

CONSULTATION

# The House of Lords Select Committee on Youth Unemployment

Submission by: National Centre for  
Universities and Business (NCUB)

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# House of Lords Youth Unemployment Committee: Call for Written Evidence

## Submission from the National Centre for Universities and Business



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# About the NCUB

The National Centre for Universities and Business (NCUB) represents a collective voice of leaders across higher education and business and aims to tackle issues of shared interest. The NCUB is an independent and not-for-profit membership organisation that promotes, develops and supports university-business collaboration across the UK. The NCUB was established in 2013.

## Introduction

We welcome the House of Lords' inquiry into youth unemployment. Under 25-year-olds have borne the brunt of the increase in unemployment over the course of the pandemic. They have also missed out from less hiring activity from employers over the course of the lockdown. Supporting young people must be the top priority for the Government. Without support, the younger generation will face further unemployment or lower wages, and employers will lose out on the talented workforce they need to recover.

Government's policy so far has focused on the immediate term, these have been welcome, but we also recommend they go further. To lower the cost of hiring young people, we recommend to temporarily scrap National Insurance Contributions for young people under the age of 25. We further recommend for existing schemes to be more strongly promoted and supported, such as the Kickstart Scheme, incentives for employers to invest in new apprenticeships and traineeships, the Restart Scheme, Lifetime Skills Guarantee, and more flexibility in higher education loans.

Most importantly, we strongly recommend an approach that looks at the labour market and our economy in the long-term. This includes increased levels of collaboration between educational institutions and businesses to ensure that the education system delivers the skills that businesses require now and in the future. Skilled graduates in particular are the pipeline of future talent that businesses need.

There are fundamental challenges facing the labour market that were here before Covid-19 and that need addressing. Increased automation of roles, the changing nature of work, the need to prepare for climate change and the aim for a more knowledge-based economy are all challenges that require a clear strategy. Ensuring that young people have the skills they require in the future should be a central part of the Government's next steps on the Plan for Growth and will require national coordination through a new cross-cutting skills body.

In summary, NCUB recommends:

- to temporarily scrap National Insurance Contributions for young people under the age of 25
- for existing schemes to be more strongly promoted and supported, such as the Kickstart Scheme, Restart Scheme, and Lifetime Skills Guarantee
- to strengthen incentives for employers to invest in new apprenticeships and traineeships
- to introduce more flexibility in higher education loans
- increased levels of collaboration between universities and businesses to ensure that universities deliver the skills that businesses require now and in the future
- to introduce a 50% wage subsidy for people under the age of 25 undertaking an apprenticeship, including a degree apprenticeship
- to introduce flexibilities in the apprenticeship levy fund that allow employers to more easily use part of their apprenticeship levy to fund appropriate training for existing employees, including through degree apprenticeships. The money from the apprenticeship levy could be split into two pots: one for apprenticeships for under 25s; and the other into a broader training pot, which can still be spent on apprenticeships
- to increase targeted support for part-time provision and flexible adult learning
- To move the functions of the previous UKCES and the MAC together into one body that sits outside of any single government department and advises all Whitehall departments and devolved governments on skills, education, immigration and diversity and inclusion policy
- Regarding graduates:
  - for student debt on STEM degrees to be written off if graduates spend five years working in STEM occupations that are deemed of high importance, in order to encourage even more STEM graduates
  - for maintenance loans to be expanded to cover more FE courses
  - for maintenance grants to be reintroduced
  - for those returning to full-time education in order to work in STEM occupations that are deemed of high importance to receive student loans and maintenance grants through a 'Second Chance Fund'

## Section 1: Challenges

1. What are the main challenges facing young people seeking employment today?  
How do structural factors impact youth

# unemployment, and how might these be addressed?

Covid-19 and the subsequent lockdowns has had a disproportionate impact on young people's employment. The [ONS labour market statistics](#) published in April showed that while the headline unemployment figure has stabilised at 4.9%, unemployment amongst under 25s is now at 14.3%. Unemployment would have been higher if there was not also a large increase in 16-to-25-year old's in education. People aged under 35 accounted for 635,000 payroll jobs lost in the year to March, with 436,000 of those positions held by people under 25. Most concerning is the increase in young people in long-term unemployment, with 247,000 unemployed for more than six months. 12 months earlier, 145,000 young people were unemployed for more than six months.

