
6 Factors affecting part time employment of young workers

For many Australians, part time employment is their first experience of the world of work. This is particularly the case with younger workers. For instance, those under the age of 25 years account for 28 per cent of part time workers, but only represent 18 per cent of the overall workforce (ABS 2007a). Moreover, part time employment among young people has grown strongly over the past three decades. This Chapter examines the key trends in part time work among young people, focussing on the interaction between part time work and education and how important part time work is to their future careers.

6.1 Women aged under 25 years

While education attendance is the main factor linked to part time work among people under the age of 25, the changes in educational attendance and workforce participation have differed between the sexes. For young women (both those aged 15–19 and 20–24 years of age), there has been a steady increase in the overall proportion of those employed in part time work (figures 6.1 and 6.2). This is in contrast to the proportion of teenage women who are working, which has fluctuated over time broadly in line with changes in aggregate demand.

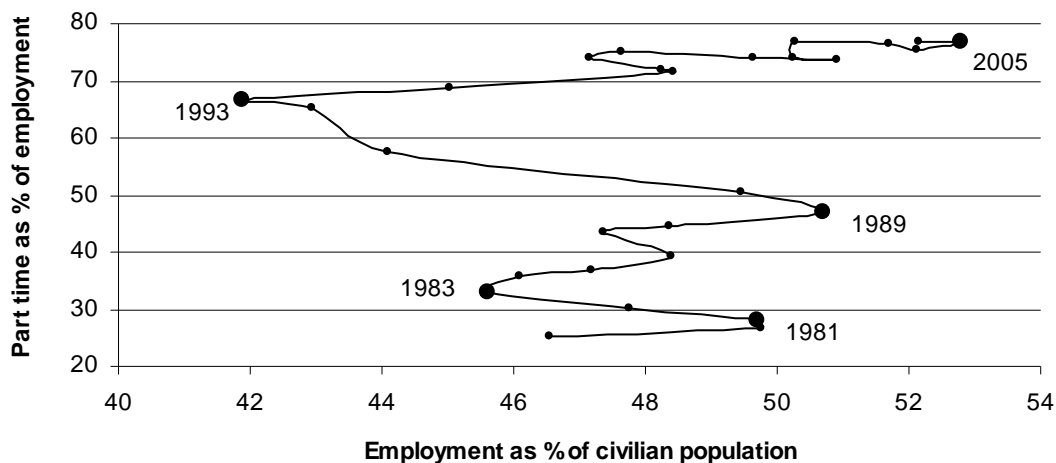
The two largest reductions in the share of the population in employment for women under 25 years of age since 1978 occurred shortly after 1981 and 1989. These reductions coincided with the last two significant economic downturns.

For women aged 15–24 years, the main factor associated with part time work is participation in full time study. Additionally, child rearing is a factor influencing labour force participation, but for a decreasing proportion of women in this group — 16.9 per cent of women in this age group were mothers in 2006 compared to 18.8 per cent in 1996 (ABS 2007c).¹

¹ Data on number of children ever had is sourced from Census data. Detailed information by age groups has only been compiled for the 1996 and 2006 Censuses.

Figure 6.1 Involvement of women aged 15–19 in employment and part time employment, 1979–2006

Per cent of persons working and per cent of part time work among workers



Data source: ABS (*Labour Force Australia detailed — electronic delivery*, Cat. no. 6291.0.55.001, April 2007 table LM8).

Figure 6.2 Involvement of women aged 20–24 in employment and part time employment, 1979–2006

