

# OPPORTUNITY KNOCKS? FIRST REPORT OF THE YOUTH COMMISSION

July 2018

*In January 2016, NIACE and the Centre for Economic and Social Inclusion  
merged to form Learning and Work Institute*

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Learning and Work Institute is an independent policy and research organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

We bring together over 90 years of combined history and heritage from the 'National Institute of Adult Continuing Education' and the 'Centre for Economic & Social Inclusion'.

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## ABOUT LEARNING AND WORK INSTITUTE

Learning and Work Institute (L&W) is an independent policy and research organisation dedicated to promoting lifelong learning, full employment and inclusion. We research what works, develop new ways of thinking and implement new approaches. L&W brings together more than 90 years history and heritage from the National Institute of Adult Continuing Education (NIACE) and the Centre for Economic and Social Inclusion (Inclusion).

## ABOUT THE YOUTH COMMISSION

The Commission on Education and Employment Opportunities for Young People (Youth Commission) is considering the current education and employment prospects for young people, the likely impact of changes in policy and the labour market, and proposing new ideas for ensuring all young people have access to opportunity. It will run for one year and is kindly supported by Association of Colleges, Capital City Colleges Group, London South Bank University, NOCN and Prospects. Its commissioners are: Kate Green MP, Maggie Galliers CBE, Amy King and Jo Maher. Further details of the Youth Commission and its work can be found on our website.

### Supported by



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## EXECUTIVE SUMMARY

Young people in theory have a world filled with opportunity and longer lives to enjoy it. But for too many these opportunities are out of reach. Educational attainment is increasingly central to life chances, but more dependent on family background here than in other countries. Rises in insecure work along with stalled pay risk further divides within and between generations.

This is a tale of two countries and the challenge that our new Youth Commission seeks to tackle: how to ensure all young people have a fair chance in life.

### **One in ten young people are not in education, employment or training**

There are seven million 16-24 year olds in England, with half living in major urban areas. Just over one in ten young people, some 700,000 16-24 year olds, are not in education, employment or training (NEET) across England. Some groups are at greater risk: 70% of care leavers spend at least one year NEET by age 19.

### **Education attainment has risen but still average by international standards**

The UK is 3<sup>rd</sup> in the OECD for the proportion of 25-34 year olds qualified to at least degree level. But bottom half of the league table for intermediate and low skills. Our qualifications profile has been improving, but from a lower base and less quickly than other countries. A key gap is lower participation in technical and vocations routes in the UK.

### **Literacy and numeracy are particularly poor, with inequalities in attainment**

Literacy and numeracy are core to life and work, but England's young people have poorer basic skills than older generations and are below average compared to other countries. Partly this results from a wide distribution of outcomes – there is a bigger gap between our highest and lowest achievers than in many other countries.

### **Only one half of unemployed young people are on benefits meaning many miss out on help**

While one in ten 18-24 year olds are unemployed, only 1.8% is long-term unemployed down from 5.4% following the financial crisis. However, only one half of unemployed young people are in receipt of out-of-work benefits, limiting access to support to find work. There is also an increased prevalence of health problems and disabilities among young people out of work. This represents a hidden challenge that requires joined-up support.

## **Insecure work is more prevalent among young people, and the hangover of the Great Recession has hit pay and progression opportunities**

One in five young people are in various forms of insecure work and there are signs of a growing generational pay gap. This presents a new challenge: to combine flexibility, security and progression for young people. In the UK, rising wages are most likely to come from moving jobs. Yet since 2008 the rate of job-to-job moves by young people has fallen. This may have long-term impacts on their earnings prospects.

## **New polling suggests young people want greater work experience, but with class and age divides in what they think should be policy priorities**

Our polling shows the public are worried about these trends too, though young people are optimistic about their futures. Those aged over 25 are twice as likely to think young people will be worse off than previous generations. The polling shows some age and class divides in potential solutions. Young people are more likely to say they want greater experience of work. Those in higher socioeconomic groups are more likely to prioritise cutting university fees. No generation or class rated new grammar schools as a priority.

## **We identify five key challenges to raise attainment and narrow inequalities:**

- 1. Better supporting 700,000 young people not in education, employment or training**
- 2. Increasing the number of people qualified to at least Level 3**
- 3. Improving attainment in literacy and numeracy and other basic skills**
- 4. Creating a diversity of higher level learning routes through life**
- 5. Support job quality, career progression, and economic security**

Debate today is too often polarised between extremes. Yet the truth is more complex. Most young people get a good education and find their way into work and careers. But we have fewer credible vocational and technical education pathways than other countries. This makes initial choices much more decisive than they should be. Growth in insecure work and stalling pay present new challenges. The Youth Commission will look at how to create more pathways and ensure young people can find their way to and through them.

# INTRODUCTION

In many ways, today's world is filled by more opportunity than ever before. More young people go to university, it is easier to travel widely, and advances in technology put the world's knowledge at our fingertips.

However, there are also big strains and challenges. In recent history each generation has on average been better off than the previous generation. This has become an entrenched expectation, but is now under strain with the aftermath of the 2008 financial crisis, including changed employment opportunities and flat real earnings.

This overall picture also hides a diversity of experiences for different groups of young people. Social mobility – the chances of achieving higher earnings regardless of background – is lower in the UK than in many other countries and actually fell over recent decades. In addition, particular groups have lower life chances on average. Only 6% of care leavers go to university, and young adult carers are twice as likely to be unemployed as other young people.

These are the challenges the Commission on Education and Employment Opportunities for Young People (Youth Commission) seeks to address. How do we ensure every young person gets access to high quality education and employment that gives them a firm footing on the career ladder and helps meet the future skills needs of the economy?

## What do we mean by young people?

There is no fixed definition of young people. Definitions vary by organisation, government department and policy. The Youth Commission will consider those aged 16 to 24. Where appropriate this will be flexed, and experiences and influences before this age will be considered as needed. Our focus is on England, though many of the findings will have implications for systems in Scotland, Wales and Northern Ireland.

This first report of the Youth Commission examines the evidence on opportunities for young people and how they vary across England. It reports the findings of new polling on the views of young people and older generations on the current picture and what would make a difference.

## Overview of education and employment participation

More than six million young people aged 16-24 live in England (17% of the population aged 16-64).<sup>1</sup> The proportion of young people in different parts of the country varies from 13% in Richmond on Thames and Wandsworth to 32% in Nottingham and Newcastle, and of course young people move between regions for life, work and education.

Young people are more likely to live in urban areas than in rural areas. Around one in five residents of Combined Authority areas are aged 16-24.<sup>2</sup> In total, almost one in two young people in England live in the Combined Authorities (1.9m) or London (900,000). In part this reflects patterns of work and education (e.g. university locations).

Young people are far more likely to be in education for longer than previous generations. The proportion of 16-17 year olds in full-time education has risen from 65% to 86% over the last 25 years. For 18-24 year olds the rise is from 17% to 33%. In part the flipside of this has been a fall in employment rates for young people. Twenty years ago 20% of 16-17 year olds were not in full-time education but in employment. Today it's 5%. For 18-24 year olds there has been less of a fall, from 37% to 32%.

There are still around 700,000 16-24 year olds not in education, employment or training (NEET) despite the rise in education participation and the strength of the labour market over the last decade. For 16-18 year olds, NEET rates have halved over the last decade from 10% to 5%, but this still means 110,000 are NEET.<sup>3</sup> NEET rates have only fallen slightly for those aged 19-24 over the last decade (from 14.2% to 13.7%), albeit having risen to almost 20% in the aftermath of the 2008 recession. Rates also vary across England, from 14% for 16-24 year olds in the North East to 9% in the South West.

Rising participation in education and falling employment rates mirror international trends. However, compared to the rest of the OECD the UK has a below average proportion of young people aged 18-24 in education, an above average proportion employed and slightly higher than average proportion NEET.<sup>4</sup>

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<sup>1</sup> National population projections: 2016-based statistical bulletin, ONS, 2017.

