

In partnership



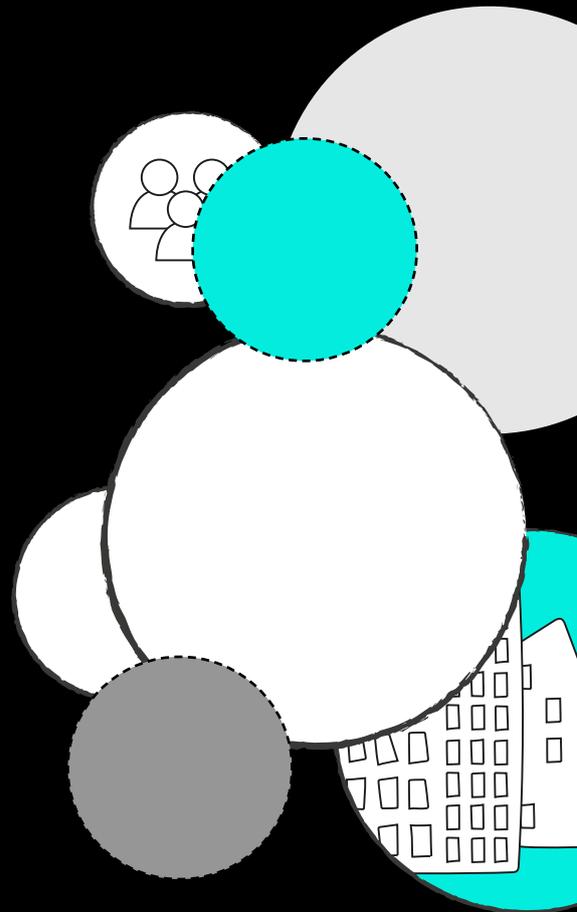
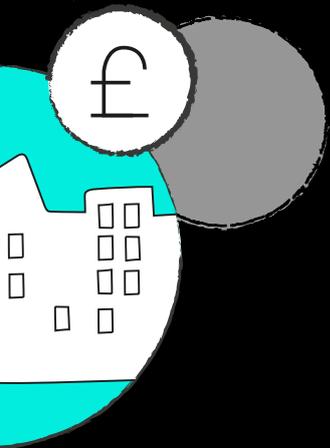
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The  
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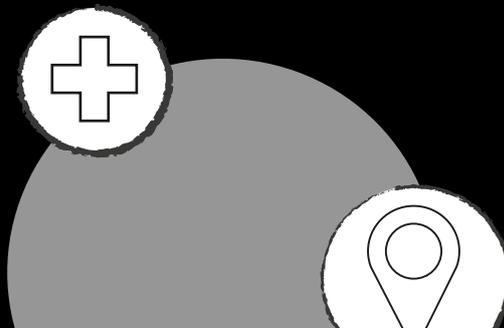
# State of paralysis

Young people's health  
and economic security  
in the UK



The RSA

FEBRUARY 2024



# Acknowledgments

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## **Author's note**

Any errors are the authors' own.

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# i

## About us

**W**e are the RSA.  
The royal society  
for arts, manufactures  
and commerce.

Where world-leading ideas are turned into world-changing actions. We're committed to a world where everyone can fulfil their potential and contribute to more resilient, rebalanced and regenerative futures.

The RSA has been at the forefront of significant social impact for over 260 years. Our research and innovation work has changed the hearts and minds of generations of people.

Central to all our work are our mission-aligned Fellows; a global network of innovators and changemakers who work collectively to enable people, places and the planet to flourish in harmony.

We invite you to be part of this change. Join our community. Together, we'll unite people and ideas in collective action to unlock opportunities to regenerate our world.

**We define our ambitions as:**

### **Our mission**

**To enable people, places, and the planet to flourish in harmony.**

### **Our vision**

**A world where everyone can fulfil their potential and contribute to more resilient, rebalanced, and regenerative futures.**

### **How we deliver our work**

**We unite people and ideas in collective action to create opportunities to regenerate our world.**

### **We are**

**A unique global network of changemakers enabling people, places and the planet to flourish.**

# ii

## About our partner

**T**he Health Foundation is an independent charitable organisation working to build a healthier UK.

Health is our most precious asset. Good health enables us to live happy, fulfilling lives, fuels our prosperity and helps build a stronger society. Yet good health remains out of reach for too many people in the UK and services are struggling to provide access to timely, high-quality care. It doesn't have to be like this.

Our mission is to help build a healthier UK by:

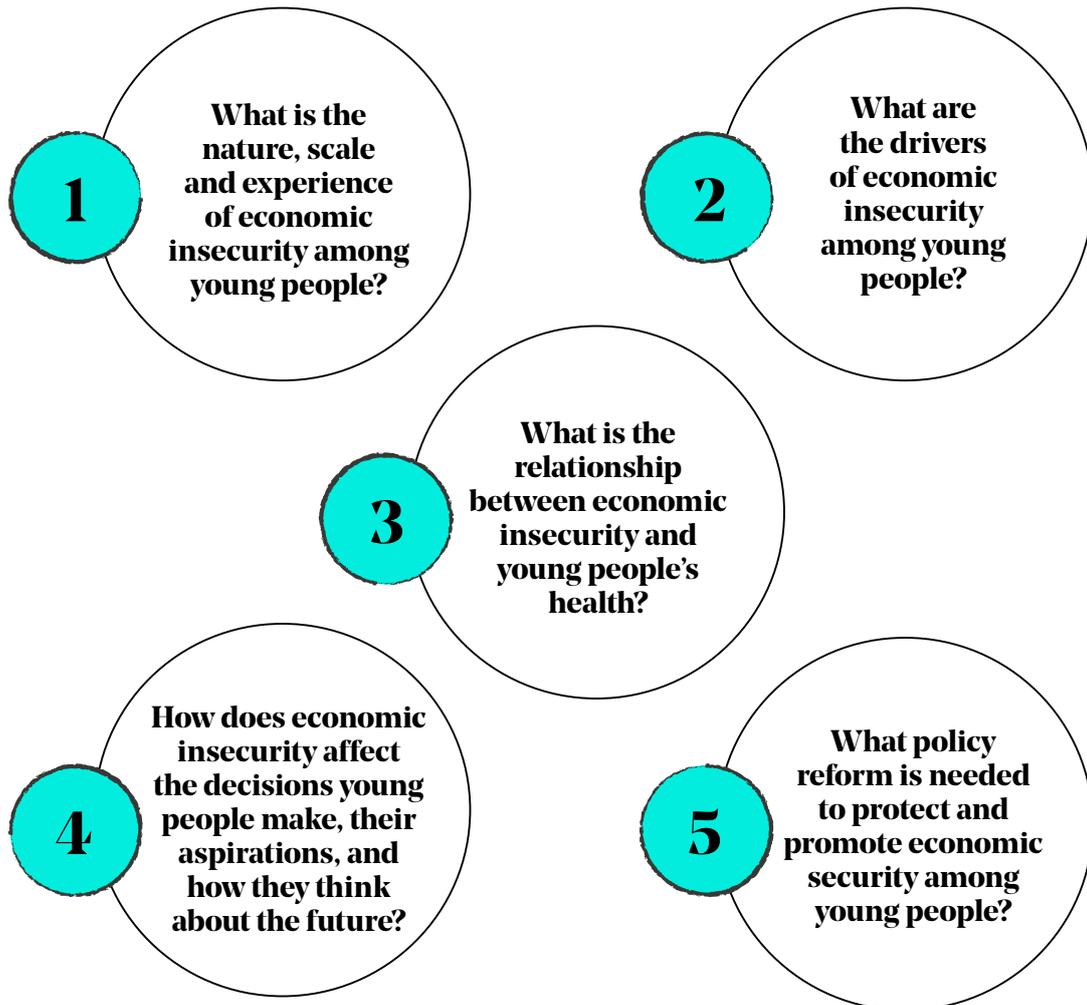
- 1** Improving people's health and reducing inequalities.
- 2** Supporting radical innovation and improvement in health and care services.
- 3** Providing evidence and analysis to improve health and care policy.

We'll achieve this by producing research and analysis, shaping policy and practice, building skills, knowledge and capacity, and acting as a catalyst for change.

Everyone has a stake and a part to play in improving our health. By working together, we can build a healthier UK.

**T**his report is part of the RSA's Young people's future health and economic security (YPPHES) project, a three-year inquiry aiming to understand young people's economic security in the United Kingdom and to develop systemic solutions through policy and practice.

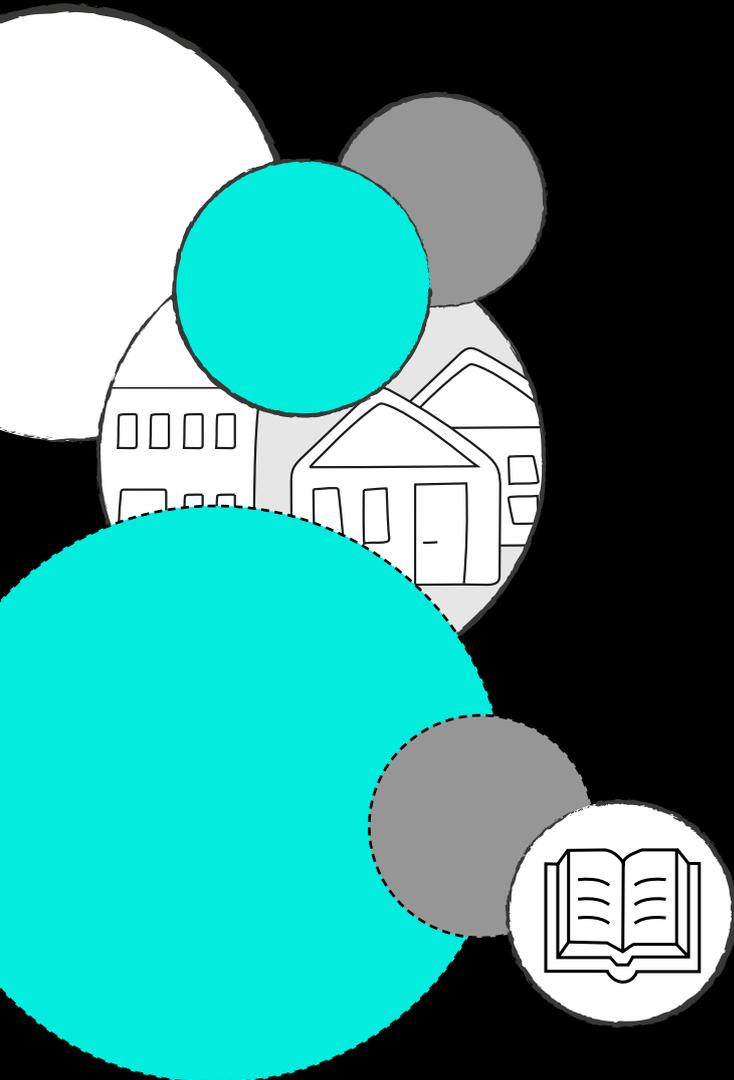
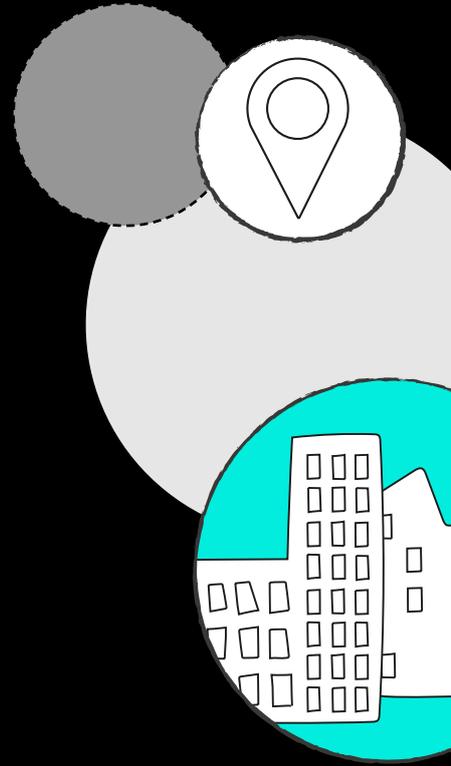
The project focused on five core questions:



It is supported by the Health Foundation as part of their innovative Young people's future health inquiry programme, which has funded five post-holders in different organisations to conduct research into different aspects of young people's experiences as they transition to adulthood.

To find out more, please visit the Health Foundation's Young people's future health inquiry page: [www.health.org.uk/what-we-do/a-healthier-uk-population/young-peoples-future-health-inquiry](http://www.health.org.uk/what-we-do/a-healthier-uk-population/young-peoples-future-health-inquiry).

# Executive summary



# Executive summary

**T**his report provides a focused look at young people's (16-24-year-olds) economic security and what it means for their health and wellbeing. We define economic security as 'the degree of confidence that a person can have in maintaining a decent quality of life, now and in the future, given their economic and financial circumstances'. Consequently, the concept is distinct from related concepts such as income, poverty, and employment status, as it includes the subjective experience of one's economic reality, which in turn involves other facets such as one's ability to cope – both materially and psychologically – with financial risk and unforeseen economic challenges.

## Economic security in numbers

A review of the existing evidence on economic security and young people indicates that young people face unique challenges that set them at a relative disadvantage compared to both older cohorts and to previous generations of young people:

### Income and employment

- **Young households have a lower median income than older households.** The pay gap between young households and older households is not completely attributable to a gap in professional experience; since 2008, nominal pay for 18-21-year-olds has grown more slowly than older cohorts (21 percent vs 43 percent).
- **Although minimum wage rates have been increasing over time, the youth rates are not keeping up with the adult rate** (ie the National Living Wage (NLW)). In 2003, the minimum wage for 18-20-year-olds was worth 84 percent that of the adult rate; it was worth 72 percent in 2023. When a National Minimum Wage was introduced for 16-17-year-olds in 2004, it was worth 62 percent of the adult rate; currently, it is 51 percent of the adult rate.
- **A high rate of young people experience 'severe' employment insecurity.** Between 2014-23, the number of young people working zero-hours contracts more than doubled to 474,000. Further, this total is more than twice that of any other age group.

### Savings and debt

- **Young households have little access to savings.** Nearly 50 percent of 16-24-year-old households in national data have no savings; among the young people we surveyed, 68 percent have no access to their own savings.
- **Persistent credit card debt for 16-24-year-olds doubled from 2016 to 2020 while there was little change for all other age groups.** However, young households have relatively low credit card debt overall compared to older households.
- **Young households' debt relative to their income has risen the most out of all age groups.** In 2020, 16-24-year-old households had the third-highest debt to income ratio, after 25-34-year-olds and 35-44-year-olds.

### Housing and transport

- **In 2022, the majority of young people lived at home (67 percent); among those who did not, the majority were in private rentals (62 percent).** The percent of young households who own their home (either outright or with mortgage) has halved since 2004 (from 21 percent to 10 percent).

- **Young households who rent privately in England spend more of their income on rent (44 percent) than any other age group.** For comparison, households in the next age bracket up (age 25-34) spend 30 percent of their income on rent.
- **Young people are more likely to rely on public transport than older age groups, both to get to work and for social and leisure activities.**

Considering these findings in the context of health reveals that young people may be particularly vulnerable:

- **Young people on zero-hours contracts have two times the rate of mental ill health by the age of 25 as young people who have more secure work.**
- **There are established links between debt, savings, and health.** Greater debt is associated with worse mental health outcomes; greater savings is associated with better mental and physical health.
- **Housing affordability, security of tenure, and housing conditions have all been shown to be associated with health.** Poor affordability and insecurity of tenure are linked to increased stress, anxiety, and depression. Poor housing conditions are strongly associated with respiratory and cardiovascular conditions and can increase risk of communicable disease transmission.
- **Young households are more likely to rent, spend more on housing relative to their income, and to live in lower quality accommodation, compared to older cohorts.** All of these factors are associated with poorer health outcomes, such as stress, anxiety, depression, and respiratory and cardiovascular conditions.

## Young people's perspectives and experiences of economic (in)security

*“The people in charge aren't going to change it because it doesn't affect them. If we were in parliament, we could obviously change it because we experience on a day-to-day basis what we have to live through here... Until they experience life in our shoes, how will they realise what they're doing?”*

Workshop participant, Gwynedd, Wales

Insights direct from young people's experience add more to the picture and provide perspective that the quantitative data alone cannot fully capture. This report also includes qualitative data from workshops with 16-24-year-olds and policymakers and practitioners across three locations: Keady, County Armagh, Northern Ireland; Gwynedd, Wales; and Bradford, England. Our discussions focused on young people's experiences of economic (in)security and what they felt policymakers ought to do to make life better for people their age. Young people highlighted several **key drivers of insecurity**: housing, transport, and work.

Key issues for young people concerning **housing** included a shortage of available housing and amenities, and poor-quality housing and wider social environment.

*“So many young people... can't get their own place because they're just not available or rent ends up going up because there aren't as many houses around.”*

Particularly in more rural areas, **transport** emerged as an important driver of insecurity for young people. Common experiences included how expensive and unreliable public transport can be, and how this has knock on effects on work, social life, and physical and mental health.

*... if you miss a bus, your only options are taxis. And with minimum wage, [using] a taxi, you would be paying an entire shift just to get a taxi home.*

In alignment with the national trends, when talking about **work and wages** young people expressed that a high proportion of their income was spent on basic needs and essentials, and this necessitated prioritising and making trade-offs, eg between travelling to college or buying food.

*... some days, I just don't go to college, mainly the fact that I'm scared of how much things cost, and I can't afford food.*

Young people sometimes felt forced to take on minimum wage work, entering a kind of 'loop' whereby higher paid work requires experience they are unable to attain, leaving them stuck in lower paid employment.

*... [we talked] about that it was harder for us to get jobs... and that a lot of the jobs want experience to give us the jobs and obviously we can't get experience if you've never had a job, I need that job to get experience.*

Young people's **experiences** of these insecurities shows that the impact of economic insecurity affects fundamental aspects of their lives beyond finance. This fieldwork provides insight into the **subjective experience** of these drivers of insecurity.

A common theme was feeling a **lack of agency**, being 'stuck' as if their lives are not determined by themselves and instead by systems and politicians who do not understand their experience, and whose intentions young people are sceptical about.

*We need decision-makers who actually want to help young people and can prove that they actually have made a difference and want to make a difference.*

Hand in hand with this was a feeling of being **underprepared for adulthood and unsupported in their transition to it**. This involved feelings that school hadn't provided the formative experience to prepare them for adulthood, a pressure to move out and grow up quickly, and a lack of knowledge about what support was available to them.

*... you don't know what you're doing... you don't know what to expect*

The ambiguity in young people's status as children vs adults was an important experience for young people, creating a **dissonance between expectation and reality**. Young people expressed frustration at a form of double standards, whereby they were sometimes treated as children (eg limited job prospects and low-paid work) and sometimes treated as adults (eg adult fares for public transport).



