

# The Power of Potential

Supporting the future of 'NEET' young  
people in the labour market

July 2022



**Prince's Trust**



**HSBC UK**

**Learning and Work Institute**

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Learning and Work Institute (L&W) is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

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## About the Prince's Trust

The Prince's Trust believes that every young person should have the chance to succeed, no matter what their background or the challenges they are facing. We help those from disadvantaged communities and those facing the greatest adversity by supporting them to build the confidence and skills to live, learn and earn.

The courses offered by The Trust help young people aged 11-30 to develop essential life skills, get ready for work and access job opportunities. We support them to find work because having a job or running a business can lead to a more stable, fulfilling life.

Since The Trust was founded by The Prince of Wales in 1976 we have helped more than a million young people across the UK, and three in four of those we supported over the last five years have moved into work, education or training.

We are committed to enabling even more young people to create a better future for themselves. By helping young people today, the benefits for them, their communities and the wider economy will be felt for years to come.

Further information about The Prince's Trust is available at [princes-trust.org.uk](https://princes-trust.org.uk) or on [0800 842 842](tel:0800842842).

## About HSBC UK

This report is supported by HSBC UK. In partnership with the Prince's Trust since 2012, they have helped more than 52,000 young people access skills-training and employment opportunities, including in key sectors such as digital and the green economy.

HSBC UK serves around 14.75 million customers in the UK, supported by 24,000 colleagues. HSBC UK offers a complete range of retail banking and wealth management to personal and private banking customers, as well as commercial banking for small to medium businesses and large corporates.

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# EXECUTIVE SUMMARY

## Context and aims

Young people were hit especially hard by the economic impact of the pandemic. In March 2021, young people accounted for around two thirds of the total fall in employment since the start of the pandemic, and youth unemployment was almost four times higher than the rest of the working-age population. However, following an overall labour market recovery, the challenge is now quite different. The UK faces a recruitment crisis, with employers struggling to hire the staff they need for vital jobs. Despite record levels of job vacancies, employment rates are lower than pre-pandemic and levels of economic inactivity (people not involved in the labour market) have risen.

Although the UK's NEET (not in education, employment or training) rate has recovered from its post-pandemic peak, the number of NEET young people who are economically inactive (not looking for work) continues to rise despite the job vacancies. This means that there is a growing, potentially untapped, resource of young people who risk being locked out of opportunities with long-term costs for them and the country.

This report investigates the characteristics, circumstances and challenges faced by young people who are NEET - both those who are economically inactive and those who are seeking employment, but have been unable to secure jobs. It is based on secondary data analysis of labour market data, a poll of 200 NEET young people and two youth voice activities.

## Key findings

Since its peak after the 2008 financial crisis, there has been a substantial decline in the proportion of young people who are NEET, driven largely by declines in unemployment among both men and women, a rise in young people in education and a decline in the proportion of young women who are economically inactive due to family responsibilities. However, our evidence highlights that economic inactivity for any reason now represents 54% of young people who are NEET compared to 41% in 2011. This has been driven by **a gradual but continual increase over the past ten years in the proportion of young people who are economically inactive due to sickness or disability or who are inactive for 'other' reasons.** Tackling this rise is crucial in reducing the overall numbers of young people who are NEET.

**Mental health has been identified as a substantial barrier to employment for young people who are NEET**, with those who responded to the poll giving mental health problems as the most common reason that they are finding it difficult to find a job or are not currently looking for work. This is reinforced by the data analysis, which found that, out of all young people who are NEET who report a long-term health problem or disability, mental health is by far the most common 'main' condition. **Other important barriers**

**include the job application process, a lack of confidence, a lack of work experience, childcare or caring responsibilities, a lack of flexibility, financial barriers and insufficient training or qualifications.**

**There are stark gender differences in the reasons for young people being NEET.**

Even with the strong downward trend over the last 10 years, young women are substantially more likely than young men to be economically inactive due to family responsibilities. In contrast, young men are more likely to be unemployed, and slightly more likely to be economically inactive due to sickness or disability. **There are also large variations across other groups of NEET young people, including by ethnic group, qualification level and age. A geographical analysis shows strong regional and subregional variation in both NEET rates and reasons for being NEET.** These findings reinforce the pattern of unequal access to opportunities for different groups of young people, which can have a long term scarring effect.

In addition to unemployed young people, a substantial minority of those who are economically inactive would like to work in the near future. In this period of record vacancies, we find that **there are almost half a million NEET young people (484,000) who are able to and want to work.** This highlights the potential opportunity for employers and the country if the right support can be provided to enable them to move into the labour market.

**The most important considerations for NEET young people when choosing jobs is flexibility in hours, location and pay level.** Flexibility in hours is particularly important for young people with a physical or mental health problem. Most young people have aspirations for their future careers, with very few not wanting to find work over the next three to five years. **Young people are most likely to say that they plan to find a job that is flexible and fits with their life and responsibilities, that is well-paid, or is in an area that interests them.**

**Support with social and emotional barriers** is one of the key areas of support identified by young people, which would help them reach their career aspirations. **Opportunities for gaining work experience, support with childcare and caring responsibilities and financial support** were also considered important.

## Foreword

### **Stephen Evans, Chief Executive of Learning and Work Institute:**

*Every young person deserves the chance to make the most of their talents, so supporting the hundreds of thousands of young people locked out of the jobs market is a social justice priority. This will help ensure that opportunity is more fairly distributed, as our research shows that some groups are less likely than others to be able to access jobs, including young people from Black and Pakistani backgrounds and with lower qualifications.*

*It's also an economic imperative, given employers are hiring at record levels but still struggling to fill all their roles. This can't wait - the longer young people are out of work, the more likely they are to drop out of the labour market altogether. With record vacancies, we need to tackle the issues uncovered by our new research to boost growth, improve our public finances, and help every young person reach their full potential.*

*We continue to call on the Government to work with partners to support all young people to access a job, apprenticeship, or a high quality training opportunity.*

### **Jonathan Townsend, UK Chief Executive of The Prince's Trust:**

*At The Prince's Trust we know the immense talent and potential of young people in the UK, when given the right support. It is deeply troubling to see young people who struggle with mental health conditions and debilitating low self-confidence, still feeling locked out of the labour market.*

*By building confidence, skills and supporting young people into work, we can not only improve their quality of life, but can also enable them to positively contribute to our economy.*

*However, in order to create this boost in the economy and to reduce the squeeze on living standards, we need to fill the record number of vacancies. This report uncovers a group of young people who, with the necessary support, can rise to that challenge.*

*At this crucial time policymakers, employers and charities must work together to ensure support is given to those who need it most and to prevent trapping these young people out of the labour market for decades to come, with negative ramifications for them, their communities and the wider economy.*



# INTRODUCTION

## Background

In March 2021, L&W and The Prince's Trust, supported by HSBC UK, published [Facing the Future](#) to highlight the impact of the pandemic on the youth labour market, and the employment prospects for young people after coronavirus.

Young people were hit especially hard by the particular features of the economic crisis. For young people at the start of their careers, changes to the structure of the labour market, alongside physical restrictions, created barriers to entering employment. Alongside this, young people previously in employment found themselves over-represented in 'shutdown' sectors that were most affected by social distancing restrictions and more likely to have been furloughed. In March 2021, young people accounted for around two thirds of the total fall in employment since the start of the pandemic, and youth unemployment was almost four times higher than the rest of the working-age population.

More than a year on from Facing the Future, following an overall labour market recovery, the challenge is quite different. The UK now faces a recruitment crisis, with employers struggling to hire the staff they need for vital jobs. Despite record levels of job vacancies, employment rates are lower than pre-pandemic and levels of economic inactivity (people not looking for work) have risen. Previous L&W analysis shows that there are now 1.1 million fewer economically active people (either employed or unemployed) than if pre-pandemic trends had continued.<sup>1</sup>

Despite its general downward trend since the aftermath of the 2008 financial crisis, the total number of young people in the UK who are not in education, employment or training (NEET) peaked during the pandemic at 807,000 (11.8%) in October to December 2020 - its highest level since 2016.<sup>2</sup> Internationally, while the UK's performance is broadly in line with the EU27 average, our comparable NEET rate (measured for 15-24 year olds)<sup>3</sup> of 10.5% is substantially higher than countries such as the Netherlands (4.3%) or Germany (5.7%), suggesting there are lessons to be learnt from other systems.

Although the UK's NEET rate has recovered from its post-pandemic peak, with the latest equivalent data showing 692,000 young people NEET in October to December 2021 (a rate of 10.2%), the number of NEET young people who are economically inactive continues to rise. This means that there is a growing, potentially untapped, resource of

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<sup>1</sup> Learning and Work Institute (2022). Labour market analysis: February 2022

<sup>2</sup> Office for National Statistics (2022). [Young people not in education, employment or training \(NEET\)](#)

<sup>3</sup> International figures are sourced from Eurostat, which uses a 15-24 age range for NEET statistics. Latest comparable figures are from 2019: [Statistics | Eurostat \(europa.eu\)](#)

young people who risk being locked out of opportunities with long-term costs for them and the country.

### **Aim of this report**

This report from L&W, in collaboration with The Prince's Trust and supported by HSBC UK, builds on the findings of the original Facing the Future report by investigating the characteristics, circumstances and challenges faced by young people who are NEET - both those who are economically inactive and those who are seeking employment, but have been unable to secure jobs, despite record vacancies.

Exploring the profile of young people who are out of the labour market is crucial in informing the UK's policy response to the economic inactivity challenge, supporting employers to meet their recruitment needs and providing the right support for young people to secure employment and build more stable, fulfilling lives.

This report begins by setting out the characteristics of young people who are NEET and how these have changed over time. It then explores reasons for economic inactivity and barriers to employment for NEET young people, their employment and career aspirations, and how they can be supported to meet them.

Although this report focuses mostly on employment outcomes for NEET young people, it is important to note that progression into education is also an important outcome for this group. For example, L&W's Youth Commission identified increased participation in education or training, improved basic skills proficiency and increased Level 3 attainment as key steps to reducing inequalities among young people and improving long term life chances.<sup>4</sup>

### **Methods**

This project has been informed by three main research activities:

**Secondary data analysis** using the Quarterly Labour Force Survey (QLFS), Annual Population Survey (APS) and DWP benefits data. This analysis focused on identifying the characteristics of young people who are NEET and reasons for economic inactivity. The analysis included both pre-pandemic data, and data collected since the beginning of the pandemic.<sup>5</sup>

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<sup>4</sup> Learning and Work Institute, 2021. [Youth Commission](#).

<sup>5</sup> Several different types of analysis were conducted. Time series analysis focused on the period from 2011 to the present, and therefore includes both pre- and post-pandemic data points. Cross-sectional analysis using pooled data (QLFS or APS) is predominantly pre-pandemic, but also includes data from the initial pandemic period (March to December 2020). Benefits analysis is based entirely on pre-pandemic data.

**An online poll of 200 young people who are NEET<sup>6</sup>** aged 16-24, undertaken in May-June 2022. NEET young people are a particularly hard-to-reach group; this poll explores their career aspirations, their considerations when applying for jobs and their support needs.

**Youth voice activities**, including a **focus group** conducted in June 2022 with five NEET young people aged 16-24, and a discussion at the Youth Employment Group's<sup>7</sup> **Youth Voice Forum**. The youth voice activities further explored barriers to employment for young people, their career aspirations and support needs.

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<sup>6</sup> Although the target group of NEET young people was too small to achieve a representative sample, the poll included a good demographic mix including gender, ethnicity, disability and previous work experience.

<sup>7</sup> Prince's Trust. [Youth Employment Group](#).

# CHARACTERISTICS OF ECONOMICALLY INACTIVE YOUNG PEOPLE

This section of the report explores the characteristics of young people who are NEET and how these have changed over time, with a particular focus on those who are economically inactive.

## Overview

Over the last ten years there has been a substantial decline in the proportion of young people who are NEET, since its peak after the 2008 financial crisis. Although proportions have remained broadly consistent over the last five years (with the exception of a peak in the first phase of the pandemic, and subsequent drop in mid-2021), the latest quarterly figures (January to March 2022) show a UK NEET rate of 10.4% compared to 16.2% in the equivalent quarter of 2012.<sup>8</sup>

Young people who are NEET can be grouped into four main categories: unemployed (looking for work) or economically inactive (not looking for work) due to family responsibilities, to sickness or disability, or inactive for 'other' reasons.<sup>9</sup> A fifth group, 'unknown', was also included in the analysis to cover young people for whom there was insufficient data to assign a category.<sup>10</sup>

The latest three year Annual Population Survey data (January 2018 – December 2020) shows that for NEET young people whose reason for being NEET can be identified, over two fifths (43.4%) are unemployed, with the remainder economically inactive. Young people who are NEET are most likely to be economically inactive due to sickness or disability (20.2%). A further 18.9% are economically inactive for 'other' reasons, and 17.5% due to family responsibilities.

As shown in Figure 1, the decline in the proportion of young people who are NEET has largely been driven by a decrease in unemployed young people (both men and women), and a decline in the number of young women who are economically inactive due to family responsibilities. These findings broadly reflect wider economic and societal trends, with a

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<sup>8</sup> Office for National Statistics (2022). Young people not in education, employment or training (NEET), UK: May 2022.

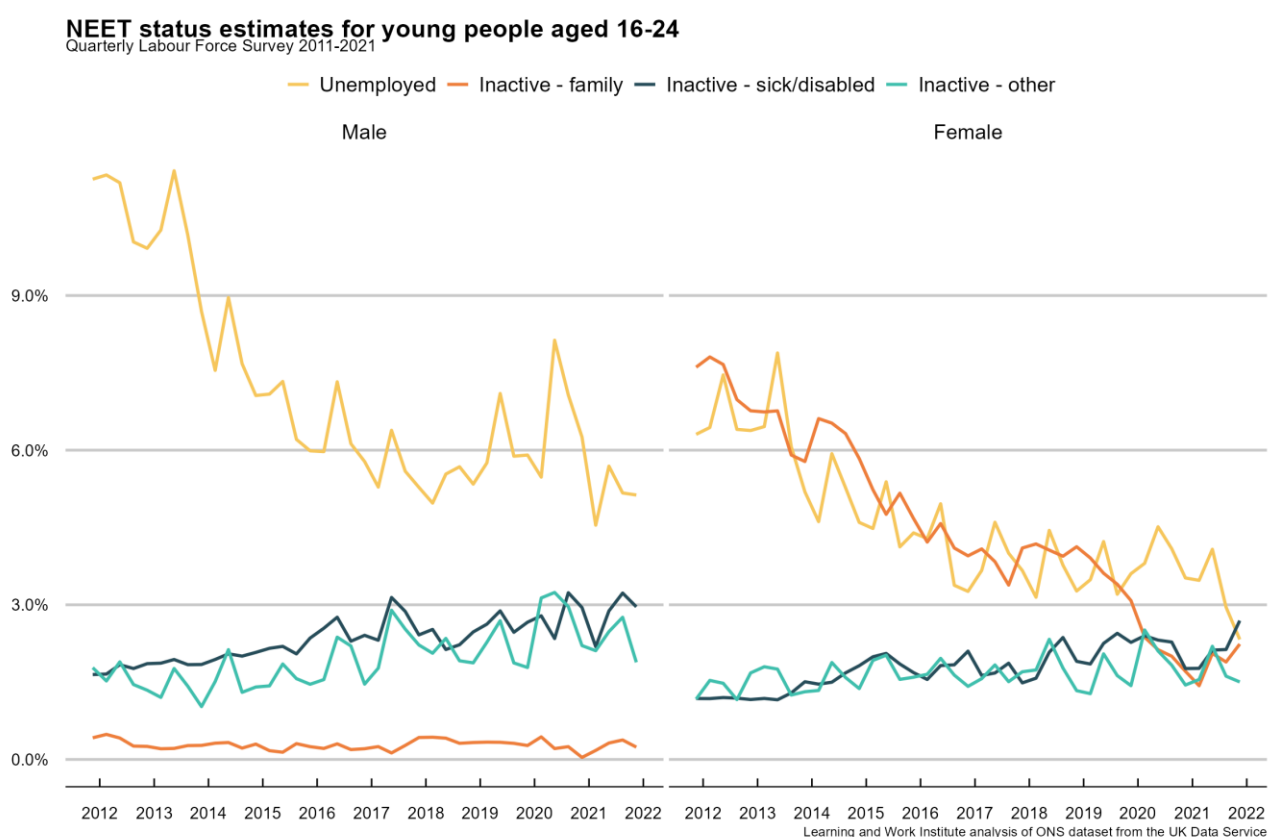
<sup>9</sup> See 'Other' reasons for economic inactivity section. The reason for inactivity cannot be identified for most of those in the 'other' group.

