YOUTH UNEMPLOYMENT IN THE NORTH WEST: CALL FOR LOCAL ACTION
1 INTRODUCTION

To support public, private and third sector partners in the North West develop effective responses to tackle youth unemployment, the Regional Leaders Board commissioned research in early 2012 to analyse the factors affecting youth participation at a local level and identify the support needs of young people and businesses. The study involved a detailed review of youth labour market participation data, surveys of over 450 young people and 230 employers, and the completion of a comprehensive literature review of policy and interventions across European and Anglo-Saxon countries.

2 LABOUR MARKET PROSPECTS FOR YOUNG PEOPLE

There is a youth unemployment crisis in the North West. Over 130,000 of those aged 16-24 – one in four young people active in the labour market – are unemployed, the highest level for almost 25 years. Unless action is taken, forecasts indicate that youth unemployment will not return to pre-recession levels for the foreseeable future.

Left unaddressed, the high and sustained level of youth unemployment will erode the economic competitiveness of the North West and result in a ‘lost generation’ of young people who are disengaged from the labour market and society. Unemployment at the beginning of an individual’s working life often leads to a scarring effect, increasing the chance that they will be unemployed in the future and lowering their lifetime earnings. The case for action – economically, socially and fiscally – is therefore clear.

3 THE RESPONSE SO FAR

Tackling these levels of youth unemployment would be a challenge in any environment but it is particularly difficult in a period when public sector budgets are under severe pressure. More than ever it will be important to be efficient and effective in responding to the problem. While significant strides forward have been made in the local and national response, research undertaken with young people, youth workers and employers suggests that our approach is still not as comprehensive as it could be. In particular:

• **Support services are not reaching many young people.** One-third of unemployed young people have received no support from public sector agencies – such as Jobcentre Plus, Next Step or a college or training provider – to help them move into work or education. Four-fifths of young people in employment said that they received no support from public sector agencies to get their job.

• **Young people still need very basic support**, such as advice and guidance on careers opportunities, vacancy search, CV writing and interview practice. CV writing appears to be the most successful intervention to help young people into work (over half of young people in work that received support got help writing a CV) but this is not routinely provided until 6 months after a young person has claimed jobseeker’s allowance.

• **Many young people lack a real world appreciation of what qualifications and other personal attributes are necessary to get a job.** The misalignment between young people’s perception of what they can achieve with their qualifications and reality is more than twice as high among young people not in employment, education, or training (NEET) than non-NEETs.

• **Support services are not working for many employers.** Only 25% of employers that had sought support from Government felt that they got sufficient help to employ young people. Over a quarter of employers spoken to wanted to do more for young people – by offering a work experience placement, taking on
an apprentice, or speaking to students about the world of work – but had not been engaged by the appropriate agencies to do so.

As a result, the employability of many young people remains poor. Employer cite lack of work readiness as the number one factor preventing them employing more young people, significantly higher than such factors as the economic downturn, ‘red tape’ or the availability of skilled migrant workers.

4 HOW CAN LOCAL PARTNERS BEST RESPOND TO THE CHALLENGE?

Dealing with the stock of unemployed young people by getting them into work is expensive and therefore simply beyond the current budgets of local partners alone. Supporting mainstream programmes is the only real option in terms of working with the stock of unemployed young people and even here, the state of the economy will be the key factor in performance.

However, addressing the flow of young people from education to unemployment is just as important. There is robust and convincing evidence that much more can be done to ensure young people are equipped with a better understanding of what employers require at a time in their lives when they themselves can do something about it. What is more, international best practice shows that such intervention can be delivered cheaply and deliver real outcomes. Some examples of what can be done are as follows.

• **Getting more employer involved in schools’ curriculums.** The Business Involvement in Mathematics Programme in the US encouraged significant interaction between teachers and the business community about curriculum development and teaching methods. It enabled a more ‘real world’ and problem solving approach to education to be taken by teachers and students. Students’ visits to the workplace, job shadowing, and work experience were also positive features of this programme.