*Why are you paying adult fares when you don't get adult's wages?*



## Principles for policy

Based on our conversations with young people, and a review of existing research in the field, we propose some principles to underlie policy for young people.

- 1. Make young people's economic security a national priority**, for the sake of both those young people and that of the UK as a whole.
- 2. Recognise, and research, young adults as a distinct category.** This report has shown that young people often face the same costs as adults, yet do not have the ability to respond to these challenges as adults, through income or experience. More and better data is also needed to understand this age group and its experiences
- 3. Engage with young people when developing policy.** Until more young people are in policymaking positions, more should be done to engage them in development of policy to understand how changes may impact this demographic.
- 4. Adapt to new 'non-linear' patterns of education and employment.** Old policy norms about a singular, permanent transition to independence must be replaced by an understanding of the non-linear path many young people now take.
- 5. Take a decentralised approach.** Finally, our fieldwork – and other research like it – highlights the importance of local context in mediating young people's experiences of economic security, and the necessity of understanding and responding to local needs.

## What young people want from policy

Our discussions with young people offered many practical suggestions for policy change which are outlined as the 10 numbered recommendations below. In some instances, we build upon these recommendations to describe further ways they could be put into effect practically and financially based upon our own research.

### **Education and employability**

Many of the young people we spoke to expressed concern that schools didn't prepare them for employment. They felt they did not have relationships with local employers nor the skills or experience to compete for even entry-level positions. They described a 'minimum wage jobs loop' in part-time work and after leaving school, because they could not get into stable, high-quality, well-paid work.

## Young people's recommendations:

- 1 Create opportunities to make connections for local employment.** Participants felt that schools could be a good partner in establishing these connections, starting as young as year 10.

**Building on:** In the final two years of school, a set number of school hours per week should be decentralised and given over to employability courses. Learnings should be co-designed with – or even delivered by – local employers to promote relationship building and practical advice.

- 2 Make volunteering accessible for everyone.** Participants recognised that volunteering can be a good way to gain experience that can later help them gain employment and identify career interests. Providing stipends, even if just to offset direct costs, could make volunteering accessible to more young people and provide useful developmental opportunities.

## Money

Improving young people's income has few immediate fixes. To build young people's financial resilience, long-term investment is needed in good, growing industries where the UK, and its regions, have sustainable comparative advantage. This is the subject of wider RSA programmes of work, for example our recently published report by the Urban Futures Commission. That said, there are several other interventions that could support young people more immediately and directly while – and if – these investments are made.

- 3 Provide more practical financial education throughout schooling.** Young people proposed courses on budgeting, saving, investing, and debt, and from an early age. In particular, they felt a better understanding of student loans and managing debt would be beneficial to help with decision-making around pursuing further education.

**Building on:** Introduce mandatory financial education into the curriculum from key stage 3. Ideally, courses would be co-designed with young people – the like of which we spoke to as part of the project – who understand the gap between current provision and the knowledge practically needed for a successful transition to adulthood.

- 4 Make the National Living Wage the minimum wage for everyone.** Young people are expected to pay the same price as adults for most of their expenses (and sometimes more), while being paid less than an adult (51 percent or 72 percent of the NLW, depending on age).

## Housing

The majority of young people live at home with their families. Among those who have to, or are able to move out, private renting is the predominant means of housing, in large part due to the lack of affordable housing available for purchase and reduced availability of social housing. The private rental sector is the least stable form of housing tenure with greater instability and risk of eviction – all of which can contribute to stress and mental ill health. In the workshops, young people were particularly keen for there to be reduced stigma or expectations about the age to leave home. Young people wanted positive recognition that, for some, living at home can be personally desirable or financially necessary.

- 5 Ensure more affordable housing is available to young people.** Young people wanted to see fewer second homes sitting empty in their communities and wanted it to be mandatory that purchased homes are for primary use.

**Building on:** The housing supply should be increased more generally, with a strong focus on increasing social housing. As it stands, not enough housing is being built to keep up with demand, and both private rentals and ownership are too expensive for many young people. Young people with the lowest incomes are particularly squeezed and there is insufficient supply of social housing available to them.

Reforms like the planned Renters (Reform) Bill, which plans to abolish 'no fault evictions', and the Decent Homes Standard, are a good start for rectifying the power imbalances between landlords and young renters, but more should be done. **Establish a Renters Rights Commission to identify the next wave of reforms to restore greater balance of powers between tenants and landlords, once the Rental (Reform) Bill becomes law.**

## Transport

The young people in our workshops spoke about the importance of transport and mobility for their access to opportunities, and for their sense of agency and freedom. Participants spoke frequently about their reliance on public transport, buses in particular, to get to work, school, and leisure activities – and also their frustration with the limited timetables, unreliability and cost of public transport. However, for some participants, particularly those in rural areas, public transport was not able to fully meet their transportation needs.

- 6 Ensure investments in transport are designed with young people's needs at the forefront.** Participants requested more frequent and more reliable services, as well as better connections between places. They also wanted more accurate information about timings and changes to routes.

**Building on:** Ensuring that routes and schedules work for young people will be essential for realising the public benefits of those investments, and extensive co-design with young people – alongside other cohorts – is strongly advised. Taking a more holistic approach (public and private) in transport design may also yield innovations that reduce overall reliance on owning a car (recommendation 8).

- 7 Provide reduced fare or free travel passes for all 16-24-year-olds.** Suggestions ranged from free weekend travel to reduced fares to free travel for all young people. They wanted travel to work not to cost a large proportion of the wages they would earn.

**Building on:** Providing free travel passes for all 16-24-year-olds would be a simpler system that is likely to be beneficial administratively, as well as promoting the wider economic and health benefits of increased youth mobility.

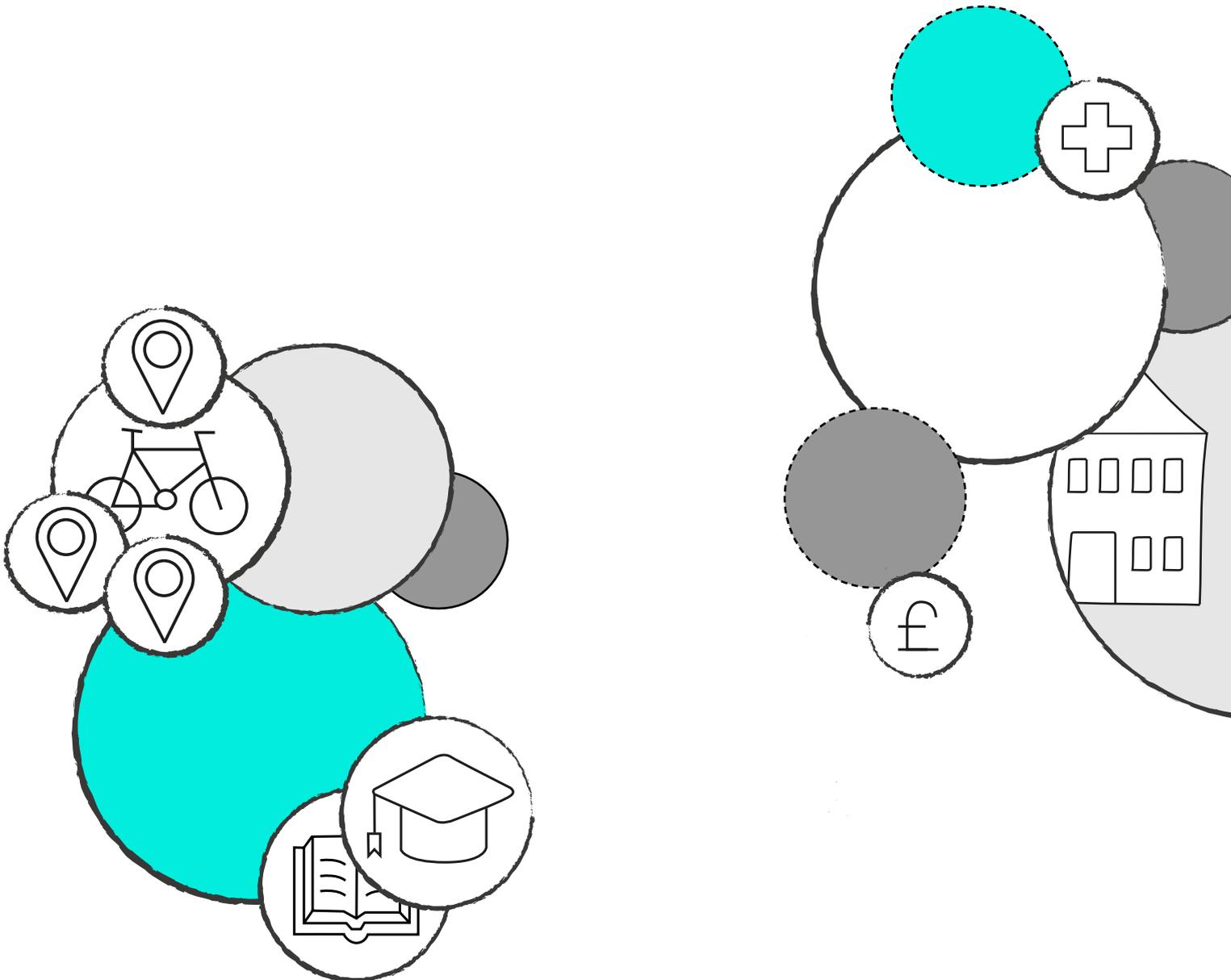
- 8 Provide grants for driving lessons, tests, and for a downpayment on a first car.** Until public transport is expanded and redesigned, many participants felt a car was necessary to open up job opportunities and assistance was needed to move towards being able to own and operate a car. They also proposed providing **opportunities to take free or reduced-price advanced driving training to enable access to cheaper insurance.**

## Health

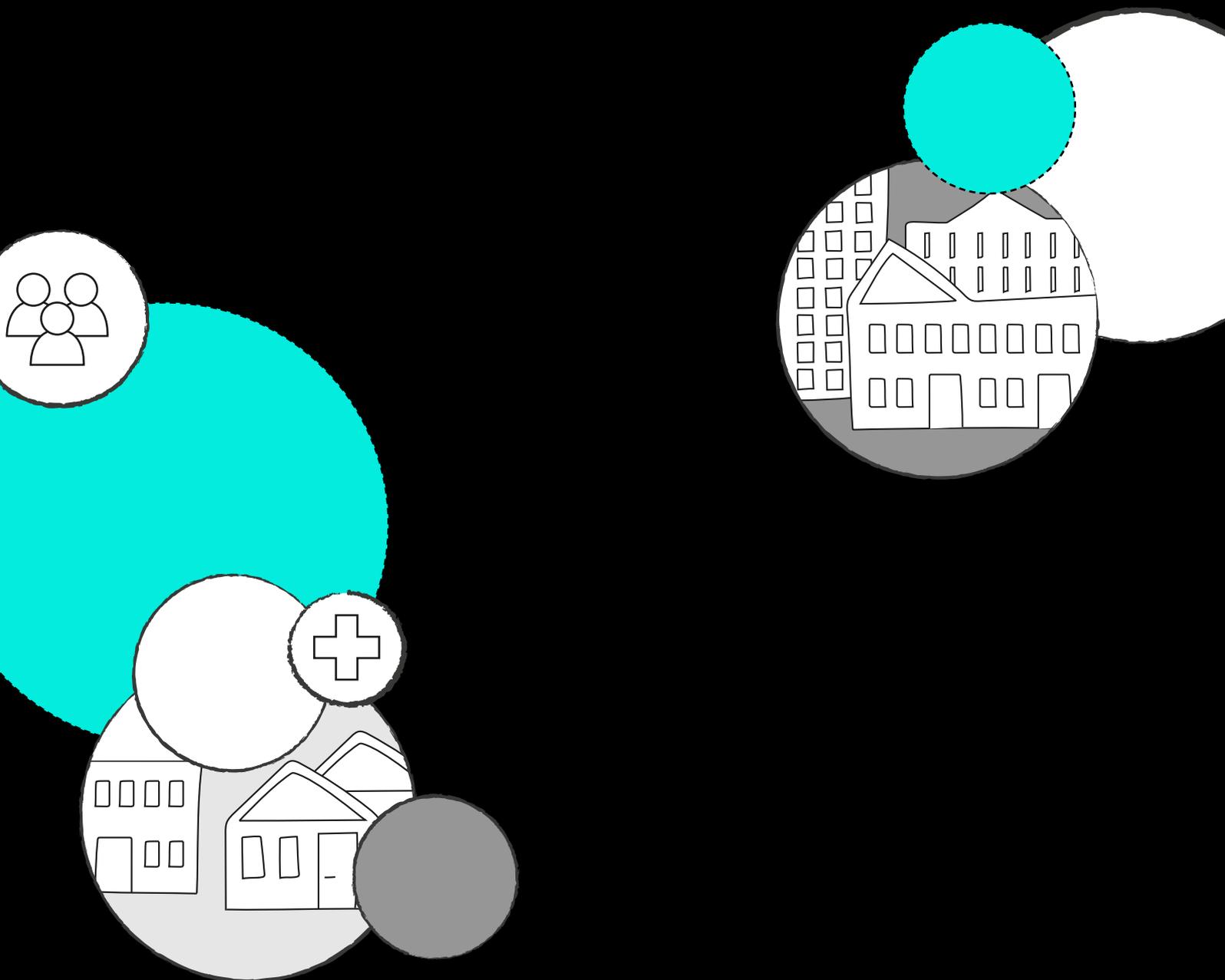
A number of the policy recommendations above would go some way towards supporting improved physical and mental health – whether that's by increasing employment opportunities or improving the quantity and quality of affordable housing. The topic of mental health was a common theme among participants. Their experience was that the NHS didn't have capacity to meet their needs, and that often little support was available until they were in crisis. They also struggled with needing to be their own advocate in the mental health system.

**9 Hire more mental health professionals in the NHS and improve pay.** Young people wanted more options available for earlier support rather than having to wait until they were in crisis.

**Implement universal shared electronic patient records across different health care settings.** This was seen as a particular priority with regard to mental health appointments and records in order to minimise the self-advocacy burden.



# Introduction



## Introduction

“As young people, you’re just stuck in this really strange limbo... you keep going in loops in terms of everything, like jobs and housing... there’s more and more things that you have to think about. How am I going to live? How am I going to get here and do this?”

*“You have to deal with all these things, but you’re not enough of an adult to have the power to actually do something about it. So you’re just in this horrible state of paralysis. Workshop participant, Bradford, England”*

**T**he UK is becoming an increasingly precarious place to grow up. A series of long-term trends – from wage stagnation to housing supply – make it more difficult for young people to establish themselves securely in adult life. A smaller and increasingly patchy safety net – not only from the state but from family and community more broadly – offers less confidence that they will be caught, and cushioned if they fall. And for a generation coming of age alongside the Covid-19 pandemic and subsequent cost of living crisis, these longer-term shifts have been compounded by short-term shocks that have marred their early experiences of work and independence.

While these economic headwinds affect everyone in some way, there is reason to pay young people particular attention. The cohort at the centre of this report – those aged 16-24 – belong disproportionately to the groups at greatest risk: low earners, renters, and those with low savings and problem debt. Experiences of insecurity in these critical first years of adulthood – including young people’s first experiences of work and financial independence – have the potential to derail their longer-term prospects. And when we consider the worry, working hours and living conditions that come with financial precarity, it presents significant risks to their health too, both now and in the future.

Avoiding these longer-term scarring effects – on individual lives and livelihoods, as well as on our collective public services and economy – is not only right but in everyone’s interests. But despite their unique position in society, young people are surprisingly absent from policy debates and solutions to respond to the current cost of living crisis and other economic imperatives.

This report seeks to redress that balance, shining a light on the particular ways in which economic insecurity shows up in young people’s lives in the UK and affects their chances of a prosperous and healthy future. It does so in particular by bringing young people’s perspectives and experiences to the fore, voices which are rarely heard but which are essential to designing solutions that effectively address their day-to-day realities.

This is the third in a trilogy of RSA reports seeking to bring their perspectives to life.<sup>1</sup>

<sup>1</sup> The first two reports can be found at: Landreth Strong, F and Webster, H (2022) The cost of independence: young people’s economic security [online] The RSA, London, UK. Available at: [www.thersa.org/reports/young-peoples-economic-security](http://www.thersa.org/reports/young-peoples-economic-security) and Murray, T and Webster, H (2022) Age of insecurity: young people’s economic security in an age of atomisation [online] The RSA, London, UK. Available at: [www.thersa.org/reports/young-peoples-health-and-economic-security](http://www.thersa.org/reports/young-peoples-health-and-economic-security)

## **Box 1: Our previous reports**

### **The cost of independence: young people's economic security**

- In January 2022, the RSA published findings from a survey of over a thousand 16-24-year olds.
- It highlighted the scale of perceived financial precarity - with 47 percent of young people describing themselves as unable to consistently make ends meet – and that this increased as young people get older. Our data showed that 38 percent of 16-18-year-olds described themselves as precarious compared to 57 percent of 22-24-year-olds.
- It also indicated that neither work nor state support was sufficient to protect young people from precarity, with 79 percent of those receiving Universal Credit and 63 percent of those in full-time work also described as financially precarious.
- Finally, it showcased the impact of insecurity on young people's wellbeing, with 61 percent of those who were financially precarious expressing worry about their mental health, and 54 percent about their physical health.

