Policy Forum: Youth Transitions

The 'Gap Year' in Australia: Incidence, Participant Characteristics and Outcomes

David D. Curtis*

Abstract

I report on the incidence of gap-taking—a year between secondary school and university—and find it has increased from about 10 per cent to almost 25 per cent of recent school-leaver university entrants. Gap-takers have lower school achievement scores than direct entrants. Non-metropolitan students are much more likely to take a gap year. I investigate evidence that gap-takers work in order to access the Youth Allowance benefit. Finally, I compare the course and career progression of gap-takers and non-gappers.

1. Introduction

The typical pattern for university-bound school-leavers is to enrol in a university course in the year after completing secondary schooling. Taking a gap year—a year or perhaps two between completing secondary school and enrolling in a university course—is common in some countries, especially the United Kingdom (Jones 2004), and is becoming more common in Australia. Whilst direct entrants from school—whether they take a gap year or not—are the majority group (57 per cent) in undergraduate courses, many students enter higher education under other admission criteria; for example, as mature-aged entrants (43 per cent; DEEWR 2013). In this study, I focus on the gap-taking behaviour of recent school-leavers.

Interest in the 'gap' phenomenon arises because although it appears to be an unproductive activity, it is becoming more common. A delayed entry into university means belated completion and therefore late entry into the labour market. Any wage that may be earned by a school-completer during a gap year, albeit sooner, is likely to be much lower than the wage earned following graduation. If gap-takers are cognisant of this logic, it must be assumed that there are short-term compelling reasons for taking a gap year. Reasons postulated include the need to set aside funds to cover the period of study, travel and gaining life experience and taking time out to decide which course to pursue (Jones 2004). Heath (2007) argued that the gap year confers positional advantages on the gap-taker in admission to prestigious university courses and in employment through the development of 'soft skills', whilst King (2011)

* School of Education, Flinders University, South Australia 5042 Australia; email <david.curtis@flinders.edu.au>.

claimed that the development of these skills is part of young people's identity development.

If there is a perceived benefit in gaining life experience, then a gap year market might be expected to emerge. Jones (2004) reported that some UK universities, in general advice provided on their websites, recommended that students take gap years before commencing tertiary study. He found that there is a substantial and well-established gap year industry, with numerous providers promoting and organising gap-year activities. In Australia, whilst some gap activities are organised, the major volunteer agencies seek mature and qualified individuals and do not recruit school-leavers. A recent search of student travel and volunteering sites revealed a small, but increasing, number of providers who organise gap-year activities for recent school-leavers. Some are simply travel agencies, but others, including service clubs and youth organisations, do arrange volunteering opportunities. The gap-year industry in Australia appears to be a fledgling, but growing, one.

The need to accumulate funds to support a period of study with perhaps limited part-time work opportunities may be a reason for students to take a gap year. Related to the need to work to accumulate savings to cover anticipated expenses is the possibility of qualifying for governmental financial support whilst studying. During the period being investigated, a Youth Allowance (YA) benefit was available to higher education students, broadly under two sets of criteria. Students who were dependants of their parents could qualify if their parents' incomes were below a threshold. Students could qualify as being independent of others if, during a period of about 18 months prior to enrolment, they could show that they had earned an income sufficient to support themselves.

The purpose of this study is to present information about gap-taking behaviour among Australian school-leavers and to consider evidence that might be used to reflect on student financial support policies.

1.1 Definitions

The population of interest in this study comprises those school-completers who enrol in a university course either in the year immediately after completing their secondary education or who delay entry into university for 1 or 2 years. Thus, school non-completers, young people who do not enter university at all and those who delay entry into higher education for longer periods than 2 years are excluded from the study. Students who enter university in the year after completing Year 12 are referred to as 'non-gappers', with those who take a 1- or 2-year gap referred to as 'gappers'.

