Varying pay-offs to post school education and training

Social background plays only a small role in accounting for differences in occupational status and earnings at age 24, indicating that education is enhancing social mobility, a study by ACER has found.

The study, released on 20 January, found that, in general, post-school education and training leads to higher status occupations and higher earnings, compared to not doing any further study or training.

However, not all forms of post-secondary education and training are equally beneficial. In terms of earnings, a bachelor degree had the largest impact, increasing earnings by about 31 per cent on average. Apprenticeships increased earnings by about 23 per cent, a TAFE diploma increased earnings by about 14 per cent, and a university diploma by about 17 per cent. Completing a traineeship increased earnings by about 8 per cent and a TAFE certificate by about 5 per cent.

Generally, young women had slightly higher levels of occupational status than did young men, but even during their early career weekly earnings were about 20 per cent less. Possible reasons for this include the higher proportions of young women in part-time work and gender differences in the types of jobs.

ACER chief executive, Professor Geoff Masters, said “Although the overall results are positive for education and training, some TAFE certificates are not delivering sustained increases in earnings. This is in part due to the types of jobs some vocational education is directed towards.”
"However, it may be that young people who had experienced difficulties in the labour market are pursuing TAFE certificate courses or that they are not always choosing appropriate courses."

The young people were first surveyed in 1995 when they were in Year 9. More than 4200 remained in the study when they were last surveyed in 2005 at about 24 years old. By then, 77 per cent of the cohort was in full-time work. In all years, the incidence of full-time work was substantially higher among young men than among young women.

Further information and additional findings are available in the report, The Occupations and Earnings of Young Australians: The Role of Education and Training by Gary N. Marks. The study is research report number 55 in the Longitudinal Surveys of Australian Youth (LSAY), a program funded by the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) with support from state and territory governments.
Accountability and transparency key to education quality

An approach that measures educational ‘outputs’ through student, school and teacher assessment is needed to ensure accountability in the education system, says an ACER paper. Output Measurement in Education, by ACER Principal Research Fellow Dr Andrew Dowling, is the latest in a series of policy papers released by ACER.

“Governments can no longer justify their performance in education in terms of inputs; that is, in terms of the amount of new money they have provided, or the number of new teachers they have employed, or the range of new computers they have installed,” says Dr Dowling.

“Output measures, particularly those related to student achievement, are the new bottom line in education.”

The policy paper shows that despite massive spending on education by the world’s governments, totalling $2 trillion in 2006, performance has barely improved in decades. Funding does not often correlate with performance, and therefore educational quality must be measured by other means.

The paper considers the effectiveness of accountability processes, particularly standardised tests of student performance, and corresponding rewards and sanctions based on performance indicators.

The paper shows that many high performing OECD countries do not have extensive national student testing. But Dr Dowling does not suggest from this that accountability systems do not work. In fact, recent research from the OECD, that attempt to isolate the effect of accountability systems, shows these systems do improve student results.

Dr Dowling considers the arguments for and against national testing for accountability purposes and concludes that improved measurement of student performance is both inevitable and justified, and is the best way forward for Australia’s education system.

Dr Dowling also suggests that Australia’s accountability system should be extended to regularly and formally evaluate individual programs designed to improve student performance.
“Performance measures are a positive shift in education but they haven’t gone far enough. Educators need to know, in more detail than they do, what works and doesn’t work in schools,” he says.

While the paper urges increased measurement of performance and transparency of information, it does not advocate rewards and sanctions based on performance.

“The question of whether educational measurement systems should have penalties attached to them is another matter. There is not yet enough conclusive evidence to show whether the type of accountability apparent in the United States works or not,” says Dr Dowling.

Inclusion and exclusion in VET and higher education

The Australian government has adopted a ‘social inclusion agenda’ that aims to bring together social and economic policies in order to reduce disadvantage in the Australian community. Increasing participation and success in education and training is a key aspect of the social inclusion agenda. The government acknowledges that low levels of skill and education attainment contribute to disadvantage because they are associated with poorer labour market experiences and non-participation in the labour force.

A presentation by Fran Ferrier and Sue North at the Monash University-ACER Centre for the Economics of Education and Training (CEET) Conference held in November reported on progress in an investigation of the relationship between social exclusion and education, with a focus on VET and higher education.

There is no clear definition of social exclusion, and the terms ‘social exclusion’, ‘poverty’ and ‘deprivation’ are often confused. Poverty also has many definitions and lots of debate, but is often referred to as a lack of access to resources that is sustained over time, but some definitions incorporate aspects of social exclusion (e.g. access to services). Deprivation could be said to be caused by poverty, and social exclusion can be both a cause and a consequence of poverty and deprivation, and overlaps them both.

The term ‘social exclusion’ is a useful concept for social policy researchers because it draws attention to the social aspects and consequences of poverty and gives a stronger emphasis to the multiplicity of factors that contribute to disadvantage and to the need for coordinated initiatives to address them.

Education in social inclusion policy has so far tended to focus on school achievement (especially literacy and numeracy), school retention and skills for employment. There has been little to no attention on post-secondary education. Low levels of education and skills are both a cause and consequence of social exclusion. The social exclusion indicators are factors that restrict people’s access to services, opportunities, resources and social networks that are regarded as essential for full participation in society, such as food, shelter, education, health, and social contact.
The research will go on to explore the relationship between disadvantage and the completion of VET and higher education qualifications, with results analysed by geographical region, age and gender. Recommendations for action will then be developed.

The Annual Conference of the Monash University-ACER Centre for the Economics of Education and Training (CEET) was held in Melbourne on 31 October. CEET is a joint venture of Monash University - Faculty of Education and Faculty of Business and Economics - and the Australian Council for Educational Research (ACER).

The Centre undertakes research, training, consultancies and dissemination on the economics and finance of education and training. More information about this paper, and others from the CEET conference, is available at <www.education.monash.edu.au/centres/ceet/>
ACER UPDATE

Universities take part in national student aptitude test trial

ACER has been contracted to conduct stage two of the Federal Government’s pilot National Student Aptitude Test for Tertiary Admission (SATTA). ACER will supply uniTEST for 2009 and 2010 entry. Four universities, Flinders University, The Australian National University, Macquarie University and the University of Ballarat recently held test sessions.

The Department of Education, Employment and Workplace Relations (DEEWR) will subsidise universities’ participation in the pilot by providing funding for universities to test up to 20,000 students, as well as providing up to $10,000, for each university, to promote the scheme. Further information about uniTest is available on the ACER website at http://unitest.acer.edu.au/

Vale Professor Peter Karmel

ACER staff were saddened by the recent passing of former Chair of the ACER Council, Professor Peter Karmel, AC, who died on 30 December at the age of 86.

Professor Karmel played a very significant role in the history and development of ACER. He was a member of ACER Council for more than 30 years, from 1968 to 1999, and Chair of the Council from 1979 to 1999. During the thirty years in which he was associated with ACER, Professor Karmel worked with four of ACER's five chief executives (Bill Radford, John Keeves, Barry McGaw and Geoff Masters) and was directly involved in the appointment of three.
Planning seminars for school leaders February 2009

The ACER Leadership Centre is conducting a series of planning seminars for school leaders in February with education experts, Professor Brian Caldwell and Professor Stephen Dinham. The seminar will provide school leaders with ideas and practical strategies relevant to all school sectors. The seminars will take place in Melbourne (23 February), Sydney (24 February) and Brisbane (25 February). Further information and registrations details are available online or by contacting Stephen Cutting on 03 9277 5791 or .(JavaScript must be enabled to view this email address).