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# HOW YOUNG PEOPLE ARE FARING 2011

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## AT A GLANCE

The national report on the learning and  
work situation of young Australians

**fya** | FOUNDATION FOR  
Young Australians



## ACKNOWLEDGMENTS

This report has been prepared by Lyn Robinson, Mike Long and Stephen Lamb, researchers in the Centre for Research on Education Systems (CRES) at the University of Melbourne.

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## FOREWORD

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**The economic, social and political turbulence currently being experienced in many parts of the world, such as Europe and the US, has had a devastating effect on the young. Reports of high unemployment, youth unrest and even the migration of young people from countries like Spain as a result of high rates of unemployment represent some of the more extreme consequences of both longer-term changes and, more recently, the economic downturn associated with the GFC. Previous editions of the *How Young People are Faring* report and OECD data have shown how young people seeking work are disproportionately affected by the economic instability that we have experienced in recent times.**

This year's edition of *How Young People are Faring* alerts us to some short-term and long-term trends occurring in the youth labour market. The report, prepared by Lyn Robinson, Mike Long and Stephen Lamb from the Centre for Research on Education Systems at the University of Melbourne, provides insight into how successfully young people are moving into the labour market. This labour market is still recovering from the economic downturn of 2008 and is also undergoing a long-term transformation in which young people face different working environments from their peers in the 1980s.

Over recent years some young people have been discouraged from entry to the job market. More than one quarter of all those who are long-term unemployed in Australia are aged 15 to 24. Since 2008 the percentage of young Australians without a job for a year or longer has almost doubled. Teenagers in Australia have higher rates of long-term unemployment than in other OECD countries. This is troubling given that prior to the global financial crisis, Australia had experienced an unprecedented period of economic growth. Prosperity has not been passed on to many young people.

In addition, the stability of working life for young people has decreased. Compared with older workers, young people change employers more regularly, although this rate has fallen over the last decade, and particularly since 2008. Mobility is high: an average of nearly one in five teenagers and one in six young adults changed their labour force status every month over the past year, compared with one in ten older workers.

Long-term trends indicate how much youth transitions have changed during the last 25 years. Opportunities for teenagers to undertake full-time work have sharply declined, with the rate of full-time employment among teenagers not in education decreasing by over 22 percentage points since the mid-1980s.

At the same time, more young people who are not in some form of study or training have part-time jobs. Specifically, among those who are labour force participants, three times as many teenagers and more than twice as many young adults now have part-time jobs compared to the mid-1980s.

Educational attainment improves the labour market prospects of young people; a corollary of low educational attainment is marginalisation to either part-time work only, or unemployment. Policies to raise educational attainment must be directed at those groups of young people among whom rates of school completion are currently low — people living in regional and remote areas, and those from particular backgrounds, such as Indigenous youth.

The combination of a changing youth labour market, long-term unemployment and persistent marginalisation experienced by certain groups reinforces the need to ask: *how well are young people prepared for the increasingly fluid worlds of work?*

Combined with differences in educational participation and outcomes across social groups, these challenges become all the more urgent at a time of

global economic uncertainty. We know that the GFC has had a disproportionate impact on young people throughout the world. Young people felt the impact of the economic downturn immediately and often quite profoundly. They experienced greater job losses than adults. Those seeking or undertaking apprenticeships, for example, were among the most vulnerable. The differences between young people's and adults' respective skill levels and life experience only exacerbate the vulnerability of young people entering or re-entering the workforce.

The need to target these challenges is now recognised among the business community, policy makers and by organisations like the Foundation for Young Australians. One key area of development taking place via a number of initiatives throughout Australia, and in countries such as the US and Great Britain, is to develop 'soft skills': literacies and competencies in young people to improve their capacity to navigate changing worlds of work, and life in general. They are important to young people's resilience and focus on emotional and social dimensions as well as problem-solving abilities and creativity.

These skills have been identified under different names and frameworks, including 'generic and basic skills'. The Young Foundation in the UK has done some important work via its SEED (social intelligence, emotional resilience, enterprise and discipline) skills framework. In Australia, the need for skills such as problem-solving and enterprise is recognised via the National Foundation Skills Strategy for Adults,

in certain COAG targets, federal budget and some State policy, and through the work of universities, VET providers and not-for-profit organisations. These skills are equally important to young people, particularly given the trends identified in this report.

This year, the Foundation for Young Australians has begun to implement a bold strategy to empower young Australians to be successful learners and creative, active and valued citizens. Through innovative initiatives such as Worlds of Work and Young People Without Borders, FYA sees these skills as critical to the development of young Australians facing the challenges and opportunities highlighted in this research. In preparing young people for twenty-first century learning and employment, the evidence from both short-term and long-term trends reinforces the need to better develop the skills and literacies for learning and life.



**Dr Lucas Walsh**  
Director of Research and Evaluation  
The Foundation for Young Australians

# 01

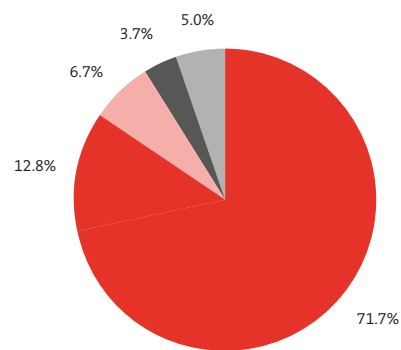
## ENGAGING IN EDUCATION, TRAINING AND WORK

An overview of the learning and earning activities of teenagers, school leavers and young adults

### TEENAGERS — 15 to 19 year-olds

Almost 72 per cent of teenagers are in full-time education, and nearly 13 per cent are working full-time.

