

Young people's changing routes to independence

This research describes how young people's lives have changed over the past twenty years, by comparing two large samples of young people, one of which reached age 25 in 1983 with the other reaching this age in 1995. It illustrates and interprets the quite dramatic changes in working and living arrangements that have occurred over this period and draws some conclusions about who has benefited and who has not. The main findings show that:

-  For a variety of reasons, mainly structural, the employment of early school-leavers has been marginalised in the past fifteen years. The traditional craft apprenticeships for young men and clerical/secretarial jobs for young women have been largely replaced by sales and other service sector occupations (hospitality, catering and caring) often part-time and on relatively low pay.
-  Young people in their mid-twenties today are, on average, better off in real terms than their counterparts were a generation earlier; though the distribution of their earnings is wider. However, they are relatively worse off today than older workers (those aged 30 and over), compared with the situation 25 years earlier.
-  Routes to adult life are changing. Opportunities for 16-year-old school-leavers are reducing. A gap appears to be growing between those who gain good educational qualifications and those who do not.
-  Marriage has become unfashionable and parenthood appears to have been postponed - except for a minority of young people, usually poorly qualified, who contribute to the highest rate of teenage pregnancy in Western Europe.
-  Family background remains a critical factor lying behind the routes to stable employment and independent living, but the moderating role played by high-level qualifications appears to be growing in importance.
-  While high-level qualifications do still contribute to improved earnings, the improvement does not now appear to be quite as large as it used to be.
-  The psychological health of young adults, especially young women, appears to have declined relative to the psychological health of young adults twelve years earlier. Spells of unemployment and poor qualifications are associated with propensity to depression.
-  Poverty in childhood is linked with lower educational attainment, higher unemployment and low earnings in adulthood. There is evidence to suggest that this 'poverty penalty' has increased over time.

Background

The situation of young people today is substantially different from that which prevailed twenty-five years ago. Compared with their counterparts in the late 1970s and the early 1980s, a much higher proportion pursues their education for a longer period - frequently now to degree level. Unemployment among young people appears to have been declining, assisted by a sustained period of economic growth through the mid- and late 1990s. In other areas of their lives, young people now behave differently. Marriage has become less popular as young men and women choose to live alone or with other single friends. The average age of women at the birth of their first child continues to rise as family formation plans are postponed or scaled back while women opt instead to pursue full-time employment.

Researching young people and their routes to employment and adulthood

To examine these changing routes into employment and adulthood, the research took advantage of a unique and valuable research resource. Two groups of people have been the subjects of continuing investigations ever since they were born thirty or more years ago. Known as the birth cohort studies, each provides information on more than 10,000 people. One group, termed the *National Child Development Study*, consists of people all born in one week in 1958 (the '1958 cohort'). For this group the researchers investigated the nature of the transitions they made from the time they reached the end of their compulsory education in 1974 through to their mid-twenties. The other group, termed the *1970 Cohort Study*, gives similar information for people born in one week in 1970 (the '1970 cohort'). This group has also provided information on the transitions they made as they passed from the end of their compulsory education in 1986 through to their mid-twenties.

A changing environment

There have been substantial changes in the British labour market over the past twenty-five years among the patterns of education, training, recruitment and employment of young people, changes that reflect the decline in the birth rate in the late 1970s. However, a second major contributory factor has been the decisions made by young people to

continue their participation in the educational system well beyond what used to be the typical British school-leaving age of 16 years. These decisions reflect the structural changes in employment, transformations that have been driven by technology, the economic recession of the early 1980s, and changes in the qualifications available to young people. Combining the effects of rising educational participation with the declining cohort size, the number of young people (16- to 24-year-olds) working or available for work on a full-time basis is estimated to have dropped from approximately 6.5 million in 1984 to under 4.0 million by 1998, a fall of more than one-third.

This research shows that the decline in the size of the youth labour market has been associated with an increasing degree of 'marginalisation' of youth employment. The traditional entry jobs for young people (craft apprenticeships for men and clerical/secretarial jobs for women) are declining areas of employment. Those young people who enter employment without furthering their education are likely to be working in sales or personal service occupations. The earnings of young people, relative to those over 25 years, have declined dramatically. While economic growth has brought about a general decline in unemployment since 1993, the impact among 16- to 19-year-olds has been less evident.

How were these changes reflected in the lives of the two cohorts when they were in their teens? Over the relatively short interval of 12 years separating the 1958 cohort and the 1970 cohort, the pattern of post-16 transitions had changed. Well over half the 1958 cohort left school at 16, most of whom moved directly into jobs, including the high prestige apprenticeship. By the time the 1970 cohort reached the age of 16, youth jobs were disappearing and apprenticeships were being absorbed into the Government's Youth Training Scheme (YTS) intended for all young school-leavers. Prospects from the training route, however, were poorer, and many young people moved out of the scheme into casual work or unemployment. Those who were staying on at school were gaining access to the best opportunities for continuing education and a fulfilling career. The minority who were still leaving at the minimum age were finding increasing difficulties in avoiding marginalisation in the labour market. .

