Young people not in education, employment or training (NEET):
A background paper for CSP Seminar, March 2016

Historical context, definition, facts and figures about young people that are NEET

1. Despite being of significant interest to policy and practice, a focus on young adults not in education, employment or training is surprisingly recent. Up until the turn of the century, recent policy and research was largely focused on youth unemployment. In the 1990s this changed with a focus on young people not engaged in education, employment or training (Istance, Rees and Williamson, 1994; Wilkinson, 1995) culminating with a pivotal report by the Social Exclusion Unit in England called ‘Bridging the Gap’: this gave prominence to this group of young people, sought to identify pathways leading to educational and labour market disengagement, identified opportunities to intervene and promote social inclusion and brought the issue sharply into the national policy focus (Social Exclusion Unit, 1999). Interest in what has ubiquitously become referred to as young people ‘NEET’ quickly spread from the UK across Europe and beyond. The recession - and associated rising rates of youth unemployment and young people that are NEET - fuelled this interest (Eurofund, 2012a).

2. The definition of a young person NEET is fairly self-explanatory. Yet there is a widely accepted heterogeneity within the NEET population, alongside a variety of attempts to sub-categorise. A common approach to categorising young people that are NEET is to define them as either economically active or inactive: approximately 55 per cent of young people that are NEET are unemployed and actively looking for work; whilst about 45 per cent are not working, not seeking work or training opportunities, or are unavailable to work (Merza-Davies, 2015). Of this economically inactive group, almost half are unavailable to work due to caring responsibilities, and the majority of this group are women (Sissons and Jones, 2012). Another common approach to categorisation is to focus on young people's motivations and opportunities: approximately two in five young people that are NEET may be considered ‘sustained’ in that they are disengaged with and face entrenched barriers to participating in the labour or education markets; another two in five may be considered ‘open to learning’, in that they are looking for opportunities; whilst the remaining fifth are ‘undecided’, in that they are open to learning but dissatisfied with the available opportunities (Speilhofer et al, 2009; Nelson & O'Donnell, 2012). However categorised, the term NEET is a simple administrative definition that masks a wide variety of experiences, barriers and inequalities (Yates and Payne, 2006; Furlong, 2006; Pring et al, 2009; Coles et al, 2010).

3. The seasonally adjusted prevalence of young people aged 16 to 24 that are NEET within the UK currently sits at approximately 13 per cent. Older young adults are more likely to be NEET (see Figure 1), as are women (56 per cent; Mirza-Davies, 2015).

4. Most estimates of the prevalence of young people that are NEET are static point-in-time estimates. Less is known about about how often and for how long young people are NEET. This reflects a gap in our current understanding of the dynamism of young people’s engagement in the education and labour markets (Russell et al, 2011; Maguire and Thompson, 2007). Of those that are
NEET, approximately one third are so for less than six months, a third for between six and eleven months, and a third for over a year (Mirza-Davies, 2015). Some estimates put the proportion of those staying NEET for over a year nearer fifty per cent (Sissons and Jones, 2012). Longer or more frequent periods of being NEET are associated with poorer subsequent outcomes (Payne, 2000).

Figure 1: seasonally adjusted trends in the proportion of young people NEET


5. **Within the UK the proportion of young people that are NEET remained relatively stable at around 13 per cent prior to the economic crash, rose sharply thereafter, and have been recovering to pre-recession levels over the last two years.** (See Figure 1.) This is a trend mirrored across most European states (Eurofund, 2012a). This reflects the fundamental influence that the macroeconomic climate has upon rates of young people that are NEET (Bell and Blanchflower, 2011).

6. **There are stark regional variations in the proportion of young people that NEET.** In England, for example, there is a clear north-south divide. The highest seasonally unadjusted rates of young people NEET were in the North East (19%) and Yorks and Humber (15%), compared to the lowest rates in London (10%) and the South East and South West (both at 11%)

Figure 2 provides an illustration of some NEET ‘hot-spots’ in the UK (Sachdev, Harries and Roberts, 2006; Lee and Wright, 2011; Sissons and Jones, 2012). However, this high-level overview of regional differences hides variation within these areas: there are pockets of high rates of NEET within areas with a relatively low overall rate (such as some London Boroughs).

