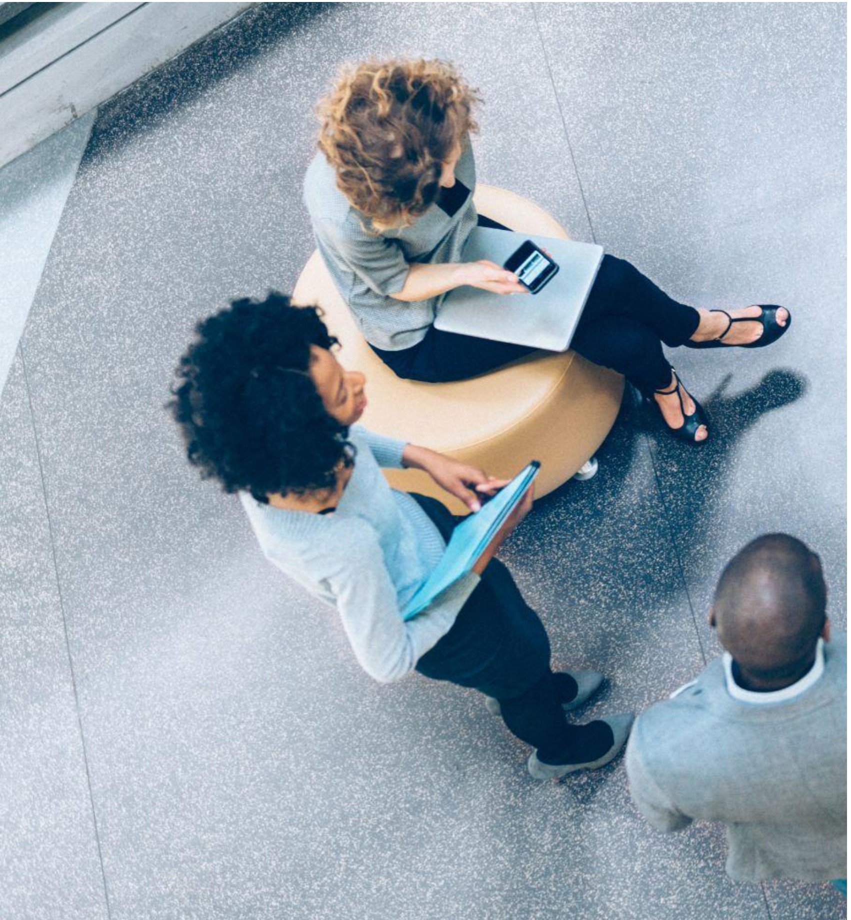
Youth Employment Index 2024

Helping young people make the most of the green transition

May 2024

Contents



Executive summary

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The Netherlands, Switzerland and Iceland top our latest Youth Employment Index

We devise the latest iteration of our index in the backdrop of an at least 20 year low in the OECD's youth unemployment rate.

This in part is driven by targeted policy interventions in younger age sub-segment of the labour market which focus on skills, including strong vocational training and efficient job placements, supported by coordinated actions by governments and businesses.

The UK ranks 22nd out of the 38 out of the Organisation for Economic Co-operation and Development (OECD) economies included in our Index. A key strength continues to remain the UK's relatively high youth employment rate.

Nonetheless, there appears to be a growing problem of rising inactivity amongst young people driven by worsening mental health. Although the overall numbers are relatively small, this issue needs to be addressed promptly to ensure UK young workers remain healthy and productive, and that this does not translate into future worse youth employment outcomes.

Better integrating NEETs could lead to substantial economic gains in the UK

One area where the UK has continued to underperform relative to its peers is in the proportion of young people that are not in education, employment or training (NEET). At present, just under 1 in 10 young people in the UK fall into this category. That is higher than 18 of the 38 OECD economies. This has long-term costs for young people, leading to lower lifetime employment and productivity levels.

There is also a regional dimension to this, as eight of the 12 UK regions have a NEET rate higher than the national average. This means that there could be considerable economic gains from a regional strategy to tackle issues relating to youth employment outcomes.

Our estimates suggest that UK GDP could be boosted by 1% p.a. - around £23bn p.a. - if it was able to reduce the NEET rate in all UK regions to match the level of the South West, the best performing region.

The UK needs to get ahead of the green transition in order to reap the rewards

The global economy is going to be shaped by the green transition over the coming decades. There could be large-scale economic benefits, including a potential 7% boost to the global GDP, but it is also likely to result in significant disruption to jobs markets. The International Labour Organisation estimate that a net gain of 18m jobs could be created by 2030.

The green transition will not be possible unless there are young people with the skills and experience to enter green employment. As up to 90% of green jobs are likely to be skilled manual labour roles that do not require a degree, this also creates a growing opportunity to get young NEETs into the workforce.

Young people are passionate about green jobs - around 7 in 10 young people want to pursue a green career - but our research indicates they face continued barriers, including career pathway ambiguity, lack of green skills education and misinformation. This means there is more work to be done by governments and businesses to enable young people to fill these roles.

The Netherlands rises three places to snatch the top spot, joining Switzerland and Iceland in the Top 3 of our 2024 PwC's Youth Employment Index

1 Netherlands

2 Switzerland

3 Iceland

Foreword

The Youth Employment Index 2024 is a collaboration between PwC and Connectr to measure, benchmark and monitor youth employment and the access of young populations to education and training. Connectr play a crucial role in conducting company interviews and assembling the case studies for this report.

"One of the less known crown jewels of the UK is its flexible and well-educated labour market, which has historically helped sustain high employment rates relative to its peers. However, we are increasingly seeing cracks appear at the either bookends of its workforce. For example, inactivity of older workers remains stubbornly high relative to pre-pandemic levels (see our Golden Age Index).

In this report, we focus on younger workers and find that the UK ranks a respectable 22nd out of the 38 OECD economies. In fact, the UK's rank on our Youth Employment Index has remained broadly the same for the past almost twenty years. This suggests the UK policymakers and businesses have been doing enough to keep up with the OECD as a whole but not enough to overtake its peers.

However, other similar economies similar to the UK have been catching up. So what could help the UK improve its position on the Index? Our research with Connectr shows green jobs could be part of the solution. This is a sector which appeals to younger workers and is one of the Megatrends that will heavily influence demand for labour in the future. So one of the key lessons for policymakers and businesses is to ensure that the current skills agenda skills reflects the priorities of the future."

Barret Kupelian
Chief Economist, PwC UK

"Reaching Net Zero will not happen without the green skills to get us there. The transition to green jobs is a once in a generation shift in our workforce. Whilst re-skilling existing employees is a necessity, employers will also rely on the workforce of the future; those currently in education. To get a sense of the scale of the problem, think tech-skills shortage…but transpose that growth-limiting factor to green-skills, cutting through every sector of our economy.

With more than 72% of students aiming to work for an employer aligned to sustainability, now is the time for employers to engage and support students, raising awareness and preparing them for a green career. Green-job opportunities will also open the doors to underrepresented and disadvantaged young people. Those employers that sit and wait, will become second-choice employers for our next generation."

William Akerman
Founder & CEO, Connectr

The rise of green jobs presents an opportunity for young people

The green transition is set to unlock substantial economic value and create millions of new jobs. The IMF estimates that making an orderly transition to net zero by 2050 could result in global GDP being 7% higher than under current policies.[1] From a labour market perspective, 24 million new jobs are expected to be created by 2030 if the right policies to promote a greener economy are put in place.[2]

Young people in the UK have a strong desire to take up green jobs, but feel ill-equipped to do so. In the UK, around 7 in 10 young people say they feel inspired to develop green skills and pursue a green career.[3] But globally, only 3 in 10 young people believe they possess the necessary skills to pursue a green career.[4]

In the UK, there is a considerable opportunity to open up green jobs to NEETs. Given there are currently close to one million NEETs in the UK, and up to 90% of green jobs are skilled manual labour positions which don't require a degree, this highlights a strong employment matching opportunity. This would also help the UK to meet its net zero objectives at the same time.

Some young people in the UK also face greater barriers to transitioning to green jobs than others. Green employment opportunities are unevenly distributed across the UK's regions and nations, with London and the South East accounting for a large share of the jobs. Similarly, sectoral and occupational segregation means certain individuals will be better placed than others to take up green employment opportunities.

Businesses, the government and educational bodies will play an instrumental role in transitioning younger workers into green jobs. For example, businesses can develop bespoke training programmes to upskill and reskill young workers, while governments and educational bodies can make greater use of Career Hubs and leverage existing digital platforms to engage young people.

There are several benefits to supporting young people in pursuing green employment. These include driving economic growth, supporting the green transition, reducing youth unemployment, training and upskilling young people, and aligning young people's career paths with their values.

1

Results for the Youth Employment Index 2024

The main purpose of this section is to provide an overview of the results from this year's Youth Employment Index, both from an international and UK perspective. It also covers the UK's NEET challenges and the rise in sickness-related economic inactivity among young people.

The YEI tracks the progress of youth employment across OECD economies

What is the PwC YEI?

Launched in 2015, the PwC Youth Employment Index (YEI) helps governments, businesses and other stakeholders to understand and track youth employment trends across the Organisation for Economic Cooperation and Development (OECD) economies. The Index combines seven labour market indicators across four themes, shown in Figure 1.

Our analysis uses consistent and normalised data for OECD economies. The Index scores are calculated on a scale from 0 to 100, with the average OECD Index score set to 50 for the base year of 2006.

Data from the OECD has been used as it is internationally comparable and updated annually. In this report, we present the latest Index update using 2023 (or the latest) data. Our Index typically includes a one to two year lag due to delays in the availability of annual data from the OECD.

Figure 1: Themes and indicators used to generate the YEI

Theme 1: Labour market participation

Youth employment rate (15-24): The number of employed young people (15-24 year olds) as a proportion of working age population in the same age group.

