

A matter of perspective?

Outlook inequality and its impact on young people

Scott Corfe
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SMF

**Social Market
Foundation**

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EXECUTIVE SUMMARY

This Social Market Foundation (SMF) report explores young people’s “outlook” in the UK, and the role of outlook in shaping life outcomes. It identifies significant “outlook inequality” across those aged 16-25. The report also argues that outlook has worsened over time, taking a knock following the Global Financial Crisis. The COVID-19 pandemic appears to have further eroded young people’s optimism about the future.

As well as desk research, the report draws on an Opinium survey of 1,000 16-25 year olds, commissioned as part of the study, and a series of 10 depth interviews with 16-25 year olds from relatively disadvantaged family backgrounds.

Throughout, we intend “outlook” to be used broadly to reflect a range of different aspects of the way young people view themselves and the world. This includes an individual’s self-esteem, aspirations, attitude, motivations and sense of control over one’s life.

We argue that outlook matters and can influence life outcomes. There is substantial evidence to confirm that young people with higher aspirations for themselves and parents who have more confidence in them tend to do better. In our view, there is a compelling case for policy to focus on measures that could enhance young people’s outlook as we emerge from the Coronavirus pandemic, addressing the significant structural factors in society that are currently dampening their outlook.

Key findings

Young people’s outlook today and over time

- **Despite all the challenges of recent months with the COVID-19 pandemic, the majority of young people feel relatively positive about their future and their prospects of realising their goals.** Overall, 60% of young people in the Opinium survey say that they are optimistic for the future.
- **At the same time, a substantial minority of young people feel concerningly pessimistic about their prospects.** 40% of young say that “few” of their life ambitions are achievable, in addition to the 4% who say they expect to realise none of them. It is a similar story for career ambitions, with 43% of young people saying few or none of their career goals are achievable.
- **Critically, young people from less affluent backgrounds have less belief in their ability to achieve their goals.** Fully one in eight young people from a “struggling” family background think none of their career ambitions are realistic. Two-fifths (43%) of young people from such backgrounds expect to end up in a dead-end job, compared with about three in ten for those from “comfortable” (29%) and “coping” (27%) backgrounds.
- **We found some evidence that young people belonging to other socially disadvantaged or minority groups were also less likely to be positive about their futures.** Whereas 56% of 16-25 year olds believe most or all of their life ambitions to be achievable, that number is 48% for those identifying as LGBTQ and even lower at 42% for those reporting a mental health condition.

- **Ethnic minorities were generally more positive about their chances of success in life.** Young black people (28%) were twice as likely as young white people (14%) to say all of their life ambitions are achievable.
- **Young ethnic minorities were also fairly optimistic about the likelihood of progress on social inclusion. Most young people do expect things to get better.** 61% of black 16-25 year olds say that they are confident of being more accepted in society than their parents, as do a slim majority of young people from mixed and Asian backgrounds. At the same time, a third of Asians worry that things will go backwards and that they will be less included than their parents. However, our findings are based on a relatively small sample of ethnic minority respondents and warrant further exploration and focused study.
- **There are differences at a regional level in terms of young people's perceptions of their chances of succeeding.** 39% of young people in the East of England expect to end up in a dead-end job, the highest of any part of the country. That is close to double the proportion in Scotland and the South West, 22%.
- **Lack of confidence leads many young people to rule out opportunities that they would ideally like to pursue.** 14% said that they had been put off applying for a job because they worried the employer was not looking for 'someone like them', and 13% because they did not think they would fit in. Young people from worse-off backgrounds are more likely to say they have been discouraged from applying for opportunities. 30% of respondents from struggling families say that they avoided applying for a job or course because they did not think they would fit.
- **A third of 16-25 year olds say that they feel ill-equipped to compete in the job market.** That figure is even higher among those from disadvantaged backgrounds, with 52% saying that their training and experience is inadequate.
- **New analysis of longitudinal Understanding Society data, presented in this report, suggests that young people's outlook has deteriorated since the "Great Recession" of 2008/09.** While in 2007, on average young adults thought they had a 77% chance of being successful and "getting ahead", in 2017-18 (the latest year for which we have data) this stood at 71%. Over the same time period, mean perceived likelihood of finding a suitable job fell from 79% to 72%. Mean perceived likelihood of gaining a training or university place fell from 74% to 64%, while mean perceived likelihood of successfully completing studies fell from 85% to 79%.
- **On a regional level, mean perceived likelihood of being successful and "getting ahead" fell the most between 2007 and 2017-18, in percentage point terms, in the West Midlands, Wales, and the North East and Yorkshire & the Humber.** Likelihood of finding a suitable job fell the most in London, probably reflecting the impact of the financial crisis on the capital's labour market. Excluding London, there does appear to be a reasonable correlation between economic prosperity and the change in perceived likelihood of finding a suitable job, with those from more economically "struggling" regions on average seeing a greater decline since the financial crisis.
- **In the depth interviews with young people, the impact of the coronavirus pandemic on outlook was a recurring theme.** The pandemic was seen to have

had a negative impact on participants' futures. In some cases, this was about direct impacts to career, such as the potential lack of jobs available, or the knock-on impacts of disrupted education. Significant impacts on mental health were expressed, either on general mental wellbeing or a lack of motivation.

Role models and support networks

- **Family is the most prominent source of social support for young people.** Just under a third of young people (29%) say that they could not envisage succeeding without their parents or guardians.
- **However, it is better off youngsters that are more likely to benefit from such parental backing.** 72% of those whose families were comfortable say that their parents made them feel they could achieve anything. While the majority of those from struggling households felt the same, at 52% they were 20 percentage points less likely to have felt such encouragement.
- **Moreover, young people from lower income backgrounds are more likely to see family as a negative influence, which is likely a result of the constraints and disadvantages faced by these older relatives / guardians.** Some 15% of those from struggling households say that their parents or guardians have made it harder for them to succeed, compared to 4% of better off participants.
- **Almost one in ten young people believe that they are less likely to succeed as a result of their experiences with the education system, hinting at some quite significant disenchantment.** Such frustration is more common among the socially disadvantaged: almost a fifth (18%) of 16-25 year olds from financially struggling backgrounds say they see the education system as an obstacle rather than an enabler of their success. The same is true of 19% of young people reporting a mental health condition, 16% with any physical or mental impairment or condition and 13% of those identifying as LGBTQ.
- **Almost half of young people believe the government has made no difference to their lives.** That figure is higher among young people that grew up struggling, 30% of whom say that the government has made it harder to succeed. Such opinions are also more common among LGBTQ young people (22%) and those with mental health conditions (23%).
- **The more affluent a young person's background is, the more likely they are to say they have role models.** Some 43% of young people that grew up comfortable know someone directly that had the sort of job, role or career they would one day like to have, compared to 34% of those whose families were merely coping or struggling financially.

Policy options

The report sets out four areas for policymakers to focus on, with a view to improving the outlook of young people in the UK:

1. **Extracurricular activities.** Evidence suggests that extracurricular activities can have a positive impact on outlook. Despite this, young people from lower income households are less likely to participate in such activities, especially music classes and sport. There is a case for increased investment in

extracurricular activities, including building up more of an evidence base on “what works” for shaping outlook, and rolling out a national extracurricular bursary scheme.

- 2. Improving access to role models and peer support.** This includes through investment in mentoring schemes. School admissions processes should also be reviewed to reduce segregation by socioeconomic class. One study cited in this report found that having friends from high-income families increases a child’s chances of staying in full-time education by 15 percentage points, suggesting potential gains from having a more randomised admissions process.
- 3. Tackling “the parenting gap” and helping parents to be better parents.** A universal parent upskilling scheme should be explored, to help break the cycle of “outlook inequality”.
- 4. Linking education better to the labour market,** through improving dialogue between the business community and the education sector. The Opinium survey showed a significant proportion of young adults believing the education system was not helping them to succeed – something that was also a common theme in our depth interviews with young people from relatively disadvantaged backgrounds. Several interviewees noted that education, in particular school, did a poor job of preparing them for the world of work.

As part of this improved relationship between education and industry, businesses should take steps to offer more inclusive recruitment processes for jobs and training. Name-blind, address-blind and educational institution-blind application forms can help address discrimination on the grounds of background and ensure more young people from disadvantaged backgrounds make it to the interview stage. Explicitly encouraging young people from all backgrounds to apply for jobs can help, as can having within-company “ambassadors” from a range of backgrounds, who can exemplify the company’s commitment to inclusive recruitment. Companies should also consider partnering with schools in economically deprived communities to offer work experience programmes to pupils, giving those from struggling backgrounds more of a glimpse into the world of work.

CHAPTER ONE – INTRODUCTION

Young adults have borne a significant proportion of the economic costs of the COVID-19 pandemic, and the lockdowns that were needed to save lives. According to the latest Office for National Statistics labour market data, the number of 18-24 year olds unemployed – out of work but looking for a job – increased by 31,000 (7.4%) between the first quarter of 2020 and the same quarter of 2021. This is likely to understate the impact of the pandemic, as many will have given up on looking for a job over the past year, with several sectors of the economy severely affected by lockdowns. The number of “economically inactive” 18-24 year olds, neither in work nor looking for work – grew by 5.3% between Q1 2020 and Q1 2021, amounting to some 83,000 people.

And there are significant questions around the extent to which unemployment among young adults could increase as government support packages are wound down later this year. A report by the Resolution Foundation in 2020 found that young people were more likely to be made unemployed after coming off furlough¹, raising the prospect of a further rise in unemployment in this age group once the Coronavirus Job Retention Scheme ends on 30 September 2021.

As vaccines enable the UK to emerge from the pandemic, it is crucial that policymakers ensure that young people out of work can find a rapid route into employment. Being unemployed when young leads to a greater likelihood of long-term “scarring” in later life in terms of lower pay, higher unemployment and reduced life chances.²

How best to help young people back into work or into work in the first place? Getting the economy back on track more broadly, through a government stimulus package and continued steps to end the pandemic, should go a long way to generating new job opportunities.

Such steps need to be complemented with investment in skills and education, to improve the employability of those out of work or looking to enter the labour market for the first time. This is especially important given that the pandemic and longer term technological change are likely to lead to structural declines in employment in some parts of the economy – such as parts of the retail sector particularly affected by the shift to online sales and city centre businesses dependent on commuter footfall, which could struggle given higher rates of remote working. Many working, or previously employed in such sectors, will need to retrain to acquire work elsewhere.

In addition to such measures, something else could – and in our view should – be the focus of efforts to improve the life chances of young adults: “**outlook**”. As we argue in this report, self-esteem, aspiration and perceived likelihood of “success” can have a significant impact on outcomes in the labour market and in terms of educational attainment. Access to role models, who can help craft a more positive outlook, also appears to be important.

As we show, the extent to which young adults are optimistic about being successful has declined since the Global Financial Crisis, suggesting a more pessimistic outlook. Depth interviews, undertaken for this report, suggest that the COVID-19 pandemic has dealt a second blow to young peoples’ outlooks – highlighting the need for policymakers to focus on this issue.

This is especially true given that the research reveals a significant gap in outlook between those from more affluent backgrounds and those from backgrounds that struggled to make ends meet growing up. Tackling this “outlook gap” could go some way towards improving social mobility in the UK.

The structure of the report is as follows:

- **Chapter 2** provides a literature review around the concept of “outlook” - how it can be defined, how it can be measured and its potential importance in shaping life chances.
- **Chapter 3** presents findings from an Opinium survey of 1,000 16-25 year olds, undertaken as part of this research. It also draws on the findings of 10 depth interviews with young people from relatively disadvantaged backgrounds.
- **Chapter 4** presents analysis of the longitudinal Understanding Society survey, to gauge how outlook among young adults has changed over time.
- **Chapter 5** explores the role of policy in addressing the “outlook gap” in the UK.

CHAPTER TWO – WHAT OUTLOOK IS AND WHY IT MATTERS

In this report, we use the term “outlook” as an overarching concept covering young people’s perceptions of both themselves and the society around them in relation to the goals and ambitions that they have. It is a deliberately broad notion, intended to encapsulate ideas like confidence, aspiration, hope and resilience. We want to understand how young people conceive of success, the resources and obstacles they feel they have to achieve it, and the likelihood as they see it of doing well in life.

In this chapter, we begin by considering some of the existing evidence on “outlook”, so defined. We start with a discussion of some of the concepts that comprise or sit adjacent to outlook. We then present data from previous surveys on young people’s outlook in the UK, and how it has been affected by the pandemic. After that, we move on to considering why outlook might matter – how does outlook affect young people’s educational, career and personal outcomes? Finally, we discuss possible interventions to influence outcomes and their effectiveness.

What is outlook?

As mentioned, we intend “outlook” to be used broadly to reflect a range of different aspects of the way young people view themselves and the world. What we mean by it is similar to the idea of “attitudes and aspirations” summarised in a 2012 literature review for the Joseph Rowntree Foundation.³ That report presented a number of relevant concepts that form part of a young person’s outlook:

- **Self-concept:** how the person thinks of themselves, e.g. their perceived intelligence or status.
- **Self-esteem:** how the person judges their own worth and goodness. Whereas self-concept is descriptive, how a person appraises the facts about themselves, self-esteem is the subjective evaluation of these facts.
- **Self-efficacy:** a person’s belief in their ability to achieve things.
- **Locus of control:** the extent to which a person believes they can influence the world around them.
- **Aspiration:** a person’s hopes for the future, e.g. to go to university or get an apprenticeship.
- **Motivation:** a person’s reason for acting, e.g. to make money or to have a better career.
- **Attitude:** how a person feels about their circumstances, e.g. whether they like or dislike formal education.

These concepts are linked and overlapping, although aspiration has received particular social and political attention. Take two speeches from Prime Ministers to their respective party conferences, five years apart. In 2007, Gordon Brown bemoaned all the talent that “is lost through a poverty of aspiration: wasted not because young people fail to reach for the stars but because they grow up with no stars to reach for.”⁴ In 2012, David Cameron promised an “aspiration nation” of “people rising from the bottom to the top”.⁵ The last Labour government initiated a range of programmes intended to raise aspirations, such as Aimhigher, which sought to encourage students

to apply to university⁶, mentoring projects and schemes for “gifted and talented” individuals.⁷ The Coalition Government’s education policies, such as the Pupil Premium and curriculum reform, were also intended to “challenge low aspirations and expectations”.⁸

“Growth mindset” and “grit”

Another idea linked to outlook that has received particular attention within the education community in recent years is the concept of “growth mindset”. According to the psychologist Carol Dweck, individuals who believe that their talent can be developed and improved have a growth mindset, whereas those who believe that their talents are innate immutable gifts have a fixed mindset.⁹ Having a growth (as opposed to a fixed) mindset is supposed to lead people to be more resilient and less disheartened by setbacks, and thus to be associated with greater success. The framework has been highly influential in schools, colleges and university, with teachers seeking to emphasise the plasticity of the brain to their students, re-orienting praise towards effort as well as achievement and reconsidering their own expectations of students.¹⁰ Such interventions reflect a belief that growth mindset can be cultivated and shaped by external forces, and that it is not merely innate.

