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Youth unemployment and opportunity in London

A briefing paper from the Centre for London

Rob Anderson & Daniel Reast

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About the Authors

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A prosperous and thriving city, with more Londoners achieving a decent standard of living and participating fully in city life by 2030.

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Contents

Summary

London faces a youth opportunity paradox. Despite being home to the UK's largest labour market, the capital has one of the weakest youth employment rates in the country. London should offer young people some of the best prospects in the UK. The capital has high-performing schools, globally significant universities and one of Europe's largest urban labour markets. Yet only 41.3% of Londoners aged 16 to 24 were employed in 2025, compared with 51.5% across England. London's youth employment rate has also fallen more sharply since 2019 than other city regions like Greater Manchester, the West Midlands or the Oxford-Cambridge area.

Poor educational attainment does not explain this pattern, nor does disconnection from education and training. In 2025/26, 70.4% of young Londoners had attained Level 2 by age 16, compared with 61.1% in Greater Manchester, 62.7% across Oxford-Cambridge and 57.6% in the West Midlands. London also had the highest Level 3 attainment of the four areas in 2024/25. Young Londoners are also more likely to remain in education than their peers elsewhere: in 2025, nearly 83% of economically inactive 16 to 24-year-olds in London were in full-time education, a higher share than in any other English region.

Instead, the transition from education into work is where too many young Londoners are being failed. Around 80% of London's 16 to 18 study leavers sustained a destination in education, employment or an apprenticeship for at least six months in 2022/23. However, only 17% moved into sustained employment or an apprenticeship. The equivalent figure was 25% in Greater Manchester, 23% in the West Midlands and 30% in the Oxford-Cambridge comparator. Continued education accounts for most of London's positive destinations. The problem is therefore not that young Londoners lack ambition or qualifications, but that too few are moving from learning into work.

This transition problem is partly driven by changes to London's entry-level labour market, which have made it harder for young people to gain early work experience. Online job adverts in London fell from more than 273,000 at their May 2022 peak to just under 98,000 in February 2026, a decline of 64%. On top of this, the jobs that are available are weighted towards professional and higher-skilled roles, which tend to have higher entry requirements. At the same time, retail, hospitality, leisure, administration and other sectors that have traditionally provided first jobs have been under sustained pressure since the pandemic, facing higher operating costs, weak demand and tighter margins. Hospitality jobs in London contracted by 1% and wholesale and retail trade by 7% between 2019 and 2025, while total jobs in London grew by 8%.

London's apprenticeship pathways offer one of the clearest structured, paid routes that could help more young Londoners bridge the transition between education and work. But London has fewer apprenticeships relative to the size of its economy than other regions, and too few are in the sectors where the city has major workforce needs. In 2023/24, there was roughly one apprenticeship start for every 11 businesses in the capital. By comparison, there was one start for every eight businesses in the South East, one for every six businesses in the West Midlands, and one for every five businesses in the North West. Construction provides a clear example of the mismatch: it accounts for 11.5% of London's VAT/PAYE enterprises, but only 4.1% of apprenticeship starts, despite the city's dire need for more workers to deliver new homes and infrastructure.

In this environment of fewer first-step opportunities, competition is fiercer for the jobs that do exist. This tends to make experience and networks count for more, which compounds the large inequalities that already exist between London's young people. Those with family support, professional contacts, savings, good health and previous exposure to work are better placed to find opportunities, travel to them, apply successfully and sustain work once they get there. Young people without those resources depend more heavily on public, voluntary and institutional support, which is often fragmented and harder to navigate.

The city's challenge is not one of aspiration or educational attainment amongst young people. It is a transition problem in a labour market where first-step roles have become harder to access, apprenticeship pathways are too narrow, and young people with less financial, social or health support face a more difficult route into stable employment.

A city with London's educational strengths and economic assets should not accept a labour market in which too many young people gain qualifications without a reliable route into work. What London needs is a stronger transition system between education and work: visible routes into sectors with real demand, more paid and structured first-step opportunities, and practical support to help young people reach and sustain work.

Introduction

London should be one of the best places in the country to begin a career. Its schools have improved substantially over the past two decades, its further and higher education institutions consistently rank among the best in the world, and its employers include many of the country's most productive and innovative businesses.