Per cent of persons working and per cent of part time work among workers

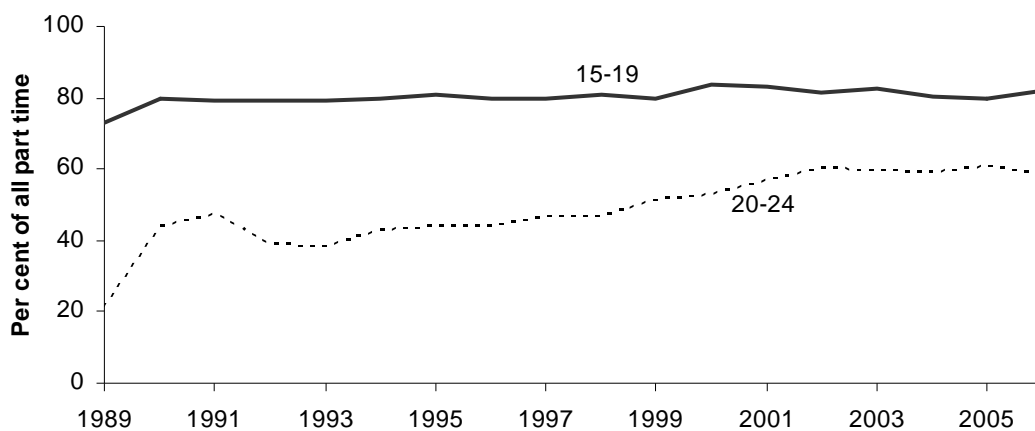


Data source: ABS (*Labour Force Australia detailed — electronic delivery*, Cat. no. 6291.0.55.001, April 2007 table LM8).

The link between education and part time employment by worker can be identified by examining the proportion of part time jobs filled by full time students. Figure 6.3 indicates that between 70–85 per cent of all women employed on a part time basis in the 15–19 year age group were full time students. The student share of part time work among 20–24 year old women exhibited strong growth up to the early 2000s and now represents just over 60 per cent of part time workers.

Figure 6.3 Share of part time work undertaken by female students, 1989–2006

Female part time workers in age group who are studying as a per cent of all female part time workers in age group



Data source: ABS, (*Survey of Education and Work*), [data available on request].

Over 80 per cent of the growth in part time work among these women since 1990 has come from the increase in students working part time.² The increase in women attending both TAFE and higher education in this period, as well as the increasing propensity of students to work part time, has contributed both to the growth in part time work and to the higher rate of participation in employment by this group.

However, around 40 per cent of part time work by women in the 20–24 year age group is undertaken by women who are not combining it with study activities. Preferences for part time employment are not the only reasons driving these decisions to work part time. Over a quarter of women aged 20–24 who were working part time in 2006 wanted extra hours of work (ABS 2007a, table LM8). This mismatch between preferences and actual hours is the highest for any age group for women and, on average, this age group seeks the largest increase in hours. This mismatch only exists for a minority of young part time workers. The issue of involuntary part time employment is taken up in Chapter 10.

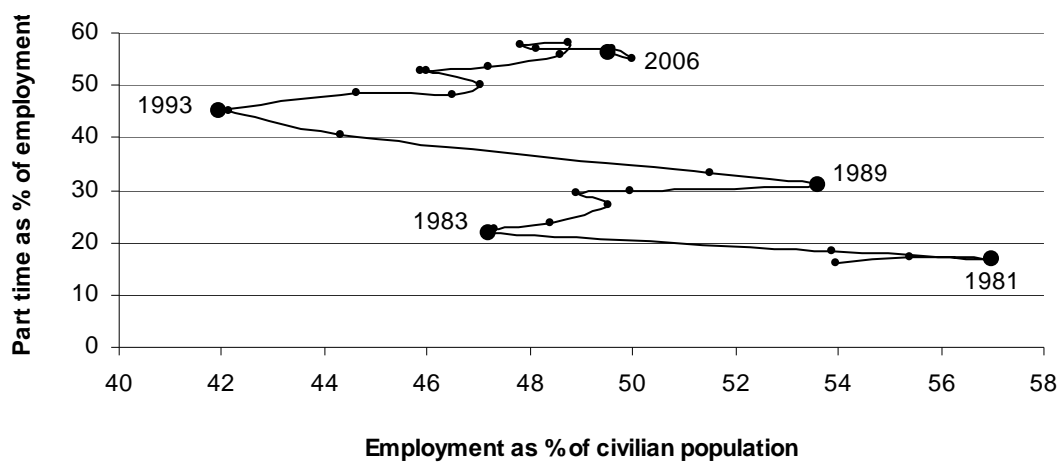
² Unpublished data from ABS *Survey of Education and Work*.

