

# Youth transitions from education to the labour market in Australia and the UK: Different trajectories and their association with subjective well-being

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## Outline

- Background
- Definitions
- Data
- Samples
- Analysis
- Findings
- Next steps

## Background

- Youth transitions
  - Increasingly:
    - Diverse
    - Prolonged
    - Fragmented (Eurostat, 2009)
- Subjective well-being
  - Increased policy attention (Waldron, 2010; OECD, 2013)
  - SWB vs GDP (Easterlin, 2010; Bok, 2010)
  - Relevance of employment status (Dolan et al, 2008)
- Australia-UK comparison
  - Liberal/Anglo-Saxon welfare regimes
  - Similarities in current policy and rhetoric
    - Youth hit hardest by cuts (The Senate, 2014; MacLeavy, 2011)
  - Conditionality and reductions to youth benefits
    - Increased expectations of parental support (ABS, 2009; ONS, 2014)

## Questions

- Can meaningful and comparable trajectories be ascertained from the data?
- What socio-demographic characteristics are associated with different trajectories and do these differ between Australia and the UK?
- What is the relationship between different trajectories and subjective well-being, and do these differ between Australia and the UK?

## Definitions

- **Youth**
  - No agreed age range
    - 15 (Australia)/16 (UK)-29 (see Eurostat, 2009)
  - But descriptive of a transition (dependence to independence), not a state (Eurostat, 2009)
    - Being/becoming as characteristic of youth?
    - Extension of childhood?
- **NEET**
  - Problematic and contested term
  - Heterogeneous group
  - 'Unemployed' and 'inactive' more useful cross-sectional classifications
  - 'Stable' and 'unstable' more useful longitudinal classifications
- **Labour market trajectories**
  - Movement from compulsory education towards labour market participation (or not)
  - 'Trajectory' may be over-simplified (see Dorsett and Lucchino, 2012)
- **Subjective well-being**
  - Personal evaluation of satisfaction with life overall and domains
  - Subjective assessments of financial, physical and mental health

## Data

- **UK: Understanding Society (US)**
  - UK's representative longitudinal household survey
  - Annual coverage of 40,000 households
  - All adults (16+) interviewed
  - Diverse range of topics – covers health, work, education, income, family, and social life
- **Australia: Household Income and Labour Dynamics (HILDA)**
  - Australia's representative longitudinal household survey
  - Annual coverage of 2,153 households
  - All adults (15+) interviewed
  - Covers family dynamics, economic and subjective well-being and labour market dynamics

## Samples

- Selected if:
  - Aged 15/16-29 at wave 1 (2009)
  - Valid responses to labour market status in each wave
  - Valid responses to number of spells of employment between each wave
- Resulting sample:
  - Australia: 2,090
  - UK: 3,696

## Analysis

- Identifying trajectories
  - Two-step cluster analysis
  - Based on labour market status at each wave, and spells of employment between waves
  - To be developed: month-by-month employment trajectories (see Dorsett and Lucchino, 2012)
- Examining membership of trajectories
  - Logistic regression examining characteristics associated with clusters
- Examining associations with SWB
  - Linear and logistic regression examining power of clusters to predict subjective well-being
  - To be developed: longitudinal modelling of association between labour market status and SWB

## Findings: Identifying trajectories

- Stable employment
- Unstable, mostly unemployment
- Unstable, mostly employment
- Education to employment
- Unstable, mostly inactivity
- Stable education

