

Looking at the long-term

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

get the support they need.

decision makers so that young people

**Author:** Ben Gadsby

### Data processing and outputs:

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

The statistics shown in this report are based on a research collaboration between NIESR and Impetus as part of the CVER programme over a period of twelve months, which ended in August 2019. The aim of the project was to create better measures on labour market outcomes of young people at regional and local level and to discuss the work across the interested research and practitioner communities.

Impetus, NIESR and CVER continue to disseminate outputs from this research to elicit comments and further debate, but the views in all publications are subjective and solely those of the author(s). This applies specifically in dissemination where partial representation of the effectiveness of particular employment programme interventions and/or selective case studies is contextualised to the statistics obtained from the joint research project. Such views do not represent the position of CVER or NIESR or organisations involved in creating the statistics.

**y** ⊚ImpetusPEF 
#Youth|obsGap

### Contents

| List of tables and figures                  |    |
|---|----|
| Foreword                                    |    |
| Executive Summary                           | 6  |
| Introduction                                | 10 |
| 1: Headline findings                        | 12 |
| 2: The impact of disadvantage               | 16 |
| 3: The role of qualifications               | 22 |
| 4: Combining disadvantage and qualification | 26 |
| 5: Three parts of a NEET strategy           | 32 |
| Methodology reference notes                 |    |

### List of tables and figures

| Table 1  | The overwhelming majority of NEET young people are long-term NEET   |
|----------|---|
| Table 2  | NEET young people from disadvantaged backgrounds are more likely to be NEET for the longer term than their better-off peers         |
| Table 3  | Over a quarter of long-term NEET young people are from disadvantaged backgrounds  |
| Table 4  | Disadvantaged young people are a disproportionate share of long-term NEET statistics, especially in the East Midlands and the South |
| Table 5  | Around one in five of all NEET young people is NEET for the long-term and from a disadvantaged background                           |
| Table 6  | Young people with top GCSEs are much less likely to be long-term NEET than their better-off peers                                   |
| Table 7  | Over half of long-term NEET young people finished school without good GCSEs   |
| Table 8  | Disadvantaged young people are 50% more likely to be NEET for the long-term than their similarly qualified but better-off peers     |
| Table 9  | One in five long-term NEET young people are doubly disadvantaged  |
| Table 10 | Doubly disadvantaged young people are a disproportionate share of long-term NEET young people, especially in the South              |
| Table 11 | There are five distinct and sizable groups of NEET young people   |
| Chart 12 | The overall national NEET population, broken down by qualifications, disadvantage and long-term NEET status, for the first time     |

## Foreword



**Andy Ratcliffe** CEO, Impetus

It's not good for any young person to be out of education and work as they enter their early adulthood. But not all experiences of being 'NEET' (not in education, employment or training) are equally bad. A short spell of a few weeks or even a few months may be stressful and uncertain but the evidence shows that its long term effects on someone's future career need not be too damaging. Being NEET for a long time, a year or more, is much worse however, damaging your future job prospects and earnings.

That's why this report is so important because it shows that being NEET is 'sticky': most young people who become NEET are going to stay that way for a long time. This is a major problem for our society and our economy. First and foremost because it is making life tougher for hundreds of thousands of young people and their families. But also because it is a symptom of deep social injustice - young people from disadvantaged backgrounds are disproportionately likely to end up stuck in the NEET trap, mainly because they tend to have lower qualifications when they leave school. And we should worry about all of this even more as we go through a period of profound economic uncertainty.

An ambitious agenda to tackle the long-term NEET issue would have three parts. A stronger focus on preventing young people becoming NEET in the first place, and, as our earlier reports have shown, this needs to go further than a focus on educational qualifications as important as those are. Second, greater efforts to move people back in to employment and education quickly, given that most young people who become NEET end up staying NEET for a long time there is little justification for waiting to get them help. And third, more in-depth and specialised support for those young people who need more help, for example those facing mental health challenges, those with disabilities and those with chaotic family circumstances.

The good news is we're learning what works. Our charity partners are showing that we can get young people support that makes an impact. And we look forward to working with government and other partners to take this agenda forward.



"Most young people who become NEET end up staying NEET for a long time – there is little justification for waiting to get them help."

The Youth Jobs Gap research series uses previously unseen Longitudinal Education Outcomes data to present new insights into disadvantaged young people's transition from compulsory education into employment. The first three national reports looked at NEET rates, higher education, and apprenticeships respectively.



of young people who are NEET for three months have been NEET for 12 months. Most NEET young people are NEET for the long-term.

We know from the first of these reports that there is an Employment Gap for disadvantaged young people – they are twice as likely to be NEET as their better off peers, and while half of this can be explained by qualification, half cannot. This report looks at what happens to these NEET young people, and finds the same patterns among those who are NEET for 12 months.

But this report also shines a light on the extent to which NEET status is sticky – 75% of young people who are NEET for three months have been NEET for 12 months. Most NEET young people are NEET for the long-term. This finding has significant consequences, with being long-term NEET linked to poorer health and employment outcomes decades later: a scarring effect. The impact of being NEET long-term, coupled with the fact that the majority of young people who are NEET are NEET for the long-term, suggests our response to the issue of NEET young people should be three pronged.

Firstly, we need to do all we can to prevent young people becoming NEET in the first place, so that there's no risk of them getting stuck.

Secondly, we need to do more to help young people who are NEET to move quickly into education or employment, to reduce the extent to which young people become stuck NEET for the long-term.

