



MEDIA BRIEFING · JULY 2026

# ONE MILLION ON THE SIDELINES: BRITAIN'S YOUTH JOBS PROBLEM

UK youth unemployment has reached 16.2%, and the number of 16–24-year-olds not in education, employment or training has passed one million for the first time in 13 years. Germany's youth unemployment rate is 7.0%. This briefing sets out the verified numbers, corrects five errors now circulating in coverage, explains why the UK lags most of wealthy Europe, and maps where in Europe young people can still get a first job.

**Updated**  
10 July 2026

**Next update**  
August 2026

**Data & interviews**  
[info@ep-advisory.com](mailto:info@ep-advisory.com)

**Data table**  
[CSV at ep-advisory.com/press/](https://ep-advisory.com/press/)

[ THE HEADLINE ]

# 1,012,000

16–24s NEET in Q1 2026 – first time above one million in 13 years;  
613,000 of them economically inactive

ONS, 28 May 2026

**Germany runs 7.0% youth unemployment on the same continent. The UK's problem is structure, not just the cycle.**

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**16.2%**

UK youth unemployment (16–24, Feb–Apr 2026) – not the widely misquoted 14.7%

ONS series MGWY, 18 Jun 2026

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**7.0% vs 23.7%**

the European spread: Germany vs Spain, May 2026

Eurostat, 2 Jul 2026

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**13–21%**

wage penalty still visible at age 42 from a year of unemployment when young

Gregg & Tominey, Labour Economics, 2005

[ THE MILLION, BROKEN DOWN ]

# 1,012,000 NEET – AND THE COMPOSITION IS THE STORY



ONS NEET statistics, Q1 2026, published 28 May 2026. 16–24-year-olds not in education, employment or training. \*Official statistics in development\* – but the IFS reached the same conclusion from administrative payroll and benefits data.

## 13 yrs

since the count was last above one million – not a record; the inactive component, though, is the highest since records began in 2001

ONS; Commons Library

## 553k vs 459k

young men now outnumber young women among NEETs

ONS, 28 May 2026

## 735,000

a different measure: LFS-unemployed 16–24s (16.2%) – do not conflate it with the NEET million

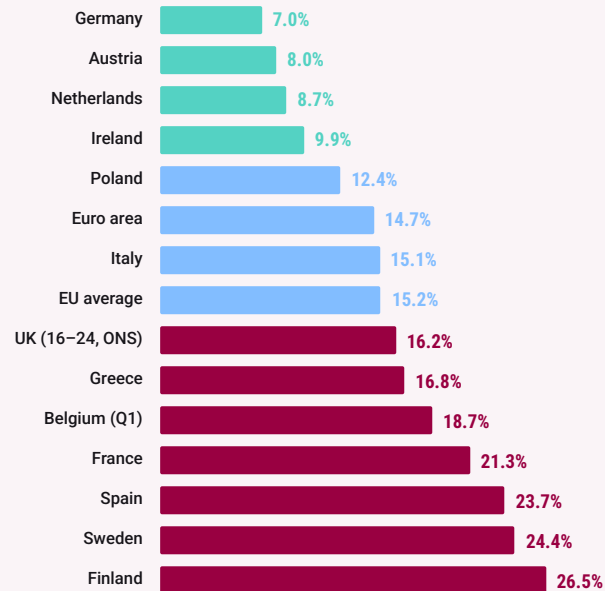
ONS series MGWY, 18 Jun 2026

**Why it matters for your copy:** “a million young people are unemployed” is wrong. A million are outside work and education; 400,000 of them are looking. The 613,000 who are not looking are a different policy problem – and the growing one.

[ THE TWO EUROPE ]

# ONE CONTINENT, TWO YOUTH LABOUR MARKETS

## // YOUTH UNEMPLOYMENT ACROSS EUROPE, MID-2026 (UNDER-25S)



Source: Eurostat (under-25, seasonally adjusted, May 2026; Belgium Q1; Netherlands provisional), 2 Jul 2026. UK: ONS 16-24, Feb-Apr 2026 — a different basis; treat the UK row as indicative positioning, not an exact ranking.

