

Article

Young people in the labour market by socio-economic background, UK: 2014 to 2021

Estimates of young people in employment, unemployment and economic inactivity by their socio-economic background, including breakdowns by sex and a comparison with older age groups. Data from the Labour Force Survey.

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Table of contents

1. [Main points](#)
2. [Young people in work and their socio-economic background](#)
3. [Differences in work participation by socio-economic background](#)
4. [Changes over time](#)
5. [Differences by sex](#)
6. [Comparison with other age groups](#)
7. [Young people in the labour market by socio-economic background data](#)
8. [Glossary](#)
9. [Data sources and quality](#)
10. [Related links](#)

1 . Main points

- There has been a steady increase in the percentage of young people (aged 16 to 24 years) from the highest socio-economic background between 2014 and 2021.
- Young people (excluding full-time students) who had lived in a workless household (at age 14 years) were less likely to be in employment and more likely to be economically inactive than young people from every other socio-economic background.
- This has remained generally consistent across time and sex since data on socio-economic background began to be collected in the Labour Force Survey (LFS), in 2014.
- Those aged 25 to 34 years and 35 to 49 years were also less likely to be employed and more likely to be economically inactive if they had lived in a workless household, compared with other socio-economic backgrounds.

2 . Young people in work and their socio-economic background

Young people (those aged 16 to 24 years) have a lower participation in the labour market than older people. Their economic inactivity rates have been increasing since the early 1990s, in comparison with other age groups. This has been mainly because [student numbers have been increasing steadily in the last three decades](#).

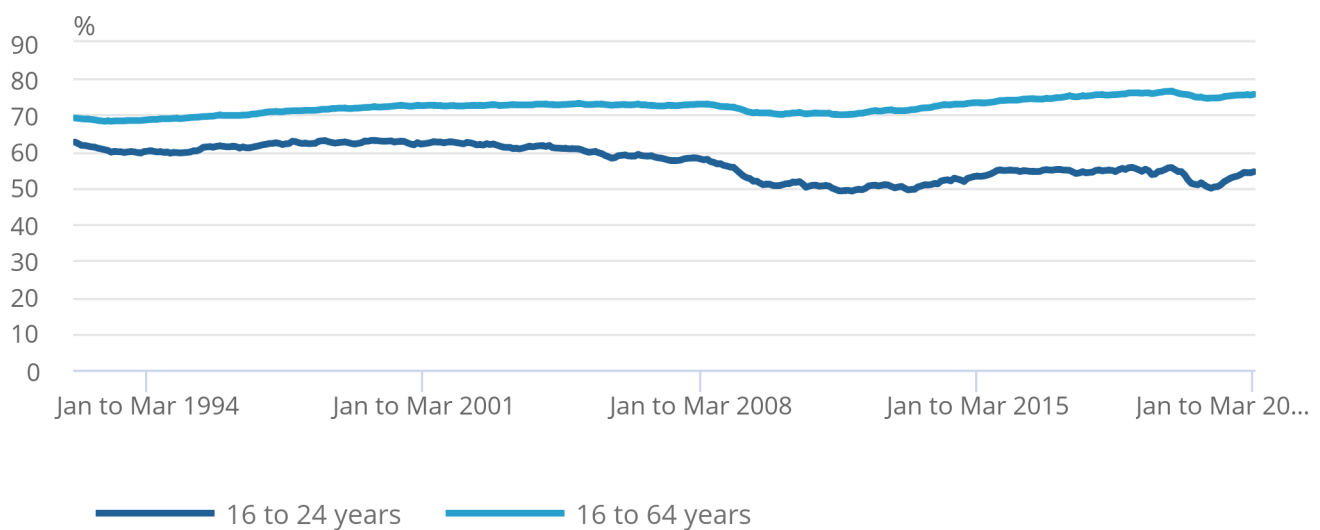
Young people are also less resilient to shocks in the labour market than older people. They suffered disproportionately during the 2008 to 2009 global financial downturn, with unemployment rates rising fast and reaching the highest levels on record at the end of 2011. They were also among the most affected by the impact of the coronavirus (COVID-19) pandemic on the labour market, with [unemployment and economic inactivity rates increasing by more in comparison with those aged 25 years and over](#).

