

Youth Unemployment

A deep dive into 'what works'

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Youth unemployment ...at a glance

Education & Skills

- **YP leaving school without minimum educational attainment** for work or further study, usually leading to a lifetime of low wages. E.g. basic literacy, numeracy and digital skills are a minimum requirement but in the WM region 30% of NEETs hold qualifications below level 2, and recent GCSE results indicate most YP fail to achieve L2 (grade 4 pass) in Maths (53.9% vs 61% nationally) or English Language (60.1% v 64.2%).
- **Negative experiences of compulsory education** leading to fear of learning. Often challenges stem from undiagnosed learning or behavioural difficulties so that needs are not identified, supported or developed.
- **Vocational courses can be highly effective tools at equipping skills** and confidence but do not dovetail into integrated models of support.

Work Readiness & Careers Guidance

- **Insufficient exposure to work experiences** Employers report concerns about work readiness and employability skills (e.g. team working, problem solving, managing themselves). Yet many employers do not offer placements because of negative past experiences, or insufficient resource to prepare and supervise YP. Stronger relationships between local providers and employers could engage employers who want to offer opportunities but do not know where to begin.
- **Little or inequitable access to high-quality careers** education, information, advice and guidance to help YP understand the labour market expectations, identify potential career opportunities and align engagements to secure progression.

Labour Market and Job Opportunities

- **Perception the 'right' YP is not available for the job.** Encouragingly, employers want to engage with the youth labour market to secure a future talent pipeline but have issues with recruitment. This is compounded by high vacancy demands and skills shortages in the region, often leading to SMEs prioritising experienced older workers due to perceived risk and costs to business in time, errors and lost capacity.
- **Disadvantaged YP are not usually targeted when employers recruit, missing out on untapped talent.** There will be different reasons for this – such as business pressures that do not allow sufficient time, limited relationships with local education providers, and perception that YP are disinterested or too challenging to support. However, the evidence also points to labour market discrimination which affects economic return.

Health, Wellbeing and Wider Inequalities

- **Being out of education or work significantly affects YP confidence,** their resilience and mental health.
- **YP from disadvantaged backgrounds and particular racialised groups are disproportionately likely to be NEET or underemployed** than their advantaged peers. For many, where you live has correlation to access of opportunities and outcomes, imposing a high cost to YP, communities and the economy.

System level

- **Tackling youth unemployment is complex and requires long term sustained investment.** National policy should reflect place-based contexts for strategic coherence and effective interventions but is too fragmented.
- **The employment support system is difficult to navigate** and is off-putting to employers.

What works?

Strategies for addressing youth unemployment

What works in supporting young people (1)

Timely interventions and early action

- 1. Strategies must prevent YP from falling into risk.** Actively targeting timely support to ensure YP, particularly those from disadvantaged backgrounds, do not leave education without any (or too few) qualifications can have a significant impact on those at risk of becoming NEET or experiencing low paid or precarious employment. This requires accurate identification of an at-risk young person as early as possible, perhaps through tracking systems, and drawing on evidence to inform approaches.
- 2. Proactively help under 18s at risk of becoming NEET to transition to another learning provider or specialist support.** Disadvantaged YP who have had negative experiences of education are more likely than their advantaged peers to leave education early. Enabling a managed transition should safeguard equitable access to skills training and pastoral care. Vocational courses are found to increase YP's chances of securing employment and progression to work, because it provides relevant and meaningful skills development. This will in turn significantly improve YP's confidence and self-esteem. However, evidence suggests vocational training is not consistently delivered and requires strong partnerships between education providers, VCS organisations and local government so that YP do not fall through the net.
- 3. Ensure adequately qualified staff undertake specialist assessments of learning difficulties or behavioural conditions,** enabling at-risk YP to access reasonable adjustments, and therefore be better placed to benefit from teaching, learning and assessment methods. This is likely to reduce the potential for YP to leave education without qualifications. Many YP go undiagnosed, particularly those from disadvantaged groups, racialised communities and females. This can affect engagement with employment opportunities since YP will continue to face challenges e.g. when completing administrative tasks at work, but they may not necessarily understand why. The evidence suggests diagnosis has a positive impact on confidence about their learning style and workplace interaction because YP will understand their needs, be able to manage their challenges with their line managers.
- 4. Good and timely access to high-quality careers education information, advice, and guidance is essential** in helping YP better prepare for the labour market and manage their expectations about what employers will be looking for, so that they can engage in the right programmes for them. YP are generally ambitious, but need help to understand what careers or sectors they might like to enter, where to find information, and help in translating this information into practical actions. Navigating between systems is confusing and one stop shops or co-location of services helps avoid additional barriers to engagement. Youth Hubs can be highly effective vehicles in this context, as many YP will either already be familiar with their services and know (or trust) staff – or have friends who know its offering – and therefore more likely to ask for help. This is especially important for NEETs where finding careers advice will not be obvious and the locus of responsibility is unclear.

