

INQUIRY

YOUNG PEOPLE NOT IN EMPLOYMENT, EDUCATION, OR TRAINING

THE IMPACT OF POVERTY AND INEQUALITY

JULY 2026



**Poverty &
Inequality**

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FOREWORD

Alan Milburn's important interim report, *Young people and work*, has done much to put the issue of young people not in education, employment or training high on the political agenda. But the political debate has largely overlooked a key point that he makes: 'The NEET phenomenon is grounded in social disadvantage and inequality' (para 42). Hidden away in his mammoth report is evidence that 'over half of instances of being NEET at 17-years of age were attributable to persistent exposure to poverty and family adversity' (para 44). He makes a clear link with current high levels of child poverty and the increase in the depth of poverty. As he observes 'the NEET problem is shaped by the conditions in which children grow up, and in many cases those conditions have become more challenging' (para 44).

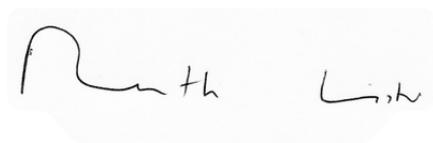
Our inquiry has attempted to put more flesh on this important observation. It was launched in March 2026 and we are very grateful to all the organizations and individuals who submitted evidence as well as Gerry Boyle of the Equality Trust (who provide our secretariat) for drafting the report.

At the heart of our report is the damning finding that young people not in education, employment or training are caught in a life-cycle of poverty:

- Young people who are NEET are likely to come from families experiencing poverty;
- Young people who are NEET are particularly vulnerable to poverty;
- Young people who are NEET are more likely to experience poverty in later life.

We hope our report will contribute to the current debate on NEET young people and to the next stage of Alan Milburn's enquiry.

Signed co-chairs of the APPG



Baroness Ruth Lister



Siân Berry MP

EXECUTIVE SUMMARY

Every young person has something to contribute and deserves the conditions to thrive, yet far too many are left without the pathways or support to do so, and are left not in employment education or training (NEET). This particularly affects those who are underprivileged, across gender, race, geography, disability and class. It consolidates inequalities which undermine prosperity, health and well-being. As an APPG, we are particularly concerned that there is **a strong cycle of deprivation**:

- Those who grow up in poverty are more likely to become NEET
- Young people who are NEET are more vulnerable to poverty
- People who have been NEET are more likely to experience poverty later in life

We have further deep concerns that **our current employment, education and social security systems are unfair to these young people** who have already experienced deprivation and who face major risks to their future economic and social wellbeing.

The Rt Hon Alan Milburn has recently published his initial, diagnostic report, requested by the Government, on “Young People and Work”¹, and plans to produce recommendations later this year. In parallel with Mr Milburn’s work, we, as the APPG on Poverty and Inequality, have conducted an Inquiry into the structural causes of the high numbers of young people who are NEET, and how they are treated by the employment, education and social security systems, and 43 organisations and individuals have provided submissions. There is considerable overlap between Mr Milburn’s diagnosis and our own, reflecting the number of organisations who have submitted evidence to both, and to the underlying common body of research. However, we have placed a particular emphasis on the cycle of deprivation and the unfairness of the social security system, and we have made a series of recommendations which we hope will inform Mr Milburn’s further work, and Government thinking and legislation.

FINDINGS

The number of young people Not in Employment, Education or Training is a major issue in the UK:

- The number of young people Not in Employment, Education or Training is rising from an already too high base.
- These young people are more vulnerable to poverty
- Those affected are more likely to experience poverty later in life

¹ Young People and Work Interim Report (2026), Department for Work and Pensions
<https://www.gov.uk/government/publications/young-people-and-work-interim-report>

- The UK has a higher NEET rate than most other similar countries, possibly due to fewer young people continuing in education and training than in similar countries
- Recent increases in NEET rates appear to be structural, with a high likelihood that declining mental health among young people is a major factor

Those who grow up in poverty are more likely to become NEET:

- There is overwhelming evidence that young people from underprivileged backgrounds are most at risk of being NEET, and that some specific groups, such as care leavers, some racialised minorities and travellers are at particularly high risk
- However, public discourse which has demonised being NEET has led to many young people internalising self-failure, rather than recognising the inequalities in development and opportunity which lead to their personal position
- This internalised self-failure may contribute to declining mental health
- Lack of educational attainment is a key factor in becoming NEET
- Low educational attainment is significantly driven by the impacts of poverty on early development
- There is considerable geographic disparity in NEET rates, with the least privileged areas being particularly susceptible

Young people who are NEET are more vulnerable to poverty:

- Current educational opportunities, employment opportunities and employment support services all serve these young people badly
- A money-saving compliance and punishment mentality in the employment and social security service alienates young people and almost certainly reduces the likelihood of young people finding fulfilling and productive work
- Nearly half of the young people who are NEET do not receive social security payments and are largely invisible to the system and any Government initiatives
- There are perverse incentives within the social security system which, for instance, undermine young people's attempts to become apprentices

People who have been NEET are more likely to experience poverty later in life:

- Being NEET when young has significant impact on lifelong employment, earnings and physical and mental health
- Even for adults over 25, the basic rate of UC is inadequate and pushes people to the doors of food banks. However, those under 25 are paid an even lower rate
- Financial precarity generates a circular dynamic: poverty produces anxiety, which impairs sustained engagement with work or education, which deepens poverty

Our current employment, education and social security systems are unfair to these young people

- Sanctions are applied much more frequently to those under 25 than to older groups.
- Over 90% of sanctions are for missing appointments, not refusing work
- Sanctions are of higher value than judicial fines and pay less attention to the ability to pay over time
- The social security system pays no heed to the fact that brain development continues until at least age 25, with control functions being among the latest to develop, implying that sanctions regimes may be particularly unsuited for young people
- The pressures exerted by the social security and employment system appear to be increasing mental health problems

RECOMMENDATIONS

Breaking the cycle of deprivation requires action on many fronts and at many levels, from Government strategy and coordination, to detailed changes to security security processes and payments.

Recommendation 1: Reduce poverty and inequality

- Implement a whole of Government strategy to reduce inequality and poverty building on the child poverty strategy published in December
- Government should publish a target for the young people's NEET level over the next five years
- Increase investment in early years services and programmes to support all children and their families, but especially to support those most at risk of becoming NEET
- Benefit levels should be increased, to at least cover people's essentials such as food, utility bills and basic household goods as a minimal first step.
- The under 25 rate in Universal Credit is unfair and should be abolished. The rate forces young people living independently to receive a lower rate than those over the age of 25 despite facing the same living costs.
- Implement the Socio-Economic Duty within the Equality Act 2010 in order to ensure Government departments, strategic authorities and local authorities take into greater account the cycle of deprivation which drives the risk of becoming NEET.
- Commission research into the young people not at all engaged with the education, employment and social security system ("hidden NEETs") to understand how they are surviving and the extent to which their dependency on their family may be deepening and entrenching family poverty

Recommendation 2: Provide much better pathways into work for young people

- Government should establish a cross departmental strategy to integrate support for young people at risk of being NEET

- Young people (16-24) to be guaranteed a job, education place, or apprenticeship
Education, training and work support should be much more closely integrated
- Ensure early intervention to identify, track and engage at risk young people whilst they are still in education, continuing until age 25
- Ensure highly tailored support from trusted key workers who have the time and expertise to build strong relationships with young people and explore employability, education and training opportunities genuinely aligned with their interests and goals.
- Embed and further develop the Right to Try Guarantee
- Remove the “apprenticeship penalty” in the current social security system

Recommendation 3: Treat young people fairly

- DWP Sanctions should only be applied to people under 25 as a genuine last resort, thereby achieving a very significant reduction in the number of young people sanctioned
- Do not remove eligibility for the Universal Credit Health element from young people under 22
- Ensure that the social security system is dignity-focused and rights compliant, guaranteeing essential income, and embedding fairness

GLOSSARY

ADPH	The Association of Directors of Public Health
APPG	All Party Parliamentary Group
Economically Inactive	NEET and not actively seeking work, possibly due to a number of factors including sickness, care responsibilities etc. cf “unemployed”
Hidden NEETs	Young people aged 16-24 not in employment, education or training who are not engaged with the employment, training or social security systems and thus about whom very little is known
NEET	Young people aged 16-24 not in employment, education or training
OECD	Organisation for Economic Cooperation and Development
SMC	The Social Mobility Commission
Socio-Economic Duty (SED)	The socio-economic duty (SED) in Section 1 of the Equality Act 2010 requires public bodies to adopt transparent and effective measures to address the inequalities that result from differences in occupation, education, place of residence or social class. It has not yet been enacted as law, but the Labour Party promised to do so in its manifesto for the last General Election
SSAC	The Social Security Advisory Committee
Tertiarization	The structural shift of an economy where the service sector (tertiary sector) grows in importance relative to agriculture (primary) and manufacturing (secondary).

UC	Universal Credit. A social security payment to help with living costs
UCH	Universal Credit (Health). Additional social security payment available to those who are ill or disabled and unable to work
Unemployed	NEET but actively seeking employment, cf “economically inactive”

INTRODUCTION

The All-Party Parliamentary Group (APPG) on Poverty and Inequality aims to provide awareness of the impact of poverty and inequality, its causes and consequences, and to encourage the spread of good practice to alleviate and eliminate both.

Every young person has something to contribute and deserves the conditions to thrive, yet far too many are left without the pathways or support to do so. This particularly affects those who are underprivileged, consolidating inequalities which undermine prosperity, health and well-being. As a Group, we are particularly concerned that there is a strong cycle of deprivation:

- Those who grow up in poverty are more likely to become NEET
- Young people who are NEET are more vulnerable to poverty
- People who have been NEET are more likely to experience poverty later in life

The Government has published a white paper aiming at improving employment opportunities and has commissioned the Rt Hon Alan Milburn to publish a report on how young people Not in Employment, Education or Training (NEET) can be better supported into work. Mr Milburn has recently published his initial report on “Young People and Work.”² It sets out a detailed diagnosis of the issues around NEET young people, with the intention of publishing a second report later this year which will make recommendations for action to improve the situation.

We welcome these initiatives, in particular Mr Milburn’s report’s stress on the central role of the structural factors of poverty and inequality in determining who is likely to end up as NEET, and we look forward to seeing his next report make recommendations that will truly address poverty and inequality.

