

# Economy, Jobs and Fair Work Portfolio

## Youth Labour Market Dashboard

January 2018

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### **Young people in the Labour Market**

The purpose of this paper is to present a visual summary of the range of sources of data on the youth labour market.

The paper presents trend information across a variety of indicators to allow the reader to make a more comprehensive assessment of progress in the youth labour market than can be achieved by solely focussing on headline metrics such as the monthly release of youth employment and unemployment data from the Office for National Statistics.

# Youth Labour Market Dashboard – January 2018

OCEAES: Economic Strategy and Policy

## Summary

Trends in the youth labour market are of particular importance given the long term impact unemployment at a young age can have on individuals and the economy as a whole.

A key policy priority of government therefore is to ensure young people are provided with the opportunities to become an active part of the labour force and to maximise the benefits to them and their contribution to economic growth. Data for the latest quarter (Sep-Nov 2017) show that the unemployment rate for 16-24 year olds in Scotland is lower than that of the UK (9.7% v 12.6%)

The youth labour market is a challenging area to monitor through traditional economic data and indicators. Achieving appropriate sample sizes for the 16-24 year old age group and the labour market status of young people can be more complex than that of adults. For example, many young people are students but are also looking for work.

As a result, youth labour market data can be volatile over short-time periods, and can display a wider degree of variation than many of our other core economic and labour market indicators. Therefore, in order to understand the youth labour market it is important to consider information from a range of sources and a variety of indicators.

The Youth Labour Market Dashboard includes information on: school leaver destinations, young people not in employment education or training (NEET); Modern Apprenticeships, Graduate destinations and claimant count statistics.

## Outlook for the Youth Labour Market

### Scottish Chambers of Commerce Q4 2017

**Construction** – Over the quarter, total sales revenue and total contracts both expanded at an accelerated pace (+17 and +14 respectively). Firms reported growth in total investment over the quarter (both capital and training investment) albeit at a slower rate than the previous quarter. The negative net balance in cash flow worsened further (-17) with profits also down (-4). Sales revenue, investment and employment expectations for next quarter weakened, however business optimism remained positive (+4).

**Retail & Wholesale** – Latest results signal a rebound back into positive territory for the sector as sales revenue jumped over the quarter (+29, up from -5.1). Firms' optimism also reached positive levels for the first time in 2017, though only marginally (+2). Investment remains a challenge for the sector however, with cashflow and profitability expanding in Q4, the outlook for revenue remains positive, although respondents are expecting employment numbers and investment to continue to decline next quarter.

### Significant Jobs announcements (Sep-Nov 2017)

03-Oct-2017 **Amazon** – The on line retailer has announced it will create more than 2000 seasonal positions at its fulfillment centre at Dunfermline warehouse this festive season.

