



Women in work 2026

**Reshaping Futures: Exploring the
Drivers and Solutions for Young
Women Outside of Education and Work**

PwC UK Public Sector Strategy & Economics
March 2026



Executive Summary



This year's Women in Work report updates trends in female participation and employment across 33 OECD countries using the latest available data (2024). The report comprises three parts: an update on the OECD Index, a deep dive into the UK, and a special article on NEET drivers. These findings are contextualised within ongoing geopolitical volatility, economic challenges, significant demographic changes, and the impact of AI-driven technological disruption on skills and employment—forces that continue to shape labour markets and women's economic outcomes.

Part A1: Narrowing Gender Disparities across the OECD

This year's OECD report highlights that gender disparities in the labour market are narrowing, with women across OECD countries returning to work in greater numbers driven by cost-of-living pressures, whilst the gender pay gap continues to fall in this year's report.

However, the global economic slowdown has adversely affected labour demand, leading to increased female unemployment rates and a reduction in full-time employment for women. Consequently, women's labour market prospects in OECD nations have shown the smallest improvement since Covid, and in G7 countries they have slightly declined.

Iceland continues to lead the OECD rankings, followed by Luxembourg, New Zealand, Sweden, and Slovenia. The UK ranks in the middle at 17th out of 33 countries, while Australia has moved up to 10th place from 19th in 2020.

Countries at the top feature supportive parental leave and childcare policies. These policies enable women to remain in the workforce, improving progression opportunities.

Part A2: Modest UK performance and Regional Insights

In the UK, while modest improvements exist, there has been a notable increase in female unemployment, rising from 3.5% to 4.2% in 2024. This marks the largest annual increase since our index began in 2011 and has been driven by a significant increase in unemployment amongst young women, rising from 9.5% to 11.8% in the same period.

Regional disparities still exist in workplace gender parity and opportunities. The South West leads this year regional index, thanks to increasing job opportunities in the region, enabling and encouraging more women to participate in the workforce. Whilst Northern Ireland and Scotland perform relatively well due to a higher proportion of public sector jobs.

London falls one place to the bottom spot in the regional index. This reflects its high female unemployment rate (5.2%) which is the highest of any region in the UK and a high gender pay gap. This is driven by its sectoral balance, with its most prominent industries (finance, education and professional service) those that tend to have the highest gender pay gap.

Part B: The NEET Challenge and its Economic Opportunity

Poor educational attainment and health issues significantly affect young women's likelihood of being NEET, with 25% of young women without formal qualifications impacted, compared to 19% of young men. Additionally, young women from minority backgrounds face higher NEET risks.

We also find evidence of compounded disadvantage, with young women with health conditions and poor GCSE attainment are four times more likely to be NEET. These impacts don't just add up they multiply. Policy therefore needs to be designed to tackle not only gender-specific drivers but also complex intersectional challenges that certain cohorts face.

Bringing NEET rates down to 2021 lows could boost GDP by £3 billion. This represents significant economic opportunity for the UK and if further progress was made to bring levels in line with Germany and the Netherlands, this could add £5 billion and £11 billion, respectively. Effectively addressing these issues is vital for achieving gender equality and economic growth.

Introduction

This year's *Women in Work Index* examines trends in female participation, employment and progression across 33 OECD countries, **using the latest available OECD data (2024)**.¹ Part A provides an update on progress within the OECD, the UK, and its regions. Part B considers the issue of rising NEET (Not in Education, Employment, or Training) rates among young women in the UK, exploring its drivers and implications. Together, these sections highlight key challenges for advancing women's equality and their opportunities in the labour market.

Note: Our analysis is based on OECD data for 33 countries, the latest version of which is available until 2024, where possible and appropriate we have based analysis on more recent data.

Part A: The Women in Work Index – Overview of key findings

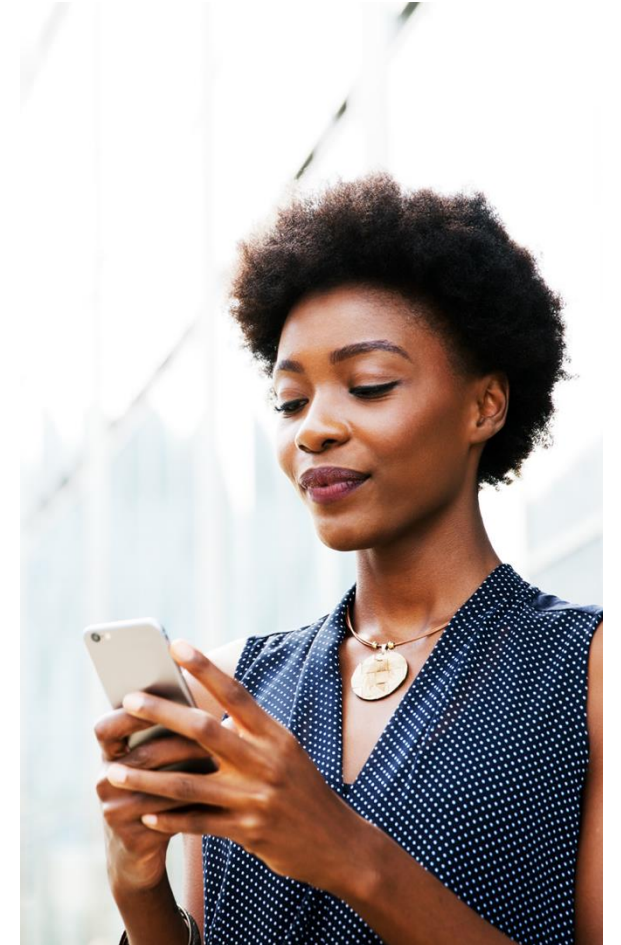
- Part A1: OECD Results
- Part A2: UK Results

Presents the 14th annual update to the Index, assessing performance across five indicators: the gender pay gap, participation rate gap, female participation, female full-time employment, and female unemployment. It analyses outcomes across the OECD and G7, with a detailed focus on the UK in Part A2, including regional spotlights on Northern Ireland and London. In doing so, it examines how macroeconomic conditions, the labour market and policy choices shape performance.



Part B: Reshaping Futures: Exploring the drivers and solutions for young women outside of education and work

Features this year's special article on the UK's growing NEET (not in employment, education or training) challenge among under-25s, with a focus on young women. It presents econometric analysis of the drivers of rising NEET rates among young women. The report concludes by drawing on international best practice from countries with low NEET rates, highlighting insights for the UK as efforts to tackle the NEET problem intensify.



A

The Women in Work Index - Overview of key findings





Part A1

OECD Results

Gender disparities within OECD countries continue to narrow in this year's update

Women are moving into the workforce in greater numbers amid cost-of-living pressures, which is helping to reduce the gender pay gap.

PwC's Women in Work Index measures progress made towards gender equality in the workplace across 33 OECD countries. The Index comprises five indicators that assess various aspects of gender equality in work.

Table A1: Women in Work indicators – comparing this year's index change to the long-term trend

Indicator	Description	OECD average annual change 2011 - 2023	OECD change 2023 - 2024	OECD average score 2024	Comparison of one year change vs long-term trend
Female Participation Rate	The proportion of women of working age (15 to 64) who either have a job or are seeking work.	⬆️ 0.5 pp	⬆️ 0.4 pp	73.0%	⚖️ Continued, consistent increase in the female participation rate
Participation Rate Gap	The difference between the female participation rate (see above) and the male participation rate.	⬇️ 0.3 pp	⬇️ 0.3 pp	8.5%	⚖️ Continued, consistent fall in the participation rate gap
Gender Pay Gap	The difference between median hourly earnings of men and women.	⬇️ 0.3 pp	⬇️ 0.6 pp	12.4%	⬇️ Increasing momentum towards closing of the gender pay gap
Female Unemployment Rate	The number of women of working age who are seeking work as a proportion of the total female workforce.	⬇️ 0.3 pp	⬆️ 0.2 pp	5.5%	⬆️ Backwards step with female unemployment rate rising
Female Full Time Employment Rate	The proportion of employed women who work full time.	⬆️ 0.3 pp	⬇️ 1.3 pp	76.8%	⬇️ Backwards step with falling rates of women in full time work

Sources: PwC analysis; OECD

Gender disparities have reduced this year

- The participation gap continued to narrow, falling by 0.3 percentage points this year. This reflects rising female participation across OECD economies, with male participation broadly flat.
- Cost-of-living pressures remain a key driver of this shift. As real incomes are squeezed and economic growth weakens, more women are entering (or re-entering) the labour market to stabilise household finances; a pattern the OECD has identified as shaping recent labour market behaviour.²

The participation gap narrowed by **0.3%** ⬇️ points this year.

But job creation is struggling to keep pace

- Rising participation is outpacing employment growth. A 0.4 percentage point increase in female labour force participation was matched by a 0.2 percentage point increase in female unemployment, suggesting weaker labour demand has limited the economy's capacity to absorb new entrants.
- This reflects softer labour market conditions in 2024. Slowing economic growth across OECD economies reduced job creation² even as participation continued to rise, contributing to higher female unemployment and a fall in female full-time employment.

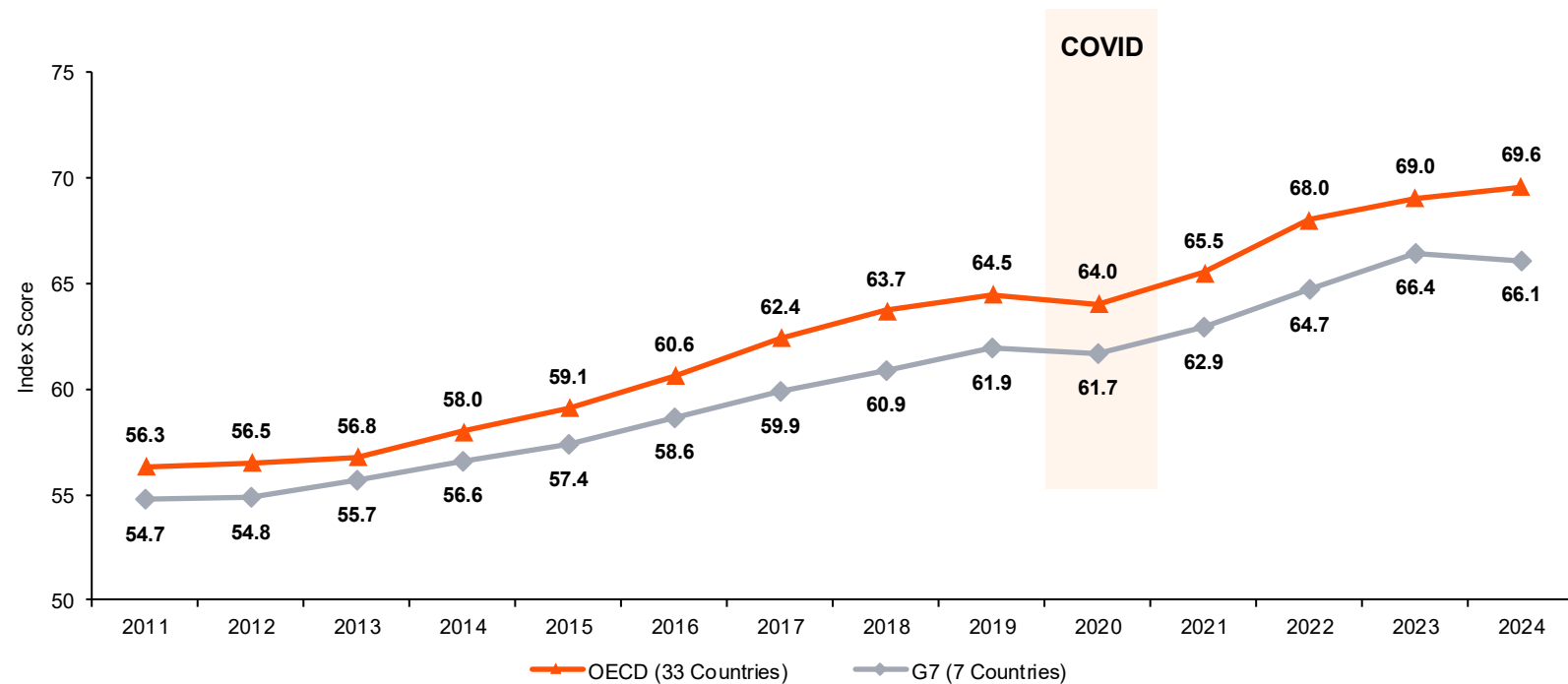
A **0.4%** ⬆️ point rise in female labour force participation coincided with a **0.2%** ⬆️ point rise in female unemployment.

Improvements in women's prospects have stalled to their slowest since COVID, amid rising female unemployment

The index has improved relatively slowly for OECD countries and declined slightly amongst G7 countries.

An overview of OECD performance on the WiW Index compared to the G7 since its inception in 2011 is presented below. The data reveals slow but steady average score improvements, accompanied by a widening gap between the OECD and G7 nations.

