



100% Employment Opportunities for Northern Ireland Care Leavers

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Why was this research commissioned?

This research has been commissioned as part of the Aiming Higher* project. To further build on the work of Aiming Higher, and indeed the work of other Northern Ireland-based projects and initiatives to support care leavers, Business in the Community and Include Youth were keen to explore the feasibility of offering 100% employment opportunities to care leavers here.

This is set in the context that, in Northern Ireland, we have relatively small numbers in question. The research digs deeper into the extent of additional barriers care leavers face, the lack of a 'level playing' field, the positive outcomes achieved to date and the high economic and social cost of care leavers becoming and remaining 'Not in Education, Training or Employment' (NEET).

Executive Summary

Introduction

This research has been undertaken as part of the Aiming Higher project, an employer engagement and mentoring programme funded by the Big Lottery Fund NI. The project, which has operated since January 2013, helps young people aged 16-21 who are in or leaving care move into education, training or employment, and is co-delivered by Business in the Community NI and Include Youth. Aiming Higher has successfully engaged employers across a range of business sectors in a variety of activities to help improve employability skills and positive outcomes for care leavers.

To build on the work of Aiming Higher and other Northern Ireland initiatives to support care leavers, Business in the Community and Include Youth commissioned a report on the feasibility of offering 100% Employment Opportunities to care leavers. This work is particularly important given the extent of the barriers to participation faced by care leavers and the high economic and social cost of care leavers becoming and remaining NEET (not in education, employment or training). The relatively small numbers in question in Northern Ireland and the positive outcomes achieved to date suggest this is both a worthwhile and achievable aspiration.

The purpose of this report is to present the business case for providing care leavers in Northern

Aiming Higher is an exciting employer engagement and mentoring programme that helps young people aged 16-21 who are in or leaving care, move into Education, Training or Employment. It is funded by the Big Lottery Fund and co-delivered by Business in the Community and Include Youth. Running for three years from January 2013 - December 2015, the project has successfully engaged employers across a range of business sectors, in a variety of activities to help improve employability skills and positive outcomes for care leavers.

Ireland with 100% Employment Opportunities. The report argues that a range of short-term and long-term financial costs are associated with young people remaining outside education, employment or training for lengthy periods of time, and that these costs are likely to be significantly greater than the costs of providing employment of suitable quality and duration to each care leaver who would benefit from such an opportunity. The report draws on evidence contained in academic and policy literature from Northern Ireland, the rest of the United Kingdom, and Europe to explore the challenges facing care leavers and young people not in education employment or training (NEET), the risks of specific negative outcomes for these young people, and the methodologies that have been employed to calculate annual and lifetime costs of being NEET. In particular, it examines the size and structure of the care leaver population in Northern Ireland, the outcomes for these young people

including the proportion who become NEET, and the distribution of NEET care leavers and other vulnerable groups across different Health and Social Care Trusts (HSC Trusts).

The report also explores the structure of the Northern Ireland labour market, with particular reference to the number of job vacancies and their suitability for young care leavers, many of whom will lack work experience and educational qualifications. It presents three policy options for creating 100% Employment Opportunities for care leavers, together with estimated costs per young person of providing such opportunities. The report also calculates the financial costs associated with being NEET using two distinct approaches. One adapts research undertaken in England in 2009-10 which estimates the average lifetime cost of NEET young people compared with a young person who has not been NEET. The second approach uses case studies, based on three care leavers who participated in a longitudinal ethnographic

What employers think

There is an appetite amongst the private sector in Northern Ireland to help improve the employability skills of NEETs and the NI population in general. Employers are keen to ensure access to a future skilled workforce to ensure sustainable growth. Many companies also consider it an important aspect of their Corporate Responsibility and view it as an opportunity to develop their own staff through mentoring and sharing skills. Many organisations delivering support programmes for NEETs will have developed a bank of employer connections and rely on them to deliver employer-led CV clinics, mentoring programmes, workplace visits and work placements to improve work readiness. The Citywide Employers' Forum, which supports the long-term unemployed move into work, is another such example. This research proposes to go a step further than pre-employment support, to explore how real jobs could be made available to 100% of young people leaving care.

research project between 2010 and 2013, to estimate the different costs associated with alternative life histories. In all three case studies, the additional costs of remaining NEET far outweigh the cost of a successful intervention.

NEET young people, care leavers and risk

Young people who spend significant periods of time NEET face a greater risk than other young people of long-term unemployment in later life, together with an increased likelihood of involvement in crime, early parenthood, ill-health and other sustained disadvantages. This has been described as a persistent 'scarring' effect associated with being NEET. For example, it has been estimated that, on average, each three months of unemployment before the age of 23 translates into an additional 1.3 months out of work between the ages of 28 and 33 years, and that youth unemployment can reduce wages by around 12-15 per cent by the age of 42. For the most vulnerable young people, these scarring effects are likely to be greater and more enduring. Furthermore, whilst early labour market exclusion can have serious implications for the individual, there are also broader costs associated with youth unemployment and low skills. These include:

- Public finance costs, related to welfare payments, lost tax revenue, increased demand for health and social services; and
- Resource costs associated with reduced economic activity and lost earnings for the individual

Young people who are NEET for lengthy periods are also less likely to participate in civil society and the democratic process, and tend to demonstrate lower levels of institutional trust – relating, for example, to policing, health, education, and other official bodies.

Care leavers are particularly vulnerable in this respect, being more likely to become NEET than many other groups of young people and also less able to draw on family resources to help them reduce the scarring effects discussed above. Whilst the NEET category is highly diverse, those from disadvantaged circumstances are at greatest risk of spending sustained periods of time outside education and work. Data from Northern Ireland and further afield shows that young people who have spent time in care are amongst those most vulnerable to becoming NEET.

- The proportion of 16 to 18-year-old care leavers in Northern Ireland whose status is NEET or unknown has fluctuated around 35 per cent since 2010.
- The corresponding proportion for 19-year-old care leavers has been around 40 per cent over the same period.
- The NEET rate for all 16 to 24-year-olds in Northern Ireland varied between 13 and 17 per cent during 2013-15.

In addition, care leavers are also vulnerable to risks such as early parenthood, homelessness, poor health and involvement in crime. Across the UK, a very high proportion of the prison population has been

in care. Looked-after teenage girls are 2.5 times more likely to become pregnant than other teenagers, and around half of children in care have clinically significant mental health problems. Although such risks may exclude some from the labour market for significant periods of time, and make finding suitable employment difficult for others, it should be possible to provide employment opportunities at some stage during the period after leaving care. Moreover, the potential benefits of accessing good quality, paid employment are arguably even greater for the most vulnerable young people, provided appropriate support is in place to ease their transition to work.

Current provision

There is a commitment amongst the private sector in Northern Ireland to help improve the employability skills of NEET young people and the NI population in general. Employers are keen to develop a skilled workforce to ensure sustainable growth. Many companies also regard improving employability as an important aspect of corporate responsibility, and view it as an opportunity to develop their own staff through mentoring and sharing skills. Many organisations delivering support programmes for NEET young people have developed strong employer connections and rely on them to deliver employer-led CV clinics, mentoring programmes, workplace visits and work placements to improve young people's employability. The Citywide Employers Forum, which supports the long-term unemployed to move into work, is another example. 100% Employment Opportunity proposes

to go significantly further than pre-employment support, to help facilitate access to jobs for all young people leaving care.

In response to the challenges facing care leavers, there have been a number of initiatives which have sought to increase labour market opportunities for these young people in Northern Ireland and to prepare them for the world of work. These include targeted initiatives run by voluntary organisations such as Business in the Community and Include Youth and Employability Services run by the five HSC Trusts. Each HSC Trust has employability and guidance schemes in place which help prepare young people for employment. Certain core principles underpin this provision, including developing life and work-related skills; providing each young person with a career plan; promoting access to work and training with local businesses; and offering employment opportunities with the Trust itself (DEL/DHSSP, 2009). HSC Trusts have developed a range of service models, with many features which would provide a foundation for a 100% Employment Opportunity. For example, ring-fenced posts within HSC Trusts, social clause provision in partnership with a number of companies; tailored personal development; mentoring programmes; workplace tours, 'taster days'; and work placements, traineeships and salaried apprenticeships linked to employer demand. A variety of quantitative and qualitative measures is used to monitor and improve the performance of Trusts in relation to the training and employment of care leavers. Whilst such provision has brought with it many instances of success, those who have been in care remain disproportionately vulnerable to becoming and remaining NEET and to sustained disadvantage thereafter. Clearly, there is an opportunity to address this matter in an even more comprehensive and far-reaching fashion than hitherto.

The nature of a '100% Employment Opportunity'

It is against this backdrop that we set out the case for a '100% Employment Opportunities' initiative for care leavers – an ambition which we recognise is bold but believe is achievable, especially in the Northern Ireland context. Despite a generally less buoyant labour market than other parts of the UK, and some specific barriers to participation, the number of care leavers is relatively small, as is the proportion of jobs which would be required to provide employment for them.

During the 2014-15 financial year, 54,676 employment vacancies were notified to the Department of Education and Learning (59 per cent being full-time jobs, 33 per cent part-time, 8 per cent casual employment). Although many of these vacancies would not be suitable for NEET care leavers, 22 per cent of vacancies in Northern Ireland during 2014-15 – a total of 11,879 jobs (4,760 full-time positions) – were in 'elementary' occupations. The largest single category of job vacancies therefore relates to work which usually requires only basic education or short periods of work-related training. Whilst the number of care leavers varies across the different HSC Trusts and data is not complete, an informed estimate suggests that each year approximately 200 NEET young people in Northern Ireland aged between 16 and 21 are care leavers. Given this:

- Around 1.7 per cent of entry-level job vacancies in Northern Ireland would need to be filled by NEET care leavers in order to achieve 100% Employment Opportunities within a year.
- If, however, we assume that roughly a third of NEET care leavers would need to engage in further education or training before starting work this would mean approximately one per cent of entry-level job vacancies would need to be filled by approximately

132 NEET care leavers in order to achieve 100% Employment Opportunities within a year.

- The proportion of entry-level job vacancies may be further reduced if certain individuals were able to secure employment in, say, administrative work or sales.

The cost of providing employment for a care leaver would be made up largely of wages, training costs, travel and other expenses, the costs of liaison between Health and Social Care Trusts and specific employers, and the unit costs of administering the 100% Employment Opportunities initiative. It may be possible for employers or other organisations to claim back all or part of training costs, and employer National Insurance contributions for young people under 21 were abolished from April 2015. We consider that, apart from the regular liaison with employers mentioned above (probably undertaken by Personal Advisers or other professionals with knowledge of the individual care leaver), support costs would be no greater than would be needed if the young person was not in work. Wage costs for a 16-20 year old may amount to some £8,500 based on a 30 hour week, so that the total additional cost of providing employment to a care leaver under this initiative for one year is likely to be around £10,000-£12,000. Set against this, it is estimated that:

- The average lifetime public finance cost of a care leaver remaining NEET, compared to a non-NEET young person is £130,000, and the average resource cost is £145,000.

The complexity underlying such averages is illustrated in this report through the use of case studies which feature three young care leavers – Isla, Cayden and Danny – each of whom have led very challenging lives and are at risk of becoming long-term NEET. In each case, two scenarios, A and B, are presented. In Scenario A, the young person becomes NEET, whilst in Scenario B they are able to enter and sustain employment.

100% Employment Opportunity proposes to go significantly further than pre-employment support, to make real jobs available to all young people leaving care.

Isla is a young woman who, after spending some time as a teenager in foster care and then living in bed and breakfast accommodation for two months, returns to her parents' home and begins a hairdressing course at a local college. In her 'A' scenario, Isla's educational career is short-lived and unsuccessful, she leaves home again and becomes pregnant, losing custody of her child to her boyfriend and his parents. The future we envisage for her is one largely of unemployment, alcohol abuse and further pregnancies, leading to two further children being taken into long-term foster care. Due to the high costs of foster care, we estimate that this scenario leads to a total public finance cost of around £1 million (around £160,000 in benefits and £840,000 in care costs).

