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# How Young People are Faring 2007 **AT A GLANCE**



Dusseldorp Skills Forum  
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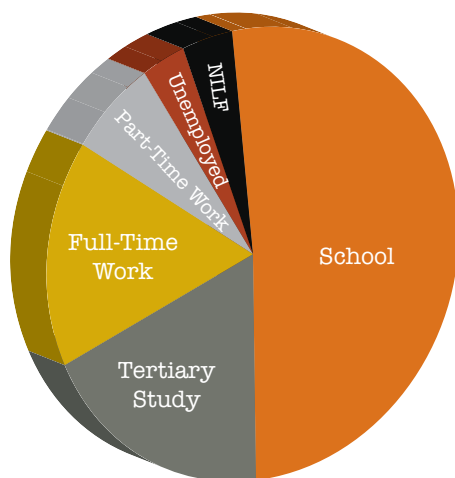
# How Young People are Faring 2007

## AT A GLANCE

### Participation in learning and work in 2007

What are the main ways young people participate in learning and work? Through three charts below we provide a brief overview of and comment about the main activities of teenagers and young adults in May 2007, and school-leavers in May 2006.<sup>1</sup>

#### TEENAGERS: all 15-19 year olds



At school 51.7%; tertiary study 18.4%; full-time work 16.1%; part-time work 6.7%; unemployed 3.5%; NILF 3.7% (not in the labour force)

#### Major points:

- Close to 86 percent of teenagers are studying full-time or working full-time<sup>2</sup>
- 70 percent of teenagers are in full-time study: 52 percent were still at school and 18 percent were in tertiary studies, at university or TAFE. More females (75 percent) than males (65 percent) are in full-time study
- 16 percent of teenagers are in full-time work. Nearly twice as many teenage males (21 percent) were working full-time compared to teenage females (11 percent)

**Most teenagers are studying or working full-time. Full-time work remains an important pathway for teenagers, especially males**

#### SOME DEFINITIONS

**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):** people who are neither employed nor unemployed. Most young people in this category are carers or young mothers; or have a disability or illness. The ABS says, "many people not in the labour force can be considered strongly attached to the labour force. They would like to work but for a variety of reasons are not actively looking for work or are not currently available to start a job. There is an expectation that many of these people will move into the labour force in the short term, or could do so if labour market conditions change."

**Unemployed:** generally, people not employed in the week of the ABS 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

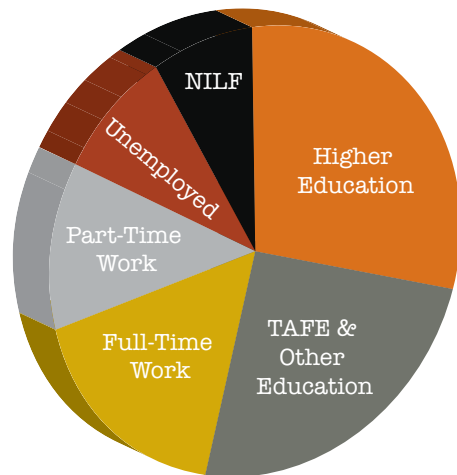
1. An associated report, *It's Crunch Time: Raising youth engagement and attainment* is available from <http://www.dsfg.org.au> and our research partner, the Australian Industry Group, at <http://www.aigroup.asn.au>. Data for this report was prepared by Mike Long at the Monash University-ACER Centre for the Economics of Education and Training (CEET). We appreciate the valuable co-operation of the Australian Bureau of Statistics.

2. A number of students combine full-time study with some part-time work and these charts omit the part-time work of these students. Other young people are studying part-time and working part-time, effectively an equivalent of full-time engagement. This proportion appears to be relatively small: 1.4 percent of teenagers - 3.3 percent of 19 year-olds - in 2006.

## SCHOOL-LEAVERS: all young people who left school 5-6 months previously

### Major points:

- In 2006, 54 percent of school-leavers from the previous year continued on to study at university, TAFE or in other forms of education
- Close to a quarter of school leavers went on to TAFE and close to 30% went onto university.
- Full time work and work-based training were important pathways for at least 80,000 school leavers.
- There is scope to improve the proportion of young people going onto further study or training, both formal and informal, after leaving school.

