



Centre for Aboriginal Economic Policy Research  
The Australian National University

Education, Training and Indigenous Futures  
CAEPR Policy Research: 1990-2007

## Research Summaries

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## Reference No. 24

Summarising: Biddle (2006), *Does it pay for Indigenous youth to go to school? Variation in the predicted economic benefits of high school*

Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990-2007* and not the original author(s) of the summarised material.

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**Title of Research:**

Does it pay for Indigenous youth to go to school? Variation in the predicted economic benefits of high school

**Research Publication:**

Australian Journal of Labour Economics Vol.9 No.2, June 2006, pp173-199 2006

**Name of Researcher(s):**

N. Biddle

**Time period:**

2002

**Geographic location:**

The analysis is undertaken at the national, non-Remote (comprising Major City, Inner Regional or Outer Regional categories of locality used by the ABS) - and Remote (comprising the Remote and Very Remote categories for locality used by the ABS) levels of disaggregation.

**Methodology:**

This study is a statistical analysis of the responses to the 2002 NATSISS by 7,460 Indigenous Australians aged between 15 to 54 years living in non-remote and remote Australia, of whom 28 per cent lived in remote or very remote Australia. Through multivariate analysis, the influence of length of secondary schooling, locality, sex and CDEP employment upon lifetime employment and lifetime income is determined.

**Aims:**

This paper examines the predicted benefits of education for Indigenous Australians. In particular, the paper:

- Compares the predicted probability of employment and full-time employment in terms of Year level of secondary schooling completed;
- Compares the predicted income across a person's life in terms of Year level of secondary schooling completed;
- Compares the predicted benefits of education for those living in non-remote and remote areas of Australia; and
- Compares the predicted benefits of education for those employed in CDEP scheme to those in non-CDEP employment.

**Selected findings and insights:**

The probability of **lifetime employment** in remote areas was higher than in non-remote areas regardless of level of secondary schooling completed, possibly due to the effects of the CDEP scheme:

- In contrast, the probability of lifetime full-time employment was higher in non-remote areas and for those in non-CDEP employment, regardless of level of secondary schooling completed.

The predicted employment **benefits of education** were lower for those living in remote areas compared to those in non-remote areas. For example:

- Completing Year 12 compared to completing Year 9 had a greater effect on lifetime employment prospects for those living in non-remote areas than those living in remote areas. Nevertheless in both situations the effect of completing Year 12 on employment prospects across one's lifetime was significantly greater than if only Year 9 was completed. This applied to both males and females; and
- For those living in **remote areas**, the completion of **Year 10 or 11** over completion of Year 9 or less appeared particularly beneficial in terms of predicted full-time employment.

The predicted **income benefit** was higher in non-remote areas than remote areas for those who had completed Year 12, possibly acting as a disincentive to complete Year 12 for remote area students. For example:

- The lifetime income ratios for those Indigenous males living in remote areas who completed Year 10 or 11 over those completing Year 9 or less were slightly greater than for those who had completed Year 12 over those completing Year 9 or less.

#### **Educational implications:**

The benefit to young Indigenous people of completing Year 10 in terms of increasing their prospects of gaining employment, especially full-time employment, is significant. Development of policies and practices to increase Year 10 participation levels is therefore a top priority for jurisdictions. Yet this is unlikely to be achieved for those students 'at risk' of leaving before completion of Year 10 unless the students can see a pathway through either training or completing secondary schooling which will then lead to meaningful employment. Therefore secondary schools need to develop curricula, as many are now doing, with this purpose in mind (and which is taken up in other CAEPR research studies). **[school completion]**

#### **Relevance:**

*Domain 5: Pathways to training, employment and higher education*

Student aspirations and key transition points

#### **Related papers:**

N. Biddle, 'If I finish high school will it help me get a job – variation in predicted benefits of education by geography and Indigenous status', unpublished manuscript, 2007.

N. Biddle, 'Employment and income benefits of VET for Indigenous Australians: Variation by geography' (in press).

N. Biddle, 'The age at which Indigenous Australians undertake qualifications: A descriptive analysis', *Australian Journal of Adult Learning*, Vol. 46, No.1, April 2006.