

Unlocking youth employment

Opportunities for employers and marginalised groups



Youth Futures Foundation and the Good Jobs Project

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and the Good Jobs Project

We're delighted to support ReGenerate on the Good Jobs Project. Their approach puts business need at the centre of the vacancies and youth unemployment challenge. By understanding this, we hope to support employers to adapt their practice and behaviour, recruit untapped young talent and recognise their role as a key player in the employment system.

Youth Futures Foundation is the national What Works Centre for youth employment. We want employment gaps to be reduced so that young people facing the greatest challenges can find and keep good quality jobs. Youth Futures was founded in 2019 with funding from dormant assets to drive systemic change by:

- Giving grants to organisations that provide employment support to young people so that we can generate high quality evaluations
- Generating compelling evidence by conducting and using experimental studies
- Driving evidence-based change in policy and working with employers and practitioners to improve practice.

About ReGenerate REGENERATE

ReGenerate is a charity that is making purpose-driven businesses the most successful and the new normal. They aim to unlock the win-win opportunity whereby businesses are intentionally helping to tackle the great social and environmental issues of our age through their unrivalled ability to innovate and scale solutions, from the cost of living crisis to climate change. They believe that businesses that operate in a purpose-driven way tend to be more successful and are key to driving economic growth.

ReGenerate helps to tackle some of society's biggest challenges through encouraging the purpose-driven approach to business on specific issues by fostering high-trust, multi-stakeholder, collaborative relationships. From doing so they can provide proof points on the impact of purpose-driven business and build momentum on how business can be a tool for creating social good.

About the Good Jobs Project

The Good Jobs Project is a collaborative initiative that brings together leaders in business, recruitment, government, investment, business networks, researchers and those who strive to support marginalised individuals into good jobs. Its purpose is to take advantage of a triple win whereby businesses can fill their vacancies and maximise value creation, marginalised individuals are able to find good jobs, which helps improve their life chances, and the economy benefits from increased productivity and growth and a reduction in the cost to the state borne out of prolonged worklessness.

The Good Jobs Project is different because it views the world from the perspective of the employer and design solutions based on their needs, while focusing on social benefit as the outcome. For the project to be successful the value of recruiting marginalised groups needs to become more obvious and easier, which is why it seeks to complement the existing outstanding work of those intermediaries who support marginalised individuals into work, as well as those who partner with employers to help them employ them. We believe this will help to unlock the full power of businesses to more good.



The opportunity: Equipping employers to transform their practice

Increased competition for candidates is driving employers' to seek out untapped pools of talent, that may have been previously overlooked through existing recruitment practice, to meet their labour market needs. This research provides evidence on employers' current engagement with this untapped workforce and demonstrates the relationship between their awareness of particular groups in the labour market, their intention to recruit them and their actual action in doing so.

The Good Jobs Project research shows that, whilst there is high awareness of these groups, there is a gap between what employers are aware of and intend to do, and what they deliver in practice. It gives us insight into the incentives, motivators and blockers that employers face in this process, and reveals employers' perceptions of different marginalised groups.

Encouragingly, it shows a desire from employers to change their behaviour and practice, and to better utilise evidence-based tools, resources and advice in doing so. To support employers and young people from marginalised groups, we recognise the need for a joined-up system that offers evidence-based guidance and support to both sides. Employers have a significant role to play in ensuring that young people, specifically those from marginalised backgrounds, can successfully access good jobs. The prize is previously untapped talent to fill their job vacancies.



The current picture: Youth employment and the labour market

Youth Futures was established to disrupt the cycle of unemployment for, and improve the employment outcomes of, young people who face the greatest challenges in finding or keeping a good job. Currently nearly 800,000 young people are shut out of learning and earning opportunities. Most face complex and multiple barriers, including poverty, exclusion from school, homelessness, mental health conditions and experience of the care and criminal justice systems. The Government's 2017 Race Disparity Audit also revealed stark disparities in employment outcomes.

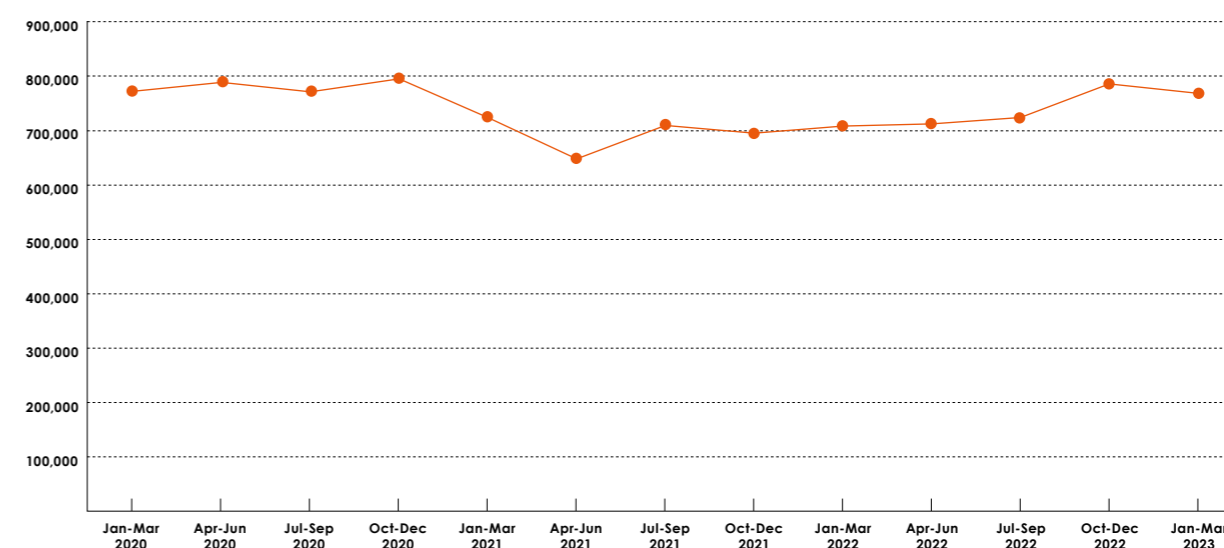
Although youth unemployment has long been a concern, it worsened during the pandemic. Young people experienced the greatest rise in unemployment compared to other age groups.

Our 2021 research with the Institute for Employment Studies¹ showed that men, Black and Asian young people, and those living in southern England, Scotland and Wales saw the most significant falls in employment.

The number of young people not in education, employment or training (NEET), increased to 11.3% of young people (or 770,000), up from 763,000 in 2019.² This is a worrying trend, and, despite a recent slight decrease, these numbers remain stubbornly high, as can be seen in figure 1 below.

Figure 1: 16-24-year-olds not in education, employment or training

Source: ONS - Not in Education, Employment or Training ('NEET') by age - May 2023



1 Wilson, T., Papoutsaki, D. (2021) *An Unequal Crisis: The impact of the pandemic on the youth labour market!*; Institute for Employment Studies, Youth Futures Foundation, Blagrove Trust
2 ONS [Office for National Statistics], (November 2022), *Young people not in education, employment or training (NEET)*

Young people are the labour market of the future. It is vital that employers are motivated and able to recruit young people from marginalised groups, and understand they need more tailored support to find and keep a good job.