Figure 1: Young people have a lower participation in employment than older people and are less resilient to shocks in the labour market

Employment rate of young people (aged 16 to 24 years) and all (aged 16 to 64 years), UK, 1992 to 2022

Figure 1: Young people have a lower participation in employment than older people and are less resilient to shocks in the labour market

Employment rate of young people (aged 16 to 24 years) and all (aged 16 to 64 years), UK, 1992 to 2022



Source: Office for National Statistics – Labour Force Survey

One key factor that can affect the participation of young people in the labour market is their socio-economic background. An individual's socio-economic background affects their wellbeing and economic prospects, and [differences between children from working class backgrounds and their more affluent peers can be observed even from birth](#). Studies have found that [upwards socio-economic mobility remains limited for those coming from workless backgrounds or a working-class background \(PDF, 1,082 KB\)](#).

This is why, to better understand the participation of young people in the labour market, it is important to look at differences between those with different socio-economic backgrounds. This is the focus of this article, using data from the Labour Force Survey (LFS).

We classify the socio-economic background of young people using the [three-classes classification of the National Statistics Socio-economic classification \(NS-SEC\)](#), which is based on the occupation of their highest earning parent (or family member living in the household) when they were 14 years old. These three classes are:

- higher managerial, administrative and professional occupations
- intermediate occupations
- routine and manual occupations

For brevity, in this article the three groups are labelled in line with the definitions used by the [Social Mobility Commission](#), as:

- professions (higher managerial, administrative and professional occupations)
- intermediate (intermediate occupations)
- working class (routine and manual occupations)

In addition to these three groups, we add a fourth group, which corresponds to people living in households where no one was in work:

- workless household (the parents or main family caretaker were not in work when the individual was 14 years old)

Guidance produced by the Social Mobility Commission recommends this definition as the best for surveys that measure parental occupation retrospectively. The Social Mobility Commission also describes this measure as the most accurate one available to assess socio-economic background with UK data, and it is widely used and highly endorsed by academics.

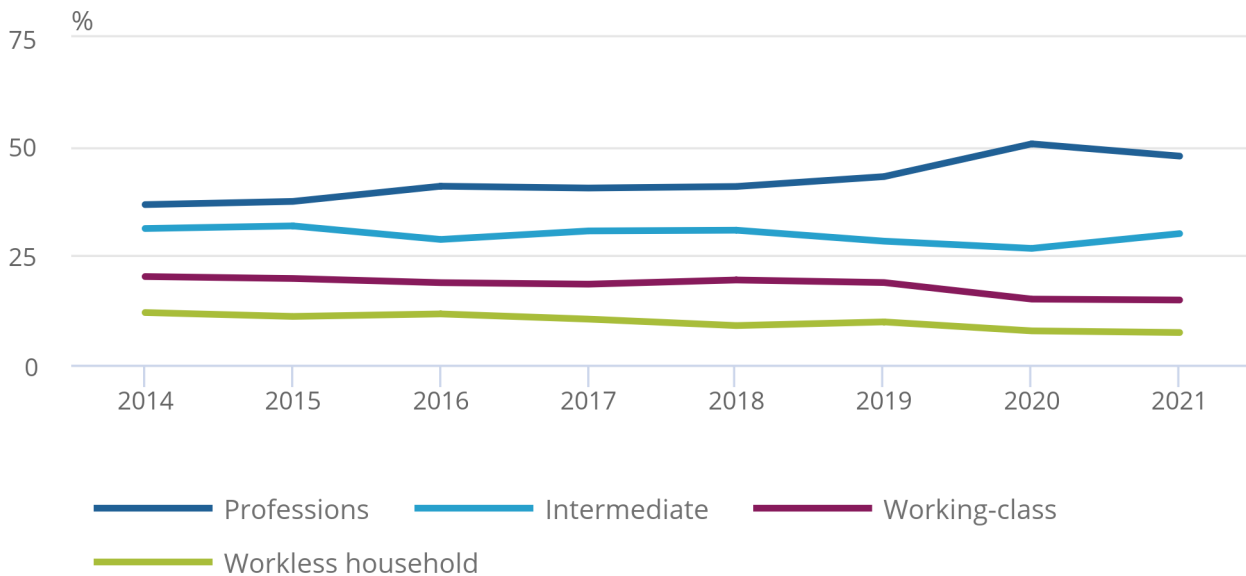
In 2021, 48% of young people came from the professions background, and this is a trend that has been increasing since 2014. The smallest group are those coming from workless households; in 2021 this group amounted to 7% of all young people.