<sup>10</sup> L&W's preferred definition of NEET uses a combination of employment and education variables in the LFS/APS to identify all young people not in any form of employment, education or training. Some individuals are recorded as students in employment variables, but upon analysis of education variables are identified as not in education or training – and so are classified as NEET. LFS/APS variables on reasons for being NEET are based on employment variables only, and so are not available for young people defined as NEET through education variables.

general decline in unemployment since the post-2008 recession peak and increasing average age at birth of first child.<sup>11,12</sup>

However, there has been a gradual but continual increase over the past ten years in the proportion of young people (both men and women) who are economically inactive due to sickness or disability or who are inactive for ‘other’ reasons. Combined, these now account for 4.5% of all young people (compared with an equivalent of 3.9% in 2011), and economic inactivity for any reason represents 54% of young people who are NEET compared to 41% in 2011.

**Figure 1: NEET status by gender, 2011-2021**



## Demographic differences

### Gender

Figure 1 (above) demonstrates the stark gender differences in NEET categories. The overall NEET rate between men and women has remained broadly comparable over the

<sup>11</sup> Office for National Statistics (2022). [Unemployment rate](#)

<sup>12</sup> Office for National Statistics (2022). [Births by parents' characteristics.](#)

past 10 years, albeit with a switch from a higher rate for women in 2011 (17.2% in October to December compared to 15.9% for men) to a higher rate for men in 2021 (with equivalent figures of 9.9% and 11.4% respectively). However, young women are substantially more likely than young men to be economically inactive due to family responsibilities. Even with the strong downward trend over the last 10 years, the latest data shows that young women are 11 times as likely to be inactive due to family responsibilities than young men, with a figure of 2.2% of young women (down from 7.6% in 2011) compared to 0.2% of young men. In contrast, men have generally had a higher unemployment rate than women, with the latest figures showing 5.1% of young men unemployed compared to 2.3% of young women, and are slightly more likely to be economically inactive due to sickness or disability (3.0% and 2.7% respectively).

### **Ethnicity**

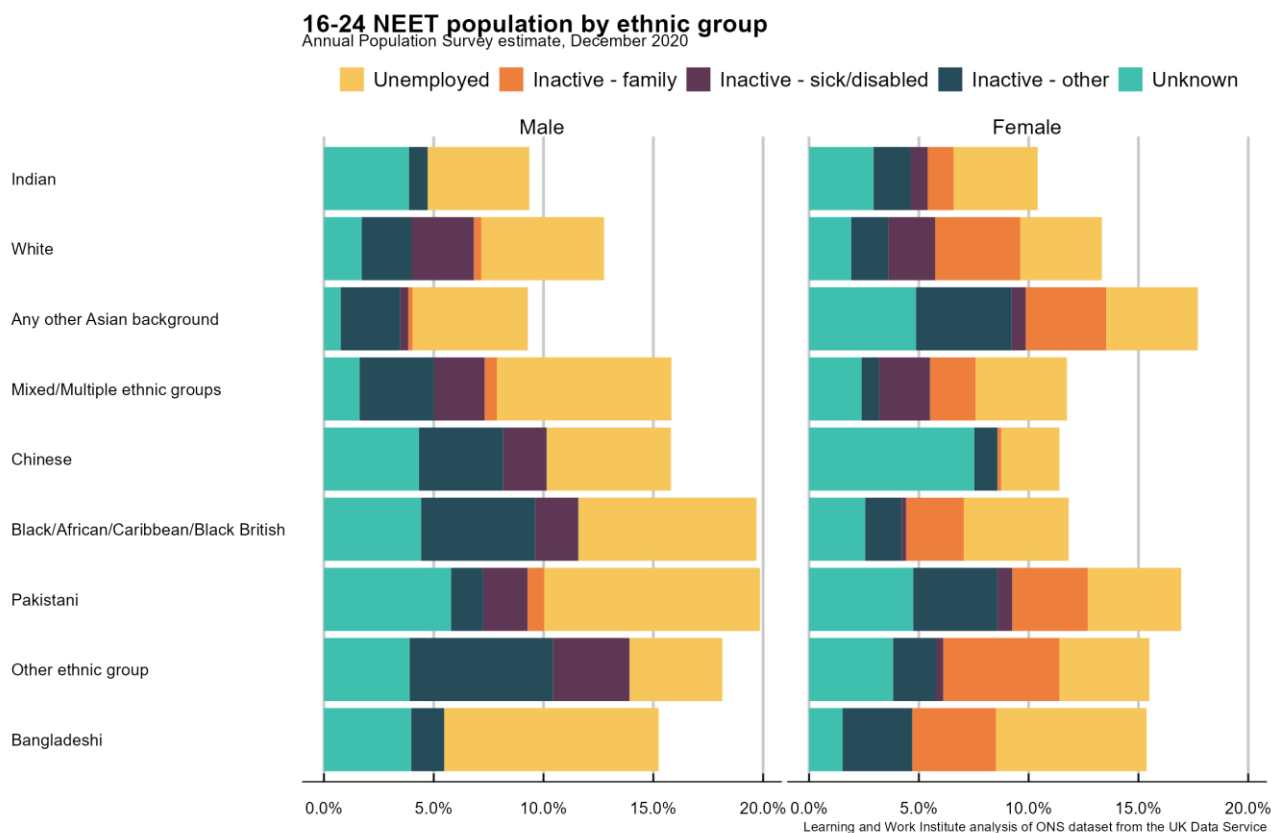
The data analysis found substantial variation between the proportion of young people from different ethnic backgrounds who are NEET, reinforcing broader patterns of disparities between ethnic groups. Although care should be taken in interpreting these results due to small sample sizes<sup>13</sup>, the analysis shows, for example, that young people from Black (15.6%), Pakistani (18.5%) and Bangladeshi (15.4%) backgrounds are over one and a half times more likely to be NEET than young people from Indian backgrounds (9.9%). Young people from white backgrounds have a middling NEET rate of 13.0%.

However, the results also show substantial variation between genders within ethnic groups (see Figure 2), suggesting there is an interaction between gender and ethnicity in terms of NEET status. For example, there are higher rates of economic inactivity for 'other' reasons among young men from 'other' or Black ethnic groups (6.5% and 5.2% respectively). Young women from 'other' (5.3%), Bangladeshi (3.8%) and white backgrounds (3.9%) have high rates of economic inactivity due to family responsibilities, whereas very few young women from Chinese backgrounds are economically inactive for this reason (0.2%) and relatively few young women from Indian backgrounds (1.2%).

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<sup>13</sup> The mean sample size for 16-24 NEET ethnic minority groups is approximately 97, with a range of between 50 and 100 for most groups.

**Figure 2: NEET status by ethnic group, 2018-2020**



## Age

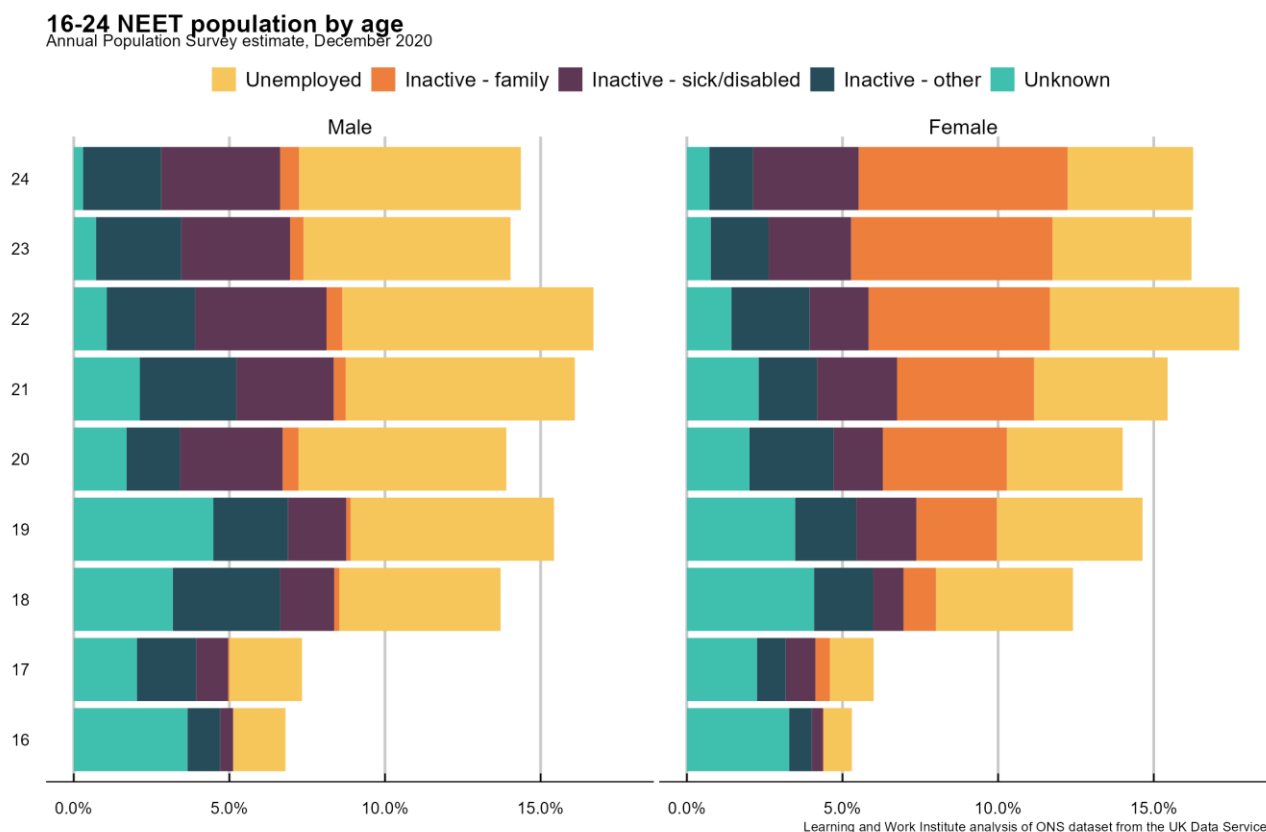
Figure 3 shows a breakdown of NEET status by age and gender. NEET rates are very low for 16 and 17 year olds, since most young people are still in full-time education. For both genders there is a similar broad pattern of the NEET rate increasing with age, from a low rate at age 16 (6.8% men and 5.3% women) to a high at age 22 (16.7% men and 17.7% women).

However, there are substantial differences in the pattern of development of different NEET categories for each gender. Although broadly similar at age 16, from age 17 onwards the proportion of young women who are economically inactive due to family responsibilities starts to increase: women aged 24 are 13 times more likely to be so than those aged 17 (0.5% compared to 6.7%). From age 19 this becomes the main reason for economic inactivity amongst young women, and from age 20 onwards it is the single most common reason for being NEET for young women.

In contrast, young men show a similar (but smaller) pattern of increased levels of economic inactivity due to sickness or disability, which is ten times more likely at age 22 (4.2%) than age 16 (0.4%). However, from age 18 to 24 unemployment remains the

primary cause of being NEET for young men. Although young women also show a general increase in inactivity due to sickness or disability, this is overshadowed by the substantial rise in inactivity due to family responsibilities.

**Figure 3: NEET status by age, 2018-2020**



### Qualification level

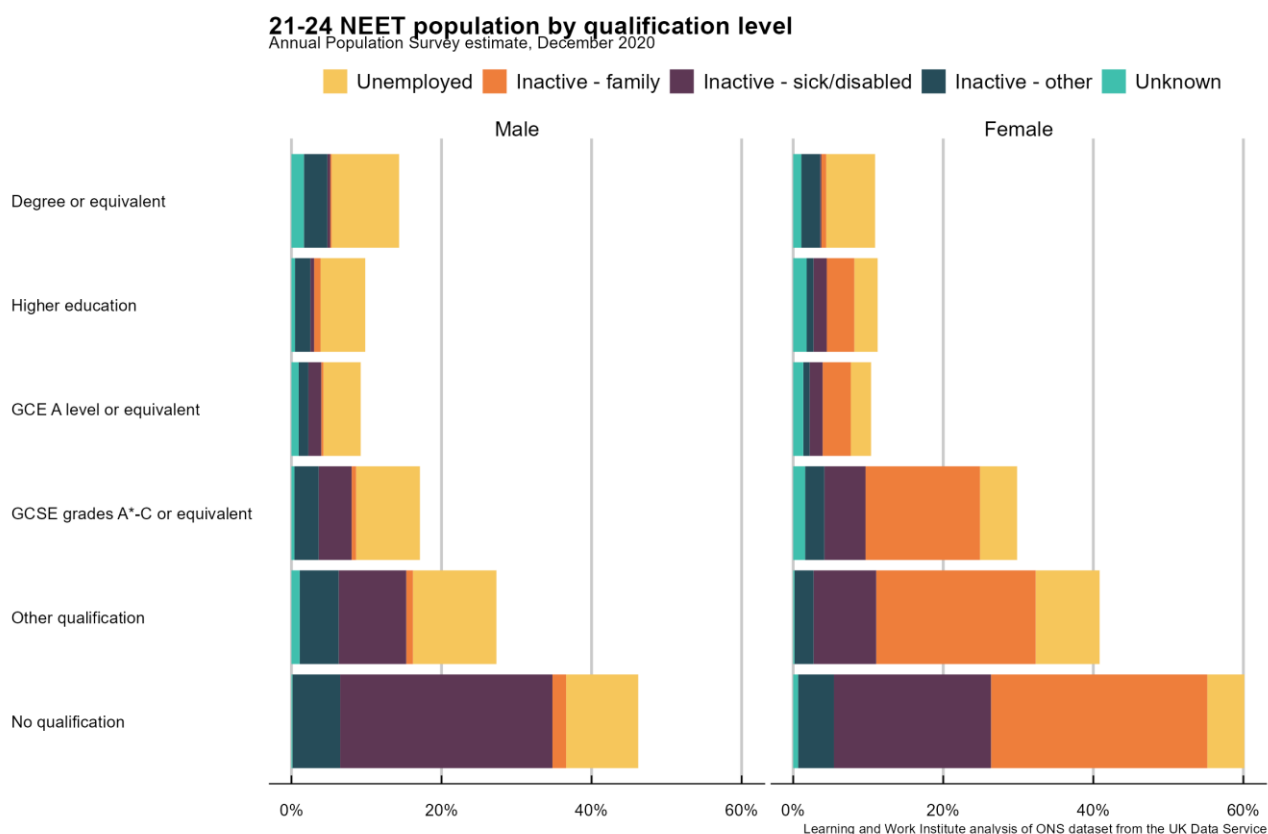
An analysis of NEET status by qualification level (Figure 4) shows that the NEET rate is generally higher for young people with lower qualification levels, with particularly substantial levels for young people with qualifications at Level 2 (five GCSEs or equivalent) and below. For example, the overall NEET rate is 12.4% for young people with degrees, compared to 23.1% for those with Level 2 qualifications, 32.7% with other qualifications and 51.3% with no qualifications. However, it's important to note that there are roughly double the number of NEET young people (aged 21-24) with Level 2



qualifications compared to those with no qualifications (117,000 and 69,000 respectively), and even fewer with other qualifications (53,000).<sup>14</sup>

There is also variation between genders in the pattern of economic inactivity across qualification levels, with particularly high overall NEET rates for young women with low level qualifications. For example, young women with no qualifications are 1.3 times as likely to be NEET than their male peers (60.1% compared to 46.2%).

