

Conrad Liveris
conradliveris.com
+61 430 449 116

2018/19 Labour market: A stark division

Young people try to start, older people can't stop

Executive Summary

Increasing employment is the most obvious sign of a strong economy. For many, it shows the fruit of business investment in their community.

While full-time employment best encapsulates this, part-time work can challenge it.

In this analysis of the Australian labour market, I find that while things are turning around for young people, Australia has a divided labour market.

Young people are less likely to be employed in full-time work and less likely to be searching for it, settling for part-time work at sometimes incredible rates.

Naturally, this leads to questions over job quality, how young people will finance their livelihoods and their quality of life.

The labour market is changing for younger and older people, but is stable for those aged 35-60.

While older Australians are rethinking retirements, eager to keep working. The biggest gains in full and part-time employment and job search are amongst the 65 and overs. Even those who retire, seem to be getting back into the workforce.

With this in mind, it makes sense to question whether the high rates of job search among older workers is about a lack of suitable jobs, age discrimination or just a selective cohort.

I hope this proves to be a thoughtful and thought-provoking contribution.

Note: All references to 2014, 2018, the last twelve months and the like refer to May of that year; and all references to now, current and the like refer to the most recent ABS figures released.

Key statistics

Part-time employment has grown at almost double the rate of full-time employment since 2014, by 15.06 per cent compared to 8.62 per cent.

Since 2018, full-time employment has grown stronger than part-time employment, 3.00 per cent compared to 2.41 per cent.

The strongest full-time employment growth is amongst older people (65+), by 11.12 per cent since 2018.

Part-time employment has grown most strongly amongst young people (15-24), by 14.62 per cent since 2018; and by 23.81 per cent amongst people aged 25-34 since 2014.

The total number of unemployed people has decreased in both the short and long terms, but has massively increased amongst people aged over 65 years, by 29.32 per cent since 2014 and by 27.88 per cent since 2018.

There is a massive increase in the search for part-time work from 45, by 24.55 per cent since 2014, which is combined with a massive drop-off in searching for full-time work for people aged 45-54, by -32.78 per cent since 2014 and -20.94 per cent since 2018.

Meanwhile, unemployed young people in the past year have increased their search for full-time jobs by 7.61 per cent but have only increased their employment in full-time jobs by 2.77 per cent while their part-time employment has increased by 14.62 per cent

Since 2014, 181,700 jobs have been created for young Australians, but 89.11 per cent of these have been part-time.

Of the past five years, only the last twelve months have seen more full-time jobs than part-time jobs created for young people.

What's going on?

Across the labour market, **full-time employment** has risen by 8.62 per cent since 2014 and 3.00 per cent since 2018.

Workers aged 65 years and over had the highest increase in full-time employment, rising by 33.02 per cent since 2014 and 11.12 per cent since 2018. While people aged 15-24 saw the lowest growth since 2014 at 2.29 per cent and people aged 35-44 at 2.00 per cent since 2018.

Big increases in part-time employment are leading younger Australians away from full-time jobs.

There has been a notable increase in **part-time employment** in the labour market, with part-timers increasing by 15.06 per cent since 2014 and 2.41 per cent in the past year.

Since 2014, people aged 65 years and over have seen the largest increase in part-time employment, going up by 26.27 per cent and people aged 25-34 also increasing noticeably by 23.81 per cent. In the past twelve months, people aged 15-24 have since part-time employment rise by 14.62 per cent.

The **total number of unemployed people** has decreased in the short and long term. Since 2014, it has decreased by -3.31 per cent and by -1.08 per cent since 2018.

The biggest drop since 2014 was for people aged 15-24, decreasing by -5.33 per cent; and the biggest increase was for people aged 65 years and over, increasing by 29.32 per cent.

Since 2018, the largest decrease in unemployment was for people aged 45-54, by -15.87 per cent. While the largest increase was for people aged 65 years and over, by 27.88 per cent.

Unemployed people searching for full-time jobs decreased in the short and long term, by -9.58 per cent since 2014 and -0.17 per cent since 2018.

