Peter Underwood Centre Horizons Series: Improving social mobility in Tasmania and the role of education

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Thanks for the opportunity to speak at the Peter Underwood Centre Horizons Series event today, I am looking forward to sharing my thoughts on improving social mobility in Tasmania and the role of education. In particular, I will introduce to you some of my exploratory research into measuring social mobility in Australia and share some preliminary findings.

I will say at the outset however, that I do feel a little out of my comfort zone as I am used to a more ‘death by powerpoint’ sort of presentation style where as a predominantly quantitative researcher, I use charts and facts and statistics to tell a story. However, as Becky has said, the purpose of the Horizons Series events is to encourage and foster conversation about a pertinent issue in Tasmania - without powerpoint. That said, I have cheated a little and prepared you a two-page handout which I will refer to during the discussion today.

So, I thought I would start today’s conversation with a story about how I evolved from being a purely statistical demographer interested in the interrelated nature of education, work and the population to being more interested in social and economic equality and how the interaction of education and work may achieve this.

A number of years ago, I was staying with some friends in the midlands. Let’s call them Bob and Jane. Bob and Jane were in the process of renovating a number of old heritage farm buildings on their property. Bob is a builder who specialised in heritage building restoration and Jane works from home as a part time project manager and they have two young sons. Bob would work on restoring the buildings on the property in his spare time. To help finance these...
projects they rented out one cottage once it was finished to a non-working couple and their young son who was a similar age to Bob and Jane’s boys. Bob and Jane’s boys would go to Campbell Town for school every day and then Bob and Jane would go to their respective workplaces. Sometimes the couple’s son would go to school too, otherwise he and his parents would hang out on the farm. On the weekends all the boys would play on the property – jumping in muddle puddles, running around in the fresh air and playing with the animals. One day the little boy asked Jane, where does Bob go every day? Jane explained that Bob had to go to work. And the young boy asked, Why?

This story hit a nerve with me and got the cogs turning so to speak. It started my thinking in terms of families and their relationship and experience with education and work. I started exploring with Census data to try to understand the Tasmanian context. What I discovered is that of all the families in Tasmania with dependent children, no parent works in over one fifth of them. That is, no parents are employed in over 20 per cent of Tasmanian families.

As we already know, children grow up as products of their parents; their values, beliefs and attitudes are passed down through the generations. If no parents work, the children will not understand, let alone value, the concept of work nor the purpose of education.

So it was this story which set me on my path to exploring how we can improve social and economic equality and well-being, particularly in Tasmania.

Wherever we go, we can’t escape Tasmania’s reputation for entrenched intergenerational disadvantage and poverty. It is one which dominates public discourse both here in Tasmania and interstate. Accused of being a mendicant state with a disproportionately high level of welfare dependence, this intergenerational disadvantage is often used as an excuse for relatively low
levels of literacy, numeracy and language skills which is then linked to low levels of educational attainment and employment and a perceived lack of value of education. At the same time, this discussion often elicits quite emotional responses from all Tasmanians near and far.

Education is seen as the panacea to Tasmania’s woes. It is the forefront of almost every social, economic and political commentator in relation to Tasmania’s future prosperity.

So how do we break the cycle of intergenerational disadvantage, improve social mobility and what is the role of education?

What is social disadvantage? How do we measure it? How do we track improvement, or not, over time? How does Tasmania really compare with other states and territories as well as the rest of Australia?

These are all pertinent questions that need answers before we can develop solutions.

Theoretically, social mobility is the intergenerational ability to improve social economic status over time. It is best understood as the change in social status relative to others within a given society, or the movement of individuals, families or groups, through a system of social hierarchy or stratification. Traditional theories of social mobility focus on the role of families and their structure as a unit of analysis for origin and destination in terms of movement (upward or downward) between social classes.

While social mobility has gained significant traction globally as a conceptual framework, the ability to measure and quantify social mobility is still only emerging. The greatest constraint to being able to do this is access to appropriate longitudinal data.
The approaches to measure social mobility are dependent on the socio-economic attainment used: social class, occupational status, individual earnings or family income. While sociologists prefer occupation, economists favour income to identify and measure social mobility. Unsurprisingly, the different approaches produce different outcomes.

Measurement of social mobility in Australia is limited to the ABS measure of socio-economic status (SES).

The ABS defines SES as “relative socio-economic advantage and disadvantage in terms of people’s access to material and social resources, and their ability to participate in society”. SES is usually a proxy measure as a relative concept for an individual, family, household or area. Like social mobility, the common concepts used to develop a proxy to identify and measure SES are income, wealth, consumption, education and employment.

Most importantly though, it is incorrect to apply an area based measure of SES to an individual residing within that area and assume that it represents an individual’s SES.

The ABS produces a suite of four Socio Economic Indexes for Areas (SEIFA) from social and economic data derived from the five yearly Census of Population and Housing.

