

Research Briefing

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Youth unemployment statistics

Summary

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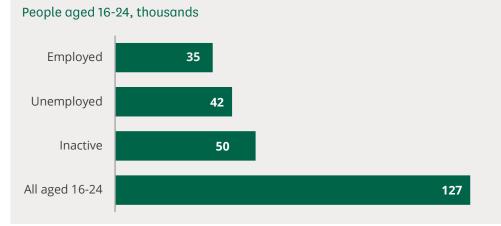
Summary

In February 2024, the Office for National Statistics (ONS) reintroduced <u>Labour</u> <u>Force Survey (LFS) data</u>, after issues with data reliability in the second half of 2023 resulted in the series being temporarily suspended. The ONS has said that the reintroduced LFS estimates should be treated with additional caution, and that the quarterly change estimates are particularly volatile.

In February to April 2025:

- there were 625,000 young people aged 16 to 24 who were unemployed, 42,000 more than the previous year. The unemployment rate for young people was 14.3%, up from 13.6% from the year before
- there were 3.75 million young people aged 16 to 24 in employment, 35,000 more than the previous year. The employment rate for young people was 51.0%, up from 50.6% from the year before
- there were 3.03 million young people aged 16 to 24 who were economically inactive, 50,000 more than the previous year. The inactivity rate for young people was 40.9%, down slightly from 41.0% from the year before.

Annual change in economic activity, February to April 2025



Source: ONS, A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)

In January to March 2024, there were 923,000 people aged 16 to 24 who were not in employment, education or training (NEET), 12.5% of all 16-to-24-year-olds. This includes unemployed and economically inactive young people who are not in education or training.

Problems with Labour Force Survey data

1.1

1

Is there a reliability problem with labour market statistics?

The Office for National Statistics (ONS) produces labour market statistics using the Labour Force Survey (LFS). In recent years, fewer people have been responding to the LFS, which the ONS has identified as a challenge to data reliability.¹ Detailed LFS estimates were not published between October 2023 and January 2024 because of quality concerns.²

The ONS started publishing LFS data again in February 2024, but these figures are now classed as 'official statistics in development', instead of 'official statistics'. Economists at the Bank of England have commented that unreliable data could show a misleading picture of labour market trends.³ Although the ONS have taken steps to improve the reliability of the LFS data, the ONS said in December 2024 that instability in the LFS estimates may continue into 2025.⁴

The Library Insight <u>Has labour market data become less reliable?</u> and the Resolution Foundation report <u>Measuring Up? Exploring data discrepancies in</u> <u>the Labour Force Survey</u> provide more information on falling response rates and LFS reliability.

1.2

Is the quality of labour market statistics improving?

To increase the number of survey responses, the ONS reintroduced face-toface interviews from October 2023 and boosted the sample in October 2023 and from January 2024 onwards. This means the data has become more reliable, and the ONS expects the LFS dataset size to increase further as the boosted sample takes effect. However, the ONS said 'during this period, there

¹ ONS, <u>Carry that weight: Reducing the effects of COVID-19 on the Labour Force Survey</u>, 8 July 2021

² ONS, <u>Operational Note – Labour Market Statistics 24 October 2023</u>, ONS, <u>Update on the Labour Force Survey</u>, 4 December 2023 and ONS, <u>Statement on the Labour Force Survey</u>, 12 January 2024

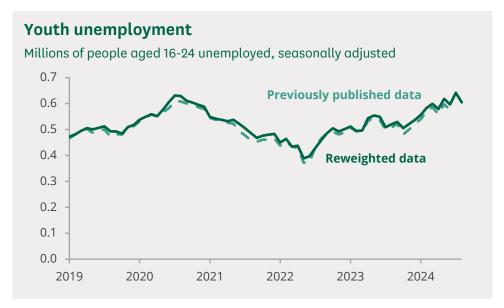
³ "<u>ONS admits it may not be able to replace UK labour force survey until 2027</u>", Financial Times, 3 December 2024, "<u>ONS inability to fix labour force survey until 2027</u> 'a major blow', MPs hear", Guardian, 3 December 2024

⁴ ONS, <u>Labour market transformation – update on progress and plans: December 2024</u>, 3 December 2024

may be more instability in LFS estimates as they are likely to be affected by these collection changes' and that the changes will not be fully included in the sample until May $2025.^{5}$

The statistics are badged as 'official statistics in development' and should be treated with caution.⁶

In December 2024, the ONS reweighted LFS data with the latest population figures from January to March 2019 onwards.⁷ This means there is a break in the data for the period before and after this quarter. The ONS has remodelled data back to June to August 2011 for the headline measures (youth employment, unemployment and economic inactivity), but not for other measures.⁸ This means that the youth unemployment and inactivity data by education status in this briefing has a break in the series.