- > More females (74 per cent) than males (69 per cent) are in full-time study.
- > More males (17 per cent) than females (9 per cent) are in full-time work.



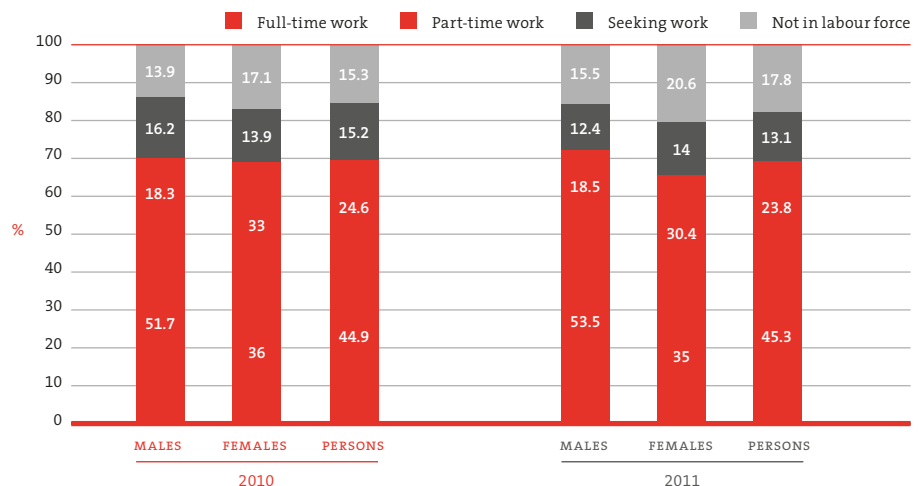
For teenagers not in education, there has been only a small improvement in the labour market since 2010.

- > Unemployment decreased, but for males only, while withdrawal from the labour force increased by the same amount (and more so for females).

Full-time education ■ EARNING AND LEARNING ACTIVITIES OF TEENAGERS, MAY 2011  
 Full-time work ■  
 Part-time work ■  
 Seeking work ■  
 Not in labour force ■  
 SOURCE: ABS Labour Force Australia (2011) (data cube LM3)  
 NOTE: All students enrolled at school are treated as full-time.

LABOUR FORCE STATUS OF TEENAGERS NOT IN FULL-TIME EDUCATION, BY GENDER, 2010 AND 2011 (%)

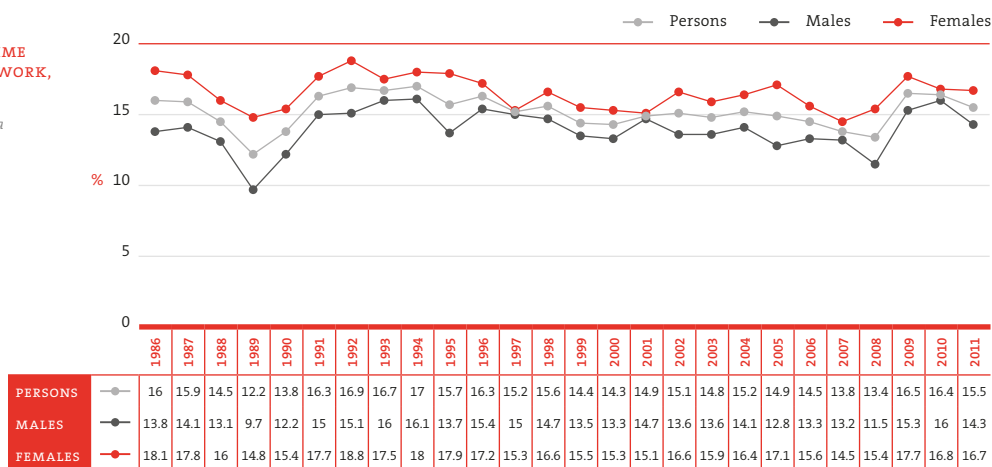
SOURCE: ABS Labour Force Australia (2011) (data cube LM3)



**TEENAGERS NOT IN FULL-TIME EDUCATION OR FULL-TIME WORK, BY GENDER, 1986–2011 (%)**

SOURCE: ABS *Labour Force Australia* (2011) (data cube LM3)

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



**There has been a slight increase in engagement in 2011.**

- > The percentage of males not fully engaged has fallen. However, although marginalisation decreased for males as opportunities in the labour market improved, the rate of marginalisation for females has remained much the same as in 2010.

**Teenagers in the labour force face high unemployment.**

- > In 2011 the unemployment rate was close to 16 per cent, down from 18 per cent in 2010 (see also page 9). Compared with 2010, unemployment fell for males and increased for females. Teenage males suffered higher unemployment during the 2009 downturn, but benefited more than females when the labour market began to recover.

**Participation in full-time education continues to grow**

- > Both school and other education and training participation among teenagers increased in 2011.

