

Young People and Work Report: Call for Evidence

Submission to the Department for Work and Pensions

Chartered Institute of Personnel and Development (CIPD)
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CIPD evidence suggests that challenges around young people's participation in employment, education and training are best understood as the product of **interacting structural, institutional and labour-market factors**, rather than as a simple question of aspiration, motivation or individual capability.

Over recent decades, participation in full-time education among young people has increased significantly. However, this has coincided with **weaker and more uneven transitions into work**, particularly for those without strong qualifications, access to early work experience or informal networks. At the same time, the nature of entry-level work itself has changed, with fewer traditional stepping-stone roles and higher expectations placed on new entrants.

CIPD research points to a growing disconnect between how young people move through education and how employers structure entry into work. This disconnect is shaped by changes in the labour market, employer behaviour, skills system design, and declining opportunities to gain experience alongside education.

This submission addresses the two questions set out in the call for evidence:

1. What is stopping more young people from participating in employment, education or training?
2. What would make the biggest difference to supporting participation?

Alongside the questions set out in the call for evidence, we have also addressed the potential impact of the Employment Rights Act (ERA) 2025 on youth participation in work.

1. What is stopping more young people from participating?

The changing nature of the youth labour market

CIPD [analysis of Labour Force Survey data](#) shows a long-term decline in employment among 16-24-year-olds. The employment rate for this age group fell from around 62% in the early 1990s to just over 50% in 2024, while economic inactivity rose from around 26% to over 40% over the same period. This is largely to do with increased participation in full-time education and reflects deliberate policy choices, such as the raising of the participation age, alongside labour-market signals that qualifications are increasingly important for progression. These trends should not be interpreted as evidence that young people are less willing to work. Instead, education has increasingly substituted for early labour-market entry.

However, CIPD evidence suggests that while qualification levels have risen, opportunities for young people to gain meaningful exposure to work alongside their studies have declined. This has important implications for skills development, employer confidence, and the quality of transitions into work.

Declining opportunities to combine learning and earning

One of the most significant structural changes identified by CIPD is the sharp decline in young people combining paid work with education. Among 16-17-year-olds, the proportion combining work and study fell from 42% in 1997 to around 20% in 2024. Among 18-24-year-olds, the share fell from around 40% to 34% over the same period (CIPD, 2024a).

This decline matters because paid work during education provides an important source of early labour-market exposure. CIPD's [Youth employment in the UK 2021](#) survey found that 83% of young people who combined paid work with education said it helped them develop soft skills, such as teamwork and communication, and they also thought that it supported their ability to secure subsequent employment (CIPD, 2021).

These findings align with a wider body of longitudinal evidence suggesting that early labour-market exposure is associated with more positive later employment outcomes. UK longitudinal research has found that young people who combine education with paid work are less likely to experience subsequent periods of unemployment and tend to achieve stronger early-career earnings, even after accounting for background characteristics (Crawford et al., 2011; Schoon and Duckworth, 2012).

While more recent UK studies have focused less directly on paid work during education, longitudinal evidence continues to show that early attachment to the labour market is associated with lower risks of prolonged inactivity and stronger employment continuity over time. Importantly, this body of evidence does not establish causality, but it consistently points to the role of early work exposure in supporting labour-market resilience.

The decline in opportunities to combine earning and learning therefore represents a significant structural change, with potential long-term implications for young people's transitions into work.

Employer perceptions of preparedness and skills

CIPD employer research provides evidence on perceptions of young people's preparedness for work. In [The changing face of the youth labour market \(2024\)](#), only 28% of employers who had recruited a 16-24-year-old in the previous year said those recruits were well prepared for work. Employers most commonly reported gaps in communication, teamwork, time management and understanding of workplace behaviours. Importantly, these concerns relate less to technical skills and more to essential or transferable skills that are typically developed through exposure to work.

The decline of apprenticeships as an entry route for young people

A further structural factor limiting young people's participation has been the sharp decline in apprenticeship opportunities, driven in large part by a collapse in participation among small and medium-sized employers. The CIPD's report [Balancing act: Youth apprenticeships and the case for a flexible skills levy](#) shows that, since the introduction of the Apprenticeship Levy, there has been a substantial shift in the type of organisations taking on apprentices, with SMEs withdrawing from the system at scale. This matters because smaller employers are more likely to recruit younger apprentices and to provide entry-level opportunities for those with lower qualification levels.

