

Nuffield Review of 14-19 Education and Training, England and Wales

THE NUFFIELD REVIEW OF
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EYE Briefing Paper 3 *RATES OF POST-16 NON-PARTICIPATION IN ENGLAND*

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Introduction

The category Not in Education, Employment or Training (NEET) was formally created by the Social Exclusion Unit in 1999¹. This group of young people had been a growing policy concern since the late 1970s and early 1980s, largely as a result of the collapse of the youth labour market, increasing rates of youth unemployment and crime, and disturbances in Inner City areas such as the Toxteth riots. The term 'NEET' was closely associated with ideas about the emergence of an underclass in societies undergoing long-term economic and social change, and it focussed the policy gaze in the British context on 16-18 year olds². A plethora of policy initiatives, from early youth training programmes to financial incentives to remain in education and training (such as the Education Maintenance Allowance), have been deployed to encourage young people to stay in education post-16. Challenging Public Sector

¹ Social Exclusion Unit (1999) *Bridging the Gap: New opportunities for 16-18 year-olds not in education, employment or training*. [online] At: http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/social_exclusion_task_force/publications_1997_to_2006/bridging_gap%20pdf.ashx

² In other countries the age range is not so tightly drawn. For example, in Japan the term NEET is applied to people in the age range of 15 -35. Lunsing, W. (2007) The Creation of the Social Category of NEET (Not in Education, Employment or Training): Do NEET Need This? *Social Science Japan Journal* 10 (1) pp. 105-110.

Agreement (PSA) targets have been set to reduce the proportion of young people who are placed in the 'NEET' category. A further response to this issue has been the legislation to require young people to remain in some form of education and training (up to the age of 17 by 2013 and then 18 by 2015).³

In order to understand the reasons why young people fall into the 'NEET' category the following are essential:

- robust estimates of the size of this segment of the 16-18 population,
- an appreciation of the lives of the young people who fall into this category, and
- an understanding of the reasons why they disengage from education and training.

This briefing paper examines how estimates of the number of young people who are 'NEET' are derived and what they reveal about the historical and geographical trends in the proportion of 16-18 year olds classified as 'NEET'. In addition, the paper draws on evidence from the Connexions service to look beneath the headline 'NEET' statistics to explore the heterogeneity of the young people who are classified as 'NEET' and generate some understanding of the reasons why they enter the 'NEET' population.

Defining the policy target

The Department of Children, Schools and Families Public Service Agreement (PSA) target is to reduce the proportion of 16-18 year-olds who are not in education, employment or training by 2% by 2010 (from a baseline of 9.6% at the end of 2004⁴). The progress towards this target is measured using the data in the Statistical First Release on participation by 16-18 year-olds in Education, Training and Employment,

³ DfES (Department for Education and Skills) (2007a) *Raising Expectations: Staying in education and training post-16*. [online]. At: <http://www.dfes.gov.uk/consultations/downloadableDocs/6965-DfES-Raising%20Expectations%20Green%20Paper.pdf>, accessed September 2008.

⁴ Previously the target baseline was 10% but a reporting change in 2007 now means NEET figures are reported to one decimal place, 9.6%. The 2010 target is therefore 7.6%. (NEET statistics – Quarterly Brief, August 2008. Available online at <http://www.dfes.gov.uk/rsgateway/DB/STA/t000751/index.shtml>, accessed September 2008.

published annually in June. In the most recent data⁵, the proportion of 16-18 year-olds not in education, employment or training had decreased from 10.4% at the end of 2006 to a provisional figure of 9.4% at the end of 2007. This corresponds to a total number of 189,000 16-18 year-olds who were classified as 'NEET' at the end of 2007.

However, other sources provide different figures. For example, the Connexions Service's Client Caseload Information System (CCIS) typically provides lower estimates than the official government statistics, although the trends over time are similar.

How are these figures calculated, how reliable are they and why do they vary?

How are the statistics on 'NEET' calculated?

Figures for the number of young people who are classified as 'NEET' are calculated in different ways by the bodies involved, leading to discernible differences in the statistics provided.⁶

The Statistical First Release (SFR) data, published annually by the DCSF, calculate the 'NEET' estimates in the following way:

To produce NEET estimates we firstly calculate the number of young people that are not in education or training (NET), by subtracting the number of young people known to be in education and training from the total population. We then use the LFS to estimate what proportion of that residual NET group is NEET.⁷

⁵ The most recent figures were published by the DCSF on 19 June 2008: SFR 13/2008 *Participation in Education, Training and Employment by 16-18 year olds in England* [online]. At: http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000792/SFR_132008.pdf, accessed September 2008.

⁶ The BBC News website's Education Editor, Gary Eason, identifies several problems with the construction of 'NEET' statistics. He finds it problematic that what is being counted is, in fact, a negative. Furthermore, he highlights the fact that around 5% of young people are unaccounted for, on account of shortcomings in the system that tracks them. See article '*Neets are an unknown quantity*', [online]. At: <http://news.bbc.co.uk/1/hi/education/7079780.stm>, accessed January 2008.

⁷ *Ibid.*, Para 19.

Unpicking this statement reveals a complex chain of calculations, assumptions and definitions that arrive at the ‘NEET’ figures reported in the annual June SFR.

Population Estimates

Firstly, an estimate of the size of the 16-19 populations (or the number of 16, 17 and 18 year olds if figures for particular year groups are being calculated) is required. The SFR states that

The population estimates for academic year ages in January of each year are derived by DCSF from mid-year estimates and projections provided by the Office for National Statistics and the Government Actuary’s Department (GAD).⁸

These estimates work from the most recent census, in this case 29 April 2001. Assumptions are then made about mortality and migration rates to derive the estimates. These are revised as more information becomes available, on occasion leading to changes in the values reported in SFRs. Reported figures for participation, NET and ‘NEET’ rates in the most recent SFR, published in June 2008, are therefore provisional for 2007⁹. They may be revised when the next SFR on Participation in Education, Training and Employment is published in 2009. To give some idea about the magnitude of such changes, the provisional figure for the percentage of 16-18 year olds who were classified as ‘NEET’ in the June 2007 SFR was 10.3%, and this figure was revised up to 10.4% in the June 2008 SFR.

