

BRIEFING PAPER

Number 5871, 12 June 2018

Youth Unemployment Statistics

HOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUE

By Andrew Powell

- 1. Youth Unemployment Statistics
- 2. Youth Unemployment across Europe

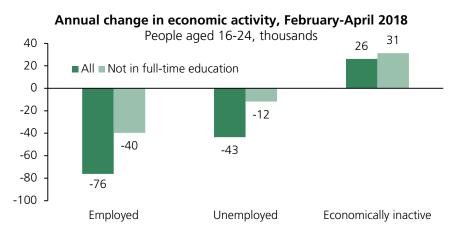
1. Youth Unemployment Statistics

520,000 young people aged 16-24 were unemployed in February-April 2018, 17,000 fewer than the previous guarter and 43,000 fewer than the year before.¹

The unemployment rate (the proportion of the economically active population who are unemployed) for 16-24 year olds was 11.9%, down from 12.5% a year ago.

Excluding young people in full-time education, 354,000 people aged 16-24 were unemployed, a similar level to the previous guarter and down 12,000 from the year before.

The unemployment rate for 16-24 year olds not in full-time education was 10.5%, compared to 10.7% a year ago.



The fall in unemployment over the past year was accompanied by a fall in the number of 16-24 year olds who are in work. However, there was a rise in the number of young people who are economically inactive (not in work and not looking for work). Over the same period, the total population aged 16-24 decreased by 93,000.

Figures are based on a survey so some of the reported changes may arise from survey error rather than actual movements in the levels.

Unemployment by age

The unemployment rate for people aged 18-24 was 10.3% in February-April 2018, down from 10.7% a year ago. 405,000 18-24 year olds were unemployed, while 1.72 million were economically inactive. 3.52 million were in work.

116,000 16-17 year olds were unemployed, while 934,000 were economically inactive and 334,000 were in work.²

The unemployment rate for 16-17 year olds was estimated at around 25%. The rate is higher than it was in the 1990s and early 2000s, despite there being a lower number of 16-17 year olds unemployed. This is explained by more 16-17 year olds staying in full-time education The number of 16-24 year olds in unemployment fell by 43,000 over the last year.

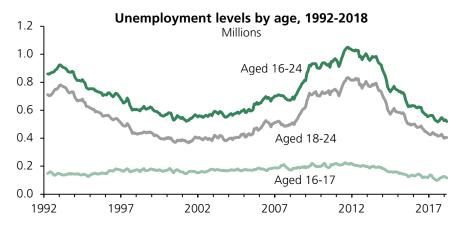
The number in work fell by 76,000.

The number who were economically inactive rose by 26,000.

All data are from ONS Labour Market Statistics bulletins and are seasonally adjusted.

The estimates for 16-17 year olds are more volatile than those for 18-24 year olds, since they are based on a smaller number of survey responses.

so that fewer are economically active (the unemployment rate is calculated as a proportion of the economically active population).



Long term youth unemployment

80,000 people aged 16-24 had been unemployed for over 12 months in February-April 2018, up slightly from the previous quarter and down slightly from a year ago. 15% of unemployed 16-24 year olds had been unemployed for over 12 months.

Men and women

295,000 men aged 16-24 were unemployed in February-April 2018, down 29,000 from a year ago. The unemployment rate for men in this age group was 12.9%, compared to 13.9% a year ago.

225,000 women aged 16-24 were unemployed, down 14,000 from a year ago. The unemployment rate for women aged 16-24 was 10.7%, compared to 11.0% a year ago.

People claiming unemployment benefits

174,000 people aged 18-24 were claiming Jobseeker's Allowance or were claiming Universal Credit and required to seek work in April 2018, up 7,200 from a year ago.

However, these numbers are impacted by the ongoing rollout of Universal Credit (and are thus classed as "experimental statistics"). Under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance. This has the effect of increasing the number of unemployed claimants compared to the previous system.

The effect of Universal Credit is most visible in areas operating Universal Credit "Full Service" (where rollout is more advanced). Most jobcentre areas have not yet moved to "Full Service" but will do so over the next year. For more details see section 2 of the Library's briefing paper, *People claiming unemployment benefits by constituency*.

The Office for National Statistics (ONS) believes that due to the impact of Universal Credit, the claimant count data "may now be providing a misleading representation of the UK labour market".³

The fall over the past year in the number of unemployed 16-24 year olds was driven by the fall for men. The number of unemployed women stayed at a similar level.

ONS, *Publication arrangements for the Claimant Count*, 23 February 2017

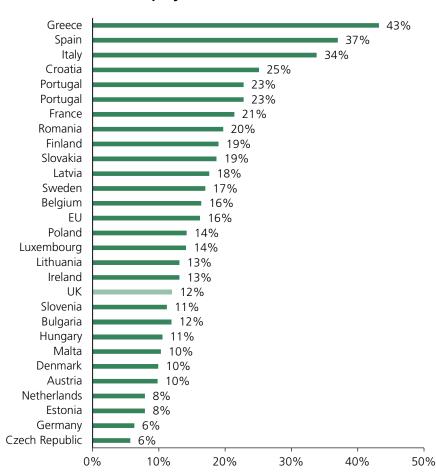
2. Youth Unemployment across Europe

The chart below shows the youth unemployment rate across European Union countries. Figures are published by Eurostat (the European statistical authority) and therefore may differ from what is published elsewhere in this note.

Greece had the highest rate of youth unemployment in October-December 2017 at 43.2%. The Czech Republic had the lowest youth unemployment rate at 5.7%.

The UK youth unemployment rate was 12.0%, compared to 16.2% for the European Union as a whole.

Youth unemployment rates in the EU, Q4 2017



Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed.

Source: Eurostat

Recent trend in youth unemployment in the EU

Since 2012, the youth unemployment rate has been decreasing for both the UK and for the EU as a whole, although the rate has fallen faster in the UK. Between Q4 2012 and Q4 2017 the youth unemployment rate fell by 8.9% points in the UK, compared to a fall of 7.5% points across the EU as a whole.

Youth unemployment rate, UK and EU, 2007-2017



Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people, aged 15-24, who are unemployed.

Source: Eurostat

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email <u>papers@parliament.uk</u>. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the <u>conditions of the Open Parliament Licence</u>.