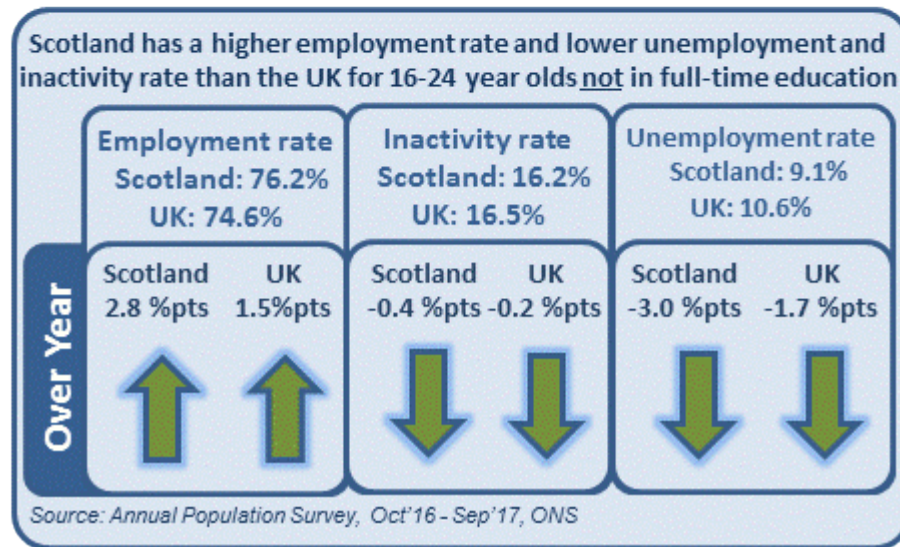
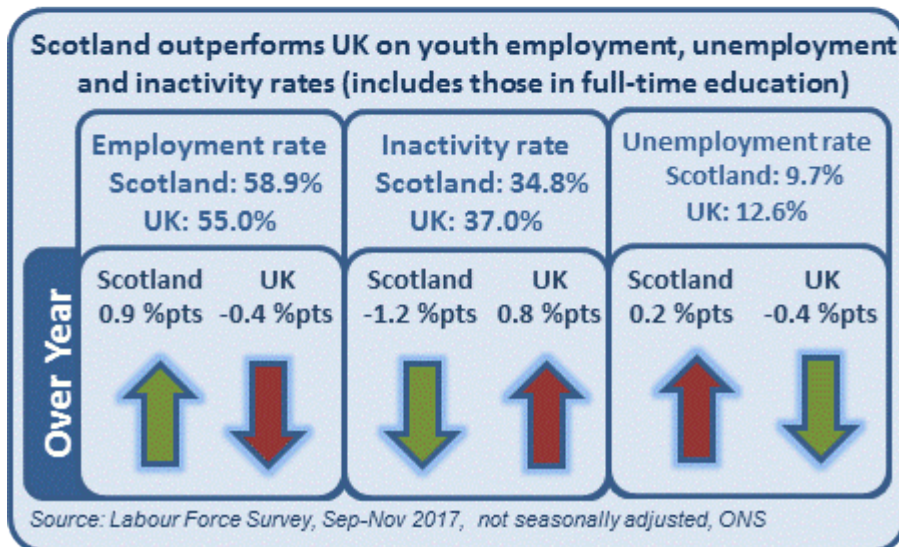
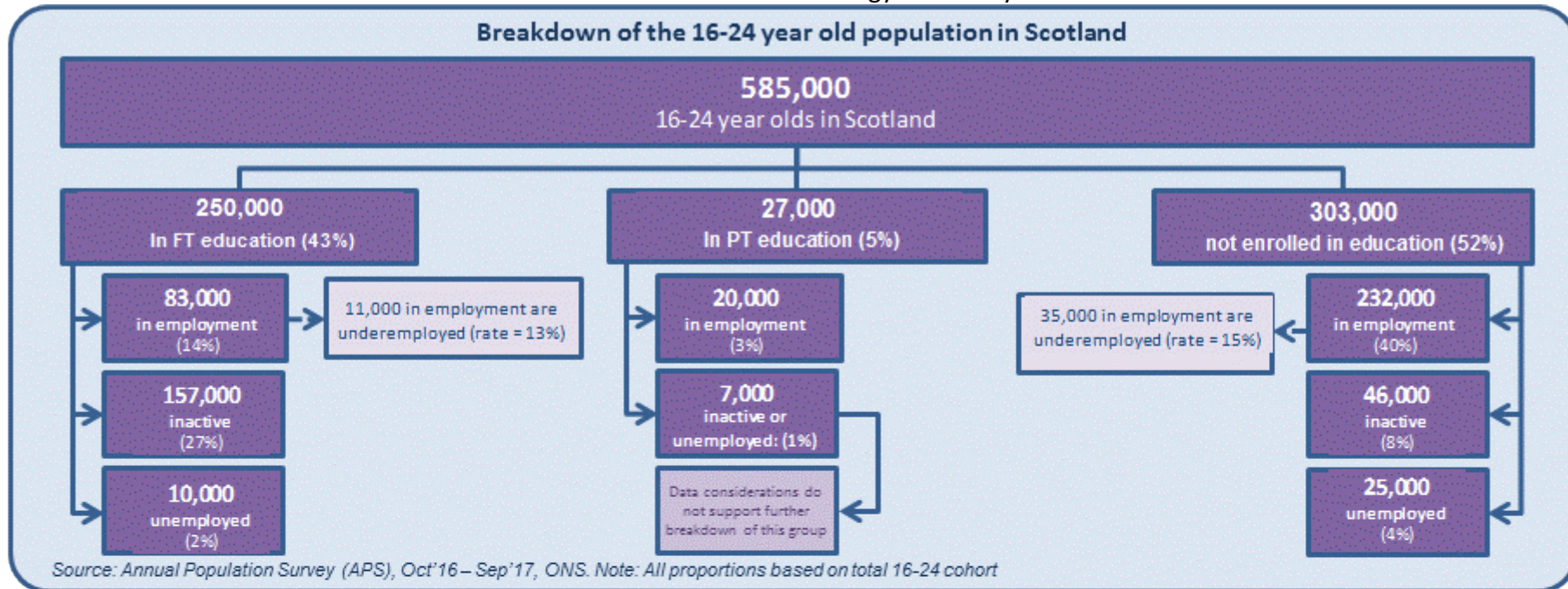
03-Oct-2017 **NES (North Electrical Services) Ltd** – The Scottish electrical firm based in Inverness and Elgin has announced plans to create nearly 200 jobs over the next five years as part of their growth plans and expansion into the central belt.