**More teenagers enrolled in university and higher-level VET qualifications. Apprenticeships remain important for teenagers, although the participation rate was static in 2009–2010.**

- > Compared with 2009, apprenticeship commencements rose in 2010 as an increased 7.6 per cent of teenagers began a training contract.

**TRAINING COMMENCEMENTS, 15 TO 19 YEAR-OLDS, BY GENDER, AUSTRALIA 2005–2010 (%)**

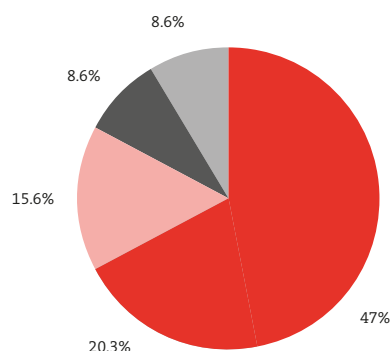
SOURCE: NCVET *National Apprentices and Trainees Collection* (2010); ABS *Australian Demographic Statistics* (2010)



## SCHOOL LEAVERS — in their first year after leaving school

Nearly half (47%) of all school leavers continued in further education and one in five is in full-time work in 2011.

- > More females (50 per cent) than males (44 per cent) go on to further study.
- > More males (24 per cent) than females (16 per cent) are in full-time work.



The percentage of school leavers not fully engaged in education or work has dropped slightly in the last two years, but at 32.7 per cent remains as high as in the recession of the early 90s.

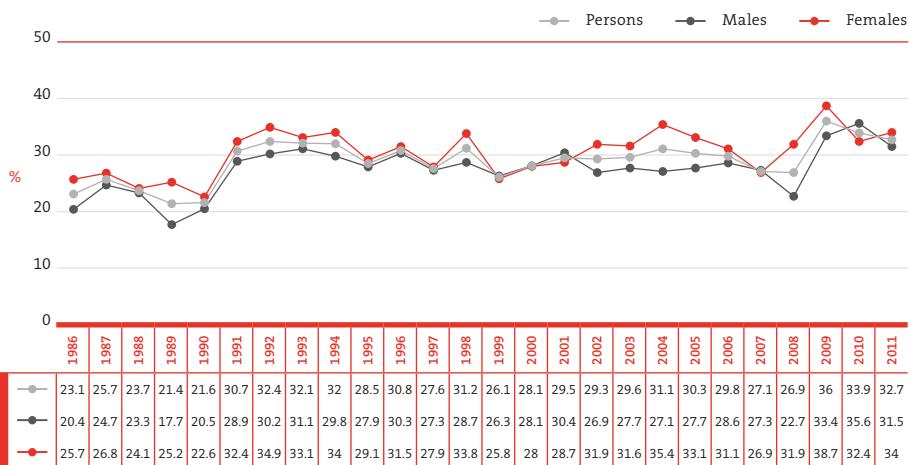
- > In 2011 female school leavers are not doing as well as males in their transition from school: compared with school leavers in the previous year, higher percentages of males but lower percentages of females continued in education.

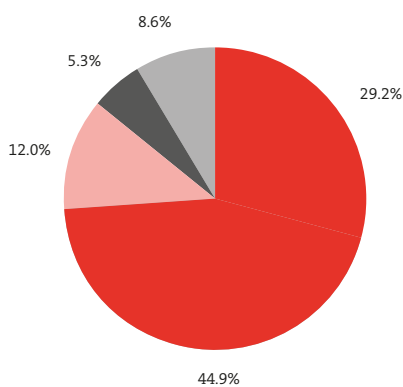
Full-time education  
Full-time work  
Part-time work  
Seeking work  
Not in labour force

**EARNING AND LEARNING ACTIVITIES OF SCHOOL LEAVERS, MAY 2011**  
SOURCE: ABS Labour Force Australia (2011) (data cube LM3)

### SCHOOL LEAVERS NOT IN FULL-TIME EDUCATION OR FULL-TIME WORK IN MAY OF YEAR AFTER LEAVING SCHOOL, BY GENDER, 1986–2011 (%)

SOURCE: ABS Labour Force Australia (2011) (data cube LM3)





**EARNING AND LEARNING ACTIVITIES OF YOUNG ADULTS, MAY 2011**

SOURCE: ABS *Labour Force Australia* (2011) (data cube LM3)

- Full-time education
- Full-time work
- Part-time work
- Seeking work
- Not in labour force

## YOUNG ADULTS — 20 to 24 year-olds

**About three quarters of 20 to 24 year-olds are fully engaged in earning or learning: 45 per cent in full-time work and 30 per cent in full-time education.**

