

## **Impetus-PEF Report Demands Action to Make NEETs History in 2014**

*One in Five Children Born in 2000 is at Risk of Becoming NEET*

*Britain's NEET problem puts £6.4 billion of Millennium Children's Earnings at Risk*

**2 January 2014, London, UK** – In 2014 the children born into the promise of the new Millennium will be choosing their GCSEs. The next two years will play a critical role in determining their future prospects and their risk of becoming NEET (not in education, employment or training). Impetus – The Private Equity Foundation (Impetus-PEF), the pioneer of venture philanthropy in the UK, today publishes a report revealing tens of thousands of the Millennium children are at risk of becoming NEET and demands interventions to make NEETs history.

### **Key Findings:**

- **One in five** (120,888) **children born in the Millennium is at risk of becoming NEET** between the ages of 16 and 24.<sup>1</sup> 604,441 children were born in England & Wales in 2000.<sup>2</sup>
- **Seven out of ten Millennium pupils** entitled to free school meals will **not achieve five good GCSEs** (A\*-C grade).<sup>3</sup>
- Having experienced a period of being NEET, these **young people stand to lose around 11% annually in wages** well into their forties, compared with their peers.<sup>4</sup>
- Over their working life and compared to peers who have never been NEET, a person who has been **NEET will lose up to £50,000** in earnings compared with a non-graduate peer and up to **£225,000** compared with a graduate peer.<sup>4</sup>
- The potential **lost earnings of the Millennium children due to NEET status totals £6.4 billion** over their working lives.<sup>4</sup>
- The **cost to the state of Britain's NEET problem is around £22 billion** in additional public spending and in excess of **£77 billion a year** when including lost income.<sup>5</sup>
- Currently there are **1.07 million young people aged from 16 to 24 who are NEETs**.<sup>6</sup>

### **Call to Action:**

Making NEETs history requires accountability and structural reform from the top down. **Impetus-PEF calls on Government to:**

- **Create a Secretary of State for School-to-Work Transitions**  
This Cabinet Minister would be responsible for building, and realising, a vision for the youth labour market which would draw together policy and resources across Whitehall to make NEETs history.
- **Pay the Pupil Premium by Results, Not All Upfront**  
The Pupil Premium is flawed. Accountability must be built in. Schools should only receive a portion of their top-up funding if they are able to demonstrate that they have secured improved attainment and employability outcomes for those pupils at

whom the Pupil Premium is aimed. Schools should not be rewarded if they are failing to deliver results.

- **Charge Ofsted with Inspecting Schools' Efforts to Improve School-to-Work Transitions and Use of Data**

Ofsted should hold schools to account for their efforts to produce school-leavers who are ready for work. Ofsted should assess schools to ensure that the employability of students is central to a good school's offering.

**Jenny North, Director of Policy and Strategy at Impetus-PEF said:** "121,000 Millennium children are at risk of becoming NEET. In 2014, as they reach the crucial age of 14, there is still an opportunity to ensure that they don't fail to make the transition from school to work or into further education, which so many young people before them have. Our report reveals a damning set of statistics and today we are calling on Government for bold reform to address this pressing social and economic crisis. Britain needs a vision for the youth labour market, one which recognises that our NEET problem is structural and long-term, not just a hangover from the recession. Every child has the right to skills and access to opportunities to pursue a full and rewarding life. It is time to make NEETs history."

**ENDS**

### **Media Enquiries**

Anisha Patel, Head of PR, Impetus-PEF  
Tel: 07814 678 164  
Email: [anisha.patel@impetus-pef.org.uk](mailto:anisha.patel@impetus-pef.org.uk)

### **Notes to Editors**

#### **About Impetus – The Private Equity Foundation ([www.impetus-pef.org.uk](http://www.impetus-pef.org.uk))**

Impetus-PEF brings strategic resources to high-potential charities and social enterprises working to improve the lives and prospects of children and young people living in poverty in the UK. It aims to ensure that these organisations are effectively delivering targeted outcomes... and then achieving scale in the areas of educational attainment and work readiness. It uses a highly effective venture philanthropy model, consisting of management support from the Impetus-PEF investment team, pro bono business expertise and long-term funding, to support and improve the capacity of these charities. Impetus-PEF was formed from the merger of Impetus Trust and the Private Equity Foundation in 2013. With over a decade of experience of supporting more than 50 charities and social enterprises, Impetus-PEF is the pioneer of venture philanthropy in the UK. It currently has 27 organisations in its active portfolio.

#### **Further Data from 'Make NEETS History in 2014' Report:**

- Only **36 per cent of young people from low-income backgrounds achieved five good GCSEs (A\*-C grade)** compared to 63 per cent for the rest of the population. This **27 point educational attainment gap** predicted by parental income is a vital predictor of NEET risk.<sup>7</sup>
- **Over 25 per cent of those who fail to obtain GCSE-level qualifications will go on to be NEET.**<sup>8</sup>

- The proportion of NEET young people at 16+ is **higher amongst white British pupils than amongst other ethnic groups**.<sup>9</sup> 25 per cent of White British boys eligible for Free School Meals achieved five good GCSEs compared to 40 per cent of Black boys in receipt of Free School Meals.<sup>10</sup>
- The cost of **youth crime** – the chance of which increases dramatically in NEET young people – is estimated to be £23 million a week. That amounts to an annual **cost of £1.2 billion per year**.<sup>11</sup>

### **Footnotes**

<sup>1</sup> <http://www.theguardian.com/society/2012/feb/21/clegg-neets-scheme-youth-unemployment>

<sup>2</sup> <https://docs.google.com/spreadsheets/ccc?key=0AgdO92J0XxAOdFZIUU1SODRaMXI5cFdvMkRIQm5Obmc#gid=0>

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/219337/sfr04-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/219337/sfr04-2013.pdf)

<sup>4</sup> Impetus-PEF, Make NEETS History in 2014 Report, page 10-11; January 2014. <http://impetus-pef.org.uk/policy-initiatives/make-neets-history/>

<sup>5</sup> Coles, B; Godfrey, C; Keung, A et al (2010) Estimating the life-time cost of NEET: 16-18 year olds not in education, employment or training. University of York, York

<sup>6</sup> [http://www.ons.gov.uk/ons/dcp171778\\_337420.pdf](http://www.ons.gov.uk/ons/dcp171778_337420.pdf)

<sup>7</sup> Ofsted, Unseen Children, 2013, <http://www.ofsted.gov.uk/sites/default/files/documents/a-and-a/Unseen%20children%20-%20access%20and%20achievement%2020%20years%20on.pdf>

<sup>8</sup> Youth Cohort Study and the Longitudinal Study of Young People in England: the activities and experiences of 18-year-olds - England 2009 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/218911/b01-2010v2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/218911/b01-2010v2.pdf)

<sup>9</sup> Mongon, Denis (2013) Research paper for Ofsted's 'Access and achievement in education 2013 review' <http://www.ofsted.gov.uk/sites/default/files/documents/a-and-a/Access%20and%20achievement%20-%20Educational%20attainment%20-%20White%20British%20students%20from%20low%20income%20backgrounds.pdf>

<sup>10</sup> GCSE and equivalent attainment by pupil characteristics in England: 2011 to 2012; ONS

<sup>11</sup> The Prince's Trust (2010) The Cost of Exclusion: Counting the cost of youth disadvantage in the UK [http://www.princes-trust.org.uk/pdf/COE\\_full\\_report.pdf](http://www.princes-trust.org.uk/pdf/COE_full_report.pdf)