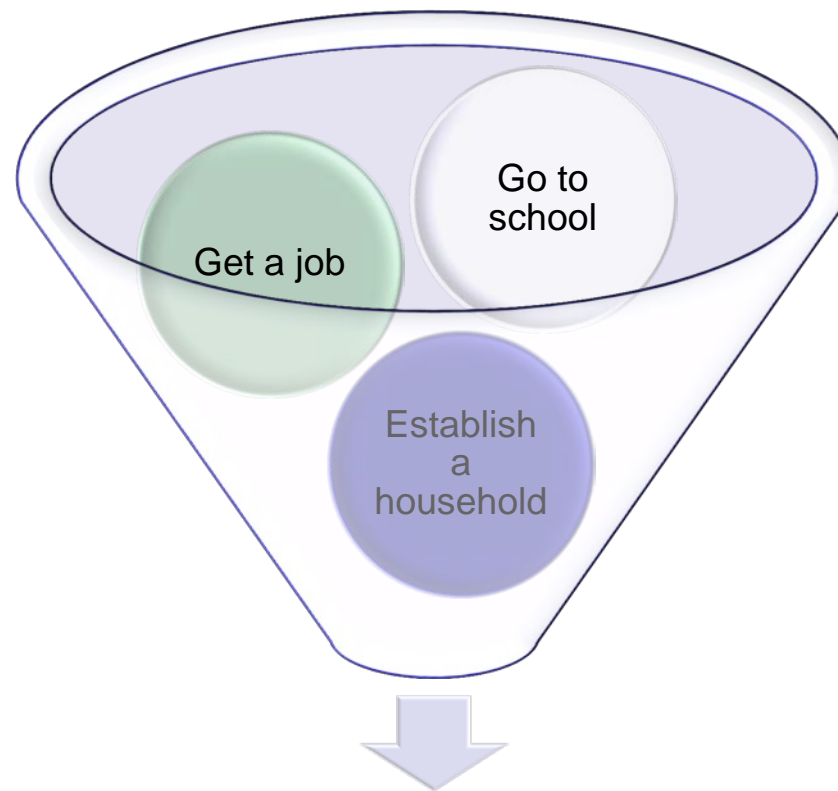


Making Choices: Educational Investment and Transition Success

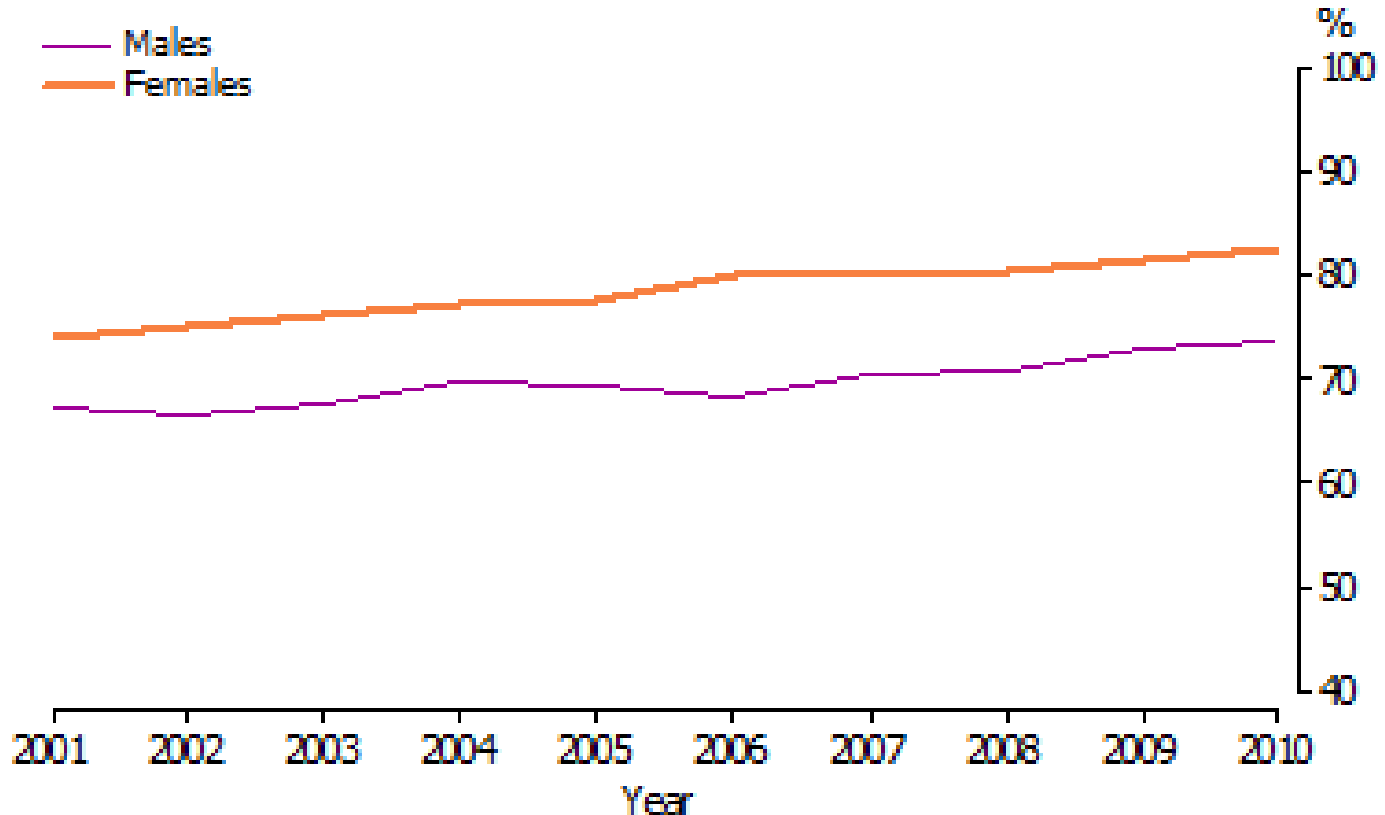
Sinan Gemici, NCVER
Melbourne Institute Public Economics Forum
Canberra, July 2013