## Findings: Identifying trajectories

		Stable employment	Unstable, mostly unemployment	Unstable, mostly employment	Education to employment	Unstable, mostly inactivity	Stable education
% (unweighted n)		41.5 (1,394)	12.0 (397)	19.0 (736)	14.6 (547)	6.5 (312)	7.4 (310)
Employment spells		1.0	1.3	3.1	2.4	0.7	0.4
Wave 1	Employed	100.0	7.6	50.3	13.6	14.6	0.0
	Unemployed	0.0	58.5	15.4	6.2	9.8	0.0
	Inactive	0.0	18.8	9.4	0.7	71.7	1.7
	Education	0.0	15.1	24.9	79.5	3.9	98.3
Wave 2	Employed	100.0	6.7	74.8	18.6	7.8	0.0
	Unemployed	0.0	59.5	11.6	2.2	11.0	0.0
	Inactive	0.0	26.5	8.7	0.9	80.0	0.4
Wave 3	Employed	0.0	7.3	5.0	78.2	1.2	99.6
	Employed	100.0	12.9	86.7	31.8	0.0	0.0
	Unemployed	0.0	65.1	6.1	12.4	0.0	0.0
	Inactive	0.0	20.0	7.2	0.5	95.3	0.0
Wave 4	Employed	0.0	2.0	0.0	55.2	4.7	100.0
	Employed	100.0	25.7	74.6	45.9	0.0	24.1
	Unemployed	0.0	56.3	9.1	6.0	0.0	11.5
	Inactive	0.0	15.7	16.4	2.3	95.1	1.2
Wave 4	Education	0.0	2.3	0.0	45.9	5.0	63.2

## Findings: Composition of clusters

		Stable employment	Unstable, mostly unemployment	Unstable, mostly employment	Education to employment	Unstable, mostly inactivity	Stable education
Mean age (SD)		28.0 (3.3)	25.6 (3.9)	26.2 (3.9)	22.0 (3.2)	27.3 (3.3)	21.0 (2.8)
Women (overall: 53.3)		43.7	52.1	61.8	55.4	91.6	48.9
Has dependent child/ren (overall: 36.9)		34.9	49.8	47.5	9.0	88.6	5.4
Household structure	Couple	26.3	3.0	12.7	8.3	1.2	4.9
	Couple + kids	27.3	26.7	35.6	5.5	56.5	2.6
	1 adult	10.2	8.7	7.5	9.6	1.6	8.0
	1 adult + kids	2.4	14.4	3.9	2.3	27.8	2.2
	Other	33.8	47.2	40.3	74.4	13.0	82.4
Highest qualification	High	48.9	17.5	43.9	39.9	15.3	31.5
	Medium	29.8	24.1	28.6	48.5	22.8	55.9
	Low	21.3	58.3	27.5	11.6	61.9	12.6

## Findings: Predictors of trajectory at wave 1

		Stable employment	Unstable, mostly unemployment	Unstable, mostly employment	Education to employment	Unstable, mostly inactivity	Stable education
Sex (Ref: male)		Red		Green		Green	
Age		Green			Red		Red
Ethnicity (Ref: White)	Mixed	Red					
	Pakistani/ Bangladeshi	Red				Green	Green
	Other Asian	Red					
	Black	Red		Red	Green		Green
	Other	Red					Green
Household structure (Ref: couple)	Couple + kids	Red			Green	Red	Green
	Lone adult + kids	Red		Red	Green	Red	Green
	Other		Green		Green	Red	
Has dependent child (ref:no)			Green		Red	Green	
Highest qualification (Ref: High)	Medium			Red			
	Low	Red	Green	Red	Red	Green	
Equivalent income			Red				
Income poverty (60% median)		Red	Green				
Material deprivation							Red

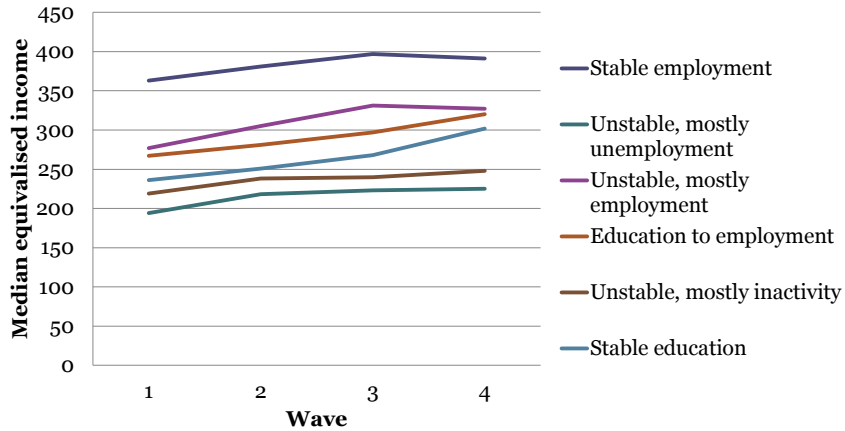
## Findings: trajectories predicting SWB