Figure 2: There has been a steady increase in the share of young people from the highest socio-economic background

Proportion of young people (16 to 24 years) by socio-economic background, UK, 2014 to 2021

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Proportion of young people (16 to 24 years) by socio-economic background, UK, 2014 to 2021



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Data for each year correspond to Quarter 3 (July to September). Data on socio-economic background are collected only in this quarter.

3 . Differences in work participation by socio-economic background

When looking at the participation of young people in work, it is important to take into account that many young people are still in transitional positions between education and work. They may be studying (most of those aged 16 to 17 years and almost half of those aged 18 to 21 years, as shown in Figure 3), or they may be taking some time off or be unemployed as they search for the job that best fits their skills or career plans.

To account for the fact that 43% of young people are full-time students, we have excluded full-time students from our main analysis, because full-time students who do not work alongside their studies are classified as economically inactive. We do not exclude part-time students from our analysis. For more details on how we define students, refer to [Data sources and quality](#).

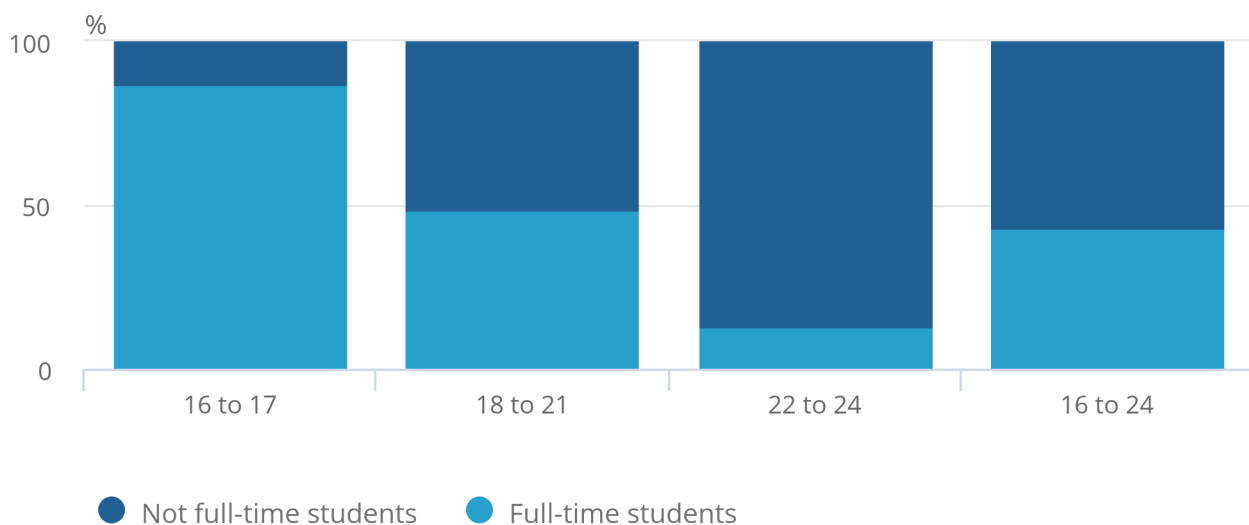
In this article, when we refer to young people, we are referring to young people excluding full-time students, except when otherwise specified.

Figure 3: 44% of young people were full-time students in 2021, but the proportion of full-time students in the youngest age groups is larger

Percentage of young people who are full-time students and not full-time students by age group, UK, July to September 2021

Figure 3: 44% of young people were full-time students in 2021, but the proportion of full-time students in the youngest age groups is larger

Percentage of young people who are full-time students and not full-time students by age group, UK, July to September 2021



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Data for each year correspond to Quarter 3 (July to September). Data on socio-economic background are collected only in this quarter.

