



Young People's Future Health Inquiry

The quality of work on offer to young people and how it supports the building blocks for a healthy life

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The young people's future health inquiry

The Health Foundation's Young people's future health inquiry is a first-of-its-kind research and engagement project that aims to build an understanding of the influences affecting the future health of young people.

The two-year inquiry, which began in 2017, aims to discover:

- whether young people currently have the building blocks for a healthy future
- what support and opportunities young people need to secure these building blocks
- the main issues that young people face as they become adults, and
- what this means for their future health and for society more generally.

The Health Foundation commissioned the Institute for Employment Studies as part of the policy strand of this project. This, along with 7 other commissions, aim to understand some of the structural and policy issues facing young people.

Alongside this policy programme, the inquiry has involved engagement work with young people, site visits in locations across the UK, as well as a research programme run by the Association for Young People's Health and the UCL Institute of Child Health. A findings report for the programme will be published later in 2019.

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Executive Summary

Good quality work is supportive of good health and wellbeing, while poor quality and insecure work can have negative impacts. The Young People's Future Health Inquiry has therefore been examining changes in young people's experiences of employment as one factor that could have a strong bearing on future health outcomes. This research report seeks to provide an evidence base for that work – exploring the employment opportunities and working conditions for young people today, how these vary by area and by personal characteristics, and how they have changed over the past 20 years. It then makes recommendations for future policy and practice. The research comprises analysis of the Quarterly Labour Force Survey, complemented by findings from a focus group with young people who were drawn from the four UK nations and who had a variety of socio-economic and educational backgrounds, and a roundtable with young people and experts.

Headline labour market trends: youth unemployment has recovered, but economic inactivity remains high

- Youth participation in employment, education and training has recovered strongly since 2014, after significant falls (driven by falling employment) during and after the last recession. This negative effect was felt across all nations of the UK.
- Following the recession, youth unemployment increased substantially – but has since fallen back. Nonetheless, youth unemployment overall has been higher than 10 percentage points for all four nations, for almost all of the last 20 years.
- Youth 'economic inactivity' has increased steadily for all nations over the last 20 years, driven by increases in young people participating in education (while the proportion of young people combining work with study has fallen). Economic inactivity due to family reasons has fallen slightly over two decades, as the number of young parents has fallen. However there has been a slight increase in economic inactivity due to ill health and disability among young people over the same period.
- These points demonstrate that the labour market for young people has changed substantially since the 2008 recession. Positively, more young people are accessing work or education, although the quality of that employment has not until now been explored. This is a crucial factor in and determinant of future health and wellbeing.
- The trends also suggest that the category of NEET¹, which has driven youth policy over many years, may now be inadequate to capture and describe many young

¹ Not in education, employment or training.

people's labour market experiences. With rates of participation high, the quality of the experience of being in work, education and training requires consideration.

- While evidence shows that being NEET at a young age produces lifetime scarring effects, little is known about the lifetime consequences of low quality work at a young age and how this might interact with health outcomes. This study provides a starting point by considering the types of work that young people undertake today.

Working hours, pay, and underemployment can provide indicators of poor quality work, which may lead to poor health outcomes

- Pay for young people has not recovered since the crisis, when there was a decrease in the median real weekly wage. While pay started to recover from around 2014, by 2018 it had not returned to its pre-crisis levels.
- In addition, young people are working fewer hours. There has been a decline in hours of work over time, alongside an increase in part-time working amongst young people.
- In this context and despite working, young people can struggle to cover their living costs. Those who took part in the focus group said that the types of work they were able to access often did not generate an income that could cover their costs.
- Understandably, young people want to work more. Youth underemployment (the proportion of people who would like to work more hours than they currently do) increased during the crisis for all four UK nations, and while it started to decline in the years following, it still has not returned to its pre-crisis levels.
- Underemployment was also discussed during the focus group. Young people related that the fear of unemployment drove them to accept jobs with fewer hours than they would ideally want.

Declining take-up of social security and employment support amongst young people

- Fewer young people are making a claim for welfare support. The number of young people making benefit claims in all four nations has declined in the past four years as the economy has recovered.
- Young people taking part in the focus group said that the welfare system did not provide them with adequate support, and that public employment services encouraged them to take 'any' employment, rather than 'good' employment that would help them reach their career aspirations. They also linked this pressure to take any type of work to poor mental health outcomes.

Increasing levels of educational attainment are not reflected in the occupations of the young workforce

- The length of time young people spend in education has increased for all four nations over the last 20 years; however, the resulting higher levels of education have not led to a higher socio-economic status for all.

- Increasingly, young people are 'downgrading' in the labour market (acquiring higher levels of education then working in elementary professions); a trend that can be observed over the past 20 years.
- Young people at the focus group discussed the value of the different types of qualifications in the labour market; their experience suggested that qualifications and skills gained in vocational education rather than as part of university study were not as transferable in the labour market, unless young people could access the occupation in which they had trained.

Some young people face more of a struggle in the labour market

- Black, Asian and minority ethnic young people, disabled young people, young parents and those with the lowest qualifications all face additional labour market disadvantages. All four groups are less likely to be in employment compared to the average for their age group (18-24), while the proportion of disabled young people who are unemployed or economically inactive is considerably higher than for young people overall.
- The proportion of Black, Asian and minority ethnic young people in permanent work is the lowest in the age group. However, the predominant reason for this is that they did not want a permanent job. Disabled young people are more likely compared to the average young worker to not have a permanent job because they could not find one.
- Black, Asian and minority ethnic young people work part-time mainly due to studying and young parents do so mainly because they do not want a full-time job. The group that seems to be in the most precarious position in terms of their hours of work are disabled young people who either work part-time because of their disability or because they could not find a full time job.
- There are a range of reasons given for economic inactivity among these groups of young people. For example, among young parents inactivity is far more likely to be due to family responsibilities; while disabled people are as likely to say that they are inactive due to studying as due to their health condition or disability. Black, Asian and minority ethnic young people mainly report being inactive because of studying.

Where young people work and the jobs they do in 2018

- Young people tend to work for employers rather than themselves. They are less likely to be self-employed and more likely to be employees compared to other age groups. The proportions of self-employed young people in England and Wales are close to double those in Scotland and Northern Ireland.
- Young people are most likely to be employed in 'distribution, hotels and restaurants' where work is mainly 'routine and manual' including bar work and delivery. In contrast, people aged over 25 years are more likely to work in 'public, administration, education and health' where occupational levels are predominantly higher and roles include the health professions, teaching and many public sector roles.

- Notably, young people are now half as likely as those in other age groups to be employed in the public sector. This may be a consequence of post-crisis austerity, which has limited investment in the public sector workforce. However, it is concerning because work in the public sector tends to be secure, with relatively good conditions including pension provisions and career development. These factors are indicators of good work that supports health and wellbeing. A risk is that young people will not benefit from this.

Young people are more likely to be in non-standard forms of work and experience precariousness

- In addition to being more likely to be in routine and manual occupations, young people are also more likely to be in non-permanent work compared to those aged 25+, and within this, are more likely to be in agency or casual work. Agency work is most common among those with low qualifications, while those better qualified are more likely to be in fixed term contracts. Insecure employment can have ramifications for financial stability which in turn may affect health and wellbeing.
- More than 20 per cent of young people are in temporary employment because they cannot find permanent work. Young workers in routine and manual occupations are much more likely to be in a temporary job because they cannot find a permanent one compared to young people in higher managerial and intermediate occupations.
- Additionally, part-time work is also more common among young people than other age groups, with around one-third of young people working part time. Rates are highest in Northern Ireland and Scotland.
- Notably, given the trends above, part-time work is much more common amongst young people in routine and manual occupations than those in higher managerial occupations. Accordingly, young people with low qualifications have higher rates of involuntary part-time work than those with higher levels of qualification: 60 per cent of young people who have low qualifications work part-time because they cannot find a full-time job.
- Young people in routine and manual occupations are also more likely to be underemployed (ie. want to work more hours) than those in higher managerial and intermediate occupations. Nineteen per cent of young individuals in routine and manual occupations are underemployed compared to less than 10 per cent of young people working at higher occupational levels.
- Taking these trends into account, there is a risk that the types of employment available to young workers, which includes precarious work, limited hours and pay, will contribute to poorer longer term health if they cannot progress in work to undertake more skilled roles, with greater security and on the job training and support.

Non-standard work has less favourable working conditions, with implications for young people's health and wellbeing

- Zero hour contracts (ZHCs) are more common among young workers than those who are older, and particularly for those in routine and manual occupations. Flexitime arrangements are more commonly offered to workers in other age groups, and to young people in higher level occupations.
- Young people taking part in the focus group cited casual work, seasonal work and employment through ZHCs as examples of the precarious work young people are experiencing. The insecure nature of these forms of employment leaves young people unable to plan for their immediate and long term futures. They linked this instability to poor mental health outcomes and expressed frustration at the lack of career progression and development that resulted from these forms of employment.
- More than 30 per cent of young workers in routine and manual roles are working shifts most of the time in their jobs, whereas less than 17 per cent of those in higher level occupations worked shifts. There is an evidence base on the detrimental effects of some shift patterns on health and wellbeing; if younger workers cannot progress out of these jobs, they will be at greater risk of such detriment.
- Young employees in routine and manual occupations are entitled to less than 21 days paid holiday on average, compared to an average of just over 25 days paid holiday for those in higher managerial positions.

Young people are not represented by unions

- Even though young people are more disadvantaged in the workplace compared to other age groups, their levels of union participation are much lower than those of employees who are aged over 25. If they are employed in workplaces with strong representation, they are likely to benefit from unions despite not being formal members. However, the forms of work they undertake suggest many are not in these beneficial situations.
- This may mean that young people risk being over-represented in poor quality work, with potential long term consequences for health and wellbeing if they cannot progress into higher quality employment.

Policy recommendations – making work better for young people

There are numerous initiatives and a range of provisions available for young people, which can work in competition, create duplication or contribute to a lack of coherence and clarity for young people. Stakeholders at the roundtable identified a risk that adding further 'interventions' into the current policy mix would not be effective. Instead, they prioritised recommendations to improve how the system works, and the quality and coherence of the support available. This report makes six recommendations:

- To introduce an education, employment and training guarantee – with guaranteed high quality careers and employment support for all, a choice of education and training places for those under 19, and a guaranteed job, apprenticeship or training for all of those not in education or employment for more than four months;
- To improve outreach to those furthest from good quality work – building on efforts in all of the four nations to improve multi-agency working, map provision, and build on community and youth work approaches;
- Targeted support for those facing additional barriers – particularly for disabled young people, those with childcare needs, and those facing additional costs for transport and housing;
- A renewed focus on the quality of work – building on the ‘Good Work’ and ‘Fair Work’ agendas, promoting ‘Youth Friendly Employer’ standards, leading by example in the public sector, and exploring the scope for targeted intermediate labour markets for the most disadvantaged;
- Supporting a more co-ordinated and integrated approach – testing new approaches to devolution and integration, while also ensuring a strong youth voice in decision-making and that the Youth Charter places employment at its heart; and
- Investing in ‘what works’ resources – in order that government, key funders and wider stakeholders can come together to develop the evidence base on what works, design the resources needed to support more organisations to do this, support its implementation, and transform employment outcomes for young people.

We also recommend moving beyond the old measures of NEET rates and instead developing a new approach based on not just the quantity but the quality of employment and learning for young people. This should comprise:

1. **Engagement:** Participation in good quality education, training and/ or employment for all young people who are able to do so;
2. **Attainment:** Achievement of the highest possible level of skills – with all young people achieving good levels of literacy, numeracy and digital skills;
3. **Support for high levels of good quality employment:** Achievement of the highest possible level of employment for young people, in work that provides income security and training/development to progress; and reduction in the numbers of young people who are under-employed, involuntarily in part-time work or temporary work² and who experience occupational downgrading.

² Defined as those in temporary work because they could not find permanent work, or those in part-time work who want full-time employment.

Introduction

Aims and objectives

Between the ages of 12 and 24, young people go through life-defining experiences and changes. During this time, most will aim to move through education into employment, become independent and leave home. This is also a time for forging key relationships and lifelong connections with friends, family and community.

These milestones have been largely the same across generations. But today's young people face opportunities and challenges that are very different to those experienced by their parents and carers, and from those they imagined themselves to be facing during their teenage years.

This report focuses on the quality of work available to young people today. The data shows us that the type of work has shifted rapidly in a comparatively short space of time. Worryingly, it shows that young people might be more likely to be in types of work which are not good for their long term health – less secure work, work that does not match the level of their skills, and work that does not provide them with a high enough or stable enough income.

Quality of work also does not just affect work alone. Whether someone is able to rely on a stable income affects their ability to access housing. It can affect their personal relationships with family and friends, and their relationship with their wider community.

This matters because these building blocks – a place to call home, secure and rewarding work, and supportive relationships with their friends, family and community – are the foundations of a healthy life. There is strong evidence that health inequalities are largely determined by inequalities in these areas – the social determinants of health. So while young people are preparing for adult life, they are also building the foundations for their future health.

This report aimed to answer six key research questions:

1. What do we know about how early experiences of the workplace shape young people's life at work and later working life – and therefore their long term health?
2. What is the nature of the work available to 18-24 year olds: in which sectors is this age group working; what are the pay, conditions and security; what are the training and development opportunities; and how does this vary geographically across the UK?
3. What are the trends in the sectors of the labour market that young people work in, including regional variations, and what are the implications of this?

4. What would 'good' look like in terms of creating good quality entry-level work for 18-24 year olds, including proposals for change?
5. What are the barriers for achieving this?
6. What are 'the asks' of policy and practice (national and local) to deliver the support required – "who, what, how"?

Methods of analysis

This paper starts with an examination of the research context through a review of the literature.

Next, a mixed methods analysis is carried out to investigate labour market trends for young people and provide insights into the nature of the work available to them, as well as challenges and barriers to achieving good work.

The Quarterly Labour Force Survey was analysed in order to map the labour market outcomes and experiences of young people today and to gain a better understanding of how these trends have changed over time. This shows how the youth labour market has changed over the past 20 years (1999-2018). In addition, the report highlights how the labour market experiences of young people today differ on a more granular level based on geography and personal characteristics.

To complement the quantitative analysis, the findings from a focus group discussion are also included. The focus group comprised of 12 young adults aged 18-24 from five different areas in the UK (Wales, Scotland, Northern Ireland, and two areas in England). The group was highly diverse in terms of educational, socio-economic, and ethnic background and balanced in respect of gender. Apart from their own experiences, the young people were able to share the experiences of other young people in their respective areas, as they had conducted interviews with young adults on their labour market experience during earlier stages of the inquiry.

There were seven emerging themes from the discussion that feature in all geographical areas and affect to a different degree young people from different backgrounds. Those themes were 1) insecurity; 2) wealth divide; 3) lack of parity esteem between vocational studies and academic studies; 4) transport; 5) precarious forms of work; 6) career paths after apprenticeships; and 7) employers' hiring attitudes and provision of training opportunities.

Finally, solutions and interventions that would work best in achieving good work for young people are explored. These have been derived from a rapid evidence assessment of 'what works' to make a difference to youth labour market outcomes. The recommendations aim to rectify youth labour market problems focusing on disadvantaged young people. This part of the analysis includes insights gained from a roundtable with key stakeholders with years of experience on youth labour market issues and opportunities.

Research Context

Quality of work and health

Individuals in employment spend on average one-third of their lives at work³ (World Health Organization, 1995). This means work is a very important contributor to people's wellbeing, personal development and health. More specifically, employment is a determining factor of an individual's wellbeing and personal identity, as it helps shape their social role and define their socio-economic status (Waddell & Burton, 2006). At the same time, the quality of work is equally important, as features of an individual's employment can have adverse effects on health and wellbeing (ibid).

Two of the main channels through which work can affect health are the occurrence of work-related injuries and the adoption – or lack – of occupational health practices (Black, 2008). In the UK, substantial progress has been made with respect to health and safety in the workplace, with a continuously downward trend of non-fatal workplace injuries (Health and Safety Executive, 2018). Occupational health practices have also been reported to positively contribute to the health and wellbeing of employees (Black, 2008). At the same time, the rates of self-reported work-related stress, depression or anxiety have been increasing in recent years (Health and Safety Executive, 2018).

These trends could potentially conceal high rates of physical and mental work-related ill-health for specific groups of workers. For example, there is a strongly heterogeneous occurrence of self-reported work-related stress, depression or anxiety among workers in different industries⁴ in Great Britain (Health and Safety Executive, 2018). Just as some industries are more prone to negatively affect workers' health, some forms of employment (and more specifically precarious employment⁵) lead to specific groups of workers being at risk of financial uncertainty, and other factors such as lack of control or security that can lead to ill-health. These forms of work can be found across industries and across occupations. More often than not, those in precarious work are young workers (Vancea & Utzet, 2017).

³ People in full employment spend on average eight hours a day at work.

⁴ Those industries are: Education; Human health and social work; Public admin/defence.

⁵ Precarious work as defined by the ILO (2016) means work that is low paid (especially when it is below the poverty line) and variable; insecure (uncertainty over continuity of employment and high risk of job loss); where the worker has no control over their working conditions, wage or pace of work; and unprotected (by law, but also in terms of health and safety or against discrimination). Precarious conditions of work can be found in both standard and nonstandard employment, whereby nonstandard employment is temporary; part-time; agency/work involving multiple parties; disguised employment relationships/dependent self-employment (ibid).

Workers in precarious, flexible, contract, or freelance work, the “gig” economy, fake self-employment and other such forms of employment are more likely to suffer from physical injuries and psychological problems than workers in regular, full-time jobs (Howard, 2017). Young people in particular are more exposed to labour market shocks and precarious forms of employment due to their lack of job market experience and qualifications, and due to the types of jobs available to them (Vancea & Utzet, 2017). Other groups that are more likely to be found in precarious work are women; workers aged over 50; minority ethnic groups; disabled people; students (McKay, Jefferys, Paraksevopoulou, & Keles, 2012).

Research undertaken by the Trades Union Congress (TUC) highlighted that in 2015, 44 per cent of those in casual employment were aged between 18 and 24. Just under a third (29 per cent) of all those in casual forms of employment were in ‘elementary professions’ such as domestic work, labouring and refuse work. The proportion of workers employed under ‘casual’ conditions was significantly higher for those in elementary professions than other occupations, the next highest being ‘Personal services’ at 14 per cent (Newsome, Heyes, Moore, Smith, & Tomlinson, 2018). In terms of sector, in 2016 the sectors with the highest numbers of casual workers were education, hospitality, land transport (including taxi and delivery drivers) and retail. Again, these are sectors in which young people are traditionally over-represented (Bivand & Melville, 2017).

However, not all nonstandard forms of employment are necessarily precarious. For example, an individual might choose to work part-time instead of full-time. In some instances, holding a job that can be considered insecure in some way can be beneficial or preferable for some workers, for example when someone prefers to work as self-employed rather than as an employee (Clarke & D'Arcy, 2018). However, an employee who would prefer to be working full-time but who cannot secure a full-time job is likely to be negatively affected financially and psychologically (McKay, Jefferys, Paraksevopoulou, & Keles, 2012). The nature of precarious work entails low and/or irregular financial remuneration, lack of social insurance, lack of representation and legislation, absence of health and safety protection, and in some cases a mismatch between an individual's qualifications and employment (ibid). Olsthoorn (2014) also points out that the precariousness of work is also influenced by the individual's vulnerability i.e. access to other forms of support or experience of risk factors such as homelessness.

Forms of precarious work have been found to negatively affect workers' health. Benach et al. (2014) report consistent findings across several studies on the adverse effects of insecure and temporary employment on physical and mental health. Research on the effects of precarious work specifically on young people shows that young workers (aged 25) are more likely to suffer from psychological distress if they are working on zero-hour contracts (ZHC) and doing shift work (Henderson, 2017). Night shift work, and particularly rotation shift work, is also found to adversely affect sleep and cause sleepiness that can not only affect performance, but lead to work accidents and further affect a person's health (Akerstedt & Wright, 2009).

Inability to find any type of work can also have negative effects on physical and mental health (Vancea & Utzet, 2017). Even more, unemployment at a young age is a predictor of lower future earnings (Gregg & Tominey, 2005) and of long-term recurrent

unemployment (ACEVO, 2012). Young people who are not in education, employment or training have more mental health and substance misuse issues than their peers (Goldman-Melor, et al., 2016). For young people with chronic health conditions, achieving a good fit between work and their condition can have a positive effect on their health and wellbeing (Bajorek, Donnalaja, & McEnhill, 2016). Getting back to employment following a period of unemployment is also found to positively affect individuals by improving their self-esteem and mental health, and by decreasing stress (Waddell & Burton, 2006).

Key work determinants of good health

Consensus is building that employment, the quality of the work and the context within which an employee is expected to function are contributing to good health and wellbeing. Definitions of 'good work' include that of the International Labour Organization (ILO) which states: *'decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men'* (International Labour Organization, 1999).

