

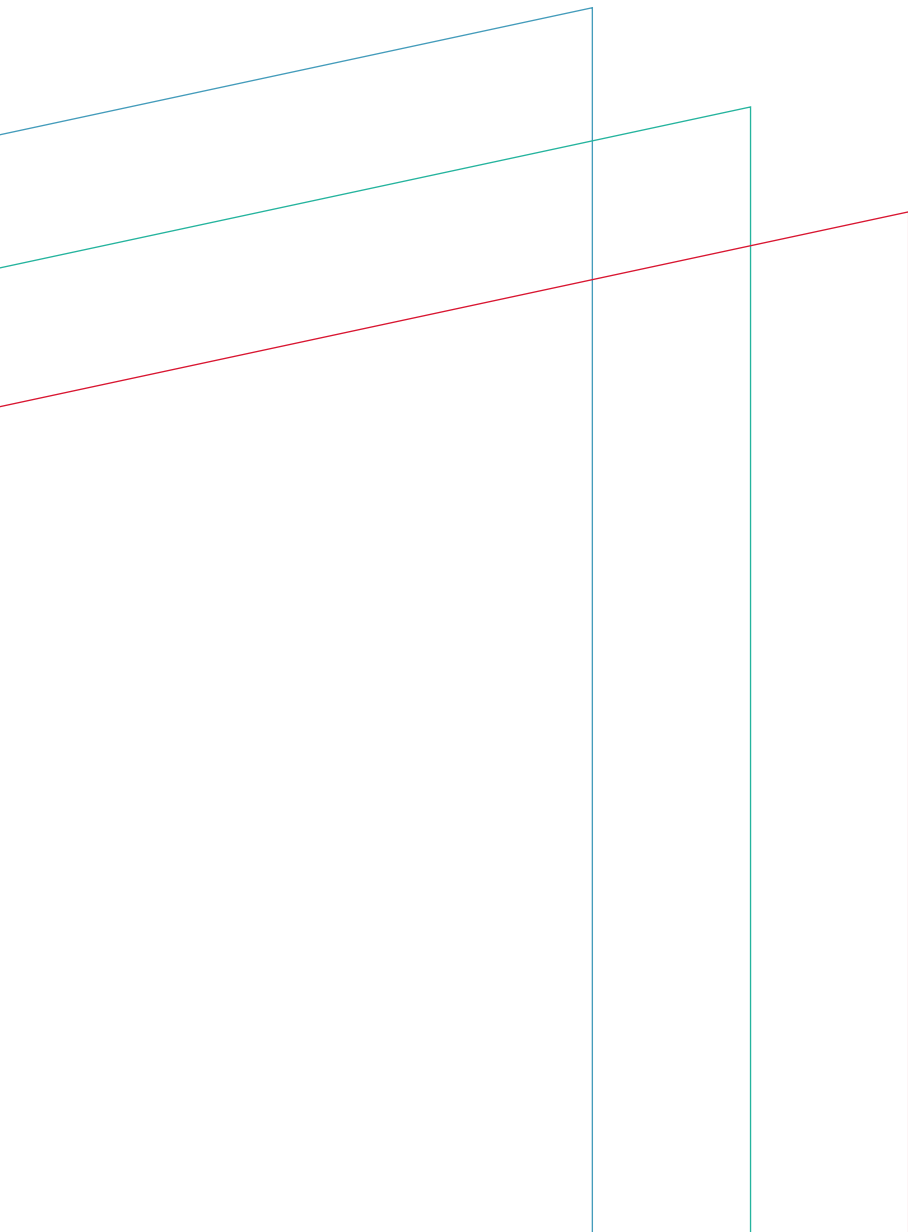


NEW
ECONOMICS
FOUNDATION

A PATHWAY TO WORK

HOW TO CONNECT YOUNG
PEOPLE TO GREEN JOBS

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EXECUTIVE SUMMARY

Young people's labour market participation has become a central concern for policymakers and employers alike. The government has placed growing emphasis on reversing the rise in the number of young people who are not in education, employment or training (Neet) alongside a wider ambition to expand the workforce required for the clean energy transition. An independent review led by Alan Milburn is currently examining the drivers of rising economic inactivity among young people and the effectiveness of existing support, with the final conclusions to be published in summer 2026.

From a supply side, the UK's transition to net zero creates significant opportunities for job creation in clean energy, retrofit, nature restoration, and wider green supply chains. The government has also previously set an ambition to support 2 million green jobs by 2030 and has emphasised the role of skills and training in delivering this ambition.

Yet the barriers that limit access to these jobs are largely the same barriers that shape the youth labour market more broadly. This report, therefore, treats green jobs as a high-growth opportunity that must be an integral part of the wider agenda to reduce Neet young people. The government's success in improving young people's access to green jobs is a stress test of whether the wider skills and employment system can deliver access to good work.

This report contributes to this agenda by focusing on the practical, system-wide conditions that shape young people's ability to move from interest and aspiration into real labour market outcomes. To understand these barriers in detail, we take a mixed-methods approach that uses the input of young people's lived experiences through deliberative workshops, interviews with frontline service providers, and an in-depth literature review.

Our report finds that across sectors, including but not limited to green jobs, young people consistently identify interlocking barriers that shape their labour market outcomes. Four key barriers are discussed throughout this report.

First, affordability is the most persistent constraint. While many training routes are nominally free, participation still carries costs related to travel, food, equipment, and foregone earnings. For young people without family support, these costs can make training or entry-level work financially unviable. As a result, opportunities tend to be taken up disproportionately by those with stronger household safety nets.

Second, young people face a structural experience trap. Entry-level jobs often require prior experience, while access to experience itself depends on unpaid placements or informal contacts. This dynamic is particularly exclusionary for those from disadvantaged backgrounds, which includes young people who have been eligible for free school meals, are care-experienced, or are from areas with high levels of deprivation; this reinforces existing inequalities in access to work. It also reveals employers' risk aversion in hiring young, inexperienced workers.

Third, access to guidance, mentoring, and networks plays a decisive role in shaping outcomes. Careers advice and work experience are uneven in quality and availability, with many young people lacking trusted adults or professional networks to help them navigate pathways into work. Where support exists, it is often fragmented rather than forming part of a coherent journey from school into employment.

Fourth, geography and transport strongly influence opportunity. Many jobs, including those associated with clean energy and retrofit, are locally anchored. Yet young people's ability to access them is shaped by local provision, transport links, and regional capacity. The green transition intensifies this issue because many roles are local and infrastructure-linked, while specialist training kits and instructors are often concentrated in specific centres. Without attention to place, national programmes risk producing postcode lotteries in access to work and training.

These barriers are acute for the most disadvantaged young people, especially those who are Neet. Many want to work or train but are locked out by a combination of affordability constraints, limited experience, weak guidance, and unstable transitions. Financial transitions are particularly important. Moving into training or entry-level work can interact with the welfare system in ways that leave households worse off, especially when a young person's status changes as they move out of full-time education. For care leavers and young people in supported housing, the risk of rent shortfalls or arrears at the point of transition can be a powerful deterrent to taking up work or training. Employment support is available through jobcentres and local provision, but access to help with participation costs and referrals into priority training routes is uneven. As a result, some of the young people most in need of support are least likely to benefit from it.

The government has introduced a wide range of initiatives aimed at improving youth employment and skills outcomes. These include reforms to apprenticeships and technical education, work-experience commitments under the recently launched Youth Strategy, targeted employment support and wage subsidies for Neets, and workforce planning linked to clean energy and retrofit. In addition, changes under the Employment Rights Act 2025 have the potential to improve job quality and security, opening opportunities to jobs with genuine prospects. Taken together, these measures represent genuine progress. However, the evidence suggests they do not yet add up to an end-to-end pathway that young people can reliably navigate. Policies tend to address individual stages, such as training supply or job entry, without consistently resolving the conditions that determine take-up and progression.

The central finding of this report is that outcomes depend less on the existence of specific programmes and more on whether young people can afford to participate, access experience, navigate transitions, and progress into sustained work. There is also a risk of individually focused initiatives, which emphasise individual young people changing their behaviour or adapting to new opportunities, may crowd out the need for

policies and programmes to tackle these system-wide barriers to participation and upskilling. Without addressing these conditions, even well-designed policies will struggle to reach those most at risk of becoming long-term Neet. The challenge for policy is therefore not to add another initiative to an already long list, but to align existing levers into a coherent offer that works in practice for young people with the least margin for risk.

POLICY RECOMMENDATIONS

This report proposes a set of practical recommendations focused on removing the binding constraints identified in the evidence:

- a. Make training and early labour market entry affordable through predictable support for participation costs and targeted income stabilisation where needed. Use subsidised employment and work experience as progression pathways, with a clear focus on retention, skills development and onward routes.
- b. Strengthen mentoring, guidance, and employer engagement for young people who lack networks, particularly in underrepresented groups and regions.
- c. Address geographic barriers by supporting shared training infrastructure, local partnerships, and transport solutions.
- d. Review benefit interactions for young people entering apprenticeships and training routes to ensure they can keep money earned from accessing these opportunities, rather than penalising their or household members' incomes.
- e. Ensure employment support routinely covers participation costs and provides clear referrals into priority training pathways.

Together, these measures would help ensure that existing policy ambition translates into real, sustained labour market participation for young people, including those currently furthest from work.

YOUNG PEOPLE'S PLACE IN THE LABOUR MARKET: FINDINGS FROM QUANTITATIVE ANALYSIS

To better understand the experience of young people, it is crucial to explore the economic context they are navigating today, and whether they are currently being well connected to the high-potential jobs of the future – including in the green economy. This analytical chapter has four parts. First, we assess youth labour market trends and influencing factors, highlighting the considerable place-based and personal barriers faced by young people. Second, we assess whether 'green' jobs could play a role in creating opportunities for these young people, by defining and quantifying green jobs and exploring the skill level needed to access them. Third, we discuss the current state of the green economy in the UK and how policy might shape near-term demand for roles and skills by looking at demand for green jobs. Fourth, we assess how well-connected young people are to these opportunities, that is, where they find employment, and the quality and security of that employment, including the wages they earn.

Overall, our analysis in this section suggests that due to a range of policy barriers and labour market inequalities, young people are currently poorly connected to the jobs they need to progress in the labour market; they are often trapped in cycles of low pay and insecure work, and forced into sectors with the most limited labour market prospects.

THE SCALE OF THE CHALLENGE

Today's 16–24-year-olds have grown up in the shadow of austerity and have experienced overlapping crises. The Covid-19 pandemic

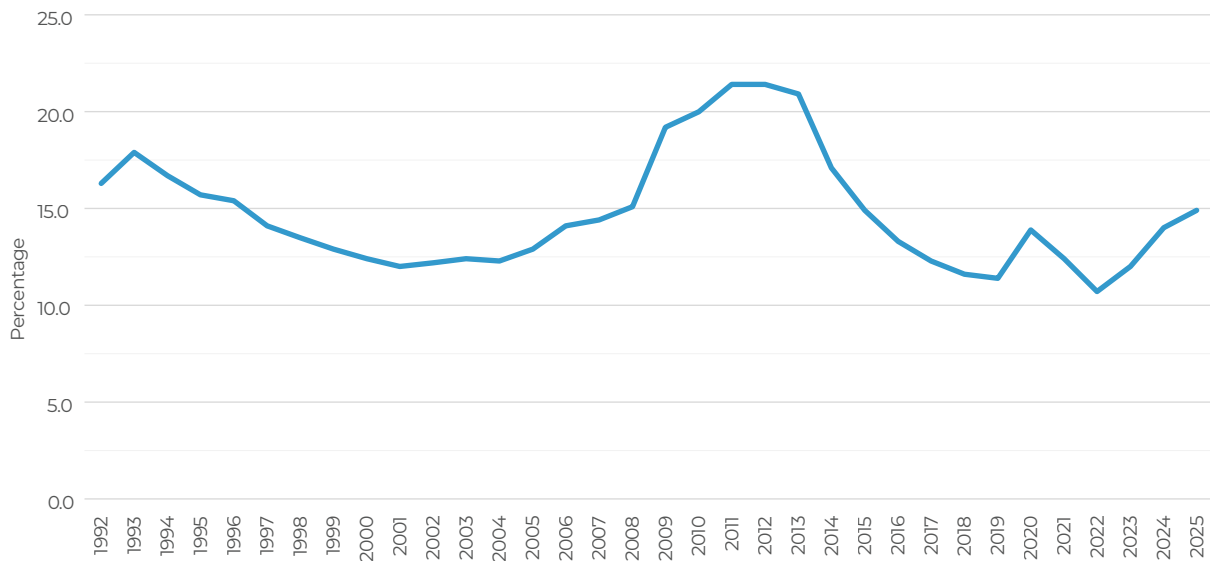
disrupted education and critical development opportunities, including socialisation; geopolitics has contributed to a cost-of-living crisis; and an amalgamation of factors, including rapid changes in monetary policy, has contributed to a highly challenging job market with significant barriers to entry. This is against the backdrop of insufficient national and international action to avert a climate catastrophe.

