

Being Young Being Heard

The impact of the recession on young people in Scotland



*based on the evidence of
Citizens Advice Bureau
clients across Scotland*

by Keith Dryburgh, Alizeh Hussain, Matt Lancashire

Citizens Advice Scotland

Scottish Association of Citizens Advice Bureaux



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Citizens Advice Scotland and its CAB offices form Scotland's largest independent advice network. CAB advice services are delivered through service points throughout Scotland, from the islands to city centres.

The CAB service aims:

to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively

and equally

to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The CAB service is independent and provides free, confidential and impartial advice to everybody regardless of race, sex, disability or sexuality.

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36,000

16-18 year olds not in education, employment or training

£21,400

Average mortgage deposit required for first time buyer

£51.85/week Jobseekers Allowance (Under 25)

£65.45/week Jobseekers Allowance (25 and over)

£7,800

Average final year student debt

8.5%

Proportion of 18-24 year olds claiming JSA

79%

Increase in 18-24 year old JSA claimants

187,000

Number of issues young people need advice on each year in Scotland

50

Young people applied as homeless every day in 2009

£9,679

Average debt of young person asking for debt advice

Executive summary

1. As the country tentatively leaves the deepest recession of modern times and enters a new age of austerity, it is worth examining who has been most severely affected by the downturn and who stands to lose the most in public sector cuts. On both counts, there is strong evidence to suggest that young people have lost out and will continue to do so.
2. Unemployment and redundancies have been the most visible effect of the recession on young people. Young people are three times more likely to be unemployed than the average worker, with the number of 18-24 year olds claiming JSA in Scotland increasing by 79% in the three years after August 2007. Whether it is school leavers, students, graduates, employees, or apprentices, young people across the country are struggling.
3. Unemployment isn't the only problem to affect this age group. As redundancies hit home, an increasing number of young people will turn to benefits for help. When they apply, they will realise that they will inexplicably get less support than older people.
4. Young people are increasingly finding that their access to affordable housing is limited. The private rented sector is quickly becoming the default housing tenure for young people, as they are priced out of owning their home and are not designated as being in enough housing need to access social housing. An increasing number of young people are living at home with their parents as housing costs impair their ability to live independently.
5. A common theme in this research is that young people feel that they are stuck in-between where they are and where they want to be. They have employment experience but not quite enough; they can afford private rented housing but want to buy their own home; they have qualifications but are underqualified. This generation of young people are not lost – not yet – but the effect of the recession has been that they have become trapped in unemployment, in low paying unsatisfying jobs, in expensive private lets, on benefits that keep them afloat but don't give them a leg up; and ultimately in a place where their potential is going to waste.
6. While these are problems that can affect all people in society, they are hitting young people the hardest. And it is these problems that could dictate the future of this generation and the country they live in. Once a young person has been out of work for a long period, they become less likely to be employed in the future, earn less in the employment they manage to get, and are more likely to suffer ill health in their lives. Young people may be the future, but their problems are very much the present.

Key points from the research

Youth unemployment

7. Unemployment and redundancies have been the most visible effect of the recession on young people. More than half of young people in the survey identified employment as their biggest problem at the moment.
 - The unemployment rate for young people is around 20%. This is more than three times the unemployment rate among older workers.¹
 - The JSA claimant count in August 2010 for 18-24 year olds was 8.5% compared to 4.1% for all people of working age in Scotland. Around 3 in 10 people claiming JSA in Scotland are under the age of 25.
 - The claimant count for those in receipt of Job Seekers Allowance (JSA) has increased significantly for 18-24 year olds in Scotland. The count increased from 23,400 to 41,895 between August 2007 and August 2010 – an increase of 79%.
 - The highest 18-24 claimant rates are found in the West of Scotland, particularly in North Ayrshire, East Ayrshire, and Inverclyde. North Ayrshire has a claimant rate that is roughly three times that of Aberdeen City, showing the disparities that exist between regions of Scotland.
 - The number of 18-24 year olds claiming JSA more than doubled between August 2007 and August 2010 in seven local authorities across Scotland. The worst affected areas appear to be local authorities in which youth unemployment was previously low, including East Lothian, East Renfrewshire, and Midlothian.
 - A number of studies have shown that young people who are unable to find employment suffer confidence issues that affect them in their current pursuit for employment and their future health. Young people in the survey talked about the depressing nature of being unemployed.
 - Young people have been disproportionately affected by redundancies in the recession. Young people are likely to be affected by 'last in; first out' policies, are likely to be a cheaper option for employers in relation to redundancy than older workers, and in any event are more likely to be selected for redundancy due to a lack of experience.

Benefits

8. Young People and their benefit entitlement is a complex maze for any young person to find a path through. The CAB service sees clients for whom the consequences of this complexity can result in significant debt and housing problems.
 - The number of young people under the age of 25 that are claiming any type of benefit increased from 65,530 in August 2007 to 81,960 in

¹ The Cost of Exclusion: Counting the cost of youth disadvantage in the UK – Princes Trust (2010)

May 2010 – an increase of 25%. Out of work benefit claimants under the age of 25 increased significantly during this period. Around 13% of young people in Scotland claim some sort of benefit.

- The evidence from this research suggests that young people are unhappy claiming benefits and are desperate to find employment. It is likely that young people are underclaiming the benefits that they are entitled to.
- Historically, benefits have been paid at a lower rate to young people. This may be based on the view that their household costs are lower than older age groups, due to many living with parents, and consequently having fewer financial responsibilities and so on. However almost two thirds of CAB young clients aged 16 – 25 who visit a Scottish Citizen Advice Bureau live independently, with the same or similar household costs to many claimants older than them.
- Young people under the age of 25 are not entitled to Working Tax Credit. This has left many young people who are committed to working at a financial disadvantage compared to people aged over 25. A number of young people find this unfair.
- In the backdrop of the recent recession, issues such as entitlement, payment problems and DWP/HMRC administration issues have increased for young people. This has caused financial hardship and stress for vulnerable young people and families.
- A number of young people have struggled to claim Job Seekers Allowance (JSA) after being made redundant, with some finding themselves ineligible and others affected by delays caused by administration problems.

Housing

9. The last twenty years has seen a shift in young people's housing tenures from owner occupier and social rented housing to private rented housing. As affordable lending continues to be unavailable and social housing remains at a low level, this trend is likely to continue into the foreseeable future.
 - The majority of young people in the survey and 4 in 10 bureau clients under the age of 25 live with their family. Many of these young people were over the age of 21 and in employment. It is likely that the recession will increase the number of young people who are unable to afford to live independently.
 - The collapse in mortgage lending, coupled with high house prices and competition with the buy-to-rent sector, ensures that first-time buyers continue to struggle at the foot of the housing ladder.
 - The private rented sector has become the default sector for most young people. Priced out of owner occupier housing, and unable to access social housing, many are only able to access private rented housing. However, due to competition for tenancies, private rents are rising and national evidence shows that young people living in the

private rented sector have higher average housing costs than young people in all other tenures.

- Almost a third of homeless applications made in Scotland are made by a single person under the age of 25. The number of single young people assessed as priority homeless increased by 20% between 2007 and 2009. This increase was mostly driven by a 40% increase in single 18-24 year olds being assessed as priority homeless.

Debt

10. Debt can be a significant source of worry and stress for young people, with many in the survey talking about their experience of debt. A study prior to the recession found that more than half of all 16-24 year olds say money is the issue currently worrying them the most, with nearly one in three saying that they worry 'all' or most of the time about their problems².

- Debt is a common problem brought to citizens advice bureaux by young people. In 2009, the average level of debt brought by a debt client under the age of 25 was just under £10,000 and had doubled since 2004.
- For a number of young people, redundancy and job loss was the instigating factor for their debt problems. For others, a decrease in working hours and pay caused affordable credit to turn into unaffordable debt.
- A number of students and graduates blamed the cost of full-time education for their debt problems. Recent figures show that the final year university student in Scotland has an average debt of nearly £8,000.
- Young people were likely to blame their debt problems on easy access to credit and their inexperience in dealing with money. Bureaux evidence suggests that young people were lent money irresponsibly prior to the recession.
- Evidence from citizens advice bureaux has suggested that young people are more likely to **want** to access bankruptcy than older clients, but less likely to be **able** to access bankruptcy.
- Young clients approaching citizens advice bureaux for debt advice were much more likely than older clients to hold overdraft debts (59% of young clients), catalogue debts (41%), and hire purchase agreements (18%). The proportion of young clients with overdraft debts almost doubled between 2004 and 2009. More than half of young clients held a landline or mobile phone debt, and were almost five times more likely than older clients to hold this type of debt.

² GfK NOP poll for Citizens Advice, adviceUK and Youth Access in 2007

Recommendations

11. Young people have been hit hard by the recession, but their situation can be reversed. A failure to support young people through the effects of the recession and the coming budget cuts could make them a lost generation.
12. Based on the findings of this research and the views of young people themselves, we have made a series of recommendations that we believe will help this generation - and future generations - of young people:

A continuation or replacement of the Future Jobs Fund

The Government has announced that the Future Jobs Fund will end in March 2011. The Fund has had some success in helping young people into employment, so we argue that a replacement must be in place whilst youth unemployment continues to be high.

Provide targeted and personalised support for young people in the new Work Programme

It is essential that the Work Programme works for young people. Back to work providers should be incentivised to ensure that they help young people that are furthest from the job market into sustainable employment.

Young people in internships should receive support

Internships are increasingly become a significant career route for young people, providing welcome experience. However, many are unpaid thereby creating a barrier for those who lack the means to work without a wage. Employers could commit to paying internees the £2.50/hour training wage that apprentices are entitled to, while the Government should ensure that young people in unpaid apprenticeships continue to be entitled to welfare support.

Establish a Fair Employment Commission

CAS has called for a number of years for a Fair Employment Commission to be established by the UK Government to oversee employer activity, investigate complaints, and take enforcement action against rogue employers.

Extend entitlement to Working Tax Credits to young people

Single young people with no dependents are not entitled to Working Tax Credits based solely on their age. This lack of support can lead to debt and housing problems for young people.

Improve the advice provided to young people in Jobcentres

It is imperative that Jobcentre advisers are aware of young person entitlement to benefits and are aware of the different circumstances and support needs that young people present. However, the experience of young people shows that this is not always the case and young people can suffer from unclear or contradictory advice.

Improve support for young people through the Housing Benefit system

The current Housing Benefit system is discriminatory towards young people and can make the transition to independent living very difficult. The proposed changes to Housing Benefit will worsen the situation further. The Government should reconsider the changes based on the adverse impact that it will have on young people and other vulnerable groups in society.

Improve education on money management at school

A clear message from young people in the research was that education on money management at school would have helped them to avoid the debt and money worries they have since experienced. We recommend that the UK and Scottish Governments provide funding for organisations such as citizens advice bureaux to provide this service.

Ensure that young people are able to access advice and support

Young people are experiencing more problems at a time in which youth and advice services have less ability to help them. The UK and Scottish Government should commit to providing the resources and funding that advice agencies and youth groups require to help young people. The alternative would be to allow the problems suffered by young people to get worse.

Introduction

13. Citizens Advice Scotland (CAS) is the umbrella organisation for Scotland's network of 80 Citizens Advice Bureau (CAB) offices. These bureaux deliver frontline advice services throughout nearly 200 service points across the country, from the city centres of Glasgow and Edinburgh to the Highlands, Islands and rural Borders communities.
14. Citizens advice bureaux helped clients deal with 545,715 new issues in 2009/10. That's nearly 1,500 new issues for every day of the year. Bureaux dealt with 22 new issues for every 100 households in Scotland in 2009/10.
15. Bureaux in Scotland helped around 270,000 people with new problems in 2009/10. Using client profile gained from over 15,000 clients across Scotland, an estimated 1 in 10 clients are under the age of 25. This suggests that up to 27,000 young people visited a bureau for advice in 2009/10.

Young people in the recession

16. The Credit Crunch, and the subsequent recession, has impacted on all sections of society. While it was initially seen as a 'middle class' recession when the financial sector was first hit with job losses, it is now accepted that the effects of the downturn have been felt across all job sectors and income brackets.
17. However, one group in society appears to be more greatly affected than all others – young people. Whether it is school leavers, students, graduates, employees, or apprentices, young people across the country are struggling.
18. In some ways, this is not a new phenomenon. Young people tend to have a higher unemployment rate than the rest of the population, while the number of young people classed as 'NEET' (Not in Education, Employment or Training) remained high as growing prosperity passed these young people by.
19. However, the scale of the growing problem is quite staggering. Official figures show that one in every five young people aged 16-24 are now unemployed. For 16-17 year olds, this figure jumps to one in every three. These are the highest rates since unemployment began to be counted for these age groups in 1992.
20. While all sections of society are being hit by the economic downturn some groups are better placed to weather the storm and emerge in secure and sustainable employment as conditions improve. It is those without qualifications or much experience that will feel the effects of the recession long after it has disappeared from our TV screens. The Prince's Trust fears the poorest youngsters will be particularly affected by the recession. They say that young people in deprived areas will be hardest hit as unemployment rises and local youth services become vulnerable to cuts.
21. Unemployment isn't the only problem to affect this age group. As redundancies hit home, an increasing number of young people will turn to benefits for help. When they apply, they will realise that they will inexplicably get 20% less in Jobseeker's Allowance payments than their friend who is over

the age of 25. Young people who apply for Housing Benefit will find that they are entitled to less housing support than adults over the age of 25.

22. Young people are finding that their access to affordable housing is limited. The private rented sector is increasingly becoming the default housing tenure for young people, as they are priced out of owning their own home and are not designated in enough housing need to access social housing. However, the increased competition for private lets is driving up rent levels, thereby making private renting too expensive for many young people. As a result, an increasing number of young people are living at home delaying their transition to adulthood and independence.
23. The problems that young people experience in education, employment, and housing all impact on the health of this age group. These problems will also impact on the health of this generation as they grow older, leading to a greater risk of health problems later on in life and reduced life expectancy. In particular, the mental health of young people can be severely affected. A survey by The Prince's Trust found that almost one in four 16-25 year olds said they are 'often' or 'always' down or depressed, while almost half said that they are regularly stressed.³
24. While these are problems that affect all people in society, they are hitting young people the hardest. And it is these problems that could dictate the future of this generation and the country they live in. Once a young person has been out of work for a long period, they become less likely to be employed in the future, earn less in the employment they manage to get, and are more likely to suffer ill health in their lives. Young people may be the future, but their problems are very much the present.

Access and demand for advice

25. National evidence shows that young people are more likely to experience problems than older adults but less likely to seek advice. Based on data from the English and Welsh Civil and Social Justice Survey (CSJS), 58% of problems experienced by young people did not receive advice, compared to 47% of all adult problems. Young people were almost twice as likely to have tried and failed to get advice for their problem. Despite access to new technology, young people were far more likely to access face-to-face advice than older adults.⁴
26. In 2009, Youth Access made an estimate of the need and demand for advice amongst 16-24 year olds across the UK⁵. They estimate that over a typical one-year period:
 - 16-24 year olds in the UK will experience at least 2.3 million legal problems requiring advice (of which over 600,000 would be experienced by NEETs).

³ The Prince's Trust YouGov Youth Index, January 2009

⁴ Young people's access to advice (2009), Youth Access

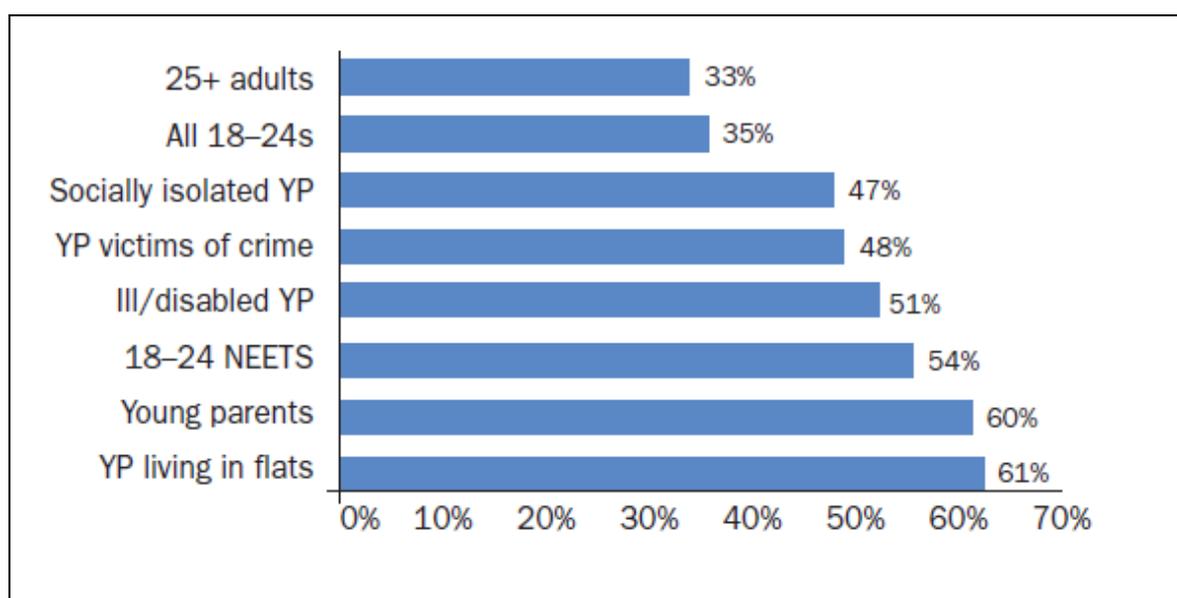
⁵ The advice needs of young people – the evidence (2009), Youth Access

- Of these, young people can be expected to seek advice in relation to around 1.2 million problems.
 - Young people will not seek advice in relation to a further 1.2 million problems.
27. This suggests that there is around one legal problem requiring advice for every three young people each year. Applying this estimate to Scotland would suggest that **young people in Scotland experience over 187,000 legal issues requiring advice each year – over 500 for every day of the year.**
28. This estimate is based on evidence gained prior to the recession, and is likely to underestimate current demand for advice. The numbers of young people out of work and experiencing debt and housing problems have increased greatly in the last two years, which is likely to have increased the need for advice amongst this age group.
29. Citizens Advice England and Wales noted in November 2010 that they had helped young people with 729,825 problems in total – an increase of 21% on the previous 12 months. There is therefore likely to be an equally substantial and increasing demand for advice from young people in Scotland.
30. It is essential that young people receive support and advice to help them deal with their problems. However, there is evidence to show that organisations that support young people have been as badly affected by the recession as young people themselves. A survey by Youthlink in 2009 found that 65% of youth work organisations had been affected significantly by the recession, that the majority have seen their funding reduced, and that a third of services were reducing numbers of staff and reducing staff hours. The evidence shows that young people are experiencing more problems at a time in which youth services are less able to help them.

Type of advice needed by young people

31. Numerous studies have found that young people are more likely to experience problems that require advice and that the type of problem they experience differs from that of older age groups.
32. Evidence from the Civil and Social Justice Survey in England and Wales shows that young people were more likely to experience problems than older age groups and that those who do experience problems are likely to suffer from multiple problems. Evidence from the same survey shows that the incidence of problems is increased for disadvantaged young people, which is shown in Figure 1 (over the page).

Figure 1: Problem incidence amongst disadvantaged young people



Source: Civil and Social Justice Survey 2004

33. Compared to older age groups, young people are much more likely to experience problems related to rented housing, homelessness, employment, discrimination and problems with the police.⁶
34. A 2008 survey carried out for Citizens Advice England and Wales found that young adults experienced more problems than the population as a whole in most of the categories, notably housing, employment, immigration and education, but fewer consumer problems.
35. The Being Young in Scotland 2009 survey found that many young people had been directly affected by the recession. The main issues for 17-25 year olds were loss of jobs/lack of jobs/loss of job security; not as much money/a need to budget more/to be more careful; prices have gone up/everything is more expensive and hours of work have been cut.⁷

Government policies towards young people

36. The previous UK Government placed initial emphasis on reducing youth unemployment. When the Labour Party came to power in 1997, one of the party's five pre-election pledges was to 'get 250,000 under 25 year olds off benefit and into work.' The New Deal for Young People was introduced in 1998 with the aim of improving the incentives and prospects for young workers to find jobs.

⁶ Civil and Social Justice Survey

⁷ Being Young in Scotland 2009, Youthlink

37. The New Deal was initially successful in helping young people into work, with studies showing that job finding rates increased by about 20% as a result of the policy.⁸ However, youth unemployment stopped falling in 2001 and began rising again in 2004 (in contrast to the general job market). The Centre for Economic Performance argue that this may be explained by the Employment Service being incentivised in 2004 to focus less on young people on JSA and more on groups such as lone parents and those on incapacity benefits.⁹
38. The previous UK government attempted to meet the employment problems experienced by young people in the recession through the Future Jobs Fund (FJF). The scheme, run by the Department of Work and Pensions (DWP), provides six month jobs for unemployed people aged 18 to 24, or from areas of high unemployment, with public and voluntary sector employers.
39. In the first 10 months of the scheme (October 2009 to July 2010), 54,920 benefit claimants started a FJF job, of which 47,060 were aged between 18 and 24.¹⁰ The Third Sector Consortium in Scotland created and filled over 1,850 jobs, with 85% of participants either completing their six month contract or leaving early to take up alternative employment or education.¹¹
40. However, the Coalition Government has announced that the Future Jobs Fund will end in March 2011. Whilst the Scottish Labour Party have announced plans to create 10,000 jobs or training places for young people in a Scottish Future Jobs Fund should they win the Scottish Parliament elections in May 2011, the future of the fund remains unclear.
41. The Coalition Government has announced its intention to end all existing welfare to work programmes and create a single welfare to work programme to help all unemployed people get back into work. The intention is that Jobseeker's Allowance (JSA) claimants under the age of 25 will be referred to the programme after a maximum of six months. The Work Programme appears similar to the current set-up, but places greater emphasis on paying third-party providers to place jobseekers rather than the Employment Service.

The research

42. Citizens advice bureaux across Scotland have reported that young clients have been disproportionately affected by the recession. Worryingly, bureaux have reported anecdotally that young people are less likely to seek advice on their problems. In response, a number of bureaux have established effective outreach projects for young people.
43. This research was undertaken to address the problems that young people have reported to citizens advice bureaux since the start of the recession. The intention of the research was to focus on the experience of young people in their own voice, rather than to speak for them. The survey, undertaken via Adviceguide (the online advice source) and postcards left in citizens advice

⁸ Blundel et al (2004), di Giorgi (2005) quoted in Jobs and Youth Unemployment, Centre for Economic Analysis (2010)

⁹ Jobs and Youth Unemployment, Centre for Economic Analysis (2010)

¹⁰ Youth Unemployment and the Future Jobs Fund, Work and Pensions Committee (2010)

¹¹ Third Force News, 5 November 2010

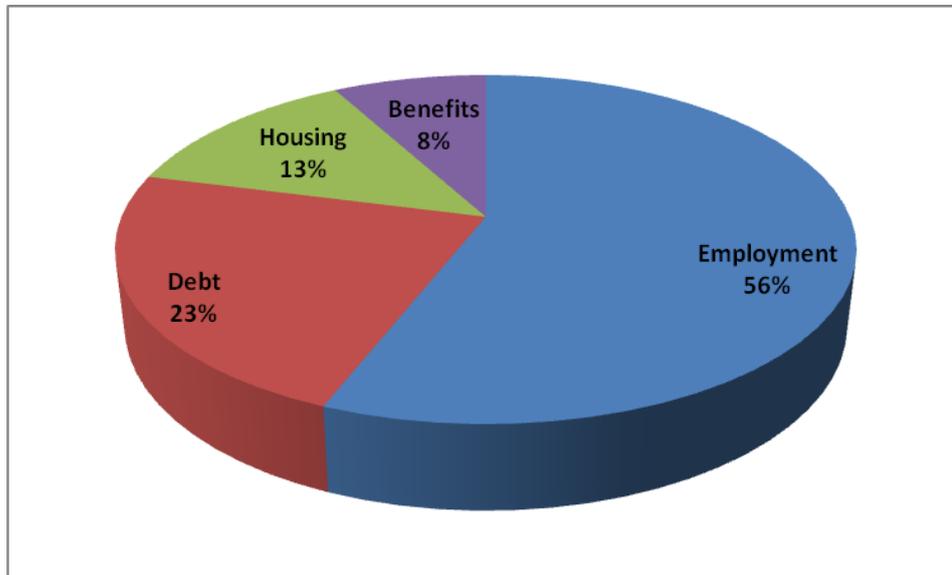
bureau waiting rooms, asked young people to tell their story rather than requiring them to answer a series of closed questions.

44. The survey collected information from 224 young people from across Scotland. Young people in the survey represented a wide range of groups in society, including school pupils, school leavers, further education students, university students, those who are unemployed, those who cannot work due to ill health, young people in training, and graduates.
45. This report also includes evidence from thousands of young people who received advice from Scottish citizens advice bureaux since the start of the recession. Bureaux in Scotland helped around 270,000 people with new problems in 2009/10. Using client profile gained from over 15,000 clients across Scotland, an estimated 1 in 10 clients are under the age of 25. This suggests that up to 27,000 young people visited a bureau for advice in 2009/10.
46. This report will now examine the problems identified by young people in more detail, using the survey data, and our bank of case evidence. Further detail on the profile of survey respondents can be found in Appendix 2.
47. This report examines the impact of the recession on young people under the following headings:
 - Problems caused by the recession
 - Employment
 - Debt
 - Benefits
 - Housing
 - Young people and their future

Problems caused by the recession

48. Young people responding to the survey were asked to name the biggest problem that they currently face. Figure 2 outlines the responses:

Figure 2: Biggest problem at the moment



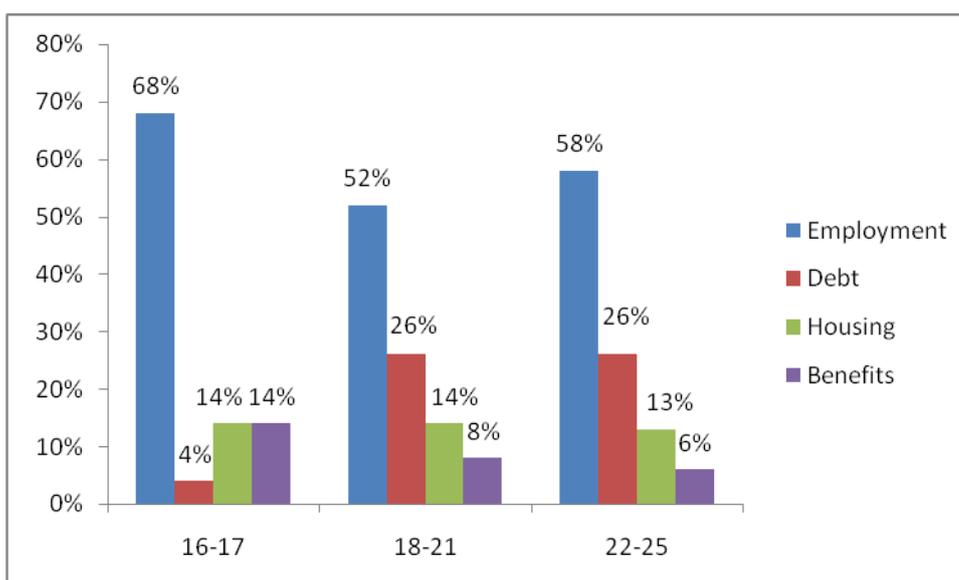
Base: 224 young people

49. Over half of young people in the survey named employment as their biggest problem at the moment. The next chapter will show that these employment problems often involve difficulty finding work, but can also involve reduction in hours, low pay, and poor working conditions. Around a quarter of respondents identified debt as their biggest problem.
50. It is worth noting that a number of respondents experienced two or more of the problems listed in Figure 2. For example, a young person losing their job may experience all of the listed problems, or a client's debt issues may lead to problems paying housing costs.
51. The problems experienced by young people varied by age group, gender, employment status, housing status, and caring responsibilities. These are explored in the following pages.

Age group

52. The type of problem experienced by young people varied significantly by age, as is shown in Figure 3 (over the page).
53. Over two-thirds of respondents under the age of 18 identified employment as their biggest problem, significantly higher than young people in older age groups. It is likely that this group represents school leavers who are struggling to find employment. Young people in this group were more likely to identify housing and benefits as problem areas, but were significantly less likely to list debt as a problem.