We, as the APPG on Poverty and Inequality, in parallel with Mr Milburn’s first piece of work, have conducted an Inquiry into the possible structural causes of the high numbers of young people who are NEET and how they are treated by the employment, education and social security systems, and forty three organisations and individuals have provided submissions. There is considerable overlap between Mr Milburn’s diagnosis and our own, reflecting the number of organisations who have submitted evidence to both, and to the underlying common body of research. However, we have placed a particular emphasis on the cycle of deprivation and the unfairness of the social security system, and we have made recommendations, which we hope will inform Mr Milburn’s further work, and Government thinking and legislation.

² Young People and Work Interim Report (2026), Department for Work and Pensions
<https://www.gov.uk/government/publications/young-people-and-work-interim-report>

We received submissions from third sector organisations, academics, lived experience groups, think tanks and other interested bodies and individuals. All organisations are credited at the end of this report. The APPG extends its thanks to all who took the time to submit evidence, and contributed to this report.

The report examines which young people are currently NEET and who is likely to become NEET in the future, identifying the extent to which structural inequalities are influencing outcomes, including the life-long implications of youth unemployment and under-employment. We have included a discussion of young adult brain development, which we believe has major implications for the design of the employment, training and social security systems, but which we believe is generally overlooked elsewhere in the discourse on NEETs. We then look at what sanctions are operating in the social security system and how they hit young people particularly hard, and the extent to which they can be justified given youth employment objectives, the composition of the young people who are subjected to them and how young people react to sanctions. We also consider the substantial number of NEET young people who are not in the social security system. From a consideration of both the fairness and effectiveness of how NEET young people are currently treated, we have developed a set of recommendations which we encourage Alan Milburn and the Government to consider in developing and implementing new policies.

WHY ARE WE CONCERNED ABOUT NEETS?

- The number of young people Not in Employment, Education or Training is rising from an already too high base.
- Being NEET when young has significant impact on life long employment, earnings and physical and mental health
- Young people who are NEET are more vulnerable to poverty
- People who have been NEET are more likely to experience poverty later in life
- The UK has a higher NEET rate than most other similar countries, possibly due to fewer young people continuing in education and training than in similar countries
- Recent increases in NEET rates appear to be structural, with a high likelihood that declining mental health among young people is a major factor

Tackling poverty and inequality requires us to ensure that young people are given the best possible chance to progress in life, regardless of their background, the structural constraints they may face, and any disabilities. So the substantial recent rise in the numbers of NEET young (16-24) people should cause alarm. Young people who are NEET face a cycle of deprivation:

- Those who grow up in poverty are more likely to become NEET
- Young people who are NEET are more vulnerable to poverty
- People who have been NEET are more likely to experience poverty later in life

The number has risen to close to one million in 2025 from a level of 745,000 only 3 years before³. And a level of 745,000 was in itself highly concerning, with only one EU country (Romania) performing worse. The concern on behalf of young people is due to our knowledge that being NEET at what should be the beginning of one's working life leads to considerable negative consequences across employment, earnings and health. Being NEET is associated with between 8 and 15% lower income by the time a young person reaches mid-career⁴, and the Centre for Young Lives points out that "each month of unemployment between ages 18 and 20 causes a permanent income loss of just over 1% per year. This scarring effect is smaller when unemployment occurs between ages 21 and 23, indicating that periods of unemployment straight out of school are more damaging for future life prospects." While IMPETUS told us that "Those NEET at 18–19 are 20%

³ Resolution Foundation: "False Starts: What the UK's growing NEETs problem really looks like, and how to fix it" (2025)

⁴ Scottish Government: "[Consequences, risk factors, and geography of young people not in education, employment or training \(NEET\)](#)" (2015)

more likely to be unemployed a decade later, and face higher risks linked to substance misuse, criminal and anti-social behaviour, homelessness and ill health.”

Further, the Association of Directors of Public Health (ADPH) pointed out that both lower income and unemployment are strongly associated with poorer health outcomes and reduced life expectancy. As disadvantaged groups are disproportionately represented among those who are NEET this contributes to the widening of social, economic and health inequalities, and reinforces the cycle of deprivation.

INTERNATIONAL COMPARISONS

It can be difficult to compare internationally detailed breakdowns of the reasons for young people being NEET, but some things are clear. As the Centre for Young Lives points out, the UK is one of the few OECD countries with a NEET rate increasing in recent years. And better performers, such as the Netherlands have markedly lower rates, at around 3.6%, compared with around 12.5% in the UK.

“Lost in Transition⁵”, a detailed report on NEETs by the Resolution Foundation makes the case that “it is not health or job availability that explains the UK’s high NEET rates, but education. In 2024, 43 per cent of UK 18-24-year-olds were in education (including 17 per cent combining education and work), well below the OECD average of 53 per cent of 18-24-year olds studying (including 19 per cent combining education and work). In the lowest-NEET countries, education participation is substantially higher. Indeed, among the 23 OECD countries which had a lower 18-24 NEET rate than the UK in 2024, all but two (the United States, and New Zealand) achieved this entirely by having more young people participating in education or combining education and work.”

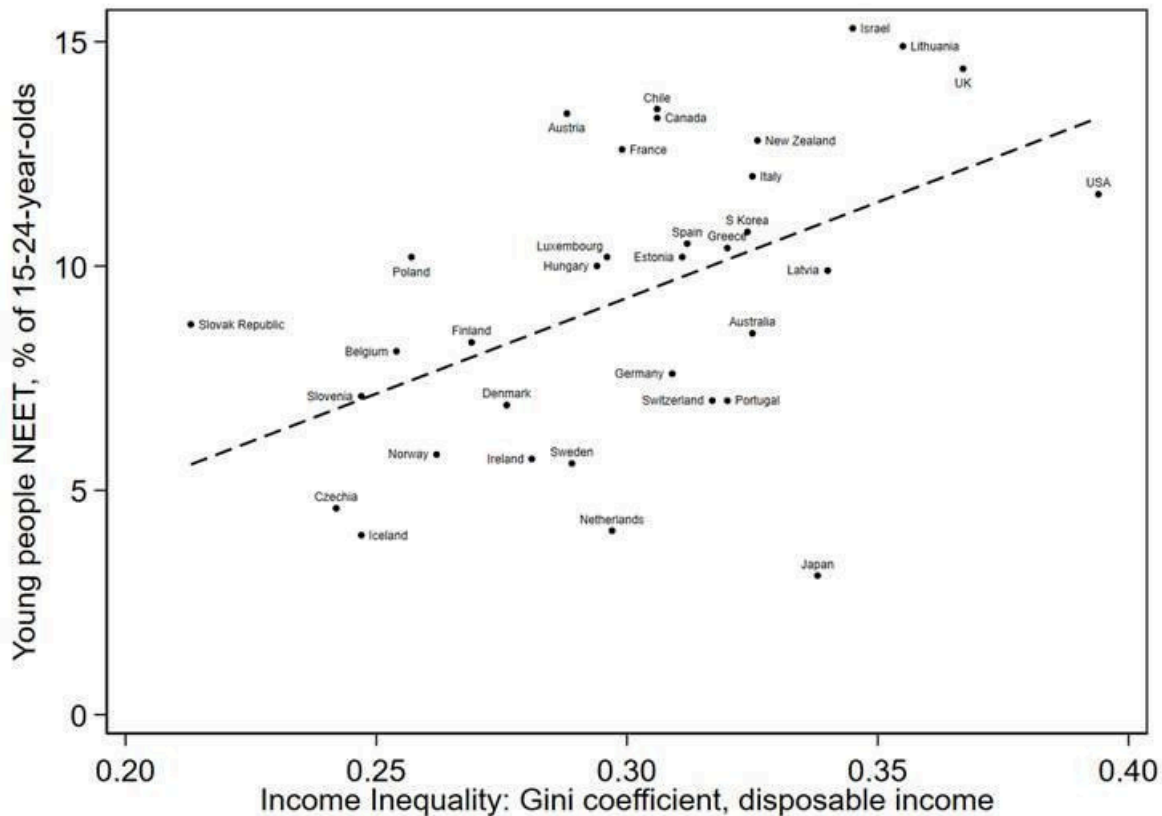
Further, “the UK stands out for its poor vocational education offer. In 2024, for example, just 22 per cent of 18-21-year-olds in the UK were on vocational courses, compared to 35 per cent in the low-NEET trio of the Netherlands, Denmark and Germany.”

The graph below⁶, from Professors Wilkinson and Pickett, shows that the rate of NEETS is highly correlated with economic inequality: more young people (15-25 years) are NEET in more unequal rich countries. The UK has the third highest rate of NEET among rich countries, not unexpected as we are the most unequal country in Western Europe.

⁵ Resolution Foundation: “[Lost in Transition: An examination of why the UK NEET rate is high and rising](#)” (2026)

⁶ Created for this report by Professors Wilkinson and Pickett and the Equality Trust. Data sources: Gini coefficient data from OECD, for most countries from 2023, otherwise most recent year NEET data from ILOSTAT, based on current standards and definitions (19th ICLS), no data reported for Mexico or Türkiye. Source: Work Statistics -- 19th ICLS (WORK) database, ILOSTAT

Correlation of income inequality and rates of NEET young people in wealthy countries



Pearson correlation coefficient $r=0.63$, $p<0.001$, statistics include Costa Rica although not shown on graph for space reasons. Credit: Wilkinson R and Pickett K. University of York. Personal communication

OVERALL INCREASE

The increase in the number of young people who are NEET has caused much of the recent alarm and political interest. As we said at the beginning, we believe that the NEET figures were already too high before the recent increase, but we do welcome the recent engagement with the issue. As a reminder, the number of young people who are NEET has risen to close to one million in 2025 from a level of 745,000 only 3 years before⁷.

To help make sense of the rise in the NEET numbers and why they should cause us such concern, it is important to refer back to the basic split between those who are unemployed and those who

⁷ Resolution Foundation: [“False Starts: What the UK’s growing NEETs problem really looks like, and how to fix it”](#) (2025)

are economically inactive. “Unemployed” people are actively seeking work, whereas “economically inactive” are not actively seeking work. Of current NEET young people, only 40% are actively seeking work. Within the majority “economically inactive” group, almost half are inactive due to sickness or disability.⁸ This is mostly seen among 18-24-year-olds (rising from 12% of all NEETs in this age group in 2005, to 30% in 2025).⁹ Data shows that 34% of NEETs report a mental health condition, compared to 21% of the youth population. Worryingly, mental health conditions are also associated with longer spells of worklessness¹⁰.

