



## **COLLISION POINT: YOUTH UNEMPLOYMENT AMID A CHANGING WORLD OF WORK (PART ONE)**

As this year's high school students head out to look for employment or move on to further studies it's probably a good moment to pause and reflect on some of the challenges that may lie in front of them. As members of the CCA will be aware, youth unemployment rates are one of the nation's most serious challenges. [Statistics for under-25 joblessness vary from, at the bottom end, 11 to 14%](#) (or, double the national average) all the way up to 20% or more in some urban areas. Clearly this is one of the most pressing issues of our time. However, we are often told that when young people fail to find work it is due to weak skills on their part, to lack of interest in or laziness about work or lack of tenacity in their job search. In other words, a large portion of the blame for this situation is put on the young people themselves. Blaming young people in this way is short-sighted, unhelpful and, in the final analysis, it ignores far broader and more corrosive influences impacting on their ability to find work. Many of these influences are rather subtle, hidden from view or more difficult to immediately identify.

In this article, the first of two exploring this theme, I would like to present some alternative perspectives on youth unemployment – exploring these subtle and somewhat hidden causes of unemployment. Not everything is as it appears to be and, if we are to tackle this issue with all the facts at our fingertips, we need to highlight and explore these underlying issues and attempt to offer realistic solutions. Four of these influences – vectors – that impact on and exacerbate unemployment will be highlighted in Part I of this analysis: four challenges that we need, as a society, to come to terms with if we're to offer realistic solutions to the deepening malaise of youth unemployment. In Part II, some potential solutions that might offer a way out of a situation that is slowly spiralling downwards will be explored.

### **VECTOR #1: FULL-TIME WORK IS DISAPPEARING**

[As a writer in the Economist points out](#), the dream of an aspirational society is generally for children to choose an interest early on and pursue their passion by transitioning from school or university to a challenging and well-paid, full-time role - and then spend a lifetime working in their area of choice. This approach, namely that young people should be seeking out full-time work in one area to build a lifelong career, constitutes so much of our inherited wisdom around jobs and careers it almost seems to be in our DNA as a society. But, is this approach really the best option and is it even realistically possible in today's fast-changing world of work?

In reality, during the last twenty five years, there has been an overwhelming, global change in the way that we work that significantly undermines such aspirations. [The standard employer-employee relation of full-time work offered in exchange for stability and security is making way for shorter-term contracts and irregular hours with only around 45% of the global working population – including here at home - currently employed on a full-time basis whilst 55% are engaged in part-time, casual or short-term contracts.](#) This means that, right at the starting point of launching a career, a young person has less than a one in two chance of actually finding a full-time role and that there is, in fact, a slightly greater likelihood that they will have to work in contract or part-time roles. Given the shorter-term nature of many such roles, they may well have to engage in a spiral of ongoing, short-term work interspersed with periods of unemployment (for what could be several years) before they eventually find full-time work.

### **VECTOR #2: MORE PEOPLE ARE SEEKING EMPLOYMENT THAN APPEARS TO BE THE CASE**

While the unemployment statistics quoted on night-time television depict the jobless rate as hovering at around 5 to 6% it's important to pause for a moment and just ask ourselves if these figures are, in fact, an accurate and realistic overview of unemployment in our country. What are the figures based on? Who measures them and how? What if they're wrong or not providing us with an overall picture? Should we consider the possibility that they might, in fact, be much higher? And what if unemployment is far worse than we are being told? What would the implications be for young people?



Unfortunately, unemployment is quite a lot worse than we are being led to believe and is, in fact, growing on a national and global scale. Official unemployment statistics are not inaccurate; however, they only focus on those registered as unemployed with Centrelink. They do not include the unregistered unemployed (for example, mums wishing to return to work whose husbands are working) nor do they include people on other forms of government assistance (such as the disability pension) nor are the underemployed included (those who are working but not working enough to be anything but marginally above the poverty-line). When these figures are incorporated into the statistics we start to gain a true picture of 'hidden' unemployment and it is far higher than the evening news would suggest. A more realistic overview would include:

- Registered unemployed (5.6%)
- [Unregistered unemployed](#) (a further approx. 4.6% according to [Roy Morgan Research](#))
- [Unemployed but receiving other forms of welfare such as the disability pension](#). Most indicators are that around 75% of this cohort is willing and able to work (a further approx. 5 – 6%).
- The underemployed – people who are earning so little that there is little difference between benefits and work (i.e. they're working but the financial difference between their wage and benefits is nominal (another approx. 8.5% according to the ABS and 9.5% according to Roy Morgan Research).

What then is a realistic figure for 'hidden' unemployment? Just adding the two figures from Roy Morgan Research (unemployed + underemployed) we have 19.7%. If we also then include people on other forms of welfare who want to work then we're looking at around 25% of the working-age population. In other words, around one in four working-age Australians is either unemployed or has barely enough work to sustain themselves and their families. To make matters even worse, with [pension ages rising](#) and [life-spans increasing](#) the length of our working lives is also changing. Young people today will need to work far longer to fund a much longer overall life-span with the resources they can accumulate during the working years of their lives.