“Grit”, a concept associated with the psychologist Angela Duckworth, also seeks to explain people’s resilience and ability to achieve their objectives.¹¹ Grit is defined as “perseverance and passion for long-term goals”, maintaining effort and focus in the face of failure and obstacles. The theory posits that successful people are more likely to possess it.

The outlook of young people in Britain

Reflecting the political salience of the idea, a substantial amount of research has explored the aspirations of young people. However, this has often focused rather narrowly on academic and educational goals (and in particular ambitions to apply to university), and neglected broader life objectives that young people might have, such as owning a home, starting a business or a family. Overall, it can be argued that young people in the UK have relatively high aspirations. For example, the vast majority of English 11-16 year olds expect to go into higher education: according to the Sutton Trust, around four-fifths say they are likely to and only a tenth do not believe they are likely to (the rest are unsure).¹² Moreover, around a third of young people would like to get a vocational qualification.¹³ Indeed, there is an argument to say that some young people may be over-optimistic, leading to the existence of an ‘aspiration-attainment gap’.¹⁴ In the case of higher education, for instance, those figures imply that between a quarter and a third of young people will fail to achieve their objectives.¹⁵

In general, girls, ethnic minorities and young people from more advantaged socio-economic backgrounds tend to have higher aspirations, as do their parents.¹⁶ However, the aspiration-attainment gap is also often bigger for many of these groups, reflecting lower educational attainment and worse labour market outcomes. There is evidence that worse-off young people are less likely to enjoy school, find it valuable or to believe that their actions make a difference (i.e. less likely to have internal locus of control).¹⁷ However, that does not necessarily mean that they underestimate

themselves. In fact, young people with lower socio-economic status are more likely to think they are good at school than more advantaged young people of similar prior attainment.¹⁸ The fact that they have lower aspirations overall reflects the grades they are actually able to achieve.

Aspirations tend to be formed relatively early in life, but are modified by young people's self-understanding, experiences, options and environment. Young people's teenage years can be particularly critical, with some evidence to suggest that rather vaguer notions of adulthood begin to crystallise into expectations around the age of 14.¹⁹ Young people's aspirations tend to decline over time, often responding to the obstacles and constraints that emerge as they get older.²⁰ For example, Anders et al find that the proportion of young people expecting to go to university falls between the ages of 14 and 17, and that the decline is more pronounced among disadvantaged young people. Around half of young people with lower socio-economic status that said they were likely to attend university aged 14 no longer thought so by age 17, compared to 25% of those with higher socio-economic status.²¹ Peer effects can play an important role in developing and sustaining young people's aspirations. One study found that having friends from high-income families increases a child's chances of staying in full-time education by 15 percentage points.²²

A piece of research that considers young people's outlook more broadly, and in particular, how it is influenced by social background, is a 2011 report by the Prince's Trust.²³ It explored the impact of economic and social disadvantage on young people's aspirations and self-belief. The report demonstrated significant inequalities in how confident young people are in their ability to realise their ambitions. Encouragingly, a clear majority of 16-24 year olds believed that 'all' or 'most' of their goals for their life and career are achievable. However, 26% of young people that grew up in poverty believed that few or none of their career goals were achievable, compared to 7% of those from wealthy families. Most young people, regardless of background, were positive for their future, felt their life had meaning and believed they could get their dream job. But in each case, young people from affluent backgrounds were more satisfied and optimistic than those from worse-off backgrounds. Far from anticipating a dream job, 23% of less affluent young people expected to end up in a dead-end job.

The Prince's Trust report dug into some of the attitudes and perceptions that lead to less affluent young people holding more negative expectations. Its findings hinted at an absence of positive role models and examples. Just over a quarter of young people from less affluent backgrounds agreed with the statement "people like me don't succeed in life", and 41% said that they do not have anybody in their family whose career they look up to. There also appears to be a disparity in the level of support and belief that young people received from their families. Young people from less affluent backgrounds were less likely to say that their parents/guardians had encouraged them to think about future options, and more likely to say they had been encouraged to leave school at 16.

That research was conducted ten years ago, but there is some evidence to suggest that the Coronavirus pandemic has made many of these issues worse. Another Prince's Trust survey, carried out in November and December 2020 found that 26% of 16-25

year olds felt unable to cope with life, rising to 40% of those not in employment, education or training.²⁴ Indeed, economic and career prospects were a major source of anxiety. 23% of respondents said that they do not feel confident about their future work, and 21% worried that their skills and training are no longer useful. In many cases, the despair can be quite deep: almost a quarter said that the pandemic has destroyed their career hopes. 60% felt that the labour market is so competitive that getting a new job feels impossible.

Such findings accord with other research. Four-fifths of 13-25 year olds surveyed by Young²⁵ Minds reported that the pandemic had worsened their mental health, with disruption and instability in education and work a leading source of concern. Asked to identify the things that had the biggest negative effect on their mental health during the pandemic, 51% picked concerns about school, college or university work, second only to loneliness and isolation. A further 14% said concerns about getting a job.²⁶

Does outlook matter?

In general, higher aspirations and a more positive outlook are associated with better educational and life outcomes. The extent to which people are better off *because* of their outlooks is less clear, however. In particular, there is the problem of reverse causation: a person's optimism and high expectations may simply reflect an accurate assessment of their ability and prospects. Conversely, lower hopes and aspirations need not be something in need of 'correction', but rather an indicator of structural disadvantage and a person's limited life chances.

Indeed, research on social mobility is sometimes divided into two separate traditions.²⁷ The 'class structurationist' approach (more associated with the UK) emphasises the social and economic factors that affect a person's ability to achieve their life goals: financial resources, education advantages, cultural capital, social knowledge and connections. It tends to see aspirations as rational estimations of the chances of success, given a person's starting point.²⁸ By contrast, the 'status attainment' approach (seen as more American) sees social outcomes as more meritocratic, and as such focuses on the role of individual ability and motivation in explaining how successful a person can be.

There is substantial evidence to confirm that young people with higher aspirations for themselves and parents who have more confidence in them tend to do better.²⁹ Moreover, many researchers have found that the relationship holds even after controlling for socio-economic factors and prior attainment, which makes it more plausible that the causality runs from aspirations to outcomes. However, given how tightly outlook and expectations are bound up with actual ability and potential, and the difficulty of measuring these things, the causal relationship is extremely difficult – perhaps impossible – to disentangle entirely.

One study found that nine-year old children whose mothers had higher aspirations for them did better in Key Stage 2 assessments, accounting for family background and Key Stage 1 performance.³⁰ Another found that children with higher parental aspirations score four more points in Key Stage 3 tests, though this declined to 0.7 when taking into account previous Key Stage 2 scores.³¹ Young people's own self-perceptions and

ambitions matter, too. Research in Australia has found a strong association between a young person's intention to complete high school and their chances of actually doing so.³² Similarly, in England, children that intended to stay in school beyond the age of 16 scored 1.6 points better in Key Stage 3, controlling for family background and parental aspirations and 0.5 points better after controlling for previous attainment.³³

A prediction model which sought to explain the class position of a cohort of British men aged 33 in 1991 found that motivation at age 16 (measured by intention to remain in education and aspirations for a higher status job) were among the best direct predictors of where a person landed up, along with qualifications achieved and academic ability at age 11.³⁴ Contrary to class structurationist theory, there was no *direct* link between a person's social background and their ultimate occupation, but rather the influence of social background was mediated through the person's ambition and ability.

Overall, it has been estimated that around a quarter of the educational attainment gap at 16 between socially advantaged and disadvantaged groups can be explained by the individual attitudes and behaviours of young people and their parents.³⁵ Moreover, these attitudes and behaviours play an even bigger role in explaining the growth of that gap with age, accounting for 40% of the change between 11 and 16. In particular, controlling for a range of other factors, young people are more likely to do well in their GCSEs if they:

- Have greater belief in their own ability at school.
- Find school worthwhile.
- Have a more external locus of control (i.e. have greater faith in their own ability to affect the world).
- Expect to apply, and get into, higher education.

At the same time, it is important to put the impact of outlook in perspective. While a positive outlook does appear to support a person's chances of success, it is neither a necessary nor sufficient condition for doing well.

An analysis of 15,000 young people in England found that in most cases, aspirations, expectations and achievement do not converge.³⁶ 37% of young people are classified as 'The Confident', with high aspirations (measured by desire to remain in education), high expectations (measured by perceived likelihood of remaining in education) and high achievement (getting 5+ GCSEs at grades A*-C). Yet over a fifth of young people make up 'The Deceived', failing to convert high aspirations and expectations into achievement. Conversely, around a quarter of high achievers (around a tenth of all young people) either do not want or expect to continue their education.

Table 1: Typology of young people by educational aspirations, expectation and achievement

Name	Aspirations	Expectations	Achievement	%
The Confident	High	High	High	37%
The Deceived	High	High	Low	22%
The Contestant	High	Low	High	8%
The Conformist	High	Low	Low	17%
The Insecure	Low	High	High	1%
The Fortuitous	Low	Low	High	2%
The Expectant	Low	High	Low	2%
The Disengaged	Low	Low	Low	11%

Source: Khattab (2014), *How and when do educational aspirations, expectations and achievement align?*

CHAPTER THREE – YOUNG PEOPLE’S OUTLOOK TODAY

The previous chapter argued that “outlook” matters and can determine life outcomes among young people. But what is the state of young people’s outlook today? That is the focus of this chapter.

To develop a picture of young people’s outlook today, in the post-pandemic context, we commissioned the research company Opinium to survey 1,009 16-25 year olds from across the country. The survey was in the field between 27th May and 4th June 2021. While drawn from a sampling frame that is nationally representative, participants opted in to participating, leaving us with a ‘natural fallout’ sample that may not be perfectly reflecting of the actual 16-25 population. However, based on the demographics of the respondents, which do not seem to be out of line with what we would expect, and the uncertainty over the precise population level of different demographic groups, we decided not to attempt to weight the data.

Overall, the survey sample skewed slightly towards young women, who made up 51% of respondents compared to 47% for men. The composition was broadly representative of the relative size of all the UK regions. 30% were ethnic minorities (14% Asian, 8% black, 7% mixed) – in line with the school population. Just under a third of respondents self-identified as having a disability of some form, with 22% reporting a mental health condition. A surprisingly large number of participants said that they identify as lesbian, gay, bisexual, transgender and/or queer – some 20% of the total, compared to 7% of 16-24 year olds identifying as lesbian, gay or bisexual in the 2019 Annual Population Survey.³⁷

49% of respondents were in work, 40% in education and 15% unemployed. Of those in education, 59% were studying for school level qualifications, 27% undergraduate, postgraduate or professional qualifications and 13% technical qualifications (Level 4 or 5).

We wanted to understand how young people’s outlooks are influenced by their socio-economic backgrounds. However, this can be a difficult thing to measure within the 16-25 age group. It is not obvious whether to ask about current circumstances or the past, since some respondents will still be living with their parents and guardians and others fully independent. Nor is it clear whether they will be aware in any great detail of their family’s circumstances. To get a general and comparable picture of different people’s origins, we asked them to describe their family’s financial situation when they were growing up. 53% said they were ‘comfortable’, 35% ‘coping’, and 12% ‘struggling’. We have drawn on these self-categorisations in our analysis below.

As part of the research, we also undertook depth interviews with 10 young people (aged 16-25) from relatively disadvantaged backgrounds – having received Free School Meals in childhood. The interviewees were spread across the United Kingdom and included a mix by gender and ethnic group. In places, we draw on quotes and themes that have emerged from these depth interviews.

What do young people want from life?

We asked young people to tell us what success means to them. Overall, we found that they have a broad range of goals, and a wide conception of what it means to do well in life – emphasising the point that discussions of young people’s ambitions should avoid being too narrowly focused on economic outcomes. Figure 1 shows that by far and away the most popular objective for young people is being happy: over a third say that this is their top priority in life, and almost two-thirds put it in their top three. Having money and a good job are important as well, but only 25% of people put either of those as their highest ambition.

Figure 1: Please think about what success looks like for you. Looking at the following list, please rank the top five options that are most important to you personally, in order to have a successful life.



Source: SMF Opinion Survey May-June 2021

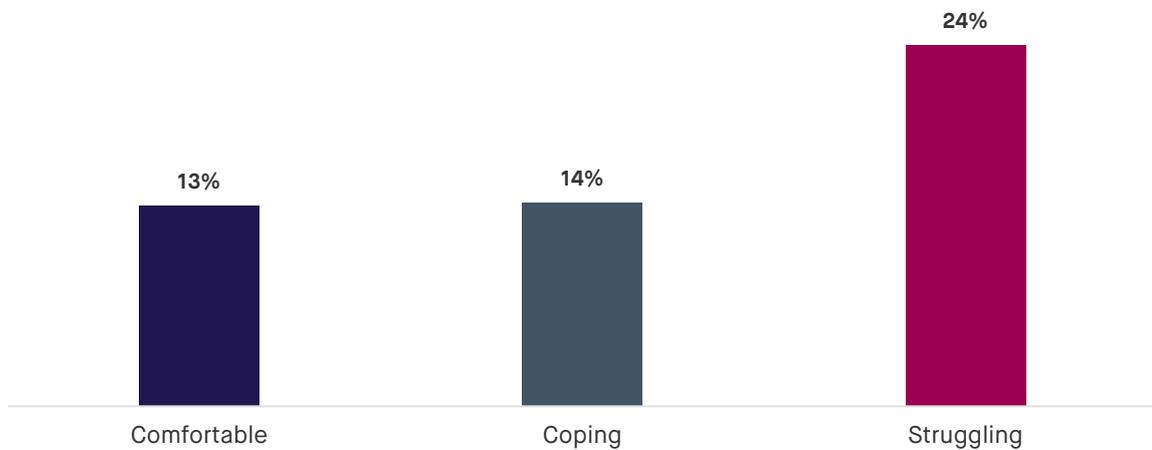
In fact, the diversity of young people’s aims and ambitions is quite striking, with relatively little consensus on what matters most. Substantial minorities put family, education, home ownership, social contribution, travel and geographic mobility and starting a business among their leading aspirations. The difference between young men and women is fairly modest: women and girls were somewhat more likely to say happiness is their main objective than men and boys (39% vs 34%), whereas men and boys were slightly more likely to want to have money (16% vs 14%).