By contrast, Isla's 'B' scenario involves sustained work as a hairdresser, stable motherhood and a return to full-time work when her children are older. Isla still receives around £24,000 more in benefits than she contributes, but earns nearly £170,000 by the age of 40, compared with only £4,000 in her 'A' scenario. Although Isla's 'spending power' (the total of her benefits and earnings minus her contributions) is only £30,000 more in her 'B' scenario than in 'A', the great majority of this spending power comes from earnings rather than benefits. Moreover, the difference in the quality of her life and that of her children is even more significant.

In the two other cases, it is equally apparent that the consequences associated with the individual becoming and remaining NEET or them making their way in the world of work are substantial – socially, financially, and in terms of personal well-being. In some circumstances, differences in costs entailed may amount to over £1 million by the age of 40 for certain individuals. Improving the employment prospects of care leavers is therefore in the interests of individual young people and their families, but there are also potentially substantial benefits for government, public bodies, and employers – both as contributors to the public purse, and providers of goods and services across the economy.

The average lifetime public finance cost of a care leaver remaining NEET, compared to a non-NEET young person is £130,000, and the average resource cost is £145,000.

It is important to note that costs and benefits will vary considerably from one young person to another, and may be increased or decreased according to individual circumstances and the nature and availability of support care leavers are able to receive, particularly from HSC Trusts. In each case study, Scenario B is based on the assumption that, not only is the provision of an employment opportunity successful in removing the young person from the NEET category, but that this success is sustained for long enough to effect a significant change in their future prospects, including both labour-market advantage and an avoidance of high-risk behaviours. In order to achieve this, the role of the Personal Adviser and other support structures would be just as important during and after the work experience provided by the 100% Employment Opportunities as if the young person had remained NEET.

There are nevertheless significant challenges associated with improving employment opportunities for care leavers and, whilst much good will exists, there is also a need to develop a coherent course of action to improve their position in the labour market. The report therefore contains three policy options, each of which offers the potential to improve employment prospects for care leavers in Northern Ireland. These we describe as:

- **New Jobs, New Prospects:** the creation of jobs specifically for NEET care leavers
- **Ring Fencing Opportunities:** reserving a small proportion of existing job vacancies for NEET care leavers
- **A Care Leavers' Pledge:** a commitment from employers, HSC Trusts and other organisations to support care leavers seeking work, including a guaranteed interview for appropriate job vacancies; workplace mentoring; advice and guidance; support with travel costs and other work-related expenses.

Whilst each scenario is based on a greater or lesser degree of labour market intervention, they are all underpinned by certain key principles which, it is argued, offer tangible advantages both for care leavers and employers. The three scenarios should not, however, be regarded as 'off the shelf' solutions but perhaps be regarded as a reference point for debate and development.

The report concludes by arguing that there is a strong case for the creation of 100% Employment Opportunities for care leavers – both economically and in terms of social justice. The benefits associated with this, we argue, are likely to outweigh the costs associated with any programme of intervention, or indeed non-intervention.



Section 1:

NEET Young People: A Brief Overview

For three decades after the end of World War Two, most young people experienced a relatively straightforward transition into adulthood. Although pockets of unemployment existed in certain parts of the UK, school leavers were usually able to secure work broadly in line with their ambitions and expectations. Most left education and entered employment at the earliest opportunity, generally followed in quick succession by leaving home, marriage and starting a family.

The world of work offered a degree of stability and continuity that, for most young people, simply does not exist nowadays and young men especially would often start work alongside their schoolmates and be employed in the same factory, mill or shipyard as other members of their family. But girls and women were also employed as machine operatives and manual workers on factory production lines as well as in administrative and ancillary roles. Working life was often associated with certain forms of camaraderie, and employment alongside older workers provided a moral framework for many young people. Although it is important not to romanticise the past, the world of work offered a degree of stability and continuity that, for most young people, no longer exists.

Today the journey from youth into adulthood is generally more complex and convoluted than was the case in previous generations; secure employment has become difficult to obtain and, for many young people, achieving the traditional signifiers of adulthood has become disordered or suspended, sometimes indefinitely (Ainley and Allen 2010). Many of these changes have been driven by the erosion of much of the UK's industrial base from the 1970s onwards, and the accompanying demise of the traditional youth labour market. By the mid-1980s, over half of all 16 and 17 year-olds were unemployed, with the industrial heartlands, including those in Northern Ireland, bearing the brunt. Thereafter, a series of training initiatives were

introduced which soon became an established feature of the labour market, although the poor reputation of such provision meant that many chose to stay at school or enrol at FE colleges instead of taking part in such programmes (Finn 1987, p. 49). Meanwhile, welfare benefits for 16 to 18-year-olds were progressively cut back. In 1983, benefit sanctions were instigated for those who refused a place on the Youth Training Scheme, and access to other benefits was reduced for young people in education. In 1988, 16 and 17-year-olds were effectively disqualified from unemployment benefit, and entitlement to means-tested benefit payments was ended for most young people under the age of 18. Thus, many young people without jobs ceased to be officially classified as unemployed, and policymakers were left searching for alternative ways of describing youth unemployment (Furlong 2006).

In the early-1990s, 'Status 0', a term deriving from careers service records, began to be used to define 16 to 18-year-olds outside education and work (Istance et al. 1994), although the negative connotations associated with such terminology meant that government was, perhaps understandably, reluctant to adopt this label. In 1996, a Home Office official proposed 'not in

education, employment or training' as a more acceptable alternative, and thereafter NEET entered the language of government policy (Williamson, 2010). But, whilst a technically accurate and ostensibly neutral term to describe young people outside education and work was helpful in some ways, the NEET descriptor is ideologically loaded. Whilst traditional understandings of youth unemployment are to some extent rooted in a sense of collectivism and social responsibility, the notion of 'being NEET' both individualises non-participation and tends to underplay the role of structural issues in the economy and society – a failing which is particularly problematic when secure employment is scarce, especially for young people.

The term NEET originally referred to 16 to 18-year-olds, but nowadays is often used to describe those up to the age of 24. Whilst the NEET category always contained a diverse range of individuals with different needs and circumstances, it is now even more heterogeneous and includes, for example, graduates trying to find work after leaving university and married parents in their early-20s with partners in employment, as well as 16 and 17-year-olds with few qualifications and no experience of work. In order

High levels of youth unemployment also have serious consequences for the economy and civil society more broadly, and there are substantial financial costs related to NEET. These, according to Coles et al. (2012), entail both public finance and resource costs

to make sense of the NEET category it is therefore necessary to unpick the characteristics of its population. There have been a number of attempts to do this, all of which organise young people according to various conditions or circumstances, and break the NEET category down into subgroups such as young parents, young people engaged in offending or care leavers (DCSF 2009, p.12). Those who have been in care are significantly more likely to spend extended periods outside education and work than other young people – both in Northern Ireland and elsewhere (see, for example, DHSSPS, 2015, pp. 22-25). But we also need to recognise that care leavers have a diverse range of characteristics and experiences, and that different individuals require different forms of support. Also young people do not always fall neatly into one category or another: it is, for example, quite possible for a care leaver also to be engaged in offending or to be a young parent, or to fall into all these sub-categories.

Despite these complexities, the term NEET still provides a useful reference point from which to critique inequality and, for most young people, being outside

Tackling the issue of NEET is therefore in the interests of all parties, including individual young people and their families, government, public bodies, and employers from across the public, private and voluntary sectors.

education and employment is not only a consequence of disadvantage but often leads to more sustained social exclusion. Although individual differences are important, those from deprived backgrounds are more likely to become NEET than other young people and spend substantial periods of time outside education and work. Being NEET is also associated with a greater risk of long-term unemployment, an increased likelihood of involvement in crime, ill-health, and other sustained disadvantages. There is, in other words, a 'scarring' effect associated with being NEET, especially for those spending significant time outside education and the labour market (Scarpetta et al. 2010).

High levels of youth unemployment also have serious consequences for the economy and civil society more broadly, and there are substantial financial costs related to NEET. These, according to Coles et al.

(2012), entail both public finance and resource costs, and are discussed in some detail later in the report. But there are also a range of broader social costs associated with being NEET. Whilst difficult to measure financially, those who have experienced lengthy periods outside education and work are also less likely to participate in the democratic process – not only in party politics but also through voluntary and community groups, trade unions, and so forth. They also tend to demonstrate lower levels of institutional trust – relating, for example, to policing, health, the education system, and other official bodies (Eurofound 2012). Tackling the issue of NEET is therefore in the interests of all parties, including individual young people and their families, government, public bodies, and employers from across the public, private and voluntary sectors.



Section 2:

Education, Work and the Northern Ireland labour market

Over the last thirty years, there have been significant changes in the nature of the Northern Ireland labour market and its economy more widely. To some extent, these reflect broader shifts which have taken place across the UK and elsewhere.

Over time, employment in manufacturing has declined and over 82 per cent of jobs in Northern Ireland are currently in the service sector. Women make up over half (51 per cent) the workforce, although they are more likely to be in part-time employment, and certain forms of work remain more or less gender specific. Just under 11 per cent of the workforce are in manufacturing jobs (17.5 per cent of male workers, 4.6 per cent of females), and 4.2 per cent work in construction (though only 1.4 per cent of women workers). Over 93 per cent of females are in service sector jobs, and just 0.8 per cent of women work across agriculture; forestry and fishing; and the electricity, water and gas industries (DEL, 2015a, p. 18).

Northern Ireland, like most comparable societies, has rising levels of qualifications and workforce skills, although it remains behind both the Republic of Ireland and the rest of the UK in terms of skill (Wood, 2015, pp. 48-49). Only 1-2 per cent of young people in Northern Ireland now leave school with no qualifications, compared to almost 20 per cent in the mid-1980s. The distribution of qualifications and skills is, however, somewhat polarised. Northern Ireland has a relatively large share of the working population with poor literacy and numeracy, particularly amongst older adults, and generally low levels of workforce participation in education and training, but it also has a comparatively high proportion of individuals studying at masters and doctoral level – although it is often been said that Northern Ireland has suffered from a long-term ‘brain drain’ (the migration of highly-qualified workers). Whilst graduate unemployment and underemployment – in other words, being in a job which

does not require a degree - is a problem across the UK, the latter is particularly significant in Northern Ireland (Wood, 2015).

There are broad similarities between the Northern Ireland labour market and other parts of the UK although GDP per capita is around 20 per cent lower than the United Kingdom average, and Northern Ireland has lower average wages and lower productivity than the rest of the UK (Wood, 2015, p. 47). Whilst 23 per cent of the UK workforce outside London is paid below the Living Wage, this figure is 29 per cent for Northern Ireland, and almost 40 per cent in both Fermanagh and Omagh and Causeway Coast and Glens (ONS, 2015a). Although there is significant variation both between different parts of Great Britain and within Northern Ireland itself, Northern Ireland has higher rates of adult and youth unemployment than most other parts of the UK (Goodwin, 2015). Young people in Northern Ireland are, however, at significantly greater risk of unemployment than older workers, or at least 25 to 40-year-olds. Using ILO definitions, Northern Ireland has an overall unemployment rate of approximately 6 per cent whereas youth unemployment (16 to 24-year-olds) stands at 21 per cent (DEL, 2015a, p. 19). However, patterns of employment and unemployment vary substantially between different parts of Northern Ireland.

Despite attempts to de-centralise employment, generally there is less work in the south and west of the region with jobs largely concentrated in Belfast and, to a lesser extent, Derry-Londonderry. It is moreover predicted that most growth in employment will take place around Belfast and Antrim so

the East-West divide is, if anything, likely to increase - although there are still significant pockets of economic inactivity in and around Belfast. The so-called chill factor is often cited as a barrier to participation, particularly amongst young men from certain working-class areas of Belfast and, to a lesser degree, Derry-Londonderry. In other words, certain individuals are thought to be reluctant to travel to or through certain locations, or work in particular organisations due to a real or perceived threat of violence (Goodwin, 2005, pp. 36-40; CAIN, 2016). Such concerns exist elsewhere (see Thompson et al. 2014) but are, in Northern Ireland, often related to sectarianism. For example, The Northern Ireland Life and Times Survey (ARK, 2013) indicates that around 30 per cent of people may be concerned about applying for a job in a workplace which they perceive to be dominated by those from a different religious background.

