

Adult Migrant English Program (AMEP) Impact Evaluation Project

Research Paper E: Employment outcomes of AMEP clients (2022)

Executive Summary

- Using linked AMEP–ATO Payment Summary data, this paper investigates the relationship between Adult Migrant English Program (AMEP) participation and employment outcomes over time. While the methodology does not support a causal understanding of the link between AMEP participation and labour market outcomes, it does provide the first insights into the association between the two and suggests that AMEP participation may lead to better labour market outcomes.
- By analysing the labour market outcomes of 177,000 unique AMEP clients over the course of six years, this paper documents the pattern of labour market outcomes by client characteristics and demonstrates how that relationship evolves during the study period.
- The rate of labour force participation increased substantially from the first to the second year of AMEP participation, from 51% to 69% for males and from 46% to 63% for females, before flattening out.
- Total annual wages for AMEP participants began to increase from one year after their AMEP program exit, and steadily increased out to 6-years post- AMEP.
- AMEP clients with better initial English proficiency had better labour market outcomes.
- Overall, AMEP clients improved their labour force participation rates and total income, compared with their status at program entry.

Introduction

The AMEP Impact Evaluation Project helps the Australian Government to better understand the drivers of AMEP participation, and the broader impacts participation have on employment and welfare outcomes for migrants. It consists of topical papers that utilise the broad ranging government information held within the Australian Bureau of Statistics' (ABS) Multi-Agency Data Integration Project (MADIP).

The AMEP Impact Evaluation Project began as a collaborative research initiative between the Department of Education, Skills and Employment (DESE) and the Australian Research Council Centre of Excellence for Children and Families Over the Life Course (the Life Course Centre) in July 2019. Jurisdiction over the AMEP subsequently moved from DESE to the Department of Home Affairs (the Department), making the Department custodians of the AMEP data and the key stakeholder in the AMEP Impact Evaluation Project.

This research paper has been co-funded by the Australian Government in partnership with the Life Course Centre.

Aim of the paper

The aim of this paper is to determine if participation in the AMEP is associated with better employment outcomes.

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Before now, it has not been possible to identify employment outcomes of AMEP clients. Newly linked AMEP–ATO Payment Summary data in MADIP offers a unique opportunity to investigate this research question for the first time.

Results

Information displayed in this paper is derived from linking the Department of Home Affairs AMEP dataset with the Australian Taxation Office (ATO) Payment Summary dataset through MADIP. The AMEP client dataset was submitted into the MADIP for all AMEP clients enrolled from 1 July 2003 to 30 June 2019. There were 403,000 AMEP participants represented in this dataset. The linkage rate between AMEP and Migration data was about 99.4%, while the overall linkage rate for AMEP to the MADIP spine was around 86.3%. Payment Summary data records wage income from all employers for wage earners from 2010-11 to 2016-17 financial years. About 177,000 unique AMEP clients have been matched with Payment Summary data. Results are presented in financial year rather than calendar year, as this aligns with Department reporting around program budgets and the reporting for other MADIP datasets that support this analysis.

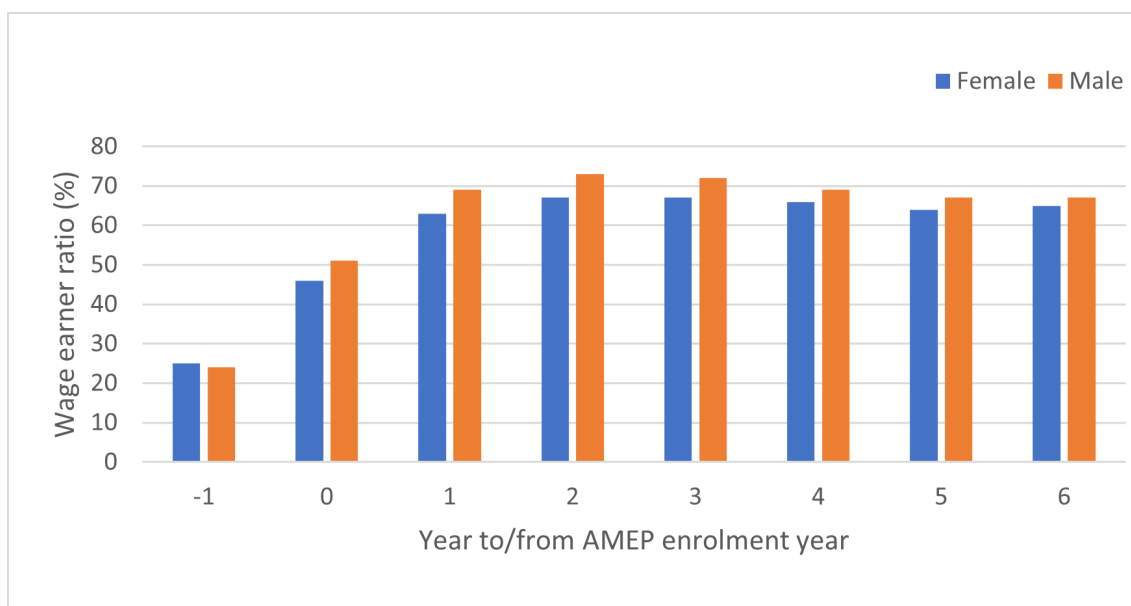
To provide timely preliminary evidence on the effects of AMEP participation on labour market outcomes, we have compared outcomes for the same clients at different points of their participation in the AMEP. As the longest duration of AMEP clients' outcomes that we could reliably observe in MADIP data (i.e., Payment Summary) was six years, and most AMEP clients exited AMEP within three years, to maximize the time that we could observe and compare of outcomes for the same clients, we distinguished two milestones: AMEP enrolment year and observed AMEP exit year. The latter milestone is identified, among those who are recorded as having exited the AMEP, by the last observation of a positive tuition hour in the AMEP data. This observed AMEP exit time was chosen over the recorded AMEP exit time because it captures the actual time spent at the AMEP. For each milestone, we have contrasted AMEP client outcomes by the time (in financial years) to/from this milestone.

