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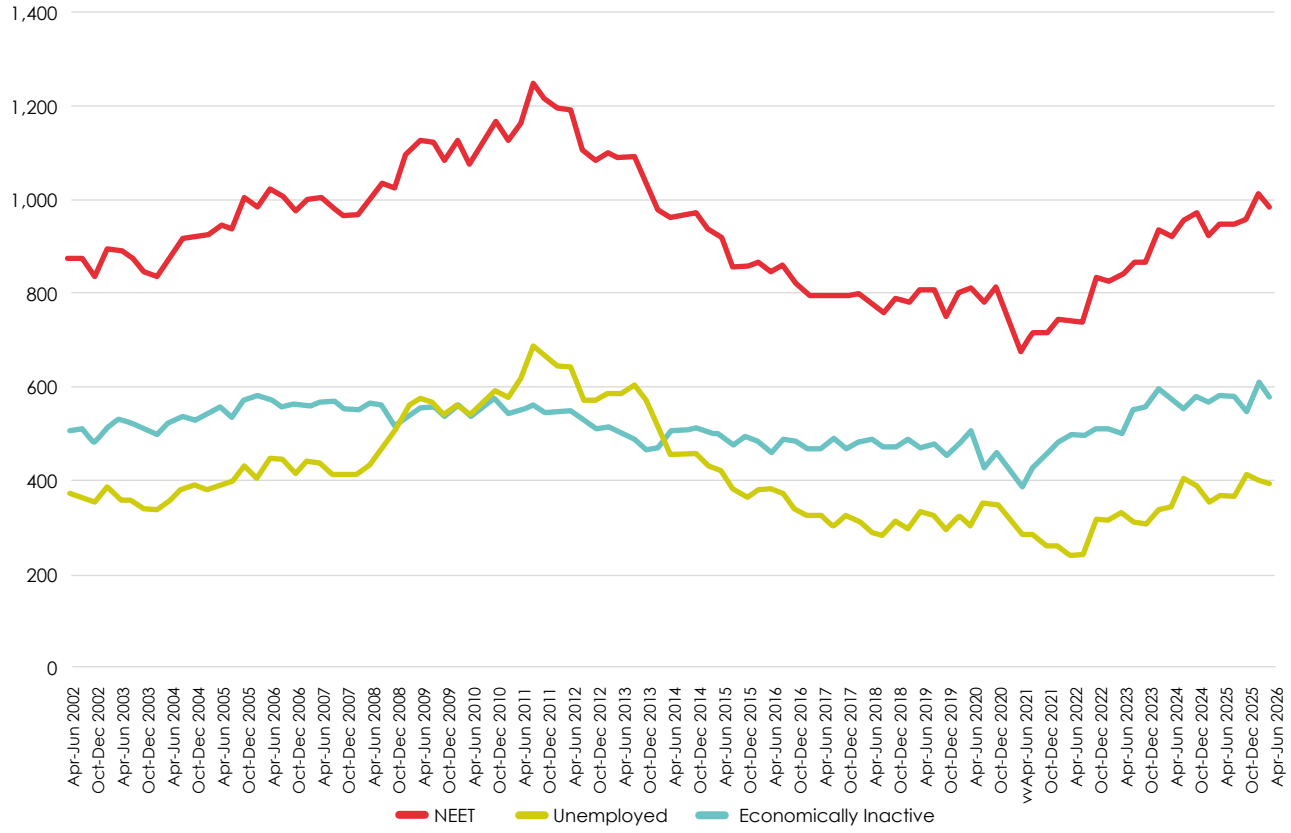
NEET Trends Analysis (Q2 2026): Health and young people's labour market outcomes

April to June 2026

The latest figures from the Office for National Statistics (ONS) show that nearly 981,000 young people aged 16 to 24 are not in education, employment or training (NEET), an increase of 30,000 from the same quarter last year. This means that around 1 in 8 (13.0%) young people are not earning or learning.

Figure 1: NEET levels remain persistently high

Trends in NEET levels in thousands by economic activity status, ages 16 to 24, seasonally adjusted, 2002 to 2026, UK



Data Source: Labour Force Survey from the Office for National Statistics

Health and young people's labour market outcomes

Ahead of the publication of Alan Milburn's Young People and Work Review and The Timms Review of Personal Independence Payment (PIP), this edition of our NEET Trends Analysis explores young people's health conditions in more depth to determine how young people's health relates to their labour market status.

