

## Summary

New analysis published by the TUC shows that young workers face a harsh economic reality.

- 1. Young workers face higher unemployment rates.** The unemployment rate for under 25s is nearly three times higher than for all workers (12.3 per cent compared to 4.2 per cent), meaning that one in eight young people are without a job despite actively seeking work and being available to start work. The unemployment rate is higher for young BME people (16.2 per cent), young disabled people (16.7 per cent) and young men (14.1 per cent). 35 per cent of unemployed young people have been unemployed for over 6 months. Within this overall trend, young workers are no more likely than others to be employed for less than six months. However, young workers (16-24) are more likely than others to have been unemployed for over 6 months but less than a year. Those young people who experience long-term unemployment are at risk of scarring effects across their working lives.
- 2. A significant minority of young people are both out of work and education.** 15 per cent of all people aged 16 to 24 are unemployed or economically inactive and not in full-time education. Without support to progression, training and development these young people will face uncertain economic futures with the potential for long term unemployment or cycles of low paid work.
- 3. Young workers are more likely to be employed on zero-hours contracts (ZHCs).** 13 per cent of workers aged 16-24 are employed on a ZHC, compared to 2.4 per cent of workers aged 25 and over. Despite only being 11 per cent of the total workforce, young workers make up 40 per cent of the 1.18 million workers employed on a ZHC. Young women (16 per cent) and young BME workers (15.8 per cent) are more likely to be on ZHC than young men (10.3 per cent) and young white workers (12.6 per cent). Insecure work is characterised by low pay, less training and development, uncertainty in hours and fewer employment rights.
- 4. Young workers are more likely to be in low paid work.** Median hourly pay for 16 to 17-year-old employees is £8 per hour and £10.90 for 18 to 21-year-olds compared to £15.83 for all employees. Whilst lower hourly pay amongst young workers as they first enter the labour market can be expected, too many young people still earn below a living wage as they are overrepresented in low paid occupations and because minimum wage legislation age bands permit young workers to be paid less for the same work.
- 5. Three quarters of employees aged 16-24 miss out on key employment rights** such as protection from unfair dismissal and the right to statutory redundancy pay, as they are more likely than other workers to have been in their jobs for less than two years.

These findings are a part of a series of publications monitoring the experience of young workers in the UK since 2020. TUC analysis demonstrates that young workers have faced ongoing challenges during the financial crash, pandemic and now the cost-of-

living crisis. Urgent action is needed to rectify the damage done and ensure that young people have access to high-quality, well-paid work and opportunities for training, progression and development. The TUC is calling for:

1. The minimum wage to be raised to £15 per hour as soon as possible and extended to all workers regardless of age.
2. A ban on zero-hours contracts and ensure all workers get reasonable notice of any shift change with compensation for cancelled shifts.
3. All workers to have day one rights on the job and scrap qualifying time for basic rights, such as unfair dismissal, sick pay, and parental leave. This means workers will have day one rights to these key workplace protections as well as employees.
4. A job guarantee scheme to stop young people without work becoming long-term unemployed.
5. Investment in a dedicated careers service for young people.
6. Investment and prioritisation of skills and apprenticeships for young people.
7. A replacement for Universal Credit. We believe that the policy and design of Universal Credit is fundamentally flawed and have set out ways in which a new system could be improved.
8. Stronger gender pay gap reporting and the introduction of disability and ethnicity pay gap reporting.

More detail can be found in the recommendations section at the end of the report.

## **Methodology**

Our labour market analysis is based on the Labour Force Survey (LFS) Q2 2023 and our pay analysis is based on the Annual Survey of Hours and Earnings (ASHE) 2023. Unless otherwise stated, labour market data can be assumed to be taken from LFS and pay data can be assumed to be taken from ASHE. Headline employment, unemployment and activity rates for age groups are taken from the seasonally adjusted LFS data released by the Office for National Statistics (ONS). All other labour market data is taken from the non-seasonally adjusted data.

## **Unemployment rate**

Young workers face a higher unemployment rate than other workers.

In Q2 2023, the unemployment rate for under 25s was 12.3 per cent, compared to 4.2 per cent for all workers. The next highest age group is 25-34 (3.9 per cent).

There are differences in the unemployment rate among young workers. Young BME people who are looking for work face a higher unemployment rate (16.2 per cent, compared to 11.1 per cent for White people).

The unemployment rate for young disabled workers is higher than it is for young non-disabled workers (16.7 per cent, compared to 10.9 per cent). This tallies with previous TUC analysis which has shown that the unemployment rate for disabled workers is higher than non-disabled workers and higher for BME workers compared to White

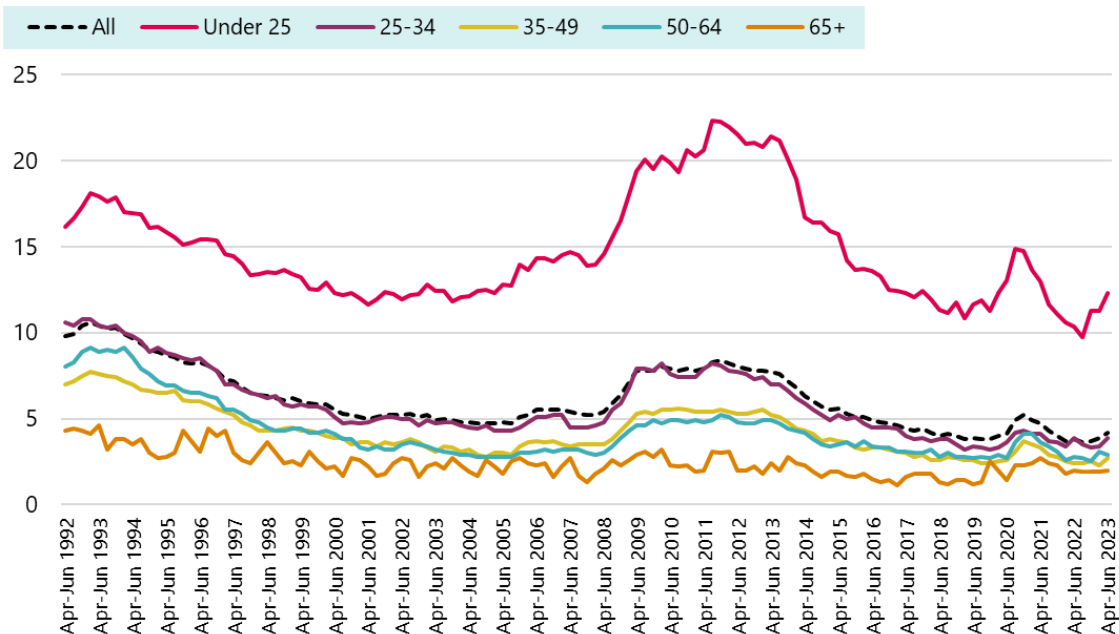
workers<sup>1</sup>. And young men are more likely to be unemployed than young women (14.1 per cent compared to 9.3 per cent). There is more detail on economic activity by ethnicity, disability status and gender later in the report.