13-Sep-2017 **Ctrip** – The owner of Scottish headquartered travel search site Skyscanner, has announced it will open a customer service call centre in Edinburgh. It aims to create up to 200 jobs in the next few years. The Edinburgh call centre aims to provide a high-level customer service experience across time zones and languages

04-Sep-2017 **Barrhead Travel** – The Glasgow based firm has announced it is creating 105 new jobs over the next few months. This is in addition to the 149 new recruits already started in 2017. The posts will include 80 staff jobs and 25 modern apprentices – taking trainee intake to 85 in 2017.

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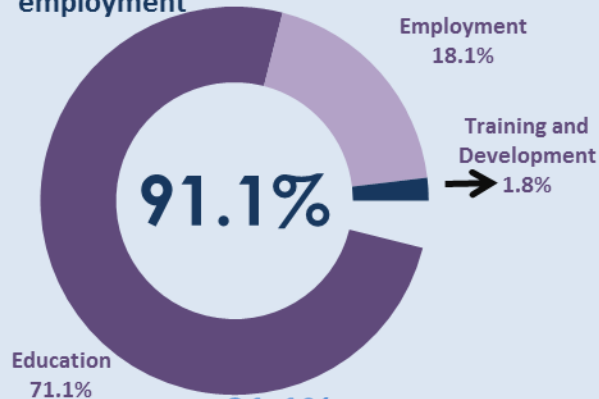




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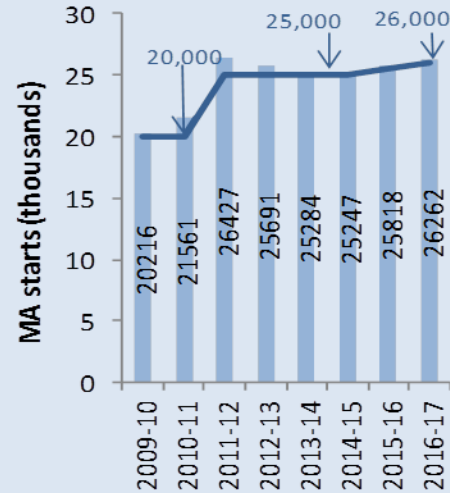
Proportion of 16-19 year olds participating in education, training or employment



**91.1%** of young people are participating in education, training or employment

Source: Participation Measure, Skills Development Aug 17

Target for MA starts surpassed in each of the last 8 years



Source: Modern Apprenticeship Statistics, Skills Development Scotland, June 2017

37,086 MAs were in training (31<sup>st</sup> March 2017). For 2016/17:

78% of MA Leavers achieved their MA

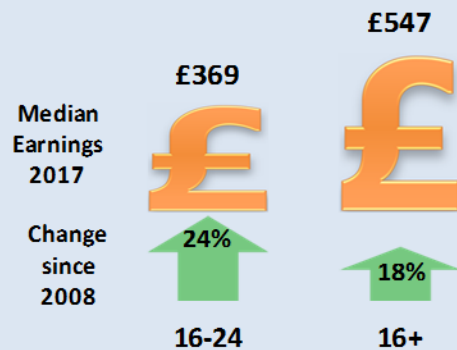
76% of MA starts were 16-24 years

91% of MA completers were in work 6 months later\*

67% of completers were employed with the same employer\*

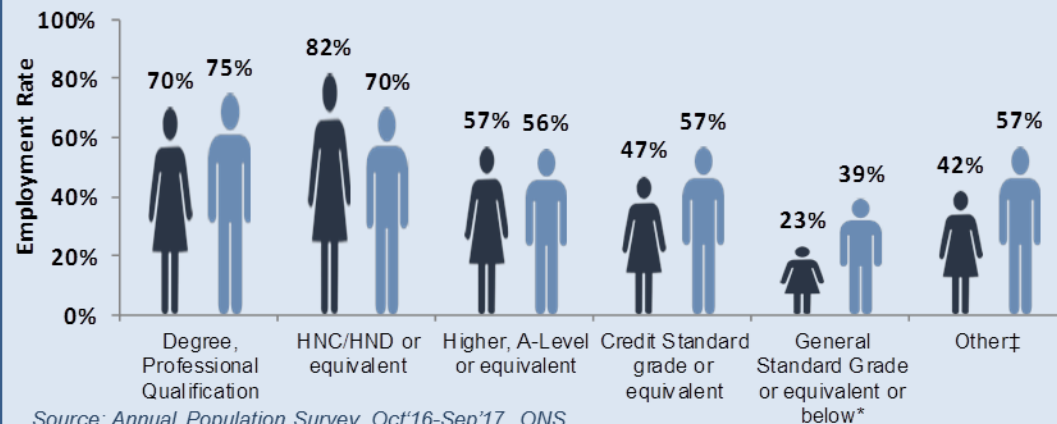
Source: Modern Apprenticeship Statistics, June 2017  
\*Modern Apprenticeship Intermediate Outcomes, Skills Development Scotland, 2016

Young people in Scotland earn about 33% less than the median for the 16+ population



Source: Annual Survey of Hours and Earnings 2008 & 2017, ONS, Gross median weekly earnings for Full-Time employees

Young people in Scotland with further or higher education qualifications have higher employment rates than those with lower qualifications



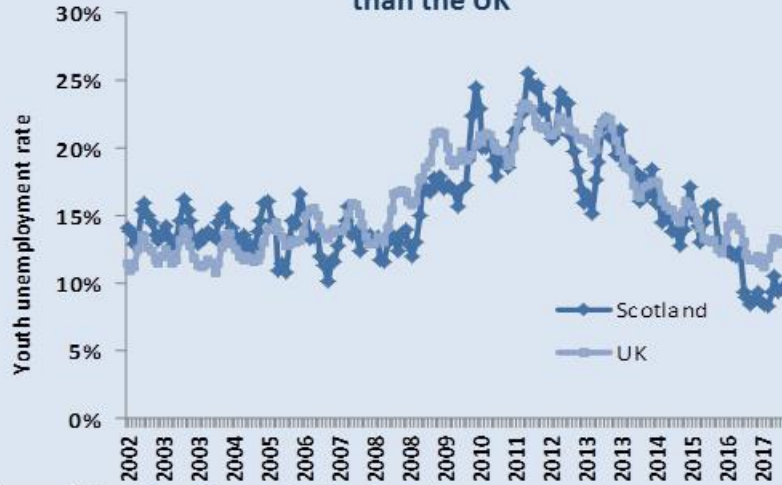
Source: Annual Population Survey, Oct'16-Sep'17, ONS

\* - Includes those with no qualifications \*\* - Other qualifications suppressed because of unreliable data.

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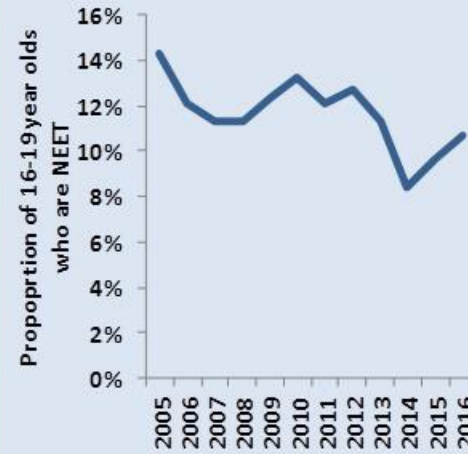
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At 9.7% in Sep-Nov 2017, the youth unemployment rate is lower than the UK



Source: Labour Force Survey, Sep-Nov in each year

9,000 less young people are not in education or training is compared with 2010 levels

