

JUST A JOB?

Balancing precarity, flexibility, and good work for young people in the UK labour market

October 2024



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About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five "pathways to poverty", first identified in our ground-breaking 2007 report *Breakthrough Britain*. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in Government thinking and policy. For instance, in March 2013, the CSJ report *It Happens Here* shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

Our research is informed by experts including prominent academics, practitioners, and policymakers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises, and other grassroots organisations that have a proven track-record of reversing social breakdown across the UK. The social challenges facing Britain remain serious. In 2023 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

Acknowledgements

We are grateful for the time and insights we received from the young people on our charity visits to Together for Sheffield (the Ascend program), Nomad, Elements Society, Zink, and WeMindtheGap. The pictures used in this report are of young people on work experience from our charity visits across the country.

The Centre for Social Justice would like to sincerely thank both the Grant Foundation and Pratap Shirke for their generous support of this work.



Disclaimer: Please note that the views, findings and recommendations presented in this report are those of the CSJ alone, and not necessarily those of any organisation or individual who has fed into or enabled our research.

Executive Summary

A recent focus on the use of zero-hour contracts has resulted in such working arrangements being singled out by the Government as an especially unfair form of employment. Yet, our research shows that zero-hours contracts (and precarious and flexible work in general) seem to meet the needs of many employees and employers. For young people in particular – who encompass a large proportion of those workers on these types of contracts – the onus should be on ensuring a better understanding of employment rights, that necessary progression and training is available, and that barriers to permanent employment are overcome, rather than an outright ban of any type of working arrangement.

As the young people who responded to our survey and took part in our focus groups indicated, precarious work serves a purpose when there is a recognition that flexibility works both ways, when such jobs are ‘stepping stones’ to later career advancement, and when they feel that they are able to voice their concerns to their employers. For many young people from disadvantaged backgrounds, such ‘micro jobs’ can be their first experiences of work, and can lead to longer, full-time employment. A ban on zero-hour contracts, therefore, risks focusing on the precise terms of the employment contract rather than the spirit in which such employment relationships are conducted.

In addition, while much research has been done on why employers choose to use (and benefit from) precarious contracts, little analysis exists on why young people might actively seek to engage in this kind of work. As such, this paper seeks to shed light on young people’s experiences of precarious work at a national level. It uses a combination of polling techniques, data analysis, and insights from charity partners to shed light on the challenges and opportunities precarious work presents to young people between 16-34 years of age. The paper also examines whether – for young people in particular – early career choices can become ‘sticky’, and thus hard to move away from. Reflections on precarious work and what it means for these young people (either positive or negative) can lead to lifelong associations on what work is about, what purpose it serves, and ultimately how rewarding it becomes.

Our research makes clear that attitudes towards precarious work amongst young people are nuanced and complex. We used the polling company FocalData to survey a nationally representative sample of 1,004 young people aged 16-34 years, including those in low-income households earning less than £30,000 per annum, between 22 July 2024 and 2 August 2024. Our findings revealed that:

Young people tend to enter precarious work to advance their careers, and do so for a limited period of time:

- Young people (especially those between the ages of 16-24) – and regardless of household income, gender, or ethnicity – tend to enter precarious work because it is the only option available to them, rather than choosing it voluntarily. However they use such precarious work as a stepping stone to further their careers, and the majority are satisfied with their working conditions;
- Young people often actively seek precarious work because it allows them to better control their working hours and income, provides them with an improved work-life balance, and presents time and opportunities to upskill;
- Most young people stay in precarious work for 6-12 months, on average only 15% of young people surveyed tended to stay in precarious work for a period longer than 2 years;

Overall, young people do not think precarious work should be banned (including the use of zero-hour contracts). They had high levels of awareness of the work they were doing, and were satisfied with the amount of notice they received of shift cancellations:

- Despite challenges identified around precarious work, most respondents (46%) felt that precarious work should not be banned (with 38% responding it should be banned, and 16% saying don't know). This differed amongst the low-income cohort, with a smaller proportion (40%) responding that precarious work should not be banned (with 43% responding it should be banned, and 16% saying don't know);
- Young people have high levels of awareness that they are in precarious work, and the contractual rights (or lack thereof) that come with it;
- Most young people (54%) were happy with the level of notice they received in shift cancellations;
- Most young people felt confident in voicing their concerns to their employers, though it was unclear as to whether these concerns were taken up by employers themselves (as a focus group in Flintshire, Wales, told us).

Young people want more work:

- Most young people in precarious work are underemployed and want more hours – on average 35% wanted 3-5 more hours of work per week, and 29% wanted 10 or more hours per week; amongst the most deprived these statistics were higher at 35% and 31% respectively;
- In terms of challenges of precarious work and barriers facing young people in finding full-time employment, these were identified as uncertain hours, lack of job security, and difficulty progressing in their roles.

On the back of these findings, we recommend seven areas where government, employers, and employees should consider reforms (see full recommendations on page 33):

1. New employee rights implemented by the Better Work Agency should encompass the precarity of all contracts, rather than focusing on banning zero-hour contracts.
2. Medium sized companies and above should be expected to issue an annual report, setting out the measures they are taking to tackle precarious work. Small-sized companies who publish similar metrics should receive accreditation for complying with fair employment measures.
3. New limits should be enforced to ensure there is a maximum amount of time a young person can be in a precarious contract with an employer.
4. The ONS should expand the definition of underemployment to understand the real scale of underemployment in the country.
5. Universal Support should be expanded to include those young people who are underemployed or on precarious work contracts.
6. Regional Industrial Strategic Councils should foster and facilitate best practice in schools meeting their obligations under the Baker Clause, ensuring that pupils have the best access to advice and information regarding vocational post-16 and post-18 opportunities.
7. Preparedness for work and employment education skills should be included as a key judgement in Ofsted inspection reports for secondary schools.



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Introduction

To increase the availability of 'good' work by employers, the Government has streamlined efforts to encourage employers to reduce the use of zero-hour contracts. However, our research finds that this approach is limited. Precarious work exists on a spectrum, with zero-hour contracts or no contract on one end, and short-hour and fixed-term contracts on the other. As such, any policies to tackle precarious work must be holistic enough to mitigate the risk of employers simply replacing one type of precarious contract with another.