Gap-taking and deferral of university studies are related, but different, phenomena. A student who applies for, is offered and accepts a university place but defers that offer is a deferral. They may become a gapper if they subsequently take up that place or another. If they do not enter university, they do not become a gap-taker. In the past, when there appears to have been a shortage of university places, prospective students applied to university during their final year of secondary school in order to secure a place, even if they planned to defer. It seems now that most gappers only apply for university entrance during their gap year and therefore are not identified as deferrals. This distinction is relevant to the current study because reasons for taking a 'year out' are only asked of deferring students in the Longitudinal Survey of Australian Youth (LSAY) interview, so there is limited information on the reasons for gap-taking. Gap-taking is, to some extent, endogenous under this definition. A student who completed school, found a job, but then decided to go to university rather than continue to work becomes a gap-taker, perhaps without a deliberate intention to take a gap year.

1.2 Previous Research on Gap-Taking

The idea of a 'gap' in other countries is much broader than the definition used in this study. Both Jones (2004) and Hango and de Broucker (2007) accepted gaps of as little as 3 months. Jones also identified intermissions taken during a university course (undergraduate or postgraduate), breaks taken between graduation and seeking employment and breaks taken during employment as 'gap periods'.

Information from the United Kingdom on gap-taking is of limited value in understanding gap-taking behaviour in Australia. In addition to the short and diverse definitions of gaps and the 'gap-year industry' identified in the United Kingdom, the fee structures for higher education are different in Australia, as it has an income-contingent loan scheme (Higher Education Contribution Scheme or HECS) and this may influence students' decisions about gap-taking.

Research on gap-taking in Australia has been localised. For example, Birch and Miller (2007) investigated gap-taking (1 year only) among entrants to the University of Western Australia. They found that 6.3 per cent of entrants between 2002 and 2004 had taken a gap year and reported differences between gappers and non-gappers: gappers were more likely to be female, from an English-speaking background, from a non-metropolitan location and to have a lower tertiary entrance score.

Stehlik (2010) reported on two small-scale studies in one university and in one school. The university study revealed that more women than men had taken a gap year but did not report on other characteristics of gappers. In the school study, in which former students were contacted in the year following school completion, half of the young people were studying in a university or vocational course and the other half were not studying. Of the non-study group, half indicated they were taking a gap year.

Other studies (Hillman 2005; Krause et al. 2005) investigated deferral using national survey data but, as noted above, deferring students are a sub-set of gap-takers. Hillman correctly reported that about 6 per cent of students from the LSAY Y98 cohort had deferred entry into higher education. Her study used data from interviews conducted in 2002 and would not have included all deferring students. Below, I report that about 16 per cent of this cohort was identified as gappers.

Birch and Miller (2007) reviewed previous literature on gap-taking in Australia, including studies undertaken in the 1980s. They reported some common findings; for example, non-metropolitan students and those from English-speaking backgrounds were more likely to take

a gap between secondary schooling and higher education. On other characteristics, for example socioeconomic status (SES), findings from prior studies were inconsistent.

Work as a gap-year activity came under scrutiny as it may have subverted the policy intentions of the YA benefit. Bradley et al. (2008) noted a decline between 2000 and 2007 in the number of students qualifying for YA payments despite an increase in the number of low-SES students entering higher education during this period. However, of those students who do qualify for this benefit, an increasing proportion qualified under 'independence' criteria. They suggested that 'other than low socio-economic status' students might be taking gap years in order to work to establish a claim for YA under independence criteria (Bradley et al. 2008, p. 53). In effect, Bradley et al. raised the concern that the eligibility criteria of YA may have been misdirected, preventing some deserving students from accessing the benefit because of a parental income means test that is too rigid, whilst allowing other less-deserving individuals to qualify for it. The recommendations on YA had particular salience, given other recommendations designed to increase the proportion of low-SES students entering higher education.

In response to the Bradley review, the government announced a suite of changes to higher education, addressing almost all of the recommendations of that review (DEEWR 2009, 2013). Following the changes to funding arrangements, Dow (2011) was commissioned to review the impact of the changes to income support. Dow was broadly supportive of the changed funding arrangements but suggested further refinement of the independence eligibility criteria. The data available at this time do not permit an evaluation of the changes implemented following the Bradley review.

