

**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 attention to maintaining positive educational attitudes and aspirations amongst children and influencing

their parents. In particular, schools in neighbourhoods with poorly qualified communities 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.

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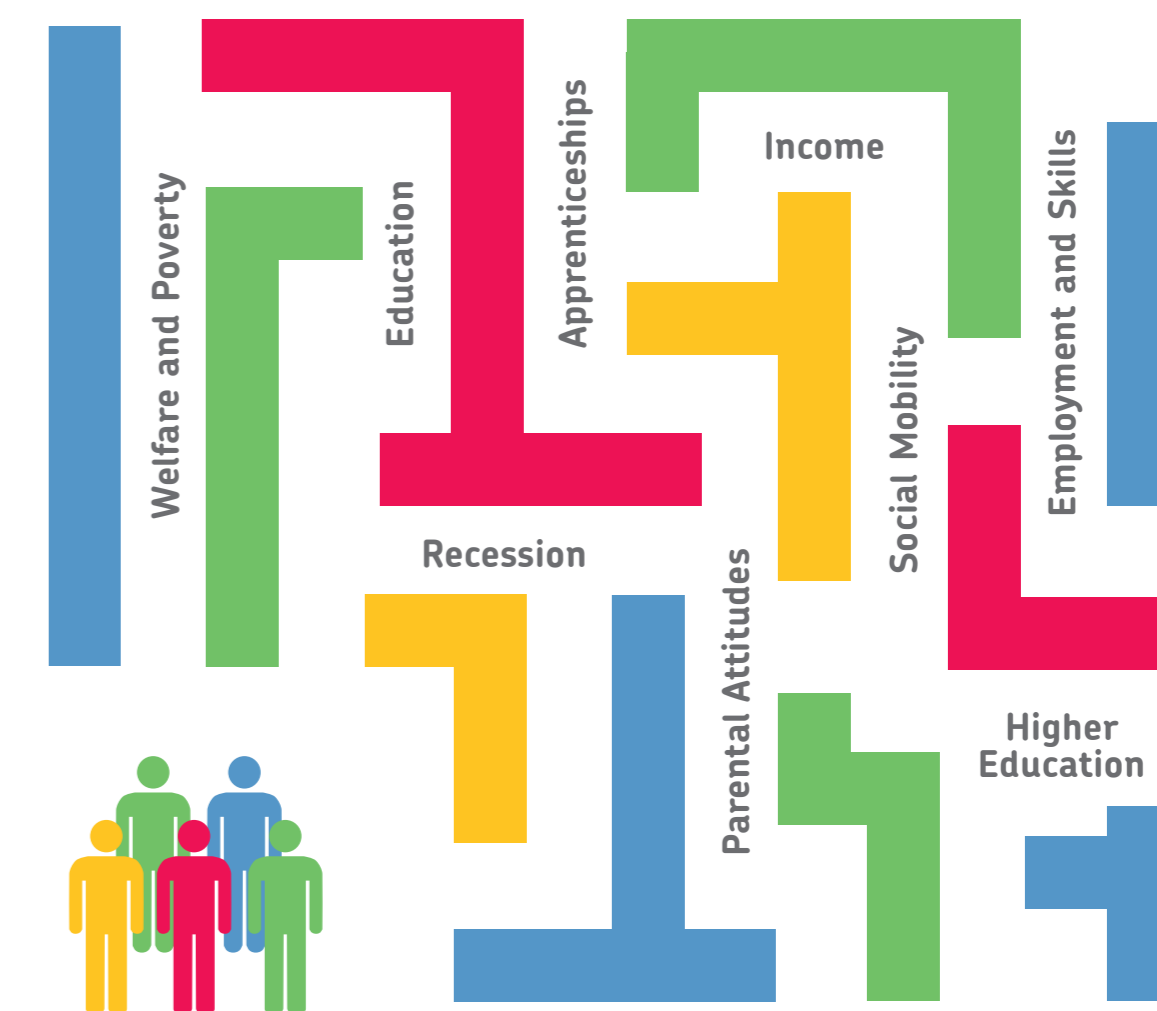


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## Recession: the impact on young people and social mobility

Pioneering research – a case study



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 neither in work nor in full-time education, a quarter of them for more than a year, it is a problem that policy makers and society cannot afford to ignore.