### **Age of insecurity: young people's economic security in an age of atomisation**

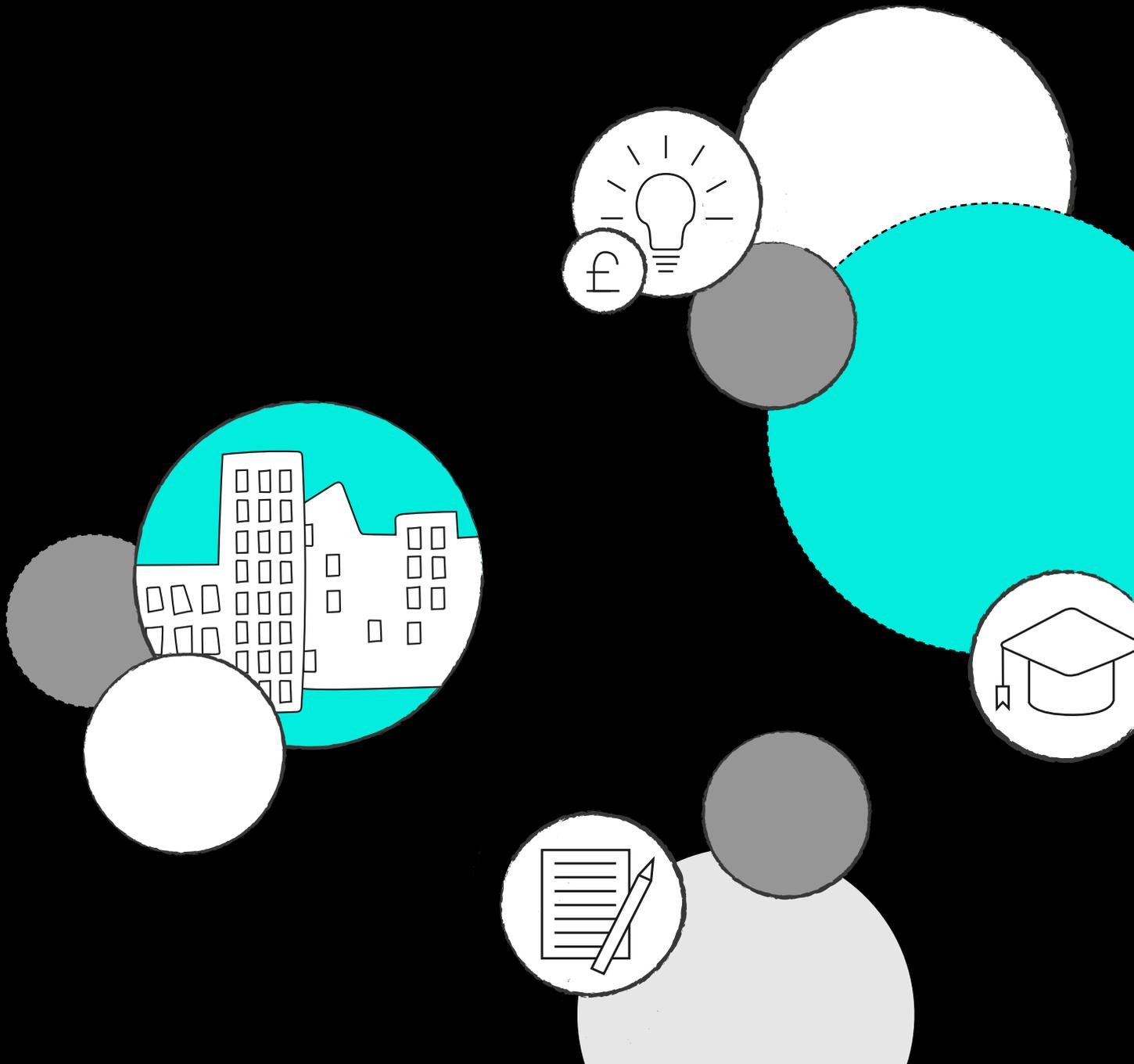
- In December 2022, the RSA published the results of a year-long diary research project, where young people shared their day-to-day experiences of work, housing, wellbeing and financial independence.
- Our analysis highlighted common themes of young people facing shared, structural challenges in the economy and labour market, and feeling as though they must tackle these challenges as individuals, rather than as part of a broader society with support structures and safety nets, a phenomenon referred to as 'atomisation'.

In this third and final report in the project, we explore how young people's economic insecurity shows up in a broad range of datasets and evidence, and manifests in different places around the UK. As throughout the project, it centres the experiences and voices of young people themselves, in this case, in the first chapter 'Stuck in a rut', interviews with our earlier diary participants about how the cost of living crisis was affecting them. Interviewee names have been altered to preserve anonymity. And in the second chapter, 'Life in our shoes', policy workshops with young people in three different parts of the UK: Bradford, Gwynedd and Keady, County Armagh, with workshop participants identified only by the location of the workshop they attended. Critically, we complete the project with proposals for policy change, built from what young people themselves told us would change their lives for the better.

The report is structured as follows:

- **'Stuck in a rut'** reviews the current evidence on economic insecurity amongst young people and its effects on their health and wellbeing.
- **'Life in our shoes'** explores how these trends manifested in the lives of young people who we spoke to as part of the project.
- **What young people want from policy** presents proposals for policy change, drawing on the perspectives of young people on what would make the biggest difference.

# ‘Stuck in a rut’



## ‘Stuck in a rut’

“It just feels like we’re stuck in a rut, really... We can’t move forward because any pay progression is wiped out by inflation. Any savings are wiped out by inflation. And everything just gets more expensive... So it definitely just feels harder to progress in any meaningful way”.

This chapter reviews the current evidence – both from academic literature and national datasets – about the levels, drivers and impacts of economic insecurity amongst young people in the UK today. It also showcases the role of economic insecurity in young people’s health and wellbeing, an area of increasing concern, particularly with regard to mental health, over the past decade.

### What is economic security?

Economic security is a term we hear with increasing frequency. During his G7 remarks earlier this year, Rishi Sunak, the prime minister, referred to economic security, along with national security, as one of the two main priorities for Britain.<sup>2</sup> Shadow chancellor Rachel Reeves has put ‘securonomics’ at the centre of the Labour Party’s economic mission, leaving an era of hyper-globalisation behind to “prioritise economic strength and resilience in our uncertain world”.<sup>3</sup> And while these speeches, on a global stage, understandably emphasise the macroeconomic dimensions of economic security, it is a concept with individual and family-level foundations.<sup>4</sup>

As nations have been buffeted by systemic risks – from geopolitical instability to disruptions from technology and climate change – the consequences of an age of insecurity are felt most acutely by individual citizens and communities. We need only think of the impacts of the Covid-19 pandemic or recent war in Ukraine to see viscerally how precarious work, debt and low/no savings, insecure housing tenures and fragile social relationships leave individuals and families with little defence against unexpected shocks.

#### **Box 2: The RSA’s definition of economic security**

Across this body of research, we have defined economic security as ‘the degree of confidence that a person can have in maintaining a decent quality of life, now and in the future, given their economic and financial circumstances’.

This definition incorporates four core concepts:

- 1.** It goes beyond income and employment status alone, and considers how a person’s assets, wider household circumstances and access to support, among other things, shape their situation.

2 Sunak, R (2023) PM Remarks at the G7 Press Conference. Available at: [www.gov.uk/government/speeches/pm-remarks-at-the-g7-press-conference](http://www.gov.uk/government/speeches/pm-remarks-at-the-g7-press-conference)

3 Reeves, R (2023) Securonomics [online]. Available at: [labour.org.uk/updates/press-releases/rachel-reeves-securonomics/](http://labour.org.uk/updates/press-releases/rachel-reeves-securonomics/)

4 Cooke, G (2023) Economic security: A foundation for dignity, opportunity and hope in an age of uncertainty, [online]. Available at: [www.jrf.org.uk/report/economic-security-foundation-dignity-opportunity-and-hope-age-uncertainty](http://www.jrf.org.uk/report/economic-security-foundation-dignity-opportunity-and-hope-age-uncertainty)

2. It is not binary or fixed, capturing a range of experiences that exist somewhere between total security and insecurity.
3. It takes account of both individuals' objective financial circumstances and their subjective experience of those circumstances.
4. It is dynamic, relating to the past, present and anticipation of the future.

Economic security differs from concepts like poverty or disadvantage in its emphasis on risk: both exposure to *risk* and the ability to cope with the negative shocks associated with it. In this respect, it is an altogether more holistic and dynamic concept than some of its counterparts. Both one's ability to cope, and degree of risk exposure, will vary not only with narrow factors like income or assets, but nature and quality of employment, living and housing arrangements, strength of relationships and community, and even one's psychological relationship to financial difficulty. These factors will intersect and be patterned according to various aspects of individuals' lives, and many of those factors will not be purely 'economic' in nature.<sup>5</sup>

The importance of economic security to our collective, as well as individual, prospects should not be underestimated. Widespread optimism about the economy has materially positive impacts, as increased participation in the labour market and stronger investment can result in a stronger economy. Conversely, when there is less confidence in the economy, the labour force shrinks and investment slows.<sup>6</sup> Further, given the interconnected nature of our systems, changes in our economic situation has implications for other systems, such as our social infrastructure (see Box 3). Stiglitz et al argue that economic insecurity also leads to under-investment in education, depriving the next generation of human capital and harming the future economy.<sup>7</sup> Insuring citizens against economic insecurity has a clear common-sense rationale, but this is not the only, nor the most, important reason to make it a priority. As Graeme Cooke of the Joseph Rowntree Foundation puts it: *"To advance economic security is to care about the conditions for people to be the author of their life, to seize opportunities, and to participate in society to their fullest extent"*.<sup>8</sup>

Put simply, to be economically secure is to be capable of living a life of one's choosing, a life that feels worthwhile.<sup>9</sup>

### Box 3: The RSA's regenerative mission

At the core of the RSA's mission is the concept of *regeneration*, which embraces the deep interconnectedness of our social, economic and ecological systems at all levels: from individuals to places to macro systems like the national economy. Regeneration aims to ensure these systems operate in partnership - an inclusive economy supports a thriving society and healthy environment; a flourishing environment supports a healthy society and inclusive economy.

Given the interconnected nature of the systems, this also means that risk and fragility in one presents risk to the others. A weak and exclusive economy can fray the social fabric or lead to de-prioritisation of climate action. Avoiding – and indeed reversing – these downward spirals is therefore a matter of tending to the health of those systems in a sustained and systematic way.

- 5 Hacker, J (2018) 'Economic security', in For Good Measure: advancing research on well-being metrics beyond GDP, OECD. Available at: [www.oecd-ilibrary.org/sites/9789264307278-10-en/index.html?itemId=/content/component/9789264307278-10-en](http://www.oecd-ilibrary.org/sites/9789264307278-10-en/index.html?itemId=/content/component/9789264307278-10-en)
- 6 Rohde, N and Tang, KK (2018) Economic insecurity: theoretical approaches," Chapters in: D'Ambrosio, C (ed) Handbook of Research on Economic and Social Well-Being, ch 13, pp 300-315, Edward Elgar Publishing.
- 7 Stiglitz, J and Sen, A and Fitoussi, J (2009). The Measurement of Economic Performance and Social Progress Revisited. Commission on the Measurement of Economic Performance and Social Progress, Paris.
- 8 Cooke, G (2023) Op cit. p7.
- 9 More information on the capability approach in: Robeyns, I and Byskov, MF. The Capability Approach. The Stanford Encyclopaedia of Philosophy (Summer 2023 edition), Zalta, EN and Nodelman, U (eds). Available at: [plato.stanford.edu/archives/sum2023/entries/capability-approach/](https://plato.stanford.edu/archives/sum2023/entries/capability-approach/)

## Economic security and young people in the UK

The economic security of today's young people requires a rounded assessment, for example by looking not only at their income, but employment status and quality, housing tenure and costs, availability of support, and self-reported feelings of anxiety, hopelessness, and so on. A review of the relevant evidence highlights the pressures young people face in all of these aspects of life, which indicates considerable challenges in terms of economic security for this generation.

### **Box 4: Young people in national data sets**

National data sets have been used in order to understand broader trends concerning young people, where possible. However, analysing this data has highlighted particular challenges and gaps when it comes to accessing reliable data on young peoples' experiences with financial security.

**Household-level data:** Much of the national data collected on financial aspects are reported on at the household level, which is reported on in age brackets. In these datasets, the age of a household is determined by the age of the 'household reference person', defined as follows:

*"The household reference person is the person with the main responsibility for the property, for example, the person who owns the property, or who is legally responsible for the rent. If this is joint, the household reference person is the person with the highest income. If the income is the same, then the eldest person is selected".<sup>10</sup>*

Therefore, in this report when we refer to '16-24-year-old households', this indicates a household where the person with primary responsibility for the property is aged 16-24 years old. However, our analysis of the Office for National Statistics (ONS) data, Young adults living with their parents<sup>11</sup> indicates that in 2022 67 percent of 16-24-year-olds lived at home. So, data on 'young households' are not likely to be representative of the broader population of young adults; for example, they may be more likely to have the means to live independently.

**Low response rates:** Some data are collected and reported at individual levels; however, in some cases a low number of young people and households are present in the data. For example, in the two most recent rounds of the ONS Wealth and Assets Survey (which is reported at individual- and household-level), 16-24-year-olds made up only one percent of all respondents despite comprising 10 percent of the UK population.<sup>12</sup>

## **Income and employment**

Young people's incomes have been shaped by wider trends in the labour market. Ten years on from the financial crash of 2008, real-term wages had still not recovered to their pre-crash levels before they were hit by the Covid-19 pandemic and rising inflation.<sup>13</sup> According to data from the ONS Annual Survey of Hours and Earnings (ASHE), despite nominal wage increases in the

10 The Office for National Statistics (2019) Generational income: The effects of taxes and benefits [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/generationalincometheeffectsoftaxesandbenefits/2019-08-21](http://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/generationalincometheeffectsoftaxesandbenefits/2019-08-21) (Accessed 12 December 2023).

11 The Office for National Statistics (2023) Young adults living with their parents [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/youngadultslivingwiththeirparents](http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/youngadultslivingwiththeirparents) (Accessed 18 December 2023).

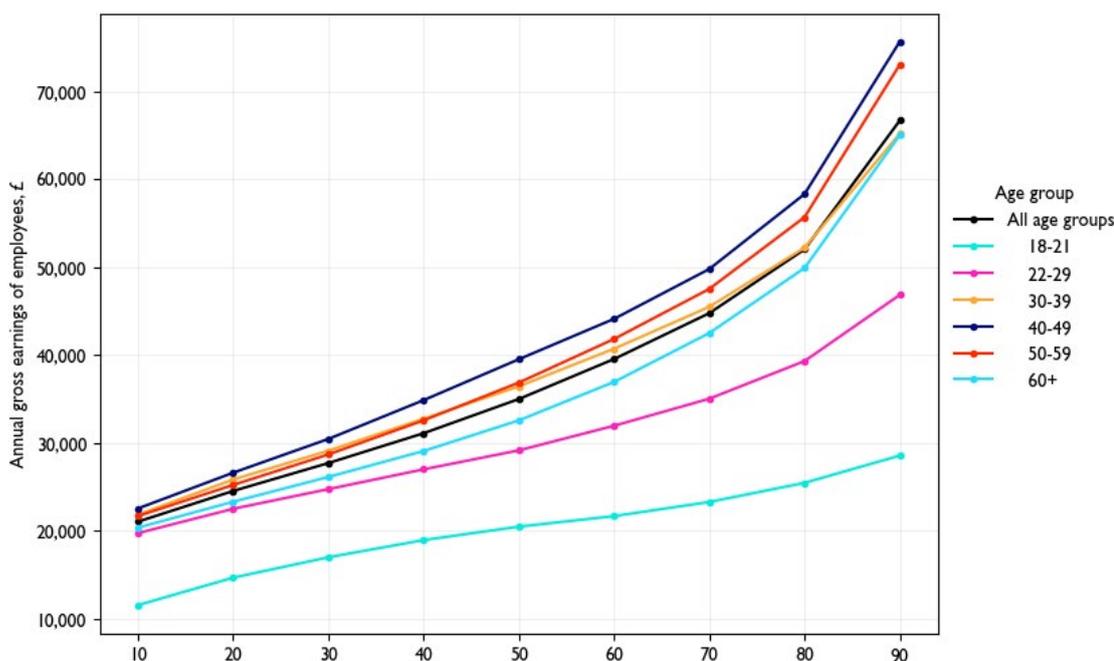
12 As of the 2021 census, there are approximately 7 million people aged 16-24 years in the UK. The Office for National Statistics (2022) People aged 16 to 24 years, population and employment rates. Available at: [www.ons.gov.uk/aboutus/transparencyandgovernance/freedomofinformationfoi/peopleaged16to24yearspopulationandemploymentrates](http://www.ons.gov.uk/aboutus/transparencyandgovernance/freedomofinformationfoi/peopleaged16to24yearspopulationandemploymentrates). Also see: The Office for National Statistics (2020) The total UK population is approximately 67.1 million. Overview of the UK population. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/2020](http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/2020)

13 Clarke, S and Gregg, P (2018) Count the pennies: Explaining a decade of lost pay growth. Available at: [www.resolutionfoundation.org/publications/count-the-pennies-explaining-a-decade-of-lost-pay-growth/](http://www.resolutionfoundation.org/publications/count-the-pennies-explaining-a-decade-of-lost-pay-growth/) [Accessed 18 December 2023].

past five years, real wages have in fact been dropping.<sup>14.15.16.17.18.19.</sup> But while wage stagnation has presented challenges for everyone, young people have been at the sharpest end.

Figure 1 shows gross annual wages for different age groups in the year 2023, split up by earnings decile. It makes it strikingly clear that the youngest group (aged 18-21) is paid less than any other group. The lowest earners of this group earn £10,000 annually less than the lowest earners of the next youngest group (aged 22-29), a difference that only worsens for the highest earners, who earn approximately £15,000 less than the highest earners of 22-29-year-olds. While we expect young people’s pay to be lower as a reflection of their relative inexperience, this does not explain the disproportionately lower growth in young people’s wages compared to other age groups. That is, our own analysis of the Annual Survey of Hours and Earnings data shows that where median nominal pay across employees of all age groups has grown 43 percent since 2008, the equivalent figure for 18-21 has been just 21 percent over the same period. Our analysis further indicates that, had young people’s wages grown at the same rate as for all employees, 18-21-year-olds today would be earning £2,060 more per year than they do now.<sup>20.</sup>

**Figure 1: Employee annual earnings by age group (April, 2023) and earnings decile.** Note these data do not include self-employed workers. Note also that data for the 16-17 age group are absent because the statistical estimates are considered to be unreliable.



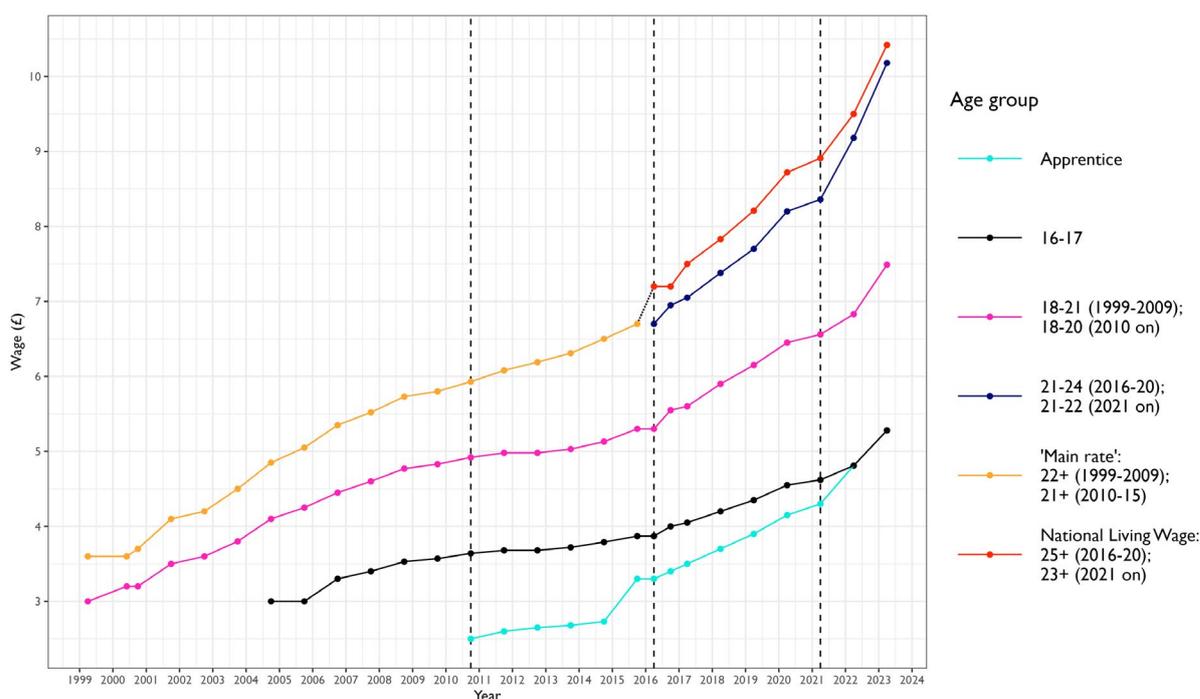
Source: ONS Annual Survey of Hours and Earnings 2023.