This study examines the incidence of gap-taking by school-leavers over the period 1998–2008. It then compares the characteristics of gap-takers with non-gappers. It examines gap-year activities, especially work and earnings, to investigate the concern raised by Bradley et al. (2008). Finally, it considers the study

completion and initial employment status of gappers and non-gappers.

2. Data and Methods

Four LSAY cohorts are used for some analyses: Y95 (students who were in Year 9 in 1995); Y98 (students who were in Year 9 in 1998); Y03 (students aged 15 years old and attending school in 2003) and Y06 (students aged 15 years old and attending school in 2006). In order to address the issues of characteristics of gappers and non-gappers and earnings during a gap year, data from the Y98 cohort are used.

For each cohort, nationally representative samples of schools, stratified by jurisdiction, school sector and location, are selected. Students are sampled within the selected schools. Details of the sampling processes, the achieved samples and sample attrition are available from the LSAY website: <http://www.lsay.edu.au>.

Two methods are used in investigating gap-taking and the factors associated with it. Tabulations of gap status against a variety of demographic characteristics, including gender, family SES, school sector, academic achievement, attitude towards school and Year 12 results, are presented for each of the cohorts studied. The results of logistic regression modelling of gap-year participation by individual characteristics are presented for the Y98 cohort.

3. Results

3.1 The Incidence of Gap-Taking

The rate of gap-taking has grown substantially, from about 10 per cent for the Y95 cohort to almost one-quarter of the Y06 cohort (Table 1). The majority of school-leavers become direct entrants to university, but this proportion has declined as the incidence of both 1- and 2-year gaps has grown. Reasons for this growth are not apparent. However, during the period under consideration, participation in higher education by domestic undergraduate students has increased modestly (from 519,554 in 2001 to 566,811 in 2008; DEEWR 2013). Such growth

Table 1 The Incidence of Gap-Taking over Four Longitudinal Survey of Australian Youth Cohorts (percentage of commencing higher education students)[a]

Gap-taking status	Y95	Y98	Y03	Y06
No gap	85	78	69	76
1 year gap	7	12	20	22
2 year gap	3	4	5	1
Later entrants	5	5	6	NA[b]
Total gappers (%)	10	16	25	24
Total gappers (N)	366	549	846	753

Notes: (a) Data based on Curtis, Mlotkowski and Lumsden (2012) and Lumsden and Stanwick (2012).
(b) NA denotes not applicable.

might have made the immediate acceptance of a university place less pressing. In addition, the growth in gap-taking coincides with a period of sustained economic growth. The availability of jobs may have encouraged some young people to work before commencing study in order to save for anticipated living expenses. The increase in gap-taking may also simply reflect individual preferences, with perhaps greater knowledge of the gap year as an option.

The data presented in Table 1 are based on LSAY interview responses and since the LSAY program tracks students to about age 25, nothing is known about any study that they may undertake beyond that age (and we know that over 40 per cent of university students are older than 25 years old; DEEWR 2013).

3.1.1 Comparing the Characteristics of Gappers and Non-Gappers

In order to compare the characteristics of gappers with non-gappers, a logistic regression model was developed using gap status as the criterion, with a non-gapper as the reference category. This model was developed using data from the Y98 cohort. Predictors included a range of demographic and school-related variables. These variables and their parameters are shown in Table 2. Variables that were included in the original specification but that were subsequently eliminated were SES, gender and school sector. The retained variables include mathematics achievement at Year 9 and Tertiary Entrance Rank (TER). On both indicators, students who have higher

Table 2 Results of Logistic Regression of Gap-Taking Status on Selected Demographic and School-Related Predictors[a]

Variable	Parameter estimate	Standard error	p-value	Odds ratio of gap-taking
Intercept	–0.9320	0.4952	0.060	
Mathematics score	–0.0336	0.0142	0.018	0.967
Location: non-metro (reference: metropolitan)	0.2828	0.1260	0.025	1.327
Home language: English (reference: non-English-speaking)	0.5997	0.2382	0.012	1.822
Attitude towards school	–0.0169	0.0058	0.004	0.983
TER[b] score	–0.0205	0.0040	<0.001	0.980
YA[c] at school (reference: no YA at school)	–0.2909	0.1341	0.030	0.748

