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Compulsory school graduates take twice as long to enter the labour market as BMS graduates

Income after compulsory schooling only half as high as after BMS

Vienna, 2024-01-18 — Nine out of ten people living in Austria remain in the education system beyond compulsory schooling and thus yield long-term earnings and income benefits. This follows from the update of the education-related employment career monitoring (BibEr), an analysis conducted by Statistics Austria together with and on behalf of the Federal Ministry of Labour and Economy and the Austrian Labour Market Service.

"An educational qualification that goes beyond compulsory schooling increases the chances on the labour market considerably: after an apprenticeship or a school for intermediate vocational education, entry into employment is particularly quick, the risk of losing a job is low and starting incomes are more than twice as high as those of people who leave the education system after compulsory schooling," says Statistics Austria General Director Tobias Thomas about the latest data from the education-related employment career monitoring (BibEr), which provides information about career entry, employment and income opportunities after formal educational qualifications or dropping out.

Entry into the labour market is particularly fast after apprenticeship and BMS

Nine out of ten people who completed a lower secondary school, (new) middle school, special needs education or pre-vocational school in the school years 2008/09 to 2019/20 were still in formal education 18 months after graduation. If no further education is attended after compulsory schooling, it is particularly difficult to enter the labour market: on average, it takes compulsory school leavers 6.9 months to find their first job. Also graduates of academic secondary schools (AHS) – who therefore are without formal vocational education – take a long time to enter the labour market (7.2 months). In contrast, graduates of an apprenticeship (2.0 months), a school for intermediate vocational education (BMS; 2.8 months) and college for higher vocational education (BHS; 4.3 months) are able to gain a foothold in the labour market much more quickly. If people drop out of formal education, their entry into the labour market is delayed significantly (compulsory school dropouts: 10.3 months; apprenticeship dropouts: 6.2 months; BMS dropouts: 4.6 months; AHS dropouts: 4.6 months; BHS dropouts: 4.4 months).

Stable employment histories after apprenticeship, BMS and BHS qualifications

Only 8.3% of all compulsory school graduates who do not attend further education are continuously employed in the second year after graduation. Accordingly, the risk of unemployment is also particularly high for this group: the rate of people registered unemployed 18 months after graduation in 2019/20 is 49.0% for women and 71.2% for men. In comparison, starting a career after completing an apprenticeship or after completing a BMS or BHS is much easier (apprenticeship: 50.3% are continuously employed in the second year after graduation; BMS: 50.1%; BHS: 59.1%). More stable employment careers are accompanied by lower unemployment rates 18 months after graduation in 2019/20 (apprenticeship: 9.4%; BMS: 9.6%; BHS: 4.1%). The picture is not so clear for AHS graduates: although they have a similarly low unemployment rate (6.7%), their labour market careers are much more unstable (only 17.9% are in continuous employment in the second year after graduation).

Starting income after apprenticeship and BHS higher than after AHS or BMS qualification

Compulsory school graduates not only have a more difficult time entering the labour market, but the earning potential for those who are employed is also more modest: over the entire observation period, the gross median income 18 months after completing compulsory schooling is around 922 euros per month. With higher formal school qualifications, the earning potential is improved – but only increases to a limited extent with the level of formal education: 18 months after graduation people with a BHS or apprenticeship qualification earn roughly the same (BHS: 2 387 euros; apprenticeship: 2 421 euros) and people with an AHS or a BMS qualification slightly less (AHS: 1 912 euros; BMS: 2 210 euros).

In general, it can be observed across all formal educational qualifications that men earn significantly more than women (median income 18 months after completing an apprenticeship for men: 2 642 euros; for women: 1 997 euros). This income disadvantage is largely due to the different choice of apprenticeships for women and men, but women consistently earn less than their male colleagues after completing an apprenticeship, even within the individual education fields.

Detailed results and further information on the education-related employment career monitoring (BibEr) can be found on our <u>website</u>.

Overview of selected indicators on employment careers by educational qualification