6.2 Men aged under 25 years

The dramatic decline in male teenage full time employment has been documented by Wooden (1998). This is reflected in figure 6.4 where the proportion of male teenage employment has fallen, however, the share of part time work among those employed has risen substantially.

Figure 6.4 **Involvement of men aged 15–19 in employment and part time employment, 1979–2006**

Per cent of persons working and per cent of part time work among workers



Data source: ABS (*Labour Force Australia detailed — electronic delivery*, Cat. no. 6291.0.55.001, April 2007 Table LM8).

The trends in the proportion working and the share of part time work for men aged between 20 and 24 years are similar to those for male teenagers (figure 6.5). Both groups exhibit an overall decline in the share of the age group that is employed, but for those in employment, an increasing share are working part time.

Wooden (1998), Karmel (1996) and Gregory (1995) report that a fall in employment opportunities fuelled the increases in school retention and participation in higher education from the 1970s to the early 1990s. Wooden notes that the decline in full time employment for teenagers occurred before the expansion of participation in education, suggesting that labour market conditions may have contributed to the rise in educational participation.

Figure 6.5 Involvement of men aged 20–24 in employment and part time employment, 1979–2006

Per cent of persons working and per cent of part time work among workers



Data source: ABS (*Labour Force Australia detailed — electronic delivery*, Cat. no. 6291.0.55.001, April 2007 table LM8).

However, examining the change in the rate of part time employment during the 1980s and 1990s indicates that change in educational attendance was only part of the story, as highlighted in figure 6.6. By the mid 1990s, the proportion of men aged 15–19 years attending school or university had stabilised, but the proportion of men in this age group working part time continued to increase. A major reason for young men to work part time was the failure to obtain full time employment, with 32 per cent of part time workers in this age group preferring to work more hours. Demand side factors and changing preferences have each played a substantial role in the increase in part time employment of young men.

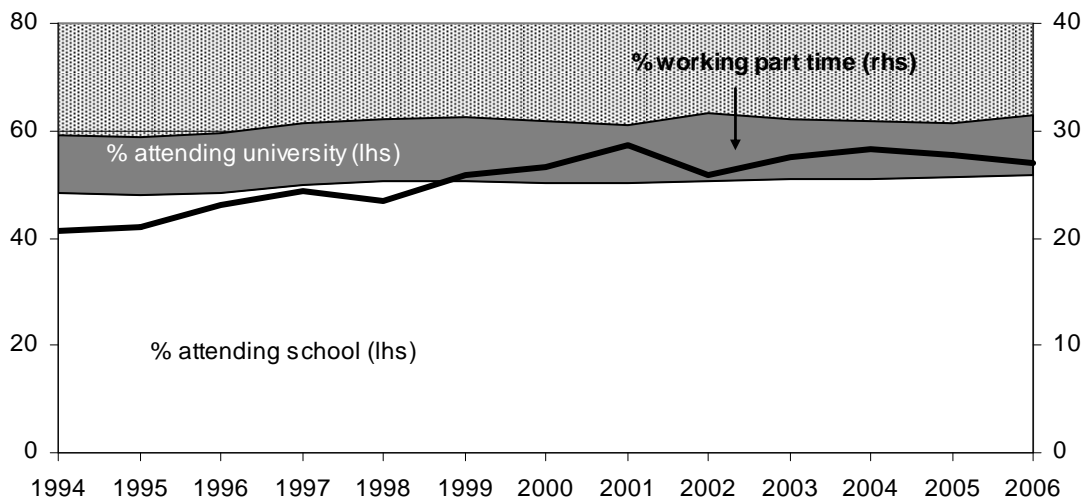
6.3 Study and part time work

As explained in the previous section, the main factor associated with part time workers under 25 years is participation in full time education. Nearly one fifth of all part time workers in 2006 were students aged 15–24 years attending full time education and nearly two fifths of students aged 15–24 years worked part time (ABS *Survey of Education and Work*, data available on request).