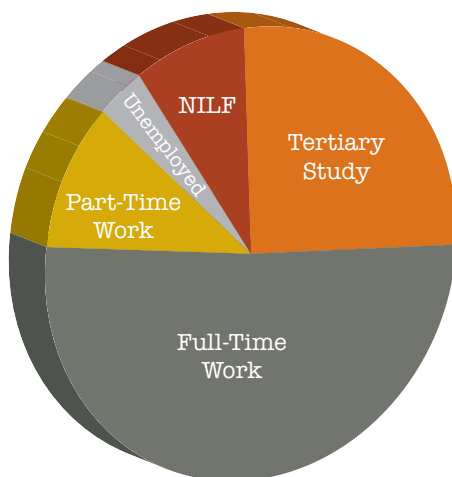


At university 29.8%; TAFE & other education: 24.4%; full-time work: 17.2%; part-time work: 12%; unemployed: 9%; NILF: 7.7%

## YOUNG ADULTS: all 20-24 year-olds

### Major points:

- Just over half of Australia's young adults are in full-time work and a quarter are in full-time education
- Young women (28 percent) are more likely to be in full-time study than young men (25 percent) but young men (58 percent) are more likely to be in full-time work than young women (44 percent).
- Overall, more young men (84 percent) are in full-time learning or work than young women (71 percent)



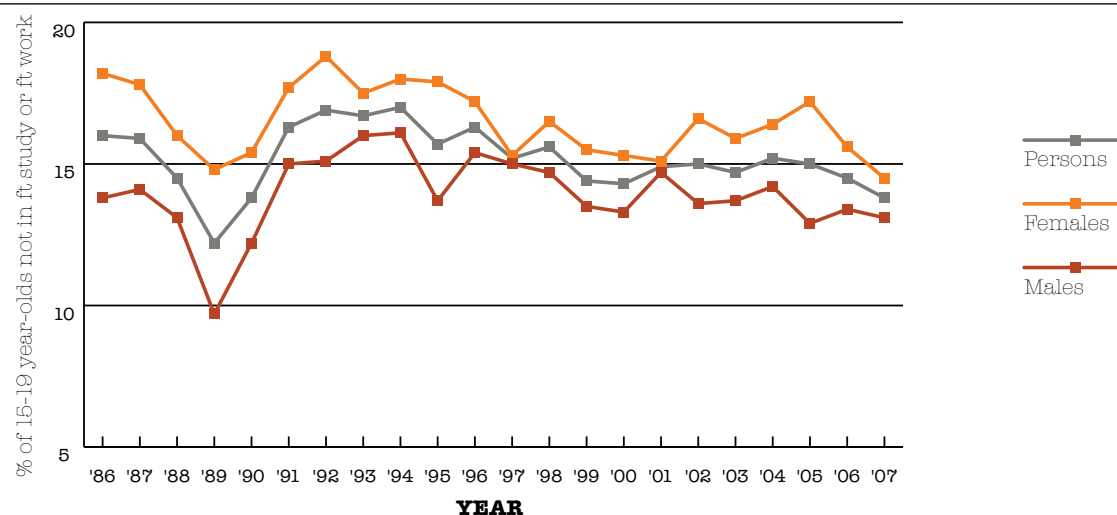
In tertiary study 26.4%; full-time work 51.1%; part-time work 10.4%; unemployed 3.5%; NILF 8.5%

**Nearly four in five of Australia's young adults are in full-time learning or work.**

## Young people not fully engaged in learning or work

The focus here is on young people – teenagers, school-leavers and young adults - who are unemployed, not in the labour force, or in a part-time job and not studying full-time. We provide a snapshot of the situation in 2007 and summarise some important trends over time.

