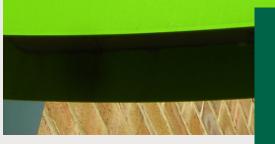


By Andrew Powell, Brigid Francis-Devine

15 July 2021

Youth Unemployment Statistics

job centre plus



- 1 Youth Unemployment Statistics
- 2 Youth Unemployment across Europe

Image Credits

Job Centre Plus by Richard McKeever. Licensed under CC BY 2.0 / image cropped.

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing 'Legal help: where to go and how to pay' for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at <u>commonslibrary.parliament.uk.</u> If you have general questions about the work of the House of Commons email <u>hcenquiries@parliament.uk</u>.

Youth Unemployment Statistics

Impact of coronavirus (Covid-19)

In the months following the start of the pandemic there was a large fall in employment levels for young people aged 16-24, and this was followed by a rise in unemployment. Although unemployment levels have since returned to pre-pandemic levels, the number of young people in employment remains below.

Comparing the latest quarter, March-May 2021, with the pre-pandemic quarter of January-March 2020:

- The number of young people in employment has fallen by 329,000, a 9% fall. The fall for men has been larger, with employment levels falling by 10% for men and by 7% for women.
- There has been a slight increase in **unemployment** for young people. In July-September 2020 it had increased by 14% from pre-pandemic levels, but since then levels of unemployment for young people have gradually been falling.
- The **unemployment rate** has increased to 13.5% from 12.3%. This increased to 14.8% in July-September 2020.
- 245,000 more young people have become **economically inactive**, an increase of 10%.

As at 31 May 2021, 322,400 jobs held by those aged 24 or under were on furlough, which was 10% of eligible jobs. There was a large fall in the number of furloughed jobs held by young people between April and May 2021.

The number of people aged 18-24 claiming unemployment related benefits more than doubled from March to May 2020, at the start of the pandemic. Since then, the youth claimant count has fallen, but the number of claimants in June 2021 was still 206,000 higher than in March 2020, an increase of 88%. Some of the initial increase will be due to employed people who became eligible for Universal Credit as part of the government response.

More information can be found in the Library briefing <u>Coronavirus:</u> <u>Impact on the labour market</u>. The number of unemployed young people aged 16-24 decreased by 24,000 in the last year.

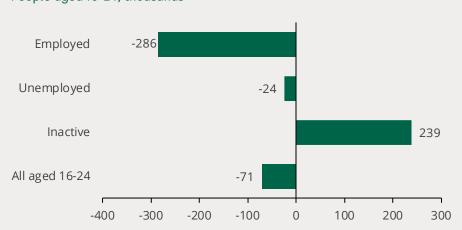
The number of young people in employment fell by 286,000 from the previous year. 539,000 young people aged 16-24 were unemployed in March-May 2021, a decrease of 41,000 from the previous quarter and a decrease of 24,000 from the year before. By historical standards, unemployment levels for young people remain low.¹

For context, it is worth noting that the total population aged 16-24 has been declining in recent years; in the year to March-May 2021, it decreased by 71,000.

The number of young people in employment increased by 57,000 from the previous quarter but fell by 286,000 from the previous year to 3.46 million.

The number who are economically inactive (not in or looking for work) fell by 30,000 from the previous quarter but increased by 239,000 from the previous year to 2.81 million.

Annual change in economic activity, March-May 2021



People aged 16-24, thousands

The youth unemployment rate was 13.5%, compared to an unemployment rate of 4.8% for the whole population.

Figures are based on a survey so some of the reported changes may arise from survey error rather than 'real' changes in the levels.

The **unemployment rate** (the proportion of the economically active population who are unemployed) for 16-24 year olds was 13.5% in March-May 2021. This is down from 14.6% in the previous quarter but up from 13.1% a year before.

The **inactivity rate** for young people is 41.2%, which is close to the highest rate since comparable records began in 1992. 81% of the young people who are economically inactive are in full-time education.

¹ All data are from ONS <u>Labour Market Statistics bulletins</u> and are seasonally adjusted.

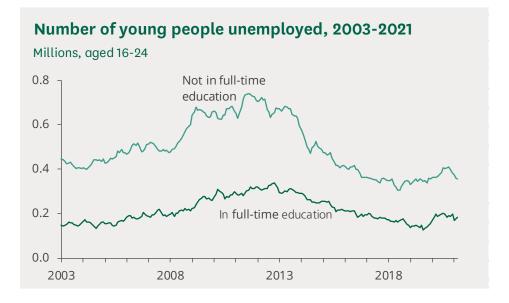


Unemployment and education status

182,000 unemployed young people were in full-time education (34% of all unemployed young people) in March-May 2021, down 17,000 from the previous quarter and down 17,000 from a year before.

Excluding those in full-time education, 357,000 people aged 16-24 were unemployed. This is a fall of 25,000 from previous quarter, and a small fall from the year before.

The unemployment rate for 16-24 year olds in full-time education was 19.6%, up from 18.7% a year before. It was 11.6% for those not in full-time education, up from 11.2% a year before.



Unemployment by age

428,000 18-24 year olds were unemployed in March-May 2021, while 1.66 million were economically inactive and 3.26 million were in work. The

unemployment rate for people aged 18-24 was 11.6%, down slightly from 11.7% a year before.

111,000 16-17 year olds were unemployed, while 1.14 million were economically inactive and 201,000 were in work. $^{\rm 2}$

Long term youth unemployment

106,000 people aged 16-24 had been unemployed for **over 12 months** in March-May 2021, which was 20% of unemployed 16-24 year olds. This was similar to the level in the previous quarter.

24% of all people who had been unemployed for over 12 months were 16-24 year olds.

Men and women

The youth unemployment rate was 14.3% for men and 12.7% for women.