Most people combining study and work fall into two main groups: full time students who undertake part time work, and full time workers who undertake part time study (ABS 2005). Figure 6.7 shows that combining part time work with part time study is atypical. It is also evident from figure 6.7, that there has been an increase in the number of people combining study with work throughout the 1990s.

Figure 6.6 Share of men 15–19 working part time, attending school or university, 1994–2006

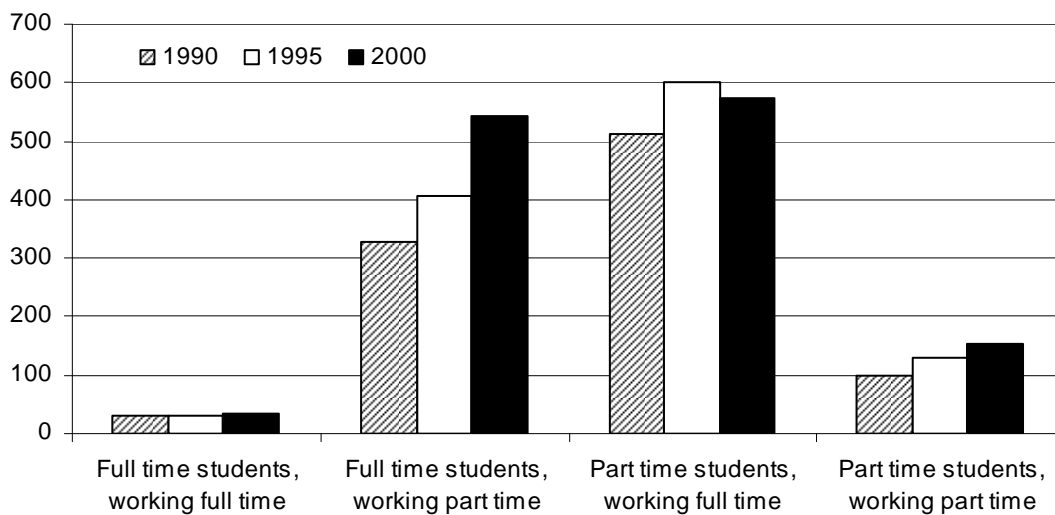
Per cent of men aged 15-19



Data sources: ABS (*Schools, Australia*, Cat. no. 4221.0, super table 26); DEST, Higher education students time series; ABS (*Survey of Education and Work*, [data available on request]).

Figure 6.7 People combining study and work, 1990 to 2000

'000 persons



Data source: ABS (*Combining work and study*, Year Book Australia, 2002, Cat. no. 1301.0. 2002).

Why do students work part time while studying?

Further information regarding the combination of part time work and study is contained in the Longitudinal Surveys of Australian Youth (LSAY). The LSAY provides information on the education and labour market experiences of groups of young Australians, from their middle years of secondary schooling until they are around 25 years old. Specifically, the LSAY is used to examine the reasons for students working part time and the impact of working part time while studying.³

In 2003, around half of older secondary students in the LSAY (2007) were working, and almost all worked part time in their main job (95 per cent). So why do such a large proportion of students work part time? The motivations for working can be examined using the LSAY 2003 cohort of 15 year old students.⁴

In 2003, nearly all (98 per cent) secondary students surveyed who worked part time stated that they worked because they want 'spending money of their own' (figure 6.8). However, fewer than 9 per cent of students reported working because their 'family needs the money'.⁵ Therefore, it appears that students generally use their income from part time work for discretionary spending and not to supplement family income. Part time employment was also seen as providing other benefits — over 80 per cent stated that they enjoyed the work and over 90 per cent stated that it provided a sense of independence.

Over 80 per cent of secondary students who worked part time in 2003 felt that their work would assist them in obtaining a job after they finish studying (figure 6.8). But fewer than 20 per cent indicated that they wanted similar work for their post education career. This indicates that, rather than providing relevant on the job training, future employment benefits of part time work for secondary students come from signalling general work aptitude to prospective employers (Robinson 2001). In contrast, students working full time — a group more wholly reliant on their own-income — are more likely to see future career prospects in their current work, with 64 per cent expecting their future career to be in a related field.

