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# The life chances of young people in Scotland: an evidence review for the First Minister's Independent Advisor on Poverty and Inequality



EQUALITY, POVERTY AND SOCIAL SECURITY



# Executive summary

‘Shifting the Curve’, the first report by the First Minister’s Independent Advisor on Poverty and Inequality, recommended that the Scottish Government commission a wide ranging literature review of the research concerning young people’s life chances. This report takes forward that recommendation by reviewing what we know about the transition to adulthood in Scotland. The review focuses primarily on ‘young adults’ aged 16 to 24, and their transition from school to adulthood. However, recognising that the foundations for this transition are laid earlier in the school years, outcomes for ‘early adolescence’ (age 11 to 15) are also considered. The transition to adulthood for young people today – finding stable employment, setting up one’s own home and forming a family – is seen as complex, non-linear and taking longer to complete.

## Life chances for young people in Scotland today

The first section of the report considers what we know about the life chances of young people in Scotland across the following broad topics: poverty, wealth and financial capability; housing circumstances; employment and labour market outcomes; education and training; and health and wellbeing.

The poverty rate for young adults (16-29) in Scotland in 2015/16 was higher than for other groups of adults. Younger households are more likely than older households to not manage well financially, to have no savings and to have much lower wealth. To some extent, this is to be expected at this life stage: younger people tend to have lower earnings, as they are more likely to be in entry level jobs, and they have also simply had less time to accumulate wealth. However, there is evidence that wealth has been distributed away from younger people in the UK, and that a reduction in house ownership among young people is key to this.

Since the millennium, there has been a shift towards younger households living in the private rented sector or with their parents rather than owning with a mortgage. The evidence suggests that the size of deposit required has been the primary barrier to owner-occupation, rather than the cost of servicing a mortgage. Rising house prices through some of this period, along with low pay, insecure work and difficulty accumulating wealth, have exacerbated this barrier to the housing market for younger households. While the flexibility of private renting is attractive to some groups, the insecurity is problematic for others, affordability is an issue, and low-income households may be especially vulnerable in the private rental sector.

Being unemployed when young leads to a higher likelihood of long-term ‘scarring’ in later life in terms of employment, pay, life chances and health. The literature also highlights that working lives are commonly beginning later, as young people stay in education for longer, and often involve having a variety of jobs before settling into long-term careers. Youth employment rates in Scotland compare relatively well internationally. However, unemployment is higher among young adults compared to older working age adults, and young adults’ employment was particularly affected by the recession. Young adults are more likely to experience low quality employment, including low pay and insecure work. Moreover, being better qualified

is less of a guarantee of better-paid work than in the past. There is evidence to suggest that a structural level change is happening, where young adults today are experiencing disadvantage in the labour market in a way that is new to the current generation. There is also a risk that those with low or no qualifications will be more disadvantaged than previous generations, as the demand for skills increases.

While education is less of a guarantee of quality employment than it once was, educational attainment is still a key driver of access to the labour market. Levels of attainment of school leavers have generally been improving in Scotland. Results for literacy and numeracy in the broad general education phase, however, declined slightly in the most recent surveys. Looking at post-school transitions, school staying on rates have improved, and the proportion of school leavers classed as being in a 'positive destination' has increased. Slightly under a quarter of school leavers moved into further education in 2014/15, while just over a third moved into higher education, the majority at university.

As would be expected, young adults generally report better physical health than older age groups. Mental health indicators for children, young people and adults in Scotland have been generally stable over the past decade. However, 16-24 year olds are more likely than older age groups to self-report having ever self-harmed. Mental wellbeing is found to deteriorate with age during early adolescence. In international comparisons of young people's health and wellbeing, Scotland's relative performance also weakens throughout the early secondary phase across many indicators. In terms of risky health behaviours, rates of tobacco and alcohol use have fallen among young adults and early adolescents in recent years. Rates of teenage pregnancy and youth offending have also declined over the last decade.

### **The impact of disadvantage and protected characteristics on life chances**

The second section of the report explores what the available evidence tells us about how young people's life chances are shaped by area deprivation and other forms of disadvantage, and protected characteristics.

#### **Gender**

Inequality of caring responsibilities impacts on women's experience of work from early adulthood. Economic inactivity rates for young women in Scotland are substantially higher than those for young men (while young men have higher unemployment rates). A gender pay gap exists from early in working life, because women are more likely to be in low-paid, low quality work. Continued gender segregation in subjects studied at school and beyond is associated with gender segregation in the labour market, with 'feminised' sectors tending to be low paid.

There is a gender gap in educational attainment, with girls outperforming boys at most stages. Overall, young women are slightly more likely to be participating in education, training and employment than young men. Young women are more likely to be participating in education, and particularly higher education, while a higher proportion of young men are in employment. The literature finds that young women who leave school early with poor qualifications are likely to face worse labour market outcomes than young men with similar characteristics.

Young women report lower levels of life satisfaction and wellbeing than young men. They are also more likely to exhibit signs of a possible psychiatric disorder and self-report higher levels of self-harm. The evidence indicates that this increase in mental health issues among young women manifests earlier in adolescence. Analysis of data for adolescents found that, while overall mental health and wellbeing scores have remained fairly constant over time, 15 year old girls report much poorer mental health and wellbeing than other groups.

### **Young people from deprived areas**

School staying on rates and levels of attainment are strongly patterned by area deprivation, although the gaps between the most and least deprived have decreased slightly in recent years. The gap in educational attainment starts in the early years and widens at each stage of the education system. But there is evidence that schools can make a major difference in children's progress. Those who live in more deprived areas are less likely to enter positive destinations than those from less deprived areas, although the gap has been closing in recent years.

Young people from the most deprived areas are more likely to go on to study at college and less likely to go on to university than those from the least deprived areas. In addition, those who do go to university are less likely to go to more prestigious universities. Young people from the most deprived areas are also more likely to experience fragmented post-school transitions than those from the least deprived areas: they are less likely to stay on at school, and more likely to experience multiple post-school transitions, to be unemployed when they leave school, or to move into a short-term training programme.

Young people in the most deprived areas fare worse on several aspects of health and wellbeing. Among adults and adolescents, poorer mental health is associated with greater socioeconomic disadvantage. There is also a strong correlation between deprivation and tobacco use and teenage pregnancy.

### **Ethnicity**

Unemployment rates for working age adults from 'Indian', 'Pakistani/Bangladeshi' and 'Black/Black British' groups are higher than for 'White' groups. Research suggests that minority ethnic people with good qualifications face greater barriers to finding work which matches their qualifications, compared with the majority white population. Minority ethnic groups are also more likely to be in low-paid work than 'White' groups, and some minority ethnic groups face a pay gap compared to 'White' groups. Pupils from most minority ethnic groups have higher educational attainment than pupils from 'White' groups. Minority ethnic young people have a higher rate of participation in education, training and employment than the national average. They are more likely to continue in education, particularly higher education, than their 'White' counterparts, and less likely to pursue work-based vocational training.

## **Disability**

Compared with all young adults, those who are disabled are more likely to be unemployed. Disabled adults also experience pay gaps compared to those without disabilities. Research finds that, even when other factors such as qualification levels are taken into account, disabled adults are more likely to be workless than non-disabled adults. Pupils with additional support needs have lower educational attainment levels than those without additional support needs. Disabled young people have a substantially lower rate of participation in education, training or employment than those who are not disabled. And research finds that disabled young people are more likely to be offered a more limited range of education and training opportunities than other young people, often with inaccurate assumptions made about capabilities.

## **Caring responsibilities**

Disability and ill health also have an impact on young people's life chances through caring responsibilities. Of those aged 16-24, 9% of young men and 12% of young women are estimated to be carers. Fewer carers report having good health, compared with non-carers, and the more care someone provides, the less likely they are to report good health. Young carers (aged under 25) are more likely to report having a long-term condition or disability than non-carers. Although there appear to be wellbeing benefits for those caring for up to 4 hours per week, unpaid caring is a significant predictor of poor mental wellbeing and the presence of possible psychiatric disorder. Young carers are more likely to report having a mental health condition compared with those who are not carers.

## **Care experience**

There is evidence of particularly poor outcomes for young people who are 'looked after' or 'care leavers'. Care leavers are at a higher risk of experiencing long term unemployment or fractured employment routes. Young people leaving care are also overrepresented in the homeless population. Looked after young people tend to have lower levels of educational attainment than those who are not looked after. These differences are, in part, linked to the fact that looked after young people tend to leave school at younger ages. Looked after children are less likely to go on to positive destinations than school leavers in general, particularly higher education. Looked after children and care leavers generally experience poorer health than their peers. Young female care leavers are more likely to experience early pregnancy than those who are not care leavers. A third of young offenders identified as having been in care at some point in their life.

## **Conclusion: key issues young people in Scotland are facing**

The review concludes by identifying eight areas of potential concern for the life chances of today's young people:

1. an increasing proportion of young adults are living in the private rental sector or with their parents, and fewer are able to save for a deposit to buy their own home

2. young adults are particularly likely to be in low quality employment compared to older age groups and to past generations
3. for a significant minority of young adults labour market entry and labour market progression are major challenges
4. young people, particularly those not going directly to university, are having to negotiate increasingly complicated transitions from school into employment
5. there is continued gender segregation in subjects studied during education and training, and in the labour market
6. educational attainment is persistently low for some groups of school leavers
7. there is some evidence of growing mental health issues for young people, particularly young women
8. the persistence of health inequalities and slower declines in rates of certain risky health behaviours in the most deprived areas compared to the least deprived areas.

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# Introduction

'Shifting the Curve'[2], the report by the First Minister's Independent Advisor on Poverty and Inequality Naomi Eisenstadt, recommended that the Scottish Government commission a wide ranging literature review of the research concerning young people's life chances. Shifting the Curve underlined that young adulthood is one of the most challenging periods in the life cycle, where parents have less influence, peers become increasingly important and the likelihood of risky behaviour is high. It argued that, while there has been considerable progress in understanding how to improve outcomes in early childhood, there has not been a corresponding focus on what challenges adolescents and young adults are facing and how to support them during this important transitional period. There is a need to explore what issues young people in Scotland today are facing and 'what works' for adolescents and young adults. The Independent Advisor on Poverty and Inequality has commissioned the Scottish Government to undertake this review of young adults' life chances, which provides the first step in this process by examining what we know about the transition to adulthood in Scotland.

## What do we mean by 'young people'?

Terms such as 'young people', 'adolescence' or 'youth' refer to the stage in life between childhood and adulthood, although definitions vary in terms of the specific age. The World Health Organization (WHO) and the United Nations (UN) define 'youth' as being between the ages of 15 and 24 years.[3, 4] The WHO defines 'young people' as between the ages of 10 and 24 and 'adolescence' as between age 10 and 19.[4] This review focuses primarily on the transition from school to adulthood; however, we recognise that the foundations for this transition are laid earlier in the school years, and therefore outcomes for 'early adolescence' – the early secondary school phase – are also considered. We use the terms 'young people' to refer to age 11 to 24; 'young adults' to refer to age 16 to 24 and 'early adolescence' to age 11 to 15, unless otherwise stated. Specific age ranges discussed are also shaped by what is used in the main data sources.

## Youth transitions

Youth is a transitional period, which has been characterised as a journey towards adulthood that involves the completion of three major milestones: leaving education and entering employment; moving from the parental home to one's own home; and forming a family.[5, 6] It is generally accepted that during the 1960s and early 1970s transitions were usually direct and linear: most young people moved straight from school into employment, with a small proportion going on to university; while domestic transitions usually involved marriage and setting up a home of one's own. The literature on youth transitions argues that for young people today these transitions are complex, nonlinear and the three milestones are taking increasing amounts of time to complete. [5-7] Statistics show a large rise in participation in higher education since the early 70s, while the average age at first marriage and at which individuals become parents has been increasing.[5]



The literature also suggests that there has been a growing divergence in the nature of the school-to-work transitions between young people from different socioeconomic backgrounds.[8] Some writers have characterised this as a growing separation between 'slow' and 'fast' transitions: young people who can afford to continue in education take a slower route into the labour market by spending longer in education and delaying their adulthood; young people from less privileged backgrounds are more likely to take a faster route, leaving full-time education at a younger age, entering the labour market and assuming adult roles earlier.[9]

## **Overview of the report**

The report now considers what we know about the life chances of young people in Scotland across the following broad topics for young adults and early adolescence (where appropriate):

- poverty, wealth and financial capability
- housing circumstances
- employment and labour market outcomes
- education and training, including educational attainment in school and post-school transitions
- health and wellbeing, including mental health, risky health behaviours and youth offending.

The analysis is based on the most recent Scottish Government statistics, alongside relevant academic and grey literature. Section 2 provides background information on the education system in Scotland in order to better understand how young people's school education and post-school transitions are structured. Section 3 explores outcomes for all young people in Scotland across the above topic areas, and then Section 4 examines how young people's life chances are patterned by deprivation and other forms of disadvantage, and protected characteristics. This section considers evidence on outcomes in relation to: area deprivation, gender, ethnicity, disability, caring responsibilities, and having been 'looked after'. Finally, the conclusion presents a summary of the key problems today's young people are facing in their transitions to adulthood, based on the evidence presented.

# Context: Education and training in Scotland

## School education

The provision of education is the responsibility of local authorities. This includes all aspects of education from school buildings to the delivery of the curriculum.

Education is compulsory between age 5 and 16. Local authorities decide the best structure of schooling to meet children's needs, but usually children spend seven years in primary school (P1-P7, age 5 to 12) and at least four years in secondary school (S1-S4, age 12-16). Pupils can then leave school at 16 or stay on for one or two more years (S5 and S6).

The Scottish 'Curriculum for Excellence' (CfE) seeks to create a single, coherent curriculum for all children and young people from the ages of 3 to 18. Students are not selected onto different tracks but have the opportunity to study a range of subjects according to the entitlements of CfE. The framework includes a 'broad general education' from age 3 to the end of S3 (age 15) and then more specialisation in working towards taking National Qualifications in the senior phase (S4-S6 in school, ages 16-18). Increased emphasis is placed on inter-disciplinary learning, skills development and encouraging personal achievement. CfE is intended to foster four capacities in all young people: successful learners, confident individuals, responsible citizens and effective contributors.

The purpose of the broad general education phase is to develop the knowledge, skills, attributes and capabilities of the four capacities of CfE. It is designed to provide the breadth and depth of education to develop flexible and adaptable young people with the knowledge and skills they will need to thrive now and in the future. The Senior Phase then offers young people the opportunity to extend and deepen their learning as they build a portfolio of qualifications. These are undertaken not only in schools but also through colleges and third sector organisations.

Assessment during the Senior Phase is primarily based on SQA qualifications, alongside other benchmarked qualifications and wider achievement awards. Qualifications in Scotland are based on the Scottish Credit and Qualifications Framework (SCQF). There are 12 levels in the framework, SCQF levels 1 to 7 are covered by school education (see below).

Scottish Credit and Qualifications Framework (SCQF) levels:	
Level 7	Advanced Higher at A-C
Level 6	Higher at A-C
Level 5	Intermediate 2 at A-C; National 5 at A-C; Standard Grade (Credit)
Level 4	Intermediate 1 at A-C; National 4; Standard Grade (General)
Level 3	Access 3; National 3; Standard Grade (Foundation)
Level 2	Access 2; National 2

Highers (SCQF level 6, generally taken in S5/S6), sometimes along with Advanced Highers (SCQF level 7, usually taken in S6), are the qualifications required for entry into higher education.

16+ Learning Choices is an offer by local authorities and their partners to all young people that entitles them to continue to develop their skills in whatever type of provision is best suited to their needs and aspirations. It aims to ensure that every young person has an appropriate offer of learning in the Senior Phase of their education before their planned school leaving date. Young people might stay at school in S5-6, go to further or higher education, take part in a national training programme, volunteer, get a job or engage in community-based learning. Career information, advice and guidance is available for all young people – with more for those who need it most.

### **Further and higher education**

Scotland's Higher Education Institutions provide higher education courses at sub-degree, undergraduate and postgraduate level. Scotland's colleges offer a more diverse curriculum - including vocational, further, and higher education (mainly Higher National Certificate (HNC) and Higher National Diploma (HND), but also including a limited amount of degree provision) - to a diverse range of people and communities. Young people who leave school in S4 or S5 can continue their senior phase at college, studying for SQA or vocational qualifications, whilst those who have already gained qualifications can study for more advanced qualifications at further or higher education level. College students taking further education courses may progress in due course to higher education courses including HNC/HND courses or articulating to university. Because college activity encompasses the full spectrum of learning levels and modes of study, colleges are by nature more generalist than universities.

# Life chances for young people in Scotland

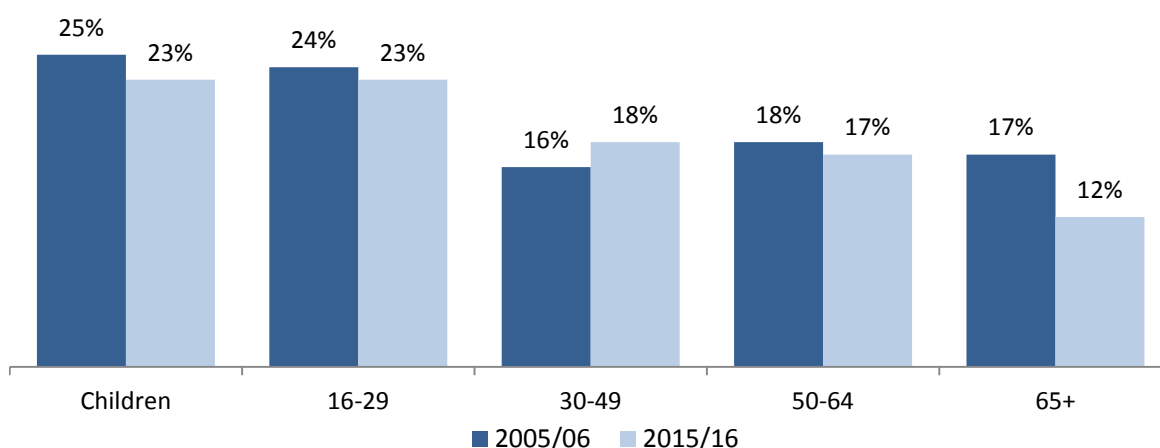
## Poverty, financial capability and wealth

The poverty rate for young adults in Scotland was higher in 2014/15 than a decade ago. Younger households are overrepresented in the least wealthy households.

### Poverty and income

The rate of relative poverty<sup>i</sup> (after housing costs (AHC)) for those aged 16-29 in Scotland was higher than for other groups of adults. The poverty rate for young adults was similar in 2015/16 than a decade ago, while for children and pensioners', poverty rates fell in this time period. Figure 1 shows the poverty rate for these five age groups, comparing the three years to 2015/16 with the three years to 2005/06.

Figure 1: Relative poverty rate AHC by age, 2003/04-2005/06 and 2013/14-2015/16, Scotland



Source: Scottish Government analysis of the Family Resources Survey

Young adults are entitled to lower payments and less support in the UK welfare system than older adults, and their entitlement is often complex and difficult to understand. This is based on the assumption that young adults are more likely to live with, and be supported by, their parents. However, some young adults may not have this avenue of support, particularly those from disadvantaged backgrounds.

### Financial capability, debt and credit

Young adults are less likely to report that they manage well financially than older adults and are more likely to report having no savings.[10] Figures from the Student Loans Company show that the average amount of debt<sup>ii</sup> accumulated by Scottish graduates increased 12% over the year to 2016, and 43% since 2011.[11] Citizen's

<sup>i</sup> Relative poverty is defined as a household income below 60% of the UK median - see the Appendix A for more detail.

<sup>ii</sup> The average loan balance on entry into repayment.

Advice Scotland found in 2008 that, although young citizen’s advice bureau clients held a lower level of debt than other age groups, the average level of debt for young adults had nearly doubled since 2004, and increased twice as fast as all other age groups. The Financial Conduct Authority found that age could be a barrier to credit in the UK, as younger people were yet to build a credit history.[12]

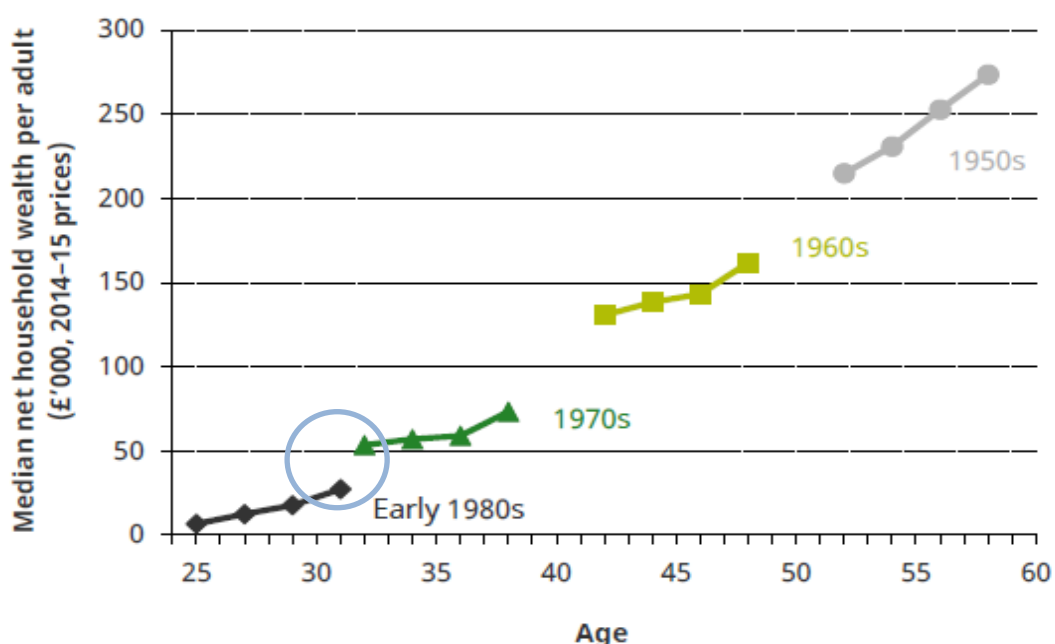
## Wealth

**There is evidence that wealth has been distributed away from younger people in the UK. Much of the changes in wealth distribution across generations are driven by a reduction in house ownership among young adults.**

Analysis of Scottish data from the Wealth and Assets survey shows that younger households had much lower median wealth than older age groups.[13] This reflects the fact that younger people have had less time to accumulate wealth, and also that they tend to have lower earnings as they are more likely to be in entry level jobs. A key question is whether young adults’ lower wealth is solely because of their life stage, and therefore something to be expected, or an indicator of intergenerational inequality.