REASONS FOR THE RISE

Professor Del Roy Fletcher points to the background trends of deindustrialisation and globalisation which have destroyed many of the entry-level manufacturing jobs traditionally acquired by young working-class men. He adds that the tertiarization of the economy, and especially the growth of interactive service work, has meant that many of the “new” jobs are chronically insecure, low paid and have limited appeal. There is a strong spatial dimension: many former industrial areas of the North have been left economically moribund and young people have faced rising economic insecurity.

Dr Joseph Choonara’s analysis of Nov 2025-Jan 2026 data shows that the combined proportion of unemployed and inactive people in the 18-24 group is now close to one in five (19.2% in Nov 2025-Jan 2026). This is approaching the level one might expect in the wake of a recession. Dr Choonara remarks upon the very striking increase in those who are sick, injured and disabled and sees that recent trends in unemployment and inactivity for this group likely reflect, among other factors, a slowing down of job creation.

Also, Youth Futures Foundation point to a number of factors which help to explain the increase including: (1) Weakened labour market – young people are typically hit hardest during labour market downturns, accounting for nearly two-thirds of all job losses during COVID-19; (2) Decline in apprenticeship opportunities – apprenticeship starts for young people aged 16-~~to~~24 have declined by 39.6% since the introduction of the Apprenticeship Levy in 2017.

However, analysis by the Resolution Foundation suggests that just over half of the increase in the 18-24 NEET rate since 2019 is due to conditions in the overall labour market, while the rest reflects something specific to young people¹¹. This is supported by a recent study

⁸ “The proportion of NEETs who are inactive due to sickness or disability has more than doubled since 2005, reaching more than a quarter (28 per cent) of all NEETs in 2025,” Resolution Foundation: [“False Starts: What the UK’s growing NEETs problem really looks like, and how to fix it” \(2025\)](#)

⁹ Ibid

¹⁰ Ibid

¹¹ Resolution Foundation: [“Lost in Transition: An examination of why the UK NEET rate is high and rising” \(2026\)](#)

by the IFS which finds that there are reasons to believe that the recent rise in NEET rates is not entirely cyclical, and that there is a structural component to the rise in NEET rates¹².

Some have claimed that this April's increase in employer National Insurance contributions (which are not in fact paid on the earnings of employees aged under 21 or apprentices aged under 25) and substantial minimum wage rise meant that labour costs rose especially fast for young workers and that this now looks to be having an impact on the labour market: employment and vacancies are falling most sharply in youth-heavy sectors of the economy.¹³

However, the IFS has recently suggested that this is unlikely to be the key factor in the rise in the number of NEET youth: they do not find clear evidence of divergent trends between age groups facing very different minimum wage increases, and places that were more exposed to minimum wage rises in 2024 and 2025 have not experienced more negative employment trends¹⁴.

Therefore there is considerable support from detailed economic analysis that the rise in the NEET statistics is not due merely to fluctuations in unemployment due to the business cycle, nor indeed to recent increases in minimum wages. Instead, the evidence points to wider structural issues, a view supported by the fact that in 2005, 42% of NEETs had never had a job, but by 2025, this had risen to 60%.¹⁵ And the rise in childhood risk factors for being NEET¹⁶ adds to the growing concern.

INCREASE DUE TO SICKNESS

The Centre for Young Lives claims that "Long-term sickness has been the primary driver of the rise in youth economic inactivity in recent years, accounting for nearly three-quarters (73%) of the total increase. The leading cause of the rise in work-limiting health conditions among young people is the rise in poor mental health, alongside neurodevelopmental conditions like ADHD and autism. Recent data suggest that one in five NEETs have a mental health condition, over two and a half

¹² IFS: "[Why Has the NEET Rate Risen? Understanding trends and drivers using administrative data](#)" (2026)

¹³ Paras 325-252, "Young People and Work Interim Report" (2026), Department for Work and Pensions <https://www.gov.uk/government/publications/young-people-and-work-interim-report> ; Resolution Foundation: "[False Starts: What the UK's growing NEETs problem really looks like, and how to fix it](#)" (2025); See also [evidence by the British Chambers of Commerce to the Work and Pensions Select Committee](#) (2026)

¹⁴ IFS: "[Why Has the NEET Rate Risen? Understanding trends and drivers using administrative data](#)" (2026)

¹⁵ Resolution Foundation: "[False Starts: What the UK's growing NEETs problem really looks like, and how to fix it](#)" (2025)

¹⁶ "Almost a quarter of children aged 11- 16 now have a probable mental-health disorder; one-in-five secondary school pupils are persistently absent from school; and one-in-six secondary school pupils receive special educational needs (SEN) support." Ibid.

times the rate in 2012 (20% compared with 8%).” This is against a background of the proportion of all young adults aged 16 to 24, with a common mental health condition, rising from 17.5% in 2007 to 25.8% in 2023/4.¹⁷

And Professor Louise Arseneault of King’s points out that “Almost 60% of NEET young people experienced multiple mental health problems during childhood or adolescence, compared with around 35% of their peers. Mental health difficulties commonly precede labour-market disengagement by many years. A wide range of conditions, including depression, conduct problems, substance use, ADHD, autistic traits, and suicidal behaviour in childhood, are associated with elevated NEET risk in young adulthood.” The School of Public Health at Imperial College also points out that “young people with late-emerging socioemotional problems had a threefold increased risk of being NEET. However, early problems that were resolved were not associated with later being NEET. This suggests that persistent developmental problems, not transient ones, are the key risk; and that socioemotional skills are as important as academic ability.”

The Resolution Foundation sounds a more optimistic note: “...the most robust evidence available suggests that 15-24-year-olds in the UK have the highest rates of anxiety and depressive disorders in the OECD, around double the non-UK OECD average. But strikingly, the cross-national evidence shows that this need not translate into a high NEET rate: there is no cross-country relationship between the mental health status of young people in developed economies and the share that are not in employment, education or training. For example, young adults in the Netherlands are only slightly less likely to report anxiety disorders than young people in the UK and come second in the league table (behind the UK) on depressive symptoms, but are dramatically less likely to be NEET than their UK counterparts”¹⁸.

CURRENT GOVERNMENT INITIATIVES

All of this highlights the importance of minimising the number of young people who are NEET. We therefore welcome the current Government’s recognition of the worrying increase in NEET young people, and its commissioning of the Right Honourable Alan Milburn to write a report to improve the understanding of the increase in the numbers of NEET young people and its root causes, and to make recommendations to increase opportunities and improve outcomes for young people.

OUR CONCERNS

However, our concerns about NEET young people are not just about the recent increase in numbers, but also importantly about the deep structural factors which have driven the cycle of

¹⁷ DWP: “[The Employment of Disabled People](#)” (2025)

¹⁸ Resolution Foundation: “[Lost in Transition: An examination of why the UK NEET rate is high and rising](#)” (2026)

deprivation. These structural factors of poverty and inequality require substantial and wide-ranging policy changes. Mr Milburn's diagnostic report is clear about the problem: "The NEET phenomenon is grounded in social disadvantage and inequality."¹⁹ However, his diagnostic report does not explore the point in depth and much public discussion since its publication has instead focused on recent taxation changes, long-standing tropes about the shortcomings of young people, and the challenges posed by AI. As an APPG, therefore we are concerned that the fundamental issues of poverty and inequality which drive the NEET issue may be overlooked.

In addition, many of those who submitted evidence to us pointed out that the current education, social security and employment support systems engage with young people ineffectively and often counter-productively across a wide range of issues, including examination structures, careers counselling, social security rates, and social security sanctions.

Further, this is intertwined with concerns about the public attitudes to young people who are NEET. Dr Dylan Murphy pointed out to us the relentless demonisation of young people in this situation by the media and politicians: the prevailing public narrative frequently frames NEET status as a personal moral failing, a lifestyle choice, or a symptom of laziness. And Professor Lisa Russell highlights that these attitudes lead to "young people perceiving disengagement as being caused by their own self-failings rather than acknowledging systematic barriers. Young people report their non-attendance, getting involved with the wrong peer group, not revising enough, not working hard enough, and not achieving the necessary GCSE grades as internalised self-failure."

We welcome the way in which Mr Milburn attacks such myths:

*"I do not accept the caricature of a generation that is not interested in employment. I do not accept that mental health is simply an excuse. Nor do I accept that the answer is to tell young people who are struggling simply to try harder. These are myths. Sometimes cruel ones."*²⁰

We need to see a fresh approach to the whole question of the large number of young people whom we are failing. We need to recognise that they are in this situation due to a lack of opportunities, a lack of support and the imposition of ineffective and cruel policies.

¹⁹ Paragraph 42, "Young People and Work Interim Report" (2026), Department for Work and Pensions <https://www.gov.uk/government/publications/young-people-and-work-interim-report>

²⁰ Foreword, "Young People and Work Interim Report" (2026), Department for Work and Pensions <https://www.gov.uk/government/publications/young-people-and-work-interim-report>

WHO IS NOT IN EDUCATION, EMPLOYMENT OR TRAINING?

- There is overwhelming evidence that young people from underprivileged backgrounds are most at risk of being NEET, and that some specific groups, such as care leavers, some racialised minorities and travellers are at particularly high risk
- Around half of NEET young people claim no benefits and are not engaged in any way with the employment, training or benefits systems
- Lack of educational attainment is a key factor in becoming NEET
- Low educational attainment is significantly driven by the impacts of poverty on early development
- There is considerable geographic disparity in NEET rates, with the least privileged areas being particularly susceptible

One important distinction among the young people who are NEET is between 16-17 year olds, who should all be in education provision of some sort,²¹ versus 18-24 year olds. The NEET rate among young people aged 18-24 stands at 15% of the youth population in early 2025, compared to a 4.6% NEET rate among 16-17-year-olds.²²

A further important distinction is between those who are unemployed (i.e. not in work but actively seeking employment) and those who are economically inactive (i.e. not in work and not actively seeking employment). A young person may be economically inactive for a number of reasons, including for example disability, caring responsibilities or lack of engagement with the employment, education and social security systems.