Differences between ethnic groups are also fairly modest. Asians and people from mixed ethnic backgrounds are slightly less likely to say happiness is their top priority (33% vs 37% for the whole sample). Black people are more likely to say education is

the most important component of success (18% vs 9% overall). Asians are more likely to prioritise having money (19% vs 15% overall).

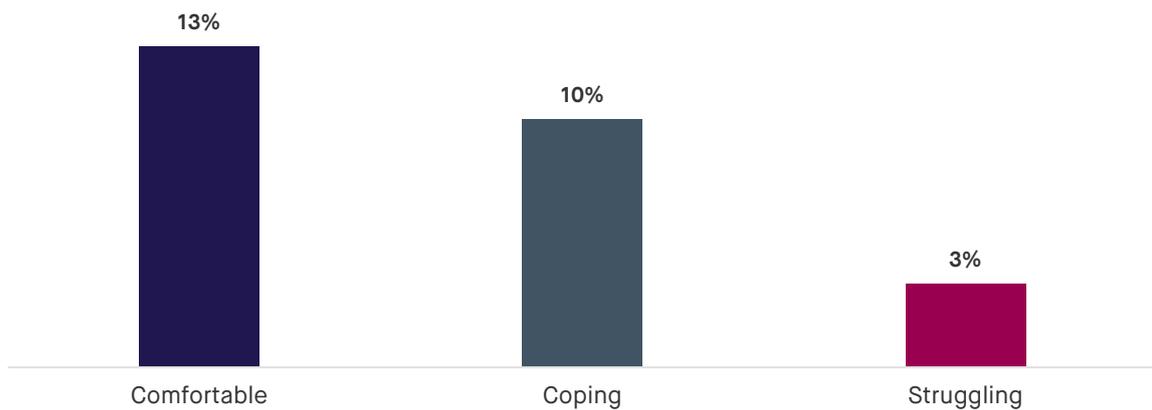
There is, however, a significant difference according to socio-economic background. While happiness is shared as a goal by all regardless of origins, those who grew up in financially struggling households are more likely to emphasise making money, perhaps to escape the hardship they have endured in childhood (Figure 2). At the same time, they are far less likely to say that having a good job is their top priority, which may reflect a greater pragmatism and lower expectations of fulfilling work, given their desire to achieve financial security (Figure 3).

Figure 2: % Ranking “Having money” as their number one requirement for a successful life, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

Figure 3: % Ranking “Having a good job” as their number one requirement for a successful life, by childhood financial circumstances

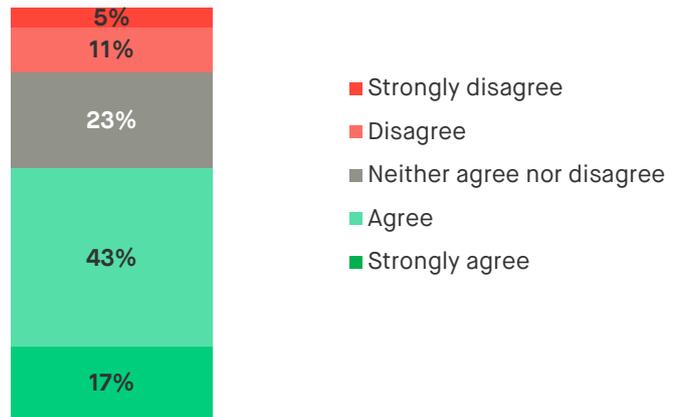


Source: SMF Opinion Survey May-June 2021

How confident are young people about achieving their ambitions?

Despite all the challenges of recent months, the majority of young people feel relatively positive about their future and their prospects of realising their goals. Overall, 60% of young people say that they are optimistic for the future.

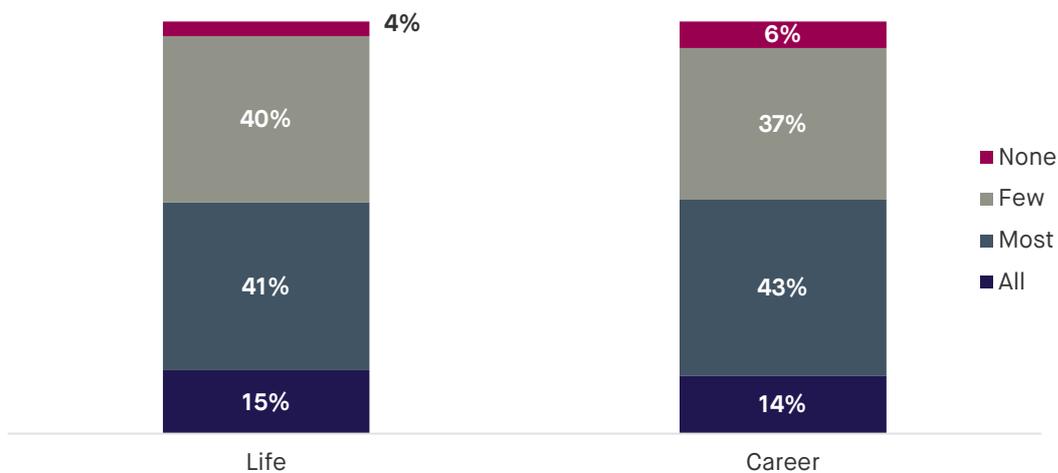
Figure 4: “I am optimistic for the future”



Source: SMF Opinion Survey May-June 2021

Most also have confidence in their own ability to achieve the things they want. Figure 5 shows that 60% say that all or most of their life ambitions are achievable, 57% that all or most of their career ambitions are within reach. Only 4% are so downbeat as to believe that *none* of their goals in life can be realisable, and only 6% for career goals. 53% of 16-25 year olds agree with the statement “I believe that I will get my dream job”, with only a fifth demurring.

Figure 5: “Thinking about your life/career ambitions, how achievable do you think they are?”

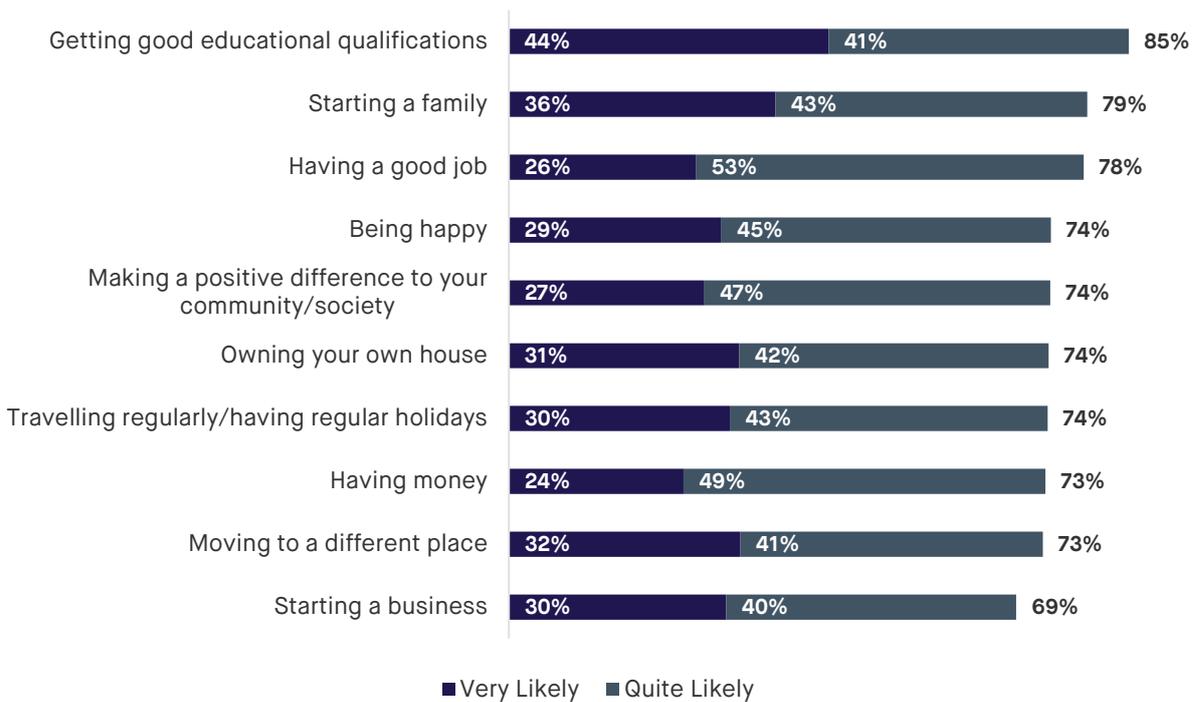


Source: SMF Opinion Survey May-June 2021

Young people have higher hopes for success in those areas that they care most about. Overall, three-quarters of young people say they are likely to achieve whatever they believed to be the biggest marker of success in the question in Figure 1, be it being happy, having money or owning their own house. 33% said they are very likely to do so. In every domain, over two-thirds of young people that prioritised a particular achievement expected to achieve it.

That said, not all goals are seen as equally within reach. Young people are particularly confident in their educational opportunities. 85% of those who said that getting good qualifications is an important marker of success believed that they personally could achieve them. Starting a family and having a good job were also seen as particularly realistic for those that prioritised them. However, there is less expectation that those positive educational outcomes will be converted into high pay – only 73% of those who said that having money is a priority believed they are likely to achieve it, and only 24% that they are very likely. These responses may reflect some of the trends of recent years, with educational expansion running alongside a period of fairly limited income growth.

Figure 6: “You said each of these were important to you in order to have a successful life. How likely do you think you are to achieve them?”

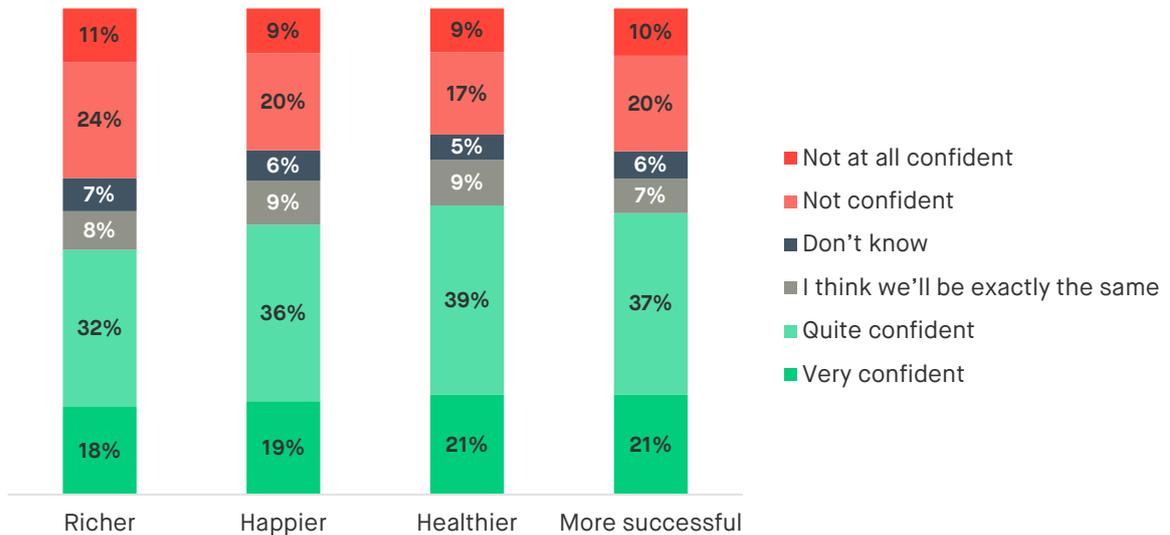


Source: SMF Opinion Survey May-June 2021

Indeed, elsewhere in the survey there was further evidence that young people feel less certain about their economic prospects than their likelihood of success in other domains. Prompted by concerns that Millennials will be the first generation in decades to be poorer than their parents³⁸, we asked respondents to predict how they will fare compared their parents in a number of areas. Figure 7 shows that there was least confidence over whether young people would be richer than their parents – with half saying that they expected to be financially better off, and over a third not confident

that they will be wealthier than their parents. By comparison, 59% of young people anticipate being healthier and 58% more successful than their parents.

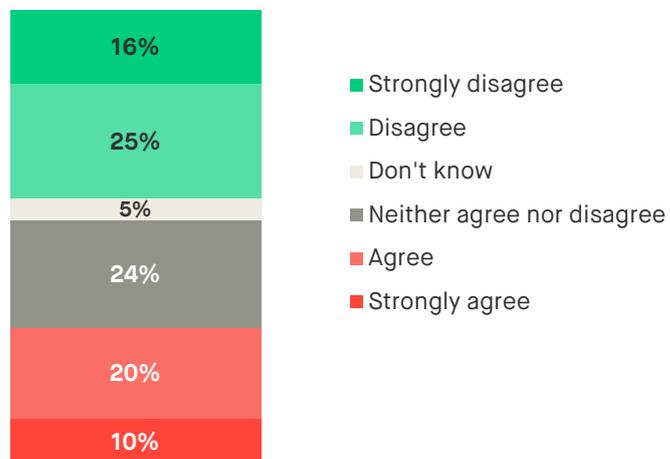
Figure 7: “How confident are you that compared to your parents you will be...”



Source: SMF Opinion Survey May-June 2021

At the same time, a substantial minority of young people feel concerningly pessimistic about their prospects. As Figure 5 shows, 40% of young say that “few” of their life ambitions are achievable, in addition to the 4% who say they expect to realise none of them. It is a similar story for career ambitions, with 43% of young people saying few or none of their career goals are achievable. In fact, our survey turned out a hard core of despondency among young people who had given up on succeeding through their work. Almost a third of young people (30%) say that they expect to end up in a dead-end job (Figure 8). As we saw in Figure 7, around a third of young people anticipate being worse off than their parents.