**Figure 4: NEET status by qualification level, 2018-2020**



## Geographical differences

The data analysis identified substantial geographical differences both in the proportion of young people who are NEET, and in the proportion who are NEET due to different types of economic inactivity. Differences are likely to largely reflect different economic conditions

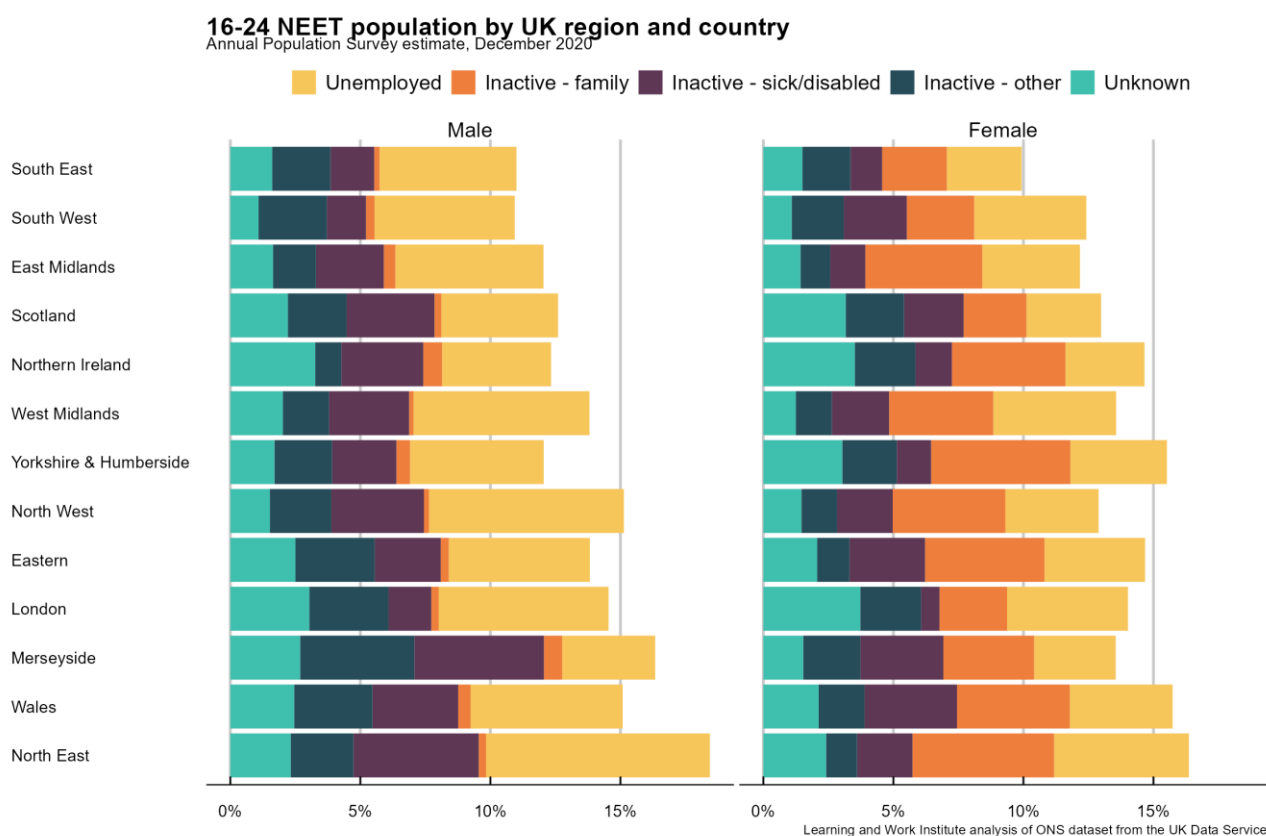
<sup>14</sup> The estimated population of NEET young people (aged 21-24) with degree level qualifications is 127,000, for NEET young people with higher education qualifications it is 22,000, and for young people with Level 3 (A-level) qualifications it is 115,000.

across the UK and reinforce the overall pattern of unequal access to opportunities for young people.

Regional differences are shown in Figure 5. For both men and women, the North East has the UK's highest overall NEET rates collectively (18.4% for men and 16.4% for women). However, for men the second highest NEET rate is in Merseyside (16.3%), whereas for women it is in Wales (15.7%). Scotland and the South East of England both show comparatively lower NEET rates for men and women (with figures of 12.6% and 13.0%, and 11.0% and 10.0% for men and women respectively).

There is even greater variation in reasons for economic inactivity across regions. For example, for young men there are comparatively high rates of economic inactivity due to sickness or disability in the North East of England (3.5%), Merseyside (4.1%) and Wales (3.4%). Similarly, there is a large variation in the proportion of young women who are inactive due to family responsibilities, ranging from 5.4% in the North East of England and Yorkshire & Humberside, to 2.4% in Scotland.

**Figure 5: NEET status by region and country, 2018-2020**

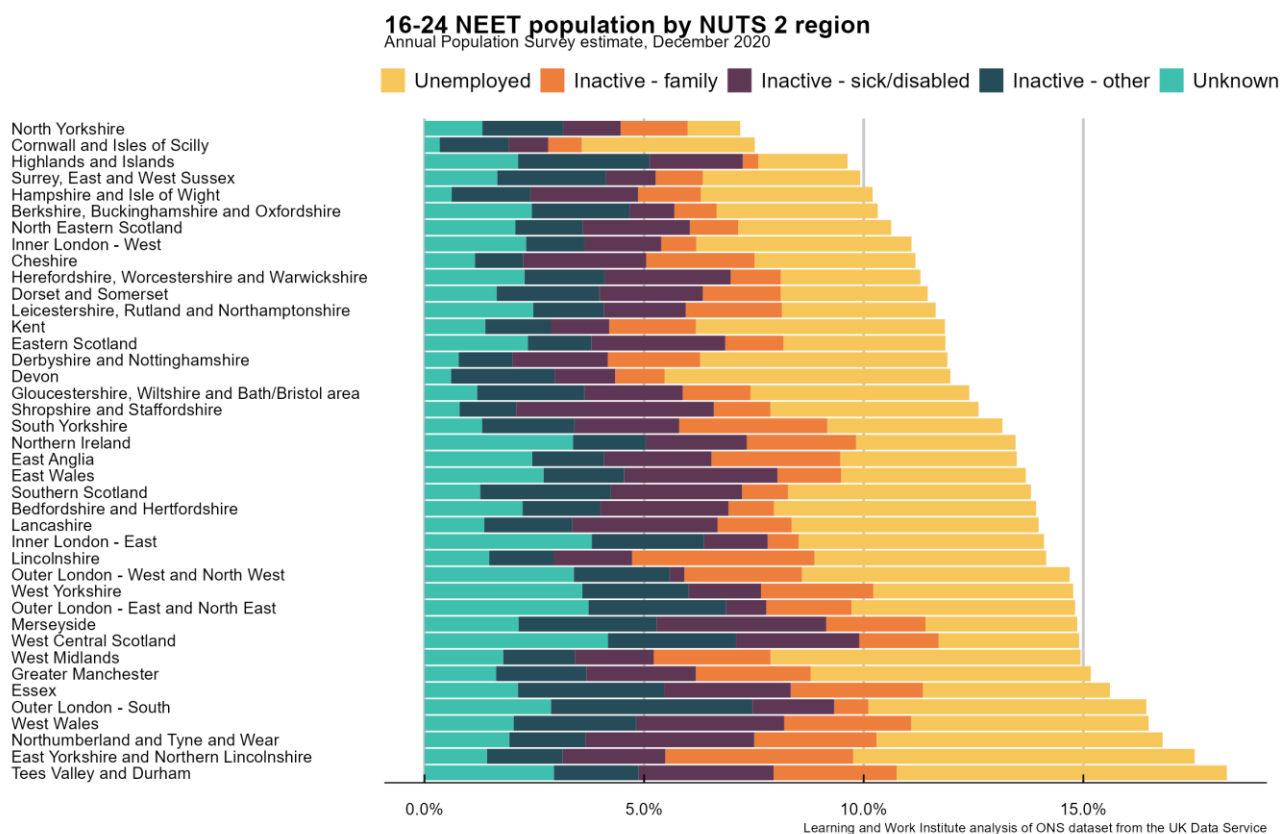


Despite these strong regional differences, a subregional analysis demonstrates no simple regional pattern or divide (see Figure 6). Instead, there is a large degree of variation within regions, with many subregional areas in the South of England showing similar patterns to

those in the North of England (and vice versa). For example, East and North East Outer London has a NEET rate of 14.8%, nearly identical to the NEET rate for Merseyside, which is 14.9%. Furthermore, there is evidence of substantial disparities in neighbouring regions – North Yorkshire has the lowest NEET rate in the UK at 7.2%, while neighbouring East Yorkshire and North Lincolnshire has one of the highest NEET rates in the country at 17.5%.

There is also substantial variation in the reason for being NEET across subregional areas. For example, the proportion of young people who are inactive due to sickness or disability is over 15 times higher in Cumbria and Shropshire (4.7%), compared to West and North West Outer London (0.3%). East Yorkshire and Lincolnshire have over ten times the proportion of young people who are economically inactive due to family responsibilities (4.3% and 4.2%), compared to the Highlands (0.4%), Inner London East (0.7%), Cornwall (0.8%) and Outer London South (0.8%).

**Figure 6: NEET status by subregional area, 2018-2020**



## Experience of employment

The poll showed that just over one half (52%) of NEET respondents had previous experience of paid employment or self-employment, with white young people significantly more likely than those from a Black, Asian or Other minority ethnic background to do so

(59% and 41% respectively). Notably there was little difference in previous work experience between young people with a health problem or disability and those without (54% compared to 55%).

The secondary data analysis also considered length of time since last job and its impact on the employment prospects of NEET young people. Young people who are not in employment are either NEET, or are in some form of education or training. The analysis shows that for young women who are not in employment, the longer the time since their last job the less likely they are to be in education or training, and the more likely they are to be NEET (see Figure 7). For example, 84.0% of women who have been out of work for four to five years are NEET, compared to 62.0% of those who worked within the last three months.<sup>15</sup> However, there is no similar pattern for young men.

For both men and women, rates of economic inactivity are higher and unemployment lower as time since their last job increases. For example, young men whose last job was between four and five years ago are over three times more likely to be economically inactive than those who have worked within the previous three months, with respective figures of 56.6% and 18.1%. These findings highlight that the longer an individual has been out of work, the more likely they are to drop out of the labour market. As shown in other breakdowns, young women are more likely to become economically inactive due to family responsibilities and young men through sickness or disability.<sup>16</sup>

Analysing the data to compare time since last job by NEET status (see Figure 8) shows that young people who are economically inactive due to sickness or disability are substantially more likely to have never had a job (69.4%) than those who are inactive due to family responsibilities (38.4%), unemployed (39.2%), or inactive for other reasons (46.2%). This highlights the substantial barriers young people in this group face to gaining employment. Young people who are unemployed or inactive for other reasons are most likely to have had a recent job, with 16.7% and 14.2% respectively working within the last three months. This is substantially higher than the equivalent proportions for young people who are inactive due to family responsibilities (0.8%), or inactive due to sickness or disability (1.6%).

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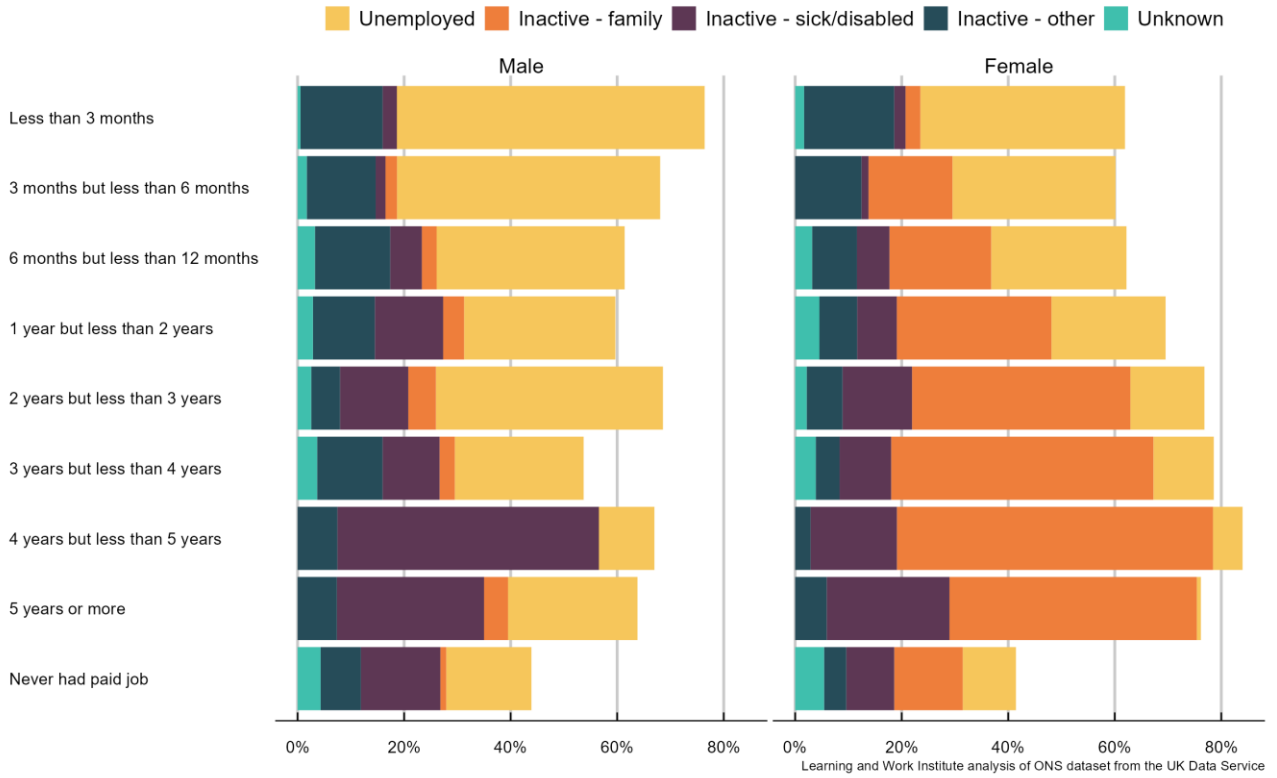
<sup>15</sup> The NEET rates are particularly low for young people who have never had a paid job, as over half of this group are in education or training.

<sup>16</sup> It should be noted that these results may partly be associated with the average increased age of those who are out of work for longer, with the previous age breakdown chart (Figure 3) showing broadly similar patterns. However, these results are more pronounced, and show a decline in unemployment not identified previously.