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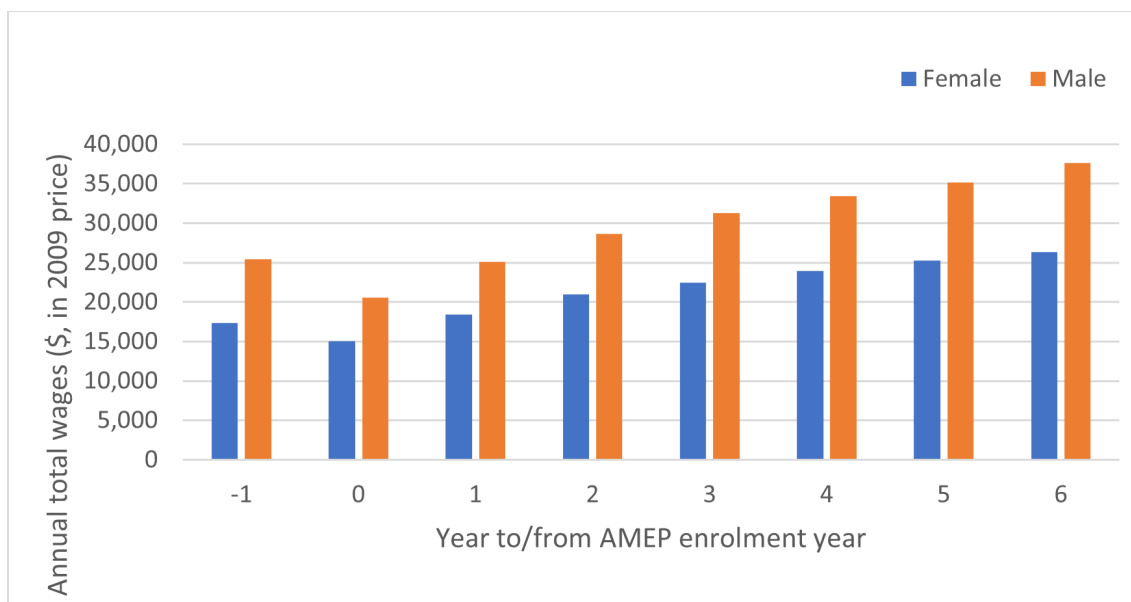
Figure 1 describes labour market outcomes for AMEP clients, as measured by the probability of participating in the labour market as a wage earner and yearly total wages/salaries, by the time to/from their AMEP enrolment year. It shows that the rate of labour force participation increased substantially from the first to the second year of AMEP participation, from 51% to 69% for males and from 46% to 63% for females, before flattening out. Figure 1 additionally represents that real (i.e., CPI adjusted) total remuneration dropped upon AMEP enrolment, but then increased steadily in the years following AMEP enrolment for both males and females.

