



**Labour Force Participation of New Zealanders  
Aged 65 Years and Over, 1986–2006**

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## **Preface**

This study uses census data to examine and discuss trends in the labour force participation of older New Zealanders (aged 65 years and over). The analysis spans the 20-year period 1986–2006, which witnessed some major changes in the New Zealand economy, retirement policies, the labour market, immigration policy, as well as dramatic shifts in our external migration balance, making the disentangling of the 'cause and effect' relationship a challenging task.

While this report was still in its final stages, the world suddenly faced a global financial crisis. Its likely economic fallout, especially the downsizing or possible closure of companies, staff lay-offs, and a tightening job market, could mean somewhat limited employment prospects for older workers in the immediate future. This makes reliable extrapolation of recent trends into the foreseeable future rather problematical, if not impossible.

This report was prepared by Mansoor Khawaja and Bill Boddington of the Social and Population Statistics group. Statistics New Zealand welcomes comments from readers, as these will be useful in updating the study's findings when the data from the 2011 Census of Population and Dwellings become available.



Geoff Bascand  
**Government Statistician**

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Percentage movements are, in a number of cases, calculated using data of greater precision than published. This could result in slight variations.

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On occasion, figures are rounded to the nearest thousand or some other convenient unit. This may result in a total disagreeing slightly with the total of the individual items as shown in tables. Where figures are rounded the unit is in general expressed in words below the table headings, but where space does not allow this the unit may be shown as (000) for thousands, etc.

All business counts in this report have been randomly rounded to base 3 to protect the confidentiality of respondents. For this reason not all figures will sum to stated totals.

### Source

All data is compiled by Statistics New Zealand, except where otherwise stated. Both administrative and survey data had been used in this report.

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## 1. Highlights

- A growing proportion of older New Zealanders are continuing to work beyond the age of entitlement for New Zealand Superannuation (65 years).
- In 2006, 17 percent (or one in six) of New Zealand residents aged 65 years and over (65+) were in the labour force, up from less than 7 percent in 1986.
- Among Organisation for Economic Co-operation and Development (OECD) countries, New Zealand has one of the highest labour force participation rates for the 65+ age group.
- Older men are twice as likely to be in paid employment as older women.
- A larger number of older people worked part time than full time. Older women are far more likely than older men to work part time.
- Among youngest superannuitants (aged 65–69 years), 43 percent of men and 25 percent of women were in the labour force in 2006.
- Older New Zealanders are extending their working life. The labour force participation rate for 70–74-year olds in 2006 was the same as the rate for 65–69-year olds in 1996.
- Māori aged 65 years and over are more likely to be in the labour force than their European counterparts.
- Education seems to enhance the prospects of working beyond age 65. Among older men, one in three with a university qualification was employed, compared with one in five of older men with no qualification.

## 2. Introduction

Trends in the employment patterns of mature workers have been the subject of a number of recent studies in New Zealand (for example, see Department of Labour, 2007; Haig, 2007; Hurnard, 2005; Statistics New Zealand, 2007d, pp 15–27, 2007). Using the Household Labour Force Survey as the main data source, they analysed the work experience of New Zealanders aged 45–64 years during the 1980s and 1990s, highlighting the effect of economic restructuring, the shift in public policy on retirement age, notably in the age of eligibility for New Zealand Superannuation and retirement pattern.

Few analyses have assessed the labour force participation of New Zealanders aged 65 years and over. This is not surprising as prior to 1991, or more specifically between 1977 and 1991, the minimum age for New Zealand Superannuation (the state-funded pension) was 60 years. Workers were generally expected, or were forced to retire after about 40 years of service while still in their mid- or late-50s, although this was sometimes regarded as a waste of accumulated knowledge and experience. In some European countries (eg Belgium), early retirement was encouraged to provide job opportunities for school leavers. Despite the prevailing ageist attitude, some, probably a small number, continued working, finding alternative employment, often because of economic necessity (eg low lifetime savings, marriage breakdown, or to maintain a higher living standard).

During 1992–2001, an increase in the minimum age for New Zealand Superannuation was phased in gradually, from 60 to 65 years. Also, the Human Rights Act came into effect in February 1999, which outlawed the compulsory retirement age. These factors, along with a more favourable economic environment and prevailing skill shortages, probably allowed many older New Zealanders to postpone retirement and extend their working life.

Given these developments, it is important to examine recent trends in the labour force participation of New Zealand residents aged 65 years and over. The focus is on the 20-year period from 1986 to 2006. The year 1986 is taken as the starting point for this analysis, as the available evidence points to a significant impact of the economic restructuring of the late 1980s and the early 1990s and the resulting staff lay-offs on mature workers. It disproportionately affected men, unskilled workers, Māori Pacific peoples, and those in secondary industries. Many were unable to find alternative employment, and probably decided to retire altogether, while others remained unemployed for a period and faced an uncertain future. As a consequence, their labour force participation rate fell to a new low. In contrast, by 2006 the higher age of eligibility for New Zealand Superannuation was well in place, and New Zealand was experiencing a period of relative economic prosperity and low unemployment.

### 3. Methodology

This analysis draws on statistics on labour force participation (full-time employed, part-time employed, unemployed and not in the labour force) collected in the five-yearly Census of Population and Dwellings between 1986 and 2006. Census data was chosen because of its broader scope and its ability to provide an insight into variations in employment/unemployment patterns, and an analysis of trends by age, sex, ethnicity, education, etc.

The census definition of labour force covers people aged 15 years and over who regularly work for one or more hours per week for financial gains, or who are unemployed and seeking either full-time or part-time work. It includes people who worked without pay in work that contributed directly to the operation of a farm, business, or professional practice owned or operated by a relative. It also includes people who had a job but were not at work due to illness or injury, personal or family responsibilities, bad weather or mechanical breakdown, direct involvement in an industrial dispute, being on leave or holiday. It excludes unpaid voluntary work.

As an example, table 1 sets out the figures for various labour force categories from the latest census. The 2006 Census enumerated 495,600 people aged 65 years and over usually resident in New Zealand. They made up about 12 percent of all New Zealanders. Of these, 81,400 or 16.8 percent were employed, about 1,200 (0.2 percent) were unemployed (but actively seeking work), while the majority (400,600 or 82.9 percent) were not in the labour force. The analysis excludes 12,500 residents for whom 'work and labour force status' could not be identified. The 2006 Census analysis in this study focused on the 82,500 residents who were in the labour force at the 2006 Census of Population and Dwellings.