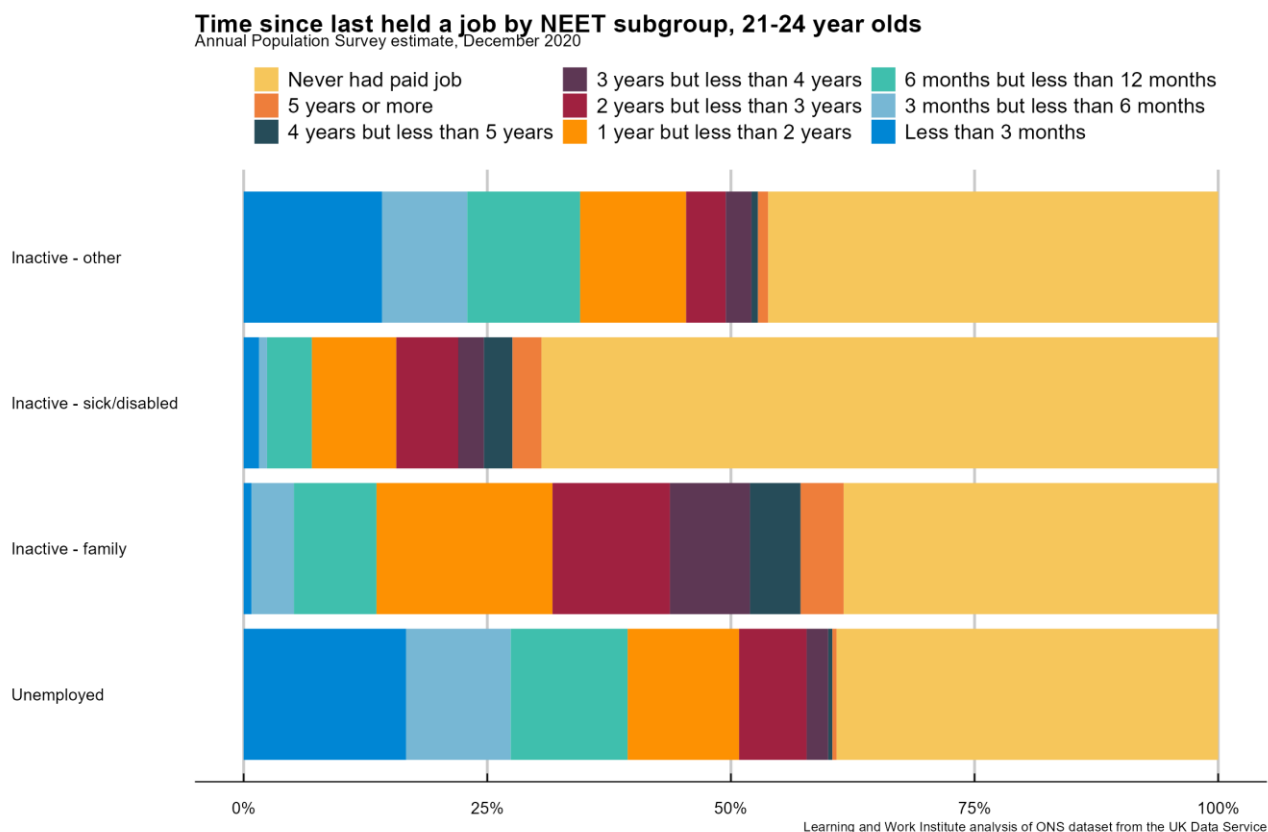
**Figure 7: NEET status by time since last job, 2018-2020**

**21-24 NEET population by time since last held a job**

Annual Population Survey estimate, December 2020



**Figure 8: Time since last job by NEET status, 2018-2020**



The secondary data analysis shows that around a third of economically inactive young people do want to work in the short term, although a majority do not want to (see Figure 9). Of those who want to work, 29% of NEET young people are economically inactive due to family responsibilities, 30% are inactive due to sickness or disability and 41% are inactive for an ‘other’ reason. These findings demonstrate that there are opportunities to re-engage these young people with the labour market. Further research is required to better understand why economically inactive young people may or may not wish to find work, and provide effective support to engage them appropriately.

When the number of inactive young people who would like to work is combined with the number of unemployed young people, we find that there are almost half a million (484,000) NEET young people who are able to and want to work - just over half of the total NEET population.<sup>17</sup> There are particularly high proportions of young men who want to work (59%

<sup>17</sup> This estimate is based on the APS 3-year 2018 to 2020 dataset. This dataset has been used due to its large sample size, which enables a higher degree of accuracy. Although more recent quarterly LFS data is available, the comparatively small sample size results in significantly larger confidence intervals and therefore produces a less accurate estimate.

compared to 46% of young women), and individuals from the older age groups (57% of 24 year olds compared to 27% of 16 year olds).

These findings are supported by the polling, where almost three fifths (58%) of NEET young people said they are currently looking for work and 84% of NEET young people had employment or career aspirations over the next three to five years. Again, there is substantial variation between different groups of young people, with, for example, young people from a Black, Asian or Other minority ethnic background significantly more likely to be looking for work than white respondents (81% compared to 57%). Although young people who consider themselves to have a long-term physical or mental health problem or disability are significantly less likely to be looking for work than other respondents, around one half of this group did say they are currently looking for work (49% compared to 66% of respondents who did not identify any health problems).

As discussed in the next section, a range of support could enable young people to re-engage in the labour market, such as activities that help to build confidence, opportunities for work experience, mental health or disability support and support with childcare and caring responsibilities.

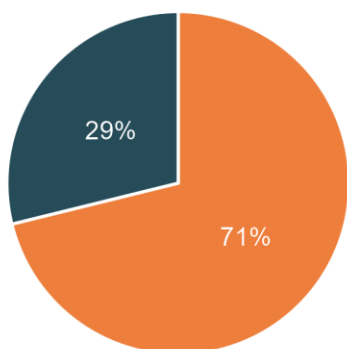
They highlight the potential opportunity for providers, policymakers and employers to work together and help NEET young people into the labour market by providing the right support, which could have a sizeable impact on the current recruitment crisis and boost the economy as a whole.

## Figure 9: Proportion of economically inactive young people who would like to find work, by reason for inactivity

Employment preferences among NEET 16-24 year olds defined as inactive

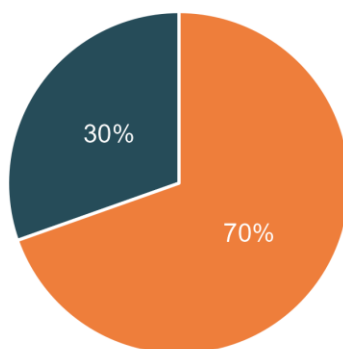
### Inactive - looking after family

APS estimate, December 2020



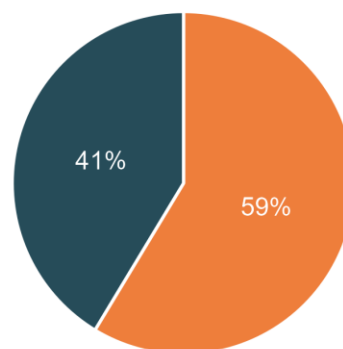
### Inactive - sick or disabled

APS estimate, December 2020



### Inactive - other

APS estimate, December 2020



■ Would like to work ■ Would not like to work  
Learning and Work Institute analysis of ONS dataset from the UK Data Service

### 'Other' reasons for economic inactivity

The bulk of the data analysis has focused on the four main categories of young people who are NEET. However, young people who are defined as economically inactive for 'other' reasons can be analysed further using smaller subcategories, which includes: awaiting the results of a job application; believe jobs aren't available or haven't yet started looking for jobs; do not need or want a job; and those who give another reason or no reason for being economically inactive.

The vast majority (71%) of these respondents give either no reason as to why they were economically inactive or give an 'other' reason that is not coded in the survey. Therefore, the bulk of this group cannot be analysed further through the data. However, roughly one fifth (21%) of those who are economically inactive for an 'other' reason consider themselves to be inactive due to the perception that there is a lack of jobs available in the labour market, or because they have not yet attempted to enter the labour market by seeking employment. This proportion remained relatively stable for most of the last 10



years, but then increased substantially from 2019 onwards – suggesting a fairly recent increase in the numbers of young people who do not feel that there are job opportunities available for them. Although this increase began before the pandemic in 2019, it is likely that the disproportionate impact of the pandemic on young people from March 2020 contributed to its rise. However, while data is not yet available, the substantial news coverage of record job vacancies in late 2021 and early 2022 may reduce the size of this group.

A further 6% of this group are economically inactive because they are awaiting the results of a job application; this implies a small but significant proportion of 16-24 year olds who are economically inactive that are temporarily in between categories.

## Summary

Over the last ten years there has been a substantial decline in the proportion of young people who are NEET, from its peak after the 2008 financial crisis. This has largely been driven by a decrease in the number of young people who are unemployed, and a decline in the number of young women who are economically inactive due to family responsibilities. However, there has been a gradual but continual increase over the past ten years in the proportion of young people who are economically inactive due to sickness or disability or who are inactive for ‘other’ reasons. Economic inactivity for any reason now represents 54% of young people who are NEET compared to 41% in 2011.

There are stark gender differences in the reasons for young people being NEET. Even with the strong downward trend over the last 10 years, young women are substantially more likely than young men to be economically inactive due to family responsibilities. In contrast, young men are more likely to be unemployed, and slightly more likely to be economically inactive due to sickness or disability.

There are also large variations across other characteristics. For example, young people from Black, Pakistani or Bangladeshi backgrounds are over one and a half times more likely to be NEET than young people from Indian backgrounds. The results also show substantial variation between genders within ethnic groups, suggesting there is an interaction between gender and ethnicity in terms of NEET status. There is also variation by qualification level, with the proportion of young people who are NEET due to economic inactivity (of any kind) dropping as qualification level increases. These findings reinforce the overall pattern of inequalities in employment for different groups of young people.

There are substantial geographical differences both in the proportion of young people who are NEET, and in the proportion who are NEET due to different types of economic inactivity. Differences are likely to largely reflect different economic conditions across the UK, and include large variations both between and within regions. Strong subregional variation highlights the importance of locality on NEET status. For example, North

Yorkshire has the lowest NEET rate in the UK at 7.2%, while neighbouring East Yorkshire and North Lincolnshire has one of the highest NEET rates in the country at 17.5%.

In addition to unemployed young people, a substantial minority of those who are economically inactive would like to work in the near future. In this period of record vacancies, we find that there are almost half a million NEET young people (484,000) who are able to and want to work. This highlights the potential opportunity for employers and the economy if the right support is provided to enable them to move into the labour market.

## BARRIERS AND SUPPORT NEEDS

The previous section focused on the proportions and characteristics of young people who are NEET, with breakdowns by broad categories of reasons for being NEET. This section explores barriers to employment – the key reasons for young people being economically inactive or otherwise NEET - in more detail. It also explores the career aspirations of young people who are NEET, and how they can be supported to achieve them.

### Overview

The poll asked NEET young people a series of questions about barriers to employment, career aspirations and support needs. This section provides an overview of responses to these questions. Specific issues are covered in more detail in subsequent sections.

### Barriers to employment

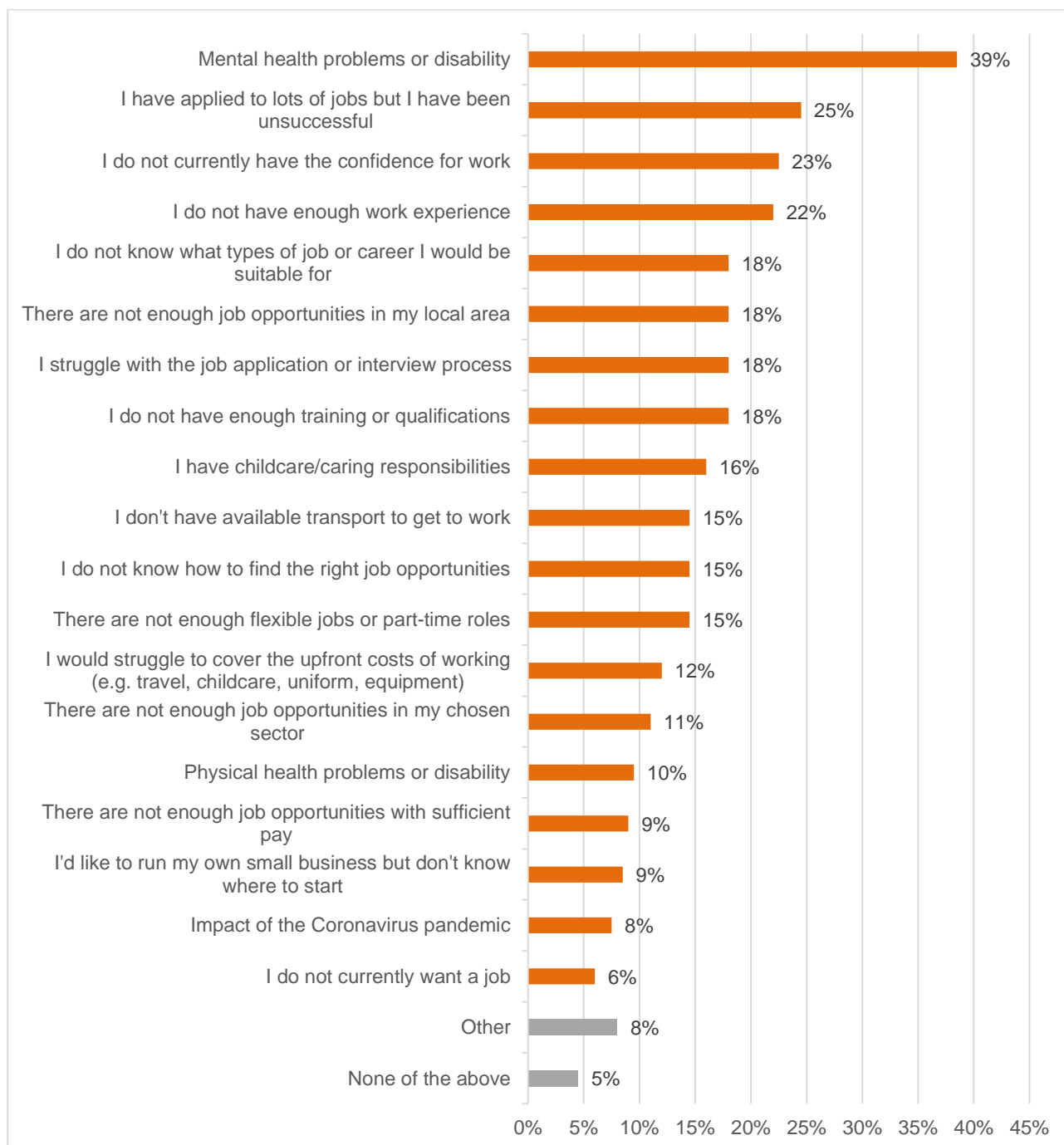
The polling asked NEET young people about the reasons they are finding it difficult to find a job or are not currently looking for work.<sup>18</sup> The most common response, cited by 39% of respondents, was mental health problems or disability (see Figure 10). This was followed by unsuccessful job applications (25%), a lack of confidence for work (23%) and insufficient work experience (22%). Just under one in five respondents said either that they do not have enough training or qualifications; that there are insufficient job opportunities in their local area; that they struggle with the job application or interview process; or they do not know what jobs they would be suitable for (18% each). A further 16% of respondents cited childcare/caring responsibilities, and 15% said either that there are not enough flexible or part time roles, or that they do not know how to find the right job opportunities.