Also, the estimates of the population are made on the basis of academic age – the age of a learner measured at the beginning of an academic year, 31 August. So if a young person turns 17 on 1 September their academic age would still be 16. Finally, note from the above definition that the population estimate is made in January, effectively fixing the population size for the rest of the year, even though the population size will

⁸ Ibid

⁹ The data in the most recent SFR are provisional because ‘early cuts of FE and HE participation data were used’. DCSF, personal communication. These data are then up-dated and revised.

be affected by immigration, emigration and mortality rates in that year.¹⁰ The effect is to change a dynamic situation, which is in a constant but low state of flux over time, into a fixed estimate intended to represent the population for a whole year. The population estimate is a mid year estimate which is adjusted such that it represents an estimate for a particular moment in time – a snapshot in January. The ‘NEET’ estimate in the SFR is also a snapshot measure. It does not aim to represent the situation for a whole year, but rather just a snapshot at the end of the year.

Calculating the NET figure

The next challenge is to calculate the NET figure. It is calculated by subtracting the number in Education and Training from the population in an age group. First, the total number of students in full- and part-time education and in college-based training (all figures that can be derived from administrative data sets such as the Annual School Census, the Individual Learner Record maintained by the LSC for colleges and Work Based Learning, and data from the Higher Education Statistical Agency) is calculated.

Calculating the number of young people in Education and Training is a challenging task. Firstly, they are spread over a number of different types of education and training providers: schools, various types of colleges, work-based training providers, employers, independent Further Education providers, the voluntary sector bodies and so on. The Schools’ Census provides data on school pupils in January of each year. These figures are always provisional in the year being reported on, so those for 2007 reported in the June 2008 SFR are provisional and will be revised in 2009. For those in FE colleges or undertaking work—based learning, the LSC’s Individual Learner Record is used.

The remainder from this calculation is then sub-divided across three groups for whom there is no administrative data: non-college based employer funded training (EFT), non-college based other education and training (OET), and not in education or training (NET). This three-way split is made using a five-year weighted average of the proportions in each of these categories, derived from the Labour Force Survey

¹⁰ Occasionally there are revisions to population estimates due to changes in the methodology used by the ONS to calculate them. This was the case for the latest June 2008 publication and population estimates from end 2001 to end 2006 were revised.

(LFS). The School Census data ILR and HESA data are all censuses which should, in theory, count all 16-19 year olds in full and part-time education and training in schools, colleges, higher education institutions or in Work-Based Learning programmes such as Apprenticeships. The LFS is a survey (see below for details).

It is the number Not in Education and Training (NET) that is of interest here. Note that this figure is not derived by counting those who are NET, but by estimating the size of this sub-population who are NET. This means that NET is a residual statistical category, those who are left over once all who are in education and training have been counted. The NET group consists in turn of two sub-populations: those who are in employment but are not in training funded by the government or employers (so called jobs without training¹¹) and the 'NEET' group.

Calculating the 'NEET' Figure

For the SFR the 'NEET' figure is calculated using the Labour Force Survey¹². This is a long-established reliable quarterly survey of approximately 60,000 households in England. It surveys persons aged 16 and over resident in private households and NHS accommodation, and young people living away from the parental home during term time in student halls of residence, or similar institution. However, it does not cover care homes, bail hostels, young offender institutions or other secure accommodation where young people who are 'NEET' or at risk of being 'NEET' may be living.

The LFS is used to estimate the proportion of the residual NET group that is 'NEET'; it does not count them directly¹³. The actual 'NEET' figure is calculated by multiplying up the estimate from the LFS in such a way that it is representative of all households in England. For the purposes of calculating the 'NEET' figures, the key

¹¹ Recent research indicates that in fact many young people in jobs without training are receiving training but it does not lead to accredited government approved qualifications. See Maguire, S; Huddleston, P.; Thompson, J. and Hirst, C. (2008) *Young People in Jobs Without Training* (ESRC report, June 2008) [online]. At: http://www2.warwick.ac.uk/fac/soc/cei/pdf_esrc_report.pdf, accessed September 2008. These young people would be included in the Employer Funded Training estimates in the SFR as these estimates look at those who have received training in the last 4 weeks. However, from a policy perspective such training may be undervalued as it may not lead to the attainment of qualifications.

¹² In addition to supplying information about those who are NEET, the LFS also supplies the non-college based data for Employer Funded training and for Other Education and Training (OET).

¹³ Further, the LFS is a sample survey so all estimates of labour market participation are subject to sampling error.

questions are about whether an individual undertook any paid or unpaid work in the previous week¹⁴. Individuals are also asked a series of questions about looking for work. On the basis of the answers to these questions a series of what are termed derived variables are produced which classify an individual into particular categories. The most important of these variables for calculating the ‘NEET’ figures is:

ILODEFR - Basic economic activity (ILO definition) (reported)

- (1) In employment
- (2) ILO unemployed
- (3) Inactive
- (4) Under 16

This variable classifies an individual as being employed, ILO (International Labour Organisation) unemployed or inactive. These terms are explained in the SFR as follows:

- **In employment:** an employee, self-employed, on a work-based learning programme (such as apprenticeship) or an unpaid family worker. This includes young people in full-time education who also have part-time jobs.
- **ILO unemployed:** anyone (including full-time learners) who is out of work and available to start work in the next two weeks, but has either looked for work in the last four weeks or is waiting to start a job they have already obtained.
- **Economically inactive:** neither in employment nor ILO unemployed i.e. not active in the labour market.

So, the ‘NEET’ group consists of young people of academic age 16-18 who are not in any form of education and training and who are **either** unemployed or who are economically inactive. The June 2008 SFR on Participation in Education and Training states that among 16-18 year olds classified as ‘NEET’ in 2007, 55% were ILO unemployed and 45% were economically inactive.

¹⁴ In the actual questionnaire a long series of questions are asked which enables identification of different modes of employment and involvement in different forms of government funded training.

Explaining the discrepancies between ‘NEET’ estimates

Earlier it was pointed out that estimates of the size of the ‘NEET’ population vary between data sets derived using different means for collecting data. The CCIS data typically indicates a lower value for the size of the ‘NEET’ population than the figures contained in the SFR, while figures derived from other types of survey often give higher values. One reason for this is that they work with different definitions of who is to be counted as ‘NEET’, but the major difference between the CCIS and SFR measures is in the age group covered. The CCIS figures are based on actual age, while the DCSF figures are based on academic age at the start of the academic year (31 August). These differences lead to some divergence in the statistics provided.