What works in supporting young people (2)

Individualised and tailored approaches

- 5. YP experiencing long-term unemployment require tailored holistic support.** Many YP, and especially NEETs, have complex issues which intersect with issues of trust, identity, and belonging. Their different needs are unlikely to be met through a one-size-fits-all approach. Many YP feel marginalised and disconnected, and need personalised guidance and support that put them at the heart of the service so they can rebuild their confidence and regain a sense of agency over their lives. Whole-person packages that address barriers such as better vocational training including skills matching, employability skills, health and wellbeing, independent living and life skills, and housing, are all vital to achieve sustainable outcomes.
- 6. YP closer to the labour market, or who are (re)engaging in skills development, require support to face new challenges and anxieties.** Some may struggle with traditional models of education because of past experiences and therefore skills provision should be designed to look different to compulsory education, adopting flexible approaches so that the YP can attend, noting that some are likely to have other commitments including caring responsibilities. Clear alignment to the YP's ambitions and interests will secure better engagement, as will effective diagnostic assessments that tailor teaching and assessment. This may include assessment of learning difficulties and sessions with careers advisors. Managing the transition between unemployment and study can be challenging and working with a specialist coach or employment coach can be highly effective means to help YP strengthen their resilience and preparation skills for example learning how to interpret job adverts and complete job applications, preparing for job interviews, and develop appropriate self-reflection strategies to cope with rejection and/or feedback from recruitment processes.
- 7. YP not in education employment or training (NEET) require longer term investment and consistent support.** Having a trusted and consistent advisor or mentor is key as many will have had fragmented relationships and may not have stable personal circumstances or support network. YP need to believe support can make a difference to them achieving their personal goals and overcoming their contextual, personal and situational barriers. A consistent advisor can help sustain engagement, build trust, and develop agency so that the YP can keep momentum towards their goals.
- 8. Financial support is central to helping struggling YP stay the course.** Evidence indicates there is a relationship between being from a disadvantaged background and increased difficulty accessing labour market opportunities, described as 'Double Disadvantage' by Youth Futures Foundation (2020). This shows that where you live can impact on outcomes and access to opportunity, affecting YP disproportionately. Many YP affected by unemployment are from disadvantaged backgrounds and will come from low-income households, live in poverty and/or with debt, and lack the financial resilience to be able to access training or means to travel to better paid jobs. Integrating bursaries or subsidies into employment and training programmes should have a demonstrable positive impact, but only when combined with tackling individual skills and employer involvement.

What works in supporting young people (3)

Support with work readiness and preparation for work

- 9. Better access to equitable careers education information, advice and guidance and work experience placements is critical.** YP often lack the skills needed for work and/or to find work. Meaningful work experience is shown to have a positive correlation in securing work (and careers) because it builds their confidence and self-esteem (and in turn mental health) and helps them develop and apply demonstrable skills. Such opportunities provide YP insight into workplace culture and practice, and for employers the chance to learn about future talent and growth for their businesses. However, one or two short work placements are unlikely to be effective and YP will need systematically embedded opportunities (ideally at least 4 or 5) so that they can contextualise and strengthen their employability skills.
- 10. Multiple pathways to work, through embedded skills development and targeted employment programmes, will help YP get onto, and stay on, the good jobs ladder.** There is strong evidence that apprenticeships are highly effective ways to support disadvantaged YP because programmes are structured and apprentices have added labour market protections, that would otherwise be unavailable to YP. According to the Youth Voice Census, apprenticeships also result in higher confidence and satisfaction levels than other training programmes. Pathways which facilitate skills entry to apprenticeships and improve basic skills in maths, English and digital can help counter barriers that have disproportionately prevented disadvantaged YP from progressing. E.g. non-achievement of GCSE English and maths seems to be a gatekeeper to acceptance onto an apprenticeship.
- 11. Preparation for work should opportunities to develop and practise social skills.** Interventions should also enable access to extra-curricular activities and volunteering, enterprising opportunities, and positive networks, alongside work experience and careers guidance, to provide essential personal and social development. Such opportunities help YP practise their informal skills that can help build rapport at job interviews with employers and other workers – which can be a barrier to securing employment or staying in a job.