Analysis by the Institute for Fiscal Studies (IFS) suggests that wealth has been significantly distributed away from younger people in the UK.[14] Figure 2 compares median net household wealth per adult for those born in different decades. It shows that those born in the early 1980s have significantly less wealth than those born in the previous decade did at around the same age. In their early 30s, the early 1980s cohort had average household wealth per adult of £27,000 – about half the average wealth holdings of the 1970s cohort at around the same age (£53,000).[14]

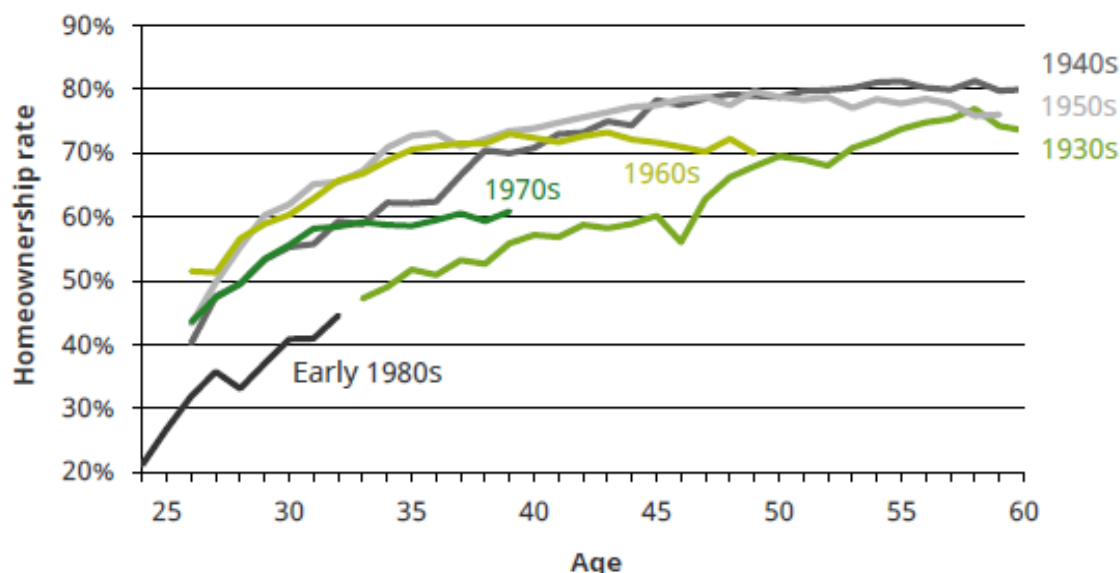
**Figure 2: Median net household wealth per adult by age, for people born in different decades (UK) [14]**



Source: IFS, The Economic Circumstances of Different Generations: The Latest Picture

The IFS suggest that much of the change in wealth distribution across generations has been driven by a reduction in house ownership among young adults.[14] Figure 3 shows that the homeownership rate at age 30 of those born in the early 1980s in the UK is substantially lower than for any other post-war cohort at the same age.[14]

**Figure 3: Homeownership by age, for people born in different decades (UK) [14]**



Source: IFS, The Economic Circumstances of Different Generations: The Latest Picture

Likewise, the Commission on Intergenerational Equality found that a ‘baby boomer’ (born 1946-1965) at age 30 was 50% more likely to own their own home than a ‘millennial’ (born 1981-2000) at the same age.[15]

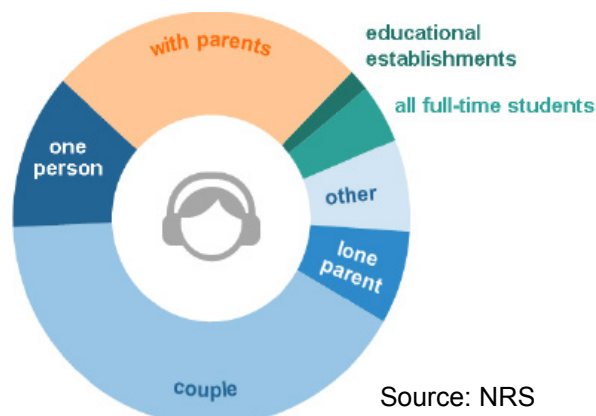
## Housing circumstances

**There has been a shift towards young adults (under 35) living in the private rented sector or with their parents rather than buying a house. Barriers to the housing market include larger deposit requirements, rising house prices, low pay and insecure work.**

### Living arrangements

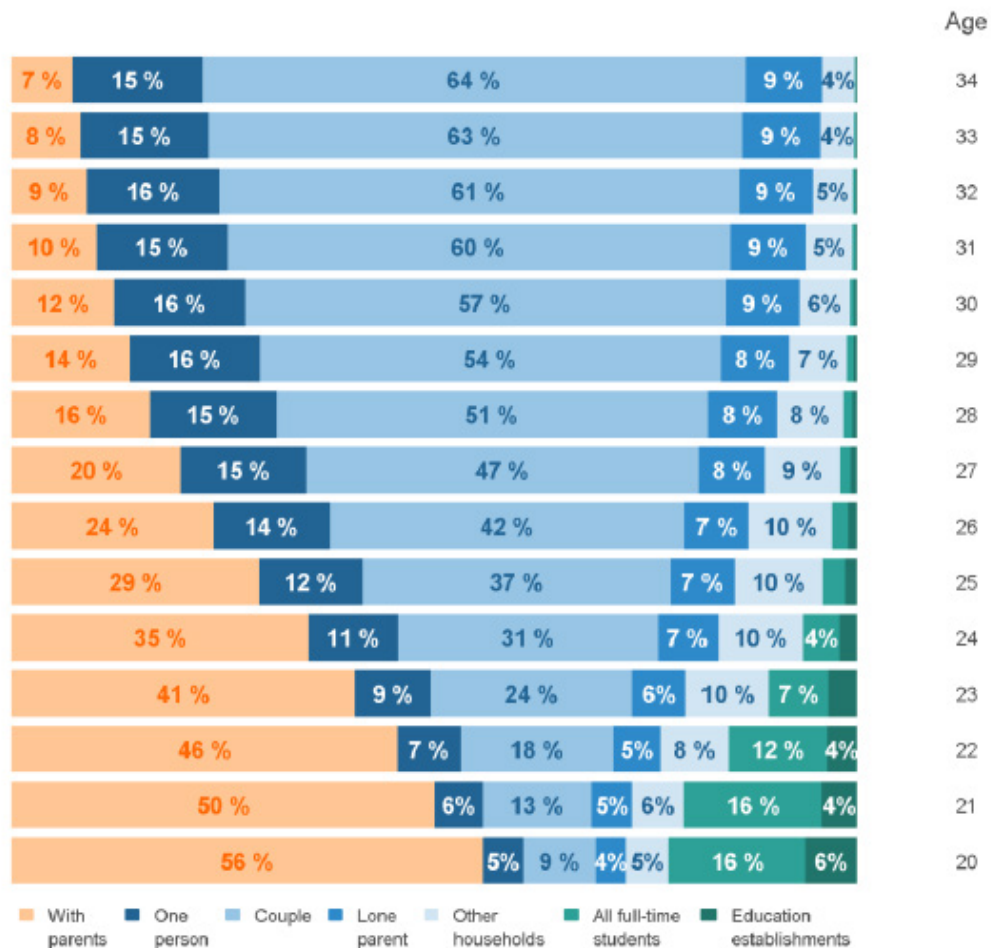
The section on housing circumstances focuses on a wider age range of young adults (under age 35) in recognition that the transition from the parental home to an independent household extends beyond age 24 for many. The 2011 Census showed that most of those aged 20-34 were living independently (as a couple, a lone parent or in a one person household), while just over a quarter were still living

**Figure 4: Living arrangements for people aged 20 to 34, Scotland, 2011 [1]**



as non-dependent children with their parents – see Figure 4 above. Those aged 20 were mostly living with their parents or in all full-time student households/ educational establishments. As age increases, there is an increase in the proportion of young adults living as a couple, a lone parent or in a one person household, until around 9 in 10 are living independently at age 34 – see Figure 5.

**Figure 5: Living arrangements for people aged 20 to 34 by age, Scotland, 2011 [1]**

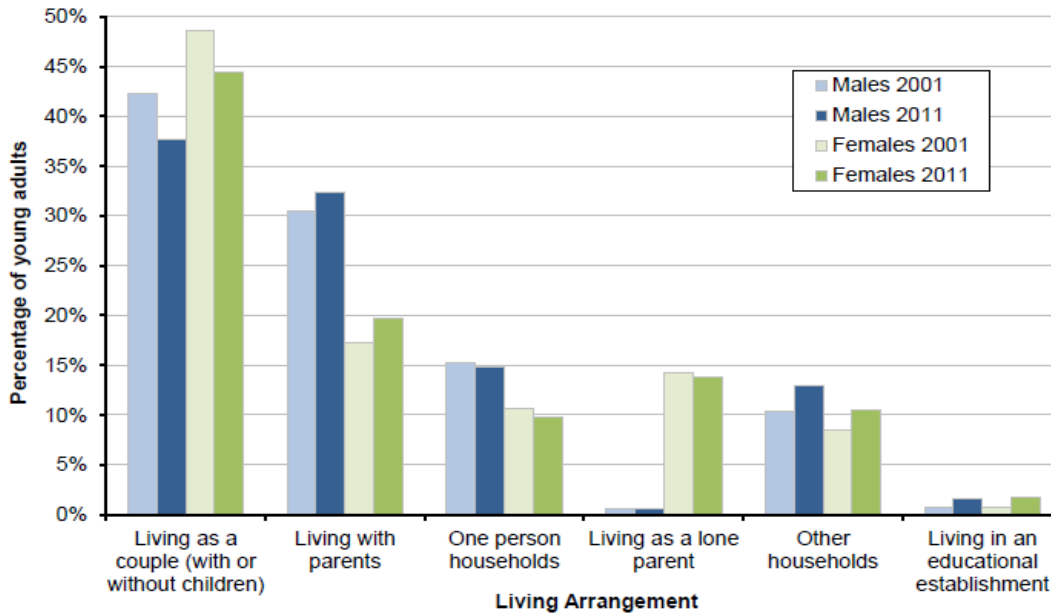


Source: NRS, Household composition for specific groups of people in Scotland, Census 2011

Analysis of census data also shows that, over the decade from 2001 to 2011, those aged 20-34 were less likely to be living with a partner or on their own, and more likely to be living with their parents or in multi-adult households (Figure 6).[1]

Compared with previous generations, it has become more common for young adults to live independently in early adulthood and cohabitation has increased.[5] This has been part of a much wider trend (across all age groups) towards a larger number of smaller households. Research suggests that young adults' reasons for leaving home are less associated with family formation than in the past, but also that they are more likely to return to the family home at a later stage.[5, 16]

**Figure 6: Living arrangements of young adults (20-34) in the 2001 and 2011 Census [1]**

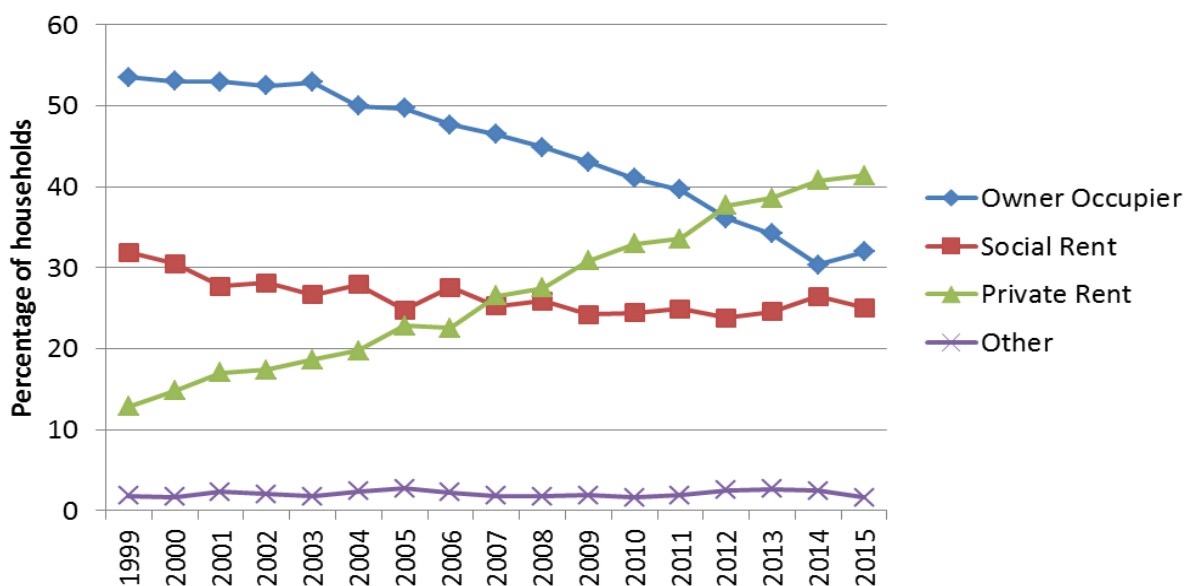


Source: NRS, Household composition for specific groups of people in Scotland, Scotland's Census

### Tenure

The proportion of younger households (with an age 16 to 34 highest income householder) that live in the private rented sector has increased substantially since 1999, to the extent that this is now the most common tenure for these households.[10] There has been a corresponding large decrease since 2003 in the percentage of younger households owning with a mortgage – see Figure 7.[10] Explanations for this shift include the increase in house prices in Scotland from 2002 to 2008; thereafter, the financial crisis in 2008, which led to a sharp fall in high loan-to-value mortgage lending, has meant that younger households have faced larger deposit requirements in order to access mortgage finance.[10]

**Figure 7: Households with a highest income earner between 16-34 years by tenure [10]**



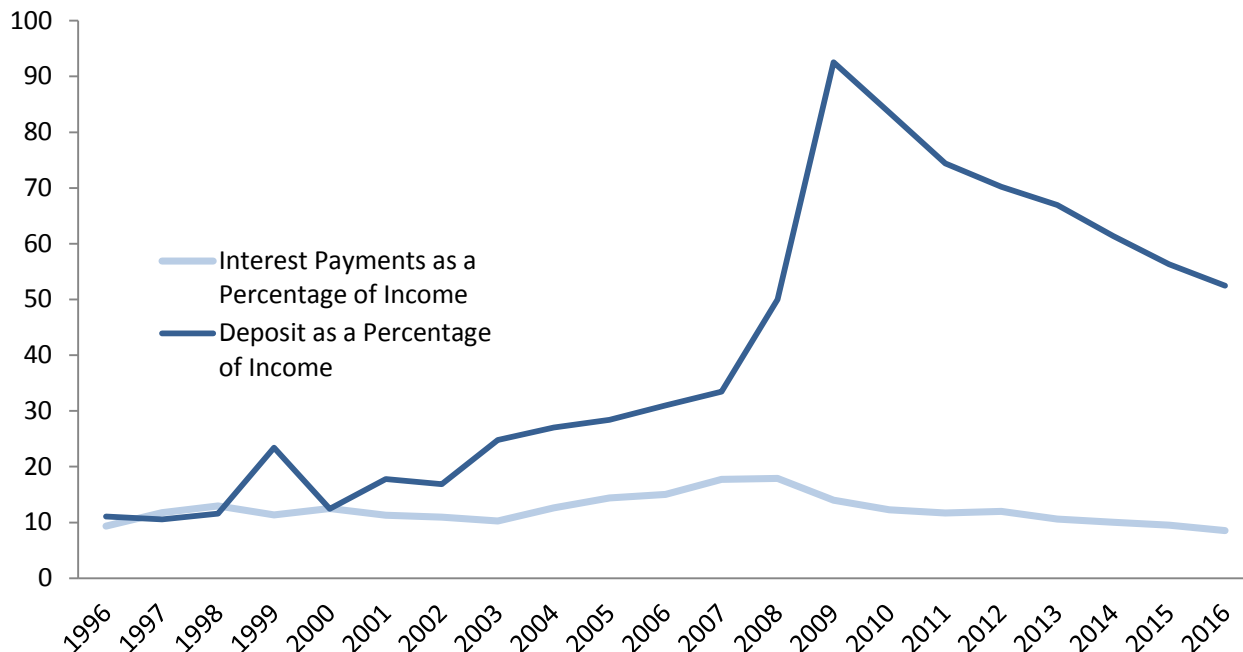
Source: Scottish Government, Scotland's People Annual Report: Results from the 2015 Scottish Household Survey



## Affordability of housing

Figure 8 highlights a dramatic increase between 1996 and 2009 in the level of deposit required as a proportion of income for first time buyers in Scotland. The level of deposit required has fallen somewhat since 2009 to around 50% of income in 2016. In contrast, interest payments as a percentage of income have been relatively stable over this period.

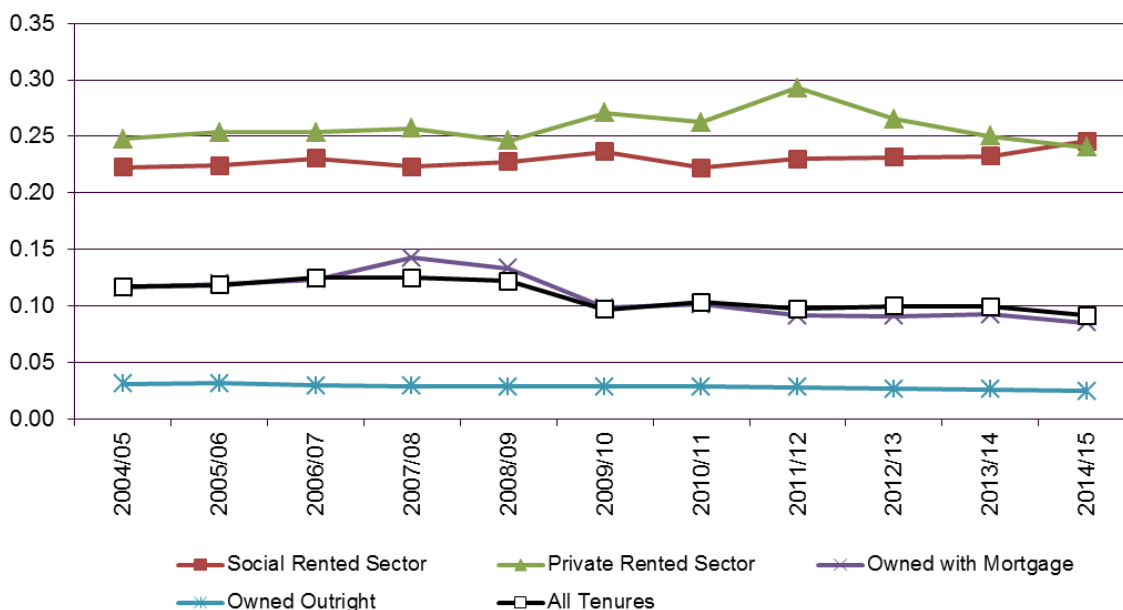
**Figure 8: Affordability Measures for First-Time Buyers in Scotland**



Source: Scottish Government analysis of CML data. Figures are approximate estimates due to limitations in the detail of the source data. For illustrative use only.

The cost of housing as a proportion of income in the private rented sector was similar in 2014/15 to 2004/05, although increased in the years following the recession.[17] However, as Figure 9 underlines, the cost of housing as a proportion of income for those who own with a mortgage is substantially lower than for those in the private rented sector. Moreover, the cost of housing as a proportion of income for those who own with a mortgage declined during the decade to 2014/15; this reflects falls in mortgage interest rates, resulting in lower mortgage payments.[17] This suggests that the size of deposit required has been the primary barrier to owner-occupation rather than the cost of servicing a mortgage. It is also suggested that low pay, insecure work and lack of wealth have exacerbated this barrier to the housing market for younger households.[18]

**Figure 9: Ratio of Housing Costs to Income (median) by tenure [17]**



Source: Scottish Government, Housing and Regeneration Outcomes Framework - Performance Indicator

Additionally, research using qualitative interviews with key housing policy and practice actors found that youth unemployment and parental support substantially determine an individual’s housing ‘success’.[19] The private rental sector was seen as unaffordable for many young adults, particularly in areas with thriving labour markets such as Aberdeen and Edinburgh.[6] While the flexibility of private renting is attractive to some groups, problems of affordability persist and the insecurity is problematic for others (e.g. parents).[6] Low-income households, especially those reliant on social security benefits, are especially vulnerable in the private rental sector. Moreover, recent research has found a continued long-term preference for homeownership among young adults in Scotland; while private renting is often regarded negatively due to a lack of tenure security.[6]

Access to housing is also a factor affecting young adults’ ability to live independently of parents and in appropriate accommodation. Homelessness figures suggest that young adults in particular may have difficulty accessing appropriate accommodation: younger age groups are over-represented in homelessness figures.[20] There were 7,762 homeless young adult households in 2015/16 – 28% of all homeless households.[20] Nevertheless, youth homelessness has been falling in recent years, and decreased by 9% between 2014/15 and 2015/16. The rate of youth homelessness in 2015/16 was 12.6 per 1000 young adults.[20]

## Employment and labour market outcomes

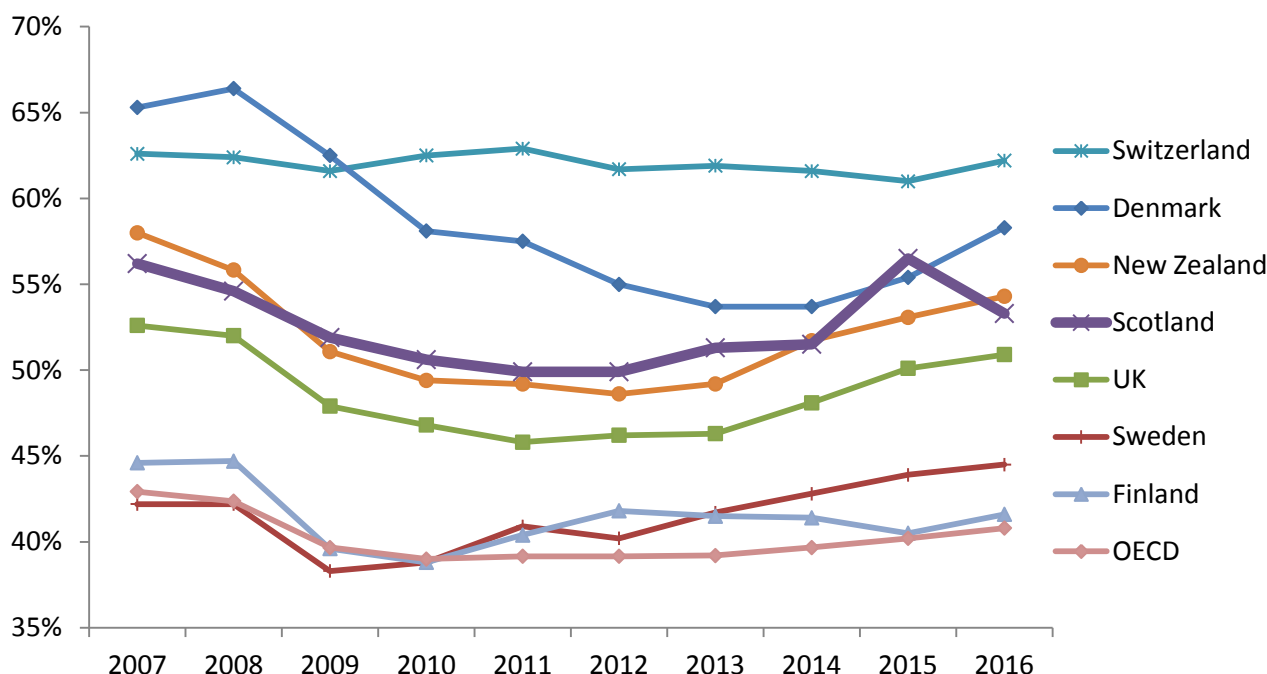
### Unemployment and NEET

**Youth employment rates in Scotland compare relatively well internationally. However, there is higher unemployment among young adults than older age groups, and young adults were particularly impacted by the recession.**

There is a considerable body of evidence to suggest that being unemployed when young leads to a higher likelihood of long-term 'scarring' in later life in terms of pay, high unemployment, fewer life chances and poorer health.[21, 22] These effects seem to be stronger for younger people and those with less education. The research shows that scarring can also be caused by periods of poor quality or precarious work.[21, 23] The literature also highlights that young adults' experiences of employment have changed in recent years. Working lives are commonly beginning later as young people stay in education for longer. Early working lives are also more fragmented with young adults having a variety of jobs before settling into long-term careers. Additionally, there are concerns about the precarious nature of the work that many young adults undertake.[24]

Youth employment and unemployment rates<sup>iii</sup> for 15-24 year olds in Scotland compare relatively well to comparator countries and the UK as a whole, as Figures 10 and 11 show.

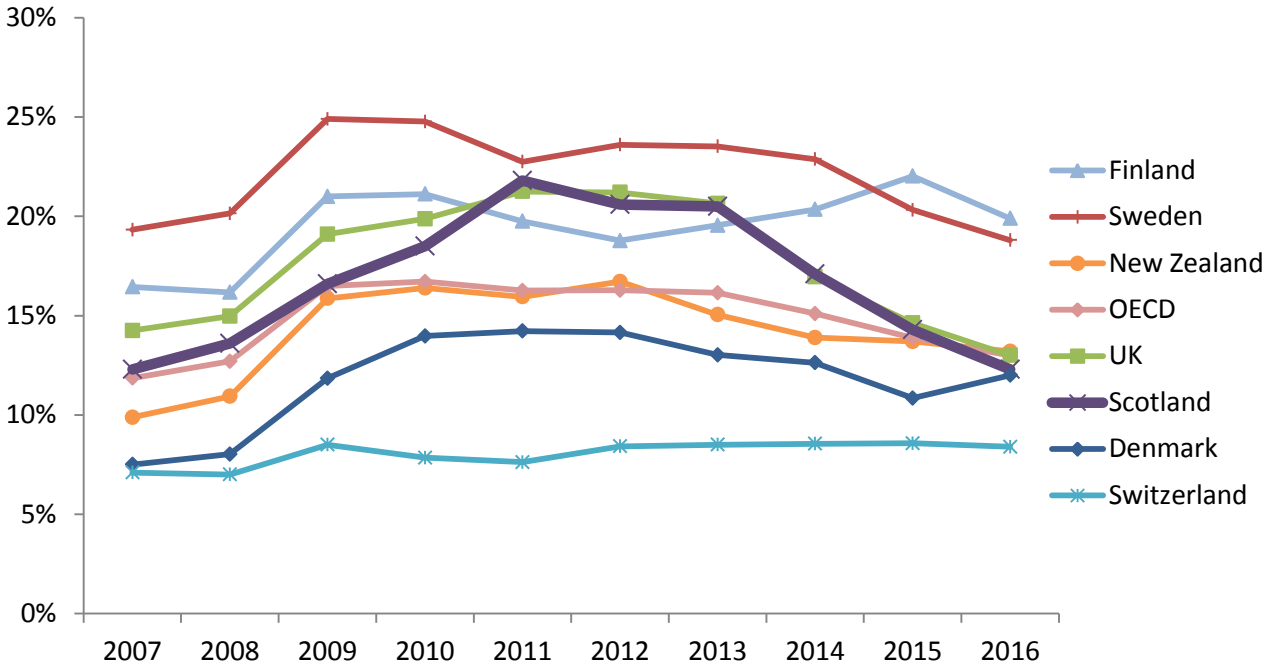
**Figure 10: Youth employment rate (age 15-24) – international comparison**



Source: Eurostat/OECD

<sup>iii</sup> The Youth Employment Rate is the number of employed people aged 16-24 (including full-time students) divided by the whole population aged 16-24; the Youth Unemployment Rate is the percentage of the active labour force aged 16-24 (including full-time students) that cannot find work. For European comparisons of youth employment, age 15-24 is used. See Appendix A.

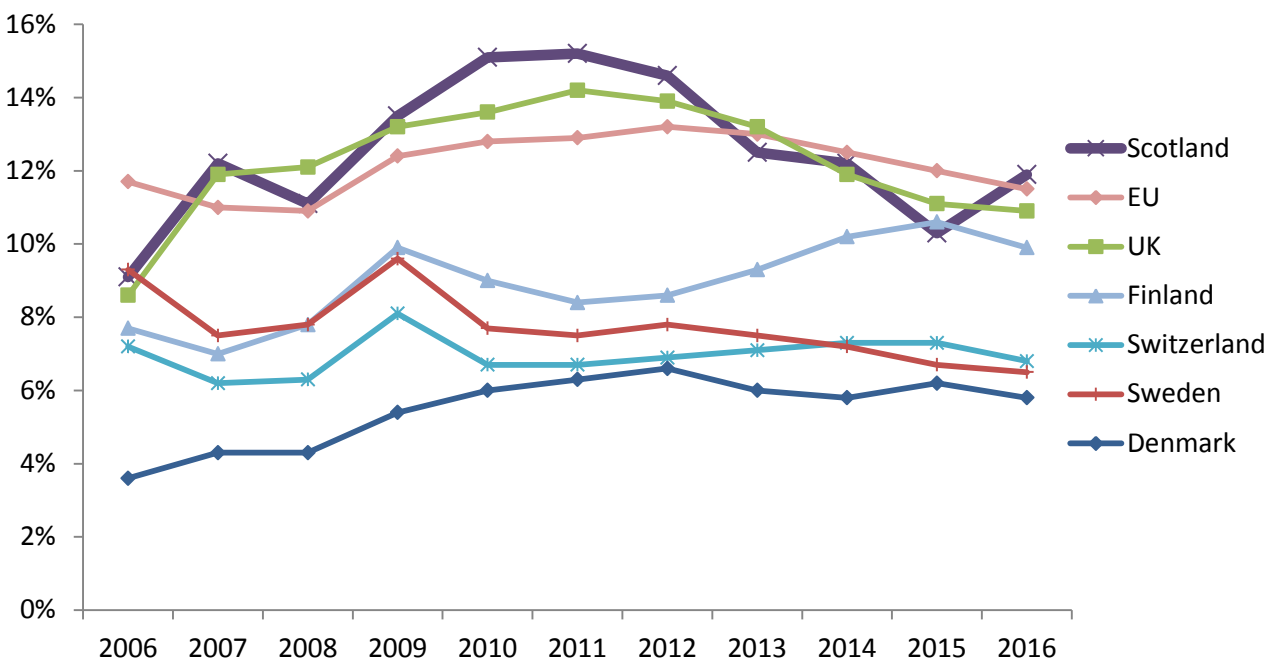
**Figure 11: Youth unemployment rate (age 15-24) – international comparison**



Source: Eurostat/OECD

Although in Scotland the main focus is on the 16-29 year old age band, Figure 12 shows that the rate of young people aged 18-24 not in training, education or employment (NEET) in Scotland is fairly high relative to comparator countries. It should be borne in mind when interpreting these international comparisons that there are differences between European school systems and the compulsory school leaving age is higher in many of these countries (including the rest of the UK).