We would also encourage the inclusion of the experiences of young people themselves in forming policy around precarious work, particularly if young people are largely satisfied with this type of work and see it as a necessary stepping stone to other, more permanent employment. The large majority (75%) of the young people in precarious work surveyed said that they were satisfied with their current working conditions, with only 24% stating that they were dissatisfied. This result was consistent across the income spectrum, with 68% in the most deprived cohort stating that they were satisfied with their working conditions, and 30% were dissatisfied. These responses were also consistent across age, gender, and ethnicity.

Our message to government and the policy community is that heavy-handed changes to the law – such as attempts to ban zero-hours contracts – are likely to be both ineffective and counterproductive, as they will be replacing one type of precarious work with another. We believe the best way to improve the working lives of young people engaging with precarious work is to help employers develop working practices that are both flexible and fair. Moreover, employers, employees, and government policy should focus on progression in jobs and overcoming barriers to permanent employment.



Chapter 1: Background

What is precarious work?

Defining and understanding the scale of precarious work in the UK is complicated by the fact that there is no legal definition of it. Precarity often encompasses a type of work that is poorly paid, unprotected, and insecure.¹ While there are many ways to measure precarity (and in fact unequal power balances between employers and individuals could feature in any type of employment) the European Parliament's Committee on Employment and Social Affairs (EMPL) identifies informal, undeclared work and zero-hour contracts as the type of employment relationships with the highest risk of precariousness. In the UK, it regards precarious employment as that type of work done on zero-hour contracts (more prevalent within the retail and hospitality sectors) and in marginal part-time work (less than 20 hours per week).²

In practice, this captures situations where workers may not be aware of their employment status, may have no access to basic employment rights (such as paid leave or breaks), and often find that the work they do presents few opportunities for long-term progression and financial security. Uncertainty in this type of work is, therefore, contingent on a lack of contract, instability around hours in the contract (leading to fluctuating earnings), and those contracts where hours are not guaranteed (zero-hour contracts or short-hour contracts, for example, where employees face the risk that employers can choose to stop giving them work at any time). For workers, such employment practices provide no guaranteed minimum paid work and no stable source of income. We define precarious work, therefore, around the following spectrum of contract type that reflects uncertainty and instability of hours.

For the purposes of this report, we classify precarious work in the scope of no, limited, or fluctuating hours within a contract.³ This was best reflected by employees on:

- No contract (where their hours varied from week-to-week, and where they were paid a fixed hourly rate, meaning that changes in hours affected take-home pay)
- Zero-hour contract (where they were not guaranteed a minimum number of hours)
- Short-hour contract (where they were guaranteed between one and eight hours of work a week)
- Fixed-term contract (where their contract lasted less than six months)

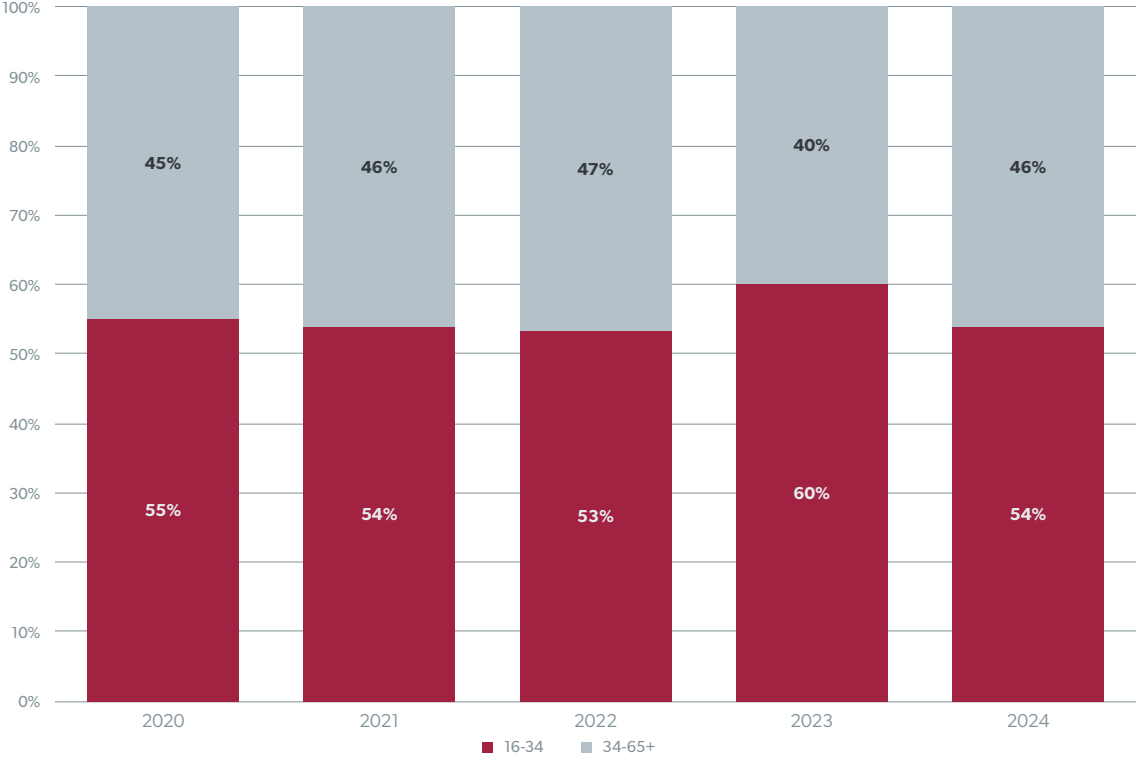
1 *What is Precarious Work*. (n.d.). Work Rights Centre. Retrieved 26 September 2024, from www.workrightscentre.org/what-is-precarious-work

2 Slaughter, H. (2024, April). *Firm foundations: Understanding why employers use flexible contracts*. Resolution Foundation

3 By focusing on a contract, we exclude the experiences of the self-employed. While these individuals can also face precarious working conditions – for example those involved in the gig economy – for the purposes of this study they have been excluded from the scope of the paper as the self-employed tend to have more control over their contracts than those working directly with an employer. For more, see: Slaughter, H. (2024, April). *Firm foundations: Understanding why employers use flexible contracts*. Resolution Foundation

As a result of these conditions, academics have argued that many precarious workers in today’s labour market have little capacity to meaningfully plan their finances and their futures, often leaving them on the precipice of poverty. This is particularly concerning given that such types of employment tend to be found most amongst young people (classified in this report as those people between the ages of 16 and 34).