To some extent, geographic patterns of employment reflect those in comparable regions inasmuch as work tends to be less plentiful in rural areas across Western Europe. But, in other ways, the Northern Ireland labour market is shaped, at least partially, by a number of specific characteristics. One factor is that its workforce is less geographically mobile than in other regions of the UK. Fewer people move house in Northern Ireland than in other parts of the United Kingdom, and most moves tend to be relatively local. Research also shows that only 29 per cent of people without paid work would be prepared to move to a different part of Northern Ireland to get a job. Transport infrastructure, particularly rail, is less comprehensive than in Great Britain and just 6 per cent of the Northern Ireland workforce

uses public transport for work. This can be a significant obstacle to employment especially in rural areas but sometimes also within towns and cities where there is no direct transport route. For those outside work, unwillingness to relocate; availability and affordability of public transport; lack of car access; and travel costs relative to pay can all present barriers to employment, especially for those seeking entry-level jobs (Goodwin, 2015, pp. 38-40).

There is other evidence to suggest that the Northern Ireland labour market is, in various ways, less 'dynamic' than in the rest of the UK. Whereas UKCES reports rising job vacancies across every other region of the United Kingdom and an increase in vacancies due to skill shortages, in Northern Ireland vacancies as a proportion of total employment fell from 2.4 per cent to 2.1 per cent between 2011 and 2013, and fewer vacancies were due to skills shortages (falling from 21 per cent to 18 per cent) (Ramsey, 2015). Although skills gaps do exist in Northern Ireland – for example, in education and the hotel and restaurant sector – almost half of all businesses report having workers with higher levels of skills and qualifications than are required for the job in which they are employed (for a discussion of future prospects in the Northern Ireland labour market see Ulster University Economic Policy Centre, 2015, Northern Ireland Skills Barometer Findings Report). Substantially more jobseekers in Northern Ireland rely on state services to find work than in the rest of the UK. Almost 40 per cent of unemployed people in Northern Ireland use Job Centres as their main method of seeking work; the next highest region is the North East of England at about 25 per cent, and for most of southern England the rate is between 10 and 20 per cent. Data also suggest it is relatively difficult to get back into work in Northern Ireland once an individual becomes unemployed, with comparatively high proportions of unemployment benefit claimants being out of work for between six and twenty-four months. There is also greater reliance on government-supported training, such as Youth Training, than is the case in the rest of the United Kingdom

(Goodwin 2015, pp.14-15).

If we turn to care leavers in particular, their job prospects might, at least initially, seem quite bleak. Competing for work in a relatively static labour market with young people who may have better qualifications and higher levels of family support, and also often against older individuals with more work experience, is especially difficult for care leavers when most employers can pick and choose from a range of applicants. A closer analysis, however, reveals a somewhat less pessimistic picture.

If we exclude self-employment and government training schemes, there are approximately 689,000 full-time and part-time jobs in Northern Ireland, and 54,676 employment vacancies were notified to the Department of Employment and Learning during the 2014-15 financial year (59 per cent being full-time jobs, 33 per cent part-time, 8 per cent casual employment) – although there will also be job opportunities of which DEL is not aware (DEL, 2015b, p.4). It is, however, likely that a significant proportion of vacancies will not be suitable for NEET care leavers. Most NEET care leavers will not be in a position to apply for managerial, professional, or associate professional/technical jobs which constituted almost 20 per cent of known vacancies during 2014-15. Similarly, it is unlikely that many of the 12 per cent of vacancies classified as 'skilled trades' will be suitable. Many – though not all - jobs available in administrative and secretarial work (7 per cent); personal services (16 per cent); as process, plant and machine operatives (9 per cent); and in sales and customer service (15 per cent), will also be inappropriate. It is, however, worth noting that 22 per cent of job vacancies in Northern Ireland during 2014-15 – a total of 11,879 jobs (4,760 full-time positions) - were in 'elementary' occupations (DEL, 2015b, p. 9). The largest single category of job vacancies therefore relates to work which usually requires only basic education or short periods of work-related training. Whilst there is evidence that discontinuation of the employer subsidy programmes (which accounted for some 11 per cent of vacancies in the first quarter of the 2014-15 financial year) is contributing to a decrease in job

vacancies, still a total of 12,705 vacancies were notified to DEL in the first quarter of 2015-16, and 21 per cent of these remain in elementary occupations (DEL, 2015c).

As we estimate that there are approximately 200 sixteen to 20-year-old NEET care leavers who would require placements in Northern Ireland, this would mean that only around 1.7 per cent of all elementary job vacancies would need to be filled by care leavers in order for all of them to be in work within a year. If, however, we assume that roughly a third of NEET care leavers would need to engage in an employability training programme before starting work or else prefer to be in some other form of further education this would mean approximately one per cent of entry-level job vacancies would need to be filled by NEET care leavers in order to achieve 100% Employment Opportunities within a year. This figure would be further reduced if certain individuals were able to secure employment in, say, administrative work or sales.

It is important to note that not all care leavers – NEET or otherwise – are low achievers and that, in time, and with appropriate support, many will be capable of having fulfilling careers. But it should also be recognised that, for many, securing and retaining entry-level work will be a significant achievement and, although the number of individuals – and jobs - concerned is relatively small, the challenges associated with getting NEET care leavers into employment should not be underestimated. Certain individuals will undoubtedly require a significant amount of advice, guidance and support in order to gain and sustain employment. Employment, as we have discussed, is not evenly distributed across Northern Ireland and there may be a number of real or perceived obstacles which present barriers to participation. It should, however, be possible, with a little ingenuity, to provide the necessary opportunities, although there are a number of ways in which this can be pursued. Later in the report three possible approaches are presented, but first we provide some detailed information on care leavers in Northern Ireland, and some of the economic costs of being NEET.



Section 3:

Care Leavers in Northern Ireland

Background

Under the Children (Northern Ireland) Order 1995 (the Children Order), HSC Trusts have the power, and in some cases the duty, to help children by providing services to their families. Should there be serious concerns that a child may be suffering (or at risk of suffering) significant harm, this may result in the child being taken into the care of the Trust. In March 2014, there were 2,858 looked after children¹ in Northern Ireland, the highest recorded number since the introduction of the Children Order (DHSSP 2014a, p.31). This represents approximately 0.7 per cent of the total child population.

Looked after children have an older age profile than the general child population, and 44 per cent of these children are aged 12 or over, with 19 per cent in the 16-17 age group.

The 2008 recession and its aftermath has had a significant impact, with a 21 per cent rise in the number of looked after children between 2007 and 2014². Although in Northern Ireland the looked after children rate (number of looked after children per 10,000 of the child population) is lower than that in Scotland and Wales, and between 2004 and 2011 was closely comparable to the rate for England, since 2011 the Northern Ireland rate has edged above the English figure (DHSSP 2014a, p.44). Rates vary significantly between the different HSC Trusts, with Belfast the highest at 95.7 looked after children per 10,000 of the child population, followed by Western HSC Trust at 70.8. The lowest rates are found in Southern (49.9) and South Eastern (56.3). Looked after children have an older age profile than the general child population, and 44 per cent of these children are aged 12 or over, with 19 per cent in the 16-17 age group. This suggests that, over the next five years, a substantial number of looked after children will require support as they become young adults.

Although children may leave care at any age, for example because they

are returning to live with parents, the specific term 'care leaver' applies to children and young people aged 16 and over who are, or have been, looked after children. In the statistical data discussed below, care leavers are:

- Young people aged 16-18 who left care during the year ending on 31st March
- Young people who turned 19 during the year ending 31st March and who had been looked after on 1st April 3 years previously (and had therefore been in care after the age of 16)

According to these definitions, in 2013/14 a total of 268 young people aged 16-18, and a further 240 young people aged 19, were care leavers.

Structure of the Care Leaver Population

Relatively few young people below the age of 18 are care leavers, with 26 young people aged 16 and 24 aged 17 leaving care in 2013/14. Since 2011/12, there has been a substantial decrease in the proportion of care leavers entering supported or unsupported accommodation, or

being transferred to care in Adult Services, before the age of 18. This has resulted in the proportion of 16 to 17-year-olds decreasing from 26 per cent of the 16-18 care leaver population in 2011/12 to 19 per cent in 2013/14. In both the 16 to 18 and 19-year-old age groups, the gender balance tends to be similar to that in the general population, although the proportion can fluctuate between years³.

A high proportion of care leavers have experienced substantial periods in the care system, with 39 per cent of 16 to 18-year-olds and 50 per cent of 19 year-olds having been in care for five or more years. The great majority were White, although amongst 16 to 18 year-olds the proportion from non-White ethnic backgrounds increased from 4 per cent in 2012/13 to 7 per cent in 2013/14.

In 2013/14, 19 per cent of care leavers aged 16-18 had a statement of special educational need, compared with 5 per cent of the general school population in Northern Ireland. Although it is difficult to make comparisons, care leavers are also more likely to have a disability than other young people (12 per cent of care leavers aged 16-18 and 18 per cent of those aged 19 have a disability). In both age groups, just over half of care leavers in 2013/14 with a disability had a learning disability.

Outcomes for Care Leavers

Young people leaving care experience a range of disadvantages in terms of education, employment, housing and family support. Although this has been recognised for many years, disadvantage continues to challenge young people and their support services. Amendments to the Children Order, implemented in 2005, strengthened the responsibilities of HSC Trusts to support young people aged 16-21 in their transition from being in care to living as young adults, whether independently or with former carers. Nevertheless, outcomes for care leavers remain significantly poorer than for others in the same age group. Although this is partly a result of the earlier disadvantage outlined above, it is important to note that for many young people, disadvantage continues after leaving care and may even be reinforced by circumstances they encounter as they make the transition to adulthood.

a) Educational attainment

Looked after children have significantly lower levels of educational attainment than the Northern Ireland school population in general; just 21 per cent of care leavers aged 16-18 have five or more GCSEs at grades A*-C, compared with 79 per cent in the general population. Another striking disparity is that over the whole population just over 1 per cent of children leave school with no qualifications, compared with 28 per cent of care leavers. However, these figures depend considerably on the type of placement last experienced by care leavers: in 2013/14, 41 per cent of those from residential care achieved no qualifications compared with 15 per cent of children in non-kinship foster care. Other groups more likely to achieve no qualifications included children living independently (35 per cent) and those placed with a parent. Achievement of qualifications also varies with HSC Trusts, with the Southern and South-Eastern Trusts

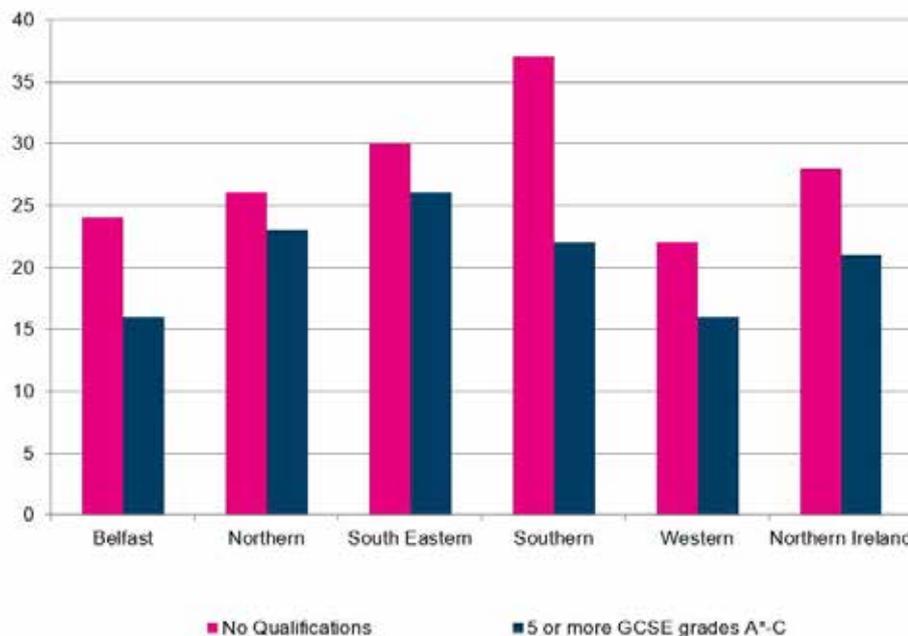


Figure 1: Qualification levels of care leavers aged 16-18 in 2013/14, percentage of care leavers by HSC Trust (DHSSPS 2014b, p.49)

having the highest proportions of care leavers achieving no qualifications (see Figure 1).

