

ISSUES PAPER: Issues Facing Young Australians 2011: EMPLOYMENT

Youth unemployment (15-19 year olds not fully engaged in work or study) stands at 17.0% in 2010. This is over three times higher than the unemployment rate across the whole of the population.^{1 2} This is even higher among teen males at 18.9%.^{3 4} Given what we know about at risk young people; their poorer health status, lower educational attainment, decreased access to services, more transient lifestyles and antisocial behaviours, we can safely assume the unemployment rates are even higher in this particular group of young people.

In 2009 the unemployment rate for Aboriginal and Torres Strait Islander peoples aged 15-19 years (who were also not engaged in fulltime study) was 26%.^{5 6} Indigenous young people who are employed are more likely than their counterparts in the wider Australian population to be in part-time, low paid, insecure jobs.⁷

Some communities are particularly impacted by youth unemployment with areas such as the outer eastern parts of Melbourne, the western suburbs of Adelaide and the Central Coast of NSW having teenage unemployment rates of well over 30%.

Impact on Society and Economy

Youth unemployment imposes significant costs on the individual and society, including loss of skills, ill health including psychological distress and harm, housing stress and criminal behaviour,⁸ as well as wider economic and developmental costs⁹ and other long-term consequences such as low self-esteem, isolation and difficulty in gaining re-employment.

Being employed builds self-esteem, confidence and benefits the broader community. While a job can lead to economic security, it is more than just income. Having paid work contributes to a person's sense of identity, connectedness and wellbeing, and is an opportunity to connect with others and participate in society.¹⁰

The global financial crisis (GFC) had a significant negative impact on youth unemployment in Australia, as youth have fewer skills and experience combined with new apprenticeships stalling in 2009. Fewer entry level positions were available due to demand uncertainty and the relatively higher cost of training youth meant fewer apprenticeship and traineeship opportunities were offered. The percentage of young people undertaking these programs declined from 9.1% in 2008 to 8.3% in 2009.¹¹

In any given year, youth disengagement from the labour force during the critical transition period between education and work is expected to have relatively more severe and long-term impact on youth, compared to more experienced workers into the future.¹²

Intergenerational Unemployment

Work ethic is a learned behaviour. If young people are not aware of what you have to do, how to present in a job interview and what is expected of you at work, it becomes very challenging to succeed in a job without assistance. It is very difficult for young people to learn appropriate work ethic when they are living in a jobless family and this substantially increases their chances of being unemployed themselves.

Due to low skills, qualifications and/or limited work experience, young people are at risk of becoming long-term unemployed, leading to intergenerational disadvantage which has long-term economic and social consequences.¹³ For young people this situation is aggravated as they do not have accumulated assets to draw on in times of financial hardship.

Young people need a set of personal attributes and skills that prepare them for employment and further learning. Ongoing employability is dependent on a range of skills that include the ability to: communicate; work in a team; problem solve; plan and organise; continue to learn; initiate and be enterprising; self-manage; and embrace technology.¹⁴ Young people will be at different stages of developing these skills and need to develop them further through: interaction with family; friends and community; participation in community programs; school and further education and employment. However, young people who are disconnected from family and education are at risk of failing to develop these skills to an appropriate level. They experience difficulties in their day to day interactions and face significant barriers to employment and general wellbeing.

Impact on Health and Wellbeing

Young people who become unemployed experienced a 50% increase in the risk of psychological disturbance including mental illnesses such as depression and anxiety. Psychologically well young men who became unemployed reported feeling depressed, whereas young women reported loss of confidence. Both complained of not having a useful role in their lives.¹⁵

Evidence¹⁶ from a number of different data sources demonstrates that youth unemployment, particularly for

extended periods, is associated with self-harm, suicide and attempted suicide among young men.

Secure and satisfactory employment offers young people not only financial independence, but also a sense of control, self-confidence and social contact. In contrast, unemployment, insecure employment and unfavourable working conditions have all been associated with low self-esteem, feelings of depression and mental health problems in young people.¹⁷

Studies have also found an association between unemployment and a range of health concerns among both youth and adults, including low self-rated health, cardiovascular disease, and drug and alcohol abuse.^{18 19 20 21}

Potential Impacts of Midnight Basketball

Midnight Basketball aims to address the impacts of youth unemployment and recognises how it impacts on the confidence and self-esteem of young people. Aside from addressing the lack of life skill development, the community focus looks to strengthen connections among stakeholders including local business and schools to help address youth unemployment. The participants have the opportunity to meet and converse with shopkeepers and other local business members, leading to improved understanding and work

experience opportunities. It also builds a new layer of trust and reduces suspicions.

