



Australian Social Trends

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Article: Barriers to work

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Barriers to work

In 2006–07 there were 1.7 million Australians who either wanted a job or who usually worked less than 16 hours per week and wanted more hours of work.

Participation in the labour force has many benefits for both individuals and Australian society as a whole. Higher economic growth is, in part, achieved through increases in labour force participation, with increases in hours worked generally leading to higher levels of GDP (gross domestic product) per person. At the individual level, participating in the workforce can bring greater health, wealth and self-esteem, as well as providing the opportunity for social interaction.¹

A recent report by the Productivity Commission has noted that, although Australia's labour force participation rate has risen slightly during the period of economic prosperity which has characterised the past two decades, there is scope for a number of population groups, such as men aged 25–54 years, women with young children and people aged 55 years and over, to increase their labour force participation.²

Decisions on whether to work and the number of hours worked reflect both the availability of suitable work and people's work preferences. For a variety of reasons, many people who are without work do not wish to gain employment, while others working few hours do not wish to increase

Data sources and definitions

Data presented in this article are from the ABS 2006–07 Multi-Purpose Household Survey. The scope of this survey is restricted to the civilian population of Australia aged 18 years and over.

Employed people are those aged 18 years and over who, during the reference week, worked for one hour or more for pay, profit, commission or payment in kind in a job or business or on a farm; or worked without pay in a family business, or who had a job but were not at work.

Unemployed people are those aged 18 years and over who were not employed during the survey reference week and had actively looked for work in the previous four weeks and were available to start work.

People who *usually work few hours* are those workers who usually work less than 16 hours a week (in all jobs).

Persons *not in the labour force* are those aged 18 years and over who are neither 'employed' nor 'unemployed'.

their hours. However, there are also many people without work who want a job and people working few hours who would prefer more hours of work. These people often face barriers to participating or to increasing their participation in the labour force. These barriers include lacking the necessary qualifications for available jobs, caring responsibilities and perceived discrimination.

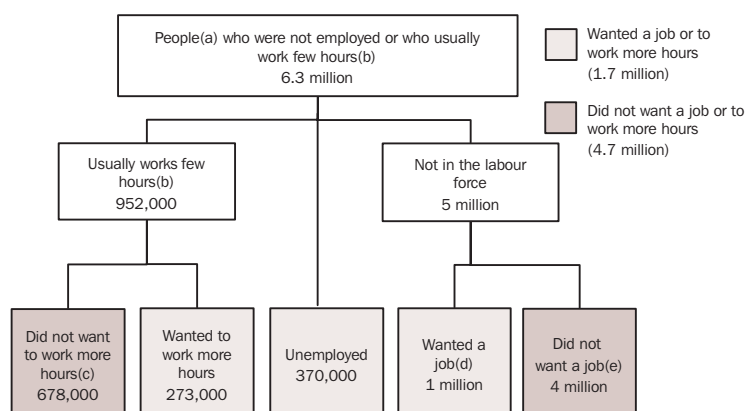
In 2006–07, there were 9.4 million Australians aged 18 years and over who usually worked 16 hours or more per week and 6.3 million who were either not employed or usually worked less than 16 hours each week. Among the latter group, about one-quarter (1.7 million) wanted a job or additional hours of work.

Before focusing on these 1.7 million people, this article briefly discusses the 4.7 million people who did not want a job or more hours of work in 2006–07.

People who did not want a job or more hours of work

In 2006–07, most people (74% or 4.7 million) who were not employed or who usually worked few hours did not wish to increase their level of labour force participation. Their reasons for not wanting to increase their participation varied. Many of those without

People(a) who were not employed or who usually work few hours(b) — 2006–07



- (a) Aged 18 years and over.
- (b) Less than 16 hours per week.
- (c) Includes people who did not know.
- (d) Includes people who answered 'maybe/it depends' when asked if they wanted a job.
- (e) Includes people who answered 'don't know/hadn't thought about it' when asked if they wanted a job.