Generally, educational attainment amongst care leavers has improved over time, with a small increase in the proportion achieving five or more GCSEs at A*-C since 2010 and a significant reduction in the number achieving no qualifications (43 per cent in 2010 to 28 per cent in 2014).

a) Economic activity

In 2013/14, the majority (59 per cent) of care leavers aged 16-18 were in some form of education and training, with a further 9 per cent in employment. Around 21 per cent were not in education, employment or training (NEET) – of these, most were unemployed (13 per cent) and 8 per cent were economically inactive. The status of the remaining 11 per cent was not known (DHSSPS 2014b, p.47). The NEET rate for 19-year-old care leavers in contact with their HSC Trust was higher (36 per cent), with 23 per cent unemployed, 9 per cent sick or disabled, and 4 per cent full-time parents or carers. In comparison, the NEET rate for all 16 to 24-year-olds in Northern Ireland in 2013 and 2014

varied between 13 per cent and 17 per cent (LFS 2015, p.18).

The NEET rate for 16 to 18-year-old care leavers fell substantially in 2013/14, from 30 per cent the previous year. However, if young people who are NEET or whose status is not known are aggregated, the resulting figures show more stability, fluctuating around 35 per cent since 2010. In some HSC Trusts, there is a sharp discontinuity between NEET rates for 16 to 18-year-olds and the corresponding rates for 19-year-olds, presumably the result of care leavers who complete their education at age 18 but are unable to find work. However, this does not appear to be the case in Northern and Western HSC Trust (see Figure 2).

In order to estimate the likely demand for a 100% Employment Guarantee from NEET care leavers, we note first that, given the uncertainties and fluctuation in the NEET rate discussed above, it is reasonable to assume that around 30 per cent of 16-18 year old care leavers, and 40 per cent of 19 year old care leavers, will be NEET in any given year. Data on care leavers who are full-time parents/carers or unable to work suggest that to estimate the number of young people who are NEET but available for work these figures should be reduced by 5-10 per cent, so that 25 per cent of 16 to 18-year-old care leavers, and 35 per cent of 19 year olds, may require placements. Given

it is important to note that for many young people, disadvantage continues after leaving care and may even be reinforced by circumstances they encounter as they make the transition to adulthood.

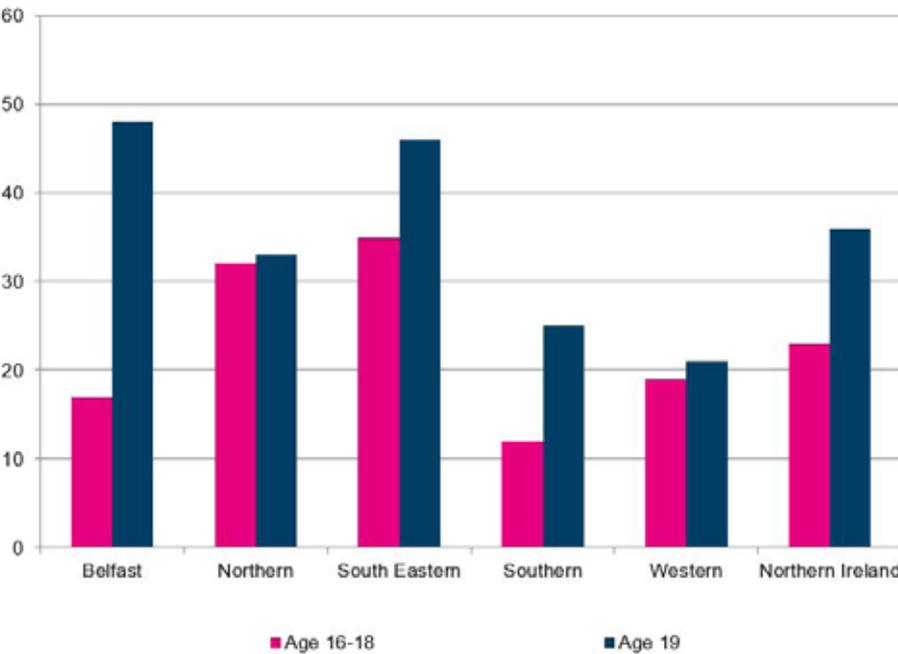


Figure 2: NEET rates in 2013/14 for age 16-18 and age 19, percentage of care leavers whose activity was known, by HSC Trust (DHSSPS 2014b, p.49 & p.53)

a typical care leaver population of around 250 in the former age group and 240 in the latter, this would give a requirement for places of around 63 and 84 respectively. Provisional data for 2014/15 suggest that a further 50 or so places may be required for 20-year-olds, leading to a total for age 16-20 inclusive of around 200 places in the first year of operation of a 100% Employment Opportunities programme. Of course, this total would drop significantly in future years, as it would largely be new care leavers who would require such provision (although the possibility of repeated placements for some young people should also be considered).

b) Accommodation

Leaving care does not necessarily imply a break in living circumstances, although this is quite likely to be the case. In 2013/14, 30 per cent of care leavers aged 16-18 were still living with their former foster parents, whilst 21 per cent were living with their parents. However, unstable accommodation or homelessness is a significant possibility and care leavers in the UK have a considerably higher risk of becoming homeless than other young people. It has been estimated that around 20 per cent of young people accessing homelessness services have previously been in care (Centrepoint, 2011), and issues such as mental health problems, engagement in offending and inexperience in managing one's own

accommodation can easily lead to loss of tenancy, 'sofa surfing' and homelessness.

In Northern Ireland in 2013/14, although 38 per cent of care leavers aged 19 were with foster parents or in supported accommodation, others were at greater risk of becoming homeless in the future. This includes 26 per cent who were living independently, and 21 per cent who were living with relatives, family or friends. Figure 3 shows two further categories where the risk is likely to be even greater: 'other' accommodation (including custody) and 'unknown' accommodation, which may imply that the young

It has been estimated that around 20 per cent of young people accessing homelessness services have previously been in care. (Centrepoint, 2011)

person is already homeless. Both of these categories vary widely between HSC Trusts.

c) Mental health

Mental health conditions cover a broad spectrum, ranging from mental health problems, which encompass a range of emotional and behavioural difficulties, through mental or psychiatric disorders, which are characterised by greater persistence or severity, to mental illnesses – a term reserved for the most severe cases (VOYPIC 2006, p.12). Although only a very small number of care leavers in Northern Ireland appear in official statistics

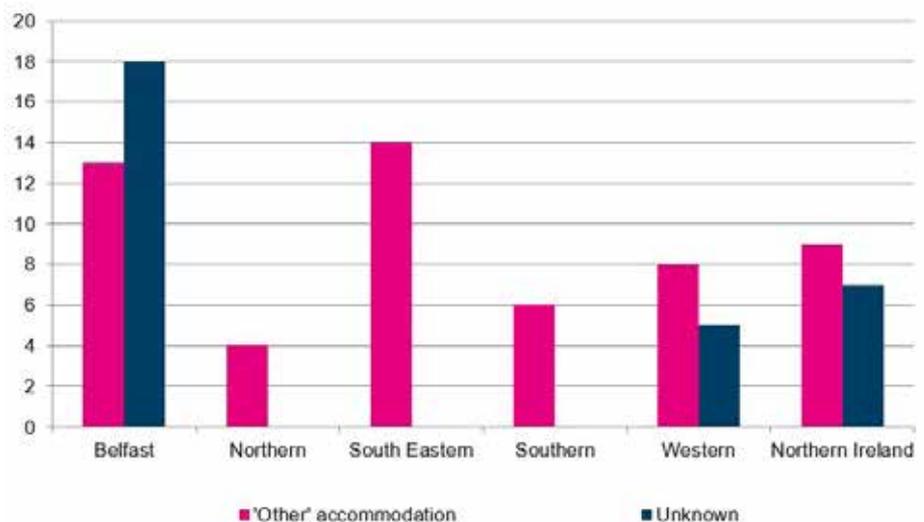


Figure 3: 'Other' and unknown accommodation 2013/14 for age 19, percentage of care leavers by HSC Trust (DHSSPS 2014b, p.54). Note: some of the actual care leaver numbers represented in this figure are very low.

as disabled due to a mental health condition (DHSSPS 2014b, p.12), the prevalence of mental ill-health is likely to be much higher. Across the UK, 'around half of children in care have clinically significant mental health problems, and up to a further quarter have difficulties that approach clinical significance' (Wade 2014, p.243).

d) **Crime and custody**

It is well known that children in care are much more likely to receive a custodial sentence in childhood or in later life than other children. According to the Prison Reform Trust, 'Fewer than 1% of all children in England are in care, but looked after children make up 33% of boys and 61% of girls in custody' (Prison Reform Trust 2014, p.3). Around a quarter of the adult prison population have been in care, with the 2011 Youth Justice Review highlighting the over-representation of looked after children with complex needs within the justice system as particularly problematic (Department of Justice, 2011). In Northern Ireland over the last five years, around 30-35 per cent of young people in custody were looked after children (Youth Justice Agency 2015, p.30). Whilst providing individuals who have offended with a stable job is often one of the most effective ways of preventing re-offending, it is also recognised that having a criminal record can act as a significant obstacle to employment. But there is also substantial evidence to suggest that the current system of informing potential employers about an individual's criminal record acts as a serious barrier to obtaining work (see, for example, Department of Justice, 2011; Carr, et al. 2015).

Although risks such as involvement in crime, homelessness, early motherhood and mental health problems may exclude some care

leavers from the labour market for significant periods of time, and make finding suitable employment difficult for others, they do not necessarily preclude engaging in employment during the period after leaving care. Moreover, the potential benefits of accessing good quality, paid employment are arguably even greater for the most vulnerable young people, provided appropriate support is in place to ease their transition to work.

Gaps in the Data

- Lack of data for 20 to 21-year-old care leavers
- Inconsistencies in the presentation of data for 16-18 and 19-year-olds in DHSSPS 2014b. For example, the percentage whose current activity is unknown is given for 16-18 (Table 6) but not for age 19 (Table 14).
- Current accommodation is not given for 16 to 18-year-olds, and for 19-year-olds the categories used obscure important information (such as 'Living with relatives, family or friends'). Very low numbers may be the reason for this lack of fine detail.
- No specific data for care leavers on mental health, homelessness or offending/custodial sentences is given in DHSSPS (2014a, 2014b). However, some data on looked after children in custody is provided in Youth Justice Agency (2015).

It is well known that children in care are much more likely to receive a custodial sentence in childhood or in later life than other children. In Northern Ireland over the last five years, around 30-35 per cent of young people in custody were looked after children (Youth Justice Agency 2015, p.30).

¹A child is Looked After by an Authority [one of the HSC Trusts] if he or she is in their care or if he or she is provided with accommodation for a continuous period of more than 24 hours by the Authority in the exercise of its Social Services function' (DHSSPS 2014a, p.56).

²Some of this increase can be attributed to recent legal judgements in relation to children aged 16-17 presenting as homeless, who are then taken into care (DHSSPS 2014a, p.32)

³For example, in 2011/12, 58% of care leavers aged 16-18 were female compared with 47% in 2013/14.

