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RATES OF RETURN: WHAT ARE 16-17 YEAR OLDS DOING?

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Summary

This report documents the secondary analysis of a randomly sampled nationally representative British survey in an attempt to understand the occupations British 16 and 17 year olds were engaged in, both those remaining in and those who had left school. Both descriptive and analytical statistics are used in answering the question and each serve to describe the trends and patterns behind these young people's behaviour. First, the patterns of economic activity and inactivity 16 and 17 year olds are engaged in are laid out. Secondly, there is then a deeper examination of what those economically active young people actually do as well as how consistently they do it and how much they earn. Additionally within both these steps, systematic differences are looked for in an attempt to glean more detailed information about what type of young person might be engaged in certain activities.

British Labour Force Survey

The Office for National Statistics describes its Labour Force Survey:

The Labour Force Survey (LFS) is a quarterly sample survey of households living at private addresses in Great Britain. Its purpose is to provide information on the UK labour market that can then be used to develop, manage, evaluate and report on labour market policies... The LFS is based on a systematic random sample design which makes it representative of the whole of Great Britain. Each quarter's LFS sample of 60,000 private households is made up of 5 'waves', each of approximately 12,000 households. Each wave is interviewed in 5 successive quarters, such that in any one quarter, one wave will be receiving their first interview, one wave their second, and so on, with one wave receiving their fifth and final interview. As a result, there is an 80% overlap in the samples for successive quarters. Households are interviewed face-to-face when first included in the survey and by telephone thereafter.

The datasets used to develop our understanding consisted of: a one year, 5 wave, longitudinal dataset and a 3 year cross sectional dataset of the June-August wave. These datasets were then reduced down so that only young people aged 16 and 17 remained.

Labour market in/active description

Of the 339 16 and 17 year olds in the LFS dataset from June 2004 to August 2005:

- 18% were economically inactive
- 22% were in constant employment
- 1% was constantly unemployed
- 59% moved into/out of employment and in/active unemployment

In order to identify any gender differences, the occupational status of these young people had to be simplified. Appendix 1 shows the distribution of men and women into these categories. The genders are similar between categories and consequently, there were no statistical differences between the genders at 16 and 17 over this 1 year period. Neither gender is more or less likely to be in constant employment or otherwise over this 1 year period.¹

The ethnicity differences were a little more complicated to calculate due to the small number of 16-17 year olds from minority ethnic groups in the sample. In order to test for ethnicity differences the data was simplified to, "white or not" and, "in/active constantly or not":

- 94% of those in employment constantly over the year were white (239 compared to 14)
- 86% of those not in constant employment were also white (73 and 12)

This difference in employment categories is a significant one². Further analysis³ reveals the direction of this relationship; 16 and 17 year olds from minority ethnic groups were less likely to be in constant employment over the one year period than their white counterparts. This finding would have been stronger if this could have been said to be true across all socio-economic status (SES) groups. However, the LFS does not provide the data necessary to test this hypothesis⁴.

¹ χ^2 (6, 339)=6.89, p=0.331

² χ^2 (19, 338)=41.64, p=0.002

³ Analysis of adjusted residuals

⁴ Parental Occupation, Salary/Wage and Education

Labour market active 16-17 school leavers

Pattern of activity over time

Of the 103 constantly employed young people with data at the beginning and end of the longitudinal dataset, 73% of them were in the same occupational group as at the beginning⁵. Of these 103 young people, there was no gender difference between those who moved occupational group and those who did not⁶. Additionally, only one of the 103 constantly employed young people was from a minority ethnic group. This makes sense considering the finding reported earlier of differences between ethnicities and remaining in constant employment across the 04-05 year.

Type of employment

This is an area of some confusion for young people. They appear to be uncertain exactly what the occupation it is that they are engaged in. This is reflected in the 2003-2005 LFS dataset and is an issue addressed in the final section of this report. For those 16 and 17 year olds with valid occupations, the largest percentage of them ends up as sales and retail assistants (13%, 683). This is followed by the next three highest percentages also being tertiary sector jobs⁷. There are young people engaged in primary and secondary sector employment, but the numbers are far fewer. For example, only 0.4% of 16 and 17 year olds are in plumbing/heating engineer employment.

What are they doing? Systematic differences

Examination of 16 and 17 year olds across the months they would first enter the labour market, (June-August) from 2003 to 2005 reveals some interesting trends. 61% of young people were economically active (2919) of which 57% were students. This means that for all 16 and 17 year olds, 35% of these are economically active students in full time education compared to 23% full time workers and only 4% apprentices.

What do they earn?

To compare those in full time employment against those in part time employment, the hourly rate of pay rather than weekly take home pay was examined for 16 and 17 year olds across 2003-2005. Those in full time education, working part time earned significantly more per hour than those in full-time employment and apprentices⁸.

⁵ See Appendix 2

⁶ $\chi^2(1, 103)=0.99, p=0.32$

⁷ Retail cashiers/check-out operators, Kitchen/catering assistants and Waiters/waitresses

⁸ $F(2, 573)=30.80, p<0.001$ as well as a post hoc Tukey HSD test

Labour Force Survey dataset problems

The LFS dataset has a number of problems associated with it for this analysis. Firstly, although young people have been included in the LFS, some of the questions are less relevant as the survey was not designed primarily for people of this age. For example, as mentioned earlier, measures of SES are not available for 16 and 17 year olds. Although the necessary questions are present, (income, education and occupation) these do not accurately reflect the SES of young people. Ideally, questions of parental occupation and education would have been asked as well. It would have allowed an inter-generational analysis to take place, examining the differences between individual-parent SES disparities and the reasons behind this.

Another problem encountered in the LFS dataset that has already been mentioned is the confusion of individuals over what their job is. Whether this is down to the fieldworkers' or participants' confusion cannot be said however. What is known is that 16 and 17 year olds were giving impossible answers to the occupations they are engaged in, for example, young people reported occupations which have as pre-requisite a degree qualification; for example, being an engineer or a chemist.

Appendices

Appendix 1: Occupation change over time vs. gender

Occupation change over time	Male	Female	Total
employed constantly	36	40	76
not active/unemployed constantly	41	45	86
employed then not	8	6	14
not employed at beginning; was at end	56	38	94
1 change of job over time	9	16	25
gained employment then lost it	8	12	20
3 or 4 moves	12	12	24
Total	170	169	339

Appendix 2: Major occupational group June 04 vs. major occupational group June 05

Major occupation group (main job)	2 Professional occupations	3 Associate Professional and Technical	4 Administrative and Secretarial	5 Skilled Trades Occupations	6 Personal Service Occupations	7 Sales and Customer Service Occupations	8 Process, Plant and Machine Operatives	9 Elementary Occupations	Total
2 Professional occupations	1								1
3 Associate Professional and Technical		1				1			2
4 Administrative and Secretarial			6			1		1	8
5 Skilled Trades Occupations				8			1	4	13
6 Personal Service Occupations					4	2		2	8
7 Sales and Customer Service Occupations			1		1	34		8	44
8 Process, Plant and Machine Operatives							1		1
9 Elementary Occupations			1	1		3	1	20	26
Total	1	1	8	9	5	41	3	35	103