

PROJECT DESCRIPTION

Education and happiness in the school-to-work transition

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Project no.	NY08102
Theme:	Students and individuals – Learner groups – Young people Students and individuals – Student achievements and outcomes – Other outcomes
Project type:	Research – national managed research program
Project approach:	Quantitative
Time frame:	January 2009 – July 2009
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LONGITUDINAL SURVEYS OF AUSTRALIAN YOUTH (LSAY) RESEARCH INNOVATION AND EXPANSION FUND ANALYSIS GRANTS PROGRAM:

This project has been funded under the Research Innovation and Expansion Fund (RIEF) Analysis Grants Program. The RIEF has been established to provide researchers with the opportunity to use data from the LSAY and to widen the community of researchers with experience in this data. The Analysis Grants Program is one element of the RIEF and complements the broader LSAY Analytical Program (www.lsay.edu.au) being conducted by NCVER on behalf of the Department of Education, Employment and Workplace Relations.

PROJECT PURPOSE:

The aim of this project is two-fold. Firstly, the project plans to use data from the Longitudinal Surveys of Australian Youth (LSAY) to gain a far more detailed insight into the relationship between educational attainment and happiness, and most importantly to assess the extent of any 'causal' link between further education and subjective wellbeing. Secondly, the project aims to identify what aspects or experiences of education and training and the school-to-work transition contribute positively or negatively to young people's self-assessed happiness, and in which particular life domains (such as career, home life or social life) is the negative effect of educational attainment manifest.

RESEARCH QUESTIONS:

1. How does subjective wellbeing (happiness) vary by level of education achieved for Young Australians?

2. To what extent is such a relationship mediated by other life outcomes that are associated with educational attainment, such as employment status and income?
3. To what extent is any such relationship between subjective wellbeing and educational attainment attributable to fixed individual effects? That is, were individuals who go on to gain higher levels of education always more inclined to report lower levels of happiness?
4. To the extent that time varying rather than fixed individual traits contribute to the relationship between educational attainment and happiness, at what point in the school-to-work transition do these effects begin to materialise?
5. Is the relationship between educational attainment and subjective wellbeing most prominent in certain life domains rather than others?
6. Does the relationship vary between different types of post-school qualifications, and other characteristics of young people's engagement with the vocational education and training system?
7. What other aspects of, or experiences during, the school-to-work transition impact significantly upon subjective wellbeing.

METHODOLOGY:

There are two main stages to the project:

- ❖ *Literature review and planning of statistical analysis*

A review of literature will be conducted (on the relationship between educational attainment and subjective [self-assessed] wellbeing) from national and international perspectives. This stage will also involve detailed planning of the statistical analysis to be undertaken in the second stage (such as data items and explanatory variables to be considered for models etc.)

- ❖ *Descriptive and multivariate statistical analysis*

Using the 1995 Year 9 cohort of the LSAY, descriptive statistics will be undertaken to examine the bivariate relationship between level of education achieved and happiness. Contemporaneous relationships (between education at time t and happiness at time t) will be investigated across each year from 1997 onwards, to show how the relationship evolves over time. Second, the eventual level of educational attainment achieved by each individual by the end of the survey will be correlated retrospectively with happiness in each of the preceding years. This provides one test of whether any lower level of happiness observed for more educated persons is a pre-existing characteristic, or one that develops once they gain further education. These analyses will be repeated for other the variables capturing happiness with individual life domains. T-tests of the difference in means and chi-square tests of differences in the distribution of responses across the happiness response categories will be used to formally test the significance of associations with educational attainment.

With the multivariate analysis, both random and fixed effects panel models will be estimated. The exact specification used will depend upon tests of the fitted models, but the nature of the dependent variable suggests, a priori, that the ordered probit model will be the most appropriate. Explanatory variables to be included in the model will be guided by the existing literature but will encompass, although not be limited to, socioeconomic background, marital status, disability status, English speaking status and a measure of the personal trait, extroversion.

A reduced form model excluding outcomes that are likely to be correlated with educational attainment, such as employment status and income, will first be estimated to identify a 'raw' or unadjusted effect of educational attainment on happiness. These variables will

then be added into the model to test whether the full effect of education on happiness is mediated through these variables, and how their inclusion impacts upon the estimated coefficient on educational attainment. The standard fixed effects model will also be estimated to further differentiate between fixed individual effects and the impact of changes in educational attainment upon individuals' happiness.

Educational attainment will be captured as a continuous 'years of education' variable and as a series of dummy variables to identify potentially differential impacts of different types of qualifications gained. Finally, similar models will be estimated for subjective ratings of happiness in other life domains to see any association between education and happiness is manifest in specific life domains, such as work life or home life.

THE ORGANISATION:

The Centre for Labour Market Research (CLMR) is consortium of Curtin University of Technology, University of Western Australia, Murdoch University, and the University of Canberra. The administrative office is located at the Curtin Business School in Perth. CLMR has two main objectives, firstly, to further the knowledge and understanding of labour markets and related issues, with special reference to Australian labour markets and other markets in the Asia Pacific Region. The second objective of the Centre is to promote the exchange of knowledge and expertise on labour economics and industrial relations between the academic community, governments, business, and trade unions.

CLMR is supported by the WA Department of Education and Training and works closely with that organisation in formulating policy relating to skills development. The Centre publishes the Australian Journal of Labour Economics and regularly hosts the annual Australian Labour Market Research workshop. It can draw upon the expertise of over 20 Research Associates from universities around Australia and has successfully administered a large volume of grant-funded research, including ARC grants and NCVET grants.