These indexes rank geographic areas across Australia in terms of their relative socio-economic advantage and disadvantage. The four indexes in SEIFA are:

- Index of Education and Occupation (IEO)
- Index of Relative Socio-Economic Disadvantage (IRSD)
- Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)
- Index of Economic Resources (IER)
There is also a fifth measure of SES developed by the Australian Curriculum, Assessment and Reporting Authority (ACARA); Index of Community Socio-Educational Advantage (ICSEA) which represents levels of educational advantage for individual schools in Australia and enables fair and meaningful comparisons of the literacy and numeracy performance of students in a given school.

So how does Tasmania actually fair in comparison with the rest of Australia with the SEIFA indices?

In terms of relative socio-economic disadvantage, 32 per cent of Tasmanians live in an area in the lowest quintile of the IRSD. That is, 32 per cent of Tasmanians live in the 20 per cent most disadvantaged areas in Australia. In terms of regional areas, the ABS Australian Statistical Geography Standard SA4s provide the best sub-state socio-economic breakdown. Of the 88 SA4s in Australia, 4 of which are in Tasmania, the West and North West ranks the 6th most disadvantaged region in Australia. 42 per cent of Tasmanians living in the West and North West live in the 20 per cent most disadvantaged regions in Australia. The South East is ranked the 7th most disadvantaged in Australia, Launceston and the North East the 22nd and Greater Hobart the 38th most disadvantaged region in Australia. Refer to cheat sheet.

The limitations of using these SES Indices to measure social mobility is that they are area based and not linked to individuals or families. Given they are also a point in time measure, it is not possible to track any intergenerational improvement nor the potential to break the cycle of entrenched social disadvantage.

Which brings me to my exploratory research into developing an indicator of social mobility.
To develop an indicator of social mobility representing individuals (or types of) rather than areas, I use post-school educational attainment, labour force status and income variables from the ABS Census of Population and Housing data for the years 1971, 1981, 1991, 2001 and 2011 for 40 to 49 year olds who are employed full time. 40 to 49 year olds are selected for three reasons.

First, by the age of 40 most individuals should have completed their highest level of post-school qualifications.

Second, 40 to 49 year olds have the highest of labour force participation rates for all age groups and

third, 40 to 49 year olds are more likely to be working in their prime earning capacity years.

By removing the part time, away from work and unemployed population, a more robust comparison is possible and results in a ‘best case scenario’ for identifying social mobility. But as a result does have its own limitations.

Importantly, while increased participation and achievement in post school education provides the potential for improved social mobility, tertiary or vocational educational attainment does not automatically transfer into improved social mobility. The opportunity needs to be realised through workforce participation (employment), as evident from occupational status and/or income generation.

For this reason, the development of the indictor involves a two-step process; first ascertaining the population’s level of educational attainment (as an independent variable to social mobility), to identify potential social mobility and then incorporating the income variable to identify realised social mobility.
The indicator for *potential* improved absolute social mobility can be expressed as a positive increase in the proportion of the population aged 40 to 49 with post school qualifications over time. Thus, the indicator for *realised* improved social mobility is a positive increase in the proportion of the population aged 40 to 49 earning above the median income over time.

To undertake comparative analysis between Tasmania and Australia and other states and territories with the purpose of identifying the extent of difference in social mobility between the jurisdictions, the demographic analysis method, the Index of Dissimilarity (ID) was applied to the indicator of social mobility. The ID generates a single figure index that identifies the minimum percentage of one population that would need to change for the frequency distributions of both populations to be the same.

So, what did I find?

While Tasmania has experienced improved social mobility since 1981, it has been at a slower rate than Australia.

Not only does Tasmania have reduced potential for improved social mobility due to lower levels of educational attainment, the opportunity to realise social mobility is also limited by lacklustre employment demand.

What is evident however is that the catalyst for improved social mobility is tertiary education.

In terms of comparative performance for realised social mobility, the least variance in income generation, and thus social mobility, between Tasmania and Australia exists for those with tertiary qualifications, suggesting that once tertiary qualifications are achieved, a comparable proportion of the population in their peak earning years (40 to 49) for all states and territories will be
earning above the median income. However, much greater differences are apparent for those with vocational qualifications or no post school qualifications. For the total population aged 40 to 49, the extent of difference between Tasmania and Australia in terms of realised social mobility is the highest for all states and territories for each decades of analysis (apart from the ACT which is an anomaly).

As shown in the third graph, this difference has increased from 2.2 per cent to 8.2 per cent since 1981. The extent of difference for Tasmania can be explained by a lower proportion of the population with tertiary qualifications With the gap increasing over time.

So, the ability to realise potential social mobility in Tasmania is impacted by the economic performance of the state and associated employment demand. Where labour force participation is increasing, hours worked is increasing and unemployment and those not in the labour force is decreasing, the potential for improved social mobility is heightened, particularly if employment demand is in industries and occupations requiring tertiary education qualifications.

despite being a best-case scenario measure, the considerably lower levels of social mobility in Tasmania, is further explained by comparatively lower levels of tertiary qualifications combined with high levels of less than full time employment for both men and women, which is then compounded by the relatively higher proportion of women with tertiary qualifications and associated lower levels of labour force attachment.

