

Economic inactivity of young people aged 16-24: Definition, reasons and potential future focus



CHILDREN, EDUCATION AND SKILLS

Economic inactivity of young people aged 16 -24

35.8% (197,200) young people 16 - 24 were economically inactive



4.1 pp when compared with same time period in 2021 (Jan-Dec)



In Scotland than in the UK as a whole

Gender

Higher inactivity rates in men than women (37.8% vs 33.8%)

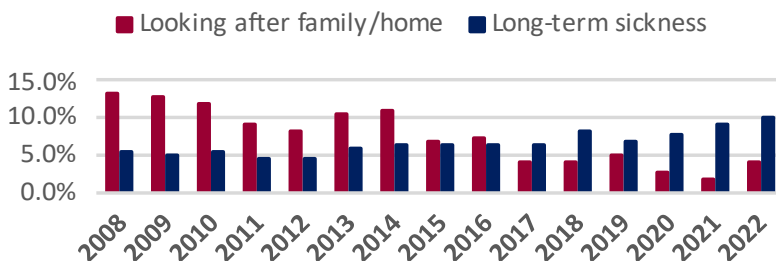
Age

16-19 higher inactivity than young people in the 20 - 24 age band (52.6% vs 24.6%)

Disability

In 2022, **54.9%** of inactive 16-24 young people were disabled

Barriers & Reasons for Inactivity



Change in reason for inactivity from caring responsibilities to long - term sickness

Summary of qualitative evidence

Health

- Physical and mental illness
- Disability

Location

Lack of opportunities in rural areas

Personal experiences

- Feelings of discouragement from available opportunities
- Lack of confidence and work experience

Support and financial difficulties

Lack of emotional and financial support, particularly for women with children, to enrol in employment

Gaps in Evidence

- Limited use of available open data
- Lack of evidence on:
 - Individual factors such as location, gender, ethnicity
 - In-depth reasons for inactivity
 - Willingness to work
 - Previous work experience

Future Research

- Topics such as
 - Mental health
 - Socioeconomic factors
 - Knowledge of the education system
 - Opportunities available
 - Individual factors (e.g. aspirations)
- Intersectionality and cumulative effects

Contents

Summary infographic	2
Background	4
Definition of unemployment and economic inactivity	4
Unemployment and economic inactivity of young people 16-24.....	4
Unemployment figures in Scotland	4
Economic inactivity in Scotland.....	7
Annual Population Survey	7
Annual Participation Measure	9
Reasons for economic inactivity	11
Data available on reasons for economic inactivity	11
Reasons based on other evidence	16
United Kingdom context	16
Scottish context.....	18
Summary of reasons and barriers for economic activity	19
Gaps in the existing evidence	20
Potential future research	21
Annex A: Definitions	24
Annex B: Data, Scottish Government publications, and literature sources used in this paper	25
Data sources	25
Scottish Government publications	26
Literature sources	27

Background

This short report explores economic inactivity in 16 to 24 year olds. The aim of the report is to provide a high-level summary of publicly available open data on economic inactivity in this cohort and to explore the possible reasons for this status. In this report we also identify gaps in the existing evidence and consider possible future avenues of research, in order to better understand the links between inactivity and young people's experiences.

Definition of unemployment and economic inactivity

Under the International Labour Organisation (ILO) definition, unemployed people are those who are 16 years and over, without a job, but who have actively been seeking work for the past four weeks and are available to start work in the next fortnight. Additionally, a person can be considered unemployed if they are out of work but have accepted a job and are waiting to start in the next two weeks.

Economic inactivity is different from unemployment. ONS defines economic inactivity as "people not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks".

In addition to economic inactivity, in this context it is also relevant to define NEET. This categorisation is used in publications describing young people's participation in education, employment and training and those not in education, employment or training (NEET). Young people defined as NEET are either unemployed or economically inactive.

[Annex A](#) provides further insight into key definitions and concepts associated with this paper.

Unemployment and economic inactivity of young people 16-24

Overall, Scotland outperforms the rest of the United Kingdom for employment, unemployment and inactivity rates amongst 16-24 year olds. The latest data (January to December 2022) estimates Scotland had higher youth employment rates (57.9% vs. 53.7%), lower youth unemployment rates (9.7% vs. 10.4%), and lower youth inactivity rates (35.8% vs. 40.1%) when compared with the UK as a whole (Table 1).

Table 1. Employment, unemployment and inactivity rates for Scotland and United Kingdom for January to December 2022.

	Employment	Unemployment	Inactivity
Scotland	57.9%	9.7%	35.8%
United Kingdom	53.7%	10.4%	40.1%

Source: [Annual Population Survey](#). Data corresponds to time from January to December 2022.

Unemployment figures in Scotland

As stated earlier, though inactivity and unemployment differ in their definition, in the context of identifying the level and characteristics of the cohort of young people

economically inactive in Scotland, it is relevant to explore the levels of unemployment within this age group. In January to December 2022, the estimated unemployment rate was of 9.7%. The unemployment rate estimates for this age band decreased between 2018 and 2019 with an increase in 2020 (Table 2). The latest estimate (2022) is 0.5 percentage points(pp) lower than the estimates for unemployment from one year ago, and 3.5 pp lower than two years ago. Though it is important to caveat that the data for 2020 and 2021 could have been affected by the COVID-19 pandemic.

In comparison with the United Kingdom, in January to December 2022, the unemployment rates in Scotland have been consistently lower with the latest figures reporting a 0.7 pp gap between both (Scotland’s rate 9.7% and United Kingdom’s rate 10.4%).

Table 2. Unemployment rates for Scotland and United Kingdom between 2018 and 2022.

	2018	2019	2020	2021	2022
Scotland	9.6%	8.3%	13.2%	10.2%	9.7%
United Kingdom	11.6%	11.3%	13.5%	12.5%	10.4%

Source: [Annual Population Survey](#). Data corresponds to time from January to December in any given year.

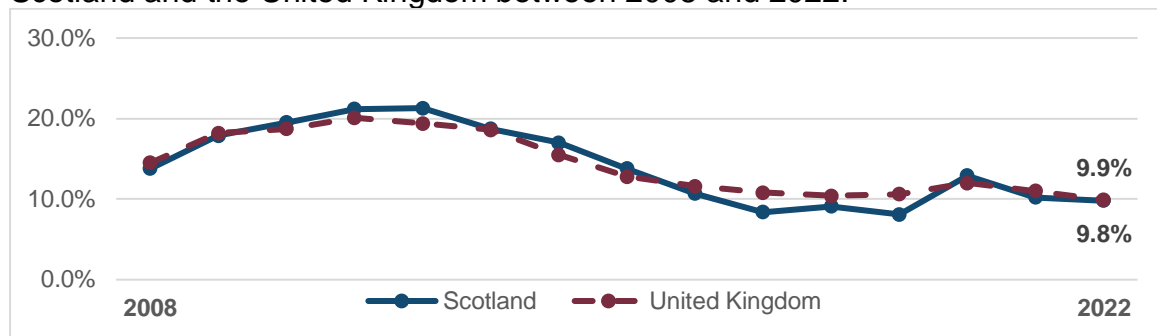
The unemployment figures offer a more in-depth understanding of this age cohort when excluding those young people aged 16-24 who are in full-time education. This is because if an individual is enrolled in full- or part-time education and:

- in employment they will be included in the employed category;
- if they are not actively seeking employment, would be classified as economically inactive;
- if they are actively seeking employment they would be classed as ILO unemployed.

In January to December 2022, the proportion of individuals aged 16-24 enrolled in full-time education was 45.4%. As such, excluding these individuals from the analysis allows for a better understanding of this cohort. As participation in education increases over time, inactivity levels tend to also increase as young people enrolled in full-time education will be less likely to be engaged or searching for full-time employment. If employed, it is likely that young people enrolled in full-time education will do so on a part-time basis.