⁴They are, for example, highlighted in the report produced in 2000 by the Social Services Inspectorate, Promoting Independence: A Review of Leaving and After Care Services. A summary may be found in DHSSPS (2005, pp. 14-15).



Section 4:

Estimating the Costs of Being NEET

It is generally agreed that being NEET for significant periods increases the chances of an individual experiencing a range of adverse consequences in later life, including longer periods of unemployment, reduced earning power, mental health problems and criminal or antisocial behaviour (Scarpetta et al. 2010; Eurofound 2012, pp.58-61).

Gregg (2001) estimates that an extra 3 months of unemployment before the age of 23 translates into an additional 1.3 months out of work between the ages of 28 and 33 years, and Gregg and Tominey (2004) find that youth unemployment can reduce wages by around 12-15 per cent by the age of 42. More recent evidence on the 'scarring' effects of youth unemployment is discussed by Bell and Blanchflower (2011), leading to similar conclusions. For young women, being NEET is associated with a significantly increased risk of becoming a teenage parent (SEU 1999, p.17; FPA 2014, p.5). The underlying reasons for these consequences include lower educational achievement as a result of leaving education early, reduced opportunities for work experience, increased opportunities to engage in risky behaviour, and social isolation. Because care leavers (whether NEET or not) are also at increased risk of a similar range of consequences, a NEET young person who is also a care leaver should be of particular concern, both for their own sake and for the financial and social costs to society.

There have been a number of attempts over the last 15 years to estimate the financial costs associated with NEET young people. Although a variety of approaches are taken, there is general agreement that estimates should include both direct costs to the state – known as public finance costs – and resource costs, which quantify effects on the economy more broadly (Coles et al. 2010, p.13). Public finance costs include welfare payments, lost tax revenue, and the cost of excess demand for

A NEET young person who is also a care leaver should be of particular concern, both for their own sake and for the financial and social costs to society.

health and social services arising from being NEET in youth and early adulthood. Resource costs include lost income for individuals and their families and losses to the economy as a whole due to lower earnings, productivity and consumption. Resource costs and public finance costs overlap, and therefore should not be aggregated. The methodology used to calculate these costs begins with estimates of the size of the NEET population and specific subcategories known to be particularly vulnerable, then calculates both overarching costs common to all NEET subcategories and the costs associated with vulnerable groups.

The first detailed UK cost estimates were carried out for 16 to 18-year-olds in England and Wales by Godfrey et al. (2002), who attempted to calculate the additional costs associated with young people who had been NEET "compared to the hypothetical situation that these young people had the same current and future experience as the rest of their contemporaries" (p.i). These estimates were updated by Coles et al. (2010), leading to the average costs per NEET young person shown in Table 1. A more detailed breakdown of these unit costs is given in Table 2.

The estimates of Coles et al. (2010) can be compared with similar work, both in the UK and elsewhere. Focusing only on the costs of Job Seeker's Allowance and lost earnings for young people under

24 across the UK, the Prince's Trust (2010) estimates a public finance cost of £5,000 per annum for each unemployed young person, and a resource cost of up to £16,000 per annum. In other countries, estimates of the cost of being NEET vary widely, mainly because of inter-country differences in welfare entitlements, wage and taxation, and the availability of low-skilled work.

Variation also arises because some studies focus on the absolute costs associated with being NEET (or more generally, being socially excluded), whilst others attempt to estimate excess costs compared with those who have not been NEET. The costs associated with an individual being NEET can be thought of in three different ways. First, the absolute cost is the sum of all costs arising from NEET status and its negative consequences: welfare payments, lost taxation, health and social service costs and so on. For example, the Prince's Trust estimates appear to be based on a selection of absolute costs. However, people may become eligible for many of these costs in ways not arising from being NEET – even the best educated people can become ill, suffer unemployment or require social services. This leads to the idea of the relative cost of being NEET – the difference between absolute costs for someone who has been NEET and costs incurred by the average person who has not been NEET. It is this relative cost that is calculated by Coles et al. (2010) and Godfrey et al. (2002). Finally, the excess individual

	Public Finance Costs		Resource Costs	
	2001	2009	2001	2009
Lifetime costs	£52,000	£56,000	£45,000	£104,000
Current costs ⁵	£5,600	£8,000	£5,300	£8,700

Table 1: Comparison of costs of being NEET between Godfrey et al. (2002) and Coles et al. (2010)

CURRENT COSTS	Public finance cost	Resource cost
Educational underachievement		
<i>Unemployment</i>		381
<i>Underemployment</i>	5,760	154
Unemployment		2,064
Inactivity		3,682
Teenage motherhood	2,180	2,079
Crime	38	295
Poor health	2	2
Drug misuse	6	6
Sub-total	7,986	8,663
MEDIUM-TERM COSTS		
Educational underachievement (low)	34,660	10,672
Unemployment (low)		81,311
Educational underachievement (high)	134,250	41,337
Unemployment (high)		314,950
Early motherhood	10,499	1,359
Crime	323	2,215
Poor health	37	37
Drug misuse	55	55
Sub-total (low)	45,574	95,649
Sub-total (high)	145,165	359,952
LONG-TERM COSTS		
Tax loss	1,841	
Additional benefits	899	
Sub-total	2,741	
FINAL TOTAL (low)	56,301	104,312
FINAL TOTAL (high)	155,891	368,615

Table 2: Analysis of the average costs per individual of being NEET in England and Wales, adapted from Coles et al. (2010)

⁵Current costs refer to anticipated costs over the next 15 months for 16-17 year olds and the next four months for 18 year olds.

cost is the difference between the absolute costs for a specified NEET young person and another individual with very similar characteristics (such as educational achievement and family circumstances) who has not been NEET. These three types of cost would be expected to differ markedly, with absolute costs being far greater than excess individual costs and relative costs somewhere in between. For example, in Finland the absolute cost of complete exclusion of a young person from the labour market has been estimated at 27,500 Euros per annum, whilst in the Republic of Ireland, the public finance excess individual costs of unemployment for an early school leaver over a 40 year working lifetime has been placed at around 30,000 Euros in total (European Commission 2013).

One of the most recent estimates of the costs of being NEET is a European analysis (Eurofound 2012), which uses a similar framework to that of Coles et al. (2010) but attempts to calculate excess individual costs rather than relative costs. In order to do so, the Eurofound study uses a technique known as propensity score matching. This pairs hypothetical individuals with similar background characteristics but who differ in just one respect – whether they are NEET. Thus A and B might be young persons with various characteristics which make it highly likely that they will become NEET; however, A becomes NEET whilst B does not. This method gives a reasonable degree of confidence that any differences in costs can be attributed specifically to being NEET rather than other aspects of disadvantage (although it does not guarantee this is the case). Using this framework, the Eurofound study finds that excess individual costs in the UK are 872 Euros per annum in public finance costs and 11,200 Euros in resource costs (Eurofound 2012, p.76).

Another approach to calculating excess individual costs is taken by Coles et al. (2010), who supplement their overall estimates with a number of qualitative case studies based largely on real young persons who successfully made the transition from being NEET to a fairly 'normal'

life. In each case study, at least two scenarios (A and B) are presented, one of which is the actual life-history and the other is a contrasting situation in which interventions were not made and the young person's life then followed a course more typical of similar socially excluded young people. Within these case studies, the stories of two care leavers are presented. Because of the social risks associated with being in and leaving care, these case studies lead to costs significantly higher than for less vulnerable categories within the NEET population. In one scenario, Neeha's prospects are transformed by a relatively expensive intervention which saves money in the long run; a lifetime public finance cost of £444,000 compared with an alternative scenario cost of £613,000. Freidrick's case is more extreme: after a chaotic childhood which left him with no qualifications and a close encounter with the justice system, his 'success' scenario was a life of labour market churning, with a lifetime public finance cost of £404,000. The alternative, a downward spiral of crime and drug abuse leading to early death, is estimated to cost £2.2 million. In these two cases, the public finance component of the excess individual cost is £169,000 for Neeha (£4,225 per annum over 40 years) and £1.8 million for Freidrick (£90,000 per annum over 20 years).

Freidrick's case illustrates an important point. For some care leavers, what can be achieved, particularly in the short to medium term, may be relatively limited, and the success of an intervention may be largely negative: for a young person not to be abusing drugs, not to be involved in crime, and not to be permanently unemployed. Whilst churning between low-paid, low-skilled jobs is by no means satisfactory, and interventions should ideally have the potential to lift a young person out of such a life, the alternative might be much worse both socially and financially.

Summary and strategy for estimating NEET care-leaver costs in Northern Ireland

Estimates of the cost of being NEET vary widely in their aims and

methodology. Resource costs are the largest but also the most difficult to estimate, and even for the 'average' NEET young person may be in excess of £100,000 over a working life in the UK, relative to an average non-NEET young person. Public finance costs are lower and less difficult to quantify, with a figure of £4,000-£5,000 per annum in relative cost terms being a reasonable estimate. For young people in more challenging circumstances, such as care leavers, these figures can be considerably increased. However, as we have seen, interventions that take a young person out of the NEET category do not necessarily change other important characteristics, so that the excess individual costs calculated in the Eurofound study may be taken as a lower limit to costs for the 'average' NEET young person. Excess individual costs for care leavers will depend on individual circumstances, and the case-study approach taken by Coles et al. (2010) indicates that the public finance component of these excess costs can easily reach £4,000-£5,000, with much larger costs possible in more extreme cases. The nature and quality of the intervention is significant here, as the closer the intervention can move a care leaver to the average non-NEET person (for example, by providing work experience and economically valuable skills), the greater the costs of them remaining NEET and the greater the savings made by successfully implementing the intervention.

Later in the report, we adapt the case-study approach of Coles et al. (2010) to develop different scenarios that will enable us to estimate the excess individual cost for exemplars of care leavers in the Northern Ireland context. However, in Table 3 below we also give a rough estimate of the average cost of NEET care leavers (both public finance costs and resource costs) compared with the average non-NEET young person. To achieve this, we take the costs calculated by Coles et al. (2010) for the NEET population in general compared with non-NEET young people (Table 2) and make the following adjustments:

- All costs are updated by 15 per cent to take into account inflation

since 2009, the year on which Table 2 was based. According to ONS data (ONS 2015b), this is likely to be an underestimate of the increase in overall prices since 2009, but bearing in mind that wages have tended to lag behind prices throughout most of this period, and many of the costs in Table 2 are wage costs, 15 per cent appears to be a reasonable estimate.

- To reflect the increased risk to care leavers of becoming involved in certain outcomes, such as early parenthood, crime and drug abuse, some of the costs in Table 2 are increased further.
- According to the Annual Report of the Chief Medical Officer (Simkiss 2012, p.2), looked-after teenage girls are 2.5 times more likely to become pregnant than other teenagers. We therefore assume that NEET care leavers are more likely to become

pregnant than NEET young people in general. However, since risks are unlikely to simply add together, we increase teenage motherhood and early motherhood costs in Table 2 by a factor of 1.5 rather than 2.5.

- We increase the costs relating to crime and drug abuse by a factor of 3. Given the data on the representation of care leavers in the prison community discussed earlier, this factor could be significantly greater.
- Because care leavers are more likely to have multiple disadvantages than NEET young people in general, their earning power may be reduced over a long period, even in the event of a successful intervention to provide them with work experience. We have therefore taken the mid-point of the high and low estimates relating to the medium-term public-finance costs of educational

underachievement and unemployment. This may be an underestimate of the true costs.

- Because of the generally depressed labour market in Northern Ireland, the earning potential of non-NEET young people may be limited, reducing the differences between NEET and non-NEET young people in the medium term. We have therefore taken the lower estimate of medium-term resource costs relating to educational underachievement and unemployment.

With these assumptions – and it must be cautioned that the resulting estimates are inevitably very rough – the average lifetime public finance cost of a care leaver remaining NEET, compared to a non-NEET young person, is £130,000 and the average resource cost is £145,000 (see Table 3).