Figure 1: Employees on zero-hour contracts in the UK, by age group



Source: Statistica, CSJ analysis

For example, as Figure 1 illustrates, in 2024 there were 558,000 young people on zero-hour contracts in the UK, which is 54% of the total number of employees on zero-hour contracts in the country. This number decreased by 24% compared to 2023 figures, when there were 735,000 young people on zero-hour contracts. However, a reduction in young people on zero-hour contracts is not necessarily indicative of an improvement in their working situations, as they may simply have moved from one type of precarious work contract to another. As Table 1 indicates, zero-hour contracts encompass just one type of flexible working or part-time contract that young people choose to utilise.

Table 1: Type of working contracts amongst young people in the UK

	16-34		35-64		All Persons	
	%	n	%	n	%	n
Flexible working hours	11.05%	1,220,000	14.06%	3,070,000	13.05%	4,290,000
Annualised hours contract	5.83%	643,000	5.20%	1,135,000	5.41%	1,778,000
Term-time working	2.61%	288,000	4.14%	904,000	3.62%	1,192,000
Job sharing	0.13%	14,000	0.18%	39,000	0.16%	52,000
Condensed/Compressed hours	0.69%	76,000	1.28%	279,000	1.08%	355,000
Zero Hours	5.04%	558,000	2.07%	452,000	2.93%	1,010,000
On-call working	1.73%	190,000	1.92%	420,000	1.86%	611,000
None of these	73.35%	8,093,000	71.16%	15,542,000	71.90%	23,635,000

Source: ONS, CSJ data analysis

In 2024, there were at least 11.08 million 16–34-year-olds on some form of precarious or flexible contract, which is more than half (68.7%) of the total 16-34-year-old population nationally. Of these, 5.04% were young people on zero-hour contracts.

Is precarious work a problem?

Precarious work has resulted from a larger shift in working patterns. Unlike the long-term, full-time, stable employment which became the established norm for many in the UK during the middle of the twentieth century, precarious work combines both job uncertainty and high levels of employee dependence on the employer.⁴ Yet while much research has been done on why employers choose to use such contracts for employees – largely to cope with seasonal demand fluctuations or decrease overall costs – young workers may also choose to engage with precarious work because of the flexibility it allows them. This is particularly the case following the Covid-19 pandemic, where a rise in part-time work (including amongst low-paid workers) allowed people to do jobs that they feel are ‘good for them’ and allow more time with family.⁵

Part of the reason precarious work is such a prevalent feature of the UK economy may also be because young people have accepted it as a way of life. Research on the life course has focused on insecure work as a specific problem facing young people, with job insecurity now featuring as a regular aspect of the early years of working life: even those with relatively high skills may need to experience periods of insecurity before breaking into established career paths.⁶ Precarious work may therefore be framed as a ‘stage’, and to some extent a legitimate, transitional part of emerging adulthood.

4 Hickson, J. (2022, March 8). *Precarious work is on the rise: Why is this a problem?* *Precarious work is on the rise: Why is this a problem?*- Heselstine Institute for Public Policy, Practice and Place - University of Liverpool. www.liverpool.ac.uk. www.liverpool.ac.uk/heselstine-institute/blog/precarious-work-is-on-the-rise

5 Murphy, L. (2022). *Constrained choices Understanding the prevalence of part-time work among low-paid workers in the UK*. www.resolution-foundation.org/app/uploads/2022/11/Constrained-choices.pdf

6 Trappmann, V., Umney, C., McLachlan, C.J., Seehaus, A., & Cartwright, L. (2023). How do young workers perceive job insecurity? Legitimising frames for precarious work in England and Germany. *Work, Employment and Society*. journals.sagepub.com/doi/epub/10.1177/09500170231187821

Young people can also find themselves in precarious work for negative reasons, including poor educational attainment, lack of a financial safety net, lack of social capital or lack of emotional support. They may also have personal reasons – such as caring responsibilities – that restrict their options when it comes to employment.⁷ These contributory factors can be exacerbated by geography. If a person lives somewhere remote with poor digital access or poor transport links, for example, this can further hinder their chances of finding and retaining good jobs and high-quality work. Moreover, some research has indicated that the impermanent nature of precarious work has meant that some young people in this type of employment can often have delayed transitions to adulthood, with young people now tending to stay at home longer and postpone or even forgo marriage and children.⁸ Regardless of the reasons why young people may choose to engage in precarious work – either positive or negative – it is clear that such choices can have long-term effects on their overall working life.

Research based on interviewing young workers aged 16-24 in Scotland in low paid work, for example, found that they valued certain factors in a ‘good’ job. These included a job with no discrimination, a sense of purpose and meaning, socially worthwhile work, supportive colleagues, opportunities for progression, and flexible hours. As a result, young workers may be willing to do precarious work that presents them with such opportunities, even if it means that the job is temporary or a transition to more permanent employment.⁹

Therefore, policy around precarious work needs to address that young people have increasingly accepted precarious work as a viable form of employment (either voluntarily or involuntarily), incorporate what it is that young people want from a good job, and ensure that young people are able to balance this work with other demands.

