CAREER DEVELOPMENT · EVIDENCE & POLICY

Why Career Development Matters: For People, Communities, and the Economy

David Carney · Executive Director, Career Industry Council of Australia

We talk a lot about skills shortages and workforce challenges in Australia. We talk less about what actually fixes them.

Career development is one of those things that tends to get lumped in with “nice to have,” something schools and universities do on the side, or something people seek out when they're between jobs. That framing sells it short. The evidence tells a different story: good career development delivers returns across three distinct dimensions, personal, social, and economic, and they reinforce each other.

I want to unpack that here because I think the conversation too often stays surface-level.

The personal dimension

At the individual level, career development helps people understand who they are and what they want. That sounds simple, but it's anything but. Interests, strengths, values, aspirations: most people don't arrive at clarity on these things by accident. They get there through structured reflection, quality information, and access to someone who knows how to facilitate the process.

When people have that support, they make better decisions about education, training, and work. They build skills and adaptability for a labour market that keeps changing underneath them. They develop resilience. Not just the bouncing-back kind, but the kind that lets someone navigate a career transition at 45 with some sense of agency rather than panic.

And there's a wellbeing component that often gets overlooked. Self-esteem, motivation, a sense of purpose: these aren't soft extras. They're outcomes that affect how people show up in their work and their lives.

The social dimension

Zoom out from the individual and career development starts to look like social infrastructure. When people are supported to contribute and participate, communities get stronger. When barriers are removed so that all Australians can thrive regardless of background or location, we get closer to genuine inclusion and equity.

There's a youth angle here that deserves attention. Young Australians navigating the transition from school to further study and work are making some of the highest-stakes decisions of their lives, often with minimal support. Good career development changes that equation. It gives them information, context, and confidence at the point where it matters most.

But the need doesn't end at 25. Mid-career professionals face a different set of pressures: industries restructuring, roles being automated, caring responsibilities reshaping what's possible. A worker in their 40s whose sector is contracting needs more than a job ad. They need help understanding what their experience is worth in a different context, what retraining looks like, and how to make a move without starting from scratch. When that support isn't there, people stall. And when enough people stall, whole communities feel it.

Late career matters too, and we rarely talk about it. Australians are working longer, but the systems around them haven't caught up. Someone at 58 thinking about what the next decade of work looks like, whether that's a phased transition, a portfolio career, a shift to mentoring or volunteering, deserves the same quality of career support as someone at 18. The social benefit is significant: experienced workers who stay engaged and connected contribute knowledge, stability, and continuity that communities depend on. Conversely, when older workers are pushed to the margins without support, we lose that contribution entirely.

The mental health connection runs through all of this. People who feel stuck, whether in the wrong job, in no job, or in a course that isn't going anywhere, carry that. It's true at every life stage. Career development that helps people find direction and meaning contributes to better mental health, wellbeing, and life satisfaction. Social cohesion follows from there: people who feel they have purpose and connection are more likely to invest in the communities around them.

The economic dimension

This is where the policy conversation should get interesting, because the economic case for career development is strong, and increasingly well-evidenced.

The OECD's Career Readiness project analysed longitudinal datasets from ten countries, including Australia, tracking young people from age 15 into adulthood. The findings are clear: secondary school students who explored, experienced and thought about their futures in work went on to experience lower unemployment, higher wages, and greater job satisfaction as adults. The project confirmed 11 indicators of career readiness linked to better employment outcomes across multiple countries. That's not a soft finding. That's population-level evidence from longitudinal data, controlled for gender, academic achievement, and socio-economic background.

The cost of getting it wrong is also quantifiable. The OECD's *Getting Skills Right: Australia* report found that around 20% of Australian workers are overqualified for their jobs, above the OECD average of 17%. Workers who are mismatched by both qualification level and field of study face wages around 20% lower than those who are well matched. That's a direct productivity cost: people trained in one area, working in another, earning less and contributing less than they could. More recent analysis from Oxford Economics (2026) estimates that nearly a quarter of Australian workers are overqualified for their current roles, representing a significant hit to the return on the billions invested in tertiary education each year.

Career development is one of the most direct interventions available to address this. When people have access to quality career information and guidance, they make better decisions about what to study, where to train, and how to navigate the labour market. The flow-on effects are better skills alignment, higher

workforce participation, improved retention, and stronger productivity. As a 2023 UK study by Hooley, Percy, and Neary at the University of Derby estimated, career guidance can reach fiscal breakeven for government if it delivers even a modest wage uplift for a small proportion of the working-age population, a threshold that academic evidence suggests is regularly exceeded.

And then there's the investment argument. Career development delivers returns for individuals (better pay, better outcomes), for employers (lower turnover, higher productivity), and for the nation (reduced welfare costs, higher tax revenue, stronger economic growth). It's one of the few interventions that pays for itself across all three levels.

So what's the takeaway?

Career development isn't a nice-to-have. It's infrastructure: personal, social, and economic.

And we should put to rest the idea that career guidance is something abstract or elitist. It is about whether a young person in Taree knows what qualifications they need to work in the local health service. It is about whether a parent returning to work in the Mallee can find out what training options exist within reach. It is about whether regional employers can fill the jobs they are advertising.

That's what career development looks like when it works. When Australians are supported to develop their careers, everyone benefits. We build a fairer, stronger, and more prosperous country.

> *The question isn't whether we can afford to invest in career development. It's whether we can afford not to.*

References

Covacevich, C., Mann, A., Besa, F., Diaz, J. and Santos, C. (2021), *Indicators of Teenage Career Readiness: An Analysis of Longitudinal Data from Eight Countries*, OECD Education Working Papers No. 258, OECD Publishing, Paris. https://doi.org/10.1787/cec854f8-en

Hooley, T., Percy, C. and Neary, S. (2023), *Investing in Careers: What is Career Guidance Worth?*, International Centre for Guidance Studies, University of Derby. https://repository.derby.ac.uk/item/9zx1v/investing-in-careers-what-is-career-guidance-worth

OECD (2018), *Getting Skills Right: Australia*, OECD Publishing, Paris. https://doi.org/10.1787/9789264303539-en

OECD (2021), *Investing in Career Guidance (revised edition)*, jointly published by Cedefop, European Commission, ETF, ILO, OECD and UNESCO. https://www.oecd.org/employment/investing-in-career-guidance.htm

Oxford Economics (2026), *Strategies for Australia's Productivity Growth: How to Address Skills Mismatch for Better Productivity*. https://www.oxfordeconomics.com/resource/strategies-for-australias-productivity-growth/

SUGGESTED CITATION

Carney, D. (2026). *Why Career Development Matters: For People, Communities, and the Economy.* Career Industry Council of Australia. https://cica.org.au

ABOUT THE AUTHOR

David Carney is the Executive Director of the Career Industry Council of Australia (CICA), the national peak body for the career development profession. Learn more at cica.org.au