14 The Office for National Statistics (2023) [online]. Available at: [Employee earnings in the UK: 2023](#)  
 15 The Office for National Statistics (2022) [online]. Available at: [Employee earnings in the UK: 2022](#)  
 16 The Office for National Statistics (2021) [online]. Available at: [Employee earnings in the UK: 2021](#)  
 17 The Office for National Statistics (2020) [online]. Available at: [Employee earnings in the UK: 2020](#)  
 18 The Office for National Statistics (2019) [online]. Available at: [Employee earnings in the UK: 2019](#)  
 19 The Office for National Statistics (ONS). Earnings and hours worked, age group: ASHE Table 6, years 2008 and 2023 [dataset]. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6)  
 20 The computer code used to create the figures in this chapter can be found at: [github.com/theRSAorg/state-of-paralysis-report](https://github.com/theRSAorg/state-of-paralysis-report)

Young people are also increasingly likely to be in insecure forms of employment, in sectors with little opportunity for progression. In 2014, 214,000 young people (16-24) were employed on zero-hours contracts; by 2023, this number has more than doubled to 474,000.<sup>21</sup> Further, the number of young people on zero-hours contracts is more than double that of any other age group (eg 228,000 people aged 25-34). Analysis from Leschke and Finn showed that young people across Europe are more likely than others to hold temporary contracts with limited job security, with higher risks of hindering their long-term career prospects.<sup>22</sup> The Work Foundation found in 2021 that 43 percent of 16-24-year-olds were experiencing 'severe' employment insecurity, compared to between 15-20 percent of other age groups.<sup>23</sup>

Finally, alongside these challenges regarding income, and employment status, there has also been a squeeze on the income support young people can access from the state.<sup>24</sup> Figure 2 shows the value of National Minimum Wage for different age groups since its introduction in 1999. The structure of minimum wage provision has changed three times over the past 24 years, perhaps most substantially in 2016, when the National Living Wage was introduced, which at the time applied to workers aged 25+. At the time of writing (2023), the NLW now applies to workers aged 23+, and in 2024 the age will be lowered again to 21+.<sup>25</sup>

**Figure 2: Trends in National Minimum Wage hourly rate between 1999 and 2023 by age group. Note that age groupings have changed three times over the past 24 years, and some of the coloured lines represent age groups that have changed (see the legend). The dates of these changes are indicated by the vertical dashed lines.**



21 The Office for National Statistics (2023) Number of employees on a zero hours contract in the United Kingdom from 2013 to 2023, by age group [online]. Available at: [www.statista.com/statistics/398509/number-of-employees-zero-hours-contracts-age/](https://www.statista.com/statistics/398509/number-of-employees-zero-hours-contracts-age/)

22 Leschke, J and Finn, M (2018) Labour market flexibility and income security: Changes for European youth during the Great Recession, (online). Available at: [doi.org/10.1093/oso/9780190864798.003.0005](https://doi.org/10.1093/oso/9780190864798.003.0005), p153

23 Florisson, R (2022) The UK Insecure Work Index: two decades of insecurity [online]. Available at: [www.lancaster.ac.uk/work-foundation/publications/the-uk-insecure-work-index](https://www.lancaster.ac.uk/work-foundation/publications/the-uk-insecure-work-index), p21

24 Gardiner L and Rahman F (2019) A fraying net: the role of a state safety net in supporting young people develop and transition to an independent, healthy future [online]. Available at: [www.resolutionfoundation.org/publications/a-fraying-net/](https://www.resolutionfoundation.org/publications/a-fraying-net/)

25 Low Pay Commission summary of evidence, 2023 (2023) GOV.UK. Available at: [www.gov.uk/government/publications/minimum-wage-rates-for-2024/low-pay-commission-summary-of-evidence-2023](https://www.gov.uk/government/publications/minimum-wage-rates-for-2024/low-pay-commission-summary-of-evidence-2023) (Accessed 18 December 2023).

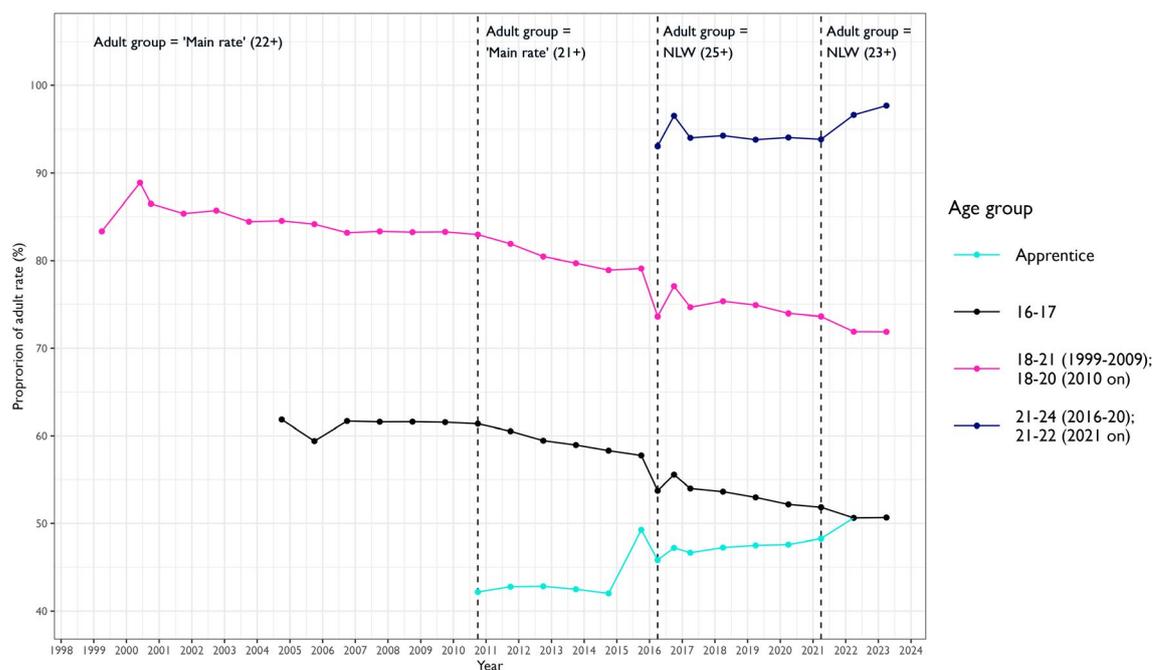
Comparing growth in national minima between age groups since 2016 indicates that growth has been strongest for the older age groups (the blue and red lines), and weaker for younger age groups (the fuchsia, black, and teal lines). The adult rate (ie the NLW) has grown by 45 percent, whereas the 18-20 rate has grown by 41 percent and the 16-17 rate has grown by 36 percent (see Table 1).

**Table 1: National Living/Minimum Wage in 2016 and 2023 by age group and growth in the period**

Age group	Wage in 2016	Wage in 2023	Growth
25 and over	£7.20	£10.42	45%
21 to 24	£6.70	£10.18	52%
18 to 20	£5.30	£7.49	41%
16 to 17	£3.87	£5.28	36%
Apprentice	£3.30	£5.28	60%

As a proportion of the 'adult rate' (ie the highest minimum wage, which since 2016 is the NLW), the youth minima rates have fallen over time, as depicted in Figure 2. In 2003, minimum wage protections would have guaranteed someone aged 18-20 a wage worth 84 percent that of the adult rate, whereas in 2023, an 18-20-year-old is guaranteed a wage worth 72 percent the adult rate. When a national minimum wage was introduced for 16-17-year-olds in 2004, it was worth 62 percent of the adult rate. In 2023, the rate for 16-17-year-olds is 51 percent of the adult rate.

**Figure 3: Trends in National Minimum Wage hourly rate as a proportion of the 'adult rate' for each age group. As in Figure 2, the vertical dashed lines indicate changes to groupings, and some coloured lines represent age groups that have changed. For each time period, the definition of the 'adult rate' is provided at the top of the plot.**



Source: Francis-Devine, B (2023) National Minimum Wage statistics. House of Commons Library; National Minimum Wage and National Living Wage rates. Available at: [www.gov.uk/national-minimum-wage-rates](http://www.gov.uk/national-minimum-wage-rates) (Accessed 15 December 2023).

Alongside this, analysis from the Resolution Foundation highlights effective reductions to the benefits to which young people are entitled, from the introduction of a lower 'shared accommodation rate' for housing benefit to the closure of Child Trust Fund in 2011. Universal Credit also extends the £15.20 per week lower youth rates in job seekers' benefits to young single parents, resulting in an average £1,700 per year loss in 2019 relative to 2015.<sup>26</sup>

Academic and the RSA's own qualitative evidence suggests that families also cannot be relied upon to step in where employment or state support is insufficient. Antonucci highlights a 'mismatch' between government expectations and the reality of family and community provision as public spending was reduced in the 2010s, with young people increasingly taking on precarious work to compensate.<sup>27</sup> In our research for the Cost of independence report, we found that nearly one in five 22-24-year-olds were unable to rely on family for direct financial support, or to live with family to save on housing costs.

### **Box 5: A non-linear transition to adulthood**

There are signs of a broader shift in how young people first connect with the labour market, characterised by a looser, non-linear path to permanent employment.

To draw on a generic model from the past, previous generations tended to leave school and – sometimes with a brief delay – enter the workforce permanently and progress their careers steadily and smoothly through young adulthood, often with the same employer.<sup>28</sup> By contrast, today's young people often cycle between education and employment, with part-time jobs and internships alongside formal education, 'false starts' on their careers before returning home or into another form of training or education.

This intersects with the trends discussed above, where lower wages, less generous support and increasing costs promote the uptake of part-time or temporary jobs, either for young people to fit around their education or simply to make ends meet. However, part-time and temporary work does not always serve as 'stepping-stones' but can trap young people where prolonged periods of 'chopping and changing' reduce their suitability for better jobs. The IFS describes the low progression opportunities in many young peoples' jobs, which leads them to switch careers for a pay rise,<sup>29</sup> compounding these effects. Evidence for this phenomenon includes Barnardo's finding that 22 percent of young people were focusing on getting quick, easy money rather than building a career.<sup>30</sup>

We can therefore see how a non-linear transition leads to economic insecurity, with young people yo-yoing between employment and education, and between independence and dependence (on family or friends) for extended periods.<sup>31</sup>

26 Gardiner, L and Rahman, F (2019) A fraying net: the role of a state safety net in supporting young people develop and transition to an independent, healthy future [online]. Available at: [www.resolutionfoundation.org/app/uploads/2019/10/A-fraying-net-report.pdf](http://www.resolutionfoundation.org/app/uploads/2019/10/A-fraying-net-report.pdf)

27 Antonucci, L (2018) Not all experiences of precarious work lead to precarity: the case of young people at university and their welfare mixes. *Journal of Youth Studies*, 21 (7): 888-904

28 Furlong, A et al (2017) *Young People in the Labour Market: Past, Present, Future*. London: Routledge, pp22-24

29 Costa Dias et al [IFS] (2020) The challenges for labour market policy during the Covid-19 pandemic [online]. Available at: [ifs.org.uk/articles/challenges-labour-market-policy-during-covid-19-pandemic](https://ifs.org.uk/articles/challenges-labour-market-policy-during-covid-19-pandemic)

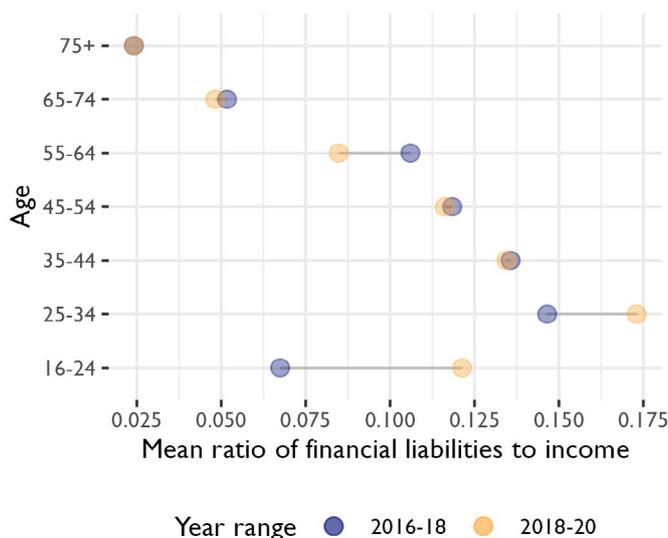
30 Barnardo's (2023) Young people turn away from higher education to fund basic needs [online]. Available at: [www.barnardos.org.uk/news/young-people-turn-away-higher-education-fund-basic-needs](https://www.barnardos.org.uk/news/young-people-turn-away-higher-education-fund-basic-needs)

31 Lennartz, C, Arundel, R and Ronald R (2015) Younger adults and homeownership in Europe through the global financial crisis [online] Available at: [doi.org/10.1002/psp.1961](https://doi.org/10.1002/psp.1961) p5

## Savings and debt

Young people also have a high risk of taking on debt. Our Cost of independence report found that 48 percent of young people surveyed owed money for something; that figure increases to 80 percent if student debt is included. RSA analysis of the Wealth and Assets Survey data<sup>32</sup> shows that young households have experienced a dramatic increase in debt over the last four years, with persistent credit card debt for 16-24-year-olds doubling from 2016-20, while it remained more or less the same for all other age groups. Figure 4 also shows 16-24-year-olds exhibiting a drastically increasing ratio of financial liabilities to income compared to other age groups. Of course, this in turn makes debt repayment slower and more difficult.

**Figure 4: Ratio of household financial liabilities to income**



Source: RSA analysis of Wealth and Assets Survey. Financial liabilities include: persistent credit card debt, mail orders, hire purchase accounts, formal and informal loans, overdrawn accounts, and arrears. Note that student loans are excluded from the formal and informal loans.

Finally, there are signs that young people are taking on debt to cover non-discretionary spending. For example, research from the in 2021 found that 30 percent of young people are borrowing to pay for everyday expenses, compared to 17 percent among all adults.<sup>33</sup>

## Housing and transport

The next section focuses on two key areas of essential spending that particularly affect young people. However, it's useful to situate these areas of spending within overall cost of living challenges (see Box 7 for more detail on young people's experiences of the cost of living crisis). Research from the Intergenerational Foundation shows that young people's average expenditure on essential goods and services – such as housing, utilities, sustenance, transport etc - accounted for nearly two-thirds of their income in 2019, compared to under 50 percent for 65+ year-olds. Non-discretionary spending of this kind has increased for most age groups over this time, but most for young people: from 53 percent in 2001 to 63 percent in 2019.<sup>34</sup>

32 The Office for National Statistics, Social Survey Division (2023) Wealth and Assets Survey, Waves 1-5 and Rounds 5-7, 2006-2020. [Data collection]. 18th Edition. UK Data Service. SN: 7215. Available at: [doi.org/10.5255/UKDA-SN-7215-18](https://doi.org/10.5255/UKDA-SN-7215-18)

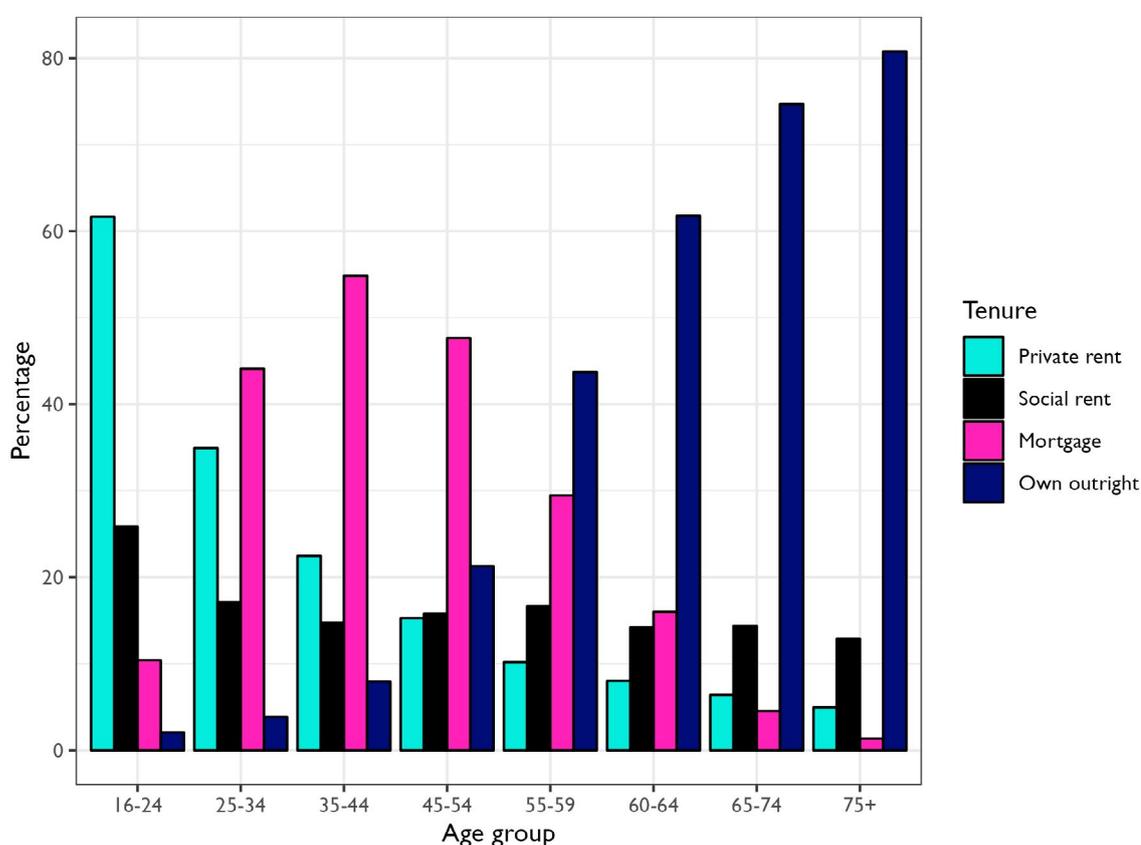
33 Money and Pension Service (2022) UK Adult Financial Wellbeing Survey 2021 Credit Counts Report. Available at: [maps.org.uk/wp-content/uploads/2022/12/MAPS-Use-of-Credit-AFW-survey-2021.pdf](https://maps.org.uk/wp-content/uploads/2022/12/MAPS-Use-of-Credit-AFW-survey-2021.pdf) (Accessed 18 July 2023).

