



Youth unemployment and the recession

ippr analysis shows that among young people those without a university education and ethnic minorities have been worst hit by the recession.

The findings show that, as in previous recessions, ethnic minorities have been disproportionately affected by the rise in unemployment. In the last recession of the early 1990s for example, unemployment among ethnic minorities rose by 10 percentage points, compared with a 6 percentage point increase overall.¹ ippr's findings suggest the government's pledge last year to 'shield' ethnic minorities by targeting support at disadvantaged groups has not proven effective.

This evidence shows that the government must urgently consider alternative measures to prevent long-term unemployment among these groups, such as increasing the number of job placements in disadvantaged areas through the Future Jobs Fund, the government's job creation scheme for young people.

Youth unemployment currently stands at a 15-year high with almost 943,000 (18.4%) 16-24 year olds out of work. Analysis has been carried out using the latest available data from the Labour Force Survey breaking down youth unemployment data by qualification, gender, industry and region to show who has been worst affected since before the recession began in early 2008.

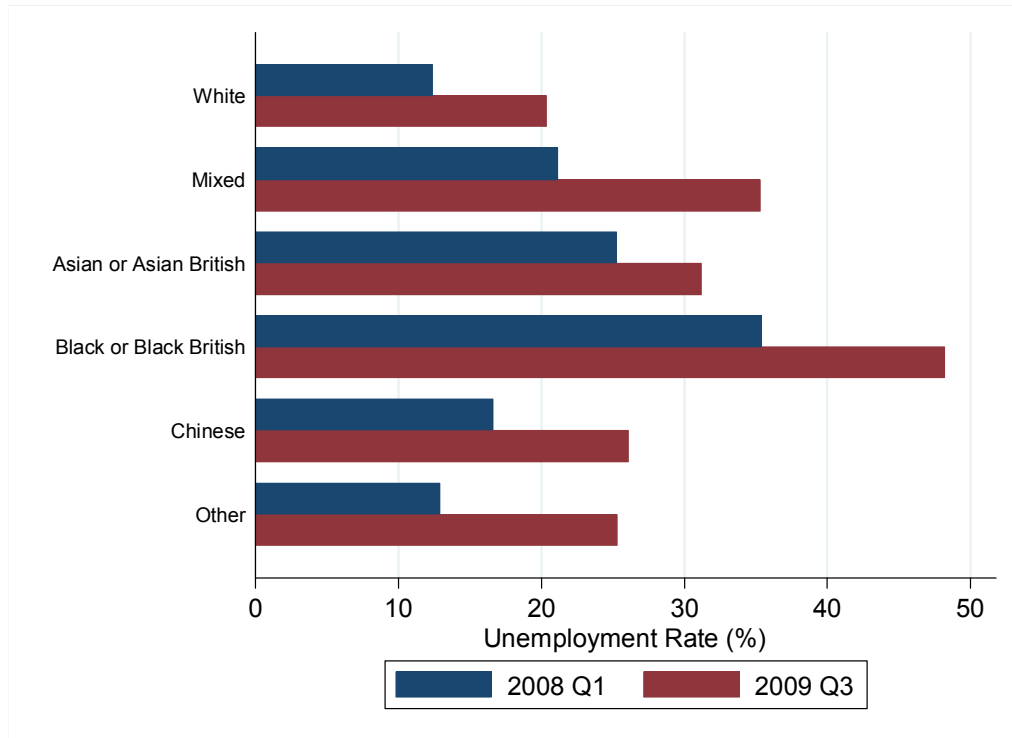
Key findings

1. Black, Black British and mixed race young people see the biggest increases in unemployment

- Black or Black British people aged 16 to 24 years old have the highest rates of unemployment at over 48%, an increase of nearly 12.8% since the start of the recession
- Mixed ethnic groups have seen the biggest increases in unemployment, from 21 percent in March 2008 to over 35 percent in November 2009
- Youth unemployment among white people has risen to from 12.4% to 20.4%
- At 5.9%, the lowest change has been among Asian and Asian British young people – but overall unemployment in this group remains high at 31.2%

¹ Richard Berthoud (2009) 'Patterns of non-employment, and of disadvantage, in a recession', Working Paper No. 2009-23, Institute for Social and Economic Research, University of Essex