Youth unemployment rate (15-24): The number of unemployed young people (15-24 year olds) as a proportion of labour force in the same age group.

Youth long-term unemployment rate (15-24): The number of young people (15-24 year olds) who have been unemployed for 12 months or more as a proportion of the total youth labour force.

Youth/adult unemployment rate ratio (15-24/25-54): The youth unemployment rate (15-24 year olds) divided by the adult unemployment rate (25-54 year olds), i.e. the ratio of young workers to adult workers.

Theme 2: Quality of work

Youth part-time work share (15-24): The number of young people who usually work less than 30 hours per week in their main job as a proportion of the total youth labour force.

Theme 3: Inactivity

Youth NEET rate (20-24): The number of young people (20-24 year olds) who are not in employment, education or training as a proportion of the total youth population.

Theme 4: Future productivity

Youth enrolment rate (15-19): The number of young people (15-19 year olds) who are in education as a proportion of the total number of young people.

1.1

International trends and performance

2024 Youth Employment Index Results

The Netherlands takes the top position in this year's Index, having consistently come in the top five. This was largely driven by its high youth employment rate, high enrolment rate and low NEET rate. This year, it came in the top five for all three indicators.

Denmark saw a considerable improvement in its ranking in the latest update, after it fell dramatically from 1st to 17th between 2006 and 2018. This improvement was largely driven by a reduction in the youth NEET rate and an improved enrolment rate. However, Denmark continues to have a high prevalence of part-time workers, in part due to demand for flexibility among young people.

France has made significant improvements in its youth employment outcomes, recording one of the highest jumps in its rank between 2018 and 2023. This was driven by a significant reduction in its youth unemployment rate, as well as its incidence of long-term unemployment.

Rank					Country	Score				
2006	2010	2014	2018	2023		2006	2010	2014	2018	2023
5	2	4	3	1	Netherlands	65	66	64	69	72
2	1	2	2	2	Switzerland	67	70	69	72	69
3	4	1	1	3	Iceland	66	62	71	73	68
13	3	3	5	4	Germany	58	63	65	63	68
6	5	5	9	5	Austria	62	61	62	61	63
14	9	7	4	6	Japan	58	57	60	65	63
8	7	8	16	7	Australia	61	59	58	58	63
11	29	10	8	8	Latvia	60	37	56	62	60
19	10	22	6	9	Slovenia	54	55	46	62	60
12	14	14	11	10	United States	59	50	54	60	60
1	8	9	17	11	Denmark	68	57	56	58	60
9	23	11	7	12	Lithuania	60	40	55	62	60
10	11	13	15	13	Canada	60	55	54	58	57
7	6	6	14	14	Norway	62	59	61	58	57
17	16	18	20	15	Finland	55	49	51	55	57
16	17	15	18	16	New Zealand	55	48	54	56	57
18	13	17	26	17	South Korea	54	50	52	50	56
4	26	24	23	18	Ireland	65	39	44	52	56
20	12	16	12	19	Czech Rep	51	51	53	59	55
38	35	19	22	20	Israel	23	29	51	53	54
24	18	20	13	21	Sweden	46	47	51	59	54
22	21	21	21	22	UK	50	43	46	54	53
27	25	29	31	23	France	42	39	41	45	53
15	24	12	10	24	Estonia	58	39	54	60	52
28	30	26	27	25	Belgium	41	37	42	50	50
29	15	23	19	26	Poland	41	49	44	55	49
23	20	34	30	27	Portugal	49	44	34	45	48
25	22	25	24	28	Hungary	44	41	42	51	47
31	27	28	29	29	Mexico	39	39	41	46	46
26	19	32	25	30	Luxembourg	43	45	36	51	43
21	36	36	36	31	Spain	51	28	18	35	40
34	34	33	28	32	Slovak Rep	37	31	35	47	39
37	37	31	33	33	Turkey	24	27	36	38	38
33	28	27	32	34	Chile	38	37	42	43	38
30	31	35	35	35	Costa Rica	39	37	34	35	37
32	33	37	37	36	Greece	38	34	16	26	34
36	32	30	34	37	Colombia	31	35	39	37	34
35	38	38	38	38	Italy	33	27	8	24	32
					OECD Avg	50.2	45.7	47.2	52.8	52.6

Sources: PwC analysis, OECD. Notes: Index scores for previous years may have shifted since publication due to data revisions and methodological changes (e.g. school dropouts now are excluded due to the lack of recent data).

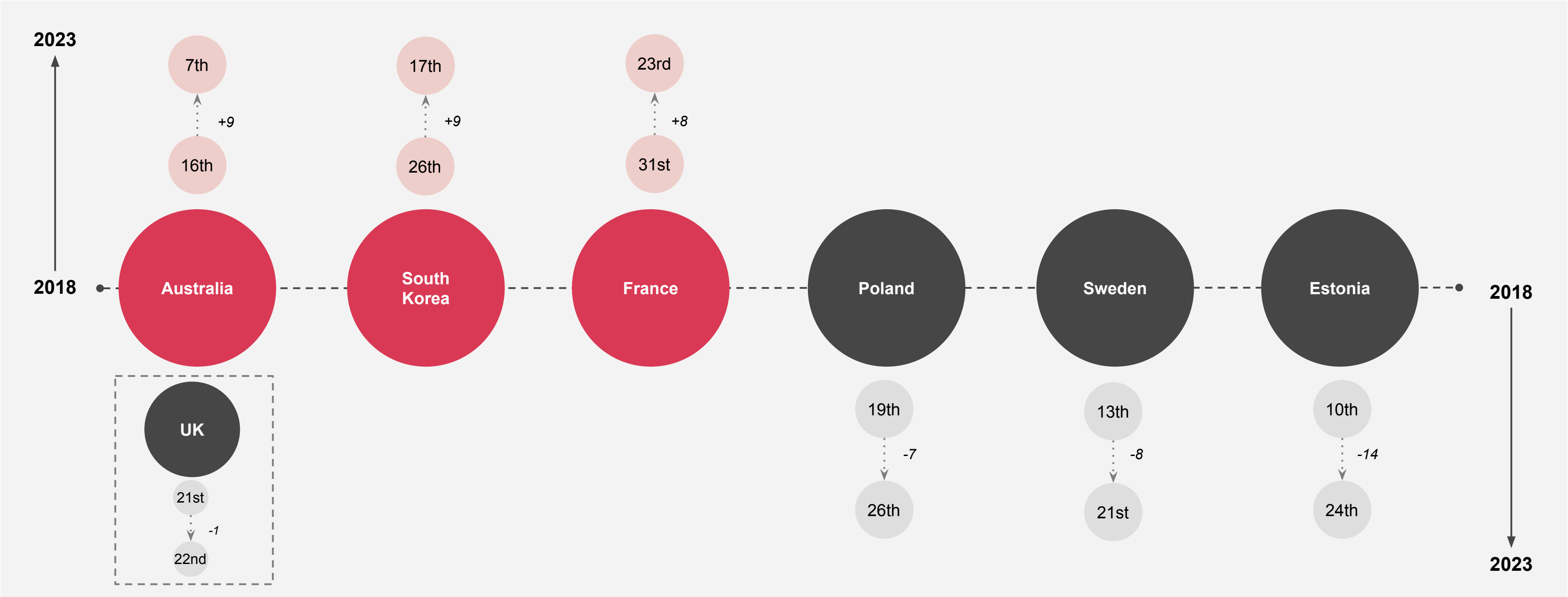
Ireland made a strong comeback in the latest update rising to 18th, aided by the government's Youth Employment Support Scheme (YESS) which has helped to bring down the youth unemployment and NEET rates.

The UK has consistently ranked in the middle-of-the-pack among the OECD economies, with this year's ranking returning to its 2006 level. In other words, over the last two decades, the UK has made little to no progress relative to its OECD peers in advancing youth employment outcomes.

Estonia experienced a substantial fall in its ranking since 2018 out of all OECD economies, dropping 14 places. There was a considerable deterioration across six indicators, with the youth/adult unemployment rate ratio more than doubling. This implies a significant weakening in the position of young people in the labour market relative to older workers. The youth NEET rate has also risen sharply between 2018 and 2023 from 12.2% to 16.5%, making Estonia one of the worst performing economies for this indicator.

Australia improved the most between 2018 and 2023, while Estonia saw the largest fall

Figure 2: Largest movers on the Index between 2018 and 2023



Sources: PwC analysis, OECD

The Netherlands, Switzerland and Iceland lead the 2024 Index, aided by successful initiatives aimed at young people

Figure 3: Leaders - Top five economies on the YEI 2024

Rank	2014	2018	2023
1st	Iceland	Iceland	Netherlands
2nd	Switzerland	Switzerland	Switzerland
3rd	Germany	Netherlands	Iceland
4th	Netherlands	Japan	Germany
5th	Austria	Germany	Austria

The Netherlands steals the top spot, closely followed by Switzerland and Iceland.

The Netherlands takes the top position in this year's Youth Employment Index. It has shown steady improvement since 2014, and this year overtook Iceland to take the top sot in our Index.

The Netherlands and Iceland both have the highest youth employment rate and the lowest youth NEET rate in the OECD. A high youth employment rate suggests that young people in these economies are well-integrated in today's workforce. At the same time, a low NEET rate bodes well for future employment prospects as the majority of young people in these economies are either gaining employment experience or upskilling themselves.

As shown in Figure 3, **the top five performers have been fairly consistent over the last decade**, with lower-ranking economies failing to break into the top tier. Japan ranked fourth in 2018, but dropped out of the top five in this year's index due to declining scores for long-term youth unemployment and part-time youth employment. However, Japan performs strongly in terms of employment for older workers, ranking third in our Golden Age Index 2023.