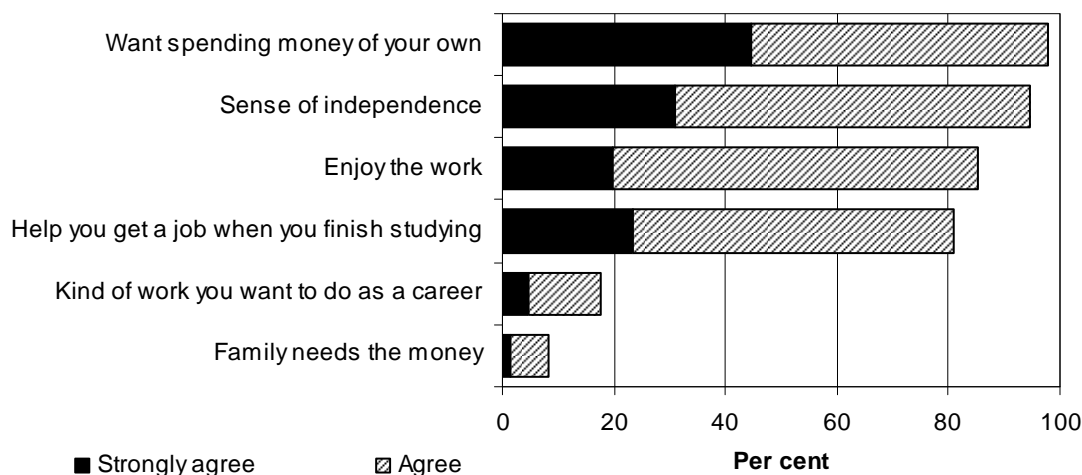
Part time employment undertaken by students tends to be low skilled. For example, around 87 per cent of part time workers aged 15–24 years in 2006 worked in low skilled occupations such as elementary clerical, sales and service workers (ABS 2007b).

³ The LSAY data presented in this paper has been weighted using the sample weights.

⁴ The LSAY 2003 cohort consists of students who were 15 years old in 2003 (LSAY 2007). These students will be tracked and re-interviewed annually for 10 years, that is until they are 25 years old.

⁵ A higher proportion (12 per cent) of students working full time worked because their 'family needs the money'.

Figure 6.8 Reason for working part time, 2003
Per cent of secondary school students working in their main job



Data source: LSAY 2007, wave 1 (weighted).

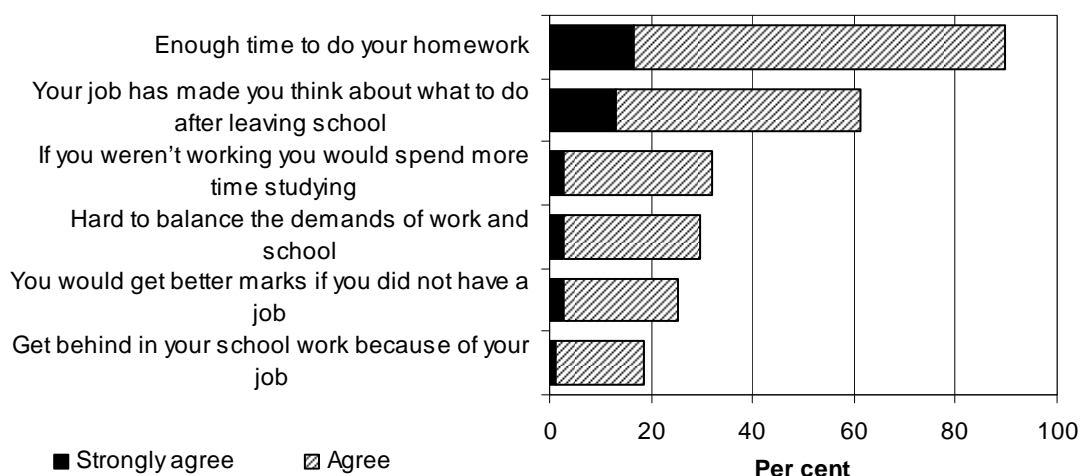
Effects of teenagers working part time

While part time employment provides students with broad work and life experience that can assist their future employment prospects, it may also take up time that could be spent studying. In that way, there may be a trade off between the skills provided at school and the experience acquired at work. The LSAY (2007) asked employed secondary students about the impact of work on their studies and on their plans once they leave school.