More recently, the Taylor Review of modern working practices (2017) provided a comprehensive break-down of the main indicators of 'good work' and how they materialise in the work place. This identified six main areas that help to conceptualise good work: wages, employment quality, education and training, working conditions, work-life balance, and consultative participation and collective representation. When such standards, as included in these definitions, are not met and some or all of the characteristics of precarious work are evident, a worker is at risk of suffering both physical and mental health problems.

According to the Taylor review, employment quality is determined by how secure the job position is (permanent or temporary job; job security in general), whether opportunities to progress are offered, whether a worker has a standard working pattern, and if overtime compensation is offered. A fair wage is not only characterised by its level (especially relative to the national minimum wage) but also by its utilisation of a worker's qualifications and skills. Provisions such as a good pension scheme, bonuses, and health insurance also contribute to the financial support available to the individual and offer security buffers against future uncertainty. A good working environment is also expected to help its employees grow by offering learning opportunities on the job, high quality training, and other ways to acquire work related skills and potentially qualifications. Working conditions that allow some autonomy to the worker, whilst ensuring specific health and safety standards are met, are crucial to the perceived quality of work. Finally, a work place that expects their employees to keep a healthy work-life balance and that gives them the opportunity to have a say in the way they work also contributes to the quality of work (Taylor, 2017).

Health Foundation findings so far

The Health Foundation's 'Listening to our future' report (Kane & Bibby, 2018) communicates the findings from an engagement exercise with young people living in the UK aged 22–26. An underpinning assumption for the inquiry is that experiences between the ages of 12 and 24 will play a crucial role in determining young people's health and wellbeing in the long term. The young people identified four assets that were central to determining their current life experiences: appropriate skills and qualifications; personal networks; financial and practical support; and emotional support. Having or not having these assets (which could be dependent on where people lived), affected their ability to create the foundations of a healthy life: to secure a good home, employment, and build and maintain stable relationships with friends and family. Many of the young people interviewed had not managed to find permanent work with sufficient pay or hours and security, which was a commonly mentioned source of anxiety.

The second report from the inquiry (Kane & Bibby, 2018) investigated the effects of local systems and services on the ability of young people to transition into good work. This found that the local economy and labour market, along with housing have very strong effects on young peoples' progress into employment. Assets such as the existence of youth centres and affordable transport are crucial to young people since they provide the means to access and gain skills and training through education and work.

The inquiry looked next into the social determinants of young people's health and identified six main elements: money and resources; living conditions; family; peers and social groups; education; work and worklessness (Hagell, et al., 2018). While a negative relation between unemployment and a person's health is found, not many studies focus on the impact of precarious work on young people specifically. It is noted that there are some early findings on the adverse effects of zero-hour contracts on young peoples' physical and mental health which can be particularly attributed to the ramifications of financial insecurity. The paper concludes that, given the rise of precariousness in the labour market over recent decades and the higher risk of young people being employed in insecure positions, more research into the relation between precarious work and its impacts on young peoples' health is needed.

Sectors and occupations most likely to be immediately conducive to bad health

Studies investigating the relationship between health and specific sectors/occupations are limited. However, in 2014 the Department for Work and Pensions (DWP) conducted a large survey investigating health and wellbeing at work, with findings broken down by sector. Using sickness absence as a measure of the impact of work upon health, it found that employees in the public sector were more likely than those in the private sector to have time off, and that their absences were typically longer (DWP, 2015). The perception in the private sector that taking time off sick is an indicator of poor performance, may explain this finding (Baker-McClearn, Greasley, Dale, & Griffith, 2010). In terms of occupation, the DWP investigation found that 'Process, plant and machine operatives'

and those in 'Elementary occupations' were the least likely to have had sickness absence, with a third in each group having taken sickness absence in the last year. In contrast, 'Administrative and secretarial', 'Sales and customer service' and 'Caring, leisure and other service' occupations were the most likely to have had any absence at 48, 49 and 53 per cent respectively (DWP, 2015). A report by the Health and Safety Executive (Health and Safety Executive, 2017) found that four out of ten work-related illnesses were due to stress, depression or anxiety in 2016-17. They also found that individuals in professional occupations were suffering by this type of illnesses the most compared to the average rate of stress, depression or anxiety occurrences amongst all occupations.

Overall, sickness absence has fallen to the lowest rate on record at an average of 4.1 days in 2017 (ONS, 2018), but this alone should not be used as a measure of health in the workplace. Presenteeism, or showing up for work when one is ill (Johns, 2010), is an increasingly important factor that could potentially further aggravate health. According to one survey, the prevalence of this phenomenon has tripled since 2010 with 86 per cent of respondents observing presenteeism in their workplace in the last 12 months (CIPD & Simplyhealth, 2019). Presenteeism is more prevalent in jobs where attendance impacts upon the needs of others, such as in the education and care and welfare sectors (Aronsson, Gustafsson, & Dallner, 2000). Regarding precarious work, research has identified that presenteeism is higher among those who aspire to acquire permanent employment status (Caverley, Cunningham, & MacGregor, 2007).

Low skilled occupations have also been found to have further significant negative effects on workers' lives as workers in such occupations are more likely to commit suicide than workers in higher skilled occupations. Men in this group are especially at risk, as they have a 44 per cent higher risk of suicide than the male national average (Windsor-Shellard & Gunnell, 2017). For example, the construction industry, where there has been an emphasis on improving health and safety on-site, now experiences six times more fatalities from suicide than falls from height. The link between employment and suicide is complex; however those in low pay and low security jobs; those at risk who selectively enter particular types of occupations⁶; and those with knowledge of (or access to) methods of suicide are associated with heightened risk (ibid).

Young peoples' experiences in the labour market

Young people today function in a labour market still recovering from the aftermath of the 2008 economic crisis. This means that they have experienced negative phenomena caused or intensified by the recession, namely higher unemployment⁷, lower pay growth, and increasing offers of precarious work, which -as the evidence indicates- will have negative effects on their economic and social outcomes.

⁶ For example, individuals at risk of alcohol misuse might choose to work in places where alcohol is freely available.

⁷ Unemployment rose during the economic crisis but declined in the following years.

A greater proportion of young people are found to work in lower-paying sectors compared to previous generations (Clarke & D'Arcy, 2018). Sectors traditionally associated with low pay are wholesale and retail; hospitality; and health and social care. In terms of occupations, there has been an increase of the proportion of young people in elementary occupations (which attract lower pay) and a decrease in professional occupations (where pay is higher) (Intergenerational Commission, 2018).

Some other notable labour market issues that appear to prevail for young workers in the UK, and may be relevant to the low pay growth young people experience, are the occurrence of underemployment⁸ and reduced job mobility. Underemployment increased in the UK during the years following the economic crisis, and was especially high among young and less qualified individuals (Bell & Blanchflower, 2013). While its rate has been declining in recent years, it has not returned to pre-recession levels. Furthermore, Bell and Blanchflower (2018) found that in the UK, people who would like to work fewer hours are compensated by earning more whilst the underemployed earn less per hour. This implies further downward pressure on young people's earnings given that their underemployment levels are higher than the rest of the population.

Job mobility i.e. moving from one job to another appears to be lower than it was in the past for all age groups and it has decreased more for young workers than it has for older ones (Clarke, 2017). Job mobility is an important way out of low pay, with people who change job benefitting from pay rises 5.5 times as large as those who remain in the same job (ibid). However, the causal relation and the strength of the possible effect of declining job mobility on pay growth is not established; job searches are relatively time consuming and if the expected earnings⁹ of a new job are low, young people might choose not to search and apply for other opportunities.

At the same time, a much greater proportion of young people now gain high levels of education compared to previous generations (Intergenerational Commission, 2018). However, increasing numbers of graduates are not able to find employment that requires the qualifications they hold. Close to a third of graduates (30 per cent) take on non-graduate roles even several years post-graduation. Reasons for this mismatch vary, but key themes include concerns about debt, restricted geographical mobility, or perceptions of an unpromising labour market (Foley & Brinkley, 2015).

Precarious work is also more prevalent amongst young workers today than it was in the past, or than it is amongst older workers in the present (Intergenerational Commission, 2018). One of the striking facts is the number of young people in self-employment. In 2014, 180,000 under 25s were self-employed (five per cent of young people) (Jones, Brinkley, & Crowley, 2015). The pay growth of people in self-employment is even lower than the pay growth of employees in the years that followed the economic crisis, which is likely to have contributed to the observed lower pay growth of young people during that period (Intergenerational Commission, 2018). Many other forms of non-standard

⁸ Underemployment is the phenomenon of a person being employed, but for fewer hours that they would prefer.

⁹ Probability of finding another job that pays more.

employment that affect security and pay have seen an increase in the youth labour market in the last few years. For example, part-time work increased for both men and women, one in 12 young people under 25 are employed with zero hour contracts (ZHC), and there has been an increase in agency work by 30 per cent for young people under 30 years old since 2011 (ibid).

In practice, definitions of employment types (employee, worker, and self-employed) are often blurred and can lead to exploitative misclassification. Those on ZHCs are recruited as workers, which entitles them to statutory employment rights. However, a CIPD (2013) survey found that 64 per cent of employers classify those on ZHCs as employees, 19 per cent as workers, 3 per cent as self-employed, and 14 per cent did not classify them at all. A troubling finding is that 21 per cent said that ZHC staff was not entitled to any benefits (such as statutory sick pay, pension auto-enrolment, annual paid leave, etc.), despite only 3 per cent of employees classifying ZHC staff as self-employed (ibid). An important issue over ZHC is that people working on such contracts are not entitled to a series of employment rights even if they end-up working full-time hours most of the time (Broughton, et al., 2016). Important employment rights absent under ZHC include sick pay, maternity pay or bonuses (ibid).

Some workers also experience bogus or false self-employment, whereby employees are misclassified as being self-employed despite working under the authority or subordination of a company. Those working in the gig economy have been the subject of growing concern, with the Work and Pensions Committee (2017) suggesting that gig economy platforms use bogus self-employment to avoid obligations or duties and increase profits by transferring responsibility onto workers. Misclassifying those on ZHC as self-employed, could lead to a denial of rights they would be eligible for as employees such as legal entitlement to minimum wage; protection against unlawful deduction from wages; annual leave; statutory rights around travelling time or waiting between jobs, etc. (ACAS, 2019).

The issue of bogus self-employment issue is not exclusive to the gig economy, with the off-shore oil (HM Revenue and Customs, 2014) and construction (UNITE, 2018) industries identified as particular areas for concern. To put this into perspective, Citizens Advice estimate that individuals in false self-employment are losing an average of £1,288 per year in holiday pay, they pay an extra £61 per year in National Insurance, and that the Government loses £300 in employer National Insurance per person per year (Citizens Advice, 2015).

The numbers of young people not in education, employment, or training (NEET) have decreased over the last few years (Powel, 2018) - most likely an effect of the longer stay of young people in education. However, these observed trends do not necessarily translate into improved circumstances for all young people in the labour market. For instance, it has recently been found that young people from a disadvantaged background are 50 per cent more likely to become NEET compared to their more privileged peers, even where they hold the same levels of education (Gadsby, 2019). This fact along with the rise of precarious forms of work motivate the need to use a different measure of success of young people in the labour market, other than the number of young people who are NEET.

Young people in the labour market: Job strategies and approaches

Job search is an integral part of labour market participation and the first step towards securing a high quality, well-paid job. Improvements in information and communication technologies (ICT) have not only changed the labour market landscape, they have also changed the way people search for jobs, and especially for young jobseekers (Hoyos, et al., 2013). A jobseeker can find information on vacancies easily and at a low cost. High speed internet is usually readily available today, although young people who do not have regular online access are disadvantaged (Tunstall, Lupton, Green, Watmough, & Bates, 2012). Despite possible access problems, young people prefer using the internet for job searching due to speed, ease of application, and volume of vacancies available in one place (including being able to search over a wider geographical area) (Green A. , et al., 2013). Some also prefer this mean of applying for jobs as it does not require direct interaction with the employer (Tunstall, Lupton, Green, Watmough, & Bates, 2012).

Unfortunately, even low cost and fast online job search has downsides. High competition between young and older jobseekers can often mean advertised jobs are filled within days or even hours (Tunstall, Lupton, Green, Watmough, & Bates, 2012). Green et al. (2013) note there is a danger that the ease of applying for work may lead to job seekers either adopting an inefficient 'scattergun' approach of sending large numbers of applications (as compared to a more efficient targeted approach), or becoming too reliant on the internet and neglect other job search methods. This is an issue for young job seekers, as compared to older cohorts as they are less well acquainted with other search methods and may lack the careers guidance or experience to find suitable employment. For young people who experience unemployment, underemployment and inactivity in a progressively difficult labour market, developing and hence being able to demonstrate employability skills in their job applications is increasingly challenging (ibid). Furthermore, job search quality and its results may even vary among different groups of young people. De Hoyos et al. (2013) note that due to the increasing use of ICT for job applications, the role of Public Employment Services (PES) has also changed, which seems to leave behind the most disadvantaged (for example early school or vocational training drop-outs, fired/laid off workers). Job seekers who experience some type of disadvantage would benefit the most from PES advice and counselling on matching their skills to the available vacancies (ibid).

Other job search methods include the use of social networks and personal networks. These methods have both advantages and disadvantages. Young job seekers (aged 16-29) are more likely to use social networks when looking for a job. A key point with respect to social networks is that they are found to assist with job search when they have been established through work. This means that those who have been unemployed for a long period or intermittently, or have low skills, are less able to have ties to such networks (Green A. E., Hoyos, Li, & Owen, 2011). Personal networks can be an efficient way to get a job, however a downside to using family and friends to find work is that it can limit the range of job opportunities available and may reduce the future potential of an individual (Green, Shuttleworth, & Lavery, 2005). Personal connections and networks can however

help a young person indirectly as well when it comes to navigating the job market and planning ahead by providing advice and boosting confidence (Kane & Bibby, 2018).

Being able to find job opportunities and submit job applications that successfully lead to job interviews can be considered a skill. Therefore, first time job seekers might be less efficient in searching and applying for jobs than more experienced applicants. Bell and Blanchflower (2011) note that younger workers most likely have less labour market experience than more mature workers which makes them less attractive to employers. There is in general a fall in the quality and quantity of jobs available during recessions (Clayton & Williams, 2014) which may, in turn, exacerbate conditions for young job seekers during economic downturns as higher levels of competition mean young people tend to get crowded out of the labour market by older workers with more experience (ibid). Despite this, the UK has been hesitant to increase spending on policies focused on youth unemployment (Bell & Blanchflower, *Young People and the Great Recession*, 2011), while recent austerity measures have further decreased the job search support offered to job seekers (Finn, 2016).

On the employer side, recruitment methods include word of mouth/personal recommendations, website advertisements, social media, paid recruitment services, government recruitment schemes, etc. The Employer Perspectives Survey (2017) reports that the larger the establishment size, the more likely it is for it to use a multitude of recruitment strategies to attract possible candidates. Notably, one fifth of very small establishments (which employ 2-4 people) were likely to only use word of mouth to recruit new employees, while less than 1 per cent of large establishments used only this medium for recruitment. This practise is likely to be problematic as it is unlikely to help employ the most suitable candidates for the job. Furthermore, it is a method that is likely to exclude young workers who haven't gained any attachment to the labour market yet (ibid).

Looking at the recruitment methods used to employ young workers, a similar pattern like the one that holds for the entire job market seems to emerge. However, the personal recommendations hold an even more prominent role when it comes to the recruitment of young people (Shury, et al., 2017), possibly due to the lack of demonstrable previous experience. The methods used vary based on the skills demanded for the job; for elementary occupations, employers used predominantly word of mouth when hiring young people and for professional and associate professional occupations, employers relied mainly on paid recruitment services and educational careers services (ibid).

Access to training in employment

The landscape within which young people study, train, and seek employment is changing in the UK. In England, in the past decade there has been an increase in the age at which individuals can leave compulsory education from 16 to 18, while the school leaving age remains 16 in Wales, Scotland and Northern Ireland¹⁰. The current post-16 options

¹⁰ <https://www.gov.uk/know-when-you-can-leave-school>

available in England are: full-time study at school, in a college or with a training provider; full-time work or volunteering combined with part-time studying or training; or an apprenticeship. Remaining in education or training for longer is designed to tackle youth unemployment (Clayton & Williams, 2014), but it also has a significant impact on the demographic characteristics of job seekers.

Training seems to have positive effects on pay growth in general; however these positive effects are found only to be evident on intermediate and higher skilled workers in the UK (Pavlopoulos, Muffels, & Vermunt, 2009). Job-related and firm-specific training are not boosting wages upwards for low skilled workers in the UK. This finding indicates a problematic link between training and its use for workers in low-pay elementary occupations, a group of workers containing large proportions of young employees. At the same time, vocational training is found to contribute highly to labour productivity in Europe (Sala & Silva, 2013).

Over the last few decades, changes have occurred with respect to the amount of training offered; even though the participation rate in training remained relatively stable, the duration in training has halved (Green, Felstead, Gallie, Inanc, & Jewson, 2016). The Employer Skills Survey 2017, funded by the Department for Education, which looked at the responses of 87,000 employers, also found that while the proportions of organisations offering training and the proportion of staff being trained did not significantly change over time, there are indications that the total volume, quality, and type of training may have changed (Winterbotham, et al., 2018). Furthermore, organisations employing young individuals are less likely to provide training than those that do not (UKCES, 2012), while entry-level employment comes with limited opportunities for training (European Foundation for the Improvement of Living and Working, 2013). In general, progression is not typically offered to temporary staff including workers on ZHC and agency staff, as intuitively such opportunities would have higher returns if offered to permanent employees (Langdon, Crossfield, Tu, White, & Joyce, 2018).

The Nature of Work for Young People

As the previous chapter demonstrates, work conditions are very important to a person's health and wellbeing, while personal development in the work place and financial stability provide the grounding for a person's future health outcomes. In order to show the reality of work for young people in the UK, in this chapter we explore the forms and types of employment available to young people in terms of sectors, pay-scales, conditions, and security, the training and development opportunities, as well as how those vary between the four nations. We also explore the trends of the labour market outcomes of young people, looking at how their workplace experience has changed over the last 20 years.

Labour market trends for 16-24 year olds in the UK for the period 1999-2018

The UK labour market has been the subject of substantial changes over the last 20 years; the declining manufacturing sector and the emergence of the services and hospitality sector, the increasing offers of non-standard forms of work, and the economic crisis and its aftermath have changed the nature of challenges faced by young people in the labour market today. In this section, we focus on the labour market trends experienced by young adults aged 18-24, and 16-24 when applicable, to gain a better understanding of how the labour market reality has changed over time and the new challenges that have arisen for this age-group.

For this part of the analysis we use the Quarterly Labour Force Survey, and apply population weights to correct for non-response error in order to provide population based estimates. The main focus is to understand how labour market trends have changed over time and how they differ among the four nations. We also present the findings from the young person focus group as these deepen insights into the challenges faced in the labour market by young people today.

Employment, unemployment, and inactivity

In this section we present the employment, unemployment and inactivity rates of young people for each one of the four nations, over the last 20 years¹¹. Youth employment has been the lowest in Northern Ireland and the highest in Scotland over this period. The economic crisis had a strong negative effect in all UK nations; the highest drop in youth employment (10 percentage points) was seen in Northern Ireland between 2007 and 2009, and the lowest drop for the same period was seen in Scotland where it declined by

¹¹ See Appendix 1, Note A, for a detailed explanation on how these rates are calculated.

less than five percentage points. Across the nations, youth employment started to recover from around 2014 (Figure 1).

Figure 1: Employment rate of young people in the four nations, last 20 years



Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Youth unemployment has been higher than 10 percentage points for all four nations, for almost all of the last 20 years. Following the economic crisis youth unemployment increased substantially, however it started to fall again after 2014. Notably, Scotland saw youth unemployment drop lower than its pre-crisis levels after 2016 however this effect was not seen in other nations (Figure 2).