What works in engaging employers (1)

Increasing engagement, co-developing skills, and addressing myths about young people

1. Employer-led programmes such as Movement to Work, or co-created skills provision can better address the needs of local employers.

The research is clear that without senior leader buy-in engagement will falter because senior leaders will be concerned about the overall business operation and growth. Such approaches therefore can help senior leaders in SMEs see the value of engagement and how investment can translate into their operating model. E.g. in small businesses capacity and costs will be at the forefront of employer considerations and therefore models that build employer expectations are more likely to result in success. This requires both education providers and employers building stronger relationships to inform curriculum and design programmes so will add value to the employer and YP. Some medium to large employers also work with specialist intermediaries who understand the specific challenges for unemployed YP, particularly those from disadvantaged backgrounds, which could strengthen collaborations and the resilience of the programme offering. This would ensure YP are supported via different channels. Further where several small employers are keen to support YP but worry about capacity, they could pool their offering, perhaps themed around a technical skill or industry, and manage delivery, similar to job rotation models.

2. Working with partners and intermediaries to promote and raise awareness through simple messaging and signposting can help employers navigate the system and boost engagement.

Many employers want to help YP but do not know how to get started, while the range of employment support programmes can be confusing and off-putting. Schools, colleges and universities should seek to work with and build closer relationships with local employers systematically, potentially co-ordinated at a local or regional level. This can improve the availability of work experience opportunities and provide insight into employment support programmes that employers may not have considered before. Providers are also able to identify employers who can offer high quality apprenticeship opportunities. For YP, the relationship can facilitate awareness of local job opportunities. Stronger relationships can give confidence to employers with poor past experiences to re-engage and offer opportunities with support and guidance.

3. Peer employer support networks can encourage other employers to engage.

Many large, medium and small employers are already active in this space and have developed effective mechanisms to support the transition to work. Showcasing these positive experiences can help mitigate worries and concerns employers have because experienced employers can serve as champions and pathfinders for inexperienced or unsure employers. Youth Futures Foundation research emphasises the need for employers to have realistic expectations about what YP can do when they first begin work, accepting that they will be new and successfully transition into work.

What works in engaging employers (2)

Supporting employers to understand the benefits of employing young people

- 4. Investment into good quality induction, regular check-ins and patience can strengthen transition into the job and increase retention of YP.** Employers, particularly SMEs, worry they will not see a full return on their investment because YP will move onto better paid jobs and therefore want to be sure they are investing in the 'right' candidates who will be loyal to the company. However, evidence suggests employers should invest more into their relationship and development. Being clear about requirements and expectations through the recruitment process can help, as can thorough inductions, enhanced supervision and patience as the YP adjusts, and regular check-ins to ensure they are happy and their needs are being fulfilled. Other inclusive approaches include being prepared to dedicate sufficient resource to make it a success, including job shadowing. Some employers have said it is unrealistic to expect YP to stay because it is natural for many to move between roles as they find their place in the labour market. However, if the concern is about return on investment, some employers suggested the best way to combat this barrier was to provide training and support from an early stage to get the young person 'up to speed' quickly which will reduce the level of supervision needed, and then the organisation can benefit from productivity earlier on.
- 5. Intermediary VCS organisations can help employers broaden their recruitment market to attract untapped talent.** Many employers are committed to doing more, but do not know how best to attract and retain YP from disadvantaged backgrounds, consequently missing out on untapped talent. The evidence suggests many employers have not considered this option, likely due to lack of awareness about how to reach these groups, and time or resource but potentially also due to labour market discrimination. VCS organisations could help SMEs navigate the complex landscape of youth employability and access advice and guidance on how to reach the most disadvantaged YP to help employers meet vacancy needs. Businesses have indicated this would be valuable and the evidence suggests helping employers identify and match relevant opportunities to potential talent will be beneficial for scaling up engagement. This could be enabled through closer relationships with providers and careers leads to align delivery to local labour market demand.
- 6. Updating recruitment practices to utilise inclusive approaches.** Employers need support to adopt more inclusive hiring practices to ensure they are reaching, attracting and hiring a diverse workforce including future talent pipeline. This includes practical support to adopt interactive communication methods that are better suited to YP, being flexible with job requirements and minimum entry expectations, reviewing job adverts and its language (e.g. encouraging applications from under-represented groups, including information about wellbeing support and staff networks in its talent package), using competency-based questions looking for potential rather than specific experience, and providing feedback to unsuccessful candidates to support their development or signposting them to other opportunities in the supply chain. Upskilling HR staff to ensure processes for recruitment include unconscious bias training to support staff can also work. Other inclusive approaches can include sharing details of the organisational culture and values in job adverts so that YP with learning difficulties for example, are encouraged to apply.

