



RESCUING A LOST GENERATION



A TOMORROW'S PEOPLE REPORT IN
PARTNERSHIP WITH BRISTOL UNIVERSITY
CENTRE FOR MARKET AND PUBLIC
ORGANISATION (CMPO)





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Tomorrow's People warns society must intervene early to help young people most at risk of unemployment

Research commissioned by national employment charity Tomorrow's People has urged early intervention at the age of 14 to improve the future prospects of young people at risk of becoming NEET (not in employment, education or training), one of the most economically vulnerable groups in society.

The report by researchers at Bristol University reaches the worrying conclusion that the number of NEET young people, who face the greatest risk of long-term unemployment, is increasing. What is more, the number of NEETs has been rising over the past decade, well before the current economic crisis began, suggesting this is a deep-seated structural problem within UK society.

Yet it is not clear who 'owns' the problem within government and as a result many NEETs, particularly 16- to 17-year-olds, have little or no contact with the state and do not qualify for any support. This creates a serious risk for this group, who can experience two years or more out of work, education or training before any recovery programme begins. By the time they enter the formal benefit system aged 18 and become eligible for support, the damage may already be done.

In response to the report, Tomorrow's People Chief Executive Baroness Stedman-Scott warns that society must invest in programmes within the school system to prevent this damaging disconnection if these individuals are to improve their skills, employability and future life chances.

The NEET group is one of the most vulnerable in society. Statistics show that if someone has not worked by the age of 23, they will face long-term damage to their future wages and employment chances. With youth unemployment hitting an historic high of more than one million in 2011*, this group is currently of enormous concern.

Tomorrow's People believes the need to take action to protect young people from a life on benefits is more urgent than ever. Praxis, our research and innovation unit, has taken on this most pressing of issues. Praxis commissioned a team of researchers at the Department of Economics and the Centre

for Market and Public Organisation, University of Bristol, to examine the issue of NEET young people. Their report, *The Early Bird... Preventing Young People from becoming a NEET statistic*, significantly moves on the debate about how best to identify the young people most at risk and take positive action to prevent them from disengaging from education or training at a crucial point in their lives.

* Figures released by the Government showed there were 1.02 million unemployed 16-24 year olds between July and September 2011, meaning that in a deteriorating jobs market, more than a fifth of young people in the country were out of work.

DATA REVEALS A WORRYING PICTURE

From a sample group of 15,000 young people who had been tracked for more than a year, the researchers analysed family backgrounds, qualifications and prospects to reveal the huge social and economic cost to individuals and to society.

The report distinguishes those who will re-enter education, and those who are in part-time education or training, from the 'core NEETs', young adults who fail to make a successful transition from school to work, and whose poor qualifications and lack of work experience leaves them ill-equipped to break in to the jobs market.

The research establishes that a worrying proportion of young people fall in to this category - some 15% of 18 year olds, 10% of 17 year olds and 8% of 16-year-olds. This is a seriously disadvantaged group, from more deprived backgrounds and with worse GCSE attainment than all other young people.

The outlook for them one year on is consistently poor. Half of those who are out of work remain so, and few return to education. Disconnected from work or schooling, the long-term prospects of this group are low wages and repeated periods out of work, leading to what the researchers describe as 'scarring' effects on their chances and their wellbeing. There is a further inter-generational effect within workless families, damaging people's lives and the UK economy.





The report identifies 14 key characteristics at age 14 that provide early warning signs of a young person at risk of becoming NEET.

These characteristics include include poor Key Stage 2 scores (aged 11), living in social housing, no internet connection at home, parents who are unemployed or in low-skill jobs, teen smoking, truanting and exclusion.

This new understanding marks an important contribution to the debate on how to prevent young people from becoming NEET. The report says 14 is a key age to intervene with help, when we can confidently say who is at risk, but before it is too late to prevent a young person from disengaging permanently.



WHAT WORKS TO PREVENT YOUNG PEOPLE FROM BECOMING NEET?

The research raises a key question: having identified young people at risk, what works best to help them move successfully into the jobs market? As the Government moves towards a payment-by-results system, having evidence about which programmes are both effective and cost-effective is even more important.

Many approaches have been tried here and abroad to tackle NEETs and youth unemployment. They include financial incentives, vocational education and training, remedial classes, careers guidance and counselling, recovery programmes, which provide intensive training and support in residential centres, and community programmes.

For the first time, the researchers make an international comparison of the evidence on these varied approaches. They conclude that there are four key elements to successful programmes that any pilots must take into account.

Firstly, early intervention is essential to support a young person at risk before individuals are lost from the system. Of the approaches that have been tried around the world, the report concludes that financial incentives appear to be the most effective way of engaging at-risk young people. There is plenty of evidence that payments tied to young people's

participation, attendance and performance are an effective way of improving educational outcomes.

Since many of the young people who become NEET are often missing the key basic numeracy and literacy skills they need to succeed in further education, training or work, classes that focus on getting the basics right would provide them with essential skills to improve their prospects.

The report says the final element of success for an intervention programme is work or work experience that begins at school, since the evidence shows that these early links with the world of work, even Saturday jobs, tend to be continued in the future.

The report also stresses that forcing young people who are clearly not academic to continue study as an alternative to or post-GCSE is not a good idea, since employers in general do not value lower-grade qualifications. Alternative options to the academic route are fundamental to give those most at risk a clear path forwards. Formal apprenticeships with on-the-job training and a connection to the world of work could play a key role in engaging this group of disadvantaged young people.

A GROUP WE CANNOT AFFORD TO IGNORE

Tomorrow's People says the report underlines the acute need for action to avert the crisis happening in thousands of young people's lives each year. The charity is already pioneering preventative action within the school system, working with vulnerable 14-year-olds in partnership with the Private Equity Foundation charity (PEF). Their *ThinkForward* programme provides 'super coaches' for pupils who are struggling in three Shoreditch, east London schools, a NEET blackspot. It aims to work with 1,500 young people, halving the number of NEETs in the Shoreditch area.

Baroness Stedman-Scott, Chief Executive, Tomorrow's People said: "This research shines a spotlight on a group we cannot afford to ignore. Thousands of young people leave school each

year with no qualifications and no experience of work. They remain 'stuck', at risk of long-term unemployment, depression and crime.

This report shows us not only how to identify those at risk at a key age, but also how to support them so they have a real chance of a decent future."

Professor Paul Gregg added: "The key transition from school to work is too often chaotic, interspersed with long-term joblessness. This causes long-term damage to these young people's lives. This report highlights those most at risk, drawing on existing evidence to identify the key building blocks of a potential programme which can make a real difference in the UK"

TURNING GROUNDBREAKING IDEAS INTO ACTION

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Tomorrow's People is an innovative national employment charity. We are constantly seeking solutions to society's most difficult and damaging unemployment problems.

The *Early Bird* report was commissioned by Praxis, our research and innovation unit, established in 2010 as an incubator of ideas for the next generation of welfare to work programmes. Praxis aims to put innovative research and thinking into practice to tackle some of society's most entrenched unemployment problems.

It works by identifying an issue, commissioning research that recommends practical solutions, piloting them through programmes of action and then evaluating the new model to produce clear and measurable outcomes. We want to know: does it work; what is the impact on the ground and what is the return on investment?

CENTRE FOR MARKET AND PUBLIC ORGANISATION

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CMPO is a leading research centre, studying the fundamental issues underlying public service reform. Our research combines expertise in economics, geography and law.

CMPO's objective is to study the intersections between the public, private and voluntary sectors of the economy, and in particular to understand the right way to organise and deliver public services.

The Centre aims to develop research, contribute to the public debate and inform policy-making.



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