

# Out of the woods? Young people's mental health and labour market status as the economy reopens

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Much has been said about the plight of young people during the Covid-19 crisis, both in terms of their labour market and mental health circumstances. This spotlight provides a timely update on how young people were faring at the end of May, shortly after the major relaxation of restrictions in mid-May.

The proportion of economically-active young adults either unemployed or fully furloughed has halved since May 2020, to around 16 per cent at the end of May 2021. But they remain harder hit than older people, being two-and-a-half times more likely to be out of work. Young people are also less optimistic about their mental health in general, and certain groups are facing more difficulties than others. One-in-four young women and students say their mental health is poor, and young people who are out of work, on the lowest pay or in financial difficulty are also struggling, highlighting that they are not all out of the woods just yet. And the legacy of the past year's turbulence in the labour market can be seen very clearly. Almost one-in-three young people who were employed before the crisis, but are currently unemployed, furloughed or on reduced pay, say their mental health is poor.

Young people are also highly aware that their economic circumstances and mental health are closely linked. They are most concerned of all age groups that their ability to find - and progress in - a job will be hindered by their mental health. Similarly, the young are most concerned that their mental health will be affected if they do not have good opportunities in the labour market in future. Although it is not yet clear whether their concerns will bear out, we should all be mindful of the struggle young people have faced through this pandemic, and take heed of the alarm they are sounding.

Young people have been at the sharp end of this crisis: they were the [hardest hit from the outset](#) in terms of job loss, furloughing and loss of hours, and [their mental health deteriorated more significantly](#) than among older people at the start of the first lockdown.<sup>i</sup> We showed [earlier this year](#) that the two were strongly linked, with unemployed young people being most likely to experience difficulties in their mental health. In this spotlight, we present flash results from a new survey of adults in the UK that was in the field in the first week of June.<sup>ii</sup> This provides a timely update on young people's labour market and mental

health circumstances, and allows us to see the impact of the easing of restrictions in mid-May – something that will have been of major benefit to the hospitality and leisure sectors, both significant employers of young people.

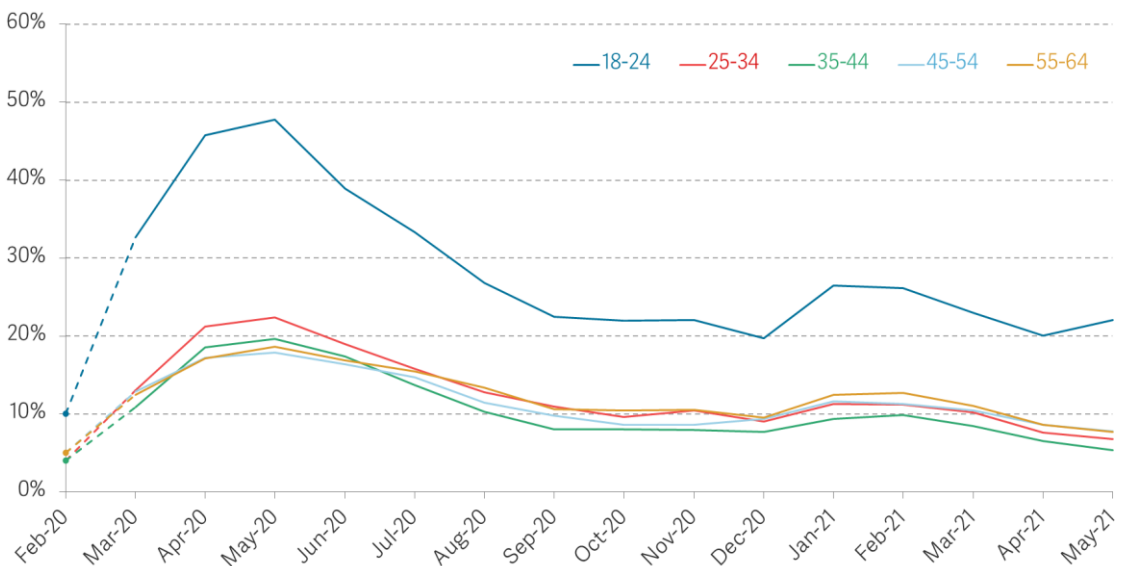
### The young are still the hardest hit in the labour market, and are less optimistic about their mental health than older people