Finally, for those NEET young people who are stuck for the long-term, we need intensive, long-lasting support to make the difference, especially for those young people with multiple or complex barriers.

At the end of this report, we present examples of what each of those three strands could look like, from programmes run by our charity partners: ThinkForward, Resurgo, and TwentyTwenty.

There is a perception that youth unemployment isn't a problem in 2019. This perception is wrong: disadvantaged young people are disproportionately likely to be NEET, and too many young people are getting stuck NEET.



There is a perception that youth unemployment isn't a problem in 2019. This perception is wrong: disadvantaged young people are disproportionately likely to be NEET, and too many young people are getting stuck NEET.

## Introduction

### What is the impact of growing up in a disadvantaged family on your employment prospects?

We already know the impact on educational attainment, an impact which appears early and persists throughout their school years. At age five, disadvantaged young people eligible for free school meals are 17 percentage points less likely to have attained a good level of development. At age 11, the group is 22 percentage points below the performance of non-disadvantaged children in English and maths attainment. And by the time they sit their GCSEs, they are 28 percentage points less likely to secure passes in those crucial subjects.

In April 2019, Impetus launched the first Youth Jobs Gap report, Establishing the Employment Gap.<sup>4</sup> It found that, nationally:

- Disadvantaged young people aged 18-24 are twice as likely to be out of education and employment as their better-off peers – a gap of 13 percentage points.
- Half of this gap can be explained by qualification, and half cannot.
- The group who are both low qualified and from disadvantaged backgrounds are doubly disadvantaged, and most likely to be locked out of the labour market when aged 18-24.

That report looked at young people being not in employment, education, or training (NEET) for three months. This report takes a similarly detailed look at the characteristics of young people who have been NEET for 12 consecutive months. A third report looking at how young people move from NEET to EET will be published later in the *Youth Jobs Gap* series.

Being NEET for the long-term is incredibly damaging for young people's futures, with a significant impact on future employment prospects and wages<sup>5</sup> and even health<sup>6</sup> decades down the line. Combined with the fact that longer NEET status among young people decreases their chances of moving from NEET to EET<sup>7</sup>, long-term NEET status is the perfect storm: easy to get stuck, causing lifelong damage. This damage is often referred to as "scarring".<sup>8</sup>

These long-term NEET young people are an under-researched group. In 2017, Impetus' Youth Jobs Index<sup>9</sup> delved into the Labour Force Survey (LFS), which is used for official statistics, to understand what is happening to young people who become NEET. It found that one in four 16-24-year-olds spends some time NEET, with 800,000 spending a year or more NEET. Based on the newly available LEO data, we can now provide a better and more up to date figure in this briefing, as well as a better understanding of these young people.

In Chapter 1, we present the headline findings from the data at national and regional level, without looking at the impact of disadvantage or qualification on how long young people spend NEET.

In Chapter 2, we explore the impact of disadvantage (eligibility for free school meals in year 11).

In Chapter 3, we look instead at the role of qualifications, and the extent to which five GCSEs at A\*-C grades reduces the proportion of young people who are long-term NEET.

In Chapter 4, we combine these two variables to look at the double disadvantaged group – those from disadvantaged backgrounds, and without good GCSEs.

Finally, in Chapter 5, we outline a three-pronged approach to addressing the issues around long-term NEET young people, which forms a framework for thinking about how to tackle the realities highlighted in the first four chapters.

As with previous briefings in the Youth Jobs Gap series, this briefing takes advantage of the new Longitudinal Education Outcomes (LEO) data. LEO is the most complete data available, and offers better insights than we've had from any previous datasets. From it, we can see how things differ for young people based on whether they are from a disadvantaged background, what qualifications they have, and where they went to school. The approach taken 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 caveats associated with the new LEO dataset. As with government reports based on LEO, these are experimental statistics and feedback on methodology is welcome. Contributions, engagement and comments are encouraged, via info@impetus.org.uk

Headline findings

Relatively little is known about the young people who spend a long time out of employment, education or training. Official NEET statistics are based on survey data which looks at whether people have been in work or looking for work at a point in time, or in the preceding four weeks. More thorough analysis requires administrative data sources, such as the LEO data used in this report.



### Table 1: The overwhelming majority of NEET young people are long-term NEET

| Region | March 2016 | September 2016 |
|--------|------------|----------------|
|        |            |                |

|                          |          | Percentage of young people in study NEET for |         | Percentage of young people in study NEET for |           | ,       |
|--------------------------|----------|--|---------|--|-----------|---------|
|                          | 3 months | 6 months                                     | Overlap | 3 months                                     | 12 months | Overlap |
| National                 | 14%      | 13%  | 89%     | 16%  | 12%       | 75%     |
| South West               | 13%      | 11%  | 89%     | 14%  | 10%       | 77%     |
| South East               | 13%      | 12%  | 89%     | 14%  | 11%       | 76%     |
| Yorkshire and the Humber | 16%      | 14%  | 89%     | 17%  | 13%       | 76%     |
| East of England          | 13%      | 12%  | 89%     | 14%  | 11%       | 76%     |
| West Midlands            | 15%      | 13%  | 89%     | 16%  | 12%       | 76%     |
| East Midlands            | 13%      | 12%  | 90%     | 15%  | 11%       | 75%     |
| North East               | 17%      | 15%  | 88%     | 18%  | 13%       | 75%     |
| North West               | 15%      | 13%  | 89%     | 16%  | 12%       | 75%     |
| London                   | 16%      | 14%  | 88%     | 17%  | 12%       | 71%     |

These figures imply that there were around

630,000

NEET young people aged 18–24 in September 2016, of whom 475,000 had been NEET for a full 12 months.