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There are also significant international variations in the proportion of young people that are NEET. Figure 3 provides an estimate of rates of young people NEET from across the Organisation for Economic Co-operation and Development (OECD, 2015) countries\(^2\). The UK sits below the OECD average (i.e. has a higher rate of young adults that are NEET). The European Foundation for the Improvement of Living and Working Conditions undertook an analysis of variations in rates of NEET across European countries and identified four broad clusters (Eurofund, 2012a). The first cluster includes nordic and continental countries: Austria, Denmark, Finland, Germany, Luxembourg, the Netherlands, Sweden and the UK. This is a mix of countries that have pursued flexicurity policies, are largely neo-liberal with a dual education system. With the exception of the UK they all have low rates of young people that are NEET. The second cluster is comprised of Mediterranean and eastern European countries: Greece, Italy, Bulgaria, Hungary, Romania, Poland and Slovakia. This cluster tends to have the highest rates of young people that are NEET in Europe, and those that are NEET are largely involuntarily so. The third cluster are those countries hit hardest by the economic crisis: Estonia, the Republic of Ireland, Latvia, Lithuania, Portugal and Spain. Many of these countries have seen a doubling or tripling of youth unemployment. The final cluster comprises Belgium, Cyprus, the Czech Republic, France, Luxembourg and Slovenia. These are countries where unemployment has also risen sharply but they have been more resilient to effects of the economic crisis on the rate of young people NEET.

\(^2\) These data are not directly comparable to England estimates previously presented: for comparability with other countries these data are estimates of young people NEET aged 20 to 24 (as opposed to the prevalence for those aged 16 to 24).
Impact, costs and risk factors for being NEET

8. **We know quite a lot about the long-term impact of being a young person that is NEET.** Those who are NEET, particularly for longer or more frequent periods of time, are likely to suffer from ‘wage scarring’, future unemployment, poorer physical and mental health, teenage and early parenthood, insecure housing, homelessness and involvement in crime (Social Exclusion Unit, 1999; Coles, 2000; Furlong, 2006; Coles et al, 2010; Bell and Blanchflower, 2011; Eurofund, 2012a; Strandh et al, 2014; Impetus-PEF, 2014). Being NEET has been described as ‘a gateway of escalating troubles’ (Coles, 2000).

9. **We also have some reasonable estimates about the economic consequences of young people being NEET, for for those individuals and the State.** Given what we know about the longer-term impact of being a young person that is NEET, researchers and economists in England have attempted to estimate the economic costs to individuals and the public purse. Estimations of the economic costs to individuals that are NEET - largely due to decreased earnings over the life-course - are in the region of £50,000 when compared to other non-university graduates who were not NEET, and a lifetime difference of approximately £225,000 when compared to a university graduate (Godfrey et al, 2002; Coles et al, 2010; Impetus PEF, 2014). Estimations of the costs the public purse - largely due to reduced taxation from employment - range from £12b to £32b. When ‘resource costs’ - i.e. lost productivity to the wider economy is factored in - estimations range from £21b to £76b. The same costing methodology was applied across European states: unsurprisingly there was a wide variation in economic costs that corresponded largely to the proportion of young people that are NEET (Eurofund, 2012b).

10. **There is a complex interplay between structural, cultural, educational, familial and individual factors that can lead to a young person becoming NEET.** Macro-economic influences are powerful. There is not one pathway for a young person to become NEET (Hodkinson, 1996; Hodkinson and Sparkes, 1997; Social Exclusion Unit, 1999; Bynner, 2005; Spielhofer, 2009). We know that the prevalence of young people being NEET in a given state or place is heavily influenced by wider changes in the labour market and economic climate (Bell and Blanchflower, 2011). The
impact of recession has been clear. Those living in areas of greater economic deprivation are at
greater risk of becoming NEET. Furthermore, it has been suggested that a polarisation in labour
market is a driving macro-economic influence, in that in many European States there has been a
‘hollowing out’ of the labour market, with greater proportion of highly skilled, knowledge-based
professions and customer-focused service industries and a corresponding reduction in the
proportion of low skilled jobs (Sissons and Jones, 2012). This has important implications when one
thinks about education, training and employment opportunities and skill-building for young people.

