

This financial downturn spares no generation

John Quiggin's "Gap is one of credibility" (Opinion, August 13) is a welcome call for all of us to end the blather and chat about generational attitudes.

The fact is that this downturn has spared no generation. Concocting generalisations about different generations might make for compelling reality television, but it doesn't restore full-time employment. The consequences of this downturn have been democratic in that it has spared no generation.

However, the employment consequences for each generation are markedly different. For the older demographics the severe destruction

of wealth in this downturn means working longer. If retired, it means returning to the workforce.

Recent research by CoreData of more than 1000 self-funded retirees and those nearing retirement found that 40 per cent had lost more than \$100,000 in the market dip. With limited time to recoup the losses, many older Australians are now facing scaled-down retirements and indefinitely extended working lives.

The consequences of unemployment and underemployment on generation X mean facing persistently severe financial pressures. This group in the middle of their working lives still has

plenty of time to repair household balance sheets but they face not having enough income to do so. Gaps in employment or a reduction in working hours and income through underemployment destroy their ability to replenish savings and service large debt obligations.

When the total number of jobs is shrinking, the younger demographic faces the double whammy of fewer jobs plus intense competition for available jobs, from both older members of the workforce and from the record-high migration intake. This demographic is also ill-prepared for periods of unemployment and underemployment, with little or no

savings. Many have relied on parental support to get by; however this support is no longer available as their parents attend to their own financial consequences.

We welcome a shift in the focus on generational differences from examining spurious differences in attitudes towards recognising the genuinely different generational realities. With such a shift, appropriate employment policy responses can be forged.

Geoff Officer
Chief executive
The Donington Group
Sydney NSW

FBA 059