However, the story is not all bad!
Former Tasmanians experience higher levels of social mobility when living interstate, particularly those who are tertiary qualified.

Evidence suggests that social mobility is greatest for former Tasmanians (those who lived in Tasmania five years prior to the 2011 Census) living interstate compared with both resident Tasmanians and Australians. Former Tasmanians had both higher levels of educational attainment than Tasmanians and higher levels of labour force attachment. For each category of educational attainment there is greater potential social mobility for former Tasmanians than Tasmanians. Former Tasmanians have higher comparative realised social mobility than Tasmanians and Australians. As the ID shows in Figure 4, former Tasmanians would have to change a smaller percent than Tasmanians to be equivalent to Australian social mobility.

While this exploratory research does not overcome the lack of appropriate longitudinal data to inextricably link social mobility to intergenerational improvement (or not) at an individual or family level, the ABS is in the process of linking Censuses to enable a representative longitudinal data set. After the release of the 2016 ABS Census data throughout this year, there will be 3 Census’ linked – 2006, 2011 and 2016 which will enable more thorough investigative research to be undertaken.

So what does all this mean for improving Tasmania’s social and economic well-being? Are we putting the education cart before the work horse?

If we return to the story of Jane and Bob and the non-working family they rented their cottage to, given we now know that social mobility can not be realised or improved without participation in the workforce, there needs to be a cultural shift within our lower socio economic groups to firstly value work. Only then will be value and purpose of education start to become apparent.

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Cultural shift takes time, usually 1 to 2 generations, and will need to be a transition process in Tasmania. Just participating in education alone will not automatically translate into employment nor improved social mobility. For this reason, the approach to improving social mobility in Tasmania should be two-fold with education matched to employment opportunities and outcomes.

While we know that tertiary education is the catalyst for improved social mobility, the reality is that over the past 5 years, only 44% of Tasmanian school leavers have achieved an ATAR enabling them to enrol at university. Education actually starts from birth and it is harder to change trajectory at a later age. Intervention needs to occur long before tertiary education is considered.

As the Mitchell Institute’s Educational opportunity in Australia 2015 study found, of all risk factors of not meeting required milestones, a child’s socio-economic background has the strongest effect. In Tasmania, 56 per cent of children age 0 to 4 live in the 20 per cent most disadvantaged areas in Australia.

The report found the most disadvantaged are more than twice as likely as the most advantaged to miss out on their first education milestone and are less likely to catch up.

The effects of socio-economic disadvantage persist well beyond school and result in entrenched intergenerational disadvantage. A cultural shift towards improving the perceived value of work and the purpose of education is required to improving social mobility in Tasmania and breaking the cycle of intergenerational disadvantage.
Cheat Sheet

**Socio-Economic Status (SES):** relative socio-economic advantage and disadvantage in terms of people’s access to material and social resources, and their ability to participate in society.

**Social mobility:** the intergenerational ability to improve socio-economic status over time, usually achieved through improvements in educational attainment and income generating capacity.

**Indicator of Social Mobility:** a two-step process; first ascertaining the population’s level of educational attainment (as an independent variable to social mobility), to identify potential social mobility and then incorporating the income variable to identify realised social mobility.

**Index of Dissimilarity (ID):** the ID generates a single figure index that identifies the minimum percentage of one population that would need to change for the frequency distributions of both populations to be the same.

**Percentage of population living in the lowest SEIFA Index of Relative Disadvantage quintile, 25 most disadvantaged SA4s and Tasmanian SA4s, 2011**

Source: ABS Census of Population and Housing, 2011

**Social Mobility: Proportion of population earning more than the median Australian (real) income, by educational attainment, 1981 to 2011, Tasmania**

Source: ABS Census, customised dataset, various years, author calculations
**ID of social mobility: income distribution by educational attainment between the states and territories and Australia, 1981 to 2011**

Source: ABS Census, customised dataset, various years, author calculations

**Index of Dissimilarity of social mobility between Tasmanians and former Tasmanians and Australians, 2011**

Source: ABS Census, customised dataset, 2011, author calculations

**Proportion of Tasmanian school leavers gaining an ATAR, applying to UTAS and enrolling in the year following year 12, annual average 2011 to 2015**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tasmania</th>
<th>North</th>
<th>North West</th>
<th>South</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>ATAR (%) (includes 2016 data)</td>
<td>43.81</td>
<td>42.83</td>
<td>41.23</td>
</tr>
<tr>
<td>1991</td>
<td>Apply to UTAS (%)</td>
<td>39.75</td>
<td>38.05</td>
<td>38.92</td>
</tr>
<tr>
<td>2001</td>
<td>Enrol at UTAS (%)</td>
<td>25.10</td>
<td>24.38</td>
<td>23.10</td>
</tr>
</tbody>
</table>

Source: University of Tasmania