicant in the last 12 month.

Key findings

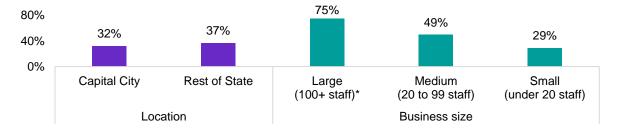
- Just over one third (34%) of employers reported having a mature age applicant in the previous 12 months. This was most common in larger businesses (75%) and those in the Retail Trade industry (37%).
- Employers commonly hired a mature age applicant because of their experience, positive attitude, strong work ethic and qualifications and/or skills.
 - Over half of the employers (56%) that hired a mature age applicant mentioned the candidate's experience as a reason for selecting them
 - Around two-fifths (41%) of the employers thought they had the right attitude and work ethic, and
 - A third of employers (33%) said they had the right qualifications or skills to do the job.
- When an employer hadn't employed a mature age applicant, Experience and qualification and/or skills were some of the reasons mature aged candidates were not hired for the vacancy.
 - In over a quarter of cases (27%), it was due to a candidate's lack of relevant experience
 - While one in five (21%) cited the candidate not having the qualifications and or skills required.
- The strategy most used by employers to support mature age workers was allowing flexible
 work conditions. That included flexible work hours, part-time hours, and flexible location
 such as working from home. However, it should be noted that almost three quarters of the
 employers that had implemented flexible work conditions for the successful mature
 applicants cited that they were available to all staff.

Survey results

Mature age applicants

Just over a third (34%) of employers had been approached by a mature aged candidate at some time in the 12-month period prior to being surveyed. It was more common for employers in regional Australia to have been approached by a mature age worker (37%), compared to employers in capital cities (32%). Moreover, larger businesses (100 plus worker) were more likely to be approached by mature age workers (75%), than medium-sized businesses (49%) and small businesses (29%). These results would be affected, at least in part, by the volume of job vacancies over the last 12 months, the type of occupations recruited for and the recall of the respondent.

Figure 1: Percentage of businesses who recalled having a mature age applicant in the past 12 months by location and business size



Note: * denotes a smaller sample size (between 50 and 125 records) and should be reported with caution.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Reasons mature age job seekers were successful in getting the job

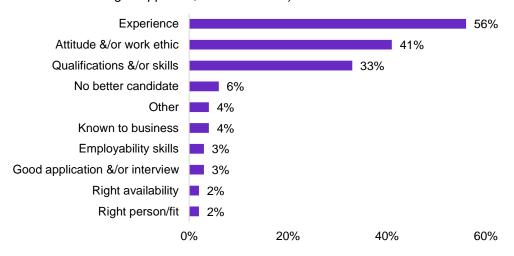
Many employers reported they employed mature age workers 'as they have a good work ethic, and we can rely on them' (employer in Retail Trade). Similarly, an employer in the Real Estate sector mentioned they 'have quite a few mature age staff and we like employing them because they have a good skillset'. Overall, employers were positive about employing mature age applicants.

In general, when employers recruit, key considerations are an applicants' experience, and qualifications and/or skills. This was also the case for employers who hired mature age candidates, with the research illustrating that 56% of employers had hired a mature age applicant due to their relevant experience and 33% for their qualifications and/or skills to do the job.

Mature age applicants' positive attitude to work as well as a great work ethic was the second most cited reason why employers hired the mature age worker (41%). An employer in Manufacturing went on to add that 'over half of my staff are over 55 years old and we are very pleased with them all due to their good work ethic'. Figure 2, below, looks at some of the reasons older workers were successful in getting the job.