11. In addition to these wider macro-economic influences, research has identified a number of
individual and familial influences that increase the likelihood of a young person becoming NEET.
The most powerful predictor is having perviously been NEET: young people are almost eight times
more likely to become NEET if they have previously been so (Audit Commission, 2010). Other
identified risk factors include having parents who are poor or unemployed, those who have been in
care, those with special educational needs, involvement in crime and offending, poor mental health,
pregnancy or being a parent in in early adulthood and substance misuse, overcrowding and poor
housing (West and Farrington, 1973; Dolton et al, 1999; Social Exclusion Unit, 1999; Meadows et al,
2001; Strelitz, 2003; MacDonald and Marsh, 2005; Cassen and Kingdon, 2007; Comptroller and
Auditor General, 2007; Cusworth et al, 2009; Coles et al, 2010). It will not go unnoticed that most of
these identified risk factors that increase the likelihood of being NEET are also consequences of
young people being NEET: this illustrates the complexity and bi-directionality of risks and
consequences of being NEET.

Approaches to reducing the volume and supporting those who are NEET

12. There are a variety of approaches to trying to reduce the numbers of young people that are NEET,
including: national macro-economic policy; strategic approaches at the local jurisdiction level;
school and post-16 programmes that either seek to intervene early with those most at risk of
becoming NEET or work to ‘reintegrate’ those young people that are already NEET; and school-
based efforts to prevent young people becoming NEET in the first place. We start with a brief
overview of macro-economic and local policy efforts then focus more attention on school-based
prevention and school and post-16 early intervention or reintegration programmes.

Marco-economic and local policy approaches to reduce the proportion of young people that are NEET

13. National macro-economic policies to reduce the proportion of young people that are NEET tend
to focus on (a) stimulation and growth of a diverse labour market via fiscal policy; and (b)
providing incentives, benefits, guarantees and sanctions to young people to encourage
engagement in education, training or employment. These national macro-economic approaches
are politically sensitive, and the emphasis varies depending on which political parties are in power.
As such, macro-economic approaches vary significantly within States over time, and between
international States (Benetto, 2009; Nelson and O’Donnell, 2011; Eurofund, 2012a). Youth
guarantees - in which young people are guaranteed either a job, internship or qualification within a
specific time-frame - have been successfully implemented in a number of European states with low rates of young people that are NEET, including Austria, Denmark, Finland, Germany, the Netherlands, Norway, Poland, Spain and Sweden (Eurofund, 2012c). This approach has been advocated for in the UK by some (Cooke, 2013).

14. Local jurisdiction approaches to reducing the number of young people that are NEET. There is a growing trend towards devolution of power from central government to local jurisdictions in many European States, with greater flexibility in the allocation and distribution of resources at the local level (refs). As such, there is an increasing variety of approaches at a local jurisdiction level to reduce the proportion of young people that are NEET. These may be considered at (a) the strategic level: coordinated place-based strategies, with an emphasis on coordination between multiple agencies and working to build strong links with local labour market and business; and (b) the practice level: supporting or commissioning programmes and practices in schools and local communities.

15. It is generally accepted that efforts to raise young people’s aspirations, motivation and skills are limited without opportunity to engage in the education or labour market. Failing to acknowledge this has been a key weakness of successive national and local policies (Benetto, 2009; Hayward and Williams, 2011; Wolf, 2011). As previously introduced, this is compounded by a fundamentally changing labour market and associated employment opportunities, resulting, in part, from deindustrialisation and a growing digital market (Sissons and Jones, 2012). A richer ‘supply’ of meaningful opportunities to young people may be improved if: the business community are a key stakeholders in strategy development and service design at the local authority level; an analysis of local drivers of NEET status are undertaken; opportunities for businesses to support young people that are NEET are simplified and incentivised; opportunities are more simply and effectively communicated and promoted to young people; and businesses are involved in school information and guidance (Bramley et al., 2011).