**Figure 12: Rate of 18-24 year olds not in employment, education or training – International comparison**

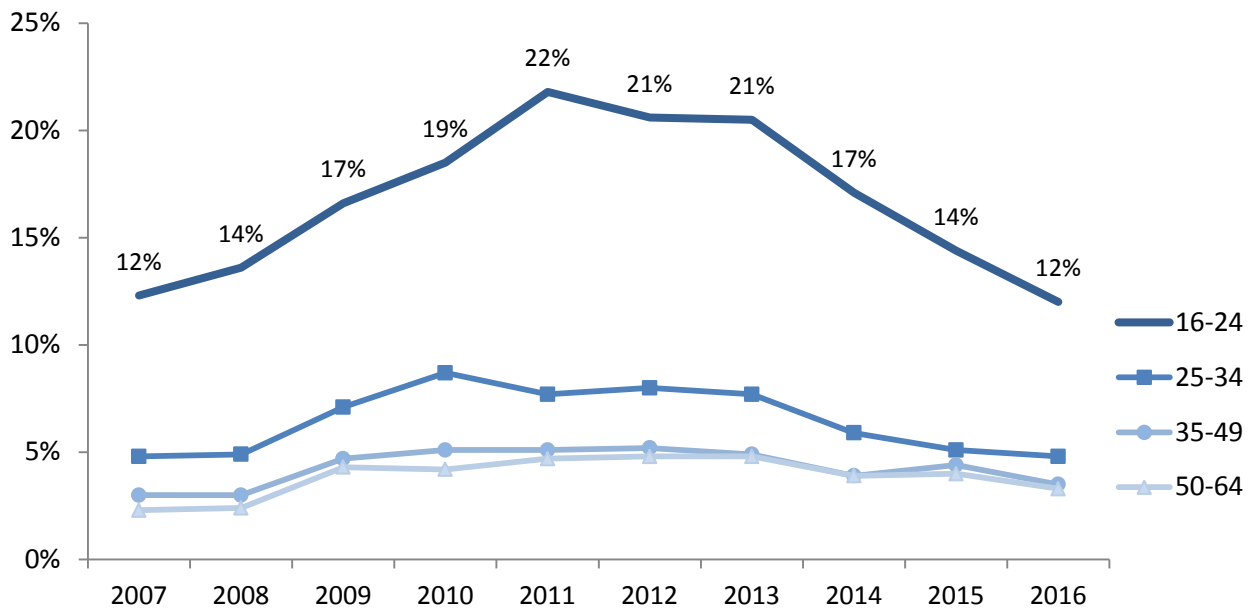


Source: Eurostat

Based on the Annual Population Survey there were 596,000 16-24 year olds in Scotland in 2016. Of these, 332,000 were in employment (86,000 of these were also in full time education), 46,000 were unemployed (16,000 of these were in full time education), and 255,000 (43%) were enrolled in full-time education overall.[25]

As Figure 13 shows, unemployment rates for young adults in Scotland have been consistently higher than those for other age groups, but have also seen the largest decreases in the last few years. This may be partly because young people are more likely to be in education and seeking flexible part-time work, which may be harder to find.[26]

**Figure 13: Unemployment rate in Scotland by age groups**

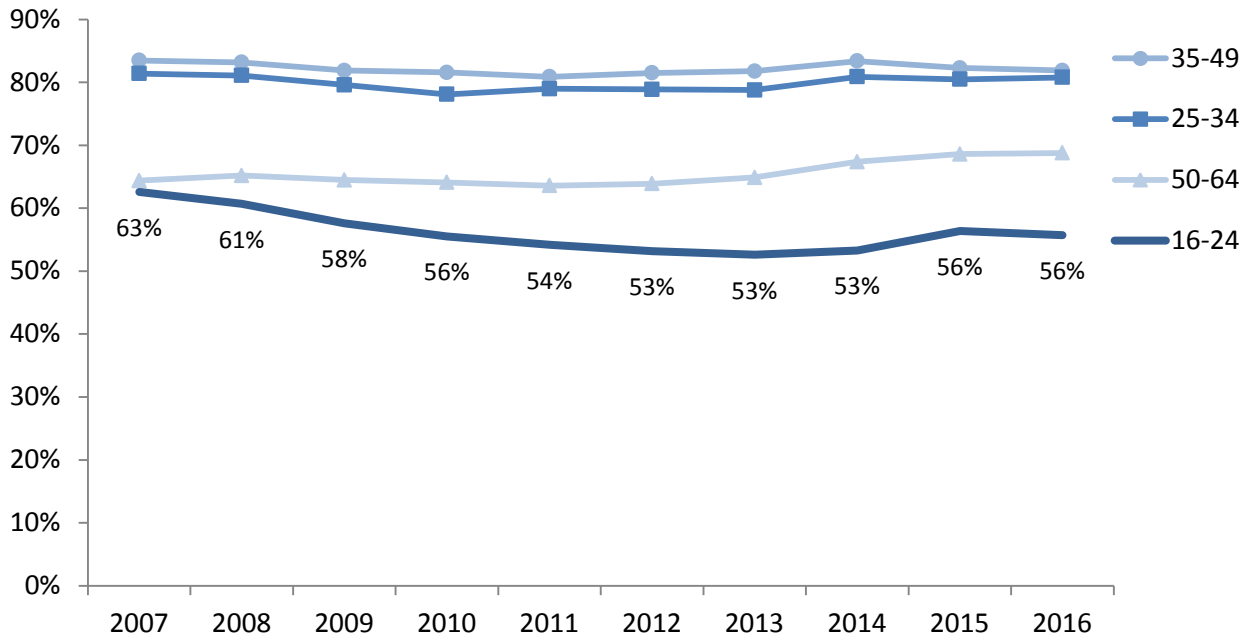


Source: APS

Younger workers saw the main impact of the recession: their employment rates reduced between 2008 and 2014 but recovered slightly in 2015, as seen in Figure 14. In contrast, employment rates for workers aged 50-64 have increased through the recovery. Younger workers have generally moved from employment and (to a lesser extent) unemployment into inactivity (mainly into further or higher education).<sup>iv</sup>

<sup>iv</sup> Young people in education who are not working or seeking work are not counted as part of the “active” population (defined as those in employment or seeking work), on which the unemployment rate is based.

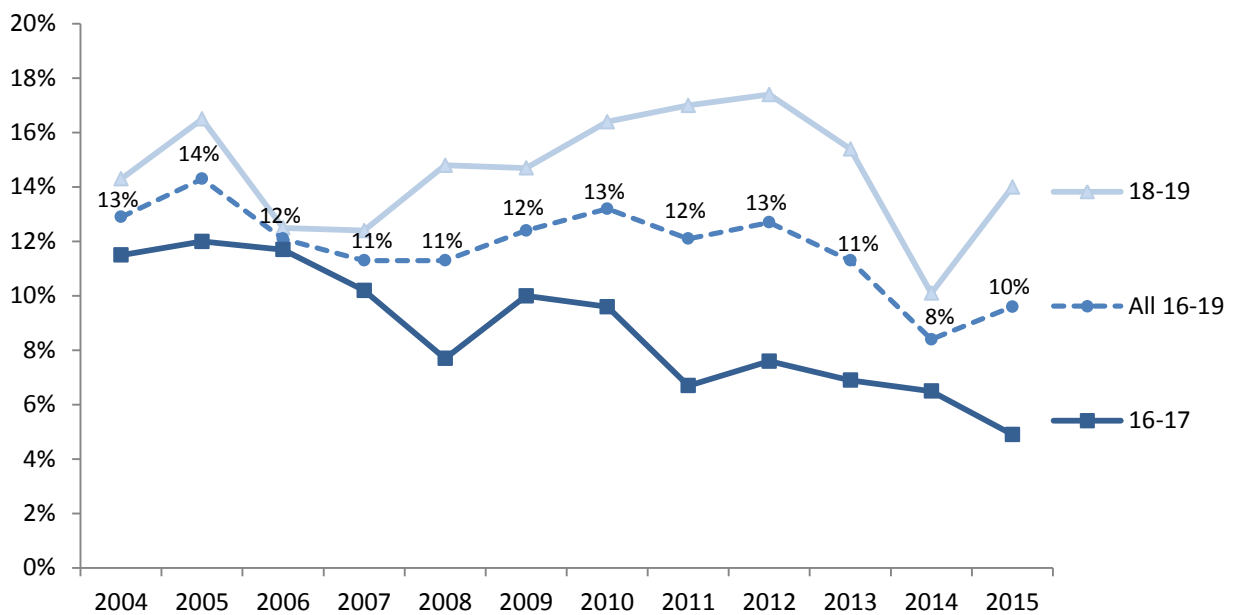
**Figure 14: Employment Rate in Scotland by Age Groups**



Source: APS

In 2015, there were 23,000 16-19 year olds who were not in employment, education or training (NEET) (9.6% of the total age 16-19 population).[27] Overall the NEET rate has declined since 2004. As Figure 15 shows, the NEET rate has decreased substantially for young people aged 16-17 in the last 10 years, while remaining relatively constant for those aged 18-19. This is due to more young people choosing to stay on at school.

**Figure 15: NEET Rates in Scotland by Age**



Source: APS

Analysis of Census data found that in 2011, of those 16 to 19 year olds who were NEET (36,700), around two thirds (67%) were unemployed and the remainder were

economically inactive.[28] Over one in five (22%) young people in the NEET group suffered from a limiting long-term illness. Additionally, around 7 in 10 (72%) of those who were NEET fell into the elementary occupations or never worked categories – and this group made up a tenth of Scotland’s 16–19 year old population.[28]

## Employment quality

**Young people are more likely to experience low quality employment, including low pay and insecure work. Being better qualified is less of a guarantee of better-paid work than in the past.**

A range of wider labour market changes have been identified as underlying drivers of inequality, including:

- Globalisation leading to skilled jobs being transferred to countries;
- Substantial technological change has led to the automation of production systems that were previously labour intensive.[29, 30]

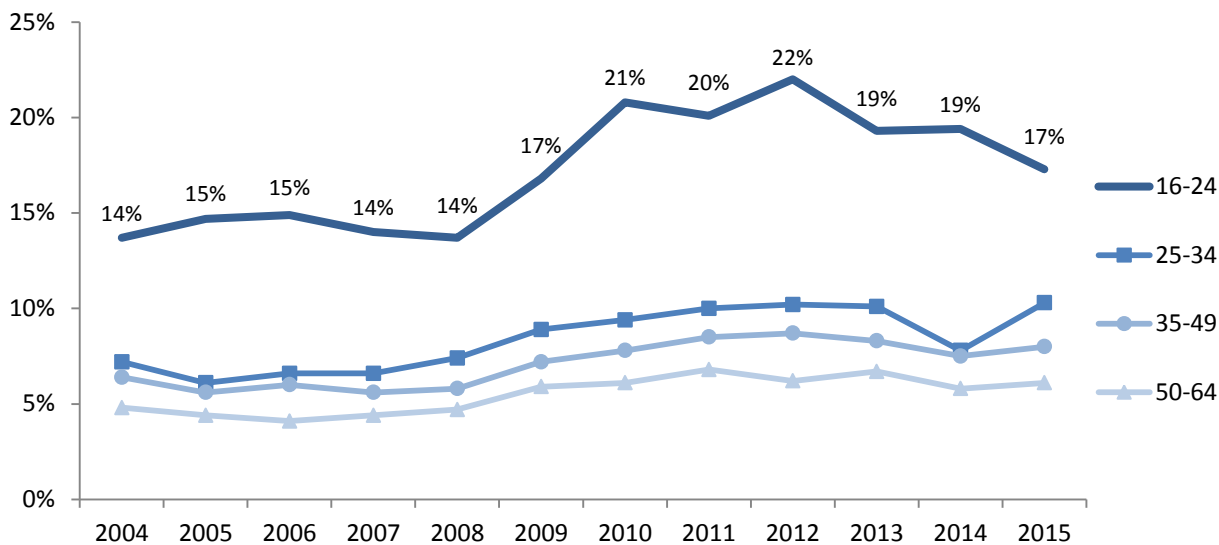
In Scotland, while the employment rate has recovered since the recession, there have been changes in the type of work available in the labour market. There has been a rise in part time employment since the recession (up around 9% since 2007), along with an increase in the number of people who say the reason they are working part-time is that they cannot find a full-time job.[26] There have also been increases in self-employment (around 25% since 2007) and underemployment<sup>v</sup> since the recession (although levels of underemployment have been falling back towards pre-recession levels).[26, 31, 32] Insecure forms of employment have also been highlighted as an issue, and there has been an increase in the number of people on zero-hour contracts in Scotland (from 1.8% of the workforce in 2013 to 2.2% in 2015).[32] Additionally, pay in Scotland and the UK has fallen in real terms over recent years.[32]

Many of these issues are of particular salience for young adults’ employment. At the UK level, 7.5% of young adults in employment were on zero hour contracts in October to December 2016 – more than double the proportion of any other age group and around a third of all people on zero hour contracts.[33] While it is difficult to untangle levels of involuntary part time/flexible working, high underemployment<sup>2</sup> rates for young adults (see Figure 16 below) suggest that experiences of part time and zero hours contracts may be by necessity rather than choice.

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<sup>v</sup> To be classified as underemployed in the data, a person must satisfy three criteria during the reference period: were willing to work more hours (meaning they either wanted to work more hours in their current job (the majority), wanted a new job with more hours, or an additional job), were available to work additional hours, and worked less than a specified number of hours.

**Figure 16: Underemployment Rate in Scotland by Age**



Source: APS

The literature also refers to an increase in ‘churning’ or cycling between low paid, short term work and unemployment, which is difficult to identify in Scottish data.[34, 35] One study found that young adults had a very high level of transitions out of low paid work into unemployment compared to other age bands, reflecting the high rates of temporary work undertaken by young people while they build their skills and search for permanent work opportunities.[35]

### Low pay

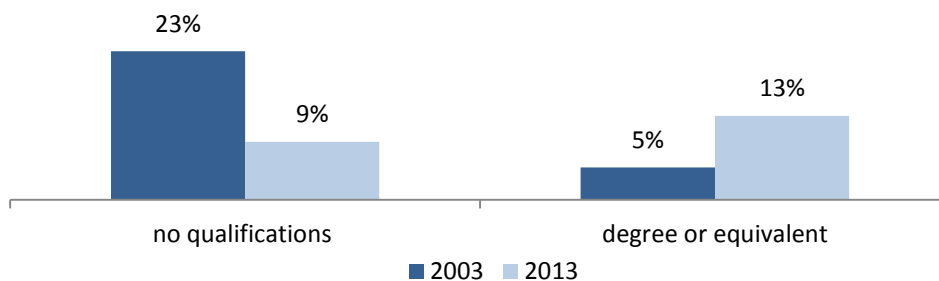
There is a significant inequality in pay with regards to age. A higher proportion of young adults earn less than the Living Wage compared to older adults (53% of 18-24 year olds compared to 20% of all adults in 2016).[36] The proportion of under 30s in low pay in the UK has continued to increase while the level has fallen among older workers.[37] Analysis by the Resolution Foundation suggests that there are large numbers of employees in the UK labour market who are unable to progress out of low pay (in 2012, 28% of low paid employees were stuck on low pay for the previous decade).[38] Taken together this suggests that some young adults may find it difficult to progress from low pay work.

Labour market insecurity is also related to occupation and sector. Young adults in the UK are overrepresented in low wage sectors such as retail and food services, and underrepresented in higher paid professions such as professional and technical occupations and education. There are also often limited progression opportunities in these sectors.[39] Sectors such as construction; transport & communication; and distribution, hotels & restaurants rapidly reduced their employment of young people in the UK between 2004 and 2015.[40] Young adults are more exposed to economic instability and industry changes.[40] Sutherland and colleagues found that, in general, young people are under-represented within growth sectors in the Scottish economy. The only sectors they were over-represented in were food and drink (where young adults accounted for 14% of employment) and tourism (where they account for 34% of employees).[41]



While it remains the case that, all else being equal, the higher a person's qualifications the lower the likelihood that they will be unemployed or low paid, Figure 17 shows that over the ten years to 2013 the average level of qualifications has improved and low paid employees are more likely to be better qualified.[42] This points to a further problem for today's young adults: being better qualified is less of a guarantee of better-paid work than in the past. A review by the Joseph Rowntree Foundation (JRF) also found that although, on average, young adults today will have higher qualifications than previous generations, there is a risk that those with low or no qualifications will be more disadvantaged than previous generations as the demand for skills increases.[42]

**Figure 17: Qualification levels of low paid people in Scotland [42]**



Source: JRF, Understanding age and the labour market

Evidence suggests that it is less advantaged young people, especially those with low educational attainment, who are more likely to experience low paid, precarious work, and 'churn' between this and unemployment. Experts distinguish between those with diverse resources who can access stable employment or choose flexible patterns temporarily, and those with few resources whose careers are defined by poor work.[29]

### **Labour market outcomes: life stage or intergenerational inequality?**

This analysis suggests that young adults today struggle in the labour market in spite of being the most highly educated generation yet. Unemployment is generally higher among young adults than prime age adults, and those who do work tend to have poorer-quality jobs and are more likely to be on temporary contracts or to earn low wages than older workers. Are these issues young adults face because of their life stage, and therefore something to be expected, or an indicator of intergenerational inequality?

There is evidence to suggest that a structural level change is happening, where young adults today are experiencing exclusion from the labour market in a way that is new to the current generation. Analysis by the IFS shows that those born in the 1980s are the first post-war cohort in the UK to start their working lives earning no more than the previous.[14] While the JRF found that young adults in the UK were more disadvantaged in the labour market than previous generations.[42] JRF's

report highlighted, in terms of low pay and job quality, the position of young people worsened significantly in recent years, especially for those least qualified. Evidence showed that young people in employment were disproportionately likely to be working in low pay sectors – notably retail and accommodation. Furthermore, younger people were more likely to be in insecure employment, employed part-time on non-standard contracts, and with less access to training. As a result, they were more vulnerable to unemployment than those in mid-life. Moreover, underemployment was widespread among younger workers, in terms of working fewer hours and underuse of skills.[42]

## Education and training

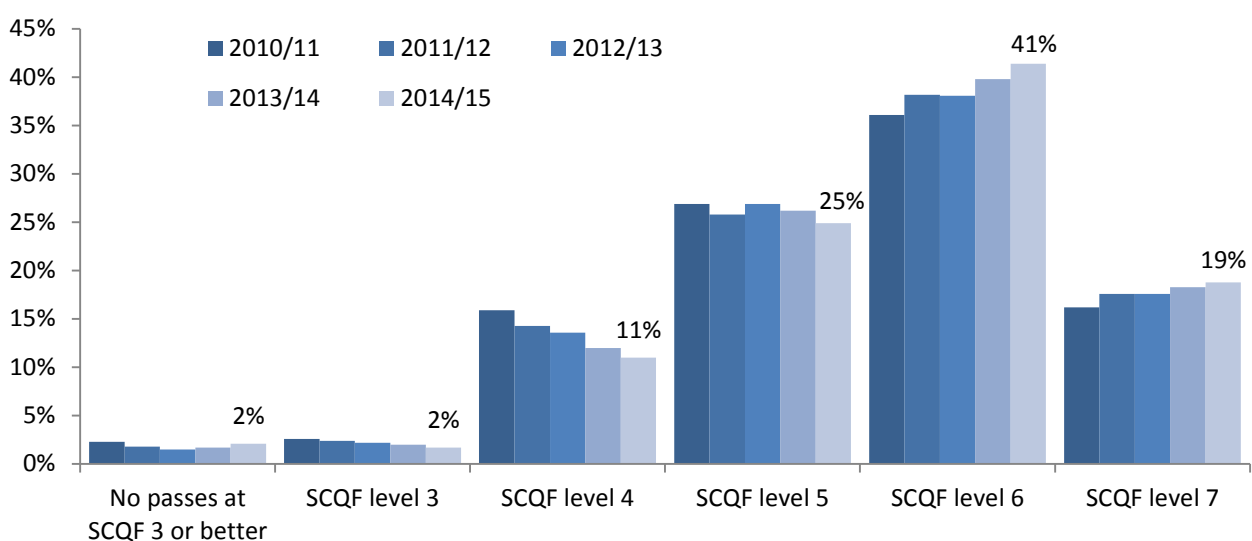
### School education

**Levels of attainment of school leavers have generally been improving in Scotland. Results for the broad general education phase declined slightly in the most recent surveys.**

While we have seen that education is less of a guarantee of quality employment than it once was, the chances of a young person being in work increase with the level of qualification they hold. Qualifications also give individuals higher wages than workers with few or no qualifications, with increasing returns as the level of qualification increases.[43]

In 2014/15, 60% of school leavers left with one or more passes at Higher or Advanced Higher (SCQF level 6 or better) while 2% attained no passes at SCQF level 3 or better.[44] The proportion leaving with passes at Higher or Advanced Higher has increased over the last five years (see Figure 18 below).

**Figure 18: Percentage of school leavers by highest SCQF level at which one or more passes were achieved, 2010/11 to 2014/15 [44]**



Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

Data for the Broad General Education phase for 2016 and earlier can be obtained from the Scottish Survey of Literacy and Numeracy (SSLN) – a nationally representative sample survey of pupils in P4, P7 and S2. SSLN assesses pupils' performance in numeracy and literacy in alternate years against the standards set by CfE. The 2016 (literacy) and 2015 (numeracy) surveys showed that the majority of pupils are doing well in both areas, with the exception of pupils in S2 for numeracy.[45, 46] But they also showed that results declined slightly between 2012-2016 for literacy in some stages and 2013-2015 for numeracy in P4. [45, 46] Additionally, the Programme for International Student Assessment (PISA) provides insight into how the performance of Scotland's young people in reading, maths and science compares internationally. In PISA 2015, the performance of fifteen year olds in Scotland was similar to the OECD average for all three subjects.[47] However, Scotland's overall performance compared to 2012 declined in science and reading, but was similar in maths.[47]

Fewer pupils are being excluded from school: the number of exclusions from primary schools fell by 42% from 6018 in 2006/07 to 3478 in 2014/15. Over the same time period, exclusions from secondary schools fell by 62% from 37,566 to 14,098.[48]

## Post-school transitions

**School staying on rates have generally been improving in Scotland. The proportion of school leavers in a 'positive destination' has been increasing. The vast majority of 16-19 year olds in Scotland are participating in education, training or employment.**

For most young people S4 (age 16) is the last compulsory year of school, but the majority will choose to stay on and complete S5 and S6. For 2014/15 school leavers, almost two thirds (64%) left at the end of S6, a quarter (25%) left at the end of S5, and 11% left at the end of S4. The proportion of secondary pupils staying on at school between S4 and S5, and S5 and S6 has been steadily increasing.[44]

There are two main datasets focussing on young adults' transitions from school:

- 'School leaver destinations' (the current National Indicator), published by the Scottish Government – a snapshot following up all school leavers in the year after they leave school. Primary destination information is gathered for young people identified as school leavers in the September after they leave school ('initial' destination) and again the following March ('follow-up' destination).[44]
- The 'Annual Participation Measure' (first published in 2016), published by Skills Development Scotland (SDS) – takes account of the activity of all 16-19 year olds over the course of a year. The participation classification of each individual is calculated by combining the number of days spent in each status between 1st April and 31st March.[49]

Firstly we present analysis of leaver destinations to provide a time series and explore the impact of stage of attainment on destinations. We then discuss analysis

of the Participation Measure to give an overview of the activity of all 16 to 19 year olds.

In 2014/15, 92% of leavers were classed as being in a 'positive follow-up destination'<sup>vi</sup>, an increase from 85% in 2009/10.[44] The majority of leavers who enter higher education (HE) remain at school until the end of S6. The nature of the destination changes as the attainment of leavers improves, with the likelihood of going on to a positive destination increasing (see Table 1). Those with one or more passes at SCQF level 6 or 7 are most likely to move into HE. Those with passes at SCQF level 3 or no passes are most likely to be in further education (FE) or unemployed seeking.[44]

**Table 1: Percentage of school leavers by highest SCQF level at which one or more passes were achieved and follow-up destination category, 2014/15 [44]**

Follow-up Destination	No passes at SCQF 3 or better	SCQF level 3	SCQF level 4	SCQF level 5	SCQF level 6	SCQF level 7	Number of Leavers (%)
HE	0.6	0.0	0.4	2.3	49.1	84.1	<b>19,268 (36.8%)</b>
FE	20.1	24.5	36.1	41.6	17.9	4.3	<b>12,269 (23.4%)</b>
Training	11.1	12.8	9.3	3.8	0.7	0.2	<b>1,436 (2.7%)</b>
Employment	18.2	16.2	29.7	41.6	28.4	9.5	<b>14,575 (27.8%)</b>
Voluntary Work	1.2	0.7	0.4	0.3	0.4	0.7	<b>238 (0.4%)</b>
Activity Agreement	7.4	7.1	2.6	0.6	0.1	0.0	<b>390 (0.7%)</b>
Unemployed Seeking	23.0	25.9	16.1	7.4	2.4	0.9	<b>2,977 (5.7%)</b>
Unemployed Not Seeking	15.7	10.9	4.3	1.5	0.6	0.2	<b>858 (1.6%)</b>
Unknown	2.7	1.9	1.1	0.9	0.4	0.1	<b>326 (0.6%)</b>
<b>Positive Destinations</b>	<b>58.6</b>	<b>61.3</b>	<b>78.5</b>	<b>90.2</b>	<b>96.7</b>	<b>98.7</b>	<b>92.0%</b>
<b>Other Destinations</b>	<b>41.4</b>	<b>38.7</b>	<b>21.5</b>	<b>9.8</b>	<b>3.3</b>	<b>1.3</b>	<b>8.0%</b>
<b>All Leavers</b>	<b>1,092</b>	<b>883</b>	<b>5,774</b>	<b>13,052</b>	<b>21,704</b>	<b>9,832</b>	<b>52,337</b>

Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

<sup>vi</sup> A positive destination includes higher education, further education, training, voluntary work, employment and activity agreements, whilst 'other' destinations include unemployed seeking/not seeking, and unknown.

