

Young Peoples' Transition from Education to Work: Performance Indicators¹

Introduction

In this report we present data that tell us:

The proportion of the population aged 15 to 19 years not in full-time education and not in full-time employment

This indicator is important because it provides a basis to determine how many young people are 'at risk' of not making a successful move from education to stable employment. We look at the proportion of young people in this situation over time.

The ratio of the unemployment rate among 15 to 24 year olds to the rate among 25 to 54 year olds

This indicator provides a measure of the disadvantage and difficulty in labour markets experienced by young people compared to other age groups.

The proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification.

This indicator provides a measure of what internationally is seen as a basic level of education level for young adults and whether this base education level is improving over time.

Indicator One

The proportion of the population aged 15 to 19 years not in full-time education and not in full-time employment

Australian Bureau of Statistics (ABS) data for May 1999 show that 14.5 per cent of young people aged 15 to 19 years may be 'at risk' of not finding full-time work. These teenagers are not in full-time education and are either unemployed, in part-time work or otherwise 'not in the labour force'. Many in the latter group want to work but do not meet the relatively narrow definition of actively looking for work used by the ABS.

The teenagers not in full-time education or full-time work are considered as being 'at risk' because of strong likelihood that these young people are experiencing extended periods of joblessness interspersed with short-term work.² Research shows that

¹ The author would like to thank Dr John Spierings of the Dusseldorp Skills Forum for his input; however, the author accepts full responsibility for any errors that may exist in the paper.

² See McLelland, McDonald and MacDonell in *Australia's Youth Reality and Risk*, Dusseldorp Skills Forum

other major economic and social disadvantages for these young people are likely to follow from not finding stable employment.³

Table 1 reports on the number of young people at risk in May 1999 compared to the same month in previous years. It shows, over a twelve-year period, the proportion 15 to 19-year-olds who are not in full-time work or in full-time education. The lowest proportion of young people at risk over this period was at the height of the last economic boom (12.3 per cent in May 1989). The highest proportion of young people at risk over the same period was in May 1992 (17.1 per cent). The May 1999 figure of 14.5 per cent is only a slight improvement over the seven-year period since then.

Table 2 shows marked differences between States in terms of the proportion of young people aged 15 to 19 years not in full-time work or in education.

The full-time labour market for teenagers has changed dramatically over the last decade or so. Between May 1988 and May 1999, the number of full-time jobs held by teenagers aged 15 to 19 years fell by 49 per cent. Despite significant employment growth in the economy since the economic downturn of the early 1990s, young people have not benefited to any extent from the new jobs created in the years since the economic downturn experienced at the beginning of the 1990s. Between May 1994 and May 1999, the number of full-time jobs for 15 to 19 year olds increased by 2 per cent. At the same time, full-time jobs for all other age groups rose by 13 per cent.

The persistence over nine years (since 1991) of about a sixth of 15 to 19 years who are not full-time work and not in full-time education appears to be a longer term trend. This trend has persisted despite an improvement in the job prospects of older age groups.

Table 1: Proportion of 15 to 19 year olds not in full-time work and not in full-time education in May, 1988 to 1999, per cent, Australia.

May 1988- 1999	Per cent
1988	14.5
1989	12.3
1990	13.9
1991	16.5
1992	17.1
1993	16.7
1994	17.0
1995	15.9
1996	16.4
1997	15.4
1998	15.8
1999	14.5

Source: Derived from Labour Force Australia, specified years, Table 11, ABS Cat 6203.0.

Table 2: Proportion of young people aged 15 to 19 years not in full-time education and not in full-time work by State and Territory, May 1999, per cent.

State	Per cent
NSW	13.5
Vic	11.7
Qld	18.0
SA	15.9
WA	16.0
Tas	17.1
NT	26.2
ACT	8.5
Total	14.5

Source: Labour Force, Teenage Employment and Unemployment, Australia, preliminary – Data Report, May, 1999, Catalogue 6202.0.40.001

Addendum: The Situation of Young Adults at Risk

In recent decades public attention has been strongly focused on the deteriorating labour market situation of teenagers. However *Australia's Young Adults: The Deepening Divide*, published earlier this year by the Forum, notes the disturbing situation confronting a considerable number of 20 to 24 year old young people. In addition to considering the extent of the social and employment risks facing teenagers, we need to take into account the potentially precarious education and labour market situation for young adults.

Determining the proportion of young adults who are 'at risk' is not as straight-

young adults who were not in full-time education were unemployed or in part-time work at this time. Using this narrow definition, the proportion of females at risk was notably higher than that for males (21.4 and 16.0 per cent respectively). If the same definition of being at risk used for 15 to 19 years olds is applied to young men aged 20 to 24 years, just over a fifth (21.7 per cent) are not in full-time education and not in-the-labour force in May 1999.

Table 3 Proportion of young adults not in full-time education who are unemployed or in part-time work, May 1999 (per cent)

Men	Women	Total
16.0	21.4	18.7

Source: Labour Force Australia, May 1999, Table 12, ABS Cat 6203.0

However, it is possible to give a more precise measure of those at risk among 20 to 24 year olds. This means including those not in education who want work although they are not defined by the ABS as “actively” looking for work. This is done in Table 4. These data suggest that in 1999 many more young adults than teenagers are ‘at risk’ of not making a successful transition from education to work.

