

Young adults and labour market disadvantage?

The situation of young adults not in education or full-time employment

Summary

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Brotherhood of St Laurence

More than a quarter of all 20 to 24 year olds are neither in full-time employment or studying for a recognised educational qualification. While the activities of this group of young adults are diverse many may be experiencing labour market disadvantage which would limit their future choices about jobs and incomes.

In September 1997 there were an estimated 351,500 20 to 24 year olds neither studying nor in full-time employment. This group was made up of:

- 123,800 young adults unemployed and not studying,
- 109,400 young adults in part-time employment and not studying, and
- 118,300 young adults not in the labour force and not studying.

There are many more young women than men among the 26 per cent of all 20 to 24 year olds in this group – 32 per cent of young women compared with 20 per cent of young men. A key reason for this is the primary caring role of women and 51 per cent of the young women in this group have children. Unemployment is more dominant for males – 12 per cent of all 20 to 24 year-old males are unemployed and not studying compared with 6 per cent of females.

An estimated 8 per cent of 24 year olds have not participated in any higher education or apprenticeship training, have not obtained a TAFE qualification, and have been either unemployed or out of the labour force for at least 18 months since leaving school. At the age of 24 these young people are much more likely to be among those who are not in education or full-time employment.

The main factors associated with labour market disadvantage of young adults are early school leaving, parents' lower socio-economic background and indigenous background. Others include lower school achievement at year 10, attendance at a government school, living outside a capital city and less previous labour market experience.

Policies, which address overall levels of employment growth, are needed to reduce unemployment among young people. Other priorities are the improvement of school

outcomes for young people from lower socio-economic backgrounds, and of particular importance for young women, the creation of a greater diversity of structured pathways into higher education and employment, and the reduction of cost barriers to education and training.

More information is needed about labour market outcomes over time, and about the current and future circumstances of young mothers and young adults with a disability, the situation of young adults who have never worked and ways to ensure temporary and part-time work has positive outcomes.

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Contents

Introduction	1
Data sources	2
Estimates of young adults not in education or full-time employment	2
Labour force survey estimates (Table 1)	2
Young adults in receipt of Centrelink payments	5
Background of young adults not in education or full-time employment	6
Educational attainment	6
Labour market disadvantage over time — the Australian Youth Survey	7
Other studies	8
Indigenous young adults	8
Sub-groupings of young adults not in education or full-time employment	9
Unemployment and long-term unemployment among young adults	9
Young adults not in the labour force	10
Young women not in the labour force	12
Young adults in part-time and insecure employment	13
Summary and discussion	15
Acknowledgments	19
Appendix	20

Tables

Table 1: Labour market and education participation of 20 to 24-year olds 1997, number ('000s) and per cent of population	3
Table 2: Labour market and education participation of 20 to 24-year-olds not in education or full-time employment, 1997 and 1992, percent of population by age	4
Table 3: 20 to 24-year-old Centrelink payment recipients, June 1998	5
Table 4: Labour market and education activity of 20 to 24-year olds according to educational attainment, May 1997	6
Table 5: Main activity at age 24, Australian Youth Survey sample	7
Table 6: 20 to 24-year-olds not in the labour force and whose main activity was other than attending an education institution, September 1997	12

Introduction

This paper examines the situation of 20 to 24-year-olds who are neither in full-time employment nor studying for a recognised educational qualification.

Previously, in examining the situation of 15 to 19 year-olds not in education or full-time employment, we argued that concern about unemployment needed to extend to the wider group of young people who may be experiencing labour market disadvantage or 'marginalisation' which would limit future choices about jobs and incomes (McClelland, Macdonald & MacDonald 1998). In that paper we referred to the activities of the group of 15 to 19-year-olds not in full-time employment or education as 'marginal'.

Labour market changes, especially the decline in full-time job opportunities and the increase in part-time and casual employment, have disproportionately affected young people. Teenagers not in full-time education and training or full-time employment may have a substantial risk of ongoing labour market disadvantage.

A similar concern has been indicated for 20 to 24-year-olds (Spierings 1995) with estimates that around 30 per cent could be involved.

While we could therefore consider 20 to 24-year-olds not in full-time employment or education as 'marginalised' or 'at risk' because of the possibility that their current activities may limit their future opportunities and choices about jobs and incomes, the activities and expectations of this group are more diverse than for 15 to 19-year-olds.