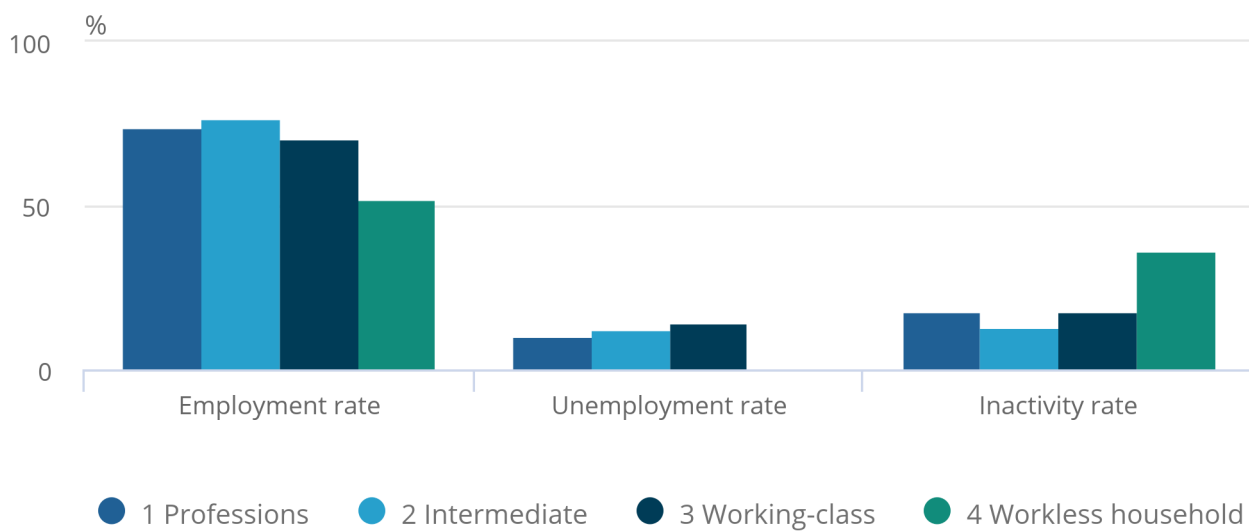
Young people coming from workless households are more likely to not be in employment and to be economically inactive than the average young person and young people from any other background. This difference is statistically significant, with the employment rate for young people coming from workless households being 20 percentage points lower than that of the average young person, and their economic inactivity rate 18 percentage points higher.

Figure 4: Young people from workless households are the most likely to not be in employment and to be economically inactive

Employment, unemployment and economic inactivity rates of young people (excluding full-time students) by socio-economic background, UK, July to September 2021

Figure 4: Young people from workless households are the most likely to not be in employment and to be economically inactive

Employment, unemployment and economic inactivity rates of young people (excluding full-time students) by socio-economic background, UK, July to September 2021



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Data for each year correspond to Quarter 3 (July to September). Data on socio-economic background are collected only in this quarter.
2. Data for the "workless household" group for the unemployment rate have been removed because of small sample sizes. Data on unemployment rates have small counts and these estimates should be interpreted with caution, as they are less reliable and more volatile.

We did not find any statistically significant differences between the employment rates or inactivity rates of young people coming from professions, intermediate and working-class backgrounds, which means that any differences observed in the data between these groups may not be observed for the whole population of young people.

4 . Changes over time

Since data on socio-economic background began to be collected in the Labour Force Survey (LFS) in 2014, the employment rates of young people from workless households have been consistently lower than those of young people from other socio-economic backgrounds, and their economic inactivity rates have been consistently higher. There have been no improvements observed over time.

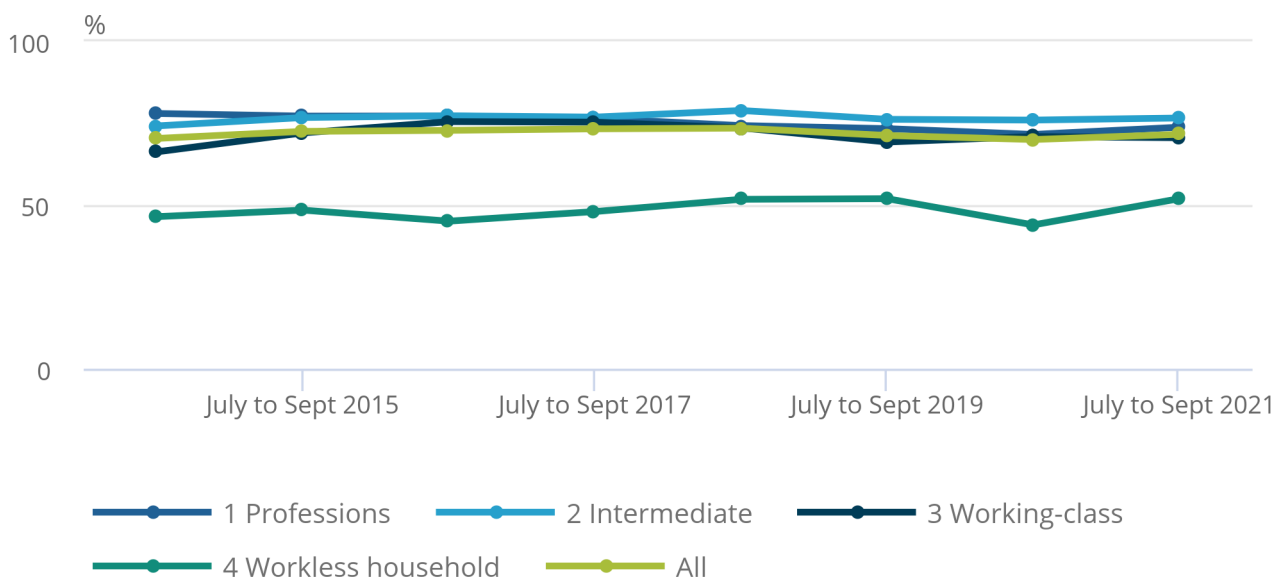
Trends in unemployment cannot be easily interpreted because of the smaller counts for unemployed young people, and estimates are not available for some years and groups. None of the differences observed between the unemployment rates of young people from workless households and those of all others are statistically significant, although this is likely because of small sample sizes.