Notes: (a) $N = 2,823$ (470 gappers, 2,353 non-gappers) with 624 cases eliminated due to missing data on predictors.
(b) TER denotes Tertiary Entrance Rank.
(c) YA denotes Youth Allowance.

scores are less likely to take a gap year. Similarly, students with more favourable attitudes towards school are less likely to take a gap year. Consistent with prior research, students from non-metropolitan locations are much more likely to take a gap year than those from large cities. Students whose language background is English are much more likely to take a gap year than those from a non-English-speaking background. Although a direct measure of SES was eliminated from the model, a strong correlate, receipt of a YA payment whilst at school, was retained. Students who receive this payment whilst at school are less likely to take a gap year.

3.1.2 Earnings During a Gap Year

In order to address the concern raised in the Bradley review (Bradley et al. 2008) that YA payments might be mistargeted, the activities of gappers are shown in Table 3 and the earnings of those who worked during their gap year are

Table 3 Main Activity during the 2002 Gap Year: Y98 Cohort

Main activity	Weighted frequency	
	Count	Percentage
Studying full-time	167	32
Working	212	40
Looking for work	10	2
Other	51	10
Unknown	86	16
Total	526	100

shown in Table 4. The most common activities during a gap year are working and studying. Any study activity during a gap year is undertaken in the vocational education and training (VET) system and these students could be using VET as a pathway into higher education. The 'other' category includes unspecific activities such as 'taking a break'. The unknown category includes young people who worked, but whose earnings were not reported.

Of the gappers who worked, their earnings were classified as being either below or above $18,500—the threshold used in the Bradley review as the earnings required to qualify for YA under independence criteria. This threshold was applicable in 2008, so applying it to the 2002 year when the threshold would have been lower ($15,444) has meant that the number of gappers who would qualify is underestimated.

Using these data, it is estimated that 38 per cent of gappers who work or 15 per cent of all gappers could have qualified for YA as independents. However, this analysis does not take into account the SES of gappers. In order to evaluate the targeting of YA payments, it is useful to consider the likelihood of receipt of this benefit. The proportions of students who receive YA, under any criterion, for gappers and non-gappers by SES quartile are shown in Table 5. For both gappers and non-gappers, the proportion of students accessing the YA benefit increases inversely with SES. Gappers are more likely than non-gappers to receive the benefit,

Table 4 Earnings of Gappers Who Worked during Their 2002 Gap Year: Y98 Cohort

Earnings	Weighted frequency		
	Count	Percentage of those working	Percentage of all gappers
Less than $18,500	129	61	24
$18,500 or more	81	38	15
Unknown	2	1	0
Total	212	100	40

Table 5 Students Accessing Youth Allowance by Socioeconomic Status (SES) Quartile and Gap Status: Y03 Cohort

SES quartile	Non-gappers		Gappers		
	Received YA (%)	Enrolment (N)	Received YA (%)	Enrolment (N)	Total enrolment
Low	45.4	326	61.4	57	383
Low–medium	26.1	540	51.9	106	646
Medium–high	17.4	758	47.0	166	924
High	9.0	1,142	41.8	280	1,422
Total	18.9	2,766	46.8	609	3,375

Notes: The proportion of non-gappers and gappers who receive Youth Allowance (YA) as a percentage of the total enrolment of each group by SES quartile. The criterion by which students qualified for YA (dependant at home and parental means-tested; independent, not living with parents; or independent and living with parents) is unknown.

especially higher SES students, although receipt of YA may be endogenous to gap-taking.

3.1.3 Comparing Outcomes of Gappers and Non-Gappers

Course progress and employment status of gappers and non-gappers are compared. Given the later start to their courses and their lower mathematics achievement and lower TERs than non-gappers, it might be expected that gappers are less advanced in their courses and more likely to drop out of their courses. The data in Table 6 reveal that gappers are indeed less advanced in their courses, with more still studying and fewer having completed. However,

the rate of dropping out or changing courses is similar among gappers and non-gappers. It might be tentatively concluded that taking a gap year has not harmed the likelihood of course completion.