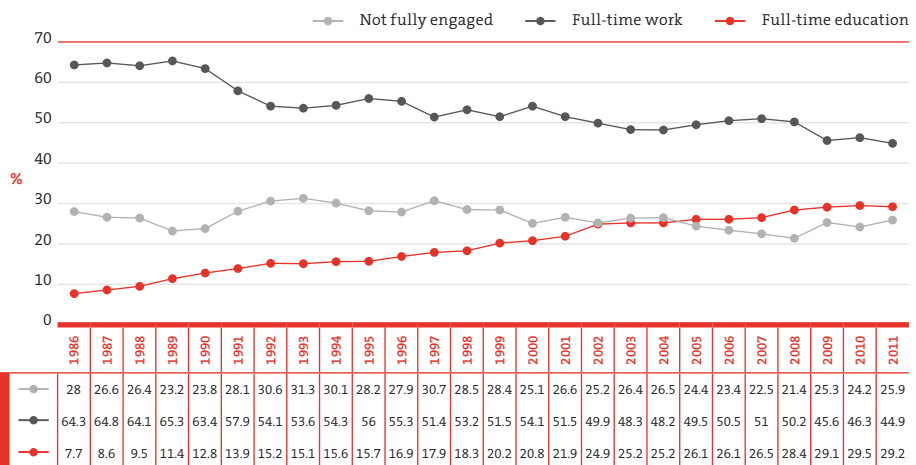
- > Gender differences are strong: almost one third of females compared with just over one quarter of males are studying, while more than five in ten males are working full-time jobs, compared with less than four in ten females.
- > Unemployment is higher among males than females, but twice as many females as males have withdrawn from the labour force.

### Apprenticeships for young adults remain steady.

- > About 7 per cent of 20 to 24 year-olds (10 per cent of males, and almost 4 per cent of females) were doing an apprenticeship or traineeship in 2010, the same levels as in the previous year.

**TRENDS IN WORK AND STUDY ENGAGEMENT, 20 TO 24 YEAR-OLDS, 1986–2011 (%)**

SOURCE: ABS *Labour Force Australia* (2011) (data cube LM3)



## YOUNG ADULTS — 20 to 24 year-olds (CONT.)

Since the mid-80s participation by young adults in full-time work has declined as participation in full-time education has grown.

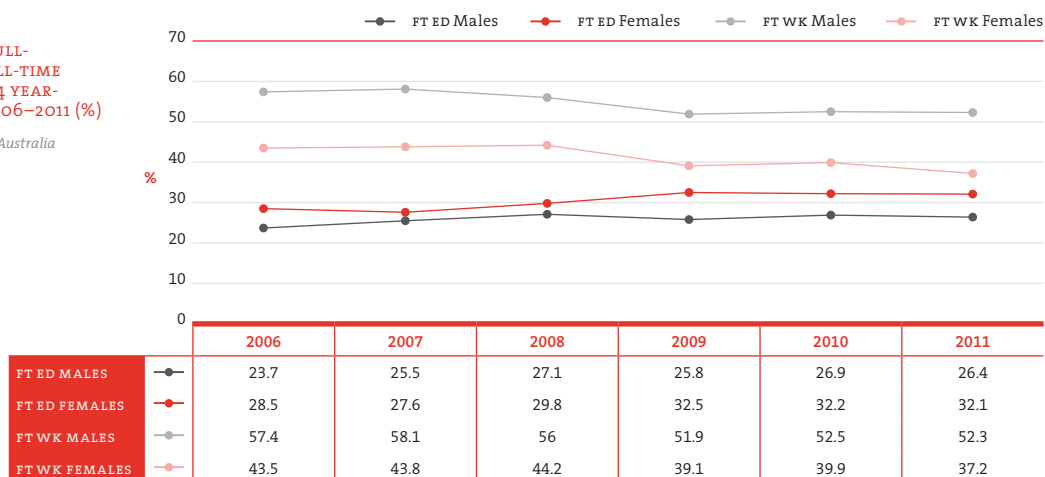
- > Full-time employment dropped from 64.3 per cent to 44.9 per cent.
- > Full-time education rose from 7.7 per cent to 29.2 per cent.

More than one quarter of young adults are not in full-time work or study in 2011.

- > Between 2010 and 2011 the percentage not fully engaged increased slightly because a drop in full-time employment (only among females) was not offset by any rise in full-time study (among males or females).

PARTICIPATION IN FULL-TIME WORK AND FULL-TIME EDUCATION, 20 TO 24 YEAR-OLDS, BY GENDER, 2006–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011) (data cube LM3)



Labour force status for those not fully engaged varies by gender.

- > Females are more likely to be in part-time work only, or to withdraw from the labour market, while males are more vulnerable to unemployment.

Numbers of discouraged job seekers have increased.

- > Family formation and other personal factors strongly influence labour market participation rates.
- > Economic conditions and skill levels also have an impact, and in recent years more young people have been deterred from entry to the job market.

# 02

## THE YOUTH LABOUR MARKET

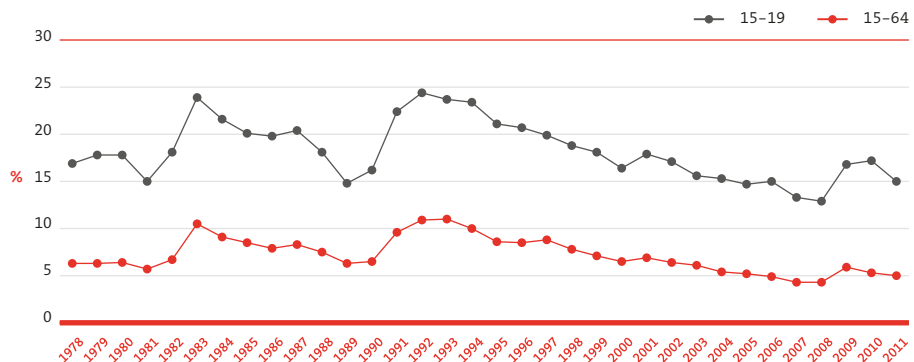
Long-term trends in the employment prospects of young people

**While the teenage labour force has contracted over recent decades, unemployment among teenagers has always been much higher than for adults.**

- > The gap in 2011 is 10 percentage points, with adult unemployment at 5 per cent and the rate for all teenagers in the labour force at 15 per cent (down 2 percentage points from 2010).
- > Unemployment is higher for teenagers who are not engaged in education.