Figure 2: Reasons mature age workers got the job (multiple responses permitted)

Employers who hired a mature age candidate (in their most recent vacancy where they received at least one mature aged applicant, last 12 months)



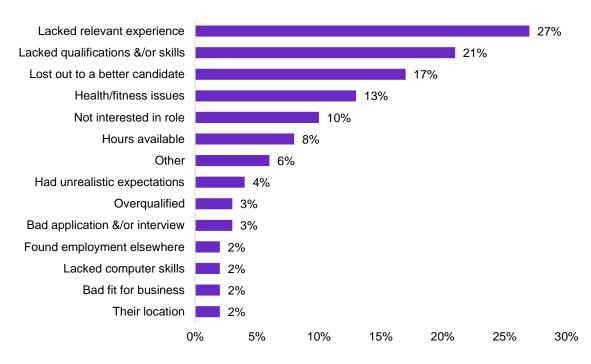
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Reasons mature age job seekers were unsuccessful in getting the job

As shown in Figure 3 below, over a quarter of employers with unsuccessful mature age applicants told us that they didn't get the job because they lacked the necessary relevant experience. Additionally, 21% of employers told us that the applicants who didn't get the job lacked the qualifications and/or skills needed for the role. This was followed by 17% of employers who stated that the mature age candidates simply lost out to a better candidate.

Figure 3: Reasons mature age workers were unsuccessful in getting the job (multiple responses permitted)

Employers who did not hire a mature age applicant (in their most recent vacancy where they received at least one mature aged applicant, last 12 months)



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

An issue that was raised by 13% of employers was that the mature aged candidate did not have the required physical ability or health for the role. An employer mentioned that 'the physical nature of the job requires [the successful candidate] to get up and down ladders all day so we take that into consideration' when recruiting (employer in Manufacturing). While an employer in Retail Trade believed 'the position is too physically demanding for a mature age person'.

The hours the candidate was available to work (8%) and having unrealistic expectations of wages or other aspects of the job (4%) were some of the other reasons provided by employers with unsuccessful mature aged candidates.

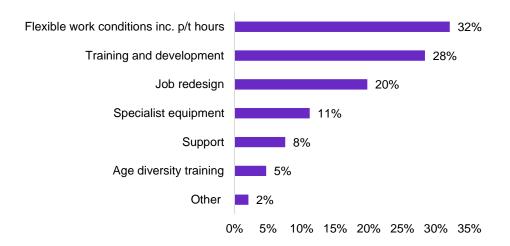
Strategies available for mature age workers

In the strong majority of cases, the employer did not implement any strategies to assist the mature age worker in their new position. This could be for a range of reasons, including because there was no need, or because it was not a standard procedure to actively offer available adjustments. Additionally, the employer may have offered flexible work conditions or training (for example) without considering them as strategies to be offered to mature age applicants and as such didn't mention them here. The reason for not providing adjustments was not pursued in this research.

Approximately one fifth of employers that reported implementing a strategy for the successful mature age candidate, Figure 4 shows that flexible work conditions were the most common strategy implemented (32%). This category includes the use of flexible and part time hours. It also includes allowing workers to work from home. Additionally, 28% of employers had provided training and development opportunities to the mature age applicant once they were employed.

Figure 4: Strategies implemented by employers to help mature age new hires (multiple responses permitted)

Employers who hired a mature age candidate and implemented a strategy (in their most recent vacancy where they received at least one mature aged applicant, last 12 months)



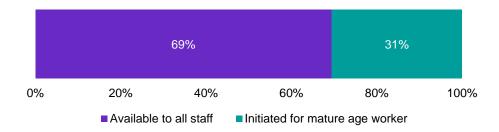
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

The availability of the strategies

As shown in Figure 5, in almost seven out of every 10 instances, the strategies implemented were also available to all staff. This was particularly the case with employee support, which includes assistance such as buddy shift workers, general support including undertaking external studies. Job redesign, and training and development were also usually available for all staff. By comparison, the use of specialist equipment was more often implemented solely for the mature age worker rather than offered to staff in general.