1.1

288,000 men aged 16-24 were unemployed in March-May 2021, a decrease of 41,000 from the previous quarter and a decrease of 17,000 from the previous year. The unemployment rate for men of this age was 14.3%, up from 13.7% a year before.

251,000 women aged 16-24 were unemployed, unchanged from the previous quarter and slightly down from the previous year. The unemployment rate for women aged 16-24 was 12.7%, compared to 12.4% a year before.

Other indicators

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) opened to applications on the 20 April 2020. As at 31 May 2021, **322,400 jobs** held by those aged 24 or under were on furlough, which was 10% of eligible jobs.³

² The estimates for 16-17 year olds are more volatile than those for 18-24 year olds, since they are based on a smaller number of survey responses.

³ HMRC, Coronavirus Job Retention Scheme statistics, 6 May 2021

Employments furloughed under the CJRS As at 31 May 2021, by age and gender, UK

	Female		Male		Total	
Age	Jobs ('000s)	% of eligible jobs	Jobs ('000s)	% of eligible jobs	Jobs ('000s)	% of eligible jobs
Under 18	15.5	14%	11.0	11%	26.5	13%
18-24	154.0	10%	141.8	10%	295.9	10%
16-24	169.5	10%	152.8	10%	322.4	10%
All ages	1,130.8	8%	1,203.9	8%	2,364.1	8%

Source: HMRC, Coronavirus Job Retention Scheme statistics, 3 June 2021

Library briefing paper <u>Coronavirus Job Retention Scheme: statistics</u> provides more information on furloughed jobs by age.

Claimant count

In June 2021, **441,200** people aged 18-24 claimed **unemployment related benefits**. This was a decrease of **22,200** from the previous month, but an increase of **206,000** claimants from the pre-pandemic month of March 2020.⁴

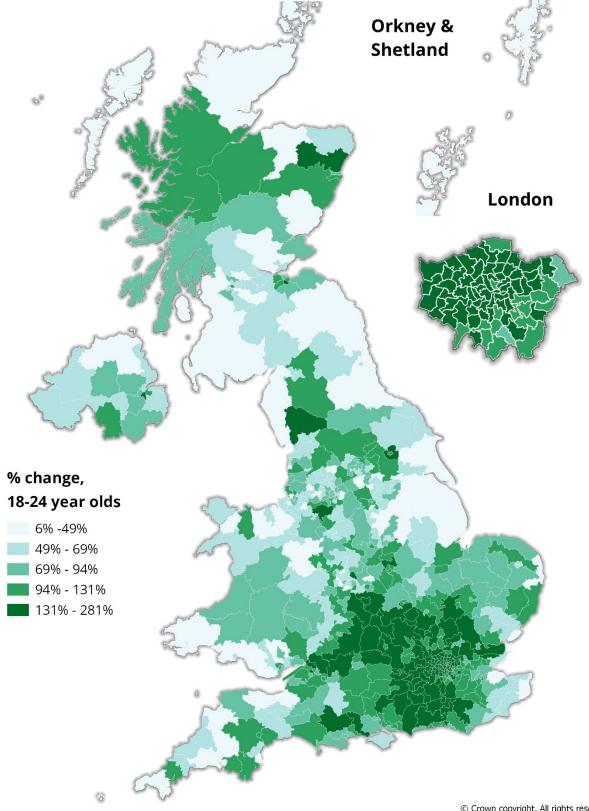
While some of the increase in the Claimant Count will be due to people who have become unemployed, some will also be due to employed people who have become eligible for Universal Credit as part of the government response.

The map overleaf shows the increase in the claimant count by parliamentary constituency since March 2020.

⁴ ONS, <u>CLA02: Claimant Count by age group</u>, 18 May 2021, Figures are seasonally adjusted

% change in unadjusted claimant count for 18-24 year olds March 2020-June 2021

Percentage change in number of people aged 18 to 24 claiming unemployment related benefits, expressed as quintile groups (20% bands), since before the UK entered into lockdown



© Crown copyright. All rights reserved. House of Commons Library (OS) 100040654 and (OSNI) 2085 (2020). 2

Youth Unemployment across Europe

The chart below shows the youth unemployment rate across European Union countries. Figures are published by Eurostat (the EU's statistical authority) and therefore may differ from what is published elsewhere in this briefing.

Spain had the highest rate of youth unemployment in July-September 2020 at 39.8%. Germany had the lowest youth unemployment rate at 6.9%.

The UK youth unemployment rate was 14.0%, compared to 17.9% for the European Union.

Note, as of 2020, the European Union is made up of 27 countries.

Youth unemployment rates in the EU Q3 2020 Spain 40% Greece 36% Italy 32% Sweden 25% Portugal 25% Luxembourg 25% Croatia 24% Lithuania 23% Finland 22% France 22% Estonia 21% Slovakia 20% Cyprus 20% Romania 19% EU 18% Ireland 18% Slovenia 17% Belgium 16% Latvia 14% Bulgaria 14% UK 14% Hungary 13% Denmark 12% Malta 11% Poland 11% Netherlands 11% Austria 11% Czech Republic 9% Germany 7% 0% 20% 30% 40% 50% 10%

Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24 year olds in UK, Italy and Spain).

Source: Eurostat, Unemployment by sex and age - quarterly data (une_rt_q)

Recent trend in youth unemployment in the EU

The UK's youth unemployment rate has consistently been lower than the rate across the EU as a whole.

Since the start of the pandemic there has been a rise in youth unemployment in both the EU and the UK. In July-September 2020, there was an annual increase in the youth unemployment rate of 2.6% points for the UK and 3.0% points for the EU.



Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24 year olds in UK, Italy and Spain).

Source: Eurostat

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:





🥑 @commonslibrary