What works in engaging employers (3)

- 7. Investing in the leadership and management skills for supervisors can better equip them with the tools to support YP.** Allocating sufficient time for supervisors of YP is important given their frontline responsibility for young people, as is providing peer support for the supervisor to work through potential issues they may identify in their own development. Some employers also give their young people pastoral care through mentoring and line enhanced ongoing management support but stressed that this is to ensure their wellbeing, rather than being aimed at the skills and experience gained on the job. This involves asking YP about any concerns they have and ensuring they feel heard, that they are comfortable in their role/department and that they are not having issues with any other members of staff to manage potential conflict early. In addition to regular check-ins and enhanced supervision, monitoring of progress can be an effective way that line managers support the development and engagement of YP. This can also provide opportunities for YP to build rapport and trust and disclose learning difficulties for reasonable adjustments – an important support for YP who may be undiagnosed and struggling at work. Employers who have had success in working with YP have reported that being proactive with supervision, reduces the burden associated with hiring YP. Such practice also has a positive overall impact for the business in terms of the workforce through inclusion, culture, job satisfaction and turnover, as well as for YP who will be anxious and want to do well in their job.
- 8. Employer incentives can encourage hiring of YP.** Access to funding and subsidies (e.g. to cover wages and training) can be an enabler, particularly for small businesses, where without senior leader buy-in, the allocation of resource and staff time is less likely to follow, which has knock-on effects for the YP's experience and the employer's perception of success. The research suggests providing financial support is more likely to help businesses grow and create vacancies for YP to enter the labour market.

What works in creating an ecosystem that better supports youth employment

- 1. A strategic approach to policy formation and implementation should align priorities at national, regional, and local levels** is key to driving long term sustainable change. The locus of responsibility – or accountability – should be clear at every point of the policy. Currently no single government department or organisation owns YP who are NEET or post 18 YP who are economically inactive.
- 2. Policy and interventions should be evidence-led and utilise coordinated data** to ensure a shared understanding of the local and structural challenges and/or inequalities affecting youth unemployment. Clear identification of need, consistent measures and strategies that work can ensure the whole system is driving in the same direction and that prioritisation of YP are more likely to be evidenced. As part of this policy, frameworks should incorporate opportunities for lessons learned, best practice sharing, and identification of policy evolution, including at a national level. This approach helps all stakeholders maintain priority and insight into the challenges effecting YP in the labour market and allow for the policy to flex and adapt. Flexibility and limited scale pilots can help to continually inform the evidence base about what works and support system-wide improvements.
- 3. Local approaches should encompass holistic needs and target the most disadvantaged.** This should utilise local collaborations and partnerships so that those most at risk are not overlooked. This requires tailored understanding of the local contexts and challenges YP experience so that support is effective at closing gaps. Identifying and addressing poor visibility of existing local services and employment support programmes can help YP understand where they can go for support. Evidence shows that Youth Hub models are effective tools as services will be co-located and YP will not have to experience the barrier of extensive travel in order to engage. This can also have the added benefit of pooling specialist expertise to feed back into policy implementation, review and adjustments. Building better connectivity between transport, housing, health and wellbeing, and digital communication can strengthen interventions, recognising early intervention is a central feature of what works.
- 4. Government should give practical advice and support to help employers/SMEs to engage.** The youth employment support landscape is fragmented, complex and difficult for employers to navigate. As a result, employers with job or apprenticeship opportunities can be put off from engagement. This can include simple guidance on how employers can access YP or gateway organisations; how to structure placements, induction, training, and pastoral care for a YP; how to adopt inclusive recruitment practices and off the shelf tools to embed good practice, including interviewing for potential. These arrangements are particularly important to help SMEs work with YP from disadvantaged backgrounds. Access to other employers who have successfully supported YP and have similarities to their own operating context (e.g. size, industry) can help. Specialist VCS organisations can also provide useful guidance for employers and serve as intermediaries between them and YP.
- 5. Young people's voices should be central to policy and practice** ensuring their direct experiences are heard and incorporated. Co-created interventions are more likely to secure commitment of YP because they will have a demonstrable say in what happens to them. Similarly, co-designing clear, accessible, youth-friendly information on opportunities or support for YP with YP can also help. E.g. information on the practicalities of self-employment and where YP can get further help is shown to help self-employed YP struggling in the labour market.