As a starting point, Table 1 gives an overview of the proportion of young people become NEET for the long-term – either six or 12 months – as well as how that relates to the proportion of young people known to be NEET overall.

The NEET rates for six and 12 months look very similar to the three-month NEET rates, and indeed the published point in time NEET rates. This brings to light a startling fact – 75% of young people who have been NEET for three months, have in fact been NEET for a full 12 months or more. Most NEET young people are long-term NEET.

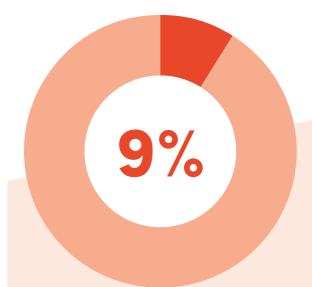
Indeed, almost 90% of young people who have been NEET for three months have in fact been NEET for six months or more. There are very few young people NEET for more than three, but less than six, months. And there are only slightly more young people who are NEET for more than six, but less than 12 months.

These figures also imply that only 10% of young people who have been NEET for three months will have moved into a positive EET destination after a further three months – and only around 25% will have done so after a further nine months. We will explore NEET to EET rates, later in the *Youth Jobs Gap* series.

The extent to which the group of long-term NEET young people overlaps with the group of short-term NEET young people does not vary markedly by region. This means that while your chances of being NEET, either short or long-term, does vary by region, there isn't a better region to be NEET in; being NEET is sticky – if you're NEET for three months, the chances are you'll be stuck NEET, regardless of where you are in the country. The slight exception is London, which does slightly better than other regions at avoiding 12-month NEET periods.

However, it is worth noting that previous Youth Jobs Gap research has found that the differences within the regions are much bigger and more meaningful than the differences between them. There is a much bigger difference between Manchester and Cumbria (both parts of the North West) than between the North West and the North East – both of which have sizable cities and more rural areas. The role of geography is a more granular and subtle picture than simply comparing large regions.

This long-term NEET problem is clearest when looking at the raw numbers. These figures imply that there were around 630,000 NEET young people aged 18–24 in September 2016, of whom 475,000 had been NEET for a full 12 months. In March 2016, there were 590,000 NEET young people, of whom 520,000 had been NEET for a full six months. So, of that 520,000, only 45,000 (9%) moved from NEET to EET six months later, while there was a net increase of around 40,000 NEET young people overall (a seasonal effect).



Only 9% of young people who were NEET for six months moved from NEET to EET 6 months later.

For at least three months

# The impact of disadvantage

The previous chapter exposed the extent to which the majority of NEET young people are NEET for the long-term. We know that disadvantaged young people are twice as likely to be NEET as their better-off peers, and we can now explore whether the same is true for long-term NEET young people (Table 2).



Table 2: NEET young people from disadvantaged backgrounds are more likely to be NEET for the longer term than their better-off peers

| Region                   |          | Non-disad  | vantaged |          | Disad      | vantaged             |
|--------------------------|----------|------------|----------|----------|------------|----------------------|
|                          | •••••    | Percentage | of young |          | Percentage | of young<br>NEET for |
|                          | 3 months | 12 months  |          | 3 months | 12 months  |                      |
| National                 | 14%      | 10%        | 74%      | 27%      | 21%        | 77%                  |
| South West               | 12%      | 9%         | 76%      | 25%      | 20%        | 80%                  |
| South East               | 13%      | 10%        | 76%      | 27%      | 21%        | 80%                  |
| Yorkshire and the Humber | 14%      | 11%        | 75%      | 30%      | 24%        | 79%                  |
| North East               | 15%      | 11%        | 74%      | 33%      | 26%        | 79%                  |
| East of England          | 13%      | 10%        | 75%      | 25%      | 20%        | 78%                  |
| West Midlands            | 14%      | 10%        | 75%      | 27%      | 21%        | 78%                  |
| North West               | 14%      | 10%        | 74%      | 29%      | 22%        | 78%                  |
| East Midlands            | 13%      | 10%        | 75%      | 28%      | 21%        | 78%                  |
| London                   | 16%      | 11%        | 70%      | 22%      | 16%        | 72%                  |

Young people from disadvantaged backgrounds are twice as likely to be long-term NEET as their better-off peers, 21% to 10%, much as they are twice as likely to be NEET overall. This employment gap is equivalent to 36,000 additional disadvantaged young people spending 12 months NEET, who would not do so if the gap did not exist. While these figures, and the figures in the rest of this report relate to September 2016, this finding is not unique to that point in time.

There is a subtle difference between the two groups, with a slightly higher proportion (77%) of disadvantaged young people who are NEET for three months being NEET for 12 months, compared to their better-off peers (74%). Being NEET is especially sticky for disadvantaged young people, they are less likely to move from NEET to EET than their better-off peers.

Once again, the differences between the regions are not especially large, with the exception of London, where being NEET is slightly less likely to be a long-term experience than in other regions, for both disadvantaged and non-disadvantaged young people.



Young people from disadvantaged backgrounds are twice as likely to be long-term NEET as their better-off peers; 21% to 10%.

### Understanding the **NEET** population

As well as looking at what proportion of disadvantaged young people are long-term NEET, we can also look at the proportion of long-term NEET young people who are from disadvantaged backgrounds.

As they are more likely to be long-term NEET, disadvantaged young people make up a disproportionate share of long-term NEET young people (Table 3).

