



T H E M C K E L L I N S T I T U T E

Women in work:
A story of exclusion

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About the authors

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Background

The value of a job cannot be overstated. It provides for dignity, independence, and fosters a sense of community for individuals as well as their family units.

As of July 2022, the unemployment rate sat at a historic low of 3.4 per cent.¹ Underemployment is similarly declining and the participation rate is at relative highs. Yet despite the good news, some groups continue to be excluded from the workforce.

The upcoming Jobs and Skills summit is an opportunity to bring together Unions, Civil Society, and Business to address long-running challenges facing the economy. The summit will focus on a variety of priorities including keeping unemployment low, boosting productivity and incomes, delivering secure, well-paid jobs and strong, sustainable wages growth, and expanding employment opportunities.

Crucially, the summit has five themes, one of which is, “Lifting participation and reducing barriers to employment.”² At the same time the issues paper makes clear that “Throughout the Summit there will be a strong overarching focus on women’s experiences of the labour market and the challenges of ensuring women have equal opportunities and equal pay.”

This brief report seeks to analyse and identify the population cohorts that have been excluded from the labour market. We find that the Summit objectives listed above are interrelated because the demographic most excluded from the labour market is women, particularly those aged 45 to 55. Based on this understanding, it becomes clear that equal opportunities and gender equality must be achieved to unlock a cohort of older female workers currently excluded from the workforce.

Older women are excluded from the workforce at an alarming rate.

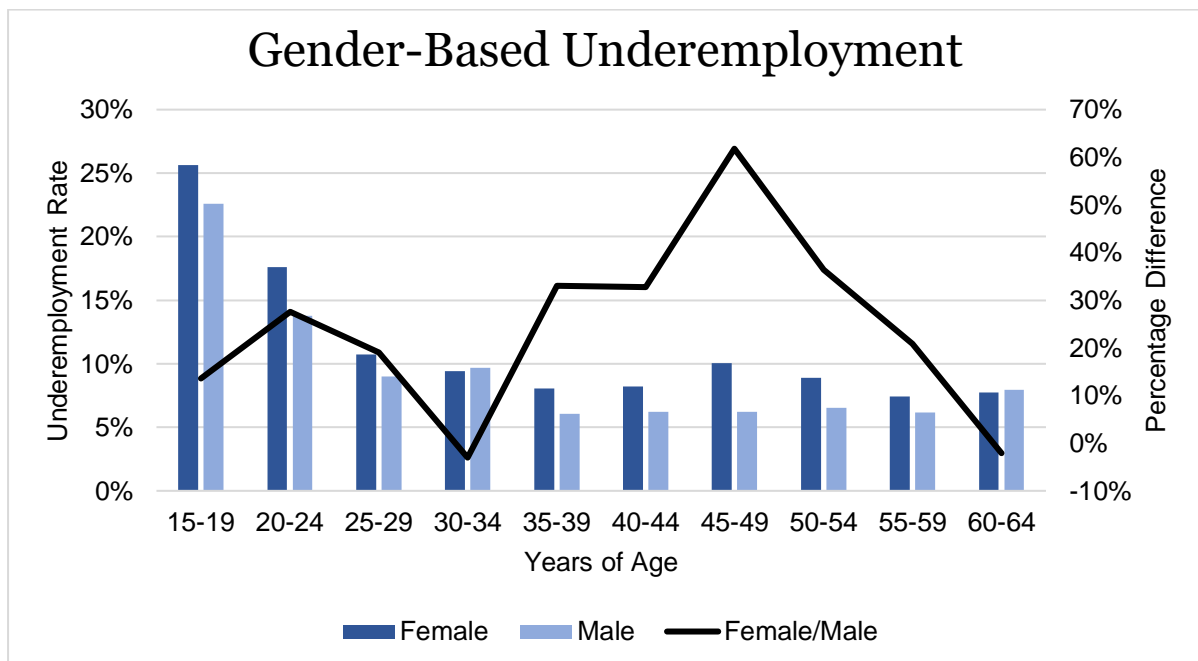
Using the latest available Census and Labour Force data from the Australian Bureau of Statistics (ABS), the McKell Institute compared employment demographics to the population more generally.

Crucially, this analysis does not account for whether someone is looking for work, only whether they are equally represented in the workforce.

There are more men who are employed than women in all age cohorts except those aged 30 to 34 and 50 to 64. The difference between male and female employment spikes sharply after the age of 35 (See Figure 1 below). It is likely that this represents the age at which many households have children.