Successful policies of the leaders in the YEI include…

Strong vocational training

Both Switzerland and Germany have robust vocational training and apprenticeship systems. In Switzerland, two-thirds of students leaving compulsory education undertake vocational education and training (VET) in one of more than 250 professions.[5] In Germany, the Zukunftsstarter initiative by the Family Ministry and National Employment Agency provides subsidies to help disadvantaged adults into skilled work.[6]

Government initiatives

Young people in the leader countries benefit massively from dedicated government-backed initiatives to reduce youth unemployment. For instance, in the Netherlands, the government has implemented a network of Regional Reporting and Coordination Centres (RMCs) which support school leavers between the ages of 18 and 23 to achieve the most suitable education qualifications and/or position in the labour market.[7]

Efficient job placement services

Strong vocational counselling services are also commonly in place in top-performing economies to combat prejudices and ensure that young people are kept abreast of the occupations that offer a promising future. For example, the Swiss Agency for Development and Cooperation (SDC) provides placement services support such as information on suitable jobs once young people complete their education or training.[8]

Sources: PwC analysis, OECD

While the laggard economies continue to be held back by economic, structural and other challenges

Figure 4: Laggards - Bottom five economies on the YEI 2024

Rank	2014	2018	2023
34th	Portugal	Colombia	Chile
35th	Costa Rica	Costa Rica	Costa Rica
36th	Spain	Spain	Greece
37th	Greece	Greece	Colombia
38th	Italy	Italy	Italy

Italy and Greece continue to rank bottom of the Index, joined by Colombia this year, as their progress is outpaced by improvements by other countries including Spain.

Italy and Greece take the bottom spots again on this year's Index. Similar to the top five economies, the bottom five have remained largely consistent over the past decade. Despite an improvement from the previous year, Italy and Greece still reported the lowest youth employment rate in the OECD at 20% and 18% respectively as of 2023. The lowest-ranking economies appear to be 'stuck' and struggling to improve their youth employment outcomes. Spain is an exception, breaking out of the bottom tier and moving five places up the rankings since 2018. Spain's youth employment rate increased from 22% in 2018 to 24% in 2023.

Spain's improvement is driven by policies targeted at increasing youth employment. The Spanish government's EUR Action Plan for Youth Employment (2019-21) aimed to equip young workers with the skills that employers seek and motivate them to apply for jobs.[9] Another example is the labour reform in 2022 that abolished temporary job contracts which prevented easy hiring and firing of workers, including of younger workers.[10] This improved benefits and job security for young workers, which has helped to push down the youth unemployment rate.

Challenges faced by the laggards in the YEI include…

Economic and structural challenges

Specific structural challenges mean that economic downturns and crises have had more severe impacts on young people's employment prospects in some economies than others. For instance, the European Debt Crisis (2009-10) affected Greece more than any other economy. By the time Greece completed its third bailout programme, youth unemployment was impacting four in ten young Greeks.[11]

Large informal labour markets

Several of the laggard economies on our Index have formed large informal labour markets over time, making it challenging for inexperienced young workers to secure stable, formal employment. For example, despite solid economic growth and government efforts, more than 60% of total employment in Colombia is in the informal sector. These jobs usually are associated with a lack of social protection and pension rights.[12]

Political instability

Political instability and corruption are highly prevalent in the laggard economies. For instance, Italy has a history of political instability, with 68 governments in 76 years. Meanwhile, Colombia is one of the worst-performing economies on the 2023 Corruption Perceptions Index.[13] Political instability and corruption damage consumer and business confidence, and hamper both domestic and foreign investment. In turn, this inhibits economic growth and job creation.

Sources: PwC analysis, OECD

We refresh our index in the backdrop of a OECD youth unemployment rate that is at least at a 20-year low

Across most OECD economies, the youth unemployment rate for those aged 15-24 has been falling, though the speed of decline varies greatly between economies.

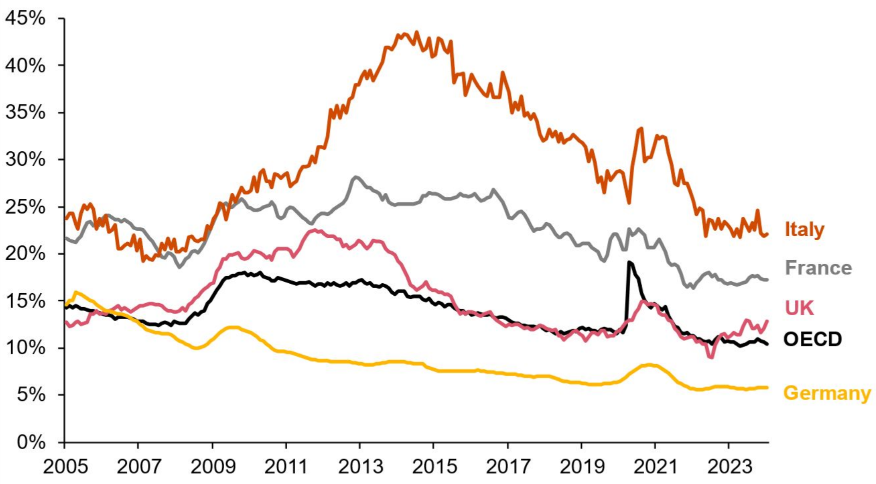
The average OECD economy now has a youth unemployment rate of just over 10% - an at least 20-year low and around half of the pandemic peak.

Despite most OECD economies following a similar trajectory, there is significant variation in the youth unemployment rates between them. For instance, Germany has maintained consistently low youth unemployment rates compared to the OECD average over the last decade, while France and Italy have had above average rates. Many of the countries that historically rank low on our Index such as Italy have substantially reduced young workers unemployment rate considerably in the last decade (and sometimes at a much faster rate than top-performing economies). However, because our Index tracks *relative* performance of a broader set of indicators, some of these economies rank poorly on our Index as there is still a large differential between them and the top performers.

Looking closer to home, the UK's unemployment rate has closely tracked the average OECD economy over the last decade, and even outperformed the average during the pandemic. But more recent data indicates the UK's youth unemployment rate is rising once again, as monetary tightening weighs on economic activity, and is currently 1.5pp higher than the OECD average.

The drivers behind the UK's performance on the Index are explored in greater detail in the next section.

Figure 5: Unemployment rate, 15-24, UK vs OECD and select G7 economies



Sources: PwC analysis, OECD

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UK focus

The UK's ranking on our Index has remained flat over the last decade, while some of our peers have made progress

Figure 6: YEI scores, UK vs France and OECD average, 2015 to 2023

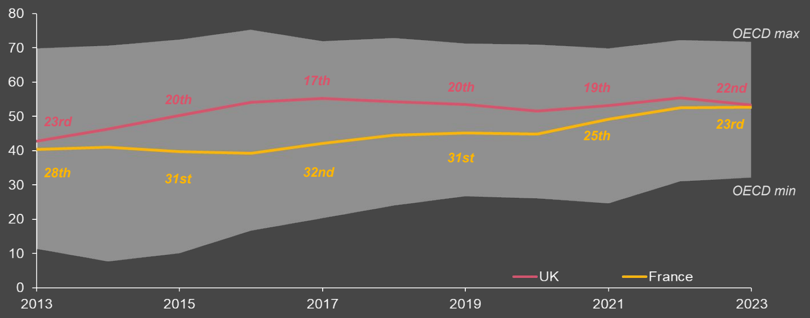


Figure 7: Relative youth/adult unemployment ratio, UK vs France, 2015 to 2023

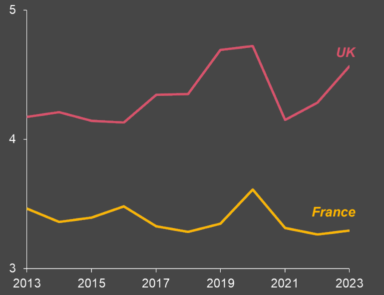
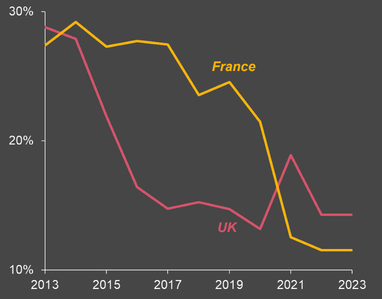


Figure 8: Incidence of long-term youth unemployment, UK vs France, 2015 to 2023



The UK's performance on our Index has been relatively flat over the last decade, closely tracking the OECD.

The UK has consistently ranked in the middle of the pack in our Index. Overall, the labour market conditions for young people in the UK have closely tracked the OECD over the past decade. The UK has remained resilient at the face of a series economic shocks. However, when looking more closely at its relative performances to its peers, we also see a missed opportunity.

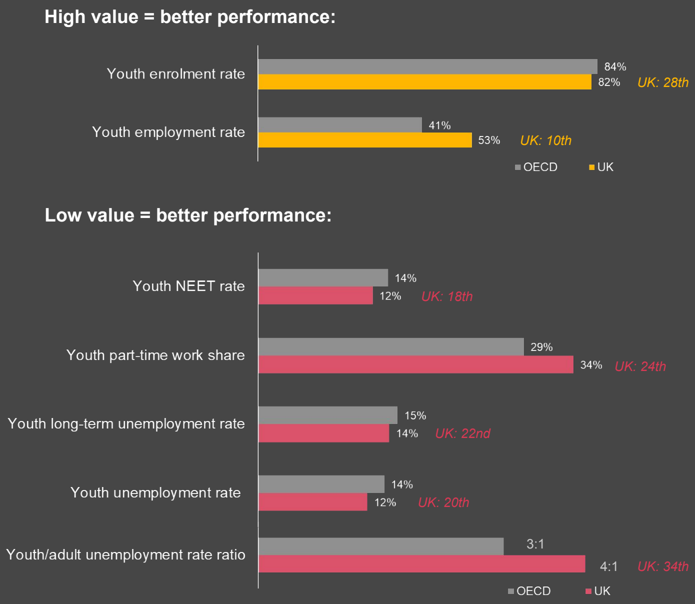
While the UK's position on our Index has stagnated in recent years, some of its OECD peers have powered ahead. This disparity is true of some of our neighbouring economies. For example, France, a country with a similar-sized economy and population to the UK, has consistently been able to improve its ranking on our Index, rising nine places from 32nd in 2017 to 23rd in 2023. In contrast to the UK, France's strengths are not just linked to only one indicator. Since 2013, it has improved its performance on all seven indicators, particularly its incidence of long-term youth unemployment and its relative youth/adult unemployment ratio, two areas which the UK performs particularly poorly on.