Source: ONS, X10: Adjusted employment, unemployment, and economic inactivity and ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted)

⁵ Treasury Committee, <u>ONS</u> 'paints a daunting picture' on official data in letter to Treasury Committee, 3 December 2024

⁶ ONS, <u>Impact of reweighting on Labour Force Survey key indicators: 2024</u>, 5 February 2024

⁷ ONS, Impact of reweighting on Labour Force Survey key indicators: December 2024, 3 December 2024

⁸ ONS, <u>Labour market transformation – update on progress and plans: December 2024</u>, 3 December 2024

What happened between October 2023 and January 2024?

Between October 2023 and January 2024, when the ONS did not publish LFS data, the ONS published headline data using PAYE and claimant count data to adjust LFS survey data from previous months.⁹

On 5 February, the ONS published the Labour Force Survey data for the months it missed, reweighted by population. However, the ONS said that the reweighting did not address the volatility in labour market data and advised caution when interpreting the data for these months. This briefing uses this reweighted data unless otherwise specified.

1.4

1.3

Does the ONS have a longer-term plan for labour market statistics?

The ONS has been working on a Transformed Labour Force Survey (TLFS), which will replace the Labour Force Survey.¹⁰ This will be an online-first survey which will enable a much larger sample size than the LFS to therefore should improve the quality of the survey estimates.¹¹

According to the ONS, TLFS will become the primary source of labour market data in 2026 or 2027, and work is ongoing to <u>resolve quality issues with the</u> <u>data</u>.¹² This plan has previously been delayed.¹³

ONS, X10: Adjusted employment, unemployment, and economic inactivity, 16 January 2024

¹⁰ ONS, <u>Labour market transformation – update on progress and plans: November 2023</u>, 14 November 2023

¹¹ Treasury Committee, <u>ONS 'paints a daunting picture' on official data in letter to Treasury</u> <u>Committee</u>, 3 December 2024

¹² ONS, <u>Labour market transformation – update on progress and plans: April 2025</u>, 10 April 2025

 ¹³ ONS, Labour market transformation – update on progress and plans: July 2024, 18 July 2024
ONS, Impact of reweighting on Labour Force Survey key indicators: 2024, 5 February 2024,
ONS, Statement on the Labour Force Survey, 12 January 2024

2 Youth unemployment

In February to April 2025, 625,000 young people aged 16 to 24 were unemployed. $^{\rm 14}$

The youth unemployment rate (the proportion of the economically active population aged 16 to 24 who are unemployed) was 14.3%. This is shown in the table below.

Youth unemployment February to April 2025			
Rate (%)	14.3%		
Rate last year	13.6%		
Level (thousands)	625		
Change on year	42		

2.1

Trends in youth unemployment

Youth unemployment rates fell between 2011 and the end of 2019, having peaked at 22.5% in 2011 following the 2008 financial crisis.

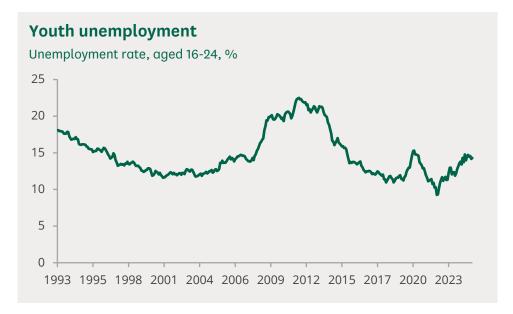
The youth unemployment rate was 12.4% (539,000 people aged 16 to 24) in January to March 2020, just before the covid-19 pandemic.

Youth unemployment initially rose during the pandemic, with the youth unemployment rate reaching a high of 15.3% in August to October 2020 (629,000 people aged 16 to 24).

