

The young adults

Life chances at age 24

Life Chances Study wave 11

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Youth unemployment in Australia is on the rise, fewer young people are in full-time employment and many are spending longer periods in education/training. This update outlines the factors that shape the opportunities of the participants in the Life Chances Study at age 24, including education and employment, living situations, personal income and wellbeing. Preliminary findings highlight the influence of socioeconomic background.

Key points

- Many of the 24 year olds in this study did not have satisfactory employment—particularly young men from low-income families.** While many were in paid work (79%) almost half of those working were also studying (45%) and a large proportion were not working in their chosen field (41%). Of those working full-time, 39% were employed on a fixed term contract or casual basis. Young men from low-income families were the most likely to be unemployed, and long-term unemployed.
- Juggling study and work and life was hard.** Unpredictable hours made it difficult for students to manage study, work and relationships.
- Extended education/training did not guarantee a job.** Of those with bachelor degrees, almost half (48%) did not have graduate jobs in related fields.
- Parents continued to be a vital source of financial support, especially for those from high-income families.** Over half (54%) of the 24 year olds were living with their parents and most (82%) said they went to their parents when they needed help or support in their study, work or other aspects of their life. While those with more affluent backgrounds could receive financial assistance from their parents, those from low-income families were more likely to be providing financial support to their parents.
- Incomes varied widely and seemed to make a difference to wellbeing.** Those who described themselves as very happy had the highest average personal incomes (\$730), those with mixed feelings the lowest (\$495).

Background

The Life Chances Study is a longitudinal study initiated by the Brotherhood of St Laurence in 1990 to explore the impacts of family income and associated factors on children over time. Begun as a study of 167 infants born in inner Melbourne, it has followed the families over 11 waves even as they have moved elsewhere.

This summary refers to the first of two parts of wave 11 of the Life Chances Study. In this part, we surveyed the young people in 2014–15 about the challenges and support they have encountered in education, training and/or employment.

The research

Young adults participate in the Australian labour market at a higher rate than other age groups, but a greater percentage are unemployed. In February 2015, 79% of 20 to 24 year olds were in the labour force (working or unemployed), but 10% were unemployed, a considerably higher rate than the overall unemployment rate of 6% (see Table 1).

Table 1: Young Australians and the labour force, February 2015

	Unemployment rate (%)	Participation rate (%)
All persons (15+)	6.3	64.7
15–19 year olds	20.1	53.5
20–24 year olds	10.2	79.1

Source: ABS 2015, *Labour force, February 2015*, released 12 March 2015, Cat. no. 6202.0, trend data. Tables 1, 13, 17 and author calculations.

The percentage of young people (15–24) in full-time employment fell from 39% in February 1995 to 28% in February 2015 (ABS 2018a). The percentage in part-time employment rose from 21% in 1995 to 30% in 2015. Meanwhile the percentage of young people in full-time education grew from 36% in February 1995 to 51% in February 2015 (ABS 2018b).

With these trends in mind, we explored young people’s experiences of post-compulsory education and training and the labour market. We were particularly interested to learn:

- What factors help or hinder young people’s participation in education, training and/or employment?
- How does family background affect the education and employment pathways of young adults?

Ethics approval was obtained from the Brotherhood of St Laurence’s NHMRC accredited research ethics committee to survey young people involved in the Life Chances Study. In November 2014 we contacted the 135 participants remaining in the study, inviting them to complete a 15–20 minute online survey about their post-compulsory education experience of education, training and work. We received 98 responses. Respondents received a \$20 voucher to thank them for their participation.

Survey respondents

More young women than young men responded. Most respondents had Australian-born parents, and more young people responded from mid to high-income families than from lower income families (Table 2).

Table 2: Socioeconomic backgrounds of the 24 year olds

Characteristic		%
Gender	Young woman	70
	Young man	30
Parents’ birthplace	Both born in Australia	61
	Both from non-English speaking birthplaces (NESB)	16
	Mixed or other English-speaking birthplaces	23
Family income at age 21*	Low	24
	Medium	33
	High	43

* Family income, or estimated parental income, is drawn from data collected in wave 10, when the young people were aged 21 (see Taylor, Borlagdan & Allan 2012, p. 69).

Findings

Many 24 year olds did not have satisfactory employment—particularly young men from low-income families

Most (79%) of the young people we surveyed had jobs, 13% were looking for work and 7% were not in the labour force. Almost half (45%) of those working were also studying.

Some 44% of the 24 year olds reported that their employment in 2014 was the type of work they hoped to do in future; however, 41% were not working in their chosen field and 15% were not sure.

The majority of young people with jobs were from high-income (45%) or medium-income (37%) families. More young men than women were unemployed, but only young women were not in the labour force—and these were more likely to be from a low-income family.

Forty-one per cent of the 24 year olds were working full-time (35+hours), 20% part-time, and 18% casual hours that changed each week. Among the workers, 40% were employed on a casual basis (without sick leave or holidays), 35% on a permanent or ongoing basis, 18% on a fixed term contract and 7% with other arrangements. Even among those working full-time only 56% were employed on a permanent or ongoing basis. The young adults referred to working too many hours, unpaid hours and unreliable hours as the worst aspects of their main jobs.

Pathways from study to work were not straightforward. For example, of those who were at university aged 21, 39% were in full-time work at 24, 26% were still in full-time study and the others were working and/or studying part-time or looking for work. Conversely, 25% of those who had been in full-time work at age 21 had become full-time students at 24.