### Table 3: Over a quarter of long-term NEET young people are from disadvantaged backgrounds

**Proportion of long-term NEET** Region young people from disadvantaged backgrounds

| National                 | 26% |
|--------------------------|-----|
|                          |     |
| North East               | 33% |
| North West               | 33% |
| London                   | 32% |
| West Midlands            | 30% |
| Yorkshire and the Humber | 29% |
| East Midlands            | 22% |
| South West               | 18% |
| East of England          | 17% |
| South East               | 17% |
|                          |     |

While a quarter of long-term NEET young people are from disadvantaged backgrounds nationally, this varies from region to region, reflecting different levels of disadvantage in each region. Controlling for these differences, we can make a like-for-like comparison of the extent to which disadvantaged young people are disproportionately NEET (Table 4).

When controlling for the context of differing levels of disadvantage, a somewhat different picture emerges. The South East and South West are particularly interesting – disadvantaged young people make up a very low share of long-term NEET young people. This just reflects the fact that these are regions with low levels of disadvantage. When you take that into account, disadvantaged young people are particularly overrepresented. London stands out compared to other regions, as with many findings in the Youth Jobs Gap series, due to it's relative lack of rural areas – other English regions are a mix of cities, towns, and rural areas, in a way London is not.

We can also look at the overall NEET population in a more granular way than has previously been possible in terms of disadvantage (Table 5).

Overall, half of NEET young people are both long-term NEET and from non-disadvantaged backgrounds. Long-term NEET young people from disadvantaged backgrounds, and short-term NEET young people from non-disadvantaged backgrounds, both make up around a fifth of all NEET young people. This is the first time it has been possible to break down the NEET population in this way, and this new understanding is essential for all those aiming to design effective solutions to these challenges. Services for NEET young people cannot be delivered on a one size fits all basis, this clearest picture of the problem is helpful in taking a targeted approach.

Table 4: Disadvantaged young people are a disproportionate share of long-term NEET statistics, especially in the East Midlands and the South

Region

Overrepresentation of young people from disadvantaged backgrounds

| National        | 1.77 |
|-----------------|------|
|                 |      |
| East Midlands   | 1.96 |
| South West      | 1.94 |
| South East      | 1.93 |
| North East      | 1.91 |
| Yorkshire and   | 1.89 |
| the Humber      |      |
| East of England | 1.84 |
| North West      | 1.83 |
| West Midlands   | 1.76 |
| London          | 1.30 |



Long-term NEET
young people from
disadvantaged
backgrounds, and
short-term NEET
young people from
non-disadvantaged
backgrounds, both make
up around a fifth of all
NEET young people.

Table 5: Around one in five of all NEET young people is NEET for the long-term and from a disadvantaged background

| Region                   |               | Proportion of NEET oung people who are or the long-term and |               | Proportion of NEET oung people who are or the short-term and |
|--------------------------|---------------|---|---------------|--|
|                          | Disadvantaged | Non-disadvantaged   | Disadvantaged | Non-disadvantaged  |
| National                 | 19%           | 56%   | 6%            | 19%  |
| North East               | 25%           | 50%   | 7%            | 18%  |
| North West               | 24%           | 50%   | 7%            | 18%  |
| West Midlands            | 23%           | 53%   | 6%            | 18%  |
| London                   | 22%           | 49%   | 9%            | 20%  |
| Yorkshire and the Humber | 22%           | 54%   | 6%            | 18%  |
| East Midlands            | 17%           | 58%   | 5%            | 20%  |
| South West               | 14%           | 63%   | 3%            | 20%  |
| South East               | 13%           | 63%   | 3%            | 20%  |
| East of<br>England       | 13%           | 63%   | 4%            | 21%  |

At the beginning of the Youth Jobs Gap series, we were able to demonstrate the extent to which qualifications play a crucial part in the likelihood of being NEET.



We can further explore this looking at two groups of young people – those with five A\*-C GCSEs including English and maths by age 16 (which we refer to as having "top GCSEs"), and those with fewer than five GCSEs at A\*-C, and lacking at least one of English and maths (those "without good GCSEs")" (Table 6).

Young people with top GCSEs are much less likely to be long-term NEET than their better-off peers – indeed, only around a third as likely. That qualifications improve your chances of avoiding becoming long-term NEET is an intuitive finding.

But the scale of the difference, based on qualification at 16, is striking. If you reach the expected standard in GCSEs at 16, you've significantly reduced your chances of being long-term NEET, regardless of what post-16 route you take. If you don't get those good GCSEs, the future is a lot less rosy, even on the simple headline measure of NEET vs

EET (taking no account of salaries or long-term career trajectories). Getting top GCSEs matters.

It's not possible to look at the long-term nature of NEET young people for the two qualification groups, as we did in the previous chapter, because the data for short-term NEET young people has been processed using a different set of qualifications (at age 18).

There are some interesting differences in the long-term NEET rates for young people with top GCSEs in different regions, with the NEET rate one third higher in the North East than the South West. This will partly reflect a higher proportion of disadvantaged young people in the North East. Chapter 4 looks at disadvantage and qualification at the same time.

### Table 6: Young people with top GCSEs are much less likely to be long-term NEET than their better-off peers

| Region                   | Percentage of young people<br>with top GCSEs<br>NEET for 12 months | Percentage of young people<br>without good GCSEs<br>NEET for 12 months |
|--------------------------|--|--|
| National                 | 6%   | 17%  |
| North East               | 6%   | 20%  |
| Yorkshire and the Humber | 6%   | 18%  |
| North West               | 6%   | 18%  |
| London                   | 7%   | 18%  |
| West Midlands            | 6%   | 18%  |
| South East               | 6%   | 17%  |
| East of England          | 6%   | 16%  |
| East Midlands            | 6%   | 16%  |
| South West               | 6%   | 15%  |

## Understanding the NEET population

As well as looking at what proportion of young people with different GCSE qualifications are long-term NEET, we can also look at the proportion of long-term NEET young people with different levels of qualifications.