Youth unemployment then fell steadily until May to July 2022, when it reached 389,000, its lowest recorded level since the current ONS series began in 1992. Since then, it has been gradually increasing. In February to April 2025, there were around 86,000 more unemployed young people than just before the pandemic.

The youth unemployment rate since 1992 is shown in the chart below.

¹⁴ ONS, A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)



Sources: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted) and A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted).

Women and men

In February to April 2025, the unemployment rate for men aged 16 to 24 was 15.5%, compared with 4.7% for all men aged 16+. The unemployment rate for women aged 16 to 24 was 12.9%, compared with 4.5% for all women aged 16+.¹⁵ These figures are shown in the table below.

Youth unemployment for men and women February to April 2025					
	Men	Women			
Rate (%)	15.5%	12.9%			
Rate last year	16.3%	10.7%			
Level (thousands)	354	271			
Change on year	-7	48			

The chart below shows that the unemployment rate for men aged 16 to 24 has been consistently higher than for women the same age. The gap narrowed during the covid-19 pandemic but was 2.6 percentage points in February to April 2025.

¹⁵ ONS, <u>A06 SA: Educational status and labour market status for people aged from 16 to 24</u> (seasonally adjusted)



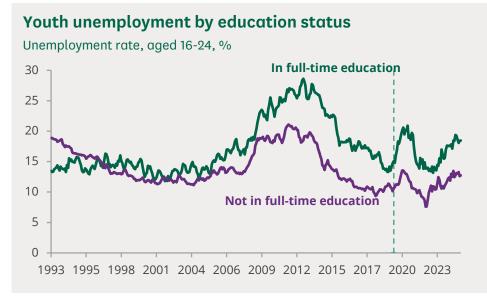
Source: ONS, <u>A06 SA: Educational status and labour market status for people aged from 16 to 24</u> (seasonally adjusted)

Unemployment by education status

The unemployment rate for 16-to-24-year-olds in full-time education was 18.5% in February to April 2025, compared with an unemployment rate of 12.7% for 16-to-24-year-olds not in full-time education. 35% of all unemployed young people were in full-time education.¹⁶

The chart below shows that, until 1997, young people not in full-time education had a higher unemployment rate. Since then, young people in fulltime education have generally had a higher unemployment rate.

¹⁶ ONS, A06 SA: <u>Educational status and labour market status for people aged from 16 to 24</u> (<u>seasonally adjusted</u>) The ONS published LFS data reweighted for population in February 2024. Because of time constraints, the ONS did not reweight data in A06 before January to March 2019, so there is a break in the series in the chart below.



Note: the dashed lines indicate a break in the series due to the data issues explained in section 1. Source: ONS, <u>A06 SA: Educational status and labour market status for people aged from 16 to 24</u> (seasonally adjusted)

Unemployment by age group

There were 501,000 unemployed 18-to-24-year-olds in February to April 2025, while 1.85 million 18-to-24-year-olds were economically inactive and 3.44 million were employed. The unemployment rate for people aged 18 to 24 was 12.7%, up from 11.9% from the year before.

Of people who were aged 16 to 17 years old, 124,000 were unemployed, while 1.18 million were economically inactive and 314,000 were employed.¹⁷

16-to-17-year-olds have a lower employment rate and a higher economic inactivity rate than 18-to-24-year-olds because 16-to-17-year-olds are more likely to be in full-time education.

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

3 Youth employment

There were 3.75 million young people in employment in February to April 2025.

The employment rate for young people was 50.6%, meaning that the number of young people in work was similar to the number who were not in work.

Youth employment February to April 2025			
Rate (%)	50.6%		
Rate last year	51.0%		
Level (millions)	3.75		
Change on year	35		

3.1 Trends in youth employment

The chart below shows that the youth employment rate has been slowly decreasing over time. This is mostly due to a rising inactivity rate among young people, as discussed in section 3.



Sources: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted) and A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted).

Men and women

The employment rate for women aged 16 to 24 was 50.4% in February to April 2025 and the employment rate for men was 50.9%.

Youth economic inactivity

4

3.03 million young people were economically inactive (not in work or not looking for work) in February to April 2025. The inactivity rate for young people was 40.9%.

