

Work and Pensions Committee
House of Commons
London
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Dear Sir/Madam

Work and Pension's Committee Inquiry into Employment Opportunities for Young People

The Carnegie United Kingdom (UK) Trust welcomes the opportunity to contribute to the House of Commons' Work and Pensions Committee inquiry into employment opportunities and support for young people. The Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. Further information on our work is available on our website www.carnegieuktrust.org.uk/. We have chosen only to respond to the parts of the questions for which we have relevant experience and evidence.

The Trust's Strategic Plan 2016-2020 identifies [Fulfilling Work](#) as a thematic priority. Our legacy of work in this area includes: [Enterprising Minds](#), a publication which explores the attitudes of young people to enterprise, education, and the future in a fast changing economy; [The Carnegie Position on Enterprise](#), a publication which demonstrates how access to high-quality enterprise education and entrepreneurial learning has the potential to improve students' knowledge, skills and attitudes towards self-employment which can create economic activity and jobs; [Test Town](#), a programme to support entrepreneurs to create innovative new businesses to help bring energy back to town centres and city district; and [Enterprise All In](#), a programme to bring together entrepreneurs of different ages and stages from across Wales together to encourage peer to peer learning.

Longer-term labour market prospects

How do changes in job quality and availability since the crisis affect young people?

ONS data reveals that youth unemployment is consistently higher than the wider unemployment rate (14 % compared to 5 %). To inform our emerging programme on Fulfilling Work, we recently commissioned a data review to understand how fulfilling work might be measured and how many people across the UK have access to it. Our research identifies underemployment¹ as a particularly significant issue for young workers: more than a fifth (22.5 %) of young workers in the UK are currently underemployed, compared to an average of 13 % across all employees.

Young people are particularly vulnerable in the ‘hollowing out’ of the labour market, which sees a loss of mid-tier jobs and a rise in low-paid, insecure jobs where employment rights may be more limited. Young workers are more likely than older colleagues to be low paid; to work unpredictable hours (including zero hours contracts); to be seeking additional or alternative employment; and to be dissatisfied with the sense of achievement they get from their work. It is also worth noting that the hospitality, retail and care industries employ disproportionately large numbers of young people – and research indicates that certain labour market inequalities are particularly prevalent in these industries. (Low pay, for example, affects more than two-thirds of employees in these sectors.)

Services for young people

What do employers look for from their younger employees and potential employees, and how can Jobcentre Plus support them in finding this?

We have not carried out a comprehensive assessment of the requirements of employers in relation to younger workers. However, from our work on youth enterprise and on digital inclusion there is a clear trend that demand for these skills is likely increase in future.

Entrepreneurial skills

We believe that young people should have opportunities for engaging in enterprise and entrepreneurship throughout school and further education. Entrepreneurial skills training can develop employability by providing young people with essential soft skills such as team-working, communication and problem solving. Research shows that these soft skills are valued by employers. Again, our [Enterprising Minds](#) research found that 80 % of young people who participated in an enterprise activity with a local entrepreneur or at college found this useful, but only a third had previously participated in such an event.

¹ A person not having enough paid work or not doing work that makes full use of their skills and abilities.

We suggest that the Committee considers ways to incentivise and remove barriers for businesses, schools, colleges and universities to empower young people to develop their entrepreneurial skills through enterprise and competitions.

IT Skills

Despite public perception that all young people are 'digital natives,' our [Understanding Digital Exclusion](#) work indicates that a small but significant minority of young people do not have regular online access and many lack the necessary digital skills to navigate the online world safely and effectively. Our current initiative [#NotWithoutMe](#) is focused on addressing and testing digital inclusion challenges faced by vulnerable young people. This work has underlined that even young people with reasonably sophisticated digital skills in utilising social media, for example, are often lacking basic digital skills which would be attractive to employers, such as using search engines or sending emails.

Young people's lack of these digital skills is problematic given OECD research findings that indicate that workers who use ICT in the workplace frequently have substantially higher wages than those who do not, and the Tinder Foundation's estimate that 90 % of all jobs in the near future will require basic digital skills.

We suggest that the Committee considers how Job centres can support young people who lack digital skills in the transition to the roll out and full digitalisation of Universal Credit. A possible model for this may be the Wiltshire Online digital literacy programme which worked with local DWP staff to ensure 'digital champions' were available in the job centres to support those job seekers who lacked digital skills and confidence (referenced in the Trust's publication [Making Digital Real](#)).

We hope that you find these comments helpful. If you would like to discuss our response, or would like to find out more about our work, please contact Gail Irvine, Policy Officer, on gail@carnegieuk.org

Yours faithfully

A handwritten signature in black ink, appearing to read 'Douglas White', with a stylized flourish at the end.

Douglas White
Head of Advocacy