Young person and employer perspectives

Challenges to tackling youth unemployment

The young person perspective (1)

- **Disadvantaged groups correlate with higher likelihood of unemployment, low skills/qualifications and becoming NEET.** Youth Employment UK research suggests there is an interplay between economic and social deprivation and place. Ethnicity and Disability also. This adds complexity and intersectionality that require place-based interventions to reflect local challenges. YP need support to overcome their disadvantage, including discrimination in the labour market. A rapid survey of YP from ethnic minority backgrounds, found that many are worried their ethnicity is a barrier and 7 in 10 experienced at least one form of discrimination in the workplace, impacting on their attitudes towards future prospects. [*Youth Employment UK (2023); Youth Futures Foundation (2020; 2022); Learning & Work Institute (2022); EDSK (2022); Speckesser (2019)*]
- **YP want to work and fulfil their potential but also worry they do not have the skills or experience needed to progress.** The qualification system is providing insufficient preparation with educational delivery too closely focussed on meeting standards. Embedding skills delivery into courses can strengthen YP transitions. EDSK suggests vocational courses can be highly effective in improving communication skills, teamwork, interpersonal skills and overall employability. The extent to which employability skills and work readiness is a worry for YP is visible in the recent Youth Voice Census (YP report barriers include lack of work experience (50.6%); not having the right skills (24%); no jobs where they live (19.8%)). Youth Ambassadors point out YP understand the value of employability and place high importance on work experience, not just to find out about different sectors and the workplace, but to also build their confidence and self-belief, which is a significant barrier and impacts on their broader health and wellbeing, and likelihood to stay in work. The research indicates access to work placement opportunities is essential alongside embedded skills delivery. But for NEETs this issue is heightened since the locus of finding help to return to skills or employment is not obvious. Learning & Work Institute found NEET young people said the most reported reason for not looking for work after mental health problems or disability, was unsuccessful job applications, a lack of confidence for work and insufficient work experience. [*Youth Employment UK (2023); Youth Futures Foundation (2020); Learning & Work Institute (2022); Impetus (2023); EDSK (2022)*]
- **Timely careers information, advice and guidance is critical but access is inequitable.** YP need help to understand the labour market and navigate the wide range of careers, learning, and job options available to support transition, yet some experience discrimination when trying to access help (28% of minority ethnic YP said they have experienced discrimination with careers advisors). The recent APPG report on youth unemployment finds careers services are not sufficiently tailored to local labour market needs or local employment, education and training opportunities constraining what can be achieved for both YP and employers. Research points to the value of work placements as means to grow confidence and apply transferable skills. EDSK argues access to high quality careers guidance is key to levelling the field between groups, as well as helping to prevent YP from becoming NEET, because disadvantaged YP often face additional challenges when they try to identify and fulfil their career aspirations, including having low 'career self-efficacy', struggling to navigate the qualification landscape (especially young men) and having to deal with competing pressures (e.g. financial worries, caring responsibilities) impacting on time and capacity. [*Youth Employment UK (2023); EDSK (2022); Youth Futures Foundation (2020; 2022); IES (2020); Learning & Work Institute (2022)*]

The young person perspective (2)