Table 4. Proportion of young adults not in full-time education who are unemployed, in part-time work or not in the labour force but looking for or wanting work and are available to work (estimated marginally attached), May 1999 (per cent)

Men	Women	Total
19.1	28.3	23.5

Source: Labour Force Australia, May 1999, ABS Cat 6203.0 and marginally attached estimated from unpublished data, Labour Force Survey, September 1997, in McClelland and Macdonald 1999, Table 6.

Indicator Two

The ratio of the unemployment rate among 15 to 24 year olds to the rate among 25 to 54 year olds

The OECD data show that for the first three-quarters of 1998 over a third of the unemployed (37 per cent) in Australia were young people aged 15 to 24 years. When compared with 19 OECD countries for which data are available, unemployed young people in Australia have the third highest share of the total number unemployed.

However, the high share of young people among the unemployed in Australia partly reflects a larger number of young people in the population. It is necessary to take into account the relative size of different age groups in each country’s population. A measure that is not affected by the size of the age cohort is the ratio of youth to prime age adult unemployment. On this measure, the 15-24 year old unemployment rate in Australia is 2.4 times the unemployment rate for 25-54 year olds, a middle ranking in terms of other OECD countries (see Table 5).

compared to the unemployment rate for 25 to 54 year olds, selected OECD countries, 1997

Country	Rank order	Ratio
Greece	1	4.0
Italy	2	3.6
United States	3	2.9
Belgium	4	2.7
Sweden	5	2.5
France	5	2.5
Japan	7	2.4
Australia	7	2.4
New Zealand	7	2.4
United Kingdom	10	2.3
Finland	11	2.2
Czech Republic	12	2.1
Canada	12	2.1
Spain	14	2.0
Netherlands	15	1.9
Denmark	16	1.7
Austria	17	1.6
Switzerland	18	1.5
Germany	19	1.1

Source: OECD Annual Labour Force Statistics, 1997.

Indicator Three:

The proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification.

The third indicator reports on the level of education attainment of young adults in Australia over time. Most young people complete their full-time education between the ages of 20 and 24 years. This indicator, therefore, notes the proportion of the population aged 20 to 24 years who have completed Year 12 or a post school qualification. This is regarded in many OECD countries as a basic level of educational attainment. The proportion of Australian 20 to 24 year olds with a basic educational attainment in May 1998 is 76.9 per cent. The longer-term trend from 1994 fluctuates but overall the pattern appears to be one of increasing educational attainment for young people (see Table 6).

Table 6: Proportion of 20 to 24 year olds who have completed Year 12 (or equivalent highest level of secondary school) or have a post school qualification, 1994 to 1998*

Year	Per cent
1994	73.5

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1996	78.4
1997	74.9
1998	76.9

* Those still in secondary school and those who had not completed Year 12 but who were attending a tertiary education institution in the survey year are excluded)

Source: Transition from Education to Work Australia, specified years ABS Catalogue No 6227.0, Tables 14 (1994), Table 15 (1995), Table 10 (1996, 1997, 1998).

However comparative data on education attainment levels of the broader population suggest that Australia lags behind other countries. Australia in 1995 ranked only 14th out of 20 countries in terms of the population with completed high school education and above. Moreover, projections made by the OECD suggest that the proportion of the Australian population (aged 25 to 64 years) attaining upper secondary education and above will only increase to 62 per cent by the year 2015, which would rank Australia at 17th out of 20 countries.

Conclusion

Just on one in six young people aged 15 to 19 years in May 1999 (14.5 per cent) are 'at risk' of not making a successful move from education to work. The chances of a young person being at risk increased for young people who are female or living in the Northern Territory, Queensland, Tasmania, Western Australia and South Australia. Young adults aged 20 to 24 years appear to have an even higher chance of not making a successful transition from full-time education to full-time work

Lack of basic education qualifications is a source of the longer-term vulnerability for many young people in the labour market. Over a fifth (23.1 per cent) of young adults aged 20 to 24 years in May 1998 had not completed Year 12 or do not have a post school qualification.

International comparisons show that Australia lags behind many other OECD countries in terms of the overall level of education attainment of its adult population. Australia performs well in terms of the number of tertiary graduates it produces (ranking sixth out of 25 countries in 1996). However, in terms of the proportion of the population who have completed upper secondary education, Australia ranked 18th out of 26 OECD countries in 1996.

The data presented in this report suggest that assistance currently available to young people from government, education institutions and employers needs to be substantially improved. Services need to be delivered in such a way that they empower all young people, especially those 'at risk', to construct their journey from compulsory education to stable employment in an integrated way.

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longer version of this paper, which can be viewed and downloaded from the DSF website:
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The Forum welcomes your comments and feedback about this first annual report on young peoples transition from education to employment. Please contact the Forum by email at info@dsf.org.au; or by mail at Suite 6, Level 2, 13-15 Smail Street, Ultimo, NSW, Australia 2007; or directly by phone on (61 3) 9212 5800