
Darren Morgan | Director, Economic Statistics Production and Analysis

The Lord Shipley, OBE
Chair, Youth Unemployment Committee
House of Lords
London
SW1A 0PW

22 October 2021

Dear Lord Shipley,

While providing evidence at the Youth Unemployment Committee on 14 September, I promised to follow up with the Committee on the measurement of youth unemployment by economic background and latest figures for young people in employment or full-time education.

Measuring youth labour market status against economic background

The Committee were interested in analysis of youth labour market status by economic background.

The Office for National Statistics (ONS) asks a series of questions on social mobility in the Labour Force Survey (LFS) in the July to September period each year. These questions refer to the household situation of the respondent when they were 14 years old, asking:

- Where respondents lived
- Household composition (i.e., with parents, with other family, not living with family)
- Main wage earner in the household
- Occupation of main wage earner (i.e., a parent/guardian, joint-earners, or no earners)
- Whether main wage earner is an employee or self-employed

While economic background is a broad concept, this set of questions represent the best indicator available at the ONS to analyse the labour market status of young people against their economic background.

The ONS does not currently publish these data, and a full assessment of its quality needs to be completed. However, given the interest in this topic and following my appearance at the Committee, resources will be allocated to this assessment and we expect that this can be completed by the end of 2021.

Depending on the outcome of the assessment, if the quality of the data is sufficient to produce robust analysis, an indicative timeline to complete the analysis would be by April

2022. As part of the assessment, we will also develop a recommendation on how best to publish a breakdown of labour market status by economic background.

During the session, Lord Baker also commented that there were data in the education system that could further support analysis on this topic. We would, of course, be happy to explore this further in whatever way would be most suitable.

Young people in education, training, and employment

The Committee were also interested in a publication on the number of young people in education, training, and employment, including how these figures differed from statistics on young people not in education, employment, or training (NEET).

The ONS now publishes educational status and labour market status of people aged from 16 to 24 years¹ in Table A06, using data sourced from the LFS. These data are published monthly alongside our summary of labour market statistics² and gives the number of young people in employment and the number of young people in full-time education.

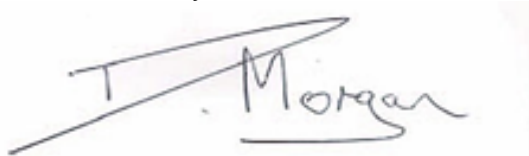
These estimates are published separately from the ONS's quarterly NEET publication for several reasons. The NEET statistics and the Table A06 statistics are both derived from the LFS and use the same labour market statuses; however, the educational statuses are derived differently.

For Table A06, the educational status is based on participation in full-time education only. For NEET statistics, the educational status is based on any form of education or training. Therefore, the dataset A06 category "not in full-time education" includes some people who are in part-time education and/or some form of training and who, consequently, should not be regarded as NEET.

The latest data from the LFS shows there were 3.3 million 16- to 24-year-olds in full-time education, of which 900,000 were working and a further 200,000 looking for work. Meanwhile, of the 3.5 million 16- to 24-year-olds not in full-time education, 2.7 million were in employment, with the remainder neither in employment nor full-time education.

I hope this update is helpful to the Committee. Please do not hesitate to contact me if I can be of any further assistance.

Yours sincerely,

A handwritten signature in black ink that reads "Darren Morgan". The signature is written in a cursive style with a long horizontal stroke at the end.

Darren Morgan
Director, Economic Statistics Production and Analysis

¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/dataset/educationalstatusandlabourmarketstatusforpeopleagedfrom16to24seasonallyadjusteda06sa>

²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics>