Equality of Opportunity and Quality of Life for Young People
Debate on 16 May 2019

Summary

On 16 May 2019, the House of Lords is due to debate a motion moved by Baroness Grender (Liberal Democrat) that "this House takes note of the need to deliver equality of opportunity and beneficial quality of life for young people". In preparation for that debate, this briefing draws on two reports published in April that looked at equality of opportunity for young people, each from a different perspective.

The House of Lords Intergenerational Fairness and Provision Committee published a report on its inquiry into tackling intergenerational unfairness between older and younger generations. The committee observed that there is a "structural shift taking place, with younger generations not seeing the increase in living standards enjoyed by previous generations".[1] It said this was the result of "the failure of successive governments to plan for the future and prepare for social, economic and technological change". The committee identified "disappointed expectations […] in housing and the workplace" as particular issues for younger generations.[2]

The Social Mobility Commission published its 'state of the nation' report on social mobility, which looked at the effects of inequality on the life chances of people within the same generation. The Social Mobility Commission stated that "inequality is now entrenched in Britain from birth to work, and the Government needs to take urgent action to help close the privilege gap".[3] It concluded that social mobility has been "stagnant" for the last four years, and "being born privileged still means you usually remain privileged". It also found that "the dominance of background factors on future outcomes is further compounded when we look at the interaction with gender, ethnicity and disability".[4]

This briefing looks at some of the main thematic areas relevant to young people that emerge from these two reports: housing; further and higher education; and employment. For each theme, the briefing highlights key findings from the Intergenerational Fairness and Provision Committee and the Social Mobility Commission. Briefings from the Lords and Commons Libraries which provide more detailed information about government policy in these areas are suggested at the end of this briefing. This briefing also sets out data from the Office of National Statistics on measuring well-being and quality of life, looking at how the well-being of young people compares to that of other age groups.

Housing

The House of Lords Intergenerational Fairness and Provision Committee found that "many younger people are struggling to secure affordable housing".[5] It highlighted that people born between 1966 and 2000 spend a greater proportion of their income on housing than previous generations. People born between 1981 and 2000 appear to be spending over one and half times more, as a proportion of their income, on housing at the age of 25 than the generation born immediately after the Second World War spent at the same age.[6] Although younger generations are spending proportionally more on housing, evidence suggests that at the same time they have less floorspace per person and longer commutes than older generations.[7] The committee also found there was a larger income gap compared with previous generations for young people in the private rented sector than in other types of tenure. Private renters born between 1981 and 2000 were paying 35 percent of their income at the age of 25, while private renters born just after the Second World War were paying just over 15 percent of their income at the same age.[8]

Thanks to lower interest rates in recent years, mortgage holders in younger generations were paying similar amounts to mortgage holders born just after the Second World War at 25. However, the committee observed there are fewer home owners in younger generations than previous ones, even once the figures are adjusted for demographic changes such as younger generations entering the workforce later and having children later.[9]

The committee said it had heard "compelling evidence that the rise in housing costs and the decline in ownership is caused by a reduction in housing supply".[10] A study published in February by the think-tank Civitas suggested that more young people may be living with their parents or in shared housing because of affordability issues rather than through preference.[11] It suggested that if the Government did not take account of this possibility, the reduction in housing supply could be exacerbated in the future. The study found that in the past two decades there had been a marked increase in the proportion of young adults living with their parents:

> The proportion of 20 to 34-year-olds living with their parents rose from 19 percent in 1998 to 26 percent in 2017—equivalent to an additional 900,000 young adults living with their parents. Among 23-year-olds that increase has been even steeper, from 37 percent to 49 percent across the same period.[12]

This was coupled with a decline in the formation of single-person households among the under-35s over the same period.[13] The report suggested that these changes in household formation could be at least partly explained by the affordability of housing:

