

BRIEFING PAPER

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Youth Unemployment Statistics

job centre nlus

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1. Youth Unemployment Statistics

Impact of coronavirus (Covid-19)

It will be some time before some official statistics begin to reflect the effect of the coronavirus pandemic on the labour market. The Labour Force Survey, used by the ONS in its monthly labour market bulletin, will not reflect the impact of the coronavirus outbreak until June at the earliest. This paper contains unemployment information for the period between January and March 2020.

On 19 May, the ONS published April 2020 figures for the number of people claiming unemployment related benefits (the unadjusted claimant count). As these figures are for April 2020, they do give us a measure of how the number of claimants has changed in response to the coronavirus pandemic.

According to Nuffield research, younger workers are more likely to have worked fewer hours and earned less than usual by the end of March as a result of Covid-19: 69% of workers under 30, compared to 49% aged 40-55.1

10% of workers under 30 have 'probably' or 'definitely' lost their job in the last four weeks and attribute this to COVID-19, compared to 6% of workers aged 40-55.2

Employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees.³ Sectors that are shut down as a result of social distancing measures employed nearly a third (30%) of all employees under the age of 25. This compares to just one in eight (13% of) workers aged 25 and over (these figures do not include full-time students who have part-time jobs).⁴

More information can be found in the Library briefing <u>Coronavirus: Impact on the labour</u> market.

516,000 young people aged 16-24 were unemployed in January-March 2020, an increase of 35,000 from the previous quarter and an increase of 49,000 from the year before. By historical standards, unemployment levels for young people are very low.⁵

For context, it is worth noting that the total population aged 16-24 has been declining in recent years; in the year to March 2020, it decreased by 57,000. The number of young people in employment also decreased by 16,000 over the same period, while the number who are economically inactive (not in or looking for work) decreased by 90,000.

The number of unemployed young people aged 16-24 increased by 49,000 in the last year.

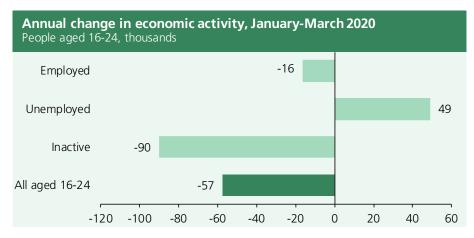
¹ Adams-Prassl, et al, <u>Inequality in the impact of the coronavirus shock: New survey</u> evidence for the UK, 1 April 2020.

² Adams-Prassl, et al, <u>Inequality in the impact of the coronavirus shock: New survey</u> evidence for the UK, 1 April 2020.

³ Institute for Fiscal Studies, Sector shutdowns during the coronavirus crisis: which workers are most exposed?, 6 April 2020.

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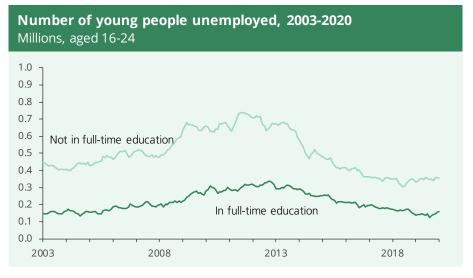
All data are from ONS <u>Labour Market Statistics bulletins</u> and are seasonally adjusted.



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

The **unemployment rate** (the proportion of the economically active population who are unemployed) for 16-24 year olds was 11.9% in January-March 2020. This is up from 11.3% in the previous quarter and from 10.8% a year before.

The **inactivity rate** for young people is 36.9%. Three quarters of young people who are economically inactive are in full-time education.



The youth unemployment rate was 11.9%, compared to an unemployment rate of 3.9% for the whole population.

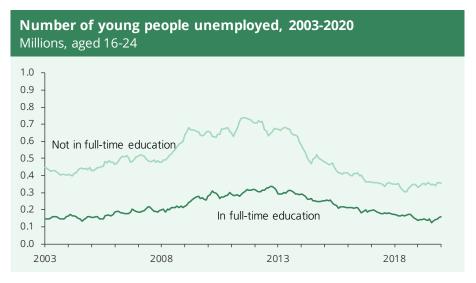
Unemployment and education status

162,000 unemployed young people were in full-time education (30% of all unemployed young people) in January-March 2020, an increase of 20,000 from the previous quarter and an increase of 25,000 from a year before.

Excluding those in full-time education, 354,000 people aged 16-24 were unemployed. This is an increase of 15,000 from the previous guarter and an increase of 24,000 from the year before.

The unemployment rate for 16-24 year olds in full-time education was 15.0%, up from 13.3% a year before. It was 10.8% for those not in full-time education, up from 10.1% a year before.

31% of unemployed young people are in full-time education.



Unemployment by age

410,000 18-24 year olds were unemployed in January-March 2020, while 1.56 million were economically inactive and 3.49 million were in work. The unemployment rate for people aged 18-24 was 10.5%, up from 9.9% a year before.

105,000 16-17 year olds were unemployed (65% of whom were in full-time education), while 981,000 were economically inactive and 330,000 were in work.⁶

Long term youth unemployment

70,000 people aged 16-24 had been unemployed for **over 12 months** in January-March 2020 (13% of unemployed 16-24 year olds).