Since turning 21, 40% of the young people surveyed had been unemployed at some stage. Young men from low-income families were the most likely to have been unemployed. The period of unemployment ranged from one to 48 months. For some, it was a short period of seeking part-time work to fit around their study; for others it was an anxious time after they qualified as they searched for jobs in their field; for a few it was years of ‘hopelessness’.

The young people who were still looking for work explained their lack of success as due to lack of work

experience, lack of qualifications, not enough jobs, problems with transport and health problems or disability. Young people had gained help in looking for work from friends/relatives, job agencies and Centrelink; and one had received assistance through his university.

Juggling study and work and life was hard

Some 48% of the 24 year olds were studying in 2014. Of those studying, 75% were combining study with work. Of these, most were working part-time or casual hours; but many had a full study load. Most did hospitality, cleaning, babysitting or sales work. Some of the young men had jobs as labourers.

Juggling study and work commitments was a key challenge. Some young people complained about trying to fit in study around their full-time work. One young woman from a high-income background explained:

Maintaining my stress levels, working full-time and going to night school part-time has been tiring so maintaining my energy at work and at home is difficult.

Others stated they were not able to work due to their study commitments.

Many of the young people reported stress as the worst thing about studying. Trying to manage study and family commitments, hobbies and socialising was difficult. For lower income young people, study costs and 'being poor all the time' added to the stress.

Extended education/training did not guarantee a job

Most (61%) of the respondents believed their study, training or qualifications had contributed to their employment. Of those with bachelor degrees, 42% had 'graduate' jobs in chosen fields such as occupational therapy, teaching, radiography and physiotherapy, but the rest did not. Other 24 year olds had completed apprenticeships and were working as plumbers or carpenters. A few who had no formal training were working full-time—for example, a dog groomer and an administrator.

Young people from a high-income family were more likely to have a university degree, whereas those from a low-income family were more likely to have a TAFE qualification, apprenticeship, traineeship or no training. More young men than young women had TAFE qualifications.

Of the young people who were not working in their chosen field, two described intense competition and a lack of jobs. For example, a young man from a low-income, non-English speaking background, who had previously worked full-time and then completed a postgraduate degree in IT, had been unemployed for nine months at the time of the survey and had applied for 30 jobs. He commented:

In the current employment market it is very competitive and not many positions available. Sometimes I feel that no matter how well your qualifications and experiences are, those are not sufficient as the limited roles can always be filled with someone better who is willing to take less for their level of experience.

Parents continued to be a vital source of financial support, especially for those from high-income families

Most (82%) of the young people we surveyed said that they would turn to their parents if they needed help or support with study, work or other aspects of their life.

At age 24, 54% were living with their parents. These were more likely to be from NESB families (75% lived with parents compared to 49% of those with Australian-born parents); to be young women (65% compared to 35% of young men); and to come from high-income families (57% compared to 46% from low-income families). The two most frequent reasons given for living with parents were financial (44%), and convenience, comfort, security and familiarity (42%). However, some said they were living at home because of family obligations (11%), including two who were providing care to family members.

Some 48% of the 24 year olds had received financial help *from* their parents in the last year. But 17% had provided financial assistance *to* their parents in that time. The young people from high-income families were more likely to receive parental financial support. In contrast more young people from low-income families provided financial help to their parents.

Incomes varied widely and seemed to make a difference to wellbeing

The main source of income for 72% of the young people we surveyed was paid work, followed by 21% receiving Centrelink payments. The 5% of young people who said they had 'no income' were from higher income families; some were travelling and

some received an allowance from parents while looking for work.

Total incomes in a typical week ranged from \$100 to \$1800, with a mean of \$650. [For reference, the average weekly full-time earnings in Australia in May 2014 was \$1454 (ABS 2014). The poverty line including housing costs for a single adult in 2014 was \$509 per week (Melbourne Institute 2014).] As expected there was a large difference in average weekly income between those with full-time work (\$970) and others (for example, \$420 for full-time students, some of whom were also working). The average weekly income for the few looking for work was \$262 and for those not in the labour force was just \$255.

As an indication of wellbeing, we asked the 24 year olds to rate their happiness: 'Overall, thinking about your life now, would you say you were very happy, happy, mixed feelings, unhappy or very unhappy?' Most were happy (51%) or very happy (27%). These young people had the highest average incomes (very happy \$730, happy \$633). Around one in 10 said they had mixed feelings (22%); they had the lowest average incomes (\$495). (No-one chose 'unhappy' or 'very unhappy'.)

Of those who were happy or very happy most were *not* juggling work and study; 49% were working full-time and not studying and 29% were studying full-time and not working.

Conclusion

Our survey suggests that socioeconomic background shapes the opportunities of the participants in the Life Chances Study at age 24. Young adults from high-income families were more likely to be employed and able to rely on their parents for financial support. Even with qualifications, the 24 year olds found the job market highly competitive. Many did not have satisfactory employment, and balancing work and study was a frequent difficulty. Access to resources and financial support especially from parents was important. So too was having a higher personal income, which seemed to make a difference to wellbeing.

The second part of wave 11 of the Life Chances Study involves interviews and longitudinal analysis to examine the young adults' pathways from education to satisfactory employment, with a focus on how they make sense of their life chances. The long-term impact of young people's socioeconomic

background on their current and future opportunities will also be examined.

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About the project

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Further information

For earlier Life Chances publications see: <https://www.bsl.org.au/research/projects/life-chances-study/>.

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