Figure 3: Biggest problem by age group



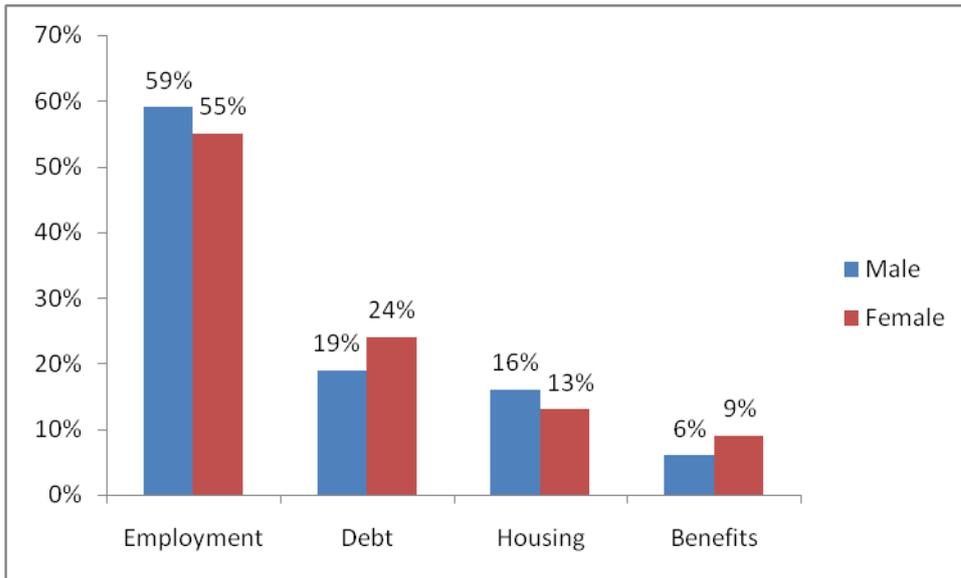
Base: 224 young people

54. Young people aged between 18 and 21 were slightly less likely to identify employment as their biggest problem compared to the other age groups. However, employment was still their biggest problem. Young people in this age group were more likely than the average survey respondent to list debt as their biggest problem. This may be due to a number of students being included in this age group, for whom debt may be a bigger problem.
55. Young people aged 22 and over are likely to either be part of the workforce or have recently graduated. Over half of young people in this group listed employment as their biggest worry, with many experiencing difficulties finding employment after leaving full-time education. This is explored in the next chapter. This group are also likely to list debt as their biggest problem.

Gender

56. Male and female young people in the survey shared roughly the same problems with a few variations. This is shown in Figure 4 (over the page).

Figure 4: Biggest problem by gender



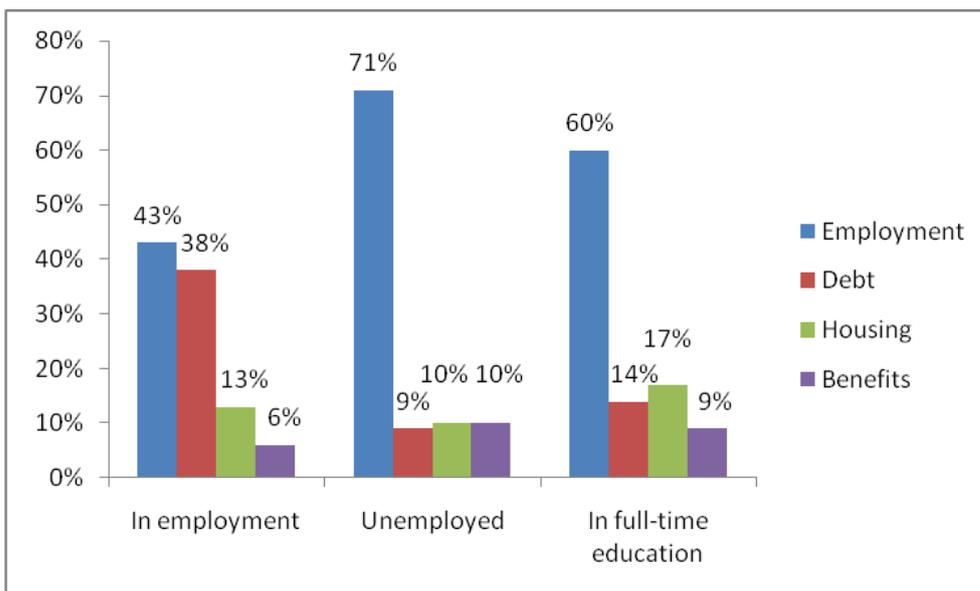
Base: 224 young people

57. Figure 4 shows that young men were slightly more likely than young women to state that employment and housing were their biggest problems. Young men in the survey were more likely to be unemployed (48%) than young women in the survey (27%).
58. Young women were more likely to identify debt and benefits as their biggest problem. A quarter of young women in the survey were in full-time education compared to 1 in 6 young men in the survey.

Employment status

59. As might be expected, the type of problem experienced by a young person is strongly related to their employment status. This is shown in Figure 5:

Figure 5: Biggest problem by employment status



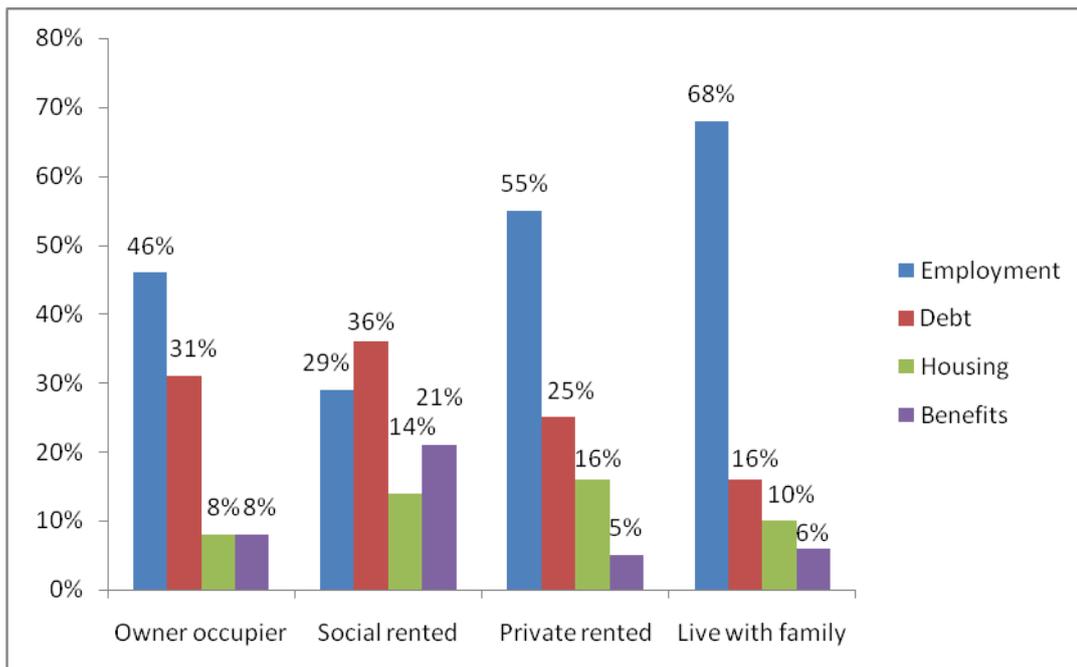
Base: 224 young people

- 60. Young people in employment were less likely than the average survey participant to identify employment as their biggest problem, but much more likely to state that debt was a problem. Despite this, employment remained the biggest source of problems for this group, with many experiencing in-work issues, such as reductions in pay and working hours.
- 61. Unemployed young people strongly identified employment as their main problem. For some in this group, unemployment had led to other problems in debt and housing. Young men were more likely to be unemployed than young women in the survey, while the proportion of young people who were unemployed was roughly the same across all age groups.
- 62. The majority of young people in full-time education identified employment as their biggest problem. This suggests that students may be struggling to find work to support them in their studies. Young people in full-time education were also slightly more likely to name housing as their main problem.

Housing status

- 63. The type of problem facing young people varied significantly by housing status, as is shown in Figure 6:

Figure 6: Biggest problem by housing status



Base: 224 young people

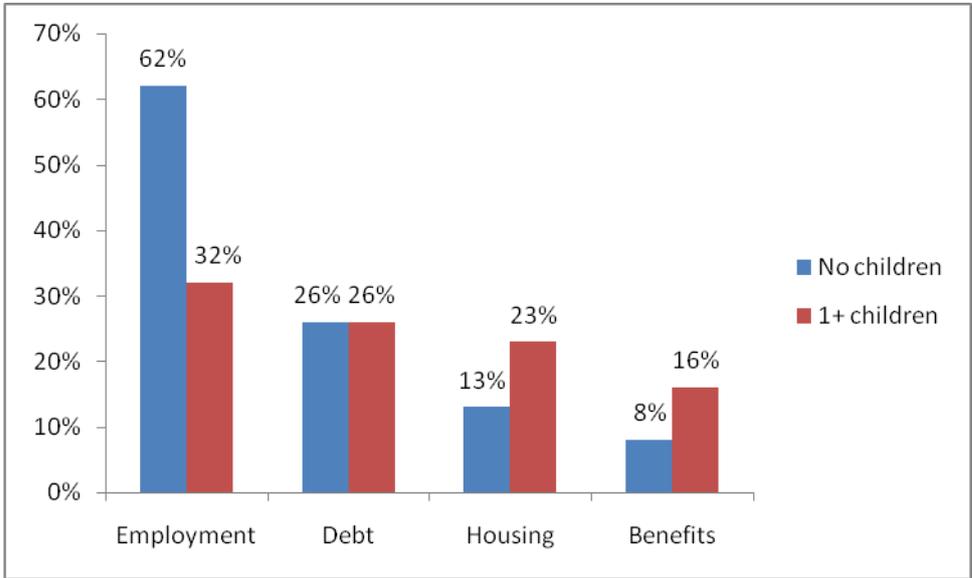
- 64. Owner occupiers stated that employment was their biggest problem, but were more likely than the average to say that debt was a problem. This group was the least likely to name housing as their biggest problem.
- 65. Social renters were the only group to name debt as their biggest problem. This group of young people were least likely to name employment as their biggest problem.

- 66. Young people in private rented accommodation were the group most likely to name housing as their biggest problem, yet more than half of young people in this group still named employment as their biggest problem.
- 67. Young people who live with their families made up more than half of the survey participants. Almost 7 out of 10 young people living with their family named employment as their biggest problem, which in many cases may be the problem that has resulted in them living with their family. More than 40% of young people in the survey over the age of 21 were living with their family, whilst half of those in employment, and two-thirds of young men in the survey were living with family.

Children

- 68. Around 1 in 7 young people in the survey had at least one child, which affected the types of problems they face. Figure 7 shows the differences in problems between young people with children and those without:

Figure 7: Biggest problem by number of children



Base: 224 young people

- 69. Young people with children were significantly less likely than young people without children to identify employment as their main problem. Employment was still their most likely problem, but debt and housing are not far behind. Young people with children were more likely to identify their main problem as housing or benefits.

Young People and Employment



Summary

70. Unemployment and redundancies have been the most visible effect of the recession on young people. More than half of young people in the survey identified employment as their biggest problem at the moment.

Youth unemployment

- The JSA claimant count in August 2010 for 18-24 year olds was 8.5% compared to 4.1% for all people of working age in Scotland. Around 3 in 10 people claiming JSA in Scotland are under the age of 25.
- The claimant count for those in receipt of Job Seekers Allowance (JSA) has increased significantly for 18-24 year olds in Scotland. The count increased from 23,400 to 41,895 between August 2007 and August 2010 – an increase of 79%.
- The highest 18-24 year old claimant rates are found in the West of Scotland, particularly in North Ayrshire, East Ayrshire, and Inverclyde. North Ayrshire has a claimant rate that is roughly three times that of Aberdeen City, showing the disparities that exist between regions of Scotland.
- The number of 18-24 year olds claiming JSA more than doubled between August 2007 and August 2010 in seven local authorities across Scotland. The worst affected areas appear to be local authorities in which youth unemployment was previously low, including East Lothian, East Renfrewshire, and Midlothian.

The experience of young people

- A number of studies have shown that young people who are unable to find employment suffer confidence issues that affect them in their current pursuit for employment and their future health. Young people in the survey talked about the depressing nature of being unemployed.
- Young people in the survey talked about the difficulties they were experiencing finding employment, with many saying that a perceived lack of experience was the main factor holding them back.
- Young people have been disproportionately affected by redundancies in the recession. Young people are likely to be affected by 'last in; first out' policies, are likely to be a cheaper option for employers in relation to redundancy than older workers, and are more likely to be selected for redundancy due to a lack of experience.
- Young people who are managing to find and sustain employment are experiencing problems with hours of work and pay. A number of young people in the survey had debt problems due to cuts in pay or hours.

Young people and unemployment

71. Unemployment and redundancies have been the most visible effect of the recession on young people. The claimant count for those in receipt of Job Seekers Allowance (JSA) has increased significantly for 18-24 year olds in Scotland. The count increased from 23,400 to 41,895 between August 2007 and August 2010 – an increase of 79%. In February 2010, the recent peak in youth unemployment, the number of young people under the age of 24 claiming JSA reached its highest level since August 1997.¹²
72. In the first half of the recession up to May 2009, the increase in youth unemployment in the UK was over twice the rate experienced by adults aged 25-49 and three times as much as those aged over 50.¹³ However, the reason why the youth unemployment rate is so high is not solely because it has increased faster than the rate for older adults during the recession, but that even at its lowest, it never fell below 12%. Young adult unemployment stopped falling as long ago as 2001.¹⁴ Therefore, youth unemployment has been rising quickly from a higher level.
73. The recession has not spared any group of young people, affecting school leavers, students, graduates, apprentices, and employees alike. Those leaving school at 16 seem to be having a particularly tough time. Unemployment rates for 16-17 year olds in the UK spiked at 31.7% in August 2009, suggesting that 1 in every 3 young people leaving school are unemployed.
74. Students and graduates are not faring much better. Many students struggled to find summer work and returned to university or college in financial difficulty. Recent graduates will find employment harder to come by, with graduate unemployment reaching its highest level in 17 years. A study of the graduate class of 2009 found that 8.9% were out of work in January 2010.¹⁵
75. The proportion of young people who are NEET (Not in Employment, Education or Training) has stayed stubbornly high in the last few years, despite government attempts to help this group. The recession is likely to cause this group to increase in size, with the proportion of 16 to 18 year olds in Scotland who are NEET already 14% (36,000 young people). This group of young people are the most vulnerable to economic swings, and could become trapped in unemployment even when the economy recovers. The proportion of young men in this group increased from 12.3% in 2008 to 15.3% in 2009.¹⁶
76. Youth unemployment peaked across the UK and in Scotland in February 2010. However, Scotland's recovery has been slower than across the rest of the UK. The number of young people claiming JSA decreased by 14% across the UK between February and August 2010 (after an 89% increase in two years), but only decreased by just over 1% in Scotland in the same period.¹⁷

¹² NOMIS

¹³ TUC Recession Report (May 2009)

¹⁴ <http://www.jrf.org.uk/publications/monitoring-poverty-2009>

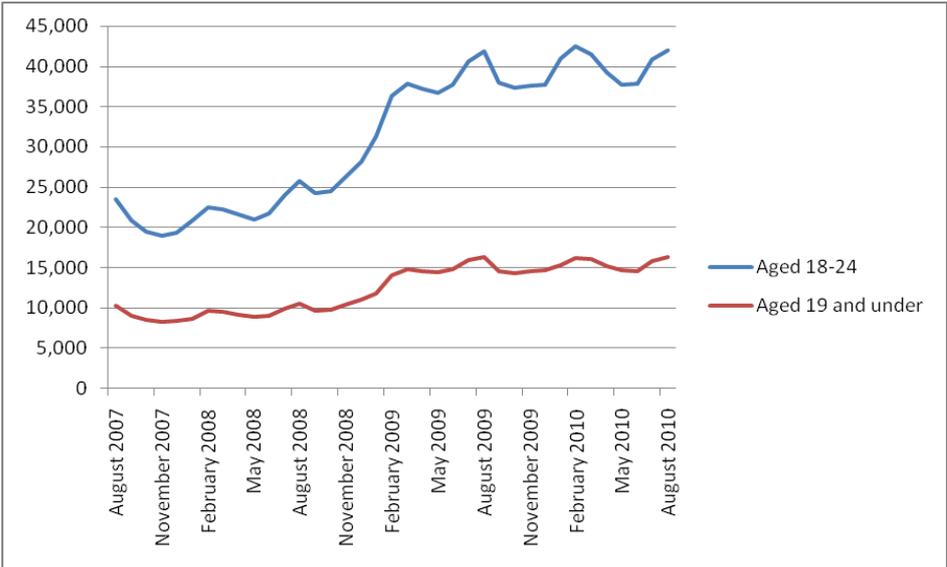
¹⁵ Higher Education Careers Services Unit (Hescu)

¹⁶ School Leavers Destinations Publication, Department for Work and Pensions

¹⁷ NOMIS

77. There are a number of factors that have put young people at a disadvantage in the job market. A Trades Union Congress (TUC) report notes that the most significant factor in rising youth unemployment has been a reduction in the aggregate demand for young people’s labour.¹⁸ In particular, slumps in manufacturing, and more recently, the services sector, have disproportionately affected young people. In the mid 1990s, 19% of 18-24 year olds were employed in manufacturing, but by 2008 this figure had fallen to just 9%.¹⁹ The Office of National Statistics (ONS) has noted that the slump in the services sector in 2008 was unprecedented in UK economic history, and that it was the industries that employ the most young people that have suffered the largest impacts.²⁰
78. Employer responses to the recession have impacted negatively on young people. Recruitment freezes disproportionately affect young people entering the job market and there is evidence to suggest that employers are retaining staff on reduced hours and/or pay, rather than making posts redundant which could have been re-filled following the recession. Additionally, employers can view older workers as more skilled and experienced, whereas young people are likely to be a cheaper redundancy option for employers than older workers. If a worker has been employed for less than 12 months they have no protection from unfair dismissal. This multitude of factors makes finding and maintaining employment in a recession more difficult for young people.
79. The number of young people claiming JSA has increased significantly since 2007. There were 41,895 young people aged between 18 and 24 who were claiming JSA in August 2010. This is a **79%** increase since August 2007.²¹ There were 16,255 young people aged 19 and under who were claiming JSA in August 2010 – a **59%** increase in three years. These increases are shown in Figure 8:

Figure 8: JSA claimants in Scotland aged 18-24

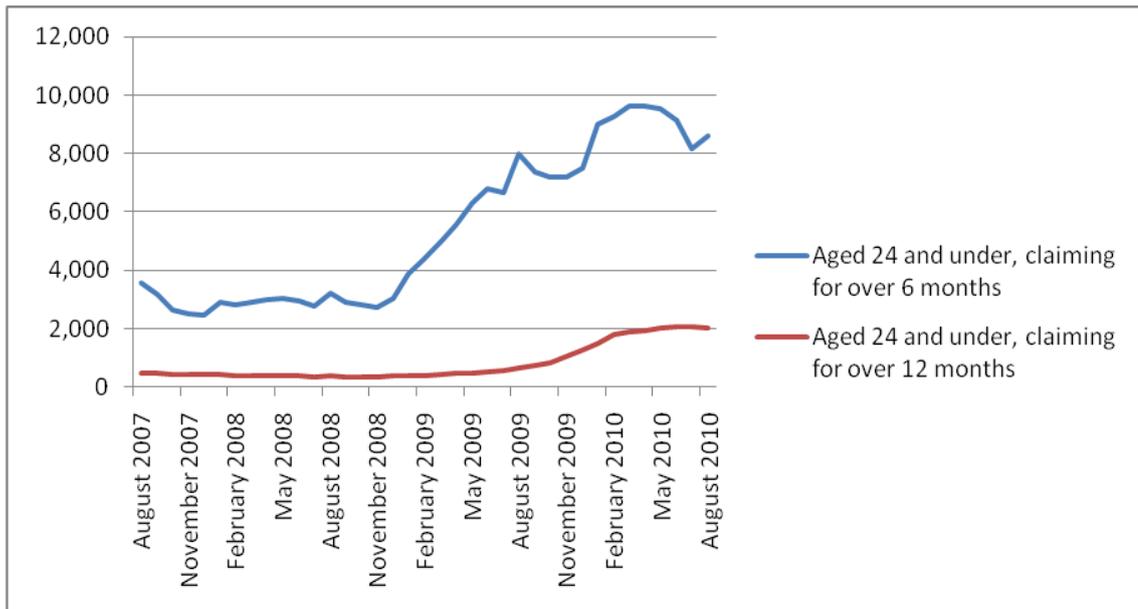


Source: Nomis

¹⁸ TUC Recession Report (May 2009)
¹⁹ Ibid
²⁰ Ibid
²¹ NOMIS

80. Both young men and women have been affected by unemployment in the recession, although the number of young men claiming JSA has increased slightly quicker (82%) than the number of young women claimants (74%) over the same period.
81. Around 8,375 young people had been claiming JSA for at least 6 months in August 2010, an increase of **150%** in three years. Just over 2,000 young people in Scotland had been unemployed for over 12 months – a **327%** increase in three years. This is shown in Figure 9:

Figure 9: Long-term 16-24 year old JSA claimants



Source: NOMIS

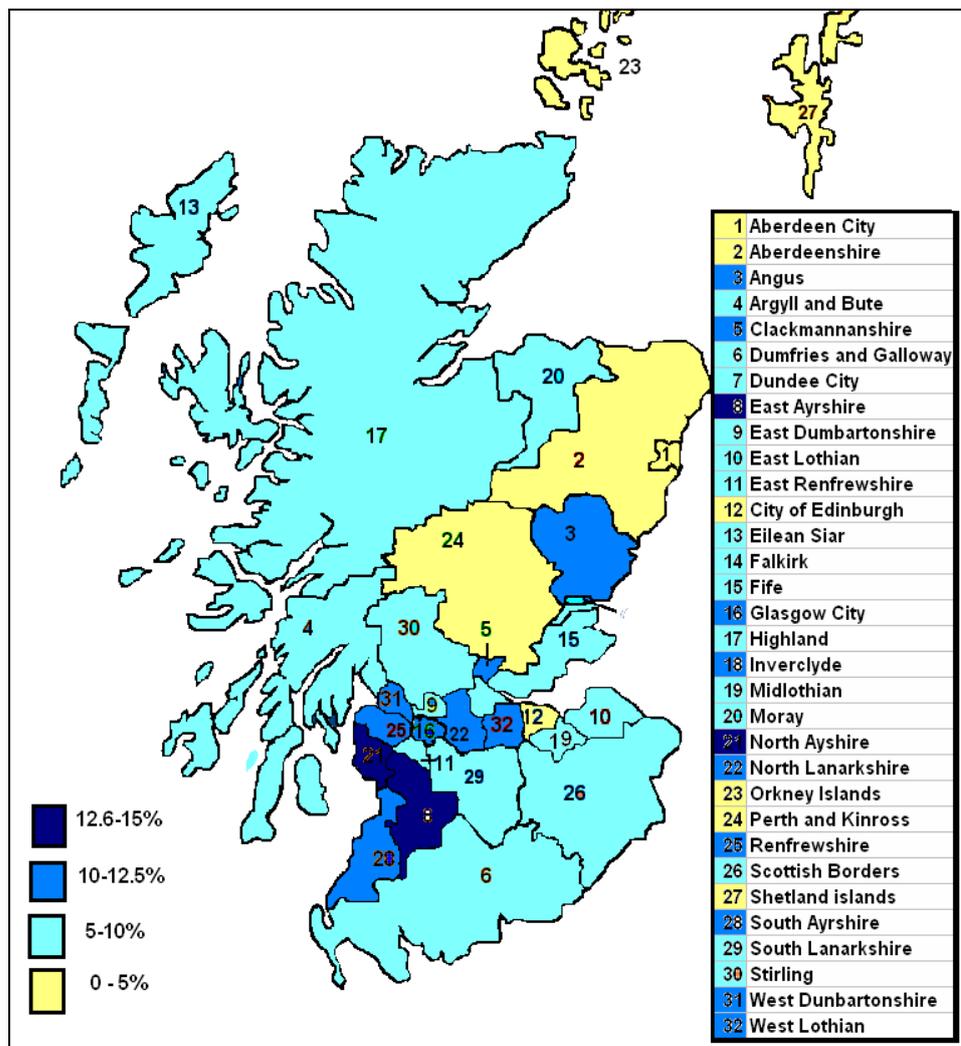
Local impact of youth unemployment

82. The impact of youth unemployment has hit every part of Scotland, although its effects have been varied across the country.
83. In terms of the total number of young people claiming out of work benefits, Glasgow City has easily the highest number in Scotland. Almost 10,000 18-24 year olds were claiming out of work benefits in August 2010, more than twice as many as the nearest local authority. North Lanarkshire, Fife, Edinburgh and South Lanarkshire were other local authorities with high numbers of young people claiming out of work benefits. Almost half of 18-24 year olds claiming out of work benefits in Scotland live in these five local authorities.
84. However, a more accurate assessment of youth unemployment is the proportion of the 18-24 year old population that are claiming benefits. Glasgow has easily the highest **number** of claimants, but is only 10th out of 32 local authorities in Scotland in terms of **proportion** of young people claiming out of work benefits.
85. The highest 18-24 claimant rates are found in the West of Scotland, particularly in North Ayrshire, East Ayrshire, and Inverclyde. North Ayrshire has a claimant rate that is roughly three times that of Aberdeen City, showing

the disparities that exist between regions of Scotland. Across Scotland, around 1 in 8 young people aged 18-24 are claiming out of work benefits.

- 86. The number of 18-24 year olds claiming JSA more than doubled between August 2007 and August 2010 in seven local authorities across Scotland. The worst affected areas appear to be local authorities in which youth unemployment was previously low, including East Lothian, East Renfrewshire, and Midlothian. Some local authorities which already have high rates of youth unemployment had relatively low increases, such as Inverclyde. While youth unemployment is highest in the west of Scotland, the highest increases appear to be in the east and south of the country.
- 87. A more detailed analysis of the local impact of youth unemployment can be found in Appendix 1.
- 88. The impact of youth unemployment has hit every part of Scotland, although its effects have been varied across the country. Figure 10 shows the proportion of 18-24 year olds that are claiming JSA in each of the 32 local authorities in Scotland (darker areas indicate the highest claimant rate):

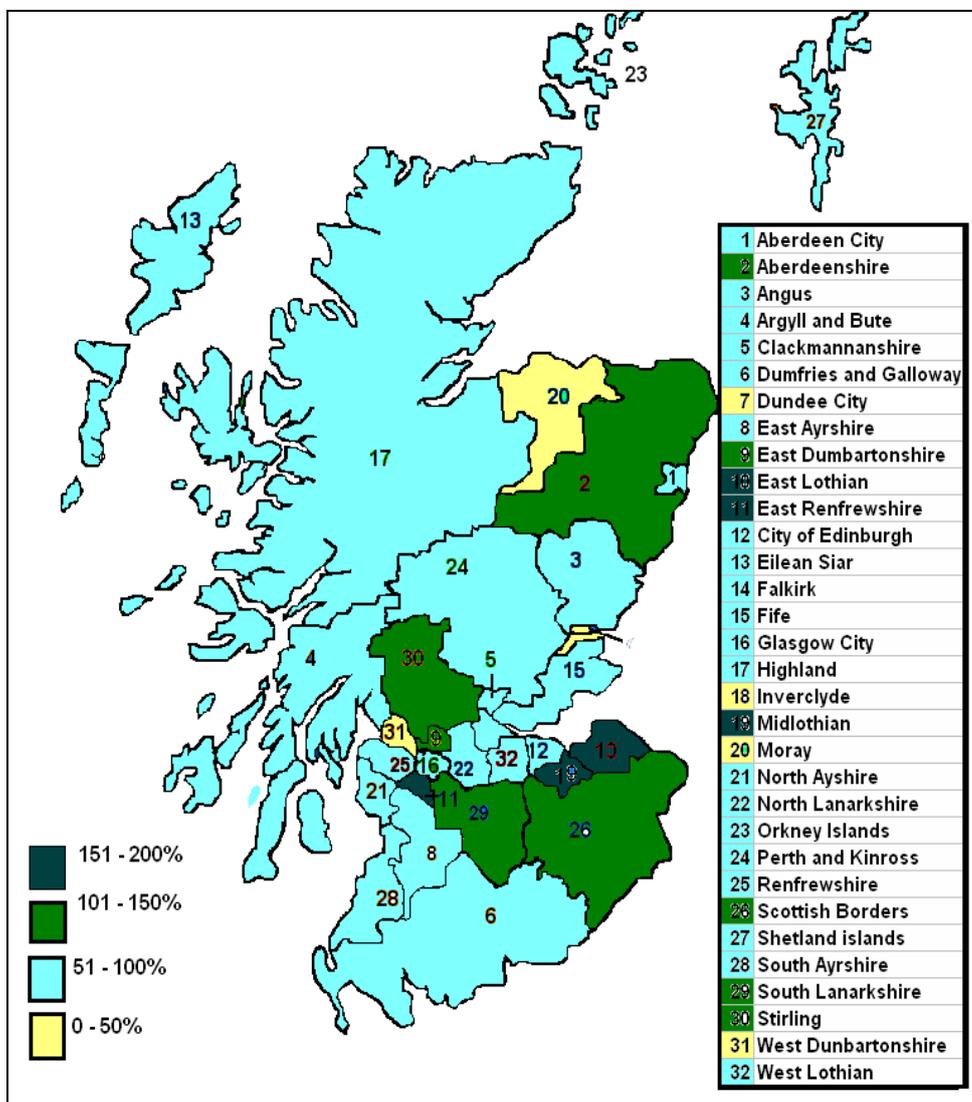
Figure 10: Proportion of 18-24 year olds claiming JSA (August 2010)



Source: NOMIS and General Register of Scotland

89. Figure 10 shows that the highest 18-24 claimant rates are in the West of Scotland, particularly in North Ayrshire, East Ayrshire, and Inverclyde. Whilst the highest numbers of unemployed young people live in the major cities, these areas do not have the highest unemployment rates.
90. Figure 11 shows the percentage **increase** in 18-24 year olds claiming JSA across the 32 local authorities in Scotland (the darker areas indicate the highest rates of increase).
91. The number of 18-24 year olds claiming JSA more than doubled between August 2007 and May 2010 in seven local authorities across Scotland, and increased by more than 80% in 18 local authorities. While youth unemployment is at its highest in the West of Scotland, the steepest increases appear to be in the East and South of the country

Figure 11: Percentage increase in 18-24 year olds claiming JSA (Aug 2007 – Aug 2010)



Source: NOMIS and General Register of Scotland

The experience of unemployment

92. Studies²² have shown that young people who are unable to find employment suffer confidence issues that affect them in their current pursuit for employment and their future health.