Unemployment is defined as being without a job despite actively seeking work and being available to start work. It also includes those who are out of work but waiting to start a new job in the next two weeks. It therefore does not include those who are out of work and not looking for work.

The unemployment rate is the number of unemployed people as a percentage of the number of people who are “economically active” (those in employment plus those who are unemployed). It doesn’t include people who are engaged in other activities, for example studying. More information is provided in the sections below.

Youth unemployment rose after the 2008 financial crisis, and, more recently, during the pandemic. TUC analysis at the time of the pandemic showed how young workers were more at risk of job losses during the pandemic as they were more likely to work in industries affected by social restrictions<sup>2</sup>. The youth unemployment rate improved between late 2020 and 2022 but has begun to rise again in recent months.

### Unemployment rate by age, Q2 1992 to Q2 2023

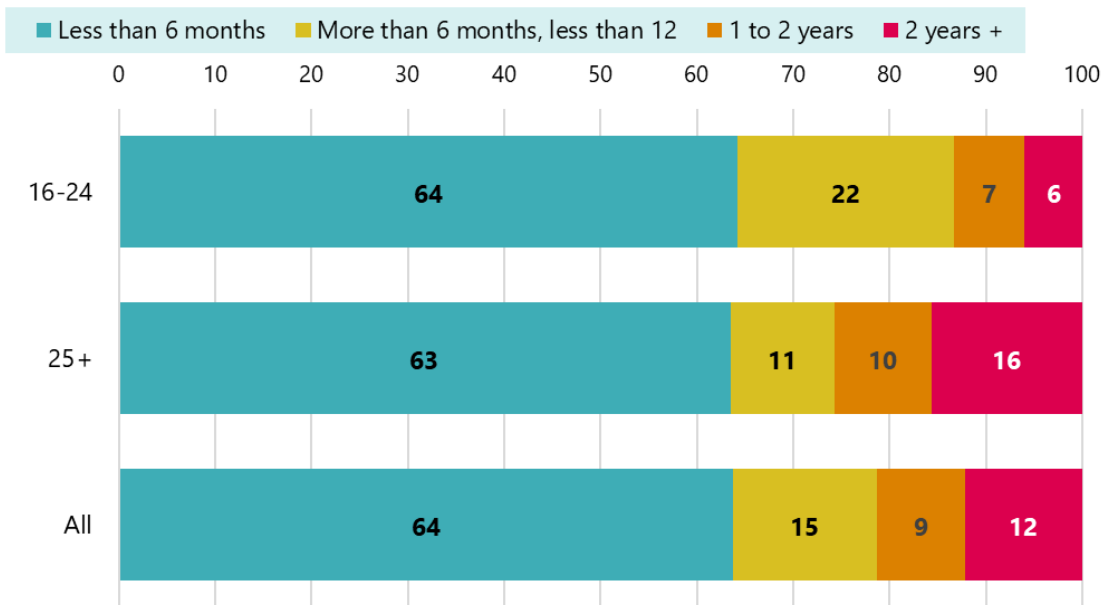


As shown in the figure below, unemployed young workers are less likely than older age groups to have been unemployed for a year or longer (13 per cent, compared to 26 per cent of those aged 25 and over). However, they are not any more likely than those aged 25 and over to be unemployed for less than 6 months. Young workers are twice as likely as those aged 25 and over to have been unemployed for 6 months or more, but less than 12 months (22 per cent compared to 11 per cent).

<sup>1</sup> *Jobs and pay monitor – disabled workers*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-pay-monitor-disabled-workers>

<sup>2</sup> *Young workers are most at risk from job losses due to the coronavirus crisis*, TUC (2020). Available at: <https://www.tuc.org.uk/research-analysis/reports/young-workers-are-most-risk-job-losses-due-coronavirus-crisis>

## Duration of unemployment by age group, as % of unemployed people in age group



Source: TUC analysis of LFS Q3 2023

Higher rates of unemployment amongst younger people are to be expected as they are more likely to be entering the jobs market for the first time. But we are concerned about a lack of decent work, training opportunities including good quality apprenticeships and careers services which are keeping unemployment rates higher than they need to be and increasing the risk of longer-term unemployment, which has significant scarring effects on young people's future living standards and wellbeing. Given the higher numbers of 16-24 year olds who have been unemployed for more than 6 months but less than a year, we are also concerned that without intervention we risk the percentage of younger workers being unemployed for over a year increasing.