BACKGROUND DEMOGRAPHICS

The number of young men who are NEET (510,000) remains higher than for young women (448,000), a reversal of the situation from some years ago where younger women formed the majority of NEETS due to caring responsibilities. It is still the case that inactivity due to looking after the family home is higher for women (26%) than men (4%).²³ However, women from lower socio-economic backgrounds still encounter considerable obstacles. These are shown in much

²¹ <https://www.gov.uk/know-when-you-can-leave-school>

²² Resolution Foundation: “[False Starts: What the UK’s growing NEETs problem really looks like, and how to fix it](#)” (2025)

²³ Youth Futures Foundation: “[The Youth Guarantee and The Benefits System](#)” (2025)

lower economic activity rates than for women from higher socio-economic backgrounds or their male peers.²⁴

There is considerable variation in NEET rates by geography. IMPETUS pointed towards the fact that eight of the top ten local authority areas associated with the highest likelihood of being NEET are concentrated in either the North of England or the Midlands. However, variations within regions are even more stark: in London, almost twice as many young people are NEET in Lewisham as Bromley. Dr Nick Woodrow & Prof Hannah Fairbrother of the University of Sheffield identified that young people themselves have consistently identified geographic location as a primary determinant of opportunity. They described stark differences between regions, particularly between the North and South of England, and explicitly linked poverty, insecure employment, and limited local/regional opportunities to negative impacts on both wellbeing and future prospects.

The Social Mobility Commission (SMC) calculates that “areas with the lowest scores on the Conditions of Childhood Index consistently manifest the highest current NEET rates for 16-17 year olds. For example, Derby currently reports the highest rate of NEETs in this age group at 7.6%, while Stockton-on-Tees, identified as an area of entrenched disadvantage, has the third highest at 7.2%²⁵. These outcomes confirm that local childhood conditions are a robust determinant of a young person's risk of disengaging from education and employment.”²⁶

The question of how race impacts the likelihood of being NEET is complicated. Youth Futures Foundation highlights that Black/African/Caribbean young people have the highest NEET rate at 15.2%, largely due to a high unemployment rate of 9.1%, even though their economic inactivity rate is relatively low at 6.7%. In contrast, White young people who are NEET have one of the lowest unemployment rates at 4.9% but the highest rate of economic inactivity at 8.7%. This results in a NEET rate that sits around the average for all young people. These patterns highlight how different NEET rates across ethnic groups can be driven by distinct underlying factors.²⁷

EDUCATION AND QUALIFICATIONS

A major driver of being NEET is qualifications. Lower-qualified young people have the highest NEET rates. The Resolution Foundation points out that NEET rates for 22-24-year-olds who hold a

²⁴ Social Mobility Commission: “[Submission to the Young People and Work Report \(Milburn Review\) call for evidence](#)” (2026)

²⁵ The national average for this age group is 4%:
<https://explore-education-statistics.service.gov.uk/find-statistics/neet-statistics-annual-brief/2025>

²⁶ Social Mobility Commission: “[Submission to the Young People and Work Report \(Milburn Review\) call for evidence](#)” (2026)

²⁷ Youth Futures Foundation: “[Trends in young people not in education, employment or training \(January – March 2025\)](#)” (2025)

highest qualification that is at GCSE level or below have a NEET rate that is three-times as high as the rates for graduates of the same age. And young people with low qualifications are twice as likely to be NEET as those with five GCSEs (29% vs 15%).²⁸

Further, children with special educational needs support and children who have high rates of school absence all have an elevated risk of becoming NEET in young adulthood.²⁹

AT RISK GROUPS

There are a number of groups who face significantly higher risks of being NEET. Dr Deborah Lawson points out that ONS data shows that disabled young people are significantly more likely to be NEET than their non-disabled peers. However, given the structural issues of disadvantage which we discuss below, the situation is complicated. As the SMC explains “Young people classified as having a disability and from lower working class backgrounds are twice as likely to be NEET than disabled young people from higher professional backgrounds. 45% of NEETs from lower working class backgrounds are classified as having a disability, compared with 22% of NEETS from higher professional backgrounds.”³⁰

The Nuffield Family Justice Observatory also pointed us to the fact that care-experienced young people are three times more likely to be NEET than their peers – 40% of care leavers aged 19-21 are not in education, employment or training (compared to 12% of their peers). Care leavers are ten times more likely to not be working or studying at the age of 20 compared to their non-care experienced peers. There are structural characteristics from a childhood in care that can increase the likelihood of becoming NEET once leaving care. This includes disrupted educational journeys, higher rates of disability and poorer mental health. 1 in 3 children in care will have 2 or more moves in a year, with nearly 1 in 10 experiencing 3 or more moves. At Key Stage 4, less than 1 in 5 children in care have at least Grade 4 English and Maths, compared to over two-thirds of their peers. Nearly 60% of children who are looked-after have special educational needs.

Similarly, the Traveller Movement pointed us towards the fact that Romani (Gypsy), Roma and Irish Traveller people have the lowest attainment level of all ethnic groups across all key education stages. In one study 53% of Gypsies and Travellers were “economically inactive” – the highest of any other ethnic group in England and Wales. 70% of Romani Gypsies and Irish Travellers report facing discrimination at some point in education, and neurodiversity and special educational needs and disabilities are often poorly understood and inadequately addressed within these communities.

²⁸ Resolution Foundation: “[False Starts: What the UK’s growing NEETs problem really looks like, and how to fix it](#)” (2025)

²⁹ Ibid.

³⁰ Social Mobility Commission: “[Submission to the Young People and Work Report \(Milburn Review\) call for evidence](#)” (2026)

Professor Schoon of UCL told us that “...the Youth Voice Census found that 32.9% of young people with caring responsibilities for family members were NEET, compared to 5.3% of those who were not carers; and 40% of registered carers had spent over 18 months being NEET”.

We also know that unaccompanied asylum-seeking children are likely to be care leavers and to be behind at GCSE level,³¹ significant risk factors for being NEET, although the NEET statistics tell us little about them.

THE “HIDDEN NEETS”: YOUNG PEOPLE NOT ENGAGED WITH THE SOCIAL SECURITY SYSTEM

Turn2Us importantly point to the fact that “Nearly half of those who are NEET are not accessing social security, despite a significant proportion being entitled to it”. Youth Futures Foundation points to the same issue with an analysis that “half...of the current NEET population aged 18 to 24 are ‘hidden’ from Jobcentre Plus because they do not claim social security payments. Finding ways to reach and engage these young people is an urgent task for policymakers.” Returning to Turn 2 Us, they estimate that more than 10% of young people have had to turn down work because they couldn't afford the basics needed to take up the opportunity, such as appropriate clothing, travel, or essential equipment.

However, the key concern here is that the large number of young people who are NEET but not engaged with the social security system are hard to track and harder to engage with. We need to separate out different age groups here. Local authorities are required by the Raising Participation Age legislation from 2013 to track, contact and support NEETs aged 16-17 but these duties are weakly monitored and enforced, with limited repercussions for failure.³² This requirement should at least ensure that 16-17 year old NEETs are properly tracked, but there is no requirement for anyone to track 18-24 year olds, even if they are in obvious high risk groups.

Further, there is an urgent need for research into who these young people are, why they are not engaged, and how they are coping with no apparent income. The concern is that if these young people are dependent on their families, that is likely to be deepening and entrenching poverty in their families, given the likelihood that a young person who is NEET will come from an underprivileged background.

³¹ Education Policy Institute: “[The Educational Outcomes of Refugee and Asylum-Seeking Children in England](#)” (2021)

³² Ibid.

THE POVERTY AND INEQUALITY STRUCTURAL DRIVERS OF NEET STATUS

- There is overwhelming evidence that young people from underprivileged backgrounds are most at risk of being NEET, and that some specific groups, such as care leavers, some racialised minorities and travellers are at particularly high risk
- Lack of educational attainment is a key factor in becoming NEET
- Low educational attainment is significantly driven by the impacts of poverty on early development
- There is considerable geographic disparity in NEET rates, with the least privileged areas being particularly susceptible

As we have already begun to see in the Section above on “Who are NEETs”, risk factors for NEET are much more structural than personal. The many facets of these structural drivers is reflected in the wide range of factors and issues that organisations and individuals have pointed out to us. The range of these factors, and the fact that so many of them occur very early in life point strongly to the need to tackle inequality and poverty early and thoroughly if having so many young people in NEET status is to be overcome, and if the cycle of deprivation is to be broken.

IMPACTS OF INEQUALITY

- **Child wellbeing:** In high-income countries, relative socioeconomic positioning is more influential on child wellbeing than absolute income, leading to significant inequalities in terms of health, education and social exclusion, as well as emotional and material environments. High inequality leads to lower child wellbeing.
- **Educational underachievement:** Levels of attainment are significantly predicted by family income. In more unequal countries, higher proportions of young people lack basic skills in reading and maths at the age of 15.
- **Educational inequality:** Rather than mitigating economic inequalities, the education system reflects them, and these educational gaps translate into future income inequalities. High inequality creates a persistent educational achievement gap in maths and reading scores between the most and least advantaged students.

“The Spirit Level at 15”³³

³³ Pickett, Guahar, Wilkinson & Sahni-Nicholas, “[The Spirit Level at 15](#)”, The Equality Trust, 2024

The Milburn Interim Report recognises the issue in paragraphs 42-44. However, the central importance of these structural factors is easily overlooked in such a large report, so we set out here the additional evidence which is central to our report.

As the ADPH points out “Young people who are NEET often experience overlapping, cumulative risk factors. NEET status is most strongly associated with having a limiting disability, being a parent, experiencing mental health issues, having special educational needs (SEN), and lacking qualifications above level 1.”

Each of these risk factors is then attributable to structural disadvantage: based on analyses of the Millennium Cohort Study, The School of Public Health at Imperial College estimated that 53% of NEET cases were attributable to persistent poverty and family adversity. They found that approximately 28% of NEET cases were attributable to developmental difficulties. Children with persistent cognitive and socioemotional difficulties had a fourfold increased risk of being NEET. They also pointed to the fact that 37% of the socioeconomic inequality in NEET was explained by child and family health-related pathways. Characteristics in the first 1,000 days of life alone explained nearly a quarter of the excess risk of being NEET. Child mental health contributed more to inequality than physical health. But crucially, nearly two-thirds of the inequality remained unexplained by health factors, indicating the enduring force of socioeconomic disadvantage.

And Poverty Alliance (Scotland) pointed out that young people in the UK's lowest-income households are around 3.5 times more likely to be out of work and education than those in the highest, while the team at Imperial College told us that adolescents whose parents were unemployed in infancy were ten times more likely to be NEET than those whose parents were in managerial positions.

IMPETUS told us:

“Young people from disadvantaged backgrounds are 66% more likely to be NEET than average. Compared with their better-off peers, young people from disadvantaged backgrounds are twice as likely to be NEET. This is also true at all levels of qualification and regardless of age – meaning half the gap in NEET rates between disadvantaged young people and their better-off peers can be explained by qualification, but half cannot.