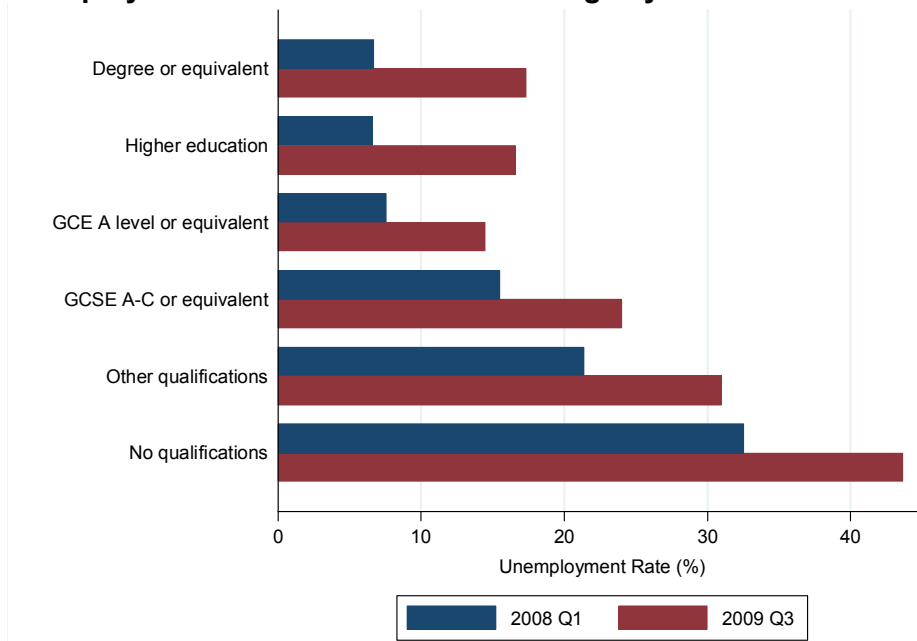
Unemployment Rates for 16-24 Years of Age by Ethnicity



2. Young people without a university education are worst affected – despite a recent spike in graduate unemployment

- Among 16 to 24 year olds, unemployment is highest for those with no qualifications. 43.2% of 16 to 24 year olds with no qualifications are unemployed – an 11.04% increase since March 2008.
- There has, however, been a recent spike in unemployed graduates in the last few months, reflecting the ‘class of 2009’ graduates. 17.31% of graduates are unemployed, a 10.57% change since March 2008.

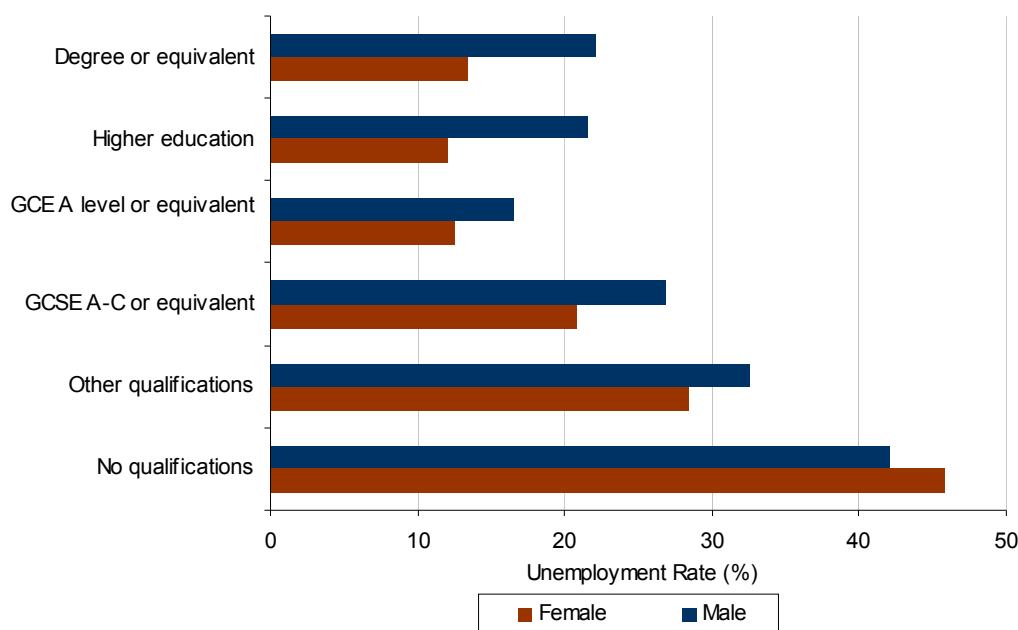
Unemployment Rates for 16-24 Years of Age by Qualification



3. Young men fare worse than young women – but low skilled young women are worst hit

- Overall, young men have fared worse than young women. 22.16% of male graduates are unemployed, compared to just 13.47 females.
- Young men with GCSEs, A or AS levels and other qualifications are worse hit than young women with the same qualifications.
- However, the worst affected across all age groups are young women with no qualifications. Unemployment among young women with no qualifications stands at 46%, an increase of nearly 18% rise since March 2008. This reflects widespread job losses in the retail, hotel and catering industries, but may affect relatively low absolute numbers.

Unemployment Rates for 16-24 Years of Age by gender for 2009 Q3



4. Youth unemployment follows similar regional patterns to adult unemployment - areas worst hit are those dependent on manufacturing and construction industries

- Youth unemployment is linked to overall weaknesses in local labour markets, and follows similar patterns as adult unemployment. It is highest in areas with heavy reliance on manufacturing industries.
- Wales, Northeast England, Northwest England, the West Midlands and Northern Ireland have seen the largest increases in youth unemployment.
- Youth unemployment is highest in the Northeast (27.1%) and second highest in London (26.6%).
- Data shows that the highest redundancies among young people are in construction, from which 26.8% of 16 to 24 year olds were made redundant and the wholesale, retail and motor trades at 20%.

Unemployment Rates for 16-24 Years of Age by Region