Although there is evidence to suggest that those with a degree have fared better in the labour market than those with other qualification, the pandemic has affected students and graduates. The average unemployment rate for graduates has [almost doubled](#) over the past three years, with one in eight recent UK graduates trying to enter the labour market hit by unemployment. This significantly increases competition for graduate jobs and entry-level roles in the labour market. The pandemic has also impacted students' ability to support themselves financially through work opportunities, many of which are not covered by the furlough scheme. Students have also had to adapt to new ways of learning and developing throughout the pandemic by shifting to online learning and missing out on elements of the usual student experience. While universities have still successfully managed to provide students with the necessary teaching and skills, there is a persistent need for the government to work with universities and employers to consider how students and recent graduates can best be supported. This will be vital to avoid long-lasting unemployment trends among this cohort of students and graduates.

At the end of February, 830,500 (22% of those eligible) under 25-year-olds were still on furlough. So it is possible that when the scheme ends, the unemployment situation will worsen further for this age group.

While a [recent survey](#) suggests that employers' hiring intentions overall are high, a [CIPD survey](#) on the youth labour market specifically from December 2020 finds that recruitment intentions are significantly depressed. The CIPD also found a predicted drop in the provision of work experience and internships, with employers reporting a fall in the provision of all types of work experience placements in the following 12 months.

Another challenge is that while youth unemployment has been rising, there are sectors with a high number of hard to fill vacancies, such as in technology, engineering or [education](#). While both supply of jobs and demand for employees are sufficient, there is a persistent skills mismatch. Reskilling and retraining play a significant role in correcting this mismatch.

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The effect of the pandemic has taken its toll on young people who are facing [long-running scarring costs](#). Aside from lost earnings and damage to the employment prospects of young people, there is a reported loss of confidence amongst them. While young people are over-represented in those sectors that are hardest hit by the pandemic to date, they also tend to be over-represented in the sectors that are forecast to see lower employment in the long term and under-represented in occupations which are likely to see the strongest job growth at the same time. Long-term structural changes to the labour market, some of which were already progressing before the pandemic, will reduce the current and future employment opportunities of young people even further.

## 2. What are the main challenges facing employers in the labour market today? What barriers do they face in recruiting young workers and setting up apprenticeships and traineeships?

Covid-19 and Brexit has impacted employers' short-term hiring intentions. To recover from the pandemic and its economic impact, businesses will depend on a talented and adaptable workforce. Many businesses will not return to a pre-Covid normal but instead expect to evolve new working practices and adapt to changes in consumer behaviour and demand. This will impact on the competencies and skills employers need.

One of the biggest challenges facing employers is identifying new skills and competency needs in a rapidly changing environment and recruiting suitable people. There is a rising demand for skills and competencies in areas where there have been longer reports of pre-existing skills gaps and shortages. The UK faces skills gaps and mismatches in a number of important areas, from digital skills gaps to the need for improved employability and soft skills. Employers face a challenge in identifying the competencies and skills they will require, as well as specific skills shortages in areas likely to be even more important in future, such as digital skills. Employers cannot face this challenge on their own. Collaboration with educational institutions, local leaders and others to identify and respond to changes in the labour market will be important to long-term success. However, simultaneously many businesses will be focussed on the more immediate consequences and changes caused by the pandemic.

Employers also face large administrative and cost burdens to hire young workers, especially with apprenticeships and traineeships. This is especially true for SMEs, whose relative cost and administrative burden with hiring apprentices is large. NCUB has three recommendations to address this.

First, more encouragement should be given for businesses to hire people leaving education, including by introducing a 50% wage subsidy for people under the age of 25 undertaking an apprenticeship (including a degree apprenticeship). Reducing the hiring costs would incentivise more employers to hire young people from university and elsewhere.

Second, to help employers to retain talent and valuable entry level jobs, the Government should temporarily abolish National Insurance Contributions for young people under the age of 25. Employers should no longer have to pay secondary Class 1 (employer) National Insurance contributions (NICs) on earnings up to the Upper Earnings Limit (UEL), for employees under the age of 25. This enhances existing exemptions that apply to young people under the age of 21.

Third, greater awareness is needed from employers of the current government schemes available to them. Polling from CIPD in December found that the announcement of cash incentives for employers hiring an apprenticeship had a concerning small impact on behaviour. The survey found that only 5% of employers that were not planning to recruit apprentices responded that they were considering it as a result of the incentives. This would suggest that more publicity is needed of these incentives. There has been high employer interest in the Kickstart Scheme, with the difficulty of that scheme relating more to the placement of individuals with employers.

### 3. What future social, economic and technological changes are likely to impact youth unemployment? What impact might these changes have, and how should this be planned for and addressed?

