

Youth Unemployment:

A generation in crisis

A report by Young Enterprise



March 2016



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Foreword

Youth unemployment is a blight on the lives of millions of young people across the UK and brings with it serious financial and social implications for productivity and growth.

Every major economy preparing for the future will look to the next generation as the source of fresh ideas, innovation and entrepreneurship. But with 625,000 young people aged 16-24 registered as unemployed¹ at the end of last year, the UK needs to take decisive action to enable young people to enter the world of work and be successful in their career.

The first step is to recognise that the problem lies not with teaching standards or academic attainment, but with our wider inability to prepare young people with the life skills needed to successfully enter the world of work.

Last year at Young Enterprise we delivered 338,340 financial and employability education learning experiences across the UK with young people aged 4-25. Our mission is to empower young people to discover, develop and celebrate their skills and potential. We work directly with young people, their teachers and parents, businesses and influencers to build a successful and sustainable future for all young people and society at large.

Academic attainment is only part of the journey to building a well-rounded workforce. Young people don't need sympathy, they need opportunity

That's why we've commissioned this study to examine the challenges facing the next generation and preventing them from gaining the employment opportunities which they deserve. The findings of this report are both startling and essential if we as a country are to address the crisis facing our young people.

Michael Mercieca, Chief Executive, Young Enterprise

¹ House of Commons Library Q3 2015

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871>

Methodology

Young Enterprise commissioned the survey among 1,000 16-18 year olds in full time education. The research was conducted online by polling company Morar, an international research organisation, in December 2015.

About Young Enterprise

Young Enterprise, incorporating pfeg (Personal Finance Education Group) is the UK's leading charity that empowers young people to harness their personal and business skills. Through our hands on employability and financial education programmes, resources and teacher training we want to eradicate youth unemployment and help young people realise their potential.

Our extensive network means we are supported by more than 5,000 volunteers and 3,500 businesses in schools, colleges and universities. We also support teachers in 18,000 schools to plan and deliver financial education programmes. For over 50 years Young Enterprise has worked with over four million young people across the UK to empower them to develop the knowledge, skills and attitudes they need for the world of work through enterprise.

Chapter One: Overcoming the obstacles

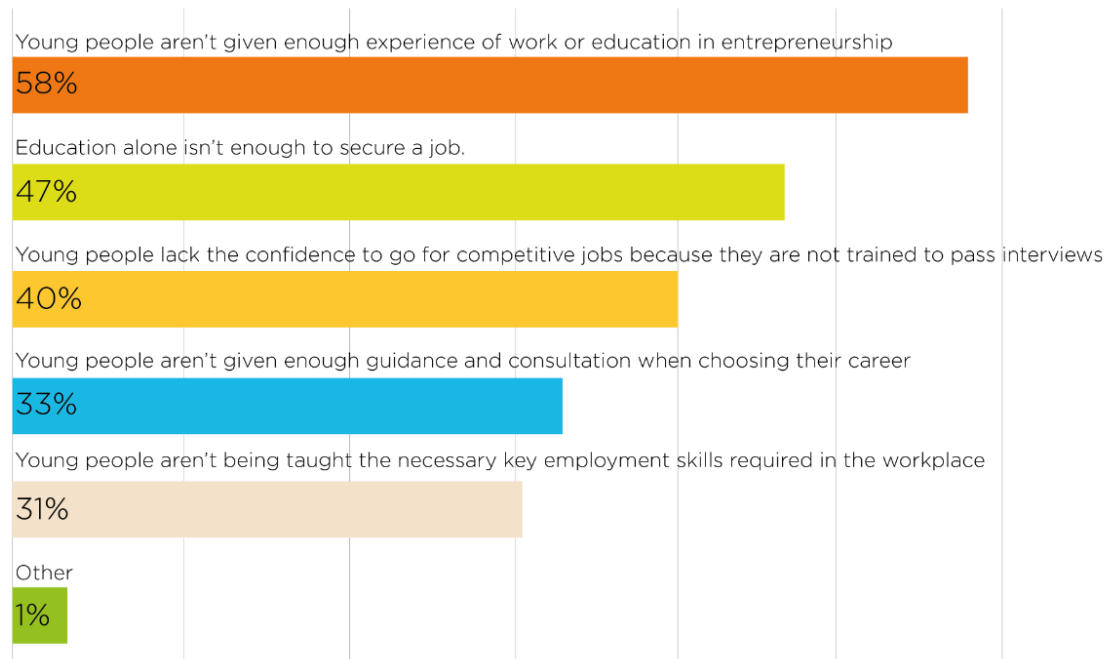
You could be forgiven for thinking that securing the necessary A-level results and degree classifications is the essential route to obtaining full-time employment. Indeed, the race for academic excellence knows no bounds with every school, college and university ruthlessly ranked annually in terms of performance in the majority of national newspapers and by a variety of industry bodies.

