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YOUNG MEN AND WOMEN EXPERIENCING JOBLESSNESS IN AUSTRALIA

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The tremors of the global financial crisis, and its enduring impact on youth unemployment rates in Australia, have been felt differently by the nation's young men and young women.

Both groups have been under intense pressure in their job search: the unemployment rate for youth aged 15 to 24 years hovers above 13 per cent – a level not experienced in this country since the early 2000s. However, analysing Australian Bureau of Statistics trend data shows that there has been a marked difference in the effects on young males and females.

Today, teenage boys and young men who are in the labour market (which comprises people in work or looking for work) are more likely than young women to be unemployed – that is, looking for work.

Meanwhile, young women are more likely to be underemployed – having some work but wanting more hours, and so not counted in the official unemployment rates published each month.

This highlights the different challenges the two sexes face in a complex job market. Young people lacking experience must negotiate a globalised modern economy that is rapidly shifting to a knowledge and service base, and demanding more than ever of all its employees – including its new entrants.

The gender scenario outlined by the data is nuanced. Males aged 15 to 24 today are at higher risk of unemployment in Australia but once they have secured a job they are less likely than young females to be underemployed.

In contrast, girls and young women in the labour force are more likely to be employed than the young males, but also more likely to be working fewer hours than they would like to.

Overall, as at August 2015, there were nearly 290,000 young people out of work nationwide – 55 per cent more, or 100,000 more people than at the start of the GFC in 2008.

Youth unemployment remains stubbornly, and troublingly, more than double the rate of overall unemployment in Australia.

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TREND ANALYSIS: YOUNG ARE BURDENED IN DIFFERENT WAYS

The unemployment rate for young males aged 15 to 24 as at August 2015 was 14.6 per cent, more than two percentage points higher than that for young women (12.5 per cent). Indeed, in most months since 2000, males in this age group have been more likely to be unemployed than the females.

Within the teenage cohort – people aged 15 to 19 in the labour force – the rate was also higher for males, at 21.9 per cent compared with 16.7 per cent for the females.

The decline in employment since the GFC has been steeper for young men than for women, especially among the 15–19 year olds. Male employment decreased by 8 percentage points – more than double the decrease for women – in the 15–24 years age group overall.

Yet the gender picture is reversed when looking through the prism of underemployment.

As far back as the year 2000, young women were more likely to be underemployed than their male counterparts. In August this year, 19.9 per cent of young women in the labour force – one in five – wanted more work than they had, compared with 15.4 per cent of men.

These trends are likely to be linked to the changing nature of the job market.

The decline in the traditional sectors of young male employment, such as trades, is likely to have contributed to higher unemployment among young men.

At the same time, women have historically been more likely to be in part-time work and many of these jobs today are located in lower paid sectors such as retail and child care. This may explain why young women are more likely than young men to say they want more hours.

In addition, the data shows that for both sexes the percentage of young people who are entirely out of the labour force – neither doing paid work nor looking for work – has increased since the GFC. The increase has been bigger for young men. Many of these young people who are not in the labour force at all are in full-time education.