Analysis of apprenticeship starts by enterprise size shows that between 2016/17 and 2020/21, apprenticeship starts among smaller employers fell by 45%, while starts in medium-sized enterprises declined by 56%. Although larger employers also reduced apprenticeship starts over this period, the fall was markedly smaller at 14%. The disproportionate withdrawal of SMEs has therefore had a direct impact on the availability of apprenticeships as an entry route for young people, contributing to the wider weakening of education-to-work pathways at the point where access to structured training and paid employment is most critical.

Employer recruitment practices and access to entry-level work

CIPD evidence suggests that barriers to young people's participation are shaped not only by education and individual readiness, but by how employers design and manage access to entry-level work.

Many employers continue to rely on familiar screening tools such as prior work experience, formal qualifications, or narrowly defined role requirements to manage risk and application volumes. This approach matters because opportunities to gain early work experience have declined over time. As set out in [The changing face of the youth labour market \(CIPD, 2024\)](#), fewer young people are now able to combine earning and learning, particularly at younger ages. As a result, a growing share of young applicants approach the labour market with limited prior exposure to workplace environments. Where entry-level roles continue to assume experience, even implicitly, this can create a barrier to entry that is difficult to overcome.

The CIPD's evidence review [Recruiting disadvantaged youth: practice summary](#) provides further insight into how recruitment design can shape access to work. The review highlights that **reliance on traditional screening tools – including prior experience and narrow credential requirements – can systematically disadvantage young people who have had fewer opportunities to demonstrate their potential in work contexts.** It also shows that recruitment channels and processes that depend heavily on informal networks, complex application stages or digital literacy can further restrict access for some groups of young people.

CIPD evidence also points to the role of selection practices themselves. The CIPD's broader work on inclusive recruitment shows that unstructured interviews and informal assessments remain common, including for entry-level roles, despite evidence that they disadvantage candidates with less experience and are weak predictors of job performance. More structured approaches – such as structured interviews, work-sample tests, and skills-based assessments – are associated with fairer and more effective hiring outcomes but are not yet consistently embedded in practice.

Capacity constraints are particularly evident among small and medium-sized employers. CIPD analysis highlights that many SMEs lack dedicated HR expertise and operate under tight operational pressures, limiting their ability to develop more inclusive recruitment practices or structured entry-level roles.

Taken together, this evidence suggests that access to entry-level work is shaped as much by employer behaviour and system design as by individual readiness. Improving participation therefore requires attention to the demand side of the labour market, alongside efforts to support young people's education and development. Without changes in how employers recruit, assess and support early-career talent, there is a risk that pathways into work remain narrower than intended, even where young people are willing and able to participate.

Impact of technological change on the youth labour market

The CIPD's latest [Labour Market Outlook](#) provides evidence on how employers expect technological change, including automation and AI, to affect workforce demand and job design. Recent LMO analysis shows that a significant minority of employers anticipate headcount reductions or restructuring, with impacts more likely to be felt in lower-level and routine roles. While this evidence does not isolate effects on young people specifically, these roles have historically provided important entry points into the labour market.

Alongside CIPD's analysis, a wider body of international research points to longer-term changes in the skills employer's value as technology reshapes work. For example, the World Economic Forum's Future of Jobs and Skills for the Future research highlights a projected shift away from routine task-based work towards greater demand for higher-level cognitive skills, including problem-solving, critical thinking, adaptability and the ability to learn and apply new skills over time (WEF, 2023; WEF, 2025).

Taken together, this evidence suggests that the impact of AI is less about immediate job displacement and more about changes to the structure and content of roles. As routine tasks are automated or redesigned, there is a risk that entry-level roles may become fewer in number, more complex, or require greater autonomy at an earlier stage. This has implications for how young people access work, particularly where opportunities to gain experience alongside education have already declined.

From a participation perspective, the risk is that young people are increasingly expected to demonstrate skills that are themselves developed through exposure to work. Where traditional entry-level roles are reduced or redesigned, the pathways through which these skills are acquired may narrow further. This reinforces the importance of strengthening education-to-work pathways and ensuring that young people can access roles that support skill development in a changing labour market, as well as ensuring that young people have opportunities to develop these skills while in the education system.

Careers advice, transitions and system fragmentation

CIPD's [Youth employment in the UK 2021 survey](#) highlights widespread dissatisfaction with the quality of careers advice received by young people. Many respondents reported that the guidance they received was limited, inconsistent or poorly aligned with local labour-market opportunities. This aligns with findings from the OECD, which has identified weaknesses in careers guidance in England, particularly around consistency, labour-market relevance, and employer engagement (OECD, 2021). The OECD notes that young people often lack access to impartial, high-quality information about vocational pathways and local employment opportunities.