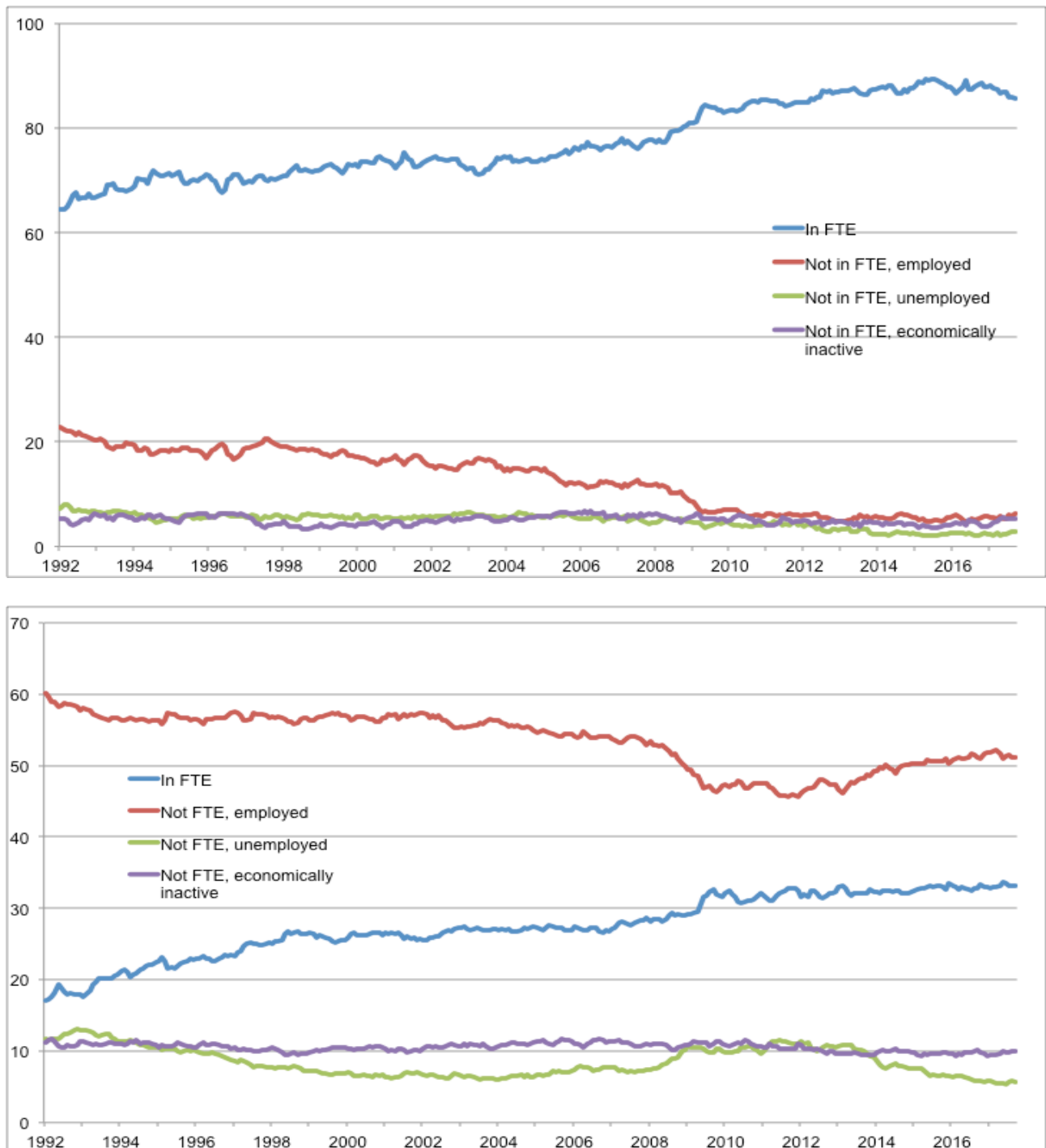
<sup>2</sup> There are seven Combined Authorities in England: Greater Manchester, Sheffield City Region, West Yorkshire, Liverpool City Region, North East, Tees Valley, West Midlands, Cambridge and Peterborough, and West of England.

<sup>3</sup> NEET statistics quarterly brief, ONS, 2018; Participation in education, training and employment, DfE, 2017.

<sup>4</sup> Education at a glance 2017, OECD, 2017.



**Figure 1: Education and employment status for 16-17 year olds (top) and 18-24 year olds (bottom)**



This data shows the picture at a particular point in time. Our research shows that around two million young people spend some period of time not in education, employment or training each year.<sup>5</sup> Some 800,000 of these spend a year or more NEET. This is more than one in ten of all young people, and represents a rise compared to recent years.

Other research has shown particular groups at risk of being long-term NEET: for example, 70% of care leavers spend at least a year NEET by age 19.<sup>6</sup>

**KEY CHALLENGE 1: Better engagement with the 700,000 16-24 year olds who are not in education, employment or training, including narrowing gaps for different groups and areas**

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<sup>5</sup> Youth Jobs Index, Impetus PEF, 2017.

<sup>6</sup> Characteristics of people who are long-term NEET, Department for Education, 2018.

## STATE OF PLAY: EDUCATION & LEARNING

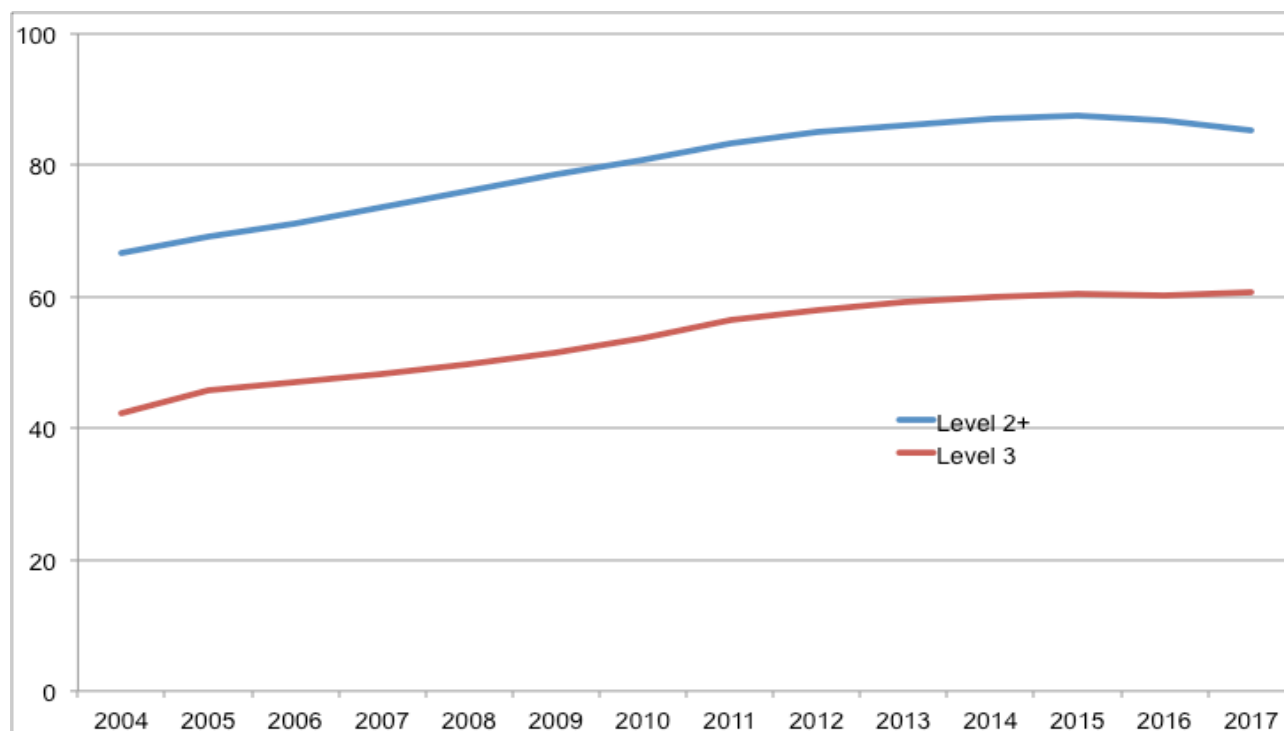
- Compared to previous generations, young people are more likely to be in education (the result of international trends as well as policy such as the increased education participation age and expansion of higher education) and on average better qualified and less likely to be in employment
- The UK compares well to other countries in the proportion of young people qualified to at least degree equivalent level. However, participation is dominated by a model of three year, full-time undergraduate degrees at age 18 and there are still stark socioeconomic disparities in participation. Other countries have a wider diversity of routes that can be accessed beyond age 18
- The UK is a lowly 24<sup>th</sup> out of 32 OECD countries in the proportion of 25-34 year olds qualified to intermediate level, in particular Level 3 (A Level equivalent). Again it is lower participation in vocational and work-based routes that is the biggest difference
- Young people's literacy and numeracy levels compare particularly poorly to other countries and some older generations, with significant inequalities in educational attainment by socioeconomic group
- The result is a divided story. For some young people, particularly those from better-off families and taking an academic route to university, the system works well. But for too many it feels like starting a 100m race from 50m further back

As set out above, the proportion of 16-24 year olds in full-time education has risen over recent decades, in line with international trends and helped by increases in the education participation age and the expansion of higher education.

This is reflected in the increased qualification attainment of young people. The proportion of 19 year olds attaining Level 2 (GCSE equivalent) has risen from 70% in 2004 to around 85% today. Over the same time, the proportion of 19 year olds qualified to Level 3 (A Level equivalent) has risen from 40% to 60%.

These are substantial rises (though progress has tailed off in recent years), and welcome given the economic and social benefits of education and its increasing importance for life and work. However, this is also an international trend, and many countries have risen faster and from a higher base. The proportion of 18 year olds in education is among the lowest in the EU.

