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Young People and Work: Interim Report Recap

Ahead of the final Milburn report release next week, here's a recap of the main points from the interim report.

Slide 2:

Most young people want to work, the barriers were practical

The review's own research directly challenged the idea that this generation lacks the desire to work. Across hundreds of conversations, young people were applying repeatedly, adapting their approach, and still not getting through.

- **84% of NEET young people said they want to find a job, education or training**
- Recruitment has become increasingly automated and remote. One young man described never making it past a recorded AI interview stage: ***"I had never met a human from any of the companies that rejected him"***
- One young woman put it: ***"It's like, how do you want me to have experience if I'm only 18 and you're not even letting me have the chance to get the experience?"***
- Over 6 in 10 (61.6%) of NEET young people have never had a job at all

Slide 3:

Across four systems, participation not treated as priority

The review's core argument is that no single policy failure explains the scale of the problem. Education, the labour market, health and welfare each, in different ways, fail to treat a young person's participation as something they are responsible for.

"The post-16 landscape is not merely underfunded. It is confused, fragmented and designed around institutional convenience rather than the needs of the young people navigating it. For those with the fewest resources and the most complex needs, it is close to impassable. The system loses young people not because they vanish but because no one is looking." – The Rt Hon Alan Milburn

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1. Education

The review found that schools can identify who is at risk of becoming NEET from a very early age, but the system consistently intervenes too late, and is measured overwhelmingly on exam results rather than what happens to pupils after they leave.

- Children who are not school-ready at ages 4–5 are nearly **3x** as likely to be NEET at 16–17
- Persistent absence from school (missing 10%+ of school time) makes a young person **3.9x** more likely to become NEET and persistent absence has risen more than 70% since the pandemic
- Only **47%** of 18- to 24-year-olds, and just **36%** of NEET young people, felt ready for work when they left education
- **67%** of NEET young people surveyed believed the curriculum failed to prepare them for work; **55%** felt the education system did not suit people like them.

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2. Labour Market

The review argues policy has focused too heavily on preparing young people for work, and not enough on whether the labour market is still able to absorb them. Entry-level routes that once gave young people their first foothold have narrowed or disappeared.

- The youth share of the workforce has shrunk from around **1 in 7** workers to **1 in 9**, even as overall employment has grown
- Employment among under-18s has fallen from **47%** a generation ago to around **20%** today
- Apprenticeship starts for under-19s have fallen **35%** since the Apprenticeship Levy was introduced, with funding increasingly diverted to older, existing employees
- The proportion of young people who have never had a paid job has increased by **17%** in the last 20 years

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3. Health

Ill health, and particularly mental health, is identified as the single biggest driver of the shift from unemployment to economic inactivity. The review describes a health system "configured for treatment, not participation".

- **45%** of NEET young people report having a disability, more than doubling from 21.1% in 2013/14
- Among disabled NEET young people, the share citing mental health as their primary condition has risen from **24.3%** (2011) to **42.6%** (2025)
- **93%** of fit notes mark people "not fit for work," with very few identifying what might instead help someone stay engaged
- Of those who fell into health-related inactivity between 2017–2019, almost **8 in 10** were still NEET more than two years later.

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4. Welfare

The review characterises the current system as built on a "deficit model" one that pays for what a young person cannot do, rather than investing in what they could become.

- Only around **1 in 5** NEET young people are getting meaningful employment support from the benefits system; roughly half are not claiming benefits at all
- Less than half of the **£8.1 billion** spent annually on key benefits for 16- to 24-year-olds has any participation requirement attached to it
- For every **£1** spent on employment support for young people, around **£25** was spent on benefits
- Only **1 in 100** young people in the highest-support benefit group (LCWRA) move into work each month, compared to roughly 1 in 10 for those actively required to look for work

Slide 8:

No single organisation is currently responsible

The review's central structural finding is that responsibility for a young person's transition from education into work is spread across dozens of national and local institutions with no single one accountable for the outcome as a whole.

- An estimated **314,000** 18- to 24-year-olds in England are NEET and not claiming benefits
- Over **50** different national programmes are led by **17** different public bodies with some responsibility for tackling economic inactivity.
- A young person in a single town can fall under one of **36 NHS integrated care boards**, one of **19 combined or strategic authorities**, one of **317 local authorities**, and one of **37 Jobcentre districts** - four overlapping maps, with no single institution seeing the whole picture

Slide 9:

The cost, the forecast, and the Working State

The review sets out both the financial scale of inaction and the trajectory if nothing changes, before making the case for a fundamentally different model, one built around enabling participation rather than replacing income.

- The annual cost of youth disengagement to the UK is estimated at **£125 billion** — more than the country spends on education each year
- Broken down, the £125 billion comprises **£38 billion** in direct lost economic output, **£63 billion** in "scarring" impact (the permanent long-term cost of extended time out of work), and **£15 billion** in foregone tax revenue and benefit spend from that scarring effect
- On current trends, the NEET rate could rise above **16%**, more than **1.25 million** young people, within five years