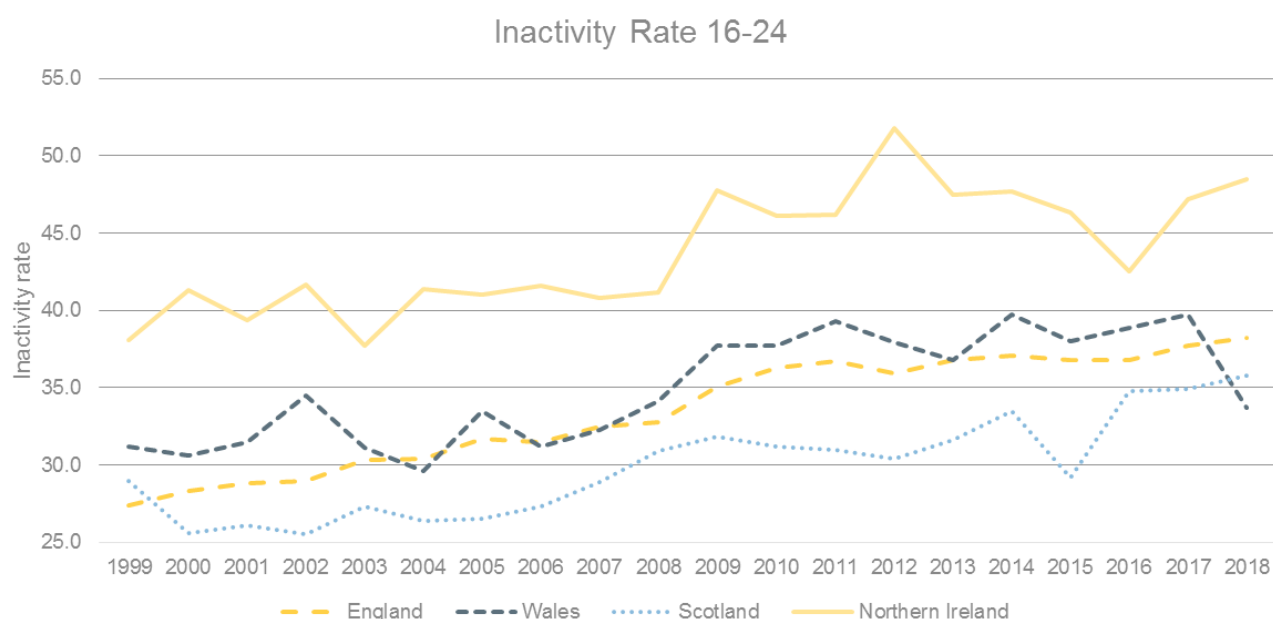
Figure 2: Unemployment rate of young people in the four nations, last 20 years



Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Youth inactivity has been increasing steadily for all nations over the last 20 years, with Northern Ireland showing the highest rate amongst the four nations (Figure 3). The economic crisis seems to have contributed to this increasing trend; however other factors such as increasing levels of educational attainment may also be contributing to this increase¹².

Figure 3: Inactivity rate of young people in the four nations, last 20 years



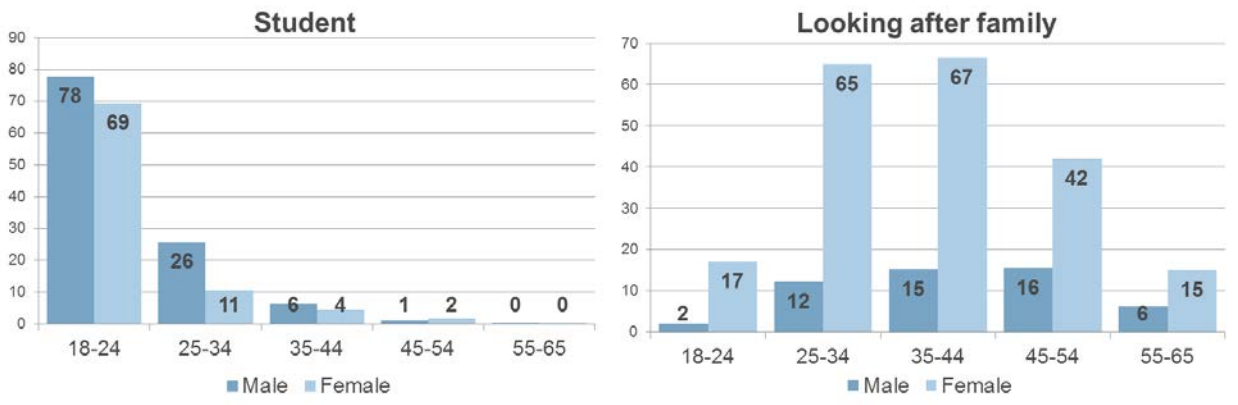
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Looking into the drivers of inactivity, three factors dominate when individuals are asked to provide the main reason for being inactive. These reasons, which vary significantly by age and by gender, are: studying; looking after family; and being disabled¹³. Studying and looking after family are set out in Figure 4 below, while long-term illness or disability is set out in Appendix 2. Studying is an important reason for both men and women and is more predominant the younger a person is (accounting for 73 per cent of economic inactivity among 18-24 year olds). Looking after family is a main reason for women, especially over the age of 25 but also relatively high for young women between the ages of 18-24 (and accounts for almost 10 per cent of youth economic inactivity overall). Finally, disability and long-term health conditions are also significant drivers of inactivity amongst young adults, explaining 8 per cent of youth inactivity).

¹² Students over 18 years old are of working age but might not be working or looking for a job during their studies, which means that they would be counted as inactive.

¹³ See Appendix 2, Figure 28: Main Reason Inactive by age and gender: Long term sick/disabled. This Appendix sets out additional supporting analysis to be read alongside the 'Nature of Work for Young People' chapter.

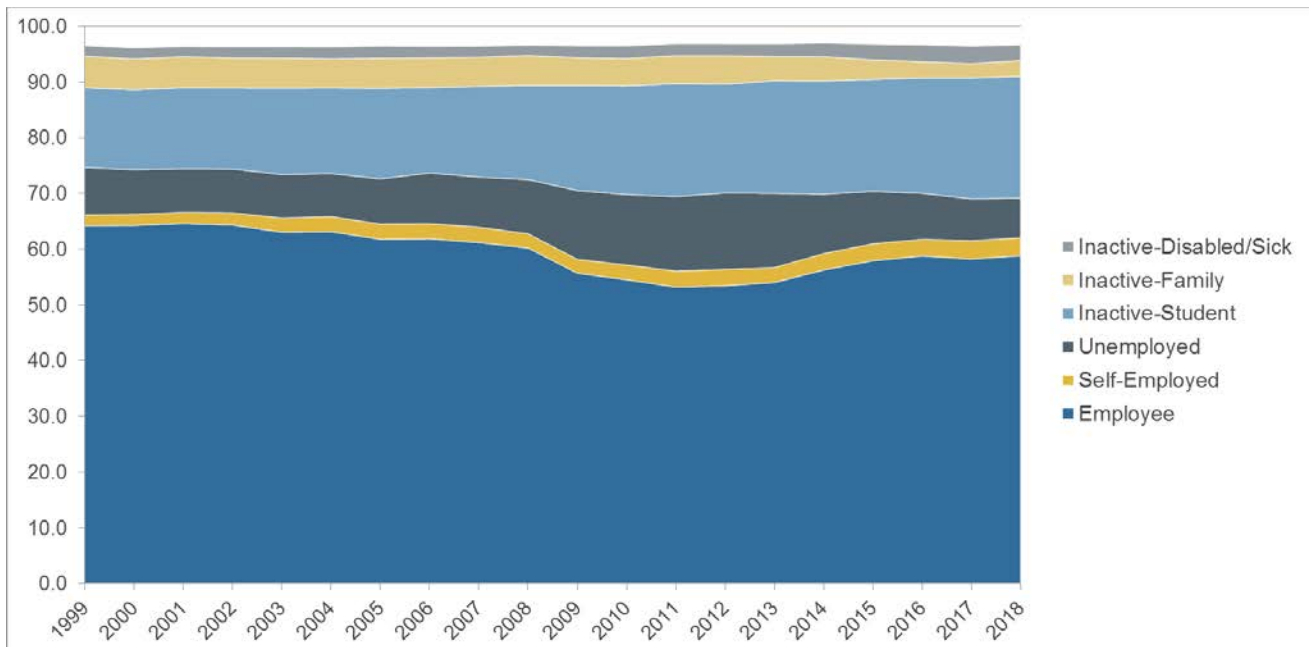
Figure 4: Main Reason for inactivity



Source: UK QLFS, cross-sectional population weights used, year 2018.

Looking at the change of economic activity over time, we can see that there has been a decrease in dependent employment amongst young people over the last 20 years. Even though self-employment has increased a little for this age group and unemployment has decreased by a little as well, the other great change is with respect to inactivity; there has been a great increase at the percentage of young people who are inactive due to studying, whilst there is a slight decrease on the levels of inactivity due to family reasons and a slight increase due to disability (Figure 5).

Figure 5: Economic Activity Categories, ages 18-24



Note: This graph shows the proportion of people who are employees, self-employed, unemployed, or inactive due to disability/sickness, family reasons, or studying. It does not show the employment, unemployment or inactivity rates.

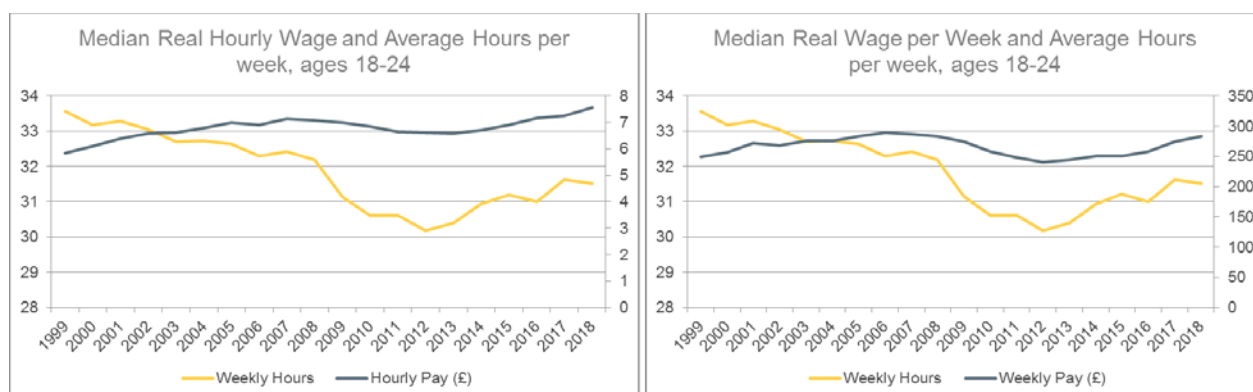
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

The youth employment and unemployment rates indicate that the labour market has been recovering from the crisis and especially youth unemployment has already dropped to its pre-crisis levels. However, the labour market has changed in other ways that affect the working conditions and the remuneration of young workers. To gain a better understanding of how the work of young people has changed over time, we need to look at the levels of non-standard work, the extent to which work is precarious, and ultimately the hours of work and pay.

Working hours, pay, and underemployment

In the past 20 years there has been a decrease in the hours per week that young people work. At the same time their hourly wage has been increasing. Ultimately, the real¹⁴ weekly pay indicates that the decline of working hours has not been compensated by the wage increase; even though weekly earnings have been increasing, they still have not reached their pre-crisis levels (Figure 6). This decline in hours is also depicted in the extent of part-time work amongst young people, which has increased over time among all four nations.

Figure 6: Hours of work per week, median real hourly wage, and median real weekly wage, ages 18-24



Source: UK QLFS, cross-sectional and income population weights used, years 1999-2018.

Young people who took part in the focus group held a view that work often did not generate a 'net' return for them. Costs of living^{15,16} were a major concern and this included the costs of transport (see Box 1).

¹⁴ The weekly and hourly pay depicted in the graphs is CPI adjusted for inflation.

¹⁵ Another indication that the levels of remuneration today are not catching up with the living costs is the drop of house purchases with mortgage or loan over time (Appendix 2, Figure 30) and the increase of rented accommodation by young people (Appendix 2, Figure 31). This is a combined result of increasing house prices and an on average drop of income of young people.

¹⁶ For example, for a single working age person the weekly budget to reach the "minimum income standard" excluding rent in 2019 is £221, while in 2009 it was £207 in inflation adjusted prices (<https://www.jrf.org.uk/report/minimum-income-standard-uk-2019>).

Box 1: Young People’s Views

Low pay was identified as a source of frustration for young people who found that their wages were not enough to support them to live independently. The cost of public transport was raised as a common issue for young people, with the majority struggling with the costs of travelling to work. Some of those living in rural areas suggested that their transport needs would be best served by owning a car, but that affording a car was an unattainable goal as their wages were insufficient and did not allow them to save.

Young people also linked inadequate transport services and consequent sense of isolation to poor mental health and suicide in rural areas.

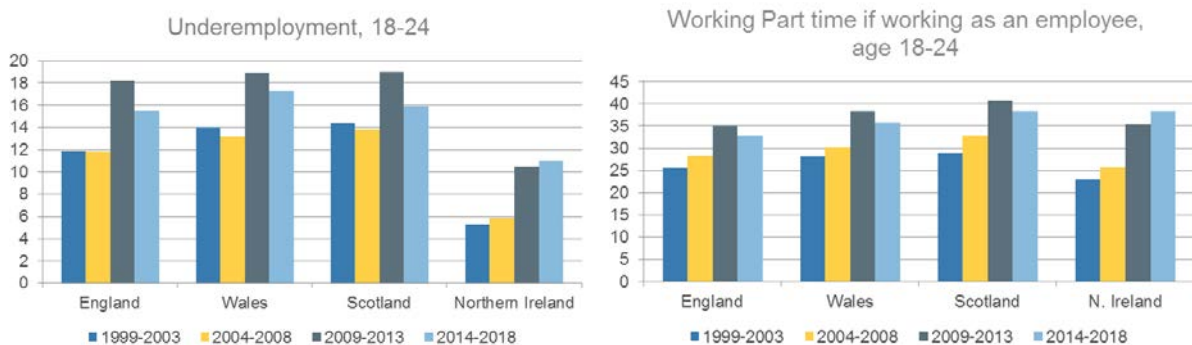
As such, the decrease in weekly hours of work has particular impacts on young workers. To explore this further, we next look at the levels of underemployment over time. A person is identified as ‘underemployed’ in the QLFS, when they would like to work more hours than they currently do, and this measure applies to all individuals in employment who are not currently looking for a different type of employment. Youth underemployment increased during the crisis for all four nations, and even though it started to decline in the years following the crisis, it has yet to reach its pre-crisis levels (Figure 7). This shows that more young people nowadays would like to work for more hours than their current employer offers them, which in turn suggests a waste of resources in the economy as well as a degree of precariousness for young workers. In general, for all nations and over time, underemployment and part-time work follow similar trends. The experience and quality of work available to them were factors that young people emphasised when discussing their employment and which had ramifications for their health and wellbeing (Box 2).

Box 2: Young People’s Views

The scarcity of ‘good quality’ employment opportunities was raised repeatedly by young people. For example, many spoke of how the lack of full-time permanent employment opportunities meant that they were ‘forced’ to accept employment with less hours than they would have hoped. Unemployment, or the fear of unemployment, was said to place young people under high levels of stress and leave them with no choice but to accept underemployment.

The next sections explore young people’s use of the welfare system over time.

Figure 7: Youth underemployment and part time work (proportion of those in work)



Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Social security

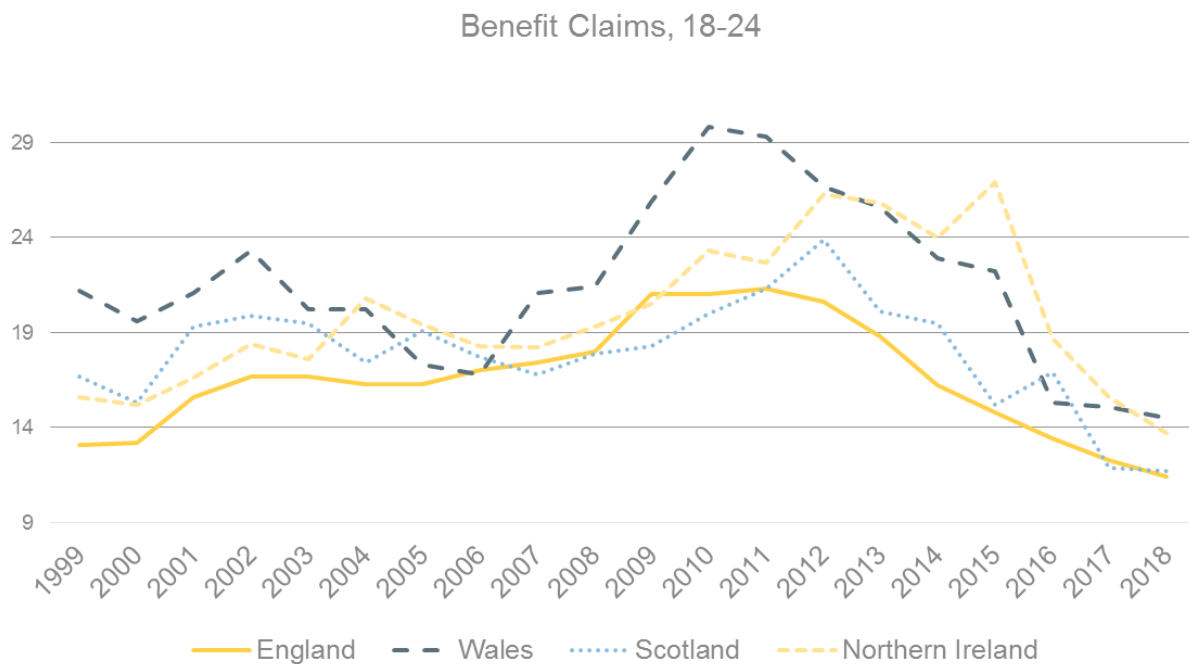
While the real weekly earnings of young people have not returned to their pre-crisis levels yet, the benefit claims of this group in all four nations have declined in the past four years (Figure 8). This change may indicate that more young people might be at risk of not receiving the financial support they need. Young people taking part in the focus group held quite strong views on the support available to them from public employment services (Box 3).

Box 3: Young People's Views

Young people said that the welfare system did not provide them with adequate support, and encouraged them to take 'any' employment, rather than 'good' employment that may help them reach their career aspirations. They also linked this situation to the poor mental health outcomes in young people.

Young people told us that their anxiety concerning unemployment was exacerbated by reductions to welfare spending. For young people who feel unprotected by the welfare system, 'holding out' for a good quality employment opportunity feels like too great a risk to take. This is particularly true for those who are Black, Asian and Minority Ethnic or from low income backgrounds.

Figure 8: Benefit claims over time (proportion of those aged 18-24)



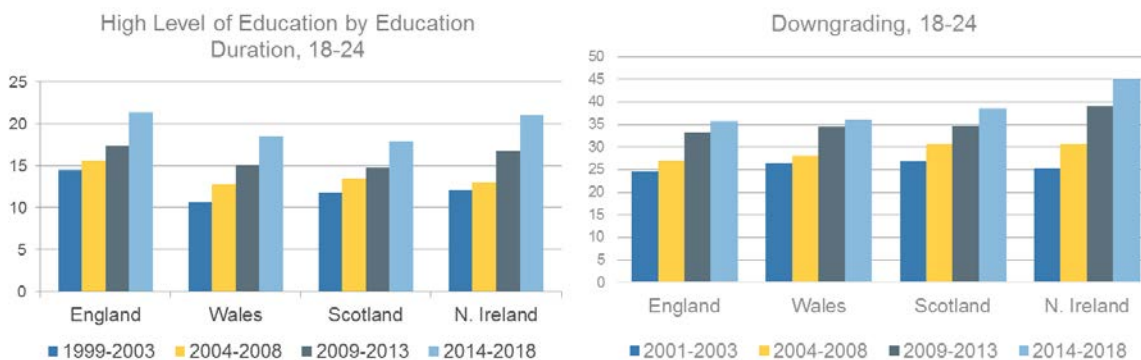
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Educational level and socio-economic status

A possible driver of the lower average hours of work per week, and the increasing levels of inactivity amongst young people, could be the increasing higher educational participation and associated higher qualification attainment. Education duration increased for all four nations over the last 20 years; however, this does not explain the increase of underemployment. A concerning point is that the higher levels of education do not lead to a higher socio-economic status for all.

The proportion of young people who are ‘downgrading’¹⁷ in the labour market has been increasing in the past 20 years. A young person is considered to be ‘downgrading’ when they have high levels of education but they are employed in routine and manual occupations (Figure 9).

Figure 9: Proportion of young people with high level of education (left hand graph) and proportion of high or intermediate educated in routine and manual occupations (right hand graph)



Source: UK QLFS, cross-sectional population weights used, years 1999-2018 and 2001-2018.

Another consideration for young people at the focus group was on the value of the different types of qualifications in the labour market; even though they knew that the qualifications one can gain through other routes than higher education would add value in the labour market, their experience was that the opportunities to use those skills were not there (Box 4).

Box 4: Young People’s Views

A number of young people believed that employers did not value vocational qualifications as highly as A-Levels and degrees. The perceived ‘stigma’ of having sought a vocational route into employment was said to be furthered by an emphasis on traditional ‘academic’ routes by teaching staff in schools.

¹⁷ See Appendix 1, Note B, for a detailed explanation on how education and downgrading are calculated for Figure 9.

