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1. Introduction

About Youth Futures Foundation

Youth Futures Foundation is the national What Works Centre for youth employment, with a specific focus on marginalised young people. We want to see an equitable future society where all young people have the opportunity to be in good work. Our work has two overarching objectives to bring about system change for marginalised young people:

1. **To find and generate high-quality evidence to better understand England's youth unemployment and inactivity challenge**, and most importantly to learn what solutions work to address this. We do this through bringing together the best evidence already in existence and build on this by conducting original research and testing and evaluating promising interventions to produce much needed new evidence where there are gaps.
2. **To put evidence into action with policy makers and employers who have the means to make direct impactful change for young people**. We do this through translating the evidence practically for stakeholders to use and understand, and through partnerships and engagement to influence, inform and support them as decision makers to back evidence-based interventions that work.

Throughout our work, we proudly involve the voices, perspectives and participation of young people experiencing marginalisation, through our Future Voices Group, our young Board members and beyond.

1.1 Addressing youth unemployment and inactivity - the challenge and the opportunity

The latest ONS data shows that 946,000 young people aged 16 to 24 in the UK are not in education, employment or training (NEET) - around one in eight (12.7%) young people. Despite small quarterly fluctuations, there has consistently been over 900,000 young people not earning or learning over the last 12 months. The number of NEET young people is currently higher than the



806,000 figure from just before the pandemic (July to September 2019). The number of NEET young people has been increasing steadily from a low of 715,000 in 2021 when the UK was still emerging from the pandemic. This ongoing rise in the NEET numbers over the past four years has been driven by increases in both unemployment (+83,000) and economic inactivity (+148,000).

Young people from marginalised backgrounds are disproportionately represented among the NEET population.¹ As a result, the individual costs of being NEET compound to entrench structural inequality and limit social mobility.² Addressing the high number of young people not earning or learning is therefore an economic, societal and moral imperative. Investing in better youth employment outcomes today helps generate long-term economic returns through improved public finances, a larger proportion of the population in work and higher wages. In the short term, the fiscal impacts of high NEET rates include increased welfare spending, greater demand for public services and reduced tax revenue.³

The prize for young people and the economy of sustainably addressing the UK's stubborn NEET challenge is significant; recent updated analysis from Youth Futures Foundation shows the long-term economic benefit of the UK achieving the lowest NEET rate in the OECD (held by the Netherlands) is an additional £86 billion and would mean approximately 567,000 more young people would be in work or education.⁴ This would see the UK's NEET rate reduce by more than half to just over 5%.

To focus long-term sustainable policymaking, Youth Futures Foundation advises setting a national long-term ambition: **a new “north star” goal for the UK to lead the OECD in youth participation by 2050.**

1.2 Welcoming the Work and Pensions Committee inquiry into Youth employment, education and training

Youth Futures Foundation has been pleased to see the current Government's commitment and further investment through the recent Budget to address the UK's stubborn youth unemployment and inactivity challenge. However, given the scale and complexity of the challenge and the risk of it worsening in light of some of the factors outlined in this submission, much more will need to be done to build on these promising foundations. This is especially the case for those not engaging with the benefit system or with a mental health or neurodiverse condition, who are not a major focus of the current Youth Guarantee.

This Work and Pensions Select Committee inquiry is therefore a valuable opportunity to complement the work of the Young People and Work Review by investigating what action is necessary across the public policy landscape to build a system that offers high-quality sustainable and holistic support to young people and thus help achieve our proposed “north star” goal.

¹ Youth Futures Foundation, [Youth Employment 2025 Outlook](#) (London: Youth Futures Foundation, 2025)

² P. Muthoora et al., “Inequality in Good and Bad Times: A Cross-Country Approach,” (IMF Working Paper, 2019).

³ A. Coutts, D. Stuckler, and D. Cann, “The Health and Wellbeing Effects of Active Labor Market Programs,” *Wellbeing* (2024): 1–18.

⁴ Youth Futures Foundation, [Youth Employment 2025 Outlook](#) (London: Youth Futures Foundation, 2025)

2. Summary of collective overall viewpoint and areas covered in this submission

- The NEET rate is stubbornly high and is being driven by increases in both unemployment and economic inactivity (the latter largely driven by ill health). Young people from marginalised backgrounds and disadvantaged parts of the country are disproportionately represented among the NEET population. Low attainment, SEND, and disability are among the key risk factors.
- The data shows clear worrying headwinds with rises in mental ill-health, the erosion of quality apprenticeship opportunities, all against a backdrop of a challenging labour market.
- In addition to recommending adopting a long-term 'north star' goal for the UK to have the lowest NEET rate in the OECD by 2050, Youth Futures recommends setting intermediary goals for this Parliament:
 - A reduction in the overall NEET rate to pre-pandemic levels
 - Setting regional NEET rate goals
 - Reducing the number of young people who are long-term NEET
- The UK can learn from international evidence of what works and from other countries who have been more successful in reducing their NEET rates. The Netherlands demonstrates what can be achieved through a coordinated regional approach, integrated support across education and employment, a dedicated focus on vocational education and strong employer partnerships.
- Youth Futures' advises policy makers focus on the following priorities:
 - **Early NEET prevention:** act early to identify and support young people at risk of becoming NEET, by addressing barriers to GCSE attainment, targeted further investment into areas of the careers education system, improving tracking systems and providing more support for at-risk young people, including access to trusted adults
 - **Apprenticeships and skills:** re-balance the system towards young people; make reforms to stimulate and prioritise the creation of entry level opportunities and remove barriers faced by young people to accessing opportunities
 - **Creating an environment where employers feel confident and are incentivised to hire young people:** against the backdrop of a weakened labour market, there is a need to mitigate the risks brought by rapid and simultaneous changes across minimum wage rates, National Insurance and the Employment Rights Act
 - **Build out to a more ambitious Youth Guarantee:** investing in and designing further provision for a system approach based on evidence of what works, with additional targeted help for those who need it the most
 - **Reaching and engaging 'hidden NEET' young people:** integrate youth, employment, and education policy to support 'hidden NEET' young people. If joined up thoughtfully, Young Futures Hubs and Youth Employment Hubs offer potential to do this better
 - **Address mental health as a barrier to participation:** treat mental ill health as a core barrier to employment and integrate support across services

3. Young people who are NEET

What factors lead to a young person not being in education, employment or training (NEET)? Are there some young people who are more likely to be NEET than others?

The high NEET rate is being driven by both increases in unemployment and economic inactivity, with a growing number of NEET young people classified as economically inactive – mostly due to ill-health. There are a number of factors that have contributed to these concerning trends.