First, the figures reported in the SFR potentially include some young people taking a gap year, since they are not involved in Education and Training and may not be available for employment. Obviously, those taking a gap year who are working at the time their household is surveyed as part of the LFS sample would not be classified as ‘NEET’. But these young people are not of policy concern. However, those taking a gap year are not counted as ‘NEET’ in the CCIS data managed by the Connexions Service, which is one reason why estimates of the size of the ‘NEET’ population using these data are smaller than those in the SFR.

Second, the figures reported in the June SFR, which is used to monitor progress towards the PSA targets, are for the end of the previous calendar year, i.e. for end 2007 for the June 2008 SFR on Participation in Education and Training. The 2007 annual value for the proportion and number of 16-18 year olds reported in this SFR are estimated using the Quarter 1¹⁵ 2008 (January to March 2008) LFS, i.e. the three months after the end of the calendar year which is being reported. If, when a household was surveyed, during this quarter a young person had undertaken just one day of paid work in the reference week they would not be classified as being ‘NEET’ at the end of 2007, even though they may have been unemployed for much of 2007. Of course, this is the nature of a snapshot measure – it aims to estimate the number of young people who are classified as ‘NEET’ at a particular moment in time. This works both ways, since a young person may have been employed for much of 2007

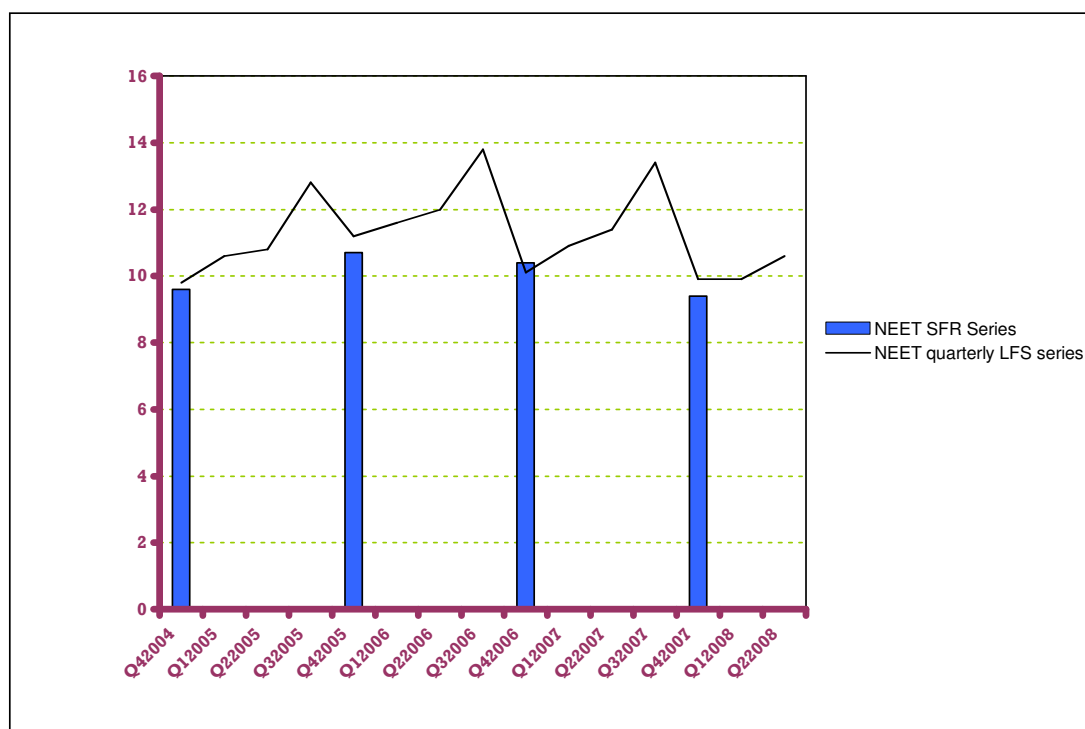
¹⁵ Quarter 1 is used as a proxy to an end of year estimate because it is the only LFS quarter when all of the fields required for the calculation of the NEET figure are collected.

but if they had not undertaken a day of paid work in the reference week they would be classified as 'NEET'.

A common experience for many of the young people interviewed as part of the Engaging Youth Enquiry was that they had worked for a brief period on a casual job, then were laid off and did not work for months. Alternatively they may attend a short education and training programme and again not be classified as 'NEET', even though they do not progress to other education and training opportunities or employment at the end of their course. When such young people are asked in surveys, such as the ones reported by the Daily Telegraph and the BBC (see above) what they were doing for most of their time in a certain period many of them will report doing 'nothing'. They are then classified as being 'NEET', but using a different definition to the one being used to derive the figures in the SFR. This explains why estimates of the size of the 'NEET' population derived from these alternative surveys are higher than those given in the SFR.

This should not be seen as a 'fix' by government-employed statisticians to produce a politically more favourable value for the 'NEET' population. They are charged with producing a single snapshot figure to capture the size of a group of young people at a single point in time that continually changes over the course of a year. This variation within a single calendar year can be seen using the estimates of 'NEET' derived from the quarterly Labour Force Surveys, as shown in Figure 1. Furthermore, while higher figures for the proportion and number of 16-18 year olds who are 'NEET' would result from using the quarter 4 LFS data, this would not affect the attainment of the PSA target which is expressed as a 2% reduction in the size of the 16-18 year old 'NEET' population. Nonetheless, it is important when interpreting the rest of the data presented in this paper to recognise that the figures being used are not as transparent as they might seem. The values need to be interpreted, and the nuances of the story they tell need to be appreciated.

Figure 1 Percentage ‘NEET’ age 16-18, Quarterly LFS and annual SFR series



Data source: NEET Statistics – Quarterly Brief (2008)¹⁶

The ‘NEET’ SFR series, as Figure 1 indicates, shows a welcome downward trend. The within-year variation shows rises in the summer and autumn, and a fall in the winter. This reflects both the academic year (young people leaving school and colleges) and then their subsequent entry into employment and/or new education and training programmes.

