Youth Employment Index 2025

Topic in focus: Is the rise in Artificial Intelligence leading to the displacement of young workers in the UK?

PwC UK Economics Team
December 2025

Foreword

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Too early to blame AI for rising youth unemployment, but cracks are starting to show.

Our 2025 Youth Employment Index shows the UK's youth jobs market has deteriorated sharply, marking the steepest decline in the G7. Young people account for over half of the total rise in unemployment since mid-2022, despite making up under a fifth of the working-age population. Youth inactivity has also climbed to new highs, with three million young people now out of the labour force, more than any other working-age group. What explains this downturn? The youth labour market is not immune to the broader economic slowdown. As demand for labour has softened, young workers have inevitably felt the squeeze. They are concentrated in entry-level roles, leaving them more exposed than colleagues with longer tenure. Yet this alone is unlikely to explain why the UK's youth-to-adult unemployment ratio has hit a record high.

The big question is whether AI is displacing some of the entry-level roles that young people rely on to start their careers. For now, it's too soon to say. Our modelling finds no statistically significant relationship between AI adoption and youth unemployment, likely because young people tend to work in sectors with lower AI exposure, such as retail and hospitality. However, there are early signs of impact in sectors most exposed to AI. In the Information and Communication sector, youth employment has fallen by around one fifth over the past year, driven largely by fewer graduate roles, while adult employment has remained broadly stable. Graduates may be at the sharp end of this. In 2025, more than one million young graduates could enter a labour market that is changing rapidly, with many moving into industries characterised by high AI adoption.

Ultimately, for our clients, this means the labour market is starting to look very different from where it was a couple of years ago. Recruitment pressures have eased, with just one in three businesses now reporting recruitment difficulties are higher than normal, compared with almost nine in ten at the height of labour market shortages. At the same time, there is a growing pool of skilled young people eager to find opportunities to start their careers. For businesses, the challenge is shifting: it's less about just filling vacancies, and more about identifying and developing the right talent needed to meet the demands of a changing workplace.

Executive summary

The UK has slipped four places in the Youth Employment Index, the biggest fall among the G7, amid rising youth unemployment and inactivity.

The UK has dropped to 27th among OECD economies in this year's Youth Employment Index. This year's decline reflects a combination of rising youth unemployment, now at its highest level since 2020, and higher levels of economic inactivity.

Our analysis indicates this rise is not unique to young people but part of a broader slowdown in the UK labour market. As vacancies have fallen by about one-fifth (20%) over the past 18 months, the youth unemployment rate has increased almost in lockstep (16%).

However, the deterioration has been steeper among young people than older workers. The youth-to-adult unemployment ratio is now at its highest level on record and the highest in the OECD, while inactivity has grown faster among young people than in any other age group.

Artificial Intelligence (AI) is unlikely to be the driving force behind the rise in youth unemployment, but early signs of impact are emerging in some sectors.

Our modelling finds no statistically significant relationship between AI adoption and youth unemployment, likely because young people tend to work in sectors with lower AI exposure, such as retail and hospitality. And given publicly accessible large language models were launched only a few years ago, there is just not yet enough variation in the data to measure AI's impact with confidence.

However, there are early signs of impact in sectors most exposed to AI. In the Information and Communication sector, youth employment has fallen by around one fifth over the past year, driven largely by fewer graduate roles, while adult employment has remained broadly stable. Graduates may be at the sharp end of this. In 2025, more than one million young graduates could enter a labour market that is changing rapidly, with many moving into industries characterised by high AI adoption.

With 1 in 8 young people now classified as NEET, we estimate reducing regional disparities in youth employment could boost GDP by around £13-26 billion.

There are now around 3 million young people who are economically inactive, almost 20% more than a decade ago and the highest proportion of any working-age group. A growing share are not in education, employment or training (NEET). One in eight young people are now classified as NEET, the highest rate in ten years.

The government's new Youth Guarantee aims to change that by offering paid work to long-term unemployed young people. There is significant scope for progress by addressing regional inequalities. If other regions were able to narrow the gap with Northern Ireland, which has the lowest NEET rate in the UK, we estimate that UK GDP could rise by £13-26 billion, depending on the extent of the improvement. The largest gains would be in London and Scotland, reflecting the greater number of young people classified as NEET in these regions.

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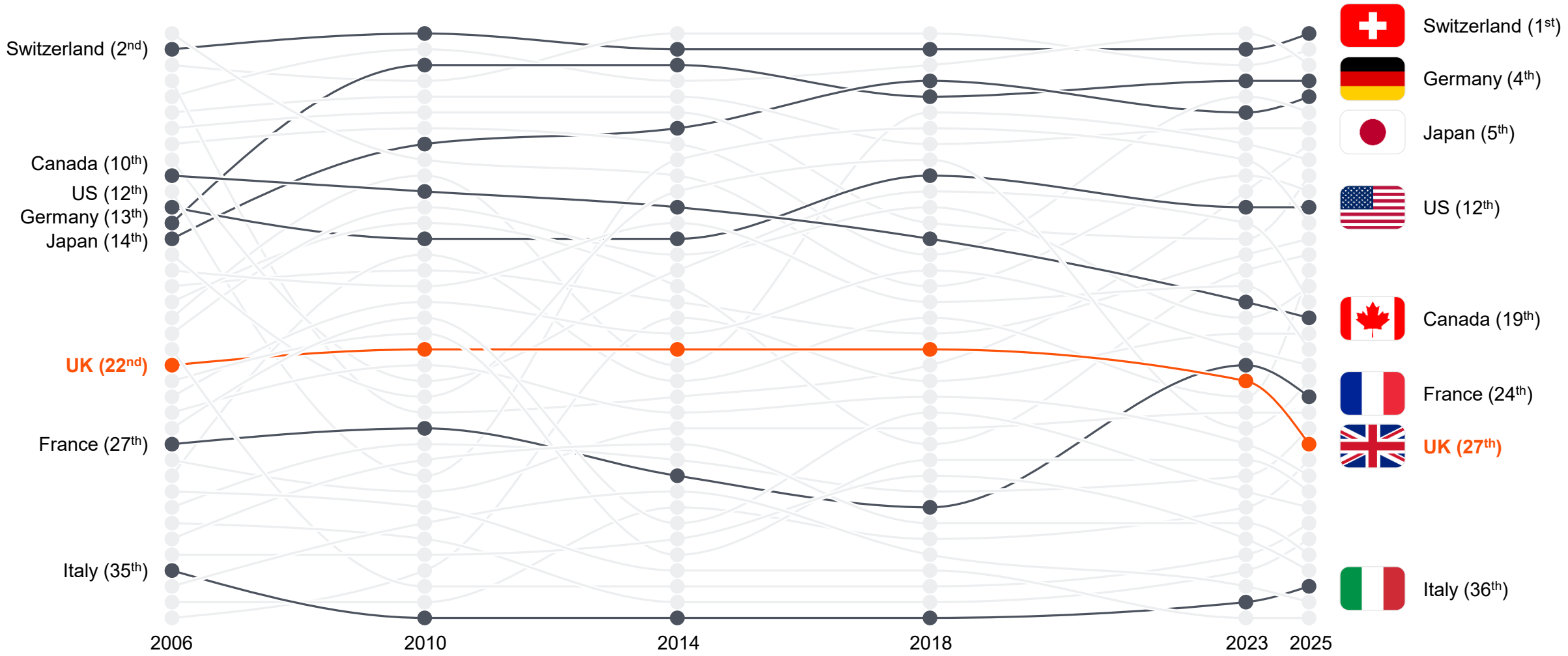
2025 Youth Employment Index Key Findings

UK slips back four places in the Index, marking the biggest fall among the G7

The UK has moved from a mid-table position on the Youth Employment Index to the bottom third, signalling a sharp decline in young people's job outcomes compared with the other comparator OECD economies.

Youth Employment Index Ranking, 2006 – 2025, select major economies highlighted



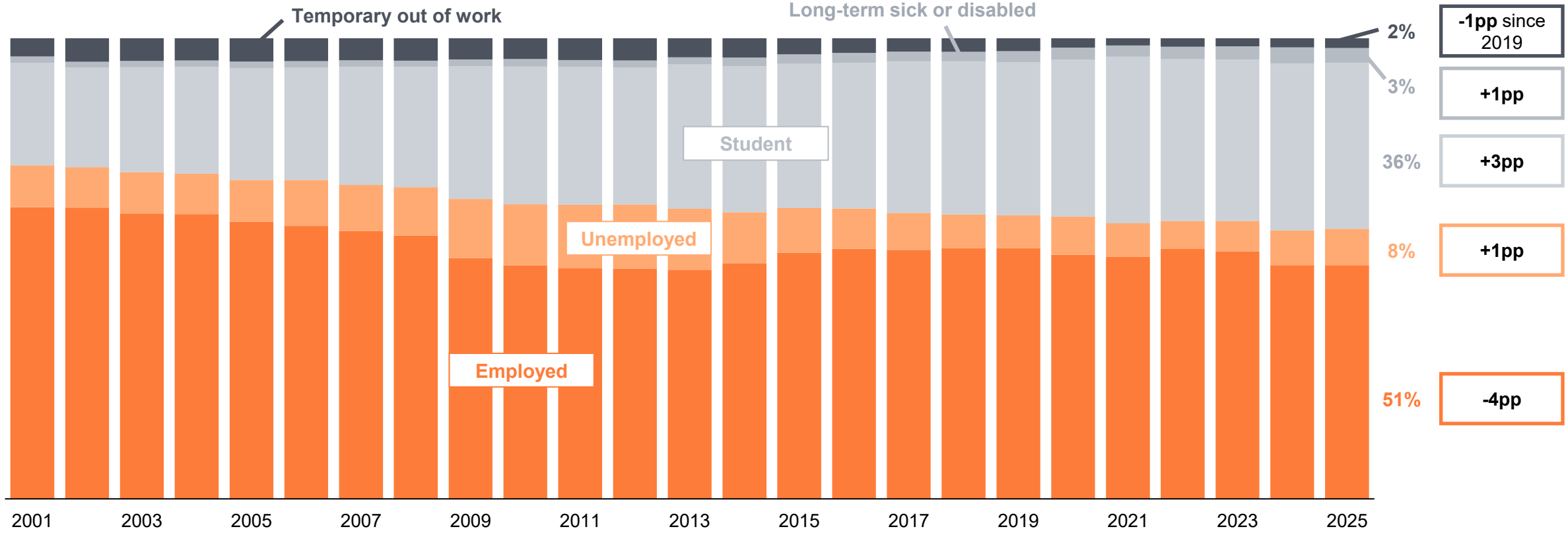
 Notes: See the appendix for the full Youth Employment Index results and methodology. OECD data revisions account for differences from last year's results. | Sources: PwC analysis, OECD

The UK's youth jobs market has weakened in recent years, with unemployment and inactivity both rising, leaving young people in Britain falling further behind peers across advanced economies. This report explores the drivers of these trends in turn.