## // WHERE THE DOORS ARE OPEN

### GERMANY · 7.0%

18-month post-study jobseeker permit, plus the Chancenkarte: a 12-month points-based job-search visa.

### NETHERLANDS · 8.7%

Orientation year: 12 months of unrestricted labour-market access for graduates, including from top foreign universities.

### IRELAND · 9.9%

Stay-back route: up to 2 years for masters graduates.

### UNITED KINGDOM · 16.2%

Graduate visa shrinks from 2 years to 18 months for applications from 1 January 2027.

Visa routes verified against official portals, Jul 2026. UK-EU youth mobility talks stalled in spring 2026 over caps.

## [ STRUCTURE, NOT CYCLE ]

# WHY THE UK LAGS – AND WHY ECONOMISTS TREAT IT AS URGENT

## // The vocational gap

Only 22% of UK 18–21s are on vocational courses vs 35% in the Netherlands, Denmark and Germany; at 18, 66% of UK young people are in education vs 84% there. “The UK stands out for its poor vocational education offer.”

Resolution Foundation, 28 Apr 2026

## // The benefits design

84% of young people on UC Health face no work-related requirements – in low-NEET countries, no-engagement is a last resort. The IFS notes incapacity benefits now out-pay unemployment benefits with no work-search conditions.

Resolution Foundation; IFS, May 2026

## // The health dimension

UK 15–24s have the OECD’s highest anxiety and depression rates – but Dutch youth report similar problems and are far less likely to be NEET. Poor health “need not translate into a high NEET rate.”

Resolution Foundation, 28 Apr 2026

## THE SCARRING EVIDENCE

# 13–21%

wage penalty still visible at age 42 from a year of unemployment when young;  
wellbeing effects measurable at 50.

Gregg & Tominey, 2005; Bell & Blanchflower, 2011

## // THE POLICY RESPONSE

£820m Youth Guarantee (announced 6 Dec 2025), including fully funded six-month jobs for 18–24s on Universal Credit for 18+ months. Six areas live since spring; 25-area national rollout later in 2026; 90,000+ target over three years. Milburn’s final report on young people and health is the next flashpoint.

DWP, 6 Dec 2025; Milburn interim, 28 May 2026



**For a young jobseeker, the gap between London and Munich now matters more than the gap between generations.**



Germany: 7.0% youth unemployment. UK: 16.2%. Spain: 23.7%. (Eurostat May 2026; ONS Feb–Apr 2026.)

UK youth unemployment is 16.2% – not the 14.7% circulating in coverage, which is actually the euro area's rate. Over a million 16–24-year-olds are outside education, employment and training for the first time in 13 years.

## [ CHECK BEFORE YOU PUBLISH ]

## THE 14.7% MIX-UP — AND TWO MORE CHECKS

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[ 01 ]

## WHAT'S CIRCULATING

"UK youth unemployment is 14.7%"

## WHAT'S CORRECT

**16.2%, Feb–Apr 2026, 735,000 people (ONS series MGWY). 14.7% does not appear in the ONS series**

14.7% is the euro area's under-25 rate for May 2026 (Eurostat) — a cross-Channel mix-up

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[ 02 ]

## WHAT'S CIRCULATING

"Apprenticeship starts are up 8%"

## WHAT'S CORRECT

**Starts rose 11.9% to 226,620 (Aug 2025–Jan 2026); higher apprenticeships +23.5%. But under-19 starts FELL 5.2%**

Stale rounded figure. The bigger miss: the boom is not reaching school-leavers

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[ 03 ]

## WHAT'S CIRCULATING

"The Netherlands has Europe's lowest youth unemployment"

## WHAT'S CORRECT

**Germany is lowest of the majors at 7.0%; the Netherlands is 8.7%. The Netherlands leads on a different metric: the lowest NEET rate (~5%)**

Conflating NEET rate with unemployment rate

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The full corrections table — 6 claims, each with its likely origin — is in Appendix B, page 10.