### 196,000 TEENAGERS WERE NOT IN FULL-TIME STUDY OR FULL-TIME WORK IN MAY 2007

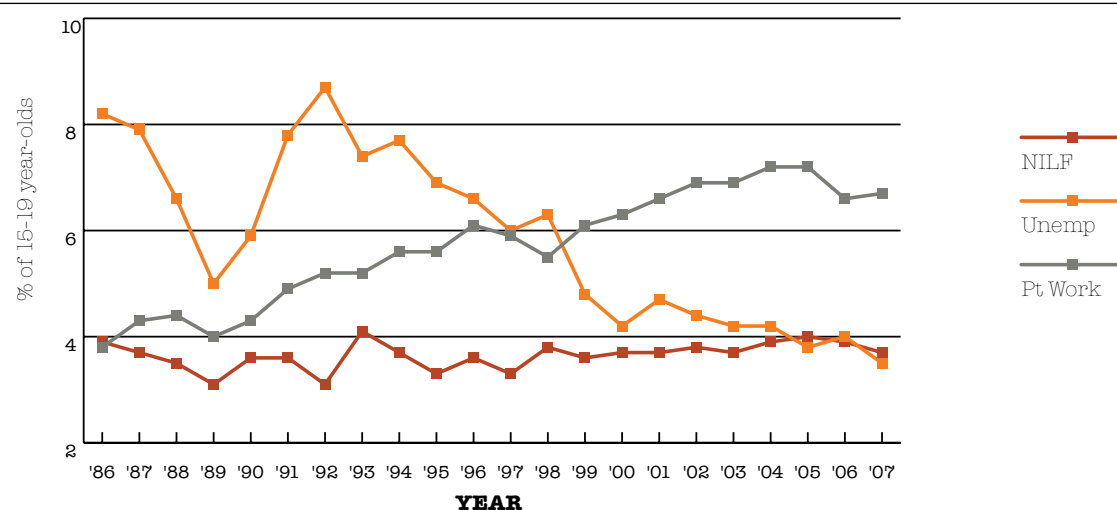


Source: Labour Force Australia, ABS, customised tables

#### Major points:

- In May 2007, 13.8 percent (or 196,000) teenagers were not in full-time learning or full-time work. Females were less likely to be fully engaged than males.
- The percentage of teenagers not in full-time study or full-time work has declined in recent years and in 2007 is the lowest since 1990. The gap in engagement between males and females has narrowed in recent years.

### TEENAGE UNEMPLOYMENT HAS FALLEN, AND PART-TIME WORK HAS INCREASED OVER THE PAST 20 YEARS

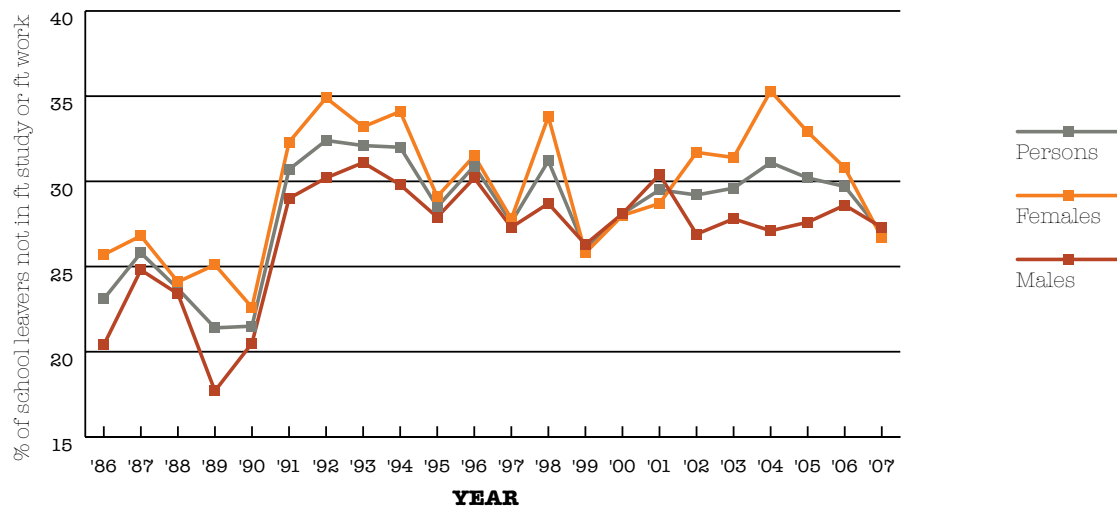


Source: Labour Force Australia, ABS, customised tables

#### Major point:

- Teenagers *working part-time* and not in full-time study increased from 4 percent in 1986 to 6.7 percent in 2007 while the proportion of teenagers that were *unemployed* has halved—from over 8 percent to 3.5 percent over the same period.