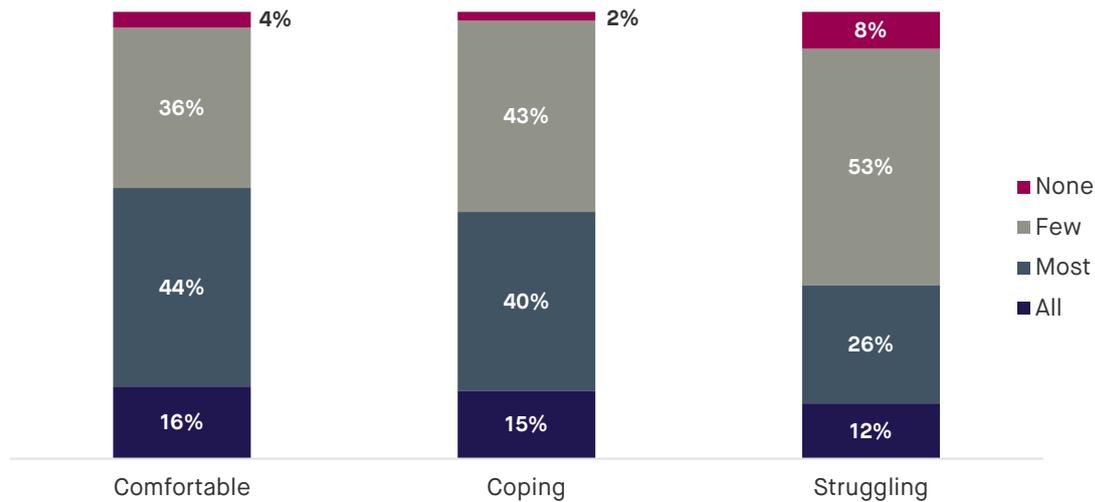
Figure 8: “I think I’ll end up in a dead-end job”



Source: SMF Opinion Survey May-June 2021

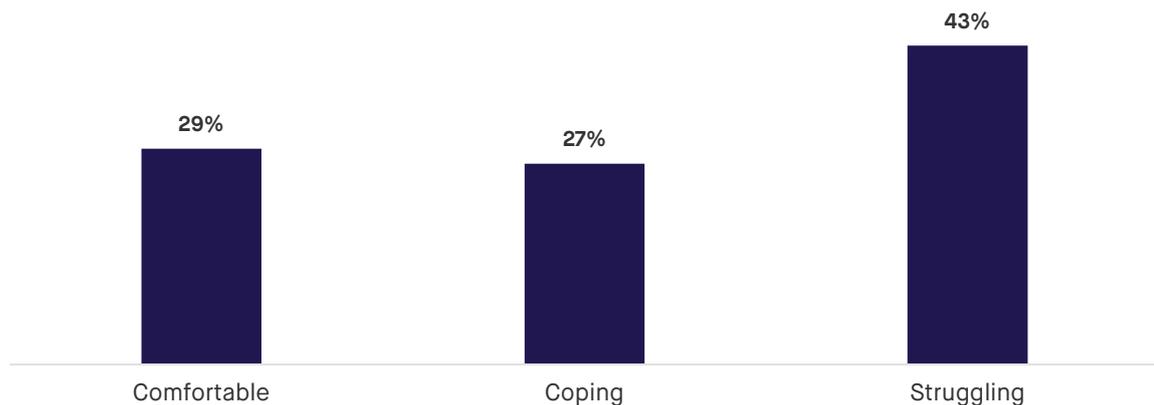
Critically, young people from less affluent backgrounds have less belief in their ability to achieve their goals. Figure 9 shows that the majority of young people that grew up in financially struggling households think that few of their life ambitions are achievable, and that 8% do not expect *any* of their objectives in life to come true. Fully one in eight young people from a struggling background think none of their career ambitions are realistic. Two-fifths of young people from such backgrounds expect to end up in a dead-end job.

Figure 9: “Thinking about your life ambitions, how achievable do you think they are?”, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

Figure 10: Proportion agreeing or strongly agreeing with the statement “I think I’ll end up in a dead-end job”, by childhood financial circumstances

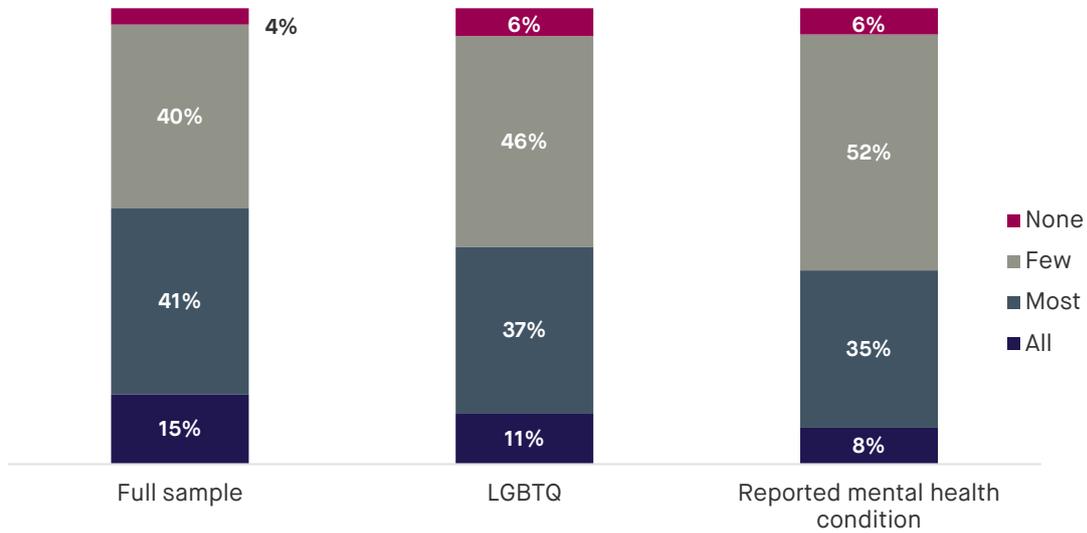


Source: SMF Opinion Survey May-June 2021

We found some evidence that young people belonging to other socially disadvantaged or minority groups were also less likely to be positive about their futures. Whereas 56% of 16-25 year olds believe most or all of their life ambitions to be achievable, that number is 48% for those identifying as LGBTQ and even lower at 42% for those reporting a mental health condition (Figure 11). The discrepancy is smaller, though it

still exists, for career ambitions: 57% of all young people think all or most of their career goals are achievable, compared to 48% of LGBTQ young people and 46% of those with a mental health condition.

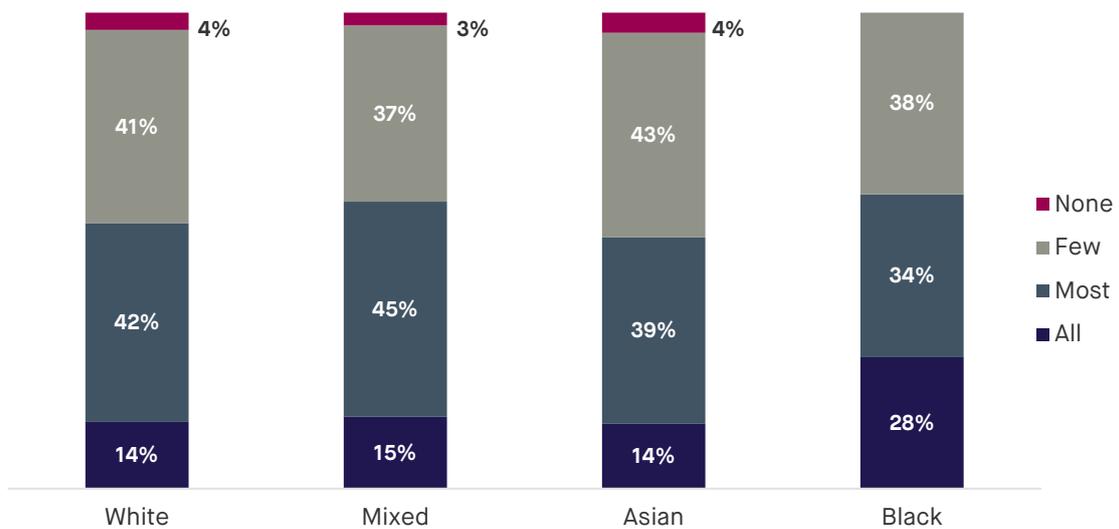
Figure 11: “Thinking about your life ambitions, how achievable do you think they are?”



Source: SMF Opinion Survey May-June 2021

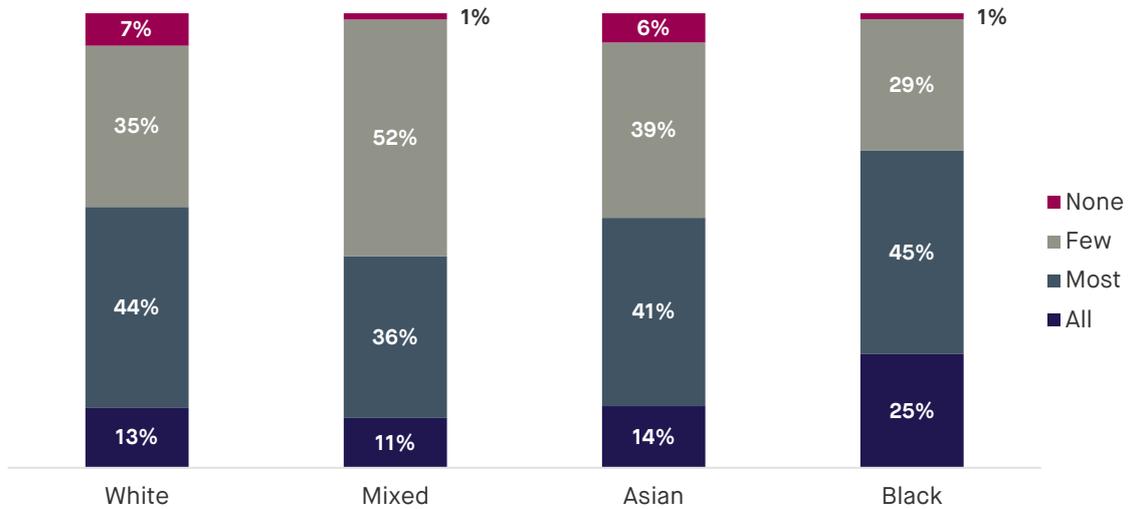
On the other hand, ethnic minorities were generally more positive about their chances of success in life. We should be a little careful not to overinterpret findings based on relatively small numbers of minority respondents. However, it is notable that young black people (28%) were twice as likely as young white people (14%) to say all of their life ambitions are achievable, as Figure 12 shows. Black 16-25 year olds are even more bullish regarding their career prospects: 70% said that all or most of their career goals are achievable, compared to 57% of white people, 55% of Asians and 47% of mixed young people (Figure 12).

Figure 12: “Thinking about your life ambitions, how achievable do you think they are?”, by ethnicity



Source: SMF Opinion Survey May-June 2021

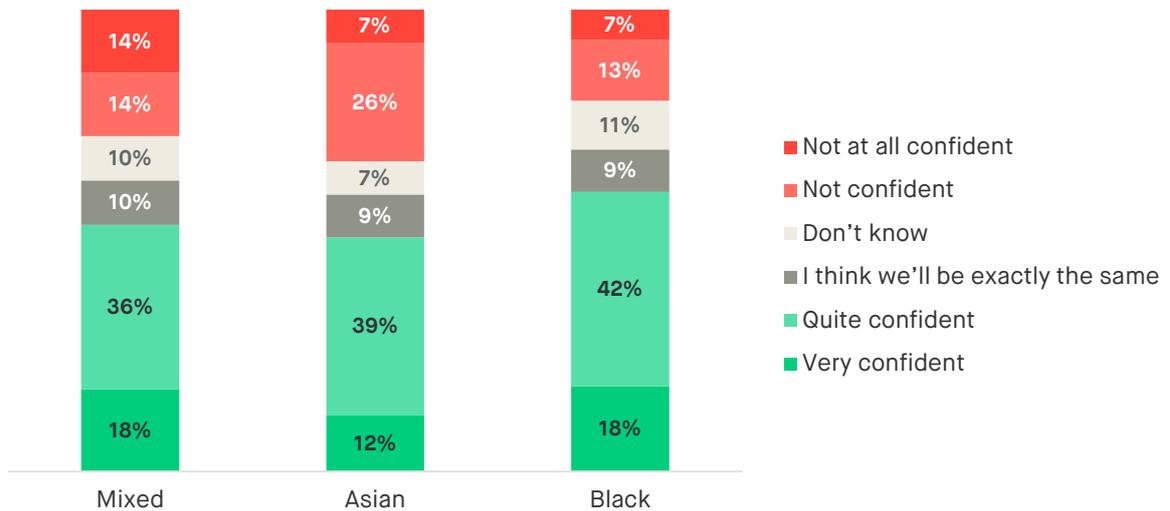
Figure 13: “Thinking about your career ambitions, how achievable do you think they are?”, by ethnicity



Source: SMF Opinion Survey May-June 2021

Young ethnic minorities were also fairly optimistic about the likelihood of progress on social inclusion. Most young people do expect things to get better. 61% of black 16-25 year olds say that they are confident of being more accepted in society than their parents, as do a slim majority of young people from mixed and Asian backgrounds. At the same time, a third of Asians worry that things will go backwards and that they will be less included than their parents.

Figure 14: “How confident are you that compared to your parents you will be more accepted/included in society?”, by ethnicity



Source: SMF Opinion Survey May-June 2021

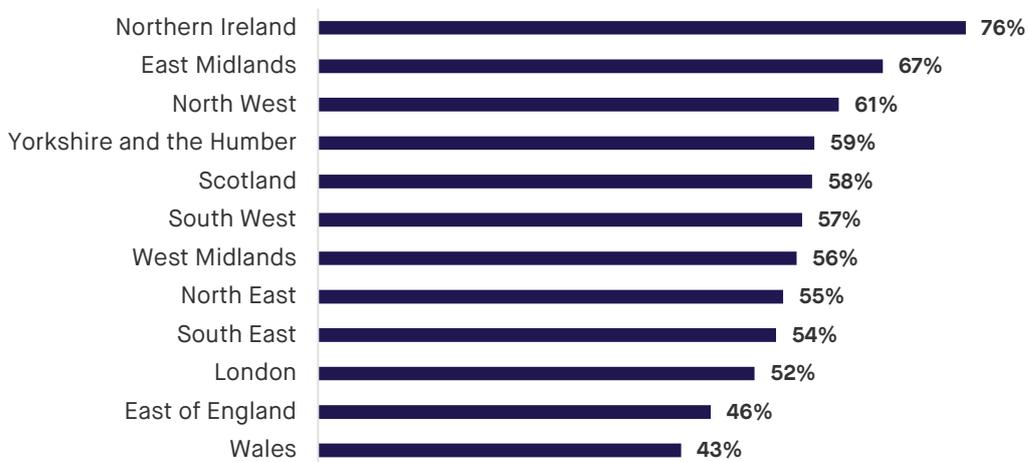
We also found some differences at a regional level in terms of young people’s perceptions of their chances of succeeding. These should be interpreted with caution as some of the region sub-samples – particularly Northern Ireland, the North East and Wales – are small. However, combined with analysis of the longitudinal “Understanding

Society” survey from Institute for Social and Economic Research at the University of Essex, for 2017/18, we can draw some inferences about differences in outlook across regions of the UK.

