



Enterprise skills and careers education in schools

Why Australia needs a national strategy

Foundation for Young Australians
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WHY ARE ENTERPRISE SKILLS AND CAREER EDUCATION IMPORTANT?

The world of work is changing rapidly

Work is changing rapidly. A fifteen year old today will enter work that has been transformed in terms of:

- **What they will do** - with technology looking set to automate around 40% of jobs including 70% of the entry-level jobs young people currently move into. The jobs that will be automated will be lower skill, routine, lower human touch jobs (FYA 2015a).
- **Where they will work** - with jobs being increasingly global there will be continued rise of mobile trade and people. We have seen manufacturing move offshore but eleven per cent of service jobs could also be provided from overseas in the future (FYA 2015a).
- **How they will work** - with increasingly flexible work and 'portfolios' of work activities. It has been predicted that the average young person will have 17 different jobs across five different industries throughout their lifetime (McCrinkle 2015). They may also piece their income together for a range of sources at the same time in the future (FYA 2015a).

Read our report: [New Work Order: Ensuring young Australians have skills and experience for the jobs of the future, not the past](#) (FYA 2015a)

In addition, older people are leaving the workforce in larger numbers than young people can replace them. This is impacting on productivity and decreasing the income governments use to fund our quality of life and standard of living.

Changing work is therefore not just challenges for individual young people. It is a challenge for the nation.



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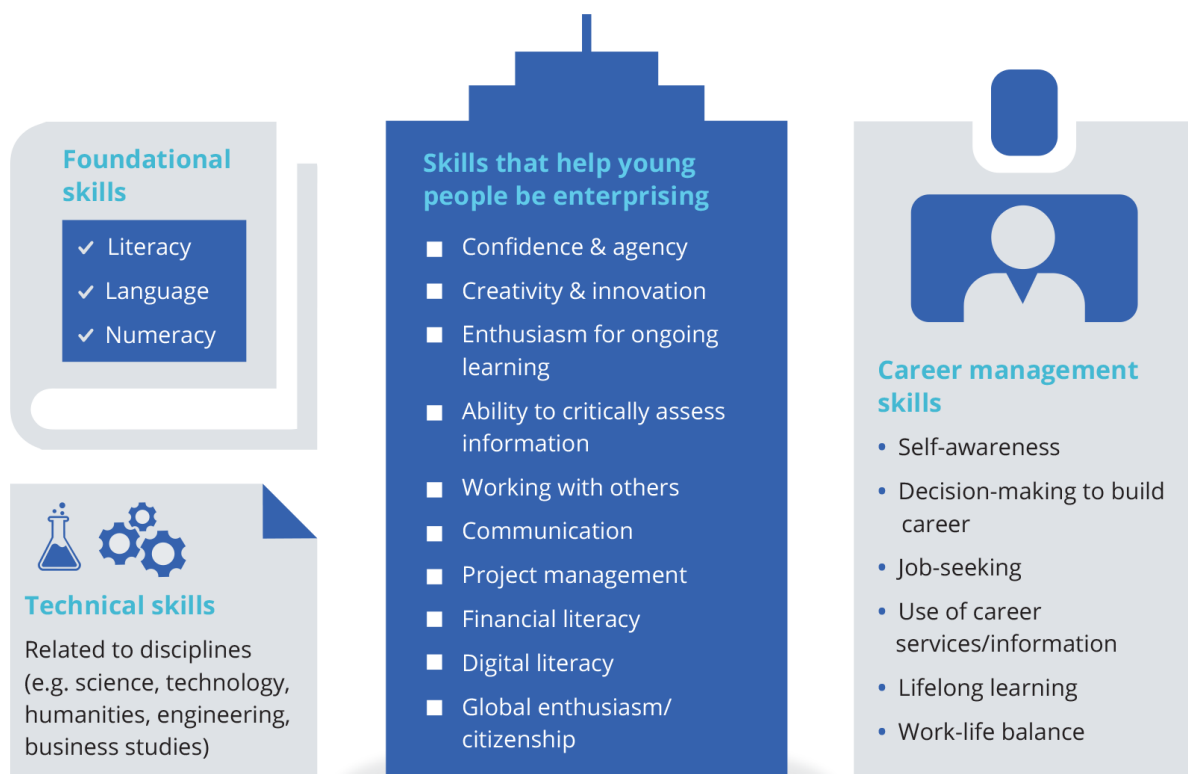
SOURCE: AUSTRALIAN GOVERNMENT 2010, AUSTRALIAN GOVERNMENT 2015

**“This generation of young people will [need to] promote innovation and entrepreneurialism and grow our economy to maintain our standard of living”
(Phillip Lowe, Deputy Governor of the Reserve Bank of Australia, 2014)**

Enterprise skills are becoming more important

Young people need to learn enterprise skills now to prepare them for the economy of the future, so they can become job creators, not just job seekers, and navigate more complex careers.

