the POVERTY ALLIANCE
WORKING TOGETHER TO COMBAT POVERTY

APPG Poverty and Inequality: The Poverty Alliance's Response
Young people not in employment, education or training

April 2026

About us

The Poverty Alliance is Scotland's anti-poverty network. Together with our members, we influence policy and practice, support communities to challenge poverty, provide evidence through research and build public support for the solutions to tackle poverty. Our members include grassroots community groups, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.

The Poverty Alliance welcomes the opportunity to submit evidence to the Poverty and Inequality All-Party Parliamentary Group's Inquiry into the situation of young people not in employment, education or training (NEET). Our submission focusses on the structural drivers of NEET status, the social security response to young adults and young adults' experiences of Universal Credit (UC) and draws on a range of sources including forthcoming research by the Poverty Alliance into experiences of young people claiming Universal Credit in Scotland.

The structural drivers of NEET status

One in eight young people aged 16–24 are not in education, employment or training (NEET). Young people in the UK's lowest-income households are around 3.5 times more likely to be out of work and education than those in the highest.[1] In 2025, 40% of NEET young people were in material deprivation, twice the adult rate, with many unable to afford essentials such as heating and food.[2] The weak labour market, including ongoing high rates of inflation and hikes to national insurance, is affecting young adults more than any other age group.

Young people from low-income households are less likely to stay in education beyond 16. Those without qualifications are about twice as likely to be NEET as those with GCSEs or above and face worse labour market outcomes. The Covid-19 impact has also had significant, long-lasting impacts on young adults, particularly those living on low incomes, with socioeconomic disparity in school attendance widening since the pandemic.[3] There are also specific populations of young adults more likely to be NEET and facing specific challenges. For example, care-experienced young people face particular barriers to accessing employment, education and training. In recent research, over a quarter of 16–24-year-olds receiving UC reported that their childhood experience of being in care/receiving

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[1] The University of Manchester, 2026. 'Young people in UK's poorest households three times more likely to be NEET': https://www.manchester.ac.uk/about/news/young-people-in-uks-poorest-households-three-times-more-likely-to-be-neet/, accessed: 17 April 2026.
[2] Casey, R. and Elliott, J., 2025. 'Unlocking the potential of young people furthest from the labour market'. York: Joseph Rowntree Foundation.
[3] Dräger, J., Klein, M. & Sosu, E., 2024. The long-term consequences of early school absences for educational attainment and labour market outcomes. *British Educational Research Journal*, 50, 1636–1654.

support from social services make it more difficult to stay in their job.[4] There are also stark inequalities in NEET rates with regards to disability, ethnicity, and regionally.[5]

Young people in employment are also more likely to be in low-paid and insecure forms of work. A recent survey found that 'disadvantaged'[6] young adults receiving UC are more likely to be working on zero-hours contracts (19%) or temporary contracts (17%) than those 25 and over.[7] Involuntary part-time working is also prevalent among non-student women with children (64%) and disabled young people (48%) compared with 35% of non-student young people overall.[8]

The social security system response to young people and lived experience of UC

One in ten young adults (aged 16-24) in the UK depend on Universal Credit for managing essential living and housing costs.[9] It is an important lifeline, providing vital financial support at a time when young adults are also often navigating employment, education, and independence. However, young adults receiving Universal Credit can face multiple barriers to accessing their entitlement to social security.

In the UK, there has been a long-term and cross-party trend of welfare support for young adults being lower than for working-age adults and pensioners. Younger single adults, under the age of 35, are also only entitled to a shared accommodation rate for private rented housing under UC (with some exceptions), with this rate limiting their housing options to a single bedroom in a shared house. Lower amounts of social security for young adults have continued under the Labour Government, despite criticisms from civil society organisations and academics highlighting how this does not reflect the realities of many young adults', and particularly young adult parents' lives.[10]

Research conducted by the Poverty Alliance[11], and others[12], highlights a range of issues that young people claiming UC experience including:

- a lack of adequate information and advice around UC, and social security more broadly from the DWP and Jobcentres;
- mixed experiences of work coaches and a lack of continuity of work coaches;
- struggling financially and not being able to afford basic essentials due to the UC five week wait and inadequacy of the lower UC standard allowance for young adults under the age of 25;

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[4] Department for Work and Pensions, 2025. *Survey of disadvantaged groups on Universal Credit covering: care experience, ex-offenders, homelessness and substance dependency: Final Report*. Data Table 18.
[5] Social Mobility Commission, 2025. *State of the Nation: The evolving story of social mobility in the UK.*
[6] Disadvantaged groups in the research included: care experience, ex-offenders, homelessness and substance dependency.
[7] Department for Work and Pensions, 2025.
[8] Murphy, L. and E. Bukata, 2023. *Narrowing the youth gap: Exploring the impact of changes to the minimum wage on the incidence of low pay among young people.* Resolution Foundation.
[9] Department for Work and Pensions Stat-Xplore, 2026. 'People on Universal Credit' DWP Stat Xplore, accessed 23 April 2026; Office for National Statistics (ONS), 2025. 'Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2024'.
[10] One Parent Families Scotland, 2025. 'End Young Parent Poverty: Top up the Scottish Child Payment'. End Young Parent Poverty: Top up the Scottish Child Payment, accessed 24 April 2026.
[11] Wilks, L., P. Pearson & L. Roberston, Forthcoming. *Accessing a reliable and adequate safety net through social security – experiences of young adults claiming Universal Credit in Scotland.* The Poverty Alliance.
[12] Youth Futures Foundation, 2025. *The Youth Guarantee and the benefits system: Challenges, opportunities, and changes needed.*

- experiences of stress and anxiety due to unrealistic work search requirements, higher rates of sanctions for young adults compared to other age groups, and near-constant fear about loss of income through sanctions.