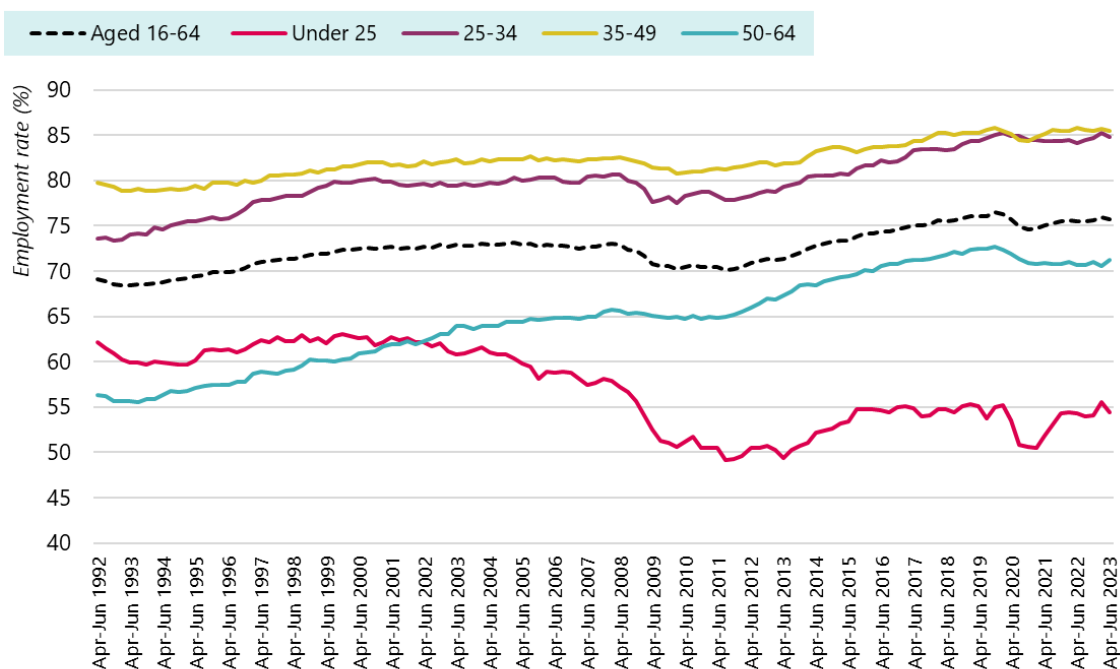
## Employment rate

The employment rate for those aged 16-24 is lower than it is for other working age adults<sup>3</sup>. In Q2 2023, it was 54.4 per cent, compared to 75.7 per cent for all aged 16-64. The youth employment rate is lower now than it was in the 1990s and early 2000s, when it was typically around 60 per cent.

Unlike the unemployment rate, the employment rate is a percentage of all people (rather than just those who are "economically active"). This means that a lower employment rate for young people is not necessarily caused by higher unemployment but could also be the result of higher levels of "economic inactivity". Someone is considered economically inactive if they are not in work or actively seeking employment. This could be, for example, because they are students or because they're too ill to work. Young people are particularly likely to be in higher or further education, which explains at least in part their lower employment rates. This is explained in the section on economic inactivity below.

<sup>3</sup> Working age is defined as aged 16-64. The employment rate is much lower for those aged 65 and over.

## Employment rate by age, Q2 1992 to Q2 2023



Source: ONS, TUC analysis

## Economic inactivity

Young workers have higher rates of economic inactivity than other working age adults<sup>4</sup>. Economic inactivity is defined as those who are not in employment, have not been seeking work within the last 4 weeks, and/or are unable to start work within the next 2 weeks. It includes, for example, students who are not working alongside their studies, retirees, those who are too ill to work or those who cannot work due to an impairment.

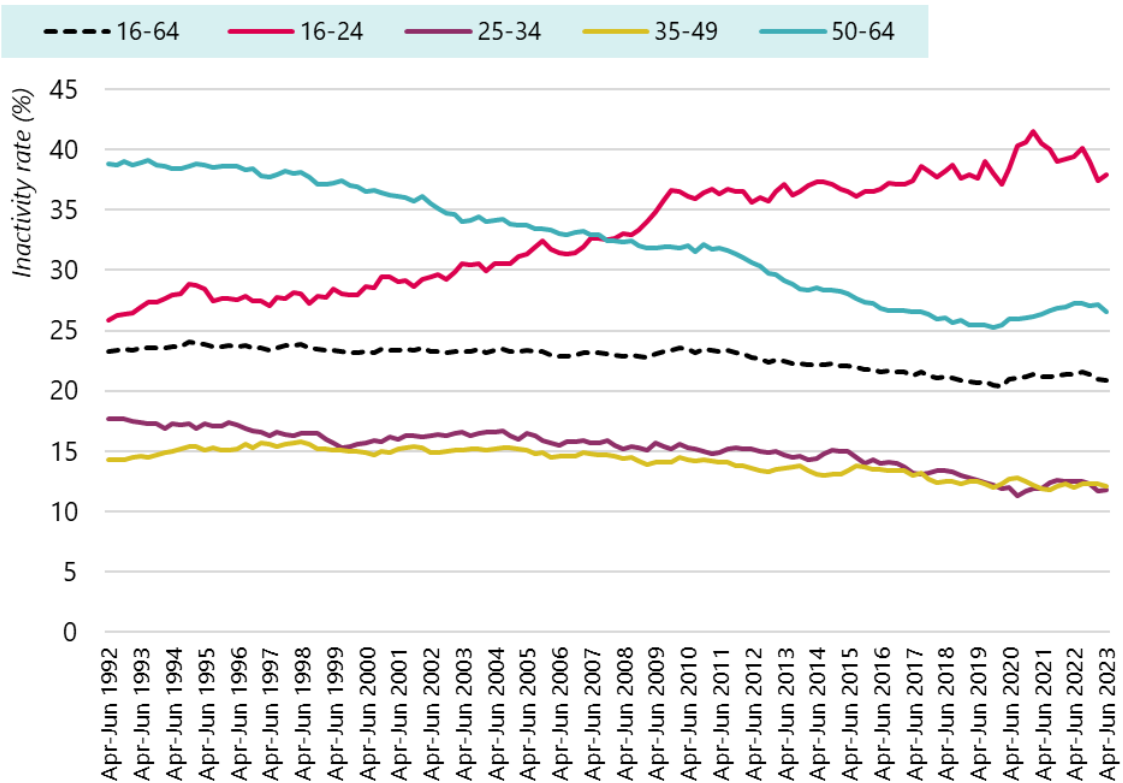
The chart below shows the trend in inactivity rates by age group between 1992 and 2023. The inactivity rate for young people has risen since 1992, up from 25.8 per cent in Q2 1992 to 38.0 per cent in Q2 2023.

This has largely been driven by a rise in young people staying in education. Data on the reason for inactivity only goes back to 1998. But in Q2 1998, 2-in-10 young people (21 per cent) were inactive due to being a student. In 2023, it's 30 per cent. This is a rise of 741,000 people, or 56 per cent. Across the same period, the total number of people aged 16-24 has risen by 600,000, or 10 per cent – so the rate of participation in education has grown much more quickly than the size of the population overall.

This rise in inactivity helps to explain why both the youth employment rate and youth unemployment rate has fallen since 1992.