## THE PROPORTION OF SCHOOL LEAVERS NOT IN FULL-TIME EDUCATION OR FULL-TIME WORK IS DECLINING

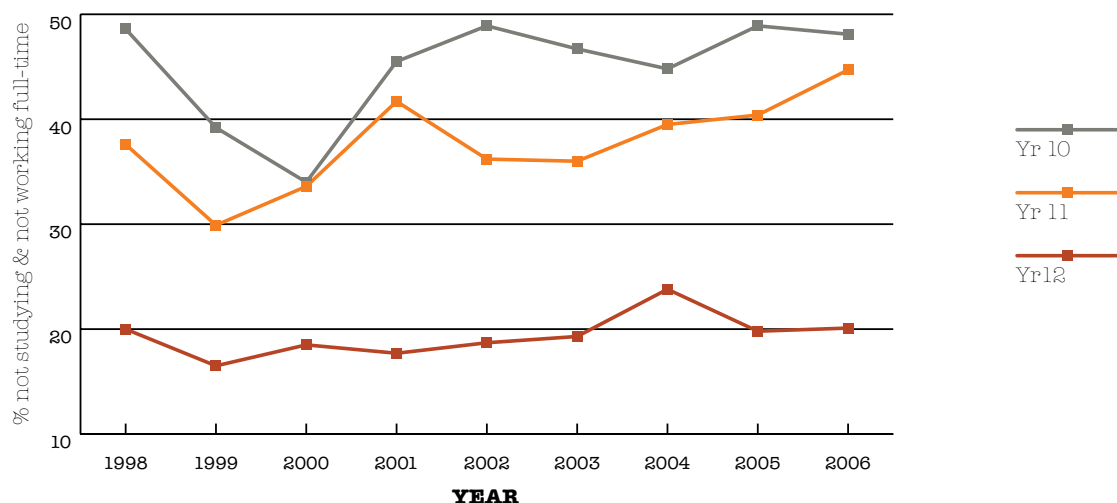


Source: *Labour Force Australia*, ABS, customised tables

### Major points:

- A quarter (27 percent) of the 2006 school-leavers in May 2007 were not in full-time study or work (78,200 persons). Of these school-leavers, 15 percent were working part-time, 6 percent were unemployed and 6 percent were not in the labour force.
- The percentage of school leavers not in full-time study or full-time work has declined in recent years.
- In recent years the gap between males and females not in full-time study or full-time work has narrowed considerably.

## COMPLETING YEAR 12 DOES MAKE A DIFFERENCE

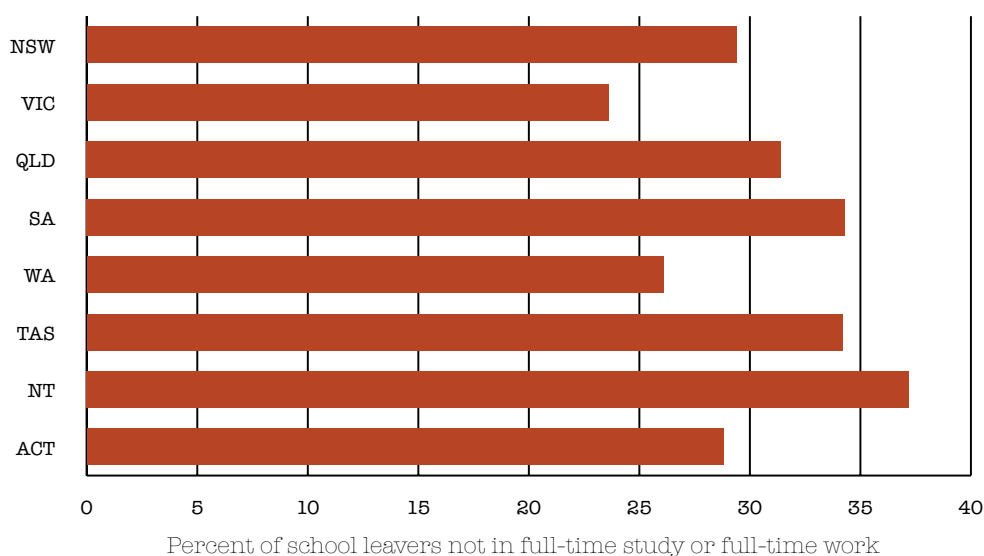


Source: *Survey of Education and Work*, ABS, customised tables

### Major point:

- In May 2006, substantially fewer school leavers who had completed Year 12 (20 percent) were not fully engaged in study or work than students who left school after completing Year 11 (45 percent) or after completing Year 10 or earlier (50 percent). There were 46,000 early school leavers not fully engaged in learning or work. School completers are relatively advantaged in terms of education and labour force destinations.

