



MEDIA RELEASE

For immediate release Tuesday 20 January 2009

Varying pay-offs to post school education and training

Social background plays only a small role in accounting for differences in occupational status and earnings at age 24, indicating that education is enhancing social mobility, a recent Australian Council for Educational Research (ACER) study found.

The study, released today, found that, in general, post-school education and training leads to higher status occupations and higher earnings, compared to not doing any further study or training.

However, not all forms of post-secondary education and training are equally beneficial. In terms of earnings, a bachelor degree had the largest impact, increasing earnings by about 31 per cent on average. Apprenticeships increased earnings by about 23 per cent, a TAFE diploma increased earnings by about 14 per cent, and a university diploma by about 17 per cent. Completing a traineeship increased earnings by about 8 per cent and a TAFE certificate by about 5 per cent.

Generally, young women had slightly higher levels of occupational status than did young men, but even during their early career weekly earnings were about 20 per cent less. Possible reasons for this include the higher proportions of young women in part-time work and gender differences in the types of jobs.

ACER chief executive, Professor Geoff Masters, said “Although the overall results are positive for education and training, some TAFE certificates are not delivering sustained increases in earnings. This is in part due to the types of jobs some vocational education is directed towards.”

“However, it may be that young people who had experienced difficulties in the labour market are pursuing TAFE certificate courses or that they are not always choosing appropriate courses.”

The young people were first surveyed in 1995 when they were in Year 9. More than 4200 remained in the study when they were last surveyed in 2005 at about 24 years old. By then, 77 per cent of the cohort was in full-time work. In all years, the incidence of full-time work was substantially higher among young men than among young women.

Further information and additional findings are available in the report, *The Occupations and Earnings of Young Australians: The Role of Education and Training* by Gary N. Marks. The study is research report number 55 in the Longitudinal Surveys of Australian Youth (LSAY), a program funded by the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) with support from state and territory governments.

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