7 Catch22. (2022). *Underemployment: The hidden face of the employment crisis*. d1mdc3nx9zju4.cloudfront.net/prod/uploads/2022/10/Underemployment-the-hidden-face-of-the-employment-crisis-2022.pdf

8 Cohen-Scali, V., Masdonati, J., Disquay-Perot, S., Ribeiro, M. A., Vilhjálmssdóttir, G., Zein, R., Kaplan Bucciarelli, J., Moumoula, I. A., Aisenson, G., & Rossier, J. (2022). Emerging Adults' Representations of Work: A Qualitative Research in Seven Countries. *Emerging Adulthood, 10*(1), 54-67. doi.org/10.1177/2167696820963598

9 Progressive Partnership. (2021). *Young people's experiences of precarious and flexible work; Evidence review*. Scottish Government. www.gov.scot/publications/young-peoples-experiences-precarious-flexible-work-evidence-review/pages/6



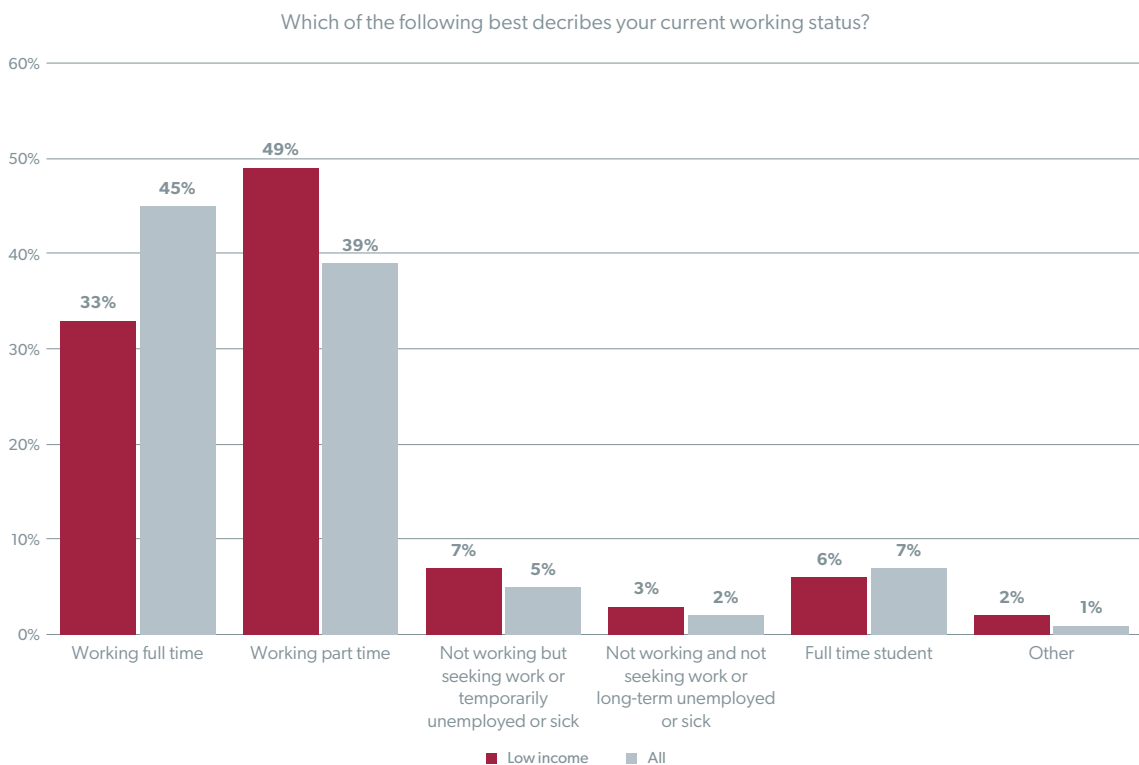
Chapter 2:

Circumstances leading to take up of precarious work amongst young people

We wanted to understand the circumstances in which young people find themselves in precarious work, and how long they tend to do such jobs for. As such, we used the company FocalData to survey 1,004 young people (between the ages of 16-34) who were engaged in our definition of 'precarious' work.

As Figure 2 illustrates, most young people engaged in precarious work were doing so full time. However, the low-income cohort of young people engaged in precarious work tended to do so on a part time basis, with 49% responding that they were working part time.

Figure 2: Current working circumstances of young people engaged in precarious work



Four other critical factors in understanding the circumstances by which young people found themselves in precarious work were awareness of their contractual rights, how they found themselves in precarious work, how long they had been in precarious work, and whether they alternated this work with other, more permanent jobs (or whether precarious work was the only type of work they had done since the beginning of their careers).

Figure 3: Awareness of contractual rights

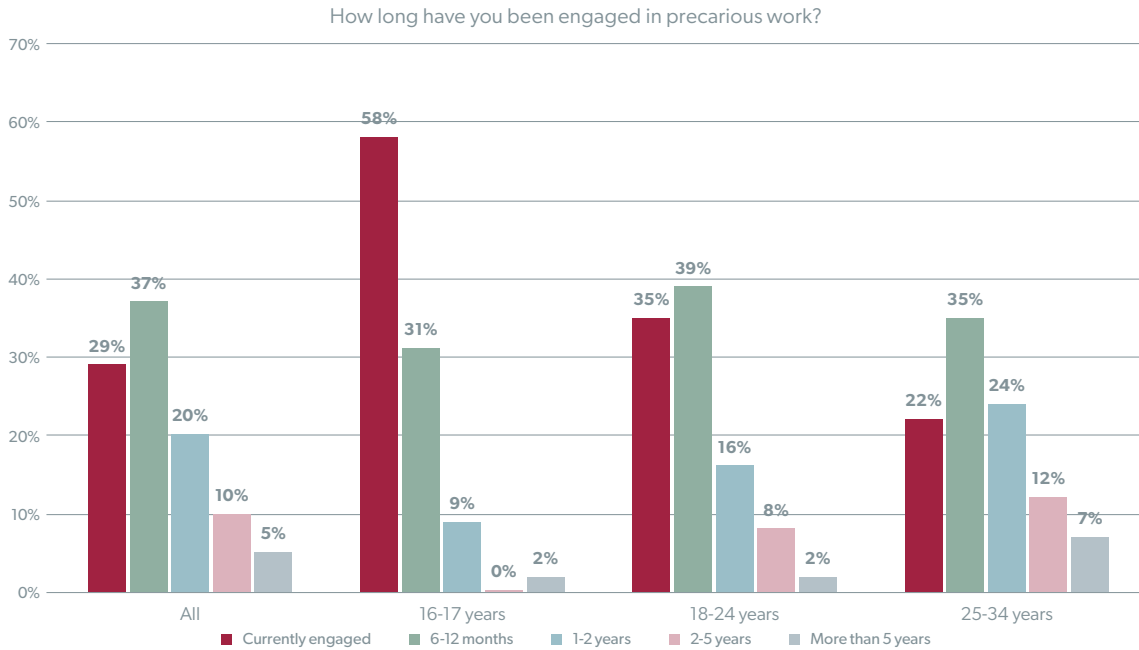


As Figure 3 reveals, there were high levels of awareness of contractual status and an understanding of the rights (or lack thereof) that come with precarious work. Unsurprisingly, awareness tended to increase with age, with those 25-34 years being slightly more aware of their contractual rights than those in the younger cohort. Awareness also tended to be slightly higher amongst men (76%) as compared to women (71%).

