

# CHAPTER 11

## YOUTH UNEMPLOYMENT

*I want to work. I have been for heaps of job interviews...I have actually worked at a few places...My boss would find out that I am either living in the street or in a refuge and he does not like the sound of that, so 'Goodbye, me': I would lose that job.*

*Going for other jobs, you never get the clothes. You live on the street and your clothes get ruined pretty easily.'*

### INTRODUCTION

**11.1** Youth unemployment may cause youth homelessness in one, or both, of two ways. Unemployment is often a factor in family conflict and the ultimate decision to leave home.

Youth unemployment is the single factor most frequently associated with homelessness and is strongly inter-related with the other two major contributing factors of family conflict and youth's lack of income.. Unemployment is often inter-related with family conflicts in situations where youth are unable to contribute to family income, where youth's lack of activity produces tension in the home and where lack of income constrains youth to stay at home when they prefer independence.'

Another submission concurred:

It has been well documented that unemployed young people find living at home particularly stressful, particularly if parents have an image of the 'dole bludger'...

Conversely, unemployment is a known contributor to youth homelessness. ..Unemployed young people lack the financial resources necessary to establish permanent accommodation.'

**11.2** Secondly, unemployed youth may find themselves unable to afford adequate accommodation. O'Connor reported from his study of 100 homeless young people that:

Loss of jobs precipitated incidents of homelessness for young people in all locations...Without jobs they were propelled into homelessness due to poverty. The level of income support for unemployed youth who are homeless and the lack of cheap housing are central factors in the phenomenon of 'youth homelessness'.'

The Inquiry heard similar evidence in Victoria:

...the continual erosion of youth incomes, particularly changes to Social Security entitlements, and the housing policies pursued by both the Federal and State Governments over the last two years have contributed to a steady increase in the numbers of homeless young people...'

**11.3** The Inquiry was also told that many young people leave home in order to find work. Due to the lack of opportunities, they often find themselves without income or shelter in a strange city or town, For example, in Darwin the evidence was given that:

The strong misconception still held by people Australia-wide that jobs are easy to get up north encourages many transient young people to come here...coming to Darwin in the belief that things will be better or, 'I thought everything would work out here' — we hear these comments endlessly,'

A witness from Albany in the south-west of Western Australia identified the problem, which was a phenomenon more generally referred to in evidence in a number of cities:

...someone in Sydney was telling people that there was work in Albany because of the America's Cup. And I think what that says is the desperation of some of our young people who are travelling around, that they will travel right the way across Australia with this elusive hope of a job and somewhere to stay. And Albany is such a long way from Fremantle, When they got there they realised that obviously the America's Cup was not going to affect the work prospects in Albany. But they did not find that out until they got there.'

A witness then living in Port Hedland in the north of Western Australia told the Inquiry:

...I went up to Darwin because everyone said, 'There is work up in Darwin'. There was no work. There is always a place just a little bit further on that has got work.'

## EXTENT OF YOUTH UNEMPLOYMENT

**11.4** Teenage unemployment rates, as high as 21% to 27% for much of the last five years, dropped in mid-1988 to 14.8%. In some areas, however, the pattern of teenage unemployment has remained considerably higher than 20%. The Inquiry was told, for example, that the unemployment rate in Ballarat in Victoria is twice the national average, with almost 50% of the unemployed aged under 25.<sup>9</sup> The Inquiry was also told that in Mackay, Queensland, 1,500 young people aged 15 to 19 years were registered as unemployed in the December quarter of 1986, while only 44 jobs were advertised." One submission to the Inquiry presented evidence that, during 1988 in Wollongong, New South Wales, the teenage unemployment rate was 30% overall, reaching 48% in one suburb. These high rates are said to be experienced by 'working class communities in an economy experiencing manufacturing <sup>decline</sup>, H as well as by rural communities. The first Australian longitudinal survey of young CES registrants found that:

Of persons who had mainly lived in Australia, those from capital cities had the lowest average duration of unemployment, and those from rural areas the highest:<sup>2</sup>

**11.5** Evidence was presented to the Inquiry that the unemployment rate among teenage females is greater than for males, and that they remain unemployed for longer. It was put to the Inquiry in Brisbane that a very high percentage of all teenagers who have no attachment to either education or employment are teenage girls." Another witness also drew attention to the disadvantaged situation of teenage women:

We know, that girls form a minority of the work-force but a majority of unemployed teenagers; that girls remain unemployed for a longer average period of time than boys do; that girls who have left school are far less likely than boys to enter either full-time education or full-time employment; that teenage girls form 83% of all teenagers who have no attachments to either education or employment; and that a higher proportion of employed teenage girls than of employed teenage boys are found in marginal part-time work.

The growth of part-time employment in the teenage workforce has affected girls more than boys and all the above tangible factors are accompanied by a barrage of social and family expectations. For example, the reasons for young women being more likely to be amongst the hidden unemployed include the traditional stereotypes to stay at home and to support the family through domestic duties rather than find employment<sup>o</sup>

The disadvantaged situation of young women in the labour market has been recognised by the Federal Government which is implementing an 'affirmative action' program for women in training and employment.<sup>5</sup> However, greater attention to their needs may still be required.

## CAUSES OF YOUTH UNEMPLOYMENT

**11.6** It was put to the Inquiry that the youth labour market collapsed during the 1970s from a low teenage unemployment rate of 3.7% in 1971. The causes were fundamental changes in the Australian economy and labour market including:

- the substitution of older, experienced workers for teenagers;
- the replacement of full-time teenage jobs by part-time jobs; and
- the disappearance of teenage career structures.<sup>16</sup>

**11.7** In 1985 the Bureau of Labour Market Research reported that:

Part-time employment has been responsible for nearly all the growth of employment for youth in Australia."

27.4% of female teenage workers and 18.1% of males were in part-time employment in 1981 but, in 1982, 72% of these part-time workers were students. Therefore, 'teenagers who leave school early and become unemployed are locked out of the major area of growth in the teenage labour market' — part-time jobs."

**11.8** Technological change has had a dramatic impact. One example given was that of Telecom, which automated its exchanges during the 1970s. As a result, '70% of junior female operators disappeared from the industry between 1971 and 1976 in NSW and there was [a] decline of about 50% for teenage electricians nationally'<sup>9</sup> Between 1966 and 1986, the Inquiry was told, teenage males lost 80,000 full-time jobs and teenage females lost 110,000 jobs. The total teenage share of full-time work fell, over that period, from 14.1% to 7.6%.<sup>20</sup> It was submitted that:

...the absolute loss of full-time jobs and the lost employment opportunities for teenagers mean that the high levels of teenage unemployment noted earlier will persist. Any decline will only reflect higher participation rates in educational institutions (such as staying on at school longer) rather than a net growth in real job opportunities.'

**11.9** In summary, the Inquiry was told:

It is important to grasp that youth unemployment is not a result of recession or economic crisis. It is a consequence of post-industrial economic growth and its precursors, new labour-saving technology, increased efficiency, work-place reorganisation, monopolisation, offshore manufacture, the conversion of full-time jobs to part-time, changed public service recruitment and the decline in the old manufacturing and construction industries. These represent long-term permanent changes in the economy that have eliminated jobs traditionally undertaken by early school leavers. That is, they have eliminated unskilled and semi-skilled occupations at the bottom rung of heavy industry, retail and office work."

## **NATURE OF YOUTH UNEMPLOYMENT**

### **Duration**

**11.10** Youth unemployment may be prolonged. In a Melbourne study of 239 16 and 17-year-olds, 18% (43) had been out of work for up to a year and another 8% (18) had been out of work for more than one year. The majority of those in the sample who had worked since leaving school had held jobs lasting for less than six months."

