

Young People outside the Labour Force and Full-time Education: Activities and Profiles

LSAY Research Report 45

Kylie Hillman

EXECUTIVE SUMMARY

This report focuses on a group of young people who are not involved in full-time education or the labour force, that is, they are not studying full-time, nor are they working or looking for work. The data used in this report are drawn from the Longitudinal Surveys of Australian Youth (LSAY), which studies the progress of cohorts of young Australians as they make the transitions from secondary school to work and further education and training, beginning in Year 9.

Two groups of young people who had experienced some time outside the labour force and full-time education were investigated in this report. The first and larger group consisted of those young people from the 1995 LSAY cohort who had not been involved in full-time education or the labour force for at least one month between January 1997 and December 2003. The second group consisted of those young men and women who were not involved in education and training or the labour force at the time of the annual surveys from 1999 to 2003. Major findings of the investigations are summarised below.

Who spends time outside the labour force and full-time education?

- Overall, close to two thirds, over 64 per cent, of the young people who participated in the LSAY interview in 1997 spent some time outside the labour force and full-time education over the years they were surveyed (up to the end of 2003). For the majority of young people, the period of time outside the labour force and full-time education was quite short, around one month.
- Young people who had not achieved highly at secondary school, did not have a Year 12 certificate, were female, or who had a health problem or disability were more likely to have reported extended periods of time outside the labour force and full-time education (longer than 12 months).
- Young people who had been in the lowest school achievement quarter or who did not have a Year 12 certificate were more likely to have experienced multiple periods of time outside the labour force and full-time education.
- Characteristics associated with not spending any time outside the labour force and full-time education included being in the highest school achievement quarter, coming from a family in which both parents had a degree or diploma, and not having left school prior to completing Year 12.
- Marital status and parental status were also associated with spending time outside the labour force and full-time education. Greater proportions of young people who were married or who were parents reported spending 13 or more consecutive months outside the labour force and full-time education. Fewer young people who were married than who were unmarried reported three periods of time outside the labour force and full-time education, while more young parents than young people without children reported two periods of time outside the labour force and education.

What are the activities and plans of young people outside the labour force and full-time education?

- Most young women who were outside the labour force and full-time education at the time of each annual survey reported that they were caring for children or involved in home duties.

- Young men who were not studying full-time or in the labour force were involved in some other form of study or training in the early years, but in the later years tended to be on holiday or travelling.
- Most young people saw their state as temporary and planned to enter full-time education or look for employment in the near future. These intentions appeared to differ according to the main activity of these young people. For instance, fewer young people who were caring for children or a household indicated that they were likely to enter study or look for work in the next twelve months.

What factors influence young people's return to the workforce or full-time education?

- For young women, being married increased the likelihood of return after the first period of time outside the labour force, while being a mother or having a disability or health problem decreased the likelihood of returning to the labour force or full-time education. The likelihood of return of young men from the first period of time outside the labour force and full-time education was not significantly associated with any of the analysed characteristics.
- For young men, the likelihood of return from the longest period outside the labour force and education was related solely to prior experience of time outside the labour force. The influence of having previously experienced time outside the labour force also interacted with time, such that the difference in the rate of re-entry between young men who had no prior experience outside the labour force or full-time education and those who did, increased over the observed period.
- For young women, the likelihood of return from the longest period was associated with marital, parental and disability status. In addition, young women from a metropolitan location were more likely to enter or re-enter the labour force or full-time education from their longest period away from these activities than young women from non-metropolitan locations. Those who had left secondary school before Year 12 were less likely to end their time outside the labour force and education during the observed period than those who had remained at secondary school. Having experienced a previous period of time outside the labour force and education also decreased the likelihood of return for young women. Marriage, motherhood and previous history of time spent outside the labour force and full-time education all interacted positively with time in their influence on the likelihood of returning to the labour force or full-time education for young women, so that any initial differences between the groups of young women increased over time.

Overall, for young people today, spending some time (at least one month) outside the labour force and full-time education is not an uncommon experience. Over 60 per cent of those who participated in the 1997 survey spent some time outside the labour force or full-time education over the following seven years. For the majority of these young people, their time spent outside the labour force was relatively short, between one and three months, after which they moved back into the labour market or full-time education with little apparent difficulty. Whether their time outside the labour force was spent travelling or in a period of transition between education and employment or different employment positions, most young people, when interviewed, saw their situation as temporary and planned on entering or re-entering the labour force or full-time education within the following year.

There are some groups of young people, however, for whom the experience of time outside the labour force and full-time education may be more disruptive. Young people who spend extended periods of time outside the labour force and full-time education may find it difficult to end this time by moving back to the labour force if their skills and qualifications have become out-dated in the meantime. Those young people who cycle in and out of the labour force may also be at risk, with prior experience of time outside the labour force and full-time education having an apparent scarring effect, decreasing their likelihood of returning to the labour force or full-time education.