As in the Understanding Society survey, the Opinium survey commissioned as part of this study shows that young people in Northern Ireland have the greatest confidence in their ability to achieve their life goals. By contrast, expectations are lower than average in Wales.

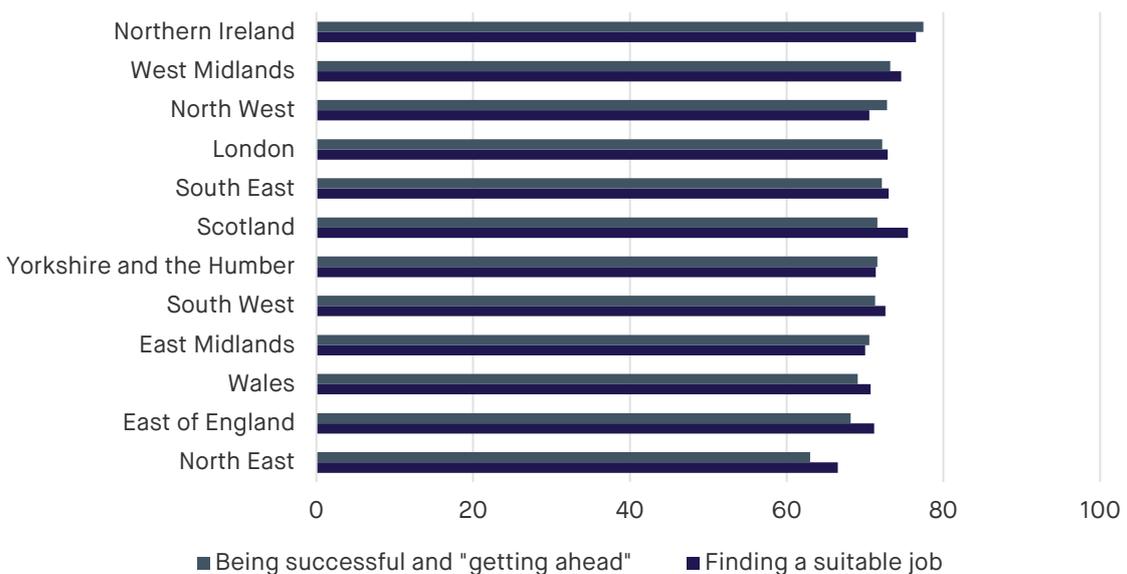
In the Opinium survey, 39% of young people in the East of England expect to end up in a dead-end job, the highest of any part of the country. That is close to double the proportion in Scotland and the South West, 22%.

Figure 15: Proportion of 16-25 year olds that believe all or most of their life ambitions are achievable, by region



Source: SMF Opinium Survey May-June 2021

Figure 16: Mean perceived % likelihood of...



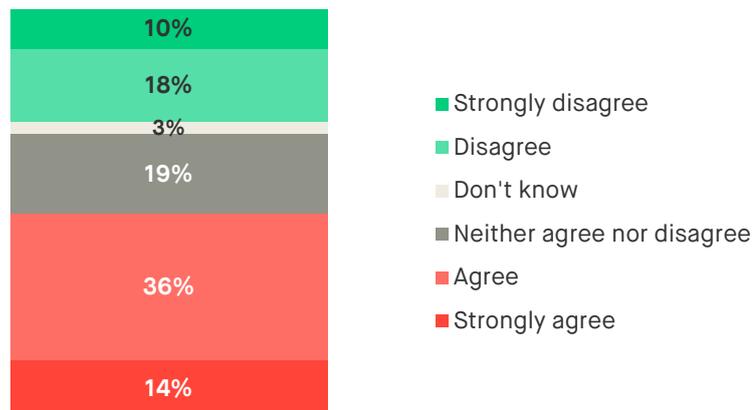
Source: SMF analysis of Understanding Society wave 9 (2017-18), young adults module (aged 16-21)

Are young people moderating their aspirations?

Given the relatively high expectations of success among young people described in the section above, one possible concern is that young people's goals seem so achievable because they are setting the bar too low. To the contrary, the substantial minority that do not expect to achieve their ambitions offer some evidence of realism and pessimism. However, it is worth exploring young people's aspirations more directly, and in particular the extent to which they are 'moderating' their ambitions to be more in line with reality as they see it.

We do indeed find some evidence of such a phenomenon. In line with previous research, which has shown that young people set their sights progressively lower as they get older, we found that 50% of 16-25 year olds say that their career aspirations are lower today than they were when they were younger (Figure 17). We also asked a question designed to explore how young people perceive the risk of failure, whether they avoid it out of fear, or recognise it as an inevitable corollary of stretching yourself. We found a split near enough down the middle. 51% of 16-25 year olds said they believe "it's important to aim high, even if you fail", whereas 43% of young people were more inclined to agree with the statement "It's better to be realistic and not get your hopes up because otherwise you're likely to be disappointed".

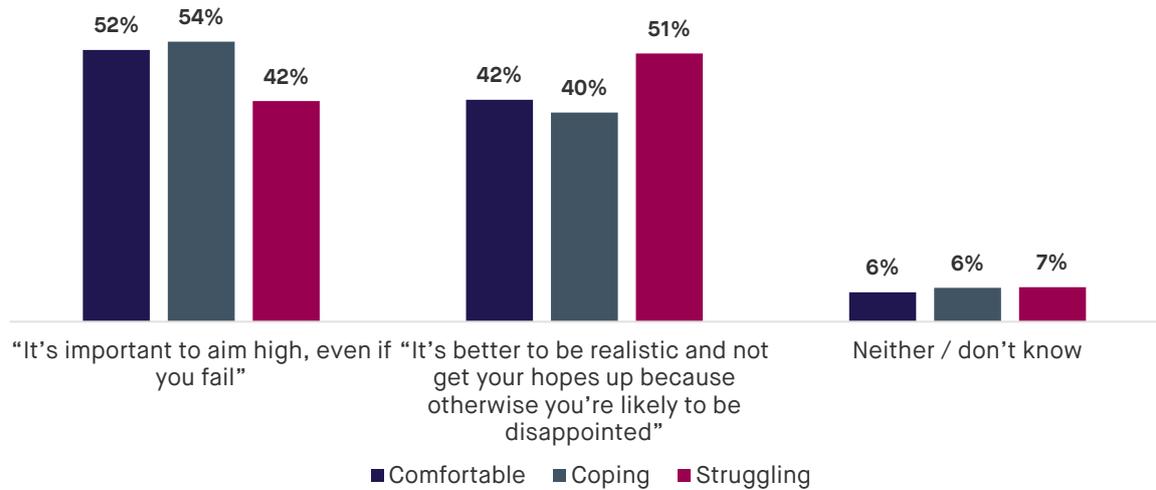
Figure 17: "My career aspirations are lower than when I was younger"



Source: SMF Opinion Survey May-June 2021

The differences between different social groups in terms of the extent to which they moderate their ambitions are surprisingly small. Those young people that grew up in financially struggling households are more likely to believe it is better to be realistic, but 42% of them still maintain that aiming high is worth the possibility of failure (Figure 18). Moreover, there is no difference in the proportion of young people from comfortable and struggling backgrounds that say their career aspirations are lower than when they were younger.

Figure 18: “Which of these statements better represents what you believe?”, by childhood financial circumstances



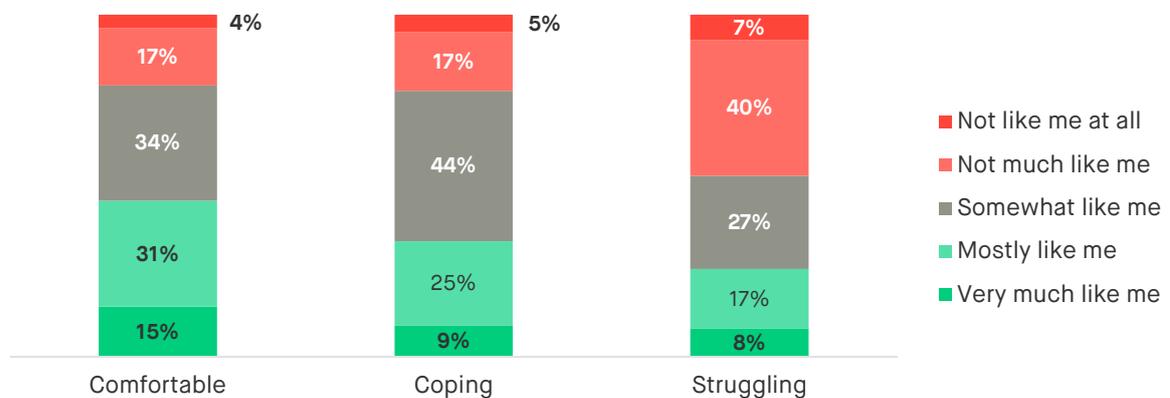
Source: SMF Opinion Survey May-June 2021

What support and resources do young people have?

How well-equipped are young people to achieve the goals they have in life? What resources and relationships do they have to help them on their way? To begin with, we asked young people a question taken from the standard instrument used to measure ‘grit’: “How well does this statement apply to you: ‘Setbacks don’t discourage me?’”.

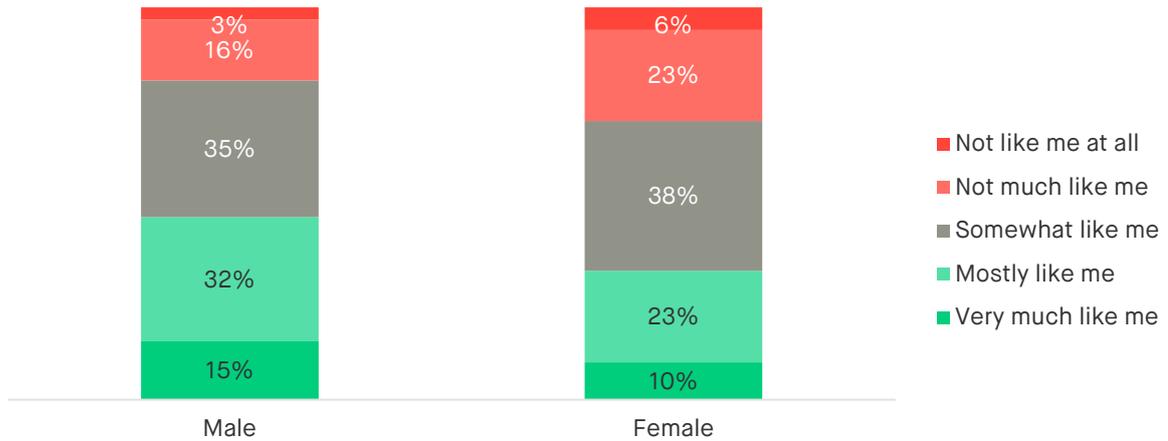
We found that three-quarters of young people rate themselves to be at least somewhat resilient, and that one in eight believe they are very much so. On the other hand, around a quarter perceive themselves to be discouraged by setbacks. However, Figure 19 appears to show a social gradient in grit. 47% of young people from financially struggling homes report themselves to be discouraged by setbacks, compared 21% of their more affluent peers. We also found a gender gap, with 19% of male respondents saying they get discouraged by setbacks, compared to 29% of female respondents (Figure 20). There was little difference by ethnicity, though, with Asians only slightly less likely to say they are resilient compared to other groups.

Figure 19: “How well does this statement apply to you? ‘Setbacks don’t discourage me.’”, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

Figure 20: “How well does this statement apply to you? ‘Setbacks don’t discourage me.’”, by gender

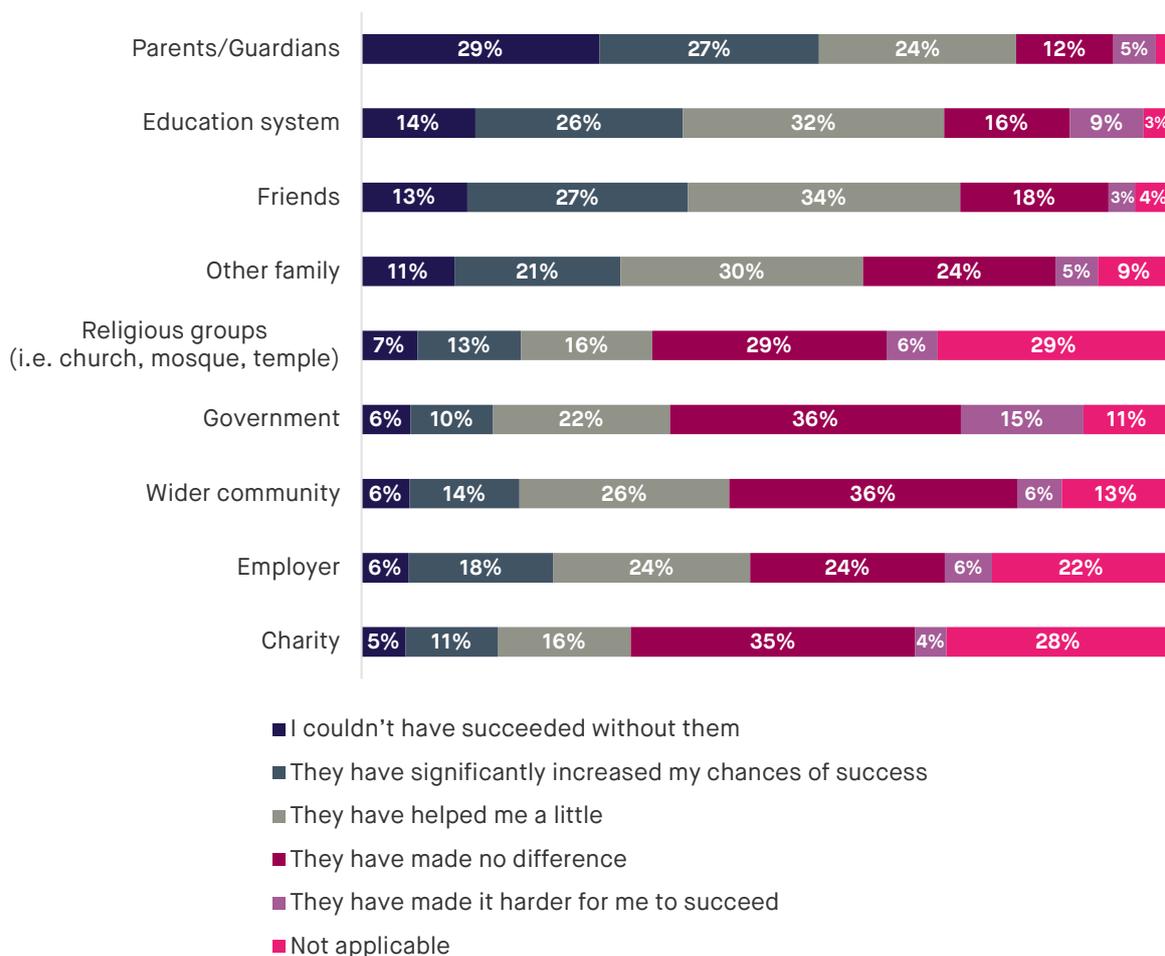


Source: SMF Opinion Survey May-June 2021

While these findings might say something about individuals’ characters and qualities, we ought to be careful not to go too far in personalising success. To some extent, people’s ability to recover from setbacks is likely to reflect the encouragement and positive reinforcement they have received from their context as well as their innate attributes. We therefore went on to ask young people how much support they feel they have received from different people and institutions in their lives.

