youth futures FOUNDATION

Call for research proposals:
Impact of artificial intelligence on the youth labour market

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Youth Futures Foundation

Call for research proposals

AI and the Youth Labour Market: Impacts and the Future of Entry-Level Work

Summary

Aim	To explore (current and future) impacts of AI on the youth labour market in England (or the UK) and provide evidence to key decision makers on types of impacts and insights on how best to support young people adapt.
Primary research question	What are the current and future impacts of AI on the labour market outcomes of young people aged 16-24 in England? To what extent can effects be causally attributed?
Scope / themes	• Entry-level work and labour market demand • Skills, qualifications, and progression • Distributional impacts across groups of young people
Methods	The project will involve: • quantitative analysis and/or economic modelling to estimate present and future impacts • secondary qualitative research to understand underlying mechanisms behind impacts and implications • expert consultation where needed
Timeline	August 2026 – commissioning and kick off September 2026 - Completion of scoping November 2026 and February 2027 - Presentation of initial/emerging findings May 2027 - Draft final report June 2027 - Completion
Budget	Up to £120k

Submission deadline	Midday (12 noon) **20 July 2026**
Eligibility	Research team either at a single organisation *or* from multiple organisations working in partnership. For the latter, please submit a joint proposal and details of the partnership with it.

Introduction

Youth Futures Foundation is the national What Works Centre for youth employment. Our mission is to ensure marginalised young people can secure and thrive in good work. To do this we find and generate high-quality evidence to better understand England's youth unemployment and inactivity challenge, and to learn what solutions work to address this. We put evidence into action with policymakers, employers and funders who have the means to make direct, impactful and transformational systems change for young people.

Research objective

We want to assess the current and short- to medium-term impacts of artificial intelligence on young people's labour market outcomes in the UK with a specific focus on England[1]. The aim is to identify AI's causal impact.

The study will examine how AI is reshaping entry-level work, skills demand, and progression opportunities, and how these changes influence risks of becoming or remaining not in education, employment or training (NEET[2]) and impact NEET rates. It will also analyse how impacts vary across sectors, occupations, and demographic groups, including by qualification level, socio-economic background, and geography.

Across all themes, the research will seek to distinguish AI-driven effects from wider structural trends, address key evidence gaps, and provide robust, policy-relevant insights grounded in methodologically credible approaches

"Young people" refers primarily to individuals aged **16–24**, unless otherwise specified.

Why commission this research?

As a What Works Centre, Youth Futures Foundation is uniquely placed to address gaps in evidence about the impacts of AI on young people's labour market outcomes, and

[1] While our preferred region in scope is England, we're open to the focus being on the UK if it is an easier unit of analysis.
[2] Please refer to Young people not in education, employment or training (NEET), UK - Office for National Statistics for the definition of NEET.

what works to support marginalised young people through transition into an AI-augmented labour market.

This project will support the following core areas of our work:

- **Generating evidence:** by producing high-quality, actionable evidence that equips decision-makers with robust data and analysis to make informed choices and strategic priorities in response to AI-related youth labour market disruption.
- **Informing policy:** by helping evolve Youth Futures' core policy positions that we present to decision-makers, including local and national governments, civil servants and sector leads, and enabling us to take a wider view of potential reforms to the labour market holistically and consider the impact on youth hiring.
- **Supporting employers:** by using insights to inform how we consider the role of employers and further develop actionable recommendations on how to support smooth transitions from education to employment and career progression in an AI-affected labour market.

Research context

What existing evidence says

The strongest UK evidence suggests AI is already affecting hiring patterns, especially in AI-exposed firms, occupations and junior roles (DSIT, 2026; Batog, 2026; Kilincarslan and Li, 2026; Teeselink, 2025)

While several studies highlight the overall labour market impact of AI (McKinsey, 2025; DSIT and AI Security Institute, 2026; Bosworth and Cardenas-Rubio, 2026), evidence from Klein Teeselink (2025) presents youth-specific findings and notes that firms highly exposed to AI experience a reduction in employment by 4.5%. On average, the effect is concentrated in junior positions, where "low-seniority" employment declined by 5.8%. Similarly, a Kings Trust (2025) report indicates that over half of jobs currently held by young people are likely to change because of AI.

