

**School Leavers in Australia: Profiles and Pathways
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EXECUTIVE SUMMARY

This report examines the process of school leaving and the transition from school to post-school education, training and the labour market. A major focus of the report is young people who do not stay on to complete senior secondary school, as this group is often perceived 'at risk' of experiencing a problematic transition. In particular, we address the following research questions.

1. ____ What are the influences on school non-completion, and have these influences changed over the past two decades?
2. ____ What are the early post-school experiences of school non-completers, and how do these differ from young people who complete Year 12?
3. ____ How do sociodemographic and human capital factors influence the labour market activities of young people?

Data and scope of report

The report is based upon data from the *Longitudinal Surveys of Australian Youth* (LSAY) program. Several cohorts of young people have been surveyed as part of the LSAY program. We focus on the experiences of the cohort of young people who were in Year 9 in 1995, supplemented by data on previous cohorts of teenagers.

The experiences of the 1995 Year 9 cohort are followed through to late 2000, when the majority of cohort members were 19 years of age. The report describes the characteristics and experiences of two groups of non-completers within this cohort: *early school leavers* (who left school on or before the completion of Year 10); and *later school leavers* (who commenced Year 11 but left school before the completion of Year 12).

For comparative purposes, we also report on *school completers*. At the time of data collection in late 2000, the majority of the completers in the sample had been out of school for two years, and of the completers who entered higher education, the majority were engaged in full-time study. Consequently, when examining labour market outcomes, analyses are restricted to comparisons between non-completers and the subset of completers who did not enter higher education in the immediate post-school years.

Sociodemographic and educational profile of school non-completers in the 1980s and 1990s

The report provides a description of the changing sociodemographic and educational profiles of school non-completers in the 1980s and 1990s. Throughout this period, young people with one or more of the following characteristics remained less likely than other young people to complete Year 12: males, indigenous Australians, those from low socioeconomic status family backgrounds, from English-speaking backgrounds, those from non-metropolitan areas, from government schools, and with lower levels of literacy and numeracy.

Nevertheless, the results do suggest that in some respects schooling became more equitable, while in other respects it became less equitable. In particular:

- The relative gender gap favouring girls increased throughout most of the period, but this trend was not maintained into the mid to late 1990s.
- The influence of socioeconomic status (measured by parental occupation and parental education) and school sector declined.

- The school non-completion rates of young people from Catholic schools were between those of government and independent schools in the early 1980s, but by the mid to late 1990s there was little difference in the non-completion rates of Catholic and independent school students.
- The representation among non-completers of young people with Australian-born parents and non-metropolitan students increased.
- Between the 1980s and 1990s, the gap between the school non-completion rates of young people with very high and very low levels of literacy and numeracy narrowed, reflecting a broadening of the senior secondary school curriculum.

School non-completers in the 1995 Year 9 cohort

Of the young people in the 1995 Year 9 cohort, 9 per cent left school on or before the completion of Year 10 (*early school leavers*) and a further 13 per cent left before the completion of Year 12 (*later school leavers*). Seventy-nine per cent of the cohort remained in secondary school until the end of Year 12 (*completers*).

- A low level of literacy and numeracy achievement was a major influence on school non-completion. Low achievers were not only more likely to leave school early, but they were among the first to do so. The influence of literacy and numeracy on school non-completion was stronger for boys than girls.
- Boys were less likely than girls to complete senior secondary school. Approximately 26 per cent of males did not complete school, compared with only 16 per cent of girls.
- Socioeconomic background was associated with school non-completion. Of young people whose parents were employed in unskilled manual jobs, 26 per cent did not stay on to complete Year 12, compared with only 15 per cent of those whose parents were professionals or managers. Similarly, parental education was associated with young people's school leaving patterns. Furthermore, multivariate analyses show that among students with similar achievement levels (measured by literacy and numeracy scores), there was a small but significant relationship between socioeconomic background and school non-completion.
- Of the groups examined in this report, indigenous Australians were the most disadvantaged group. Twenty per cent left school by the end of Year 10, and a further 26 per cent left school before completing Year 12. (The corresponding figures for non-indigenous students were 8 and 12 per cent, respectively). These differences were only partially explained by the socioeconomic and academic characteristics of indigenous and non-indigenous students.
- Students from English-speaking backgrounds (measured by main language spoken in the home) were more likely than those from language backgrounds other than English to become non-completers (23 per cent compared with 10 per cent). The influence of language background remained significant after controlling for sociodemographic characteristics and literacy and numeracy.
- Students who attended schools in rural or remote areas, or to a lesser extent in regional areas, showed higher rates of early school leaving than their metropolitan counterparts (14, 10 and 6 per cent, respectively). Of students who commenced Year 11, students from regional, rural and remote areas had similar non-completion rates (17 per cent), in contrast to the lower non-completion rates of metropolitan students (11 per cent).
- Independent and Catholic school students were less likely than government school students to become non-completers (11, 12 and 26 per cent, respectively). These school sector differences in non-completion can be partially explained by the socioeconomic and academic mix of students in the different sectors.