This is frustrating for young people who feel unable to use the skills they have gained during their vocational qualifications, and leads to concerns that the validity of their qualifications may expire before they are able to find employment. Better career guidance and continued support upon the completion of vocational qualifications were identified as solutions that young people would like to see.

The overview of the employment market, pay and skill utilisation trends over the last twenty years gives a better understanding of how the challenges in the youth labour market have changed over time. However, they do not give much information on the quality of work available to young people today. The following section aims to answer that by giving initially an overview of the industries and sectors young people work in, and then by showcasing the emergence of non-standard forms of work, the precariousness of work, working arrangements in the youth labour market, union membership levels of young people, and their job search strategies.

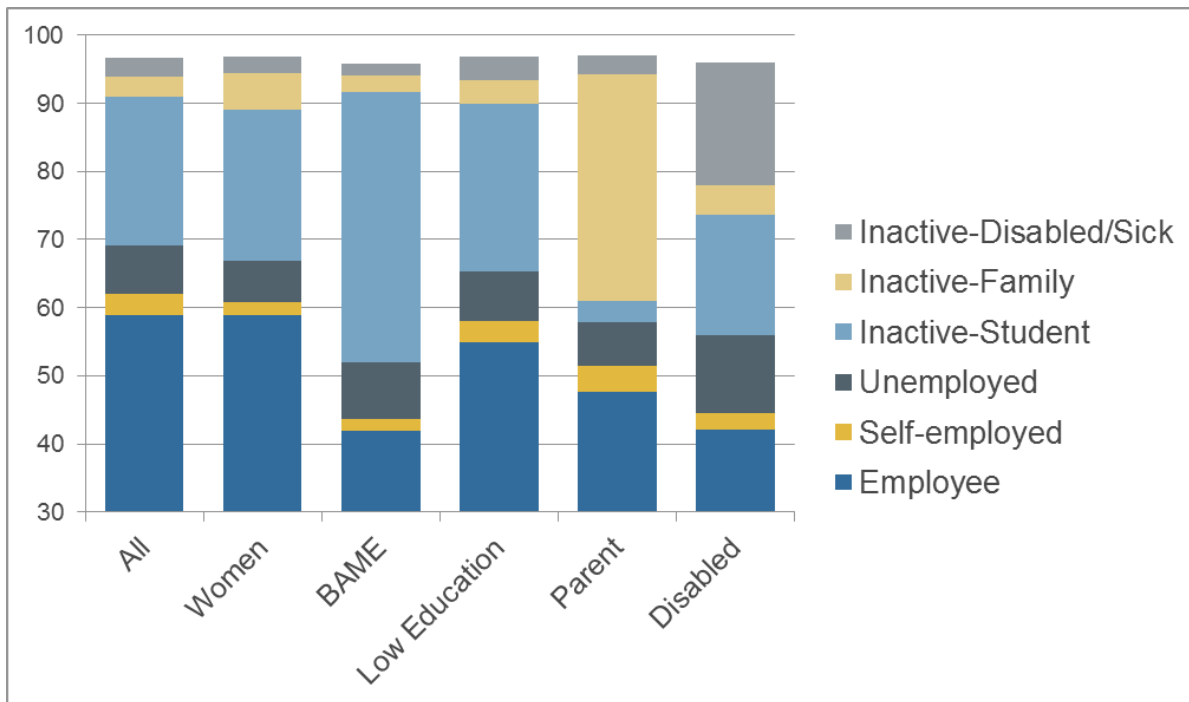
Job types of young people in 2018 and differences based on geography and personal characteristics

There is a lot of variation in terms of pay, types of employment, and working conditions experienced by young people and differences are associated with the area in which they live as well as personal characteristics, such as their gender, ethnicity, educational level, and socio-economic status. In this section we present how work related conditions and the quality of work differ by geography and individual characteristics including age.

Before we present the different circumstances faced by different types of workers we present an overview of some of the main groups that can be considered as being at risk of precarious work, namely women, Black, Asian and Minority Ethnic, low educated, parents, and disabled young people aged 18-24.

In Figure 10 we see that the two groups that have the lowest proportions of dependent employment are Black, Asian and Minority Ethnic and disabled young people, followed by parents and low educated workers. The proportion of unemployed disabled people is much higher compared to that proportion of all other groups indicating that they have comparatively a harder time getting a job. In terms of the drivers of inactivity, Black, Asian and Minority Ethnic young people are mainly inactive due to studying. Parents are mainly inactive due to family commitments. Apart from studying, disabled young people are inactive due to their disability.

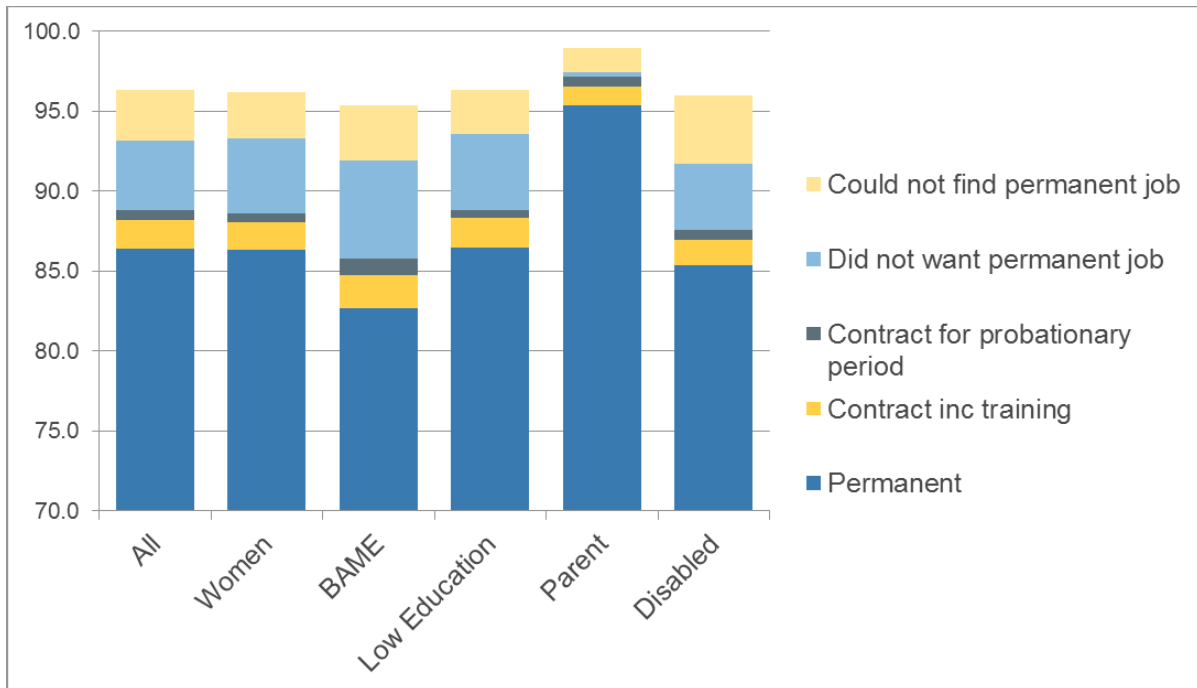
Figure 10: Economic activity and reasons for inactivity, ages 18-24



Source: UK QLFS, cross-sectional population weights used, years 2018.

In Figure 11 we see that parents are predominantly in permanent employment, possibly either because they decided to have children only after they established some financial security, or because they only applied for permanent jobs in order to obtain some security given that they have dependants. Black, Asian and Minority Ethnic young people have the lowest percentage of permanent work. However, the predominant reason for that is because they did not want a permanent job. Disabled young people are more likely amongst all groups to not have a permanent job because they could not find one.

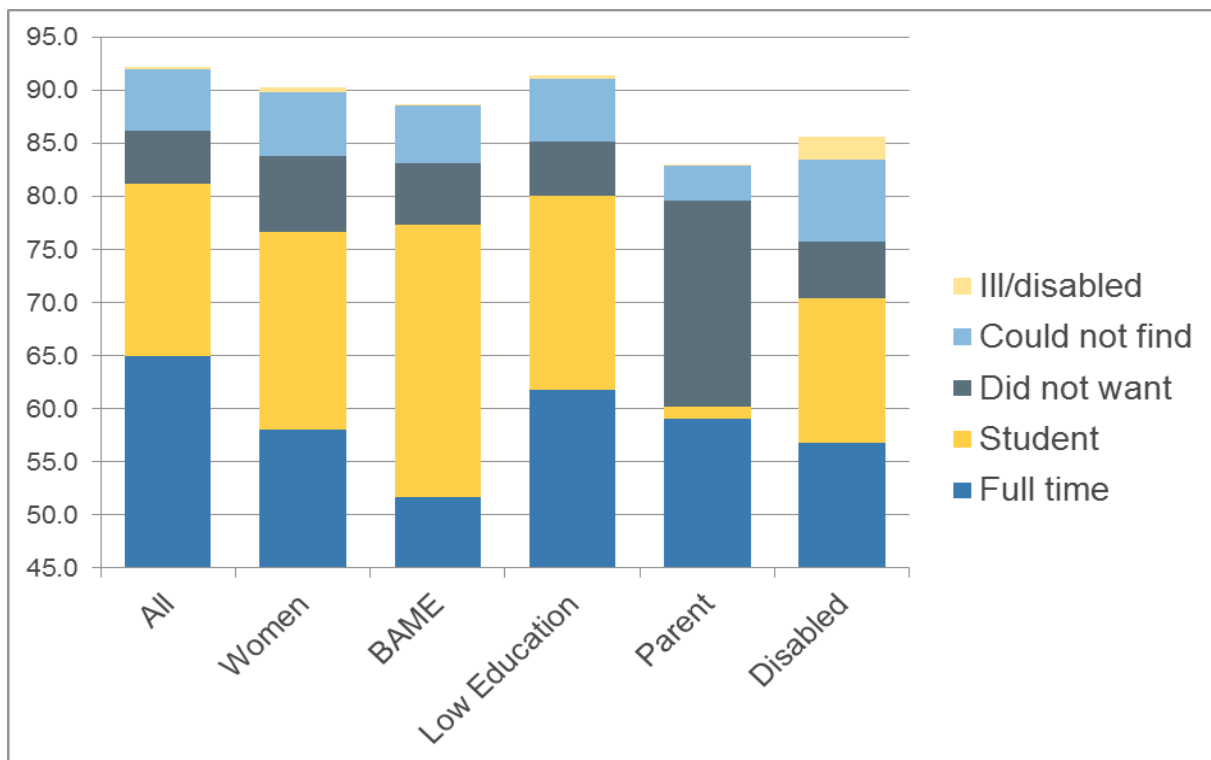
Figure 11: Permanent job and reasons for non-permanent job (employees), ages 18-24



Source: UK QLFS, cross-sectional population weights used, years 2018.

Another non-standard form of work is part time employment which can be considered precarious when an individual cannot find full time work and ends up working part time, possibly not being able to secure a living income. In Figure 12 we see that all at-risk groups are less likely to be working full time compared to the average. However, for Black, Asian and Minority Ethnic young people the main reason is because of studying and for parents that they did not want a full time job. Once again the group that seems to be in the most precarious position are disabled youth who either work part time because of their disability or because they could not find a full time job.

Figure 12: Full time job and reasons for part time job (employees)



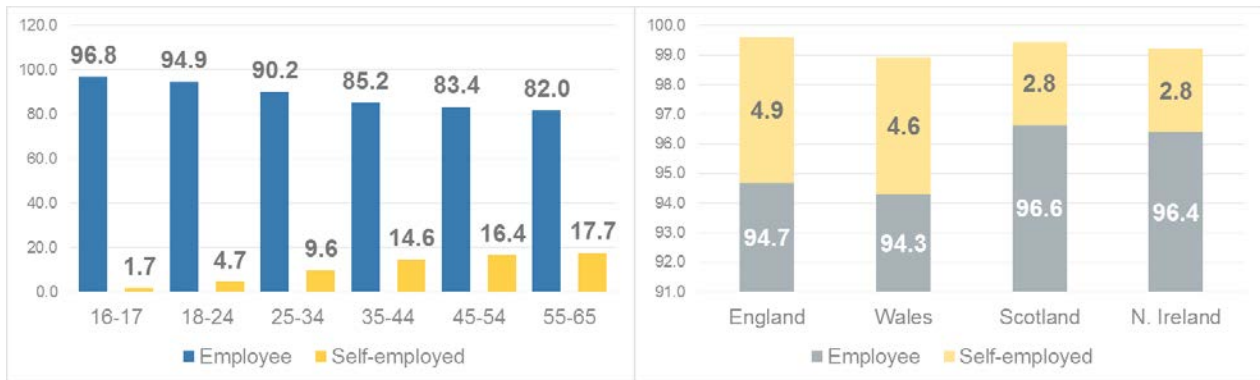
Source: UK QLFS, cross-sectional population weights used, years 2018.

In the sections that follow we will present employment types, industries and cases of non-standard and precarious work only for the groups for which a pattern emerges that shows that that group might be at risk. Apart from the categories mentioned above, the population categories that have also been examined are age, nation, ethnicity at a more granular level, and socio-economic status.

Types of Employment and Industries

Self-employment is traditionally linked to entrepreneurship; however the new phenomenon of ‘fake’ self-employment that has emerged in past few years creates difficulties identifying the exact form of employment of an individual when using the QLFS. Young people are less likely to be working as self-employed and more likely to be employees. As entrepreneurship is more likely to require financial capital and experience, it might be the case that we would see ‘fake’ self-employment among young workers more often than entrepreneurship. At the same time the levels of self-employment of young people are almost double in England and Wales compared to those in Scotland and Northern Ireland (Figure 13).

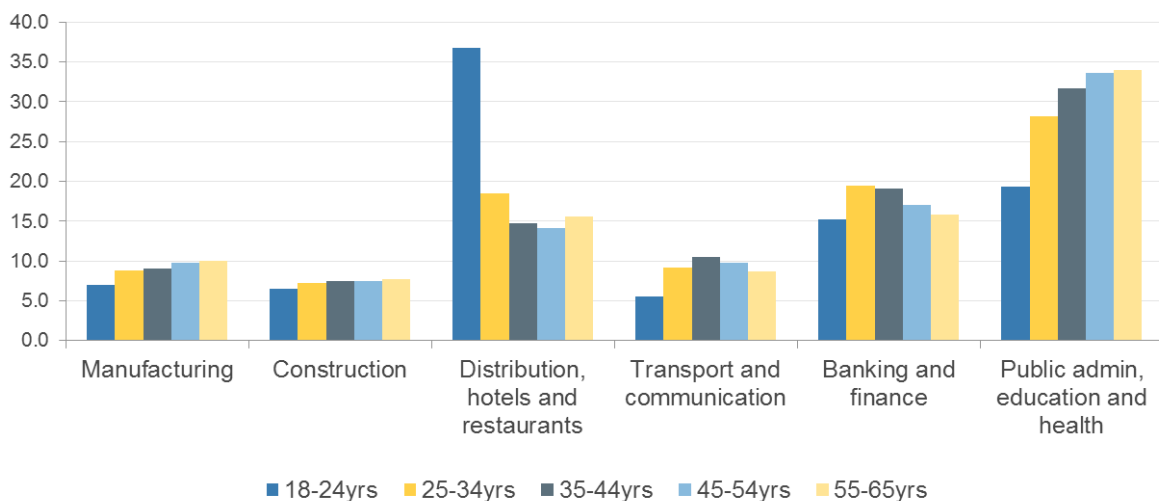
Figure 13: Self-employment by age and by nation (proportion of all in work)



Source: UK QLFS, cross-sectional population weights used, years 2018.

There is also great variation based on industry. Young people are most likely to be working in ‘Distribution, hotels and restaurants’ and the jobs available in this industry¹⁸ are mainly ‘routine and manual’ (Figure 14). This clustering of young adults in an industry that offers predominantly routine and manual jobs might be temporary if they are still studying, but if that is not the case it might have negative implications on the cohort’s future pay trajectories. In contrast, older workers (those aged over 25 years) are more likely to be working in ‘Public, administration, education and health’. Accordingly, the socio-economic status of young people in the public sector is predominantly higher rather than lower.

Figure 14: Industry type by age (all respondents in employment except certain government schemes)

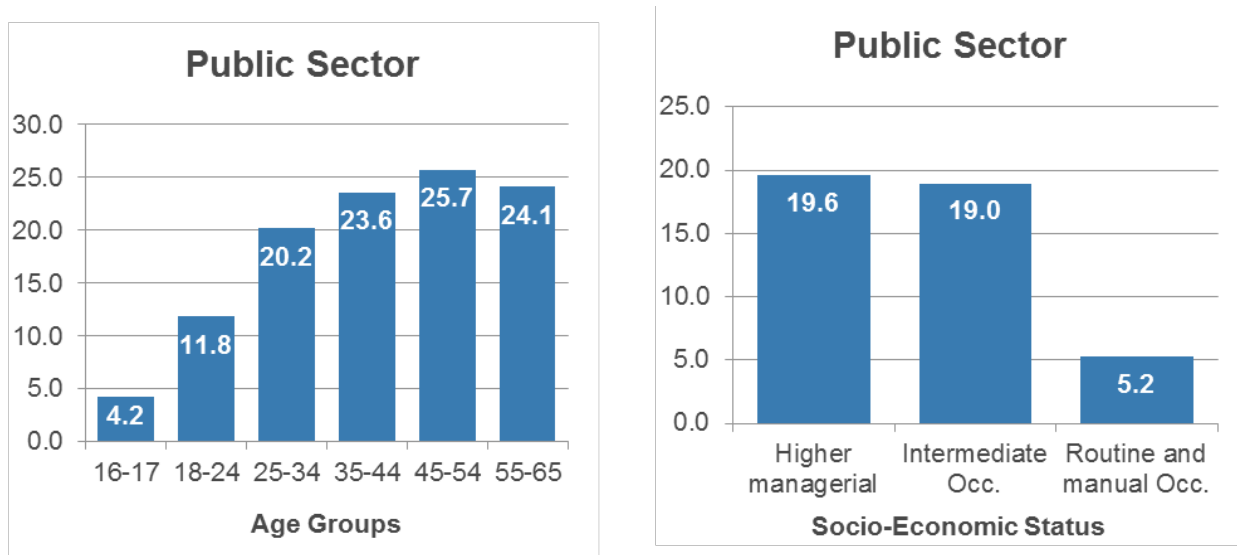


Source: UK QLFS, cross-sectional population weights used, year 2018.

¹⁸ There are two industry categories here that are excluded from the graphs as the percentage of young people in them is lower than two per cent. Those industries are ‘Agriculture, forestry and fishing’ and ‘Energy and water’. For the distribution of industry types by socio-economic status see Appendix 2, Figure 32: Industry type by socio-economic status, age 18-24.

Overall, young individuals are half as likely as older workers to be employed in the public sector (Figure 15). Moreover, there has also been a decrease of young people in public sector jobs in Scotland and Northern Ireland over the past decade¹⁹.

Figure 15: Public/private sector by age and by socio-economic status (employees)



Source: UK QLFS, cross-sectional population weights used, year 2018.

Non-Standard Forms of Work and Precariousness

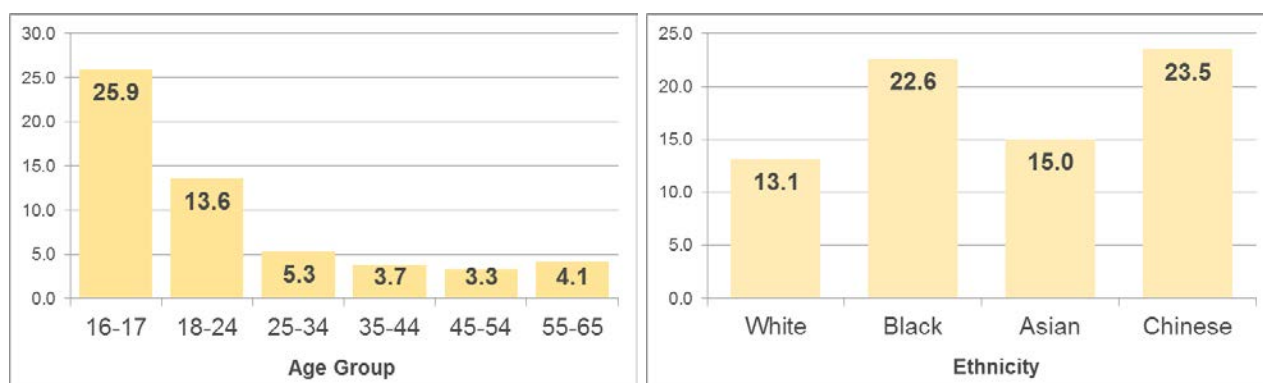
The working conditions, the security of work, the hours of work and the remuneration of the employee all contribute to the quality of the employment experience and are determinants of a worker’s wellbeing and financial stability. In this section we explore the quality of work on offer to young people today.

