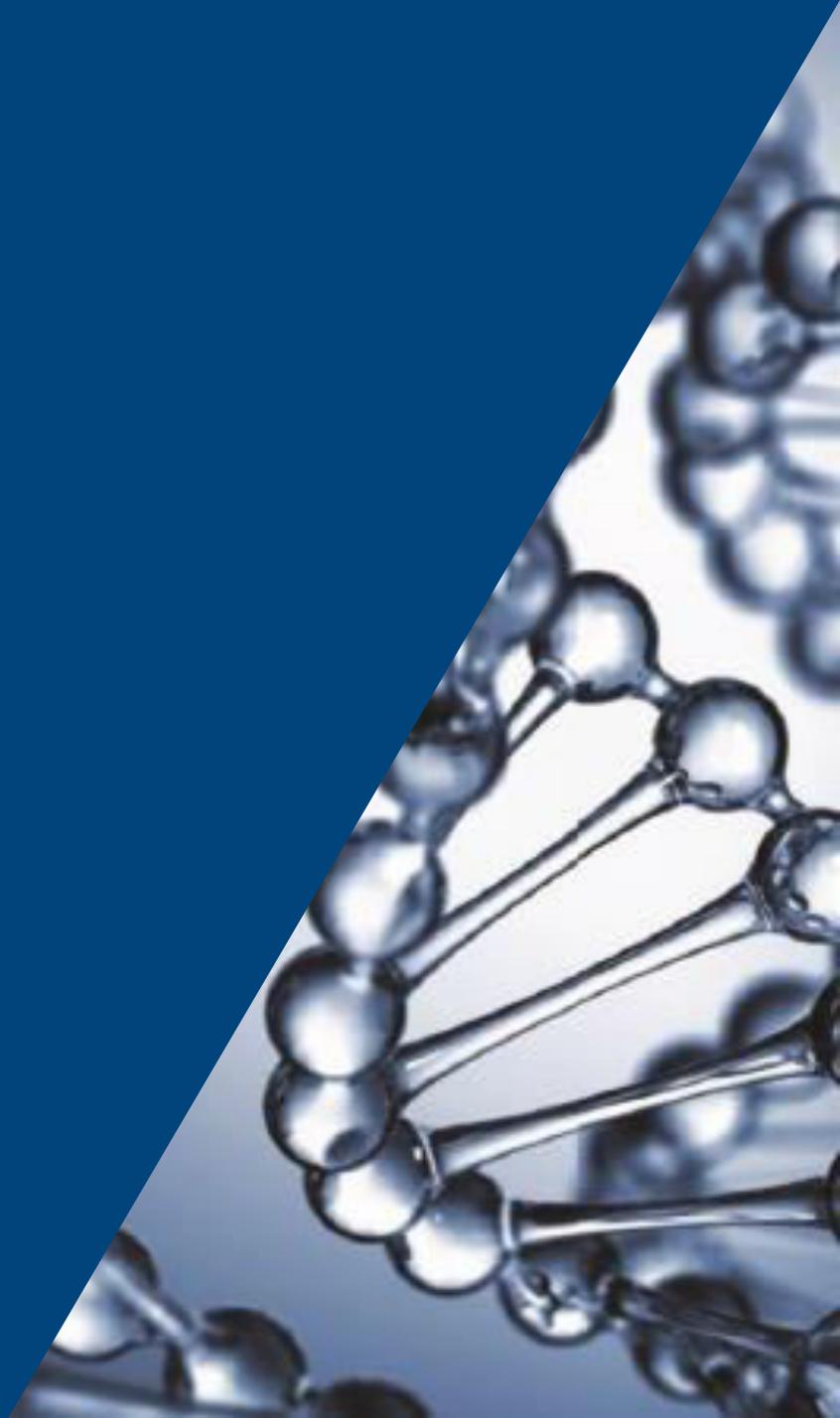


# Labour market outcomes of low school achievers

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# Low literacy skills study



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# Cohort studied

PISA/LSAY 2003 (mostly Years 9 -11 in 2003)

Aged 15 years in 2003, so 18 in 2006, 25 in 2013

VET/Uni from 2005 to 2010

So studied in post-school systems of a decade ago

# Features of the data

PISA 2003 participants who became the LSAY 2003 cohort

Schools sampled, then 15 year old students in schools

Sample: 12500 students, 320 schools – 6% 15 year olds, 12% schools

Use OECD skill level descriptors in study

Low skill defined as “Below level III” in reading – skills insufficient for students to perform the moderate reading tasks that are needed to meet real-life challenges