“It’s making me depressed and has knocked my confidence big time”

Unemployed 20 year old

93. Long term unemployment can lead to depression, alcoholism and substance abuse problems. There is potential for a number of these unemployed young people to claim sickness benefits for mental health illnesses. According to research conducted by the Prince’s Trust, 42% of unemployed young people feel their life lacks direction and 32% feel depressed. Other future domino effects of unemployment at a younger age include homelessness and risk of becoming unemployable.²³

94. A number of young respondents to the CAS survey stated their confidence and self esteem issues directly resulted from their experiences in looking for employment. This had left them feeling depressed and undervalued.

From our research

22 year old student: *“There are no jobs around and many of my friends feel worthless - not all young people are neds who want to live off the social but there is not a lot else to do at the moment. This is an extremely hard time to be young and this will affect all our futures. It is so bleak at the moment...”*

Unemployed 20 year old: *“I want to work, yet it’s like nobody will give me a chance. Its making me depressed and has knocked my confidence big time.”*

Unemployed 20 year old: *“Being unemployed for this amount of time has changed many things about myself. When employers see I have been unemployed for this long, they won’t even look at me. My confidence has dropped significantly.”*

95. Confidence is extremely important to success in life – and having that taken away reduces the chances of capable young people finding employment opportunities and financial stability. Young people in the survey expressed their fears about the chances of finding work in the future.

From our research

Unemployed 25 year old: *“I search the computer for hours each day but cannot find work. I have been unemployed for nearly 2 years and still can’t see myself ever finding employment.”*

²² The Cost of Exclusion: Counting the cost of youth disadvantage , Princes Trust (2010)

²³ <http://www.fenews.co.uk/fe-news/unemployed-young-people-face-psychological-scars>

96. Young people trying to find gainful employment need opportunities that give them hope and help build confidence. Young people in the survey spoke about the boost to their self esteem when they found employment.

From our research

17 year old in employment: *“I had been looking for work since I left school when I was sixteen... while I was sitting in my house getting depressed over why I wasn’t good enough for anyone to employ, my friends were out having a good time... finally, almost two years later, I have managed to find a job, and I feel worth something again...”*

97. If the young generation of today is unable to find employment, the fear is that this will have an effect on their financial well being in the future. Not only will these young people have a later start in their work life but they will also see an impact on their overall earnings later in life. Studies have estimated that youth unemployment imposes a negative impact on an individual’s wage of 12-15% by the age of 42.²⁴
98. In light of significant unemployment, support from the Government is important to the financial well being of people unable to work. The current level of welfare support available to young people looking for employment is a specific concern raised in the statements made by the survey respondents. Many of these young people do not wish to be on benefits but have no choice. However the current payment levels are insufficient to meet even basic living expenses. In addition, most people under the age of 18 are not eligible for even this basic support.

From our research

Unemployed 20 year old: *“I feel I should be doing more with my life at my age but financially, I just cannot afford to do anything because I have to claim benefits. I hate being on benefits. I feel like I have no pride in myself any more.”*

Unemployed 25 year old *“...it is so hard to live on just JSA and very depressing at the prospect of having no job for months and months!”*

Unemployed 24 year old: *“I know that I have the ability to get on in life because I have a degree and have held down decent and creative jobs before. I’ve found the lack of support so inhibiting. Jobseekers Allowance has saved me from destitution but it has not given me a leg up and I feel trapped and unable to contribute to society as I know I am able.”*

99. It is essential that young people receive support in finding gainful employment as the longer they are unemployed, the more issues they are likely to experience in finding employment, in earning appropriate wages, in acquiring financial stability and in their general health and wellbeing.

²⁴ ‘The Wage Scar from Youth Unemployment’, Gregg and Tominey (2004)

Difficulties finding employment

100. Evidence gathered by CAS shows the qualitative aspect of youth unemployment. This includes a number of young people of different ages who are struggling to find employment even though they are actively seeking opportunities. In some cases, they have been trying to get employment for a significant period of time. Many respondents to the CAS survey felt that their unemployment issues were related to their **lack of experience** and have led to financial and social issues.

“How am I supposed to gain experience if nobody is prepared to give me a job?”

Unemployed 23 year old

From our research

Unemployed 20 year old: *“I have one qualification and it’s for a very specific type of job but no experience to go with it. I have experience in another kind of job but no qualification. Nobody is willing to take me on for anything.”*

Unemployed 23 year old: *“There are plenty of jobs out there, but I’m finding that I either don’t have enough experience or the required qualifications. How am I supposed to gain experience if nobody is prepared to give me a job?”*

Unemployed 20 year old: *“...it has been over a year since I left college and I have had exactly 2 interviews. I have been told far too many times that I was unsuccessful due to my lack of experience, though I do not know how I am supposed to get experience when I hardly ever get as far as an interview...”*

Unemployed 20 year old: *“Nobody is willing to take me on for anything. I want to work, yet it’s like nobody will give me a chance.”*

Unemployed 23 year old: *“it’s so hard to get a job and when you do find a good job you need experience and there are usually about another 100 people after it.”*

101. Young people receiving JSA often felt that they had not received the support they expected from their local **Job Centre** in finding employment. Issues of support go beyond problems with the Job Centre. Many employment programmes geared towards young people have been cut or changed. Young people felt that Job Centre services were not suitable for their circumstances or support needs.

From our research

Unemployed 23 year old: *“Using the Job Centre website as a means for looking for jobs can be frustrating at times, I enter my details as required, and the results they give back to me are everything but what I had asked for and beyond the location I had entered. I have stopped using this now as it seems pointless!!”*

Unemployed 24 year old: *“In May came out of an abusive relationship and had to set up by myself. I have an ongoing mental health disability... I've found that the Jobcentre has not had the resources to support my complex situation; nor have the voluntary agencies I was referred to. When I ask about funding or programmes I am told that they used to exist but have now been cut.”*

Unemployed 22 year old: *“I graduated with a science degree and intend to continue with postgraduate study. In order to do this, I am aware that I will need some more practical lab. experience, both for the experience and skills and to show enthusiasm and dedication etc. However, this matters not a jot to the Jobcentre (I was told explicitly so) who are pressuring me into getting a full time job unrelated to my degree or longer-term aims... they are pressuring (almost bullying) me into applying for these jobs, including 'phoning me up to point out vacancies I must apply for...”*

102. Young people who are able to find employment report difficulty in finding full time permanent employment. Whilst these young people are in employment, they are struggling to find the type of employment that they require to support themselves. This can leave young people in a position where they are trapped in an ‘in-between’ job – where they are in unsuitable employment but are unable to find alternative employment or afford to leave their job.

From our research

24 year old in employment: *“After graduating in 2008 I have struggled to find full-time permanent work. Since graduating I have been on temporary contracts and have only been made permanent recently. I am however only in part-time employment of 18 hours per week. At university I built up a student loan and have struggled to pay any of this off as my wages really only cover basic expenses such as rent and bills.”*

19 year old in employment: *“I am struggling to get a permanent job. All jobs I have had have been on a short term contract and can't get a full time job. At the moment only work 21 hours.”*

103. One avenue open to young people seeking work following the recession are unpaid placements. While these placements can offer opportunities to gain experience and a route into the job market, they can place a young person in a stressful situation where they are unable to support themselves through work, but may feel compelled to work without pay to pursue their aspirations. Young people in this survey report working without a wage in jobs that previously would have been paid, while other young people feel that they have been exploited by employers who are benefitting through free labour. It is also likely that only young people with financial support from parents will be able to take advantage of these opportunities.

CAB case evidence

A West of Scotland CAB reports of a **young client** who found that a paid job offer was now an unpaid work placement due to the economic climate. The client attended a second interview for a paid job with a major employer, but was told that the employment would now be an unpaid work placement with expenses.

A West of Scotland CAB reports of a **young client** who has agreed to work for a solicitor without payment. The client has recently graduated from university with a law degree, but initially struggled to find employment. The client is expected to work full-time in this placement without pay for two years, at which point he will be a fully qualified solicitor. The employer stated that he would normally pay people in this position, but because he is 'short of cash', he cannot afford to pay the client. The client is not entitled to JSA or Working Tax Credits and is being supported by his parents.

From our research

23 year old in a training course: *"I am 23 years old. I have mild autism and I have been in paid employment before but there were some jobs that were positive and others were negative... 2 years ago, I had applied for a work placement with [company name] in Glasgow. I thought that after the four weeks trial, it would lead to paid employment but they kept me on for 7 months without paying me. [Training provider] said in a letter that it was made clear to me that this was only work experience and that [company name] were going through a tough time with the economic crisis... I would like to know why companies like (company name) are getting away with this, it is terrible."*

18 year old student: *"Many companies also offer internships for students- in other words you can get experience in the field you would like to work in but we won't pay you for the work you do. I would like to get experience in certain fields of work but I can't afford to do an internship really, as I need money to live on for the next year, money to pay my rent, buy food. If I get the chance I probably will do an internship, but I will be very aware of the extra pressures I'll face the next year due to not having earned any money."*

24 year old in employment: *"The only work available was internships, I worked 3 different unpaid internships before getting a paid job over a period of 9 months. One of which was for 3 months, required full time hours making the job search extremely difficult."*

Entering the job market

104. A number of young people in the survey had not been able to find any employment after leaving full-time education. These young people reported that a lack of experience was holding them back from finding graduate employment, while some reported that they were either under or overqualified for many positions. A significant number of young people in the survey who were graduates questioned whether their degree had been worthwhile. A number of these educated and trained young people are now struggling to find employment in their field.

“Feels like my 4 years at university were pointless”

Unemployed 22 year old

From our research

Unemployed 22 year old: *“It seems like there are no jobs out there. I recently graduated from university with a 2:1 honours degree yet I have had to start claiming JSA because I cannot get a job. Looking to go back to university to do a postgraduate course but I won't be able to if I don't get funding as the course is too expensive. Feels like my 4 years at university were pointless.”*

Unemployed 21 year old: *“Graduated from university two months ago. Have continuously been applying for jobs since, but have had very few interviews and no job offers.”*

Unemployed 22 year old: *“Having studied for four years at university and graduated last year. I have still not found a graduate job. I have applied to over 300 graduate jobs and my application is often unsuccessful due to a lack of experience. At present I am volunteering to gain experience but this is proving to be difficult as I am struggling financially.”*

Unemployed 23 year old: *“My problem is finding employment opportunities. Last year I was unemployed for almost 4 months. 2 weeks ago I found myself out of a job again. And again I'm struggling to see what job opportunities are out there for me. I worked hard for four years to earn a law degree which has proved of no use to me in the job market so far.”*

105. A common theme in this research is that young people feel that they are stuck in-between where they are and where they want to be. They have employment experience but not quite enough; they have qualifications but are underqualified; they want to use their skills and talent but find that the job market doesn't match their aspirations. These 'inbetweeners' often find that employers see them as such – too well qualified for low level jobs, but not experienced enough for graduate level jobs. This is a situation of significant stress and frustration for young people.

From our research

23 year old in employment: *“It's very difficult to have got through 4 years at university only to be faced with so few prospects. I tried to apply for 2 jobs recently that I was qualified for at 17 years old and I didn't get them. It's just a tricky time for everyone but hopefully everything will work out in the end”.*

Unemployed 21 year old: *“I am either over-qualified or under-qualified for work. I very rarely get even as much feedback as an acknowledgement of my application. Without specific experience in the role it is hard to get work.”*

Unemployed 25 year old: *“Having finished studying (and spending a lot of money doing so - debt will soon be the biggest problem) I cannot get work either in the area I studied or another related area. I seem to be over qualified for half the jobs advertised and not qualified enough for the other half.”*

106. A number of young people in the survey had gained employment after graduating, but not at a level that they thought was suitable for their qualifications and aspirations. These young people expressed their frustration at not being able to use the skills that they gained in their degree and also reported the financial problems that they are experiencing due to low wages and high debts developed at university. These young people are again stuck between where they are and where they want and aspire to be. The danger is that these young people will remain stuck in this position and lose their hope for the future. In these circumstances, both the young person and society lose out.

From our research

23 year old in employment: *I graduated with an upper second class degree from a prestigious University, thinking that this would mean I would be almost guaranteed a (good) job. For the last 14 months I have been working in a minimum wage job in a coffee bar as I cannot find a graduate level job/a job where I do not need a college qualification/a year's experience in the sector. My degree is being wasted, I cannot afford to do a postgraduate qualification, and so am stuck working in a dead end minimum wage job where I am gaining no skills/experience that is of any relevance to my degree or to any future career I might have.*

25 year old in employment: *“There are no jobs for new graduates. I graduated with a 2:1 this year and I'm working for £6 p/h. If I'd left school at 16 and went to work I'd probably be better off.”*

25 year old in employment: *“Biggest problem is employment. More specifically permanent employment. I have earned a degree but I am in a low paying job which is fixed-term and then on-going temporary with not much notice if funding is not secured for the future. It is frustrating to be in a job with a degree that pays as much as a 16 year old school leavers position. But it is very hard finding a permanent position with a higher pay.”*

23 year old in employment: *“I have left university and do not have a job related to my degree. I am currently working as a part time sales assistant - a job I have had since I began college. I have been searching for other jobs but have not come across any that would be more suitable. I am stuck between a rock and a hard place. I am trying to keep employment hours to around 25-30 hours so I can keep on my two voluntary jobs which relate to my degree in order for me to get plenty of work experience... This leaves me with either struggling the way I am or take on a full time job which means I may never get a job in the area I have studied meaning the debt I got myself in to do the course would be pointless...I have worked very hard to get my qualifications but feel it was a waste of time.”*

24 year old in employment: *“When I finally found permanent employment, it was for minimum wage and unsociable hours. I have recently secured another job in a call centre where the pay is higher but the work is soul-destroying. There is so much talk of a lost generation right now. I feel like I have wasted years at university for a worthless piece of paper.”*

Young people in full-time education

107. Current students report feeling similarly concerned about the lack of employment opportunities in their field of study. This is a response to the issues they see faced by recent graduates, who like them have spent years trying to specialise in a field in which there are now no suitable employment opportunities.

“Everyone is saying how there are no full time jobs...”

19 year old student

From our research

20 year old student: *“I have just finished my training as a children’s nurse... I graduate in November 2010 and am currently looking for a job as a staff nurse within Glasgow as circumstances do not allow me to move outwith Glasgow. With the current recession, NHS jobs have experienced a HUGE cut back and nursing jobs with particular attention to children’s nurses have put a hold on all nursing vacancies. At the moment, there are absolutely no children’s nurses’ vacancies within NHS Greater Glasgow and Clyde area.”*

21 year old student: *“I’m about to go into my 4th year of my Sociology and Psychology degree and have been seriously thinking of what I’m going to do next year in relation to career and jobs. I thought about Counselling and Social Work but have seen that the tuition fees are £5100 and that there’s not many funded places. The likelihood of me being able to do these courses are pretty slim...I’m from a working class background, and my mum can’t afford to pay my Postgrad tuition fees. It kind of makes you think what is the point? I may as well have done nothing at school and just get pregnant. At least then I’d get money and a house. More than I’ll probably get when I graduate next year.”*

20 year old student: *“I am approaching the end of my general nursing training and I now have the problem of being unemployed and unable to get a job in the NHS as there are very few Nursing Band 5 jobs. 3 years of hard work, placements, trying to work part time as well as going to uni and when out on placement to have no job, very little money and unsure of how I am going to pay my bills!”*

19 year old student: *“Everyone is saying how there are no full time jobs, I worry that I am spending money and time to get a degree in teaching (the job I wanted to do since I was a kid) and when I graduate I won't find employment, be in debt and it will take years to get a full time position (although I will be more than willing to move anywhere in Scotland to find this job).”*

108. Current students report issues looking for part time employment during the college term. The issues pertain to lack of experience as well as being unable to meet employer policies on working hours. Experience and support is not only an issue for employed young people not in education, but also those who are and who need earnings to pay for their education.

From our research

18 year old student: *“Because of the recession, there are not many jobs out there, especially for young people who don't have much experience. Also because I'm in full time education at university, it is even harder to get a job that fits around my university timetable and employers are not too keen to take me on because of this. A lot of jobs are looking for experience. I'm unable to get experience because all the jobs are looking for experience. I have applied for hundreds of jobs and been rejected from all of them. I'm beginning to lose hope. I am starting to worry to get a job I'm going to have to sacrifice my education and miss out on some lectures etc. to be able to work.”*

18 year old student: *“I have been unable to find a part-time job in the last year that has flexible working hours for a student as well as a lack of experience in any career fields.”*

109. There has been a 28% increase in part time employment in the past three years, and a 57% increase in the number of people who are working part time because they have been unable to find full time employment.²⁵ Young people in higher education who are more likely to seek part time employment rather than full time work are facing stiff competition from people who work part time (and are likely to be available for any shift) because they are unable to find full time employment.

²⁵ Office of National Statistics (ONS)

Young people in training

110. There is evidence to suggest that young people in **apprenticeships** are at risk from the effects of the recession. A number of apprentices are struggling to finish their apprenticeships due to a lack of work, while others have completed their apprenticeship but cannot find work.

"I had left the premises and my so called career."

Unemployed 21 year old

CAB case evidence

An East of Scotland CAB reports of a **young client** who is struggling to complete his apprenticeship due to a lack of work. He has one course to complete at college, and has worked for two weeks without wages in order to keep the employment he needs to continue his apprenticeship. He has no written contract of employment.

A North of Scotland CAB reports of an **18 year old client** who has been made redundant half way through his apprenticeship. The client was unhappy at the points system that was used to decide who was made redundant, particularly as he received the lowest possible mark for attendance despite only having had one day off in two years. The client's college is trying to find another employer so that the client can finish his apprenticeship.

A West of Scotland CAB reports of a **young client** who has completed his apprenticeship as a joiner, but is struggling to find any work. The client is still with the same employer, but he has had no work given to him for three months. The client was promised £21 for each day he was without work, but has not received any payments and has been unable to contact his manager.

A North of Scotland CAB reports of a **17 year old client** who is struggling to find employment after his apprenticeship and training course finished. The client had an apprenticeship with a building firm who became insolvent in the recession. The client has since taken vocational courses, but these have finished and the client has no money coming in. He was told that he can't claim JSA until he turns 18 in six months.

From our research

18 year old in employment: *"I left school two years ago and went straight into employment as a trainee draughtsperson. I was paid off in April this year, half-way through my training due to the recession. I have only now been offered a full time job in retail. Although I am unsure about what kind of career I would like, I struggled to get the one I just got offered as there is just nothing out there."*

Unemployed 21 year old: *“Little did I know that the company I worked for were planning on closing the Scottish branch... I was called up to the office to be greeted by sad faces, not the usual, then I realised I was being handed my redundancy notice, with immediate effect. 4.30pm, I had left the premises and my so called career.”*

Out of work problems

Redundancy

111. A number of factors make young people more vulnerable to redundancy than older employees. Employers can view older workers as more skilled and experienced, whereas young people are usually cheaper to make redundant. If a worker has been employed for less than 12 months they have no protection from unfair dismissal. Young people can also be affected by a ‘last in; first out’ policy on redundancies.

“I have lost two jobs because of the recession”

Unemployed 25 year old

CAB case evidence

A West of Scotland CAB reports of **22 year old client** who was laid off after over five years employment. The client was told that the reason for the lay off was that he was the “last in” to the company, and therefore the first out. The client maintains that there others in the company that started their employment after him.

112. Redundancies affect young people who had found employment but were unable to continue because of economic conditions or work place restructuring. These young people fall back into the unemployment trap having limited work experience. This is particularly distressing for young people looking to build a career or find stable employment.

From our research

Unemployed 25 year old: *“I have lost two jobs because of the recession and over the last two years been able only to get into part-time, temporary employment that didn’t match my qualification anyway.”*

Unemployed 16 year old: *“I recently was let go because of the current economic situation. I unfortunately now cannot get a job anywhere.”*

Unemployed 20 year old: *I was made redundant at the age of 18, which at the time I didn’t think was so bad for me. However it was very hard to find a job after this.*

24 year old in employment with one child: *“Young people could not get a good job, my job is not secure, I am so worrying about losing this job because there may not have any funding left in the near future. I love my job and I will work hard to save my job.”*

113. Young people made redundant can often face a number of issues as a result of redundancy, including financial instability, non-payment of last wages and entitlements.

From our research

19 year old in employment: *“I have a part time job working 25 hours per week. My partner has recently been paid off. We have a baby on the way and have bills to pay but I don't make enough money to pay all the bills myself. My partner is trying his best to find a job but we live in the countryside so we need a car but because we have no money he is finding it hard to get to interviews or travelling around to ask people if they have any jobs.”*

114. Young people who are made redundant can often find that their employer has not followed their responsibilities to the employee. This type of practice can include failure to pay due wages or holidays, failure to give due notice, and possible age discrimination.

From our research

18 year old student: *“I previously held a waitressing job and when the company went into liquidation I was made redundant. The company failed to contact me to tell me that I no longer had a job and I only found out from another employee who I had met on the street one day.”*

Unemployed 17 year old: *“I was recently working in a Hair Salon as an Apprentice Hairdresser. I was paid off without any notice, I had no knowledge of being paid off either as I worked 2 days when I returned from my holiday I was entitled to.”*

CAB case evidence

A West of Scotland CAB reports of a **young client** who is owed wages from her employer after being made redundant. The client was on her way home after a shift when she received a phone call saying that she was being made redundant as the company was going into receivership. The client was given no notice, and is still owed £179 for unpaid wages. The client has since discovered that the company has continued trading in its other locations and is not in receivership.

An East of Scotland CAB reports of a **23 year old client** who was made redundant while she was on maternity leave. The client was due to return to work at the nursery, but was told that the company had gone into liquidation and was being made redundant alongside five other colleagues, three of whom were pregnant or on maternity leave. The client has now found out that the nursery is still in business under a new name and thinks she was unfairly made redundant.

115. Poor practices by employers are detrimental to the well being of their employees. In work and out of work problems caused by employers can be socially and emotionally stressful for people, particularly young people who lack the experience in dealing with unfair employers. It is important not only that people are aware of their rights and their employer's responsibility, but also that rogue employers are held accountable for their actions.

Dismissal

116. A number of rogue practices have been adopted by employers – including dismissal of clients without following proper protocols. Employees who are employed for under a year cannot claim unfair dismissal, suggesting that young employees are more exposed to poor employer behaviour and less able to enforce their rights. Young people can also experience dismissal for attempting to enforce their employment rights.

CAB case evidence

An East of Scotland CAB reports of a **21 year old client** who was dismissed from her employment without any warning on her return from holiday. The client had worked in a hotel for ten months and believes that she was told to leave because she had requested a written contract of employment. The client was supposed to work sixteen hours a week, but had regularly been told to work at least 35 hours weekly.

A West of Scotland CAB reports of a **17 year old client** who was dismissed without notice after refusing to work overtime. The employer repeatedly demanded that she work over the maximum legal amount for young workers, with no health and safety assessment having been carried out and little time between each shift.

An East of Scotland CAB reports of a **20 year old client** who was dismissed without warning after three weeks of employment. The client is owed over £200 in wages, but the owner said that he would not be paid until an ongoing enquiry into money missing from the till was completed. According to other employees, the employer has treated staff similarly on a number of occasions.

An East of Scotland CAB reports of a **young client** who was dismissed after the company he worked for changed ownership. Before the transfer all the employees had been told there would be no changes to their employment and had been sent letters saying they would be protected by TUPE. Once the transfer had happened the client was immediately dismissed. He had been given no reasons or notice for this, just told not to come into work.

In Work problems

117. More than 4 out of 10 young people in employment in the survey named employment as their biggest problem, showing that in-work problems are significant for young people.

“My last employer refused to pay my wages now I am in a lot of debt and pressure I can’t cope with.”
20 year old in employment

118. Young people, like adults, experience problems at work. However, some of these in work problems can be more severe because of a lack of knowledge about employee rights and their employer’s responsibilities. Differences in the National Minimum Wage and the definition between apprentice, trainee and employee can also cause issues for young people in employment.

Pay

119. Young people are entitled to lower rates of the National Minimum Wage (NMW) than older adults. However, only 69% of young people are aware of the NMW. This may be due to unclear information provided by employers on whether a young person is an apprentice, trainee or employee as the NMW is different for all three.

National Minimum Wage (NMW) rates

£2.50/hour: The apprentice rate

£3.64/hour: The 16-17 year old rate for workers above school age

£4.92/hour: The 18-20 year old rate

£5.93/hour: The main rate for workers aged 21 and over

120. Citizens advice bureaux regularly advise young clients who are paid less than the NMW. It is a concern that young people will become more likely to accept low wages if they are worried about losing their employment.

CAB case evidence

An East of Scotland CAB reports of a **17 year old client** who worked for less than the minimum wage before being dismissed for taking sick leave. The client is paid in cash in an envelope, with no pay slip, and gets £80 for a 40 hour week. Her employer says that she is a hairdressing apprentice, but she has no contract saying this and no written terms and conditions. The client took a day off sick, and when she called her employer, she was told that she was dismissed. The bureau advised that the client should receive a written reason for dismissal and report that she had been paid below the national minimum wage for her age.

A West of Scotland CAB reports of a **16 year old client** who is being paid less than the National Minimum Wage in a hairdressing salon. The client worked there at the weekends, and was asked to leave school and work full-time with a training place provided. The client did so, but was not given a contract of employment and is currently being paid £70 for a 40 hour week – a wage of £1.75 an hour.

A North of Scotland CAB reports of an **18 year old client** who is paid at a level far below the minimum wage for her age. The client works a 38 hour week as a trainee hairdresser and is paid £1.38 per hour. She queried this level of pay with the manager of the shop who told her that it was correct. She is not on a government training scheme and has no contract of employment. The client was advised that the minimum wage for 18-21 year olds was £4.10 per hour which she should be receiving as she is not on a training scheme and is a worker being paid by an employer. The client recently turned 18, but is receiving less than half of the minimum wage for a 16 year old.

121. A number of young people in the survey complained about the low level of wages they received in their employment. The issue with the level of wages is further exacerbated by the fact that young people do not always know who to turn to for information – according to research 93% of young people have no idea who to turn to for help if they are paid too little.²⁶

CAB case evidence

A South of Scotland CAB reports of a **19 year old client** who is struggling to support herself on a Skillseekers agreement. The client works full time at a nursery, but is only paid £55 per week. The client receives £60 per week in Local Housing Allowance, but needs to pay the rent shortfall of £80 herself. The client is therefore paying more in rent than she receives in wages.