As they are more likely to be long-term NEET, young people without good GCSEs make up a disproportionate share of long-term NEET figures, though they are still a minority (Table 7).

While over half of long-term NEET young people do not have good GCSEs, this varies from region to region, from 62% in Yorkshire and the Humber to 53% in London. These findings reflect the extent to which the population of long-term NEET young people looks different from young people as a whole.

Table 7: Over half of long-term NEET young people finished school without good GCSEs

| Region                   | Proportion of long-term NEET young people with top GCSEs | Proportion of long-term NEET young people without good GCSEs |
|--------------------------|--|--|
| National                 | 25%  | 57%  |
| Yorkshire and the Humber | 20%  | 62%  |
| North East               | 20%  | 61%  |
| West Midlands            | 22%  | 59%  |
| North West               | 23%  | 58%  |
| East Midlands            | 24%  | 57%  |
| South East               | 27%  | 55%  |
| East of England          | 27%  | 55%  |
| South West               | 27%  | 54%  |
| London                   | 30%  | 53%  |

These two groups account for over 85% of young people in the *Youth Jobs Gap* study.

# Combining disadvantage and qualification

We have seen that the majority of NEET young people are NEET for the long-term, and how long-term NEET rates vary by qualification and disadvantage. In this chapter, we explore how these variables interact (Table 8).



Table 8: Disadvantaged young people are 50% more likely to be NEET for the long-term than their similarly qualified but better-off peers

| Region                   | Percent       | rage of young people<br>NEET for 12 months<br>with top GCSEs | Percent       | tage of young people<br>NEET for 12 months<br>without good GCSEs |
|--------------------------|---------------|--|---------------|--|
|                          | Disadvantaged | Non-disadvantaged  | Disadvantaged | Non-disadvantaged  |
| National                 | 8%            | 6%   | 24%           | 15%  |
| North East               | 9%            | 6%   | 29%           | 16%  |
| Yorkshire and the Humber | 8%            | 6%   | 26%           | 16%  |
| North West               | 9%            | 6%   | 25%           | 15%  |
| West Midlands            | 9%            | 6%   | 25%           | 15%  |
| East Midlands            | 7%            | 5%   | 24%           | 14%  |
| South East               | 8%            | 6%   | 24%           | 16%  |
| South West               | 8%            | 6%   | 23%           | 14%  |
| East of<br>England       | 8%            | 6%   | 22%           | 15%  |
| London                   | 8%            | 7%   | 20%           | 17%  |

Disadvantaged young people are 50% more likely to be long-term NEET than their similarly qualified but better-off peers. This is in line with previous *Youth Jobs Gap* findings about being short-term NEET – while half the difference in NEET rates between disadvantaged young people and their better-off peers can be explained by qualification, half cannot.

And the double disadvantaged group, young people from disadvantaged backgrounds with low levels of qualifications (in this case, without good GCSEs), are particularly likely to be long-term NEET, with around one in four being so.

Again, the regional standout is London, where disadvantaged young people are only around 20% more likely to be long-term NEET than their similarly qualified but better-off peers. The equivalent figure for the North East is 70%.



One in four young people from disadvantaged backgrounds without good GCSEs are NEET for the long-term.

## Understanding the NEET population

As well as looking at what proportion of young people from different qualification and disadvantage groups are long-term NEET, we can also look at the proportion of long-term NEET young people who are from those groups.

As they are more likely to be long-term NEET, doubly disadvantaged young people (those who are from a disadvantaged background and with low qualifications) make up a disproportionate share of long-term NEET statistics (Table 9).

While a fifth of long-term NEET young people are both low qualified and from a disadvantaged background, nationally, this varies from region to region, reflecting different levels of disadvantage (and, to a lesser extent, low qualification outcomes) in each region.

### Table 9: One in five long-term NEET young people are doubly disadvantaged

| Region                   | Proportion of long-term NEET young people who are doubly disadvantaged |
|--------------------------|--|
| National                 | 18%  |
| North East               | 24%  |
| North West               | 23%  |
| Yorkshire and the Humber | 21%  |
| West Midlands            | 21%  |
| London                   | 20%  |
| East Midlands            | 16%  |
| South West               | 13%  |
| South East               | 12%  |
| East of England          | 12%  |

Controlling for these differences, we can make a like-for-like comparison of the extent to which double disadvantaged young people are disproportionately NEET (Table 10).

When controlling for the context of differing levels of disadvantage, a somewhat different picture emerges. The South West is particularly interesting – doubly disadvantaged young people make up a very low share of long-term NEET figures. But this just reflects the region's low levels of disadvantage. When you take that into account, doubly disadvantaged young people are particularly overrepresented.

We can also look at the overall NEET population in a more granular way than has previously been possible (Table 11).

While the exact shares of the overall population of NEET young people varies from region to region, there are five sizable and distinct groups. The National line from Table 11 is illustrated below (Chart 12):

- The largest group (blue) is long-term NEET young people from non-disadvantaged backgrounds and with lower levels of qualification.
- The second largest group (red, the largest in London) are short-term NEET young people.
- These groups make up between a quarter and a third of NEET figures in all regions.
- Then there are long-term NEET young people from non-disadvantaged backgrounds and with higher levels of qualification (grey).
- Long-term NEET young people from disadvantaged backgrounds and with lower levels of qualification (green); and
- Long-term NEET young people with other levels of qualification (yellow).