Figure 1: Linked AMEP – Payment Summary. Labour market outcomes by time to/from AMEP enrolment year

Panel 1



Panel 2



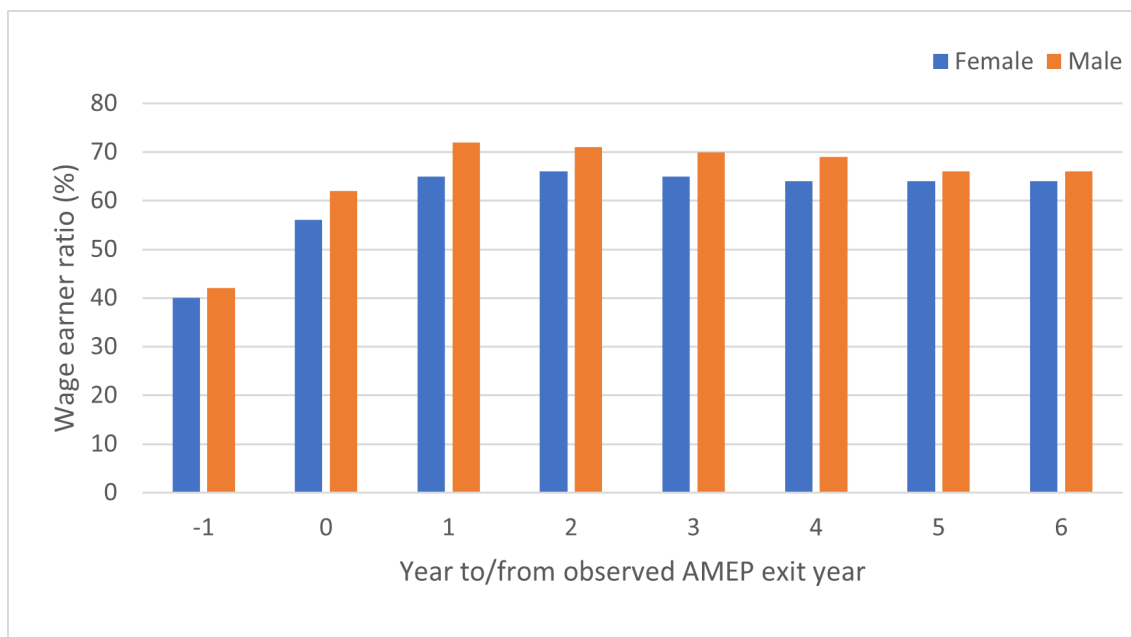
Note: Figures are calculated from about 177,000 unique AMEP clients observed in Payment Summary data during 2010-11 to 2016-17 financial year period. "Wage earner ratio" is the proportion of the number of AMEP clients working for wages over the number of all AMEP clients observed in linked AMEP – Payment Summary data in any given year. Annual total wages are adjusted for Consumer Price Index (CPI), using 2009-10 FY CPI as the base, and are calculated among wage earners only. Year "- 1" refers to the year preceding the client's AMEP enrolment year while Year "0" refers to the AMEP enrolment year. Year "1" indicates 1 year after the AMEP enrolment year and so on.

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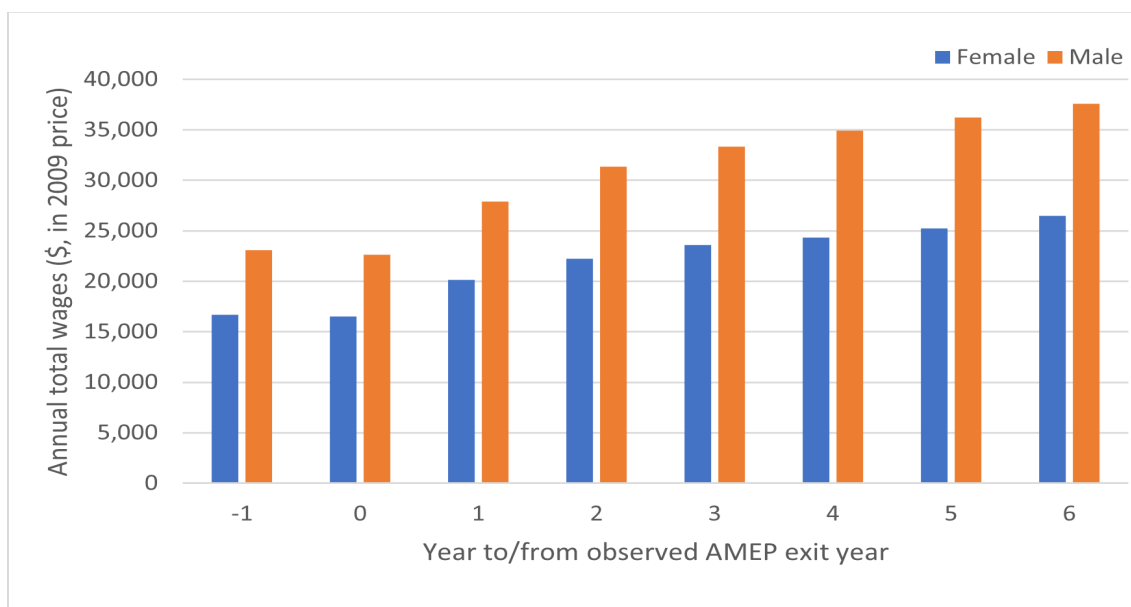
Figure 2 (first panel) shows that the proportion of AMEP clients participating in the labour market as a wage earner increased within two years of their AMEP exit, before stabilising. Figure 2 (second panel) indicates that total annual wages started to increase from one-year post- AMEP program exit and steadily increased out to 6-years post-AMEP. This was especially evident for males.

