EXECUTIVE SUMMARY

This report looks at the relationships between literacy and numeracy achievement in junior secondary school and a range of education, training and labour market outcomes at age nineteen. It pays particular attention to the education and labour market effects of differences in literacy and numeracy skills. Do the literacy and numeracy skills young people possess early in school influence their chances of survival to Year 12? What about their participation in higher education and other forms of post-school education and training? Do they have any bearing on the likelihood of unemployment or on the types of jobs young people enter? What about on their levels of income and other experiences of young people attempting to make the transition from school to work?

Data to address these issues were derived from the Australian Youth Survey, which is a major longitudinal survey of young Australians interviewed annually on their school experiences, post-school education and training participation, and work activities. The current study was based on 2,128 sixteen year-olds who were interviewed for the first time in 1991 and 1992. The findings relate to their experiences until the age of 19.

Early school achievement was measured from reading comprehension and numeracy tests that respondents completed when they were in the junior years of secondary school (at age 14). Results were used to examine differences in school completion, entry to higher education, entry to technical and further education, unemployment experiences, type of work gained and levels of income.

Key findings are:

School completion

- Staying at school to Year 12 is strongly related to numeracy and literacy skills. Low achievers have much lower chances of completing school.
- Fewer than 50% of boys with poor literacy skills (in the bottom fifth of achievement) complete secondary school. Over 90% of boys with strong literacy skills (in the top fifth of achievers) stay on to Year 12. The gaps related to numeracy skills are similar.
- Girls generally are more likely to complete school, but those with weak numeracy skills survive to Year 12 far less often than those with average to strong skills.
- Girls with weak numeracy skills are more at risk of early leaving than girls with weak literacy skills.
- The likelihood of completing school is also affected by parent's socioeconomic status, the type of school attended and language background.

Entry to higher education
University entry rates depend strongly on literacy and numeracy achievement. Less than one in twenty boys with poor literacy skills (in bottom fifth of achievers) enrols in university compared to over one in two with good word skills (in top fifth of achievers). Similar size gaps exist for females.

Numeracy skills are more discriminating for girls and literacy skills for boys.

There are large differences in university entry for males and females. Young women are now enrolling in much larger numbers at every skill level.

Entry to university also depends strongly on family social background, type of school attended, and language background. Other things equal, rates are significantly higher for teenagers from high socioeconomic status backgrounds, those attending private schools, and those from non-English speaking families.

Entry to TAFE and participation in apprenticeships and traineeships

Entry to TAFE is far broader than entry to university, with participants drawn from a wider range of achievement levels.

Young people with weak literacy and numeracy skills are still less likely to enrol in TAFE courses than those with strong skills.

Females entering TAFE tend to have average to above average literacy skills, but they also tend to have weak numeracy skills.

Male participants are more often drawn from average achievers.

Participants in apprenticeships are more often drawn from the pool of low to very low achievers in terms of literacy and numeracy skills (as measured by achievement in junior secondary school).

Unemployment

Young people who experience the longest periods of unemployment in their teenage years are those who possess the weakest literacy and numeracy skills.

Job seekers with weak numeracy and literacy skills are also more likely to experience long-term unemployment.

Low school achievers are also more often unemployed at age 19 than high achievers.

Durations of unemployment are longer for young people who do not complete school and for those from lower socioeconomic backgrounds.

Type of work

The types of jobs teenagers take up depend on their levels of early school achievement.
• Teenagers with good literacy skills (in the top fifth of achievers at age 14) far more often gain employment in white collar jobs (clerical, professional and managerial, sales).
• Teenagers with poor literacy and numeracy skills more often work in skilled manual and labouring and related occupations.
• There are large gender differences in employment, reflecting gender segmentation of the labour market.

Wages

• Average weekly earnings at age 19 are higher for teenagers who were high achievers in literacy and numeracy during junior secondary school.
• Earnings on average are greater for males than for females.
• Gaps in earnings are also related to where young people live, the schools they attend and their social background.

The findings suggest that schools have a critical role to play in helping young people gain successful entry to Australian labour markets. An important issue for schools is the need to establish and maintain high levels of general achievement and to ensure that young people from all backgrounds are able to reach those levels. While raising levels of literacy and numeracy will not necessarily guarantee young people well-paid and secure jobs, it will help improve their chances of completing school and accessing a wider range of post-compulsory pathways and, in the longer term, achieving more secure careers.