The potential for future disadvantage of some young adults is clear, for example, those who are unemployed, particularly long-term unemployed. For other 20 to 24-year-olds not in education or full-time employment, who are outside the labour market or in part-time employment, the implications are less clear.

Many young adults in their early twenties are forming families and having children. There is a substantial group of young adults, overwhelmingly women, who are outside the labour force caring for young children and it would be wrong to say that they are marginalised or engaged in an activity that is marginal. But if this group of young women have little education or experience of paid employment then their longer-term employment and income futures may be undermined.

This paper provides information about the dimensions and circumstances of the group of young adults not in full-time employment or studying as a whole, then examines in more detail the activities of sub-groups; unemployment, part-time employment or non-labour market activities. The backgrounds of this group of young adults are considered and the paper concludes with a brief discussion of the policy implications.

Data sources

Data from the Australian Bureau of Statistics (ABS) labour force survey provide an overall picture of the group. The sample-based nature of such surveys means that they may be unreliable where there are small numbers of respondents and these instances are noted in the paper. Another indication is provided by Centrelink (formerly Department of Social Security) data showing the number of young adults who receive Centrelink payments at a given point of time. Comparable Department of Social Security data for earlier years was not available.

These data have relatively little information about the background characteristics of this group of young adults and the data sources are therefore complemented by information from other studies plus a special analysis undertaken for this paper of the Australian Youth Survey (AYS).

Estimates of young adults not in education or full-time employment

Labour force survey estimates (Table 1)

In September 1997 there were 351,500 20 to 24-year-olds who were:

- employed part-time and not in education; or
- unemployed and not in education; or
- neither in the labour force nor in education.

This represented 26 per cent of all 20 to 24 year-olds:

- 20 per cent of all 20 to 24-year-old males; and
- 32 per cent of all 20 to 24-year-old females.

Table 1: Labour market and education participation of 20 to 24-year olds 1997, number ('000s) and per cent of population

	In the labour force						Not in the labour force		Total	
	Employed full-time		Employed part-time		Unemployed		%	'000s	%	'000s
	%	'000s	%	'000s	%	'000s				
In education ¹	7.2	97.5	9.9	134.0	1.9	26.4	8.9	120.8	27.9	378.7
Not in education	46.1	624.8	8.1	109.4	9.1	123.8	8.7	118.3	72.1	976.3
Total	53.3	722.3	18.0	243.4	11.1	150.2	17.6	239.1	100.0	1,355.0

¹ Engaged in full-time or part-time study leading to a recognised educational qualification.

Source: Australian Bureau of Statistics Labour force survey (unpublished data), September 1997.

Table 2 provides a more detailed breakdown of that proportion of the population of 20 to 24-year-olds who were not in education or full-time employment by age, sex and type of activity, for 1997 and 1992.

Key features are:

- the much higher proportion of young women than young men who are not in the labour force (In 1997 15 per cent compared with 3 per cent) with this increasing with age from 10 per cent of 20-year-old women to 20 per cent of 24-year-olds;
- the dominance of unemployment for males, with almost two-thirds of young men not studying or in full-time employment being unemployed (In 1997 12 per cent of all 20 to 24-year old men in contrast with 6 per cent of all women in this age group);
- the higher proportion of young adult women not studying and working part-time (In 1997 11 per cent compared with 5 per cent for males); and
- a slight reduction between 1992 and 1997, with slightly more 20 to 24 year-olds unemployed in 1992 following the recession¹.

More 20 to 24-year-olds than teenagers are not in full-time employment or studying (see McClelland et al. 1998), despite the higher incidence of full-time employment amongst the 20 to 24-year-age group and the lower incidence of part-time employment. The main

¹ On the basis of data presented in this volume by VandenHeuvel and Wooden it is likely there has been an overall increase in the proportion of young adults at risk of ongoing disadvantage over the period 1987 to 1997. VandenHeuvel and Wooden use a slightly different definition of 'at risk' than used here as they include part-time students who are not in paid employment. Differences between estimates in their paper and here also arise from the use of different ABS supplementary surveys conducted in different months of the year.

reason is that fewer are studying — as may be expected. In comparison with teenagers, young adults have a higher incidence of not studying and being in part-time employment, unemployed, or outside the labour force.