The latest data for January to December 2022, shows that Scotland’s unemployment rate for young people aged 16-24 not in full-time education was 9.8% while the estimate for the UK was 9.9%. Scotland and the United Kingdom have had similar rates throughout the years (Figure 1).

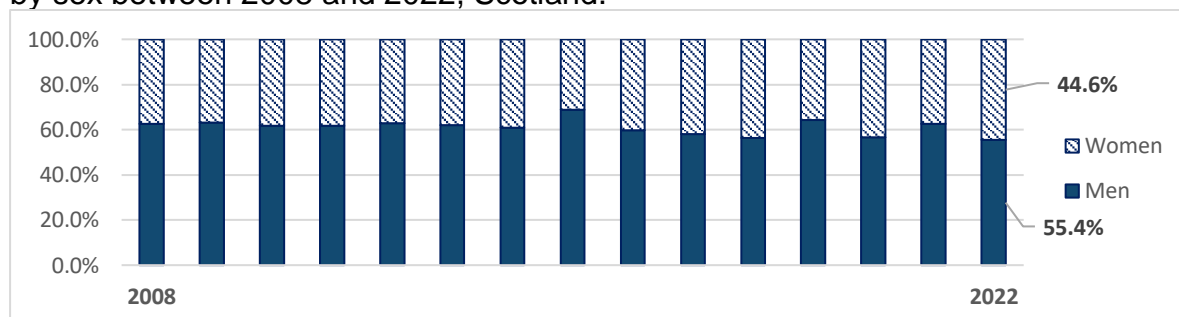
Figure 1. Unemployment rates of young people 16-24 not in full-time education for Scotland and the United Kingdom between 2008 and 2022.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

When it comes to sex, men account for a higher proportion of unemployed people aged 16 to 24 not in full-time education when compared with women (Figure 2). Throughout the years, unemployment proportions have been higher for men. The proportions have remained stable throughout the years for both men and women with the exception of 2015, 2019 and 2021 where the figures show the proportion of men was noticeably higher than women. For the latest years, some of these changes might be a result of the COVID-19 pandemic.

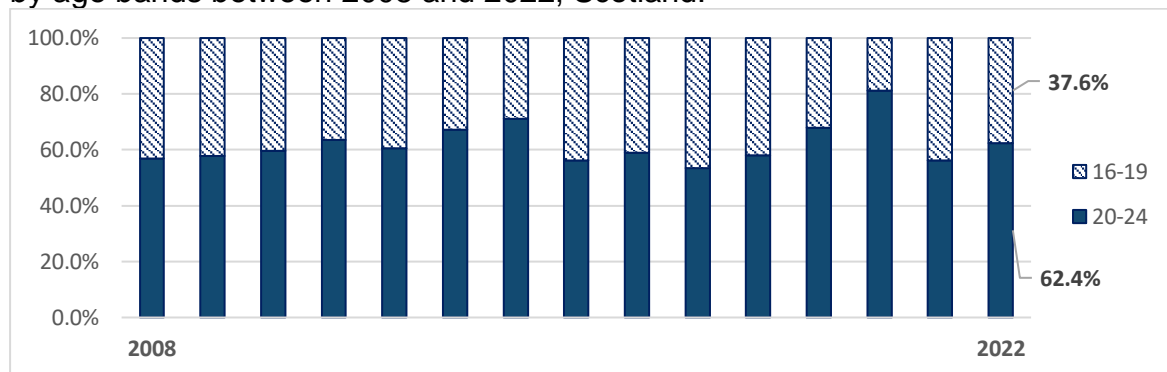
Figure 2. Proportion of unemployed people not in full-time education aged 16 to 24 by sex between 2008 and 2022, Scotland.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

Finally, when it comes to age, the proportion of unemployed young people not in full-time education aged between 16-19 is lower when compared with unemployed young people not in full-time education between the ages of 20 and 24 (Figure 3). It is relevant to highlight that between 2015 and 2017 there was almost an even split between both age groups. From then on, the proportion of 20 to 24 year olds increased until 2020. Followed by a more equal split again in 2021 and maintaining similar values in 2022. This pattern could be due to the effects of the COVID-19 pandemic on the job market with young people transitioning to the labour market and exiting from education.

Figure 3. Proportion of unemployed people not in full-time education aged 16 to 24 by age bands between 2008 and 2022, Scotland.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year. Estimates for 16 to 19 year olds in 2020, 2021, and 2022 are from small sample sizes and should be used with caution.

Economic inactivity in Scotland

In this section two sources of data will be used: Annual Population Survey (ONS) reporting on 16-24 years old and the Annual Participation Measure reporting on the 16-19 cohort.

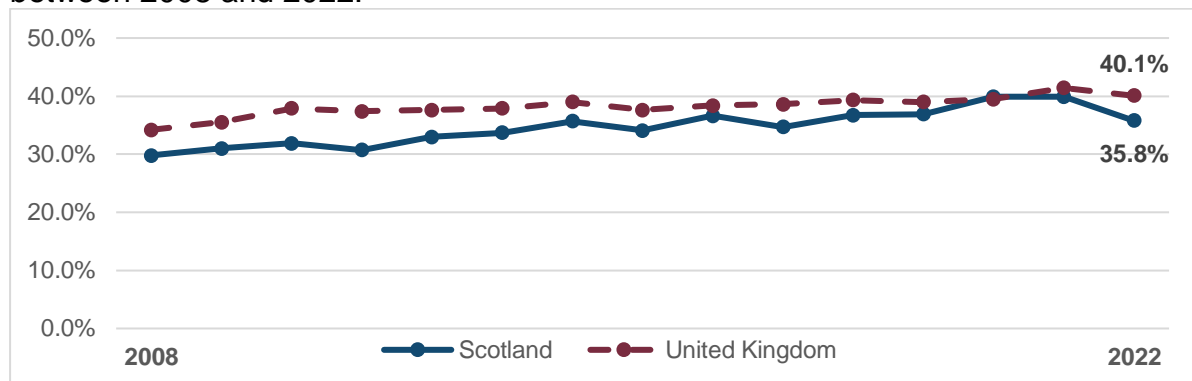
Annual Population Survey

When discussing economic inactivity, figures including those in full-time education will be presented, followed by figures for those not in full-time education. This is to allow for a baseline to be established between overall inactivity numbers and the numbers when accounting for individual’s reasons.

According to the most recent figures, from January to December 2022 an estimated 197,200 (35.8%) young people, aged 16-24, were economically inactive in Scotland. Since 2008, inactivity estimates have been steadily increasing. The latest estimate is 4.1 pp lower than the estimates for inactivity from 2020 and 2021. Though it is important to caveat that the data for last year and two years ago could have been affected by the COVID-19 pandemic.

Comparing with the UK as a whole, between January and December 2022 the estimates of inactivity for young people aged 16-24 was 40.1%. The inactivity rates have been consistently lower in Scotland than in the UK up until 2020 when they were similar. The latest data shows the gap widening between Scotland and the UK – the gap for 2022 is 4.3 pp, while in 2021 it was 1.4 pp (Figure 4).