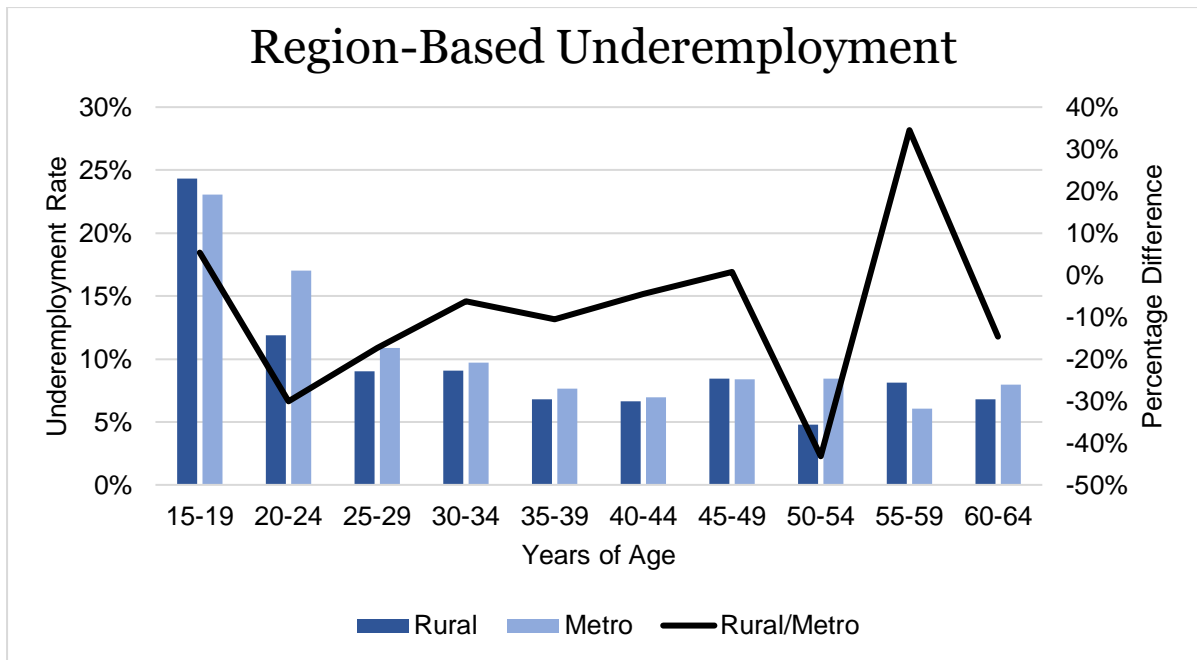
The public debate around women’s workforce participation usually centres around young children. What is most surprising is that the gap between male and female employment is at its greatest in the 45-49 age group. This finding suggests that women are increasingly excluded from the workforce, even as their children get older.

Figure 1:



Additionally, when we look at underemployment in the context of regional versus metro breakdown, regional men and women aged 55 to 59 face underemployment at a rate of 43 per cent greater than their metro counterparts.

Figure 2:



Further, older women are underemployed at greater rates than men of a comparable age and therefore, there needs to be a clear and targeted approach to ensure those wanting to re-enter the workforce can do so in a manner befitting their experience and achievements.

Better support services are needed

Critical to increasing participation for this excluded cohort will be understanding the reasons for exclusion. Women report caring responsibilities, access to suitable affordable housing, costs associated with training and employment, and insufficient digital literacy barring participation as some of the significant challenges excluding participation from older Australia women.³

As a cohort we also know that older women are particularly vulnerable, given that they have accumulated lower superannuation balances than men at the same age and are increasingly at risk of homelessness as part of the housing affordability crisis.⁴

A key outcome from the summit should be a clear understanding of the barriers to participation and an identification of the additional services required to aid older women currently excluded from participation.

To understand the disproportionate representation of older women in underemployment figures we first need to understand the existing support services available, and then explore the barriers that exist for older women to participate fully in the workforce and/or the training programs on offer to reskill those women wishing to reenter the workforce.

Navigating the myriad supports can be difficult and confusing but crucially, evidenced by the increasing number of women who are excluded from the workforce, the existing supports offered are failing to address the underlying reasons for said exclusion.

Apart from income support payments, the main source of financial assistance offered by the federal government for people seeking work is the **JobTrainer** scheme, which was initiated during the first wave of the COVID-19 pandemic. It is aimed at young people (aged 17 to 24) and job seekers (25+ and those who are out of work) and provides low or no-fee access to vocational training courses in selected industries.⁵ Specific eligibility requirements and the amount of financial assistance available varies between the states and territories, but none of those criteria address employment in the 45 to 49 age group.