1. Marginalised backgrounds: young people with special educational needs (SEN), a disability, or low / no qualifications are disproportionately represented in the NEET population:

- A young person with SEN has 1.9 times higher odds of becoming NEET compared to a young person without SEN;⁵
- Around half of NEET young people have a disability, and in 2025 42.6% of disabled NEET young people reported mental health as their main condition;⁶
- Young people aged 19-21 with experiences of the care system were three and a half times more likely than all other young people to be NEET - with recent figures indicating a NEET rate of 38%;⁷
- Ministry of Justice data showed that only 19.5% of 18- to 20-year-olds and 24.9% of 21- to 24-year-olds are in employment 6 months post release from custody.⁸

2. Low academic attainment: research from NatCen and Youth Futures Foundation shows that low academic attainment is one of the most significant risk factors for young people becoming NEET. Lacking an academic qualification above Level 1 (pre-GCSE standard) is associated with a risk of becoming NEET around three times higher than for young people who hold qualifications above Level 1.⁹ A fifth of NEET young people have no qualifications at all.¹⁰ This is notable in the context of the increasing disadvantage gap at Key Stage 4 which for the past two years has been at its highest level since 2010/11.¹¹ For example, in 2023/2024 the proportion of disadvantaged young people getting Grade 5 or above in both English and Maths is half the rate among non-disadvantaged young people.¹²

3. Regional disparities: three regions currently have a NEET rate of more than 15%: the North East, Yorkshire and the Humber and the East Midlands.¹³ By contrast, the NEET rate is much lower at 10.4% in the South East.¹⁴ There is also significant variation in the likelihood of being NEET by local authority: the likelihood of being NEET compared with the national average exceeds 30% in areas such as Knowsley (40%), Middlesbrough (36%), Nottingham (33%), Hartlepool (32%) and Islington

⁵ Youth Futures Foundation, [Risk factors for being NEET among young people](#), (Youth Futures Foundation, prepared by the National Centre for Social Research, 2023)

⁶ Ibid.

⁷ Youth Futures Foundation, [Youth Employment 2025 Outlook](#) (London: Youth Futures Foundation, 2025)

⁸ Ibid.

⁹ Youth Futures Foundation, [Risk factors for being NEET among young people](#), (Youth Futures Foundation, prepared by the National Centre for Social Research, 2023)

¹⁰ Ibid.

¹¹ DfE, [Disadvantage gap index data, Data set from Key stage 4 performance - Explore education statistics - GOV.UK](#)

¹² Social Mobility Commission, [State of the Nation](#) (London: Social Mobility Commission, 2025)

¹³ Youth Futures Foundation, [Youth Employment 2025 Outlook](#) (London: Youth Futures Foundation, 2025)

¹⁴ Ibid.

(31%).¹⁵ By contrast, the chance of being NEET compared with the average is much lower in areas such as Rutland (-33%), York (-23%), Wokingham (-23%) and Buckinghamshire (-20%).¹⁶ This geographical variation reflects differences in labour market opportunities as well as regional disparities such as wealth and health outcomes.¹⁷

Young people experiencing more than one of these 'risk factors' are at a particularly high risk of becoming NEET, as these factors often overlap and compound one another. This risk is especially pronounced where special educational needs and disabilities (SEND) status and low qualification levels intersect with other characteristics.¹⁸

What are the long-term consequences for young people who are NEET for an extended period?

Detachment from the labour market as a young person has a "scarring" effect on outcomes later in life, harming future health, lifetime income and job prospects.¹⁹ Young people who are NEET miss out on critical early years of professional development including building skills and gaining experience, increasing their risk of future unemployment.²⁰ Crucially, previous experience of unemployment is one of the strongest predictors of future unemployment.²¹ In other words, young people becoming NEET has both short-and long-term implications for economic growth and productivity. What's more, NEET young people are more likely to feel alienated and disconnected from systems of support and are less trusting of political and social institutions.²² Consequently, NEET young people tend to be less politically engaged, with one study finding that past unemployment decreases electoral participation by around 9%.²³

Would it be useful for the Government to set specific goals or target relating to the number or proportion of young people who are NEET? What might such a target be?

For the Government to achieve its pledges on tackling youth unemployment and inactivity, it will need to set ambitious goals with a clear and transparent trajectory of improvement over the next 25 years.

As Youth Futures set out in our 'Youth Employment 2025 Outlook', we propose that the UK should adopt **a new "north star" goal: the UK should aim to have the lowest NEET rate in the OECD by 2050.** This goal is ambitious but achievable. Concerted effort over the next 25 years could see us match the youth participation rates of our economic peers, with enormous benefits. To underpin

¹⁵ Impetus, [Youth Jobs Gap](#) (London: Impetus, 2025) p. 21

¹⁶ Ibid.

¹⁷ National Institute of Economic and Social Research, [Local and Regional Regeneration Dashboard](#)

¹⁸ Youth Futures Foundation, [Risk factors for being NEET among young people](#), (Youth Futures Foundation, prepared by the National Centre for Social Research, 2023)

¹⁹ Paul Gregg, "Employment, economic inactivity and incapacity: past lessons and implications for future policy" (A thought paper written for the Commission for Healthier Working Lives, 2024); The Health Foundation, ["How employment status affects our health"](#) (2025)

²⁰ Ibid.

²¹ Eurofound, NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe (Luxembourg: Publications Office of the European Union, 2012)

²² L. Azzollini, "The scar effects of unemployment on electoral participation: withdrawal and mobilisation across European societies," *European Sociological Review* 37, no. 6 (2021): 1007–26

²³ Ibid

this first goal, Youth Futures also proposes **a second “north star” goal: remove the gaps in earning or learning outcomes for specific groups of marginalised young people by 2050.**

In addition to these two overarching goals, there is a strong case for setting intermediary targets to ensure a clear trajectory of improvement. We advise that the following measures would represent useful benchmarks in the context of getting more young people into either education, employment or training – all of which are valuable outcomes when seeking to reduce the proportion of young people who are NEET:

- Setting a national goal of the NEET rate returning to its pre-pandemic level (10.7% in October-December 2019²⁴) by the end of this parliament in 2029;
- Regional goals for reducing the proportion of NEETs by 2029 should also be considered to help focus local and sub-regional stakeholders and funding streams.
- Setting specific goals related to reducing the number of young people who are long-term NEET, given the evidence of ‘scarring’ effects caused by lengthy spells out of the labour market - we advise setting dual goals for reducing the number of young people who are NEET at 6 months and 12 months.