Reasons for leaving: the views of non-completers

Another way of examining the influences on school non-completion is to ask non-completers why they left school. The majority of early and later leavers perceive work or an apprenticeship as a viable alternative to school, and this is why they leave.

- The reason most frequently nominated by both early and later school leavers as an important (or the main) consideration in the decision to leave school was to secure a job or an apprenticeship. Over 80 per cent of early leavers and 76 per cent of later leavers indicated that this was an important consideration in their decision to leave school. Just over a half of the early leavers, and 44 per cent of the later leavers indicated that this was their main reason for leaving school. The next most common reason for school non-completion was also work-related _ ('to earn my own money').
- School-related factors were less prominent among the reasons given for non-completion. Just under a third of non-completers (or 6 per cent of the total cohort) indicated that a school-related factor such as not doing well at school, not liking school, or the types of courses offered by the school, was their main reason for leaving.
- According to non-completers, advice from teachers and financial difficulties played a very minor role in school leaving.
- There were some differences between early and later school leavers in the reasons given for leaving school. A smaller proportion of later school leavers cited wanting to get a job or an apprenticeship as an important or main reason. The students most committed to the alternative of entering the full-time labour market were more likely to be among the first to leave school.

Post-secondary education and training

Disengagement from school is not the same as disengagement from education, as evidenced by the level of participation by non-completers in post-secondary education and training. In the year after leaving school, around half of all non-completers engage in some form of education or training. However, non-completers differ from completers in terms of both their level of participation and the type of education and training undertaken. In particular:

- Non-completers were less likely than completers to undertake post-secondary education and training.
- Forty-one per cent of completers were in courses leading to bachelor's degrees. Less than one per cent of non-completers were enrolled in bachelor's degrees.
- Apprenticeships were more common among non-completers than completers.

Gender differences in both the level and type of post-secondary education and training were also evident.

- Among non-completers, males displayed higher levels of participation in post-secondary education and training.
- Apprenticeships were male dominated.
- Female non-completers were more likely than male non-completers to participate in other TAFE/non-degree courses.
- Among completers, females were more likely than males to be enrolled in courses leading to bachelor's degrees.

Overview of educational, training and labour market activities

The report provides a snapshot of the main educational, training and labour market activities of the 1995 Year 9 cohort in each year between 1997 and 2000. The main findings are:

- In the post-school years, the majority of non-completers obtained full-time employment, and with each passing year, levels of full-time employment increased. _
- Of the three groups of school leavers, early leavers were the most likely to be in full-time employment, followed by later leavers, and then completers. At the time of the 2000 interview, 71 per cent of early leavers, 65 per cent of later leavers, and 61 per cent of completers who had not entered higher education, were employed full-time.
- A further 4 per cent of early leavers, 7 per cent of later leavers, and 17 per cent of completers outside higher education, were in full-time non-degree study in 2000.
- In any year after leaving school, around 10 per cent of early leavers, later leavers and completers who had not entered higher education were in part-time employment that was not coupled with full-time study. The majority expressed a preference for full-time work.
- Substantially higher proportions of non-completers than completers were unemployed (that is, not working, but looking for work). In late 2000, 10 to 11 per cent of early and later leavers, compared with only 6 per cent of completers outside higher education, were unemployed.
- Non-completers were also more likely than completers to be outside the labour force (and not studying). In late 2000, 7 to 8 per cent of non-completers, compared with only 3 per cent of completers not in higher education, were outside the labour force.

The report also provides an examination of the extent to which young people move between educational, training and labour market activities in the early post-school years. Of particular concern are those who remain in economically marginal activities over a number of years. Marginal activities comprise part-time work not coupled with full-time study, part-time study not coupled with full-time work, unemployment, and being outside the labour force and not studying.