Share of young people (16-24) by economic activity status, 2001 – 2025

Three main drivers observed:

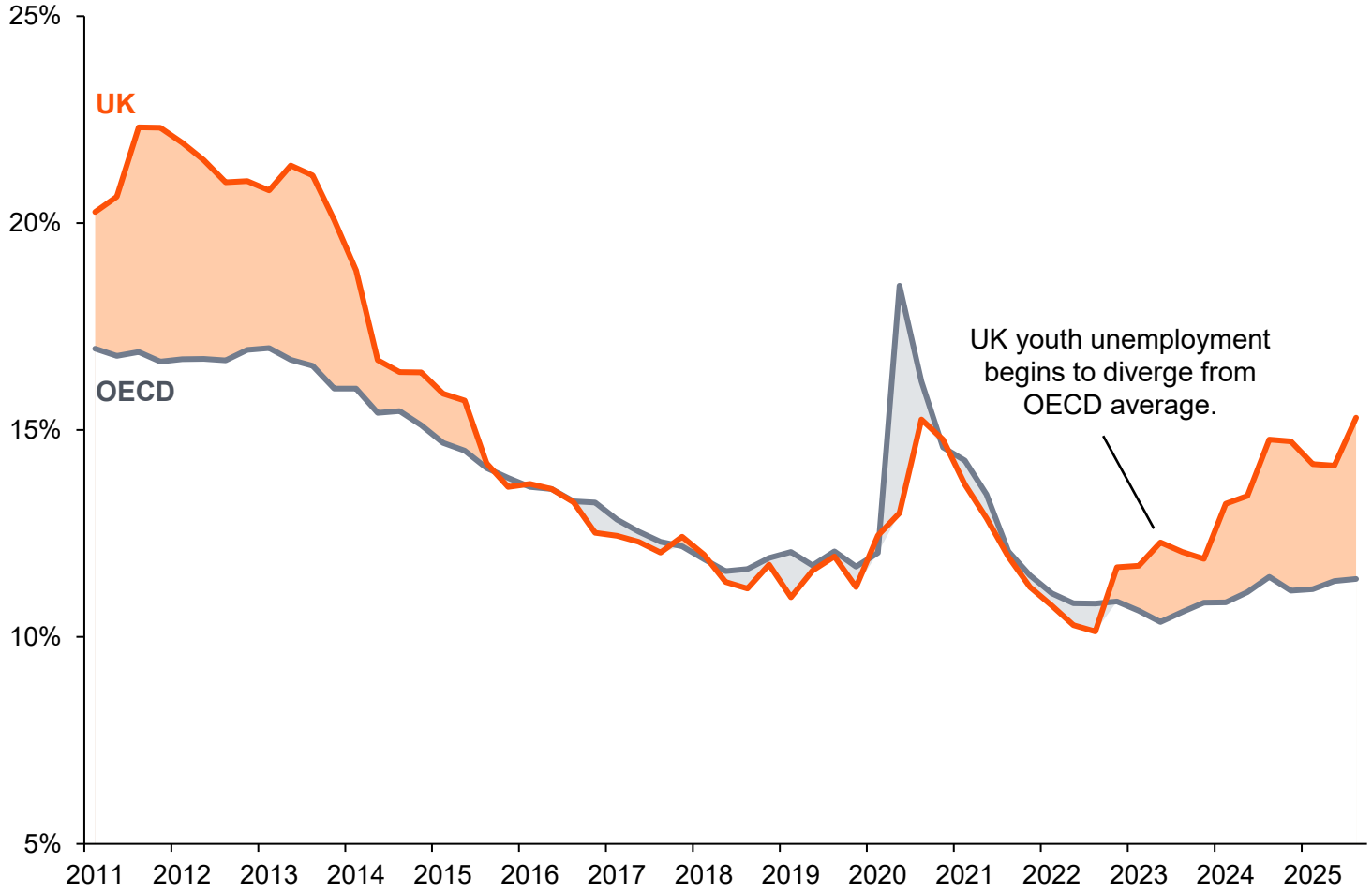
1. **Cyclical pressures:** The youth unemployment rate has risen as the labour market has cooled, with AI potentially intensifying pressures in exposed sectors.
2. **Peers gaining ground:** The UK's youth employment rate has stagnated while other OECD economies have continued to improve, narrowing the international gap.
3. **Rising inactivity:** A growing share of young people are inactive, driven by more students remaining in education and an increase in long-term sickness.



PwC Notes: "Other" excluded from selected categories. "Temporary out of work" covers health, caring, and other reasons. Chart shows annual averages of quarterly data. Figures for 2025 represent the average of Q1 and Q2. | Sources: PwC analysis, ONS Labour Force Survey

1. Cyclical pressures: The youth unemployment rate has risen as the labour market has cooled, with AI potentially intensifying pressures in exposed sectors.

UK and OECD youth unemployment rate, 2011 Q1 – 2025 Q3

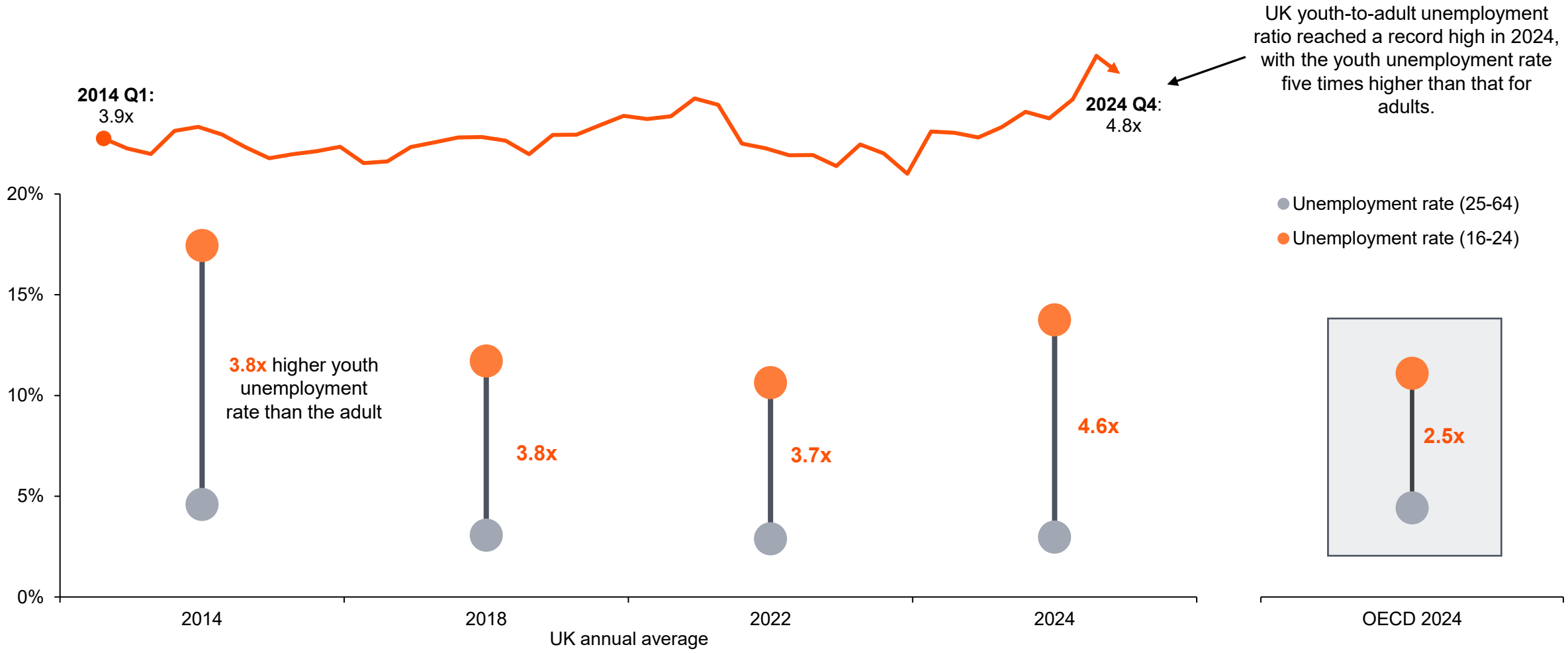


Key points

- The UK's youth unemployment rate has climbed from 10.8% in 2022 to 15.3% in 2025, the sharpest increase among the G7 economies. While youth unemployment across the OECD has remained more stable, the UK has returned to levels last seen during the pandemic-induced spike of 2020.
- Our analysis indicates this rise is not unique to young people but part of a broader slowdown in the UK labour market. As vacancies have fallen by about one-fifth (20%) over the past 18 months, the youth unemployment rate has increased almost in lockstep (16%).
- However, the deterioration has been steeper among young people than older workers. The youth-to-adult unemployment ratio is now at its highest level on record and the highest in the OECD. This implies that young people are bearing a disproportionate share of the slowdown.

The recent rise in UK youth unemployment has widened the gap with adult workers, indicating potential weaknesses in the UK's ability to integrate young people into the job market. The gap now stands well above the OECD average.

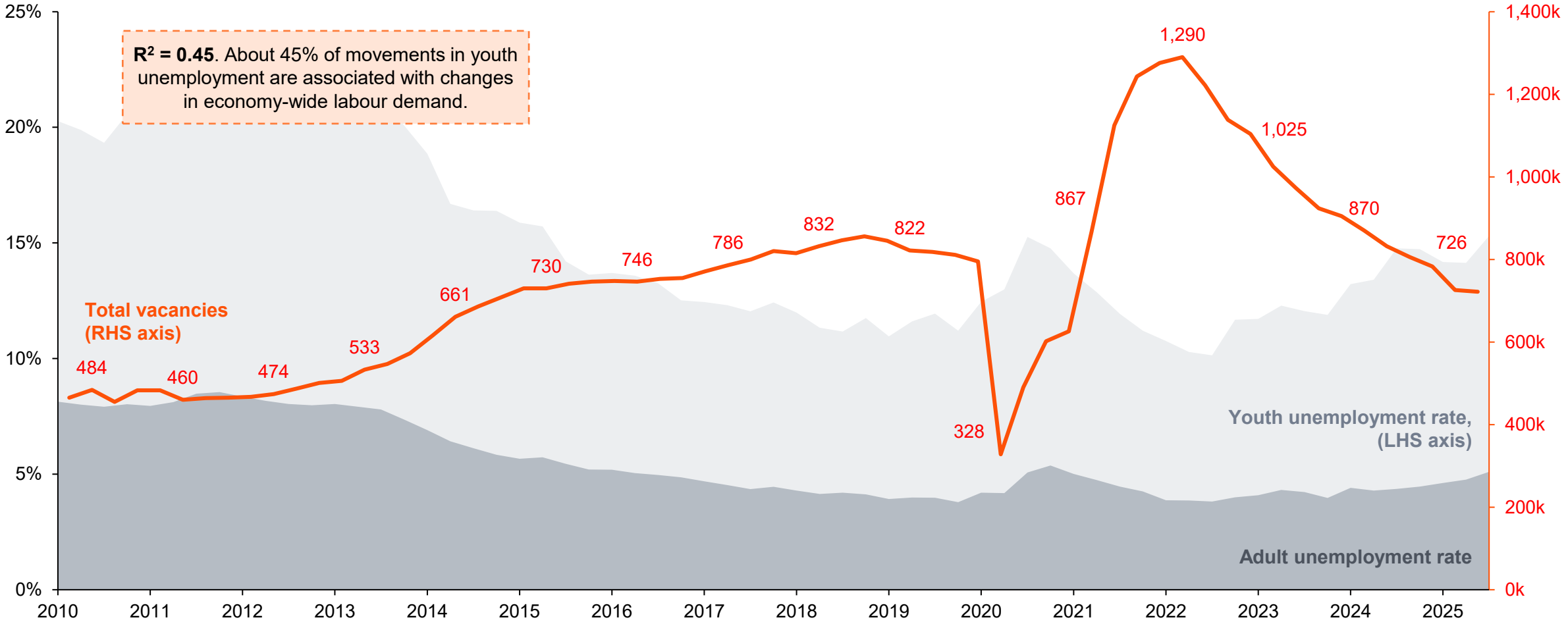
Youth-to-adult unemployment ratio, UK and OECD, 2014 – 2024



 Notes: Quarterly data for adult (25 to 64 year olds) and youth (16 to 24 year olds) unemployment is used to calculate this ratio. | Sources: PwC analysis, OECD, ONS

As the labour market has cooled recently, so too has the youth job market. Youth unemployment typically tracks overall labour demand, and as vacancies have fallen by one-fifth (20%), the youth unemployment rate has risen almost in lockstep (16%).