Table 1

**Work and Labour Force Status by Employment Status and Sex**  
*Population aged 65 years and over*  
 2006 Census

Work and labour force status by status in employment	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
<b>Employed full time</b>						
Paid employee	12,111	5.6	5,727	2.1	17,832	3.7
Employer	4,809	2.2	903	0.3	5,709	1.2
Self-employed and without employees	8,598	4.0	1,701	0.6	10,299	2.1
Unpaid family worker	1,956	0.9	1,026	0.4	2,979	0.6
Not elsewhere included	1,497	0.7	957	0.4	2,451	0.5
<b>Total employed full time</b>	<b>28,968</b>	<b>13.5</b>	<b>10,311</b>	<b>3.8</b>	<b>39,279</b>	<b>8.1</b>
<b>Employed part time</b>						
Paid employee	8,739	4.1	9,747	3.6	18,489	3.8
Employer	1,200	0.6	798	0.3	1,998	0.4
Self-employed and without employees	6,630	3.1	3,420	1.3	10,053	2.1
Unpaid family worker	2,271	1.1	2,163	0.8	4,434	0.9
Not elsewhere included	2,940	1.4	4,179	1.6	7,119	1.5
<b>Total employed part time</b>	<b>21,780</b>	<b>10.1</b>	<b>20,310</b>	<b>7.6</b>	<b>42,090</b>	<b>8.7</b>
<b>Total employed</b>						
Paid employee	20,850	9.7	15,471	5.8	36,321	7.5
Employer	6,009	2.8	1,698	0.6	7,710	1.6
Self-employed and without employees	15,228	7.1	5,124	1.9	20,349	4.2
Unpaid family worker	4,227	2.0	3,189	1.2	7,416	1.5
Not elsewhere included	4,437		5,136		9,573	
<b>Total employed</b>	<b>50,748</b>	<b>23.6</b>	<b>30,621</b>	<b>11.4</b>	<b>81,369</b>	<b>16.8</b>
<b>Unemployed</b>	765	0.4	408	0.2	1,173	0.2
<b>Not in the labour force</b>	<b>163,590</b>	<b>76.1</b>	<b>236,994</b>	<b>88.4</b>	<b>400,584</b>	<b>82.9</b>
<b>Work and labour force status unidentifiable</b>	<b>6,036</b>	<b>...</b>	<b>6,438</b>	<b>...</b>	<b>12,477</b>	<b>...</b>
<b>Total</b>	<b>221,142</b>	<b>100.0</b>	<b>274,461</b>	<b>100.0</b>	<b>495,603</b>	<b>100.0</b>

Symbol: ... not applicable

#### 4. Older citizens in the labour force: A trend analysis

A great majority of the 65+ age group are superannuitants – New Zealand residents are entitled to the state-funded pension upon reaching 65 years of age, provided they meet the residency qualification. Many have already made a transition to retirement. However, a growing number are extending their working life and continuing in paid employment either on a full-time or part-time basis. This study reports on their work patterns and unemployment, but does not cover their contribution to voluntary or unpaid activities.

In terms of the labour force participation of the 65+ age group, the late 1980s was a low point in New Zealand's modern economic history, and is taken as a benchmark for this demographic analysis.

During the 20-year period from 1986 to 2006, the number of New Zealanders aged 65 years and over in the labour force increased, from 21,800 to 82,500 (up 60,700 or 278 percent). Table 2 also shows that over half of this large growth was recorded in the latest intercensal period from 2001 to 2006, which coincided with yet another upturn in net migration to Australia, skill shortages, a fairly buoyant economy, and a housing boom.

**Table 2**

**Labour Force Participation**  
*Population aged 65 years and over*  
1986–2006 Censuses

Census year	Population aged 65+ in labour force		Labour force participation rate <sup>(1)</sup>	Percentage of total labour force aged 65+
	Number	Increase		
1986	21,828	...	6.4	1.4
1991	22,632	804	6.0	1.4
1996	37,719	15,087	9.2	2.1
2001	50,745	13,026	11.6	2.7
2006	82,545	31,800	17.1	3.9

(1) Number of persons aged 65+ in the labour force as a percentage of all persons aged 65+.

**Symbol:** ... not applicable

Two further points should be noted here. During 1986–2006 the total New Zealand labour force grew by nearly half a million (or 30 percent) to reach 2.09 million in 2006. Although the 65+ age group made up only 1.4 percent of the New Zealand labour force in 1986, they accounted for 13 percent of the growth in the total labour force over the next two decades.

More importantly, in each of the four five-year intercensal periods involved, the growth of the older labour force outpaced that of the total labour force as more superannuitants joined their ranks, and fewer chose to leave paid employment. In fact, there was a drop in the total labour force during 1986–91 as economic restructuring took its toll. In the

remaining three intercensal periods, the growth in the older labour force (eg 63 percent during 2001–06) was over five times that (12 percent) for the total labour force.

In principle, two demographic factors contributed to this growth. One, during this 20-year period more people reached the age of 65 years: the number of New Zealanders aged 65+ years was 342,000 at the 1986 Census, and 496,000 at the 2006 Census, a rise of 154,000 (or 45 percent).

The second and more dominant factor was that a larger number of older citizens continued working, that is, they did not retire from their main job, or they worked part time, or found alternative employment. This is reflected in the significant upturn in the labour force participation rate (see the last column in table 2). The participation rate in 2006 (17.1 percent) was roughly three times the low of 6.0 percent in 1991. In other words, by 2006 one in six older New Zealanders were working. A simple calculation suggests that without this upturn, there would have been just 32,000 people aged 65+ years in the labour force in 2006 – 50,000 fewer than the census figure of 82,500.

Factors that contributed to the greater participation of older persons in the labour force included favourable employment conditions: more employers willing to accommodate part-time workers, flexible working hours, and casual or contract labour, especially in the growing service industry. Similarly, the abolition of mandatory retirement age, the lifting of the minimum age for New Zealand Superannuation to 65 years, and the lack of sufficient savings coupled with the prospects of living longer, probably persuaded many mature workers to extend their working life. The remaining expectation of life for New Zealand males at age 65 years, which had remained virtually unchanged at around 12.8 years during 1951–75, rose steadily thereafter (Statistics New Zealand, 2004). According to the official 2005–07 life tables, the remaining life span for New Zealand males at age 65 now stands at 18.0 years, a gain of five years. Similarly, older women have gained four years since the mid-1970s, and their remaining life expectancy at age 65 now stands at 20.6 years (Statistics New Zealand, 2008b).

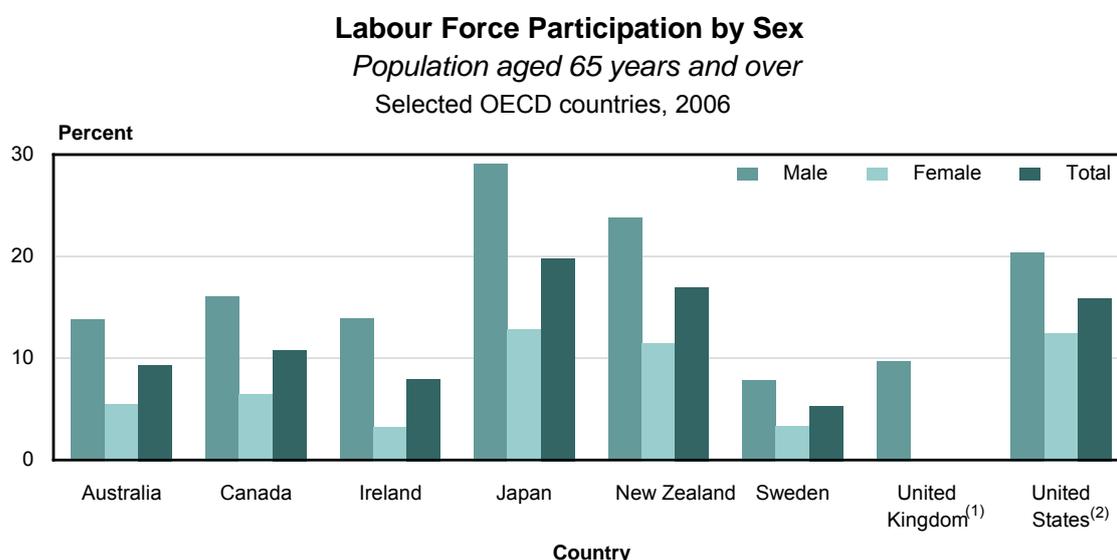
New Zealanders aged 65+ years in the labour force made up 3.9 percent of the total labour force at the 2006 Census, compared with just 1.4 percent in 1986.

