Australian Government
Department of Employment

HELPING YOUNG PARENTS and SUPPORTING JOBLESS FAMILIES RESEARCH REPORT

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Contents

Purpose

The purpose of this paper is to assess the impact of the additional supports provided to young parents and their children to encourage participation in study and training and engagement with early childhood learning and development activities through the Helping Young Parents (HYP) and Supporting Jobless Families (SJF) placed-based trials.

Key Findings

Overall, the impact of HYP and SJF trials in the areas of education participation, obtaining educational qualifications and child care usage was positive.

Parents participating in both trials had a substantially higher chance of engaging in these activities than did young parents in non-trial Local Government Area (LGA) locations. For example, teenage parents who participated in the HYP trial had an about 30 percentage point higher chance of participating in education and a 14 percentage point higher chance of attaining a year 12 or equivalent qualification.

For those parents in the SJF trial, the first 12 months of participation improved their chance of engaging in work, study or work related activities by three percentage points.

Results in both trials indicated a higher use of formal child care by participants. HYP parents had a 11 percentage point higher chance, and SJF participants had a two percentage point higher chance, of using formal child care compared to parents in the comparison groups.

The relatively modest magnitudes of engagement with education related activities and child care use of SJF participants as compared with those of HYP participants may be attributed, at least in part, to the fact that engaging in trial activities was voluntary.

Introduction

The Helping Young Parents (HYP) trial was one of two place-based trials within the Disadvantaged Families Trials measures operated under the Department of Employment (the Department)'s portfolio between 2012 and 2015. The trial commenced on 1 January 2012 and was due to finish on 30 June 2015 but was extended until 31 March 2016 to coincide with the commencement of the ParentsNext program to which the trials participants were transferred.

The primary objectives of the HYP trial were to improve the education of young parents and the development outcomes of their children, to address non-vocational barriers and improve future employment prospects of young parents, to prevent intergenerational joblessness and reduce socio-economic disadvantage. The design of the trial responded to extensive evidence about the relationship between employment participation and educational attainment. The emphasis was on the achievement of at least a Year 12 or equivalent level qualification. Consequently, there was no requirement for participating young parents to undertake job search activities or accept paid employment.

Supporting Jobless Families (SJF), the second of the placed-based trials, was one of the then Australian Government's *Building Australia's Future Workforce* (BAFW) measures. It commenced on 1 July 2012 and while due to conclude on 30 June 2015 was also extended to March 2016. The SJF trial aimed to assist parents to prepare to return to the workforce once their youngest child was of school age, and to help ensure their children were ready to start school. The key objectives of this measure were to:

- increase the ability of parents to find work by encouraging their early participation in education and employment related activities
- engage children in preschool and other activities designed to improve their preparedness for school, and
- improve linkages of jobless families with locally available services to support them to achieve their family goals.

Both trials took place in ten sites across Australia with a high level of disadvantage. The selected Local Government Areas (LGAs) for the trials were:

- Bankstown, Shellharbour and Wyong (New South Wales)
- Logan and Rockhampton (Queensland)
- Playford (South Australia)
- Burnie (Tasmania)
- Hume and Greater Shepparton (Victoria)
- Kwinana (Western Australia)

The locations were selected for reasons of high unemployment rates, low educational levels and high numbers of people receiving income support payments.

Trial Parameters

The eligibility criteria for HYP and SJF were different **(Table 1)**. The HYP trial was aimed at improving future employment prospects of teen parents receiving Parenting Payment (Single or Partnered) through attainment of education rather than increasing immediate employment outcomes.

The SJF trial was primarily focused on addressing pre-vocational barriers and preparing young (under 23) or long term unemployed (on income support for 2 years or more) parents (who will be subject to compulsory activation requirements when their child turns 6 years of age) for participation in the labour market.

