



**Submission to the Work and Pensions Committee  
Young people not in education, employment or training (NEET)**



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### **Introduction: scale, composition and trajectory of NEET**

In [July-September 2025](#), 12.7% of 16-24-year-olds were not in education, employment or training (NEET), equivalent to approximately 946,000 young people. While the headline rate has been relatively stable in recent quarters, it remains elevated compared with the late 2010s and masks important compositional shifts.

Of the 946,000 young people who were NEET in mid-2025, around 580,000 were economically inactive and 366,000 unemployed. The distinction matters. Youth unemployment is sensitive to the economic cycle, but the recent increase in NEET levels has been driven disproportionately by rising inactivity rather than active jobs. This suggests structural challenges beyond cyclical labour market weakness.

The profile of young people who are NEET is uneven. The NEET rate among 18-24-year-olds (15.1%) is significantly higher than among 16-17-year-olds, and gender differences persist, with young men more likely to be NEET than young women in recent data. Analysis by the [Youth Futures Foundation](#) indicates that over half of NEET young people report a health condition, with mental health conditions particularly prevalent. While reported health conditions have also increased among young people who are in education, employment or training, the rise has been less pronounced. This widening gap indicates that young people with health conditions are becoming increasingly overrepresented within the NEET population, highlighting the importance of targeted support and more inclusive policy responses.

However, [longitudinal evidence](#) demonstrates that NEET risk rarely arises from a single factor. Analysis of the Next Steps cohort shows that the likelihood of being NEET increases sharply as multiple disadvantages accumulate, including low attainment, limiting disability, poor mental health and socioeconomic disadvantage.

This submission argues that rising NEET levels are driven not only by individual disadvantage, but also by deeper structural changes affecting young people's transitions into work. These include shifts in entry-level labour market opportunities, the weakening of earn-and-learn pathways, changes in apprenticeship availability, the contraction of lower-level skills provision, evolving employer recruitment practices, and increasing health-related inactivity.

Addressing the challenge therefore requires more than individual support. Effective policy must rebuild clear, structured routes into employment and training, while also strengthening employers' capacity and incentives to engage and invest in young people.

**What factors lead to a young person being NEET? Are some young people more likely to be NEET than others?**

### **Structural change in entry routes**

[CIPD analysis shows](#) that over the past two decades, opportunities for young people to combine education and paid work have declined significantly. Among 16-17-year-olds, the proportion combining paid work with study fell from 42% in 1997 to around 20% in 2024. Among 18-24-year-olds, participation has also declined from 40% to 34% over the same period. Similarly, research by the Resolution Foundation shows that a growing proportion of young people now reach their twenties without ever having worked. In this context, prior work experience becomes a scarce asset rather than a common stepping stone.



This decline is significant because paid work alongside education offers young people vital early exposure to the labour market. [CIPD's Youth employment in the UK 2021](#) survey found that 83% of young people who combined work with study believed it helped them develop essential soft skills, such as teamwork and communication. They also reported that this experience improved their ability to secure later employment.

These findings are consistent with a broader body of longitudinal research. UK studies have shown that young people who work while studying are less likely to experience subsequent unemployment and tend to achieve stronger early-career earnings, even after controlling for family background and prior attainment (Crawford et al., 2011; Schoon and Duckworth, 2012).

Although more recent UK research has focused less explicitly on paid work during education, longitudinal evidence continues to demonstrate that early labour-market attachment is associated with lower risks of sustained inactivity and greater employment continuity over time. While this evidence does not establish a causal relationship, it consistently highlights the protective association between early work experience and later labour-market resilience.

Employer evidence reinforces concerns about young people's limited prior exposure to work. CIPD survey evidence in [The changing face of the youth labour market](#) (2024) found that just 28% of employers who had recruited a 16-24-year-old in the previous year believed those recruits were well prepared for work. The most frequently cited gaps were in communication, teamwork, time management and understanding workplace behaviours. Notably, these are not primarily technical deficiencies. Rather, they are core transferable skills that are typically developed through practical experience in real workplace settings. Viewed in this context, employer concerns may reflect a broader decline in opportunities for young people to gain early work experience – reinforcing the link between reduced exposure to paid work and perceptions of lower work readiness.

#### **The decline of apprenticeships as a structured entry route to the labour market**

A further development alongside rising NEET levels has been the contraction of apprenticeships as an entry route into work – particularly for younger and lower-qualified young people. CIPD's research [Balancing act: Youth apprenticeships and the case for a flexible skills levy](#) shows that, following the introduction of the Apprenticeship Levy, participation by small and medium-sized enterprises (SMEs) declined sharply. Between 2016/17 and 2020/21, apprenticeship starts among small employers fell by 45%, and by 56% among medium-sized enterprises. Although starts also declined among larger employers, the reduction was notably smaller (14%).