Young people with low qualifications are twice as likely to be NEET as those with five GCSEs (29% vs 15%). Young people experiencing “triple jeopardy” – those from disadvantaged backgrounds, who have SEND and who have low qualifications – are 171% more likely to be NEET than average.”

And the SMC points out:

"The rate of young people (16-24 years) from lower working-class backgrounds who are NEET is 22%...This is significantly higher than for any other socio-economic group, including the higher working class, and nearly two and a half times the 9% rate observed for those from higher professional backgrounds."

The Mental Health Foundation told us:

"Existing research has demonstrated that school readiness at age four to five appears to be an indicator of future NEET status and that there is a need for early support for cognitive differences and SEND. Absenteeism and exclusion are also risk factors and a key warning sign".

As the Mental Health Foundation has said, these are clear indicators that to be effective in reducing the numbers of young people in NEET status key issues need to be addressed at an early age.

However, the structural disadvantages also continue as young people approach adulthood.

Family Action points out that:

"Those without personal networks or local connections face pronounced challenges entering the labour market, particularly when low attainment or a lack of formal qualifications restricts their options. Geography and poverty further shape these experiences: in areas with limited local employment, poor public transport and fragmented youth provision, young people have fewer realistic pathways into sustained work or training. Low household income restricts access to stable housing, transport, digital connectivity, and enrichment opportunities that support engagement.

The availability, quality and accessibility of local support, including youth services, mental health provision, careers advice and trusted adult mentors, are critical protective factors, yet these have been unevenly distributed and significantly reduced in many communities."

This stretches into the education, employment and social security systems with which young people try to engage. Action for Children points to issues with "the legacy of the COVID-19 pandemic; the quality of employment support for young people; a lack of join-up between the Department for Work and Pensions and local providers; and fewer opportunities for young

people...Practical barriers such as caring responsibilities, financial insecurity, housing instability, physical and mental health concerns, or involvement with the criminal justice system all impact availability and focus.” And the Fairness Foundation points to the fact that apprenticeships and skills programmes often pay very low wages (or require upfront costs like travel), which wealthier families can subsidize for their children. Poorer youth, lacking that support, may drop out. These gaps clearly directly feed into who becomes NEET.

The Equality Trust points out that the socio-economic duty under the Equality Act 2010 requires public bodies to adopt transparent and effective measures to address the inequalities that result from differences in occupation, education, place of residence or social class. Its adoption by the current Government would therefore require Government departments and local authorities to take into greater account the cycle of deprivation which drives the risk of becoming NEET.

THE IMPLICATIONS OF YOUNG ADULT BRAIN DEVELOPMENT FOR DEALING WITH YOUNG PEOPLE IN NEET STATUS

- Brain development continues until at least age 25, with control functions being among the latest to develop, implying that sanctions regimes may be particularly unsuited for young people

Having looked at the importance of structural factors in deciding which young people end up in NEET status, we now turn to look at a critical background factor with enormous importance for how the education, employment and social security systems should engage with young people between the ages of 16 and 24: young adult brain development.

Young adult brain development is a critical factor for the simple reason that there is now widespread scientific acknowledgement that brain development continues beyond the age of 24 and indeed that the period from the onset of puberty until about 25 is a distinct stage.³⁴ As the National Institute of Mental Health explains:

“Although the brain stops growing in size by early adolescence, the teen years are all about fine-tuning how the brain works. The brain finishes developing and maturing in the mid-to-late 20s. The part of the brain behind the forehead, called the prefrontal cortex, is one of the last parts to mature. This area is responsible for skills like planning, prioritizing, and making good decisions.”³⁵ To add some more nuance, “Generally speaking, self-regulation develops linearly and gradually over the course of adolescence, reaching a plateau somewhere during the mid-20s, whereas reward seeking follows a ∩-shaped pattern, increasing between preadolescence and late adolescence, peaking around age 19, and then declining as individuals move into and through their twenties.”³⁶

³⁴ S-J Blakemore “Inventing Ourselves: The Secret Life of the Teenage Brain” London, Random House, 2018 p73, p123

³⁵ U.S. National Institute of Mental Health: “[The Teen Brain: 7 Things to Know](#)” (2023)

³⁶ Steinberg et al: “[Around the World. Adolescence is a Time of Heightened Sensation Seeking and Immature Self-Regulation](#)” Dev Sci. 2018 Mar

An important implication of this late development is that among the group we are concerned with, self-control is weaker than among older people, reward-seeking is stronger, and punishment is much less effective than rewards.

The implications of this are drawn out by another study: “while adults learned symmetrically from both reward and punishment, adolescents learned from reward but were less likely to learn from punishment. This tendency to rely on rewards and not to consider alternative consequences of actions might contribute to our understanding of decision-making in adolescence.”³⁷ “

The implications of this scientific evidence were reinforced by numerous submissions to our Inquiry. For instance, Family Action pointed out:

Family Action points out that:

“Evidence on adolescent and young adult brain development shows that areas responsible for executive function, impulse control, planning and emotional regulation continue to develop into the mid-twenties. This has clear implications for policy and practice. Many expectations placed on young people – such as managing complex benefit conditions, attending appointments independently, or responding to sanctions – assume a level of cognitive and emotional maturity that may not yet be present, particularly for those who have experienced trauma or neurodiversity. Approaches that rely on punitive compliance mechanisms fail to reflect developmental reality and risk entrenching disengagement rather than resolving it.”

And Dr Deborah Lawson adds that “In practice, young people benefit from consistent, relationship-based support. Expecting immediate compliance with complex systems is often unrealistic. A reform of requirements for under-25s should be prioritised by DWP and HM Treasury, avoiding sanctions for vulnerable young people wherever possible, implementing holistic needs assessments before any requirements are imposed, and shifting towards approaches that support engagement rather than enforce compliance.”

Whilst the general question of the age at which the brain develops should have enormous ramifications for the design of the education, employment and social security system, it is also important to note that brain development is also affected by deprived childhoods. Research shows that “differences in brain growth were found to vary with socioeconomic status, with children from

³⁷ Palminteri, Blakemore et al: “[The Computational Development of Reinforcement Learning During Adolescence](#)” PLOS Computational Biology, 2016

lower-income households having slower trajectories of growth during infancy and early childhood. Volumetric differences were associated with the emergence of disruptive behavioral problems.”³⁸

As Professor Astle submitted to us:

“Longitudinal neuroimaging evidence shows that early deprivation is associated with altered structural brain development, especially in regions involved in higher-order cognition and self-regulation. Reviews of the deprivation literature show that neglect is linked not only to emotional difficulties but also to poorer language, learning, and executive function – capacities directly relevant to education, training, and sustained employment.” Further, “Adverse peer environments have a robust, negative effect on brain and neurocognitive development. Thus, policy for NEET risk should consider not just caregiver support but the heightened importance of peer environments as it poses both a risk and potential avenue for resilience. Together, positive caregiving and social relationships have a known impact on brain, cognitive, and social development.”

Given the evidence of late development of the brain, whose general effects are potentially amplified by deprivation in early life, a common situation for those at risk of becoming NEET, we also need to take into account how deprivation in teenagers and adults impedes thinking. Dealing with poverty significantly affects anyone’s ability to think. As Mullanaithan & Shafir have pointed out “We find that scarcity reduces...bandwidth - it makes us less insightful, less forward-looking, less controlled. And the effects are large. Being poor, for example, reduces a person’s cognitive capacity more than going one full night without sleep”.³⁹

The Common Sense Policy Group tells us that:

“Chronic financial insecurity does not simply demotivate young people; it actively reconfigures their cognitive environment in ways that make sustained forward planning harder, not easier” and “Young people are neurologically distinct from adults in ways that directly affect their capacity to respond to the instrumental incentives and deterrents that conditionality policy assumes. Our biopsychosocial analysis identifies stress as a key pathway from income insecurity to poor outcomes, operating through sustained activation of biological threat-response systems that are damaging when prolonged. The neural architecture that shapes how young people process threat

³⁸ Hanson et al: [“Family Poverty Affects the Rate of Human Infant Brain Growth”](#) PLOS One 2013

³⁹ Mullanaithan & Shafir: “Scarcity. The True Cost of Not Having Enough”, London, Penguin (2014), p13

and assess future prospects is especially sensitive during precisely the developmental window in which NEET status is most prevalent.”

This late-stage neurological development is profoundly complicated by the social environment of highly unequal societies like the UK⁴⁰; it is scientifically untenable to separate neural development from socioeconomic reality. As documented in *The Inner Level*⁴¹ by Professors Richard Wilkinson and Kate Pickett, steep social hierarchies trigger intense status anxiety, invidious social comparisons and chronic cortisol production, which further impairs the very neural pathways required for executive function and forward planning, trapping our young people in a biological feedback loop of disengagement and in a social security system that is effectively punishing them for neurological barriers induced by inequality itself.

We noted earlier that the proportion of all young adults aged 16 to 24, with a common mental health condition, has risen from 17.5% in 2007 to 25.8% in 2023/4.⁴² Also, there is a strong socioeconomic gradient in mental health, with people of lower socioeconomic status having a higher likelihood of developing and experiencing mental health problems.⁴³ And this is exacerbated in unequal societies like the UK⁴⁴. Therefore, even among the young people fit enough to be pursuing work there is a high level of mental health issues.

⁴⁰ See the section on “International Comparisons” above

⁴¹ Wilkinson & Pickett, *The Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone’s Well-being*, London, Penguin (2018)

⁴² DWP: [“The Employment of Disabled People”](#) (2025)

⁴³ Mental Health Foundation [“Poverty: Statistics”](#) (2025)

⁴⁴ Pickett, Gauhar, Wilkinson: “A much higher percentage of the population suffer from mental illness in more unequal countries” from [“The Spirit Level at 15”](#), The Equality Trust, (2024)

THE SOCIAL SECURITY AND EMPLOYMENT SYSTEM RESPONSE TO YOUNG PEOPLE WHO ARE NEET

- Current educational opportunities, employment opportunities and employment support services all serve young people who are NEET badly
- A money-saving compliance and punishment mentality in the employment and benefits service alienates young people and almost certainly reduces the likelihood of young people finding fulfilling and productive work
- Around half of the young people who are NEET do not receive benefits and are largely invisible to the system and any Government initiatives
- There are perverse incentives within the benefits system which, for instance, undermine young people's attempts to become apprentices
- Even for adults over 25, the basic rate of UC is inadequate and pushes people to the doors of food banks. However, those under 25 are paid an even lower rate
- Financial precarity generates a circular dynamic: poverty produces anxiety, which impairs sustained engagement with work or education, which deepens poverty.

