

FOUNDATION FOR  
Young Australians



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WHAT NEXT?

# How Young People are Faring'09

**AT A GLANCE**

THE NATIONAL REPORT ON THE LEARNING AND  
WORK SITUATION OF YOUNG AUSTRALIANS



YOUNG

**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 the ABS 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:** 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 for and were available for work in the previous four weeks.

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

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

**Year 12 or equivalent:** completion of a school certificate (such as the South Australian Certificate of Education or the Tasmanian Certificate of Education) or an 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.

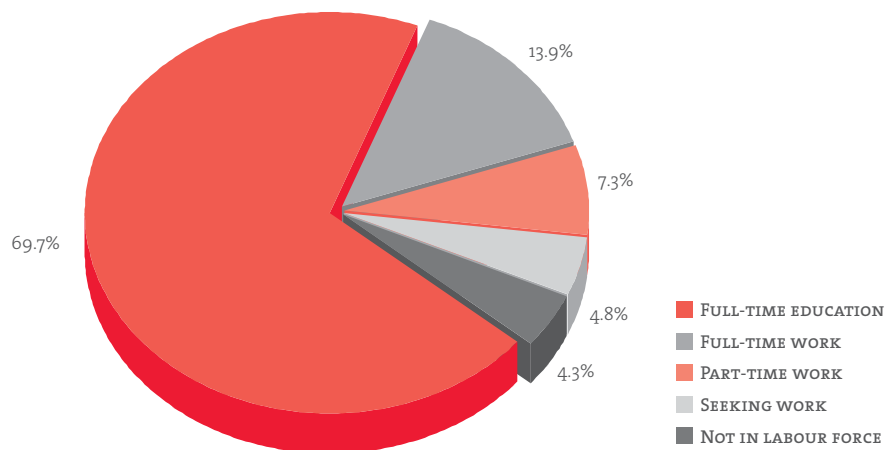
## Explanatory notes

What are the levels of participation in education, training and work of young Australians? This section provides an overview, based on the most current data, of the learning and earning activities of teenagers, school leavers and young adults.

## Teenagers:

15 to 19 year-olds

### Earning and learning activities of teenagers, May 2009



Source: ABS *Labour Force Australia* (2009) (data cube LM3)

Note: All students enrolled at school are treated as full-time.

#### 70 per cent of 15 to 19 year-olds are in full-time education, and 14 per cent are working full-time.

- > More females than males are in full-time study.
- > Males are more often in full-time work.

#### 16 per cent of teenagers are not fully engaged in work or study.

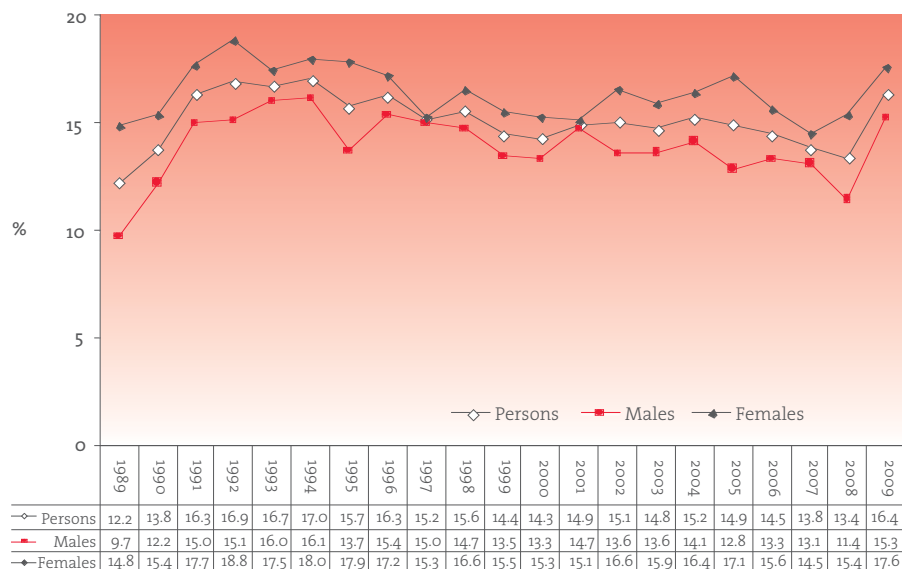
- > Such marginalisation is slightly greater among females: more females than males are in part-time work or not in the labour force, although unemployment is higher among males.
- > Among those who have left full-time education, withdrawal from the labour force (and possibly hidden unemployment) is twice as high for females as for males.