## THE PROPORTION OF SCHOOL-LEAVERS NOT FULLY ENGAGED VARIES BETWEEN STATES

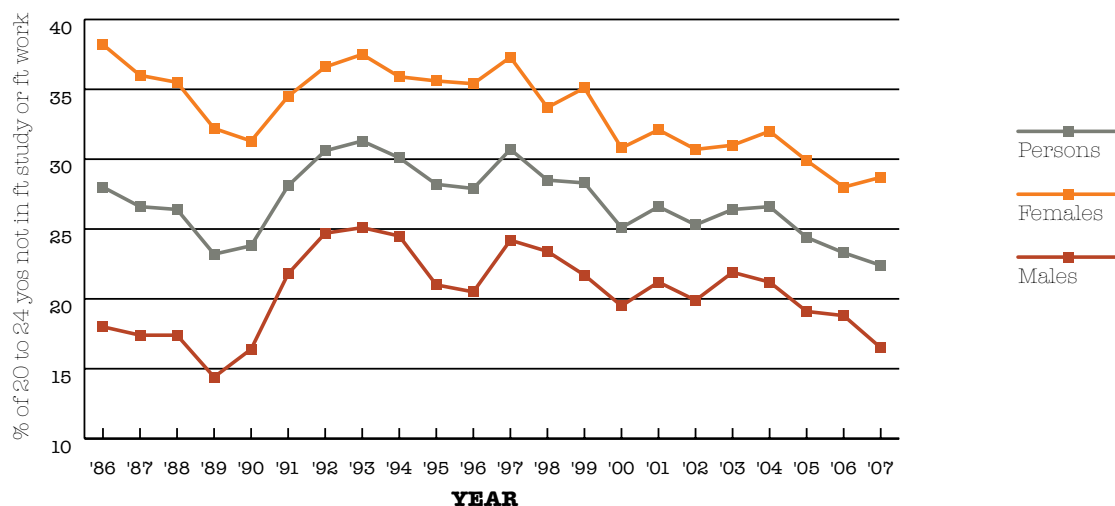


Source: *Labour Force Australia*, ABS, customised tables

### Major point:

- The proportion of school leavers not fully engaged is lower in Victoria and Western Australia compared to other states and territories.<sup>3</sup>

## THE PROPORTION OF YOUNG ADULTS NOT FULLY ENGAGED IN LEARNING OR WORK IS FALLING



Source: *Labour Force Australia*, ABS, customised tables

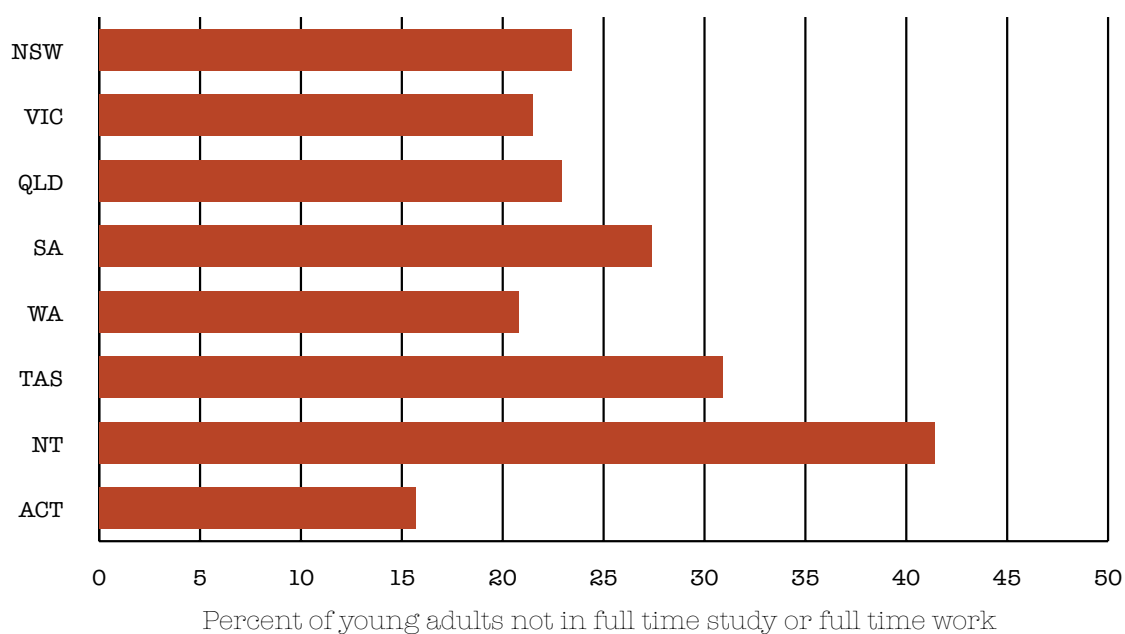
### Major points:

- Participation rates in full-time learning or work in May 2007 were higher for young adults than at any time in the past two decades.
- However more than one in five young adults (22 percent or 330,000 people) were not in full-time study or full-time work.
- According to the most recent data 107,000 young adults are without Year 12 or a Certificate III qualification not in the labour force, unemployed, or working part-time and not studying.<sup>4</sup>

3. Values in this table are averaged over April and May for 2006 and 2007 to improve the reliability of the estimates. Nevertheless values for Tasmania, the NT and the ACT are based on small sample sizes and may still be unreliable.