Transition success: A fairy tale...



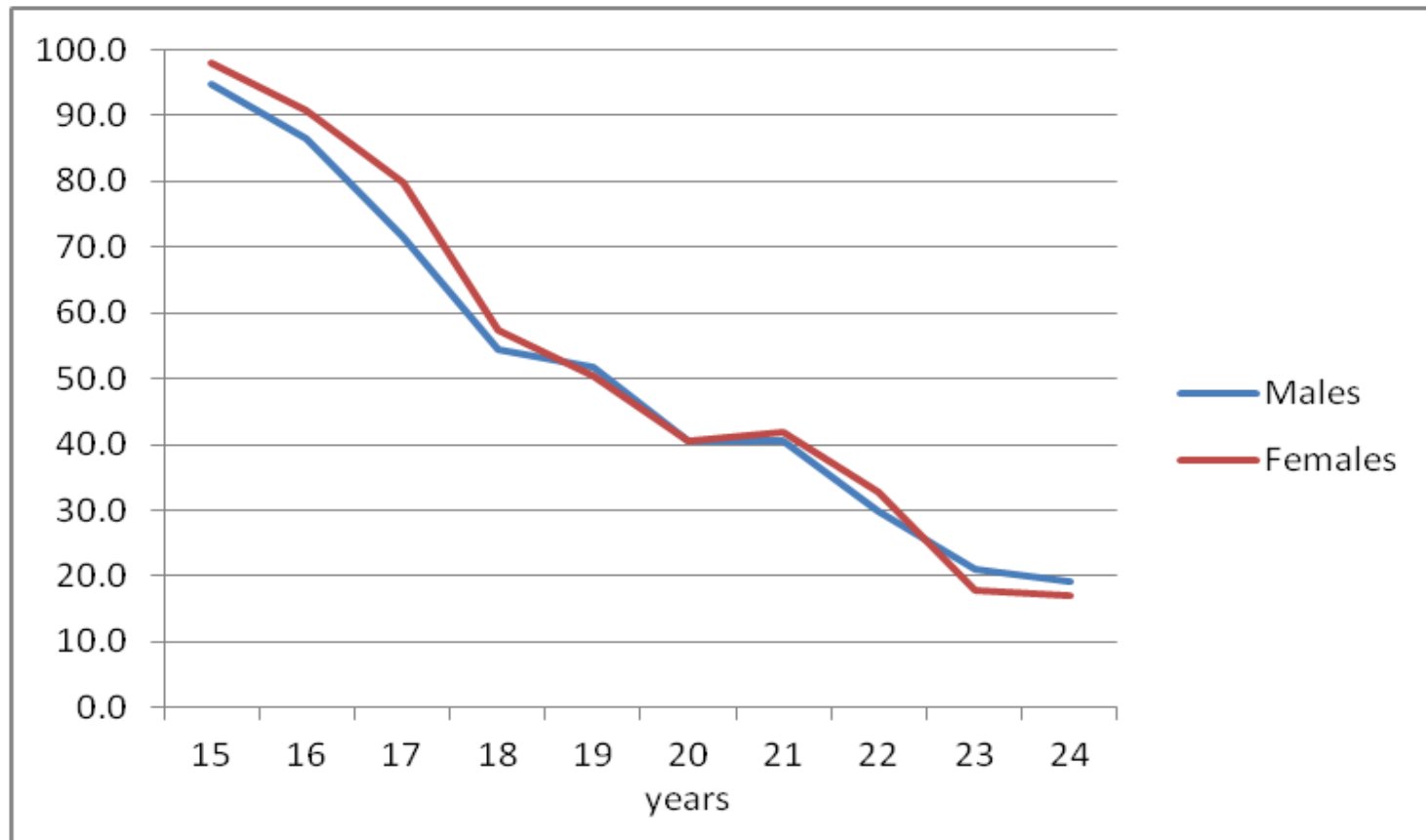
Transition success

Choices: Year 12 completion



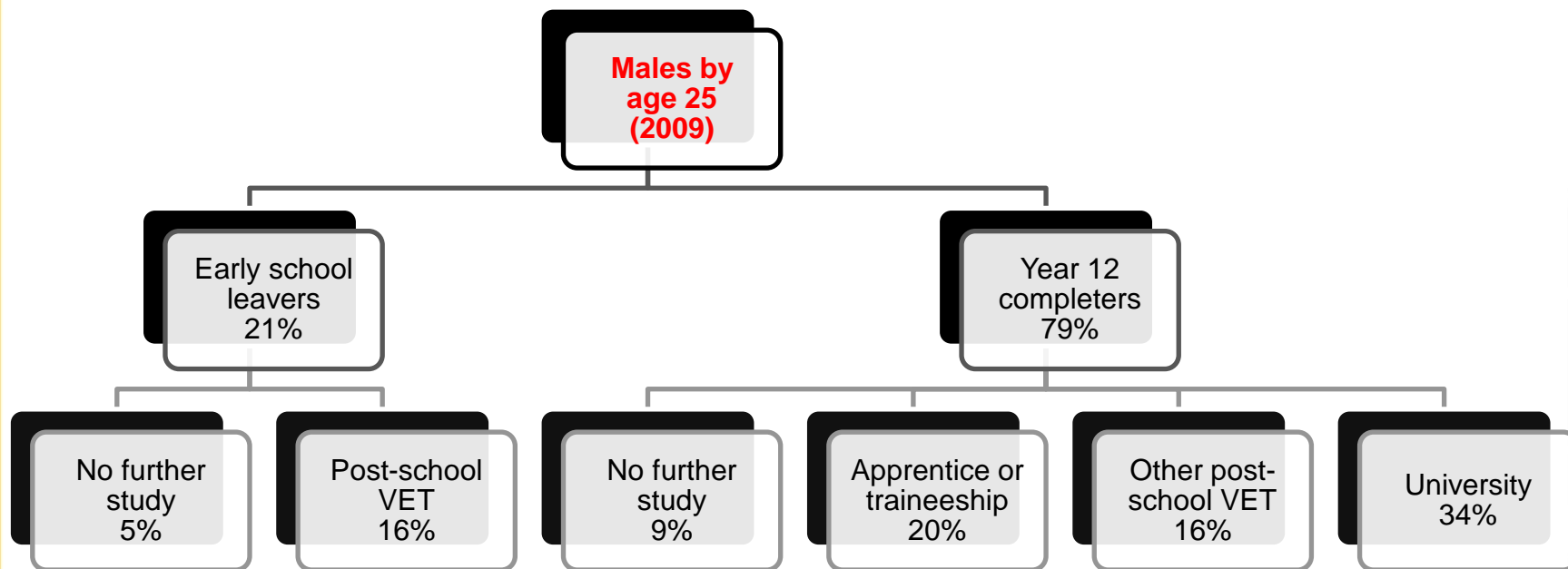
Source: ABS, Australian Social Trends 2011