Despite emerging literature establishing a link between AI and early labour market disruption, there is limited consensus on the scale, nature and presence of these effects.

While some studies identify early disruption, others find little or no measurable impact. PwC's Youth Employment Index (2025) finds no statistically significant relationship between AI adoption and youth unemployment, which they associate with young people being concentrated in low AI-exposed sectors such as retail and hospitality. Similarly, the EMEA Labour Market Outlook (2026) finds no evidence that AI is

disproportionately reducing hiring for junior roles relative to senior positions. It instead suggests higher unemployment risk among new entrants as being associated with job search dynamics rather than displacement, as young people are more likely to enter the job market without an existing job unlike the incumbent workforce. More broadly, evidence remains limited in establishing causal links and distinguishing AI-specific impacts from wider macroeconomic trends, and lacks confidence in addressing which groups face the greatest displacement risk or opportunity. (DSIT and AI Security Institute, 2026).

Evidence gaps

Mixed early findings highlight gaps and inconsistencies in the current evidence, underscoring the need for more robust, youth-focused research that can better identify impacts, distributional effects and mechanisms driving these impacts.

The current evidence base remains limited in four important ways:

- First, there is **limited causal evidence** on the impacts of AI on young people's labour market outcomes. Current evidence base is descriptive, focusing on exposure or correlations, rather than identifying causal impacts or isolating AI-driven effects from wider macroeconomic trends.
- Second, **evidence on how AI is reshaping entry-level work** and labour demand remains incomplete. Studies suggest changes in tasks, hiring practices, and occupational exposure, but the underlying mechanisms and implications for skills, job creation, displacement, and sectoral demand for young people is unclear.
- **Weak forward-looking evidence**: There is limited evidence on how AI will shape youth labour markets in the UK in the short- to medium-term. This is important because AI is evolving rapidly, so early signals may not be sufficient for policymakers and employers to plan responses (DSIT and AI Security Institute, 2026; Alam, 2026).
- **Insufficient understanding of distributional impacts**: The youth labour market is highly heterogeneous, and existing studies rarely identify which groups of young people are most affected with notable gaps for non-graduates and other groups at greater risk of becoming or remaining NEET. This is a major gap because AI is unlikely to affect all young people equally.

Overall, the literature remains strongest on exposure and early labour market signals and hiring effects, but weaker on causal attribution, youth-specific outcomes,

distributional impacts and future dynamics. This creates a case for a robust study on the current and future impacts of AI on young people's labour market outcomes.

Why this matters

In light of the gaps and uncertainties in the current evidence base, this research is important for addressing the NEET challenge and clarifying how AI is shaping young people's labour market opportunities.

Early labour market experiences shape long-term outcomes, and entering during weak demand can have "scarring" impacts including lower earnings and slower progression (Oreopoulos et al., 2012; UCL, 2026). Emerging evidence suggests that young people may face a "triple-whammy": from a general labour market slowdown, reduced vacancies at the graduate-level and reduced demand for lower-skilled roles often taken up by fresh graduates associated with AI-related changes (McKinsey & Company, 2025). If AI is reducing entry-level opportunities, it risks compounding these effects and widening inequalities in early career access.

This highlights the need for robust, policy-relevant evidence to inform effective interventions to help mitigate risks and support more young people, especially those at risk of becoming or remaining NEET, to enter and progress in good work.

Project overview

Themes and scope

The research scope is divided into three core themes outlined below. Proposals should engage, as much as possible, with all three. The specific questions listed under each theme are indicative of where we think this research would be most usefully focused. Respondents can use or develop these or propose alternative questions drawing on their expertise where relevant and feasible.

We recognise that questions across themes may not be mutually exclusive. Applicants may structure their analysis in whatever way best reflects their approach, including combining questions where appropriate, provided that all core themes are substantively addressed. Additionally, we expect proposals to prioritise depth over breadth. Not all sub-questions need to be addressed equally, but all three themes should be substantively covered.

Proposed research should explicitly aim to identify and estimate the causal impact of AI on young people's labour market outcomes, clearly distinguishing AI-driven effects

from wider macroeconomic or structural trends and flagging areas of uncertainty or ambiguity. Proposals are also encouraged to consider the potential implications for NEET risks and rates, recognising that while causal attribution may be challenging, descriptive, correlational, or scenario-based analysis can still provide valuable insights. Across all themes, there should be a consistent focus on both current impacts and forward-looking analysis (including short- and medium-term horizons.