Youth unemployment and underemployment remain persistent challenges in the UK, even as overall jobless rates have improved in recent years. Some of the challenges in youth employment can be traced to the impact of the pandemic on young people, despite government efforts to mitigate the fallout. Those under the age of 25 accounted for three out of five jobs lost to the pandemic. This was driven in part by higher concentrations of young people working in customer facing service roles in sectors such as hospitality and retail.¹

As of early 2026, roughly 729,000 young people (aged 16–24) were unemployed – a youth unemployment rate of about 16%.² As shown in Figure 1, this is an increase from pre-pandemic lows (~389,000 unemployed youth in mid-2022) and reflects the ongoing difficulties young people face in entering the labour market. In addition, 946,000 young people aged 16–24 were classified as not in education, employment or training (Neet) between July and September 2025, representing 12.7% of that age group.³ A large and rising share of Neet status is linked to ill health, with over 200,000 young people recorded as temporarily or long-term sick in that period. This figure reflects a deeper issue: the inability of current institutions and systems to effectively address youth unemployment and disengagement. This number, while concerning, is marginally lower than the peak seen after the 2008 financial crisis.

Prolonged periods of being Neet can have severe long-term effects on young people's future employment, earnings, health, and wellbeing. Research indicates that being Neet for over six months can still negatively impact a person's job status, life satisfaction, and even health 20 years later.⁴ Addressing youth employment barriers is therefore critical to avoid scarring effects on a generation and to realise the economic potential of young workers.

FIGURE 1: YOUTH UNEMPLOYMENT RATE (AGE 16–24) IN THE UK SINCE 1992

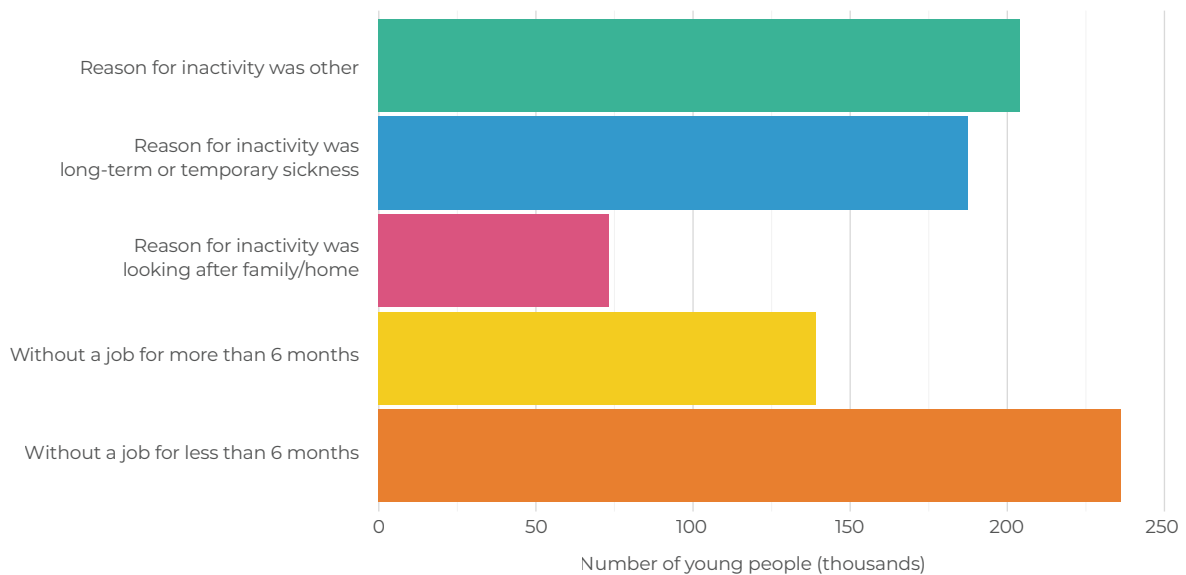


Source: ONS labour market statistics time series

Figure 2 illustrates the reasons young people in England aged 16–24 are Neet. The most common reason is being unemployed for less than six months, which is less alarming, as it may reflect transitional periods. A serious concern is almost 200,000 young people cite their reason as being temporarily or long-term sick, affecting around 1 in 4 of those who are Neet.⁵ This recent period has seen the highest rate of health related Neet status since 2000.

In fact, in 2024, over half of young people classified as Neet reported having a health condition, with 18.8% suffering from a mental health condition. Additionally, young people who are Neet are twice as likely to have learning difficulties or a mental health condition compared to the general population.⁶ These figures point to a significant intersection between health challenges and economic inactivity among young people, which requires targeted policy and support.

FIGURE 2: REASONS YOUNG PEOPLE (AGED 16–24) ARE NEET IN ENGLAND, Q4 2025



Source: Department for Education using Labour Force Survey Neet estimates

The King’s Trust and the Learning and Work Institute highlight that low self-confidence and mental health conditions are major barriers to young people entering employment.⁷ Meanwhile, the House of Lords reports that young people from low-income backgrounds are 50% more likely to become Neet than their more affluent peers.⁸ These young people often face financial barriers, such as the inability to afford digital equipment or other essentials needed to study or work, which limits their ability to apply for jobs or access opportunities. It is critical to reduce the number of young people who are Neet by addressing financial barriers and providing pathways into employment, education, or skills development. This cohort, if supported, could play a vital role in contributing to the transition to a net zero economy.

There is regional variation in the proportion of young people that are Neet. The North East of England has a particularly high proportion of 16–24-year-olds who are Neet: 21%. In the East Midlands, Yorkshire and the Humber, and the North West, up to 1 in every 6 young people are Neet. It is not a coincidence that the regions with the highest proportion of young people who are Neet are deindustrialised regions which have suffered from underinvestment and neglect by the state.

TABLE 1: PROPORTION OF YOUNG PEOPLE WHO ARE NEET BY REGION, Q4 2025

Region	Percentage
North East	21.00
East Midlands	16.53
Yorkshire and the Humber	15.61
North West	14.04
West Midlands	13.53
London	12.02
East of England	11.69
South East	11.46
South West	9.88

Source: *Labour Force Survey Neet estimates*

COULD ‘GREEN’ JOBS HELP ADDRESS THIS CHALLENGE?

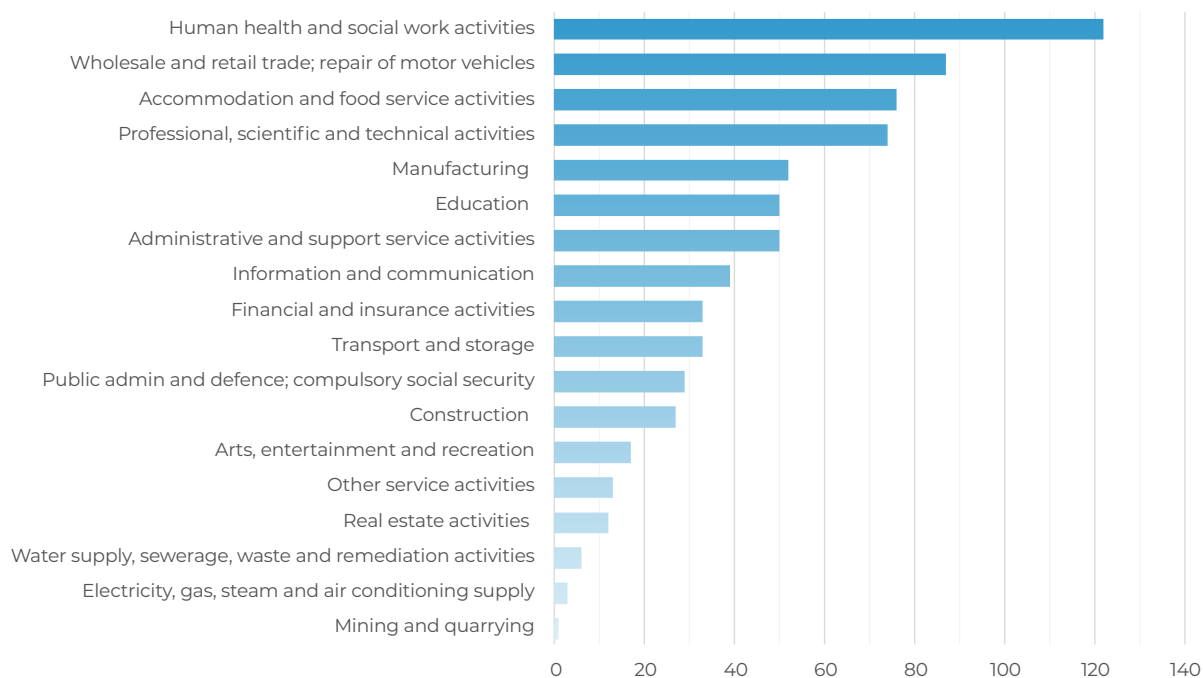
As the UK works towards net zero by 2050, demand for workers with green skills – the qualifications and abilities needed to undertake a green job – is expected to outpace supply in many sectors.^{9,10} This mismatch between the skills the workforce has and the skills the green transition demands is known as the ‘green skills gap’. The green skills gap impacts not just the accessibility of green jobs but also the pace and feasibility of the green transition.

Already, employers report shortages of qualified workers in key green sectors, such as construction (for home retrofitting and heat pump installation), renewable energy (offshore wind technicians, solar installers), and low-carbon transport (electric vehicle maintenance). By one estimate, the UK faces a shortfall of around 200,000 workers in jobs needed for the net zero transition, with particularly acute gaps in fast-decarbonising sectors like housing and transport.¹¹ This situation has been made worse by a reduction in labour supply post-Brexit, with some estimates putting a net reduction of 330,000 workers from the UK.¹²

Many of these in-demand roles will need to be filled by new entrants to the workforce, not just retrained existing workers. This creates a chance to engage young people, including those who might not pursue higher education, in vital green careers. There is also an opportunity to reduce the number of young people who are Neet by equipping them with trade skills for the green economy.

However, there is a potential concern that the young people in need of employment may not be able to access these jobs. We test this claim in this subsection by defining and quantifying green jobs, and exploring the skill levels needed to access them. There is no single definition of a green job; broadly it refers to employment that directly contributes to – or supports – environmental improvement and the transition to a sustainable, low-carbon economy. We at NEF tend to use a wider definition that includes roles not only conventionally considered green but ones that will be vital for wellbeing in a net zero economy, such as health and care work.

FIGURE 3: ABSOLUTE NUMBER OF VACANCIES BY INDUSTRY (IN THOUSANDS), NOV 2025–JAN 2026



Source: ONS Vacancy Survey

The UK Office for National Statistics (ONS) tracks a Low Carbon and Renewable Energy Economy (LCREE), estimating about 314,300 full-time green jobs in 2023 (roughly 1% of UK employment).¹³ This includes jobs in renewable energy production, energy efficiency, electric vehicle manufacturing, environmental consultancy, waste management, nature conservation, and more. This is quite a narrow definition. Other methods of analysis put the figure much higher, with some studies estimating 17% of jobs in the UK labour market were green by 2020.¹⁴

Looking at the labour market more broadly, Figure 3 highlights the significant number of vacancies in the market today, with four leading sectors – Human Health & Social Work, Wholesale & Retail Trade (including Motor Vehicle Repair), Professional Scientific & Technical Activities, and Accommodation & Food Services – having the most vacancies.