Permanent contracts can give the financial stability needed for long-term planning and investment. For example, a person on a permanent contract can be eligible for a mortgage and hence invest in a house or get a loan at reasonable rates to buy a car. However the data show that the numbers of young people in temporary work are more than double the proportion of older workers with this kind of contract. There is also variation by area, with Northern Ireland having the highest rates of young people on temporary contracts amongst all nations²⁰. There is great segregation by ethnicity as well, with Black and Chinese young individuals having much higher rates of temporary contracts when compared to white young people (Figure 16).

¹⁹ See Appendix 2, Figure 29: Proportion of Young People Employed in the Public Sector.

²⁰ See Appendix 2, Figure 33: Proportion of young people aged 18-24 in non-permanent employment.

Figure 16: Proportion of employees in non-permanent employment by age group and by ethnicity for young people aged 18-24. Permanent employment is omitted.



Source: UK QLFS, cross-sectional population weights used, year 2018.

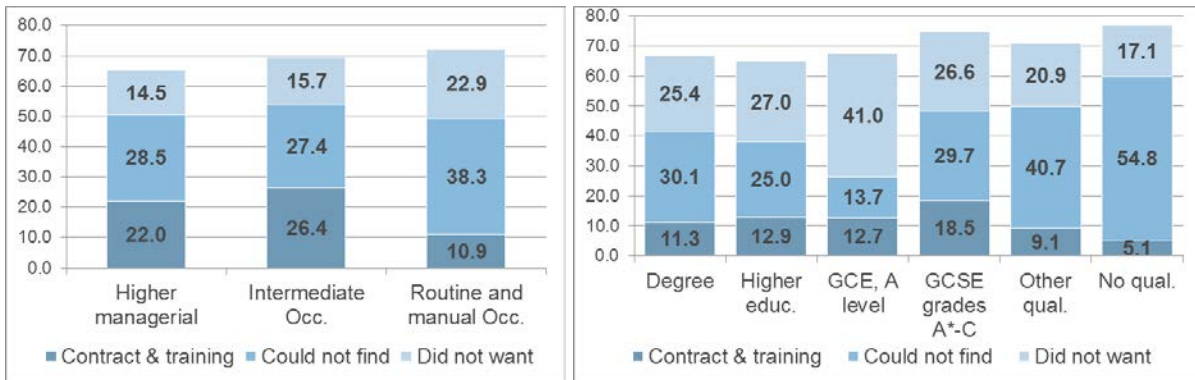
A temporary job arrangement can be considered precarious if the worker wants a permanent job but cannot secure one. Young people aged 18-24 are more likely to declare that they do not have a permanent job because they do not want one rather than because they could not find one. Even so, more than 20 per cent of young people are in temporary employment because they cannot find permanent work²¹. Considerable differences in terms of inability to obtain a permanent job are found among the contract types offered to young people by occupation; workers in routine and manual occupations are much more likely to be in a temporary job because they cannot find a permanent one compared to young workers in higher managerial and intermediate occupations²². This is particularly problematic as the median pay²³ of this group is also lower than the average pay of workers with higher socioeconomic statuses. A similar pattern emerges when the data are considered by education level (Figure 17).

²¹ See Appendix 2, Figure 34: Reason why the individual is in non-permanent employment, by age.

²² One more reason for non-permanent job that was given by some respondents but is excluded from the graphs due to its very low level is 'contract and probation'.

²³ The median gross weekly pay of young people in routine and manual occupations was 277 pounds in 2018, while the equivalent pay of young people in higher managerial occupations was 415 pounds and in intermediate occupations was 345 pounds.

Figure 17: Reason for non-permanent job by socioeconomic status and by education, age 18-24 (proportion of employees who have a non-permanent job)

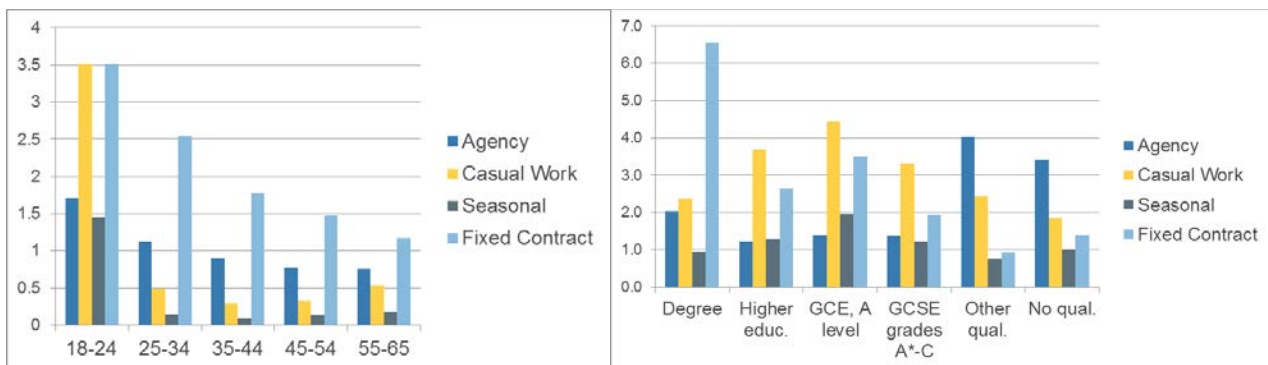


Source: UK QLFS, cross-sectional population weights used, year 2018.

The type of non-permanent job also reveals that there is variability in the temporary contracts on offer to people. A fixed contract offers some stability to the worker whereas working through an agency or doing casual work is likely to indicate less stability. Young people are more likely to be in non-permanent work compared to older workers. Older workers who are in some sort of temporary work are most likely to have a fixed contract whereas young workers are equally likely to have a temporary contract or to be employed in casual work. Agency work is also more common among younger workers. However it should be noted that amongst young people there are differences in the types of temporary work based on their qualifications (Figure 18).

Young employees in temporary employment who hold a degree are more likely to have a fixed contract, whereas young employees in temporary employment who do not possess many qualifications are most likely to be employed via an agency (Figure 18). This shows that even though young people as a group are more likely to be in involuntary temporary work, the most vulnerable group are young people who have few qualifications.

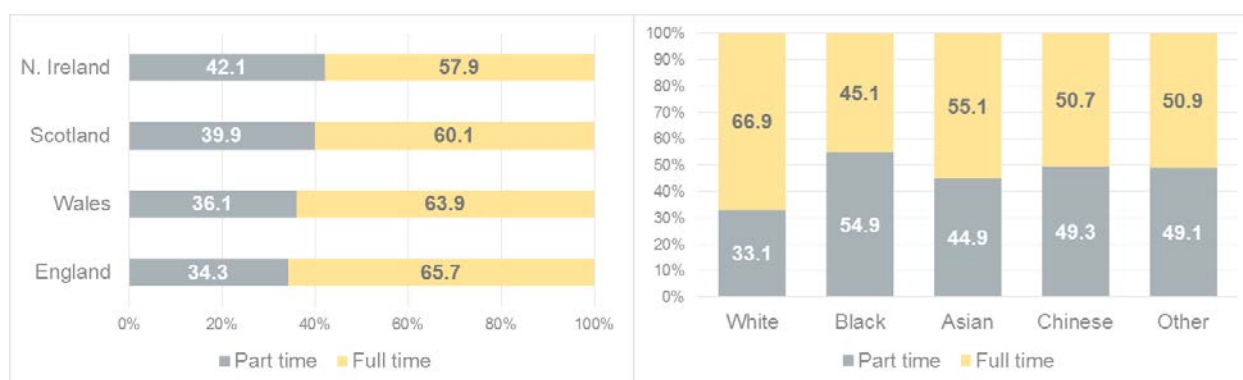
Figure 18: Type of non-permanent job by age and for 18-24 year olds by education (proportion of employees who have a non-permanent job)



Source: UK QLFS, cross-sectional population weights used, year 2018.

Part-time work can also be considered as non-standard employment. Just over one third of young people work part time (compared with around a quarter of older people), and rates are highest in Northern Ireland and Scotland. Furthermore, white young individuals have the lowest levels of part-time work amongst all ethnicities, which may point to discrimination in the labour market (Figure 19). Part-time work is much more common amongst young people in routine and manual occupations (more than 30 per cent) than those in higher managerial occupations (less than 10 per cent)²⁴.

Figure 19: Full-time/part-time work by nation and by Ethnicity, age 18-24



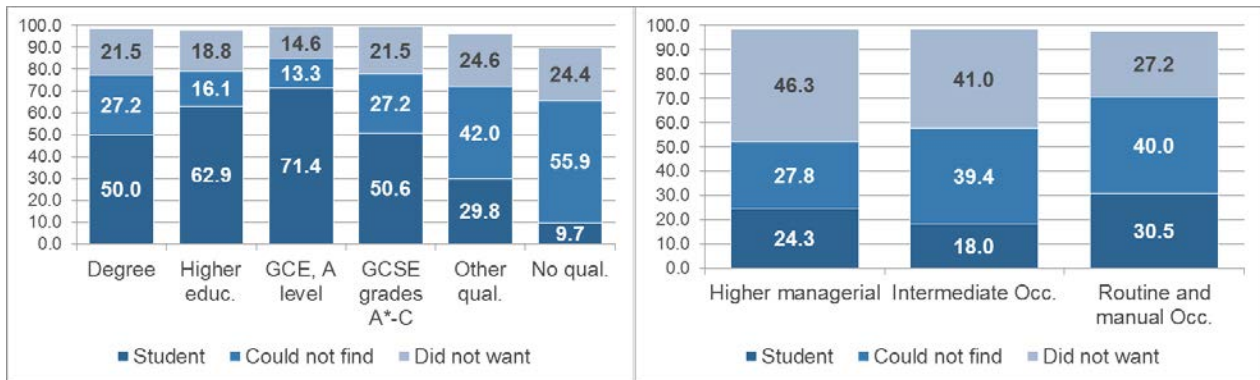
Source: UK QLFS, cross-sectional population weights used, year 2018.

The main reasons young people work part-time may be both by choice or because they cannot find a full-time job²⁵. Sixty per cent of young people who have low qualifications work part-time because they cannot find a full-time job. Young people with higher qualifications are more likely to be in part-time work because they are still studying which makes this type of work preferable for them. Young people in routine and manual occupations and intermediate occupations have higher rates of involuntary part-time work than young employees in higher managerial positions. At the same time young people in routine and manual occupations also have the highest proportion of part-time work due to studying (Figure 20). This could potentially change their working conditions in the future if their studies lead to increased levels of qualifications which in turn lead to better employment outcomes. As we saw earlier however, downgrading has risen among young people in the last ten years which means that some of this human capital investment does not translate into higher socio-economic status – or at least – not straight away.

²⁴ See Appendix 2, Figure 35: Full time/Part time work by Socioeconomic Status, age 18-24.

²⁵ Another reason not included in the graphs is 'ill/disabled'. The levels of this reason among the young people group were below 2 per cent.

Figure 20: Reasons for part-time work by education and by socio-economic status, age 18-24

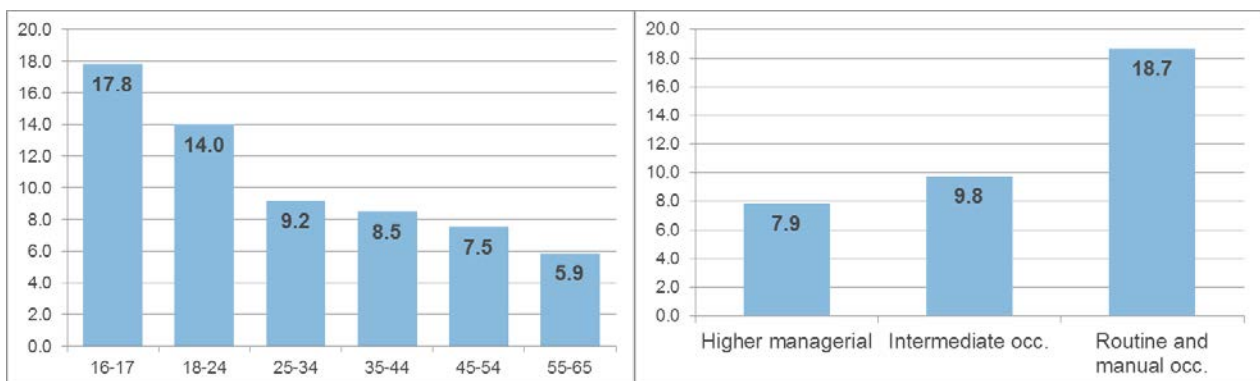


Note: This is the proportion of all people in part-time employment in their current job and of people in part-time employment in their last job if currently unemployed.

Source: UK QLFS, cross-sectional population weights used, year 2018.

Underemployment as a whole is more predominant amongst young people. This means that even though this group is eligible for a lower minimum wage compared to individuals over 25 years old, 14 per cent of 18-24 year olds and almost 18 per cent of 16-17 year olds cannot find employment that offers them work for as many hours as they would like. Once again there is considerable variation with almost 19 per cent of young individuals in routine and manual occupations being underemployed and young individuals with a higher socio-economic status being underemployed by less than 10 per cent (Figure 21).

Figure 21: Levels of underemployment by age and by socio-economic status for ages 18-24 (proportion of people in employment who are not looking for a different job)



Source: UK QLFS, cross-sectional population weights used, year 2018.

Overall our analysis indicates that even though the employment and unemployment levels of young people suggest a positive outlook of the labour market at first glance, a more careful look shows that there are differences in pay levels, the quality of work, and involuntary underemployment that vary based on someone’s skill level, demographic characteristics and where they live.

Working arrangements

The quality of work is determined by the working conditions and secondary arrangements such as whether they work shifts or the amount of paid holiday they are entitled for. Zero hour contracts (ZHCs) are more common among young workers and within the 18-24 year old group they are more common among young workers in routine and manual occupations. In contrast, flexitime arrangements are more commonly offered to older workers, while within the group of young people aged 18-24 years old, they are more common among the individuals who have higher socio-economic status. Term-time working is also more common among higher managerial occupations and older workers which also captures the kind of jobs that can be term-time (for example higher education educators) (Figure 22).

Figure 22: Working arrangements by age and for young people (18-24) by socio-economic status (proportion of people in employment, excluding those on college-based schemes)



Source: UK QLFS, cross-sectional population weights used, year 2018.

Young people taking part in the focus group described the impacts of such work for their wider life experience and health and how flexibility in the labour market feels one-sided to them (see Box 5). In addition, those in areas reliant on tourism discussed how seasonal work affected their experience (Box 6).

Box 5: Young People's Views

Casual work, seasonal work and employment through zero hours contracts were the most frequent examples given of the types of precarious work young people are experiencing. The insecure and precarious nature of these forms of employment left young people unable to plan for their immediate and long term futures. They linked this instability to poor mental health outcomes in young people and suggested that whilst young people appreciate flexible employment, in order to structure their work around educational commitments, the flexibility seemed to be predominantly in the hands of employers rather than employees.

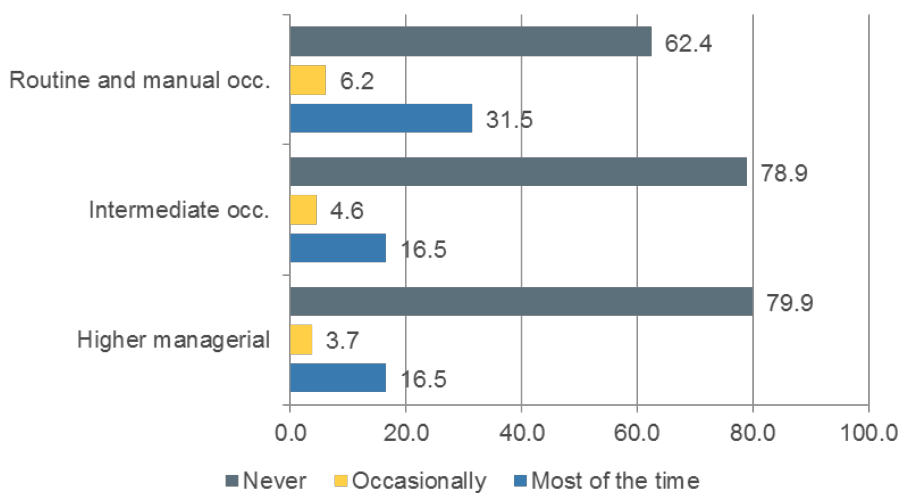
Box 6: Young People’s Views

Seasonal work was a particular issue for young people living in areas which relied on tourism. The unreliable nature of these predominantly service roles was said to leave many young people feeling insecure about their future or direction.

Young people also expressed frustration at the lack of career progression and development available through seasonal employment. It was suggested that ‘dead end jobs’ such as these leave young people uninspired and demotivated in regard to employment.

Working shifts may not be ideal for the worker, especially when the shifts are late in the day²⁶. More than 30 per cent of routine and manual, 18-24 year old workers are working shifts most of the time in their jobs, whereas less than 17 per cent of those in higher managerial jobs worked shifts (Figure 23). This reflects different conditions in different occupations; however with young people clustered in routine and manual occupations, it indicates some risks to health.

Figure 23: Shifts at work by socio-economic status, age 18-24

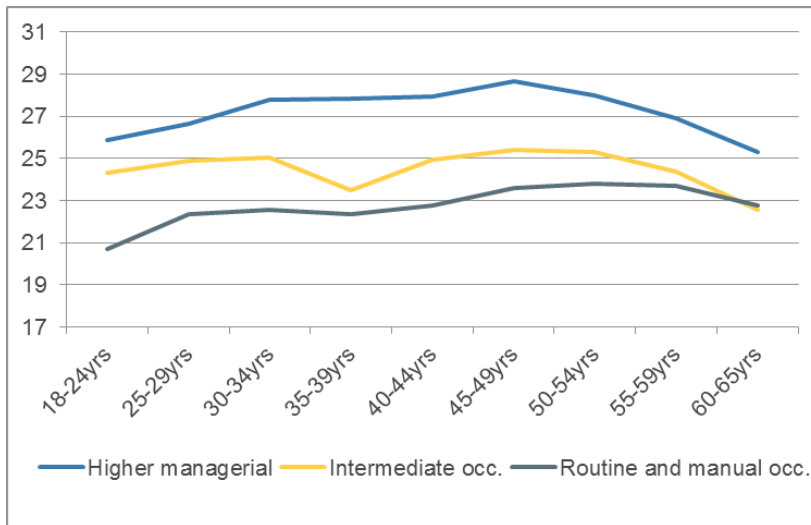


Source: UK QLFS, cross-sectional population weights used, year 2018.

Finally, there is considerable variation in holiday entitlement by occupation. Young employees in routine and manual occupations are entitled to less than 21 days paid holiday on average, compared to an average of just over 25 days paid holiday for those in higher managerial positions. While again reflective of different industries, it suggests a lower quality of experience for young people given they cluster in routine and manual occupations (Figure 24).

²⁶ Shift work has been found to adversely affect health by “1) reduction in quality and quantity of sleep; 2) widespread complaints of ‘fatigue’; 3) anxiety, depression, and increased neuroticism; 4) increasing evidence of adverse cardiovascular effects; 5) possible increase in gastrointestinal disorders; 6) increased risk of spontaneous abortion, low birth weight, and prematurity” (Harrington, 2001).

Figure 24: Average number of days of paid holiday entitlement by socio-economic status, age 18-24



Source: UK QLFS, cross-sectional population weights used, year 2018.

When discussing the labour market experience of young people, all qualitative aspects of their work should be taken into consideration. Their pay levels, hours of work and their opportunity to find a job that matches their skills and offers them progression opportunities are very important, but also their working patterns, their holiday entitlement, and their working environment as a whole determine the quality of their work and subsequently their wellbeing.