Weak careers advice interacts with broader system fragmentation. Transitions between education, employment support, health services, and the benefits system are often poorly coordinated. CIPD evidence suggests that these transition points can be particularly risky for young people, increasing the likelihood of disengagement, especially for those without strong informal networks or family support.

Health and wellbeing

Health, particularly mental health, is an increasingly important contextual factor shaping young people's participation in work. Broader CIPD research ([Health and wellbeing at work 2025 report](#)) shows that average sickness absence reached 9.4 days per employee per year, the highest level recorded in over 15 years. Mental ill-health was cited by employers as the leading cause of long-term absence (41%) (CIPD, 2025). While this research is not youth-specific, it provides important labour-market context. Office for National Statistics data also shows rising economic inactivity among young people where long-term ill health is cited as a reason (ONS, 2024). This suggests that health-related barriers are likely to play a growing role in shaping young people's participation and retention in work.

Place and local labour-market conditions

CIPD analysis highlights that young people's opportunities are strongly shaped by place. Employer demand, training provision, transport connectivity, and access to support services vary significantly across local areas (CIPD, 2024a).

Academic research consistently shows that young people in weaker local labour markets face higher risks of prolonged inactivity or underemployment (McQuaid and Lindsay, 2005). This reinforces the importance of understanding participation not only as an individual issue, but as one shaped by local economic conditions and institutional capacity.

2. What would make the biggest difference?

Taken together, the evidence points to the importance of strengthening pathways that allow young people to combine learning and work. This includes expanding access to high-quality apprenticeships, traineeships, supported internships and paid work experience.

CIPD evidence suggests that pathways which integrate work and learning are more likely to support skill development, confidence and progression than routes that rely solely on classroom-based education. Ensuring that these opportunities are accessible to a wide range of young people, including those in full-time education, is therefore critical.

Reforming the skills and apprenticeship system

[CIPD research](#) (2024b) shows that the current apprenticeship levy has tended to prioritise training for existing employees rather than new entrants. Participation among under-25s has fallen since the mid-2010s, limiting the role apprenticeships play as a broad entry route into work. The government has recognised the need for a rebalancing of apprenticeships towards young people and has put in place a number of mechanisms to achieve this, for instance the removal of funding for adults for higher level (Level 7) apprenticeships. Yet we believe that more action is needed. The CIPD has argued for an **apprenticeship guarantee for young people**, ensuring that all young people who are qualified and ready for an apprenticeship are able to access a suitable opportunity. The case for such a guarantee is grounded in evidence that apprenticeships can provide a structured route into work that combines paid employment with training.

Importantly, the CIPD's employer survey evidence shows **strong backing for such an approach** (2024b), based on a survey of over 2,000 employers, finds that:

- **60% of employers believe the primary purpose of apprenticeships should be to support young people into work, and**
- **89% of employers support 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 analysis is also explicit that a guarantee cannot be delivered through entitlement alone. CIPD evidence points to the need for a **package of employer support** to underpin any guarantee:

- **A national campaign:** to raise the benefits of apprenticeships, promote the apprenticeship guarantee, and set out the support available to employers.
- **Reducing financial risk:** SMEs are particularly exposed to the upfront costs and risks of recruiting young apprentices. Targeted financial support, such as the [AGE 16-24 grants](#) which showed success at engaging SMEs, can help share this risk, especially in sectors with tight margins and fluctuating demand.
- **Local brokerage and intermediary support:** Many employers, especially SMEs, lack the time or expertise to navigate the apprenticeship system. Brokerage can support recruitment, matching, administration and retention, improving outcomes for both employers and young people.
- **Building HR and people management capability:** CIPD research highlights that many SMEs lack formal HR infrastructure. Support to build people management capability – including supervision, mentoring and workforce planning – is critical to sustaining apprenticeship provision.

Taken together, CIPD evidence suggests that an apprenticeship guarantee could make a meaningful contribution to participation **if designed as a delivery-focused policy**, supported by sustained employer support rather than obligation alone.

Improving employer capability and practice

Employer behaviour plays a critical role in shaping young people's opportunities. CIPD evidence highlights the importance of recruiting for potential rather than narrow experience, investing in structured onboarding and early development, and providing appropriate support for mental health and neurodiversity. Improving employer capability, particularly among small and medium-sized enterprises, can widen access to work while supporting productivity and retention.

Employers could benefit from additional guidance and support in adopting more inclusive and skills-based recruitment methods. Promoting best practice in the area as well as encouraging businesses to reconsider entry-level role requirements could help level the playing field for young applicants. Partnerships between local government, employer associations, and training providers can facilitate the adoption of fairer recruitment processes.

