

A Better Future: Transforming jobs and skills for young people post-pandemic

Williams J, Alexander K, Wilson T, Newton B (IES);

McNeil C, Jung C (IPPR)

Institute for Employment Studies

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Institute for Employment Studies
City Gate
185 Dyke Road
Brighton BN3 1TL
UK

Telephone: +44 (0)1273 763400
Email: askIES@employment-studies.co.uk
Website: www.employment-studies.co.uk

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Contents

Executive summary	1
Key findings	1
<i>Regional disparities</i>	<i>1</i>
<i>A shrinking youth labour market</i>	<i>2</i>
<i>An unequal recovery</i>	<i>2</i>
<i>Opportunity through ‘green and clean’ growth</i>	<i>2</i>
<i>Meeting the challenge for young people</i>	<i>3</i>
Recommendations	3
1. Introduction and method	5
1.1 Method	5
<i>Scope and definitions</i>	<i>5</i>
1.2 Labour market analysis	5
<i>Employment trends and potential transitions</i>	<i>6</i>
<i>Rapid evidence review</i>	<i>6</i>
<i>Developing and testing policy solutions</i>	<i>7</i>
<i>Stakeholder interviews and policy roundtable</i>	<i>7</i>
2. The state of the UK’s youth labour market.....	8
2.1 Employment trends since the Covid-19 pandemic struck	9
Conclusion	19
3. Long-term shifts in the UK’s youth labour market.....	20
<i>Structural decline in youth employment and stark regional disparities</i>	<i>20</i>
<i>Job insecurity and low pay</i>	<i>21</i>
<i>Work intensity and an ‘always-on’ culture</i>	<i>21</i>
<i>Digitisation and automation</i>	<i>21</i>
<i>Climate change and the Net Zero Transition</i>	<i>22</i>
3.1 Deep drive: investment in ‘green growth’	22
3.2 Job transitions analysis	27
<i>Green and social investment trajectory.....</i>	<i>28</i>
<i>Continued pre-pandemic trends trajectory.....</i>	<i>28</i>
Conclusion	30
4. How well are young people currently supported to make good transitions?	31
4.1 Employment and skills provision for young people in the wake of the pandemic	31
4.2 ‘What Works’ to support young people’s transitions in the labour market	35
<i>Interventions and policy solutions.....</i>	<i>35</i>
<i>Quality work</i>	<i>40</i>
4.3 Young people’s perspectives.....	41
<i>Young peoples’ views on what makes a good quality job</i>	<i>44</i>
<i>Testing the policy levers.....</i>	<i>46</i>
Conclusion	59
5. ‘Future proofing’ young people’s jobs and skills post-pandemic	61
5.1 A long term vision for the youth employment and skills system	61
5.2 Future-focused policy proposals.....	63
1. <i>More good quality jobs for young people</i>	<i>63</i>
2. <i>Greater local opportunity</i>	<i>66</i>
3. <i>Less insecurity and decent working cultures.....</i>	<i>69</i>
Conclusion	70
Bibliography	71
Appendix A: methodology	76
Appendix B: Young Person’s survey	77

Executive summary

Generational progress in the UK is grinding to a halt. Those in their 20s and 30s today have incomes no higher than the previous generation at the same age and are worse off once housing costs are considered. The wage gap between older and younger workers has widened since the 2008 financial crisis and shows no signs of closing.

The outlook is uncertain, with young people over-represented in jobs in sectors that are expected to see lower employment growth in the long term, and vital 'stepping stone' mid-skill jobs are in decline. So, as we emerge from the pandemic, we must consider not simply what the impact of the pandemic has been on young people since early in 2020, but how well equipped they now are to face the future.

Young people we spoke to as part of this research overwhelmingly want what previous generations wanted from work: secure, full-time jobs with decent pay (at the real living wage) near where they live. They also want to work with like-minded people, in jobs and companies they believe in and that are well matched to their skills and capabilities. If required, and with the right support, they are willing to change career direction. Nonetheless, they perceive that a lack of local jobs and inequalities in local areas could hold them back from achieving their aspirations.

Key findings

Regional disparities

This concern is borne out in our findings, which suggest that regional disparities in access to jobs for young people have remained high during the pandemic. While London and the South East have seen the biggest growth in Universal Credit claims, overall *levels* of youth worklessness remain highest outside of those two regions.

In 34 local authorities, rates of out-of-work Universal Credit receipt among young people are one-and-a-half times higher than the national average. Areas that have the highest levels include:

- Areas of high deprivation, including Hartlepool – which is double the national average, Burnley (88% above) and Wolverhampton (85%).
- Coastal towns with a reliance on tourism and hospitality, such as Blackpool, where Universal Credit receipt among young people is 85% higher than the national average, Hastings (81% above the national average) and Thanet (85% above).

A shrinking youth labour market

While there was a dramatic, initial impact on youth employment from the pandemic with over 425,000 jobs lost one year into the pandemic, the challenge is now very different. There has been a significant contraction in the size of the youth labour market, with unprecedented numbers of young people staying in or moving into full-time education. We find that:

- Youth participation in full-time education has now risen to its highest rate on record (48%, compared with 43% before the crisis began), while the youth employment rate has fallen to close to its lowest ever (53%, compared with 55% before the crisis began).
- There are nearly 200,000 more young people in education and not looking for work than before the crisis began. This is contributing to employer difficulties in filling entry-level jobs, especially where those roles are not being advertised flexibly (for example in ways that can fit around studies).

An unequal recovery

The headline picture of increased participation in education masks the widening of pre-existing inequalities in the youth labour market:

- The pandemic has intensified the trend towards increased polarisation in the youth labour market between high- and low-skill jobs, leading to fewer 'stepping stone' mid-skill jobs and more young people in insecure and part-time work.
- Long-term unemployment among young people has risen, with 170,000 young people unemployed for more than six months, and those with a health condition, disability, young parents and most likely to be among this group.
- In our interim report for this programme, we found that falls in employment during the pandemic have widened the ethnicity employment rate gap from 22 percentage points to 26 points for Black people and to 25 points for Asian people. The fall in employment rates has been four times greater for young Black people than for young white people, while the fall for young Asian people has been nearly three times greater.

Opportunity through 'green and clean' growth

While climate change and loss of biodiversity poses an existential risk, the shift to green jobs through investment in a net zero transition represents an opportunity to generate 'future-proof' jobs for young people, including those from disadvantaged groups.

We outline three trajectories for investment in the low carbon economy in the medium-term following the pandemic. We find that:

- Under a 'green and social investment' trajectory, assuming £30bn of additional climate and environmental investment annually together with £17bn investment in 'low emission' jobs in health and care services, an additional 1.6 million jobs could be created. This breaks down to a youth share of approximately 176,000.

- Jobs created are primarily in social care, low-carbon housing, sustainable transport, and health care, and result in significant job opportunities across the skills spectrum – including mid-skill jobs.
- These are broadly equally distributed across regions. In all regions, youth employment under this trajectory grows by between 4 and 5 per cent. This translates to, for example, approximately 19,000 jobs in the North West, 15,000 jobs in Yorkshire and the Humber, 14,000 jobs in the West and East Midlands, respectively and 18,000 jobs in London. The occupational groups with the most growth are: (1) skilled trades, (2) caring, leisure and other service occupations, and (3) professional occupations, which together make up about 80 per cent of job creation across regions.
- Opportunities for young people to transition from existing roles to ‘green’ roles include workers from the construction sector trades, such as home retrofitting and low-carbon heat, while receptionists and retail sales workers could move into customer service representative roles in green sectors to meet growing demand.

We compare these findings with two other trajectories: the continuation of pre-pandemic investment trends (assuming current levels of investment at about 3% of GDP) and a ‘middle way’ trajectory, which is a combination of these (assuming a £16bn annual increase in investment). Fewer jobs are created under the ‘middle way’ trajectory, with some mid-skill growth, while the ‘continued trends’ trajectory sees a decline in jobs and continued polarisation of the youth labour market with a loss of mid-skilled jobs.

Meeting the challenge for young people

The reforms introduced as part of the government’s Plan for Jobs since the Covid-19 pandemic began, such as the Kickstart scheme and Youth Hubs, were set up as an emergency response, and so far, there is no clear vision for their development over the medium or longer term. They were also established at a point when high levels of unemployment was viewed as the main risk for young people. Since then, however, the context has changed. As we look ahead, our analysis suggests the key risks are the large decline in youth participation in the labour market, regional inequalities in access to jobs, and disadvantaged young people falling further behind their peers.

Our survey with young people found that a lack of work experience and connections were the key barriers preventing young people from entering good jobs, as well as a lack of training. Difficulties travelling outside of their local area, and the competitive jobs market were raised as barriers to entering secure work.

‘Work experience is really hard to get, and yet it is hard to find any work at all when you don’t have previous experience.’

Young person, 18–19 years old, studying on a full-time course

Recommendations

The pandemic has had a seismic impact on young people’s education and employment. However, it is important now to look beyond its immediate aftermath and grasp a once in

a generation opportunity to address longstanding problems with the youth labour market. That includes persistent regional disparities, unequal outcomes and precariousness.

The government's Spending Review and *Levelling Up* and *Net Zero Transition* strategies have the potential to be transformative for young people, alongside the postponed Employment Bill. Government must aim to 'future proof' young people's jobs and skills, particularly for the most disadvantaged, across each of these agendas. Our analysis also shows significant differences even between neighbouring local authorities, hence the need for highly localised approaches rather than a standardised national approach.

We argue here for a 'New Deal' for young people to future proof their prospects. Young people will only avoid the fate of poorer job prospects and lower lifetime earnings than previous generations, through ambitious job creation, reform of the youth employment and skills system, better regulation and the promotion of forms of non-work income to bolster young people's security. We set out eight key recommendations:

1. Government should aim to create new 'green and clean' job opportunities for young people through its 'Levelling Up' and 'Net Zero Transition' investments.
2. Government and its partners should use these investments to massively scale up apprenticeships and establish skills pipelines for disadvantaged young people.
3. Government should extend and reform Kickstart, with a new 'Kickstart Plus', creating opportunities for long-term unemployed and disadvantaged young people to get into work.
4. A meaningful 'Opportunity Guarantee' should be put in place to ensure that no young person reaches long-term unemployment of six months.
5. Government should establish new local youth employment and skills boards as part of the new *Levelling Up* strategy.
6. Introduce a commitment to new trailblazers of 'Universal Youth Support' to test more extensive devolution and integration of employment and skills services.
7. Introduce new labour market regulations to reduce job insecurity among young people in the postponed Employment Bill. For example, by ensuring the right for employees who work variable hours (including both those on zero-hours contracts and agency workers) to request a more predictable and stable contract.
8. Promote new forms of non-work income to bolster security for young people. For example, through a shared wealth fund, such as a Citizens' Wealth Fund¹ providing a small annual dividend or through lifelong learning or individual learning accounts (as opposed to the government's planned loan system).

¹ As proposed by IPPR in its Commission on Economic Justice
<https://www.ippr.org/research/publications/prosperity-and-justice>

1. Introduction and method

This report sets out the findings from a project commissioned and grant funded by The Youth Futures Foundation and the Blagrave Trust. The research, carried out by the Institute for Employment Studies (IES) and the Institute for Public Policy Research (IPPR), explored the impact of the pandemic on young people, the prospects for future employment growth and how youth employment and participation can be increased.

1.1 Method

The research used quantitative analysis of labour market data to understand the immediate impacts of the Covid-19 pandemic on youth employment. In addition, analysis of employment trends over time was conducted and several scenarios for future labour markets were devised to understand how young people might fare in employment in the near future. Secondary evidence was incorporated as part of a rapid evidence review that looked at what skills and careers interventions have been proven to work to support young people into meaningful and quality work. Young people's views and stakeholders' views were sought on current and prospective policy solutions. This report concludes with recommendations for how young people could be best supported into quality work as the country moves out of the Covid-19 pandemic.

Scope and definitions

Our focus is on disadvantaged young people, 16 to 24 years old, in England, defined as those already or at risk of being not in education, employment or training (NEET), including those with few or no qualifications, little work experience, with a health condition or disability, or care leavers. However, in assessing the labour market trends, we look at employment or unemployment firstly by age and then by disadvantage factors 'and' age to ensure we closely pinpoint the effects for the groups most at risk.

1.2 Labour market analysis

Early insights into the impact of the Covid-19 pandemic on the labour market for young people were developed in Autumn 2020 and into January 2021.

Longitudinal analysis of the labour force survey was conducted to look at trends in youth participation in education and employment at the beginning of the first lockdown (April to June 2020) to its easing (July to September 2020). This addressed key questions around the impact of the crisis on young people's employment, and which occupations, industries

and demographic groups had been most affected. This culminated in the publication of the first report 'An Unequal Crisis' in January 2021.²

In addition, a review of published labour analysis covering this period provided insights into labour market statistics published by the Office for National Statistics (ONS), into particular sectors that were hit hard by the crisis or 'shut down' during the local and national lockdowns and supported the development of policy solutions (see 'Developing and testing policy solutions').

Employment trends and potential transitions

To complement our update from January 2021, we analyse recent labour market trends, based on ONS Labour Force Survey and HMRC Pay As You Earn data. We use this to determine how much the pandemic has affected both availability of youth jobs but also their quality (as measured by, for example, involuntary part-time employment).

We next draw on detailed data on the training and skills-content of young people's jobs using O*NET, an occupational classification database. We use the data set to draw conclusions about what types of jobs have been most affected by the pandemic so far. We then develop three potential investment and employment growth trajectories and juxtapose jobs created in these trajectories with jobs which have been most at risk during the pandemic. In doing so, we derive possible career transitions for young people over the medium term.

We refer throughout to 'green jobs' based on the government's 'Green Jobs Taskforce' definition of the term³. In our analysis, references to the 'green economy' and 'green growth' draw on the O*NET categorisation of the 'green economy'⁴.

Rapid evidence review

In order to understand and update the evidence for what works in supporting young people through quality skills and careers routeways, a rapid evidence review was conducted. In April 2020, IES produced an initial evidence review for Youth Futures identifying what works in supporting disadvantaged young people into meaningful work⁵. This new evidence review sought to update these findings.

Evidence regarding specific skills and careers interventions was searched for, as was evidence from previous recessions about what had worked to support young people.

² <https://www.employment-studies.co.uk/resource/unequal-crisis-impact-pandemic-youth-labour-market>

³ Namely, employment in an activity that directly contributes to - or indirectly supports - the achievement of the UK's net zero emissions target and other environmental goals, such as nature restoration and mitigation against climate risks.

⁴ <https://www.onetcenter.org/initiatives.html#green-occupations>

⁵ <https://youthfuturesfoundation.org/wp-content/uploads/2020/04/v14-IES-evidence-review-FINAL.pdf>

Developing and testing policy solutions

To develop effective policy solutions which are suited to young people at different ages and life stages and attuned to the Covid-19 recession recovery, a phase of scenario development and testing was undertaken.

The policy solutions were developed from the evidence from the labour market analysis and supplemented by the rapid evidence review. The levers comprised system components, including education and training, work experience and support for removal of barriers to career progression. These solutions or policy levers were tested with stakeholders and young people. They were tested using an online survey that reached over 300 young people between 14 and 30 May 2021, using the Youth Sight panel and through follow up interviews with young people who opted in to this through the survey. Stakeholders were contacted on the basis of representing areas of England that had fared differently through the crisis as described in the initial labour analysis plus employer and industry representative bodies.

Stakeholder interviews and policy roundtable

Interviews were held with advisers and civil servants across a number of government departments in order to interrogate the intended research questions and methods; to better understand the overlaps between different departmental priorities on youth employment and skills; and to gain insights into opportunities for influencing departmental policy agendas. Interviews were carried out between March and June 2021 with officials from the No 10 policy unit, Department for Business, Energy and Industrial Strategy, HM Treasury, Department for Work and Pensions and the Department for Education, as well as the Youth Employment Group representing over 200 organisations advocating for full and inclusive employment for young people.

On 7 July 2021, a policy roundtable was held with key stakeholders from across the employment and skills sector, local government, business and government officials. Research findings were shared and discussed; research questions were tested with the group, alongside opportunities for better framing and communicating the youth employment challenge.

2. The state of the UK's youth labour market

While there was a dramatic, initial impact on youth employment from the pandemic, the trends emerging since indicate the employment crisis is very different from that initial picture. Many young people have taken the skills and education route – participation in full-time education is at the highest rate on record, with youth employment commensurately lower. This means that the crisis has seen a fall overall in the number of young people who are neither in full-time education nor in work. However, this hides some more worrying trends: there has been a contraction in the size of the youth labour market, which is contributing to employer difficulties in filling entry level roles. The crisis has not impacted on young people equally: Black, Asian and minority ethnic young people have been particularly hard hit and long-term unemployment among young people has risen. We also find wide variations by region and between local authorities within regions. This all comes on top of longstanding trends of underemployment and precarious work among young people as well as job polarisation – the disappearance of middle-income jobs in favour of growth in low- or high-wage work, which impacts on opportunities for progression. The analysis indicates there remains a need to act in respect of ensuring that all young people can access work which, past evidence shows, will take active and sustained engagement. A parallel priority is to support young people to access work that is meaningful and of a quality that will secure their future economic, health and social outcomes.

In this chapter we examine the current state of the UK's labour market for young people, following the impacts of the Covid-19 pandemic since early in March 2020. Firstly, we examine youth unemployment trends since the first quarter (January to March) of 2020 by analysing ONS Labour Force Survey data and Universal Credit local caseload data⁶, for young people both in and out of work who are receiving Universal Credit and for those young people who have been unemployed for a year or more. We also assess the impact of the pandemic on levels of 'under-employment' among young people. Secondly, we assess the skills profile of jobs carried out by young people, which have been worst affected during the pandemic.

We then examine the longstanding shifts taking place in the UK's youth labour market and the implications for young people over the medium term. This includes a 'deep dive' into growth prospects of the green economy for young people under different investment trajectories, examining the types of jobs that would be created and skills required.

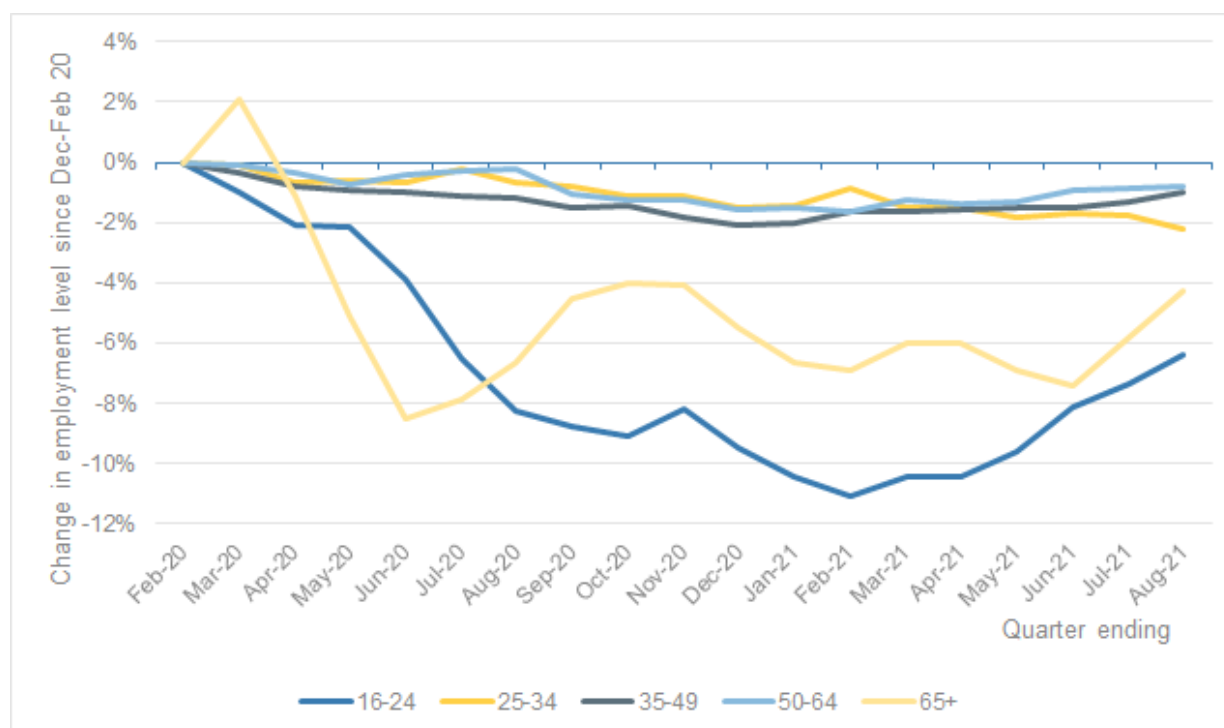
⁶ These are calculated as a proportion of local authority 2020 population estimates

2.1 Employment trends since the Covid-19 pandemic struck

The first year of this crisis saw youth employment fall by 425,000 – the largest annual fall in employment in at least four decades, and in spite of more than a million youth jobs being protected through the Coronavirus Job Retention Scheme. Overall, young people accounted for nearly half (46%) of the total fall in employment during the crisis, and as Figure 2.1 Percentage change in the level of employment by age, between December–February 2020 and June–August 2021

below illustrates, young people have seen a far greater fall in employment compared with all other age groups (with employment still more than 6% below pre-crisis levels).

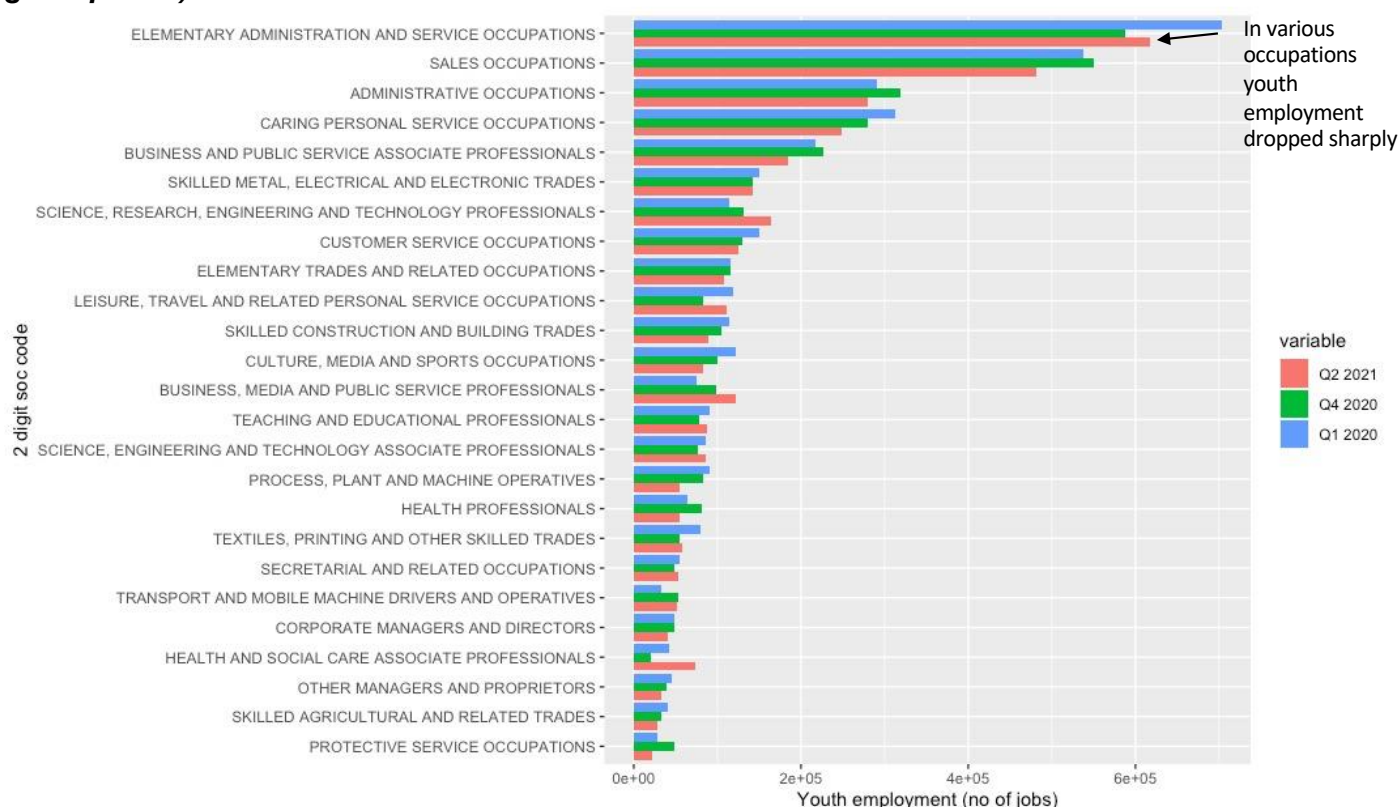
Figure 2.1 Percentage change in the level of employment by age, between December–February 2020 and June–August 2021



Source: Labour Force Survey

Figure 2.1 below illustrates that these falls in employment were concentrated in lower-skilled elementary jobs (mainly in hospitality), sales and in caring – with employment continuing to fall through the first quarter of 2021, as the third lockdown hit. In our previous report for this project (Wilson & Papoutsaki, 2021), we set out some of the factors underlying these changes and the consequential impacts of these on different groups of young people. Overall, according to Labour Force Survey data, youth employment is still 323,000 jobs below pre-pandemic levels.

Figure 2.1 Youth employment by type of occupation 2020–2021 (total number of jobs in given period)

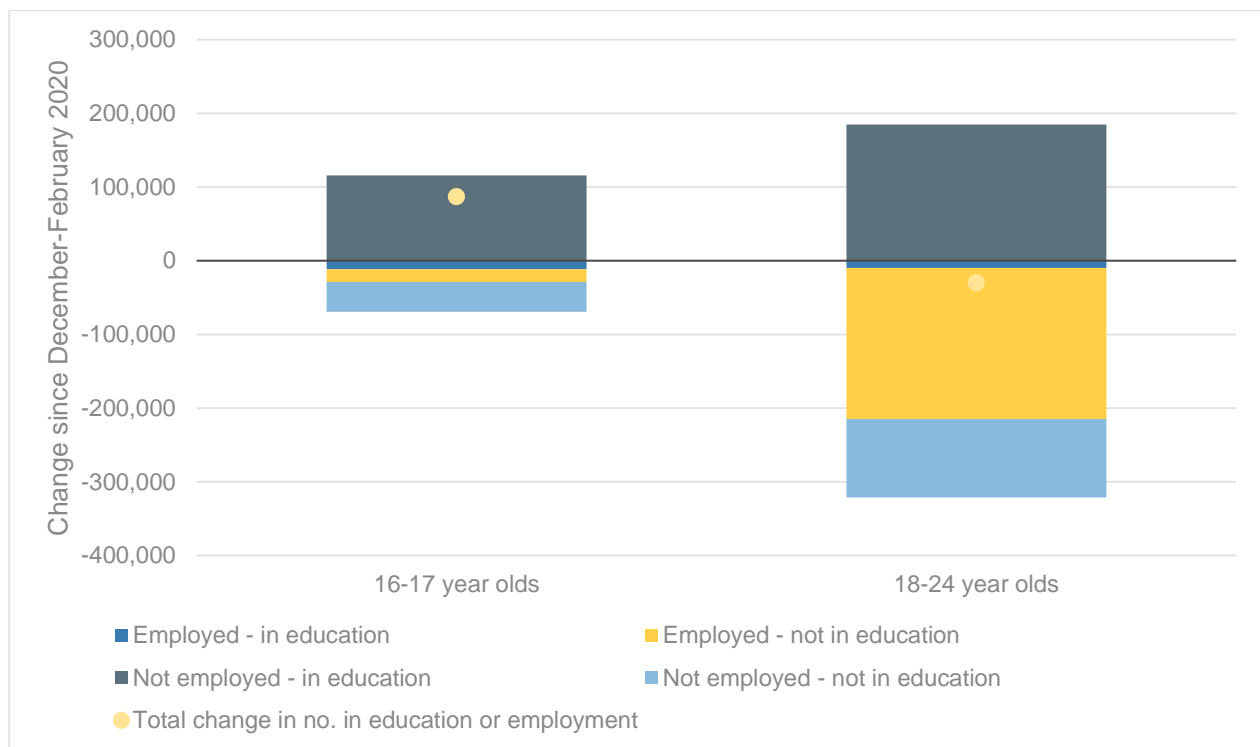


Source: IPPR analysis of ONS LFS.