Figure A1: Women in Work Index OECD average score across 33 countries and G7 average score



Sources: PwC analysis; OECD

Note: In this report, we refer to COVID, where we do so, we refer to data from 2020, the year in which the pandemic had a pronounced impact on the nature of work across the world.

Analysis reveals that progress has slowed this year.

This year's update found the average OECD country increased their index score by 0.6 points, which is half the speed of average improvement since the index began and the slowest since COVID.

0.6 point ↑
rise in the OECD index average.

This has been driven by a decline in employment prospects for women.

Since last year's index, the average female unemployment rate has increased by 0.2pp and the rate of females in full time employment fell for the first time in the history of the index.

First fall ↓
The full-time female employment rate fell for the first time in index history.

Rising female unemployment explains the decline in G7 performance for the first time since COVID.

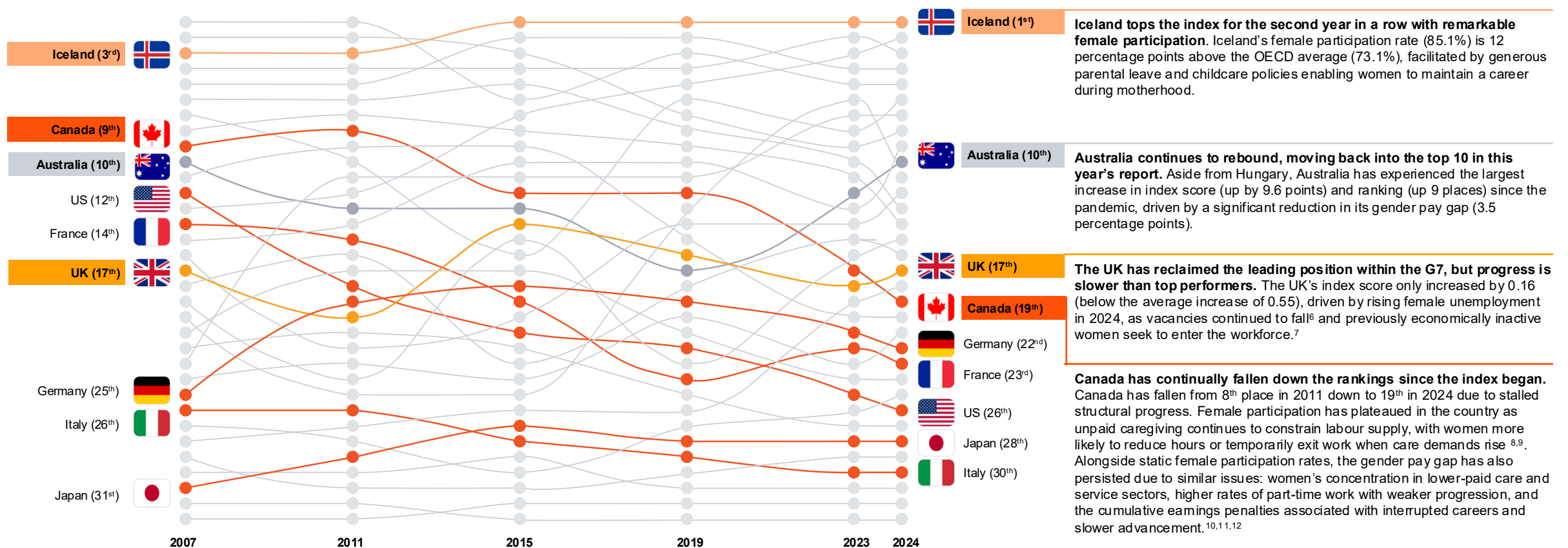
Tight monetary conditions amid the global economic slowdown reduced labour demand and vacancies^{3,4,5}, driving up female unemployment by as much as 0.8pp in Canada, 0.7pp in the UK and 0.5pp in the US*.

0.3 point ↓
fall in the G7 index average this year.

Iceland retains its top position amongst OECD countries and the UK remains in the middle of the pack

Australia has made significant gains in recent years, whereas Canada has slipped down the rankings compared to other major economies.

Figure A2: Women in Work Index Ranking, 2007-2024 (select years highlighted), top performer and selected major economies highlighted



Iceland (1st) Iceland tops the index for the second year in a row with remarkable female participation. Iceland's female participation rate (85.1%) is 12 percentage points above the OECD average (73.1%), facilitated by generous parental leave and childcare policies enabling women to maintain a career during motherhood.

Australia (10th) Australia continues to rebound, moving back into the top 10 in this year's report. Aside from Hungary, Australia has experienced the largest increase in index score (up by 9.6 points) and ranking (up 9 places) since the pandemic, driven by a significant reduction in its gender pay gap (3.5 percentage points).

UK (17th) The UK has reclaimed the leading position within the G7, but progress is slower than top performers. The UK's index score only increased by 0.16 (below the average increase of 0.55), driven by rising female unemployment in 2024, as vacancies continued to fall⁶ and previously economically inactive women seek to enter the workforce.⁷

Canada (19th) Canada has continually fallen down the rankings since the index began. Canada has fallen from 8th place in 2011 down to 19th in 2024 due to stalled structural progress. Female participation has plateaued in the country as unpaid caregiving continues to constrain labour supply, with women more likely to reduce hours or temporarily exit work when care demands rise^{8,9}. Alongside static female participation rates, the gender pay gap has also persisted due to similar issues: women's concentration in lower-paid care and service sectors, higher rates of part-time work with weaker progression, and the cumulative earnings penalties associated with interrupted careers and slower advancement.^{10,11,12}

Sources: PwC analysis; OECD; Eurostat; US Bureau of Labour Statistics. Notes: See the appendix for the full Women in Work 2024 Index results and methodology.

OECD countries with the highest index scores have childcare and parental leave policies that support female participation

These countries exhibit low gender pay gaps indicating that childcare support can enable working continuity that drives more equitable pay.¹³

Table A2: Top 5 countries by index score, 2024


Rank	Country	Index score
1	Iceland	82.7
2	Luxembourg	82.5
3	New Zealand	81.2
4	Sweden	79.6
5	Slovenia	79.3

Childcare Policy

Early years (age 1-3) & After school (age 5+)

Early years childcare provision allows parents to return to work sooner after having children as they have financial and structural support from the government to cover the cost and organisation of childcare. Continued childcare for school-age children enables parents to work full time.

Top performer case studies

 **New Zealand:** Out of School Care and Recreation Subsidy covering up to 20 hours/week of before/after-school care and 50 hours/week during holidays.¹⁴


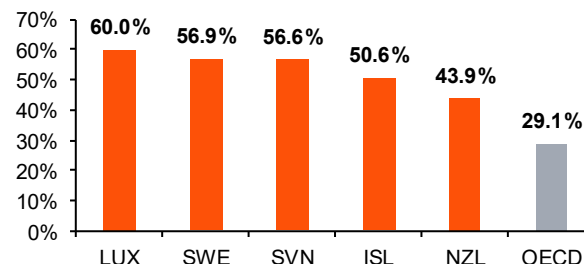
 **Sweden:** municipalities are required to provide out of hours educare for children up to age 12 whose parents are working, studying, or seeking work.¹⁵


Figure A3: % of children aged under 3 in formal childcare, 2023^{16,17}




Parental leave Policy

Generous parental leave promotes shared care and equal labour-market opportunities as both parents can take time off work to care for children, reducing the amount of time mothers spend out of the labour market.

Top performer case studies

 **Luxembourg:** Statutory basis for a range of part-time options that suit individual circumstances which is paid at “comfortable replacement salary.”¹⁸

 **Slovenia:** A total of 260 days of parental leave is available, with both parents entitled to 130 days of leave and additional flexibility and protections for parents.¹⁹



A long history of support in Iceland^{20,21,22}

Childcare

In the 1990s Reykjavik and then other municipalities offered full-day daycare to children of cohabiting parents.



Parental leave

In 2000, fathers also began to receive an independent right to three months of paid leave (women since 1980).



Working hours

Since 2015, when there was a pilot to reduce working hours from 40 to 36 hours, many employers reduced hours.



Uptake of formal childcare for children under 3 is much higher in top performing countries

Part **A2**

UK Results



Gender gaps continue to narrow in the UK, but progress has slowed with female unemployment is a key challenge

The rise in the female unemployment rate was concentrated among young women, with increases over three times greater in this cohort.



A deep dive into the UK's performance across the WiW indicators reveals improvements in three of the five indicators:

- 1 Gender Pay Gap: decreased slightly by 0.16 pp to 13.1% in 2024.**
Although this remains above the OECD average of 12.4% the UK's Gender Pay Gap has been declining at a faster rate than the OECD since the index began.
- 2 Female Labour Force Participation: increased by 0.2 percentage points.**
This marginal improvement means the UK maintains 15th place on this indicator, although the OECD average increase was slightly greater in absolute terms at 0.36pp.
- 3 Participation Rate Gap*: fell significantly by 1.4 percentage points**
The UK experienced a notable fall in the participation rate gap from 7.8% in 2023 to 6.4% in 2024. This is the second largest decrease across the OECD with only Czechia (1.7pp) making faster progress.
- 4 Female unemployment rate: increased by 0.7 percentage points**
The Female Unemployment Rate in the UK increased from 3.5% in 2023 to 4.2% in 2024. This increase has been spurred by rising unemployment amongst young people rising from 9.5% to 11.8%.²³
- 5 Female Full Time Employment Rate: the UK's worst performing metric**
The UK continued to perform poorly on this metric relative to the other indicators. The UK's rate of 67.7 % is 9.1 pp below the OECD average of 76.8% in 2024 **. This places the UK 27th out of 33 countries and can help explain the UK's high gender pay gap with progression often lower for part-time workers.²⁴

UK progress was relatively slow in 2024

0.16 points

UK improvement in WiW Index this year

0.42 points

Average OECD improvement in WiW Index this year

Table A3: Comparison of indicator change between the UK and OECD average, 2023 - 2024

Geography	Gender Pay Gap	Female Labour Force Participation	Participation Rate Gap	Female Unemployment	Female Full Time Employment
UK Change 2023 - 2024	▼ -0.2 pp	▲ 0.2 pp	▼ -1.4* pp	▲ 0.7 pp	▼ -1.2 pp
OECD Change 2023 - 2024	▼ -0.7 pp	▲ 0.4 pp	▼ -0.3 pp	▲ 0.2 pp	▼ -1.3 pp

Key: ▲ Favourable change (relatively smaller) ▲ Favourable change (relatively larger) ▼ Unfavourable change (relatively smaller) ▼ Unfavourable change (relatively larger)

*Note: this is being driven by falling male participation rather than rising female participation. The female participation rate has increased by 0.2pp and thus accounts for under a fifth of the closing of the gap.

**Detailed results can be found in the data explorer tool on the PwC Women in Work website.

Women in the UK face ongoing participation and employment challenges post-Covid

In 2024, participation remained stagnant while unemployment rose sharply, although recent data suggests the situation may be improving.

Prospects worsened for women in 2024

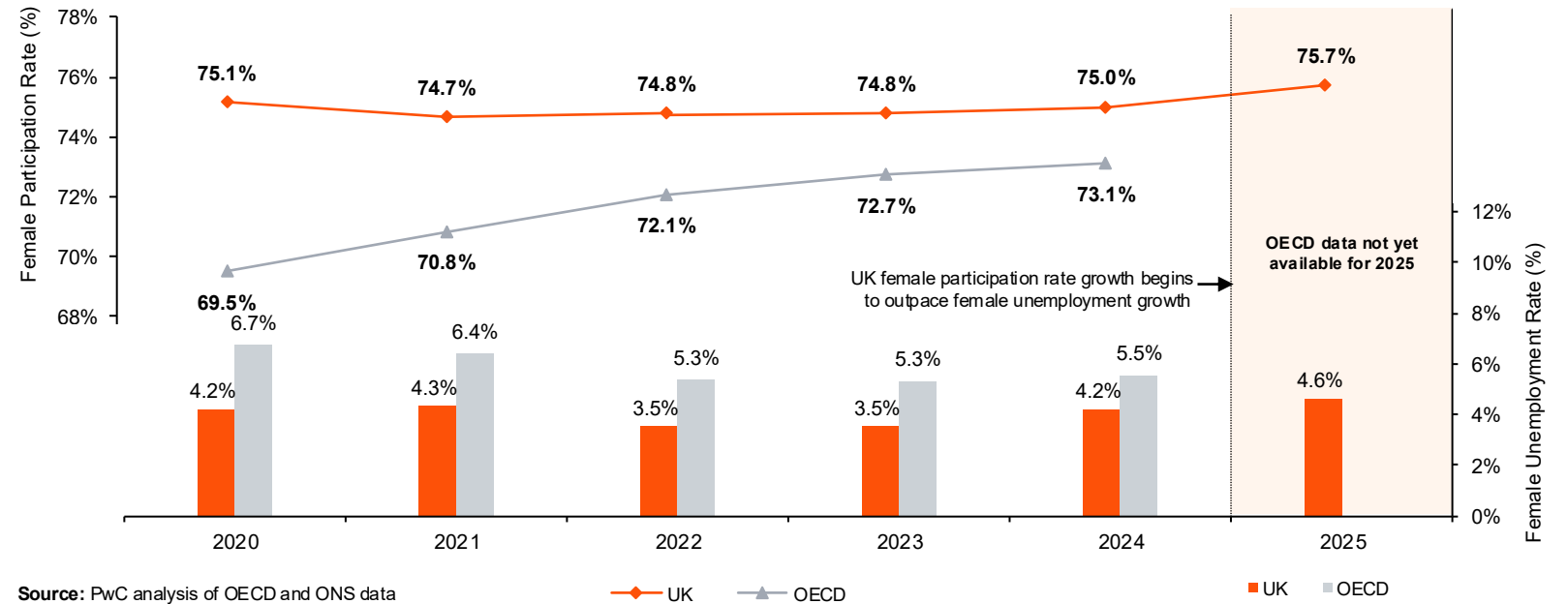
- Female unemployment rose sharply in 2024.**
 Between 2023 and 2024, the UK experienced its largest annual increase in female unemployment since the index began in 2011, rising from 3.5% to 4.2%. This deterioration was concentrated among younger women.
- The UK's international advantage has narrowed.**
 Although the UK continues to record a female unemployment rate below the OECD average, this gap has narrowed since 2020, falling from 2.49 percentage points to 1.38 percentage points in 2024.
- Stagnant participation points to weak absorption²⁵.**
 UK female participation has remained flat since 2020, in contrast to steady increases across the OECD. Between 2023 and 2024, participation rose modestly while unemployment increased sharply, indicating that employment growth was insufficient to absorb female labour market entrants.