# O1

## Engaging in education, training and work

The percentage of teenagers not fully engaged has risen sharply since 2008, reversing the previous downward trend.

### Not in full-time education or full-time work, 15 to 19 year-olds, persons and by gender, 1989-2009 (%)



Source: ABS *Labour Force Australia* (2009) (data cube LM3)  
 Note: All students enrolled at school are treated as full-time.

The rise over the last 12 months in the percentage of teenagers not fully engaged in learning or earning has occurred because of the downturn in the labour market, with no offsetting increase in educational participation.

- > The percentage in full-time work declined substantially.
- > Unemployment jumped (from 12.2 per cent to 18.5 per cent), one of the largest annual increases for teenagers over the past two decades.
- > This increase in unemployment was greater for males, climbing by 7.5 percentage points compared to 4.5 points for females.
- > The percentage of teenagers in non-school education has flattened since 2007, and the percentage in school has fallen slightly.

Higher-level VET qualifications, including apprenticeships, are important training pathways for teenagers.

- > After a decade in which the percentage of teenagers undertaking apprenticeships and traineeships increased each year, estimates for 2008 suggest there has been a halt to this trend.
- > Nationally, in 2008 the proportion of teenage males doing an apprenticeship or traineeship was double that of females.

### Apprentices and trainees in 2008 as percentage of population aged 15-19 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Males	10.5	11.3	15	11.5	14.0	13.7	9.1	8.5	12.1
Females	5.3	5.9	6.6	7.0	5.0	6.2	3.8	5.4	5.8
Persons	8.0	8.6	10.9	9.3	9.7	10.1	6.6	7.0	9.0

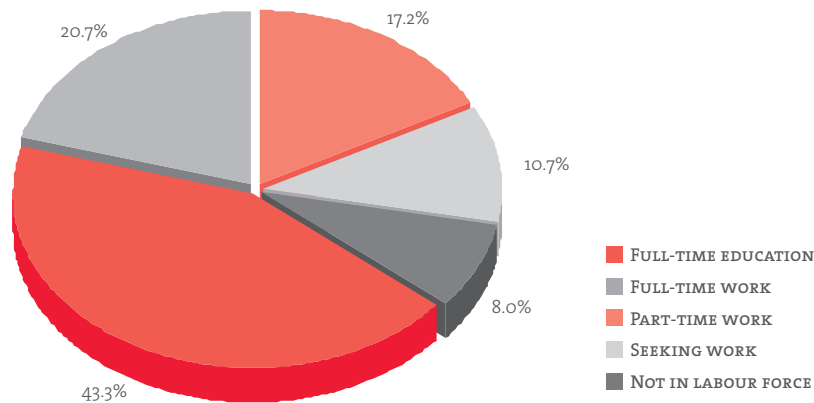
Source: NCVER *National Apprentices and Trainees Collection* (2009)

- > There has been a shift towards part-time arrangements: between 2004 and 2008, while numbers of teenagers commencing apprenticeships grew, full-time training declined as a proportion of total commencements.

# School leavers:

young people aged 15 to 24 in their first year after leaving school

## Earning and learning activities of school leavers, May 2009

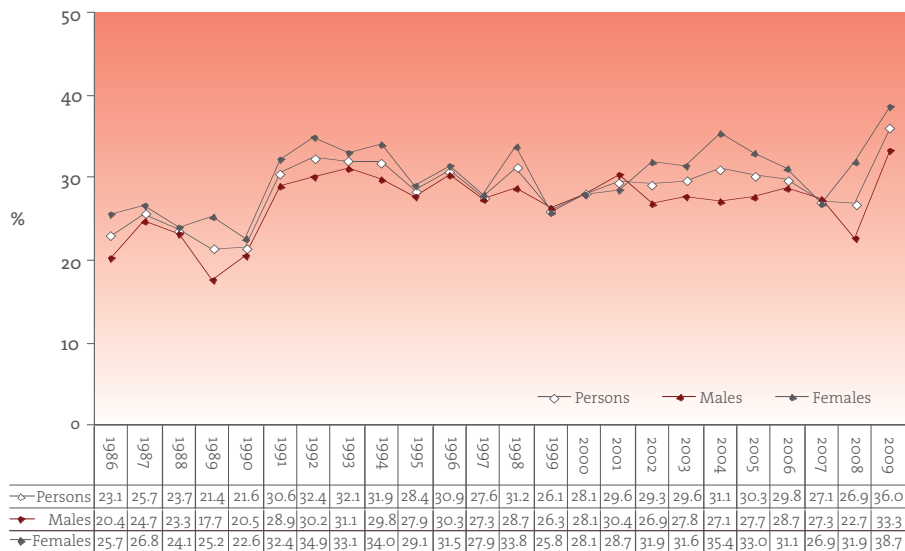


Source: ABS Labour Force Australia (2009) (data cube LM3)