34 Haglund, A (2022) The Savings Squeeze. The Intergenerational Foundation. Available at: [www.if.org.uk/wp-content/uploads/2022/10/IF\\_Savings\\_FINAL\\_3\\_Oct\\_FINAL.pdf](https://www.if.org.uk/wp-content/uploads/2022/10/IF_Savings_FINAL_3_Oct_FINAL.pdf) (Accessed 18 July 2023).

Young people’s expenditure on housing in particular contributes significantly to these trends. Given the evidence already presented on wages, employment, non-discretionary expenditure and savings, young people are not well placed to build up a deposit and to feel confident in the long-term affordability of a mortgage. Combined with rising house prices, it is unsurprising that we see decreases in home ownership amongst 16-24-year-olds, and in the security this offers as a result.

The ratio of average house price to average annual income has risen in England from 4.2 in 2000 to 7.9 in 2022.<sup>35</sup> Of course, this highlights the decreasing affordability of home ownership for everyone, but it will only be more so for young people given their relative earnings.<sup>36</sup> Figure 5 shows the share of different types of housing tenure by household age group, with a particularly stark contrast between levels of home ownership (teal and black) and private renting (fuchsia) amongst 16-24-year-old households compared to older age groups. As described previously in Box 4, this data refers to households where the person with primary responsibility for the property is aged 16-24 years old.

**Figure 5: Housing tenure by age group – financial year 2021-22**



Source: RSA analysis of Family Resources Survey, financial year 2021-22.<sup>37</sup> Data for the 16-24 age group has a lower response rate compared to other ages, so estimates for this group may be less reliable; 16-24-year-old households represent only 1.5 percent (n = 240) of all surveyed households.

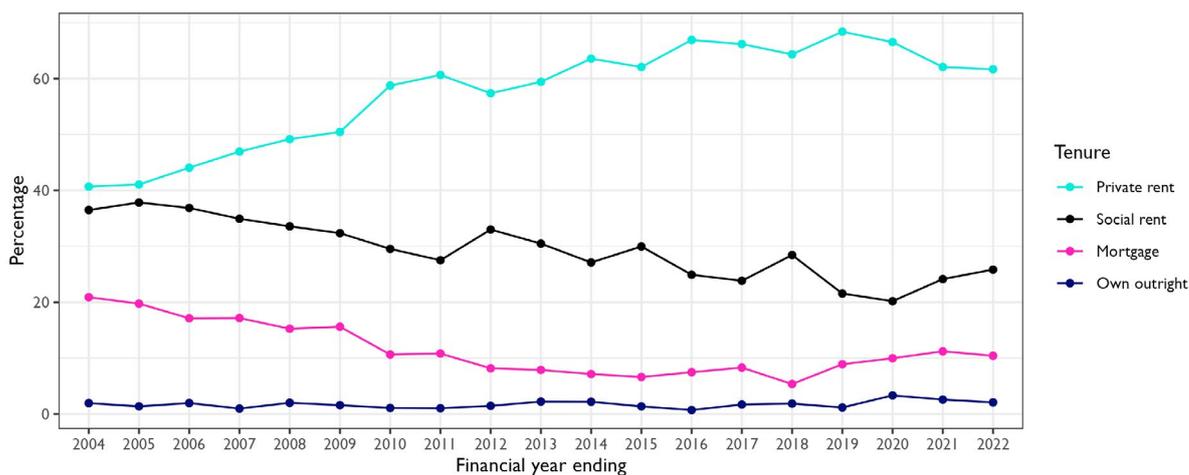
35 The Office for National Statistics (2022) Housing affordability in England and Wales: 2022 [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2022](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2022)

36 ABC Finance Ltd (nd) The Truth Behind ‘Generation Rent’ [blog]. Available at: [abcfinance.co.uk/blog/generation-rent-study/](https://abcfinance.co.uk/blog/generation-rent-study/)

37 Family Resources Survey: financial year 2021 to 2022 (2023) GOV.UK. Available at: [www.gov.uk/government/statistics/family-resources-survey-financial-year-2021-to-2022](https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2021-to-2022) (Accessed 19 December 2023).

On the one hand, these patterns are broadly what we would expect, with time needed for young people to accrue sufficient income and savings to invest in buying their own property. However, as shown in Figure 6, over the last two decades, the number of young households with mortgages has decreased, from 21 percent in financial year ending 2004 to 10 percent in financial year ending 2022. Alongside this, the number of young people in social housing has decreased from 35 percent in 2004 to 26 percent in 2022, and the number of young households in private rentals has increased substantially, from 41 percent in 2004 to 62 percent in 2022.

**Figure 6: Housing tenure among 16–24-year-olds, financial year ending 2004–22**



Higher shares of young people renting privately has also coincided with rental prices increasing, with steeper rises for those living in London. The average weekly private rent in England, excluding London, rose from £145 in 2013 to £160 in 2022; and from £281 to £353 in London, or an increase of nearly £300 per month.<sup>38</sup> Among private renters in England, young households spent more of their income on rent (44 percent) than any other age group. For comparison, households in the next age bracket up (age 25–34) spent 30 percent of their income on rent. A common heuristic for housing affordability is that it should cost no more than 30 percent of gross income.<sup>39</sup> Amongst the lowest earning young households in England, more than three-quarters spend more than 30 percent of their income on rent.<sup>40</sup> As research from Lloyds Banking Group has demonstrated, monthly rental payments are now often more expensive than monthly mortgage repayments, a cost saving from which young people are often locked out compared to their older and/or more advantaged cohorts.<sup>41</sup> In fact, the average weekly mortgage payments in London and the rest of England in 2021–22 were £277 and £143, respectively – figures that are less than average private rent in 2013.<sup>42</sup> All of these factors combine to create both higher absolute costs for today’s young people compared to previous years, but also a strikingly higher share of young people’s incomes being spent on housing compared to other age groups.

38 English Housing Survey Households 2013–14 (2015) GOV.UK. Ch 4: Private Renters [PDF]. Available at: [assets.publishing.service.gov.uk/media/5a7f108d40f0b62305b84d9a/Chapter\\_4\\_Private\\_renters.pdf](https://assets.publishing.service.gov.uk/media/5a7f108d40f0b62305b84d9a/Chapter_4_Private_renters.pdf) and GOV.UK English Housing Survey 2021 to 2022: private rented sector (2023) [online]. Available at: [www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector)

39 The Office for National Statistics (2021) Private rental affordability, England: 2012 to 2020 [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/private-rental-affordability-england/2021](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/private-rental-affordability-england/2021)

40 English Housing Survey, 2021 to 2022 (2023) GOV.UK [online]. Available at: [www.gov.uk/government/collections/english-housing-survey](https://www.gov.uk/government/collections/english-housing-survey)

41 Lloyds Banking Group (2022) Buying almost £1400 cheaper than renting [online]. Available at: [www.lloydsbankinggroup.com/media/press-releases/2022/halifax/buying-almost-1400-cheaper-than-renting.html](https://www.lloydsbankinggroup.com/media/press-releases/2022/halifax/buying-almost-1400-cheaper-than-renting.html)

42 English Housing Survey, 2021 to 2022 (2023) Headline report. GOV.UK [online]. Available at: [www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-headline-report/english-housing-survey-2021-to-2022-headline-report#section-1-households](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-headline-report/english-housing-survey-2021-to-2022-headline-report#section-1-households)

When we think about young people's experience of housing, it is worth considering not only its expense but also its quality. Linked to their increasing non-linear patterns of employment and education, and the increasing prevalence of temporary contracts, young people's bargaining power can leave them 'hostages to fortune' and unable to access high quality, long-term accommodation. In a survey for our Cost of independence report, we found that nearly one in five working young people opted to live in inappropriate or unsafe housing as it was more affordable.

Finally, young people are more likely to rely on public transport than older age groups, both to get to work and for social and leisure activities. Forty percent of young people say they rely on public transport compared to 28 percent across all other age groups.<sup>43</sup> An increasing number of young people cannot or do not drive, associated in large part with increasing costs – especially with regard to insurance – as well as broader changes in social norms (eg higher home-working and attitudes around climate).<sup>44</sup> Meanwhile, both bus and train fares have risen faster than wages,<sup>45</sup> and bus services in particular have been declining over the past decade,<sup>46</sup> reducing both affordability and access. Some parts of the country do provide bus fare support for young people, but many of these are capped at age 18.<sup>47</sup>

## Economic security and young people's health

Taken together, these trends amount to a squeeze on young people's finances from all conceivable directions: lower wage growth than other age groups, more precarious and non-linear engagement with employment, reduced support from the state and higher costs from essential spending (including housing and transport). Somewhat inevitably, this is associated with lower rates of saving and higher financial risk through debt.

But economic security is not only a matter of financial facts, but about the experience and consequences of those circumstances. What is the impact of these factors on young people's health and wellbeing? While we will hear from young people themselves in the next chapter, the available data and literature already paints a vivid picture.

In the first instance, there are well-documented concerns about young people's health (particularly mental health) over the last decade. ONS data showed an almost 40 percent increase in self-reported rates of anxiety and depression amongst 16-24-year-olds, and an almost 10 percent decrease in levels of satisfaction with their health between 2009 and 2018.<sup>48</sup> While there will be numerous factors contributing to these outcomes, there are clear relationships with factors contributing to economic insecurity that suggest these may play a part in worsening health trends.

43 Collings, S, Chatterjee, K, Cope, A, Burns, T and Adeel, M (2023) Transport to thrive: Why we shouldn't ignore the transport needs of young people [PDF] Available at: [www.sustrans.org.uk/media/12919/transport-to-thrive-needs-of-young-people-november-2023.pdf](http://www.sustrans.org.uk/media/12919/transport-to-thrive-needs-of-young-people-november-2023.pdf) (Accessed 30 December 2023).

44 Chatterjee K et al (2018) Young People's Travel: What's Changed and Why? [online]. Available at: [assets.publishing.service.gov.uk/media/5a81dd5340f0b62305b9137e/young-peoples-travel-whats-changed-exec-summary.pdf](https://assets.publishing.service.gov.uk/media/5a81dd5340f0b62305b9137e/young-peoples-travel-whats-changed-exec-summary.pdf)

45 The Office for National Statistics (2023) Bus and Coach Fares – 1987-2023 [online]. Available at: [www.ons.gov.uk/economy/inflationandpriceindices/timeseries/docx/mm23?referrer=search&searchTerm=docx](https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/docx/mm23?referrer=search&searchTerm=docx); The Office for National Statistics (2023) Rail Fares – 1987-2023 [online]. Available at: [www.ons.gov.uk/economy/inflationandpriceindices/timeseries/docw/mm23](https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/docw/mm23)

46 Campaign for Better Transport (2022) Funding Local Bus Services in England [online]. Available at: [bettertransport.org.uk/wp-content/uploads/legacy-files/research-files/Funding\\_local\\_bus\\_services\\_in\\_England\\_June\\_2022.pdf](https://bettertransport.org.uk/wp-content/uploads/legacy-files/research-files/Funding_local_bus_services_in_England_June_2022.pdf)

47 Collings, S, Chatterjee, K and Cope, A (2022) Fair bus fares for young people [PDF] Available at: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.sustrans.org.uk/media/10857/220719-fair-bus-fares-for-young-people-v14\\_d.pdf](https://chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.sustrans.org.uk/media/10857/220719-fair-bus-fares-for-young-people-v14_d.pdf)

48 The Office for National Statistics (2020) Young People's Wellbeing in the UK: 2020 [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/youngpeopleswellbeingintheuk/2020](https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/youngpeopleswellbeingintheuk/2020)

## Income and employment

A key finding of Michael Marmot's seminal review is the protective role of income in promoting good health because of the control and agency it affords people. Conversely, Marmot highlights how scarcity can affect mental processes, causing stress and anxiety as well as narrowing mental 'bandwidth' in ways that can affect decision-making and worsen outcomes yet further.<sup>49</sup> Economic insecurity also affects physical health, through associations with reduced time for relaxation or exercise, worse nutrition and reduced engagement with healthcare services.

But there are signs that these generic associations between insecurity and ill health are more acute amongst young people. For example, we know that young people are more likely than other age groups to be in insecure work, eg on zero-hours contracts. This form of work is associated with poor health in and of itself, with the ongoing pursuit of 'the next contract' causing stress and anxiety,<sup>50</sup> and sectors with a higher share of zero-hours contracts – such as in the gig or platform economy – lacking the occupational health protections or oversight typical in more secure forms of employment.<sup>51</sup>

Wider research has focused on the unique effects of this kind of work on young people specifically, with the longitudinal Next Steps study of nearly 16,000 young people showing as much as twice the rate of mental ill health by age 25 amongst those on zero-hours contracts compared to those in more secure work.<sup>52</sup> A 2016 meta-analysis concluded that young people exhibit particular vulnerabilities to health problems when unemployed or in precarious employment.<sup>53</sup>

Recent work has also highlighted the psychological effects of economic insecurity on young people through changing attitudes to leisure, with young people increasingly perceiving this as 'empty' or 'unproductive' time, and therefore something to be minimised.<sup>54</sup> As part of the same study, young people expressed that they were not in control of much of their time, and researchers identified an increasing blurring between work and non-work time. Further, in our research for Age of insecurity report, some diary participants shared that they saw their economic circumstances as a personal - rather than systemic - failing and often worked excess hours and multiple jobs to compensate.<sup>55</sup>

## Savings and debt

As young people appear to be at increasing risk of debt, it is worth noting the well-attested negative relationship between indebtedness on mental health. A meta-analysis by Richardson et al in 2013 found a significant association between debt and mental disorder, depression, suicide completion or attempts, problem drinking, drug dependence, neurotic disorders

49 Marmot, M (2010) Fair Society, Healthy Lives. London: Marmot Review. [PDF] Available at: [www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review/fair-society-healthy-lives-full-report-pdf.pdf](http://www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review/fair-society-healthy-lives-full-report-pdf.pdf)

50 TUC (2016) Living on the edge: experiencing workplace insecurity in the UK [online]. Available at: [www.tuc.org.uk/sites/default/files/insecure%20work%20report%20final%20final.pdf](http://www.tuc.org.uk/sites/default/files/insecure%20work%20report%20final%20final.pdf)

51 Quinlan, M and Bohle, P (2008) Under Pressure, Out of Control, or Home Alone? Reviewing Research and Policy Debates on the Occupational Health and Safety Effects of Outsourcing and Home-Based Work. *International Journal of Health Services*. 2008;38(3):489-523.

52 Centre for Longitudinal Studies (2017) Economic activity and health: initial findings from the Next Steps Age 25 sweep [online] Available at: [cls.ucl.ac.uk/wp-content/uploads/2017/08/UCL\\_EconomicActivityHealth\\_WEB.pdf](http://cls.ucl.ac.uk/wp-content/uploads/2017/08/UCL_EconomicActivityHealth_WEB.pdf)

53 Vancea, M and Utzhet, M (2016) How unemployment and precarious employment affect the health of young people: A scoping study on social determinants. *Scandinavian Journal of Public Health*. 2017;45(1):73-84.

54 Batchelor, S et al (2020) Precarious leisure: (re)imagining youth, transitions and temporality, *Journal of Youth Studies*, 23:1, 93-108.

55 Murray, T and Webster, H (2022) Op cit.

and psychotic disorders.<sup>56</sup> Various studies have shown this association in young people specifically, with higher rates of debt corresponding with worse mental health while perceived financial management and problem-solving abilities are positively associated with mental health.<sup>57</sup> The relationship also appears to be bi-directional, with debt contributing to lower self-esteem, stress and mental ill health, and those with mental health challenges also more likely to take on debt.<sup>58</sup>

Meanwhile, savings and assets appear to be a protective factor against ill health. Based on a large-scale longitudinal study, Bialowolski et al found that access to savings not only had a significant bearing on measures of emotional health, but also appeared to be associated with healthy physical behaviours like reduced smoking or increased uptake of sports activities.<sup>59</sup>

## Housing and transport

Finally, the links between poor housing and ill health are well established, with affordability, security of tenure and conditions an enhanced focus of Michael Marmot's 10 Years On follow-on study from his original review.<sup>60</sup> Earlier we saw housing costs for young people increasing both in absolute terms and as a share of young people's income relative to other age groups. Housing affordability has been shown in and of itself to negatively affect health, with research showing associations with increased blood pressure, depression and anxiety.<sup>61</sup> Young people are disproportionately housed in the private rental sector - the least stable form of housing tenure – with greater instability and risk of eviction another cause for stress and mental ill health.

Data also suggests that young people are far more likely to live in lower quality accommodation. Research from the Resolution Foundation shows that 26 percent of 18-24-year-olds live in poor quality housing, over seven times the rate of those aged 65 and over, just 3 percent of whom report living in similar conditions.<sup>62</sup> Exposure to poor housing conditions – including damp, cold, mould and noise – is strongly associated with health conditions like respiratory problems, cardiovascular disease and communicable disease transmission.<sup>63</sup>

Finally, when it comes to transport, convenient and affordable access to work, education, social networks and services were found in the original Marmot review to be an essential prerequisite for not only individual wellbeing but overall community functioning, too.<sup>64</sup>

- 56 Richardson, T et al (2013) The relationship between personal unsecured debt and mental and physical health: a systematic review and meta-analysis. *Clin Psychol Rev* 33(8):1148-62. Available at: [doi: 10.1016/j.cpr.2013.08.009](https://doi.org/10.1016/j.cpr.2013.08.009). Epub 2013 Sep 10. PMID: 24121465.
- 57 Kim, J and Chatterjee, S (2021) Financial Debt and Mental Health of Young Adults. *Journal of Financial Counselling and Planning*, Volume 32, Number 2, 2021, 187-201.
- 58 Money and Mental Health Policy Institute (2023) Money and Mental Health Factsheet [online]. Available at: [www.moneyandmentalhealth.org/money-and-mental-health-facts/](https://www.moneyandmentalhealth.org/money-and-mental-health-facts/)
- 59 Bialowolski, P et al (2019) The impact of savings and credit on health and health behaviours: an outcome-wide longitudinal approach. *Int J Public Health* 64, 573–584.
- 60 Marmot, M et al (2020) Health Equity in England: The Marmot Review 10 Years On [online]. Available at: [www.health.org.uk/publications/reports/the-marmot-review-10-years-on](https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on)
- 61 Mari-Dell'Olmo M, Novoa AM, Camprub L (2017) Housing Policies and Health Inequalities. *Int J Health Serv.* 2017;47(2): 207–232.
- 62 Try, L (2022) Trying Times. Resolution Foundation. Available at [www.resolutionfoundation.org/publications/trying-times/](https://www.resolutionfoundation.org/publications/trying-times/) (Accessed 18 July 2023).
- 63 Thomson H et al (2013) Housing improvements for health and associated socio-economic outcomes. *Cochrane Database of Systematic Reviews.* 2013;2.
- 64 Marmot, M (2010) Op cit.

