

Chancellor's Budget must address labour market participation across all age groups, CIPD warns

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The CIPD is calling for a broad strategy to boost labour market participation across all age groups, not just the over-50s, which the UK government's review of inactivity has primarily focused on to date.

This comes as [new CIPD analysis](#) shows almost one million young people have been lost from the labour market over the last 30 years, highlighting the need for the government to take steps to boost participation across all age groups.

CIPD's analysis found that:

- More 16-24-year-olds are not working, but would like to work, than those aged 50-64, despite the latter group being the current focus of government policy to boost labour supply.
- While more young people are studying full-time, fewer are taking up any kind of work while studying, including apprenticeship starts, to the detriment of labour supply and their employability.
- An extra 913,000 people would be in the workforce today, if young people had the same employment rate as 30 years ago.
- Apprenticeship opportunities for young people have declined in recent years. Nearly 400,000 more 16-24-year-olds would have benefited from an apprenticeship over the last six years, if the numbers going to young people had continued at least the same level as when the Apprenticeship Levy was introduced in April 2017.

In response to these challenges, the CIPD, the professional body for HR and people development,

recommends that a strategy to boost labour market participation should have three key elements: Boosting skills and training to help younger people into work by:

- Increasing investment in careers advice and guidance in schools.
- Reforming the Apprenticeship Levy into a training and skills levy to boost funding for apprenticeships for young people and support employer investment in skills.

Supporting workers' health and wellbeing by:

- Developing a preventative and targeted occupational health support and advice service for SMEs, taking account of lessons learned from the Fit for Work service.
- Reforming Statutory Sick Pay (SSP), increasing the rate of pay and making it more flexible to support retention and phased returns to work.

Promoting and supporting the creation of more flexible, good quality jobs by:

- Using the reach of the government's [Flexible Working Taskforce](#) to boost the provision and uptake of all forms of flexible working, reinforced by a well-resourced communications campaign.
- Reviewing and improving the quality of regional business support services to boost SMEs' investment in technology, people management and development.

Jon Boys, senior labour market economist for the CIPD, said: "There are multiple challenges currently facing the UK labour market, including our ageing population, the impact of technology on jobs, and changes to immigration rules and patterns. These are only going to become more acute, so it's critical that the government develops a clear strategy to boost labour market participation and reduce inactivity across all age groups. This will require changes to policy on skills, occupational health access and support and a renewed focus on creating more flexible, high-quality and productive jobs across the economy. "As our analysis shows, it's important that the current focus on addressing the decline of over-50s in employment doesn't obscure the need and opportunity to get more young people into work. While the extension of higher education opportunities has had significant benefits, the evidence suggests there's also a need for better vocational routes into employment to provide a viable alternative to the degree route."

Story from [CIPD](#)