Reference No. 25

Summarising: Biddle (2007), *If I finish high school will it help me get a job? – variation in predicted benefits of education by geography and Indigenous status*
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Title of Research:
If I finish high school will it help me get a job? – variation in predicted benefits of education by geography and Indigenous status

Research Publication:
Unpublished manuscript

Name of Researcher(s):
N. Biddle

Time period:
2001

Geographic location:
The analysis is undertaken at the national, non-Remote (comprising Major City, Inner Regional or Outer Regional categories of locality used by the ABS) and Remote (comprising the Remote and Very Remote categories for locality used by the ABS) levels of disaggregation as well as at the (former) ATSIC regional and SLA levels.

Methodology:
As noted above this is a detailed statistical analysis of the 2001 Census using unit record data and constructing variables to estimate lifetime earnings and employment probabilities. Comparative analyses were made according to educational qualifications, locality (see above), sex and whether the person was Indigenous or non-Indigenous.

Aims:
This paper examines the predicted benefits of education for Indigenous Australians. In particular, the paper:

• Compares the predicted probability of employment in terms of Year 12 completion and the extent to which the person has completed other qualifications and university degrees;
• Compares the predicted income across a person’s life in terms of Year 12 completion and the extent to which the person has completed other qualifications and university degrees;
• Compares the predicted benefits of education for those living in non-remote and remote areas of Australia and by ATSIC regions; and
• Identifies characteristics of the locality that are associated with the predicted benefits of high school education.

Selected findings and insights:
There was a significant benefit for future employment for Indigenous and non-Indigenous Australians completing Year 12, and the effect was greater for Indigenous compared to non-Indigenous people. This benefit was even greater for females than males. For example:

• For Indigenous males the estimated employment probability was 1.34 times higher if the Indigenous person had completed Year 12 than if the person had not completed Year 12; for Indigenous females it was 1.60 times higher compared to those Indigenous females who had not completed Year 12.
For those Indigenous Australians who did not complete Year 12, having completed some other qualification had an even greater impact on their employment prospects compared to those not attaining some other qualification.

In terms of occupational status, Indigenous males benefited greatly by completing Year 12, with the probability of being employed in a high status occupation being two and half times higher than if they did not complete Year 12; for females the increased probability was less. However for those who did not complete year 12, completing some other qualification did benefit Indigenous males and, to a greater extent, females.

There was a similar influence of Year 12 completion on lifetime incomes as was the case for employment, and again the effect was greater for Indigenous compared to non-Indigenous people.

Locality had a significant affect upon the predicated benefits of education for Indigenous and non-Indigenous Australians:

While Year 12 completion was overall a benefit for employability and income across all remoteness categories, its effect for Indigenous and non-Indigenous males was least in very remote areas (this also generally applied to whether other qualifications had been completed instead of, or as well as, completing Year 12). In contrast, the effect of education upon high status occupations was greatest in very remote areas. For females, the pattern of employment prospects was much less clear-cut, as was the pattern for predicted lifetime income in the case of both Indigenous males and females.

The predicted benefits of education were found to vary quite substantially by ATSIC region. Even neighbouring ATSIC regions in the same state often had quite different predictions, as evidenced by the map below, which shows the distribution of employment ratios by ATSIC regions for Indigenous males who had completed Year 12 compared to those who had not completed Year 12.
In Western NSW, Perth and Darwin employment ratios were high, indicating that completing Year 12 would increase employment prospects by at least 1.4 times (and for females, apart from Darwin, this was even higher). Other non-capital city ATSIC regions with almost as high employment ratios for Indigenous males who had completed Year 12 were Cairns, Roma and Townsville (Qld.), South Hedland and Kalgoorlie (WA) and Nhulunbuy (NT). However in regions such as Apatula (NT), Warburton (WA) and the Torres Strait, the employment ratios were less than one, indicating that there was no employment benefit in completing Year 12 in terms of increased employability. Yet Apatula region surrounds Alice Springs where there was a predicted benefit in completing Year 12.

The study similarly found significant differences in predicted lifetime incomes across ATSIC regions. The predicted lifetime economic benefits for Indigenous people completing a higher education degree, after completing Year 12, were also confirmed, with those holding a degree having a greater probability of being employed throughout their life, being employed in a high-status occupation and lifetime income than those who had completed Year 12 but held no post-school qualifications. For those who had completed Year 12, gaining a university degree compared to having no other qualifications:

- Increased the probability of being employed throughout life by 25 percentage points for Indigenous males and 45 percentage points for Indigenous females;
- Increased the probability of being employed in a high status job by two and half times; and
- Increased lifetime earnings by an additional 50 percent.

Educational implications:
The large degree of variation in the predicted benefits of education, with even neighbouring regions yielding quite different predictions, poses a significant educational problem. If individuals use information from people around them to make decisions about whether or not to undertake post-compulsory education, then there is likely to be a fair degree of uncertainty across Australia. This is particularly the case in the more remote regions, although it occurs to some degree in capital cities. This has direct implications for those involved in career counselling in secondary schools to ensure that students actually perceive economic and social benefits from continuing in education, even if those around them who are either in the work force, but not employed or in very low level jobs, or not attached to the work force do not seem to have benefited significantly from their schooling. [career counselling] [school completion]

Relevance:

Domain 5: Pathways to training, employment and higher education
Student aspirations and key transition points

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