		GHQ		Life as a whole	
		Base	Cluster	Base	Cluster
Sex (Ref: male)		0.7**	0.6**	0.0 NS	0.0 NS
Age		0.0 NS	0.1**	-0.0**	-0.0*
Ethnicity (Ref: White)	Mixed	-0.3 NS	-0.3 NS	-0.3 NS	-0.3 NS
	Pakistani/ Bangladeshi	0.6**	0.6**	-0.1 NS	-0.2 NS
	Other Asian	-0.1 NS	-0.1 NS	-0.1 NS	-0.2 NS
	Black	0.2 NS	0.2 NS	-0.3**	-0.4**
	Other	-0.3 NS	0.3 NS	-0.1 NS	-0.2 NS
Household structure (Ref: Couple)	Couple + kids	-0.4*	-0.5**	0.0 NS	0.1 NS
	Lone adult	0.1 NS	0.1 NS	-0.4**	-0.4**
	Lone adult + kids	-0.0 NS	-0.2 NS	-0.4**	-0.3*
	Other	-0.1 NS	-0.1 NS	-0.4**	-0.4**
Highest qualification (Ref: High)	Medium	0.1 NS	0.1 NS	-0.0 NS	-0.0 NS
	Low	0.1 NS	0.1 NS	-0.2**	-0.1 NS
Equivalentised income		-0.1**	-0.1**	0.1**	0.0**
Cluster (Ref: Stable employment)	Unstable, mostly unemployment		0.6**		-0.4**
	Unstable, mostly employment		0.5**		-0.1 NS
	Education to employment		0.4*		0.1 NS
	Unstable, mostly inactivity		0.5*		-0.3*
	Stable education		0.4 NS		0.2 NS
Adjusted r squared		0.02	0.02	0.03	0.04

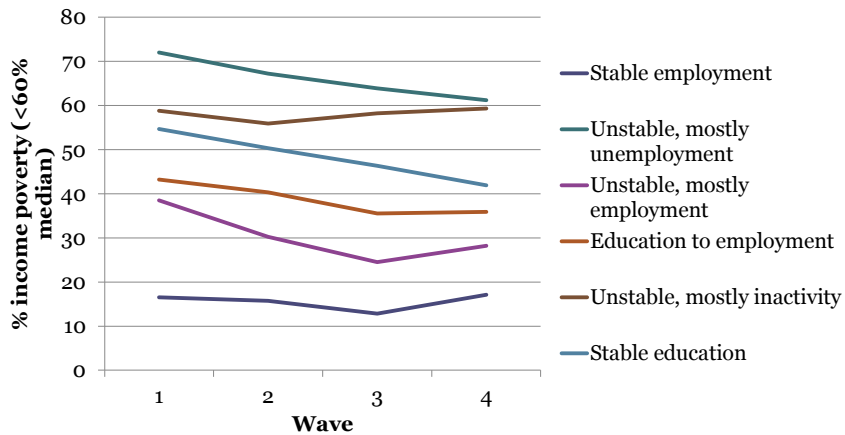
## Findings: trajectories predicting SWB

