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Is it dog days' for the young in the Australian labour market

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Is it ‘dog days’ for the young in the Australian labour market?¹

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The reference to ‘dog days’ is from Garnaut (2013).

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Abstract

The decade after the Global Financial Crisis (GFC) saw a substantial deterioration in employment outcomes for the young (aged 15 to 24 years) in Australia. From 2008 to 2019 their employment/population rate decreased by 4.3 percentage points, whereas the rate for the population aged 25 years and above increased by 1 percentage point. We argue that the major cause of the deterioration was an increase in labour market competition faced by the young. Adjustment to being ‘crowded out’ from employment also occurred for the young via: being more likely to be employed part-time; being more likely to be long-term unemployed; starting their work careers in lower quality jobs; and needing increasingly to compete for jobs through activities such as unpaid internships.

JEL classification: I23, I26, D13

Keywords: Random assignment; standardized test; mediation analysis; parental investment; school inputs