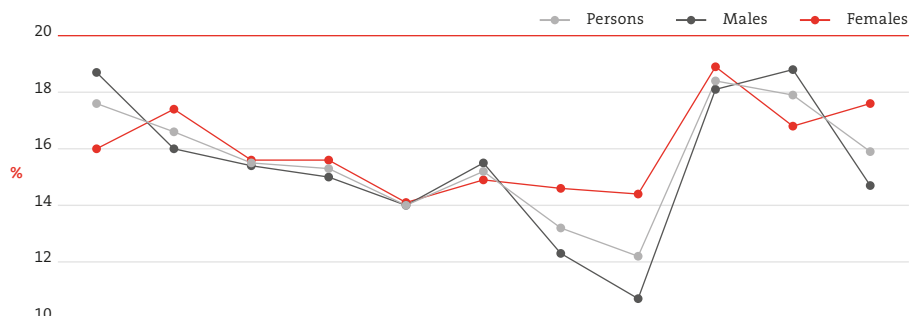
UNEMPLOYMENT RATES, TEENAGERS AND ALL ADULTS COMPARED, LABOUR FORCE PARTICIPANTS, 1978–2011 (MAY) (%)

SOURCE: ABS Labour Force Australia (2011)



UNEMPLOYMENT RATES FOR 15 TO 19 YEAR-OLDS NOT IN FULL-TIME EDUCATION, BY GENDER, 2001–2011 (MAY) (%)

SOURCE: ABS Labour Force Australia (2011) (data cube LM3)



		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PERSONS	—●—	17.6	16.6	15.5	15.3	14	15.2	13.2	12.2	18.4	17.9	15.9
MALES	—●—	18.7	16	15.4	15	14	15.5	12.3	10.7	18.1	18.8	14.7
FEMALES	—●—	16	17.4	15.6	15.6	14.1	14.9	14.6	14.4	18.9	16.8	17.6

**Teenagers continue to miss out on full-time jobs.**

- > Numbers of teenagers in full-time jobs have not recovered since the economic downturn.
- > In 2011 one in five of those not in education (and females more so than males) are looking for a full-time job.

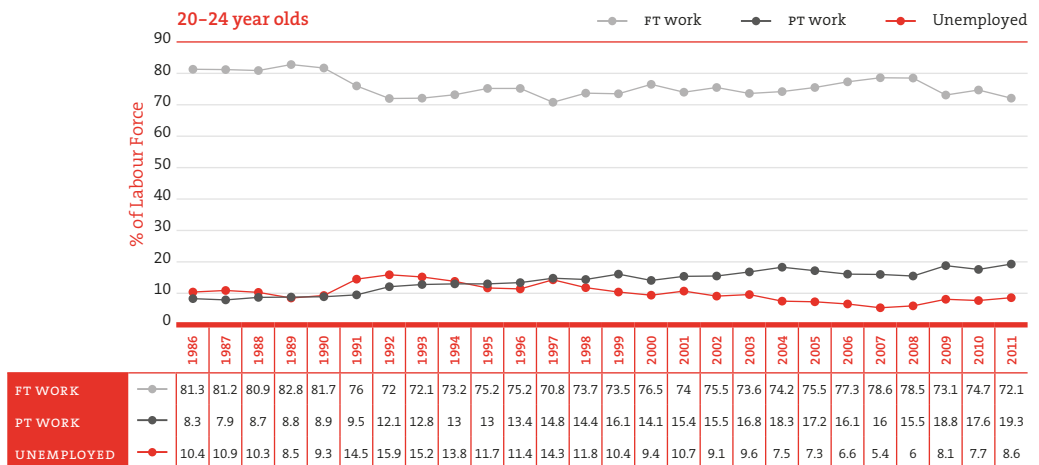
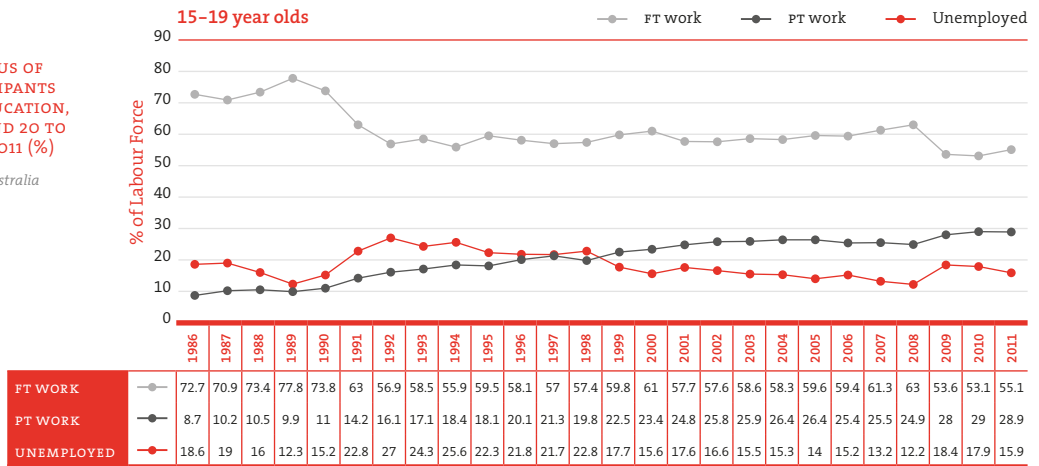
- > PART-TIME EMPLOYMENT has grown substantially: three times as many teenagers and more than twice as many young adults had part-time jobs in 2011 as in the mid-80s.
- > UNEMPLOYMENT has been consistently higher among teenagers than young adults (in 2011, 15.9 per cent compared with 8.6 per cent).

