

Tuesday, 23 February 2021

## Workforce participation turbo-charged by COVID-19 but those aged 18-24 still most likely to be unemployed

A new way of looking at employment – that recognises not everyone is ‘in the workforce’ (employed or looking for work) reveals employment is increasingly more likely with each successive age group peaking at 81% of those aged 35-49 before declining after that as Australians enter retirement.

In contrast, unemployment is most common for younger Australians aged 18-24, 17% of whom were unemployed in January followed by people aged 14-17, 13% of whom were unemployed.

Clearly each age group is dealing with different challenges and motivations as we progress through life with younger Australians aged 14-17 far more likely to be students than any other age group while a large majority of people aged 65+ (86%) are retired.

Traditional employment and unemployment statistics consider only the workforce, but that excludes nearly a third of Australians who aren't a part of the workforce at all and may be studying, retired, on home duties, or none of the above and just not working.

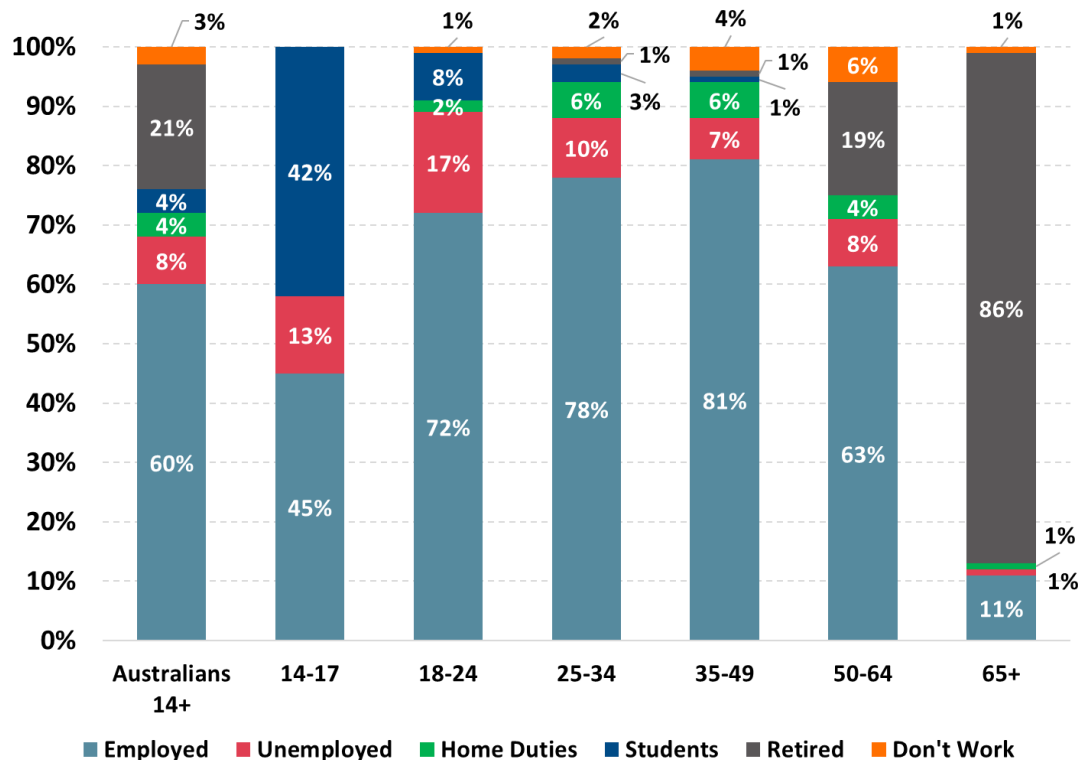
Overall, just over two-thirds of Australians (68%) were a part of the workforce of 14.4 million in January including 60% who were employed and a further 8% unemployed. As a proportion of the workforce (8% unemployed divided by 68% in the workforce) that equates to an unemployment rate of 11.7% in January.

The Australian workforce participation rate has been near record highs of around 68% in recent months as Australia emerges from the worst of the COVID-19 pandemic. This compares to an average participation rate from 1999-2003 of around 60% and an average of 66% from 2018-2019.

[Click here for detailed information on Roy Morgan's latest January unemployment estimates.](#)

Just under a third of Australians (32%) were not a part of the workforce in January including 21% who were retired, 4% who were students, 4% on home duties and a further 3% who don't work.

### Work status by age group – January 2021



Source: Roy Morgan Single Source January 2021, n=6,086. Base: Australians 14+.