The obsessive focus on academic attainment does, however, often lead to the sidelining of many other important skills that cannot be measured or celebrated in a two hour examination.

But when it comes to the biggest obstacles in trying to secure a job, our research indicates that academic success does not always bring with it opportunity in the job market. 58 per cent of young people in school told us they believe they are not getting enough experience of work or education in entrepreneurship. A further third (31 per cent) said that they were not being taught the necessary key employment skills required in the workplace such as teamwork, confidence and problem solving.

The research also showed that nearly half of young people (47 per cent) recognise that an academic education alone is not enough to secure a job.

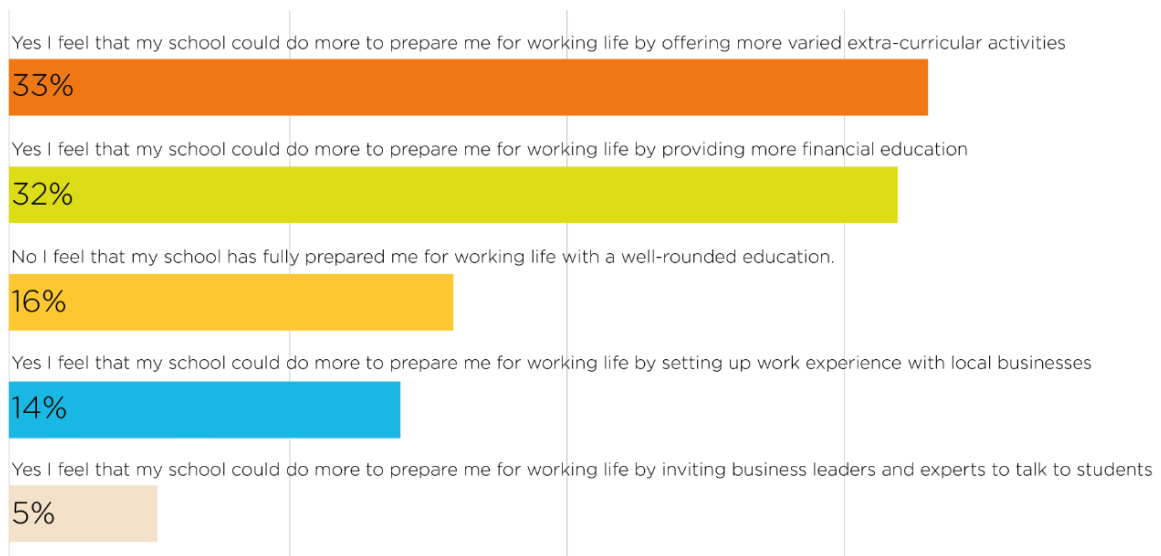
What do you believe are the biggest obstacles facing young people when trying to get a job?



With numerous applications for highly competitive work experience schemes, many young people who lack the family connections, financial means and resources to work away from home on unpaid internships will find themselves unable to secure placements to give them this extra element to their CV.

But it seems that when it comes to being mentored, young people and school leavers also feel they have not been given the necessary advice to improve their skillsets. This is reflected in the fact that 33 per cent of students said that they are not always given enough guidance and consultation when choosing their career.

Do you think your school could be doing more to prepare you for working life?



These findings underline the problems facing young people in terms of a lack of proper key skills training and advice on how best to apply themselves to a career.