Connexions data

The Connexions CCIS data include details about ‘NEET’ figures broken down into local regions. However, as it is a national specification, rather than a national system, there can be slight variations in how the data are collected. The specification sets out various rules about how data are collected and reported to DCSF so that the data are collected and reported in the same way in different regions. However, beyond that, local areas can develop their systems in a way which meets local needs and business requirements. This means that there are slightly different practices in different places.

¹⁶ At: <http://www.dcsf.gov.uk/rsgateway/DB/STA/t000751/index.shtml> Accessed August 2008

The data from the Connexions services also show a similar annual cycle in the proportion of young people who are classified as 'NEET'. It is important to remember that the 'NEET' category has strict age bounds. Thus, while the use of percentage values is helpful for monitoring purposes, it gives a distorted picture because the denominator changes, becoming larger when Y11 leavers join the 16-18 cohort, and smaller as 18 year olds turn 19.

John Evans, the Head of Connexions in Sheffield, explains these annual variations as follows:

- The largest number of young people who are classified as 'NEET' occurs at the beginning of September when year 11 leavers swell the numbers
- The proportion of young people who are classified as 'NEET' falls sharply during September and October as young people return to school or take up college places. Connexions services aim to establish all young people's activity by the end of November. The proportion of young people recorded as NEET is at its lowest in November/December.
- A rise in January/February when seasonal jobs end and some young people do not return to learning after the Christmas break
- The numbers remain relatively static May-June, and then decline a little until a rise in July and August when young people leave post-16 provision.

Counting the number of young people who are deemed to be 'NEET' also requires a careful definition of the boundaries of the category. The definition of a young person described as 'NEET', someone whose activity is 'not known' to the Connexions service, and what constitutes an offer of education and training for the purposes of the September Guarantee are laid down in national guidelines, summarised as follows¹⁷:

- A young person who is classified as 'NEET' is not engaged in education or training, or in employment. The Department of Children, Schools and Families produces guidance on what should be recorded as education or

¹⁷ Evans, J. (2008) Report to the 14-19+ Advisory Board meeting, April 2008. Unpublished report.

training provision. It excludes personal development programmes, such as the Duke of Edinburgh award, some Prince's Trust programmes, and volunteering.

- A young person whose activity is 'not known' is someone with whom a Connexions Personal Adviser has lost contact. This might be either because they are known to have left their last activity, or because their records are not sufficiently current to be deemed valid. The period of currency varies, depending on the young person's previous activity: those who were last known to be 'NEET' would be recorded as 'not known' if they had not been in contact with Connexions for 3 months, whilst those in education would remain recorded as such for 12 months before their activity was re-established.
- The CCIS system is also used to record data relating to the September Guarantee – the guarantee of a suitable offer of a place in learning by the end of September for young people leaving Year 11 and extended to 17 year olds in 2008. For the purposes of the Guarantee, an offer of education or training has to be appropriate to the young person's needs and involve a proper selection process. There must be evidence that the young person has taken up the place offered to them before they can be recorded as participating in learning.

Figure 1 indicates the dynamic nature of the 'NEET' population. Individuals are continually entering and leaving this population. The relative sizes of the inflows and outflows over the previous three months will determine the size of the 'NEET' population at a particular Labour Force Survey point.

The analysis of how the 'NEET' figures are derived also demonstrates the potential heterogeneity in the group of young people who are classified as 'NEET'. Many of them are labour market active and seeking employment. A minority are labour market inactive – they are not currently looking for work. This leads to the question of what the 'NEET' figures, however derived, actually represent. What else do we know about the young people who make up the 'NEET' group?

What do the 'NEET' figures represent?

This description of the calculation of the 'NEET' statistics used to monitor progress to the PSA target for 2010 shows that they are 'estimates' available annually, which does not allow for tracking the rapid changes within some of these young people's lives as they move in and out of different statuses (in training, in employment, in prison, for example). Also, they cannot be disaggregated at local authority level as the LFS does not provide a large enough sample to do this reliably.

The DCSF also produces a Quarterly Brief¹⁸ on NEET statistics, which includes information from the Labour Force Survey (LFS) and the Client Caseload Information System (CCIS) maintained by Connexions. The Labour Force Survey (LFS) can be used for less robust in-year estimates to be made of the annual SFR measures, the data shown in Figure 1.

The CCIS data allow for measurement at local level, over finer time scales and more detailed segregation of the population¹⁹. However, these various datasets are not directly comparable, as the Connexions²⁰ database, logically enough, refers only to those young people whose status is known to Connexions. This is one reason why the Connexions estimates are lower than those included in the DfES statistics. One key difference in the definition of 'NEET' is that the CCIS data, for example, do not include young people taking a so-called 'gap year' or those who are in custody. Further, the CCIS figures are based on actual age, while the DCSF figures are based on academic age at the start of the academic year (31 August). These differences lead to some divergence in the statistics provided.

¹⁸ The most recent one is the Quarter 2 2008 Brief [online] At: <http://www.dcsf.gov.uk/rsgateway/DB/STA/t000751/index.shtml> (*NEET Statistics Quarterly Brief*, accessed September 2008).

¹⁹ See data included in presentation by Ellen Scott, NEET PSA policy lead, at Capita conference on Not in Education, Employment or Training, Cavendish Conference Centre, 29th October 2007.

²⁰ See <http://www.dfes.gov.uk/14-19/index.cfm?sid=42&pid=343&lid=299&ctype=Text&ptype=Single> for Connexions estimates of the number of young people who are NEET in each local area.

Developments over time

The 'NEET' phenomenon is primarily a product of the last thirty years of economic and social change. This is not to say that there were never young people who could have been classified as 'NEET' but that the problem has grown much larger over recent decades. As Howard Williamson, writing in 1997, put it:

Twenty-five years ago, the problem of young people getting 'lost' in the transition from school to work was not an issue. What was at issue then was the problem of apparently unrealistic aspirations (requiring strategies for 'cooling out') and the 'problem' of recurrent job changes in the early years after leaving school.²¹

Williamson's analysis suggests that 'NEET' (though this term was not used until 1999) emerged as a policy category during the 1980s.

