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COPING WITH COVID-19: RETHINKING AUSTRALIA

Taking the Pulse of the Nation 2020

8. Training for New Skills: Next Steps for
Improving Employment Opportunities





TRAINING FOR NEW SKILLS: NEXT STEPS FOR IMPROVING EMPLOYMENT OPPORTUNITIES

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Intentions to study have skyrocketed during the pandemic, mostly driven by the unemployed, for whom anxiety and uncertainty matter a great deal.

During the current COVID-19 pandemic, the share of Australians intending to study has sharply increased. Study intentions are high regardless of employment status, but employed people are far less likely to express an intention to develop new skills than unemployed people. People's beliefs about how the pandemic will affect them going forward and the state of their mental health can explain some of these differences in intentions to study, especially among the unemployed.

Many Australians intend to develop their skills during the pandemic

Australia has consistently had one of the highest rates of participation in adult education across developed countries (OECD, 2016). This is due to a very accessible vocational education and training sector, which is highly subsidised and modularised to cater for individual needs, including adult pathways into university.

During the current COVID-19 pandemic, intentions to study are much higher than participation has ever been. Data from the *Taking the Pulse of the Nation* (TTPN) survey (14-18 September 2020) shows that 35 percent of people aged 25-64 are planning to enrol in education or training that leads to a new qualification in the next 12 months. These intentions are highest for younger people, but one in seven of those 55-64 are still planning to undertake training. Even if not all intentions result in enrolment, these results suggest there will be more people training in the next months than before. Data from the HILDA survey for 2018 shows an enrolment rate of around 11 percent for ages 25-64 (enrolment rates were 11 percent for people employed, 20 percent for those unemployed and looking for work, 9 percent for those out of the labour force).

The intention to pursue further study is highest for those who are self-employed and unemployed (non-COVID-19 related), both 48 percent, with those working for an employer less likely to express an intention (34 percent). Those whose unemployment is COVID-19 related are less likely to report an intention to study relative to those who report unemployment for other reasons (48 percent relative to 42 percent). People engaged in home duties have similar rates of intention to study as employees.

The reasons people give for wanting to study — to strengthen existing skills or develop new ones — differ a lot by employment status. Most employed people with an intention to study (83 percent), especially the self-employed, are motivated to deepen their skills. In contrast, around half of the unemployed and those engaged in home duties are aiming to develop new skills.

Training for New Skills: Next Steps for Improving Employment Opportunities

These differences suggest that employed people are mostly training to retain their job in uncertain times, whereas unemployed people and those engaged in home duties are relatively more likely to seek to develop new skills to find jobs different than the ones they previously have held. The latter group could be searching for better opportunities in other sectors, or seeking careers that better suits their interests or are sharpening their skillset to jump back into the labour force (especially those engaged in home duties).

‘Seeing opportunity in adversity’ may explain study intentions

The decision to study is closely linked to one’s beliefs and perceptions of uncertainty (Flug et al. 1998; Anderberg & Andersson, 2003). The TTPN data provides key insights on the role of beliefs in study intentions during the pandemic.

Regardless of their belief for how long they will be affected by the pandemic, most of those employed intending to pursue study are doing so to develop existing skills (Figure 8.2, left-hand panel). With longer expectations of being personally affected by the pandemic, however, there is a small increase in the interest to develop new skills. Neither intentions to study nor mental distress rates are related to these beliefs for those employed.

In contrast, beliefs and mental distress seem to matter a great deal for the study intentions of the unemployed and those engaged in home duties (Figure 8.2, right-hand panel). Those who believe the pandemic will affect them for less than three months, have very high intentions to study (mostly to acquire new skills) and very high rates of mental distress. These may be people who find themselves in a tight unemployment spot during the pandemic but are confident that investing in a new skill set will land them a new job. For those who believe the pandemic will affect them longer-term, beliefs are closely linked to study intentions and mental distress. Those who believe the pandemic will affect them longer have higher rates of mental distress and lower intentions to undertake study, driven by lower intentions to develop new skills.

..beliefs and mental distress seem to matter a great deal for the study intentions of unemployed people and those engaged in home duties.