There are large structural changes to the labour market underway that will have a significant impact on current and future generations. The adoption of automation and artificial intelligence, coupled with the impact of Covid-19 on operations, is likely to accelerate the pace of skills shifts. As the UK prepares to refocus the economy towards more R&D intensive activity, skills and talent demand are likely to change even further and even faster. Automation, in tandem with the COVID-19 recession, is

creating a '[double-disruption](#)' scenario for workers. In addition to the current disruption from the pandemic-induced lockdowns and economic contraction, technological adoption by companies will transform tasks, jobs and skills by 2025.

Employers increasingly emphasize the importance of 'soft' and 'employability' skills. The [World Economic Forum](#) found that the top skills and skill groups that employers see as rising in prominence in 2025 includes analytical and critical thinking as well as problem-solving, and skills in self-management such as active learning, resilience, stress tolerance and flexibility. It is especially important for employers and universities to work together in this to ensure that university graduates develop the soft and employability skills needed.

Another large factor impacting youth unemployment is the [digital skills gap](#) in the UK and the changing labour market demands for digital skills. While employer demand for digital skills is set to continue to grow, participation in digital skills training has declined. The number of young people taking IT subjects at GCSE level has fallen by 40% since 2015, with the number taking A Levels, further education courses and apprenticeships in these subjects all declining too. Less than half of UK employers (48%) believe that young people are leaving full-time education with sufficient advanced digital skills. This has a profound effect on businesses, with over three-quarters believing that a lack of digital skills would hit their profitability.

While the digital and soft skills of young people entering the labour market have to be improved through joint efforts from universities, business and the government, retraining the current young workforce is equally important to close the skills gap. It is very hard for people to move between sectors due to a lack of technical and employability skills, and to keep up with changing sector demands. Currently, only 21% of businesses report being able to make use of public funds to support their employees through reskilling and upskilling according to the 2020 Future of Jobs report by the World Economic Forum.

We need a clear collaborative strategy to face these challenges. Businesses must work with universities and the government to understand what the UK's skills needs are now and in the future. Preparing young people for an uncertain future can only be successfully done if there is a clear and consistent strategy from government, which works with businesses and universities to achieve these goals.

NCUB is well placed to advise specifically on how university-business partnerships can be used to approach future skills challenges. In 2021 NCUB will bring together university and business leaders, as well as stakeholders, in a Future Skills Inquiry to consider macro level questions related to future skills. The purpose of the Inquiry will be to bring together various actors interested in the Future Skills agenda. It aims to provide the Government and education providers with evidence and insight on what employer priorities on future skills are and what employers want from higher education specifically. It will be best placed to advise on how existing Government initiatives on Future Skills, including the recent White Paper, *Skills for Jobs*, can be joined up and applied to higher education, and will advise on how

universities and businesses can work more closely on future skills, and how this collaboration can be supported through national and devolved policy.

## 4. Is funding for education, training and skills enough to meet the needs of young people and of the labour market? How can we ensure it continues to reach those who need it most?

As the National Centre for Universities and Business, our response is focussed on the contributions made by universities. However, we recognise that investment in all forms of education and training is critical.

Universities play a fundamental role in the UK's education and skills system and we need a funding system that is sustainable so they can continue to educate the future workforce. In our knowledge intensive economy, universities deliver the higher-level technical skills and competencies that employers need and value. Universities are dispersed across all parts of the UK, driving local growth and helping local employers access talent.

The government [estimates](#) that for every £1 invested in higher education, £7 is generated for the individual and £25 is generated for the state through social returns in the form of higher tax reliefs, lower welfare spending and fewer crimes. The increase in numbers going to university should be seen as an investment both in young people but also as it saves money in the long-term.

The Augar Review of Post 18 Education and Funding proposed a reduction in the tuition fee cap in England. This proposal has generated considerable uncertainty for universities and their students.

We strongly believe that the existing student funding system is the fairest and most sustainable way to fund expanded higher education in a knowledge-intensive economy. However, the value of the tuition fee has eroded by inflation whilst the tuition fee cap has remained frozen at £9,250. The tuition fee is now equivalent to around £7,500 per student in 2012 prices (the year in which a 9,000 fee was first introduced). In response, universities have worked hard to generate efficiencies and diversify their income. Reducing the cap on tuition fees, without finding a sustainable solution to replace lost funding, would impact universities, students, employers and the UK's long-term economic growth.

