

**Issue: 26 February 2015**

## **Failure to solve NEET problem continues to risk £6.4 billion of young peoples' earnings, reveals pioneering youth charity**

Today's (26 February) publication by ONS of the UK's figures of young people not in employment education or training (NEET), re-affirms that urgent action is vital to help protect the future earnings of the 120,000 young people each year who are at risk of being NEET, resulting in a potential collective loss of £6.4 billion in lifetime earnings<sup>1</sup>.

The figures released today for Q4 2014 by ONS, remain unacceptably high at nearly 1 million young people (963,000) being NEET and shows an increase in 9,000 NEETs from the previous quarter.<sup>2</sup> These figures demonstrate how static and structural this issue remains.

Impetus The Private Equity Foundation (Impetus-PEF), the charity which brings funding and strategic resources to high-potential charities and social enterprises working to improve the lives and prospects of children and young people from disadvantaged backgrounds, is urging all the main political parties them to take action to make NEETs history in their forthcoming manifestos. The annual cost to the public of Britain's NEET problem is estimated at £15bn a year.

There has been little change in the percentage of young people who are NEET over the last 15 years averaging at one in six of 16-24 years olds, and currently nearly one million young people are being let down by the current system of school to work transitions.

David Blunkett, Labour MP for Sheffield Brightside and Hillsborough comments, "Today's statistics confirm the findings of the ONS last week in respect of general levels of unemployment in Britain. Namely that whilst adults are faring better, employment amongst young people has actually fallen!

These are young men and women who are not ready to take on an apprenticeship, whose experience of education has been poor and who need mentoring and the most basic levels of help not just with educational but also with social and presentation skills. These are the true forgotten tens of thousands who fall between the cracks and end up as adults ridiculed by television programmes and rejected by employers.

At this age between 16 and 25 it is possible to prevent a life on benefits but it does need positive action rather than vague promises."

Daniela Barone Soares, Chief Executive of Impetus-PEF, comments: "The fact that one in six young people in the UK remain NEET highlights that current policy in this area is failing to make inroads into a problem that ultimately affects us all. With the general election only months away, every party must commit itself to eradicating the NEETs problem through the effective programme of support for young people to help make the successful transition from school into work."

Current policy is failing to find effective solutions for a problem which can result in a young person who has never been to university, who experiences a period of NEET, losing up to £225,000 in earnings over the same period, when compared to a peer who has never been NEET and graduated from university<sup>3</sup>.

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<sup>1</sup> Make NEETS history in 2014, Impetus The Private Equity Foundation, January 2014

<sup>2</sup> <http://www.ons.gov.uk/ons/rel/lms/young-people-not-in-education--employment-or-training--neets-/february-2015/stb---young-people-not-in-education--employment--training--neet----february-2015.html>

<sup>3</sup> Make NEETS history in 2014, Impetus The Private Equity Foundation, January 2014

After three years of extensive research into the problems and issues surrounding NEETs, Impetus-PEF is presenting a four-stage solution to the main political parties to help them tackle the current conflicting policies, over-complicated sources of funding and fragmented responsibility that continue to hamper progress in this area.

Impetus-PEF is calling for the appointment of a dedicated Secretary of State to develop a five-year strategy to making NEETs history. The newly appointed Secretary of State should focus on:

- **Improving school-to-work transitions** by ensuring schools in England and Wales are responsible for the post-16 destinations of their pupils and that they will be properly resourced to help ensure every pupil is supported into either education, training or employment.
- **Focusing on higher-quality further education and apprenticeships:** young people who go into further education or apprenticeships are experiencing lower-quality provision than those who go into higher education, with predictable effects on attainment. Public funding continues to prop up poor-quality provision. This money should be refocused on further education and apprenticeships provision that works.
- **Tailoring job-search services for young people:** there needs to be greater emphasis on careers education in school coupled with more coordinated and focussed careers guidance post-education.
- **Incentivising local authorities to make an impact:** there are large variations across local authorities in the proportions of young people who are NEET. While these are inevitably due in some part to different economic conditions, activist local authorities can have an impact, and more must be encouraged to play that role.

By 2020, the Secretary of State should be in a position to report that:

- Every school in England and Wales is responsible for the post-16 destinations of their pupils and that they are properly resourced to help ensure every pupil is supported to a destination in education, training or employment.
- Further education providers have significantly improved the rates of learners achieving the qualifications that will help them in the workplace; and two-thirds of all government-funded apprenticeships are now reserved for those aged under 25.
- Every Jobcentre Plus in England and Wales now employs specialist youth advisers, helping young people navigate and secure the traineeships, apprenticeships, and skills training they need to eventually find secure employment.
- Every local authority has developed active partnerships of schools and colleges, employers, and the voluntary sector to develop strategies, which are delivering programmes aimed at reducing numbers of local young people NEET.

**ENDS**

#### **Media Enquiries**

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#### **Notes to the editors**

##### **Background Information on NEETS**

- One in five (120,888) children born in the Millennium is at risk of becoming NEET between

the ages of 16 and 24. 604,441 children were born in England & Wales in 2000.<sup>4</sup>

- Seven out of ten Millennium pupils entitled to free school meals will not achieve five good GCSEs (A\*-C grade).<sup>5</sup>
- Having experienced a period of being NEET, these young people stand to lose around 11% annually in wages well into their forties, compared with their peers.<sup>6</sup>

**Impetus – The Private Equity Foundation (Impetus-PEF)** transforms the lives of disadvantaged 11-24 year olds by ensuring they get the support they need to succeed in education, training and employment. It does this by identifying the most promising youth charities and social enterprises and providing them with a combination of long-term funding and sustained strategic advice. This pioneering approach enables its portfolio charities to reach their full potential, in turn enabling them to reach more disadvantaged young people and to positively impact all our lives for generations to come. For more information, please visit [impetus-pef.org.uk](http://impetus-pef.org.uk) or call 020 3474 1007.

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<sup>4</sup> [https://docs.google.com/spreadsheets/ccc?key=0AgdO92JOXxAOdFZIUU1SODRaMXI5cFdvMkRI\\_Qm5Obmc#gid=0](https://docs.google.com/spreadsheets/ccc?key=0AgdO92JOXxAOdFZIUU1SODRaMXI5cFdvMkRI_Qm5Obmc#gid=0)

<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/219337/sfr04-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/219337/sfr04-2013.pdf)

<sup>6</sup> Impetus-PEF, Make NEETS History in 2014 Report, page 10-11; January 2014, <http://impetus-pef.org.uk/policy-initiatives/make-neets-history/>