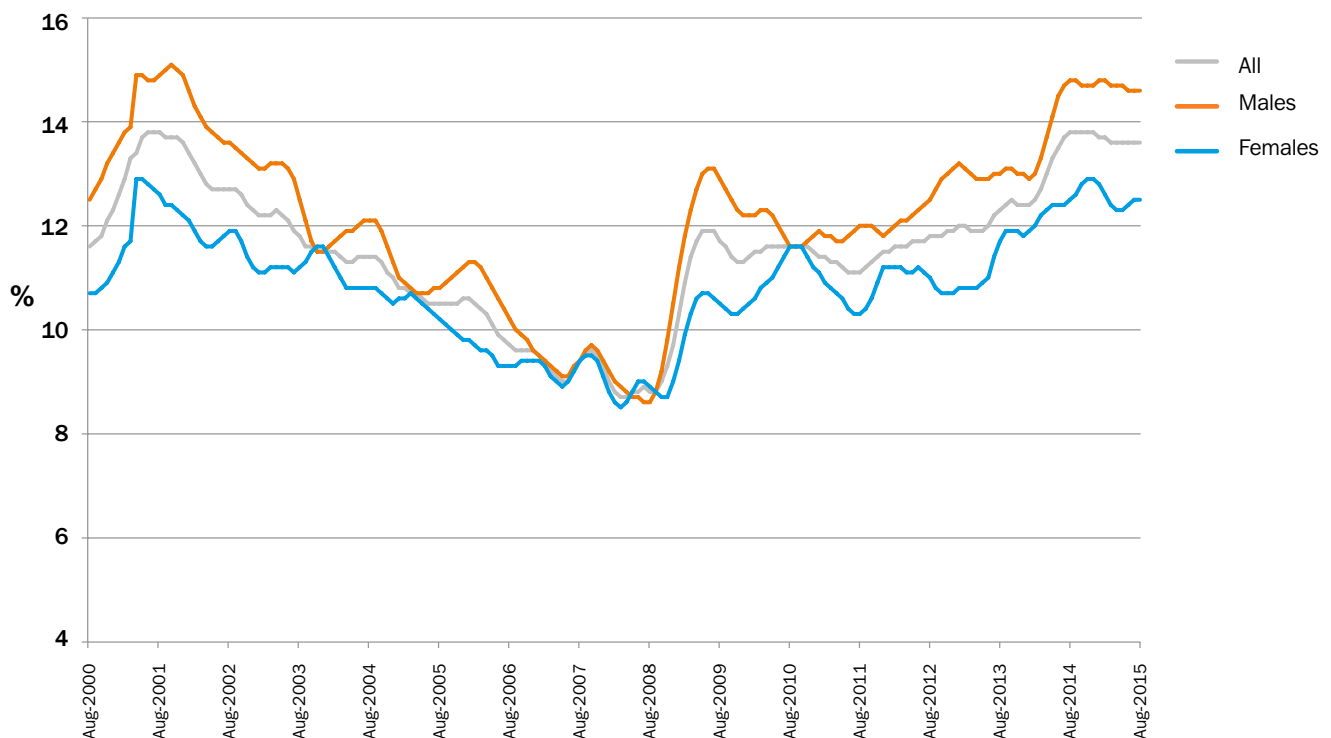
YOUTH UNEMPLOYMENT HIGHEST IN MORE THAN A DECADE, AND HIGHER FOR YOUNG MEN

Figure 1 below shows that from 2000 youth unemployment trended downwards from a peak in 2001 until the GFC in 2008. Since then it has risen, to levels close to that previous unemployment high in 2001. By August 2015 the unemployment rate among those aged between 15 and 24 years stood at 13.6 per cent, or nearly 290,000 young people looking for a job.

For young men the unemployment rate in August was 14.6 per cent and for women 12.5 per cent. In most months since 2000 men have been more likely to be unemployed than women.

Since 2008 and the GFC the number of young people who are unemployed has increased by more than 55 per cent. The *Labour force* August 2015 figure of nearly 290,000 unemployed is an increase of more than 100,000 compared with August 2008.

Figure 1: Unemployment rates (%) 15–24 age group, August 2000 – August 2015



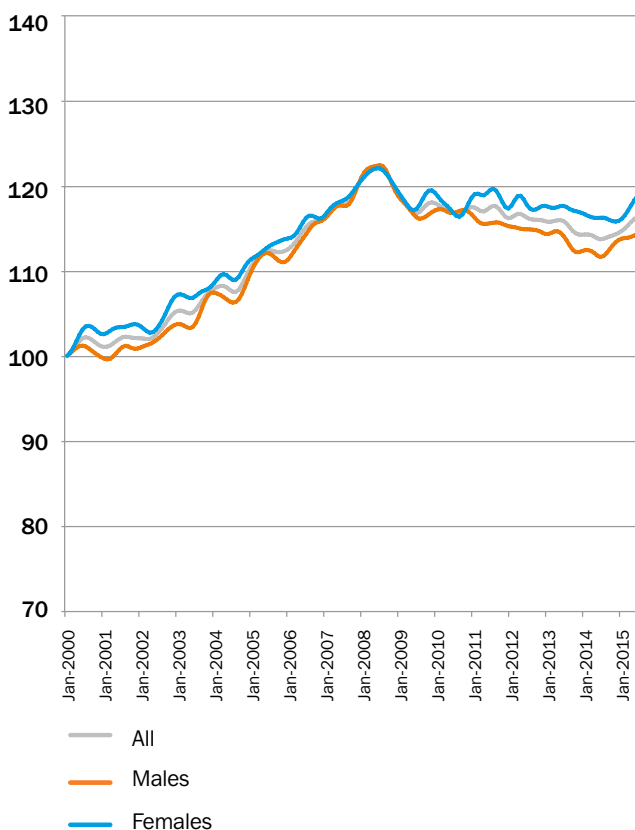
Source: ABS Labour force, Australia, August 2015, cat. no. 6202.0, Table 13, trend estimates.