Choices: Full-time education participation 2009



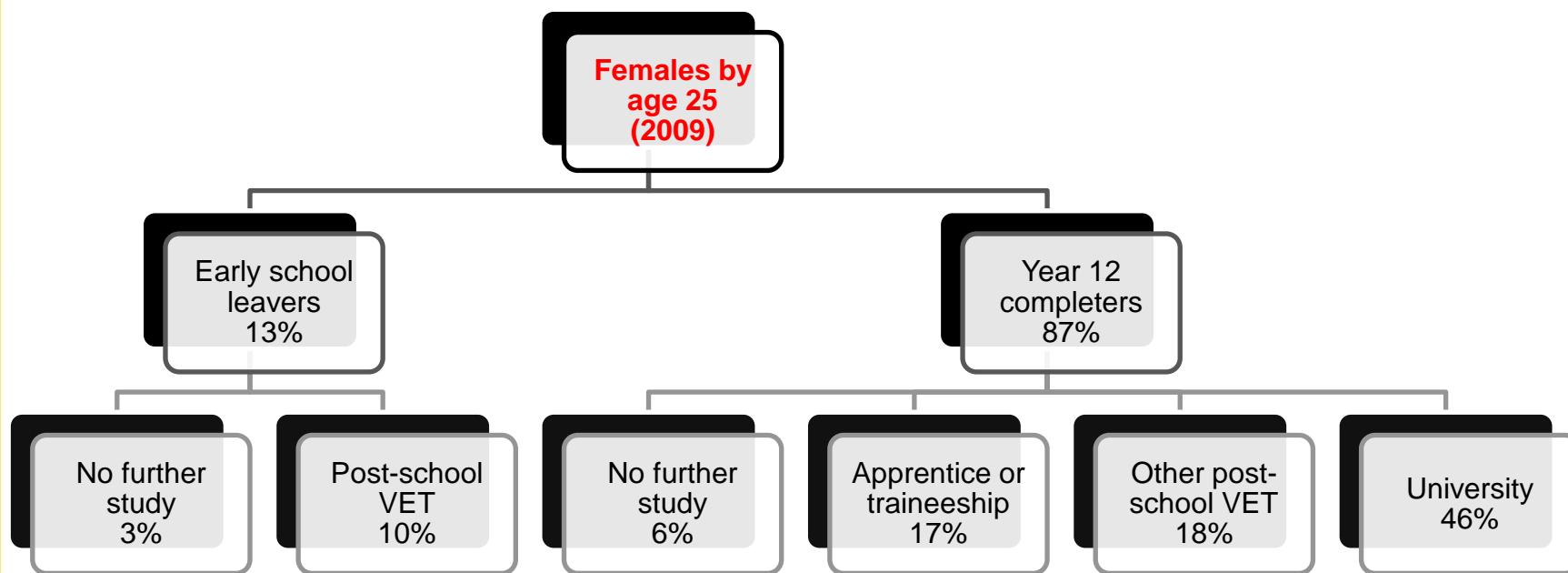
Source: ABS 2009 Survey of Education and Training, Basic CURF