**Over the last 25 years, among young people not engaged in education:**

- > FULL-TIME EMPLOYMENT decline has been more severe for teenagers (dropping by over 22 percentage points to 55 per cent in 2011) than for young adults (down by 9 percentage points to 72 per cent).

EMPLOYMENT AND UNEMPLOYMENT STATUS OF LABOUR FORCE PARTICIPANTS NOT IN FULL-TIME EDUCATION, 15 TO 19 YEAR-OLDS AND 20 TO 24 YEAR-OLDS, 1986-2011 (%)

SOURCE: ABS Labour Force Australia (2011) (data cube LM3)



# 03

## MOBILITY IN THE YOUTH LABOUR MARKET

The flow of young workers between jobs

### Mobility in the youth labour market is high.

- > On average, over the year to May 2011, nearly one in five teenagers and one in six young adults changed their labour force status every month.

### Stability of full-time employment is declining.

- > For teenagers especially, remaining in full-time employment is less certain now than in the past.
- > The instability of full-time employment increases any estimates of young people 'at risk'.

### Transitions from part-time work are problematic.

- > Part-time work may not be a stepping stone to full-time work: teenagers in part-time jobs are only slightly more likely to move into full-time employment than those who are unemployed.

### Changing employers.

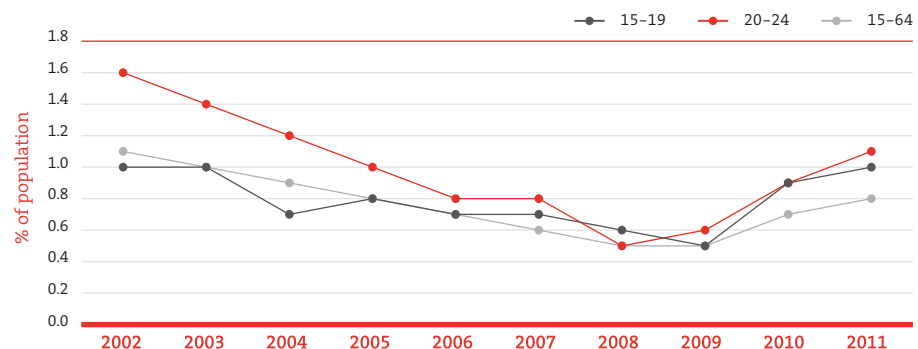
- > Young workers are more likely than older workers to do so, but the rate of change of employer has fallen over recent years.

### Long-term unemployment is an issue among young Australians.

- > Compared with other OECD nations, Australia has higher levels of teenage long-term unemployment but lower levels for young adults, although the rates are confounded by structural differences in education and training systems between countries.
- > More than one quarter of the long-term unemployed in Australia are 15 to 24 year-olds.
- > The percentage of young Australians who have not had a job for a year or longer has almost doubled since 2008. In 2011, 1 per cent of teenagers and 1.1 per cent of young adults in the population are long-term unemployed.

LONG-TERM UNEMPLOYED AS PER CENT OF POPULATION, 15 TO 19 YEAR-OLDS, 20 TO 24 YEAR-OLDS AND 15 TO 64 YEAR-OLDS, 2002-2011

SOURCE: ABS *Labour Force Australia* (2011) (Table UM\_April01 and Table LM8)



# 04

## EDUCATIONAL ATTAINMENT

Levels of educational attainment in Australia and other countries

International comparisons based on 2008 OECD data show that among 25 to 34 year-olds in Australia:

- > the upper secondary completion rate was 82 per cent, as against 92 per cent in Canada and 98 per cent in Korea;
- > the rate of attainment of at least a tertiary qualification of 42 per cent was the same as in the United States, but well below Canada (56 per cent); and
- > 32 per cent had attained a university-level qualification, also equal to the US, yet low compared with Norway (44 per cent).

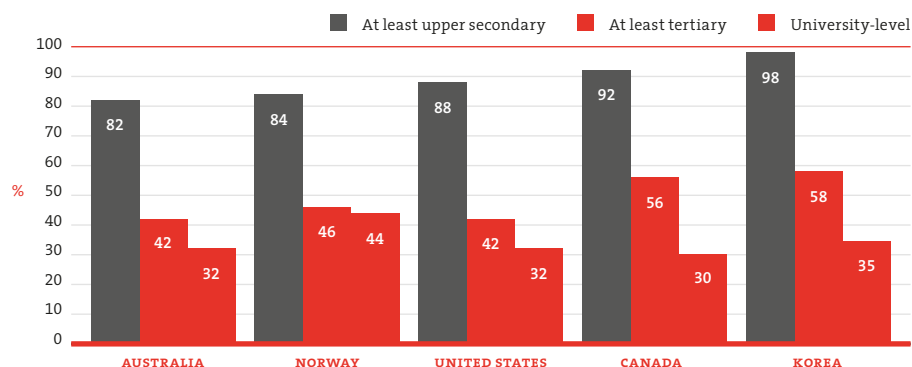
Estimates for 2010 indicate that 85 per cent of young Australians aged 20 to 24 have attained Year 12 or equivalent.