Enterprise skills are generic skills that are transferrable across different jobs. They have been found to be as powerful a predictor of long-term job success as technical knowledge (Development Economics 2015) and will be increasingly important into the future (OECD 2012; Kahn et al 2012; Casner-Lotto & Barrington 2006).



Excerpt from How young people are faring, a research report from The Foundation for Young Australians, 2015.

Source: FYA 2015c

Enterprise education leads to:

- Skilled young people
- Job creators
- The creation of innovative new firms

The evidence is in: employers are looking for enterprise skills

We analysed 4.2 million online job postings from 2012 to 2015 in Australia from more than 6000 sources to definitively uncover what employers want. We filtered these jobs for early-career roles that are relevant to young people, namely jobs that specify 0-2 years or 3-5 years of work experience (1.3 million job ads) (FYA 2016).

We found that demand for generic skills in early-career jobs is on the rise and is likely to continue into the future:

- **Demand for enterprise skills has been rising over time:** Over the past three years, employers have listed more enterprise skills in their job advertisements. For example, demand for critical thinking has increased by 170%, creativity by 62%, presentation skills by 24% and team work by 20%.
- **Wages are higher for jobs with enterprise skills:** Some enterprise skills are highly rewarded. Compared with jobs that do not list these skills, jobs that requested presentation skills paid an additional \$8,853 per year, digital literacy an additional \$8,648, problem solving \$7,745, financial literacy an additional \$5,224 and creativity an additional \$3,129. This pay premium reflects the value that employers place on these skills and their relative scarcity.
- **Jobs of the future demand more enterprise skills:** The jobs of the future, or those jobs that are least likely to be automated, demand enterprise skills 70% more frequently than the jobs of the past. These findings suggest that the growing importance of enterprise skills will continue into the future (FYA 2016).
- **Employers ask for enterprise skills as often as technical skills:** In an average job advertisement for a young person in 2015, employers are 20% more likely to specify enterprise skills than technical skills.
- **Some enterprise skills, such as communication and digital skills, are already ubiquitous:** These skills are routinely listed across every occupation, industry, and jobs by education level and experience requirements. For example, digital skills are no longer just associated with technology specific fields but are required in jobs as diverse as veterinarian, art director and dentist.

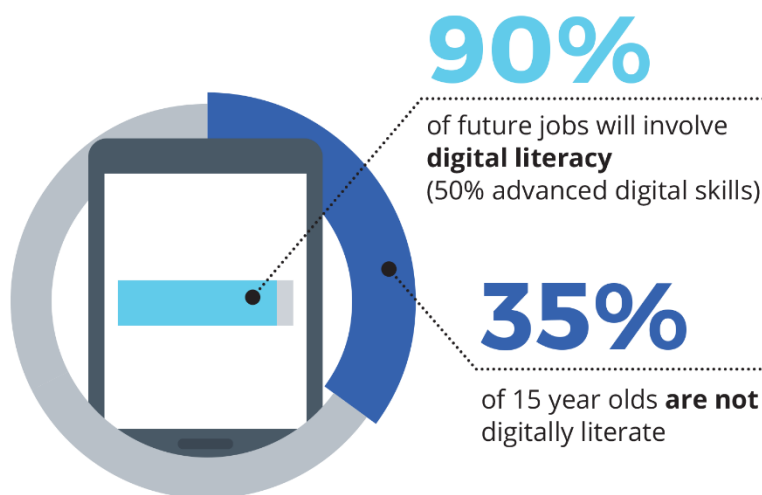
Read our report: [The New Basics: Big data reveals the skills young people need for the New Work Order](#) (FYA 2016)

Young Australians are not developing these skills

Our report card released in 2015 shows that despite staying longer in education, young people are not developing the enterprise skills increasingly demanded for work. Over a third are not proficient in science, maths, technology, financial literacy and problem solving. In many of these areas Australia is dropping down the international rankings.