- **The cost of disadvantage causes life-long scarring impacts and YP need financial support to mitigate this.** Low educational attainment, limited access to opportunities, labour market discrimination, poor mental health, a lack of housing, and living in poverty (and debt) means many YP disproportionately shoulder the effects. Youth Futures Foundation found from an analysis of wage disparities, for those from disadvantaged backgrounds education accounts for 80% of the wage gap with those from more advantaged backgrounds – the ‘employment gap’ – which has a negative effect on individual life chances that endures, imposing a high cost on them, society and the economy. Such impacts are well understood by YP reflected in the Youth Voice Census in which 4 in 10 do not feel safe where they live, 3 in 10 felt unsafe within their learning environment, 1 in 3 in work are struggling, and just under a half of those surveyed (total 4k) were not confident they would progress into a good job. YP desire better lives for themselves and their families (some are young parents too). Youth Futures Foundation survey of 2296 YP from ethnic minority backgrounds found they have a clear vision about their top priority for future work, earning a high salary (47%), as well as good working conditions, clear career and progression pathways, flexible hours and job security. Other elements included impact of work on mental health. For NEETs a job’s fit with their interest was particularly important. [*Youth Employment UK (2023); Youth Futures Foundation (2020; 2021; 2022); Speckesser (2019); Learning & Work Institute (2023)*]
- **YP do not feel they have champions in their corner and worry employers are not supportive either.** According to the Youth Voice Census, 33.1% thought employers were supportive of hiring them but nearly as many thought employers were unsupportive or very unsupportive (26.7%) and additional 40.3% were neutral. Those with additional needs were more likely to think employers were unsupportive. Disadvantaged YP and NEETs are more vulnerable to insecure work and lower hourly wages compared to older workers. PWC analysis suggests increasing wages may increase the incentive to work for some groups it will also increase labour costs which could lead to employers hiring fewer workers. This poses a dichotomy, since YP also need employers to create the opportunities and inclusive working environments in which they can thrive. Some YP are choosing to become self-employed as a solution but then continue to have the same struggles, compounded by the lack of support as self-employed. [*Staneva et al (2015); Youth Futures Foundation (2020; 2022; 2023); Youth Employment UK (2023); EDSK (2022); UK Youth (2021)*]
- **Underlying learning difficulties, behavioural conditions, and/or disabilities go undiagnosed, causing fear of learning, low self-belief and poor mental health.** This means YP do not receive the support they need in school/college, which for many can go on to fuel a fear of learning or distrust in conventional models of educational delivery. When YP progress to employment (or other study), this can resurface difficult or traumatic experiences effecting productivity, mental health, sickness. This can present as frustration that may contribute to the characterisation or labelling of YP as having challenging behaviour, low commitment and poor attendance, including by employers. Diagnosis can have a positive impact as YP feel a sense of validation for their work style and behaviour, better equipping them with tools to support their development.[*Youth Futures Foundation (2020; 2021; 2022; 2023); Learning & Work Institute (2022); EDSK (2022); Youth Employment UK (2023)*]

The employer perspective (1)

- **YP's lack of work readiness skills concerns employers and increases perceptions of risks/costs.** Senior leaders (particularly in small businesses) worry about timely return on investments and the impact of direct costs they will have to shoulder from mistakes and lost productivity when training inexperienced young people. Limited staff capacity and skills coupled with underdeveloped infrastructure to meet wider needs of YP (e.g. pastoral, financial, travel, technical and soft skills) can mean YP are overlooked in preference for older workers who are seen as less risk (or hassle). Employers feel education providers have a role in teaching work readiness skills and that careers' services should better prepare YP for the world of work. Yet many SMEs do not engage with providers (or vice versa) which reduces options to reflect employer needs and design in opportunities for YP. [*Youth Futures Foundation (2021); IES (2023); EDSK (2022).*]
- **SMEs generally have different challenges compared to large employers.** Large employers are more likely to have the resource and infrastructure to support YP's transition into work, including supervision for mental health and wellbeing. But size does not necessarily correlate to engagement. Understanding SME operating contexts effects likelihood of engagement and enabling realistic expectations into the benefits of hiring YP. SME motivations for considering YP fall into two themes: 1) fulfilling a business need (e.g. vacancies, managing costs of wages, or subsidised training); and 2) a moral or social responsibility described as 'doing the right thing' (e.g. helping YP get onto the career ladder, support the future talent pipeline). Under this second theme, SMEs leaders will be less concerned with the young person's immediate value to the company, and more of what YP might be able offer longer term and tend to achieve engagement as part of long-term planning. [*Youth Futures Foundation (2021); Futuregov (2021).*]
- **Subsidies are crucial if SMEs are to engage and balance business impacts.** Money is a key factor that influences whether a senior leader will decide to consider or offer YP employment because resource and commitment will flow from that decision. Whilst SMEs are worried about the cost and time it will take to bring a YP up to the required standard, leaders are also worried about whether the YP will stay once trained. Many employers recognise that a high-quality experience including good work is likely to reduce the risk because YP will be supported, motivated and engaged in rewarding work. Medium to large employers are more likely to acknowledge the risk and see it as an inevitable part of career progression and supporting the future talent pipeline. Irrespective of motivation, wage and training subsidies and government funded programmes such as Kickstart, can be attractive as part of a sustainable strategy, and counter other disincentives such as the apprenticeship levy which is seen as encouraging employers to offer apprenticeships to existing and senior staff instead of young and new recruits. [*IES (2023); Youth Futures Foundation (2021); Staneva et. al (2015); EDSK (2022); ILO (2022).*]