Increasing school retention is one approach to raising attainment.

- > Retention rates have recently returned to the high levels that prevailed in the early 90s, reaching 78 per cent in 2010.
- > Females stay on at school at rates 10 percentage points higher than males - and even more when jobs are plentiful.
- > Apparent retention rates of Indigenous students (47.2 per cent in 2010) are well below those of other students (79.4 per cent), and the relative gains made in the decade to 2008 have since stalled.

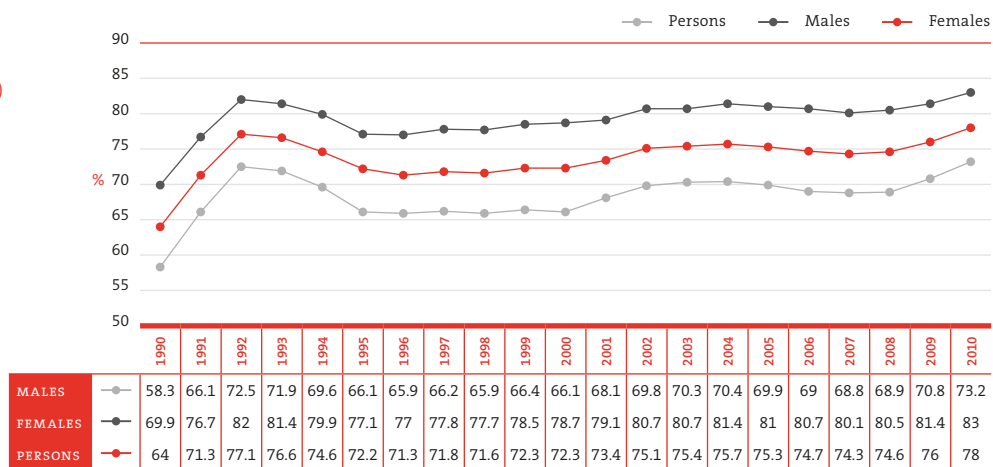
LEVELS OF EDUCATIONAL ATTAINMENT IN SELECTED COUNTRIES, POPULATION AGED 25 TO 34 YEARS, 2008 (%)

SOURCE: OECD *Education at a Glance* (2010)



**APPARENT RETENTION TO YEAR 12, BY GENDER, AUSTRALIA, 1990-2010 (%)**

SOURCE: ABS Schools, Australia (2005, 2010)

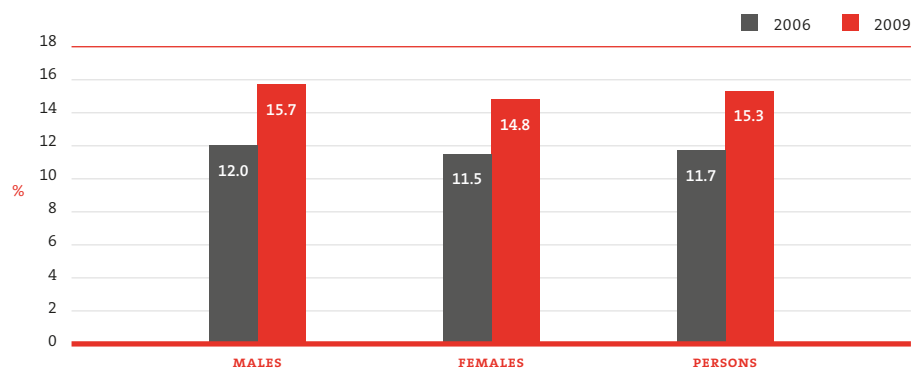


**Promoting participation in VET in schools to improve retention and attainment:**

- > Numbers doing VET in schools have increased; about four in ten students did VET in schools as part of their senior school certificate in 2008, compared with three in ten in 2006.
- > In 2009, 15.3 per cent of all secondary school students did some VET in schools, up from 11.7 per cent in 2006.

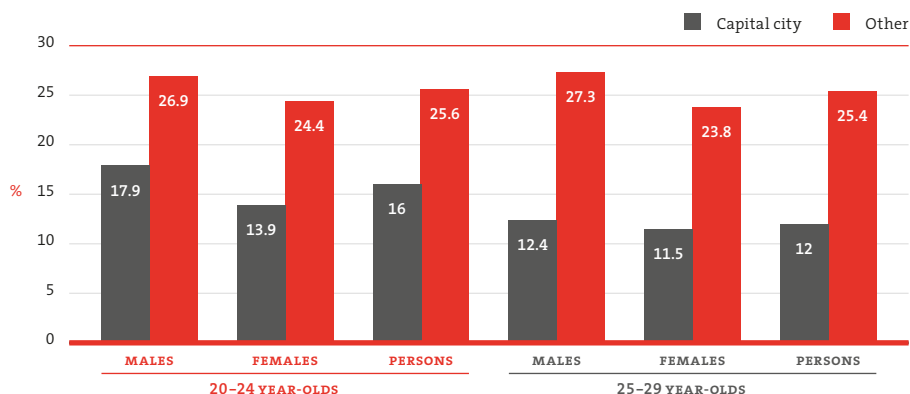
**PER CENT OF SECONDARY SCHOOL STUDENTS PARTICIPATING IN VET IN SCHOOLS, BY GENDER, AUSTRALIA, 2006 AND 2009**