Figure 2 below shows the trend in the level of youth employment and of unemployment since January 2000. These are expressed as changes in the levels since 2000, with the baseline set at 100 for that year.

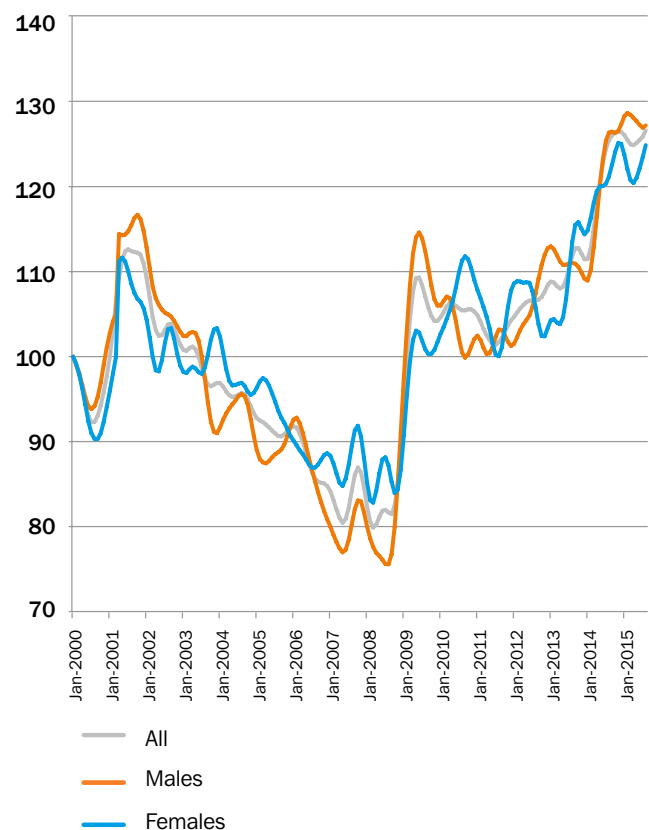
The decline in employment since the GFC has been steeper for young men than women. By August 2015 male employment was more than 8 percentage points below the level in August 2008, whereas for young women the fall was under 3 percentage points.

Figure 2: Employment and unemployment levels, 15–24 age group, January 2000 – August 2015 (Indices, January 2000=100)

a) Employment



b) Unemployment



Source: ABS Labour force, Australia, August 2015, cat. no. 6202.0, Table 13, trend estimates.