The employer perspective (2)

- **Navigating the system, even when employers want to hire young people, is a challenge.** The youth employability landscape is considered complex, difficult to navigate, burdensome, and off putting. Large employers will usually use intermediaries such as specialist VCS organisations, but many SMEs do not know who can help them and give up because the range of schemes is time-consuming to process. Unable to access government-funded schemes, employers miss out on potential benefits to their organisation, whilst also helping reduce the labour market challenges for young people. [*Youth Futures Foundation (2021); Youth Employment UK (2023); UK Youth (2021); ILO (2022).*]
- **Opportunities for work experience placements are not systematic because employers are not consistently asked or supported.** Youth Futures Foundation analysis of SME engagement found where placements took place, these were provided to under-18 pupils, from between two days to two weeks; with longer placements for 16-18-year-olds usually in the summer holidays. Longer placements tended to be ad-hoc, tied to a specific subject, and typically arranged through personal contacts. Some employers would offer a consistent annual opportunity via direct approach. Those that did not offer placements reported resource constraints, timing conflicts or concern about the time needed to manage it (21%), health and safety constraints (e.g. in manufacturing), or wariness about bringing young people into the business due to past unsuccessful experiences due to lack of work readiness or challenges with behaviour, retention, and attendance. One in nine (11%) SMEs said they had not offered placements because they had not been approached by anyone and 5% never considered it. SME feedback suggests most employers do not specifically target work placements at disadvantaged young people and those employers that did often used charities to reach potential candidates. Work placement experience has been found to both increase the odds of securing employment as in the case of DWP's 2011 work experience programme, but also YP have said that placements increase their exposure to employers, career options and critically, their confidence. [*Youth Futures Foundation (2021); DWP's Early impacts of Work Experience (2012) as cited in Staneva et. al (2015); Learning & Work Institute (2022)*]
- **Recruiting and supporting YP is time and resource intensive.** Large and medium sized employers who hire YP are more likely to have structures in place to facilitate recruitment, induction and development of YP and to work with intermediaries to guide staff and in turn, manage employer expectations. Investment in leadership and management skills of existing staff is vital to ensuring the whole organisation is better placed to deliver on its engagement and mitigate potentially poor experiences. SME feedback from Youth Futures Foundation research found senior leader sponsorship was more likely to result in resources / commitment to diversify the workforce and to adopt inclusive hiring practices (including being up front about expectations in job adverts, offering a flexible environment, and using the interview process to assess for potential). Such companies also invest in upskilling their supervisors who have frontline responsibility, including enhanced supervision for wellbeing and to resolve potential issues with other staff quickly so YP feel heard, use of mentors, and peer affinity networks. Investment in leadership and management has the added benefit of improving overall productivity for staff through inclusive environment, culture, higher job satisfaction, and reduced turnover. [*Youth Futures Foundation (2020; 2021; 2022)*]

The employer perspective (3)