Table 2: Labour market and education participation of 20 to 24-year-olds not in education or full-time employment, 1997 and 1992, percent of population by age

Age	Males			Females			Persons
	20–22	23–24	20–24	20–22	23–24	20–24	
1997 population ('000s)	398.2	284.6	682.8	392.3	279.9	672.2	1,355.0
Neither in education nor in F/T employment ('000s)	83.3	54.2	137.5	117.2	96.8	214.0	351.5
<i>Per cent of population</i>							
Neither in education nor in full-time employment (%)	20.9	19.1	20.1	29.9	34.6	31.8	25.9
Employed part-time (%)	6.3	4.2	5.4	10.6	11.0	10.8	8.1
Unemployed (%)	11.6	12.3	11.9	8.0	4.1	6.4	9.1
Not in the labour force (%)	3.0	2.6	2.8	11.4	19.4	14.7	8.7
1992 population ('000s)	444.0	277.1	721.1	433.6	272.6	706.2	1,427.3
<i>Per cent of population</i>							
Neither in education nor in full-time employment (%)	23.6	18.3	21.6	30.4	37.2	33.1	27.3
Employed part-time (%)	5.9	4.3	5.3	10.6	12.0	11.1	8.2
Unemployed (%)	14.8	12.0	13.7	8.8	6.3	7.9	10.8
Not in the labour force (%)	2.9	2.0	2.6	11.1	19.0	14.1	8.3

Source: Australian Bureau of Statistics Labour force survey (unpublished data), September 1997 & 1992.

A key explanation for the higher proportion of young women, in comparison with young men, not in full-time employment or study is that more of them have children and are primary carers. This is also one reason why more young adults than teenagers are in this situation.

Over half (51 per cent) the young women not studying and outside the labour force, unemployed or working part-time have dependants (i.e. children), while they make up less than one-fifth (19 per cent) of all 20 to 24 year old females.

Among 20 to 24-year-old women not in education or full-time employment women with dependants make up:

- 78 per cent of those not in the labour force;
- 35 per cent of those who are unemployed; and

- 23 per cent of those employed part-time.

Young men with dependants are also over-represented among young unemployed males — almost 12 per cent of unemployed men have dependants compared with fewer than 6 per cent of the population².

Young adults in receipt of Centrelink payments

Another indication of the number and activities of young adults not in education or full-time employment is provided by the numbers who are in receipt of Centrelink payments. Table 3 shows that in June 1998:

- 18 per cent of all 20 to 24-year-olds received a Centrelink payment;
- 90 per cent of male and 57 per cent of female Centrelink payment recipients received a labour market payment;
- 36 per cent (43,962) of female Centrelink payment recipients received a single parenting payment compared with 1 per cent of males; and
- 9 per cent of male and 7 per cent of female Centrelink payment recipients received a Disability Support Pension.

Table 3: 20 to 24-year-old Centrelink payment recipients, June 1998

	Males	Females	Persons
Total Centrelink payment recipients	127,734	122,823	250,557
Proportion of all 20 to 24-year-olds	19%	18%	18%
– Labour market payment recipients	17%	10%	14%
– Other payment recipients	2%	8%	5%
Breakdown of Centrelink recipients (% of all recipients)			
Labour market payments	90	57	74
Newstart Allowance	89	56	73
Sickness Allowance	1	1	1
Special Benefit	<1	<1	<1
Other payments	10	43	26
Parenting Payment Single	1	36	18
Disability Support Pension	9	7	8
Carer Pension	<1	<1	<1
Total DSS Payments	100	100	100

Source: Unpublished Centrelink data, June 1998 and ABS *Labour Force Australia*, Cat. no. 6203.0, June 1998

² Full details are provided in Table A1 in the Appendix.

Background of young adults not in education or full-time employment

The labour force survey provides limited information about background characteristics. It indicates that, in comparison with other 20 to 24-year-olds, young adults not in education or full-time employment were more likely to have attended a government school and to be living outside capital cities. Young adults living outside capital cities were just as likely as those living in capital cities to be in full-time employment, but fewer were in education³. There was little difference according to country of birth (Australia, other English-speaking countries, non-English-speaking countries).

Educational attainment

Table 4 indicates the disadvantaged labour market position of early school leavers, especially women. Over two-thirds of young women aged 23 to 24 years who did not complete secondary school were not in education or full-time employment. However, at this age, the attainment of post-school qualifications does not appear to make a significant difference.