**Figure 2: Qualification level attained by age 19**

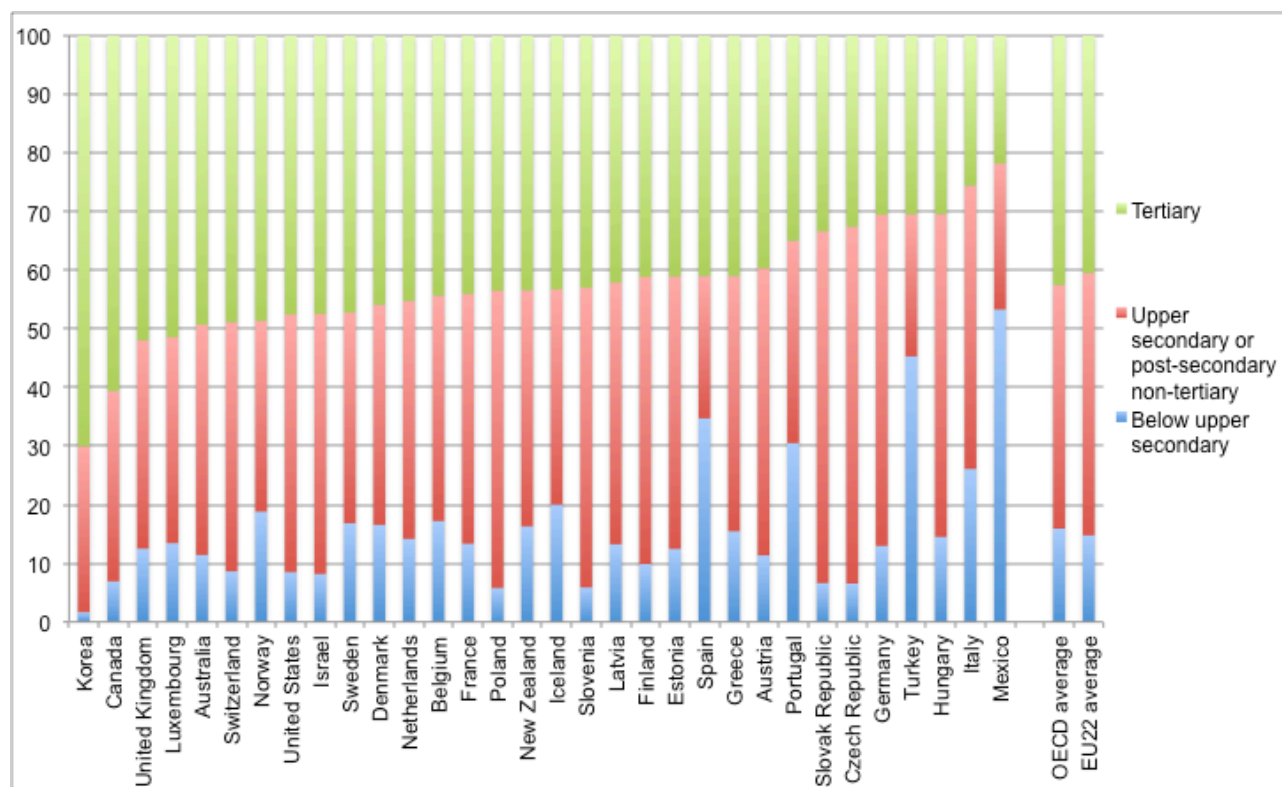


The vast majority of 16-18 year olds are undertaking full or part time study: only 7% are doing an apprenticeship (though this rises to one in ten 18 year olds). Overall, only 2% of 16-29 year olds in 2012 were apprentices, compared to 4% in Finland, 5% in Australia, 8% in Denmark, and 15% in Germany.<sup>7</sup>

Given that participation in education is low beyond the ages of 25-34, the qualification profile of this age group gives a good measure of qualification attainment by young people and the UK's likely future position in the international league tables of skills attainment. For 25-34 year olds, the UK ranks 3<sup>rd</sup> of 32 OECD countries for the proportion qualified to at least the equivalent of degree level, but 24<sup>th</sup> for intermediate level and 14<sup>th</sup> for low skills.

<sup>7</sup> Society at a glance 2016, OECD, 2016.

**Figure 3: Qualification profile of 25-34 year olds**



**KEY CHALLENGE 2: Improve attainment at Level 3. Narrow gaps in attainment of these skills between groups and areas, including by expanding high quality technical education and apprenticeship routes**

## Learning at work

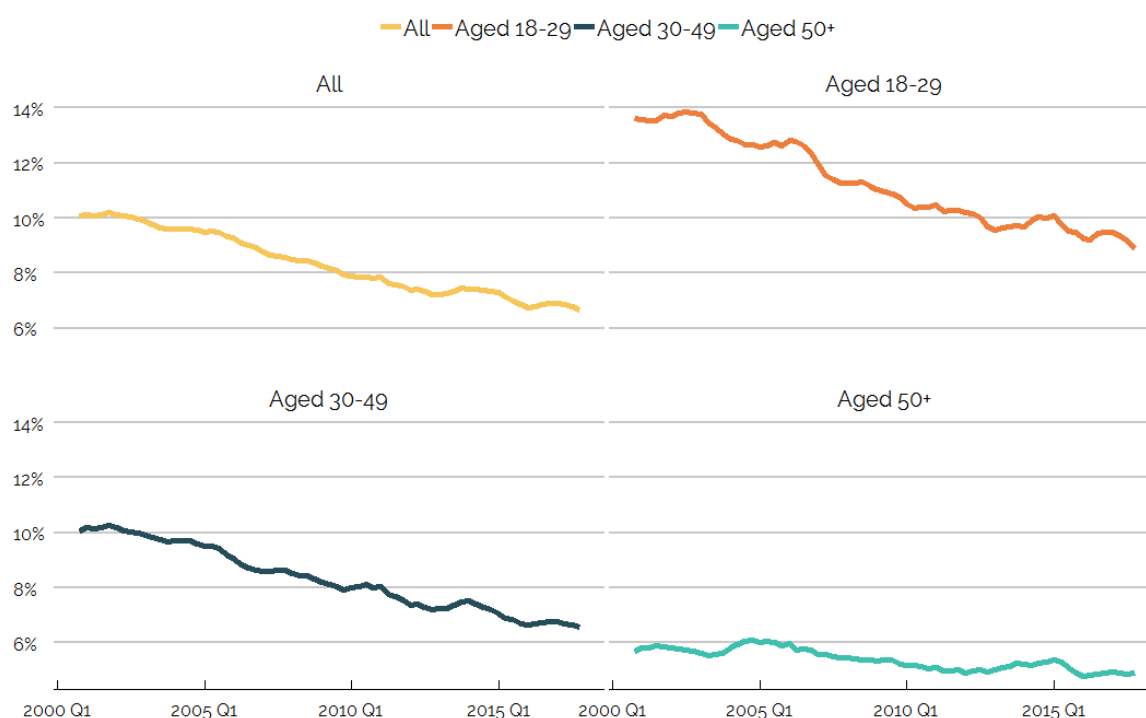
Unsurprisingly, young people are more likely to report getting training at work than other age groups. However, the proportion of 18-29 year olds getting training has halved from 14% in 2000 to around 7% today.<sup>8</sup> Overall, the evidence shows that those who are already highly qualified are more likely to get training from employers.

The expansion of apprenticeships is one way the government has aimed to increase and improve workforce training. However, much of the growth has come among those aged 25

<sup>8</sup> Earnings outlook, Resolution Foundation, 2018.

and over: as set out earlier in this chapter, the proportion of young people doing apprenticeships remains low by international standards. This is something the Youth Commission will return to. All of this suggests that current levels and patterns of training by employers are likely to be insufficient to tackle skills challenges and inequalities.

**Figure 4: Proportion reporting training at work in last four weeks**



### Literacy and numeracy

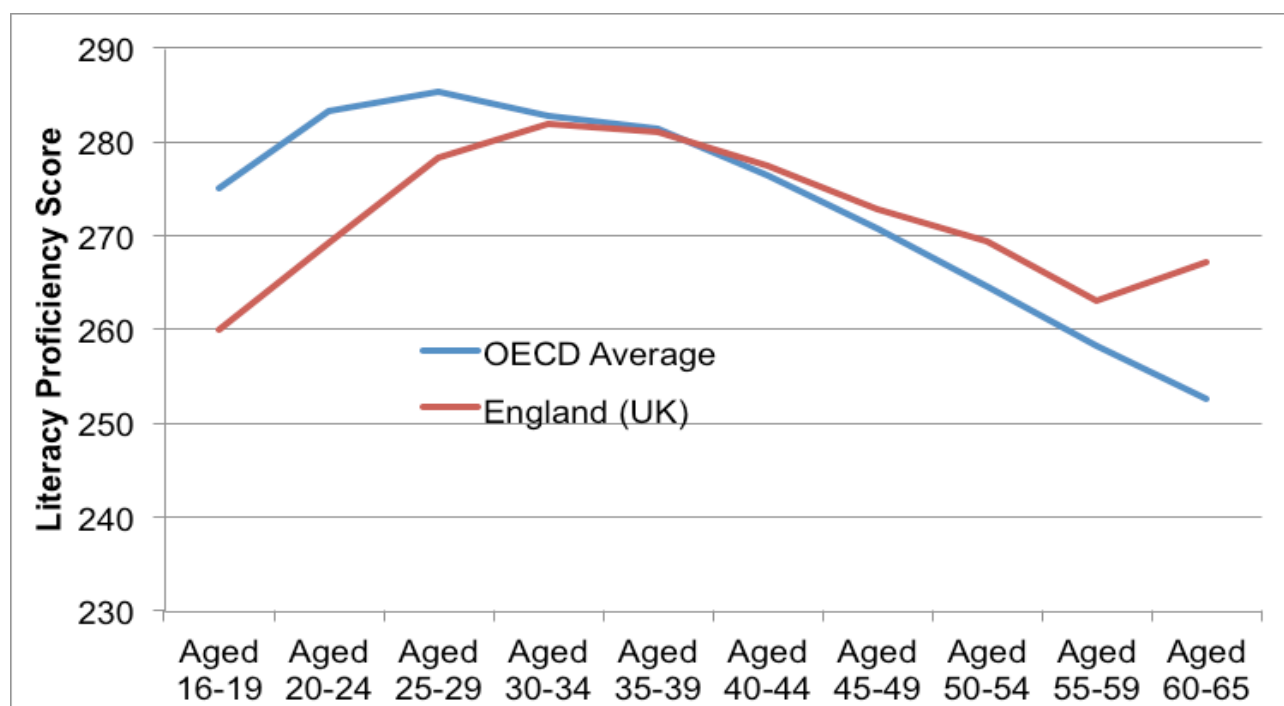
England has 5.8m people (16% of the adult population) with literacy proficiency below Level 1 and 8.5m people (24% of the population) with numeracy proficiency below this level.<sup>9</sup> This is below average for the OECD countries that took part in the Survey of Adult Skills (PIAAC).