In 2024, the UK experienced its largest increase in female unemployment since the index began in 2011, rising from

3.5% to

4.2%

Figure A4: UK vs OECD female participation rate, 2020 – 2025, and UK vs OECD Female Unemployment Rate 2020-2025



Recent data provide early signals on labour market absorption²⁵

Recent data provide early signals on labour market absorption for women in the UK. Female participation increased to 75.7% in 2025²⁶, indicating falling inactivity. Over the same period, female unemployment rose more modestly, from 4.2% to 4.6%.²⁶ As the increase in participation exceeded the rise in unemployment, a greater share of new entrants appear to be moving directly into employment, suggesting improved absorption relative to 2023–24. However, unemployment remains elevated, and these data do not yet indicate a sustained recovery in employment outcomes.

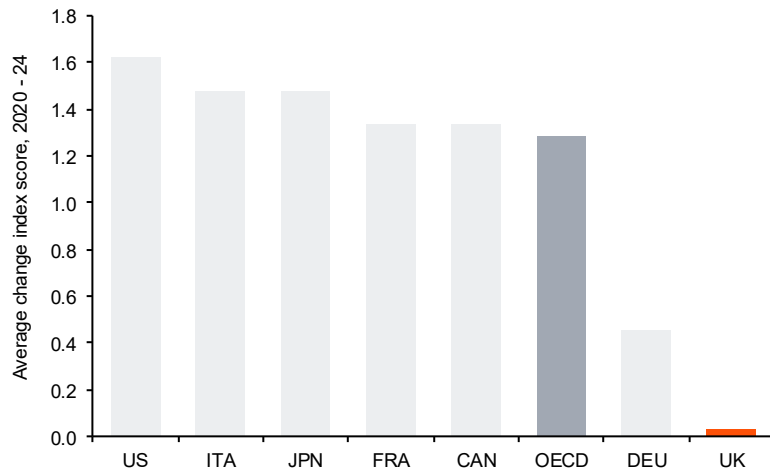
Since COVID, the UK index score has grown by just 0.1 points amid a rising gender pay gap

Comparatively, Australia has made significant progress by reducing its gender pay gap indicating potential for the UK and other major economies.

Prospects worsened for women in 2024

- **The UK's index score has grown by just 0.1 since 2020.**
This places it 32nd out of 33 nations for improvement since 2020, and it has fallen from 10th to 17th in the rankings.
- **A rising gender pay gap has driven this change.**
In this period the gender pay gap rose from 12.0% to 13.1%, largely due to rises in associate professional and technical occupations, and skilled trades occupations.^{27,28}

Figure A5: Average annual index score change 2020-2024, G7



Source: PwC analysis; OECD



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If the UK's improvement in its index score since 2020 had matched Australia, it would currently sit 4th place on the index

Country Spotlight: Australia shows the UK there is significant scope for improvement.

Australia has flown up the rankings from 19th place in 2020 up to 10th place in 2024. This increase has been spurred by a significant reduction in the gender pay gap from 14.2% to 10.7% over this period (3.5pp), with the OECD average falling by 0.8pp. Research has found that this is being driven by more inclusive practices by employers and a rising proportion of parental leave being taken by men, rising by 3pp since 2024 to 20% in 2025.²⁹

The country has also made progress against all other indicators, exceeding average OECD growth on each. Particularly notable is the fall in the female unemployment rate by 2.5 pp (6.5% down to 4.0%), which is twice the OECD average reduction (1.2pp), and the growth in the female full-time employment rate by 3pp (63.3 up to 66.3%) compared to the OECD average of 0.7pp.

Given the similarity of Australia's economy this provides inspiration for future UK improvement.

Up 9 places since COVID



3.5pp fall in gender pay gap



There are some notable regional disparities across the UK, albeit regional differences have narrowed

The South West, Scotland and Northern Ireland are at the top of the regional rankings, whilst London has been pushed into last place.

The South West rebounded to claim this year's top spot, having previously held the top spot in 2020 and 2nd place in 2021 and 2022.

The South West's index score increased by 5.2 points. This was driven by a major fall in the participation rate gap from 8% in 2023 to 4.9% in 2024. This recovery can be attributed to an increase in the share of national vacancies in the region, rising from 5.8% in 2022 to 6.7% in 2023.³⁰

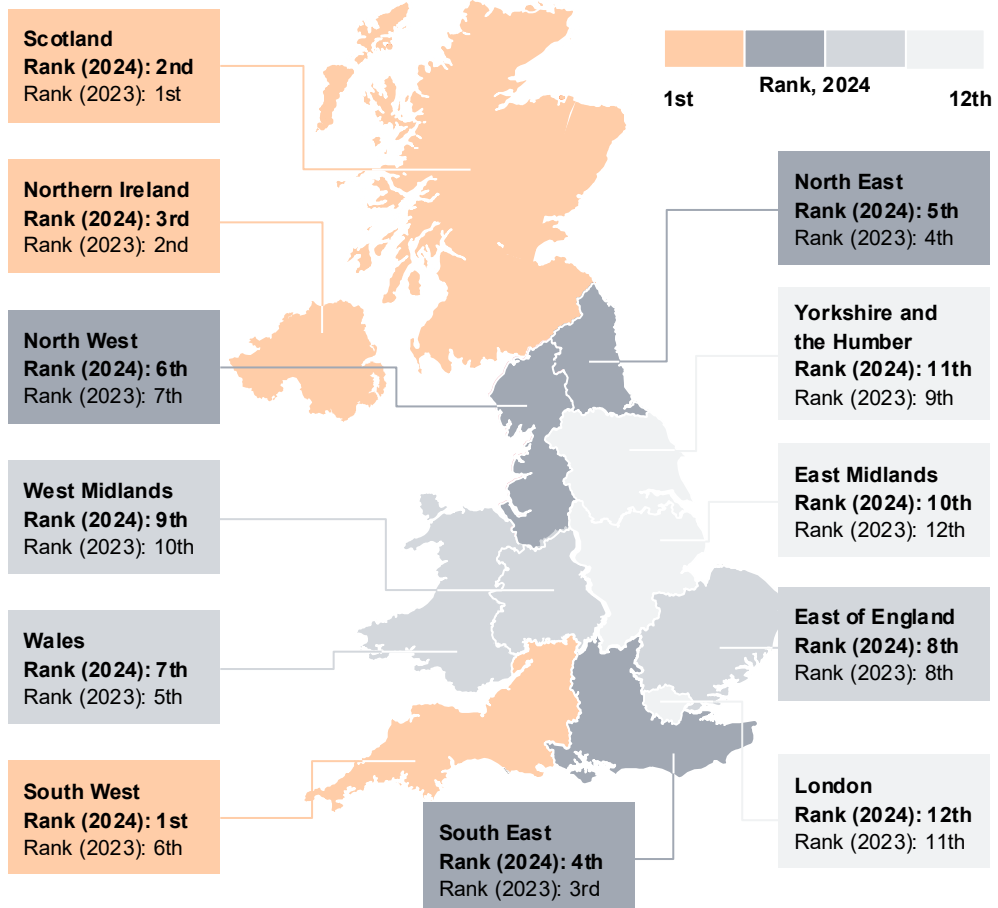
London has fallen to last place in the index. This has been driven by a fall in the female full-time employment rate (although London performs best on this indicator), reflecting higher demand for part-time workers by London businesses.³¹

The range between best and worst performing regions has narrowed by 7.5 points this year, reversing last year's increase of 7 points. This improvement is largely due to significant progress in the East Midlands, which had previously lagged, with a 4.5pp reduction in its participation rate gap this year.

The range between best and worst performing regions has narrowed by

7.5 points

Figure A6: UK Regional Index score and rankings, 2023-2024



Scotland and Northern Ireland's public sector can help explain strong results

Both devolved nations continue to perform well in the index which could be in part due to high rates of public sector employment; 22.7% (Scotland) and 25.9% (Northern Ireland) in 2024, compared to the UK average of 18.1%.³² Given that public sector workers are predominantly female (54.5% of total public sector workers³²), the stability and flexibility of public sector employment³³, may be enabling increased and prolonged participation of the female workforce in these devolved nations.



Since COVID, more women are working in Northern Ireland, but this is frequently part-time, increasing the gender pay gap

Cost-of-living pressures can explain this shift, with women returning to work to increase household income but retaining childcare duties.

Northern Ireland's volatility since COVID

- **Female employment has risen significantly.** NI has experienced fast rising female participation rates and rapidly falling female unemployment rates compared to the regional average, increasing the female employment rate from 66.7% in 2020 to 70.3% in 2024, with a greater proportion of these women in public sector employment than the regional average.³²
- **However, fewer women are working full time.** Since COVID, there has been a 3.85pp fall in the rate of full-time working women in NI. This could be due to cost-of-living pressures with 69% of households reducing working hours for childcare needs³⁴, and 48% finding childcare unaffordable.³⁵

5.4% Gender pay gap in Northern Ireland in 2020

7.9% Gender pay gap in Northern Ireland in 2024



- **Disparities in working hours could explain the rising gender pay gap.** The gender pay gap is likely rising because in NI more women work part time than men and on average, men work longer full-time jobs (39.9 hours) than women (34.8 hours).³⁶

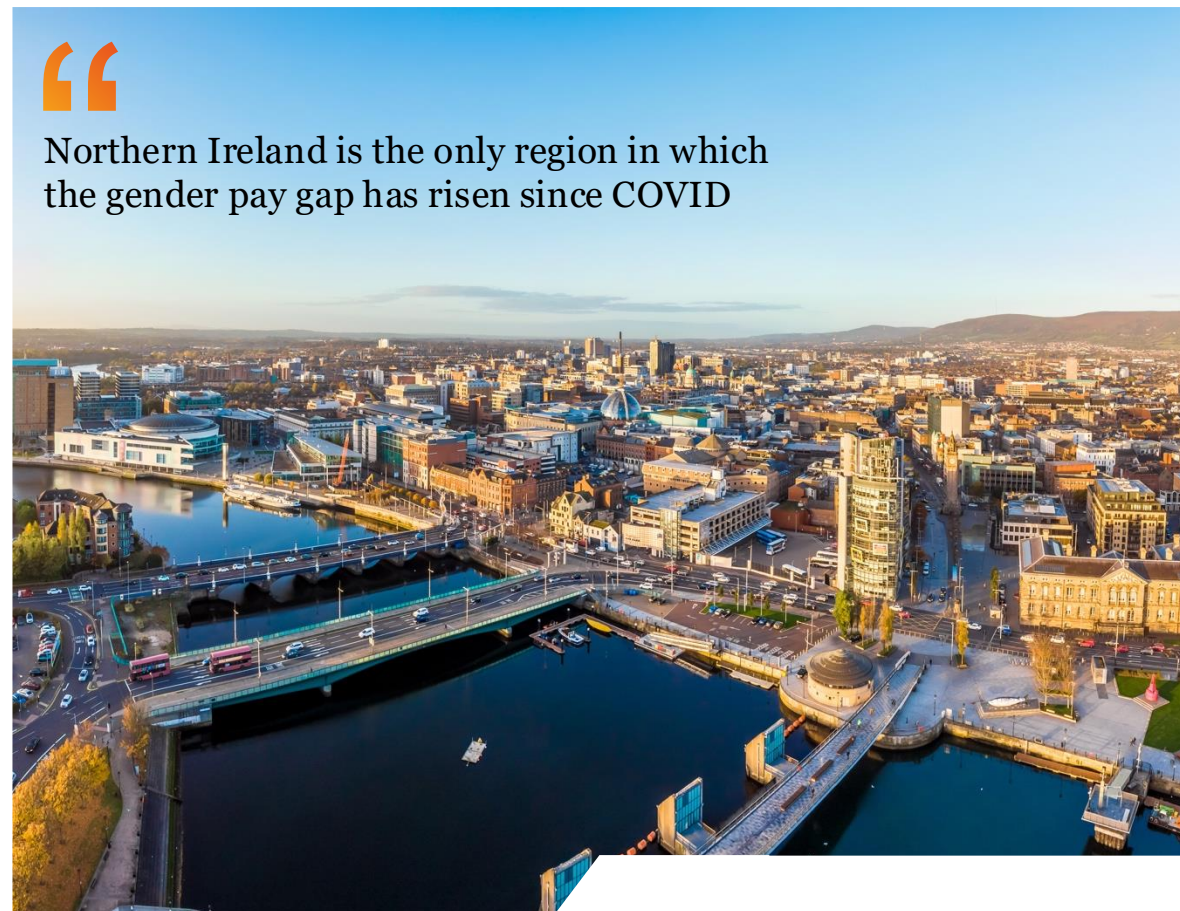


Figure A7: Average annual change by indicator for Northern Ireland and regional average, 2020 - 2024



Source: PwC analysis, APS, AHSE

Women in London are paid 14.8% less than men and are more likely to be unemployed than in any other region

London's fall to last place has been driven by a decline in the rate of women working full time amid increasing labour market flexibility.