4. ABS, *Survey of Education & Work*, customised tables, May 2006

## THE PROPORTION OF YOUNG ADULTS NOT IN FULL-TIME STUDY OR FULL-TIME WORK VARIES BETWEEN STATES<sup>5</sup>



Source: *Labour Force Australia*, ABS, customised tables, April-May 2006/2007

5. Values in this table are averaged over April and May for 2006 and 2007 to improve the reliability of the estimates. Nevertheless values for Tasmania, the NT and the ACT are based on small sample sizes and may still be unreliable.

## Growth in full-time jobs

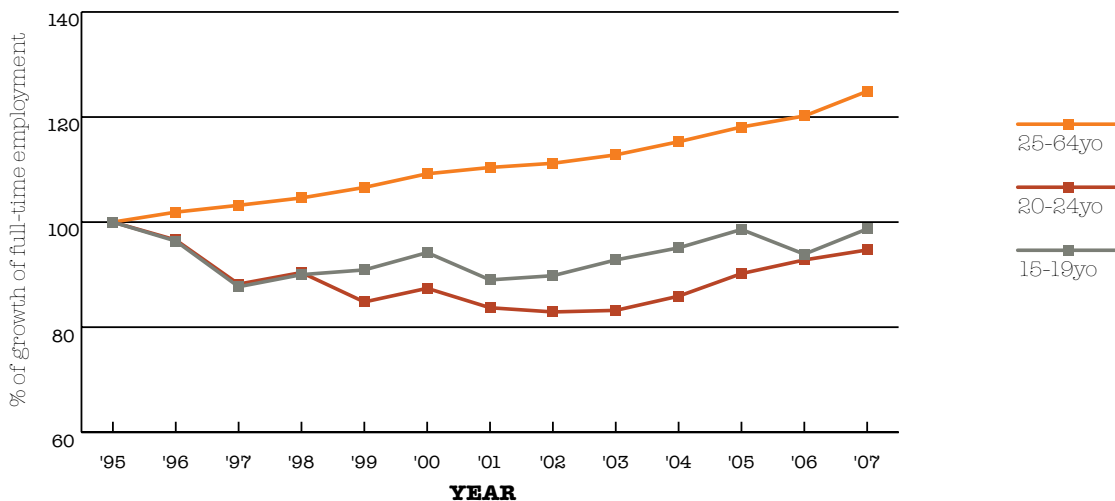
526,000 young Australians (teenagers and young adults) were not in full-time learning or work in May 2007. Of these approximately 306,000 were unemployed, working part-time but wanting more hours, or were not in the labour force but wanting to work. This represents 9 percent of teenagers, 12 percent of young adults and 11 percent of all young Australians aged between 15 and 24 years.

Part-time work is very important for students. Nearly one-third of school students, and one half of young Australians in tertiary education are also working part-time. But for most young Australians under-employment, perhaps more than unemployment, is a major issue.

More than a quarter of all young Australians who are working part-time would prefer more hours of work. Half of the young adult part-time workers not studying full-time would prefer to work more hours.<sup>6</sup>

7.