Family life was also changing, with a

postponement for many young people of the commitments of marriage and parenting accompanied by the expansion of the 'single lifestyle' (living with friends or cohabiting before getting married.) In contrast, there was an accelerated 'risky' transition for other young people, associated with an early experience of unemployment and with early partnership and parenthood a common feature for these young men and women.

Routes to adulthood: the role of social background and education

The research investigates the factors associated with these changes and seeks to understand the way in which their impacts differ between various groups of young people. Family background featured strongly in the factors predicting outcomes in the labour market and in family life. However, education was becoming an increasingly important buffer against the legacy of social class.

With respect to partnership and parenthood, adverse family circumstances added significantly to the effects of social class in predicting whether or not these young people were having children early – especially among young women. The research shows that young mothers were more likely to have been born to mothers who also had their first child relatively early. The best-educated young people, from the better-off families, tended to leave the family home later and to postpone parenthood the most. At the age of 33, almost half of 1958 cohort young women with degrees had yet to have a child. Early school-leavers were still taking the increasingly marginalised traditional route of early partnership and parenthood – including becoming teenage parents.

From childhood poverty to labour market disadvantage

The significance of family background factors in the pathways to adulthood was reinforced through a more detailed examination of household income in the middle teens. More households at the bottom end of the earnings distribution in the more recent cohort had relatively less means at their disposal than previously and this was adding to the polarisation of the cohort in terms of later successes and failures.

Young people in low-income households at 16 were much more likely to be unemployed or out of the labour force in their early 20s than young people

from higher-income households. These young people in employment were also to be found more frequently in low-paid jobs and in the lower end of the earnings distribution. All these effects were increasing across time. Although education can help to ameliorate some of poverty's effects, education is itself stunted through poverty, and even when education is taken into account a penalty attached to poverty remains.

Pathways, earnings and well-being

But what does all this mean? Turning to outcomes in adulthood the study looks at two indicators – how much these young people earn and their psychological well-being. Here again the research identifies the critical role of qualifications in providing a significant boost to earnings. However, there were signs that the economic returns to education were declining as increasing numbers of young people achieved the highest levels of qualifications. The common experience of spells of unemployment, particularly in the more recent birth cohort, was also contributing to a wider distribution of earnings – the gap between the relatively better-off and worse-off young people in the cohort.

There was also a notable rise between the two cohorts in the prevalence of self-reported depression as measured by a psychological assessment - the 'Malaise' scale - particularly among young women. There were signs that this rise was connected to the more common experience of unemployment in this cohort. Qualifications also had a role, with young people gaining degrees a third less likely to report symptoms of depression than those who did not have a degree. Self-reported depression was also rising in the more marginalised group of early school-leavers with poor employment prospects, who in the past had made the transition to employment relatively easily.

Policy implications of the findings

Recent policy developments have been aimed at improving the educational qualifications and expanding the employment opportunities for young people. The researchers argue that there is a need to consider afresh the raft of new initiatives that have been put in place since 1997, particularly those under the 'New Deal for Young People'. The evidence presented relating to the continuing and growing

disparity, between those young people who gain access to and benefit from the expansion of further and higher education and those who do not, is disturbing. This problem is complex and deep-seated. No simple policy initiatives will rapidly resolve the growing polarisation we see in the youth labour market. However, the researchers conclude that there is a clear need to refocus attention towards the significant numbers of increasingly 'excluded' young people who cannot and will not benefit from the improved educational opportunities.

About the project

The research was undertaken as part of the Joseph Rowntree Foundation's Initiative on Youth in Transition. The work was undertaken jointly by researchers from the Institute for Employment Research (IER) at the University of Warwick and the Centre for Longitudinal Studies (CLS) at the Institute of Education, University of London. Professor Peter Elias led the IER team and Professor John Bynner led the CLS team. Abigail McKnight, formerly at the IER and now at the ESRC Centre for Analysis of Social Exclusion, London School of Economics, undertook the research on childhood poverty and labour market disadvantage. The research team was assisted by Gaëlle Pierre (IER) and Huiqi Pan (formerly CLS, now at the Institute of Child Health, University College London).

How to get further information

The full report, **Young people's changing routes to independence** by John Bynner, Peter Elias, Abigail McKnight, Huiqi Pan and Gaëlle Pierre, is published for the Foundation by YPS (ISBN 1 84263 74 1, price £16.95).

The following *Findings* look at related issues:

- **Young men's experience of the labour market**, Oct 99 (Ref: 069)
- **Youth, parenting and policy**, May 00 (Ref: 590)
- **Young carers' transitions into adulthood**, Jun 00 (Ref: 630)
- **The impact of social exclusion on young people moving into adulthood**, Oct 00 (Ref: 030)
- **Young people's views and experiences of growing up**, Feb 01 (Ref: 241)
- **Closeness, authority and independence in families with teenagers**, Mar 01 (Ref: 361)
- **Young men's views of masculinity**, Apr 01 (Ref: 411)
- **The costs and causes of low self-esteem**, Nov 01 (Ref: N71)
- **The youth divide: diverging paths to adulthood**, Jul 02 (Ref: 792)