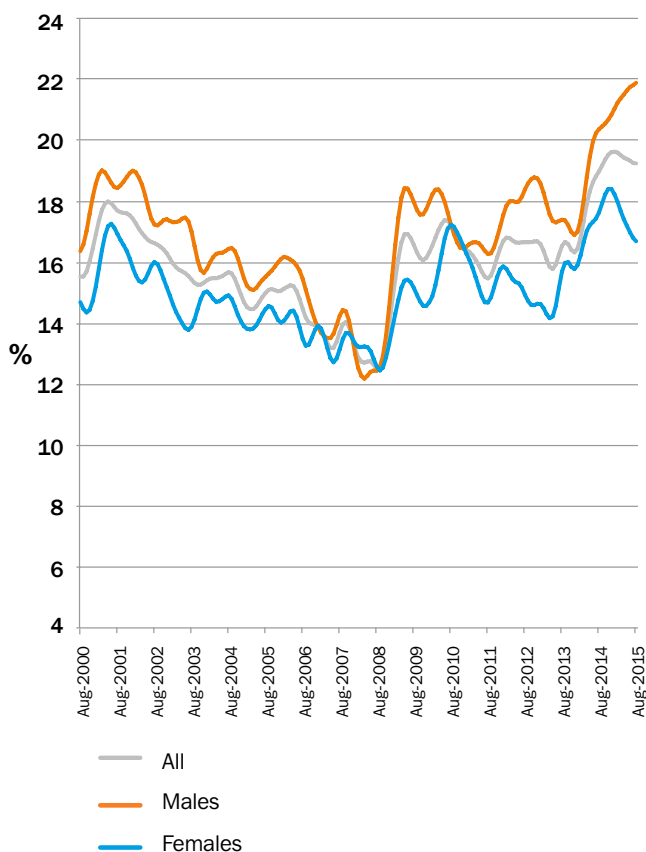
TEENAGE UNEMPLOYMENT RATE CLOSE TO 20 PER CENT

If we separate the 15–24 year olds in the labour force into two groups, the percentage of unemployed in the younger group, aged 15 to 19, is almost twice that of their older counterparts, as Figure 3 shows: 19.3 per cent compared to 10.2 per cent for August 2015.

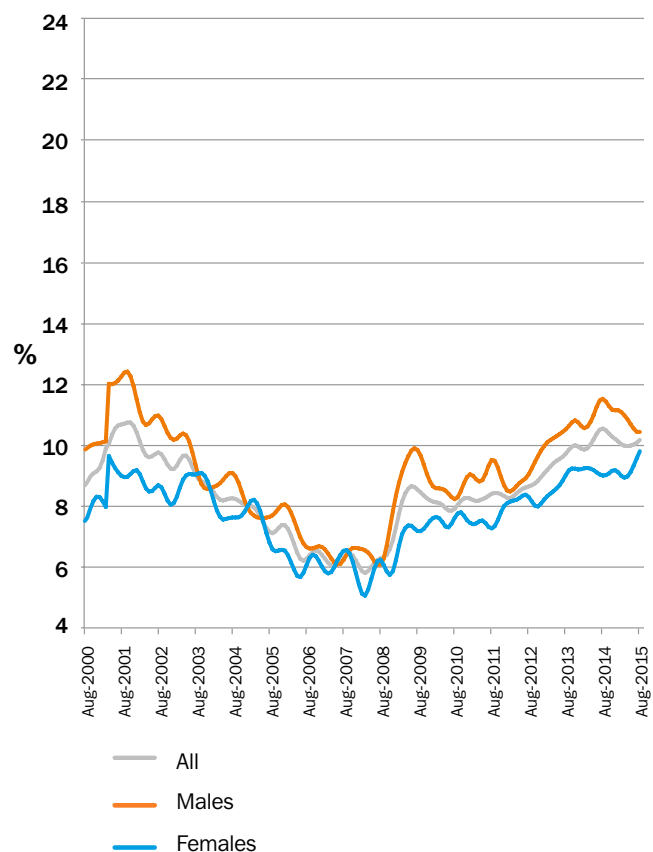
Male unemployment was higher in both age groups, and the difference was more marked for the 15–19 year olds: 21.9 per cent for male teenagers compared with 16.7 per cent for female teenagers. For 20–24 year olds the male unemployment rate was 10.4 per cent and the female rate 9.8 per cent.

Figure 3: Unemployment rates (%) 15–19 and 20–24 age groups, August 2000 – August 2015

a) 15–19 year olds



b) 20–24 year olds



Source: ABS Labour force, Australia, August 2015, cat. no. 6202.0, Tables 13 and 17, trend estimates.