According to the Annual Participation Measure, 90% of the cohort of 222,580 young people aged 16 to 19 in Scotland were participating in education, training or employment in 2016.[49] The participation rate decreases with age, from 99% for 16 year olds to 82% for 19 year olds. The vast majority (91%) of 16 year olds are school pupils. [49] Across the whole cohort, 19% were reported with a HE status, 11% FE and 17% employment. The non-participating group accounted for 4% of the cohort and includes those reported as unemployed and seeking employment, as well as economically inactive and others not seeking employment (the proportion with an unconfirmed status was 6%<sup>vii</sup>).

SDS conducted secondary cohort analysis of the 2012/13 school leaver cohort using available data in their shared dataset for this report, focussing on the impact of stage of school leaving.<sup>viii</sup> The analysis found that the timing of leaving school had a bigger impact upon destinations and participation as a young person's post-school journey developed than living in the most deprived areas of Scotland. They found that "statutory leavers" – those who leave school at the earliest opportunity – had more disrupted post-school transitions as they were less likely than those who stay at school longer to sustain outcomes. A lower proportion of statutory leavers entered education or employment at their initial stage of leaving, and they were less likely to remain in post-school education and more likely to enter shorter term training than those who stay at school longer.

## College

Slightly under a quarter (23.4%) of school leavers moved into further education (FE) in 2014/15, which is similar to previous years (24.6% in 2010/2011).[44] However, this figure does not include all college activity. The 'Employment' destination in Table 1 includes young people undertaking training in employment through national training programmes such as Modern Apprenticeships, which are delivered in colleges, while the 'HE' destination includes young people enrolled in HE at colleges.<sup>ix</sup> Across all ages, there has been a decrease of over 190,000 college enrolments from 2007/08 to 2014-15; however, this trend is primarily explained by a shift from very short courses to more substantive programmes leading to recognised qualifications – as full-time equivalent numbers have remained similar.[50]

The proportion of students completing their course (successfully or partially successfully) and successfully completing their course increased between 2009-10

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<sup>vii</sup> It is anticipated that as the Participation Measure develops, the level of those aged 18-19 with an unconfirmed status will decrease. Furthermore SDS is working with Scottish Government and HMRC to obtain more comprehensive data on those in employment. This should bring benefits in reducing the number of unconfirmed statuses.

<sup>viii</sup> SDS's 'Analysis of Outcomes for 2012/13 School Leavers' provides an analysis of the journey of the 2012/13 school leaver cohort over three years from the point of leaving school (October 2013) through to October 2016. It examined the differences in progression to further learning, training or work, according to a number of key variables, including stage of leaving (statutory/non-statutory) and SIMD.

<sup>ix</sup> FE is defined as study at SCQF levels 1-6, whilst HE is defined as study at SCQF levels 7 or above (including HNC and HND qualifications).

and 2014-15 (for both FE and HE qualifications).[51] In 2014/15 three quarters (75%) of those enrolled on full-time recognised FE qualifications and 83% of those enrolled on full-time recognised HE qualifications completed their courses (successfully or partially successfully). Age has a large impact on successful completion: there is a 10.4 percentage point difference in successful completion between those under 18 years old and those over the age of 41 (Table 2).[52]

**Table 2: College enrolments by age group for courses lasting 160 hours or more in 2014-15 [52]**

Age	Completed Successful		Completed partial success		Further Withdrawal		Early withdrawal		Total
	%	N	%	N	%	N	%	N	N
Under 18	63.8	20,502	15.1	4,836	15.2	4,893	5.9	1,889	32,120
18-20	70.2	33,694	12.5	5,993	12.5	6,004	4.9	2,337	48,028
21-24	70.0	14,456	11.3	2,331	12.4	2,563	6.3	1,298	20,648
25 & over	73.1	27,789	9.6	3,677	10.9	4,162	6.3	2,411	38,039

Source: Scottish Funding Council, Learning for All: Measures of Success, 2016

Table 3 shows that the majority of age 16-24 qualifiers from college went on to further study/training.[53] Scottish Funding Council note that, when considering college destinations it is important to understand that: “many of the courses students have qualified from – although courses in their own right – are part of a larger journey preparing the student to progress through levels until they reach the appropriate exit point in their learning.”[53]

**Table 3: 16-24 year old college leaver destinations, all qualifiers, 2013-14/2014-15 [53]**

Destination		2013-14	2014-15
f/t further study, training or research	↑	65.7%	<b>68.3%</b>
p/t further study, training or research	↓	1.0%	<b>0.3%</b>
Working f/t*	↓	13.5%	<b>11.3%</b>
Working p/t	↓	3.5%	<b>3.3%</b>
Due to start a job by the 31 <sup>st</sup> March	→	0.1%	<b>0.1%</b>
Unemployed and looking for work	↓	2.8%	<b>2.7%</b>
Temporarily sick or unable to work/looking after home or family	→	0.4%	<b>0.4%</b>
Not employed but not looking for employment, further study/ training	→	0.3%	<b>0.3%</b>
Taking time out in order to travel	→	0.2%	<b>0.2%</b>
Unconfirmed	↑	12.5%	<b>13.1%</b>

Source: Scottish Funding Council, College Leaver Destinations 2014-15

\*Working full-time or part-time includes apprenticeships, self-employed/freelance, voluntary or other unpaid work, developing a professional portfolio/creative practice or on an internship.

## University

Slightly over a third of school leavers moved into HE in 2014/15 (36.8%). The majority of school leavers who go on to HE do so at university.

It is possible for students to ‘articulate’ from HE at college to university: students may move from one- or two-year college-based HNC or HND courses to the later years of a university degree programme. There has been an increase in the number of students articulating from college with advanced standing, increasing from 3,099 in 2011/12 to 3,999 in 2014/15.[54] Most articulation with advanced standing (66% in 2014/15) is delivered through five institutions that act as regional ‘hubs’ for articulation from local colleges to university partners – the University of the West of Scotland, and Robert Gordon, Abertay, Napier and Glasgow Caledonian Universities.[54] The Sutton Trust suggest those articulating from college to university are disadvantaged in a number of ways: only half of those who enter a HN college course subsequently move on to a university degree programme; of students who articulate, only half receive full credit; and students who enter university with HN qualifications are more likely than others to drop out.[55]

The proportion of young (aged under 21) full-time university entrants in Scotland who do not continue in HE beyond their first year was 6.5% in 2014/15. Overall, the non-continuation rate for young entrants has declined over the last decade.[56]

**Table 4: Destinations of full-time first degree leavers, Scotland HEPs 2013/14 & 2014/15 [60]**

Destination	2013-14		2014-15	
UK work	65%	13490	<b>65%</b>	13000
Overseas work	3%	675	<b>3%</b>	695
Combination of work and further study	5%	1140	<b>6%</b>	1145
Further study	16%	3345	<b>17%</b>	3420
Unemployed	6%	1160	<b>5%</b>	965
Other	4%	930	<b>4%</b>	840
<b>Total of known destination</b>	100%	<b>20740</b>	100%	<b>20065</b>
Percentage in employment or further study	65%	90%	<b>65%</b>	91%
Unknown	3%	6660	<b>3%</b>	6895
<b>Total</b>	5%	<b>27400</b>	<b>6%</b>	<b>26960</b>

Source: HESA: Destinations of Leavers from Higher Education in the United Kingdom for the academic year 2014/15

In 2014/15, there were 20,065 full-time first degree leavers whose destinations were known, 65% were in UK employment and 5% were unemployed (Table 4). Of the full-time first degree leavers who were employed in the UK, 72% were in posts classified as Professional employment (73% in 2013/14). The remaining 28% were working in occupational groups classed as non-professional.[57]

## Modern Apprenticeships

At the policy level there is a strong focus on under 25s in terms of Scotland's publicly funded apprenticeships. There were 20,506 modern apprenticeship (MA) starts aged 16-24 in 2015/16 (79% of the total): 12,837 were aged 16-19 and 7,669 were aged 20-24.[58] Sixty four per cent of 16-24 year old starts were at Level 3 (SCQF Level 6/7) and above (Level 2 is equivalent to SCQF Level 5). The top four framework groupings with the highest volume of starts have remained the same each year since 2012/13: Construction & Related; Sport, Health & Social Care; Hospitality & Tourism; Retail & Customer Service.[58]

The evidence available suggests MAs offer a route to sustainable employment, although the focus is on short term outcomes<sup>x</sup>. SDS has undertaken studies in 2012 and 2016 following up MAs (using telephone surveys) around six months after they left their apprenticeship.[59] In 2016 91% of MAs who completed their apprenticeship were in work around six months later. Two-thirds (67%) of completers were employed with the same employer. The majority of all leavers (85%), including non-completers, were in work 6 months after leaving, with nine in ten (90%) in either work or education. The likelihood of being in work after leaving a MA increases with the age of the apprentice and the level of the apprenticeship. The majority of MAs (87%) were satisfied with their apprenticeship overall.[59]

## Health and wellbeing

### Health and wellbeing status in young adults

**Young adults generally report high levels of physical health and general wellbeing. However, the analysis suggests some issues around mental health.**

In the Scottish Health Survey 2015, young adults generally reported good physical health.[60] As would be expected, levels of 'good' or 'very good' self-assessed health decrease as age increases, while the prevalence of those reporting limiting longstanding illnesses increases markedly with age. The proportion of young adults reporting a limiting longstanding illness did rise from 10% to 14% between 2008-11 (combined) and 2012-15 (combined)<sup>xi</sup>. Around 4 in 10 young adults were overweight (42%, including 16% who were obese), which is lower than for adults in general (65% of adults were overweight, including 29% who were obese).[60]

NHS Health Scotland published analysis of mental health indicators for all adults in 2012. They summed up the picture over the last decade as broadly stable, with a promising level of positive change and only a small, but important, number of negative trends.[61]

<sup>x</sup> SDS is currently undertaking work that looking at longer term outcomes for MAs.

<sup>xi</sup> Scottish Government analysis of the Scottish Health Survey 2008-11 to 2012-15 for age 16-24.



Turning to young adults, self-reported data in the Scottish Health Survey shows that life satisfaction scores were similar to those for all adults, while mean wellbeing scores<sup>xii</sup> were slightly lower than for older age groups. As Table 5 shows, self-reported levels of depression, anxiety, and ever having attempted suicide were similar to all adults for 2012-15. However, the proportion of young adults who self-reported ever having self-harmed was much higher than for older age groups.

**Table 5: Anxiety and depression scores, attempted suicide and deliberate self-harm, 2012-2015 combined, by age and sex**

Mental health problem	Age							Total
	16-24	25-34	35-44	45-54	55-64	65-74	75+	
<b>Depression symptom score</b>								
0	77	80	82	80	80	87	90	82
1	14	11	7	9	10	6	4	9
2 or more symptoms	8	8	11	11	10	7	6	9
<b>Anxiety symptom score</b>								
0	72	75	76	78	77	84	87	78
1	16	14	14	10	10	7	8	12
2 or more symptoms	12	11	10	12	13	9	5	11
<b>Suicide attempts</b>								
No	94	94	93	92	96	98	99	95
Yes	6	6	7	8	4	2	1	5
<b>Deliberate self-harm</b>								
No	82	92	92	96	98	99	100	94
Yes	18	8	8	4	2	1	0	6

Source: Scottish Government, The Scottish Health Survey 2015: Volume 1: Main Report

There also appear to have been steeper increases between 2008-11 and 2012-15 in the proportions of young adults reporting two or more symptoms of depression

<sup>xii</sup> Wellbeing is measured using the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS), a scale developed to enable the monitoring of mental wellbeing in the general population. It has 14 items designed to assess: positive affect and satisfying interpersonal relationships and positive functioning. The scale uses positively worded statements with a five-item scale ranging from '1 - none of the time' to '5 - all of the time'. The lowest score possible is therefore 14 and the highest score possible is 70.

(from 4% to 8%) and anxiety (from 6% to 12%), than for all adults. The level of self-reported self-harm among young adults has also increased since 2008-11 (from 5%).<sup>xiii</sup>

There is evidence to suggest that psychological distress has an impact on social mobility. In an analysis using the West of Scotland cohort, Sweeting et al found that poor mental health at age 18 was associated with disadvantaged socio-economic position at age 24, and poor mental health at age 24 was associated with disadvantaged socio-economic position at age 30.[62] Therefore, poor mental health in early adulthood may have an impact on future life chances.

### **Health and wellbeing status in early adolescence**

**In general, young people report high levels of health and wellbeing in early adolescence, although scores on a number of indicators decline with age between 11 and 15. Scotland's relative performance internationally also weakens throughout early adolescence across many indicators of wellbeing.**

Much of the evidence for adolescents' health and wellbeing comes from the cross-national Health Behaviour in School-aged Children (HBSC) survey, which surveys 11-, 13- and 15-year-olds' every four years.[63] In the 2014 survey, the majority of young people report good (56%) or excellent (26%) health. The proportion reporting excellent health has increased since 2010 (from 21%). However, fewer than one in five (18%) met government physical activity guidelines, while almost two thirds (64%) of young people watched television for two or more hours every day during the school week.[63] The Scottish Health Survey found that just over one in four (28%) children were at risk of being overweight in 2015, with 15% at risk of obesity.[60]

HBSC found that most young people in Scotland reported high life satisfaction (87%). However, when asked how often they felt confident, less than one in five (16%) adolescents in Scotland answered "always"; this has declined in each survey since 2002. Life satisfaction and self-confidence also decline between age 11 and 15 in Scotland.[63]

NHS Health Scotland also developed a set of mental health indicators for children and young people (aged 17 and under) covering mental wellbeing and mental health problems.[64] They reported on them in 2013, concluding that the picture over the last decade was one of broad improvement for over half of the mental health outcome measures analysed and general stability over time for most others. However, the majority of mental wellbeing measures deteriorated with age (during early adolescence), while some mental health problems increased with age. [64]

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<sup>xiii</sup> Scottish Government analysis of the Scottish Health Survey 2008-11 to 2012-15 for age 16-24. N.B. In both periods these questions are asked of a sub-sample only. However, the data collection method has changed over time. In 2008-2011 they were asked as part of a nurse interview; from 2012 onwards they are part of the survey biological module, where participants answer the questions themselves via computer assisted self-interviewing. The change in mode of data collection may have impacted responses: there is a possibility that observed changes in prevalence across this period may, in part, reflect the change in mode rather than any real change in the population.

In most cases, the reported health and wellbeing of Scotland's young people places them in the middle to lower end of the HBSC country rankings. Self-rated health, physical activity and sedentary behaviour for early adolescents in Scotland are all below HBSC average; whereas life satisfaction and self-confidence are all considered about average compared with other countries.[65]

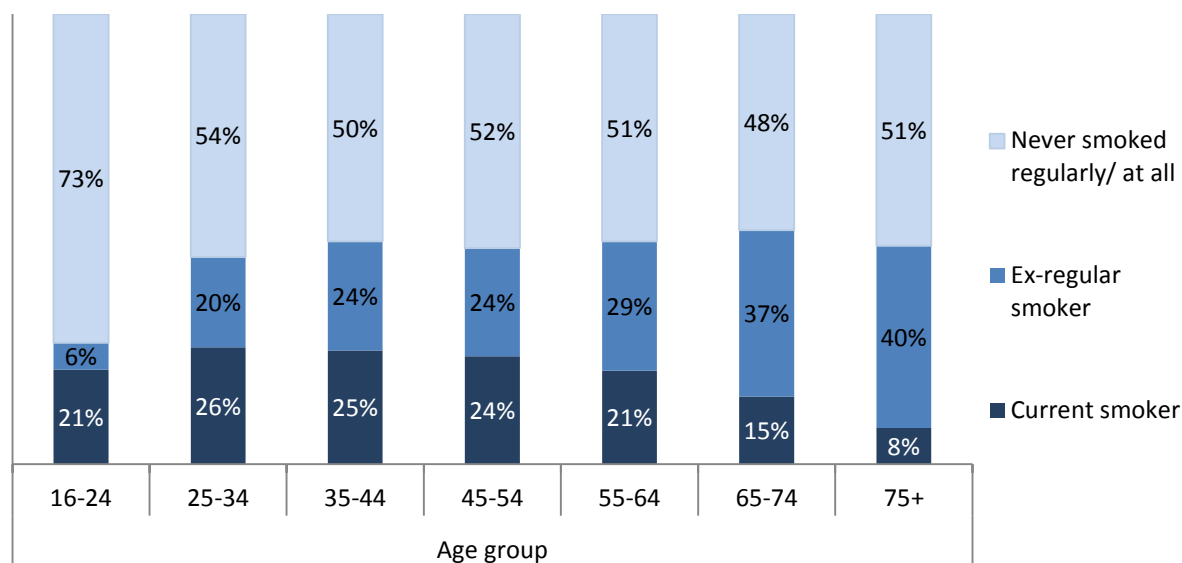
There is a well-established evidence base that shows that children who are exposed to an excessive number of harmful or distressing experiences – or 'Adverse Childhood Experiences' ('ACEs') – are more likely to have mental health problems and physical ill-health in adulthood.[66] ACEs refer to stressful events occurring in childhood (between 0 to 18 years) including: being the victim of abuse (physical, sexual and/or emotional) or neglect (physical and emotional); and growing-up in a household in which there are adults experiencing alcohol and drug use problems, mental health conditions, domestic violence or criminal behaviour resulting in incarceration. ACEs have been found to be associated with poorer mental wellbeing, mental illness and suicide. They have been found to lead to a wider range of poorer outcomes including in health, education, employment and crime.[66]

### **'Risky' health behaviours in young adults**

**Use of tobacco and alcohol has declined in recent years among young adults and early adolescents. However, for drinking, drug use and risky sexual behaviours in early adolescence Scotland performs worse than the international average. Rates of teenage pregnancy are declining, although are still high internationally.**

Levels of smoking and alcohol consumption among young adults have decreased in recent years. The Scottish Health Survey found that just over one in five young adults were current smokers in 2015. Smoking prevalence among 16-24 year olds was lower than for those aged 25-54, and a higher proportion of young adults reported that they had never smoked/smoked regularly (Figure 19).[60]

**Figure 19: Cigarette smoking status by age group, 2015 [60]**



Source: Scottish Government, The Scottish Health Survey 2015: Volume 1: Main Report

In 2015, men consumed a mean of 17.2 units of alcohol per week compared with 8.7 units for women. Among men, average consumption was highest in the 55-64 (20.6 units) and 16-24 (18.9 units) age groups, while for women consumption was highest for those aged 16-24 (10.8 units).[60] Of those who had consumed alcohol in the last week, young adults drank more on average than other age groups on their heaviest drinking day, and were one of the age groups most likely to 'binge' drink (34% of young men and 19% of young women drank more 8/6 units on their heaviest drinking day). Analysing weekly mean unit consumption and the number of days on which alcohol was consumed in the past week, suggest that younger drinkers tend to consume larger quantities in fewer drinking sessions.[60]

The Scottish Crime and Justice Survey collects self-reported data on illicit drug use. Over a quarter (28%) of 16-24 year-olds reported being offered an illicit drug in the last year, compared to 12% of 25-44 year-olds. There has been a decrease in the number of 16-24 year-olds reporting being offered an illicit drug in the last year between 2008/09 and 2014/15. Of the 6% of adults who reported taking any drugs in the last year, eight in ten had taken cannabis.[67]

### **'Risky' health behaviours in early adolescence**

Smoking, drinking, drug taking and underage sex are frequently initiated in the teenage years, with potentially longer term consequences on a range of issues. The Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS) collects data on substance using behaviour among a nationally representative sample of S2 (age 13) and S4 (age 15) pupils in Scotland. The use of tobacco, alcohol and illicit drugs has been steadily decreasing among young people in Scotland for a number of years, and tobacco and alcohol use are at the lowest levels since the SALSUS survey began (1990). In the 2015 survey, 2% of 13 year olds and 7% of 15 year olds smoked regularly. Forty five per cent of 13 year olds who had ever had an alcoholic drink had been drunk at least once, compared with

68% of 15 year olds. The vast majority of 15 and 13 year olds reported never using drugs (81% and 95% respectively).[68]

Between the 2010 and 2014 HBSC surveys, there was a decline in the proportion of 15-year old girls that reported having had sex (from 35% to 27%). Use of contraception is a marker for risk behaviour. Of those 15-year olds who report having had sexual intercourse, over half (58%) used a condom (with or without the contraceptive pill) on the last occasion, but this represents a decrease from 72% in 2010. Almost one third (29%) report using neither a condom nor birth control pills at last intercourse, an increase from 19% in 2010.[63] Teenage pregnancy rates in all age groups have shown a decline in recent years, although Scotland still remains relatively high internationally.[69, 70]

In international comparison, prevalence of smoking in Scotland is about average, whilst Scotland performs below average on drinking, drug use and risky sexual behaviours in HBSC. In particular, Scotland remains one of the countries with the highest prevalence of drunkenness (being drunk more than once) at age 15 among HBSC countries.[63]

### **Youth offending and crime victimisation**

**Youth offending rates have declined significantly since 2006. However, offenders under the age of 21 had the highest rate of reconviction and the highest average number of reconvictions of all age groups.**

Youth offending data also provides an indication of adolescent wellbeing. Across all indicators<sup>xiv</sup> in Scotland, youth offending rates have declined significantly since 2006. The number of children referred to the Children's Reporter on offence grounds reduced by 82% from 16,229 in 2006-07 to 2891 in 2014-15.[71] The average number of under 18s in custody has decreased by 72% from 223 in 2006 to 62 in 2015; and, the average number of under 21s in custody has decreased by 56% from 1,020 in 2006 to 445 in 2015.[72]

Reconvictions analysis shows that, despite efforts to divert young people from the criminal justice system, offenders under the age of 21 had the highest rate of reconviction and the highest average number of reconvictions of all age groups.[73] Similarly, the risk of being a victim of any crime decreases with age. In 2014/15, one fifth (20%) of 16-24 year olds were at risk of being a victim of crime, compared with 7% for those aged 60 or over.[10]

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<sup>xiv</sup> Including prevalence of 'children' (defined as those under age 18) reported to the children's reporter on offence grounds, and children and young people in custody.

## Peer and family relationships in early adolescence

**In early adolescence in Scotland, good parenting, peer support, liking school and classmate support are below the international average**

Although the focus of this report is on adolescence and young adulthood, it is worth highlighting that young people's experiences of parenting and family relationships are underpinned by their experiences from their earliest days and throughout childhood. A well-established international literature underlines that attachment between the child and their parent/care-giver and the family environment in the early years are fundamental to the health and wellbeing of children and young people.[66] Aspects of the family environment such as clear and open communication between parents and children, emotionally close relationships within the family and spending time together with joint activities have been shown to be important.[66]

Data on peer and family relationships is only available for early adolescence (from the HBSC survey). Young people are more likely to find it easy to talk to their mother (82%) than to their father (66%) about things that really bother them. Easy communication with both parents declines with age. Overall, 62% of 11-15 year olds report high family support.

As family relationships change, adolescents begin to spend less time with parents and friendships become more important. Children who feel isolated from their friends are four times as likely to have low well-being as those who do not. Overall, 57% of 11-15 year olds report high levels of support from their peers. One in five (21%) young people in Scotland meet their friends every day after school before 8pm. Sixty one per cent of young people report daily contact with their friends using either the phone, texting, email, instant messenger or other social media. Scotland's young people are below the HBSC international average for peer support and about average for time spent with friends

Students who dislike school or do not feel connected to it are more inclined to fail academically, drop out and have mental health problems. Approximately one quarter of young people in Scotland (23%) report that they like school 'a lot', whilst 62% of young people report high classmate support. For both this proportion reduces with age. About four in 10 (41%) report that they feel 'some' or 'a lot' of pressure from schoolwork. This proportion increases steeply with age. Fourteen per cent of young people in Scotland report that they have been bullied at school at least twice a month in the past two months. The proportion of young people who reported being bullied increased between 2010 and 2014. For young people in Scotland liking school and classmate support is below the international average, whilst bullying levels are seen as average.

# How are young people's life chances patterned by disadvantage and protected characteristics?

This section now looks at what we know about young people's life chances in more detail, exploring what the available evidence tells us about how young people's life chances are shaped by deprivation and other forms of disadvantage, and protected characteristics. The evidence on six characteristics that shape young people's outcomes is examined:

9. The impact of gender roles and responsibilities
10. Living in a deprived area
11. Ethnicity
12. Disability
13. Caring responsibilities
14. Being 'looked after' and leaving care

## Gender

### Labour market

Inequality of caring responsibilities impacts on women's experience of work from early adulthood. Inactivity rates for young women in Scotland are substantially higher than for young men, and higher in some local authorities. A gender pay gap exists from early in working life. Most of the UK's low-paid workers are women.[74] Low quality work is also disproportionately carried out by women, especially those with low attainment, little work experience and earlier childrearing breaks.

