

Youth employment and job search



About Youth in Focus

Youth in Focus (YIF) is a study about young Australians – their experiences while growing up and aspirations for the future, their education and work choices, and their diverse transitions to adulthood.

YIF is a project combining administrative data with a longitudinal survey. The first wave of interviews took place in 2006, involving more than 4,000 18-year olds and their parents. The project will follow the young adults as they finish school, leave home, enter employment and form their own families.

The YIF Factsheets are a series of brief reports on the major outcomes and characteristics of Australian youth using the data collected in the course of the YIF survey.

Income-support history stratification

One of the important questions which YIF is designed to address is the relationship between outcomes of young people and the socio-economic experiences of their families while they were growing up. Nearly all YIF participants agreed to having their survey responses matched to government administrative records of family benefits and income support. For the young adults in the study, these records provide information about the timing, intensity, and duration of their families' use of government assistance.

We can categorize families' experiences in three broad groupings which turn out to be very informative about the young adult's current circumstances.

- A** The family of the young adult never received income support while the young adult was growing up (they may have received tax benefits/credits or child care subsidies for families with children).
- B** The family of the young adult received income support for more than 6 years while the young adult was growing up.
- C** The family of the young adult received some income support while the young adult was growing up, but for less than a total of 6 years.

The YIF factsheets report results separately for categories A, B and C.

While these factsheets provide descriptive analysis that can be used as a first step towards understanding the complex relationship between young people's outcomes and their exposure to the income-support system, at this stage it is not possible to draw conclusions about the causal nature of these relationships.

Differing rates of participation in full-time education make it difficult to assess the observed employment status and job characteristics of 18-year-olds. Nevertheless, YIF data reflect some differences in the working experiences of youth who grew up in disadvantaged families that may provide a partial indicator of their future labour market success.

About 72 per cent of young people in YIF were employed at the time of wave 1, but this differed substantially by family background. The proportion employed was much lower for youth whose parents have a history of intensive income-support use (category B) than for the youth from families which never received income support (see Table 1). These differences were also apparent once those still involved in full-time study were removed from the analysis.

Participation in full-time study impacts a series of employment-related outcomes among 18-year-olds, including hours worked, earnings and the nature of employment contracts. As demonstrated in Factsheets Nos.1 and 2, young people with no or limited family history of income support were more likely to be studying for a post-school qualification at the time of the first YIF interview. Therefore, if employed, they were more likely to work in casual and/or part-time positions with lower earnings. Figures 1 and 2 and Table 2 all provide data that confirm this picture.

If they are employed, youth from disadvantaged backgrounds tend to work longer hours on average than other young people (Figure 1).

Table 1 Youth respondents' employment status

	A	B	C
Total youth respondents	1,027	1,472	1,580
Percentage studying	72.7	52.1	65.0
Total youth respondents	1,027	1,472	1,580
Currently employed	80.7	64.0	75.0
Recently employed	9.5	16.4	11.5
Employed in the past	2.7	6.5	4.5
Never/can't say	7.0	13.1	9.0
Of those not studying full-time:			
Currently employed	86.6	65.8	80.3
Employed full-time	48.9	36.2	47.4

Figure 1 Hours worked in all jobs

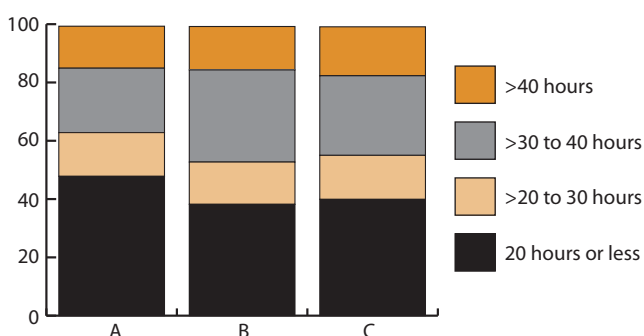


Table 2 Weekly earnings before tax

	A	B	C
Total youth currently employed	829	942	1,185
\$150 or less	22.2	21.0	19.8
\$151 to \$250	22.2	16.1	18.4
\$251 to \$350	18.7	17.0	19.3
\$351 to \$550	20.9	26.1	23.7
\$551 or more	12.7	16.1	14.7