In most OECD countries, the youngest age group has the highest literacy and numeracy proficiency. In England, 16-24 year olds have the lowest proficiency. These skills and other key capabilities are ever more important for life and work. So this is a shocking and deeply

<sup>9</sup>OECD Survey of Adult Skills First Results: Country Note England and Northern Ireland, OECD, 2013.

troubling statistic. It suggests that our relative position in the OECD league tables could worsen in the coming years, with profound consequences for prosperity and opportunity.

**Figure 5: Literacy proficiency by age, PIAAC survey**



There are larger differences between socioeconomic groups' literacy and numeracy in England than in other OECD countries.<sup>10</sup> A different survey showed 15 year olds in England are at around the OECD average for literacy and numeracy and above average for science, though again with consistently higher gaps in attainment between socioeconomic groups.<sup>11</sup> Other basic skills, like digital, are of course critical too.

Taken together, this suggests large inequalities in functional literacy and numeracy and particular challenges in post-16 attainment (given England goes from around average in the OECD for 15 year olds to below average for 16-24 year olds).

### KEY CHALLENGE 3: Improve attainment of literacy and numeracy and other basic skills

<sup>10</sup> Comparative Analysis of Young Adults in England in the International Survey of Adult Skills 2012, BIS, 2014,

<sup>11</sup> Achievement of 15 year olds in England: PISA 2015 national report, UCL Institute of Education, 2016.

## Higher education

The proportion of young people participating in higher education has risen dramatically over recent decades. Around 333,000 of 17-30 year olds take part in higher education each year, the vast majority learning full-time.<sup>12</sup> Almost one in two of this age group will gain a higher-level qualification over time. This compares to 40% in 1999/2000 and in the order of 15% in the 1960s. Within this total, one in four 18 year olds participates in higher education.

This is in line with an expansion in the proportion of the population undertaking higher education across much of the world.<sup>13</sup> It represents, overall, a success story: the UK has three of the world's top ten universities on some rankings and our proportion of 25-64 year olds qualified to tertiary level is the fifth highest in the OECD.<sup>14</sup>

Women are more likely to participate in higher education than men: their participation rate is almost 12 percentage points higher and this gap has widened over time. There is also a persistent participation gap for those from lower income households. Some groups face even starker gaps: for example, only 6% of care leavers go to university.<sup>15</sup>

Taken together, the expansion of higher education in recent decades is broadly in line with a number of comparator countries. A graduate earnings premium remains, though it varies significantly by subject and institution, and there is some evidence this may now be changing.<sup>16</sup> However, higher education is still dominated by young people undertaking traditional full-time degrees: we need to tackle inequalities in access and ensure a diversity of higher education models that meets the needs of individuals of all ages and employers.

**KEY CHALLENGE 4: Create a greater diversity of higher level learning routes, including for people to learn throughout their lives and narrow participation gaps**

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<sup>12</sup> Participation rates in higher education, Department for Education, 2017.

<sup>13</sup> Education at a glance 2017, OECD, 2017.

<sup>14</sup> World university rankings, Times Higher Education, 2018.

<sup>15</sup> Care leavers' transition to adulthood, National Audit Office, 2015.

<sup>16</sup> The puzzle of graduate wages, IFS briefing note BN185, IFS, 2016.



## STATE OF PLAY: EMPLOYMENT

- Only one in two unemployed young people are on out-of-work benefits and hence able to receive support to find work from Jobcentre Plus. There is also an increased prevalence of young people out of work with health problems and disabilities. This will affect the type of support needed
- Young people are disproportionately employed in low pay sectors and more likely to be in insecure work. Low earnings growth in the economy since 2008 combined with lower job-to-job moves for today's young people means their earnings have not grown like previous generations.
- Young people face a changed labour market, with 50 year careers. This emphasises the link between education, learning and employment. Education needs to prepare young people to adapt to change, a high quality transition needs to support them into work, and ongoing support needs to help them build careers
- Overall the evidence suggests a divide both between generations (with young people better qualified than previous generations, but facing lower pay growth and more insecure work) and within generations (with around one in ten young people not in education, employment or training and life chances too dependent on background)

Earlier chapters highlighted that young people are entering the labour market later than previous generations as a result of increased participation in education. Increased education participation has largely come at the expense of employment (24% of 16-17 and 62% of 18-24 year olds are in employment). The result is that more than one in ten young people are not in education, employment or training (NEET).

On the plus side this is down from the levels seen in the aftermath of the financial crisis. There have also been falls in the proportions of young people long-term unemployed, down from 6% in 2012 to 1.8% today.<sup>17</sup> This is important given the impacts that a period of unemployment when young can have on long-term employment and career prospects.<sup>18</sup>

However, most young people who are out of work are not receiving benefits that would give them access to support to find work. Young people under the age of 18 are not eligible for benefits. More than 320,000 18-24 year olds are unemployed on the International Labour Organisation definition and not in full-time education, with a further

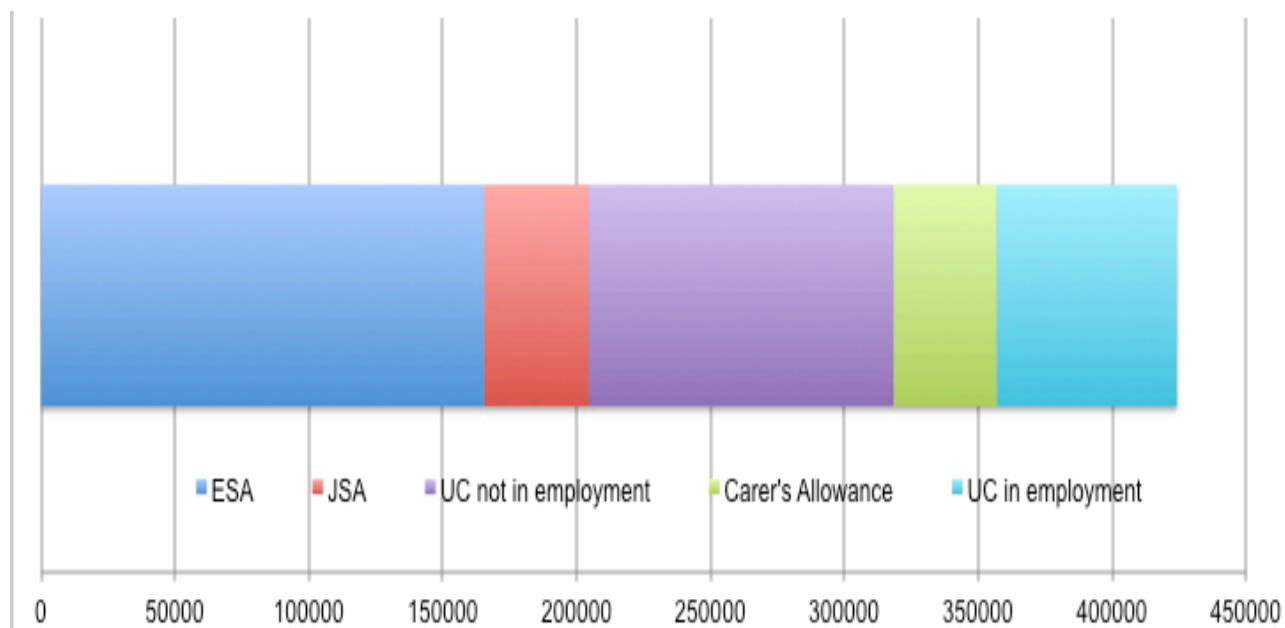
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<sup>17</sup> Labour market statistics, ONS, 2018.

<sup>18</sup> Young people and the Great Recession, Bell and Blanchflower, 2011.

360,000 economically inactive.<sup>19</sup> However, only 54% (150,000) of unemployed 18-24 year olds receive Jobseeker's Allowance or Universal Credit and so receive support from Jobcentre Plus. A further 165,000 young people receive Employment and Support Allowance, roughly the same as the numbers receiving other out-of-work benefits.