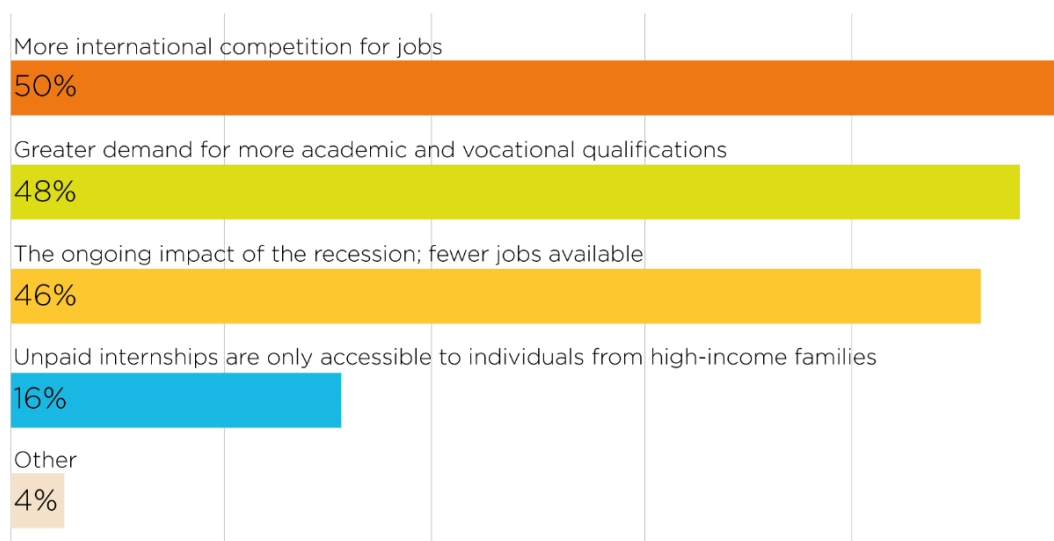
It also enforces the argument for more mentoring and business training in schools from third party organisations and experts, to give young people an insight into the skills they will need to develop in order to succeed in the world.

Chapter Two: Unequal Opportunity

The UK's high youth unemployment figures are symptomatic of a wider inability to properly prepare young people for skilled employment in the global world of work.

Half of young people (50 per cent) in our survey cite international competition for an inability to secure a job, while 46 per cent still blame the ongoing impact of the recession, saying that there are fewer jobs available.

Why do you believe it is harder for your generation to land a job than it was for your parents?



But these factors, whilst clearly inflaming the problem do not fully explain the UK's high numbers of young unemployed; currently at [13.6 per cent for October to December 2015](#), lagging behind comparable European economies such as Germany and Denmark's respective rates of [7 per cent and 9.9 per cent](#).

Looking more closely at the data on why it is harder for this generation to land a job than for their parents, 16 per cent say that unpaid internships are only accessible to individuals from high-income families. This is a reminder that for many working class students, the route to securing part-time or voluntary internships is financially problematic and unrealistic.

These findings are a reminder that far too many children and young people from lower socio-economic circumstances are at a disadvantage, even if they secure exceptional grades in school.

Therefore the case for deploying training and skills initiatives for this group of young people is compelling if we are to enable the talents of young people, from all backgrounds, in the future.

Chapter Three: Mind the Gap

The term 'NEET' (Not in Education, Employment or Training) applied to nearly 850,000 young people in the UK at one point last year.²

Whilst the volume of young people without a set career and development path is shocking, our research shows that it is now assumed to be a natural part of the post-education journey.