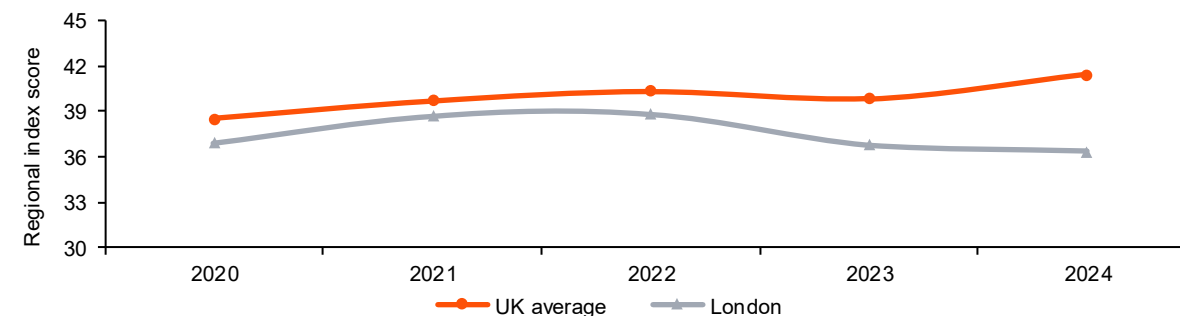
London has been the region with the highest female unemployment rate since 2020. The London rate is twice that of the best performing regions



London's challenges for women in work

- **The gender pay gap continues to be an issue for London.** The capital's gender pay gap (14.8%) is 2.4pp above average. This is driven by the sectoral balance of the city, with its most prominent industries (finance, education and professional service) also those that tend to have the highest gender pay gap.³⁷ As well as greater incidence of motherhood penalty affecting working mothers in London compared to other parts of the UK.^{38,39}
- **The proportion of women working full time is declining.** The capital still performs best on this metric, but the rate is falling fastest of all regions since Covid. This reflects increasing demand for part-time workers by London businesses⁴⁰ and the broader shift in the labour market towards increased flexibility.
- **Female unemployment remains high.** The capital's large and dynamic labour market means unemployment tends to be higher for men and women than elsewhere in the UK.⁴¹
- **London's demographics makes it unique.** The city has high ethnic diversity which means factors such as the gender pay gap can be a significant challenge, as evidenced in our [2024 WiW report](#). The city's commuter patterns also contribute, with evidence showing women are more inclined to seek shorter commutes than men.⁴²

Figure A8: Regional index score, UK regional average and London, 2020 - 2024



Source: PwC analysis, APS, AHSE

Note: The regional index scores are calculated using a different base adjustment from the main index. As a result, the scores from the regional index are not directly comparable with those from the main OECD index. In addition, UK data in the main index are derived from OECD and Eurostat sources, whereas in the regional index the UK value is calculated as the average of the scores for all UK regions.

B

Reshaping Futures: Exploring the drivers and solutions for young women outside of education and work



This year’s special article examines the rise in the proportion of young women Not in Employment, Education, or Training (NEET)

It advances understanding of gender-specific risk factors and how these interact to shape NEET risk among young women in the UK.

Context

This year’s index results underscore a troubling rise in female unemployment and stagnating participation rates, particularly among young people. In the UK, over 946,000 individuals aged 16–24 are classified as NEET (12.7% of the young population in the UK), with approximately 46% of this group being young women.⁴³ Historically, young women in the UK experienced higher NEET rates than young men, a trend observed since the early 2000s. However, in 2016, the female NEET rate dropped to 11.3%, matching the male rate for the first time and remaining lower since. While women comprise a slightly smaller proportion of NEET individuals, understanding their specific challenges is crucial. Identifying these barriers is essential for developing targeted policy solutions to effectively address these challenges.

Why this matters

Extended periods of labour market disengagement are associated with lower lifetime earnings, weaker labour market attachment, and increased fiscal pressures. Given the scale of young women within the NEET population, **understanding the specific barriers they face is critical** to improving workforce participation and economic resilience.

The importance of addressing this issue is reflected in recent policy developments. The rise in youth economic inactivity has been referred to as a “crisis of opportunity,” **prompting coordinated policy responses**, including the Get Britain Working White Paper (2024) and the Young People and Work Review (2025).⁴⁴

Our approach

To better understand this issue, we employ an econometric approach to quantify how NEET risk varies based on educational attainment, health status, and ethnicity. Through a gender lens, we investigate how these risk factors differ for young women, how they interact, and how their influence has evolved over time. This methodology enables us to isolate gender-specific drivers of NEET risk and pinpoint where targeted interventions may be most effective.

Structure of this section

- **Setting the Scene:** An overview of recent trends and reasons for being NEET.
- **Our Econometric Approach:** A detailed explanation of the methodology used to assess the impact of various factors on NEET risk.
- **Key Results:** Presentation of findings on the differential drivers of NEET by gender and analysis of how compounded disadvantage affects NEET rates.
- **International Comparisons:** Insights from other countries and analysis of potential economic gains for the UK from reducing NEET levels among young women.



In the UK, nearly **one in every eight young people is NEET** – highlighting that a significant share of the youth population is already disconnected from employment, education or training.

Increasing youth unemployment as well as a rise in economic inactivity due to poor health have caused NEET rates to climb in recent years

Increased policy focus on NEETs aligns with recent changes in the gender-specific drivers of NEET and rising youth unemployment.

Rising NEET rates in under 25s are a UK-wide issue. While each nation exhibits unique gender-specific patterns (see appendix for detail), a consistent trend has emerged: since 2019, male NEET rates have consistently surpassed female rates, marking a notable shift from previous years, when female rates were typically higher.

Impact of Covid:

The pandemic disproportionately affected young men. Between 2019 and 2020, unemployment among 18–24-year-old men rose by 4.7 percentage points, reaching a five-year high. Over the same period, the NEET rate for young men increased sharply by 2.4 percentage points, while the female NEET rate slightly declined, highlighting a distinctly gendered impact of Covid. Both male and female NEET and unemployment rates briefly rebounded in 2021 but have risen since then.

Economic inactivity and unemployment:

Over the past five years, increasing economic inactivity has driven up NEET rates, with unemployment adding further strain. From 2021 to 2022, the female NEET rate rose sharply, despite only a marginal increase in unemployment. This indicates that growing economic inactivity is a significant driver of change. More young people reported inactivity due to temporary or long-term sickness, with over 25% indicating this as their primary factor.⁴⁵

Mental health is emerging as a critical challenge; for example, in Scotland, the proportion of 16–24-year-olds reporting a mental health condition surged six-fold between the 2011 and 2022 censuses (from 2.5% to 15.4%).⁴⁶

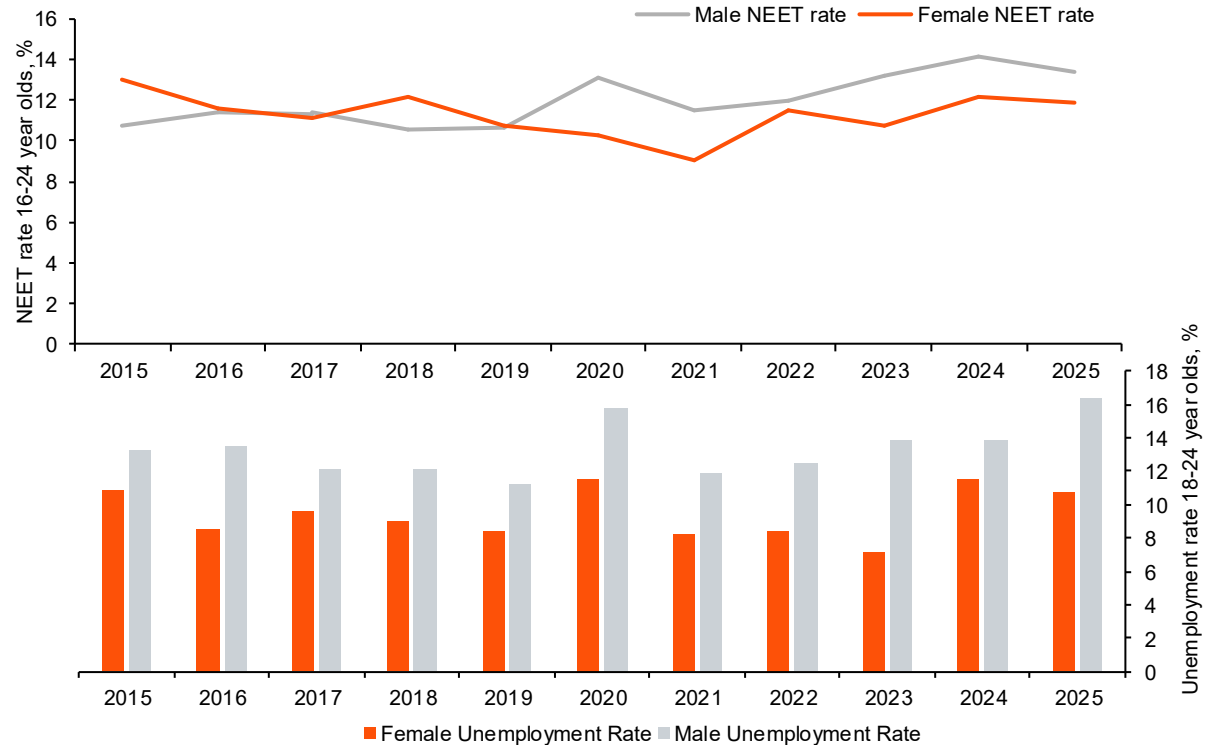
Both male and female NEET rates peaked in 2024 and have since declined slightly, although they remain elevated. In light of the fluctuating trends observed over the past decade, our econometric analysis investigates the distinct drivers of NEET status, examining how these factors interact to affect the likelihood of young people becoming NEET. By specifically focusing on gender-specific elements and intersectionality, we aim to understand the unique challenges faced by both females and males.

A retrospective look prior to initial convergence in 2016...

The fall in female NEET rate and inactivity align with changes to caring responsibilities:

The pre-convergence period until 2016 saw female NEET rates fall as the number of young women who were economically inactive due to caring responsibilities fell. For instance, in England, the proportion of females who were NEET due to caring responsibilities fell sharply over the decade to 2016, more than halving and dropping below 4% for the first time.⁴⁷ This percentage has continued to decline in the years since.

Figure B1: UK Youth Female and Male NEET and Unemployment rates, 2015-2025



Source: PwC analysis, LFS

Note: We use Q4 data for each year analysed with the exception of 2025; here Jul-Sep data is used for NEET rate and Sep-Nov data is used for unemployment rate as these are the latest available figures.

Our econometric approach examines the risk factors shaping NEET likelihood, their interactions, and gender differences

Research Question: Which risk factors increase NEET likelihood, and how do these interact with one another, and differ for young women?

Overview of methodology

To evaluate how educational attainment, ethnicity, and health - our independent variables - affect the likelihood of a young person being NEET (the dependent variable), we conducted a regression analysis using data from the Labour Force Survey (LFS) for 2020-2024.

