



The prospects of this year's school leavers

Summer 2009

Part I

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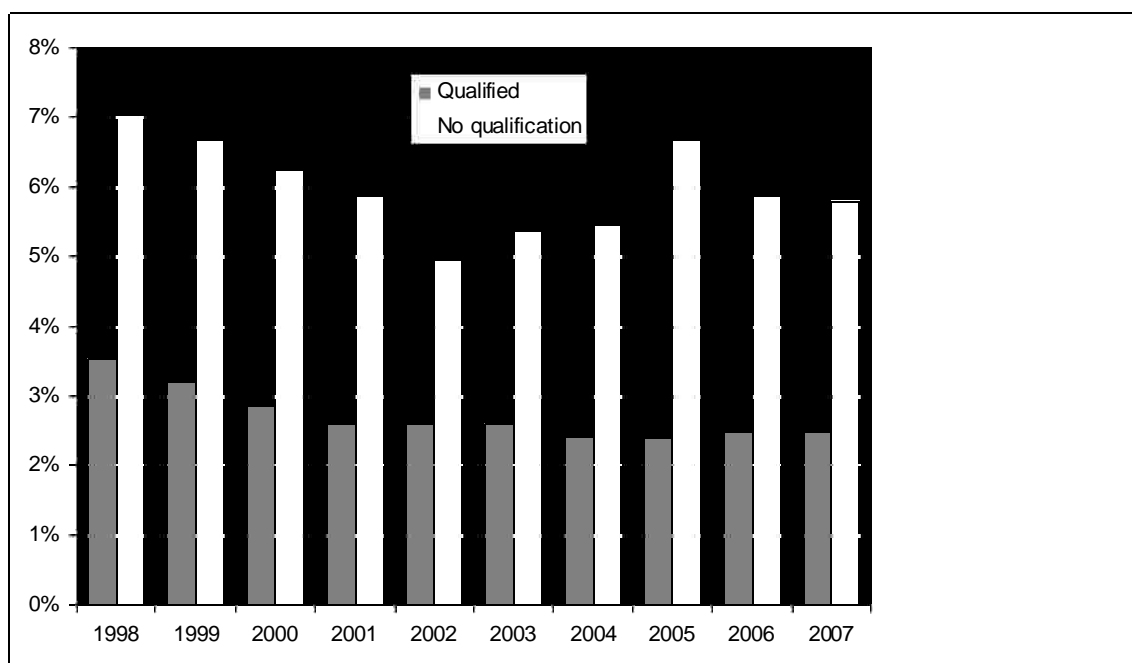
Background

Approximately 3.5 per cent of young people with qualifications were claiming Jobseekers Allowance (JSA) in 1998. It was twice as high for those with no qualifications, 7 per cent of whom were unemployed.

Youth unemployment fell between 1998 and 2002. As youth unemployment fell, it fell most quickly in absolute terms for those without qualifications. By 2002, the youth unemployment rate for young people without any qualifications was only 2.5 per cent higher than that of those young people with qualifications (which was 2.6 per cent). During good economic times, there are jobs even for the least skilled of young people.

Youth Unemployment (16-25) 1998-2007 in the United Kingdom

Source: ONS special tabulation.



Patterns in recession

The worst post war recession was that of the early 1980s. In 1984, over a million young people up to age 25 were registered as unemployed.¹ This was including those aged 16 and 17, who were then permitted to register as unemployed.

In 2007, before the credit crunch, around 230,000 young people were claiming JSA. Today, this figure has increased to around 472,000² and we can expect this number to at least double - to a million - if trends follow those of previous recessions.

If the number of 18-to-25-year-olds in the dole queue exceeds a million in this recession, this summer's school leavers will be the hardest hit since the crash of 1929.

If trends follow those of the 1980s recession, about 140,000 - or one in five - of this year's GCSE cohort will be claiming JSA by the time they are 21.

However, the rate of youth unemployment in the recession to come will depend almost entirely on what options they are offered. With the right opportunities and support, there are more positive prospects for even the most disadvantaged or under-qualified young people.