### Transition to the labour market is becoming more difficult for school leavers.

- > More than one third (36 per cent) of school leavers were in part-time work only, unemployed, or not in the labour force in 2009.
- > The percentage of school leavers not fully engaged in learning or earning had been declining over recent years, but this figure jumped substantially from 2008.

## School leavers aged 15 to 24 not engaged in full-time education or full-time work in May of year after leaving school, 1986-2009 (%)

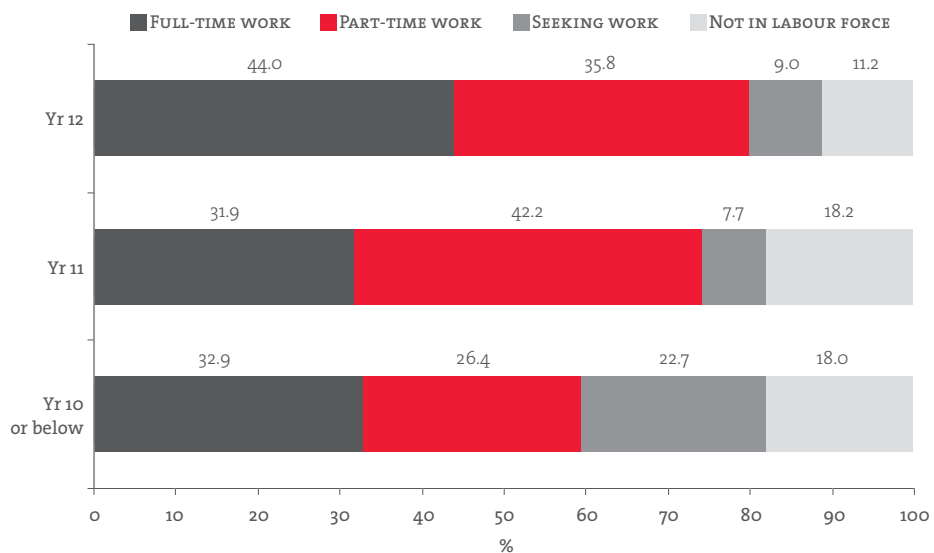


Source: ABS Labour Force Australia (2009) (data cube LM3)

### Completion of Year 12 continues to confer benefits.

- > School completion increases the likelihood of undertaking further study (after leaving school in 2007, two thirds of Year 12 completers continued on to some kind of full-time or part-time education in 2008).
- > Early school leavers who do not continue in education are also disadvantaged in the labour market — they are less likely to be in full-time work, and more likely to be unemployed or not in the labour market.

**Labour market destinations of school leavers (persons aged 15 to 24 at school in 2007 but not in 2008) who are not in education, by highest year of school completed, Australia, May 2008 (%)**

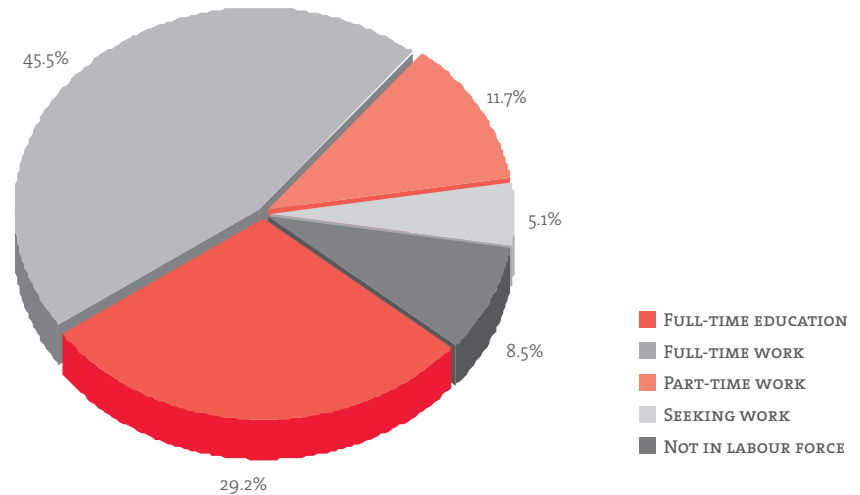


Source: ABS *Education and Work, Australia* (2008) (customised and published tables)

# Young adults:

20 to 24 year-olds

## Earning and learning activities of young adults, May 2009



Source: ABS Labour Force Australia (2009) (data cube LM3)

### 45 per cent are working full-time and 29 per cent are in full-time education.

- > More females (almost one third) than males (just over one quarter) are studying full-time.
- > Five in ten males are in full-time jobs, compared with four in ten females.

