

The New Economics of Education: Improving young people's learning, and pathways and delivering economic benefits to all

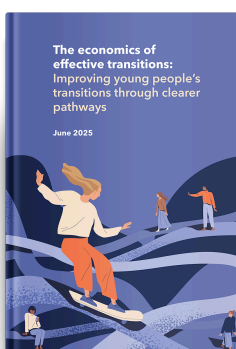
Education is vital to young people's long term health and wellbeing, to their future and our nation's economic and social prosperity. With an ageing population, we will be more reliant on the current generation of young people to finish school, go on to higher studies and enter and stay in the labour market for longer. We are operating at odds to our desired future, our young people are attending school less often, leaving school early, less connected and with lower wellbeing.

We need to do better to ensure more young people thrive during school and in their post school transition.

The economics of education has changed. It isn't enough for young people to absorb and play back knowledge. In the digital age young people also need a broader array of skills and capabilities, to be empathetic and agile thinkers and to draw on their innately human skills to tackle tremendous challenges facing the world they are inheriting. Until recently these capabilities have been harder to measure and assess, and to quantify their impact. But emerging practice and evidence is changing this. We now have growing economic evidence to underpin a new approach.

We commissioned two complementary reports to model the economic benefits of shifting how we credential success at the end of Year 12 and of investing in social and emotional skill development in schools. Together, they demonstrate how broadening recognition of success in senior secondary education can create space to value a wider range of learning within the curriculum - supporting clearer and more inclusive pathways for young people.

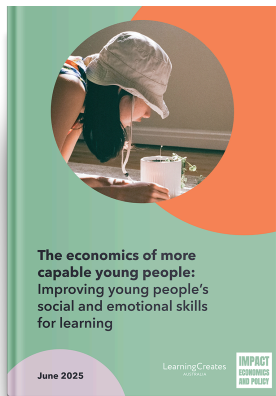
This modelling applies conservative assumptions, and is likely to underestimate the immense returns to individuals and the economy. Nonetheless, it shows the immense economic opportunity to invest in better outcomes for young people.



The economics of effective transitions - Improving young people's transitions through clearer pathways

Across Australia networks of hundreds of schools, education providers and system leaders are broadening how they recognise young people's educational success and improve their pathways. This report models the likely economic impact of rolling out broader, accepted credentials that assist young people to navigate their pathways from school. These benefits include higher skill levels, lower unemployment, and better matching to job opportunities and job retention.

We estimate young people could benefit by up to \$27,200 per annum between the ages of 21 and 30, and the benefits to the broader economy could range between \$2.1 and \$5 billion annually.



[The economics of more capable young people - improving young people's social and emotional skills for learning](#)

Report two looks at what it might take to support more children and young people to engage and thrive in and beyond school. It models one set of capabilities in the curriculum, social and emotional learning, underpin learner engagement, self-regulation and academic success. Other capabilities, whilst important, are not yet supported by a compelling economic evidence base with evidence still emerging. These capabilities are cultivated in the early years, but are of a lesser focus as children progress through secondary school.

Drawing on a depth of studies, we model that the net economic gain for investing in social and emotional skills would be around \$22 billion in lifetime earnings for today's cohort of school children.

The reports that follow discuss each of these approaches, what it will take and the benefits of a new approach to realise the new economics of education. Australia is at the precipice of change as young people are voting with their feet, missing school and leaving early. We need a better return on investment from 13 years in school. The economics of education have changed, and Australia needs to adapt.

Our economic modelling shows how broadening, recognising and investing in young people improves the results we need and our young people deserve.

It's time to act.

The evidence is clear: recognising more of what young people know and can do isn't just the right thing to do – it's a smart investment in Australia's future.

We're calling on governments, systems, and families to champion a broader definition of learning success – one that values academic achievement *and* the full range of human capabilities young people need to navigate a complex world.

We now have the economic modelling, real-world examples, and momentum from schools and communities across Australia leading this change. What they need is support – to grow what works, to innovate, and to ensure no young person is left behind simply because the system failed to see their strengths.

Let's move beyond a narrow focus on the ATAR, and towards a more inclusive and future-fit model of education – one that truly prepares young people for life, learning, and meaningful work.

The economics have changed. Now our education system must too.

We believe in the potential of young people and the power of learning.

learningcreates.org.au/evidence