- Literature review:** We commenced our analysis by examining academic and policy literature to identify characteristics associated with an increased likelihood of becoming NEET, along with an evaluation of the methodologies employed. This review highlighted eight main factors that influence NEET rates in the UK, including education, health and socioeconomic status.
- Impact pathways:** Factors identified were mapped via a Theory of Change (ToC) which enabled the identification of key impact channels through which these characteristics, or 'risk factors', influence NEET status. This framework enabled us to assess not only the independent effects of each factor on NEET status, but also how they interact with one another. Based on data availability and relevance, we focused our analysis on 3 key impact pathways as shown opposite.

Impact pathways

Factors	Key channels of impact
Educational attainment	Strong GCSE attainment provides students with routes to higher education (e.g. A-levels, vocational courses, apprenticeships) or skilled jobs.
Health condition	Mild or severe health issues can hinder the cognitive functioning of young people, resulting in poor educational attainment, social isolation and exclusion.
Ethnicity	Cultural values and norms may influence the aspirations and ambitions of young people, impacting engagement with education and employment pathways.



Impact

Change in NEET levels

- Data collection:** Drawing on data from the Labour Force Survey from 2020 – 2024 for 16 – 24 years old, our regression model includes GCSE attainment, health status, and ethnicity as independent variables, and NEET status as the dependent variable. We also include time controls to capture any unobserved temporal changes. Due to data limitations, we complemented this with qualitative analysis of additional factors, such as structural barriers and lack of access to employment opportunities.
- Regression:** We estimated both an all-gender model and a female-only specification. We included interaction terms to assess how overlapping characteristics (e.g. gender, health status, and educational attainment) jointly influence NEET risk for young men and women. The reference group in our models is a white male with good GCSE attainment, no health condition in the year 2024. We report results from a linear probability model estimated by Ordinary Least Squares (OLS) for transparency and ease of interpretation, but we have also estimated logit models as a robustness check (*detailed results in appendix*). In addition, some explanatory variables are likely to be jointly determined. We cannot observe or control for all factors that may influence NEET status (for example, family background, motivation, or intelligence quotient), so our model likely omits additional characteristics that also contribute to NEET risk. Our estimates document associations between characteristics and NEET risk, but do not establish the direction of effect.

- Economic gains analysis:** We estimate the GVA gains to the UK economy from reducing NEET rates among young women to the levels observed in Germany, Netherlands, and the lowest NEET levels observed in the UK for young women.

In the rest of this section we present the key results from UK-level econometric analysis:

- Differential drivers of NEET status by gender
- Compounding effects of NEET status amongst young women

Limitations

- Data:** We have focused on the socio-economic factors for which LFS data is available. However, due to data limitations, we have been unable to incorporate a direct measure of socio-economic deprivation in our model. In addition, changes to the LFS mean we cannot disentangle physical and mental health effects.
- Supply-side focus:** Our analysis does not address demand-side factors, such as declines in business labour demand due to economic slowdowns or shifting hiring patterns resulting from AI transformation.

Our results reveal that educational attainment and health influence NEET status differently for young women and men

Educational attainment appears more strongly associated with NEET likelihood for young women than for men, and vice versa for health.

In the UK, low GCSE attainment levels drive NEET risk for young women, while poor health is a stronger driver for young men

For both genders, low attainment levels and health conditions pushes NEET risk to ~20% or higher – well above the average (the likelihood of a young woman becoming NEET in the UK is 12.2% and of a young man is 15.1%). **Young people with a risk factor have a significantly higher likelihood of being NEET** than average. But the relative importance of these risks differ by gender.

For **young women**, **low educational attainment** is more strongly associated with being NEET than health (24.5%).

For **young men**, **health conditions** (including mental health) are more strongly associated with being NEET than attainment (23.6%).

Understanding the difference in drivers is key to designing and delivering effective policy

Without a comprehensive understanding of who is NEET and why, it is difficult to target policy effectively. One-size-fits-all approaches miss key drivers of NEET for different groups.

These findings point to the need for **differentiated responses**. Strengthening post-16 progression routes for young women with low attainment, alongside targeted mental-health and retention support for young men, is likely to reduce sustained NEET risk. Without a tailored approach, policy risks under-serving the groups where NEET is most preventable.

Figure B2: NEET likelihood for those with poor educational attainment

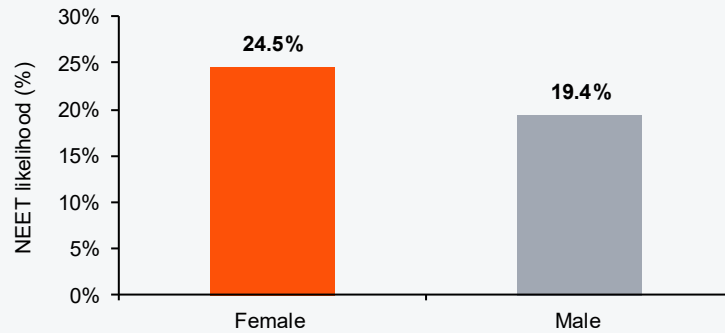
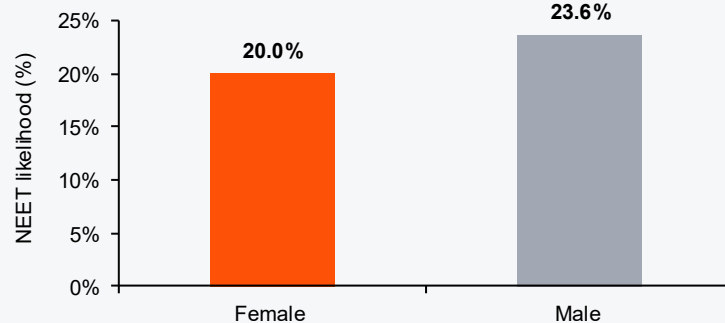


Figure B3: NEET likelihood for those with a health condition



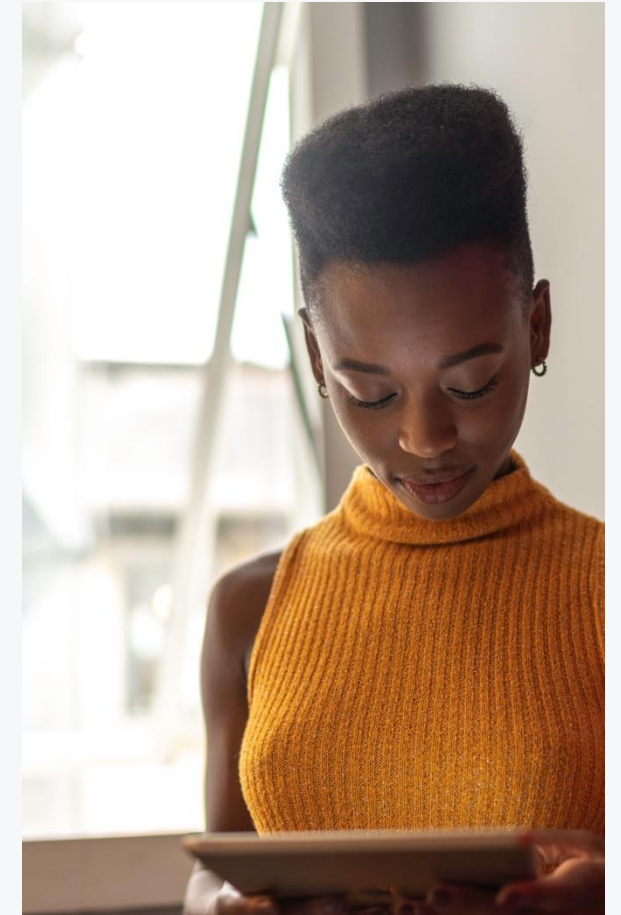
Note: Estimates in Figure B2 and Figure B3 relate to an individual of white ethnicity in 2024.

Key findings and insights

- Poor educational attainment appears more pronounced for a **young woman's likelihood** of being NEET than a young man's likelihood.
- Young women are more likely to remain in education at 16–18⁴⁷, and access to many female-dominated sectors relies on formal qualifications.⁴⁸ **Low GCSE attainment may therefore restrict post-16 progression routes more sharply.**⁴⁹

Key findings and insights

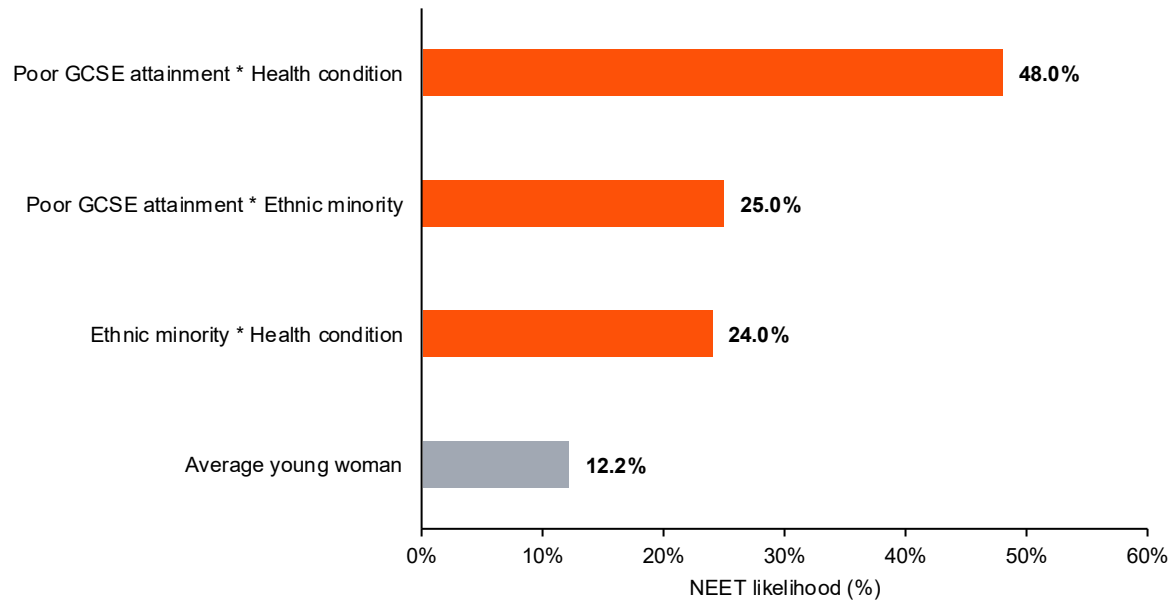
- Having a health condition appears more pronounced for a **young man's likelihood** of being NEET than a young woman's likelihood
- Young men are **less likely to seek help for mental health difficulties.**⁵⁰ Mental health conditions are strongly associated with educational disengagement and labour market detachment⁴⁹, thus increasing the risk of becoming NEET.



We also find that risk factors compound, meaning young women with multiple disadvantages are substantially more likely to be NEET

Young women with a health condition and poor educational attainment are almost 4 times as likely to be NEET than an average young woman.

Figure B4: NEET likelihood for young women with compounding disadvantages in 2024 vs. NEET likelihood of the average young woman in 2024



Note 1: Estimates in Figure B5 relate to an individual of white ethnicity in 2024.

Note 2: These variables may reinforce one another over time; relationships should be interpreted as associative rather than strictly causal.

Compounded disadvantage: risks don't just add up, they multiply

There is a breadth of research that indicates that the likelihood of being NEET is particularly high for young people facing multiple forms of disadvantages. We test this in our female-only model where interaction terms were included to test whether risk factors operate independently or whether their **effects reinforce one another**.

- The interaction between poor GCSE attainment and having a health condition is statistically significant highlighting that young women with a health condition and poor education attainment are **4 times as likely to be NEET than an average young woman** (48.0% vs. 12.2%). This implies **an additional +20 percentage points** likelihood of being NEET for young women experiencing both poor educational attainment and a health condition, **over and above the effect of each factor on its own**.
- Similarly, young women who have both poor educational attainment and an ethnic minority background (25.0%), or an ethnic minority background and a health condition (24.0%), are **around twice as likely to be NEET** as the average young woman.

This pattern is consistent with wider evidence^{49,51}, which shows that **risk factors cluster** rather than occur in isolation and that NEET likelihood increases sharply as the number of disadvantages rises.



Implications for policymaking

Effective support should be **designed around combinations of disadvantage**, particularly low attainment and health barriers, **rather than isolated characteristics**, if it is to reach those most likely to disengage.

A young women with a health condition and poor education attainment is

4 times

as likely to be NEET than an average young woman (**48.0% vs. 12.2%**).

The UK is moving toward integrated reform to address the NEET problem but must embed inclusive design to maximise impact

There are transferable lessons from Germany and Netherlands that can be adopted in the UK to enhance impact of reforms.

There is a growing need for vocational pathways in the UK

Germany and Netherlands have some of the lowest NEET rates in Europe: Germany builds vocational awareness early through trial internships (Schnupperpraktikum), work-based learning, apprenticeships and coordinated school-based career counselling with the Federal Employment Agency⁵², while the Netherlands relies on strong industry involvement via sector-based Knowledge Centres and the Lifelong Learning Catalyst programme to design VET qualifications that match current and future labour market skill needs^{53,54} (*detailed analysis is provided in the appendix*).