The reward for addressing youth unemployment in the UK is large. The Youth Futures and PwC 2022 Youth Employment Index report found that if we matched the NEET rates found in Germany, it could add £38bn to our economy.³

Employers face two challenges; filling high levels of vacancies in a tight labour market,⁴ and managing the risks to productivity that arise from labour shortages and skills gaps. This can leave employers with less resource to invest in adopting new methods, or to engage in social responsibility or skills programmes.

We hope to influence employers to 1) recognise themselves as a part of the system that negatively affects some young people more than others and to 2) equip them with best practice, advice and tools to unlock the youth labour market.

Our role as a What Works Centre is to test new ideas and build a high quality evidence base. This informs employers and government decision-making so that they can target resources to youth employment programmes with the greatest chance of success.

Many employers already engage in youth employment programmes, such as mentoring, apprenticeships and on-the-job training. It is urgent that employers and policymakers target their resources and investment in what works to open up access to good jobs.

To tackle youth unemployment, we need a coordinated effort across business, government and civil society to improve and future-proof the employment landscape. We hope that the findings from the Good Jobs Project will provide opportunities for stakeholders to collaborate and pool resources to drive systemic change.

Youth labour market and defining marginalisation

From Q4 of 2022 to Q1 of 2023, economic inactivity for 16-24-year-olds who were not in full-time education fell from 18.2% to 17.1%. The unemployment rate fell from 10.5% to 10.4% of economically active young people over the same period. Employment for this age group increased by 1.1% in the last quarter of 2022.

This paints an improving picture for young people who are not in full-time education and have left the labour market, as it shows more are both seeking and getting work.

³ Youth Futures Foundation & PwC. (2022) [Youth Employment Index](#)

⁴ ONS [Office for National Statistics] (2023a) Vacancies and jobs in the UK: May 2023, [Vacancies and jobs in the UK - Office for National Statistics \(ons.gov.uk\)](#), and ONS (2023b), [Number of unemployed people per vacancy, Number of unemployed people per vacancy \(UK exc Agriculture, Forestry & Fishing\) - Office for National Statistics \(ons.gov.uk\)](#)

Figure 2: Unemployed young people aged 18-24, as a percentage of all economically active young people aged 18-24

Source: Youth Futures Foundation calculations based on: ONS [Office for National Statistics] (2023c) UNEM01 SA: Unemployment by age and duration (seasonally adjusted); ONS [Office for National Statistics] (2023d) A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)

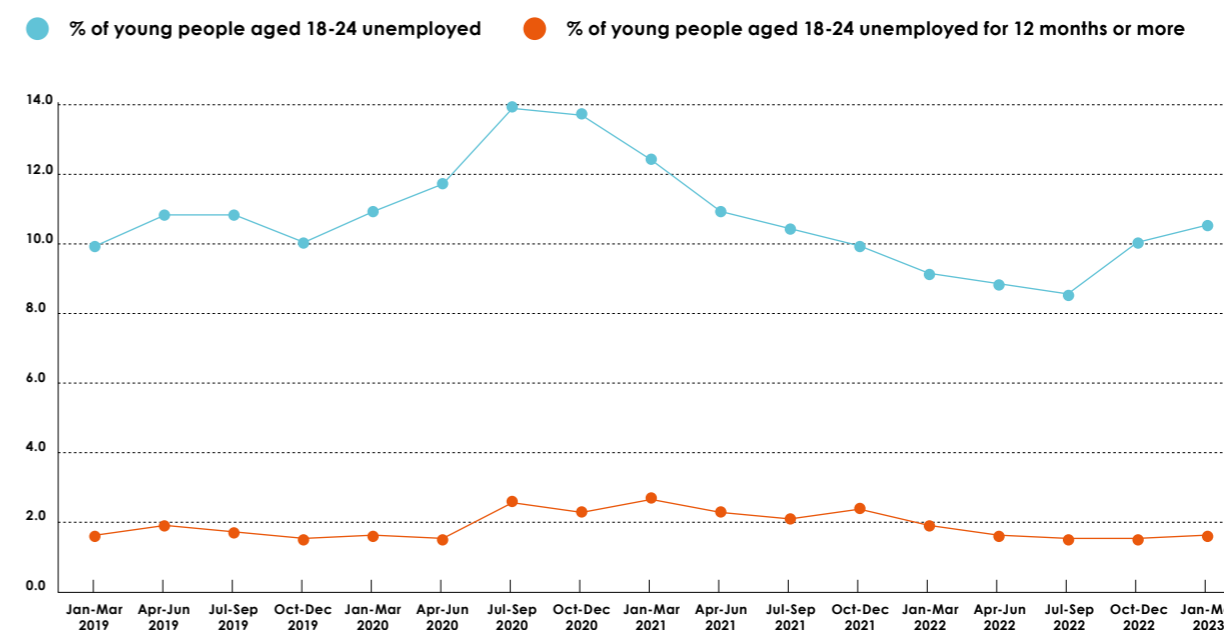


Figure 2 above shows that the unemployment rate for young people aged 18-24 rose slightly in the first quarter of 2023, to around 10.5% of economically active young people in the age group. This is lower than the rate seen during the pandemic period, but higher than in the first quarter of 2019 (when it stood at 9.9% of economically active young people). Unemployment for this age group has risen steadily over the past year. The percentage of all economically active young people who had been unemployed for a year or more rose slightly in the first quarter of 2023 (to 1.6%), although overall this figure has remained relatively stable outside the pandemic period.

Defining marginalisation

There is no single accepted definition of marginalisation. It is context specific and relative.⁵ Youth Futures views marginalisation as something that happens to people, not a choice that they make. People who experience 'marginalisation' are intentionally or inadvertently placed at a disadvantage, as a result of social and economic structures, processes and attitudes.

⁵ Mowat, J. G. (2015). Towards a new conceptualisation of marginalisation. *European Educational Research Journal*, 14(5)10.1177/1474904115589864, Carle J and Hammer T (2003) Method and research design, in Hammer T (ed) *Youth unemployment and social exclusion in Europe: A comparative study*, Bristol University Press/Policy Press, <https://doi.org/10.2307/j.ctt1t898ds>

We suggest that marginalisation in the labour market is associated with:

- Individual factors: (i) personal characteristics (e.g. gender, education, health); (ii) family background (e.g. ethnicity, household income & composition, parents' education); (iii) life experiences (e.g. homelessness, substance dependence, involvement with the criminal justice)
- Contextual factors, such as local labour market characteristics, the economic cycle (including economic shocks), policy and institutional frameworks.
- Social and cultural attitudes to particular social groups (e.g. attitudes, beliefs, stereotypes associated with gender/age/ethnicity/disability/social markers, and also with dress, accent and personal presentation).

People may experience multiple kinds of marginalisation at the same time, where more than one of their individual factors is associated with marginalisation in a particular context.