## Box 6: Intersectionality

Amidst the broader trends, it is important to emphasise that not all young people face an equal degree of economic insecurity. Levels of insecurity interact with other aspects of disadvantage in subtle but significant ways. Research from our Cost of independence report highlighted significant differences between young men and young women, and between young people from different racial backgrounds.

In addition to the broader challenges previously outlined regarding young people in national data sets (see Box 4), the quality of the data from which much of our analysis is drawn is also insufficient to conduct intersectional analysis. Given overall low sample sizes for young people as a cohort, the data is insufficient to look at variations within the cohort – eg gender, race. Not only is there insufficient focus on young people's experiences of economic insecurity specifically in wider debates, but insufficient ability to capture *different* young people's experiences in national systems of data collection. The ONS should look to rectify this in forthcoming surveys that involve disaggregation by age.

## Covid and the cost of living crisis

The first chapter, 'Stuck in a rut', has so far set out the impact of longer-term shifts in the economy, labour and housing markets, as well as government policy on young people. But this does not take into account the impact of the acute spikes in some of the pressures described over the past three years through the pandemic and, subsequently, the cost of living crisis.

In what follows, we examine the evidence that is already available for their impacts alongside qualitative insight from young people we interviewed about their experiences of the past few years.

## Covid-19 and insecure work

Young people's employment appears to have been disproportionately affected by the pandemic. Payroll data show that 53.7 percent of the decrease in employees between March 2020 and March 2021 were workers under 25,<sup>65</sup> and survey data suggest that in May 2020 33 percent of 16-24-year-olds lost their job or were furloughed (comparative figures are 20 percent for 25-29-year-olds, 19 percent for 30-34-year-olds, and 15 percent for 35-39-year-olds).<sup>66</sup> This effect has been attributed predominantly to an effect of sector rather than age, with young people constituting a large portion of workers in 'locked down' sectors during the pandemic.<sup>67</sup> The prevalence of young people in temporary or precarious work also made them more vulnerable to measures taken by companies to reduce costs and risk amidst acute economic uncertainty. The Resolution Foundation found that nearly 20 percent of young people who had been in work pre-pandemic were out of work by January 2021, compared to just 4 percent of 25-54-year-olds.<sup>68</sup>

65 The Office for National Statistics (2021) Earnings and employment from Pay As You Earn Real Time Information [online]. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimetypeinformationuk/april2021](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimetypeinformationuk/april2021) (Accessed 2 January 2024).

66 Gustafsson, M (2020) Young workers in the coronavirus crisis: Findings from the Resolution Foundation's coronavirus survey. Resolution Foundation [PDF]. Available at: [www.resolutionfoundation.org/app/uploads/2020/05/Young-workers-in-the-coronavirus-crisis.pdf](http://www.resolutionfoundation.org/app/uploads/2020/05/Young-workers-in-the-coronavirus-crisis.pdf) (Accessed: 2 January 2024).

67 Cominetti, N et al (2021) Long Covid in the labour market. Resolution Foundation [online]. Available at: [www.resolutionfoundation.org/publications/long-covid-in-the-labour-market/](http://www.resolutionfoundation.org/publications/long-covid-in-the-labour-market/) (Accessed: 2 January 2024).

68 Sehmi, R and Slaughter, H (2021) Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people [PDF] Available at: [www.resolutionfoundation.org/app/uploads/2021/05/Double-trouble.pdf](http://www.resolutionfoundation.org/app/uploads/2021/05/Double-trouble.pdf) (Accessed on 19 December 2023).

Our interview participants spoke about the stress caused by uncertainty about – or reductions in – the number of hours they were offered at work:

*It's been harder to work the hours I was before. Therefore, my pay has decreased. And so I've actually not been able to work as many hours as I would like to. Before I was getting easily 25 [hours a week]. And now I'm like, it's been really dire. So I've been... lucky to get 10 hours. Charlotte*

## Inflation and income

Recent inflationary pressures have further eroded young people's incomes and spending power, especially as wages fail to keep pace. With young people already spending a higher share of their incomes on essentials, price rises are likely to have a disproportionate impact on this age group. Several interview participants shared experiences of these challenges:

*I have actually lost a job in the last six months. I'm in a new job now, but the change in pay has been significant. It's worse than what it was before. So, in that way I've been massively, massively affected. Simone*

*If I do get a pay rise, it will be effectively a pay cut. It won't be in line with inflation. And there's no [...] stepwise progression for the longer you've been in a role. You have to get promoted to be paid more, and they're very reluctant to give pay rises... The money I earn, I think will just effectively get less and less and less over the next year. Amelia*

*Everything is going up apart from wages. Kieran*

## Food security

In the 2021-22 Family Resources Survey, young households were found to be the most food insecure with 10 percent reporting having used a food bank in the previous 12 months – more than double the rate of any other age group. Nearly a quarter of young households were considered to have low to very low food security.<sup>69</sup>

## Energy prices

Gas and electricity costs are examples of significant drivers of inflation. In October 2023, wholesale gas sold at 102.17 pence per therm. This represents a 167 percent increase from the price in October 2020. Similarly, wholesale electricity sold for £78.22 per megawatt hour in October 2023, representing a 75 percent increase since October 2020.<sup>70</sup> It should be noted that the period since October 2020 has seen turbulence in market prices due to the Russian invasion of Ukraine, with prices peaking in August 2022.<sup>71</sup> Today's prices are considerably reduced from this peak. Gas and electricity prices in October 2023 were 71 percent and 78 percent lower, respectively, than they were in August 2022. Thus, although prices have increased since October 2020, they are nonetheless recovering from the market shock beginning in 2021.

69 Family Resources Survey: financial year 2021 to 2022 (2023) GOV.UK. Op cit.

70 These prices are wholesale day ahead contracts prices. Wholesale market indicators (nd) Ofgem. Available at: [www.ofgem.gov.uk/energy-data-and-research/data-portal/wholesale-market-indicators](http://www.ofgem.gov.uk/energy-data-and-research/data-portal/wholesale-market-indicators) (Accessed: 3 January 2024).

71 Wholesale gas and electricity prices (day ahead contracts) in August 2022: 356p/therm for gas, £363.71/megawatt hour for electricity.

Polling from the Money Advice Trust shows 40 percent of 18-34-year-olds are behind on one or more household bills, compared to 22 percent of all UK adults.<sup>72</sup> Between 2020 and 2022, when energy bills increased drastically, young households witnessed a 136 percent surge in the fuel poverty gap, requiring on average an additional £483 annually to lift them out of fuel poverty.<sup>73</sup>

We heard from interviewees what a cause of distress this was, with evident implications for their personal wellbeing:

*I'm very worried about the electric bill. It's almost like an endurance challenge of just how long we can go without actually putting our heating on. I managed to get a very discounted gym membership, so I'm even like taking showers there, because with electric showers it's about £1.50 per shower now. I'm taking things to work to charge them. Bulk cooking and then storing it. Just anything that I can think of.* Megan

*When they gave everyone the discount [on the energy bill], we were like 'oh great!'. But our energy increased by the same amount as the discount... That has been quite stressful... I'm really scared to receive the next bill at the end of this month.* Charlotte

## Housing prices

Another key driver of inflation has been rising housing costs across the UK. Data from the ONS shows that rents have increased 5 percent in the last 12 months for the private rental sector. Social housing rent increases have been capped at 7 percent. Public opinions and social trends data from the ONS shows that a third of adults are finding it 'very' or 'somewhat' difficult to afford payments for their housing.<sup>74</sup>

The IFS noted a 'mitigating factor' that young people could move back in with family, something that happened particularly over the pandemic, but with risks of 'uprooting' them from their independent lives and damaging their long-term career prospects. Not only the costs but the convenience and agency afforded to young people by where they live was something that came up regularly in interviews:

*[Not being able to move away from living with parents] is causing tensions relationship-wise with my girlfriend. She's not from London and she wants to rent a place together, move out. And then I'm looking at the prices that would [suit us both]... [and] I'd lose more than 50 percent of my pay cheque to pay 50 percent of the rent for a shoe box effectively.* Conor

*[My student accommodation] was £162 a week before. Now it's [increased by] £50. There was one month where I had no employment from transitioning from my old job to finding a new job. I had to use some of [my remaining] student loan money to get me by, and it actually put me in debt with the university by like £300-400, that I still owe them, because there was no other way for me to feed myself and get me to places.* Simone

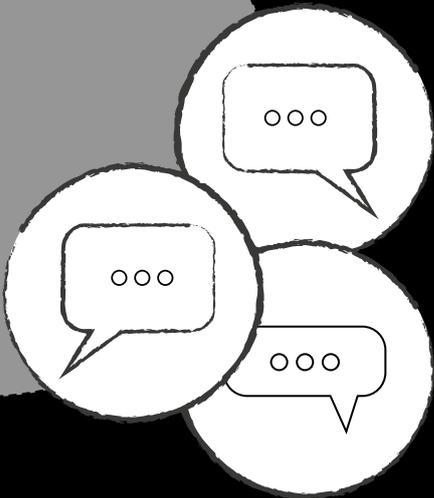
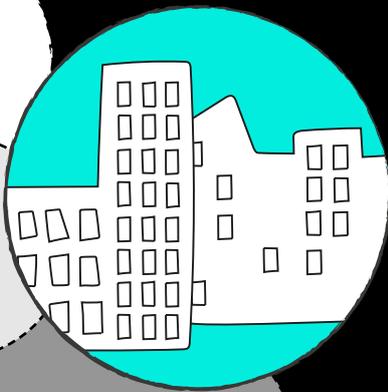
*I live an hour away from my friends. I mean, I like the area I live in because it's convenient, but I don't like the area... If anything, I would love to be closer to my friends. But it's just too expensive.* Freya

72 Money Advice Trust (2023) Under Pressure: Tracking the impact of the high cost of living on UK households [PDF] Available at [moneyadvicetrust.org/wp-content/uploads/2023/06/Money\\_Advice\\_Trust\\_-\\_Under\\_Pressure\\_report\\_-\\_June\\_2023.pdf](https://moneyadvicetrust.org/wp-content/uploads/2023/06/Money_Advice_Trust_-_Under_Pressure_report_-_June_2023.pdf)

73 Great Britain. Department for Energy Security and Net Zero (2023). Annual Fuel Poverty Statistics in England, 2023 (2022 data). Available at: [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1139133/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1139133/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf) (Accessed 18 July 2023).

74 The Office for National Statistics (2023) Public opinions and social trends, Great Britain: 28 June to 9 July 2023 [online]. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrends/greatbritain/28juneto9july2023](https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrends/greatbritain/28juneto9july2023) (Accessed 18 July 2023).

# 'Life in our shoes'



## ‘Life in our shoes’

“The people in charge aren’t going to change it because it doesn’t affect them. If we were in parliament, we could obviously change it because we experience on a day-to-day basis what we have to live through here... Until they experience life in our shoes, how will they realise what they’re doing”.

**A**s set out in the previous chapter, economic security is not only a matter of objective financial circumstances but as much about the subjective experience of those circumstances. It is not enough to understand – let alone address – young people’s economic security through facts and figures alone.

It was with this in mind that we sought to hear directly from 16-24-year-olds in three different parts of the UK: Keady, County Armagh, Northern Ireland; Gwynedd, Wales; and Bradford, England. Our discussions focused not only on their experiences of economic (in) security but on what they felt policymakers ought to do to make life better for people of their age. (See Box 7 for more detail on the methodology).

### Box 7: Fieldwork methodology

Both the RSA and the Health Foundation seek to take a deliberately UK-wide approach to their work. As a result, it was important to hear from young people from all four nations of the UK. Unfortunately, we were unable to find an appropriate partner for delivery in Scotland, but we undertook field work in three out of the four selected sites.

Gwynedd, Bradford and Keady were chosen for a range of factors, including their share of people in the 16-24 age bracket and rates of issues of interest (eg youth unemployment, homelessness or low incomes). Partners in each location – from the third or public sector – were engaged to support with recruitment of suitable young people to take part in the fieldwork and in delivering workshops.

The partners and participants were:

- **GISDA**, a youth homelessness charity, who brought together a group of young people aged 16-25 in Gwynedd who were at risk of homelessness, often in insecure housing.
- **Bradford Citizens**, who brought together a group of 16-18-year-olds finishing their A-levels and thinking about what their next steps would be. They were joined by young care leavers from Bradford Children and Families Trust.
- **YouthAction Northern Ireland**, who brought together a group of young men based in Keady, County Armagh, that were facing challenges around employment and education.

Between 8 and 13 young people attended each workshop, with 33 participants in total. Two workshops – each 3.5 hours in length – were conducted in each setting alongside the local partner. In the first workshop, participants were asked about what was good in their lives, what could be better, and what problems most concerned them in their local area. They were then broken into groups and asked to discuss one of the issues they had identified previously, specifically to consider what could be better about the issue, and how it might be improved.

In the second workshop, policymakers and practitioners from the local area joined the young people for a process of discussion and co-design. They were again broken into groups and given the task of interrogating and addressing their chosen challenge, including discussing any barriers that might exist to addressing it.

Across both workshops, the groups made presentations to reflect their discussions, which were recorded. These discussions were allowed to flow, giving young people the chance to connect their concerns and experiences authentically. Participants also made a series of notes, posters, and physical presentations in response to the workshop questions. What follows reflects the results of thematic analysis of these recordings and notes, including by using NVivo software.

This chapter is divided into two parts: the first explores the extent to which the causes of insecurity identified by the young people in these three locations reinforced, diverged or extended the national picture in 'Stuck in a rut'; the second explores participants' subjective relationship to their financial situation, bringing a more holistic sense of the experience of economic insecurity into view.

## Drivers of insecurity

When we asked participants about the challenges they faced and what could be better in their lives, three issues came through loud and clear: work, housing and transport. These same themes emerged through our previous research and publications, and clearly align with the issues identified in the first two chapters, but young people's own perspectives offer nuances that warrant closer attention.

### **Box 8: Housing**

Many of the issues identified are already clear in national statistics and previous work on young peoples' economic insecurity. For example, young people highlighted a shortage of housing, both for temporary and permanent accommodation.

**//** *There's not a lot of housing in Bradford, people might have long waiting lists* **//**  
Bradford, England

**//** *So many young people... can't get their own place because they're just not available or rent ends up going up because there aren't as many houses around.* **//**  
Gwynedd, Wales

**//** *Infrastructure isn't great all together. Well, because it was built a long time ago, an influx of people not enough housing. It doesn't even really have to be like housing, even flats. And they're building some in Armagh, but they're all already allocated.* **//**  
Keady, Northern Ireland

Many young people identified the cause of housing shortages in their local areas as due to people moving into their area, either permanently or buying second homes.

**//** *So there's a lot of new people coming into the area and they're getting housing so there's less housing in the area for people who are maybe looking to move out.* **//**  
Keady, Northern Ireland

**//** *It's just so expensive and hard to try and find a place because there's some selfish people, like 'Oh, I've got home, but I like this area. So I'm going to buy another one'. And it's empty for most of the year. And that's just not fair on local people who then ended up homeless because someone decided to be selfish and get two homes.* **//**  
Gwynedd, Wales

Many complained about poor quality housing – especially in the private rental sector - with several participants sharing direct experiences of 'non-decent' or inadequate housing.

**//** Some [private houses] might be actually run down and not to the standards of living that they should be in. **//**  
Bradford, England

**//** And then we talked about maybe having, like, houses more soundproof, like less mould and everything. Because sometimes you can... hear what your neighbours are doing and hear what they're saying. And it's all just because the housing is not like, done right. And wouldn't you want your own privacy in your own home? Yeah, not having people listening into like your conversations and what you're doing. **//**  
Gwynedd, Wales

**//** My ideal home is one that actually works. Just, I mean... when I first moved into my flat, I was looking like looking around, it looked lovely. But then I noticed that there was some odd jobs... a smoke detector right above my oven, burn stuff and lets the whole flat know, and then obviously we get reported... um, just everything. Just faulty electrics, you know, just, you know, get someone to come in and check them have like how everything's doing, you know, regular flat checks, you know? **//**  
Gwynedd, Wales

Some issues emerged that were less visible in the current data or literature. Proximity to amenities and to work was a major area of focus for participants in multiple workshops.

**//** We were talking about maybe it would be better to [have] new estates built but like, where we have GP surgeries, and a couple of shops, not just housing everywhere, so that people can, can go there. And they may not have to use like taxis, especially in rural areas, because obviously, taxis can be quite expensive. **//**  
Gwynedd, Wales

Young people's experience of their living situation was also conditioned by their neighbours and wider social setting, which appeared to compromise feelings of safety.

**//** The neighbours are rough and the areas are rough... the challenge with the neighbours [is] whether [they] could be racist, sectarian, they could be homophobic. **//**  
Keady, Northern Ireland

Participants in Gwynedd reflected on the suitability of housing for young people with specific needs to suit their personal circumstances or health conditions. A mismatch between housing provision and individual or family needs was often associated with poor wellbeing.

**//** Sometimes some people have issues like, PTSD and stuff like that. You need to be able to overcome it... And if you're there, if you're jumping from one temporary [accommodation] to another, you're not really opening up. **//**  
Gwynedd, Wales

**//** And accessibility, so that my wheelchair can actually get around... when I first moved in the council took about six, seven months to fit my ramp. So I was living in an inaccessible house for about six or seven months before the council even decided to fit a ramp for me, so I wasn't able to get in and out of my house. And then they still haven't finished everything that needs doing. **//**  
Gwynedd, Wales

## Box 9: Transport

Particularly in Gwynedd and Keady, which are more rural areas, discussion frequently turned to public transport. Young people told us that public transport was expensive, unreliable, and that this impacted their ability to get to work and have a social life, with knock-on effects on their physical and mental health.

**//** *What needs to change... buses going at later times. More bus drivers. Because there's not enough round here, only three or four, as far as when you know them by name, that's what we're getting at here.* **//**  
Keady, Northern Ireland

**//** *We need better bus services late at night as well on Sundays, just so we can get out a bit more. If it cancels... it's really stressful.* **//**  
Bradford, England

**//** *Working in rural areas is hard with buses, bus times. [It's] ridiculous, like, running once every two hours, last buses back around 6[pm]. And because of limited opportunities with jobs in rural areas, you do have to rely on public transport to be able to get to places to get them jobs.* **//**  
Gwynedd, Wales

The young people discussed alternatives to public transport, including taxis. They emphasised that, if there were no buses, or the buses were late, going to work would cost them almost as much as they would earn from their shift.