But these advantages are not producing strong employment outcomes for young Londoners. The capital combines high educational attainment and participation with a low youth employment rate and weak sustained employment destinations. Many young people continue in education, but too few move into work or an apprenticeship that gives them experience, security and a route to progress.

London therefore faces a youth opportunity paradox. The city generates large numbers of jobs and educates many young people to a high standard, but it does not provide enough clear, paid and supported routes through which young Londoners can move from learning into work. The problem is not that young Londoners lack ambition or that London's education system is failing in aggregate. It is that the transition from education into employment has become too fragile, too competitive and too dependent on informal support.

This report examines that gap: between London's educational strengths and its youth employment outcomes. It compares London with Greater Manchester, the West Midlands and the Oxford-Cambridge area, drawing on official data, published research and interviews with education, skills and employment stakeholders. The analysis focuses on people aged 16 to 24 and considers differences within London where reliable data are available. We first show that London's youth employment challenge is not primarily an education problem, then examine the weakening of entry-level labour demand, the limits of structured work-based pathways, and the unequal access young people have to support.

Chapter 1:

London's youth opportunity paradox

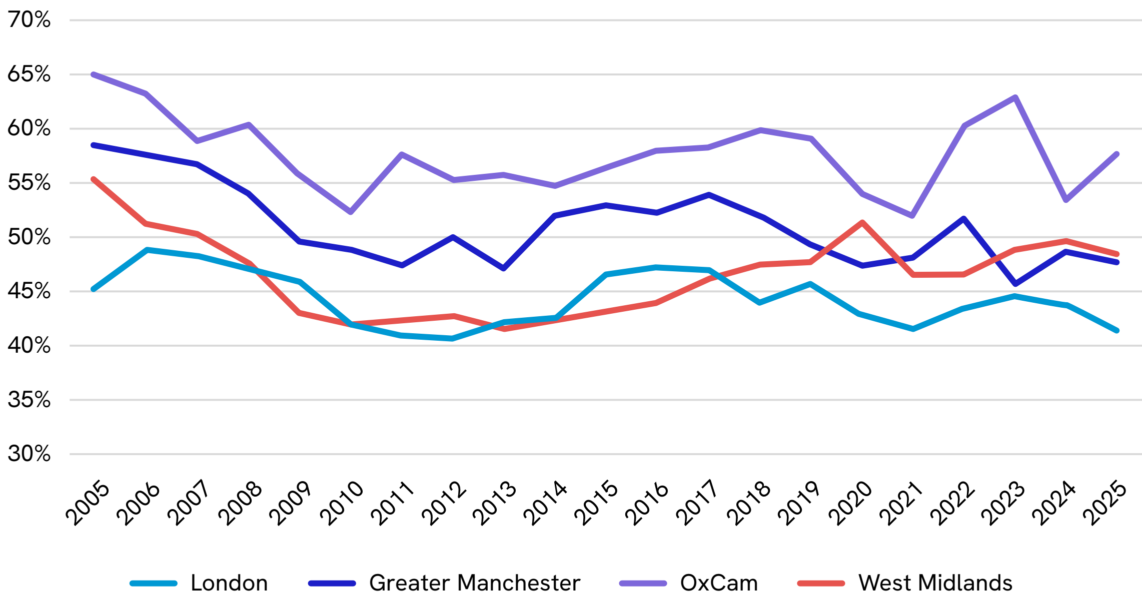
London has high-performing schools, major further and higher education institutions, and one of Europe's largest urban labour markets. Yet these strengths are not translating into strong employment outcomes for young Londoners. This chapter sets out this paradox.

London has weak youth employment outcomes

London has seen a weaker post-pandemic recovery in youth employment than other English city regions. The capital's employment rate for 16 to 24-year-olds fell from 45.6% in 2019 to 41.3% in 2025. This was a larger fall than in Greater Manchester, where the rate fell from 49.2% to 47.8%, and in the Oxford-Cambridge region, where it fell from 59.1% to 57.7%. By 2025, London's youth employment rate was more than 10 percentage points below the England average of 51.5%.