CURRENT COSTS	Public finance cost	Resource cost
Educational underachievement		
<i>Unemployment</i>		438
<i>Underemployment</i>	6,624	177
Unemployment		2,374
Inactivity		4,234
Teenage motherhood	3,761	3,586
Crime	131	1,018
Poor health	2	2
Drug misuse	21	21
Sub-total	10,539	11,850
MEDIUM-TERM COSTS		
Educational underachievement	97,123	29,905
Unemployment		93,508
Early motherhood	18,111	2,344
Crime	1,114	7,642
Poor health	43	43
Drug misuse	190	190
Sub-total	116,581	133,631
LONG-TERM COSTS		
Tax loss	2,117	
Additional benefits	1,034	
Sub-total	3,151	
FINAL TOTAL (low)	130,270	145,481

Table 3: Analysis of the costs of being a NEET care leaver in Northern Ireland, based on the approach of Coles et al. (2010)



Section 5: 100% Employment Opportunities for NI Care Leavers: Three Policy Options

This section of the report provides three possible scenarios for the consideration of those concerned with the welfare of care leavers. Each option presents a number of challenges and opportunities but, whilst they are presented as separate, discrete options, it may be possible to draw on elements from one or more scenarios to construct a positive way forward.

Please also note that, although explained sequentially, this does not necessarily imply the options below are presented in priority order. Nor should they be regarded as blueprint solutions for the future. They might more realistically be regarded as a reference point for debate and development. It is also important to note that employment alone may not be enough and there will be a need for ongoing education and training opportunities to be provided as part of all three scenarios.

Scenario One: New Jobs; New Prospects

One way to approach improving employment opportunities for care leavers lies in the provision of new jobs specifically earmarked for NEET care leavers. This would require the creation of new openings over and above existing job vacancies, apprenticeships, or other forms of activity. The underlying principle is therefore quite straightforward, although matching the needs of individual care leavers to specific new opportunities would need careful management. The creation of new opportunities also means that the potential for labour market displacement is avoided, as far as this is possible. Whilst care leavers are a diverse group, undoubtedly many are amongst the most disadvantaged, but it is also important to note that many other young people – and older individuals – also struggle to find and retain employment.

There are, however, a number of challenges associated with this approach, not least those associated with funding. Although total numbers would be relatively small, any such scheme would incur fairly significant

cost, at least in the short term. Some pooling of funds between DEL, HSC Trusts and employers groups could nevertheless offer a possible way forward, as well as being in the interests of all parties. Leaving aside matters of social responsibility, a programme of job creation may prove to be worthwhile financially both for government and business. Long-term savings to the public purse and the increased demand for goods and services associated with high levels of employment may well offer a return on investment. Another question relates to the legality of creating employment designated for care leavers only – although employers may be permitted to take positive action to encourage members of particular under-represented or disadvantaged groups to apply for job or training vacancies, or to encourage them to consider taking up work in a particular occupation or profession (see Equality Commission for Northern Ireland, 2015, *Outreach for Positive Action: A Guide to the Law and Good Practice for Employers*, pp. 6-8).

Scenario Two: Ring-fencing Opportunities

A second option could be ring-fencing a small proportion of existing jobs, probably at entry level, specifically for care leavers. This approach potentially offers some advantages associated with the first scenario, and again represents a tangible increase in employment opportunities for NEET care leavers – although it is likely to incur lower financial cost, at least initially.

A potential drawback associated with ring-fencing existing jobs is, as discussed above, the displacement

of other workers although it would, as explained in the previous section of the report, probably require less than 1 per cent of all existing entry-level jobs to be earmarked in this way in order to ensure full employment opportunities for all NEET care leavers in Northern Ireland. The legal implications of ring-fencing would of course also need to be carefully considered, although guidance from the Equality Commission for Northern Ireland (2015) clarifies that the use of this mechanism is permissible and a number of HSC Trusts have already implemented this approach in Northern Ireland with some success.

Scenario Three: A Care Leavers' Pledge

The third approach draws on the work of Simmons, et al. (2014a), and calls upon key public, private and voluntary sector employers to promote best practice in the employment of care leavers. Endorsed by government, the Care Leavers' Pledge would be a regionally co-ordinated policy led by each HSC Trust across Northern Ireland, and require education and training providers, advice and guidance organisations, and leading employers to commit to certain core principles which would enable them to act as beacons of excellence for others to follow. Participating organisations would, in return, be awarded a quality kite mark. This, we contend, would both provide young people and practitioners concerned with their welfare with a signal of intent and help promote participants' status and activities locally and nationally.

Whilst the Pledge would not ring-fence jobs in the same way as the

other two scenarios, employers would agree to offer all care leavers a guaranteed interview for any entry-level job within their organisation, and actively promote themselves to care leavers and support services as potential employers. Should participating organisations not be able to provide formal employment they would commit to offer work placements and, where appropriate, paid internships to NEET care leavers. As the Northern Ireland labour market differs considerably across different parts of the region, each HSC Trust would, it is suggested, have the flexibility to adapt the exact content of the Pledge according to circumstances and use local intelligence in order to develop the best opportunities for care leavers. But all participating organisations would agree to certain core principles when working with young people who have been in care. These, it is envisaged, would include assisting with travel costs and other work-related expenses; providing workplace mentors; and offering young people formal and informal advice and guidance.

As research shows that continuity and stability is important when trying to engage the most marginalised young people (Simmons and Thompson, 2011), opportunities associated with the Pledge should, it is suggested, be of at least one year's duration, if the creation of a permanent position is not possible. Whilst this approach is perhaps not as 'concrete' as the other proposed models, it offers a degree of flexibility and there are fewer legal considerations than associated with Scenarios One and Two. It would not necessarily be a cheaper option though. A Care Leavers' Pledge would entail start up and co-ordination costs and demand sustained partnership working in order to be effective.

Costs

Under each of these scenarios, the cost of providing employment for a care leaver would be made up largely of wages, training costs, travel and other expenses, the costs of liaison between Health and Social Care Trusts and specific employers, and the unit costs of administering the 100% Employment Opportunities

initiative. It may be possible for employers or other organisations to claim back all or part of training costs, and employer National Insurance contributions for young people under 21 were abolished from April 2015. We consider that, apart from the regular liaison with employers mentioned above (probably undertaken by Personal Advisers or other professionals with knowledge of the individual care leaver), support costs would not be much greater than would be needed if the young person was not in work. Although additional workplace mentoring or other forms of support to help ease the transition into work may be necessary for some young people, it must be remembered that those remaining outside the labour market may also need considerable support. Wage costs for a 16-20 year old may amount to some £8,500 based on a 30 hour week, so that the total additional cost of providing employment to a care leaver under this initiative for one year is likely to be around £10,000-£12,000.

Under Scenario One, this cost would of course be entirely in addition to the existing commitments of employers and Health and Social Care Trusts. Under the other two Scenarios, employment of a care leaver would take place through an existing vacancy so that additional expenditure would be confined to the associated administration and support costs, together with an element of training and/or mentoring costs if these would not normally be provided as part of the specific employment opportunity. See Stein and Munro (2008) for information on work-related initiatives for care leavers in Germany, the Nordic nations and elsewhere.

The Bigger Picture

It is worth noting that there have, over time, been a number of initiatives which have helped employers to work with NEET young people. A central component of the UK Government's 'Movement to Work' initiative, for example, aims to encourage employers to provide work placements, usually for 4 to 6 weeks, to unemployed 18 to 24-year-olds. But whilst, it is envisaged that a Care Leavers Pledge would create more long-term opportunities,

a stated intention of Movement to Work is that both the young person and the employer benefits from the scheme: the young person by gaining work-related skills and experience; the employer through demonstrating social responsibility and potentially gaining access to untapped talent (Movement to Work, 2015). In England, 'Talent Match', a voluntary project funded by the Big Lottery, which attempts to bring together employers, training providers and young people with the aim of improving participants' confidence, motivation and employability skills, is another notable initiative (Princes Trust, 2015).

In the Northern Ireland context, Pathways to Success has consisted of six interrelated initiatives which aim to increase the labour market participation of NEET young people, and has entailed not only various forms of support for young people and, in some cases, their families, but has also subsidised employers to provide excluded young people with work experience and employment opportunities. The Youth Employment Scheme (YES) has also helped to tackle youth unemployment in Northern Ireland via a package of initiatives including skills development placements and work experience programmes for 18 to 24-year-olds, and employer subsidies of up to £5,750 during the first year of a young person moving into work. But whilst the different strands of YES and Pathways to Success have been more or less effective, there have, overall, been a range of significant benefits – not only for individual participants but also for the Exchequer and the economy more broadly (Wilson et al., 2015).

There have, in addition, been a number of initiatives targeted particularly at young people who have been in care. These include From Care2Work, delivered by the National Care Advisory Service and, in the Northern Ireland context specifically, projects such as Give and Take and Aiming Higher, run by organisations such as Include Youth and Business in the Community.

The five HSC Trusts have employability and guidance services

in place which help prepare young people for employment. Certain core principles underpin this provision, including developing life and work-related skills; providing each young person with a career plan; promoting access to work and training with local businesses; and offering employment opportunities with the Trust itself (DEL/DHSSP, 2009). HSC Trusts have developed a range of service models, with many features which would provide a foundation for a 100% Employment Opportunity. For example, ring-fenced posts within HSC Trusts, social clause provision in partnership with a number of companies; tailored personal development; mentoring programmes; workplace tours, 'taster days'; and work placements, traineeships and salaried apprenticeships linked to employer demand. A variety of quantitative and qualitative measures is used to monitor and improve the performance of Trusts in relation to the training and employment or care leavers. Whilst such provision has had some success, those who have been in care remain disproportionately vulnerable to becoming and remaining NEET and to sustained disadvantage thereafter. Clearly, there is a need to address this matter in a more comprehensive and far-reaching fashion than hitherto.

Each of these initiatives has had some success but, whilst helping young people develop the attitudes, skills and dispositions necessary for the world of work is clearly important, increasing the labour market demand for care leavers is also necessary if further progress is to be made. The challenges associated with this should not be underestimated. Creating employment is never easy but implementing a 100% Employment Opportunities scheme would represent an important step in the right direction. Each of the suggested scenarios potentially offers significant social and financial benefits for a relatively small short-term investment of finances and resources – whichever model is adopted.

There is also a commitment amongst the private sector in Northern Ireland to help improve

the employability skills of NEET young people and the NI population in general. Employers are keen to promote a skilled workforce to ensure sustainable growth. Many companies also regard improving employability as an important aspect of corporate responsibility, and view it as an opportunity to develop their own staff through mentoring and sharing skills. Many organisations delivering support programmes for NEET young people have developed strong employer connections and rely on them to deliver employer-led CV clinics, mentoring programmes, workplace visits and work placements to improve young people's employability. The City Wide Employers Forum, which supports the long-term unemployed to move into work, is another example. Individual projects supporting NEET young people, including those working exclusively with NEET care leavers, have made some positive progress in terms of establishing employer links and support. A more strategic and co-ordinated approach to employer-engagement for this target group is however required to ensure appropriate and sustained impact. A 100% Employment Opportunity proposes to go significantly further than pre-employment support, to make real jobs could be made available to all young people leaving care.

A Final Note

There are various ways of improving labour market opportunities for NEET care leavers but certain key principles also need to underpin the thinking of policymakers and practitioners, whichever approach is adopted. Whilst support services are often successful in securing jobs and work placements for NEET young people, research has shown that there are sometimes deficiencies in on-going monitoring and support once employment has been secured (Russell et al, 2014). We therefore recommend that all employers taking on care leavers up to the age of 21 – and, in some circumstances, older – should receive support from HSC Trusts or other relevant organisations for a minimum of a year to help bed young people into the world of work. This, it is envisaged, would entail ongoing liaison with employers, young people and their workplace

mentors, and on-site visits as well as other forms of contact and support.

Second, it is important to remember that young people can still experience social exclusion whilst officially participating in education and work (Simmons, et al. 2014b). Poor pay and conditions, a lack of opportunities for progression, and negative experiences of education and employment more generally can all have a deleterious effect on individual motivation and commitment to work. So, whilst it is likely that the majority of NEET care leavers will go into entry-level jobs, it is imperative that such employment should not constitute the 'left overs' of the labour market, and that every effort is made to ensure that workplace relations are as positive and constructive as possible.