Figure 2: Linked AMEP – Payment Summary. Labour market outcomes by time to/from observed AMEP exit year

Panel 1



Panel 2



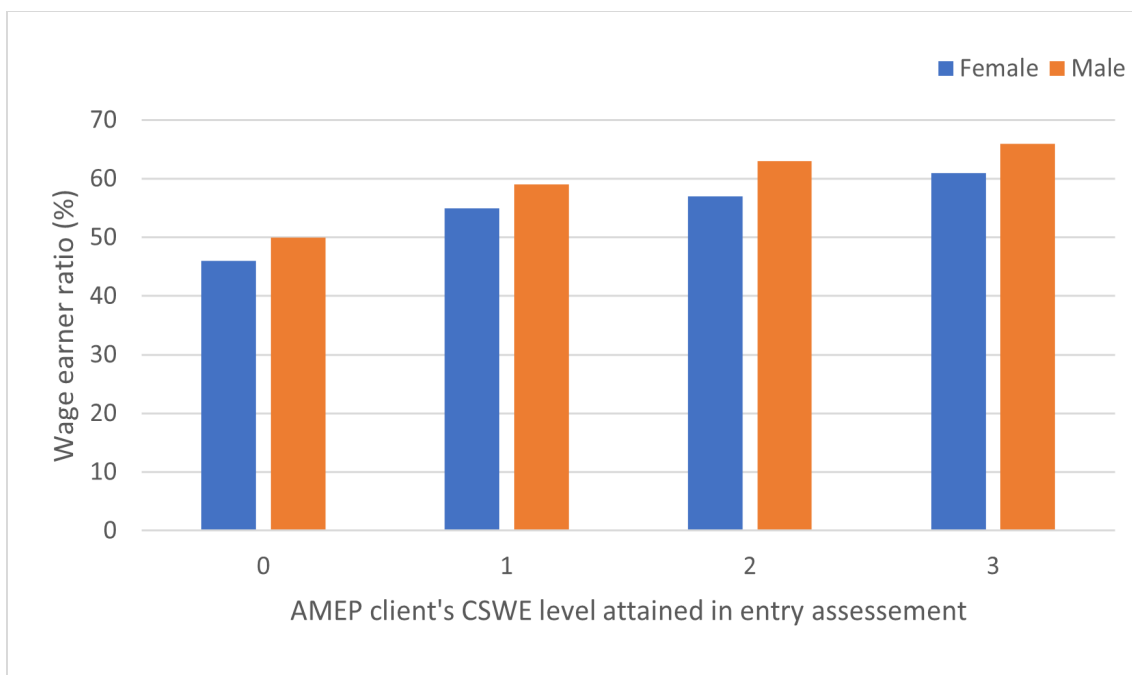
Note: Year “- 1” refers to the year preceding each client’s observed AMEP exit year while Year “0” refers to the observed AMEP exit year. Year “1” indicates 1 year after the observed AMEP exit year and so on. Data: linked AMEP- Payment Summary.

“Wage earner ratio” is the proportion of the number of AMEP clients working for wages over the number of all AMEP clients observed in linked AMEP – Payment Summary data.