School-based and post-16 programmes to intervene early or ‘reintegrate’ those young people that are NEET

16. There is a wide variety of school and post-16 programmes targeting young people that at risk of becoming NEET or those that are already so. Programmes for young people that are entrenched or ‘sustained’ NEETs seek to first address a wide range of personal challenges and ‘super barriers’ to engagement, including as homelessness, substance abuse, poor mental health or lone parenting (Evans et al., 2009). These substantial challenges often need to be overcome before any work can begin on developing skills, acquiring qualifications or thinking about making a transition to work (Nelson and O’Donnell, 2011). Programmes for young people that are ‘open to learning’ or ‘undecided’ are typically focused on those young people that have had a poor experience at school and for whom further education is either not possible or desirable. These approaches - typically referred to as ‘non-formal’ or ‘informal learning’ programmes - seek to identify potential pathways to develop qualifications for work and employability skills (Nelson and O’Donnell, 2011).
17. **Programmes are not typically designed, tailored or provided to the diverse range of need and experience that young people who are NEET face.** Whilst we have described programmes designed for 'sustained', 'open to learning' or 'undecided' young people that are NEET, the reality is that many are not intentionally or specifically designed as such. A weakness of many programmes is that they do not differentiate between the different types or circumstances of young people who are NEET, and as such they may not be appropriately targeted or delivered to those that might benefit most (or worse, they may be harmful).

18. **Many approaches seek to improve young people’s readiness for work.** ‘Readiness for work’ capabilities, together with stable personal circumstances and appropriate qualifications and opportunities, should enable a young person to successfully find and keep work. Such capabilities include: being self-aware (e.g. self-control, accountability, knows own strengths and weaknesses); receptivity (e.g. open to new ideas and working in different ways, patient, flexible); being driven (e.g. positive attitude, reliable, motivated, well-organised, hard-working); being self-assured (e.g. good self-esteem, willing to ask questions and seek more information); being resilient (e.g. copes with rejection and setbacks, learns from mistakes, perseveres); and being informed (e.g. knowledge about job market and vacancies, has representative CV) (The Young Foundation et al., 2014; Lippman, 2015).

19. **There is a surprising lack of robust evidence about the effectiveness of interventions or policies designed to support young people that are NEET.** Despite strong political interest and huge economic costs to individuals and the wider economy, the number of robust evaluations of approaches that target young people that are NEET is tiny. There is just one comprehensive systematic review and meta-analysis currently underway of approaches to improve outcomes of young people that are currently NEET. This is being conducted by researchers at Durham University, with the support of the Wolfson Research Institute for Health and Wellbeing (Oliver, et al, 2014; Mawn et al, in preparation). This is still underway, but preliminary and as-yet unpublished analysis demonstrates the dearth of robust evidence: of over 1,700 citations of research, just 17 evaluations - one per cent - met the threshold of sufficiently robust evaluation quality. The interventions were variable in their composition, intensity and duration. There was some evidence that the more intensive programs increased employment and wages over the longer term; short-term wages were often decreased due to program attendance. Reductions in welfare use resulted from some interventions for some participants. Formal training resulted in significant improvements in educational attainment and some evidence of significant reductions in arrest rates and improved health outcomes were noted. Of importance, those in the least promising circumstances were often most poorly served by intervention programmes (either in terms of access, or response to, services). **Please note: these findings are not further wider circulation or publication as they have not yet been subjected to peer review and the appropriate publication processes of the Campbell Collaboration.**

There has also been one more narrow systematic review of interventions seeking to promote post-16 participation in education for ethnic minority groups from disadvantaged backgrounds. This uncovered only 14 interventions that had been rigorously evaluated (mostly originating from North America); the most promising approaches were the use of extrinsic motivation for behaviour and
attendance (payment by results), and the close personal engagement of adult mentors (See, Gorard and Torgerson, 2012).

20. There is some reasonable evidence regarding the effectiveness of programmes that specifically seek to improve work readiness of young people that are NEET. The majority of programmes designed to improve work readiness that have been subjected to rigorous evaluation and considered by Axford, Heilmann and Sonthalia (2015) have originated from North America (22 of the 29 programmes reviewed originated in the US or Canada). Of all of the programmes considered, 17 (of 29) showed a positive impact on at least one of employability, employment or employment quality, while 12 programmes did not have an impact on any of these three outcome areas (Axford, Heilmann & Sonthalia, 2015).