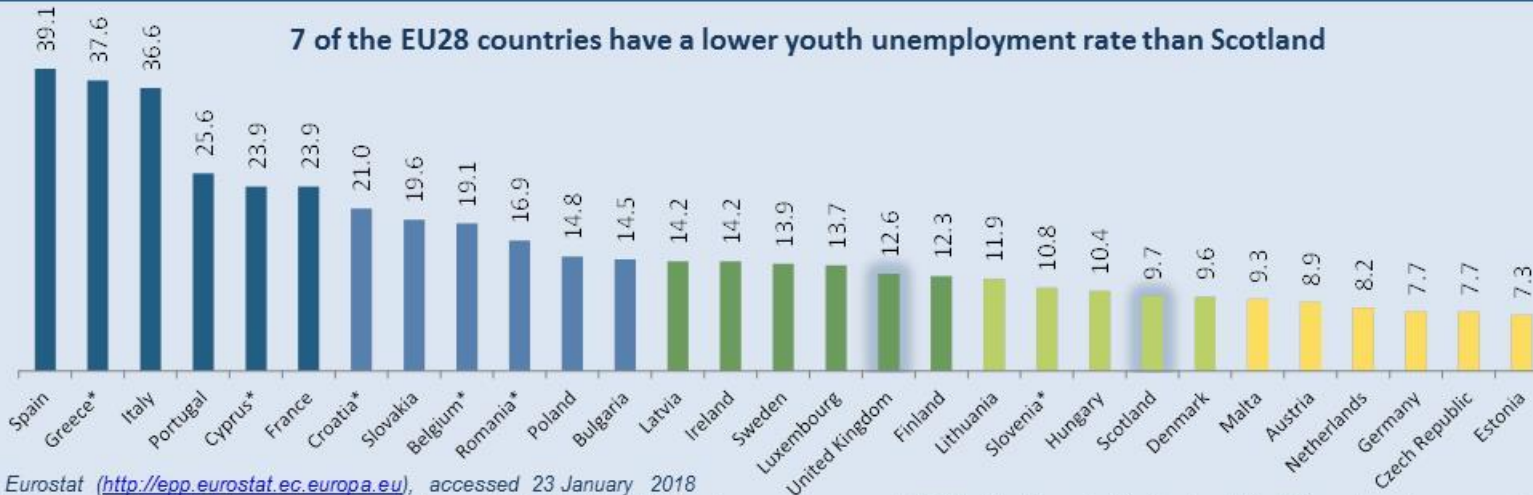


**26,000** 16-19 year olds were NEET in 2016, up 2,000 over the year.

**10.7%** of 16-19 year olds were NEET in 2016, up 1.1 percentage points over the year

Source: Annual Population Survey, Jan-Dec 2016, ONS

7 of the EU28 countries have a lower youth unemployment rate than Scotland



Source: Eurostat (<http://epp.eurostat.ec.europa.eu>), accessed 23 January 2018

Estimates for Scotland and UK from Labour Force Survey (LFS), Sep-Nov 2017 and covers those aged 16-24. Rankings for Scotland and the UK are based on unrounded data.

\* Indicates data rolled over from most recent data available

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Subject	Source	Update Frequency	Next update	Notes
Breakdown of 16-24 population in Scotland	Annual Population Survey, ONS	Quarterly	22 <sup>nd</sup> March 2018	Full-time education is defined as at school (full-time), sandwich course or full-time at university or college.
Headline Labour Market Indicators for 16-24 year olds	Labour Force Survey, ONS, not seasonally adjusted	Monthly	21 <sup>st</sup> February 2018	Includes those in full-time education.
Headline Labour Market Indicators for 16-24 year olds not in full-time education	Annual Population Survey, ONS	Quarterly	22 <sup>nd</sup> March 2018	
Participation Measure	Skills Development Scotland	Annual	August 2018	
Numbers of Modern Apprentices	Modern Apprenticeship Statistics, Skills Development Scotland	Annual	June 2018	
Modern Apprenticeship Outcomes	Modern Apprenticeship Outcomes, Skills Development Scotland	Ad hoc	TBC	Survey last conducted in 2016.
Employment rate by qualification level	Annual Population Survey	Quarterly	22 <sup>nd</sup> March 2018	Other qualifications category consists mainly of overseas qualifications and any other work/profession related qualification.
Earnings data	Annual Survey of Hours and Earnings 2008 and 2017, ONS	Annual	October 2018	2017 results are provisional. 2008 results on a Standard Occupational Classification (SOC) 2000 basis. 2017 results on a SOC 2010 basis. Since the SOC forms part of the methodology by which ASHE data are weighted to produce estimates, care should be taken when making comparisons between 2008 and 2017.
Youth Unemployment Scotland and UK time series	Labour Force Survey	Monthly	21 <sup>st</sup> February 2018	
Headline NEET level and rate	Annual Population Survey	Annual	May 2018	NEET refers to those aged 16-19 not in education, employment or training.
EU comparison of Youth Unemployment rates	Eurostat and Labour Force Survey	Monthly	21 <sup>st</sup> February 2018	