While awareness amongst this cohort tended to be high, our results were also consistent with previous research that young people might be entering this type of employment due to lack of other options – as our data shows, approximately 3.5% of the total national population of 16–34-year-olds were on zero-hour contracts in 2024. Amongst those we surveyed, 51% stated that they entered precarious work because it was the only option available to them, and 44% entered precarious work voluntarily. These numbers were slightly higher amongst the low-income cohort, with 54% responding that they entered precarious work because it was the only option available to them, and 42% entering precarious work voluntarily.

Finally, 53% of young people tended to enter precarious work as an initial, primary job (rather than alternating it with more permanent employment), 63% used it as a stepping stone to further their careers, and 37% stayed in precarious work for a period of 6 to 12 months before presumably moving onto more permanent employment.

Figure 4: Length of time in precarious work



As Figure 4 highlights, the 16–17-year-old cohort surveyed were most likely to be currently engaged in precarious work (58%). Amongst the most deprived, results were broadly consistent with the total population surveyed, with 29% currently engaged in precarious work, and 39% of the lower-income cohort having engaged in precarious work for 6-12 months.

The polling results largely mirrored our charity visits on the ground, where ten young people involved in a program run by the charity WeMindtheGap in Flintshire, Wales, shared their experiences of work as part of a focus group. While many of the young people in the focus group accepted that precarious work may be the only option available to them (and something they had to do to gain the right experience to find a ‘good’ job), awareness of contractual rights seemed to be less evident amongst the cohort interviewed.

For example, one participant interviewed spoke about the fact that he had never had sick pay or understood that it was a right available to him. Young people in this focus group also explained how both schools and job centres did not provide them with the information they needed to find the right first jobs, and instead were focused solely on pushing them towards university or ‘any job or training’.

“You do the job and then get paid, like do you know what I mean? Because it’s not on the books, they can not pay you when you’re out. So it’s like I’ve never had sick pay.”

17 year old male participant in Sheffield focus group.

“We went through all the contracts and made sure that everyone understood as a group their rights and also as employees. And that broke things down like holiday and sick pay, and all sorts of different things. And the feedback from that was that maybe people hadn’t read them before or had the opportunity to sit down and actually go through contracts on that first day.”

Feedback from charity leader at WeMindtheGap, Flintshire, Wales.



Chapter 3:

Experiences of precarious work

We found that the experiences of precarious work amongst young people were mixed. The large majority (75%) of the young people in precarious work surveyed said that they were satisfied with their current working conditions, with only 24% stating that they were dissatisfied. This result was consistent across the income spectrum, with 68% in the most deprived cohort stating that they were satisfied with their working conditions, and 30% were dissatisfied. These responses were also consistent across age, gender, and ethnicity.

In terms of the opportunities that precarious work presented to young people, respondents tended to value the fact that they could control their hours (29%), that they could make more income (26%), that precarious work provided them with a better work-life balance (21%), and that they were able to upskill (17%). This indicates that young people are perhaps willing to put up with a precarious contract if it comes with certain opportunities, even if it means that the job is temporary or a transition to more permanent employment.

Some respondents also voiced positive experiences at work and with their employers, despite being in precarious conditions. They felt that their concerns were listened to, and that their opinions were taken seriously.

"I have a good relationship with my co-workers and boss", "it's a good environment for saying what we feel", "I am very happy with my employment".

On the other end of the spectrum, the main challenges identified around precarious work were uncertain hours (32%), lack of job security (25%), difficulty progressing in role (19%) and less income (18%). Many respondents also reported an adverse power dynamic between themselves and their employers.

On a scale of 1 to 10, respondents ranked their ability to voice their views on precarious work to their employers at a 6.03. Amongst low-income women surveyed, this figure decreased slightly to 5.54 but was still higher than average. As Figure 5 illustrates, responses from this cohort illustrated the difficulties in voicing concerns to their employer being based primarily on job insecurity. The most reported themes revolved around the words 'fear', 'fired', 'listen', and 'hours'.

insecurity, and the fear of being fired. One young man in Sheffield told us about how he was fired without notice from a bricklaying job and had no support from family or friends as they had been through similar situations. As such, the precarity of work may be normalised and passed down from generation to generation as something that cannot be changed.

"There's nothing I can do. Yeah, just go and look for your next job. Try not to make the same mistake"

Young man on his experience being fired from a job in Sheffield, Ascend program


"Well because then you leave school some people don't go to college. They tell you, you know, go to university you get all your degrees and whatnot. 80,000 pound a year job. Not everybody has the ability to do that. I never did well in school because of my concentration. Yeah. I just went straight into work."

