Policy levers and effective practices
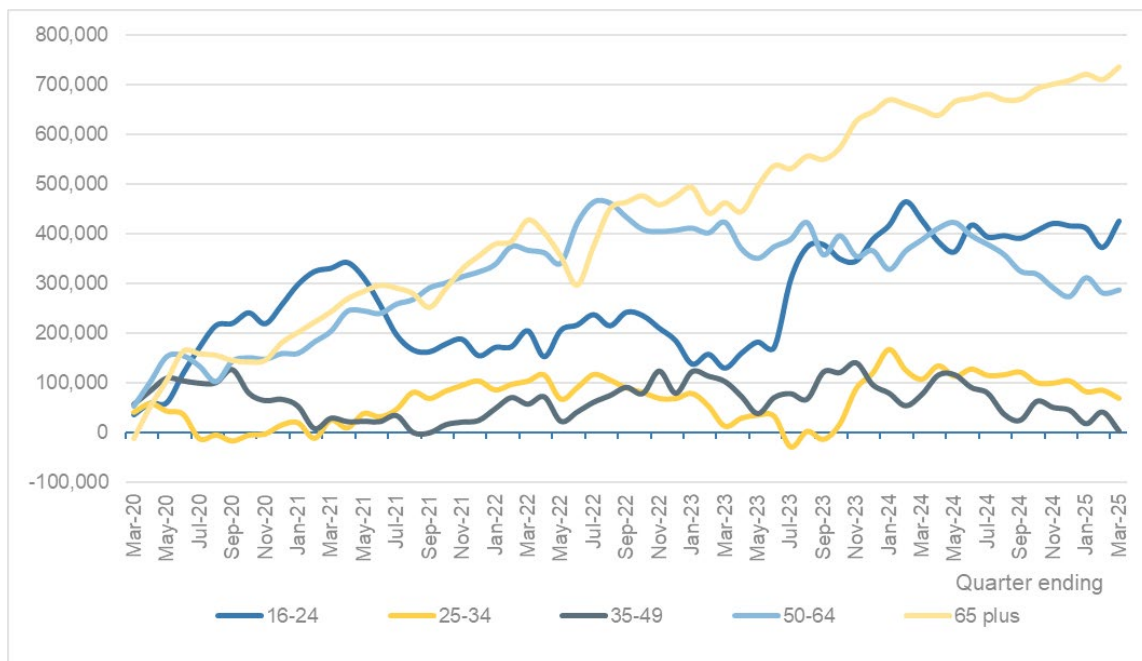
Tackling youth employment