In contrast, relatively few young people said the impact of the pandemic (8%), lack of knowledge as to how to start a small business (9%), a lack of opportunities with sufficient pay (9%) or in their chosen sector (11%) or physical health problems or disabilities (10%) were the reasons behind not being in work.

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<sup>18</sup> Respondents could select multiple answers

**Figure 10: Reasons for difficulty finding a job/not currently looking for work by percentage of NEET young people**

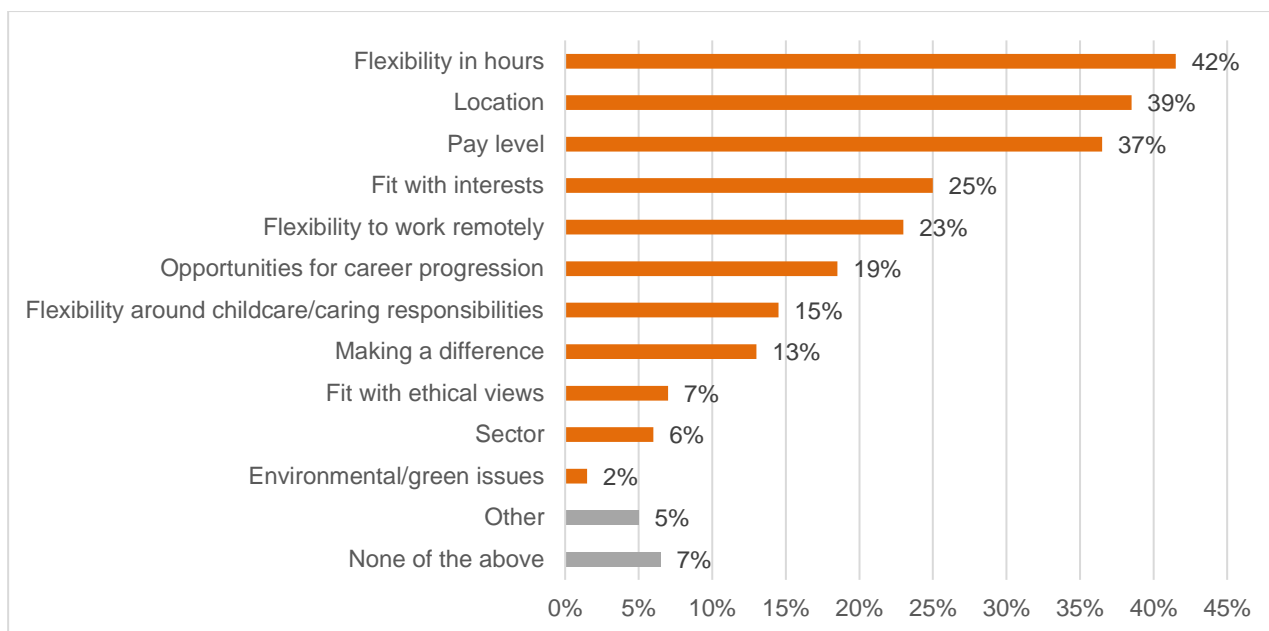


Base: 200

## Considerations when applying for jobs

NEET young people were asked to identify the most important considerations for them when choosing jobs to apply for (see Figure 11).<sup>19</sup> The most common consideration was flexibility in hours (42%), closely followed by location (39%) and pay level (37%). Very few young people who are NEET highlighted environmental/green issues (2%), sector (6%) or fit with ethical views (7%) as important considerations.

**Figure 11: Important considerations when choosing jobs to apply for, by percentage of NEET young people**



Base 200

## Career aspirations

As stated previously, almost three fifths (58%) of NEET young people who responded to the poll say they are currently looking for work and 84% had employment or career aspirations over the next three to five years, with only 6% stating that they didn't want to work. Exploring the career aspirations of NEET young people over the medium term, respondents were asked how much they agreed with a range of statements about their career aspirations over the next three to five years.<sup>20</sup>

Most young people do not plan to find a job in a specific sector or career, with only 4% agreeing with this statement (see Figure 12). Young people were most likely to say that they plan to find a job that is flexible and fits with their life and responsibilities (28%); that is

<sup>19</sup> Respondents could select up to three answers

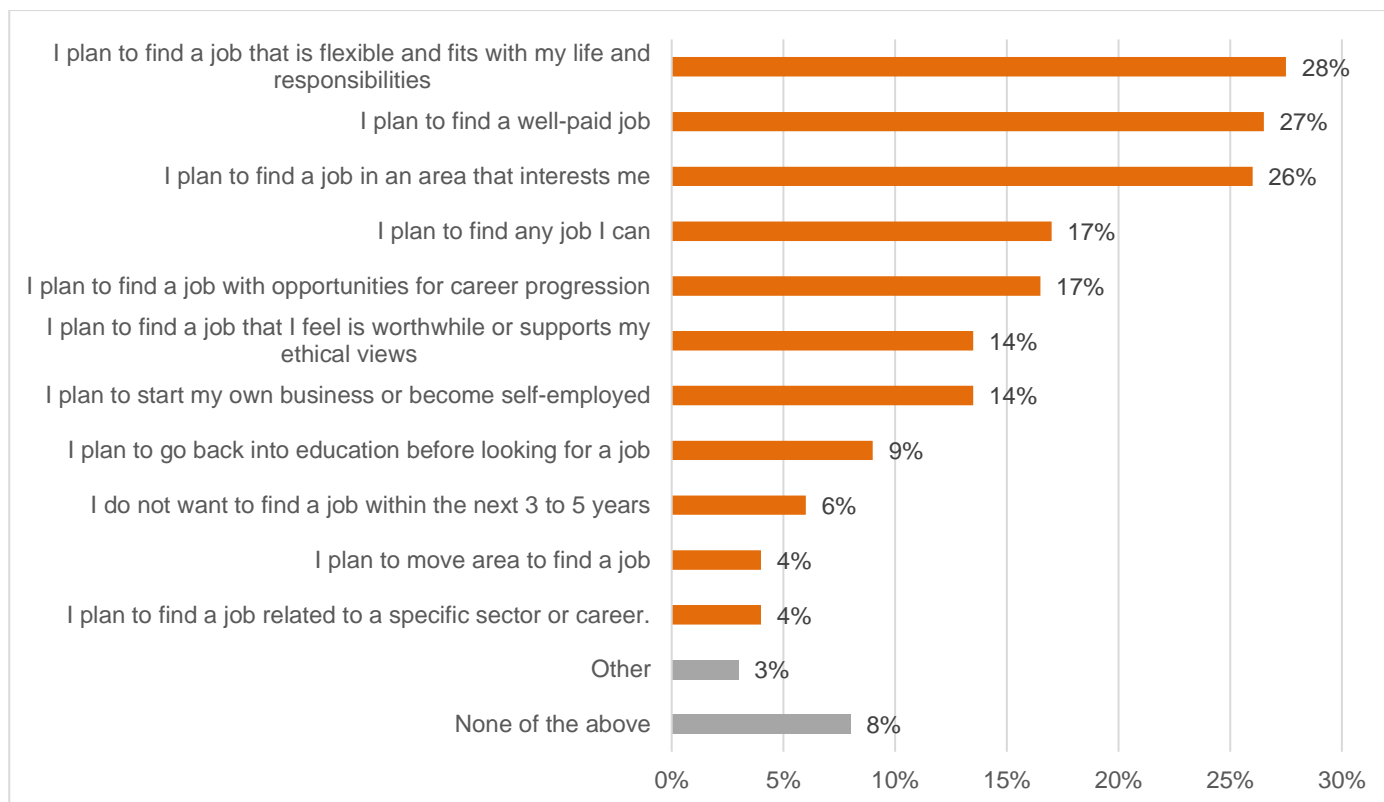
<sup>20</sup> Respondents could select up to three answers

well-paid (27%); and is in an area that interests them (26%). A further 17% plan to find a job that is worthwhile or supports their ethical views.

The same amount, just under a fifth (17%), said that they plan to find any job they can.

NEET young people were least likely say that they plan to find a job related to a specific sector or career (4%), or to plan to move for their work (4%).

**Figure 12: Employment and career aspirations over the next three to five years, percentage of NEET young people.**



Base: 200

Respondents who have previously had a job or been self-employed are significantly more likely than those without work experience to say they plan, in the longer-term, to find a job with opportunities for career progression (22% compared to 10%), and a job that is flexible and fits with their life and responsibilities (35% compared to 18%).

There were some differences in career aspirations between different demographic groups. For example, young women were significantly more likely than young men to say they were looking for a job that is flexible and fits with their life responsibilities (32% compared to 16%).

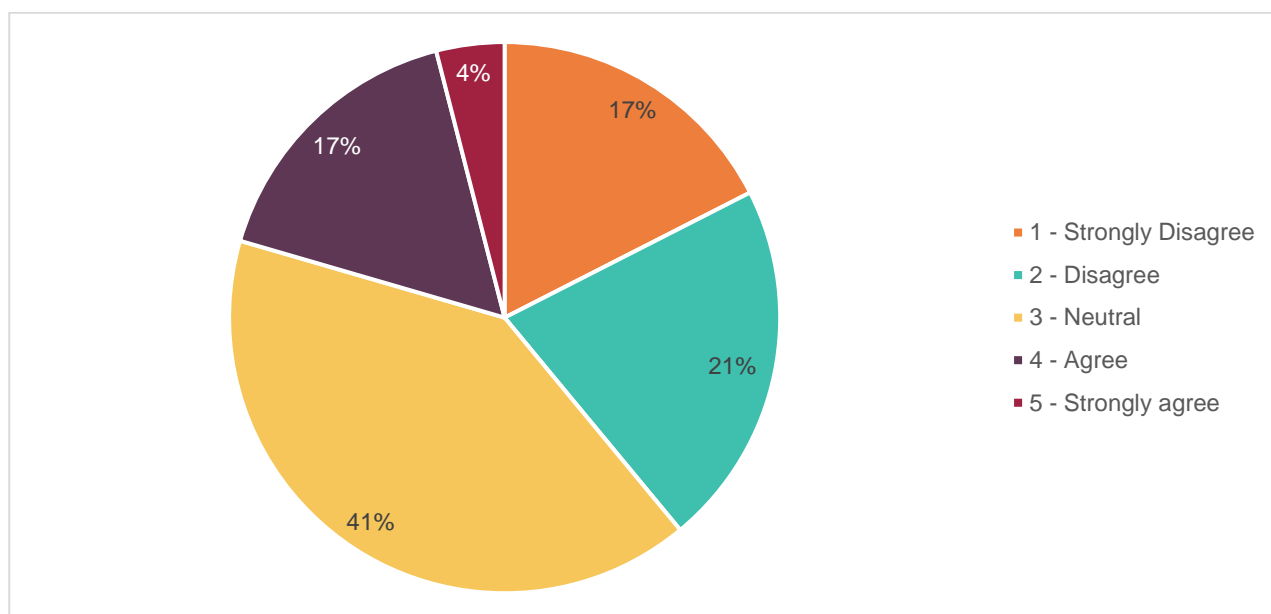
There were also some regional variations. Respondents living in the North of England/Scotland/Northern Ireland were significantly more likely than those in the

Midlands/Wales to say they planned to start their own business (18% compared to 9%). Young people who live in the South of England are significantly more likely to say they plan to find a well-paid job compared to those living in the Midlands/Wales (35% and 20% respectively).

### Education or training

Not all young people who are NEET consider gaining employment as a priority. The polling shows that just over a fifth of polled young people who are NEET (21%) agree or strongly agree that they plan to prioritise education or training in the near future, rather than looking for work (see Figure 13). Although 38% of young people disagree or strongly disagree with this, the largest group were neutral (41%) – unsure whether they would be prioritising education or training in the near future. This suggests that many of these young people are not actively planning the next stage of their education or employment.

**Figure 13: Agreement with statement: I'm planning to prioritise education or training in the near future, rather than looking for work, percentage of NEET young people**



Base 200

### Information and support needs

NEET young people who wanted to find employment in the next three to five years were asked about types of support that would help them to meet their employment and career aspirations (see Figure 14).<sup>21</sup>

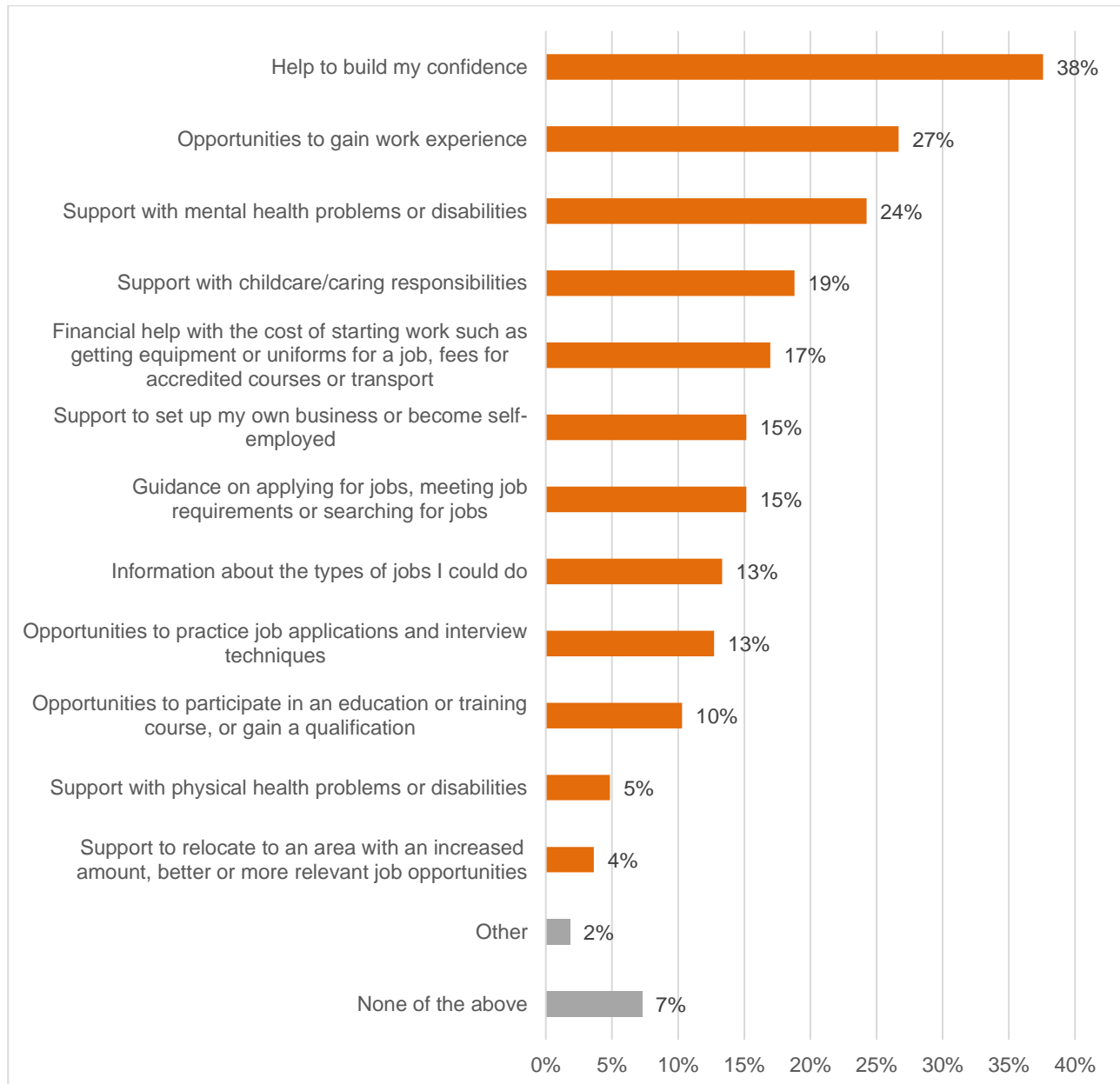
By far the most common response (38%) is support to build confidence. This was followed by opportunities to gain work experience (27%), and support with mental health problems

<sup>21</sup> Respondents could select up to three answers

or disabilities (24%). Almost a fifth of young people (19%) said that support with childcare/caring responsibilities would be helpful. This is followed by financial support with the cost of starting work (17%).