Figure 1

Employment rate, ages 16-24, 2004 to 2025



Source: Centre for London analysis of Office for National Statistics, Annual Population Survey.

There is substantial variation within the capital. The decline was particularly sharp in West London, where the youth employment rate fell from 42.8% in 2019 to 34.2% in 2025, an 8.6 percentage point drop. South and Central London also saw notable declines, while East London's youth employment rate was more stable, falling by only 0.2 percentage points to 43.8%. Harrow recorded the lowest youth employment rate among the local authorities in the comparator study, at 15.9% in 2025, while Bexley recorded London's highest, at 67.3%.

London's youth employment challenge has unfolded alongside growth in the number of young people living in the city. Between 2019 and 2025, the population aged 16 to 24 increased across all of London's sub-regions. In Central London, this age group grew by 21%, reaching 442,000.[1] Population growth alone does not prove that competition for jobs has intensified. But when it is viewed alongside a falling youth employment rate and weaker entry-level labour demand, it points to a growing mismatch between the number of young people trying to build working lives in London and the opportunities available to them.

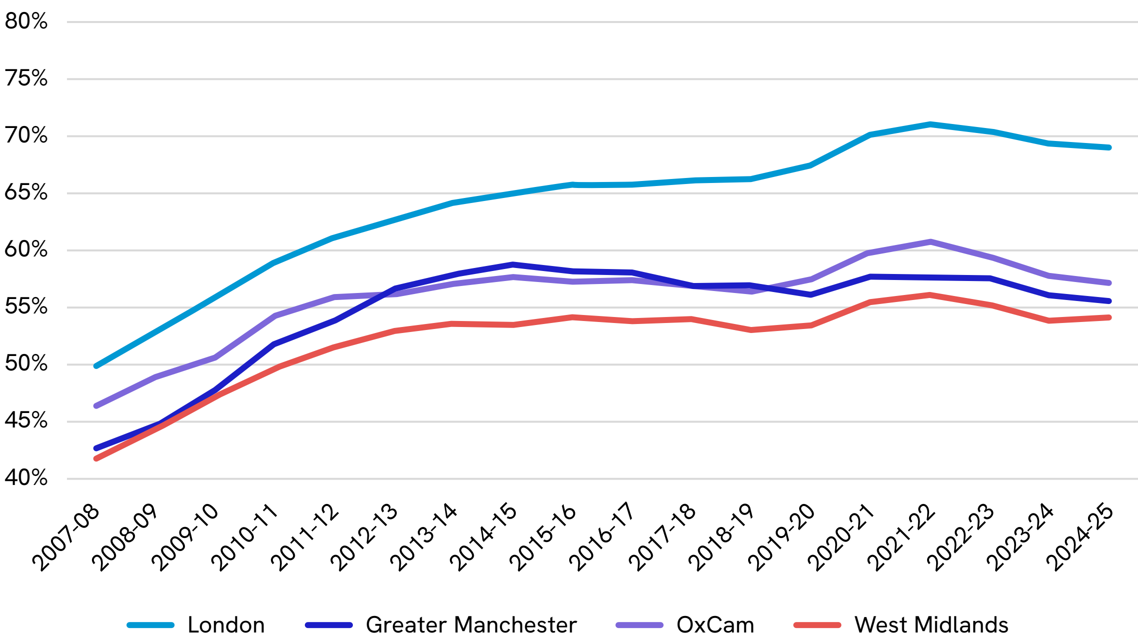
At the same time, London has one of the strongest education and training systems in the country

The capital has stronger educational outcomes than other English city regions and generally outperforms the national average by a substantial margin. In 2025/26, 70.4% of young Londoners had attained Level 2 by age 16, compared with 61.1% in Greater Manchester, 62.7% across the Oxford-Cambridge comparator and 57.6% in the West Midlands.

London also performs strongly at Level 3. Against a national average of 57.4% in 2024/25, 68.9% of London's cohort had attained Level 3 qualifications. This compares with 55.6% in Greater Manchester, 57.1% in the Oxford-Cambridge comparator and 54.1% in the West Midlands. London's Level 3 attainment has increased substantially over the long term, rising from 49.9% in 2007/08. This matters because Level 3 qualifications are a key route into higher education, technical education and skilled employment.