Aside from Professional Scientific & Technical activities, which is a sector associated with higher skill level requirements and therefore a barrier to entry, the remaining sectors with high total vacancies are characterised by relatively low pay and poor working conditions.

While the data from Figure 3 highlights which sectors have high total vacancies, it does not tell us where potential green job opportunities are in the economy or the required skill levels of vacancies.

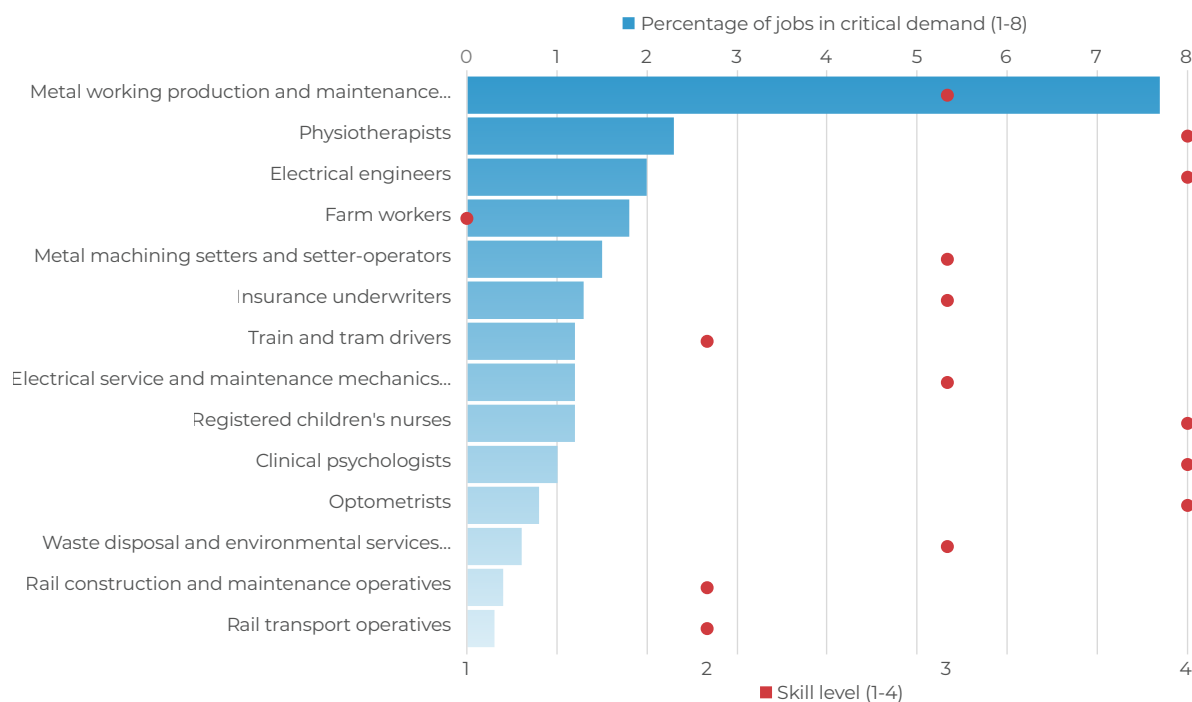
To address this gap, we refer to the Department for Education’s new demand index, which uses seven indicators³ to show if a specific occupation is (a) not in high demand, (b) in elevated demand, or (c) in critical demand. Additionally, we used the O*NET classification of green jobs to determine which occupations are green or non-green.¹⁵

Jobs represent roles with specific skillsets and attributes. These roles can be categorised in “occupation groups” which capture the type of work. For example, a Junior Power Systems Engineer is one of the jobs captured by the Electrical Engineer occupation group.

The transition to a fully decarbonised economy will increase demand for employment in occupations across many sectors, some typically associated with the green economy and some not. Figure 4 illustrates all green occupations currently in critical demand, including jobs that are in substantially higher demand than usual.

a See the annexe on methodology for further explanation.

FIGURE 4: PERCENTAGE OF JOBS IN CRITICAL DEMAND BY GREEN OCCUPATION (EXCLUDING CARE WORKERS, HOME CARERS AND SENIOR CARE WORKERS)



Source: NEF analysis of Skills England occupations in demand data using O*NET green jobs classification. Notes: Critical demand refers to those jobs that are in 'substantially higher demand than usual'. Skill level relates to ONS skill levels 1-4 (see Table 2). Care workers, home carers, and senior care workers fit within our wider definition of green occupation. However, as the demand for care workers and home carers is multiples greater than the next most in-demand occupation, the inclusion of care workers and home carers would make the chart unreadable – 31.9% of care worker and home carer jobs are in critical demand, 3.9% of senior carer jobs are in critical demand.

We identified 7.7% of metal working production and maintenance fitter jobs, 2% of electrical engineer jobs, and 1.5% of metal machining setter and setter-operator jobs as experiencing critical levels of employment demand.^b Experimental analysis by the Department for Energy Security and Net Zero (DESNZ) identifies these three occupations among 31 priority occupations that will be most in demand to meet the government's clean energy goals and most likely to experience workforce supply constraints. The analysis also predicts that the number of jobs in each of these three occupations will need to more than double by 2030 to meet demand in the clean energy sector.¹⁶

Surveys indicate that young people are enthusiastic about these opportunities in the low-carbon economy: over two-thirds of UK youth express interest in pursuing a green job or career that contributes positively to the environment.¹⁷

However, actual uptake of green careers remains worryingly low, and interest in specific roles, such as heat pump engineers or retrofit installers, is in the single digits.¹⁸ There is a range of barriers that impede young people, especially those from disadvantaged backgrounds, from accessing jobs in the green economy, which we discuss in subsequent chapters.

It is also worth clarifying here that skills are not the same as qualifications, although they are often treated interchangeably. Table 2 outlines how skill and qualification levels can be approximated. The process of gaining a qualification undoubtedly builds on and improves skills, but skills can also be obtained through work experience, on-the-job training, and peer and self-guided learning, which may not result in a qualification. Qualifications provide specialist knowledge and signal a wide range of desirable attributes to employers and customers.

^b The job category metal workers and maintenance fitters refers to highly skilled craft occupations focused on the assembly, installation, and repair of metal components and industrial machinery.

TABLE 2: SKILL LEVEL AND APPROXIMATE CORRESPONDING QUALIFICATION LEVEL

Skill level and example occupations	Qualification level
4 'Professional' and higher-level managerial in the private sector or government.	Higher education, higher apprenticeship, or equivalent
3 Specialists, trades, small business proprietors.	Further education
2 Machine operators, driving and caring roles.	GCSE pass and above, AS/A level, T level, advanced apprenticeship or equivalent
1 Postal workers, hotel porters, cleaners and catering assistants.	Level 1 NVQ/essential/foundational skills

Source: [GOV.UK qualification levels](#)¹⁹ and [ONS skill levels distribution data](#)²⁰

Previous NEF analysis found the average skill level required for a green job is 3.06, compared to 2.69 for non-green jobs. The average worker in the UK would need around nine weeks of education and training to reach the skill level required by such a job.²¹ Of the 14 green occupations experiencing critical demand, none require a university degree, more than two-thirds being potentially accessible to those with appropriate further education (approximately skill level 3).

Yet despite being higher-skilled, NEF analysis finds it does not necessarily follow that green jobs are the preserve of those with higher qualifications, such as degrees. On the contrary, up to 90% of emerging green jobs may be in skilled trades and technical roles that do not require a university degree, highlighting a significant opportunity for young people to enter good careers via vocational education. Indeed, the majority of green job openings are expected to be

“skilled manual” roles – from insulation installers and heat pump technicians to tree planters and wind turbine maintenance – which can often be accessed through apprenticeships or other technical training rather than traditional university pathways. This provides a critical opportunity for the government to connect the unemployed and Neet young people discussed in the previous section to these opportunities.

Table 3 highlights the potential clearly. At this stage in the green transition, an estimated 380,000 green jobs are in critical and elevated demand, and this is equivalent to 40.5% of the Neet population. Almost all of these in-demand green jobs require skill level 3 or below, so do not require a university degree. We are not suggesting an obvious match between jobs demand in the green economy and labour supply from Neet, but based on the skills requirement, it illustrates the possibility of matching the two.

TABLE 3: TOTAL NUMBER OF GREEN JOBS IN ELEVATED OR CRITICAL DEMAND IN THE ECONOMY

	Total jobs in elevated or critical demand	Number requiring skill level 3 or below	Percentage of total roles in elevated or critical demand skill level 3 or below	Jobs in elevated or critical demand as a percentage of Neet population
Without care jobs	134,701	129,433	96.1%	13.7%
With care jobs	388,493	383,225	98.6%	40.5%

Source: *NEF analysis of the LFS* and *Department for Education data using O*NET green jobs classification*

HOW YOUNG PEOPLE ARE CURRENTLY EXCLUDED FROM THESE OPPORTUNITIES

In this final subsection, we assess whether young people are being connected to these opportunities at present. We also explore young people’s own views on what green economy opportunities they would value accessing.

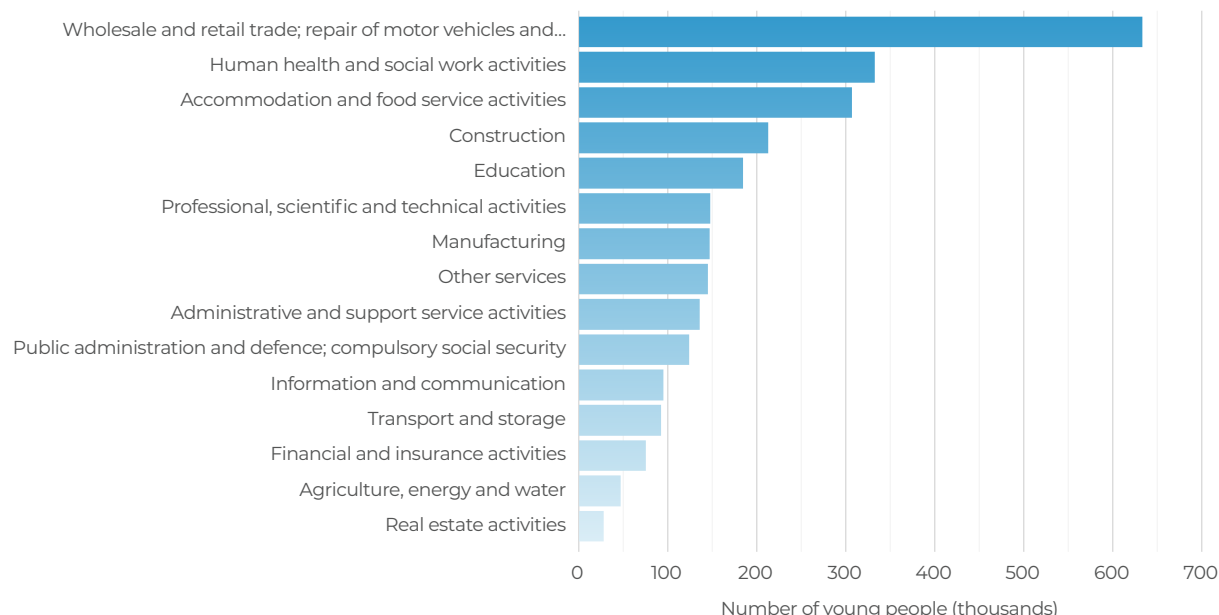
In absolute terms, the sectors characterised by lower pay and precarious working conditions have the highest number of vacancies for young people.²² Young people are mostly found in these low-pay sectors, the highest number being in care worker and home carer or customer service roles. Separately, NEF analysis of the wider barriers faced by workers across the labour market has found that local authorities with low vacancies tend to have a high concentration of jobs with limited employment prospects. These same areas tend to have the largest numbers of jobseekers.²³ Young people living in these labour markets are therefore doubly disadvantaged: they have limited jobs available, and many of those jobs which

are available are low quality. This points to the need for policy to address the deeper place-based barriers faced by young people seeking work.