## [ HOW TO USE THIS BRIEFING ]

## USEFUL IF YOU'RE WRITING ABOUT...

- [ **Results day (August 2026)** – what actually awaits school-leavers: vacancies at a five-year low, and under-19 apprenticeship starts DOWN 5.2% even as total starts boom.
- [ **Welfare reform and young people** – 84% of young UC Health claimants face no work-related requirements; the Netherlands shows high youth mental-ill-health need not mean high NEET. Milburn's final report is the flashpoint.
- [ **"AI is killing graduate jobs"** – the IFS contrarian check: graduate and non-graduate NEET rises are similar.
- [ **The National Insurance fight** – REC blames NI for youth unemployment; the IFS says it is "unlikely to be the primary cause". Genuine, quotable expert disagreement.
- [ **Moving abroad for your first job** – Germany at 7.0% with an 18-month post-study permit versus a UK Graduate visa shrinking to 18 months. We can provide case studies of international early-career moves.
- [ **The 1-million NEET milestone** – the composition is the story: inactivity (613,000) now dwarfs unemployment (400,000), and health is the fastest-growing driver.

### // QUOTE FREELY

Every figure carries its primary source and date. Attribute the compilation to EP Advisory; no permission needed.

### // TAKE THE DATA

The reference table ships as CSV with this briefing at [ep-advisory.com/press/](https://ep-advisory.com/press/). Updated monthly and whenever official figures change.

### // TALK TO A HUMAN

Per-country data cuts, plain-English explanation of any rule, interviews and background.

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## [ APPENDIX A – THE FULL PICTURE ]

The narrative behind the headline pages, in full. Everything here is quotable; every figure is dated.

## // THE NUMBERS, PRECISELY

The UK youth unemployment rate is **16.2%** for February–April 2026 – 735,000 unemployed 16–24-year-olds (ONS, 18 June 2026). A figure of “14.7%” is circulating in coverage. It is wrong: it does not appear in the ONS series. 14.7% is the *euro area's* under-25 rate for May 2026 – almost certainly the source of the confusion. Two precision points: 16.2% means 16.2% of economically *active* 16–24s (most full-time students sit outside the calculation), and the current rate remains slightly below the late-2014 peak of 17.0%.

The NEET count is the starker number. ONS data published 28 May 2026 shows **1,012,000** people aged 16–24 were not in education, employment or training in Q1 2026 – 13.5% of the age group, up 89,000 on the year, and the first time above one million in 13 years. Note the composition: only 400,000 of those are unemployed and looking; 613,000 are economically inactive. Young men (553,000) outnumber young women (459,000).

The backdrop is a cooling labour market: vacancies at 707,000 (the lowest since early 2021), payrollled employees down 138,000 in a year, regular pay growth of 3.4% – which is +0.1% real using CPIH, or +0.3% using CPI. Always state the deflator.

One caveat to carry: the ONS NEET figures are “official statistics in development” because of Labour Force Survey response problems. But the IFS reached the same conclusion from administrative payroll and benefits data, so the direction is not in doubt.

## // WHY THE UK LAGS WEALTHY EUROPE

The Resolution Foundation's *Lost in transition* (28 April 2026) found the UK has the **third-highest NEET rate among wealthy European countries**: 15% of 18–24s in 2025, up from 13% in 2019, against roughly 5% in the Netherlands and 10% in Germany and Denmark. It gives three UK-specific explanations.

First, vocational education: “The UK stands out for its poor vocational education offer.” Only 22% of UK 18–21-year-olds are on vocational courses, against 35% in

the Netherlands, Denmark and Germany; at age 18, 66% of UK young people are in education versus 84% in those comparators. Second, the benefits system: “84 per cent of young people in receipt of UC Health in the UK had no requirements placed on them”, whereas in low-NEET countries a no-engagement approach is a last resort. Third, health (next section). RF's prize framing: matching the Dutch NEET rate would mean “600,000 more 18–24-year-olds would be learning or earning today”.

The IFS (May 2026) adds that this is not just the economic cycle: youth payrollled employment fell 4.3 percentage points in three years – approaching financial-crisis scale – and “NEET rates may not return to previous levels without specific policy interventions”. Two popular villains get qualified verdicts: employer National Insurance rises are “unlikely to be the primary cause” (under-21s are largely exempt, and the decline began in 2022), and graduate versus non-graduate NEET trends are similar – which cuts against an AI-specific story.