Whilst the UK currently faces a graduate transition challenge. An emerging feature of this challenge is the rise of “transitional NEETs”, evidenced by c.700,000 graduates currently without work. This suggests structural friction at the education-to-employment boundary, reflecting a skills gap between those held by graduates and those demanded by employers, rather than simply low participation.

Transferable lessons from Germany and Netherlands: creating integrated pathways



Vocational pathways that begin earlier

Students encounter vocational options in early secondary education, with repeated workplace exposure before job search. Early introduction improves informed choice and builds labour market attachment prior to formal entry. This approach has been implemented in both Germany and Netherlands.



Institutionalised employer collaboration

Employers co-design qualifications, contribute to quality assurance, and provide structured work placements within national systems. This harmonisation ensures vocational provision aligns skills acquisition with employer skill gaps. This has been successfully implemented in Netherlands where strong industry collaboration underpins provision of the programme.

UK policy signals structural intent

- **The Youth Guarantee expands vocational participation.** The Guarantee (planned to be rolled out in Spring 2026) provides funding for 350,000 training and workplace opportunities to increase access to demand-led skills and strengthen the vocational pathway for 16–24-year-olds and develop an alternative to further education.⁵⁵
- **The Jobs Guarantee strengthens labour market attachment.** The Guarantee provides 55,000 targeted roles aimed at preventing long-term scarring by linking young people on Universal Credit to structured employment pathways. The focus is on enabling these individuals to build in-demand skills that enable long term participation in work beyond the initial organised 6-month position.⁵⁶
- **AI Skills Boost via the AI Skills Hub seeks to expand access to AI training and upskilling.** The initiative seeks to improve UK workforce readiness by upskilling 10 million workers in AI skills by 2030. With a selection of industry-developed AI courses, available on the Government’s AI Skills Hub⁵⁷, The Hub is a free, online platform open to all and seeks to connect learners with relevant training, AI use cases and events to address skill needs.

Skills reform should be designed such that young women can benefit from vocational expansion and are equipped for an AI-led world

Reducing female NEET rates to 2021 levels represents a £3 bn opportunity for the UK economy.



Reform must ensure women benefit equally from vocational expansion

Typically, female participation in STEM-related VET pathways remains low. In the Netherlands, for example, only 10.5% of VET students enrolled in STEM courses were women.⁵⁴ In Germany, although overall balance is more equitable, women remain underrepresented in ICT and Engineering courses.⁵² Without addressing subject choice disparities, women may benefit proportionately less from the economic gains associated with integrated vocational pathways.

Future of jobs for young women in an AI-led world

This year's analysis highlights that poor GCSE results among young women contribute to their NEET status, limiting job prospects and educational access. Occupational segregation places women in lower-paid, automation-prone roles, increasing their risk as the UK labour market shifts toward AI.

The PwC AI Jobs Barometer Report (2025)⁵⁸ reveals that 60% of jobs will be impacted by AI, with women more likely than men to occupy AI-exposed positions. However, the report indicates that the skills required for these roles are evolving 66% faster than in other sectors. Additionally, PwC's 2024 Workforce Radar ⁵⁹ shows that only 32% of women have reported using GenAI at work compared to 57% of men. This underscores the need for targeted AI skills development to empower young women and address the economic disadvantages they face, in an AI-driven job market.

To understand and estimate the economic gains from reducing NEET levels among young women in the UK, we consider three scenarios*:

- Reducing NEET rates for young females to Germany levels (7.7%) could add up to **£5 billion to the UK GDP**;
- Reducing NEET rates for young females to Netherlands levels (3.6%) could **add up to £11 billion to UK GDP**;
- Additionally, if NEET levels were reduced to its recent low (9.3%, as in 2021), the UK's GDP could **increase by £3 billion**.

* PwC analysis; per annum figures reported in 2024 prices

Appendix

Definitions and Terminology



OECD

For the purposes of this report, this refers to the 33 OECD countries included in the PwC Women in Work Index. This consists of all OECD members except for Colombia, Costa Rica, Latvia, Lithuania and Turkey.



NEET

NEET status captures young people aged 16-24 years who are not in any form of education, employment, or training. These individuals are therefore either unemployed or economically inactive and not on an education pathway.



Gender and sex

The Authors would like to acknowledge the limitation of the report in its focus on binary gender identities ('men' and 'women'), which excludes analysis of the employment outcomes and experiences of those whose gender identity does not sit comfortably within these two categories. This is mainly due to a lack of available data for other gender identities. Furthermore, in cases where data sources have been disaggregated by 'sex' rather than 'gender', the assumption has been applied that a person's gender identity is aligned with their biological sex characteristics (e.g. we have used 'female' and 'women' interchangeably in some places), however we recognise that the two are not equivalent and that this is not always the case.



OECD average

This refers to the average taken across all 33 OECD countries in the Women in Work Index and applies where we discuss labour market indicators in Section 1. It does not adjust for the population size of the different OECD countries we include within our analysis.



Ordinary Least Squares (OLS)

Ordinary Least Squares (OLS) is a linear regression technique that estimates the best-fitting line by minimising the sum of squared differences between observed and predicted values, enabling statistical assessment of relationships between variables.



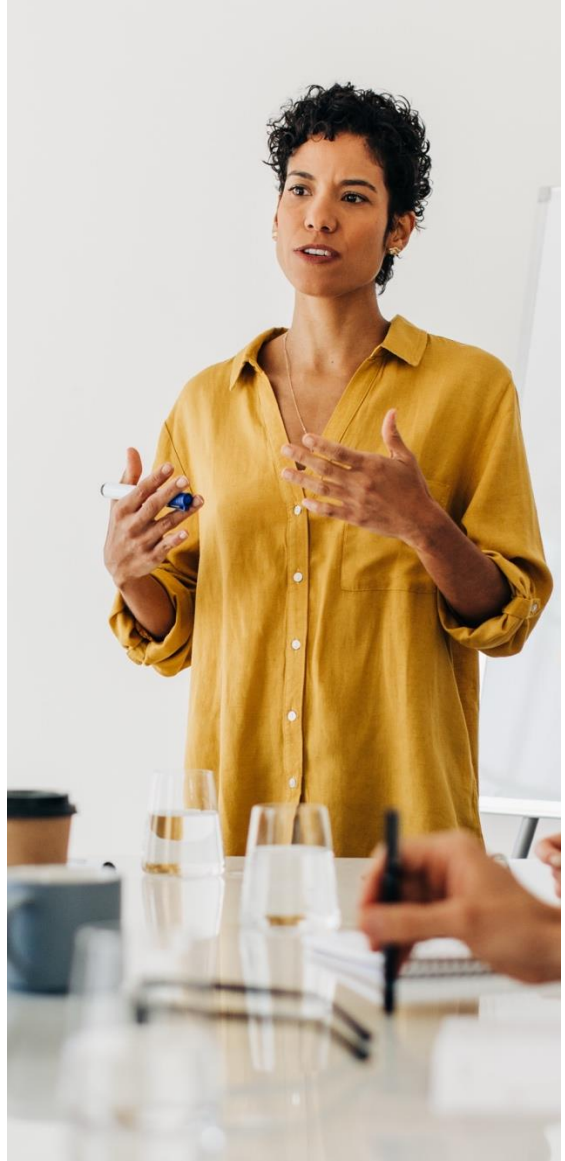
G7

This refers to the Group of Seven, which is an informal grouping of seven of the world's most advanced economies, including Canada, France, Germany, Italy, Japan, the UK, and the US. For purposes of this report, we do not examine the European Union, although this is typically considered a 'non-enumerated member'.



Labour Force Survey (LFS)

The Labour Force Survey (LFS) is a study of the employment circumstances of the UK population that is conducted annually. It is the largest household study in the UK and provides the country's official measures of employment and unemployment.¹ The LFS also captures education and health variables utilised in our regression.



PwC Women in Work Results 2024 & 2007 – 2024 (select years)

2024 Rankings	Country	Country	2007 rank	2011 rank	2015 rank	2019 rank	2023 rank	2024 rank
1	Iceland	Australia	10	13	13	17	12	10
2	Luxembourg	Austria	22	21	22	25	27	27
3	New Zealand	Belgium	15	14	10	10	13	9
4	Sweden	Canada	9	8	12	12	17	19
5	Slovenia	Chile	30	30	29	31	31	31
6	Portugal	Czechia	24	23	24	20	23	21
7	Poland	Denmark	6	6	5	8	10	13
8	Norway	Estonia	16	22	20	14	14	12
9	Belgium	Finland	8	7	8	9	11	14
10	Australia	France	14	15	19	24	22	23
11	Ireland	Germany	25	19	18	19	21	22
12	Estonia	Greece	29	31	31	30	29	29
13	Denmark	Hungary	19	24	15	23	16	15
14	Finland	Iceland	3	3	1	1	1	1
15	Hungary	Ireland	20	25	25	13	6	11
16	Netherlands	Israel	21	17	17	21	24	24
17	United Kingdom	Italy	26	26	28	29	30	30
18	Slovak Republic	Japan	31	29	27	28	28	28
19	Canada	Korea	33	33	32	32	32	32
20	Switzerland	Luxembourg	13	12	7	5	3	2
21	Czechia	Mexico	32	32	33	33	33	33
22	Germany	Netherlands	18	16	23	18	15	16
23	France	New Zealand	4	4	4	4	2	3
24	Israel	Norway	2	2	3	7	9	8
25	Spain	Poland	23	11	11	11	7	7
26	United States	Portugal	7	10	16	6	8	6
27	Austria	Slovak Republic	28	27	26	26	19	18
28	Japan	Slovenia	1	1	6	3	5	5
29	Greece	Spain	27	28	30	27	26	25
30	Italy	Sweden	5	5	2	2	4	4
31	Chile	Switzerland	11	9	9	15	20	20
32	Korea	United Kingdom	17	20	14	16	18	17
33	Mexico	United States	12	18	21	22	25	26

Changes to PwC’s Women in Work Index results for 2023

Due to retrospective changes to the OECD and Eurostat gender pay gap data used in the Index, the Index scores and rankings for 2023 have changed compared to those reported in the PwC Women in Work Index 2025 (last year’s report).

At the time of publication of the 2025 report, actual data for the gender pay gap for 2023 was not available for some countries in the Index. Therefore, we estimated the 2023 gender pay gap by linearly extrapolating historical data.

At the time of publication of the 2026 report, actual gender pay gap data for 2023 is now available for all OECD countries. We have revised and updated the 2023 estimated gender pay gap with actual data, resulting in changes to the Index score and rank in 2023 for several countries.

Changes to the rankings of each country because of the update to the gender pay gap data can be seen in the adjacent table.



Key changes from last year’s report

- **Belgium and Estonia:** These countries have both improved by 5 places. This is due to a decrease in the gender pay gap by 3.6 and 4.0 percentage points respectively, moving the countries into 9th and 10th within the updated 2023 Women in Work Index.
- **Ireland:** The country has fallen from 6th to 17th place in the index when utilising the latest update to data, with the gender pay gap rising by 8.1 percentage points from 3.7% to 11.8% following the data revision.
- **United Kingdom** – The UK improved three places following the data update, despite the gender pay gap for the country not being revised. This reflects the downward revisions for Ireland and Hungary and swapping with Canada due to Z score changes.
- **Three place movers:** Portugal and the UK saw their ranking rise by three places whilst Hungary and Poland’s ranking saw a decline of three places following the revisions.
- **Two place movers:** France and Norway saw their ranking rise by two places whilst Finland and Sweden saw a decline of two places following the revisions.
- **One place movers:** Canada, Israel, Italy, the Netherlands, Slovak Republic, and Slovenia rose one place whilst Czechia, Denmark, Germany, Greece and Switzerland declined one place.

Table C1: Changes to PwC’s Women in Work Index results for 2023

Country	2023 (old)	2023 (updated)	Change in ranking
Australia	12	12	0
Austria	27	27	0
Belgium	13	8	5
Canada	17	16	1
Chile	31	31	0
Czechia	23	24	-1
Denmark	10	11	-1
Estonia	14	9	5
Finland	11	13	-2
France	22	20	2
Germany	21	22	-1
Greece	29	30	-1
Hungary	16	19	-3
Iceland	1	1	0
Ireland	6	17	-11
Israel	24	23	1
Italy	30	29	1
Japan	28	28	0
Korea	32	32	0
Luxembourg	3	3	0
Mexico	33	33	0
Netherlands	15	14	1
New Zealand	2	2	0
Norway	9	7	2
Poland	7	10	-3
Portugal	8	5	3
Slovak Republic	19	18	1
Slovenia	5	4	1
Spain	26	26	0
Sweden	4	6	-2
Switzerland	20	21	-1
United Kingdom	18	15	3
United States	25	25	0

Index methodology – Variables included in scoring

Our Index includes all OECD member countries except for Colombia, Costa Rica, Latvia, Lithuania and Turkey. The OECD average refers to the average taken across these 33 countries and applies where we discuss data relating to the main Index results and potential economic gains. Population size for different countries is not adjusted for.