Groups of young people that face marginalisation

Certain groups of young people are more likely than others to be without employment, and also not in education or training (NEET). This is associated with particular kinds of marginalisation risk, including:

- Belonging to particular ethnic groups. In early 2023, 11.3% of all young people aged 16-24 were NEET;⁶ however, the rate was higher for young people from mixed or multiple ethnic backgrounds (13.7%), and those from Pakistani (13.4%) or Bangladeshi (23.2%) ethnic backgrounds.⁷
- Having an identified learning difficulty as a primary stated health issue. 18.4% of young people in this age group are estimated to be NEET.⁸
- Having experience of the children's social care system. Around 41% of 19-21-year-old care leavers in England were estimated to be NEET in 2021, compared to 9% for the 18-20 age group⁹. When entering employment, this cohort often finds themselves in insecure jobs with zero-hour or temporary contracts.¹⁰

6 ONS - Not in Education, Employment or Training ('NEET') by age - May 2023

7 Youth Futures Foundation analysis – Labour Force Survey 2023, Q1

8 Youth Futures Foundation analysis – Labour Force Survey 2023, Q1

9 Association for Young People's Health. (2022) [Young people not in education, employment or training](#) [The slight variation in age bands reflects different approaches to data collection and reporting]

10 Harrison, N., Dixon, J., Sanders-Ellis, D., Ward, J., Asker, P. (2023) [Care leavers' transition into the labour market in England](#)

Findings

The ReGenerate partnership surveyed 500 people involved in recruitment, including hiring managers, recruiters, HR and senior managers December 2022. In addition, 31 semi-structured interviews with people involved in recruitment and HR were also conducted. The findings in the following text are drawn from both elements of the fieldwork.

The survey was open to staff in organisations of all sizes and sectors across the UK. 95 respondents worked in organisations with 1-9 employees, 76 in organisations with 10-49 employees, 114 in organisations with 50-249 employees, and 215 in organisations with 250 or more employees. 376 respondents worked in private sector organisations, and 119 worked in public or not-for-profit sector organisations.

All respondents were involved in the recruitment process. The majority of respondents (92%) were actively involved in the interview process, while 82% were involved in setting overall hiring policies.

Survey and interview findings reflect the views of the individuals surveyed rather than their employers. Measures were taken to avoid responses from more than one member of staff at the same organisation.

In most cases, reflections on the demographics of employees reflect the views and impressions of survey respondents. It is not possible to confirm the extent to which these are informed by data held within individual companies, or where this information was not available to survey respondents who may have had to rely on personal impressions and views instead. The survey population is not representative of the UK business population as a whole. The data presented here is descriptive of the sample of respondents, and no significance tests were conducted.

Details of the full survey methods and findings are presented in the main report.



1. Less than half of employers have young people represented in their workforce

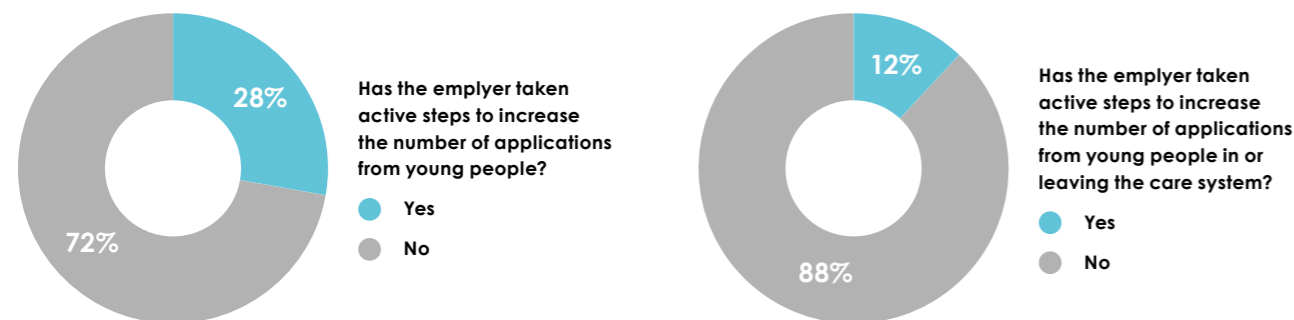
Fewer than half of respondents (238, 48% in total) said that they had young people in their workforce. Of those who do hire young people, most had relatively low levels of young people represented overall (68% said young people under 24 represented 20% or less of their overall workforce).

2. Only a quarter of employers took steps to actively recruit young people

While most respondents employed relatively few young people compared to the size of their workforce overall, and most were at relatively junior levels, only 28% of employers said that they had taken any steps to actively recruit more young people to their organisation, as shown in the diagrams below. This figure decreased to just 12% for those who said they had actively taken steps to increase applications from young people in or leaving the care system.

Figure 3: Employer steps to increase applications from marginalised groups

Left chart: Percentage of employers who have taken active steps to increase applications from young people aged 24 or under (%) (base:500)
Right chart: Percentage of employers who have taken active steps to increase applications from young people in or leaving the care system (%) (Base: 500)



When asked if they felt that their organisation could do more to actively recruit young people, over half (53%) felt that they could. 41% of people answered not applicable/ don't know and 7% said no.

One large employer in the public sector said:

“

It's very difficult for us to reach out to specific overlooked groups because of the way our organisation does its advertising. It's very rare to see anything done differently or any other way of reaching talent pools. We know we're not reaching anywhere near the numbers of people that we need to reach, and that's a real challenge for us.

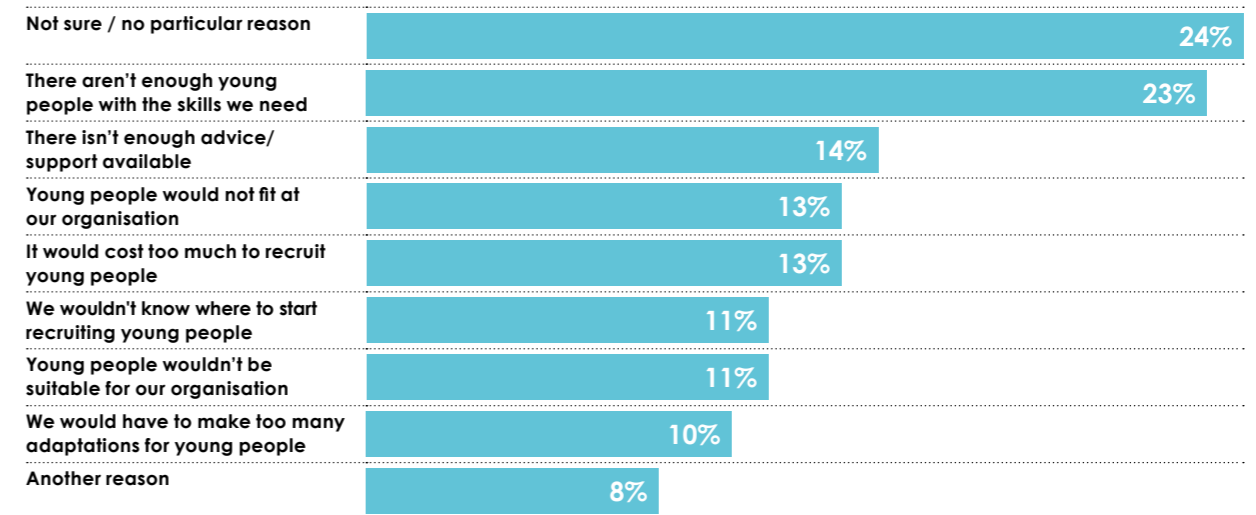
”

3. Barriers for employers

One blocker for employers' intent to recruit from marginalised groups was both the real and perceived risks to the employer. For smaller employers the risk of 'getting it wrong' was a significant blocker of intent. Respondents cited financial risks, lack of capacity to hire and train and the consequences of burdening existing staff if the new employee didn't work out.