In 2012, PISA (Programme for International Student Assessment) data, showed many Australian students were not proficient in enterprise skills including:

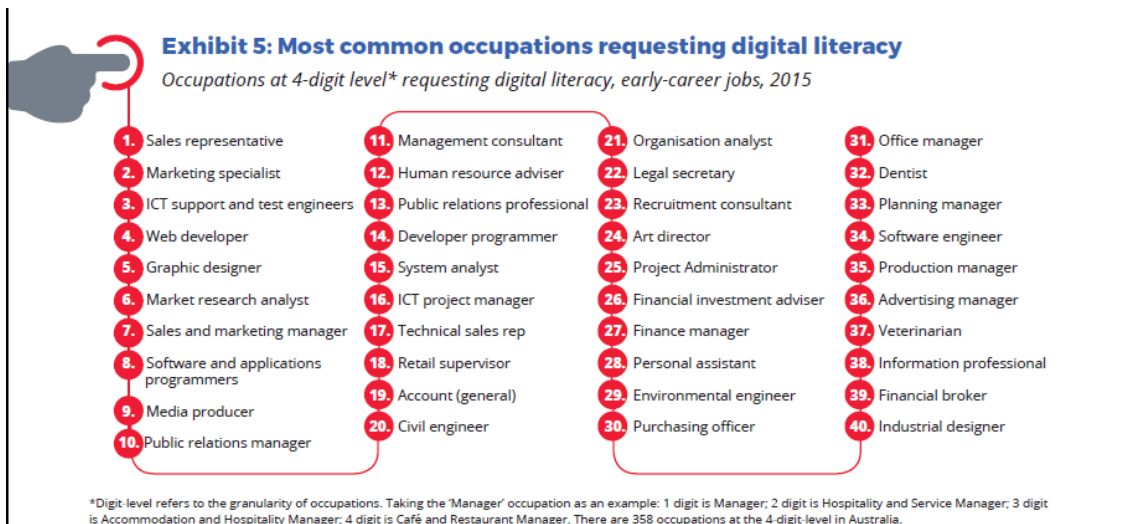
- **financial literacy:** 30% of all, and 50% of Indigenous, 15 year olds did not meet Australian baseline proficiency. Australia is ranked 2nd in international rankings.
- **problem solving:** 35% of all, and 62% of Indigenous, 15 year olds did not meet Australian baseline proficiency. Australia is ranked 11th in international rankings.
- **maths:** 42% of all, and 77% of Indigenous, 15 year olds did not meet Australian baseline proficiency. Between 2003 and 2012 maths proficiency worsened by 9 percentage points. Australia has dropped from 5th to 16th in international rankings.
- **digital literacy:** 35% of all, and 64% of Indigenous, year 10 students did not meet Australian baseline proficiency. Between 2005 and 2011 digital literacy proficiency improved by 4 percentage points.



Excerpt from How young people are faring, a research report from The Foundation for Young Australians, 2015.

Source: FYA 2015c

Digital literacy is of particular concern as it is predicted 90% of the jobs of the future will involve technology skills, 50% building or configuring (not just using) (FYA 2015a). These skills are increasingly being asked for across jobs and occupations, not just tech fields (FYA 2016).



Source: FYA 2016

Read our report: [How are Young People Faring in the Transition from School to Work?](#) (FYA 2015b)

Our young people are not as prepared as they should be

Our research also shows we are not positioning our young people for the challenges ahead and they are at risk of becoming further disadvantaged in the labour market – where so many are already struggling to get a break. Young people are now:

- **older when they find full time work**, even after study. It now takes on average 4.7 years from leaving full-time education to entering full-time work. Only 65% of university graduates, and 58% of Cert III or higher graduates, are in full-time work four months after graduating (FYA 2015b).
- **increasingly un- or under-employed**. About a third (30%) of young people want more work but can't find it (FYA 2015b).
- **more in debt at a younger age** and **older when they become independent from their parents** (FYA 2014).



Read our report: [Renewing Australia's Promise: will young Australians be better off than their parents?](#) (FYA 2014)

Excerpt from *How young people are faring*, a research report from The Foundation for Young Australians, 2015.

