

How Young People are Faring '08

AT A GLANCE

AN UPDATE ABOUT THE LEARNING AND WORK
SITUATION OF YOUNG AUSTRALIANS

This tenth edition of **How Young People are Faring** is presented in the context of a new Commonwealth government and a new education and training agenda with commitments to raise school completion rates and increase the proportions of young people making a smooth transition from school to work or further study. **How big is this task?**

Educational attainment

- > The 2006 Census indicates that 71 per cent of 19 year-olds had attained Year 12 or equivalent. While this is an improvement from 2001, much more effort will be needed to lift the rate to the recently announced target of 90 per cent by 2020.
- > The rate for those from low SES backgrounds is only 58 per cent, and even lower for poor achievers in school, pointing to where the greatest effort is needed.

Engaging in education, training and work

Teenagers

- > Seven in ten 15 to 19 year-olds are engaged in full-time education, and a further 17 per cent are working full-time.
- > 13 per cent of teenagers are not engaged in full-time work or full-time education.
- > Levels of engagement in work or study and training vary by state and territory, gender, social background, school achievement and attainment.
- > For 19 year-olds, rates of those who are not in full-time education and not in full-time work vary across states and territories from 21 to 49 per cent.

School Leavers

- > Three-quarters of school leavers are engaged in full-time work or full-time education in the year after leaving school.
- > School completers are more likely than early leavers to enter further study, and school completers also have an advantage entering the labour market, being more likely than early leavers to secure full-time work.
- > About 40 per cent of early school leavers were in part-time work, seeking work or not in the labour force, double the rate for Year 12 completers.
- > Marginal attachment to the labour force (unemployment, part-time work and not being in the labour force) is more common among females and school leavers in low SES areas.

Young Adults

- > Half of all 20 to 24 year-olds work full-time and 28 per cent are in full-time study.
- > While almost 50 per cent of young adults from high SES backgrounds engage in full-time education, less than one-fifth from low SES origins do.

Transition to the labour market

- > Education and training is important to making a smooth transition from school to full-time work. Of those in full-time work in their seventh post-school year, almost 90 per cent of Year 12 completers and about 70 per cent of early leavers followed an education and training pathway on leaving school.
- > A third of early school leavers are only marginally attached to the labour force in their seventh post-school year, and one in 20 have been in that position for most of the time since leaving school.

Highlights

Apprentices and trainees Unless separately identified, apprentices and trainees may be in one of several categories depending on how they have reported their activity at the time of survey, consistent with the way the data are collected by ABS.

Deferrers Young people who have deferred study are counted as being in the education and/or work activities reported at the time of survey.

Full-time work work involving 35 hours or more per week.

Part-time work work involving less than 35 hours per week.

Not in the labour force (NILF) Refers to those not in work and not seeking work.

Unemployed Refers to those not employed in the week of the survey, and who had actively looked and were available for work in the previous four weeks.

School completers people who have attended school and completed Year 12.

Early school leavers people who have left school without completing Year 12.

Year 12 or equivalent Young people who have completed a school certificate (such as the South Australian Certificate of Education or the Tasmanian Certificate of Education) or equivalent qualification defined as VET Certificate III or higher.

Rounding Rows/columns in tables and figures may not sum to 100.0 due to rounding.

Explanatory Notes

What are the levels of participation in education, training and work of young Australians? This section begins by looking at the situation of teenagers (15 to 19 year-olds), before turning to the experiences of school leavers. The final part looks at young adults (20 to 24 year-olds).

Teenagers:

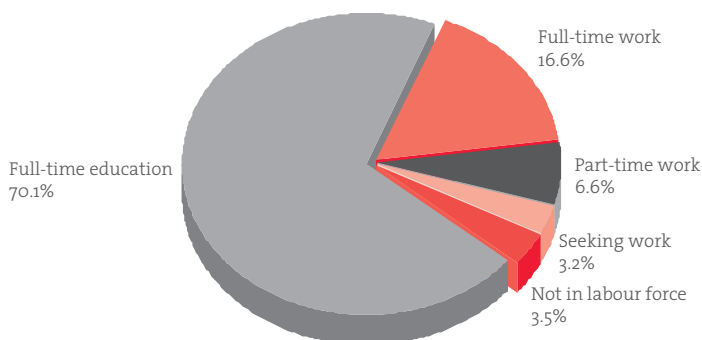
15 to 19 year-olds

Seven in ten 15 to 19 year-olds are engaged in full-time education, and a further 17 per cent are working full-time.