Women dominate low-pay sectors such as caring and leisure occupations. Gender segregation in subjects studied at school and beyond is associated with gender segregation in the labour market, with 'feminised' sectors tending to be low paid. The most gendered occupations for young people are 'Skilled Trades' (89% male) and 'Caring, Leisure and Other Services' (82% female)<sup>xv</sup>. Additionally analysis of Census data found that for NEET young people who have previously worked, more young women have worked in 'administrative and secretarial' occupations and 'sales and customer service' occupations, whereas more young men have had experience in 'skilled trade' occupations.[21]

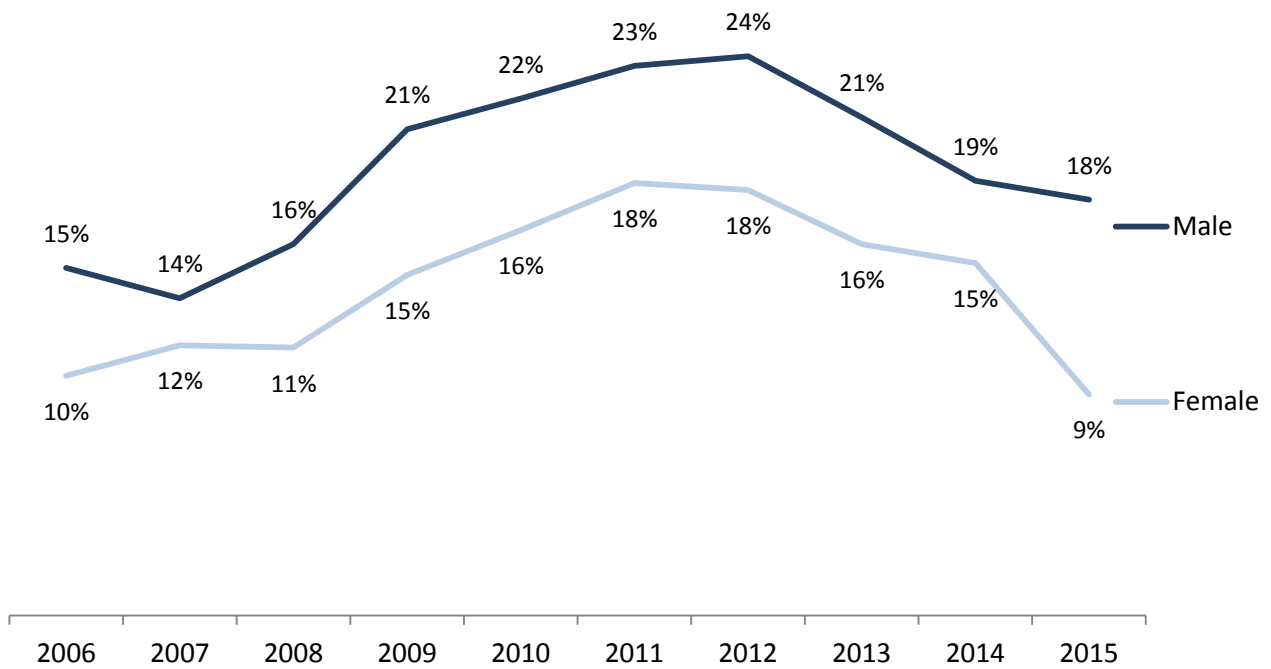
While young men have a higher unemployment rate than young women, young women are more likely to be economically inactive than young men – see Figure 20

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<sup>xv</sup> APS, December 2015

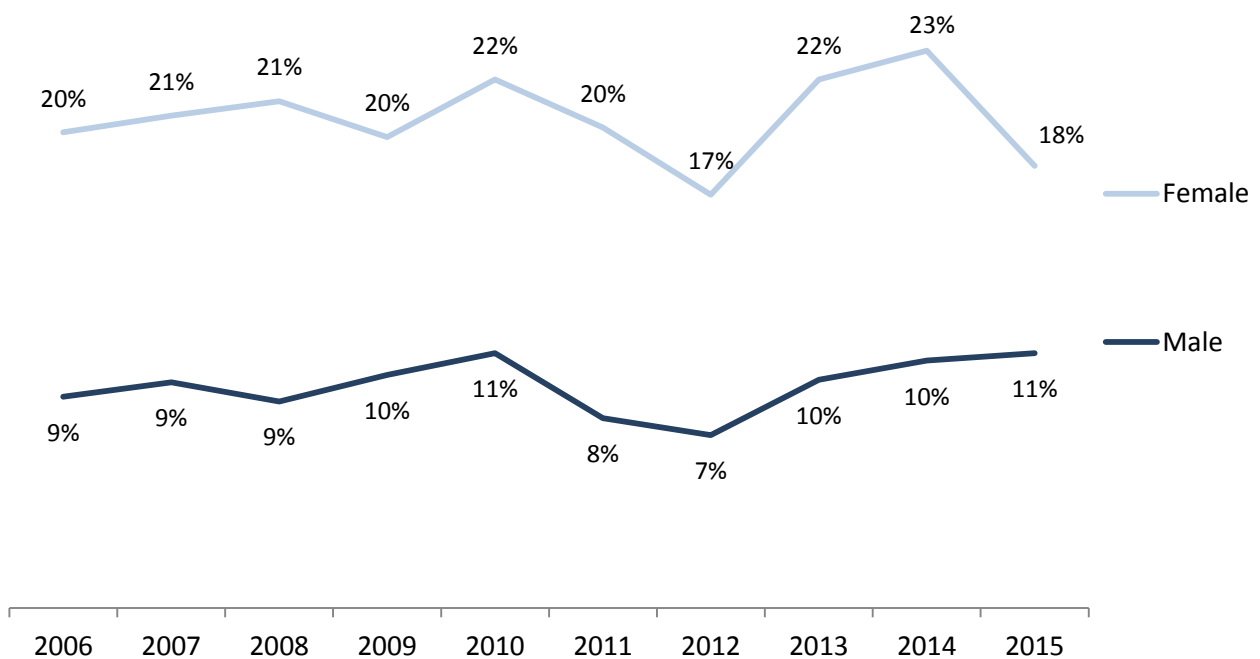
and 21. Two risk factors for being NEET are specific to young women’s caring responsibilities – teenage pregnancy and being an unpaid carer for more than 20 hours per week.[21] The literature suggests that, while young women are more likely than young men to continue in full-time education, those who leave school early with poor or no qualifications are likely to face worse labour market outcomes than young men with similar characteristics.[75]

**Figure 20: Youth (16-24) unemployment (excluding full-time education) by gender, Scotland**



Source: APS

**Figure 21: Youth (16-24) inactivity (excluding full-time education) by gender, Scotland**



Source: APS

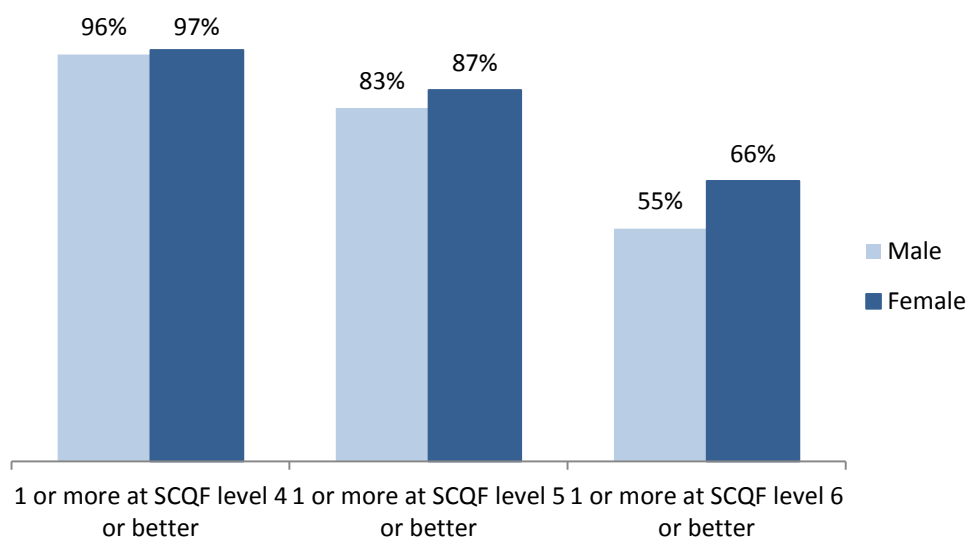


Teenage pregnancy and being a young mother is often a cause and a consequence of social exclusion (see Section 4.2 below for a discussion of teenage pregnancy and deprivation), and in particular is linked to a risk of worse labour market outcomes.[75] In general, young mothers face significant socio-economic disadvantage. Young mothers have a particularly high risk of poverty and severe poverty compared to all adults. Analysis of data from the Growing up in Scotland (GUS) study found that, compared to mothers aged 25 and over, those aged under 20 were less likely to have a qualification at Higher grade or above (17% vs. 80%) or to be employed (21% vs. 83%), and more likely to be in the lowest income quintile (72% vs. 12%) and to live in the most deprived areas.[76] While mothers aged 20-24 were found to be relatively advantaged when compared with their younger counterparts, they are still at a significant disadvantage when compared with older parents (50% had a qualification at Higher grade or above, 55% were employed and 40% had a household income in the lowest quintile).[76] Young mothers are also at a higher risk of mental health issues than average, which is associated with feelings of isolation and low self-esteem.[76]

### Educational attainment

Girls continue to outperform boys at SCQF levels 4 to 6, with the gap increasing at higher SCQF levels, as shown in Figure 22.[44]

**Figure 22: Percentage of school leavers attaining SCQF level 4-6 or more by gender (2014/15) [44]**



Source: Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

This gender attainment gap is visible in the Broad General Education phase: the 2016 SSLN found that girls outperformed boys in most stages for reading and writing.[46] There was no difference in the proportion of boys and girls performing well or very well in numeracy at P4 or P7 in 2015; however, boys outperformed girls at S2.[45] The exclusion rate is also higher for boys: 43 per 1000 pupils compared to 11 per 1000 for girls.[48]

## Post-school transitions

From the Participation Measure, young women were slightly more likely to be participating in education, training and employment than young men in 2016 (Table 6). Young women were more likely to be participating in education, and particularly higher education, while a higher proportion of young men were participating in employment.[49]

**Table 6: Participation status by gender, 2016 [49]**

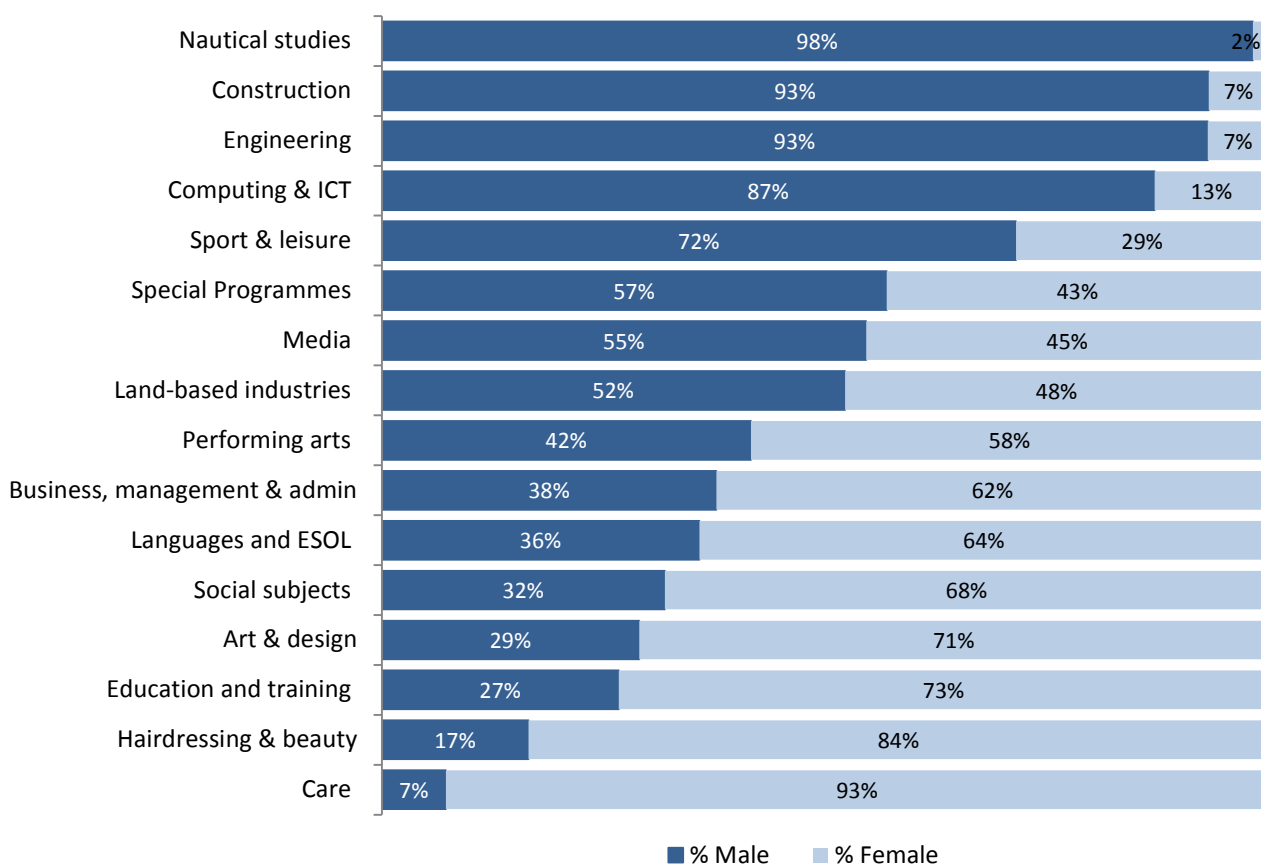
Participation Status	Female	Male	Total 16-19 year olds
Total Participating in Education	75.9	66.9	71.3
Participating in Education – school pupil	41.7	39.7	40.7
Participating in Education – HE	22.5	16.2	19.2
Participating in Education – FE	11.8	11.0	11.4
Total Participating in Employment	13.4	20.3	16.9
Participating in Employment - MA	4.0	8.6	6.4
Total Participating in Training & Other Development	1.7	2.5	4.0
Total Not participating	3.9	4.2	4.0
Not Participating - Unemployed Seeking	2.1	3.2	2.7
Not Participating - Economically Inactive	1.5	0.5	1.0
Total Unconfirmed Status	5.1	6.1	5.6
<b>Total Cohort within the participation measure</b>	<b>108,280</b>	<b>114,285</b>	<b>222,580</b>
Percentage split of the cohort	<b>48.6</b>	<b>51.3</b>	

Source: Skills Development Scotland, Annual Participation Measure for 16 – 19 year olds in Scotland, 2016

In terms of college leaver destinations, overall there was no difference between young men and women qualifiers (aged 16 to 24) in terms of finding positive destinations in 2014/15. However, young women were more likely to be in part-time work than young men after leaving college: 3.8% compared to 2.7% of young men. Young men by contrast were more likely to be unemployed and looking for work: 3.1% compared to 2.4% of young women.[53]

There is a strong gendered aspect for many of the college courses taken by 16-24 year olds – see Figure 23 below.[51]

**Figure 23: Male/female distribution across college subject areas for 16-24 year olds, 2014/15 [53]**



Source: Scottish Funding Council, College Leaver Destinations 2014/15 – analysis of 16-24 cohort

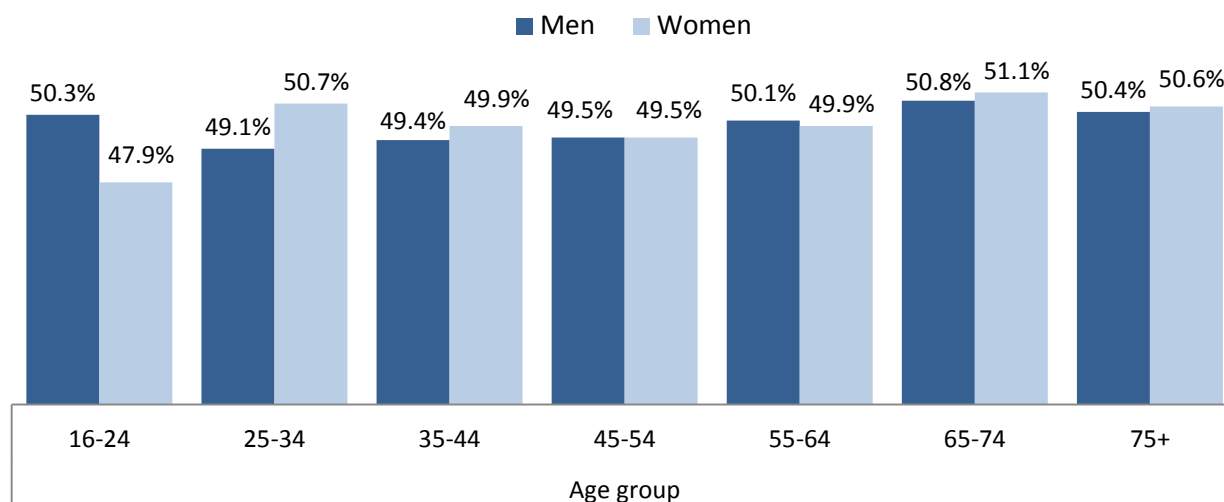
Men are underrepresented in HE: in 2014/15, 59.6% of Scottish domiciled first degree full-time entrants into Year 1 of university were female. [52] There are also higher retention rates from Year 1 to Year 2 for female Scottish-domiciled full-time entrants to first degree courses than male: 92.6% of women compared to 89.7% of men.[52] As with college courses, the gender balance differs substantially when analysed at subject level, with women dominating Social Studies (71%), Education (76%) and European Languages, Literature and related subjects (69%) courses for example, while men are the majority in Engineering (86%), Technologies (78%), Mathematical and Computer Sciences (75%), and Architecture, Building and Planning (71%).[52]

By contrast, fewer young women than young men undertake MAs: 41% of 16-19 year old and 49% of 20-24 year old MA starts were female.[58] Excluding frameworks with a small number of starts, in 2015/16 70% of MA frameworks had a gender balance of 75:25 or worse. For example (for all ages), 98% of Construction and related, 95% of Engineering and Energy related and 97% of Automotive MA starts were male, whilst 72% of Administration and related, 91% of Personal Services and 84% of Sport, Health & Social Care starts were female.[59]

## Health and wellbeing status

Young women reported lower levels of life satisfaction and wellbeing than young men – Figure 24 below shows wellbeing scores for age and sex. [60]

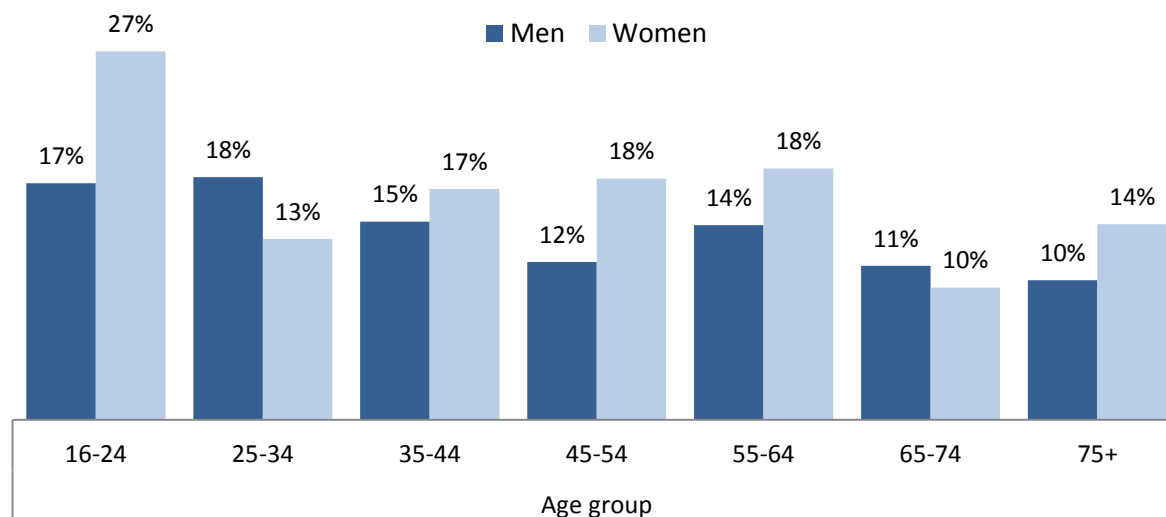
**Figure 24: WEMWBS mean score, 2015, by age and sex [60]**



Source: Scottish Government, The Scottish Health Survey 2015: Volume 1: Main Report

As Figure 25 below underlines, young women were also more likely to exhibit signs of a possible psychiatric disorder compared to young men and older age groups of women.[60]

**Figure 25: Percentage of adults with GHQ-12<sup>xvi</sup> score of 4+, 2015, by age & sex [60]**



Source: Scottish Government, The Scottish Health Survey 2015: Volume 1: Main Report

<sup>xvi</sup> GHQ-12 is a widely used standard measure of mental distress and psychological ill-health consisting of 12 questions on concentration abilities, sleeping patterns, self-esteem, stress, despair, depression, and confidence in the previous few weeks. Scores on the GHQ-12 items are combined to create an overall score of between zero and twelve. A score of four or more is used to indicate the presence of a possible psychiatric disorder.

Similarly, levels of self-reported self-harm were higher for young women, with 23% of young women reporting they had ever self-harmed, compared with 13% of young men.

The evidence suggests that this higher level of mental health issues among young women manifests earlier in adolescence. NHS Health Scotland found that girls reported slightly lower life satisfaction and mental wellbeing, and were more likely to have common mental health problems and emotional symptoms (while boys were more likely to have conduct problems or to suffer from drug-related disorders or to complete suicide).[64] Analysis of SALSUS found that while overall SDQ<sup>xvii</sup> scores have remained fairly constant over time among early adolescents in Scotland, 15 year old girls appear to be suffering much poorer mental health and wellbeing than the other groups, particularly in relation to emotional problems.[77] Girls with fewer friends, that disliked school, felt pressured by school work, truanted on multiple occasions or had been excluded had poorer mental health and wellbeing.[77] The Scottish Health Survey and the HBSC study also both find that mental health and wellbeing deteriorate with age, and girls have worse mental health and wellbeing than boys.[60, 63]

### **‘Risky’ health behaviours**

Men's weekly mean alcohol unit consumption was higher than women's in all age groups.[60] Around a quarter of young men (24%) reported drug use in the last year, compared to 14% of young women.[67] The majority of all individuals with problem drug use were male (70%).[78]

HBSC reports that early adolescent girls had consistently been more likely to smoke regularly than boys but the difference between the genders has narrowed over time, with little difference by 2014.[63] SALSUS found that boys were more likely than girls to have ever used drugs.[68] HBSC also found that cannabis use is greater among boys: 14% of Scottish 15 year old boys have used cannabis within the last 30 days, compared to 7% of girls. [63]

### **Youth offending and crime victimisation**

Young men had the highest risk of being a victim of any crime (24% compared to 20% for all 16-24 year olds). Young men also had the highest risk of being a victim of violent crime (9%), and were over twice as likely to be a victim of violent crime than women of the same age group (3%).

## **Young people from deprived areas**

Poverty and deprivation are complex problems for which there is no single, ‘best’ measure. A range of measures are commonly used to capture different aspects of poverty, including measures of household income, socio-economic status and area deprivation. The use of these measures varies between different data sources. The

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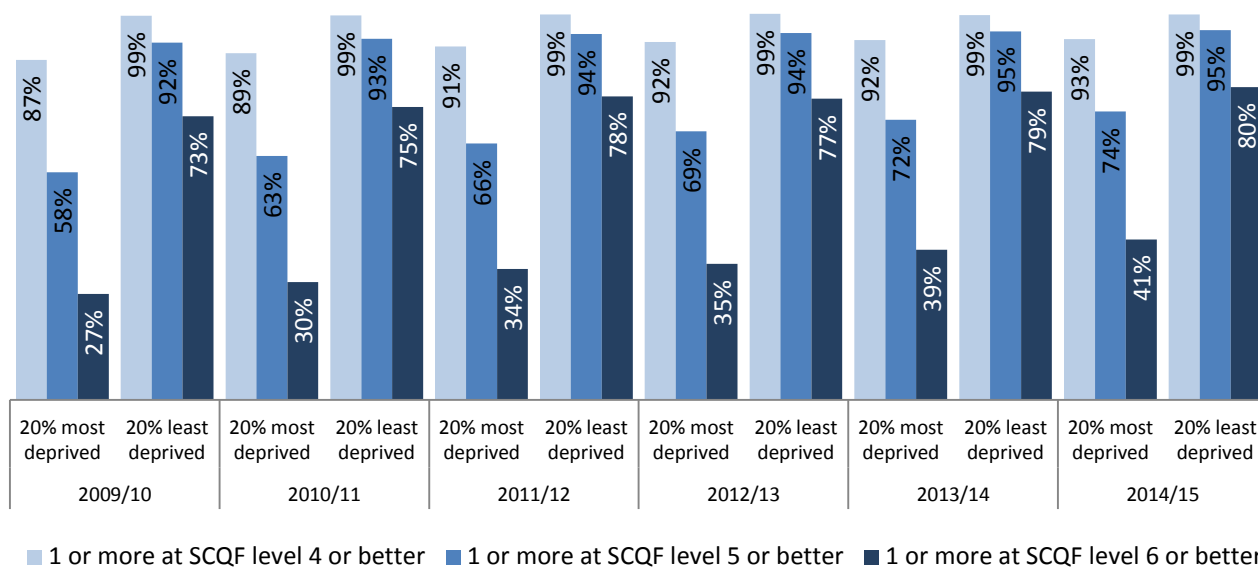
<sup>xvii</sup> The ‘Strengths and Difficulties Questionnaire’ (SDQ) gives a measure of overall mental health and wellbeing along with scores for five separate scales covering: emotional symptoms, conduct problems, hyperactivity/inattention, peer relationship problems, and pro-social behaviour.

most commonly used measure across the various sources of data on young adults is the Scottish Index of Multiple Deprivation (SIMD); therefore, SIMD is used in this report to explore how young people’s life chances are patterned by deprivation. SIMD is a relative measure of deprivation across small areas in Scotland: it identifies deprived areas, not individuals. SIMD also identifies multiple deprivation: so ‘deprived’ can mean people have fewer resources and opportunities, for example in health and education, not just low income.