The announcement that higher education loans will be made more flexible was very welcome, but the Government should go further by increasing targeted support for

part-time provision and flexible adult learning. Equivalent or Lower Qualification (ELQ) and other restrictions on accessing student finance for a Higher Technical Qualification should be suspended. With the increasing need for retraining, removing these restrictions will make it easier for young people to acquire the labour market's in-demand skills and help them pursue new careers.

We do believe there might be ways to improve the system to encourage and incentivise investment in areas with skills shortages. Governments have considered policies to address the UK's professional level skills shortages, but these measures have not gone far enough. There has been some suggestion introducing differential fees in order to incentivise students to pursue certain degrees in line with economic or societal needs. Universities and students have warned that differential fees would have considerable unintended consequences, including constraining student choice, reversing progress on social mobility and unintentionally generating new skills shortages.

Differential fees to address skills shortages is an impractical approach in an age where technologies are evolving quickly, and the skills and competencies required by employers are transforming rapidly. To address the UK's professional level skills shortages, the Government should develop a clear process of waiving the student debt of graduates in occupations with significant skills shortages. This will not simply incentivise students to undertake degrees that may prepare them for a skill-shortage occupation but will also help employers to attract graduates to those occupations and retain them in the longer-term.

## Section 2: Primary and secondary education

5. Does the national curriculum equip young people with the right knowledge and skills to find secure jobs and careers? What changes may be needed to ensure this is the case in future?

6. Is careers education preparing young people with the knowledge to explore the range of opportunities available? What role does work experience play in this regard?

7. What lessons can be learned from alternative models of education and assessment? What are the challenges with, and obstacles to, the adoption of such models?

These questions on primary and secondary education do not relate specifically to NCUB's expertise. However, we would emphasise that universities view themselves as a part of the wider education system and recognise that they have a role to play in supporting and collaborating with primary and secondary education providers.

### Section 3: Further education, higher education and training

8. What more needs to be done to ensure parity of esteem between vocational and academic study in the jobs market and society? How can funding play a role in this?

Too often we see further education and higher education positioned as a trade-off. The Government wishes to rebalance technical and academic education. This means raising the bar for further education, without lowering it for higher education. Many universities deliver technical education and work collaboratively with their local FE providers. The Government's promise to put employers 'at the heart of the skills system' is critical. Now more than ever, in a world still recovering from Covid-19, we need to see all educational providers and employers working together to meet the current and evolving needs of the labour market.

## 9. What is the role of business and universities in creating a thriving jobs market for young people? How should they be involved in developing skills and training programmes at further and higher education level?

Collaboration between universities and businesses is critical to ensuring that graduates have the skills they need to succeed in the workplace. Collaboration between universities and employers is a critical part of identifying and responding to future skills and competency needs. This can be achieved through a range of activities, such as discussion and consultation, joint curriculum design, developing and delivering degree apprenticeships, and placements with employers. The experience that young people receive from work experience is invaluable. The skills learnt during this period is important for students' employability.

As well as providing direct experience of working for businesses, it is also important that businesses engage with universities as they determine and design their courses and employability support. Universities need to respond appropriately to ever changing employers' skills needs, as well as achieving a balance between nurturing soft skills against specific technical and competency skills. More regular data collection on graduate employers' attitudes towards the preparedness of graduates for the workplace would be helpful for universities to assess the preparedness of graduates for employment.

Recent employer surveys have demonstrated that soft skills are playing an increasingly important role in the labour market. Yet there are many definitions and understandings of soft or employability skills. We recommend that the Department for Education coordinates development of a consensus on one recognised

framework of 'soft' skills (working with current schemes) and communicating this effectively to employers, students and universities.

As employers are placing more emphasis on these skills, ensuring that all young people are developing these skills at every education level is crucial. The changing labour market and increasing number of people switching professions throughout their lives will require a skills system that teaches resilience and adaptability. More than anything, being able to learn and develop new skills throughout ones' life is essential. This requires a radical and holistic rethink of the education system.

In October 2020, the CBI estimate that nine in ten current employees will need to reskill by 2030. More incentives are necessary to encourage businesses to (re)train more of their own employees through initiatives such as training tax credits for SMEs. To achieve this level of retraining, businesses should be encouraged to collaborate closely with universities. There are many universities who develop workforce strategies with businesses and deliver the short or longer-term training that employees require.

## 10. What can be done to ensure that enough apprenticeship and traineeship placements are available for young people? Is the apprenticeship levy the right way to achieve a continuing supply of opportunities?