> Many of the individuals that might otherwise have expected to form single-person households will now be sharing with others; the rest will be living with their parents […]
>
> These patterns have varied markedly by region, and it is this that strongly suggests that there is more to the shift in household formation rates than lifestyle choices alone. The proportion of 20 to 34-year-olds living with their parents increased most in London, where housing is most expensive (by 41% between 1996/8 and 2014/15). It increased least where housing is the least expensive, in the North East (by 17%) and Yorkshire and the Humber (by 14%). It is implausible to think that these patterns are not related, in some way, to pressures in the housing market that could be remedied in time.[14]

The authors cautioned that there was a risk in basing estimates of future housing needs on past trends, if patterns of household formation over recent decades reflected young people's "housing circumstances" rather than their "housing preferences".[15] They suggested that this could result in "carrying forward depressed household formation patterns which—if future housing supply is insufficient as a result—become self-reinforcing".

The Intergenerational Fairness and Provision Committee argued that the Government "is not taking the action needed to ensure there is a sufficient supply of affordable housing", particularly social housing.[16] It said the "lack of action" on housing was "primarily hurting younger generations". The committee also criticised the Government for not doing enough to provide greater security of tenure for tenants in the private rented sector.[17] Witnesses who gave evidence to the committee suggested that improving conditions in the private rented sector was the top priority for government action to improve intergenerational fairness.[18] Since the committee report was written, the Government has announced plans to consult on legislation to:

- create open-ended tenancies for all private renters; and
- prevent private landlords from evicting tenants at short notice and without good reason.[19]

The affordability of home ownership also highlights issues relating to equality of opportunity across the younger generation, not just between older and younger generations. The Resolution Foundation think-tank has calculated that hypothetically, it would currently take a 27 to 30-year-old first-time buyer around 18 years to save for a deposit if they relied solely on savings from their own disposable income.[20] Two decades ago, a similar first-time buyer would have needed to save for only three years. As a result, the Resolution Foundation suggests that young people who cannot call on financial help from family (the so-called 'Bank of Mum and Dad') are much less likely to be able to afford to buy their own home. Key findings from their research suggest that:

- At the age of 30 those without parental property wealth are approximately 60% less likely to be homeowners than people whose parents are homeowners.
- Those with wealthier parents are more likely to become homeowners. Moving from the median amount of property wealth up to the 75th percentile increases the probability that someone's children will become a homeowner in a year by over 11%. Moving down to the 25th percentile reduces the probability by approximately 7%.
- The link between parental wealth and home ownership chances remains strong even after adjusting for the greater home ownership prospects of those with higher earnings and qualifications (both of which are also related to parental wealth).
- The importance of parental property wealth has increased over time. In the 1990s and early 2000s 30-year-olds with parental property wealth were approximately twice as likely to be homeowners as those without. From the mid-2000s we estimate that those with parental property wealth were almost three times as likely to be homeowners.[21]

The authors argued that their findings "underscore[d] the need to do more to address these inequalities alongside the traditional focuses of those concerned with social mobility and inequality on earnings and incomes".[22] They maintained that a failure to do so would be likely to strengthen "the existing reality that one of the key determinants of someone's living standards is who their parents are".

Further and Higher Education

The Intergenerational Fairness and Provision Committee suggested that the introduction of "high tuition" fees was putting "another strain on the intergenerational compact".[23] The committee acknowledged that "tuition fee debt does not function in the same way as other debt" and is written off after 30 years. Nevertheless, it questioned whether the debts taken on by many students to fund a university degree "are always incurred to practical personal benefit".[24] It suggested there may be a "mismatch" between the jobs graduates were expecting and the jobs that were available. It also noted that the relative labour market returns for graduates vary significantly depending on course and institution. For example, the committee cited research by the Institute for Fiscal Studies that graduates from Russell Group universities have earnings 10 percent higher on average for women and 13 percent higher on average for men than graduates of other institutions with the same observable characteristics.