### Educational attainment

In 2014-15, pupils from the most deprived areas reached a higher level of achievement in the senior phase than their peers from the most deprived areas. This ‘attainment gap’ is wider at higher levels of qualifications. Figure 26 highlights the progress that has been made in closing this gap over the past six years: for leaving school with at least one Higher (SCQF level 6), the difference between those from the 20% most and least deprived areas was 45.6 percentage points for 2009/10 school leavers and it has now reduced to 39.1 percentage points for 2014/15 school leavers.[44]

**Figure 26: Percentage of school leavers by attainment at SCQF level 4-6, by SIMD, 2009/10 to 2014/15 [44]**



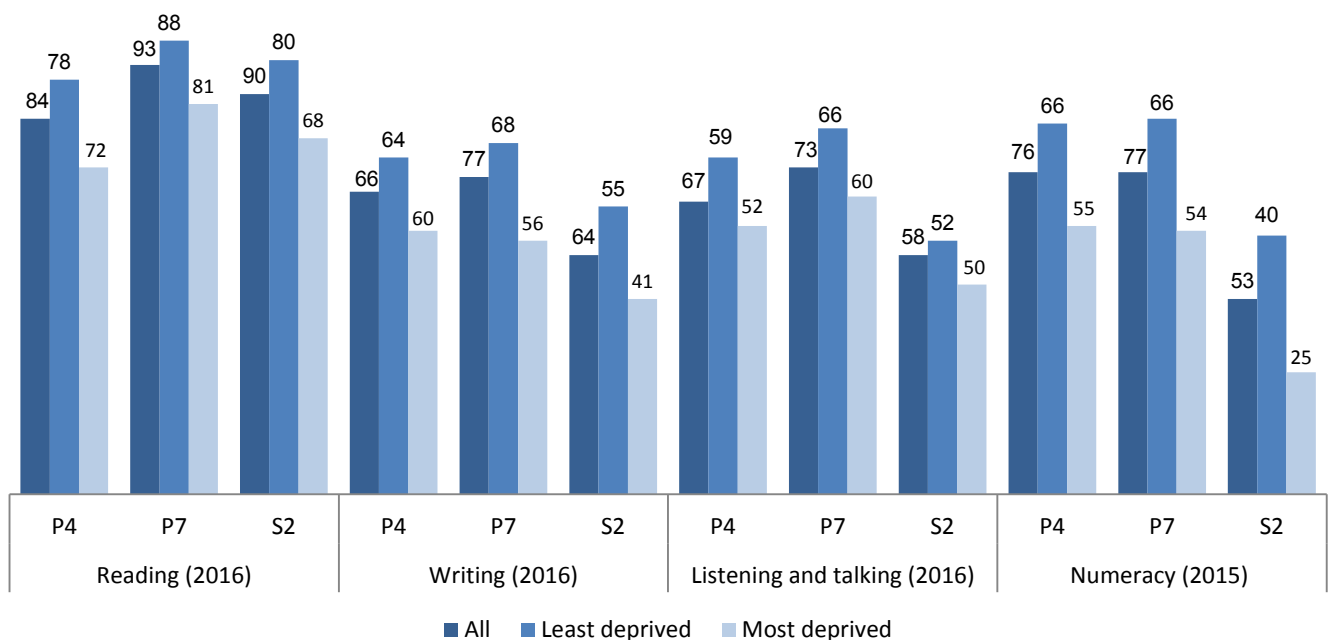
Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

Inequalities in educational attainment are already apparent in the early years. Looking at language skills in particular, analysis (including analysis of Growing Up in Scotland (GUS) and Millennium Cohort Study data) shows that children from deprived backgrounds have less developed language skills compared to their less deprived peers. Analysis of GUS data showed that three-year-olds from the 20% highest income groups had higher vocabulary and problem-solving scores than those from the 20% lowest income groups.[79] Furthermore, even if a child has proficient language skills at age three, these can be lost again by age five if the child experiences poverty.[79]

These inequalities continue into the school years. An analysis of assessment data<sup>xviii</sup> found that at the start of P1 (approximately age 5) children from the 20% most deprived areas had lower cognitive development scores than children from the least deprived areas, although the most able quarter of the most deprived group were ahead of the least able quarter of the most affluent group.[80] GUS reported similar findings.[79] During P1 children from the least deprived areas made more progress than those in the most deprived areas for early reading and picture vocabulary, where they may have been receiving more enriched support in their homes.[80] For early mathematics, the children in the most deprived areas made more progress and caught up a little with their peers. The report also showed considerable differences between the average progress of pupils in different schools; concluding that schools made a major difference in children's progress.[80]

In the Broad General Education phase, SSLN reported significantly higher performance among pupils from the least deprived areas than pupils from the most deprived areas across all areas of literacy in 2016 and numeracy in 2015. [45, 46]

**Figure 27: Percentage of pupils performing well or very well in literacy (2016) and numeracy (2015), by stage and deprivation category [45, 46]**



Source: Scottish Government, Scottish Survey of Literacy and Numeracy

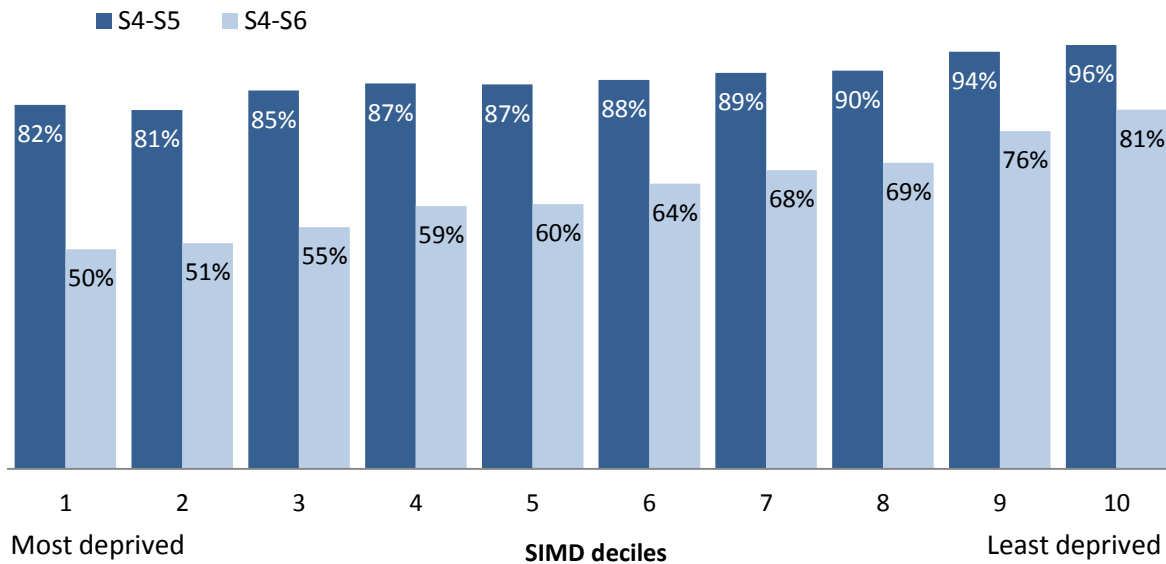
Pupils living in areas with higher levels of deprivation had lower school attendance rates, with the effect being greater in secondary and special schools. The exclusion rate per 1000 pupils in 2014/15 was 52 for children from the 20% most deprived areas compared to 8 from the 20% least deprived areas.[48]

<sup>xviii</sup> Data from schools that use the Centre for Evaluation and Monitoring's (CEM) Performance Indicators in Primary Schools (PIPS) assessment was analysed. Over 1,100 schools in Scotland use the PIPS assessment to assess the progress children make in P1 in early maths, early literacy and non-cognitive development and behaviour.

## Post-school transitions

Staying on at school is strongly patterned by deprivation: Figure 28 shows that the higher the level of deprivation, the lower the staying on rate. The proportion of young people staying on in school from the most deprived areas has increased more rapidly than in the least deprived areas for both S4 to S5 and S5 to S6.

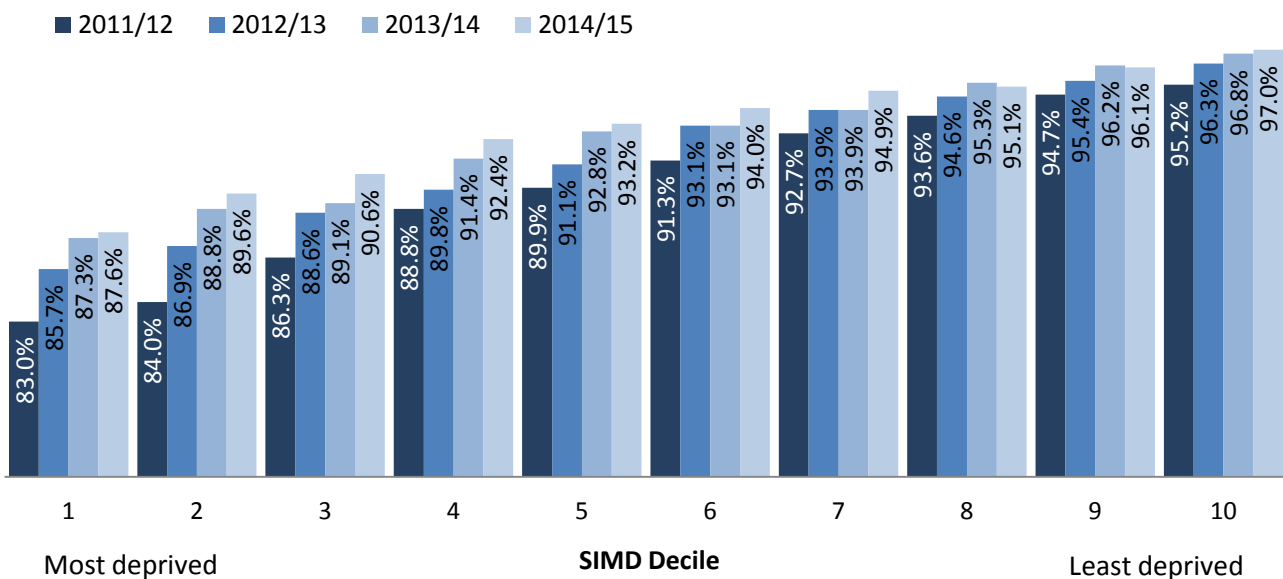
**Figure 28: Percentage of young people staying on at school, 2015, by SIMD**



Source: Scottish Government analysis

Figure 30 shows that pupils from the most deprived areas continue to be less likely to enter 'positive destinations' than those from the least deprived areas, although the gap has narrowed between 2011/12 and 2014/15.

**Figure 29: Percentage of school leavers reaching positive follow up destinations by SIMD 2012 decile, 2014/15 [44]**

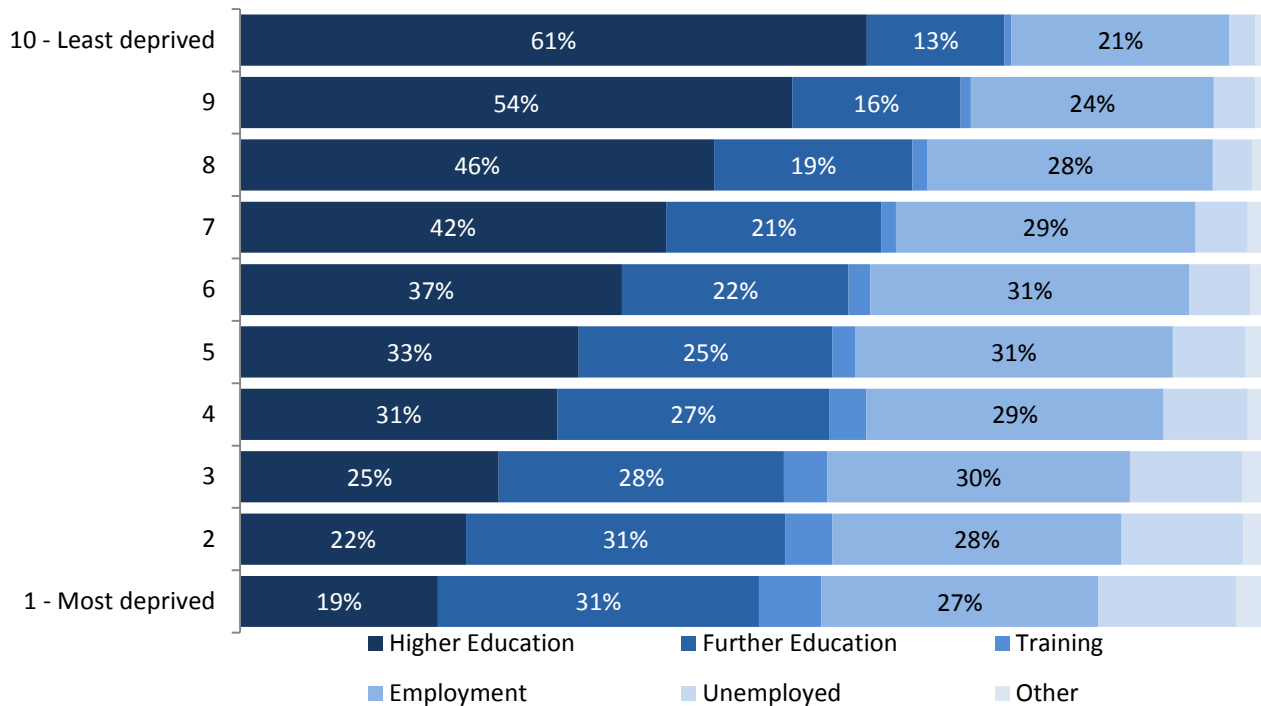


Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition



As Figure 30 shows, young people from the most deprived areas are less likely to go onto HE and more likely to go onto FE than those from the least deprived areas. Those from the most deprived areas were also more likely to be unemployed than those from the least deprived areas.

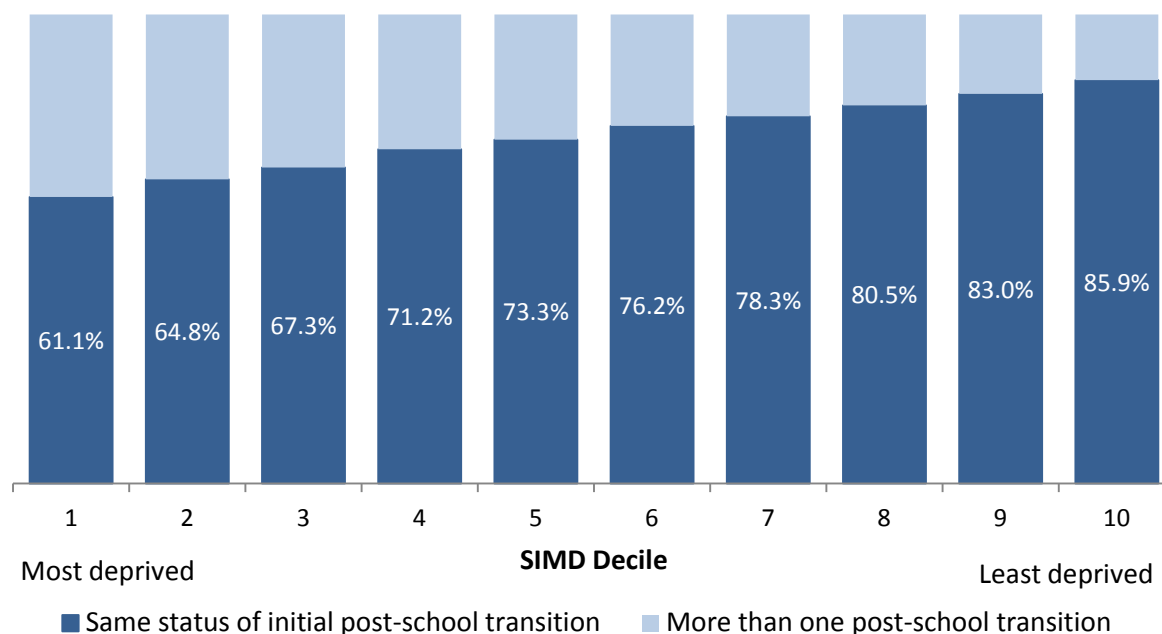
**Figure 30: Percentage of school leavers by follow-up destination category and 2012 SIMD Decile, 2014/15 [44]**



Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

Turning to the Annual Participation Measure, there is a 14.9 percentage point difference in the rate of participation in employment, education or training between those living in the most and least deprived areas. The post-school journey for young people from the most deprived parts of Scotland is also less stable than for those from the least deprived areas: those in more deprived areas are more likely to experience multiple transitions – see Figure 31 below.

**Figure 31: Number of transitions by SIMD 2012 decile (%), 2016**

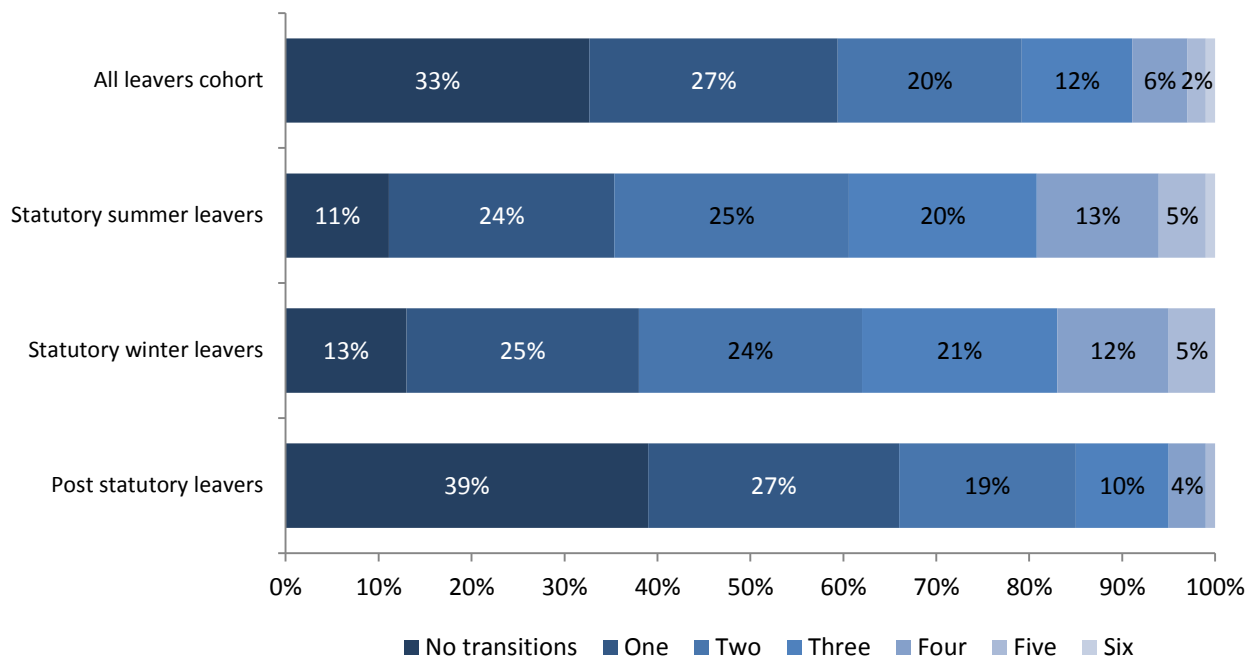


Source: Skills Development Scotland, analysis of Annual Participation Measure 2016

SDS’s analysis of the 2012/13 school leaver cohort<sup>xix</sup> found that deprivation had less impact amongst the cohort who did not leave school at the earliest opportunity compared to statutory leavers. For statutory leavers, those living in the 20% most deprived areas were less likely to be participating initially than those in the least deprived areas. The analysis also found that statutory leavers were more likely to make a greater number of transitions in the three years after leaving school compared with those who remained at school (see Figure 32 below). The analysis highlights that those living in the most deprived areas who leave school at the earliest opportunity are at particular risk – of not meeting FE/HE entry requirements or finding any employment in an area where there may be a lack of employment opportunities.

<sup>xix</sup> SDS’s ‘Analysis of Outcomes for 2012/13 School Leavers’ provides an analysis of the journey of the 2012/13 school leaver cohort over three years from the point of leaving school (October 2013) through to October 2016. It examined the differences in progression to further learning, training or work, according to a number of key variables, including stage of leaving (statutory/non-statutory) and SIMD.

**Figure 32: Number of status transitions by stage of leaving, 2012/13 leaver cohort**



Source: Skills Development Scotland, 'Analysis of Outcomes for 2012/13 School Leavers'

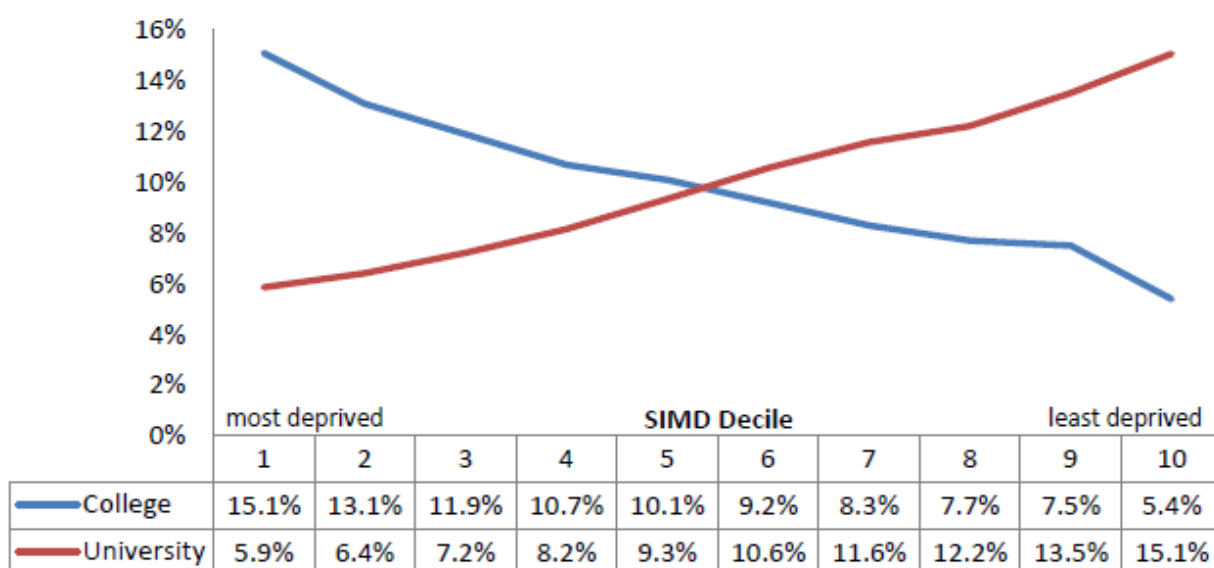
### Further and Higher education - College

Colleges play a key role in delivering HE in Scotland, with 17% of HE students studying at college in 2014-15, compared with 6% of HE students studying at college in England. Many students from the 20% most deprived areas begin their post-16 education journey in HE or FE at college. In 2014-15 29% of total college students (HE and FE) were from the 20% most deprived areas, up from 25% in 2009-10.

When looking just at FE courses in colleges, the proportion of full-time equivalent (FTE) students from the 20% most deprived areas is higher still (33%) and students from the most deprived 10% are the most over-represented group (18% of FTE students on FE courses).

Figure 33 demonstrates the contrast between the number of students from each SIMD decile enrolled at colleges and universities. In colleges, the number of students increases as deprivation levels get higher but for universities, the opposite is true.

**Figure 33: Comparison of SIMD distribution of college and university students – 2014/15 (16-24 year olds) [53]**



Source: Scottish Funding Council, College Leaver Destinations

In terms of outcomes, students from the most deprived areas are slightly less likely to complete their programme successfully, and more likely to withdraw from their programmes than those from less deprived areas.[52] College Leaver Destinations survey results show that those in the most deprived areas are also less likely to be working full-time post qualification than those in the least deprived deciles, and are more likely to engage in further study. Unemployment rates after qualifying, however, are fairly similar between SIMD deciles.[53]

### Further and Higher education - University

Over the last decade, the percentage of full-time first degree entrants to Scottish universities from the 20% most deprived areas in Scotland increased steadily from 11% in 2003-04 to 14% in 2014-15.[52] There are notable differences, however, between institutions. In 2014-15, the percentage of entrants from the 20% most deprived areas ranged from 5% to 29%, with entrants from the 20% most deprived areas under-represented in all but three institutions<sup>xx</sup>. [52] It is also helpful to look at entrants under the age of 19, as this is the cohort of students most likely to be entering university directly from school. The percentage of full-time first degree entrants aged under 19 from Scotland's 20% most deprived areas was 10% in 2014-15.[52]

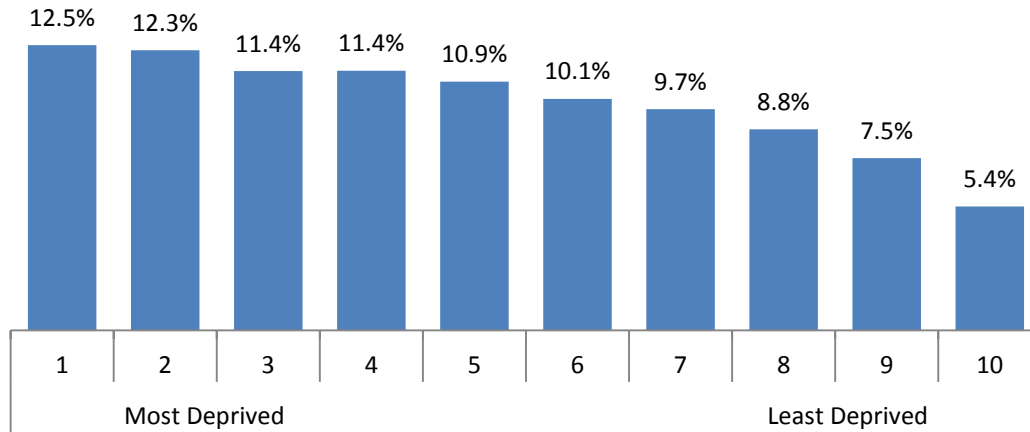
In terms of retention rates (percentage of students continuing to their second year), there has been an upward trend for university students from the 20% most deprived areas over the last 5 years (from 84% in 2009-10 to 88% in 2014-15); however retention rates remain lower than for all students (91% in 2014-15). [52]

<sup>xx</sup> The Open University is excluded from this analysis as its entrants are primarily part-time.

## Modern Apprenticeships

Figure 34 shows that (for all ages) a higher proportion of MA starts in 2015/16 lived in the 20% most deprived areas, compared to the 20% least deprived areas.[58]

**Figure 34: Proportion of starts in each SIMD (2012) decile - 2015/16 [58]**



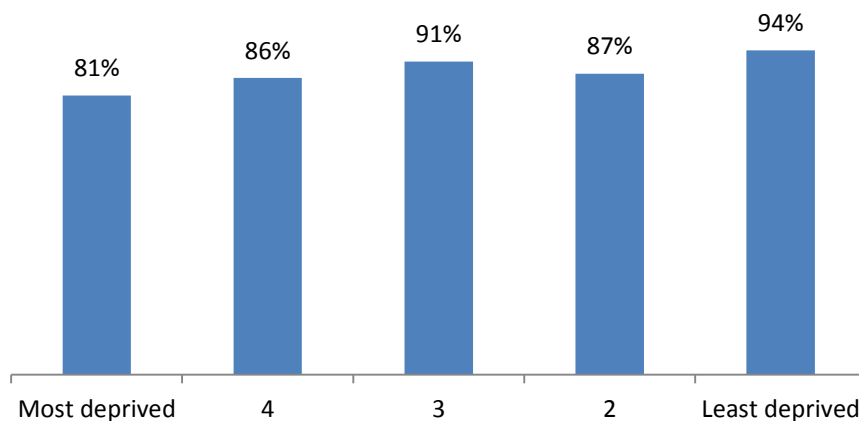
Source: SDS, Modern Apprenticeship Statistics: Full Year Report 2015/16

Individuals in the most deprived areas who start an MA are also more likely to embark on level 2 frameworks than those in the least deprived areas – this could be due to having fewer qualifications.[58] The MA achievement rate is higher for those in the least deprived areas than for those in the most deprived areas. However the gap between the most and least deprived achieving a MA compares favourably against the gap of school leavers entering positive destinations overall and also the attainment gap at certain SCQF levels.