Young woman on her first experiences into work, WeMindtheGap, Flintshire, Wales



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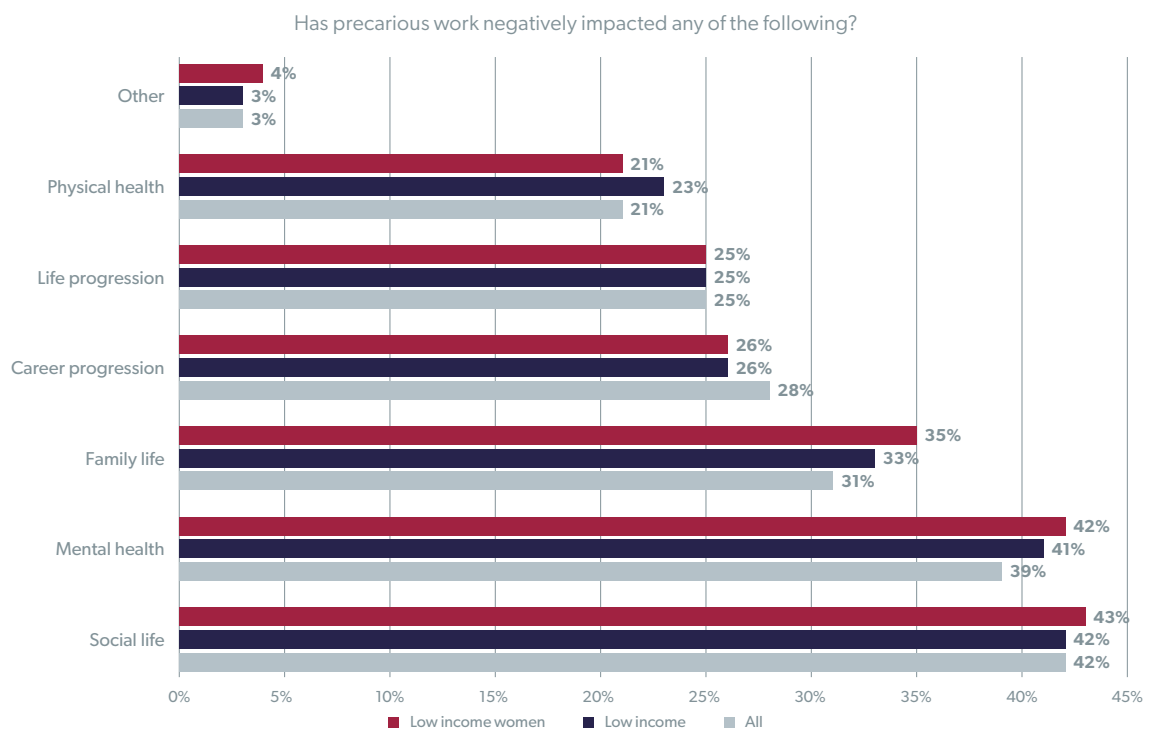
Chapter 4:

Precarious work and job security

In line with previous research on why young people might choose to engage in precarious work, 74% of the young people we surveyed stated that they had had the chance to develop skills at work and had received formal training at work. Despite concerns around stability of hours, a large proportion of those sampled also tended not to experience shift cancellations at work (45%), and 54% believed that the amount of notice received for shift cancellation was in line with the amount of notice they would like to receive. Interestingly, despite challenges identified around precarious work, many respondents (46%) felt that precarious work should not be banned (with 38% responding that it should be banned, and 16% saying don't know). This differed amongst the low-income cohort, where a smaller proportion (40%) responded that precarious work should not be banned (with 43% saying it should be banned, and 16% saying don't know).

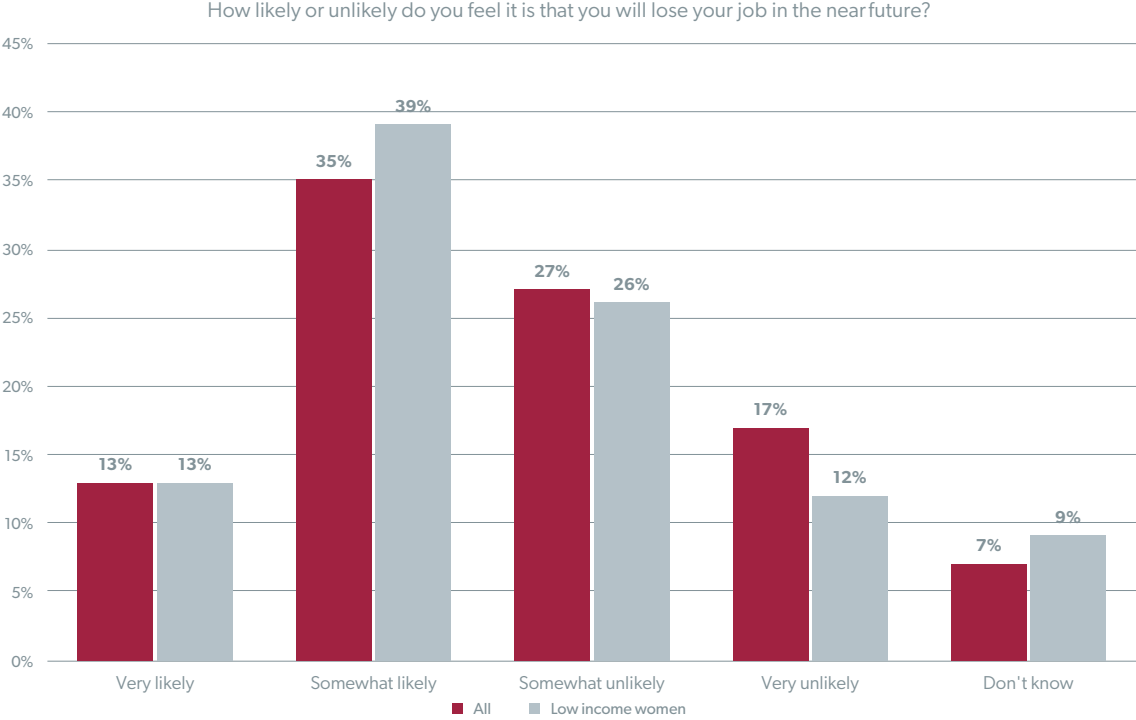
As Figure 6 below reveals, the biggest impact that precarious work had was on respondents' social life, followed by their mental health, their family life, and their career progression. These results were consistent across age, income, ethnicity, and gender.

Figure 6: Precarious work and its impact on social and personal life



Perhaps the biggest challenge presented by precarious work was around job insecurity. While the total population of young people in precarious work sampled felt it was likely they would lose their job in the near future (48%), this figure was slightly higher amongst the low-income cohort (52%).

Figure 7: Precarious work and job security



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Chapter 5:

Underemployment and barriers to permanent employment

Underemployment can be broadly defined as the ‘underuse of a worker’, where someone is in a job, but it may be unstable, low paid, present few opportunities, or the employee feels undervalued.¹⁰ The Labour Force Survey collects information on the number of employed people who are primarily looking for an additional job, looking for a new job with longer hours to replace their current job, or wanting to work longer hours at their current job (at their basic rate of pay). In addition to responding positively to these three criteria, employed people are classified as underemployed when they are available to start working longer hours within two weeks, and when their actual weekly hours worked are 40 or less (for people aged under 18) or 48 or less (for people aged 18 and over).