The Sutton Trust concluded that what university a student attends is "highly impacted by an individual's socio-economic background, the school they attend and where in the country they are from".[25] For instance, it found that independent school pupils were twice as likely to take a place at a Russell Group university than pupils in non-selective state schools.[26] Sixty percent of those from independent schools who are in higher education attend a Russell Group university, compared to just under a quarter of those from comprehensives and sixth form colleges.

The Social Mobility Commission found that, although the situation is improving, students from lower socio-economic backgrounds were less likely to go to university and more likely to drop out than their peers.[27] It recommended that UCAS (the university admissions body) and the Office for Students (the independent regulator) should make information about financial support more accessible. It also recommended that universities should only make unconditional offers where it is "very clearly" in the student's interest to do so. It argued that "disadvantaged pupils are more likely to receive an unconditional offer compared with their peers" and this was leading to lower levels of attainment at A-Level.

A recent report by Universities UK and the National Union of Students highlighted that "an attainment gap between students of different ethnicities exists at the vast majority of universities".[28] It said there was evidence to suggest that this gap cannot be explained by a student's background or prior qualifications. The report called on universities, the Office for Students and the Government's race disparity audit to undertake further research to review what works in addressing these inequalities.[29]

Both the Intergenerational Fairness and Provision Committee and the Social Mobility Commission recommended that the Government should increase funding for further education. The Social Mobility Commission argued that funding cuts to further education were "disproportionately impacting disadvantaged students whose parents cannot supplement the education and support they receive at school or college".[30] The Intergenerational Fairness and Provision Committee found the current system of funding and access "inefficient and complex".[31] The committee said it risked "perpetuating unfairness" between those who access higher education and those who do not. It called for a rebalancing of the "value attributed" to higher education and further education, suggesting that "many students would be better served by pursuing vocational educational pathways".

Employment

By historical standards, unemployment levels for young people are quite low.[32] The latest figures show that the unemployment rate (the proportion of the economically active population who are unemployed) of 16 to 24-year-olds was 11.3% in December 2018 to February 2019.[33] This was down from 11.7% in the previous quarter and 12.1% the previous year.

Nevertheless, the Intergenerational Fairness and Provision Committee and the Social Mobility Commission both identified issues in the labour market that affect equality of opportunity for young people. The committee expressed concerns about pay progression and insecure employment for young people. On pay progression, it observed that the incomes of younger people had fallen more than for other age groups since the financial crisis a decade ago.[34] The committee said that slow pay progression was "an acute concern" for young people that could have "serious consequences for progression through life". The committee cited evidence suggesting money shortages could deter people from starting a family or switching careers. The committee called for businesses to share best practice on encouraging pay progression and for action to be taken to promote lifelong learning.[35]

The committee also found that young people are "disproportionately affected" by insecure work, such as zero-hour contracts.[36] It noted that zero-hours contracts could work well for some young people who want part-time work while they study.[37] However, it argued that "it poses a problem when it accounts for a young person's only source of employment". The committee also looked at the 'gig economy', where work is done freelance or on short-term contracts. It considered evidence that workers in the gig economy "are often compulsorily pushed into self-employment", missing out on the benefits associated with worker status, such as the national minimum wage, paid holidays and sick leave, and employers' pension schemes.[38] Again, the committee argued that young people were "disproportionately" affected by this, and that it was putting them at risk of "long-term insecurity".[39] The committee called for there to be a default assumption of 'worker' as an individual's employment status, without interfering with the rights of those who genuinely wanted to be self-employed. This would protect people, especially young people, from "exploitation and poor working conditions".