Figure 2 presents data on the proportion of young people classified as 'NEET' in England between 1984 and 2007²². The proportion of young people 'NEET' (the 'NEET' rate) was much higher in the 1980s than it is currently, reflecting the rapid economic downturn that occurred in the 1970s across the UK. This resulted in a sharp decline in the size of the youth labour market, with a greatly reduced capacity to absorb young people with few if any qualifications into low skill jobs. The 'NEET' issue then needs to be seen in relation to a long-term shift in the nature of the British economy, in particular the decline of low-skilled manufacturing jobs and the increase in service sector jobs. These long-term changes in demand patterns for labour have undoubtedly led to structural unemployment²³, with a mismatch between job vacancies and the unemployed. Those who are unemployed either do not have the

²¹ Williamson, H. (1997) Status Zero youth and the 'underclass'. In: MacDonal, R. (ed.) *Youth, the 'Underclass' and Social Exclusion*. London: Routledge, p. 72.

²² The value for 2007 is still provisional and is therefore not included in the series, a principle agreed at the beginning of the Nuffield 14-19 Review for reporting aggregate statistical information.

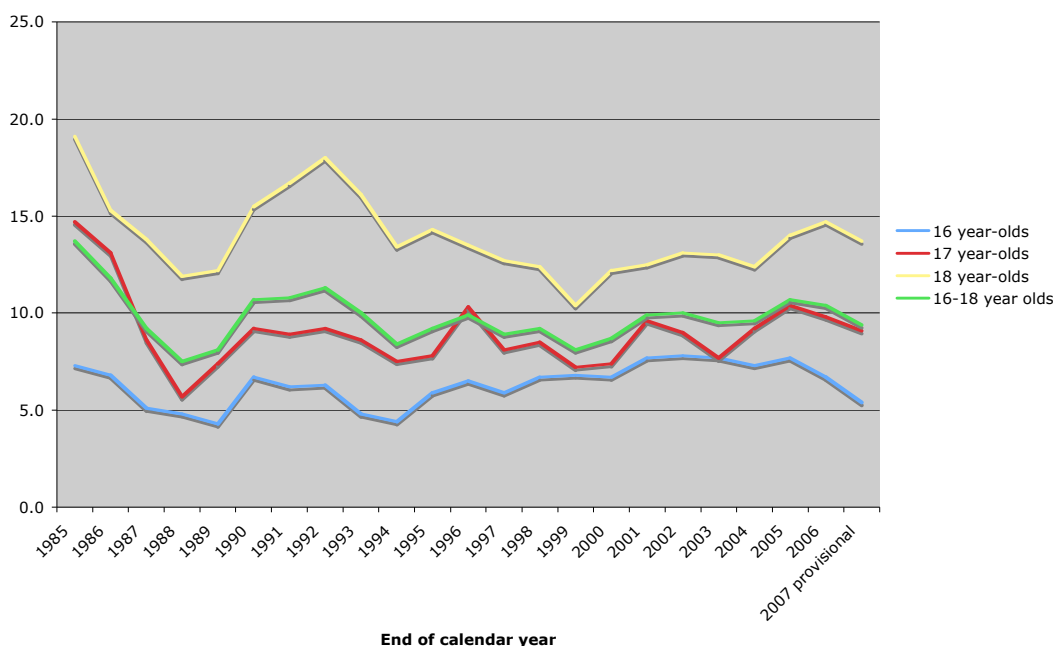
²³ This can be contrasted with frictional unemployment – there will always be some people (perhaps 3-5% of the labour force in a developed economy) who are moving between jobs, some newly redundant workers or workers entering the labour market who are trying to find appropriate jobs. The 'natural rate of unemployment' is that implied by the present structure of the economy and is the aggregate of structural and frictional unemployment, and may be as high as 8-9% of the labour force. Because of the structural component this is difficult to reduce by increasing aggregate demand.

skills needed and/or live in the wrong place to fill job vacancies. In addition, there has been a reduction in the number of job opportunities compared with the situation prior to the oil shocks and recessions of the 1970s and early 1980s. Young people, especially those leaving school with few if any qualifications, are at particular risk in terms of finding employment under such circumstances. They will have low levels of vocational training and lack experience, crucial to gaining access to labour markets where employers are looking for people who are already trained to save training costs.

The introduction of a variety of youth training programmes and a sharp increase in participation in full-time education and training from the middle of the 1980s to about 1994 produced a rapid decline in the 'NEET' rates until the end of the 1980s. Subsequently, the 'NEET' rate has hovered at an average of about 10% for 16-18 year olds. There was a gradual decline in the mid-1990s as the economy recovered and young people found employment. From 1999 onwards, however, the 'NEET' rate of 16-18 year olds started to rise again, even though the economy was doing well nationally during those years. It is only in the last two years that we have, perhaps, begun to see a decline in the 16-18 year old 'NEET' rate.

Figure 2 also shows the 'NEET' rates from 1984 to 2007 disaggregated by age. Trends in the 'NEET' rates for different age groups sometimes follow a similar pattern, but often a reverse alignment. Thus, while 'NEET' rates fell for all age groups from the mid to late 1980s, 'NEET' rates for 18 year-olds, following a spike in the early 1990s, then declined until 1999, while that for 16 year-olds increased. There has been some reduction in the percentage of 16 year-olds classified as 'NEET' in recent years, but this has been accompanied by a steady increase in the percentage of 18 year-olds classified as 'NEET', with a slight fall in the year ending 2007. The 17 year-old 'NEET' rate follows a more erratic profile over this time period. Such trends are very difficult to explain, given the limitations of the data available and their relatively shallow magnitude. These trends are, however, likely to be the outcome of complex processes operating in local labour markets and changing patterns of choice made by young people to stay on in education and training at 16 and 17.

