Research Briefing I:

Establishing the Employment Gap

April 2019

CENTRE FOR VOCATIONAL EDUCATION RESEARCH

National Institute of Economic and Social Research

Impetus

Impetus transforms the lives of young people from disadvantaged backgrounds by ensuring they get the right support to succeed in school, in work and in life. We find, fund and build the most promising charities working with these young people, providing core funding and working shoulder-to-shoulder with their leaders to help them become stronger organisations. In partnership with other funders we help our charities expand and we work to influence policy and decision makers so that young people get the support they need.

The National Institute of Economic and Social Research (NIESR) is Britain's longest established independent research institute, founded in 1938. Our mission is to carry out research into the economic and social forces that affect people's lives and to improve the understanding of those forces and the ways in which policy can bring about change. The Institute is independent of all party political interests and is not affiliated to any single university, although our staff regularly undertake projects in collaboration with leading academic institutions.

Our work with Impetus is part of NIESR's ongoing research in the Centre for Vocational Education Research (CVER). CVER was launched in March 2015, funded by the Department for Education, to create a research institution that will advance our understanding of the requirements for vocational education in the UK today, identify the challenges in provision of vocational education, and develop and strengthen the knowledge-base to enable a more agile, relevant and needs-based vocational education sector to become a driving force for economic growth and social mobility, as it is in other countries.

Author: Ben Gadsby

Data processing and outputs:
Dr Matthew Bursnall, Dr Héctor Espinoza, Jamie Moore, Dr Stefan Speckesser (all NIESR and CVER)

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Foreword

Andy Ratcliffe
CEO, Impetus

Stefan Speckesser
Associate Research Director at the National Institute of Economic and Social Research and Node Leader at the Centre for Vocational Education Research

Youth employment has disappeared from the front pages and politicians' lists of priorities.

The UK's employment rates are at record highs and so it's easy to assume that youth unemployment is yesterday's problem. It isn't. As this briefing, the first in a series, shows, the optimistic surface covers worrying depths. Those young people who are what we call doubly disadvantaged – from disadvantaged backgrounds and with low qualifications – are being left behind. And, even where young people from disadvantaged backgrounds get good qualifications, they are still much more likely to be out of education and employment in their early adulthood than someone with the same exam results but from a wealthier family.

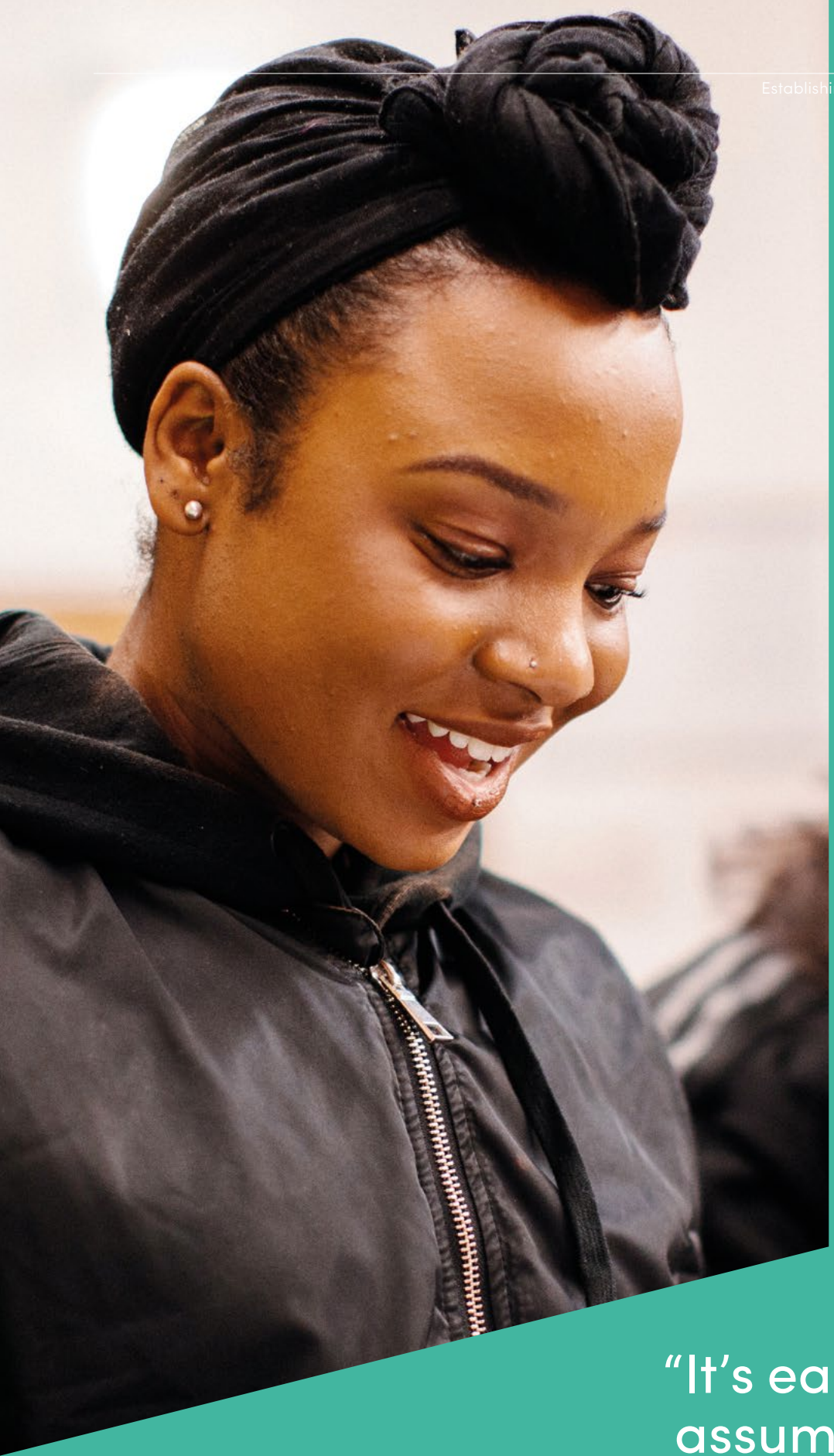
Our series of reports on the Youth Jobs Gap will make the first ever use of newly available government data to shed light on these hidden challenges and propose solutions.

Recent statistics by the Department for Education show that more than 11% of 16-24 year olds were not in education, employment or training (NEET).

This is lower than a couple of years ago, but NEET rates need to go down much further. Youth unemployment is not only a bad thing for young people, it is also associated with "scarring" effects, resulting in reduced employment in adult lives, and related negative effects on families and communities.

In this project collaboration between the Centre for Vocational Education Research (CVER) and Impetus, we looked through education and employment data of millions of young people to understand drivers and barriers of successful labour market outcomes of young people.

Our findings confirm the importance of educational success for young people's employment outcomes. However, using the newly available data to full potential, we find that family disadvantage and where people live also have immense influence, irrespective of qualifications. With this and future work, we hope that – by carefully analysing more granular "big data"– we can learn more about the complex interplay of locality, family disadvantage and education to help improve policy and programmes for young people.



"It's easy to assume that youth unemployment is yesterday's problem. It isn't."

Executive summary

This report establishes for the first time an employment gap between young people from disadvantaged backgrounds and their better-off peers: disadvantaged young people are twice as likely to not be in employment, education or training (NEET).

26%

of disadvantaged young people were NEET, compared to 13% of their better-off peers

Looking at the regional breakdowns, we see that in the North of England, the situation is worse. We also discover that, somewhat surprisingly, qualifications can only explain half of this gap.

This report is the first in a series, outlining new findings about 18-24 year old NEETs in England. The Longitudinal Education Outcomes (LEO) dataset that we've used allows more detailed investigation into how things differ for young people based on whether they are from a disadvantaged background, their qualifications, and where they live.

In March 2017 (the latest date we can analyse using the data we have access to) 26% of disadvantaged young people were NEET, compared to 13% of their better-off peers. This is the equivalent of around 78,000 additional disadvantaged NEETs aged 18-24. Looking at the same data from the opposite end of the lens, 26% of NEETs were from disadvantaged backgrounds, despite being only 16% of the population.

This is the employment gap, and it is consistent regardless of the age of young people, for the whole 2009-2017 time period covered by this briefing. It is similar in magnitude to the effect of caring responsibilities, substance abuse and youth offending on NEET rates, uncovered in previous research.

A disadvantaged young person is about 50% more likely to be NEET in the North East compared to London. London has a very small gap between disadvantaged young people and their better-off peers, driven by a low NEET rate for disadvantaged young people. By contrast, the North East has the highest NEET rate, driven in part by as many as one in three disadvantaged young people being NEET. Variations within regions are even more stark, with complex interplay between levels of disadvantage, levels of NEET, and differences between the two groups.

Qualifications play a central role, and it is well known that disadvantaged young people have worse qualification outcomes than their better-off peers. Young people with low qualifications are twice as likely to be NEET as those with five GCSEs (29% vs 15%), with the high qualified experiencing the lowest NEET rates (8%). In fact, half of all NEET young people are low qualified, despite the low qualified making up only around a quarter of the total population in this study. As better-off young people are only half as likely to be low qualified, this explains part of the gap between disadvantaged young people and their better-off peers.

But qualification alone is not enough to explain the difference in NEET rates between disadvantaged young people and their better-off peers. Disadvantaged young people are around 50% more likely to be NEET than their similarly qualified but better-off peers. This is true at all levels of qualification and regardless of age. This means that half the gap in NEET rates between disadvantaged young people and their better-off peers can be explained by qualification – but half cannot.

This is the first time we can say definitively that disadvantaged young people, especially those with low qualifications, are disproportionately likely to be NEET. The gap is significant, with disadvantage being associated with an increase in NEET rate comparable to substance abuse, and this can only partly be explained by qualification levels.