4. Preventing young people from becoming NEET

How can the Government, and the DWP, help to prevent young people becoming NEET in the first place?

Our research has shown that early identification of young people most at risk of becoming NEET as well as tailoring support to enable successful transitions into employment for all young people are vital, especially for those from marginalised backgrounds with lower GCSE attainment.²⁵ Youth Futures advises that improving the effectiveness of NEET prevention initiatives will require progress in the following areas:

1. Addressing barriers to GCSE achievement

- Strengthening measures to support young people in school to achieve Level 2 qualifications, particularly in English and maths;
- Reducing barriers to attendance, attainment and teaching quality in schools, including new routes to achieving Level 2 qualifications in-line with the measures set out in the Post-16 Education and Skills White Paper.

2. Improving usage of Risk of NEET Indicators (RONIs):

- Improve local data-sharing: effectively use RONIs to trigger support for young people before they transition out of school or college;
- Start NEET prevention earlier: extending risk assessments to Year 6 to spot issues during the primary–secondary transition;

²⁴ Office for National Statistics, *Young people not in education, employment or training (NEET), UK*: November 2025.

²⁵ Youth Futures Foundation, [Educational and Psychosocial Factors Associated with Increasing the Risk of Becoming Not in Education, Employment or Training \(NEET\) Among Young People in England: A Rapid Evidence Assessment](#) (Youth Futures Foundation, prepared by the RAND Europe, 2025)

- Target support using weighted risk: provide early, tailored help for pupils with the highest cumulative risk, using weighted risk scores alongside qualitative staff knowledge of young people's individual circumstances to focus resources where they matter most;
- Strengthen place-based action: pair individual support with area level programmes, giving high risk local authorities extra backing and embedding early risk assessment in local delivery models;
- Improve data: develop low-burden ways to fill gaps for under-represented groups and capture missing factors - such as mental health and family instability - to bolster future NEET risk prediction.

3. Providing additional funding to support at-risk young people

- Providing funding for targeted, personalised support, through schools and colleges, for at-risk young people still in education;
- Offering additional funding for re-engagement support to get young people who have dropped out of education back into learning;
- The higher NEET rates among marginalised groups such as young people with learning disabilities and autism²⁶ indicate the need for more specialist support to help them overcome barriers to education, employment or training. Tailored, intensive support particularly benefits young people who require additional help building skills to successfully transition into ²⁷²⁸
- High-quality evidence from the US shows that 'supported internships' are an excellent tool for young people with learning disabilities or autism who are transitioning from education to employment and who need extra support and exposure to employers.²⁹

4. Further invest in the aspects of modern careers education that have the strongest evidence base.

- Although the overall evidence base remains limited, there is some evidence showing how good-quality careers education, information, advice and guidance affects skills for job-seeking and career management, general employability and participation in FE/training.³⁰
- Participation in education and training and confidence in decision-making can both be improved through 'intensive and personalised provision' with students in school,³¹ which highlights the importance of the personal guidance element of the Gatsby Benchmarks.

²⁶ Cordis Bright (2023). *Supporting young people with a learning disability and/or autism into employment*.

²⁸ Jeffrey P, Naylor I, Parissaki M, Pagnini C, Gianetto A, Rabemiafara N, Fuller A, Roidou E, Buiskool B, Lindeboom G, Study for the Evaluation of ESF Support to Youth Employment (European Commission, 2020)

²⁹ Wehman, P., Schall, C., McDonough, J., Sima, A., Brooke, A., Ham, W., Whittenburg, H., Brooke, V., Avellone, L., & Riehle, E. (2020). [Competitive Employment for Transition-Aged Youth with Significant Impact from Autism: A Multi-site Randomized Clinical Trial](#). *Journal of autism and developmental disorders*, 50(6)

³⁰ DfE (2021) *International approaches to careers interventions*, Department for Education (authors: Pye Tait Consulting and Carol Stanfield Consulting)

³¹ Hughes D and Gratton G (2009) *Evidence and impact: Careers guidance-related interventions*, DMH Associates/CfBT Education Trust.

- 'Experiential' activities (e.g. visits to cultural sites, workplaces) and opportunities to volunteer and try new things can help raise aspirations for further study and careers as well as improving attainment.³²
- Young people can make substantial economic gains through participation in programmes developed with employers,³³ and there is some limited evidence suggesting that the impact of greater employer engagement in the school curriculum can be observed in personal effectiveness, career readiness and educational outcomes.³⁴

5. Trusted adult relationships

- Although the evidence base showing the impact of trusted adults on young people and their outcomes is limited, it is growing.³⁵
- Youth workers, teachers, mentors and others can play a vital relational support role, providing the 'connective tissue' for young people in connecting and re-engaging young people into education and training, supporting with transitions and linking them to wider services such as employment support, mental health support, housing or benefits.³⁶
- Young Futures Hubs provide an opportunity to develop as centres of excellence for relational practice, providing coordinated, cross-sector pathways into learning and work.³⁷

Are there any examples of Government-funded interventions designed to prevent young people becoming NEET that have been particularly effective?

Our analysis of 'systems change' interventions across the world, particularly those countries that have successfully reduced or maintained low NEET rates,³⁸ has shown that interventions seeking to prevent young people becoming NEET work best when they form part of a coherent system-wide approach that typically includes the following elements:

1. Multi-agency collaboration: Agencies should work together to identify and support 'at risk' young people at critical transition points - primary to secondary school, the end of Key Stage 4, and post-16 transitions - to keep them engaged in education, training and employment.
2. Create clear, accessible pathways in technical and vocational education and training (TVET): The Government should invest in TVET as part of an integrated support package that includes improving awareness of opportunities, aligning funding and incentives for

³² Gorard S, Siddiqui N, Huat S B, Smith E and White P (2017) *Children's university: Evaluation report and executive summary*, Educational Endowment Foundation.

³³ Mann A, Redhill J and Kashefpakdel E (2018) *Employer engagement in education: Insights from international evidence for effective practice and future research*, Educational Endowment Foundation.

³⁴ Collins, J. and Barnes, A. (2017). *Careers in the Curriculum. What works?* London: The Careers & Enterprise Company

³⁵ Youth Futures Foundation, [The Missing Link: The role of trusted adult relationships in tackling the youth unemployment and inactivity challenge](#), (London: Youth Futures Foundation, 2025).

³⁶ Ibid

³⁷ Ibid

³⁸ Youth Futures Foundation, [What works in reducing NEET rates: a comparative study](#) (2025); Youth Futures Foundation, [What works in systems change interventions? A systematic review of national and international evidence](#) (2024).

providers to reward retention and progression, strengthening employer-led engagement and clearly mapping and communicating progression routes for young people.