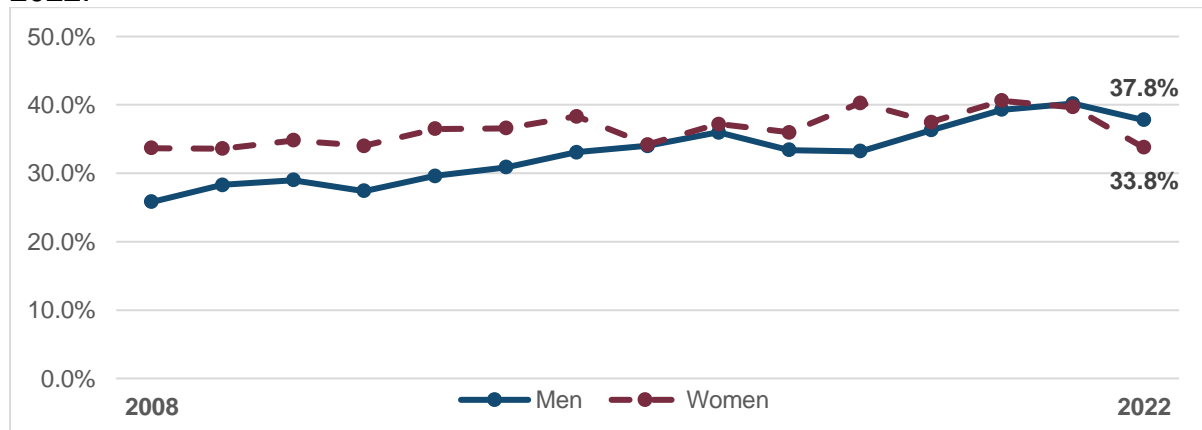
Figure 4. Inactivity rate of young people 16-24 in Scotland and the United Kingdom between 2008 and 2022.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

Figure 5 also reports on sex split for young people 16-24 economically inactive in Scotland. According to the latest data for 2022, the inactivity estimates for men were higher than for women (37.8% versus 33.8%). Up until 2021, the tendency was for women to have higher inactivity estimates than men, with the gap between both keeping relatively stable (with the exception of some years where the estimates were similar).

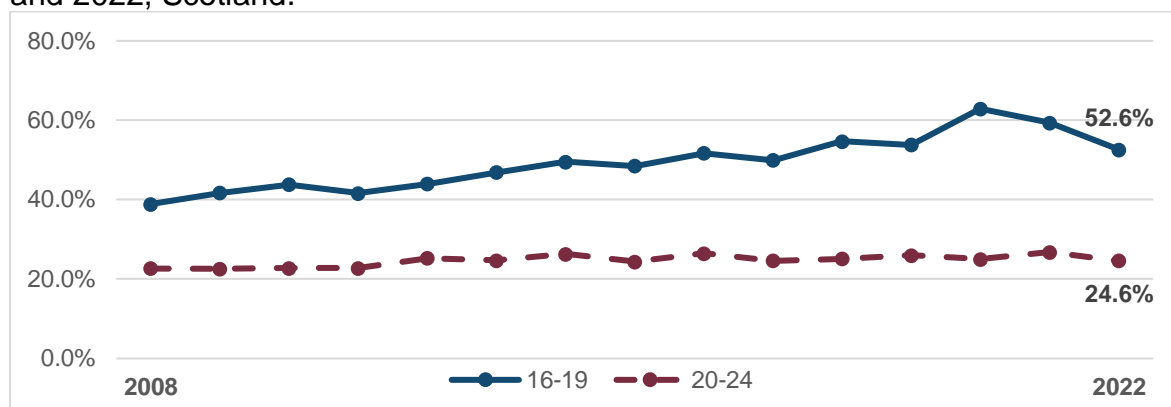
Figure 5. Inactivity rate of young people 16-24 in Scotland by sex between 2008 and 2022.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

Figure 6 reports on the proportion of people in the age groups 16-19 and 20-24 who are inactive. The estimates remained stable across the years for the age group 20-24. For 16-19 year olds, the estimates show a steady increase across the years up to 2020. From that point on, the proportion of 16-19 year olds who are inactive has been decreasing, with the latest data showing a gap between both age groups of 28.0 pp.

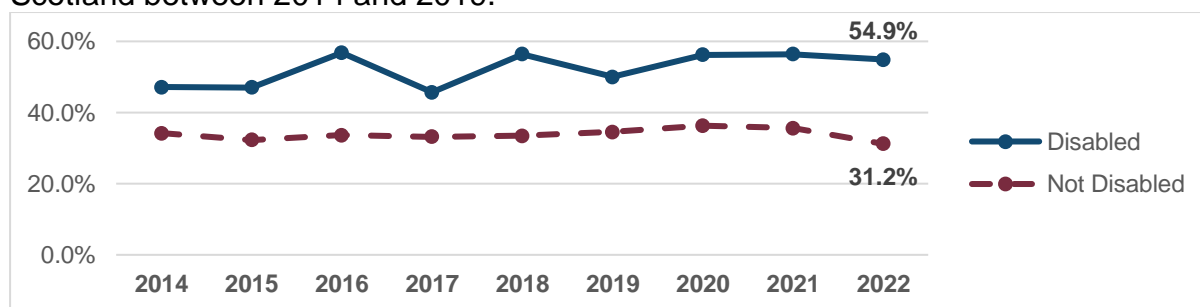
Figure 6. Proportion of inactive people aged 16 to 24 by age bands between 2008 and 2022, Scotland.



Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

In 2022 the inactivity rates were higher for disabled young people in this cohort (54.9% versus 31.2%; Figure 7) (see [Annex A](#) for definition of disabled). From 2014 up to 2022, there have been fluctuations in inactivity amongst disabled young people. In 2016, disabled inactive young people accounted for 56.8% of disabled 16-24 years old. This figure dropped in 2017, followed by an increase again in 2018. When looking at the non-disabled cohort, figures have remained stable since 2014.

Figure 7. Inactivity rate of disabled and non-disabled young people 16-24 in Scotland between 2014 and 2019.



Source: [SG dashboard on Disabled people in the labour market in Scotland](#). Data covers January to December on each given year.

Annual Participation Measure

The [Annual Participation Measure](#) (APM) published by Skills Development Scotland (SDS) explores non-participation rates by providing a breakdown of unemployed 16-19 years old that are either seeking or not seeking employment. The latest data shows that 4.0% of the 16-19 cohort were not participating in education, training or employment (Table 3). This breaks down as 2% unemployed and seeking a job, and the other 2% unemployed and not seeking work – including status such as under custody (0.0%), unavailable due to ill health (0.4%) and economically inactive (1.6%). It is important to highlight when interpreting these figures that 3.6% of this

cohort is reported under the unconfirmed status, with 7.9% of them being 19 years old.

Table 3. Proportions of young people participating and non-participating for 16-19 years old cohort and by age in 2022.

	16-19 years old	16	17	18	19
Participating in education, employment or training	92.4%	99.3%	95.7%	89.8%	84.2%
Not participating in education, employment or training	4.0%	0.6%	2.6%	5.2%	7.9%
Unemployed and seeking job	2.0%	0.3%	1.1%	2.3%	4.3%
Unemployed and not seeking job	2.0%	0.3%	1.4%	2.9%	3.7%
Unconfirmed numbers	3.6%	0.1%	1.7%	5.1%	7.9%

Source: [Annual Participation Measure](#). For further caveats of this data please see [Annex B](#).

In the group not participating – unemployed and not seeking a job, the focus will be on the 1.6% of young people who are economically inactive. Table 4 shows an increase from the 1.4% reported to be inactive in 2021. This increase could be explained by the inclusion of the Universal Credit as explained in [Annex B](#). Out of these 1.6% economic inactive, 2.9% were 19 years old and 1.7% were female while 1.5% were male. The gender split is different from APS data presented earlier, however it is possible that the difference can be explained by the unconfirmed status data (3.3% female versus 4% male). Regarding ethnicity, 1.6% of inactive young people were white while 2.6% did not disclose that information.

Table 4. Proportions of economically inactive for 16-19 years old cohort by sex and ethnicity between 2020 and 2022.

		2020	2021	2022
Economically inactive		1.1%	1.4%	1.6%
Sex	Female	1.2%	1.5%	1.7%
	Male	0.9%	1.4%	1.5%
Ethnicity	White	1.1%	1.4%	1.6%
	Mixed or Multiple; Asian; African; Caribbean or Black; and other ethnic groups	0.7%	0.9%	0.9%
	Not Known / Not Disclosed	1.8%	2.2%	2.2%

Source: [Annual Participation Measure](#). For further caveats of this data please see [Annex B](#).