Our analysis finds that:

- Health conditions are increasingly common among NEET young people.
- Health needs are becoming more complex, with more young people reporting multiple conditions.
- Labour market outcomes differ by condition type, particularly for mental health and neurodevelopmental conditions.

High levels of economic inactivity continue to drive the persistently high NEET rate within the UK, with 60% of all NEET young people being economically inactive. It is well documented that sickness is a driving cause of economic inactivity, particularly among young people aged 16 to 24 and those aged 25 to 34.[1]

The rise in the proportion of NEET young people who are inactive due to sickness or disability was also highlighted in the Interim Report from the Review of Young People and Work, which identifies this rise as an indication of the changing nature of the NEET challenge – defined by unemployment and economic inactivity driven by ill health.

Poor mental health is now one of the biggest barriers preventing young people from accessing work and education. The recently published Independent review into prevalence and support for mental health conditions, ADHD, and Autism highlights the association between mental ill health, ADHD and autism, and increased NEET risk. The review also found that the rise in poor mental health amongst young people is genuine. This conclusion is also supported by our own research on mental ill health which found that recent trends reflect genuine increases in mental distress rather than shifts in the identification or reporting of symptoms.

The Timms Review of Personal Independence Payment (PIP) and the Review into Young People and Work are expected to publish their final reports later this month and will shed further light on the relationship between health and labour market participation. The findings and recommendations of these reviews will shape the policy response to the growing numbers of NEET young people reporting health conditions that limit their ability to work.

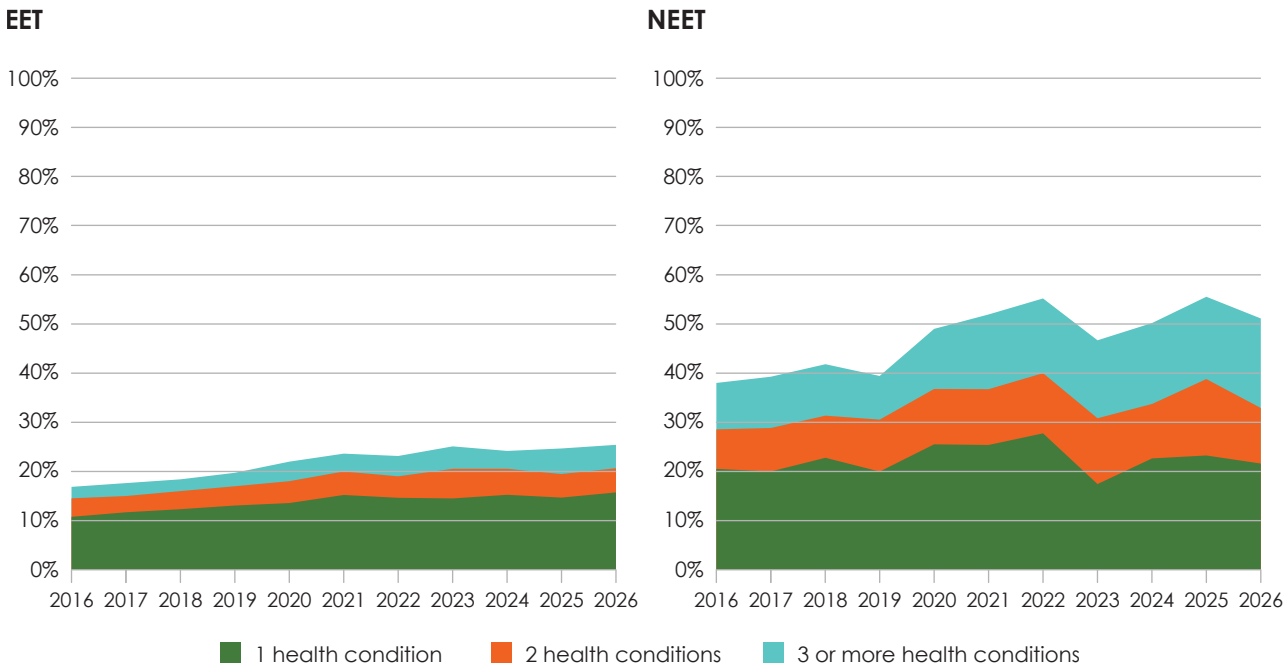
Key	
NEET	Young people who are not in education, employment or training can either be classified as unemployed (actively seeking work) or economically inactive (not actively seeking work).
NEET & Economically Inactive	The NEET & economically inactive population breaks down further by reason for inactivity. A key reason young people give for being economically inactive is due to sickness (both short and long term).