Where to next? A national enterprise skills and careers education strategy for Australia

A growing body of evidence shows that enterprise education in schools has an impact, as it:

- improves school outcomes: motivation for school, attendance, retention, connectedness (including for students at-risk of disengagement)
- improves the skills that make young people enterprising
- improves employment and earning outcomes later in life
- increases desirability of, and aspiration for, entrepreneurship as a career
- increases business success later in life including:
 - likelihood of later starting a new business
 - running a business successfully (employ more people, turn over more money and be more innovative, high-tech, and resilient)¹.

Starting early and repeating enterprise and career management education is proving important.

A strategy

The Foundation for Young Australians (FYA) is calling for a national enterprise skills and careers education strategy that would help shape education in Australia.

A NATIONAL STRATEGY

- **Provide national leadership**
- **Flexibility for schools**
- **Build teacher capacity & involve young people in teaching digital skills**
- **Information on where the jobs are at**

¹ Scottish Government 2002; McLarty et al 2010; Packham et al 2010; Steenekamp et al 2011; Athayde 2012; Huber et al 2012; FFE-YE 2012; Pharoah 2013; GEM 2013; Young Enterprise 2013; Young Enterprise 2014

The strategy should include:

PRINCIPLES




- Begin early in primary school and build consistently, year on year, throughout high school.
- Be provided in ways that young people want to learn: through experience, immersion and with peers
- Provide accurate information and exposure about where future jobs will exist and the skills to craft and navigate multiple careers
- Engage students, schools, industry and parents in co-designing opportunities in and outside the classroom.

A flexible framework of activities to suit different contexts/teachers/students

There are examples of frameworks that provide schools with a way to think about an issue in a broad way and embed novel activities through the curriculum to improve the skill level of teachers ([eSmart Schools](#) is one example of a framework that guides the whole school community through developing and implementing change).

Frameworks can simultaneously help schools make sense of the activities on offer, while at the same time, allowing them choice supporting their different needs.

Examples of policies from other countries:

Policy type	Nation	Detail
Cross-curricular problem solving	Japan 	<p>Title: Integrated learning</p> <ul style="list-style-type: none"> • New curricula reduced content load by approximately 30% and increased time for ‘integrated learning’, where students engage in cross-curricular, problem solving projects. New national assessments in grades 6 and 9 focused on ability for students to apply knowledge in real-world scenarios. • Implementation: Education Ministry introduced guidelines and study lesson examples, drafted with private-sector employees.
Curriculum redesign	Canada 	<p>Title: Critical thinking, problem solving and decision making</p> <ul style="list-style-type: none"> • Alberta undertook curriculum redesign project to better enable students to succeed in knowledge-based economy, with a focus on critical thinking, problem solving and decision making.
Curriculum redesign	Singapore 	<p>Title: 21st century competencies</p> <ul style="list-style-type: none"> • Identified 21st century competencies: critical and inventive thinking, communication, collaboration, information skills, global awareness and cross-cultural skills. • Developed 21st centuries competencies framework that guides development of national curriculum and school-based programs.

Programs that work

Building an evidence base of programs that work to accompany a strategy would help schools plan.

Examples of FYA programs that work include:

\$20 Boss – co-designed and delivered in partnership with NAB, \$20 Boss is the ultimate in-school start-up challenge. Developed to spark creativity, innovative thinking and entrepreneurship, this program gives every student a chance to build a small business from the ground up, tapping into their incredible potential.

WOW – a careers learning program that teachers run primarily in year 7 to 9 classrooms. It connects students with the world of work through activities that enable meaningful and developmentally-appropriate careers exploration.

Want to know more about young people?

FYA's [Unlimited Potential: a data and information resource on young Australians](#) is a website that is a framework into which FYA launches research about:

- demography
- future challenges for young people (economy, inequality, climate change, sustainability, etc)
- how prepared young people are currently for the transition from school to work
- how prepared are young people are currently to contribute and lead change.

FYA is a national for purpose organization that is all about backing the next generation of young people who are going to rethink the world and create a better future. A FYA we connect and inspire young changemakers – the innovators, the makers, the dreamers, the thinkers, the doers and the creators.

Find all of our reports and research at <http://www.fya.org.au/why-were-here/our-research/>

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