Figure 2

Percentage of Level 3 attainment by local authority, by age 19, 2007-08 to 2004-25



Source: Centre for London analysis of Department for Education, Level 3 attainment at age 19, London and comparator city regions, 2007/08 to 2024/25.

London's educational success is not just in attainment: young Londoners are also much more likely to be participating in education than their peers elsewhere

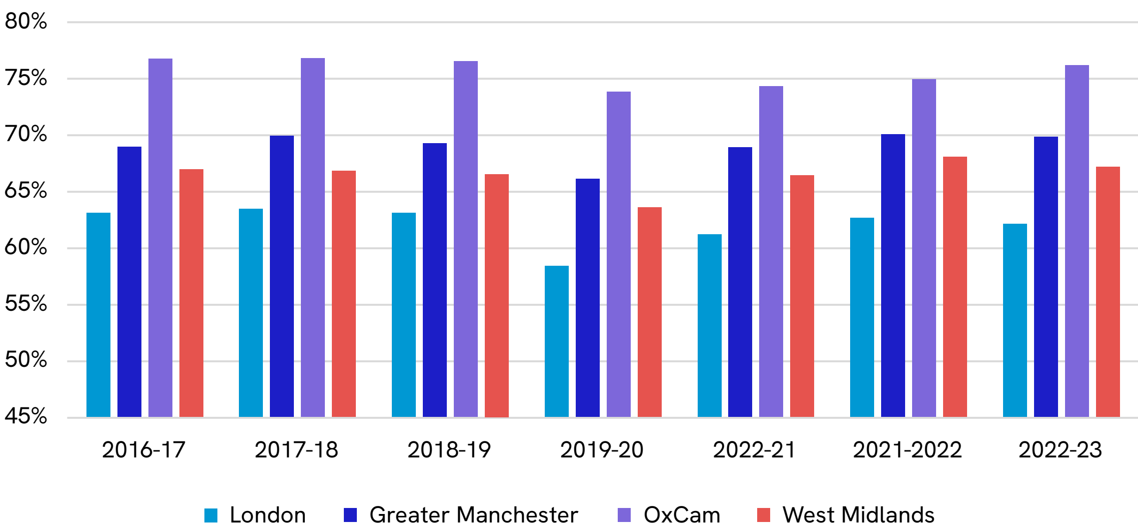
In 2025, nearly 83% of economically inactive 16 to 24-year-olds in London were in full-time education, equivalent to around 385,000 people. This is much higher than any other English region. By contrast, the equivalent proportion was 68.8% in the North East and 73% in the North West. London therefore has a large group of young people outside the labour market, but most are not detached from learning or training. They are remaining in education for longer before trying to enter work.[2]

But these high levels of educational participation and attainment are not translating reliably into employment

The clearest evidence of London's youth opportunity paradox is found in study leavers destinations data. Around 80% of London's 16 to 18 study leavers sustained a destination in education, employment or an apprenticeship for at least six months in 2022/23. But only 17% moved into sustained employment or an apprenticeship. The equivalent figure was 25% in Greater Manchester, 23% in the West Midlands and 30% in the Oxford-Cambridge comparator. Continued education accounts for most of London's positive destinations.

Figure 3

Percentage of 16-18 study leavers sustaining apprenticeships or employment, 2016-23



Source: Department for Education, 16 to 18 destination measures.

Takeaway one: London's youth employment challenge is a transition problem, not an educational outcomes one.

These trends reveal London's youth opportunity paradox. The capital has relatively weak youth employment outcomes, while also having one of the strongest education and skills pipelines in the country. Many young Londoners are staying connected to education for longer, and this may protect some from immediate labour market risks. But education is not translating reliably into work.

This points to a transition problem. London's challenge is not simply to raise attainment or increase participation in education and training. It is to ensure that education leads somewhere: into work experience, apprenticeships, entry-level jobs and progression routes that young people can actually access.

The next chapter turns to the demand side of this problem, examining how London's entry-level labour market has weakened, why first-step roles have become harder to access, and how the balance of vacancies has shifted away from the jobs young people often need to begin working life.