Choices: Transition pathways for young males



Source: LSAY 1998 cohort, 2009 wave

Choices: Transition pathways for young females

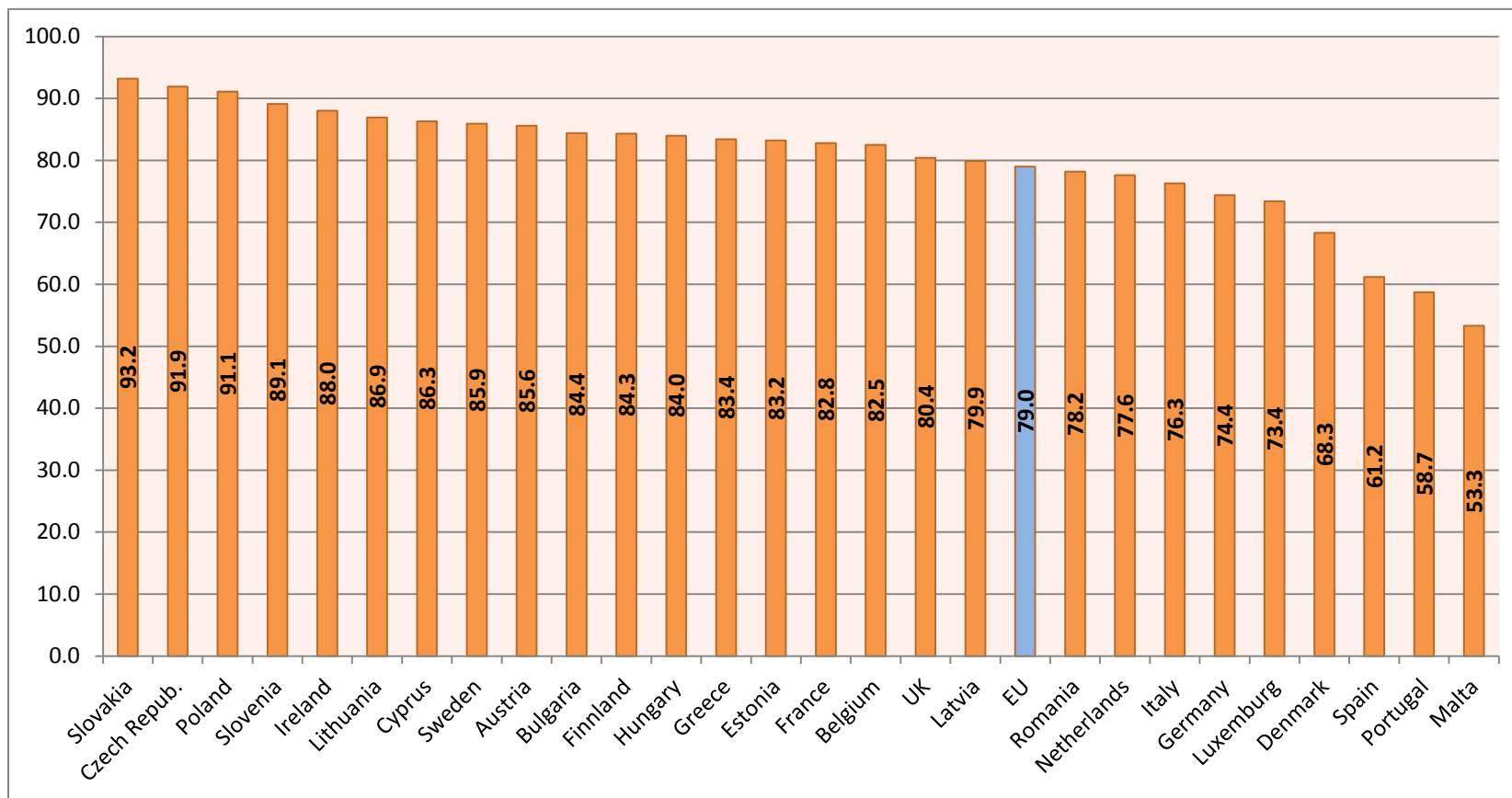


Source: LSAY 1998 cohort, 2009 wave