21. A number of features of promising or effective programmes have been suggested, although not empirically tested. These apply equally to school-based prevention as well as school-based and post-16 reintegration programmes (Benetto, 2009; Sodha and Guglielmi, 2009; Tunnard et al., 2008). These features of effective practice include: (a) a trusted, respectful and clearly bounded relationship between project workers and young people (Benetto, 2009; Evans et al, 2009; Kewin et al, 2009; Baldridge et al., 2011; London Government Association, 2009; Ogletree and Hancock, 2010); (b) a flexible and tailored approach, including open door policies and flexible timings in relation to engagement activities, courses and qualifications (Evans et al, 2009; Kewin et al, 2009); (c) a strong Information, Advice and Guidance (IAG) service that is avoids stereotyping, prejudgement, and that is realistic about available opportunities and is linked closely to those opportunities, and places equal weight on vocational and work-based training and a variety of qualifications (Benetto, 2009; Kewin et al, 2009; Nelson and O’Donnell, 2011), of which there are some innovative examples from some European states (Eurofund, 2012c); and (d) a wide range of opportunities tailored to the strengths and motivations of young people (Benetto, 2009; Evans et al, 2009; Nelson and O’Donnell, 2011; Hayward and Williams, 2011; Wolf, 2011).

22. The importance of the role of parents in containing or supporting young people that are NEET is often cited as important yet this is a neglected area: little practice is orientated towards engagement of parents and there is almost no empirical investigation (Tunnard et al., 2008; Sodha and Guglielmi, 2009; London Government Association, 2009).

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2 Germany and Finland, for example, have a very strong vocational and alternative education system with numerous measures aimed at supporting young people to make an informed choice about their career. As described by Eurofund, “a number of national programmes have been set up over the past few years to help ensure successful transitions. For example, ‘Qualifications and connections’ is a four-year programme that aims to ensure that students make a smooth transition to their next level of education and do not end up leaving school without a qualification. Pupils in grades seven or eight participate in an analysis of their potential, interests and aspirations. They also receive occupational guidance. Students in their penultimate school year profit from mentoring and oversight until the completion of their first year in vocational training. In Finland, a similar programme, ‘Occupational start’ (Ammatiliitto), offers young people who are unsure about their educational trajectory and career direction an alternative programme during which they can find out about different occupations (Eurofund, 2012, pg. 112).
School-based and post-16 programmes to intervene early or ‘reintegrate’ those young people that are NEET

23. There are a variety of strategies that may be employed within schools to help prevent disengagement from school and learning and young people subsequently becoming NEET. These include: (a) promotion of literary and numeracy in the early school years; (b) promotion of social and emotional skills; (c) identification and monitoring of young people at risk of becoming NEET or those that are NEET; (d) provision of alternative learning environments within mainstream schools; and (e) a more varied and vocationally orientated curriculum, in mainstream or alternative schools. Each are introduced in turn.

24. School-level strategies (I): promotion of literacy and numeracy. There is widespread recognition and agreement that educational attainment is a strong predictor of future labour market outcomes (O’Higgins, 2010). Education is often described as a shield against unemployment (ILO, 2012). As such, promoting literacy and numeracy is schools - in the early school years in particular - is a critical component of any comprehensive strategy to reduce the subsequent proportion of young people that are NEET. There is a strong evidence-base for effective practices and programmes, and numerous sources of information and evidence (as a starting point, see the Education Endowment Fund).

25. School-level strategies (II): promotion of social and emotional skills. There is a growing number of rigorously evaluated universal and targeted school-based programmes and practices that have demonstrably improved children’s social and emotional skills - their ability to relate, communicate, empathise and control their emotions and behaviour (see CASEL.org). Furthermore, it has been demonstrated that improvements in these social and emotional skills is also accompanied by an improvement in academic performance (Durlak et al, 2011) and that such attributes can contribute to a more competitive and flexible labour force (Heckman, 2008; Heckman & Masterov, 2007; Heckman & Rubinstein, 2001; Knudsen, Heckman, Cameron, & Shonkoff, 2006). These evidence-based social and emotional learning programmes could quite easily be incorporated into both mainstream and alternative education settings (although there is significant scope to adapt, refine and test them to ensure they are fit for the current age).

26. School-level strategies (III): identification and monitoring of those young people at risk of becoming NEET. Numerous nation states - such as Belgium, Denmark, Finland, Latvia, Lithuania, the Netherlands and Norway - have introduced diagnostic policies, practices and systems to identify individuals at risk of becoming NEET, tracking them and providing a range of associated supports when required (Eurofund, 2012c). The effectiveness of these approaches has not been well evaluated, however, there does appear to be at least an association between those countries with sophisticated mechanisms for identifying and monitoring and lower than average rates of young people that are NEET.