Figure 5a: Young people from workless households have been consistently less likely to be in employment than the average young person since 2014

Employment rate of young people (excluding full-time students) by socio-economic background, UK, July to September 2014 to 2021

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Employment rate of young people (excluding full-time students) by socio-economic background, UK, July to September 2014 to 2021



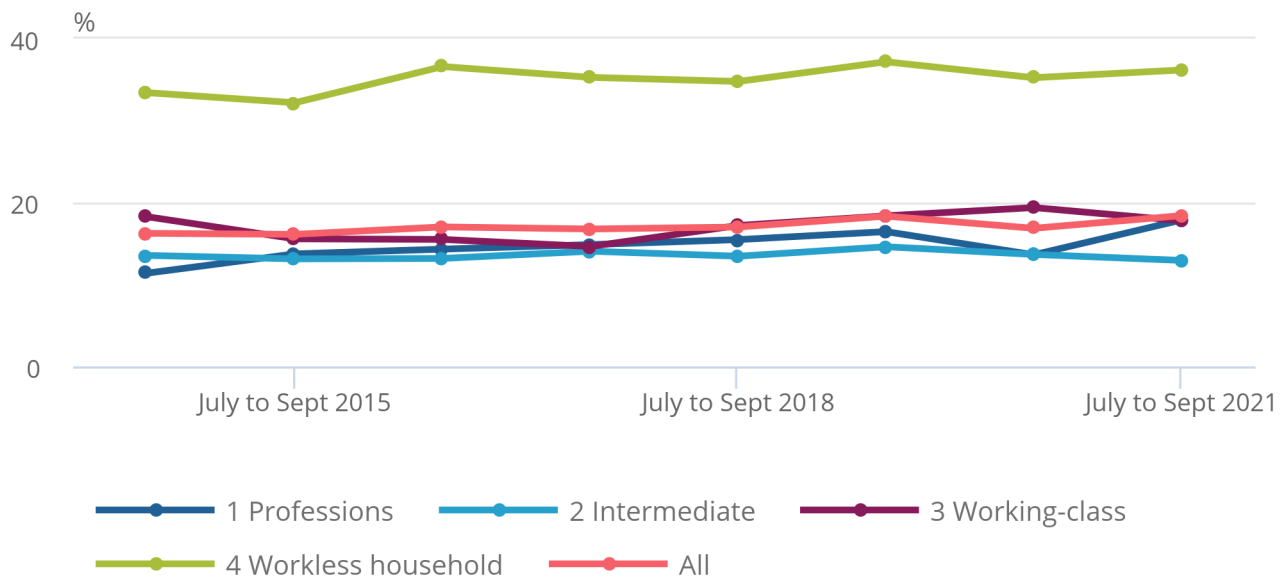
Source: Office for National Statistics – Labour Force Survey

Figure 5b: Young people from workless households have been consistently more likely to be economically inactive than the average young person since 2014

Economic inactivity rate of young people (excluding full-time students) by socio-economic background, UK, July to September 2014 to 2021

Figure 5b: Young people from workless households have been consistently more likely to be economically inactive than the average young person since 2014

Economic inactivity rate of young people (excluding full-time students) by socio-economic background, UK, July to September 2014 to 2021



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Data for each year correspond to Quarter 3 (July to September). Data on socio-economic background are collected only in this quarter.