Major points

- > Females are more likely than males to be studying full-time.
- > 13 per cent of teenagers are not engaged in full-time work or full-time education.
- > Among teenagers not in full-time education, females are at greater risk than males of being unemployed, in part-time work or not in the labour force.

Earning and learning activities of teenagers, May 2008



Source: ABS Labour Force Australia (2008) (data cube LM3)
Note: All students enrolled at school are treated as full-time.

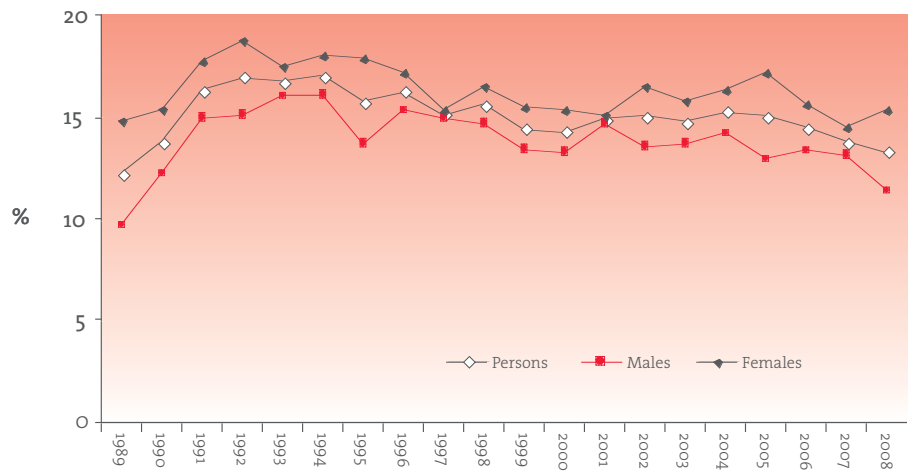
Recent falls in the proportions of teenagers not earning or learning are related to improved school retention and growth in apprenticeships and post-school education.

Major points

- > After peaking above 16 per cent during the recession of the early 1990s, the proportion of 15 to 19 year-olds not engaged in full-time education or full-time work has declined, reaching 13.3 per cent in 2008.
- > This decline is due to an increase in teenagers engaging in full-time education, especially school and apprenticeships, rather than to growth in full-time employment.

Engaging in Education, Training & Work

15 to 19 year-olds not engaged in full-time education or full-time work, persons and by gender, 1989-2008 (%)



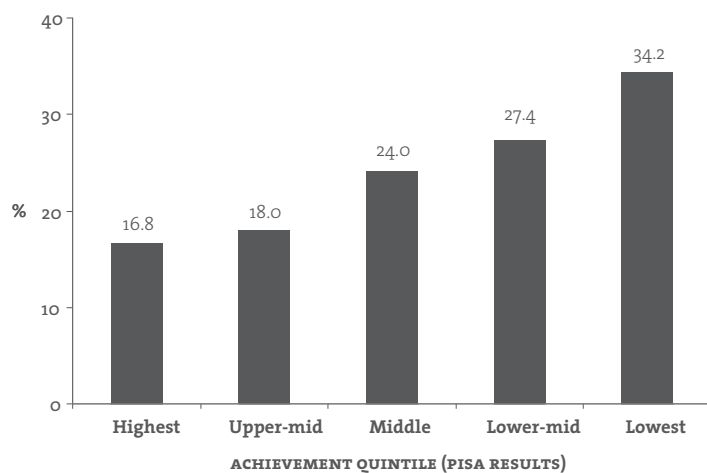
Source: ABS Labour Force Australia (2008) (data cube LM3)
Note: All students enrolled at school are treated as full-time.

Social background, location and academic achievement exert strong influences on the likelihood of young people being fully engaged in education or work at age 19.

Major points

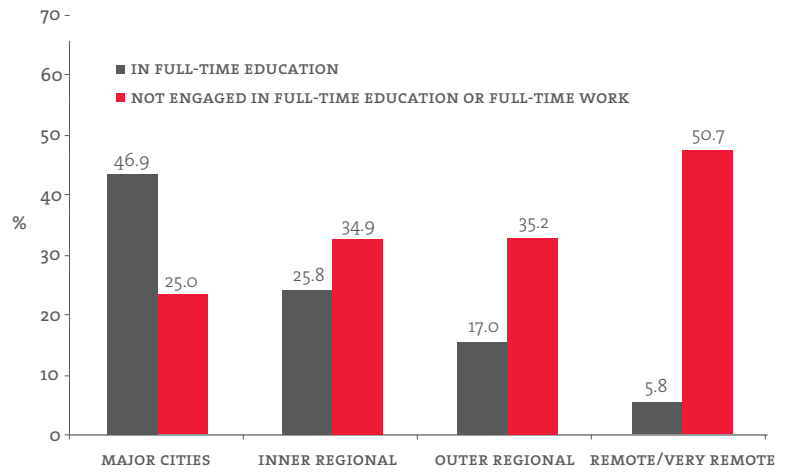
- > Nineteen year-olds who were low achievers in school face more than double the risk of not being engaged in full-time education or work than 19 year-olds who were high achievers.
- > Where teenagers live also influences their earning and learning activities. Almost every second 19 year-old who lives in a major city is engaged in full-time education, compared with fewer than one in five in outer regional areas, and just 5.8 per cent – barely one in twenty – in remote or very remote areas.