• **Inviting local employers to speak in schools.** The Increased Flexibilities for 14-16 Year Olds Programme in the UK found that having employers as visiting speakers contributed to students gaining higher qualifications. Regular engagement with local employers can help ground young people’s expectations about the world of work and the skills and attributes they will need to get their target job. Inviting parents of children to speak in schools can have a similar positive impact.

• **Improving work experience.** Research in the UK suggests that work experience placements are too often short, of poor quality, with young people given little to do and the placement poorly linked to their wider education or the advice and guidance they receive. An increased number of better quality work experience placements would increase young people’s employability on leaving education.

• **Delivering the skills that employers want.** There is evidence that employers have little interest in ‘making up for the education system’. It is vital that schools focus on literacy and numeracy to give young people the basic foundations for work. There is evidence from the US that delivering basic skills within a work context delivers much better results – basic skills for manufacturing, construction or hair and beauty will have better outcomes than traditional approaches. At a higher level, soft employability skills – such as leadership and team work – are increasingly being taught as standalone lessons in UK private schools, reflecting the critical importance employers place on these.

• **No young person allowed to leave school with basic skills deficiencies.** Finnish educators believe that if schools focus on early diagnosis and
intervention, most students can be helped to achieve success in regular classrooms. Teachers relish the challenges rather than let problems lie; if one method fails, teachers consult with colleagues to try something else. Nearly 30% of Finland’s children receive some kind of special help during their first nine years of school. This approach results in a 96% graduation rate.

- **Encouraging young people to plan their own careers.** In Finland young people are encouraged to ‘reverse engineer’ their learning pathway based on their long-term career goals. This allows them to clarify their educational or vocational choices to reach their target job. Young people can then see that they are on a positive journey and have control of their own future. Examples were also found of programmes that tasked young people with developing links with local employers themselves. Young people were then responsible for developing the school’s relationship with these employers, by asking them to speak in assemblies, offer work experience and so on.

- **Teaching young people to build their own support networks.** In Denmark, a mentoring scheme was established to help young people build and use their own support networks – for example by asking them to identify people related to their education, free time, family and friends that could support them with continuing education or achieving their career aspirations. Follow-up confirmed that three-quarters of participants established and used their own networks to find support; most (70%) remained in education.

- **Improved tracking of young people so that no one slips through the net.** Tracking measures to identify, support and monitor young people at-risk are an established practice in countries such as Denmark, Ireland, Italy, Norway and Sweden. The Danish legal provision for tracking early school leavers obliges guidance counsellors to make a limitless number of contacts with the young person (using their judgement to decide the best approach, both in terms of when and how to contact them) to re-engage them in education, training or work. The prevalence of young people NEET is much lower as a result.

## 5 TOWARDS A SUSTAINABLE FUTURE FOR THE NORTH WEST’S YOUNG PEOPLE

There is no silver bullet to resolve the North West’s youth unemployment crisis, nor are any of the best practice initiatives identified quick fixes. If the North West is to move to a sustainable future with youth unemployment rates back to (and below) the pre-recession level, then its strategy needs to focus on stemming the flow of young people that lack basic employability skills into the labour market. Crucially, this is not just about improving qualifications: two thirds of unemployed young people in the North West have a Level 2 or above qualifications, of which half are at Level 4 or higher.

Engaging employers much more closely in education is central to achieving better outcomes for young people. The effects are tangible: research in the US shows that by age 26, young people who had benefitted from significant employer engagement while at school had higher employment rates and an average 11% wage premium. Employers themselves see that this is an area where they are willing to contribute their time and expertise. The North West cannot afford to miss this opportunity and needs to capitalise on employers’ good will.

This research has shown that the challenge is great but that local partners can take action – even with current public sector financial pressures – that can have a significant long term positive impact.