Generally, students who work part time do not feel that their job adversely impacts on their school work. For instance, the clear majority (90 per cent) of students who worked part time agreed that they had enough time to do their homework (figure 6.9). Nevertheless, around one third of students reported that if they were not working they would spend more time studying and a further 25 per cent thought they would get better marks.

Students working full time were 40 per cent more likely to report that they would get better marks if they did not have a job compared to students working part time. Students working full time were also 34 per cent more likely to agree that their current job has made them think about what they would like to do after leaving school.

Figure 6.9 Effects of working part time, 2003
Per cent of secondary school students working in their main job



Data source: LSAY 2007, wave 1 (weighted).

Therefore, while some students who work while attending secondary school feel that their job has a negative impact on their performance at school, a large share also feel working will help them obtain a job when they finish studying. This perception has been tested by Robinson (2001) who found that students who worked 'moderate' part time hours (that is, less than 10 hours a week) in Years 11 or 12 did not have significantly lower test scores than those who did not work. However, as LSAY data indicates that in 2003, almost half of employed secondary students (48 per cent) worked more than 10 hours a week, it is possible for part time work to be having an adverse effect on the school performance of a large number of students.

In addition, Robinson found that employers had a similar perception of part time work, with the majority indicating that previous part time work makes graduates more attractive employment prospects.

Does part time work increase drop out rates?

An alternative way to consider the impact of working part time while studying on future employment outcomes is to examine its impact on the likelihood of completing Year 12. Lamb (2001) found that people who fail to complete school have difficulties gaining secure employment and face a greater risk of exclusion in a society that requires active learning well beyond the school years. This implies that any factor associated with higher secondary school drop out rates could be a contributing cause to long term employment difficulties.

Robinson (1999) found that Year 11 students who worked for more than 10 hours per week were slightly less likely to finish Year 12 than students without a job. More recently, Vickers, Lamb and Hinkley (2003) concluded that the ‘... more hours per week students work, the more likely they are to drop out ...’ (p. v). They found that part time work while in Year 9 impacted on the likelihood of completing Year 12 when students worked over five hours per week.

However, both studies remarked that the observed adverse effect of part time work on Year 12 completion may not be due to long hours of work affecting school achievement. Instead, it may be that students who work long hours may have already decided to leave school and are trying to gain experience in the labour market.

Vickers, Lamb and Hinkley (2003) found that even though most tertiary students hold part time jobs during the academic term, participation in part time work does not increase the likelihood of dropping out of the course unless students work 20 hours or more per week.⁶ For full time tertiary students, in their first two years of study, the observed drop out rate was 8 per cent for students who did not work and between 11 and 14 per cent for students working 20 or more hours a week. When Vickers, Lamb and Hinkley control for gender, socioeconomic status, academic achievement, language background, youth allowance, type of qualification and field of study, the estimated impact of working 20 or more hours per week on drop out rates actually increases compared to students who do not work.⁷ Further analysis attempting to identify the direction of causality is needed to assess the role part time work plays in decisions to drop out of education.

Pathways to work

As indicated previously, a work history may prove beneficial to school leavers’ post education job search experience by providing useful skills or knowledge, or by signalling their work aptitude to employers. Studies including Robinson (1999) and Vickers, Lamb and Hinkley (2003) have found evidence that working part time while at school has a positive impact on initial labour market outcomes. Vickers, Lamb and Hinkley concluded that for secondary students whose immediate future is in the workforce rather than in tertiary study, participation in part time work has benefits. Specifically, they found that in comparison with students who did not

⁶ Vickers, Lamb and Hinkley (2003) defined tertiary studies to include TAFE and university courses.