At the same time as employment has fallen, the crisis has also seen an unprecedented increase in youth participation in full-time education – which has now risen to its highest rate on record (48% compared with 43% before the crisis began), while employment has fallen to close to its lowest ever (53% compared with 55% before the crisis began).

As Figure 2.2 below shows, this means that the crisis has seen a fall overall in the number of young people who are neither in full-time education nor in work, as very large rises in the number of people in full-time education and not working have offset falls in those in work (aided in part by a slight fall in the size of the 18–24 year old population).

Figure 2.2 Change in youth participation in full-time education and/or employment, December–February 2020 to June–August 2021



Source: Labour Force Survey

One practical consequence of this has been a significant contraction in the size of the youth labour market – with 170,000 more young people now in education and not looking for work than before the crisis began. This will be contributing to employer difficulties in filling entry-level jobs, especially where those roles are not being advertised in ways that can fit around studies. And while these impacts have been exacerbated by the crisis, they also reflect a secular trend towards lower youth participation in the labour market. Indeed, we estimate that the ‘jobs gap’ for young people, which we define as the fall in employment compared to pre-crisis levels lost plus those still on furlough stood at 300,000 at the end of August 2021. This jobs gap constitutes 8.5 per cent of youth employment before the pandemic (HMRC 2021a, HMRC 2021b).

This headline picture of increased participation in education offsetting large falls in employment also disguises significant structural inequalities in the labour market for young people and risks that the crisis may well exacerbate these.

- First, it remains the case that around one in twelve of all young people are not in education or employment and are not looking or available for work (defined as being ‘economically inactive’). This figure is virtually unchanged over four decades, through crises and recoveries, and appears to be particularly explained by those with health conditions, disabled young people and those with caring responsibilities.
- Furthermore, this crisis has seen long-term unemployment among young people increase, with now 170,000 young people unemployed for more than six months. Many

of those who were unlucky enough to have started looking for work last year will face permanent future scars to their incomes, health and wellbeing as a result.

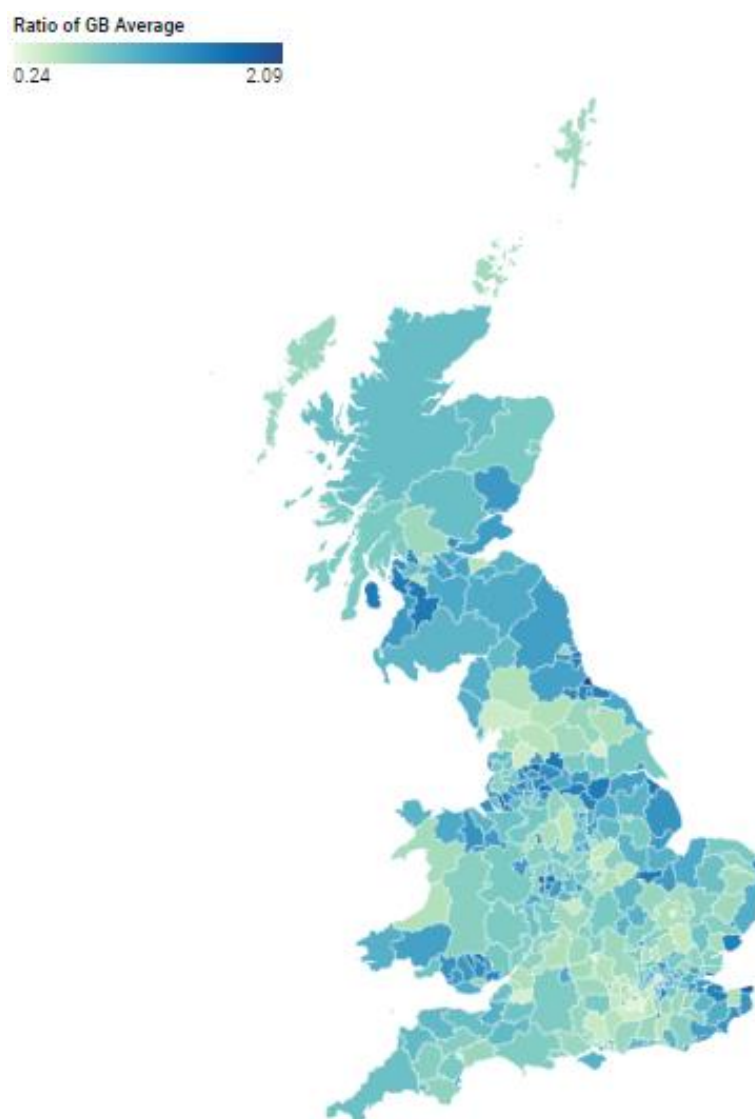
- And finally, our *Unequal Crisis* report earlier in the year showed that many of those who were most disadvantaged appear to have lost out more during this crisis – with Black and Asian young people being particularly hard hit.

Looking at Universal Credit receipt by local authority area gives us a more granular picture of youth worklessness since early in 2020. Universal Credit (UC) is received by people aged over 18 (and some who are 16–17), who are both out of work and in work but on a low income. Our analysis is restricted to those who are out of work, which includes those who are required to actively seek work (the Searching for Work group) and those claimants with reduced labour market requirements (for example, because of ill health or parenting responsibilities).

It should be noted that UC is not a perfect proxy for unemployment – some young people claiming UC who are out of work will not be looking for work (usually due to health or caring), while some of those who *are* unemployed may not be claiming UC (for example, if they are full-time students). In addition, the crisis has seen a growth in the number of UC awards with no money in payment, which appears to be due to claims being kept open for longer after people return to work (although we do not know the age breakdowns of claimants with zero awards). Nonetheless, UC receipt is a useful measure for making comparisons between areas and over time at very local levels, where survey data is less reliable.

When we look at the *growth* in those young people who are out of work and on Universal Credit since January 2020 until April 2021, we find that the increases have been most concentrated in London and the South East. London's high rates of employment in arts and entertainment, the visitor economy and hospitality, among others, means young people in the capital have been hit hard. The increases have been substantial: in the 10 local authorities with the highest increases the numbers have increased by over 150 per cent and these local authorities were all to be found in London and the South East.

However, as we can see from Figure 2.3, overall *levels* of youth worklessness on UC remain highest outside of London and the South East. Coastal towns with a reliance on tourism and hospitality have also seen young people lose out significantly. Meanwhile, areas with a high percentage of health and public sector employment have fared better.

Figure 2.3 Universal Credit out-of-work claimant rate as a ratio of GB average, Aug 2021

Source: IPPR analysis of UC data. Map produced using Datawrapper.

We also find wide variations between local authorities within regions: for example, in the East of England, the out-of-work rate for those on Universal Credit is over five times higher in Great Yarmouth than Cambridge.⁷

The regional stakeholders interviewed for the research discussed the impact of the pandemic on their areas and demonstrated how the pandemic has played out differently across the country, as seen in the data. All described how young people had been affected by the pandemic and the lockdowns. This included being away from work (on furlough or due to job losses), but also the effects on mental health of young people. The regional stakeholders described an acceleration of existing inequalities. Stakeholders also highlighted that intersectionality was an important consideration where in particularly

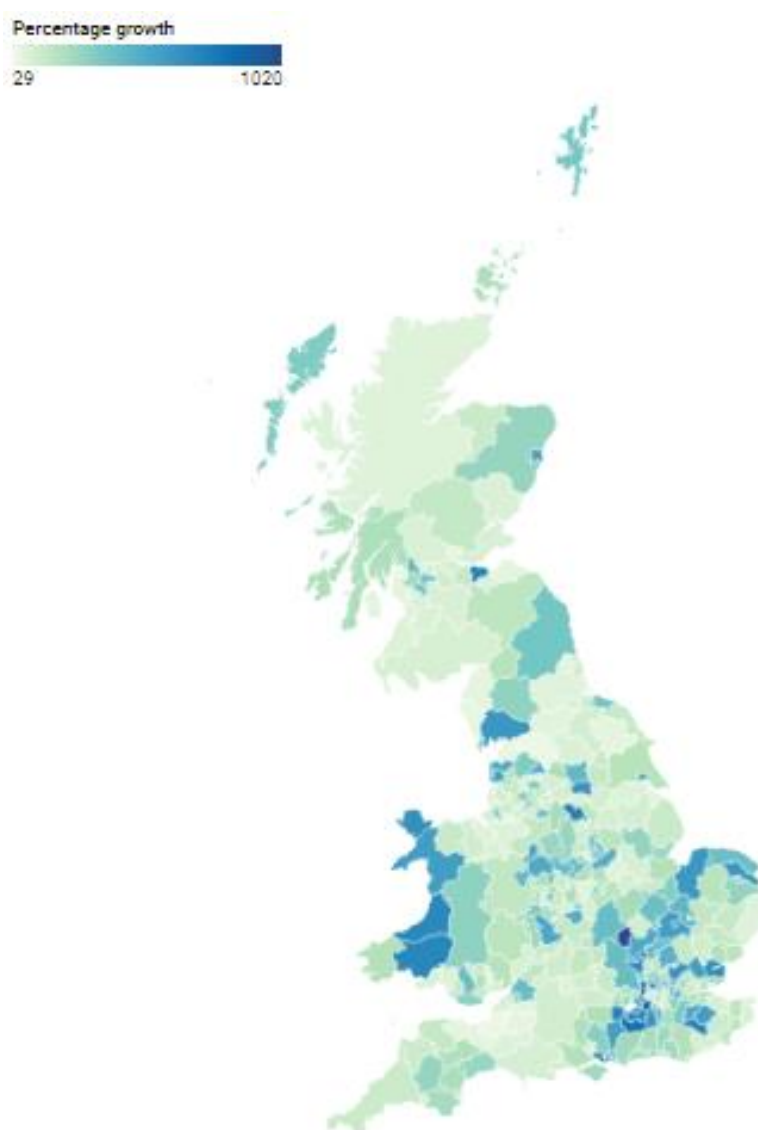
⁷ These variations are much smaller for long-term unemployment (on UC for 1 year or more).

diverse areas of the country, people from minority ethnic groups, people living in deprived areas, with low educational attainment were disproportionately impacted by Covid-19.

Stakeholders referred to particular sectors where young people predominantly worked (hospitality, leisure and retail sector) that had been shut down. Affluent areas that had little experience of unemployment were also impacted by the shutdown of tourism, arts and culture. In regions with strong manufacturing bases, stakeholders believed the combination of Brexit, the pandemic and supply chain issues, meant that many employers were struggling.

Concerningly, we find that long-term benefit receipt (using a measure of 12 months or more) has increased significantly in some parts of the country. Rates have increased over five-fold in some areas of every Great Britain (GB) region, with over ten-fold increases in the East (Luton) and the South East (Milton Keynes) (see Figure 2.5). It should be noted that UC durations can include time spent in work while still claiming benefit – ie not all of the individuals will have been continually out of work – and some of these increases are from a small base. Nonetheless, this deserves closer attention in the coming months.

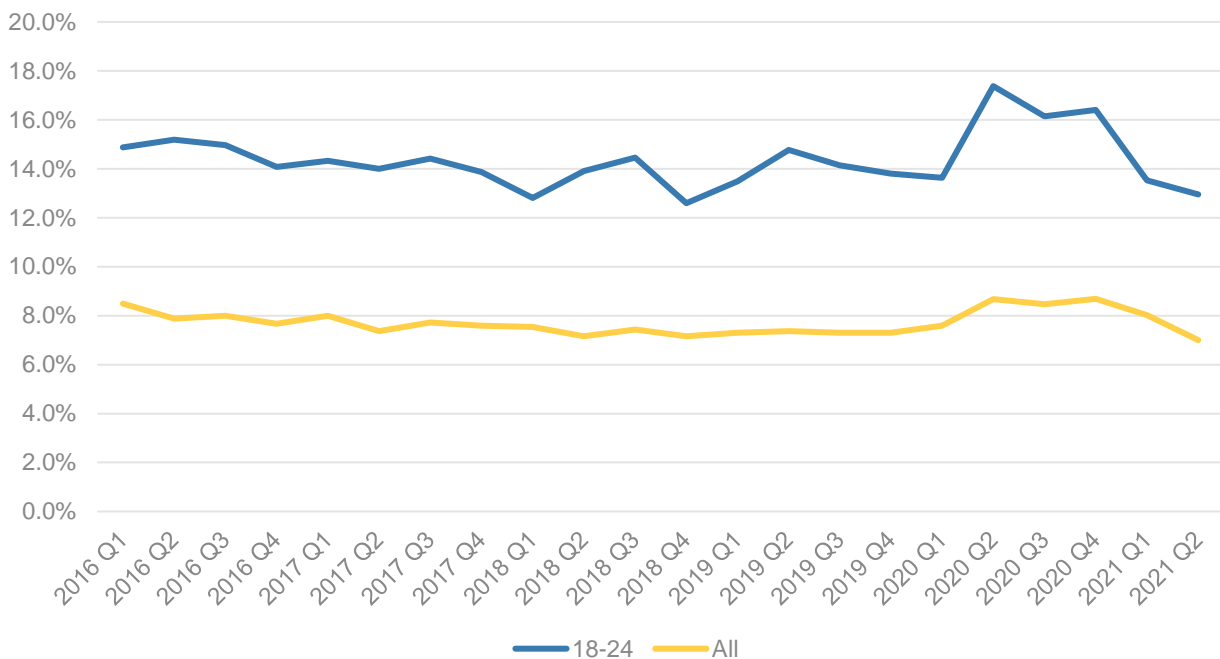
Figure 2.4 Growth in long-term (one year plus) out-of-work UC caseload Jan 20 - Aug 21



Source: IPPR analysis of UC data. Map produced using Datawrapper.

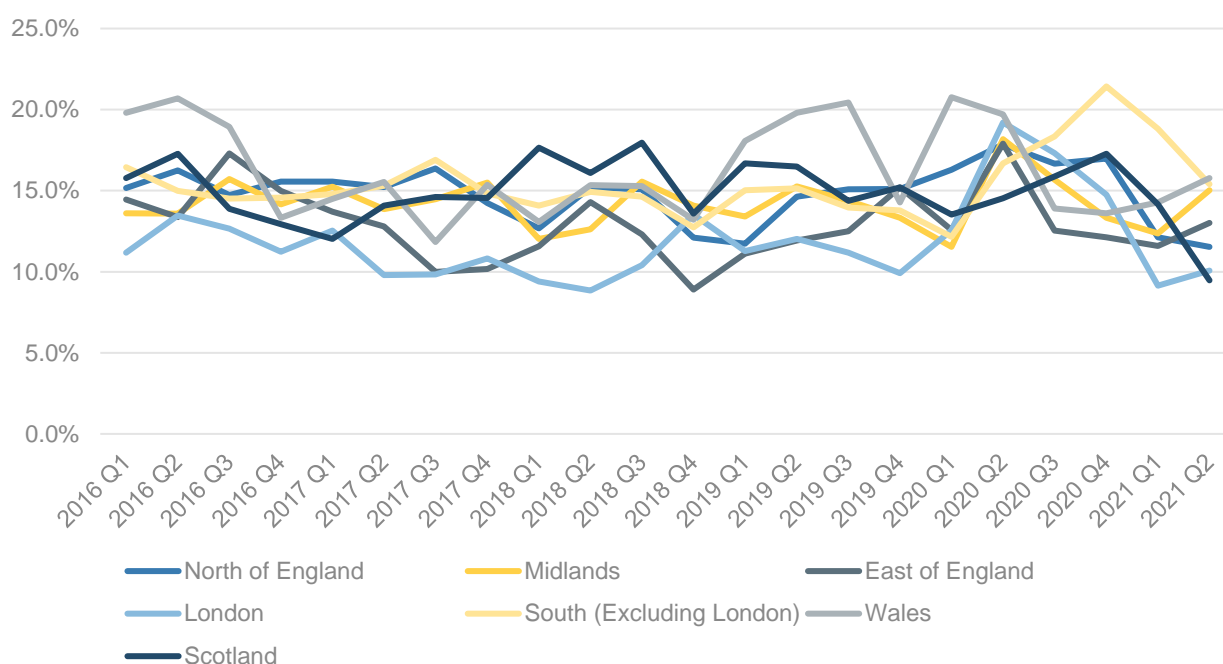
As well as considering unemployment, we must consider ‘underemployment’. This refers to those who are not working as much as they would like and includes those who would either want to work more hours in their current job or are looking for a new job due to wanting to work more hours. Levels of underemployment among young people rose sharply in the first and second quarters of 2020 (ie. January to June) and have since returned approximately to pre-pandemic levels. However, as Figure 2.5 shows, these levels are still almost twice as high as those for the general working population.

Figure 2.5 Proportion of those in work who are under-employed, 18-24s and 25 plus



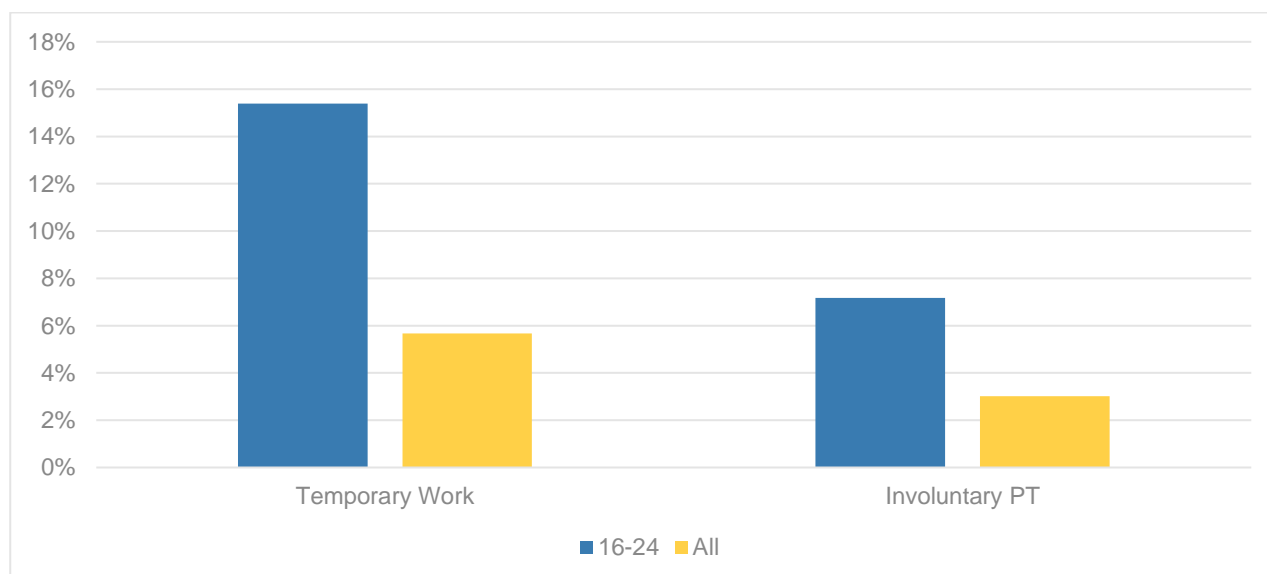
Source: IPPR analysis of ONS LFS.

Underemployment was particularly high in the South of England (excluding London) reaching a peak of 21% in the last quarter of 2020, but has since fallen with the highest underemployment rate now in Wales at 16%, with London and the Midlands not far behind (see Figure 2.7).

Figure 2.6 Proportion of those in employment who are under-employed by nation/region

Source: IPPR analysis of ONS LFS.

The young also tend to be in less stable jobs and are more likely to work part-time involuntarily than other age groups (Figure 2.8). They are almost three times as likely to be in temporary work – 15% of young workers are in this position. And seven per cent of young people in work in Q4 2021 were working in a part-time job because they couldn't find a full-time job – up from six per cent in Q1 2020. This rate is over twice as high as that of other age groups.

Figure 2.7 Proportion of those in temporary work and in part-time work because they could not find a full-time job, aged 18–24 and 25 plus

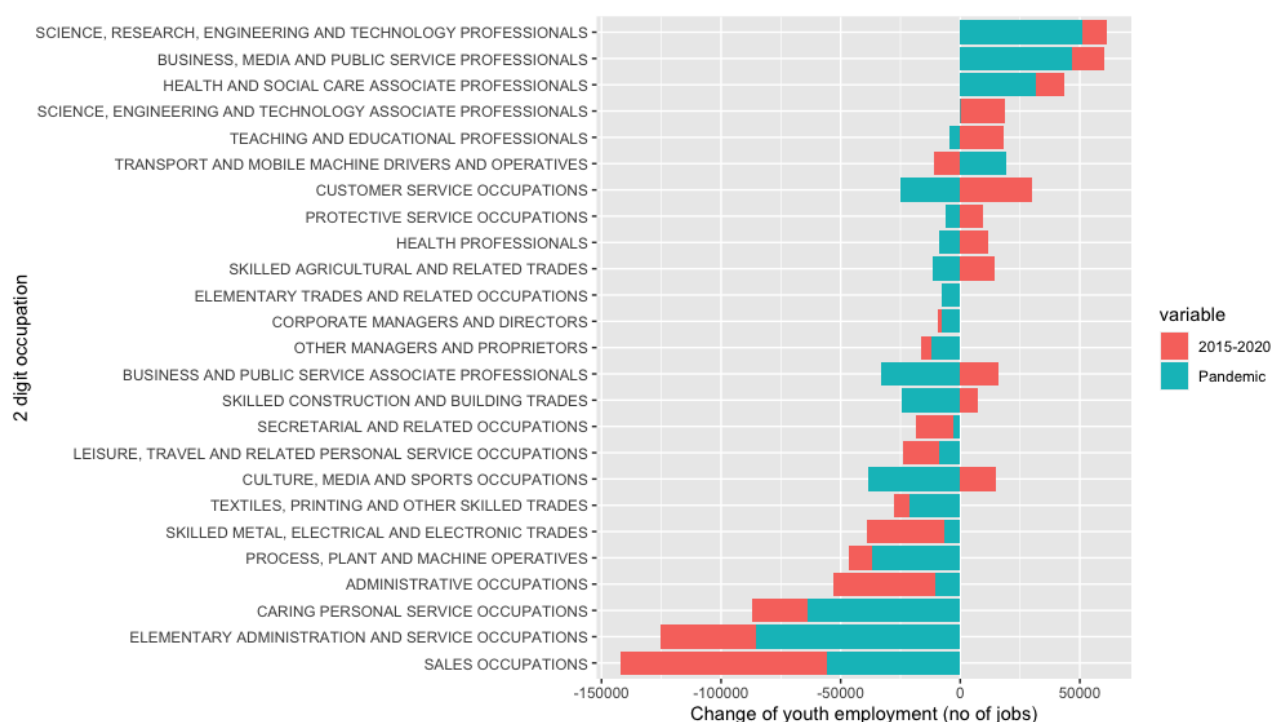
Source: IPPR analysis of ONS LFS.

Finally, we turn to the skills profile of those jobs worst affected by the employment impacts of the pandemic. The pandemic appears to have intensified pre-pandemic trends for youth employment, in particular a trend towards greater job polarisation.

Job polarisation refers to the trend of disappearing middle-skill jobs and instead the growth of either high-skill or low-skill jobs. As a recent in-depth study by the IMF has argued, the youth labour market in the UK has seen increased polarisation over the last two decades (Dabla-Norris et al 2019). The authors find that polarisation is much more pronounced for young employees than for older age groups – and even more so for young women. This, they argue, is partly to blame for the wage gap between younger and older workers. For example, young women without a university degree can today expect to earn 15 per cent less over their lifetime compared to their counterparts in the 1960s.

The IMF study's authors identify progress in automation technologies which substitute for labour and offshoring due to globalisation as potential causes of increased polarisation in the youth labour market. Deindustrialisation and the shift away from manufacturing to greater employment in the service sector is a related factor. Among the consequences are that young people are significantly more likely to end up in involuntary part-time employment than other age groups, with detrimental impacts on their future earnings. The shifting industry composition of jobs also seems to be more pronounced for young workers than for other age groups. Our analysis, therefore, speaks in particular to industry composition and skills aspects.

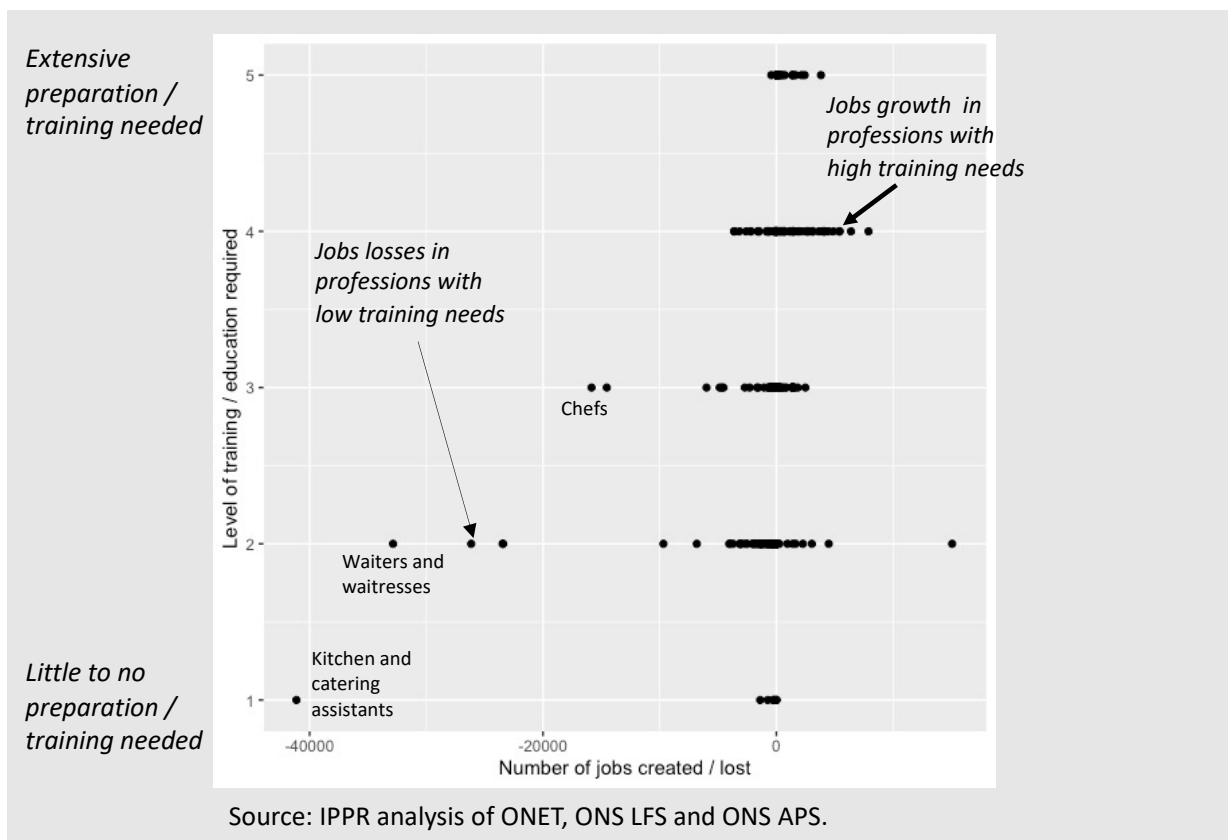
Figures 2.9 and 2.10 illustrate past and present polarisation trends. In Figure 2.8 we compare the change in youth employment in the five years running up to the pandemic (red bars) with the change we saw during the pandemic (green bars). Broadly speaking, the pandemic seems to have continued pre-pandemic trends. For example, elementary administrative and service as well as sales occupations declined both before and during the pandemic, while business, and health and social care professions grew both before and during the pandemic. Notable exceptions to this pattern are administrative occupations, transport and mobile machine drivers, both of which shrank before but grew during the pandemic. Customer service occupations also grew strongly before but shrank during the pandemic.