Proposed work should address clear gaps in the existing evidence base and demonstrate methodological and data feasibility (including the capacity to credibly identify causal relationships or robust proxies), and balance originality, relevance and deliverability.

Overarching research question: What are the current and short- to medium-term future impacts of AI on young people's labour market outcomes in England (or the UK)?

Respondents are encouraged to, as far as possible, attribute causality to the impacts of AI on young people's labour market outcomes. We recognise that causal identification may not be feasible for all questions. Strong proposals will prioritise credible causal designs, where possible, and otherwise be explicit about limitations and use robust quasi-experimental or modelling approaches.

Theme 1: Entry-level work and labour market demand

- How is AI reshaping entry-level work for young people?
    - Is AI likely to create something better/worse for young people and their opportunities?
- Are young people in certain sectors more impacted by AI and how is this associated with displacement, job creation, or changes in entry-level work?
- Will an increased reliance on AI in the labour market – particularly potential effects on the changing labour demand and nature of entry-level work – increase the risk of young people becoming or remaining NEET? If yes, how?
- How are these impacts likely to evolve as AI adoption deepens?

Theme 2: Skills, qualifications, and progression

- How are skill requirements for young people changing in response to AI, and which skills are becoming more or less valuable?
- How do these changes vary across sectors, occupations and qualification levels?

- How are AI impacts felt across graduate and non-graduate young people?
- How is AI affecting progression opportunities, pay, stability, and job quality for young people?

Theme 3: Distributional impacts across groups of young people

- Which groups of young people are more exposed to AI-driven changes in the labour market, and how do impacts vary by geography, qualification levels, SEND status, prior attainment and any other relevant characteristics (e.g. gender, socio-economic background, ethnicity, age, etc.)?
- Which groups of young people are most at risk of becoming or remaining NEET due to AI-related labour market changes and which groups are able to mitigate negative impacts or benefit from AI? (e.g. by digital poverty, etc.)
- How likely are AI-driven changes in the labour market to widen existing inequalities among different groups of young people in terms of becoming or remaining NEET? Which groups are more at risk?
    - How can AI-related changes impact young people's entry into education, employment or training?

Methods

We welcome quantitative approaches that combine robust (causal) evidence with supporting secondary (literature-based) qualitative insight and economic theory where useful. Proposals may draw on economic theory and scenario-based modelling to assess likely future impacts. Respondents are encouraged to hold a round of expert consultation towards the end of the project to discuss implications of research for policymaking and employers.

We recommend that applicants include a scoping exercise to help determine which aspects of the research warrant the greatest focus, and to ensure that the proposed methodology is proportionate, targeted, and well aligned with the project's policy priorities.

Youth Futures is flexible regarding the specific methods and approaches used for each of the main parts, provided the aspects in this document are covered. Research teams should provide an account and rationale of their proposed approach, including a discussion of how they will manage potential challenges and complexities.

How to avoid reinventing the wheel

We do not expect proposals to start from scratch where evidence already exists. Applicants should build on existing UK and international literature on AI exposure, labour market disruption, youth transitions, and skills change, rather than duplicating work that has already been done. In particular, proposals should acknowledge and engage with existing findings on AI's impacts and explain clearly how the proposed work goes beyond them.

We welcome proposals that address evidence gaps and either use better data, stronger methods, or a more focused research design to answer the questions more effectively. This could include using existing evidence as a starting point, then extending it through causal microanalysis, scenario modelling, or targeted work on mechanisms and transitions.

Requirements, deliverables, and schedule

Research team requirements

We are open to proposals *either* from a team at a single organisation which brings together the relevant skills and experience, *or* from two or more organisations working in partnership or a consortium. In the latter case, the project proposal should include details of arrangements for collaboration between partners.