Employers who stated they could do more to hire young people (263 respondents, 53% of total) were asked to give reasons why they have not yet recruited many young people. As shown in figure 4 below, around a quarter of respondents said that they were not sure or stated there was no reason in particular (24%). A similar proportion (23%) of employers reported that there aren't enough young people with the skills they need. Other reasons given included lack of support (14%), young people would not fit in the organisation (13%), and that it would cost too much to recruit young people (13%).

Figure 4: Reasons given by employers for not recruiting more young people (Base: 263)



On this issue, one employer told ReGenerate that:

“

As a small company, there's a lot of pressure to get it (hiring) right first time and a real fear of hiring someone and it not working out. One mistake can be really costly emotionally, financially and in terms of time.

”

4. Barriers for recruiting those leaving the care system

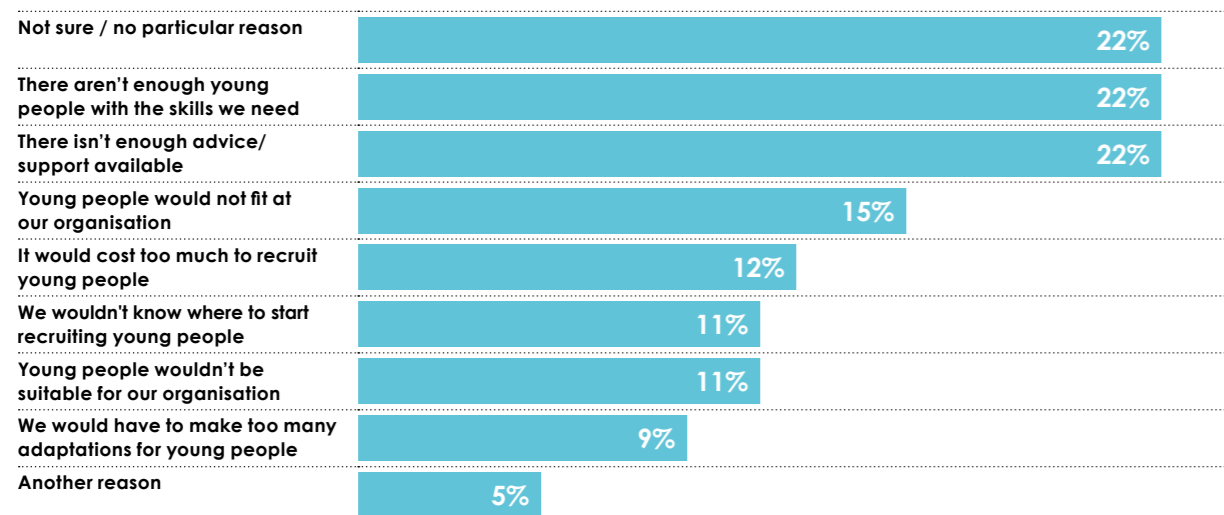
276 respondents (55% of the total) stated that they could do more to hire young people in or leaving the care system.

In contrast to the above, as shown in figure 5 below, when asked about lack of recruitment of care leavers, the main reasons given were a lack of advice and support (22%), 'not knowing where to start' (22%), and that they were not sure or that there was no particular reason (22%). Other reasons given were that there aren't enough young people in or leaving the care system with the skills the employer needs (15%).

One employer noted that:

“
 With bringing on people with additional needs, we're aware that we don't necessarily have the support that those people need to do well professionally. I think that comes down to training, experience and just giving it a go. But it's not the kind of thing you can just give a go and then fail. So it's high stakes.
 ”

Figure 5: Reasons given by employers for not recruiting more young people in or leaving the care system. (Base: 276)



5. Business case for hiring a more diverse group of employees

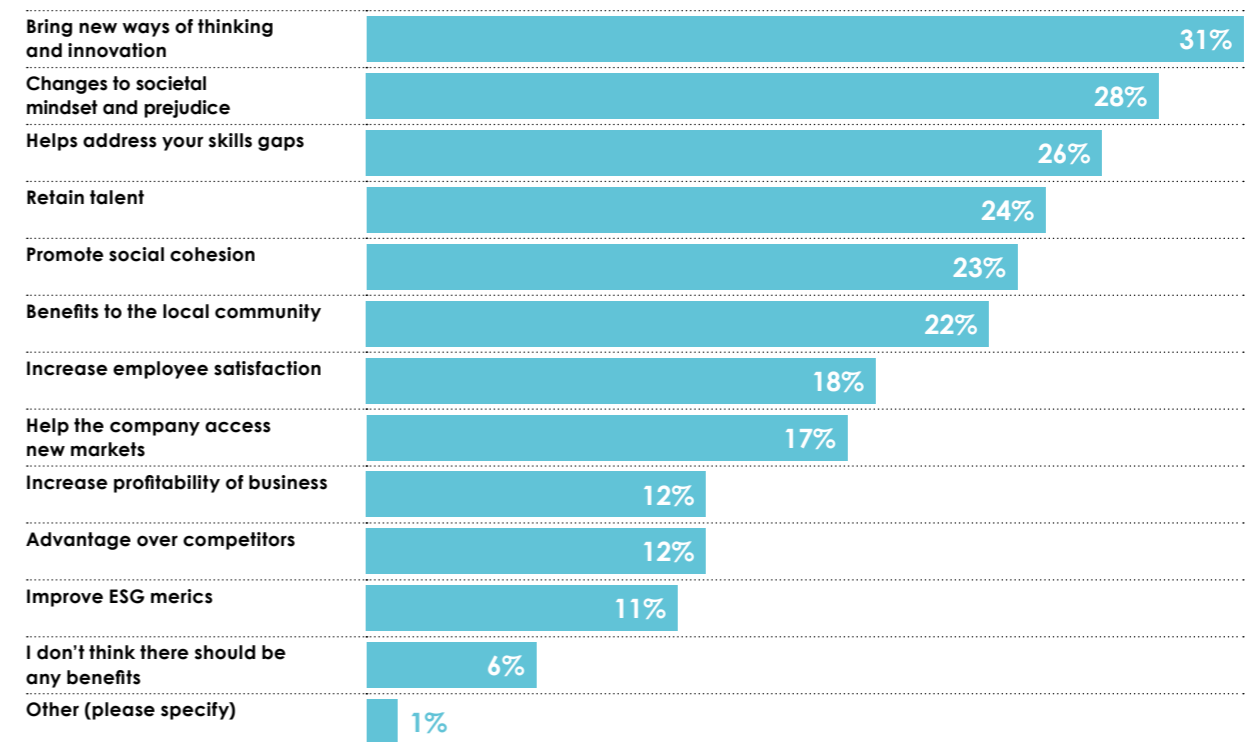
An employer expressed that:

“
 It's well reported that a broad spectrum of people in your organisation adds value to your business. You're going to be more productive and have more creative ideas coming out if you can actually have that inclusivity of people.
 ”

Employers were asked to report up to three main benefits of recruiting more people from marginalised groups. As shown in figure 6 below, 31% of respondents stated that 'bringing new ways of thinking and innovation' to the organisation as a main benefit to hiring people from marginalised groups. Other main benefits were that hiring people from marginalised groups would change 'societal mindset and prejudice' in the organisation (28%) and to help address skills gaps (26%).