Figure 2.8 The pandemic tended to intensify pre-pandemic trends in the youth labour market

Source: IPPR analysis of ONS LFS. Note: the 'Pandemic' period refers to Q1 2020 – Q2 2021.

We find that the occupations with the largest volumes of job losses between Q1 and Q4 2020 were those where training requirements were the lowest (Figure 2.8). The figure shows which jobs have grown in the pandemic (towards the left) and which have grown (towards the right). It plots this against the training levels of these jobs tend to require (those higher up with higher training requirements). Those at the bottom right, such as hospitality jobs, had the largest falls in employment, while also having the lowest training requirements. This has served to entrench the weak position of young people with less training in the labour market. It also constitutes a continuation of polarisation trends, as training-intensity is highly correlated with wage levels.

Figure 2.9 Jobs worst affected by the pandemic are at lower skills levels: *Skills level and jobs growth*



Source: IPPR analysis of ONET, ONS LFS and ONS APS

Conclusion

In conclusion, the pandemic has had a dramatic impact on young people's entry into the labour market and their future employment prospects. Employment rates fell substantially over the period and there remain nearly a quarter of a million fewer young people in work than at the start of the pandemic, and nearly 200,000 more young people in education and not looking for work than before the crisis began. While the headline picture of increased participation in education offsetting large falls in employment may appear positive, it also disguises significant structural inequalities in the labour market for young people and the risks that the crisis may well exacerbate these. Past experience shows it will take active and sustained engagement to reduce these rates (Gregg, 2004). And, while under-employment has largely returned to pre-pandemic levels, there are stark regional variations and the overall rate remains significantly higher than for all age groups.

3. Long-term shifts in the UK's youth labour market

Our analysis shows a widening wage gap between older and younger workers in the period since the 2008 employment crisis, with young women disproportionately affected by this. Young people also tend to be overrepresented in sectors that are forecast to see lower employment long term and conversely underrepresented in those sectors forecast for growth. The world of work is also changing with rising automation in all jobs but young people over-exposed to jobs that face the highest risks from automation. Responding to climate change is creating new occupations and changing existing jobs. Precarious employment is higher amongst young people and this brings risks to mental health. Regional disparities sit over the top of these trends, meaning where young people live affects their chances of securing sustainable, good quality work. Nonetheless, there are also reasons for optimism, as with the right level of investment and policy framework, our analysis shows how the transition to a low carbon economy and meeting rising demand for health and care services could mitigate some of these trends and create good quality new jobs across the country.

In this chapter, we place the events of 2020-21 into context by summarising the longstanding shifts taking place within the UK's youth labour market and examining what these mean for young people's prospects.

Even before the pandemic struck, young people were facing a growing number of structural disadvantages in the labour market, alongside wider global and societal shifts which threaten their future and exacerbate intergenerational inequality:

Structural decline in youth employment and stark regional disparities

The wage gap between older and younger workers has grown significantly since the 2008 financial crisis. Young people both with and without a higher education (HE) qualification can expect lifetime earnings which are significantly lower than older workers when they were the same age, and this is particularly an issue for young women (Dabla-Norris et al, 2019). The outlook for young people's employment is also worse compared to the outlook for workers aged 30 and over. In addition to being overrepresented in the sectors hit hardest by the pandemic, young people tend to be overrepresented in the sectors which are forecast to see lower employment in the long term. They are similarly heavily under-represented in occupations where we are likely to see the strongest jobs growth in the coming years (LWI, 2021). As we saw earlier, job polarisation has increased in the UK over the past two decades (Dabla-Norris et al 2019) and is much more pronounced for young employees than for older age groups.

Both high and low skilled jobs have become increasingly concentrated in urban centres, where the cost of living is higher (ibid). Meanwhile some ex-industrial towns and cities

have struggled to adapt to the changes to the underlying structure of UK industry, the decline in manufacturing and rise of service occupations, to pivot to new opportunities that create good quality, well paid work (Centre for Cities, 2019). The shift to remote working during the pandemic is unlikely to significantly alter the clustering of young people's jobs in cities and large towns, as those sectors with the lowest incidence of home-working over the pandemic period have been accommodation and food, transport and storage, and retail, which are among those with high numbers of young workers. Highly paid, highly qualified workers are the most likely to work from home, and overall, only around 35% of all workers did some work at home in 2020 (ONS, 2021).

Job insecurity and low pay

Another trend that preceded the crisis and grew even as employment reached record highs before 2020, is the shift towards lower-paying and less secure jobs among young people. Millennials have been more likely to work part-time than Generation X at the same age, and increases in self-employment since the early 2000s have been driven by younger workers without degrees - yet these workers tend to earn less than employees on average. Furthermore, the fastest-growing occupations for those in their late 20s have been the lowest-paying ones – elementary, caring and leisure roles.

The use of zero-hours contracts was rising before the pandemic, particularly for under 30s and over 65s (Dabla-Norris et al 2019). The percentage of higher-educated young people working in lower skilled roles has also increased, contributing to both a rise in under-employment and a reduction in roles for less qualified young people. Voluntary movement between jobs (resignation rather than redundancy), which we know is one of the best ways to earn more, had decreased for 18–29-year-olds immediately pre-pandemic (Henahan 2021).

Work intensity and an 'always-on' culture

The fact that young people are over-represented in precarious work also has implications for their mental health. Research has shown that younger workers in temporary jobs are 29% more likely to experience mental health problems than those in permanent jobs (Thorley and Cook 2017), though while there is evidence of a clear correlation, research cannot definitively show causation here. More broadly, work intensity (the effort workers put into their jobs in a given number of hours) in British Workplaces has gradually increased in recent years (Green et al 2017). The pandemic has compounded this trend, with evidence suggesting inability to 'switch off' is often most severe among young adults. Research carried out since the pandemic showed that 63% of 18–24-year-olds stated that they regularly check emails outside of working hours, up from 48% in February 2020. As a result, more than half of young adults surveyed agreed that they are neglecting their physical (58%) and mental health (55%) due to the pressures of work (Aviva 2020).

Digitisation and automation

Nearly two-thirds of businesses expect their requirement for digital skills to increase in the next five years, and around a quarter experience skills gaps in the workforce at basic

level, over a third at advanced. However, the pipeline of ICT skills coming through education, both schools and FE, has been declining in recent years. Young people know how important digital skills are, but despite being considered ‘digital natives’, less than 20% feel confident they have the advanced level of digital skills employers want (Learning & Work institute, 2021b). Young people in lower socio-economic groups are less likely to have suitable tech in the home (1 in 5 of low income households with children), or even access to the internet (over 1 in 20), exacerbating existing inequalities and setting these young people further back in the labour market (Learning and Work Institute 2021). Meanwhile, young people, alongside women and people working part-time are most likely to be affected by automation, as it tends to be more likely in lower skilled roles, or the tasks within a role that are routine and repetitive. People aged 20–24 are most likely to work in jobs at high risk of automation and 16% of employed young people in this age range are in jobs at high risk (ONS, 2019).

Climate change and the Net Zero Transition




The UK is currently not on course to either meet its net zero target or its commitments under the Paris climate agreement. Without stronger and more rapid near-term action, the Climate Change Committee (CCC) has warned that it will quickly become infeasible to decarbonise sufficiently to reach net zero GHG emissions by 2050 without significant additional costs and greater disruption to people’s lifestyles (CCC 2021). While climate change and loss of biodiversity poses an existential risk for young people, the shift to green jobs through investment in a net zero transition represents an opportunity for industrial transformation that could generate better jobs for young people, including those from disadvantaged groups. Ahead of the UN Climate Change Conference (COP26) in Glasgow 2021, the Green Jobs Taskforce has called on the government to publish a clear, sufficiently detailed, and long-term plan for the UK’s transition to net zero, with a strategy that will give workers of ‘all ages and backgrounds the confidence they need to choose a career in the green economy’.

But while ambition is high, the jobs potential of the transition will only be realised if sufficient public and private investment is leveraged. The government has set an ambition for two million green jobs in the UK by 2030, however current levels of investment fall far short of what will be needed to realise this ambition. In the section below, we therefore examine the likely results of different investment trajectories in the low carbon economy, summarising the implications for young people’s employment and skills.

3.1 Deep drive: investment in ‘green growth’

In this section we outline three trajectories for investment in the low carbon economy in the medium-term following the pandemic. The three trajectories are summarised in Table 3.1.

Table 3.1 Three investment trajectories and their impact on the youth labour market

Future jobs scenario	Description	Conditions for this to occur	Upward/ downward pressure on youth labour market
1. Green and social investment	<ul style="list-style-type: none"> A green and social jobs scenario, where jobs are created in 'future proof' sectors. High ambition in public investment will be required for this. 	<ul style="list-style-type: none"> The Government's Plan for Growth and Ten Point Plan for a Green Industrial Revolution emphasise helping create jobs eg in low-carbon housing or social care. 	 176k youth jobs
2 Continuation of pre-pandemic trends	<ul style="list-style-type: none"> A 'continued trends' scenario in which past jobs trends for young people continue. This assumes no additional public investment beyond current targets. 	<ul style="list-style-type: none"> Assuming the future will see the same youth employment trends as over the last 5 years. These are in line with DfE's (2020) high-level medium-term projections. 	 -110k youth jobs
3. 'Middle way' scenario	<ul style="list-style-type: none"> An intermediate scenario with only one third of the level of investment of scenario 1 takes, places, in combination with weakened trends from scenario 2. 	<ul style="list-style-type: none"> This could emerge through modest policy support, broadly in line with what's currently announced. 	 -40k youth jobs

Source: IPPR.

Note that all of these scenarios aim to focus on the impact of particular trends and policies. We develop them to illustrate the implication of major trends and, for simplicity, abstract from other factors. In the green and social investment trajectory, for example, we focus on gross jobs growth in green and care sectors and do not model the (likely much more limited) jobs destruction that will occur in some sectors as a result of the low carbon transition. At the same time, the continued trends trajectory does not model, for example, the disproportionate growth of emerging sectors, such as the likely accelerated growth of online retail that we have seen as a result of the pandemic. Our scenarios should thus be seen as a way to study the impacts that certain policy decisions can have on the labour market, rather than as predictions for how the future will evolve.

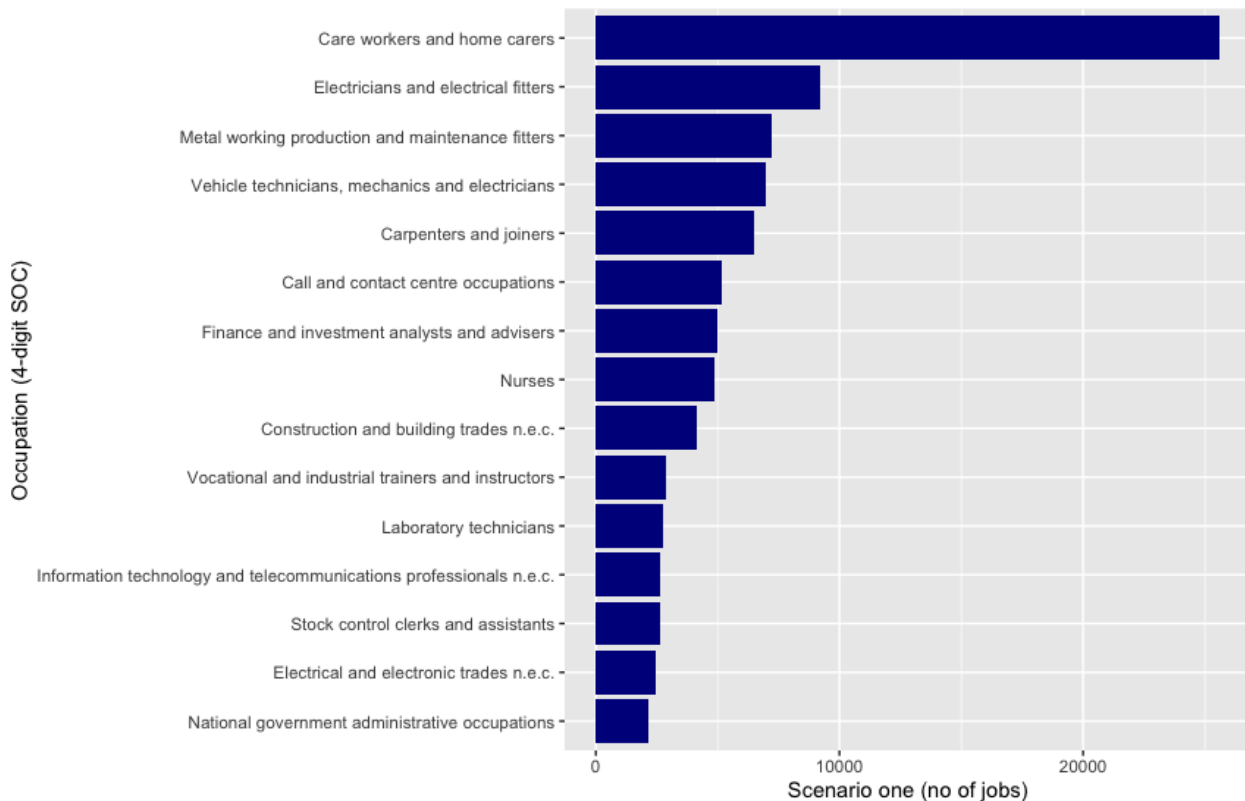
First, we explore a 'green and social investment' trajectory. This trajectory would require a significant increase in public investment, up from 3% of GDP to about 5% (slightly below the level of Sweden) and represents £30 billion of additional climate and environmental investment annually. While substantial, this is the investment gap between the UK government's planned investments and its stated goals for decarbonisation and the restoration of nature (Jung and Murphy 2020). This also includes an increase in public investment in health and care services, where demand is rising due to an ageing population. We include an additional £17 billion investment in these sectors.⁸

Taken together these investments could create an additional 1.6 million jobs in the medium term (which we break down in proportion to the 11% youth share in the labour market, which yields approximately 176,000 additional jobs for young people). Under this

⁸ We have chosen health and social care as they constitute examples of social infrastructure where there is a large social need for reform as well as large staffing gaps. However, other social infrastructure, such as education and child care are of equal importance and could be considered in future work.

trajectory, jobs created are for instance those in social care, low-carbon housing, sustainable transport, and health care (Figure 3.1).

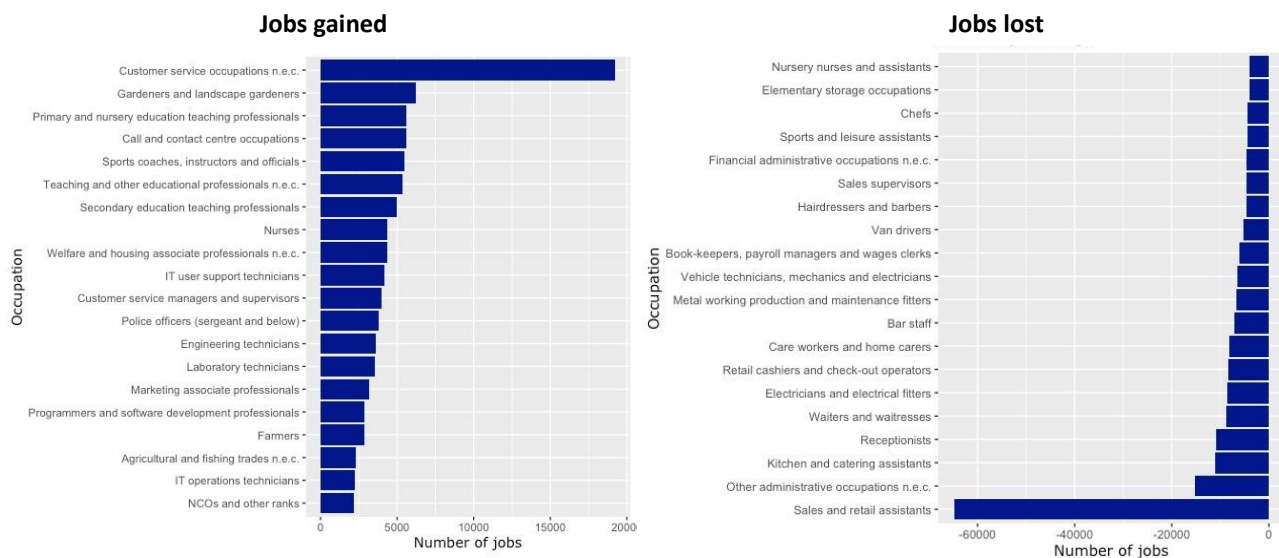
Figure 3.1 Jobs created in the green and social investment scenario



Source: IPPR analysis of O*NET, ONS LFS, ONS APS. Note: This trajectory combines the job creation potential estimates in Murphy & Jung (2020) with the bottom-up O*NET classifications of green jobs.

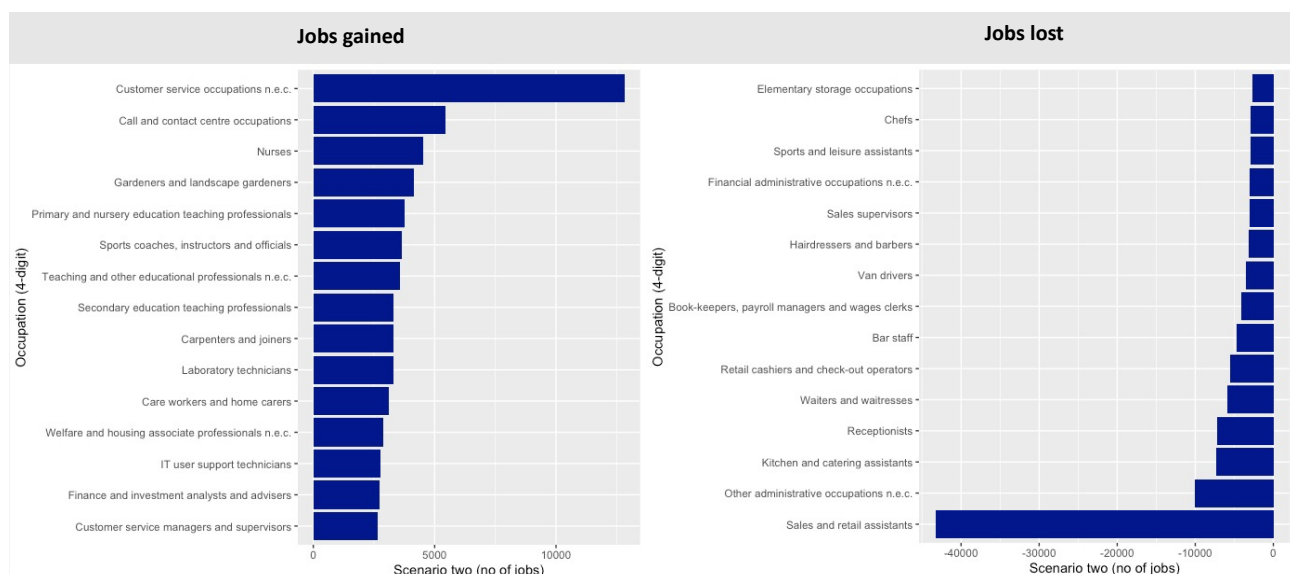
In our second trajectory we explore the **continuation of pre-pandemic trends** (Figure 3.2). This assumes no further additional public investment. The trends in this trajectory are broadly in line with Department for Education's high-level projections for the labour market up to 2027 (DfE 2020). In these, the fastest growing jobs are in customer service occupations, landscape gardeners, education and call centre occupations. Those falling are in sales and (high-street) retail, administrative occupations and kitchen and catering assistants.

As we show below, this trajectory would perpetuate the polarisation of the youth labour market. This means jobs growth is occurring mostly in jobs with high levels of training requirements and fewer with intermediate training requirements. We find that this trajectory would lead to downward pressure on the youth unemployment, with 110,000 fewer jobs than at present. Whether this feeds through to youth unemployment however depends on a range of factors including education decisions and wage dynamics which we do not model here.

Figure 3.2 Jobs gained and lost in the 'continued trends' trajectory

Source: IPPR analysis of O*NET, ONS LFS, ONS APS. Note: This trajectory assumes the continuation of the 2-digit SOC trends seen in the 5 years running up to the pandemic. And it assumes that these in turn are distributed proportionally to 4-digit SOC jobs according to youth employment within 2-digit SOC industries.

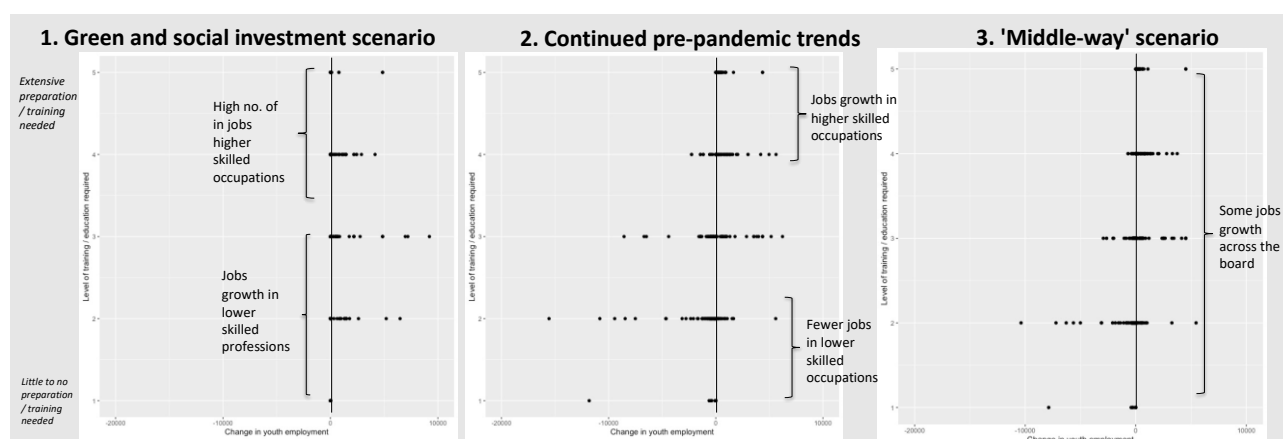
Third, we explore a 'middle way' trajectory (Figure 3.3) which is a combination of green and social investment and continued trends trajectory. This assumes only a third of the investment ambition as in the green and social investment trajectory – approximately a £16 billion annual increase compared to the current trajectory. This would also provide some mid-skilled jobs growth, albeit a more moderate amount.

Figure 3.3 Green and social investment and continued trends scenario

Source: IPPR analysis of O*NET, ONS LFS, ONS APS.

For our three trajectories, the training-intensity of jobs generated varies widely (Figure 3.4). The **green and social investment trajectory** would act against the job polarisation trends in the youth labour market because it creates **significant job opportunities across the skills spectrum**, shown in the left-hand chart in Figure 3.4. It illustrates that jobs growth is not just in those jobs with the highest training requirements (i.e. those higher up on the y axis) but also in jobs in the middle and towards the bottom. The 'middle-way' trajectory too would also provide some mid-skilled jobs growth, but in the continued trends trajectory, the polarisation trend is perpetuated, with fewer jobs created.

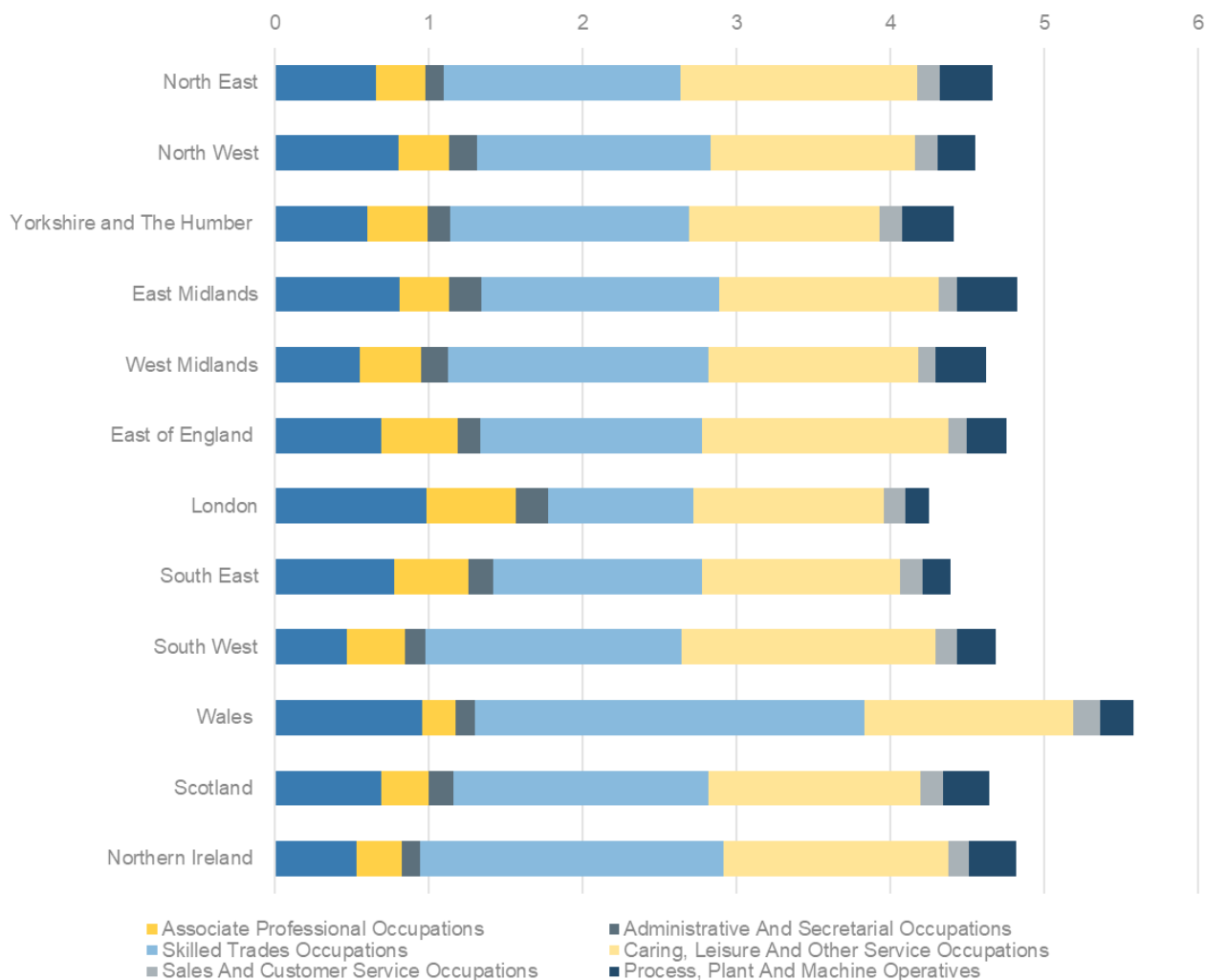
Figure 3.4 Training profile of the fastest-growing jobs under each trajectory (training level and jobs growth)



Source: IPPR analysis of O*NET, ONS LFS and ONS APS.