Source: *Barriers and Incentives to Labour Force Participation, July 2006 to June 2007* (ABS cat. no. 6239.0).

People(a) who wanted a job or more hours: selected characteristics — 2006–07

	Males	Females	Persons
	%	%	%
Age group (years)			
18–24	20.8	17.1	18.5
25–44	31.0	43.4	38.7
45–64	33.0	32.2	32.5
65 and over	15.1	7.3	10.3
Labour force status			
Employed working few hours	15.8	17.0	16.5
Unemployed	26.6	19.8	22.4
Not in the labour force	57.7	63.1	61.0
Education(b)			
No non-school qualification	55.2	51.6	53.0
Certificate or diploma/Advanced diploma	30.8	33.5	32.5
Bachelor degree or above	13.3	13.1	13.2
Unpaid activities when not working(c)			
Caring for children(d)	36.2	69.9	56.9
Caring for someone with a long-term illness or disability	10.5	13.6	12.4
Caring for an elderly person	8.6	11.6	10.4
Other unpaid voluntary work	16.2	21.4	19.4
No selected unpaid activities	50.1	23.4	33.7
Total	100.0	100.0	100.0
	'000	'000	'000
Total	636.1	1 014.2	1 650.3

(a) Aged 18 years and over.

(b) Excludes a small number of people whose level of non-school qualification could not be determined.

(c) Refers to all unpaid activities, therefore people may appear in more than one category.

(d) Includes own children and children of others e.g. grandchildren.

Source: ABS 2006–07 Barriers and Incentives to Labour Force Participation Survey.

work were retired, while many of those working few hours were caring for children, were satisfied with their current arrangements, or were studying.

Those not in the labour force accounted for the vast majority (85% or 4 million) of people not wanting work (or more hours of work) in 2006–07. People not in the labour force tended to be older, with 19% aged 55–64 years, and 55% aged 65 years and over. Almost two-thirds (62%) were retired, while 21% had a long-term sickness or disability.

People who usually worked few hours represented the remaining 15% (or 678,000) of people not wanting to increase their labour force participation. These people comprised more than two-thirds (71%) of all people usually working few hours, suggesting that

this type of work arrangement suits the lifestyle and circumstances of many of these people.

People usually working few hours and not wishing to increase their hours were mostly women (79%). Around one-third (34%) of women in this group did not want more work because they were caring for children.

People who wanted a job or more hours

Many people without work want a job while others who are working few hours would prefer more hours of work. In 2006–07, there were 1.7 million people who wanted a job or more hours of work.

Most people who wanted a job or more hours were without work; with 22% unemployed (that is actively looking for and available to start work) and 61% not in the labour force. The remaining 17% were working fewer hours than they would like. A higher proportion of men than women who wanted a job or more hours were unemployed (27% and 20% respectively).

Of the 950,000 people who worked few hours, 29% wanted to work more hours. Men were more likely than women to want more hours of work (41% and 24% respectively).

...main source of income

The main source of income for people who wanted a job or more hours varied according to their labour force status. Not surprisingly, government pensions and allowances were a common source of income for those without work. About 56% of people not in the labour force who wanted work and 60% of unemployed people reported this as their main source of income. While wages and salaries were the main source of income for more than half of those people with a job wanting more hours, government pensions and allowances were reported as the main source of income by one-quarter (25%) of this group.

...people with qualifications

In 2006–07, people wanting a job or more hours of work were less likely to have a non-school qualification such as a Certificate or Bachelor degree (47%) than were employed people working 16 hours or more a week (64%).