These groups generally make up between a tenth and a fifth of NEET young people, with differing levels of disadvantage playing a significant part in the distribution between these groups.

Finally, disadvantaged young people with top GCSEs (yellow) make up a tiny fraction of all NEETs – fewer than one in fifty nationally.

Supporting young people from all these different groups to move from NEET to EET cannot be done by a single, one size fits all approach. The nuance within the overall NEET population demands nuance in our response. What this means in practice is outlined in chapter 5.

Table 10: Doubly disadvantaged young people are a disproportionate share of long-term NEET young people, especially in the South

### Region

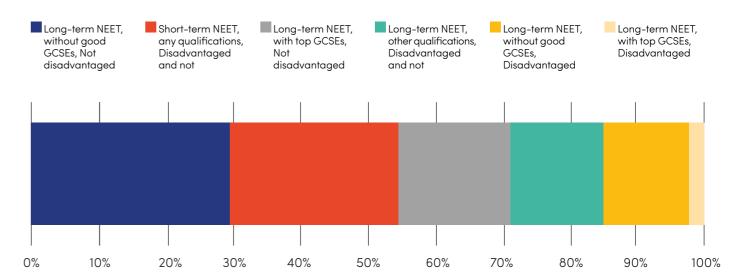
Overrepresentation of young people from doubly disadvantaged backgrounds

| National                 | 2.06 |
|--------------------------|------|
|                          |      |
| South West               | 2.20 |
| East Midlands            | 2.18 |
| South East               | 2.15 |
| North East               | 2.14 |
| North West               | 2.10 |
| Yorkshire and the Humber | 2.09 |
| East of England          | 2.06 |
| West Midlands            | 2.03 |
| London                   | 1.66 |

Table 11: There are five distinct and sizable groups of NEET young people

| Region                   | Proportion of all NEET young people who a |        |                        |          |                                  |                                 |  |  |
|--------------------------|---|--------|------------------------|----------|----------------------------------|---------------------------------|--|--|
|                          | Long-teri<br>with top                     |        | Long-te<br>without goo | orm NEET | Long-term<br>NEET other<br>quals | Short-term<br>NEET any<br>quals |  |  |
|                          | Non-disadva                               | ntaged | Non-disadvantaged      |          |                                  |                                 |  |  |
|                          | Disadvantag<br>L                          | ed     | Disadvanta             | ged      |                                  |                                 |  |  |
| National                 | 2%  | 17%    | 13%                    | 29%      | 14%                              | 25%                             |  |  |
| North East               | 2%  | 14%    | 18%                    | 28%      | 14%                              | 25%                             |  |  |
| North West               | 2%  | 15%    | 17%                    | 27%      | 14%                              | 25%                             |  |  |
| Yorkshire and the Humber | 1%  | 14%    | 16%                    | 31%      | 14%                              | 24%                             |  |  |
| West Midlands            | 2%  | 15%    | 16%                    | 29%      | 14%                              | 24%                             |  |  |
| London                   | 4%  | 17%    | 14%                    | 24%      | 12%                              | 29%                             |  |  |
| East Midlands            | 1%  | 17%    | 12%                    | 31%      | 14%                              | 25%                             |  |  |
| South West               | 1%  | 20%    | 10%                    | 32%      | 14%                              | 23%                             |  |  |
| South East               | 1%  | 20%    | 9%                     | 33%      | 13%                              | 24%                             |  |  |
| East of England          | 1%  | 19%    | 9%                     | 32%      | 14%                              | 24%                             |  |  |

Chart 12: The overall national NEET population, broken down by qualifications, disadvantage and long-term NEET status, for the first time



# Three parts of a NET strategy

### We have the figures, but what does it all mean?

Later in the Youth Jobs Gap series we will be publishing a report exploring policy solutions to the challenges raised in the Youth Jobs Gap data analysis on NEET issues. But the finding that NEET status is sticky, with around 75% of young people who are NEET for three months continuing to be NEET for 12 months, has three clear implications.



First, it's important to try to prevent young people from becoming NEET in the first place. This is particularly important for disadvantaged young people, who are twice as likely to be NEET as their better-off peers. We have found that qualifications are only half the battle here, so "work hard at school" is only half an answer, albeit an important half. An example of effective NEET prevention is illustrated by our charity partner ThinkForward. ThinkForward identifies young people most at risk of unemployment and provides them with a dedicated coach from age 13 to 18. Coaches help them overcome the challenges holding them back and build the skills they need to find and keep a job. This is a multi-year programme of support which works with an at-risk group, and gets results.

Second, we need to do more to move young people from NEET to EET quickly. For young people with lower barriers to the labour market, there should be no reason for young people not to move from NEET to EET in under 12 months. This doesn't mean this work is easy – but it can be done. An example of

what works in supporting young people with barriers into the labour market is illustrated by Resurgo, whose award-winning Spear programme helps to get disengaged young people ready for work and into a job. This is a targeted intervention of tailored support, and gets results.

Third, we need to make sure that more and better support is provided and designed for young people who are long-term NEET. These young people often have larger barriers to enter into the labour market and this can require more specialist, intensive, and tailored approaches to supporting young people. Working out of its two life skills centres in the East Midlands, TwentyTwenty helps some of the country's most vulnerable young people to get the academic qualifications and work ready skills they need to find a good job and keep it. This is a long programme of intensive support which works with a high need group, and gets results.