### FULL-TIME JOB GROWTH FOR YOUNG AUSTRALIANS COMPARED TO OLDER AUSTRALIANS HAS BEEN STATIC SINCE 1995



Source: *Labour Force Australia*, ABS, customised tables

#### Major point:

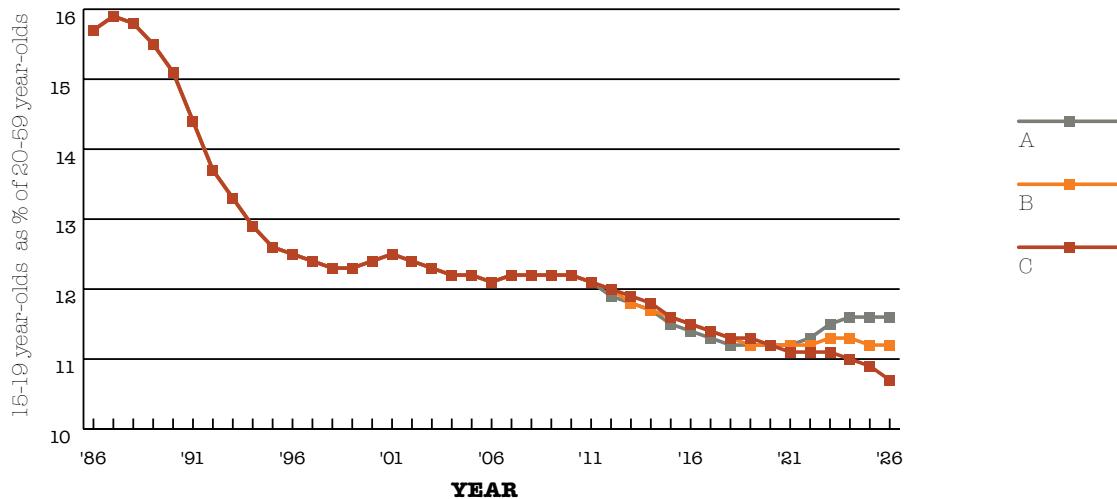
- Full-time jobs for Australians aged 25-64 years have risen by more than 1.270 million since 1995 but been static for teenagers and declined by 42,000 for young adults. This gap in opportunity is not a result of fewer numbers of young people entering the labour market.

6. Labour Force Survey, ABS, June quarter 2007, customised tables



Young people will continue to be crucial to Australia's prosperity

**THE ACTUAL AND PROJECTED NUMBER OF 15 TO 19 YEAR OLDS AS A PERCENT OF ACTUAL AND PROJECTED 20 TO 59 YEAR-OLDS, AUSTRALIA: JUNE 1986 TO 2026**



Source: ABS, *Population Projections*, Australia, 2004-2101. The three population projections shown—A, B and C—are based on different assumptions about birth rates, life expectancy and migration. Series A estimates are higher because of more generous assumptions.

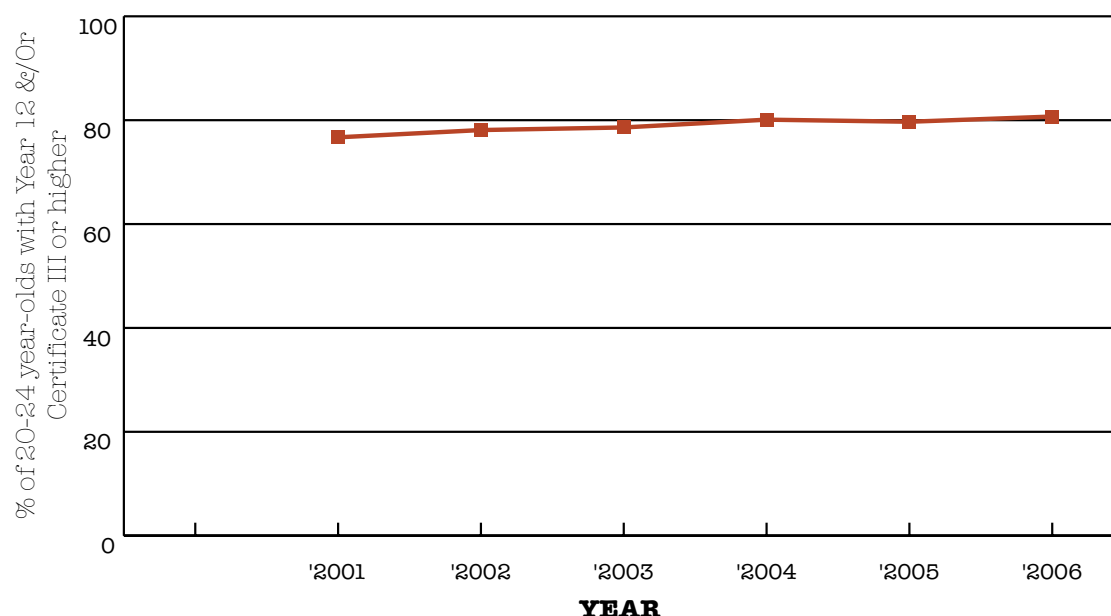
This chart shows that young Australians will continue to be an important component of the Australian workforce in coming years. Teenagers as a proportion of the prime working age population (20 to 59 year-olds) will decline only slightly from 12.2 percent in 2007 to about 11.5 percent in 2016.