## 5. International comparison

Figure 1 compares the recent labour force experience of older men and women in New Zealand and selected countries. The indexes should be interpreted with caution because of the prevailing differences in pensionable age, and the impact on the pension entitlement of working beyond that age.

Japan, which has the highest life expectancy, also has the highest labour force participation rate at 20 percent, or one in five older Japanese working. At 17 and 16 percent, respectively, New Zealand and the United States were not far behind. By comparison, in Australia, Ireland, Sweden and the United Kingdom, less than 10 percent of older people were in the labour force.

**Figure 1**



(1) Data for females and total population not available.

(2) US data is for 2007.

Not surprisingly, in these countries older men were more likely to be employed than older women. In most cases, men's rate of labour force participation was twice that for women. In Japan, about 30 percent (or three in ten) of older men were in the labour force, followed by New Zealand (24 percent), the United States (21 percent), and Canada (16 percent). In Japan, New Zealand and the United States, between 12 and 13 percent of older women were also in paid employment. This compared with a low figure of about three and a half percent in Ireland and Sweden.

## 6. Male-female differentials

While superannuitants of both sexes in New Zealand are extending their working life, older men are more likely to be employed than older women. Between 1986 and 2006, the labour force participation rate for men aged 65+ years more than doubled, from 11 percent to 24 percent (see table 3). By the end of the 20-year period, one in four older men was employed. In relative terms, the rise was considerably larger for older women, who had much lower initial participation rates. By 2006, over five times as many older women were working as in 1986 – 31,000 compared with fewer than 6,000. Their labour force participation rate in 2006 (12 percent) was four times the corresponding rate two decades earlier (3 percent).

**Table 3**

**Labour force Participation by Sex**  
*Population aged 65 years and over*  
1986–2006 Censuses

Census year	Population aged 65+ in labour force		Labour force participation rate <sup>(1)</sup> %
	Number	Increase	
<b>Male</b>			
1986	16,104	...	11.2
1991	16,587	483	10.3
1996	25,434	8,847	14.4
2001	33,483	8,049	17.5
2006	51,513	18,030	23.9
<b>Female</b>			
1986	5,724	...	2.9
1991	6,042	318	2.8
1996	12,285	6,243	5.2
2001	17,265	4,980	7.0
2006	31,029	13,764	11.6

(1) Number of persons aged 65 + in the labour force as a percentage of all persons aged 65+.

**Symbol:** ... not applicable

Overall, these divergent trends have resulted in a significant narrowing of the sex differential in employment at older ages. At the 1986 Census, women made up 26 percent (or one-quarter) of the older labour force in New Zealand. Two decades later, at the 2006 Census, the corresponding figure was 38 percent. Older women still have markedly lower labour force participation rates, which are less than half of those for their older male counterparts – 12 percent as against 24 percent – but they are far more likely to be working outside home than their mothers or aunts before them.

## 7. Full-time and part-time work

The incidence of disability and the impact of degenerative processes increase significantly beyond middle age. For this and other reasons (including lifestyle choice, economic necessity), part-time work has always been more common among older workers, with evidence suggesting that they are more than twice as likely to be working part time as those aged 15–64 years.

At the 2006 Census, for example, 45 percent of the 65+ population reported a disability, compared with 20 and 9 percent, respectively, of those aged 45–64 years and 15–44 years (Statistics New Zealand, 2007a). Mature workers are also more likely to sustain work-related injury: according to Accident Compensation Corporation (ACC) figures in 2006 (Statistics New Zealand, 2007b), approximately one in five did, compared with one in eight for the workforce as a whole.

At the 1986 Census, of the 20,800 employed people aged 65 years and over, about 60 percent were working full time (30 hours or more per week), and the remaining 40 percent were working part time (see table 4), perhaps because in a recessionary environment casual or part-time work is hard to come by. The trend reversed in 1996, and successive censuses have found increasing numbers of older New Zealanders working part time than full time, which may be attributed partly to the growth of service industries. Additionally, during 1986–2006, growth in part-time work made a relatively larger contribution (56 percent) to the increase in the number of employed pensioners. By 2006, 52 percent of older New Zealanders were employed part time, and 48 percent were working full time.

**Table 4****Full-time and Part-time Employment by Sex***Population aged 65 years and over*

1986–2006 Censuses

Census year	Full-time employment		Part-time employment		Part-time as percentage of total employed
	Number	Percentage increase	Number	Percentage increase	
<b>Male</b>					
1986	9,960	...	5,478	...	35.5
1991	9,927	-0.3	6,369	16.3	39.1
1996	12,303	23.9	12,660	98.8	50.7
2001	17,913	45.6	15,030	18.7	45.6
2006	28,968	61.7	21,780	44.9	42.9
<b>Female</b>					
1986	2,481	...	2,925	...	54.1
1991	2,415	-2.7	3,519	20.3	59.3
1996	3,822	58.3	8,205	133.2	68.2
2001	5,508	44.1	11,478	39.9	67.6
2006	10,311	87.2	20,310	76.9	66.3
<b>Total</b>					
1986	12,441	...	8,403	...	40.3
1991	12,342	-0.8	9,891	17.7	44.5
1996	16,128	30.7	20,865	110.9	56.4
2001	23,424	45.2	26,508	27.0	53.1
2006	39,279	67.7	42,090	58.8	51.7

**Symbol:** ... not applicable

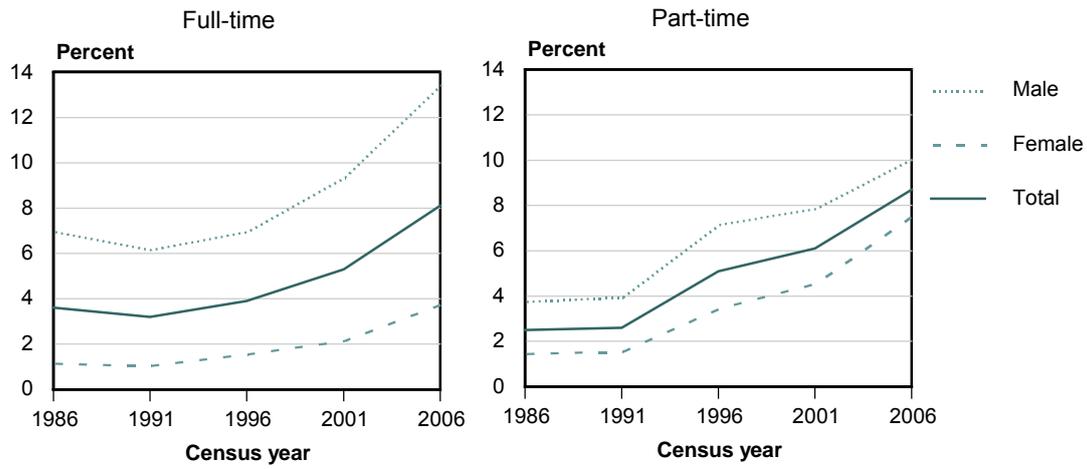
There is also a strong sex differential. Among older workers, women are far more likely than their male counterparts to be employed part time than to be working full time, and this is reflected in a significant growth in the number of older women pursuing part-time work, up from less than 3,000 in 1986 to over 20,000 in 2006 (see table 4). This factor alone contributed nearly 30 percent to the total growth in the number of employed older people between 1986 and 2006. At the 2006 Census, two-thirds of employed women worked part time compared with just over two-fifths of employed men. Among employed older women, part-time workers (20,300) outnumbered full-time workers (10,300) by two to one. In contrast, among men, more were employed full time (29,000) than part time (22,000).