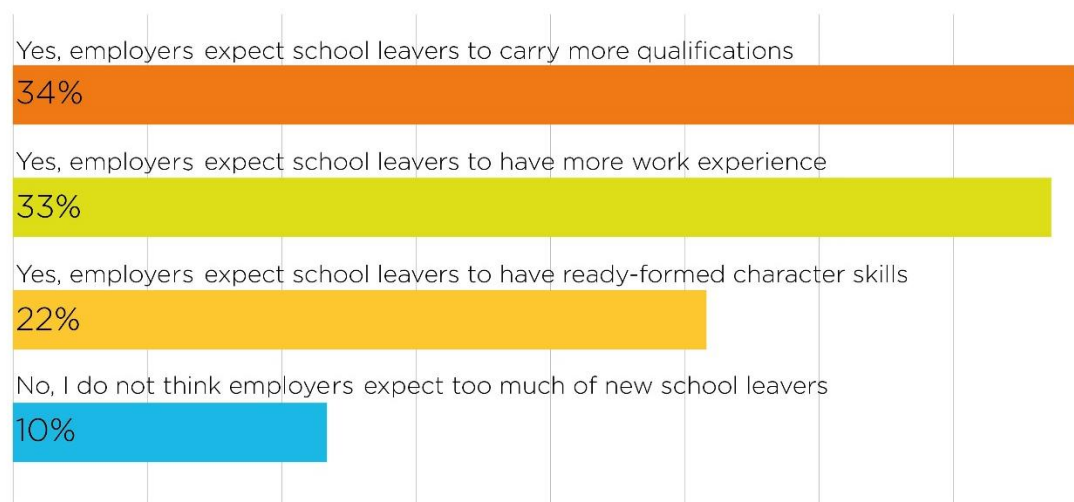
The survey revealed that the majority of students aged 16 -18 expect a significant gap between finishing their education and paid employment, with nearly a third (30 per cent) expecting to wait over a year before securing work. This is particularly concerning, as [research by the Prince's Trust](#) found that one in five long-term unemployed young people feel they have nothing to live for, and one in four have been prescribed antidepressants.

We cannot allow the assumption of unemployment to enter the psyche and career path of the next generation of young people. That's why it is critical to ensure that mentors and business training programmes teach the necessary skills to plan ahead and apply for the right jobs prior to leaving full-time education.

Our research showed that, overall, 90 per cent of respondents believe employers expect too much from school leavers, assuming they should be able to instantly adapt to the world of work and multitask in new environments. Of this figure, 34 per cent think employers expect too many qualifications, 33 per cent think employers expect too much work experience and 22 per cent think expectations around character skills development are too high. The current gap between education and employment is unacceptable and must be tackled immediately. By arranging more comprehensive programmes of financial education and key skills training through enterprise education during school time, teachers and businesses can ensure that students are receiving a fully rounded education and leave ready to enter the world of work.

² House of Commons Library: NEET data 2015 <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06705>

Do you think employers expect too much of new school leavers?



Conclusions and recommendations

Whilst academic achievement is important, the UK cannot continue to frame itself as an 'education nation'. Our research reveals that such an approach has led to many young people leaving school feeling they lack the necessary skills and experience to secure a job, while [OECD findings](#) show that young people in England are bottom of the developed nations table when it comes to basic literacy and numeracy.

Enabling the next generation of entrepreneurs means giving young people access to the most exciting, inspiring minds who have built businesses from scratch, whilst affording them the opportunity to experiment with their own ventures in school.

Based on our extensive knowledge of the challenges facing young people, and our own record of empowering 3.8 million people in Young Enterprise programmes across the UK, we recommend the following next steps:

1.) UK schools must take key skills, character development and leaver destinations into account alongside academic attainment, when reporting on success. This can be achieved through testimonials, experiences and keeping in touch with former pupils

- To achieve this, schools should develop young people's character through statutory status for Personal, Social, Health and Economic (PSHE) lessons in England at both primary and secondary level, with its own programme of study

- This should include providing a clear economic education programme focusing on both personal finance and enterprise education

2.) Financial circumstances should not dictate a young person's ability to get a job and secure an internship or work experience

- Schools in deprived areas, as identified by the government's Multiple Deprivation Indices, should prioritise engagement with external schemes and programmes with local entrepreneurs
- Simply delivering results in exams is not enough; young people who are disadvantaged by financial and social circumstances deserve to have access to resources to build confidence and skills

3.) The government work with employers to encourage more business leaders to act as role models and mentors in schools

- Young people should be confident and excited about the prospect of entering the workplace; charities, schools and businesses must work together to get them the employment they deserve
- Nobody who is keen to contribute and work hard should have to wait for the opportunity, so let's train the next generation with the skills they need to impress prospective employers and secure the opportunities they deserve
- The Government should work with teaching professionals to help develop a learner outcome framework for character education, building on similar work around financial education developed by the Money Advice Service.