Figure 2 Type of contract for main job

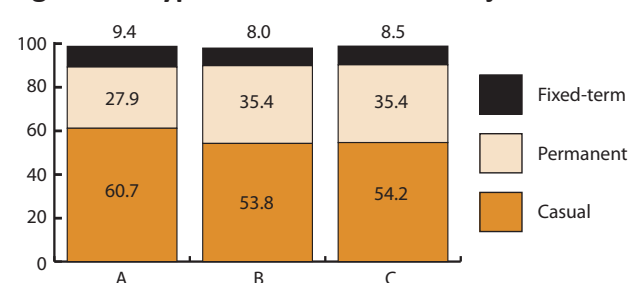


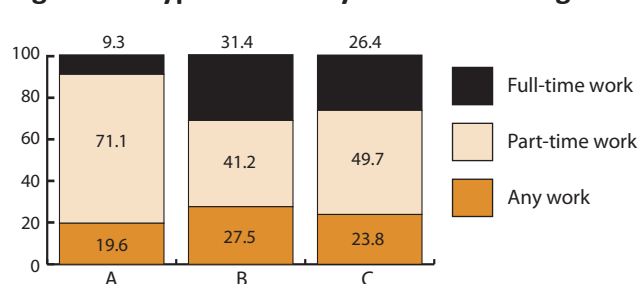
Table 3 Occupational distribution of employed youth

	A	B	C
Manager	1.1	0.3	0.9
Farmer/farm manager	0.7	0.4	0.6
Professional	6.0	4.4	3.5
Associate professional	4.7	5.8	6.0
Tradesperson	15.0	16.8	16.0
Clerical, sales or services worker	59.2	54.8	57.6
Labourer	10.7	15.0	13.4

Table 4 Job search channels used by YIF respondents

	A	B	C
Total youth looking for work	97	306	193
In writing, by phone or in person to employer	73.2	75.2	74.5
Answering ad for a job	58.8	60.1	60.3
Factory notice boards, touchscreens at Centrelink Access	15.5	43.5	27.3
Registered with Centrelink	10.3	52.3	36.0
Checked/ registered with employment agency	21.7	47.7	37.2
Advertised/tendered for work	8.3	13.4	7.7
Contacted friends/relatives	19.6	12.4	17.9
Checked newspapers (didn't answer any ads)	17.5	25.5	20.1
Checked Internet (didn't answer any ads)	30.9	33.7	33.6

Figure 3 Types of work youth are looking for



For example, almost half of all employed youth in category A work less than 20 hours a week, in contrast to less than 40 per cent of employed youth in category B.

Again, if they are employed, youth who grew up in families heavily dependent on income support earned more in their current jobs than others. Specifically, only 34 per cent of youth whose parents have never received income support (category A) earn more than \$350 a week before tax, compared to 42 per cent of young adults in category B who receive this amount.

Finally, the types of employment contract under which youth are employed also tend to reflect differences in education participation rates (Figure 2). More than 60 per cent of category A young job-holders were working in casual positions (as opposed to 54 per cent for other categories) and 28 per cent – in permanent positions (35 per cent for all income-support categories).

The occupational distribution of working youth is very similar across family background categories. Youth whose families did not have any history of income-support receipt were, perhaps, slightly more likely to work in clerical or sales occupations, reflecting the prevalence of 'student' jobs in those occupations, and less likely to work as tradespersons or labourers than the respondents whose families had intensively used income support (category B).

Only about a quarter of all young people interviewed said that their current (or most recent) job was the one they would like as a career. This figure was higher for youth with a family history of income-support receipt (21 per cent for category A vs 28 per cent for other categories). This seems in line with the observation made earlier that young adults whose families have never accessed the income-support system were more likely to view their current job as a temporary source of supplementary income while they studied.

Among those not working, the share of young people looking for work was higher among the group who grew up in families with intensive income-support exposure (58 per cent for category B vs 49 per cent on average for other categories). In addition, the most-disadvantaged youth were much more likely to be looking for full-time or any work, in contrast to the least-disadvantaged youth in category A, the majority of whom were looking specifically for a part-time position (Figure 3).

The channels used for job search differ significantly across the income-support categories. Young adults with more exposure to the income-support system were much more likely to use Centrelink-related channels of job search or be registered with an employment agency than youth from families with no income-support history (see Table 4).

Future research questions

Despite the fact that our youth respondents are only beginning their working careers and many of them are still involved in education, we find that young people's labour market experiences are related to their families' economic background. Already the outcomes of those from disadvantaged backgrounds seem to be falling behind those of other youth. We intend to follow these young people to learn about their experiences, employment, earnings and other labour market outcomes in the future.