

MEDIA RELEASE

Tuesday 28 October 2003

Employment experience has strongest influence on labour market outcomes

Experience of working full-time early in the school-to-work transition has the most positive effect on youth labour market outcomes, more so than completion of Year 12 itself or post-secondary qualifications. This is not to understate the significant positive effect of Year 12 completion on entry to employment and to longer-term labour market outcomes. In addition, early experience of unemployment has a 'scarring' effect on subsequent unemployment.

These are among the key findings of a new report released today by the Australian Council for Educational Research (ACER). The report, the latest in the Longitudinal Surveys of Australian Youth (LSAY), examines the labour market outcomes of a cohort of Australian youth born in 1975. The analysis focuses on their year-to-year labour market activities and movement between activities from 1996 to 2000. During this time the study's participants were aged between 21 and 25, the ages at which young adults tend to be establishing themselves in the labour force.

The report found that the labour market outcomes for the majority of the cohort were largely positive. Between 1996 and 2000, most (on average 74 per cent) were in full-time education or full-time work. More than 60 per cent held post-secondary qualifications by the age of 25. Between 15 and 20 per cent of those looking for work in one year were looking for work the next year. However, higher and increasing proportions (30-50 per cent) were in full-time work the following year. The proportion of young people who were engaged in marginal activities for long periods was found to be around 10 per cent of the cohort. Another finding was that much of the year-to-year movement from part-time work and unemployment was into full-time employment.

"One finding that stands out from these analyses is the importance of gaining full-time work quickly and avoiding unemployment when entering the workforce," said ACER chief executive Professor Geoff Masters.

"Once full-time employment was secured, around 80 per cent remained in full-time work the following year. Less than four per cent were unemployed in the subsequent year."

He noted that early experience of unemployment had detrimental effects on the chances of being in full-time work in later years. "Although less than 30 per cent of the cohort were unemployed for two successive years, this experience of unemployment significantly increased time spent unemployed or in marginal activities," he said.

The report suggests that intervention policies may be best directed at assisting young people to secure full-time employment.

The report, *Dynamics of the Australian Youth Labour Market: The 1975 Cohort, 1996-2000* by Gary Marks, Kylie Hillman and Adrian Beavis, is research report number 34 in the Longitudinal Surveys of Australian Youth (LSAY) research program jointly managed by ACER and the Commonwealth Department of Education, Science and Training (DEST).

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