This shift is significant because smaller employers have historically been more likely to recruit younger apprentices and to provide entry-level opportunities for those with lower qualification levels – groups that are also disproportionately represented within the NEET population. The disproportionate withdrawal of SMEs has reduced the overall availability of structured, paid training opportunities at entry level. In this context, the narrowing of apprenticeship routes sits alongside wider pressures on education-to-work transitions, particularly for young people without strong academic pathways.

#### **Employer recruitment practices, prior work experience and access to entry-level work**

[CIPD evidence](#) also indicates that participation patterns are shaped not only by young people's qualifications or readiness, but by how employers structure access to entry-level roles. Many employers continue to rely on established screening mechanisms – such as prior work experience, formal qualifications or narrowly defined job criteria – to manage recruitment risk and application volumes. Where entry-level roles assume prior experience, even implicitly, this may narrow the pool of applicants who are able to demonstrate immediate job readiness.

The CIPD's evidence shows how recruitment design shapes access. Reliance on prior experience and tightly specified credential requirements can disadvantage young people who have had fewer opportunities to build formal work histories. Recruitment channels that depend heavily on informal networks, multi-stage application processes or high levels of digital literacy may also limit accessibility for some groups.



Selection methods are similarly relevant. Broader CIPD research on inclusive recruitment shows that unstructured interviews and informal assessments remain common, including for entry-level roles, despite evidence that they are less reliable predictors of performance and can disadvantage less experienced candidates. More structured approaches – such as structured interviews, work-sample tests and skills-based assessments – are associated with fairer and more consistent outcomes, yet are not uniformly embedded in practice.

These challenges are particularly visible among SMEs, many of which operate under tight operational constraints and without dedicated HR capacity. This can limit the scope to redesign recruitment processes or develop structured early-career pathways. This highlights the importance of addressing demand-side factors alongside support for young people themselves.

### **Health and cumulative disadvantage**

Health has become central to NEET dynamics. Rising economic inactivity due to long-term sickness intersects with youth-specific vulnerabilities. The relationship is complex and bidirectional. Poor mental health may inhibit labour market participation, but prolonged detachment can also exacerbate psychological distress and reduce confidence. Employer capability plays a critical role in this interaction. CIPD research indicates that while many employers report offering wellbeing initiatives, fewer have structured onboarding or line manager training focused on supporting young or health-affected entrants ([Health and Wellbeing at Work, 2025](#)).

### **What are the long-term consequences of extended NEET status?**

Extended periods of disengagement from education, employment or training early in working life are associated with weaker employment continuity and lasting earnings penalties. Evidence from previous recessions shows that entering the labour market during an economic downturn can lead to slower wage growth and more limited early-career progression, with effects that persist for years.

The current cohort of 16-24-year-olds experienced a uniquely disruptive set of circumstances. Many were in compulsory or post-compulsory education during national lockdowns, while others were attempting to enter the labour market as large parts of the economy were shut down. The pandemic had a particularly acute impact on youth-intensive sectors such as hospitality and retail, where entry-level roles are concentrated. At the height of restrictions, nearly half of eligible jobs held by young people were furloughed ([COVID-19 and the Youth Labour Market, 2021](#)).

Although headline employment levels have since recovered, the timing of this disruption is significant. Young people in this cohort experienced reduced access to in-person schooling, fewer opportunities for part-time work alongside study, limited work experience placements, and a contraction in entry-level vacancies during a critical developmental window. For those leaving education during the recovery phase, competition for available roles was often intensified, and early job matches may not have reflected longer-term career aspirations.

These conditions raise the risk of longer-term “scarring” effects – not necessarily through sustained unemployment alone, but through delayed skill accumulation, weaker job matches, and slower progression in the early stages of working life.

### **What impact may developments in technologies such as AI have on the employment of young people?**

The CIPD’s [Labour Market Outlook](#) (LMO) provides insight into how employers expect technological change – including automation and AI – to shape workforce demand and job design. A significant minority of employers anticipate restructuring or reductions in headcount, with impacts more likely to fall on lower-level and routine roles. While these findings are not youth-specific, such roles have traditionally acted as entry points into the labour market for young people.