This is the employment gap. And it isn't just about employment in the conventional sense i.e. the demand and supply of the labour market and the skills of the workforce. There is something else going on here, which strikes at the heart of concerns about social mobility and the promise that where you come from shouldn't determine where you can end up.

Disadvantaged young people are around 50% more likely to be NEET than their similarly qualified but better-off peers

Introduction

What is the impact of growing up in a disadvantaged family on your employment prospects? Unlike your education prospects, until now, we just haven't had a clear picture.

This is the first of a series of briefings taking advantage of the new Longitudinal Education Outcomes (LEO) dataset to explore this question in detail. Subsequent briefings will explore what is happening in the regions, how long-term NEETs are faring, and which young people are managing the move from NEET into EET. We'll also be using the data to develop benchmarks to help our charities assess their outcomes, and to develop benchmarking tools for the sector. Finally, we'll engage decision makers, employers, experts and young people themselves to help us develop policy recommendations. We welcome input at all stages along the way.

We are setting out the data in this briefing to invite contributions, engagement and comments, which we encourage via **info@impetus.org.uk**.

We can investigate the relationship between qualifications, disadvantage and labour market status at age 24, for the first time, because LEO links administrative data from school and further education records with job records. Because it's administrative data, it covers almost everyone.

Within this dataset, we can see how disadvantaged young people – those eligible for free school meals (FSM) – do after leaving compulsory education at age 18. We already know that a gap in their educational attainment appears early and persists throughout their school years. At age 5, they are 17 percentage points less likely to have attained a good level of development.[1] At age 11, the group is 22 percentage points below the performance of non-disadvantaged children in English and maths attainment.[2] And by the time they sit their GCSEs, they are

28 percentage points less likely to secure passes in those crucial subjects.[3]

Impetus supports charities working to close these gaps, to ensure that young people from disadvantaged backgrounds get the support they need to succeed in school, in work and in life. There is good evidence on the challenges in education, but less is known about what is happening to these young people once they leave school and enter training, apprenticeships, further and higher education or jobs.

Our previous research could only illuminate part of this picture. In 2017, Impetus' *Youth Jobs Index*[4] delved into the Labour Force Survey (LFS) to understand what is happening to young people who become NEET. It found that one in four 16-24 year olds spend some time NEET, with 800,000 spending a year or more NEET.

What this research couldn't tell us is who these 800,000 NEETs are and how many are from disadvantaged backgrounds, because the LFS does not capture this information. In fact, we can't even be sure of the exact figures – 800,000 is an estimate based on survey data. One limitation of surveys, including the LFS, is that there are certain groups they struggle to reach, and so their outcomes are underreported. In the case of the LFS, this almost certainly includes some NEETs with particularly challenging circumstances, such as those with limited English, who are effectively being overlooked.[5]

The huge contrast between the wide availability of education statistics on disadvantaged young people, compared to employment where these are more recent and more limited, has hampered policy making in this area. Whilst the Department for Education has a strong focus on closing the attainment gap, built on over 20 years of collecting relevant data, disadvantaged young people risk falling through the gaps between other departments who haven't historically collected or used such data to shape policy and drive decision making.

We need better data to understand how young people transition from education into the labour market. This would help us to support our charities better, the sector to direct resources to where they are most needed, and government policy and funding to be most effective.

This briefing uses LEO data and descriptive methodologies to extend the evidence on the size of the NEET population and how much a disadvantaged background matters. Specifically, it seeks to answer two questions:

- Are disadvantaged young people more likely to become NEET than their better-off peers?
- Are disadvantaged young people more likely to become NEET than their better-off peers, even if they have similar levels of qualification?

The approach is summarised on the inside back cover, and full details of the methodology used can be found in the accompanying document *Methodology for the Youth Jobs Gap*. This includes a discussion of some caveats associated with the new LEO dataset. As with government reports based on LEO, it is important to say that these are experimental statistics and feedback on methodology is welcome. Nonetheless, LEO is the best data available, offering better insight into the situation than any previous dataset.

The Employ Gap

Are disadvantaged young people more likely to become NEET than their better-off peers? For the first time, LEO enables us to give a defined and measurable answer: yes.

This is the Employment Gap. In effect, this is shorthand for what is strictly speaking an 'EET gap'. In respect of young people who are in employment, education and/or training (EET) we know that employment is the single biggest component of that group. This is especially true for disadvantaged young people, who are less likely to access post-18 education. This is particularly true the older young people get.

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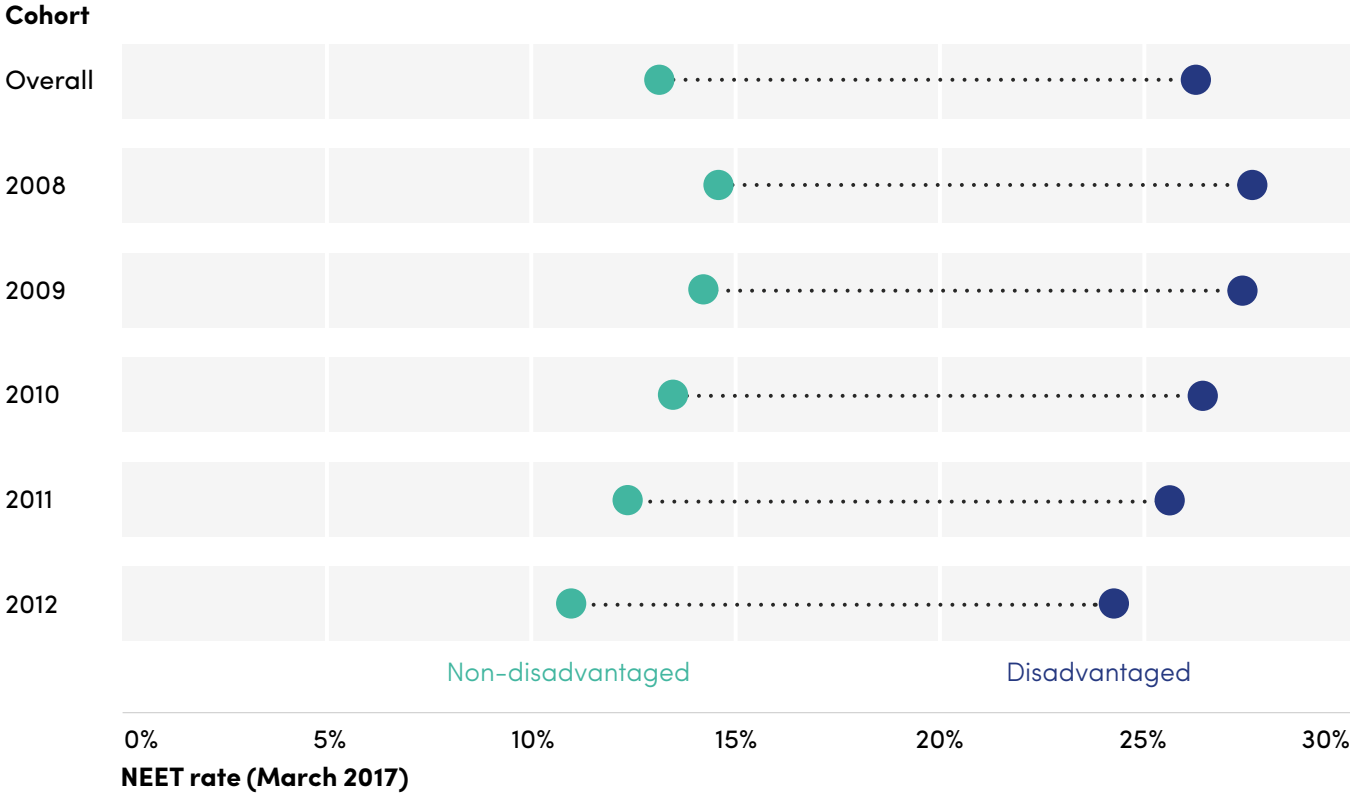
Across England: a persistent employment gap

The data reveals a clear gap between disadvantaged young people who had been eligible for FSM when they were in year 11 (blue), and those who weren't (teal). The former are twice as likely to be NEET than their peers, no matter which cohort we look at (Chart 1). 26% of disadvantaged young people are NEET, compared to 13% of their better-off peers.[i]

This Employment Gap is not unexpected, but surprisingly large. Previous studies have suggested that caring responsibilities, substance abuse and youth offending each make young people two to 2.6 times as likely to be NEET. In each of these cases, the link between the factor and NEET status is understandable, although of course, these factors are not entirely independent.[6] Being from a disadvantaged background correlates to an increase in NEET rates of similar magnitude, and affects a much larger proportion of young people, yet it is less clear why it occurs, and to such a degree.