Figure 2: Percentage of young people classified as ‘NEET’ in England, 1985-2007 (provisional)²⁴



The Quarterly Brief, published by the DCSF, explains this situation in the following terms:

Despite participation in education and training amongst 16-18 year olds rising consistently since 2003, causing the proportion of the NET group to fall, the proportion of the cohort who were NEET *rose* in the period 2003-2005, due to a rise in the proportion of the NET group who are NEET. The latest end of year data shows a welcome fall in the NEET rate to 9.4%, although we still need to see a significant reduction in NEET to meet the 2010 target. This fall reflects a decrease in the NEET rates at all ages.²⁵

This explanation highlights the difficulties in interpreting the figures, which requires in-depth assessment of the education and training structures, but also of the youth

²⁴ DfES (2008), data from additional Excel spreadsheet tables at: <http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000792/index.shtml> last accessed September 2008
²⁵ <http://www.dcsf.gov.uk/rsgateway/DB/STA/t000751/NEETQuarterlyBriefQ22008.pdf> published 26 August 2008, accessed September 2008, pp. 2-3.

labour market structures. The ‘shifting’ of young people who are classified as ‘NEET’ to the older cohort of 18 year-olds shows one of the potential limitations of the proposed legislation to raise the age of compulsory participation to 17 (by 2013) and 18 (by 2015), as this may simply shift the processes through which young people enter the ‘NEET’ category to a later stage in a young person’s life, but not actually equip them to deal with them any better.

The persistence of the ‘NEET’ ‘problem’ through the 1990s and early years of the twenty-first century indicates the difficulties of encouraging a significant proportion of young people to stay in education and training, or to help them make the transition to stable and sustained employment. Despite the major changes in the same period in education and training provision in England, and the increase in full-time participation at 16, 17 and 18, including the introduction (and removal, in some cases) of new qualifications and various forms of financial incentives for young people to participate (most recently the Education Maintenance Allowance). We do not know how responsive this particular population has been to these reforms. However, we do know that the current difficulties in the youth labour market have also led to an increase in young people who are NET and unemployed. It could be that the welcome downward trend in ‘NEET’ rates for 16, 17 and now 18 year-olds are the result of the introduction of the EMA and other reforms, but further long-term data are required to assess this. Some of this may come from the current Longitudinal Study of Young People in England (LSYPE), which is currently tracking a large cohort of teenagers through the 16-18 age range. Note, however, that the ‘NEET’ rate for 16-year-olds is still above the level observed in 1992. Looked at in this longer view, remarkably little progress has been made.

So far we have only examined national trends. The picture becomes even more complicated when we begin to examine geographical differences in ‘NEET’ rates, which are addressed in the next section.

Regional variation

Regional variation in ‘NEET’ rates can be explored using the Client Caseload Information System (CCIS) database maintained by the Connexions service in local

areas to record information about the young people they work with. CCIS data provides a monthly picture of the proportion of young people who are classified as 'NEET' in every local authority²⁶. CCIS estimates are always significantly lower than the SFR mentioned above. This is because the data sources use a number of different definitions:

- CCIS records all young people who have completed compulsory education, and who are aged 16, 17 or 18, whilst the SFR relate to the young person's age at the start of the academic year.
- CCIS data do not record young people taking a gap year, or who are in custody, as 'NEET'.
- CCIS data relate only to young people known to the service. This is largely those educated in the maintained sector in England. By contrast, the SFR covers the whole 16-18 year old population.

Thus we need to examine general patterns and trends using these data, just as with the data derived from the SFR and LFS²⁷.

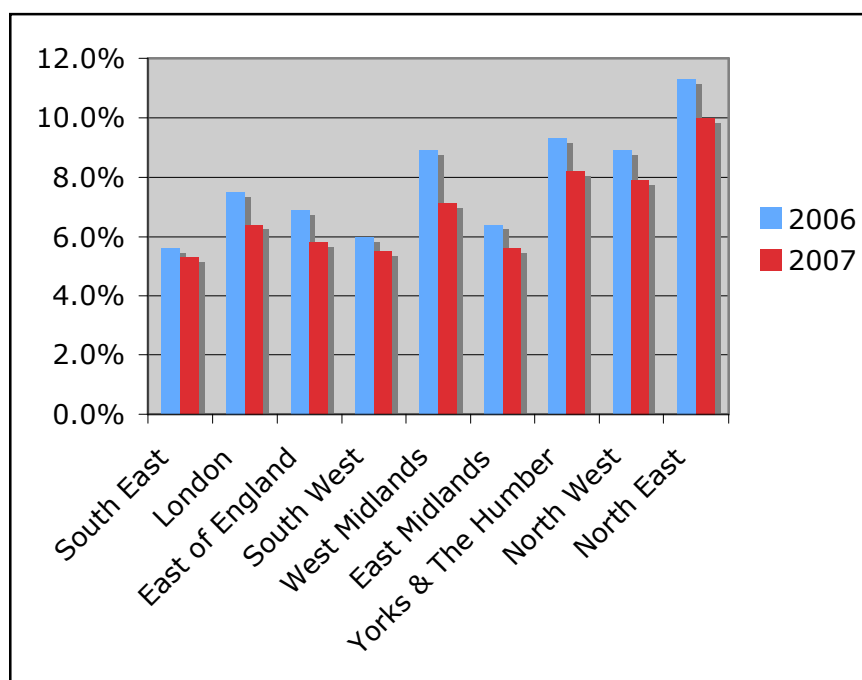
Figure 3 shows the variation in 'NEET' rates between regions. There are two important points to note. Firstly, the considerable variation between regions in the 'NEET' rates; regions associated with former industrialised areas in the north and west Midlands clearly have the highest 'NEET' rates, probably linked to higher levels of structural unemployment resulting from long term economic change. A puzzle is why, given the lack of job opportunities in these areas, young people do not read the 'writing on the wall' and stay in full-time education in order to get the qualifications they need to move to other areas or into new service occupations. Secondly, across all areas there was a decline in the 'NEET' rate between 2006 and 2007. Whether this represents the impact of national strategies to reduce 'NEET' rates, general

²⁶ An annual table of CCIS data by local authority based on the average figures between November and January is available at <http://www.dcsf.gov.uk/14-19/index.cfm?go=site.home&sid=42&pid=343&lid=337&ctype=Text&ptype=Single>. Last accessed September 2008

²⁷ *NEET figures for Connexions Partnership Areas 2006* [online] At: <http://www.dfes.gov.uk/14-19/documents/NEET2006.xls>, accessed January 2008.

macroeconomic growth or a combination of the two is difficult to unpick, but it does look as though it is a nation-wide effect.