Labour force participation rates provide an additional measure of the sex differential among older workers and confirm the overall picture (see figure 2). For instance, the economic restructuring in the late 1980s and staff lay-offs largely affected full-time employees – of these, men were more affected than women. It is possible that some full-time workers reduced their working hours or were forced to work shorter hours. Subsequent recovery was slow, but picked up significantly in the new millennium. Among women, the recovery has been more pronounced for part-time than full-time workers, either because more casual or part-time work became available, or a larger number of older workers negotiated to work reduced hours. Among men, the rate of part-time employment roughly trebled from 3.8 percent in 1986 to 10.1 percent in 2006, while the full-time employment rate doubled to 13.5 percent. At the 2006 Census, more

men were still employed full time than part time. In relative terms, women made greater strides than men. Over the 20-year period from 1986 to 2006, women’s full-time employment rate more than trebled from a low of 1.2 percent to 3.8 percent, while the part-time employment rate went up five times to 7.6 percent. Women are far more likely to work part time than full time, but the gender gap in employment rates in both categories has narrowed.

**Figure 2**

**Employment by Sex**  
*Population aged 65 years and over*  
1986–2006 Censuses

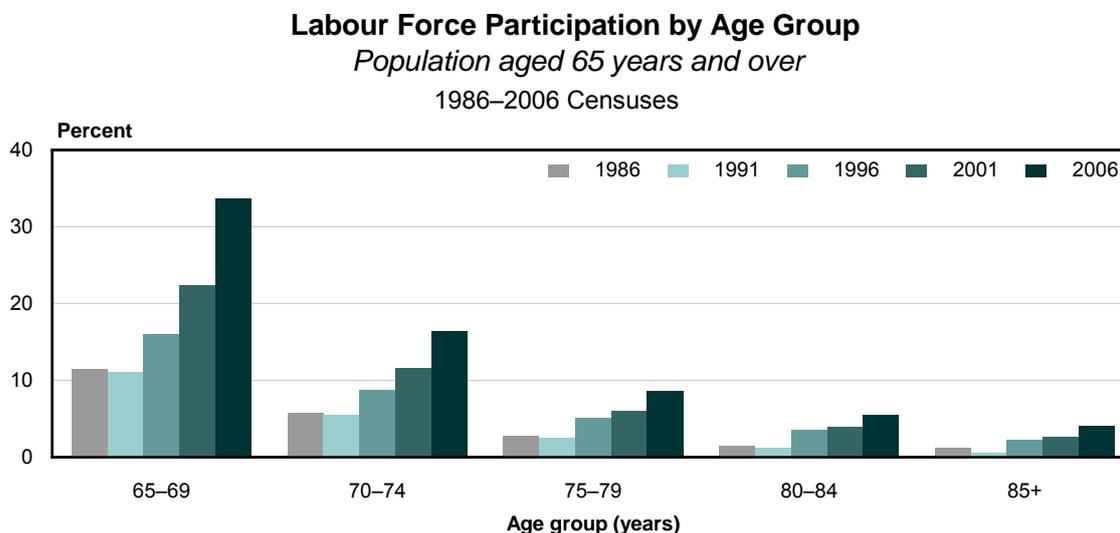


## 8. Age variations in work pattern

Age analysis indicates the expected pattern of fewer older people remaining in the labour force with advancing age. At the 2006 Census, 33.9 percent (or one in three) of 65–69-year olds were in the labour force (see figure 3). This was followed by a steep decline with increasing age, so that among those aged 80 years and over, 6 percent (or one in 17) were working. A majority (70 percent) of the 80+ age group who were in the labour force were employers, self-employed, or unpaid family workers.

Looking at the 20-year period under review (1986–2006), the employment rates for each age group virtually trebled, presumably reflecting the combined impact of advances in life expectancy and the expectation of a longer life in retirement, skill shortages in recent years, and to a degree the rise in the age of eligibility for New Zealand Superannuation.

**Figure 3**



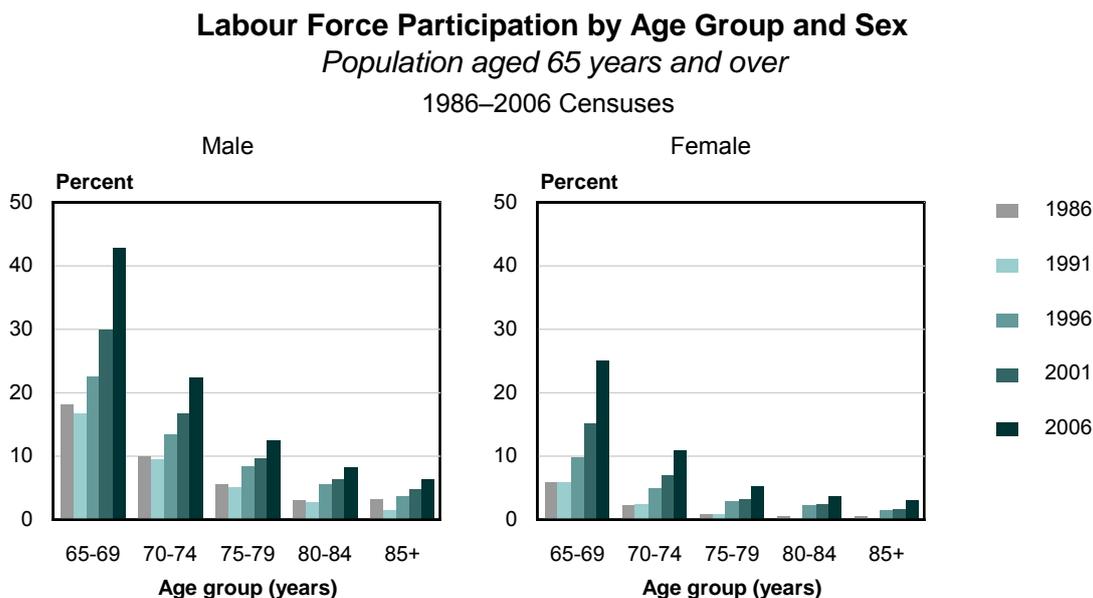
Overall, what this suggests is that a growing proportion of superannuitants were delaying their exit from the labour force and extending their working life. Two specific examples illustrate this emerging phenomenon. The labour force participation rate in 2006 of those aged 70–74 years (16.5 percent) exceeded the participation rate of those aged 65–69 years (16.1 percent) in 1996. In other words, the new 70–74-year age group is the old 65–69-year age group of a decade ago. Similarly, the labour force participation rate in 2006 of those aged 75–79 years (8.7 percent) was almost the same as the rate (8.9 percent) for those aged 70–74 years in 1996, which lends itself to a similar conclusion as above.

Another interesting way of capturing this feature is by comparing the participation rate of a cohort with their experience a few years later. The analysis is somewhat crude, because it does not allow for the effect of mortality, migration, or the re-entry into the workforce of some members because of a more favourable job market. As an example, the participation rate of the cohort aged 65–69 years in 2001 was 22.5 percent, and their participation rate in 2006 when they were aged 70–74 years was 16.5 percent. This indicates that about three in four of the original cohort were still working five years later. Repeating this exercise, we found that three-quarters of the 70–74-year olds in 2001 were still in the labour force at ages 75–79 years in 2006.