Family comes out as the most prominent source of social support. Just under a third of young people (29%) say that they could not envisage succeeding without their parents or guardians, as Figure 21 shows. Two-thirds agree with the statement “My family believed that I could achieve anything when I was growing up”.

Figure 21: “How supportive have each of these people and organisations been in helping you achieve your goals in life?”



Source: SMF Opinion Survey May-June 2021

However, it is better off youngsters that are more likely to benefit from such backing. Seventy-two per cent of those whose families were comfortable say that their parents made them feel they could achieve anything. While the majority of those from struggling households felt the same, at 52% they were 20 percentage points less likely to have felt such encouragement. Moreover, young people from disadvantaged backgrounds are more likely to see family as a negative influence: 15% of those from struggling households say that their parents or guardians have made it harder for them to succeed, compared to 4% of better off participants (Figure 22).

Among our depth interview participants, all of whom were from relatively disadvantaged backgrounds, interviewees on the whole felt supported, and even very well supported, by their families:

“My family has always known that I wanted to be that [a vet] so they’ve always tried to help me achieve it”

“My parents have always been really supportive, and they say, ‘do your best’...they’ve always believed I can do it so I’ve always believed I can do whatever I put my mind to”

“I think I’ll have a lot of support with all my family”

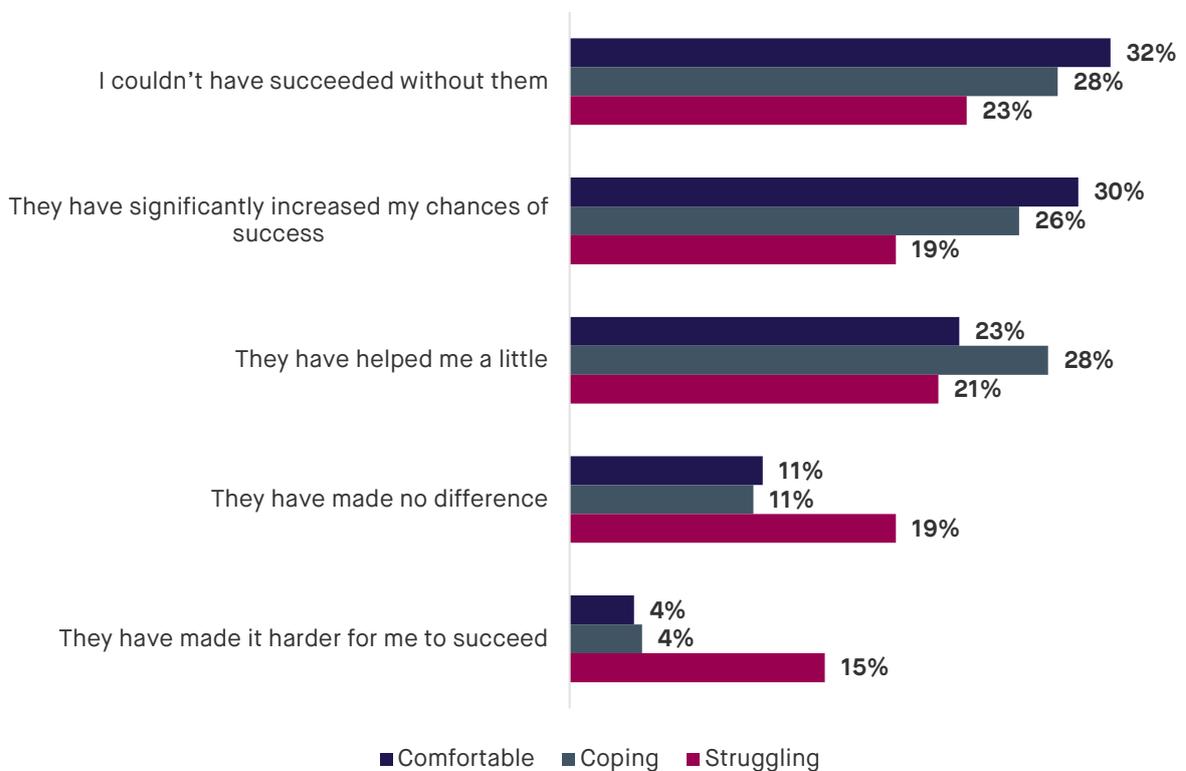
“Though I didn’t live in the nicest poshest area, my family always told me I could do what I wanted to do and achieve what I wanted...they’d always try and help me as much as they can...just because you don’t have loads of money doesn’t mean you can’t become better”

However, one participant felt that her upbringing had posed significant challenges and has had a mixed impact on her future:

“The emotional impact of constantly moving, and my mum’s relationship problems and how that’s had an effect on the family...the mental health aspect and worrying about the financial aspect always had a big impact on the way that school ended up going...and especially school when you’re changing curriculums as well” (the participant had moved from the English school system to the Scottish system before GCSE exams, instead taking Scottish equivalents).

“[when younger] I wanted to just have lots of money...don’t get me wrong, I would still love that because money makes a big difference [...] on how you live, but I think I kind of steered off needing a job that makes the most money and gone down the route that makes me happy, not in a dead-end job I hate”

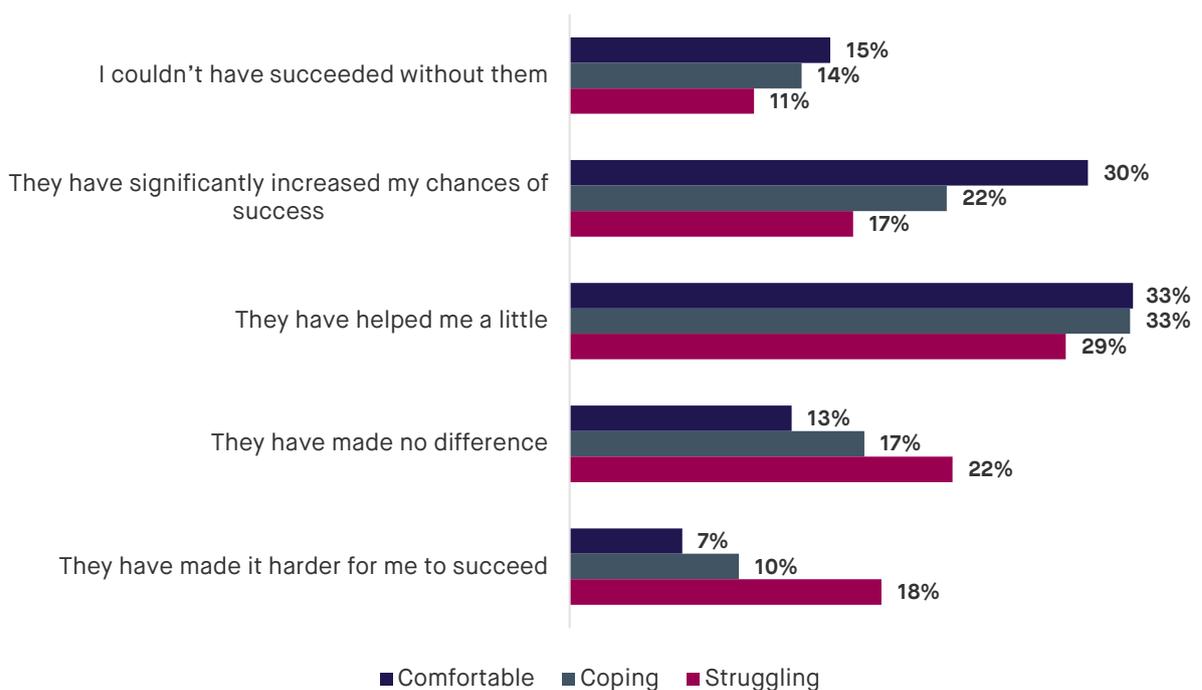
Figure 22: Perceived supportiveness of parents/guardians, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

Figure 22 also highlights polarisation in young people’s experiences of the education system. Most see it as a vehicle for success: 14% rate formal education as indispensable for achieving their goals and 72% say that it at least made a positive contribution. At the same time, almost one in ten young people believe that they are less likely to succeed as a result of their experiences with the education system, hinting at some quite significant disenchantment and possibly failures. Such frustration is more common among the socially disadvantaged: Figure 23 shows that almost a fifth (18%) of 16-25 year olds from financially struggling backgrounds say they see the education system as an obstacle rather than an enabler of their success. The same is true of 19% of young people reporting a mental health condition, 16% with any physical or mental impairment or condition and 13% of those identifying as LGBTQ. There was little difference, on the other hand, between white and ethnic minority young people in terms of their perceptions of the supportiveness of the education system.

Figure 23: Perceived supportiveness of education system, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

In our depth interviews with young people from low income backgrounds, school was mentioned by all participants as not equipping them adequately for the future, or simply providing them with the qualifications they needed and little else. This was often explained by schools’ priorities of attendance, statistics and uniform.

“I don’t think school was useful at all...all it allowed me to do was get grades to advance to the next stage”

“[School] ... didn’t really help you with skills for later in life”

“They’re more worried about you sitting in class than focusing on like...worried about what’s going on at home and stuff like that”.

“I feel like you don’t get taught the things that really matter when you’re at school, it’s a load of information you’re never really going to use again unless you’re obviously going to university. But even then you don’t get taught the life skills that would help me in the job market.”

Among interviewees, further/higher education tended to be seen to be better at preparing participants for the future, with interview practice, CV help and other career support.

“Basically anything you need help with [at university], you can go to them and they will help as best they can”

“My college has been quite supportive, they always have courses going on where they can help you apply for Oxford and Cambridge and they’re always checking in on you but I think my secondary school fell a bit short, they were always prioritising, ‘how good is your uniform’ ‘how do you look’ or the people who were getting the really high 9s...they weren’t very good”

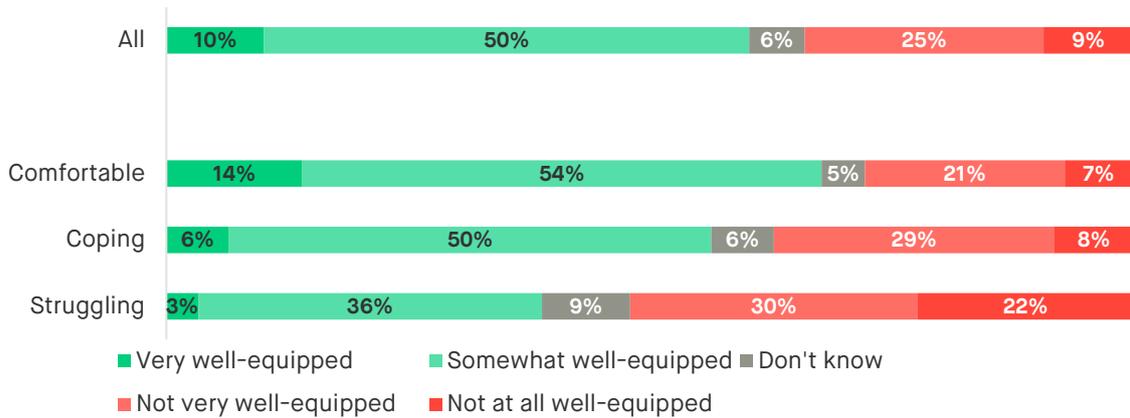
Turning back to Figure 21, it also suggests many young people don’t believe they have received enough support from government. Almost half of young people believe the government has made no difference to their lives, and 15% believe it has actively impeded their chances of success. That figure is higher among young people that grew up struggling, 30% of whom say that they think the government has made it harder for them to succeed. Such opinions are also more common among LGBTQ young people (22%) and those with mental health conditions (23%). In our depth interviews, participants mentioned that the government could do more for young peoples’ mental health by providing additional support:

“More mental health support [is needed], because I think in university a lot of people struggle with mental health, and people just think that you’re at university so you should be doing well...I think government need to put more money into that as well”

“I don’t think there’s enough mental health resources...they cater for young people up to 17 with CAMS and stuff but when you hit 18 you’re classed as an adult, but if you need help and you ring a GP you just get put on a waiting list...in some aspects you still feel like a child even though you’re an adult”

Overall, a substantial minority of young people feel they lack skills, support and resources to get on in life. Figure 24 shows that a third of 16-25 year olds say that they feel ill-equipped to compete in the job market. That figure is even higher among those from disadvantaged backgrounds, with 52% saying that their training and experience is inadequate.

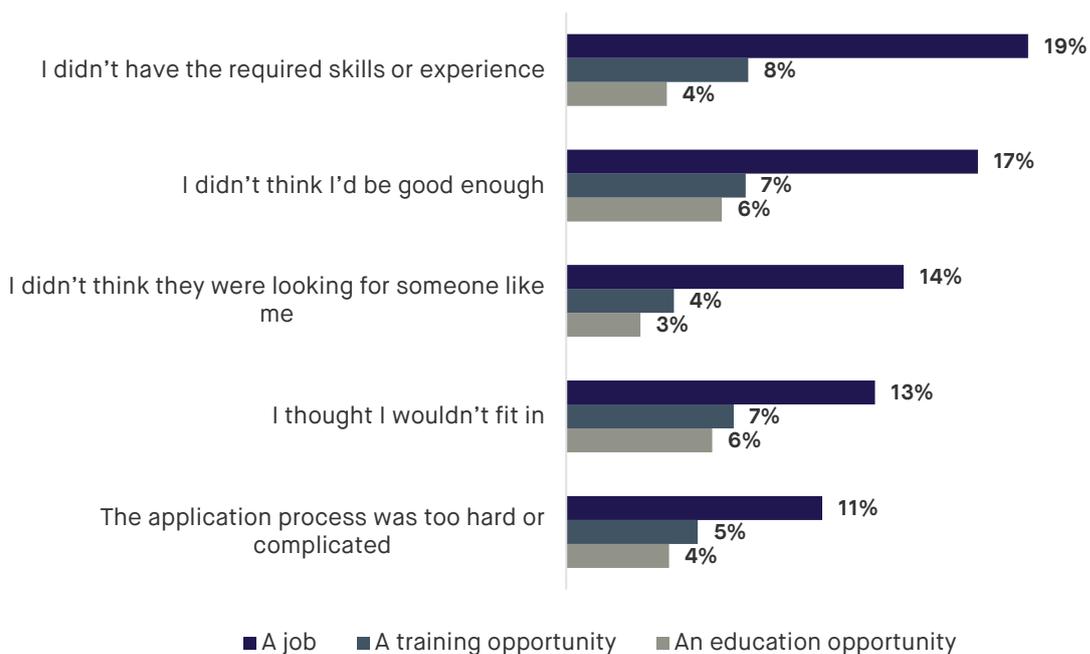
Figure 24: “How well-equipped do you feel to compete in the job market?”, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

That lack of confidence leads many to rule out opportunities that they would ideally like to pursue. Figure 25 shows that one in five young people we surveyed said that they had decided against applying for a job they wanted because they felt they lacked the necessary skills and experience, with 17% saying that they didn’t believe they were good enough. It also highlights some anxiety among young people about their social background: 14% said that they had been put off applying for a job because they worried the employer was not looking for ‘someone like them’, and 13% because they did not think they would fit in. These sorts of worries also exist for education and training opportunities, but are significantly less common – suggesting that learning is seen as more accessible than a good job.

