The Youth Contract may be too late for some. Policy makers, educationalists and youth agencies need to focus maintaining positive educational attitudes and aspirations amongst children and influencing their parents to do the same.

Policy implications – what the research says

The fact that macroeconomic shocks have differential impacts on educational attitudes and aspirations, depending on their parents’ education, suggests that without suitable intervention, the motivation, behaviour and educational attainment of children with low-educated parents will fall behind those of children with highly-educated parents.

This suggests that for a cohort of young people who go through secondary school during an economic recession, the educational attainment and life-chances of those with low-educated parents will fall behind those of their peers with high-educated parents.

To prevent this, policy makers, educationalists and youth agencies need to focus not just on tackling youth unemployment. For some, the Youth Contract may be too late and it is clear that what matters is inattention to maintaining positive educational attitudes and aspirations amongst children and influencing their parents. In particular, schools in communities with poorly qualified parents are well placed to use the Pupil Premium to tackle the aspiration gap.

Further policy implications will be considered on completion of the project.

Future research

The impact of local labour market conditions on school-leaving decisions

Using data from the British Household Panel Survey and Labour Force Survey to examine the relationship between the demand for post-compulsory education and prevailing labour market conditions in Britain.

The labour market impacts of leaving education when unemployment is high:

Evidence from Britain

Using data from the BHPS, Understanding Society and the Labour Force Survey to examine the extent to which the macro-economic climate on first leaving full-time education affects employment outcomes and job characteristics, both in the short and medium term.

Further information

The research was undertaken by Professor Mark Taylor and Tina Rampino at the Institute for Social and Economic Research.

Project information

Understanding the impact of recession on labour market behaviour in Britain

www.iser.essex.ac.uk/projects/recession funded by the Economic and Social Research Council

Research paper

Educational aspirations and attitudes over the business cycle

www.iser.essex.ac.uk/publications/working-papers/iser/2012-26

If you would like a more detailed briefing on this research or to discuss how you can make use of Understanding Society in your research please email info@understandingsociety.ac.uk.
As the UK economy emerges from the first recession of the 21st century, the evidence is stacking up to show that young people have not just been badly affected, they have been disproportionately affected.

With more than a million 16-24-year-olds out of work in any one month, and a further 1.2 million in education but not working, and a further 1.2 million in education but not working, the recession means that one quarter of them for more than a year, it is a problem that policy makers and society cannot afford to ignore.

The research aims to paint a picture about the effects of the recession on young people using hard evidence. With the facts, we hope to inform the decisions of those who are in a position to tackle the problem.

In an ESRC-funded project, Understanding the impact of recession on labour market behaviour in Britain, researchers are looking at the challenges young people face in the job market and also how this affects the attitudes, ambitions and attainment levels of children still at school. Their decision to remain in education post-16, their early experiences in the job market and what this means for their future employment prospects.

Key findings

Early research from the project indicates that social mobility may have stalled for thousands of teenagers because the recession is affecting their educational attitudes and aspirations. It reveals that:

• among 11-15-year-olds with less educated parents, increased unemployment rates reduce educational aspirations – both in terms of wanting to remain in post-compulsory education and to go to university. There is no impact among children with well educated parents.

• there is as much as a 25 percentage point reduction in the probability of wanting to go to university among children with less educated parents relative to children with high educated parents.

Policy context

The number of unemployed 16-24-year-olds increased by almost 10 percentage points for 16-19-year-olds, with 7% of this age group unemployed during that time.

The cost of youth unemployment is difficult to gauge – one report estimates it to be £28 billion. To combat youth unemployment, the Government introduced the £1 billion Youth Contract initiative aimed at tackling youth unemployment. Introduced in 2012 and extended in 2013, it is a collection of measures which include:

• wage subsidies for 18-24 year-olds

The cost of youth unemployment is disproportionate. Youth unemployment rates are twice as high as those among older 25-49 year-olds, with 7% of this age group unemployed during that time.

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