Respondents aged 25 to 44 were more likely to see diversity as beneficial to an organisation (over 80%) compared with older respondents aged 55 and over, of whom around 70% agreed with the statements about diversity being beneficial.

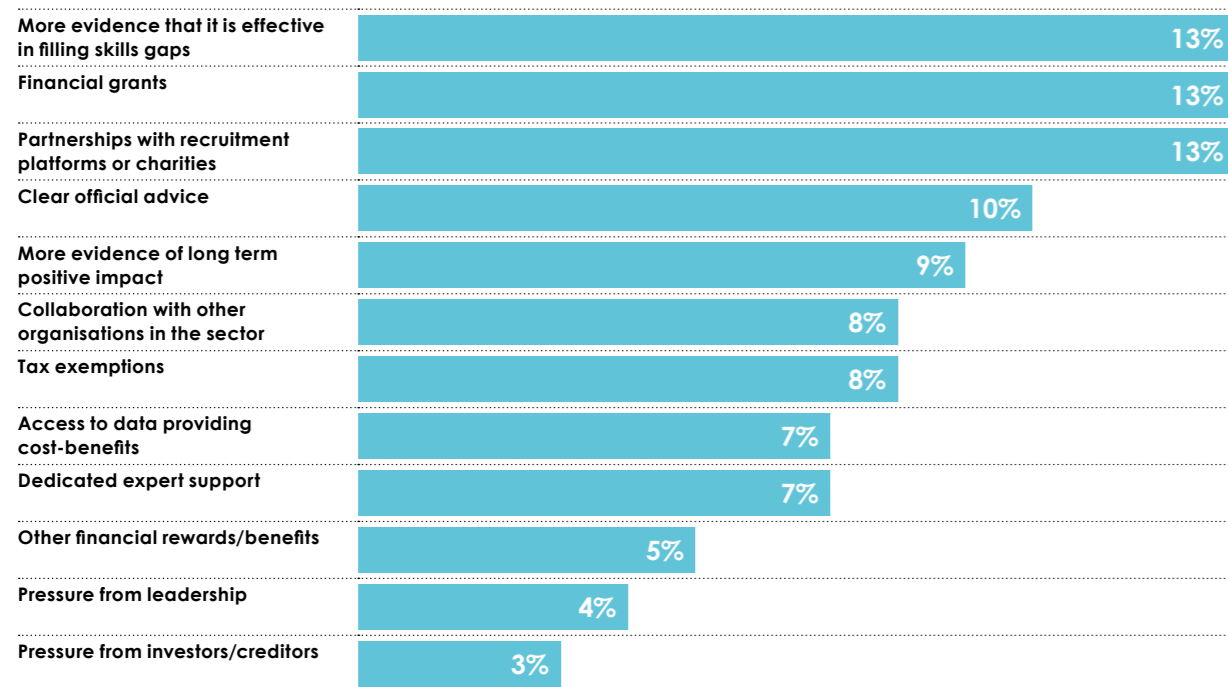
Figure 6: What employers think are the main benefits of hiring more people from marginalised groups.



6. What employers need

All 500 employers were asked to choose which one factor would most encourage them to increase their recruitment of people from marginalised groups. As shown in figure 7 below, respondents were most likely to say they would be motivated by more evidence to address skills gaps (13%), by financial grants (13%) and by partnerships with external recruitment services (13%). Relatively few stated that pressure from investors or creditors (3%) or pressure from leadership (4%) would motivate them to hire more people from marginalised groups.

Figure 7: Factors which would motivate employers to increase their recruitment of people from marginalised groups. (Base: 500)



One employer commented on the value of external providers:

“
Third-party providers are useful because organisations such as ourselves are not set up to deal with specific challenges. If we've got someone having some mental health challenges or experiencing homelessness, we can work with local charities to help provide necessary support.
 ”

Organisational fit

When asked how well certain groups would fit in their organisations, employers were more positive about young people compared to other marginalised groups. For instance, 414 out of 500 employers felt that young people would fit well into their organisation, compared with 349 who felt that care leavers would fit well; 326 who felt that neurodiverse people would fit well; 319 who felt that people with mental health conditions, such as depression or anxiety would fit well, and 247 who felt that ex-offenders would fit well. We could not, however, establish whether survey participants saw all young people as a single homogenous group, or whether they might feel differently about employing young people who are at risk of marginalisation because of factors other than their age.

Respondents who were themselves aged 18-24 were more likely to be negative and less likely to be positive about the organisational fit of both young people and care leavers within their organisations, compared to respondents of an older age.

On 'risk', one employer said:

“
Risk is most people's biggest blocker. The risk to the product, the brand, the service, or to your existing community of people and customers. We still don't really have processes or policies in place, so we're making it up as we go along.
 ”

Those with experience of the criminal justice system were viewed far more negatively than any other group.



Discussion: Opportunities to engage an untapped workforce

Whilst there are increases in the proportion of young people who are NEET, job vacancies remain high and recently hit record levels in most industries across the UK. After a period of reduced recruitment following the pandemic, employers are competing harder to fill job openings and futureproof their workforce. The increased competition is driving employers' attention to untapped talent pools, that may have been previously overlooked through existing recruitment practice, to meet their labour needs.

This research provides evidence on employers' current engagement with this untapped workforce and demonstrates the relationship between their awareness of particular groups in the labour market, their intention to recruit them and their actual action in doing so.

Whilst employers were slightly more likely to be favourable to employing young people compared to other marginalised groups, we were not able to establish whether respondents would have felt differently about employing young people who are at risk of marginalisation because of factors other than their age. Given the more negative perceptions of other groups, we can hypothesise that being young and with additional marginalisation (such as a criminal record or neurodiversity) may have delivered different results.

The disparity in findings between how employers felt about employing young people, compared to care leavers (who are, by definition, young), demonstrates that additional marginalisation is likely an important factor in how they perceive and engage with young people in the labour market.

Intent vs action and opportunities for change

Despite the clear labour market need, there are an alarming 770,000 young people shut out of learning or earning opportunities. This rich and diverse pool of talent faces barriers to accessing work that need tackling at their root causes – both through a more effective social support system and through more accessible work opportunities. This research shows us that there are major opportunities to influence and support greater engagement of employers in the youth labour market.

While employers were more likely to be positive about how young people would fit into their organisation compared to other marginalised groups, less than half (48%) currently had young people in their workforce, and less than a third (28%) took active steps to recruit young people. Action dropped significantly for young care leavers. Only 12% of employers said they took active steps to recruit from or support this cohort.

Discussion: Opportunities to engage an untapped workforce

Whilst this demonstrates a clear opportunity, the research highlights the blockers that employers face in recruiting, or inability to recruit, young people, which must be better understood to transform perception, practice, and behaviour. To tackle youth unemployment from all angles, we know that placing employer practice and behaviour at the heart of the change we want to see will ensure that marginalised young people are not seen as the problem in a deeply flawed system.