Key question

- Is higher investment in education always better for transition success?

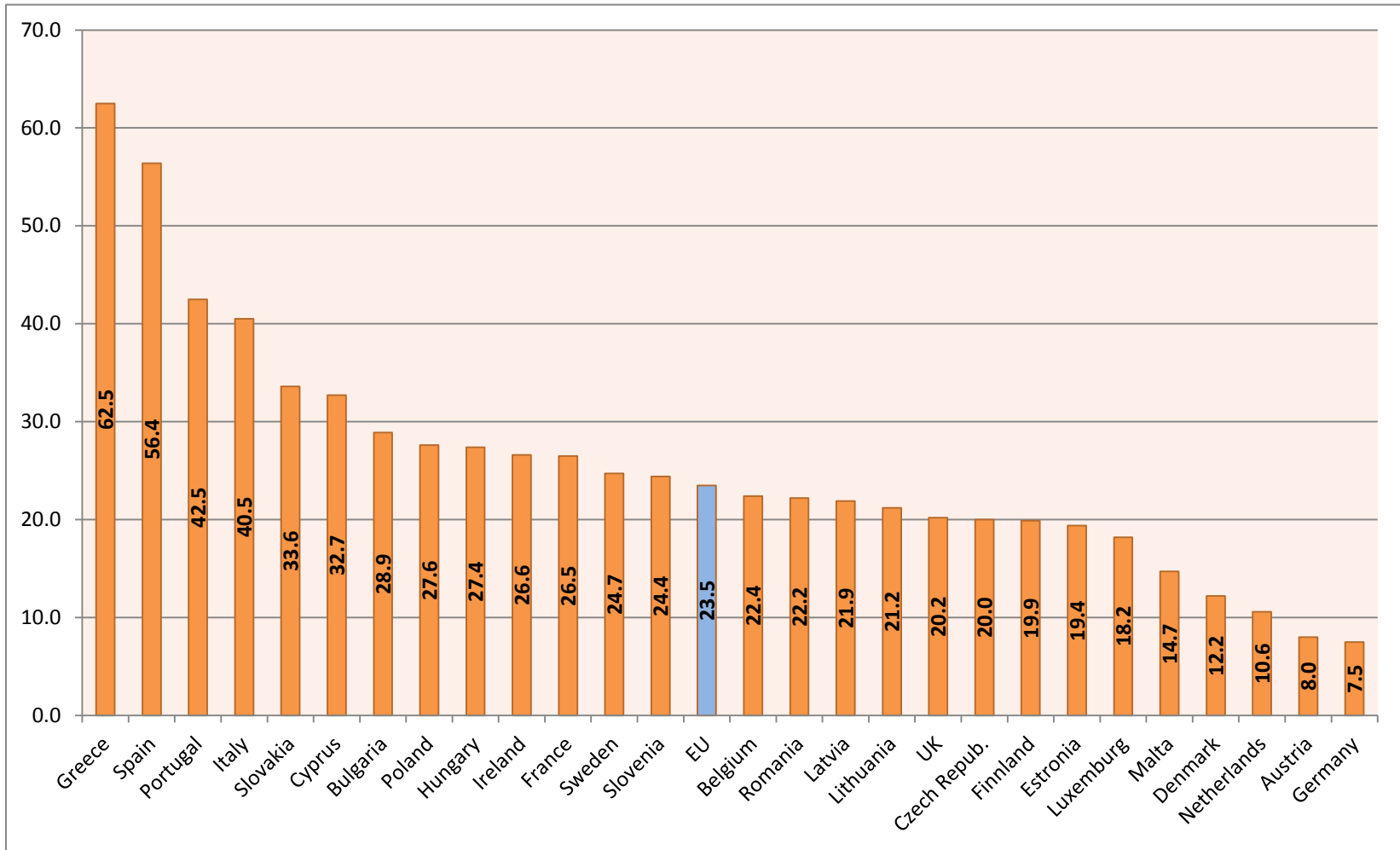
EU youth with Year 12 or higher quals (ages 20-24)