In addition, an outsized number of young people are on precarious contracts, with more than one-in-ten on zero-hours contracts.^c As shown in Figure 5, the Accommodation and Food Services, Health and Social Work, and Wholesale and Retail sectors are the largest employers of young people, collectively almost 50% of individuals aged 16–24. Analysis of the Labour Force Survey reveals 28.8% of workers in Accommodation and Food Services, 14.8% in Health and Social Work, and 8.8% in Wholesale and Retail are employed on zero-hours contracts.²⁴

The most frequent green occupation is caring work followed by customer service occupations for young people aged 16–24 as illustrated in Figure 6. These two occupations have lower entry requirements when compared to the remaining occupations, which require specific qualifications.

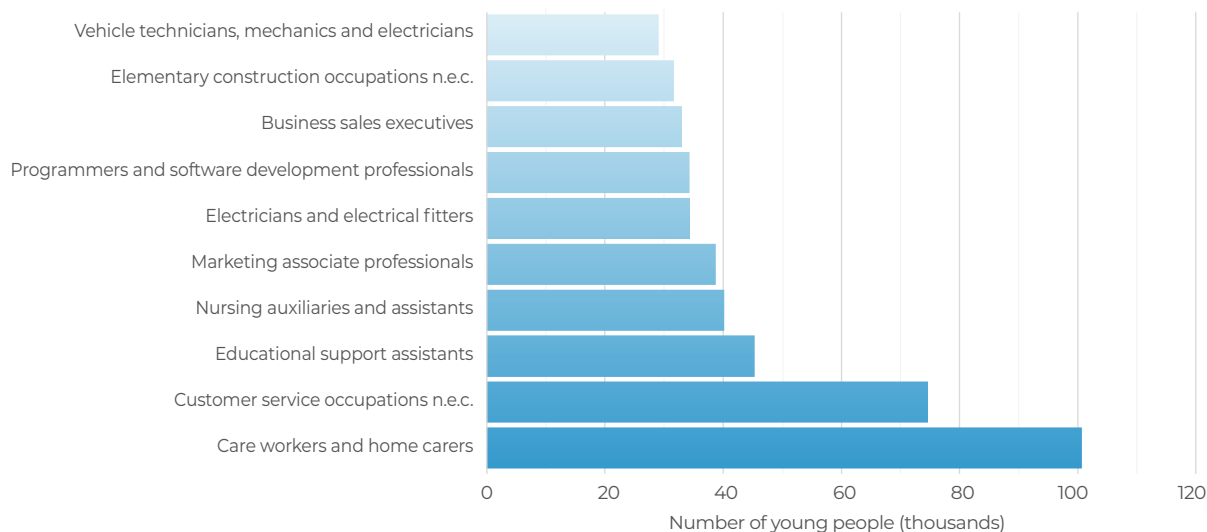
FIGURE 5: JOB DISTRIBUTION OF YOUNG PEOPLE AGED 16–24 BY INDUSTRY



Source: NEF analysis of Census industry by age data

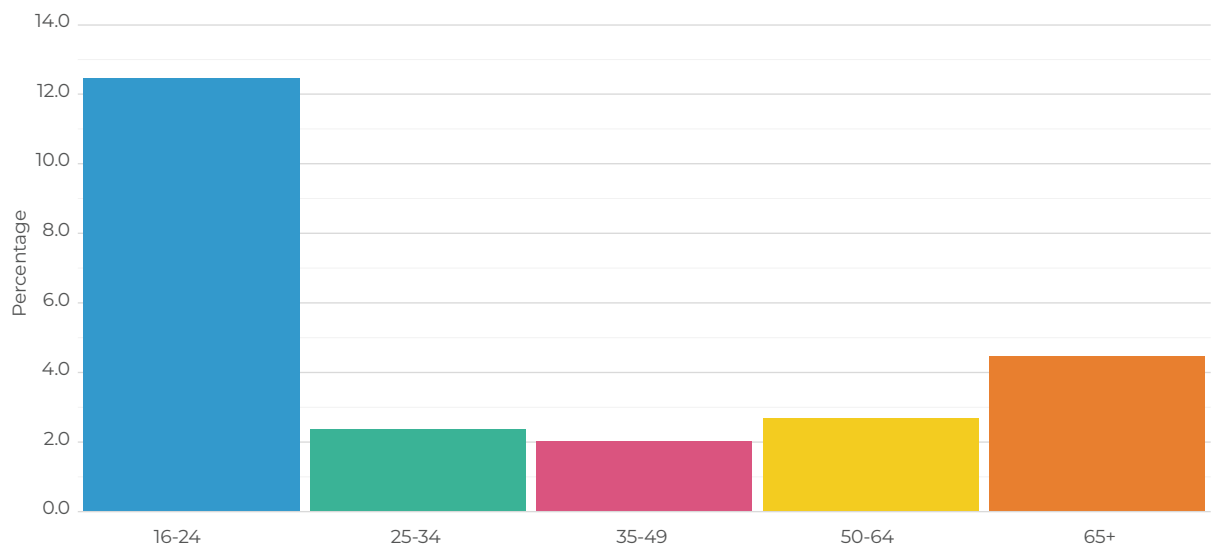
^c It is worth noting that the new employment rights bill aims to end the exploitative use of zero-hours contracts.

FIGURE 6: MOST COMMON GREEN JOBS FOR YOUNG PEOPLE AGED 16–24 YEARS OLD



Source: NEF analysis of the LFS using the GLA green jobs classification

FIGURE 7: ZERO-HOURS CONTRACTS BY AGE GROUP, OCT–DEC 2025

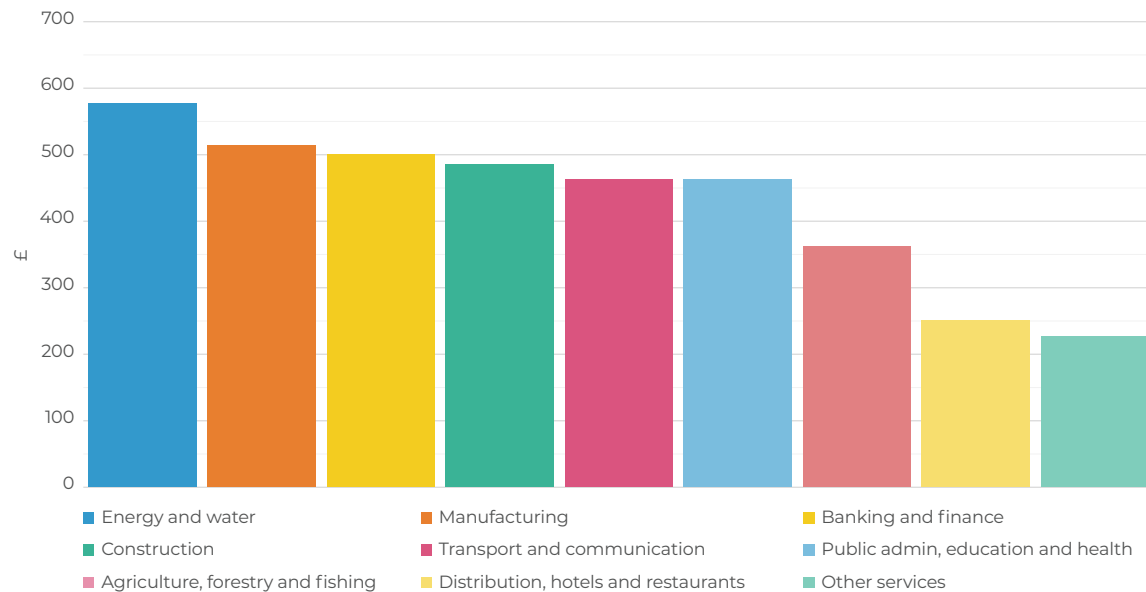


Source: ONS – EMP17: People in employment on zero-hours contracts

When comparing the prevalence of zero-hours contracts across age groups, the outsized prevalence of zero-hours contracts among young people can be seen. Of those aged 16–24 in employment, 12.5% are employed on zero-hours contracts. This is a prevalence five times higher than the age cohort above, where only 2.4% those aged 25–34 are employed on zero-hours contracts.

There is some evidence that the prevalence of zero-hours contracts has nearly quintupled since 2012.²⁵ Other studies, using broader measures of precarity beyond zero hours, suggest over one in five UK workers are in “severely insecure” work.²⁶

FIGURE 8: MEDIAN GROSS WEEKLY WAGE BY INDUSTRY, 16–24-YEAR-OLDS



Source: NEF Analysis of the Labour Force Survey. Note: Full-time and part-time workers

In the gig economy, 35% of workers reported that their employers are “unlikely to provide opportunities for them to go on training courses or learn new skills”.²⁷ This combination of financial instability, limited opportunities to upskill, and low wages creates a cycle that is difficult to break.

The government has stopped short of banning zero-hours contracts, instead pledging to ban “exploitative” zero-hours contracts through expanded rights, including the offer of guaranteed hours, reasonable notice of shifts, compensation for cancelled or changed shifts, and protections from dismissal.²⁸ It’s not clear whether these reforms will afford more opportunities for upskilling.

Young people who are more likely to work part-time or be on a zero-hours contract, earn minimum or low wages (where they aren’t on an apprenticeship – which, for people aged 18 and over, commonly pay less than minimum wage for at least the first year). In 2024-25, approximately 31.7% of 16–21-year-olds were in low-paid roles. This is partly because those in this age group are being paid youth minimum wage rates, which are lower than the adult main rate.²⁹

A disproportionate number of young people work in the Distribution, Hotels and Restaurant sector. These young people are among the lowest paid. As shown in Figure 8, this sector offers the second-lowest average weekly wage for young people – at least £150 less than most other sectors. This is likely due to the high concentration of minimum-wage jobs and the widespread use of zero-hours contracts within the sector.

Overall, this analysis suggests that young people are often forced into sectors without sufficient opportunities for progression, including in the green economy. Even where they are in sectors meeting NEF’s definition of green jobs, such as care work, they are concentrated in the low-quality and precarious jobs within these sectors. This poses a critical and urgent challenge for policymakers: without being connected to these opportunities, young people risk experiencing continued cycles in and out of insecure, low-paid and often low-quality work, without addressing the root causes of the challenges they are facing in today’s labour market.

INSIGHTS FROM INTERVIEWS WITH FRONTLINE SERVICE ORGANISATIONS AND A LITERATURE REVIEW

Using quantitative data, the previous chapter highlighted the severe barriers young people face in connecting to the labour market opportunities vital to the future economy. This chapter expands on this analysis of the barriers by drawing from the perspective of frontline organisations. It draws on in-depth interviews with six organisations working directly with young people across a range of contexts: Career Ready, Groundwork, Drive Forward Foundation, Rise Up UK, the Social Mobility Foundation (SMF), and Youth Environmental Service (YES). Each of these organisations brings unique insights into the barriers facing their constituencies – from care-experienced young people, to young people in deprived regions, to high-attaining students from low-income families and those seeking careers in the environmental sector.

In our interviews, we focused particularly on the barriers young people face in accessing green jobs, but as will be seen, much of the discussion has major policy implications for all forms of careers advice and employment support.

This chapter synthesises those insights into two categories: (1) non-financial and (2) financial barriers. We discuss these in the next subsections. Within each subsection, we also carry out a literature review of whether the policy and academic literature is supportive of the concerns raised by these organisations.

NON-FINANCIAL BARRIERS TO RETRAINING, SKILLS ACQUISITION, AND ACCESSING GREEN JOBS

Inadequate careers guidance and lack of information

Several organisations emphasised the erosion of effective careers advice as a critical barrier. Career Ready noted that “severe funding cuts in schools and colleges have led to a lack of qualified career advisers, leaving young people without proper guidance on training and career pathways”. With one adviser often responsible for hundreds of students, many young people receive only the minimum statutory advice, limiting their awareness of non-university options or reskilling opportunities.

Groundwork reinforced this picture, pointing out that schools rarely provide clear information about green jobs or environmental careers. As a result, many young people hold outdated perceptions, viewing environmental work as either a passion project or manual outdoor labour, rather than a sector offering diverse professional pathways. YES made a similar observation, describing awareness of new opportunities as the first hurdle in a four-stage hierarchy: awareness of the role; belief that one could do it; finding a role that pays adequately; and meeting skill requirements. Recent surveys support this, with only a fifth of young people aged 16–23 (22%) feeling informed about the range of green jobs available to them.³⁰

SMF highlighted that poor guidance often leads to misaligned academic choices. Many high-attaining students from low-income backgrounds take A-level subjects that later restrict their options, such as neglecting to study mathematics when pursuing finance or STEM^d careers. These early missteps, stemming from a lack of advice, create barriers that later require costly retraining or additional foundation courses to overcome. Young people cannot pursue opportunities they do not know exist, and without accurate guidance they may unwittingly miss out on future options.