Table 4: Labour market and education activity of 20 to 24-year olds according to educational attainment, May 1997

	Males		Females		Persons		
	Age	20-22	23-24	20-22	23-24	20-22	23-24
Educational attainment							
With post-school qualifications							
Not in education or full-time employment (%)		20.2	17.5	30.9	21.4	26.2	19.5
In education or in full-time employment (%)		79.8	82.5	69.1	78.6	73.8	80.5
Without post-school qualifications							
– Completed secondary school							
Not in education or full-time employment (%)		14.8	14.8	21.4	28.6	18.0	21.4
In education or in full-time employment (%)		85.2	85.2	78.6	71.4	82.0	78.6
– Did not complete secondary school							
Not in education or full-time employment (%)		38.6	36.2	66.2	66.7	49.9	50.6
In education or in full-time employment (%)		61.4	63.8	33.8	33.3	50.1	49.4

Source: Australian Bureau of Statistics Labour force survey (unpublished data), May 1997.

³ Full details are provided in Table A2 in the Appendix.

Labour market disadvantage over time — the Australian Youth Survey

Analysis of data from the longitudinal Australian Youth Survey (AYS) by the Australian Council for Educational Research provides an indication of the labour market outcomes at age 24 for young people who, since leaving school, had not participated in any higher education or apprenticeship training, had not obtained a TAFE qualification, and had been either unemployed or out of the labour force for more than 25 per cent of their time (at least 18 months). Based on the AYS sample this group is estimated to be 8.3 per cent of the population of 24-year-olds⁴.

Table 5 shows that this group of young people are much more likely to be among those who are not in education or full-time employment at the age of 24 with the major difference being lower rates of full-time employment and higher rates of unemployment and being outside the labour force. This group was also more likely to be not in education or full-time employment at age 19 years.

Table 5: Main activity at age 24, Australian Youth Survey sample

	Young people with labour market disadvantage & limited education over time ¹			Other young people		
	Males	Females	Persons	Males	Females	Persons
Main activity at age 24						
Employed full-time	46.1%	15.2%	28.0%	84.4%	75.0%	79.8%
Not employed full-time & not in higher education or apprenticeship training	53.9%	84.8%	72.0%	15.6%	25.0%	20.2%
Employed part-time	9.2%	15.2%	12.7%	8.9%	15.2%	12.0%
Unemployed	33.9%	19.6%	25.5%	5.4%	4.9%	5.2%
Not in the labour force	10.8%	50.0%	33.8%	1.3%	4.9%	3.0%

¹ Those who, by the age of 24, had not participated in any higher education or apprenticeship training, had not obtained a TAFE qualification, and had either been unemployed or out of the labour force for more than 25 per cent of their time since leaving school.

Source: Derived from the Australian Youth Survey by Stephen Lamb at the ACER.

They were also more likely, when compared with the rest of the sample:

- to be working as labourers, sales and service workers, and process workers; and
- to have lower hourly rates of pay (for both part-time and full-time workers).

⁴ Full details are provided in Table A3 in the Appendix.

The AYS analysis also showed that, in comparison with other young adults, these young adults were much more likely:

- to have parents from unskilled/manual occupations; and
- to be an early school leaver.

They were also more likely to be female, have parents born in Australia or from an English-speaking background, come from a rural location and have attended a government school.

Other studies

The findings above are similar to those of the limited number of other studies of background factors associated with the labour market disadvantage of young adults and their career decisions. They indicate the importance of:

- early school leaving. The OECD's (1998) collection of longitudinal data of the transition from school to work by young adults indicated that, while early school leaving is initially important, its effect diminishes over time, but not necessarily substantially in all countries (for example it remained significant in the US, Australia and France) and not necessarily for females. Dwyer (1995) when reviewing Australian evidence from the Australian Longitudinal Survey and the AYS concluded that female early school leavers had more curtailed opportunities in the 1990s than in the 1980s;
- the influence of socio-economic background and parental education on young adults' career decisions with young adults from a lower socio-economic background more likely to be early school leavers (Byrne 1995); and
- other factors which contribute to young adults' labour market disadvantage including the labour force status of parents, gender and living arrangements, location, ethnicity and indigenous background (Cass 1995).

Indigenous young adults

The previous report (McClelland et al. 1998) highlighted the disadvantaged position of indigenous teenagers and data for 20 to 24 year-olds from the National Aboriginal and Torres Strait Islander Survey (ABS 1995, ABS 1996b) indicate that indigenous Australians are also likely to be over-represented among those not in education or full-time employment in this age group.