Chapter 2:

Fewer entry level opportunities for young Londoners

Chapter 1 showed that London's youth employment challenge is not best explained by weak aggregate educational attainment. Young Londoners are more likely than their peers elsewhere in the country to remain in education, and the capital outperforms comparator city regions on Level 2 and Level 3 attainment. The problem is what happens next.

This chapter examines the demand side of the problem: how the structure of London's labour market has made the first step into work harder to reach.

Entry-level hiring has become more fragile

Macroeconomic pressures have made London's entry-level labour market more fragile, particularly in the sectors that have traditionally provided young people with their first jobs. Since the Covid-19 pandemic, employers have faced higher energy, property, supply and wage costs, alongside weaker demand and more expensive borrowing. CPIH inflation reached 9.6% in October 2022 and, although it had fallen to 3.0% by May 2026, prices remain much higher than before the inflationary surge.[3] This has left many businesses operating with a higher cost base, particularly in labour-intensive sectors.

These pressures have fed directly into the cost of hiring. From April 2026, the minimum wage for 18 to 20-year-olds rose by 8.5%, from £10.00 to £10.85 an hour, while the National Living Wage for workers aged 21 and over rose by 4.1%, from £12.21 to £12.71.[4] These increases improve pay and provide some protection for younger and lower-paid workers, which is particularly important in a high-cost city. But they also increase employment costs in the sectors where entry-level roles are concentrated. Employer National Insurance contributions also rose in 2025, though eligible workers under 21 and apprentices under 25 benefit from a zero rate up to the relevant threshold.[5]

The adoption of AI may add to this pressure over time. Many junior roles include routine tasks such as administration, research, drafting, data handling, customer service and business support. These tasks help young people build workplace experience, but they are also among the tasks most exposed to automation or augmentation by generative AI, and there is some evidence that employment decline from AI-driven task change has affected early-career workers more.[6,7]

Young Londoners may also be particularly exposed, as a large share of the city's workforce is in roles where AI could automate some tasks. A GLA estimate found that 46% of workers are in roles where AI could automate some tasks, compared with 38% across the UK. Around 313,000 London workers are in the highest-exposure group.[8]

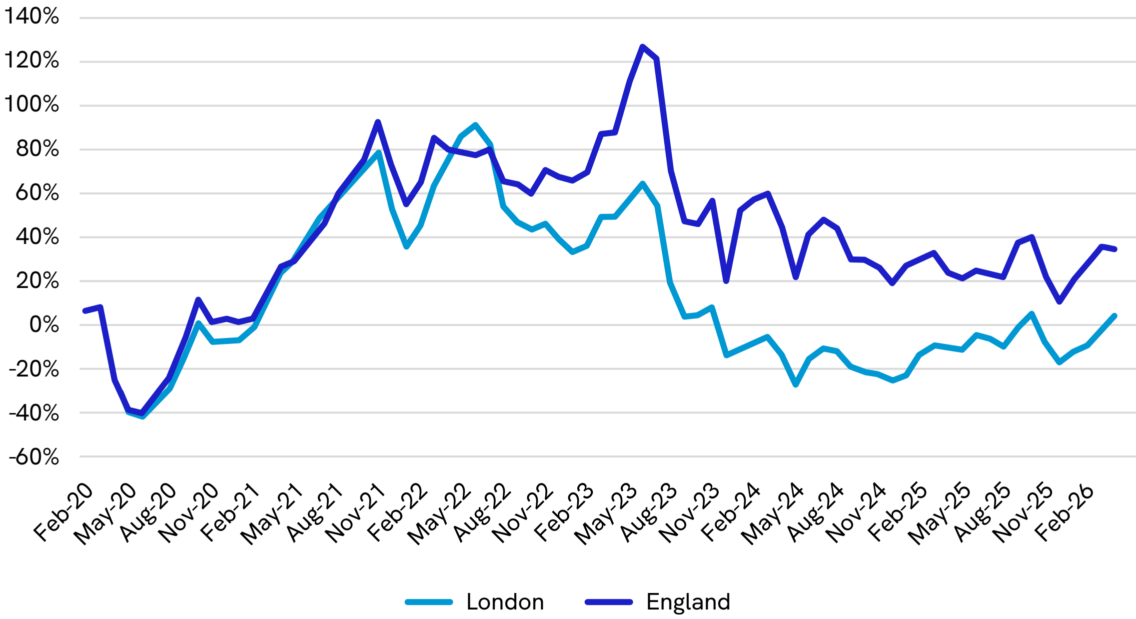
Labour demand has weakened most sharply in London