3. Embed holistic integrated support in employment pathways: The available support should look beyond employment to address wider needs such as mental and physical health, housing, financial insecurity, transport and digital access to ensure young people can progress into work in a sustainable manner.
4. Drive systems change through coordination, shared learning and evaluation: Policymakers should strengthen national and local coordination, which will require robust and comparable evaluations of intervention/programmes as well as designing programmes with future scale-up in mind. This would be best achieved by making use of existing infrastructure such as Youth Employment Hubs and employment support pathways to create joined-up provision for young people regardless of their prior work experience or level of attainment.

What evidence do we have of where funding has been allocated and the effectiveness of different programmes?

We welcome the Government's focus and related investment into addressing the rising number of young people who are NEET. This includes the £820 million for a wider employment support approach announced at the Budget, the £725 million for apprenticeships through the Growth and Skills Levy, the expansion of Youth Employment Hubs and announcements on supporting better transitions from school. These interventions represent a meaningful step towards an integrated, evidence-led and system-wide approach to reducing and preventing youth unemployment.

However, given the complexity of the challenge as well as the risk that the number of young people who are NEET may continue to rise given some of the contributing factors outlined in this submission, much more will need to be done to build on these promising foundations to reduce the number of NEETs in a sustainable manner.

Alongside the level of investment, the way funding 'flows' through the system also matters. Forthcoming research on case study areas in England³⁹ found that funding is often characterised by short-term timescales, which can undermine the delivery of successful interventions due to disruptions to staffing, workforce skills and local capacity. Another key finding was that the restrictions attached to nationally allocated funding meant it was often harder to work in a personalised way with marginalised groups and also take full account of local place needs across policy domains, which further emphasises the importance of collaboration between national, regional and local levels of government (see next section for a case study of collaboration in the Netherlands).

³⁹ City Region Economic Development Institute, *Local funding flows for youth employment and skills* (London: Youth Futures Foundation, forthcoming).

In terms of how the available funding could have the greatest impact on young people's future prospects, our Youth Employment Toolkit⁴⁰ summarises the global, high-quality evidence base for interventions that support young people facing disadvantage into employment, including an assessment of any causal impacts and the strength of the supporting evidence (there are currently eight interventions featured with more to be added during 2026).

The Toolkit shows that the highest impacts on employment are delivered by apprenticeships, while on- and off-the-job training also deliver moderate impacts as part of a programme. Other interventions such as basic skills training, life skills training, summer employment programmes, mentoring and coaching, and wage subsidies typically have lower effects on employment. It is important to understand however, that in some cases this can be due to a lack of effective targeting within previous programmes rather than a lack of impact from the intervention itself.

On wage subsidies for example, the evidence shows that when combined with skills training, and delivered with good employer engagement, wage subsidies can be an effective intervention for tackling youth unemployment. An evaluation of the Kickstart scheme showed that for every 100 participants, an additional 11 were in unsubsidised employment two years later, compared to a similar group who did not participate. The evaluation also found the scheme to be more impactful for those who were further away from the labour market; a 17 percentage point increase in the proportion of participants with low/no qualifications was observed for those who were in work two years later compared to an increase of just 3 percentage points for participants who had at least an undergraduate degree⁴¹.

5. Support for young people who are NEET

How well supported are young people as they move from school to college and into further education or training?

Young people are not consistently well supported as they leave school or college. This is especially problematic for young people at higher risk of becoming NEET, who often have the greatest difficulty accessing the right support when they reach the 'cliff edges' at age 16 and 18.

We recently commissioned the Institute for Employment Studies (IES) to undertake research on supporting better education-to-employment transitions in England; this identified a number of gaps in government-funded support at national, regional and local levels.⁴² The research concludes there are three core problems with the current system:

1. **Complexity:** the research identified 80 government-funded support mechanisms in 2024. More generally, the high turnover and resource pressures in delivery organisations were

⁴⁰ The Youth Employment Toolkit is available here: <https://youthfuturesfoundation.org/tools/youth-employment-toolkit/>

⁴¹ Department for Work and Pensions, Research and analysis - Kickstart Scheme: A Quantitative Impact Assessment (London: DWP, 2024).

⁴² Youth Futures Foundation, [Supporting Education to Employment Transitions in England](#) (2025).

undermining continuity of provision, while support is often tied to a specific education provider - meaning new sources of support are needed at each transition point.

2. Fragmentation: the uneven and fragmented nature of provision means there are potential gaps in support. For example, the research identified gaps at transitions between education providers (e.g. age 16). Furthermore, provision is rarely available for flexible lengths of time (as opposed to 'fixed length' support) and seldom allows young people multiple chances to engage. The lack of support for care leavers beyond the age of 18 was a particularly acute problem.
3. Access: the research found that access to support varies significantly across the country. Barriers to accessing support include: (i) disclosure of personal or sensitive information; (ii) having a specific health diagnosis; (iii) geographical barriers; (iv) the nature of prior contact with the criminal justice system; and (v) a lack of knowledge of what support is available and how to find it.⁴³

The research concluded that to build a more coherent, stable and equitable system for young people, consideration must be paid to:

- Building young people's lived experience into policy and practice through a national youth strategy;
- Balancing local flexibility with national consistency, ensuring that promising approaches to support can be scaled up, while maintaining responsiveness to local needs;
- Investing in help with navigating services, workforce capacity and integrated provision to support smoother transitions and reduce long term costs to public services and the economy.

What is the most effective way of delivering support to young people who are NEET? Are there any initiatives that can be learned from, domestically or internationally?

The most effective way to deliver support is through integrated and collaborative multi-agency support that cuts across siloed policy areas to give young people access to high-quality holistic provision, with more support for those that need it the most. Our international research on NEET reduction and prevention strategies includes a detailed case study of the Netherlands,⁴⁴ which leads the OECD with less than one in 20 young people NEET compared to one in eight in the UK. Their impressive progress demonstrates what can be achieved through coordinated labour market measures across an integrated system.

⁴³ Ibid.

⁴⁴ Youth Futures Foundation, [What works in reducing NEET rates: The Netherlands](#) (2025).

The Netherlands - case study

The Dutch system takes a coordinated systems-change approach to reducing and preventing NEETs, which has the following characteristics:

- Clear regional coordination: the Netherlands uses a range of structures to strengthen the implementation of national level policy change. Robust institutional structures, through its 35 labour market regions, facilitate consistent national strategic direction while enabling flexibility of implementation at a local level.
- Integrated interventions operating across government: policies addressing NEET status in the Netherlands comprise of a wraparound package of integrated interventions operating across different levels of government. This package includes financial support, tailored career guidance and vocational training.