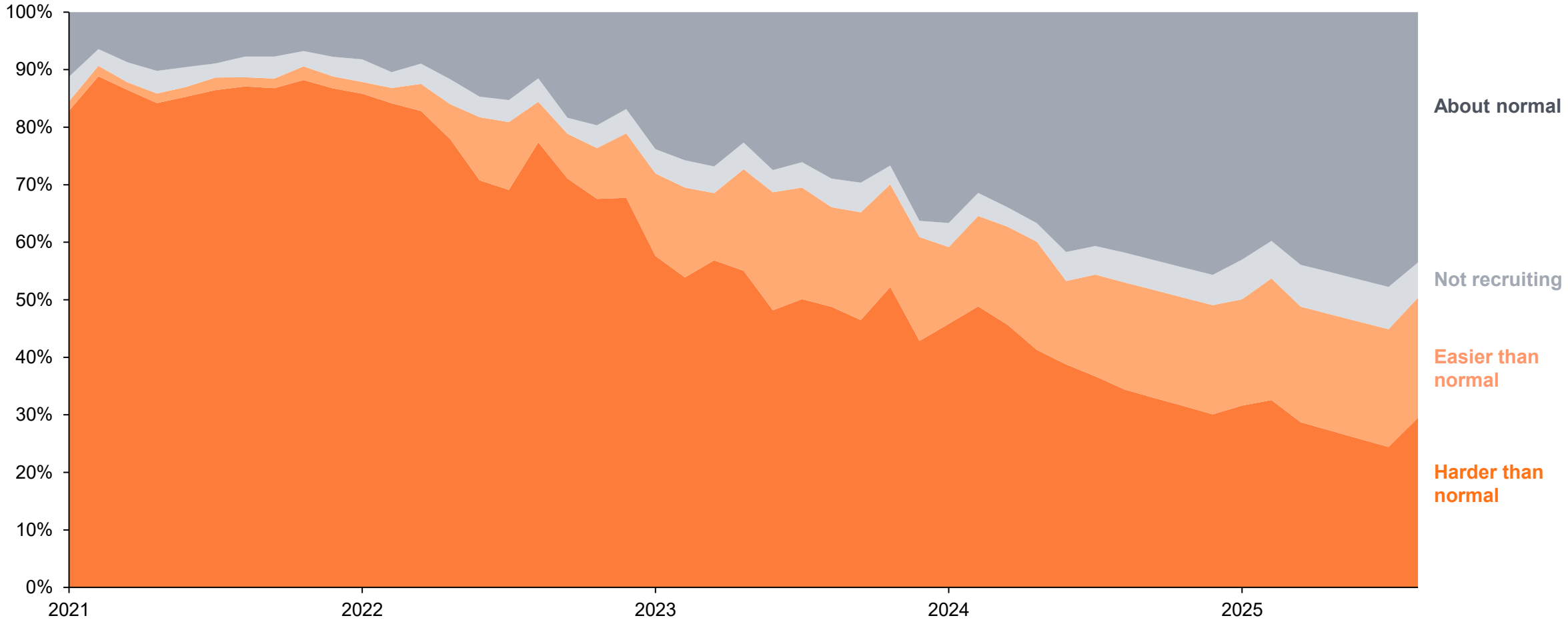
Total vacancies (000s) and youth/adult unemployment rates, UK, 2010 Q1 – 2025 Q3



 Notes: R² is based on a univariate regression of youth unemployment on total vacancies, capturing the share of variation in youth unemployment associated with changes in overall labour demand. | Sources: PwC analysis, OECD, ONS

For businesses, this means the challenge is shifting: as recruitment pressures ease and more young people are looking for work, success depends less on just filling vacancies and more on finding and developing the right talent.

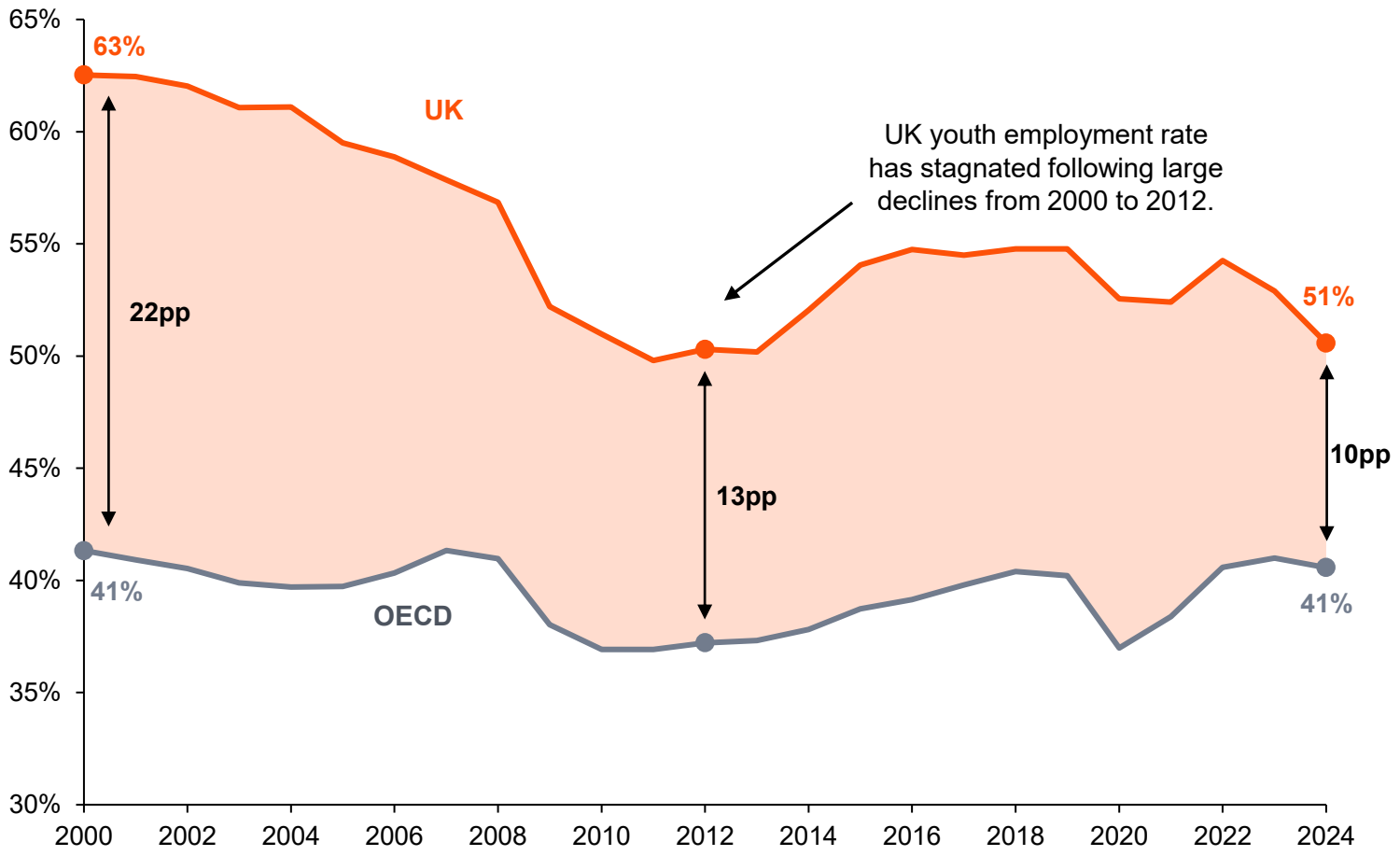
Level of difficulty in recruiting new employees, compared to normal, October 2021 – August 2025



Notes: Missing data for some months in 2024 and 2025 have been estimated using the average monthly percentage point change. Data covers the period from October 2021 to August 2025.
Sources: PwC analysis, Bank of England Decision Maker Panel

2. Peers gaining ground: The UK's youth employment rate has stagnated while other OECD economies have continued to improve.

UK and OECD youth employment rate, 2000 – 2024

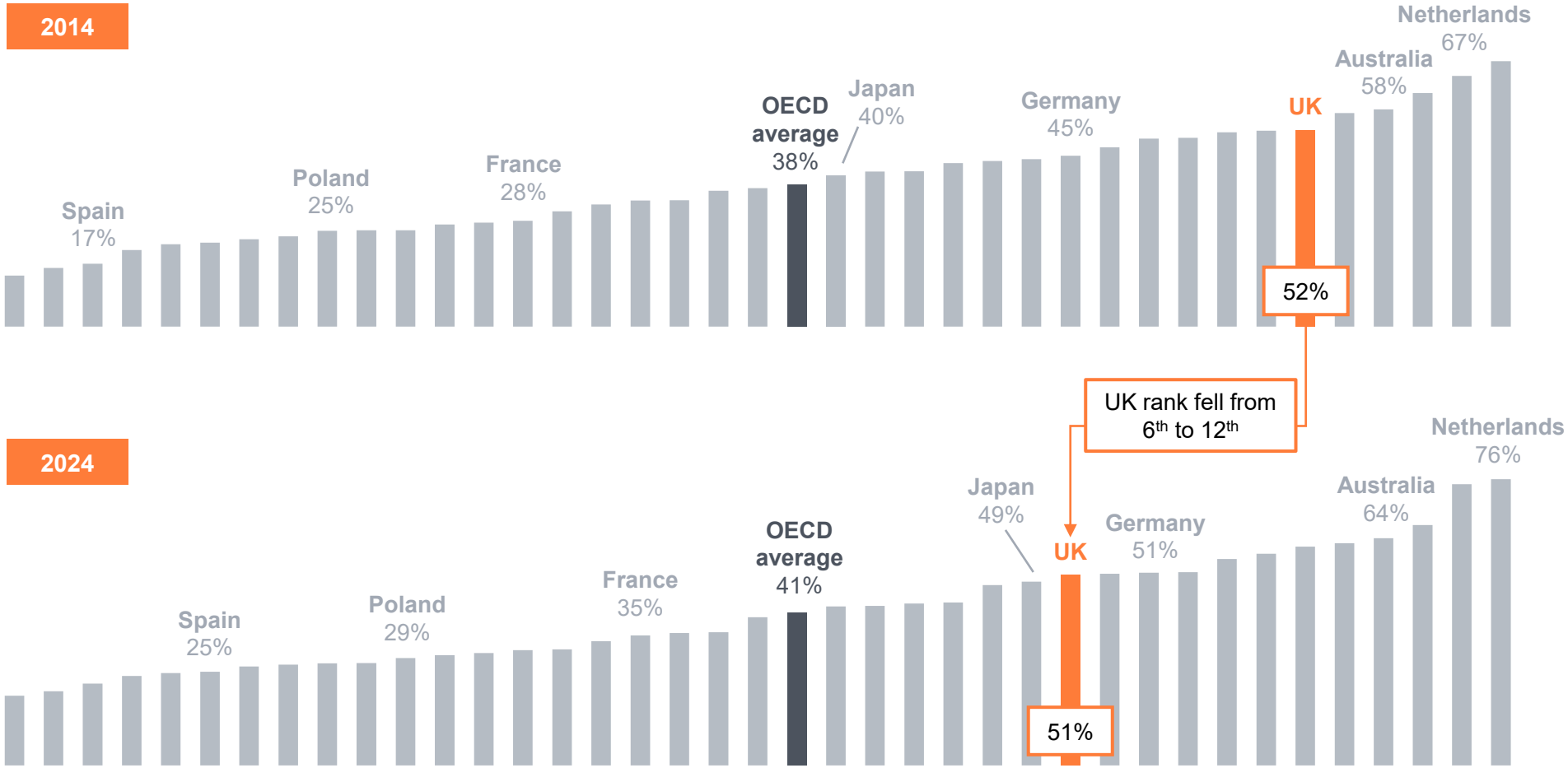


Key points

- The UK's youth employment rate has fallen to a 10-year low of 51%, while peer economies have gained ground, with average OECD youth employment rising by 3 percentage points over the past decade to 41%. Despite this, the UK still ranks in the top third of OECD economies for youth employment.
- However, set against improvements elsewhere, the UK has dropped six places in the OECD rankings for youth employment since 2014. Peer economies such as France have made significant progress, increasing youth employment by 7 percentage points over the same period.
- Highly skilled sectors, such as business services and IT, have grown strongly but employ relatively few young people, compared to sectors such as retail and hospitality. As a result, the benefits of sectoral growth have not translated into stronger job prospects for younger workers.

The UK's youth employment rate remains above the OECD average, but other countries have closed the gap over the past decade. Had the UK matched Australia's rate of improvement, around half a million more young people would be in work today.