Building essential skills through a consistent and explicit approach in schools

Essential skills such as communication, teamwork, problem-solving, self-management and adaptability play a central role in young people's ability to participate effectively in education, training and employment. These skills support successful transitions into work, enable young people to navigate changing job roles, and underpin longer-term progression and resilience in the labour market.

Evidence from across the labour market suggests that the development of these skills has become more challenging for many young people. One contributing factor is the decline in opportunities to gain early exposure to work, including part-time employment and work experience alongside education. These experiences have historically provided important contexts in which young people could practise communication, teamwork and time management in real-world settings. As such opportunities have reduced, fewer young people are able to develop and apply essential skills informally before entering the labour market.

At the same time, essential skills are often assumed rather than explicitly developed within the education system. Where skills development is implicit, young people's exposure depends heavily on subject choice, teaching practice and access to enrichment activities. This can result in uneven development and make it harder for young people to recognise, articulate and evidence their skills when moving into employment or training.

The absence of a consistent and shared framework for essential skills further limits coherence between education and employment. Without clear expectations about which skills should be developed at different stages, and how progress should be supported and recognised, young people may leave education without a strong understanding of how their learning connects to workplace expectations. Employers, in turn, may struggle to interpret educational signals as indicators of work-readiness.

One way to address this gap is through the use of established frameworks that set out clear definitions and progression pathways for essential skills. The [Universal Framework for Essential Skills](#), developed by the Skills Builder Partnership, provides a structured approach to defining, teaching and assessing a core set of transferable skills across education and training. By setting out progressive skill steps and a shared language, the framework offers a basis for greater consistency in how essential skills are developed and recognised across settings.

A more explicit and consistent approach to essential skills in schools would help strengthen continuity between education and employment. Embedding opportunities to practise and apply these skills across subjects and activities, and supporting young people to reflect on and articulate what they have developed, can help ensure that essential skills are not left to chance or dependent on access to informal experiences.

Strengthening essential skills in this way can help lower barriers to participation by improving young people's confidence, adaptability and ability to engage with recruitment and training. It also supports equity by reducing reliance on informal networks or early work experience as the primary routes through which these skills are developed and recognised.

Improving coordination and place-based delivery

CIPD evidence supports the case for better coordination across education, employment, health and benefits systems, particularly at key transition points. Place-based approaches that reflect local labour-market conditions and employer demand are more likely to be effective than uniform national interventions.

3. Regulation and young people's access to work

The CIPD's [analysis of insecure work and labour-market inclusion](#) highlights the need to ensure that reforms intended to improve job security do not inadvertently reduce access to entry-level work. Analysis of labour-market data indicates that zero-hours contracts are disproportionately concentrated among young people in full-time education. Among those aged 16-24, around a quarter of full-time students in employment are on zero-hours contracts, compared with fewer than one in ten of their non-student peers. This pattern is much less pronounced across the workforce as a whole, suggesting that for young people, and particularly students, zero-hours contracts often play a specific role in enabling participation in work alongside study. This reinforces the importance of policy design that recognises the distinct function flexible working arrangements play for young people in education, and the risk that changes to guaranteed-hours rights could have unintended consequences for this group if applied uniformly.

The CIPD has concerns that the proposals in the ERA to give zero hours and short hours workers the right to guaranteed hours based on the average hours they work over a reference period as short as 12 weeks will be so complex for employers to comply with that many will cease to provide zero hours contracts altogether. This will disadvantage young people who are seeking to juggle their studies while working and who need to be able to work flexibly when they have availability around lectures or exams. Sectors like hospitality and retail would be among those most affected by restrictions to zero hours contracts with the changes likely to lead to increased employment costs and fewer job opportunities being created, particularly for young people.

- **Reference period:** The CIPD is calling for the reference period for assessing average working hours for the purposes of the new rights to be 12 months or a minimum of six months to ensure that the period is long enough to account for fluctuations in demand, for example due to seasonality.
- **Education-related exemption or opt-out:** Provision could be made to exclude individuals engaged in full-time education or training from guaranteed-hours requirements. This would recognise the importance of flexible working arrangements in enabling participation alongside learning.
- **HR support for SMEs:** There is a need for improved business support for small firms on HR and people management to help them understand employment law and issues around employment status and atypical working practices. Many more businesses could make use of annualised hours contracts which can provide income predictability for workers while retaining operational flexibility. However, small firm owner managers are often unaware that this is an option for them.

Timing also matters. Guaranteed-hours reforms are expected from around 2027, coinciding with the planned extension of the adult National Living Wage rate to younger workers later in the decade. Together, these changes will increase employment costs in sectors employing large numbers of young people, reinforcing the need to monitor cumulative impacts and employer responses.

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