		Leisure		Income		Health	
		Base	Cluster	Base	Cluster	Base	Cluster
Sex (Ref: male)		-0.0 NS	-0.1 NS	0.0 NS	0.0 NS	-0.1*	-0.1*
Age		-0.0**	-0.0 NS	-0.0**	-0.0*	-0.0 NS	-0.0 NS
Ethnicity (Ref: White)	Mixed	-0.1 NS	-0.2 NS	-0.2 NS	-0.2 NS	-0.3 NS	-0.3 NS
	Pakistani/ Bangladeshi	-0.2 NS	-0.2*	-0.0 NS	-0.0 NS	-0.1 NS	-0.1 NS
	Other Asian	-0.0 NS	-0.1 NS	0.2 NS	0.2 NS	0.1 NS	0.1 NS
	Black	-0.4**	-0.5**	-0.5**	-0.4**	-0.2 NS	-0.2 NS
	Other	0.1 NS	0.0 NS	0.1 NS	0.1 NS	0.3 NS	0.3 NS
Household structure (Ref: Couple)	Couple + kids	-0.2*	-0.2*	-0.3**	0.2*	-0.1 NS	-0.0 NS
	Lone adult	0.1 NS	0.1 NS	-0.2 NS	-0.2 NS	-0.1 NS	-0.1 NS
	Lone adult + kids	-0.2 NS	-0.2 NS	-0.6**	-0.5**	-0.2 NS	-0.0 NS
	Other	0.2 NS	0.1 NS	-0.2*	-0.2 NS	-0.1 NS	-0.1 NS
Highest qualification (Ref: High)	Medium	0.0 NS	0.0 NS	-0.1 NA	-0.1 NS	-0.1 NS	-0.1 NS
	Low	-0.1*	-0.1 NS	-0.3**	-0.3**	-0.3**	-0.2*
Equivalentised income		0.0*	0.0**	0.1**	0.1**	0.0*	0.0 NS
Cluster (Ref: Stable employment)	Unstable, mostly unemployment		0.1 NS		-0.3**		-0.1 NS
	Unstable, mostly employment		0.1 NS		-0.2*		-0.1 NS
	Education to employment		0.2*		-0.1 NS		0.1 NS
	Unstable, mostly inactivity		0.3*		-0.3*		-0.4**
	Stable education		0.2 NS		-0.1 NS		-0.0 NS
Adjusted r squared		0.03	0.03	0.06	0.07	0.01	0.01