^d Science, Technology, Engineering, Maths

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Supporting evidence from the literature: This is backed by wider evidence showing that many young people receive inadequate information about green careers. In a Learning and Work Institute survey, young respondents reported low awareness of what green careers exist and what training to pursue, and felt that schools did not provide enough information on green jobs or the climate emergency's career implications.³¹ The Green Jobs Taskforce similarly highlighted the need to embed climate and sustainability into careers guidance and education, while the MCS Foundation found that very few students feel informed about green job options and that parents, teachers and careers advisers often lack the knowledge to guide them.^{32,33}

Limited pathways beyond academia

Closely linked to poor guidance is the structural shortage of viable non-university pathways. Career Ready noted that until very recently there was no centralised system to search for apprenticeships, leaving many students unsure where to begin if they did not want to pursue higher education. The interviewees argued that too few high-quality vocational pathways exist, creating a dichotomy between university and low-paid, low-skill work.

Groundwork described how entry into the environmental sector has historically depended on unpaid volunteering and personal networks – routes that are inaccessible to those unable to work for free or lacking connections. This creates a barrier not only to retraining but also to diversification of the sector, as disadvantaged young people are systematically excluded.

Multiple interviewees concurred that even when young people are aware of non-academic routes, the lack of structured progression frameworks makes it difficult to see a clear pathway. Unlike traditional professions, such as nursing or accountancy, green careers often lack visible ladders of advancement. This uncertainty discourages risk-averse young people from committing to retraining in these fields.

Supporting evidence from the literature: The wider review also points to the weakness of non-university routes. A report by the House of Commons Parliamentary Office of Science and Technology notes that improving the quality and

appeal of technical training could attract more young people into green skills development.³⁴ In addition, YouthLink Scotland found that the lack of a living wage when training or volunteering is one of the main barriers to youth entry into green employment, especially for those from low-income households.³⁵ More broadly, the literature suggests that practical experience is often treated as a prerequisite for entry into environmental work, yet access to that experience is itself unequally distributed.

Regional disparities and transport barriers

Regional inequalities emerged as a strong theme across multiple interviews. Interviewees note that opportunities are highly concentrated in London and other major cities, while rural and coastal areas often offer nothing within reach. Poor transport links compound this, with young people in smaller towns or rural communities facing long and expensive journeys to reach training or internships. For many, this cost is prohibitive unless subsidised.

Groundwork echoed this, observing that many jobs and training opportunities are in out-of-town industrial or environmental sites with limited public transport. For a young person without a car, a 7 am warehouse shift or conservation role may be impossible to reach. One interviewee noted that in some cases, "You'd have to set off at 4 am" to arrive on time by bus.

SMF noted a geographical skew in its own programme applications, with disproportionately high demand from London compared to other regions. This suggests that awareness, access to networks, and proximity to major employers all favour urban youth, while those in other areas face additional hurdles.

Rise Up UK provided concrete examples of transport poverty: young people unable to afford bus fares to interviews, or resorting to walking over an hour each way to attend training programmes. In some cases, charitable intervention was required to provide basic transport support.

These accounts demonstrate that geography and transport remain structural determinants of opportunity. Without targeted investment in

regional provision and transport subsidies, young people outside metropolitan centres will remain disadvantaged in retraining.

Socio-economic disadvantage, confidence, and soft skills

Beyond structural access, several organisations pointed to socio-economic disadvantage and associated confidence barriers. Career Ready highlighted a “whole range of socioeconomic barriers” that impede attainment and reduce self-confidence, making it harder for disadvantaged young people to pursue new skills. Rise Up UK observed that many young people emerging from the pandemic lacked basic confidence, having missed key socialisation experiences like exams or workplace interactions. As a result, they struggle with communication and self-belief in training or interview settings.

SMF framed this in terms of “self-efficacy”. As its CEO explained, joining a group of strangers in a professional setting, such as an assessment centre, requires social confidence that privileged youth often build unconsciously, but which their students lack. Without targeted coaching and mentoring, even highly talented young people may be screened out because they appear nervous or “not a good fit”.

YES identified a similar “belief gap”. Even when young people are aware of roles, many do not believe that “people like me could possibly do them”. This lack of confidence, compounded by the absence of relatable role models, prevents them from enrolling in retraining programmes or applying for entry-level positions.

Together, these accounts illustrate how disadvantage shapes not only access to opportunities but also the ability to engage with them.

Supporting evidence from the literature: These interview insights are consistent with wider evidence that disadvantaged young people are often underqualified for green jobs and may need additional training or practical experience to become eligible.³⁶ Some green roles, even at entry level, require stronger foundations in STEM subjects, technical knowledge, or level-3-equivalent qualifications, which can place them

out of reach for young people with low attainment or no clear route into further technical education. The literature also shows that environmental and green tech sectors have historically lacked diversity in terms of socioeconomic background, race, and gender, while a 2025 study found that minority ethnic young people face specific hurdles in apprenticeships, including racism, lack of cultural awareness, and a shortage of relatable role models.³⁷

There is also an employer-side dimension to this problem. In green sectors dominated by smaller firms, employers may lack the capacity to train young workers from scratch or to navigate apprenticeship administration; they may therefore prefer applicants who already have experience or higher-level qualifications. This reinforces the disadvantage faced by young people who have potential but lack the formal credentials, confidence or networks to signal readiness.

Systemic barriers for care leavers

The Drive Forward Foundation highlighted a distinct set of barriers for care-experienced young people, ie any young person who has spent time in care. At age 18, when they are no longer formally in care, many lose access to services and face what the organisation described as a “care cliff”. Frequent moves during childhood often disrupt education, resulting in significantly lower attainment: only 13% of care leavers enter university compared to 46% of the general youth population. Around half live with a diagnosed mental health disorder.

Housing instability is another acute barrier. One in three care leavers experiences homelessness within two years of leaving care.³⁸ Even those in supported accommodation face a perverse incentive structure: high rents covered by housing benefit mean that if they take a job or training, their benefit is cut, leaving them unable to cover costs. As Drive Forward puts it, young people can be “penalised for working”, sometimes accruing rent arrears after taking up employment.

These issues create a unique environment in which retraining is not simply challenging but structurally discouraged. Unlike other groups, care leavers cannot rely on family networks for financial or emotional support, compounding the barriers.

FINANCIAL BARRIERS TO RETRAINING AND SKILLS ACQUISITION

While barriers of information, geography, and confidence are significant, financial constraints emerged as the most immediate and universal obstacle across all interviews. These echo what the literature review revealed in the previous section of this report. The cost of participation, the opportunity cost of time spent retraining, and structural disincentives within the welfare system mean that for many young people, engaging in skills development is financially irrational.

Low training wages versus immediate income needs

Career Ready highlighted the stark contrast between wages in retail or hospitality and those in apprenticeships: “Retail jobs can pay around £12 an hour, whereas some apprenticeships pay only around £7.” For cash-strapped young people, there is “literally no incentive” to choose the apprenticeship route. Drive Forward echoed this point, emphasising that care leavers, who must cover rent and bills without family support, cannot survive on apprenticeship pay. This creates a perverse situation in which the very programmes designed to build long-term skills are inaccessible to those who need them most.

Rise Up UK reported similar calculations among its cohort. Many young people are pressured by families to avoid apprenticeships that reduce household benefits and instead to meet immediate income needs through welfare payments. In one case, a young man’s family told him he was “screwing up our benefits” by working, while peers mocked him for taking low-paid training work. YES also noted that when roles in the environmental sector are “not paid at a level that would make sense” for young people’s circumstances, they pass them up, even if motivated by interest or values.

Supporting evidence from the literature: The broader evidence base strongly supports this. A 2024 King’s Trust survey found that 25% of 16–25-year-olds said they could not afford to get the qualifications needed for the jobs they want, rising to one-third among those from poorer backgrounds.³⁹ Even when training is available

through apprenticeships or similar schemes, low pay during training can be a major deterrent. Apprenticeships are a common route into trades like electrical, construction, and engineering (all vital for green industries), but apprenticeship wages in the UK are often very low, the minimum being £8 for the youngest and first-year apprentices (starting in April 2026), which is well below the national minimum wage for workers over 21.

NatCen research found that low wages within apprenticeships can be a significant deterrent, particularly for those from disadvantaged socio-economic backgrounds.⁴⁰ OVO Energy research also found that 45% of young people were put off university by the cost of student debt, while the same proportion said they would like to enter an apprenticeship to gain the skills needed for a green job.⁴¹

Upfront costs of participation

Beyond low pay, the upfront costs associated with retraining can be prohibitive. A recurring theme in interviews was that many young people lack professional clothing, laptops, or even bus fares to attend interviews and internships.

Rise Up UK pointed out, some “don’t have access to laptops or internet”, hampering their ability to apply for jobs or complete online coursework. Travel costs are particularly acute. Career Ready raised how in some cases, young people “literally cannot pay the bus or train fare to attend an internship unless travel expenses are covered in advance”.

Multiple organisations described this issue in practical terms. Many disadvantaged young people lack money for basic work gear, such as steel-toed boots or personal protective equipment (PPE) or cannot afford childcare while attending training. To mitigate this, some provide subsidies for travel, clothing, and initial expenses, noting that without such support, these costs would block young people from engaging. Rise Up UK illustrated the human impact of transport poverty: one participant in Kent was prepared to walk 1.5 hours each way to training because he had no bus fare, until the organisation stepped in to fund his transport.

SMF also intervenes on this front, covering travel and accommodation for students from outside London who secure internships in the capital. Without such financial assistance, many “wouldn’t be able to take those opportunities up”, despite being academically qualified.

Supporting evidence from the literature: The literature review identifies the same problem. Nesta notes that both the direct cost of enrolling in training programmes and the opportunity cost of missing out on work to reskill are key barriers to taking up green skills training.⁴² Learning and Work Institute survey data similarly shows that 1 in 4 adults reports cost and affordability as a significant barrier to participating in learning, and those on higher household incomes are twice as likely to receive training from their employer as those on lower incomes.⁴³

Cost of living and debt aversion

The wider cost-of-living crisis compounds these barriers. Career Ready observed that means-tested maintenance support for students is “so off the mark”, leaving those just above the income threshold with no grants and parents who are unable to afford genuine support. As a result, many young people ask, “How am I going to afford to live if I go to university?” and decide that further study or retraining is not viable.

SMF noted that financial pressures force many students to choose universities based on affordability rather than suitability, or to remain at home rather than pursue the best academic fit. Fear of debt is especially pronounced among Muslim students, who may not take out interest-bearing loans for religious reasons; the absence of a Sharia-compliant student finance system means some are effectively excluded from higher education altogether.

YES reported that many young people perform a similar calculation regarding the long-term return on training. Faced with high housing costs and stagnant wages, they conclude that investing years in retraining will not enable them to achieve milestones such as home ownership, leading them to opt for immediate income instead.

How the high conditionality of welfare payments can create barriers to work

Several organisations highlighted how the highly conditional nature of the welfare system can inadvertently discourage work or training. Because of high levels of conditionality associated with welfare benefits, participation in work can often sharply reduce individual or household income. It was noted that young people on benefits worry they will be worse off financially if they take up training or employment, particularly if wages do not fully replace support for housing or disability.

The way housing benefit, and its universal credit equivalent, interact with work can be a particular problem for young people. Rise Up UK described cases where young people in supported housing are “explicitly advised by support workers not to work”, because doing so would reduce housing benefit and leave them no better off. Young people still living in their families who receive housing benefit can reduce their household income “non-dependant deductions”, with the size of the deductions dependent on the young person’s earnings. Families on the universal credit equivalent of housing benefit face a similar housing costs contribution – a flat-rate deduction in their household income if they work. Drive Forward described this as a critical barrier for care leavers. In supported accommodation, rents are so high that they are only sustainable through housing benefit. If a young person takes a job or training, their benefit is cut, and their wages cannot cover the rent. Many are not fully informed of this dynamic and end up in arrears, effectively “penalised for working”. This creates a perverse incentive not to engage in employment or training, trapping care leavers in dependency.