<sup>4</sup> Working age is defined as aged 16-64. Those aged 65 and above have the highest rate on economic inactivity (88.5 per cent in Q2 2023) due to retirement. However, the economic inactivity rate for those aged 65+ has dropped since 1992, when it was 94.1 per cent.

## Inactivity rate by age, Q2 1992 to Q2 2023



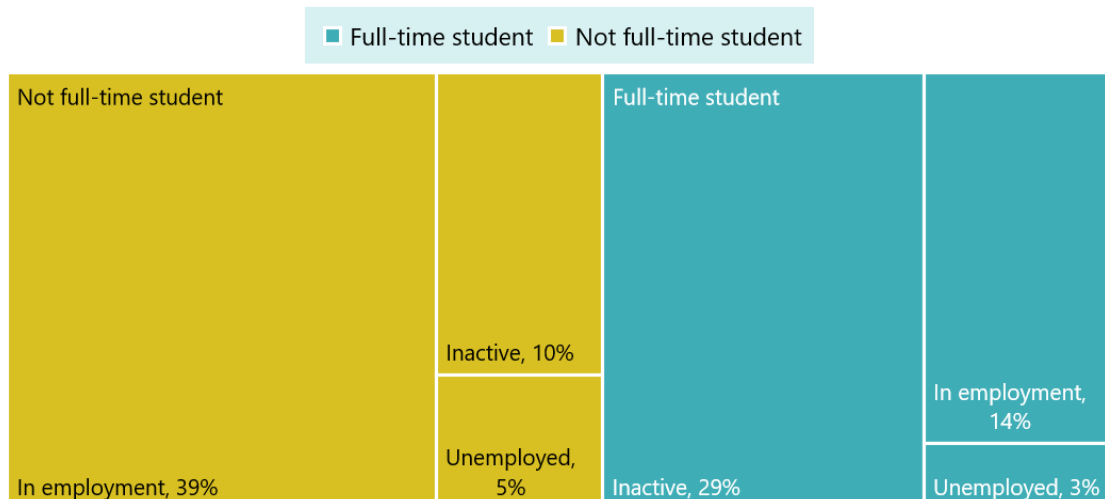
Source: ONS, TUC analysis

The other clear long-term trend in the chart above is the fall in economic inactivity among people aged 50-64. This fall has been driven by people retiring later and less people being out of work due to caring responsibilities.

### Economic activity among full-time students and those who are not full-time students

Just under half (46 per cent) of those aged 16-24 are full-time students. 3-in-10 young people (29 per cent) are full-time students and economically inactive.

### Economic activity and education status as % of all 16-24 year olds



There is a clear difference between the labour market experiences of young people who are full-time students and those who are not. 72 per cent of young people who are not full-time students are in employment, compared to 31 per cent of those in full-time education. Full-time students are much more likely to be inactive (63 per cent compared to 19 per cent of those who aren't full-time students).

The higher rate of inactivity among full-time students is unsurprising – the vast majority say they are economically inactive due to being students. Concerningly, however, 19 per cent of those who are not in full-time education are also economically inactive. A further 9 per cent are unemployed. This means that 15 per cent of all people aged 16 to 24 are unemployed or inactive and not in full-time education<sup>5</sup>.

The reasons for economic inactivity among young people not in full-time education are more varied, five per cent of young people who are not full-time students report being inactive due to being a student. It could be that they are studying part-time or their course hasn't started yet. The same percentage are inactive due to a long-term sickness or they are disabled. Three per cent are inactive due to caring responsibilities and the same percentage give no reason.

**Economic inactivity by education status (16 to 24 year olds), %**

	FT student	Not FT student	Total
In employment	31	72	53
Unemployed	6	9	7
Inactive: student	59	5	30
Inactive: looking after family/home	0	3	1
Inactive: temp sick/injured	0	0	0
Inactive: long term sick or disabled	1	5	3
Inactive: other reason	1	2	2
Inactive: No reason	1	3	2
Inactive: believes no jobs available	0	0	0
Inactive: not yet started looking	0	1	1
Inactive: does not need or want emp	0	0	0
Inactive: waiting results of jobs application	0	0	0
<b>Total inactive</b>	<b>63</b>	<b>19</b>	<b>39</b>

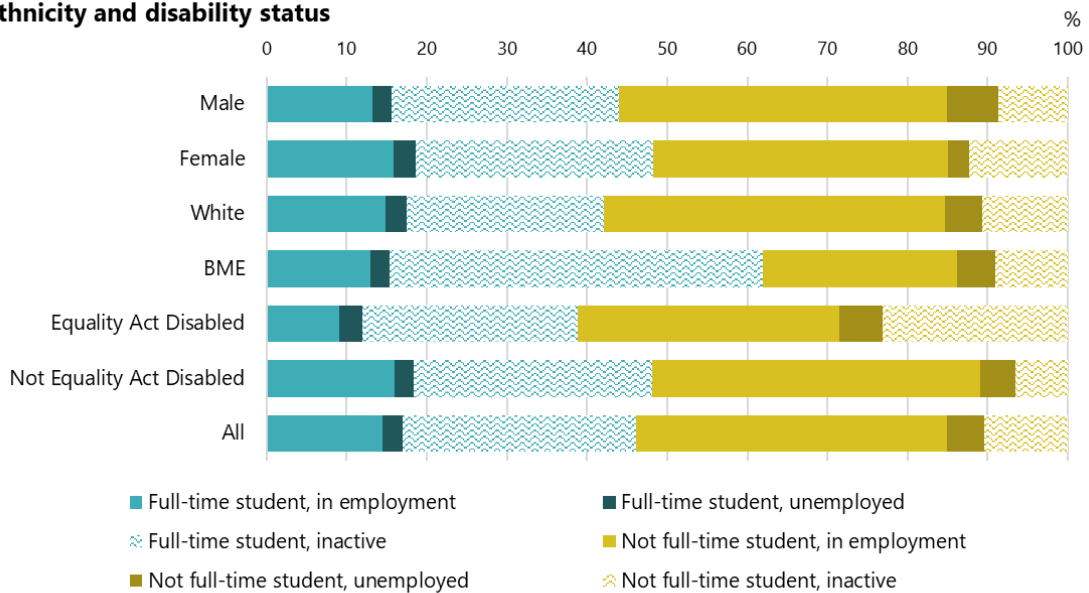
<sup>5</sup> This is not the same as the Not in Education, Employment or Training (NEET) statistic, which is based on a different methodology. Our analysis looks at the different labour market experiences of 16-24 year olds based on whether they are full-time students. NEET is an official government measure that looks at those who are not in education, employment or training. The definition of education and training is broader than just those who are full-time students.