19 year-olds not engaged in full-time education or full-time work, by achievement quintile (%)



Source: LSAY 2003 cohort
Note: Achievement quintiles based on composite measure of PISA results across maths, reading, science and problem-solving.

19 year olds in full-time education or not in full-time education or full-time work, by location, 2006 (%)



Source: ABS Census of Population and Housing (2006)

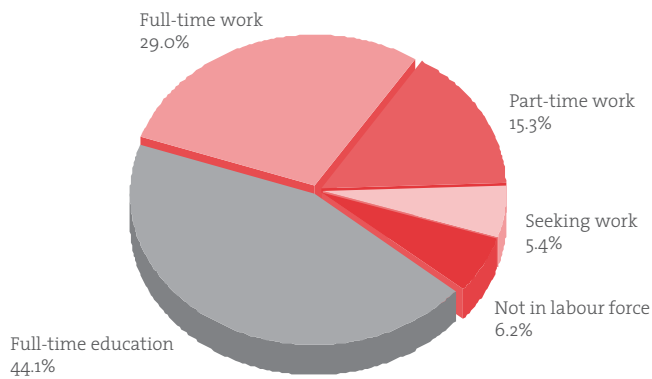
School leavers: young people in their first year after leaving school

Three-quarters of school leavers are engaged in full-time work or full-time education in the year after leaving school.

Major points

- > 44 per cent of the young people who left school in 2007 were in full-time education in May, 2008.
- > Over half of this group were also working part-time.
- > 29 per cent were working full-time and not in full-time education.
- > 27 per cent were neither working full-time nor studying full-time.

Earning and learning activities of school leavers, May 2008



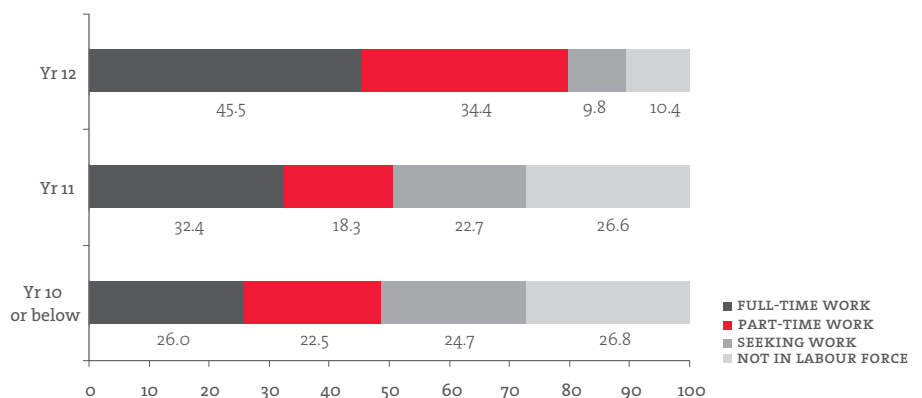
Source: ABS Labour Force Australia (2008) (data cube LM3)

Year 12 is important both to the chances of undertaking further study and to entry to the labour market.

Major point

- > School completers have an advantage over early leavers in terms of entering further education (six in every ten compared with around one-third of early leavers), as well as in the labour market, where they are more likely to secure employment, especially full-time work.

Labour market destinations of 15 to 24 year-old school leavers not in education, by school leavers' highest year of school completed, Australia, May 2007 (%)