Care leavers and barriers to employment

There are clear opportunities for employers to open up access for care leavers (alongside wider and more effective social support systems). Employers in this research showed a low likelihood of having taken active steps to recruit care leavers and were twice less likely to be actively recruiting care leavers compared to young people more broadly (12% vs 28%).

Care leavers fare significantly worse in the labour market compared to their peers: according to the Department for Education's most recent figures, care leavers aged 19-21 were nearly four times as likely to be NEET compared to the average for young people as a whole (38% compared to 11% of all young people aged 19-21).¹¹ Despite an increased policy focus in recent months, care leavers continue to face disadvantage across education, employment and training.

Research shows that most encounter obstacles to finding and sustaining careers in the early years after care, increasing risk of long-term unemployment, poverty and social exclusion. When care leavers are in work and training, it is often casual or temporary employment, or low-level, short-term training and education courses. On leaving care or education, and lacking family safety nets, care-experienced young people are preoccupied with fulfilling their basic needs – particularly finding suitable accommodation – as quickly as possible, resulting in little time and adequate support with finding sustainable work or planning for their future.

Given the significant financial responsibility of covering rent and living costs at a young age, the need for adequately paid work is even more burdensome (and often hard to find if care leavers don't possess suitable qualifications or experience).¹² To improve care leavers' awareness of opportunities in their geographical area, and the qualifications or skills needed to obtain them, researchers have recently called for both "stronger and earlier links with local employers" and care leavers in order to "[demystify] the world of work and [expand] their expectations for their future".¹³

¹¹ Department for Education, (2022a) [Children looked after in England including adoption year: 2021 to 2022](#)

¹² Harrison, N., Dixon, J., Sanders-Ellis, D., Ward, J., Asker, P. (2023) [Care leavers' transition into the labour market in England](#)

¹³ Ibid

Unblocking the blockers and perceptions of risk

To support employers to adopt new methods or adapt their existing practice, it is crucial to understand the blockers they face. This research shows us that 'risk', whether perceived or actual, financial or reputational, poses a significant deterrent in employers' intention to target certain groups of young people.

For employers, the risk of 'getting it wrong' is a barrier. SMEs shared this sentiment alongside issues related to lack of resource to hire and train employees from marginalised groups, financial risks and fears about burdening staff if the new employee did not sustain their employment. We know that, across sectors, many SME employers face difficulties like these, and require greater support from gateway and third-party organisations to access young people and reduce the perceived recruitment process "risks".

Our 2021 research, in partnership with IFF Research,¹⁴ showed that many SMEs face difficulties in finding the right gateway organisations to support with matching young people to job opportunities. With little resource or HR power to invest into supported recruitment processes, SMEs need joined up services, including Job Centres, careers guidance, youth services and mental health support, to come together to better support and guide young people to the jobs available in their sectors.

Our research with IFF also showed that SMEs cite the importance of 'buy in' from senior leaders and decision-makers as a blocker and enabler in directing budgets and staff resource to engage in the youth labour market.¹⁵ This is most important for longer forms of engagement, such as recruiting permanent employees or apprentices, where more financial and human resource is required. However, the attitudes of senior SME leaders can prevent their engagement with the youth labour market, or reduce their willingness to engage, often due to negative previous experiences. This is due to a perception that young people lack the skills and work readiness for their organisation.

We can see this mirrored in the Good Jobs Project findings, where 23% of employers surveyed cite that the biggest barrier in employing young people is that there are not enough young people with the skills they need. Given the current needs within the labour market, it is unsurprising that employers are more concerned with the young person's immediate value to their company and their need to fill vacancies, rather than what that young person can offer longer term given the right support and opportunity.

¹⁴ Youth Futures Foundation and IFF Research, (2021) *SMEs and the Youth Labour Market*

¹⁵ Ibid

However, if we are to address these gaps, we need to find solutions at both a pre-employment level within the wider system, as well as at an employer level. Part of the latter can be seen in senior leaders buying-in to a greater investment in on-the-job training and alternative recruitment methods that require them to see recruitment as a long-term investment, not just a short-term fix. Despite 23% of employers saying there are not enough young people with the skills they need, 26% recognised that one of the main benefits of hiring more diverse employees is that it helps address skills gaps. If more employers adapt their recruitment methods, invest in more on-the-job training, including apprenticeships, this will enable more employers to perceive young people as an investment that addresses their skills gaps.

The benefits of a diverse workforce

Increasing confidence in alternative approaches to recruitment of young people is also dependent on breaking down perceptions of young people as a "burden" or being incompatible with certain workplaces.

The findings from this research show that over 1 in 10 employers think that young people would not fit in their organisation (13%); that young people wouldn't be suitable for their organisation (11%); that they would have to make too many adaptations for young people (10%), or that it would cost too much to recruit young people (13%). However, when asked what they felt the main benefit of hiring a more diverse group of employees, nearly a third (31%) said this was in the new ways of thinking and innovation they can bring to the workplace.

The Good Jobs Project research has shown that the business case for employing young people is not just a moral or value-based argument, but one that is also improves the way the workforce thinks, operates and produces, and in delivering greater advantage over competitors. Over 1 in 10 also felt that a more diverse workforce would increase profitability (12%), increase advantage over competitors (12%) or improve ESG metrics (11%).

This shows us how important it is to understand the many benefits that employers see in bringing young people into their workplace. Like the findings in this research, our research with large employers has shown that the benefits young people bring to the workplace is in their diverse ideas, perspectives, ways of working and skills (particularly digital).¹⁶

In addition to this, employers cited benefits in filling labour shortages (particularly in retail, hospitality and construction), boosting energy and enthusiasm in the workplace, securing, strengthening and future-proofing their workforce, and enabling higher retention and loyalty in the long-term.¹⁷

¹⁶ Youth Futures Foundation and IFF Research, (2021) *Large Employers and the Youth Labour Market*

¹⁷ Ibid

We see from this GJP research how important increased diverse hiring is to employers in being open minded and contributing to wider social change. Alongside the benefits seen in new ways of thinking, 28% of employers felt that one of the main benefits of hiring a more diverse group of employees was in the employer's contribution to changing societal mindset and prejudice. This also reflects our research with SME employers, where many highlighted the importance of their 'social conscience' and giving back to their communities as one of the main benefits of engaging more heavily in the youth labour market.¹⁸

Back office to the boardroom: Young people and senior representation

The Good Jobs Project findings show that a lower level of young people are in positions or roles of seniority within the participating employers, which is perhaps inevitable given the typical career progression that comes with age. However, with less young people in senior positions, it indicates that fewer young people are involved in the high-level decision making which takes place at senior leadership or board level within a wide range of employers across industries. We therefore welcome the Good Jobs Project recommendation to make younger voices better heard in organisations, including through greater promotion and appointment of under-40s on boards. Employers can play an important role by creating opportunities to diversify the representation of those sitting at board and making decisions.

Equipping employers with what they want and need

Despite the challenges and blockers that employers may face, there is a clear opportunity to be seized upon, with many employers in this research demonstrating that they want to be doing more to recruit young people (53%) and care leavers (55%). This suggests a high level of willingness to explore new avenues and approaches. When asked why employers were not currently actively hiring young people, nearly one in four (24%) said there was "no particular reason" – suggesting that there is fertile ground on which to influence practices and make the case for change.