In 2022, 1.7% of young people were economically inactive and lived in large urban areas. When looking at accessible rural areas, 1.2% of young people were economically inactive. These figures remained relatively stable between 2021 and 2022 (in 2021, 1.6% for young people living in large urban areas and 1% for young people living in accessible rural areas) (Table 5).

Table 5. Proportions of economically inactive for the 16-19 cohort by type of geographical location between 2020 and 2022.

	2020	2021	2022
Accessible Rural	0.8%	1.0%	1.2%
Accessible Small Towns	0.9%	1.2%	1.3%
Large Urban Areas	1.2%	1.6%	1.7%
Other Urban Areas	1.2%	1.5%	1.8%
Remote Rural	0.6%	0.8%	1.0%
Remote Small Towns	1.1%	1.2%	1.8%
Not Known	0.0%	4.3%	0.0%

Source: [Annual Participation Measure](#). For further caveats of this data please see [Annex B](#).

When it comes to disability, in 2022, young people economically inactive and disabled accounted for 3.9% of the sample. This was an increase of 0.4 pp from 2021, and an increase of 1.2 pp from 2020 (Table 6).

Table 6. Proportions of economically inactive for the 16-19 cohort by disability group between 2020 and 2022.

	2020	2021	2022
Identified as disabled	2.7%	3.5%	3.9%
Not identified as disabled	1.0%	1.3%	1.5%

Source: [Annual Participation Measure](#). For further caveats of this data please see [Annex B](#).

SIMD (Scottish Index of Multiple Deprivation) breakdown shows that in 2022 young people economically inactive living in the 20% most deprived areas of Scotland represented 2.9%. In the previous year, this figure was of 2.5% (Table 7).

Table 7. Proportions of economically inactive for the 16-19 cohort by SIMD quintile between 2020 and 2022.

	2020	2021	2022
Q1 – 20% most deprived	2.1%	2.5%	2.9%
Q2	1.4%	1.9%	2.0%
Q3	0.9%	1.1%	1.4%
Q4	0.6%	0.9%	0.9%
Q5 - 20% least deprived	0.3%	0.5%	0.6%
Not known	0.0%	4.3%	0.0%

Source: [Annual Participation Measure](#). For further caveats of this data please see [Annex B](#).

Reasons for economic inactivity

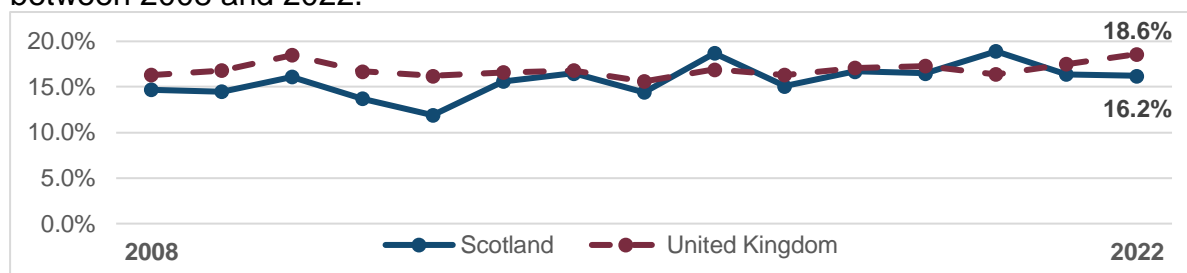
Data available on reasons for economic inactivity

Young people 16-24 can report different reasons for being economically inactive. In 2022, the majority of economically inactive young people self-reported being

students (74.0%). The proportion of economically inactive people in full-time education aged 16 to 24 has decreased from 80.2% in 2017 to 75.1% in 2022.

Similar to the data presented for unemployment rates, it is of relevance to explore rates and reasons of inactivity of young people that are not enrolled in full-time education. According to the latest data, the rate of inactivity of young people 16-24 not in full-time education for Scotland was of 16.2%. This was lower than the United Kingdom rate of 18.6% (Figure 8).

Figure 8. Inactivity rate of young people 16-24 in Scotland not in full-time education between 2008 and 2022.



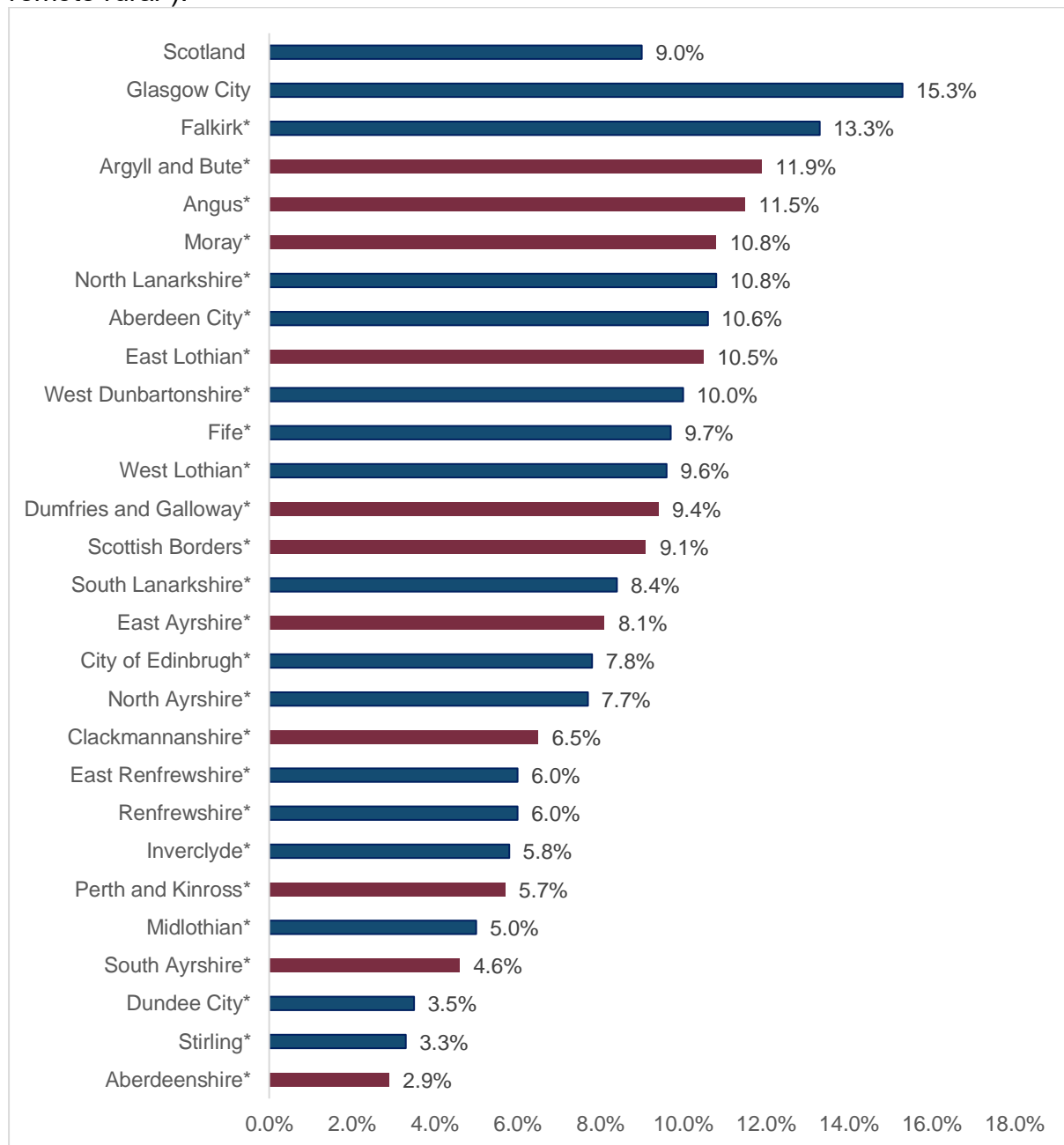
Source: [Annual Population Survey](#). Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Data corresponds to time from January to December in any given year.