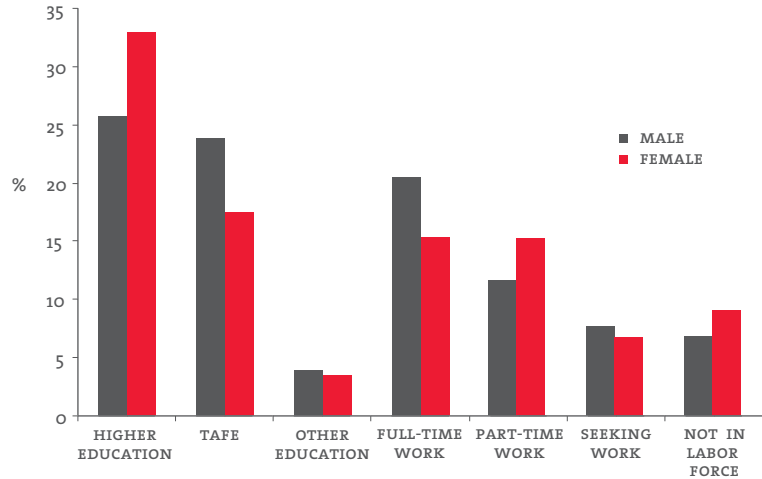
Source: ABS Education and Work, Australia (2007) (customised and published tables)

The initial activities of school leavers vary by background.

Major points

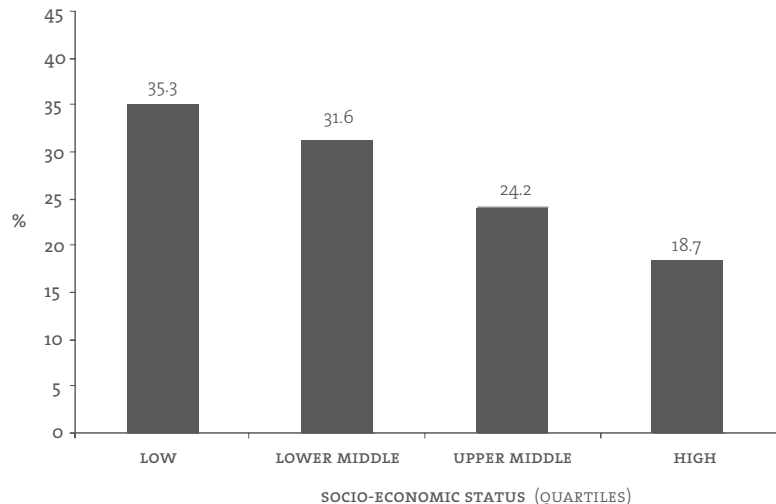
- > Females are more likely than males to enter higher education but males have greater rates of participation in VET (including apprenticeships) and full-time work.
- > Rates of participation in marginal labour force activities, such as part-time work and not participating in the labour force, are higher for female school leavers.
- > Marginal attachment to the labour force (unemployment, part-time work, not in the labour force) is much higher among low SES students and falls as SES rises.

Earning and learning activities of school leavers by gender (%)



Source: Estimates derived by Stephen Lamb from the Y98 cohort of LSAY and status was based on activity in the first post-school year. This LSAY cohort was first surveyed in 1998 and most recently surveyed in 2007. For consistency, the relative differences derived from Y98 were applied to the ABS Education and Work estimates to provide a profile of labour market activities according to gender. Note: TAFE estimates include those in apprenticeships and traineeships.

School leavers not in education and unemployed, working part-time or not in the labour force, by socio-economic status (%)



Source: Estimates derived by Stephen Lamb. The estimates for each category were derived from the Y98 cohort of LSAY and status was based on activity in the first post-school year. This LSAY cohort was first surveyed in 1998 and most recently surveyed in 2007. For consistency, the relative differences across each background characteristic derived from Y98 were applied to the ABS Education and Work estimates to provide a profile of labour market activities according to the selected background characteristics. SES is a composite measure based on parental education, parental occupation and assets in the home.

Proportions of school leavers not earning or learning have fallen marginally in recent years.

Major points

- > In the early 1990s, the proportion of school leavers who were not in full-time education or full-time work rose significantly, but since then there has been a general trend downwards, with the current estimate at 26.9 per cent.
- > In 2008, females were more likely to be neither in full-time education nor in full-time work, continuing a trend that existed for much of the previous decade.

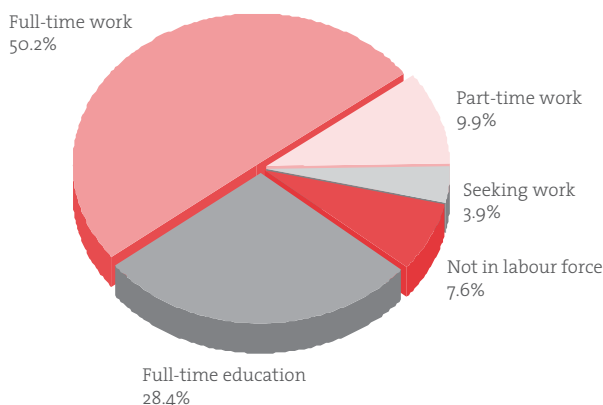
Young adults: 20 to 24 year-olds

Half of all 20 to 24 year-olds are working full-time, and 28 per cent are in full-time education.