A North of Scotland CAB reports of a **17 year old client** who is an apprentice hairdresser, but has no written contract or agreed wage. The client is paid a varying wage from week to week and does not receive any pay slips.

From our research

Unemployed 17 year old: *“I was recently working in a Hair Salon as an Apprentice Hairdresser... I was being paid £1.75 per hour/£70 per week and was not on an apprentice contract. My wages were meant to be boosted by an extra £5 per week after 3 months, then after another 3 months.”*

23 year old in employment: *“Generally coping with day to day costs of travel, food, fuel when my wages haven’t budged in 3 years yet everything else around me is rising. I work 2 jobs and 7 days a week just to pay my bills and yet people who have never worked get plenty of help from the government, where I don’t “qualify” for any help, and really struggle to pay my mortgage and council tax etc.”*

²⁶ British Youth Council, 2004

22 year old in employment: *“Well I work for a company who have not upped our wages in the past 2 year I work nights and even with 2 wages coming into my home we are struggling to pay our rent and bills.”*

19 year old in employment: *“I am 19 years old. I work 2 jobs. I work during the day in a convenience store and work at night time in a bar in a hotel. I am not work shy like a large handful of people my age, yet I am always skint after paying my bills such as car insurance, road tax etc”*

122. In some cases, young people can be paid based on their age rather than their job. Young people report being paid less than their co-workers for doing the same job. These people appeared to be pressured by the current economic conditions into keeping a job with unfair wage terms.

From our research

17 year old in employment: *“I am lucky enough to have a job at the moment, but they only pay me minimum wage (£3.64 an hour). I wouldn't mind this, but they've trained me up to do very advanced things, have given me more hours than was originally agreed and want me to open and close by myself, which means I am often on my own. It's a lot of responsibility and that's on top of my schoolwork. I feel very underappreciated and a little exploited. I'm just cheap labour to them. An 18 year old guy I work with started at the same time as me and has not been trained to do any of the things which I have, but he's paid £5 an hour. I find it very unfair.”*

17 year old in an apprenticeship: *“currently earn £2.50 per hour when someone else over 18/21 doing the same work as you can earn £8/10 per hour!”*

123. Wage cuts and the non payment of wages is another issue reported by young employed people in Scotland. The non payment of wages may mean that these young people, particularly those in low paid work, are being paid below the National Minimum Wage rate.

CAB case evidence

A West of Scotland CAB reports of a **24 year old client** who has been given a 20% pay cut from her employer. The client visited the bureau to see if there is any help available for her to meet her mortgage commitments.

Working Hours

124. A number of young people have reported seeing their hours of work cut because of the recession. Reduction in hours would put anyone in financial difficulty but can be particularly hard on young people who may not have the same level of savings as their adult counterparts. In addition they are more likely to want to stay in employment for the experience as much as the pay. The associated reduction in pay means that many of these young people are unable to meet their basic living expenses and financial commitments.

“I’ve just been cut from 40 hours to 16 and now can’t afford to pay my debt.”
23 year old in employment

CAB case evidence

A West of Scotland CAB reports of a **young client** who has had her hours of work cut repeatedly. The client has already had her hours cut from 35 hours to 28 hours, and has now been told that they will be cut further. The client feels that she has no security in her job, and has seen her income drop significantly. The client also feels that she is being unfairly selected as other workers are relatives or friends of the employer and are not having their hours of work cut.

A West of Scotland CAB reports of a **23 year old client** who experienced financial difficulties after his hours of work were reduced from 30 hours to 12.5 hours per week. The client now has debts of over £5,000 and he is unable to meet his contractual payments and is incurring interest and charges on his overdraft, credit card and loan accounts.

From our research

23 year old in employment: *“It’s hard to get a full time job, so debt mounts up. I’ve just been cut from 40 hours to 16 and now can’t afford to pay my debt. I wouldn’t be in this situation if I could get full time employment, and believe me I’m trying!”*

25 year old in employment with two children: *“...after being faced with the option of cut my hours or take redundancy, the only real choice was to cut my hours as everywhere else people were being made redundant so there were no jobs available. So you then have halved the income you normally have but the same outgoings! So what happens? The DEBT then starts to increase....”*

24 year old in employment: *“I am working for minimum wage and recently myself and just 4 others had our hours reduced. I am starting to struggle with finances ... Now I’m struggling again to find another job. I’m looking at part-time, temporary, re-locating, anything till something gives.”*

22 year old in employment: *“There has been many cuts at my work I have gone from working 35+ hours a week right down to just 15.”*

Poor treatment

125. Bullying and discrimination at work can be stressful and discouraging for anyone. A number of young people have contacted their local bureau seeking advice on how to proceed with issues where they have received poor treatment at work, not received their correct pay, or have seen their hours of work or entitlements cut. In a recession, it is more likely that young people will put up with poor treatment in order to stay in employment.

“I was talked down to and made to feel stupid because of my age...”
Unemployed 18 year old

CAB case evidence

A North of Scotland CAB reports of a **24 year old client** who is paid less than the minimum wage and whose employer generally disregards her employment rights. The client works up to 70 hours a week, but receives a set pay of £160 a week in cash without payslips. The client has no written contract and does not receive holiday or sickness pay. The client is thinking of leaving the employment due to the poor pay and the ‘humiliating’ way her employer treats her.

An East of Scotland CAB reports of a **22 year old client** who left his employment due to being “fed up” about his treatment at work. The client has worked for the company for the last six years without ever receiving a payslip. When the client started employment he was told the job was an apprenticeship and his employer would take care of ‘tax and all that’. His employer now says that the client was self-employed and got his job through a local organisation which the client has never heard of. The client is worried that his employer has not been paying tax or national insurance on his behalf.

A West of Scotland CAB reports of a **24 year old client** who has lost her agency job with a bank despite being six months pregnant. The client was called into the manager’s office and was told that she is one of the list of people he “had to let go”. The client was surprised as she had been praised for her work by her manager, saying that she had hit 100% of her targets. The client is six months pregnant and had previously been told by her manager that he “can’t afford for her to take time off because...” and then pointed to her ‘bump’.

126. Young people often let such treatment pass unchecked as they are unaware of their rights or because of the lack of experience in dealing with employers. Certain employers use their employee’s young age to excuse their responsibilities as an employer – perhaps not realising the financial harm and personal issues caused by these actions.

From our research

24 year old in employment: *“I am starting to struggle with finances and I have just discovered that when I was moved 'up' in the company, that I wasn't being paid the equal to the rest of the team. They were paid more for the responsibility, whereas I hadn't known - I just thought everyone was on the same wage as I had asked before starting the new work if it meant more money..... he just laughed like a joke, so I took that to mean everyone was paid the same.”*

17 year old in employment: *“In my new job, I work 13-14 hours a day, doing a split-shift, (two 7 hour shifts-two hours between). With no breaks/training/induction at minimum wage of 3.57per hour - cash in hand. I do not appreciate being treated in this way or in this environment. But I feel like it is the only option I have, as I have no other support to turn to.”*

Unemployed 18 year old: *“When my contract was over I did not receive any of the money I was entitled to i.e. holiday pay which I did not know I was meant to get after leaving a job. My next job was temporary again through another agency. After this job had ended the same thing happed I did not get the money I was entitled to... at this point I was confused and nervous so I just agreed with what they were telling me. I had no idea of how to handle this situation therefore I never received a penny off them. I am now again unemployed and looking for work however my experience of the working environment has been horrible. I was talked down to and made to feel stupid because of my age and as for my agencies well they knew they could get away with taking my money as I didn't have any knowledge of how to deal with these situations.”*

127. It is extremely important to have free, impartial and independent advice services available to young people in Scotland, to not only help them understand their rights, but to also increase their confidence to challenge unfair practices and policies adopted by employers.

From our research

17 year old in employment: *“Well I've worked for a company for nearly two years and I had a 38 hour contract which they cancelled through text message. Now they put me on an 8 hour contract and I have lost 3 weeks holiday on 38.5 hours. I am now going to get advice on my rights...”*

Young People and Benefits



Summary

128. Young People and their benefit entitlement is a complex maze for any young person to find a path through. The CAB service sees clients for whom the consequences of this failure can be catastrophic.

Number of young people claiming benefits

129. The number of young people under the age of 25 that are claiming any type of benefit increased from 65,530 in August 2007 to 81,960 in May 2010 – an increase of 25%. Out of work benefit claimants under the age of 25 increased significantly during this period. Around 13% of young people in Scotland claim some sort of benefit.

The experience of claiming benefits

130. The evidence from this research suggests that young people are unhappy claiming benefits and are desperate to find employment. It is very likely that young people are underclaiming the benefits that they are entitled to.

Entitlement

131. Historically, benefits have been paid at a lower rate to young people. This may be based on the view that their household costs are lower than older age groups, due to many living with parents, and consequently having fewer financial responsibilities and so on. However almost two thirds of CAB young clients aged 16 – 25 who visit a Scottish Citizen Advice Bureaux live independently, with the same or similar household costs to many claimants older than them.

132. There is an inherent unfairness in the benefits system in relation to young people. Young people under the age of 25 are not entitled to Working Tax Credit. This has left many young people who are committed to working at a financial disadvantage compared with employees aged over 25. Additionally, young people aged 18-25 are entitled to Jobseekers Allowance (JSA) payments that are 20% lower than the rate for over 25 year olds, while young people under the age of 18 are usually ineligible for JSA support.

Problems claiming benefits

133. In the backdrop of the recent recession, issues such as entitlement, payment problems and DWP/HMRC administration issues have increased for young people. This has caused financial hardship and stress to vulnerable young people and families.

134. A number of young people have struggled to claim JSA after being made redundant, with some finding themselves ineligible and others affected by delays caused by administration problems.

Young people and benefits

135. In May 2010, there were around 82,000 benefit claimants aged 16-24 in Scotland (around 1 in 20 of all claimants). Around 13% of all young people in Scotland claim some sort of benefit. Young people in Scotland are slightly more likely to be a benefit claimant as a proportion of the population than young people across the UK.
136. The number of young people in Scotland under the age of 25 that are claiming any type of benefit increased from 65,530 in August 2007 to 81,960 in May 2010 – an increase of 25%. Out of work benefit claimants – including sickness benefit and unemployment benefits - increased significantly during this period.
137. The increase in benefit claimants differs between country and age group. The number of claimants under the age of 25 has increased significantly faster than claimants of all ages. This is shown in Table 1:

Table 1: Percentage increase in claimants between August 2007 and May 2010

	Scotland		Great Britain	
	Under 25	All	Under 25	All
Any benefits	+25%	+8%	+24%	+11%
Income Support/Pension Credit only	+9%	-9%	+8%	-8%
JSA only	+65%	+77%	+50%	+71%

Source: NOMIS

138. There are regional variations across Scotland in young people claiming benefits. The areas with the highest proportion of young people claiming at least one benefit are in the West of Scotland, including North Ayrshire (20% of 16-24 year olds claiming benefit), West Dunbartonshire (18%), Inverclyde (18%), and East Ayrshire (17%).

Entitlement to benefits

139. Young people under the age of 25 have a lower entitlement to benefits than older adults, and often find themselves ineligible for support or entitled to lower payments based on their age. There are a number of factors that may explain the lower entitlement, such as lower national insurance contributions, young people being more likely to live in the family home or be supported by their parents, and to deter young people from becoming reliant on benefits. However, these factors do not apply to many young people who face the same living costs as older adults with less support. This situation can lead to debt and housing problems.

Young person entitlement to benefits

JSA

16-17 year olds: Only entitled to payments in exceptional circumstances

18-24 year olds: £51.85/week

25 and over: £65.45/week

Working Tax Credits

16-24 year olds: Single young person with no dependents not entitled

Housing Benefit

16-24 year olds: Entitled to less support due to Single Room Rent Policy

140. Young people under the age of 25 have a lower entitlement (£51.85/week) to Jobseeker Allowance (JSA) payments than those over 25 (£65.45/week). These lower payments have a significant impact on the ability of young people to afford housing and living costs, leaving young people more exposed to debt and housing problems. JSA is not normally paid to 16 or 17 year olds, except in special cases.
141. Young single people without dependents who are in work but on a low income are not entitled to working tax credits based on their age. This has left many young people who are committed to working at a financial disadvantage compared to those aged 25 or older.
142. Housing Benefit for young people under the age of 25 is limited by the single room rent (SSR) policy. The SSR restricts Housing Benefit for under-25 year olds to the locally assessed cost of a single room in a house with shared use of a toilet, kitchen, bathroom and living room. Young people living in accommodation that does not meet these criteria are expected to meet the shortfall from their own resources.
143. The combination of narrower entitlement and lower payments ensure that young people are left at a disadvantage relative to older adults. For many young people who work and live independently, the rules on entitlement are discriminatory and leave many young people struggling to cope when their circumstances change.
144. Young people in the survey were particularly vocal about their lack of entitlement to working tax credit. This situation has left many young people who are committed to working at a financial disadvantage compared to those aged 25 or older. This is compounded by lower rates of National Minimum Wage for those under the age of 21 meaning that young people are likely to earn less than older adults but are unable to claim working tax credits to support themselves.

From our research:

21 year old in employment: *“I am 21 and receiving minimum wage @ £4.83/hr and also because I am 21 I am not eligible for working tax credits which is ridiculous when I have been working longer and paying into the system for at least 2 more years than some of the people who are 25 that I work with!”*

20 year old in employment: *“Me and my partner also can't claim tax credits until we are 25 (4 years away) but we're doing the same job and earning the same money as people over 25 who do claim tax credits - I don't find this fair. If we received working tax credits it wouldn't leave us struggling to make ends meet at the end of every month.”*

Unemployed 25 year old: *“I live with my girlfriend who works and because she is in full time employment and under 25 years old it means that I can not claim benefit. I search the computer for hours each day but cannot find work... If my girlfriend was 2 years older (over 25) then we would be entitled to working tax credits.”*

145. These entitlement issues can lead to a discriminatory situation in which a 26 year old receives additional support that their 23 year old colleague (in the same job earning the same wage) is not entitled to. Rather than saving state funds, this may lead the 23 year old to decide that work does not pay.

From our research

22 year old in employment: *“I find that at this precise moment in time I am living to work, not working to live. I think it's shocking that someone my age is not eligible for Working Tax [Credit]. The problem I am having at the moment is the only income I receive is my wage monthly... and from that I pay full rent and full council tax band B for my 1 bedroomed flat as well as electricity and food for the month along with trying to better myself. I think young people especially people under 25 should be entitled to more benefits such as working tax credits. This would also encourage more young people to work as at the moment I'm not much better off at the end of the month just now than if I was claiming Job Seekers or Income Support with no rent or council tax to pay.”*

20 year old in an apprenticeship: *“I am also too young to receive working tax credits. So coming off my small wage is full rent, full council tax, pension contribution, national insurance and an earnings arrestment for previous council tax. It is beyond comprehension that I have to live on £38 per week having to pay a court fine, phone bill, food and toiletries, gas and electricity every week and will soon have to pay for transport to and from work.”*

The experience of claiming benefits

146. The evidence from this research suggests that young people are unhappy claiming benefits and are desperate to find employment. Young people in the survey described what claiming benefits meant to them:

“I hate being on benefits. I feel like I have no pride in myself any more.”

Unemployed 20 year old

From our research

Unemployed 20 year old: *“My confidence has dropped significantly. I feel I should be doing more with my life at my age but financially, I just can not afford to do anything because I have to claim benefits. I hate being on benefits. I feel like I have no pride in myself any more.”*

Unemployed 25 year old *“...it is so hard to live on just JSA and very depressing at the prospect of having no job for months and months!”*

Unemployed 24 year old: *“Jobseekers Allowance has saved me from destitution but it has not given me a leg up and I feel trapped and unable to contribute to society as I know I am able.”*

147. It is very likely that young people are underclaiming the benefits that they are entitled to. Research undertaken during the height of the recession showed that many young people feel shame in claiming JSA or Income Support. More than two in five young people would be ashamed to make an application for these benefits.²⁷
148. The reluctance to claim benefits is likely to result in a reliance on parents as a source of support, leading to a slower transition to adulthood and independence. Alternatively, it can leave the young person struggling to cope financially without the support to which they are entitled.
149. Even when young people do apply for benefits, many struggle to access and claim the benefits that they are entitled to. This can be due to poor administration, poor information, age restriction and harsh sanctions. Problems can also arise due to a lack of awareness of entitlement and how to interact with the benefits system. This can lead to financial hardship for many young clients and families.
150. One of the main problems of the existing benefits system lies in its complexity. While this can make it difficult to understand for all claimants, it can be particularly daunting for young people. In many cases, young people are claiming for the first time, and lack of information concerning entitlement as well as how to maintain a successful claim can result in confusion and detriment.

²⁷ Young unemployed ashamed to claim benefits, Youthnet

CAB case evidence

A South of Scotland CAB reports of a **22 year old single parent** who is experiencing difficulties in receiving the benefits that she is eligible for. The client has mental health problems and lost her Child Tax Credit by failing to fill in a review form. Since losing this benefit, the client and her child have been surviving on Income Support.

A North of Scotland CAB reports of a **16 year old client** whose father has threatened to evict her from the family home. The client is still at school and wishes to stay on in education until the end of sixth year. She has nowhere to turn after her grandparents couldn't take her in due to lack of space. The client has a part-time job, but would not be able to support herself financially, as she cannot apply for Income Support while still at school. The client doesn't know what benefits to claim and is considering applying to the local authority as a homeless vulnerable adult.

151. The lack of information and the resulting confusion over benefit entitlement has meant a number of young people have been unable to maintain their claim for various benefits and in some cases have faced sanctions. This has led to stress and financial hardship for some vulnerable young people.

CAB case evidence

A North of Scotland CAB reports of a **young single mother** with mental health problems who is being threatened with eviction by her local authority. The client had her housing benefit suspended after missing a home visit from a housing officer, and did not have it reinstated until another visit was arranged seven months later. The client applied for backdating of the benefit, which was refused. As a result she is now in arrears of her rent. The client could not keep to a repayment schedule and is being threatened with eviction in two weeks time.

152. A number of young clients have reported that they cannot access some parts of the benefits system due to being under the age of 18. This age restriction has meant they have no income to be able to support and sustain themselves. Entitlement to a range of benefits differs for people under 18 compared to those over 18 and can lead to some people being at a financial disadvantage. This can stop under 18's attending school or college or being able to work.

CAB case evidence

A West of Scotland CAB reports of a **16 year old client** who is living in a Bed & Breakfast after her parents moved away from the area. The client did not want to leave with her parents, and so has been classed as homeless and been placed in B&B accommodation. She is still attending school, so receives an Education Maintenance Allowance of £20 a week, while her parents send her £20 a week. This is the client's only income, and the Jobcentre has said that the client is not entitled to further financial help. The bureau is assisting the client to apply for grants to help her with the costs of attending school, but there is little other support available to the client.

Advice to young people

153. In 2009/10, 188,969 new benefit issues were brought to Scottish citizen advice bureaux. Each year a significant proportion relate to poor advice given to claimants from various government agencies on issues such as entitlement to benefits, the claiming process and overpayments. These issues impact on the ability of young people to claim benefits and can cause severe financial hardship as well as placing pressure on other welfare benefits such as the social fund.
154. Correct advice from DWP/HMRC is integral to any young person making and receiving the appropriate benefits they are entitled to. Without correct advice it can cause undue poverty and stress to vulnerable young people and families.

“...I was homeless and still they said I was entitled to nothing because of my age.”

Unemployed 18 year old

CAB case evidence

An East of Scotland CAB reports of a **17 year old client** who was wrongly advised by JobCentre Plus. The client is seven months pregnant and came to the bureau with her 17 year old partner. The couple were given conflicting advice from different officers at the JobCentre, resulting in a delay in processing their claims. They have had no income for four weeks. They have both been upset and stressed by the situation.

An East of Scotland CAB reports of a **17 year old client** who received incorrect advice from the local JobCentre Plus. Despite having no income, the client was advised that he cannot make a claim for JSA until he is 18 years old. The bureau referred the client to Careers Scotland where he applied for a hardship payment of JSA.

155. In some cases this has led to a number of young people facing homelessness.

From our research

Unemployed 18 year old: *“My family then made me sign on to claim benefits as I now needed to pay dig money. I then ended up homeless as I could not pay any money to my family as the job centre made me sign on for a month and a half with out giving me a penny. I informed the job centre I was homeless and still they said I was entitled to nothing because of my age.”*

156. Young people can also suffer from conflicting advice from different benefits advisers which impacts on which benefit they are entitled to.

CAB case evidence

A South of Scotland CAB reports of a **20 year old** who was misadvised by the Jobcentre. The client was advised in May that he should apply for Employment and Support Allowance (ESA) rather than Jobseekers Allowance (JSA) as he was receiving Disability Living Allowance (DLA). However, the client was advised in July that he was not eligible for ESA and should have applied for JSA. The client subsequently received JSA payments, but has not received any funds for the two months in which he was misadvised.

157. Conflicting and incorrect advice can lead to people incurring overpayments and claiming benefits they are not entitled to. Young clients and CAB advisers report that it is often impossible to understand overpayments, as award statements and letters do not detail either how the alleged overpayment has arisen or to which financial year it relates. Our case evidence is supported by recent research which found that 81% of respondents who had been overpaid tax credits said they did not find it easy to understand why they had been overpaid and furthermore, explanations were difficult to get from HMRC and DWP.²⁸ This has led to some young clients being accused of fraud.
158. Young clients have reported that dealing with HMRC/DWP in relation to an overpayment can be confusing and upsetting, and for some clients this leaves them feeling less confident about challenging the overpayment.

From our research

Young person: *“... after the birth of my son I claimed child tax credits and child benefit while still on income support. When my son was 5 months old I got told I wasn't entitled to income support or child tax credits because of mine and my partner's situation (he's in the HM forces). I was deeply upset as I was told I could have been done with benefit fraud if I carried on claiming income support or child tax credits as a single parent. I had explained my situation to the job centre when I found out I started claiming income support and they said it would not affect my claim. They should have had more information provided to them so they could have told me at the time what I was entitled to as it was deeply upsetting at the time.”*

159. A further impact of incorrect advice is that further pressure is placed on the administration of other benefits and also on independent advice organisations such as citizens advice bureaux. Subsequently, the resources of these organisations are struggling to cope with the demand created by poor advice from DWP and HMRC.

²⁸ Tax credits: The current picture, Citizens Advice England & Wales, September 2007

Jobseekers Allowance (JSA)

160. Jobseeker's Allowance (JSA) is the main benefit for people of working age who are out of work or work less than 16 hours a week on average. If you are eligible, it is paid while you are looking for work. JSA is not normally paid to 16 or 17 year olds, except in special cases.



“Jobseekers Allowance has saved me from destitution but it has not given me a leg up.”
Unemployed 24 year old

161. Young people under the age of 25 have a lower entitlement (£51.85/week) to JSA payments than those over 25 (£65.45/week). These lower payments have a significant impact on the ability of young people to afford housing and living costs leaving young people more exposed to debt and housing problems.

162. In 2009/10, citizen advice bureaux across Scotland dealt with 11,704 new issues concerning JSA. Many of the issues are brought to bureaux by young people who are having problems in receiving JSA payments, and subsequent problems in having payment issues resolved quickly. Other issues which affect young people concern sanctioning, lack of information on entitlement, poor advice and delays in payment.

163. Delays in the processing of JSA claims for young people is a significant area of concern, as it means essential funds are not reaching young vulnerable clients at the point of need.

164. A number of young people who claim JSA experienced significant delays in the processing and payment of their JSA awards, both on initial application and when reporting a change of circumstance. These delays are exacerbated by officials failing to record information accurately, or administrative mistakes such as losing applications or supporting documents. Delays and errors in JSA awards can have a significant negative impact on other benefits to which a client might be entitled. Overall, problems with delays and errors can lead to financial hardship and stress for already vulnerable young clients and families.

CAB case evidence

A North of Scotland CAB reports of a **17 year old client** who has been waiting five weeks to receive a JSA payment. He has contacted the Jobcentre on a number of occasions, but was told that his application was still being processed. The client has been surviving on crisis loans in the meantime.

165. Lack of information on entitlement to JSA has left many young people in financial hardship having to look for other financial means to survive. Young people are more likely to borrow from friends and family than other debt clients in bureaux when they are experiencing debt problems.²⁹

²⁹ Drowning in Debt, Citizens Advice Scotland (2009)

CAB case evidence

A West of Scotland CAB reports of a **young client** who is unable to JSA after losing her job. The client was made redundant from her job only two months after joining the company after leaving university. The client thought she would be entitled to JSA but has been told that she doesn't qualify as she has not paid enough contributions. She now has to borrow from friends to pay her rent and buy food.

From our research

Unemployed 24 year old: *"I was in employment - just 16 hours in a call centre. I hated the job for the 2.6 years I was there - I just worked for the money... I gave up my call centre job to focus on finding work experience and a decent job. I applied for Job Seekers Allowance but it has not been allowed as I left my call centre job voluntarily. I'm now reliant on borrowing money from my parents whilst I search for a job."*

166. A lack of information has caused a number of young people across Scotland to suffer financial hardship on account of sanctions being applied to their benefits. Young clients often come to bureau disputing these sanctions, and are unaware of how to maintain their claim due to a lack of understanding of the benefits system.

CAB case evidence

A West of Scotland CAB reports of a **25 year old client** who has had his JSA cut to a lower rate due to the client not actively looking for work. The client disputes this and is struggling to make ends meet on the lower level of income. He was unaware that he would have to provide evidence on how he had been seeking work. This wasn't explained at his first interview by a JCP adviser.

A West of Scotland CAB reports of a **22 year old client**, who is six months pregnant, who received a sanction on her JSA after missing a work focused interview. The letter inviting the client to attend was sent to her old address, meaning that she did not know she had an interview. The client applied for a Crisis Loan as the sanction has meant that she has no money for food or utilities, but this was refused. She has applied for hardship payments, but this will take a couple of weeks to be processed. The client came to the bureau absolutely distraught and doesn't know how she will cope.

A West of Scotland CAB reports of an **unemployed 19 year old client** who received a significant JSA sanction after failing to apply for a job. The client was given an application form for a job which he mislaid. He went into the jobcentre to report this, but was told that his JSA had been stopped for 13 weeks for failing to comply. This is the first occasion in which the client has failed to comply. The client has appealed against the decision and made an application to the Hardship Fund, but currently has no income with which to support himself.

Sickness Benefits

167. Employment and Support Allowance (ESA) replaced Incapacity Benefit (IB) in October 2008 for those unable to work due to illness or disability. ESA introduced a tougher assessment which has so far found 66% of claimants fit for work.³⁰ As a result, ESA has quickly become one of the most common issues brought to bureaux and is arguably the issue that is most concerning for advisers.
168. In 2009/10, citizens advice bureaux across Scotland dealt with 14,743 new ESA issues. Following its introduction in October 2008, ESA has become the second most enquired about benefit in bureaux, and the fifth most enquired about issue overall.
169. As of May 2010, there were 3,180 young people under the age of 25 in Scotland claiming ESA. This includes 590 young people in Glasgow, 260 young people in North Lanarkshire, and 200 young people in Fife. In addition, around 8,500 young people in Scotland are in receipt of Incapacity Benefit.
170. Many young people bring ESA issues to bureaux concerning entitlement issues, the claiming process, and appeals. In addition, there is evidence to show that clients with ESA issues need to make more visits to bureaux to get these issues resolved than clients with other types of issues.
171. Bureaux have reported a number of young clients who have experienced delays in their claims for ESA being processed and receiving payment. This can lead to clients having no source of income for weeks at a time and being forced to rely on the Social Fund or help from friends and family to afford essentials.

CAB case evidence

A North of Scotland CAB reports of a **23 year old client** who has waited for five months for her Employment and Support Allowance (ESA) claim to be processed. The client has a number of health problems and is struggling with a low income after her Statutory Sick Pay ceased months previously.

172. A number of clients have reported reaching the limit of three Crisis Loans while waiting on their ESA application to be processed.

CAB case evidence

A West of Scotland CAB reports of a **17 year old client** who is suffering hardship after having to wait over two months for a decision on her Employment Support Allowance (ESA) application. The client has had to apply for three crisis loans in this period in order to buy food, but cannot access any more loans due to the three loan limit.

³⁰ DWP data, October 2010

173. Young claimants also report problems caused by poor administration of ESA.

CAB case evidence

A North of Scotland CAB reports of a **19 year old client** with mental health problems whose benefit has been stopped repeatedly due to administrative mistakes. The client receives ESA, but the claim has been very problematic due to medical certificates being lost by the Department of Work and Pensions. The client's benefit payments have been suspended on three occasions due to this, leaving the client without any funds.