Figure 25: Proportion of 16-25 year olds that say they have been put off applying for a job, training or educational opportunity for any of the given reasons



Source: SMF Opinion Survey May-June 2021

Young people from worse-off backgrounds are more likely to say they have been discouraged from applying for opportunities because of their skills, experience and confidence. Most strikingly, they are significantly more likely to fear being socially out of place. 30% of respondents from struggling families say that they avoided applying for a job or course because they did not think they would fit, compared to 18% of those from comfortable families.

Do young people have role models?

Such inequalities lead us to the question of role models - a form of social support that particularly interested us. Known individuals that can serve as examples or inspiration to young people, can offer reassurance that certain life goals are possible and offer guidance on how to realise them. In our depth interviews with young people from relatively disadvantaged backgrounds, some noted that role models, such as family members, can help set aspirations and life goals – including ones not related to employment such as having a stable relationship:

“My nan and auntie are happy, they’ve got nice house, nice job, they’re not rich or poor but have got money. I just want to be that when I’m older as well”

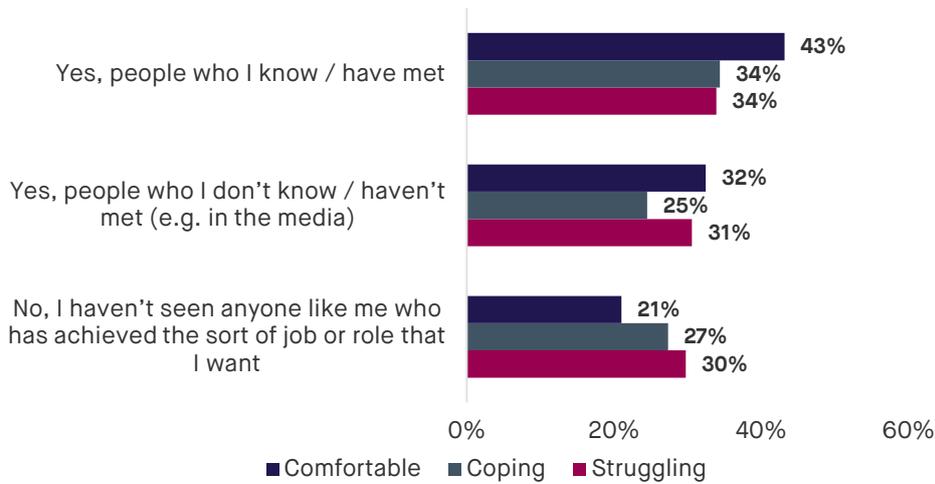
“My mum always helps people out...my English teacher in senior school. When I was little...I idolised TV shows, a superhero or something...now it’s more responsible people who are doing well in life – everyday superheroes rather than movie superheroes.”

“My grandad has inspired me a lot, because he left home at 14/15, and he’s ended up living a very happy life and being stable and being in a good relationship, and always telling me I’m going to be able to do anything”.

A concern is that role models are more available to young people from better-off backgrounds, who may be more likely to personally know older people that have been successful in the fields they want to enter, or to see people of similar background represented in high-profile positions.

We do find that the more affluent a young person’s background is, the more likely they are to say they have role models. Figure 26 shows that 43% of young people that grew up comfortable know someone directly that had the sort of job, role or career they would one day like to have, compared to 34% of those whose families were merely coping or struggling financially. At the same time, they are no more likely to say they have role models they have never met, which indicates that representation in top positions may be less of an issue for these young people than direct personal role models they have a relationship with.

Figure 26: “Do you know of anyone personally who is like you and has achieved the sort of job, role or career you want to do?”, by childhood financial circumstances

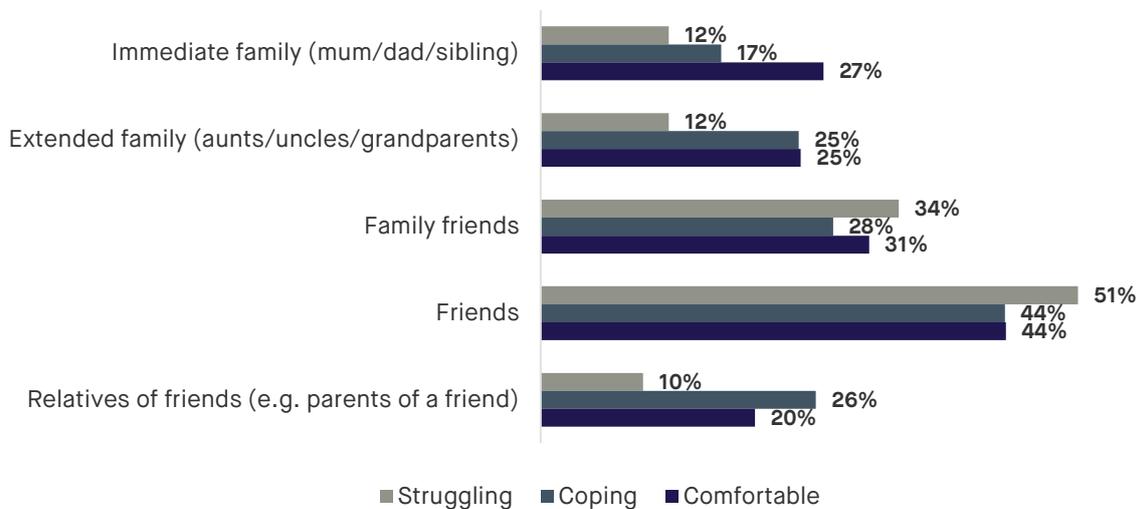


Source: SMF Opinion Survey May-June 2021

As we have seen, family is usually the first line of support that young people have. But the social gradient is particularly strong in terms of the ability of lower income families to serve as role models to their young people. Fifty-four per cent of young people from comfortable backgrounds say that they have someone in their family whose career they look up to, compared to 32% of those that describe themselves as coping and 29% of those struggling.

There is also some socioeconomic variation in the sorts of people that young people of different backgrounds can draw on as role models. Emphasising the importance of peer effects, friends were cited as the most common form of role model across all social groups, but were particularly prominent among those from struggling backgrounds. By contrast, young people that grew up comfortable were more than twice as likely to say that their immediate or extended family were their role models.

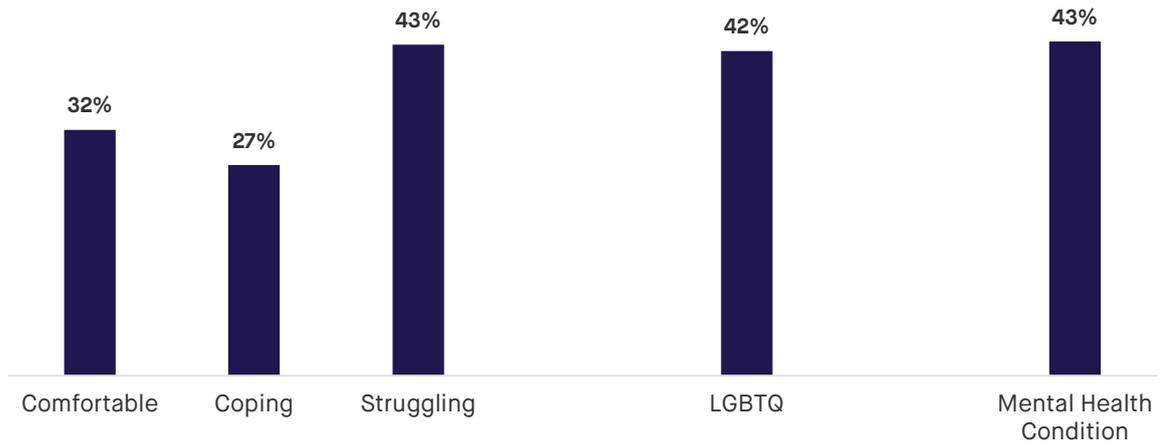
Figure 27: “You said you know people who have achieved the sort of career you want. How are these people connected to you?”, by childhood financial circumstances



Source: SMF Opinion Survey May-June 2021

In any case, the upshot is that there is a substantial proportion of young people that struggles to envisage doing well in life because of their background, and because of the lack of social and cultural that comes with it. Figure 28 shows that 43% of young people from struggling families and similar proportions of young people identifying as LGBTQ or living with a mental health condition believe that people like them do not succeed in life.

Figure 28: Proportion of 16-25 year olds agreeing with the statement “People like me don’t succeed in life”



Source: SMF Opinium Survey May-June 2021

CHAPTER FOUR – THE DECLINE IN YOUNG PEOPLE’S OUTLOOK

The previous chapter presented new survey research detailing up-to-date findings on the outlook of young adults in the United Kingdom. It identified significant variations in outlook across demographic groups.

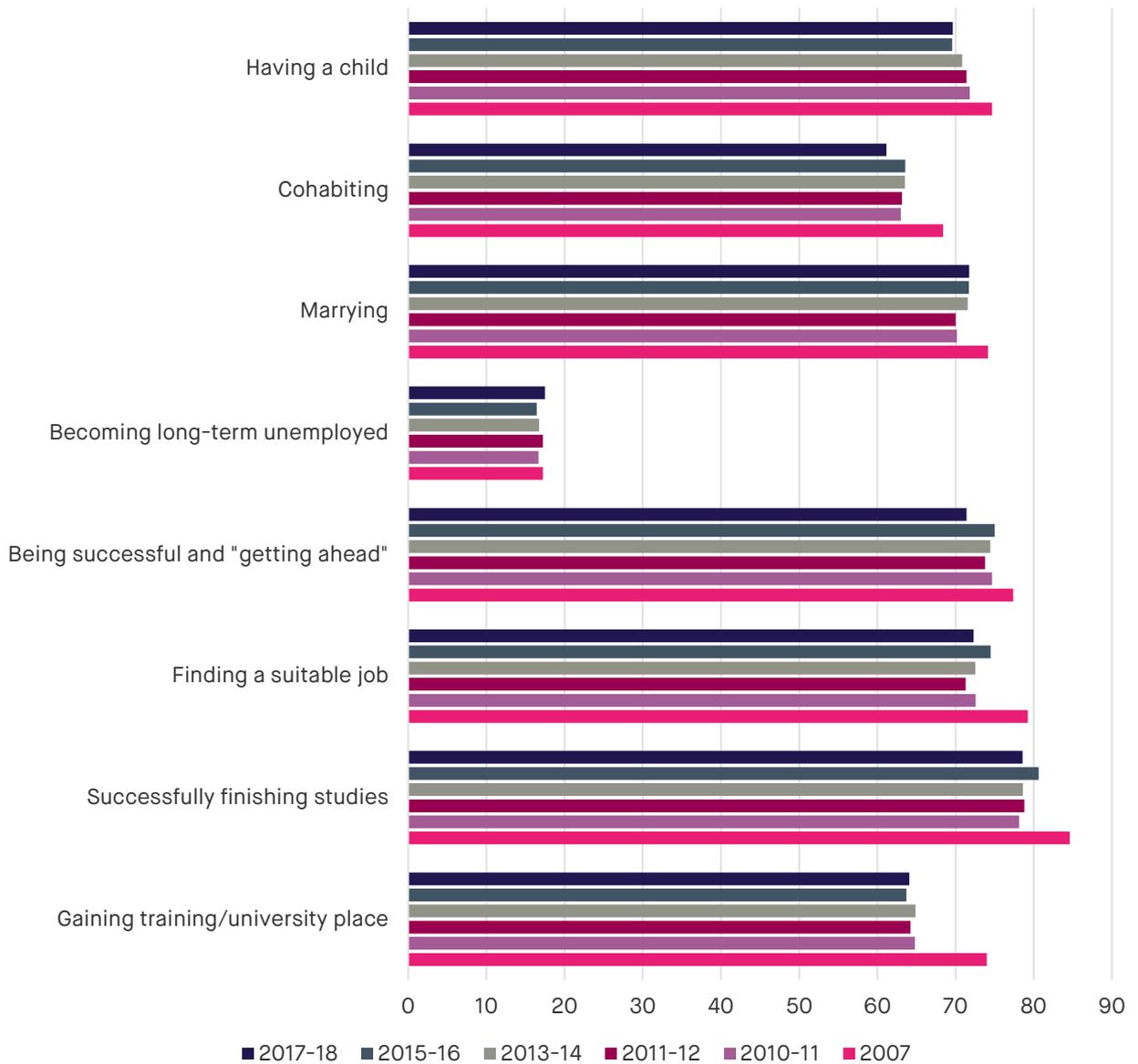
It is also of interest to consider how outlook may have changed over time. While our Opinium survey was a one-off and we do not have historic data to compare to, we can gather insights from the longitudinal “Understanding Society” survey, run by the Institute for Social and Economic Research at the University of Essex.³⁹ Understanding Society contains a young adults module, which asks questions to those aged 16-21.

This includes questions asking individuals to rate their perceived chance of gaining a training/university place, successfully finishing studies, finding a suitable job, being successful and “getting ahead”, becoming long-term unemployed, marrying, cohabiting and having a child.

The findings suggest that perceived likelihood of economic success among young adults took a knock during the Global Financial Crisis and has since failed to recover – perhaps unsurprising given that the Crisis was followed by a decade of very weak wage growth as well as other challenges such as difficulty gaining a first step on the property ladder amid high house prices. While in 2007, on average young adults thought they had a 77% chance of being successful and “getting ahead”, in 2017-18 (the latest year for which we have data) this stood at 71%. Over the same time period, mean perceived likelihood of finding a suitable job fell from 79% to 72%.