Youth employment rates across OECD countries, 2014 vs 2024



The 'size of the prize'

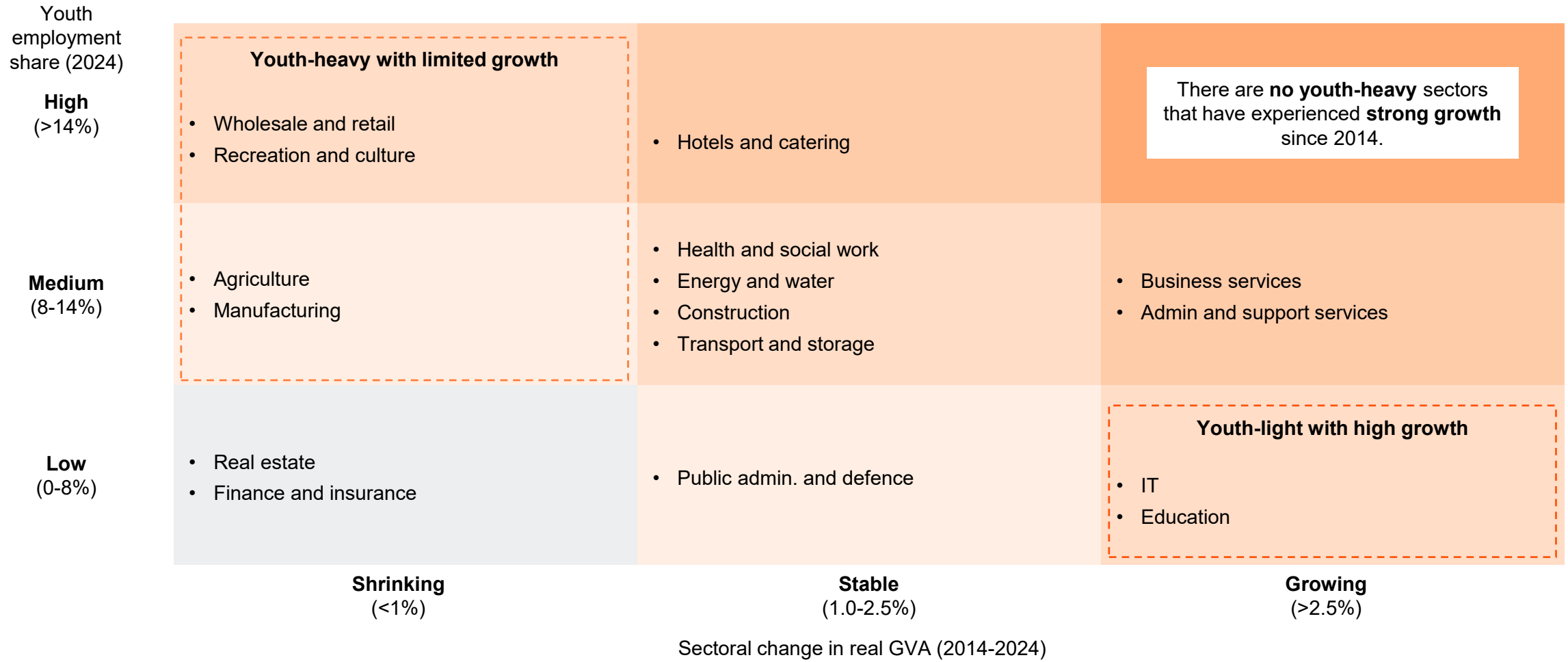
Several countries have improved their youth employment rates over the past decade, including Germany, Australia, and the Netherlands.

If the UK's youth employment rate had risen at a similar pace to Australia's since 2014, around 450,000 more young people would be in work today. A ballpark analysis based on average productivity levels suggests this could have added roughly £16 billion to GDP in 2024.

 Notes: To calculate a ballpark static estimate for the 'size of the prize', UK output per worker in 2024 is used, and 50% scale rate assumed for a young worker. | Sources: PwC analysis, OECD, ONS

Growth over the past decade has been led by higher-value sectors that employ few young workers, while traditional youth-heavy sectors like retail and manufacturing have seen limited growth.

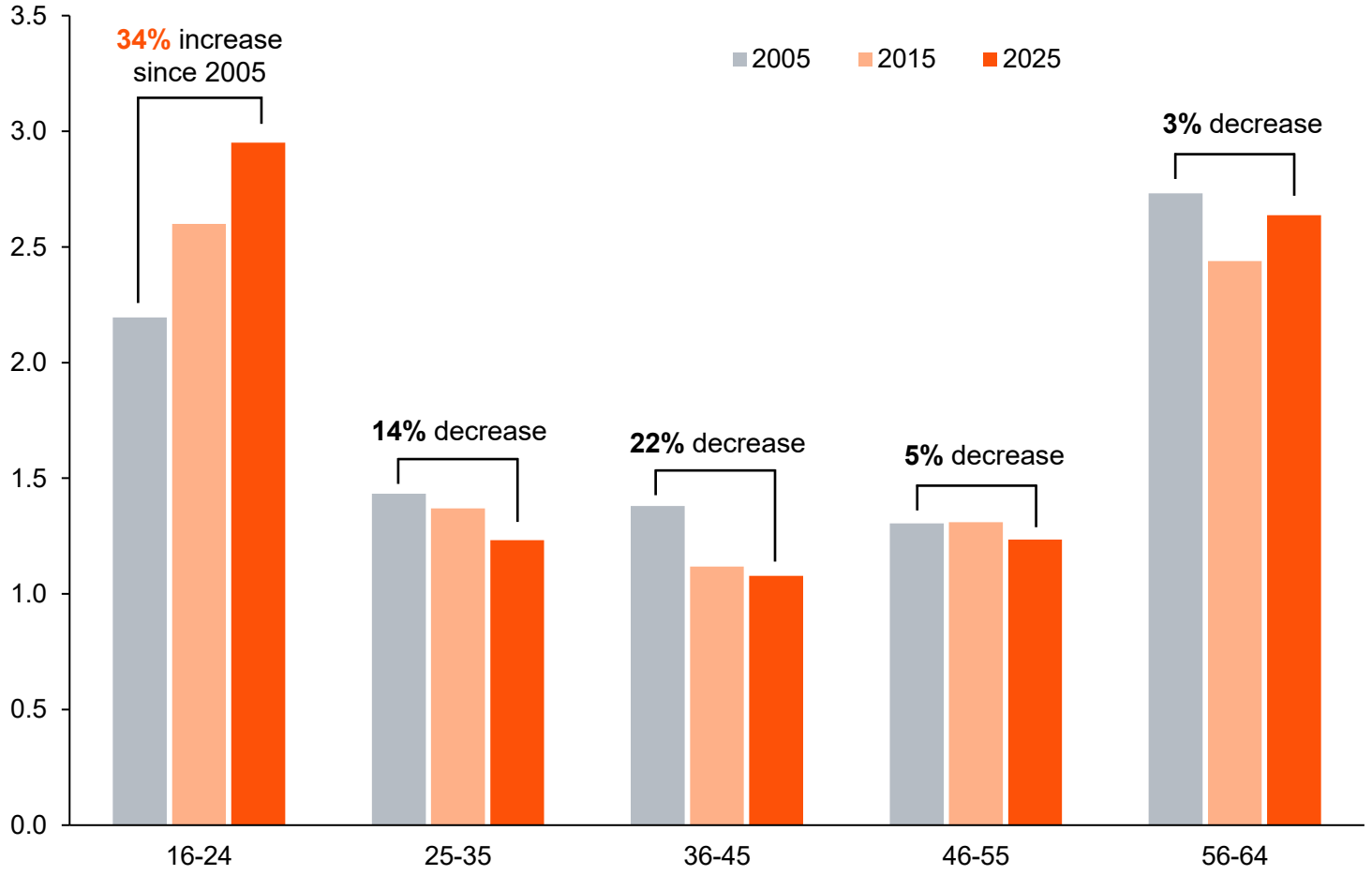
Annual average sectoral change in real GVA (2014–2024) vs youth employment share (2024)



Sources: PwC analysis, ONS Labour Force Survey, ONS GVA by industry

3. Rising inactivity: A growing share of young people are inactive, driven by more students remaining in education and an increase in long-term sickness.

Economically inactive by age group (millions), 2005, 2015 and 2025



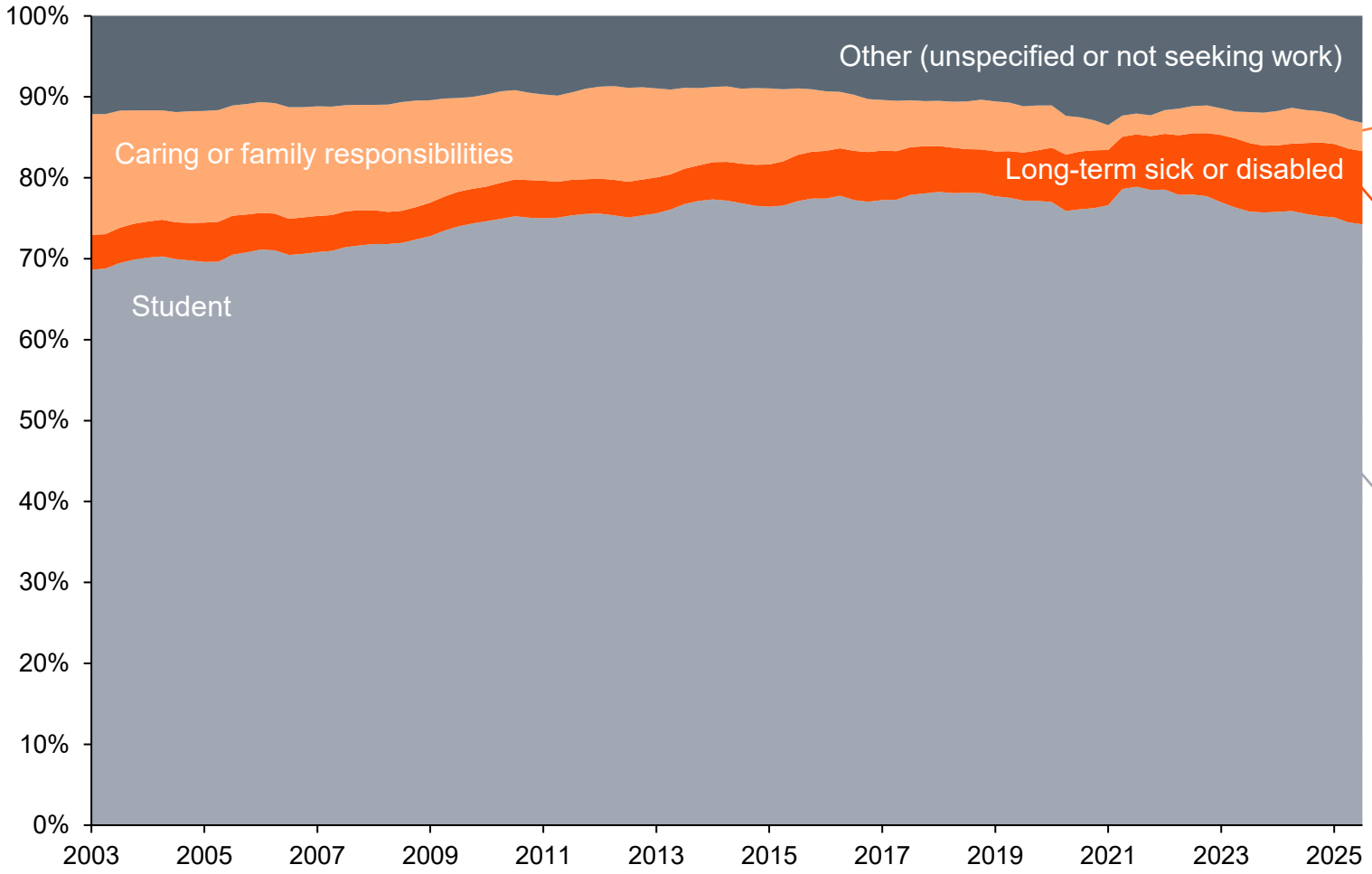
Key points

- The number of economically inactive young people has risen to 3 million, a 34% increase over the past two decades. This contrasts with the wider working-age population, where inactivity has declined. Around two-thirds of inactive young people are students, while a further 270,000 are inactive due to long-term sickness,100,000 more than in 2019.
- Part-time work remains an important entry point into the labour market, with 35% of young people working part-time in 2024. However, the UK lags behind other OECD economies, such as the Netherlands, where 68% of young people work part-time.
- The share of young people not in education, employment or training (NEET) has reached its highest level in a decade. If the UK government was successful in reducing regional disparities, we estimate that UK GDP could rise by £13-26 billion, depending on the extent of the improvement.

 Notes: Data use a four-quarter rolling average to minimise variation due to quarterly LFS sample sizes. Figures for 2025 represent the average of Q1-Q3. | Sources: PwC analysis, ONS Labour Force Survey

Rising long-term sickness has driven recent increases in youth inactivity, while over the longer term more young people have moved into education. The one countervailing trend is that fewer have become inactive due to caring responsibilities.

Reasons for youth inactivity as a share of the economically inactive youth population, 2003 Q1 – 2025 Q3



Reduced caring responsibilities

Far fewer young people are inactive due to family or caring roles. We expect this is because longer participation in education beyond age 16 means more are classified as students instead.