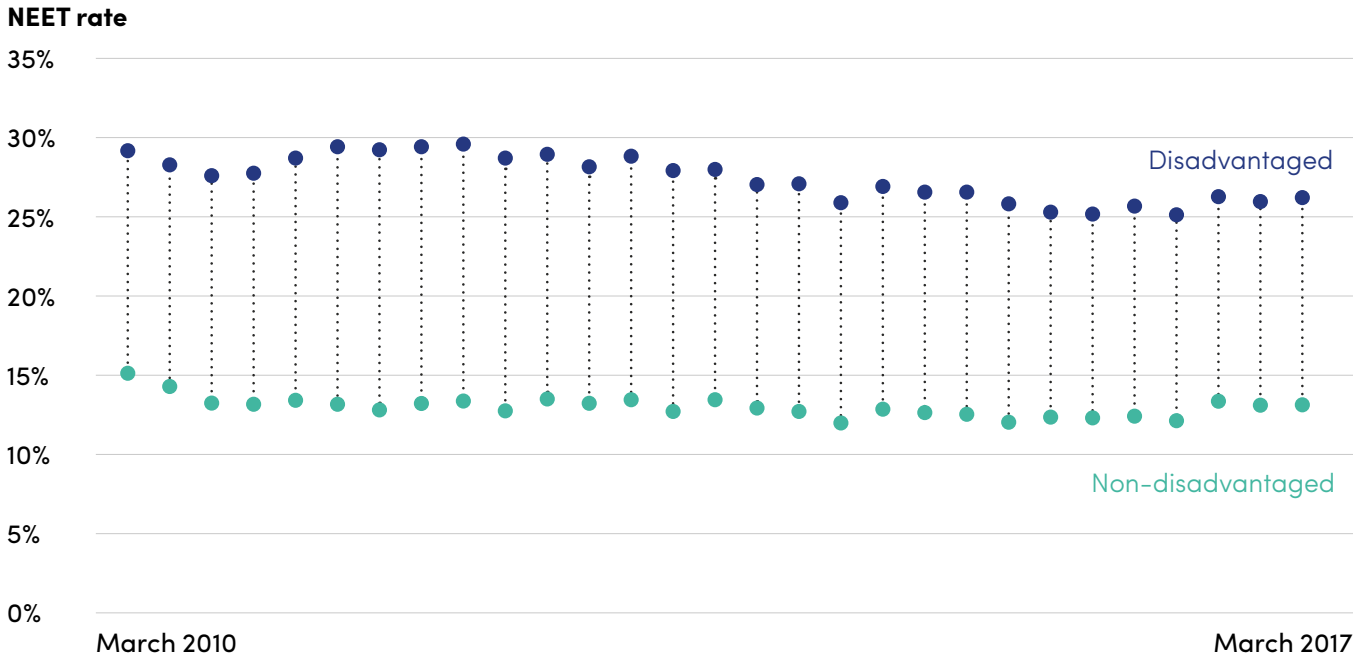
Chart 1: Disadvantaged young people are twice as likely to be NEET as their better-off peers
Disadvantage vs non-disadvantage NEET rate for young people, by cohort, at March 2017



[i] The gaps in this briefing have been calculated using the underlying percentages at several decimal places; the numbers don't always sum because of rounding.

Chart 2: The Employment Gap is consistent over time

Disadvantage vs non-disadvantage NEET rate for young people[ii]*, quarterly from March 2010 to March 2017*



[ii] The underlying data used to calculate these figures changes each December, in terms of the number of cohorts included and their ages, so this data is not comparable to the published NEET time series data, and care should be taken drawing inferences over time

It represents tens of thousands of extra disadvantaged NEET young people. Across the five cohorts included in Chart 2, the higher NEET rate for disadvantaged young people compared to their better-off peers equates to around 56,000 additional disadvantaged NEET young people. This is the equivalent of 78,000 additional NEETs across the whole 18-24 age group.[iii]

Across the whole 2009 to 2017 period analysed, the gap between disadvantaged young people (blue) and their better-off peers (teal) is consistent at around 13-16 percentage points. In other words, disadvantaged young people are always 1.9 to 2.3 times more likely to be NEET (Chart 2).

We can also look at the problem from the other end of the lens – if disadvantaged young people are more likely to be NEET, what proportion of NEETs are from disadvantaged backgrounds? Looking again at who was NEET in March 2017, we find that 26% of NEETs qualified for FSM in year 11. Given that only 16% of the underlying population is disadvantaged, the proportion of NEETs who are from disadvantaged backgrounds is around 60% (or nine percentage points) higher than the overall proportion of disadvantaged young people. Like the previous finding, this holds consistently across all the cohorts and the entire time period analysed.

[iii] The 56,000 figure is based on five cohorts, whereas the whole 18-24 age range would be seven cohorts

There are

78,000

additional disadvantaged NEETs aged 18-24

By region: consistency and an anomaly

When we break down the national data shown in Chart 1 by regions, a similarly consistent picture emerges – save for one clear anomaly (Chart 3).

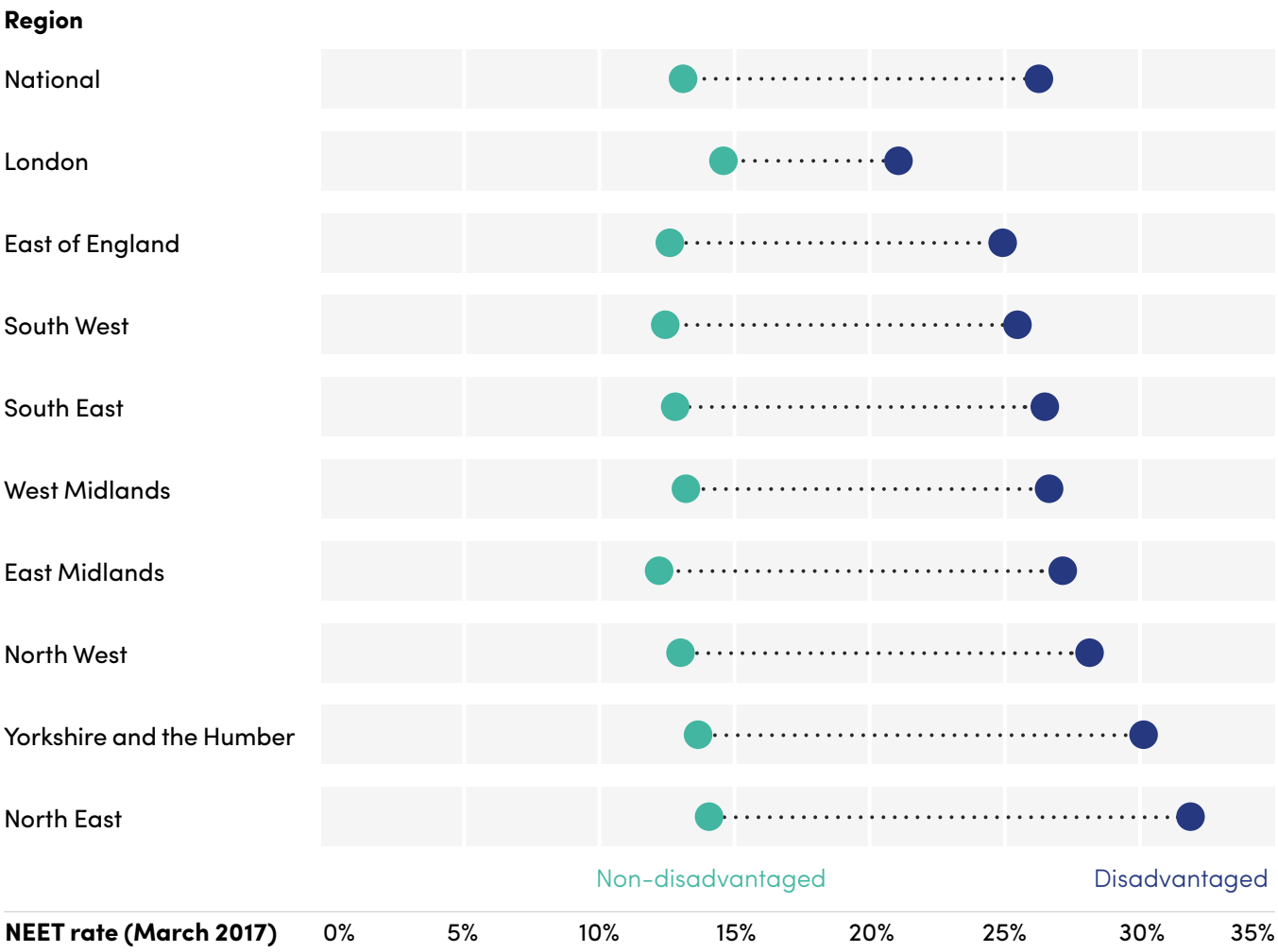
The NEET rate for disadvantaged young people (blue) varies more than the rate for the non-disadvantaged group (teal) and is noticeably higher in the North East and Yorkshire & the Humber. At the opposite end of the scale, it is lowest in London.

Lowering the national NEET rate for disadvantaged young people (26%) to the London rate (21%) would result in

22,000

fewer disadvantaged NEET young people.

Chart 3: London stands out for having a much smaller Employment Gap than other regions
Disadvantage vs non-disadvantage NEET rate of young people, by cohort, at March 2017



A disadvantaged young person is about 50% more likely to be NEET in the North East compared to London (roughly one in three, compared to one in five). This finding is perhaps unsurprising – London is well known for having improved attainment for disadvantaged young people, which we would expect to feed through into lower NEET rates. The role of qualification is explored further in the next chapter.

If the national NEET rate for disadvantaged young people (26%) could be lowered to the London rate (21%) there would be 22,000 fewer disadvantaged NEET young people. This would include 5,200 fewer in the North West, and 4,200 fewer in Yorkshire & the Humber. Once again, while the data presented here represent a single point of time (March 2017), and cover various cohorts of school leavers, the findings point consistently towards disadvantaged young people being more likely observed as NEET – in any region and at any time.

This finding (chart 4) holds both in regions (yellow) with lower and higher numbers of disadvantaged young people.

In most places, disadvantaged young people are about 60% overrepresented in the NEET population compared to the overall population. London is an exception as disadvantaged young people are least overrepresented in the NEET population (25%), compared to the overall population.

Of course, the variation between regions hides the variation *within* regions. And variation in NEET rates for disadvantaged young people is not always the same as the variation in NEET rates for non-disadvantaged young people.