## Analysis by age group and sex

Figure 4 analyses the changes in work patterns by age group and sex during 1986–2006. In all five age groups, the rise in labour force participation rates have relatively been far more pronounced for women, who had much lower initial rates. For men in the 65–69-year age group, the labour force participation rate increased by 134 percent between 1986 and 2006, while that for women more than quadrupled, from just 3 percent to 25 percent. By 2006, 43 percent of men and 25 percent of women aged 65–69 years were working.

**Figure 4**

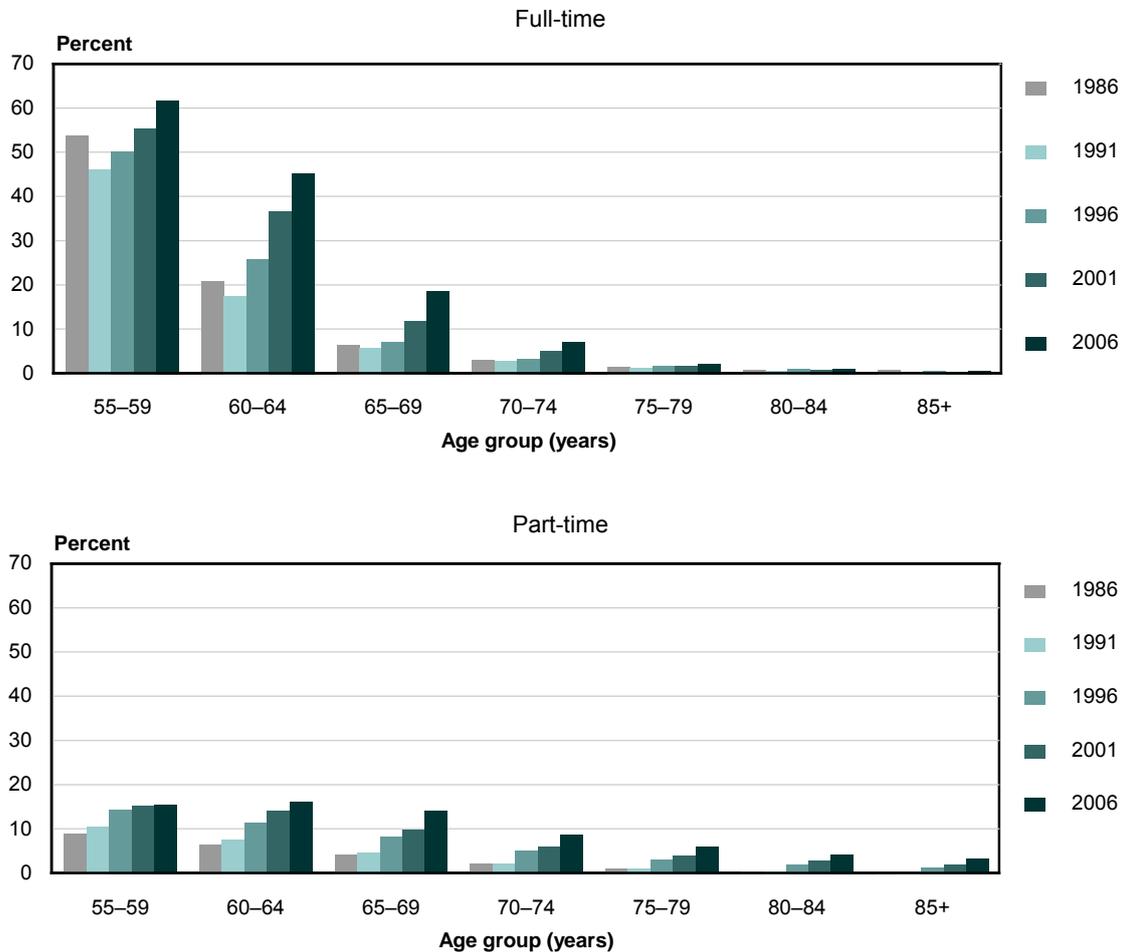


Equally significant are the rises for men and women in their seventies. The rates for men doubled, while those for women went up three to four times. Over 22 percent of men and 11 percent of women aged 70–74 years were in the labour force in 2006. At ages 75–79 years, the corresponding figures were 12.7 percent and 5.4 percent, respectively, and included many who were self-employed, employers, or working in a family business. However, despite the narrowing of the gender gap in labour force participation, women are still less likely to be working than men.

In brief, not everyone leaves work or retires upon reaching pensionable age. More and more older New Zealanders are extending their working life – some perhaps in their lifetime career, while others, as a growing body of literature suggests, are finding a different occupation or activity. But they are still in a minority – although a growing one. Before or after reaching pensionable age, a majority leave work possibly due to ill health, or they may have a partner who is retired, or they want to spend more time with family, travel, or pursue hobbies or interests they have previously postponed, including voluntary work.

**Figure 5**

**Employment by Age Group**  
*Population aged 55 years and over*  
 1986–2006 Censuses



The two graphs in figure 5 illustrate changes in full-time and part-time employment for various age groups. Looking at the 2006 figures, the drop in the full-time employment rate notable at ages 60–64 (before the entitlement for superannuation) gathers pace with increasing age. It should be noted that while the increase in the age for superannuation was being phased in during the 1990s, more and more workers aged 60–64 years were opting to stay in full-time employment. By 2001, over twice as many were working on a full-time basis than in 1991 – 37 percent as against 18 percent. The figure for 2006 was higher still, at 45 percent.

While there has been a tendency among 65–59-year olds for greater participation in full-time employment, the figure in 2006 was just 19 percent (or less than one in five). This proportion exceeded the corresponding figure for 60–64-year olds in 1991 (18 percent).