Figure 9 shows a breakdown of young people 16 to 24 who are inactive and not enrolled in education by local authority from 3-year pooled data in January 2018 to December 2020. Most of the estimates provided in the figure below are based on small sample sizes and should be used and interpreted with caution due to small numbers. Overall, the data shows that the proportions range between 2.9% and 15.3%, with 14 local authorities having a lower proportion of young people who are inactive and not enrolled in education when comparing to the overall figure for Scotland (9.0%).

Using the [Rural and Environmental Science and Analytical Services \(RESAS\)](#) categorisation, 11 local authorities are highlighted in burgundy in the figure below representing “mainly rural” or “islands and remote rural” local authorities. RESAS proposes the use of 15 local authorities. However, due to low sample size for 4 local authorities in this group, it is not possible to provide estimates for all 15 local authorities. East Dunbartonshire, Highland, Na h-Eileanan Siar, Orkney Islands, and Shetland Islands estimates are not included in Figure 9.

Five of the rural local authorities had values below the Scottish estimate, and these ranged from 8.1% to 2.9%. The other 6, reported estimates above the Scottish estimate of 9.0%. Argyll and Bute, Angus, Moray and East Lothian reported the higher proportions (11.9%, 11.5%, 10.8%, and 10.5%). The two local authorities with the highest proportion of young people who are inactive and not enrolled in education were Falkirk (13.3%) and Glasgow City (15.3%). The estimates for Argyll and Bute, Angus, Moray, East Lothian, and Falkirk are from small sample sizes and should be used with caution. Later in this paper, through the use of qualitative research, there are references to the role that location and access to job opportunities can have in young people’s experiences within the labour market. This could help explain the levels of inactivity in some of the rural areas depicted here.

Figure 9. Proportions of young people 16-24 who are inactive and not enrolled in education by local authority in Scotland from January 2018 to December 2020 (bars in burgundy represent Local Authorities categorised as “mainly rural” or “islands and remote rural”).



Source: [Labour Market team dashboard](#), [Annual Population Survey](#). Due to the COVID-19 pandemic, 2020 data should be interpreted with caution. All proportions based on total 16 to 24 cohort.

*Indicates estimates should be used with some caution and are based on a smaller sample sizes.

Bars in burgundy refers to local authorities with data available and that are categorised by the [Rural and Environmental Science and Analytical Services \(RESAS\)](#) as “mainly rural” or “islands and remote rural”.

It is not possible to provide estimates due to very small groups for 4 local authorities: East Dunbartonshire, Highland, Na h-Eileanan Siar, Orkney Islands, and Shetland Islands.

In the Annual Population Survey (APS), the inactive sample reports reasons such as caring responsibilities, sickness (temporary or long-term), feeling discouraged (i.e. believing there are no jobs available), and other (i.e. no reason, waiting for results of a job application). Figure 10 shows a change over time in the main reason for inactivity in the 16-24 cohort (Figure 10a) - from caring responsibilities to, more recently, long-term sickness. When looking at the 16-64 cohort, the reasons for inactivity remained relatively stable throughout the years (Figure 10b).

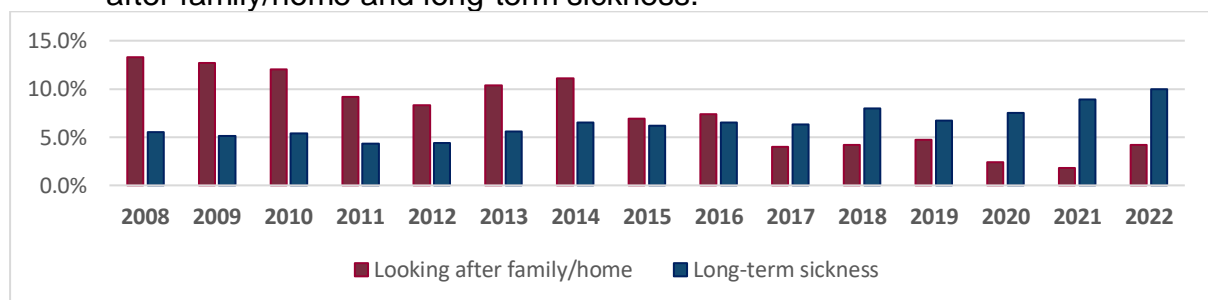
The latest data for 16-24 year olds shows that the highest level of inactivity is attributed to long-term sickness (10.0%). Comparing this data with the 16-64 inactive adults, long-term sickness has been consistently reported as one of the main reasons for inactivity. There was an increase in economically inactive 16-24 year olds reporting long-term sickness between 2020 and 2022 (2.5 pp) and between 2021 and 2022 (1.1 pp).

Caring responsibilities as a reason for inactivity for the 16-24 cohort increased 1.7* pp between 2020 and 2022. Latest data shows that, 16.7% of inactive adults 16-64 reported caring responsibilities as the reason for their inactivity. This is an increase of 0.4 pp and 0.3 pp in when comparing to 2021 and 2020 respectively.

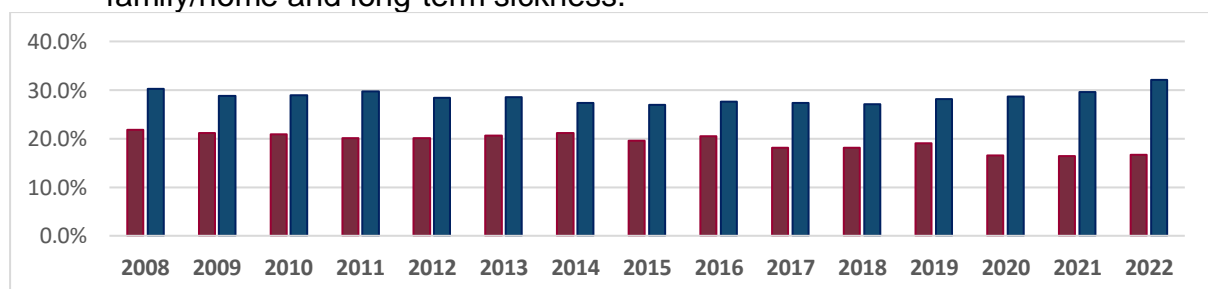
* Estimates come from a small sample size and may be less precise. They should be used with caution.

Figure 10.

a) Percentage **young people 16-24** economically inactive by reason: looking after family/home and long-term sickness.



b) Percentage of **adults 16-64** economically inactive by reason: looking after family/home and long-term sickness.



Source: [Annual Population Survey](#). Data corresponds to time from January to December. Data in the figures excludes student, discouraged, retired, and other as reasons for inactivity. Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Estimates for inactive 16 to 24 year olds in 2020, 2021, and 2022 who gave their reason as looking after family/home come from a small sample size may be less precise. These estimates should be used with caution.

It is of interest to explore the level of young people that despite being economically inactive want to secure employment in the future. Table 8 shows that although between 2018 and 2022 figures stayed relatively stable, between 2020 and 2021 there was an increase in 16-24 years old reporting not wanting to work and a decrease of young people wanting to work. One possible explanation could be the effects of the COVID-19 pandemic. The experiences of young people during the pandemic could have influenced their perceptions of their ability to secure a job reducing aspirations about their future.

Table 8. Percentage of young people 16-24 economically inactive reporting if they want a job, Scotland.

	2018	2019	2020	2021	2022
Want a job	20.7%	19.1%	26.1%	15.7%	21.3%
Do not want a job	79.3%	80.9%	73.9%	84.3%	78.7%

Source: [Annual Population Survey](#). Data corresponds to time from January to December. Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution.