We also find that under our green and social/middle way trajectories, the jobs creation potential is broadly equally distributed throughout the UK (Figure 3.5). These are broadly equally distributed throughout the UK. In all regions, youth employment in this scenario grows by between 4-5 per cent. This translates to, for example, 19,000 jobs in the North West, 15,000 jobs in Yorkshire and the Humber, about 14,000 jobs in the West and East Midlands respectively and 18,000 jobs in London. The occupational groups with the most growth are: (1) skilled trades, (2) caring, leisure and other service occupations and (3) professional occupations which together make up about 80 per cent of job creation across regions. There are, however, some regional differences that stand out. On an occupational level, professional occupations grow relatively stronger in London and the South, while skilled trades grow more strongly across the North of England and Wales.

Figure 3.5: New green jobs creation potential as a percentage of existing youth employment



Source: IPPR analysis of O*NET, ONS LFS and ONS APS.

Note: To calculate the regional distribution of new green jobs we assumed that the geographical distribution of new jobs follows the occupational distribution across regions of existing youth employment.

3.2 Job transitions analysis

In this section we outline how young people who have been affected by the pandemic could transition into the new jobs created in the trajectories. Although jobs are gradually returning to the labour market, there are still approximately 300,000 young people's jobs that have not yet returned. Many of these are also the same type of jobs which are in structural decline, such as in hospitality, retail and support services.

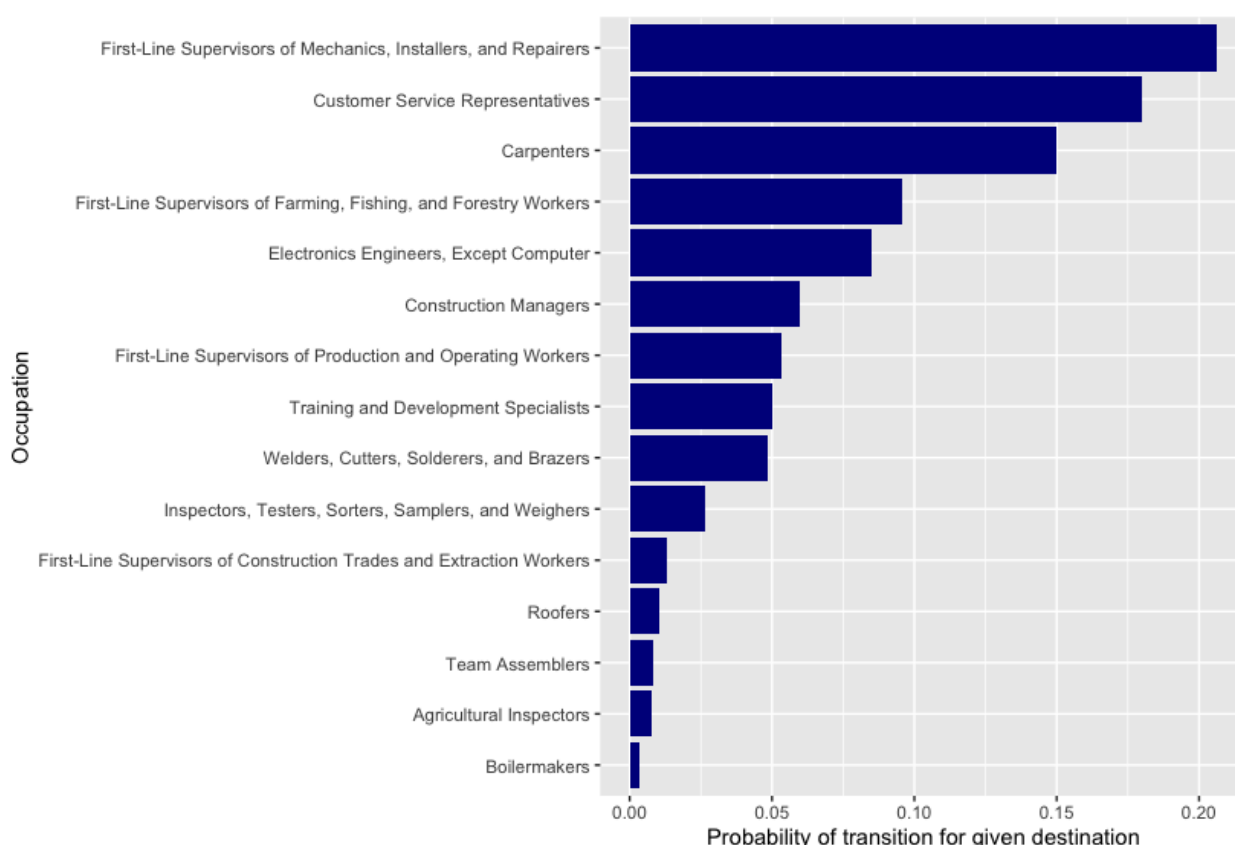
To carry out the analysis we calculate a relative transition probability metric which takes into account (i) how many and which jobs are being created under each trajectory and (ii) how similar the underlying skills are to those jobs lost during the pandemic.

Green and social investment trajectory

As we highlight above, under the green and social investment trajectory, jobs growth is more evenly distributed across a range of skills levels. The mid-skill roles most likely to offer transition opportunities include jobs such as mechanics, installers and repairers (Figure 3.6). This also includes roles as customer service representatives in growth industries such as housing insulation, heat pumps and sustainable transport. In line with these, the third likeliest transition pathway is carpenters.

Examples of possible transitions include workers from the construction sector transitioning into mid-level roles in the trades that are focussed on green activities. This reflects the large demand for home retrofitting and low-carbon heat that will need to be met over the coming years (IPPR Environmental Justice Commission 2021). A range of consumer facing roles, such as receptionists and retail sales workers could also transition into customer service representative roles in green sectors to meet growing demand.

Figure 3.6 Transition opportunities in the green and social investment trajectory



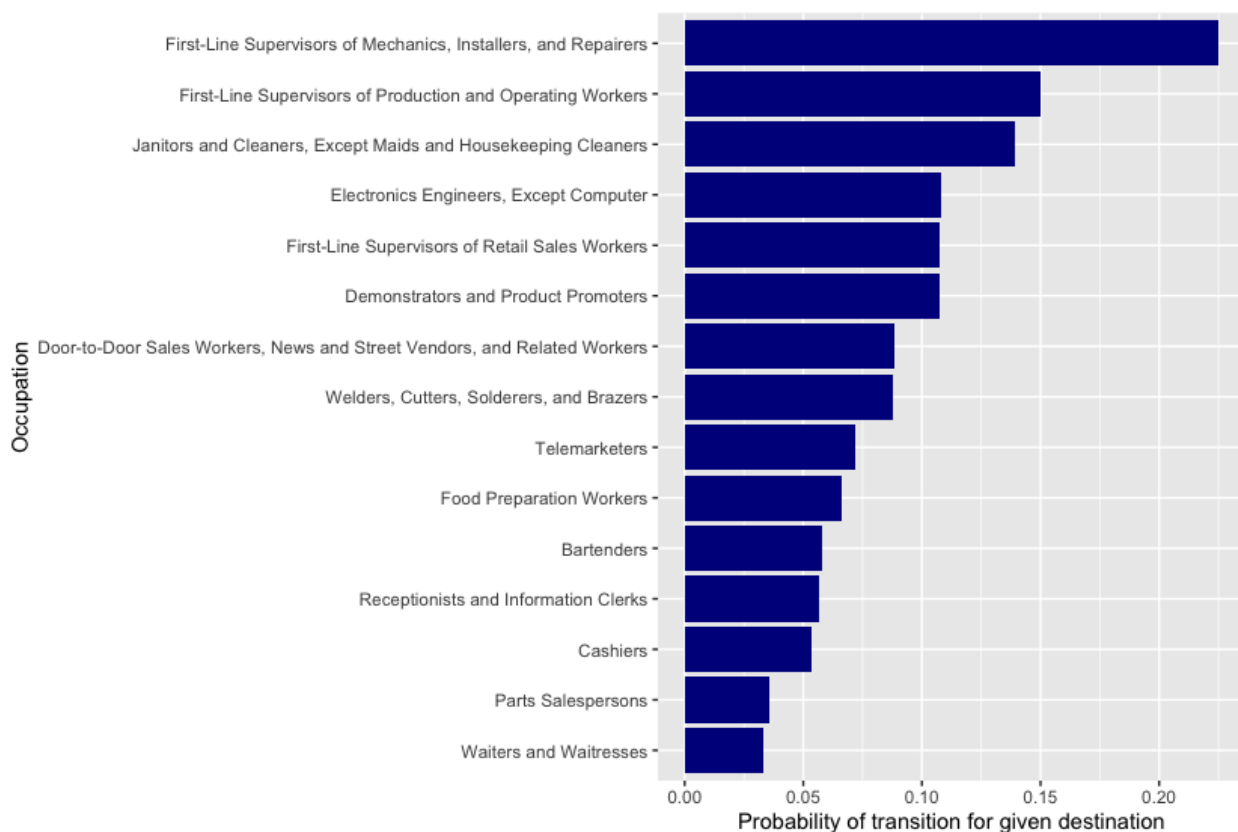
Source: IPPR analysis of O*NET, ONS LFS and ONS APS.

Continued pre-pandemic trends trajectory

Under the continued trends trajectory there are some meaningful jobs transitions into mid-level in the trades (for example mechanics, installers or carpenters), as well as into supervisors for production and operating workers; based on past trends this could be in real estate or health and social work (sectors with high jobs growth pre pandemic) (Figure

3.7). However, many of the remaining most likely job transitions are into jobs with lower training requirements, including cleaners and retail workers. However, it is also the case that a large number of jobs under this trajectory will be difficult for many young people to transition into, given the higher training requirements attached. For instance, this could include having to acquire a graduate degree, or several years of training, to be able to take up a job.

Figure 3.7 Transition opportunities in the ‘continued trends’ trajectory



Source: IPPR analysis of O*NET, ONS LFS and ONS APS.

The analysis shows that there are frequent transition pathways for young people from the jobs that have been lost during the pandemic (and which also include jobs in structural decline) into jobs in potential growth sectors such as sustainable transport, home retrofitting and low carbon heat, with few training or qualification barriers. This is the case under two of the three investment trajectories we examine in this chapter. Under the status quo trajectory however, young people are more frequently faced with pathways into jobs with fewer training requirements (and generally lower pay) or higher training requirements, with far fewer potential transition pathways.

The Green Jobs Taskforce has highlighted that the extent to which businesses have access to the appropriate local skills (or the ability to attract skills into the area) will be a crucial factor in the growth of the green economy. Strong and clear pathways into green jobs, which link together existing programmes and offers will be vital for ensuring the right skills are available. However, it is important to note that only three out of ten of the top ten skills needed in the green economy are *industry-specific*. More generic skills in digital and

data; project management; education and change management; leadership, management and communication skills are all among those which will be most in demand. Unions, training providers, industry bodies and employers all have a role to play in ensuring these skills needs are prioritised.

This must also be matched by demand-side policies to build strong pipelines into employment in green and other strategic growth sectors for disadvantaged groups. Evidence from the American Recovery and Reinvestment Act (ARRA) after the financial crisis in 2009 suggests that existing workers and unemployed workers with the required skills were more likely than young people and those without the necessary skills to benefit from new jobs created through investment in the energy efficiency sector (McNeil 2011). Concerted efforts are therefore needed to provide apprenticeship, pre-apprenticeship programmes and other training opportunities to widen the range of openings for under-represented groups.

Conclusion

In this section we have seen how trends such as automation and globalisation are shaping the youth labour market and how this is driving higher earnings inequality for younger people relative to older workers. Insecure and temporary work is becoming a more permanent feature of the youth labour market. Even for those who are in secure employment, long working hours and blurred boundaries between work and home life contribute to the anxiety felt by many young people about their jobs.

However, there are also reasons for optimism, as with the right level of investment and policy framework, our analysis shows how the transition to a low carbon economy and meeting rising demand for health and care services could mitigate some of these trends and create good quality new jobs across the country. In the next chapter, we assess what more may need to be done to support good transitions into these and other sectors in the youth labour market in the years ahead.

4. How well are young people currently supported to make good transitions?

Both the short-term shock of the pandemic and long-term trends in youth employment and in society have implications for the quality and sustainability of the jobs young people can secure. It is also apparent that they need support to help them make transitions. Our analysis into 'what works' in supporting young people into sustainable work identified some models that we tested with young people through a survey and interviews. Young people indicated that opportunities to gain work experience and build credentials for employment were most valued. They recognised the value of education and skills and believed coverage for maintenance costs in education, and providing education in modular formats to enable 'topping up' would both be supportive of their needs. There was also a desire for more tailored careers advice on skills transfer. From their perspective, the facets of good quality work cover being able to secure: full-time work; pay above the living wage; and flexible working hours were important. They also wanted to work with like-minded people, in jobs and companies that they believed in and that are well matched to their skills and capabilities. They were also willing to change career directions with the right support and there was a strong motivation to act on climate change. Nonetheless, they still perceived that inequalities in local areas could restrict their opportunities on these dimensions.

In this chapter, we examine the government's response to the pandemic so far and assess what more may need to be done to support positive labour market transitions for young people and avoid long-term scarring. We also examine the perspectives of young people, both on what makes a good quality job and the support they may need from government, employers and others to help secure one.

4.1 Employment and skills provision for young people in the wake of the pandemic

First, we explore the policy response to pandemic-induced youth unemployment, and the current range of provision on offer, and briefly analyse their potential to make an impact on young people's employment journeys.

The pandemic has stimulated both entirely new and adapted provision to support young jobseekers to move closer to employment. Adaptations include the Work and Health Programme extension Job Entry Targeted Support (JETS), and a boost to apprenticeship incentives, while Kickstart and Youth Hubs are examples of the new programmes and infrastructure introduced to provide young people with additional, and more targeted, support.

Some of the biggest investments form part of the Government's Plan for Jobs. The plan's Youth Offer incorporates three main services, the Youth Employment Programme (YEP), Youth Hubs, and Youth Employability Coaches, delivered through JobCentre Plus (JCP). It is available to young people aged 18–24 claiming Universal Credit, who are in the Intensive Work Search group. On paper, this is a joined-up and coordinated suite of support, which should help young people build a coherent and tailored journey towards employment.

The YEP, targeted at the group outlined above, is structured within a 13-week timeframe, and includes regular reviews with a Work Coach, and the likelihood of referral to other provisions, such as a Youth Employability Coach, or programmes, including traineeships, Kickstart or sector-based work academy programmes (SWAPs), all explored further below. The 150 specialist Youth Coaches can give up to six months' support to young people who need it the most: for example, those with no or low-level qualifications. They are also able to provide more holistic support and links to other services, such as budgeting, debt management and housing.

This additional, specialist capacity, and in particular the wrap-around nature of support available from the Youth Coaches may prove effective. However, given an additional 13,500 Work Coaches have been recruited by JCP overall, 150 Youth Coaches is a limited resource, particularly given the depth of need among young people. This figure is also lower than the planned increase to Disability Employment Advisers by 315 across the UK.⁹

The YEP may also refer participants to a Youth Hub, which are shared spaces (currently, mainly virtual but moving more towards physical co-location), where JCP works with other partners, including colleges, charities, training providers and local councils. 110 Hubs are now working across the country. There is evidence that the co-location of employment services is effective, if designed and delivered well (Youth Futures Foundation 2020); however, due to their Department for Work and Pensions (DWP) funding, most Youth Hubs are only available to UC claimants. This is a significant limitation, as it is for the entire Youth Offer, as some young people who are out of work and disadvantaged in the labour market do not claim Universal Credit.

The much-publicised Kickstart programme is also only available to those on UC who are considered at risk of long-term unemployment. Funding is available to employers to create a Kickstart placement, covering six months' salary at national minimum wage/national living wage (depending on age), plus national insurance and pension costs. Placements can start up to the end of December 2021, and employers can either organise placements and funding claims themselves, or work with a Gateway organisation (usually local authority, training provider or college) to help them through the process.

The model shares many policy aims and design principles with the Future Jobs Fund, which was shown to support both short- and longer-term employment outcomes, so it has the potential to make a significant contribution. However, it has got off to a slow start with only 5,000 young people starting a placement by March 2021, from an overall target of

⁹ <https://www.gov.uk/government/news/government-unveils-new-support-for-disabled-jobseekers>

250,000. By early May this had increased to 16,500, still a long way off reaching its full potential. A reason for the delay seems to be the requirement that all vacancies have to be advertised through JCP to qualify for funding, with employers reporting hold-ups. Coupled with the target group being limited to UC claimants, these restrictions may see Kickstart fall short of its target. However, the programme is an important addition to the UK's suite of active labour market programmes, providing not only an income, but a substantial period of real work experience, which many young people report as a major hurdle to their search for work (see below).

The other DWP programmes relevant here are not specifically targeted at young people, but are available to benefit claimants (not necessarily those on UC) over 18.

Figure 4.1 Additional DWP programmes available to benefit claimants over 18

Programme	Remit
Sector-based work academy programmes (SWAPs)	SWAPs are an established model, with good evidence of efficacy. They provide a flexible mix of work experience, employer-focused training and a guaranteed interview over a period of up to six weeks, and are designed with employers that have live vacancies to fill. 19–24-year-olds participating in a SWAP have improved chances of moving off benefits and into work.
Restart	Restart is for UC claimants that have been unemployed for between 12–18 months, encompassing many who will have lost their jobs as a direct result of the pandemic. Referrals to delivery organisations (primes and sub-contractors) are open for three years from July 2021, with an overall target of one million participants, who will receive 12 months of tailored support to tackle their barriers to work.
Job Entry Targeted Support (JETS)	JETS is a pandemic-response extension to the Work and Health Programme, which has been running for several years. For unemployed claimants of New Style JSA or UC, with Intensive Work Search requirements, with at least 13 weeks out of work, JETS provides 'light touch' support. This could include job search support, interview skills, a skills analysis, and help on adapting to the pandemic labour market, and like Restart is delivered by a number of prime and subcontractors.

Outside of these DWP-funded programmes, three more skills-based schemes are not limited to those claiming benefits. Traineeships, for unemployed 16–24-year-olds, combine work and training for, typically, six months. An additional £1,000 employer incentive is on offer for traineeships created during and post-pandemic, and the traineeship budget in 2021-22 has been expanded. The employer incentive to create an apprenticeship has also been boosted to £3,000 between April and September 2021. The

Lifetime Skills Guarantee, launched in 2020, includes free Level 3 qualifications for anyone aged 19+ without one, and Skills Bootcamps, focused on specific sectors like digital, and designed to meet employer demand. They provide up to 16 weeks of training, for the recently unemployed and those in work.

Individuals are unlikely to need to understand the full range of DWP- or Department for Education (DfE)-funded programmes on offer. However, the proliferation of different services makes for a potentially confusing landscape, in which the best option for a young person may not be obvious, and the likelihood of a coordinated, joined-up offer is perhaps limited. Overall, the picture is one of a multitude of programmes, which brings its own risks as well as benefits. A lack of join-up between schemes, for example between Kickstart and apprenticeships, means young people may find themselves on a path that leads to dead ends or does not suit their needs (House of Lords, 2021a). Some young people, particularly those already disadvantaged by existing inequalities in the labour market, may find themselves at the back of the queue for opportunities, such as Kickstart vacancies, given the number of young people competing for them (Henahan, 2021).

Most of these interventions are nationally designed and commissioned. In our interviews with regional stakeholders (in particular, those from a Combined Authority area or City Region), we heard how those areas with devolved responsibility for the Adult Education Budget (which include young people over 19), have had more flexibility to fund programmes that respond to local needs. Examples included Education Maintenance Allowance-style payments to learners to support them to stay in education, funding work experience of learners over the age of 19 in training, ring-fencing funding for Careers Advice, Information and Guidance. It was common for these regional stakeholders to describe how they could support and fund new provision much faster than national government programmes that had been rolled out.

It is also the case that young people not claiming benefits, and not in work, training or education remain excluded from much of the provision outlined above. None of the national initiatives has a specific focus on those with more specialised or intensive needs, such as those with long-term health conditions, or young parents, who are likely to slip further away from work, while those with fewer barriers overtake them. 16–17-year-olds are not generally eligible for UC, and therefore also miss out on DWP-funded provision, so also need particular attention (House of Lords, 2021a). Evidence shows that one-to-one support is a key feature of successful youth employment support, as it helps to build trust, continuity and more coordinated provision. However, there is little opportunity for a young person not on benefits to receive it (House of Lords, 2021a).

The reforms introduced since the Covid-19 pandemic began were set up as an emergency response, and so far, there is no clear vision for their development over the medium-longer term. They were also established at a point when high levels of unemployment was viewed as the main risk facing young people in the labour market. Since then, however, the context has changed. As we look ahead, our analysis suggests the key risks are rising long-term unemployment among young people; underemployment remaining high, even as the labour market recovers; and disadvantaged young people falling further behind their peers. Our analysis also shows significant differences even between neighbouring local authorities in this context; hence, the need for highly localised approaches rather than a standardised national approach.

4.2 ‘What Works’ to support young people’s transitions in the labour market

A review looking at the evidence for what works in skills and careers interventions and policy solutions was conducted to update the 2020 ‘what works’ review produced for Youth Futures on supporting disadvantaged young people into meaningful work. As such, recent literature was prioritised, as were papers that were not included in the 2020 review and evidence drawing on findings from previous recessions.

The review aimed to provide the grounding for the development of the policy solutions which would be:

- focused on labour market route-ways suited to young people at different ages and life stages; and
- attuned to both the Covid-19 recession recovery, the green jobs agenda and sector transitions.

Interventions and policy solutions

In 2020, Youth Futures commissioned IES (Newton and colleagues, 2020) to undertake a rapid evidence assessment to identify what existing evidence was published about supporting disadvantaged young people to achieve employment outcomes, to inform Youth Futures’ strategy and generate useful findings for the sector working with young people.

From this review, it was apparent that the evidence base is not currently strong enough to draw robust conclusions on what works specifically for those young people furthest from the labour market. The main challenge was that much of the evidence did not meet the quality criteria that were applied – that the findings should be replicable, generalisable, and that they could demonstrate causality¹⁰. However, a number of areas of good practice were identified that could support disadvantaged young people employment and these are reiterated in more recent evidence.

- **Identification and engagement** of young people in need of support and attracting them to services and motivating them to stay engaged (Newton and colleagues, 2020). Being able to signpost young people to existing interventions was also a key recommendation of the task force and youth advisory group as part of the Greater Manchester Combined Authority (2020). As such, physical spaces where young people can access support were deemed to be important.
- **Advisory support** in an intensive or personalised service, which provided continuity of adviser through the intervention, worked well (Newton and colleagues, 2020). Rapid back-to-work support for the newly unemployed at the end of the Coronavirus Job

¹⁰ Demonstrating causality was defined as being at Level 3 or higher on the Nesta Standards of Evidence: https://media.nesta.org.uk/documents/standards_of_evidence.pdf

Retention Scheme and personalised and tailored support for long term unemployed young people were also key recommendations from the Youth Employment Group (2020), based on evidence from previous recessions. In a recent paper by IES, Wilson and colleagues (2020) highlighted the evidence from a number of systematic reviews and evaluations of interventions in Europe and the United States, which showed that one-to-one advisory support ‘increases employment entry and is inexpensive and cost effective – especially during the early phases of unemployment and when targeted at those who are more job ready’. Keep (2020) called for the bolstering of careers information, advice and guidance to identify emerging job opportunities and skill needs and called for the use of new technologies and real time data to be shared in an accessible way with jobseekers. Pullen (2020) also called for more tailored advice and training for young people looking at self-employment.

- **Increasing capability and reducing barriers**, otherwise referred to as increased human capital through full-time education or basic industry training, or a ‘work first’ approach prioritising work experience, can both work well for young people (Newton and colleagues, 2020). In line with this, the Youth Employment Group (2020) called for guaranteed support to find work or a place in education or training. A literature review from Pullen (2020) for the Gatsby Foundation, looked at evidence from previous recessions and successful past initiatives to apply lessons to tackling youth unemployment resulting from Covid-19. This found that flexible solutions combining work and study worked well, and recommended that government should provide student finance for these types of flexible courses. The review also recommended that there should be a post-pandemic shift to life-long learning. The review cited the findings of the Auger review in 2019, which suggested a shift towards flexible credit-based qualifications and drive for more higher-level vocational qualifications at Levels 4 and 5. Similarly, an evidence review by Keep (2020) called for flexible training (modular, bite-sized) for those re-skilling or skills updating and that funding and incentives structures that underpin provision should be reviewed. The youth panel in the Greater Manchester Combined Authority area recommended solutions to support learning during Covid-19 restrictions, including free data packages for school/college students to enable remote digital learning, provision of digital equipment via Jobcentre Plus or The Prince’s Trust and local digital inclusion strategies (Greater Manchester Combined Authority, 2020). Thinking about reducing physical barriers to learning, they also recommended better travel solutions such as free travel. With regard to work experience, the young people in the Manchester panel wanted more support to find out about employer-led opportunities, such as apprenticeships, work experience and work placements.
- **Employer focused strategies**, such as wage subsidy programmes targeted at young unemployed individuals, have some positive evidence for their effectiveness (Newton and colleagues, 2020). Wage subsidies paid later in schemes were found to be more successful in supporting job sustainability as part of the Six Month Offer rather than ‘up-front’ payments (Youth Employment Group, 2020). In a later paper, the Youth Employment Group (2021) has called for a ‘September Guarantee’, which in addition to calling for more opportunities for young people in education, has also called for government support in creating more work-based opportunities for young people, including extending and expanding Kickstart. Kickstart is a recent example of a wage subsidy scheme. In their Kickstart briefing paper (2020), the Learning & Work Institute noted that the Local Government Association had highlighted the need for the Kickstart

scheme to be part of a 'wider local offer, effective outreach and engagement, quality jobs and support, and an integrated, jargon free offer for employers' (Learning & Work Institute, 2020). As with Newton and colleagues (2020), the researchers point to a number of factors that would help make Kickstart a success – context: part of a locally co-ordinated approach; volumes: ensuring sufficient numbers, range and spread of jobs made available through the scheme; targeting: tailoring opportunities to young peoples' needs; quality: providing guidance to employers on how to structure and manager Kickstart jobs; outcomes: focus on support and job search and agree plans for those not in employment by the end of the Kickstart job.