Increased rates of long-term sickness

Long-term sickness has tripled since 2003, becoming a key driver of youth inactivity. Mental health is a significant driver with 26% of young people reporting common mental health conditions in 2024 compared to 19% in 2014.

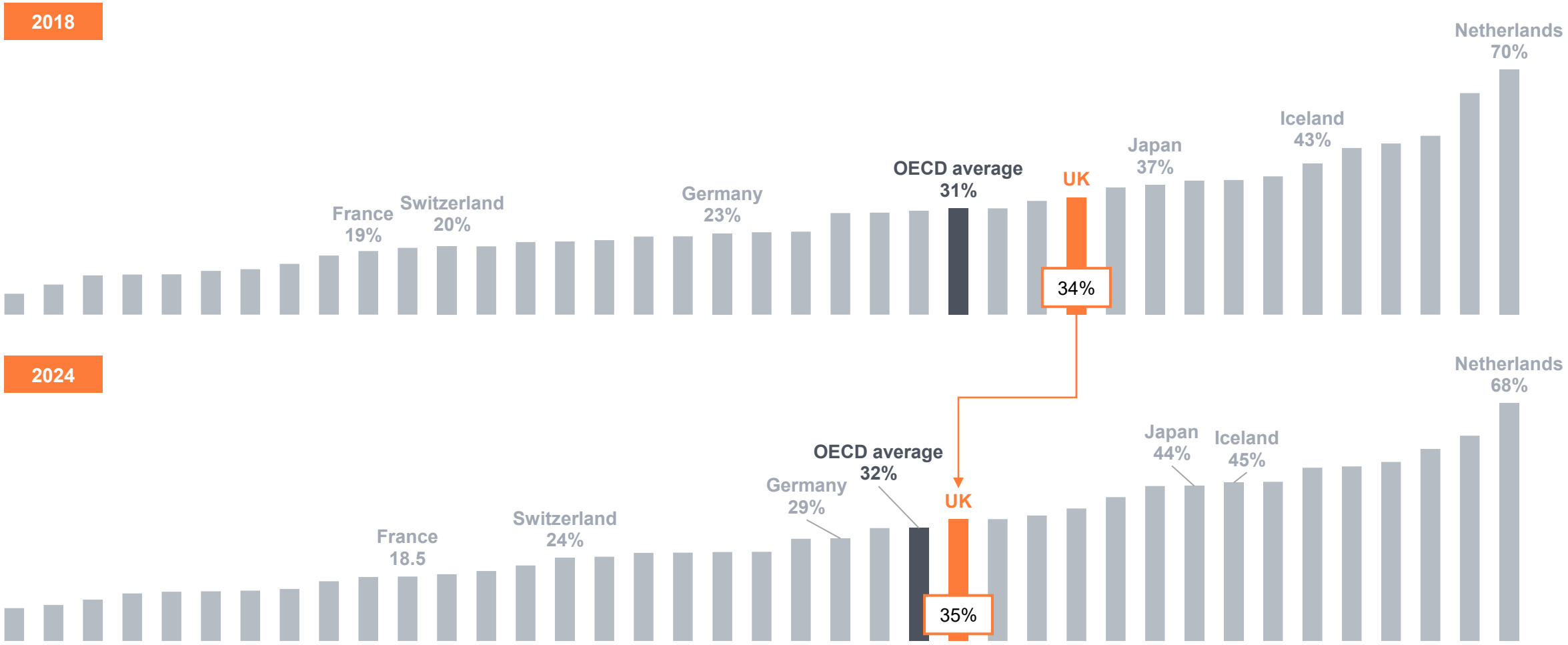
Larger pool of students

Student numbers have increased significantly in the past 20 years, with far greater numbers remaining in education longer. Additionally, the number of overseas students at UK universities has doubled since 2003.

 Notes: Data use a four-quarter rolling average to minimise variation due to quarterly LFS sample sizes. | Sources: PwC analysis, ONS Labour Force Survey, HESA, NHS England

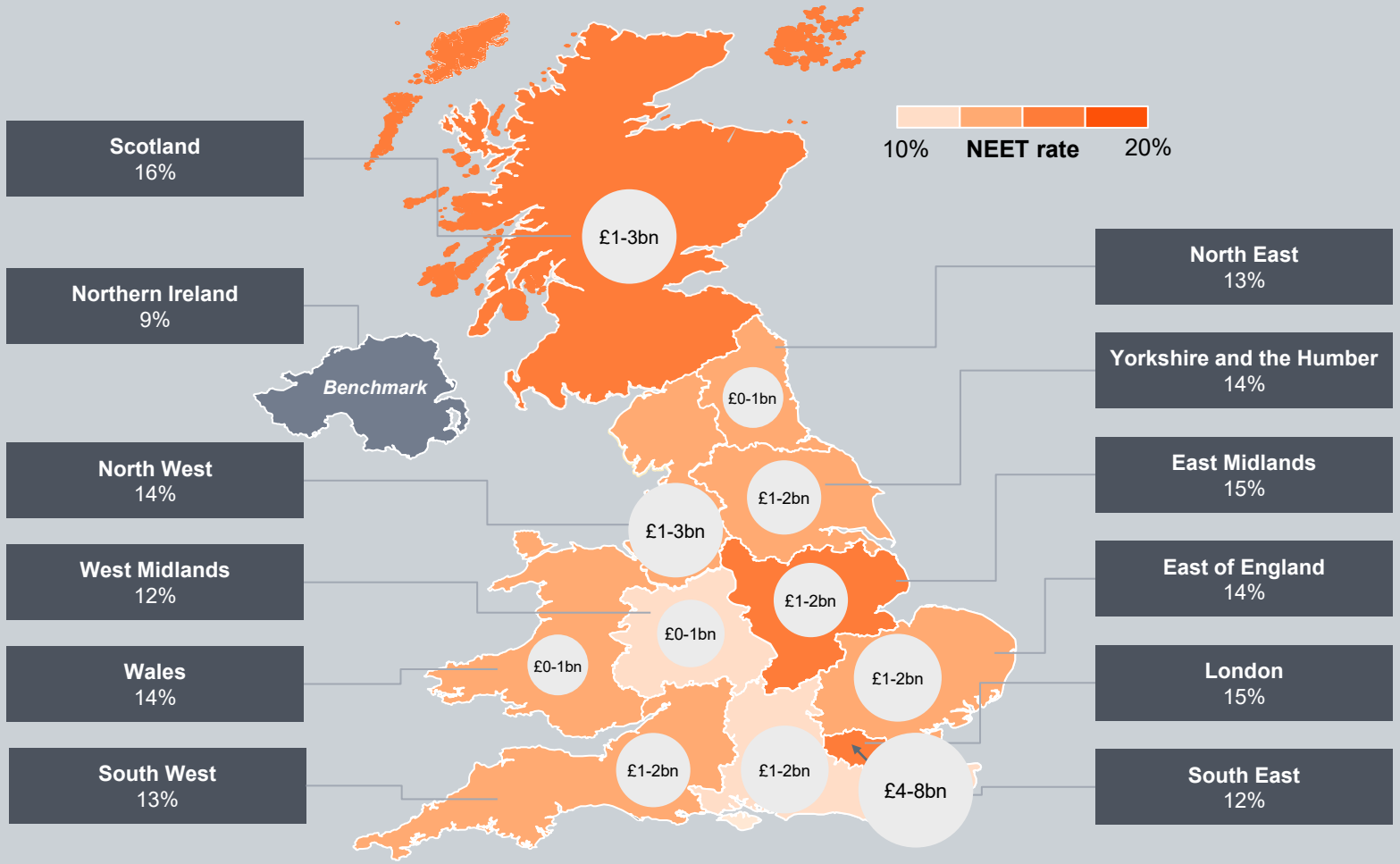
Other OECD economies appear to be offering more flexible employment opportunities for young people, supporting higher rates of part-time work. The UK remains above the OECD average but has lost ground to the other advanced economies.

Part-time employment among young people by OECD country, 2018 vs 2024, select economies highlighted



Box A: With 1 in 8 young people now classified as NEET, reducing regional disparities in youth employment could boost GDP by around £13-26 billion. The largest potential gains are in London and the North West, where rates remain well above the national benchmark.

NEET rate by UK region in 2024, and annual economic gain from reducing the NEET rate to match Northern Ireland's, £bn



High levels of young people out of the labour force prompts new government focus

The proportion of young people not in education, employment or training (NEET) has been rising since the pandemic. Around one in eight young people across the UK are now classified as NEET, the highest rate in a decade. In response, the government has made getting young people back into work a key priority. Its new Youth Guarantee will offer any young person who has been on Universal Credit for 18 months a guaranteed paid work placement to help them transition into the labour market.

Reducing regional disparities could boost UK GDP by around £13–26 billion

Northern Ireland has seen the most success in reducing NEET rates, with the rate falling from 12% to 9%, from 2021 to 2024. If other regions were able to narrow the gap with Northern Ireland, we estimate that UK GDP could increase by around £13-26 billion, depending on the extent of the improvement. The largest gains would be in London and Scotland, reflecting the higher absolute number of young people classified as NEET in these regions.

Notes: The estimated £13-26 billion economic boost is an illustrative figure, which assumes that around 50–100% of the gap in youth NEET rates with Northern Ireland is closed and that young workers are as productive as the average worker in their region. In practice, the impact may be smaller, as young people typically have lower average productivity than the wider workforce. | Sources: PwC analysis, ONS, StatsWales, Scottish Government, NISRA

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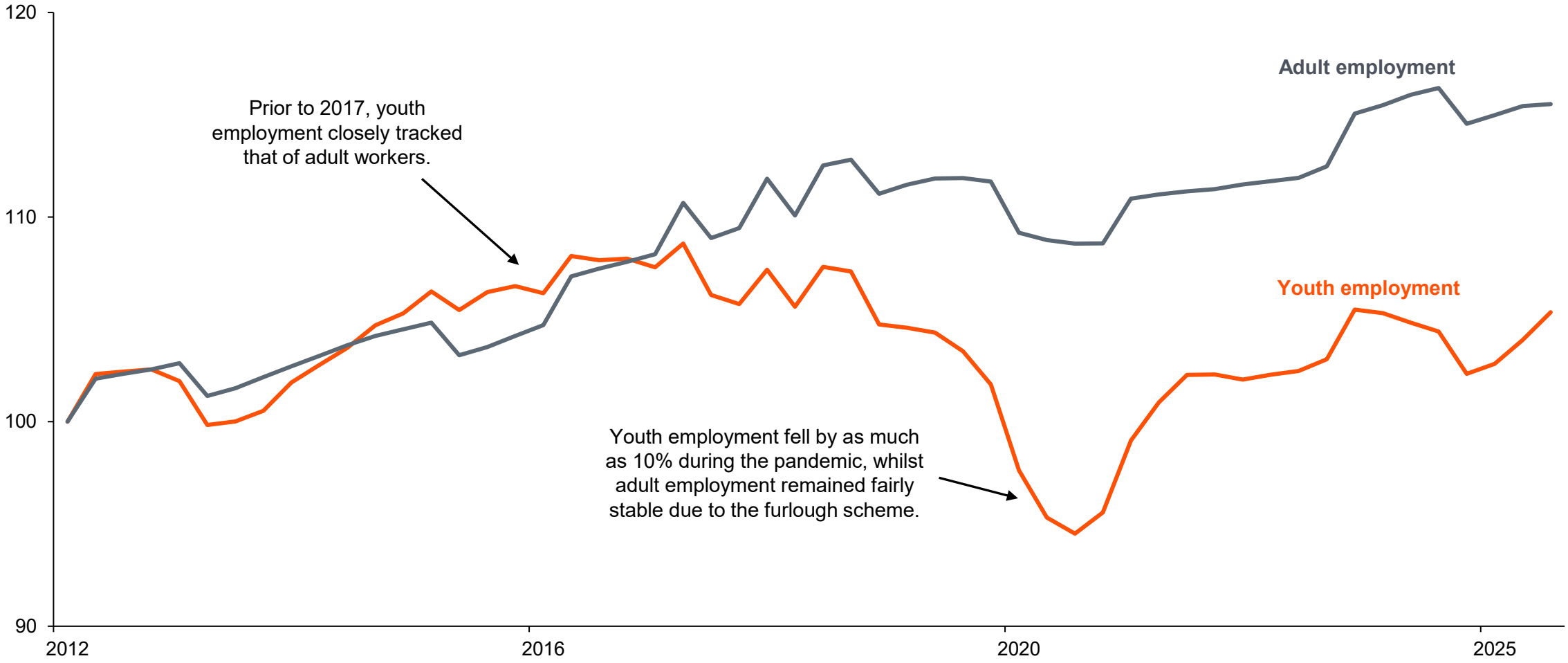
Topic in Focus

Is the rise in Artificial Intelligence leading to the displacement of young workers?