Supporting evidence from the literature: This problem is also clearly evidenced in the wider review. Youth Futures Foundation analysis showed that when a 16–18-year-old leaves full-time education to begin an apprenticeship, a household on universal credit and child benefit can lose nearly £80 per week; in some cases, the loss of entitlements outweighs the apprentice’s earnings, leaving the household worse off overall.⁴⁴ The analysis further showed that an 18-year-old apprentice might earn around £6.50 an hour,

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compared with roughly £9.25 an hour for a peer in casual part-time work, yet the household could lose entitlements that exceed the apprentice's earnings. In some cases, the result is that a family is left worse off overall, falling below a minimum acceptable income standard. Charities such as the Joseph Rowntree Foundation have raised broader concerns about how inadequate and highly conditional welfare support can act as a barrier to work. Our findings provide a new perspective on how this can affect disadvantaged young people taking their first steps in the labour market.⁴⁵

Opportunity costs

Groundwork described how young people in acute poverty must prioritise immediate survival over long-term investment; for those needing to “put food on the table,” retraining to enter a green job is a low priority. Rise Up UK observed that many of their participants already juggle low-paid jobs with family responsibilities, leaving no time to enrol in additional training. As one interviewee explained, even if a young person’s “passion may have been digital tech”, it is “very difficult” to leave a paying job to take up an unpaid or low-paid training course.

SMF highlighted that students from low-income backgrounds often have to work 20 hours per week during their studies to afford rent and living costs, squeezing out time for CV-building experiences such as internships or networking. This creates a double disadvantage: financial necessity forces them to sacrifice precisely the opportunities that would improve their long-term prospects.

The wider evidence similarly shows that many disadvantaged young people lack the savings or family support needed to absorb the opportunity cost of retraining. Even where courses are nominally free, participation may require time away from paid work, job-hunting or caring responsibilities. Without grants, subsidies, or a training allowance, those living paycheque to pay cheque are effectively locked out of reskilling opportunities.

Overall, the barriers young people face in retraining and skills acquisition are multifaceted, interlocking, and deeply structural. From inadequate careers guidance and limited non-university pathways to regional inequality, financial precarity, and systemic welfare disincentives, these obstacles cannot be addressed through isolated interventions. They demand a holistic policy response that integrates education, welfare, housing, and labour market reform.

At the core of these insights is a paradox: those who most need access to retraining – disadvantaged young people, care leavers, those outside major cities – are often those least able to afford or access it. Without intervention, the risk is that skills policy will exacerbate inequalities rather than reduce them.

DELIBERATIVE WORKSHOPS WITH YOUNG PEOPLE

In partnership with Involve, we conducted three one-day deliberative workshops with 42 young people to capture lived experiences and identify barriers to entering the labour market. The sessions were held in London, Manchester, and online to ensure broad geographical representation across England. Participants reflected a diverse mix of gender, ethnicity, location, and employment status, including those in work, training, education, and the Neet cohort. We gave attendees a £75 voucher to mitigate financial barriers to participation. This deliberative format allowed young people to move beyond identifying problems to co-designing practical policy solutions, many of which corroborate findings from our quantitative analysis, stakeholder interviews and broader literature review.

We present the results of the workshops, mirroring their format, where we discussed the challenges and the specific solutions that are attributable either to government or to other agencies more broadly. While participants were informed of the broader issue of green jobs, in practice, the discussions and deliberations often broadened to consider the barriers faced in accessing employment support in general. This reinforces the findings from our interviews with service providers in the previous section.

LIMITED CAREER PATHWAYS BEYOND HIGHER EDUCATION

Participants challenged the systemic push towards higher education as the primary route to career success, noting that it is highly competitive and often misaligned with individual strengths. The findings of our analytical section suggest this is a justified concern, since the majority of green jobs of the future may not require tertiary education. Many students and graduates felt university did

not provide the practical skills needed for their sectors of interest.

- **The guidance vacuum:** There is significant frustration regarding the lack of suitable pathways from secondary education into vocational careers, leading to uncertainty about post-school priorities. Participants noted that the focus on academic attainment often comes at the expense of technical and trade skills.
- **Debt aversion and the degree paradox:** A major concern is the accumulation of student debt without a guarantee of improved job prospects. Participants highlighted a disconnect where they end up with a degree but still require the experience they were never given the chance to gain.
- **Regional and rural disparities:** Workshops in the North of England highlighted that while higher education is often seen as a stepping stone, job opportunities remain concentrated in London and relocation is impossible for many. In rural areas, these barriers are exacerbated by fewer local employers and inadequate transport infrastructure.

Solutions for pathways:

- **Expanding technical routes:** Increasing the availability of traineeships, apprenticeships, and technical qualifications.
- **School culture shift:** Encouraging schools to promote non-academic pathways and highlight how these routes avoid the burden of student debt.
- **Skill-focused education:** Refocusing secondary school curriculums on the practical skills required to prepare for apprenticeships and further training.

Government-specific actions:

- **Evaluation of schools:** Measuring school success based on how well they support transitions into diverse careers that do not rely on higher education.
- **Subsidies and scholarships:** Providing financial support in high-demand sectors to help young people bridge skills gaps and afford qualifications.

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- **Catalysing mobility:** Increasing access to schemes like the Career Ready programme to help young people prepare for the labour market.
- **Post-degree support:** Offering bursaries for graduates to access vocational training if they feel trapped by their initial degree choice.
- **Curriculum reform:** Establishing a regulated course in schools specifically to explore the full range of career choices and providing transparent statistics on the outcomes of each pathway. The revised national curriculum to be announced in 2027, followed by a Curriculum and Assessment Review in 2025, could be an opportunity to institute these changes.⁴⁶

MAKING CAREERS FAIRS WORK

Careers fairs were identified as a valuable resource that currently fails to reach its potential. Many young people reported lacking the confidence to attend because they were unsure of how to engage with employers or what they should be trying to achieve.

Proposed reforms:

- **Practical guidance:** Providing attendees with information on what to expect, how long to stay, and specific questions to ask employers to build their confidence.
- **Inclusive advertising:** Promoting fairs through diverse networks such as faith groups, sports clubs, and social spaces to reach those outside formal education.
- **Lifelong access:** Ensuring fairs are available to those who have already finished school, recognising that career decisions are not always made at a set age.
- **Removing cost barriers:** Reimbursing travel expenses and providing food and refreshments to ensure the events are accessible to all.

INADEQUATE CAREER ADVICE AND MENTORSHIP

Inadequate support in state schools was identified as a significant initial hurdle. Without tailored guidance, many young people remain unaware of how to connect with available pathways or prepare for the competitive job market.

- **Tailored support:** Participants felt pressured by the competitiveness of entry-level roles and noted that careers advice was rarely individualised or clear on the costs and benefits of different routes.
- **The network gap:** There is a strong perception that state school students are disadvantaged compared to private school peers who benefit from better connections and parental support. Widespread access to relatable mentors was seen as a vital step in reducing this inequality and nepotism.

Proposed solutions:

- **Improved guidance:** Incorporating practical help with CV writing, interview skills, and the application process for jobs and apprenticeships directly into the school system.
- **Relatable mentorship:** Government-funded mentorship programmes, specifically for those from disadvantaged backgrounds, to help navigate specific career entry points.

COMPETITIVE JOB MARKET AND EMPLOYER RISK-AVERSION

The application process itself was described as inaccessible and demoralising. Participants criticised the demand for hours of unpaid labour for applications that often go unacknowledged, as well as the rise of bot-led recruitment processes that exclude neurodiverse applicants.

- **The experience trap:** Participants shared a common sentiment that true entry-level jobs no longer exist. Employers are increasingly viewed as risk averse, requiring prior experience for junior roles and preferring over-qualified candidates rather than hiring those who can grow into a role.

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- **Mental health impact:** The lack of constructive feedback after rejection contributes to a sense of hopelessness and damages confidence, particularly when compounded by the stress of financial insecurity.

Proposed solutions:

- **Broadening recruitment:** Encouraging employers to take a chance on those with less experience but a willingness to learn and use less specific job descriptions for entry-level roles.
- **Government incentives:** Providing financial support to encourage organisations, particularly smaller businesses, to hire young people starting their careers.
- **Stronger work experience:** Enabling more in-depth, month-long work experience placements in schools and colleges to provide realistic insights into different sectors, including green jobs.
- **Regulation of job titles:** Implementing stricter regulations on roles advertised as entry-level to legally ensure they do not require prior experience.

LOW PAY AND THE COST OF LIVING

The cost of living acts as a thread that intensifies every other barrier, often paralysing young people and preventing them from experimenting with different career options.

- **Survival over development:** Low pay in apprenticeships forces many to take roles in retail or hospitality to meet immediate needs, even if those sectors offer no long-term progression.
- **Transport poverty:** High travel costs are a major deterrent; participants noted that in cities like Bristol, the cost of multiple buses can consume the majority of a day's earnings.

- **Generational and crisis-driven inequity:** There is a sense of pessimism regarding the misfortune of missing key education years during the pandemic and having to navigate a competitive market during a financial crisis.

- **The safety net divide:** Wealthier peers were seen as having a financial safety net that allows them to take risks, such as unpaid internships or travelling for interviews, which are impossible for disadvantaged youth.

- **Vulnerability of care leavers:** The cost of living is particularly acute for 16–18-year-olds leaving the care system who do not have the safety net of family support.

Proposed solutions:

- **Wage and income reform:** Raising the minimum wage for apprenticeships and introducing a universal minimum wage to allow for training and experience.
- **Targeted support:** Providing scholarships, monthly income-based bursaries, or a government-paid salary (eg £50 a day) for work experience that is currently unpaid.
- **Welfare and transport:** Reforming the welfare system to better meet young people's needs and requiring employers to cover interviewee travel expenses.
- **Equitable travel:** Providing free bus travel for young people who are Neet and offering subsidised, accessible travel for those with disabilities to overcome unique physical barriers to employment.

POLICY CONTEXT PAST AND PRESENT

This section discusses the current policy context and how it relates to the barriers discussed in previous chapters.

WHY POLICY MATTERS FOR YOUNG PEOPLE'S ACCESS TO THE LABOUR MARKET AND GREEN JOBS

Evidence across the literature and stakeholder insights consistently points to young people facing interlocking barriers when trying to access good work and build skills for a low-carbon economy. Some of these barriers sit within the labour market (eg the experience trap and employer risk aversion), while others reflect the wider conditions that shape whether young people can participate in training or take up entry roles (eg transport, equipment costs, and unstable housing or caring responsibilities).

Government policy, therefore, matters in two ways. First, it shapes the supply of skills through the funding, design, and availability of technical routes (including apprenticeships, T Levels, and short courses). Second, it can reduce the risk and cost of entry for employers and young people – such as through wage subsidies, structured work experience, and employment support – so that initial opportunities do not depend primarily on personal networks or the ability to absorb low pay.

Recent policy experience also highlights the risks of relying on a patchwork of initiatives. Where schemes are stop-start or detached from delivery capacity, they can fail to build durable pathways. In the retrofit space, for example, independent scrutiny has pointed to oversight and quality assurance weaknesses in major energy efficiency delivery programmes (eg the green homes grant), issues that matter for both public trust and workforce development in adjacent green trades.⁴⁷

CURRENT AND UPCOMING GOVERNMENT POLICIES RELEVANT TO YOUNG PEOPLE, SKILLS, AND JOBS

Table 4 summarises major current or forthcoming policies that are directly relevant to young people's employment prospects and skills development, and considers how far they speak to the barriers highlighted in this report.