It is also clear from this research that filling the knowledge gap and equipping employers with information, advice and guidance, as well as tools and resources that are easy to use and understand, is vital. When asked why they were not current recruiting young people, 14% of employers said there is not enough advice or support available to do so. This figure jumped significantly for care leavers, with nearly one in four employers (22%) saying there is not enough advice or support available, and the same number (22%) saying they wouldn't know where to start in recruiting. When asked what would be most likely to increase their recruitment of people from marginalised groups, nearly two in five (39%) said either more evidence on addressing skills gaps, clear official advice, more evidence of long-term positive impacts or access to data proving cost-benefits.

¹⁸ Youth Futures Foundation and IFF Research, (2021) *SMEs and the Youth Labour Market*

We welcome the finding that employers feel that access to better evidence would motivate and encourage them to take steps to increase diversity of their workforce. As the What Works Centre for youth employment, we see the power that evidence has in influencing all stakeholders across the youth labour market to adopt changes in practice and to invest in interventions which are proven to be effective and impactful in getting marginalised young people into work. We recognise that the evidence that does exist about employability interventions is often limited, dense or outdated. We are developing summarised evidence for employers to actively address this.

Our practice summaries on what works in the recruitment and retention of young people facing disadvantage,^{19 20} published alongside CIPD in 2022, provides examples of how employers' can adapt their recruitment practice to better attract and support marginalised young people to enter and remain in the workforce. This includes promoting vacancies in ways that are appealing and accessible for marginalised young people, the intentional use of recruitment channels to best reach marginalised groups, scrutinising recruitment and management practices to reduce 'unconscious bias' and addressing factors in organisational culture.

We identified simple and effective practices that employers can adopt to better support marginalised young people to stay in jobs and to ensure that workplace cultures and processes are designed to provide long-term support and opportunities which will encourage better retention of employees. This includes participatory decision-making, authentic leadership, compulsory diversity training and equitable opportunities for progression within organisations.²¹

We are committed to continuing to generate and share simple, easy to understand research, tools and resources that will help employers make evidence-informed decisions about their approach to recruiting and retaining young people from marginalised backgrounds. We have published the world's first Youth Employment Toolkit, which is a free online resource that summarises the evidence on key youth employment interventions for young people facing the greatest barriers.

In addition to this, we are launching a new youth employment Data Dashboard that will bring together up-to-date datasets from a range of spaces including labour force, education, employment and ethnic disparities. This tool will allow users to track their local youth employment picture closely, and better understand local skills gaps.

¹⁹ Youth Futures Foundation & CIPD, (2022) *Recruiting young people facing disadvantage*

²⁰ Youth Futures Foundation & CIPD, (2022) *Retaining disadvantaged young people*

²¹ Ibid

Driving towards solutions

Solutions to these problems are often seen as complex as the problems themselves. But we think there are clear, tangible actions that can significantly improve employers' ability to recruit and retain young people. This involves a combination of actions from the wider system that employers sit within, and requires stakeholders including central and local governments, charities and civil society as well as employers themselves to change policy and practice.

Government support and investment in supporting employers to engage with marginalised groups is a crucial part of the system. When asked what the most important motivating factor for employers to take steps to increase the diversity of their workforce, over one in five (21%) said either financial grants or tax benefits.

Government recently boosted apprenticeships, particularly at lower levels by tripling the bursary for care-leavers undertaking apprenticeships from August 2023, recognising the need to increase take-up in this group. We think that financial commitment should be mirrored in further financial support for employers who are committed to delivering apprenticeship placements for marginalised candidates aged 16-24, such as care-leavers and those with experience of the criminal justice system. We believe that, with financial recognition of the additional resource that employers require to provide the high-quality support needed, this will incentivise employers' ability to absorb risks and engage with these groups.

We also recognise the need to scale the use of programmes that help employers engage with new and diverse talent streams with skills that match labour needs. Having funded and partnered with programmes such as DFN's Project Search, we have seen the overwhelming benefits of Supported Internships for young people with learning disabilities and autism (both for those with and without Education, Health and Care Plans (EHCP)).

Through a business-led transition to employment programme, where interns are provided with support and access to a variety of experiences of the workplace within one workplace, DFN have seen 70% of graduating interns secure paid employment at the end of the 12-month programme. Designed on a foundation of evidence, supported internships are a prime example of multiple stakeholders within a community of businesses, schools and colleges, local authorities and DWP, working together so that young people with additional needs are supported into employment.

Leveraging existing funds such as the Government's Access to Work scheme, Supported Internships offer an evidenced return on investment for local authorities, whilst achieving mutually beneficial outcomes for employers and young participants. We welcome the Government's recent £3m commitment to fund a pilot extension of Supported Internships to young people without EHCPs and encourage further investment.

The significance of 'place' and localised systems of support is an invaluable part in supporting both better outcomes for marginalised young people and helping employers to engage with third-party support and local pathways. We increasingly see the value that localised data and understanding can provide in enabling employers, local governments and funders to develop tailored programmes of support for young people in their areas.

We are excited at the prospect of more localised projects being funded, like our Connected Futures partnerships, that take a place-based approach to joining up services in areas of deprivation across England. We believe that sustained investment in and evaluation of joined-up support and better access to co-located services, namely Youth Hubs, play a vital role in supporting marginalised young people with wrap-around support and a focus for local services including employers.

In the next section of this paper, we set out our recommendations that we believe, in conjunction with some of the wider recommendations in the GJP report, will start to progress us towards a more dynamic labour market and better supported young people from marginalised backgrounds.



Recommendations

1. To boost take up of apprenticeships by marginalised groups, such as care leavers, the Government should provide more support and incentives to employers to employ young apprentices, with clear targets to hold different stakeholders to account.

Available evidence, to be highlighted in our upcoming Youth Employment Toolkit, indicates that apprenticeships have a positive impact on youth employment for young people - particularly disadvantaged young people. Apprenticeships are therefore an essential part of the pathway to work for young people – but that pathway may be narrowing, with declines in take-up at younger age-groups and for ‘entry-level’ apprenticeships in recent years.

Data from the Department for Education shows that, from 2016/17-2021/22, there has been a 37% drop in apprenticeship starts for under 19s, and a 54% drop in intermediate starts (up to Level 2) for under-19s, with similar drops for 19-24 year olds.²² With uncertainty over the future of traineeships, this raises questions about pathways to work outside of academia for many young people.

Boosting apprenticeships, particularly at lower levels, are especially important for some groups of marginalised young people. In particular, Government has recently taken the welcome step of tripling the bursary, for individual care leavers undertaking apprenticeships, to £3,000 from August 2023, recognising the need to increase take-up in this group. Ensuring a smooth transition from education to work through schemes like apprenticeships is particularly crucial for young people with experience of the criminal justice system, as they may not have the employability skills they need for the world of work from school or college.

In this context, we suggest that:

- To incentivise employers to employ more young apprentices, more financial support should be provided, including:
 - Removing the requirement for 5% co-investment from non-Levy paying employers towards the cost of training apprentices under 25
 - Increasing the funding provided to employers (and training providers) to support a care leaver on an apprenticeship to £3,000 (up from £1,000)
- To drive accountability, targets should be set on apprenticeships starts and completions for young people, including targets focused on particular groups facing disadvantage or discrimination.