**//** *You gotta pay taxis... It'd be 16, 20 quid to get to Armagh. Some taxis won't even take you... I've been refused a couple of times because it's easier for them.* **//**  
Keady, Northern Ireland

**//** *Not to mention, if you miss a bus, your only options are taxis. And with minimum wage, a taxi, you would be paying an entire shift just to get a taxi home.* **//**  
Gwynedd, Wales

**//** *That money could be going to something that you might need, instead of going to that place in a taxi.* **//**  
Bradford, England

In Keady, Northern Ireland, participants discussed cycling as an option, but that it was dangerous due to the lack of cycle lanes. They said that they would appreciate better cycle routes, as it is cheaper and easier for them, and noted that it is better for the environment too. Meanwhile, driving – and the costs of getting and maintaining a car – was felt to be prohibitively expensive, despite the autonomy and mobility that would come with it. Some drew a contrast between young people's relative earning power and the higher costs of insurance for less experienced drivers.

**//** *I only started driving recently and I was told on a car that is alright, nothing fancy, £2,100 for a year's insurance.* **//**  
Keady, Northern Ireland

**//** *To be able to afford to drive a car at 17... and be able to afford to go out in the car to enjoy it, you need to be working full-time at 16. And you don't get paid enough when you're 16.* **//**  
Keady, Northern Ireland

**//** *And then you have to rely on a car too much... because if you want a job, I got to go outside of Keady. So you need cars... or better public transport.* **//**  
Keady, Northern Ireland

**//** *And then the problem with not driving in rural areas, you can struggle to get jobs, for meeting your friends.* **//**  
Keady, Northern Ireland

## Box 10: Work and wages

As in the national-level data and research, many of the young participants spoke about the pressures generated by rising prices against a backdrop of stagnating wages. They echoed wider findings about the proportion of their spending going on essentials – with stark anecdotes about choosing between travel to work or education and feeding themselves – and pressures eroding their ability to save for the future.

**///** *[With] travel and stuff, getting to work is... starting to outweigh our wage, so we're really left with nothing.* **///**  
Bradford, England

**///** *So the economy... the cost of living crisis, so with the rise of everything and anything you have gone towards savings is actually going towards your basic needs for living.* **///**  
Keady, Northern Ireland

**///** *Yeah, I'm in college four days a week. So before [travel] would have been £12. Now it's £18. So it's quite a big difference. And some days, I just don't go to college, mainly the fact that I'm scared of how much things cost, and I can't afford food... It's not very nice. Especially when my coursework is very physical - you have to eat. Yeah. But because of the cost of things you just can't.* **///**  
Gwynedd, Wales

'Stuck in a rut' also highlighted the higher share of young people in low-wage and precarious work. This appeared to be a common concern and experience across the three workshops, with several participants describing their experiences of minimum wage work. The final participant quoted here refers to the differential minimum wage rates for 16-year-olds vs older age groups.

**///** *We spoke about youth work a lot, and how they're kind of forced to work minimum wage jobs in poor working environments, for very low wages in order to kind of get by.* **///**  
Bradford, England

**///** *The price [of] everything's going up except our wages... I know there was a slight increase in minimum wage, but slight, like that's all it was like.* **///**  
Keady, Northern Ireland

What was apparent, however, was how difficult it was to escape what one participant described as the 'minimum wage jobs loop', through a combination

of lack of local opportunities and the inability to gain relevant experience and qualifications in accessible, affordable ways. This was a particular focus of discussion in the Bradford workshop, where participants expressed frustration at how many entry-level jobs require experience, creating a 'catch-22' situation.

**///** *[We're] in competition with like, 25-year-olds, with a lot more experience, a lot more skills going for the same job.* **///**  
Bradford, England

**///** *[We talked] about that it was harder for us to get jobs... and that a lot of the jobs want experience to give us the jobs and obviously we can't get experience if you've never had a job, I need that job to get experience.* **///**  
Bradford, England

**///** *When you're applying for jobs, especially in retail, like something that I've received for myself, last year, and just when we finished the GCSEs, I was looking for jobs, and they probably list something like three years of experience for me. I haven't got any, because I've just finished secondary school it's not like I've got that ready to go.* **///**  
Bradford, England

They also discussed the difficulties in accessing non-work training and experience.

**///** *And some of the training courses that looked like volunteering, you actually have to pay for. And some of the more interesting are the ones that you have to pay for, whereas the ones that are free aren't quite as relevant.* **///**  
Bradford, England

**///** *Volunteering can be difficult for people who need the money. So volunteering is not always accessible to everybody if actually, you need the money to contribute back to your family finances.* **///**  
Bradford, England

## Experiences of insecurity

Beyond reinforcing – and offering additional nuance to – the wider research, these qualitative data are particularly compelling for the insights they offer into the experience of these drivers of insecurity. Three themes emerged from across the workshops, with young people feeling:

- A lack of agency and autonomy over their situation.
- Insufficient preparation or support for the transition to adulthood.
- A sense of dissonance between societal expectation and their lived experience of being able to take on adult responsibilities.

### Box 11: Lack of agency

This is a particularly striking theme, not least because of what research tells us about the importance of agency and control in promoting positive mental and physical health (see the 2010 Marmot Review). In keeping with findings from our Age of insecurity report, young people often referred to their lives being determined by systems far larger than themselves, and which they had little to no power to influence.

This was embodied in some of the language participants used. One participant in Keady, wrote on their list of challenges that the ‘economy doesn’t allow you to save’, making themselves the passive object of wider forces, while others used impersonal expressions like ‘it stops you from bothering’ or ‘they shouldn’t increase it’ to refer to unspecified, all-powerful actors holding sway over their lives. Others used terms like ‘stuck’ or ‘paralysed’ or used metaphors of ‘loops’ to convey their inability to seize control of their own circumstances and move forward. The following two quotes are indicative.

**//** *Also, debt is a massive thing... Because student debt, generational debt, people don't know how to deal with it, people don't know how to get out of it. And it's just stuck. And even when you when you get these letters, there's like, you have a fear of the post, if you see a letter from your bank or something, you don't ever want to open it because you just you know that it's going to be horrible. And even when you ring them up, and you try to inquire and figure it out, you get people who are not sympathetic whatsoever, don't really want to help you. It's just like, you're not even a real person.* **//**  
Bradford, England

**//** *Ever since Russia began to invade Ukraine and energy prices have been going*

*up... And yet, for some bloody reason we're getting charged for it... And if you don't pay them, the government can simply knock you off the list and put you down out in the streets for things that you're not even in control over to begin with.* **//**  
Gwynedd, Wales

This stood in contrast with a palpable yearning for independence, whether for the ability this afforded participants to enjoy their freedom or to avoid the stigma or guilt of being dependent on others. When asked what was good in their life, many responded that ‘moving out’ or ‘having my own flat’ (Gwynedd) were positives at that time, while young people in Keady discussed extensively the freedom that having a car would give them. Conversely, in Bradford, one young person described ‘feeling like a burden... in all aspects of life’ due to reliance on parental money or even on the state for education.

When it came to those who were deemed to have power to change things, participants were sceptical that politicians and policymakers fully understood their situation or could practically deliver something to help them.

**//** *[The] government and people that make decisions to listen to us properly, the people who actually go through it.* **//**  
Gwynedd, Wales

**//** We need decision-makers who actually want to help young people and can prove that they actually have made a difference and want to make a difference. **//**

Bradford, England

This extended to participants' reactions to some of the local policymakers who engaged with them as part of the workshops:

Participant 1: *I feel like they minimised a lot of my points as well...*

Participant 2: *They weren't listening, they were correcting us. Which is, I don't know, in a way it's a good thing, but I like feel like they should take feedback rather than deflect.*

Participant 1: *... like when we would give them our [input]... they'd be like, 'Oh, well, this wouldn't work with this particular visa'. And it was like, we're just trying to give you an example of what it is.*

Participant 2: *Yeah. Like the whole point of us talking to you is so we can face those issues and correct them. Yeah, there's no need to state the obvious.*

This is perhaps revealing of the way young people feel they are engaged by politicians and decision-makers – treated as naïve, inexperienced, to be corrected rather than truly understood. But there appeared to be another aspect of young peoples' cynicism too – they don't believe most policymakers could change things, even if they wanted to.

Nor did participants feel that they could engage with policy to change things, or that politics was an accessible vehicle for them to try to do so.

**//** People talk about young people in politics, but then [politicians] come out with the sh\*t that they do. And... it doesn't give me much faith.

*I would never get into politics.*

Gwynedd, Wales **//**

## Box 12: Feeling underprepared and unsupported

Many of the young people we spoke to felt as if they had not been adequately prepared for their adulthood. In Keady and Bradford, some respondents felt that their school experiences hadn't taught them things that they needed to know – particularly for getting jobs and managing money.

**//** I don't have a clue what happens if, say you're renting a house and break stuff... also your rights as a tenant as well. **//**

Armagh, Northern Ireland

**//** [We need more] education about money, because people just don't know what to do with it and how to manage it. And you should be learning about it in schools and enhancing the curriculum to actually meet our needs... we need to learn more about actual things that apply to us like money, and bills and budgeting and stuff. It's really outdated. **//**

Bradford, England

In Armagh, some young people described a social pressure to move out 'at a certain age', but felt 'scared' of moving out. When asked why they found it 'scary', many answered that they were left to work it out alone.

**//** You don't know what you're doing... you don't know what to expect... you don't have a clue... you're just kicked out. **//**

Armagh, Northern Ireland

Young people in all three nations expressed that they did not know where support was available, that it was available at all, or what they needed.

**//** *It's not about accessing the information, sometimes you don't know you need to access the information. So how do I get that to sort of be in your face almost immediately [and] stay in your head? So it could be a case of like an email, or mentioned QR codes and posters.*

Bradford, England (quote from a policymaker asked about their takeaways from the session)

In Bradford, it was also pointed out that people from certain backgrounds may not have access to the skills or contacts required to seek help and knowledge or may feel excluded from spaces that disseminate this knowledge.

**//** *Only some people have access to better knowledge, and some people aren't set up to succeed – spaces aren't welcoming of working-class people.*

Bradford, England **//**

**//** *Some corners of life are just cut off. I mean, like, you don't have access to this information, this knowledge to actually function, like investing. And then there's no one to teach you, because everyone else you found is just as clueless as you... they're hoping that they're gonna make it work.*

Bradford, England **//**

### **Box 13: Dissonance between expectation and reality**

Many of the young people we spoke to described a feeling of dissonance, stemming from their experience of being young adults yet being treated either as adults – before they are fully ready to do so – or as children – with disadvantages in terms of wages and access to work or housing.

**//** *But the issue is that somebody's going into either part-time or full-time [work]... has the same tax code as somebody that's been working since they're 18 now they're 40 or 50.*

Armagh, Northern Ireland **//**

**//** *Why are you paying adult fares when you don't get adult's wages?*

Gwynedd, Wales **//**

In these cases, the young people we spoke to highlighted that they were treated sometimes as adults and sometimes as children, often having to manage adult responsibilities with a young person's resources and experience. In other cases, our workshop participants suggested other ways in which young people are treated differently, often inferior, to adults. One participant discussed how young people are treated in the rental market.

**//** *I've got, like, examples of [young people] being told they have to choose and make that decision on the day. So you don't have the time to go away and chat to others and think it through. Whereas probably if we were adults going to rent something, we wouldn't really be treated in that same kind of demeanour, how we're spoken to, and told 'you don't have to make the decision right now'. Probably the wording [would be] slightly different. So there's this thing around maybe how, how we speak with young people.*

Bradford, England **//**

Young people also spoke of 'stigma' and social pressure around where one should be in their life at a certain age, and what they should and shouldn't be doing.

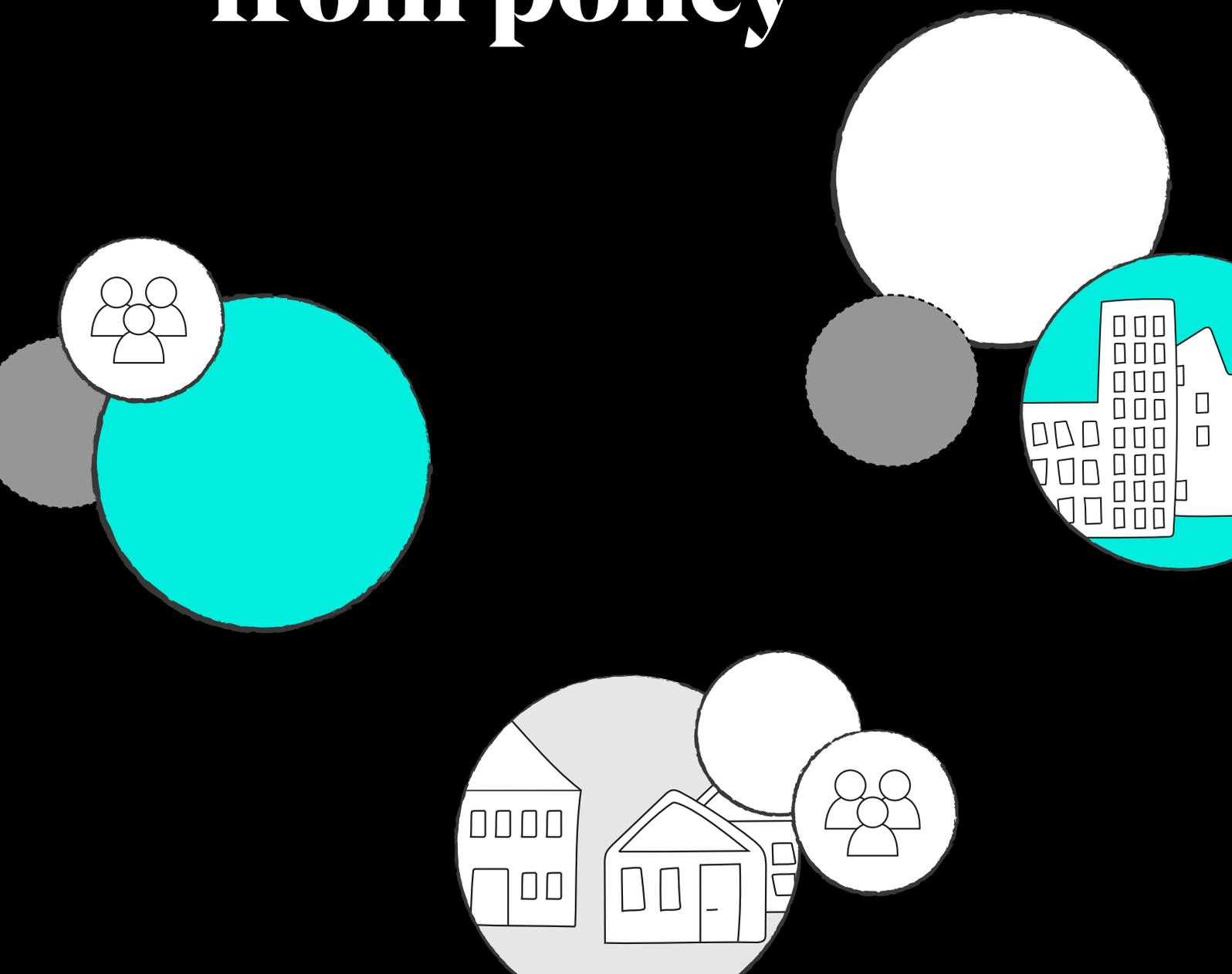
**//** *Society's expectations and realism about like not everybody can move out by a certain age just for the cost of living.*

Armagh, Northern Ireland **//**

**//** *And it's kind of like, youth almost feel pressured to kind of contribute towards a family because of the stereotypes that we're surrounded by. I think it can be hard for us to like, get by on work, and be in full-time education at the same time. But it could also lead to a lot of pressure on us.*

Bradford, England

# What young people want from policy



## What young people want from policy

“I’m not very confident that something will change, considering the same things we were saying is what they’ve already heard over and over and over”.

**T**he young people in our workshops had many ideas for policy changes. They wanted more affordable housing in practical locations, close to amenities and suitable for different needs and circumstances. They wanted more alternative routes in education, as well as for schools to teach them more practical skills, like how to handle money. They wanted it to be cheaper and easier to drive, so that they could get around much easier. They wanted public transportation that served their needs, in terms of destinations, timings, and cost.

They wanted to explore options for making their youth wages and savings go further, for example through lower taxes, and for creating more high-quality jobs in their local area. Participants wanted work experience of better quality to start younger, and for their schools and colleges to be more active in their employment transition.

Young people told us that taxes and bills were complicated, that handling money was difficult, and that they wanted the system to be simplified – or at least for much more information to be provided to them, to help them navigate the system. Finally, they spoke about the mental health challenges affecting their generation, and how they perceived mental health services to be woefully inadequate.

### Box 14: Principles for policy

Based on our conversations with young people, and review of existing research in the field, we propose some principles to underlie policy for young people. These inform the recommendations that follow in this section.

#### **1. Make young people’s economic security a national priority.**

For 16-24-years-olds it is a vital time for securing independence and laying foundations for the future. Struggling to do so brings scarring effects, often long-lived. An insecure generation can contribute to weakness and vulnerability in the wider economy through poor spending, lack of resilience, weaker tax receipts, and higher government spending. The first principle then is that young people’s economic security in this critical period should be a priority, for the sake of both those young people and that of the UK as a whole.

#### **2. Recognise and research young adults as a distinct category.**

Acknowledgement is required that young people cannot be simultaneously treated as adults in some realms of their life, and children in others. This report has shown that they often face the same costs as adults, yet do not have the ability to respond to these challenges as adults, through income or experience. More and better data is also needed to understand this age group and its experiences in a more reliable, in-depth and intersectional way.

### 3. Engage with young people when developing policy.

As one young person pointed out, “the people in charge aren’t going to change it because it doesn’t affect them”. Until more young people are in policymaking positions, more should be done to engage them in the development of policy to understand how changes may impact this demographic. Policymakers who took part in our workshops found hearing directly from young people to be eye-opening.

*“ I think I’m sort of surprised and saddened really at how difficult it is. There’s this perception sometimes that young people just do what they like, you know, and actually that’s not true at all. ”*

*“ It’s interesting, the kind of barriers around this -- needing experience to get the job but you need a job to get the experience. And this sort of very large, but sort of not clearly defined barriers... there’s almost an invisible wall that you’re trying to climb to get over. ”*

### 4. Adapt to new non-linear patterns of education and employment.

Old policy norms about a singular, permanent transition to independence must be replaced by an understanding of the non-linear path many young people now take. Policy responses therefore cannot assume the availability or accessibility of stable, well-paid work and – even while they attempt to remedy this – design for a generation with a longer, often stop-start, journey to adulthood.

### 5. Take a decentralised approach.

Finally, our fieldwork – and other research like it – highlights the importance of context in mediating young people’s experiences of economic security. For example, rural populations – like those in Gwynedd and Keady - are affected much more by a lack of public transport, while wages and employment opportunities were strongly determined by forces in the local labour market.

At the core of economic security is a recognition that the same financial circumstances are often experienced differently by different groups or individuals. A more localised approach offers a better chance of responses being attuned and sensitive to those differences.

## What this might look like in practice

Our discussions with young people offered many practical suggestions for policy change. The numbered recommendations below came directly from young people in the workshops. In some instances, we build upon these recommendations in separate boxes to describe further ways they could be put into effect practically and financially based upon our own research.