This 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:

- during periods of high unemployment, teenagers' plans to remain at school after GCSEs are shaped by their parents' education – not their income or whether they have a job
- the attitudes to schooling and to the importance of GCSE examinations among children with highly educated parents are more positively affected by macroeconomic shocks than those among children with less educated parents

- 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 low 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 to 20% between 2008-2010. That compares with a rise of less than three percentage points for 25-49 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
- more apprenticeship places
- an intensive support scheme for 16-17 year-olds based on 'payment by results'
- more contact time with Jobcentre advisors.

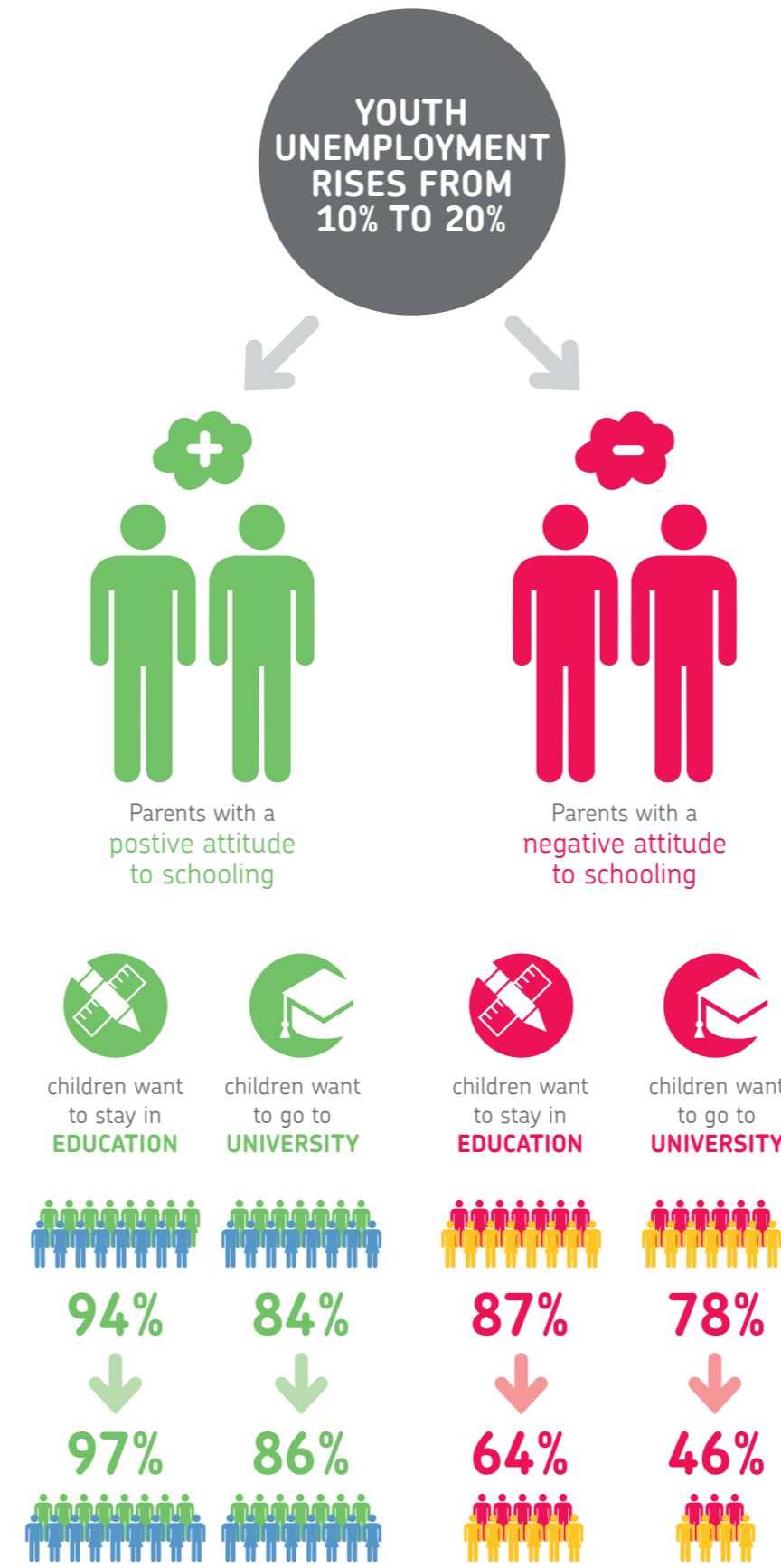
While broadly welcomed as a sensible collection of measures, some commentators say they fail to address the wider and longer-term crisis facing a beleaguered age group that some are referring to as the 'lost generation'. Current initiatives, they say, are simply not big enough to address the scale and immediacy of the challenge and 'waiting it out' is not an option.