Employer engagement: working directly with employers is institutionalised through the Foundation for Cooperation on Vocational Education, Training and Labour Market, which ensures sustained collaboration between employers and vocational education providers.

Some domestic initiatives such as Youth Employment Hubs have shown potential in delivering these goals, as research indicates that a 'one stop shop' for young people - where they can access integrated high-quality employment support - is an effective approach.⁴⁵ There are good learnings from other localised youth employment support provision such as MyGo, Liverpool City Region Youth Employment Gateway (YEG) and Talent Match, which support the evidence on the value of one-to-one personalised support and coaching. Evidence indicates that this type of relational practice achieves:

- Sustained youth engagement;
- Enhanced recognition of individual skills and career goals; and
- Improved confidence and secondary outcomes for 'work readiness'.⁴⁶

The Youth Guarantee Trailblazer place-based pilots also have the potential to deliver this form of coordinated response that incorporates a national strategy, local leadership and youth voice. However, a far more sophisticated approach to national and local coordination is required if we are to match the progress of our international counterparts.

To help policy makers understand how available funding can have the greatest impact on getting young people into education, employment or training, our Youth Employment Toolkit⁴⁷

⁴⁵ Andrew Phillips and Naema Malik, *Launch Pads: The Future of Youth Employment Hubs* (London: Demos, 2024).

⁴⁶ Ibid

⁴⁷ Youth Employment Toolkit is available here: <https://youthfuturesfoundation.org/tools/youth-employment->

gives some clear direction for choices on where to invest most within an integrated systems approach.

As outlined in section 4, the available evidence to date tells us all eight interventions are likely to have positive impacts particularly when combined together within programmes. However the highest impacts on employment are seen through apprenticeships, with moderate impacts for on-and off-the job training:

- The more we invest in vocational and technical training, the bigger the impact. On average, 1 in 10 young people who take part in an apprenticeship will get a job who would not otherwise have done so.
- Impacts are generally also larger for more marginalised young people – for example among young people who have been in contact with the care or justice systems or who have disabilities, a considerably higher number who undertake an on-the-job training programme will get a job because of that programme.

How can and should DWP support young people who are not in contact with the benefit system?

Our analysis estimates that half (50.2%) of the current NEET population aged 18 to 24 are 'hidden' from Job Centre Plus (JCP) because they do not claim benefits⁴⁸ – equivalent to roughly 486,000 young people. Finding ways to reach and engage these young people to help them move closer to employment is an urgent task for policymakers. This is even more critical when inactivity rates have been rising among young people and are fuelling the growing NEET numbers. With 'inactive' young people unable to access JCP, this leaves the Government with very little means to reach and engage them as they fall out of education, employment and training.

Even if these 'hidden' young people consider engaging with the benefit system, young people express that they often find Jobcentres 'unpleasant' and 'intimidating', they comment on the lack of private spaces, the short appointment times and the presence of a security guard as being unsettling.⁴⁹ It is important that negative experiences and stigma associated with employment support are listened to and addressed alongside any changes to structures and processes.

We advise that approaches to engage or re-engage 'hidden NEETs' must include the following aspects:

- A more detailed understanding of who these young people are by identifying their characteristics through better use of data, combined with utilising better evidence on the specific barriers these young people face;

[toolkit/](#)

⁴⁸ Forthcoming: Youth Futures Foundation, *Trends in young people not in education, employment or training* (July – September 2025).

⁴⁹ Andrew Phillips and Naema Malik, *Launch Pads: The Future Of Youth Employment Hubs* (London: Demos, 2024).

- Designing approaches and interventions based on the best evidence, to help support more of these young people into positive pathways, including consideration of the physical location and environment of support services;
- Building a less punitive and less intimidating system that encourages young people to seek the support they need. The expansion of Youth Employment Hubs is welcome because they show how this can be achieved in practice as demonstrated in research from Demos and Youth Futures Foundation⁵⁰;
- A focus on relational practice, including utilising the role of trusted adult relationships as the critical 'connective tissue' for identifying and engaging 'hidden NEETs' through outreach as well as building confidence and resilience, connecting young people to the right support and sustaining young people's engagement as they navigate complex services.⁵¹ There is opportunity for policy makers in exploring how Youth Employment Hubs and Young Futures Hubs can connect together thoughtfully as wrap around infrastructure for young people.

What barriers or disincentives prevent young people from taking up, or completing, apprenticeships? What barriers are there to employers offering and targeting apprenticeships at young people, and how effectively will the Government's current approach address these?

As noted earlier, apprenticeships are an effective intervention to support young people into employment, particularly for the most marginalised young people. The impact of apprenticeships on employment is the highest observed impact among the interventions explored in our Youth Employment Toolkit, that have a sufficient body of international evidence.

Given the strong evidence of their impact, it is concerning that several barriers and disincentives exist in the current apprenticeship system that can hinder employers' willingness to offer more opportunities and the ability of young people to access the opportunities available. Apprenticeships starts for young people aged 16 to 24 have declined by 39.6% since the introduction of the Apprenticeship Levy in 2017.⁵² There has been declines for young people at Level 2 and 3, with starts decreasing by 72.1% at Level 2 and 20.1% at Level 3.⁵³

To counteract these falls, and rebalance the system towards young people, Youth Futures advises that the Government should be ambitious, with an aspiration to offer an 'apprenticeship guarantee' that would ensure a Level 2 or 3 apprenticeship place for every qualified 16- to 24-year-old, as recommended by Lord Layard, called for by CIPD and Youth Futures Foundation, and supported by employers⁵⁴. The following are key areas that the government could consider in moving towards making this goal a reality:

⁵⁰ Ibid

⁵¹ Youth Futures Foundation, [The Missing Link: The role of trusted adult relationships in tackling the youth unemployment and inactivity challenge](#) (2025).

⁵² Department for Education Statistics, [Academic year 2025/26 – Apprenticeships](#)

⁵³ Ibid.