- **Retention and progression strategies.** While the evidence base for in-work support is weaker, where in-work support is integrated into the programme, the evidence suggests that it is an effective element for helping improve employment outcomes (Newton and colleagues, 2020). Pullen (2020) suggested that young people in hard hit sectors could focus on skilled trades in sectors that were showing to be opening up sooner, such as construction. The focus and growth in green technologies and innovation can provide opportunities for upskilling and re-training for those in the construction sector. This mirrors the findings presented in this report in section 3.2, where generic skills will be in demand and transferable across different sectors.

As well as individual elements of programme and interventions, evidence was reviewed for specific programmes from the UK and the US. Included here are programmes that were not covered in depth by Newton and colleagues' 2020 evidence review and that provide evidence, specifically on young people.

Future Jobs Fund

Kickstart has many similarities to the Future Jobs Fund scheme of the early 2000s. The Future Jobs Fund was established by the Labour government in response to the 2008 financial crisis. The fund enabled the creation of new jobs that were subsidised by government for six months. The aim was to prevent a rise in long-term youth unemployment and was, therefore, targeted at young people aged 18–24 who had been on Jobseekers Allowance (JSA) for over six months. It had a significant, lasting and positive impact on participants in two key measures. Participants were 16 per cent less likely to be recipients of out of work benefits and 27 per cent more likely to be in unsubsidised employment (Marlow, Hillmore and Ainsworth, 2012:67 in Learning & Work Institute, 2020). Furthermore, cost benefit analyses of the Fund found that while the programme had a net cost to government of £3,100 per job, it had a net benefit of £4,000 to participants and £6,850 to employers.

Sector-Based Work Academies

The sector-based work academy programme (SWAP) is a Jobcentre Plus programme that refers unemployed people to a short training intervention with work experience and a guaranteed interview. Sector-based work academies are developed in partnership with employers and operate when there are high volumes of current local vacancies in a sector. They are designed to help unemployed benefit claimants gain relevant skills and work experience. They give claimants the guarantee of a job interview in a specific

vacancy, and support employers to fill existing vacancies with suitable applicants. Examples of sectors where the SWAP has run include retail; hospitality; transport and logistics; food; care; manufacturing and engineering; agriculture; and administration (DWP, 2016a). The DWP quantitative impact assessment of sector-based work academies (2016a) found that taking part in sector-based work academies reduced the time 19- to 24-year-old JSA claimants spend on benefit and increased the time they spend in employment. Using a cohort of participants across 2012/13, they estimated that individuals who participated in sector-based work academies on average spent 50 days more in employment and 29 days less on benefits across the year and a half after starting the scheme. The impact was also positive for the 2011 cohort, which spent 44 less days on benefits during the two years from starting the scheme.

Traineeships

Traineeships are an education and training programme that provides young people aged 16–24 with an intensive period of work experience and work preparation training, as well as support in improving their English and maths.

In an impact evaluation of traineeships for the DfE, Dorsett and colleagues (2019) conducted analysis of national administrative data to estimate the effect of participating in a traineeship on the three intended outcomes of progress into an apprenticeship, further learning or employment. The impact was estimated by comparing the outcomes that were observed for those participating in the programme against an estimate of their expected outcomes if they had not participated in traineeships. The researchers found that overall, trainees had positive outcomes in the 12 months after starting their traineeship, with 29 per cent beginning an apprenticeship and 57 per cent starting further learning. However, there were differences by age; 16–18-year-old participants were less likely than 19–23-year-olds to begin employment within 12 months. In contrast, younger participants were more likely to start an apprenticeship within 12 months than older trainees. Traineeships also increased the likelihood of young people participating in further learning: 42 per cent of trainees were in further learning 12 months after beginning their traineeship, compared with 29 per cent of the comparison group. Within the same report, Instrumental Variable (IV) analysis found that this (propensity score matching) approach resulted in an upward-bias in impact. The IV analysis did also indicate a positive impact on progression to apprenticeships for 16–18-year-olds, although this is smaller in magnitude.

Pre-apprenticeships

The literature review from Pullen (2020) found that pre-apprenticeships can work well but have failed in the past due to poor quality checks. Programmes in the future should ensure the use of existing education and training structures and make use of Local Enterprise Partnerships working with local Higher Education and Further Education providers. Pullen recommended that young people should stay in education longer to gain Level 3 qualifications, citing the better employment rates of young people leaving with Level 3 compared to Level 2. Pullen also highlighted that jobs that young people with Level 2 qualifications move to are in ‘shutdown’ sectors and, therefore, a longer programme that provides more extensive training and work experience would increase the likelihood that young people could move to sustained employment or an apprenticeship.

Work experience

Keep (2020) called for government support for employers to build the capacity of business to deliver 'more and better work experience'. Keep acknowledged the stretched capacity of employers to support work experience – with demands for placements on T Levels, as well as for apprenticeships and called for multiple stakeholders to work together to support this.

An evaluation of the DWP's work experience programme (DWP, 2016b) found that work experience reduced the time that 19–24-year-old JSA claimants spent on benefits and increased the time they spent in work. The Work Experience Programme was aimed at 18-24-year-olds claiming JSA, ESA and/or lone parents receiving Income Support with a youngest child aged four years, with 16–17-year-olds also eligible subject to additional employer agreements. The placements were introduced in 2011 to help young people get valuable work-based skills through a two- to eight-week placement, 25–39 hours per week, with a local employer. The quantitative evaluation, using a matched comparison group of non-participants, estimated that participants spent on average 10 days less on benefit and 47 days longer in employment than the comparison group. Positive impacts were sustained over 18 months. Subgroup analysis showed that work experience was more effective at both reducing subsequent time spent on benefit and increasing time spent in employment for participants aged 22–24 than for those aged 19–21, although the programme had a positive impact for both groups.

Evidence from US programmes

The Pathways to Work Evidence Clearance House¹¹ provides evidence about interventions designed to help job seekers with low incomes find and sustain employment. It characterises interventions based on outcomes, client characteristics, or services in the intervention. The site compiles evidence to give an indication about the effectiveness of interventions. A number of interventions that target young people aged 16–24 have positive evidence for increases in earnings and increases in employment. Links to each project and the evaluations can be found on the Pathways Clearing House website and summaries of some promising approaches are set out below.

Year Up

The 21-week programme for young people aged 18–24 offered technical skills training and extended work experience in information technology and investment operations. It included a weekly stipend and support with job searching or college applications. An impact evaluation up to three years after intake found a short term increase in earnings of +\$10,668 per year and a long term increase in earning of +\$6,903 per year. The evaluation also found a short-term increase of four percentage points in employment by participants.

¹¹ <https://pathwaystowork.acf.hhs.gov/>

Broadened Horizons, Brighter Futures (BHBF)

BHBF sought to improve economic self-sufficiency among young people aged 16–22, who were receiving disability benefits through person-centred planning, employment and education services, case management, financial work incentives, work-based experience, and job development. The 18-month programme included meetings with a community employment development specialist, work experience, career preparation activities and in-work follow up support. The evaluation of the programme had positive and statistically significant impacts on employment in paid jobs, earnings, total income, and participation in productive activities. The long-term increase in earnings was measured to be +\$2,301 per year. There was also a one percentage point short-term increase in employment.

Jobs Corp

Jobs Corp was a highly individualised programme for 16–24-year-olds, which included basic education, occupational training, health services (including medical appointments, healthcare and support with self-care), a job placement and a residential element. Because of the complex menu of activities included in the programme, evaluations were unable to identify which elements contributed to the impact. However, looking at the programme as a whole, Jobs Corp significantly increased the percentage of young people who attended an education or training programmes, as well as the amount and intensity of their education and training. Many stakeholders believed that it was the unique residential element that made a difference. These impacts were seen across the whole cohort, including the more ‘difficult-to-serve’ 16–17-year-old cohort.

YouthBuild

YouthBuild was a six- to 12-month programme for 16–24-year-olds that provided education, training, and other supportive services to young people with low incomes, who were disconnected from high school and from the workforce. The programme included education services leading to high school diplomas (or equivalent), vocational training, youth development services (leadership training and community service), and additional ad hoc support as needed, such as transportation costs or childcare. A four-weekly stipend was paid to participants. YouthBuild was evaluated using a randomised control trial, which found an increase in long-term earnings by +\$1,255 per year, an increase in employment by four percentage points, and an increase in education and training by three percentage points.

Quality work

In Newton and colleagues’ evidence review (2020), they found no consistency with how job quality is measured, if at all, and that the literature often tends to aggregate all positive measures.

The US evidence cited above included a measure of job quality based on earnings increase. The evidence clearing house that drew together the findings noted that this is a crude measure that should be considered alongside stable pay propositions, progression

opportunities, fair terms and conditions, work-life balance, and also develop life skills and healthy lives.

In 2019, the Office for National Statistics (ONS) used the Annual Population Survey in an experimental way to look at indicators of job quality. They included in their analysis:

- 'Good' hours: employees working 48 or fewer hours a week and not wishing to work more hours in their current role or look for an additional job or a replacement job that offers more hours;
- A desired contract type: employees either in a permanent contract or who did not accept a non-permanent contract, because they could not find a permanent one; and
- A position not in low pay: employees who are earning above two-thirds of the hourly median pay; this analysis has been done both at UK level and in local areas of residence' (ONS, 2019, p3).

What constitutes quality work has also been recently examined for young people using existing questions in the Graduate Outcomes survey. The Graduate Outcomes survey asks employed graduates to rate their agreement with three statements, which are assigned a scale of 1 (strongly disagree) to 5 (strongly agree):

- 'My current work is meaningful'
- 'My current work fits with my future plans'
- 'I am utilising what I learnt during my studies in my current work'.

Birmingham and colleagues (2021) looked to see if they could combine these questions into one composite variable. However, using just three questions to create a variable for 'quality work' misses other potentially important indicators that have been identified by ONS and others (including CIPD), such as employment contract. Fryer (2020) has also pointed out that because the measure is self-reported, it confuses whether it is a measure of the quality of the job with how graduates view the job for themselves.

For Keep (2020), the rise of in-work poverty and the continuation of the problem of underemployment are indicators that many of the jobs created since 2008 have been poor quality. During the crisis, when it was not known what longer-term effects the pandemic would have on the labour market, Keep (2020) anticipated that employer spending on education and training would continue to fall as it did prior to the pandemic – ensuring that poor-quality work would continue to prevail.

This analysis demonstrates that measuring job quality is problematic, but nevertheless indicators taken separately, such as hours, contract type, availability of training, pay and fit with current and future plans, can provide a marker for future research.

4.3 Young people's perspectives

Based on the evidence gathered through data analysis and the 'what works' review, five effective policy levers were developed. These supported labour market route-ways suited to young people at different ages and life stages and were attuned to both the Covid-19

recession recovery, the green jobs agenda and other identified potential growth sectors. The levers also reflected what was being seen in the data analysis with larger numbers of young people participating in full-time education.

The policy levers were:

Financial help for staying in education, if a young person is not able to study and work

Young people (24 and under) to be given around £30 a week or £120 a month, while in full-time education or training to help cover living expenses (food, travel). This could help while Covid-19 means that there is less work available for young people. Examples include a maintenance loan, an extension of Universal Credit, which allows young people to claim while studying, or some other form of financial support for young people.

Training

Training providers and colleges to transfer the qualifications and training that young people have already completed, when they sign up for new courses, which could help them move into other sectors quicker.

For example, instead of completing a 9-month programme, young people might be able to do one or more three-month modules to get the same qualification. Training providers and colleges would use course descriptions to understand what they have already done. They could then see what new content young people would still need to get a qualification. These short training programmes could be offered for a lower price than 'full' qualifications or training.

Work experience

Make more work experience available so that young people who need to move between jobs/ sectors or who want a first job, can get skills, knowledge and experience.

Schools and colleges to work more closely with local employers to make sure that young people meet employers offering work experience. Universities or other local support services to support new/recent graduates (from 2020 and 2021) to get more opportunities for work experience. Young people not in education to get help finding suitable work experience.

All young people who complete a work experience placement get support to add their new skills and experience to their CV.

Help from the government

Increase the number of places on employment projects run by Jobcentre Plus and local charities, such as Sector Based Work Academies*, traineeships and Youth Hubs*.

Access to locally designed employment projects that are useful for the jobs that are available in young peoples' local areas.

All young people who need one, can access a caseworker, who can give mentoring and 1-2-1 advice and guidance, and advice about starting a business.

Ensure that all young people who want a job or training receive a good quality offer of work, training or an apprenticeship.

Tailored careers advice and skills transfer information

Give people who worked in jobs that were affected by the Covid-19 pandemic access to individually tailored careers advice from trained careers professionals to understand how to move from one job/sector to another.

Careers professionals to make use of 'skills maps' to find common and similar skills across different jobs. Careers professionals to share information with their clients about 'mega trends', like automation or 'green' jobs, that might impact on job choices and chances of long-term careers.

The policy levers were tested with young people and policy stakeholders to understand their views on the proposals, their viability, and whether they would be attractive and satisfactory route-ways to the labour market.

Young people's views were captured through an online survey and follow up interviews to understand views on jobs, training and policy levers, including capturing their views on 'good jobs'.

The YouthSight¹² panel of young people was used to develop a stratified sample covering regions of interest and a range of young people aged 16-24 years old. The original aim was to reach 200 young people in education and 100 people in work – reflecting the higher numbers of young people in education during the pandemic. In total, there were 329 responses, the majority were studying full time (72 per cent) and they were generally well-qualified with over half (57 per cent) having a full Level 3 qualification and 31 per cent with a Level 4 qualification or higher.¹³ Just under half of the sample (42 per cent) were aged 16-19, 21 per cent were 20 to 21 years old and 37 per cent were 22 to 24 years old.

A large proportion of respondents currently in work are in sectors that our analysis found to have been negatively impacted by the Covid-19 pandemic: retail, marketing, advertising and PR (19 per cent, n=41), followed by science and pharmaceuticals (16 per cent n=34) and hospitality, leisure, and sport (14 per cent, n=30). Reflecting the desire to understand the views of young people with little work experience, 45 per cent of respondents have less than one years' work experience.

While few of the respondents to this survey are at risk of being NEET or have few qualifications, we asked the respondents to think about who these policy levers could work for and the findings show that the young people identified that levers that would be beneficial to younger people in full-time education and those out of work. In particular 'help from the Government' and 'tailored careers advice'. Notable also is the finding that alongside these levers, the young respondents reported that they thought they would need more work experiences and more availability of jobs locally in order to enter good quality employment.

Furthermore, we know that young people both with and without a higher education qualification can expect lifetime earnings which are significantly lower than older workers

¹² <https://www.youthsight.com/panel/services>

¹³ Further details about the demographics of the survey respondents can be found in the appendix.

when they were the same age (chapter 3). Also that the percentage of higher-educated young people working in lower skilled roles has also increased, contributing to both a rise in underemployment and a reduction in roles for less qualified young people (section 2.1).

Nine follow-up interviews were conducted to explore their survey responses in greater depth. Interviews with nine stakeholders were also conducted representing regional bodies (including Combined Authorities and City Regions) as well as a national stakeholder representing employers. Their views were sought on the impact of the crisis in their area (their region or their sector/employer type) and their views on each of the policy levers.

Young peoples' views on what makes a good quality job

While the rapid evidence review highlighted some of the key aspects and issues with determining what constitutes good quality employment (see section 4.2), it was important to find out what young people believe characterises a 'good job'. The survey presented young people with a list of factors found in the literature relating to pay and benefits, contracts, hours of work, who they work for, what they do and who they work with, asking them to select all the factors that they felt made a good job (table 4.1).

Table 4.1 Young peoples' views on what makes a good quality job*

Themes	Factors	n	%
Pay and benefits	Living Wage (LW)	115	35.1
	National Minimum Wage (NMW)	45	13.7
	Higher pay than LW or NMW	254	77.4
	Sick pay	214	65.2
	25+ days of holiday per year	219	66.8
Contract	Flexible hours	190	57.9
	Zero hours	20	6.1
	Regular hours each week	155	47.3
	Permanent contract	174	53
	Fixed term contract	60	18.3
	Temporary contract	21	6.4
Hours of work	Full time	270	82.3
	Part time	124	37.8
Who you work for	To work for a big company	154	47
	To work for a small-medium sized company	152	46.3
	To work for yourself	90	27.4
	To share the ethics & values of the company you work for	176	53.7
	Believe in the content of the job or purpose of what you are doing	188	57.3
What you do	The role is challenging	199	60.7
	The role is within my abilities	206	62.8
	To work with people similar to me (eg background, education, age)	237	72.3
	To work with people different to me	194	59.1
Other	Something else	10	3

* Multiple response so percentages add up to more than 100%

Source: IES, IPPR, Survey of young people, 2021

Follow up interviews with survey respondents explored in more depth what young people understood as good quality work. The most important factor for a good job identified by participants was the provision of security which would allow them to live independently, cover their basic living costs and give them confidence that they '*know what's coming*' in the future (22–23 years old, studying on a full-time course). For young people interviewed security was linked to pay above the national living wage, full-time work, a permanent contract, regular working hours, and sick pay. Sick pay was especially important for a disabled young person who said that security would involve knowing that they would not lose their income due to their health needs.

Conversely, the other key factor of a good job identified by interviewees was work-life balance and autonomy over this balance. Many young people expressed the view that they did not want work to dominate their lives, or for '*work to be the only thing in your life*' (22–23 years old, studying on a full-time course). A number of those interviewed wanted

to have flexible working hours that would support caring responsibilities, hobbies, study and volunteering – something that they thought would be helped by having more than 25 holiday days per year, undertaking part-time work to give more time for activities outside of work, temporary contracts and self-employment to enable them to be flexible across different areas of work.

Several young people expressed a desire to combine security with flexibility at work. This included specifying that in a good job, flexible hours would be controlled by the worker or would combine elements of security and flexibility in terms of contracts (such as a permanent contract with flexible hours, or a fixed-term contract with regular hours).

Progression at work in terms of pay, skills and responsibility was another important factor for interviewees. This was associated with working for a large company, which interviewees felt would be most likely to provide a careers pathway and networking opportunities. Progression was also associated with working with people different to yourself, which young people saw as providing opportunities to learn from others.

To a slightly lesser extent, the young people interviewed felt that a good job would include doing something that you believe to be worthwhile. Some interviewees saw this as a motivating factor that would make work more interesting, while others felt they needed to be engaged in ethical work for religious or moral reasons. This was associated by some interviewees with working for a smaller company.

The survey also asked young people if there were any barriers preventing them from entering good quality employment at the moment. While two participants had graduate jobs secured following graduation, other respondents gave wide ranging responses relating to their personal circumstances. Several young people discussed being reluctant to look for work due to anxiety around Covid-19, which in one case was due to living with someone who is clinically vulnerable. Other common factors included a lack of work experiences and a need for further training. To a lesser extent, a lack of connections, difficulties travelling outside of their local area, and the competitive jobs market were raised as barriers to entering secure work.

Testing the policy levers

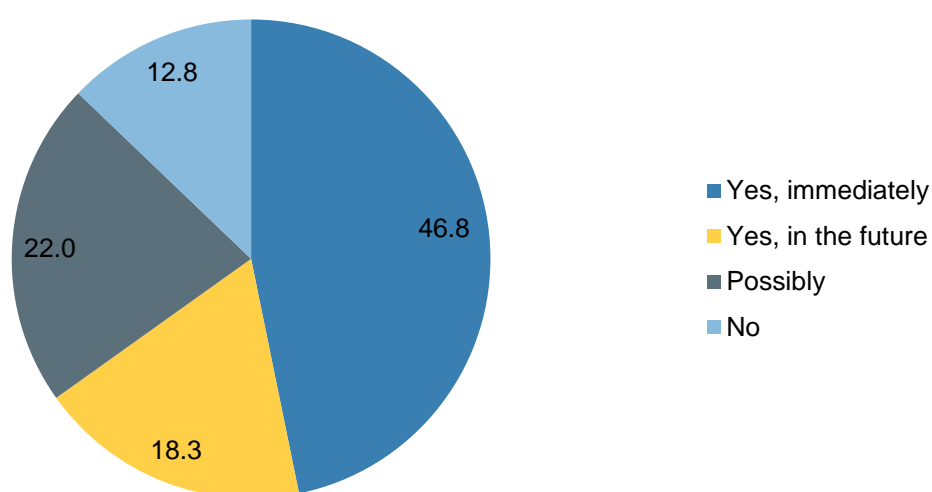
A key aim of the research with young people was to understand their views on the proposed policy levers to support young people into good quality work in the context of the Covid-19 pandemic. The young person's survey asked respondents whether they felt each policy lever would work for them, what additional support they would need and what type of young person they felt the policy levers would be best suited to. The survey also asked them for their ideas for other ways young people could be supported into good quality employment. Follow up interviews explored young peoples' responses in more depth.

Interviews with stakeholders also gathered their views on the policy levers and how well they thought they would work for their area.

Policy lever 1: Financial help for staying in education

Just under half (47 per cent, n=153) of survey respondents indicated that this financial support for staying in education would work for them immediately, with a further 18 per cent (n=60) of respondents indicating that it would work for them in the future. The policy was particularly popular with younger respondents, and respondents currently in education. Respondents aged 16–19 were more likely than those aged 20 and over to say that financial support for remaining in education would work for them.

Figure 4.2 Policy lever 1: Financial help for staying in education. Would this option work for you?



Source: IES, IPPR, Survey of young people, 2021

The survey asked respondents to provide the rationale for their answer. Current HE students discussed struggling to cover their basic living expenses, including rent, bills, food and transport, on their current income. These respondents said that the extra support would help them to cover essential costs.

Many respondents who had struggled to find work to support their studies financially, particularly during the pandemic, said that the additional financial support would help make up for this. A small number of respondents said that they struggled to fit in part-time work around their studies, so would benefit from an additional source of income while studying.

'It's expensive being a student, especially during Covid, because it's so difficult to get a job.'

18–19-year-old, studying on a full-time course

A few respondents said that the support would help them to enter education, which they saw as their best option currently, as the jobs market has been negatively affected by the pandemic.

'This is a good option for a time when finding work is very difficult'.

22–23-year-old, studying on a full-time course

Several respondents, some of whom were currently in education, were managing financially at the moment, but said that the extra support may come in useful in the future, if their financial situation changed. This included young people currently living with their parents but hope to become financially independent in the future.

A number of respondents said that they liked the idea of financial support for those in education but felt that the amount suggested was insufficient.

'£30/week is not enough to cover rent and so would not work for the majority of people if they can't work.'

20–21-year-old, studying on a full-time course

Others did not want to take on a loan due to concerns around being in debt.

'Although this is a decent amount of money, it should not be a "loan" rather a grant as it won't put people off applying for it. Applying for more loans = more debt = more stress about finding a job and paying it off.'

20–21-year-old, studying on a full-time course

The survey also explored whether respondents felt that they would need additional support alongside financial help for staying in education to enter good quality employment. Of those who answered the question, 62 per cent (n=203) said they needed more work experiences, 46 per cent (n=151) needed more jobs available locally and 44 per cent (n=143) said that they would require further training.

The stakeholders were positive about this policy lever and one area was using their development budget to establish something similar. Stakeholders noted the prevalence of young people staying on in education to 'ride-out' the pandemic and so this could be of benefit to more young people. The removal of the rules around hours of studying for Universal Credit was noted by stakeholders to be something that is being discussed nationally and would be welcome in order to allow for better quality training to be undertaken by people claiming benefits and support upskilling.

Other potential levers related to education that were raised by the stakeholders included looking at public transport cost and availability, and increasing the rates of apprenticeship wages, which would support young people to be able to make decisions about their education routeways, based on what would be best for them rather than affordability.

Policy lever 2: Modular training

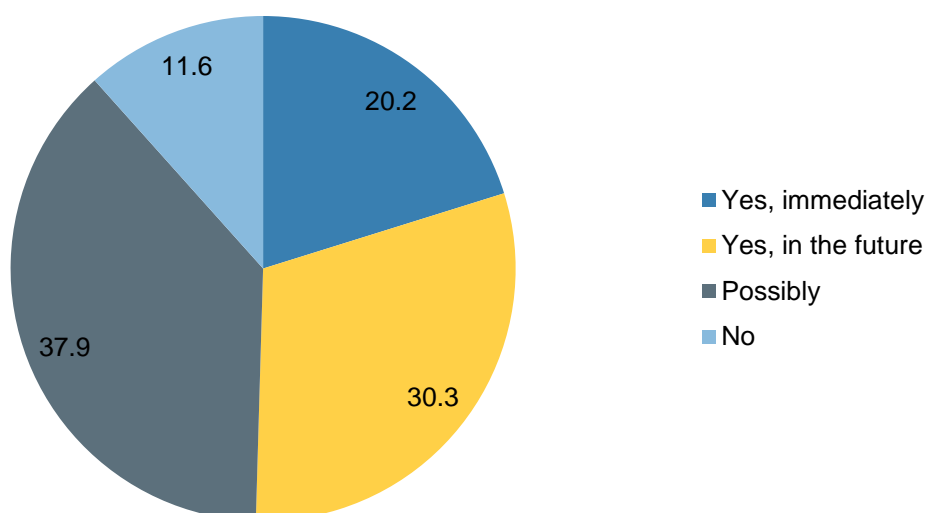
A fifth of survey respondents (n=66) indicated that modular training would work for them immediately. When asked why they felt the policy would work for them many respondents highlighted gaining new skills and qualifications in a short time frame as the main benefit,

as this would allow them to complete courses efficiently and move into the job market more rapidly than through traditional training options.

'This would be very effective to build skills and knowledge in a short space of time!'

18–19-year-old, studying on a full-time course

Figure 4.3 Policy lever 2: Modular training. Would this option work for you?



Source: IES, IPPR, Survey of young people, 2021

A slightly smaller number of respondents highlighted cost as being the main draw, as current training options are unaffordable to them.

'These courses could help young people who do not have training/experience in the middle of Covid and who have not had the opportunity to have any during the pandemic. It would be a good idea if the prices are lowered too as many people have not got the money to buy £X,000 courses out of pocket. If the government could subsidise these too that would be even better.'

22–23-year-old, working part-time

A few respondents said that they were currently looking to move into a new sector and liked the idea of rapid training courses and transferable qualifications as this would allow them to use their time efficiently and felt this would help them gain work.

'I'm trying to move to a field which requires additional learning over my degree.'

22–23-year-old, studying part-time

Similarly, a few respondents with qualifications highlighted that this option would avoid unnecessary repetition in training courses.

'This seems like a great idea to save precious time and not having to repeat things already learnt.'

18–19-year-old, studying on a full-time course

Some respondents expressed concerns around the quality of training, and whether shorter courses would be recognised by employers, with a few respondents saying they would need to see what the outcomes were before committing to this option.