As Figure 1 shows, the proportion of young people who were unemployed or furloughed has fallen since the full lockdown in Spring 2020, from a peak of one-in-three in May 2020 (compared to 20 per cent or less in older people) to around one-in-six (16 per cent) by September 2020. This rose again during the 2021 lockdown in January, to just below one-in-five, but fell back quickly once restrictions were eased during April. Although the number of people on furlough has fallen rapidly since the lockdown at the start of 2021 ([especially among younger workers](#), as the easing of social distancing restrictions [provides a boost to those sectors that employ large numbers of young people](#)), those aged 18-24 remain disproportionately affected, and are two-and-a-half times more likely to be out of work than older people (16 per cent vs 6 per cent) in May 2021.

Figure 1

#### Young people are still at the sharp end of the crisis

Proportion of economically-active population who are unemployed (or fully furloughed from March 2020 onwards), by age: UK, data collected 3-8 June 2021



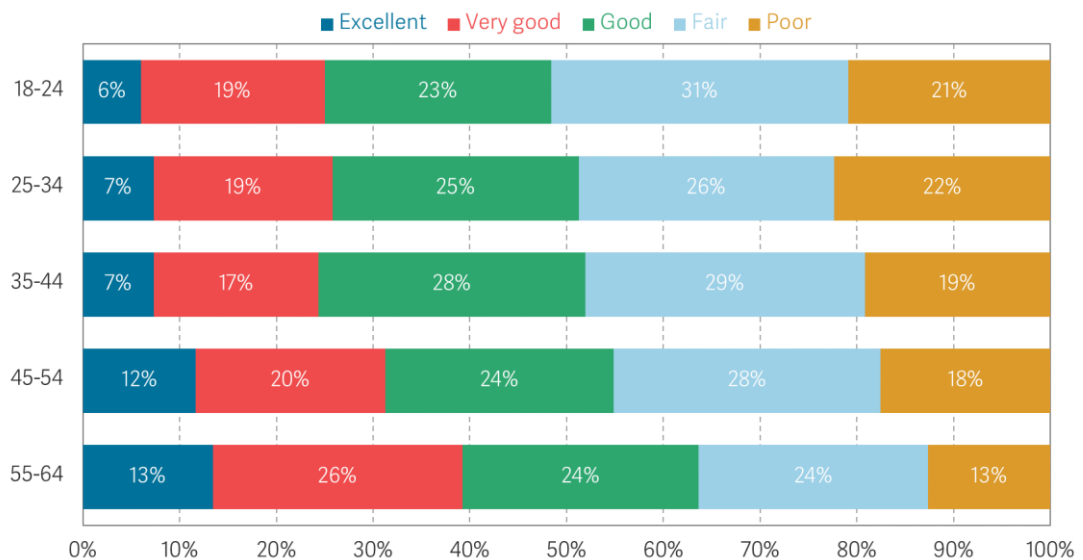
Notes: Base = All UK economically-active adults aged 18-65 and non-missing for employment status in each month. Each month's data point from March 2020 onwards denotes the proportion who are either unemployed or fully furloughed, while the data point prior to the crisis in February 2020 gives the proportion of the non-inactive population who were unemployed at the time.

Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

There is a more complex picture for mental health, as we show in Figure 2. The good news is that the young are no more likely than those aged 25-44 to say their mental health is poor,

although previous work showed that young people have been [more prone to fluctuations in their mental health](#) throughout the crisis than older adults. But the less good news is that the proportion of 18-24-year-olds who feel that their mental health is poor is as high as one-in-five; this formative life stage is a sensitive period where a lack of intervention increases the potential for [longer-term difficulties](#). And young people are the least likely to say their mental health is good; under half (48 per cent) say it is good, very good or excellent, compared to around two-thirds (64 per cent) of 55-64-year olds. This is important, as experiencing difficulties – even if not at levels which could warrant a clinical diagnosis – may still affect their day-to-day lives and confidence in their future prospects.