Figure 5: Whether strategies were available to all staff or just the successful mature age applicants (multiple responses permitted)

Employers who hired a mature age candidate and implemented a strategy (in their most recent recruitment round with a mature age applicant)



Note: Sample size for this data is very small (between 50 and 125 records) and should be reported with caution.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Results by industry

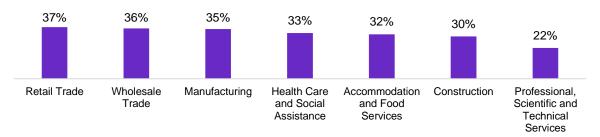
Data from the ABS show that mature age people (aged 55 and over) account for almost one in every four workers in the Manufacturing, Wholesale Trade, and Health Care and Social Assistance industries. Smaller shares were recorded in Retail Trade, where 15% of workers

are mature aged, and in Accommodation and Food Services, where around one in 10 workers are mature aged.⁷

Industry groups with mature age applicants

The REOS provides an insight into experiences of recruiting employers across the different industries. Of the industries with sufficient sample to release results, Retail Trade had the highest proportion of employers with mature age applicants (37%) in the past 12 months⁸. A smaller proportion of employers in the Professional, Scientific and Technical Services industry had been approached by a mature age applicant (22%), the lowest of the selected industries.

Figure 6: Percentage of surveyed businesses who recalled having a mature age applicant in the past 12 months by selected industry group



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Industry groups with successful mature age applicants

Employers in the Accommodation and Food Services industry, when approached by mature age applicants, would frequently hire them.

In 47% of cases, employers in the Accommodation and Food Services industry cited a
mature aged candidate's attitude to work and work ethic as the reason the candidate
was hired – the highest of the selected industries. Conversely, qualifications and or
skills were not a common factor for success (9%).

Both the Health Care and Social Assistance and Manufacturing industries also commonly hired a mature age worker when they applied.

 Employers in Health Care and Social Assistance who hired a mature age person were much more likely to cite experience (74%) as a reason for choosing them. This was the highest of the selected industry groups. While not as common as experience, a relatively high proportion of employers also cited the worker's attitude to work and work ethic (45%), and experience (42%) as the reason for choosing to hire the mature candidate.

In the Construction industry, which is less likely to hire a mature aged worker, employers still looked favourably on candidates with experience (67%) as well as qualifications and/or skills (39%).

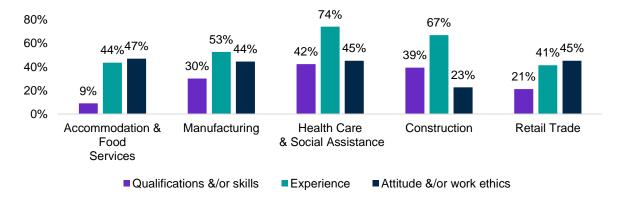
In both the Accommodation and Food Services and Retail Trade industries, a candidate's attitude to work and/or work ethic is most important (47% and 45% respectively) closely followed by their experience (44% and 41% respectively).

⁷ Australian Bureau of Statistics, Labour Force Survey, Australia, February 2024

⁸ As with the similar results shown earlier, the reader should note that these results would be affected, at least in part, by the volume of job vacancies over the last 12 months, the type of occupations recruited for and the recall of the respondent.

Figure 7: Reasons mature aged candidates were successful by selected industry group

Employers who hired a mature age candidate (in their most recent recruitment round with a mature age applicant, last 12 months)



Note: Sample size for this data is very small (between 50 and 125 records) and should be reported with caution. Not all industry groups are represented due to very small sample size.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Results by occupation

ABS labour force data shows that Professionals make up one in four mature age workers (55 years plus) followed by Managers and Clerical and Administrative Workers (both 16%). Technicians and Trades Workers, Community and Personal Service Workers, Labourers and Machinery Operators and Drivers all account for about 10% of the mature age work force. The smallest occupation group of the mature age work force are made up of Sales Workers (with just over one in 20 mature workers).⁹

Occupation groups with successful mature age applicants

The REOS mature age module provides insights into the characteristics of surveyed employers who selected a mature age candidate.

Employers with vacancies for Labourers frequently employed a mature age candidate (most commonly in the Accommodation and Food Services and Manufacturing industries).

• These employers were much more likely to cite attitude and work ethic as a reason for hiring them, with 63% citing this as a reason. This was the highest of any occupation group and well above the 43% reporting experience as reason for hiring the mature candidate for Labouring roles.

In contrast, employers with Clerical and Administrative vacancies were less likely to hire mature age workers, at least partially due to higher applicant numbers for these positions.