27. School-level strategies (IV): alternative learning environments. In an attempt to tackle the problem of young people leaving school early and subsequently becoming NEET, due to disengagement and disenfranchisement with formal education, many European States have
integrated ‘alternative learning environments’ within existing education systems. It is an important feature that these are housed within existing education structures: students belong to the same school but - for specific periods of time - engage in other activities, often in non-classroom environments using innovative teaching pedagogies. Such approaches have been implemented, for example, in Finland, France, Germany and Luxembourg*. There has not currently been any systematic or rigorous evaluation of the effectiveness of this type of approach, and they tend to vary significantly.

28. School-level strategies (V): a more varied curriculum and stronger vocational focus. A number of European States have implemented reforms to the vocational arm of their education system in an attempt to make it more attractive for students disengaged with a formal learning environment and also to employers. Vocational and work-based learning are commonly used to offer an alternative environment for students at risk of leaving school early. In Sweden, for example, students in the vocational programme spend half their study time in a workplace. This is also the case in Germany and Norway (all countries with low rates of young people NEET) where students alternate between periods of work and study, thereby enabling them to acquire transferable work skills and put the theoretical knowledge they have acquired at school into practice in a work environment (Eurofund, 2012c).

Who are the most marginalised when it comes to not being in employment, education or training?

29. Those with the lowest levels of education and skills, especially when from racial and ethnic minorities, are hardest hit in times of recession. These are the ones most impacted in a recession as jobs requiring relatively low levels of skills are taken by those with higher levels of skills (Bell and Blanchflower, 2011).

30. Young people with Special Educational Needs (SEN) are more likely to be NEET. Young people with special educational needs are at least twice as likely to be out of school, work, or training than their peers (Burchardt, 2005; McIntosh, 2005; Evans, 2007; Cassen and Kingdon, 2007;). Two fifths of nineteen year-olds with an SEN statement are NEET. There is little coordinated effort or responsibility by agencies to support those with SEN into further education, employment or training (Dewson et al., 2004; Aston, 2005).

31. Those whose parents had a poor experience of the education system. A poor educational experience is handed down from one generation to the next (Carter-Wall and Whitfield, 2012). As described by Impetus-PEF, “for many families, education has not played the role it should in the past and there is little faith in its ability to do so in the future. ... Aspirations may be high, but expectations are low” (2014, pg 9). The intergenerational transmission of educational disadvantage and disengagement is an area ripe for further research and practice development.

* For example, as described by Eurofund, “In Luxembourg ‘mosaic classes’ (classes mosaique) give schools the opportunity to temporarily remove students at risk of leaving school early from their regular classes for a period of 6 to 12 weeks. During mosaic classes, students can get personalised help. The programme is thought to be very effective; between 2005 and 2009, three-quarters of participating students were reintegrated into their original class, and just over half showed an improvement in handling the problems that led to them being moved into the mosaic class” (Eurofound, 2012a, pg 112).
32. **The NEET demographic is not made up of just marginalised groups.** Sue Maguire argues and reminds us that it is a mistake to assume that the most vulnerable or marginalised groups, such as the homeless, young offenders or young people leaving care, comprise the majority of the ‘at risk’ NEET or NEET groups: “while certain characteristics, such as poor educational performance, disaffection with education and low socio-economic status, are more prevalent, many young people who are NEET have average levels of attainment, live at home supported by their family and, as such, can become ‘invisible’. Policy interventions tend to be focused on the most marginalised and vulnerable groups, while mainstream groups often operate under the radar of policy intervention until their status triggers entitlement to social security and associated benefits” (Maguire, 2013).

33. **However, there is some reasonable evidence that the most marginalised and disadvantaged young people are those that are most poorly served by services designed to support those that are NEET.** As described by Mawn et al (in preparation), in the most comprehensive systematic review of the evidence to date, those in the least promising circumstances were often most poorly served by intervention programmes (either in terms of access, or response to, services).
References


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Eurofound (2012c), Evaluation of the effectiveness of policy measures implemented by Member States to increase the employability and to promote a higher employment participation of young people in Europe. Publications Office of the European Union, Luxembourg


