

Lack of jobs and cuts to hours mean more families are in financial distress: unions

Reports of growing financial stress among working families highlights the need to do more to address rising unemployment and underemployment say unions.

New research by Dunn & Bradstreet shows a rise in the number of financial distressed communities in the past year with one third (33%) of Australian postcodes now in the high risk category of financial distress.

ACTU President Sharan Burrow says the rise in financial stress is clearly a result of the global downturn and the fact that many workers have lost their jobs or have been forced to reduce their hours of work.

According to recently released ABS data, almost 900,000 Australians wanted to work more hours but were unable due to loss of working hours or unavailability of full time jobs said Ms Burrow.

"Working Australians are still doing it tough and there are hundreds of thousands of workers who are worse off now than they were a year ago.

"There is a lot of personal hardship despite positive signs in some of the economic indicators — with a bounce in job ads in August, research showing positive employment signs in some regions and Australia's positive economic growth, as revealed in last week's GDP figures.

"While home loan interest rates remain relatively low, personal loan rates and credit cards loan rates do not.

"At the same time, many families have to cope with lower incomes as people lose their jobs or have their hours of work cut back.

"What this means is that families who are working fewer hours are struggling to repay high personal debt while also managing grocery and household bills," Ms Burrow said.

"Growing financial stress combined with uncertainty remaining around the job market illustrates the importance of maintaining the Federal Government's stimulus package and policies to assist families throughout the downturn.

"The IMF told the G20 meeting that winding back stimulus is the wrong approach.

"With unemployment trending upwards it is wrong and dangerous for the Coalition to advocate a winding back of the Federal Government's stimulus and infrastructure investment.

"We will be carefully watching the labour force figures due to be released this Thursday to assess the impact of the current financial climate on part time workers and the unemployed," Ms Burrow said.

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