Older people keep working due to economic necessity in Australia

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Workers aged over 65 are increasingly remaining in employment or seeking work in Australia. They are the single fastest growing age group securing work—up by 11 percent in the past 12 months alone, according to a Nine Media report.

This is primarily due to financial necessity, produced by higher age pension qualification ages, falling real wages and inadequate superannuation retirement incomes. Instead of enjoying the right to retire after decades of labour, workers are being forced to keep going.

Age pension eligibility is rising in stages from 65 years of age to 67 by 2023, due to measures imposed by the Rudd Labor government in 2009. An increase to 70 years has been mooted, but not yet attempted by the current Liberal-National Coalition government.

Governments around the world are implementing similar retirement age increases. OECD countries on average have registered a three-year increase, from 63 years for men born in 1940, to 66 years for those born in the middle of the 1990s.

Existing pension arrangements are being declared unaffordable, purportedly due to ageing populations. In reality, retirement periods are being reduced as part of a broader offensive against all welfare entitlements, in order to slash corporate and income taxes, and push more workers into low-paid work.

In Australia, the labour force participation rate for those over 65 started to accelerate from around 2004. The rate for men aged over 65 increased from 10.1 percent in 2004 to 17.6 percent in 2018. The rate for women over 65 increased from 3.3 percent to 10.3 percent. The overall rate more than doubled from 6.2 percent to 13.7 percent.

A record 610,000 workers aged over 65 are in the paid workforce, either part time or full time. Many others are trying to obtain work. There has been a 39 percent jump in the number of unemployed over 65-year-olds seeking full-time employment, and total unemployment among these age group—of those seeking any kind of job—has grown by 27.9 percent.

Older workers are also taking on more than one job. Australian Bureau of Statistics figures show that between 2011–12 and 2016–17 the proportion of people over 60 working more than one job grew by 18 percent—4 percent more than the national average.

Many older people are returning to work to maintain a decent quality of life, after discovering they did not have enough savings for retirement, partly due to longer life expectancy. Between people born in 1940 and those born in the middle of the 1990s, life expectancy is projected to increase by six years on average.

Medical studies have proven that good health and life expectancy in older people is related to income. Moreover, some jobs are more physically demanding, and more damaging to health. Asking a construction worker, shop assistant or cleaner to keep working beyond 65 is very different from asking a company executive or professional worker.

There has been a media barrage promoting the “world of work” as more fulfilling than retirement. Yet when driven back into the labour force by harsh economic necessity, older workers are competing with younger workers and may have no choice but to accept minimum wage jobs.

Even when they qualify for the age pension, those renting privately often fall into debt and face poverty. At least 24 percent of aged pensioners do not own their own home. According to the Benevolent Society, older renters spend less on healthcare than those who own their homes. This is also true for insurance, utilities,

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vehicle fuel and food.

A federal government review of the retirement income system is due to start before December. The options floated include removal of the exemption on family homes in age pension means-testing. This would cut hundreds of thousands of people off the pension.

The age pension is a social right won by the struggles of workers in the past in the fight for decent retirement conditions. Since the introduction of compulsory superannuation by the Keating Labor government in 1992, however, the proportion of retirees receiving at least a partial age pension has declined. In 1997, 75 percent of older people received some age pension. By June 2017 it had declined to 66 percent.

In effect, superannuation payments come from workers' wages. This, combined with age pensions means-testing, forces workers to pay for their own retirement

Compulsory superannuation also funnels huge funds into the financial markets, currently totalling nearly $3 trillion. The trade unions fiercely defended Labor's introduction of compulsory superannuation and have directly benefitted by sitting on the boards of industry superannuation schemes.

The development of technology should mean working lives are shortened, but under the capitalist profit system, people are being driven to work longer. This is effectively punishing them for living longer.

The WSWS spoke to two workers aged over 65 who are still working. Geoff, 75, has worked part-time supervising university exams, a physically tiring job, for the past four years.

"My wife does it too," Geoff said. "We didn't have a home worth a fortune. When we sold it we got a bit of savings. Rarely do we get by a fortnight just on the pension.

"We're living in a retirement village, and although we bought our place, we pay a lease fee or rental. It is a fairly significant amount every fortnight, and it keeps going up. On top of that there is electricity. We bought a second-hand car. Our savings are dwindling fast. In our heyday we had a couple of cruises, but now we're down to a dangerous [financial] level... A lot of people are in our position, paying rent. And the pension doesn't keep up with energy bills.

"Working at the exams is rather tiring and it is getting harder for me, as I have arthritis, so I am often in considerable pain. Apart from the physical discomfort, it is not too testing for the brain. It's only for the money. I'm not doing it for love. Added to that, there is the transport getting there—all the time on crowded trains."

Graham, 68, is planning to keep working at his job in manufacturing, which he now does part time. "There is the economic factor," he said. "Superannuation keeps going backwards. We had financial advice about investment in pharmaceuticals, but the shares went down and never came back.

"When you have financial advice about retirement, you're asked: 'How much do you think that you need to live on?' I tried to work it out about three times. It is more than I thought. Then the renewal comes up for the car insurance. You are supposed to look for better deals. The same with health insurance, power bills."

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