### Apprenticeships are important for young adults as well as teenagers.

- > More than 7 per cent of 20 to 24 year-olds (11 per cent of males, and almost 4 per cent of females) were doing apprenticeships or traineeships in 2008.

## Apprentices and trainees in 2008 as percentage of population aged 20-24 (%)

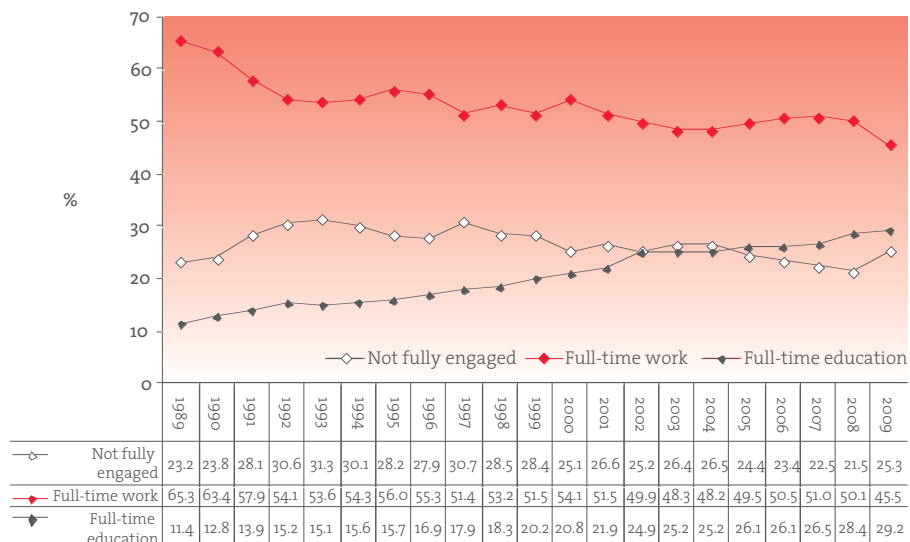
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Males	10.5	11.7	10.7	10.9	10	13.9	6.7	9.1	10.8
Females	4.2	4	3.3	4.6	2.8	5.6	2.6	3.6	3.8
Persons	7.4	7.9	7.1	7.8	6.5	9.8	4.8	6.5	7.4

Source: NCVER National Apprentices and Trainees Collection (2009)

### One quarter of 20 to 24 year-olds are not engaged in full-time work or full-time education in 2009.

- > This was a sharp increase from 2008, and follows a decade in which the proportion not fully engaged had been falling.
- > In 2009, young men are more likely to be unemployed, while young women are more likely to be in part-time work or not in the labour force.
- > In the past, young women have been more at risk of marginalisation than young men. This gender gap has narrowed to the smallest margin that it has been for twenty years, due to sharper rises for males than females in the percentages in part-time work and unemployed.
- > Females are more likely than males to be not studying and not in the labour force: this is largely due to family formation and child care responsibilities.

## Not fully engaged (not in full-time education or full-time work), in full-time work, and in full-time education, 20 to 24 year-olds, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

### The two long-term trends among young adults have been declining full-time employment and rising full-time education.

- > There has been a twenty percentage point drop in full-time employment from 65 per cent twenty years ago.
- > While full-time employment has been around 50 per cent for much of the past decade, the latest annual figure shows it has shrunk to 45 per cent in 2009.
- > During the same period the proportion of this age group engaged in full-time education has maintained a consistent upward trend.



Two aspects of educational attainment are examined in this section. There are government targets to increase the percentage of young people gaining an initial qualification — that is, Year 12 or its equivalent. Further or post-school qualifications are obtained by young people after leaving school, and are important in helping them to make the transition to the labour market.

## Initial qualifications

Sample surveys indicate that more than four in five young adults attain an initial qualification.