Summary

174. Prior to the recession, a number of factors were limiting the housing options for young people and decreasing the availability of affordable housing. Exceptional increases in house prices, an increase in the level of mortgage deposits, rises in private rent levels, limited access to housing benefit, and decreasing social housing stock have all contributed to a difficult housing market for young people. The recession has accentuated all of these problems.

Housing tenure of young people

175. The last twenty years has seen a shift in young people's housing tenures from owner occupier and social rented housing to private rented housing. As affordable lending continues to be unavailable and social housing remains at a low level, this trend is likely to continue into the foreseeable future.

Living with family

176. The majority of young people in the survey, and 4 in 10 bureau clients under the age of 25, live with their family. Many of these young people were over the age of 21 and in employment. It is likely that the recession will increase the number of young people who are unable to afford to live independently.

Affordable housing

177. The collapse in mortgage lending, coupled with high house prices and competition with the buy-to-rent sector, ensures that first-time buyers continue to struggle at the foot of the housing ladder.

Private rented housing

178. The private rented sector has become the default sector for most young people. Priced out of owner occupier housing, and unable to access social housing, many are only able to access private rented housing. However, due to competition for tenancies, private rents are rising and national evidence shows that young people living in the private rented sector have higher average housing costs than young people in all other tenures.

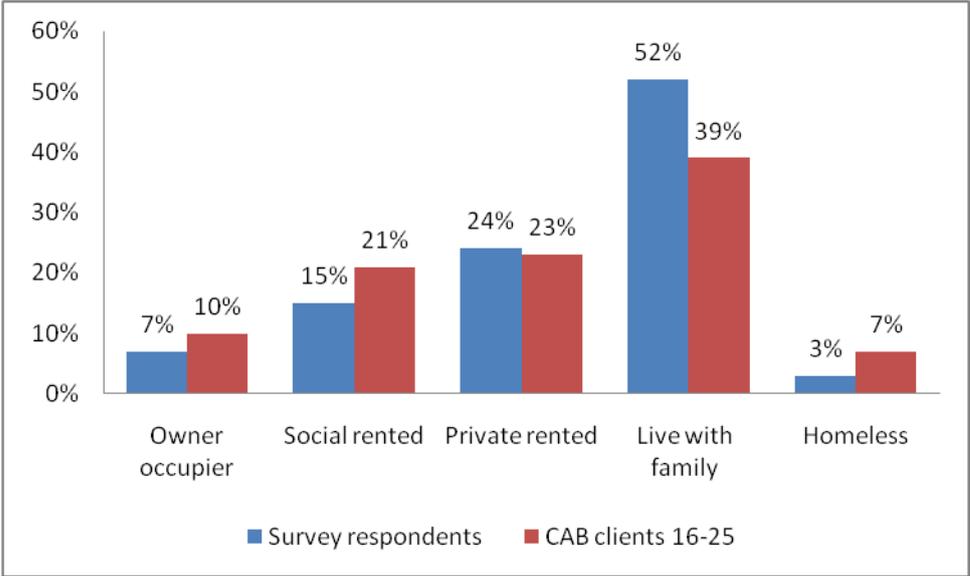
Homelessness

179. Almost a third of homeless applications made in Scotland are made by a single person under the age of 25. The number of single young people assessed as priority homeless increased by 20% between 2007 and 2009. This increase was mostly driven by a 40% increase in single 18-24 year olds being assessed as priority homeless.

Housing tenure of young people

180. Over the past two decades there has been a widespread trend towards fewer young householders living in owner-occupied accommodation and more living in the private rented sector. Renting in the private sector has become the most common tenure for young people. The proportion of households in the private sector in Scotland doubled from 5% in 1999 to 10% in 2009.³¹
181. Evidence on young people in England shows the rapid change. The proportion of 20-24 year olds in owner occupier accommodation fell from 39% in 1991 to 20% in 2006. Correspondingly, the proportion in private rented accommodation increased from 35% to over 50%.³² In Scotland, 13% of under 35 year olds were in the private sector in 1999; a decade later it is almost a third (31%). If this trend continues, the private sector will house the majority of young households by 2020.³³ The reasons for this rapid change – including rising house prices and contraction of mortgage lending – are explored in the forthcoming pages.
182. Young people approaching citizens advice bureaux for advice are almost equally likely to be in private rented or social rented accommodation, with a minority living in owner occupier housing. Around 4 in 10 young people live with family.

Figure 13: Housing tenure of young people



183. This chapter will now examine the housing situations reported by young people approaching bureaux for advice and those who took part in the survey, including problems living with family, affordable housing, the private rented sector, social rented housing, and homelessness.

³¹ 2009 Scottish Household Survey

³² Survey of English Housing 2005/06, quoted in Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

³³ The Scottish housing system: selected economic and social trends, Scottish Government (2011)

Living with family

184. Just over half of young people in the survey reported that they were currently living with their family. More than 40% of young people in the survey over the age of 21 were living with their family, alongside half of those in employment, and two-thirds of young men in the survey.

"I love my parents and this is in no way a reflection on them but...I NEED MY OWN SPACE!"
23 year old in employment

185. This group were more likely to report that employment was their main problem (and is likely in many cases to be the reason that the young person lives with their family), but many in this group talked about the problems that they experienced living at home. These problems included overcrowding, emotional distress, and frustration about being unable to afford independence.

From our research

19 year old student: *"I'm living with my mum, brother and sister. There's lots of problems in the house to do with money and it's just stressing everyone out, but I don't think they all see how all the arguing and stressing out is making me feel ill. I don't think I can emotionally live here anymore."*

23 year old in employment: *"I'm 23 and still at home. I love my parents and this is in no way a reflection on them but...I NEED MY OWN SPACE! What's so wrong with wanting to be that adult everyone bugs you about being...Although I work full time and earn a somewhat decent wage for someone my age; I am still finding it incredibly difficult to look into the idea of leaving home."*

Unemployed 18 year old: *"I have been trying to get my own place since I fell pregnant last year. My mum has no room for me and my daughter. We both share a room with my little sister."*

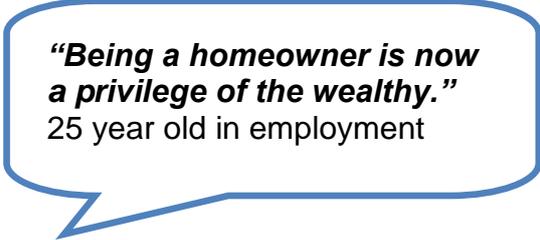
186. Whilst many young people in the survey were living with family due to being unable to find employment, at least half of young people with jobs were also living at home. This suggests either that they were being paid a low wage or that they found securing their own accommodation unaffordable.

187. It appears that problems caused by the recession – and problems caused by unaffordable housing which are explored in the forthcoming pages – are decreasing the ability of young people to live independently. Evidence on young people in England suggests that this was a growing trend even before the recession, with 58% of young men aged 20-24 living with their parents in 2006.³⁴

³⁴ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

Owner occupier housing

188. The odds are stacked against young people and first time buyers in the housing market. Firstly, as house prices rise, young people need higher levels of income and greater deposits to even be considered for a mortgage. The average house price in Scotland for first time buyers stood at £107,067 in 2010.³⁵ The average first-time buyer obtained a mortgage of £86,000, with an average deposit of 20%.
189. Whilst many young people could afford the monthly payments involved in a mortgage, a great number are finding that the level of deposit required is pricing them out of the housing market. In August 2010, the typical first-time buyer deposit in the UK was 21% of the total cost at £33,409, more than double the median of £15,000 in 2007. This has led to many young people needing financial help from their parents to afford deposits – recent figures show that 80% of first time buyers aged under 30 are likely to be receiving help from their parents.³⁶
190. In 2009, there were 28,000 mortgage advances to first time buyers who did not have more than a 10% deposit; down from 245,000 in 2006. This is a drop of almost 90%.³⁷ Young people are particularly disadvantaged by this trend, because they have had less opportunity to build savings for a deposit and are likely to have relatively low wages.
191. The financial crisis and recession has had the effect of restricting lending across all financial products, ensuring that those with lower incomes and limited credit histories will struggle to access mortgages. In October 2010, the £12.4 billion lent in new mortgages was the lowest monthly total for a decade. Despite the taxpayer support afforded to the banks, lenders continue to offer restricted lending.
192. Lastly, the continuing boom of the buy-to-let market, seemingly little affected by the recession, continues to make the first rung of the housing ladder more difficult to reach for young people. At the end of June 2010, there were 1.26 million buy-to-let mortgages outstanding in the UK, worth a total of £149 billion. By value, buy-to-let mortgages account for 12% of all mortgages, the highest proportion since records began. Buy-to-let investors often compete with young people for housing that would suit first time buyers, the irony being that young people then often rent a property that they may have been able to afford to buy.
193. A strong theme in this research was a feeling of frustration at the lack of affordable housing in both homeowner and private rented sectors. The combination of years of rising house prices, a lack of affordable credit following the financial crisis, and the rapid expansion of the buy to let sector, ensures that first time buyers continue to lose out.



“Being a homeowner is now a privilege of the wealthy.”
25 year old in employment

³⁵ Halifax data, quoted in the Herald (02/01/2011)

³⁶ Council of Mortgage Lenders (CML)

³⁷ Genworth Financial Research

194. Frustration about not being able to get on the property ladder was particularly voiced by young people in employment in their mid twenties.

From our research

25 year old in employment: *“There is simply no way on earth even on an above average wage that I can afford a flat to buy. The deposit required with most banks and building societies is on average £10,000.00. Being a home owner is now a privilege of the wealthy and those who bought houses before the house prices sky rocketed.”*

25 year old in employment: *“Despite earning a good wage, a reliable job and little debt I can’t get a mortgage. Banks expect you to be able to raise ludicrous amounts of money as a deposit, or you have to have rich relatives to back you up. Neither of which I have. The whole situation is very frustrating and depressing.”*

23 year old in employment: *“The recession has nearly killed house prices which could potentially make it slightly easier getting a foot on the property ladder...wait for it, catch 22 – the bank won’t give me a mortgage!”*

195. The prospects of homeownership for young people are unlikely to improve in the near future. Lenders have warned that new financial controls will further restrict lending. The Financial Services Authority (FSA) has put banks and building societies on notice that it will require stricter assessments of mortgage applicants' income and ability to pay, particularly if there's a significant rise in interest rates. The Council of Mortgage Lenders warns that this tougher regime would have prevented half of recent borrowers from getting a mortgage.³⁸
196. It is likely that the continuing effects of the recession and public sector cuts will act as further barrier to homeownership. As unemployment remains high, and the costs of higher education inevitably increase, the prospect of home ownership will increasingly be out of reach for those in their twenties.

Private rented housing

197. Around a quarter of young people in the survey, and a similar proportion of 16-24 year old bureau clients, lived in private rented housing. Private rented tenants in the survey were more likely to name housing as their biggest problem than social tenants, homeowners, or those living at home.

“I am trying to save for deposit and it seems like I have no chance of ever affording anywhere!”

25 year old in employment

198. Declining affordability of home ownership has increased levels of private renting, particularly among prospective first time buyers. The evidence suggests that households are delaying owner occupation, as property prices

³⁸ <http://www.cml.org.uk/cml/media/press/2670>

continue to rise ahead of household income. The proportion of households in the private rented sector doubled from 5% in 1999 to 10% in 2009.³⁹

199. As house prices remain stagnant and mortgage lending falls to decade low levels, the private rented market remains buoyant. The average cost of renting rose for the ninth consecutive month to £691 a month in October 2010.⁴⁰ Much of this rise could be explained by potential first-time buyers struggling to get a mortgage and continuing to rent. Research by the property website RightMove found that 55% of renters were "trapped" - wanting to leave rented accommodation, but finding themselves unable to do so
200. As potential first-time buyers are priced out of the market, the demand for private rented tenancies continues to rise, increasing competition for tenancies across the country. A survey by Spareroom.co.uk found that seven people were chasing every room for rent.⁴¹
201. Recent research has identified the plight of the 'in-betweens' who are increasingly unable to access home ownership, yet are not in enough housing need to access social rented accommodation.⁴² For this group of mainly young people, the private rented sector has become the default tenure – partly through a lack of access to any other form of accommodation.
202. Despite being the default tenure for most young people, the cost of private renting is often prohibitively high for many, even for those in well paid employment. The need for a deposit and the first month's rent at the start of the tenancy – which can often add up to hundreds of pounds – can also act as a barrier to taking up a tenancy. National evidence also shows that young people living in the private rented sector have higher average housing costs than young people in all other tenures, including owner occupiers.⁴³

From our research

22 year old in employment: *“On a well paid job at £21,000 I find it hard to find rented accommodation that is affordable and nice!! Rented accommodation should never be more than half of your monthly salary and for my budget there is little/ no choice in Inverness. My boyfriend on a similar income also faces the same problem in Stirling.”*

23 year old in employment: *“The price of private letting is extortionate! More than half my monthly wages would go automatically on rent and that's before you take into account the FULL council tax I would have to pay and seeing as I am under 25, I'm not entitled to any help with this! Bills, food, insurances etc...”*

25 year old in employment: *“I am trying to save for deposit and it seems like I have no chance of ever affording anywhere!”*

³⁹ 2009 Scottish Household Survey

⁴⁰ LSL Property Services

⁴¹ 'Home rental costs continue to rise' <http://www.bbc.co.uk/news/business-11791358>

⁴² Future Directions in Intermediate Renting, Davies and Lupton (2010)

⁴³ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

203. Whilst the media has concentrated on the plight of homeowners who are in arrears and face repossession, it is worth noting that many private renting tenants face similar problems affording their rent. A fifth of private-residential landlords (21%) have had tenants in rent arrears over the last three months, according to research published by the National Landlords Association (NLA). The average amount of outstanding rent arrears is £799.⁴⁴
204. Bureaux across Scotland have advised a number of young clients who have faced **eviction** from their tenancies either because they have fallen in rent arrears or because their landlord has mortgage arrears.

CAB case evidence

A West of Scotland CAB reports of a **25 year old client** whose landlord changed the locks on his door after he fell into rent arrears. The client was made redundant and fell behind with his rent as a result. The client obtained new employment, but when he returned home he found that the letting agency had changed the locks with his belongings inside. The letting agency did not issue a notice to quit and has not contacted the client.

A West of Scotland CAB reports of a **23 year old single parent** who faces being evicted from her rented home due to the landlord being in arrears on the mortgage. The client has a letter from a solicitor advising her to seek advice on her rights as a tenant. The client was given advice on recovering the deposit she had paid to the landlord and advised to register as homeless with the local authority.

205. Young people can apply for Local Housing Allowance (LHA) to help them meet the cost of private renting. In England, around 18% of tenants under the age of 25 are in receipt of LHA.⁴⁵ However, support for young people under the age of 25 is limited by the single room rent (SSR) policy. The SSR restricts LHA for under-25 year olds to the locally assessed cost of a single room in a house with shared use of a toilet, kitchen, bathroom and living room. Young people living in accommodation that does not meet these criteria are expected to meet the shortfall from their own resources.
206. There is a shortage of private rented accommodation which meets the SRR criteria, and SRR claimants are more likely than other claimants to face a shortfall between the rate of benefit and their actual housing costs.⁴⁶ DWP research published in 2005 found that 87% of all SRR claimants faced a shortfall, averaging £35.14 a week.⁴⁷ The SRR discriminates against young people entirely on the basis of their age and compounds the problems they face in the housing market.

⁴⁴ <http://www.landlords.org.uk/news-campaigns/news/1-5-landlords-experienced-rent-arrears-last-three-months-0>

⁴⁵ Young people and housing in 2020: identifying key drivers for change (JRF, 2010)

⁴⁶ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

⁴⁷ Single Room Rent – the case for abolition, Citizens Advice

CAB case evidence

An East of Scotland CAB reports of a **client under the age of 25** who has received a notice to quit for rent arrears. The client has a shortfall in his rent of £40 every four weeks due to the single room rent policy for young people under the age of 25.

A North of Scotland CAB report of a **young client** who has been informed by his local authority that due to being under 25 he is only entitled to the 'single shared room' Local Housing Allowance. There is no set capping rule for under 25's which means this client is going to quickly accumulate rent arrears and face the prospect of homelessness.

A West of Scotland CAB reports of **22 year old client** who has fallen into rent arrears due to a shortfall in rent. The client moved into a short assured tenancy and was advised by the landlord that benefit payments would cover all of the rent. However, the client's rent was £400 a month and the Local Housing Allowance was only £276. The client is managing to make up the shortfall with her sickness benefit payments, but has not been eating properly as a result.

From our research

Unemployed 23 year old: *"I have also found claiming Housing Benefit with a private landlord very difficult. The landlord said that most private landlords do not accept DSS tenants. I have felt in danger of eviction. I was very concerned to hear that new procedures mean that landlords rather than claimants will receive DSS payments, as this will mean landlords will become aware of their DSS tenants. My landlord says she doesn't want the hassle of dealing with the Council. I'm concerned that in the future tenants of private landlords will become homeless."*

207. The single room rent (SRR) policy ensures that young people have less support to sustain tenancies than people in older age groups. The policy narrows housing options for young people, making the transition from living with family to independent living difficult.
208. Proposed changes to housing benefit in the UK will further impact on young people, including restricting the LHA paid for different property sizes, reducing the rate of LHA from the median of local rents to the 30th percentile and reducing the amount of housing benefit paid to those who have been receiving JSA for more than 12 months.
209. The Work and Pensions Committee recognised that the rules surrounding LHA entitlement for young people is having an adverse affect on this age group and recommended that the level of benefit for young people should be increased. However, the Government's reforms take this in the opposite direction: benefits for young people will be lowered as a result of setting the shared room rate at the 30th percentile and extending the shared room rate policy to young people under the age of 35.⁴⁸ These changes will further erode

⁴⁸ Changes to Housing Benefit announced in the June 2010 Budget, Report by the Work and Pensions Committee (December 2010)

the housing support offered to young people and risk sending many vulnerable young people into rent arrears thereby risking eviction and homelessness.

Social rented housing

210. Around 15% of young people in the survey and 21% of young bureau clients are social renters. Around a third of people under the age of 30 in Scotland live in the social rented sector.⁴⁹

“I find it the most stressful thing in the world going to the [housing association] as I don't seem to ever get anywhere.” 20 year old

211. The level of affordable rented housing in Scotland has been declining. Over the last ten years, Scotland has seen a net loss of around 20,000 social rented homes each year - a rate of around of 2.5% per year. Over the past 10 years there have been 103,878 homes lost from the social rented sector through the Right to Buy. As a result, the social rented sector in Scotland reduced from 40% of the total stock in 1991 to 25% in 2007.⁵⁰

212. This trend has inevitably increased the number of people waiting for social housing, as decreasing the supply of affordable housing does not necessarily decrease the number of people that need it. As of 31 March 2010, there were 198,754 households on local authority housing lists across Scotland.⁵¹ Young people in the survey told of their frustration while waiting for social housing.

From our research

20 year old: *“I find it hard to be taken seriously because of my age and find that when I do go into place i.e. the housing I am spoken to like a child. I have been in several times to discuss the fact I will be homeless in 2 months as my landlord is selling his house and we can't find anywhere else that will take 2 people and a pet dog...I also find it interesting that there are so many empty houses sitting yet I have been registered with the [housing association] for over 5 years and have never been offered any kind of accommodation. I find it the most stressful thing in the world going to the [housing association] as I don't seem to ever get anywhere.”*

213. Demand and desire for social rented accommodation amongst young people has traditionally been high since it is thought to provide affordable rents, security of tenure, and a sense of community.⁵² However, many young people are reluctant to access social housing due to the increasing stigma attached to this tenure, whilst others who are not in 'priority' face difficulties in gaining

⁴⁹ Scottish Household Survey 2005/06

⁵⁰ Crisis - http://www.crisis.org.uk/policywatch/pages/scottish_housing_policy.html

⁵¹ Shelter Scotland,

http://scotland.shelter.org.uk/housing_issues/research_and_statistics/key_statistics/the_facts_about_scotlands_housing

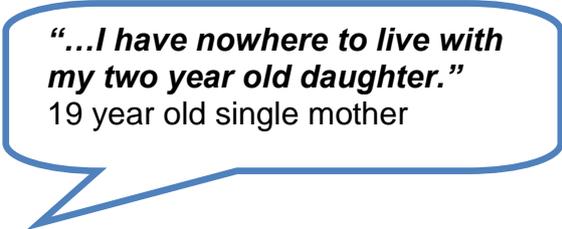
⁵² Rugg, 2010

entry to the tenure.⁵³ Consequently, the social rented sector is less popular and more difficult to access for young people, which is one of the factors that has facilitated the increase in private renting amongst young people.

214. The reduction in the stock of social housing inevitably means that the criteria used to assess applicants for housing has become narrower and is increasingly used for those who are vulnerable, homeless, or in priority need. It is argued that often these criteria exclude young people who therefore have few alternative affordable housing options.⁵⁴
215. Whilst social housing is aimed at providing affordable housing, there is evidence to suggest many young people pay high rents in the sector. Research found that social housing tenants under 35 pay higher rents than social tenants in all other age groups, and they report the highest levels of rent arrears.⁵⁵
216. Media attention has focused on repossessions in the owner occupier sector and has missed the growing number of evictions in the social rented sector. In 2008/09, almost 20,000 social tenants were taken to court for rent arrears and 3,300 social tenants were evicted by landlords. Tenants under 35 are more likely to have rent arrears and it is therefore likely that a number of young people would have lost their homes during the recession.
217. Based upon all these factors, including access to and affordability of social housing, the Joseph Rowntree Foundation (JRF) conclude that social housing is not meeting the needs of young people in terms of availability, flexibility nor affordability.⁵⁶

Youth homelessness

218. Young people make up a disproportionate amount of people who make a homeless application each year. Almost a third of homeless applications made in Scotland are made by a single person under the age of 25. This means that around 1 in 38 young people aged 15-24 made a homeless application in 2009. In 2001, young people were seven times more likely to have experienced a homelessness problem than adults over the age of 25, but eleven times less likely to have obtained advice.⁵⁷ Table 2 shows homeless applications made by young people between 2007 and 2009.



"...I have nowhere to live with my two year old daughter."
19 year old single mother

⁵³ Lupton *et al.*, 2009.

⁵⁴ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

⁵⁵ Heath (2008) quoted in Young people and housing in 2020: identifying key drivers for change (JRF, 2010)

⁵⁶ Young people and housing in 2020: identifying key drivers for change (JRF, 2010)

⁵⁷ Locked Out: Young People's Housing and Homelessness Needs and the Impact of Good Advice, Kenrick (2007)

Table 2: Youth homelessness in Scotland

	Homeless applications			Priority homeless		
	2007	2008	2009	2007	2008	2009
Single under 18	3,672	3,554	3,162	2,446	2,342	2,279
Single 18-24	10,099	10,305	10,583	4,288	5,053	5,987
Single parent under 25	3,909	3,251	4,134	2,945	3,133	3,284
All under 25	17,680	17,110	17,879	9,679	10,528	11,550

Source: Operation of the Homeless Persons legislation in Scotland: 2009-10

219. Youth homelessness increased in the two years up to 2009. Homeless applications overall increased slightly over the period, although applications from single under 18 year olds fell, while single 18-24 year olds and single parent applications rose. Almost 50 single young people applied as homeless every day across Scotland.
220. The number of single young people assessed as priority homeless increased by 20% between 2007 and 2009. This increase was mostly driven by a 40% increase in single 18-24 year olds being assessed as priority homeless. Almost 32 single young people were assessed as priority homeless each day in 2009.
221. Homelessness compounds a number of the problems faced by young people. This is particularly evident with mental health problems and/or the onset of (or exacerbation of existing) substance misuse problems. There is particularly strong evidence that homelessness impedes young people's participation in employment, education or training.⁵⁸ Homelessness almost trebles a young person's chances of developing a mental health problem.⁵⁹
222. The most common reason for homelessness among young people is relationship breakdown, typically with parents or step-parents. For many this is a consequence of long-term conflict within the home and often involving violence.⁶⁰ Although not recorded by age group, around 16,000 homeless applications were made after leaving a home shared with family or relatives in 2009, with over 1,000 involving a violent dispute.
223. Bureaux have helped a number of young people, often under the age of 18, who have been made homeless after leaving the family home.

⁵⁸ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

⁵⁹ SEU 2005

⁶⁰ Shelter Scotland, The facts: bad housing and homelessness for children and young people in Scotland 2010

CAB case evidence

A South of Scotland CAB reports of a **17 year old client** who left the family home after an altercation with his father who is pressing charges. A court order prevents the client from re-entering his home or contacting his parents. The client has nowhere to live and is living on JSA.

A West of Scotland CAB reports of a **16 year old client** who is living in a Bed & Breakfast after her parents moved away from the area. The client did not want to leave with her parents, and so has been classed as homeless and been placed in B&B accommodation. She is still attending school, so receives an Education Maintenance Allowance of £20 a week, while her parents send her £20 a week. This is the client's only income, and the Jobcentre has said that the client is not entitled to further financial help. The bureau are assisting the client to apply for grants to help her the costs of attending school, but there is little other support available to the client.

224. Young people can become homeless after a relationship breakdown. Anecdotally, bureaux have reported that problems caused by the recession, such as debt and housing problems, has placed strain on many relationships. Bureaux helped clients with nearly 7,500 divorce or separation issues in 2009/10.

CAB case evidence

An East of Scotland CAB reports of a **23 year old client** who has recently separated from his partner and become homeless. The client is looking after their 1 year old child. He is in full time employment, but cannot afford to pay rent and look after his child at the same time. The bureau helped the client to complete a homeless application.

225. As would be expected, it is likely that there is a link between the 79% increase in 18-24 year old JSA claimants since 2007 and the 40% increase in priority homeless for the same age group between 2007 and 2009. A loss of employment or drop in pay places pressure on the ability to afford housing and can lead to homelessness.

CAB case evidence

A South of Scotland CAB reports of a **20 year old client** who was made homeless after being made redundant. The client went into rent arrears after losing his job and was evicted by his housing association. The client did not appeal the decision and did not seek any help. The client's finances were in a mess because he was repeatedly in and out of small part time jobs and was confused by his benefit claims. The client initially slept in a tent in his sister's garden and then moved to sleep on his friend's sofa. The client has now returned to his sister's home; she has four young children and only three bedrooms. The client was told by the local authority that he is not a priority for housing. The bureau queried why the client had not been offered temporary accommodation at any point.

226. Citizens advice bureaux have reported advising young people who have had problems with the local authority, including young clients who can often be inappropriately assessed as not being in priority need.

CAB case evidence

A North of Scotland CAB reports of a **22 year old client** who was assessed as not being in priority need for homelessness accommodation despite experiencing significant health problems. The client has significant addiction problems, including heroin and alcohol, and is starting a methadone programme. The client also suffers from depression, anxiety, paranoia, and has a history of self-harm. The client believes that her level of vulnerability was not taken account of in the decision.

An East of Scotland CAB reports of a **young client** who has been told to vacate her temporary accommodation as she does not have a priority need. The client left her previous home due to domestic violence from her partner.

From our research

Unemployed 19 year old: *“...my local council have accused me of not being homeless and have now kicked me out of a homeless housing and won't re-house me, so I have nowhere to live with my two year old daughter.”*

227. Citizens advice bureaux have advised young people who experienced homelessness for months despite having approached a jobcentre for advice. A number of young people appear to be unsure about where to seek advice and unaware of their housing rights.

CAB case evidence

A South of Scotland CAB reports of a **20 year old client** who has been sleeping rough in the local park for three months. The client has made a homelessness application, but is having difficulty accessing benefits because he has no permanent address and difficulty phoning.

A West of Scotland CAB reports of a **young client** who has been staying with friends after leaving home a few months earlier. The client went to the Jobcentre for advice, but was given no information on accessing the Social Fund or how to make a homelessness application.

228. Where homeless young people are given a social tenancy, they often find it is unfurnished and will struggle to access funds to buy furnishings. A lack of access to the Social Fund to be able to afford furnishings is a common problem for homeless clients receiving housing offers.

CAB case evidence

A West of Scotland CAB reports of a **23 year old client** who is experiencing problems affording furniture for his social tenancy. The client is a lone parent with a 3 year old daughter who recently moved into an unfurnished housing association flat. The client cannot afford to buy furniture for the flat, but has been refused a budgeting loan, a crisis loan, and a community care grant. The bureau commented that a lack of access to the Social Fund is a real barrier to people being able to take up housing offers, and that clients often have to borrow from friends or from unregulated financial sources.