Whilst adult workers have seen consistent employment growth since 2012, young workers experienced large layoffs during the pandemic and employment in 2025 remains below 2019 levels

UK employment for young and adult workers, indexed (2012 = 100), 2012 Q1 – 2025 Q3



 Notes: As stated by the ONS, there are declining response rates to the LFS. We therefore use a four-quarter rolling average to minimise variation due to sample sizes. | Sources: PwC analysis, ONS Labour Force Survey

Does AI adoption explain the rise in youth unemployment? Our modelling finds no statistically significant relationship between the two. Instead, weaker business sentiment and softer labour demand are likely driving poorer outcomes for young people.

Summary of econometric analysis

Motivation and methodology

Since the start of 2022, the UK youth unemployment rate has risen from 10% to 14%, the sharpest increase among the G7. To explore the drivers of this trend, and to test whether increased AI uptake has played a role, we estimate an Ordinary Least Squares (OLS) regression using quarterly UK data from 2002 Q1 to 2025 Q2. The annual percentage change in youth unemployment is used as the dependent variable. The model includes a range of labour market and structural indicators, listed in the table to the right, with particular attention to AI adoption (which we proxy with a measure of demand for AI skills), business sentiment and long-term sickness as key variables of interest. This analysis seeks to identify associative relationships between the variables and is not casual analysis.

Findings

The key relationships identified are:

- **AI adoption:** The coefficient is negative but not statistically significant, suggesting no clear evidence that AI uptake has yet influenced youth unemployment overall. That said, pressures may still be emerging within the most exposed sectors (see later in this section).
- **Business sentiment and vacancies:** Both are statistically significant and negatively associated with youth unemployment, indicating that hiring confidence and demand could be the dominant forces behind recent trends.
- **Long-term sickness:** The coefficient is positive but not statistically significant, implying limited explanatory power once broader labour market factors are accounted for.

Overall, the results imply that the recent rise in youth unemployment is more likely to reflect broader cyclical labour market pressures rather than increased AI adoption at this stage, with around 66% of the variation in youth unemployment over time explained by the model. The following slides examine these drivers in more detail, starting with economy-wide factors.

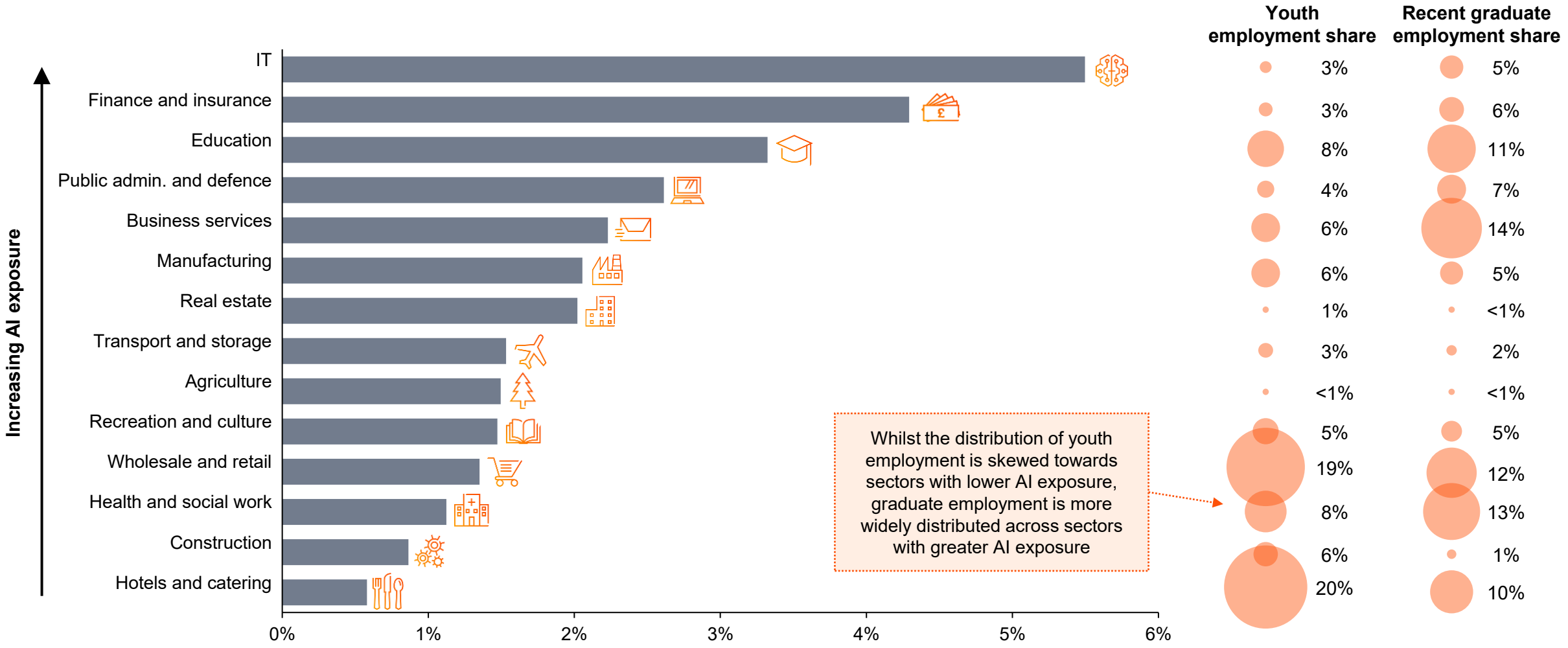
Driver of youth unemployment	Coefficient of regression
Business sentiment (lagged four quarters)*	−
Economy-wide vacancies (lagged two quarters)*	−
Long-term sickness	+
AI adoption proxy	−
Post-global financial crisis dummy*	−
Covid lockdown dummy*	+

* We find that these variables are statistically significant at the 5% level.

 Notes: AI adoption proxy variable is taken from PwC AI Jobs Barometer 2025. | Sources: PwC analysis, ONS Labour Force Survey, PwC AI Jobs Barometer

The absence of a strong link between AI and total youth unemployment likely reflects the fact that many young people work in lower AI-exposure sectors like retail and hospitality. However, we expect young graduates are more exposed to AI-driven change.

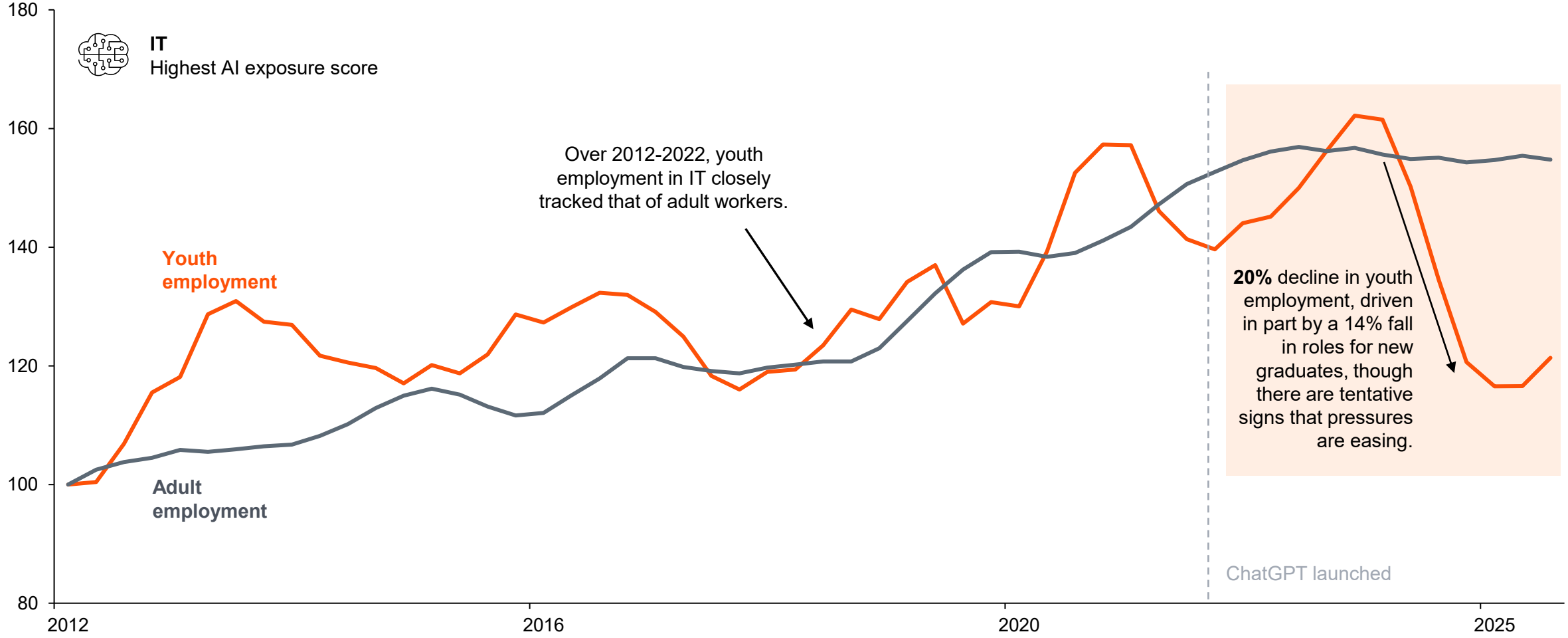
Share of jobs in each sector requiring AI-related skills, 2024, and youth/graduate employment shares, 2025



PwC Notes: AI exposure by sector taken from PwC AI Jobs Barometer 2025. Recent graduate defined as a person with a degree-level or equivalent education who left education within the past two years. Figures for 2025 represent the average of Q1-Q3. | Sources: PwC analysis, ONS Labour Force Survey

In IT, the sector with the highest AI exposure, early evidence suggests that AI adoption may be reducing entry-level roles. Over the past year, youth employment has fallen by one-fifth (20%) as graduate roles have declined, while adult employment has remained stable.

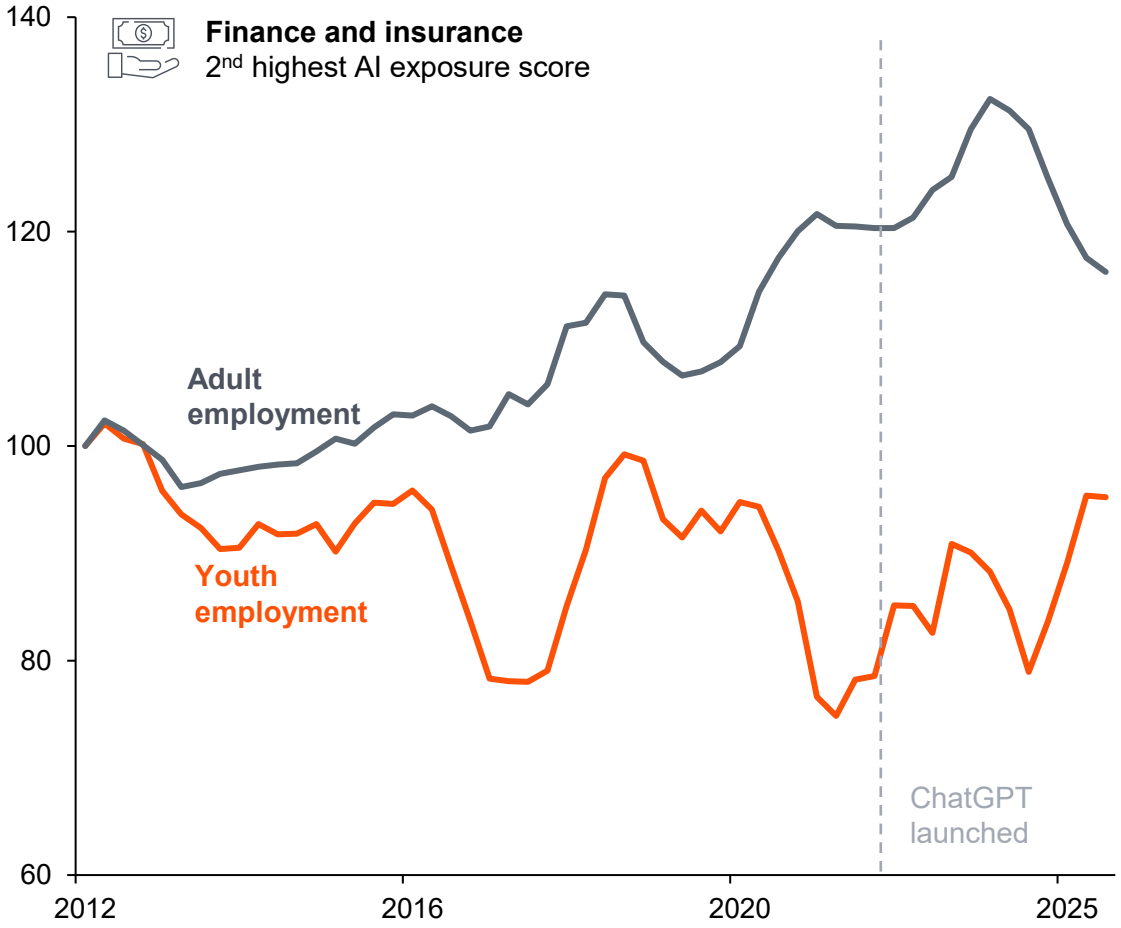
IT sector employment for young and adult workers, indexed (2012 = 100), 2012 Q1 – 2025 Q3