Indigenous young people have lower rates of school completions and higher rates of unemployment than other young Australians. In 1994 the unemployment rate for 20 to 24 year-old indigenous males was 43 per cent compared with 16 per cent for all 20 to 24-year-old males. For indigenous females the unemployment rate was 50 per cent compared

with 14 per cent for all females. Indigenous females also have much lower rates of labour force participation and higher rates of long-term unemployment than other 20 to 24-year-olds. The proportion of unemployed indigenous females who had been unemployed for a year or longer was over 50 per cent. The labour force participation rate for young indigenous women was 55 per cent compared with 79 per cent for all 20 to 24 year-old women (ABS 1995).

Indigenous young people in employment are more likely to be employed part-time compared with other young workers. Among 15 to 24 year-olds with jobs over 40 per cent of indigenous males compared with 27 per cent of all males, and over 53 per cent of indigenous females compared with 43 per cent of all females, are in part-time work. Among indigenous young people in part-time jobs over 60 per cent of males and 40 per cent of females want to work more hours (ABS 1996b).

Young indigenous adults are more likely than other young adults to be in receipt of government income support with 56 per cent of indigenous 20 to 24 year-olds having government payments as their main source of income in 1994 (ABS 1995).

Sub-groupings of young adults not in education or full-time employment

The diversity of the situations of young adults means that we need to examine the particular groups of young people aged 20 to 24 who are not studying or in full-time employment. These include young adults who are:

- unemployed and long-term unemployed;
- outside the labour force; and
- in insecure employment.

Unemployment and long-term unemployment among young adults

In September 1997:

- 9 per cent of all 20 to 24 year-olds were unemployed and not studying;
- almost 40,000 of these had been unemployed for 12 months; and
- over 21,000 had been unemployed for two years or more⁵.

Durations of unemployment were longer among males than females. Over a third (36 per cent) of young males had been unemployed for a year or longer compared with 28 per cent of young women.

⁵ Full details are provided in Table A4 in the Appendix.

When compared with teenagers and older adults, 20 to 24-year-olds have the highest incidence of unemployment and long-term unemployment as a proportion of their age group (ABS 1998).

Characteristics associated with a higher likelihood of being unemployed and long-term unemployed include: lower school achievement, early school leaving, lower socio-economic background (especially for females), non-metropolitan background, being male, less previous labour market experience and Aboriginality (Caspi et al. 1997, Committee on Employment Opportunities 1993, Karmel & Aungles 1993, Marks & Fleming 1998, McCormack 1994, Miller 1998, Stromback et al. 1998).

Despite the importance of previous full-time employment in reducing unemployment prospects, most of the 118,200 unemployed (and not studying) 20 to 24-year-olds had previously had a full-time job. Only 7,700 (7 per cent) had never had full-time paid employment (ABS 1997).

However, this was not the case for those young adults who were outside the labour force and not in education. Of these, 24,800 (21 per cent) had never had any paid employment at all - full-time or part-time. Most (78 per cent) were young women (ABS 1997).

Young adults not in the labour force

There has been scant attention given to the situation of young adults not in the labour force and not studying. Yet there were almost 120,000 20 to 24-year-olds in this situation in 1997, with a similar proportion also in this situation in 1992 (ABS 1992, 1997). This was far more than teenagers (who numbered 40,000 in 1996) despite the higher rate of labour force participation of young adults (McClelland et al. 1998).

Table 6 shows that in September 1997:

- 17,600 (3 per cent of all) males and 100,800 (15 per cent of all) females aged 20 to 24 years were not in the labour market and their main activity was other than attending an education institution; and
- by far the largest group were young women who were engaged in 'home duties' or 'child care' (87 per cent of the women who were not in the labour force and 13 per cent of all 20 to 24-year-old women)⁶.

Following this, own disability or handicap and own illness or injury were the most common activities, accounting for about a half of the remaining young women who were neither in the labour force nor in education. Own disability, handicap, illness or injury

⁶ This estimate includes some women in education and therefore differs from ABS estimates presented earlier in this paper.

was also given as the main activity of about two-thirds of the young men neither in education nor the labour force.

The main source of income of 62 per cent of those young adults was a Government pension or benefit with sole parent pension very important for females. Of the 39,200 women whose main source of income was not a Government pension or benefit 90 per cent had no income or were reliant on someone else's income.

While there is a lack of detailed information about the activities and situations of the group of young people not in the labour force, the incidence of marginal labour force attachment among this group is high and provides one indicator of labour market disadvantage. Table 6 shows that over 60 per cent of males and 48 per cent of females not in the labour force and whose main activity was not attending an education institution were marginally attached to the labour force –i.e. they did not meet the criteria to be regarded as unemployed but they were looking for employment and were either available to start in the next four weeks or would be if child care was available. These young people made up an estimated 4.4 per cent of the population of 20 to 24 year olds (1.6 per cent of males and 7.3 per cent of females).