## Health and wellbeing

As is the case for all adults, Figure 35 shows that young adults in the least deprived areas were significantly more likely to report good or very good health compared to those in the most deprived areas in 2015.

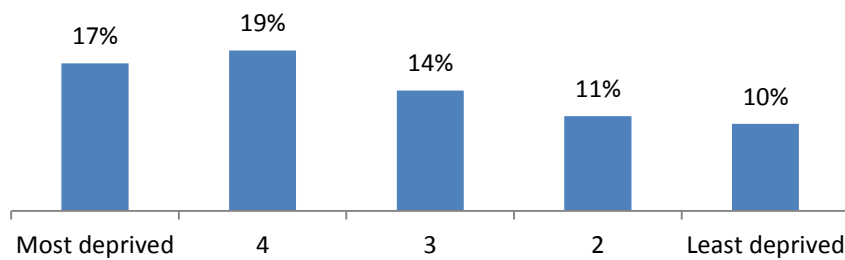
**Figure 35: Percentage with good/very good self-assessed health by SIMD quintiles, age 16-24, 2012-2015**



Source: Scottish Government analysis of Scottish Health Survey 2008-11 to 2012-15, age 16-24

As shown in Figure 36, young adults in the most deprived areas were also significantly more likely to report a limiting longstanding illness than those in the least deprived group.

**Figure 36: Percentage with a limiting longstanding illness by SIMD quintiles, 16-24 year olds, 2012-2015**



Source: Scottish Government analysis of Scottish Health Survey 2008-11 to 2012-15, age 16-24

NHS Health Scotland found that – for all adults – a poorer state of mental health was associated with greater socioeconomic disadvantage for the majority of indicators.[61] Children and young people (under age 17) living in more deprived areas also generally had poorer mental health outcomes than those living in less deprived areas.[64] Similarly, analysis of SALSUS found that higher levels of deprivation were correlated with poorer mental health and wellbeing in early adolescence.[77] However, the impact of deprivation was not as large as some other factors such as attitudes to school.[77] The HBSC study also found that Scotland had high rates of inequality (between the 20% most affluent and 20% most deprived) for several aspects of wellbeing during early adolescence.[63]

For young adults specifically, Scottish Health Survey data shows that those in the most deprived areas reported lower levels of wellbeing than those in the least deprived areas.<sup>xxi</sup> It is not possible to analyse data on depression, anxiety, self-harm and suicide for age 16 to 24 by SIMD due to sample size.

### **‘Risky’ health behaviours**

While levels of smoking and alcohol consumption among young adults have decreased in recent years, rates of regular smoking are significantly higher amongst young adults living in the most deprived areas compared to the least deprived areas.<sup>xxi</sup> There were no consistent differences in alcohol consumption by deprivation level for young adults.<sup>xxi</sup> Deprivation is a key predictor of all substance use in early adolescence.[68] Smoking initiation in particular is higher among adolescents from disadvantaged backgrounds: in 2015 10% of 15 years olds in the most deprived SIMD quintile smoked regularly, compared to 5% in the least deprived quintile.[68]

<sup>xxi</sup> Scottish Government analysis of Scottish Health Survey 2008-11 to 2012-15 for age 16-24

Substance use and sexual risk behaviour share some common underlying determinants that protect young people from, or predispose them to, risky behaviour. There is a growing body of evidence (largely based on US-based studies) that suggests many risk behaviours in youth tend to cluster together, particularly in young people from the most deprived backgrounds. [81] There is also evidence that early initiation of a particular behaviour (e.g. smoking or alcohol use) is associated with other risk-taking behaviours in later adolescence and early adulthood (e.g. sexual risk taking, teenage pregnancy, delinquency).[81] However, understanding of the degree and pattern of risk behaviour clustering is limited. SALSUS data indicates that, for the very small proportion of young people reporting use of multiple substances (2% of 15 year olds and less than 1% of 13 year olds), regular users of tobacco are highly likely to also regularly use illicit drugs and drink alcohol.[68] A similar picture is observed for regular users of illicit drugs; however, the same pattern is not observed for alcohol, likely because drinking alcohol is a normative behaviour in this age group.[68]

### **Youth offending and crime victimisation**

While the number of young people in custody has decreased, young people from the most deprived areas have a higher risk of spending time in custody: the incarceration rate for under 21s was 4.5 per 1000 population for those from the 15% most deprived areas and 1.1 for those from all other areas.

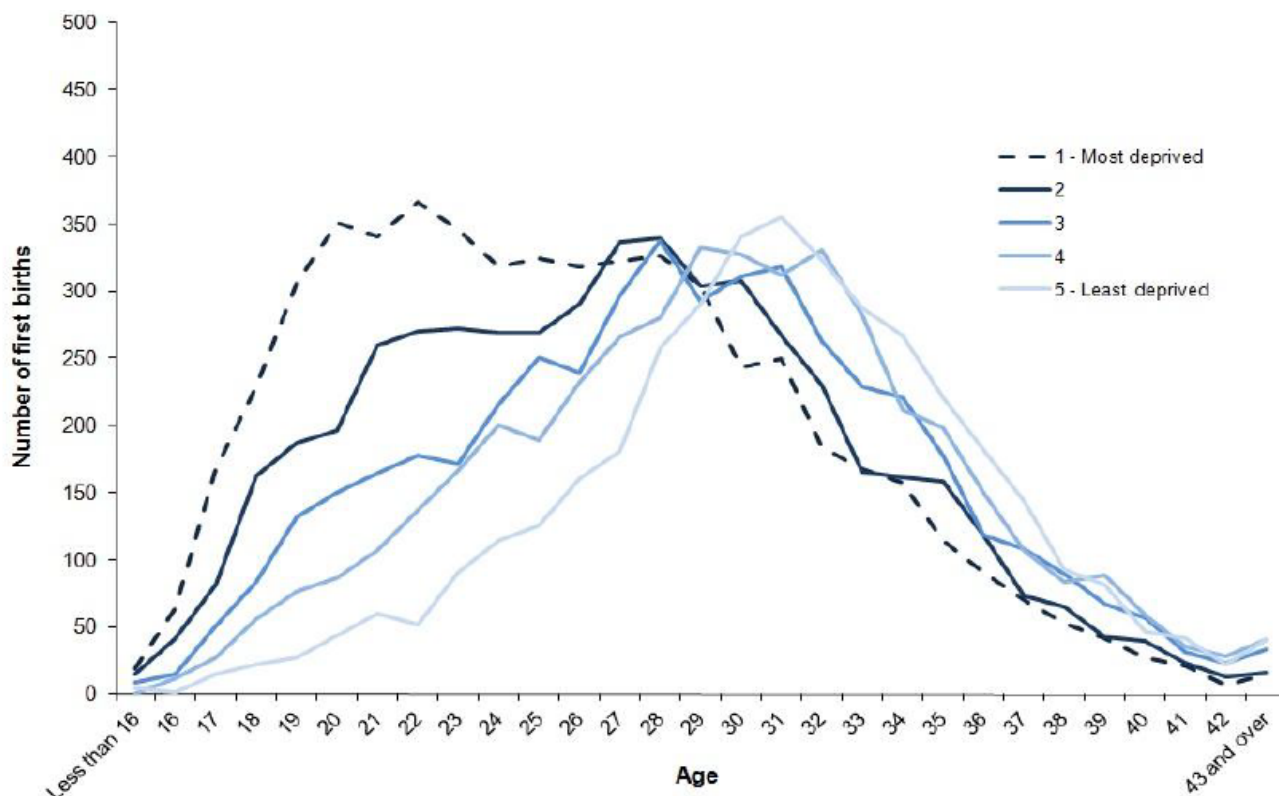
### **Relationships in early adolescence**

HBSC found that those from more deprived areas reported poorer communication with parents, and perceive less social support from their families and peers in early adolescence.[63] Scotland shows particularly high levels of inequality for 'ease of talking to father' at age 15 years. Being bullied varies with family affluence, with lower bullying victimization with increasing affluence.[63]

### **Teenage pregnancy**

Figure 37 shows that the age at which young women have children is strongly patterned by deprivation level. The distribution of first births in the most deprived mothers peaks at age 22; in contrast to those in the least deprived category where the most common age for a first birth is 31.[82] There also remains a strong correlation between deprivation and teenage pregnancy. In the under 20 age group, those living in the most deprived areas are 5 times as likely to experience a pregnancy and nearly 12 times more likely to continue the pregnancy as someone living in the least deprived areas of Scotland.[69]

**Figure 37: First birth\* by maternal age and SIMD quintile, 2016 [82]**



Source: ISD, Births in Scottish Hospitals Year ending 31 March 2016

\* Excludes home births and births at non NHS hospitals.

## Ethnicity

The proportion of 16-24 year olds in Scotland reporting they were 'White – Scottish/British' in 2015 was 87%; while 2% were 'White – Polish', 6% 'White – Other', 3% 'Asian' and 2% all other ethnic groups.[83]

## Labour market

Poverty is higher among minority ethnic adults than within the majority white population.[84] In general, minority ethnic adults in Scotland appear to be under-represented amongst both employees and the self-employed.[85] Unemployment rates for minority ethnic adults (13.2%) were significantly higher than for white adults (6.9%).[85] Similarly, compared with white young adults, minority ethnic young adults have lower rates of employment (38.1% compared to 57.2% in 2015) and higher inactivity levels (52.7% compared to 33.3% in 2015).<sup>xxii</sup> The Scottish Equal Opportunities Committee found that minority ethnic adults were, on average, more likely to be unemployed or in low-paid work than white adults, despite their overall better academic performance.[86] Clustering in low-paid work is a significant factor in explaining greater in-work poverty among some minority ethnic groups. [85] Although lower qualifications for people in some minority ethnic groups is an important factor in lower pay, research in the UK has shown that lower pay can't be

<sup>xxii</sup> Scottish Government analysis of APS data for 16-24 year olds by ethnicity



fully explained by a lack of qualifications. [85] A higher proportion of minority ethnic adults in the UK were over-qualified for their jobs than the white majority.[85]

People with good qualifications from minority ethnic groups face greater barriers to finding work that matches their qualifications, compared with the majority white population. [85] Research suggests that, for some young people from minority ethnic groups, including those from migrant and Pakistani communities, a lack of wider contacts outside their immediate family and friends can limit career choices.[87] Further, qualitative research has consistently highlighted the role of racism, whether direct or indirect, in limiting access to employment opportunities. [85]

## Educational attainment

Pupils recorded as Asian-Chinese continue to have the highest level of achievement compared to other ethnic groups, while white pupils have one of the lowest levels of achievement (see Table 7).[44] Minority ethnic pupils are also less likely to be excluded than white pupils.[48]

**Table 7: Percentage of school leavers by attainment at SCQF level 4 to 6, by ethnicity, 2014/15 [44]**

Ethnicity	Percentage of school leavers attaining		
	1 or more at SCQF level 4 or better	1 or more at SCQF level 5 or better	1 or more at SCQF level 6 or better
White - Scottish	96.3	85.0	59.8
White - non-Scottish	94.7	84.2	58.7
Mixed/multiple ethnic groups	96.5	89.5	68.0
Asian - Indian	98.6	92.1	71.6
Asian - Pakistani	97.9	89.7	71.1
Asian - Chinese	99.4	95.4	88.0
Asian - Other	96.6	90.9	77.7
African/ Black/ Caribbean	98.9	93.8	74.6
All other categories	96.3	85.1	62.1
Not Disclosed/Not known	93.0	81.5	53.2
<b>All Leavers</b>	<b>96.2</b>	<b>85.2</b>	<b>60.2</b>

Source: Scottish Government, Summary statistics for attainment, leaver destinations and healthy living, No.6: 2016 Edition

In Scotland, the gap in achievement between ‘white – Scottish’ pupils living in the most deprived areas of Scotland and their ‘white – Scottish’ peers in other areas was much larger than for all other ethnicities, except ‘Gypsy/Travellers’.[44]

## Post-school transitions

The Annual Participation Measure shows that overall the rate of participation in education, training and employment of 16-19 year olds from an ethnic minority background is higher than for those from a non-ethnic minority background. Those from an ethnic minority background were more likely to be participating in education and less likely to be participating in employment.[49]

**Table 8: Participation statuses broken down by ethnicity, 2016 [49]**

Status Grouping	Ethnic minority	Non ethnic minority	Not Known/ Not Disclosed	16-19 year old Total
Total 16-19 Cohort	9,729 (4.4%)	207,029 (93.0%)	5,822 (2.6%)	222,580
Participating	92.9%	90.3%	89.2%	90.4%
% Participating in Education	84.6%	70.5%	76.3%	71.3%
% Participating in Employment	7.1%	17.6%	10.6%	16.9%
% Training & Other Development	1.3%	2.2%	2.4%	2.1%
Not Participating	2.2%	4.1%	3.8%	4.0%
% Unemployed Seeking	1.4%	2.7%	2.5%	2.7%
% Unemployed Not seeking	0.8%	1.4%	1.4%	1.3%
Status Unconfirmed	4.9%	5.6%	6.9%	5.6%

Source: Skills Development Scotland, Annual Participation Measure

In colleges, 6.2% of FTEs (at all levels) were delivered to minority ethnic students.[52] In universities, 6.6% of Scottish domiciled first degree full-time entrants into year 1 were from a minority ethnic group.[52] Further, JRF suggest that, while ethnic minority groups in the UK are more likely to receive degrees than white groups, there are reasons to think that these degrees are more likely to be perceived as unattractive by employers.[85] Ethnic minority graduates are less likely to attend Russell Group institutions – this is partly because they tend to apply for over-subscribed courses, but disparities remain even when oversubscription is taken into account. Also, while at university, ethnic minority students tend to then underperform compared with their white counterparts, although patterns vary according to institution.[85]

One per cent of age 16-19 and 2% of age 20-24 MA starts reported being from a minority ethnic group, lower than in the general population.[58] However, from the Participation Measure we know that 16-19 year olds from a minority ethnic background are more likely to be participating in education and, as a result, have lower representation in employment than those who are not from a minority ethnic background.[49]

## Disability

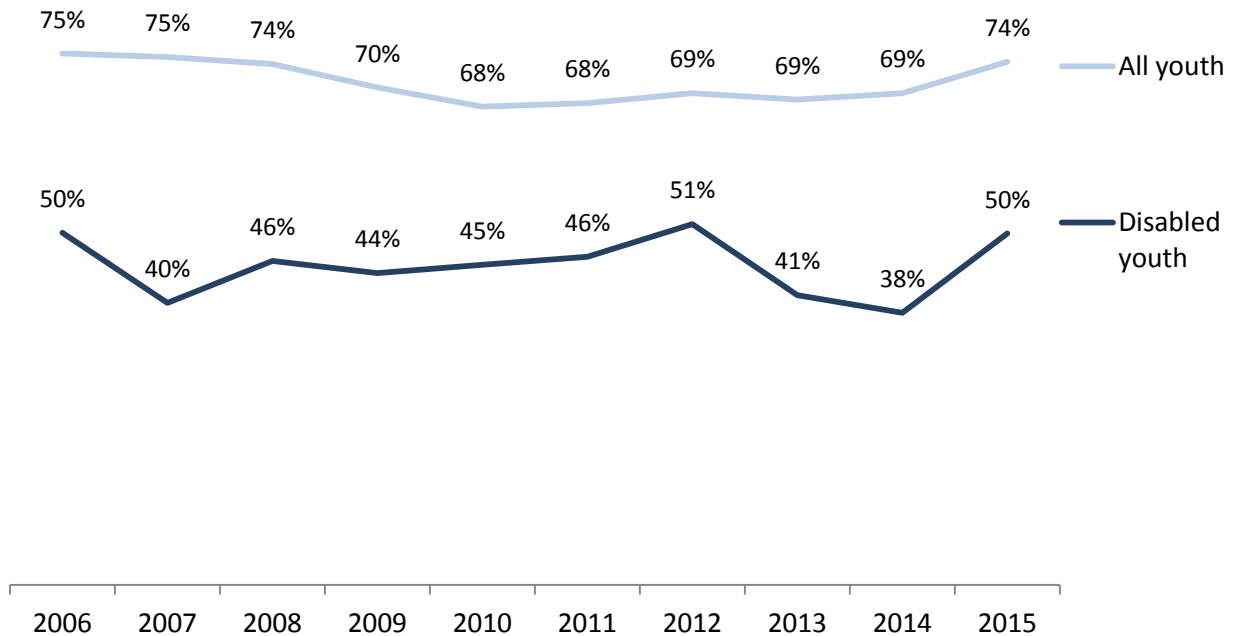
The proportion of 16-24 year olds who are disabled/have a limiting long term physical or mental health condition was estimated to be 11% in 2015.[83]

### Labour market

Disabled adults have higher poverty rates than the rest of the population. [88] Research has found that disabled adults are more likely to be workless (unemployed or economically inactive) than non-disabled adults – even when other factors such as qualification levels are taken into account. [88] When they are in work, disabled adults are more likely to be low paid than non-disabled adults, and this is the case at every level of qualification.[88]

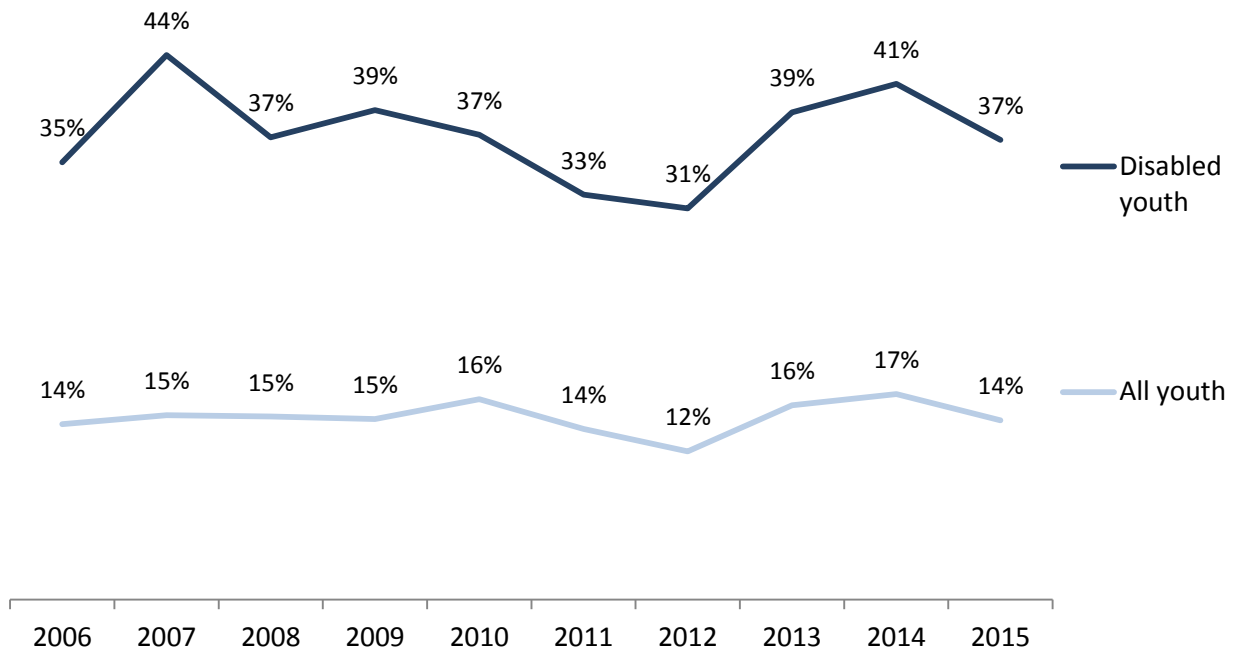
Compared with all young people, those who are disabled have higher unemployment and lower employment rates as Figures 38 and 39 show.

**Figure 38: Youth Employment Rate by Disability**



Source: Scottish Government analysis of APS data for 16-24 year olds by disability

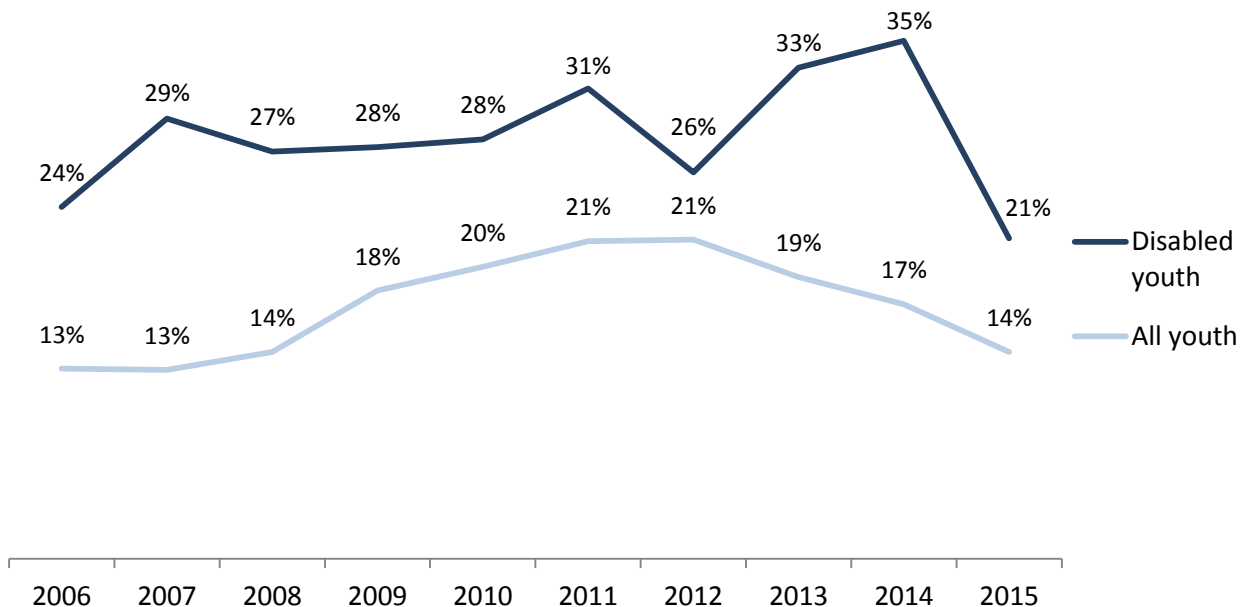
**Figure 39: Youth Unemployment Rate by Disability**



Source: Scottish Government analysis of APS data for 16-24 year olds by disability

Inactivity rates for the young disabled population are substantially higher than those for all young people.

**Figure 40: Youth Inactivity Rate by Disability**



Source: Scottish Government analysis of APS data for 16-24 year olds by disability

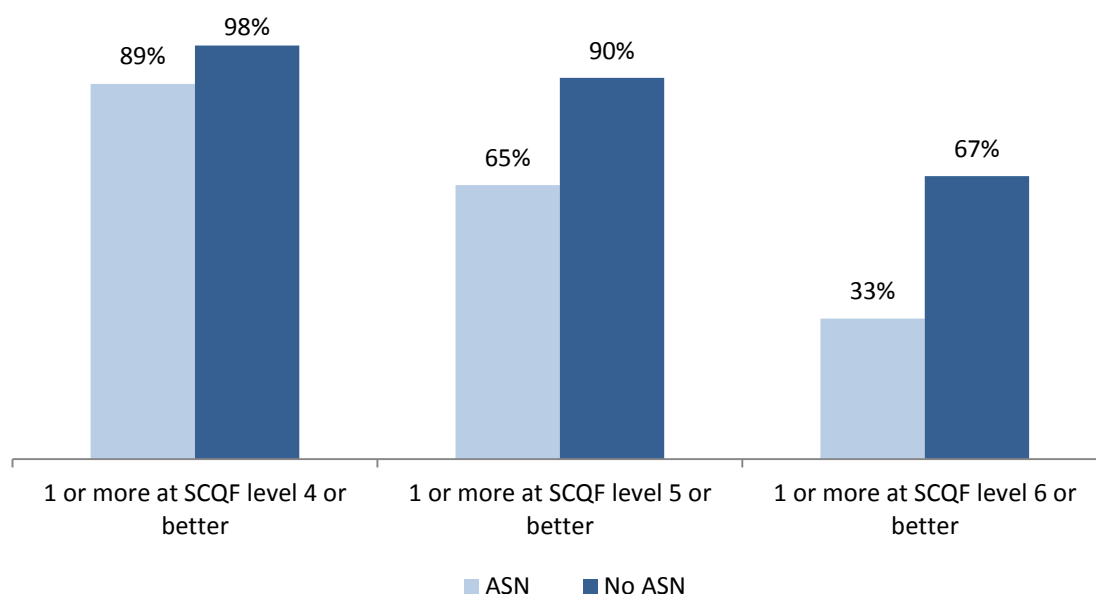
Broader evidence suggests that disabled adults – especially those with more severe disabilities – struggle to access good quality employment opportunities and experience pay gaps compared to those without disabilities.[41]

Five per cent (4.5%) of 16-19 year olds and 4% of 20-24 year old MA starts self-declared as disabled, somewhat lower than those who are disabled in the general population.[58]

### Educational attainment

Young people are identified as having an Additional Support Need (ASN) if they need additional support for their learning for whatever reason. This can include those who are being bullied, are particularly gifted, have behavioural or learning difficulties, mental health problems, or specific disabilities. School leavers with an ASN have lower attainment compared to those with no ASN, and the gap is wider at higher levels of qualification.[44]

**Figure 41: School leaver attainment by ASN (%), 2014/15**



The exclusion rate per 1,000 pupils, for pupils who have an ASN, is more than 4 times higher than those who have no ASN (69 compared to 16).[48]

### Post-school transitions

The rate of participation in education, training and employment for 16 to 19 year olds with a disability is 7.6 percentage points lower than the national average.[49] The majority of those with a disability are participating in education. [49] The Commission for Developing Scotland’s Young Workforce found that disabled young people are more likely to be offered a more limited range of education and training opportunities than other young people, despite having similar career aspirations as other young people at age 16. They suggested that a lack of practical support for disabled young people underpins their poor transitions.[41]

Access to college for those with a declared disability has improved, from 15.1% of FTEs (all levels) in 2009/10 to 17.5% in 2014/15. A higher proportion of FTEs at FE level were delivered to college students with a declared disability (19.8%) than at HE level (12.3%).[52] Students with a declared disability have a lower rate of successful completion than average (65.9% compared to an overall rate of

71.3%).[52] Disabled qualifiers from colleges are also more likely to enter further full time study (82.0) or to be unemployed (4.0%) than those with no disability (78.9% and 2.9% respectively).[53]

Eleven per cent of Scottish domiciled first degree full-time entrants into year 1 of university had a declared disability in 2014/15, a small increase (from 8.2%) over the last 5 years.[52]

It is important to note that there are complexities in reporting on participation by disability, and figures are likely to be affected by way the information is collected and the willingness of individuals to identify themselves as disabled.[89]

## **Young carers**

Disability and ill health also have an impact on young people's life chances through caring responsibilities. Unpaid carers are people who provide care and support to family members, other relatives, friends and neighbours. There are an estimated 759,000 unpaid carers aged 16+ in Scotland in 2012/2013 – 17% of the adult population – and an estimated 29,000 young carers (aged 4-15) in Scotland – 4% of the child population.[90] Of those aged 16-24, 9% of young men and 12% of young women said they were carers in 2012/2013. The 2011 Census shows that 3.1% of younger people (aged under 25) living in the 20% most deprived areas in Scotland are carers compared with 1.7% of younger people in the least deprived areas. Similarly, 28% of younger carers in the most deprived areas care for 35 or more hours each week; this compares with only 17% of carers in the least deprived areas.[90]

## **Health and wellbeing**

Fewer carers report having "very good" or "good" health, compared with non-carers: 75% of carers compared with 83% of non-carers. The more care someone provides, the less likely they are to report good health. Moreover, 32% of carers reported that caring had a negative impact on their health and 41% of carers said that they had a long-term condition or illness and this rose in line with care hours provided. Just over a fifth (22%) of younger carers (aged under 25) said they had a long-term condition or disability – twice the rate for non-carers (11%). Although there appear to be wellbeing benefits for those caring for up to 4 hours per week, unpaid caring is a significant predictor of poor mental wellbeing and the presence of possible psychiatric disorder. Carers who provide more than 35 hours per week are significantly more likely to have lower mental wellbeing scores and exhibit signs of a possible psychiatric disorder than non-carers and those providing fewer hours of care. Nearly 4% of young carers said that they had a mental health condition compared with just over 1% of people in this age group who were not carers.[90]

## **Care leavers**

Local authorities have a responsibility to provide support to certain vulnerable young people, known as 'looked after children'. A young person may become looked after for a number of reasons, including neglect, abuse, complex disabilities which require specialist care, or involvement in the youth justice system. In

addition, local authorities have a statutory duty to prepare young people for leaving care and to provide advice, guidance and assistance for young people who left care (“aftercare”) on or after their 16th birthday. There is a duty on local authorities to provide this support up to the age of 19, and to assess any eligible needs up to 25.