## Post-school studies by skills group

VET more important for low skills group

- 58% completed a VET qual for low skills group
- Compared to 40% and 17% for middle and high skills groups
- More of latter groups completed university

(% in category -PISA)	Low (30%)	Middle (55%)	High (15%)
Never enrolled in post-school study	0.13	0.07	0.03
Started VET, dropped out or Incomplete	0.12	0.09	0.03
Completed one VET qualification	0.31	0.21	0.06
Completed one VET qual, more study	0.27	0.19	0.11
Started uni, dropped out or incomplete	0.04	0.06	0.08
Completed uni qualification	0.12	0.39	0.67

## Outcomes for persons at age 25 by skills group

Differences in activities between groups are small

- 58% low and middle skills group FTE
- Individual wages more different
- As is occupational status of jobs

(% in category)	Low	Middle	High
Employed full-time	0.58	0.58	0.60
Employed part-time, not studying	0.14	0.13	0.09
Study	0.20	0.22	0.26
Not in study or employment	0.08	0.07	0.04
Average weekly wage (\$)	1121	1140	1270
Occupation status (index, 0-100)	42	55	66

# Regression results

Regress outcome variables on background characteristics and skill level

Key result: No significant differences between low and medium groups

Background characteristics: parental education & occupation, gender, own education, birthplace/language background, Indigenous, rural, grade tested

# Explanation for key results

Small numbers, but low skills group participate heavily in VET

And make better course choices than do middle group

Eg the low skill group chose initial VET courses with 6% higher graduate earnings

Based on relationship between courses and employment and wage outcomes  
in national VET data

# Reservations about the study/data

Test measurement error

Year 9 grade effect means not really low achievers

Maybe adult outcomes reveal themselves later

Non-random attrition

Exogeneity of classification, or other effects on outcomes?

**What evidence does the Low literacy skills study provide?**

# Evidence of what?

Presence of achievement mis-measurement/classification error

Canadian study where re-tested PISA cohort at 24 years

Evidence: That low achievers choose VET courses better

Evidence: That we have a system with important flexibility via VET

Not evidence that VET courses would benefit everyone (not an RCT)

Not quite evidence of good decision-making really, only better in one group

Evidence really that VET system of late 2000s worked well, not 2017

# Evidence and new Gonski



# School funding & evidence

Gonski 2017 review

To “... examine evidence and make recommendations on the most effective teaching and learning strategies and initiatives to be deployed...

[and] focus on the effective and efficient use of funding to: improve student outcomes and ... achievement”

and

“Provide advice on related institutional or governance arrangements to ensure the ongoing identification and implementation of evidence based actions to grow and sustain improved student outcomes over time.”

# School funding & evidence

Experience of the development of the web-based Teaching & learning “toolkit” is salutary.

Designed to provide Australian educators with measures of the impact of 34 interventions designed to lift learning

But a very low evidence bar – systematic reviews and meta analyses

And a desultory set of Australian studies

Contrast What works clearinghouse – RCTs and quasi-experimental designs only

And ambitions of the UK’s Education Endowment Fund (built the UK equivalent on which it is based) to fund RCTs as the majority of studies it supports

# School funding & evidence

Much better to use Gonski 2017 to learn– not to direct what should happen

Since the Australian evidence does not support a prescriptive approach

Dual focus should be on experimentation and the public release of results

Robust evidence from the Gillard National Partnerships some interventions worked

But where are the reports and what went wrong in other cases?

Address ethics of non-treatment with design – interventions for all.

# School funding & evidence

Common (misplaced) criticism of RCTs in social sciences of denial of treatment

Can be avoided here – everyone is treated with additional resources

In National Partnerships, schools could choose from a menu type of program to implement

Here, can estimate experimental effects with randomization over the suite of programs available to schools to implement

Or, if are prescriptive, set up a design where schools vary randomly in programs they implement

And release reports so we all can learn what seems to work (and when)

To implement those programs and take the heat out of future school funding reform debates

# Concluding remarks

Reported on a study with very interesting results

Low skills at the middle of high school are not “defining”

What generates the results is unclear

We would benefit from experimental evidence – information and course choices

Part of a call for better information/evidence base for Australian education

New Gonski report provides an opportunity for progress in school funding area