Few young people identified support for relocation in search of job opportunities (4%), or support with physical health problems or disabilities (5%).

**Figure 14: Support to meet employment and career aspirations**



Base: 165



## Staying in employment

NEET young people were asked to consider, if they had a job, what types of support they would find useful to help them to keep the job and succeed in it.<sup>22</sup>

Flexibility was of key importance, with by far the most common response (44%) flexibility in working hours (see Figure 15). Just under one quarter of young people (24%) also mentioned flexibility in working online/remotely, and a fifth (20%) ongoing support with childcare/caring responsibilities.

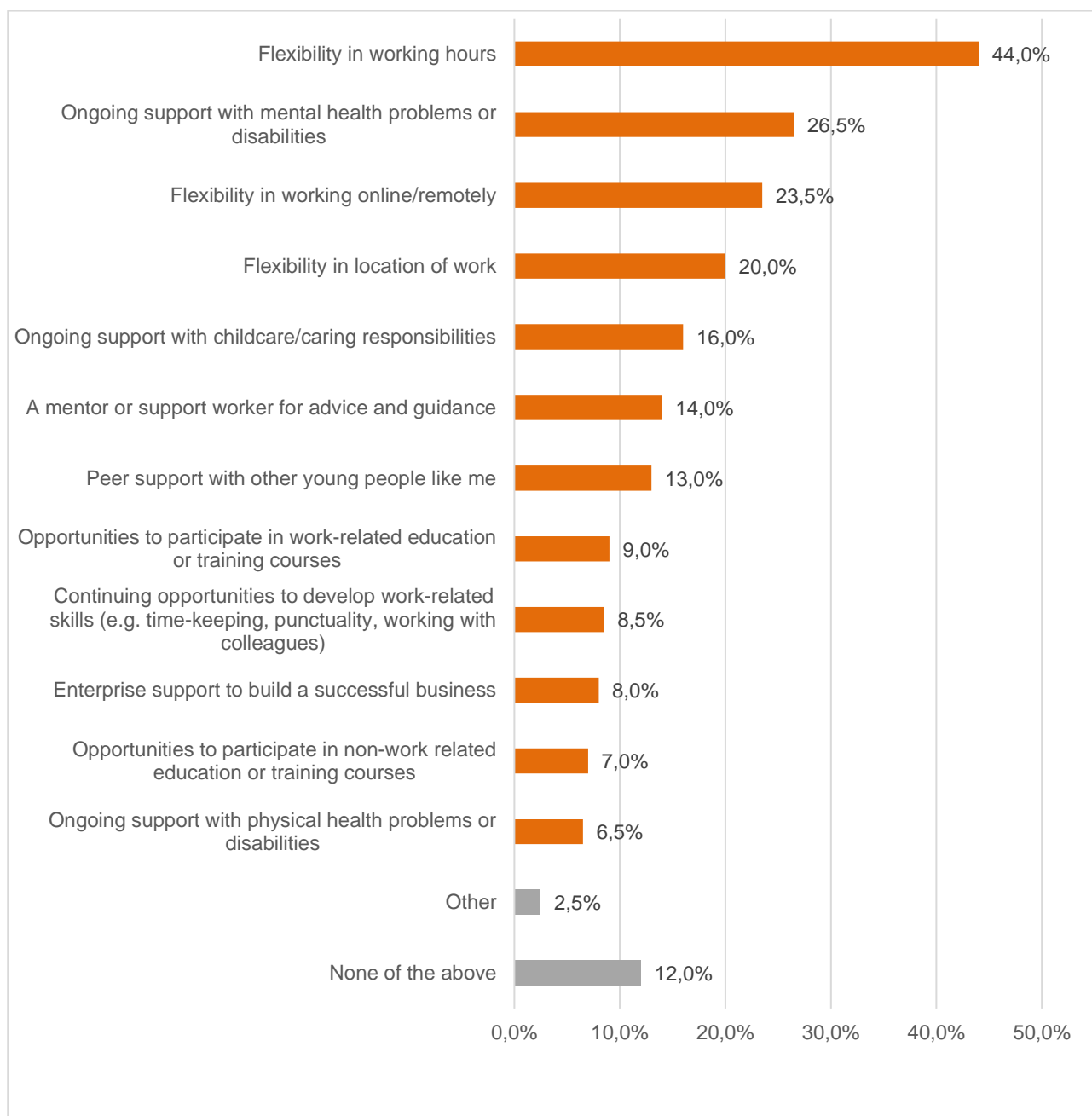
The other main support was with mental health problems or disabilities, cited by more than one quarter of respondents (27%). Fewer young people identified support with physical health problems or disabilities as important (7%)

Mentoring (14%) and peer support (13%) were also identified by more than one in ten young people.

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<sup>22</sup> Respondents could select up to three answers

**Figure 15: Flexibility or support useful to keep a job and succeed in it**



Base 200. Other 3% (5) and None of the above 12% (24) not shown

### Mental health

The research findings show mental health problems to be one of the main barriers to employment for young people who are NEET.

The poll found that a mental health problem was by far the most common reason given by NEET young people as to why it was difficult for them to find a job, or why they weren't looking for a job (see Figure 10). In total, 39% of respondents cited this as a reason.

Amongst young people who report a health problem or disability (physical or mental) this figure was even higher, with two thirds (70%) citing mental health as a barrier to employment (significantly higher than the equivalent figure of 7% for those with no health problem or disability). In addition, young people from white backgrounds were significantly more likely to cite mental health as a barrier than those from a Black, Asian or Other minority ethnic background (43% compared to 19%).

One focus group participant described how mental health barriers linked to this were the main cause of their difficulties in finding work, for example due to anxieties around interacting with others in the workplace. Previous volunteering opportunities had broken down because they had been too anxious to go in to work. They had also experienced a lack of understanding from employers around meeting their needs.

*'I've been really challenged with looking for work and being able to stick with volunteering ... that I've been doing because I do have quite a lot of social anxiety ... so the reason that I find it hard to stick with volunteering opportunities and other things like that is maybe due to the social side of it rather than the actual ability to do the work or not.'* – **Focus group participant**

In addition, employer perceptions had also created difficulties for a participant with gaps in employment due to health problems. Although they continued to be active during periods of being signed off work, for example taking part in volunteering, their experience had been that multiple employers perceived them to be unreliable.

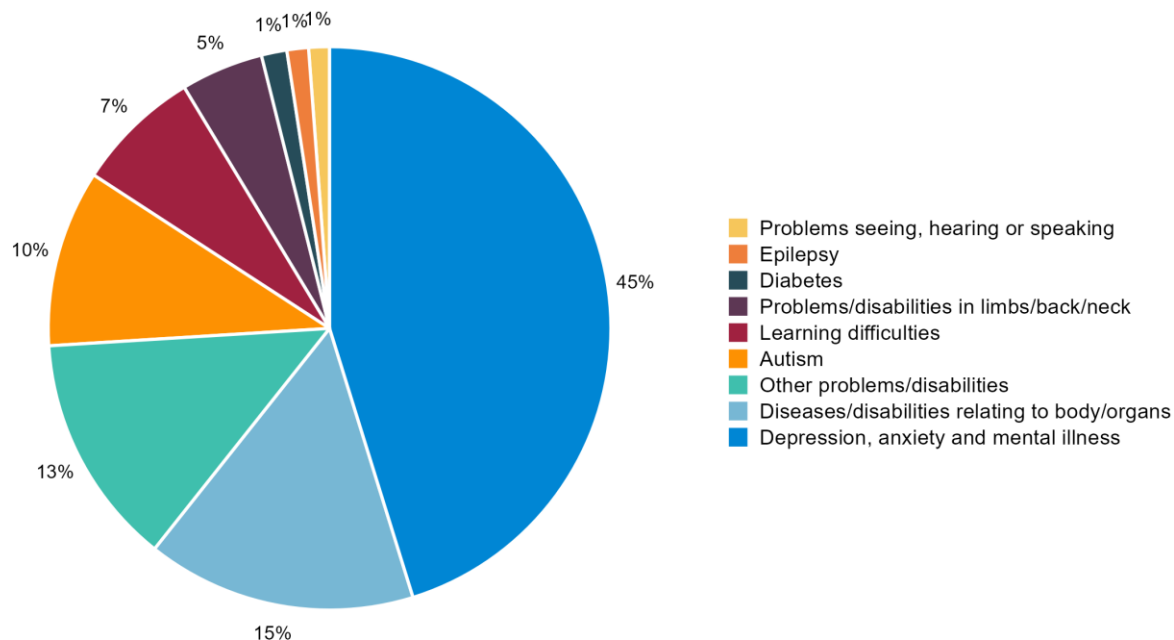
*'...employers noticed that there was a substantial gap in between my jobs and they wouldn't even interview me because they were like, 'Well, you've been... signed off work, are you likely to do it again?' - Focus group participant*

### **Scale of mental health problems**

The secondary data analysis sheds further light on the impact of mental health problems on NEET young people. Out of all young people who are NEET who report a long-term health problem or disability, mental health is by far the most common 'main' condition (see Figure 16); 45.2% report this as their primary condition, compared to 32.3% of all young people who report a long-term health problem or disability. Young women are particularly likely to report mental health problems, with 52.0% of young women who are NEET reporting a long-term health problem compared to 39.2% of young men who are NEET.

## Figure 16: Main health condition of young people who are NEET

Main health condition of NEET 16-24 year olds, of those reporting one  
Pooled Quarterly Labour Force Survey, 2018-2021

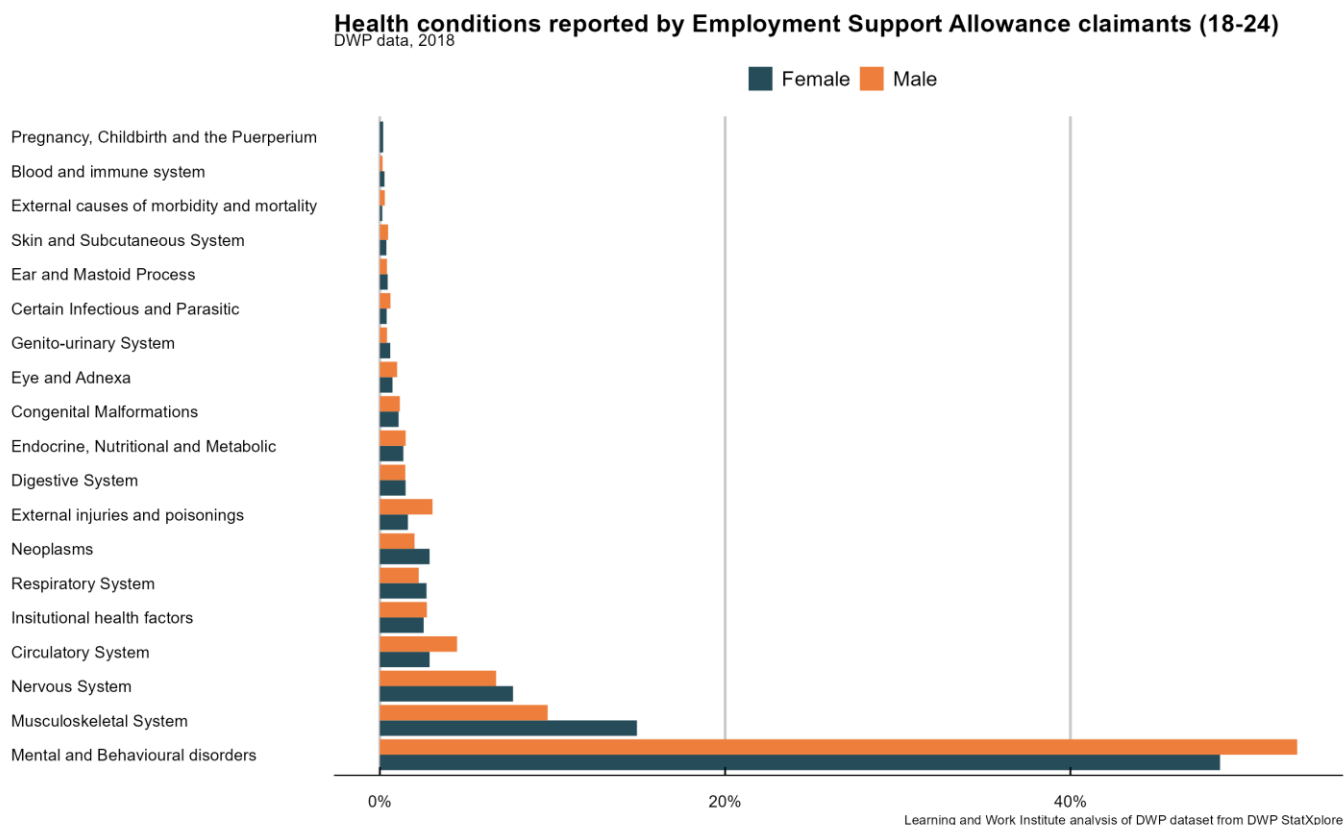


Learning and Work Institute analysis of ONS dataset from the UK Data Service

These findings are supported by an analysis of young people (18-24) claiming Employment and Support Allowance (ESA). ESA can be claimed by individuals with a disability or health condition that affects how much they can work. Although ESA is claimed by relatively few young people (approximately 2.7% of young people were claiming ESA in February 2018),<sup>23</sup> mental health problems are by far the most common health condition cited by ESA claimants, with 53% of young men and 49% of young women doing so in 2018 (see Figure 17).

<sup>23</sup> L&W analysis of DWP caseload data and ONS population data. This analysis uses 2018 data, which is the latest available ESA data with breakdowns by health condition, accessible via [Stat Xplore](#), combined with [ONS 18-24 population estimates](#)

**Figure 17: Health conditions reported by ESA claimants, 2018**



However, a focus on the main health problem may mask the scale of the issue. An analysis of the incidence of any mental health problems (even when not considered the main health problem) using three-year pooled QLFS data shows that 61.0% of young people who are NEET who report a long-term health problem or disability experience mental health problems to some degree, compared with 39.2% of young people who are not NEET. In total, over one in four (25.7%) young people who were NEET over this period experienced some form of mental health problems, compared with 8.5% of young people who were not NEET. Taken together, these findings indicate that mental health problems substantially contribute to the reasons for a young person being or remaining NEET.