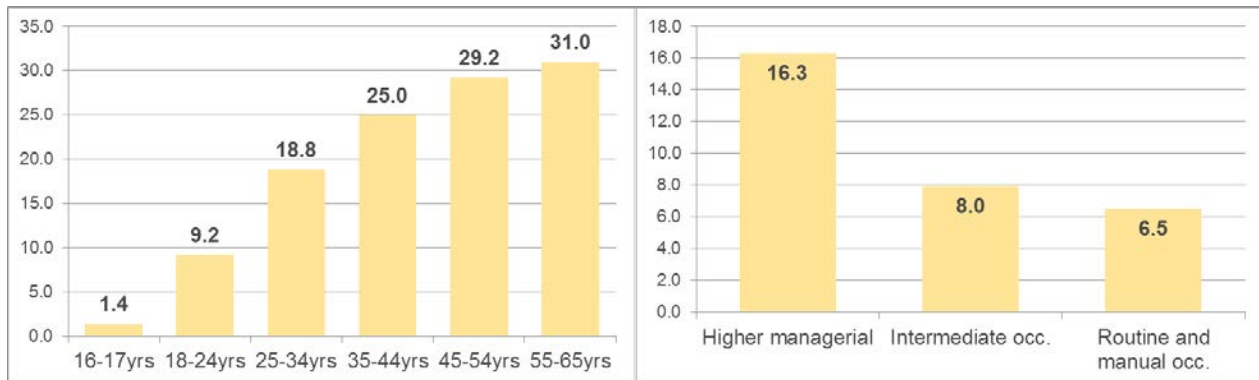
Union membership

Representation in the workplace is one of the elements that ILO included in its definition of good work by calling for the '*freedom for people to [...] organise and participate in the decisions that affect their lives*'. The Taylor review similarly included collective representation as one of the main areas that help conceptualise good work. However, even though our analysis has shown so far that young people are more disadvantaged compared to older workers in the workplace, their levels of union participation are much lower than those of older employees. When we look at the union membership of 18-24 year olds by socio-economic status, we see that it is the most vulnerable among them (young people in routine and manual occupations) who have the lowest levels in participation (Figure 25). This is an area that needs further investigation²⁷; whether those low numbers are driven by the fact that young workers in such occupations are not participating due to fear of unemployment, or due to disillusionment of the value of

²⁷ Some early work by the TUC has identified low expectations that the workplace can get any better and the power of unions to that end, as well as low trust towards colleagues as the main reasons for non-participation of young workers in unions (<https://www.tuc.org.uk/helping-young-workers-understand-unions-and-win-work>).

participation, or due to the lack of representation for specific forms of employment, or due to high cost, unaffordable union subscriptions.

Figure 25: Union membership of people in dependent employment by age, and of young people in employment (18-24) by socio-economic status



Source: UK QLFS, cross-sectional population weights used, year 2018.

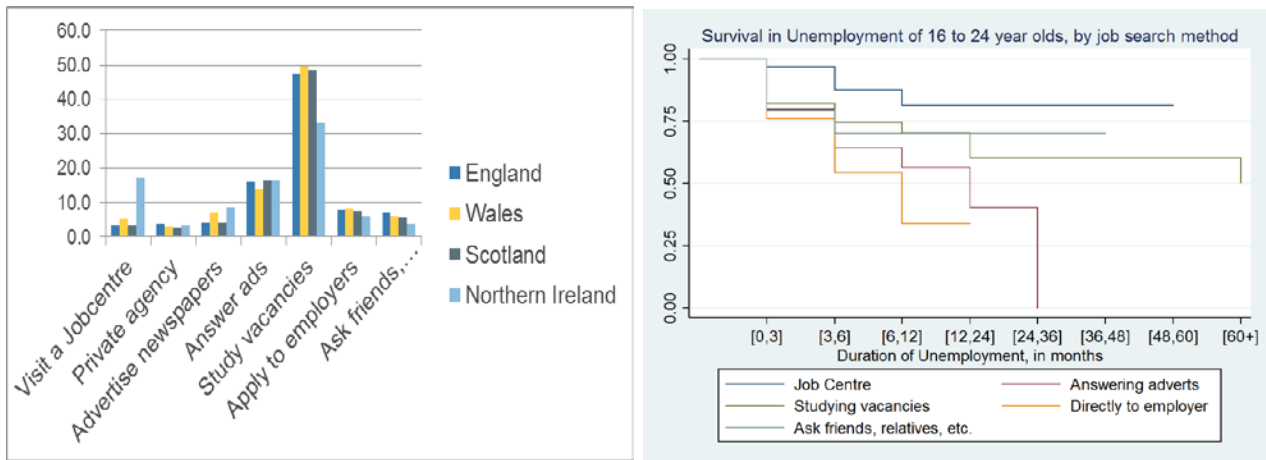
Job search methods

Being able to navigate and successfully identify job opportunities that can be a good match to one’s skills is a very important step in acquiring a good job. As the means to apply for jobs have changed over time mainly due to constant improvements in information and communication technologies, the way workers find and apply for jobs has changed as well.

Young workers in Northern Ireland make more use of public employment services as their main method of searching for jobs although public employment services appear the least successful job search method in terms of leading to an exit from unemployment to employment (Figure 26)²⁸. The most successful methods seem to be applying directly to an employer or answering adverts as they decrease the probability of unemployment the most at every unemployment span. However, these results depend on the types of occupation young people are applying for. A higher level of unemployment in routine and manual occupations and the main use of public employment services for access to such occupations can explain partly their low levels of success as a search method. Other reasons might have to do with the austerity cuts and the subsequent drop in the quality of services offered.

²⁸ This is a Kaplan-Meier plot of exits from unemployment to employment by search method.

Figure 26: Main job search method of young people in the four nations and the success of different job methods in exit from unemployment (ages 18-24)



Source: UK QLFS, cross-sectional population weights used, year 2018.

Job-search strategy was not an issue highlighted by young people participating in the focus group although they discussed how employers' requirements in respect of length of experience expected could leave them locked out of the labour market (see Box 7). Moreover, the lack of investment in training by employers meant that even if they did access work, there were limited opportunities to progress their careers.

Box 7: Young People's Views

Young people suggested that employers often advertise 'entry level' jobs that require years of prior employment experience, leaving young people feeling 'shut out' of the labour market. Furthermore, participants expressed frustration at the lack of investment employers are willing to make in the young people that they do hire. It was suggested that many young people are keen to take opportunities for professional development, but that employers are unwilling to 'up-skill' their young staff. This is particularly true in the casual forms of employment prevalent amongst young people.

The current system and priorities

This chapter considers the current system and priorities for young people and sets out a framework for addressing the challenges identified in this report. It begins though by discussing how we measure success for young people. It is important to note at the outset that stakeholders at the roundtable identified a risk that adding further ‘interventions’ into the current policy mix would not be effective. Instead, they prioritised recommendations to improve how the current system works, and the quality and coherence of the support available. The clear steer was therefore that the priority should be to do more of what is working; ensure that young people, employers and others can access this; and begin to address some of the wider and more systemic challenges that can prevent young people from fulfilling their potential.

No more ‘NEETs’?

For the last two decades, the key measure of success in employment policy for young people has been to reduce (and for 16-18 year olds, to eradicate) the number of people not in education, employment or training (known as ‘NEETs’)²⁹. This figure peaked at one-in-six of all young people (16.9 per cent) in 2011, before falling back to one-in-nine young people (11.0 per cent) on the latest data³⁰. However this binary approach – where success is measured solely in terms of whether young people are doing anything or doing nothing – does not take account of the quality of work or of learning they undertake.

On employment, this report sets out that while the *volume* of work for young people has grown strongly in the last decade, job *quality* has deteriorated for young people on a range of measures – with increases in insecure employment, involuntary self-employment, involuntary part time work, underemployment and occupational downgrading. These issues appear to be particularly pronounced for specific disadvantaged groups – including the lowest qualified, those with health conditions and impairments, young parents, some ethnic minority groups, and those living in the most disadvantaged areas. Nor can this all be explained by the recession, with levels of employment insecurity far from returning to pre-crisis trends. And while temporary or insecure work can provide a stepping-stone to better jobs, the focus group with young people and interviews with experts suggest that many more young people are finding themselves ‘stuck’ in poor quality work.

²⁹ Social Exclusion Unit (1999) *Bridging the Gap: New Opportunities for 16 –18 Year Olds Not in Education, Employment or Training*, Command Paper 4405

³⁰ Source: Young people not in education, employment or training (NEET), Office for National Statistics, May 2019

On participation in learning, again the *volume* of young people in education has increased since the recession. However educational *attainment*³¹ has been flat or falling since the mid-2010s – with for example two-fifths of young people in England (39.8 per cent) not achieving Level 3 by age 19 (a figure unchanged since 2014) and one-in-six (16.0 per cent) not achieving Level 2 (a rise of 3 percentage points since 2014).

Therefore we believe that success should not be measured solely in terms of NEET rates, but rather in terms of both the quality and quantity of employment and learning for young people. We consider that this should comprise three objectives:

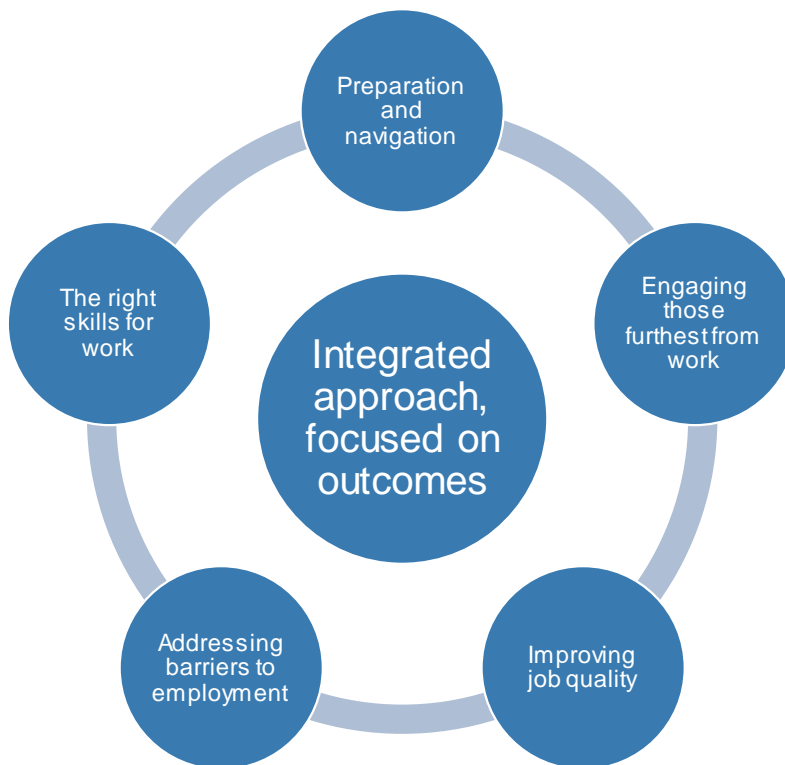
- **Engagement:** Participation in good quality education, training and/or employment – for all young people who are able to do so;
- **Attainment:** Achievement of the highest possible level of skills – with all young people achieving their potential and demonstrating good levels of literacy, numeracy and digital skills;
- **Sustained employment:** Achievement of the highest possible level of good quality employment for young people after leaving education/ training.

We would recommend that government and sector stakeholders should work to develop appropriate indicators for the above objectives, taking into account in particular how these should be set for different areas (including the four nations of the UK) and specific groups of young people – particularly those furthest from the labour market and from good quality work.

Achieving outcomes for young people

Through our discussions with young people and experts and a review of the literature on youth employment, education and skills, we have identified six key pre-requisites that are needed in order to achieve the above objectives on youth engagement, attainment and employment. These are set out in Figure 27 and then taken in turn below.

³¹ <https://www.gov.uk/government/statistics/level-2-and-3-attainment-by-young-people-aged-19-in-2018>

Figure 27: Achieving outcomes for young people

Source: *Institute for Employment Studies*

Preparing for and navigating the world of work

The first element is the right support to prepare for and navigate employment. Interviews and our review of literature suggest that this includes:

- Good quality information, advice and guidance on careers options delivered to young people themselves and available to their families;
- Advice and support on how to prepare for work, understand what is required, and build the confidence and competence to search for jobs;
- Direct support with job search, job matching and brokering into that job;
- Managing the transition into employment where necessary; and
- When in work, providing support where needed to progress in work and/or find the next job.

There are a range of good practices and resources in this space that can be built on – including extensive work of the Gatsby Foundation and Careers and Enterprise Company on defining good careers guidance³², and evaluations of youth employment programmes with a specific focus on work preparation and transitions (for example the recent Lottery-

³² More detail on this, and the Gatsby's eight 'benchmarks', are available here: <https://www.gatsby.org.uk/education/focus-areas/good-career-guidance>

funded Talent Match programme³³). Further discussion of the evidence base around 'what works' is presented in the next section.

Careers guidance is a devolved policy area, so each of the four nations have in place their own services and funding rules. All nations require that careers advice and guidance is available for young people in learning, from pre-16 education through to further and higher education. While there have been extensive concerns about the quality of this offer³⁴, this does at least mean that all young people are guaranteed careers advice and support before they leave education. However, there is far less support available to young people who have left learning (which accounts for more than half of all 18-24 year olds³⁵). The only universal provision for these young people are online and telephone careers services (with four different services across the four nations). In addition, those who are out of work can receive employment support through Jobcentre Plus where they claim certain benefits³⁶ and may also receive more intensive support from careers or employment services (which in both Scotland and Wales, is open to all of those not in education or employment). Local provision can also be available through the European Social Fund, although this varies considerably by area.

Broader support for young people to prepare for work is also significantly different across the devolved nations. Most notably, both Scotland and Wales have drawn together their skills, employment and youth policy to try to create a more coherent system for young people (through *Working Wales* and the *Scottish Developing the Young Workforce strategy*)³⁷. *Working Wales* in particular is a promising model that creates a single gateway for careers and employment advice, access to training and wider support.

Our focus groups and interviews identified significant deficiencies in the current system – with often a complex and confusing picture, support that is often light touch, gaps in provision, issues around quality and effectiveness, and concerns that support is not tailored to individuals' needs. Specific issues were identified around the need to improve people's confidence in looking for work; overcoming negative perceptions and experiences from work; supporting those who are in work already to move up or move on; and in particular helping those with less social capital to compete on the same terms as those with access to greater opportunities and networks.

³³ A series of research reports on different aspects of the implementation of Talent Match are available here: <https://blogs.shu.ac.uk/talentmatch/reports/>

³⁴ See in particular the Careers and Enterprise Company's *State of the Nation 2018* report, which found that schools and colleges achieve on average just two of the eight 'Gatsby Benchmarks'. Available at: <https://www.careersandenterprise.co.uk/stateofthenation>

³⁵ Source: Department for Education (2019) *NEET Statistics Annual Brief: 2018, England*; equivalent data is also available for Scotland, Wales and Northern Ireland

³⁶ Jobseeker's Allowance or Universal Credit in the Full Conditionality group. However only around a quarter of young people who are not in education or work are eligible for Jobcentre Plus support (around 200 thousand young people).

³⁷ More information on each of these is available at: <https://workingwales.gov.wales/> and <https://www.gov.scot/policies/young-people-training-employment/>

Currently, different aspects of this are delivered through different government and non-statutory services. Young people receive careers support at different levels and varying quality while in education – including in schools, further education institutions and in higher education. Careers services provide careers information, advice and guidance, with access usually through schools and colleges. Those who are out of work and claiming relevant social security benefits receive support either to look for work or to prepare for work, while a small number of young people in work and claiming Universal Credit are required to take steps to increase their earnings³⁸. In addition, a range of provisions is available through other local and national bodies, often targeting specific areas or groups, funded through trusts and foundations, the European Social Fund or charities.

The roundtable discussion for this project also highlighted that *who delivers* support can also be key – with specific concerns raised, that many young people are put off from engaging with Jobcentre Plus in particular. Young people also emphasised the role that parents, families and carers play in careers advice and decision-making. This echoed wider research findings that parental ‘social capital’ plays a critical role in shaping individuals’ education and career paths, and can undermine efforts to improve social mobility. In addition, young people felt that the complexity of the skills and employment landscape meant that many parents are not well equipped to support their children in making career choices.

The right skills for work

Having the right skills for good employment is generally understood in terms possessing workplace (or ‘employability’) skills which to be effective in employment; and the job-specific, technical skills needed for a specific job or occupational area.

Employability skills have been defined in various ways but tend to include effective communications, work habits (time keeping, self-organisation, responsibility etc), teamwork, literacy and numeracy and problem solving³⁹. These are often learnt through the education system and exposure to work (work experience, work while studying, and early-career employment); but where these skills have not been developed they are a focus in a range of pre-employment provision. Job-specific skills of course vary significantly within and between occupations and sectors, but are learnt either ‘off the job’, usually through the education and training systems, or ‘on the job’ through employer training and/ or accredited provision like apprenticeships or via professional bodies. Ensuring there are lines of communication and collaboration between education and employment will enhance employability skills across the youth cohort. Policy objectives to

³⁸ 226 thousand young people claim either Jobseeker’s Allowance or Universal Credit and have requirements to search for work or prepare for work (source: NOMIS and Stat X-Plore). This is fewer than one in four of all young people not in full-time education or employment. 28 thousand young people who are in work and claiming Universal Credit are required to take steps to increase their earnings.

³⁹ For a summary of the different frameworks and approaches for defining employability, and the debates around the concept and its measurement, see the Youth Employment UK review of employability skills, available at: <https://www.youthemployment.org.uk/youth-employment-uk-employability-skills-review-2017/>

increase and extend employer engagement in schools and in the post-16 phase will contribute to this and need to be considered in the widest sense. Employer insights on the world of work, employer set projects for students to complete through to apprenticeships and work experience and placement opportunities, all provide valuable opportunities to embed employability skills.

Skills policy is also a devolved area, so each of the four nations takes different approaches to the design and delivery of employability and job-specific training for young people. The picture varies across the nations, with different rules on funding and eligibility, but at a high level:

- All four nations guarantee an education or training place for all 16-18 year olds, and provide funding for further education, literacy and numeracy training for young people;
- All four nations also provide a range of structured pre-employment training programmes for those out of work and who may need additional skills training to get into work – for example Assured Skills in Northern Ireland, Traineeships in Wales and England, or Sector Based Work Academies across Great Britain;
- All four nations run Apprenticeship programmes, but with significant differences in design, scope, duration and funding – with Scotland and Northern Ireland in particular targeting Apprenticeship provision at young people;
- Rules on financial support while in Further Education vary significantly by nation – with a means-tested Educational Maintenance Allowance available in all nations except England;
- Higher education finance rules are also varied – with means-tested maintenance grants available in Wales and Northern Ireland, maintenance loans in all four nations, and all nations except Scotland charging tuition fees (as repayable loans); and
- A range of training provision funded through the European Social Fund is available across the four nations.

The young people involved in this project reiterated concerns identified in wider research around the preparedness of young people and their access to skills. In particular, young people who have not had significant exposure to employment can enter the labour market without the right employability skills; the technical and vocational offer has undergone significant reform and was often felt to be of relatively poor quality; and significant reductions in access to workplace training have impacted particularly on young people with fewer qualifications and in poorer quality or less secure work.

Addressing barriers to employment

A range of potential barriers to employment were raised in this research and have been identified in wider literature. These include in particular:

- Disability and health – particularly, the practical things that may need to be addressed where people have an impairment or health condition, which might include workplace adaptations, issues around job design or task content, or additional costs;

- Childcare needs for young parents – both the costs of childcare and its flexibility, particularly where people have non-standard working patterns;
- Transport – its cost, reliability and flexibility, and a barrier that is often far more pronounced and impactful outside of major cities; and
- Housing – the cost and availability of housing, which can create a vicious circle for where housing costs are highest in areas with the most availability of good quality and better-paying work.

While not all barriers need to be ‘overcome’ in order to look for or secure work, it is far harder to secure and then succeed in work where people have significant barriers that make work more difficult and where there isn’t a plan in place to address these.

Again there is often support available to address many of these barriers. For example, Access to Work provides support to meet additional costs for disabled people and those with health conditions in work. On childcare, all four nations provide some access to free hours for parents of 3 and 4 year olds (up to 30 hours in England and Wales, less in Scotland and Northern Ireland) while Universal Credit provides additional financial support for low income working parents. On transport, both Wales and Scotland operate discount schemes for public transport for young people, while a number of English councils/cities have similar arrangements. Finally, in housing, a number of councils offer bond or guarantee schemes for those renting privately. However it was reported by young people involved in this research that support is often piecemeal, does not address wider structural barriers (for example in the housing market, access to transport, or employer practice) and/or is simply not available in some areas.

Improving the quality of jobs for young people

As well as improving the ability of young people to secure employment, ‘good work’ also means creating the conditions for more good quality jobs for young people. In the last decade in particular, insecure employment has increased while employer investment in workplace training has fallen. Therefore efforts have tended to focus on improving the minimum standards and regulation of employment, and in trying to encourage more employers to create jobs with better prospects and more investment.

Temporary employment suits some workers as it enables them to work flexibly and fit work around other commitments such as study or childcare – indeed only a small minority of people are in temporary work because they cannot find a permanent job. However there are also well documented and growing concerns around ‘one sided’ flexibility in employment contracts, where employers can set and vary terms and conditions and workers have only limited redress. The UK government’s ‘Good Work’ agenda has focused specifically on addressing these issues through changes to employment law and regulation. Government has also tried to increase employer investment in training through the introduction of the Apprenticeship Levy for larger employers, while a number of major cities and the Scottish Government have developed ‘charters’ to encourage more employers to create fairer and better quality work.