While we have a great deal of evidence that young people become NEET because they are disadvantaged from the earliest stages of life, we also have to recognise that when they come into contact with the employment and social security system, there is also lots of evidence that it is at best unhelpful, and often substantially counterproductive. There is a recognition of the issue in the Government's "Get Britain Working" White Paper⁴⁵, with a stated desire to move from monitoring compliance with sanctions backed conditions to one of personalised employment support, which we welcome.

However, the current issues pervading the social security and employment system response to young people who are NEET are so deeply entrenched that we remain deeply concerned that attempts to reform the system will fall short of what is required.

⁴⁵ UK Government: "[Get Britain Working](#)" (2024)

AN ILL-EQUIPPED AND UNDER-RESOURCED SOCIAL SECURITY AND EMPLOYMENT SYSTEM

The Learning and Work Institute told us that “the benefits system...does not always effectively support young people. Jobcentre Plus faces challenges of high staff turnover, meaning young people do not always have consistency of support. High caseloads mean that work coaches do not have the time they need to provide tailored, person-centred support.”

West London Alliance told us that “Young Londoners face a patchwork of statutory and school-based support, with experiences ranging from highly personalised care to complete absence of guidance. Economic hardship, digital exclusion, and lack of basic resources (transport, clothing, Wi-Fi) prevent young people from becoming employment-ready. Even when ready, they encounter inequitable access to networks and opportunities, compounded by poor careers advice and competitive, depersonalised recruitment processes. Young people struggle to stay in work due to financial pressures and inadequate employer support.”

Dr Deborah Lawson reports that young disabled people consistently describe: finding systems difficult to navigate without support or advocacy; being repeatedly reassessed with little continuity; and feeling disbelieved or not taken seriously. Trussell also reports very similar feelings among young people who are not disabled: “Young people told us that they find navigating the UC system challenging. Messages going unanswered, long waiting times at appointments and a lack of understanding of their individual circumstances, all lead to young people feeling they are not treated with dignity or respect when they are trying to access support.” However, Trussell also point out that these issues are more widely experienced by claimants across age ranges: in addition to design and process failings, people said that too often communication and support from the DWP and Jobcentre work coaches did not meet their needs. People said that interactions held uncomfortable power dynamics and felt that staff displayed a lack of empathy.

This is further supported by the Centre for Young Lives comments:

“The majority of young people had experience of accessing support through the jobcentre, with an overwhelming majority describing the support as inconsistent and unhelpful. There was a common feeling that the jobcentre was largely focused on making sure they had applied for enough jobs in a regular ten-minute meeting, rather than supporting them to think about their strengths, skills, and long-term career aspirations. Only 2% of young people viewed the jobcentre as responsible for supporting the development of employability skills in 2025.”

Citizens Advice added that “A common sentiment was that work coaches wanted to catch people out and waited for them to make a mistake. Work coaches' tone was sometimes described as condescending and belittling. One claimant told us that, while they know they are entitled to claim UC, they feel staff ‘hate you for actually claiming it.’...‘I felt I was being punished for being unemployed’” They further pointed out that “the ratio of work coaches to UC Claimants (in conditionality regimes requiring Jobcentre visits) in March 2024 was 1 to 177. Currently, just over 30% of all people claiming UC are subject to conditionality. The standard requirement is for claimants to spend 35 hours per week looking for work, which has been criticised as harmful and unrealistic...Appointments typically last 10 minutes and are dominated by claimants demonstrating compliance with their claimant commitments.”

Turn2Us reports that “research with Bristol University found only 15% of claimants [of all ages] felt the support they received from work coaches was useful. Nearly two-thirds (64%) of current claimants felt the system was trying to “catch them out”. Requirements to complete generic or unproductive tasks and being treated with suspicion led to diminished autonomy and confidence”.

Action for Children practitioners report that:

“The quality of support provided through Jobcentre Plus is highly variable between settings and individual work coaches. Appointments with Work Coaches at Jobcentres last only 15 minutes, or 30 minutes at a Youth Hub, limiting the level of meaningful support on offer. Join-up between the DWP, JCP, and local providers is mixed and fragmented, with only around 20% of referrals to Action for Children's employability programmes coming via Jobcentres.”

And Citizens Advice points to significant communication issues:

“Some of our clients experience a lack of support from work coaches when they face issues with communication. Some struggle to understand their work coaches or DWP letters due to having learning difficulties or a language barrier. Literacy levels are not always taken into account – some clients who are illiterate are sent key information via text messages and letters that they can't read.”

BENEFIT LEVELS WHICH ARE INADEQUATE

Even if young people successfully navigate the social security system, they then face inadequate financial provision. Trussell are emphatic: “The social security system is failing in its most basic duty of ensuring everyone can afford the essentials – even for adults over 25, the basic rate of UC is inadequate and pushes people to the doors of food banks. Living on an income too low to cover

even essential costs damages young people's health, making it much harder for them to find and engage with training and work opportunities".

The Poverty and Inequality APPG has previously documented its belief that benefit levels are too low, and that they should be increased, to at least cover people's essentials such as food, utility bills and basic household goods as a minimal first step. We noted at the time the under-25 rate in Universal Credit is unfair and should be abolished. The rate forces young people living independently to receive a lower rate than those over the age of 25 despite facing the same living costs.⁴⁶

And the problem is compounded by sanctions (discussed below). Turn2Us makes the point that "Sanctioned claimants are too often unable to make ends meet, meaning they need assistance such as fuel and foodbank vouchers. Claimants can apply for a hardship payment if they face financial difficulties, but this money must be repaid by claimants out of future UC payments, causing future financial difficulties."

Trussell also pointed to complexities which affect young people:

"The lower minimum wage rates for under 21s impacts on young people's social security support. Young people under 21 that are earning and receiving UC must work longer hours than people over 21 to meet the Administrative Earnings Threshold (AET), due to their lower wages. The AET interacts with conditionality regimes, and means young people are subject to stricter work search expectations and must work longer hours than their older counterparts to be exempt. As a result, younger claimants who are already working longer hours and struggle to work more (due to the availability of hours or other factors such as caring responsibilities or health conditions) are at an increased risk of sanctions."

And recent Government announcements on potential changes to the social security system have caused alarm. Citizens Advice believe that "a proposal to restrict access to a new health element of Universal Credit to those over the age of twenty-two could push many young people and young families over the edge, causing physical and mental health harm linked to financial insecurity." This view is also held by Action for Children who strongly oppose the proposal to remove eligibility for the UC health element from young people under 22: "Restricting young people's entitlement to the Universal Credit health element would cause real harm to ill and disabled young people without delivering meaningful fiscal or employment effects".

⁴⁶ "[Enough to be able to live, not just survive](#)" A report by the APPG on Poverty following its inquiry into the (in)adequacy of social security; (2023)

The Common Sense Policy Group points out that evidence consistently identifies income insecurity as a fundamental structural driver of disengagement.

Trussell also pointed to complexities which affect young people:

“Poverty operates through three distinct but mutually reinforcing biopsychosocial pathways: the size, security, and predictability of income. The size of income determines the capacity to meet basic needs, income insecurity generates chronic stress with lasting health consequences. Unpredictability of income promotes short-term thinking that works against the investment in education and training that re-engagement requires.”

Within the policy debate around strengthening support for young people who are NEET, it is worth noting the warning by Debbie Abrahams, the Chair of the Work and Pensions Select Committee, against believing that ‘merely shifting financial support from [benefits to employment support] will solve the problem. Without careful navigation this could potentially undermine youth employability by driving up child poverty or exacerbating underlying health conditions’.⁴⁷

PERVERSE INCENTIVES

The Social Security Advisory Committee (SSAC) has recently published research⁴⁸ which shows that “when a young person leaves full-time education to start an apprenticeship, families can face a sudden loss of social security financial support...Sometimes, the loss is so great that the household as a whole is worse off – which means that, even if all the apprenticeship earnings were handed to the parent, the family would be poorer. This is particularly the case when the young person has a disability and the loss of social security income can be greater than the apprenticeship wage.” The SSAC adds that “The apprenticeship penalty is greatest for those already facing disadvantage, including single-parent households and families with disabled young people or young carers, as well as care leavers and estranged young people.”

⁴⁷ Quoted in Financial Times, 29 May 2026

⁴⁸ Social Security Advisory Committee: “[Benefits System Distorts Choices at 16](#)”, DWP, (2026)

HOW YOUNG PEOPLE EXPERIENCE THE SYSTEM

- Current educational opportunities, employment opportunities and employment support services all serve young people who are NEET badly
- A money-saving compliance and punishment mentality in the employment and benefits service alienates young people and almost certainly reduces the likelihood of young people finding fulfilling and productive work
- Public discourse which has demonised being NEET has led to many young people internalising self-failure, rather than recognising the inequalities in development and opportunity which lead to their personal position
- Around half of the young people who are NEET do not receive benefits and are largely invisible to the system and any Government initiatives

Submissions to the Inquiry frequently highlighted the difficulties faced by young people in engaging with the education, employment and social security system. They have stressed that the issue is not one of motivation for young people (a point emphasised also by Alan Milburn), but rather an unproductive, stressful and alienating series of processes.

As Professor Arseneault of King's College points out: "young people who are NEET are not disengaged by choice. Consistent with this, NEET young people report strong commitment to work and engage actively in job-search activities. Rather, they are motivated to enter employment but face multiple, often overlapping barriers that constrain their ability to do so."