## Findings: Income trajectories

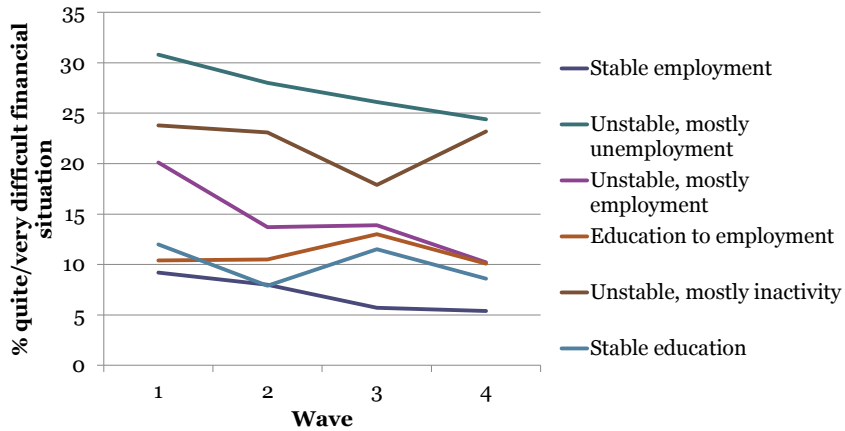


## Findings: Income poverty trajectories

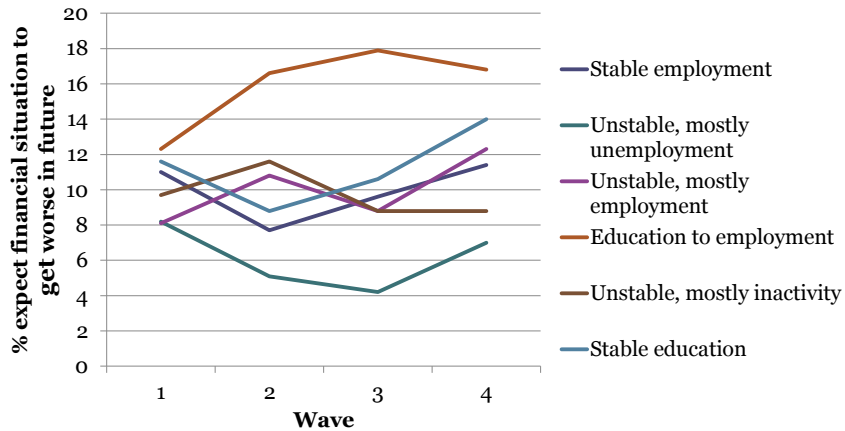




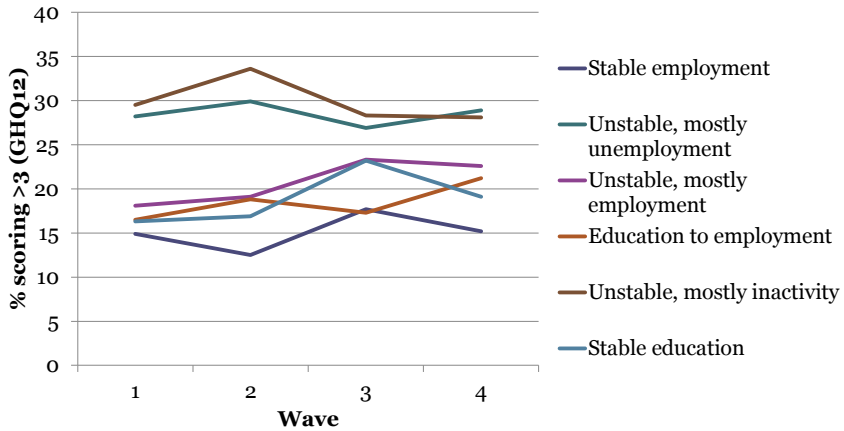
## Findings: Financial difficulties trajectories



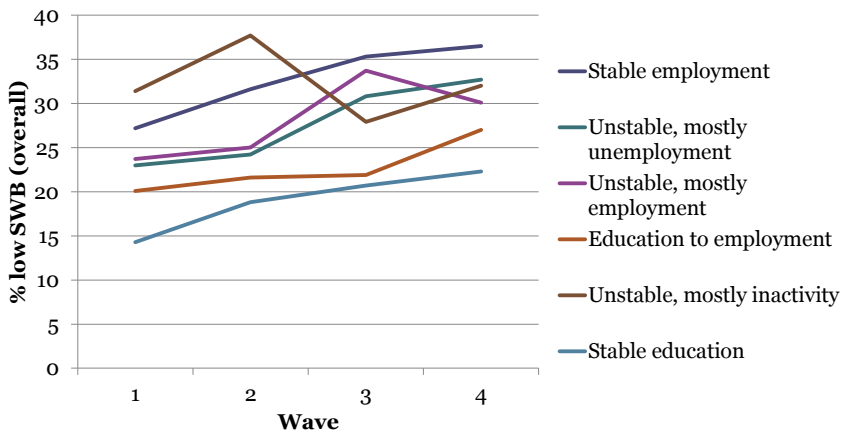
## Findings: Future financial situation trajectories



## Findings: GHQ trajectories



## Findings: SWB trajectories



## Findings: Early Australia/UK comparisons

- Clear similarities in clusters based on young people's labour market trajectories
- No trajectories marked by constant unemployment/inactivity
- Marked differences in spells of employment for those in 'stable employment':
  - UK: 1 continuous spell
  - Australia: 3.5 spells
- Age forms another key difference – UK clusters markedly associated with age, but less difference based on Australian clusters.
  - 'Stable employment' – mean age UK 28, Australia 25
  - 'Education to employment' – mean age UK 22, Australia 22
  - 'Unstable, mostly employment' mean age UK 26, Australia 23
  - 'Unstable, mostly inactivity' mean age UK 27, Australia 25
- Marked differences in household structure
  - UK: across trajectories, many/most young people in 'other' structures (mostly living with parents)
  - Australia: Across trajectories, most young people in 'adult' structures

## Next steps

- Further comparisons of clusters and their associations with well-being
- Better controls (health, disability, education level, household structure)
- Pooled analysis
- Longitudinal analysis

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## Thank you!

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