The proportion of apprenticeship starts have been increasingly focused on those over 25s and less for young people. This trend has been exacerbated by Covid-19. Comparing [data on apprenticeship starts for August to January 2020/21 to 2019/20](#), we can see an overall 18% drop from 198,600 to 161,900. Given the situation with the lockdown this is to be expected. Yet looking at the numbers, we can see that for under 19s, there was a 33% decrease in starts and for 19- to 24-year-olds these was a 20% decrease. For those over 25, there was a decrease in the overall amount of starts by 7% and a 22% increase in the amount of those over 25 taking a higher-level degree apprenticeship. 47.2% of people starting any apprenticeship in this period were over 25. Of course, older people should not be banned from taking apprenticeships. However, we must consider what is the right balance in uptake.

The apprenticeship levy was introduced to create new apprenticeship opportunities and provide more employer led pathways towards education and training. In practice, many apprenticeship levy payers are primarily using their levy to upskill existing employees rather than taking on new, young apprenticeships. Both possible functions of the levy – to train and educate young people and to retrain and upskill existing employees – are valuable and should be encouraged. Flexibilities should be introduced that allow employers to more easily use part of their apprenticeship levy to fund appropriate training for existing employees, including through degree apprenticeships. This would allow businesses to use their levy for important retraining purposes but would also protect part of the levy to create new apprenticeship opportunities for young people.

The money from the apprenticeship levy could be split into two pots: one for apprenticeships for under 25s; and the other into a broader training pot, which can still be spent on apprenticeships. The funding in the apprenticeship budget that gets lost through these measures should then be taken up by the Government so that the number of apprenticeships does not decrease through this measure. Additional funding should be made available for SMEs looking to take on an apprentice. This could take the form of tax relief for SMEs who hire apprenticeships based on the existing R&D tax relief scheme. A maximum salary ceiling for levy funded apprentices should also be introduced, meaning that limited public funding is concentrated on providing opportunities for those who would benefit most.

## Section Four: Jobs and employment

### 11. What lessons can be learned by current and previous youth labour market policy interventions and educational approaches, both in the UK and in other countries?

Supporting entrepreneurship has a crucial part to play in ensuring the UK's economic recovery and addressing youth unemployment. The UK Government should celebrate, support, and build on the success of schemes that develop entrepreneurship such as the Young Entrepreneurs Scheme (YES). The scheme is

an innovative competition developed to raise awareness among postgraduate students and postdoctoral researchers of how ideas from science and engineering can be commercialised.

Previous interventions by the UK Government such as the [Enterprise Allowance Scheme](#) during the 1980s were successful in boosting entrepreneurship. The suggested proposal from Policy Exchange to revitalise the scheme is worth examining further. Marketed specifically at the under-30s, the proposed scheme would offer anyone without a job who wants to start a new business £100 a week for a year. This would come with business mentoring, workshops, and access to Start-Up Loans, open to anyone not currently employed with a viable business idea and access to £2,000 start-up capital.

Looking abroad, the German EXIST scheme is a similar successful example of a scheme that supports young people through improving the entrepreneurial environment at universities and research institutes. The scheme supports university-based business start-ups, thus directly providing business support and funding to universities with flourishing technologies and ideas, building a strong entrepreneurial environment that its students can access and benefit from.

## 12. What economic sectors present opportunities for sustainable, quality jobs for young people? How can we ensure these opportunities are capitalised on and that skills meet demand, particularly for green jobs?

Despite thousands of graduates entering the job market every year, employers still find certain positions difficult to fill. The [largest number of hard-to-fill vacancies](#) in 2020 were nurses, programmers and software development professionals, human resources and industrial relations officers, medical practitioners and welfare and housing associate professionals. Universities play a key role in developing and training for all these roles. The skills and labour demand in these positions is promising and, if met, offers sustainable work opportunities for recent graduates and young people.

Skills shortages in research-intensive sectors such as health and technology will make the government's target of 2.4% of GDP spending on R&D by 2027 difficult to achieve. The target is crucial to make the UK a more innovative and productive economy, with opportunities for sustainable, quality jobs for young people. Promoting research and innovation is also crucial in order to address global environmental challenges. The 2.4% target can only be reached if we have the talented people and teams to deliver. This requires adequate training and funding, as well as through supporting the higher education institutions developing that talent. Attracting and retaining researchers in the private sector and academia is fundamental to ensuring we reach our R&D goals.

It is welcome that the government recognised the importance of this through their R&D Roadmap. Attracting the best international talent is crucial but so too is building the domestic pipeline of talent needed to run a 2.4% economy.