The committee welcomed the publication of the Government's Good Work Plan in December 2018. This set out the Government's vision for the future of the UK labour market, aiming to strike a balance between flexibility and worker protections.[40] However, the committee criticised the Government for failing to set out a timetable for conducting research into uncertain employment status and legislating to protect workers as promised in the plan.[41]

The Social Mobility Commission also looked at issues around low paid and insecure work. It found that over half (52%) of disadvantaged young people leave school without basic qualifications and many "get stuck in low paid work".[42] In contrast, young people with parents in professional occupations were 80% more likely to get into a professional job than their less privileged peers. The commission argued that the adult education system was failing to redress this inequality. The commission also found that one of the routes to a better paid job was moving region—over a four-year period young people who moved region were 12 percentage points more likely to experience wage progression than those who did not move. However, the commission said that "moving is dependent on background", as young people from professional backgrounds were more likely to be able to afford to move. The commission described "the inhibiting cost of moving region, the impact on 'left behind' areas and the necessity of moving (rather than the choice to do so)" as "barriers to social mobility, social cohesion and individual autonomy".[43]

The commission also expressed concerns that disparities in employment opportunities could increase over time:

> As automation changes the world of work, these divides could worsen, as workers in low pay and with low qualifications are most at risk of their work being automated, whilst at the same time are the least likely to access training to reskill.[44]

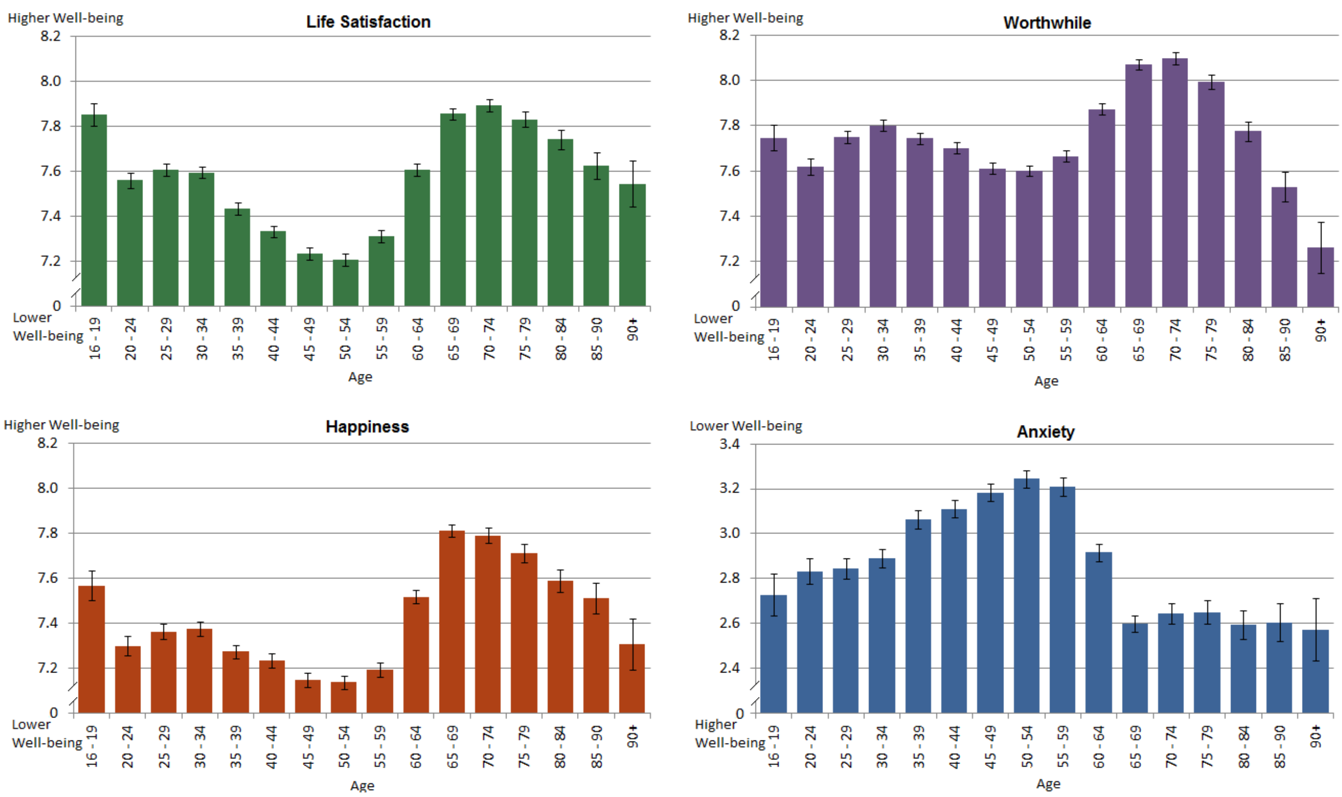
To address these issues, the Social Mobility Commission recommended that the Government should improve adult education spending, and provide "concentrated investment" in skills, jobs and infrastructure in areas of low social mobility and low pay.[45] It also called on employers to only specify skills that were "actually and demonstrably necessary" to performing the advertised job when recruiting for new workers.