Variable	Weight %	Factor	Rationale	Dataset(s) used
Gender pay gap	25	Constructed by subtracting median female income from median male income and expressing it relative to median male income. Wider pay gap penalised.	Earnings equality underpins the fundamental principle of equal pay for equal work.	Decile ratios of gross earnings, OECD Series: Gender wage gap Frequency: Annual Gender pay gap in unadjusted form by NACE Rev. 2 activity – structure of earnings survey methodology, Eurostat Frequency: Annual
Female labour force participation rate	25	Higher participation rates given higher score	Female economic participation is one of the cornerstones of economic empowerment, which is a factor of the level of skills and education of women, conducive workplace conditions and broader cultural attitudes outside the workplace (e.g. towards shared childcare and distribution of labour at home).	Labour force statistics by sex and age – indicators, OECD Series: Labour force Frequency: Annual Age: 15 to 64
Participation rate gap	20	Higher female participation rate relative to male participation rate given higher score	Equality in participation rates reflect equal opportunities to seek and access employment opportunities in the workplace.	Labour force statistics by sex and age – indicators, OECD Series: Labour force Frequency: Annual Age: 15 to 64
Female unemployment rate	20	Higher unemployment penalised	The female unemployment rate reflects the economic vulnerability of women. Being unemployed can have longer-term impacts in the form of skills erosion, declining pension contributions and increased reliance on benefits.	Labour force statistics by sex and age – indicators, OECD Series: Unemployment rate Frequency: Annual Age: 15 to 64
Share of female employees in full-time employment	10	Higher share of full-time employment given higher score	The tendency for part-time employment may adversely affect earnings, pensions and job security. However, this factor is given a lower weight in the Index since some women may prefer part-time jobs to fit flexibly with caring roles. This variable only measures the share for women and does not compare with the share of male employees in full-time employment.	Incidence of FPT employment – common definition, OECD Series: Full-time employment Frequency: Annual Age: 15 to 64 Household data, US Bureau of Labour Statistics Series: Employed and unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity Frequency: Annual Age: 16 years and over










Data sources – UK regional index

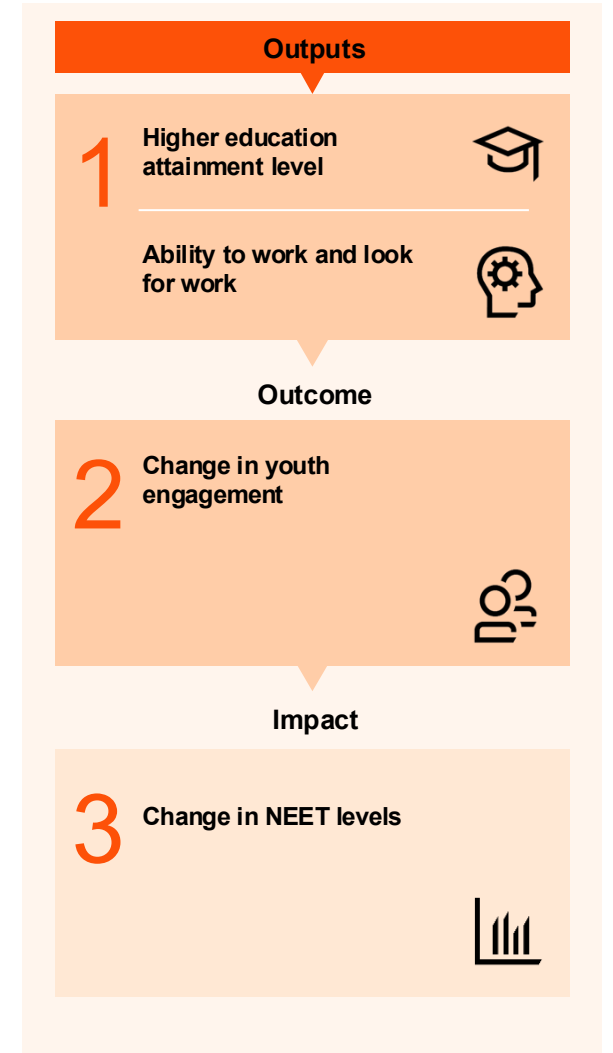
We have applied the same methodology as for the main Index to construct the UK regional Index. This includes using the same weights and factors.

Indicator	Country coverage	Year	Source	Adjustments and assumptions
Female labour force participation rate	UK	2023, 2024	Annual Population Survey, Office of National Statistics Labour Force Survey, Office of National Statistics	
Gap in male and female labour force participation rates	UK	2023, 2024	Annual Population Survey, Office of National Statistics Labour Force Survey, Office of National Statistics	
Female unemployment rate	UK	2023, 2024	Annual Population Survey, Office of National Statistics Labour Force Survey, Office of National Statistics	
Female full-time employment rate	UK	2023, 2024	Annual Population Survey, Office of National Statistics	
Gender pay gap *	UK	2023, 2024	Annual Survey of Hours and Earnings, Office of National Statistics Dataset: Gender Pay Gap	Full-time employees only
Median Weekly Earnings	UK	2023, 2024	Annual Survey of Hours and Earnings, Office of National Statistics Dataset: Time series of selected estimates, Table 2	Full-time employees only, excluding overtime, by sex
Median Hourly Earnings	UK	2023, 2024	Annual Survey of Hours and Earnings, Office of National Statistics Dataset: Time series of selected estimates, Table 2	Full-time employees only, excluding overtime, by sex
Weekly Paid Hours	UK	2023, 2024	Annual Survey of Hours and Earnings, Office of National Statistics Dataset: Time series of selected estimates, Table 2	Full-time employees only, excluding overtime, by sex

* **Note:** Unlike the other variables which are based on the address of the resident, the Gender Pay Gap uses ASHE which employers respond to and therefore is based on their address. Thus, the Gender Pay Gap accounts for more workers in commuting hubs such as London.

Theory of Change

		Key channel of impact	Data
 Risk factors (Inputs)	 GCSE attainment level	<p>▶ Strong GCSE attainment provides students with routes to higher education (e.g. A-levels, vocational courses, apprenticeships) or skilled jobs.</p>	<p><u>Key stage 4 performance data</u></p>
	 Geography	<p>▶ Urban areas tend to provide a greater abundance of educational institutions, training programmes, and job opportunities compared to rural regions, making it easier for young people in cities to pursue further education or secure employment.</p>	<p>LFS</p>
	 Socio-economic background	<p>▶ Young people from higher socio-economic backgrounds often have better access to educational resources and are exposed to a wider range of career possibilities.</p>	<p>Suitable data unavailable due to sensitive nature</p>
	 Ethnicity	<p>▶ Cultural values and norms may influence the aspirations and ambitions of young people, impacting their engagement with education and employment pathways.</p>	<p>LFS</p>
	 Health (mental and physical health conditions)	<p>▶ Mild or severe health issues can hinder the cognitive functioning of young people, resulting in poor educational attainment, as well as social isolation and exclusion.</p>	<p>LFS</p>
	 Structural barriers	<p>▶ Structural barriers can exist for women when entering the labour force including bias in the hiring process and tradition or tendency to take on roles in the home or outside of formal employment</p>	<p>Qualitative through literature review</p>
	 Access to career guidance	<p>▶ Effective career guidance helps young people make informed decisions about their education and career paths, aligning their skills and interests with market demand.</p>	<p>Qualitative through literature review</p>
	 Caring responsibilities	<p>▶ Young people with caring responsibilities, such as looking after siblings, parents, or others, often have less time available for education, training, or employment.</p>	<p>Qualitative through literature review</p>



Breakdown of UK NEET numbers by nation (1/2)

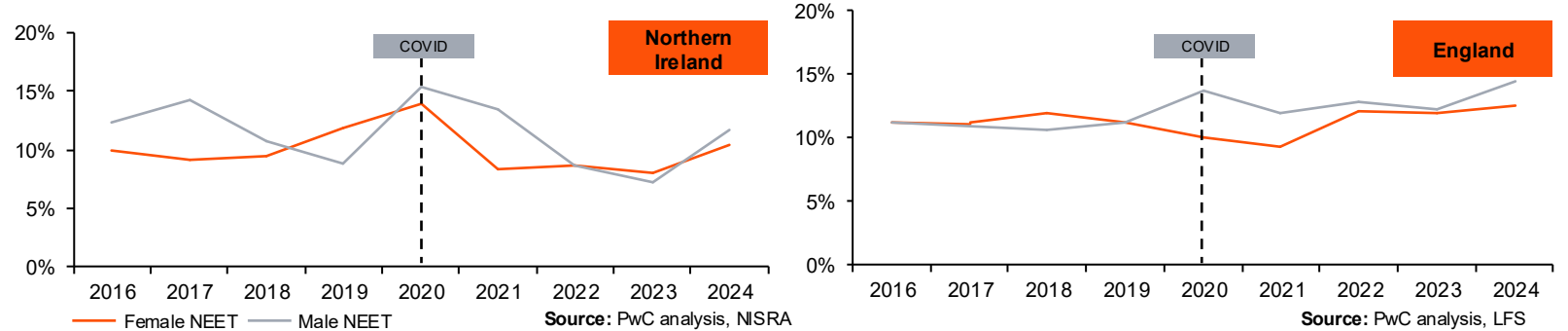
A national deep dive of NEET levels in the pre and post Covid period reveals varying trends in male and female NEET rates across the UK.

Rising NEET rates are a UK-wide concern, with each nation exhibiting unique gender-specific patterns. However, a common trend has emerged: male NEET rates consistently exceed female rates, particularly in Wales.

While fewer young people in caring roles have helped lower NEET levels, this has been offset by increased economic inactivity due to health issues, now a key driver of rising NEET rates across all nations. Our econometric analysis quantifies this shift in young people's health status and explores the roles of educational attainment and ethnicity.



Figure C1: Male and Female NEET rates Northern Ireland and England, 2016-2024



Note: We use Q4 data for each year analysed. Due to data availability and reporting variances, we were unable to analyse NEET trends in Scotland and we analyse England and NI trends until 2024 and Wales until 2023.

Northern Ireland felt the impact of the pandemic intensely, but recovered at pace

In Northern Ireland, male and female NEET rates converged in 2018–2019 as the male rate fell to 3 percentage points below the female rate. Both then rose sharply in 2019–2020 during the pandemic. The female rate recovered faster, dropping from 14% to 8.3% in 2021. After a period of stability, NEET rates for both genders increased again in 2024

The female rate recovered faster, dropping from 14% to **8.3%** in 2021. ⬇️

England was the first nation to see convergence in gender NEET rates in line with the UK average

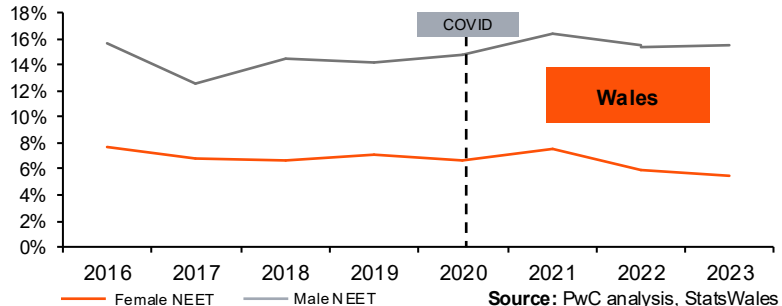
In England, male and female NEET rates converged in 2016–2017, reflecting the wider UK trend. ⁶⁰ They then remained relatively stable until 2019, when the rates moved in opposite directions: the female rate fell by 1.2 percentage points to 10.0%, while the male rate increased by twice as much, rising to 13.7%. By 2024, both had reached their highest levels in the period, at 12.6% for females and 14.5% for males

The female rate fell by 1.2 percentage points to **10.0%** ⬇️

Breakdown of UK NEET numbers by nation (2/2)

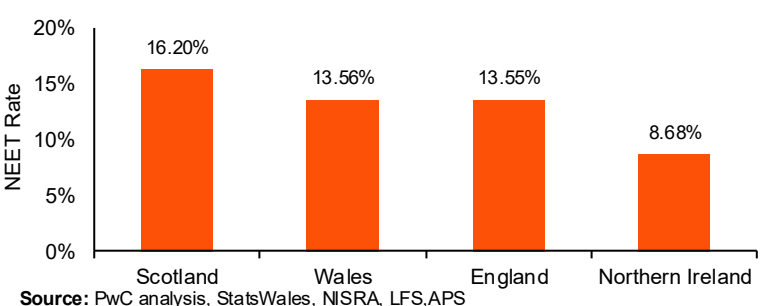
A national deep dive of NEET levels in the pre and post Covid period reveals varying trends in male and female NEET rates across the UK.