**Figure 6: Benefit claims by 18-24 year olds**

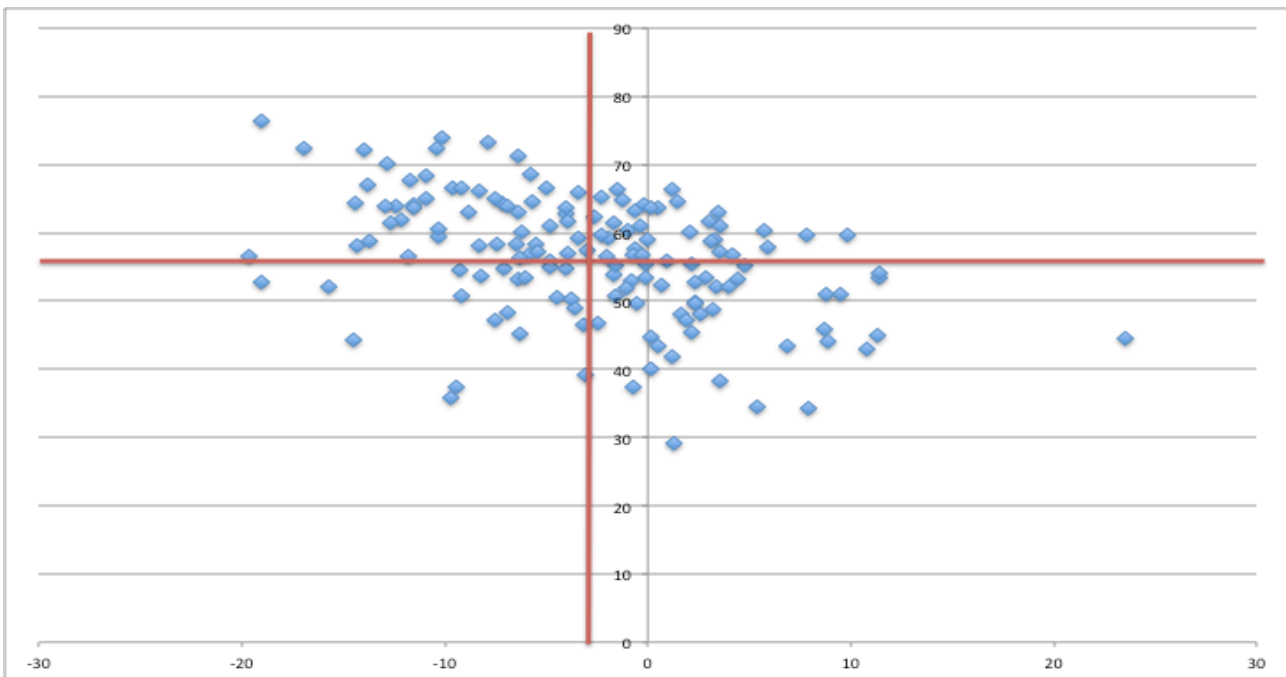


Employment rates vary significantly by area and group. Camden has the lowest employment rate for 20-24 year olds (26%) with West Berkshire the highest (83%). In part these patterns will also reflect differences in education participation (with employment rates likely to be lower in areas with high numbers of university students, even though many students also work). For Combined Authorities, employment rates for this age group vary from 55% in the West Midlands to 69% in West of England.

In general, Local Authorities with a lower employment rate in 2007 experienced higher employment growth in the following decade. On the face of it this is good news and helps to narrow the gap in employment rates for young people across the country. However, some of the biggest falls in employment rates came in Local Authorities with universities. This explains some of the falls in these areas, as students are less likely to be in work.

<sup>19</sup> They have looked for work in the last four weeks and available to start work in the next two weeks.

**Figure 7: Employment rates in 2007 and percentage point change over ten years since**



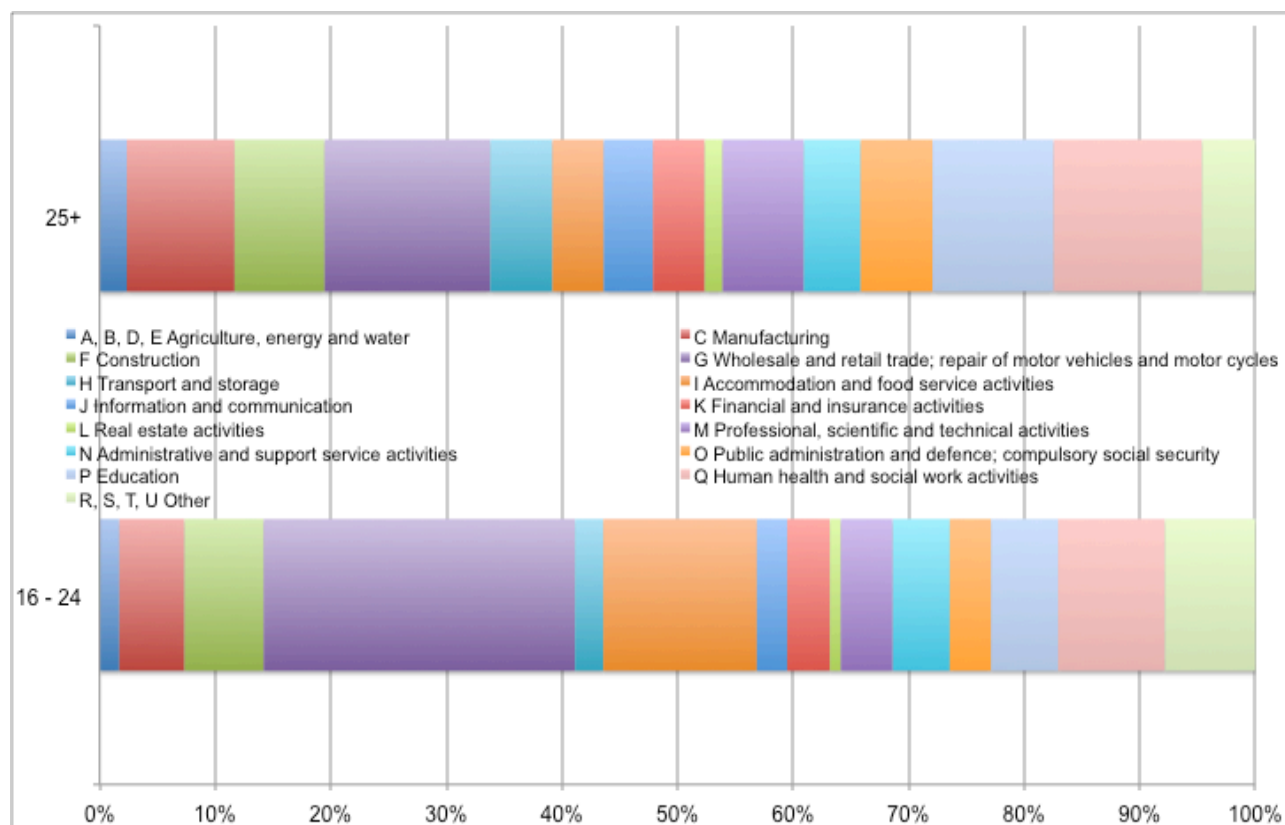
### **Sector and occupation**

Young people aged 16-24 are far more likely to be employed in wholesale and retail and accommodation and food services compared to those aged 25 and above. In part this will reflect typical jobs undertaken by young people while studying, for example at university.

However, a relatively similar picture emerges when looking at the sectors that 22-24 year olds and 22-29 year olds are employed in. This suggests that developments in employment, pay and training in these sectors will have a disproportionate impact on young people.

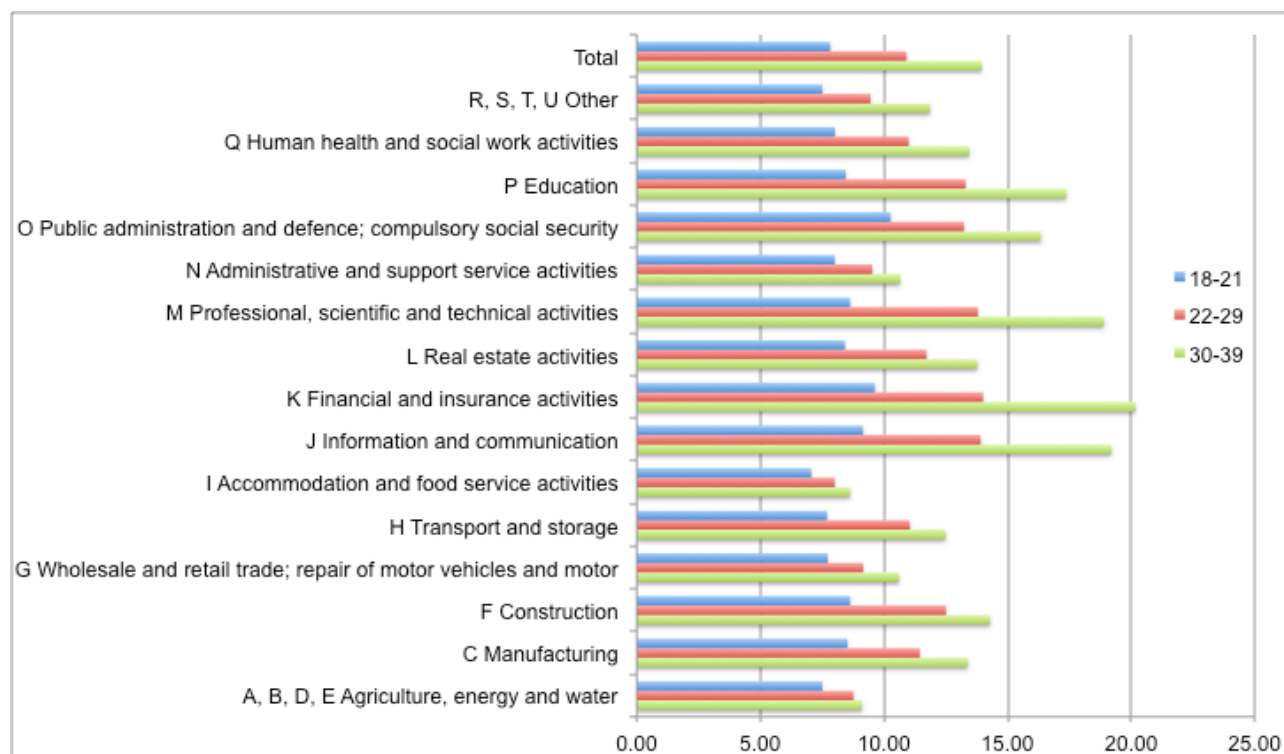
Unsurprisingly, young people are more likely to be in lower level occupations and less likely to be in higher-level occupations such as professional and managerial.

**Figure 8: Proportion employed by sector by age**



A similar pattern emerges for earnings. In all sectors, on average young people earn less than older people, reflecting both experience and the occupational profile described above. However, in wholesale and retail and accommodation and food services there is a relatively small gap in hourly earnings between young people and older age groups. Young people who forge careers in these sectors have poorer pay growth prospects than those in other sectors. Measures to improve productivity and raise wages in these sectors would disproportionately benefit young people.