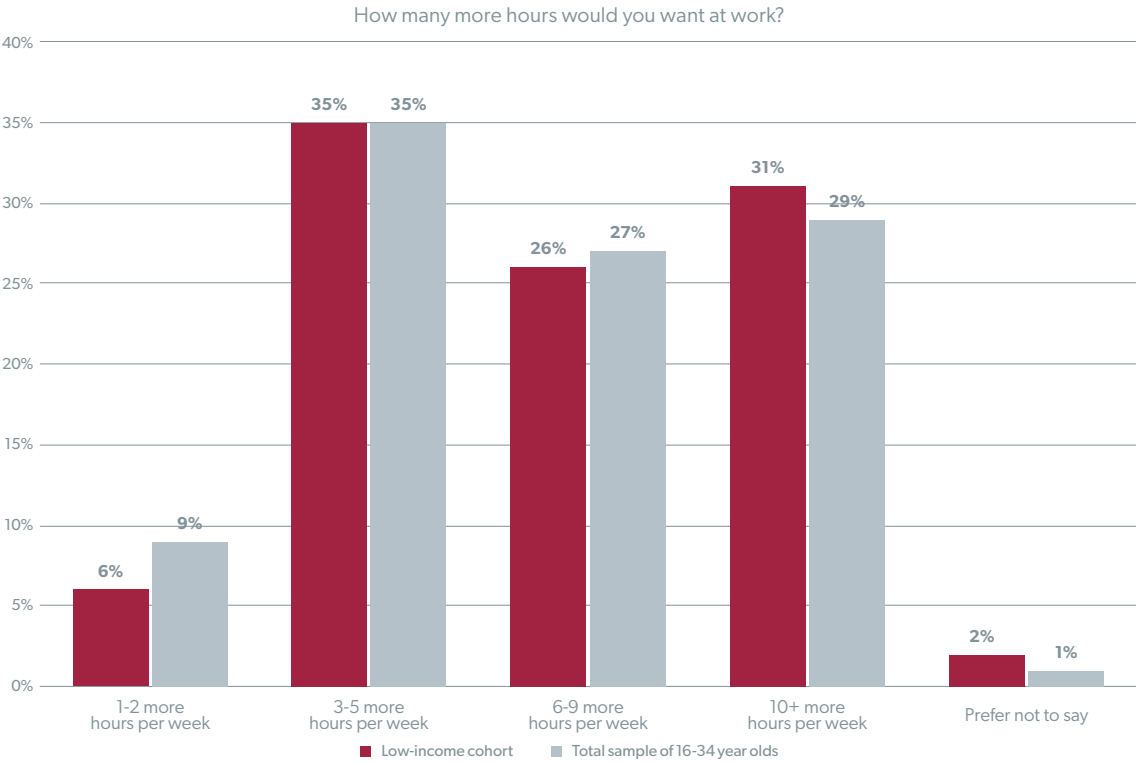
There are two issues with the calculation of underemployment in this way. The first is that ONS figures exclude people who want to work more hours, but who are unavailable to do so in the next two weeks. As a result, the number of underemployed people is systematically underrepresented, as it fails to capture the true picture of how many people might want more work. The second is the threshold of hours worked to determine whether someone is underemployed. If someone is working more than that threshold (40 hours per week for 16–18-year-olds, and 48 hours per week for 18 years and above) they are considered to be adequately employed, even if they want to work more hours. Here, there is clearly an issue stemming not only from the number of hours that these people may want to work, but also whether the wage they are receiving for these hours is adequate.

Recent statistics from the Office for National Statistics (ONS) prior reveal that 1,252,000 young people want to work more hours, but only 84% (1,054,000) of young people who want more hours are available to start work within the next two weeks. Based on the ONS methodology, underemployment in young people (16–34 years old) is at 986,000 people. This age group makes up almost half (46%) of all underemployed people.

Our survey data was consistent with these broader trends. Of the 1,004 young people surveyed, a large majority (65%) said that they wanted more hours at work. Of this group, 35% wanted 3–5 more hours of work per week, with 29% saying that they would want 10 or more hours work per week. Amongst the low-income cohort, the population wanting more hours at work increased slightly to 71%. Like the total sample, 35% of the low-income cohort wanted 3–5 more hours of work per week, with 31% saying that they wanted to work 10 or more hours per week.

¹⁰ Catch22. (2022). *Underemployment: The hidden face of the employment crisis*. d1m3c3nx9zju4.cloudfront.net/prod/uploads/2022/10/Under-employment-the-hidden-face-of-the-employment-crisis-2022.pdf

Figure 8: Precarious work and underemployment



The large majority (80%) of young people sampled stated that they wanted a contract that reflected the number of hours they regularly worked.

In terms of barriers to permanent employment, the cohort surveyed identified these as primarily being around lack of relevant experience, lack of support, childcare, health issues, and the need to balance work with other responsibilities. This was largely consistent with the idea that precarious work was used as a stepping stone to future employment, and a way to build skills and training to progress into a different role. As Figure 7 illustrates, amongst the low-income audience the biggest barriers to progressing to permanent employment revolved around themes of 'experience', 'time', and 'hours'. 'Childcare', 'skills', and 'opportunities' were also identified as barriers amongst this audience. Amongst the general population, barriers to permanent employment included larger themes such as 'fear' and 'hours'.

"I wonder if there's ever a conversation between public transport and local employers, through you know some sort of business development district or local business forum to say, to say this cluster of businesses here – can you all move your start or finish times, and can we move public transport to support that? And to enable safe and efficient and effective travel. We managed to get our young people free bus tickets for the first month. But, it's for Arriva buses only. The other transport links around the country have a different system, so you can't use those passes for another part of the county. So even though we can try and help with transport links, but some buses are still cash only.

Each of these kids, coming from Universal Credit, has a budget for workwear. And that's not proactively offered. Because clothes for work – steel toe cap boots – we have some really good benefactors that give us some funding for work clothes and things like that, but that's crucial as well, because actually having the right clothes to wear – feeling you're part of the team and not wearing different clothes to everybody else – just doesn't give you that sense of belonging does it?"