Research by the Poverty Alliance[13] highlights specific challenges faced by care-experienced young adults and a one-size-fits-all system that does not meet the needs of this specific group. For example, during the UC application stage, care-experienced young adults reported the challenges they faced as a consequence of not being able to provide an address history due to experiences of homelessness.

> *For about four months I was homeless, so when I turned 18, after all that, they were like, well, can you explain the four-month gap? And I was like, I was on the streets. They were like, huh? I'm on the streets, what else can I say? So no homeless shelter, no nothing. No, I was on the streets. So they made me put down any random address, and I was like, okay. [I] put down one of my addresses that I thought of, my granda's at the time, and they basically turned me away for that as well. I was like, well, what do you want me to do? There's no option to tick (Care-experienced young adult).*

Young parents claiming UC also face specific challenges with research evidence showing that young parents navigating UC often feel that their caring responsibilities are overlooked by work coaches and DWP staff. Stricter welfare conditionality for parents, introduced in 2023, has been criticised by civil society organisations.[14] There is no recognition of the high costs of childcare and that childcare and can be difficult to organise at short notice and young parents also report that the Jobcentre is also not child friendly.

Young adults' experiences of sanctions

Young adults, particularly young men, are more likely to be given sanctions than other age groups. In November 2025, the UC sanction rate (including those subsequently overturned) for people aged 16-24 was 10.6%, compared with 4.7% for those aged 25 and over (DWP Stat Xplore, 2026). This is partly explained by the fact that young people are more likely to have work-related requirements when claiming UC; in November 2025, 47% of 16-24-year-olds claiming UC were under a conditionality regime where sanctions can be applied, compared with 23% of those aged 25 and over (DWP Stat-Xplore, 2026).

Several studies have shown sanctions, and the threat of sanctions, can negatively impact mental and physical health of people receiving social security. Research also shows that sanctions lead to material deprivation including not being able to afford basic essentials and debt. The adverse effects of multiple benefit sanctions on young people include alienation of young people from employment support services and pushing people further away from sustainable work.[15]

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[13] Wilks, L., P. Pearson & L. Roberston, Forthcoming.

[14] Fife Gingerbread, 2023. 'Changes to Universal Credit conditionality: Gingerbread's response', October: Changes to Universal Credit conditionality: Gingerbread's response | Gingerbread, accessed 24 April 2026; Talbot, R. 2024. 'Universal Credit Conditionality Changes & the Impact on Single Parent Families', Single Parent Rights: Universal Credit Conditionality Changes & the Impact on Single Parent Families (Full Report), accessed 24 April 2026.

[15] Rochow, T, 2025. 'Young people's experiences of multiple benefit sanctions: secondary analysis of qualitative longitudinal data', *Journal of Youth Studies*, 1–18; Public Law Project (PLP) & Central England Law Centre (CELC), 2025. Sanctionable Failures: Universal Credit's failing sanctions regime and the harm it causes.

The Public Law Project on UC sanctions recently concluded that the conditionality and sanctions system is 'characterised by failings at every stage of the journey: from the initial decisions about what conditions are imposed on people, through to the decision to apply sanctions for alleged failures to meet those conditions, through to the process for appealing them once they are imposed'.[16]

More research has been called for on young adults' experiences of sanctions including why young people experience far higher rates of benefit sanctions than older claimants and how gender and race intersect with youth benefit sanction experiences, and the long-term impacts of sanctioning young claimants.[17] However, existing research clearly evidences that the UC conditionality and the sanctions regime specifically is experienced as punitive, people are often sanctioned for reasons outside of their control, and that the current system does not sufficiently safeguard potentially vulnerable groups.

Key Recommendations

- End the arbitrary five-week wait for Universal Credit by making advances non-repayable to ensure that no young adult is left without adequate income.
- Remove discrimination by age in Universal Credit payments so that there is a single standard allowance and ensure benefits rise by the higher rate of inflation and earnings growth each year.
- Conduct a comprehensive review of the sanctions system with a view to reducing the severity and proportion of people affected by sanctions, introduce clear and adequate warnings and improve communication with recipients. Ensure that sanctioning young people is exceptional rather than the rule and end the use of sanctions for people with complex needs.
- End age-based minimum wage bands and ensure all young workers receive at least the real Living Wage.
- Ensure all young people have access to specialist employment, education, and training support.

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[16] Public Law Project (PLP) & Central England Law Centre (CELC), 2025.
[17] Rochow, T, 2025.