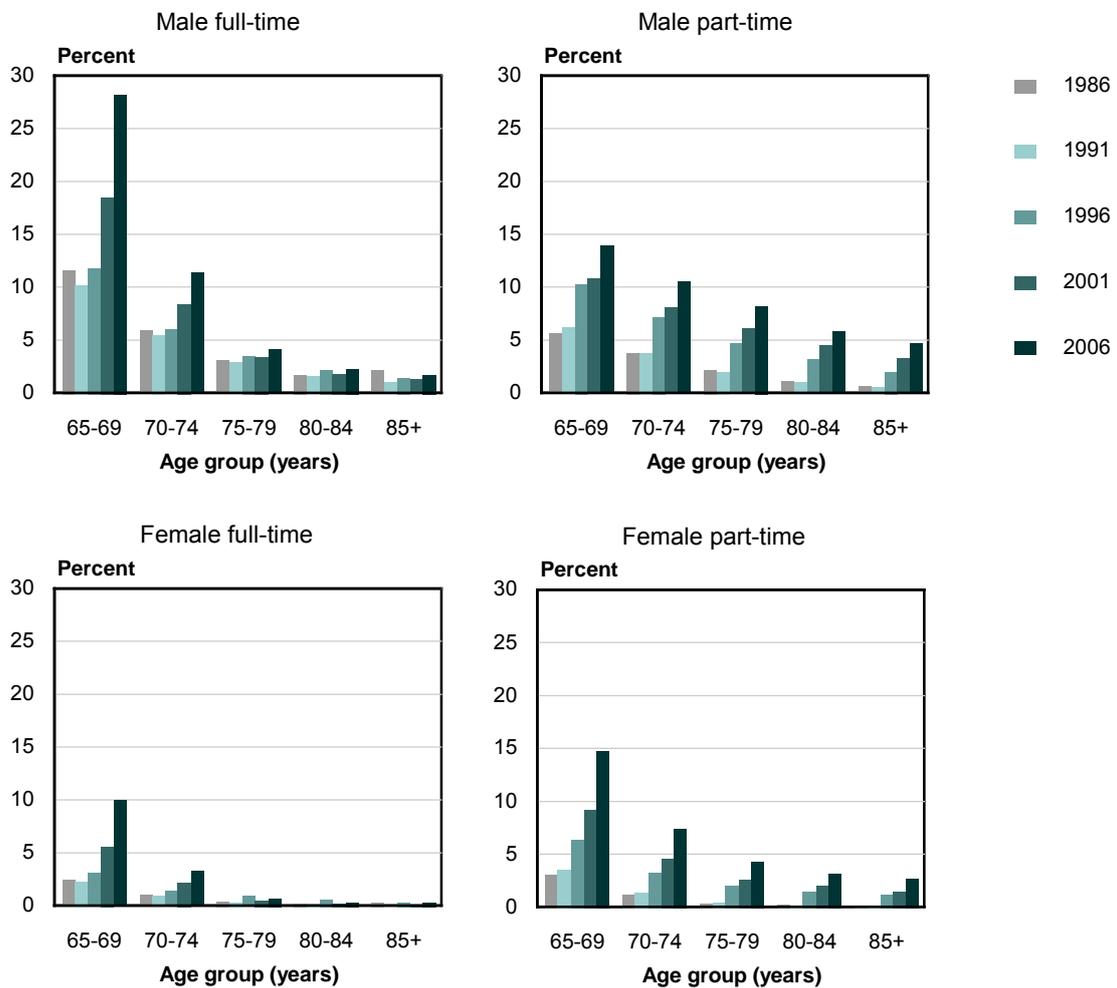
The part-time employment option is also on the rise. In 2006, about 14.4 percent of 65–69-year olds were working part time, up nearly three times from 4.9 percent in 1991, and close to the figure for the 60–64-year age group in 2001 (14.3 percent). Significantly, both the 2001 and 2006 Censuses found that among the youngest pensioners (aged 65–69 years) more were working full time than part time.

## Full- and part-time involvement

Men and women exhibit different patterns of engagement in the labour force. Among men aged 65–69 years, participation in full-time work has nearly trebled since 1991, to reach 28.3 percent in 2006 (see figure 6). The part-time employment for males in 2006 was less than half of that (14 percent) but was well up on the 1991 level (6.3 percent). Beyond 70 years, participation in both full-time and part-time work decreases substantially with age, although the employment rate for this age group has been increasing since 1991.

**Figure 6**

**Employment by Age Group and Sex**  
*Population aged 65 years and over*  
 1986–2006 Censuses



In 2006, the full-time employment rates for women aged 65–69 and 70–74 years were barely a third of the corresponding male rates. However, as was the pattern for older men, considerably more older women were working on a part-time than on a full-time basis, which is probably consistent with the common view that women, who are usually younger than their partners, are more likely to leave full-time work or retire when their partner retires.

## 9. Ethnic differentials

This section explores ethnic variations in labour force participation among older New Zealanders. Statistical issues in defining ethnicity are an important limiting factor here, given that census focuses on self-identified cultural affiliation, and the census questionnaire makes provisions for a multiple ethnic response. In classifying ethnic data, the respondents are allocated to each ethnic group they have identified with, and this results in an overlap of ethnic categories. Multiple responses for ethnicity have been increasing over recent censuses. In 2006, 10.4 percent of the total response was for more than one ethnic group (Statistics New Zealand, 2007d). The corresponding figure for the population aged 65 years and over was 3.5 percent.

Compared with the majority European ethnic group, the indigenous Māori and Pacific peoples ethnic groups have different socio-demographic profiles: they have lower life expectancies, relatively fewer older members, and lower educational achievements and income levels. In terms of employment, they are over-represented in less skilled manual jobs in secondary industries, and fewer are engaged in professional and managerial occupations.

Table 5 analyses the improvement in labour force participation rates between 1991 and 2006 for older men and women belonging to the four ethnic groups. The increase in the participation rates for older Māori and Pacific peoples well exceeded that for the European. This increase may be partly ascribed to Māori and Pacific peoples' low initial rates in 1991, when economic restructuring caused many semi-skilled and unskilled workers to lose their jobs.

**Table 5**

**Labour Force Participation by Ethnic Group**  
*Population aged 65 years and over*  
1991 and 2006 Censuses

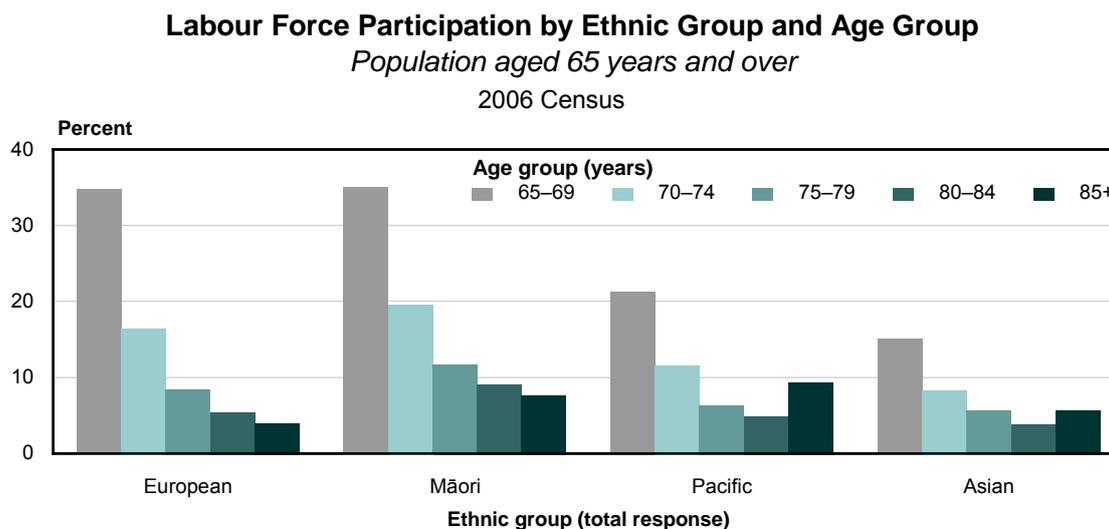
Ethnic group	Labour force participation rate		
	1991	2006	Percent change 1991–2006
European	6.1	16.6	174
Māori	5.5	24.0	338
Pacific peoples	2.9	14.3	394
Asian	7.8	10.5	35
Total New Zealand population <sup>(1)</sup>	6.0	17.1	187

(1) Includes other ethnicity.

Almost one in four older Māori (24.0 percent) were working in 2006. This participation rate was about half above that for older Europeans (16.6 percent) and over twice that for older Asians (10.5 percent). Whether this relatively high rate reflects the lack of adequate savings or financial assets, or the inadequacy of New Zealand Superannuation as income thus precipitating a need to extend working life, are difficult to confirm in the absence of any definitive evidence. In a recent survey it was found that for many of the Māori and Pacific peoples respondents, 'the concept of retirement does not exist' (Ministry of Social Development, 2008).