Table 6: 20 to 24-year-olds not in the labour force and whose main activity was other than attending an education institution, September 1997

	Males		Females		Persons	
	(000's)	%	(000's)	%	(000's)	%
Main activity						
Home duties /child care	*	*	87.3	86.6	88.1	74.5
Other#	16.7	95.4	13.5	13.4	30.2	25.5
Labour force attachment						
Marginally attached	10.6	60.4	48.9	48.5	59.5	50.3
Not marginally attached	6.9	39.6	51.9	51.5	58.9	49.7
Main source of income						
Govt. pension or benefit	11.7	66.8	61.6	61.1	73.3	62.0
Other+	5.8	33.2	39.2	38.9	45.0	38.0
Total	17.6	100.0	100.8	100.0	118.3	100.0

*Estimate unreliable due to small cell size.

Includes own disability/handicap, own illness/injury, looking after ill/injured person, travel/holiday/leisure, retired/voluntarily inactive and working in unpaid voluntary job.

+Includes profits, dividends, superannuation, child support, workers' compensation, nil income, someone else's income and other income not specified.

Source: Australian Bureau of Statistics, Labour force survey, September 1997 (unpublished data).

Young women not in the labour force

Earlier in this paper we highlighted the dominant role that women as mothers played in the group of 20 to 24-year-olds not studying and not in the labour force. We need to know more about the characteristics and futures of these young mothers. While Probert and Macdonald's chapter in this volume highlights the importance of the role of mothering in shaping young women's decisions and plans about future education and employment there remains a lack of information concerned with the longer-term outcomes for young mothers.

Relatively little published research in Australia has been concerned with young mothers in their early twenties, especially research which deals with the implications for education, training and employment. However, small-scale studies have linked teenage maternity with factors associated with previous socio-economic disadvantage (such as low socio-economic status, Aboriginality, sole-parent family membership, early school leaving) and to a risk of longer-term economic disadvantage, that is difficulty getting a job or returning to education or training. One study identified lower educational achievement as the key factor associated with adolescent maternity (reviewed by Milne-Holme et al. 1996).

ABS labour force data provide some background information regarding country of birth. These data show that, while young women born in non-English-speaking countries are not over-represented among the larger group of young women who are not in education or full-time employment, they are over-represented among the sub-group of young women who are not in the labour force. Of the non-English-speaking background young women who are not in education or full-time employment almost 57 per cent are not in the labour force while this is the case for 44 per cent of comparable Australian-born young women. However this information is of limited use without accompanying data about length of time in Australia and the particular country of origin (ABS 1997).

Analysis of the AYS data shows, that among those young women outside the labour force and engaged in 'home duties' at age 24, almost 70 per cent have not participated in higher education or apprenticeship training, do not have a TAFE qualification and have either been out of the labour force or unemployed for 25 per cent of the time since leaving school.

The OECD longitudinal data show the disadvantage of young Australian women with limited education up to five years after leaving education. Young women who had less than upper secondary education had a 40 per cent employment rate compared with 75 per cent for those with more education (OECD 1998).

Young adults in part-time and insecure employment

One of the main reasons for an expansion of concern beyond the unemployment of young adults to those who are in part-time and insecure employment is the evidence that such work will not automatically lead to secure full-time employment. This evidence was canvassed more fully in the previous report (McClelland et al. 1998) and related to findings that a high proportion of non-students in part-time work had casual employment; many were under employed; and a significant minority experienced persistent part-time employment. These findings often applied to young adults as well as teenagers, many of who may also be moving in and out of employment. For example in July 1996 18 per cent of 20 to 24 year-olds who were unemployed reported two or more job experiences in the past year (ABS 1996a).

While work experience remains an important safeguard against unemployment, the OECD's longitudinal analysis of the work histories of young adults up to six years after leaving education raises a question about the long-term value of all forms of temporary employment and suggests that this is an important policy and research issue requiring further examination. The OECD also found that three to six years after leaving education those in part-time employment had less stable working histories than those in full-time jobs, although the differences were small (OECD 1998).

Tables 1 and 2 showed that there were well over 100,000 young adults working part-time and not studying with a significant over-representation of young women — around 11 per

cent of all young adult females. While some of these young women are combining parenting with part-time employment over three-quarters do not have children.