Becci Newton
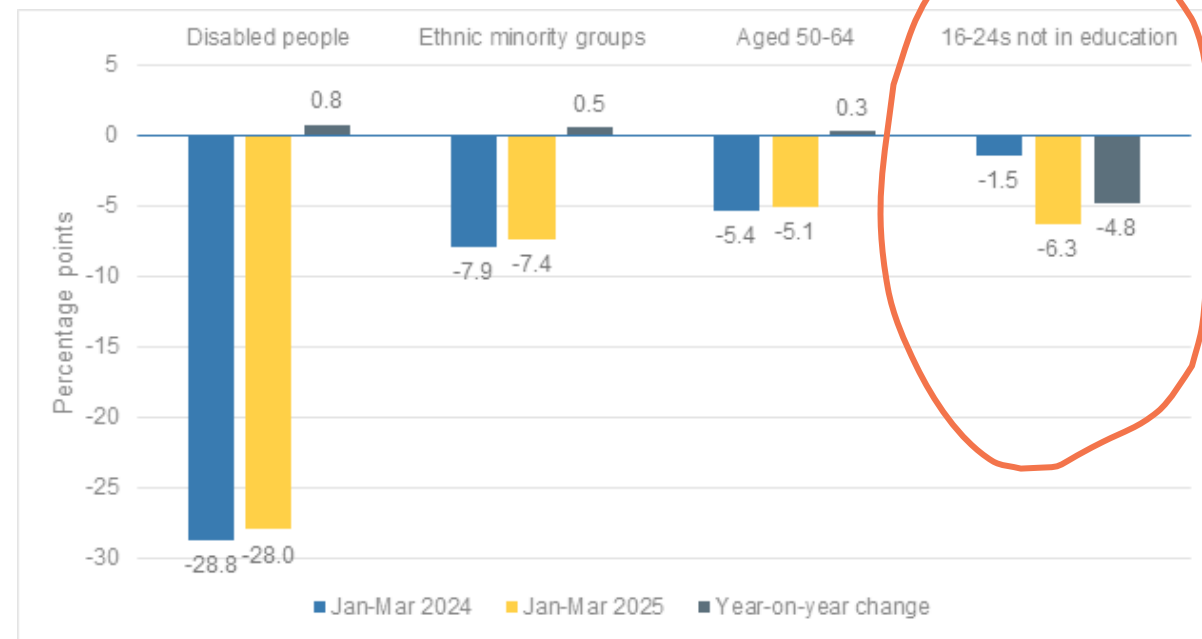
26 June 2025

Rising youth inactivity and an employment gap

Inactivity by age group indexed to 2020

Employment gap for different groups

Source: LFS, May 2025

At same time as falling labour market demand

14 industries show a quarterly fall in vacancies

- Total services (45,000), professional services (11,000), construction (9,000),and manufacturing (8,000)
- Estimated UK vacancies 736,000 Mar-May 2025, decrease of 63,000 (c.8%) on the quarter and 150,000 (c.17%) on the year

Payrolled employees decrease by 55,000 Mar-Apr, 115,000 (0.4%) on the year

- Highest decrease for professional services (18,000), construction (16,000) and accommodation and food services (10,000).

Source: LFS, June 2025

Gnarly issues and long-term experiences
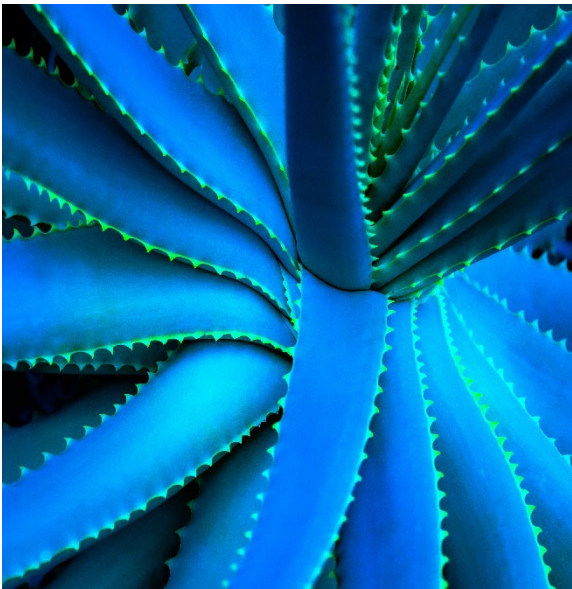
Multiple, interacting risks e.g. SEND, geography, low qualifications, ethnicity - all compounded by economic disadvantage. Good qualifications are a game changer but don't impact equally (*Impetus Youth Jobs Gap 2025*)

Increasing school absence (suspensions and exclusions), mean young people miss out on chances to get good qualifications; disruptive behaviour dominates decisions to suspend or exclude (*DfE education statistics*)

Poor mental health: referrals for young people increased by 50+% 2020/21-2022/23. MH disorders account for 45% of overall disease burden with significant suicide risk (*Health Foundation, 2025*) c50% of inactive group disabled with MH as primary condition (*L&W, 2025*)

Almost half of those who are NEET at age 16/17 are still NEET one year later. Almost half of those who are NEET at age 17/18 are still NEET one year later. … There has been a steady rise in the proportion of 18/19 year olds who are NEET since 2000 (*Crawford et al, 2011*); High proportions of those NEET have not worked (*L&W, 2025*)

How do we best reach young people

1 Stemming the flow, resetting paths in education

2 Reaching those on the edges of the education and employability system

3 Supporting diverse needs, interests and capabilities in education & employment systems

4 Enabling different paces and readiness within employability support models

Being there for the long term for those who need it?