- > According to ABS *Education and Work* survey data for 2008, 83 per cent of 20 to 24 year-olds had attained Year 12 or its equivalent.

School engagement is an important predictor of school completion.

- > School completion is linked not only to factors such as social background and achievement, but also to students' subjective feelings about school. Compared with early leavers, more of those who complete Year 12 are happy at school, enjoy being there and feel they belong, and have positive relationships with their teachers.

### Perceptions of school life, by school completion, 19 year-olds, 2007 (%)

PERCENT AGREE WITH 'SCHOOL IS A PLACE WHERE...'	SCHOOL COMPLETERS	EARLY SCHOOL LEAVERS
You feel happy	96	85
You get enjoyment from being there	89	75
Most of your teachers really listen to what you have to say	78	62
You really like to go each day	72	50
You feel like you belong	90	81

Source: 2003 cohort of LSAY. Attitudes to school were asked in 2003, when students were aged 15.

Post-compulsory educational attainment in Australia has been rising.

- > In 2006 upper secondary attainment in Australia reached 80 per cent among 25 to 34 year-olds, just above the OECD average of 78 per cent. But such international comparisons show that there is scope to boost this rate, with several countries having rates above 90 per cent.

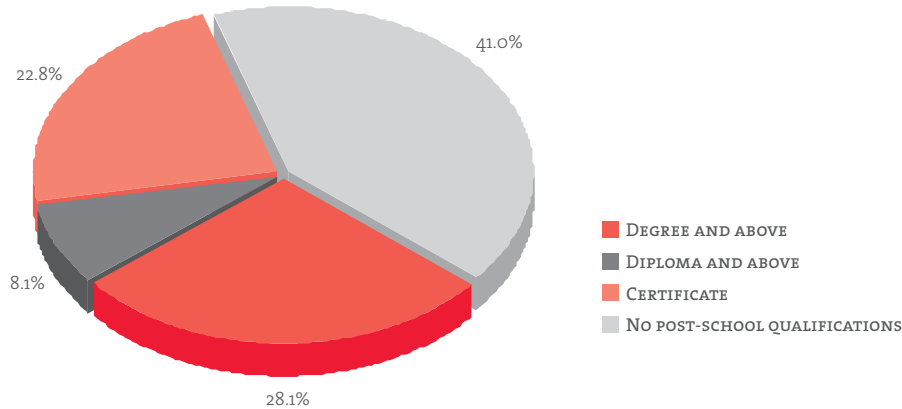
# 02 Educational attainment

## Further qualifications

About six in ten Australians attain a post-school qualification by age 24, based on 2006 Census data.

- > 28 per cent have a university degree or higher, and 31 per cent a VET qualification (8 per cent with a higher level VET diploma or advanced diploma, and 23 per cent with a VET certificate).
- > Females are much more likely than males to have a university qualification (33 per cent compared with 23 per cent).
- > Young people living in the most disadvantaged areas of Australia have the lowest rates of attainment of post-school qualifications. Almost 55 per cent of 24 year-olds living in the poorest areas did not have a post-school qualification in 2006, compared to about 30 per cent of those in the wealthiest areas.

### Highest level of post-school qualification, 24 year-olds, Australia, 2006 (%)

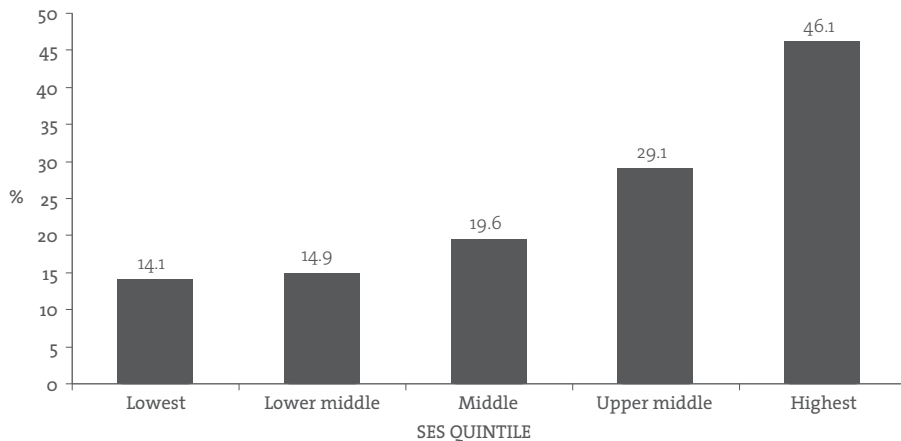


Source: ABS Census of Population and Housing 2006

### The type of post-school qualification gained by young people varies according to where they live.

- > Compared with those living in the poorest areas, three times as many of those living in the wealthiest areas had gained a university degree or above by age 24.