There are many projections of which sectors present particular opportunities in the future. A cross-governmental understanding of the skills and competencies that the UK requires to drive forward a successful economy is needed, as well as a strategy on how those can be achieved. The government needs to adopt a common, robust, holistic long-term plan in order to fill sectoral skills and knowledge gaps through training and re-training young people. The UK urgently needs to prepare for automation and the fourth industrial revolution. In order to do so, there is an urgent need to develop clear policies and funding to support retraining and upskilling into sectors that are predicted to grow in the next decades.

The establishment of the Skills and Productivity Board, Green Jobs Taskforce and Office for Talent are welcome. However, there has not yet been a replacement for the UK Commission for Employment and Skills (UKCES) and with more skills policy being devolved there is a clear need for increased co-ordination with devolved governments. Since its closure in 2017, the UK has lacked a national body dedicated to gathering labour market intelligence to guide policy making. The Migration Advisory Committee (MAC), which advises the government in immigration policy, has played an important role in determining the short to medium term skills needs and shortages of the UK. However, it does not have a remit to forecast the longer terms skills needs of the economy and cannot make recommendations related to domestic training and education.

NCUB recommends merging these bodies together and moving it outside of any single government department. This new body would have the ability to evaluate our labour market needs in the short, medium and long term and make recommendations to all Whitehall departments as well as devolved government on skills, education, immigration and diversity and inclusion policy. This body should be enabled with strong data collection abilities and take an evidence lead approach. This one central body would enable us to have a holistic and long-term strategy to deliver the skilled workers we need in the immediate and longer term.

# 13. How might future youth labour market interventions best be targeted towards particular groups, sectors or regions? Which ones should be targeted?

Interventions need to consider two important factors, the first is access to education and the second is outcomes from education.

On access, the introduction of a new funding system for higher education has allowed for a significant, important and sustainable expansion of higher education. This supports social mobility, whilst simultaneously helping to meet the labour market demands of our modern knowledge economy.

There are, however, still a few areas where access is unequal and where further intervention is required. Future youth labour market interventions are needed to target gender diversity in STEM courses which are still underrepresented by women. [In 2019](#), only 10% of engineering professionals in the UK were female, and only 15% of engineering and technology undergraduates, with slow progress towards greater equality in these subject areas. This gender inequality can also be observed in entrepreneurial activity in the UK. The [Rose Review of Female Entrepreneurship](#) found that only 1 in 3 UK entrepreneurs is female. Overcoming this is an important goal in itself and would in addition represent a huge economic boost.

A further important intervention concerns the inequalities in outcomes of higher education, as well as how higher education is experienced by different groups. HESA's latest [Graduate Outcomes](#) data shows striking inequalities across race, gender and class. Black graduates are less likely to be in full-time employment than their white classmates (53 per cent versus 62 per cent). They are also more likely to be unemployed (5 per cent vs 3 per cent). Overall, male graduates earned around 10 per cent more than their female peers. Students from neighbourhoods with low HE participation rates were less likely to be in full-time employment (56 per cent versus 58 per cent). While universities have come a long way in widening access to the transformative experience of higher education, they need to apply the same ambition and drive to narrow the outcomes gap where progress appears to have been much slower. Universities, together with businesses, will play a large role in making sure that students and graduates from all backgrounds have equal opportunities in the labour market.

Urgent intervention is needed for the structural issues faced by black people. [Young black workers](#) have been hit hardest by the pandemic, with [41.6%](#) of black people aged 16-24 unemployed between October and December 2020, which is more than three times higher than white people of the same age. Structural barriers to employment urgently need to be removed in order to achieve social equality. Young minority ethnic workers were already

disproportionately likely to be in less secure employment before the pandemic, such as being on zero-hours or fixed-term contracts, which received less protection through schemes such as furlough. Urgent measures need to be taken to reverse this trend and avoid disproportionate long-term youth unemployment among the young black people and other minorities.

Without targeted interventions, economic inequality will increase and opportunities for social mobility decrease, as they already have during the past year. The pandemic has disproportionately affected already disadvantaged young people, and without clear action to directly address these issues, the gap between poor and wealthy will only increase. Making sure that the youth of today have access to equal opportunities and are appropriately supported by government is vital in order to avoid long-lasting social and economic inequalities in the UK.

In considering interventions, the Government must take advice from employers and educational institutions on the future of work, as new work practices may be adopted in some sectors following the pandemic. An increase in homeworking and the use of technology creates new opportunities, but also new challenges, for social mobility and expanding opportunity.