ONE IN FIVE YOUNG WOMEN IN THE LABOUR FORCE IS UNDEREMPLOYED

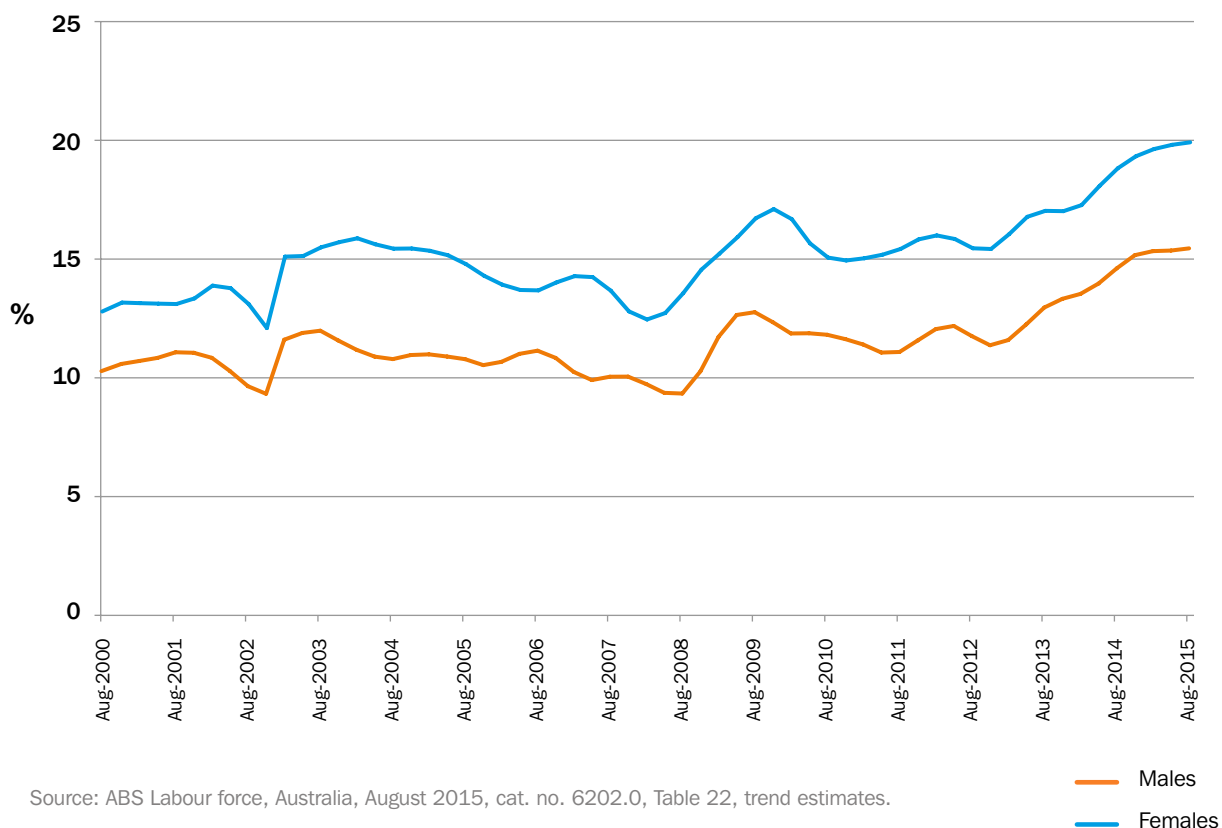
The unemployment rate does not fully capture the extent to which young people are missing out on the opportunity to earn and contribute to the economy. A fuller picture is achieved by also looking at the rate of underemployment – the percentage of people in the labour force who have some work and want more.

Figure 4 below shows the underemployment rates of young men and women from August 2000 to August 2015. The rate has been increasing since the GFC.

Interestingly, young women have been more likely to be underemployed than young men throughout the period since 2000. In August some 19.9 per cent of young women in the labour force – one in five – wanted more work than they had; the rate for men was 15.4 per cent.

Yet over the same period unemployment among young women has tended to be lower than among men (see Figure 1).