⁷ While the drop out rate accounting for student characteristics is 74–114 per cent higher for students who work 20 or more hours a week compared to students who do not work, the authors did not estimate the characteristics adjusted drop out rate for students not working.

work during secondary school, participating in part time work increases the odds of gaining an apprenticeship or a full time job by more than 45 per cent.

Marks (2006) reported on the transition to full time work among young people who did not attend university in the initial years after leaving school using the LSAY 1995 Year 9 cohort. Marks linked part time work at school to higher levels of full time employment and substantially lower levels of unemployment in the first few years after leaving school. Marks found that in the fourth year after leaving high school 84 per cent of those who worked part time in Year 11 or 12 were either working or studying full time, compared to 72 per cent of those who did not work part time while in high school. Of course, part of this difference could reflect that students with more work aptitude had a higher probability of obtaining part time work while studying.

6.4 Groups not included in the labour force data

There are two main groups of workers under 25 years of age that are not included in official labour force statistics — children under 15 and people in Australia on working holiday visas. Two recent studies provide information on the number of workers in these groups and their use of part time work.

Children under 15

Children under the age of 15 can be involved in part time work, but ABS labour force statistics are only collected for those aged 15 years and over. However, a special study focusing on work undertaken by children found that around six per cent of those under the age of 15 worked at some point in 2006 (ABS 2007f).⁸ As would be expected, most, if not all workers under 15 years of age worked part time — 75 per cent worked less than 10 hours a week.⁹ Child workers thus represent a small group of part time workers, equivalent to five per cent of part time workers aged 15 years and older in 2006. As the ABS study was the first time that childhood employment had been investigated in Australia, it is impossible to tell if the rate of work among children has changed over time.

The nature of work undertaken by children varied greatly, with 54 per cent working for an employer and 33 per cent working in a family business. For boys, the main activities were delivering pamphlets or newspapers (24 per cent of jobs during school terms) or farm, forestry or garden work (26 per cent of jobs during holidays),

⁸ Actual estimate provided in ABS publication.

⁹ For the remaining 25 per cent of children the data indicated that they worked 10 or more hours per week, but does not indicate if any worked full time.

while the main activity for girls was sales work (17 per cent during school terms and 20 per cent during holidays) (ABS 2007f).

Working holiday makers

Another substantial group of part time workers excluded from official statistics are working holiday makers. Australia has bilateral arrangements with a number of countries to permit young workers (generally 18–30 year olds) to visit Australia and work on a ‘casual basis’ (Harding and Webster 2002). Just over half of those arriving on working holiday visas are under 25 years of age. As the ABS labour force survey does not cover overseas residents in Australia (ABS 2004b), working holiday makers have not been included in labour force statistics.

Based on a survey undertaken in 2000, approximately 40 per cent of working holiday makers were working part time, (Harding and Webster 2002). The main types of work undertaken included fruit picking, hospitality work, labouring and office work. With over 110 thousand working holiday visas issued in 2005–06 (Department of Immigration and Citizenship 2007) and, assuming the same share of part time employment among working holiday makers that prevailed in 2000, around 40 thousand working holiday makers could have worked in Australia as part time workers during 2006.

6.5 Summary

Workers under 25 years of age make up a large proportion of part time workers. A major factor associated with part time work by young workers is the combination of education and part time work. In the case of young men it appears that the expansion in post compulsory secondary and tertiary education occurred after the fall in full time job opportunities. This implies that changes in labour supply had in part responded to the reduced demand for labour.

For most students, part time work is primarily to improve their personal financial position, with the work also seen as assisting their future employment prospects. Existing research supports the contention that combining work and study can improve future employment outcomes for most people. But this comes with the caveat that it depends on the number of hours of work.

More specifically, some studies have found a negative link between combining long hours of work and study on educational outcomes. However, for people with poorer education outcomes, it is unclear if the work has adversely impacted on their educational performance or if the poorer educational performance was a factor in their decision to work.