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## Workforce participation is highest amongst Australians across the three age groups aged 18-49

Overall, 89% of people aged 18-24 are in the workforce (72% employed and 17% unemployed), 88% of people aged 25-34 are in the workforce (78% employed and 10% unemployed) and 88% of people aged 35-49 are in the workforce (81% employed and 7% unemployed).

Workforce participation drops to 71% of people aged 50-64 (63% employed and 8% unemployed) and only 12% of people aged 65+ (11% employed and 1% unemployed).

Just over half (58%) of young Australians aged 14-17 are in the workforce including 45% who are employed and 13% who are unemployed. Those who are reported as either employed or unemployed in this age group are almost all students as well but are students who have a part-time job or are looking for work. The 42% of people in this age group who are reported as students are not a part of the workforce.

## Of 6.8 million Australians not in the workforce, most are retired and aged 65+

Workforce participation drops off after the age of 50 and 29% of Australians aged 50-64 aren't in the workforce being either retired (19%), not working and not looking for a job (6%) and a further 4% on home duties.

The great majority of 86% of Australians aged 65+ are retired. This is a large cohort of Australians numbering some 3.6 million – and represents over half of all people not in the workforce.

This leaves 12% of Australians aged 65+ who are in the workforce and a further 1% who are on home duties and 1% who don't work and aren't looking for a job.

## Michele Levine, CEO Roy Morgan, says a workforce participation rate of 68% hides the big differences between different age groups with participation at nearly 90% for some age groups:

*“Analysing the workforce by age groups shows nearly 90% of those aged 18-49 are in the workforce with only a small proportion of people in this age range either don't work and aren't looking for work, on home duties, already retired or studying without also working.*”

*“Workforce participation for people aged 50-64 is 71% and marginally higher than the national average. Nearly a fifth of this age group, 19%, are already retired. Only 12% of those aged 65+ are still in the workforce with 86% of people in this age group in retirement.*”

*“Significantly for the future course of the Australian economy there are almost 4.5 million retirees spread across these two age groups (50-64 and 65+) which is over one-in-five Australians. This number is set to grow significantly over the years ahead as Baby Boomers, now aged primarily in their 60s, continue to enter retirement.*”

*“These figures show that one of the most direct impacts of the COVID-19 pandemic is to accelerate the trends of the last twenty years and increase workforce participation to record highs as immigration to Australia has plunged and many foreigners on working visas have departed.*”

*“The acceleration of the long-term trend over the last twenty years provided by COVID-19 means the workforce participation rate of those aged 18-49 is now approaching 90%. Given the high workforce participation rates for people aged under 50 the future growth in the Australian workforce is set to come from Australians staying in the workforce longer as they get older as well as immigration – when it resumes following the COVID-19 pandemic.”*

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## ROY MORGAN MEASURES REAL UNEMPLOYMENT IN AUSTRALIA NOT THE 'PERCEPTION' OF UNEMPLOYMENT – JUNE 8, 2012

The Roy Morgan Unemployment estimate is obtained by surveying an Australia-wide cross section by face-to-face interviews. A person is classified as unemployed if they are looking for work, no matter when. The results are not seasonally adjusted and provide an accurate measure of monthly unemployment estimates in Australia.

The Australian Bureau of Statistics Unemployment estimates are obtained by mostly telephone interviews. Households selected for the ABS Survey are interviewed each month for eight months, with one-eighth of the sample being replaced each month. The first interview is conducted face-to-face. Subsequent interviews are then conducted by telephone.

The ABS classifies a person as unemployed if, when surveyed, they have been actively looking for work in the four weeks up to the end of the reference week and if they were available for work in the reference week.

**The ABS classifies a person as employed if, when surveyed, a person worked for one hour or more during the reference week for pay, profit, commission or payment in kind, or even if a person worked for one hour or more without pay in a family business or on a farm.**

The Australian Bureau of Statistics Unemployment estimates are also seasonally adjusted.

For these reasons the Australian Bureau of Statistics Unemployment estimates are different from the Roy Morgan Unemployment estimate. Gary Morgan's concerns regarding the ABS Unemployment estimate is clearly outlined in a 2012 letter to the Australian Financial Review, which was not published.

<http://www.roymorgan.com/~media/Files/Papers/2012/20120603.pdf>

**Contact Roy Morgan to learn more about Australia's unemployed and under-employed; who and where they are, and the challenges they face as they search for employment opportunities.**

**Visit the Roy Morgan Online Store to purchase employment profiles, including for Australians who are employed, unemployed, under-employed, employed part-time, employed full-time, retired, studying and many more.**

### Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. The following table gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. The figures are approximate and for general guidance only and assume a simple random sample. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	% Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
50,000	±0.4	±0.4	±0.3	±0.2