...unpaid activities

More than three-quarters (77%) of the one million women and half of the 636,000 men who wanted a job or more hours of work were undertaking unpaid activities when they were not working. Caring for others, particularly children, was the most commonly reported unpaid activity. More than one-third (36%) of men and more than two-thirds (70%) of women who wanted a job or more hours of work reported caring for children as one of their unpaid activities when not working. Other caring responsibilities undertaken while not working included caring for people with long-term illnesses or disabilities (11% of men and 14% of women) and caring for the elderly (9% and 12% respectively).

Increasing labour force participation is generally beneficial for the economy. However, unpaid activities, such as caring for children or the elderly, undertaken by people with low, or no, hours of work, have considerable social and economic benefits. This is particularly important given Australia's ageing population which will in time increase the need for both formal and informal care (i.e. care provided by relatives and friends) for the elderly.³

Preferred weekly hours

While most people who wanted a job or more hours of work preferred part-time work, preferences for hours varied between men and women as well as by labour force status.

About four in five (82%) women and three in five (61%) men not in the labour force who wanted work reported that they would prefer to work part-time hours (i.e. 1–34 hours per week). The preference for part-time work among women was apparent across all age groups, reflecting the need for many women

to balance work with family caring responsibilities. Men who balance work and family responsibilities are more likely to do so through flexible working arrangements rather than through part-time work (see *Australian Social Trends, 2006*, Fathers' work and family balance, pp. 39–43).

Among the men who were not in the labour force and wanted a job, older men were more likely than younger men to prefer part-time work, with 73% of men aged 65 years and over preferring part-time work.

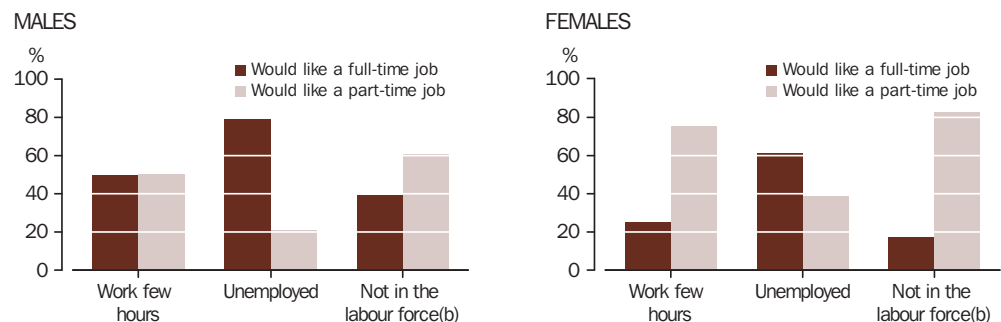
The average working hours preferred by women not in the labour force who wanted a job was 19.5 hours per week compared with 25 hours per week for men.

People who were unemployed were more likely than those not in the labour force to want full-time work, with 79% of unemployed men and 61% of unemployed women preferring full-time work.

Men who were working few hours and who wanted additional hours of work were twice as likely to prefer full-time hours (50%) as women (25%).

Older people who usually worked few hours were more likely to prefer part-time hours than their younger counterparts, reflecting the trend towards part-time work as a transition to retirement from the labour force. About four in five (82%) of those people aged 55 years and over preferred part-time work, compared with 57% of those aged 18–30 years.

People(a) who wanted a job or wanted to work more hours — 2006–07



(a) Aged 18 years and over.

(b) Excludes those who did not know or whose preference was not determined.

Source: ABS 2006–07 Barriers and Incentives to Labour Force Participation Survey.

Barriers to finding a job or more hours

People who wanted a job or more hours of work reported a variety of barriers to finding work (or more work). The barriers that people encountered differed according to their availability for work, and whether they were actively seeking work. Job search related difficulties were generally reported by those available and looking for work. Personal circumstances were more commonly reported by those not looking or not available for work.

...available and looking for work

In 2006–07, there were 512,000 people (56% of whom were women and 44% men) who wanted a job or more hours of work and were also available and looking for work (or more work). People identified a range of difficulties in finding suitable work. These included difficulties directly associated with the job search, such as a lack of job vacancies or suitable jobs, as well as associated personal circumstances, such as a lack of qualifications or experience, lack of access to transport or perceptions about the impact of age or disability.