Youth economic inactivity February to April 2025				
Rate (%)	40.9%			
Rate last year	41.0%			
Level (millions)	3.03			
Change on year	50			

4.1 Trends in youth economic inactivity

Economic inactivity among young people has been largely increasing since the current series began in 1992. This can be seen in the chart below.



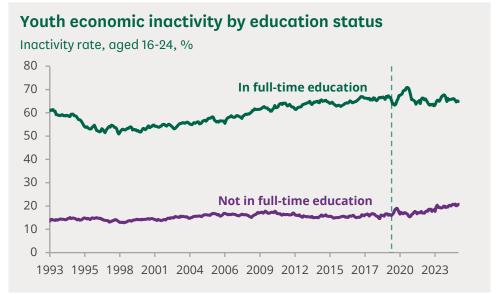
Sources: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted) and A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)

This is partly due to an increase in the number of 16-to-24-year-olds in full-time education.

Inactivity by education status

At the beginning of the covid-19 pandemic there was a sharp increase in the number of economically inactive young people who were in full-time education, as young people chose to enter or stay in education instead of looking for work during lockdowns. This effect was temporary, however, and this cohort of students eventually left education and joined the workforce.¹⁸

Since 2023, economic inactivity has been rising for young people out of fulltime education. The number of economically inactive young people who were not in full-time education was around its highest recorded level (since the current series began in 1992) in February to April 2025. Inactivity rates are shown in the chart below.



Note: the dashed lines indicate a break in the series due to the data issues explained in section 1. Source: ONS, A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)

Inactivity due to long-term illness

Since the start of the pandemic, there has also been an increase in the number of 16-to-24-year-olds who are economically inactive due to long-term illness. This was driven by an increase in the number of young people who had mental health condition. The number of young people who were economically inactive because of long-term illness with mental health condition rose by 20,000 between 2019 and 2022, a 24% increase.¹⁹

The chart below shows the number of 16-to-34-year-olds (a larger age group than discussed in the rest of this briefing) with a mental health condition who are economically inactive because they are long term sick.²⁰ Note that the

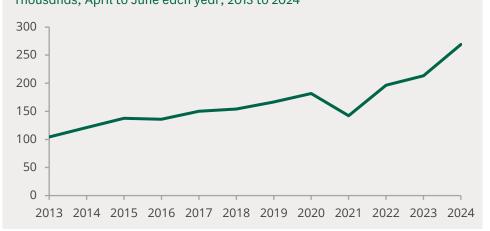
¹⁸ Office for Budget Responsibility, <u>Economic and fiscal outlook – March 2023</u>, 15 March 2023

¹⁹ ONS, <u>Half a million more people are out of the labour force because of long-term sickness</u>, 10 November 2022

²⁰ Department for Work and Pensions, <u>The employment of disabled people 2024</u>, Table EIA020

reason why people in this group were inactive may have been due to a different long-term illness, and may not have been due to their mental health condition.

16 to 34 year olds with a mental health condition who are economically inactive because they are long-term sick Thousands, April to June each year, 2013 to 2024



Source: Department for Work and Pensions, The employment of disabled people 2024, Table EIA020

The Library insight <u>Why are young people leaving the labour market?</u> provides more information about the rising inactivity among young people as a result of the pandemic.

Women and men

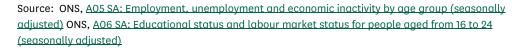
The economic inactivity rate for women aged 16 to 24 was 42.2%; the economic inactivity rate for men aged 16 to 24 was 39.8%.

The chart below shows that the gap between the inactivity rates of young men and young women has closed over time.

Youth economic inactivity for women and men

Economic inactivity rate, aged 16-24, %





Young people not in education, employment or training

In January to March 2024 there were 923,000 people aged 16 to 24 who were not in employment, education or training (NEET). This was 12.5% of people aged 16 to 24.²¹ This is detailed in the table below.

People aged 16-24 who are NEET January to March 2024				
Rate (%)	12.5%			
Rate last year	12.8%			
Level (thousands)	923			
Change on year	-7			

The Library briefing <u>NEET: Young People Not in Education, Employment or</u> <u>Training</u> provides the latest NEET statistics and further analysis of young people who are NEET.