Total	100	100	100
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Young men and women who are not full-time students are equally likely to not be in employment. However, the reason for not being in employment varies between men and women. Young men not in full-time education are more likely to be unemployed, whereas young women not in full-time education or work are more likely to be economically inactive. The difference in economic inactivity between young men and women is driven by women being much more likely to be economically inactive due to caring responsibilities. 5.2 per cent of women who are not full-time students are inactive due to looking after family, compared to 0.3 per cent of men.

**Economic activity and education status, 16-24 year olds, by gender, ethnicity and disability status**



Source: TUC analysis of LFS Q2 2023

There are also differences in economic inactivity by ethnicity and disability status. As the chart above shows, young BME people are more likely to be full-time students (62 per cent, compared to 42 per cent of young White people). Young BME people therefore have a higher inactivity rate (55.7 per cent, compared to 35.3 per cent for young White people). However, as mentioned above, young BME people who are looking for work face a higher unemployment rate (16.2 per cent, compared to 11.1 per cent for White people).

Young disabled people are more likely than non-disabled people to be not in full-time education and inactive. This corresponds with the general trend across age groups, with disabled people being more likely to be economically inactive due to their disability<sup>6</sup>. Young disabled people also face a higher unemployment rate (16.7 per cent, compared to 10.9 per cent of non-disabled young people). Young disabled people face numerous barriers to both education and work including a lack of reasonable adjustments.

For young people who are not in full-time education and unemployed or inactive, it is essential we reduce barriers to employment for those who want to work and provide proper support for those who can't work. Access to training and skills development is

<sup>6</sup> *Jobs and pay monitor - disabled workers*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-pay-monitor-disabled-workers-23>



essential for all workers, but particularly young people who are out of both work and education.

### Young people in education work in different jobs to those not in education

If we look at the occupations young people work in split by whether they're in full-time education or not, it shows a difference in the types of jobs that full-time students and non full-time students are likely to do.

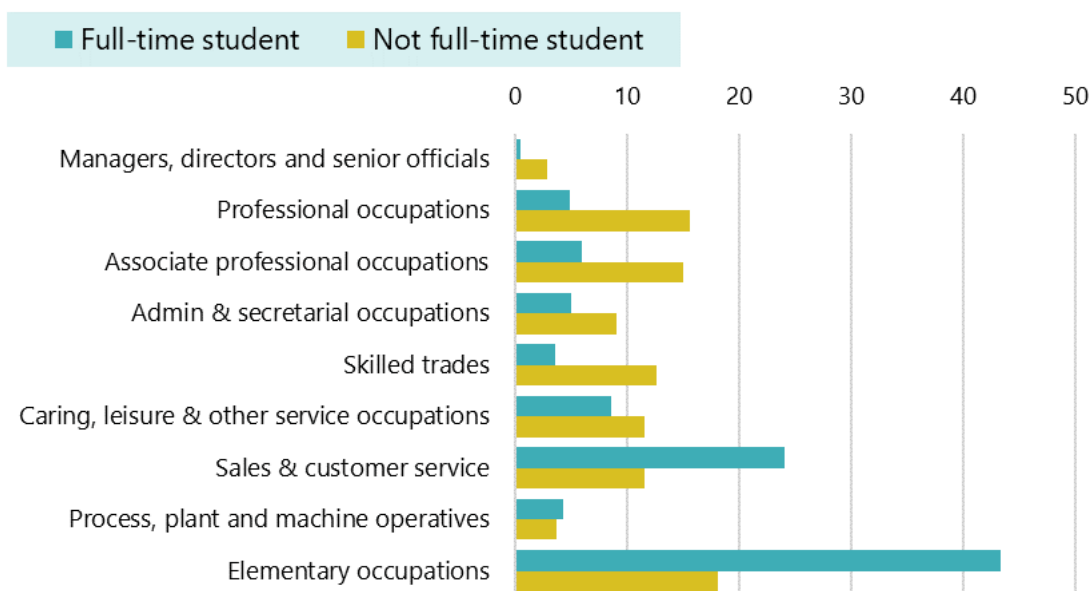
Young workers in full-time education are more likely to work in elementary occupations (43 per cent) and sales and customer service occupations (24 per cent). Two-thirds of full-time students in work are employed in these two occupations alone.

Young workers not in full-time education are more divided between the different occupation groups, being much more likely than full-time students to work in well-paid occupations such as managerial occupations, professional occupations and associate professional occupations.

Young workers not in full-time education are more likely to work in caring and leisure occupations. This is due to women not in full-time education being the most likely to work in caring and leisure jobs, with 1-in-5 (20 per cent) doing so.

There is recent evidence emerging that the number of young people in education and working alongside has increased during the cost-of-living crisis in particular those from more deprived areas of the country<sup>7</sup>.