Table 4 focuses on the most prominent national policy levers. Alongside these, there is also an existing layer of employment support and skills provision that shapes young people's day-to-day experience of the system. For example, the Department for Work and Pensions' (DWP) Youth Offer provides additional help for many universal credit claimants aged 16–24 (including youth hubs and employability support, with scope for help towards travel and childcare costs in some circumstances).⁴⁸ Jobcentres also use Sector-based Work Academy Programmes (SWAPs), which combine short pre-employment training, a work placement, and a guaranteed interview or application support. These routes are not green by design, but they can be important stepping stones for young people who need confidence, recent work experience, and an employer connection before they can access more specialised training.⁴⁹

TABLE 4: SUMMARY OF KEY POLICIES AND HOW THEY MAP TO COMMON BARRIERS

Policy/initiative	Lead department(s)	Who it is for	What it does (key features)	Barriers it is most likely to address	Key limitations against common barriers
Jobs Guarantee (phase one)	Department for Work and Pensions	Eligible 18–21-year-olds on universal credit (UC) and looking for work for 18 months	Guarantees a fully subsidised six-month paid job (government covers 100% of employment costs for 25 hours/week at the relevant minimum wage) alongside wrap-around support. ^{50,51}	Addresses the experience barrier; reduces employer risk through wage subsidy; can support confidence and work readiness through structured support.	Does not automatically build occupational skills unless paired with training; effectiveness depends on job quality, progression, and whether participation costs (travel, equipment, caring) are addressed in delivery.
Youth Jobs Grant	Department for Work and Pensions	Businesses that employ eligible young people who have been on UC and have been looking for work for six months	Provides businesses with a £3,000 grant per young person they hire aged 18–24 who has been on UC and looking for work for six months. ⁵²	Reduces employer risk through grant funding, incentivising the employment of young people facing barriers to employment.	Effectiveness depends on business take up, job quality, progression, and whether participation costs (travel, equipment, caring) are addressed in delivery.
Apprentice Incentive	Department for Work and Pensions	SMEs who employ new 16–24-year-olds through apprenticeships	A £2,000 incentive available for SMEs per apprenticeship provided to 16–24-year-olds. This can be combined with the Youth Jobs Grant if the young person has been unemployed for six months. ⁵³	Reduces the up-front cost and perceived risk of taking on a young apprentice; may support apprenticeship starts among smaller firms.	England-only and SME-focused. Effectiveness depends on SME take-up, apprenticeship quality, progression, and whether participation costs (travel, equipment, caring) are addressed in delivery.
Growth and Skills Levy (reform of the Apprenticeship Levy)	Department for Education	Employers and learners across the post-16 skills system	Reforms levy-funded training to broaden eligible training beyond traditional apprenticeships, with updated rules and eligibility across the funding system. ⁵⁴	Could widen access to shorter, targeted training aligned to local and national skills needs; may support faster responses to shortages.	Flexibility can dilute funding available for apprenticeships without additional resources; does not resolve low apprenticeship pay or living-cost barriers without complementary income and support policies.
T Levels (including industry placements)	Department for Education	16–19 learners (technical route)	Technical qualification that includes an industry placement of a minimum 315 hours (approximately 45 days). ⁵⁵	Can address work-experience gaps and strengthen technical skill-building where placements are high-quality and relevant.	Placement availability and quality are uneven; young people without networks may struggle to secure suitable placements; travel and equipment costs can still exclude disadvantaged learners.

X
X

Policy/initiative	Lead department(s)	Who it is for	What it does (key features)	Barriers it is most likely to address	Key limitations against common barriers
V Levels	Department for Education	16–19 learners (vocational route)	Vocational qualification equivalent to one A Level, to be introduced in 2027. Intends to facilitate practical skills development and sectoral insight. ⁵⁶	Can provide practical skill development and career insight, where courses are of high quality and relevant.	Initial course offering is very limited in scope; skills training must reflect employer demand; risk that career insight is not substantive.
Skills Bootcamps	DfE (often delivered through local areas)	Primarily adults and 19+ (eligibility depends on local offer)	Free, flexible courses typically lasting up to 16 weeks, developed with employers and commonly offering a job interview at the end. ⁵⁷	Reduces upfront training costs; provides faster retraining routes into priority sectors where local demand exists.	The short-course model may not work for those who need foundational support; participation costs remain; outcomes vary by provider quality and local labour market demand.
Lifelong Learning Entitlement (LLE)	DfE/Student Finance England	Post-18 learners (modular finance reform)	Introduces a modular post-18 student finance system, with applications from September 2026 for courses and modules starting from January 2027 onwards. ⁵⁸	Improves flexibility for retraining and 'stacking' learning over time; may support transitions into new sectors over a working life.	As a loan-based finance reform, it may still leave lower-income learners facing debt aversion and maintenance constraints; does not directly address immediate living-cost barriers during training.
Clean Energy Jobs Plan (incl. Office for Clean Energy Jobs, steering and delivery commitments)	Department for Energy Security and Net Zero (cross-government)	Economy-wide workforce pipeline for clean energy sectors (including new entrants)	Sets out actions intended to expand and coordinate the clean energy workforce, including delivery commitments with other departments and stakeholders. ^{59,60}	Signals workforce demand and can improve coordination across actors; may reduce uncertainty that discourages employer investment in hiring and training.	Not a youth strategy by itself; risks prioritising mid-career transitions over first-chance entry routes unless youth pathways are explicit; limited direct impact on low pay, welfare constraints and transport barriers.
Youth Strategy	Department for Culture, Media and Sport	Schools, colleges, and the education system, young people aged 10–24, youth sector organisations, local authorities and communities	An umbrella strategy rather than a single programme. Employment-relevant strands include stronger careers guidance, two weeks' work experience across secondary education, an expanded Youth Guarantee, and more Youth Hubs. ⁶¹	Can improve guidance, work exposure, coordination, and local support around transitions into work, training and further study.	Many of its labour-market effects depend on separate delivery programmes and budgets; there is a risk of overlap or double-counting if those sub-measures are also listed separately.

Interaction with wider employment policy

The government's youth employment and skills measures are being introduced alongside significant changes to employment regulation under the Employment Rights Act 2025, with reforms phased through 2026–27. The Act has the potential to improve job quality and tackle the prevalent insecure work problems faced by young people in the labour market, as outlined in our analytical chapter. However, our findings suggest a need to build on this Act by expanding labour market opportunities for young people, addressing some of the significant barriers they face in accessing the green jobs of the future.

The implication is not that employment rights and youth progression are incompatible, but that youth-facing programmes need to be designed explicitly to de-risk early hiring and to support sustained outcomes (eg through clear progression expectations, wraparound support, and, where appropriate, time-limited incentives that reward retention and training). We discuss this in our recommendations section.

DO THESE POLICIES RESPOND TO THE CHALLENGES IDENTIFIED IN THIS REPORT?

Taken together, the policy landscape contains important building blocks. But the barriers highlighted by young people and stakeholders in this research suggest that outcomes are shaped by a small number of practical 'choke points': (i) the affordability of training and entry routes, (ii) access to credible experience and progression, (iii) employer risk and recruitment practices, (iv) guidance, networks and role models, and (v) the geography of opportunity (including transport and local labour demand). The extent to which current policies respond depends less on individual announcements and more on how far they are designed and delivered as a coherent pathway.

Affordability and participation costs. Across the policies reviewed, the most persistent gap is the one that most directly constrains participation: the cost of living while training or starting out. Programmes that make training 'free' do not remove the costs of attendance (travel, food,

equipment) or the opportunity cost of time. Skills Bootcamps can remove course fees, but they still require learners to absorb practical costs and are not designed primarily around younger entrants. The Lifelong Learning Entitlement (LLE) may improve flexibility and modularity, but as a loan-based finance reform it does not in itself guarantee adequate maintenance support, nor does it address debt aversion among those who already face financial insecurity. In practice, this means that without complementary support (eg transport support, equipment grants, and income stabilisation), the benefits of skills policies will tend to flow to those with stronger family safety nets.

To be clear, the government does recognise some of these participation costs and provides targeted support in parts of the system—eg through the 16–19 Bursary Fund (which providers can use to help with travel, essential books and equipment, or specialist clothing) and Learner Support for adults facing financial hardship (which can include help with travel, materials and equipment, and childcare).^{62,63} These mechanisms can make a real difference for some learners, but they are typically discretionary and administered by providers, so coverage and adequacy can vary across places and institutions.

Experience and first chances. The Jobs Guarantee is the clearest response to the experience trap because it creates a paid opportunity rather than relying on unpaid placements or informal networks – it aims to support 90,000 young people over the next three years with 1,200 referrals expected in Phase One.⁶⁴ Its design – fully subsidised employment costs for a defined period – directly reduces the risk employers face when hiring young people who have been out of work for a prolonged period. The scheme's ability to deliver lasting progression will depend, however, on whether placements are aligned with sectors where the UK needs workforce growth, and whether job quality and progression are safeguarded. There is also a delivery question: without clear standards for wraparound support and progression planning, young people could cycle through temporary jobs without building the occupational skills that underpin wage growth.

Skills routes and the quality of technical pathways. Reform of levy-funded training through the Growth and Skills Levy could help employers and providers respond more flexibly to evolving skills needs, including in clean energy and adjacent sectors. But flexibility can dilute investment in longer, higher-quality routes if not matched with clear priorities and sufficient funding. T Levels demonstrate the wider point: they were designed to strengthen technical education through substantial industry placements (at least 315 hours). Where placements are high-quality, this can be a meaningful bridge into work. Where placements are scarce or expensive to reach, the promised bridge can narrow, particularly for disadvantaged learners.

Further education capacity and delivery constraints. Many of these policies rely on further education colleges and training providers to scale provision quickly, whether that is delivering technical courses, supporting industry placements, or coordinating with employers. Yet stakeholders in this research repeatedly described the system's capacity as stretched, particularly after a decade in which funding pressures have limited staff time, specialist provision, and the ability to refresh equipment in line with fast-moving technologies. This matters for green skills, where credible pathways often depend on access to specialist kit and trainers with current industry experience.

Recent funding commitments do point in the right direction. For example, analysis of the government's post-16 reform programme notes that planned increases in 16–19 funding amount over the next two years, equivalent to around a 3% real-terms increase per student between 2025–26 and 2026–27.⁶⁵ However, the same analysis highlights that the scale of need is larger than a short-term uplift can resolve, particularly given the wider set of reforms and expectations now being placed on colleges. In other words, policy intent will only translate into outcomes for young people if it is matched by sustained investment in delivery capacity – staffing, equipment, and employer engagement – especially in areas where labour markets are tight and provision is thin.

Employer demand, coordination and the green labour market. The Clean Energy Jobs Plan is significant because it attempts to move beyond isolated initiatives towards coordinated workforce planning. It sets out actions intended to address workforce needs and strengthen delivery across actors. This matters because employer investment in entry routes is shaped by signals about pipeline stability and training capacity. But workforce plans do not automatically translate into equitable entry routes. Without explicit, resourced pathways for young entrants – including targeted support for those facing multiple disadvantages – sector growth can primarily benefit those already closest to opportunity. The plan also explicitly leans on partnership with employers and delivery organisations to build the pipeline – an important signal given past problems where policy intent was not matched by delivery capacity.

Guidance, networks, and information. Several policies implicitly assume that once routes exist, young people will be able to navigate them. In practice, information and networks remain a major divider: young people who receive strong careers guidance, or who can access workplaces through existing contacts, are more likely to secure relevant placements and entry roles. The DfE Sustainability and Climate Change Strategy may help build awareness and preparedness over time, but it is not a substitute for near-term mechanisms that actively connect young people to employers and paid opportunities in local labour markets. There are also national resources intended to help young people navigate options (including government careers information and signposting on funding support), but stakeholders consistently report that access to high-quality, tailored guidance remains uneven in practice.

It is also important to acknowledge that government has formalised expectations for careers provision in schools and colleges, including the role of the Careers & Enterprise Company, the Gatsby Benchmarks, and the National Careers Service as sources of information and support.⁶⁶ However, the persistent issue raised in this report is less the absence of frameworks, and more the uneven capacity to deliver high-quality, tailored guidance – particularly for young people who do not have informal networks to compensate.

A PATHWAY TO WORK

CONNECTING YOUNG PEOPLE TO GREEN GROWTH

Youth Strategy and early-stage access to the labour market. Beyond skills system reforms, the government's recently published Youth Strategy contains commitments that map directly onto the non-financial barriers raised by young people in this research, particularly the need for earlier, more meaningful exposure to work, and for credible guidance and support networks.⁶⁷ The strategy includes a commitment to introduce two weeks of work experience for every young person across secondary education, alongside measures framed around raising the bar on careers education and strengthening links to employers.