After the start of the coronavirus (COVID-19) pandemic, the employment rate of young people from workless households fell the most of all groups. However, the difference between their employment rates in Quarter 3 (July to September) 2019 and Quarter 3 (July to September) 2020 is not statistically significant, which means that we cannot be sure that this difference observed in our sample may also be observed in the whole population. Because of small sample sizes, any interpretation of changes over time in our data must be done with caution and could be because of sampling variability.

5 . Differences by sex

For the analysis in this section on differences by sex, we have included full-time students because excluding them led to very small sample sizes.

Young women and men show similar patterns to those described above for all young people.

In 2021, women from workless households were less likely to be employed and more likely to be economically inactive than women from other socio-economic backgrounds, and these differences were statistically significant. This was also the case for other years between 2014 and 2021.

The differences observed between the employment rate and economic inactivity rate of young men from workless households and other men were not statistically significant in 2021, but these differences were significant in many years between 2014 and 2021.

Figure 6a: Young women from workless households are less likely to be employed than young women from other socio-economic backgrounds

Employment rate of young men and women (including full-time students) by socio-economic background, UK, July to September 2021

Figure 6a: Young women from workless households are less likely to be employed than young women from other socio-economic backgrounds

Employment rate of young men and women (including full-time students) by socio-economic background, UK, July to September 2021



Source: Office for National Statistics – Labour Force Survey

Figure 6b: Young women from workless households are more likely to be economically inactive than young women from other socio-economic backgrounds

Inactivity rate of young men and women (including full-time students) by socio-economic background, UK, July to September 2021

Figure 6b: Young women from workless households are more likely to be economically inactive than young women from other socio-economic backgrounds

Inactivity rate of young men and women (including full-time students) by socio-economic background, UK, July to September 2021



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Data for each year correspond to Quarter 3 (July to September). Data on socio-economic background are collected only in this quarter.
2. Data for the years 2014 to 2021 are provided in the [accompanying datasets](#).

6 . Comparison with other age groups

The patterns observed for young people are also observed for older age groups. People from both the 25 to 34 years and 35 to 49 years age groups who lived in a workless household were less likely to be in employment and more likely to be economically inactive in Quarter 3 (July to September) 2021, compared with those from other socio-economic backgrounds. This was also the case consistently between 2014 and 2021.

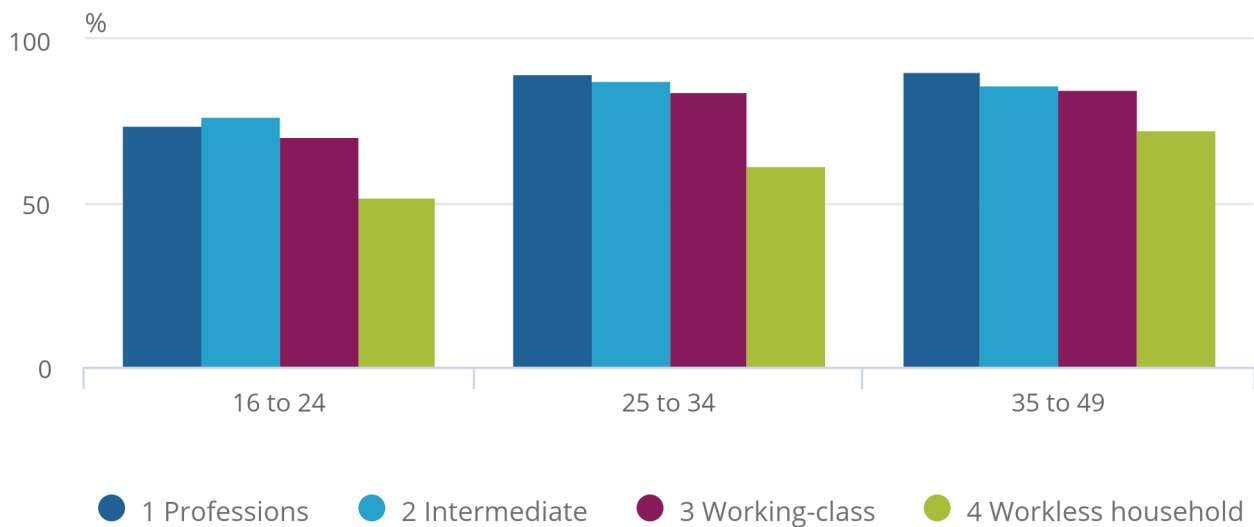
However, the difference in the employment and inactivity rates between those who lived in a workless household and other socio-economic backgrounds was smaller for the 35 to 49 years age group compared with the younger age groups, suggesting that the gap becomes smaller, but does not fully close, as individuals become older. This is consistent with [findings from the Social Mobility Commission](#).