For young people that want a job and report experiencing long-term sickness there was a decrease of 0.1* pp between 2018 and 2021 (2.8%* versus 2.7%*) (Table 9a). For young people that did not want a job (Table 9b), there was an increase of reporting long-term sickness as a reason for being economically inactive between 2018 and 2022 (5.3% versus 7.8%). Caring responsibilities increased from 3.0% to 3.3%* between 2018 and 2022.

* Estimates come from a small sample size and may be less precise. They should be used with caution.

Table 9.

a) Percentage of young people 16-24 economically inactive by reason and by **wanting a job**, Scotland.

	2018	2019	2020	2021	2022
Looking after family/ home	1.3%*	1.4%*	-	-	-
Long-term sick	2.8%*	1.8%*	-	2.7%*	-
Other	2.9%	4.0%	7.6%	3.0%*	4.1%*

b) Percentage of young people 16-24 economically inactive by reason and by **not wanting a job**, Scotland.

	2018	2019	2020	2021	2022
Looking after family/ home	3.0%	3.4%	-	-	3.3%*
Long-term sick	5.3%	4.9%	6.2%	6.2%	7.8%
Other	3.4%	4.9%	3.5%*	7.1%	5.2%

Source: [Annual Population Survey](#). Data corresponds to time from January to December. Due to the COVID-19 pandemic, data between 2020 and 2021 should be interpreted with caution. Some estimates were redacted due to not meeting the publication standards following robustness tests.

* Estimates come from a small sample size and may be less precise. They should be used with caution.

Reasons based on other evidence

The following section explores the details of a high-level desk-based review of the most recently published literature on inactivity amongst young people aged 16-24 in Scotland and the UK. This included searches for grey literature, published academic papers in journals and other sources of published evidence available in the last five years. This section provides insights into the evidence for both UK-wide and Scotland specific publications.

United Kingdom context

In addition to the reasons for being economically inactive provided by the Annual Participation Survey, other sources of published evidence give detailed information on a wider range of reasons. At a UK-level, evidence from the [Understanding Society](#) study offers further information on the reasons and risk factors relevant to economic inactivity. This study covers working age men and women in the UK, not including individuals in full-time education.

A recent [Resolution Foundation report \(2022\)](#) used the Understanding Society data and concluded that between 2012 and 2019:

- Two-thirds of 18-29 year olds who are economically inactive due to illness or disability, also reported poorer mental health. **65% reported being inactive and sick or disabled.**
- Among young people 18-29 who are economically inactive those who experience a **mental health disorder** remain out of work for longer when compared with young people without a mental health disorder.
- 32% reported being inactive due to **caring responsibilities** (family or home care).

The Resolution Foundation report also showed a decline in economic inactivity due to family caring reasons in young people between the ages of 18 to 24. The authors offer some possible explanations for this decrease and note the increase in participation in the labour market by young mothers, as well as the drop in birth rates among young women. Additionally, the report also highlights that health-related problems as a reason for inactivity have been rising for both men and women within the UK. Finally, between 2017 and 2019, over three quarters of 18-29 year olds who were inactive due to long term sickness or disability had been workless for at least 2 years.

Similar to what was presented previously in this report, the [Resolution Foundation \(2023\)](#) used ONS data to explore the prevalence of youth (18 to 24 years old) worklessness due to ill health in different parts of the UK. They concluded that there are significant location differences – mostly in England. Youth worklessness variation between most and least deprived areas was small. In addition, this report highlights the significant role that mental ill health plays in youth worklessness, suggesting that there should be investment in interventions to support young people's mental health.

A report by the [Learning and Work Institute \(2022\)](#) highlighted the challenges that NEET young people face when finding a job. In this study, mental illness was the most common barrier to employment for young people. Reasons such as long-term

health problems or disabilities were also reported by participants. In addition to health reasons, participants also reported other factors such as a lack of confidence in their skills, not enough opportunities for work experience and difficulties with the application or interview processes. Young people in this report also mentioned childcare responsibilities as a barrier to employment.

[Holmes et al. \(2021\)](#) explored the changes in NEET in young people 16-29 in the UK between 1975 and 2015. The authors explored some of the possible risk factors and reasons for young people in this age group falling within NEET. They proposed 5 key risk factors:

- **Low qualification level.** This was mainly reported for females where there is a higher propensity to start a family before the age of 30, meaning that they are more likely to drop out of school or not continue education into Higher Education once they had children.
- **Older aged young people.** The authors concluded that there was a higher likelihood of older young people (19-22 years old) becoming NEET.
- **Having children and age.** Young people under 22 years old and those who have children were more likely to become NEET by 58 percentage points.
- **Mental illness.** The authors reported that existence of mental illness was associated with a high risk of being NEET for both females and males (with these effects being higher for mental illness when compared with other physical health concerns).

One interesting finding from [Holmes et al. \(2021\)](#) was that **completing a trade apprenticeship** was linked with a higher probability of being NEET, with this risk factor being higher for females. It is interesting to explore these findings in light of young people possibly being enrolled in trade apprenticeships and not able to find work after completion. However the information about this relationship is scarce.

In addition, a [NFER \(2023\)](#) report explored providers views on the barriers young people face when accessing intermediate and advanced apprenticeships. Following roundtable discussions with providers, the authors concluded that there was a lack of understanding from young people on the possible progression opportunities, there were issues in demonstrating the necessary skills and qualifications, as well as young people struggling with the application process and young people not demonstrating the necessary skills to enter the job market.

[Danner et al. \(2022\)](#) conducted 57 in-depth interviews to explore the reasons for economic inactivity amongst young women (16-25 years old) in the UK. [Maquire \(2018\)](#) has also explored reasons for economic inactivity and drew from research conducted in England with young women. The data from both these studies revealed that barriers such as motherhood and other caring responsibilities can have a significant impact on young women's transitions between education and the labour market. Reporting experiences of mental illness (e.g., depression and anxiety) were also shown to have a significant impact on economic inactivity. Living in a disadvantaged location (e.g., rural areas), being from a lower socioeconomic background, as well as their living situation (e.g., the need to live close to family on who they depend economically and emotionally) have also been reported by young women as a key barrier for their involvement within the labour market. Finally, the

authors also highlight that participants report a low level of opportunities within their geographical area, which hinders their capability to become economically active.

Related to more social and emotional components, participants in these studies also reported struggling with their self-esteem and self-confidence in returning to the labour market following motherhood, the challenges of securing financial support for childcare, and isolation from social networks.

Scottish context

In 2015, the Scottish Government published a [report](#) “Consequences, risk factors and geography of young people not in education, employment or training (NEET)”. This report uses census data and shows that there were different risk factors influencing young people’s levels of inactivity, though most of these were similar for both males and females.

- **Level of qualification** was shown to influence levels of inactivity amongst young people. Young people with no qualifications had an increased risk of being NEET - ten times higher for males and seven times higher for females in 2011.
- **School experiences and behaviours:** absenteeism, exclusions, and registration for free school meals have been reported to also increase the likelihood of economic inactivity.
- **Teenage pregnancy** (though in a small proportion). This has been shown to be associated with a risk of being ten times more likely of being economically inactive.
- **Unpaid carer.** This factor was mostly associated with females.
- **Household elements:** housing (i.e. renting instead of owning a residence) and location (e.g. living in deprived and urban areas) have also been reported to play a role in inactivity.
- **Family structure** - like the number of siblings, unemployed adults living in the home - have significant impact in increasing levels of inactivity in young people.

A more recent report from the [Glasgow Centre for Population Health \(2022\)](#) proposed factors that can act as barriers or supporters of young people’s transitions into adulthood. Interviews and focus groups with 31 young people aged 16-20 in Glasgow showed that some of the challenges experienced by the participants in this study were:

- **Mental illness:** affected participant’s ability to transition into adulthood by blocking the achievement of qualifications.
- **Poverty:** the financial pressures of attending job interviews due to the lack of funds to travel to the place of the interview or to buy adequate clothes for the interview.
- **Knowledge of schemes:** participants in this study reported not being aware of existing government and local schemes to help young people.
- **Support and availability of resources/support:** the report highlights participant’s experiences of having an existing support system in place (such as family, friends or school-staff) to aid in decisions related to their future.