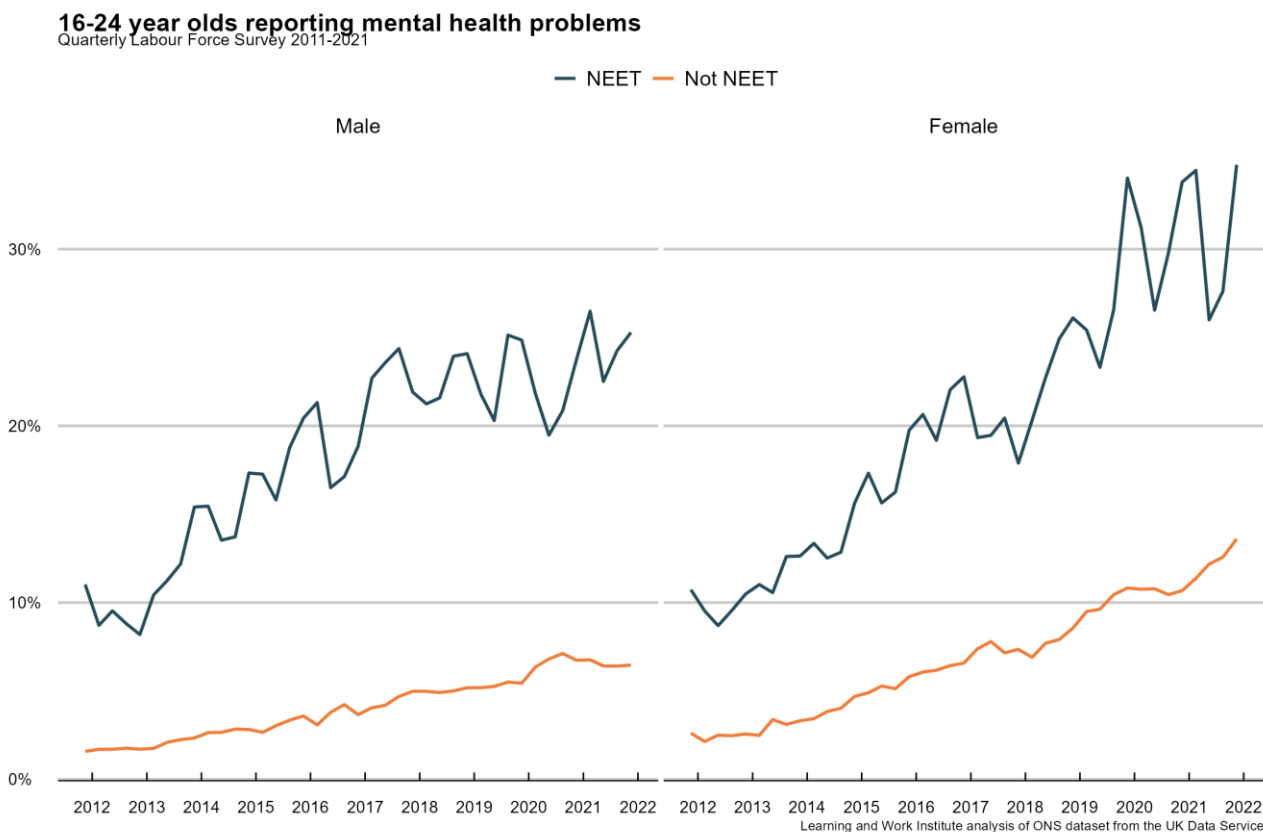
### Trends in mental health problems

Using LFS data, the analysis shows a continuing increase in the incidence of mental health problems among young people overall over the past ten years (see Figure 18). Since 2011, there has been a substantial increase in the proportion of young people reporting (any incidence of) mental health problems. For young people who are NEET, this

has risen from 10.9% in 2011<sup>24</sup> to 29.6%<sup>25</sup> in the latest 2021 quarterly data (October to December). The equivalent rise for young people who are not NEET has been from 2.1% to 10.0%. Over this time period, young people who are NEET have consistently had between a 10 and 20 percentage point higher incidence of mental health problems than young people who are not NEET.

This increase indicates that mental health problems are an increasing issue for all young people, and for young people who are NEET in particular, as well as likely reflecting a reduced stigma in declaring mental health conditions. The increase has been particularly pronounced for young women, with a rise from 10.7% in 2011 to 34.8% in 2021 for young women who are NEET, and from 2.6% to 13.6% for young women who are not NEET.

**Figure 18: Proportion of young people reporting any incidence of mental health problems, 2011-2021**



<sup>24</sup> October to December quarterly data

<sup>25</sup> This figure is different to that cited in the previous subsection (25.7%) as it covers a different time period, and is subject to seasonal fluctuations. It may indicate a slight increase in the latest data, but should be interpreted with caution.

## Confidence

Aside from mental health, the polling also highlighted confidence as a major barrier to employment for young people who are NEET, as the third most common reason (23.0%) as to why it was difficult for respondents to find a job, or why they weren't looking for a job (see Figure 10). There was some regional variation in this, with respondents in the Midlands/Wales (29%) significantly more likely to cite this than those in the North of England/Scotland/Northern Ireland (15%).

The focus group also highlighted confidence as a barrier to employment, with volunteering and soft skills development both discussed as potential routes to building confidence.

## Addressing mental health barriers

The poll identified mental health, and addressing social and emotional barriers to work, as key support needs. When asked what type of support would be helpful in meeting their career aspirations, NEET young people were most likely to say help in building confidence (38%), with almost a quarter (24%) citing support with mental health problems or disabilities (see Figure 14). Unsurprisingly, individuals with mental or physical health problems or disabilities were significantly more likely to report that support with mental health would be useful (42%), although almost a tenth (9%) of young people without health problems or disabilities would still consider it to be useful.

Similarly, NEET young people identified ongoing mental health support as one of the key factors that would help them to keep a job once they had gained employment, with 26.5% citing this (the second most common response; see Figure 15). Again, young people with a physical or mental health problem or disability were significantly more likely (41%) to say that ongoing support with mental health would be useful. However, a reasonable proportion of young people who do not have a health condition or disability would still welcome this type of support (10%). White respondents were significantly more likely to cite this as a support need than those from a Black, Asian or Other minority ethnic background (30% compared to 11%).

Asked more specifically about what support would be useful in terms of their mental health, comments related to employers' knowledge/awareness of mental health and the need for greater understanding and flexibility about this in the workplace.

*'A sense of security in the workplace and reassurance from higher up and co-workers. A form of guidance and help with mental health provided by the work place.'* – **Poll respondent**

*'Companies could also have mental health coaches in place so that if an employee is struggling mentally they can talk to the [mental health] coach and unpack what is stressing them out so much whilst they are at work.'* – **Poll respondent**

*'People with mental health issues such as anxiety struggle to meet new people and feel*

*comfortable in new places, it would be useful if jobs could be completed at home where it is comfortable and not as daunting to go out, which allows for the individual to do a better job.'* – **Poll respondent**

Specific suggestions for support included flexibility to work at home and mental health support in the workplace. Other comments related to making the application process less daunting – *'It shouldn't have to be scary to go to an interview'*. – **Poll respondent**

Support with social and emotional barriers was also a strong theme of the focus group. One young person, who experienced social and emotional barriers to work, felt that one-to-one support from a job coach or mentor would help them to overcome some of their anxieties about the workplace, as well as helping them to keep a job, once they were in employment

*'I think for me it would be to keep having the motivation to go in and keeping a good attitude about work because I feel like where a lot of my volunteering places have broken down is that I can't go in, I'm just too anxious, I haven't got the motivation. I think of all the things that go wrong, and I feel like job mentoring/coaching while I'm at work would be the best thing to do.'* - **Focus group participant**

They also valued the support they currently received in terms of identifying suitable, supportive volunteering opportunities and developing job related life skills to help them to make a successful transition into the workplace. Access to wider social support from young people like themselves was also identified as helpful in overcoming their anxiety. During the pandemic, some of the face-to-face peer groups they had engaged with previously had shifted online and have continued to run virtually. A return to in-person interaction was important for this young person to fully benefit from this type of support:

*'I feel like, having more physical social groups again, like I was part of a book club...that moved onto Zoom online and I really struggled with that because they decided to keep it on Zoom indefinitely. I think it's important to have face-to-face social groups and situations, as well as Zoom ones, if they're necessary.'* - **Focus group participant**

Repeated unsuccessful job applications have had a negative impact on the wellbeing of one participant, leaving them daunted by the prospect of future job search and deterred from submitting further applications. In addition to support with CV writing, applying for jobs and interview skills, the young person would also welcome support to meet their emotional needs, to help to overcome some of the negative feelings they now have around job hunting.

### **Job application process**

The poll findings show that the job application process can be viewed as a barrier to young people who are NEET gaining employment.



A lack of success in job applications was the second most common reason (25%) given by NEET young people as to why it was difficult for them to find a job, or why they weren't looking for a job (see Figure 10), increasing to more than a third (36%) amongst those looking for work. There was some regional variation in this, with respondents in the Midlands/Wales (35%) significantly more likely to cite this than those in the North of England/Scotland/Northern Ireland (21%) or those in the South of England (17%).

In addition, almost one in five polled young people (18%) reported that they struggle with the job application or interview process. This rises to 25% of those currently looking for work. It is also a particular issue for young people who have not previously been in employment, who are significantly more likely to state this as a barrier to finding a job than young people who have previously been employed (23% compared to 14%). Similar barriers were identified in the focus group, with a general awareness among participants of the need to develop their CV writing, job application and interview skills, and that this may impact on their chances of success in getting a job.

It is notable that a substantial minority of polled young people (25%) agree or strongly agree that there is no point in them applying for jobs, as they don't think they will be successful.

There are also barriers linked to young people's knowledge of suitable careers, with 14.5% of all polled young people and 26% of those looking for work reporting that they don't know what types of jobs or careers they would be suitable for. This is a particular issue for young men, who are significantly more likely to cite this as a barrier (25%) than young women (15%). In addition, almost one fifth of polled young people (18%) perceived that there were insufficient job opportunities in their local area, rising to 27% amongst those currently looking for work.

### **Support needs**

A reasonable proportion of polled young people considered support with job searching and applications to be useful in meeting medium term career aspirations (see Figure 14). For example, 15% of respondents thought that guidance on applying for jobs, meeting job requirements or searching for jobs would be useful, 13% that opportunities to practice job applications and interview techniques would be useful and 13% information about the types of jobs they could do.

However, respondents from a Black, Asian or Other minority ethnic background were significantly more likely than white respondents to identify a need for information about the types of job they could do (25% compared to 12%) or to say that opportunities to practice job applications and interview techniques would be helpful (29% compared to 10%).

Respondents who have not previously had a job or been self-employed were also significantly more likely to say that guidance on applying for jobs, meeting job

requirements or searching for jobs would help them to meet their employment and career goals (24% compared to 9% of those with previous experience of employment).

Several participants in the focus groups said they would welcome support with looking for work and to develop skills including CV writing, applying for jobs, interviews skills. A member of the Youth Voice Forum described how young people need access to good quality careers advice to better understand and explore their options.

*‘...So if the government per se was investing or charities were investing in educational consultant[s] that could actually sit down and talk to people about potential paths that they could take that are not necessarily linear I think that would be much more effective’ – Youth Voice Forum attendee*

### Work experience

A lack of work experience was identified as a substantial barrier to employment for young people who are NEET. It was the fourth most common reason given by NEET young people as to why it was difficult for them to find a job, or why they weren't looking for a job (see Figure 10), with over a fifth (22.0%) citing this. This rises to over a third (35%) among young people who are currently looking for work.

Previous work experience can also improve young people's outlook on employment. Polled young people who have previously worked were significantly less likely to agree or strongly agree that there is no point in them applying for jobs, as they don't think they will be successful (18% compared to 33% of young people who have not previously worked).

The focus group also identified lack of work experience, and challenges in gaining experience, as key barriers to finding work. One young person, for example, described how, having left college in the early stages of the pandemic, they had struggled to get a job, not making it to interview stage or even hearing back from the hiring employers. Eventually, they accessed employment via a friend, and although this job has now finished, being able to demonstrate to employers that they have had some experience of work opened up many more employment opportunities.

*‘One of the things that I found I needed when I came into jobs, especially when I was younger trying to look for a part-time job in college [was that] everywhere asked for experience but no one was willing to provide it. That's one of the biggest problems I think a lot of people around the ages of us lot face, is lack of experience in any sector.’ – Focus group participant*

Another young person, with a level 2 diploma in engineering, found it difficult to gain the sector specific work experience they needed to pursue their goal of doing a level 3 apprenticeship in engineering. While continuing to pursue this goal, they had also been put

off to some extent by the attitudes of some employers to women working in engineering and by the largely male workforce in this sector.

### **Support needs**

When asked what type of support would be helpful in meeting their career aspirations, the second most common type of support identified by NEET young people was opportunities to gain work experience (27%). There was little variation between demographic groups in the proportions who cited this, indicating it's a common need across young people who are NEET.

The focus group and Youth Voice Forum identified the need for work experience as a key theme. Participants talked about the importance of accessing work experience to help them to find work.

*'It doesn't matter whether it's [work experience in] what we want to do or, just getting [any] experience because a lot of the times, anything you find or do in work you can use anywhere else. It's about providing that availability of experience and being able to provide us with places, even if it's volunteer work, work experience, where people can get that experience they need.'* – **Youth Voice Forum attendee**

One focus group participant had found support from the Jobcentre helpful in gaining work experience:

*'...one of the things I found helpful, I've been with the Jobcentre a lot and they just provided me with a boatload of opportunities in apprenticeships, work experience, anything like that, just to get me experience.'* – **Focus group participant**

A member of the Youth Voice Forum described the benefits of gaining transferable skills through work experience.

*'... I'm grateful that I did work as well because some of the skills like even simple customer service or just being fast on your feet, when a customer asks something ...that quick thinking, critical thinking, evidence-based decision making as well, reacting to customer feedback and stuff like that. I probably wouldn't have got that experience anywhere else ... I've learnt certain skills that I now apply on a day to day basis.'* - **Youth Voice Forum attendee**

### **Training and qualifications**

The polling highlighted a lack of training or qualifications as a substantial barrier to employment for some young people who are NEET. A large minority of respondents (38%) agreed or strongly agreed that their qualifications or experience are not strong enough to secure employment.

Almost a fifth (18%) of polled young people cite a lack of training or qualifications as one of the main reasons why it is difficult for them to find a job, or why they aren't looking for a job (see Figure 10). This rises to over a quarter (27%) amongst those currently looking for work. It is also a particular issue for young people who have not previously been in employment, who are significantly more likely to give this as a barrier to finding a job than young people who have previously been employed (23% compared to 14%).

### **Support needs**

Only one in ten respondents to the poll identified the opportunity to participate in an education or training course, or gain a qualification, as useful in supporting their medium term career aspirations (see Figure 14). Similarly, when asked what support would help them to keep a job once they had gained employment, only 9% of NEET young people cited opportunities to participate in work-related education or training, or continuing opportunities to develop work-related skills. Although it should be noted that young people from a Black, Asian or Other minority ethnic background were significantly more likely to cite continuing opportunities to develop work-related skills than white respondents (22% compared to 6%).

However, skills development was a theme that emerged from the focus group. Participants identified different types of skills development and training that could help them to find work, depending on their employment goals. One young person, for example, said they would welcome the opportunity to undertake training in forklift truck driving, to improve their chances of getting a job in a warehouse setting. Another recognised the value of developing soft skills that are transferable to any job role, such as communication and team working skills, to build confidence ahead of entering the workplace.

### **Childcare and caring responsibilities**

When asked why it was difficult for them to find a job, or why they weren't looking for work, more than one in seven NEET young people (16%) cited childcare or caring responsibilities (see Figure 10). This was significantly more common amongst young women, with more than one in five young women (22%) citing this as a barrier to work but no male respondents doing so. Out of respondents who were not currently looking for work, almost one in three (29%) gave this as a reason for their economic inactivity.

### **Support needs**

The polling shows that flexibility around childcare/caring responsibilities is an important consideration for more than one in seven (15%) NEET young people when choosing jobs to apply for (see Figure 11). Young women are significantly more likely than young men to cite this an important consideration (18% compared to 7%). There is also some regional variation, with 35% of respondents in the South of England highlighting it compared to 17% in the North of England/Scotland/Northern Ireland. Young people with a physical or

mental health problem or disability were half as likely to cite this as a consideration compared to their peers without a health problem or disability (10% compared to 20%).

