Improving the employment prospects of young people
A resource for career practitioners

Labour Market Research and Analysis Branch
National Skills Commission
August 2020
The COVID-19 pandemic has impacted the labour market significantly

**Short term**

**Many jobs have been lost**

- Especially in retail, tourism, hospitality and the arts
- These industries employ many young people, so youth have been particularly affected by the pandemic
- The impact has been widespread – though some areas have been impacted less than others

*Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019*
The COVID-19 pandemic has impacted the labour market significantly

**Uncertainty**

- In areas with restrictions easing, jobs are gradually returning
- But some businesses will not survive
- Other industries are showing signs of further impact, such as manufacturing and construction
- International travel will not return for some time (impacting tourism and the international education sector)
- We don’t know how long this will last – more outbreaks will occur which will further impact the jobs market
- But we do know youth will continue to feel the impact

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019
The COVID-19 pandemic has impacted the labour market significantly

New normal

The jobs recovery depends on many factors, i.e. further responses to outbreaks of the COVID-19 virus, demand for products and services, investment, and broader global conditions.

There will be change:

• some industries could experience long-term change i.e. shift to online shopping
• new jobs and businesses will emerge
• new ways of working, living, leisure activities could change the way we live our lives

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019
The Australian labour market is under pressure

Since March 2020

- Employment has fallen by 660,700 or 5.1%
- Youth employment (15 to 24 years) has fallen by 233,100 or 11.9%

But employment numbers don't tell the whole story:

- many people who are counted as employed worked few or no hours.
- Despite an increase in June there are still 384,600 fewer people participating in the labour force than in March 2020

Between March and June 2020, unemployment rose by 276,150 (38.6%) with the unemployment rate increasing from 5.2% to 7.4%.

Youth unemployment rose by 78,000 (30.4%) and the youth unemployment rate rose from 11.6% to 16.4%.

But, the unemployment rate doesn’t tell the whole story:

- the “effective” unemployment rate (which takes into account those working no hours for economic reasons and those who have left the labour force since March 2020) stands at 11.3%.

How has the pandemic affected employment?

There has been a 6.5% reduction in employment between February and May 2020.

- Females have been more impacted than males (a loss of 7.4% and 5.6% of employment respectively)
- Youth have had the largest decline in employment falling by 16.2%

Where were the jobs before the pandemic?

Proportion of total employment by industry, Australia, as at February 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Service industry</th>
<th>Producing industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>9.1%</td>
<td></td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical Services</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>8.4%</td>
<td></td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>Public Administration &amp; Safety</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>Transport, Postal &amp; Warehousing</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Administrative &amp; Support Services</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Financial &amp; Insurance Services</td>
<td>3.5%</td>
<td></td>
</tr>
</tbody>
</table>

Over the last decade jobs in the services industries grew by 24% compared to those in the producing industries that only grew by 7%

After the pandemic, where will the jobs be?

There will be change...

...but we expect that the overall order and size of industries won’t change significantly:

- Health, aged and disability care will continue to be the largest employing industry across the country
- Retail and hospitality is dynamic and will continue to provide many jobs
- Education and training, construction and manufacturing will continue to be large employing industries

What does this all mean for your students?

It will be tough for today’s young people:

- Fewer entry level jobs
- Fewer opportunities to get work experience
- Increased competition in the jobs market

Don’t panic

More difficult for young people to make the transition into work

Being resilient and adaptable are important skills students need to learn to help them get though!

The old rules still apply

Don’t panic

National Skills Commission, June 2020
In these times of uncertainty, what employers want has become more important!

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019

Education & training is VITAL

Experience is NECESSARY

Employability/personal skills help students STAND OUT

Source: National Skills Commission, August 2020
Education & training is essential

Year 12 or equivalent is the minimum

Post-school qualifications increasingly required

Learning for life is a must

Resources for researching study options, and career ideas & pathways
Employment prospects are stronger with training and education

Unemployment rates, by highest level of education, 25 to 34 years, Australia

This is where students need to aim to be

- Bachelor Degree or Higher: 4.6%
- Advanced Diploma/Diploma: 5.0%
- Cert III/IV: 5.2%
- Year 12: 7.6%
- Below Year 12 with Cert I/II: 17.5%
- Below Year 12: 15.0%

This will be even more important in the post-pandemic jobs market!

Source: ABS, Census of Population and Housing, 2016

National Skills Commission, August 2020
Employment growth has historically been strongest in jobs requiring post-school study...

...a trend expected to continue

Growth in jobs by occupation, Indexed, Australia

Higher skilled include:
- Managers
- Professionals
- Community & Personal Service Workers
- Technicians & Trades Workers
- Clerical & Administrative Workers

Lower skilled include:
- Sales
- Machinery Operators & Drivers
- Labourers

Sources: ABS, Labour Force Survey, quarterly data, February 2020, mid quarter
In recent times, there has been a further shift away from VET...

Between 2008 and 2018
- University commencements increased by 49%
- Enrolments in apprenticeships & traineeships fell by 46%

Source: NCVER, Total VET Students, 2019; National Skills Commission, uCube, 2019
University is obviously a good option for some students...