- **Better engagement and stronger relationships with educational providers/local authorities could help tap into YP from underserved communities to meet high vacancy demands and improve outcomes.** SMEs report a lack of access to the 'right' young person to be a barrier to engagement, especially for smaller businesses. But some employers also acknowledged that they had not considered recruiting YP from disadvantaged backgrounds (e.g. those with disabilities and/or racialised communities). There are different reasons offered for this, including the risk of getting it wrong and the impact on finances or staff workload if it did not work out or the perception YP lacked the skills. Time poor SMEs are unlikely to go above and beyond their immediate business needs without support, although employers in Youth Futures Foundation 2023 study said people from underserved groups could offer new ways of thinking (31%) or change the mindset or prejudice of the organisation (28%). Other studies looking at experiences of YP from underserved communities would suggest labour market discrimination is an underlying influence for why disadvantaged YP are not supported or recruited. [*Youth Futures Foundation (2020; 2021; 2022; 2023); IES (2023); Learning & Work Institute (2022).*]
- **YP are not interested in starting a career in some industries because they think jobs are low paid or not glamorous.** Some employers reported a lack of demand or interest from YP as a barrier to their engagement or recruitment. Youth Futures Foundation research found employers from sectors such as manufacturing, health and social care, hospitality, and retail, believed their offering was less appealing to YP because they have struggled to recruit and report YP think jobs are poorly paid with little opportunity for progression. Employers believe YP also have a responsibility for being willing and open to change, even if they do not have the skills and experience to be 'work ready', such as to start work in an entry-level position. Research suggests some employers believe YP are willing to quit too easily because they have unrealistic expectations of the workplace due to inexperience, although meta-analysis from other research suggests this is inconclusive. It is possible that negative stereotypes of YP because of bad past experiences may be a reason. Learning & Work Institute's research on manufacturing excellence suggests young people are interested in roles / careers in manufacturing but lack knowledge or work experience in the sector. Whilst this relates to timely careers guidance it also ties into employers offering YP work experience. [*Youth Futures Foundation (2021; 2022); Learning & Work Institute (2023)*]

Systemic challenges

- **National policy and commissioned programmes/initiatives are fragmented.** This creates overlapping burden, duplication and undermines more coherent/coordinated action. The level of intersectionality and complexity associated with youth unemployment requires long-term concerted effort. This is particularly notable at national level where sufficient account of local contexts form missed opportunities. Impetus observes that responsibility for youth unemployment is fragmented, particularly between DfE and DWP, which underserves economically inactive YP (inc. NEETs), as they are not the responsibility of the DWP because they do not receive social security, and not the responsibility of DfE because they are aged over 18. [*Youth Futures Foundation (2020; 2022; 2023); Impetus (2023); Learning & Work Institute (2023); UK Youth (2021); ILO (2022); EDSK (2022); Staneva et al (2015)*]
- **Policy design should incorporate evidence-led interventions that connect into the local context.** The literature presses the importance of understanding the drivers affecting youth unemployment to ensure meaningful engagement. Youth Futures Foundation found employers were willing to change their behaviour and practice and utilise evidence-based resources and advice as motivation to address skills gaps (13%) , as well as partnerships with external recruitment services (13%) to increase their recruitment of people from marginalised groups. In this context evidence-led policy would help better focus action and showcase why and how they can make a demonstrable positive change. Failure to adopt place-based approaches has costs to YP, the economy and the community. Evidence suggests spending time unemployed under the age of 23 has been linked to lower wages even twenty years on and those who are NEET between the ages of 18-19 are 20% more likely to be unemployed even ten years later. [*Youth Futures Foundation (2020; 2021; 2022; 2023); Youth Employment UK (2023); UK Youth (2021); Impetus (2023); ILO (2022)*]
- **Absence of coordinated data limits timely impact of employment interventions, investments and changes in youth employment.** This is critical if local needs are to be reflected in national strategy and YP are to get meaningful support aligned to their needs. The International Labour Organisation suggests early policy interventions are the most effective for disadvantaged youths (including from childhood) and the Youth Employment UK propose accurate, accessible and granular data on YP employment, education and training status is vital for local actors to effectively target support and provision for YP and secure their engagement. [*ILO (2022); Youth Employment UK (2023); Youth Futures Foundation (2020; 2021; 2023)*]
- **YP need systems that strengthen social protections and tackle structural inequalities.** Different groups of YP are impacted differently and it is important to recognise this when designing policy interventions. Some YP will be closer to the labour market and require little support, whilst others will be further away and require a lot of support. This inequality is reflected across the spectrum of the literature when calling for collaborative approaches across public, private and voluntary sectors as Youth Futures Foundation do. Single interventions are ineffective because they will not address the wider, holistic needs of the whole YP which is central to sustainable positive outcomes. [*Youth Futures Foundation (2020; 2022; 2023); Youth Employment UK (2023); ILO (2022); Learning & Work Institute (2022); Staneva et al (2015)*]

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