Peer-reviewed papers using a qualitative methodology have been published exploring the reasons and risk factors associated with young people's economic inactivity in Scotland. [McPherson \(2021\)](#) used discourse analysis to explore and evaluate policy rhetoric in the UK and Scotland regarding economic inactivity of young people. Additionally, the author also analysed qualitative data collected with 42 economically marginalised young people (14 to 29 years old) from two contrasting areas of Scotland, an urban city and a small semi-rural town.

[McPherson \(2021\)](#) concluded that young people reported a lack of support and information when it comes to transitions into the job market. Participants in this research also reported that often the focus is on improving what they called "work ethic and attitude". Further to this, young people from disadvantaged backgrounds felt that the way the rhetoric around policy is presented places the emphasis on the young person being responsible for their experiences with the labour market, with some participants reporting feeling "blamed" for the position they are in.

This research focused on two deprived areas in Scotland and the participants highlighted the impact that their background and social class has on the ability to engage with the labour market. For example, some participants reported feelings of shame and stigmatising attitudes from the educational staff around them, as well as from potential employers. Young people in this research mentioned feeling discrimination when transitioning between education and the job market. Additionally, participants discussed the role that lack of financial means, troubled home life and low social capital have in identifying opportunities and accessing the job market.

Finally, [McPherson \(2021\)](#) highlighted barriers such as age and perceptions of not being experienced enough to apply for a particular job. Participants reported discrimination when it comes to older candidates being preferred to younger candidates due to the risk associated with investing in a younger and less experienced candidate.

Summary of reasons and barriers for economic activity

The data presented have identified the possible barriers that young people in this cohort face. These can be summarised as:

- **Health-related factors:** physical and mental ill health play a role in economic inactivity.
- **Disability:** evidence reports the impact that disability can have in both searching for and getting work.
- **Gender differences:** women report high caring responsibilities (of both family and children).
- **Location:** included the lack of opportunities in rural areas.
- **Personal experiences with the job market:** reported feelings of discouragement from available job opportunities, lack of confidence in their experience, lack of work experience.
- **Lack of support and financial instability:** evidence shows the lack of emotional and financial support, particularly for women with children, to enrol in employment.

Gaps in the existing evidence

This paper has shown that there is a range of data available that focus on economically inactive young people. Current open data sets such as the Annual Population Survey and the Annual Participation Measure, offer some insight into the Scottish context. A full description of data sources and publications is available in [Annex B](#). Further to this, there are also grey and academic literature that explores both the UK and Scottish context and offer insights into possible reasons for economic inactivity amongst young people between 16 and 24 years old.

However there are some gaps in the existing evidence described in this paper:

- The existing open data sources do not allow for a further breakdown of individual characteristics in order to better understand the composition of this cohort due to sample sizes becoming too small to produce reliable estimates.
- Reasons and barriers could be further explored in a quantitative form to allow for a greater understanding of the distribution and proportion of how inactivity is affected by individual level characteristics.
- Further breakdowns in addition to the ones presented in this paper could be of potential interest. For example, it would be relevant to have more complete breakdowns by local authority for each of the characteristics of interest (e.g., age bands, sex) as well as a complete urban/rural breakdown for the entire cohort of interest (i.e. 16-24 and not just 16-19 year olds through the APM). This could offer further insights into any potential location-related reasons for economic inactivity and help understand more about this group of young people and where they are.
- Ethnicity breakdowns would also be helpful to highlight clearly the groups within this cohort that might need further support to engage with the labour market, and also for understanding their reasons for not currently engaging. APS data 2021 shows that young people 16-24 from minority ethnic groups are more likely to be out of work when compared with white young people 16-24 (gap - 19.6 pp). In 2022, a report from the [Resolution Foundation](#) suggested that in the UK young women aged 18-24 from Black, Bangladeshi and Pakistani ethnic backgrounds registered the biggest increase in economic inactivity. Thus, further exploration of existing datasets in order to better understand the influence of ethnicity, together with gender, in inactivity within Scotland could be helpful in policy development.
- High-level findings show that 16-24 young people saw the highest increase of inactivity when they reported previously working, from 6.4% in 2019/2020 to 7.6% in 2020/2021. It would be of interest to further explore existing variables in the APS regarding willingness to work and history of working previously as ways to better understand the characteristics of this cohort.

- Further to the previous point, it would be helpful to get a better understanding of how young people within this age cohort transition between different status (e.g., inactivity, employment, student, training). Since this is an ever changing topic, accessing data over different years and across time on each individual's journey would be useful to understand how different groups are affected by different circumstances. Similarly, this could aid our knowledge about what can be done to support these groups.
- There appears to be a lack of up to date qualitative data that explores the Scottish context with only a few studies found which explore this. Some grey literature and academic research explored barriers and reasons for inactivity however the depth of information is larger for the UK, and does not show the same depth for young people in Scotland.

Potential future research

Given the gaps presented, future research could provide further understanding about inactive young people:

1. Development of research with intersectionality and cumulative effects as the focus.

Intersectionality has been defined as a way to refer to how multiple categories, events, or forms can shape and influence an individual's experiences of inequality through a compound effect ([Scottish Government, 2022](#)). A recent report published by the Scottish Government explores the specific value of intersectionality for both analysts and policymakers ([Using intersectionality to understand structural inequality in Scotland: Evidence synthesis](#)).

When thinking of inactivity and the data presented earlier, intersectional data could be of use when it comes to better understanding the characteristics of this cohort and what can be influencing young people's economic inactivity. Some examples of intersectional analysis were presented in Table 9. Further intersectionality analysis in the APS data would be limited by low sample sizes which could result in unreliable estimates. Additionally, with the change of reason presented earlier (i.e. from caring responsibilities to long-term sickness), it could also be helpful to further explore the role that disability plays in reports of long-term sickness.

Aiming to collect data that would allow for further intersectionality between the data would be of use to have a better insight into the characteristics and risk factors that are leading to young people's economic inactivity.

2. Maximise the use of existing projects and data sets

In order to have a better understanding of the labour market in general, it would be relevant to maximise the use of existing data. One example of this would be using the [Longitudinal Educational Outcomes \(LEO\)](#) to further understand young people's destinations. This dataset offers the possibility of exploring sustainable employment

of the target cohort of this report and could offer further insights into the labour market more widely.

Similarly, it would be helpful to use data collected through ongoing projects to provide a more comprehensive description of the labour market. For example, the ongoing Student Finance and Wellbeing Study (due to report in 2024) will offer further context on employment, financial hardship and reasons for having a job during the completion of a course.

3. Explore the possibility of future qualitative research.

The majority of the Scottish evidence presented earlier is based on quantitative analysis. Though this is a great mechanism to understand the scale and scope of possible connections between variables, concepts and elements, further in-depth understanding within this cohort would be beneficial. The use of qualitative research where in-depth individual and/or group experiences are discussed could develop understandings of the day to day and structural barriers that this cohort of young people are facing by exploring the underlying reasons for their behaviours and experiences.