Figure 7a: Older people who had lived in a workless household at age 14 years are less likely to be employed and more likely to be economically inactive, compared with their peers from other socio-economic backgrounds

Employment rates of young people and older age groups (excluding students) by socio-economic background, UK, July to September 2021

Figure 7a: Older people who had lived in a workless household at age 14 years are less likely to be employed and more likely to be economically inactive, compared with their peers from other socio-economic backgrounds

Employment rates of young people and older age groups (excluding students) by socio-economic background, UK, July to September 2021



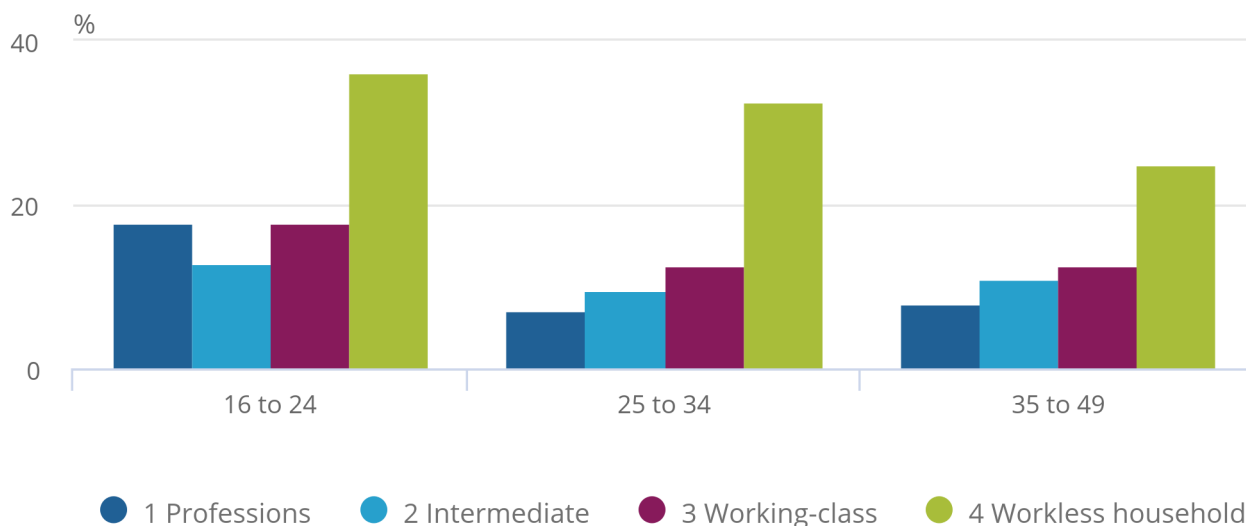
Source: Office for National Statistics – Labour Force Survey

Figure 7b: There was less difference between the economic inactivity rates of those who had lived in a workless household and those from other socio-economic backgrounds for 35- to 49-year-olds

Economic inactivity rates of young people and older age groups (excluding students) by socio-economic background, UK, July to September 2021

Figure 7b: There was less difference between the economic inactivity rates of those who had lived in a workless household and those from other socio-economic backgrounds for 35- to 49-year-olds

Economic inactivity rates of young people and older age groups (excluding students) by socio-economic background, UK, July to September 2021



Source: Office for National Statistics – Labour Force Survey

7 . Young people in the labour market by socio-economic background data

[Young people in the labour market by socio-economic background, UK – confidence intervals](#)

Dataset | Released 30 May 2022

Confidence intervals for young people in the labour market by socio-economic background, UK: 2014 to 2021.

[Young people in the labour market by socio-economic background, UK – significance testing](#)

Dataset | Released 30 May 2022

Significance testing for young people in the labour market by socio-economic background, UK: 2014 to 2021.

8 . Glossary

Economic inactivity

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment. This is because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged 16 and 64 years who are not in the labour force.