'I would be concerned that there may be skill gaps that could be missed using this approach.'

18–19-year-old, studying on a full-time course

Interviewees typically liked the idea of modular training, as it would provide a more efficient route into employment than traditional, full courses. As in the survey, some raised concerns including whether the approach was suitable for professional fields, and a new issue centred on how providers would deal with past qualifications that may have become outdated.

When asked if there was anything else they would need alongside modular training courses to enter into good quality work, respondents indicated that they would also need a greater number of jobs available locally (50 per cent, n=162), more work experiences (37 per cent, n=120) and further training (35 per cent, n=113).

The survey also explored young people's views on retraining in order to move into a new industry. When asked what factor is most important when deciding to train for a new industry, the skills needed for the new role was the most important factor (34 per cent, n=109), followed by the likelihood of getting a job in the new industry (29 per cent, n=92), and how their pay would change (28 per cent, n=90). Addressing climate change emerged as a major motivating factor to retrain, with just under 70 per cent (n=223) of respondents saying that they would be either a lot or a little more likely to change industry if they you knew it could help address climate change.

Respondents were also asked where they would go to get new skills, with opportunity to select every option that applied to them. Universities were the most common answer (56 per cent, n=181), reflecting the profile of the survey respondents, or employers (56 per cent, n=182), followed by independent training providers (51 per cent, n=165). This indicates that policies supporting retraining may be most accessible to young people through these routes.

The regional and employer body/national stakeholders were generally positive about a move towards modular training in their areas of specialism; however, several concerns were raised. One of these centred on how this could be operationalised in an already complex education system. Another concerned whether modular training was more beneficial to the individual or employers – as this lever could mean people never get the chance to be awarded a 'full' qualification, which might be more beneficial to them and their career by being broader and more expansive. An employer body stakeholder highlighted the issue for self-employed learners of not just the cost of training but also of the time away from work, meaning the value-for-money of short courses would be a key consideration for this type of learner.

A move to micro-credentials was cited as happening already in some sectors, as was the Auger review with a call for a more flexible lifelong learning entitlement enabling learners to build up credits module by module.

Policy lever 3: Work experience

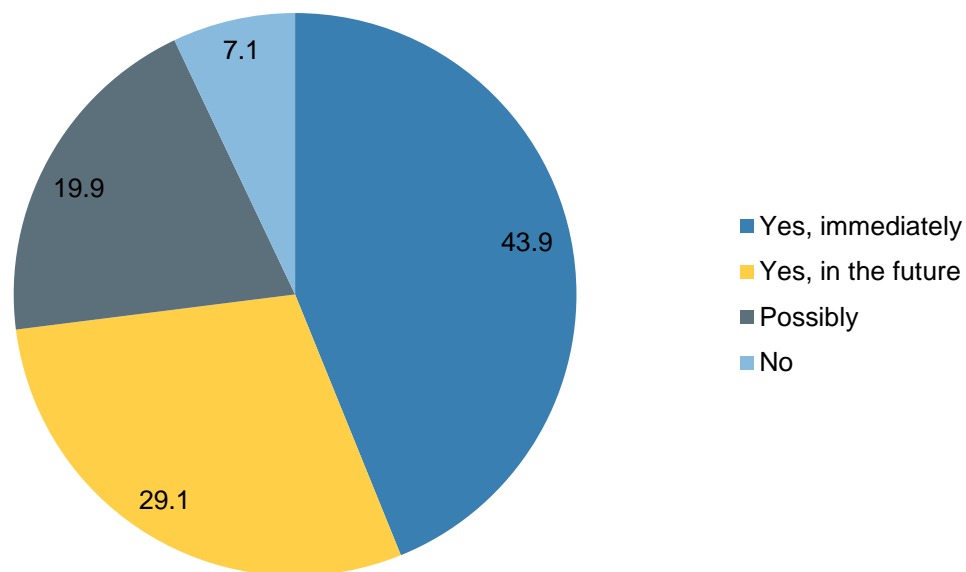
Support for young people to gain work experience was the most popular of the five policy scenarios among respondents with just under three quarters of respondents (n=238) indicating that it would help them enter good quality work immediately or in the future. Older respondents aged 22–24 were least likely to say that work experience would work for them immediately, indicating that the policy is perceived as more suitable by younger participants.

When asked why the policy would work for them, many respondents highlighted a lack of work experience as a barrier to entering employment, as employers require experience even for entry-level roles. Some of these respondents said that it is currently hard to get a foot in the door due to this, especially as the pandemic has limited opportunities to enter employment. A few respondents also said that they were currently struggling to find work experience placements, so would appreciate additional support from schools and colleges.

‘Work experience is really hard to get, and yet it is hard to find any work at all when you don’t have previous experience.’

18–19-year-old, studying on a full-time course

Figure 4.4 Policy lever 3: Work experience. Would this option work for you?



Source: IES, IPPR, Survey of young people, 2021

A smaller number of respondents highlighted support for writing a CV as a major benefit of this offer, reporting that they currently find this very difficult.

'Putting things down on the CV is difficult; thinking about the phrasing, structure etc can be off-putting, getting help is a good idea. And to not forget what experiences you've done.'

20–21-year-old, studying on a full-time course.

For those that were unsure of whether this would work for them (the one-fifth of respondents said that support for work experience would possibly work for them and seven per cent that said it would not work for them), the inaccessibility of unpaid work experience was a key factor.

'I think work experience is a tricky one—yes it's great to get experience and fresh out of uni, but is it paid? What's the quality of the work experience? Experience is key to gaining a practical understanding of the job or sector you want to go into, but it must be carried out correctly.'

24+ year-old, self-employed

In addition to more work experience opportunities, young people also reported requiring a greater number of jobs available locally (41 per cent, n=133) and careers advice and guidance (36 per cent, n=116) to enter quality employment. Respondents felt that support for work experience was most suitable for those in full-time (63 per cent, n=207) or part-time (53 per cent n=174) education.

The interviewees typically stated that they had undertaken work-experience in the past. Those who had not were open to the idea, with some struggling to find placements due to the pandemic. Interviewees had undertaken work experience while at secondary school or university, which they described as integrated into higher education courses through placement years and modules. Young people had worked in a range of settings from retail to professional roles in engineering and business. They indicated that completing a work experience placement had helped them to gain both technical and soft skills, which they have since used to help secure employment.

When asked about reimbursement for work experience placements or internships, interviewees felt that internships should provide reimbursement as employers benefit from interns' labour, and unpaid internships are inaccessible to those who cannot afford to work unpaid. Some young people also felt that employers should cover travel costs for attending internships and work experience. They had varied views on whether work experience placements should be paid compared to internships. These ranged from believing that any unpaid work experience was exploitative 'paid labour' to offer unpaid work experience being acceptable where placements are short and provide genuine growth opportunities for participants.

The stakeholders also highlighted how work experience had been negatively impacted by the pandemic and the move to working from home. As it is not yet known to what extent working from home and remotely will continue, stakeholders were unsure how work experience and internships could be delivered in the future. During the pandemic, they were aware of virtual and remote opportunities, in some cases supported and funded by

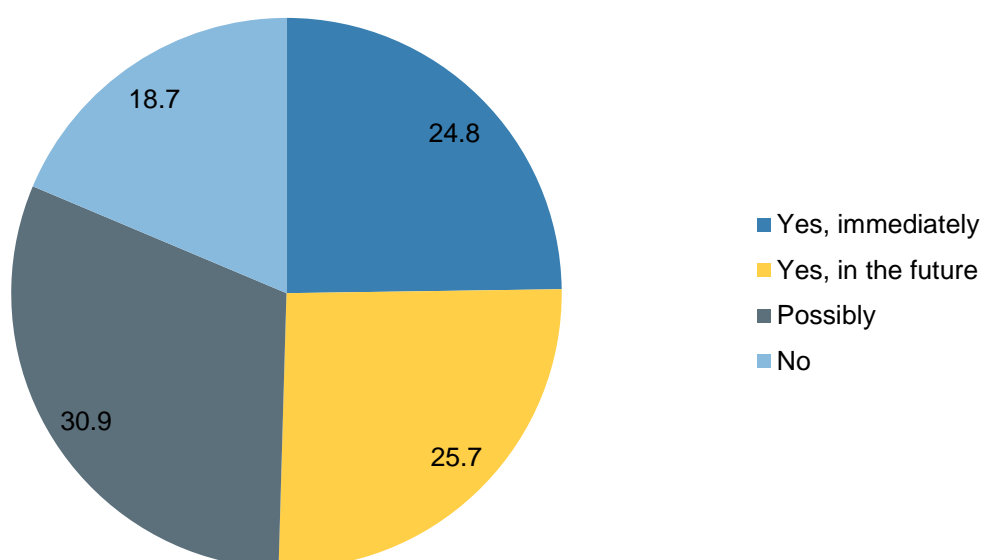
universities. Stakeholders wanted more information and guidance for models of what good remote work experience could look like. Stakeholders recognised the important role of work experience and again, this was something that one area was being able to fund through their devolved budget.

Stakeholders had concerns about the numerous 'requests being made' for employer time and input to support education and training; some were aware of attempts in the past to locally coordinate working with employers; and others were trying to set up this kind of approach. This could include looking at ways that employers could offer work experience as an 'in kind' payment for their staff receiving Adult Education Budget funded training, although some believed that employers would need incentives to take part in such schemes at scale. Indeed, this is something that will be offered to employers as the T Levels continue to roll-out and has been explored with apprenticeships as part of the Plan for Jobs.

Policy lever 4: Help from the government

A quarter of young people surveyed said that the government interventions outlined in the policy lever would work for them immediately, with a further 26 per cent responding that it would work for them in the future. These respondents highlighted a need for advice and guidance to help them identify suitable career paths and improve their job search and application skills. Participants particularly wanted greater access to personalised, one-to-one support.

Figure 4.5 Policy lever 4: Help from the government. Would this option work for you?



Those who said this scenario would work for them immediately reported that help from the government to find a job would be an effective way of supporting them into employment. Many highlighted the usefulness of advice and guidance to both help them identify suitable careers, and improve their skills in applying for work, especially through personalised one-to-one employability support.

‘The hardest thing about getting a job I personally think is knowing what sort of job to go for, so advice is key!’

22–23-year-old, working full-time

‘It would be helpful to have someone who can mentor me and help me because it can be difficult to decide what to do and how to go about doing it. It would help me a lot if someone could work with me to help me.’

24+ year-old, studying on a full-time course

Several respondents focused on the idea of the government guaranteeing a job, training course or apprenticeship for young people, highlighting the lack of employment opportunities for young people currently as a major barrier to entering employment.

‘The number of opportunities can be limited, so increasing this will also help.’

18–19-year-old, studying on a full-time course

‘More jobs available locally would be good because it would mean I don’t have to relocate.’

22–23-year-old, studying on a full-time course

Just under a third of respondents said that help from the government would possibly be suitable for them. These respondents liked the policy idea but expressed that its usefulness would depend on which sectors it covered, and the quality of placements and support that is provided.

When asked if they would need any additional support alongside government interventions to enter good quality employment, young people surveyed said they would require a greater number of jobs available locally (37 per cent, n=118) and more work experiences (35 per cent, n=112).

‘[The policy levers states that the support would be] “useful for the jobs that are available in your area” What jobs? There are not many with the state of the local area. [It also guarantees an offer of good quality work and training], for my field of study there is little-to-no chance of getting a job in my desired area.’

18–19-year-old, studying on a full-time course

When asked who the policy would work for, survey respondents indicated that it would be most helpful for young people who are unemployed, with 58 per cent (n=187) of respondents indicated it would be most suited to those who have been unemployed for more than 12 months, and 50 per cent (n=162) indicating it would be most suitable for those unemployed for less than 12 months.

Stakeholders from Combined Authorities described how they have been able to start to adapt national programmes to make them more responsive to local needs. Stakeholders recognised the successes of SWAP and some were building on this approach either with higher-level skills targeting junior roles rather than entry level or creating employment route-ways and jobs with training as an outcome of SWAP. The latter approach was thought to be useful to tackle the shortage of people entering health and social care jobs and aimed to give people a map for using this as an entry point to other health careers and professions such as nursing.

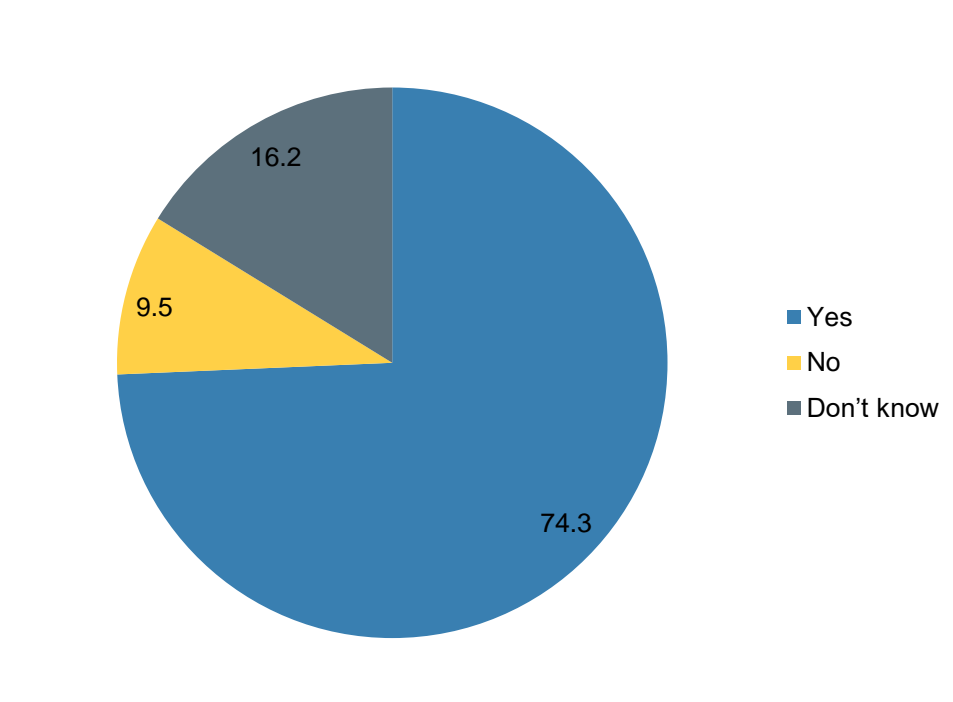
A stakeholder from a sector body highlighted how employers in their sector had made good use of their own industry schemes during the pandemic as well as the Coronavirus Job Retention Scheme and the Self Employed Income Support Scheme.

Stakeholders generally thought that the current short funding cycles disincentivised providers from innovating and wanted to see longer contract terms and options for more personalisation in government-funded programmes.

Policy lever 5: Tailored careers advice and skills transfer information

The final policy focused on helping people move from sectors that have been negatively impacted by the pandemic into growth sectors through tailored careers advice. Therefore, questions around its suitability were only put to young people surveyed who worked in hospitality, leisure services and sport; retail, marketing, advertising and PR; or creative arts, culture, entertainment, media and publishing, as these were identified as the hardest hit sectors (see chapter 2).

Figure 4.6 Policy lever 5: Tailored careers advice and skills transfer information. Would this be helpful compared to general advice about how to identify transferable skills yourself?



Just under three-quarters of the young people who were asked about the policy lever said that tailored careers advice and skills transfer information would be helpful compared to general advice on how to identify transferable skills. Most respondents (85 per cent, n=65) said that information about transferable skills would make them either a little (46 per cent, n=35) or a lot (39 per cent, n=30) more likely to look for a job in a new sector.

As with other policy levers, these young people felt that they would also require more work experiences (42 per cent, n=31) and more jobs available locally (34 per cent, n=25) for tailored advice on moving into a new sector to be effective in supporting them into good quality employment. These respondents felt that the policy was best suited to those currently out of work due to caring abilities (54 per cent, n=56), followed by those currently in full-time education (30 per cent, n=37).

The survey also explored how respondents thought that tailored advice and guidance could help young people who, like them, worked in declining sectors to consider moving into a new sector, with respondents asked to choose all that applied (Table 4.2). While there was an even split across the various factors, information on training and qualifications needed in the new sector was the most common response, while information about other jobs and sectors, and information about unpaid volunteering or work experience opportunities were the least common answers.

Table 4.2 How could tailored advice and guidance help other young people like you working in negatively impacted sectors consider a move into a new sector?

Factor that would help young people working in affected sectors to consider moving into a new sector	Per centage of respondents (%) [*]	Number of respondents
Help with job applications and CV	57.1	44
Information about where to look for other jobs	53.2	41
Information about what other jobs they can apply for	53.2	41
Information about what extra training or qualifications they need for the new sector	66.2	51
Information about the long-term job opportunities in both sectors	45.5	35
Identify skills in the current job	44.2	34
Thinking about career progression	53.2	41
Information about unpaid, volunteering or work experience opportunities	24.7	19
Information about other jobs and sectors	23.4	18

^{*} Multiple response question so response add up to more than 100%

Source: IES, IPPR, Survey of young people, 2021

The survey also asked these young people about their broader views on working in another sector. Most (84 per cent, n=63) had considered working in another sector, indicating potential demand from young people for finding work in growth sectors. The survey also explored enablers and barriers towards young people working in another sector. Young people felt that additional training (62 per cent, n=47) and work experience (83 per cent, n=62) were the main factors that would enable them to work in a new

sector. When asked if anything makes working a new sector difficult, respondents identified the availability of work in their area (60 per cent, n=45), a lack of contacts (53 per cent, n=40) and entry-level wages (39 per cent, n=29) as key barriers.

Stakeholders recognised the need for quality Careers Advice and Guidance, and as noted earlier, this was being ringfenced in funding as a priority in one area. Stakeholders thought that there are currently too many points where young people can 'fall through the cracks' between different services and support. They saw issues with the advice and guidance being provided by schools and some also had concerns about careers professionals and how relevant their experiences and backgrounds were to the young people they were advising. While better use of labour market information within digital support was generally welcomed, some stakeholders were hesitant about a drive towards too great a reliance on technology at the risk of excluding young people who face digital poverty.

Other policy levers

Survey respondents were asked whether there was anything else they needed to help them into good quality employment. Young people gave a broad range of answers covering job creation, education and training, work experiences, advice and guidance, and financial support. Below are the key themes that emerged from analysis of young people's views on additional support needs.

Young people highlighted support for overcoming the barrier of a lack of experience in employment as the aspect of help that they needed. Many respondents said that the best support they could receive to overcome these barriers would be employers being willing to take people on without experience or providing on-the-job training for new employees. Others wanted to see more internships, graduate schemes, and opportunities for job shadowing or mentoring.

'It would be helpful if more employers offered 'entry level' positions or training courses - when applying for jobs so many employers say that you need to have multiple years' experience - but it's impossible to get experience without working the job. If employers could offer a training period before the job began (eg 2 weeks unpaid or low paid work for example - before then moving into the full-time position that would pay full.)'

22–23-year-old, studying on a part-time course

Many young people also called for increased employability support. This included tailored one-to-one support for finding and applying for jobs, peer support groups for unemployed young people, and centralised databases of job listings, as well as databases of roles, requirements, and career pathways to help them identify possible careers and the steps needed to find a job.

'Job websites can be very hard to navigate, by having 1-1 support it would be easier to find jobs.'

24+ year-old, studying on a full-time course

‘As a person who isn't already in an industry, I would like to have a convenient way to see what sorts of positions will be available to me with the qualification I'm currently working for.’

18–19-year-old, studying on a full-time course

The next most common policies proactively suggested related to education and training. Young people highlighted the need for more financial support for students, beyond that suggested in this policy lever, as well as more provision of affordable continuing professional development (CPD) for those in work.

‘Money is always an issue, so maybe more free resources/courses etc, or funding for further learning particularly if for a climate change related field. This could encourage people who want to change into this sector, to do so. I have an undergraduate degree in music, but in September will be studying a masters in Environment, Development and Politics. I have taken two years out in order to save money to afford to do this.’

22–23-year-old, working full-time

Some young people identified a lack of jobs available as a major barrier to entering employment, and suggested policies around job creation in their local areas. This included a jobs guarantee for young people and hiring subsidies for companies that hire young people.

‘I got my first job through a scheme that offered employers money if they hired youths, I think the government paid half of my wages while I was there. This worked well for me.’

22–23-year-old, studying on a full-time course

Careers advice and guidance was suggested by some respondents as a means of helping them enter good quality employment by improving their understanding of potential careers and route-ways into them. Most of these respondents focused on the need for careers guidance in school, which could help them make an informed decision around post-16 education. This was expanded on by a number of young people in follow up interviews. They described receiving infrequent and generic careers advice and felt they would have benefitted from more personalised support, more information on the recruitment process and advisors with better knowledge of local labour markets. A view was expressed that current careers guidance in schools is overly focused on higher education with limited, if any, information on other options such as apprenticeships.

‘Have a careers mentor in every school to help students understand what they job they may want to get into and what requirements they need to get into that job sector.’

18–19-year-old, unemployed more than 12 months

To a lesser extent, respondents wanted better financial support from the government while in education, looking for work, or in low-paid employment. A universal basic income was the most common form of financial support mentioned, followed by an increase to Universal Credit.

‘Establish a Universal Basic Income (and/or increase Benefits), such that jobs are chosen as supplements to an already-sufficient income or as activities for enjoyment and personal fulfilment.’

22–23-year-old, unemployed for less than 12 months

A few respondents focused on improving the quality of work available, highlighting the need for higher wages for young people, contracts with more hours, and the need for employers to create more inclusive working environments. In follow-up interviews, a disabled young person felt that more employers should offer guaranteed interviews to disabled applicants, and worried that their applications would be dismissed due to gaps in employment and retaking modules at university due to health issues.

‘I think job conditions are a key factor—I think more and more young people realise that working long hours in a grating job like retail or admin for minimum wage with minimal career progression just isn't a way of living, so they decide to look for better jobs with more opportunities.’

24+ year-old, self-employed

Finally, a small number of respondents focused on the need for better provision and enforcement of workers' rights. These respondents identified unions as a key means of improving the quality of work for young people and wanted access to basic information on their rights as workers.

‘Telling young people about their rights in employment and offer advice in what is a good job and what isn't’

20–21-year-old, studying on a full-time course

Stakeholders wanted to see more holistic support services for young people and more leverage of social value from public funds. This would include, for example, public sector employers leading by example, by adding clauses to contracts about supporting young people, and by making use of elected Mayors to ‘join up’ thinking at regional levels.

Conclusion

Five policy levers for supporting young people into good quality work were developed based on the findings of the evidence review, with levers' viability and attractiveness tested through a young person survey and follow up interviews. Of the young people surveyed:

- Nearly three-quarters (73 per cent) reported that the policy lever around work experience would work for them now or in the future, highlighting that a lack of experience is a major barrier to entering employment.
- Two-thirds (65 per cent) reported that financial help for staying in education would work for them now or in the future, with many stating that current maintenance loans are insufficient to cover living costs.

- Around half indicated that modular training would work for them now or in the future as they felt it would be an efficient route into the jobs market.
- Of respondents who are currently in education or working part-time, half (50 per cent) said that the policy lever around support from the government would work for them either now or in the future. The key reason given for this was a need for tailored careers advice to help them identify and pursue suitable careers.
- Three-quarters of respondents currently working in sectors negatively affected by Covid-19 said that tailored careers advice and skills transfer information would be helpful compared to general advice about identifying transferable skills.

Young people surveyed indicated that the key factors of a good job are: full-time working hours; pay above the living wage; working with people similar to themselves; working in a role within their abilities; flexible working hours; and believing in the content of the job or the purpose of what they are doing. In follow-up interviews further exploring why these factors were linked with a good job indicated that for young people good jobs would provide security; work-life balance; progression in work; and a role that they feel is worthwhile.

A lack of available jobs locally and a lack of work experience emerged as a major barrier to finding good quality work, which would have to be tackled alongside any of the proposed policy levers. Young people reported that both of these issues have been exacerbated by the pandemic.

The survey found that young people were willing to move employment sector if helped with retraining. Key factors considered in these decisions are the skills needed for a new role, pay in the new role, and the likelihood of finding a job in a new industry. Addressing climate change was also a motivating factor, with 70 per cent of respondents reporting that they would be more likely to change industry if it would help address climate change. Young people identified experience of work and training and key factors that would enable them to move sector, a lack of available work locally, a lack of contacts, lower wages at entry level were major barriers.

5. ‘Future proofing’ young people’s jobs and skills post-pandemic

Taking into account the analysis throughout this report – drawing on data, the evidence base as well as young people’s opinions – we are issuing a call to action to government to ‘future proof’ the labour market for young people, particularly those facing the greatest disadvantages. This should be achieved through ambitious job creation targets in strategic growth sectors, and through the promotion of forms of non-work income that are enabling in terms of upskilling and reskilling as well as providing social security. Linking job creation for young people to the levelling up agenda and net zero transition investments will secure sustainable futures. In turn using investments to scale up apprenticeships will produce the pipelines of skills employers need. Refocusing Kickstart on those who most need support to secure their position in the labour market and setting in place an opportunity guarantee to prevent long term unemployment for those currently at risk are important measures. To achieve this, it is necessary to ensure approaches are placed-based and closely articulated with devolution and integration strategies.

Throughout this report we have argued that there is a need to ‘future proof’, the jobs and skills of young people, in order to avoid declining economic prospects and life chances defining their future. The pandemic has had a seismic impact on young people’s education and employment, but it is important now to look beyond its immediate impacts and grasp a once in a generation opportunity to address longstanding problems with the youth labour market.

Our youth survey shows that most young people want what previous generations wanted from work: a decent income, a chance to progress and enough security to build a life on. However, this is far from the norm for young people today. If young people are to face the future with confidence, they have told us they will need three things: more jobs, less insecurity and working cultures that are decent and not exploitative. We set proposals to address each of these priorities below.

5.1 A long term vision for the youth employment and skills system

The last decade has seen a number of proposals for ambitious reform of the youth employment and skills systems in order to:

- Fix the UK’s broken ‘school to work’ transition

- Reduce the UK's high rates of young people not in employment, education or training (NEET); and
- Give local areas more control over the funding, provision and integration of key employment and skills services to improve outcomes for young people.

Key elements common to these reform proposals, which provide an 'ideal' long term scenario for reform of the youth employment and skills system, include:

- **A youth guarantee**, providing a coherent post-16 offer of access to further education or vocational training plus intensive support to find work or an apprenticeship, with a backstop of paid work experience or a paid traineeship. Several key reports over the past decade or so have called for this policy, often alongside 'youth allowance', created through reform of benefit payments for young people, which is conditional on meaningful participation in activities available under the guarantee.
- **A youth allowance for 18–24-year-olds** who need financial help while they gain skills or seek work, conditional on participation in activities included in the youth guarantee. This allowance or credit has been argued for on the basis that entitlement to JSA, ESA and income support for under-25s should be ended, given that none of these benefits is capable of serving young people's distinctive needs. The current Universal Credit (UC) regime does not support young people to undertake substantial study or training, as only 16 hours per week are allowed before benefits are reduced.
- **An integrated offer or 'place-based' approach to employment and skills.** The UK has one of the most centralised employment and skills systems in the developed world, with at least 17 funding streams managed by multiple departments or agencies and spending more than £10 billion a year. Despite this level of investment, they often fail to meet local need, address economic and social challenges, or make a decisive impact on outcomes for people or places. There have been repeated calls for decentralisation of employment support and further education/skills for young people, as is common in many other countries.
- **Employment on good terms and conditions.** With young people among the most likely to be in poor quality work, there have been repeated calls for better enforcement of existing regulation around low pay and conditions, as well as support for employers to understand what good quality work looks like, and how to provide it.
- **Intermediate labour markets** for long-term unemployed and/or disadvantaged young people, including as part of a wider jobs and training guarantee. Common in Europe, these programmes (of which UK examples include Kickstart and the Future Jobs Fund introduced in 2008) provide subsidised employment for young people most in need of help. They provide not only an income, but a substantial period of real work experience, which many young people report as a major hurdle to their search for work.