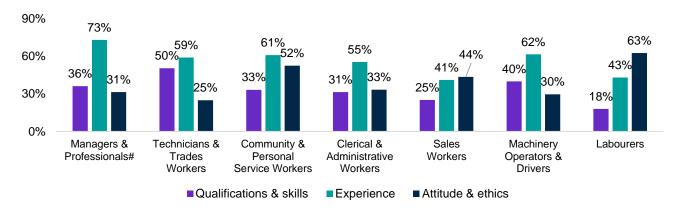
 Experience was the key reason for choosing the mature candidate in Clerical and Administrative worker roles. Over half (55%) cited this as a reason, above the 33% mentioning attitude and work ethics.

Employers with vacancies for Machinery Operators and Drivers were likely to report qualifications and/or skills (40%) as a reason for selecting a mature age candidate, more than any other occupation group. Combined with their high reliance on experience (62%) this demonstrates its importance for employers in this occupation group.

⁹ Australian Bureau of Statistics, Labour Force Survey, Australia, March 2024

Figure 8: Reasons mature aged candidates were successful by occupation group

Employers who hired a mature age candidate (in their most recent recruitment round with a mature age applicant)



Note: Sample size for this data is very small (between 50 and 125 records) and should be reported with caution. # Manager and Professionals have been combined to allow for analysis due to very small numbers

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2023.

Government support

Surveyed employers made very limited use of mature age government support or subsidies. Of those employers who hired a mature age applicant (in the most recent recruitment round for which they had a mature age applicant), only 2% had utilised any type of government support or subsidies when they hired the mature age workers. The government programs accessed by the recruiting employers included the Workforce Incentive Program, Workforce Australia Wage Subsidies, Australian Apprenticeships Incentive Program and the Disability Employment Services program.

While the survey did not specifically ask employers why they did not access any incentives or support, some 3% volunteered that they believed they were not eligible for any assistance, and a further 2% stated that they were not aware of any programs that might be available.

The Department of Education and Workplace Relations provides a guide to assist employers and mature aged jobseekers and can be found at www.dewr.gov.au/mature-age-hub.

Survey background

REOS

The Recruitment Experiences and Outlook Survey (REOS) is an ongoing survey of employers across Australia. Approximately 1,000 employers are surveyed each month, with data published on the <u>Jobs and Skills Australia</u> website. While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with caution. The survey is targeted towards employers with five or more employees and excludes many government organisations. Further information is available in the <u>REOS methodology paper</u>.

Data from the REOS are published monthly in the *Recruitment Insights Report* which is generally published on the 3rd Tuesday of the month. Spotlights are also produced in most months, generally released in the first week of the month.

Additional modules

While core questions in the REOS generally don't change, from time-to-time short question modules on topics of interest are added to the survey. This report is based on a temporary set of questions included between August and November 2023. During this period, we spoke with 3,014 employers who were all directly involved with the recruitment of staff of which 1,025 had had a mature age applicant in the last 12 months.

Technical notes

The REOS is a telephone administered survey with the business owner or other person in the business responsible for recruitment. All figures presented in this report have been weighted by location and workplace size, according to the Australian Bureau of Statistics Counts of Australian Businesses, including Entries and Exits (June 2018 to June 2022) publication. The weighted figures are intended to create nationally representative results by correcting for the oversampling of smaller regions compared with larger regions.

Data collected in the survey have been coded and reported according to the following ABS classifications:

- Industry is defined by the <u>Australian and New Zealand Standard Industrial Classification</u> (ANZSIC), 2006, Version 2.0.
- Occupation is defined by the <u>Australian and New Zealand Standard Classification of Occupations (ANZSCO)</u>, 2022.
- Capital City and Rest of State areas are defined by the <u>Australian Statistical Geography Standard (ASGS): Volume 1 Main Structure and Greater Capital City Statistical Areas</u>, July 2021.

Data in this release should be referenced as: *Jobs and Skills Australia, Mature age workers and the labour market,* March 2024.

For more information, email: reos@jobsandskills.gov.au