The research team for this project will be assessed against the following criteria:

Criterion	Essential / Desirable	What we are looking for
Knowledge of AI and labour market evidence base	Essential	Up-to-date knowledge of academic and applied research on AI and the labour market, including ability to critically engage with methodologies and translate findings into policy-relevant insights
Labour market economics and econometrics capability	Essential	Strong applied economics skills and analysis of employment outcomes

Data capability	Essential	Experience working with large-scale UK datasets (e.g. LFS, Understanding Society, LEO) and integrating multiple data sources
AI exposure and task-level analysis methods	Essential	Familiarity with approaches to measuring AI exposure (e.g. occupational/task-based measures) and applying them to analyse skills, tasks, and job quality
Knowledge of UK youth labour markets	Essential	Understanding of youth-specific issues (e.g. NEET, transitions, progression pathways) and ability to apply this in analysis
Experience researching AI impacts	Desirable	Demonstrated experience conducting empirical research on AI and its labour market impacts
Modelling, forecasting and causal inference capability	Desirable	Ability to undertake scenario analysis and modelling of future impacts grounded in economic theory and evidence. Ability to undertake causal inference methods.
Policy translation and stakeholder engagement	Desirable	Experience generating evidence to inform policy recommendations and incorporating stakeholder perspectives
Partnerships and advisory networks	Desirable	Existing links to relevant organisations and ability to convene an external advisory group

Advisory group

An advisory group may be established once the work is commissioned to guide the direction of the work throughout the project and interpret the findings. The advisory group would seek to provide expert guidance and a sounding board to the commissioning organisation and delivery partner from a range of expertise and perspectives. We envisage that the advisory group will consist of a range of individuals including professionals in the labour market advisory board and leading experts and academics in the AI and labour market field. Respondents are welcome to propose

potential approach to setting up an advisory group, alternatively Youth Futures will set it up once the project is commissioned.

Expected outputs and deliverables

The project is expected to produce a sequence of outputs, subject to any changes in scope agreed at inception.

Key deliverables will include: an initial scoping report, two phases of sharing interim outputs, a draft final report and a final report (including a non-technical summary and presentation). The timing, format, and content of these outputs are set out in the schedule below.

The research organisation will also provide regular progress updates (e.g. fortnightly meetings and email updates) and ongoing engagement with Youth Futures colleagues and, where appropriate, the advisory group throughout the project lifecycle.

The format of interim outputs is flexible and should be agreed in advance between Youth Futures and the research organisation. While these milestones are expected to present key findings, they do not necessarily need to take the form of full written reports and may instead be delivered as shorter reports and/or presentations. The first draft of the final report is normally peer reviewed by two external experts.

Additionally, the research organisation should allow sufficient time within the overall project timeline for internal review and engagement with relevant Youth Futures colleagues from the policy, research, employer engagement, and communication teams, as appropriate. All outputs should adhere to Youth Futures' branding and templates (to be supplied) and be written in a clear, accessible style consistent with Youth Futures' writing guidance and preferred terminology (shared on successful appointment).

Representatives and researchers from the grantee organisation will also attend:

- An inception meeting with Youth Futures staff.
- Ad hoc meetings at key project stages, as agreed with Youth Futures.
- Fortnightly check-in meetings with Youth Futures
- Interim and final presentations of findings.

(Note: ongoing engagement and informal outputs are expected throughout and are reflected in the schedule below)

Schedule

We would expect this project to be completed by the following timescales and outputs. Deliverables are subject to the confirmation of scope and any agreed changes to deliverables:

Date	Activities and outputs
w/c 10 August 2026	Inception meeting
By September 2026	An initial scoping report, due in September 2026, setting out the agreed scope and focus of the project. This is where the research team will finalise the research questions, building on the proposal, and scope the nature of outputs. This phase may be informed by literature scoping and preferably a feasibility exercise undertaken by the research organisation, and will outline the proposed phases of work, outputs and indicative areas of analysis. This will culminate in a scoping report setting out the agreed research plan, detailed scope, priority focus areas, and proposed phases of work. The report may include early indicative findings on the impacts of AI on the youth labour market, where feasible. While elements of this exercise are expected to have been undertaken at the proposal stage, this period provides additional time for the research organisation and Youth Futures to refine and finalise the agreed scope and research questions.
November 2026 and February 2027	Interim report 1 and 2: Presentation of initial and emerging findings based on the agreed scope (format to be agreed; may include a short report and/or presentation) for feedback from Youth Futures and advisory group.
By May 2027	Draft final report: Comprehensive synthesis of findings from the research, submitted for review and feedback.