### 24 year-olds with a degree or above, by SES of residential area, 2006 (%)



Source: ABS Census of Population and Housing 2006

- > City areas of Australia had more than double the rate of attainment of university and higher level VET qualifications as rural areas.
- > Vocational certificates are important for young adults living in rural areas: for almost one third, this was their highest post-school qualification.

## Highest level of post-school qualification, by location, 24 year-olds, 2006 (%)

	QUALIFICATION				No post-school qualifications	TOTAL
	University	Vocational		All		
	Degree and above	Diploma and above	Certificate			
City	32.3	9.0	20.0	61.3	38.7	100
Inner regional	16.1	5.7	31.8	53.6	46.4	100
Outer regional	15.6	4.9	31.6	52.2	47.8	100
Remote	16.7	3.3	27.6	47.6	52.4	100
Very remote	14.5	3.6	21.3	39.4	60.6	100

Source: ABS Census of Population and Housing 2006

### The type of post-school qualification gained also varies by family background and location.

- > Analyses of longitudinal data show that social background matters, with young people from the wealthiest families obtaining a university degree or higher at more than double the rate of those from disadvantaged families.
- > Those living in city areas are more likely to gain a university degree or higher, while young adults living in rural and remote areas are more likely to attain, as their highest qualification, a VET certificate at levels 1, 2 or 3.
- > For young people from disadvantaged backgrounds, vocational qualifications are very important as a means of gaining post-school awards.

### The influence of school completion on attainment is ongoing.

- > The qualification gap between school completers and early school leavers widens in the post-school years. School completers more often go on to gain further qualifications (by age 23, 65 per cent did so) while early school leavers, who have not even attained an initial qualification, are less likely to obtain any further qualifications (only 57 per cent did so).

## Highest level of post-school qualification attained, by school completion, 23 year-olds, 2006 (%)

School completion	None	VOCATIONAL QUALIFICATIONS						UNIVERSITY
		Cert 1	Cert 2	Cert 3	Cert 4	Apprenticeship	Diploma	degree or above
Completer	35.5	0.8	5.6	9.9	6.1	3.1	10.1	29.0
Non-completer	42.7	1.0	10.0	18.7	7.2	14.9	4.0	1.5

Source: 1998 cohort of LSAY

### Apprenticeships provide many young people with a qualification.

- > In Australia, for trade occupations, the ratio of completions among young people aged 24 years and below in 2008 to commencements four years earlier in 2005 was 54 per cent. This national rate is broadly comparable with completion rates reported for several other countries. However there are noticeable variations between states, ranging from 47 per cent in Victoria up to 61 per cent in Western Australia.

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## Trade apprenticeship completions in 2008 as percentage of 2005 commencements, ages 24 years and below, by State/Territory



Source: NCVER *National Apprentices and Trainees Collection* (2009)

- > Traineeships generally take one year. In 2008, for the same age group, there were 50 completions for every 100 training contracts commenced in non-trade occupations in 2007.