Feedback in focus groups and interviews for this project suggested that there remain a range of significant challenges – including improving the quality and regulation of ‘gig economy’ work; building stronger internal career paths for many young people; opening up access to workplace training for those with lower qualifications or in more junior roles (with in-work training and apprenticeships increasingly geared to more established workers); improving prospects for salary progression; and addressing regional and local differences in the availability and quality of work.

Critically, concerns were also raised about the diversity and inclusivity of employer practice – with young disabled people, those with health conditions, those from the most disadvantaged backgrounds, ex-offenders and others facing additional barriers as a consequence of employer perceptions or practices.

Engaging those young people furthest from good quality work

A specific challenge in previous efforts to increase access to employment has been in identifying, reaching, engaging and then enrolling those young people most likely to be at risk either of being out of work or being ‘stuck’ in poor quality work. Our own and other research has identified a number of specific risk factors. Where people have a number of these risk factors, then their likelihood of being out of work, in poor quality work and/or having longer-term negative impacts from their situation can increase significantly.

In all four nations, local authorities take the lead in engaging those young people who are ‘NEET’ at the point that they leave education (or who are at risk of becoming so), usually working through specialist teams to support them to make a transition into education, training or employment. For many young people however, and particularly for those who have been out of education for longer, engagement has often been more challenging – with public or statutory support fragmented or viewed as ineffective, while non-statutory bodies have struggled with short-term funding and not being joined up with wider specialist and employment support.

As a consequence, a range of approaches have been taken to reach and engage those further from work – for example through specific funded local initiatives aimed at specific groups or areas⁴⁰; through national approaches like the Activity Agreement model in Scotland for those not in education, employment or training; and through the Lottery-funded Talent Match programme, which was delivered across England and particularly focused on reaching young people outside mainstream support.

The European Union’s recent Youth Guarantee has also had a specific focus on improving outreach to vulnerable young people, and recent research has brought together key lessons from initiatives in a range of Member States⁴¹. However, again these are specific target interventions available to some young people in some areas.

⁴⁰ For example see the evaluation of the MyGo City Deal Initiative: Bennett, L., Bivand, P., Ray, K., Vaid, L. and Wilson, T. (2018) *MyGo evaluation: Final report*, Learning and Work Institute

⁴¹ Available at: <https://publications.europa.eu/en/publication-detail/-/publication/ce7e7e0d-c5ec-11e8-9424->

There have been limited attempts to engage young people once they are in work and statutory services tend to withdraw due to the binary policy measure of NEET/EET or unemployed/employed. However, our research shows that this binary measure is inadequate and fails to take account of young people in poor quality work that does not allow them to progress. However in the years prior to the Raised the Participation Age In England (2010) young people (16-18 year olds) entering low quality work – without training – were a significant concern. A DfE-funded and locally-delivered initiative involved systematic work to identify young people in jobs without training (JWT) and then to support them and their employers to ensure they could access off-the-job training. Known as the Learning Agreement Pilot this showed some success and was achieved through statutory duty of Local Authorities to check the EET/NEET status of all young people up to the age of 18. The brokerage of the support worker could increase job stability for young people and improve employers' understanding of their situations and how work affected these. The support worker could also deliver careers advice and guidance to working young people – a group often missed by provision. A new mechanism is required, but the means to reach out to young people in poor quality work in order to support them must be found.

An integrated, outcome-focused approach

Finally, delivering each of the above on their own is unlikely to be successful if it is not delivered as part of a coherent approach focused on achieving the four key objectives set out at the start of this chapter (to increase engagement; improve attainment; and support high levels of good quality employment).

At a system level, the current approach has unclear accountabilities, overlapping responsibilities, often competing objectives, and an overly complicated delivery landscape. Research for the Local Government Association identified accountability for young people in five government departments plus local government; overseeing a dozen different commissioning bodies funding at least thirty different programmes or activities (Local Government Association, 2017). In addition a range of local, employer-led, charity and other provision seeks to meet or fill specific needs and gaps. As a consequence, the current system is characterised by competing provision, duplication and gaps in support for different groups often at the same time.

Improving the accountability, oversight and co-ordination of the delivery of support for young people is therefore key to addressing the wider challenges set out above. Partly in recognition of this, the government is currently working with youth charities to develop a new Youth Charter to strengthen the voice of young people and to try to bring greater coherence across public policy that affects them⁴². It is not clear at this stage however whether employment-related support will be in scope for this Charter, or how it will affect the governance, co-ordination, oversight and delivery of support for young people.

[01aa75ed71a1/language-en](#) [accessed 25 July 2019]

⁴² See: <https://www.gov.uk/government/news/new-youth-charter-to-support-young-people-across-the-country>

What works?

Most of the literature on 'what works' in employment and skills support for young people has tended to focus on what works in securing employment entry and retention, rather than on the quality of the work or the achievement of 'good work'. Nonetheless, there is a wide range of evidence that is relevant in thinking about how the system in the UK can be improved – including impact evaluations for specific interventions, meta-analyses of what works for different groups or the effectiveness of intervention types, and process evaluations which explore how interventions work and the effectiveness of their implementation.

Active labour market programmes

We have focused in particular on the literature around 'active labour market policies' (ALMPs), as other strands of work for the wider Inquiry into Young People's Future Health are focusing on the role of the education system and on social security. Work by the OECD and others from the late 1990s established the framework for understanding 'what works' in ALMPs – focusing in particular on:

- The benefits of good-quality, one-to-one counselling and jobsearch support;
- The need to keep subsidised training programmes relatively small scale and targeted;
- The importance of early intervention; and
- Ensuring that direct subsidies for employment are time-limited and targeted (Martin & Grubb, 2001).

Martin and Grubb (2001) also looked specifically at the evidence on what worked in supporting disadvantaged young people – concluding that interventions were often expensive and poorly targeted (relying overly on large-scale training or subsidised employment). Evidence from more effective practice, mainly in the United States, pointed to the importance of carefully-designed combinations of support including job coaching, adult mentoring, access to work-based learning, and targeted, job-specific training where appropriate.

A number of more recent studies have sought to provide a more systematic assessment of what works, and the relative impacts of different forms of intervention. Most recently, work for the ILO has found that in high-income countries, jobsearch assistance and counselling delivers small positive effects (although these appear to dissipate over time); skills training can deliver longer-term positive impacts (again where well-designed – with many of the programmes having learnt from the findings of Martin and Grubb); and that subsidised employment (including direct job creation) has mixed and sometimes negative effects (Kluve, et al., 2017). This study also suggested that well-designed entrepreneurship support could also be effective, although this was less common in higher-income countries.

It should be noted that often in labour market interventions, a combination of support is delivered rather than one individual measure at a time – meaning that it can be very

challenging to conduct robust analyses of which specific elements work best (Piopiunik & Ryan, 2012). In addition, the effectiveness of policies is closely linked to the way that individual countries' labour markets and institutions work – which can lead to different outcomes from similar programmes (ibid).

Kluge et al (2017) also note that how programmes are implemented is likely to be more important than what specific intervention is delivered. There is therefore a significant focus in the literature on 'process' evaluations, particularly here in the UK. This has tended to focus both on how interventions work, but also on for whom they work best. Work for the Department for Work and Pensions in 2007 sought to summarise key findings from UK literature at that time, and drew out a range of findings specific to different disadvantaged groups (Hasluck & Green, 2007). However as this report noted, the fact that neither people nor interventions fit into neat classifications can make interpretation difficult – i.e. what works for 'young people' and for 'disabled people' will not be the same as what may work for a specific young, disabled person.

More recently, work for the Big Lottery Fund's 'Building Better Opportunities' programme sought to summarise the practical implications of the range of process evaluation findings on active labour market programmes (National Lottery Community Fund, 2015). This suggested four key ingredients of successful interventions with disadvantaged groups:

- **High quality advisers** – who meet participants regularly, are motivational and inspirational, know their local patch and focus on outcomes (particularly on finding work)
- **Regular and active engagement by the participant** – through action planning, regular review and the opportunity to chart their own course
- **Effective management** – with clear line of sight of what is being delivered, to which participants, by whom and with what success; with the right key performance indicators and management information
- **Strong partnerships** – to ensure that the right people are engaged and that the right support is deployed – with good partnerships characterised by clear local leadership, active participation, shared and understood objectives, and regular engagement

This also emphasised that for disadvantaged young people, "critical success factors include: having **smaller scale** programmes that feel less 'institutional' and are shorter in duration; **focusing on work experience and the transition to work** so as to address employers' concerns about work skills; and having **holistic support** in recognition that young unemployed people may need more help in adjusting to work habits and behaviours." It also highlighted the importance of any training programmes being well-targeted, not excessively classroom based, and focused on building employability as well as job-specific skills – drawing on research for the UK government (Wilson, 2013).

Finally, there is good evidence that for the most disadvantaged young people, targeted employment subsidies can be more effective than other provision, although these can tend to have relatively higher costs (Riley & Young, 2000). There was also promising evidence in the last recession from the "Future Jobs Fund", which funded the direct creation of temporary but high quality work for disadvantaged young unemployed people, to act as a stepping stone to a good job. Again although this was relatively expensive, the

UK government's impact evaluation found that it had significant and lasting positive effects on the likelihood of participants being in work, and that just over half of the costs of the programme were recouped over the following two years through lower social security spending and higher tax receipts (DWP, 2012).

Securing good quality work

As noted, there is generally less research on 'what works' in either supporting the creation of good quality work, or enabling more people to progress into it.

On supporting progression in work, there is emerging evidence both from the UK and the US. Most notably, the UK Employment Retention and Advancement Demonstration project found some positive impacts, particularly for some working parents, of a combination of intensive caseworker support, training support and financial subsidies in work (Riccio, et al., 2008). It was suggested that the caseworker support in particular was of key importance. A wider range of studies in the US have found often mixed impacts, but more positive results for 'dual customer' models that support both employers and employees – most notably the WorkAdvance model which comprised intensive screening of applicants for motivation, capability and need; pre-employment and career readiness services; occupational skills training; job development and placement services; and post-employment support (Schaberg, 2017).

There is even less evidence on supporting the creation of good quality work, although there is some evidence on common characteristics of employers in low-paying sectors that do progress their staff. In particular, these employers tend to have a strong commitment to supporting progression from senior managers and staff; have a more systematic approach to human resource management; invest in training and development; support a culture of peer support; and have a clear understanding among staff of the opportunities available. They are also often larger and financially stronger (Metcalf & Dhudwar, 2010).

Proposals for supporting good work for young people

Drawing together the analysis set out in this report, the evidence on what works (above), and our engagement with young people and experts, we set out below six proposals for improving support and outcomes for young people.

An education, employment and training guarantee

As set out earlier in this chapter, all four nations currently guarantee an education or training place to 16-18 year olds and provide access to careers advice and guidance to all young people. However a clear finding from our research has been that the offer for young people is fragmented and often of poor quality (for example compared with benchmarks for high quality careers advice).

We consider that introducing a stronger guarantee of access to high quality education, employment, training and advice for young people could be a key driver in raising quality and improving the consistency and breadth of provision available. This guarantee should comprise:

- An education and training guarantee for all aged under 19 – with a range of high quality options available that are designed to lead to good employment;
- Guaranteed access to high quality, impartial careers advice and guidance – that is available to all young people (including those outside education), that meets the eight Gatsby standards, and with a targeted approach to also engaging and equipping parents to support their children;
- A guarantee of tailored, high-quality, individual support for young people not in education, employment or training – including help to assess capabilities and needs, action plan, find suitable education and training, prepare for work, look for work and move into employment; and
- A guaranteed job, apprenticeship or high quality training place for all young people not in education or training for more than four months.

The first three parts of this guarantee would build on provision and practice already in place across the four nations of the UK, and consequently would focus on drawing together support, improving access to it and raising its quality. The fourth element would then act to prevent young people from suffering longer-term ‘scarring’ impacts from a prolonged period outside learning or work. Such a ‘Youth Guarantee’ already technically

exists across the European Union⁴³ - and although this was never fully implemented here⁴⁴, the UK operated a similar youth guarantee from 2009 to 2011. In practice much of the cost of any guarantee could be met through existing spending and planned future funding (in education and employment). However any additional costs and associated fiscal savings/income (through lower social security and higher tax receipts) would need to be considered as part of a Spending Review or Budget in the autumn.

Improved outreach to those furthest from the labour market and good quality work

Central to any guaranteed offer for young people is improved outreach to and engagement with those who are most disadvantaged – so that young people further from education and the labour market are able to access and take up support. Again there has been a range of initiatives that have sought to engage those further from work. As with other provision, these have often been funded or delivered by local bodies which means there are variances and differences between them in respect of access, support offered, effectiveness and the quality of support across areas and groups. There are at least four ways that this could be improved in future, through:

- Clear local leadership and multi-agency working – ensuring that arrangements are in place in all areas for oversight, co-ordination and delivery of outreach support;
- Consistent mapping and sharing of available provision – building for example on efforts to map provision through the Working Wales initiative;
- Exploring the scope to combine financial support with engagement support – building on the Activity Agreements model in Scotland (and previously available more widely); and
- Learning from youth work approaches, and engaging with community and youth provision – including by engaging young people in service design and delivery.

The above points would all build on existing good practice in many cases. For example, there are a number of areas where efforts have been co-ordinated and agencies work together well to engage young people at the point that they leave education; a range of provision has been funded through the European Social Fund; and Talent Match has pioneered the use of youth work approaches in employment support. So a new approach should aim to learn from these, ensure that the best practices are delivered in more places, and that support is extended to reach all disadvantaged young people and not just those who have recently left education.

⁴³ For more details on the European Youth Guarantee, see:
<https://ec.europa.eu/social/main.jsp?catId=1079#navItem-5>

⁴⁴ The UK country report is available
at: <https://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPagId=3355>

Targeted support for those facing barriers to work

This report has identified specific additional needs that can make it harder for young people to secure a successful transition to good quality work. In particular, this includes being disabled or having a health condition, having children, being able to afford a home and having access to transport. There are a number of improvements that could be made in order to better support these young people. This includes:

- Ensuring the availability of, and access to, appropriate and specialist provision for specific disadvantaged groups – for example by funding this through the new Shared Prosperity Fund, but also that this is prioritised by other funders including health services, education, local government, employment services and trusts/ foundations;
- Improving the co-ordination and delivery of support for disabled young people seeking work, who stand out in this research as being particularly disadvantaged – including through specialist careers advice and guidance, targeted additional support (for example building on the Supported Internships model and other forms of supported employment), and improving co-ordination with and awareness of Access to Work;
- Increasing availability and improving access to mental health support for young people – recognising that need for these services has outpaced demand, but that there is a range of good practices in a number of Children and Adult Mental Health Services (in particular through ‘Improving Access to Psychological Therapies (IAPT) services);
- Improving access to good quality childcare and early years support for young parents – including by looking at the funding of childcare hours and its treatment under Universal Credit (for example, exploring the scope for free childcare for all young parents entering work or learning);
- Encouraging councils and governments to extend subsidised transport schemes for young people – so that these cover all of those aged under 25 and are available more consistently in more places; and
- Extend the availability, funding and take-up of rent guarantees, bonds and deposit schemes – working with housing charities, councils, landlords and financial services (including social investors), to reduce the upfront costs for young people renting.

As with the recommendations set out above, the proposals here largely build on existing policy and good practice in a number of nations and places. However they would also require additional funding, which could be considered (along with any associated savings) as part of any autumn Spending Review or budget.

A renewed focus on improving the quality of work for young people

While temporary or poor quality work can often act as a stepping stone to better jobs (and most people working in temporary employment do so through choice) our research has highlighted a growth of insecure work and underemployment, as well as signs that it is becoming harder for many young people to move on to better quality, good work.

There are a number of initiatives already that are seeking to affect aspects of this, most notably through the UK government's 'Good Work' and Scottish government's 'Fair Work' agendas, and through business-led initiatives (for example, Business in the Community's 'Good Work For All' campaign). However there is scope to go further, for example through:

- Encouraging more areas to adopt 'good work' or 'fair work' charters that set out best practice in recruitment, employment conditions, training and development, and workplace support; and encouraging more employers to sign up to these;
- Alongside this, promoting existing initiatives for youth employment specifically – most notably Youth Employment UK's 'Youth Friendly Employer' standards, around Creating Opportunity, Recognising Talent, Fair Employment, Developing People and Youth Voice;
- 'Youth proofing' wider government measures to improve the quality of work, so that young people get the benefits of these – including for example the Disability Confident Scheme, Race at Work Charter, the Good Work Plan and future reforms on occupational health and employers;
- The public sector leading by example – as a major employer, purchaser of services and convenor of business locally (this could build on the Health Foundation's work on the NHS as an 'anchor' employer, and initiatives in a number of cities to improve take-up and inclusiveness of apprenticeships); and
- Exploring the scope to fund targeted 'intermediate labour markets' for the most disadvantaged young people – building on the evidence of effectiveness during the last recession, in creating high quality, transitional jobs with training and support, that can act as a stepping stone to good work.

The above measures could seek to improve employment quality and access to good work for many young people, and could bring together activity across business, government, the wider public sector and social partners including trade unions and the community sector.

However there are also wider structural drivers that have changed the nature of work in recent decades and which will continue to do so – including demographic changes (an ageing population), technological advances and increasingly globalised markets. While this has created new employment opportunities, there is also evidence that it has contributed to job polarisation and potentially to wider employment insecurity. We have not made proposals to respond specifically to these changes, but there would be value in further work to explore this – bringing together key stakeholders and experts, perhaps under the auspices of the government's Industrial Strategy for the UK.

Supporting a better co-ordinated and more integrated approach

Delivering all of the above well would require clearer and stronger leadership, co-ordination, alignment and oversight of efforts across local areas – drawing together activity across education, skills, engagement, employment and wider domains including health, transport and housing.

The partnerships required to do this already exist in a number of devolved nations (through for example Scotland's Developing the Young Workforce strategy, and Working Wales), while in England a number of local areas have sought to improve the co-ordination and delivery of support for young people (particularly those who have more recently left education). However, work by the Local Government Association in England has highlighted the challenges and complexity in doing this, and proposed testing new 'Work Local' pathfinders to lead and join up delivery of support locally (Local Government Association, 2017).

There is arguably a particularly strong case for testing a model like 'Work Local' for supporting young people specifically, and we would support this being taken forward. This would involve trialling the devolution of more funding and control over education, skills, engagement and employment support for young people, in return for agreeing a set of local objectives – which would reflect the key outcomes set out in the first section of this chapter – and putting in place the leadership, governance and delivery arrangements to make this happen. At the same time, a number of further and less radical steps could also be taken to improve local co-ordination and alignment of support, including:

- Ensuring that all government departments and local areas have in place arrangements to give young people a voice in the design and delivery of local services and support that affect them – building on what has worked well in the Talent Match programme;
- Putting 'good work' and youth employment at the heart of the Youth Charter being developed by government with youth charities – to help ensure that all initiatives that could affect access to quality of work are 'youth proofed', including the industrial strategy and Good Work Plan, local economic development, Jobcentre Plus and employment programmes, government measures better meet young people's needs and go with the grain of wider initiatives; and
- Collaboration between central government, local government associations, businesses and the youth sector to collate resources and best practices in co-ordinating and aligning support for young people across services and funding streams.

Investment in 'what works' resources

Finally, these proposals highlight the central importance of having in place robust evidence on 'what works' in achieving outcomes for young people, as well as effective ways to share that evidence, translate it into practical resources, support its implementation and then review whether this is in turn leading to improvements.

The 'What Works' movement over the last five years or so has sought to achieve this across a range of public policy areas, and has led to real improvements in our understanding of what works for whom, and the conditions that need to be in place to support effective implementation and delivery⁴⁵. In recent years, there have also been

⁴⁵ More information on the What Works Network is available at: <https://www.gov.uk/guidance/what-works-network>

increasing efforts to better co-ordinate activity across these different centres and wider initiatives, particularly through the Alliance for Useful Evidence⁴⁶.

There is no specific 'what works centre' for young people, employment or skills, although the work of many of the centres is directly relevant to these policy areas. Looking ahead however, the creation of the new Youth Futures Foundation⁴⁷, and the work of a range of funders including the National Lottery Community Fund and Impetus, creates a real opportunity for government (nationally and locally) and the sector to work together to improve our understanding of the evidence, share this, support its implementation and review its application.

We would therefore recommend that government and these key funders, as well as wider stakeholders in the research community and youth sector, come together to develop a programme of work to develop the evidence base and resources needed to support more organisations to do more of what works, and to transform employment outcomes for young people.