Skilling young Australians to be able to participate and to be productive in the economy and society must continue to be a major national priority.

## Foundation skill attainment and young people

Completing Year 12 or attaining a vocational equivalent at AQF Certificate III level are important thresholds for further learning and for entry into sustainable employment. While a substantial number of young adults hold at least these qualifications, about one in five do not.

### PERCENTAGE OF 20-24 YEAR OLDS WITH AT LEAST YEAR 12 OR AN AQF QUALIFICATION AT CERTIFICATE III, 2001-2006



Source: Customised and published tables from ABS, *Survey of Education and Work*, May 2001-2006

#### Major points:

- The proportion of young adults with at least these qualifications has risen from 76.7 percent in 2001 to 80.7 percent in 2006.
- The Ministerial Council on Education, Employment, Training and Youth Affairs estimates that Year 12 completion in Australia in 2005 was 67 percent. The completion rate of students in low-socio economic deciles was estimated at 59 percent, and for students in high socio-economic deciles was estimated at 79 percent.<sup>7</sup> Estimated completions have been relatively static during the 1990s and 2000s.

7. National Report on Schooling 2005, MCEETYA, Table 32 and 34. Available at <http://cms.curriculum.edu.au/anr2005/index.htm> the estimates express the number of Year 12 completions (Year 12 certificates issued by State/Territory education authorities) as a proportion of the estimated population that could attend Year 12 in that calendar year. It is important to note that there are variations in assessment, reporting and certification methods for Year 12 across States and Territories.

When DSF commenced the *How Young People are Faring* series nearly a decade ago, we observed that a “lack of basic education qualifications is a source of the longer-term vulnerability for many young people in the labour market.”<sup>8</sup> It is clear that in the modern Australian economy, many young people without school completion or a Certificate III qualification are likely to face long-term disadvantages in the labour market.

Other OECD countries have managed to progressively and incrementally improve school completion rates, but as the former Director for Education at the OECD, Professor Barry McGaw notes these rates have barely shifted in Australia over the past 15 years. A dimension of the drift is reflected in the fact that among 25-34 year olds, Australia now ranks 20th among the OECD countries in terms of school completion.<sup>9</sup>

In its most recent report on youth transitions, the OECD concludes, “there is agreement that, in order to improve youth job prospects, it is essential to combat school failure. In particular, early and sustained intervention can help prevent a vicious circle of cumulative disadvantages.”<sup>10</sup> Across the OECD levels of school completion are an increasing focus of concern. In the United States for example, the country’s political, economic and philanthropic leadership is attacking a ‘silent epidemic of school dropouts’ and is seeking to re-invigorate educators, school communities and students.<sup>11</sup>

Professor Richard Sweet, a former senior analyst at the OECD, observes that the disadvantage of not completing school is especially high in Australia: for example, 24 year olds who have not completed school or its equivalent are twice as likely to be unemployed as 24 year olds who have completed that level of education. Only in the Czech Republic is the ratio higher.<sup>12</sup>

Nevertheless in recent years some real improvements in the level of full time engagement of teenagers, school leavers and young adults have occurred.

Because of these trends and Australia’s sustained economic achievements over more than a decade the country has a unique opportunity to cement institutional arrangements to ensure that all young people are engaged, skilled and developed over the long-term.

It is imperative that we do so not only for the well-being of young people and their families, but because of Australia’s continuing need for a skilled workforce, and the forecast demographic squeeze facing the nation.

It’s crunch time right now to make the investments and reforms needed to really deliver on the great opportunities Australia has ahead of it.

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We welcome your feedback and comment on this snapshot and *It's Crunch Time: Raising Youth Engagement and Attainment*.

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8. R Curtain, *How Young are Faring: Key Indicators 1999*, DSF

9. Council for the Australian Federation, *The Future of Schooling in Australia*, Federalist Paper No.2, 2007

10. G Quintini, JP Martin, S Martin, *The Changing Nature of the School-to-Work Transition Process in OECD Countries*, Institute for the Study of Labor, IZA DP 2582, Germany, 2007

11. See <http://www.silentepidemic.org> And see also Canadian initiatives at *Pathways for Youth into the Labour Market*, Canadian Policy Research Network, April 2007

12 R Sweet, *Education, training and employment in an international perspective*, Brotherhood of St Laurence, New Transitions: Challenges Facing Australian Youth seminar, 2006