From our research

24 year old in employment: *“Stressful. Just been given house, no money for furniture and fitting.”*

229. The official homelessness figures may mask the true number of young people who are effectively homeless in Scotland. The figures only record those who make a homeless application. Thousands more may be ‘hidden homeless’ – sleeping at a friend’s house, in B&B accommodation, rough sleeping, or living in overcrowded accommodation. Crisis estimates that there are around 400,000 people in hidden homelessness across the UK.⁶¹

⁶¹ How many, how much? Single homelessness and the question of numbers and cost, Crisis (2003)

Young People and Debt



Summary

230. Debt problems affect a significant number of young people. Research has shown that four out of five young people have been in debt by the age of 21, and that a third of young people have owed more than £5,000.⁶² Whilst debt was a growing problem for young people prior to the recession, this research suggests that affordable credit taken out prior to the recession has turned into unaffordable debt for many young people as the effects of the recession take hold.

Level of debt

231. Debt is a common problem brought to citizens advice bureaux by young people. In 2009, the average level of debt brought by a debt client under the age of 25 was just under £10,000 and had doubled since 2004.

Experience of debt

232. Debt can be a significant source of worry and stress for young people, with many in the survey talking about their experience of debt. A study prior to the recession found that more than half of all 16-24 year olds say money is the issue currently worrying them the most, with nearly one in three saying that they worry 'all' or most of the time about their problems⁶³.

Causes of debt

233. For a number of young people, redundancy and job loss was the instigating factor for their debt problems. For others, a decrease in working hours and pay caused affordable credit to turn into unaffordable debt.

234. A number of students and graduates blamed the cost of full-time education for their debt problems. Recent figures show that the final year university student has an average debt of nearly £8,000.

235. Young people were likely to blame their debt problems on easy access to credit and their inexperience in dealing with credit. Bureaux evidence suggests that young people were given irresponsible credit prior to the recession.

Bankruptcy

236. Evidence from citizens advice bureaux has suggested that young people are more likely to want to access bankruptcy than older clients, but less likely to be able to access bankruptcy.

⁶² <http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/050.shtml>

⁶³ GfK NOP poll for Citizens Advice, adviceUK and Youth Access in 2007

The experience of debt

237. Young people in Scotland are less likely to be managing financially than other age groups. The Scottish Household Survey found that only 35% of 16-24 year olds stated that they were managing well compared to 49% of all Scots, while 22% of young people were not managing well financially compared to an average of 12%. Over half of young people (55%) under the age of 24 had no savings compared to an average of 25% across all age groups.⁶⁴

"It's made me from being a happy person to a very depressed person with no hope in life"
24 year old in employment

238. Debt problems affect a significant number of young people. Research has shown that four out of five young people have been in debt by the age of 21, and that a third of young people have owed more than £5,000.⁶⁵ Young people in the survey talked about the stress and worry that being in debt has meant for them. This can be caused by harassment from lenders or simply trying to live on a constrained income.

From our research

Unemployed single mother: *"...it's getting too much and I can't afford to pay it but the debt isn't going to go away and I am worrying myself sick. I have bad depression with all this."*

25 year old in employment: *"I watch the price of every individual item I buy which can turn the most mundane shopping trips e.g. a trip to the supermarket for dinner into a largely stressful experience especially at times where large payments on electricity and gas bills are due."*

23 year old in employment: *"[lender] calls me every day harassing me for money that I have already paid, this is really stressing me and affects me every day, I feel so depressed all the time."*

24 year old in employment: *"... my debts are more than uncontrollable and I don't know who to trust or what to do. I can't even open a letter that's addressed to me as I am scared of what it's going to say or what threat it may be this time. It's made me from being a happy person to a very depressed person with no hope in life."*

239. Debt problems can be a significant worry for young people. A study prior to the recession found that more than half of all 16-24 year olds say money is the issue currently worrying them the most, with nearly one in three saying that they worry 'all' or most of the time about their problems⁶⁶. A study by YouthNet found that a quarter of 16-24 year olds have suffered from mental health difficulties because of their financial situation.⁶⁷

⁶⁴ Scottish Household Survey

⁶⁵ <http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/050.shtml>

⁶⁶ GfK NOP poll for Citizens Advice, adviceUK and Youth Access in 2007

⁶⁷ The Facts about Young People and the Recession, Youth Access (2009)

Young people and debt advice

240. National evidence shows that young people are more likely to experience problems than older adults, but less likely to seek advice. Based on data from the English and Welsh Civil and Social Justice Survey (CSJS), 73% of young people did not seek advice on debt problems that they experienced.

“Boom the recession hits and then you are hit in the face with the reality of DEBT”

25 year old in employment

241. Citizens Advice Scotland undertook in-depth research with bureau debt clients in the Drowning in Debt report (2009).⁶⁸ Based upon information extracted from the research, the following findings were made on bureau debt clients aged 16-24:

- Young clients (16-24) held a lower level of debt than other age groups; £9,679 compared to an overall average of £20,914.
- The average level of debt for young people nearly doubled between 2004 and 2009, and is increasing twice as fast as the rate for all clients.
- The average number of debts for young people in the survey stood at six, the same number that older clients held.

242. Young people in the research held different types of debt from other CAB debt clients:

- Young people were less likely to hold credit card debts than older clients. However, the proportion of young people with credit card debt increased by 50% between 2004 and 2009.
- Young people were much more likely than older clients to hold overdraft debts (59% of young clients), catalogue debts (41%), and hire purchase agreements (18%). The proportion of young clients with overdraft debts almost doubled between 2004 and 2009.
- Nearly three-quarters of young people in the research has a personal or unsecured loan.
- More than half of young clients held a landline or mobile phone debt, and were almost five times more likely than older clients to hold this type of debt.

243. In England and Wales, a third of the problems brought to citizens advice bureau in 2009/10 were related to debt. Personal loan debts were the single biggest issue brought by under 25s to Citizens Advice (England and Wales), increasing by 10% in a single year. Credit card problems increased by 6% while overdraft problems experienced a significant increase of 17% on the previous year.⁶⁹

⁶⁸ Drowning in Debt, Citizens Advice Scotland (2009)

⁶⁹ <http://www.guardian.co.uk/money/2010/nov/15/citizens-advice-young-people-seeking-help>

The causes of debt

244. Half of young people in the *Drowning in Debt* report attributed their debt problems to money mismanagement, while around four in ten thought that low income, having children, and losing work were key factors. Young people were much more likely than older clients to attribute their debt to taking on a first home or tenancy.

“Before the recession hit I was continually offered loans and credit cards which, being young and stupid, I agreed to.”
23 year old in employment

Employment problems

245. Young people in this survey described the circumstances that led them into debt and their experience of being in debt. For a number of young people, redundancy and job loss were the instigating factors for their debt problems. For others, a decrease in working hours and pay can cause affordable credit to turn into unaffordable debt.

From our research

19 year old in employment: *“... as a result of not being able to gain employment for the past year I have now got a number of debts that I haven't been able to pay back due to me being on benefits, I don't get a lot of money from my benefits as I have a house to pay money into so that leaves me with not a lot of money to put towards my bills, this has caused my bills to double or sometimes triple the amount as I haven't had enough money to pay them, now as a result of this I am struggling with my finances and could possibly lose my home.”*

23 year old in employment: *“I couldn't get a full time job for over a year so managed to incur debt through daily living. I am now struggling to pay this as well as pay for my normal daily life even though I have found full-time temporary employment.”*

Unemployed 22 year old: *“Having had a good credit score all my life I found it very easy to get credit/loans. I then suffered from depression and lost my job, since then everything spiralled out of control, I couldn't pay bills etc. and now I am stuck in a rut of around £16,000 in debt.”*

25 year old in employment with two children: *“...after being faced with the option of cut my hours or take redundancy, the only real choice was to cut my hours as everywhere else people were being made redundant so there were no jobs available. So you then have half the income you normally have but the same outgoings! So what happens? The DEBT then starts to increase....”*

Full-time education

246. Other young people in the survey reported that they were experiencing debt problems as a result of being in full-time education. The Scottish Centre for Employment Research (SCER) found that the average final-year student in Scotland has debts of about £7,800.⁷⁰

247. Excluding the minority who have no debt at all, then the average increases £8,750. The SCER report found that students from working-class backgrounds have higher debt than those from middle-class families.

248. A survey by the National Union of Students (NUS) found that debt was a significant worry for the majority of students:⁷¹

- 62% said a lack of money was damaging their studies.
- More than half of students had been forced to use credit cards and other forms of commercial credit to get by.
- More than a third said that they had considered dropping out due to financial worries.
- Nearly two thirds said they worried frequently or all the time about money.

From our research

24 year old in employment: *“As a student, I received no parental contributions and was forced to apply for the highest possible student loan. Due to the loan being means-tested, I received a relatively low loan from the SAAS meaning I worked between 16 and 20 hours at uni whilst studying full-time - something which ultimately put me off studying an Honours year. I could not even afford to graduate and had to delay receiving my certificate from the uni until I had paid off the debt I owed their financial services dept.”*

19 year old student: *“Well, I’m taking my HNC this year and because I have not a lot of income I had to take out a student loan to fund my time - this really worries me, and I feel you don’t get enough support telling you about the loans and explaining it. Also, it takes ages to process which leaves you in debt.”*

25 year old in employment: *“with being a full time student, I have been told that I can’t get help from the government with help towards my rent, the money I receive from the college only covers my rent and have been told if I work I can only do 16 hours or less otherwise I will not be entitled to not paying council tax. Due to this I’m now in debt due to borrowing off family and friends.”*

20 year old student: *“Pressure of paying off £25,000 of debt once I leave, also pressure to complete the course and do well enough to justify the money.”*

⁷⁰ <http://www.heraldsotland.com/news/education/student-debts-soar-as-credit-crunch-hits-hard-1.992162>

⁷¹ Overstretched and Overdrawn – A survey of student hardship, NUS Scotland (2009)

Family circumstances

249. Debt problems often come about due to relationship breakdown and changes in family circumstances. Anecdotal evidence from bureaux has suggested a link between relationship breakdown and debt, with one often causing the other. Bureaux have reported increasing numbers of separation issues in the recession.

From our research

24 year old in employment: *"I split from my boyfriend 3 years ago and wanted to sell my flat and pay off the debt I couldn't afford without him. When putting it on the market the recession came and no one would look at my flat and no one was interested... It has built up - my debts are more than uncontrollable and I don't know who to trust or what to do."*

Unemployed single mother: *"I am a young single mother of one and due baby in February. I don't work and I have debt up to my eyes. The bank given me a bank loan knowing I was not working...it's getting too much and I can't afford to pay it but the debt isn't going to go away and I am worrying myself sick. I have bad depression with all this... it's fun at the time but it's not good in the long run - is hard gets u down and low stressed and ur too scared to answer calls on phone or open door in case it's a debt collector looking for money u just don't have."*

CAB case evidence

A West of Scotland CAB reports of an **18 year old single mother** who took out expensive credit after struggling with her finances due to the breakdown of her relationship. The client borrowed £500 from a doorstep lender at an interest rate of 189% and now owes more than £2,000.

Easy access to credit

250. A number of young people in the survey blamed their current debt problems on easy access to credit prior to the recession. Some attributed their circumstances to being naïve and inexperienced regarding taking out credit, while other young people felt that creditors had been irresponsible in their lending practices.

From our research

25 year old in employment with two children: *"Before the recession hit it was so easy to obtain credit, banks, loan companies and credit card companies were literally throwing them at you, being young and naive and an attitude of "I will worry about it later" meant that you could easily mount up a lot of small debts in to a huge amount, then boom the recession hits and then you are hit in the face with the reality of DEBT..."*

23 year old in employment: *“Before the recession hit I was continually offered loans and credit cards which, being young and stupid, I agreed to. I am now seriously struggling to pay these and due to the banks no longer lending I am unable to consolidate these to a smaller payment, have been missing payments and am generally finding it very stressful.”*

23 year old in employment: *“I feel that I was offered far too much credit well beyond what I could afford to pay back as soon as I turned 18. At the time I don't feel I was old enough to make a sensible decision about borrowing money, I was tempted and only saw things in the short term. Now at 23 I'm overwhelmed with debt and will probably be paying it off till I'm 30! I can't get finance now for things I actually want like a mortgage because my credit rating is too badly damaged.”*

251. Citizens advice bureaux across the country regularly advise clients who have been given credit that was clearly unaffordable for the client.

CAB case evidence

An East of Scotland CAB reports of a **21 year old client** who has 54 creditors and debts totalling nearly £40,000. The client has two young children and is unemployed. The bureau stated that it is unclear how the client was able to amass this debt at such a young age. The client is being advised to apply for bankruptcy.

A South of Scotland CAB reports of a **19 year old client** who was offered substantial credit from her bank despite already owing them a sum of money. The client built up debts at university and has debts of around £10,000 mainly with banks. She contacted her bank to sort out the debts, and was offered a £15,000 loan. The client was shocked that in the present climate and in her situation that she was offered such a loan. The client states that despite her low wage and high levels of debt, she is 'bombarded' with offers of loans every day.

Problems with banks

252. The actions of creditors can often have a negative impact on the financial situation of young people. In particular, a young person's **relationship with their bank** can play a key role in the person's ability to manage their money. However, it is often the case that a bank can take unhelpful actions when a young person is experiencing financial difficulties, making it more difficult for the young person to successfully manage their finances.

"...I don't and shouldn't have to owe £782.32 for charges when I was overdrawn by £0.32."

20 year old student

CAB case evidence

A North of Scotland CAB reports of a **22 year old single parent** whose bank took £400 from her account without her permission. The client's benefits and part-time wages are paid into the bank account. The bureau has been in negotiation with the bank for several weeks regarding an agreement over the repayment of the client's debt, but the bank went ahead and took the money from the account. When the client contacted the bank, they told her they had had no contact with the Bureau whatsoever, and if she closed her account and moved her account to another bank in order to access her income, they would take her to court. The client was very upset and in tears.

A West of Scotland CAB reports of a **young client** who has been told by his bank that if he didn't pay £1,400 in the following 10 days that they would 'blacklist his address'. The client has been using his grandparents' address for correspondence as he doesn't have permanent accommodation, and is worried that they will be affected by his debt. The client's debt stems from an unauthorised overdraft which has developed since the client became unemployed three months previously.

A West of Scotland CAB reports of a **20 year old client** who is struggling to keep up with repayments on a loan after being made redundant. The client is now in receipt of Job Seekers Allowance (JSA) and agreed to pay £10 a month towards the loan. The client states that the £10 was paid into her account one day late and that her bank responded by freezing the client's access to her account.

From our research

Unemployed 21 year old: *"I received a phone call from the bank. They are not too happy that I can't pay my loan. I have 28 days to get money together or they are sending in the debt collectors. JOY!!!"*

253. A significant factor that can make the debt problems of young people worse are **overdraft charges**. The recession has left young people more exposed than ever to disproportionate and unfair overdraft charges from their banks. For young people they *are* unfair – they are disproportionate to the level of infringement, they penalise low income customers for being poor, and trap many in a cycle of debt for an overdraft that can be as little as a penny.
254. Office of Fair Trading (OFT) analysis shows a strong relationship between the number of insufficient funds charges a consumer is likely to pay and their age and level of savings, which is itself influenced by income and social status. The incidence of charges is disproportionately high among relatively young and financially constrained consumers. The same research found that young people were significantly less likely than other consumers to have known about charges before incurring one.⁷²

CAB case evidence

A South of Scotland CAB reports of a **19 year old client** who incurred bank charges after assuming that his card would be frozen after he ran out of funds. The client did not know about bank charges, thinking that he would be told when he had no money. The bureau asked for a refund of charges, but found it very difficult to find somebody who would talk about the client's situation.

255. In 2009/10, citizens advice bureaux in Scotland helped clients with over 11,000 problems relating to overdraft charges and debts. Many of these clients were young people who experienced overdraft charges after being made redundant.

CAB case evidence

A West of Scotland CAB reports of a **young client** who is struggling with overdraft debt after being made redundant. The client is being charged £5 a day for every day that she is in her unauthorised overdraft - £150 in charges per month. As a result of the charges, the client has missed a payment for her car.

A West of Scotland CAB reports of a **young client** who experienced problems with debt after being made redundant. The client had a £2,000 authorised overdraft while he was in employment. However, after losing his job, the bank unilaterally reduced his authorised overdraft to £1,000, thereby putting the client £1,000 into unauthorised overdraft. The resulting interest and charges mean that the client now owes £3,000 to his bank. The client tried to negotiate and agreed under pressure to repay £40 a month. However, the client was never able to keep to these repayments as his main income comes from Job Seekers Allowance (JSA). The client's only option to escape his debt is to be made bankrupt, an idea to which he is completely resistant.

⁷² Personal Current Accounts in the UK: An OFT market study, Office of Fair Trading (2008)

From our research

24 year old in employment: *“Looking for work has resulted in me going further into debt...With the banks now charging me £1 a day for my overdraft too, I wonder when I'll ever be able to start paying back my loans and debts!”*

256. One young person in the survey showed how damaging overdraft charges can be even for very small overdraft infringements.

From our research

20 year old student: *“I am having difficulty with [name of bank] in regards to charges and me paying them, I have contacted them in regards to making a payment but they won't take what I tell them to so are threatening me with court action I am worried sick. Not only this I don't and shouldn't have to owe £782.32 for charges when I was overdrawn by £0.32. I am worried sick”.*

Bankruptcy

257. CAS' research the Drowning in Debt report found that young people were more likely than older clients to consider the Low Income Low Assets (LILA) route to bankruptcy, but were less likely to be able to afford the £100 fee to access LILA.⁷³ A number of young clients approach a bureau for advice on bankruptcy after changes in circumstances, such as redundancy and health problems, makes their debt unsustainable.

“If we are going to lose everything we want it to be on our terms.”

23 year old in employment

CAB case evidence

A North of Scotland CAB reports of a **young client** who enquired about going bankrupt as he could no longer cope with his debts of over £10,000. The client left his job two months ago and has moved back in with his parents. The client has a college place which starts in two months, but is worried about how to cope with his debts.

From our research

23 year old in employment: *“We are going to have to declare ourselves bankrupt because we stand no chance of repaying our debts and the creditors are starting the ball rolling on court procedures. If we are going to lose everything we want it to be on our terms.”*

⁷³ The LILA route to bankruptcy was established in 2008 to allow debtors with low income and low assets who could show that they could not pay their debts to access bankruptcy for a fee of £100.

258. The LILA route to bankruptcy allows debtors with a low income and high debts to access a debt remedy for a fee of £100. However, due to the low incomes of these debtors, many struggle to save up the fee from their benefits. This appears to particularly affect young people as they have a lower benefit entitlement.

CAB case evidence

A West of Scotland CAB reports of a **25 year old client** who is in difficulty with debt after becoming unable to work due to ill health. The client had attended the bureau a year previously and had tried to access the LILA route to bankruptcy. However, the client did not have the £100 fee to access this route. Over the course of the year, the client has been able to save the fee from his benefits and is now applying for LILA.

An East of Scotland CAB reports of a **24 year old single mother** who cannot afford the £100 fee for LILA. The client has not been able to work since 2005 due to depression, and her debt has risen to over £5,000 as a result. The client is reliant on Income Support and cannot afford the £100 for LILA on this low income.

An East of Scotland CAB reports of a **21 year old client** who has multiple debts, including utilities arrears, council tax arrears, personal loans, credit cards, doorstep credit, and mobile phone debt. The client is receiving JSA, but has been told to apply for ESA due to mental health problems that the client has experienced partly as a result of being brought up in care. The client wishes to make herself bankrupt, but cannot afford the £100 fee for LILA.

Young People and their Future



259. A number of young people in the research were pessimistic about the future of young people in Scotland. Some participants warned that the situation facing young people is likely to force many to look abroad for opportunities. These young people recognise that this would be a loss to the country, but feel that they have little alternative.

From our research

23 year old: *"I'm sure the UK and Scottish government would be rather upset if they found out the true number of YP contemplating leaving the country for a better deal... In my group of friends alone, including me; there are 5 of us who are looking at relocating out with the UK... If I stayed, I'd benefit the economy by spending my money in Scotland, but when I can't afford the big picture, why would I even attempt to try? No wonder I want to leave...wouldn't you?"*

24 year old in employment: *"Imagine, thousands of graduates and years wasted. In losing these skilled people, the country will flounder even more: those who can, will move abroad, and those who can't, will become jaded."*

260. Despite the pessimism that many young people feel, a number believe that they could return to youthful optimism if they were supported to find employment and feel that they are a useful member of society.

From our research

24 year old in employment: *"...the current system of government is failing young people like myself who would like to be filled with youthful optimism again, that they can make their own, worthy contribution to society. This all sounds very doom and gloom but I honestly would like to be liberated to feel my age as a result of having these financial pressures eased and I look forward to a better future."*

261. This research asked young people to name the one change that would make life better for young people. If these changes were to happen then they would go a long way towards helping young people to regain their youthful optimism about their careers and place in society. The following recommendations extend directly from the changes that young people in Scotland want to see:

Education

262. Just over 1 in 5 young people in the survey were in full-time education, while a number of other young people had recently graduated or left education. These young people had a number of suggestions for change in the education system that could make life better for young people, including better careers advice, more opportunities for work experience, and changes to the funding system.

Careers advice that includes further education and vocational training and other opportunities as well as university

263. A number of young people in the survey felt that the careers advice they received at school had not prepared them for further/higher education and for the workplace. It was strongly felt that careers advice was overly focused on getting young people into university and not enough support was given to young people who chose to undertake vocational training or other opportunities.

From our research

Unemployed 23 year old: *“It would also help if the education system both at secondary school, colleges and universities actually taught young people relevant life skills that they will use. And also consider other career opportunities. It's grossly unfair to send young people off to university and all the debt that comes with it, only for there to be a completely disproportionate amount of opportunities compared to the growing amount of graduates.”*

21 year old student: *“No pressure at school to go to university. They say it's good to get a degree. No it's not. It doesn't mean much nowadays. Everyone's looking for higher qualifications than that. I think younger people should be given more support in what they want to do. I think better work placements, internships and so on would help.”*

19 year old student: *“It seems that young people are being encouraged to go to university, there are a number of people I know who have went to university because their friends were and it's what everyone does. Then the young people who don't want to go to university often don't stay for the final two years of school because these years seem to be very focused on sending the pupils to university and they often don't receive the same attention, so they leave only to find there are no jobs.”*

22 year old in employment: *“More career based education from a younger age at school. Give youths a better choice of finding a career path which suits both their short term needs and their long term prospects.”*

264. Young people stated that it is important that they receive advice on and are given opportunities to pursue vocational training and apprenticeships. This included students and graduates who would have preferred a different form of education or training to the route that they had taken.

From our research

25 year old in employment: *“More access to vocational training. Emphasis is on achieving high grades in school and going to university. This does not suit all people, giving young people options and support to decide what they actual want to do with their lives, and not to be pigeon holed by society is the best change that could be made.”*

23 year old in employment: *“Young people should be told before going to University that a vocational training course may be of more benefit than wasting 4 years and thousands of pounds studying a degree that results in no job.”*

20 year old student: *“Opportunities for graduates from not just higher education, BUT FURTHER EDUCATION as well!!! More opportunities for vocational qualifications!”*

Unemployed 24 year old: *“In a broader sense I wish there were enough Modern Apprenticeships for everyone who wants to do one. That there was a system in place whereby after school you applied either to ucas or for a modern apprenticeship.”*

Greater opportunity to find work experience at school/university

265. A number of young people in the research reported that a lack of work experience had held them back when applying for jobs. It was suggested that a solution to this problem would be greater opportunities to gain this experience while at school or in further/higher education. In this way, young people leaving school or graduating would be in a stronger position to find employment.

From our research

Unemployed 21 year old: *“More offers of work experience at school/university. I graduated and feel very inexperienced and like I have very little to offer an employer.”*

20 year old student: *“Encouraging young people to get work experience while at school as possibilities of getting a job after school will increase.”*

Funding for education

266. Students in this research were keen to see changes in the funding system for further/higher education in order to help them manage their finances while studying. National evidence has shown that students in Scotland graduate with nearly £10,000 of debt and often work over the recommended 10 hours of part time work per week.

From our research

20 year old student: *“I would make changes to the way young people going into further and higher education are funded. At the moment, there is really no alternative to building up a large debt to the Student Loans Company, particularly for students from rural areas who simply cannot live at home whilst they are studying, so have to pay for rented accommodation, often in cities where the cost of living is fairly high, as well as living expenses.”*

20 year old student: *“Improve the Student Support system within Higher + Further Education! Enable young people to study without the fear of mounting debt, when they graduate, but also the security so that they are not working 20 - 30 + hours a week to try and support themselves whilst they are studying, thus, negatively impacting on their chances of completing their course and also affecting their mental health. Education in this country is certainly NOT FREE, NOR FAIR!”*

20 year old student: *“Better student support - students in Scotland are living in hardship whilst they study, as they are forced to live below the poverty line... More places, government encouraging people to better themselves, return to education, get off benefits etc. but is not providing the financial support/stability nor the places for people to actually do so!”*

Employment

267. Over half of young people in the survey named employment as their biggest problem at the moment. This particularly included those who are unemployed (although those in employment also experienced problems in work), school leavers, those in further/higher education, and young men. These young people had a number of suggestions for change that would improve their life and those in a similar position.

Encourage employers to give young people a chance to prove themselves

268. A significant number of young people in the survey expressed frustration that they were often turned down for jobs due to a lack of experience. Many stated that it was very difficult to get experience when jobs all **wanted** experienced people.

269. When asked what change would most help young people, many in the survey strongly felt that a change in employer attitudes to young people would make a significant difference to their employment chances.

From our research

24 year old in employment: *“More people willing to give you 5 minutes to settle in, instead of looking for really experienced people. Even the greats had to start somewhere.”*

Unemployed 20 year old: *“It would be for employers to give young people a chance to prove themselves, despite our lack of experience.”*

Unemployed 20 year old: *“More chances! Get firms to take on more younger people who are willing to try! It doesn't matter if they don't have the experience but have the qualification, or if it's the other way around, just give us a chance!”*

Unemployed 17 year old: *“Being given the chance to prove that we are able to work and not be turned down because of our age.”*

18 year old student: *“More of a chance to get full time jobs as most jobs available are being given to older people with more experience but young people can't get the experience needed unless someone is willing to take them on*

Provide opportunities for work experience or internships/training

270. A solution to the perceived lack of experience of young people would be for employers to offer more training in order to give young people the experience that they are expecting of employees. A number of young people had suggestions about how this might be achieved.

From our research

23 year old in employment: *“Train young people and graduates. The companies could just pay stipend instead of the complete salary until the person attains the required skills and experience. This might help young people out of their depression of not having a job. It also holds a hope that the skills they acquire during training will propel their career even in the same company.”*

Unemployed 18 year old: *“If I could change one thing that would make life easier for young people it would be to make most jobs provide training (or even college programmes that last like a month or 2 that will give you some experience in the field you are interested in) as most jobs want experience or someone older who has experience gets the job.”*

19 year old in training: *“I would make it that employers gave the chance to young people even if it does mean they have to train you.”*

271. A number of young people in the research were currently on or had recently taken unpaid internships or offers of work experience. However, some young people had had to leave these opportunities or turn them down due to being unable to support themselves financially without a wage. It is important that these opportunities provide support as well as experience otherwise there is a risk that employers are the only beneficiaries of such opportunities.

From our research

20 year old in training: *“If I could change one thing for young people including myself, it would be that we should be getting paid the minimum wage for doing work experience or training for jobs, not have to work for nothing and not get paid.”*

An equal minimum wage for all age groups

272. Young people in the survey strongly felt that the current tiered minimum wage system was discriminatory and that they were often paid less than older employees who were doing the same job. Young people also thought that the lower minimum wage contributed towards financial problems, especially as housing and living costs are typically the same for people of all ages.

From our research

24 year old in employment: *“I don't think there should be a lower minimum wage rate for under 18s. If a young person is working, they should get paid the same amount as someone a few years older than them.”*

21 year old in employment: *“Equal minimum wage - end the current tiered system.”*

17 year old in employment: *“...age discrimination is illegal, the minimum wage system is age discriminating, doing the exact same job as someone that is 1 year older for a much lower rate of pay is demoralising.”*

18 year old student: *“Have the same minimum wage for everyone over 16. This would help people earn their own money to live on... Paying under 21s the same wage as everyone else will help many people, and stop companies using under 21s as cheap labour.”*

A better service for young people from the Jobcentre

273. This research has shown a number of cases in which young people have been poorly advised by Jobcentre Plus staff and young people who feel that the Jobcentre service has not helped them find employment.