General principles for effectiveness

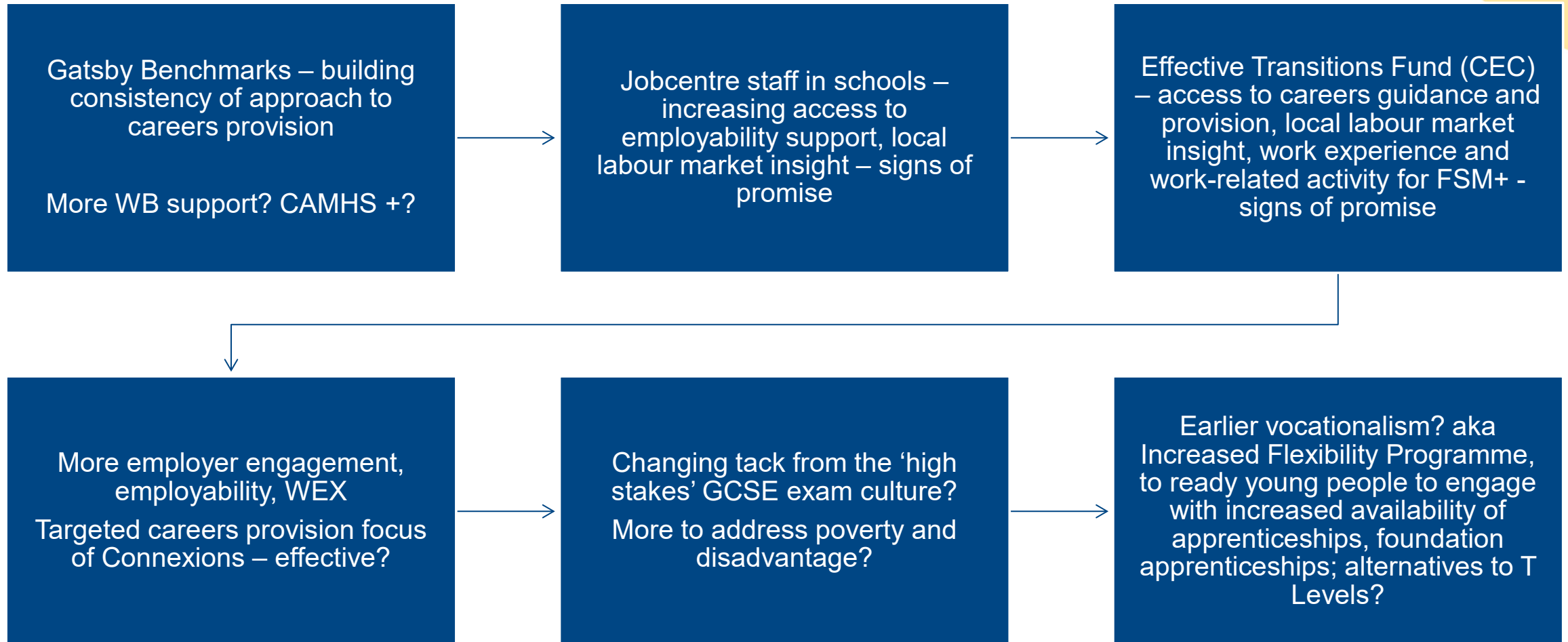| Domain	What works
Identification and engagement	Defining, identifying, reaching, engaging, enrolling disadvantaged young people NEET through outreach, inter-agency working, financial support and incentives
Advisory support	Planning for, preparing and navigating the employment market (including careers, job search/ matching/ brokerage, transitions)
Capability	Job-specific and employment-related skills (including employability, essential skills, industry/general accreditations, work-related training)
Barriers	Managing/overcoming specific barriers, e.g. health, disability, impairments; MH&WB; caring; care leaving; transport; language
Employers	Engaging; improving understanding; changing behaviour; incentivising employment
Retention/ progression	Workplace support; address under-occupation; under-employment; movements out of insecure/low progression work

Funding for sustained support?