Summary and discussion

Some of the main findings of this paper are:

- There is a much larger group of young adults at risk of future labour market disadvantage than the group defined as unemployed. Over one quarter of young adults were not studying or in full-time employment at September 1997.
- The proportion of young adults in this situation has increased over the past 10 years because the increase in education participation over this period has not made up for the substantial decline in full-time employment. (See chapter by VandenHeuvel & Wooden).
- Looking beyond unemployment highlights the different position of young women. Almost one-third were not studying or in full-time work.
- Over half of young adult females in this situation have children and while young adult mothers make up one-fifth of young adult women, young adult mothers constitute:
 - over three-quarters of young women not studying and not in the labour force; and
 - over one-third of young women not studying and unemployed.
- The 20 to 24 year old group is much more diverse than the teenagers and has very different activities and expectations according to gender and age. It cannot be assumed that all of the groups not in education or full-time work are marginalised, or will be disadvantaged in later life, including all young mothers.
- Young adults have the highest incidence of unemployment and long-term unemployment of all age groups (as a proportion of the population) and, while few of these have never worked, more than one in five of the 118,300 young adults who were outside the labour force and not studying had never had a paid job. Most were young women.
- A high proportion of young adults who were outside the labour force and not studying were marginally attached to the labour market.
- The AYS longitudinal analysis indicates that young people with limited education and employment experience since leaving school are more likely to be in the group who are not studying or in full-time employment at age 19 years and at 24 years.

- Around 8 per cent of 24 year olds are estimated to have not participated in any higher education or apprenticeship training; not obtained a TAFE qualification; and to have either been unemployed or out of the labour force for more than 25 per cent of their time (at least 18 months) since leaving school.
- The main factors associated with labour market disadvantage of young adults are early school leaving, parents' lower socio-economic background and indigenous background. Others include lower school achievement at year 10, attendance at a government school, living outside a capital city and less previous labour market experience.
- Some longitudinal studies indicate ongoing labour market disadvantage for young adults with low levels of school achievement, who leave school early and who have had an experience of unemployment. For males the disadvantage tends to mean high recorded unemployment (and longer duration) and for females lower levels of participation in the paid workforce (OECD 1998, Marks & Fleming 1998).

There are a number of additional policy issues raised by these findings and by the conclusions of a number of other studies.

First, the importance of a strong labour market in reducing the unemployment of young adults. The probability of unemployment and long-term unemployment of young adults is highly connected to general levels of unemployment (OECD 1996 & 1998, McCormack 1994).

Second, the importance of improving the school achievement and school retention rates of young adults from lower socio-economic backgrounds. A number of studies highlighted the importance of early interventions programs to improve schooling outcomes (OECD 1996). The long-term disadvantage of female early school leavers is also strong warning of the dangers of complacency about the improved educational position of young women, as these data and other studies indicate that a sizeable group are not benefiting.

Third, the need for regional development approaches to improve the educational and employment opportunities for young adults in lower socio-economic areas and outside capital cities.

Fourth, even with a concerted focus on improving school outcomes there will still be young adults who leave school with insufficient education and skills. This, alongside the diversity of activities of young adults, raises the importance of not assuming a linear transition from school to work but of providing for different pathways which are structured and have a long life (OECD 1998, Dwyer 1995).

Fifth, more attention should be paid to the cost barriers to education and training which may especially affect the choices of young women from low socio-economic backgrounds (Byrne 1995, Lewis & Koshy 1998). This is an issue which goes far beyond the cost of university courses, but extends to the cost of vocational education courses in schools and of schooling more generally. It also raises the importance of student income support schemes. An associated issue is the adequacy of income support for this age group.

Sixth, we need to continue to work at improving labour market program outcomes for young unemployed people and providing a mix which is likely to have the best prospect of success. Such a mix is likely to be a combination of job search, training and work experience which critically is linked to the individual circumstances and disadvantage of young adults.

Finally, there is still a need for more information in a number of areas including longitudinal data about labour market outcomes, the current and future circumstances of young mothers and young adults with a disability, the situation of young adults who have never worked and ways to ensure temporary and part-time work has positive outcomes.