Quality of Life—Measuring Well-Being

The Office for National Statistics (ONS) collects data on well-being under the measuring national well-being programme, launched in 2010.[46] The ONS argues that personal well-being data can contribute to better decision-making for policymakers by complementing other measures of progress and quality of life such as unemployment and household income.[47]

In 2016, the ONS examined whether there was a correlation between age and personal well-being. Analysing well-being data collected from 2012 to 2015, it found "our sense of personal well-being is highest among younger people and older people and is lowest among people in their middle years".[48] The figure below shows the self-reported ratings for life satisfaction, feeling what you do in life is worthwhile, happiness and anxiety for over 300,000 adults in the UK, by age category.

Figure 1: Average Personal Well-Being Ratings: By Age, 2012 to 2015[49]



Looking at what this shows about the relationship between age and personal well-being, the ONS found:

> For those aged between 16 to 19, the youngest age group presented in this analysis, average ratings of life satisfaction were high. However, after levelling off between the ages of 20 to 34, ratings become progressively lower through middle years, reaching their lowest point among those aged between 45 to 54. Average ratings then begin to increase and peak again for those aged between 65 to 79, returning to a high level similar to that observed in the youngest age group. Average ratings of life satisfaction then begin to decline through the oldest age groups.
>
> Again considering only those under the age of 75, a broadly similar U-shaped curve can be observed for ratings of happiness. However, the distribution is less symmetrical because average ratings of happiness amongst the 16 to 19-year-old age group are lower than the average ratings for those aged between 65 to 74.
>
> Average worthwhile ratings demonstrate a shallow U-shaped curve, with a small peak among those aged between 30 to 34 and a larger peak among those aged between 65 to 74.
>
> Average ratings of anxiety increased progressively through early and middle years, peaking for the 45 to 59-year-old age groups, but then subsequently falling and remaining relatively unchanged. The fall observed in anxiety coincides with a subsequent increase observed in each of the life satisfaction, happiness and worthwhile measures.[50]

The ONS suggested several reasons why feelings of well-being and life satisfaction might vary with age:

> […] results might be the consequence of a cohort effect, whereby people born in different eras will have had different experiences and expectations which will ultimately shape their sense of well-being.
>
> Another explanation might be that our level of personal well-being changes as we move through our lives, have new experiences, and change the way we look at things.
>
> The differences might also be driven by socio-economic factors. For example, those in their younger years and those who are retired may have more free time to spend on activities which promote their well-being. In contrast, those in their middle years may have more demands placed on their time and might struggle to balance work and family commitments.[51]

In a more recent study, using data from 2014 to 2016, the ONS further examined what factors might lie behind the poorest personal well-being ratings.[52] It found that such people were most likely to have at least one of the following characteristics or circumstances:

- self-report very bad or bad health
- be economically inactive with long-term illness or disability
- be middle-aged
- be single, separated, widowed or divorced
- be renters
- have no or basic education.

Students were found to have the lowest likelihood of the poorest personal well-being compared to people in all other categories of economic activity (employee; worker in a family business without a formal wage or salary; unemployed; economically inactive; long-term sick/disabled; retired; self-employed).