Participation in Midnight Basketball provides the opportunity for disadvantaged youth to address the following:

- Exposure to possible future employers and training opportunities within the local community.
- Promoting opportunities for work experience and work placement in the wider community.
- Build local community support across all sectors leading to increased cooperation to help young people build secure and stable networks.
- Demonstrate youth skills and capabilities that might otherwise not be witnessed by community members.
- Build job readiness and strengthen skills about navigating life's challenges.
- Build negotiation skills and encourage independent thinking in a supportive environment.
- Experience working in a team and listening to the point of view of others.
- Develop self worth by experiencing positive feedback about their skills and values.
- Participation in compulsory workshops that provide education about securing employment.
- Seeking work via connections in the community and other job readiness skills.

¹ Mission Australia. *Youth Employment Strategy – Preventing a Lost Generation* March 2010.

² Unemployment rate for persons aged 15-64 years in 2010 to 5.2% according to Australian Bureau Statistics (2010a) *Labour Force Australia*, May 2010, Cat No.6202.0 Canberra ABS

³ Ibid

⁴ Mission Australia. *Youth Employment Strategy – Preventing a Lost Generation* March 2010.

⁵ Mission Australia. *Youth Employment Strategy – Preventing a Lost Generation* March 2010.

⁶ The Foundation for Young Australians (2010) *How Young People are Faring 2010 At a Glance*.

Available: <http://www.fya.org.au/wp-content/uploads/2010/11/HYPAF-2010-Report.pdf>

⁷ <http://www.dsf.org.au/resources-and-research/221-how-young-people-are-faring-2009>

⁸ Morrell S, Taylor R & Kerr C, 'Unemployment and young people's health', *Medical journal of Australia*, vol 168, no.5, 1998, pp. 236-40 cited in AIHW, *Young Australians: their health and wellbeing*, p. 122.

⁹ [Http://www.thesmithfamily.com.au/site/page.cfm](http://www.thesmithfamily.com.au/site/page.cfm)

¹⁰ Australian Institute of Health and Welfare (AIHW), *Making progress: the health, development and wellbeing of Australia's children and young people*, AIHW, Canberra, 2008. P.35

¹¹ The Foundation for Young Australians (2010) *How Young People are Faring 2010 At a Glance*.

Available: <http://www.fya.org.au/wp-content/uploads/2010/11/HYPAF-2010-Report.pdf>.

¹² William Mitchell, Sally Cowling and Martin Watts (The Centre for Full Employment and Equity, The University of Newcastle) (April 2003) 'A Community Development Job Guarantee', Section 3.3.

Available: <http://e1.newcastle.edu.au/coffee/pubs/reports/2003/CDJG.pdf>.

¹³ Mission Australia. *Youth Employment Strategy – Preventing a Lost Generation* March 2010.

¹⁴ Mission Australia. *Youth Employment Strategy – Preventing a Lost Generation* March 2010

¹⁵ Morrell S, Taylor R, Quine S, Kerr C & Western J 1994. A cohort study of unemployment as a cause of psychological disturbance in Australian youth. *Social Science & Medicine* 38(11):1553-64.

¹⁶ Morrell S, Taylor R & Kerr C 1998. Unemployment and young people's health. *Medical Journal of Australia* 168(5):236-40.

¹⁷ Ibid

¹⁸ Ahs A & Westerling R 2006. Self-rated health in relation to employment status during periods of high and of low levels of unemployment. *European Journal of Public Health* 16(3):294-304.

¹⁹ Hammarstrom A & Janlert U 2002. Early unemployment can contribute to adult health problems: results from a longitudinal study of school leavers. *Journal of Epidemiology and Community Health* 56(8):624-30.

²⁰ Jin RL & Shah CP 1995. The impact of unemployment on health: a review of the evidence. *Canadian Medical Association Journal* 153(5):529-40.

²¹ Saunders P 2002. The direct and indirect effects of unemployment on poverty and inequality. SPRC discussion paper no. 118. Sydney: Social Policy Research Centre.