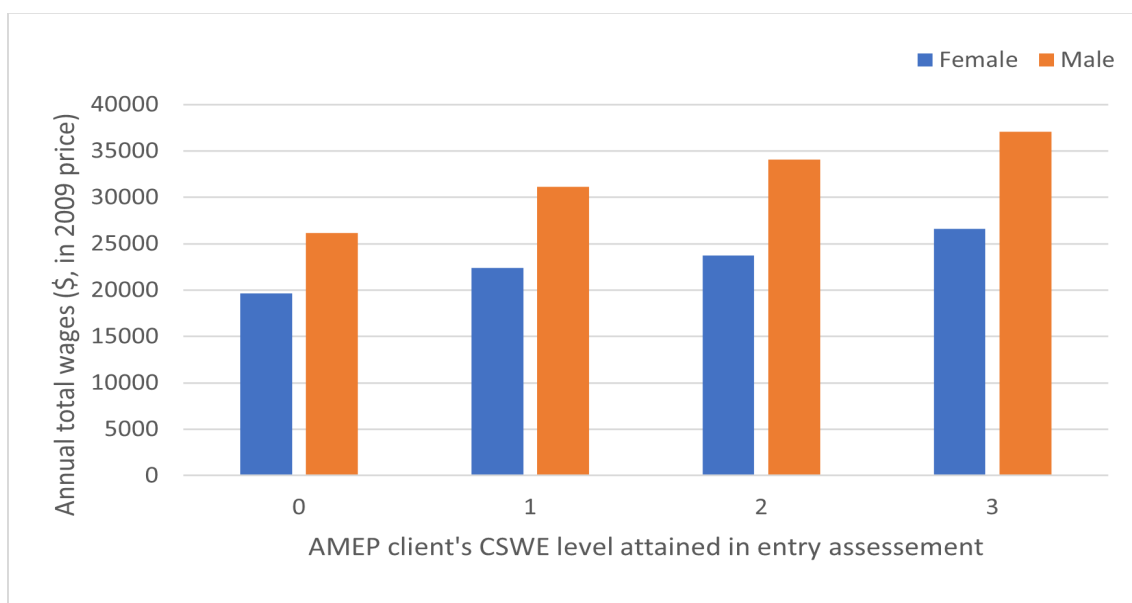
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Figure 3: Linked AMEP – Payment Summary. Labour market outcomes by initial English proficiency levels

Panel 1



Panel 2



Note: Data: linked AMEP-Payment Summary for labour market outcomes. "Wage earner ratio" is the proportion of the number of AMEP clients working for wages over the number of all AMEP clients observed in linked AMEP – Payment Summary data. Annual total wages are adjusted for Consumer Price Index (CPI), using 2009-10 FY CPI as the base, and are calculated among wage earners only. A higher attainment on Certificate in Spoken and Written English (CSWE) indicates a greater level of English proficiency.

Figure 3 shows a clear positive relationship between initial English proficiency levels and better subsequent labour market outcomes, indicating that those with better initial English proficiency were more likely to participate in the labour market and earn more. This evidence, when observed with the pattern of improved English proficiency following AMEP participation (see Research Paper A: *Profile of AMEP clients*), suggests that AMEP may help clients to improve their labour market outcomes by enhancing their English skills.

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Conclusion

Using linked AMEP-Payment Summary data, we have shown that AMEP clients improved their labour force participation rates and total income, compared with their status at program entry. Additional results suggest greater English skills obtained from AMEP participation may have contributed to such improvements in labour market outcomes.

Together, these results suggest the AMEP is effective at supporting improved labour market outcomes for participants, with positive benefits in both employment status and income observed within 12 months of program completion and exit. It is encouraging to note that these observed benefits occur for both male and female AMEP participants, and that they extend for the full 6-year observation window post- program exit, indicating there may be sustained economic benefits of AMEP participation for males and females.

It is noteworthy to observe that greater benefits accrued to those who started AMEP with better initial levels of English proficiency, suggesting there may be a sustained economic penalty for those AMEP participants who have the most limited English proficiency. Future research into factors such as home-language literacy, prior experience in education settings, linguistic distance, and opportunities to practice speaking English outside of AMEP classes, may help shed more light on this observation, providing the available data can support these investigations.

Data notes

1. Breaking down results into male and female is based on gender identity as recorded on the historical data sets used in the analysis presented here. None of these data sources provided gender-diverse identification options at the time of their collection, though most have now been updated to accommodate this for future collections. Therefore, representation of male and female in this paper may be skewed towards sex at birth, and not take into account a person's preferred gender identity.
2. AMEP program impacts have only provided descriptive outputs from AMEP linked to Payment Summary information. To provide deeper insights into program impact, further advanced modelling techniques and possible comparative analysis of outcomes against similar migrants and humanitarian entrants who haven't participated in AMEP would be required.
3. The current linked AMEP-MADIP dataset has incomplete tuition hours information for about 34,000 AMEP clients who enrolled in AMEP before 2011. This missing data issue means that some results may be biased, and care should be taken with interpretation.
4. Figures could also highlight the effect of spending time in a new country and being exposed to a new language.
5. The sample taken includes both English Speaking Background (ESB) and Non English Speaking Backgrounds (NESB) or Culturally and Linguistically Diverse (CaLD) migrants.
6. All client information used in this study was managed in a secure data environment, de-identified and access restricted only to authorised researchers.

Acknowledgment

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