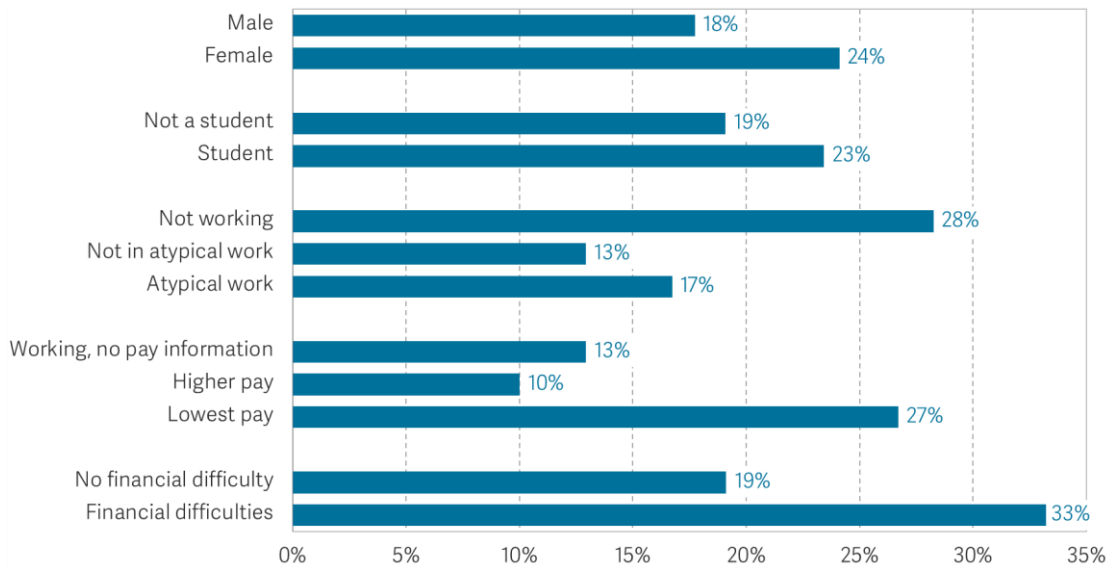
Figure 2 **Young people are less optimistic about their mental health**  
Self-rated mental health, by age: UK, data collected 3-8 June 2021



Notes: Base = all UK adults aged 18-65 with non-missing observations for self-reported mental health status; bases for each category: 18-24 (n=680), 25-34 (n=1286), 35-44 (n=1323), 45-54 (n=1326) and 55-64 (n=1165).  
Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

There are also signs that certain young people are struggling more than others (Figure 3), 24 per cent of young women say their mental health is poor, compared to 18 per cent of young men; this suggests that the [elevated levels of mental health difficulties among young women](#) recorded during the second lockdown may not have abated. Students are more likely than others to say their mental health is poor, perhaps reflecting the ongoing disruption to their education and training. And young people's labour market and financial circumstances also strongly influence their mental health: 28 per cent who are out of work and 27 per cent on the lowest pay say their mental health is poor, compared to 17 per cent of those in atypical work, 13 per cent of those in more stable forms of employment and 10 per cent of young people on higher pay. Those struggling to pay their everyday living costs – pay their bills, turn on their heating or eat at least one filling meal a day – are almost twice as likely to say their mental health is poor than those who are not facing financial difficulties (33 per cent vs 19 per cent).

Figure 3 **Young women, students, and those who are not working, on the lowest pay or in financial difficulty are most likely to say their mental health is poor**  
Proportion of 18-24-year-olds with self-rated poor mental health, by sex, student status, atypical work, pay and subjective financial difficulties: UK, data collected 3-8 June 2021



Notes: Base = all UK adults aged 18-24 with non-missing observations for sex, student status, atypical work status, pay, financial difficulty derived variable and mental health status. Base for each bar: Male (n=238), Female (n=442); Not a student (n=397), Student (n=283); Not working (n=288), Not in atypical work (n=187), Atypical work (n=182); Working, no pay information (n=105), Higher pay (n=177), Lowest pay (n=102); No financial difficulties (n=557), Financial difficulties (n=88).

'Financial difficulties' refers to those who responded 'Would like to be able to do this, but can't afford' or 'Do not need/want to do this' to any of keeping up with bills and regular debt payments, afford to turn the heating on when needed or afford to eat at least one filling meal a day, compared to those who 'already do this or could do this'.