	This will be subject to both internal Youth Futures review (including policy, research, employer engagement and communication teams, as appropriate) and external peer review by two experts. Sufficient time must be built in to accommodate these processes.
June 2027	Final Report: A final report containing findings from all interim reports with incorporated feedback, along with a non-technical summary report and presentation of findings to Youth Futures and external colleagues invited by Youth Futures. All outputs must adhere to Youth Futures' branding/templates and accessibility expectations.
August 2026 to June 2027	Fortnightly meetings with Youth Futures project management team and ongoing engagement with Youth Futures colleagues and the advisory group throughout the project lifecycle. Includes regular progress updates (via email/Microsoft Teams) and iterative feedback loops across all project stages.

Submitting a proposal

Key dates

The schedule for submitting a proposal is:

Call for Proposals issued: 15 June 2026

Deadline for submission of questions: 12:00 on 22 June 2026

Question responses circulated: 29 June 2026

Proposal submission deadline: 12:00 on 20 July 2026

Interviews (TBD): week commencing 3 August 2026

Start date (TBC): week commencing 17 August 2026

Proposal requirements

Please submit a short (c. 12pp) proposal, outlining:

- Your understanding of the project
- Your research questions, design, and methods. Your preferred approach, or different options with different budget implications
- A timeline / Gantt chart for deliverables
- Your appraisal of the challenges likely to arise in this research including any risks and mitigations. This could include a formal risk register
- At least one example of a relevant project undertaken previously by your organisation *and/or* including at least one of your team leads
- Short biographies of all team members, their experience and role within the project
- Contact details of two referees who have commissioned similar work from you and/or links to/copies of two relevant publications authored by at least one team member.
- Your budget estimate and a full budget breakdown (including the daily rate for different staff leading different elements). Youth Futures Foundation will award the successful research organisation[s] a grant to carry out the research and produce final outputs. To the extent that the research organisation[s] believe[s] it is necessary to charge VAT on the Grant Award, this amount will **be inclusive of VAT.**
- Contact details for the project lead, and for all team members.

In addition to your response, we would like you to attach the following policies for every organisation involved in the research:

- Data protection and GDPR
- Safeguarding

Please note that value for money is a key criterion in the assessment of proposals.

Please submit your proposal to analysis@youthfuturesfoundation.org 12:00 on 13 July 2026

If you have any questions, or would like to discuss this Call for Proposals in more depth, please email arushi.bhasin@youthfuturesfoundation.org and use the title '**AI and the Youth Labour Market'** in your email heading.

APPENDIX

Quality criteria

Category	Criteria	Score
Expertise and experience (30%)	a) Recent and/or extensive track record of the organisation and proposed team in conducting relevant projects.	0 - Totally fails to meet the requirement - information not available 1 - Meets some of the requirements - limited supporting information 2 - Meets some of the requirements - reasonable explanation 3 - Mostly meets the requirements - good explanation, some evidence 4 - Fully meets the requirements - detailed explanation and evidence 5 - Exceeds requirements - extensive explanation and evidence
	b) Comprehensive understanding of how to effectively conduct research to address the questions and issues set out above.	
Methodology and approach (35%)	a) A clear research and framework that fully meets the project requirements.	
	b) High quality, appropriate data collection and analysis methodologies that can fully answer the research questions.	
	c) A plan to facilitate and capture policy and practice learning and deliver high-quality, appropriate outputs that can be shared with a variety of research, policy and practice audiences.	
Project Management, data security and risk mitigations (15%)	a) A clear project timeline with well-phased deliverables and milestones, supported by strong project management protocols.	
	b) Robust policies and procedures for collecting and storing personal data from participants. Robust data protection/GDPR policies, procedures and (where possible) industry standards (such as ISO 27001). Experience of supporting a variety of organisations to comply with data protection law.	
	c) Sensitivity to potential project risks and clear strategies to support the mitigation of these.	
Costings (20%)	a) A clearly costed proposal that demonstrates high quality delivery	
	b) High quality processes, including ensuring sufficient time for analysis, costing for transcriptions and sufficient staff seniority and time to effectively quality assure all outputs.	

	c) Proposed costings demonstrate value for money (number of research days, quantity and quality of outputs, appropriateness of proposed team composition and management).	

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