The **Skills Checkpoint for Older Workers** is a program that provides free tailored guidance on career progression and skills training opportunities to Australians older than 40. The Skills Checkpoint also includes the **Skills and Training Incentive**, which is a federal government contribution of up to \$2,200 towards any courses undertaken because of the Checkpoint program.⁶

The **Mid-Career Checkpoint** offers similar services to the Skills Checkpoint for Older Workers, except for the fact that the program targets individuals re-entering the workforce from caring duties, or working in female-dominated, COVID-19 affected industries.⁷ Government contributions to training courses undertaken as part of this program are capped at \$3,000.

The **Skills for Education and Employment Program (SEE)** provides training (literacy and numeracy skills) to assist with employability for certain groups, including mature aged people, although not catering specifically to women.⁸

The **Mature Age Hub** is a government website which contains information and resources on some, but not all, of the above programs. It also includes resources on job market trends, and offers information on the **Career Transition Assistance Program (CTA)**, which is a course designed to provide job search and application skills, and digital literacy for individuals aged over 45 and registered with **WorkForce Australia**.⁹

All the above resources can be found after navigating several government websites, however, there is no one resource that presents all pertinent information and/or resources in a clear and concise manner.

Determining which federal program or form of assistance is suitable for an individual is extremely complicated, and this excludes identifying and navigating those programs offered by state governments. Crucially, participation in one of these programs may make you ineligible for another.

The focus of existing services is clearly on reskilling but it fails to recognise the myriad other issues that impact older women when they attempt to reskill or re-enter the workforce.

For many older women, the barrier to participation results from the caring responsibilities for children, grandchildren, and aging parents.¹⁰ All economic modeling points to strong economic returns on investment from a significant reduction to the cost of childcare.

Digital Literacy and developing the skills required to participate fully in training to reskill and reenter the workforce is a challenge for many older women. These skills are increasingly relevant, as was seen when COVID illustrated how necessary it was to pivot to the use of available technologies to continue to work, study, and keep the economy moving. Additionally, the pandemic clearly showed the digital divide that exists, and made clear the need to continue to provide training and support to those for whom digital literacy has not been a necessity until now. Recognising the digital divide as a challenge requires resources and strategies aimed at communicating available support systems in a way that is accessible to those not able to access information online.

As well as a lack of appropriate gender-focused services for older women and the digital divide, a lack of affordable housing near training or work creates a significant barrier to participation with older women, who are at increasing risk of homelessness. The cost of housing is prohibitive in terms of suburb selection, with limited options dictating limited opportunities for older women. Additionally, costs associated with general costs of living such as petrol, are increasing at such a rapid rate as to create barriers that hadn't previously existed.

Further, costs associated with the required accrements including uniforms, footwear, and stationery create additional deterrents to participation. While grants exist in some programs, capping the amounts should be reconsidered as a strategy to ensure continued engagement with training. Consideration of subsidies for those participating in approved training could also reduce this pressure for older women.

Better support services and greater financial incentives are needed

A 2020 report prepared for the Parliamentary Budget Office found that 'JobSeeker' payment recipients were predominantly people in their 40s or above, with an increasing proportion of

older women.’¹¹ The need for many older women to continue working is greater than that for men, with older women more likely to have accumulated less superannuation during their working lives.¹²

A KPMG report found that ‘the median superannuation balance for men aged 60 to 64 years is \$204,107, whereas for women in the same age group, it is \$146,900, a gap of 28 per cent.’¹³

LabourForce Characteristics of Employment from 2021 shows the disparity between male and female underemployment clearly. Underemployment in women aged 35 to 39 and 39 to 45 is 33 per cent higher than men of the same age group, peaking at 62 per cent higher in the age group 45 to 49. This disparity continues in to the 55 to 59 age group at a rate of 35 per cent greater underemployment for women.¹⁴

A key outcome from the summit should be an understanding of the barriers to participation and identifying the additional services required to aid older women who are currently excluded from participation.

Conclusion

Older women deserve respect and dignity.

Caring responsibilities, access to suitable affordable housing, costs associated with training and employment, and insufficient digital literacy barring participation are some of the significant challenges excluding participation from older Australia women.

As a cohort we also know that older women are particularly vulnerable, given that they have accumulated lower superannuation balances than men at the same age and are increasingly at risk of homelessness as part of the housing affordability crisis.

Failing to consider these real barriers to participation is effectively accepting that older women will continue to be excluded from the workforce. We should not accept this as an outcome for any in our community.

From a budgetary perspective, the proposition of funding additional support for older women aims to reduce the welfare burden in the long term by transitioning those reliant on Jobseeker into dignified, secure work.

The Jobs Summit provides for the opportunity to address this growing issue and return older women to accessible, well-paid work.

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