These pressures have seen a marked weakening in labour demand. At a national level, job vacancies fell by an estimated 19,000 to 707,000 in March to May 2026, the lowest level in more than five years.[9] This matters for young workers because their employment prospects are particularly sensitive to overall hiring conditions. When vacancies fall, people with less experience are often pushed further back in the queue.

The decline in labour demand has been particularly pronounced in London. Online job adverts in the capital fell from more than 273,000 at their May 2022 peak to just under 98,000 in February 2026, a decline of 64%. Greater Manchester also saw a large fall, but from a lower peak and by a smaller proportion, with adverts falling by 53% to 27,788. In the Oxford-Cambridge comparator, adverts fell by 56% to 41,180. London still has a larger labour market than the comparator regions, but the scale of the fall shows how sharply new hiring opportunities have weakened since the post-pandemic rebound.

Figure 4

Regional change in job postings compared with January 2020



Source: Centre for London analysis of ONS, New online job adverts in the UK, split by Local Authority District between January 2017 and May 2026

The same picture is visible in employer-reported worker shortages. In February 2026, 7% of London businesses reported a worker shortage, compared with 16.6% in March 2022.[10] A weaker labour market gives employers more choice and makes it easier to prioritise applicants who already have experience.

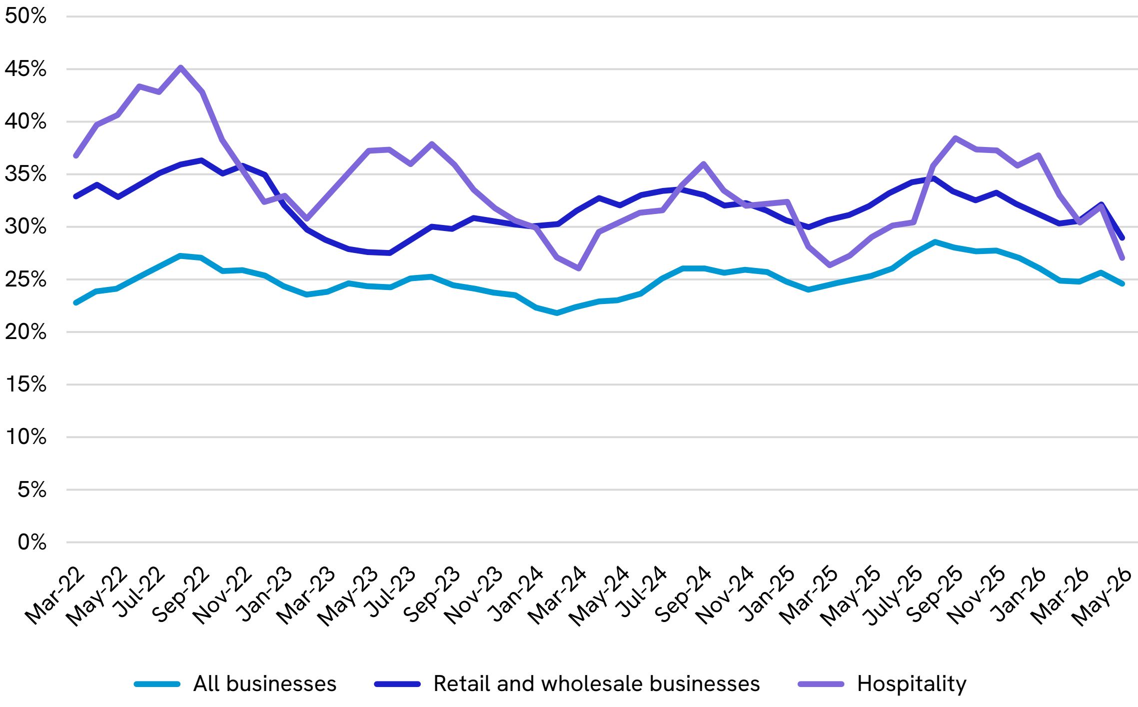
Within this wider cooling of the labour market, the sectors that provide many first jobs have been under particular pressure

These pressures have been especially acute in retail, hospitality and leisure, where younger workers are more likely to find part-time, flexible or roles requiring less prior experience. These sectors are often where young people gain their first experience of work: learning how to deal with customers, manage time, work in teams, handle responsibility and sustain regular attendance. These are not just "low-skilled" jobs. They are often the first place where young people develop the workplace habits and confidence needed to progress.