From our research

Unemployed 23 year old: *“more help in finding work instead of just coming to the jobcentre every 2 weeks, sign your name then get told to leave. They say they are there to help but it's like ur just a number to them.”*

Unemployed 23 year old: *“Make the Job Centre website more accessible and easier to use, where the results that are brought back are more suited to the individuals who use it!”*

Unemployed 20 year old: *“Better job opportunities and more help with finding a job. Doesn't feel like the job centre is particularly helpful and you end up feeling like just another statistic.”*

274. It is crucial that the Government's new programmes for helping people back into work takes into account the different circumstances of young people and are designed to address these circumstances.

Help for graduates to find employment after university

275. A number of young people in the survey were graduates who had struggled to find employment following the end of their studies and students who were worried about finding work after graduation. These young people had a number of suggestions that they felt would help them and other young people in their position to find employment following graduation.

From our research

Unemployed 22 year old: *“I could change one thing that would help myself and my close friends (I realise there are more urgent issues for many more young people). I would allow graduates a guaranteed directly subject-relevant work placement/internship post-graduation in a similar way that teachers are guaranteed work after qualifying, although for less time, perhaps around 12 weeks...If my suggested change were to occur, employers would be offering training as part of the deal, so potentially overcoming this problem for graduates as well.”*

23 year old student: *“I would try to introduce programmes that support graduates in their search for entry position. This could be somehow connected with providing financial support to employers that decide to take young people on board.”*

24 year old in employment: *“Improved careers services and support into employment for young graduates, particularly those who have required financial and emotional support throughout their time at university.”*

23 year old in employment: *“I would suggest government to invest money in jobs for qualified young people in the subject field they gained qualifications. Temporary jobs like catering do not solve the problem.”*

25 year old in employment: *“Keep in touch with them after leaving education to see if you can offer any career advice or people to get in touch with.”*

22 year old in employment: *“Role models from the career they have chosen, professional role models they can turn to for advice. This gives support whilst the young person kick starts their career even if it’s for a year or so.”*

276. Young people in the survey suggested a number of ideas to help graduates, including guaranteed placements/internships for graduates, programmes that match graduates with employers, improved careers services and continuing advice after leaving education, and professional role models to provide careers-specific advice.

Debt

277. Just under a quarter of young people named debt as their biggest problem. This particularly included young people in employment (although this may be because they were less likely to list employment as their biggest problem), those in social rented accommodation, young people over the age of 18, and young women. Young people in debt had a number of suggestions for change on credit and debt matters, including education on money management and responsible lending from creditors.

Education on money management at school

278. A number of young people in debt felt that their debt problems were caused in part by a lack of knowledge and experience of credit and debt. Many felt that this lack of knowledge should be addressed through better education on money management at school, which would ensure that young people are better prepared to handle financial matters before they get a chance to build up debt. A number of organisations provide this type of service in schools and these views suggest that this service would be valued by young people.

From our research

24 year old in employment: *“Education on debt, loans and money management!!! More help on these aspects it feels for me that being a single young person in Scotland I'm not worth helping!”*

25 year old in employment: *“tailored advice from banks financial advice/lessons on how to handle money from age 11.”*

22 year old in employment: *“Education about how to budget on an income.”*

25 year old in employment: *“I would like to set up a scheme that goes round schools and colleges and talk to young people about how important it is not to get into debt as it causes lots of strain later in life. If they have their own house rented or bought make sure they pay council tax as it will come and bite you years later.”*

24 year old in employment: *“Make financial education compulsory at school age- go through all the basics.”*

Responsible lending from creditors

279. Whilst young people often blamed their own lack of experience for their debt problems, others felt that some of the blame should be shared by creditors. Many young people found it easy to take out credit, often at inappropriate levels relative to their income and employment status, which in turn left them in significant debt in the recession. Young people therefore called for creditors to be restricted in offering credit irresponsibly to young people.

From our research

23 year old in employment: *“It shouldn't be as easy to get a loan or credit card for young people, this just results in a lot of people ending up in so much debt.”*

23 year old in employment: *“It should be made much harder for young people to get credit. Mobile phone contracts, credit cards all handed out like sweets and most young people, myself including, do not fully comprehend the damaging effects of this until it's too late.”*

23 year old in employment: *“I would change the law so that people couldn't take out credit, unless it is for something essential like a car or a mortgage until they are 21. I would also change the law to make borrowing more income based, you shouldn't be allowed to borrow more than you can REALISTICALLY pay off. The poorest people are always going to be tempted the most to borrow more and they will also be the hardest hit when the interest starts creeping on.”*

Benefits

280. Around 1 in 12 young people in the survey identified benefits as their biggest problem. This particularly included young people in social rented accommodation, young people with children, 16-17 year olds, those without employment, and young women. These young people offered a number of suggestions on how the benefits system could be changed to better suit young people.

Equal access to benefits for all age groups

281. Young people in employment without children expressed frustration that their entitlement to benefits was lower than that of adults over the age of 25. These young people felt that they were receiving a lack of support despite being in employment and contributing to society. In a number of cases this led to resentment that young people in employment could not get support, and a perception that those not in employment or looking after children could easily get the support they needed.

From our research

21 year old in employment: *“Equal access to benefits from the age of 18.”*

25 year old in employment: *“Allow them the same rate of benefit as over 25s as it seems to be an arbitrary decision to give them less money when they have exactly the same needs.”*

24 year old in employment: *“More government help. I'm under the 25 year old bracket, so I don't even qualify for any benefits as I'm not married, pregnant or with child in any sense of the phrase.”*

23 year old in employment: *“...more support is needed for single, childless 16-24 year olds. If you do not have a child and you are on your own you have your income and that is it. I earn 5 thousand a year from my employment and I do not get any extra help.”*

282. These opinions were particularly strong regarding working tax credits. A number of young people in the survey were in low paid employment and could not understand the reasoning why entitlement to this additional support is based on their date of birth and not their individual circumstances and support needs. In some cases, young people said that this lack of support had contributed to their debt problems.

From our research

25 year old in employment: *“Working tax credits should be made available to anyone aged 18 or over who do not (and possibly cannot) live with parents. I moved out at 17 and at one point was homeless, I've built up around £7500 worth of debt just trying to get by. I've been in my current job for 6 years and I don't think I would have borrowed quite so much if I'd been able to claim working tax credits.*”

23 year old in employment: *“It is not fair that Working Tax Credits are not available for people under 25 as this would greatly help me.”*

Unemployed 25 year old: *“Lower the age for working tax credits.”*

22 year old in employment: *“That we would be entitled to a lot more financial help and support such as a Considerable Discounted Rent/Council Tax for Single tenants. Also maybe a special working Tax Credits for ages 16-25.”*

Financial support for students outwith term time

283. A survey by the National Union of Students (NUS) found that debt was a significant worry for the majority of students:

- 62% said a lack of money was damaging their studies.
- More than a third said that they had considered dropping out due to financial worries.
- Nearly two thirds said they worried frequently or all the time about money.

284. As a result of rising costs and money worries, many students are working longer than the recommended number of hours a week to pay for their studies. However, as outlined earlier in this report, many students are now struggling to find work to support themselves during term time and in the summer months. A number of young people in the survey thought that support should be provided to students over the summer months as was previously the case.

From our research

20 year old student: *“To be able to get benefits over summer.”*

20 year old student: *“If students could get some kind of bursary or financial help during the summer as due to the recession it's harder to find work and we get no support not even Job Seekers Allowance so I have had to live off my mum who is on Job Seekers Allowance - I don't think it's fair people trying to get help in life by a better career are forced to live in absolute poverty aka £0.00 for an entire three months.”*

Housing

285. Around 1 in 8 young people in the survey identified housing as their biggest problem at the moment. This particularly included young people with children, those in full-time education or training, and young people in private rented accommodation.

286. A number of young people in the survey reported that they were struggling to find affordable accommodation leading to some of them living with their family when they would prefer to live independently. A number of factors cause housing to be unaffordable for many young people, including high rents and tenancy deposits in the private rented sector, the restrictions in housing benefit for young people, high property prices and a lack of mortgage lending, and a lack of social housing availability. Consequently, young people in the survey asked for help in securing affordable and suitable accommodation.

From our research

24 year old in employment: *“Easier access to affordable housing - most young people have no chance of raising the deposits now required to buy a house.”*

19 year old student: *“Easier access of proper accommodation for those in desperate need of it.”*

287. Young people can also suffer from a lack of knowledge on housing issues, which can lead to problems in securing or sustaining tenancies. Education and information on housing issues would therefore benefit many young people.

From our research

22 year old in employment: *“...education on housing, for example where to look for rented accommodation, any government schemes for young people or local authority services available.”*

Conclusion and recommendations

288. This generation of young people have often been called the 'lost generation' by the media and by politicians as the effects of the recession became apparent. The term holds implications that this generation is somehow irretrievable and has been abandoned.
289. The effects of the recession have been to trap young people between where they were and where they want to be, between their aspirations and where they now find themselves. However, they are not lost. Positive change can release young people from the series of traps they experience, allowing them to realise their potential.
290. However, failure to take action to help young people risks creating the lost generation that has been talked about. It can be argued that a failure to target help at young people in the 1980's – when youth unemployment was higher than today – helped create many of the problems that society experiences today, including ill health, lower life expectancy, inequality, and benefit dependency. Without help to realise their potential, many young people will grow up to experience these problems. The longer a young person struggles to find employment and housing, the more and more likely these problems become.
291. The economic and moral argument for targeting help at young people is therefore very strong. Young people have been hit hard by the recession, but their situation can be reversed. A failure to support young people through the effects of the recession and the coming budget cuts would make them a lost generation.
292. Based on the findings of this research and the views of young people themselves, we have made a series of recommendations that we believe will help this generation – and future generations - of young people.

Employment

A continuation or replacement of the Future Jobs Fund

293. The UK Government has announced that the Future Jobs Fund will end in March 2011. There is evidence to suggest that this was a successful policy. In the first 10 months of the scheme (October 2009 to July 2010), 54,920 benefit claimants started a FJF job, of which 47,060 were aged between 18 and 24. The Third Sector Consortium in Scotland expects to have created 2,200 six-month jobs through the Fund by March 2011 with many young people taking up employment as a result.
294. We believe that the Future Jobs Fund should not be a target for government cost cutting and that the UK and Scottish Government should establish a continuation or replacement of the Fund.

Provide targeted and personalised support for young people in the new Work Programme

295. The Coalition Government has announced its intention to end all existing welfare to work programmes and create a single welfare to work programme to help all unemployed people get back into work. The intention is that Jobseeker's Allowance (JSA) claimants under the age of 25 will be referred to the programme after a maximum of six months.
296. The Work and Pensions Committee, commenting on the increasing levels of unemployment amongst young people, stated that it is essential that addressing youth unemployment is given appropriate prominence within the Government's welfare-to-work policies. They further stated that the Government must ensure that the differential payments arrangements within the Work Programme create a sufficient incentive for providers to deliver appropriate support for longer-term unemployed young people, including the low-skilled and those without any work experience, who are currently targeted by the Future Jobs Fund.⁷⁴
297. We recommend that the Government places emphasis on providing targeted and personalised support for young people in the new Work Programme. Young people in the research told of the frustrations they experienced while trying to access support through government agencies and often felt that this support was not suitable or designed for their circumstances. The Government must ensure that the new Work Programme is suitable and designed for young people.

Young people in internships should be supported

298. A number of young people in this research reported that they had either endured difficulties through an unpaid internship or had been unable to take up an offer of unpaid experience due to financial constraints. The CIPD 2010 *Learning and talent development* survey found that 37% of employers did not pay their interns at least the National Minimum Wage (NMW). The survey identified numerous instances in which the intern's expenses were not even met by the employer.⁷⁵
299. The report went on to note that internships are fast becoming 'a rung on the ladder to success' for many students leaving university, yet they are only accessible to some people, which has serious negative consequences for social mobility and 'fair access' to certain careers. Young people who lack the means to work for free, lack the means to travel or live near an internship are particularly vulnerable to these barriers. It is therefore essential that these barriers are removed for young people.
300. In order to ensure that all young people are able to benefit from internships, they must be supported by employers and the state to do so. Employers could commit to paying internees the £2.50/hour training wage that apprentices are entitled to, while the Government should ensure that young people in unpaid apprenticeships continue to be entitled to welfare support.

⁷⁴ Youth Unemployment and the Future Jobs Fund, First Report of the Work and Pensions Committee, December 2010

⁷⁵ Internships: To Pay or Not to Pay? CIPD, June 2010

Encourage young people to volunteer

301. A common theme in this research was that young people felt that they had little experience to offer employers when they entered the job market. A potential avenue for young people to gain experience is through volunteering. Young people aged 16-24 are less likely to volunteer (16.5%) than older age groups, including 35-44 year olds (24.5%).⁷⁶ The provision of volunteering opportunities at school, particularly those that offer experience applicable to the workplace, could help a greater number of young people show to employers that they have relevant experience.

Establish a Fair Employment Commission

302. There is evidence in this research to suggest that young people are more vulnerable to poor employer behaviour and less able to enforce their employment rights. For a number of years, CAS has called on the UK Government to establish an enforcement agency, a 'Fair Employment Commission', to oversee employer activity, investigate complaints, and take enforcement action against rogue employers. This Commission could place an emphasis on supporting young people to enforce their rights at work.

Benefits

Targeted information for young people on benefits

303. Many of the problems relating to benefits in this research stemmed back to the lack of knowledge and experience that young people have of a complex benefits system. The advice and information provided to young people often does little to alleviate these problems. The DWP and Jobcentre Plus should review its literature and information provided to young people to ensure that a lack of knowledge does not adversely affect young people in the welfare system.

Improve the advice provided to young people in Jobcentres

304. This research has shown a number of instances in which unclear and sometimes contradictory advice from Jobcentres have resulted in a young person being unable to claim the benefits they are entitled to. The result of poor advice can be that a young person is left with no income and consequently experiences debt and housing problems. It is imperative that Jobcentre advisers are aware of young person entitlements to benefits, and are aware of the different circumstances and support needs that young people often present with.

305. Due to their lack of experience of independent living and interaction with the benefits system, young people often need greater support and time than other claimants. It is important that advice given to young people reflects this. This outcome could be achieved through specific training for advisers or through having a named young person 'champion' at each centre who can advise other staff as required.

⁷⁶ Scottish Household Survey

Improve support for young people through the Housing Benefit system

306. The current Local Housing Allowance (LHA) system discriminates against young people through the Single Room Rent policy, which makes independent living increasingly difficult for young people. The Work and Pensions Committee recommended that housing benefit entitlement be improved for young people. However, the proposed changes to LHA will actually decrease entitlement for young people, thereby putting this group at further risk of housing arrears and homelessness.
307. The Government should reconsider these changes based on the adverse impact that it will have on young people and other vulnerable groups in society.

Extend entitlement to Working Tax Credits to young people

308. Working Tax Credits were established to provide support to working people who are paid a low wage. However, single young people without dependents are not entitled to this benefit, despite earning the same wage and facing the same costs of living. In many cases, these young people will be earning a lower wage than their older colleagues due to lower National Minimum Wage entitlement if they are under the age of 21.
309. This can lead to a discriminatory situation in which a 26 year old receives additional support that their 23 year old colleague (in the same job earning the same wage) is not entitled to. Rather than saving state funds, this may lead the 23 year old to decide that work does not pay. This lack of support makes finding and sustaining affordable housing very difficult for young people on a low wage.
310. The UK Government should re-consider entitlement to Working Tax Credits. By providing this support to young people, which is denied to them based on their date of birth, the Government would be supporting young people to maintain their employment and afford housing.

Ensure that changes to the welfare system do not disproportionately affect young people

311. A number of changes are due to take place in the welfare system in the next few years that will greatly affect a number of groups in society. Young people already have less entitlement to benefit support and receive lower payments than older adults, so cuts in benefits could have an even greater impact on this age group. It is imperative that the Government and the DWP examines the potential impact on young people of any changes to benefits. It is essential that benefits offer young people a leg up to sustainable employment and independent living – any benefit changes that fail to meet this principle should be reconsidered.

Housing

Improve access to affordable mortgage lending for young people

312. Young people continue to struggle to reach the first rung of the housing ladder. There are a number of ways in which the UK Government and Scottish Government could help to make this first rung more achievable:
313. Flexible approaches to home ownership, such as shared ownership schemes offer an alternative route to affordable housing for young people and such schemes should be expanded and supported.
314. The UK Government should restrict the ability of buy-to-rent buyers that squeeze young people out of the housing market.
315. The UK Government should use its position as major shareholder in the UK banks to ensure that affordable lending is offered to first time buyers.

Improve access to social housing for young people with housing needs

316. Over the last ten years, Scotland has seen a net loss of around 20,000 social rented homes each year - a rate of around of 2.5% per year. This has resulted in the number of households waiting on local authority waiting lists rising to 198,754 across Scotland in March 2010.
317. This trend of reducing social housing and increasing housing waiting lists has resulted in a narrowing of social housing criteria that often excludes young people, even where the young person has significant housing needs. As a result, young people find themselves in expensive private lets or unable to leave the family home. The lack of social housing can also lead to homelessness problems for young people.
318. The Joseph Rowntree Foundation have suggested that additional social housing, especially in rural areas, has the potential to make a big difference to the transitional housing needs of young people.⁷⁷ We recommend a programme of arresting the decline in social housing in Scotland to ensure that young people with significant housing needs have access to affordable social housing.

Support young people who become homeless

319. The number of 18-24 year olds assessed as being in priority need for homeless accommodation increased by 40% between 2007 and 2009. It is essential that the Scottish Government and local authorities provide suitable support and accommodation for those who become homeless, and commit to addressing the causes of homelessness for young people.

⁷⁷ Housing choices and issues for young people in the UK, Sue Heath, JRF (November 2008)

Debt

Improve education on money management at school

320. A clear message from young people in the research was that education on money management at school would have helped them to avoid the debt and money worries that they have since experienced. There are a number of schemes that provide this service for schools, including outreach services provided by citizens advice bureaux and those provided by banks. It is clear that there is an appetite for these schemes from young people themselves. We recommend that the UK and Scottish Governments provide funding for organisations to provide this service in schools.

Ensure that young people are able to access advice and support

321. The problems young people are experiencing are increasing as the ability of youth groups and advice agencies to support young people is under pressure. Public sector cuts threaten the funding of many voluntary sector organisations thereby threatening the support that many young people rely on to address their problems and to turn their lives around. The UK and Scottish Government should commit to providing the resources and funding that advice agencies and youth groups require to help young people. The alternative would be to allow the problems suffered by young people to get worse.

Appendix 1: Local impact of youth unemployment

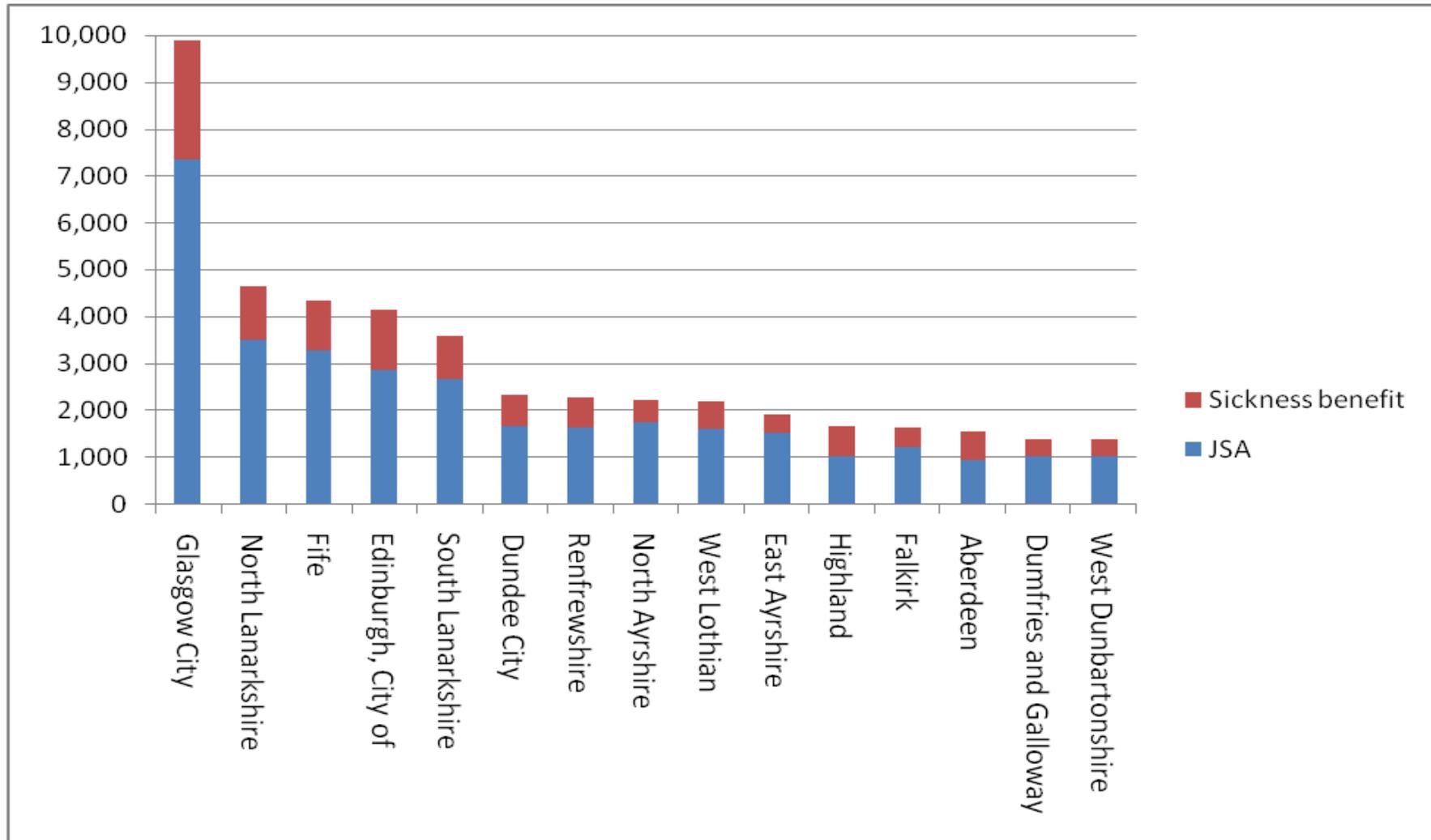
322. The impact of youth unemployment has hit every part of Scotland, although its effects have been varied across the country.
323. In terms of the total number of young people claiming out of work benefits, Glasgow City has easily the highest number in Scotland. Almost 10,000 18-24 year olds were claiming out of work benefits in August, more than twice as many as the nearest local authority. North Lanarkshire, Fife, Edinburgh and South Lanarkshire, were other local authorities with high numbers of young people claiming out of work benefits. Almost half of 18-24 year olds claiming out of work benefits in Scotland live in these five local authorities. This can be seen in Figure 15.⁷⁸
324. However, a more accurate assessment of youth unemployment is the proportion of the 18-24 year old population that are claiming benefits. Glasgow has easily the highest number of claimants, but is only 10th out of 32 local authorities in Scotland in terms of proportion of young people claiming out of work benefits.
325. The highest 18-24 claimant rates are found in the West of Scotland, particularly in North Ayrshire, East Ayrshire, and Inverclyde. North Ayrshire has a claimant rate that is roughly three times that of Aberdeen City, showing the disparities that exist between regions of Scotland. Across Scotland, around 1 in 8 young people aged 18-24 are claiming out of work benefits. This can be seen in Figure 16.⁷⁹
326. The number of 18-24 year olds claiming JSA more than doubled between August 2007 and August 2010 in seven local authorities across Scotland. The worst affected areas appear to be local authorities in which youth unemployment was previously low, including East Lothian, East Renfrewshire, and Midlothian. Some local authorities which already have high rates of youth unemployment had relatively low increases, such as Inverclyde. While youth unemployment is highest in the west of Scotland, the highest increases appear to be in the east and south of the country.⁸⁰ This is shown in Figure 17.
327. The parliamentary constituencies that had the biggest increases in 18-24 year olds claiming JSA were East Lothian (+172%), East Renfrewshire (+167%), Gordon (+150%), Midlothian (+150%), and West Aberdeenshire and Kincardine (+138%).