Given both economies have been subject to similar economic shocks, this disparity is largely attributable to French policymakers' successful policy interventions. President Macron made reducing unemployment a significant part of his election campaign in 2017, and set a full employment target by 2027 in his re-election campaign in 2022.[14] In particular, the rapid catching-up went hand-in-hand with the surge in vocational training and apprenticeships, as part of the "one youth, one solution" and "youth commitment contract" programmes. Hires and fires were also made much easier, with a financial subsidy of 4,000 euros to an employer for hiring a worker younger than 26 years old.[15]

Sources: PwC analysis, OECD

The UK's main strength is in its relatively high youth employment rate

Figure 9: YEI labour market indicators, UK vs OECD, 2023



Sources: PwC analysis, OECD

What impacted the UK's performance this year?

The UK's Index score and rank fell marginally between 2018 and 2023. The drop in the UK's Index score from 54 to 53 means that labour market conditions for young people in the UK deteriorated slightly over this period, while the fall in rank from 21st to 22nd means a marginal decline in UK's performance *relative* to other OECD countries over the same period.

The UK's main advantage is its high youth employment rate, for which it outperforms most of the OECD. The youth employment rate is the UK's best-performing indicator by some way, and has been consistently higher than the OECD in recent years. In 2023, the UK ranked 10th in the OECD, with a youth employment rate of 52.8% (compared to the OECD average of 40.9%). The UK's total employment rate remained resilient throughout the pandemic, partly due to strong fiscal support from the UK government (e.g. Coronavirus Job Retention Scheme) in the region of £310 to £410bn.[16] While other OECD economies also introduced similar labour market support measures, most were less generous than the UK.[17]

But it continues to fall short on most of the other indicators. The UK's weaknesses on our Index have remained unchanged over the last five years. The three indicators it lagged behind the OECD on five years ago - the youth/adult unemployment rate ratio, the incidence of part-time work and the enrolment rate in education and training - are the same ones it continues to underperform on in 2023.

The youth/adult unemployment rate ratio is the UK's worst-performing indicator, ranking 34th in the OECD. The UK also has a relatively high youth part-time work share compared to the OECD average, which is typically associated with lower pay and weaker job security, and so impacts the UK's score negatively. This may also reflect the increasing number of students having to work part-time alongside full-time study due to cost of living pressures.

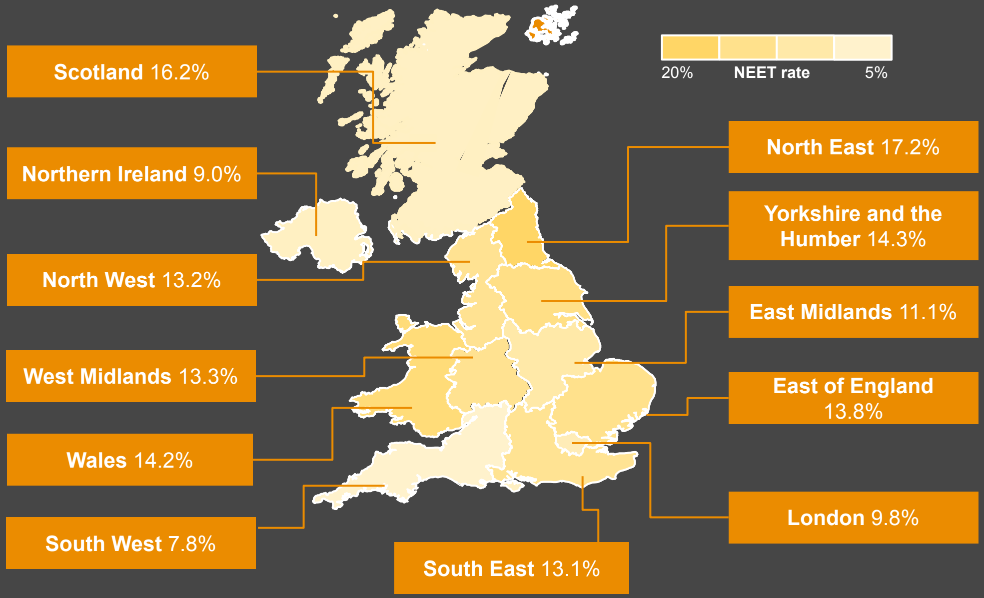
Furthermore, on the indicators where the UK *does* outperform the OECD average, with the exception of the youth employment rate, the UK's advantage is relatively small, and they have shown little upwards movement over the last five years.

Policy should focus on stimulating economic activity and introducing targeted interventions which focus on skills to support integrating young people into work.

Besides stimulating economic activity, UK policymakers and, in some cases businesses, should learn some of the lessons from other economies which rank high on our Index. The wider skills agenda--strong vocational training and efficient job placements-- are areas which require more careful consideration. For example, we find that there is a growing issue around rising youth inactivity which could translate into a permanently higher number of young NEETs in the future (see subsequent slides for more).

Despite making progress, a sizeable proportion of young people in the UK are NEET, particularly outside of London

Figure 10: Youth NEET rate (16-24 year olds) by UK region, 2022



In this section, we focus on the youth NEET rate in the UK, an indicator for which the UK has a middling performance but has scope to improve.

The NEET rate is an important indicator to focus on as NEETs are young people who are indefinitely inactive in the labour market, rather than being temporarily out of work due to cyclical forces. Therefore, deliberate efforts need to be made to transition them into work so they can strengthen their contribution to the economy. Furthermore, recent data from the ONS shows that 1 in 5 NEETs in England report having a mental health condition.[18] Supporting NEETs in accessing education and employment can therefore have substantial benefits at both an individual and national level. Linked to this, a well-defined skills agenda, with a strong focus on young people, will form a critical part of any future industrial strategy for the UK economy - this is covered in more detail in our upcoming Industrial Strategy publication.

NEET rates differ greatly by region - around 1 in 6 young people are NEET in the North East and Scotland, compared to just 1 in 13 in the South West. Elevated youth NEET rates in some regions could reflect broader economic stagnation, but may also suggest inadequate educational and employment opportunities in certain regions.

London has around 1 in 10 young people recorded as NEET. The capital performs well relative to some other UK regions for this indicator, in part due the high concentration of higher education institutions, as well as the sheer volume of job opportunities.

Sources: PwC analysis, ONS Labour Force Survey, StatsWales, Scottish Government, NISRA

Better integrating NEETs into the workforce could generate an economic gain of close to 1% of UK GDP

On this slide, we estimate the potential economic gain from lowering regional NEET rates for 16-24 year olds in the UK to match the South West's NEET rate - the UK's best region for the youth NEET rate.

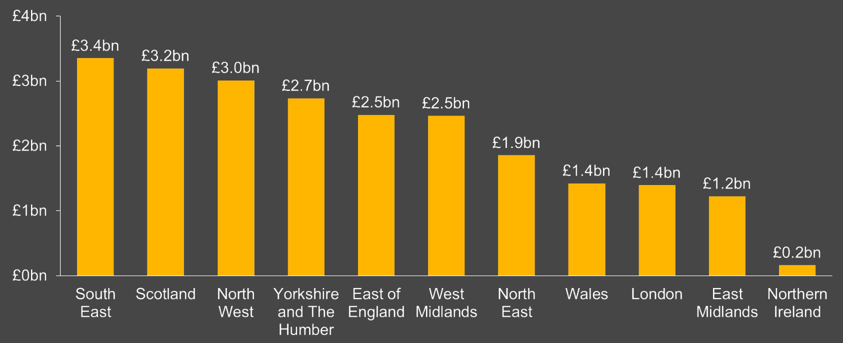
Lowering the youth NEET rate in each UK region to align with the South West equates to c.342k young people moving out of the NEET category. Our analysis indicates the impact of this on UK GDP to be around £23bn annually (in 2022 prices) or around 1% of the UK's GDP in 2022. Figure 11 highlights the regional disparities in terms of economic impact - these are driven by differences in the total size of the youth population, as well as the NEET rate in each region.

Beyond the economic gains, transitioning a NEET to being an active participant in the economy is also likely to have wider spillover effects (e.g. improved mental and physical health). While we don't quantify these wider impacts, they are likely to be significant when aggregated across individuals.

Looking ahead, the UK's net zero transition and the resulting increase in green job opportunities will play a significant role in shaping the UK's labour market in the future. Therefore, through equipping young people with the necessary green skills required to secure these roles, there is an opportunity to lower the youth NEET population and realise the economic benefits mentioned above.

Section 2 of this report explores the growth in green employment opportunities in the UK and the opportunities this presents for young people, particularly NEETs.

Figure 11: Annual economic gain from reducing youth NEET rate to SW level, £bn



1. We estimate that integrating a NEET into the workforce in the UK could boost UK GDP by **over £65,000 a year (output per worker, 2022 prices).**[19]
2. If every UK region reduced their youth NEET rate down to the South West's levels (7.8%), this could result in around **342k** young people moving out of NEET status.
3. The South East would see the largest annual economic benefit of c.**£3.4bn,** given it is the UK's largest region by population and has a relatively high NEET rate.