²² Youth Futures Foundation analysis of ‘Apprenticeships and traineeships’ data published by the Department for Education. [There were 122,750 apprenticeship starts for u19s in 2016/17, down to 77,520 in 2021/22. There were 78,500 intermediate apprenticeship starts for u19s in 2016/17, down to 36,030 in 2021/22.]

Recommendations



We spoke to one of our Future Voices Ambassadors* about our apprenticeship recommendation. With personal experience of the care system and having just accepted an offer to do a trainee nursing associate apprenticeship, we asked them to tell us about why support for those leaving the care system is particularly important.

“

Many of us have had to be independent from a very young age. Apprenticeships allow us to continue doing this, accessing the same qualifications as others whilst getting a wage and giving us the flexibility to be able to fit in consistent and important appointments with professional support workers in our lives.

”

As independent and mature as we might be, due to our life experiences, it's important for employers to remember that we are still young people who need support when entering the world of work; sometimes in ways that our peers may not need. This could be help with administrative tasks, such as finding our national insurance number and applying for ID documents, filling out personal details. All of this can be complicated, especially if you've just left the care system.

Employers need to be understanding that care leavers are much more likely to have gaps in employment due to personal circumstances, such as rapid changes of placements, housing or mental health issues. If we have been moved around a lot, we may not have the same community networks or family connections that can be advantageous when seeking out an apprenticeship or employment.

Care leavers often struggle to access opportunities that many young people take for granted such as lifts to work from family members or money for public transport, and likely won't have a fixed address for a period of employment. These can create barriers to accessing work, but they could easily be broken down by the proposal for more funding for both care leavers in apprenticeships and their employers.

For that reason, I think that the Government providing additional financial support to employers hosting apprentices, including care leavers, would be a great idea, as long as a clear plan is in place to stop the money disappearing. Useful ways that employers could invest this money could include essential study aids like a laptop, stationary, help with travelling to the apprenticeship, uniforms or work attire. I would also suggest that this funding could cover the cost for training an allocated member of staff in how to support care leavers, should an apprentice be a care leaver. This skillset would ensure that care leavers feel emotionally supported at work, as well as practically."

*The Future Voices Group puts youth voice at the heart of Youth Futures Foundation. Collectively these twenty young people, aged 16-24, feed into our vision and strategy and act as our ambassadors and advocates for young people across England on the issue of employment.

2. Policy makers should prioritise supported employment and internships for young people with learning disabilities as these can lead to significant improvements in employment outcomes.

The recent expansion of supported internships is welcome but supported employment programmes still require more investment.

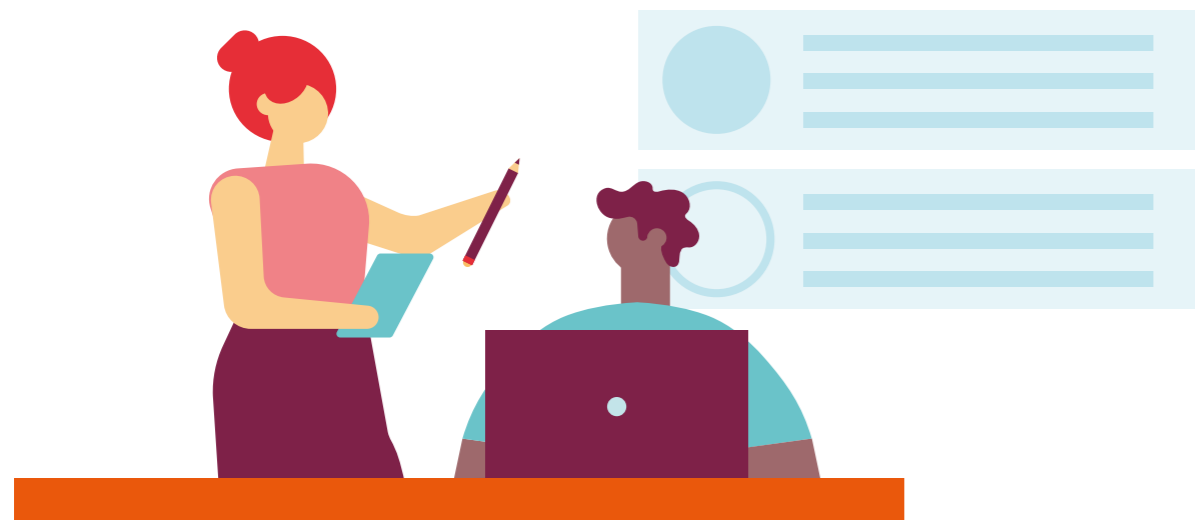
An employer reflected on their experience of supported internships:



We run Project SEARCH, which is for young individuals aged 18-24 with learning disabilities. People can get lost in a large organisation like ourselves, so pastoral support is imperative. It's a very structured approach around educating but also coaching and reflection and has been a real success for us.



Supported internships provide a structured 6–12-month study programme for 16-24-year-olds with a learning difficulty or disability. One study found that 75% of participants on a supported internship went on to paid employment (including apprenticeships), voluntary work or progressed to further education or training.²³ In the US, 'Project SEARCH' provided nine-month supported internships for young people with a learning disability or autism in their final year of high school, which led to more individuals gaining competitive employment, higher wages and fewer intervention hours required to secure a job compared to standard supported employment schemes.²⁴



²³ Department for Education, (2013) *Supported internship trial for 16 to 24 year old learners with learning difficulties and/or disabilities: An evaluation*

²⁴ Learning & Work Institute, (2019) *Evidence review: Employment support for people with disabilities and health conditions*

3. To provide marginalised young people with joined-up support and better access to a range of services they need, whilst easing pressure off employers to provide pastoral support, Government should commit to the sustained funding, rollout, and effective evaluation of Youth Hubs, widening eligibility for support.

Young people who face the greatest disadvantage and discrimination often need support above and beyond what employers and training providers can deliver through schemes like apprenticeships and supported internships. DWP's Youth Hubs deliver employment support and wider services for young people in co-located spaces outside of Jobcentre Plus, to improve co-ordination of and access to support.

Youth Futures found considerable potential in this model for helping young people who require more assistance. In particular, Youth Hubs can offer young people from minority ethnic backgrounds better access to the local services they need to move into secure and sustainable jobs, whilst ensuring that employers are more effectively matched with young people. Government should commit to the sustained funding, rollout and effective evaluation of Youth Hubs.

To enable Youth Hubs to maximise their impact, DWP should reform the eligibility criteria for support to include young people who are not Universal Credit claimants. The current eligibility criteria can place an unnecessary barrier in front of young people who are not already in contact with Jobcentre Plus, even though they may benefit from services offered by the Youth Hub. In particular, mental health services can be signposted by Youth Hub coaches. Reforming eligibility criteria has the potential to unlock access to support for young people suffering from mental ill-health, who often fare worse in the labour market.

One employer noted that:




One of the challenges we've faced this year with bringing in a more diverse workforce is knowing how we can best support them. It's a huge and wider societal piece that we've not got the answers to. It's something that I think from a government perspective needs focusing on because you can land people in a job but it's how do they have what they need to perform.



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