April 2013 (seasonally adjusted)

Source: European Union

EU youth unemployment (ages 15-24)



April 2013 (seasonally adjusted)
 Source: European Union

Choices: VET in Schools

- VETiS students who left school early...
 - ▶ were more likely to be employed full-time 1 year post-school

- VETiS students who completed Year 12...
 - ▶ 25% were in FT employment 1 year post-school compared to 14% of non-VETiS students

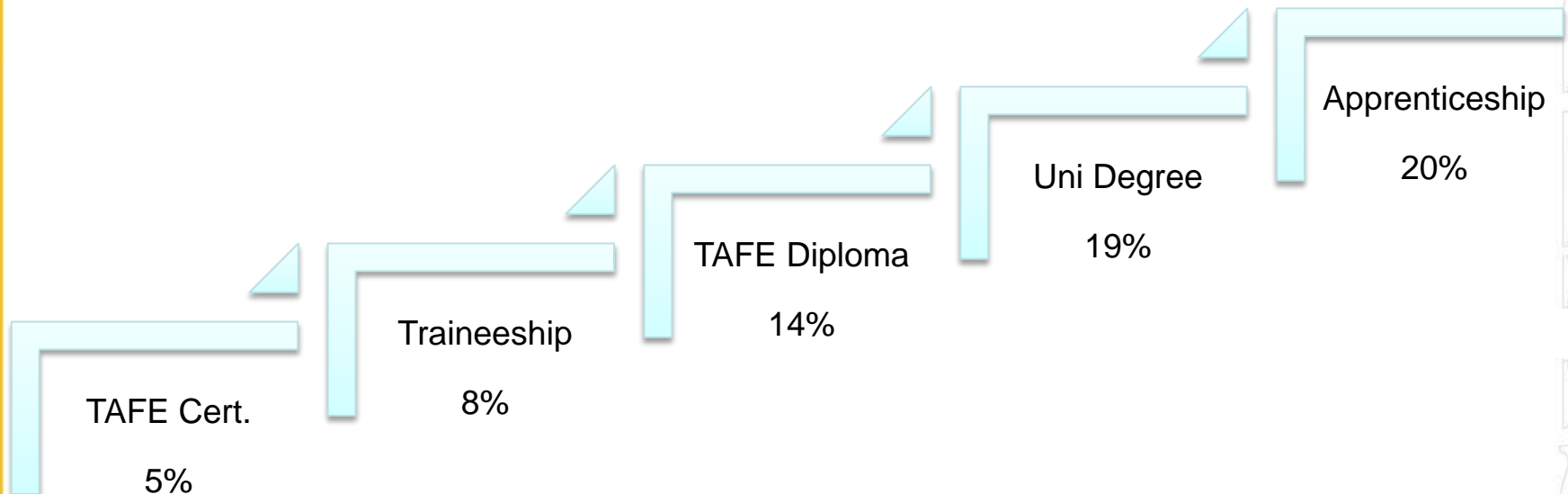
- Students who did structured workplace learning in Year 11...
 - ▶ 5.2% net increase Year 12 completion

Choices: Apprenticeships

- Apprentices....
 - ▶ have better labour market outcomes than all other qualifications, except university
 - ▶ 95% of apprentices are employed FT in the year following completion