Silvia Manclossi, head of quality of life team at the ONS, highlighted the policy implications of these findings. She said that "improving how people feel about their lives is important for the health of our society" and the results should "help target services to support those most in need".

The most recent personal well-being data, covering the year to March 2018, was published in September 2018.[53] Table 1 shows how the proportion of young people reporting the highest well-being scores (including the lowest anxiety scores) compared with the averages for adults across all age groups. Consistent with the ONS's earlier findings in the 2016 study (see Figure 1), the 20 to 24-year-old age group is less likely to have:

- high scores for life satisfaction, feeling what they do is worthwhile and happiness; and
- a low score for anxiety

than the 16 to 19-year-old age group.

Table 1: Personal Well-Being of Young People and All Adults, Year Ending March 2018[54]

Personal Well-Being Measure	Age Group		
	16 to 19	20 to 24	All adults
Satisfaction Percentage who rated satisfaction with their lives overall as very high (9 or 10 out of 10)	32.5	26.8	30.0
Worthwhile Percentage who rated how worthwhile they feel the things they do are as very high (9 or 10 out of 10)	34.0	32.9	35.8
Happiness Percentage who rated their happiness on the previous day as very high (9 or 10 out of 10)	34.0	32.8	34.9
Anxiety Percentage who rated their anxiety on the previous day as very low (0 or 1 out of 10)	41.6	37.2	40.5

Further Information

Housing

- House of Commons Library, *Comparing Private Rented Sector Policies in England, Scotland, Wales and Northern Ireland*, 2 May 2019
- House of Commons Library, *Tackling the Under-Supply of Housing in England*, 10 December 2018
- House of Commons Library, *Stimulating Housing Supply—Government Initiatives (England)*, 13 December 2018
- House of Commons Library, *What is Affordable Housing?*, 21 September 2018
- House of Lords Library, *Affordable Housing*, 22 October 2018

Further and Higher Education

- House of Commons Library, *Careers Guidance in Schools, Colleges and Universities*, 23 April 2019
- House of Commons Library, *T Levels: Reforms to Technical Education*, 23 April 2019
- House of Commons Library, *Returns to a Degree*, 5 April 2019
- House of Commons Library, *Adult Further Education Funding in England since 2010*, 20 March 2019
- House of Commons Library, *16–19 Education Funding in England since 2010*, 20 March 2019
- House of Commons Library, *Higher Education Funding in England*, 12 March 2019
- House of Commons Library, *The Forthcoming Review of Post-18 Education and Funding*, 25 February 2019
- House of Commons Library, *Higher Education Student Numbers*, 8 February 2019
- House of Commons Library, *Student Loan Statistics*, 5 February 2019
- House of Commons Library, *Oxbridge 'Elitism'*, 7 January 2019
- House of Commons Library, *The Value of Student Maintenance Support*, 28 November 2018

Employment

- House of Commons Library, *Youth Unemployment Statistics*, 16 April 2019
- House of Commons Library, *Apprenticeship Statistics for England*, 11 February 2019
- House of Commons Library, *Apprenticeship and Skills Policy in England*, 4 January 2019
- House of Commons Library, *NEET: Young People not in Education, Employment or Training*, 24 August 2018
- House of Commons Library, *Zero Hours Contracts*, 17 August 2018
- House of Lords Library, *Gig Economy: Legal Status of Gig Economy Workers and Working Practices*, 20 February 2018

General

- House of Lords Library, *Challenges Facing Young People*, 7 December 2018
- House of Lords Library, *Work of the Ad Hoc Committees in 2015–16: Social Mobility Committee*, 20 April 2018
- House of Lords Library, *Intergenerational Fairness and Government Policy*, 20 October 2017

---

[1] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 10.

[2] ibid, p 7.

[3] Social Mobility Commission, 'Class Privilege Remains Entrenched as Social Mobility Stagnates', 30 April 2019.