Figure 7 sets out labour force participation rates for the 65+ population by age group and ethnic group at the 2006 Census. While analysis by age indicates the expected pattern of fewer older people in each ethnic group staying in work with advancing age, it also reveals a widening of the inter-ethnic variation, especially the Māori-European differential, with advancing age. At each age, Māori were more likely to be in the labour force. Although among the youngest superannuitants (aged 65–69 years), the labour force participation rate for Māori (35.2 percent) was only fractionally above that for European (35.0 percent); at ages 75–79 years the rate for Māori was significantly higher – 12 percent as against 8 percent.

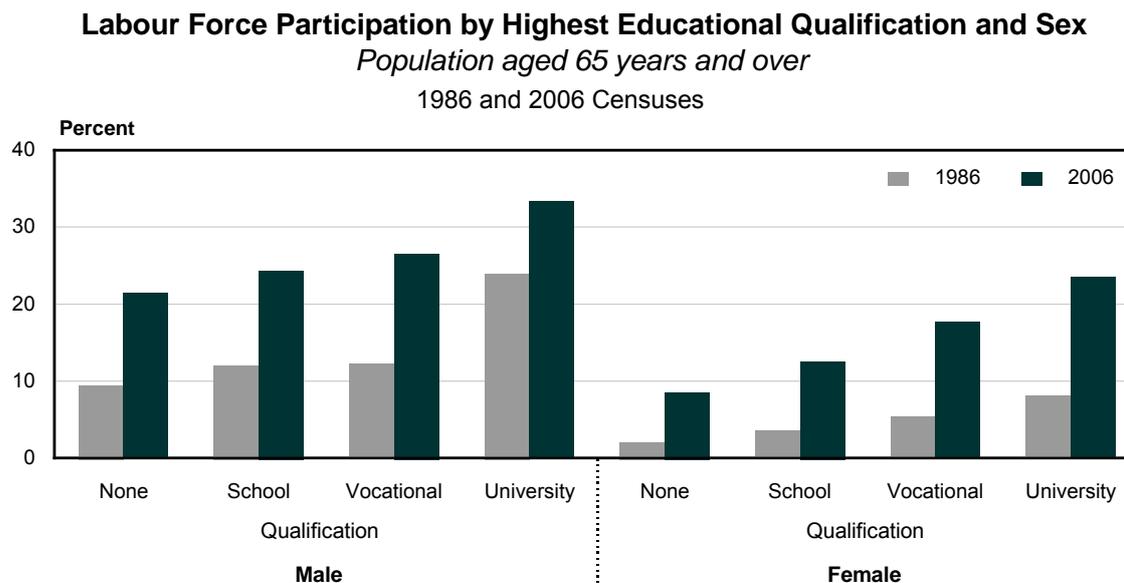
**Figure 7**



## 10. Differences by educational level

Among older people, educational achievement appears to enhance prospects of participation in the labour force, and the gradient is more pronounced for women than for men. Among men aged 65 years and over, one in three with a university qualification were employed, compared with one in five for those with no qualification (see figure 8).

**Figure 8**



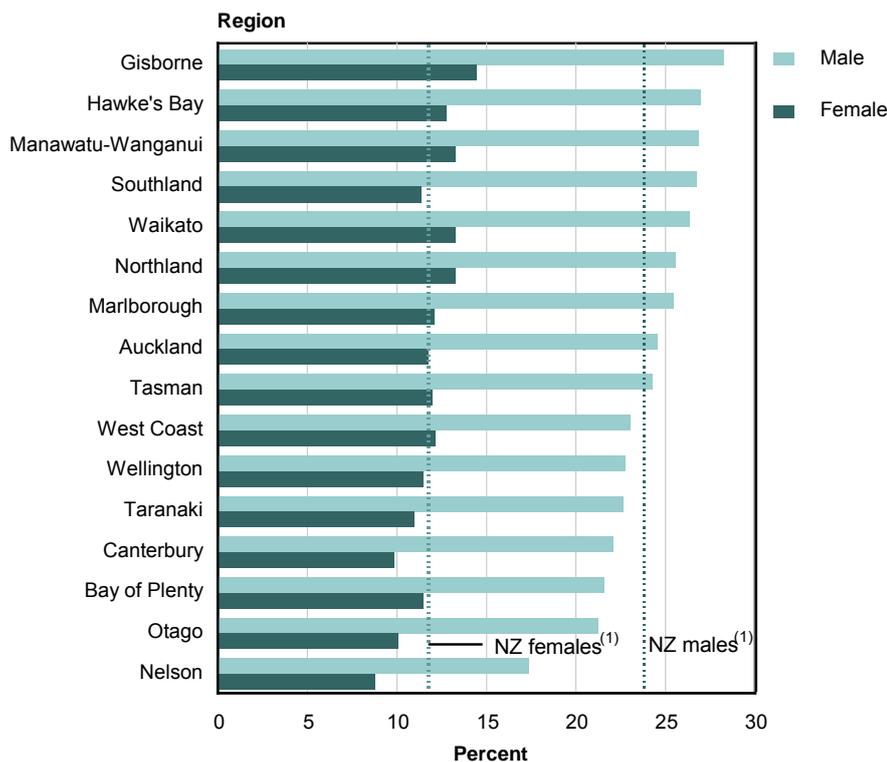
Among older females, those with a university qualification are almost three times more likely to be working than those without any qualification. For both men and women, there was a large increase in labour force participation in all educational categories over the two decades under review, although this pattern was relatively more pronounced for women. However, regardless of the educational qualification, women are still less likely to be employed than men. In 2006, 24 percent of women aged 65+ with a university qualification were in the labour force compared with 33 percent of their male counterparts.

## 11. Regional variation

Areal differentials in job prospects for older people are influenced by a host of socio-demographic circumstances, the nature of economic activity, skill shortages and lifestyle issues. Recruitment and retention problems are also more likely to manifest themselves in less developed regions. Similarly, businesses in smaller areas do not have a high staff turnover, but when vacancies do occur, employers can find it somewhat difficult to fill them. The migration of young men and women from smaller or less urbanised regions to pursue educational and/or employment opportunities in larger urban centres means employers have difficulties recruiting young workers, partly because some parts of New Zealand will not necessarily appeal to many young job applicants. This seemingly opens up employment opportunities – although often part-time – for older people.

**Figure 9**

**Labour Force Participation by Regional Council Area and Sex**  
*Population aged 65 years and over*  
 2006 Census



(1) Labour force participation of the total population aged 65+.

At the 2006 Census, five regions (Gisborne, Hawke's Bay, Manawatu-Wanganui, Waikato and Southland) had labour force participation rates for older males ranging between 26 and 28 percent – well above the national average of 24 percent. These regions have either small populations or are rural based, where many workers aged 65+ are self-employed (eg, farmers living in rural areas). There is possibly also an ethnic dimension, for many of these regions have a high concentration of Māori. Auckland, which is the country's most-populated and urbanised region, also had male labour force participation rates above the national average, perhaps because it is home to two-thirds of Pacific peoples resident in New Zealand. Four of the six South Island regions, including Canterbury and Otago, had male participation rates below the national average.