Alongside CIPD evidence, international research – including the World Economic Forum’s Future of Jobs analysis (2023; 2025) – points to a longer-term shift in the types of skills employers value. As technology reshapes work, demand is projected to move away from routine, task-based activities and towards higher-order cognitive and behavioural capabilities, such as critical thinking, problem-solving, adaptability, and the capacity to learn continuously.



Taken together, this suggests that the primary impact of AI may be less about large-scale immediate displacement and more about gradual changes in the structure and content of jobs. As routine components of roles are automated or augmented, entry-level positions may become fewer, require broader skill sets, or demand higher levels of autonomy at an earlier stage. For young people – particularly those without prior work experience – this could make initial labour market entry more challenging.

There is a participation risk here. Many of the skills projected to grow in importance – communication, adaptability, judgement, collaboration – are themselves developed through exposure to real workplace environments. If technology reduces the number or accessibility of traditional entry-level roles, the pathways through which young people acquire these capabilities may narrow further.

#### **Would it be useful to set specific NEET targets?**

Targets can provide focus but risk incentivising short-term churn. If introduced, targets should measure sustained participation in employment, apprenticeships or accredited training over a six- to twelve-month period rather than headline reductions in NEET status alone.

#### **Preventing young people becoming NEET**

##### **Embedding essential skills development across education**

Given the decline in both formal and informal earning-and-learning pathways, Government should establish a coherent national essential skills framework embedded across secondary and further education. This should include:

- Defined competencies in communication, teamwork, adaptability and self-management.
- Integration across curricula rather than reliance on enrichment alone.
- Mechanisms for formal recognition, enabling young people to evidence capability to employers.
- Structured employer engagement to ensure alignment between educational outputs and labour market expectations.

A more systematic and explicit approach would help address this gap. Frameworks such as the Universal Framework for Essential Skills, developed by the Skills Builder Partnership, illustrate how clear definitions, progression pathways and shared language can support greater consistency across settings. Strengthening essential skills development in this way would support smoother transitions into work.

##### **Rebuilding an effective pre-apprenticeship system**

The introduction of foundation apprenticeships reflects recognition that many young people need a supported stepping stone into work and full apprenticeships. However, [early take-up has been extremely limited](#), raising questions about whether the programme – as currently configured – is sufficiently embedded within a coherent entry-level pathway.

[CIPD research](#) highlighted important lessons from the former traineeships programme. An [evaluation](#) by the Department for Education reported strong outcomes: three-quarters of trainees progressed into further education, apprenticeships or employment within a year of completion, with significant positive results for both 16-18-year-olds and 19-23-year-olds. These outcomes are particularly notable given the profile of participants. Around half of trainees had no GCSE passes at grades A\*-C, compared with 18% among non-trainees. Trainees were also 22 percentage points more likely to have special educational needs, alongside weaker attendance records and higher rates of exclusion. In other words, the programme was reaching – and supporting progression among – young people facing substantial barriers to participation.

Despite this evidence, traineeships were discontinued as a standalone programme, with government citing low take-up, CIPD analysis suggests this decision removed a crucial ladder of opportunity for disadvantaged young people – particularly given the clear evidence of progression for those who participated.



International comparisons further underline the gap in England's system. Most apprenticeship systems include substantial pre-apprenticeship routes for individuals not yet ready to begin a full apprenticeship. In Germany and Switzerland, for every 100 apprenticeship starts there are 52 and 22 pre-apprentices respectively. By contrast, in England in 2022/23 there were just three traineeship starts for every 100 apprenticeship starts – a markedly smaller scale of provision.

The lesson is not that pre-apprenticeship routes are ineffective, but that they were never developed at sufficient scale or stability. Traineeships demonstrated that well-designed, employer-linked pre-apprenticeship programmes can deliver strong progression outcomes for young people with the greatest barriers. However, policy instability, short-term funding and weak integration with apprenticeship pipelines limited employer confidence and long-term growth.

If foundation apprenticeships are to succeed – and to function as an effective NEET prevention and re-engagement mechanism – they must avoid repeating this pattern. This requires:

- Clear and guaranteed progression into full apprenticeships or sustained employment.
- Stable, ringfenced funding that signals a long-term commitment to youth entry routes.
- Stronger employer engagement and brokerage support, particularly for SMEs with limited HR capacity.
- Delivery at meaningful scale, comparable with international systems that treat pre-apprenticeship as a core component rather than a marginal add-on.

