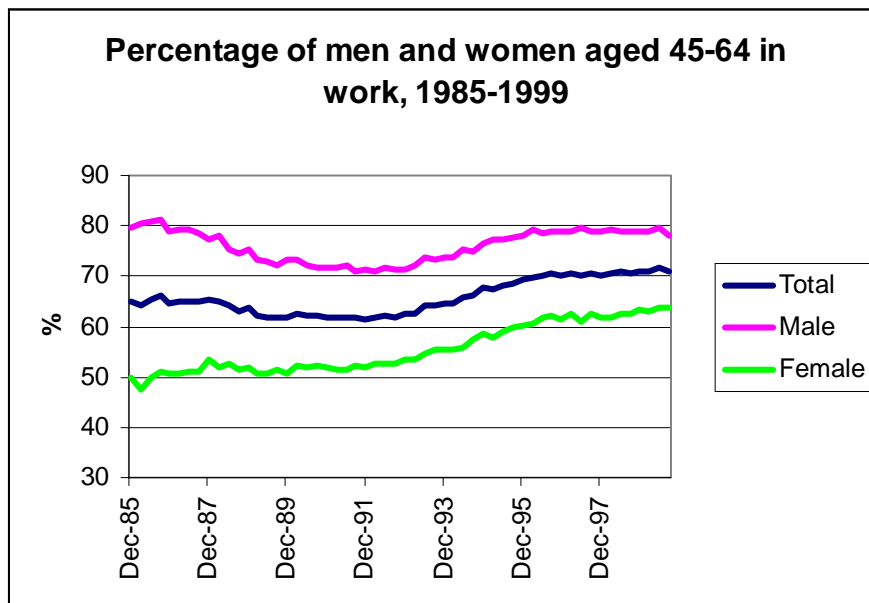


# The myth of disappearing work

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Last year extensive media reports, based primarily on the research of David Thomson (1999), suggested that jobs for people aged 45 or older were rapidly disappearing. Headlines appeared such as “When our working lives end at 45”. Since then, other researchers have presented even gloomier forecasts. Citing reports of Thomson’s research in the Jobsletter, Patterson (1999) suggests that over the next decade a third of New Zealand men will have permanently exited the labour force by their later 40s and half by the mid 50s. Yet, Statistics New Zealand data show that since the mid 1980s the proportion of people aged 45-64 in employment actually increased (figure 1). Even more surprising, from the early 1990s to the end of the decade the proportion of people in full-time work in this same age group also increased. In the early 1990s around 55 percent of this age group worked 20 hours or more per week.<sup>1</sup> By 1999 this had risen to around 63 percent (Figure 2). In addition, visit the average workplace and you are now more likely to meet an older worker than 15 years ago. So why have some commentators been suggesting that work, and particularly full-time work, has been disappearing for older workers?

**Figure 1**



Source: Statistics New Zealand, Household Labour Force Survey

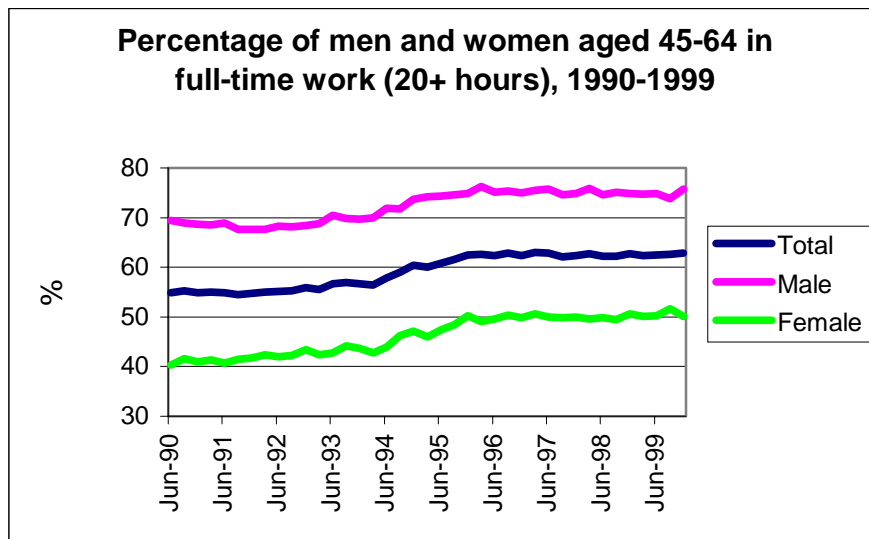
First, from the 1970s until the early 1990s there had been a decline in full-time employment amongst males aged 45 and over. The decline was particularly marked from the mid 1980s due to economic restructuring with Maori and Pacific Island men

<sup>1</sup> This was the definition of full-time work Thomson used in his study.

especially hard hit by the job loss (see Figure 1). Some commentators suggested that this loss of work would continue. But the latest data from Statistics New Zealand show that full-time employment for men aged 45-59 stayed more or less stable over the whole decade, while the proportion of men aged 60-64 in full-time work actually increased. By the end of the 1990s, just over 84 percent of middle-aged men (45-54) were in full-time jobs. This is certainly less than the 1970s and is problematic for those men who would prefer to be working full-time. However, it is not a statistic that supports a wholesale disappearance of work for this age group.

By contrast, from the 1950s to the mid 1980s there had been a very strong increase in the proportion of women aged 45-64 in full-time work. However, concern was expressed that this growth was coming to a halt in the first half of the 1990s. Full-time work was then seen as potentially disappearing for this group as well. This gloomy outlook has proved to be incorrect. Instead, over the whole decade, the proportion of women aged 45-64 in full-time work increased (Figure 2).

**Figure 2**



Source: Statistics New Zealand, Household Labour Force Survey

Aging of the population is another reason why we are now more likely to come across older workers in workplaces. People aged 45 or older now make up a larger proportion of potential workers. Employment data from Statistics New Zealand show that in the mid 1980's over a quarter of workers were aged 45 or older. By the late 1990's it had risen to over just over a third. Clearly, a large group of older workers are valued for their experience and skills.

So how do these trends sit alongside the stories, or personal experience, of older workers who have been laid off through downsizing and face great difficulty in returning to work? Many older workers have been made redundant and there is certainly a group whose future prospects are bleak. For some older males, particularly those with little formal

education, it is almost impossible to find a new job with similar pay and conditions to the one they lost. Some cannot find any other work, especially if they live in economically depressed regions of New Zealand. Older low skill women also face major barriers in the job market. As for young workers, education is now a critical factor in employment. For example in the mid 1990s, men in the 60-64 age group who held a university qualification were twice as likely to be working than men with no formal qualifications. These well-educated people also generally had long-term work prior to age 60 and above average income.

It should not be surprising that many older people are still working in their 60s and even 70s. Some of this is due to economic necessity with a rising age of eligibility for superannuation. But also of importance are changes in the nature of work and increasing life expectancy. While manual jobs, particularly those needing a high level of physical strength, have been declining, service sector jobs have been increasing. In many service sector occupations people are no longer restricted by the loss of physical strength as they age. Some people also have work they enjoy. Assuming they retain their mental abilities, and increasingly assisted by new technologies such as voice recognition computers, many of these older people will be able and will wish to continue to work, often on a part to time basis, well past the traditional age of retirement.

## **References**

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