Major points

- > Full-time work was the single most common activity for young adults.
- > Males were more likely than females to be working full-time or unemployed.
- > Females were more likely than males to be in full-time education.
- > Females were also more likely than males to be working part-time while not in full-time education, or neither studying full-time nor in the labour force.

Earning and learning activities of young adults, May 2008



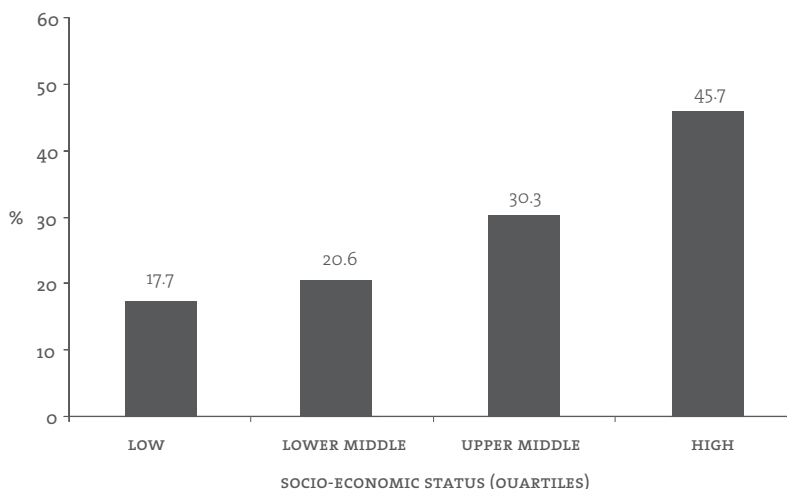
Source: ABS Labour Force Australia (2008) (data cube LM3)

Earning and learning rates for young adults are influenced by school attainment, social background, and school achievement.

Major points

- > About one-third of young adults who had completed Year 12 were in full-time education – over five-times the rate for those who were early school leavers.
- > While almost 50 per cent of young adults from high SES backgrounds engage in full-time education, less than one-fifth from low SES origins do.
- > Rates of unemployment and non-participation in the labour force fall as SES and achievement rise.

Young adults in full-time education, by socio-economic status (%)



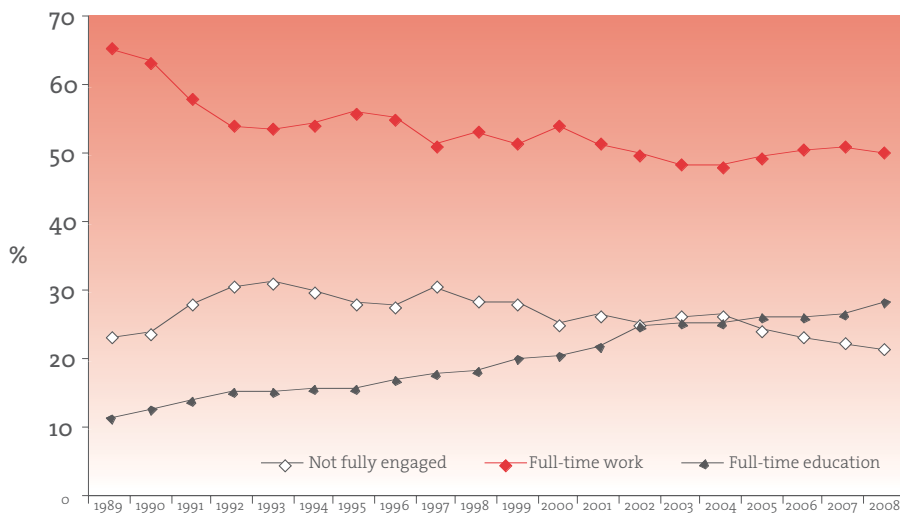
Source: Estimates derived by Stephen Lamb. The estimates for each category were derived from the Y98 cohort of LSAY when most sample members were aged 21, 22 or 23. For consistency, the relative differences across each background characteristic derived from Y98 were then applied to the ABS Labour Force Survey estimates to provide a profile of labour market activities according to the selected background characteristics.

The proportion of 20 to 24 year-olds not engaged in full-time work or full-time education has been falling over the past decade, matching a rise in full-time education but not in full-time work.