In 2016, there were 15,317 children being looked after by local authorities - 1.5% of the 0-17 population. In addition, there were 4,602 young adults (age 16 and over) reported to be eligible for aftercare services in 2016.[91]

Despite considerable investment of resources and effort over recent years, data and research continue to provide evidence of particularly poor outcomes for young people who are ‘looked after’ or ‘care leavers’. It is widely recognised that care leavers are in danger of experiencing long term unemployment or fractured employment routes. Young people leaving care are also overrepresented in the homeless population.[92]

### **Educational attainment**

The school attendance rate is lower for looked after children than all children.[93] However, the attendance rate of looked after children has been increasing steadily since 2009/10 and the gap has reduced.[93] Looked after children are much more likely to be excluded from school than the average pupil (218 cases per 1,000 looked after pupils, compared to 27 per 1,000 in the general school population), but the exclusion rate for looked after children is also falling.[93]

Data on educational attainment is available for looked after young people who left school during 2014/15 (427 young people).[93] Looked after young people tend to have lower levels of educational attainment than those who are not looked after.[93] These differences are, in part, linked to the fact that looked after young people tend to leave school at younger ages. In 2014/15 almost three quarters (73%) of looked after school leavers were aged 16 and under (i.e. they left school at the earliest point they could) compared to just over one quarter (27%) of school leavers more generally. [93] The proportion of leavers who were aged 16 and under has decreased since 2009/10, including among looked after leavers, but discrepancies remain.[93] Looked after school leavers obtain lower qualification levels on average than all school leavers, and the gap increases at higher levels of qualifications. Only 8% of looked after leavers obtained 1 or more qualification at SCQF level 6 or better compared to 60% of all school leavers. However, educational attainment among looked after leavers has improved over the last five years, narrowing the gap. [93]

### **Post-school transitions**

Research underlines that the transition period towards independence is when looked after young people and care leavers are at their most vulnerable.[92] Looked after children are less likely to go on to positive destinations than all school leavers (77% compared to 93%), particularly higher education (4% compared to 39%).[93] The positive destination is also less likely to be sustained after nine months for looked after leavers than for all school leavers. Similarly, there is

consistently large drop-off in the proportion of looked after young people sustaining a place in FE.[93]

Of the 4,602 young adults reported to be eligible for aftercare services in 2016, 34% were known to not be receiving aftercare. Half (50%) of those receiving aftercare, for whom current activity is known, were in education, training or employment, a three per cent increase on 2015.[91]

### **Health and wellbeing**

Looked after children and care leavers have historically experienced poorer health than their peers and are less likely to engage with health services, partly as a consequence of disruptive early family lives and sometimes due to being moved frequently when in care.[94] Young women who are care leavers are more likely to experience early pregnancy than those who are not care leavers.[70] A third of (predominantly male) young offenders identified as having been in care at some point in their life. Lack of placement stability, poor educational attainment and negative social or family relationships are identified as some of the reasons for this link.[95]



## Conclusion: key issues young people in Scotland are facing

This evidence review set out to examine what the available data tells us about the transition to adulthood for young people in Scotland today, and to identify any areas of concern for young people's life chances. Eight areas of potential concern have been identified. To conclude, we summarise each of these issues in turn, briefly describing the features of the problem, which groups of young people it affects, and the outcomes the problem may have for young people and society more generally.

### **1) An increasing proportion of young adults are living in the private rental sector or with their parents, and fewer are able to save for a deposit to buy their own home**

The level of deposit as a percentage of income required for first time buyers in Scotland is relatively high. This has contributed to a large decrease in the proportion of younger households owning with a mortgage over the last decade. Low income and insecure work are additional barriers to the housing market for young adults. Debt and/or poor credit history may also make getting a mortgage difficult for some. Alongside this decline in owner occupation, there has been a substantial increase in the proportion of younger households living in the private rented sector, to the extent that this is now the most common tenure for these households. The cost of housing as a proportion of income for those who own with a mortgage is substantially lower than for those who are renting privately. The cost of private renting may also contribute to difficulties saving for a deposit.

The housing issues identified are likely to affect a wide range of young adults, although different groups will have different needs and preferences, and face different problems. Moreover, where housing is concerned the issues identified extend into the later 20s and early 30s. For low to moderate income young adults, the ability to buy their own home may be an issue, particularly for those who cannot afford a deposit and whose parents are not able to help. For those on low and/or insecure incomes there may be issues around access to social renting, the suitability of the private rental sector – in terms of cost, security and quality – and ability to pay the rent (especially for those with no family support). There are also specific issues for those with more complex housing needs such as disabled young people and care leavers.

Without being able to access suitable accommodation, young adults may continue to live with parents and be unable to transition fully to independence, or be at risk of homelessness for those without family support. Housing insecurity may also lead to an inability to build community ties. Moreover, if fewer young adults are able to buy their own home, there are broader implications for wealth accumulation and intergenerational wealth inequality.

## **2) Young adults are particularly likely to be in low quality employment compared to older age groups and to past generations**

Labour market changes – such as globalisation and technological change – have been identified as an underlying driver of inequality. While the Scottish employment rate has recovered since the recession, there has also been a growth in part time jobs, and increases in self-employment, insecure working, and underemployment. Young adults are especially affected by these shifts: underemployment and insecurity in the form of zero hour contracts and an increase in cycling between low paid, short term work and unemployment have been identified as issues. There is also a significant inequality in pay with regards to age. Young adults are overrepresented in low wage sectors such as retail and food services, which rarely offer career progression.

Less advantaged young adults, especially those with lower levels of educational attainment, are more likely to experience low paid, precarious work, and cycling between this and unemployment. Disabled adults have been found to experience pay gaps compared to those without disabilities. Despite generally higher educational attainment, minority ethnic adults are also more likely to be in low-paid work than white adults, and some minority ethnic groups face a pay gap compared to white groups. Women dominate low-pay sectors such as caring and leisure occupations.

The analysis suggests that young adults today struggle in the labour market in spite of being the most highly educated generation yet. There is evidence to suggest that young adults in the UK are more disadvantaged in the labour market than previous generations, in terms of unemployment, low pay and job quality. The concentration of young adults in low quality employment and their difficulty in getting jobs with reasonable security and prospects has potential implications for the sustainability of the economy, population health, and levels of poverty and inequality in Scotland.

## **3) For a significant minority of young adults labour market entry and labour market progression are major challenges**

In addition to low quality work, labour market entry is also a concern for young adults, particularly those with lower educational attainment. While Scotland performs relatively well on youth employment rates internationally, unemployment rates for young adults in Scotland are consistently higher than those for other age groups and young adults bore the main impact of the most recent recession. There are concerns that labour market changes are leading to a growing divide between those with and without skills, and that those with low or no qualifications will be more disadvantaged than in previous generations as the demand for skills increases.

Some groups of young adults face additional barriers to the labour market. Compared with all young adults, those who are disabled face higher unemployment. It is suggested that a lack of practical support for disabled young adults underpins difficulties with labour market transitions. Young men have a higher risk of being unemployed. However, young women who leave school early with poor qualifications are likely to face worse labour market outcomes than young

men with similar characteristics – this is related to caring responsibilities, and particularly early pregnancy and motherhood. Unemployment rates for minority ethnic adults are higher than for white adults.

There is a considerable body of evidence to suggest that being unemployed when young leads to a higher likelihood of long-term ‘scarring’ in later life in terms of pay, unemployment, life chances and health. These effects seem to be stronger for younger people and those with less school success. The exclusion of some groups of the population from the labour market is likely to lead to increasing inequality, with implications for future income, wealth and health.

#### **4) Young people, particularly those not going directly to university, are having to negotiate increasingly complicated transitions from school into employment**

Young people today are much more likely to continue in education, rather than move directly from school into employment as in the past. This means today’s young people are more likely to have to negotiate increasingly complicated transitions into employment. This is particularly the case for those who are not going on to university as a first destination post-school. Young people from the most deprived areas are less likely to be participating in education, training or employment than those from the least deprived areas. They are more likely to go on to study at college and less likely to go on to university. Young people from the most deprived areas are also more likely to experience fragmented post-school transitions than those from the least deprived areas. They are less likely to stay on at school and more likely to experience multiple post-school transitions, to be unemployed when they leave school, or to move into a short term training programme.

Other forms of disadvantage also have an impact on young people’s transitions. Disabled young people have a substantially lower rate of participation in education, training and employment than those who are not disabled. They are also almost twice as likely to be participating in further education. It is suggested that disabled young people are more likely to be offered a more limited range of education and training opportunities than other young people, often with inaccurate assumptions made about capabilities. Young carers can experience difficulties balancing post-school education or employment with caring responsibilities. Young people leaving the care system are also at a disadvantage. Looked after children tend to leave school at younger ages and obtain lower qualification levels on average than all school leavers. They are subsequently less likely to go on to, and sustain, positive destinations after school.

Educational attainment and the success of initial post-school transitions have long-term effects on young people’s future prospects. The level of qualification obtained has a significant impact on future outcomes: those with higher levels of qualification are more likely to be in work and higher paid. The research literature highlights that experiencing an unsuccessful transition into the labour market has long-term effects, including on future pay and unemployment. Those with lower education levels are more affected by unsuccessful initial transitions. Further, at a societal

level, where post-school destinations and future career are strongly shaped by family background, this limits social mobility and contributes to a lack of diversity in many occupations.

### **5) There is continued gender segregation in subjects studied during education and training, and in the labour market**

Subject choice in further education and higher education, as well as in choice of MA is strongly gendered. Young men are over-represented in subjects such as, for example: construction, engineering and computing; and ICT; while young women are over-represented in areas such as health and social care, hairdressing and beauty, and education and training. Gender segregation in subjects studied at school and beyond is associated with gender segregation in the labour market, with 'feminised' sectors tending to be low paid. This contributes to the gender pay gap.

### **6) Educational attainment is persistently low for some groups of school leavers**

As previously highlighted, educational attainment is a key driver of access to the labour market, and skills and qualifications have a significant impact on employment. As has been widely recognised, there is a persistent gap in educational attainment between school leavers in the most and least deprived areas of Scotland. There are also attainment gaps between school leavers with and without additional support needs, young men and young women, and looked after young people and those who are not looked after.

As underlined in the sections above, young adults with lower qualification levels are more likely to experience less successful post-school transitions and to be disadvantaged in the labour market. It has also been suggested that those with no and low qualifications face greater disadvantage in the labour market than previous generations. Labour market disadvantage has a broader impact on future life chances, health and wellbeing.

### **7) There is some evidence of growing mental health issues for young people, particularly young women**

The proportion of young adults who self-reported to have ever self-harmed was much higher than for older age groups. The analysis suggests there may have been increases in the proportions of young adults self-reporting symptoms of depression and anxiety, and self-harm. In particular, the analysis raised some potential concerns regarding the mental wellbeing of young women. Young women reported lower levels of life satisfaction and wellbeing than young men. They were also more likely to exhibit signs of a possible psychiatric disorder and self-report higher levels of self-harm compared to young men and older age groups. The evidence indicates that this increase in mental health issues among young women is manifesting earlier in adolescence. In adults and adolescents, poorer mental health outcomes have found to be associated with greater socioeconomic disadvantage, although there is lack of data specifically on socio-economic disadvantage and mental health in young adults. Groups with a high risk of mental

health issues include those with experiences of adverse childhood experiences (ACEs) and other adversity, for example care leavers and young carers.

Half of adult mental health problems start before the age of 14 and three quarters start before the age of 24. Poor mental health has an impact on longer-term health outcomes. The ability to engage in education and employment may also be impacted, which in turn may have long-term impacts on future prospects.

#### **8) The persistence of health inequalities and slower declines in rates of certain risky health behaviours in the most deprived areas compared to the least deprived areas**

Rates of smoking, drinking, teenage pregnancy and offending have all declined amongst young people in Scotland over the last decade. However, alongside this overall decline, some risks have declined more slowly in the most deprived areas compared to the least deprived areas. In particular, young people living in the most deprived areas are at a higher risk of regular smoking, teenage pregnancy and spending time in custody compared to those in the least deprived areas. This pattern reflects broader inequalities in health across the whole population, which have been shown to be driven by structural inequalities in income. Moreover, smoking, teenage pregnancy and spending time in custody all have an adverse impact on young people's life chances, for example early parenthood has a significant negative impact on employment prospects and income, thereby further increasing inequality.

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# Appendix A: Main Scottish data sources and measures

## Poverty

Official income and low income estimates are calculated using the Department for Work and Pensions' (DWP) [Family Resources Survey \(FRS\)](#) information. The FRS is an annual survey which provides snapshot income estimates. It collects detailed information about household income and has a large Scottish sample making it the best source of information on household income and poverty in Scotland. The most recently published data is for 2015/16. Low household income is used as a proxy for poverty. Poverty is measured at the household level. The threshold for being in poverty is set at 60% of median UK income. [Relative poverty](#) measures whether someone is living in poverty in the most recent year. Relative poverty after housing costs (AHC) is used here as this gives a better picture of disposable income. Further information on measuring poverty and income can be found [here](#).

When looking at household income for 16-29 year olds, this group in particular will cover a wide range of people, for example those living at home with their parents (whose household income will include that of their parents) and those living alone (whose household income will just be what they earn/receive themselves). It will also include young mothers who we know have a particularly high poverty rate.

FRS is also used to measure the [ratio of housing costs to income](#): the median ratio of housing costs to net (unequalised) household income, one of the measures of housing affordability presented.

## Wealth

The [Wealth and Assets Survey \(WAS\)](#) is one of the main sources of information on how households in Great Britain are managing economically. It is a longitudinal survey that focusses broadly on household assets and debts, borrowing and saving, and plans for retirement. Therefore, it allows for a detailed analysis of how wealth is distributed across the population, as well as levels of change in wealth. Wealth is measured at household level.

## Housing

The main source of data on people's housing circumstances in Scotland is the [Scottish Household Survey \(SHS\)](#). The SHS is a continuous cross-sectional survey based on a sample of the general population in private residences in Scotland. The Highest Income Householder, or his/her partner/spouse, is interviewed face-to-face about themselves and other members of the household. In addition, a randomly selected adult member of the same household aged 16 or over (who may, by chance, be the same person) is interviewed on other topics. Around 11,000 households are sampled. It covers a wide range of topics to allow links to be made between different policy areas, including household composition, accommodation;

household employment; household income and finances; neighbourhood and communities. The most recently published data is for 2015.

The Census also collects data on household composition and tenure. The most recent census was 2011. National Records Scotland (NRS) has conducted analysis of living arrangements for people aged 20-34.

## **Labour market**

The Labour Force Survey (LFS) measures numbers in, and rates of, employment, unemployment and inactivity, and estimates of weekly hours of work (including paid and unpaid hours) for the UK. Data is collected quarterly. The Annual Population Survey (APS) is similar to the Labour Force Survey (LFS). It is compiled by taking data from the 4 calendar quarters of the LFS and combining them with additional samples of interviews. Data is provided annually. The APS is used to measure the number of 16-19 year olds who are not in education, employment or training (NEET) at Scotland level. Data on employment in this report is taken from APS.

Employment levels measure the total number of people estimated to be in employment while employment rates allow changes in the labour market to be interpreted in a wider context by allowing for changes in the population.

The Employment Rate = the number of employed people divided by the whole population aged 16-64. The Youth Employment Rate is the number of employed people aged 16-24 (including full-time students) divided by the whole population aged 16-24. For European comparison of youth employment, the age range 15-24 is used.

The Unemployment Rate = the percentage of the active labour force that cannot find work. The denominator is the economically active population i.e. the number of those aged 16+ who are either employed or unemployed. The Youth Unemployment Rate is the percentage of the active labour force aged 16-24 (including full-time students) that cannot find work.

The Economic Inactivity Rate = the percentage of the total population aged 16-64 who are neither in employment nor unemployment.

Analysis of the Census provides more detailed information on the NEET group. The census also provides a large enough sample to look at labour market activity by ethnic group for all adults.

The Annual Survey of Hours and Earnings (ASHE) is the recommended source of employees' pay levels. Data are published on an annual basis for the UK, and also broken down by industry, occupation, region, small area, gender and full- or part-time status. The survey is a sample survey of employee jobs, although information is collected from employers. It is based on a 1% random sample of jobs on the HMRC PAYE register. It covers all employee jobs in all industries and occupations across the UK.

## Education - early years

[Growing Up in Scotland \(GUS\)](#) is a longitudinal research study tracking the lives of children and their families from the early years, through childhood and beyond. Three cohorts of children have been taking part in GUS: Birth Cohort 1 (5000 children born between June 2004 and May 2005) are just starting secondary school. GUS is a holistic study, concerned with all aspects of the child's life, including health, development, family circumstances, neighbourhood, education, friends and leisure activities. GUS provides data on children's development (including vocabulary ability and problem solving at age 3 and 5) by income group.

An analysis was undertaken of data from schools that use the Centre for Evaluation and Monitoring's (CEM) [Performance Indicators in Primary Schools \(PIPS\) assessment](#). Over 1,100 schools in Scotland use the PIPS assessment to assess the progress children make in P1 in early maths, early literacy and non-cognitive development and behaviour. The analysis provides cognitive development scores at the start of and during Primary 1 by SIMD & gender.

## Education - Broad General Education

Until recently, there has been no national requirement to undertake set assessment tasks throughout the Broad General Education phase (P1 to S3), or to produce assessment data in specific formats.

[The Scottish Survey of Literacy and Numeracy \(SSLN\)](#) provides data for the Broad General Education phase for 2016 and earlier (the Scottish Government has taken a decision to discontinue SSLN – the 2016 survey was the last SSLN). It is a nationally representative sample survey of pupils in P4, P7 and S2. SSLN assesses pupils' performance in numeracy and literacy in alternate years against the standards set by CfE. It samples around 12,000 pupils each year. The most recent data are from 2016 (literacy) and 2015 (numeracy) and. It provides data on reading, writing, listening, talking, and numeracy by SIMD and gender.

[The Programme for International Student Assessment \(PISA\)](#) is the major international study of pupil performance in which Scotland participates. PISA assesses the performance of 15-year-old pupils in maths, reading and science.

## Education - Qualifications and post-school transitions

Information on National Qualifications is obtained from the Scottish Qualifications Authority (SQA) (post review) and use the Scottish Credit and Qualifications Framework (SCQF) as the basis for reporting attainment. The presentation of [attainment data](#) reflects the move to a more outcomes-based approach: leavers are classified by identifying the highest SCQF level at which they achieved one or more passes by the time they leave school. Attainment data are presented by gender, SIMD, ethnicity, and ASN. The most recent data are for 2014/15 school leavers.

The main sources of data on young adults' transitions are 'School Leaver Destinations' (a snapshot following up all school leavers in the year after they leave school) and the 'Annual Participation Measure' (that takes account of the activity of all 16-19 year olds over the course of a year).

The [Leaver Destinations](#) census, published by the Scottish Government, collects information on the primary destination (e.g. HE, employment etc.) of each young person identified as being a school leaver during the September after they leave school (initial destination) and March the following year (follow-up destination). It is the current National Indicator. School leaver destinations are presented by highest qualification, gender, ethnicity, SIMD, ASN, and looked after status. The most recent data is for 2014/15 school leavers.

Skills Development Scotland (SDS)'s Annual [Participation Measure](#) uses the shared data set held by SDS on their Customer Support System to take account of the activity of all 16-19 year olds over the course of a year. Central to the creation of the shared dataset is the sharing of information to allow partners to identify what young people are doing in 'real time' throughout their 16-19 journeys. The participation classification of each individual is calculated by combining the number of days spent in each status between 1st April and 31st March. The overall participation classification (participating, not participating and unconfirmed) is based on the classification which has the highest sum of days. Analysis of 'Participation rates' is available by age, gender, ethnicity, disability, local authority and SIMD. The most recent data is 2015.

SDS also produce statistics on [Modern Apprenticeships](#). All data is entered and maintained by organisations contracted with SDS to deliver Modern Apprenticeships. Data is published on volume of: New Starts, Leavers, In Training, Achievements and Achievement Rates. Data is published by age, level, framework, gender, disability, ethnicity, care leaver status and ex-offender status. Data is published quarterly.

## **Further education**

The Scottish Funding Council (SFC) publish data on further and higher education in Scotland. The ['College Statistics'](#) report provides an overview of administrative data in the college sector, including full and part-time provision, analysis of subject areas and links to industry and equality groupings. The most recent data is 2015/16 (however data for 2014/15 is presented in this report for consistency with other post-school measures). ['Learning for All'](#) contains information on widening access across the University and College sectors in Scotland, including course completion and withdrawal. The most recent data is 2014/15. ['College leaver destinations'](#) provides information on the destinations of successful full-time college leavers in Scotland. The most recent data is 2014/15.

## **Higher education**

The ['Higher Education Students and Qualifiers at Scottish Institutions'](#) publication contains information on higher education provision and attainment in higher education institutions and colleges in Scotland. The most recent data is 2015/16. This includes information on student characteristics, access and equalities, and cross-border flows. The Higher Education Statistics Agency (HESA) also produces statistical information on behalf of the four UK higher education funding bodies. ['Destinations of Leavers from Higher Education in the United Kingdom'](#) provides details of the destinations of UK and other European Union domiciled leavers from

higher education who obtained qualifications in higher education providers in the UK, during that academic year. The data presented draws on the Destinations of Leavers from Higher Education (DLHE) survey and presents time series analysis relating back to 2011/12 when the revised DLHE survey was introduced. The most recent data is 2014/15.

### **Health and wellbeing - adolescents**

The cross-national [Health Behaviour in School-Aged Children \(HBSC\)](#) survey gathers information on many aspects of young people's wellbeing in 45 countries and regions across Europe and North America. It has taken place every four years since 1990 amongst a nationally representative sample of 11-, 13- and 15-year-olds attending school. The most recent survey took place in 2014. The [Scottish HBSC study](#) is conducted by the Child and Adolescent Health Research Unit (CAHRU) at the University of St Andrews.

The [Scottish Schools Adolescent Lifestyle and Substance Use Survey \(SALSUS\)](#) is the primary source of data on substance using behaviour among young people in Scotland. The survey is conducted on a biennial basis and provides national level data on smoking, drinking, drug use and lifestyle issues amongst Scotland's secondary school children. The most recent survey was in 2015.

### **Health and wellbeing - young adults**

The [Scottish Health Survey \(SHeS\)](#) is an annual sample survey that covers many aspects of the health of the Scottish population. Each survey in the series includes a set of core questions and measurements (height and weight and, if applicable, blood pressure, waist circumference, urine and saliva samples), plus modules of questions on specific health conditions that vary from year to year. Cardiovascular disease and related risk factors such as smoking, poor diet, lack of physical activity, obesity and alcohol misuse remain the principal focus of the survey. Mental health and wellbeing and general health and multiple conditions are also covered. The most recently published data was for 2014.

In contrast to the ongoing surveys among young adolescents, there is a dearth of surveys collecting data on risk behaviours among older adolescents and young adults. SHeS is the only survey that collects data on health and risk behaviours for age 16 to 24 years in Scotland, but these data are limited to tobacco and alcohol use only. The [Scottish Crime and Justice Survey \(SCJS\)](#) collects self-reported data on illicit drug use. Data on sexual risk behaviour are not routinely collected in this age group.



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