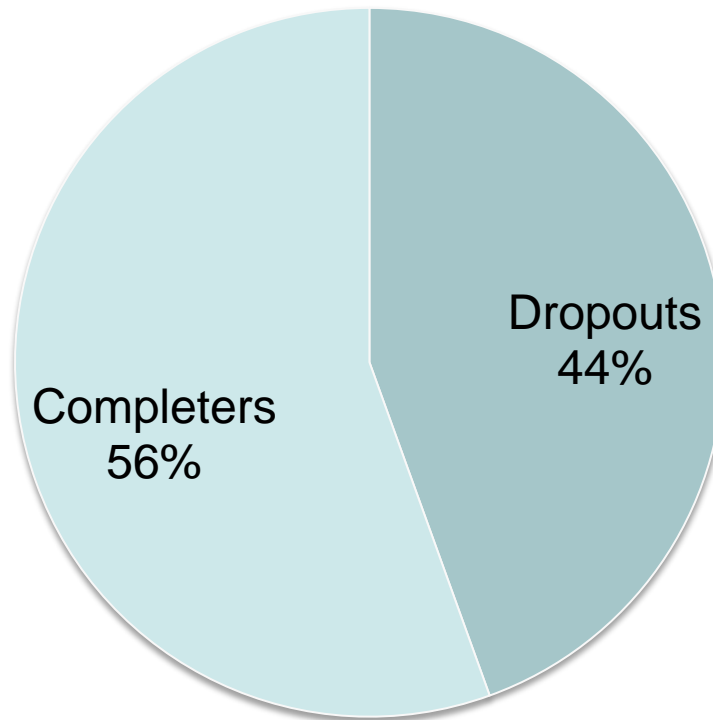
Choices: Income effects

Compared to youth *without* tertiary qualifications the wage premium 1 year after completing a qualification is...



Source: LSAY, various cohorts

Choices: Apprenticeship dropout

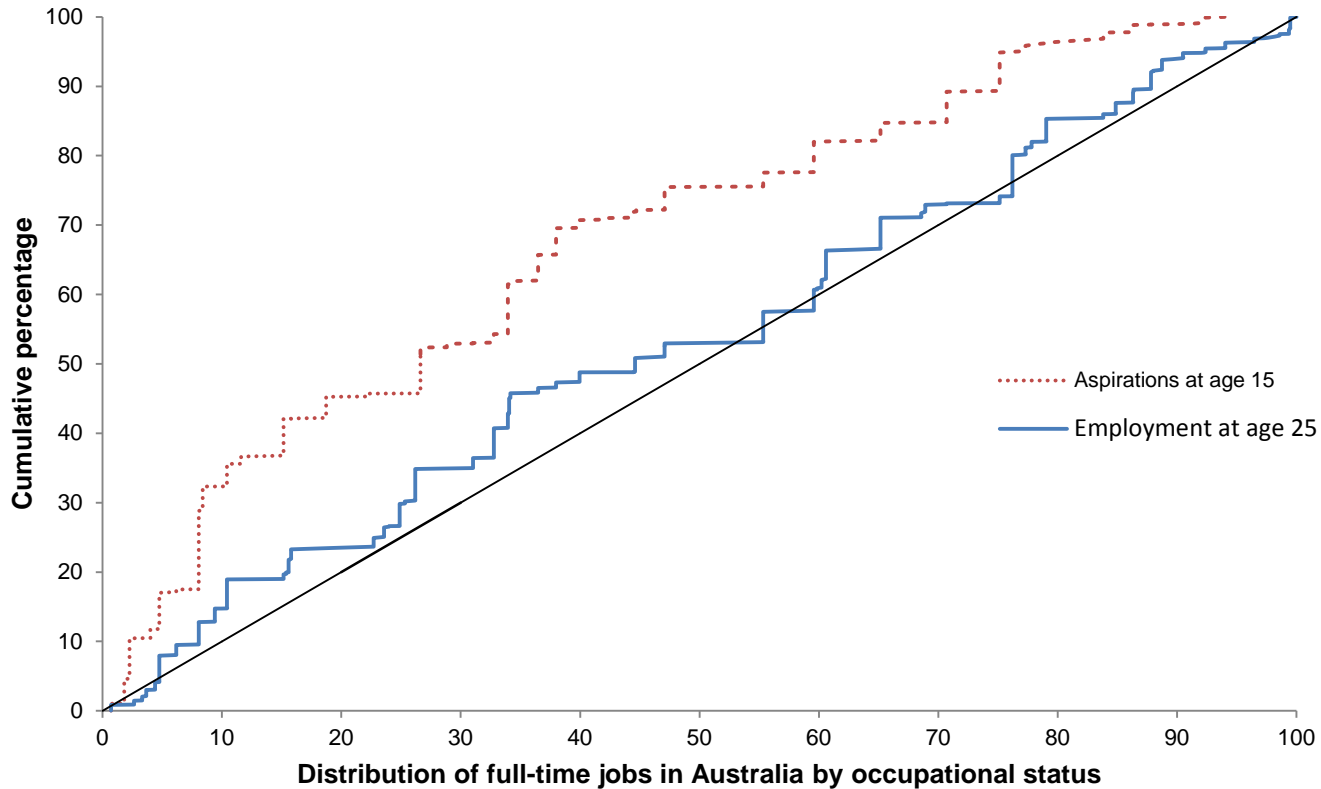


Choices: Successful pathways

- For males at age 25...
 - for **low-achievers**, leaving school early and completing an apprenticeship is best option
 - completing Year 12 plus apprenticeship leads to **highest pay**
 - apprenticeship completers have **higher life satisfaction** than university completers
- For females at age 25...
 - **regardless of academic ability**, completing Year 12 plus uni by far the most successful pathway

Aspirations or delusions?