Finally, whilst it is, of course, important to recognise that employers need to run efficient organisations and businesses need to be profitable, it is also necessary to remember that young people – perhaps especially those who have been in care – need to be nurtured and treated with care and respect. A spirit of social responsibility therefore needs to underpin the actions and intentions of all parties going forward.



Section 6:

100% Employment Opportunities: Making a Difference

This section of the report presents three case studies adapted from longitudinal research with NEET young people conducted between 2010 and 2013. In each case, a brief biography is provided up to a key branch point in the young person's life history.

From this point two scenarios are developed, representing different futures deriving from the events and aspirations surrounding the individuals concerned. In Scenario A we stay close to actual events

and their likely consequences; in Scenario B more positive outcomes are presented assuming that an effective intervention based on 100% Employment Opportunities for care leavers is implemented. For

both Scenarios estimated costs are provided drawing on official data and research studies into the economic costs of key risks associated with being NEET.

⁶Official guidance for local authorities on supporting care leavers states that bed and breakfast accommodation is considered unsuitable for 16-17 year olds.

Isla's Story

Isla comes from a large and complex family. Her mother and father live together but both have children from previous relationships and Isla is one of seven siblings and step-siblings. She attended primary school and began her secondary schooling in Wedcherry, but was placed in care at the age of thirteen after becoming involved with drink and drugs. She was placed with foster parents in Costingford, a medium-size town some distance away, where she completed

her schooling. At the age of 16, Isla had to move to a second set of foster parents after her first foster mother became ill. Unfortunately, her second foster placement also broke down. In Isla's account, her foster mother was an alcoholic, and attempted to blame Isla for various domestic problems.

During her time in the second foster placement, Isla became pregnant, although the pregnancy ended in a miscarriage. She was then placed in bed and breakfast accommodation but this arrangement also ended

Scenario A:

Following the end of her apprenticeship and a period churning between being NEET and employability programmes, Isla becomes pregnant and moves out of her parents' house to live in rented accommodation with her boyfriend, Lee, a young man she had met at a local training provider. Isla gives birth to a son, Oscar, and although she has taken up smoking she seems to be settling into motherhood quite well. However, Lee is NEET again, and there are also signs that their domestic arrangements are becoming unstable: there have been disputes with the neighbours over noise and an accidental fire. Isla and Lee have also acquired a pet dog. Three months later, Lee is charged with affray after a domestic incident and Isla has taken out a court injunction against him. Events do not develop as Isla imagines and Lee is found not guilty. Meanwhile, Isla's life becomes increasingly chaotic, and she breaks her ankle in a fight with another girl. Her situation continues to worsen and she loses the tenancy of the house after

neighbours complain about parties and drug use – an accusation that Isla strenuously denies. She returns home briefly, but finds it difficult to manage the relationship with her father. Lee and his parents apply for custody of Oscar.

Isla attends an alcohol counselling course following concerns over her drinking. After a further period of churning between short-term employability programmes, and now aged 18, Isla starts college again, taking another Level 1 course in Hairdressing and Beauty Therapy, the only way she can access the Level 2 course she wants to do. However, she is required to give up her course a few months later when the Job Centre finds her work as a cleaner in a local supermarket. Isla remains in this job for five months, but then resigns – citing disputes with Lee and his parents over childcare as the main reason.

Isla's son is taken from her following a County Court hearing. Lee and his parents are granted full custody of Oscar, although Isla is given permission to have

him for two nights each week. Isla says she was told that she didn't have the 'right mother skill set' to look after a baby. Nevertheless, Isla becomes pregnant again at the age of 19, giving birth to a daughter and then a second son when she is 21. The babies have two separate fathers, who both disappear from the scene before their child is born. After the birth of her daughter, Isla leaves her parents' home again to live in rented accommodation. After struggling with her alcohol problems for several years, Isla loses custody of the children, who are taken into care. Isla's physical and mental health both deteriorate, and although she occasionally participates in mandated training programmes she is unable to retain paid employment for any length of time.

**Cost: approximately
£1,000,000 in public
finance costs;
earnings £4,200**

unhappily after two months. Following this experience, and now aged 17, Isla returned to her parents' home. Isla had passed eight GCSEs (including five at grade C or above), and was attending an art and design course at a college in Costingford when she left to move back to Wedcherry.

Isla's return signalled a change in her ambitions and she enrolled on a Level 1 hairdressing course shortly after returning home. Isla completed this course and then progressed to an apprenticeship with another

provider. However, this apprenticeship was short-lived and Isla was dismissed after a dispute over a sickness absence. Thereafter, her educational trajectory took a downward turn and, although she believed she had passed the Level 1 course, there were problems with obtaining her certificate which prevented her from progressing to a higher level course in hairdressing.

Scenario B:

When Isla's initial apprenticeship breaks down, her PA intervenes and she is offered another hairdressing apprenticeship conditional on her completing a Level 1 qualification. Her health improves after a course of antibiotics for a chest and sinus infection; Isla explains the difficulty with her Level 1 certificate to her PA, who contacts the provider establish why she had not been awarded the certificate. Isla then completes the necessary further work within a few weeks, and begins a Level 2 apprenticeship. Isla continues to live with her parents until she completes the apprenticeship and obtains a full-time job in a salon run by a friend of her employer. She then moves into rented accommodation which she shares with a friend from college, who is a beauty therapist. Isla continues to gain experience as a hairdresser, having a total of three full-time jobs before having a baby at the age of 27 with her long-term partner, Sam, who works in a local garage. Eventually, Sam becomes a workshop supervisor for a multinational motor company.

Isla has two more children, combining motherhood with part-time work as a hairdresser before returning to full-time work as a sales assistant in a department store at the age of 40.

**Cost: approximately
£44,000 in public
finance costs;
earnings £170,000**

Cayden's Story

Cayden has moderate learning difficulties. He never met his father and went into foster care when he was very young: his mother had two children from a previous relationship – both of whom also have learning difficulties – and Cayden said his mother 'couldn't cope' with him. At the age of four, Cayden went to live with an uncle and his wife and remained in their care until he was sixteen. Cayden's aunt and uncle then relocated to Scotland, and he moved into a supported housing scheme for vulnerable young people, having chosen to remain in Wedcherry rather than move to Scotland with his uncle. However, Cayden felt that he wanted more independence and left the housing scheme. When we met him, Cayden was 18 and had been living alone in a flat in Wedcherry for about a year – although he was still receiving help from his local HSC Trust and other agencies.

Despite his learning difficulties, Cayden enjoyed school and, although he gained no GCSEs, he was awarded a number of pre-vocational certificates

before leaving at the age of sixteen. Upon leaving school Cayden joined an employability course at Wedcherry College, a programme designed especially for young people with limited literacy and numeracy skills. However, he said that things started to break down after his mother died. Although he had not lived with his mother since he was a baby, she had maintained contact and Cayden was deeply upset by her death. This event appeared to precipitate his leaving college and becoming NEET for a short time. However, Cayden was soon on another employability programme run by a voluntary organisation on behalf of the HSC Trust.

After completing this latest employability programme, Cayden began a work placement at a care home for the elderly. Amongst other duties, Cayden made tea, helped staff with lifting and handling, assisted residents with meals, and spent time talking with them. On completing the placement, Cayden looked for paid work but after three months had been unsuccessful. This experience

seemed to affect his motivation to find paid payment, and after a further three months finding a job seemed to have slipped off Cayden's agenda. He began to suffer from depression and was on medication. Cayden was now just six months short of his 21st birthday and was worried about losing the support of his Personal Adviser (PA) and also the implications for his benefits.

In early 2012, with the support of his PA, Cayden began to work as a volunteer in a retail shop run by a national charity. Cayden seemed happy with this, even though he was unpaid. Initially, he worked four days a week but this soon increased to six days, and sometimes Cayden came in to socialise on his day off. He dealt with customers, worked the till, cleaned, and carried out odd jobs. Whilst he was working at the shop, Cayden met Holly, a young woman who subsequently became his girlfriend. The charity shop and its staff became central to Cayden's life and he said he was planning to move house to be nearer work.

Scenario A:

Cayden continues to work unpaid at the charity shop for a further twelve months, but becomes disillusioned and leaves. He attends various employability programmes, none of which are effective, and his mental health deteriorates. His relationship with Holly breaks down and they separate when she is six months pregnant. Cayden is hospitalised with severe depression when he is 24, and experiences several lengthy hospital stays over the next ten years, becoming increasingly dependent on alcohol and smoking heavily. Cayden never obtains a paid job, and remains on benefits.

Cost: approximately £182,000 public finance costs; earnings nil

Scenario B:

With the assistance of his PA and 100% Employment Opportunities, Cayden is offered a paid position as an ancillary worker in a care home for the elderly, with similar duties to his earlier work placement, working four days a week with occasional additional shifts. He is able to come off JSA but continues to receive housing benefit. His mental health improves and he is able to come off his medication. After a year of paid work experience, Cayden is retained at the care home, working 16 hours a week as a gardener's assistant. His relationship with Holly develops into a long-term one, and they have one child. Before becoming a mother, Holly worked in a supermarket and Cayden's job is flexible enough for her to return to work part-time after maternity leave, sharing childcare with her mother and with support from Cayden. After three years as a gardener's assistant, Cayden leaves for better-paid work as a gardening operative for a contractor to the local HSC Trust. Although his employment is always low skilled and low paid, Cayden does not suffer long-term unemployment until many years later when he is made redundant, although he is still able to find seasonal jobs at various garden centres.

Cost: approximately £82,000 in public finance costs; earnings £214,000

Danny's Story

Danny was brought up by his mother, who works with adults with special needs, and his long-term step-father, a chef. Danny has a history of offending and disrupted schooling, and was identified as 'at risk' of becoming NEET. At the age of 14, Danny was taken into care after assaulting his stepfather, and a year later he spent three months in a Young Offenders Institution after becoming involved in a fight over cannabis in a public park. Apart from his youth offending, Danny had a history of school exclusion and, although fairly academically able, had achieved only three GCSE passes: two D grades in English and a G in mathematics. Danny was effectively permanently excluded for

the last two years of his schooling, and although he remained on roll until the age of 16 and received some online tutoring, he did not attend school after Year 9.

Although Danny participated in a succession of training programmes, none of these matched his interests or resulted in progression to employment or further study. Danny was often critical about the nature of the programmes he experienced, and the value of the qualifications associated with them. His experience of post-16 education was largely churning repeatedly between various low-level pre-vocational programmes, and at the age of 18 Danny was enrolled on a Level 1 programme in IT, although he had completed a virtually identical

course two years earlier. Meanwhile, Danny continued to get into trouble with the police.

Danny left care to return to his parents just before his seventeenth birthday. This arrangement did not last long, and he was asked to leave after being arrested for possessing an offensive weapon. Danny then moved into bed-and-breakfast accommodation for a few weeks, before taking up the tenancy of a local authority flat in an area with a reputation for high levels of crime and violence. Danny's mother does not visit the flat; he sees her at her house which Danny still thinks of as 'home'.

Scenario A:

Danny continues to churn between low-level training courses, occasional casual employment which he does not declare to the Job Centre, and being NEET. He uses cannabis user throughout this time, and is asked to leave several courses because of drink and drug issues. Danny also becomes involved in gambling and drug dealing after moving into the flat – which cause him to get into debt and to become the victim of a violent crime.

Danny's benefit income is not sufficient to support his debts and dependency on gambling and drugs, and he becomes increasingly involved with criminal activities. At 22, he is imprisoned for twelve months for theft and on release from prison begins a Level 2 Business Studies course at the local college. However, he soon becomes disillusioned with the lack of employment prospects the course offers and once again becomes involved in drug dealing. A further prison term follows, a total of eighteen months for various offences involving theft and drugs, and Danny never returns to education. He continues to offend, with criminal behaviour of increasing seriousness which includes burglary and a range of violent offences. By the time he is 40, Danny has spent around six years in prison and only the equivalent of three years in paid employment.