[1] Powell, A, House of Commons Library, 2024: Economic update: Inactivity due to illness reaches record; Office for National Statistics, 2023: Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023.

NEET young people have more complex health needs than the EET population

Figure 2: NEET young people are now more likely to report multiple health conditions

Trends in the proportion of the NEET and EET population with different numbers of health conditions, ages 16 to 24, April to June 2016 to 2026, UK



Data Source: Labour Force Survey from the Office for National Statistics

Our analysis shows that **the proportion of young people with health conditions has increased over the last decade**. The increase is largest for NEET young people reporting three or more health conditions, with the proportion almost doubling in the past ten years. **In 2026, nearly 1 in 5 of all NEET young people report having three or more health conditions**. This means that today, more NEET young people report having multiple health conditions (29.7%) than having only one health condition (21.7%).

The Independent review into prevalence and support for mental health conditions, ADHD and autism reported that adults with co-occurring neurodevelopmental and mental health conditions are less likely to participate in the labour market or sustain employment. In the context of an increasing NEET population overall, if a steady proportion of NEET young people continue to report having a health condition, and at the same time the proportion of NEET young people reporting three or more health conditions has doubled, then the system needs to respond to an increase in both the quantity and complexity of health conditions affecting NEET young people.

Figure 3: NEET young people with comorbidities often have multiple different types of health condition at the same time

Proportion of NEET young people with multiple health conditions, by type of health condition, ages 16 to 24, April to June 2026, UK

Main reported condition	Additional conditions[2]		
	Physical and other	Mental health	Neurodevelopmental
Physical and other	35.5%	29.4%	25.0%
Mental health	36.0%	33.4%	29.9%
Neurodevelopmental	29.1%	37.8%	19.0%

Data Source: Labour Force Survey from the Office for National Statistics

Further analysis into the combinations of health conditions among NEET young people shows that health conditions often overlap, both within and across health categories.

Just under a third of those who report physical or other health conditions as their main health condition also report a mental health condition (29.4%), while almost two in five (37.8%) young people with a neurodevelopmental condition also report a co-occurring mental health condition.

These findings further emphasise the need for integrated employment and health support services which address multiple, overlapping barriers to participation rather than focusing on individual conditions in isolation.