**11.11** National figures are extremely disturbing:

About one in five (22.2%) people who have been out of work for at least six months are teenagers...Within the youth unemployment pool almost half have been there for six months or more, and nearly one-fifth of them have been there for over a year."

Long-term unemployment can become chronic:

The time that young people remain jobless — an important factor in terms of the psychological impact of unemployment — has increased in the 20 years since 1967 from an average of 2.9 weeks to 32.5 weeks for those between 15 and 19. The longer people are without jobs, the harder it becomes for them to find work. In other words, a growing number of young Australians risk becoming permanently unemployable.'

### **Hardship**

**11.12** Young people are likely to spend their period of unemployment in poverty. Those aged 15 will experience considerable difficulty obtaining Federal income support payments (the Special Benefit, applicable to those in this age group who are in need, is discretionary). Yet 15-year-olds experience the highest unemployment rate of all teenagers: 25% in 1987. Many of those aged 16 and 17 will be entitled (or able to establish their entitlement) only to the basic rate of the Job Search Allowance: \$25 per week. They will therefore be dependent on parental support. Those who pass the parental income test, that is, those from low-income families, will receive twice this amount: \$50 per week. This amount is not intended to be adequate for independent living, nor indeed is it adequate. The Inquiry was told that:

People who are on incomes of a quarter or less of an average wage have little chance of finding good accommodation in the private rental market."

The full Job Search Allowance is 11% of average weekly earnings. For homeless young people who can obtain the Young Homeless Allowance (only a small proportion of the homeless are able to do so), their total income is still only 17% of average weekly earnings.<sup>27</sup> Homeless young people do not have parental support to fall back upon.

**11.13** The parents of unemployed young people are also likely to be dependent on social security or to be relatively low income earners. Youth unemployment has been found to be sited predominantly in such families.<sup>28</sup> There is an:

...increased likelihood of unemployment for young people with unemployed parents and for children of sole parents where the parent is either unemployed or not in the labour force!

**11.14** Moreover, having been the child of a sole parent renders one more likely to be unemployed. The first Australian longitudinal survey of young CES registrants found that:

...people with experience of living in a single parent family appear to be over-represented [among CES registrants of three months plus duration. These families, particularly those without a breadwinner (where the parents are excluded from labour force participation by unemployment, sickness, disability or by single parenthood), are most likely to have insufficient income — that is, to live in poverty" — and to be unable to support their adolescent offspring. These adolescents are at great risk of becoming homeless.

### **Accommodation**

**11.15** Possibly because young unemployed people are likely to come from poorer families and because (or in spite of the fact that) the levels of income support payments are so low, unemployed teenagers are less likely to live at home than employed teenagers."

Youth unemployment is the single factor most frequently associated with homelessness and is strongly inter-related with the two other major contributing factors of family conflict and youth's lack of income... Unemployment is often inter-related with family conflicts in situations where youth are unable to contribute to family income, where youth's lack of activity produces tension in the home and where lack of income constrains youth to stay at home when they prefer independence."

In 1984, only 62% of unemployed people aged 15 to 24 (who had been registered at the CES for three months or more) lived at home with their parents and another 20% lived either in households with unrelated people or on their own.<sup>30</sup>

**11.16** Yet many unemployed young people living on income support payments are unlikely to be able to afford secure and adequate accommodation away from their families. The private tenancy, once the most common form of accommodation for young single people, is increasingly difficult to secure, both for reasons of cost and because the number of places for rent is shrinking. (We detail these issues in Chapter 17, Private Sector Accommodation.)

**11.17** Despite significant recent advances, at least at the policy level, the public sector is still virtually inaccessible to most young single people as we describe in Chapter 16, Commonwealth-State Housing Agreement. Recently the Federal Government has encouraged State and Territory housing authorities to open up public housing stock to young single people and, indeed, some State housing authorities have been quite creative in meeting their demands for accommodation." Others, however, continue effectively to deny access to homeless young people. There have also been efforts made to encourage local government authorities to enter the accommodation services field. (We consider these issues in detail in Chapter 16.)