Table 1 Key trial eligibility criteria

HYP	SJF
Receiving Parenting Payment	Receiving Parenting Payment
Being the principal carer of at least one child who is five years of age or younger	Being the principal carer of at least one child who is five years of age or younger
Residing in one of the ten trial locations.	Residing in one of the ten trial locations.
Being 19 years of age or younger on or after 1 January 2012	In receipt of income support for at least two years or less than 23 years of age as at or after 1 July 2012
Not completed at least a Year 12 or equivalent level qualification	Not working or studying

The two trials also had different participation requirements. Participants in each were required to attend interviews every six months with the Department of Human Services (DHS). In the SJF this was dependant on whether the age of their youngest child was 1 to 2 years old or 3 to 4 years old (respectively).

In the HYP trial, parents began work with the DHS officers to develop a participation plan that identified their educational and family goals and the activities needed to reach those goals when their youngest child was 12 months old. The participation plan, which included a minimum of two compulsory activities, one education or training activity and one early childhood or parenting activity, was signed by both the participant and the DHS. The participants were *required* to undertake the activities listed in the plan.

SJF parents were also required to agree a participation plan with DHS which included participation in workshops for parents when the age of their youngest child was 4 or 5 years old. In addition to the compulsory participation in interviews and workshops, a minimum of one activity had to be recorded in the agreed and signed participation plan. However, participation in employment, education, parenting and childhood development activities was *voluntary*.

While young parents were not required to use child care, they were provided with greater access to child care services through these trials.

Non-compliance by participants could potentially have resulted in the parents' income support payments being suspended.

International and Australian Research

The international literature available on the relative disadvantage experienced by women who become parents in their teenage years is extensive. This disadvantage has been found to take the form of lower rates of school completion and labour force participation, lower earnings, higher rates of income support receipt and poverty (Card, 1981; Card & Wise, 1978; Hofferth & Moore 1979; Marini,1984; McElroy, 1996a, 1996b; Upchurch & McCarthy, 1990; Waite & Moore, 1978).

Australian research also shows a similar picture of disadvantage. Using results from the 2001 census, Bradbury (2006a) found that women in their mid-30s who were under 20 when they gave birth to their first child were more than four times less likely to have completed Year 10, rather than a higher level of education, when compared with those whose first birth was between 25 and 29 years.

Women who had children in their teens were also found to be less likely to be in the labour force compared with those whose first birth was between 25 and 29 (50 per cent compared with 59 per cent respectively). They were also less likely to be employed (42 per cent compared with 56 per cent for those aged 25–29).

Previous analysis undertaken by the Department supports the view that the majority of jobless families are single parents and are at a far higher risk of income poverty, welfare reliance, and financial stress, reduced social opportunities and poorer physical and mental health. In addition, these factors may in turn affect the long term wellbeing of their children.

While there is strong evidence to support the assertion that young mothers are disadvantaged, it is less clear that this disadvantage is the result of young motherhood.

Former Australian and international government interventions which provided a holistic level of support services to assist jobless families have generally been found to have had a modest impact on reducing welfare use, especially when the uptake of interventions was voluntary. Research demonstrates that programs with no, or limited enforcement of participation requirements, often have a weak or negligible impact on employment outcomes (https://aifs.gov.au/publications/life-around-here/export).

Impact Analysis

The Department conducted impact analyses on the two trials in 2015. The objective of the analysis of the HYP trial was to assess the effectiveness of the trial's compulsory participation requirements on young parents' behaviour in relation to education participation, employment engagement and child care use. In relation to the SJF trial the objective was to assess the impact of trial participation on engagement in employment, education and child care related activities.

As shown in **Table 2** the analysis period and sample sizes were different. The data source for both assessments was the same.

Table 2 The analysis period, sample sizes and data sources

HYP	SJF
Analysis period: • 27 months – 1 January 2012 to 31 March 2014	Analysis period: • 12 months – 1 July 2012 to 30 June 2013
Sample size: • Trial group: Relatively small sample size (1167) • Comparison group: 6329	Sample size: • Trial group: Large sample size (12167) • Comparison group: 9366
Data source: • Department of Employment's Research and Evaluation Database (RED). • Findings from an in-house literature review were used to provide context to the impact analysis.	Data source: • Department of Employment's Research and Evaluation Database (RED). • Findings from an in-house literature review were used to provide context to the impact analysis.