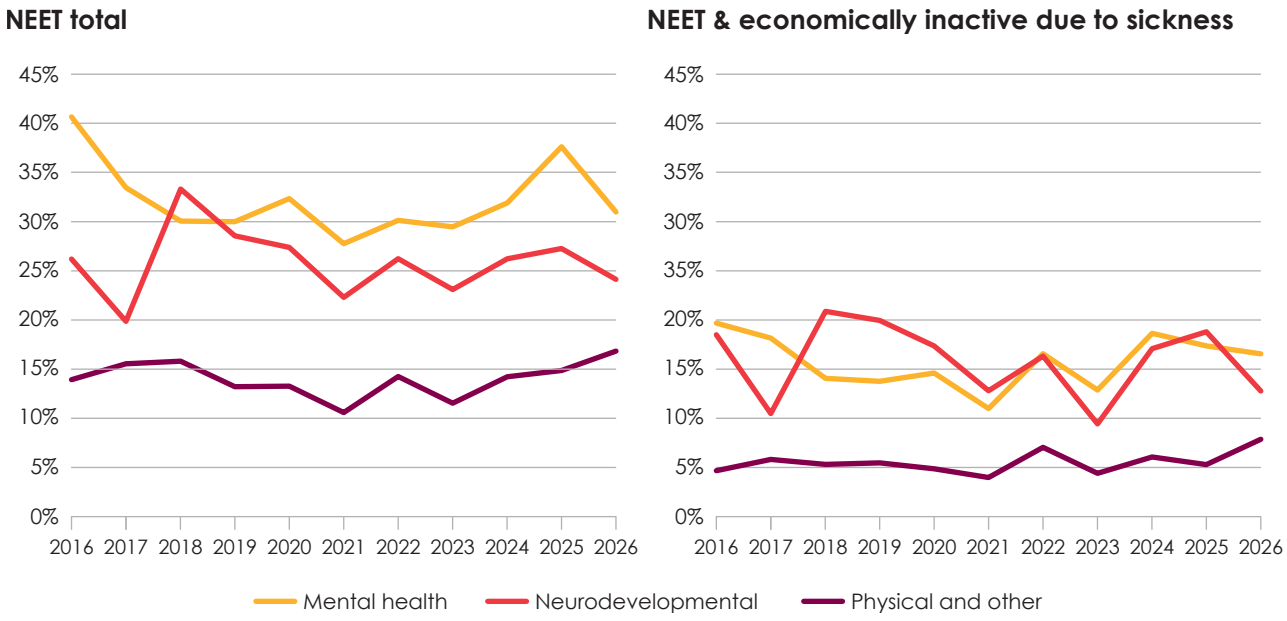


[2] In all cases, the additional conditions refer to a respondent having at least one health condition, in addition to their main one, that falls into the specified category. For the three cells where these conditions overlap, a respondent has a second condition of the same category (for example 33.4% of respondents report at least two mental health conditions). Respondents can also have a positive response to multiple different additional conditions categories and therefore be counted twice.

Young people's labour market outcomes can differ depending on the health condition they identify as their main condition

Figure 4: 16-24-year-olds whose main health condition is a mental health condition have the highest NEET rates

Trends in the proportion of the population that are NEET and NEET & economically inactive due to sickness, by main health condition, ages 16 to 24, April to June 2016 to 2026, UK



Data Source: Labour Force Survey from the Office for National Statistics

Note: three of the data points for NEET & economically inactive due to sickness come from lower sample counts (n<25) and should therefore be interpreted with caution as per ONS guidelines. These are for Neurodevelopmental for 2017 and 2023 and Physical and Other for 2023.

Young people reporting different kinds of health condition as their 'main' condition face different labour market outcomes. In 2026, 28.1% of young people report having a health condition, of whom 22.4% are NEET. Our analysis shows that over the past decade those whose main health condition is a mental health condition consistently have the highest NEET rates (31.2%) compared with those reporting neurodevelopmental conditions (24.4%) and physical or other (16.8%) as their main health condition.

Economically inactive NEET young people are more likely to report having a health condition, at 60.4%. Among all young people reporting a health condition, 11.4% report being NEET & economically inactive due to sickness. As for the overall NEET rate, we see a trend that **those reporting mental ill health as their main health condition have the highest likelihood of being economically inactive due to sickness (16.7%)**. This is closely followed by those reporting neurodevelopmental (12.9%) and physical or other (7.7%) as their main health conditions.

Figure 4 shows that among all young people with a health condition, both the NEET rate and the proportion who are NEET & economically inactive due to sickness has remained fairly consistent over the past ten years, with some minor fluctuations within the different health condition categories. This suggests that there is no increase over time in the likelihood that a young person reporting a health condition will become NEET, or NEET & economically inactive due to sickness.

At the same time, as shown in Figure 2, there has been an increase in the proportion of young people with health conditions over the same period. There has also been an increase overall in the number of young people reported as NEET, or NEET & economically inactive due to sickness.

Given there has been no increase in the proportion of young people reporting a health condition that are NEET, this suggests that the increase in the numbers overall is driven by the increase in the prevalence of health conditions amongst young people, not due to these young people being less likely to participate in work or education. This finding applies to each of the three categories of main health condition, including mental health conditions, where the proportion of young people who are NEET in 2026 has gone down compared to 2016, but which remains the health condition associated with the highest NEET rates.

As more young people report health conditions, ill health is playing an increasingly important role in the NEET challenge. These findings highlight the importance of integrated health and employment support, especially for young people with mental health and neurodevelopmental conditions.