Figure C2: Male and Female NEET rates Wales, 2016-2023



Note: We use Q4 data for each year analysed. Due to data availability and reporting variances, we were unable to analyse NEET trends in Scotland and we analyse England and NI trends until 2024 and Wales until 2023.

Figure C3: Total NEET rates by UK nation, 2024*



* NEET rate reporting differs by nation. For Scotland, NEET rates are not readily available so the most appropriate and reliable proxy from Scottish Government Statistics are used.

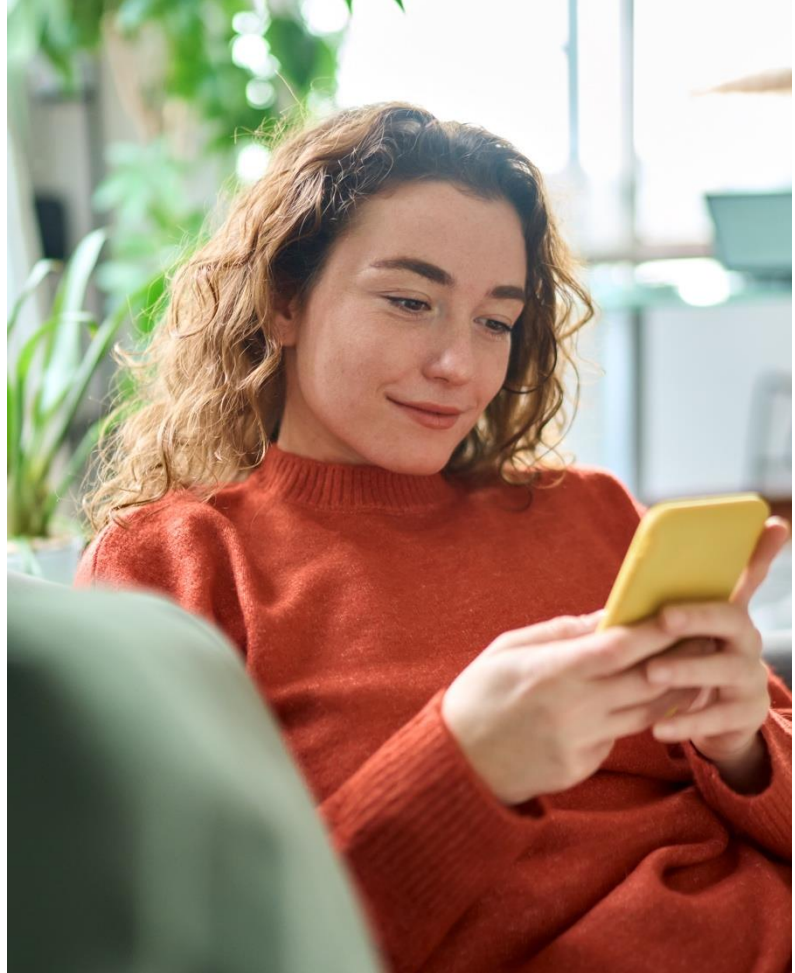
Young women in Wales consistently outperform their male counterparts in avoiding the NEET trap

Wales consistently records very high NEET levels among young males, with the male rate more than twice the female rate every year from 2016 to 2024. Unlike Northern Ireland and England, Wales did not see a pandemic-related spike; instead, NEET levels remained relatively stable for both genders. Male rates did rise in 2021 to 16.4%, the highest level recorded in the period, before levelling off in 2022 and 2023, while the female rate continued to decline slightly

Male rates peaked at **16.4%** in 2021, before levelling off in 2022.

Based on estimation, Scotland is the nation with the highest NEET rate as inactivity due to poor health is on the rise

Using economic inactivity among young people not in education as a proxy suggests Scotland's NEET rate was around 16.2% in 2024—almost double that of Northern Ireland, the strongest-performing region. Scotland's higher rate is partly linked to rising inactivity due to temporary or long-term illness: in 2022, 12.5% of economically inactive 16–24-year-olds fell into this category, up from 7.8% in 2016.⁶¹ Increasing mental health conditions are a significant factor, with the share of 16–24-year-olds reporting a mental health condition rising six-fold between the 2011 and 2022 censuses (from 2.5% to 15.4%).⁴⁶



Results from logit regression analysis and breakdown of LFS data used

We present a breakdown of the LFS data used in our econometric analysis to enhance the context of our findings. Additionally, the results from our logit model are included to validate the robustness of our econometric approach.

Breakdown of LFS data used

	Female	Male
Female	39048	
Male		41197
	Female	Male
White	68073	35108
Mixed	2466	1249
Other Ethnic Group	1229	666
Other Asian Background	1002	482
Chinese	521	256
Indian	1724	906
Black	2780	1318
Bangladeshi	646	299
Pakistani	1640	834

Logit results

UK wide model			Female-only model		
Dependent variable : NEET			Dependent variable : NEET		
Independent variables:			Independent variables:		
Intercept	-2.08	***	Intercept	-2.39	***
Female	-0.26	***	Poor GCSE attainment	0.69	***
Poor GCSE attainment	0.55	***	Health condition	0.92	***
Health condition	0.90	***	Ethnic minority	0.35	***
Mixed		0.12	2023	-0.11	.
Other Ethnic Group		0.17	2022	-0.21	**
Other Asian Background	0.27	.	2021	0.03	
Chinese		-0.20	2020	0.19	***
Indian		0.08	Poor GCSE Attainment*Health condition	0.64	***
Black	0.33	***	Poor GCSE Attainment*Ethnic minority	0.18	
Bangladeshi		-0.21	Health condition*Ethnic minority	-0.06	
Pakistani	0.57	***	Degrees of Freedom		30485
2023	-0.14	**	McFadden R-squared		0.041
2022	-0.20	***			
2021	-0.09	*			
2020	0.11	**			
Female:Poor GCSE Attainment	0.48	***			
Female:Health condition		0.04			
Female:Mixed	0.32	*			
Female:Other Ethnic Group		0.18			
Female:Other Asian Background		-0.05			
Female:Chinese	0.98	**			
Female:Indian		-0.07			
Female:Black		0.15			
Female:Bangladeshi	0.53	.			
Female:Pakistani	-0.49	**			
Degrees of Freedom		61835			
McFadden R-squared		0.03541706			

Model variations

We ran multiple variations of our regression model with different control variables to stress-test whether the impact on NEET status changed significantly. Some of these OLS variations have been provided opposite.

Variation 1 – UK wide model	
Dependent variables : NEET	
Independent variables:	
Intercept	0.13 ***
Female	-0.03 ***
STEM	0.05
Bad GCSE	0.10 ***
Vocational	-0.07 ***
Physical Health condition	0.07 ***
Mental Health condition	0.26 ***
Mixed	0.03 *
Other Ethnic Group	0.04 **
Other Asian Background	0.02
Chinese	-0.02
Indian	-0.01
Black	0.05 ***
Bangladeshi	-0.02
Pakistani	0.07 ***
2021	-0.02 ***
2022	-0.03 ***
2023	-0.03 ***
2024	-0.02 ***
Female:STEM	-0.11 *
Female:Bad GCSE	0.02 ***
Female:Vocational	0.02 **
Female:Physical Health condition	0.01 .
Female:Mental Health condition	-0.07 ***
Female:Mixed	0.03 .
Female:Other Ethnic Group	-0.01
Female:Other Asian Background	0.00
Female:Chinese	0.01
Female:Indian	-0.01
Female:Black	0.00
Female:Bangladeshi	0.08 **
Female:Pakistani	-0.04 *
Degrees of Freedom	80049
Adjusted R-squared	0.06286

Variation 2 – UK Model	
Dependent variables : NEET	
Independent variables:	
Intercept	0.268
Female	-0.005055972
DSTEM	0.040881587
DGCSE	-0.122390379 ***
Physical_Health	0.040938345 ***
Mixed	0.020195797 .
Other Ethnic Group	0.007663271
Other Asian Background	0.002516243
Chinese	-0.026482195
Indian	-0.028727666 *
Black	0.02727797 **
Bangladeshi	-0.049531892 *
Pakistani	0.044136886 ***
2021	-0.014749781 ***
2022	-0.027701447 ***
2023	-0.01596712 ***
2024	-0.007023922 .
Northern Ireland	-0.073210063 ***
Scotland	-0.002098541
Wales	0.014634412 .
Female:DSTEM	-0.107731012 *
Female:DGCSE	-0.014715862 *
Female:Physical_Health	0.015548512 *
Female:Northern Ireland	-0.001514669
Female:Scotland	-0.018957192 .
Female:Wales	-0.01218924
Female:Mixed	0.025714965 .
Female:Other Ethnic Group	-0.002826778
Female:Other Asian Background	0.00026934
Female:Chinese	-0.006160431
Female:Indian	-0.012043385
Female:Black	-0.00061779
Female:Bangladeshi	0.080026055 **
Female:Pakistani	-0.039506843 *
Degrees of Freedom	80047
Adjusted R-squared	0.031

Comparator analysis - Germany and the Netherlands have low female NEET rates enabled by industry aligned vocational education

Vocational Education and Training (VET) in these countries is integrated with employers to align skills of young workers to businesses.

European comparators have much lower female NEET rates than the UK

11.6%

Rate of young female NEETs in the **UK** in 2024

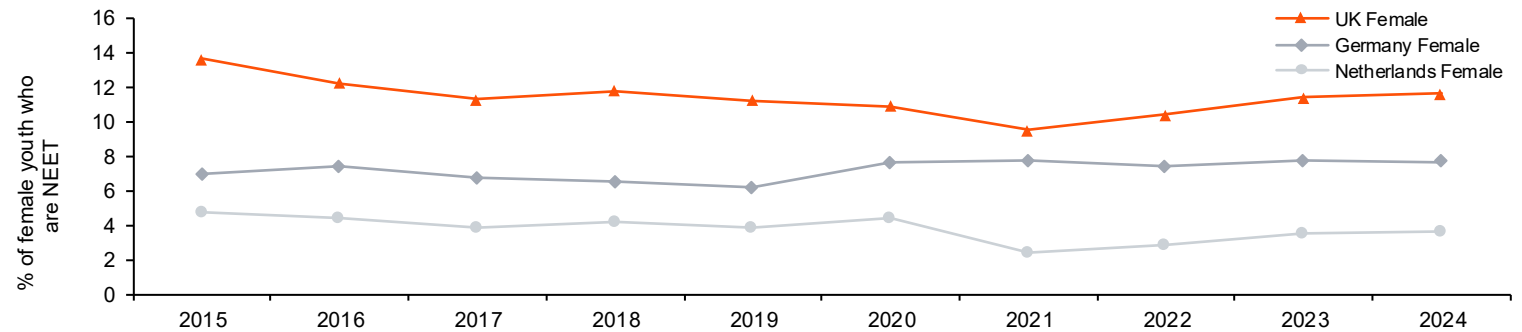
7.7%

Rate of young female NEETs in **Germany** in 2024

3.6%

Rate of young female NEETs in the **Netherlands** in 2024

Figure C4: Female NEET rates in the UK, Germany and the Netherlands, 2015-2024



Germany: encourage vocational choice from a young age

In Germany, vocational pathways are socialised amongst students long before they start making career related decisions, *Schnupperpraktikum*⁶³ allows young teens to try a variety of different career settings outside of the classroom.

At school there is also close cooperation between the Federal Employment Agency, and specially qualified career counselling teachers to ensure students are aware of VET opportunities and empowered to make informed career related decisions.⁶⁴

92.2%*

VET graduate employment rate in Germany, 20–34-year-olds 2024⁵²

* Compared to the EU average of 80%⁵²

The Netherlands: sound structure with industry backing

In the Netherlands, an important foundational element of the successful VET system is active industry involvement. 'Knowledge Centres' each cover a distinctive sector of the economy⁵⁴, allowing the development of bespoke qualifications and recruitment of employers to provide specialised workplace training aligned with labour market skill gaps.

In 2022, the Dutch Government have launched the Lifelong Learning Catalyst programme to map future skill needs and develop qualifications to fulfil these.⁶⁵

90.5%*

VET graduate employment rate in the Netherlands, 20–34-year-olds 2024⁵³

* Compared to the EU average of 80%⁵³



According to research by the Centre for Social Justice, 1 in 3 British University students received vocational training, in the Netherlands this ratio is 1 to 2 and in Germany it is 1 to 1.⁶²

Endnotes

- ¹ Our Index includes analysis of labour market results in 33 Organisation for Economic Cooperation and Development (OECD) countries. When we refer to the OECD in this report, we are referring to these 33 countries. Please refer to the Technical Appendix: Women in Work Index Methodology for a full list of countries included in our analysis.
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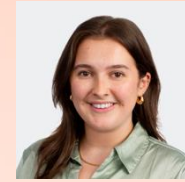
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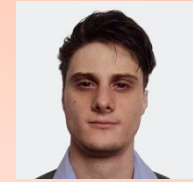
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