Sources: PwC analysis, ONS, ONS Labour Force Survey, StatsWales, Scottish Government, NISRA

Box A: Rising persistent long-term sickness amongst young people could present a new challenge for UK policymakers

Figure 12: Inactivity due to long-term sickness, by age group

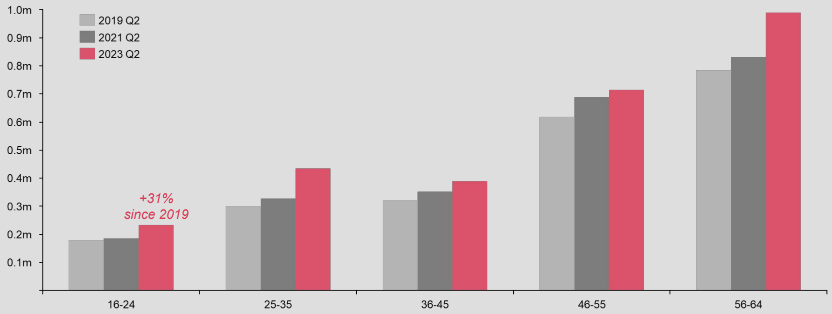
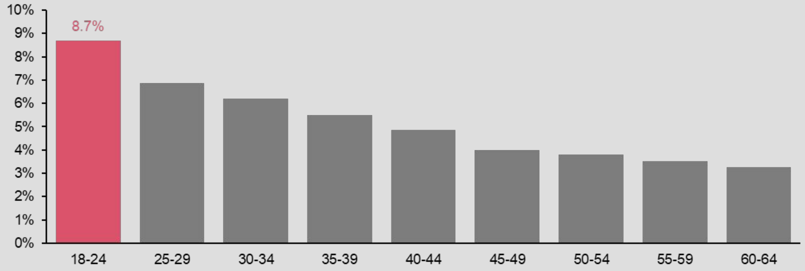


Figure 13: % of people in contact with NHS mental health services, 2022-23



Economic inactivity due to ill-health has risen sharply since the pandemic. The number of people who are economically inactive due to long-term sickness has risen by a staggering 693k since the pandemic.[20] Our Golden Age Index 2023 report focused on the rise in sickness-related inactivity among older workers. But in proportional terms, the rise in inactivity among younger workers due to ill health is actually larger.[21] Figure 12 shows that sickness-related inactivity among 16-24 year olds is 31% higher in Q2 2023 compared to Q2 2019.

Through concerning, this is yet to be reflected in the UK's youth employment indicators. This is for two reasons, partly because sickness-related inactivity numbers are small relative to total youth inactivity and the rise in youth inactivity has been partially driven by an increase in the number of students, which rose by one-fifth over the same period. However, if sickness-related inactivity numbers continue rising and student numbers plateau, the NEET rate could rise materially.

Our research indicates that poor mental health is a significant driver of sickness-related inactivity among young people. The number of young people experiencing mental health difficulties, although small, has grown at an alarming rate. A PwC survey data shows that over 1 in 5 young people aged 18-24 report having a long-term mental health condition, with anxiety, eating disorders and depression being the most common conditions.[22] Figure 13 also shows that the proportion of 18-24 year olds in contact with NHS mental health services is higher than for any other age group.[23]

Employers have a role to play to support young people. Our survey reveals that just one-third of 18-24 year olds feel that employers provide the right support for their mental wellbeing at work. This suggests there is a significant role for businesses and wider society to play. The charity Mind recommends that organisations should promote employee wellbeing by tackling the work-related causes of mental health problems and supporting those who are experiencing difficulties.

Our upcoming UK Economic Outlook publication which will be released early summer, explores young people's inactivity and the associated mental health challenges in more detail.

Sources: PwC analysis, ONS Labour Force Survey, NHS, Mind

2

Green employment opportunities for young people

This section explores the growth in green employment in the UK and the opportunities this presents for young people, particularly NEETs. We also consider the challenges young people face in accessing green employment and the role of businesses, the government and educational institutions in supporting them.

Green jobs offer an exciting employment opportunity for young people looking for work in a growing field

In this section, we explore the rise of green employment opportunities and why they matter for young people with a particular focus on the UK. We also cover the ways in which young people can access green jobs and the challenges they may face in doing so. In light of these challenges, we consider the ways in which policymakers, educational institutes and businesses can support young people to thrive in green careers. Our insights are underpinned by a series of interviews we have conducted with businesses to better understand the green opportunities available to young people.

Defining green jobs can be a complex task, as there are several different definitions. Aligned with PwC's Green Jobs Barometer,[24] we define green jobs as ones that involve one or more of the following:

Producing and providing environmentally-friendly products and services. For instance, roles which are involved in the production of energy from renewable sources such as solar power or the production of environmentally-friendly versions of traditional products (e.g. energy-efficient lightbulbs).

Adapting work process to become more environmentally-friendly or use fewer natural resources. For instance, the production of beer brewed in solar-powered breweries, or operations that are managed from wind-powered offices.

Supporting the green economy indirectly. For instance, environmental advisors in corporate professions such as business consulting, law and accounting.

We use a broad definition of green jobs to capture oth the 'greening' of traditional jobs and the introduction of new green jobs.

'Greening' traditional jobs

The UK government has recently published an independent expert report which states every job in the UK has the potential to be green.[25] Businesses are adapting their existing roles to include green elements within them (e.g. solicitors who now need to consider sustainability as part of their practice).

These roles tend to be more widespread across sectors compared to new fully green jobs. In general, these roles can be filled by upskilling existing staff or providing the appropriate training for new joiners.

New green jobs

With the transition to net zero, certain new jobs are required. These are roles that are purely focused on green activities (e.g. Carbon Analyst, Wind Turbine Technician).

These jobs may require specific technical skills along with some prior experience, and will often be concentrated in a handful of industries (e.g. energy, transport).

2.1

Why green jobs matter for young people in the UK

The green transition presents an opportunity to address youth unemployment in the UK

Green job opportunities are expected to grow rapidly in the UK. The total number of green jobs openings in the UK has grown exponentially since 2019. We estimate that there were approximately 250k green job openings in the UK between Q3 2022 and Q2 2023.[26] This is set to rise further with the UK government previously setting out its ambition to support two million new green jobs by 2030.[27]

The UK has a sizeable NEET population. We estimate a total of **c.900k individuals** young individuals are NEET (not in education, employment or training) in the UK. The South West region has the lowest NEET rates (7.8%), whilst the North East has the highest NEET rates (17.2%).[28]

Green jobs provide an opportunity to address youth unemployment. A significant portion of green jobs (up to 90%) needed for the net-zero transition are skilled manual labour roles that do not require a university degree, making them accessible to a wider demographic of young people. This lower barrier to entry is important as it makes green employment a viable option for the NEET population.

The government has a role to provide promote targeted education and training for green jobs. The government's Net Zero Strategy emphasises equipping young individuals with green and sustainability skills. Identifying and promoting green career pathways, along with providing the necessary education and training, is crucial for transitioning NEETs into green employment.

Transitioning young people out of NEET could generate large economic benefits. Our analysis indicates a potential economic benefit of up to £23bn to the UK economy if NEET rates in UK regions are lowered to match those of the South West (see previous slides for the analysis). This highlights the significant economic incentive behind investing in green skills development and job creation.[29]

Green employment opportunities are unevenly spread across the UK, with London and the South East leading the way

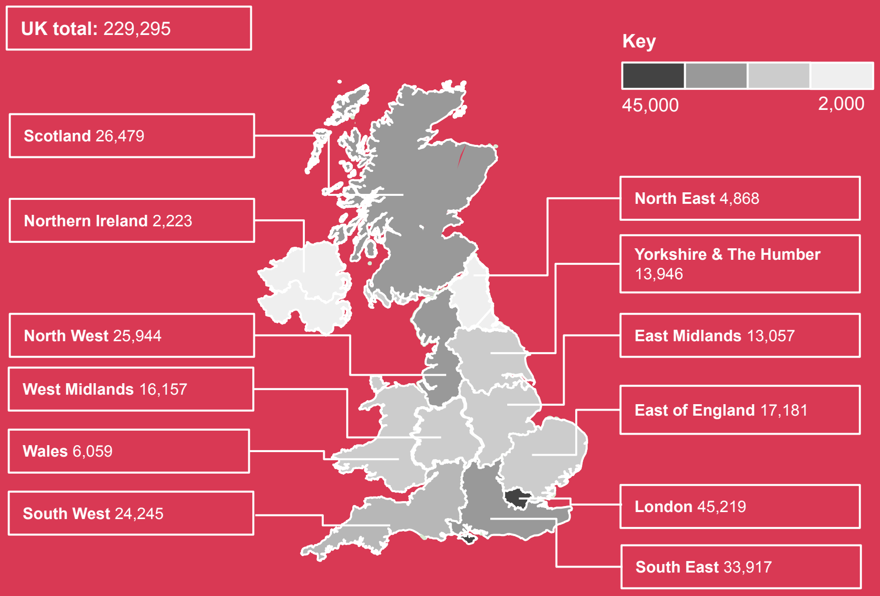
A regional focus on the green economy

London's leading role: According to our latest Green Jobs Barometer, London has the largest number of green job openings at 45,219. In fact, London and the South East combined account for around one third of all new green job postings in the UK. Despite London advertising for 10,350 fewer green jobs than last year, the capital maintained its considerable lead over the other regions, partly driven by the size of its economy.[30]

Scotland's growing green jobs commitments: Scotland is still a major fossil fuel player, with oil and gas extraction making up c.12% of Scottish GDP.[31] However, as the green energy transition takes place, Scotland is well placed to become a big net zero player too, aided by a large existing oil and gas workforce with the transferable skills to work in adjacent energy sectors. Scotland's sizeable share of green job openings demonstrates the region's strong commitment to sustainability. The government has also unveiled plans to boost green growth in Scotland through multi-billion pound investments aimed at scaling up affordable, clean, homegrown power. Over £10m of Scottish Enterprise green jobs funding has been allocated to more than 40 companies for 43 projects in Scotland - this should create and safeguard over 750 green jobs.[32]

Wider regional disparities: Regions such as Northern Ireland have relatively fewer green openings but steps are being taken in the right direction to address this. For instance, as part of achieving net zero emissions by 2050, Northern Ireland has developed a multi-decade Green Growth Strategy with the aim of "*using the move from a high to low greenhouse gas emissions economy to improve people's quality of life through green jobs and a clean environment*".[33]

Figure 14: Total number of green job openings by region (Q3 2022 - Q2 2023)



Sources: PwC Green Jobs Barometer 2023

Our research indicates that green jobs offer young people diverse and future-proof work which aligns with their values

Beyond an opportunity for employment, what do green jobs offer young people?