Since 2022, around a third of retail, wholesale and hospitality businesses expected turnover to fall in the following month, compared with around a quarter of businesses across the economy. [11] When businesses in these sectors pause expansion or reduce recruitment, young people lose both immediate employment opportunities and the experience that helps them move into better jobs.

Figure 5

Percentage of UK businesses expecting decreased turnover, six month rolling average

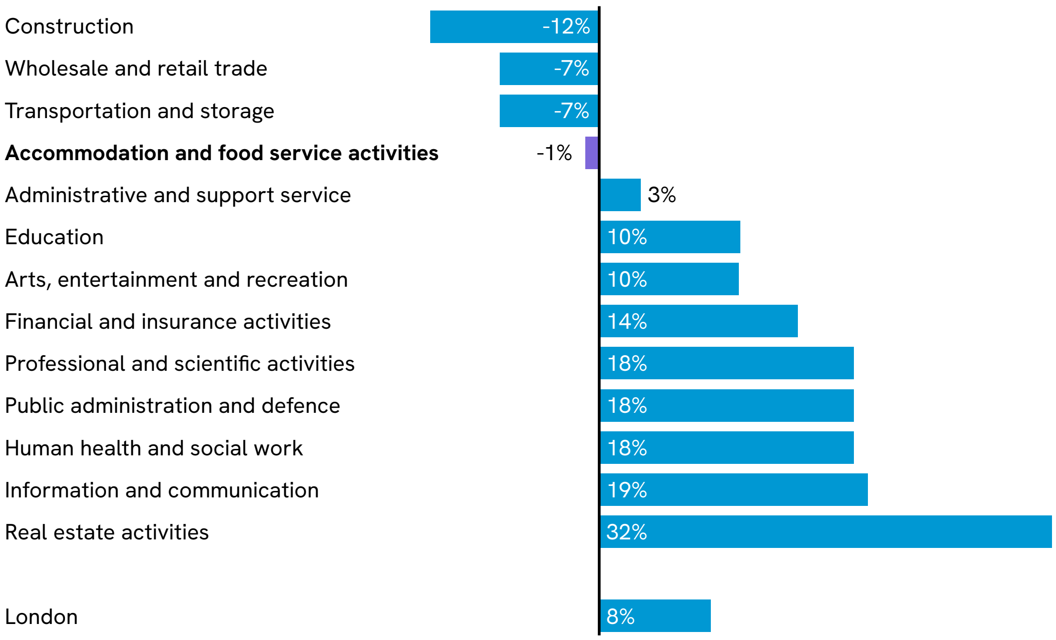


Source: Centre for London analysis of Office for National Statistics, Business Insights and Conditions Survey, 2022 to 2026.

London's sector mix makes this especially important, because the capital has a large number of employers in sectors that often provide young people with their first experience of work such as hospitality. There were more than 100,000 retail, hospitality and wholesale enterprises in London in 2025, and these sectors are more youth-intensive than the wider London labour market. GLA analysis found that 28% of hospitality job holders were aged 16 to 29 in 2022, compared with 20% across London overall. Yet key first-step sectors have not shared in London's wider post-pandemic jobs recovery: hospitality jobs contracted by 1% and wholesale and retail trade by 7% between 2019 and 2025, while total jobs in London grew by 8%.[12]

Figure 6

Growth in workforce jobs by sector, 2019-2025 (June)



Source: Greater London Authority (2025). Hospitality jobs and skills: London context.

The weakening of first-step sectors is potentially felt more acutely for Londoners due to the city's high cost of living. Lower-paid work is harder to sustain in a city with high housing, travel and living costs. A job with short or unstable hours may not provide enough income to justify commuting costs, particularly for young people living further from major employment centres. This does not mean young Londoners are unwilling to work. It means the financial and practical terms of entry-level work can be less viable in London than in places where the cost of living is lower.