Germany's dual apprenticeship system remains the standard explanation for its 7.0% rate: 476,700 new training contracts in 2025, still moving roughly half a million school-leavers a year into paid training – though that figure fell 2.1% and the system itself is under pressure.

## // THE SCARRING PROBLEM – AND THE HEALTH DIMENSION

The reason economists treat this as urgent is scarring. The Resolution Foundation puts it plainly: “even short periods of unemployment when young can have ‘scarring effects’ on employment, earnings and well-being throughout one's working life.” The classic UK evidence (Gregg & Tominey, 2005, using the 1958 birth cohort) finds a year of unemployment when young leaves a wage penalty of **13–21% at age 42**. Bell and Blanchflower found the wellbeing effects still measurable at age 50.

What is new in 2026 is the health profile. UK 15–24-year-olds have “the highest rates of anxiety and depressive disorders in the OECD, around double the non-UK OECD average” (RF). Young people reporting a work-limiting health condition rose 48% between 2019 and 2025; young incapacity-benefit claimants rose from 130,000 to over 200,000. Two honest complications: Dutch youth report similar

mental-health problems yet are far less likely to be NEET, so poor health “need not translate into a high NEET rate” – and the IFS notes incapacity benefits are more generous than unemployment benefits and carry no work-search requirements, which “could incentivise people to take up incapacity benefits when out of work”.

This is now formal government business: Alan Milburn's independent review, *Young people and work*, published its interim diagnosis on 28 May 2026, focused on young people with health conditions; the solution phase is still to come.

## // WHERE THE DOORS ARE OPEN – AND WHAT TO WATCH

Europe currently runs two youth labour markets. In the German-speaking and Benelux core, youth unemployment is in single digits: Germany 7.0%, Austria 8.0%, the Netherlands 8.7%, Ireland 9.9%. In the south and Nordics it is brutal: France 21.3%, Spain 23.7%, Sweden 24.4%, Finland 26.5%. For a young jobseeker, the gap between London and Munich now matters more than the gap between generations.

Mobility rules are shifting. The UK's Graduate visa shrinks from 2 years to 18 months for applications from 1 January 2027 – while the strongest youth markets actively court graduates: Germany offers an 18-month post-study jobseeker permit plus the Chancenkarte, a 12-month points-based job-search visa; the Netherlands' orientation year gives graduates (including from top foreign universities) 12 months of unrestricted labour-market access; Ireland's stay-back route gives masters graduates up to 2 years. UK–EU talks on a reciprocal youth mobility scheme, agreed in May 2025, stalled in spring 2026 over caps.

The UK's domestic answer is the £820m Youth Guarantee (announced 6 December 2025), including a Jobs Guarantee: fully funded six-month paid jobs for 18–24-year-olds on Universal Credit for 18 months. Phase one launched across six areas in spring 2026; national rollout across 25 areas comes later in 2026, aiming to support over 90,000 young people in three years.

**What to watch:** 21 July 2026 – next ONS labour market data. Early August – Eurostat's June figures. Late August – Q2 NEET statistics. Later in 2026 – the Jobs Guarantee national rollout and Milburn's final report.

[ APPENDIX B – CORRECTIONS IN FULL ]

Every claim we have seen circulating on this topic, against the primary sources. The three most consequential are on page 7.