Major points

- > 21 per cent of young adults were not engaged fully in education or the workforce in May 2008, and were instead either unemployed, working part-time or not in the labour force.
- > As with 15 to 19 year-olds, the proportion of young adults in these marginal activities has been in decline since the early 1990s, and in 2008 was at its lowest level for the last two decades.
- > This decline has corresponded with increasing participation in further education and training and falling unemployment, however, participation in full-time work has not increased.

20 to 24 year-olds not in full-time education or full-time work, in full-time work and not studying full-time, and in full-time education, 1989-2008 (%)



Source: ABS Labour Force Australia (2008) (data cube LM3)

Young women are more likely to be in part-time work or not in the labour force, but young men more likely to be unemployed.

Major points

- > While rates of less than full-time engagement have been falling for both genders, young women have been and continue to be more at risk of marginalisation than young men (26 per cent compared with 17 per cent in 2008).
- > Young women were more likely than young men to be working part-time, or not in the labour force and not in full-time education, while men were more likely than women to be unemployed and not in full-time education.

Recently, the Australian government announced a target for 2020 that 90 per cent of all school leavers will attain Year 12 or its equivalent. How much more work is required in Australia to achieve this goal? Where are we at and how far is there left to go?

Estimates of educational attainment

Census measures show that around seven in ten 19 year-olds had attained Year 12 or at least an equivalent post-school qualification.

Major points

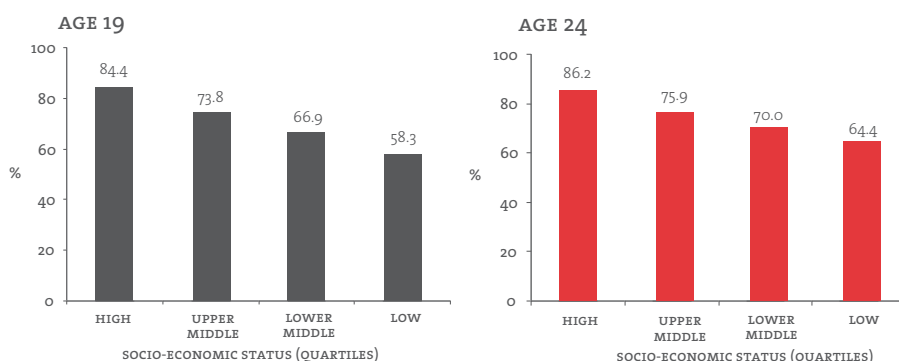
- > According to the 2006 Census of Population and Housing, 71.3 per cent of 19 year-olds and 74.8 per cent of 24 year-olds had attained Year 12 and/or a post-school qualification at Certificate III level or higher.
- > While there has been improvement since the 2001 Census, the size of the gain suggests that considerably more effort will be needed to achieve the recently announced 90 per cent target by 2020.
- > To achieve 90 per cent attainment nationwide by 2020 will require improvement at double the rate measured between the two most recent censuses.

Social disadvantage promotes lower rates of attainment among some groups of young Australians.

Major points

- > 19 year-olds from low SES backgrounds attain Year 12 or its equivalent at a rate 26.1 percentage points lower than that of those from high SES origins.
- > At age 24, well over one-third of those from low SES backgrounds have not completed Year 12 or equivalent, compared to about one in seven of those from high SES backgrounds.
- > Achievement levels in school also affect attainment, and since school achievement is highly correlated with social background, policies developed to target improvements in Year 12 completion will need to address the issue of social disadvantage.

Attainment of Year 12 or Certificate III or above, by socio-economic status (%)



Source: Estimates derived by Stephen Lamb from the Y95 cohort of LSAY. For consistency, the relative differences across each background characteristic derived from Y95 were applied to ABS Census figures to provide a profile of attainment according to the selected background characteristics.

Educational Attainment

International comparisons of attainment

Australia's attainment levels reveal room to improve based on international standards.

Major points

- > International comparison of levels of upper secondary attainment in Australia for 25-34 year-olds places Australia at about the average for OECD countries, and substantially lower than countries such as Korea, Sweden, the United States, Canada, New Zealand, Finland and Hungary.
- > There is some evidence to suggest that countries which offer more extensive, well-structured programs of vocational education and training do better in promoting rates of school completion.

Educational Attainment

This section presents data on the state of the Australian youth labour market, on job growth, employment rates and unemployment, and how conditions compare with other OECD nations. It also reports on the major pathways different groups of school leavers take as they negotiate their way through further study and training to take advantage of the opportunities provided in the labour market.