'Lowest pay' refers to the bottom quintile of the all-adult distribution, with the top four quintiles collapsed into one category representing 'higher pay'.

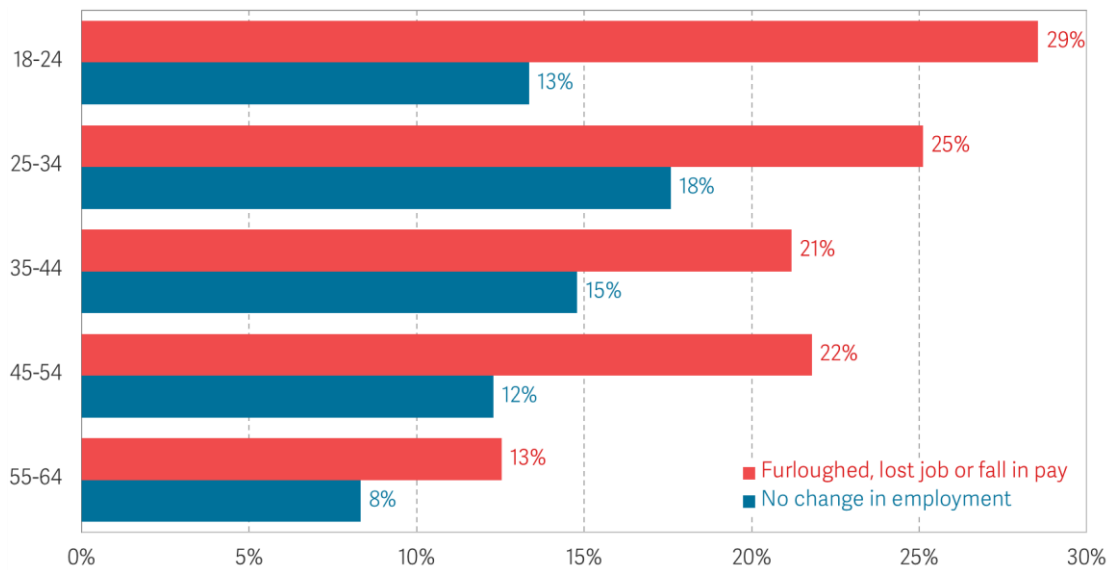
Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

## The legacy of the extended labour market disruption experienced by young people is worse mental health, and a pessimistic outlook for the future

But although the overall rate of poor mental health among young people is comparable to that of older adults, there is very strong evidence of the toll taken by the considerable labour market disruption and uncertainty experienced by some young people (Figure 4). Across those who are in the same employment circumstances as before the crisis, young people are, if anything, less likely to report poor mental health (13 per cent) than slightly older adults aged 25-44. But of those who were previously employed before the crisis and are now currently out of work, fully furloughed or on reduced pay, the young are much more likely than their older peers to report poor mental health; almost one-in-three 18-24-year-olds in this position report poor mental health compared to between 13 and 25 per cent of older people. So, it seems that the relationship between labour market disruption and mental

health is most pronounced for young people, with this negative impact further compounded by the greater incidence of labour market disruption in this group, as shown in Figure 1.

**Figure 4 Young people’s mental health is most acutely affected by changes in their employment circumstances**  
 Proportion of people in work in February 2020 with self-rated poor mental health in May 2021, by whether their current employment circumstances are different: UK, data collected 3-8 June 2021