SOURCE: NCVER VET in Schools collection; ABS, Schools Australia (2010)



PER CENT OF YOUNG ADULTS WITHOUT YEAR 12 OR CERTIFICATE III OR HIGHER, BY USUAL RESIDENCE, 20 TO 24 YEAR-OLDS AND 25 TO 29 YEAR-OLDS, AUSTRALIA, 2009

SOURCE: ABS Education and Training, Australia (2009) (Microdata: Basic CURF)

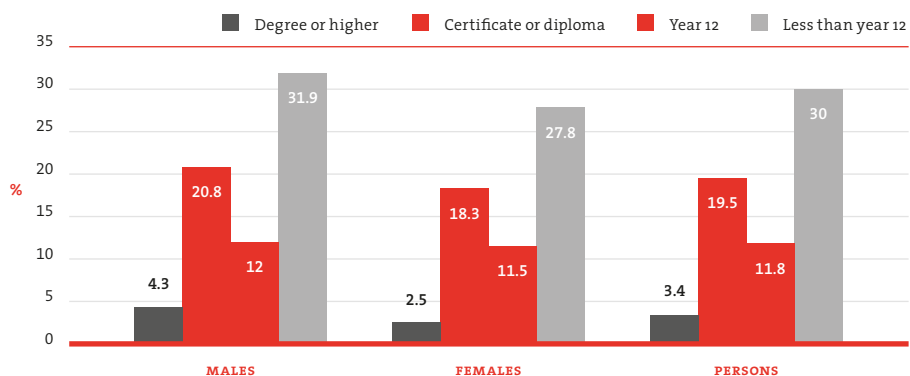


**Policies to address disadvantage are needed to raise attainment. Lower levels of secondary attainment (Year 12 or equivalent) occur among young adults who:**

- > live outside metropolitan areas
- > are disabled
- > come from homes in which English is not the first language and is not spoken well
- > have parents who have not completed Year 12
- > have fathers who are unemployed or working in manual occupations.

PER CENT OF YOUNG ADULTS WITHOUT YEAR 12 OR CERTIFICATE III OR HIGHER, BY FATHER'S HIGHEST QUALIFICATION, 20 TO 24 YEAR-OLDS, AUSTRALIA, 2009

SOURCE: ABS Education and Training, Australia (2009) (Microdata: Basic CURF)



# 05

## YOUNG PEOPLE MOST AT RISK

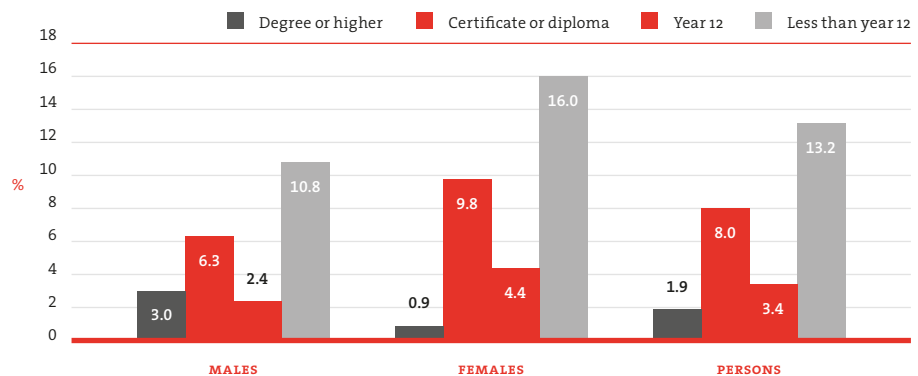
A corollary of low attainment

**Young people most at risk are those who are not in any study or full-time work and who lack an initial qualification (Year 12 or Certificate III or higher).**

- > About 8 per cent of 20 to 24 year-olds are in this category of most at risk of marginalisation. However, this figure varies across social groups and across regions.
- > Young people with low levels of attainment—especially those from rural and remote areas, those with a disability, and those from low SES backgrounds—are also at risk of marginalisation in the labour force.
- > For instance, young adults whose fathers did not complete school are much more likely to be at risk of marginalisation (13 per cent) compared with young adults whose fathers had a university qualification (2 per cent); for females, the difference is even more stark (16 per cent compared with 1 per cent).

PER CENT OF YOUNG ADULTS NOT IN STUDY OR FULL-TIME WORK, AND WITHOUT AN INITIAL QUALIFICATION, BY FATHER'S HIGHEST QUALIFICATION, 20 TO 24 YEAR-OLDS, AUSTRALIA, 2009

SOURCE: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)



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**The Foundation for Young Australians**  
21–27 Somerset Place, Melbourne, Victoria 3000  
GPO Box 239, Melbourne, Victoria 3001