### **Education and employability**

Many of the young people we spoke to expressed concern that schools didn’t prepare them for employment. They felt they did not have relationships with local employers nor the skills or experience to compete for even entry-level positions. They described a ‘minimum wage jobs loop’ in part-time work and after leaving school, because they could not get into stable, high-quality, well-paid work.

## Young people's recommendations:

- 1. Create opportunities to make connections for local employment.** Participants felt that schools could be a good partner in establishing these connections, starting as young as year 10. They believed this would be a good way to better understand the jobs available and what skills they would need to focus on developing. Further, they wanted job opportunities to be advertised through sixth forms and in plain language that would be accessible to someone with no work experience.<sup>75</sup>

**Building on:** This is consistent with a broader shift we are seeing in national labour market policy, with local skills improvement plans (LSIPs) being developed and local governance established to better involve local employers in education and training design. We provide further recommendations on what this might look like in practice and how this might be funded.

**In the final two years of school, a set number of school hours per term should be decentralised and given over to employability courses.** Learnings should be co-designed with – or even delivered by – local employers to promote relationship building and practical advice. In turn, local employers will gain access to local talent and be able to support the development of much-needed skills for their businesses and organisations.

**Unspent Apprenticeship Levy funds should be redeployed to support local employer engagement and dedicated employability support.** The Apprenticeship Levy is a 0.5 percent tax levied on large employers with a wage bill of over £3m, with funds subsequently made available in a digital account to spend on apprenticeship training. The funding generated also pays for apprenticeship training for smaller employers.

However, research has shown that – due to overly stringent eligibility rules – a significant share of employers' training budgets go unspent. Spending on 'entry-level' apprenticeships – the like of which would be suitable for 16-24-year-olds - has suffered particularly.

Redirecting some of the subsidised funding for smaller employers to be spent on 'employability grants' for schools – for example to subsidise the development of materials or compensate local employers for their involvement – could remove some of the friction driving the original underspend: for example, by improving awareness of suitable apprenticeships amongst young people and local employers alike.

- 2. Make volunteering accessible for everyone.** Participants recognised that volunteering can be a good way to gain experience that can later help them gain employment and identify career interests. However, for some, it is necessary to contribute to family finances and forgoing even a minimum wage is not a viable option. Further, there may be costs associated with volunteering (eg transportation) that create a financial barrier. Providing stipends, even if just to offset direct costs, could make volunteering accessible to more young people and provide useful developmental opportunities.

75 Institute for Public Policy Research (2022) Over 3 billion in unspent apprenticeship levy lost to Treasury black hole [online]. Available at: [www.ippr.org/news-and-media/press-releases/over-3-billion-in-unspent-apprenticeship-levy-lost-to-treasury-black-hole-new-data-reveal](https://www.ippr.org/news-and-media/press-releases/over-3-billion-in-unspent-apprenticeship-levy-lost-to-treasury-black-hole-new-data-reveal)

## Money

Improving young people's income has few immediate fixes. To build young people's financial resilience, long-term investment is needed in good, growing industries where the UK, and its regions, have sustainable comparative advantage. This is the subject of wider RSA programmes of work, for example our recently published Urban Futures Commission.<sup>76</sup> That said, there are several other interventions that could support young people more immediately and directly while – and if – these investments are made.

### Young people's recommendations:

**3. Provide more practical financial education throughout schooling.** The young people engaged throughout this project have repeatedly referred to the need for better financial education. In workshops, participants felt they did not know enough about financial management to prepare for adulthood. They proposed courses on budgeting, saving, investing, and debt, and from an early age. In particular, they felt a better understanding of student loans and managing debt would be beneficial to help with decision-making around pursuing further education.

The participants also felt this was important from an equity and accessibility perspective. Structured classes would ensure all children have the opportunity to build foundational financial literacy, not just those whose families are able to pass this information on to their children.

**Building on:** As the government prepares to revamp aspects of the curriculum through the Advanced British Standard – including to amplify the mathematical component – they should heed young people's repeated calls for content on financial literacy.

**Introduce mandatory financial education into the curriculum from key stage 3.** This would have maximum impact, however, if introduced and repeated throughout pupils' time in formal education. Ideally, courses would be co-designed with young people – the like of which we spoke to as part of the project – who understand the gap between current provision and the knowledge practically needed for a successful transition to adulthood.

**4. Make the National Living Wage the minimum wage for everyone.** As a young person pointed out, "why are you paying adult fares when you don't get adult's wages?" Young people are expected to pay the same price as adults for most of their expenses, while being paid less than an adult (51 percent or 72 percent of the NLW, depending on age).

The reason young peoples' minimum wages are lower is to protect their employment, incentivising the recruitment of younger workers by offsetting the costs of more experienced, older workers. However, it has also historically been justified by the assumption that young people need less income than older generations. However, this report has found that young people often face higher costs than older generations, both as a share of their income and sometimes in absolute terms (eg rent vs mortgage costs, relative car insurance rates and resulting public transport costs).

As described in the first chapter, 'Stuck in a rut', the NLW applies to workers aged 23+, and in 2024 the age will be lowered again to 21+.<sup>77</sup> This policy change moves some way toward the young peoples' recommendation, but still leaves those under 21-years-old with lower wages to pay full price on many expenses.

<sup>76</sup> The RSA (2023) Unleashing the potential of the UK's cities: Report of the Urban Futures Commission. London, UK [online]. Available at: [www.thersa.org/reports/uk-cities-unleashing-potential](http://www.thersa.org/reports/uk-cities-unleashing-potential)

<sup>77</sup> Low Pay Commission summary of evidence (2023) GOV.UK. Op cit.

## Housing

The majority of young people live at home with their families. Among those who have to, or are able to move out, private renting is the predominant means of housing, in large part due to the lack of social housing stock and affordable housing available for purchase. Young people, particularly in rural areas, cited the issue of second homes reducing the limited housing stock available in their areas. Housing shortages that drive up prices cannot be rectified without significant private and public investment, and significant reform to the planning system, all of which will take time.

In the workshops, young people were keen that there was reduced stigma or expectations about the age to leave home. Young people wanted positive recognition that, for some, living at home can be personally desirable. Further, it can also be financially necessary given the lack of affordable housing options and low wages. And in line with the policy principle of non-linear routes through employment and education, the same may be true for housing. That is, moving back in with family after a period of independence may also be necessary in order to build savings or make ends meet.

### Young people's recommendations:

- 5. Ensure more affordable housing is available to young people.** Young people wanted to see fewer second homes sitting empty in their communities and wanted it to be mandatory that purchased homes are for primary use. They asked for more affordable mortgage rates, as well as council/county tax reductions for young renters.

**Building on: The housing supply should be increased more generally, with a strong focus on increasing social housing.** As it stands, not enough housing is being built to keep up with demand, and both private rentals and ownership are too expensive for young people. Young people with the lowest incomes are particularly squeezed and there is insufficient supply of social housing available to them.

The private rental sector is the least stable form of housing tenure with greater instability and risk of eviction – all of which can contribute to stress and mental ill health. Data also suggests that young people are far more likely to live in lower quality accommodation. In workshops, young people discussed the poor conditions of some rental properties and the stress this caused.

Power imbalances between young tenants and landlords – driven in no small part due to young people's limited bargaining power in the current housing markets – are a significant contributor to the insecurity of the rental experience. Reforms like the planned Renters (Reform) Bill, which plans to abolish 'no fault evictions', and the Decent Homes Standard, are a good start for this, but they are just a start – and the Renters (Reform) Bill is still to pass through parliament at the time of writing. The government must commit to a longer-term rebalancing of power between renters and landlords, including monitoring for loopholes and poor practices.

**Establish a Renters Rights Commission to identify the next wave of reforms to restore greater balance of powers between tenants and landlords, once the Rental (Reform) Bill becomes law.** This might include exploring, for example, more transparent systems of sharing, and independently verifying, information about property quality and safety, longer eviction notice periods and more affordable deposits. Any improvements to renters' rights would disproportionately benefit young people given their likelihood to be accommodated in the private rental sector.

## Transport

The young people in our workshops spoke with striking regularity about the importance of transport and mobility for their access to opportunities, and for their sense of agency and freedom. Participants spoke frequently about their reliance on public transport, buses in particular, to get to work, school, and leisure activities – and also their frustration with the limited timetables, unreliability and cost of public transport. However, for some participants, particularly those in rural areas, public transport was not able to fully meet their transportation needs, especially if they worked jobs that ended late at night. They felt that access to a car was a necessity in order to access work and social opportunities.

In the longer-term, young people's access to transport will need to be rectified through infrastructure investment and wage growth. We saw in the second chapter, 'Life in our shoes', that the cost and availability of transport interfere with young people's positive decisions to seek opportunities or look after themselves. Meanwhile, when young people are able to move more freely, there are widespread benefits, from spending in the local economy to improved agency and wellbeing.

### Young people's recommendations:

- 6. Ensure investments in transport are designed with young people's needs front of mind.** Participants requested more frequent and more reliable services, as well as better connections between places. They also wanted more accurate information about timings and changes to routes.

**Building on:** The decline in convenient and accessible transport options – especially for those outside of major cities – is a function of political priorities and public spending choices. Young people stand among the biggest beneficiaries of further investment as they are among the most dependent on public transport. However, any changes made need to be designed with users in mind, including those aged 16-24 – a call that has been made by other researchers focused on youth and transport.<sup>78</sup> **Ensuring that routes and timings work for them will be essential for realising the public benefits of those investments, and extensive co-design with young people – alongside other cohorts – is strongly advisable.**

Engaging young people in designing more holistic transportation solutions may also yield new innovations that better address the particular challenges of young people in rural areas. Recommendation 8 focuses on improving the affordability of owning and operating a car, but thinking about transportation more holistically (private and public) could yield new models that better support access and affordability, such as car-sharing schemes or expansion of demand responsive transport (DRT), which is being piloted as part of the rural mobility fund (RMF).<sup>79</sup>

- 7. Provide reduced fare or free travel passes for all 16-24-year-olds.** Suggestions ranged from free weekend travel to reduced fares to free travel for all young people. They wanted travel to work not to cost a large portion of the wages they would earn.

78. Collings, S, Chatterjee, K, Cope, A, Burns, T and Adeel, M (2023) Op cit.

79. Pantelaki, E, Chatterjee, K and Nawathe, V (2023) Rural Mobility Fund Evaluation: Interim Report. Report to Department for Transport [PDF] Available at: [assets.publishing.service.gov.uk/media/64e8a7e97af6dd001368efc9/rural-mobility-fund-evaluation-interim-report.pdf](https://assets.publishing.service.gov.uk/media/64e8a7e97af6dd001368efc9/rural-mobility-fund-evaluation-interim-report.pdf)

**Building on:** There are already young persons' discounts on some services, but the age of eligibility varies by location and the discounts may not apply during peak service hours when young people may need to travel to work. And in many places, no discount exists at all.

**Providing free travel passes for all 16-24-year-olds** would be a simpler system that is likely to be beneficial administratively, as well as promoting the wider economic and health benefits of increased youth mobility.

- 8. Provide grants for driving lessons, tests, and for a downpayment on a first car.** Many participants expressed that they found themselves in the difficult catch-22 of not being able to find a job that didn't require use of a car and not being able to save for a car without a job. They felt some assistance was needed in order to get their foot on the ladder towards being able to own and operate a car.

Young people cited insurance rates as another example of an area where they pay more than other adults, while earning less. They suggested a cap on insurance rates, as well as **opportunities to take free or reduced-price advanced driving training to enable access to cheaper insurance.** They felt this would have the added benefit of safer roads and potentially less expenditure on emergency services, but would require cost-benefit analysis to test these assumptions. However, further investment in transportation infrastructure (recommendation 6) would mitigate the necessity of these changes.

## Health

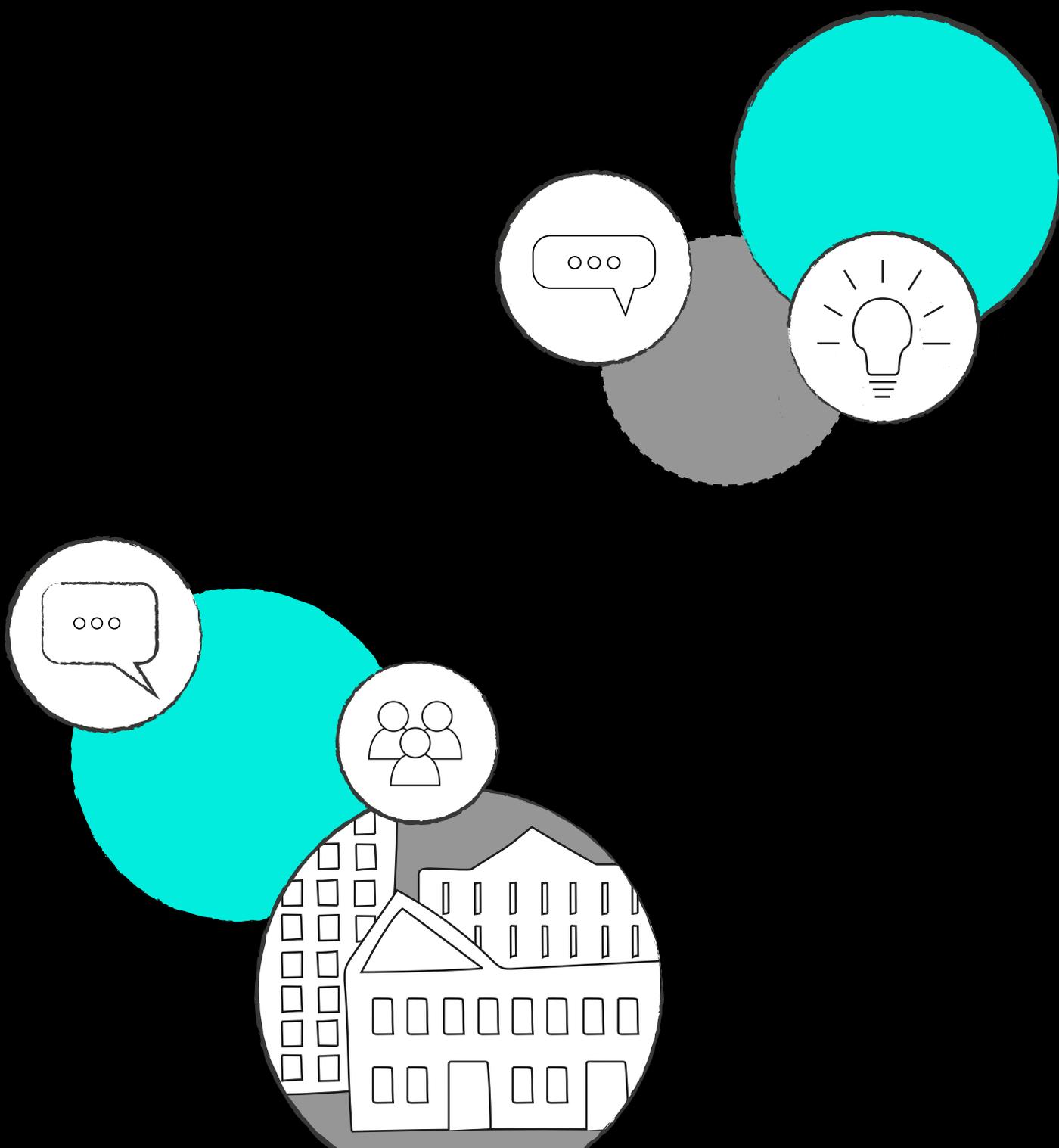
A number of the policy recommendations above would go some way towards supporting improved physical and mental health – whether that's increasing employment opportunities or improving the quantity and quality of affordable housing.

However, the topic of mental health, in particular, was a common theme among participants. Their experience was that the NHS didn't have capacity to meet their needs, and that often little support was available until they were in crisis. They also struggled with needing to be their own advocate in the mental health system while simultaneously struggling with the health challenges that necessitated seeking care.

## Young people's recommendations:

- 9. Hire more mental health professionals in the NHS and improve pay.** Young people wanted more options available for earlier support rather than having to wait until they were in crisis. This is not only a more beneficial arrangement for the young person's health, but may also be more cost effective than intensive emergency treatment. Participants felt that better pay for staff was also important for long-term retention in a challenging role.
- 10. Implement universal shared electronic patient records across different health care settings.** This was seen as a particular priority in regard to mental health appointments and records in order to minimise the self-advocacy burden.

# Conclusion



## Conclusion

**T**oday's young people are facing a number of challenges regarding economic security. This position is at least partly the result of long-standing policy oversight, as young people have been treated as children or as adults in different aspects of their economic and social life, and thus the problems they face as young people specifically, have gone unremedied.

This report explored how a new, non-linear transition to adulthood has emerged out of shifts in the labour market and trends in education and training. Young people yo-yo between home, employment, and education/training, experiencing insecurity in their jobs and housing as low progression rates, short-term tenures, and relative lack of resources and experience, reinforce each other to compound precarity. Without a 'lucky break' or outsized efforts young people risk being stuck, in a 'state of paralysis', for much longer than previous generations.

Young people can and do make it out of this phase of their lives, but when they do so, they often lack a secure base from which to move on with their lives – careers they didn't choose, areas they didn't want to be in, remaining in rented accommodation due to lack of savings for a deposit. Economic insecurity has a scarring effect long into adulthood, with the ill effects experienced not only individually but collectively.

Young people's problems are not helped by reductions and inadequacies in the services they rely on. Education does not prepare young people for the 21st century labour market or the financial risks and responsibilities it entails. The benefits to which they are entitled make age-based discriminations that do not stand up to closer scrutiny. Public transport – on which they are disproportionately reliant – does not meet their needs for work and independence. Assumptions that young people can rely on their families and communities are increasingly misplaced, not least in the current cost of living crisis. And while young people in our workshops spoke about distant, interlocking systems determining their fate – with little or no agency to contest them – they also expressed internalised blame and a feeling they should be able to cope independently.

Young people are not asking for much. Better public transport, wages that make work worthwhile and education that better prepares them to enter the workforce. In the longer term they want better jobs and more affordable housing. These are all preconditions for being in control of one's life – the essence of economic security, and what makes it so critical for long-term health and wellbeing. And, crucially, these are advantages that previous generations have largely been able to take for granted.

This should not be reason for despair, but should spur us to action. This report has outlined several recommendations for policy change – informed by young people themselves - that will help young people in the post-pandemic era of inflation and insecurity. These sit alongside other reports in the Health Foundation's Young peoples' future health inquiry that collectively form a manifesto for change across these issues.

Fundamentally, the crux of these recommendations is one very basic proposal – make young people a priority. The benefits of prioritising young people are enormous – these include the macroeconomic benefits of building an economy of financially resilient, future-confident households; benefits to the public finances improving the health and longevity of the future workforce; and appealing to an entire generation who are otherwise increasingly cynical about the political system and its ability to make positive change.

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