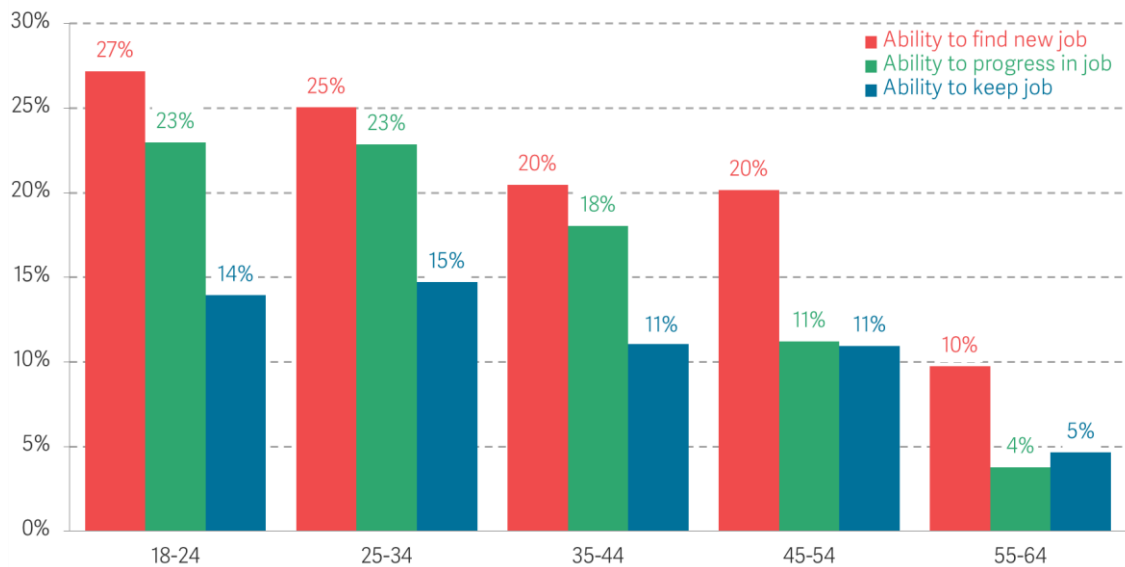


Notes: Base = those in employment at the start of the crisis, age 18 to 64, with non-missing observations for pre-crisis and current employment status, and current mental health status. For each bar: No change in employment; 18-24 (n=268), 25-34 (n=930), 35-44 (n=947), 45-54 (n=872), 55-64 (n=550). Furloughed, lost job or fall in pay: 18-24 (n=123), 25-34 (n=148), 35-44 (n=161), 45-54 (n=177), 55-64 (n=161).  
 Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

The consequence is a generation of youth who are taking their first steps in the labour market with some trepidation, and their apprehension about their prospects is directly linked to concerns about their mental health. Over one-in-four 18-24-year-olds are currently concerned that their mental health will affect their ability to find a job in future (see Figure 5), but these concerns diminish steadily across age to around one-in-five people between the ages of 35 and 54, and one-in-ten aged 55-64. This lack of confidence is reflected in their thoughts about their prospects when employed: 23 per cent think that their mental health will affect their ability to stay employed, and around 14 per cent think it will affect their progression in their job. Those aged 25-34 are equally likely as younger adults to be concerned about keeping their job and progressing in work on account of their mental health, but older people are considerably less likely to have these concerns.

Figure 5 **Young people are most concerned that their mental health will affect their prospects in the labour market**

Proportion of people with concerns that their mental health will affect their labour market prospects, by age: UK, data collected 3-8 June 2021



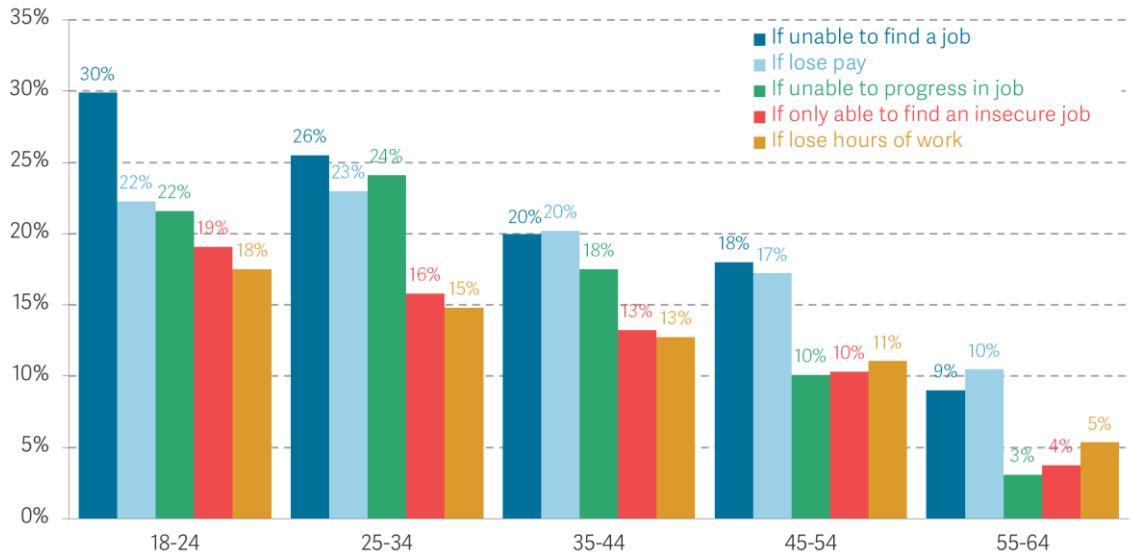
Notes: Question wording: 'Do you think your mental health will affect any of the following in future? Please tick all that apply'. Base = All adults aged 18-64 non-students and with non-missing observations on the aforementioned question. Each bar: 18-24 (n=432), 25-34 (n=1307), 35-44 (n=1371), 45-54 (n=1349) and 55-64 (n=1188).

Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

Similarly, as we show in Figure 6, the young are most concerned that their prospects in the labour market (or lack thereof) will affect their mental health in future. Three-in-ten 18-24-year-olds believe their mental health will be affected if they are unable to find a job, a concern shared by under one-in-ten (9 per cent) of 55-to-64-year olds, and the young are most worried about only being able to find an insecure job (19 per cent). Aside from their fears around gaining employment, around one-in-five young people are also worried about the impact of loss of hours (18 per cent), loss of pay (22 per cent), or lack of progression (22 per cent) on their mental health, and they are again most affected as these concerns steadily decrease with age.

Figure 6 **Young people are most concerned that their prospects in the labour market will affect their mental health**

Proportion of people with concerns that their labour market prospects will affect their mental health, by age: UK, data collected 3-8 June 2021



Notes: Question wording: 'Do you think your mental health will be affected by any of the following in future? Please tick all that apply'. Base = All adults aged 18-64 non-students with non-missing observations on the aforementioned question. Each bar: 18-24 (n=432), 25-34 (n=1307), 35-44 (n=1371), 45-54 (n=1349) and 55-64 (n=1188).

Source: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), June 2021 wave.

## Conclusion

Overall, our survey results indicate that the ramifications of this crisis for young people remain two-fold, as they continue to face penalties in, and have concerns about, the labour market and their mental health. First, even after the significant relaxation of restrictions in mid-May (which have provided a substantial boost to sectors employing many young people) they remain harder-hit in the labour market than older adults. This strengthens the argument that the Government's current approach risks ongoing long-term unemployment. It also suggests more is needed to buffer any negative impacts on this group when the Job Retention Scheme winds down at the end of September and when Universal Credit rates are due to fall back. Second, certain groups of young people are facing greater challenges in terms of their mental health, including young women and students, and those facing financial difficulties, worklessness and low pay. Targeted and accessible support is needed - taking full account of individuals' labour market experiences during the past year in tandem with characteristics that place them at greater risk for sustained difficulties (such as gender) - to ensure the most vulnerable do not fall through the net.

Finally, young people's concerns about their future should not be underestimated. They are aware that their experiences in the labour market are closely intertwined with their mental health. And it is not yet known whether the reopening of the economy will lead to sustained

improvements in their mental health or greater confidence in their futures, particularly for those who remain out of work or out of pocket. In the meantime, preventative action and targeted support is needed to ensure they are best able to get back on their feet.

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<sup>i</sup> There are also wider concerns around the [rising levels of loneliness](#), among the young and old alike, and its detrimental impact on mental health.

<sup>ii</sup> The survey was designed and commissioned by the Resolution Foundation, in partnership with the Health Foundation (although the views in this note are not necessarily those of the Health Foundation or YouGov). The total sample size was 8,030 adults aged 18+ and fieldwork was undertaken by YouGov during 3 – 8 June 2021. Results are weighted so as to be representative of the population of that age group. The figures presented from the online survey have been analysed independently by the Resolution Foundation.