5.1

5

Trends among people aged 16 to 24 who are NEET

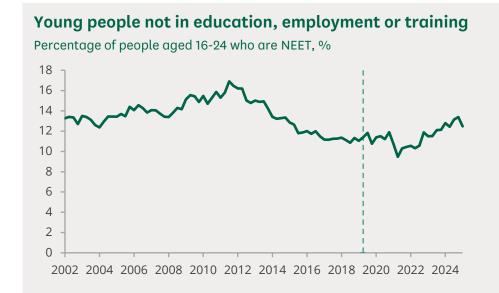
There was a gradual upward trend in the proportion of young people who were NEET between 2001 and 2011, but the proportion then slowly fell between 2011 and 2020.

In the year following the covid-19 outbreak, the proportion of young people who were NEET fell from 11.4% in January to March 2020 to 9.5% in April to June 2021. This was likely due to young people entering education. Over the same period, the percentage of NEET young people who were unemployed increased.

Since 2021, NEET rates have been rising and 12.5% of 16 to 24 year olds were NEET in January to March 2025.

The trends described here are shown in the chart below.

²¹ ONS, <u>Young people not in education, employment or training (NEET)</u>



Note: the dashed lines indicate a break in the series due to the data issues explained in section 1.

Source: ONS, Young people not in education, employment or training (NEET)

1 NEETs and unemployment

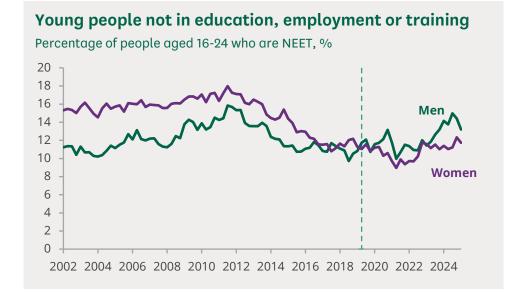
A common misconception is that someone cannot be NEET unless they are unemployed.

This is not the case. 38% of the 987,000 young people who were NEET in January to March 2025 were unemployed. The remaining 62% were economically inactive, meaning they were not working, not seeking work and/or not available to start work.

Women and men

In January to March 2025, 11.7% of women and 13.2% of men aged 16 to 24 were NEET.

The chart below shows the NEET rates for men and women have become closer over time.



Note: the dashed lines indicate a break in the series due to the data issues explained in section 1. Source: ONS, <u>Young people not in education, employment or training (NEET)</u> 6

Young people claiming unemploymentrelated benefits

In May 2025, 310,000 people aged 18 to 24 claimed unemployment-related benefits. This was slightly more than the previous month and 23,400 more than a year before. The youth claimant count was 76,100 higher than the prepandemic month of March 2020.²²

People claiming unemployment-related benefits include people claiming Universal Credit who are required to seek work and people claiming Jobseeker's Allowance.

The number of people claiming unemployment-related benefits (the 'claimant count') is useful for tracking changes in the labour market. However, many people who claim unemployment benefits may not be unemployed: they may be employed but earning less than the relevant earnings threshold, so are still eligible for unemployment benefits. Section 4 of the Library briefing Understanding statistics on employment, unemployment and earnings provides more information on the claimant count.

The chart below shows that the youth claimant count spiked between 2008 and 2011, during the financial crisis, and in 2020, during the covid-19 pandemic.

The increase in the youth claimant count during the covid-19 pandemic is partly due to a change in the eligibility criteria for Universal Credit.

The Department for Work and Pensions made further changes to the criteria for claiming Universal Credit in May 2024, and the Office for National Statistics reported that this was likely to increase the claimant count over a six-month period.²³

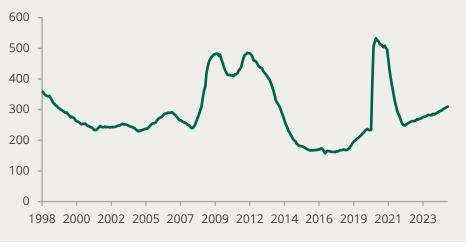
The Library briefing <u>People claiming unemployment benefits by constituency</u> provides more information about how the claimant count has changed over time due to changes in policy.