### Percentage of workers in occupation groups, 16-24, by full-time education status



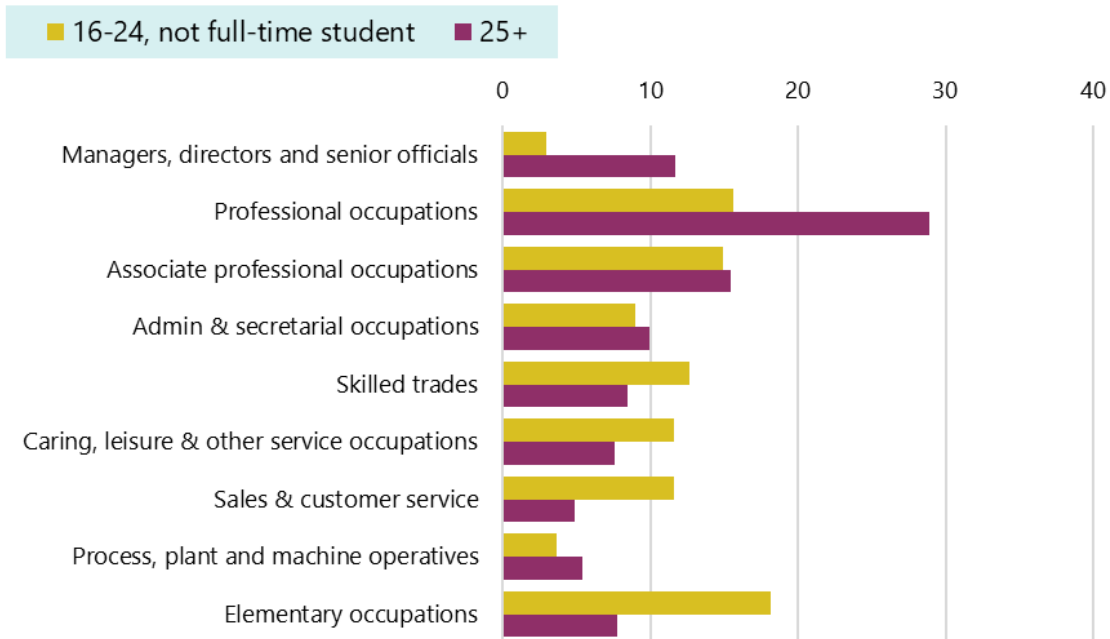
Source: TUC analysis of LFS Q2 2023

While those in full-time education are more likely to be in the lowest-paid work, there is a worrying proportion of young workers not in full-time education in low paying jobs. 16-24 years not in full-time education are more likely than those 25 and over to work in

<sup>7</sup> New polling on the impact of the cost of living crisis on students, The Sutton Trust (2023). Available at: <https://www.suttontrust.com/news-opinion/all-news-opinion/new-polling-on-the-impact-of-the-cost-of-living-crisis-on-students/>

elementary occupations and sales and customer service jobs. There is concern that if these young workers are unable to access training, progression and development, they are more likely to remain trapped in low pay work.

### Percentage of workers in occupation groups



Source: TUC analysis of LFS Q2 2023

### Zero-hours contracts

Young workers are more likely to be employed on zero-hours contracts (ZHCs). 13.0 per cent of workers aged 16-24 are employed on a ZHC, compared to 2.4 per cent of workers aged 25 and over. Just under half a million young workers (474,000) are employed on a ZHC. This means that, despite only being 11 per cent of the total workforce, young workers make up 40 per cent of the 1.18 million workers employed on a ZHC.

Insecure work tends to be lower paid than permanent employment; comes with uncertainty of hours with shifts offered and cancelled at short notice; means workers miss out on key employment rights, for example workers miss out on the right to return to the same job after maternity, adoption, paternity or shared parental leave, the right to request flexible working and many workers miss out on key social security rights such as full maternity pay and paternity pay; can mean little access to training and development; does not offer genuine flexibility to be able to plan commitments outside of work; and creates imbalances of power in the worker/employer relationship. If you are reliant on the whims of a boss for your next shift you are far less likely to complain about conditions and pay<sup>8</sup>.

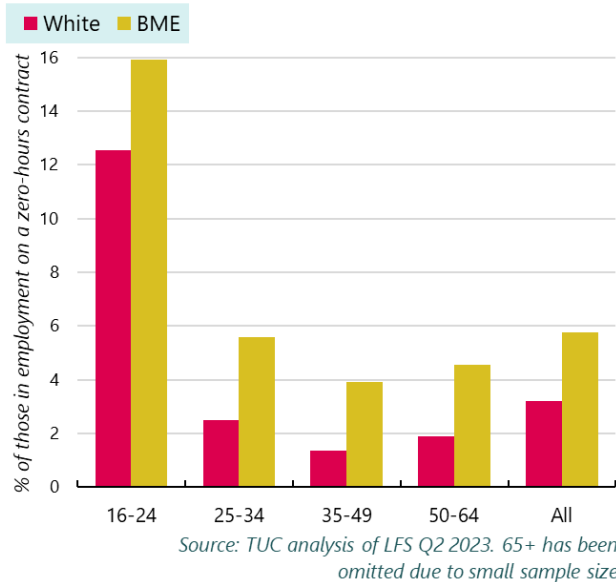
Young women are more likely than young men to be employed on a ZHC, with 16.0 per cent of female workers aged 16-24 employed on a ZHC compared to 10.3 per cent of

<sup>8</sup> *Insecure work in 2023*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/insecure-work-2023>

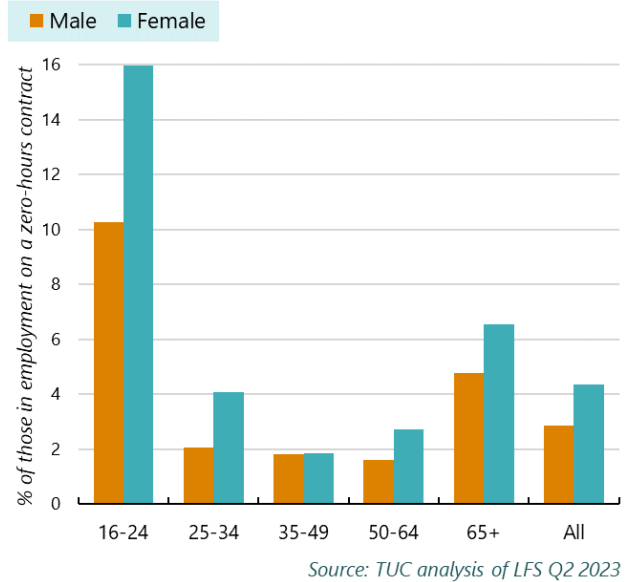
men. The same trend can be seen in all age groups, except for those aged 35-49 where the proportion of workers on a ZHC is the same for both men and women.

15.8 per cent of young BME workers are on a ZHC, compared to 12.6 per cent of young white workers. Again, this is a trend that exists across all age groups, with BME workers of all ages more likely to be on a ZHC than white workers in the same age group. A young BME worker is 12 times more likely to be on a ZHC than a white worker aged 35 to 49 (15.9 per cent compared to 1.4 per cent).