A Difference-in-differences (DiD) approach was used for both analyses. This enabled estimation of the impacts of the trials on participating parents by comparing the difference between the outcomes of trial participants and the outcomes of parents in a comparison group both before and after the introduction of the trials. As a result, the DiD estimator controlled for observable differences in the macroeconomic environment as well as differences in characteristics of young parents that arose in both groups before and after the trial.

For both trials, the selection of comparison groups was based on eligibility criteria. Comparison non-trial LGAs for each trial were selected according to different criteria, although both included measures of disadvantage and labour market characteristics.

HYP Findings

Results of the impact analysis for HYP are summarised in **Table 3**. Across all trial sites, trial parents had approximately a 30 percentage point higher chance of participating in education compared to young parents in the comparison group.

Trial participants had a 14 percentage point higher chance of attaining a Year 12 or equivalent qualification compared to young parents in the comparison group. Across all trial sites, trial participants had a 11 percentage point higher chance of using approved child care services compared to young parents in the comparison group.

The impact of the HYP trial on improving education participation, attainment of Year 12 certificate or equivalent qualification, as well as child care use, was consistently positive in each of the ten trial sites.

It is possible that the impact of the HYP trial on education participation and attainment findings was affected by a range of other interventions in place at the time of the trial, which may have also contributed to helping teen parents back into education and training.

As previously noted, HYP participants were not required to undertake job search or accept paid employment and there was no observed difference in employment outcomes for these parents and parents in the comparison group. This is consistent with findings in existing studies of similar teenage parent support measures in the UK and the US.

While outside the time period for this impact analysis, it could be expected that over time the benefits of improved education outcomes flow through to increased engagement with employment.

Table 3 Impact Analysis of HYP

2014 HYP impact estimates (percentage point)[1,2]								
	Participation in study		Year 12 or equivalent qualification		Employment engagement		Child care use	
Site effects								
New South Wales								
Bankstown	44.6	***	15.2	**	8.8		14.4	
Shellharbour	28.5	***	15.3	**	3.7		18.8	**
Wyong	31.0	***	28.8	***	-5.2		9.1	*
Queensland								
Logan	32.8	***	15.6	***	-4.7	*	14.8	***
Rockhampton	20.8	***	9.9	**	0.4		9.2	**
South Australia								
Playford	41.6	***	3.3		-0.1		6.0	
Victoria								
Greater	39.8	***	17.1	**	-5.6		27.0	***
Hume	13.7		6.4		4.7		18.6	***
Tasmania								
Burnie	54.3	***	14.6		4.1		24.5	**
Western Australia								
Kwinana	43.7	***	15.8	**	1.5		8.5	
Aggregate effects								
All Australia	31.8	***	14.9	***	-		11.0	***
Demographic subgroups								
Age								
19	34.8	***	12.7	***	-2.0		8.8	***
18	29.0	***	13.2	***	2.0		18.9	***
17	32.6	***	14.0	***	-4.4		13.8	***
16	38.3	***	36.6	***	-11.7	**	12.5	
15	-7.9		-		11.6		-9.7	
Indigenous	19.2	***	10.1	***	4.5		12.6	***
Non-indigenous	34.7	***	15.1	***	-2.7	*	12.2	***
Born in Australia	32.8	***	14.2	***	-1.3		13.5	***
Born overseas	25.4	**	16.0	**	-2.3		0.3	

1. The parameter estimates are expressed as percentage point differences between parents in trial and non-trial sites. The estimates have been rounded to one decimal place.
2. * Statistically significant at 1 percent level; ** Statistically significant at 5 percent level; * Statistically significant at 10 percent level.**

SJF Findings

Results of the impact analysis for SJF are summarised in **Table 4.** Trial participants were found to have a three percentage point higher chance of engaging with work, study, or child care use compared to the jobless parents in the comparison group.