**11.18** For those who leave home and become homeless, often the only accommodation open to them is a youth refuge. There is often an obligation to pay a small amount of board at refuges and some young people, particularly the unemployed, are unable to afford even this. In addition, as we describe in Chapter 15, Youth Supported Accommodation Program, refuges are often full or unwilling to accept certain young people.

## **Impact of Unemployment**

11.19 Evidence was given to the Inquiry that young unemployed people tend to lapse into lethargy:

Lack of self-esteem from failing to obtain recognised work...can isolate and encourage withdrawal habits in the person involved. This in turn reduces the likelihood of employment and makes the situation worse.\*

A study on the predicament of Australian youth for the Commission for the Future found that:

Unemployment consistently ranks among the top concerns of Australians, and young Australians in particular...Even the apprehension of unemployment has been associated with feelings of hopelessness, low self-esteem, emotional problems and delinquency among young people."

11.20 Other studies have stressed that:

Work plays an important part in the transition from adolescence to adulthood, and when young people cannot find employment there is greater likelihood of a slowing down in psychosocial development.'

A 1984 survey found that 40% of long-term (three months or more) CES registrants aged 15 to 24 years had a measureable degree of non-psychotic psychological impairment compared with an estimated 18% to 29% of the population as a whole.<sup>39</sup> As the Inquiry was told:

...duration of unemployment has been associated with the deterioration in one's sense of well-being, in mental health and self-esteem and, indeed, all health problems."

## **Desire for Employment**

11.21 It was emphasised in evidence to the Inquiry by a number of witnesses, including homeless young people, that most young people are eager to find work. There is considerable support for this view. There is also evidence which indicates that young people are ready to accept part-time work when they actually desire and require full-time work and also to accept quite meagre wages. A study in which 2,400 young people registered with the Commonwealth Employment Service were surveyed concluded that there was:

...little support for the view that high youth unemployment is due to young people not really looking for work, or seeking work for which they are not suited:<sup>41</sup>

A similar point was made by a Queensland witness to the Inquiry:

We have had in Australia a long debate which has attempted to locate youth unemployment as an individual motivational problem. The reality is that our economic system is simply unable to provide jobs of either quality or quantity to satisfy the expectations and aspirations of young people."

11.22 The evidence presented to the Inquiry in Kings Cross, Sydney, included the following case history:

James is a 19-year-old youth who presented to us on 2 September, homeless and unemployed. He was not streetwise and needed a bed until he could find a job and get a place to live. He was exceptionally motivated and made every attempt to find work.. However, we could not find accommodation for James outside Kings Cross because generally refuges do not accept people over the age of 18. As disillusionment with his failure to get work grew, James became more acquainted with the Cross, more acquainted with the street life and he began using drugs.. On the 26th of the ninth, that is three and a half weeks after arriving on our doorstep, James left us to go to a squat. In three and a half weeks that highly motivated person was on the street using drugs..."

11.23 Other witnesses noted that while young homeless people, like others, are eager to work, the job situation itself can create stress.

Young street people — they are pretty sort of flighty.. .they are existential — no yesterday, no tomorrow, just today and what they can get out of today...Anything that has got that future orientation is very hard.'

It is difficult for such young people to 'stick with' a job. In Chapter 23, Job Training and Employment Programs, we consider whether existing programs for unemployed youth can assist our most disadvantaged young people: those who are homeless.