Men and women

293,000 men aged 16-24 were unemployed in January-March 2020, up 11,000 from a year ago. The unemployment rate for men of this age was 13.1%, up from 12.6% a year before.

223,000 women aged 16-24 were unemployed, up 38,000 from a year before. The unemployment rate for women aged 16-24 was 10.6%, compared to 8.9% a year before.

The youth unemployment rate was 13.1% for men and 10.6% for women.

⁶ 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.

2. Impact of coronavirus

As the latest employment and unemployment figures (see section 1), were for the period January-March 2020, they do not yet reflect the effect of the coronavirus pandemic on the labour market.

On 19 May, the ONS published April 2020 figures for the number of people claiming unemployment related benefits (**the unadjusted claimant count**). As these figures are for April 2020, they do give us a measure of how the number of claimants has changed in response to the coronavirus pandemic.

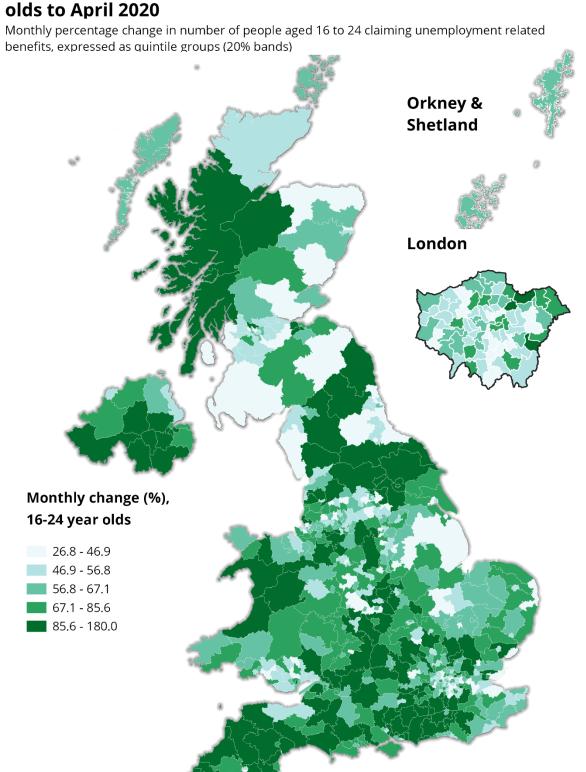
These figures include those who had their claim processed by the Department for Work and Pensions by the 9 April, over 2 weeks after the Government's instruction to stay at home.

In April 2020, **383,400** people aged 16-24 claimed unemployment related benefits. This was an increase of 141,640 claimants from March 2020.

This represents a monthly increase of **59%** between March and April 2020. **Females** aged 16-24 years had a **61%** monthly increase in claims, whereas **males** aged 16-24 years had a **57%** monthly increase in claims.

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Monthly % change in unadjusted claimant count for 16-24 year olds to April 2020

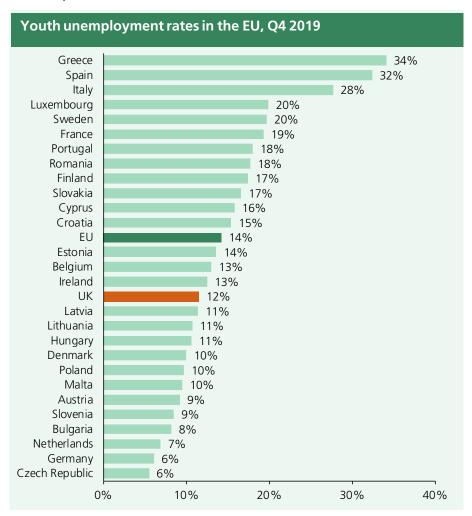


3. Youth Unemployment across Europe

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

Greece had the highest rate of youth unemployment in October-December 2019 at 34.1%. Czech Republic had the lowest youth unemployment rate at 5.5%.

The UK youth unemployment rate was 11.5%, compared to 14.2% for the European Union as a whole.



Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24 year olds in UK, Italy and Spain).

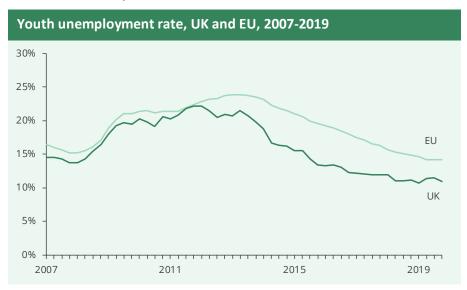
Source: Eurostat

Recent trend in youth unemployment in the EU

The UK's youth unemployment rate has consistently been lower than the rate across the EU as a whole.

Since 2013, the youth unemployment rate has been on a downward trend in both the UK and for the EU as a whole, although in recent quarters there have been small increases for the UK.

The youth unemployment rate fell by 5.3% points in the UK between October-December 2014 and October-December 2019, compared to a decrease of 7.3% points for the EU.



Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24 year olds in UK, Italy and Spain).

Source: Eurostat

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