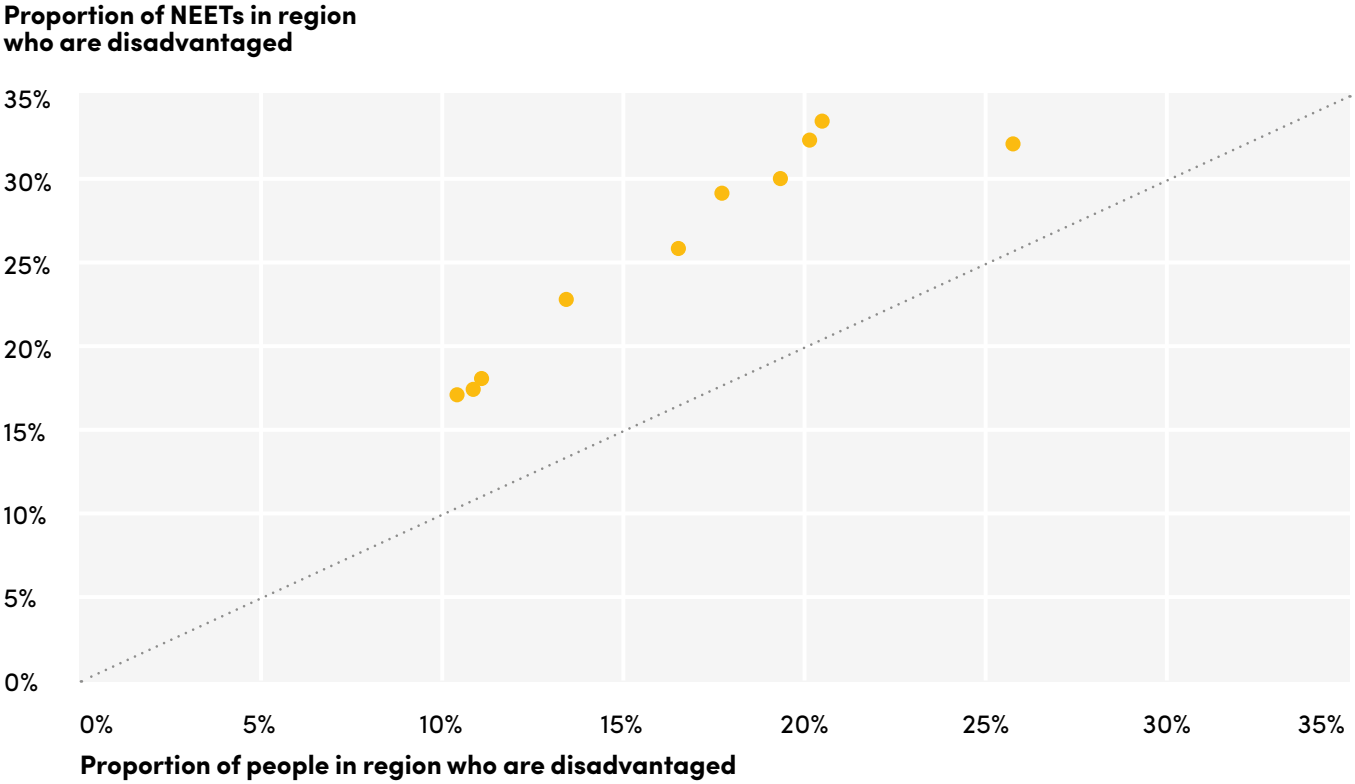
A disadvantaged young person is about

50%

more likely to be NEET in the North East compared to London

Chart 4: In all regions, the proportion of NEET young people who are from disadvantaged backgrounds is higher than the levels of disadvantage in the population

Disadvantage as a share of NEETs vs disadvantage as a share of overall population of young people, by region, at March 2017



For example, within the North West region, local areas show a similar variation and differences between urban and rural areas:

- Manchester has among the highest NEET rates for non-disadvantaged young people at 18%, while the NEET rate for the disadvantaged group is about the average of the region with 28%. This gap of 10 percentage points is small, but not driven by low NEET rates for disadvantaged young people.
- In contrast, Cumbria has among the smallest NEET rates for the non-disadvantaged group (11%), but shows the same NEET rate for the disadvantaged group of 28%, and therefore a much wider gap than Manchester and the average of the North West – but this is driven by low NEET rates for non-disadvantaged young people.
- As another example, in Wirral and Knowsley, NEET rates between disadvantaged and non-disadvantaged young people differ by 14 percentage points, the average in the North West. However, there are differences in the rates for the two groups: In Wirral, NEET rates are below regional averages (12% for non-disadvantaged young people, 26% for those from disadvantaged backgrounds), whereas in Knowsley, they are above average (16% compared to 30%).

These geographical differences cannot be explained by varying NEET rates between the two groups in each region. The proportion of disadvantaged young people in an area is also a factor.

Perhaps places with higher proportions of disadvantaged young people in their local population fare better or worse on these measures? This is too simplistic. In the

Cumbria
Cumbria has among the smallest NEET rates for the non-disadvantaged group (11%)

Manchester
The city has among the highest NEET rates for non-disadvantaged young people at 18%

Knowsley
Neet rates are above average (16% for non-disadvantaged young people, compared to 30% for those from disadvantaged backgrounds)

Wirral
NEET rates are below regional averages (12% compared to 26%)

Wirral and Knowsley cases, 36% of young people in Wirral fall into the disadvantaged category, compared to 30% in Knowsley.

The relationships between the different characteristics, i.e. the proportion of disadvantaged young people in the total youth population, local authority level effects, cohorts, different points in time; are complicated. But they do not alter the principal finding that disadvantaged young people have very different NEET rates than their better-off peers. However, this gap is not exclusively driven by disadvantage. Qualifications are important in explaining the difference between disadvantaged young people and their better-off peers.

Indeed, we might suppose that disadvantaged young people are more likely to be NEET than their better-off peers because they leave compulsory education with fewer qualifications. After all, the attainment gap is well attested. We might then suppose that if we were to close the attainment gap, we wouldn't have an employment gap. The next chapter explores these hypotheses using the data.

Disadvantaged young people have different NEET rates than their better-off peers, but this isn't exclusively driven by disadvantage

The impact qualificatio

Education policy already provides for additional resources to schools where more young people have a disadvantaged background, in order to reduce the gap in attainment between disadvantaged and non-disadvantaged pupils.

But young people from disadvantaged backgrounds are still much less likely to leave school with the GCSE grades needed to access further study, which has implications for both further education progression and job prospects.[7] But does it explain the whole 13 percentage point gap we see in employment outcomes?

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Qualifications matter

Young people with low qualifications are twice as likely to be NEET as those with five GCSEs

Irrespective of disadvantage, qualifications are a major predictor of why young people become NEET. Comparing those with the highest qualifications at 18 (light shade, Level 3 and above, e.g. A-levels), those with the lowest qualifications (darkest shade, not qualified to Level 2, e.g. fewer than five good GCSEs) and a middle group (middle shade, Level 2 qualified at 18 but not Level 3 qualified, e.g. five good GCSEs) illustrates this point (Chart 5).

Chart 5: Higher levels of qualification are associated with lower NEET rates, with the gap between low and middle qualifications especially sizable

Low qualified vs middle qualified vs high qualified NEET rate for young people, by cohort, at March 2017

