By Andrew Powell, Brigid Francis-Devine

15 June 2021

Youth Unemployment Statistics

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Impact of coronavirus (Covid-19)

In the months following the start of the pandemic there was a large fall in employment levels for young people aged 16-24, and this was followed by a rise in unemployment. Although unemployment levels have since returned to pre-pandemic levels, the number of young people in employment remains below.

Comparing the latest quarter, February-April 2021, with the pre-pandemic quarter of January-March 2020:

- The number of young people in employment has fallen by 311,000, an 8% fall. The fall for men has been larger, with employment levels falling by 10% for men and by 6% for women.
- There has been a slight increase in unemployment for young people. In July-September 2020 it had increased by 15% from pre-pandemic levels, but since then levels of unemployment for young people have gradually been falling.
- The unemployment rate has increased to 13.2% from 12.1%. This increased to 14.6% in July-September 2020.
- 263,000 more young people have become economically inactive, an increase of 10%.

As at 30 April 2021, 594,100 jobs held by those aged 24 or under were on furlough, which was 16% of eligible jobs. This was a decrease of 196,100 from the number of furloughed jobs held by young people at the end of March 2021.

The number of people aged 18-24 claiming unemployment related benefits more than doubled from March to May 2020, at the start of the pandemic. Since then, the youth claimant count has fallen slightly, but the number of claimants in May 2021 was still 235,000 higher than in March 2020. Some of the initial increase will be due to employed people who became eligible for Universal Credit as part of the government response.

More information can be found in the Library briefing Coronavirus: Impact on the labour market.
529,000 young people aged 16-24 were unemployed in February-April 2021, a decrease of 52,000 from the previous quarter and a slight decrease from the year before. By historical standards, unemployment levels for young people remain low.¹

For context, it is worth noting that the total population aged 16-24 has been declining in recent years; in the year to February-April 2021, it decreased by 38,000.

The number of young people in employment increased slightly from the previous quarter but fell by 274,000 from the previous year to 3.48 million.

The number who are economically inactive (not in or looking for work) increased by 37,000 from the previous quarter and increased by 241,000 from the previous year to 2.83 million.

Figures are based on a survey so some of the reported changes may arise from survey error rather than ‘real’ changes in the levels.

The unemployment rate (the proportion of the economically active population who are unemployed) for 16-24 year olds was 13.2% in February-April 2021. This is down from 14.3% in the previous quarter but up from 12.5% a year before.

The inactivity rate for young people is 41.3%, which is the highest rate since comparable records began in 1992. 80% of the young people who are economically inactive are in full-time education.

¹ All data are from ONS Labour Market Statistics bulletins and are seasonally adjusted.
Unemployment and education status

173,000 unemployed young people were in full-time education (33% of all unemployed young people) in February-April 2021, down 12,000 from the previous quarter and down slightly from a year before.

Excluding those in full-time education, 356,000 people aged 16-24 were unemployed. This is a fall of 40,000 from previous quarter, but little changed from the year before.

The unemployment rate for 16-24 year olds in full-time education was 19.0%, up from 16.7% a year before. It was 11.5% for those not in full-time education, up from 11.1% a year before.
Unemployment by age

435,000 18-24 year olds were unemployed in February-April 2021, while 1.66 million were economically inactive and 3.28 million were in work. The unemployment rate for people aged 18-24 was 11.7%, up from 10.9% a year before.

95,000 16-17 year olds were unemployed, while 1.16 million were economically inactive and 201,000 were in work.²

Long term youth unemployment

109,000 people aged 16-24 had been unemployed for over 12 months in February-April 2021, which was 21% of unemployed 16-24 year olds. This was an increase of 11,000 from the previous quarter.

27% of all people who had been unemployed for over 12 months were 16-24 year olds.

Men and women

296,000 men aged 16-24 were unemployed in February-April 2021, a decrease of 39,000 from the previous quarter but little changed from the previous year. The unemployment rate for men of this age was 14.6%, up from 13.5% a year before.

233,000 women aged 16-24 were unemployed, a decrease of 14,000 from the previous quarter but little changed from the previous year. The unemployment rate for women aged 16-24 was 11.8%, compared to 11.4% a year before.

The youth unemployment rate was 14.7% for men and 11.9% for women.

1.1 Other indicators

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) opened to applications on the 20 April 2020. As at 30 April 2021, 594,100 jobs held by those aged 24 or under were on furlough, which was 16% of eligible jobs.³

² The estimates for 16-17 year olds are more volatile than those for 18-24 year olds, since they are based on a smaller number of survey responses.
³ HMRC, Coronavirus Job Retention Scheme statistics, 6 May 2021
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Source: HMRC, Coronavirus Job Retention Scheme statistics, 3 June 2021

Library briefing paper Coronavirus Job Retention Scheme: statistics provides more information on furloughed jobs by age.

Claimant count

In May 2021, 476,900 people aged 18-24 claimed unemployment related benefits. This was a decrease of 19,100 from the previous month, but an increase of 235,000 claimants from the pre-pandemic month of March 2020.4

While some of the increase in the Claimant Count will be due to people who have become unemployed, some will also be due to employed people who have become eligible for Universal Credit as part of the government response.

The map overleaf shows the increase in the claimant count by parliamentary constituency since March 2020.

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4 ONS, CLA02: Claimant Count by age group, 18 May 2021, Figures are seasonally adjusted

<table>
<thead>
<tr>
<th>Age</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs ('000s)</td>
<td>% of eligible jobs</td>
<td>Jobs ('000s)</td>
<td>% of eligible jobs</td>
</tr>
<tr>
<td>Under 18</td>
<td>49.0</td>
<td>29%</td>
<td>30.7</td>
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<tr>
<td>18-24</td>
<td>279.7</td>
<td>17%</td>
<td>234.7</td>
</tr>
<tr>
<td>16-24</td>
<td>328.7</td>
<td>18%</td>
<td>265.4</td>
</tr>
<tr>
<td>All ages</td>
<td>1,684.8</td>
<td>11%</td>
<td>1,638.0</td>
</tr>
</tbody>
</table>

Source: HMRC, Coronavirus Job Retention Scheme statistics, 3 June 2021
% change in unadjusted claimant count for 18-24 year olds March 2020-May 2021

Percentage change in number of people aged 18 to 24 claiming unemployment related benefits, expressed as quintile groups (20% bands), since before the UK entered into lockdown

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Youth Unemployment across Europe

The chart below shows the youth unemployment rate across European Union countries. Figures are published by Eurostat (the EU's statistical authority) and therefore may differ from what is published elsewhere in this briefing.

Spain had the highest rate of youth unemployment in July-September 2020 at 39.8%. Germany had the lowest youth unemployment rate at 6.9%.

The UK youth unemployment rate was 14.0%, compared to 17.9% for the European Union.

Note, as of 2020, the European Union is made up of 27 countries.
Recent trend in youth unemployment in the EU

The UK’s youth unemployment rate has consistently been lower than the rate across the EU as a whole.

Since the start of the pandemic there has been a rise in youth unemployment in both the EU and the UK. In July-September 2020, there was an annual increase in the youth unemployment rate of 2.6% points for the UK and 3.0% points for the EU.

Notes: Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24 year olds in UK, Italy and Spain).

Source: Eurostat, Unemployment by sex and age – quarterly data (une_rt_q)
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