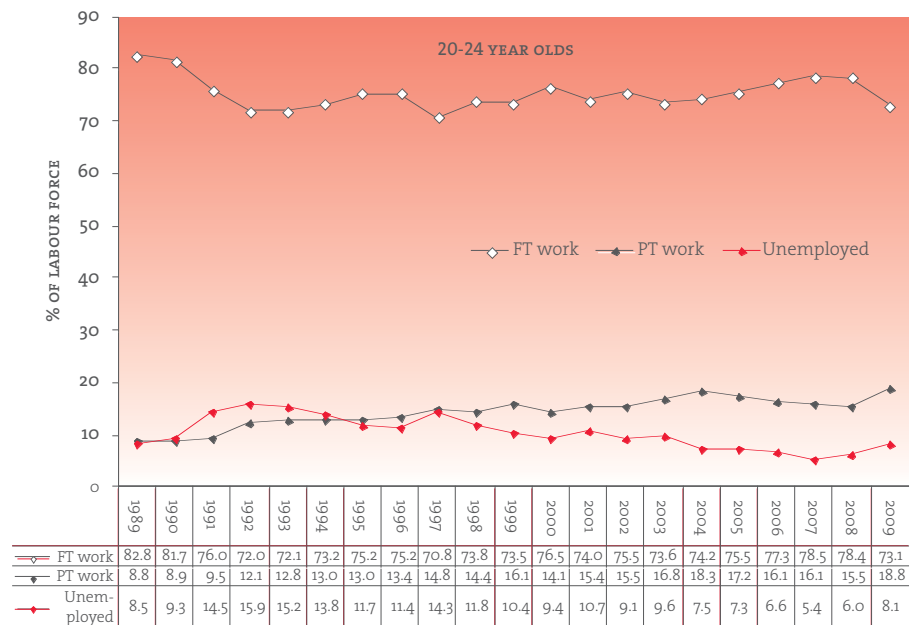
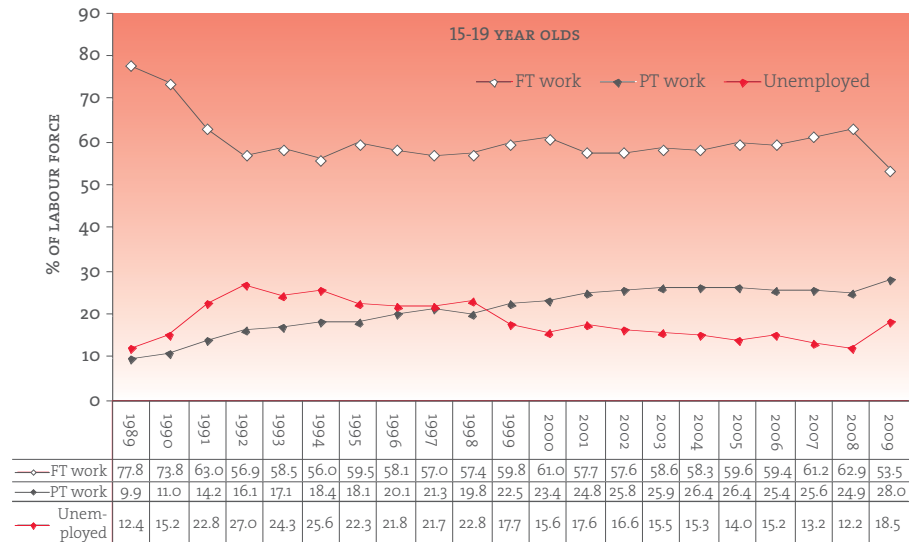
This section presents data on the state of the youth labour market in Australia, focusing on the effects of the recent economic downturn. Patterns of transition from school to work, drawn from the experiences of young people over several years, are also reported.

## Youth labour market

ABS Labour Force survey data show that over the last 12 months young people have faced increasing difficulty in accessing full-time employment.

- > For both teenagers and young adults, there were large falls between 2008 and 2009 in the percentages in full-time work and not in education.
- > Following several years when unemployment rates had been declining, unemployment shot up again in 2009, to 18.5 per cent for teenagers and 8.1 per cent for 20 to 24 year-olds.
- > Part-time employment has grown substantially during the last two decades, increasing threefold for teenagers, and more than doubling for young adults. Rising levels of part-time employment mean that many more young people now rely on part-time work in their early years in the workforce.

### 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, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

# 03

## Moving from education to work

## Post-school pathways

### Transition patterns vary according to gender and school completion.

- > Women are far more likely to rely on part-time work as they move from education to employment.
- > Early school leavers are more often unemployed or not in the labour force after six years.

### Post-school qualifications help young people in moving from education to work, conferring benefits in terms of labour market participation and low unemployment.

- > Labour force activity in the sixth post-school year is influenced by the qualifications gained by the fifth year out of school.
  - Compared to those without any school or post-school qualifications, university graduates had a higher rate of full-time employment (64 per cent as against 56 per cent). In the same comparison, graduates were also both much less likely to be unemployed (1.4 per cent compared with 8.5 per cent) or not in the labour force (2 per cent as against 10 per cent).
  - Apprentices have good employment outcomes, with high proportions in full-time work and low rates of unemployment compared with those who had completed other qualifications.