(Sources: CESI 2011, Cooke, 2013; LGA, 2020; YEG, 2020; House of Lords, 2021a).

We find that the five proposals set out above are necessary but not sufficient for 'future proofing' the youth labour market. Given growing precarity within the youth labour market, we argue these should be coupled with:

- **Ambitious job creation targets**, through investment in strategic growth sectors such as the green economy and health, care (as examined in chapter three) and procurement measures to support jobs and skills for young people to access these, particularly those from disadvantaged backgrounds.
- **Promotion of forms of non-work income**, such as lifelong training accounts, shared wealth programmes (eg Citizens' Wealth Fund) and a living income through the social security system.

Central and local/regional governments (where they have had the powers to do so) have taken uneven steps toward the first five of these reform proposals in previous years, but fundamentally the system remains unchanged. The reforms introduced since the Covid-19 pandemic began (such as Kickstart, apprenticeship hiring incentives and Youth Hubs) also edge closer towards this long-term vision in some respects. However, they were set up as an emergency response and so far, there is no clear vision for their development over the medium-longer term.

They were also established at a point when high levels of unemployment among young people was viewed as the key risk. As our analysis has shown, the context has changed. As we look ahead, the key risks are rising long-term unemployment among young people, under-employment remaining high even as the labour market recovers and disadvantaged young people falling further behind their peers.

5.2 Future-focused policy proposals

Below we examine what promising policy interventions might bridge the gap between the set of schemes put in place during the pandemic, and the 'ideal' longer-term scenario for youth employment and skills provision set out above. We focus our recommendations on a number of policy windows due in 2021 and beyond, which have the potential to be transformative for young people:

- The **Spending Review** expected in Autumn 2021 - will set departmental spending budgets for the next three years.
- A '**Levelling Up**' white paper expected in Autumn 2021 - intended to set out 'bold new policy interventions to improve opportunity and boost livelihoods' as the country recovers from the pandemic.
- A **Net Zero Transition strategy** expected before November 2021- will set out how the UK will meet its world-leading commitments on climate change, alongside government's response to the Green Jobs Taskforce report.
- Possible publication of the **postponed Employment Bill** - expected in the 2021 Queen's speech, the government has said this will be published 'when the time is right'.

1. More good quality jobs for young people

i) Government should aim to create new 'green and clean' job opportunities for young people through its 'Levelling Up' and 'Net Zero Transition' strategies to address the decline in jobs for young people

There is a clear opportunity for the government to go further to ensure more ‘future proof’ good quality jobs are available for young people as part of both the ‘levelling up’ and Net Zero Transition strategies. Building strong, dynamic local economies is an important part of ‘levelling up’. Equally, ensuring that young people have more job opportunities in their home towns, as well as in urban hubs, has been put forward as a priority by a number of Conservative commentators as an important way of equalising post-16 outcomes among those who do not take the university route. At least £4bn has been set aside by the government as a spending pot for the Levelling Up Fund and any future levelling up projects that emerge as part of the new strategy and white paper. This funding therefore presents an important opportunity to ensure that a proportion of jobs created through future investments are available for young people (where initiatives are locally based), including those from disadvantaged groups.

Given the scale of investment needed to transition to Net Zero and the ‘jobs rich’ nature of the sectors where most jobs are likely to be created (energy efficiency, construction), the transition to a greener economy presents an even bigger opportunity to ensure good quality jobs for young people. The Green Jobs Taskforce has called on the government to match G7 levels of green stimulus investments by June 2022 to help create good quality green jobs. We find that closing the investment gap in relation to the government’s net zero ambitions will require £30 billion annually. Our analysis shows that this investment would create jobs for young people across the skills spectrum, including at mid-skill level where jobs are in decline. Even half this level of investment would yield a greater number of intermediate level jobs than on current trends. As the Green Jobs Taskforce has advised, net zero policy and funding also provides an important opportunity to build a more diverse workforce in sectors like construction and manufacturing.

The government has a chance to overhaul its approach to procurement in new public procurement legislation set to replace the current EU-derived regulations. It should use this opportunity to enable more socially responsible procurement, leveraging inward investment from industry into local communities. Public sector sponsors of projects established as part of levelling up and net zero investments should use their buying power through the procurement process to leverage inward investment from industry into local communities and drive behaviours at the firm level, for example through:

- ‘Local labour’ clauses requiring at least 25% of locally-based jobs to go to young people and other disadvantaged groups in the labour market
- Requirement to pay the real living wage to all employees working on a project. The real living wage is based on an independently calculated assessment of what people need to get by and is £9.50 across the UK for over 18s¹⁴.
- Requiring that all staff are offered the opportunity to attain a relevant accredited qualification

¹⁴ It is higher than the government minimum wage for those under 23 at £8.36 or the national living wage for those over 23 of £8.91, but is paid by a growing number of responsible employers.

ii) Government and its partners should use these investments to massively scale up apprenticeships and establish skills pipelines to ensure disadvantaged young people can benefit from new jobs

As we saw earlier, evidence suggests that while infrastructure projects can provide greater opportunities for lower and middle-skilled workers, it can be difficult for disadvantaged groups and those currently under-represented in the workforce to compete. It is therefore important to build strong pipelines into employment in strategic growth sectors for disadvantaged groups, through pre-apprenticeship programmes, apprenticeships and other training opportunities to ensure they can compete. However, apprenticeship starts for young people have fallen consistently since the introduction of the apprenticeship levy in 2017, and the government is facing a challenge to maintain current numbers. It therefore must:

- Leverage procurement as part of Levelling up and Net Zero agendas as above to introduce sector-level apprenticeship agreements. While currently it is common for major infrastructure projects to come with requirements for apprentices to be taken on, there is an opportunity to extend this to whole sectors.
- Offer incentives to the supply chain to recruit, train and retain apprentices during and after their involvement in the project.
- Alongside this, government should subsidise free and independent apprenticeship brokerage provided by business support units for SMEs, to ensure scale up at pace. For example, the APPG on Apprenticeships has called for a 'one-stop-shop for small businesses providing support to take on an apprentice and assist them with the process'¹⁵, which could help start to boost falling apprenticeship numbers among SMEs.

It is worth noting however that skills pipelines and apprenticeships should not simply be focused on job-specific skills. More generic skills (eg in digital and data, project management, education and change management) are all among those which will be most in demand.

iii) Kickstart should be reformed and extended, with new 'Kickstart Plus' jobs creating opportunities for long-term unemployed and disadvantaged young people to get into work

Despite the limited reach of Kickstart so far, it has put in place a framework for supporting unemployed young people during the crisis. However, with long-term unemployment rising even as demand recovers it is clear that we now need a new approach to supporting those further from work and to help create the skills pipelines needed as above. A reformed Kickstart – targeted specifically at those who are long-term unemployed and disadvantaged (not in education, employment or training), and creating transitional, supportive jobs that lead to permanent employment – would build on the

¹⁵ See <https://connectpa.co.uk/wp-content/uploads/2021/07/APPG-on-Apprenticeships-2020-2021-report.pdf>

momentum created through Kickstart and the evidence of what has worked before and overseas.

The Youth Employment Group has called for this ‘Kickstart Plus’ approach, and we would recommend that at the Spending Review that the government establishes a £250 million a year fund to underwrite the costs of creating up to 30,000 additional new jobs a year. This could prioritise transitional opportunities in Net Zero jobs, as the Green Jobs Task Force has called for, alongside other industries and employers that can commit both to supporting long-term unemployed and disadvantaged young people and to creating good quality jobs that can support a transition into longer-term, sustained employment. In order to ensure that the jobs would meet the needs both of local labour markets and young people, bids would be assessed and approved by panels comprising central and local government representatives, employers and social partners.

iv) A meaningful ‘Opportunity Guarantee’ should ensure that no young person reaches long-term unemployment

The Youth Employment Group has also set out a set of proposals for delivering on the Prime Minister’s commitment to an Opportunity Guarantee for young people. The central pledge in this guarantee should be that no young person reaches 12 months of unemployment without having had the offer of a good job, apprenticeship or place in education.

With the government’s Restart programme now in place and delivering tailored support to the long-term unemployed, we believe that there is an opportunity from next year to develop a coherent, personalised and high-quality approach for young people at risk of becoming long term unemployed. We would recommend that unemployed young people should continue to be supported through Jobcentre Plus and new Youth Hubs in the early stages of unemployment, but that those reaching six months of unemployment should then be given early access to Restart in order to maximise their chances of getting back to work. Those young people still unemployed after 12 months would then move into a ‘guarantee stage’ where they would be offered a subsidised (including through Kickstart Plus) apprenticeship or education or training place – delivered either through Restart or Jobcentre Plus. This guarantee model existed for more than a decade until 2011 and served to virtually eradicate long-term youth claimant unemployment for much of that time.

2. Greater local opportunity

The upcoming spending review and the Levelling Up White Paper offer a once in a generation opportunity to address longstanding problems with the youth labour market. As we describe earlier, too many government departments are currently responsible for different parts of youth policy, but no one institution is accountable for ensuring young people make successful transitions. The Youth Hubs established by the government as part of the pandemic response are a positive initiative, but they are limited in reach, with no real powers to design and shape local provision.

A youth guarantee of the kind described above can only meaningfully be achieved at the local level, because it requires services to work holistically with young people to bring

together the set of employment, training and education activities envisaged by the guarantee.

There is a model for such a ‘local investment’ approach in the policies of the Conservative Mayor Ben Houchen who has invested in ‘home-grown talent’ and tried to make sure local people, especially young people, are equipped with the skills they need to take advantage of the local jobs that are being created by integrating services across Teesside, Darlington and Hartlepool, through a new Teesworks Skills Academy¹⁶.

We argue that now is the time to introduce a new approach to local partnership working on employment and skills, especially for young people. We argue for government to:

i) Establish new local youth employment and skills boards as part of the new Levelling Up strategy

Evidence suggests young people’s journeys towards good quality work start with the support pathways that lead them to employment, which rely on coherent and coordinated partnership approaches to achieve successful outcomes (Orlando 2021). Boards could be established broadly within existing funding and policy responsibilities but would require a far clearer framework for setting local priorities, agreeing respective responsibilities, and then working in partnership.

We would recommend new local youth employment and skills boards are created by building on existing Youth Hub partnerships, and bringing together local govt, DWP, colleges/ training providers, Restart/ employment providers, employer bodies, other stakeholders, youth voice. Boards would set out how support and services would align in order to ensure all young people are engaged in either education or learning, are supported to achieve their best, and make successful transitions into work.

Boards would then agree an ask and offer to achieve these with central government and would have the operational autonomy and commissioning powers to deliver it. These would include control over the relevant funds for young people, such as the UK Shared Prosperity Fund and the Flexible Support Fund.

ii) Commitment to new trailblazers of ‘Universal Youth Support’ to test more extensive devolution and integration

As part of the government’s Levelling Up white paper, local authorities should be invited to bid for funding to trial a more intensive employment and skills offer for young people in their areas. These Universal Youth Support (or UYS) trailblazers would test more extensive devolution of funding and control. This would build on the planned Local Inclusive Labour Market Partnerships in Northern Ireland and the more integrated approach to employment and skills funding and delivery seen in the US, Canada, and in the Netherlands and Germany.

Local authorities would be given greater flexibility over funding of local services to increase integration and experiment with ‘what works’ to support young people into good quality

¹⁶ <https://www.benhouchen.com/delivery>

jobs. Design will vary depending on local need, but funding should be made available for bids for:

- **A single youth employment and skills service** bringing together and localising support that is currently fragmented across business support, local growth, careers services, JCP services, adult skills, apprenticeships support and employment programmes. By bringing these together it will reduce costs, complexity and duplication; improve services; and respond to local needs.
- **Introducing a separate ‘Youth Credit’** for 18–24-year-olds, to provide financial support for young people who need it, conditional on participation in purposeful training or intensive job search. Under this reform, entitlement to Universal Credit, JSA, ESA and income support for under-25s would be ended. In their place, a youth allowance would be made available to young people who need financial help while they gain skills or seek work, conditional on participation in such agreed activities (Cooke 2013, CESI 2011). This would be the way to meaningfully deliver a youth guarantee and could help reduce rates of long-term unemployed to close to zero. For 16–17-year-olds there is a strong case for amalgamating expenditure on out-of-work benefits with the Bursary Fund which helps with educational costs, and for this to be made available to local areas to spend on a targeted basis, conditional on participation in school or college (Cooke 2013).
- **The DWP’s Youth Offer expanded** to include young people not claiming benefits, and not in work, training or education, including those with more specialised or intensive needs (such as long-term physical and mental health conditions) and young parents in these areas. This is likely on average to double the number of young people covered by the existing Youth Offer. Risk of NEET indicators (RoNI’s) could be used by local authorities and voluntary sector partners to access young people most at risk of long-term exclusion. Young people themselves should be involved in the design and governance of these services.

Within this context, trailblazers could also experiment with the following options to improve opportunities for young people:

- **Greater flexibility within Universal Credit to allow young people to undertake full-time training if it will help them secure employment.** The focus of work coaches should be on requiring young people to be either in employment or in training and education to support young people into good local jobs, rather than any job. Such exceptions for example have been made to the ‘work first’ rule for those on ‘Skills Bootcamps’. This would help the most disadvantaged to afford to keep learning, and increase their chances of securing work with better pay and conditions, and a better chance of progression rather than becoming stuck in a low-pay/ no-pay cycle.
- **Additional funding for programmes to improve work experience and careers advice.** As we saw earlier, there is strong evidence for the effectiveness of the DWP’s Work Experience programme introduced after the last recession in 2011, which helped young unemployed people gain valuable work-based skills through a 2–8 week placement with a local employer (though mandation would not be effective in this context).
Despite the government’s additional investment in careers advice, information and

guidance, previous research has found that 45 per cent of young people have not received any such support since the pandemic. With their additional commissioning powers, UYS trailblazers should be able to assess any gaps in provision and fill these, and to ensure careers professionals are able to share information with their clients about 'mega trends' like automation or 'green' jobs that might impact on job choices and chances of long term careers. Priority should be given to offering advice and guidance to young people with additional and complex needs.

- **Reducing transport and digital barriers.** Evidence suggests that three priorities are key in terms of improving local infrastructure to increase access to employment and training and retain workers locally: good quality, affordable housing, transport connectivity and fast and reliable internet (Social Mobility Commission 2020). Young people in our survey drew attention to the importance of reducing barriers to information and travel in order to access employment and training. Bids should therefore be invited to include ideas for increasing access to these public goods. Examples include Tees Valley's 'Wheels to Work' scheme which provide rented e-bikes, bicycles and mopeds to those who are looking for work or commuting and its 'Tees Flex' scheme which provides on-demand transport at low or no cost.

3. Less insecurity and decent working cultures

Young people are among the most likely to be in poor quality work, with all of the associated impacts on their economic security, and health and wellbeing. Part of the solution is better enforcement of existing regulation around low pay and conditions, and greater powers to allow more effective action to be taken against employers that do not comply. However, enforcement alone will not be sufficient to improve all aspects of the quality of work; we know that many employers simply don't have the resources, knowledge or inclination to make improvements, and where this is the case, new regulation is needed.

Evidence suggests that labour markets in countries that regulate the use of insecure and temporary contracts are less polarised and young people are better able to transition into permanent, secure work (ILO 2016). Bearing down on poor employment practices will be an important tool for improving the quality of work carried out by young people in years ahead. Absent this and the types of investments proposed above, current labour market trends suggest forms of insecure work will continue to grow. The government has promised to introduce its promised Employment Bill when the 'time is right': in order to 'build back better' for young people, this should urgently be brought forward.

i) Labour market regulation to raise job quality

Under-employment among young people has risen since the pandemic and risks remaining high in its aftermath. Options for legislation include requiring employers to establish minimum guaranteed hours and limit the variability of working schedules for part-time, on-demand and temporary workers (including those on zero hours contracts).

The right for employees who work variable hours (including both those on zero-hours contracts and agency workers) to request a more predictable and stable contract is a government commitment and was expected to feature in its planned Employment bill. This

should urgently be published as ‘building back better’ requires a ‘fair work recovery’, as well as ensuring employment rates return to their pre-pandemic levels.

ii) Promotion of forms of non-work income.

As persistent wage stagnation erodes the value of earned income in relation to personal assets and wealth, there is also a need to bolster security for young people by promoting non-work forms of income. A range of plans have been advanced in the past decade to help workers in this respect, and these should increasingly be considered alongside more mainstream forms of employment and skills support to provide greater security for young people as inter-generational inequality widens. Options include:

- Shared wealth programmes, for example the establishment of a Citizens’ Wealth Fund, a sovereign wealth fund owned by and run in the interests of the whole UK population. Capitalised over a 10-year period from a variety of sources, this could provide all citizens with a small annual dividend, or a £10,000 ‘universal minimum inheritance’ to all young people at the age of 25¹⁷.
- Lifelong learning or individual learning accounts (as opposed to the government’s planned loan system), which fund additional training for workers who need to upskill or re-train.
- Harnessing the potential of technology to empower young people to improve working conditions, for example through investing in Workertech apps that allow them to compare different employers.

Conclusion

Young people we spoke to as part of this research have modest aspirations for their future: secure, full-time work with decent pay (above the living wage) near where they live. And yet they face poorer job prospects and lower lifetime earnings than previous generations. The outlook for young people is uncertain, with evidence to suggest they will see lower employment growth in the long term.

We have argued that to avoid generational progress grinding to a halt, we must ‘future proof’ young people’s jobs and skills. There is an opportunity to bridge the emergency schemes introduced after the pandemic with ambitious programmes to equip young people, including the most disadvantaged, to face the future. We recommend that this is achieved through four key reforms: government adopting ambitious job creation targets, reforming the youth employment and skills system to match skills provision more closely with local labour market need, better regulation of the labour market and the promotion of forms of non-work income to bolster young people’s security.

¹⁷ As proposed by IPPR in its Commission on Economic Justice
<https://www.ippr.org/research/publications/prosperity-and-justice>

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Youth Employment Group (2021) Levelling up for young people: Building an Opportunity Guarantee

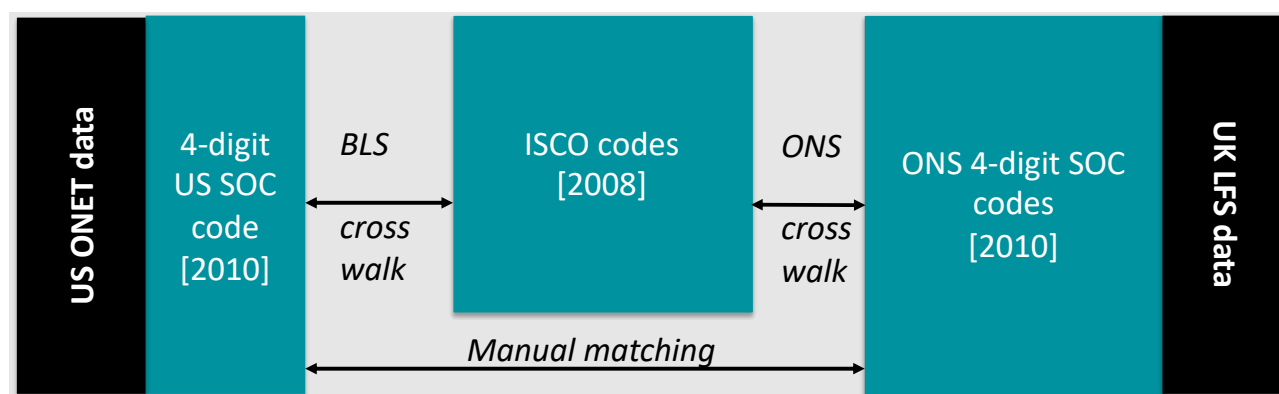
Youth Employment Group, (2020), Securing a place for young people in the nation's recovery, Final recommendations from the Youth Employment Group

Youth Futures Foundation, (2020), Youth Hubs – what works?

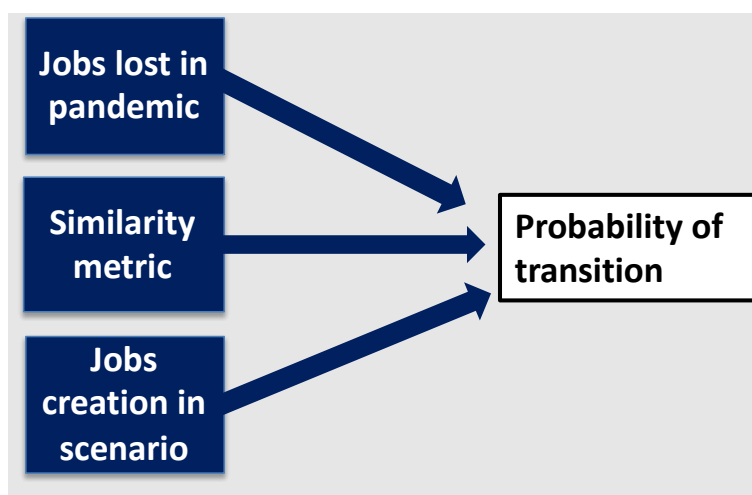
Appendix A: methodology

Skills similarity and transition probability calculations

To join up the rich *ONET dataset together with ONS data we develop a cross-walk between the two datasets. About 90% of the data is matched via an ISCO codes. To do so, we use a BLS and ONS crosswalks. For the remaining 10% of jobs we matched jobs ‘manually’ based on job descriptions.



To calculate the probability of a jobs transition, this takes into account (i) how many jobs are being created, (ii) how similar the underlying skills are to the jobs lost in the pandemic and (iii) how many jobs are being lost in the pandemic.



For jobs similarity, we use the ONET jobs similarity metric for career changers. This in turn takes into account highly granular data on 4 underlying factors on 4-digit profession level: knowledge, skills, work activities, abilities, interests, work styles and work values (cp ONET 2020 and Bowen et al 2018).

We measure the ‘training intensity’ of jobs through the O*NET ‘job zones’ metric. In this metric, a score of 1 relates to very little prior preparation or training required for a job – for example kitchen and catering assistants. A score of 3 implies about 3 years of training – including for jobs like electricians. Score 5 relates to a postgraduate degree or a large degree of years of training for a job.

Appendix B: Young Person's survey

Young person's survey demographics

The survey received responses from 329 young people who were approached through the YouthSight panel. YouthSight have a panel of 150,000 young people aged 16-30 who are ready to take part in social research. The survey was targeted at young people aged 16-24 years old and covering the geographies of interest as identified in the interim report this. These were the West Midlands Combined Authority which had experienced flat employment growth, West of England Combined Authority (South West) and Cambridgeshire and Peterborough Combined Authority (East of England) which together had experienced the biggest falls in unemployment, and Sheffield City Region (representing Yorkshire and the Humber) which had among the lower employment rates pre-crisis and higher employment rate during the crisis. The targeted emails were sent by Youth Sight to their panel with an aim to recruit 200 young people in education and 100 people in work.

Survey respondents were aged between 16 and 24: 42 per cent (n=139) were age 16-19, 37 per cent (n=121) were age 22 and above, and 21 per cent (n=69) were 20-21 years old. The sample had an even gender balance with 50 per cent (n=165) of respondents identifying as male and 45 per cent (n=149) as female, with two per cent (n=7) preferring to self-describe and a further two per cent (n=5) preferring not to say. In terms of qualification, young people with higher level qualifications were overrepresented in the sample with over half (57 per cent n=189) of those surveyed having a full Level 3 qualification and a further third (31 per cent n=103) a full Level 4 qualification or higher. Four per cent (n=14) of respondents had a full Level 2 qualification, three per cent (n=10) had a Level 1 qualification and one per cent (n=2) had qualifications below Level 1.

Survey respondents were asked about their current activity. The majority of young people surveyed (73 per cent n=239) were studying on a full-time course while a further 2 per cent (n=8) were studying on a part-time course. 13 per cent (n=44) were working full-time and 6 per cent (n=20) were working part-time, with 1 per cent (n=3) working on a self-employed basis. The survey sampled contained low numbers of unemployed young people, and young people claiming universal credit. 2 per cent (n=8) of respondents were unemployed for less than twelve months, 1 per cent (n=3) were unemployed for more than twelve months and a further 1 per cent (n=2) were not working due to long-term sickness. 1 per cent (n=2) of young people surveyed were claiming Universal Credit.

Young people currently in employment were asked which sector they currently worked in (Table B.1). The most common sector respondents worked in was retail, marketing, advertising and PR (19 per cent, n=41), followed by science and pharmaceuticals (16 per cent n=34) and hospitality, leisure, and sport (14 per cent, n=30). This implies that a large proportion of respondents currently in work are in sectors that our analysis found to have

been negatively impacted by the Covid-19 pandemic. All respondents were asked how many years of work experience Most (76 per cent n=251) had spent two years or fewer in work, with just under 50 per cent (n=151) having less than one year's work experience. 17 per cent (n=55) had worked for between three and four years, and 5 per cent (n=20) had worked for 5 years or more.

Table B.1 Young people's survey – Current Sector

Current Sector	Per cent of respondents (%)	Number of respondents
Energy, utilities, agriculture and the environment	4	9
Manufacturing, engineering, property management and construction	12	26
Science and pharmaceuticals	16	34
Transport, logistics, IT and communications	11	24
Hospitality, leisure services and sport	14	30
Retail, marketing, advertising and PR	19	41
Creative arts, culture, entertainment, media and publishing	7	16
Business services A: accountancy, banking, finance and insurance	12	26
Business services B: law, consultancy, management, recruitment and HR	6	13
Total	219	

Source: IES, IPPR, Survey of young people, 2021

The survey also asked respondents what they would like to be doing. Most respondents (44 per cent n=143) wanted to be studying on a full-time course, 34 per cent (n=112) wanted to be working full-time and 16 per cent (n=52) wanted to be working part-time. Cross tabulation analysis exploring the relationship between current activity and what young people would like to be doing showed that around one fifth (22 per cent n=55) of those currently studying would prefer to be working full-time and a further 16 per cent (n=30) of these young people would like to be working part-time. Around 5 per cent (n=3) of those currently in work would like to be studying on a full-time course, indicating that the young people in our sample may need more support transitioning from study to work, than from work to study. This result was significant ($p=.000$). Looking at the relationship between age and what young people would like to be doing (Table B.2), respondents aged 16-19 were the least likely to want to be in full-time work, the most likely to want to work part-time, and the most likely to want to be in full-time education.