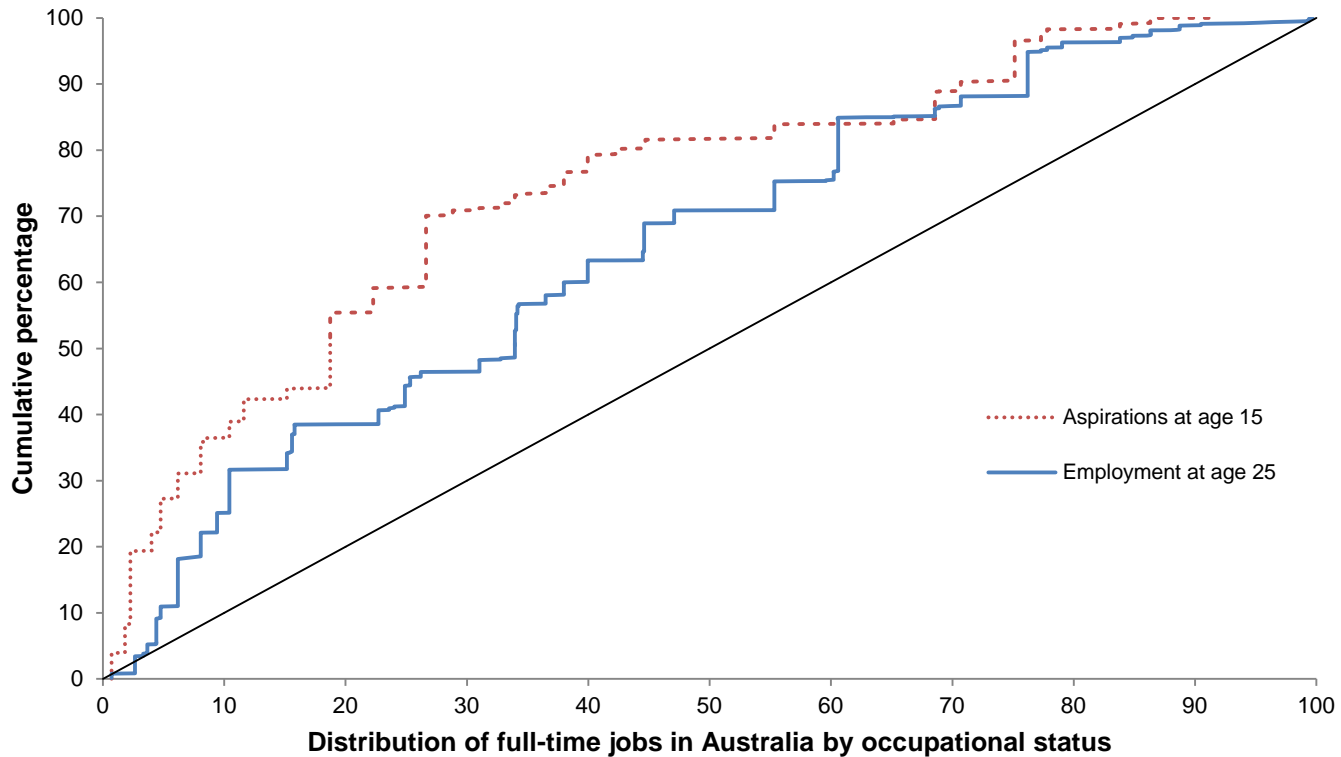
Cumulative distributions of job status aspired to at age 15 and achieved at age 25, **males**



Source: LSAY 1998 cohort and 2006 Census data

Aspirations or delusions?

Cumulative distributions of job status aspired to at age 15 and achieved at age 25, **females**



Source: LSAY 1998 cohort and 2006 Census data

Aspirations versus jobs: Females

Top 12 jobs aspired to at age 15	Top 12 jobs held at age 25
Designers	Primary school teachers
Psychologists	Sales assistants
Legal professionals	Registered nurses
Registered nurses	Child carers
Primary school teachers	Secondary school teachers
Child care workers	Retail managers
School teachers (NFD)	Accountants
Journalists	General clerks
Actors, Dancers	Office managers
Veterinarians	Project administrators
Accountants	Receptionists
Medical practitioners	Call centre workers

Source: LSAY 1998 cohort

Final thoughts

- In Australia, educational investment choices are still linked to transition success
- More isn't always better
- Educational inflation
- Job aspirations: Shooting for the stars?
 - ▶ The role of sound careers advice
 - ▶ The role of parents