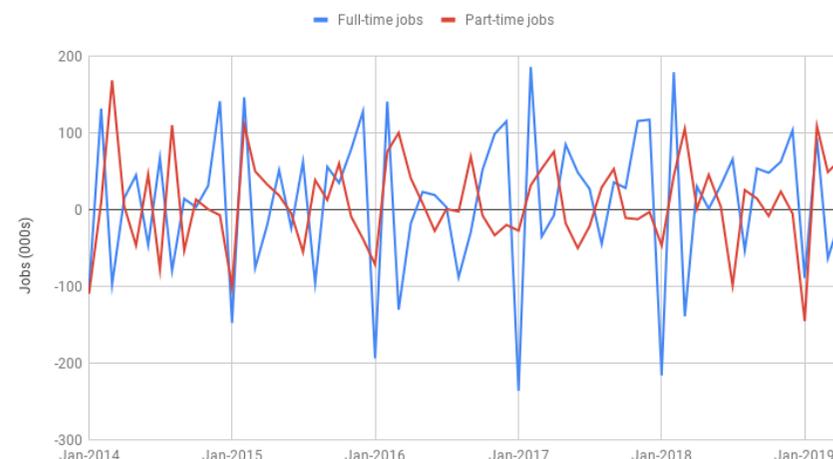
The largest increase was for people aged over 65 years, by 44.12 per cent since 2014 and 38.72 per cent since 2018. The largest decrease was for people aged 45-54, by -32.78 per cent since 2014 and -20.94 per cent since 2018.

Unemployed people are almost 10 per cent less likely to search for full-time jobs than they were five years ago.

Unemployed people searching for part-time jobs only saw an increase by 11.15 per cent since 2014 and a decrease by 3.16 per cent since 2018.

Since 2014, the largest increase was for people aged 55-64, by 47.42 per cent, with people aged 35-44 recording a slight negative, of -0.65 per cent. Since 2018, people aged 65 and over saw the largest increase, by 14.32 per cent, and people aged 25-34 years the largest decrease, by -15.56 per cent.

Monthly job creation, since 2014



Putting it all together

There seems to be two factors at play: casualisation and changing preferences.

For decades the Australian labour market has experienced progressive casualisation. Though full-time work has increased in the past year, for people starting their careers part-time work is still the available. So much so that the trend seems some have stopped even looking for full-time work.

Though this is not desirable for young people, or the economy overall, it is helping older people continue to work. The massive increases in older people looking for jobs and then working suggests one of two things are happening: they underfunded their retirements, or they have realised they are living longer.

In either case, having more older people working helps the labour market maintain those skills and transfer that knowledge. It also keeps older people active and independent.

This suggests that there are changing preferences in the labour market, that older people are reimagining their lives.

Especially once they turn 45 they begin to rethink their working lives. By 45, most people have an idea of their career prospects. Maybe they have succeeded, may they see greener pastures doing something else.

As older workers enjoy a second-wind, young people may be disheartened by this. Rightly so when you consider the investments they have made in education and training. This was not the experience they were sold. In turn, it is easy to see that some young people will combine multiple part-time jobs together or begin businesses to supplement part-time work. This is an approach to work which has not been seen in economies before, and is equally exciting and stressful.

Shifts and changes in the labour market test individuals and businesses. Though they are adapting, there seems to be delay in fully adjusting to

All data in this report was sourced from ABS 6202, 6291.

Disclosure:

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This is part of a periodic analysis of various workplace and economic issues of contemporary national and industry interest. All efforts are made to present the evidence as impartial, independent, fair and not misleading. These contributions are verifiable and are reviewed by experts prior to release.

The author, Conrad Liveris, is a corporate adviser on workplaces and risk. Considered one of Australia's leading employment and workplace experts, he works closely with decision-makers across sectors on a range of HR, management and economic issues. He is alumni of the US State Department's programs and the UN, and is an Associate Fellow of the Royal Commonwealth Society (London). He completed his Bachelor of Arts at the University of Notre Dame Australia, a Master of Commerce at Curtin University and has received scholarships for management education at the Governance Institute of Australia and the University of California, Los Angeles.