Cost: approximately £344,000 in public finance costs; earnings £23,000

Scenario B:

With the help of his PA and 100% Employment Opportunities, Danny obtains a paid work placement at a distribution centre for a large supermarket chain, helping with loading, unloading and general warehouse work. His PA also helps him find alternative accommodation in an area with lower crime levels. The distribution centre has an in-house training centre, and as a condition of his placement Danny is required to work towards a Level 2 NVQ in Distribution and Warehousing Operations. He also obtains a fork-lift driving qualification and passes his driving test.

From his placement the distribution centre, Danny obtains paid work as a warehouse operative and becomes interested in transport and haulage. After two more years he gains employment as a van driver for the same supermarket. Five years later Danny obtains his HGV licence and works as a lorry driver for three large haulage companies, eventually becoming a depot supervisor in his mid-30s.

Cost: net contributor £58,000 in contribution to public finances; earnings £456,000



Section 7: Conclusion

Young people who have been in care are disproportionately likely to become NEET and to remain outside education and work for substantial periods of time. There are, as we have seen, a range of negative consequences of this both for individual young people and their families, and for society more broadly. Being NEET is, for the individual, often associated with sustained disadvantage, not only in terms of lost earnings and a greater risk of long-term unemployment, but is also frequently linked to early parenthood, ill-health, and an increased likelihood of involvement in crime.

There are, however, broader social and economic costs associated with such processes. These include financial costs deriving from increased spending on welfare benefits, health and other social services, and reduced levels of institutional trust and engagement with civil society. Reduced individual income also results in lower spending power and lower demand for many goods and services; moreover low skills, long-term unemployment and underemployment lead to lost productivity for employers. By the age of 40, average public finance and resource costs associated with sustained unemployment can be estimated to be around £130,000-£150,000 per individual; for certain care leavers, the costs of long-term disengagement may amount to over £1 million.

Significant work has already been done to help improve care leavers' transitions into the world of work, both in Northern Ireland and elsewhere – although specific interventions are sometimes relatively short-lived for individual young people and care leavers remain significantly disadvantaged in education and employment, and in various other respects. There is therefore a strong case for a programme of more sustained and comprehensive intervention which, evidence suggests, will provide tangible benefits not only for care leavers but also for government, employers and society more generally.

Whilst the costs associated with care leavers becoming and remaining NEET can often be considerable, the benefits associated with successful intervention are also substantial, although the number of individuals involved, at least in the Northern Ireland context, is relatively small. Securing 100% Employment Opportunities for care leavers would initially entail engaging approximately 200 young people aged 16-21 in education and work – although thereafter the number of individuals involved is likely to be significantly smaller. It is also worth noting that, whilst the costs of intervention may amount to £5,000-£20,000 for each young person, this, in many cases, will be broadly similar to costs currently incurred by HSC Trusts and other organisations responsible for supporting young people who have been in care. Indeed their participation in any programme of job creation is vital and it is essential that HSC Trusts, voluntary organisations and other support services continue to work with young people going forward.

Financial costs are, of course, important but, as we have pointed out, they are not the full story. The quality of life which an individual care leaver may experience is part of the broader well-being of any society. The difference between the A and B scenarios of each case study contained within this report show how the lives and future prospects of young care leavers can be transformed by appropriate

and sustained interventions. A 100% Employment Opportunities initiative would provide a significant opportunity for socially responsible employers to make a real difference to the people of Northern Ireland.

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Appendix 1: Detailed Costings for Isla

Isla's A Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18	Alcohol counselling course			500		
	2 x 6 week employability courses			1,000		
	Level 1 course x 3 months			800		
	Employment for 5 months (30 hrs/wk @ £7 per hour)		4,200			
	JSA, HB for 7 months	4,573				
19	Becomes pregnant					
	Gives up work					
	Has child 01 November					
	No employment					
	Income support/HB	6,145				
	2 months CB	186				
20	Inactive					
	1 child					
	Alcohol counselling course			500		
	Income support/HB/CB/ Child Tax Credit	13,014				
21	Inactive					
	1 child					
	Second child in June					
	Income support/HB/CB/ Child Tax Credit	14,761				
22-24	Inactive					
	2 children					
	Income support/HB/CB/ Child Tax Credit	16,508				
25-40	12 yrs unemployed					
	3 yrs employed (never earns more than £5,000 pa)					
	JSA/HB	98,592				
	Working Tax Credit	8,319				
	Children in foster care, 2 x 14 years				840,000	
	Totals	162,097	4,200	2,800	840,000	

Isla's B Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18	Hairdressing apprenticeship			1,000		
	AGE Grant for her employer				1,500	
	Level 1 course x 2 months			500		
	Apprenticeship wage (35 hrs/wk @ £3.30 per hour)		6,006	6,006		
	HB	2,642				
19	Continues apprenticeship			1,000		
	Apprenticeship wage (35 hrs/wk @ £5.30 per hour)		9,646	9,646		
	HB	400				
20	Full-time job hairdressing					
	Just above minimum wage (35 hrs/wk @ £5.50 per hour)		10,010			
21	Full-time job hairdressing					
	Just above minimum wage (35 hrs/wk @ £7.00 per hour)		12,740			
	Tax/National Insurance				990	
22-26	Full-time job hairdressing					
	Just above minimum wage (35 hrs/wk @ £7.50 per hour)		68,250			6,404
	Tax/NI					
27-31	Inactive					
	CB (2 yr2 @ £20.70, 2 yrs @34.40, 1 yr @48.10)	8,232				
32-40	Part-time job hairdressing (18 hrs/wk @ £7.50)		63,180			
	CB	20,010				
	Totals	31,283	169,832	18,152	1,500	7,394

Isla's B Scenario		(Birthday on 01/01)				
	Isla A (to age 40)	Costs	1,004,897			
		Earnings	4,200			
		Contributions	0			
		Costs - Contributions	1,004,897	164,897 (ignoring care costs)		
	Isla B (to age 40)	Costs	50,935			
		Earnings	169,832			
		Contributions	7,394			
		Costs - Contributions	43,542			

- i. Benefit costs derived from the calculator provided on www.turn2us.org.uk
- ii. Costs of children in foster care approximately £30,000 per child per year (NAO, 2014) Residential care is considerably more expensive
- iii. Tax and National Insurance contributions taken from www.icalculator.info
- iv. Costs of employability training and other courses estimated from funding council payments to providers

Appendix 2: Detailed Costings for Cayden

Cayden's A Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18-19	Unpaid work at charity shop					
	3 x 6 week employability courses			2,500		
	JSA, HB for 2 years	14,862				
20	Gives up work at charity shop					
	1 X 6 week employability course			500		
	JSA, HB for 1 year	7,431				
21-23	Inactive					
	1 child					
	Treatment for depression				500	
	JSA/HB for 3 years	22,292				
24	Inactive					
	Hospitalised with severe depression				2,085	
	Income support/HB	7,431				
25-40	15 years on benefits					
	4 Lengthy hospital stays with depression & alcohol problems				12,510	
	Income support/HB	111,462				
	Totals					
		163,478	0	3,000	15,095	

Cayden's B Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18	Ancillary worker in care home					
	Minimum wage (25 hours @ £5.30)		6,890	6,890		
	Housing Benefit	2,068		500		
19-20	Gardener's assistant					
	Minimum wage (16 hours @ 5.30)		8,819			
	Housing Benefit	7,360				
21	Gardener's assistant					
	Living with Holly					
	Minimum wage (16 hours @ £6.70)		5,574			
	No benefit entitlement					
22	Gardening operative					
	Just above minimum wage (30 hours @ £7.10)		11,076			457
	No benefits entitlement					
23	Gardening operative					
	Holly 1 child					
	Just above minimum wage (30 hours @ £7.10)		11,076			457
	Child Tax Credit/CB/ Housing Benefit	4,062				
24-40	Gardening operative					
	Holly 1 child					
	Just above minimum wage (30 hours @ £7.10)		177,216			7,314
	Working Tax Credit/Child Tax Credit/CB	69,172				
	Totals	82,663	213,762	7,390	0	8,228

Cayden's B Scenario		(Birthday on 01/01)				
	Cayden A (to age 40)					
		Costs	181,573			
		Earnings	0			
		Contributions	0	164,897 (ignoring care costs)		
		Costs-Contributions	181,573			
	Cayden B (to age 40)		7,394			
		Costs	90,053			
		Earnings	213,762			
		Contributions	8,228			
		Costs-Contributions	81,825			

- i. Benefit costs derived from the calculator provided on www.turn2us.org.uk
- ii. Tax and National Insurance contributions taken from www.icalculator.info
- iii. Costs of employability training and other courses estimated from funding council payments to providers
- iv. Medical costs taken from McCrone et al. (2008)

Appendix 3: Detailed Costings for Danny

Danny's A Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18-20	Churning					
	4 x 6 week employability courses			2,000		
	JSA, HB for 3 years	22,292				
	Community service for drugs offence				7,500	
21	Churning					
	1 X 3 month work placement			1,000		
	JSA, HB for 1 year	7,431				
	Fine and suspended sentence for drugs offence and handling stolen goods				10,000	
22	Twelve months in prison for burglary and drugs offences				44,000	
23	Level 2 Business Studies			1,000		
	JSA, HB for 1 year	7,431				
24	JSA, HB for 1 year	7,431				
25	18 months in prison for theft, burglary and drugs offences				51,000	
26	6 months JSA, HB	3,715				
27	3 months work placement			3,000		
	9 months paid work with same employer					
	9 months, 30 hrs/wk @ £6.70		7,839			
	Working tax credit	2,080				
	JSA/HB 3 months	1,858				
	Made redundant at end of year					
28	JSA, HB for 1 year	7,431				
	6 week work placement (terminated for drug abuse)					
	Fined for drug offence				7,500	

Danny's A Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
29-31	JSA, HB for 3 years	22,292				
32-34	3 years in prison for violence, drug offences, robbery and burglary				109,000	
35-37	JSA, HB for 3 years	22,292				
38-40	2 years' work as street cleaner					
	20 hrs/wk @ £7.50		15,600			
	HB for 2 years	3,981				
	Totals	108,234	23,439	7,000	229,000	

Danny's B Scenario		(Birthday on 01/01)				
Age	Activities/ Circumstances	Benefits	Earnings	Course Costs	Other Costs	Contributions
18	Work placement in distribution centre			2,000		
	English and maths support			1,000		
	Minimum wage (35 hours @ £5.30)		9,646	9,646		
	Tax/NI					190
	Driving lessons			300		
	Fork-lift truck licence			500		
	HB	399				
19-20	Warehouse operative					
	Minimum wage (30 hours @ 5.30)		16,536			
	English and maths support			1,000		
	HB	2,376				
21	Van driver					
	Just above minimum wage (35 hours @ £7.20)		13,104			
	No benefits					
	Tax/NI					1,106
22-26	Van driver					
	Just above minimum wage (40 hours @ £7.50)		78,000			
	No benefits					
	Tax/NI					9,524
	HGV Licence				2,000	
26-35	HGV Driver					
	Average salary £22,000 for 10 years		220,000			39,528
	Tax/NI					
36-40	Depot supervisor					
	Average salary £32,000 for 4 years		128,000			
	Tax/National Insurance					28,611
	Totals	2,776	455,640	14,446	2,000	77,663

Danny's B Scenario		(Birthday on 01/01)				
	Danny A (to age 40)					
		Costs	344,233			
		Earnings	23,439			
		Contributions	0.00			
		Costs- Contributions	344,233			
	Danny B (to age 40)					
		Costs	19,222			
		Earnings	455,640			
		Contributions	77,663			
		Costs- Contributions	-58,441			

- i. i. Benefit costs derived from the calculator provided on www.turn2us.org.uk
- ii. Tax and National Insurance contributions taken from www.icalculator.info
- iii. Costs of employability training and other courses estimated from funding council payments to providers
- iv. Sentencing and prison costs taken from NAO (2011)

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