### Main activities of young people in their sixth post-school year, by highest level of qualification gained by the fifth post-school year (%)

	SCHOOL NON-COMPLETER	YEAR 12	CERT 1	CERT 2	CERT 3	CERT 4	APPRENTICE-SHIP	DIPLOMA	DEGREE
In education	10.4	32.8	45.7	24.2	25.7	26.2	13.1	29.0	<b>21.6</b>
<b>Not in education</b>									
Full-time work	56.2	48.7	22.9	51.2	54.3	54.1	76.0	49.6	<b>63.8</b>
Part-time work	14.8	10.5	5.7	13.5	10.8	11.6	3.2	15.6	<b>11.3</b>
Un-employed	8.5	3.2	5.7	6.6	4.1	4.2	2.3	3.2	<b>1.4</b>
NILF	10.1	4.8	20.0	4.5	5.1	3.9	5.4	2.6	<b>1.9</b>
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 1998 cohort of LSAY

- > Education also has advantages in terms of earnings: higher income is generally associated with a higher level of education, with graduates and apprentices doing well.

The connections between participation in education, training and work and the perceptions held by young people about their quality of life are considered in this section.

Young people are more inclined than the population as a whole to rate their health as excellent or very good, and high levels of psychological distress are no more prevalent among young people than the rest of the population. Yet the mental health and general sense of wellbeing of young people are affected by study and work circumstances.

**19 year-olds who are fully engaged in education or work are happier with their lives.**

- > Teenagers who were fully engaged expressed greater satisfaction with their life: 58 per cent said they were very happy with their life as a whole, compared with 48 per cent who were neither in full-time education nor full-time work.
- > This ten percentage point gap between the two groups was even larger in relation to being very happy about their career prospects: 45 per cent compared with 28 per cent.
- > Females who were not fully engaged in study or work perceived their career prospects as more limited compared with males in the same situation.

**Levels of happiness vary according to main activity at age 19, with apprentices among those more likely to report being very happy with their work and career prospects.**

- > 41 per cent of apprentices reported being very happy with their work, at least 6 points higher than those in all other activity groups, and 30 points higher than those who were unemployed.

**Satisfaction with aspects of life, by main activity, 24 year-olds in 2007 (%)**

Per cent 'Very happy' with...	MAIN ACTIVITY IN 2007									
	Full-time study	Full-time work	Appr/ Trainee	FULLY ENGAGED	Part-time study	Part-time work	Unemp-loyed	NILF	NOT FULLY ENGAGED	All
Work you do	29	35	41	33	29	28	10	22	24	31
Career prospects	45	40	54	45	34	31	21	27	28	43
Your life as a whole	57	58	59	58	49	52	39	46	48	56

Source: 2003 cohort of LSAY

**Year 12 completion has a positive effect on satisfaction with career prospects for females at age 19, underscoring the longer-term benefits of completing school.**

- > 95 per cent of female Year 12 completers were happy or very happy about their future career prospects compared to 86 per cent of females who had not completed Year 12.

# 04 Wellbeing of young australians

Among 24 year-olds, sense of wellbeing, both social and economic, is linked to success in work and study.

### Satisfaction with aspects of life, by main activity, 23 year-olds in 2007 (%)

Per cent 'Very happy' with...	MAIN ACTIVITY IN 2007					
	Full-time study	Full-time work	Appr/ Trainee	Part-time work	Unemployed	NILF
Work you do	36	41	40	39	15	31
Spare time	45	52	50	49	33	32
Getting on with others	59	55	62	60	44	57
Money you get each week	17	26	25	24	4	18
Social life	49	53	53	49	29	43
Independence	63	65	69	60	49	60
Career prospects	54	60	46	32	21	25
Future	56	57	51	44	22	46
Life at home	57	55	59	55	34	48
Standard of living	54	61	57	53	37	37
Your life as a whole	52	58	59	54	27	48

Source: 1998 cohort of LSAY

- > Full-time workers expressed greater satisfaction: 58 per cent were very happy with their life as a whole, whereas only 27 per cent of those who were unemployed and 48 per cent of those not in the labour force gave that response.
- > Those in full-time work were much happier about their career prospects, the work they did, their future and their standard of living than those who were unemployed, not in the labour force or in part-time work.
- > Much of the difference in sense of wellbeing is related to employment, careers and money: the unemployed or those not in the labour force far more frequently report experiencing stressful events linked to their financial circumstances.

### Findings on quality of life are important to consider because, based on objective indicators, the earning and learning situation of young Australians in 2009 has deteriorated.

- > Teenagers, school leavers, and young adults are less likely to be fully engaged in education or work, compared with the previous year. Subjective measures of wellbeing are also needed to get a more comprehensive picture of how young people are faring.



## Notes

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## Notes

### **Acknowledgments**

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

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### **Cover photo**

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