Youth labour market

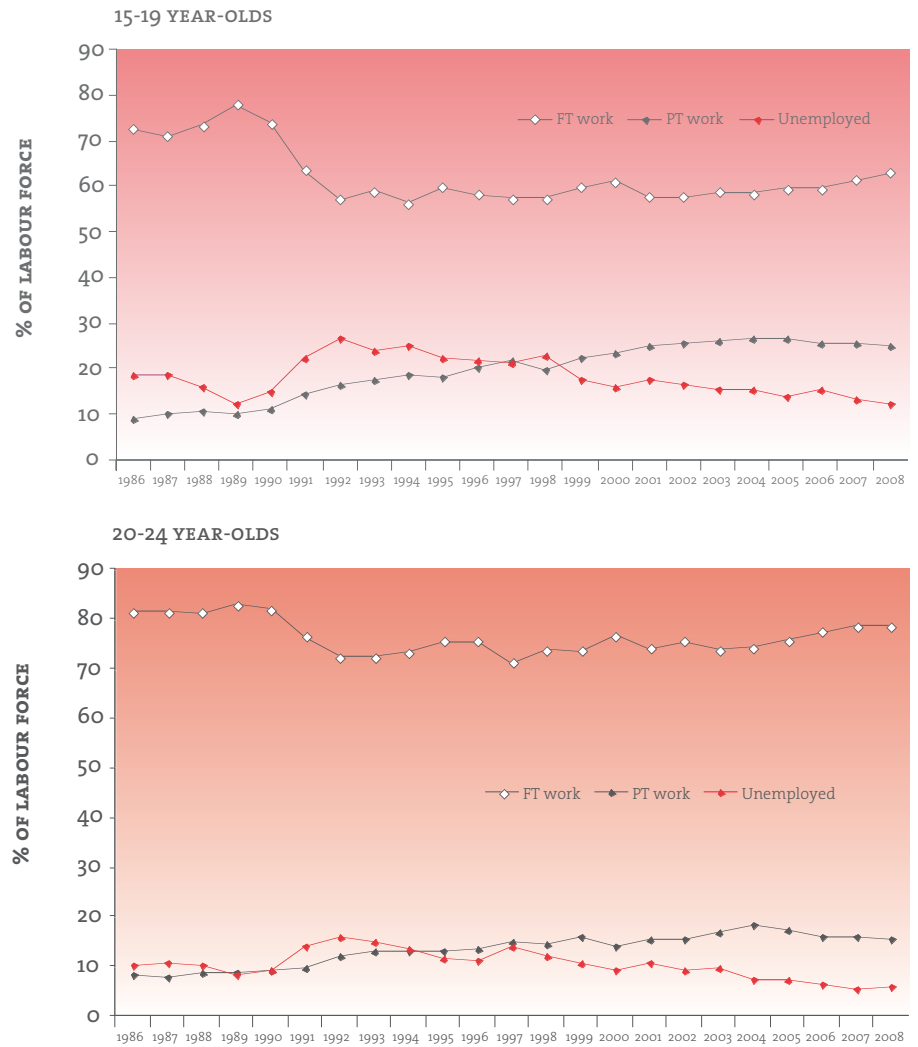
Labour force participation of young Australians has fallen while levels of full-time employment for those in the labour force remain much the same.

Major points

- > The proportion of young people in the labour force has remained at roughly the same level since the early 1990s, however increased participation in full-time education means that an increasing proportion of teenagers and young adults are combining study and work.
- > Despite the largely continuous decline in the proportions of teenagers opting for the labour force rather than full-time education, full-time employment rates for this group have remained fairly constant, supporting the view that full-time employment opportunities for young Australians have fallen rather than grown over much of the last 15 years.
- > Fewer and fewer young Australians have experienced unemployment over the same period. However, the downturn in unemployment has not translated into large gains in full-time employment; rather, it has mostly been accounted for by growth in part-time work.
- > In the last few years there have been small annual increases in the full-time work shares of those not in full-time education and in the labour force, associated with falls in both unemployment and part-time work.
- > Surveys of school leavers in Victoria and Queensland have shown that apprenticeships and traineeships are important pathway options for young people, especially young men, providing employment security, reduced exposure to unemployment, and higher incomes^{1,2}.

Transition to the Labour Market

Employment and unemployment status of those in the labour force and not in full-time education: 15 to 19 year-olds and 20 to 24 year-olds, 1986-2007 (%)



Source: ABS Labour Force Australia (2008) (data cube LM3)

1 Queensland Department of Education, Training and the Arts (2008) Next Step 2008: a report on the destinations of Year 12 completers from 2007 in Queensland. See: <<http://education.qld.gov.au/nextstep/2008report.html>>
 2 Victorian Department of Education & Early Childhood Development (2008) The Destinations of School leavers in Victoria. Report of the On Track 2007 project. See: <http://www.eduweb.vic.gov.au/edulibrary/public/voced/ontrack/destinations_2007.pdf>

Transition to the Labour Market

Transition pathways across seven post-school years

Smooth pathways to full-time work more often involve education and training.