⁷⁸ NOMIS statistics

⁷⁹ NOMIS and General Register Office for Scotland population estimates

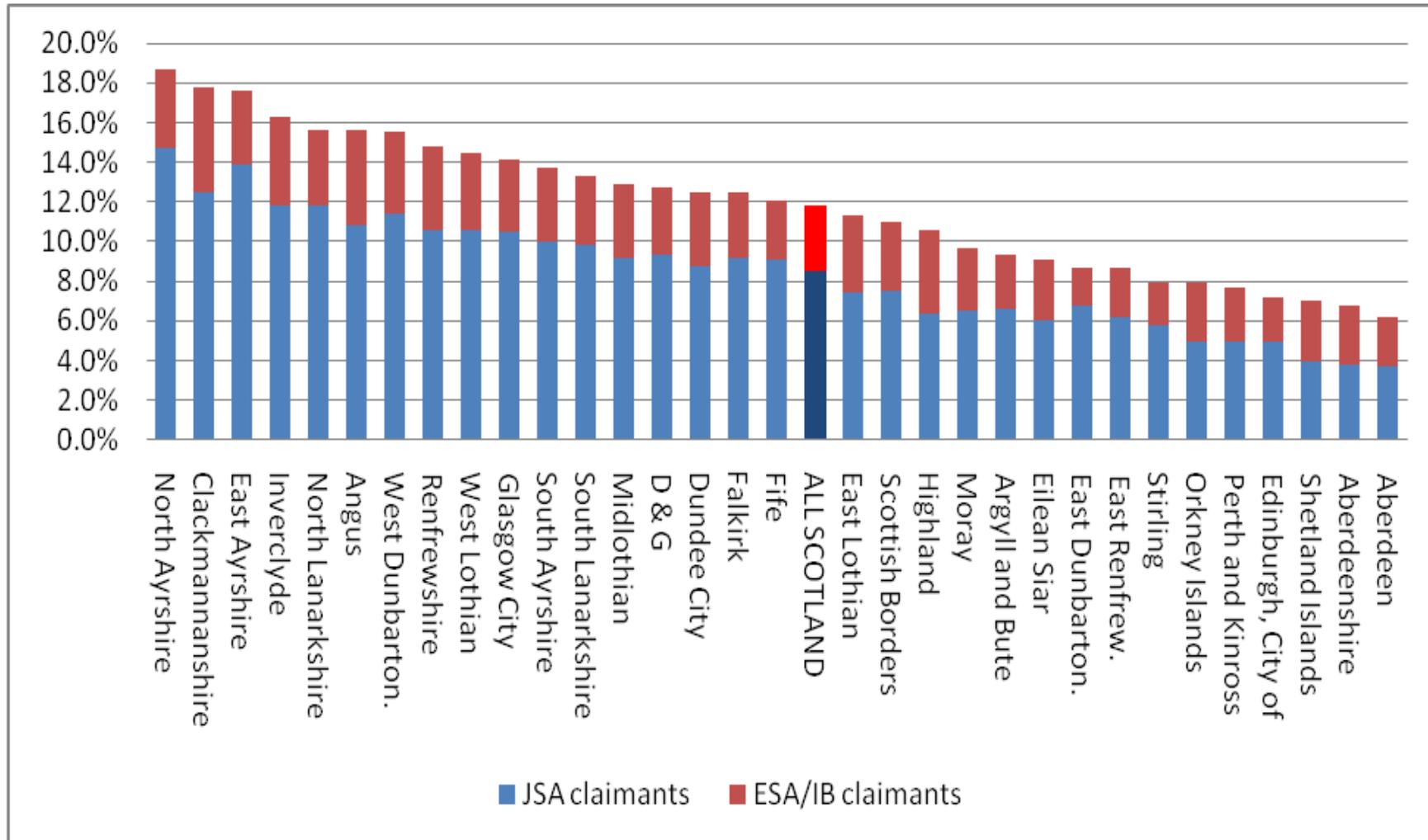
⁸⁰ NOMIS

Figure 15: Number of 18-24 year olds claiming out of work benefits by local authority (highest 15 local authority totals)



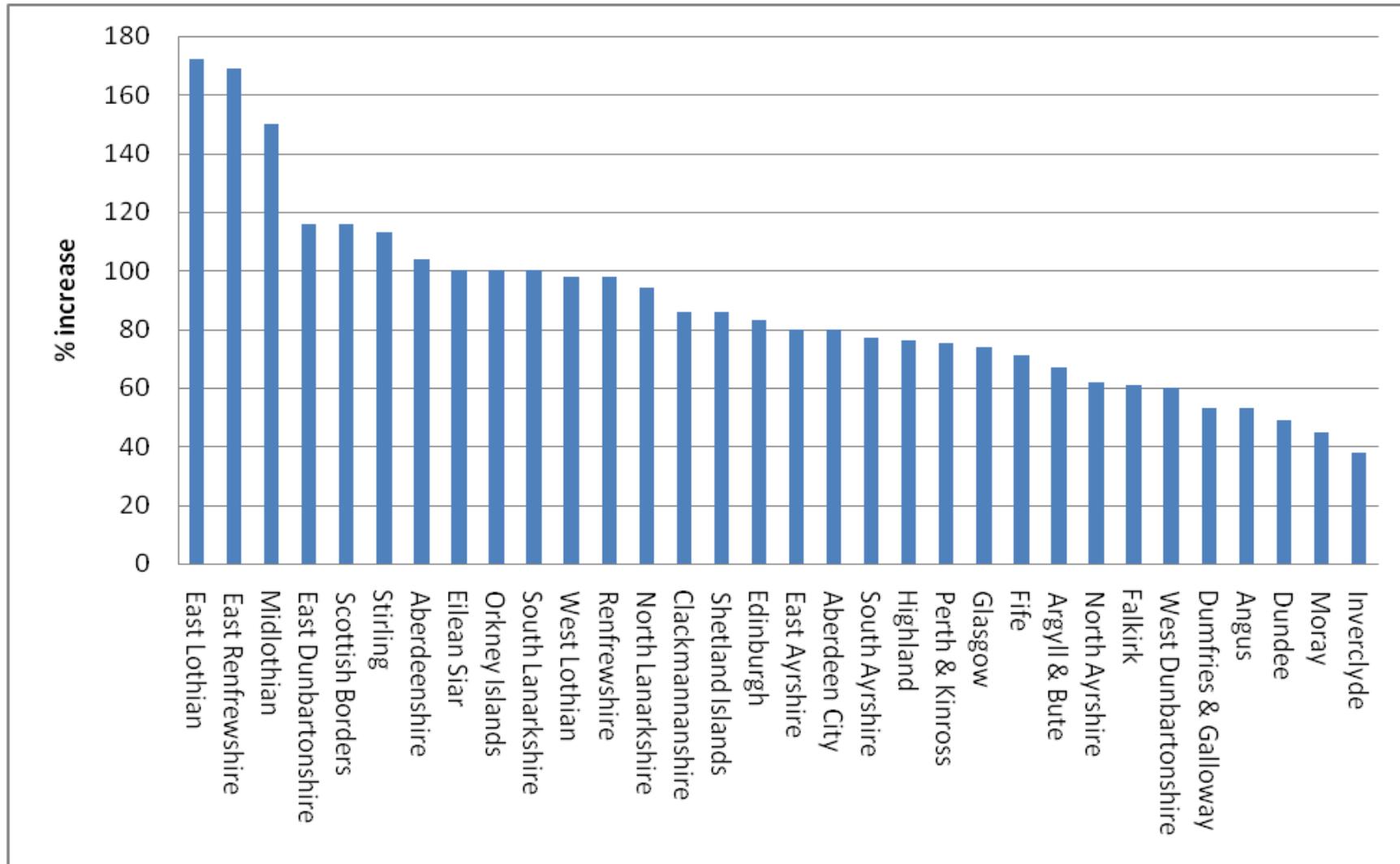
Source: NOMIS/ONS

Figure 16: Proportion of 18-24 year olds claiming out of work benefits by local authority (August 2010)



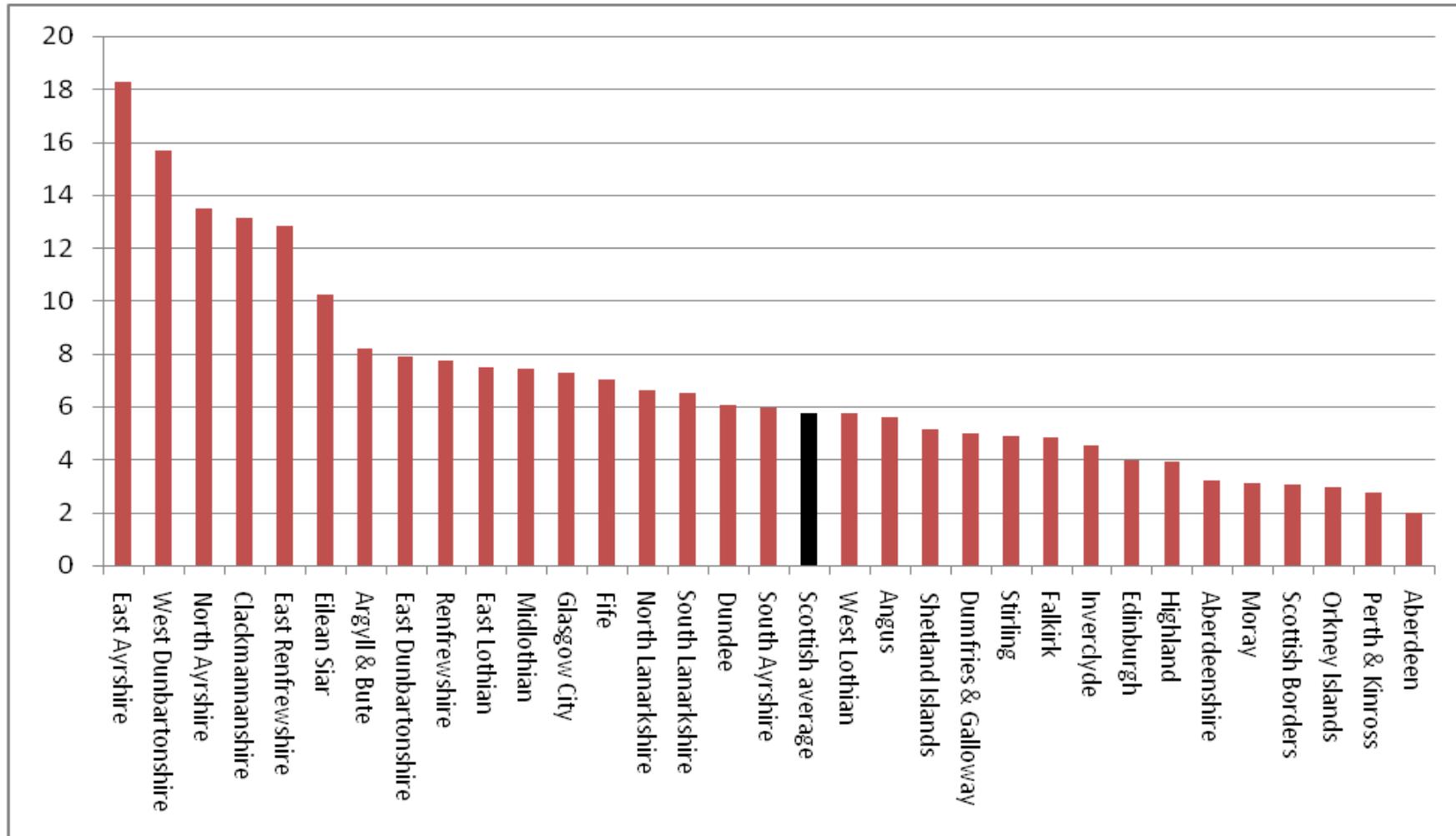
Source: NOMIS/ONS for claimant figures/General Register for Scotland for population estimates

Figure 17: Percentage increase in 18-24 JSA claimants (August 2007 – August 2010)



Source: NOMIS

Figure 18: JSA claimant/vacancy ratio – ie. 10 jobseekers per jobcentre vacancy (May 2010)



Source: NOMIS/ONS

Youth Unemployment by Local Authority in Scotland

Aberdeen City

920 JSA claimants (18-24) in August 2010
3.7% of 18-24 year olds are claiming JSA (*32nd highest in Scotland*)
2.3% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **80%** between August 2007 and August 2010 (*16th highest in Scotland*)

1,550 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **6.2%** of 18-24 year olds (*32nd highest in Scotland*)

Aberdeenshire

695 JSA claimants (18-24) in August 2010
3.8% of 18-24 year olds are claiming JSA (*31st highest in Scotland*)
1.3% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **104%** between August 2007 and August 2010 (*7th highest in Scotland*)

1,550 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **6.2%** of 18-24 year olds (*32nd highest in Scotland*)

Angus

775 JSA claimants (18-24) in August 2010
10.8% of 18-24 year olds are claiming JSA (*7th highest in Scotland*)
3.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **53%** between August 2007 and August 2010 (*29th highest in Scotland*)

1,115 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **15.6%** of 18-24 year olds (*=4th highest in Scotland*)

Argyll and Bute

460 JSA claimants (18-24) in August 2010
6.6% of 18-24 year olds are claiming JSA (*21st highest in Scotland*)
3.0% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **67%** between August 2007 and August 2010 (*24th highest in Scotland*)

650 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **9.3%** of 18-24 year olds (*21st highest in Scotland*)

Clackmannanshire

540 JSA claimants (18-24) in August 2010
12.5% of 18-24 year olds are claiming JSA (*3rd highest in Scotland*)
5.1% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **86%** between August 2007 and August 2010 (=14th highest in Scotland)

770 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **17.8%** of 18-24 year olds (*2nd highest in Scotland*)

Dumfries and Galloway

995 JSA claimants (18-24) in August 2010
9.3% of 18-24 year olds are claiming JSA (*12th highest in Scotland*)
3.3% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **53%** between August 2007 and August 2010 (*28th highest in Scotland*)

1,365 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **12.7%** of 18-24 year olds (*14th highest in Scotland*)

Dundee City

1,635 JSA claimants (18-24) in August 2010
8.8% of 18-24 year olds are claiming JSA (*17th highest in Scotland*)
5.5% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **49%** between August 2007 and August 2010 (*30th highest in Scotland*)

2,315 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **12.5%** of 18-24 year olds (*15th highest in Scotland*)

East Ayrshire

1,500 JSA claimants (18-24) in August 2010
13.9% of 18-24 year olds are claiming JSA (*2nd highest in Scotland*)
5.6% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **80%** between August 2007 and August 2010 (=16th highest in Scotland)

1,900 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **17.6%** of 18-24 year olds (*3rd highest in Scotland*)

East Dunbartonshire

615 JSA claimants (18-24) in August 2010

6.8% of 18-24 year olds are claiming JSA (*20th highest in Scotland*)

3.0% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **116%** between August 2007 and August 2010 (*=4th highest in Scotland*)

785 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **8.7%** of 18-24 year olds (*24th highest in Scotland*)

East Lothian

585 JSA claimants (18-24) in August 2010

7.4% of 18-24 year olds are claiming JSA (*19th highest in Scotland*)

3.1% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **172%** between August 2007 and August 2010 (*Highest in Scotland*)

895 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **11.3%** of 18-24 year olds (*18th highest in Scotland*)

East Renfrewshire

470 JSA claimants (18-24) in August 2010

6.2% of 18-24 year olds are claiming JSA (*24th highest in Scotland*)

2.7% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **169%** between August 2007 and August 2010 (*2nd highest in Scotland*)

660 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **8.7%** of 18-24 year olds (*25th highest in Scotland*)

Edinburgh City

2,845 JSA claimants (18-24) in August 2010

5.0% of 18-24 year olds are claiming JSA (*=27th highest in Scotland*)

3.1% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **83%** between August 2007 and August 2010 (*16th highest in Scotland*)

4,125 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **7.2%** of 18-24 year olds (*29th highest in Scotland*)

Eilean Siar

100 JSA claimants (18-24) in August 2010
6.0% of 18-24 year olds are claiming JSA (*25th highest in Scotland*)
3.2% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **100%** between August 2007 and August 2010 (*=8th highest in Scotland*)

150 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **9.1%** of 18-24 year olds (*23rd highest in Scotland*)

Falkirk

1,200 JSA claimants (18-24) in August 2010
9.2% of 18-24 year olds are claiming JSA (*14th highest in Scotland*)
4.1% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **61%** between August 2007 and August 2010 (*26th highest in Scotland*)

1,630 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **12.5%** of 18-24 year olds (*16th highest in Scotland*)

Fife

3,270 JSA claimants (18-24) in August 2010
9.1% of 18-24 year olds are claiming JSA (*16th highest in Scotland*)
4.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **71%** between August 2007 and August 2010 (*23rd highest in Scotland*)

4,340 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **12.1%** of 18-24 year olds (*17th highest in Scotland*)

Glasgow City

7,340 JSA claimants (18-24) in August 2010
10.5% of 18-24 year olds are claiming JSA (*10th highest in Scotland*)
6.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **74%** between August 2007 and August 2010 (*22nd highest in Scotland*)

9,880 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **14.1%** of 18-24 year olds (*10th highest in Scotland*)

Highland

1,005 JSA claimants (18-24) in August 2010

6.4% of 18-24 year olds are claiming JSA (*23rd highest in Scotland*)

2.6% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **76%** between August 2007 and August 2010 (*20th highest in Scotland*)

1,655 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **10.6%** of 18-24 year olds (*20th highest in Scotland*)

Inverclyde

875 JSA claimants (18-24) in August 2010

11.8% of 18-24 year olds are claiming JSA (*4th highest in Scotland*)

4.9% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **38%** between August 2007 and August 2010 (*32nd highest in Scotland*)

1,215 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **16.3%** of 18-24 year olds (*4th highest in Scotland*)

Midlothian

650 JSA claimants (18-24) in August 2010

9.2% of 18-24 year olds are claiming JSA (*=14th highest in Scotland*)

3.6% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **150%** between August 2007 and August 2010 (*3rd highest in Scotland*)

910 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **12.9%** of 18-24 year olds (*13th highest in Scotland*)

Moray

465 JSA claimants (18-24) in August 2010

6.5% of 18-24 year olds are claiming JSA (*22nd highest in Scotland*)

2.5% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **45%** between August 2007 and August 2010 (*31st highest in Scotland*)

695 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **9.7%** of 18-24 year olds (*21st highest in Scotland*)

North Ayrshire

1,740 JSA claimants (18-24) in August 2010

14.7% of 18-24 year olds are claiming JSA (*highest rate in Scotland*)

6.2% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **62%** between August 2007 and August 2010 (*25th highest in Scotland*)

2,210 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **18.7%** of 18-24 year olds (*highest rate in Scotland*)

North Lanarkshire

3,505 JSA claimants (18-24) in August 2010

11.8% of 18-24 year olds are claiming JSA (*4th highest in Scotland*)

5.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **94%** between August 2007 and August 2010 (*13th highest in Scotland*)

4,635 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **15.6%** of 18-24 year olds (*5th highest in Scotland*)

Orkney Islands

70 JSA claimants (18-24) in August 2010

5.0% of 18-24 year olds are claiming JSA (*=29th highest in Scotland*)

1.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **100%** between August 2007 and August 2010 (*9th highest in Scotland*)

110 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **7.9%** of 18-24 year olds (*27th highest in Scotland*)

Perth & Kinross

630 JSA claimants (18-24) in August 2010

5.0% of 18-24 year olds are claiming JSA (*=29th highest in Scotland*)

2.3% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **75%** between August 2007 and August 2010 (*21st highest in Scotland*)

970 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **7.7%** of 18-24 year olds (*28th highest in Scotland*)

Renfrewshire

1,620 JSA claimants (18-24) in August 2010

10.6% of 18-24 year olds are claiming JSA (=8th highest in Scotland)

4.7% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **98%** between August 2007 and August 2010 (12th highest in Scotland)

2,260 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **14.8%** of 18-24 year olds (8th highest in Scotland)

Scottish Borders

605 JSA claimants (18-24) in August 2010

7.5% of 18-24 year olds are claiming JSA (18th highest in Scotland)

2.8% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **116%** between August 2007 and August 2010 (5th highest in Scotland)

885 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **11.0%** of 18-24 year olds (19th highest in Scotland)

Shetland Islands

65 JSA claimants (18-24) in August 2010

4.0% of 18-24 year olds are claiming JSA (30th highest in Scotland)

1.5% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **86%** between August 2007 and August 2010 (15th highest in Scotland)

115 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **7.0%** of 18-24 year olds (30th highest in Scotland)

South Ayrshire

910 JSA claimants (18-24) in August 2010

10.0% of 18-24 year olds are claiming JSA (11th highest in Scotland)

4.1% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **77%** between August 2007 and August 2010 (19th highest in Scotland)

1,250 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **13.7%** of 18-24 year olds (11th highest in Scotland)

South Lanarkshire

2,650 JSA claimants (18-24) in August 2010
9.8% of 18-24 year olds are claiming JSA (*12th highest in Scotland*)
4.4% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **100%** between August 2007 and August 2010 (*10th highest in Scotland*)

3,580 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **13.3%** of 18-24 year olds (*12th highest in Scotland*)

Stirling

585 JSA claimants (18-24) in August 2010
5.8% of 18-24 year olds are claiming JSA (*26th highest in Scotland*)
3.2% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **113%** between August 2007 and August 2010 (*6th highest in Scotland*)

795 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **7.9%** of 18-24 year olds (*26th highest in Scotland*)

West Dunbartonshire

1,000 JSA claimants (18-24) in August 2010
11.4% of 18-24 year olds are claiming JSA (*6th highest in Scotland*)
5.6% of the working age population are claiming JSA

The number of JSA claimants (18-24) increased by **60%** between August 2007 and August 2010 (*27th highest in Scotland*)

1,360 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **15.5%** of 18-24 year olds (*7th highest in Scotland*)

West Lothian

1,580 JSA claimants (18-24) in August 2010
10.6% of 18-24 year olds are claiming JSA (*=8th highest in Scotland*)
4.3% of the working age population are claiming JSA

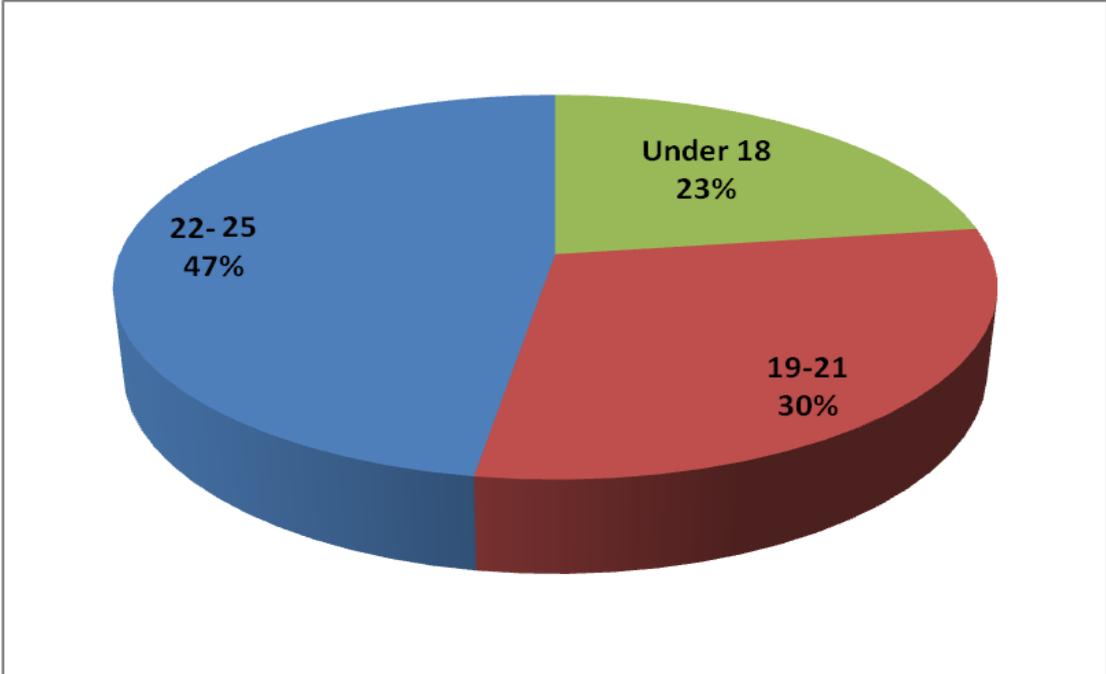
The number of JSA claimants (18-24) increased by **98%** between August 2007 and August 2010 (*11th highest in Scotland*)

2,170 18-24 year olds claiming out of work benefits (JSA, ESA, IB) – **14.5%** of 18-24 year olds (*9th highest in Scotland*)

Appendix 2: Profile of survey respondents

328. Young people in the survey represented a wide range of ages. Around a quarter were under the age of 18, just over half were 21 or under, and around half were over the age of 21. This is shown in Figure 19:

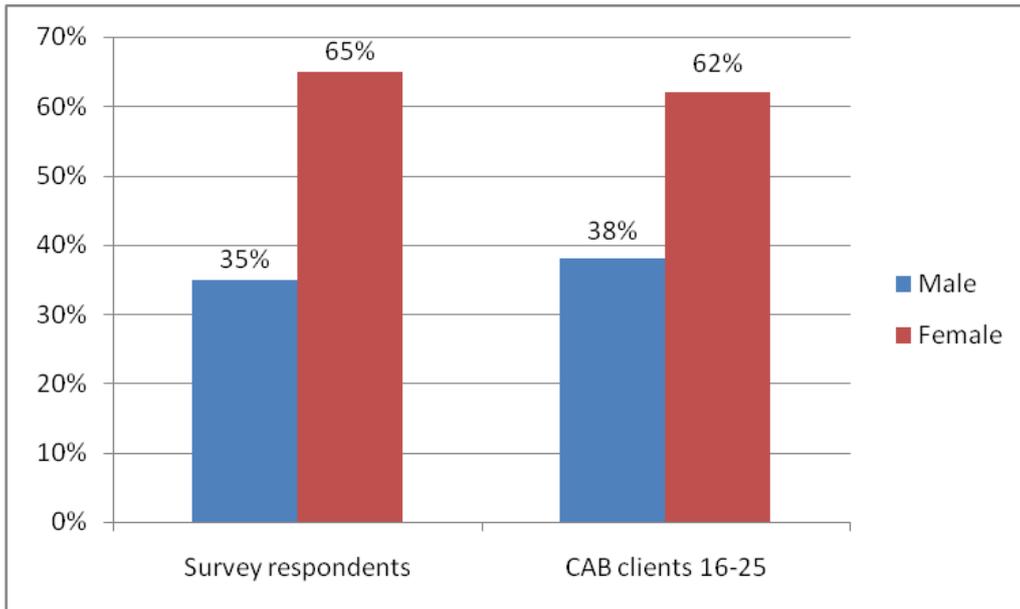
Figure 19: Age of young people in the survey



329. The majority of young people in the survey were female (65%). This may suggest that the survey methods were better suited to young women or it could suggest that young women may have been more adversely affected by the recession than young men.

330. Client profile data from bureaux suggest a similar pattern. The majority of bureau clients under the age of 25 are female clients (62%) which suggests that either young women are more likely to ask for advice or are more likely to have experienced problems. These findings are shown in Figure 20:

Figure 20: Gender of young people

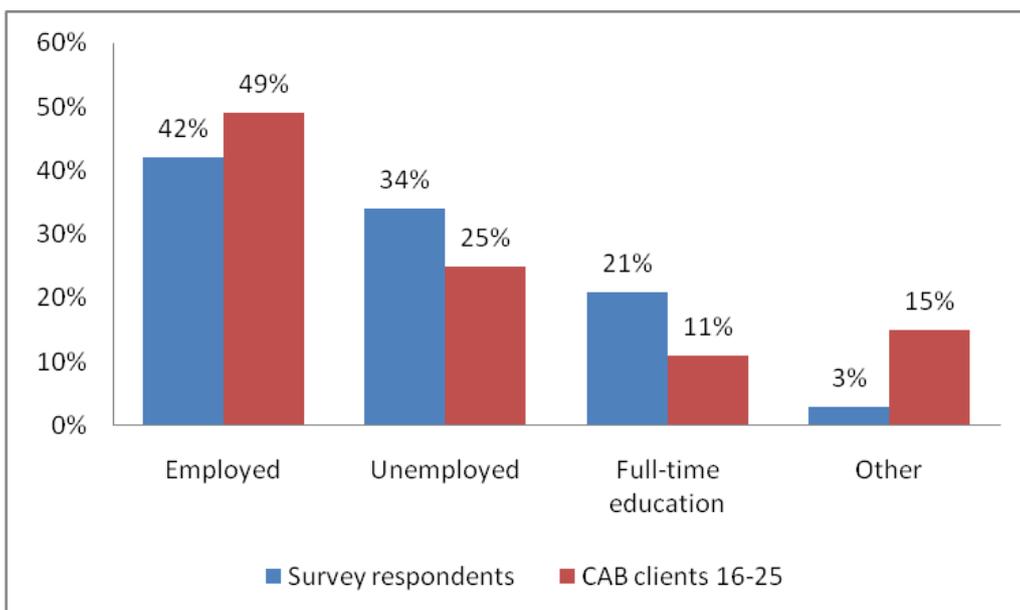


Employment status

331. Just over 4 in 10 young people in the survey were in employment, while around a third were unemployed. Around a fifth of young people were in full time education, while a small minority were unable to work due to illness or disability.

332. Compared to young people who approach a bureau for advice, young people were slightly less likely to be employed or be suffering from a health condition, but were more likely to be unemployed or in full time education. These findings are shown in Figure 21:

Figure 21: Employment status of young people



333. Just over 1 in 20 bureau clients under the age of 25 are unable to work due to ill health or disability. Of these young people, more than half had a mental health condition. Around 3% of young people in the survey were unable to work due to ill health or disability.

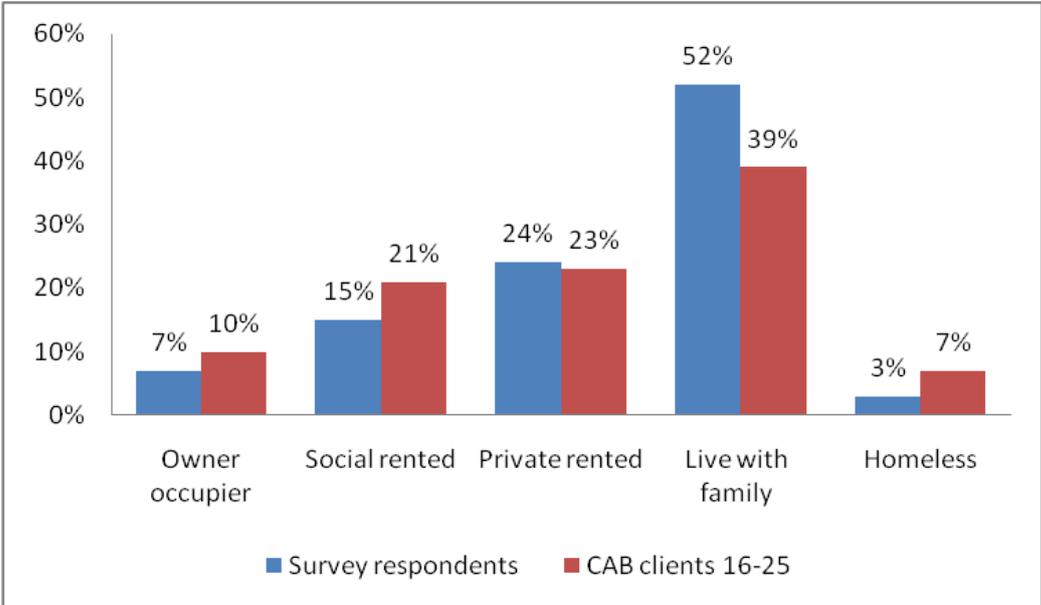
Housing status

334. A striking finding is that more than half of young people who responded to the survey were living with their family. This finding was not limited to the youngest age groups – 43% of respondents over 21 stated that they were living with their family. Interestingly, young people in employment were slightly more likely to be living with family than young people who were unemployed.

335. Young women in the survey were more likely than young men to live in private rented accommodation, whilst young men were more likely to be living with family.

336. The housing status of young people in the survey and young people visiting bureaux are shown in Figure 22:

Figure 22: Housing status of young people



337. Compared with CAB clients aged 16-25, young people in the survey were more likely to live with family and less likely to be in owner occupier or social rented accommodation.

Citizens Advice Scotland and its member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using service points throughout Scotland, from the islands to city centres.

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to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively

and equally

to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The CAB Service is independent and provides free, confidential and impartial advice to everybody regardless of age, disability, gender, race, religion and belief and sexual orientation.

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