[4] Social Mobility Commission, *State of the Nation 2018–19: Social Mobility in Great Britain*, April 2019, pp 9–10.

[5] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, pp 3 and 21.

[6] ibid, p 21.

[7] ibid, pp 21–2.

[8] ibid, pp 22–3.

[9] ibid.

[10] ibid, p 23.

[11] Daniel Bentley and Alex McCallum, *Rise and Fall: The Shift in Household Growth Rates Since the 1990s*, Civitas, February 2019.

[12] ibid, p 1.

[13] ibid, p 22.

[14] ibid.

[15] ibid, pp 22–3.

[16] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 25.

[17] ibid, p 28.

[18] ibid, p 26.

[19] Ministry of Housing, Communities and Local Government, 'Government Announces End to Unfair Evictions', 15 April 2019.

[20] John Wood and Stephen Clarke, *House of the Rising Son (or Daughter)—The Impact of Parental Wealth on Their Children's Home Ownership*, Resolution Foundation, December 2018, p 3.

[21] Stephen Clarke and John Wood, 'House of the Rising Son (or Daughter): The Impact of Parental Wealth on their Children's Homeownership', Resolution Foundation Blog, 4 December 2018.

[22] John Wood and Stephen Clarke, *House of the Rising Son (or Daughter)—The Impact of Parental Wealth on Their Children's Home Ownership*, Resolution Foundation, December 2018, p 4.

[23] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 43.

[24] ibid, p 44.

[25] Sutton Trust, 'Access to Advantage', 7 December 2018.

[26] Rebecca Montacute and Carl Cullinane, *Access to Advantage: The Influence of Schools and Place on Admissions to Top Universities*, December 2018, p 3.

[27] Social Mobility Commission, *State of the Nation 2018–19: Social Mobility in Great Britain*, April 2019, p x.

[28] Universities UK, 'Black, Asian and Minority Ethnic Student Attainment at UK Universities: #Closingthegap', 2 May 2019.

[29] Universities UK and National Union of Students, *Black, Asian and Minority Ethnic Student Attainment at UK Universities: #Closingthegap*, May 2019, pp 2–3.

[30] Social Mobility Commission, *State of the Nation 2018–19: Social Mobility in Great Britain*, April 2019, p viii.

[31] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 43.

[32] House of Commons Library, *Youth Unemployment Statistics*, 16 April 2019, p 2.

[33] ibid.

[34] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 48.

[35] ibid.

[36] ibid.

[37] ibid, p 51.

[38] ibid, pp 51–2.

[39] ibid, p 52.

[40] Department for Business, Energy and Industrial Strategy, *Good Work Plan*, December 2018.

[41] House of Lords Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Unfairness*, 25 April 2019, HL Paper 329 of session 2017–19, p 52.

[42] Social Mobility Commission, *State of the Nation 2018–19: Social Mobility in Great Britain*, April 2019, p 105.

[43] ibid, p 126.

[44] ibid p 105.

[45] ibid, p 106.

[46] Office for National Statistics, 'Measures of National Well-Being Dashboard', accessed 7 May 2019.

[47] ibid.

[48] Office for National Statistics, 'Measuring National Well-Being: At What Age is Personal Well-Being the Highest?', 2 February 2016.

[49] ibid.

[50] ibid.

[51] ibid.

[52] Office for National Statistics, 'Understanding Well-Being Inequalities: Who Has the Poorest Personal Well-Being?', 11 July 2018. Personal well-being for life satisfaction, worthwhile and happiness is deemed to be poor if the respondent gives a score of four or less out of ten. Personal well-being for anxiety is deemed to be poor if the respondent gives a score of six or more out of ten.

[53] Office for National Statistics, 'Measuring National Well-Being: Domains and Measures', September 2018 dataset, 26 September 2018.

[54] ibid, Tables 1.1, 1.2, 1.3 and 1.4.