Young people with no qualifications

Young people leaving school with no qualifications are twice as likely to claim JSA before they are 25 as those with qualifications, with the absolute gap between their life chances likely to grow as recession worsens.

As jobs become very scarce we would expect the most rapid increases in unemployment in the UK to be experienced by young people. Those young people with the least qualifications will almost certainly bear the brunt of this, just as they benefited when there were so many more jobs to go around.

In 2001, young people with no qualifications were 2.0 times more likely than young people with qualifications to be claiming JSA. By 2007, as youth unemployment was rising, that ratio increased to 2.3 times. We should expect that ratio to rise given current trends and because of our kind of society.

“Some societies seem to demand more resilience than others. But wherever the bar is set – whether a society has two or twenty percent unemployed, or five or twenty-five percent of children growing up in poverty – it is always the most vulnerable who suffer the consequences.”

Professor Richard Wilkinson (emeritus)³

¹ Source for 1984 data: D. Dorling a New Social Atlas of Britain, Figure 3.26 page 92. Available here: http://www.sasi.group.shef.ac.uk/publications/new_social_atlas/chapter3.pdf. Note that although the numbers of young people have risen slightly, those aged 16 and 17 are no longer permitted to register as unemployed.

² Source: Office for National Statistics. The number of all unemployed 16-to-24-year-olds is already 928,000 and is also expected to rise as recession worsens.

³ Professor Richard Wilkinson (emeritus): <http://www.ucl.ac.uk/capabilityandresilience/beatingtheoddsbook.pdf> - page 2.

Part II

Department of Policy and Innovation, The Prince's Trust

Job sectors that might remain stable or have the potential to grow during recession

Health and social care:

Despite some reports suggesting the NHS will suffer in recession⁴, health care is expected to endure an economic downturn because there is always a demand for services.

The Government has also committed to funding a huge increase in the number of NHS apprenticeships. This will mean £25 million for NHS organisations to help create 5,318 apprenticeships. This is part of the Government's attempts to increase the number of public sector apprenticeships.

Additionally, demand for NHS services is expected to increase with Britain's aging population.

Although jobs are vulnerable everywhere, the social care sector is also expected to endure the recession, currently employing around 1.5 million people.

Care First announced in its budget that it will offer 100 traineeships for unemployed young people to enter social care jobs.

Funding is also being allocated to local authorities and partners for the creation of 100,000 new jobs in "socially useful" activity.

The number of apprenticeships in this area is also expected to increase by 1,300.

Hospitality:

Some areas of hospitality and domestic and inbound tourism may have the potential to grow in recession. Britons might try to reduce the cost of a holiday by travelling within the country rather than going abroad.

Evidence which supports this trend is that youth hostels and self-catering firms such as family holiday-provider Butlins are reporting a rise in bookings. Camping and caravanning bookings have also increased in some places.

⁴ The King's Fund has produced a report "How cold will it be? Prospects for NHS Funding: 2011-17" looking into a NHS funding gap.

The falling value of the pound may also encourage people to visit Britain, with some evidence that inbound tourism to London is growing despite the economic climate.⁵

New schemes to support unemployed young people

The Prince's Trust is launching a series of training schemes to improve opportunities for young school leavers in danger of facing the dole queue.

The new schemes reflect job sectors expected to endure recession, ensuring young people are given the best chance to find work in the current economic climate.

A new "Get into hospital services" is launching, training young people a variety of aspects of hospital work.

There are also plans to extend The Trust's existing "Get into social care", "Get into youth work" and "Get into hospitality" schemes.

The Prince's Trust is also working with the Olympics Development Agency to maximise job and training opportunities for young people on the Olympic Park.

Track record

More than three in four young people on Prince's Trust schemes go into work, training or education, despite many lacking previous qualifications.

For more information about The Trust's programmes, call 0800 842842.

For media information, please contact Lucy Pogson on 020 7543 1381 or email lucy.pogson@princes-trust.org.uk.

⁵ Visit London reported that the number of people visiting museums, galleries and other attractions in London increased by almost 20 per cent to 3.6million in April 2009.