1

Alignment with core values

A NESTA (National Endowment for Science, Technology and the Arts) survey[34] indicates that 70% of students and recent graduates express a preference for environmentally-beneficial careers, and a further 23% are willing to accept lower salaries for green jobs. This shift towards seeking ethical and sustainable work is further validated by recruiters, who have seen a heightened focus on these aspects among young job seekers.

2

Future-proof work

In the UK, green jobs are growing at four times the pace of the overall employment market, and this is only set to increase given the UK's ambitious net zero targets.[35] The green sector aims to foster sustainable future growth through the creation of new green jobs and also the greening of traditional jobs (see page 22), thereby future-proofing careers for young people amid evolving global priorities.

3

Work diversity

The scope of green employment is increasing from traditional fields (e.g. forestry, environmental law) to emerging domains (e.g. green technology, sustainable agriculture). These fields offer varied work environments, such as offices, industrial settings and outdoor locales, which cater to a wide range of skills and interests. Moreover, traditional non-green roles are increasing their focus on sustainability as companies shift their priorities. This will allow a heterogeneous workforce with varied educational backgrounds to access green jobs.

Case study: Dentsu's Sustainable Transition - A Youth Magnet

Dentsu's "The CODE" programme offers a case study of an organisation which has achieved notable engagement from young individuals due to its focus on sustainability. The programme empowers under-represented young people with the digital and green skills they need to thrive in the net zero economy. The programme has witnessed strong global participation - it has supported over 35,000 young people in 16 economies, with the goal of reaching 100,000 by 2030. There is strong advocacy for sustainability across all levels of the organisation, with particular interest from junior and mid-level employees, highlighting an increased focus on green initiatives among younger workers. Furthermore, employees at Dentsu are actively advancing the company's social mobility initiatives, with The Code's successes helping to win a Silver Award for Innovation two years in a row at the UK Social Mobility Awards. The engagement levels and advocacy within Dentsu are reflective of a wider trend towards environmental consciousness and social responsibility in the corporate sphere.[36]

> "We're finding that our younger applicants evaluate our sustainability strategy, including DEI and Wellbeing, as the **next most important factor** after salary and benefits".
>
> **Dentsu, global marketing solutions company**

2.2

Accessing green career opportunities

Green jobs can be accessed in different ways, with some pathways geared more towards young people than others

Our interviews with companies in a variety of sectors revealed the different options available to young people to access green jobs. Some focus more on transitioning young people into green roles, while others focus on attracting experienced specialists or re-skilling current employees.

New, green jobs

Apprenticeships: An increasingly popular route for new entrants to access green jobs is apprenticeships. These can take the form of schemes which allow workers to develop specific technical skills (e.g. Low Carbon Heating Technician) or others which encompass broader skills (e.g. a corporate responsibility and sustainability practitioner). There are usually minimal academic or technical prerequisites for either type of apprenticeship.

Graduate schemes: Graduate schemes have long existed across most sectors and are aimed at recent university graduates. An increasing number of these schemes are ‘greening’. For instance, Shell’s graduate scheme allows new joiners to rotate between teams, gaining experience in areas such as renewables, as well as the more traditional divisions. Young employees are therefore given early exposure to sustainable practices and teams within the organisation.

Greening traditional roles

Direct recruitment: Businesses may recruit directly into green roles. This will typically take the form of a single role advertised and open to all applicants. For instance, a law firm may look to recruit a solicitor with experience in environmental law, or a transport firm may look to recruit a decarbonisation specialist. Typically, experience will be required for these roles and on-the-job training is less likely.

Reskilling and upskilling: Some businesses prefer to reskill existing employees to fill green or greening roles. This can be done through formal training programmes and/or on-the-job learning. Business-wide initiatives to upskill all employees to have some basic level of knowledge of green practices and sustainability are also common.

Sources: PwC & Connectr interviews and analysis

Businesses are increasingly trying to to incorporate sustainability elements into their generalist career pathways for young people

‘Greening’ Pathways

Some companies have ‘greening pathways’, some of which can be accessed by traditional degrees. Some examples include:

Finance

Traditional: Financial Analyst

Greening: Sustainable Finance Analyst

Example: Some asset managers now have sustainable investing teams which assess the sustainability-related risks and opportunities of different investments beyond ROI maximisation.

Engineering and Construction

Traditional: Civil Engineer

Greening: Green Building Engineer

Example: Engineering consulting firms such as Arup have teams focused on designing and building green structures which have minimal environmental impact.

Supply Chain and Logistics

Traditional: Supply Chain Manager

Greening: Sustainable Supply Chain Manager

Example: Unilever's Sustainable Living Plan aimed for 100% sustainable sourcing of agricultural raw materials by 2020, endorsing fair trade and eco-friendly practices.[37]

Case study: Shell Graduate Programme [38]

Shell’s Graduate Programme provides a viable option for young individuals aiming to incorporate an ethos of sustainability into their early careers. In this programme, new joiners rotate through different teams, ranging from traditional supply chain management to renewables marketing, allowing them to develop a holistic sense of the company’s operations before specialising. Shell allows anyone with a Bachelors or Masters degree to apply with no specific grade requirements or pre-requisites. However, applicants can choose suitable career paths within the programme which align to their qualifications using a degree matcher tool.

Shell's efforts to transition to becoming a more environmentally-responsible business provides practical sustainability challenges for graduates to tackle. There are also formal learning modules within the programme which incorporate sustainability elements within each of the areas of expertise.

Key benefits of the programme include:

1. **Transferable skills:** This includes core sustainability knowledge, technical skills, analytical and problem-solving abilities and communication skills. Coupled with a focused emphasis on sustainable thinking, the application of these skills can deliver value in various contexts to support the transition towards net-zero.
2. **Industry Exposure:** The programme provides new employees with practical experience in solving real-world sustainability challenges in the energy sector.

Despite a growing demand for green skills, young people still face significant challenges in accessing green employment

Interest in sustainability-related careers has never been higher among young people in the UK. In a recent survey, 91% of graduates stated it was important that their jobs allowed them to make a difference, and 85% stated it was important that companies have sustainable practices.[39]

Despite this enthusiasm and a growing demand for green skills, young people still face challenges in accessing green job opportunities. A recent survey revealed that 59% of organisations require or are expected to require green skills in the near future, with 15% stating they require green skills for entry level roles.[40] However, 39% of organisations surveyed think that young people do not possess the necessary skills to take up these roles.

Below, we highlight some of the key challenges facing young people in the context of green employment, which the government, businesses and educational institutions should focus on addressing:

Career pathway ambiguity

There is ambiguity on the definition of, and the skills required for green jobs, which deters young people from exploring green career paths.

Many young people are unsure how they can translate their passion for sustainability into a viable career. Furthermore, for organisations in sectors not at the forefront of the green transition, 'green skills' may be considered to be softer in nature (e.g. possessing a curiosity, challenger mindset). Young people may not know which soft skills they need, and may not have the necessary support to develop them.

Lack of green skills education

A coherent plan focused on developing green skills is missing from the current school and university curricula, leaving young people feeling unequipped for the green job market.

The current education curriculum in the UK does little to incorporate environmental and sustainability issues. There are concerns that current apprenticeships and T-Levels also do not have have green skill development embedded into them.[40]

Misinformation

There is skepticism among some young people towards traditionally carbon-intensive sectors such as the energy sector, even though these sectors are leading the way in the green transition, highlighting an information gap.

As young people are becoming increasingly value-oriented, they are more critical of potential future employers, especially those operating in sectors which are historically perceived as being unsustainable.

2.3

Our interview results on businesses' green job offering

Our interviews revealed five key maturity themes for businesses involved in the green transition

Businesses need to clearly understand how they can contribute to the green transition and allocate dedicated resources to enable this. Only when a business is at a mature phase in their transition, with well-established initiatives and mechanisms, can they offer meaningful green opportunities for young people. Once companies have reached this phase, a mutually-beneficial exchange can take place whereby organisations can further advance their green interests and young people can access eco-conscious career paths.

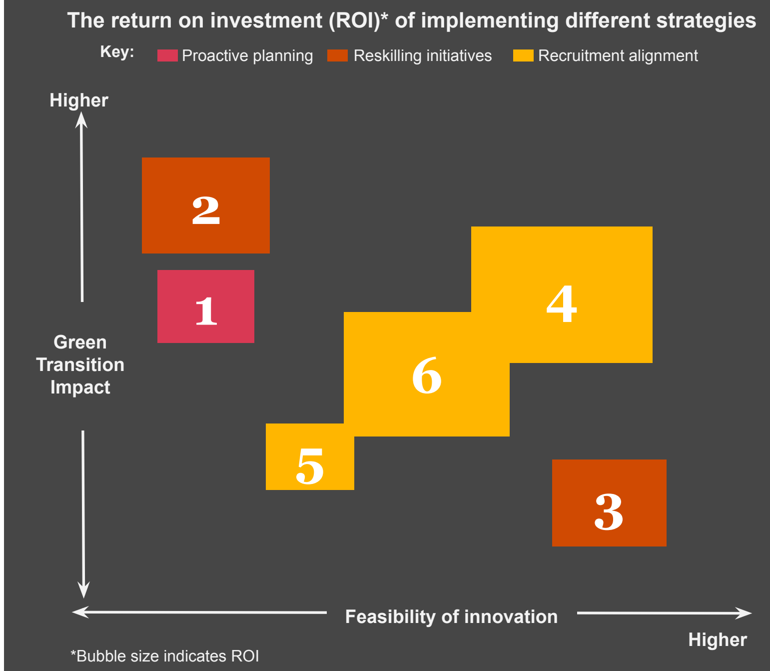
- PwC and Connectr conducted a series of interviews with several businesses to evaluate their green jobs offering, with a particular focus on opportunities available for young people.
- The companies interviewed were at different stages in their sustainability journeys, ranging from those who were just beginning to understand sustainability to those who had made dedicated investments, secured leadership buy-in and drawn up recruitment plans.
- We identified the following five key themes of maturity in a company's sustainability journey.