## Notes

1. Anon., *Transcript* at 1341.
2. *Outreach*, November 1982 at 21 (Uniting Church in Australia (Victoria), Division of Community Services).
3. S.96, Westir, at 5.
4. I. O'Connor, *Most of us have got a lot to say and we know what we are talking about' : Children's and Young People's Experiences of Homelessness* (1988) at 89.
5. D. Otto, Youth Accommodation Coalition (Vic), *Transcript* at 902.
6. A. Buxton, Casey House Darwin, *Transcript* at 1603.
7. S. Siam, Young House Albany (WA), *Transcript* at 752.
8. P. Sulley, *Transcript* at 834.
9. S.97, Central Highlands Youth Accommodation Coalition (Vic), at 5.
10. R. Passfield, North Queensland Youth Accommodation Coalition, *Transcript* at 468. S. 146, Coalition on Employment (NSW), at 3-4.
12. Bureau of Labour Market Research (1986), *The First Wave of the Australian Longitudinal Survey, ' Facts and Figures About Young CES Registrants* (AGPS, 1986) at 42.
13. C. Penn, Youth Advocacy Centre Brisbane, *Transcript* at 229.
14. M. O'Neil, National Youth Coalition for Housing, *Transcript* at 1068.
15. *Skills for Australia*, at 16.
16. S.146, Coalition on Employment (NSW), at 5.
17. Bureau of Labour Market Research (1985), *Youth Employment Patterns* (Research Report 5, AGPS, 1985) at 10-11.
18. S.146, Coalition on Employment (NSW), at 7.
19. *Id*, at 8.
20. S.147, Brotherhood of St Laurence (Vic), at i.
21. S.146, Coalition on Employment (NSW), at 9 (emphasis added).
22. T. Moore, Developmental Youth Services Association (NSW), *Transcript* at 60.
23. S.147, Brotherhood of St Laurence (Vic), at 15.
24. S. Rimmer, 'Long-Term Youth Unemployment, Training Programs, and the Youth Guarantee" (1988) 7(2) *The Bulletin of the National Clearinghouse for Youth Studies*], at 7-8:
25. R. Eckersley, *Casualties of Change* (Commission for the Future, 1988) at 29.
26. S.147, Brotherhood of St Laurence (Vic), at 6.
27. *Ibid*.
28. *Id*, at 2.
29. B. Cass, 'Children's Poverty and Labour Market Issues: Confronting the Causes', Paper presented at Conference on Child Poverty in Australia (Melbourne, April 1988) at 19.
30. Bureau of Labour Market Research (1986), *op cit*, at 44.
31. B. Cass, *op cit*, at 3.
32. C. Kilmartin, 'Leaving Home is Coming Later' (1987) 19 *Family Matters* 40, at 41.
33. L. Hancock and T. Burke, *Youth Housing Policy* (Australian Housing Research Council Project No. 123, 1983) at 22.
34. Bureau of Labour Market Research (1986), *op cit*. at 51.
35. For example, the NSW Housing Department's Head Leasing Transfer Scheme, the Victorian Ministry of Housing and Construction's Youth Housing Program and the South Australian Housing Trust's Direct Lease Scheme: see generally, Chapter 16, Commonwealth-State Housing Agreement.
36. T. Upstell, Offenders' Aid and Rehabilitation Services Organisation (SA), *Transcript* at 1289.
37. R. Eckersley, *op cit*. at 27.
38. W. Borgen and N. Amundson, 'The Dynamics of Unemployment' (1987) 66 *Journal of Counselling and Development* 180, at 183; R. Gurney, 'The Effects of Unemployment on the Psycho-social Development of School Leavers' (1980) 53 *Journal of Occupational Psychology* 205.

39. Bureau of Labour Market Research (1986), *op cit*, at 96.
40. C. Penn, Youth Advocacy Centre Brisbane, *Transcript* at 229.
41. I. McRae, 'Young People Looking for Work' (1986) 18 *Bulletin of Labour Market Research* 14, at 17.
42. R. Daniels, Brisbane College of Advanced Education, *Transcript* at 268.
43. J. Brown, Sydney City Mission, *Transcript* at 138.
44. A. Crow, Kings Cross Youth Resources, *Transcript* at 175.