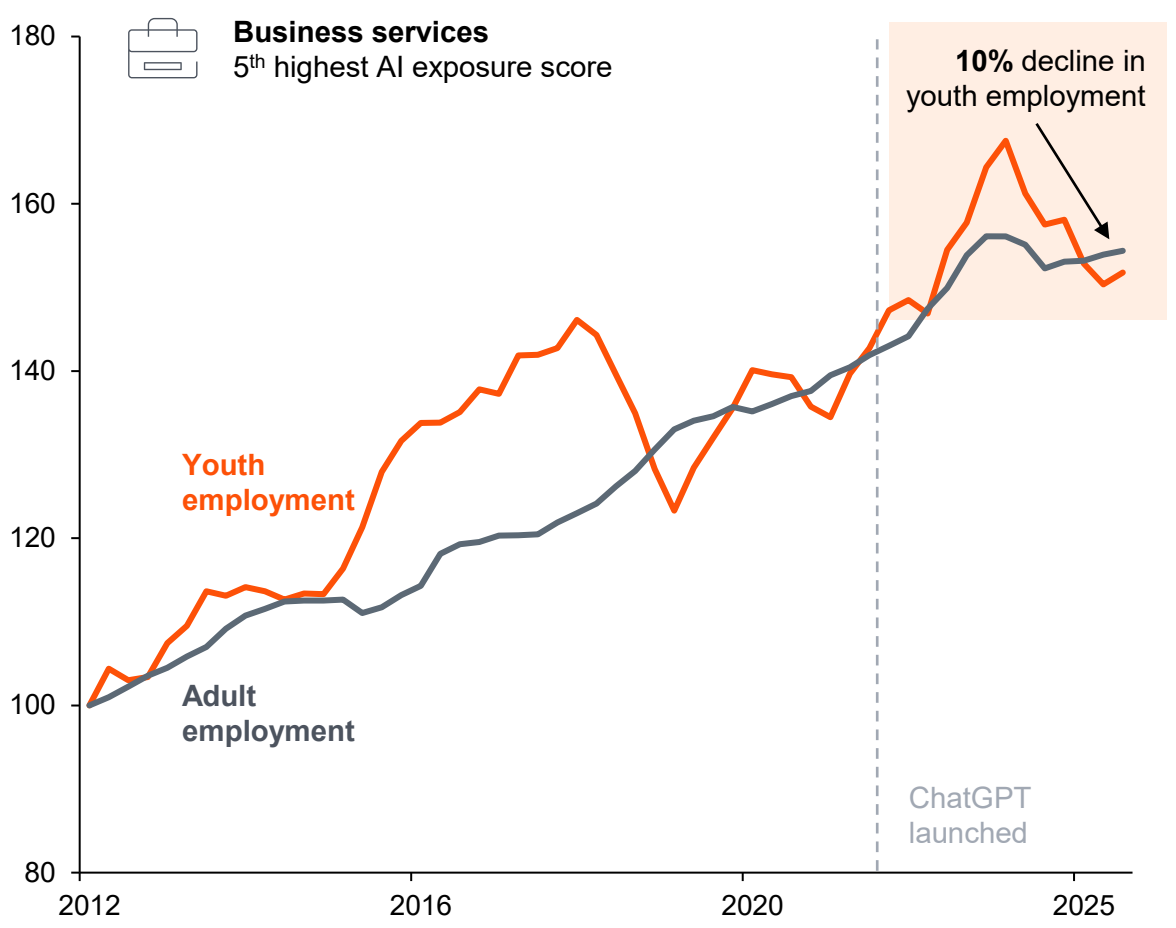


Notes: As stated by the ONS, there are declining response rates to the LFS. We therefore use a four-quarter rolling average to minimise variation due to sample sizes. Sample sizes are small as we are analysing specific sectors and age groups and results for youth employment should therefore be interpreted with caution. There is an average of 384 respondents per four-quarter sample for youth employment in the IT sector. | Sources: PwC analysis, ONS Labour Force Survey

In other highly AI-exposed private-sector industries, we find less evidence that AI is directly affecting youth employment. There are early signs of a recent decline in youth employment in business services, but this may also reflect other sector-specific factors.

Youth and adult employment in select AI-exposed sectors, indexed (2012 = 100), 2012 Q1 – 2025 Q3

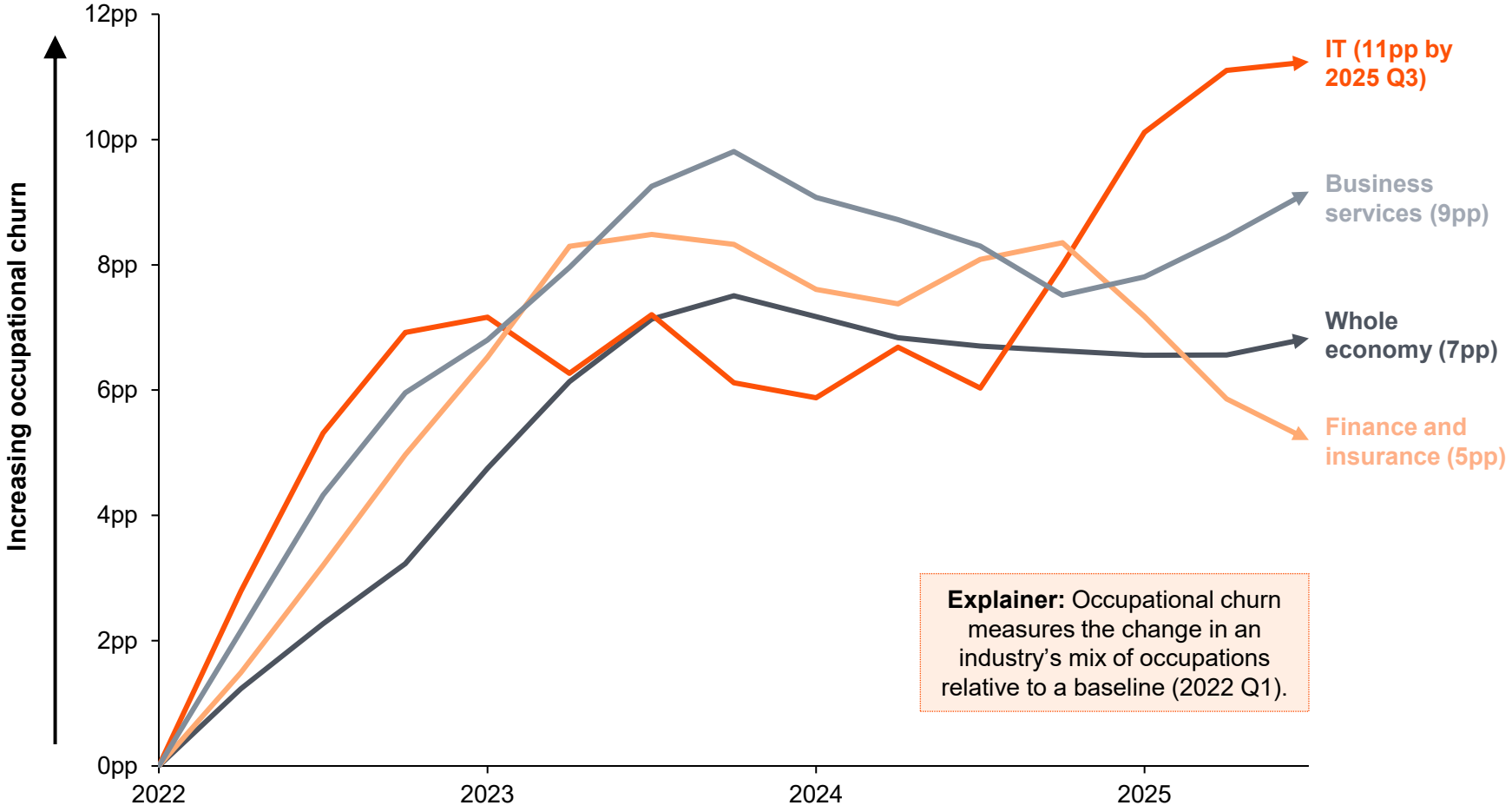




Notes: As stated by the ONS, there are declining response rates to the LFS. We therefore use a four-quarter rolling average to minimise variation due to sample sizes. Sample sizes are small as we are analysing specific sectors and age groups and results for youth employment should therefore be interpreted with caution. There is an average of 396 and 708 respondents per four-quarter sample for the Finance and insurance and Business services sectors, respectively. | Sources: PwC analysis, ONS Labour Force Survey

Within these sectors, we see greater shifts in occupational composition than across the economy as a whole. This higher churn likely reflects ongoing structural change, including potentially a decline in entry-level roles.

Occupational churn by industry, 2022 Q1 to 2025 Q3



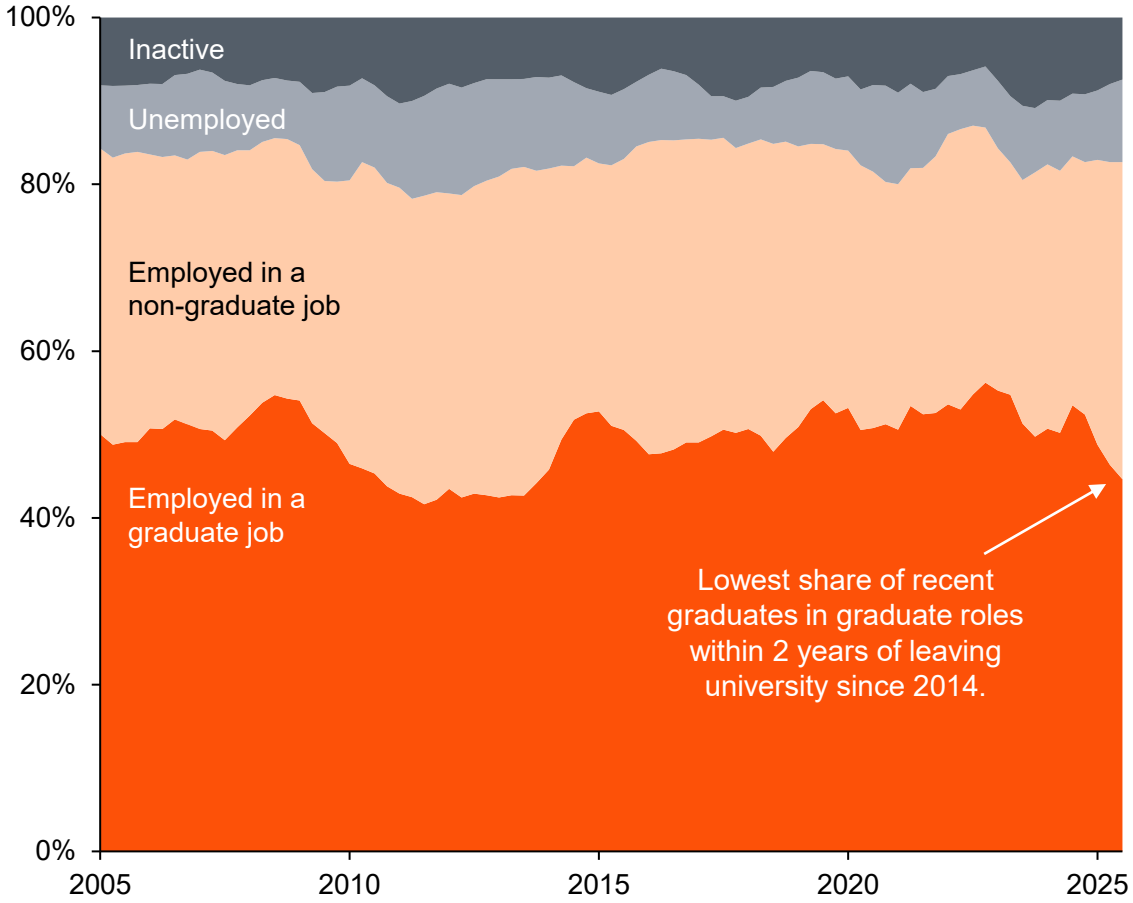
IT sector has seen significant occupational churn in recent years

- Since 2022 Q1, the IT sector has experienced greater occupational change than the two other highly skilled services sectors and the economy as a whole.
- Churn in the IT sector has accelerated since 2024 Q3, rising by around 5 percentage points, which closely aligns with the timing of the recent fall in youth employment.
- Given the IT sector's high AI exposure score (see page 22), this may suggest that automation is replacing more entry-level roles. However, it is worth noting that high levels of occupational churn are typical for the sector.