WHAT'S CIRCULATING	WHAT'S CORRECT	LIKELY ORIGIN OF THE ERROR
"UK youth unemployment is 14.7%"	16.2%, Feb–Apr 2026, 735,000 people (ONS series MGWY). 14.7% does not appear in the ONS series	14.7% is the euro area's under-25 rate for May 2026 (Eurostat) – a cross-Channel mix-up
"Apprenticeship starts are up 8%"	Starts rose 11.9% to 226,620 (Aug 2025–Jan 2026); higher apprenticeships +23.5%. But under-19 starts FELL 5.2%	Stale rounded figure. The bigger miss: the boom is not reaching school-leavers
"The Netherlands has Europe's lowest youth unemployment"	Germany is lowest of the majors at 7.0%; the Netherlands is 8.7%. The Netherlands leads on a different metric: the lowest NEET rate (~5%)	Conflating NEET rate with unemployment rate
"Permanent placements have fallen for 45 consecutive months"	Not in the official KPMG/REC release (8 Jul 2026), which says placements "fell at a marginal pace that was the softest in three months"	Unofficial tallying passed between write-ups
"Real pay grew 0.3%" / "0.1%" (no deflator)	Regular pay grew 3.4% in cash terms: +0.1% real using CPIH, +0.3% using CPI. Both correct; neither meaningful without the deflator	Two official deflators, two "real pay" numbers
"A million young people are unemployed"	1,012,000 are NEET – not the same thing. Within that: 400,000 unemployed, 613,000 economically inactive. LFS-unemployed 16–24s total 735,000	NEET and unemployment headlines landing in the same week

## [ APPENDIX C – THE REFERENCE TABLE ]

## THE UK YOUTH DASHBOARD, MID-2026

MEASURE	FIGURE	SOURCE, DATE
Youth unemployment rate (16–24)	16.2% – 735,000 people (late-2014 peak: 17.0%)	ONS MGWY, 18 Jun 2026
NEET count / rate	1,012,000 / 13.5% (+89,000 YoY); 400k unemployed + 613k inactive	ONS, 28 May 2026
18–24 NEET trend	13% (2019) → 15% (2025); third-highest in wealthy Europe (NL ~5%, DE/DK ~10%)	Resolution Foundation, 28 Apr 2026
Youth payrolled employment share	54.9% → 50.6% in three years (–4.3pp; GFC was –5.4pp)	IFS, May 2026
Apprenticeship starts	+11.9% to 226,620; higher apprenticeships +23.5%; under-19 starts –5.2%	DfE, 26 Mar 2026
Young incapacity-benefit claimants	130,000 → 200,000+ (2019–2025); work-limiting conditions +48%	Resolution Foundation / IFS, 2026
Vocational share, 18–21s	22% (UK) vs 35% (NL/DK/DE); at 18, 66% in education vs 84%	Resolution Foundation, 28 Apr 2026
Policy response	£820m Youth Guarantee incl. Jobs Guarantee (6-month funded jobs); 25 areas, 90,000+ target	DWP, 6 Dec 2025 / Jun 2026

This table ships as CSV with the briefing at [ep-advisory.com/press/](https://ep-advisory.com/press/). Updated monthly and when official figures change; next scheduled update August 2026.

# TALK TO A HUMAN

Per-country data cuts, plain-English explanation of any European visa rule, and anonymised, aggregated observations from our casework with international professionals.

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### SOURCES IN THIS BRIEFING

ONS Labour Market Overview (18 Jun 2026; next 21 Jul) and NEET statistics (28 May 2026) · Eurostat euro-indicators (2 Jul 2026) · Resolution Foundation, "Lost in transition" (28 Apr 2026) and "Take a chance on me" (29 Jun 2026) · IFS, "Why has the NEET rate risen?" (May 2026, King's Trust-funded, administrative data) · DfE apprenticeships statistics 2025/26 (26 Mar 2026) · Milburn review interim report (28 May 2026) · DWP Youth Guarantee / Jobs Guarantee (6 Dec 2025; 2026) · KPMG/REC Report on Jobs (8 Jul 2026) · Gregg & Tominey, Labour Economics (2005) · Bell & Blanchflower, Oxford Review of Economic Policy (2011) · European Commission Youth Guarantee · BIBB Datenreport 2026. Visa-route details (Chancenkarte, NL orientation year, Ireland stay-back) verified against official portals; EU-UK youth scheme status via Guardian reporting (spring 2026).

### THE SERIES

Five briefings, updated monthly: AI & entry-level jobs · the application arms race · Gen Z, label vs data · international professionals in the UK · youth unemployment, UK vs Europe. All at [ep-advisory.com/press/](https://ep-advisory.com/press/) — with a threshold-change alert list for journalists on request.