Figure 4: Underemployment rates (%), 15–24 age group, August 2000 – August 2015



FEWER YOUNG PEOPLE ARE IN THE LABOUR MARKET

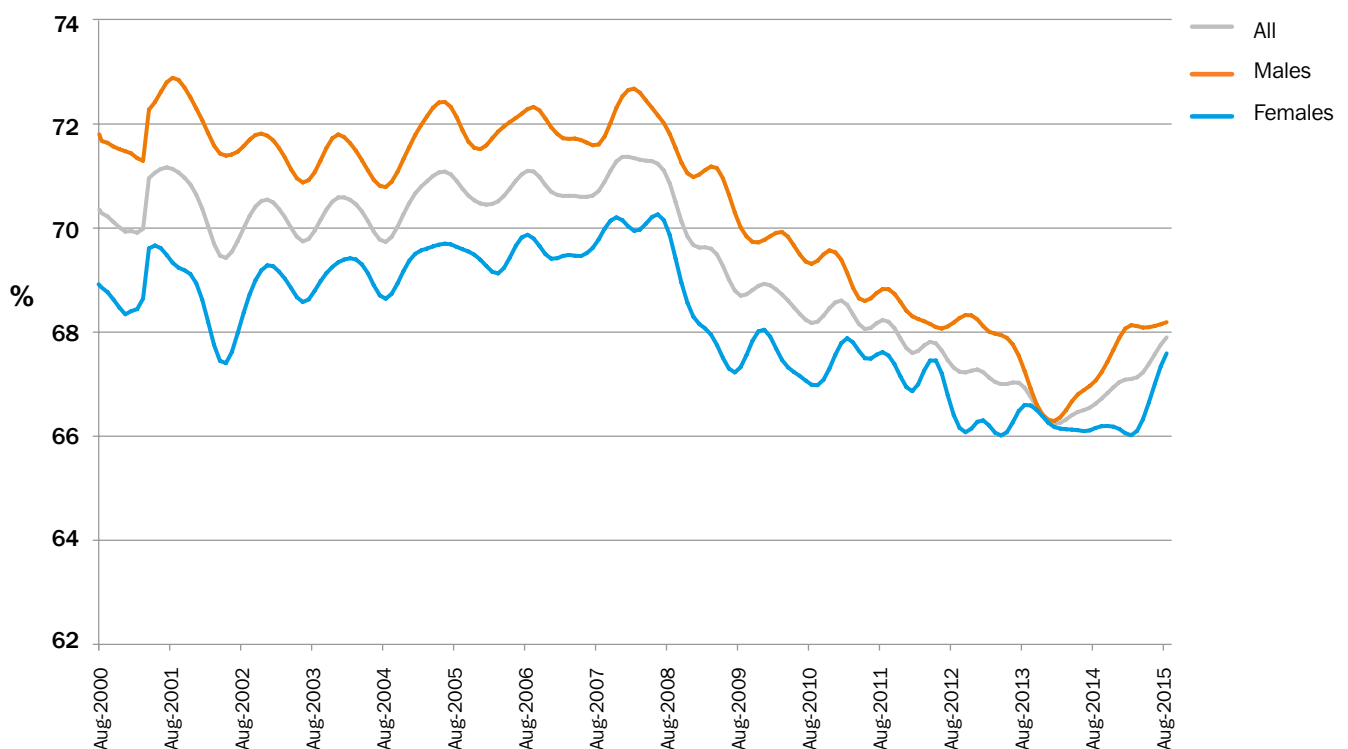
The fall in employment among young men (Figure 2 above) did not lead to a matching increase in unemployment. This is because some left the labour market altogether – they were not working at all or looking for work. As Figure 5 shows, the ‘participation rate’ for young men – the percentage that are either working or looking for work – has declined four percentage points since February 2008. The rate for women also declined, but by less. The overall participation rate in the labour force for young people in 2015 is three percentage points lower than in 2008, despite an upturn since early 2014.

As there has been a decline in employment for young people since the global financial crisis, it’s not surprising that some have left the labour market. With the job market tight overall, it seems that if it’s hard for other age groups to get a job, it will be even harder for young people, who are therefore likely to spend more time in study.

Research in Australia shows that the poorer labour market conditions since the GFC coincided with increased enrolments in tertiary education. This signals that more young people are deciding to go into further study in an attempt to improve their prospects of finding jobs when more work becomes available. Indeed the proportion of full-time students among those out of the labour force aged 15–24 rose from 76.5 per cent in August 2009 to 79.1 per cent in August 2015.

This trend of increased study also appears to be influenced by government policy, such as the removal of caps on the number of government-subsidised HECS university places in 2012.

Figure 5: Participation rates (%) 15–24 age group, August 2000 – August 2015



Source: ABS Labour force, Australia, August 2015, cat. no. 6202.0, Table 13, trend estimates.