If we combine this second vector with the first vector outlined above, then our young people may well be facing a situation where they are competing with 20 – 25% of the adult working population in a jobs market where less than half the available roles offer full-time employment.

## VECTOR #3: OUR EXPECTATIONS FOR YOUNG PEOPLE MAY NOT MATCH REALITY

Most of us remember the inevitable question from a long way back in our childhood – usually from mum or dad – that was something along the lines of 'what do you want to be when you grow up?' And, for most of us, the question usually became more insistent as the years rolled by - with teachers and relatives joining in. If you're like I was – and like the vast majority of 15 – 17 year olds – then you probably had a hard time identifying exactly what it was that you were supposed to be so interested in. There seemed to be a vast gap between being at school and working. And there was no-one around who could help bridge that gap other than teachers, who, almost without exception, urged everyone to undertake a university education if they wanted a good job. If what my 18 year old daughter has been experiencing for the last two years is anything to go by, then little has changed. The pressure of going to university and acquiring a degree is still presented as the 'best' solution for many young people by teachers and parents. Albeit that this is done with the best intentions, is it the most appropriate advice?

In fact, what's happening in higher education at presents suggests the opposite may be the case. In a keynote speech Professor Ian Chubb, the Australian Chief Scientist (2011 – 2016), noted that only 40% of high school graduates in Australia actually go on to study at university and, of these, 50% will drop out before graduation because of difficulty with the subject-matter, a loss of interest or because of fee-related pressure. Moreover, of those who do graduate, [30% will be in either part-time work or unemployed for several months after leaving university](#) (a similar figure, incidentally, to high school students post-school), may struggle to find work in their chosen field and [may face an environment where it is easier to acquire a high-paying job through having vocational qualifications than through having a university degree](#).



Statistically this equates to just four students out of a class of thirty high-school students both acquiring a degree and smoothly transitioning to a full-time job in their chosen area. Yet, astonishingly, as a society, we often hold university study up as the preferred outcome for our children even though this subtle form of social pressure appears to be out of synch with the modern reality of the workplace.

## **VECTOR #4: A SPARSITY OF QUALIFIED, KNOWLEDGEABLE CAREER COUNSELLORS**

Making young people's path forward into work even more challenging is a lack of appropriately qualified and experienced people within our school system who can provide realistic and helpful advice on finding and keeping work. This is a critical element towards young people being successful in jobs and careers - yet career-related education and development appears to be something that governments neither adequately fund nor appear to take particularly seriously as an educational subject.

[There have been a series of 'U-turn' approaches by successive governments to serious investment in careers education.](#) While there is recognition that many of the issues raised in this analysis do need to be addressed - such as in the ['Blueprint for Career Development'](#) - there is still no federal-level agreement as to how to develop such a framework or who should deliver it. The need for a framework for career development was acknowledged as far back as the [Prime Minister's Youth Action Plan in 2001](#) but very little progress appears to have been made since then. Eleven years passed from the release of this action plan to the release of a [Green Paper discussing the need for Career Education \(2012\)](#). And the Green Paper and the 'Blueprint' (copied very largely from a Canadian model of career education) still remain largely topics for debate or ad hoc implementation rather than models to be followed.

Making a hard situation even worse is the scarcity of qualified career counsellors who actually work with teens and young people to identify career interests and facilitate work experience and pathways to employment. [A long-term study in the States](#) showed that in high school in the USA there is typically a ratio of 475 students to one career counsellor (475:1). The ratio of students to career counsellors is even thinner at university than at school with just one counsellor to 1,000 students (1,000:1). Unfortunately, [the situation here at home is little better.](#) Alarming, only one in three counsellors is doing their role on a full-time basis. 65% are doing the job on a part-time basis and, moreover, spend less than 10% of their time actually counselling students. The other 90% of their time is spent teaching other subjects or on management duties .

## **COLLISION POINT**

Even one of the above influences alone - such as the sparsity of professional career counselling - should be enough to raise alarm bells. Yet the careers vacuum that young people are left in by this lack is further exacerbated by a residual culture of expectation left over from the 1950's and 1960's whereby we subtly encourage young people to go to university, often regardless of their true interests. And it is further amplified by a competitive arena wherein more and more people are chasing fewer and fewer full-time jobs. These four vectors constitute, collectively, an enormous 'hidden' influence on young people's ability to identify, locate, secure and maintain employment and present, when taken as a whole, a rather dire scenario. Indeed, it would be hard to find a more challenging situation for our teens and young people to be heading out into than the one presented here.

However, there are solutions to these seemingly intractable problems. There are reasons to remain positive but we need to take action now, as a society, to head off what could be an even more dire state of affairs in the coming decades for our children. Some of these solutions – and community colleges are, I believe, pivotal to implementing many of them - will be explored in Part II.





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