A more detailed explanation is available in our [Guide to labour market statistics](#).

Employment

Employment measures the number of people in paid work or who had a job that they were temporarily away from (for example, because they were on holiday or off sick). This differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged 16 and 64 years who are in employment.

A more detailed explanation is available in our [Guide to labour market statistics](#).

The National Statistics Socio-economic classification (NS-SEC)

The [National Statistics Socio-economic classification \(NS-SEC\)](#) is used to measure the employment relations and conditions of occupations. In this analysis, the NS-SEC category of the main wage earner when the survey respondent was aged 14 years is used to measure socio-economic background.

The NS-SEC of the main wage earner has been constructed using the simplified method to construct the NS-SEC. For details on the simplified method, refer to the NS-SEC guidance on [Deriving the NS-SEC](#).

This analysis makes use of the [three-class version](#) of NS-SEC, which contains:

- higher managerial, administrative and professional occupations (professions)
- intermediate occupations (intermediate)
- routine and manual occupations (working-class)

For more details on how we construct the NS-SEC classification for this analysis, please refer to the [Data sources and quality](#) section.

Statistical significance

This article only presents results that are statistically significant, unless stated otherwise. Statistical significance at the five percentile level is used for all statistics compared except when comparing changes over time, where non-overlapping [confidence intervals](#) were used to determine if values were significantly different from each other. More information about [statistical significance](#) can be found in [uncertainty and how we measure it for our surveys](#).

Unemployment

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks.

A more detailed explanation is available in our [Guide to labour market statistics](#).

Young people

For this release, young people are defined as those aged 16 to 24 years.

9 . Data sources and quality

This analysis uses data from the Labour Force Survey (LFS). The LFS is a large representative survey of households in the UK.

Sample size counts below three have been suppressed.

The data are presented for all young people aged 16 to 24 years. The data are not presented by smaller age groups (16 to 17 years, 18 to 21 years, 22 to 24 years) because of sample size limitations when breaking the groups down by socio-economic background.

Full-time students are excluded from the analysis except when presenting the data split by sex (Section 6), where students are included as otherwise sample sizes are too small. Full-time students are identified by the variable "STUCUR", which is derived from CURED8 (what is your current education). CURED8 response of 1 (FT School), 2 (Sandwich Course), or 3 (FT at University/College) is counted as full-time education.

Full-time students were excluded from most of this analysis for the reasons discussed in the article, but it may bias our results in part as working students are on the rise, and they may not be equally distributed across socio-economic backgrounds. According to a [study on term-time employment of students conducted in 2015](#), "one third of students were found to engage in part-time term-time employment and a further 14% hold down full-time jobs". The survey suggested that "77% of all students now rely, at least in part, on income from employment (up from 59% in 2014 and 57% in 2013)".

The social mobility module of the LFS was first introduced in 2014. It asks respondents about their circumstances when they were aged 14 years, including the occupation of the main wage earner in the household for those individuals that responded that they were living with one or both parents or living with other family members. Individuals that report not living with family members at that age have been excluded from this analysis.

The social mobility module is asked in Quarter 3 (July to Sept) only. This corresponds to the end of the academic year, when most students would be transitioning into the labour market or further study. This may affect the numbers of unemployed or economically inactive for those that are finishing their education and looking for a job post-education, as they may be more likely to be unemployed or out of work for a short spell of time in those months.

The [LFS performance and quality monitoring reports](#) provide data on response rates and other quality-related issues for the LFS.

10 . Related links

[Employment in the UK: May 2022](#)

Bulletin | Released 17 May 2022

Estimates of employment, unemployment and economic inactivity for the UK.

[Young people not in education, employment or training \(NEET\), UK: February 2022](#)

Bulletin | Released 24 February 2022

Estimates of young people (aged 16 to 24 years) who are not in education, employment or training, by age and sex.

[Coronavirus and changing young people's labour market outcomes in the UK: March 2021](#)

Article | Released 11 May 2021

Analysis of labour market outcomes for young people (aged 16 to 24 years), how the young people were impacted by the coronavirus (COVID-19) pandemic and drivers of such outcomes, using Quarterly Labour Force Survey and Longitudinal Labour Force Survey data.

[Guide to labour market statistics](#)

Article | Released 16 June 2020

Explanation of the major concepts that exist within the labour market and their relationship to each other.

