

## Media release

### **Mental wellbeing impact of graduate employment delay costs Victoria up to \$100m per year**

A new report from VicHealth and Lateral Economics has found the delay in graduates finding full-time work is having a serious impact on their mental wellbeing, which is costing the state up to \$100 million per year.

The average graduate now takes 2.6 years to find meaningful full-time work – up from just one year in 1986. The report found the mental wellbeing impact of this delay will potentially cause a large cost to the Victorian community of between \$60-\$100million per year into the future.

However, the report also found that up to half of these costs could be avoided by increasing support for young people’s mental wellbeing and social connection.

Key findings include:

- The mental wellbeing impact experienced by young Victorians by the delayed transition costs Victoria up to \$100 million per year
- This equates to a lifetime cost to the economy of \$1.25 billion
- The avoidable portion of this cost is \$30-\$50million if mental wellbeing impacts can be reduced
- Young Victorians also stand to lose up to an additional \$130,000 of lost earnings (in real terms) over their lifetime
- Due to increased rates of unemployment and under-employment, the under-utilisation of young people in the workforce has increased from 19% to 30% over the past decade.

VicHealth CEO Jerril Rechter said the report highlighted the large costs to Victorians associated with the devastating impact of unemployment and underemployment on young people’s mental wellbeing.

“This research shows the transition to full-time work is a really tough time for young Victorians, with many experiencing stress, anxiety and depression as a result,” Ms Rechter said.

“Gone are the days of walking straight out of university into a job being the norm. For most young people it now takes years of churning through insecure and often unpaid work before securing a meaningful full-time role.

“We can’t underestimate the impact this is having on young Victorians’ wellbeing now, but also over their lifetime. The great news is that there’s a lot we can do to improve the situation for many of our young Victorians.

“That’s why VicHealth is looking to work with a range of organisations, such as philanthropists, investors and corporates, to shape a more supportive environment for young Victorians as they start their careers.”

In response to the stark findings, VicHealth has been consulting with a jury of young people on the programs and policies they need to improve their mental wellbeing as they go through this delayed transition to work. One of these young people is 20-year-old law student Amelia Morris.

Although only a year into her five-year law degree Amelia is already experiencing the mental health impact of the pressure to be competitive in the future job market.

“There is huge pressure to do internships and unpaid work placements as well as courses to get you ahead like resume writing and interview courses. It’s really elitist because people who have to support themselves financially or who experience mental health challenges get left behind,” Amelia said.

Before Amelia secured a volunteer position at a community legal centre she was knocked back for 20 unpaid work experience positions. She also recently undertook a two-hour interview process with more than 25 other applicants for a Christmas casual retail job – thousands had applied for the roles.

“It’s so competitive and I’m struggling to cope but I don’t feel like I can drop any of it or I won’t be able to get a job at the end of my degree,” she said.

“It makes you feel like crap if you can’t keep up. I feel like I’m falling apart – it never stops. It’s just so much pressure on people but there’s this attitude in the community that young people who can’t get jobs after uni aren’t trying hard enough.

“We need to look after young people’s mental wellbeing. Young people are killing themselves mentally and physically to do all they can...how can they say we’re not trying?”

Lateral Economics Senior Economist Gene Tunny said the data highlighted the need to tackle the issue now to avoid snowballing costs into the future.

“Young people delayed in starting their career not only face current challenges to their economic and emotional wellbeing but future costs as well,” Mr Tunny said.

“The delay to employment has a significant future impact on the economy. The impact of reduced mental wellbeing is estimated to cost the Victorian economy around \$1.25 billion over the working lives of today’s young people.

“It’s really important we re-think how we best support young people now to avoid these potentially huge economic and personal costs into the future.”

VicHealth and Lateral Economics launched the *Youth Resilience and Mental Wellbeing: The economic costs of delayed transition to meaningful work* at an event in Melbourne today.

To access the full report visit: [www.vichealth.vic.gov.au/programs-and-projects/staying-on-track](http://www.vichealth.vic.gov.au/programs-and-projects/staying-on-track)

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