

## Executive summary

Fifteen percent of the OECD youth population were not in employment, education or training (NEET) in 2015 – about 40 million young people. More than two-thirds of them were not actively looking for work. The total gross income that could have been generated by NEETs in 2014 is estimated to have been between USD 360-605 billion, or 0.9-1.5% of OECD-wide GDP. Job and income uncertainty can keep young people from reaching other traditional markers of adulthood, leaving them disenchanting and discouraged. It can also have serious long-term effects on health, fertility and crime, and eventually endanger social cohesion. Helping young people transition into further education or employment is therefore at the top of the policy agenda in the OECD as evidenced by the G20 target of reducing the number of youth who are low-skilled, NEET or working in the informal sector by 15% until 2025.

### One in ten jobs have been destroyed since 2007

Almost one out of every ten jobs held by workers under 30 were destroyed between 2007 and 2014. In Spain, Greece and Ireland, the number of employed youth halved. Young people who had left school at lower-secondary level bore the brunt of these job losses. And while some countries have managed to restore youth employment to pre-crisis levels, the recovery has been too weak to significantly improve young people's prospects in many countries.

### Lower skills make young people particularly vulnerable

Young people with no more than lower-secondary education account for over 30% of NEETs, and they are three times more likely to be NEET than those with a university-level degree. However, poor educational attainment is not only about formal qualifications; young people with weak literacy and numeracy skills are more likely to be NEET, which points to the importance of high-quality alternative education and training paths for early school leavers.

### Young women are often NEET because of care-giving responsibilities

Being a woman adds to the risk of becoming NEET particularly on a long-term basis. Many young women care for children and other family members at home. Consequently, women are 1.4 times more likely to be NEET than young men. Single parents find it particularly hard to combine caring for children with employment or further education. The availability of affordable childcare is thus crucial to improving young women's job prospects.

## **Some NEETs suffer from additional forms of disadvantage**

Young people who are already disadvantaged in other ways often also face a high risk of becoming NEETs. Those born abroad are 1.5 times more likely to be NEET than native-born youth, particularly if they cannot speak the local language and are low-skilled. Young people whose parents have low educational attainment or do not work are also more likely to experience unemployment or inactivity. This indicates intergenerational transmission of disadvantage. Young people who suffer from ill health are also over-represented among NEETs.

## **Most young people are never NEET, but one-fifth are long-term NEETs**

Across a selection of countries analysed, more than half of young people were never NEET over a four-year period. For others, short NEET periods were part of a successful transition from education to work. One-fifth of all young people, however, spent more than one year as NEETs – for them disengagement from work and education is not a transient experience, but a lasting state. Countries hit hard by the crisis have a higher share of long-term NEETs; women, the low-educated and youth with ill health are also at greater risk of becoming long-term NEETs.

## **NEETs have lower levels of happiness, trust and political interest**

Being NEET is likely to influence young people's happiness, may make them feel disenfranchised, and can affect social cohesion. NEET youth have lower levels of life satisfaction and trust in others compared to non-NEET youth. They also show less interest in politics and are more likely to feel that it is the government's responsibility to provide for citizens.

## **Safety nets tend to be weaker for young people**

School leavers and young people with patchy employment records often fail to qualify for insurance-based income support. Only around 30% of all unemployed young people receive unemployment benefits, while over 40% of all jobseekers aged 30 and over are covered. Consequently, social safety nets are less effective in fighting poverty among young people: 40% of young people who would have incomes below the poverty line are kept out of poverty by public transfers, compared to 50% of adults aged 30 and over. Roughly every eighth young person lives in poverty, and youth poverty rates are higher than those of the elderly.

## **Fighting early school leaving is essential**

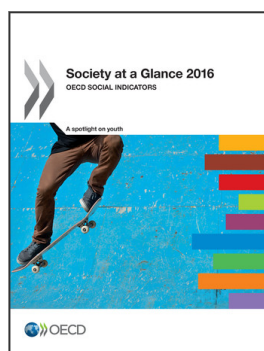
The share of young people who leave school without an upper-secondary qualification has declined in OECD countries over the past decade. Nevertheless, one in six 25-to-34 year-olds still do not have an upper-secondary qualification, particularly young men. To ensure that all young people complete their upper-secondary schooling, comprehensive support is needed: monitoring school attendance to spot warning signs of drop-out; addressing pupils' social or health problems; and offering after-school programmes to engage pupils and strengthen their motivation.

## **Quality vocational education and training can help smooth the school-to-work transition**

Vocational education and training (VET) is a valuable alternative to academic schooling. It prepares young people for the labour market with a view to responding to employers' skills needs. The practical training component of VET should be work-based, ideally in the form of apprenticeships matching young people with employers at an early stage. Such programmes may be particularly attractive and beneficial for youth tired of school. Pre-apprenticeship programmes can prepare those who lack the necessary literacy, numeracy or social skills to function in the workplace.

## **Carefully targeted programmes are needed to re-engage NEETs**

Public services need to reach out to NEETs to prevent long-term inactivity. Employment services, social services and non-governmental actors can play a central role in engaging disconnected youth. Once a young person is registered, extensive profiling can help make support adequate to purpose and can save costs by ensuring that interventions target the right youth. Many NEETs may require only a little assistance to find employment, while successful programmes for young people with severe or multiple barriers tend to be intensive and expensive. The most promising programmes combine schooling and practical training with counselling, psychological support and housing. Some have been shown to be cost-effective, by raising earnings potential and reducing criminal behaviour.



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