The main findings are:

- Nine per cent of both non-completers and completers who did not enter higher education remained in marginal activities in the early post-school years. Females were more likely than males to be in this group.
- A larger proportion of young people remained in full-time work and/or full-time education and training. Completers not in higher education were more likely than non-completers to consistently report being engaged in such activities at the time of each post-school interview (68 and 48 per cent, respectively).
- Twenty-three per cent of completers not in higher education and 43 per cent of non-completers reported moving between marginal and non-marginal activities in their post-school years.
- Of the school leavers who moved into full-time work soon after leaving school, those who also undertook further education and training were less likely to move into marginal activities in subsequent years. These benefits were evident among both non-completers and completers who did not enter higher education.
- Of the school leavers in part-time work or part-time study, between 40 and 60 per cent moved into full-time work by the following year.

Unemployment, occupational status and earnings

The report examined unemployment among recent school leavers, and for those who gained full-time employment, their occupational status and earnings in late 2000. For each of these labour market outcomes, the influence of social background, schooling, post-school education and training, and labour market experience were assessed. The findings suggest that in some regards early school leavers fare better in the immediate post-school years, while in other regards, completers who do not enter higher education do better.

The main findings relating to *unemployment* are:

- School non-completion was associated with higher unemployment rates in the early post-school years. However, after controlling for a range of social background and educational factors, the picture became less clear. The odds of completers being unemployed were not significantly different from those of early school leavers, other things being equal.
- Among non-completers there were differences between early and later school leavers, with later school leaving being associated with higher unemployment.
- Other factors also influenced unemployment among recent school leavers. Young people from low socioeconomic status families, from language backgrounds other than English, and with low levels of literacy and numeracy were more likely to be unemployed.
- The benefits of various types of post-school education and training differed. For school non-completers, the completion of an apprenticeship reduced the risk of unemployment, while the completion of a traineeship was associated with a higher likelihood of unemployment and the completion of other non-degree study was not related to unemployment.

The main findings relating to the *occupations* of young people in full-time employment are:

- Non-completers were more likely than completers to obtain manual work or lower status occupations, although these differences disappeared after controlling for social background and human capital. There were differences, however, in the types of factors that influenced the occupational status of non-completers and completers.
- Among non-completers, being female and coming from a high status family was associated with obtaining higher status jobs.
- Post-school qualifications and labour market experience had more positive effects on occupational status for completers who had not undertaken higher education, than for non-completers.
- Achievement in literacy and numeracy was positively related to the occupational status of both completers and non-completers.

The main findings relating to the *hourly earnings* of young people in full-time employment are:

- Earnings increased the longer a young person was out of school, with non-completers displaying greater earnings than completers not in higher education.
- Other aspects of human capital also influenced earnings. Literacy and numeracy had stronger effects among completers, while non-completers received greater returns for their labour market experience. New Apprenticeships had a negative effect on hourly wages, especially among completers. Participation in, or the completion of, other non-degree study was not related to earnings in the early post-school years.

- Males, young people with parents in high status occupations, and young people who had attended Catholic schools tended to receive higher hourly earnings. These relationships were relatively weak but remained significant after controlling for the influence of education, training and labour market experience.

Young people's views about their jobs and careers

The final substantive chapter of the report focused on job stability, the reasons young people change jobs, and their satisfaction with their jobs and careers. The main findings are:

- Young people reported relatively high levels of satisfaction with various aspects of their work. There were no substantial differences in the work satisfaction of employed early leavers, later leavers and completers not in higher education.
- While there was considerable movement between jobs, a substantial amount of this movement was initiated for positive reasons (such as wanting to get a better job), rather than for negative reasons associated with job insecurity (such as having a temporary job or being laid off).
- As length of time since leaving school increased, there was a decline in job mobility among young people, and a corresponding increase in the proportion that reported being in the type of job they would like as a career. In this regard, early school leavers (who had been out of school the longest) fared better in the late teenage years.
- However, between 37 and 46 per cent of employed non-completers had not attained the type of jobs they would like as a career by 2000. Compared with males, females experienced higher levels of job mobility and were less likely to be in the types of jobs they would like as a career.

A final comment on school non-completion

In some regards during the late teenage years, non-completers fare better than completers who do not enter higher education: they are more likely to be in full-time employment, receive higher hourly earnings, display greater job stability, and report being in the type of job they would like as a career. However, on other counts non-completers experience less successful transitions from school than those of completers: compared with completers not in higher education, male non-completers are more likely to be unemployed, and female non-completers are more likely to be outside the labour force. Taken together, the results indicate that during the late teenage years, school non-completers are not unequivocally 'worse off' than school completers who do not enter higher education. Further analysis at a later time point may reveal different and more substantial differences between the labour market activities of these groups of non-completers and completers.