

Issue Brief 4: Pathways to Employment for Indigenous Youth

Data from the last three censuses indicates that the employment rates among Indigenous youth declined over the period 1986 to 1996. Although there was a substantial increase in the educational participation rate for Indigenous youth during this time, the decline in the employment rate cannot be fully attributed to increased participation in education. Against this backdrop, it is timely to examine the pathways for Indigenous youth (aged 15 to 24) between education and employment.

This issue brief examines the labour market experience of Indigenous youth, their job search behaviour and the success of labour market programs in addressing employment disadvantage. It does this by considering administrative data in conjunction with data collected in a longitudinal survey conducted by the Department of Employment, Workplace Relations and Small Business.

The survey tracked the experiences, over an eighteen-month period, of 1,580 Indigenous Australian job seekers who were registered with the Commonwealth Employment Service. Information was collected in three waves, with the first interviews being conducted between March and June 1996 and the last between June and September 1997. The data and analyses presented here show patterns of responses of those who responded to the survey questionnaires and should not be used to draw inferences about wider populations. Response rates, attrition rates, methodological issues and design aspects make generalisation of these results problematic.

Transition from school to work for Indigenous Australians

Limitations of the longitudinal survey data mean that it is not possible to adequately analyse the labour market experience of Indigenous youth after they have left school. The survey, however, does yield some insights into the patterns of employment and study among Indigenous youth, including:

- employment outcomes (both in terms of having a job and remaining in employment) are lower amongst respondents with a long history of unemployment. This is particularly true for young people who have never had a job after leaving school;
- Indigenous job seeking youth are more likely to be in education than older Indigenous job seekers (aged over 24 years) and are also more likely to be combining work and study; and
- compared to other factors (such as educational attainment), age has a relatively small impact on increasing labour market success. This is important because it means that any labour market disadvantage experienced by young job seekers is likely to continue as these people move into older age cohorts.

Job search behaviour and attitudes to work

In spite of the similarities in the intensity of job search and the job search methods used by younger and older Indigenous job seekers, young job seekers were twice as likely to have received two or more job offers in the four weeks prior to the survey. This may indicate that employers are more likely to want to employ younger workers.

Younger job seekers were also more likely than older job seekers to be searching for full-time employment and to want only permanent or only casual work. There is, however, evidence to suggest that younger job seekers are also more prepared to move in order to find work.

Compared to young non-Indigenous job seekers, Indigenous youth use less pro-active job search methods. Non-Indigenous job seekers, for example, are more likely to have contacted employers directly. Indigenous job seekers are more likely to report having asked friends or relatives about jobs than non-Indigenous job seekers, despite some evidence that they are less likely to secure employment in this way.

Labour market programs

The international literature evaluating the effectiveness of special youth programs (including, training, employment subsidies and direct job creation measures) provides some useful lessons for Australia. In general, for disadvantaged youth, the literature shows that better outcomes are achieved using programs that provide a combination of assistance targeted at their specific labour market needs. In addition, early intervention is particularly important. The literature also suggests that adult mentors can help young job seekers get the most out of labour market programs.

An examination of the survey data in this context shows that the overall program participation pattern of younger job seekers between 1996 and 1997 is similar to that of older job seekers. There are, however, some differences, with younger program participants:

- being more likely to participate in wage subsidy programs;
- being less likely to have completed labour market programs than older participants. Given the importance of completing programs for employment prospects, this suggests that the full benefits of programs are not being realised by youth because of their lower program completion rates;
- spending substantially less time in training programs than older participants (59.3 and 71.3 weeks respectively);
- spending significantly less time in programs that provide general support to job seekers than older participants (20.7 and 93.0 weeks respectively); and
- spending more time in wage subsidy programs.

The small number of younger program participants makes it difficult to estimate the effects of labour market programs on the employment prospects of Indigenous youth. A comparison of employment outcomes at cessation of programs shows, however, that there are few differences between younger and older program participants.

Indigenous youths' willingness to participate in the labour market augurs well for future labour market success, as long as adequate employment opportunities can be created. Responses to this survey indicate that there is a willingness among indigenous youth to relocate for jobs and a willingness to be employed in one of the growth sectors of the Australian economy, the private sector, thereby enhancing their long-term employment prospects. The continued support of labour market programs which increase the exposure of younger job seekers to private sector jobs is also likely to be an important factor in enhancing Indigenous Australians' employment prospects.

This issue brief summarised three reports analysing data from the longitudinal survey of ATSI job seekers by Drs Boyd Hunter, Matthew Gray and Roger Jones.