

Research shows we must pay now or we'll pay more later for youth crisis

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A comprehensive report published today by the University of Bristol Centre for Market and Public Organisation and Tomorrow's People shows a worrying increase in the number of young NEET individuals – one of the most economically vulnerable groups in society.

The report, *The Early Bird... Preventing [Young People](#) from Becoming a NEET Statistic*, reveals that the number of NEET young people has been rising over the past decade, well before the current economic crisis began, compounding fears that this is a long-term structural problem within the UK and not just a short-term trend attributed to a poor economy. Government figures released last week continue to paint a dire picture, showing a further increase in youth unemployment, to a historic 1.04 million, or one in five of those between 16 and 24, raising fears of a lost generation.

The paper focused on those who were worst off among the whole NEET group – young adults who fail to make a successful transition from school to work, often due to poor qualifications and lack of work experience which is itself symptomatic of wider problems. Immediate action is necessary to avoid tens of thousands more young British people becoming part of an abandoned generation.

Youths aged 16-17 are especially vulnerable as they have little or no contact with the state and do not qualify for state support. This creates a serious risk of disconnection 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 reach 18 – the qualifying age for the formal benefit system – the damage has already been done, reinforcing the need for early intervention.

The research highlights the cost-effectiveness of early identification and engagement, noting that the younger the intervention takes place, the cheaper and more effective it will be – a view that is expected to sit well with current Government moves towards a payment-by-results system.

This is supported by independent evaluation undertaken by FTI Consulting in June 2011 of the Tomorrow's People Working It Out initiative that works with those aged 16-24. FTI identified a £2.86 social return on investment (SROI) for every £1 invested in the programme. The broader Welfare to Work programme does not focus on young people, instead being available to anyone of working age, has a lower return on investment, confirming the merits of early intervention.

This is supplemented by results comparing different approaches of engaging with at-risk young people, suggesting that financial incentives – such as payments tied to young people's participation, attendance and performance – are a more effective way of improving educational outcomes. In contrast, careers advice and counselling generally proves to

have a short-lived impact. Following the scrapping of Educational Maintenance Allowance in England, there are serious risks that the trend of youth-NEETs will only accelerate.

Tomorrow's People Chief Executive Baroness Stedman-Scott 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 successful future.

"Beyond the benefits to improving the lives of individual young people, the report brings to light the huge benefits of early intervention to the taxpayer, something I know the Government will be keen to look at in these difficult economic times."

The report's author, 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."

The research tracked 15,000 young people of whom a proportion were NEETs for more than a year and analysed family backgrounds, qualifications and prospects to reveal the huge social and economic cost to individuals and society.

-- The report identifies key characteristics that provide early warning signs, including:

-- 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; and
- Truancing and exclusion.

Provided by University of Bristol

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