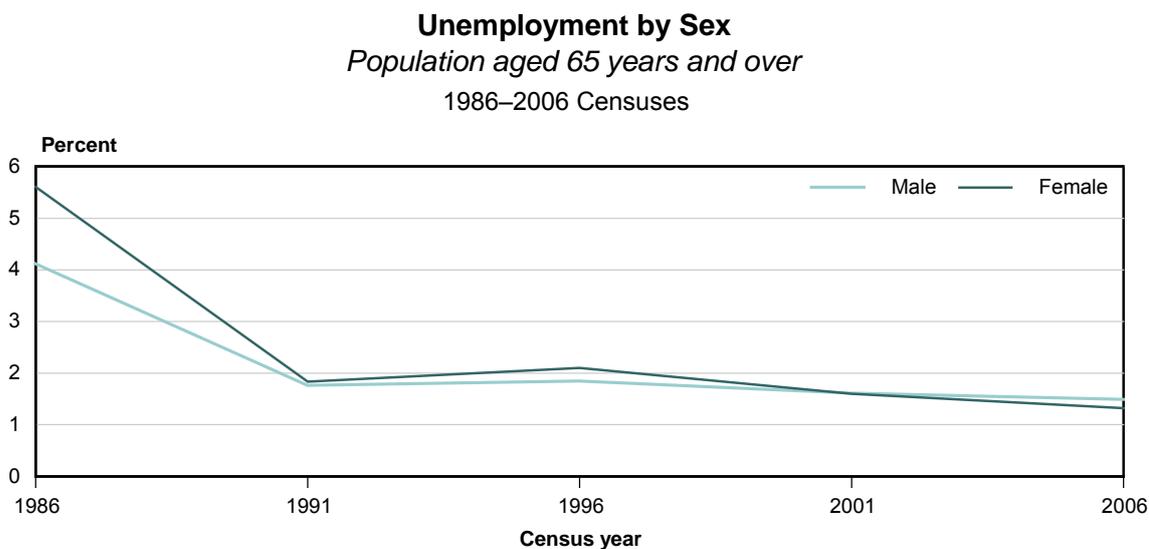
Overall, older women are half as likely to work as men, and this pattern is found in all regions. In Otago, Taranaki, Canterbury, and Nelson, where the labour force participation rate for males is below the national average, the corresponding rate for females is less than one-half of that for males.

## 12. Unemployment among older citizens

For census purposes, an unemployed person is defined as any person aged 15 years and over who, during the week ended any census date (for example, 6 March 2006) was without a paid job, was available for work and had actively sought work in the past four weeks prior to that census, or had a new job to start within the next four weeks. A person whose only job search method in the four weeks before the census had been to look at job advertisements in the newspapers, is not considered to be actively seeking work.

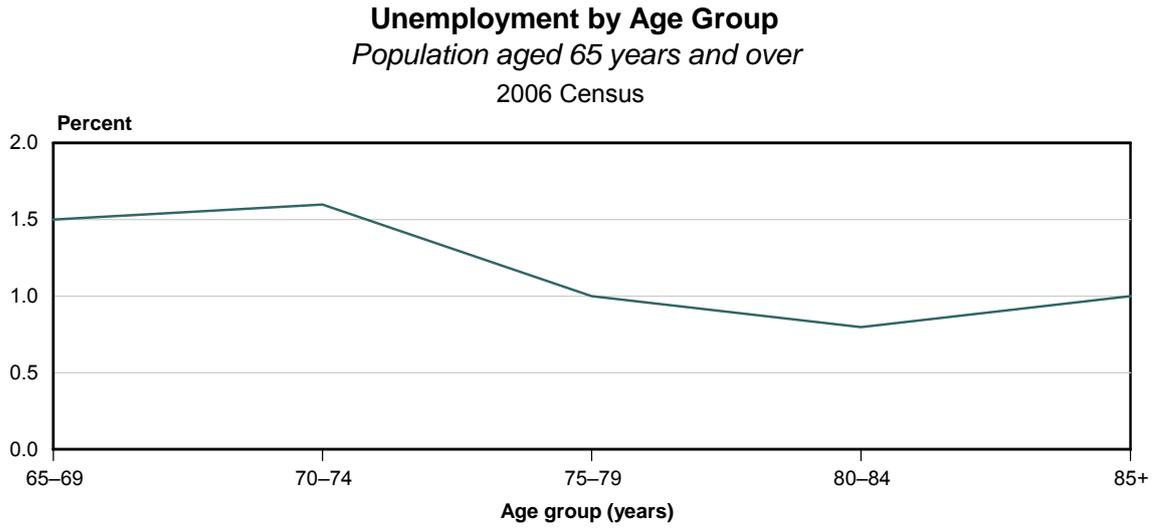
There were 1,173 unemployed persons aged 65+ years at the 2006 Census. Of these, 65 percent were males and 35 percent were females. The unemployment rate for this age group was relatively high in 1986 (4.5 percent), but fell sharply to 1.8 percent in 1991, and further to 1.4 percent in 2006 (see figure 10). The unemployment rates for men and women have been of similar magnitude, although the rate for men has been generally lower than that for women. When interpreting these figures it is important to consider that many mature workers probably do not actively look for a job once they are made redundant, or give up after a short job search.

**Figure 10**



Using 2006 Census data, figure 11 illustrates changes in unemployment rate by age among New Zealanders aged 65 years and over. As the overall rate is fairly low, it is not realistic to attach any significance to the small rise in unemployment rate at ages beyond 80 years. This could have arisen perhaps because of an inability on the part of respondents to fully understand or interpret the census question.

**Figure 11**



### 13. Summary and discussion

Older New Zealanders are extending their working life, and a growing proportion is continuing in employment well beyond the age of entitlement for New Zealand Superannuation (65 years). The trend accelerated around the beginning of the new millennium. A buoyant economy, growth of service industry, low unemployment rate, skill shortages, increased opportunities for part-time and contractual work, and improvement in life expectancy were some of the contributing factors. Older workers provided skilled and experienced labour in areas of skill shortages.

Since the early 1980s, for example, the remaining life expectancy for men at age 65 years has increased by five years, from 13 years to 18 years, and that for women by just under four years, from 17 years to 21 years. Thus, a person contemplating retirement when they start to draw New Zealand Superannuation can expect to live another two decades or so. Projected life expectancy figures, based partly on the experience of international leaders in the longevity stakes, point to still longer life, perhaps encouraging many to remain active and gainfully employed. Many of these people may have concerns about maintaining current living standards and accessing appropriate health care.

Overall, during the 20-year period under study (1986–2006), the labour force participation rate of the 65+ age group almost trebled. At the 2006 Census, one in six superannuitants were working and made up about 4 percent of New Zealand's total labour force, up from just 1.4 percent 20 years earlier. Even if their labour force participation rate stopped rising, one would expect more older workers in the future, because of a burgeoning 65+ population as a direct consequence of the large post-World War II baby boom cohorts moving up the age scale.

Given the recent global financial crisis and its economic fallout (especially an expected rise in unemployment), predicting future trends is not without hazards. Emerging economic indicators are not positive. Gross domestic product fell (Statistics New Zealand, 2008a) by 0.4 percent during the September 2008 quarter, the third contraction in a row. There has also been a general slowdown in retail spending and a faltering construction and property sector.

The Treasury's economic and fiscal forecasts (The Treasury, December 2008) predicted a rise in the unemployment rate in New Zealand to 6.4 percent in 2010. Its worst case scenario of another 87,000 people losing their jobs in the next 18 months (Young, 2008) has added to job insecurity. The January 2009 Quarterly Survey of Business Opinion reported that one-third of firms are planning to lay off staff (New Zealand Institute of Economic Research, 2009). Workers in both white-collar and blue-collar occupations are likely to be affected. Much would, however, depend on the severity and duration of the recession, both here and overseas.

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