⁵⁴ Resolution Foundation, [Applying the Robbins Principle to Further Education and Apprenticeships](#) (London: Resolution Foundation, 2023) & CIPD, [Balancing act: Youth apprenticeships and the case for a flexible skills levy](#) (London: CIPD, 2024)

- Restricting Growth and Skills Levy Funding: we advise the Government consider limiting apprenticeships spend for the Growth and Skills Levy to non-graduates as a method of refocusing resources on young people with limited alternative pathways to good work.
- Financial support for employers: given the additional costs that employers and providers face when supporting young people in the workplace, it is advisable to give these organisations greater financial assistance to generate more opportunities for young people. This should include an apprenticeship grant for employers of £3,000 per apprentice aged under 25 at SMEs. There should also be renewed attempts to publicise existing incentives such as awareness of National Insurance relief for apprentices aged under 25.
- Financial assistance for providers and apprentices: in addition to the Apprenticeship Grant for Employers, in recognition of the additional costs faced by training providers in taking on small cohorts of apprentices from SMEs, there should be an Apprenticeship Grant for Providers of £1,000 per SME apprenticeship start. It is also worth considering interest-free maintenance loans for apprentices to remove financial barriers to their participation.

Other barriers to young people accessing good apprenticeships that we advise should be addressed in public policy reform are:

- Poor quality apprenticeships: although achievement rates rose from 51.4% in 2021/22 to 60.5% in 2023/24⁵⁵, they remain low compared with other qualifications and international systems.⁵⁶ Evidence from the Sutton Trust suggests that poor training provision is a key issue, with 300,000 apprentices in England receiving less than their training entitlement in 2023, including nearly 75,000 who received no training at all.⁵⁷ This study also found that allowing providers to ignore their training obligations is most problematic for apprentices from disadvantaged backgrounds, as it is much harder for them to challenge poor service or to highlight problems with their training programme.
- The impact of the benefits system: a recent report from Youth Futures and Loughborough University finds that the system may disincentivise 16- to 18-year-olds from becoming apprentices owing to a potential loss of around £80 a week of family income. This is caused by the combined loss of Child Benefit and the child element of UC when a young person takes an apprenticeship. This drop in income does not apply to students of the same age who partake in part-time work alongside their studies.⁵⁸
- Lack of 'pre-apprenticeship' pathways: the Sutton Trust research mentioned earlier found that, unlike several other countries, England does not offer large pre-apprenticeship courses.⁵⁹ The removal of Traineeships, which had positive evaluation outcomes of 75 per cent of participants moving into further education, an apprenticeship or employment within 12

⁵⁵ Ibid.

⁵⁶ Simon Field, [A World of Difference: International apprenticeship policy and lessons for England](#) (London: The Sutton Trust, 2025)

⁵⁷ Ibid.

⁵⁸ Youth Futures Foundation, [Apprenticeships, Child Benefit and Universal Credit](#) (2024).

⁵⁹ Simon Field, [A World of Difference: International apprenticeship policy and lessons for England](#) (London: The Sutton Trust, 2025)

months of starting a traineeship, has left a gap in pre-apprenticeship provision in England. Although the Government has introduced the new Foundation Apprenticeships, they are different in approach and design and early take-up has been limited. The two new Level 2 qualifications proposed by the Post-16 Education and Skills White Paper provide good opportunity in to create a pathway suitable to support those who need to gain further skills and confidence in order to progress on to an apprenticeship opportunity.

- Barriers for young people from ethnic minorities: our qualitative research in partnership with NatCen found that young people from ethnic backgrounds can encounter a lack of awareness of apprenticeships, financial barriers to accessing apprenticeships and concerns over inclusion and experiences of racism.⁶⁰

Given the extent of these barriers, the Government's current approach will not be enough to truly rebalance the system towards young people. As noted in the previous part of this submission, we advise Government takes a systems-change approach to build clearer pathways for young people, as well as a more holistic view of how best to support young people and employers involved in apprenticeships. In addition, central government needs to work with local and regional levels of government to promote collaboration among all the key stakeholders – apprentices, employers and training providers – to ensure that everyone is aligned around the same goals and has access to sufficient funding.

How can apprenticeships and other forms of training offered by DWP, e.g. Skills Bootcamps or the sector-based work academy programme, be best utilised to support young people?

Training programmes are an important part of preparing young people to enter good work. Join up with other parts of the employment system is important, and design and delivery should think about a young person's journey and be guided by what works to achieve positive outcomes for those young people facing additional barriers to work.

Our research suggests there are three key components of training programmes that would ensure their effectiveness:

1. Enabling alignment of the training to local labour market opportunities:

To encourage employers to offer opportunities to young people, training programmes must be relevant to local employers. This means working closely with employers to encourage them to offer work placements, apprenticeship opportunities and subsidised jobs, including publicising financial incentives such as those described above.

DWP should also enable centrally funded training programmes to be tailored to local labour market needs. This would include enabling local areas to have some flexibility over course design, delivery models and employer partnerships so that training aligns with real job opportunities for young people in each local area.

2. Establish a permanent and responsive system of employer incentives:

⁶⁰ Youth Futures Foundation, [Ethnic disparities and apprenticeship participation – qualitative research findings](#) (2025).

Wage subsidies and related incentives should be retained on a long-term basis and expanded during periods when youth unemployment rises. This would provide stability for employers and ensure that young people facing labour market disadvantage have a consistent source of support, particularly during periods of economic uncertainty.

Offering wage subsidies to employers for apprenticeships and other forms of training can promote good outcomes when it includes high-quality training and is delivered with good employer engagement. The minimum wage subsidies being offered through the upcoming Jobs Guarantee could attract more employers to engage with the scheme. We advise making such subsidies permanent and counter-cyclical (i.e. expanding when youth unemployment rises and scaling back when the economy strengthens), as seen in countries like the Netherlands, to ensure the 'system' is always ready to flex and support young people facing the greatest barriers to employment.⁶¹

3. Prioritise young people who face the greatest barriers to work:

Training programmes should be deliberately targeted and tailored for young people facing marginalisation, including those with lower qualifications, young people with SEND and those from low-income households. This should be supported by appropriate wraparound provision, including mentoring and practical assistance, to help participants complete training and move into sustained employment.

A consistent message from the research literature is that employment support can make a significant difference to a jobseeker's prospects, but these benefits are typically highest for those facing the greatest barriers to work. For example, a DWP evaluation of Kickstart found that it was "effective at helping those with lower qualifications move into long-term unsubsidised employment" whereas it had a more muted effect on young people with higher qualifications such as university graduates. Kickstart also "had a disproportionately larger effect" on young people with SEN or who were eligible for Free School Meals (due to low family income).⁶²

Taken together, these principles would help ensure that DWP-funded training programmes are better aligned to local need, more attractive to employers, and more effective for the young people who stand to benefit most. To further support young people in accessing the help they need, we recommend that DWP train and assign specialist leads to support Youth Employment Coaches at every JCP. DWP should also increase contact time with Universal Credit claimants to enable a stronger relational approach and build greater trust in the system.