Major points

- > Education and training is important to making a smooth transition from school to full-time work. Of those in full-time work in their seventh post-school year, almost 90 per cent of Year 12 completers and about 70 per cent of early leavers followed an education and training pathway on leaving school.
- > Relying on the labour force alone in the transition from school can work for some, though only a few experience smooth transitions. Only 3.0 per cent of Year 12 completers and 5.7 per cent of early leavers had taken up a job immediately on leaving school and remained in full-time work across the seven years, uninterrupted, though larger numbers tried this approach.

Pathways to full-time work (%)

	Year 12 completer	Early school leaver
	%	%
In full-time work in 7th post-school year	61.6	57.8
PATHWAY TO FULL-TIME WORK		
EDUCATION AND TRAINING	88.1	72.0
University qualification	42.3	1.6
High-level VET qualification	9.2	3.9
Apprenticeship qualification	8.4	32.4
Traineeship qualification	8.1	11.3
Low-level VET qualification	4.3	6.8
Study, but no qualification	15.7	16.0
NO EDUCATION AND TRAINING	11.9	28.0
Full-time work for all years	4.8	9.8
Full-time work, some interruption	4.5	11.9
Full-time work, much interruption	1.0	3.5
Part-time work for all years	0.9	1.4
Part-time work, interruption	0.6	0.8
Unemployed or NILF for most years	0.1	0.6
TOTAL	100.0	100.0

Source: Estimates derived by Stephen Lamb from the Y95 cohort of LSAY.
NILF=Not in labour force

A third of early school leavers are only marginally attached to the labour force in their seventh post-school year, and one in 20 have been in that position for most of the time since leaving school.

Major points

- > There is a group of early leavers (5.3 per cent of all early leavers) who are unemployed, not in the labour force, or in part-time work in their seventh post-school year, and have been in that position over nearly all of those years. This is the case for only 0.6 per cent of Year 12 completers.
- > A substantial number of Year 12 completers have completed university studies and are only marginally attached to the labour force seven years after leaving school. Many of these may have just recently completed their study and be in a transitional phase.

Pathways of young people not in full-time work or study (%)

PATHWAY	Year 12 completer	Early school leaver
	%	%
EDUCATION AND TRAINING	17.0	20.9
University qualification	7.2	0.3
High-level VET qualification	2.5	1.2
Low-level VET qualification	0.5	3.3
Apprenticeship qualification	1.4	3.5
Traineeship qualification	1.9	4.9
Study, but no qualification	3.5	7.7
NO EDUCATION AND TRAINING	3.0	11.7
Full-time work for all years	0.3	0.7
Full-time work, some interruption	0.8	1.2
Full-time work, much interruption	0.1	1.1
Part-time work for all years	0.6	1.1
Part-time work, interruption	0.6	2.3
Unemployed or NILF for most years	0.6	5.3
TOTAL WORKING PART-TIME/UNEMPLOYED/NILF	20.0	32.6

Source: Estimates derived by Stephen Lamb from the Y95 cohort of LSAY.
NILF=Not in labour force

Australian governments have set ambitious targets to raise Year 12 completion rates and increase the numbers of young people who make a smooth transition from school to further study and work. Given current levels of school completion and patterns of engagement in education and training the targets may be achievable though much work has still to be done.

Rates of engagement in full-time education or full-time work have grown in recent years, but successful transitions from school to further study and work occur unevenly across groups of young Australians, and Australia is below many other OECD countries in terms of levels of participation in education, suggesting there is room for improvement. Social disadvantage remains a major barrier to completing Year 12 and early school leaving without any further study increases the risk of exclusion and of poor labour market prospects.

Given that the economic and social returns to education, for both individuals and the community, are significant, further effort is needed to improve levels of school completion and assist young people in making the transition from school to work, through strengthening VET in schools programs and post-school vocational pathways, and tackling the issue of social disadvantage. Successful pathways from school to work often involve university study or vocational education and training in TAFE and in apprenticeships. These pathways need to be extended to afford more young Australians the opportunity for successful transitions.

Conclusion

Acknowledgments

This report has been prepared by Stephen Lamb and Kate Mason, researchers in the Centre for Post-compulsory Education and Lifelong Learning (CPELL) at the University of Melbourne.

We are grateful for the support provided by John Spierings and Rosalyn Black. We are also grateful to the Australian Bureau of Statistics for their kind assistance in providing data.

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