The most common specific barrier reported by people in this situation was 'lacks necessary training, skills or experience' (15%). More than two-thirds of people who reported this as their main difficulty were women. 'No jobs with suitable conditions or arrangements' was another commonly reported difficulty (12%).

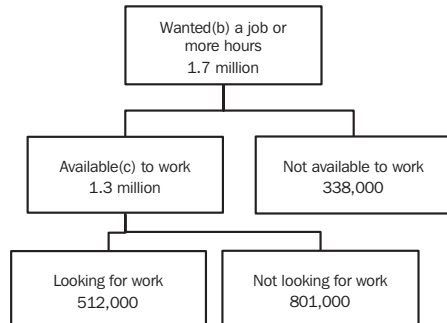
...available but not looking for work

In 2006–07, 61% (or 801,000) of the people who wanted a job or more hours and were available to start work were not actively looking for work (or more work). Most of this group were women (64%) and most were not in the labour force (87%).

Reasons for not looking for work (or more hours of work) varied according to age. Studying or returning to study was the main reason given by over half (58%) of those aged 18–24 years, while 'caring for children' was the most frequently reported main reason (40%) for people aged 25–44 years, the vast majority of whom were women. Being 'considered too old by employers' was the most common main reason (40%) reported by people aged 65 years and over.

Almost one in five (18%) of those people who wanted a job or more hours and were available to start but were not actively looking reported 'caring for children' as the main

People(a) who wanted a job or more hours — 2006–07



(a) Aged 18 years and over.

(b) Includes people who answered 'maybe/it depends' when asked if they wanted a job.

(c) In the reference week or within four weeks.

Source: *Barriers and Incentives to Labour Force Participation, July 2006 to June 2007* (ABS cat. no. 6239.0).

reason they were not looking for work. Many of this group expressed a preference for looking after their own children, while others nominated the cost of childcare, or difficulties with access to childcare, as the main reason that caring for children prevented them from looking for work (or more work).

...not available for work

In 2006–07, there were 338,000 people who wanted a job or more hours of work but were not available to start work in the reference week or within four weeks. People not in the labour force represented most (85%) of those not available, and two-thirds (64%) of those who were not available were women.

Men and women reported different reasons for not being available to start work (or more hours of work) within four weeks. Almost half (49%) of men reported 'long-term sickness or injury' as their main reason for not being available. In contrast, 44% of women reported 'caring for children'.

The reasons people were not available to start work (or more work) also varied according to age. 'Caring for children' was the most commonly reported reason for those aged 25–44 years (51%), while 'long-term sickness or injury' was the most common reason among people aged 45 years and over (41%).

Conclusion

Removing barriers to labour force participation and increasing the incentives for people to participate will become increasingly important as Australia prepares for the economic challenges of an ageing population.

Individuals' decisions about whether and how much to work will be shaped by their own circumstances along with the type of work and working arrangements available.

Endnotes

- 1 The Treasury, 2004, *Australia's Demographic Challenges*, viewed 25 February 2008, <http://demographics.treasury.gov.au/content/download/australias_demographic_challenges/australias_demographic_challenges.pdf>.
- 2 Abhayaratna, J and Lattimore, R, 2006, *Workforce Participation Rates – How Does Australia Compare?*, Productivity Commission Staff Working Paper, Canberra, viewed 25 February 2008, <http://www.pc.gov.au/_data/assets/pdf_file/0008/60479/workforceparticipation.pdf>.
- 3 Lymer, S, Percival, R and Harding, A, 2006, 'The cost of caring in Australia 2002 to 2005 – Who cares?' *AMP NATSEM Income and Wealth Report, Issue 13*, AMP, viewed 25 February 2008, <<http://www.amp.com.au>>.

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