Table B.1 Cross-tab showing Age (recoded) by activity young people would like to be doing*

Age (recoded)	Would like to be doing					Something else	Total
	Working full-time	Working part-time	Self-employed	Studying on a full-time course	Studying on a part-time course		

16-19	Count	18	30	5	82	3	1	139
	Per cent in age (%)	13	21	4	59	2	1	100%
20-21	Count	32	9	0	25	1	1	68
	Per cent in age (%)	47	13	0	37	2	2	100%
22-24+	Count	62	13	9	36	0	1	121
	Per cent in age (%)	51	11	7	30	0	1	100%
	Per cent of total (%)	34	16	4	44	1	1	100%

p=.000

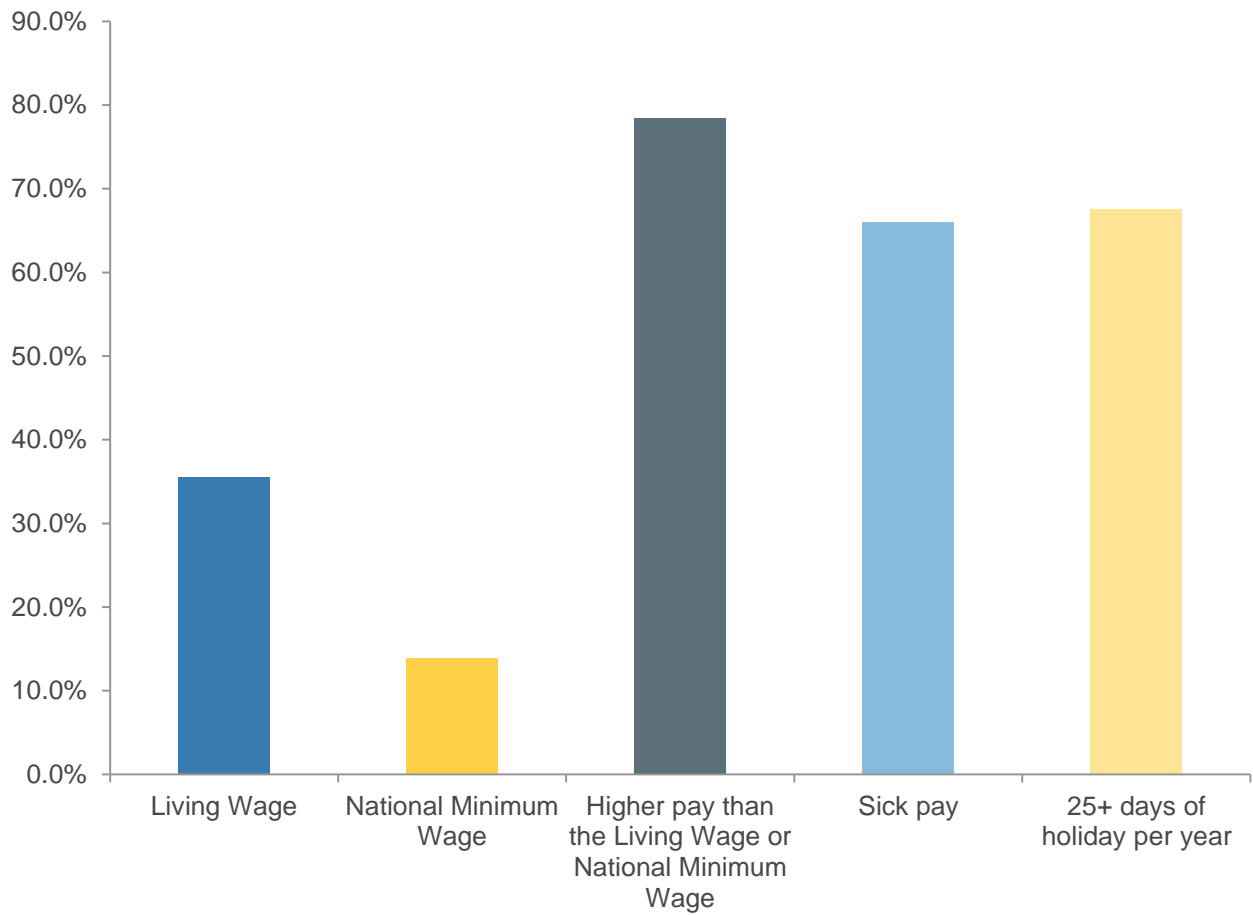
Source: IES, IPPR, Survey of young people, 2021

Follow-up interviews demographics

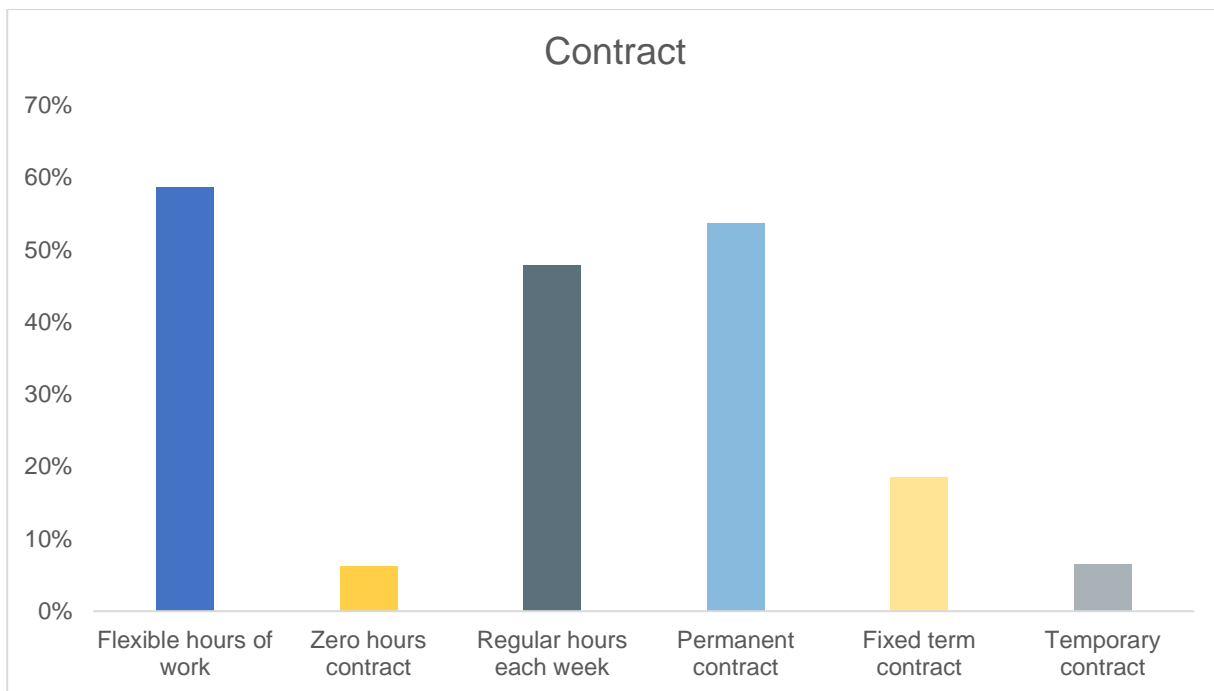
Follow up interviews with nine of the young people surveyed explored their views on good quality work and the proposed policy levers in more depth. Young people interviewed were aged 18-24, six were male, two were female and one was non-binary. All were highly qualified, with four having a full Level 3 qualification and five a full Level 4 qualification or higher. Most (n=7) were currently studying and two were unemployed for less than one year. Levels of work experience varied. Three participants had less than a year of work experience, four had one or two years' work experience and two had spent three to four years in work.

Views on a 'good job'

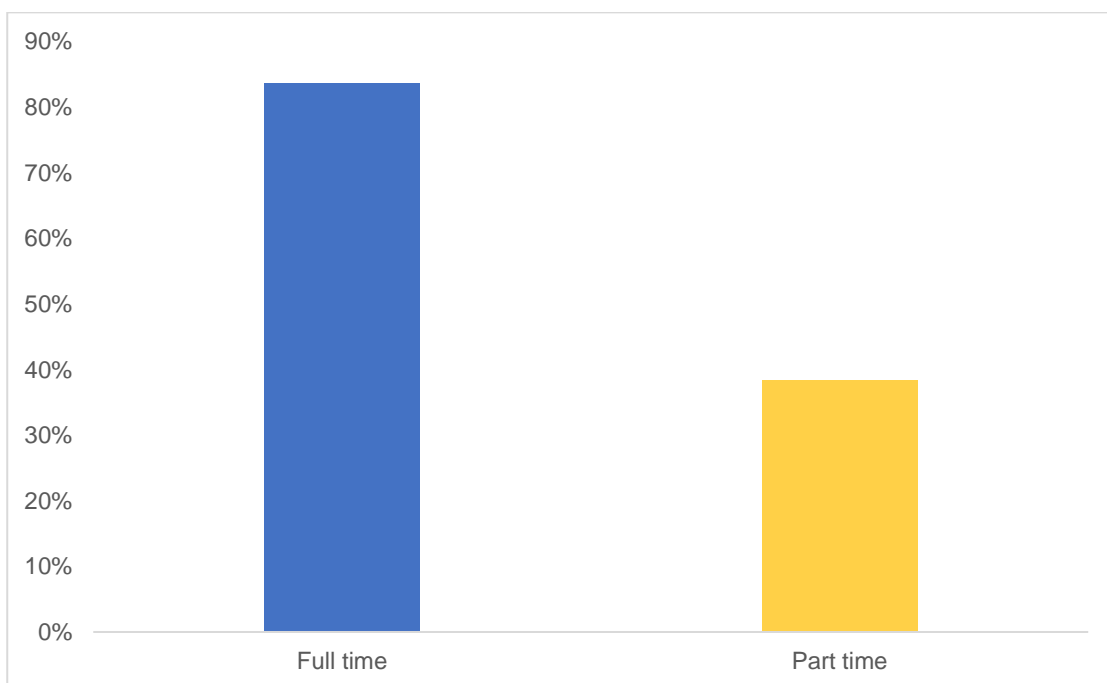
Figure B.1 What makes a good job? Pay and benefits



Source: IES, IPPR, Survey of young people, 2021

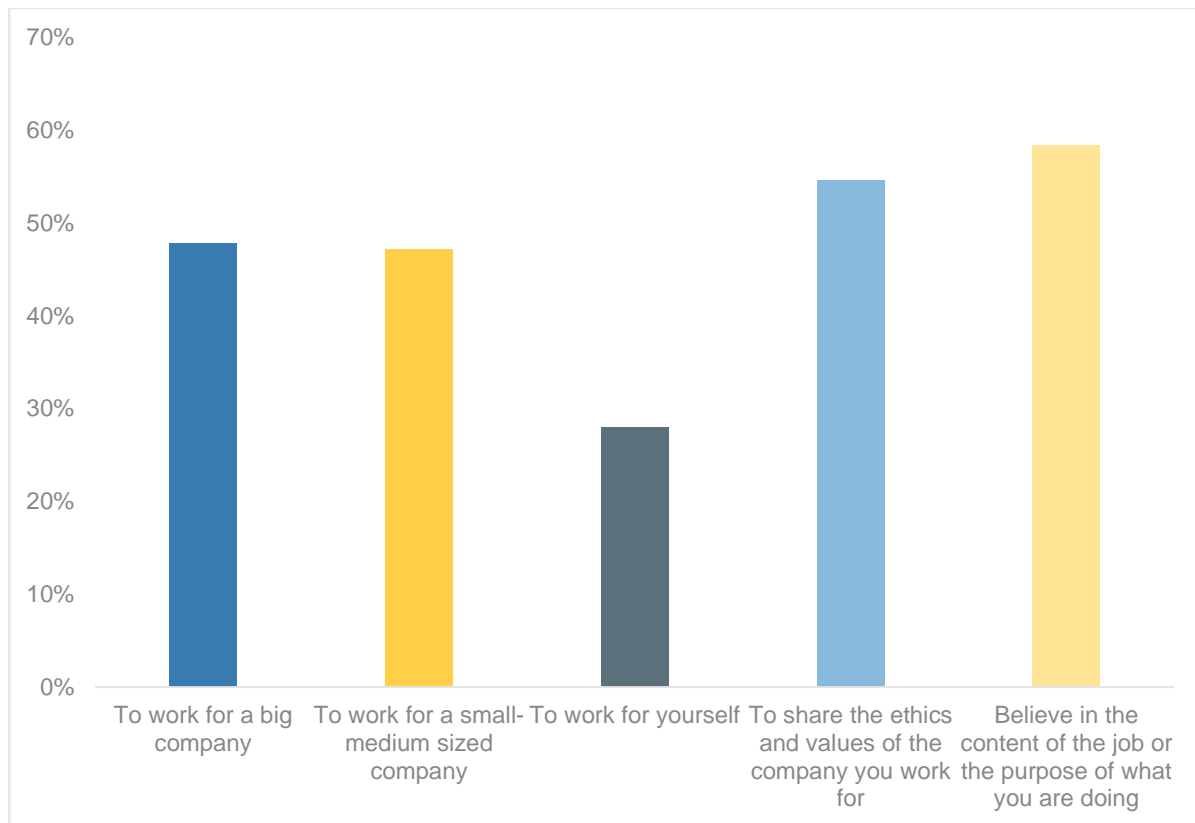
Figure B.2 What makes a good job? Contract

Source: IES, IPPR, Survey of young people, 2021

Figure B.3 What makes a good job? Hours of work

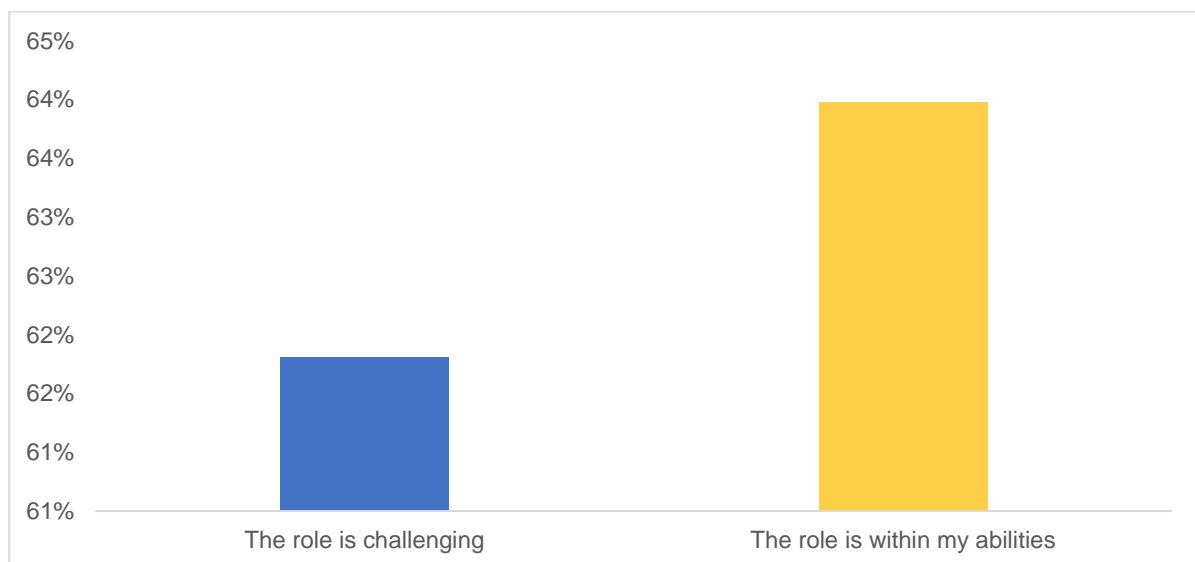
Source: IES, IPPR, Survey of young people, 2021

Figure B.4 What makes a good job? Who you work for

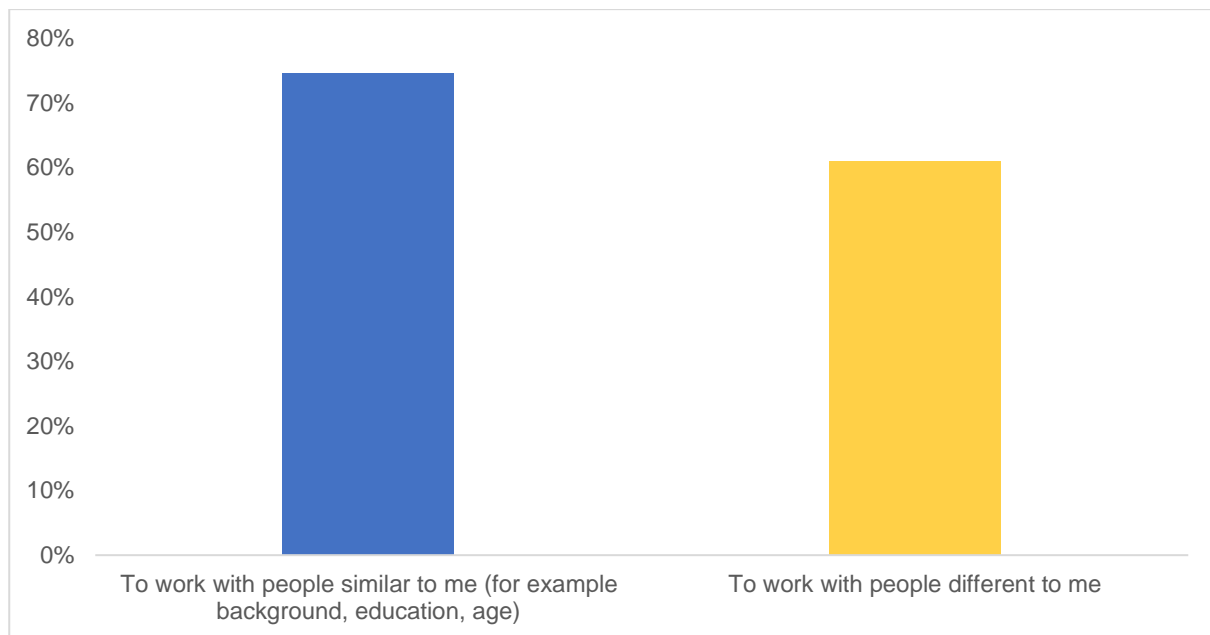


Source: IES, IPPR, Survey of young people, 2021

Figure B.5 What makes a good job: What you do



Source: IES, IPPR, Survey of young people, 2021

Figure B.6 What makes a good job? Who you work with

Source: IES, IPPR, Survey of young people, 2021

Views on policy levers

Table B.2 Cross-tab showing view on policy lever 1 by current activity (recoded)*

		Would financial support for staying in education work for you?				
Current activity (recoded)		Yes, immediately	Yes, in the future	Possibly	No	Total
Working	Count	21	13	19	13	66
	Per cent in current activity (%)	31.8	19.7	28.8	19.7	100%
Studying	Count	126	47	49	24	246
	Per-cent in current activity (%)	51.2	19.1	19.9	9.8	100%
Not Working	Count	4	0	4	5	13
	Per cent in current activity (%)	30.8	0	30.8	38.5	100%
	Count	2	0	0	0	2

Claiming Universal Credit	Per cent in current activity (%)	100	0	0	0	100%
Total	Per cent of total (%)	46.8	18.3	22	12.8	100%

p=.006

Source: IES, IPPR, Survey of young people, 2021

Table B.3 Cross-tab showing view on policy lever 1 by age (recoded)*

Would financial support for staying in education work for you?						
Age		Yes, immediately	Yes, in the future	Possibly	No	Total
16-19	Count	74	28	28	8	138
	Per cent in age (%)	53.6	20.3	20.3	5.8	100%
20-21	Count	29	12	18	9	68
	Per-cent in age (%)	42.6	17.6	26.5	13.2	100%
22-24+	Count	50	20	26	25	121
	Per cent in age (%)	41.3	16.5	21.5	20.7	100%
	Per cent of total (%)	46.8	18.3	22	12.8	100%

p=.022

Source: IES, IPPR, Survey of young people, 2021

Table B.4 Additional support needed in addition to financial help for staying in education to enter good quality work

Type of support	Per cent of respondents (%)	Number of respondents
More training	44.2	145
More work experiences	61.9	203
More jobs available locally	46	151
Other financial help	14.3	47
Careers advice and guidance	37.5	123
Not sure	7	23
Something else	1.2	4

Source: IES, IPPR, Survey of young people, 2021

Table B.5 Which young people do survey respondents think financial help for staying education would work for?

Activity	Per cent of respondents (%)	Number of respondents
Working full-time	23.2	76
Working part-time	48.1	137
Self-employed	19.5	64
Studying on a full-time course	69.8	229
Studying part-time	45.7	150
Unemployed for more than 12 months	39.3	129
Unemployed for less than 12 months	30.8	101
Not working due to long-term sickness	29.3	96
Not working due to caring responsibilities	29.6	97
None of the above	0.9	3

Source: IES, IPPR, Survey of young people, 2021

Table B.6 Additional support needed in addition to modular training to enter good quality work

Type of support	Per cent of respondents (%)	Number of respondents
More training	35.1	113
More work experiences	50.3	162
More jobs available locally	37.3	120
Other financial help	21.7	70
Careers advice and guidance	28.9	93
Not sure	15.2	49
Something else	0.3	1

Source: IES, IPPR, Survey of young people, 2021

Table B.7 Which young people do survey respondents think modular training would work for?

Activity	Per cent of respondents (%)	Number of respondents
Working full-time	16	52
Working part-time	16.4	53
Self-employed	2.8	9
Studying on a full-time course	24.4	79
Studying part-time	16.7	54
Unemployed for more than 12 months	13	42
Unemployed for less than 12 months	7.7	25
Not working due to long-term sickness	0.3	1
Not working due to caring responsibilities	1.8	6
None of the above	0.9	3

Source: IES, IPPR, Survey of young people, 2021

Table B.8 Places young people look to, to get new skills

Where young people would look for training	Per cent of respondents (%)	Number of respondents
Employer	56.3	182
College	34.7	112
Independent training providers	51.1	165
University	56	181
Other	2.8	9

Source: IES, IPPR, Survey of young people, 2021

Table B.9 Most important factor to young people when deciding to retrain in a new industry

Factor	Per cent of respondents (%)	Number of respondents
How pay would change	28	90
Skills needed to get the job	34	109
Likelihood of getting a job in the industry	28.7	92
That the path into a new job is straightforward and that they receive support	9.3	30

Source: IES, IPPR, Survey of young people, 2021

Table B.10 Would young people be more likely to change industry if they knew it could help address climate change?

Likelihood of changing industry	Per cent of respondents (%)	Number of respondents
A lot more likely	27.4	88
A little more likely	42.1	135
No more or less likely	29.3	94
Less likely	1.2	4

Source: IES, IPPR, Survey of young people, 2021

Table B.11 Additional support needed in addition to work experience to enter good quality work

Type of support	Per cent of respondents (%)	Number of respondents
More training	31.2	101
More work experiences	36.4	118
More jobs available locally	41	133
Other financial help	27.2	88
Careers advice and guidance	35.8	116
Not sure	11.7	38
Something else	0.3	1

Source: IES, IPPR, Survey of young people, 2021

Table B.12 Which young people do survey respondents think work experience would work for?

Activity	Per cent of respondents (%)	Number of respondents
Working full-time	21.4	70
Working part-time	28.4	93
Self-employed	14.7	48
Studying on a full-time course	63.3	207
Studying part-time	53.2	174
Unemployed for more than 12 months	36.4	119
Unemployed for less than 12 months	33	108
Not working due to long-term sickness	44	13.5
Not working due to caring responsibilities	40	12.2

None of the above 0.9 3

Source: IES, IPPR, Survey of young people, 2021

Table B.13 Cross-tab showing view on policy lever 3 by age (recoded)*

		Would work experience work for you?				
Age		Yes, immediately	Yes, in the future	Possibly	No	Total
16-19	Count	66	45	24	4	139
	Per cent in age (%)	47.5	32.4	17.3	2.9	100%
20-21	Count	31	17	17	3	68
	Per-cent in age (%)	45.6	25	25	4.4	100%
22-24+	Count	46	33	24	16	119
	Per cent in age (%)	38.7	27.7	20.2	13.4	100%
	Per cent of total (%)	43.9	29.1	19.9	7.1	100%

p=.024

Source: IES, IPPR, Survey of young people, 2021

Table B.14 Additional support needed in addition to help from the government to enter good quality work

Type of support	Per cent of respondents (%)	Number of respondents
More training	16.9	92
More work experiences	20.1	112
More jobs available locally	21.2	118
Other financial help	14.6	81
Careers advice and guidance	15.1	84
Not sure	21.2	68
Something else	0.3	1

Source: IES, IPPR, Survey of young people, 2021

Table B.15 Which young people do survey respondents think help from the government would work for?

Activity	Per cent of respondents (%)	Number of respondents
Working full-time	19.7	64
Working part-time	30.2	98
Self-employed	23.7	77
Studying on a full-time course	42.8	139
Studying part-time	43.1	140
Unemployed for more than 12 months	57.5	187
Unemployed for less than 12 months	49.8	162
Not working due to long-term sickness	63	19.4
Not working due to caring responsibilities	66	20.3
None of the above	0.6	2

Source: IES, IPPR, Survey of young people, 2021

Table B.16 Would information about transferable skills make young people in affected sectors any more or less likely to look for a job in another sector

Effect on likelihood	Per cent of respondents (%)	Number of respondents
A lot more likely	39	30
A little more likely	45.5	35
No more or less likely	14.3	11
Less likely	1.3	1

Source: IES, IPPR, Survey of young people, 2021

Table B.17 Additional support needed in addition tailored careers advice and guidance to enter good quality work

Type of support	Per cent of respondents (%)	Number of respondents
More training	31.1	23

More work experiences	41.9	31
More jobs available locally	33.8	25
Other financial help	23	17
Careers advice and guidance	24.3	18
Not sure	18.9	14

Source: IES, IPPR, Survey of young people, 2021

Table B.18 Which young people do survey respondents think tailored careers advice and guidance would work for?

Activity	Per cent of respondents (%)	Number of respondents
Working full-time	25.2	31
Working part-time	28.5	35
Self-employed	13.8	17
Studying on a full-time course	30.1	37
Studying part-time	27.6	34
Unemployed for more than 12 months	25.2	31
Unemployed for less than 12 months	24.4	30
Not working due to long-term sickness	13	16
Not working due to caring responsibilities	53.7	66
None of the above	1.6	2

Source: IES, IPPR, Survey of young people, 2021

Table B.19 Have young people working in affected sectors considered working in another sector?

Considered working in another sector	Per cent of respondents (%)	Number of respondents
Yes	84	63
No	16	12

Source: IES, IPPR, Survey of young people, 2021

Table B.20 What else would young people in affected sectors need to enable them to work in a new sector?

Enables	Per cent of respondents (%)	Number of respondents
Additional Training	62.7	47
Work experience	82.7	62

Something else	1.3	1
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Source: IES, IPPR, Survey of young people, 2021

Table B.21 Factors which would make working in a new sector difficult for young people working in affected sectors

Factors	Per cent of respondents (%)	Number of respondents
Hours of work	33.3	25
Working pattern	25.3	19
Availability of work in your area	60	45
Entry level wages	38.7	29
Lack of contacts	53.3	40
Not sure at the moment	6.7	5
Something else	1.3	1

Source: IES, IPPR, Survey of young people, 2021