...however, VET also has strong outcomes

<table>
<thead>
<tr>
<th>University undergraduate outcomes</th>
<th>VET student outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>72.2% 2019 undergraduates employed full-time 4 months after graduation</td>
<td>76.6% 2019 graduates employed 6 months after graduation</td>
</tr>
<tr>
<td>90.1% Employed full-time 3 years after graduation</td>
<td>90.9% 2019 trade course graduates employed full-time</td>
</tr>
<tr>
<td>$62,600 2019 Graduate median salary</td>
<td>$59,100 2019 graduates median salary 6 months after graduation</td>
</tr>
<tr>
<td></td>
<td>$65,000 2019 construction &amp; plumbing graduates median salary 6 months after graduation</td>
</tr>
</tbody>
</table>

Source: Graduate Outcomes Survey 2019 (percentage of undergraduates who were looking for employment and found it); 2019 Graduate Outcomes Survey – Longitudinal (Undergraduate results for 2016 graduates); NCVER, VET student outcomes, 2019
Why do young people need work experience?

Shows willingness to work
Provides opportunities to develop skills
Improves confidence
Gives insight into different jobs
Provides contacts and referees

But how do students get experience when there are fewer jobs available?
Getting their foot in the door will be challenging – young people will need to work hard to get experience

...experience can come from participating in many different activities

- Part-time, casual or contract jobs
- Work trials or internships
- Sports clubs
- Volunteering
- Structured work experience programs
- Entrepreneurship

Students need to seek out ways to gain experience and exposure to workplaces.

More than ever, educational institutions need to support students to engage with the world of work.

National Skills Commission, August 2020
Personal, people, enterprise and employability skills are vital

75% of employers place at least as much emphasis, if not more, on **people and personal skills** than they do on technical skills.

These skills are transferable to other jobs. In times of strong competition it becomes **vital** for students to showcase these **personal skills** to employers.

*Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019*
Employers want staff with these personal skills

More than 30% of all online job ads indicate **Communication** is an essential skill

Other core skills
- ✓ Teamwork & people skills
- ✓ Reliability & punctuality
- ✓ Resilience, adaptability & flexibility
- ✓ Good work ethic
- ✓ Positive attitude & motivation
- ✓ Being organised

**21st century skills**
- ✓ Critical thinking
- ✓ Creativity
- ✓ Problem solving
- ✓ Digital literacy
- ✓ Financial literacy

The significance of each skill is *job-specific*. Job applicants need to demonstrate these skills and **tailor** their résumés, applications and interviews **to the job**

There are many ways to look for a job

How employers recruited in Australia, 2019

Use your networks!

Around one in four employers fill a job with someone they know of

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019
Applying for jobs is a skill that needs to be learned by students and practised.

**Employer tips to job seekers:**

1. Produce a professional résumé and job application that is short, gives examples and is free from spelling and grammatical errors.

2. Tailor each application as every job is unique. Research the business and explain how your skills make you the right fit for that role.

3. Prepare for interviews by practising interview questions. Remember, first impressions are important! Dress appropriately and be on time.

*Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019*
Some additional tips for students

Students need to be prepared for interviews conducted via video/online/phone. They should ensure their technology works and they need to **PRACTISE** beforehand!

Think about
- Location - noise levels, privacy, lighting, surroundings
- Technology - test equipment including webcam, audio, internet connection
- Appearance - look professional and attentive. Have pen, paper and your résumé on hand

The STAR approach to applications and interviews can help students organise their thoughts

- **Situation** – describe the event or situation you were in
- **Task** – explain the task you had to complete
- **Action** – describe how you completed the task in detail
- **Result** – share the result of your work and its impact
A parting note for career advisors

Career advisors

- Career advice and support for students is essential
- Don’t steer young people to choices based solely on COVID-19 doom or gloom
- Every individual is unique. Young people need to:
  - follow their interests
  - identify their skills
  - know their goals

- Young people need opportunities to engage with the world of work, through structured work experience, internship and placement programs
- In addition to the right qualifications and experience, employers seek out individuals who will be reliable, work well as part of a team, have good communication skills and will be a good fit for their business.

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019
A parting note for students and their parents

• Now is not the time to quit school or studies
• Post-school qualifications are more important than ever, but
  ➢ university is not the answer for everyone
  ➢ there is a growing focus on the VET sector especially apprenticeships
• Explore and learn about as many options as possible
• Getting a foothold in the jobs market will be challenging, but not impossible
  ▪ you need to be persistent, creative and flexible
  ▪ get experience however you can
  ▪ you need to sell your skills

Source: National Skills Commission, Survey of Employers’ Recruitment Experiences, 2019
Some resources to help

jobjumpstart.gov.au
Explore careers and prep for work by reading articles and using the tools provided

LMIP.gov.au
Provides the latest labour market information, research, advice and insights into what employers are looking for

joboutlook.gov.au
Including Skills Match, helping you understand the skills you already have

National Skills Commission, August 2020