How might the transfer of Skills to DWP impact the delivery of support for young people across the UK? What impact might the transfer of apprenticeships and Skills to DWP for people aged 20+ have on transitions from education to employment?

Bringing together skills and apprenticeships with employment under one department is a logical step towards addressing the supply of and demand for young jobseekers by better aligning skills and employment policy. It is essential that DWP collaborate closely with the DfE on education and skills policy to ensure young people, educators and employers can navigate a cohesive system that bridges the gap between education and employment. This need for collaboration is

⁶¹ Youth Futures Foundation, [Youth Employment 2025 Outlook](#).

⁶² Department for Work and Pensions, Research and analysis - Kickstart Scheme: A Quantitative Impact Assessment (London: DWP, 2024).

particularly acute in areas where young people face the greatest barriers to sustainable employment and may fall through the cracks at crucial transition points, such as the start of the apprenticeship pathway from ages 16-18.

Aligning skills and employment policy has the potential to boost the demand for young people in the labour market through the following mechanisms:

1. Targeted skills training aligned with growth sectors, informed by regular skills mapping: if the Government continues to focus skills interventions on industry sectors that are set to grow in the coming years, this should provide more opportunities for young people by aligning provision with employer needs.
2. Expanding apprenticeships, and sector specific careers guidance: by focusing finite government resources on expanding the provision that is best suited to helping young people transition from education into employment, will help more young people to get their first step on the career ladder.
3. Employer focused measures including partnerships with education providers, incentives to hire young people and more flexible hiring practices: increasing the capacity among employers and providers to recruit and retain young people in their workforce will be crucial to reducing NEET rates in a sustainable manner.

6. Employment and the labour market

What are the main barriers to employers supporting young people into employment and how can the Government better work with employers to address these?

How can employers be encouraged to invest in Skills training?

Young people are disadvantaged in the labour market, bringing less experience and being more exposed to economic shocks. For example, young people accounted for nearly two-thirds of job losses during the COVID-19 pandemic.⁶³ This reflects structural vulnerabilities driven by three factors:

- The concentration of young people in economically sensitive sectors such as retail and hospitality (employing 42.9% of 16- to 24-year-olds compared with 16.1% of over 25s)^{64,65}
- The overrepresentation of young people in insecure, short-term and 'gig' roles⁶⁶ which are more vulnerable to cuts during downturns;⁶⁷

⁶³ Resolution Foundation, [Young Workers in the Coronavirus Crisis](#) (London: Resolution Foundation, 2020), and Office for National Statistics, [Labour Market Overview, UK: March 2021](#)

⁶⁵ Office for National Statistics, [Annual Population Survey \(APS\) Data Nomis](#), data retrieved April 2024–March 2025,

⁶⁶ The Work Foundation, [Zero Choices: Swapping zero-hour contracts for secure, flexible working](#) (Lancaster: The Work Foundation, 2024)

⁶⁷ Resolution Foundation, [Young Workers in the Coronavirus Crisis](#) (London: Resolution, 2020).

- Lower levels of experience, which disadvantages young jobseekers when employers prioritise experienced candidates in weaker labour markets⁶⁸

The UK labour market has also weakened from its post-pandemic peak. The share of employers expecting to increase staffing fell from over 40% in 2021–22 to 25% in summer 2025 and has remained around this level since.⁶⁹ Vacancies declined from 1.14 million in Q4 2022 to 736,000 in Q4 2025, with the number of unemployed people per vacancy rising from 1.2 to 2.6. The employment rate (ages 16-64) remains below pre-pandemic levels at 75.0%, while unemployment has increased to 5.3%.⁷⁰

Job entry points for young people are narrowing as hiring slows, with employers cutting entry level roles, placements and apprenticeships.⁷¹ These demand-side pressures are increasingly playing a significant role in keeping the NEET rate stubbornly high by creating a bottleneck that prevents many young people from accessing the labour market.

To reduce the youth NEET rate, it is therefore essential that the Government aims to create an environment where employers feel confident and are incentivised to hire young people. To deliver this goal, youth employment policy should consider labour market conditions, wage and tax policies, the welfare system and employment rights reforms alongside the direct interventions aimed at young people.

Improving job quality, including through pay and workplace rights, is important in the pursuit of ensuring young people in employment are in 'good work'. However, it is increasingly clear that rapid and simultaneous major reforms (minimum wage rates, National Insurance and the Employment Rights Act), when set against a wider backdrop of a weaker labour market, are having a negative effect on youth hiring prospects. The individual changes being proposed and undertaken in this area are unlikely to have a significant effect. However, it is their cumulative effect that poses major risks.

For example, proposals to align youth minimum wage rates with the adult rate would require sustained above-expected inflation increases. The Low Pay Commission estimates that alignment by April 2027 would necessitate annual rises of around 11-15% for two consecutive years, while a longer timetable to April 2029 would still require increases of around 5-9% each year for four years.⁷²

At present, 16% of 16- and 17-year-olds and 9% of 18- to 20-year-olds are paid the minimum rate or below for their age group, while 60% of 16- and 17-year-olds and 30% of 18- to 20-year-olds are paid between their minimum rate and the full adult rate.⁷³ Consequently, there is a risk that a

⁶⁸ David N. F. Bell and David G. Blanchflower, [Young people and the Great Recession](#) (Oxford Review of Economic Policy 27, no. 2 (Summer 2011): 241–67

⁶⁹ CIPD, [Labour Market Outlook – Summer 2025](#) (London: CIPD, 2025) & [CIPD, Labour Market Outlook – Winter 2025/26](#) (London: CIPD, 2026)

⁷⁰ Office for National Statistics, [Summary of labour market statistics: January 2026](#)

⁷¹ CIPD, [Labour Market Outlook – Spring 2025](#) (London: CIPD, 2025) & Office for National Statistics, [Jobs and Vacancies in the UK: July 2025](#) & Department for Education, [Employer Skills Survey 2023](#) & Department for Education, [Employer Skills Survey 2024](#)

⁷² Low Pay Commission, [Options for lowering the age of entitlement to the NLW to 18](#) (London, 2025)

⁷³ House of Commons Library, [National Minimum Wage statistics](#) (House of Commons Library: London, 2025).

significant number of young people could have their employment affected by the proposed changes, should employers continue to lose hiring and retention confidence.