**Percentage of workers on a zero-hours contract, by age and ethnicity**



**Percentage of workers on a zero-hours contract, by age and gender**



UK workplaces are characterised by structural disadvantage – wider political and social practices that disadvantage certain groups of workers. There is often an unequal relationship between employers and workers with BME workers and women in particular less likely to have bargaining power at work. This systemic inequality and unequal power dynamic plays an important role in explaining why women, BME people and others with protected characteristics are more likely to be stuck in insecure work.

## Pay data

Pay data is from a different source than employment data<sup>9</sup>. The age groups used here are therefore different.

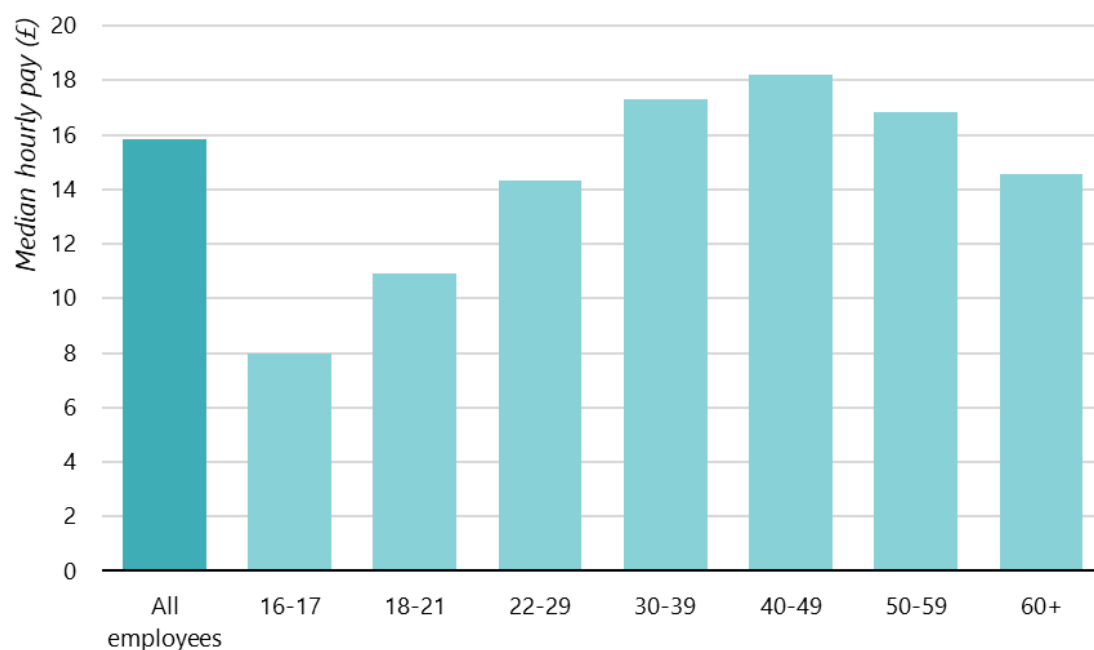
Among all age groups under 30, median hourly pay is lower than the median across all employees.

Median hourly pay for all employees in 2023 was £15.83, compared to:

- £8.00 for those aged 16 to 17,
- £10.90 for those aged 18 to 21,
- And £14.34 for those aged 22-29.

<sup>9</sup> The pay data is taken from the Annual Survey of Hours and Earnings 2023, the most comprehensive source of information on earnings in the UK. An age breakdown of the data can be found in table 6: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/s/agegroupshettable6>

## Median hourly earnings by age group, 2023



Source: Annual Survey of Hours and Earnings 2023

Some differentials in pay across different age groups may be expected due to young people being at the start of their working lives with less accumulated skills and experience than older workers. However, too many young workers still earn below a real living wage and lower median hourly pay is partly due to age banding in minimum wage legislation that permits employers to pay young workers less for the same work. As seen from the data above younger workers are also more likely to be in lower paid occupations.

### Minimum wage

Young workers are entitled to a lower legal minimum wage. At the time of analysis, the National Living Wage (£10.42 per hour) does not kick in until an employee is 23. The minimum wage is lower for those under 23, with employees aged:

- 21 to 22 being entitled to £10.18p/h
- 18 to 20 being entitled to £7.49p/h
- Under 18 and apprentices getting just £5.28p/h

This means that a 20 year old doing the same minimum wage job as a 23 year old will be earning £2.93 per hour, or 28 per cent, less.

In November 2023, the government announced that this will change from April 2024, with the National Living Wage lifted to £11.44 and expanded to 21 and 22-year-olds. The minimum wage for 18 to 20-year olds will rise to £8.60 and for 16-17 year olds and apprentices to £6.40. This is badly needed and follows pressure from unions and low-pay campaigners. But with the cost of living still sky high, and the OBR increasing its inflation forecasts in November 2023, the TUC has called for the minimum wage to be raised to £15 as soon as possible and extended to all adult workers.

## Entitlement to benefits

As well as being entitled to a lower minimum wage, younger people are also entitled to a lower rate of benefits payments.

If you're single and 25 and over, the monthly standard benefits payment is £368.74. For those under 25, it drops to £292.11 per month. This means that younger people who are out of work, or unable to work, receive an even lower level of support than those aged 25 and over.

This is particularly bad because the higher rate itself isn't enough. The TUC calls for the basic level of Universal Credit and legacy benefits, including jobs seekers allowance and employment and support allowance, to be raised to at least 80 per cent of the national living wage<sup>10</sup>.

In addition, there are other issues with the current Universal Credit structure. The five-week waiting period means that the system fails to support people at potentially the most vulnerable time and assumes that people will have savings to rely on. Universal Credit payments are also made monthly, which can make budgeting hard, in comparison to legacy benefits which were paid weekly or fortnightly. This can be especially true for those under 25 who may struggle more with budgeting due to the smaller amount received. In addition, temporary increases in monthly incomes can cause people to go over the earnings threshold for that month meaning it is not suited for those on fluctuating hours and incomes, for example zero-hours contracts which many young workers are on. The TUC is calling for a replacement to Universal Credit to address these problems and others<sup>11</sup>.

## Access to employment rights

While some employee employment rights begin from day one of employment, others only kick in after two years of continuous service. These include protection from unfair dismissal and the right to statutory redundancy pay. For workers (without employee employment status) some of these rights do not apply at all, for example workers miss out on the right to return to the same job after maternity, adoption, paternity or shared parental leave, the right to request flexible working and many workers miss out on key social security rights such as full maternity pay and paternity pay.