**Figure 9: Hourly earnings by age and sector**



### Quality of work: Underemployment, insecurity and earnings

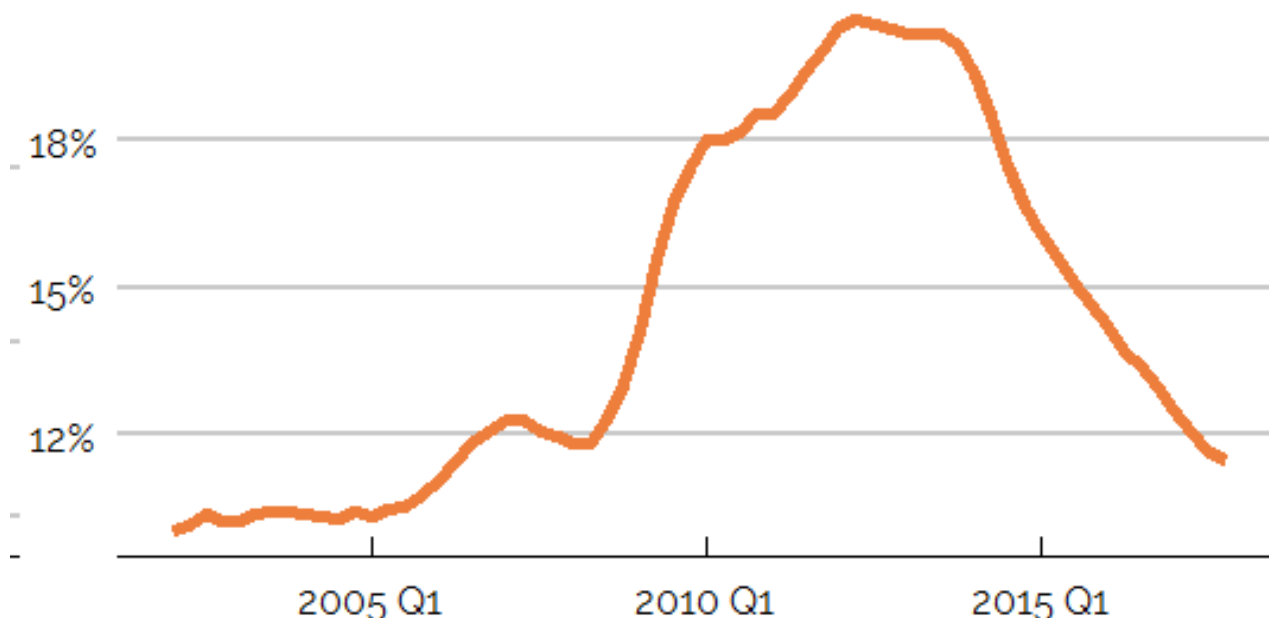
**Underemployment:** There are a range of ways to measure underemployment. Bell and Blanchflower look at the proportion unemployed and the balance of those saying they want to work more hours and those saying they want to work fewer hours.<sup>20</sup>

On this measure, Resolution Foundation analysis finds almost 12% of 18-24 year olds are underemployed, higher than any other age group (reflecting higher unemployment rates described earlier, as well as a demand for increased hours among some of those in work), though this rate has halved since 2012.<sup>21</sup> This suggests a need to focus on support for young people who are underemployed, as well as those unemployed.

<sup>20</sup> Underemployment in the UK, Bell and Blanchflower, NIESR, 2013.

<sup>21</sup> Earnings outlook, Resolution Foundation, 2018.

**Figure 10: Underemployment for 18-29 year olds**



**Insecurity:** Flexibility, where this is a two-way street that benefits employers and individuals, is a good thing. The UK's diverse forms of employment allow a wider range of people to work and to do so in ways that work for them. However, where flexibility is a one-way street it can mean insecurity of work and income for people. There is no perfect definition of insecure work – even a 'permanent' job can feel or be insecure in practice. Trust for London uses a definition that includes those on zero-hours contracts, temporary work, or working for an agency.<sup>22</sup> On this definition, more than one in five 16-24 year olds are in insecure work, though of course this will at least in part reflect working patterns while at school, college and university too.

**Earnings:** In general, earnings growth for younger people is higher than for other age groups, reflecting in part early career development.<sup>23</sup> Nonetheless, young people did still face falls in real earnings during 2010 and 2011. However, in the last two years real earnings for 18-29 year olds have grown by around 5% per year, in part reflecting rises in National Minimum Wage rates particularly for those aged 25 and over. Despite this, TUC research shows that, for a 40 hour week, the gap between the average wages of 21-30

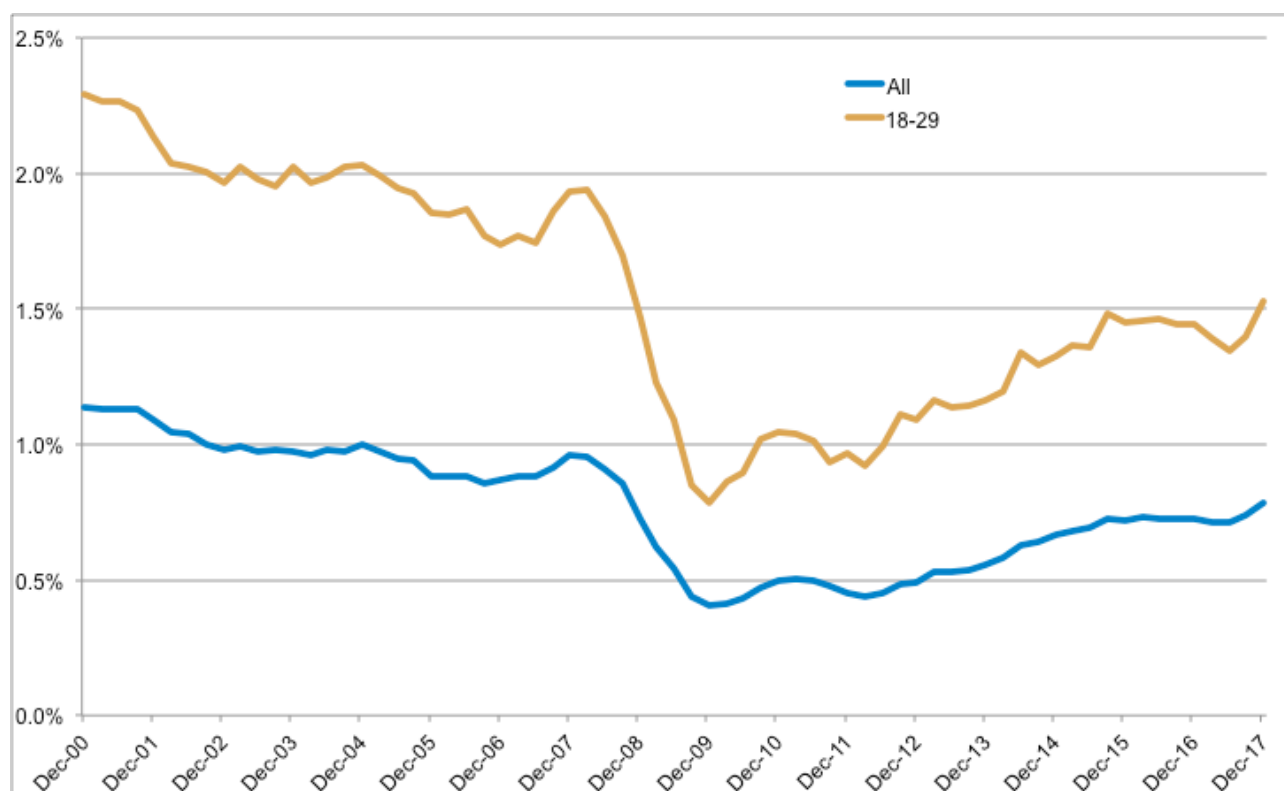
<sup>22</sup> London's poverty profile, Trust for London, 2017.

<sup>23</sup> Earnings outlook, Resolution Foundation, 2018.

year olds and 31-64 year olds increased in real terms from £3,140 in 1998 to £5,884 in 2017.<sup>24</sup> As set out above, this picture also varies significantly by sector.

In the UK, those who change jobs are more likely to gain a pay rise than those who stay in their current job. Young people are more likely to change jobs than older age groups (again, reflecting early career patterns) but job change rates remain below pre-recession levels. Resolution Foundation analysis shows 1.5% of 18-29 year olds voluntarily move jobs each quarter, double the rate for the population as a whole but down from 2.3% in 2001.<sup>25</sup> This may have a long-term impact of young people's earnings prospects.

**Figure 11: Voluntary job to job moves each quarter**



**KEY CHALLENGE 5: Support job quality, earnings growth, employment security and career progression, particularly for young people in low paid sectors**

<sup>24</sup> Stuck at the start: young workers' experience of pay and progression, TUC, 2018.

<sup>25</sup> Earnings outlook, Resolution Foundation, 2018

## LOOK TO THE FUTURE: THE VIEWS OF YOUNG PEOPLE AND ADULTS

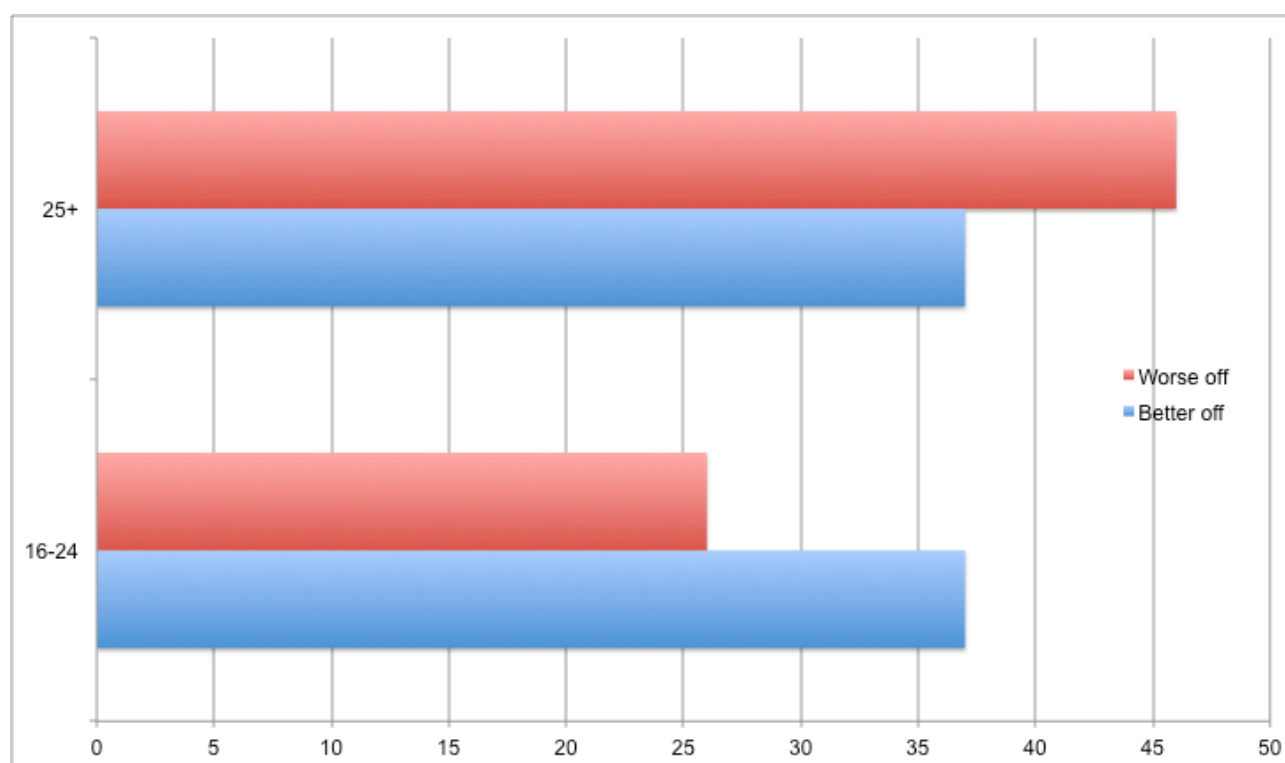
The views of young people will be at the heart of the Youth Commission. This section sets out the findings of new polling of a representative sample of 5,000 adults across the UK. The polling explores what young people and adults think about the prospects of the next generation, the extent to which education helps to prepare young people for the world of work, and which policy changes are seen as being potentially most beneficial.

### Prospects for the next generation

We asked those under age 25 whether they thought they would be better off than previous generations. Those aged 25 and over were asked whether they thought young people would be better off than previous generations.

The answers show a stark generational divide. Older age groups are much more pessimistic about the prospects for young people.

**Figure 12: How will young people do compared to previous generations?**





There is an equal amount of optimism between the generations. Around 37% of young people think they will be better off than previous generations, a similar percentage of those aged 25 and over think young people will be better off too. However, while just 26% of young people think they will be worse off than previous generations, some 46% of those aged 25 and over think young people will be worse off.

The relative optimism of young people is perhaps not surprising – it would be worrying if they were not somewhat more optimistic about their futures. However, the results show the degree of concern among older age groups about the prospects of young people. This, at least in part, reflects the reality of the data in previous chapters that some groups of young people in particular are not getting the education or employment chances they need.

It is also likely to represent both a political challenge and an opportunity. The general presumption is that each generation would do better than the last but there are many indicators that this contract between the generations may be breaking down. It is clear people are concerned about this. The opportunity is to find solutions to improve things.

### **Does education prepare you for work?**

The second question our polling asked was whether education had prepared people for the world of work.

Here there was less of a generational divide: 60-70% of most age groups thought education had prepared them well (though the figures were generally lower for younger respondents).

There is, however, a stark class divide.<sup>26</sup> More than three in four (76%) of those in the highest socioeconomic group (AB) said education had prepared them very or quite well for work, compared to just over one half (56%) of those in the lowest socioeconomic group (DE). This may reflect the analysis shown in previous chapters: our education and employment system works best for those taking an academic route through to university, and this route is disproportionately taken by those in higher socioeconomic groups.

This is both an economic and political challenge. All of the main political parties say that they recognise this is a country that does not work for everyone and that they want to change this. Our polling shows that large parts of some socioeconomic groups agree with this view in the context of education and employment. Again the challenge is how to fix

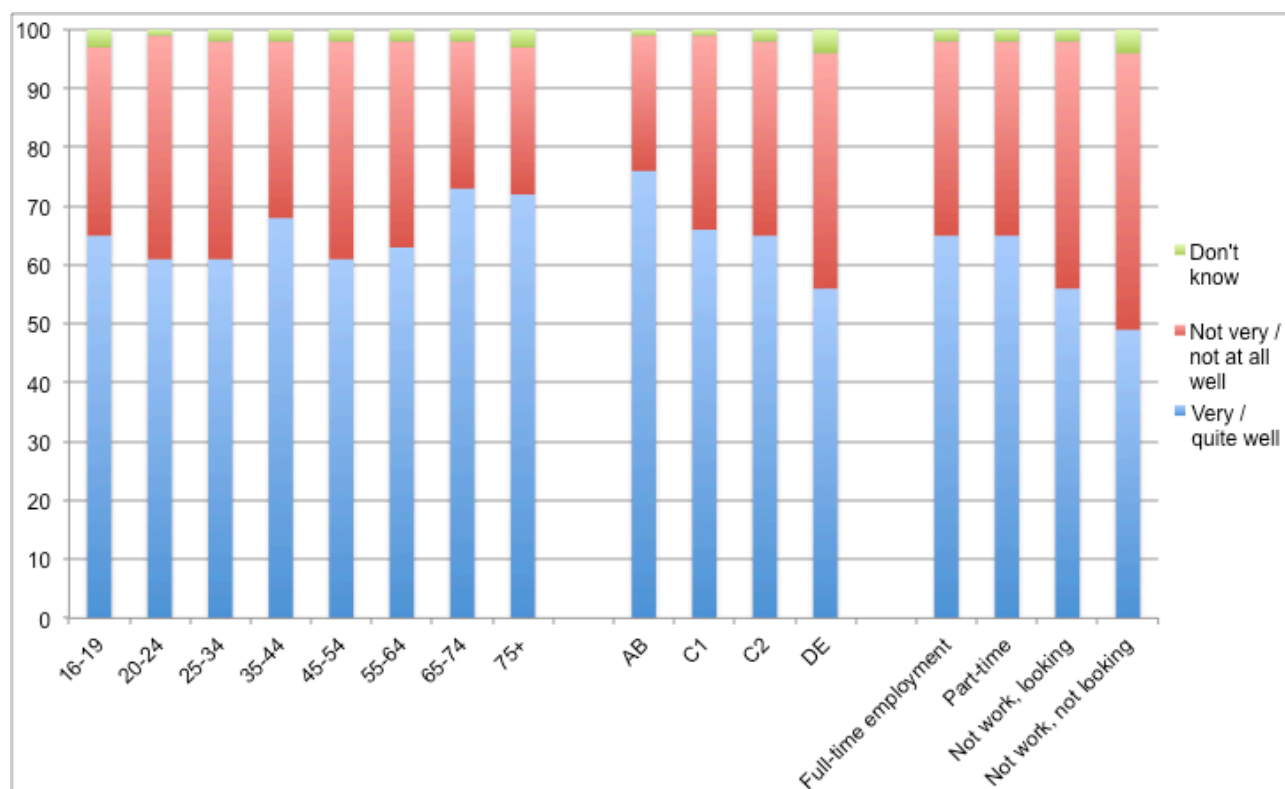
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<sup>26</sup> The polling splits people into: AB (higher and intermediate managerial and professional); C1 (supervisory and junior managerial) and C2 (skilled trades); and D (manual workers) and E (non working).

this, both in terms of the initial education system and in giving people chances throughout life.

Lastly, there is a clear (though perhaps not surprising) employment status divide. Those in work are much more likely to say education prepared them well for work than those out of work.