"There's such stigma around, like, receiving benefits and whatnot, that people are genuinely afraid of entering the job centre. They're scared of being seen by someone from secondary school, so they end up missing meetings and then they receive these sanctions. So instead of worrying about finding a job they're worrying about where their next meal is going to come from and how are they going to scramble together the pennies for the rest of the month"

Equality Trust Lived Experience Panel participant

This is supported by Family Action, who tell us that "Young people describe feeling blamed, misunderstood and overwhelmed by institutions that struggle with complexity. Negative

interactions with schools, Jobcentre Plus and other statutory services often deepen feelings of shame, mistrust, and withdrawal, particularly when compliance is prioritised over relationships. Disengagement commonly sits alongside poor mental health, financial insecurity, and a loss of confidence.” And Turn2Us explain that “The current culture, mistrust and reputation of the DWP and the Jobcentre pushes people further from employment and deeper into hardship. Intrusive assessments, complex application processes and punitive sanctions reinforce negative stereotypes, knock confidence and leave young people feeling infantilised...Many describe the current Jobcentre environment as unwelcoming and demotivating. Issues highlighted include the presence of security guards at Jobcentre entrances, limited privacy, and physical barriers such as screens between claimants and work coaches.” This alienating effect is further underlined by Youth Futures Foundation, who explain that “Young people express that they often find Jobcentres “unpleasant” and “intimidating”, commenting on the lack of private spaces, the short appointment times, and the presence of a security guard as being unsettling compared to “welcoming” Youth Hubs. Young people prefer targeted, personalised provision, with join-up to other services.”

And one key indicator of disengagement is the very high number of NEET young people who are not engaged with the system in any way - the “hidden NEETS” discussed earlier. Youth Futures Foundation points out that “Even if these “hidden” young people consider engaging with the benefit system, they often find Jobcentres “unpleasant” and “intimidating”, commenting on the lack of private spaces, the short appointment times, and the presence of a security guard.”

Dr Dylan Murphy points to the alienating effect and thus ineffectiveness of the current approach: “Instead of fostering engagement with employment support, the conditionality regime alienates young people. They learn to view the DWP not as a source of support, but as an adversarial entity. This fear drives young people further away from the system, leading to hidden NEETs who drop off the radar entirely to avoid the psychological toll of the benefits regime.”

And as Professor Lisa Russell at Manchester Metropolitan University points out, based on evidence from national research project Mapping Interventions for NEET young people in England (MINE), this psychological toll includes internalising the negative attitudes they face

“Overwhelmingly, data points to the young people perceiving disengagement as being caused by their own self-failings rather than acknowledging systematic barriers. Young people report their non-attendance, getting involved with the wrong peer group, not revising enough, not working hard enough, and not achieving the necessary GCSE grades as internalised self-failure.

There is evidence of a progressive disengagement from school due to structural barriers, with most young people in the study reporting positive experiences of primary school but viewing

secondary school in a very negative way. Common difficulties include bullying, mental health issues, and (un)diagnosed SEND.”

Action for Children drew our attention to the situation of care leavers: “Many research participants felt overwhelmed by the sudden need to secure work to afford independent living when they left care, facing uncertainties around housing stability and the impact of work on benefits. They described feeling under-prepared and ill-equipped for employment, and expressed concerns about lacking qualifications and essential skills, and competing with more experienced peers. Fears of rejection and the emotional toll of not hearing back from employers negatively affected their wellbeing and motivation.” This was supported by Nuffield Family Justice Observatory’s comments that “Accounts from care leavers highlight that encounters with many professionals lead to distrust and engagement fatigue. The current support landscape is crowded, fragmented and highly variable. Heavy reliance on local authorities for support can lead to a postcode lottery in what care leavers can access.”

The Common Sense Policy Group highlighted the negative circular dynamic generated by financial precarity:

“Poverty produces anxiety, which impairs sustained engagement with work or education, which deepens poverty. Young people described navigating the benefit system as itself a source of significant stress, with the unpredictability of conditionality assessments and sanction decisions actively worsening the disengagement the system purports to address.

Engagement with the benefits system was identified as among the most significant triggers for suicidal crisis among unemployed young people.”

And the Centre for Young Lives highlighted a risk inherent in the very process in which we are engaged: “Young people we spoke to highlighted that the increased attention on ‘young NEETs’ from politicians and the media has come with entrenched stereotypes around young people being lazy or lacking work-ethic, or a burden on society.”

THE EFFECTIVENESS OF SANCTIONS – DO CURRENT POLICIES SUPPORT RE-ENGAGEMENT OR PUSH YOUNG PEOPLE AWAY?

Our current employment, education and social security systems are unfair to these young people.

- Sanctions are applied much more frequently to those under 25 than to older groups. Over
- 90% of sanctions are for missing appointments, not refusing work
- Sanctions are of higher value than judicial fines and pay less attention to the ability to pay over time
- The benefits system pays no heed to the fact that brain development continues until at least age 25, with control functions being among the latest to develop, implying that sanctions regimes may be particularly unsuited for young people
- The pressures exerted by the benefits and employment system appear to be increasing mental health problems

DWP sanctions are an aspect of the welfare conditionality which grew enormously in importance from the 1990s onwards. As Peter Dwyer explains “Advocates of welfare conditionality routinely assert that various combinations of sanction and support are both a fair and an effective way to move people off welfare benefits and into paid work and/or make people desist from antisocial or problematic behaviour⁴⁹”

We noted earlier that the “Get Britain Working” White Paper stated a desire to move from monitoring compliance with sanctions backed conditions to one of personalised employment support, which we welcome. However, The White Paper also notes that “Sanctions have an important place in our social security system when people refuse to meet reasonable requirements agreed with their work coaches⁵⁰.”

However, the evidence submitted to us strongly argues that DWP sanctions are in fact neither fair nor effective.

⁴⁹ Dwyer, Peter; Scullion, Lisa; Jones, Katy; McNeill, Jenny; B.R. Stewart, Alasdair. The Impacts of Welfare Conditionality: Sanctions Support and Behaviour Change (p. 1). Policy Press. Kindle Edition.

⁵⁰ UK Government: “[Get Britain Working](#)” (2024)

As Professor Arseneault summarised for us: “Evidence suggests that reliance on sanctions is poorly aligned with the primary barriers faced by NEET young people, which are largely skills-based, structural, and psychosocial rather than motivational. Policies that build on young people’s existing motivation by strengthening skills, mental health support, and social connections are more likely to promote sustained engagement than conditionality alone.”

HOW DO SANCTIONS WORK?

Let us now turn to the details of how the sanctions regime works for young people. As PLP/CELC told us “Between 1 May 2016 and 31 July 2025, 35.15% of all sanctions were for those aged between 18 and 24 – by far the largest group...Analysis by PLP and CELC showed that claimants aged 20-24 were twice as likely to be sanctioned as claimants as a whole.” And Citizens Advice add that “Seven times as many UC claimants aged 16 to 24 were subject to a sanction as over 50s [from DWP data for February 2023]. Among UC claimants who can be sanctioned, 12% of 20-24 year olds were sanctioned in February 2023, compared to just 2% of over 60s.” Amnesty point out that “92.6% of sanctions are for missing appointments, not refusing work”

PLP/CELC points out that “A sanction is usually 100% of a claimant's Universal Credit standard allowance and...were on average for a period of 35 days. The financial impact of sanctions meant that some [CELC casework] participants did not have travel money to go and search for work, did not have credit to call back job agencies, and in one case had to pawn their laptop. Another participant could not afford food – the hunger kept them awake and lack of sleep impacted their ability to search for jobs.”

ARE SANCTIONS EFFECTIVE?

We flagged earlier that sanctions are ill-suited to young people, however we must consider whether they actually work. For if young people, via sanctions, were coaxed into employment which was then remunerative, stable and developmental, such that over a period of time they would be able to build a career which they would enjoy, then there might still be a justification for them.

However, the most striking evidence against the effectiveness of sanctions is from a DWP draft report in 2023: “The Impact of Benefit Sanctions on Employment Outcomes”⁵¹ which says: “a sanction leads the average claimant to exit less quickly into PAYE earnings and to earn less upon exiting.” The DWP did not publish the document as an official report as it said ““The relatively small negative financial effect reported for those sanctioned should be balanced against the likely positive deterrent effect that the sanction regime introduces by incentivising claimant attendance, an effect which will be experienced by all claimants subject to conditionality, regardless of whether

⁵¹ DWP: “[The Impact of Benefits Sanctions on Employment Outcomes: Draft Report](#)” (2023)

they are sanctioned.”⁵² However, the DWP has very limited evidence of this general “incentivising” effect, and has no specific evidence relating to young people. Certainly the evidence submitted to us and outlined in earlier sections shows much more evidence of disincentivising young people. And the DWP’s rather casual remark about “the relatively small negative financial effect reported for those sanctioned” is very much at odds with the evidence of the substantial impact of sanctions, discussed below.

Peter Dwyer, the lead researcher of a major study on conditionality, has shown “...that the threat and application of benefit sanctions do little to enhance individuals’ motivation to prepare for, seek or enter paid work. Rather than moving people off welfare and into paid work, sanctions routinely trigger a range of often profoundly negative personal, financial, health and employment outcomes. For some, the implementation of welfare conditionality, and sanctions in particular, worked to push people further away from the possibility of future employment and caused severe hardship and, on occasions, even destitution.”⁵³

The Resolution Foundation’s detailed analysis of NEETs⁵⁴ suggests that “low-NEET countries place more extensive requirements on young people with health issues than the UK does on young people in receipt of the health element of Universal Credit (UCH)”. However, importantly, the Resolution Foundation argues that “...more extensive requirements on young people to engage with the system should go hand-in-hand with quality employment support, in the form of more training, rehabilitation or even employer subsidies. Historically, the UK has spent far less on provision of this type than low-NEET countries, but differences in those forms of support can account for 30 per cent of the variation in 18-24 NEET rates between OECD countries. And when we look at low-NEET countries like Germany and Denmark, the level of support they provide to young people to smooth their transition into the world of work is liberal.”⁵⁵

SANCTIONS UNDERMINING LONGER TERM OBJECTIVES

Many of the submissions to our Inquiry emphasised that sanctions cannot motivate individuals to overcome the substantial structural barriers that they face, but also that they have relatively immediate effects in undermining efforts to engage with education, employment or training.

Family Action points out that “Rather than motivating participation, sanctions frequently increase hardship, exacerbate mental ill health, and push young people further away from services. Reduced

⁵² Ibid.

⁵³ Dwyer, Peter; Scullion, Lisa; Jones, Katy; McNeill, Jenny; B.R. Stewart, Alasdair. *The Impacts of Welfare Conditionality: Sanctions Support and Behaviour Change* (p. 1). Policy Press. Kindle Edition. P71

⁵⁴ Resolution Foundation: “[Lost in Transition: An examination of why the UK NEET rate is high and rising](#)” (2026)

⁵⁵ Ibid.

income can directly undermine a young person's ability to attend appointments, seek work or participate in training by limiting access to adequate nutrition, transport and stable accommodation."