⁴⁶ See: <https://www.alliance4usefulevidence.org/>

⁴⁷ See: <https://youthfuturesfoundation.org/>

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Appendix 1

Note A. The formulas for calculating the employment, unemployment, and inactivity rates are the following:

$$\begin{aligned} \text{employment} &= \frac{\text{employed aged 18 – 24}}{\text{all young aged 18 – 24}} \\ \text{unemployment} &= \frac{\text{unemployed aged 18 – 24}}{\text{unemployed aged 18 – 24} + \text{employed aged 18 – 24}} \\ \text{inactivity} &= \frac{\text{inactive aged 18 – 24}}{\text{all young aged 18 – 24}} \end{aligned}$$

Note B. To create a comparable measure of education over time⁴⁸, we used the age the individual left education and built three categories: 1) Low education: individuals who left education at age 16 or younger; 2) Intermediate education: individuals who left education between the ages 17 and 20; 3) High education: individuals who left education at or after age 21.

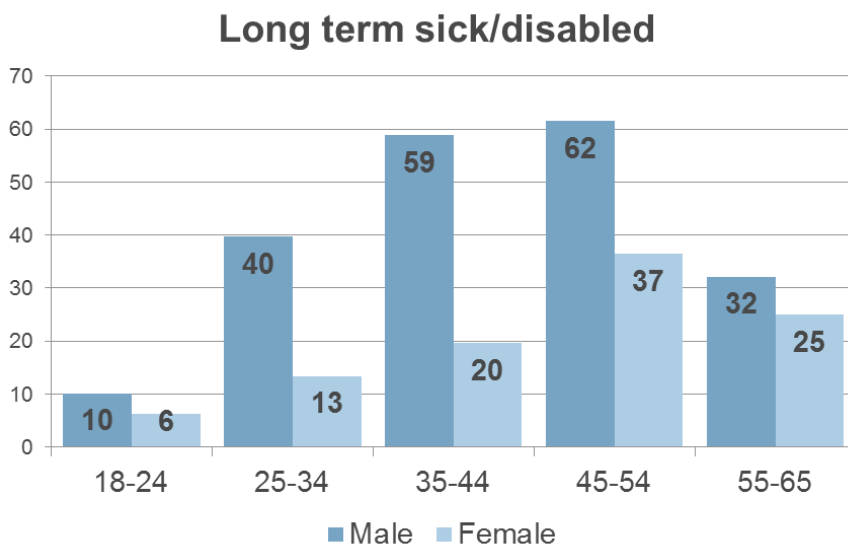
To create the 'downgrading' indicator: we consider a person downgrading when they have either intermediate or high education levels and are employed in a routine or manual occupation. The reference category is individuals who have high or intermediate education and work in intermediate occupations or higher managerial occupations, and individuals who have low education and work in either elementary and manual, intermediate or higher managerial professions.

⁴⁸ We use this measure following Christian Dustmann, Tommaso Frattini, Ian P. Preston, 'The Effect of Immigration along the Distribution of Wages', *The Review of Economic Studies*, Volume 80, Issue 1, January 2013, Pages 145–173, <https://doi.org/10.1093/restud/rds019>

Appendix 2

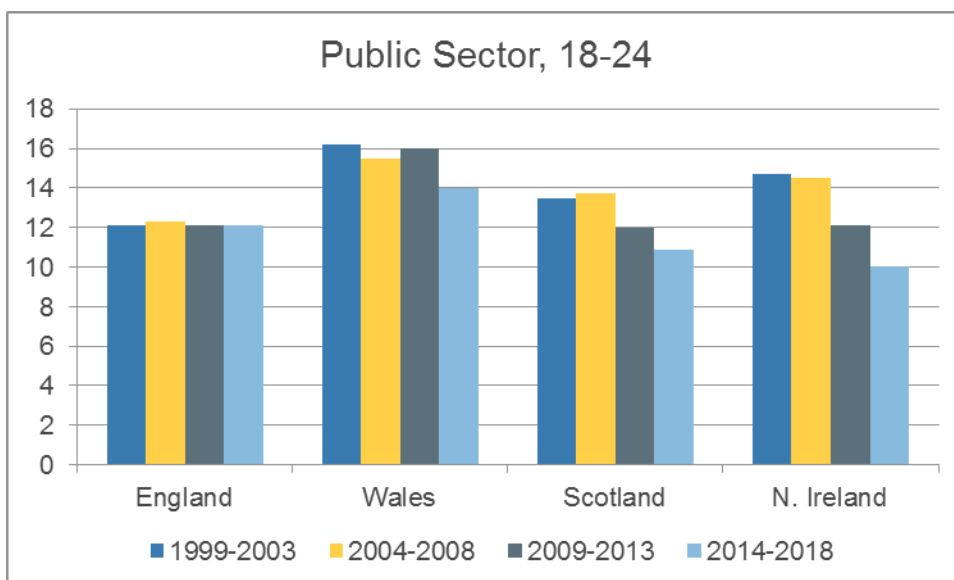
This Appendix sets out additional supporting analysis to be read alongside the ‘Nature of Work for Young People’ chapter.

Figure 28: Main Reason Inactive by age and gender: Long term sick/disabled



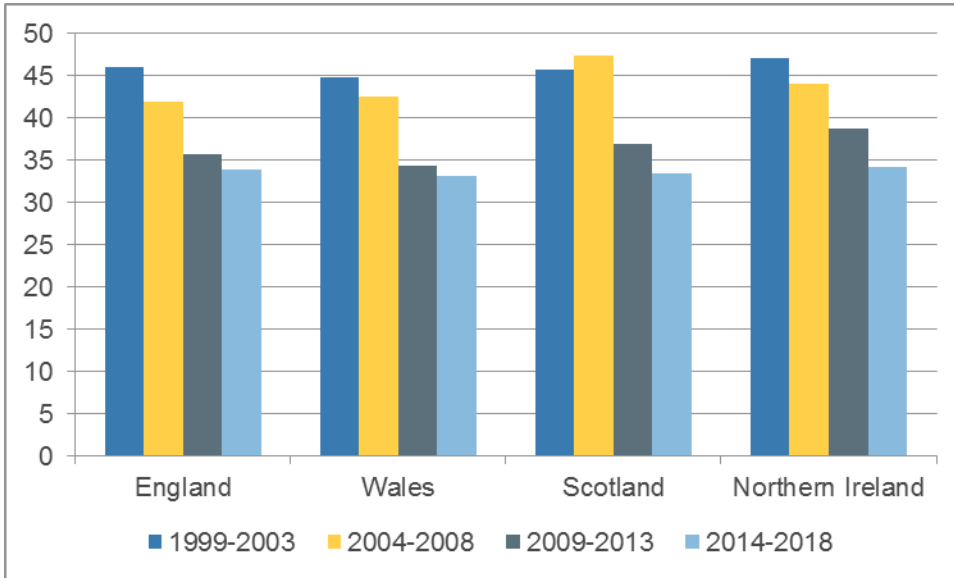
Source: UK QLFS, cross-sectional population weights used, year 2018.

Figure 29: Proportion of Young People Employed in the Public Sector



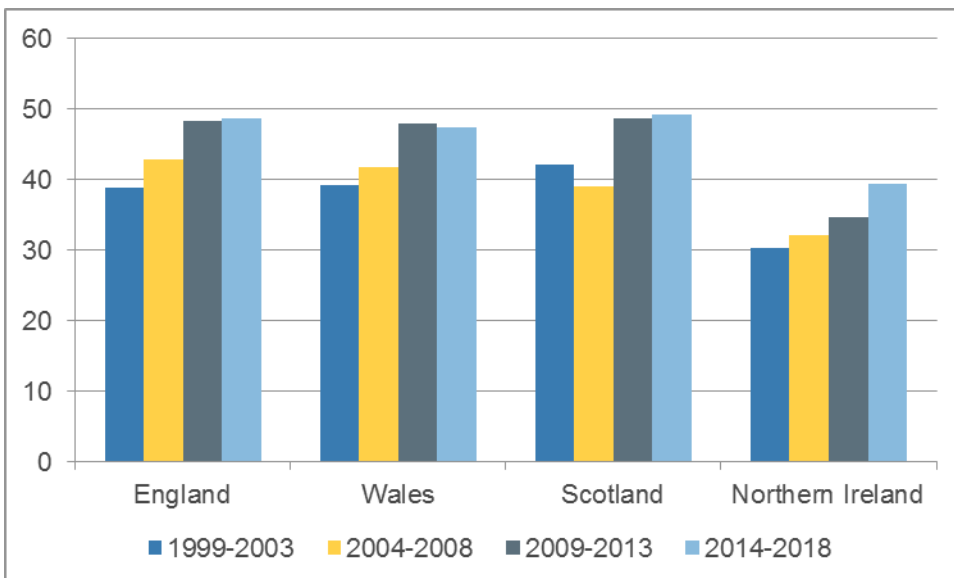
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Figure 30: Accommodation being bought with mortgage or loan, age 18-24



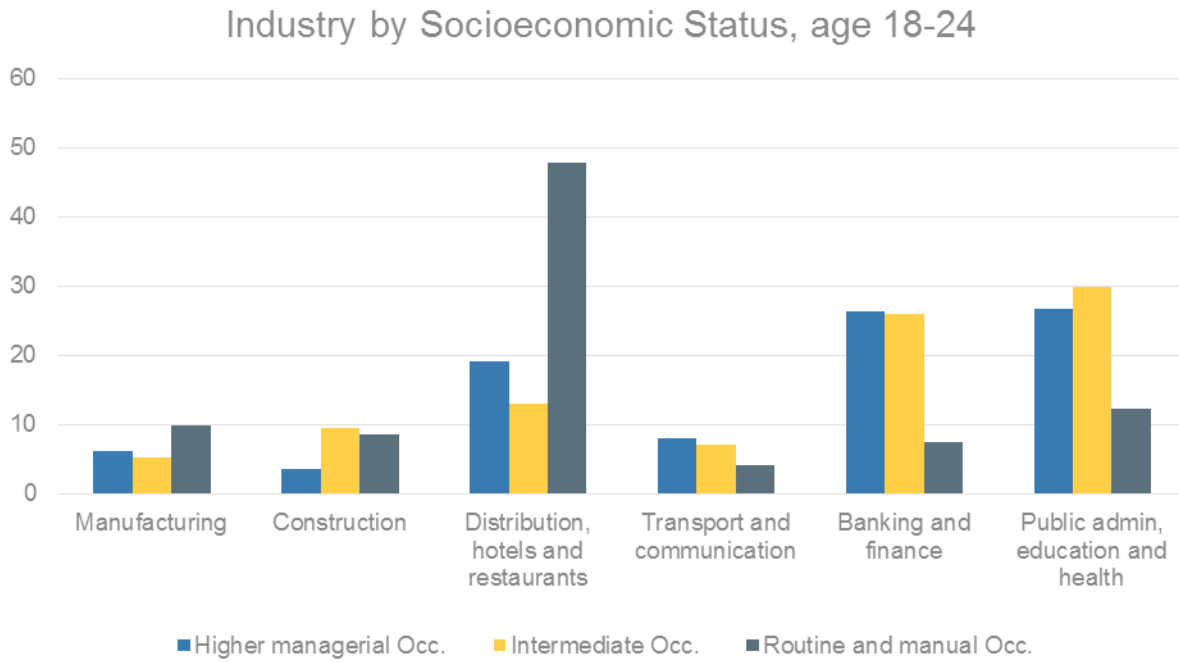
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Figure 31: Accommodation being rented, age 18-24



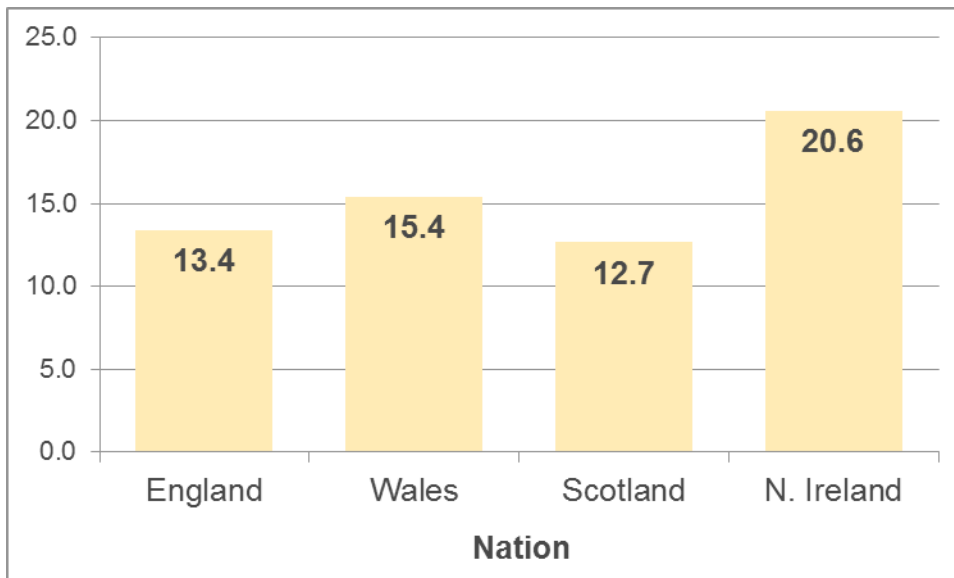
Source: UK QLFS, cross-sectional population weights used, years 1999-2018.

Figure 32: Industry type by socio-economic status, age 18-24



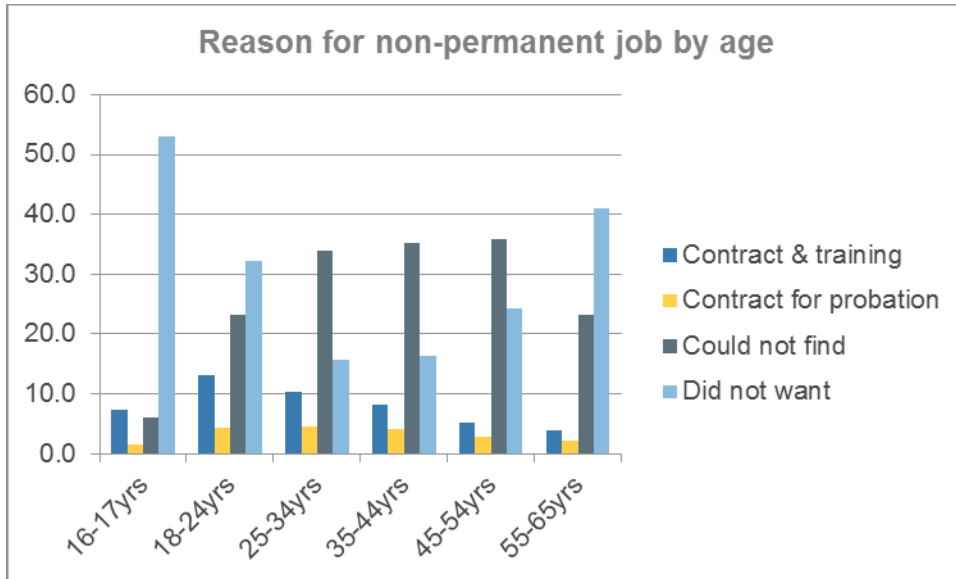
Source: UK QLFS, cross-sectional population weights used, year 2018.

Figure 33: Proportion of young people aged 18-24 in non-permanent employment



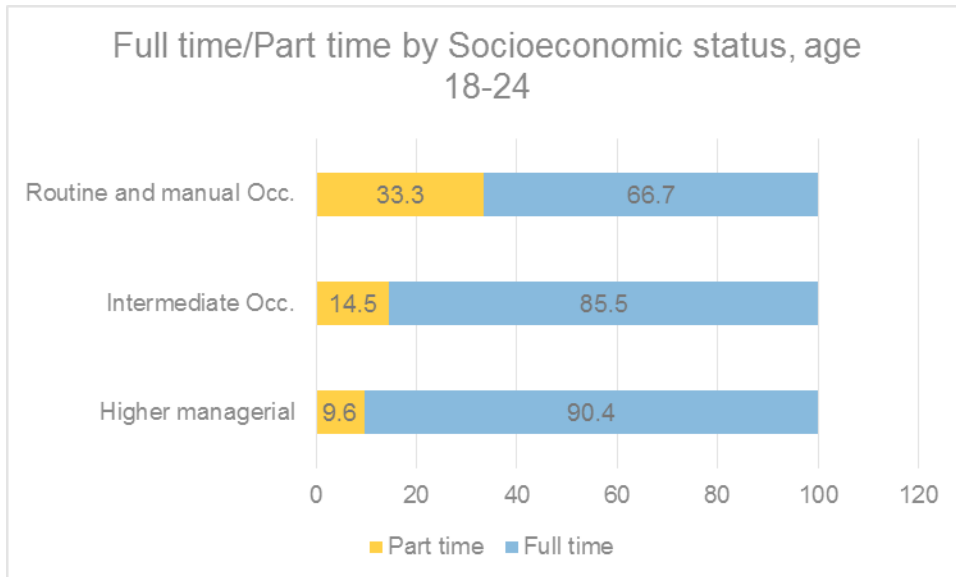
Source: UK QLFS, cross-sectional population weights used, year 2018.

Figure 34: Reason why the individual is in non-permanent employment, by age



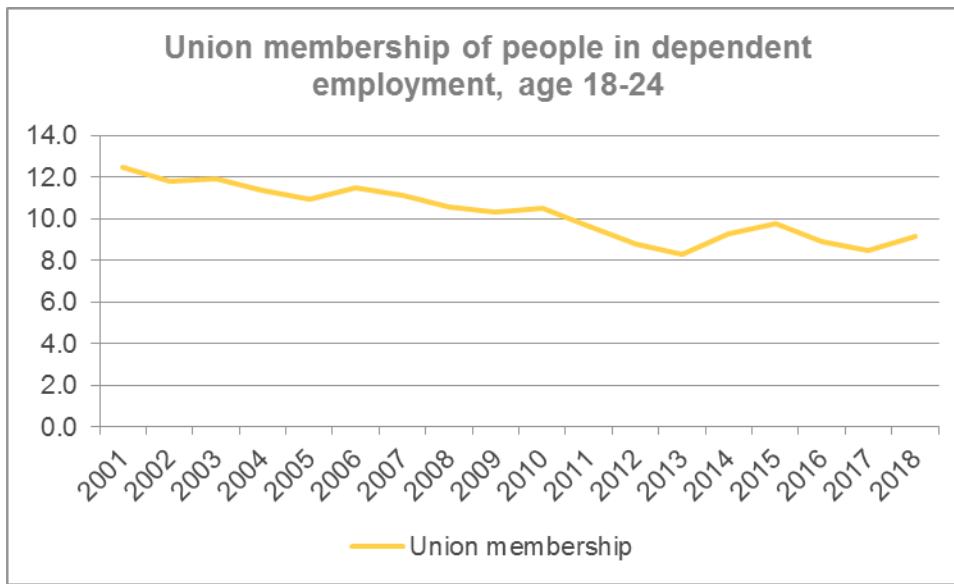
Source: UK QLFS, cross-sectional population weights used, year 2018.

Figure 35: Full time/Part time work by Socioeconomic Status, age 18-24



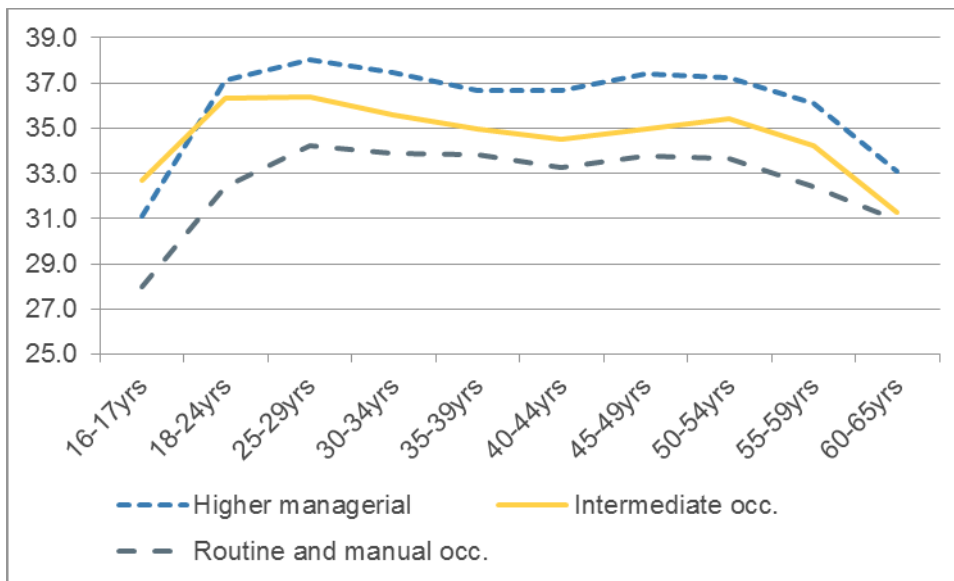
Source: UK QLFS, cross-sectional population weights used, year 2018.

Figure 36: Union membership of young people in dependent employment



Source: UK QLFS, cross-sectional population weights used, years 1999- 2018.

Figure 37: Mean Hours of Work per week by Socio-Economic Status



Source: UK QLFS, cross-sectional population weights used, year 2018.