²² ONS, <u>CLA02: Claimant Count by age group</u>, Figures are seasonally adjusted

²³ ONS, <u>Labour market overview</u>, UK: September 2024, 10 September 2024

Youth claimant count

Number of people aged 18-24 claiming unemployment benefits, thousands

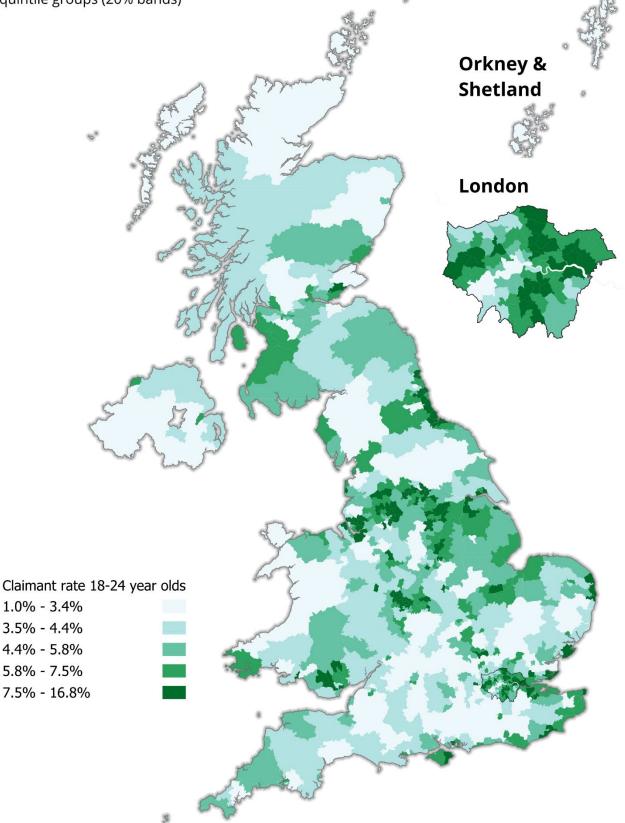


Source: ONS, CLA02: Claimant Count by age group

The map below shows claimant rates for unemployment-related benefits among 18-to-24-year-olds by constituency.

Claimant rate for 18-24-year-olds by constituency in May 2025

Percentage of population aged 18-24 claiming unemployment related benefits, expressed as quintile groups (20% bands)



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International comparisons of youth unemployment

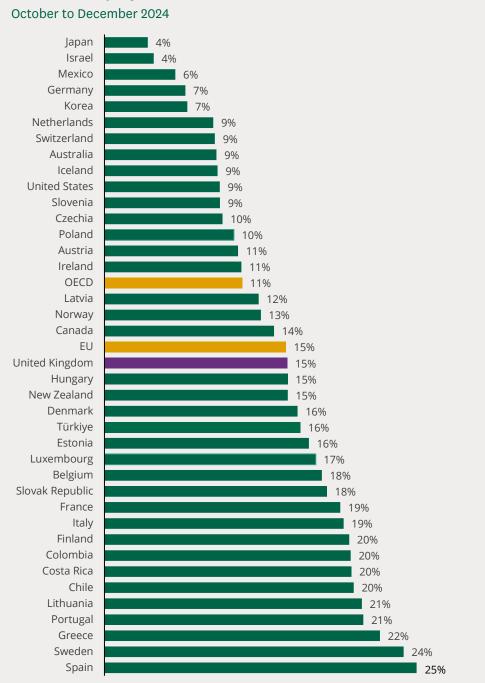
The chart below shows the youth unemployment rate across the member countries of the Organisation for Economic Co-operation and Development (OECD). Figures are published by the OECD and may differ from other figures in this briefing.

Spain had the highest rate of youth unemployment in October to December 2024 at 25.1%.

Japan had the lowest youth unemployment rate at 3.5%.

The UK youth unemployment rate was 14.7%, which compared with 14.6% for the European Union and 11.1% for the OECD.²⁴

²⁴ OECD, <u>Data explorer</u>, Data extracted on 12 May 2025. OECD data is for Q4 2024



Youth unemployment rates in OECD countries

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

Source: OECD, Data explorer, Data extracted on 12 May 2025

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