

MEDIA RELEASE

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Age discrimination is on the decrease in the workforce

A new research report from the Financial Services Council shows discrimination towards older workers is on the decrease.

The report – *How Older Workers are Valued* – shows that Australian employers are viewing older workers as a more reliable source of skills and experience despite pressures from the broader economy.

John Brogden, CEO of the FSC said: “Our research strongly indicates that the labour market is adjusting and starting to embrace the skills and experience of older workers. This is a critical precursor to increasing the retirement age and boosting productivity.”

“Two years ago, 28 per cent of employees between 50 and 75 said they were discriminated against on the grounds of age. This has reduced to 18 per cent,” he said.

Training and upskilling for older workers is also on the increase. Sixty-seven per cent of older workers said they were offered training or upskilling by their employers compared with 39 per cent in 2012. The majority of older workers – 89 per cent – took up the training and upskilling offered by their employers.

“The good news is that employers are increasing their willingness to invest in older workers, and that older workers want to keep their skills current and applicable to workplace demands,” Mr Brogden said.

The report also shows that older people want to stay in the workforce longer – a decision which is increasingly being made regardless of their financial situation.

“By 2050, there will be 2.7 working Australians for every citizen over 65,” Mr Brogden said.

“We need to end the concept of full-time retirement. Australians remaining in the workforce for longer periods will stretch retirement incomes by supplementing superannuation through part-time work as well as reduce our nation’s skills shortage.”

“The retirement savings of Australians would be increased by \$200 billion for every year the Government increases the preservation age to keep people in work,” Mr Brogden said.

“Lifting the superannuation preservation age to at least 65 would improve public finances – more retirees will be self-funded, and the number of Australians on the Age Pension will reduce.”

The FSC recently recommended that the preservation age at which Australians can access their superannuation be increased to at least 65. The FSC said the Age Pension and preservation age should ultimately be linked to life expectancy, with advice from the Australian Government Actuary.

“A sustainable superannuation system goes hand in hand with a sustainable Age Pension system,”
Mr Brogden said.

KEY FINDINGS

- 66 per cent of older workers want to keep working regardless of their financial situation;
- 39 per cent of older workers want more flexibility in hours and remuneration;
- 54-64 year olds are far less satisfied that they have enough for retirement compared with those over 65;
- 18 per cent of older workers feel they have experienced discrimination based on age;
- 67 per cent of older workers have been offered training or upskilling by their employers;
- 41 per cent of older workers believe they should be paid more than younger employees based on their skills and knowledge, 43 per cent said they should be paid about the same;
- 57 per cent of older managers said they should be paid more.

The research was conducted for the Financial services Council by Kreab and Gavin Anderson.

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About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.