Stemming the flow, resetting education pathways

Gatsby Benchmarks – building consistency of approach to careers provision

More WB support? CAMHS +?

Jobcentre staff in schools – increasing access to employability support, local labour market insight – signs of promise

Effective Transitions Fund (CEC) – access to careers guidance and provision, local labour market insight, work experience and work-related activity for FSM+ - signs of promise

More employer engagement, employability, WEX
Targeted careers provision focus of Connexions – effective?

Changing tack from the 'high stakes' GCSE exam culture?
More to address poverty and disadvantage?

Earlier vocationalism? aka Increased Flexibility Programme, to ready young people to engage with increased availability of apprenticeships, foundation apprenticeships; alternatives to T Levels?

Reaching those on the edges of employability and education systems – 16-18 year olds

Place-based and community inc MH&WB support eg Youth Hubs; Youth Clubs

Connectiveness in local systems

Options for education and training, and ongoing retention support

Incentives supporting employment experiences Apprenticeship Grant for Employers; wage subsidies in times of crisis

Room for innovation to address barriers and obstacles

Re-engagement programmes offering tailored and personalised support eg Youth Contract 16-17; Activity Agreements; Entry to Learning; ESF/SPF

Reaching those on the edges and in the employability and education systems –18-21+ year olds

Place-based and community inc MH&WB support eg Youth Hubs

Incentives supporting employment experiences SWAPS; Apprenticeship Grant for Employers; wage subsidies in times of crisis (Kickstart & FJF)

Connectiveness in local systems
e.g. primary and community care, MH services/IAPT, employability support and employment services

Room for innovation to address barriers and obstacles
e.g. youth guarantee commitments on transport barriers, better integrating between different regimes (ala green paper ambitions)