Finally, we offer less an implication and more an observation. There are many programmes and policies which explicitly

Ultimately, successfully addressing the challenges facing NEET young people requires work on all three parts of this pipeline: fewer NEET young people in the first place, fewer NEET young people getting stuck, and an explicit focus on supporting those who are stuck and who often face the biggest barriers to employment.

target young people who are long-term NEET. This reflects an assumption that most young people will be NEET for the short-term, and there is no need to devote resources to them as they will naturally move out of NEET quite quickly. Our findings show this assumption to be false. Given how high the proportion of young people who are NEET for three months that go on to be NEET for 12 months is, there's very little additional deadweight cost by intervening earlier, rather than waiting for the 12 month threshold to be reached. More resource could be used more effectively earlier, rather than relying on light touch, broad-based support at a later stage which is designed only to help those with the fewest barriers enter the workforce. This is an investment with a long-term payoff.

Ultimately, successfully addressing the challenges facing NEET young people requires work on all three parts of this pipeline: fewer NEET young people in the first place, fewer NEET young people getting stuck, and an explicit focus on supporting those who are stuck and who often face the biggest barriers to employment.

Addressing only one area in isolation can be helpful but not transformative. The previous government sadly fell into this trap: youth unemployment is indeed dramatically down from its peak and the Youth Obligation is playing a part in helping some young people to not get stuck being NEET. But our data shows the likelihood of NEET young people remaining NEET is high, and therefore these three principles must be reflected in the programmes designed for young people to start turning this situation around for future generations.

# ThinkForward – preventing young people from becoming NEET

Previous research on NEET prevention<sup>10</sup> has found the strongest predictors of NEET to be poor attendance, challenging behaviour in school and exclusion from mainstream education; and there is also good evidence that intensive programmes, typically 200 hours or more, are crucial to NEET prevention work.<sup>11</sup>

That's why ThinkForward runs a five-year programme with young people aged 13-18 with the above risk factors, to help them make a successful transition from education to the world of work. Working with more than 800 young people in 18 schools across London, Kent and Nottingham, the programme combines one-to-one coaching, group work, activities with employers and job brokerage to achieve this aim.

These four elements work together to support young people. The coaching element focuses on improving relationships and supporting young people to identify and overcome challenges holding them back. Coaches also signpost to other services that may be needed, for example around mental health or support with caring responsibilities. The evidence shows that trusted long-term relationships with a caring adult<sup>12</sup> have a positive impact on young people with higher complex needs, and of course a

one-to-one element can be tailored to a specific young person's needs.

This one-to-one support is complimented by group sessions with a focus on personal development, including skills for work and life. Seeing how these skills are used in real life work places, through activities like insight days and work experience placements, supports the development of these skills, as well as broadening young people's understanding of the world of work.

In the later years of the programme, the focus shifts noticeably towards experiencing the world of work, reflecting the forthcoming transition into adulthood. The programme includes business mentoring, workshops focussing on practical topics like CV writing and interview practice, and ultimately job brokerage.

In the long-term, the ThinkForward programme helps prevent young people from becoming NEET. It also overlaps and connects with other school priorities.

Working with young people on the edge of exclusion, and helping reengage them, supports improved behaviour and attendance and ultimately better qualifications than would be likely if students were excluded. And many of the employer-focussed elements of the ThinkForward programme are part of good careers information advice and guidance, contributing to the Gatsby benchmarks.

ThinkForward is unique in intervening at an earlier stage and for longer than other large–scale employment support provision. This enables the intensity and consistency of provision needed to prevent young people from becoming NEET. Behaviour change takes time, and support is needed at key transition stages. These principles should underpin any NEET prevention strand of a strategy to tackle NEET issues.

Behaviour change takes time, and support is needed at key transition stages. Intensity and consistency of provision is needed to prevent young people from becoming NEET. Three parts of a NEET strategy

### 3

### Resurgo – helping people transition from NEET to EET

Resurgo's Spear Programme is a six-week coaching and employability programme, followed by a year of ongoing support and employer liaison for NEET young people aged 16-24.

The Spear Programme works with over 800 young people across London and Brighton each year, referred mainly by jobcentres, probation and youth offending services, and leaving care teams. These organisations refer young people who would benefit from a dedicated NEET to EET programme to help them into the labour market. The Spear Programme is still in touch with 90% of their trainees 12 months after completion, and 75% are still in work or education at this point.

These young people are amongst the furthest from the labour market, and face barriers, and need additional support, to make the move from NEET to EET. For example, 30% of young people Resurgo supports have a mental health issue or learning difficulty, and 10% have a criminal record, while only half have five good GCSEs. Resurgo works mostly with young people facing at least three barriers. But, crucially, these young people are moderately well placed to receive a kick-start to their career – for example, some have stable housing situations and most health conditions (physical or mental) are also under control, providing a slightly more solid base to help young people move into

employment when they are able to engage with it.

The employment preparation part of the programme consists of an intense period of daily group coaching to change young people's mindset and motivation. This coaching takes up half a day, every day, for six weeks and focuses on a range of non-cognitive skills, including positive attitude, confident communication, and professional behaviour. The total amount of coaching is around 65 hours, providing a high level of support in a short amount of time and the coaches receive 18 days of staff training a year, including from Resurgo's accredited "master coach" – one of only nine in the country.