Indicators of employment careers	Compul- sory/ Pre-vo- cational school	Appren- ticeship	BMS	AHS	BHS
Men and women					
Percentage in further training after 18 months	91.8%	4.5%	41.4%	81.1%	45.6%
Time period until the first employment (in months)	6.9	2.0	2.8	7.2	4.3
Percentage of first employments lasting at least 1 year	62.3%	64.1%	68.7%	50.9%	72.0%
Gross monthly income after 18 months (in euros)	922	2 421	2 210	1 912	2 387
Percentage of days in employment in the 2nd year	14.6%	79.0%	73.4%	35.7%	82.8%
Percentage with continuous employment in the 2nd year	8.3%	50.3%	50.1%	17.9%	59.1%
Unemployment rate after 18 months	59.3%	9.4%	9.6%	6.7%	4.1%
Men					
Percentage in further training after 18 months	92.0%	4.4%	39.1%	76.8%	43.3%
Time period until the first employment (in months)	10.5	4.1	4.2	9.8	8.9
Percentage of first employments lasting at least 1 year	52.7%	60.1%	64.8%	49.3%	71.4%
Gross monthly income after 18 months (in euros)	1 293	2 642	2 474	1 958	2 639
Percentage of days in employment in the 2nd year	10.3%	79.2%	71.7%	37.1%	81.5%
Percentage with continuous employment in the 2nd year	4.6%	46.7%	45.3%	15.4%	52.6%
Unemployment rate after 18 months	71.2%	8.9%	9.8%	5.6%	4.4%
Women					
Percentage in further training after 18 months	91.6%	4.7%	43.0%	84.0%	47.4%
Time period until the first employment (in months)	4.2	0.3	2.3	4.6	2.8
Percentage of first employments lasting at least 1 year	68.5%	70.3%	71.7%	53.0%	72.5%
Gross monthly income after 18 months (in euros)	860	1 997	2 034	1 850	2 205
Percentage of days in employment in the 2nd year	19.1%	78.9%	74.7%	34.1%	83.8%
Percentage with continuous employment in the 2nd year	12.4%	55.9%	53.9%	20.6%	64.7%
Unemployment rate after 18 months	49.0%	10.1%	9.5%	8.3%	3.9%

Education-related employment career monitoring (BibEr) on behalf of BMAW and AMS. School years 2008/09 to 2019/20. For data protection reasons, some of the data was altered using the "record swapping" method. In particular, no reliable statements are possible for cell occupations <= 30 – In order to calculate the indicators "Percentage in further training after 18 months" and "Time period until the first employment (in months)", the population was limited to persons who did not attend any further education within the first two years after completing their education. – For the calculation of gross monthly income, see method box. The population was limited to persons who have not attended any further training within two years of graduation. – To calculate the indicators "Percentage of days in employment in the 2nd year" and "Percentage with continuous employment in the 2nd year", the population was limited to persons who did not attend any further training within the first two years after completing their education. – For the calculation of the unemployment rate after 18 months, see method box – compulsory/pre-vocational school includes lower/new secondary schools, academic secondary schools, lower level special schools and pre-vocational schools.

Information on methodology, definitions: The education-related employment career monitoring (BibEr) contains structured administrative data from the Austrian Federal Statistical Office on education and the labour market. For this purpose, Statistics Austria has linked data from several registers and processed them for further use while strictly ensuring data protection. The compilation of register-based career paths of all persons living in Austria after leaving a formal educational institution makes it possible to analyse career entry, employment and income opportunities.

All formal education programmes completed in the school years 2008/09 to 2019/20 are currently integrated into the data set. In principle, only graduates or dropouts of persons who had their main residence in Austria on 31 October of the respective school year are considered.

To create the data set, the data from several registers are merged and processed anonymously. In order to make individuals unrecognisable in the results, the record swapping procedure was used for a fixed percentage of the data.

Discontinuation of training and changes in training: Discontinuation of training without a positive qualification are formed from the information on current training and the reported qualifications. If a person who was in training in the school year in question does not continue this training in the following year and has not completed this training, this is defined as a dropout (if no training is attended at all in the following year) or change (if a different training programme is attended in the following year). The discontinuation date is set on the basis of the person's employment career in the year of the discontinuation or change of training.

Labour market status: To determine the labour market status, non-overlapping and uninterrupted episodes are formed for each person, with training dominating employment or AMS registration in the hierarchy. These uninterrupted episodes can then be used, for example, to calculate the proportion of days in employment in any given period.

First employment: The duration between the educational qualification and the start date of the first employment is determined to the exact day. The first employment is selected as the first employment that is still ongoing on the reference date six months after graduation or drop-out or that only begins after this point in time. In addition, only jobs with a duration of more than 91 days are considered as the first gainful employment.

Inflation-adjusted dependent gross income on the reference date: The reported income is calculated from the annual gross income from dependent employment excluding special payments according to the annual payslip for the year in which the reference date falls. A daily income is calculated from this on the basis of the days actually worked in the year. A monthly income is extrapolated from this by multiplying by 365/12. To adjust for inflation, the published CPI (2005) annual average is used and weighted to the year 2022.

Unemployment rate: The unemployment rate refers to graduates from the 2019/20 school year and is calculated as the proportion of persons in AMS pre-registration in the sum of employed persons and AMS pre-registrants on the reference date 18 months after graduation.

If you have any questions on this topic, please contact:

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