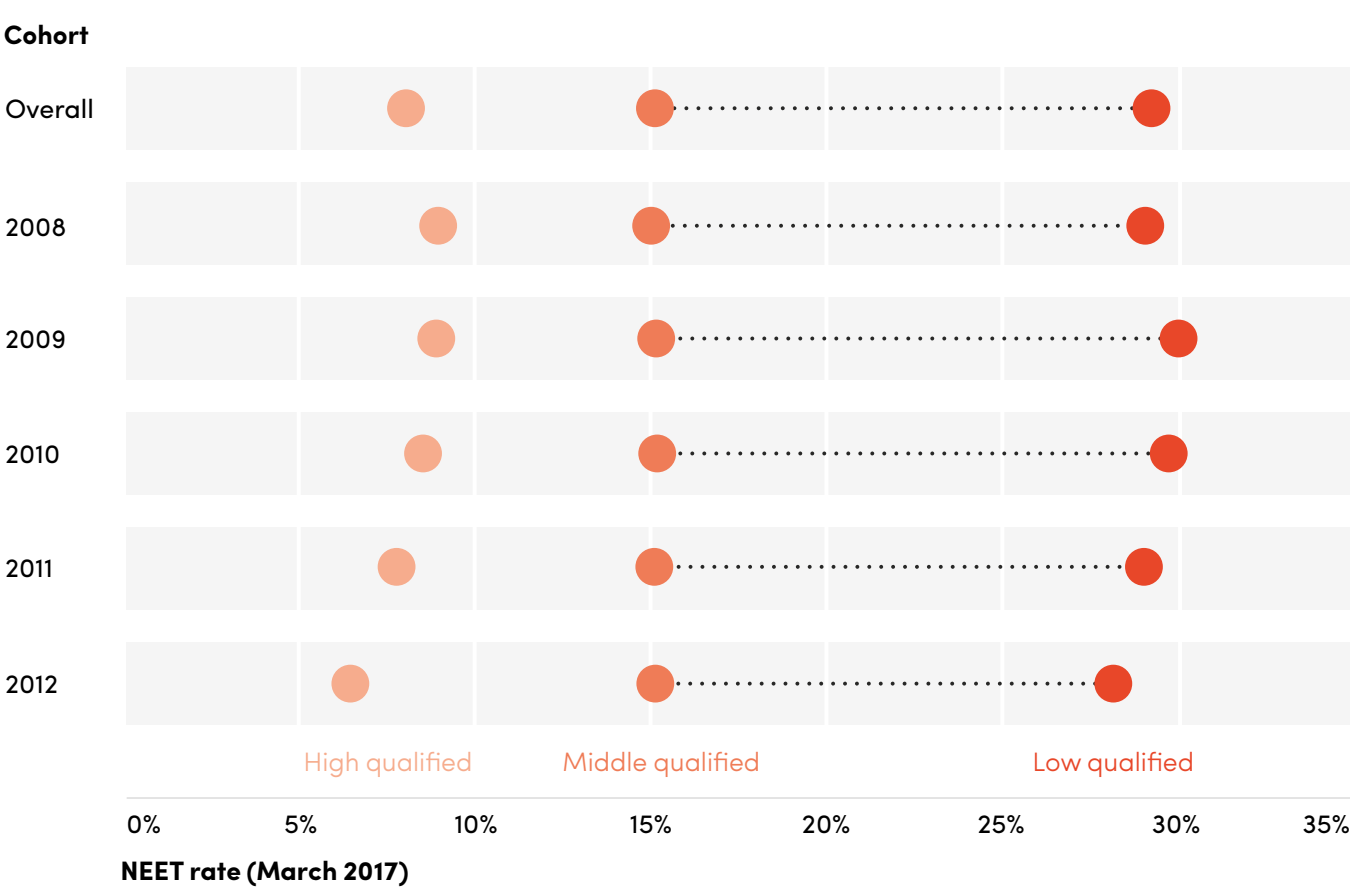
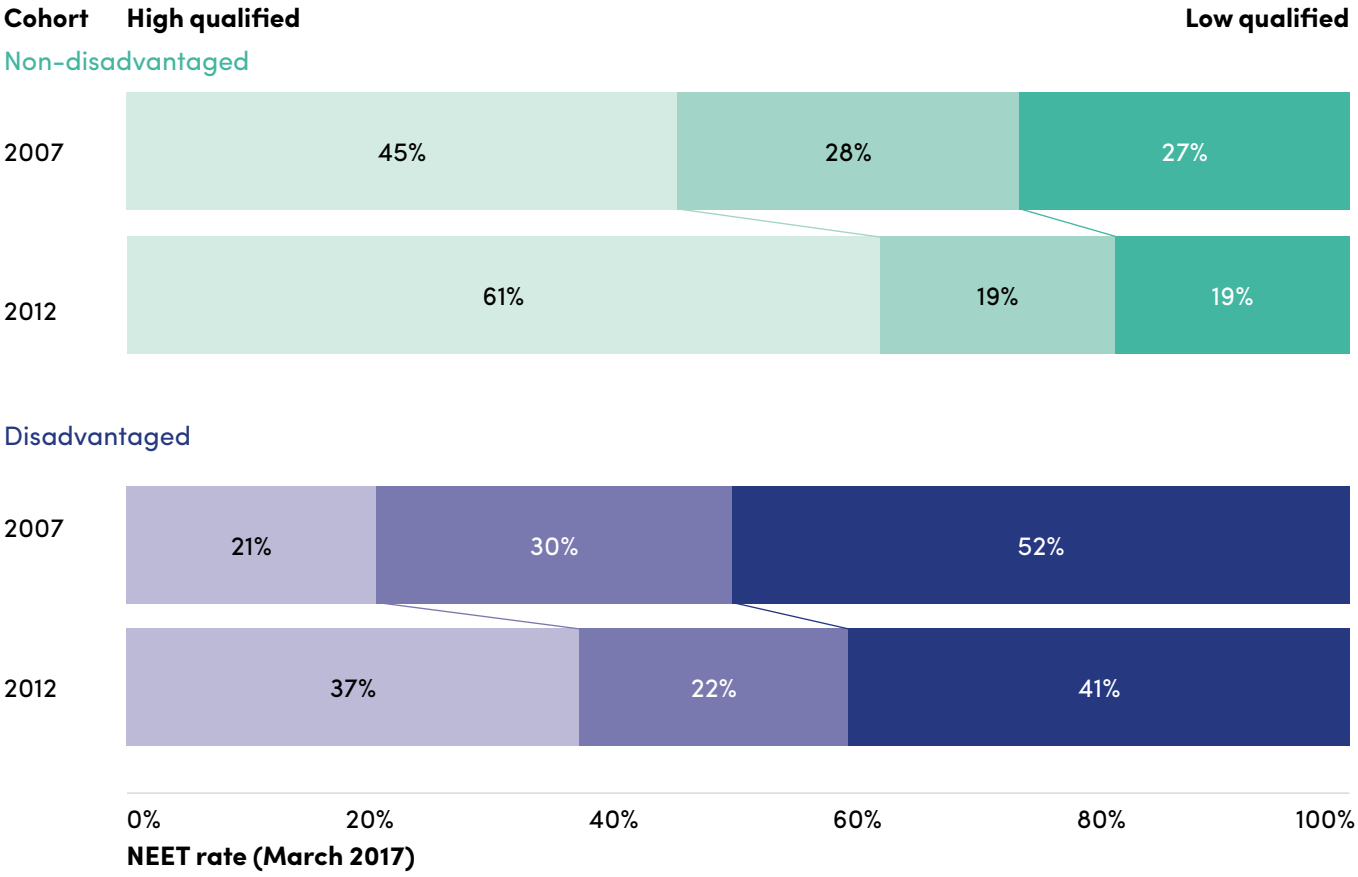


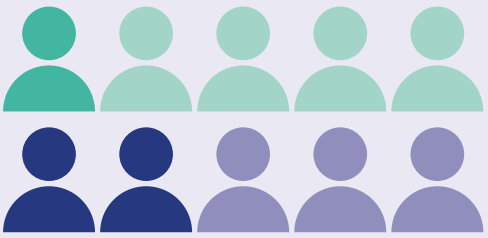
Chart 6: Over time, levels of qualification have improved for both disadvantaged and non-disadvantaged young people

Overall levels of qualification in 2012 cohort vs 2007 cohort



The message is clear: young people with low qualifications are more than three times as likely to be NEET than those with high qualifications, and twice as likely to be NEET as those in the middle group. While education attainment improved for disadvantaged young people in recent years, the group with low qualifications (dark shade) have the largest shares of disadvantaged young people, and this finding remains the same over time for all six cohorts. Better-off young people are only half as likely to be low qualified, and this explains part of the gap between the two groups identified in the previous chapter (chart 6).

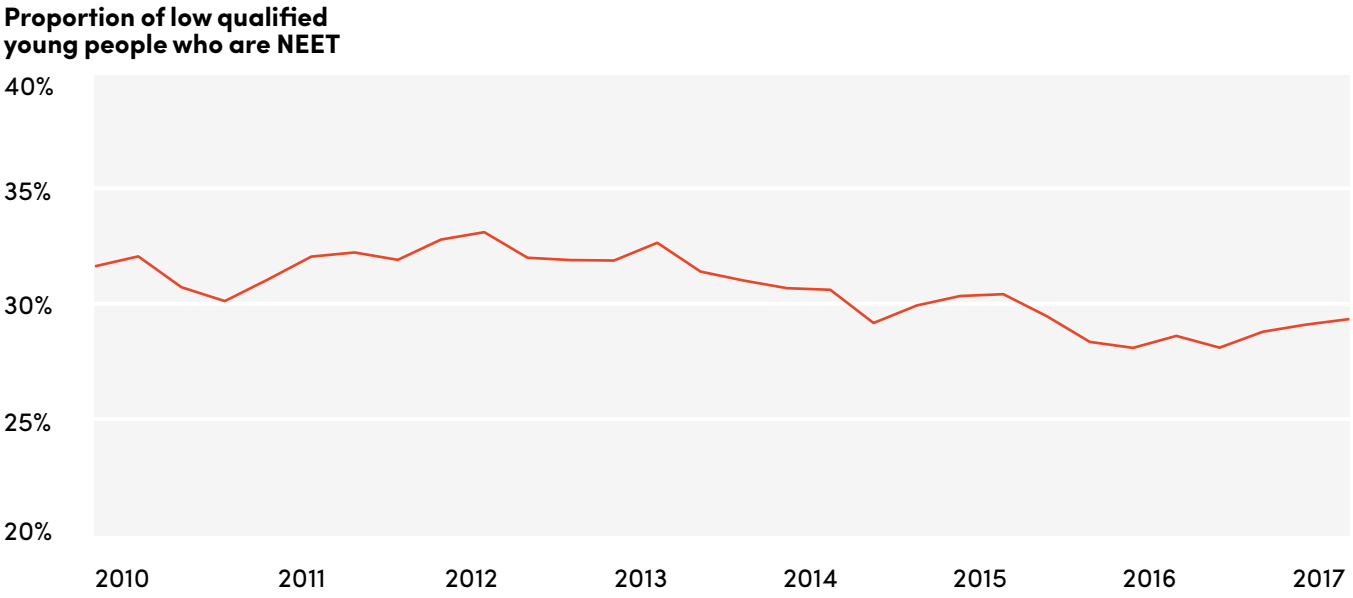
Like previous findings, this central message is consistent across all cohorts and across the time period analysed: qualifications matter.



Disadvantaged young people are twice as likely to be low qualified

Trends observed over time

Chart 7: The proportion of low qualified young people who are NEET has barely changed in recent years, even though the proportion of young people with low qualifications has fallen
Low qualified NEET rate vs time



At any given time, the group with qualifications below Level 2 corresponds to half of the whole NEET population. This is particularly true at younger ages, where the low qualified group can be over 60% of all NEETs, but regardless of age or cohort, they are never more than a few percentage points shy of being an outright majority of NEETs. Given they only represent around 20-25% of the total population, their over-representation among the NEETs is very noticeable.

Interestingly, while the total share of young people only achieving low levels of education has fallen over recent years, the proportion of low qualified young people who are NEET has barely changed. While schools and colleges helped to reduce low qualification and the labour market improved, so that levels and proportion of NEET young people decreased, young people with relatively lower education attainment are still just as likely to be NEET. Today, one in three low qualified young people is NEET (Chart 7).

But the positive trends in NEET rates and in qualification will not automatically continue forever. Much of this progress in qualification levels has been maintained since 2012, and we know that the size of cohorts has continued to change. The labour market has reached what is sometimes argued to be "full employment" and, regardless of how much slack there is, in the medium-term economic conditions are likely to tighten. If and when that happens, policymakers will need to keep an active watch on how the composition of the NEET group changes.