1	**Proactive planning**	Mature companies often plan ahead and incorporate a green agenda into their operations ahead of mandatory regulations. They understand the importance of early adoption and do not suffer from inertia, which is often noted as the biggest barrier to delivering greener initiatives.
2	**Clear targets**	They set clear, measurable green targets, often aligned with international standards. Performance is tracked through indicators such as the % of full-time employees (FTE) working on green projects. Employee incentives, such as executive bonuses, may also be aligned to sustainability KPIs to facilitate change.
3	**Recruitment alignment**	Businesses are increasingly looking for candidates with a strong understanding of sustainability and the relevant green skills. This is accompanied with a shift in employer requirements from general university degrees to more applicable experience and a demonstrated commitment to sustainability.
4	**Reskilling initiatives**	In addition to hiring fresh talent, mature companies focus on training existing staff members to develop green skills and adopt a sustainable mindset.
5	**Defining new roles**	Mature companies carefully categorise roles to better understand their impact to the sustainability agenda. This could be identifying roles that are directly involved in the green transition ('green'), or those that are indirectly contributing to it ('greening').

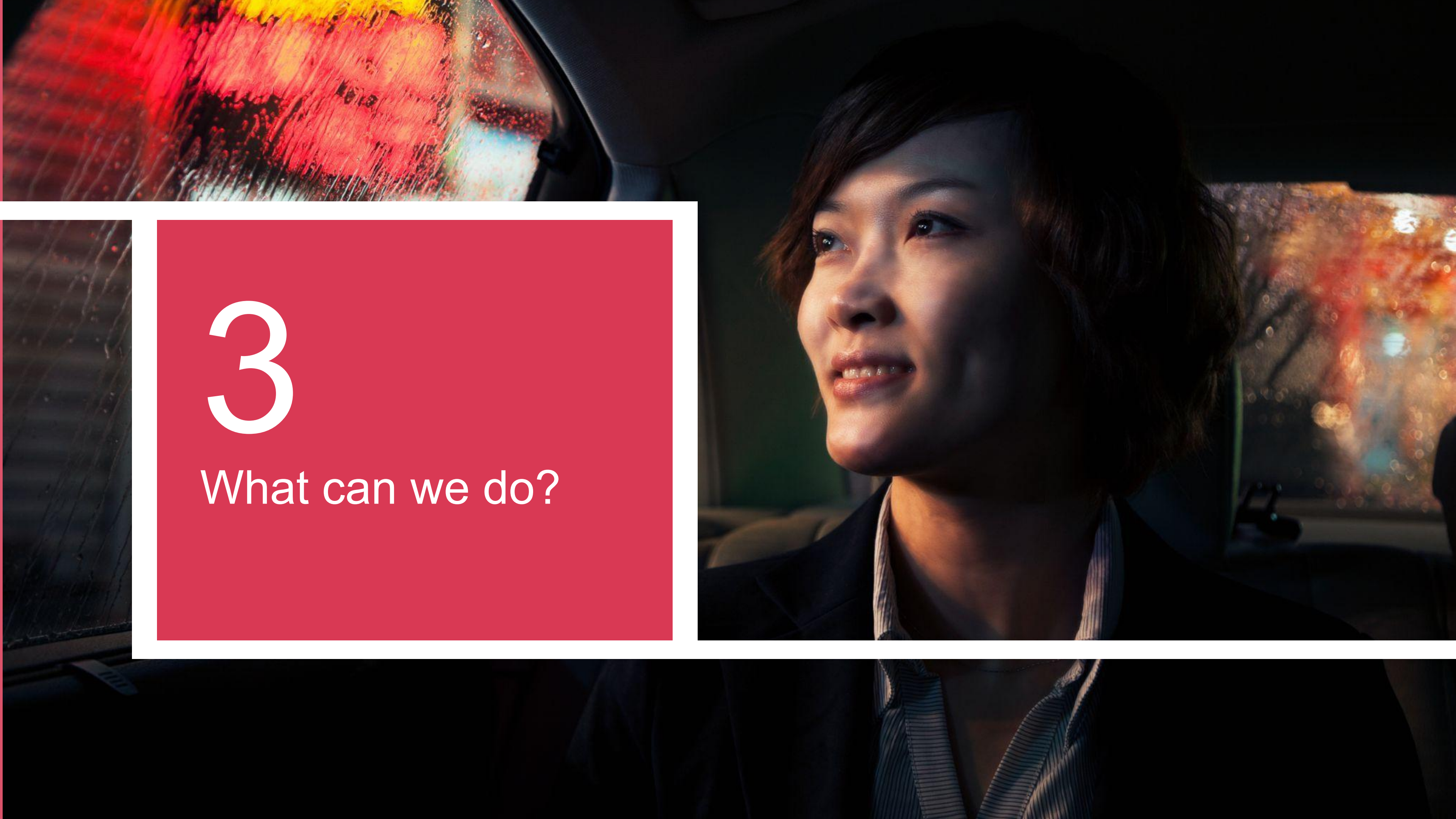
Sources: PwC & Connectr interviews and analysis

Under each theme, we found that businesses implement a range of different strategies to drive the green transition

Proactive planning	1	**Skill gap analysis -** Companies are now actively identifying key skills gap within their organisations when planning their sustainability profiles.
Reskilling initiatives	2	**Bespoke training courses -** To effectively upskill employees on sustainability matters, many companies are now collaborating with educational bodies which develop bespoke training courses for different areas of the business.
	3	**Accreditation sponsorship -** Numerous sustainability accreditations now exist in different professions and at different seniority levels. Companies are sponsoring their employees to gain these accreditations to enhance their sustainability skills.
Recruitment alignment	4	**Improving HR 'green fluency'** - Companies vary in their ability to understand, screen and communicate green roles and skill requirements. Fluent HR teams are able to provide clarity on the 'greenness' of a role, assess green skills beyond traditional qualifications and engage in dialogues with young people.
	5	**Early careers units** - Mature companies often establish dedicated pathways for young talent, harnessing their fresh perspectives.
	6	**Outreach programmes -** Companies leading the transition are addressing the information asymmetry problem among young people. Improving green talent recruitment via outreach programmes and careers fairs has been proven successful in sparking student's interest in green jobs from an early age.



Sources: PwC & Connectr interviews and analysis



3

What can we do?

There is a role for businesses, government and educational institutions in helping young people to access green jobs

Key challenge

Lack of green skills education and misinformation

Our recommendations:

- **Close the skills gap:** Supporting a more mature and agile education and training system with a focus on sustainability is critical, requiring efforts from both the government and educational institutions. Employers themselves also have a role to play in upskilling employees. Furthermore, improving the quality and availability of data is paramount in order to provide governments and educational bodies with accurate and timely information to accurately identify skills gaps and inform policy decisions.
- **A long-term, forward-looking government strategy:** The government needs a long-term strategy to support and upskill people for green employment. A report by Green Alliance suggests measures, such as a 'super deduction' or tax relief, could be introduced to encourage greater business investment in upskilling their employees, along with re-training support for individuals in forms of loans and grants.[41]

Key challenge

Career pathway ambiguity

Our recommendations:

- **Build an information reservoir:** Career Hubs can play a better role in providing career guidance, particularly for disadvantaged young people who may not have access to personal or family networks for information. These hubs should serve as reservoirs of information and resources related to green professions.
- **Provide work experience opportunities for students:** Businesses should play a more active role in providing work experience opportunities to allow students to gain early first-hand exposure to green roles.
- **Foster collaboration between schools and employers:** To bridge the gap between educational curriculums and the green sector, schools are suggested to invite industry experts to provide fresh, real-world insights on sustainability. This could extend further to industry visits, internships and mentorship schemes.
- **Make use of digital technologies:** Employers and educational institutions can leverage digital platforms to provide information on green careers in the form of webinars, online courses and discussion forums.

Sources: PwC & Connectr interviews and analysis

4

Appendix

A1

Youth Employment Index Annex

We used a standard methodology to construct the Youth Employment Index

Indicators used in the Index

Indicator	Weight	Factor*
Youth employment rate (15-24)	20%	+
Youth unemployment rate (15-24)	10%	-
Youth long-term unemployment rate (15-24)	10%	-
Youth/adult unemployment rate ratio (15-24/25-54)	10%	-
Youth part-time work share (15-24)	10%	-
Youth NEET rate (20-24)	20%	-
Youth enrolment rate (15-19)	20%	+

* Indicates whether higher values of a given indicator contribute positively or negatively to the Index score. We have applied expert judgement to determine whether the value of a given indicator translates to better or worse employment outcomes for young people.

Calculating the Index

Step 1

Normalise

Indicators are standardised using the z-score method, based on the mean and standard deviation of the sample of 38 economies in a base year of 2006, to allow for comparisons across both economies and time.

Step 2

Apply positive/negative factor

Positive/negative factors are applied so each indicator enters the Index with the appropriate sign (e.g. positive for employment rates, negative for NEET rates).

Step 3

Calculate the index scores

Base scores are constructed as a weighted average of normalised labour market indicator values.