Figure 3: 16-18 year old ‘NEET’ rates by region, 2006 & 2007



Source: CCIS data²⁸

There is also significant variation within these regions – the data for Yorkshire and the Humber for 2007 are included in the table below to indicate the potential scale of this variation. In this region, the percentage of ‘NEETs’ ranges from 3.8% in North Yorkshire to 11.3% in Kingston upon Hull, with an even wider variation for the figures of 16-18 year-olds whose current activities are not known, namely between 3.4% in Wakefield and 11% in Leeds. At this level of analysis, the general downward trend observed in Figure 3 is still pronounced in most Connexions partnership areas in Yorkshire and the Humber.

Nationally, the level of local variation in the 16-18 year old ‘NEET’ rate is stark - from 15% in Knowsley on Merseyside and 13.3% in Stoke-on-Trent to 2.6% in Richmond upon Thames. The variation between London boroughs is from Richmond at 2.6% to 11.7% in Hackney. Clearly the probability of being ‘NEET’ is linked with a

²⁸ NEET figures for Connexions Partnership Areas 2006 [online] At: <http://www.dfes.gov.uk/14-19/documents/NEET2006.xls>, accessed January 2008.

variety of other social indicators, including ethnic background and financial situation. Over the whole of England young people are more likely to be classified as ‘NEET’ if they are white, working class and male, but within London, for example, there are large concentrations of ‘NEET’ young people in minority ethnic groups.

Table 1: Yorkshire and the Humber Connexions partnership areas: 16 – 18 year-old NEET figures, 2007²⁹

YORKS & THE HUMBER	16-18 year-olds known to Connexions	16-18 year-olds NEET (estimated numbers)	16-18 year-olds NEET as a percentage	% of 16-18 year-olds whose current activities are not known
	176,176	14,440	8.2%	6.1%
East Riding	8,813	510	5.8%	6.9%
Kingston upon Hull	10,985	1,240	11.3%	8.8%
North East Lincolnshire	7,257	480	6.6%	5.7%
North Lincolnshire	6,326	460	7.3%	6.8%
Barnsley	7,206	580	8.1%	5.3%
Doncaster	10,354	850	8.2%	4.7%
Rotherham	10,457	970	9.2%	5.8%
Sheffield	16,088	1,530	9.5%	4.6%
Bradford	16,099	1,510	9.4%	7.9%
Calderdale	6,578	540	8.2%	4.3%
Kirklees	14,777	1,310	8.8%	6.8%
Leeds	23,930	2,380	10.0%	11.0%
Wakefield	12,122	1,190	9.8%	3.4%
City of York	7,482	280	3.8%	1.5%
County of North Yorkshire	17,702	670	3.8%	2.4%

This local concentration of what are termed ‘NEET’ hotspots is beginning to attract policy attention at both national and local levels. The DCSF and Government Offices provide additional support to hotspot areas as they develop and implement their ‘NEET’ action plans. The following table indicates the reductions achieved:³⁰

²⁹ <http://www.dcsf.gov.uk/14-19/documents/NEET2007.xls>, accessed September 2008.

³⁰ See DCSF document on Phase 2 of the DCSF NEET ‘hotspot’ work [online, July 2008]. At: http://www.dcsf.gov.uk/localauthorities/_documents/content/1507080007_Phase%20%20NEET%20Hotspots%20-%20Note.doc

	2005	2006	2007	%pt Change
	(Nov 05 - Jan 06)	(Nov 06 - Jan 07)	(Nov 07 - Jan 08)	(2006-07)
ENGLAND AVERAGE	8.2%	7.7%	6.7%	-1.0 %pt
Barnsley	13.4%	12.3%	8.1%	-4.2 %pt
Durham	13.3%	12.9%	10.4%	-2.5 %pt
Greenwich	12.2%	12.0%	9.6%	-2.4 %pt
Hull	13.9%	14.1%	11.3%	-2.8 %pt
Manchester	12.0%	11.4%	9.5%	-1.9 %pt
Sandwell	10.6%	15.6%	12.3%	-3.3 %pt

However, this focus on reducing numbers in the short-term may not necessarily enable young people to make sustainable transitions to the labour market.

In addition, the problem in specific areas is attracting attention from local policy bodies, such as the North East Policy Commission:

We must address the NEET issue immediately, and find a way to ensure all our young people are engaged in active education, training or employment and able to grasp the opportunities available to them (Baroness (Estelle) Morris, of Yardley, Chair of the North-East 14-19 Commission, 2008³¹).

However, in order to have an impact further exploration of who exactly is in the ‘NEET’ group is required.

Regional differences also exist in the composition of the ‘NEET’ group. For example, nationally there are more males than females who are ‘NEET’, but in Sheffield, for example, equal numbers of young men and women are found in the category.³² Nationally, it is white young people who are more likely to be ‘NEET’ than any other group, but in some areas within inner-city London, for example, minority ethnic groups dominate.³³ To describe the ‘NEET’ problem as being mainly about white, working class males does not fully recognise this local variation in the composition of the group.

³¹ see <http://www.gazettelive.co.uk/lifestyle/family-lifr/tm-headline>. Accessed September 2008.

³² Evans, J. (2008) Report to the 14-19+ Advisory Board meeting, April 2008. Unpublished report.

³³ See, for example: *Related GLA group and partner initiatives to the London Youth Offer* February 2008 [online] At: http://www.london.gov.uk/mayor/children/docs/YLF_Relevant_Initiatives.rtf, p.2.

Unpicking the statistics

Clearly, the evidence presented so far suggests that this is a very complex phenomenon. It also suggests that top down, central policy prescriptions may have a limited impact. There is a good deal of variability in the 'NEET' population that must be taken into account when developing policy to re-engage young people. The next step is to differentiate sub-groups within the overall 'NEET' population.

The strategy document published by the DCSF acknowledges two key features of the 'group' of young people aged 16-18 who are classified in the official statistics as not in education, employment or training: firstly, the 'group' is 'not static but rather a rapidly changing group' and, secondly, 'the NEET group (sic) is not homogenous'.