Regional variation

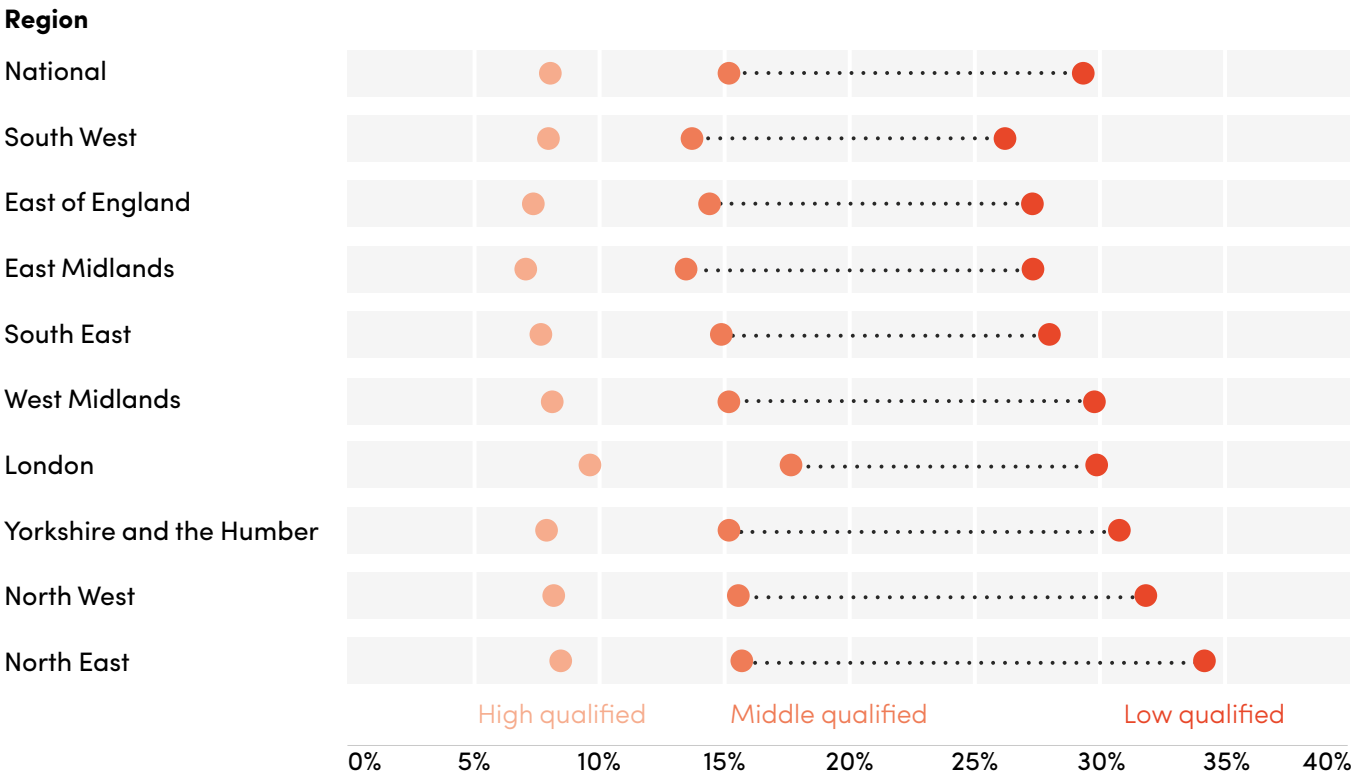
The regional variation of NEET rates, when looking into groups of young people with different levels of qualification, is different to the regional NEET rates shown in the previous chapter (Chart 8), which focused on disadvantaged and non-disadvantaged groups.

We observe the biggest absolute variation in the category corresponding to the higher NEET rates, which in this case is the low qualified group (darkest shade). Qualifications have a noticeable impact on NEET rates across all regions. Once again, the North East stands out for its higher rates, with over one in three low qualified young people NEET.

In the description of regional variation, London no longer stands out positively, but offers a more disappointing picture as there are noticeably higher NEET rates among the middle and high qualified groups (lightest shade) than in other regions. This might have a simple explanation. We know London has more disadvantaged young people, and that in London they show comparatively high education attainment compared to other regions. This means that a higher proportion of the middle and high qualified groups are from disadvantaged backgrounds than in other regions, possibly pushing up NEET rates for these groups.

We need to consider both disadvantage and qualification, to compare disadvantaged young people to their similarly qualified, but better-off, peers. The LEO dataset enables us to take this approach for the first time, with caveats explained in the methodology document.

Chart 8: London stands out for having a much smaller Employment Gap than other regions
Disadvantage vs non-disadvantage NEET rate of young people, by cohort, at March 2017



The combined influence of disadvantage and education attainment on being NEET

This section demonstrates that education attainment is not sufficient to explain why disadvantaged young people are more likely to be NEET than their better-off peers. When we look at the NEET rates by both disadvantage and qualification, we see that disadvantaged young people are still more likely to be NEET than their similarly qualified, but non-disadvantaged peers (Chart 9). Furthermore, this finding holds true in every region across the whole time period analysed.

This is a stark and surprising finding – disadvantaged young people are around 50% more likely to be NEET than their similarly qualified but better-off peers, regardless of whether they are high, middle, or low qualified. The gap between NEET rates of disadvantaged young people and other young people with similar qualifications is widest for those with low qualifications. However, this also reflects that NEET rates are larger for this group altogether.

Chart 9: At all levels of qualification, disadvantaged young people are more likely to be NEET than their better-off peers with similar qualifications
Low qualified vs middle qualified vs high qualified NEET rate for young people, by disadvantage, at March 2017

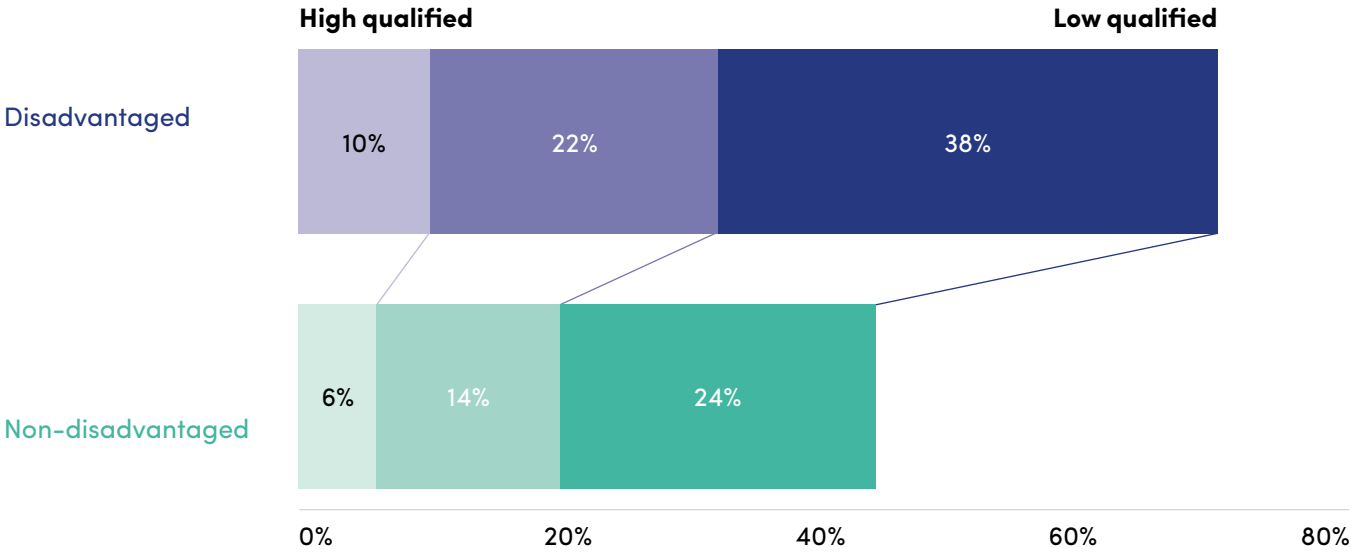
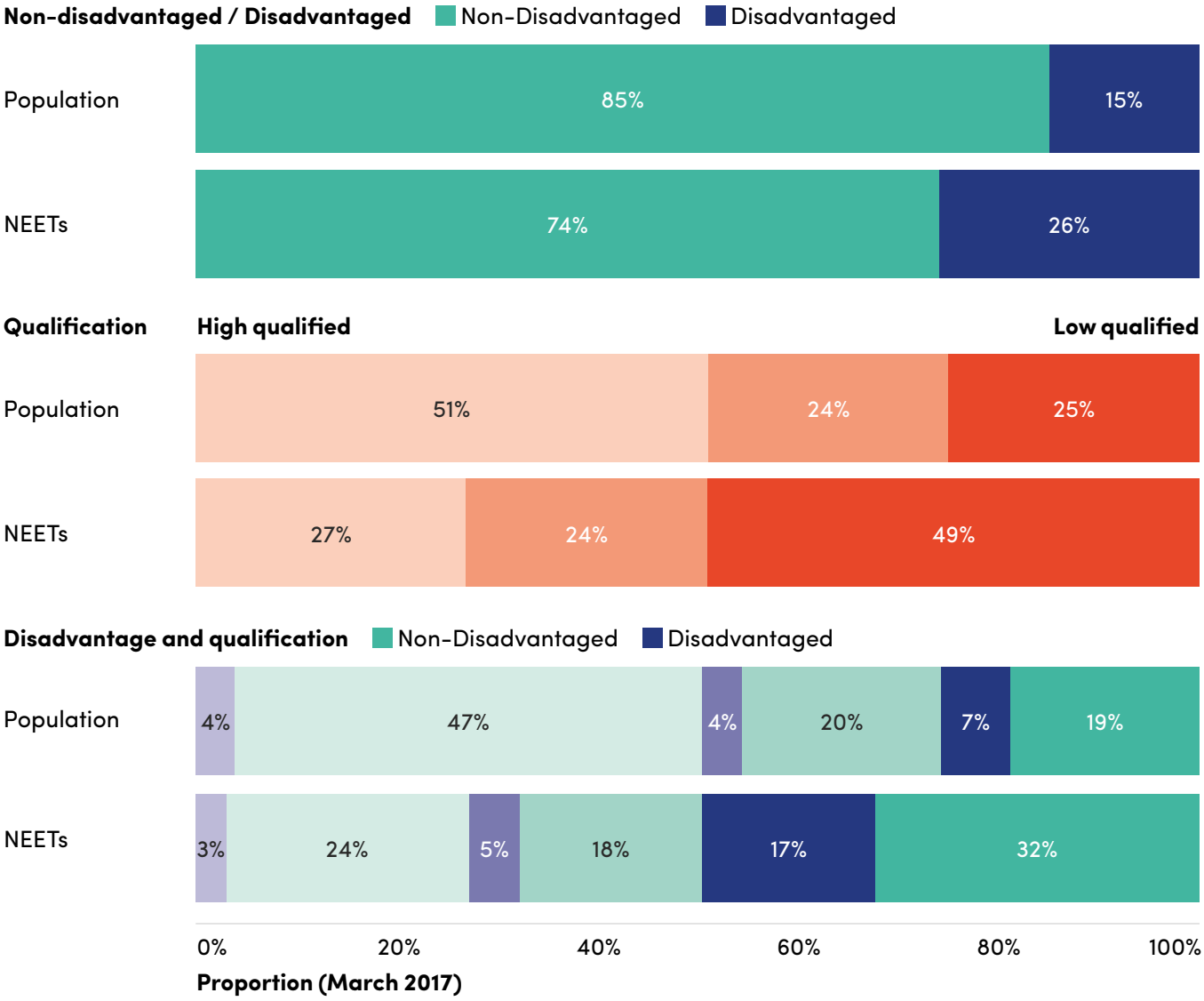