There is a clear difference in the employment status of gappers and non-gappers (Tables 7 and 8). Gappers are less advanced in their career progression, being more likely to work part-time rather than full-time, perhaps because a greater proportion of gappers is still studying and it is possible only able to work part-time. Both groups have similarly low levels of unemployment and being out of the labour force.

It is expected that graduates will find employment in professional and possibly associate professional roles. Recent entry

Table 6 Status in First University Course at Age 23 Years: Y98 Cohort

Study status	Gappers	Non-gappers
Still studying	21	10
Completed degree	59	71
Dropped out	7	8
Changed course	3	3
Unknown	10	9
Total (%)	100	100

Table 7 Employment Status of Gappers and Non-Gappers: Y98 Cohort

Employment status	Gappers	Non-gappers
Full-time employment	53	65
Part-time employment	36	25
Unemployed	3	2
Not in the labour force	5	6
Unknown	2	1
Total (%)	100	100

**Table 8 Occupational Status of Gappers
and Non-Gappers: Y98 Cohort**

Occupational status	Gappers	Non-gappers
Managers or administrators	7	5
Professionals	30	46
Associate professionals	6	7
Trades, labourers, service	46	33
Unemployed, NILF[a], unknown	11	10
Total (%)	100	100

Note: (a) NILF denotes not in the labour force.

into the labour market may mean that some graduates have taken jobs at lower skill levels than their qualifications warrant. Some participants (10 per cent of non-gappers and 21 per cent of gappers) are still studying, so their employment may be casual and not related to their intended career. Despite this possibility, the high proportion of both groups in trades, labouring or service occupations is surprising.

In summary, the outcomes of gap-takers are consistent with the hypothesis that having a year out has delayed gappers' progress in their courses and their entry to, and status in, the labour force. The higher occupational status of non-gappers is consistent with their higher TERs and with their more advanced course completion status.

4. Summary and Implications

I find a substantial increase from about 1998 to 2008 in gap-taking among recent school-leavers, from about 10 per cent to almost one-quarter. Whilst I have not sought an explanation for this increase, it does coincide with the greater availability of higher education places and with long-term economic growth and therefore greater employment opportunities. It may simply reflect a change in personal preferences, particularly as the possibility of gap-taking becomes more widely known.

Gap-takers have lower achievement at school and less favourable attitudes towards school than non-gappers. Students from non-metropolitan locations are much more likely than those from major cities to take a gap year.

This is consistent with the higher costs they encounter in higher education study, largely associated with the need to leave home in order to study. Students who received the YA benefit whilst at school were much less likely to take a gap year than those who did not. Receipt of YA is a useful proxy measure of SES, so it might be concluded that low-SES students are less likely than higher-SES students to take a year out of study. Students from English-speaking backgrounds are more likely than those of other language backgrounds to take a gap year. I do not find relationships between gender or school sector and gap-taking.

Gap-takers are less advanced than non-gappers in their courses, with more still studying and fewer having completed their first degree. However, I find no difference in course change or attrition between gappers and non-gappers. These observations are consistent with expectations, although the fact that gappers, having lower TERs, do not drop out of courses at a higher rate than non-gappers may indicate that, for them, the gap year may have conferred a benefit. Gap-takers are also less advanced than non-gappers in their career progression, with fewer in full-time employment, and they are engaged in less prestigious occupations.

Gap-takers are more likely than non-gappers to qualify for YA. About 40 per cent of gap-takers are known to work during their gap year and 38 per cent of them (or 15 per cent of all gappers) would have earned sufficiently to qualify for YA under independence criteria. Finally, and perhaps predictably, gap-takers are less advanced in their studies and careers.

4.1 Limitations

A limitation of this study is that it is based on data of 2008 school-leavers. It thus predates the post-Bradley reforms to higher education. It seems very likely that changes to admission practices in support of low-SES students and to eligibility criteria for YA will influence gap-taking behaviour.

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