In addition, if they are to succeed there is a need to ensure that design and delivery of foundation apprenticeships move beyond narrowly defined growth sectors. Reducing NEET requires a broader, more inclusive approach. Pre-apprenticeship pathways should align with local labour demand across the full range of sectors, including the foundational economy, and recognise the importance of stepping-stone employment in building experience and confidence. Industrial strategy priorities should sit alongside – not crowd out – accessible entry routes across the wider economy.

### **A Youth Apprenticeship Guarantee**

While the Government has recognised the need to rebalance the apprenticeship system towards young people, if apprenticeships are to operate as an effective NEET prevention and re-engagement mechanism, further reform is required.

The CIPD has proposed an apprenticeship guarantee for young people, ensuring that all those who are qualified and ready can access a suitable Level 2 or Level 3 apprenticeship. Framed in NEET terms, such a guarantee would serve two functions:

- Prevention: providing a clear, structured post-education destination for young people at risk of disengagement.
- Re-engagement: offering a supported route back into paid employment and accredited training for those who have already experienced a period of detachment.

[CIPD research](#) found widespread support for a more youth-focused system and for an apprenticeship guarantee for young people. Of the 2,000 employers surveyed, 60% agreed that the primary purpose of apprenticeships should be to support young people into work; and 89% supported an apprenticeship guarantee for young people up to age 24, ensuring access to Level 2 or Level 3 opportunities where entry requirements are met.

However, the CIPD's analysis is clear that entitlement alone would not deliver meaningful NEET reduction. To function as an effective prevention and re-engagement tool, an apprenticeship guarantee would need to be embedded within a broader package of employer-facing support, particularly for SMEs that are central to entry-level job creation but often operate with limited capacity.

This would include:

- A national campaign to reposition apprenticeships clearly as a youth entry and re-entry route, raising awareness among both employers and young people.

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- Targeted financial support to reduce risk, particularly for SMEs facing upfront recruitment and supervision costs. Previous schemes, such as the AGE 16-24 grants, demonstrated success in stimulating SME participation.
- Local brokerage and intermediary services to support matching, administration and retention, helping ensure that young people – especially those with more complex needs – are effectively supported into and through apprenticeships.
- Strengthening HR and people management capability, enabling employers to provide the supervision, mentoring and workforce planning required to sustain high-quality apprenticeship opportunities.

Taken together, CIPD evidence suggests that a rebalanced apprenticeship system could make a substantive contribution to reducing NEET by rebuilding structured, supported pathways into work.

## **Employment Rights Act 2025 and youth opportunity**

Reforms to improve job security are important, but they need to be considered in the round – particularly in terms of how they affect access to entry-level work for young people.

Recent [CIPD research](#) suggests a more cautious employer outlook. Hiring intentions have eased, vacancy growth has slowed and cost pressures remain elevated. A growing minority of employers report reassessing recruitment plans in light of rising labour costs and regulatory change. In this context, the cumulative effect of new obligations on entry-level hiring needs to be carefully monitored.

The proposed ERA provisions, granting zero- and short-hours workers the right to guaranteed hours based on an average over a reference period as short as 12 weeks, risk creating operational complexity in sectors characterised by fluctuating demand. Hospitality and retail – both key entry points for young people – are likely to be particularly affected. There is a possibility that some employers respond by reducing the availability of flexible roles or limiting recruitment into jobs that have traditionally enabled young people to combine work and study. Over time, this could narrow opportunities for early labour-market exposure, with implications for work-readiness and participation. To mitigate these risks, CIPD has recommended:

- Extending the reference period for guaranteed-hours calculations to 12 months, or at least six months, to better reflect seasonal demand patterns and reduce volatility.
- Exploring an education-related exemption or opt-out, recognising the distinct role that flexible contracts play for students.
- Strengthening HR and business support for SMEs, enabling smaller employers to adapt while maintaining accessible entry routes.

Timing also matters. Guaranteed-hours reforms are expected to coincide with the planned extension of the adult National Minimum Wage rate to younger workers. While raising wage floors supports earnings, the interaction of higher wage costs and additional regulatory requirements may constrain hiring in youth-intensive sectors. Where margins are tight, employers may adjust through lower vacancy creation rather than headline redundancies – with implications for access to first jobs.

Given these cumulative pressures, there is a sensible case for Government to retain flexibility the timing of the introduction of National Minimum Wage increases. If labour market conditions soften or evidence suggests that entry-level hiring is being adversely affected, a more gradual trajectory would help mitigate risks to youth employment.

The objective of improving job quality should not inadvertently narrow access to work. In a context of elevated NEET levels and weakening employer sentiment, careful calibration of regulatory and wage policy will be essential to avoid unintended participation impacts.



### References

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