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Appendix

Table A1: Composition of 20 to 24-year-old population and of those not in education or full-time employment, by sex and presence of dependants, September 1997

	Population		Not in education or full-time employment							
	%	000's	Total		Employed part-time		Unemployed		Not in the labour force	
	%	000's	%	000's	%	000's	%	000's	%	000's
Females										
<i>With dependants</i>	19.1	128.4	50.8	108.7	22.7	16.4	34.6	14.8	78.4	77.5
Living in couple	11.0	73.7	29.9	63.9	15.5	11.2	19.0	8.1	45.0	44.6
Single	8.1	54.7	20.9	44.8	7.2	5.2	15.6	6.7	33.3	33.0
<i>Without dependants</i>	80.9	543.8	49.2	105.3	77.3	55.9	65.4	28.0	21.6	21.4
Total	100	672.1	100	214.0	100	72.3	100	42.8	100	99.0
Males										
<i>With dependants</i>	5.8	39.9	10.9	14.9	*	*	11.7	9.5	*	*
<i>Without dependants</i>	94.2	642.9	89.1	122.6	91.6	34.0	88.3	71.5	88.1	17.0
Total	100	682.8	100	137.5	100	37.1	100	81.0	100	19.3

*unreliable due to small cell sizes

Source: Australian Bureau of Statistics Labour force survey (unpublished data), September 1997.

Table A2: Education and labour market participation of 20 to 24-year olds in September 1997 by area of residence and type of school last attended

	Population		In education		Not in education, employed full-time		Not in education, not employed full-time	
	('000s)	%	('000s)	%	('000s)	%	('000s)	%
Area of residence								
Capital city	876.9	64.7	284.1	75.0	394.1	63.1	198.8	56.6
Balance of State	478.0	35.3	94.6	25.0	230.7	36.9	152.7	43.4
Total	135.0	100.0	378.7	100.0	624.8	100.0	351.5	100.0
Type of school last attended								
Government	989.0	73.0	225.4	59.5	468.4	75.0	295.2	84.0
Non-government	361.1	26.6	148.5	39.2	156.2	25.0	56.4	16.0
Catholic	206.9	15.3	75.0	19.8	97.9	15.7	34.0	9.7
Other	154.2	11.4	73.6	19.4	58.3	9.3	22.4	6.4
Never went to school	4.9	<1	4.7	1.3	0	0	0	0
Total	1,355.0	100.0	378.7	100.0	624.8	100.0	351.5	100.0

Source: Australian Bureau of Statistics Labour force survey (unpublished data), September 1997.

Table A3: Background characteristics of 24 year-olds with labour market disadvantage and limited education over time

	Incidence	Background characteristics	
		Disadvantaged group	Others
Males	7.0%	41.0%	51.4%
Females	10.0%	59.0%	48.6%
Socio-economic status¹			
High (professional & managerial)	2.2%	6.3%	19.2%
Upper middle (Clerical)	4.5%	16.2%	25.6%
Lower middle (Skilled manual)	6.3%	31.5%	32.6%
Low (Unskilled manual)	13.1%	46.0%	22.6%
Mother's country of birth			
Australia	9.1%	73.3%	70.6%
Other English-speaking	10.5%	11.5%	9.4%
Non English-speaking	6.7%	15.3%	20.0%
Location			
Rural	10.0%	36.6%	31.3%
Metropolitan	8.2%	63.7%	68.7%
School type			
Government	10.6%	89.0%	69.3%
Catholic	4.1%	9.0%	20.3%
non Catholic private	1.7%	2.0%	10.5%
Year 12 completion			
Year 12	3.5%	37.0%	75.3%
Left before Year 12	19.6%	63.0%	24.3%
Total	8.3%	100.0%	100.0%
Number	151	1,830	1,679

Source: Figures were derived from the Australian Youth Survey by Stephen Lamb at the ACER. The original sample was 3,608 and the sample remaining at age 24 was 1,830.

¹ Based on parents' occupations

Table A4: Duration of unemployment of 20 to 24-year-olds not attending an education institution¹ and not in full-time employment, September 1997

	Age	Males		Females		Persons		
		20-22	23-24	20-24	20-22	23-24	20-24	20-24
No. unemployed ('000s)		44.1	33.0	77.2	30.2	10.8	41.0	118.2
Duration of unemployment								
(% of unemployed)								
Under 26 weeks		39.0	44.0	41.3	51.6	62.8	54.6	45.9
26 to 51 weeks		22.9	21.5	22.3	21.9	*	17.2	20.5
52 weeks & over		38.0	35.0	36.0	26.0	34.0	28.0	34.0
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Unreliable due to small cell size.

¹ This table does not include the 5,600 20 to 24-year-olds who were attending an education institution but were not studying for a recognised education qualification

Source: Australian Bureau of Statistics Labour force survey (unpublished data), September 1997.