If implemented well, these measures could help address the experience trap upstream by ensuring that more young people, especially those without informal networks, leave school with at least some workplace exposure and clearer knowledge of pathways. The risk, consistent with lessons from earlier initiatives, is that access and quality become uneven: the young people who most need structured opportunities may be least likely to receive high-quality placements unless the programme is designed explicitly with inclusion in mind, supported by resourcing for schools, and connected to sectors where opportunities are expected to grow (including clean energy, retrofit, and nature restoration).

Geography and local delivery. Many green jobs are place-based (eg retrofit and local infrastructure), while many young people face constrained mobility. Policies delivered through local systems can be more responsive to local demand, but they depend on local capacity and stable funding. The risk is a postcode lottery: the availability of good pathways varies with the strength of local partnerships and the presence of engaged employers.

Finally, local delivery structures are increasingly central to how skills policy is expected to function. Local Skills Improvement Plans (LSIPs) are intended to align provision more closely with employer-identified needs, and the next cycle is expected to be published in summer 2026.⁶⁸ In principle, this is the kind of mechanism that could help translate national ambitions (including net

zero workforce demand) into local pipelines. In practice, the extent to which LSIPs strengthen opportunities for young people will depend on whether youth pathways and inclusion are treated as core priorities, and whether local partners have the resources and stability needed to turn plans into sustained provision.

Overall, the current policy mix contains credible levers on experience and workforce planning, but it remains weaker on affordability and on the practical conditions that make pathways equitable. For this report's recommendations, the key implication is that 'alignment' should mean stitching policies into end-to-end pathways that combine paid experience, recognised training, and practical financial support, rather than adding another standalone initiative.

POLICY RECOMMENDATIONS

This chapter sets out practical policy recommendations that respond directly to the barriers identified across the literature, stakeholder interviews, and deliberative workshops. The focus of these recommendations is on building pathways into good work and not adding another layer of standalone initiatives.

PRINCIPLES FOR AN EFFECTIVE YOUTH GREEN JOBS STRATEGY

Across the evidence in this report, five principles recur as conditions for success:

- Make participation financially viable: remove practical costs and stabilise incomes while training or starting out.
- Create first chances at scale: expand paid entry routes and meaningful work experience, with clear progression.
- Reduce employer risk while raising job quality: use wage subsidies and procurement levers alongside standards and retention expectations.
- Strengthen delivery capacity: invest in further education (FE) staff, equipment, and employer engagement so policy intent can be delivered.
- Make pathways navigable and local: improve careers guidance and ensure local planning mechanisms prioritise youth inclusion.

PRIORITY RECOMMENDATIONS

A. Make training and early labour-market entry affordable

The most persistent constraint across this report is affordability: the costs of living, travel, and equipment while training or starting out. Existing mechanisms (such as the 16–19 Bursary Fund and Learner Support) can help with travel and essential equipment, but they are discretionary and uneven in coverage. A coherent offer requires a clearer, more predictable entitlement that standardises existing support schemes while ensuring wider access.

Recommendations:

- Introduce a national participation support package for priority technical routes (apprenticeships, T Levels, Bootcamps, and pre-employment routes linked to clean energy and retrofit), combining: (i) transport support, (ii) equipment/PPE grants, and (iii) childcare support where relevant. Delivery should be simple for learners, with minimum expectations for provider support, so access does not depend on postcode.
- Complement the Jobs Guarantee's employment subsidy with a training-first income offer (time-limited allowance or wage top-up) for young people undertaking intensive priority training where there is no wage attached. This could be targeted at those without family safety nets and those at risk of Neet status. The aim is to make training a financially rational and meaningful choice for young people, relative to low-paid, insecure work.
- As the Lifelong Learning Entitlement is implemented, ensure maintenance and hardship support is designed to work for modular study in practice, ie they are adequate for learners taking shorter modules, and that debt aversion is not ignored in programme design that would otherwise exclude disadvantaged young people.

B. Addressing the experience trap

We defined the experience trap in the previous section as needing experience to get a job, but needing a job to gain experience. Paid first-chance routes can break this cycle, but only if they are connected to progression and protected from churn.

Recommendations:

- Design the Jobs Guarantee with wraparound support, and an expectation of progression into sustained employment. As phase one goes live, the government should prioritise rapid learning on what drives completion and post-placement outcomes. Following the first phase one evaluation (including sustained employment rates and early-leaver patterns), DWP should strengthen the progression opportunities for young people by:
 - i. requiring a simple written progression plan for each participant at the start of the placement (covering skills development and a realistic next step to sustained employment, apprenticeship, or accredited training), reviewed mid-placement; and
 - ii. adjusting employer reimbursement so that a small proportion is explicitly linked to agreed progression outcomes (eg completion plus a verified transition to a non-subsidised role, or progression into recognised training). This would build on existing acceptable employment requirements and reduce the risk that subsidised roles become short-term churn rather than a route into long-term work.
- Build on existing Jobs Guarantee requirements by adopting explicit minimum quality standards for subsidised youth placements, drawing on frameworks such as the EU Quality Framework for Traineeships (written agreement, learning objectives, supervision/mentoring, clarity on conditions). This is to ensure placements can reliably build skills and confidence rather than functioning as short-term labour. The Jobs Guarantee already requires wraparound support and support planning; the improvement is to make expectations on learning and workplace support more specific and auditable.

C. Rebalance apprenticeships towards youth access and viability

Apprenticeships remain the most credible non-university route into skilled work, including many roles that will grow as the economy decarbonises. However, low pay and employer risk aversion limit access for disadvantaged young people. The introduction of foundation apprenticeships also signals a recognition that some young people need pre-apprenticeship support before a full apprenticeship is realistic. The test will be whether these programmes reliably lead to progression, rather than simply keeping young people in a temporary scheme.

Recommendations:

- Build on the planned increase in the apprentice minimum wage (to £8 from April 2026) by testing targeted wage top-ups in priority sectors and/or for disadvantaged cohorts, so apprenticeships are viable without reliance on family support.
- As the Growth and Skills Levy expands eligible uses, including short apprenticeship units, set clear guardrails and publish monitoring on apprenticeship starts and completions for under-25s, so flexibility does not unintentionally dilute the entry-level apprenticeship pipeline. In other words, if more levy money is allowed to be spent on short courses, ministers should either increase the overall funding pot or ringfence a minimum share for apprenticeships, so new flexibilities are not paid for by reducing apprenticeship starts.

D. Invest in FE capacity

The literature suggests that delivery capacity is a binding constraint. While funding is not the only issue, sustained funding pressures in FE are consistently associated with shortages of specialist staff and limited ability to maintain industry-standard facilities. These are factors that directly limit the scale and quality of technical provision in priority sectors.

Recommendations:

- Create a targeted ‘green skills capacity’ investment programme for FE and training providers in priority regions. The investment will target instructor recruitment/retention, industry-standard equipment, and dedicated employer-engagement staff.
- Support shared facilities (regional training hubs, mobile training rigs, employer-college partnerships) to use economies of scale and reduce the cost of specialist kit, which otherwise makes local provision of training services difficult. Green skills academies are a good example that need to be scaled up.
- Measures such as DESNZ’s Warm Homes Skills Programme and the Clean Energy Jobs Plan commit to embedding workforce criteria in grants and procurement. The government should now build on this by setting clear expectations for local provider partnerships and publishing transparent reports on training numbers, completions, and progression outcomes, so delivery spend consistently grows the workforce base rather than depend on ad hoc or time-limited initiatives.

E. Make guidance and work experience inclusive

Frameworks for careers provision exist, but delivery is uneven. Young people without networks are least likely to access high-quality placements, mentors and timely information about routes into work.

Recommendations:

- Implement the Youth Strategy’s two-week work-experience commitment with an inclusion test. In other words, provide ring-fenced funding so schools and colleges serving disadvantaged cohorts can identify placements, support employers to host them, and cover participation costs (eg travel, meals, and basic equipment), so access does not depend on networks or ability to pay.

- Deliver the Youth Strategy’s mentoring commitment as a funded offer focused on young people with the weakest networks: commission-paid or supported mentoring and structured employer engagement in priority regions and for under-represented groups, with clear quality standards and links to work experience and progression routes.

F. Remove highly conditional features of the welfare system that penalise access to training and work

Evidence from stakeholders indicates that tight conditionality attached to welfare support can create challenges in accessing employment opportunities. This can particularly affect care leavers, those in supported housing arrangements, young people with high housing costs, and those living with families accessing housing benefit or its universal credit equivalent. This deters young people from taking training or even low-paid entry roles. Mechanisms exist to fix this issue, but our findings suggest they are insufficient to solve the specific challenges young people face when navigating the labour market.

Recommendations:

- Undertake a rapid, cross-department review of how benefit rules interact when 16–24-year-olds enter apprenticeships and other entry routes, focusing on cases where households can be worse off, and implement targeted fixes.
- Introduce protected transition arrangements for care leavers and young people in supported housing, reflecting evidence that delays and payment structures can generate rent arrears and hardship during the move into work or training.
- Build on existing jobcentre tools such as the Flexible Support Fund by making help with practical participation costs a routine, proactively offered part of employment support and by strengthening referral pathways into priority training routes.

ANNEXE

METHODOLOGY

For the vacancy data, we used the ONS Vacancy Survey, which relies on employer estimates for vacancies across industries. We used the vacancies industry data from July-September 2025, which shows the absolute number of vacancies by Standard Industry Classification (SIC) 2007.

We used the latest available Labour Force Survey (LFS) data to analyse median weekly wages across industries, and as part of our analysis of the most common green jobs among young people aged 16–24. The LFS provided person weights and income weights, which allowed us to scale our results and show them based on the population of the UK. The key variables used in our analysis are AGE (age), INDE07M (main industry group), SOC20M (main occupation), PWT24 (person weight 2024), PIWT24 (person income weight 2024), and GRSSWK (gross weekly pay in main job). We used PWT24 to scale counts of respondents to population level, and PIWT24 when calculating weighted gross median weekly wages. For wage analysis, only young people aged 16–24 who were in employment and reported positive gross weekly pay were included. Observations with missing or invalid weight values were excluded. LFS special codes (eg “does not apply”, “no answer”) were treated as missing; special codes may exist if certain questions are not asked every quarter or if some respondents are not contacted in successive waves, according to the LFS user guide.

A key limitation of our wage analysis is sample size: though the survey is large, once the data was filtered (to 16–24 year olds in work with positive pay), the analytical sample was considerably smaller (n = 653). Disaggregation by industry split the sample size further, which increased sampling volatility and reduced precision in wage estimates. Caution should be exercised when interpreting sector-level wage comparisons. Additionally, the LFS is a household survey; wages are self-reported, so may be subject to reporting error.

The occupations in demand data came from the Department for Education. It uses the following seven indicators to form the demand index: visas application density, skill shortages, vacancy density, annual change in hourly wage, wage premium, annual change in hours, and annual change in contract or temporary workers. We isolated occupations in critical demand; those that have “outliers in relation to the seven indicators” as opposed to those in elevated demand will have “above-average in relation to the seven indicators”. The index only includes 336 of the 412 occupations because “data for five or more indicators was missing or imputed”.

To separate the occupations into green and non-green, we used the classification created by the GLA, which categorises occupations according to the UK Standard Occupational Classification.⁶⁹ The GLA highlights how the transition to a green economy will change the requirements of existing occupations and create new ones. It classifies occupations in three types:

- Green new and emerging: the green transition will likely create the “need for new work and worker requirement” (eg environmental economists and sustainability consultants)
- Green increased demand: the green transition activities will likely increase the demand “for jobs without significant changes in skills requirements” (eg for bus drivers and electricians)
- Green enhanced skills: the green transition would likely lead to changes in “work or worker requirements within existing jobs” (eg plumber, construction manager, and financial adviser)

Additionally, we included those doing care work, education, and health activities as green jobs under the category of green increased demand. We collapsed these three categories into one green job classification, splitting jobs into two categories ‘green’ and ‘non-green’ for our analysis.

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