SCOPE adds that "The threat of sanctions is one of the main causes of distrust in the DWP. Almost three-quarters of people on work-related disability benefits said fear of losing benefits is a significant barrier to work, with 60% reporting they either think they're not allowed to work or don't know if they are. Research has proven that sanctions do not act as an incentive for claimants to meet their work-related conditions. Disabled people saw sanctions as harsh and unnecessary. Three quarters (75%) of current work-related benefit claimants felt that sanctions should be removed."

And Citizens Advice points out that the frequency of multiple sanctions is a likely sign that sanctions are not working as an incentive to follow the claimant commitment. Further, "sanctions lead to poor long-term outcomes: lower wages, cycling in and out of work, and low levels of progression."

Professor Del Roy Fletcher reported that, due to the sanctions mechanisms, "Young people preferred to rely on cash support from family/friends, visited foodbanks, or engaged in informal work. Some of those he interviewed resorted to "survival crime" to get by."

Citizens Advice reported that "One work coach noted that referring a claimant for a sanction often permanently damages their relationship".

The Common Sense Policy Group believe that the Welsh Basic Income Pilot for Care Leavers provides direct counter-evidence to the idea that removing a modest financial payment might help or motivate young people to overcome barriers: in the pilot "young care leavers receiving unconditional income demonstrated rates of engagement with employment and education comparable to or better than comparison groups, alongside improvements in financial stability, housing security, and psychological wellbeing. Professional perspectives on the pilot suggest that initial practitioner scepticism rooted in conditionality cultures shifted considerably on engagement with the evidence, indicating that institutional resistance reflects habit rather than evidence."

Turn2Us submitted that "Financial sanctions for failing to meet conditionality requirements are both harmful and ineffective. They deepen distrust in the system, worsen physical and mental health, and increase financial hardship. Fear of sanctions can drive young people into unsuitable or insecure work, prioritising short-term compliance over roles that match their skills or long-term aspirations. This risks trapping them in cycles of low-quality employment, lowering their ambitions and damaging mental health".

Trussell suggests that “Sanctions lead to poor long-term outcomes, such as lower wages, cycling in and out of work, and low levels of progression. There is no clear evidence that reducing financial support will increase the likelihood of people in this group finding work.” And Louise Arseneault of King’s adds that “Evidence links benefit sanctions to poorer mental health outcomes at the population level and worsening symptoms among people with pre-existing conditions.”

Family Fund comments that “Sanctioning individual young people will not address systemic faults, and is likely therefore to be ineffective and unfairly punitive...young disabled people are prevented from accessing, sustaining, and progressing in EET by a lack of appropriate educational provision, a lack of in-education and post-education support, and lack of accessible/suitable employment opportunities.”

Further, David Kingsley points out that: “Sanctions do not support sustained engagement, increase instability, and can deepen disengagement. Where formal pathways feel inaccessible, informal or survival-based economies can become more immediate and viable.”

The Centre for Young Lives pointed out that “Many young people recalled anxiety around a fear of being sanctioned if they didn't accept the opportunities that were offered to them and found that it pushed them into roles not suited to their interests or their needs.”

An interesting angle on international comparison of effectiveness is provided by The Common Sense Policy Group: “the international comparator evidence reveals a striking inconsistency. Our policymaker interviews found that UK Government guidance on supporting people in low-income international development contexts endorses cash transfers so that individuals can make their own choices, while the domestic approach proceeds from a presumption that those on low incomes cannot be trusted to do so. This double standard has no defensible evidential basis. Countries with more generous and less conditional welfare systems have achieved better outcomes across mortality, mental health, and labour market participation simultaneously.”

FAIRNESS OF SANCTIONS

Against this background of young NEET people undergoing tremendous pressures on their mental well-being, having come from underprivileged families, having faced issues at school and having brains which react badly to punishment, can the social security sanctions system be considered fair?

Given the disproportionate use of sanctions against young people whom we know are particularly ill-equipped to deal with the demands of the claimant commitments which they are set, many of the organisations who responded to us were deeply unhappy with the unfairness of the sanctions regime. For instance, Family Action said “Many young people are effectively penalised for poverty,

disability, trauma, their wider family circumstances or systems that have failed them in the past. Sanctions disproportionately impact those with the least capacity to absorb financial shocks and rarely account for the safeguarding risks they may cause. A fair system would prioritise support over surveillance, recognise developmental stage and lived experience, and ensure that no young person is pushed further into crisis as a consequence of policy design.”

This was supported by Dr Deborah Lawson who commented: “Current DWP requirements assume a level of stability, organisation, and understanding of systems that many young people — especially those who are neurodivergent, experiencing mental health challenges, or have experienced trauma — do not have. As a result, what is often seen as “non-compliance” is more accurately a reflection of inaccessible systems.” And the Common Sense Policy Group told us that “The assumption that young people will respond to financial sanction with rational, future-oriented behavioural change is scientifically untenable given what we know about young adult brain development. A conditionality regime premised on deterrence is specifically neurologically inappropriate for its target population, even were it to be shown to be beneficial among older adults (which, so far, it has not).”

Dr Dylan Murphy sums up many of these views when he tells us that “Instead of fostering engagement with employment support, the conditionality regime alienates young people. They learn to view the Department for Work and Pensions not as a source of support, but as an adversarial entity. This fear drives young people further away from the system.”

OUR RECOMMENDATIONS

The organisations and individuals who provided submissions to our Inquiry made a large number of recommendations, across a wide variety of topics and in a wide range of detail. We have summarised and synthesised the key recommendations below, with a focus on breaking the cycle of deprivation:

1. Those who grow up in poverty are more likely to become NEET
2. Young people who are NEET are more vulnerable to poverty
3. People who have been NEET are more likely to experience poverty later in life

Mr Milburn and the Government should maintain a strong focus on the poverty and inequality structural factors which drive the risk of young people being without employment, education and training

Recommendation 1: Reduce poverty and inequality

- Implement a whole of Government strategy to reduce inequality and poverty, building on the child poverty strategy published in December
- Government should publish a target for the young people's NEET level over the next five years
- Increase Investment in early years services and programmes to support all children and their families, but especially to support those most at risk of becoming NEET
- Benefit levels should be increased, to at least cover people's essentials such as food, utility bills and basic household goods as a minimal first step.
- The under 25 rate in Universal Credit is unfair and should be abolished. The rate forces young people living independently to receive a lower rate than those over the age of 25 despite facing the same living costs.
- Implement the Socio-Economic Duty within the Equalities Act 2010 in order to ensure Government departments, strategic authorities and local authorities take into greater account the cycle of deprivation which drives the risk of becoming NEET.
- Commission research into the young people not at all engaged with the education, employment and social security system ("hidden NEETs") to understand how they are surviving and the extent to which their dependency on their family may be deepening and entrenching family poverty

Recommendation 2: Provide much better pathways into work for young people

- Government should establish a cross departmental strategy to integrate support for young people at risk of being NEET
- Young people (16-24) to be guaranteed a job, education place, or apprenticeship
- Education, training and work support should be much more closely integrated
- Early intervention to identify, track and engage at risk young people whilst they are still in education, continuing until age 25
- Ensure highly tailored support from trusted key workers who have the time and expertise to build strong relationships with young people and explore employability, education and training opportunities genuinely aligned with their interests and goals.
Embed and further develop the Right to Try Guarantee
- Remove the “apprenticeship penalty” in the current social security system

Recommendation 3: Treat young people fairly

- DWP Sanctions should only be applied to people under 25 as a genuine last resort, thereby achieving a very significant reduction in the number of young people sanctioned
- Do not remove eligibility for the Universal Credit Health element from young people under 22
- Ensure that the social security system is dignity-focused and rights compliant, guaranteeing essential income, and embedding fairness

CONCLUSION

The high and rising number of young people not in employment, education or training in the UK is a scandal that must be urgently addressed. The risk of becoming NEET is much higher among those already less well off, less educated, living in poorer communities or in marginalised groups such as disabled people, racialised minorities, including travellers, and care leavers, thus compounding poverty and inequality. We know that many of these young people are in danger of being caught in a strong cycle of deprivation:

- Those who grow up in poverty are more likely to become NEET
- Young people who are NEET are more vulnerable to poverty
- People who have been NEET are more likely to experience poverty later in life

In the longer term the real solution to this problem is drastically reducing poverty and inequality. In the shorter term we also know that something can be done for the young people at risk: international comparisons show that almost all other wealthy countries have been reducing the numbers of young people affected, and many have substantially lower NEET rates than we do.

Effective action can and must be taken to tackle this betrayal of young people. We need a real cross-Government strategy to tackle these structural disadvantages, from early years provision, through supportive education for all children to ensuring adequate income for all families. But much greater support can also be given to the young people who are already at risk of finding themselves not in employment, education or training.

Early identification, tracking and support of all those who are at risk of becoming NEET is key. Having identified those who need support, the education system must become capable of providing them with effective pathways towards learning the academic, technical and life skills which will enable them to engage with employment, education and training services. Critically, those services should ensure highly tailored support from trusted key workers who have the time and expertise to build strong relationships with young people and explore employability, education and training opportunities genuinely aligned with their interests and goals. And all services should recognise that brain development continues throughout the 16-24 age range, and that systems that seek results by punishment will always be much less effective than those that seek results by support and kindness.

The publication of the Milburn Interim Report has provided large amounts of evidence about the structural factors holding back young people, which our Inquiry respondents have substantially supplemented to highlight the cycle of deprivation driving the number of young people who are NEET. We know the means by which that cycle can be broken, and many more young people given

more opportunity and hope. We must now all seek to support Alan Milburn in his efforts to change how we treat our young people. But we must all also in the coming months work to ensure that the final Milburn report sufficiently recognises the structural factors of disadvantage, poverty and inequality which hold young people back, and that the Government truly tackles these structural factors in its hopefully new and forward-looking approach to young people who are NEET.

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Centre for Young Lives

Citizens Advice

Citizens Advice Scotland

Common Sense Policy Group

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Dr Deborah Lawson

Dr Dylan Murphy

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Family Action

Family Fund

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Learning and Work Institute

Leeds City Council

Low Pay Commission

Mental Health Foundation

Mo Stewart, Preventable Harm Project

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Northern Health Science Alliance

Nuffield Family Justice Observatory

Poverty Alliance

Professor Del Roy Fletcher

Professor Kate Pickett

Professor Lisa Russell

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Scope

Social Mobility Commission

The Fairness Foundation

The Trussell Trust

Traveller Movement

Turn2Us

UCL

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Urban Synergy

West London Alliance

Work Foundation

Youth Futures Foundation