



## POLICY BRIEFING NOTE: 3

This is the third of a series of short Policy Briefing Notes prepared by Patrick Watson, MONTROSE PUBLIC AFFAIRS CONSULTANTS LTD, and published by Careers England.

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### **IPPR STUDY SUGGESTS EXPERIENCE OF PAID WORK WHILE IN FULL-TIME EDUCATION INCREASES JOB CHANCES**

1. A new Institute for Public Policy Research (IPPR) report briefly reviews employment policy and outcomes in the UK, and developments in the labour force, throughout the post-war period. It then considers the potential benefits of full employment for individuals, families and the state – and the potential trade-offs between employments on the one hand and inflation, real wages and productivity on the other – before finally setting out a vision of what full employment might look like, and how it should be defined.
2. A key conclusion of the report is that young people who experience a workplace environment while in full-time education are far more likely to land a job than those who didn't get a taste of paid employment.
3. Researchers showed the unemployment rate for young people who have left regular education with experience of paid work was 14 per cent, while for those who did not it could be as much as 23 per cent.
4. The study, called **A job for everyone: What should full employment mean in 21st century Britain?** And released ahead of the latest unemployment statistics, also found that of the 1,290,000 young people not in work or full-time education, half had never had a job. "Gaining experience of the world of work while studying is vital for the future job chances of young people," said IPPR economic analyst Spencer Thompson.
5. "But fewer and fewer young people are working while learning."
6. In the UK, 75 per cent of young people in all levels of education do not have a job, in contrast to the Netherlands, for example, where almost 60 per cent of young people are employed. Before the beginning of the recession in 2007, one-in-three young people were working, but the number of young people who have never had jobs has doubled since 1998.
7. According to the study, the advantage was particularly important for young people with few qualifications, as one-in-three young people with fewer than five A\* to C



- grade GCSEs and no work experience are unemployed, compared to one-in-six with experience of work.
8. A spokesperson for the Association for Education and Learning Providers told FE Week: “We strongly opposed government’s removal of mandatory work experience for school pupils because we were very worried about its likely impact on the job chances of young people.” He added that the removal of mandatory work experience increased the importance of the work experience element of the new traineeship programme.
  9. UK Commission for Employment and Skills (UKCES) senior manager David Massey said the drop in young people taking on paid work alongside their studies was worrying.
  10. “The ‘death of the Saturday job’ may seem trivial, but UKCES research shows that experience is what employers value most when taking on young people,” he said.
  11. The report says that employment should be defined with respect to the employment rate, rather than the unemployment rate. From 2001 to 2006, this hovered around 73 per cent – the same level at which it peaked (much more briefly) in the two previous economic cycles. Cutting unemployment to 5 per cent would be consistent with getting back to an employment rate of 73 per cent; but this should only be a start. The employment rate should then be pushed to new highs, in line with the highest levels seen in the OECD – that is, much closer to 80 per cent. Achieving this level would, necessarily, mean progress in reducing many of the unequal outcomes in the current labour market, including regional differences in employment rates and differences between the employment rates of various groups.
  12. In particular, it says, policy will need to concentrate on increasing the employment rate of three groups of potential workers not just by making them more employable – as Labour sought to do in the 2000s – but also by increasing demand for their services:
    - Women – in particular mothers, older women and women from certain ethnic backgrounds
    - ‘disadvantaged’ groups – people with work-limiting disabilities, **young people**, older people and those with few or no skills
    - victims of rapid technological change and globalisation – those previously employed in declining industries and found disproportionately in the north of England and the west Midlands’
  13. The report concludes that a clear vision of what full employment would look like could help ‘to mobilise opinion in favour of the policies the government needs to put in place to achieve an employment rate well above its previous peak of 73 per cent,



to ensure that fewer people are claiming out-of-work benefits and to deliver higher real wages – and ultimately it is having these policies in place that is important. The government should, therefore, adopt a definition of full employment as an unemployment rate below 5 per cent and an employment rate of 80 per cent for the non-student, working-age population.’

14. The IPPR study is available here.

[http://www.ippr.org/images/media/files/publication/2013/07/a\\_job\\_for\\_everyone\\_July2013\\_11002.pdf](http://www.ippr.org/images/media/files/publication/2013/07/a_job_for_everyone_July2013_11002.pdf)

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