**Figure 13: Has education prepared you for work?**

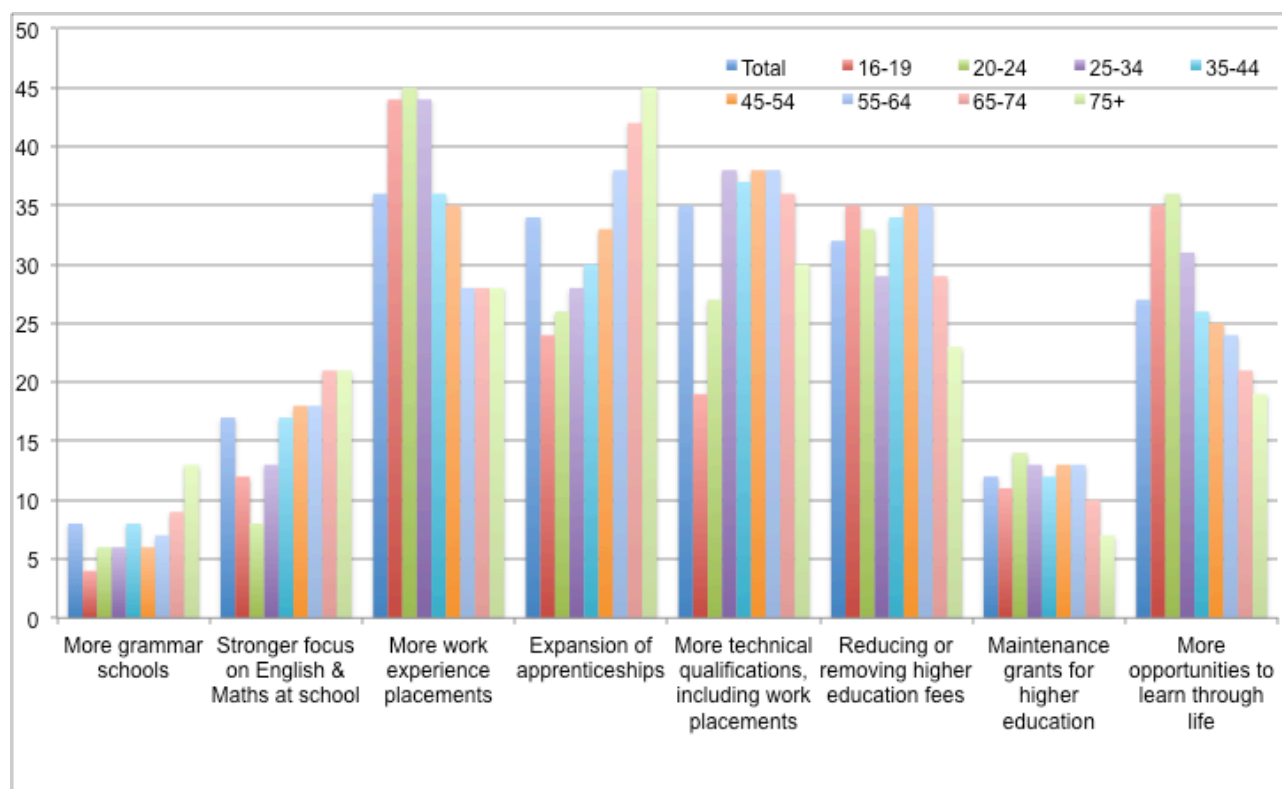


### What might make a difference?

Finally, we gave people a list of eight possible policy responses to improve education and employment opportunities for young people and asked them to pick the three they thought would make the most difference. This is intended to give a sense of the relative priority different groups would give to different policies. A particular policy might be popular on its own, but given a choice the public may prioritise something else instead.

The chart shows the proportion of each age group who cited a particular option (the numbers for each age group do not sum to 100 as each respondent was able to cite three policy options).

**Figure 14: Top three policies mentioned by age group**



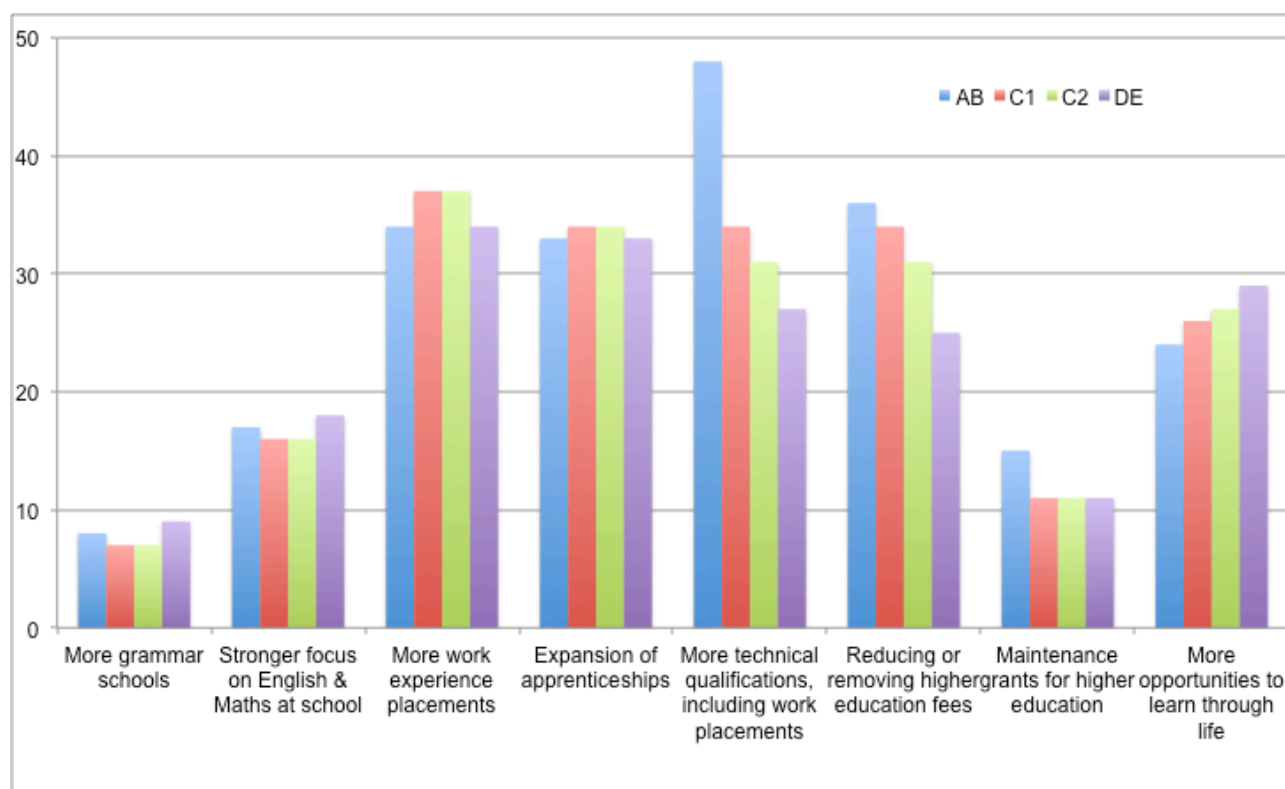
There were significant differences in responses by age group. Older age groups were twice as likely to prioritise a stronger focus on **English and Maths at school** (20% of over 65s rated this in their top three compared to around 10% of 16-34 year olds).

Broadly, greater availability of **work experience** was by far the most popular policy option chosen by young people (around 45% of 16-34 year olds put this in their top three). Older age groups were more likely to favour expansion of **apprenticeships** (more than 40% of those aged over 65 put this in their top three, compared to 25% of 16-19 year olds). This may reflect both low awareness of apprenticeships among younger people, and older age groups perceptions of apprenticeships based on previous experience. Nonetheless, the main options chosen by all age groups all involve an increased experience of work, whether through work experience, work placements or apprenticeships.

Notably, however, the least popular option overall was expansion of **grammar schools**. This was the least chosen of all policies by all age groups (with the exception of the over 75s, for whom it was the second least popular option). Interestingly, more **opportunities to learn through life** are seen as a better option for young people by younger age groups. This may reflect perceptions among younger people of likely future changes in the labour market and hence an increased need to either change careers or update their skills.

As well as these generational divides, there were some significant differences in responses by socioeconomic group.

**Figure 15: Top three policies mentioned by socioeconomic group**



There were three policies where these class divides were most obvious:

- **Reducing or removing higher education fees.** This was much more popular among higher socioeconomic groups, chosen in their top three by 36% of ABs compared to just 25% of DEs. This is likely to reflect in part that those in higher socioeconomic groups are more likely to have been to university and that their children are more likely to go too. *This has clear implications for the relative*

*popularity of policy in this field (Labour has committed to abolishing fees and the Government's post-18 review may recommend changes);*

- **More technical qualifications including extended work placements.** The T-Level model was cited by almost one in two of those in the AB socioeconomic group compared to just 27% of those in the DE group. This may partly reflect the interpretation of 'technical' by different groups. *Overall the result suggests mixed popularity of the concept and therefore a need to communicate it further. It will also be interesting to see if popularity of the idea among higher socioeconomic groups is reflected in take-up of T-Levels, rather than this being seen as a 'good idea for other people's children';<sup>27</sup> and*
- **More opportunities to learn through life.** Although the differences are less stark, this option is more popular among lower socioeconomic groups. Such groups are less likely on average to gain good school qualifications, so this is suggestive that this has not put people off learning or its value – they want more opportunities to do so. *This suggests reversing some of the cuts since 2010 in learning for adults could be popular among a number of socioeconomic groups.*

There are few class divides across the other policy options, including expansion of grammar schools which was selected as a top three policy priority by fewer than one in ten people in any socioeconomic group.

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<sup>27</sup> As the challenge of boosting the profile of vocational education has sometimes been described.

## CONCLUSION

Overall, young people have a perhaps unprecedented set of opportunities and, on average, longer lives to enjoy these. This is good news.

However, more than one in ten of England's young people are not in education, employment or training. This includes around 40,000 16-17 year olds who are legally required to be participating in some form of education, and more than 600,000 18-24 year olds. This is particularly concerning given that the evidence shows a period out of work when young can have a long-term impact on people's job and pay prospects.

Young people's experience of work is changing too. Most young people find a job and start a career. But an increasing proportion finds themselves in insecure work and are rightly concerned about their pay prospects. This is likely to have a longstanding impact on their career prospects and chances of building assets and buying a house. The growth of insecure work and lack of growth in earnings represent a new and distinct challenge. This is both a generational and a class divide – risking a further stalling of social mobility.

A lot of these inequalities in opportunity can be traced back to inequality in education and learning. In particular we have lower take-up of vocational and technical education routes than many other countries, and too often school is your only chance to gain qualifications and skills – there are not enough second chances.

Our polling shows the public share these concerns, worried about the prospects of the next generation and thinking that a greater experience of work is a big part of making a difference. Greater experience of work is something young people are crying out for.

These are not new challenges. But the context and the imperative to tackle them is changing and perhaps more pressing than ever. Our nation's future prosperity and fairness depends on it.