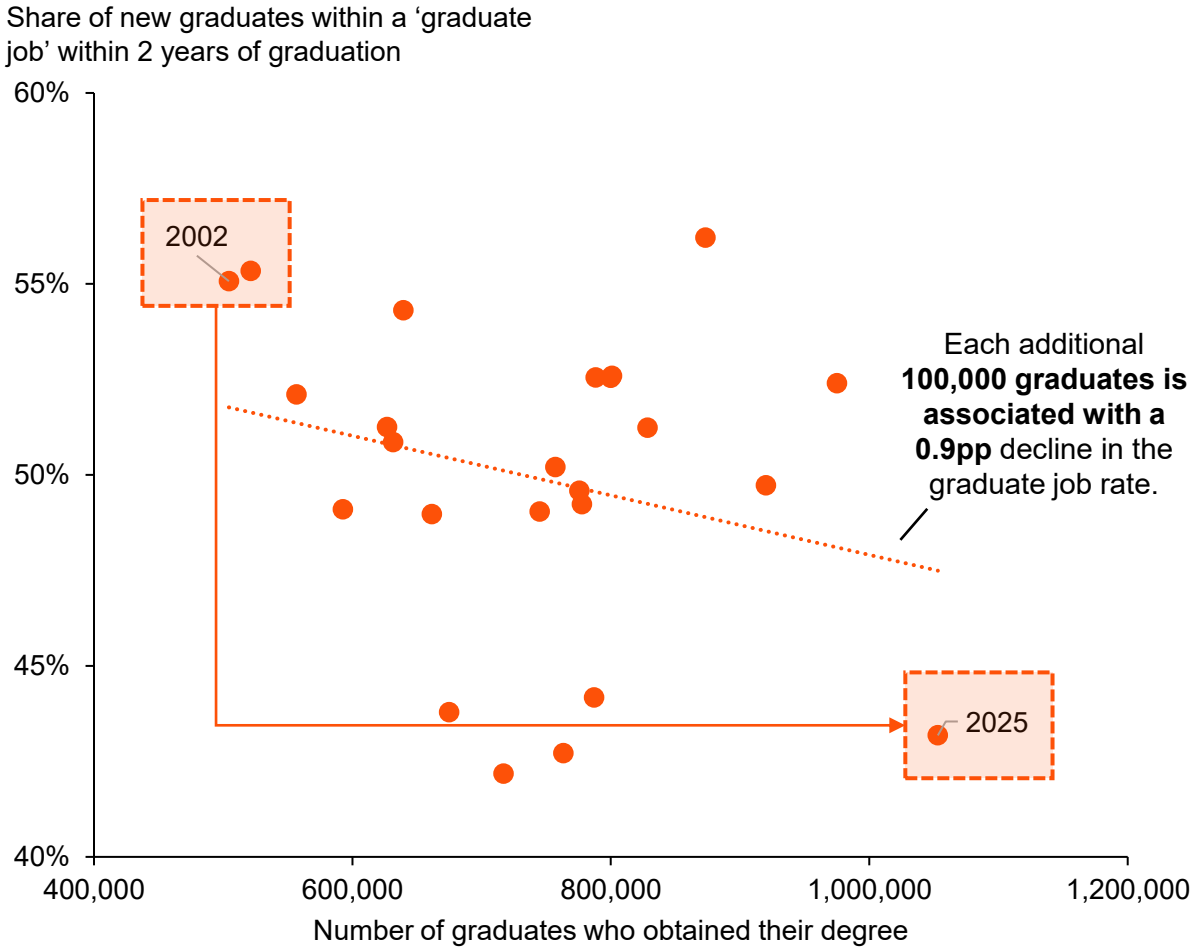
 Notes: Occupational churn measures how much an industry's mix of occupations has shifted relative to the baseline (2022 Q1). For each quarter, we calculate the percentage point change in each occupation's employment share from the baseline and sum the absolute changes across all occupations. | Sources: PwC analysis, ONS Labour Force Survey

Rising AI adoption risks accelerating a longer-term deterioration in graduate employment outcomes. The share of recent graduates in 'graduate jobs' has fallen to its lowest level since 2014, indicating the labour market's capacity to absorb new entrants is weakening.

UK recent graduates by economic activity, 2005 Q1 – 2025 Q3



UK recent graduate job rate vs total graduate numbers, 2002 – 2025



Notes: Graduates are defined as individuals who have obtained a degree-level or equivalent qualification who left education within the past two years. Graduate jobs are defined as occupations with SOC2020 codes 1–3, all others defined as non-graduate jobs. Data is a four-quarter rolling average to minimise variation due to LFS sample sizes, with graduates averaging 1,104 respondents per four-quarter sample. Number of graduates who obtained their degree is lagged by one year. | Sources: PwC analysis, ONS Labour Force Survey, HESA

3

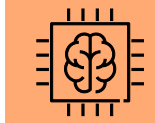
Conclusion

What do our key findings mean for our clients?

Implications of our key findings for businesses

Youth unemployment spike driven by wider labour market cooling

- The UK has fallen to 27th place in this year's Index, reflecting a rise in both youth unemployment and inactivity.
- This increase mirrors a broader slowdown across the UK labour market. As vacancies have dropped by around one-fifth, youth unemployment has risen almost in lockstep.
- The deterioration has been sharper for young people than for older workers. The youth-to-adult unemployment ratio is now at its highest level on record.



Too early to assess AI's full impact, but signs of strain are emerging

- Our modelling finds no statistically significant relationship between AI adoption and youth unemployment, likely because young people tend to work in sectors with lower AI exposure, such as retail and hospitality.
- However, early signs of impact are emerging in AI-intensive sectors. In Information and Communication, youth employment has fallen by around one-fifth over the past year, largely due to fewer graduate roles, while adult employment has remained broadly stable.

Tackling youth inactivity could deliver major economic gains

- Around 3 million young people are now economically inactive, nearly 40% more than a decade ago, representing the highest proportion of any working-age group. A growing share are not in education, employment or training (NEET).
- In response, the government has prioritised efforts to help young people back into work. Addressing regional disparities in NEET rates could boost UK GDP by £13-26bn, with the largest gains in London and Scotland.

What does this mean for businesses?

The labour market our clients face today has changed significantly over the past few years. Recruitment pressures have eased, with less than one in three businesses now reporting recruitment difficulties are higher than normal, compared with almost nine in ten at the height of labour market shortages. Yet a growing cohort of skilled young people are looking for opportunities to grow their skillsets and build their careers. For businesses, the challenge is shifting: it's less about filling vacancies, and more about identifying and developing the talent needed to meet the demands of a changing workplace.

4

Annex

Our annual update of the PwC Youth Employment Index explores youth employment trends across advanced economies with a focus on the UK

What is the PwC Youth Employment Index?

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

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

Data from the OECD has been used as it is internationally comparable and updated annually. In this report, we present the latest Index update using 2024 (or the latest) data. Our Index typically includes a one-year lag due to delays in the availability of annual data from the OECD.

Themes and indicators used to generate the Youth Employment Index

Theme 1: Labour market participation

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

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

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

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

Theme 2: Quality of work

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

Theme 3: Inactivity

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

Theme 4: Future productivity

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

Youth Employment Index Results 2025

Rank							Index					
2006	2010	2014	2018	2023	2024		2006	2010	2014	2018	2023	2024
2	1	2	2	2	1	Switzerland	67	70	70	72	69	70
3	4	1	1	3	2	Iceland	66	62	71	73	69	70
5	2	4	3	1	3	Netherlands	65	66	64	69	71	69
13	3	3	5	4	4	Germany	58	63	65	63	68	68
14	8	7	4	6	5	Japan	58	57	60	65	63	64
8	7	8	15	5	6	Australia	61	59	58	58	63	61
6	5	5	8	7	7	Austria	62	61	62	61	62	61
4	25	24	22	11	8	Ireland	65	39	44	54	60	60
19	10	22	6	8	9	Slovenia	54	55	46	62	61	59
7	6	6	13	14	10	Norway	62	59	61	58	59	59
1	9	10	17	10	11	Denmark	68	57	55	58	60	58
12	14	14	10	12	12	United States	59	50	54	60	59	58
11	29	9	7	9	13	Latvia	60	37	56	61	60	58
17	16	18	20	15	14	Finland	55	49	51	55	57	54
18	13	17	27	16	15	Korea	54	50	52	50	56	54
29	15	23	19	24	16	Poland	41	49	44	55	51	54
20	12	15	12	19	17	Czech Republic	51	51	53	59	54	53
9	23	16	11	13	18	Lithuania	60	40	52	59	59	53
10	11	12	14	18	19	Canada	60	55	54	58	56	53
38	35	19	23	20	20	Israel	23	29	51	53	54	52
16	17	13	18	17	21	New Zealand	55	48	54	56	56	52
24	18	20	16	21	22	Sweden	46	47	51	58	53	51
15	24	11	9	26	23	Estonia	58	39	54	60	50	51
27	26	29	31	22	24	France	42	39	41	45	53	51
28	30	26	26	25	25	Belgium	41	37	42	50	50	48
31	27	28	30	29	26	Mexico	39	39	41	46	47	47
22	21	21	21	23	27	United Kingdom	50	43	46	54	53	46
37	37	31	33	31	28	Turkey	24	27	36	38	43	46
25	22	25	24	27	29	Hungary	44	41	42	51	49	45
23	20	34	28	28	30	Portugal	49	45	34	50	49	45
26	19	32	25	30	31	Luxembourg	43	45	36	51	44	45
21	36	36	36	34	32	Spain	51	28	18	35	40	41
32	33	37	37	35	33	Greece	38	34	16	26	37	40
33	28	27	32	32	34	Chile	38	37	42	43	40	40
34	34	33	29	33	35	Slovak Republic	37	31	35	47	40	39
35	38	38	38	37	36	Italy	33	27	8	24	32	37
36	32	30	34	36	37	Colombia	31	35	39	37	36	37
30	31	35	35	38	38	Costa Rica	39	37	34	35	29	32

Youth Employment Index Methodology

Indicators used in the Index

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

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

Calculating the Index

Step 1

Normalise

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

Step 2

Apply positive/negative factor

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

Step 3

Calculate the index scores

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

Step 4

Rescale the Index

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

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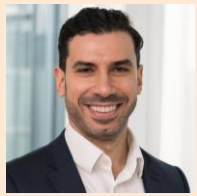

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With additional thanks to Tash Danby, Paige Tao and Cameron Rose for their support with the analysis and production of this update.

About us

Our team of economic consultants and strategists who work alongside a wide range of clients, using economic insights to inform strategic choices, guide the development of policy and assess the impact of major investments and spending decisions. In the boardroom, in front of regulators and with policy makers and decision-makers at large we develop big, distinctive ideas and important insights that are grounded in robust economic analysis.

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