#### Effects of youth unemployment on educational attitudes

When youth unemployment rises from 10% to 20%, the proportion of children whose parents have a positive attitude to schooling who wish to stay in education increases from 94% to 97%. The proportion of children who want to go to university increases from 84% to 86%.

For children with parents who have negative attitudes, it falls dramatically from 87% to 64% and from 78% to 46%, a reduction of 23 and 32 percentage points respectively.

**Recession may have disrupted a whole generation's social mobility, leading some to refer to this group as the 'lost generation'**



#### The research project

Professor Mark Taylor and Tina Rampino, based at the Institute for Social and Economic Research at the University of Essex, are working to provide a detailed and comprehensive analysis of how the prevailing economic climate affects what young people do. The work, part of a wider ranging research project looking at the effects of a recession on different groups, will help policy makers better understand how the recession has affected how well children do at school, whether or not they decide to stay in education after 16, their first experiences in the job market and their longer-term prospects.

Using information from the British Household Panel Survey (BHPS) and Understanding Society, the researchers are investigating:

1. effects of the business cycle on the educational attitudes and ambitions of 11-15 year olds between 1994 and 2010
2. links between attitudes and ambition versus young people's educational attainment and school leaving decisions
3. effects of parental background and whether it perpetuates existing inequalities in educational attainment across social groups
4. the impact of recession on young people's first experiences of the job market, including the quality of the job in terms of permanency, employment sector and wage
5. longer term impacts of leaving full-time education during a recession – the effect of leaving full-time education on wages, job stability, occupational attainment and the experience of unemployment and economic inactivity in the first 10 years of working life.

#### Why Understanding Society and BHPS?

Using the BHPS, incorporated since 2010 into the larger and more wide-ranging Understanding Society study, gives the researchers access to information collected across a 16-year period from people with a wide range of social backgrounds. Their analysis to date has included 4,500 11-15 year-olds across that period.

Every year for BHPS and Understanding Society, 10/11-15 year-olds in households complete a questionnaire asking them questions such as:

- Q. How much does it mean to you to do well at school?  
A. Very little, a bit, quite a lot, a great deal?
- Q. How important do you think it is for you to get your GCSE exams? (Standard Grades in Scotland).  
A. Not at all important, not very important, important, very important?
- Q. Do you want to leave school when you are 16, or do you plan to go on to sixth form or college?
- Q. Would you like to go on to do further full-time education at a college or University after you finish school?

Collecting this information from the same people annually, the studies enable researchers to identify how children's attitudes and aspirations change in response to the economic climate. The longer-term implications of leaving education in a recession on a young person's productivity will also emerge through future waves.

**Understanding Society and BHPS enable researchers to identify how children's attitudes and aspirations change in response to the economic climate.**