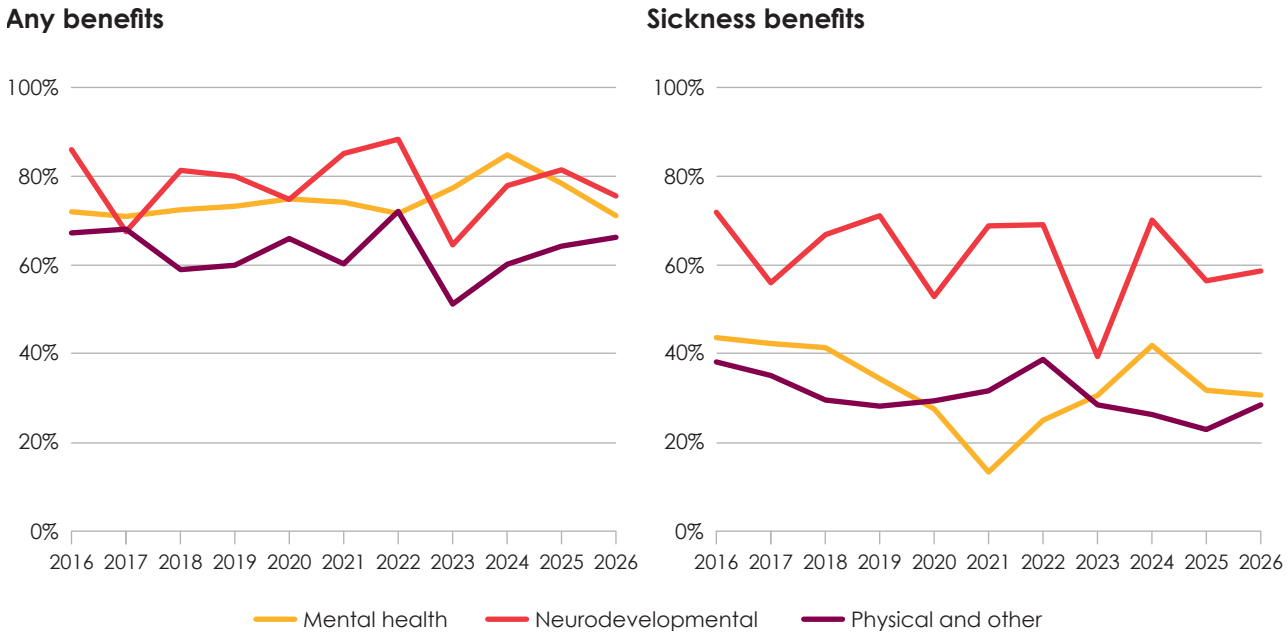
> "Ill health has long been a major driver of young people being out of work and education, but that underlying risk has stayed broadly the same. What has changed is the number of young people experiencing health conditions, often with multiple and overlapping needs. That growing volume is contributing to rising NEET numbers and making the challenge more complex."
>
> *Chris Goulden,*
> *Deputy CEO & Director of Impact & Evidence,*
> *Youth Futures Foundation*



An increasing prevalence of health conditions has not been accompanied by higher claimant rates

Figure 5: NEET young people whose main health condition is neurodevelopmental have double the claimant rate for sickness benefits

Trends in the proportion of the NEET population claiming any benefits and sickness benefits, by main health condition, ages 16 to 24, April to June 2016 to 2026, UK



Data Source: Labour Force Survey from the Office for National Statistics

Note: there are some data points with low sample counts (n<25), concentrated within the sickness benefits results. These should be interpreted with caution as per ONS guidelines. These are for the following data points: 2017, 2020 and 2023 for neurodevelopmental; 2021 and 2023 for mental health; and 2023, 2024 and 2025 for physical and other.

Among NEET young people who report a health condition, the proportion who claim any type of benefit remained fairly consistent, reporting as 70.5% in 2026.[3] The proportion who claim sickness benefits specifically has decreased overall in the last decade from 44.8% to 37.4%. These trends are replicated across all the main health conditions categories.

When comparing claimant rates among those reporting different kinds of health conditions, there is relatively little difference in the proportion of NEET young people who report different kinds of main health conditions who claim any type of benefits.

However, when looking at the proportion who claim sickness benefits specifically, we see much larger differences in the proportion who claim. In 2026, there are around three in five (58.7%) NEET young people with a neurodevelopmental main health condition claiming sickness benefits. This is around double the claimant rate of those with mental (30.8%) and physical or other (28.5%) main health conditions.

[3] Note that the Labour Force Survey has been found to underreport benefit claiming. See page 247 in the 2026 update to Volume 3, Details of LFS variables: Labour Force Survey – user guidance - Office for National Statistics

Further analysis is needed to understand why young people with some health conditions appear to claim sickness benefits at a higher rate than others, and what the consequences are for the support they receive towards employment and other forms of participation.