Mean perceived likelihood of gaining a training or university place fell from 74% to 64%, while mean perceived likelihood of successfully completing studies fell from 85% to 79%. The SMF has previously commented on the rise in university drop-out rates in recent years.⁴⁰

Figure 29: Mean perceived % likelihood of..



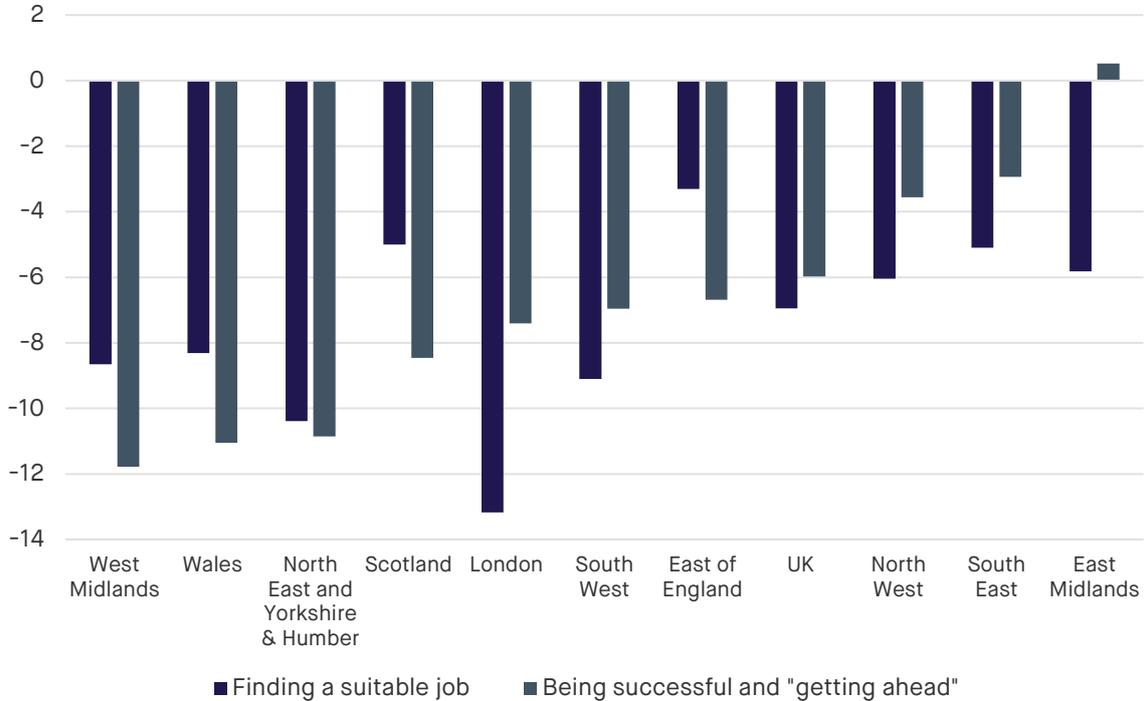
Source: SMF analysis of Understanding Society, young adults module (aged 16-21)

On a regional level, mean perceived likelihood of being successful and “getting ahead” fell the most between 2007 and 2017-18, in percentage point terms, in the West Midlands, Wales, and the North East and Yorkshire & Humber. Perceived likelihood of finding a suitable job fell the most in London, probably reflecting the impact of the financial crisis on the capital’s labour market. Past SMF research has shown that employee wage growth in London has been weaker than the rest of the UK in recent years.⁴¹

Excluding London, which seems somewhat anomalous, there does appear to be a reasonable correlation between economic prosperity and the change in perceived likelihood of finding a suitable job, with those from more economically “struggling” regions on average seeing a greater decline since the financial crisis. On this measure

the outlook of struggling groups appears to have deteriorated more than average, implying they account for a disproportionate amount of the decline seen in recent years.

Figure 30: Percentage point change in mean perceived % likelihood, 2007 – 2017/18



Source: SMF analysis of Understanding Society, young adults module (aged 16-21). Yorkshire & Humber and the North East of England merged given low North East survey sample size in 2007.

Figure 31: Percentage point change in mean perceived % likelihood of finding a suitable job (2007 – 2017/18) versus regional Gross Value Added (GVA) per capita.



Source: ONS regional economic accounts and SMF analysis of Understanding Society, young adults module (aged 16-21). Yorkshire & Humber and the North East of England merged given low North East survey sample size in 2007.

How has the COVID-19 pandemic impacted young people's outlook?

In the depth interviews with young people, undertaken as part of this study, the impact of the coronavirus pandemic on outlook was a recurring theme. The pandemic was seen to have had a negative impact on participants' futures. In some cases, this was about direct impacts to career, such as the potential lack of jobs available, or the knock-on impacts of disrupted education. Significant impacts on mental health were expressed, either on general mental wellbeing or a lack of motivation. One participant expressed that it was her biggest obstacle.

"I was meant to do loads of stuff to work with animals...but I couldn't do it due to covid, and I still can't do it yet"

"It got lonely and sometimes you just don't have motivation"

"I definitely think COVID has been a big obstacle because I didn't get to take my GCSEs myself...I didn't get the grades I should have got and that stopped me taking a college course I wanted...but I got around it".

"Sometimes I get a bit tired and I lose my ethic to carry on for a bit..."

"My GCSEs got thrown down the drain because of it and that put me on edge all the way to August"

"My mental health declined a lot and education-wise everything was being done on a computer, and it was really hard for me to get up to do that, and I started falling behind, which made my mental health even worse. Everything had a knock-on impact on everything."

Participants felt that the pandemic made it and will make it harder to get a job:

"Competition for jobs will be harder"

"When I was trying to find a job during the pandemic it was so hard... nobody's going to want an unexperienced 16-year-old"

Positive impacts associated with the pandemic were limited and needed prompting. There were no positive impacts on the future mentioned – positive impacts tended to be spending time with family and staying connected to friends. One interviewee mentioned wanting to help people more in a future job.

"It's pushed my ambitions further, it's made me want them more...people have been losing their jobs and it's put them in an awful place. It's made me want to get a better and secure job"

"I lost the end of my education, so I'll probably appreciate that I'm going to college more"

The theme that the pandemic, for many, has dented optimism for the future, is mirrored in research by the Prince's Trust. A survey commissioned by the Trust last year found that 44% of 16-25 year olds say their aspirations for the future are now lower as a result of the pandemic. Some 41% of young people believe their future goals now seem "impossible to achieve", with this rising to half (50%) of those surveyed from poorer backgrounds.⁴²

CHAPTER FIVE – A BRIGHTER FUTURE: WHERE NEXT FOR POLICY?

The preceding analysis has argued that the outlook of young people in the UK matters, with evidence suggesting it can have a significant impact on life outcomes. The research has identified a number of areas in which the outlook of young people from disadvantaged backgrounds is worse than average. This is also true for other groups such as those identifying as LGBTQ and those with a mental health condition.

Despite the importance of outlook, data suggests that young adults today are less optimistic about the future than those prior to the “Great Recession” of 2008/9. The economic fallout from COVID-19 looks to have further eroded optimism, especially among those from disadvantaged backgrounds.

As we emerge from the pandemic, policymakers should take steps to reverse this decline in optimism. While the aim of this report is not to provide extensive, detailed policy recommendations, below we set out the areas which we believe should be the focus of such policy development.

Can outlook be changed?

In order to gauge the role of policy in shaping outlook, it is important to examine the evidence. Can outlook be changed? And, if so, what policy interventions might be effective?

A 2012 evidence review for the Joseph Rowntree Foundation identified five different types of intervention intended to improve educational outcomes by shifting the outlook of young people and their parents⁴³:

- **Direct attitude change:** Training or teaching to change the way young people view themselves and the world.
- **Mentoring:** one-to-one direct guidance and support, which can be:
 - General or specific (e.g. academic, employment, social)
 - From an adult or a peer
 - Using a range of approaches (advice giving, target setting, reflective listening)
- **Extra-curricular activities:** both academic (e.g. extended schooling, study support) and non-academic (e.g. sport, art, dance, drama, cooking)
- **Volunteering:** Developing skills and helping others through unpaid activities
- **Parenting interventions:** intended to increase parents’ engagement with their children’s educational institutions and at-home learning and development

The review found that most of these interventions could be linked to improvements in three aspects of a young person’s outlook: their aspirations, locus of control and their attitudes to education.⁴⁴ However, the size of the impact was generally modest. Moreover, there was little evidence to indicate that these changes in outlook led to better outcomes. Even when attitudes changed and attainment increased following a particular intervention, it was not clear that the two were causally linked: for example, greater parental support could improve a child’s grades independent of its effect on

their aspirations. And the effect on outcomes is often smaller than the effect on attitudes.

The most encouraging evidence is in support of mentoring, extra-curricular activities and parenting interventions, all of which have been shown to improve educational attainment in a quantifiable way. By contrast, evidence on volunteering initiatives (while often positive) tends to be qualitative. Direct interventions to change attitudes have the least support: while they appear to be able to shift outlooks to some extent, they have a limited impact on outcomes.

The challenges of direct efforts to change behaviour are illustrated by a randomised control trial which investigated the efficacy of ‘growth mindset’ programmes that provided training to both teachers and pupils in English schools.⁴⁵ The experiment did not show any overall change in pupils’ perception of the malleability of intelligence, with the exception of children on free school meals whose teachers received training. And while the teacher training had no demonstrable impact, pupils who attended workshops did do better in English and Maths but the improvement was not statistically significant.

Extracurricular activities

Evidence suggesting that extracurricular activities can have a positive impact on outlook makes it all the more concerning that young people from poorer households are less likely to participate in such activities, especially music classes and sport.⁴⁶

Policymakers should consider options for increasing participation in extracurricular activities, particularly among those from disadvantaged backgrounds. In its 2019 report on extracurricular activities⁴⁷, the Social Mobility Commission set out a range of policy recommendations, which remain worth exploring today. These include:

- Introducing a national extra-curricular bursary scheme to address cost barriers to participation.
- Increasing the organisational capacity of schools to support their extra-curricular provision and improve information on the availability of activities in local areas.
- Improving data collection and carrying out further research into the nature of soft skills developed and deployed across different settings.

Mentoring, role models and peer groups

In addition to extracurricular activities, investment in school, college and university-run mentoring schemes could also be a powerful way of linking young people to role models that can provide guidance, inspiration and support.

This should include a focus on *peer* mentors and enhancing the peer groups of those from less affluent backgrounds. As we noted in chapter three, peer effects are important for helping those from such backgrounds, with evidence showing that having friends from high income families increases a child’s chances of staying in full-time education by 15 percentage points.

In our view, such evidence provides justification for exploring the issue of reforming primary and secondary school allocation, to ensure more socio-economically mixed educational environments rather than, as is often the case, segregation by class. Such segregation occurs with both selective education systems, with grammar schools disproportionately drawing pupils from affluent backgrounds⁴⁸, and comprehensive systems⁴⁹, where house prices near outstanding schools influence the composition of pupils. Research has shown that the average price of a house within the catchment area of a school with an “outstanding” Ofsted rating is 13.2% higher than the cost of a home near a school with a poorer Ofsted grade of “good”.⁵⁰

There are several options for reforming school admissions⁵¹, one of which is more randomised allocation – something the SMF has previously argued for.⁵² School admission lotteries assign places to oversubscribed schools using a random ballot rather than simply relying on catchment areas or proximity to the school. There are a small number of schools across the country that use this method, however it is most commonly associated with Brighton and Hove, where a hybrid catchment lottery has been used for over a decade. Early evidence suggested that the reform was unlikely to substantially lower social segregation, in part due to the continued use of catchment areas⁵³, suggesting that ballots might need to be complemented with a widening of catchment areas to have a significant effect.

Tackling the parenting gap

Policymakers also need to grasp the thorny issue of how to “encourage and teach parents to be better parents”.

Like the 2012 Joseph Rowntree Foundation report, a 2017 report by the Social Mobility Commission showed that parenting interventions can be successful.⁵⁴ The research found that this was particularly true for those that focus on parenting styles, the creation of a supportive home learning environment, relationships within the family and parental stress and mental health.

Given the underlying politics around “telling parents how to parent”, there is a case for making such interventions universal rather than targeted on specific groups. There is also a case on the grounds of participation; the Social Mobility Commission, in its report, argued that universal schemes can increase parental participation by reducing the stigma around taking part.

The politics of parenting interventions can also be (partially) overcome through avoiding a blame game and acknowledging the structural factors that may make parenting difficult, particularly among those from struggling backgrounds. For example, the “parents of parents” may not have been good role models for how to bring up children. Persistent money worries, job insecurity and physical and mental health conditions can also create barriers.

Now is not the time for politicians to shy away from this issue. Instead, there should be a focus on establishing “what works” in terms of shaping parental behaviour in a positive way that improves the outlook of young people – and then rolling out an effective programme at scale.

Linking education better to the labour market

The Opinium survey showed a significant proportion of young adults believing the education system was not helping them to succeed – something that was also a common theme in our depth interviews with young people from relatively disadvantaged backgrounds. Several interviewees noted that education, in particular school, did a poor job of preparing them for the world of work.

There is significant scope to improve this situation, including through reviewing school curricula to ensure pupils emerge more “work ready”. There is also a role for providing a stronger linkage between business and the education system at all levels. With the private sector accounting for over 80% of all jobs in the UK, the business community knows what is needed to improve the employability and in turn life chances of young people.

Inviting local businesses to speak to pupils and teachers in schools, or provide feedback on the content of vocational college courses, could facilitate a stronger dialogue between education and enterprise. Too often, these parts of society act in silos to the detriment of young people’s sense of preparedness for a future world of work. That needs to change, with a new social contract between business and the education sector.

As well as engaging with the education sector, business also needs to step up in terms of its approach to recruitment and training of young people. Our survey findings showed a significant proportion of young people – particularly from struggling backgrounds – who were put off applying for a job or a course because they were worried about not fitting in.

There are steps businesses can take, and are taking, to provide more inclusive recruitment for jobs and training. Name-blind, address-blind and educational institution-blind application forms can help address discrimination on the grounds of background and ensure more young people from disadvantaged backgrounds make it to the interview stage. Explicitly encouraging young people from all backgrounds to apply for jobs can help, as can having within-company “ambassadors” from a range of backgrounds, who can exemplify the company’s commitment to inclusive recruitment. Companies should also consider partnering with schools in economically deprived communities to offer work experience programmes to pupils, giving those from struggling backgrounds more of a glimpse into the world of work.

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