The document highlights the following characteristics of young people classified as not in education, employment or training:

- 'The 'NEET' group is getting older – 52% of those 'NEET' are of academic age 18, compared with just 40% 5 years ago;
- The gender gap is widening – 16 year old boys are now more than twice as likely to be 'NEET' as 16 year old girls;
- A higher proportion of young people are 'inactive' and are not looking for work or learning;
- 39% of those with no GCSEs are 'NEET' at 16, compared with 2% of 16 year olds who attained 5 or more A*- C GCSEs;
- Persistent absentees are 7 times more likely to be 'NEET' at age 16;
- Young people with Learning Difficulties and Disabilities are twice as likely to be 'NEET';
- An estimated 20,000 teenage mothers are 'NEET'.³⁴

These figures from the strategy document give the overarching picture, but do not dig deeper into the contextual and individual nature of young people's paths into 'NEET'

³⁴ DfES (2007c) *Strategy document* [online]. At: <http://www.dfes.gov.uk/14-19/documents/NEET%20%20Strategy.pdf>, accessed January 2008.p. 3, para. 9

status. However, these young people also share characteristics, to a degree at least. As Richard Williams argues:

To describe those who are NEET at 16+ as a “group” is clearly a misnomer. But it is undoubtedly true that among those who are NEET, there is a substantial majority of young people who, after 11 years of statutory education are united by their common experience of social and economic disadvantage, low educational attainment, relative underachievement and alienation from the education and training system. The educational reform process that has continued apace in England since the Education Reform Act 1988 has completely failed this group.³⁵

Nonetheless, we need to know more about possible sub-populations if we are to target policies more accurately to meet different needs. Evidence provided by the Sheffield Connexions service is useful here. They identify three groups of ‘NEETs’:

1. A vulnerable group consisting of those with learning difficulties and/or disabilities (LDD), teenage parents, looked after young people, those in contact with the Youth Offending Service (YOS), those leaving care, and black and minority ethnic (BME) young people.
2. Long-term ‘NEETs’ – those who have been NEET for more than six months.
3. Frictional ‘NEETs’, those who move into the population then leave quite quickly (though they may later return).

In November 2007, 22.6% of Sheffield’s ‘NEET’ population was classified as vulnerable, 37% as long-term ‘NEETs’ and 40% as frictional ‘NEETs’. Among the long-term ‘NEETs’ 53% had been ‘NEET’ for more than six months, 33.8% for more than one year and 4.9% for more than two years. While data are currently limited it appears that the proportion of young people who are long-term ‘NEET’ increases

³⁵ Williams, R. (2007) *Personalisation: A NEET approach to policy failure*. In: Challenging educational disadvantage. Solace Foundation Imprint, p. 29.

across the year groups 16 to 17 to 18. In addition, many in the vulnerable group would also be long-term 'NEETs'.

The Sheffield figures reveal some further interesting points. As they age, these young people become more mobile and less compliant. As a result a larger number of 18 year-olds move from 'NEET' status to become unknowns, compared to sixteen and seventeen year olds. Being unavailable for education, employment and training also increases across the age groups, 15% among 16 year olds, 25% among 17 year olds, and 30% among 18 year olds. The number of teenage parents also rises significantly across the year groups, i.e. 16 to 17 to 18 years.

Data are also available from the Youth Cohort Survey³⁶ on why young people enter the 'NEET' group. The commonest reason given is that "I need more qualifications and skills before I can get a job or education or training place". However, it is important to recognise that such data are produced from responses to set questions rather than through a conversation with a Connexions adviser. This may explain why the commonest reasons given by young people in Sheffield for entering the 'NEET' group is that the course they were on or the job they had been in had come to an end. Further exploration of these issues is required as more data become available.

Finally the Longitudinal Study of young People (LSYPE) is beginning to produce useful data about risk factors associated with becoming 'NEET'. For example, those who smoke or have used cannabis are more likely to become 'NEET' (these are also risk factors for early criminal activity) but drinking alcohol does not seem to be a risk factor. Those who in year 9 did not have a clear vision of their future in terms of wanting a job or career were more likely to become 'NEET' two years later. Young people who have negative experiences of and feelings about school in year 9 are also more likely to become 'NEET' two years later. However, this should not be interpreted as a general state of anomie. Both the quantitative data from the LSYPE and the qualitative data collected through the Engaging Youth Enquiry indicate the unremarkable aspirations of young people in the 'NEET' group: getting a job, having a home and a family.

³⁶ Data cited in this paper are taken from DCSF (2008) Statistical Bulletin Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and Experiences of 16 year olds: England 2007

Conclusion

This briefing paper has reviewed some of the quantitative data about young people who are classified in the 'NEET' category, and examined the variation over time and space. The quantitative data are also helpful for an understanding of the composition of the 'NEET' group and the factors associated with an increased risk of becoming 'NEET'. The data reveal that a persistent 'NEET' problem has existed from the 1980s to the current date with just about one in ten 16-19 year olds being in the category at any one time. Despite repeated initiatives and the investment of considerable amounts of money it is only recently that we have begun to see a decline in the size of the 'NEET' population. However, considerable further progress is required to hit the PSA target set for 2010.

The problem with such targets is that the focus of practitioners can too easily become fixed on reducing the numbers of young people who are 'NEET' in an area rather than being concerned with ensuring they make sustainable transitions into education, training or employment. This is an issue that is discussed further in the next briefing paper. In addition, because policy for the group is primarily set centrally, it tends to take too little account of important local differences both in the composition of the 'NEET' group and in the structure of the local labour market. This means that while ensuring young people get qualifications may be a sensible strategy in areas where jobs are available for those with a suitable level of qualification, it may have little impact on the life chances of those in areas such as Ashington in Northumberland or the old coal mining areas of South Wales³⁷, which are suffering long term economic decline.

The 'NEET' 'group' is a population of young people that changes both in size and composition over time. Individuals continually enter and leave the population, and many leave only to rejoin at a later date. Many never leave 'NEET' status, but progress into welfare at age 19. More needs to be understood about the reasons why young people enter and leave this population, in order to identify protection factors that prevent young people with seemingly similar life circumstances entering the 'NEET' population in the first place. The availability of longitudinal data from the

³⁷ The Engaging Youth Enquiry held youth workshops in both these areas.

LSYPE is to be welcomed, but the sample size of 22,000 is too small to enable sophisticated local analysis. For this we must turn to the Connexions service data which need to be collected and analysed in a systematic way. When this is achieved we will have a much better understanding of the 'NEET' group and so be better placed to think about the sort of case-sensitive policy and practice needed to help individual young people.