Chart 10: NEET young people are disproportionately low qualified, disproportionately disadvantaged, and disproportionately low qualified and disadvantaged

Overall population vs NEET population, by qualification and disadvantage, at March 2017



This means that half of the gap in NEET rates between disadvantaged young people and their better-off peers can be explained by differences in education – but half cannot. An important implication of this finding is that education alone is necessary, but not sufficient, to close the gap between disadvantaged young people and their better-off peers.

For the first time, we are also able to combine education and disadvantage to better understand the composition of the NEET population, which can then be described by six categories (Chart 10).

Disadvantaged young people are around

50%

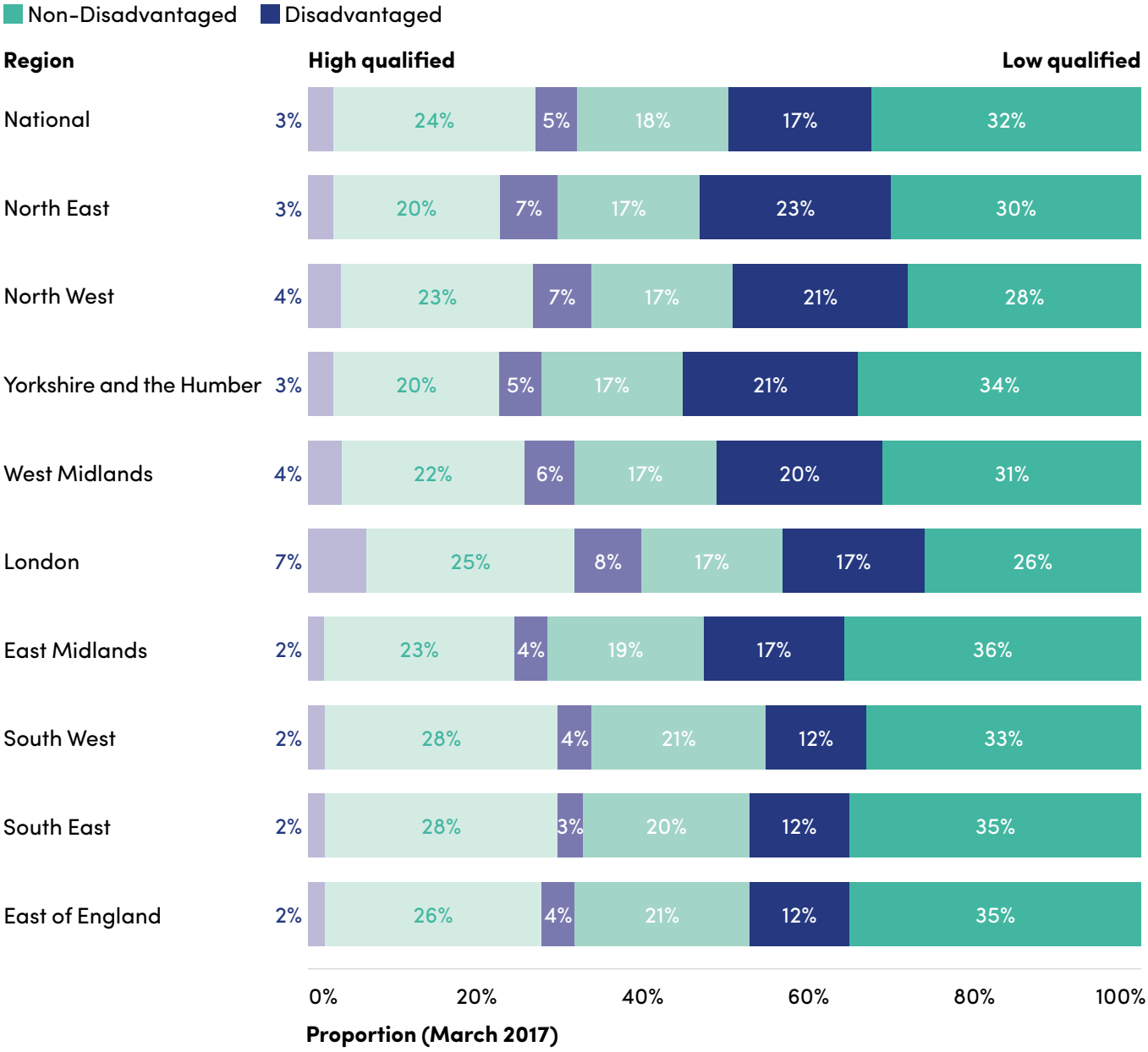
more likely to be NEET than their similarily qualified but better-off peers

Young people from disadvantaged backgrounds, or with low qualifications, or both, are most overrepresented among the NEET population than any of the other categories. There is a sizable minority of highly educated NEET young people, but about half of all NEET young people have low levels of education attainment, while one in four come from disadvantaged backgrounds. Again, there are differences in this by region (chart 11).

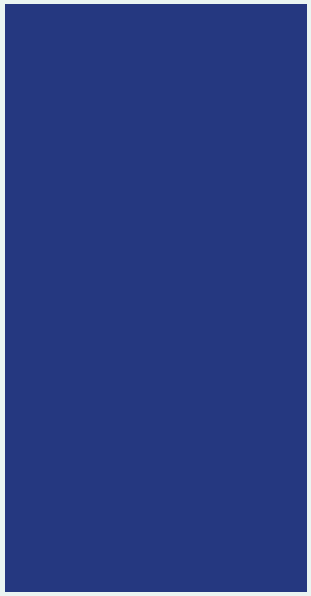
Within the regions, there is wide variation because of a number of factors, such as the rates of disadvantage and education attainment, their interaction, NEET rates for each group, age / cohort and time effects and differences in small local areas. This can be understood when looking at particular groups, for example young people with low qualifications.

Chart 11: Comparison of NEETs in March 2017 for five cohorts of young people, broken down by qualification group and disadvantage status region

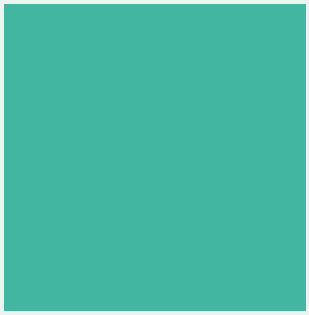
Regional NEET population, by qualification and disadvantage, at March 2017



The North West provides an example. In Blackburn, 39% of disadvantaged 20 year olds with low qualifications were NEET compared to 27% of their better-off peers in March 2017. For the 24 year olds with low qualifications, these figures were 45% and 30% respectively. But elsewhere in the region, in Bolton, for example, the figures for 20 year olds with low qualifications are 46% of disadvantaged young people NEET and 24% of non-disadvantaged being NEET. At first glance it seems that Blackburn has smaller than average gaps for the low qualified group, whereas Bolton has larger than average gaps. But for Bolton's 24 year olds with low qualifications the figures stand at 34% and 28%. The gap is smaller for older young people, driven by a drop in NEET rates for disadvantaged young people. This is the exact opposite of what we see in Blackburn. These differences between local authorities will be explored in future reports.



Around half the gap between disadvantaged young people and their better-off peers can be explained by qualification – but half cannot



Conclusion

This briefing has provided much more detailed descriptions about the situation of young people who are NEET in England than what has been possible thus far using Labour Force Survey data.

We have presented some new and important findings, in particular that disadvantaged young people, and those with low levels of qualification at age 18, are disproportionately likely to be NEET.

The correlation between disadvantage and engagement in employment and education is similar to other major barriers, such as caring responsibilities, substance abuse and youth offending, although arguably more attention is focused on helping these specific groups (and of course these factors are not entirely independent of one another).

We find an employment gap of 13 percentage points between disadvantaged young people and their peers, a gap that has never previously been measured. More startling, perhaps, is that only half of the differences between these groups can be explained by lower educational attainment.

What explains the other half will be the subject of further analysis, and we welcome input from others. The statistics alone will only ever give a partial picture. Through the frontline experiences of our charities, and via engagement with decision makers, employers and the wider sector, we'll seek to fill in more of the picture and propose solutions.

There are many factors that affect NEET rates. Existing data has always shown rates vary by season, with a September peak.[8] We know they have fallen as the economic picture has improved in recent years. Levels of education, disadvantage, and the interaction between the two vary across the country – as indeed do the qualification levels of non-disadvantaged young people and the differences in qualifications between the two groups.