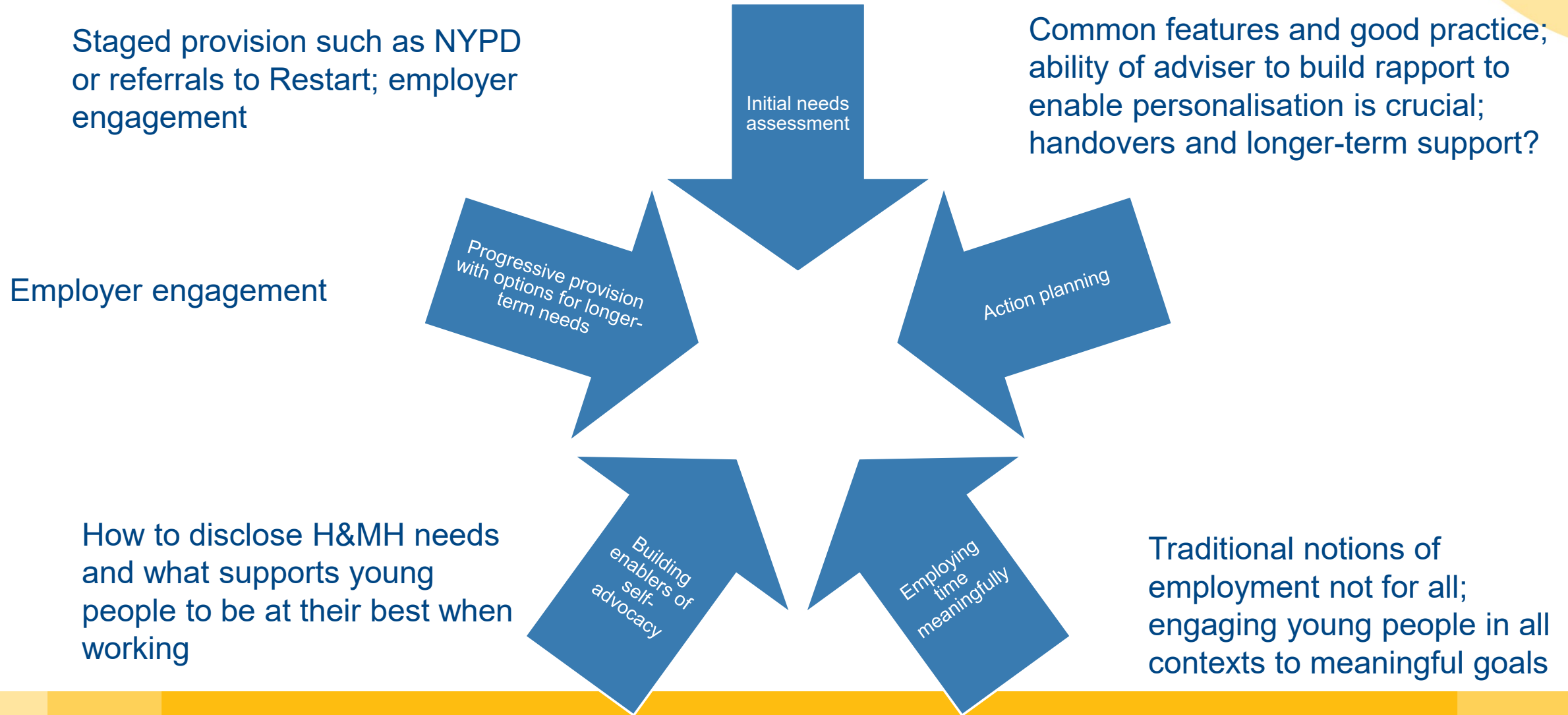Options for education and training, and ongoing retention support

Supported employment and IPS-type place and train support models?

Re-engagement programmes offering tailored and personalised support eg NDYP; Kickstart; ESF/SPF

Understanding diverse needs, interests and capabilities

Staged provision such as NYPD or referrals to Restart; employer engagement

Common features and good practice; ability of adviser to build rapport to enable personalisation is crucial; handovers and longer-term support?

Employer engagement

How to disclose H&MH needs and what supports young people to be at their best when working

Traditional notions of employment not for all; engaging young people in all contexts to meaningful goals

Initial needs assessment

Progressive provision with options for longer-term needs

Action planning

Building enablers of self-advocacy

Employing time meaningfully

Enabling different paces and readiness

Incremental pathways building towards an agreed work or learning outcome. Generally young people who had a work or learning focus at the start, although not necessarily a specific objective within that aim

'Scattergun' trying out lots of different activities to form clearer goals. Common among those with no clear focus at the start. Goals began to crystallise into more coherent activities from around 10-12 weeks onwards but not for all

Starting with a burst of activity and 'tailing off' into Adviser meetings and job search. Common among young people were set on finding a job. Difficult to keep some of these young people engaged/active if they would not consider doing any other types of activity.

Several weeks to get started on activities other than the Adviser meetings. Often young people who had severe problems with mental health, self-confidence and self-esteem and/or who faced multiple barriers to progression.

Source: Activity Agreements Pilot Evaluation: Provision Study; 20 weeks x £20 in return for participation in tailored and personalised support to EET

Closing thoughts

Increasing needs among young people present in education, with increasing risks of missing support in education > longer, more entrenched inactivity over time

Policy levers and connectivity needed across education, employment and health systems

Voluntary options and statutory support with rights and responsibilities?

Retaining knowledgeable, effective advisers through changing funding schemes

Sustained funding to young people and connected approaches in the longer term

Thank you

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