Step 4

Rescale the Index

Scores are then rescaled to values between 0 and 100 with the average value across all 38 economies set, by definition, to 50 in 2006.

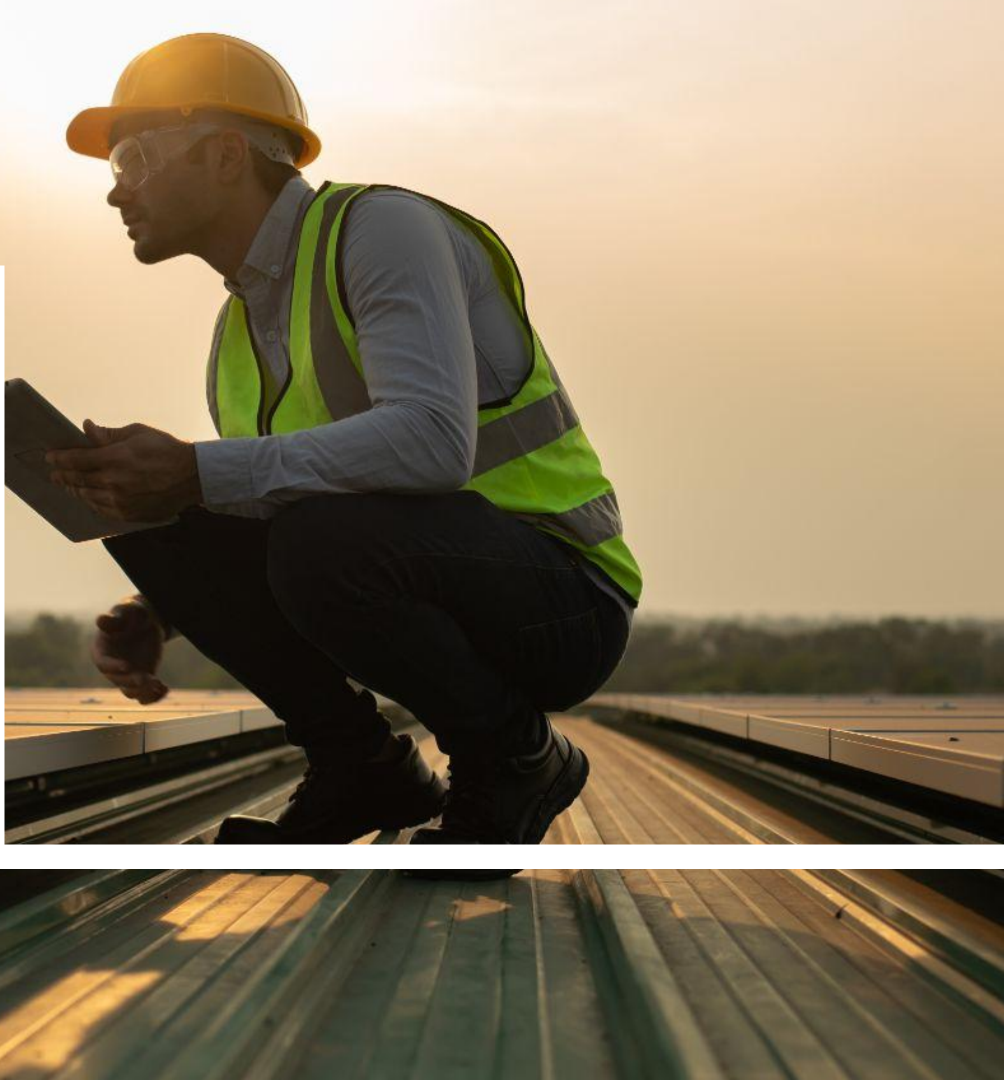
A selection of recent policy initiatives aimed at promoting positive youth employment outcomes

Below we carry out a literature review which demonstrates the various policy initiatives that some of the higher ranking countries have run in the past 3 years aimed at providing a route for young people into employment. We examine how these initiatives work in practise and the benefits they bring to young people.

	Switzerland 2nd *Vocational Education and Training* [42]	**Germany** 4th *Dual Vocational Training System* [43]	**Australia** 6th *Transition To Work Program* [44]	**Canada** 16th *Youth Employment and Skills Strategy* [45]
Investment	**$3.9bn annually in recent years**	**$5.0bn for 2021-2027**	**$315.3m in programme expansion for 2022-2027**	**$584.7m over 3 years starting in 2022/23**
Concept	Combination of classroom-based education and on-the-job training.	Combination of classroom-based education and on-the-job training.	Skills training and job-hunt assistance to help young people aged 15-24 transition into work (including apprenticeships) or education.	Helping 15-30 year olds gain skills and experience to find long-term work, delivered through horizontal partnership with federal departments and agencies.
How does it work in practice?	Participants spend 3-4 days a week in a firm, and they attend vocational school for the rest of the time.	Participants receive parallel training at the workplace and in school. Combination of apprenticeships in a company and education at a vocational school in one course.	Participants receive intensive, pre-employment support to develop practical skills to get a job. Assistance in job searching, connections given to relevant local community services and networking opportunities.	The programme connects participants with local education and training opportunities. Provision of access to mentorship, computers and mental health support to overcome barriers to entering the labour market.
How does this benefit young people?	The VET model is a significant reason why Switzerland has one of the lowest youth unemployment rates in the world (two-thirds of young people choose VET). OECD data indicates that Switzerland's youth unemployment rate was just 8% in 2023.	As a result of this system, there are 324 state-recognised training occupations that span almost all industries and sectors in Germany, which have led to positive youth employment outcomes.	Consistent growth in the number of new program entrants. OECD data indicates that Australia now has the third highest youth employment rate in the OECD. However, there are huge differences in the effectiveness of Transition To Work service providers.	These measures help young Canadians gain valuable skills and work experience, setting them up for a lifetime of success in the job market. An improvement in mental health outcomes due to a holistic approach.

A2

Green jobs annex



Interview methodology

To gather insights for this report and build the case studies presented, PwC and Connectr conducted a number of interviews with businesses between 1st and 15th September 2023. The aim of these interviews was to understand the green job opportunities available to young people across sectors, both now and in the future.

Development of interview guide by PwC and Connectr, based on report themes and areas of interest.

Connectr shared the request for interviews across its network of businesses. A short survey was shared to gather interview sign-ups.

Nine business representatives and one apprentice were interviewed.

Interview findings were reviewed, synthesized and used to inform the content of this report.

Interview themes:

1. Green jobs in the business
2. Career pathways into green jobs
3. Skills gap
4. Social mobility
5. Future strategy
6. Barriers and challenges

Sectors covered in interviews
Legal
Banking
Energy
Marketing
Technology
Food and Beverage
Life Sciences
Not-for-profit
Construction

Case study: Dentsu

A case study with *Dentsu* on reskilling initiatives

Re-skilling and up-skilling initiatives are powerful tools to provide the necessary foundations for the ‘greening’ of traditional roles.

Dentsu has partnered with the Cambridge Institute of Sustainability to upskill its employees. They offer three sets of training programmes each aimed at different grades, including a 40-minute short module course, a 4-hour training course and an 8-week intensive course. Dentsu’s goal is to achieve 100% firm-wide completion of the short course by 2023, with continued investment planned throughout 2024 and 2025.

Dentu’s core offering consists of three service lines - Creative, Media and Sales, with a sustainability agenda integrated into each of them. Staff members are being trained in all three service lines, e.g. purpose-led sustainability strategy training for the Creative team, technical expertise on sustainability metrics/data for the Media team, and know-how to pitch sustainability to clients for the Sales team.

There is also buy-in from senior leadership, which is a significant determinant of the uptake of this initiative. Employee compensation is also tied to sustainability KPIs.

The introduction of sustainability training means that individuals can easily transition and apply their new skills in future roles. Common job transitions for employees from Dentsu include moving into entrepreneurial, creative, self-starting, systems thinking and consulting roles.

Getting ready for green jobs: the WEF’s view

A report by the World Economic Forum suggests the share of green talent in the workforce has increased by over 38% globally since 2015.[46] A series of actions for policymakers, businesses and the global workforce have been suggested in the report.

Businesses are recommended to invest in workforce training and learning courses to support green skills development, while workers should consider a green career that enhances their future employability and allows them to continue developing new transferrable skills in sustainability.

Sources: PwC & Connectr interviews

Case study: National Grid & Connectr

A case study with *National Grid* & *Connectr* on employer outreach programmes [47]

Disadvantaged students are twice as likely to not be in education, employment or training (NEET) at age 16.[48] By focusing on regions with higher levels of deprivation, National Grid (NG) and Connectr are playing a pivotal role in bridging the green skills gap and fostering inclusive growth and community development.

National Grid's flagship London Power Tunnels (LPT) school engagement programme aims to reach 100,000 secondary-aged students across South London to promote the breadth of green jobs needed by the energy industry and to make these opportunities available for young people.

Three years into the five-year programme, the project has generated £4.1m of economic value from an initial £1.3m investment by National Grid. This value has been brought about by a suite of activities tailored to different levels of education. They include in-person workshops, virtual Q&A sessions, events and assembly takeovers and the provision of resource packs to educators.

To ensure continuity, the programme also offers an experience week and digital mentoring support for older students to provide a glimpse into industry. By facilitating site visits and work placements, students are able to gain firsthand experience of the work carried out on the LPT project, enriching their understanding and fostering enthusiasm for a green energy career.

In the first three years of the programme, National Grid engaged over 85,000 students. The final two years of the programme will focus on supporting students into careers at National Grid and the wider energy sector.

Student feedback from the LPT programme paints an encouraging picture:

- **61%** of students were inspired to consider a career at NG
- **85%** of students felt better informed
- **91%** had a better understanding of the skills needed to pursue a career in STEM
- **95%** of students reported increased confidence, communication and problem-solving skills

Sources: PwC & Connectr interviews

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