This briefing is the first in a series of data-driven explorations of LEO to understand the situation of NEETs and the outcomes of disadvantaged young people. In further work, we will use LEO to find out more about young people with longer NEET experiences (e.g. six months or 12 months), and the movement of young people from NEET into EET.

All this presents a complicated picture for policymakers. There's a broad consensus that reducing NEET rates is a good thing. This research begs the question, how important is it also to try and reduce the gap between disadvantaged young people and their better-off peers? Are there trade-offs between the two objectives?

No-one would be satisfied if NEET rates were rising. Equally, we should not be satisfied if progress in this area is disproportionately benefitting young people from better-off backgrounds. In this, the education sector is a model – where government explicitly aims to close the attainment gap and to raise standards across the board.

In the employment support space, it is already widely accepted that what's needed is support tailored to individual needs. As the Work and Pensions Select Committee noted in their report on employment opportunities for young people, "...young people with greater barriers to work need a more tailored, personalised approach. Such people may take longer to move into work, requiring several different interventions, rather than repeated generic support, to help them to do so."[9]

Disadvantaged young people are more likely to be NEET than their better-off peers. Programmes and policies aimed at reducing the number of NEETs need to be designed with this group in mind. And education, while an important part of the solution, will not be enough on its own. In some cases, there might be specific additional support needs, such as mental health support, housing advice or debt management. But in the current system it is clearly disproportionately disadvantaged young people who are missing out.

We look forward to helping develop this picture in subsequent briefings.

References & Appendix

1 Department for Education, *Early years foundation stage profile results: 2017 to 2018*, October 2018

2 Department for Education, *Key stage 2 and multi-academy trust performance, 2018 (revised)*, December 2018

3 Department for Education, *Key stage 4 and multi-academy trust performance 2018 (revised)*, January 2019

4 Impetus, *Youth Jobs Index*, August 2017

5 Office for Statistics Regulation, *A review of the continuing compliance with the Code of Practice for Official Statistics: The quality of Labour Force Survey estimates produced by the Office for National Statistics*, June 2017

6 Audit Commission, *Against the Odds*, July 2010

7 NIESR, *Young people's education choices and progression to higher education*, February 2019

8 Department for Education, *NEET statistics annual brief: 2018*, February 2019

9 House of Commons Work and Pensions Committee, *Employment opportunities for young people*, March 2017

Table 1: Underlying data for chart 1

Cohort	Age in March 17	Disadvantaged NEET rate	Non-disadvantaged NEET rate	Gap[iv] (%pts)
2012	20	24%	11%	13
2011	21	26%	12%	13
2010	22	26%	13%	13
2009	23	27%	14%	13
2008	24	28%	15%	13
All	20–24	26%	13%	13

[iv] The gaps in this briefing have been calculated using the underlying percentages at several decimal places; the numbers don't always sum because of rounding.

Table 2: Underlying data for chart 2

Cohort	Quarter	Disadvantaged NEET rate	Non-disadvantaged NEET rate	Gap (%pts)
2010	1	29%	15%	14
	2	28%	14%	14
	3	28%	13%	14
	4	28%	13%	15
2011	1	29%	13%	15
	2	29%	13%	16
	3	29%	13%	16
	4	29%	13%	16
2012	1	30%	13%	16
	2	29%	13%	16
	3	29%	14%	15
	4	28%	13%	15
2013	1	29%	13%	15
	2	28%	13%	15
	3	28%	13%	15
	4	27%	13%	14
2014	1	27%	13%	14
	2	26%	12%	14
	3	27%	13%	14
	4	27%	13%	14
2015	1	27%	13%	14
	2	26%	12%	14
	3	25%	12%	13
	4	25%	12%	13
2016	1	26%	12%	13
	2	25%	12%	13
	3	26%	13%	13
	4	26%	13%	13
2017	1	26%	13%	13

Table 3: Underlying data for chart 3

Region	Disadvantaged NEET rate	Non-disadvantaged NEET rate	Gap (%pts)	NEET rate (overall)
East Midlands	27%	12%	15	14%
East of England	25%	13%	12	14%
London	21%	15%	6	16%
North East	32%	14%	18	17%
North West	28%	13%	15	16%
South East	26%	13%	14	14%
South West	25%	12%	13	14%
West Midlands	27%	13%	13	16%
Yorkshire & the Humber	30%	14%	16	16%
National	26%	13%	13	15%

Table 4: Underlying data for chart 4

Region	Level of disadvantage (population)	Level of disadvantage (NEETs)	Percentage increase	Difference (%pts)
East Midlands	13%	23%	73%	10
East of England	11%	17%	65%	7
London	25%	32%	25%	6
North East	20%	33%	64%	13
North West	20%	32%	62%	12
South East	10%	17%	70%	7
South West	11%	18%	68%	7
West Midlands	19%	30%	56%	11
Yorkshire & the Humber	17%	29%	66%	11
National	16%	26%	59%	9

Table 5: Underlying data for chart 5

Cohort	Low qualified	Middle qualified	High qualified	Difference (low to middle, %pts)
2012	28%	15%	6%	13
2011	29%	15%	8%	14
2010	30%	15%	9%	15
2009	30%	15%	9%	15
2008	29%	15%	9%	14
Overall	29%	15%	8%	14

Table 6: Underlying data for chart 6

Cohort	Low	Middle	High
Disadvantaged			
2012	19%	19%	61%
2007	27%	28%	45%
Non-disadvantaged			
2012	41%	22%	37%
2007	52%	30%	21%

Table 7: Underlying data for chart 7

Timeline	Quarter	Percentage
2010	1	32%
	2	31%
	3	30%
	4	31%
2011	1	32%
	2	32%
	3	32%
	4	33%
2012	1	33%
	2	32%
	3	32%
	4	32%
2013	1	33%
	2	31%
	3	31%
	4	31%
2014	1	31%
	2	29%
	3	30%
	4	30%
2015	1	30%
	2	29%
	3	28%
	4	28%
2016	1	29%
	2	28%
	3	29%
	4	29%
2017	1	29%

Table 8: Underlying data for chart 8

Region	Low qualified	Mid qualified	High qualified	Difference (low to middle, %pts)
North East	34%	16%	8%	18
North West	32%	16%	8%	16
Yorkshire and the Humber	31%	15%	8%	16
London	30%	18%	10%	12
West Midlands	30%	15%	8%	15
South East	28%	15%	8%	13
East Midlands	27%	13%	7%	14
East of England	27%	14%	7%	13
South West	26%	14%	8%	12
National	29%	15%	8%	14

Table 9: Underlying data for chart 9

Region	NEET rate (low)	NEET rate (middle)	NEET rate (high)	Gap (low to middle, %pts)	NEET rate (overall)
East Midlands	27%	13%	7%	14	14%
East of England	27%	14%	7%	13	14%
London	30%	18%	10%	12	16%
North East	34%	16%	8%	18	17%
North West	32%	16%	8%	16	16%
South East	28%	15%	8%	13	14%
South West	26%	14%	8%	12	14%
West Midlands	30%	15%	8%	15	16%
Yorkshire & the Humber	31%	15%	8%	16	16%
National	29%	15%	8%	14	15%

Table 10: Underlying data for chart 10

Cohort	Low qualified			Middle qualified			High qualified		
	Non-disadvantaged ↓ Disadvantaged		Gap (%pts)	Non-disadvantaged ↓ Disadvantaged		Gap (%pts)	Non-disadvantaged ↓ Disadvantaged		Gap (%pts)
2012	26%	39%	12	14%	21%	7	9%	12%	3
2011	27%	40%	13	14%	21%	7	9%	13%	4
2010	26%	40%	13	14%	22%	8	8%	12%	3
2009	25%	39%	13	14%	22%	8	7%	11%	4
2008	24%	38%	14	14%	22%	9	6%	10%	4
All	26%	39%	13	14%	21%	7	8%	11%	4

Table 11: Underlying data for chart 11

Region	Disadvantaged			Non-disadvantaged		
	Low qualified	Middle qualified	High qualified	Low qualified	Middle qualified	High qualified
East of England	12%	4%	2%	35%	21%	26%
South East	12%	3%	2%	35%	20%	28%
South West	12%	4%	2%	33%	21%	28%
East Midlands	17%	4%	2%	36%	19%	23%
London	17%	8%	7%	26%	17%	25%
West Midlands	20%	6%	4%	31%	17%	22%
Yorkshire & the Humber	21%	5%	3%	34%	17%	20%
North West	21%	7%	4%	28%	17%	23%
North East	23%	7%	3%	30%	17%	20%
National	17%	5%	3%	32%	18%	24%

Methodology reference notes

The following is a summary of the terminology used in this briefing for reference. We have published in parallel a full methodology document, *Methodology for the Youth Jobs Gap*.

Cohort – a group of students who all sat their GCSEs in the same year, from 2007 to 2012 (six cohorts), included in our analysis.

Disadvantage – eligible for free school meals (FSM) in year 11.

Local authority and region – where young people went to school. This briefing only covers young people who were in mainstream English schools in year 11, and about whom disadvantage status is known.

Qualification – High (A-level or equivalent), middle (five GCSEs A*-C or equivalent), low (fewer than five GCSEs). Based on highest qualifications at age 18.

EET – young people recorded as being in education, employment or training (EET) at a point in time. Due to limitations with LEO at the time of developing this project, self-employment is not included as a form of EET.

NEET – not EET for at least three consecutive months up to and including the NEET reference points we use, namely December, March, June and September of any given year, from December 2009 to March 2017.

Age – approximate age, based on the year young people left school and the point in time NEET or EET is being measured at. This is based on academic age and therefore academic years. See below. Every young person in the same cohort is the same age; age acts as an intuitive measure of 'how long since the cohort left school'.

Cohort	Year EET / NEET observed							
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
2007	18	19	20	21	22	23	24	
2008		18	19	20	21	22	23	24
2009			18	19	20	21	22	23
2010				18	19	20	21	22
2011					18	19	20	21
2012						18	19	20

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