A qualitative approach would be useful to explore elements such as:

- **Health-related reasons.** The data presented does not offer further exploration of health related reasons and outcomes that young people who are economically inactive experience. This is of particular importance when considering the impact of mental illness, as it could be argued that this is one of the key factors that influences people's decisions to either engage or not with the labour market. Similarly, little is known from the evidence presented in this report of the direction of this impact – is mental health influencing non-participation or the other way around? Mental illness could be seen as an overarching factor that effects young people inactivity levels – more evidence on this relationship would be beneficial.
- **Socioeconomic factors.** Further exploring elements such as household income, location (e.g. rurality) and use of benefits could help to better understand young people's experiences of inactivity. For example, studying how young people support themselves in case of prolonged inactivity – does this include the use of benefits? Similarly, comparing between the experiences of young people from urban and rural areas, and within the same area, and the extent to which these barriers are similar or different, could offer a deeper understanding of what it is needed moving forward to support this cohort.
- **Individual characteristics.** Further research on gender differences as most of the academic literature focuses on women, would be helpful. Additionally, it would be of use to have further insight into previous history of work (e.g. if the individual worked before, what is the reason for not working now and in what way can that previous experience influence the decision to work in the future) and how this relates to current inactivity circumstances.

- **Knowledge of the education system and opportunities available.** As research shows, young people might not be aware of the opportunities available to them. The introduction of this element would allow for a better understanding of alternative reasons and barriers faced by this cohort. It is possible that young people in this cohort may report lower knowledge of the education system.
- **Aspirations, encouragement/ discouragement and confidence.** The data presented in this paper does not mention the aspirations of this cohort. Due to their own personal circumstances and their experiences, young people might express low educational and work aspirations which could be influencing their economic activity, and potentially their confidence. [SDS](#) (2023) has recently published evidence exploring young people's ambitions and what factors might be at play. However, this does not offer a full picture and qualitative in-depth research might help fill in the gaps.

Finally, qualitative research could also help to mitigate the gap in intersectional evidence by exploring in-depth connections between elements for both individual and in-group experiences. Further research could provide a framework for exploring the intersectionality of each risk factor and negative experience and the impact it has had on young people's inactivity. Also, this could help to explore and build a deeper understanding of the intersectionality of the negative elements and barriers to young people's active participation in education, employment or training.

Annex A: Definitions

Unemployment: The ILO definition of unemployment covers people who are 16 years and over:

- without a job, have been actively seeking work in the past four weeks and are available to start work in the next fortnight or 17, or;
- out of work, have accepted a job and are waiting to start it in the next two weeks

Unemployment rate: The proportion of economically active people aged 16 and over who are employed.

Economically inactive: People not in employment and who do not meet the criteria for unemployment. This group includes:

- those who want a job but who have not been seeking work in the last 4 weeks;
- those who want a job and are seeking work but not available to start;
- those who do not want a job.

Economic inactivity rate: The number of economically inactive people expressed as a percentage of the relevant population.

Sex: Sex is self-reported by respondents participating in the Annual Population Survey (APS). Analysis is based on “sex” rather than “gender”. No documentation is asked for by the interviewer or provided by the respondent

Disability: According to the Equality Act 2010, people are disabled if they have a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on their ability to do normal daily activities ([Definition of disability under the Equality Act 2010 - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447672/Equality-Act-2010-Definition-of-disability-under-the-Equality-Act-2010-GOV.UK.pdf))

Urban / Rural: the Annual Participation Measure uses the [Scottish Government Urban Rural Classification 2016](#) as definition for their categories.

Statistical related definitions

Rates: Rates represent the proportion of the population or subgroup with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context by accounting for changes in the population or the number of people who are economically active. Rates can be calculated for different age groups.

Annex B: Data, Scottish Government publications, and literature sources used in this paper

Data sources

Annual Population Survey

Latest release: 15/08/2023

Next release: 17/10/2023

Age coverage: 16 and over

Focus/ aim: labour market survey encompassing population, economic activity (employment and unemployment), economic inactivity and qualifications. These are broken down where possible by gender, age, ethnicity, industry and occupation. Available at Local Authority level and above.

Caveats: When interpreting results users should be aware of the potential effect of the coronavirus (COVID-19) pandemic. This is especially true when comparing time periods. Included in this release are January to December 2020 and January to December 2021. During these periods employers were able to claim Coronavirus Job Retention Scheme support for employees. Self-employed workers could make claims through the Self-Employment Income Support Scheme (SEISS). An [ONS article](#) provides a fuller explanation of the impact of these schemes. The article also contains guidance on measuring labour market statistics

Annual Participation Measure

Latest release: August 2022

Next release: August 2023

Age coverage: 16-19 years old

Focus/ aim: Reports on the education and employment activity of 16-19 years olds in Scotland. It is the sources of the Scottish Government's National Performance Indicator "Percentage of young adults (16-19 years old) participating in education, training, or employment".

Caveats: The effects of the COVID-19 pandemic and associated lockdown measures will have impacted on young adults' participation in 2021.

The rollout of Universal Credit commenced in March 2016 and completed in December 2018. There was a delay in SDS receiving the data. The inclusion of the Universal Credit for individuals aged 16-19 led to improvements in data quality. This means that the data can better report on those out of work and who are economically inactive. Any increase in the data from 2021 to 2022 could be due to the inclusion of the Universal Credit data.

Scottish Government publications

[Labour Market Statistics for 16 to 24 year olds: Scotland and the United Kingdom](#)

Latest release: 11/07/2023 (covering April 2022 to March 2023)

Next release: September 2023

Age coverage: 16-24 years old

Focus/ aim: Summary of statistics from the Annual Population Survey

[Scotland's Labour Market: People, Places and Regions – Protected Characteristics](#)

Latest release: 21/09/2022

Next release: To be confirmed (TBC)

Age coverage: 16 and over with breakdowns for 16-24 years old

Focus/ aim: Summary publication of results from the ONS Annual Population Survey January to December 2021, presenting analysis on the labour market by protected characteristics including age, sex, disability and ethnicity.

[Labour Market Statistics for Scotland by Ethnicity](#)

Latest release: 14/12/2022 (data relates to January to December 2021)

Next release: TBC

Age coverage: 16 and over with breakdowns of 16 to 24 years old

Focus/ aim: Information about ethnicity in the labour market from the Annual Population Survey.

[Public Sector Employment in Scotland Statistics for 4th Quarter 2022](#)

Latest release: 14/03/2023 (snapshot of employment as at December 2022)

Next release: June 2024

Age coverage: 16-24

Focus/ aim: Statistics based on administrative records and surveys of individual public sector bodies carried out by the Scottish Government and the Office for National Statistics (ONS).

[Young person's local authority labour market dashboard](#)

Latest release: 13/12/2021

Next release: TBC

Age coverage: 16-24

Focus/ aim: Combination of various data sources - Annual Population Survey 3-Year Pooled Data (ONS), Annual Population Survey Annual Data (ONS), Claimant Count (ONS and DWP), Participation Measure (SDS), Annual Survey of Hours and Earnings (ONS).

Caveats: Many young people are students but are also looking for work. As a result, young person's labour market data can be volatile over short time periods, and can display a wider degree of variation than other core economic and labour market indicators. Annual Population Survey data pooled across 3-year periods has been

used to reduce this volatility however small sample size means that in many cases data is still not reliable for practical purposes.

Disabled people in the labour market in Scotland

Latest release: 31/05/2023

Next release: TBC

Age coverage: 16 and over with breakdown by age bands.

Focus/ aim: Key statistics relating to the economic status of disabled people in the labour market from the Annual Population Survey showing comparisons between disabled and non-disabled people.

Literature sources

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SDS Evaluation and Research Team (2023). *Young People's Career Ambitions (YPCA) 2022/23: Key Findings Briefing Paper*.

Straw, S., Morrison-Coulthard, L. and Bradley, E. (2023). *Barriers to young people accessing intermediate and advanced apprenticeships: perspectives from apprenticeship providers*. Slough: NFER

The Prince's Trust and Learning and Work Institute (2022). *The Power of Potential: Supporting the future of 'NEET' young people in the labour market*. United Kingdom.

How to access background or source data

The data collected for this social research publication:

are available in more detail through [Annual Population Survey](#); [Labour Market team dashboard](#); [Annual Participation Measure](#).

are available via an alternative route

may be made available on request, subject to consideration of legal and ethical factors. Please contact FHEstatistics@gov.scot for further information.

cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



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