Finally, people who are uncertain how long they will be affected or chose not to answer the TTPN question are very different depending on their employment status. Employed respondents who express large uncertainty are the least likely to intend to study and have the lowest

mental distress rates; they are likely among the least affected by the pandemic. In contrast, the unemployed who are uncertain are the most likely to intend to study and have much higher rates of mental distress. Without a job, and with no end to the pandemic in sight, they are feeling pressure to turn their situation around through further study.

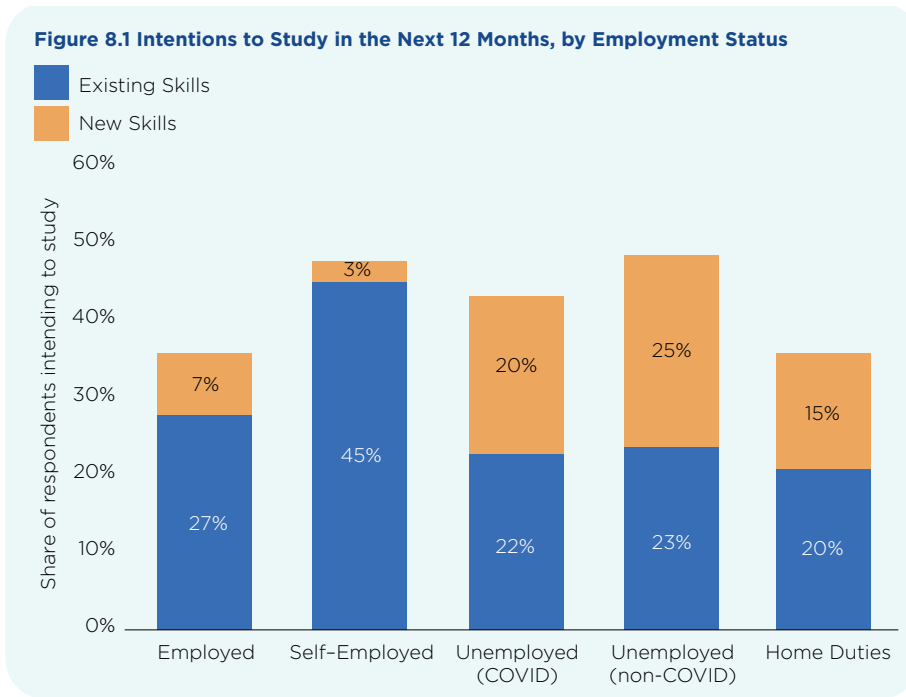
Some people may need more help to see the opportunities

The COVID-19 pandemic will likely have massive effects on the way we organise our jobs; many will disappear altogether, most will be reconfigured to a “new normal”, and a few new occupations will be born. To the extent that intentions are realised, our findings suggest that many people are adjusting through further study, which will help maintain their connection to work and improve Australia’s workforce productivity and standards of living.