Resurgo are committed to external validation of their programme, and this provides strong evidence that the Spear programme works. 71% of trainees showed statistically significant improvement against Rosenberg's self-esteem scale, while 73% of trainees showed statistically significant improvement against the Warwick-Edinburgh mental wellbeing scale.

The employment preparation part of the programme is followed by weekly career sessions for 3 months, and further ad-hoc support for up to a year. These elements beyond the 6 weeks of intensive support are crucial in ensuring young people are able to translate the gains and progress from the employment preparation into an actual transition from NEET to EET, and to help make sure this in-work transition is sustained.

Resurgo's Spear programme delivers an intensive amount of support to help young people overcome their barriers to employment. Compared to programmes dealing exclusively with young people with multiple or complex barriers, this work costs less – but it delivers transformative change.

A forthcoming Youth Jobs Gap report exploring NEET to EET rates will show that young people on the Spear programme move from NEET to EET at twice the rate of similar young people overall.

This should be a template for NEET to EET work focussed on the quick turnaround of shorter-term NEET young people with fewer barriers to employment, as part of an overall strategy to tackle NEET issues.



of trainees showed statistically significant improvement against Rosenberg's self-esteem scale.



of trainees showed statistically significant improvement against the Warwick-Edinburgh mental wellbeing scale.

# TwentyTwenty – tackling higher barriers faced by disadvantaged young people

TwentyTwenty works with 175 16–24 year olds who have left school with low (or no qualifications), and have multiple or complex barriers to achieving sustained employment.

In practice, this means that 81% of young people TwentyTwenty works with have mental health issues, 74% have the English or maths skills expected of an 11 year-old, 55% have learning difficulties, 43% have a history of exclusion from school, 20% are care leavers, and 14% have a history of offending. These young people are further from the labour market and more likely to be longer-term NEET. These young people require something more holistic and longer-term.

The TwentyTwenty employability programme, which works with around 175 young people per year in the East Midlands, is comprehensive and multi-component programme over six months, including qualifications, employer engagement, and extensive 1:1 support. These components have been shown to be critical for supporting NEET young people with complex issues into work.<sup>13</sup>

The programme is delivered in two phases. The first phase, Engage, focusses on building self-confidence and getting the "Personal and Social Skills" qualification at level 1, delivered over 10 weeks with 3 5-hour sessions per week.

This is as intense as Resurgo Spear, but for longer, and aimed at those young people who need the most pastoral support to ease back into structured learning.

The second phase, Journey2Work, is more intensive still, delivered over 6 months of sessions, 6 hours a day, 4 days a week. This second phase includes classroom activities to teach employability skills and English and maths (with young people working towards functional skills qualifications); plus at least 4 half day work exposures, and a week or more of work experience. Coaches provide weekly 1:1 sessions throughout the programme.

Internally, TwentyTwenty fosters a culture of impact, collecting data on teaching, young people's outcomes and so-called "soft skills" gained throughout their time with TwentyTwenty. They use this data, along with daily team feedback sessions to adapt methods, adopt and standardise best practice, and to continuously improve their delivery across their employability programmes in the East Midlands.

support, delivered at a high intensity and over an extended

A combination of

qualifications and

wider-focussed

length of time.

TwentyTwenty offers a unique combination of qualifications and wider-focussed coaching support, delivered at a high intensity and over an extended length of time, with meaningful employer engagement so participants can see progression opportunities. This is the scale of the work that is needed to deliver meaningful change for NEET young people with the most complex barriers to employment. This should form the basis for NEET to EET work focussed on long-term NEET young people furthest from the labour market, as part of an overall strategy to tackle NEET issues.

iii Obviously, many young people have several of these barriers

### Methodology reference notes

The following is a summary of the terminology used in this briefing for reference. We have also published 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 area 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** – qualification categories are based on highest qualifications at age 16. The categories are:

- 1. No qualifications
- 2. Some qualifications, not enough to fit into categories three to five (usually referred to in this report as "without good GCSEs")
- **3.** A\*-C in English and maths GCSEs, but NOT five A\*-Cs in total
- **4.** Five A\*-C GCSEs, but missing at least one of English and maths
- **5.** Five A\*-C GCSEs, including English and maths (usually referred to in this report as "top GCSEs")

In each case, the qualifications are GCSEs or equivalents.

**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 six consecutive months up to March 2016 or 12 consecutive months up to September 2016 (i.e. including the six months to March).

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    |

- Department for Education, Early years foundation stage profile results: 2017 to 2018. October 2018
- Department for Education, Key stage 2 and multi-academy trust performance, 2018 (revised), December 2018
- Department for Education, Key stage 4 and multi-academy trust performance 2018 (revised), January 2019
- 4. Impetus, Establishing the Employment Gap, April 2019
- 5. Institute for Employment Research, The scars of youth, 2013
- Journal of Epidemiology and Community Health, Long term health effects of NEET experiences: evidence from Scotland, 2018
- NIESR, Young people's labour market transitions: the role of early experiences, August 2014
- 8. Nordic Economic Policy Review, Youth unemployment in Europe and the United States, 2011
- 9. Impetus, Youth Jobs Index, August 2017
- 10. Impetus and Social Finance, New insights into at risk young people in Newcastle, July 2016
- 11. MDRC, Improving the economic and life outcomes for at Risk Youth, Spring

- 12. Improving the economic and life outcomes for at Risk Youth, MDRC, CETA, Jobs Corps, National Youth Guard Challenge, Youth Build, Career Academies, Chance, Check and Connect
- 13. Systematic Reviews, Are we failing young people not in employment, education or training (NEETs)? A systematic review and meta-analysis of re-engagement interventions, 2016