To address these concerns, it is necessary to instill the right balance to mitigate the impact of these simultaneous changes on employers and the youth labour market. Youth Futures advises consideration of the following:

- Delaying the proposed equalisation of minimum wages until labour market conditions are more favorable to young people and/or lengthening the timeline so that wage increases are smaller and more incremental over a longer period;
- Increased investment and a greater level of ambition to include a wage subsidy scheme as a permanent counter-cyclical part of the youth employment landscape;
- Assessing the impact of measures in the Employment Rights Act on young peoples' employment prospects (e.g. the effect of a ban on zero-hours contracts given the disproportionate number of young people employed through these contracts), and considering potential mitigations.

Striking a careful balance between the pay and workplace rights of young people and the financial pressures on employers, will be important in helping to make more employers feel able and willing to recruit young people. Greater efforts can then also be made to encourage employers to invest in skills training for young people. A range of measures should be considered to encourage more investment in training young people, including:

- Financial incentives: as outlined earlier in this submission, there is a pressing need to shift the focus of apprenticeships from older workers to younger workers through the new Growth and Skills Levy. This would focus employers' efforts on training and staffing capacity.
- Extra support for young people with additional barriers: employers are typically less confident when dealing with wraparound support and pastoral issues. Offering employers more advice and guidance on how to support young people with, for example, travel costs and accessing mental health services will alleviate some of the burdens that employers currently face.
- Supporting employers to navigate the skills landscape: communicating the purpose and availability of various interventions and programmes to employers remains a significant challenge for central government. National employers can help by talking to local training providers and SMEs to improve their understanding of the training and funding landscape. Better coordination between different levels of government, as discussed throughout this submission, could also help address some of the information gaps among the employer community.
- Clear explanation of the return on investment on training: when attempting to persuade employers to invest in training young people, the return on investment of interventions such as apprenticeships is often absent from these conversations. Central government

could potentially provide the necessary analysis to employer representatives, which can then be disseminated more widely.

Making this information available to local and national employers in a simple and clear format is a vital coordinating job for central government so that all stakeholders – not just employers – can understand, discuss and communicate the benefits of training young people.

How well is support for young people tailored to local labour market conditions and how can this be improved?

The skills system needs to respond to local labour market conditions and be aligned with local industrial strengths that shape available opportunities. International evidence suggests that regional and local employment programmes can have larger impacts than national level programmes, especially in high income countries.⁷⁴ Recent research from the Institute for Employment Studies and Youth Futures Foundation echoes the importance of a "strong place-based element" to successful systems change, supported by regional and local leadership.⁷⁵

The significant local and regional variations in young people's education and employment outcomes require locally contextualised solutions. Youth Futures' Data Dashboard shows that the North East has the highest NEET rate in England (15%), while the South West sees the lowest proportion of NEET young people (9.4%). The Dashboard also shows how the prevalence of major 'risk factors' for being NEET varies by region, meaning young people in different areas will require different kinds of support to effectively access work.⁷⁶

As a result, different areas of England require inherently localised approaches. Devolution has a growing role in addressing regional skills needs, with the English Devolution White Paper designating skills and employment support as a Mayoral Strategic Authority responsibility. This includes promotion of clear pathways from education to work, control of non-apprenticeship adult skills funding and co-ownership of Local Skills Improvement Plans with employers, giving them significant influence over local skills planning and provision in FE colleges. Strategic Authorities are now starting to shape skills development through funding decisions, leveraging existing streams and their integrated settlement flexibilities. There are also examples of regional leadership using their convening power to influence the system, such as establishing Apprenticeship Levy transfer services to boost local apprenticeships, as seen in the West Midlands.

Nevertheless, collaboration between local and national government remains vital because national government almost always determines the policy framework within which support is available as well as being responsible for building the evidence base on 'what works'. Effective data sharing between central government and regional leaders – another prerequisite for

⁷⁴ World Bank Group and International Labour Organization (2024) [Active Labour Market Programs Improve Employment and Earnings of Young People](#), p. 6.

⁷⁵ Youth Futures Foundation, [What works in systems change interventions? A systematic review of national and international evidence](#) (2024).

⁷⁶ Youth Futures Foundation, Data Dashboard: NEET. Available here: <https://data.youthfuturesfoundation.org/dashboard/neet>

addressing place-based skills needs – also relies heavily on input from national policymakers. High-quality demand and supply-side data, broken down at the local and regional level by the DWP and Skills England, will be important to help places and FE providers understand their local skills challenges, including building up capacity in each area to analyse and distribute their data.

There are examples of how a good balance can be achieved between national and local government to tailor provision to local areas. The flexible funding through integrated settlements gives Strategic Authorities the opportunity to meet local skills needs and define and measure success. What's more, providing place-based data, capacity and flexibility to meet local needs are key elements of Youth Futures' Connected Futures programme, which funds local partnerships to tackle complex employment challenges for marginalised young people. This programme brings together delivery organisations, local authorities and young people in localised partnerships to explore the challenges young people face and identify where support is missing across the system as well as developing and testing approaches to breaking down barriers and improving access to employment.⁷⁷

The Government's Youth Guarantee Trailblazers are a welcome initiative within a more localised approach due to the emphasis on locally contextualised approaches, but – as described earlier in this submission – the Youth Guarantee requires greater ambition, scope and investment overall given the scale, stubbornness and likely further growth of the NEETs challenge.

What impact may developments in technologies, such as AI, have on the employment of young people? How should Government respond?

There is not yet any conclusive evidence on the impact of technological developments on the employment prospects of young people, although a recent robust study from the US suggested that early-career workers in AI-exposed occupations have experienced a 16% decline in employment levels relative to more experienced workers.⁷⁸

On that basis, Youth Futures recognises that this issue remains an important consideration in the context of the wider labour market challenges facing young people. Consequently, we are planning to commission research this year to better understand the impact of AI on the youth labour market and recruitment levels in the UK.

Considering the uncertainty in the employment landscape, we advise the Government should aim to do the following:

- Skills England should conduct regular analyses of the labour market to detect any early signs of the impact of technology on job opportunities, especially entry-level roles, as well as monitoring the potential risks of AI entrenching existing labour market inequalities;
- DWP and Skills England should continue to highlight geographical and/or sectoral skills gaps related to AI technologies, and seek to grow provision that can address these needs –

⁷⁷ Youth Futures Foundation, [Connected Futures: place-based change](#) (2026).

⁷⁸ Brynjolfsson et al, [Canaries in the Coal Mine? Six Facts about the Recent Employment Effects of Artificial Intelligence](#), (Stanford University, 2025).

particularly in relation to new opportunities and pathways that AI-fuelled innovation may create for young people entering the labour market.

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