Similarly, almost one in five NEET young people (19%) said that support with childcare/caring responsibilities would be useful in helping them to meet their career aspirations (see Figure 14), and 16% that ongoing support with childcare/caring responsibilities would be useful in helping them to maintain employment. Again, there is a substantial gender divide with young women significantly more likely to cite these areas of support (24% and 19% respectively compared to 1% and 7% of men). Respondents who were currently looking for work were also significantly more likely to say that support with childcare/caring responsibilities would be useful (29% and 22% respectively, compared to 13% and 9% of those not looking for work).

Asked more specifically about what support would be useful, respondents identified the cost, availability and access to childcare as key concerns.

*'Not having [any]where to leave my child is a big problem that has a huge impact on me going to work'* - **Poll respondent**

*'Single parents in rural areas who don't have a car are struggling to get their children to childcare (usually in the nearby towns) and then getting to work and pick up.'* - **Poll respondent**

Several respondents identified flexible working hours as one way to help with childcare.

*'More flexible daycare hours, cheaper prices for carers/childminders, flexibility at work'* - **Poll respondent**

The focus group identified the importance of flexibility and employer awareness around caring responsibilities. One young person helping to care for his siblings spoke about the lack of understanding and flexibility from employers about his caring responsibilities, despite assurances when starting the job that adjustments would be made when needed:

*'...it's about being able to have the ability and understanding with my employer... sometimes I will need to be at home or have to rush off in a rare case, and it's just something that I've always found...every time as well I've mentioned it to my employer, and they've made me aware that that's fully understandable and acceptable ...we'll put [this] in place in case it happens and such and such. Then on the times that it has occurred, it's almost as if they've gone back on it and just been like, 'No that's not allowed.'* – **Focus group participant**

As a result, flexibility from employers around caring responsibilities would be a key consideration for some young people in making decisions about which jobs to apply for.

*'...it's about trying to create an understanding that there needs to be some sort of wiggle room with it where I can, I don't want to say I can pick and choose when I work so that it goes on my schedule, but it's that a slight variation can be made in the worst case scenario that it has to be.'* – **Focus group participant**

## **Flexibility in hours**

A lack of flexible or part time jobs was cited by 15% of polled young people as a barrier to employment (see Figure 10). Flexibility in hours was also highlighted in the focus group, where one participant at college was looking for part time work that fitted around the days they are in college and a volunteering role at weekends, but struggled to find work at the times, or with the flexibility, needed.

### **Support needs**

Over two fifths of NEET young people (42%) highlighted flexibility in hours as an important consideration when applying for a job, the most common response (see Figure 11). Similarly, 44% identified flexibility in working hours as useful in supporting them to maintain employment, once they'd gained a job (see Figure 15). Flexibility in hours is particularly important for individuals with a physical or mental health problem or disability; 46% citing this as a main consideration which is significantly higher than the 35% of young people without a health problem or disability.

Similarly, one young person in the focus group who was attempting to overcome social and emotional barriers in going to work cited part time work as a key consideration, as they felt a reduced working week would make their anxieties more manageable and increase the chances of them sustaining a job. The focus group also identified the importance of work fitting around studying and other commitments (e.g. volunteering).

## **Location of work**

Location was the second most common consideration when applying for jobs identified through the polling of young people (39%) (see Figure 11). In addition, almost a quarter of respondents (23%) identified flexibility to work remotely as an important consideration. Similarly, flexibility to work online/remotely and flexibility in location of work were two of the most common types of support indicated as useful in maintaining employment (24% and 20% respectively) (see Figure 15). There was little difference amongst demographic groups in any of these responses, indicating these are key factors amongst the overall group of young people who are NEET.

All participants in the focus group who were currently looking for work identified distance to work as a key consideration in making decisions about which jobs to apply for. This is true for a range of reasons. For one young person, for example, considerations around travel were central to their decision making, following a recent and significant decline in the availability of public transport in the area where they live. For a college student, looking for part time work, their free local bus pass made it easier, and more cost-effective, to access

opportunities close to home. Another participant, who supported his mum with caring for two disabled siblings, needed to find work nearby to get back quickly if anything urgent happens at home.

*' [it's] a reason why I look for a lot more close to home jobs rather than having to travel, because if, like I say a worst case scenario, something does happen and I'm in...another town that I'm a train or a bus journey away, it's going to make getting and resolving that problem so much more difficult and take so much longer.'* – **Focus group participant**

A young person in the focus group highlighted that financial barriers limited their options when looking for work, meaning the workplace needed to be within a short distance from home due to difficulties paying for public transport, particularly as bus fares have gone up. They also highlighted financial barriers relating to the gap between starting work and receiving a first pay packet.

*'So at the moment I can only do it within half an hour walk... because I've got no money for transport. And then you always have to work, sometimes a week or a month, in hand and then you don't get any money for that then.'* – **Focus group participant**

In general, the costs of travel were seen as prohibitive when considering job opportunities further afield. Issues relating to hours or patterns of work, for example having to travel a long distance home after a night shift, were other factors which made proximity to home important.

These findings are supported by the poll, where 14.5% reported a lack of available transport to get to work as a main barrier to employment (see Figure 10).

### **Financial barriers**

Over a third of NEET young people who responded to the poll (35%) agreed or strongly agreed that they can't afford to start work due to financial barriers. Almost a fifth (17%) of polled young people reported that financial help with the cost of starting work would be useful in supporting them to meet their career aspirations (see Figure 14). There was little variation between demographic groups in the proportions who cited this, indicating it's a common need across young people who are NEET.

The focus group identified financial support as potentially useful, with young people suggesting that where suitable jobs are not available locally, financial support to help with travel/transport costs, would help to overcome some of the cost barriers experienced by young people, especially when starting a job.

### **Impact of the pandemic**

Almost a year on from the removal of most pandemic restrictions, only 8% of NEET young people cite the pandemic as a reason for their difficulty in finding a job, or why they weren't looking for work. However, it does appear that the pandemic had substantial long term

ramifications for many young people who are NEET, with almost half (46%) saying that it had caused barriers to employment through increased health problems or caring responsibilities. This was significantly more likely for young women compared to young men (49% and 39% respectively), or for those looking for work (49% compared to 41% of those not looking for work).

### Other considerations

Pay was the third most common consideration identified when choosing jobs to apply for, with almost two fifths (37%) of young people identifying this issue. There was little difference amongst demographic groups, indicating this is a key consideration amongst the overall group of young people who are NEET. Further research is needed to provide more details on the levels of pay impacting the choice of jobs and also the levels of pay available.

The polling shows that young people who are NEET consider a job's fit with their interests (25%) to be more important than wider ethical considerations such as making a difference (13%), ethical views (7%) or environmental/green issues (2%).

Young people who are currently looking for work are significantly more likely to say that fit with interests is important (37%) than respondents who are not currently looking (15%), and the focus group also identified its importance. A participant with previous experience of employment spoke about tending to go for jobs in roles or sectors that they were familiar with and how a recent course, relating to a sector they had not previously considered, had opened their eyes to new employment possibilities and encouraged them to look at jobs in areas that interested them instead of areas that they were simply familiar with.

*'... I did the games design course so I assumed that that sort of sector was very closed...and quite difficult to get into, but during that, it was shown to me that there's so many different ways to get into different parts of the jobs that are there, and there's so many resources out there and people out there that can help you push for what you want to do.'* – **Focus group participant**

Another participant also stated that finding a job that fits with their interests, for example reading and writing, would give them a better chance of success in maintaining motivation in a job.

### Summary

Most NEET young people want to find work over the next three to five years (84%). Young people were most likely to say that they plan to find a job that is flexible and fits with their life and responsibilities, that is well-paid, or is in an area that interests them. There is some variation in career aspirations between different demographic groups. For example, young women were significantly more likely than young men to say they were looking for a job



that is flexible and fits with their life responsibilities. Young people with health problems or disabilities were significantly less likely to say they plan to find a well-paid job.

However, not all young people who are NEET consider starting a job immediately to be a priority. The polling shows that just over a fifth of polled young people who are NEET planned to prioritise education or training in the near future, rather than looking for work.

The polling identified that the most important considerations for NEET young people when choosing jobs is flexibility in hours, location and pay level. Flexibility in hours is particularly important for young people with a physical or mental health problem. The focus group also identified the importance of flexibility, awareness and understanding of employers around caring responsibilities. Flexibility was also identified as a key factor that would help young people to keep and succeed in a job once they were employed. The polling shows that young people who are NEET consider a job's fit with their interests to be more important than wider ethical considerations such as making a difference, a fit with ethical views or environmental/green issues.

Mental health has emerged as a substantial barrier to employment. Young people who are NEET who responded to the poll gave mental health problems as the most common reason for finding it difficult to find a job or why they are not currently looking for work. This is reinforced by the data analysis, which found that, out of all young people who are NEET who report a long-term health problem or disability, mental health is by far the most common 'main' condition. An expansion of this analysis to include any incidence of mental health problems found that one in four young people who are NEET experience some form of mental health problems, compared with fewer than a tenth of young people who are not NEET. Taken together, these findings indicate that mental health problems substantially contribute to the reasons for a young person being NEET. Support with social and emotional barriers is one of the key areas of support identified by young people to help them reach their career aspirations, including help with building confidence and support with mental health problems or disabilities. Ongoing support with mental health issues was also considered to be important in helping young people to keep and succeed in a job once they were employed.

The job application process itself is another substantial barrier, with many young people reporting that they were unsuccessful in job applications, struggled with the process itself or didn't know the types of jobs/careers they'd be suitable for. Notably, a quarter of polled young people agreed that there was no point in them applying for jobs, as they didn't think they'd be successful.

Numerous other barriers to employment were identified, including a lack of confidence, a lack of work experience, childcare or caring responsibilities, a lack of flexibility, financial barriers and insufficient training or qualifications. Many of these barriers are experienced

unequally across different groups of young people. For example, over a fifth of young women who are NEET cited childcare or caring responsibilities as a barrier.

## CONCLUSION

Over the last ten years there has been a substantial decline in the proportion of young people who are NEET in the UK. This has largely been driven by a decrease in the number of young people who are unemployed, and a decline in the number of young women who are economically inactive due to family responsibilities. Whilst this trend is positive and welcomed, evidence shows that comparable countries, such as the Netherlands and Germany, have substantially lower NEET rates.

Our evidence highlights that economic inactivity for any reason now represents 54% of young people who are NEET compared to 41% in 2011. This has been driven by a gradual but continual increase over the past ten years in the proportion of young people who are economically inactive due to sickness or disability. Tackling this rise is crucial. Without doing so, there can be only limited success in reducing the overall numbers of young people who are NEET.

Our research also highlights significant disparities in the proportion of young people from different demographic groups who are NEET, and across different geographical areas. For example, young women are substantially more likely than young men to be economically inactive due to family responsibilities. The results also show substantial variation between genders within ethnic groups, suggesting there is an interaction between gender and ethnicity in terms of NEET status. There is also variation by qualification level, with the proportion of young people who are NEET due to economic inactivity (of any kind) dropping as qualification level increases. These findings are in line with the trends identified in our original Finding the Future report from 2021 and reinforce the pattern of unequal access to opportunities for different groups of young people, which can have a long term scarring effect.

In addition to unemployed young people, a substantial minority of those who are economically inactive would like to work in the near future. In this period of record vacancies, we find that there are almost half a million NEET young people (484,000) who are able to and want to work. This highlights the potential opportunity for employers and the economy as a whole if the right support is provided to enable them to move into the labour market.

Mental health has been identified as a substantial barrier to employment for young people who are NEET, with those who responded to the poll giving mental health problems or disability as the most common reason that they are finding it difficult to find a job or are not currently looking for work. This is reinforced by the data analysis, which found that out of all young people who are NEET who report a long-term health problem or disability, mental health is by far the most common 'main' condition. A wider analysis found that one in four young people who are NEET experience some form of mental health problems, compared with fewer than a tenth of young people who are not NEET.

The most important considerations for young people who are NEET when choosing jobs are flexibility in hours, location and pay level. Flexibility in hours is particularly important for young people with a physical or mental health problem. Most young people have aspirations for their future careers, with very few not wanting to find work over the next three to five years. Young people are most likely to say that they plan to find a job that is flexible and fits with their life and responsibilities, that is well-paid, or is in an area that interests them. There is some variation in career aspirations between different demographic groups. For example, young women were significantly more likely than young men to say they were looking for a job that is flexible and fits with their life responsibilities. Support with social and emotional barriers is one of the key areas of support identified by young people to help them reach their career aspirations, including help with building confidence and support with mental health problems or disabilities. Ongoing support with mental health issues was also considered to be important in helping young people to keep and succeed in a job once they were employed. Opportunities for gaining work experience, support with childcare and caring responsibilities and financial support were also considered important.

As the key drivers of economic activity, our research clearly highlights the need to tackle the rise in sickness and disability among young people. To reduce overall NEET rates, and to prevent some groups of young people from missing out, providers, policy makers and employers must work together to deliver coherent support and design appropriate opportunities for young people across education, employment and healthcare.

### **Implications for providers and employers**

The findings of this research have a number of implications for providers of support services for young people who are NEET, and for employers.

- The importance of tailored support to meet individual needs of NEET young people: Evidence suggests that personalised approaches to overcoming barriers to employment are most effective, and it is important that providers understand individual NEET young people's barriers to employment and take account of these when planning and delivering services.
- Integrating employment and mental health and wellbeing support: The most common reason why young people who are NEET find it difficult to get a job, or are not currently looking for work, is mental health problems. It is important that services that support NEET young people into employment understand and address these needs, with support effectively joined up at a local level, for example through Youth Hubs and other local employment and skills support.
- Confidence building: With confidence building being the third most common reason why it was difficult for NEET young people to gain employment, confidence building has to be a feature of support for young people who need it, especially in certain parts

of the UK such as the Midlands and Wales where this was a particularly prevalent barrier.

- **Caring responsibilities:** Young women are substantially more likely than young men to be economically inactive due to family responsibilities. It is therefore important that providers offer their services flexibly, provide advice and support around childcare, and can work with employers to create flexible work placements and jobs.
- **Work experience:** As the second most common type of support identified in the polling, work experience is an important feature of support for young people who are NEET. This can help build CVs and also transferable skills as part of an effective package of support, particularly for young people who have not previously been in employment.
- **Qualifications and training support:** The NEET rate is higher for young people with lower qualification levels, and over a quarter of NEET young people currently looking for work cite a lack of training or qualifications as one of the main reasons why it is difficult for them to find a job. Therefore, understanding the skills needs of NEET young people and offering support to gain relevant qualifications and training should be part of the offer of support.
- **Location of work/support with travel costs:** Financial support to help with transport costs was highlighted by the focus group as helping to overcome some of the cost barriers, particularly when starting a job. Where a young person is in contact with Jobcentre Plus, providers should ensure that the option of Flexible Support Fund to help with travel cost for interviews, training and the first months of travelling into work has been explored.
- **Employer engagement:** This research shows that the key considerations for young people who are NEET, when looking for employment, are flexibility in hours, location and pay level. Providers should support local employers to create viable opportunities (work placements, jobs and apprenticeships) for young people that meet their skills needs.
- **In-work mental health support:** Mental health and wellbeing support is important in enabling young people to stay in work and progress. Providers therefore have an important role to play in ensuring that employers understand and can support young people's mental health needs in the workplace.
- **Feedback:** Many young people report applying for jobs, but being unsuccessful, and often not hearing back from employers. Employers should provide feedback from interviews and work with providers to meet identified skills needs.

- Flexible work: Employers should look to provide flexible work, in terms of hours and location and at a suitable level of pay, in order to attract and recruit NEET young people into their workforce.