Compared to the comparison group of jobless parents, participating parents in the ten trial sites had a 2.3 percentage point higher chance of engaging in education. Across all trial sites, trial participants had a 2.4 percentage point higher chance of using child care compared to comparison jobless parents.

In each trial site, the overall impact on engagement with work, study or child care related activities was found to be positive and higher compared to comparison jobless parents. The impacts ranged from 2.6 to 3.2 percentage point higher chance of engaging in these activities.

Table 4 Impact analysis of SJF

2013 SJF impact estimates (percentage point)[1,2]								
	Overall impact		Employment engagement		Participation in study		Child care use	
Site effects								
New South Wales								
Bankstown	2.7	***	-0.1	***	2.0	***	2.7	***
Shellharbour	3.2	***	-0.1	***	2.6	***	2.5	***
Wyong	3.1	***	-0.1	***	2.5	***	2.4	***
Queensland								
Logan	3.1	***	-0.1	***	2.5	***	2.6	***
Rockhampton	3.2	***	-0.1	***	2.7	***	2.4	***
South Australia								
Playford	2.8	***	-0.1	***	2.2	***	2.4	***
Victoria								
Greater Shepparton	2.7	***	-0.1	***	2.0	***	2.7	***
Hume	3.0	***	-0.1	***	2.4	***	2.5	***
Tasmania								
Burnie	3.1	***	-0.1	***	2.4	***	2.2	***
Western Australia								
Kwinana	3.3	***	-0.1	***	2.9	***	2.8	***
Aggregate effects								
All Australia	3.0	***	-0.1	***	2.3	***	2.4	***

1. The parameter estimates are expressed as percentage point differences between parents in trial and non-trial sites. The estimates have been rounded to one decimal place.
2. * Statistically significant at 1 percent level; ** Statistically significant at 5 percent level; * Statistically significant at 10 percent level.**

Being less than 20, previous attainment of higher than year 12 education, having an older child and having fewer children increased the chance of achieving a study outcome.

The SJF had positive impacts on participant engaging in study and child care usage, however the magnitudes were much smaller in comparison with those of HYP participants. A number of differences between the two trials may explain this, including:

- that participation in activities in SJF was voluntary (unlike the HYP trial) – research indicates that compulsory and voluntary participation requirements elicit different behavioural responses from program participants. It is likely that only the more motivated SJF participants engaged in the activities nominated in their signed participation plans
- the study outcomes for HYP participants may have been inflated by the availability of other assistance focused on helping teen parents back into education and training – as noted previously, it is not possible to separate the potential impact of different interventions operating in the trial areas, and
- SJF analysis was based on the first 13 month of the trial, a much shorter analysis period than that of HYP – the impact of interventions, particularly for those participants facing complex barriers, is only likely to be observed over a longer period of time as the treatment translates into tangible identifiable benefits.

In the 13 month period observed, SJF participants were more likely to be studying and less likely to be working (than the comparison group), with the objective of improving their longer term employment prospects. Further, participants with younger children may have had a primary focus of looking after their child rather than focussing on preparing for employment or even actively looking for work.

It is desirable to track the HYP and SJF participants for a longer period of time to assess the long-term impact on employment outcomes. It is, however, worthwhile noting that existing research has shown that it is challenging for employment interventions targeting long-term welfare recipients to achieve any significant success (Breunig et al, 2003; Cobb-Clark, Ryan, & Breunig, 2006). Other research also suggests that being jobless and having vulnerabilities, such as medical conditions, can be both a cause and a symptom in a jobless parent's ability to find and retain employment (Baxter, Gray et al. 2012).

In conclusion, both trials had positive impacts on participants' engagement in study and child care usage. The compulsory nature of HYP activities was the likely cause of the significantly higher level of program impact.

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