As they are more likely to be at the start of their working lives, young employees are less likely to have built up two years of continuous service. 72 per cent of employees aged 16 to 24 have worked for their employer for less than two years, compared to 32 per cent of all employees. Young workers on zero-hours contracts, who are therefore workers not employees, will have less access to a full range of employment rights.

## Recommendations

To ensure the economy works for young people, the TUC is calling for the following actions to deliver high-quality, well-paid jobs and a proper safety net and support for those out of work.

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<sup>10</sup> *Benefit levels in the UK*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/benefit-levels-uk>

<sup>11</sup> *A replacement for Universal Credit*, TUC (2022). Available at: <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>

## **Pay**

The Government must:

- Introduce a minimum wage of £15 per hour as soon as possible.
- Enable all workers, including apprentices – regardless of age – to be eligible for the same minimum wage, removing the current lower rates for young workers.
- Task the Low Pay Commission with charting the exact path to £15.
- Extend gender pay gap reporting to organisations with 50 or more employees and a introduce a requirement for organisations to produce mandatory action plans to close their pay gaps.
- Extend pay gap reporting to ethnicity and disability.
- Fund decent pay rises so that all public service workers get a pay rise that at least matches the cost of living and begins to restore earnings lost over the last decade, through fully independent pay review bodies or collective bargaining.

## ***Improving employment rights and tackling insecure work***

The Government must:

- Ban fire and rehire and zero-hours contracts to help end the scourge of insecure work.
- Give all workers day one rights on the job and scrap qualifying time for basic rights, such as unfair dismissal, sick pay, and parental leave.
- Ensure all workers get reasonable notice of any change in shifts or working time, with compensation that is proportionate to the notice given for any shifts cancelled or curtailed.
- Strengthen flexible working rights by introducing a day one right to work flexibly.
- Strengthen collective bargaining by introducing fair pay agreements to boost pay and conditions – starting in social care.
- Beef up enforcement by making sure the labour market enforcement bodies have the powers they need to undertake targeted and proactive enforcement work.

## ***Action on structural discrimination***

Our analysis shows that different groups of young workers face entrenched disadvantage in the labour market. Action must be taken to address structural discrimination that means certain young people are more likely to be out of work or be in low quality work. The recommendations described in this section will have disproportionate impacts on certain groups. For a full list of TUC calls on structural

discrimination, see our latest jobs monitors on women<sup>12</sup>, BME workers<sup>13</sup> and disabled workers<sup>14</sup>.

### ***A jobs guarantee scheme***

It's important that there are new jobs for young people who do lose work. We need to see the government investing now to help create jobs in the coming years. Research carried out for the TUC by Transition Economics reveals that fast tracking spending on projects such as broadband, green technology, transport and housing could deliver a 1.24 million jobs boost by 2022<sup>15</sup>, and the TUC has set out plans to fill and create 600,000 jobs in the public sector<sup>16</sup>.

The Government should also introduce a job guarantee scheme to stop those without work becoming long-term unemployed. We believe that the government should aim to offer the job guarantee scheme to as many people as possible who face long-term unemployment. But in seeking to prioritise, it should guarantee jobs to:

- People aged 25 and under who have been unemployed for three months; and
- People aged over 25 who have been unemployed for six months.

Jobs should be provided for six months, paid at least the real living wage, or the union negotiated rate for the job with a guarantee of accredited training. The scheme should be delivered at regional or devolved nation level, in partnership with unions, local leaders, employers, local Jobcentre Plus and community partners.

### ***Careers service***

In addition, young people who are out of work, or those newly-entering the labour market require more support.

Over the years, funding for professional, independent careers advice for young people has been cut. Much of the support available is via the charitable and voluntary sector. The government should invest in dedicated careers advice services, accessible to all young people. This would allow for:

- Careers advice linked to local labour market needs or where there are skills shortages.

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<sup>12</sup> *Jobs and recovery monitor - gender and pay*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-recovery-monitor-gender-and-pay#:~:text=Among%20women%2C%20the%20employment%20rate,after%20the%20home%20or%20family.>

<sup>13</sup> *Jobs and recovery monitor – BME Workers 2023*, TUC (2023). Available

at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-recovery-monitor-bme-workers-2023>

<sup>14</sup> *Jobs and pay monitor - disabled workers*, TUC (2023). Available at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-pay-monitor-disabled-workers-23>

<sup>15</sup> *Rebuilding after recession: a plan for jobs*, TUC (2020). Available at: <https://www.tuc.org.uk/research-analysis/reports/rebuilding-after-recession-plan-jobs>

<sup>16</sup> *A plan for public service jobs to help prevent mass unemployment*, TUC (2020). Available at: <https://www.tuc.org.uk/research-analysis/reports/plan-public-service-jobs-help-prevent-mass-unemployment>



- Support for young people accessing training and skills needed to progress careers or transition to new opportunities as part of a move towards net-zero and jobs of the future.
- Help young people better understand the opportunities available to them, increasing awareness of apprenticeships, further and higher education or other job opportunities.

### ***Investment in skills for young people***

The TUC are calling for the following to boost young people's skills and training.

- Priority needs to be given to increasing college and sixth form funding for 16-18-year-olds and introducing a number of reforms to guarantee quality post-16 education and skills pathways for all young people.
- A clear commitment to boost investment in further education.
- Transformation of employers' investment in skills by reforming the apprenticeship levy into an "Apprenticeship and Learning Levy" which will maximise the use of this resource and rebalance the current direction of spend; in particular towards support for 16-25 year olds and innovative, modern technological demands.

### ***Universal Credit***

The Government must:

- Remove the five-week wait for first payment of Universal Credit.
- Introduce an option to be paid Universal Credit twice or four times per month to allow people to budget to suit their circumstances.
- Improve the adequacy of benefits, they should be set at a rate equivalent to at least 80 per cent of the national living wage.
- Introduce earnings disregard into Universal Credit so that income can increase a certain amount in a month without affecting the award.
- Introduce a three -to-six-month assessment period to reduce fluctuations and provide stability for claimants.

The TUC's report on a replacement for Universal Credit sets out our full asks<sup>17</sup>.

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<sup>17</sup> *A replacement for Universal Credit*, TUC (2022). Available at: <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>