This analysis highlights that the proportion of NEET young people with health conditions who **don't** claim benefits, including sickness benefits, has remained stable over the decade, at around 29.3% in 2026.

NEET young people who are not engaged with the benefits system are known as 'hidden NEETs'. While there could be many reasons that a NEET young person with a health condition may choose not to claim financial support through the benefits system, this means that these young people are effectively 'hidden' from DWP support towards employment. Like the overall NEET group, a larger population of the 'hidden NEET' group have health conditions. Efforts to (re)engage this group should prioritise addressing health-related barriers to participation.



Conclusion

Poor health is shaping young people's labour market outcomes and has become a defining feature of the NEET challenge. Over the past decade, the proportion of young people reporting health conditions has increased and become more complex – with more young people reporting multiple health conditions.

This trend is more pronounced in the NEET group. A key difference between NEET young people and those in EET is not just that NEET young people are more likely to report health conditions, but that those reporting health conditions are more likely to have multiple health conditions. In 2026, nearly 1 in 5 of all NEET young people report having three or more health conditions.

Our analysis highlights that young people's labour market outcomes can differ depending on the health condition they identify as their main condition. Young people who report mental health conditions as their main health condition have the highest NEET rates and the highest likelihood of being economically inactive due to sickness, followed by those reporting neurodevelopmental and physical health conditions.

Interestingly, our analysis demonstrates that in general, higher prevalence of health conditions has not led to an increase in rates of benefit claimants (sickness or otherwise).

Although there were some differences between groups with different main health conditions, these were particularly pronounced for sickness benefits. Claimants with neurodevelopmental conditions had twice the claimant rate (58.7%) of those with mental health conditions (30.8%) or physical or other health conditions (28.5%). More analysis is needed to understand what is driving different sickness benefit claiming rates between these groups.

Taken together, these trends present a policy challenge – dealing with an increase in both the number and complexity of health conditions experienced by NEET young people. The prevalence of mental health and neurodevelopmental conditions among NEET young people, and of overlapping conditions, makes the findings of the recent Prevalence Review, which made recommendations on how best to support young people with mental health conditions, ADHD and autism, vital for policymakers to consider.

It is also vital that the forthcoming Young People and Work Report addresses how to improve support for these young people to participate, across multiple connecting systems. Our analysis suggests that support systems may need greater flexibility to respond to young people experiencing multiple and overlapping health conditions.



Definitions:

- Unemployed: Individuals who are not in employment and have been actively seeking work.
- Economically Inactive: Individuals who are not in employment and have not been actively seeking work. Note: In this report, all analysis on economic inactivity excludes those who are in education or training.
- Health condition: Individuals are classified as having a health condition if they have a condition or illness that is lasting or expected to last 12 months or more.

Main health condition: The variable in the LFS asks respondents what their main reported health problem is.

1. "Mental health" includes those reporting depression, bad nerves or anxiety, and mental illness, phobias, or panic disorders.
2. "Neurodevelopmental" includes those reporting autism, autism spectrum condition or Asperger syndrome, and severe or specific learning difficulties.
3. "Physical or Other" includes all other health conditions, covering a range of physical health conditions and the response option of other health problems or disabilities. The physical health conditions include the response options of:
    - Problems or disabilities connected with arms or hands; legs or feet; back or neck
    - Difficulty with seeing, hearing, or a speech impediment
    - Severe disfigurements, skin conditions or allergies
    - Chest or breathing problems, asthma, bronchitis; heart, blood pressure or blood circulation problems; stomach, liver, kidney or digestive problems
    - Diabetes or epilepsy
    - Progressive illness not included elsewhere

Note that autism, autism spectrum condition or Asperger syndrome was introduced as a separate response option in the Labour Force Survey from 2020 onwards. Therefore, in our analysis prior to 2020, the neurodevelopmental health category included only those with severe or specific learning difficulties. This means that from 2020 onwards the population for main neurodevelopmental health conditions notably increased.

The Youth Futures Foundation NEET Trends Analysis is a regular series providing insight into the characteristics of the NEET population, economic conditions and trends contributing to the NEET rate.

See previous publications here:
NEET Trends Analysis



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