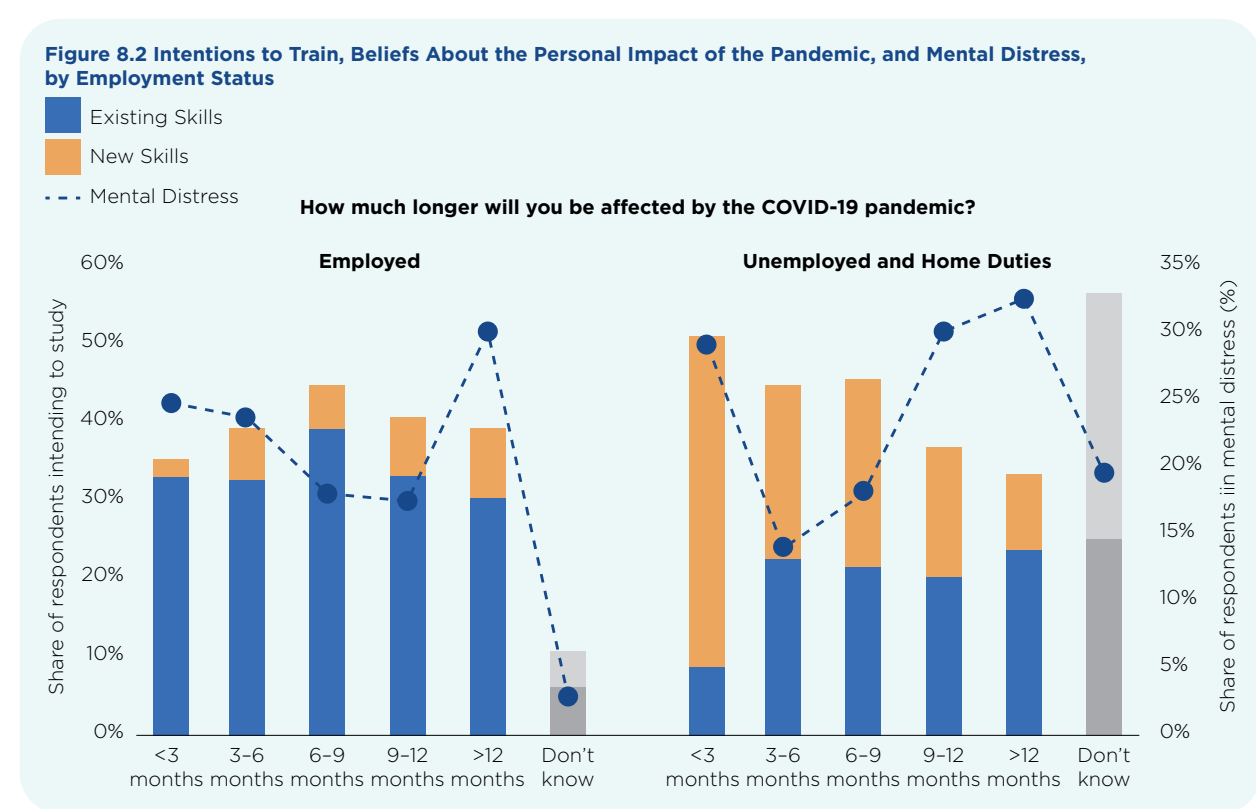
However, for some, help may be needed to see the opportunities of post-COVID-19 Australia. For those who have lost their jobs during the pandemic, our results suggest that despite reporting high rates of intention to study, some remain uncertain about how long they will be impacted, which is associated with high levels of distress. This points to the need for further support for

this group to help guide their course selection, involving access to adult career counselling to help them find alternative career paths that have good prospects and are viable given their interests and existing skill set. Career counselling through Jobactive and the Career Transitions Assistance could become particularly useful to this end in the aftermath of the pandemic. However, we stress that for such guidance to be effective in helping people find good pathways after study, and not just alleviate distress, it needs to be based on sound labour market information about job prospects from study.

The TTPN question on pandemic beliefs asks, ‘How much longer do you think YOU personally will be affected by the effects of the coronavirus pandemic (e.g. as it relates to your home activities, employment situation, and social interactions)?’, with those who answer ‘don’t know’ or who chose not to answer combined in the last category. Respondents are considered in mental distress if they answer ‘all of the time’ or ‘most of the time’ to the question, ‘During the past week about how often did you feel depressed or anxious?’ All analyses are weighted to ensure they represent the Australian population.



Source. Taking the Pulse of the Nation survey (Melbourne Institute), wave 19 (14–19 September 2020). The sample includes 700 respondents who are in the labour force between the ages of 25 and 64.



Source. Taking the Pulse of the Nation survey (Melbourne Institute), wave 19 (14 – 19 September 2020). The sample includes 547 employees and self-employed respondents (left-hand panel) and 153 unemployed respondents and respondents engaged in home duties between the ages of 25 and 64.

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Researchers at the Melbourne Institute have been informing and shaping economic and social policy in Australia since its establishment in 1962. The Melbourne Institute's list of longstanding accomplishments includes the creation of such things as: the Henderson Poverty line, the blueprint for Medicare, the Household, Income and Labour Dynamics in Australia (HILDA) Survey, the Australian Economic Review, and the Consumer Sentiment Index. Melbourne Institute researchers have engaged in analyses on critical issues such as poverty, economic growth and inflation, housing and family structure, healthcare and wellbeing, employment and skill development, and tax and transfer policies.

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The *Taking the Pulse of the Nation* survey was created for the purpose of being able to track the economic and social wellbeing of Australians and to provide measures of attitudes and willingness to take on risk given the coronavirus pandemic. These data have been used to provide timely insights that track behaviour and inform policy.

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