



Year 12 completion and youth transitions: research overview

TOM KARMEL


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On average, young people who complete Year 12 tend to have more successful transitions from education to work than those who do not. It is not surprising therefore that we have seen numerous governments introduce policies that promote Year 12 completion.

However, in recent years there has been a realisation that it does not make much sense to promote Year 12 retention for its own sake. Year 12 traditionally has been more suited to those of an academic bent, and it is likely that other students will not benefit to the same extent as their more academic peers from staying at school in Year 12. In a move to make school more attractive for those with a less academic orientation we have seen some changes in the nature of the final years of schooling. Vocational education and training (VET) in schools is one example at the national level, while there are also some notable state initiatives. For example, the Victorian Certificate of Applied Learning was introduced in 2002 to complement the more academic Victorian Certificate of Education. Another example is the experiment of the Tasmanian Polytechnic as an alternative to the more standard academic offerings of the Tasmanian Academy.

The focus on broadening alternatives for those less interested in the Year 12 to university route is clearly apparent in current policy discussions. No longer are targets expressed in terms of the numbers completing Year 12; they are now defined as 'Year 12 or its vocational equivalent', although this begs the question of what are the vocational equivalents? Irrespective of the terminology, we have a range of distinct pathways that can be seen as genuine alternatives to completing secondary school. In particular, a student may leave school and undertake an apprenticeship or a traineeship, or go to a TAFE (technical and further education) institution to undertake a vocational certificate.

This overview is based on the research report *Year 12 completion and youth transitions* by Chris Ryan, which can be found at <http://www.ncver.edu.au/publications/2370.html>.



While this policy trend makes good sense, is it going to have the desired outcomes? The aim of Ryan's study is to answer this question by looking at data from the Longitudinal Surveys of Australian Youth (LSAY), although, as he points out, this is not a straightforward task. A simple tabulation of outcomes is not convincing, because the students undertaking one route are different from those undertaking another. Furthermore, the fact that some students benefit from undertaking Year 12 does not necessarily mean that all students will. LSAY has a broad range of background characteristics that enable us to analyse the data in a more sophisticated way, so that the outcomes of Year 12 and the other pathways can legitimately be compared.

The study defines a set of education pathways and a set of outcomes.

The pathways are:

- leaving school without completing Year 12 and therefore not continuing to further education and training
- leaving school and completing an apprenticeship or traineeship
- leaving school and completing some other vocational certificate
- completing Year 12 without undertaking any further tertiary study in the two years since leaving school.

Students who complete Year 12 and go on to university or VET full-time are excluded. These students are not relevant to the debate because we know that Year 12 is the preparation for full-time tertiary education; we also know that outcomes for those with a diploma or degree are on average pretty good. Thus Ryan concentrates on that part of the student population more at risk of an unsuccessful transition.

Ryan uses young people's transitions as a measure of outcomes. That is, rather than measuring outcomes at a point of time (at age 23, for example), he looks at their experience each year after completing school. This has two advantages over a point-in-time approach. The first is technical—there are more observations. The second is that transitions are important because we know that those with poor transitions are vulnerable to scarring.

In addition, rather than concentrating on just one indicator of success, a number are employed. These are:

- full-time employment
- full-time activity (that is, full-time employment or full-time study)
- unemployment
- weekly earnings (for those employed)
- weekly earnings (for those in full-time employment)
- hourly wages
- occupational status
- study.

The study uses a variety of statistical techniques (based on ordinary least squares regression and matching techniques) to estimate the pay-off of the various pathways on the outcome variables. These techniques are designed to ensure that the effects are robust and that we can be sure we are seeing the true impact of the path on transition as opposed to the influence of the characteristics of the individuals. The results are very robust and give us a high degree of confidence in the outcomes. The models were also applied to two cohorts: one with an average age of 14 in 1995, the other with the same average age in 1998. Separate models were estimated for males and females; this is important because of the high degree of gender occupational segregation in Australia.

We need to note that LSAY suffers from attrition (which is common to virtually all longitudinal surveys). The fact that the survey response rate tapers off with successive waves would be of little concern, except that we know that those who are least successful in life are those most likely to drop out. One of the important features of this analysis is the extent of the testing undertaken to gauge the impact of this potential attrition bias. It is reassuring to know that the study finds little evidence to suggest that the sample attrition affects the relationships between education pathways and outcomes. This is an important finding and strengthens the vast body of work based on LSAY that does not adjust for sample attrition.

A simple way of presenting the results is to rank the various pathways for each outcome. While this ignores the uncertainty associated with the estimated outcomes, the consistency of the results is unassailable.

First, consider males.

Table 1: Pathways ranked for employment outcomes (1 = best), males						
	Early school leaver	Completed certificate II	Completed certificate III	Completed apprenticeship	Completed traineeship	Completed Year 12
Employed full-time	3	5	6	1	2	4
Full-time activity	3	6	5	1	2	4
Time in unemployment	4	6	5	2	3	1
Weekly earnings	3	4.5	6	1	4.5	2
Weekly earnings for those employed FT	3	5	6	1	5	2
Hourly wages	3	5	4	1	6	2
Occupation	4	6	2	5	3	1
Average rank	3.4	5.1	4.9	1.7	3.6	2.3

For the group of interest (those not going on to full-time tertiary study from Year 12), completing an apprenticeship is the best pathway, followed by the completion of Year 12. The superiority of the apprenticeship, however, must be qualified. First, an individual cannot simply enrol in an apprenticeship—he must find an employer willing to take him on. Secondly, the pathway is completing an apprenticeship, and we know that non-completion rates are quite high. Thirdly, a young man obtaining an apprenticeship has a huge advantage in relation to the labour market variable because he has a job by virtue of being an apprentice.

Completing a certificate II or III as an alternative to completing Year 12 does not fare well. This pathway is certainly not equivalent to completing Year 12 on these measures. In fact, the results suggest that such individuals fare worse than those early school leavers without a certificate.

As can be seen from table 2, what might be the best path for males is not necessarily the best for females.

For females, completing Year 12 clearly provides the best outcomes, followed by the completion of a traineeship and the completion of an apprenticeship. (Note that female apprentices tend to be either hairdressers or cooks.) Of the other pathways, completing a certificate III is the best, while completing a certificate II has the least satisfactory outcome.

While the statistical analysis in this study is very robust, it must always be remembered that these findings apply on average, and there will be considerable variation in outcomes for individuals, irrespective of which pathway they choose.

Table 2: Pathways ranked for employment outcomes (1 = best), females

	Early school leaver	Completed certificate II	Completed certificate III	Completed apprenticeship	Completed traineeship	Completed Year 12
Employed full-time	5	6	3.5	3.5	1	2
Full-time activity	5	6	4	3	1	2
Time in unemployment	5	4	6	3	2	1
Weekly earnings	5	6	4	3	2	1
Weekly earnings for those employed FT	3	6	4.5	2	4.5	1
Hourly wages	4	6	3	2	5	1
Occupation	3	6	4	5	2	1
Average rank	4.3	5.7	4.1	3.1	2.5	1.3