WeMindtheGap, Flintshire, Wales



Chapter 6:

Policy recommendations

Recommendation 1

New employee rights implemented by the Better Work Agency should encompass the precarity of all contracts, rather than focusing on banning zero-hour contracts.

Findings from our research with young people suggest that banning zero-hour contracts is not what respondents are seeking, and that it could risk employers replacing one type of precarious contract with another. Instead, employers should be encouraged to enhance the positive components of precarious work that young people accept and value, while seeking to remediate some of the negative aspects of precarious work illustrated in the responses and experiences of young people.

Recommendation 2

Medium sized companies and above should be expected to issue an annual report, setting out the measures they are taking to tackle precarious work. Small-sized companies, who publish similar metrics, should receive accreditation for complying with fair employment measures.

It is important to take measures to ensure that people do not become 'stuck' in underemployment and precarious work for a prolonged period. Over the shorter term, medium and larger-sized businesses (with a turnover of £15 million and above) should be expected to identify both the number of employees on such precarious contracts, how many employees have been on such precarious contracts for a cumulative period of over two years, and progression routes and training opportunities for transition to permanent employment. Metrics should include how the employer is working to provide support integral to good employment (including, but not limited to, the supply of new uniforms, transport to work, careers advice, on the job training and mentoring, and guaranteed job progression). Moreover, it should be mandatory for employers to explain worker rights on their contracts to anyone under the age of 24.

Recommendation 3

New limits should be enforced to ensure there is a maximum amount of time a young person can be in a precarious contract with an employer.

Our interactions with charities on the ground such as the Zink Project in Buxton, for example, have shown that even small amounts of work, or ‘micro jobs’ can boost the confidence of post holders in their own abilities, their ability to sell themselves in interviews, and their understanding of their place in the labour market. They are especially effective in targeting those who are long-term unemployed and out of the routines of work, with 75% micro job holders moving into mainstream work within 6 months.

We believe that there is value in young people – particularly those who may be at risk of long-term economic inactivity or unemployment – to experience work in small amounts and feel that precarious and flexible work would support this. However, it is important that young people do not become ‘stuck’ in such contracts, and we therefore propose that if a young person has completed more than twelve months of work with an employer on a precarious contract, they should be offered the option to convert this into permanent employment.

Recommendation 4

The ONS should expand the definition of underemployment to understand the real scale of underemployment in the country.

The ONS has recently started using the Labour Force Survey to measure underemployment. We would recommend that these measures remove the limitations around when people are available to start work, to understand the true scale of underemployment nationally. As such, figures should include those people who want to work more hours, but who are unavailable to do so in the next two weeks. We would encourage underemployment figures to be published and used in key economic indicators and economic and fiscal outlooks to better understand the state of the economy. This way, targeted support can be provided to those sectors and geographical areas suffering most from underemployment issues.

Recommendation 5

Universal Support should be expanded to include those young people who are underemployed or on precarious work contracts.

Programs such as the Work Programme, the Work and Health Programme (WHP), and WHP Pioneer are the latest phases of the DWP’s Universal Support offer, targeted to offer personalised employment and upskilling for up to 15 months. As it stands, it is aimed primarily towards unemployed people not currently on any other contract, including zero-hour contracts.

We recommend that to tackle the prevalence of precarious work, universal support programmes, like the ones mentioned above, should be expanded to include referrals to young people who are underemployed or who can evidence that they are on precarious work contracts. Awareness should be increased amongst people on different types of precarious contracts to motivate and enable them to enter the newly combined job centre plus and national career service centres, even if they already have a job.

Work coaches at the new National Jobs and Careers Service centres should also be rebranded as ‘job progression coaches’, and work with claimants or underemployed people to develop ‘Progression Plans’, setting out detailed steps to boost skills and progress. Payment by results should also be used to incentivise advisers to achieve progression in jobs, rather than encourage repeat claims if jobs do not work out. For example, progression coaches could claim a job outcome payment after a participant in the programme has been in a job for six months. After receiving a job outcome, providers can claim sustainment payments every four weeks when a participant stays in work longer. These payments can be claimed for up to one year, eighteen months or two years, depending on how far the participant is from the labour market. These payments create strong incentives to help participants into sustained work and to continue to support people to stay in work for longer.

Recommendation 6

Regional Industrial Strategic Councils should foster and facilitate best practice in schools, meeting their obligations under the Baker Clause, ensuring that pupils have the best access to advice and information regarding vocational post-16 and post-18 opportunities.

An amendment to the Technical and Further Education Act 2017, known as the Baker Clause (introduced in 2018), placed on a statutory basis the obligation of schools to allow pupils to access technical education providers and employers offering apprenticeship. The purpose was to increase the visibility of non-academic pathways and to pass on to pupils more information about the requirements and opportunities of vocational training post-16 and post-18. Regional Industrial Strategic Councils should act as a forum between different educational institutions and between educational institutions and employers. This would allow targeted support to be provided to pupils about the most suitable and attractive pathways for them, embedding employability principles and advice on job contracts and job progression in this support.

Recommendation 7

Preparedness for work and employment education skills should be included as a key judgement in Ofsted inspection reports for secondary schools.

It is a recurrent complaint of employers (and young people themselves) that formal education provides a lack of skills and training to equip students for the world of work. Foundational ‘soft skills’ such as communication, teamwork, and timekeeping are often lacking, making it difficult for young people to function in professional environments. A key purpose of education is to enable students to become independent citizens via paid employment, yet Ofsted inspection reports do not routinely refer to employability. This is despite the fact that Ofsted’s Education Inspection framework makes repeated reference to employment and explains that inspectors will assess the extent to which providers prepare learners for ‘future success in their next steps’.¹¹

¹¹ UK government. (2023). *Education inspection framework for September 2023*. www.gov.uk/government/publications/education-inspection-framework/education-inspection-framework-for-september-2023

While many high-attaining students will develop employability skills organically, those who do not pay a high price. Efforts to support employment readiness at secondary school should be explicitly assessed by Ofsted and included as a headline judgement in inspection reports. This should include consideration of the careers guidance and work experience opportunities a school provides, with reference to the Gatsby Benchmarks, alongside the steps taken by schools to develop the foundational skills young people need to flourish in the world of work.



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