London's labour market is also highly competitive, with fewer first-step roles and a large pool of skilled labour

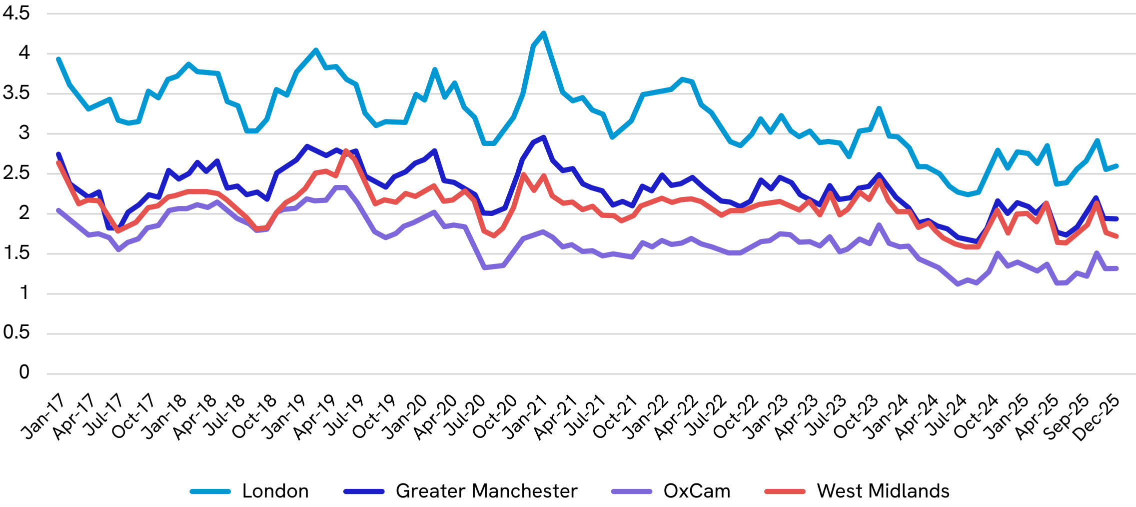
The capital attracts workers from across the country and from around the world, including large numbers of graduates. Higher education remains an important route into employment, particularly in London's high-skill sectors, but the size of London's graduate labour market also drives up competition for junior roles.

This does not mean that London's large graduate workforce is a bad thing. The capital's ability to attract and retain highly qualified workers is one of the strengths of its economy. However, London's role as the country's leading destination for graduates means that young people entering the labour market often compete alongside a large pool of highly qualified applicants from across the UK. In 2023/24, London attracted graduates from every English region. More than 31,000 graduates from London higher education institutions were both living and working in the capital, equivalent to 49.5% of the London provider cohort, and Graduate Outcomes data also show substantial flows into London from other regions, including the South East.[13] Recent evidence also suggests that competition for graduate recruitment has intensified, with employers receiving an average of 86 applications per vacancy.[14]

London's vacancy market is also weighted more strongly towards higher-skilled roles than the other city regions in England. In February 2026, there were more than 70,000 job adverts in London for professional, managerial and clerical occupations, compared with around 27,000 adverts for skilled trades, lower-skilled and elementary roles. This means there were 2.6 higher-skilled vacancies for every lower-skilled vacancy in the capital. The equivalent ratio was lower in each comparator area: 1.9 in Greater Manchester, 1.7 in the West Midlands and 1.3 in the Oxford-Cambridge region.

Figure 7

Number of new job adverts, high to low skilled occupations, by region



Source: Centre for London analysis of Office for National Statistics. (2026). UK Business Counts: Local units by industry and employment size band, 2017-25.; Office for National Statistics. (2026). New online job adverts in the UK, split by Local Authority District between January 2017 and May 2026.

Takeaway two: London's first-step labour market has weakened

Taken together, the picture that emerges is one of a much tougher labour market for young Londoners. The capital remains one of the largest and most dynamic labour markets in the country, but the roles that help young people begin working life have become harder to find and harder to access.

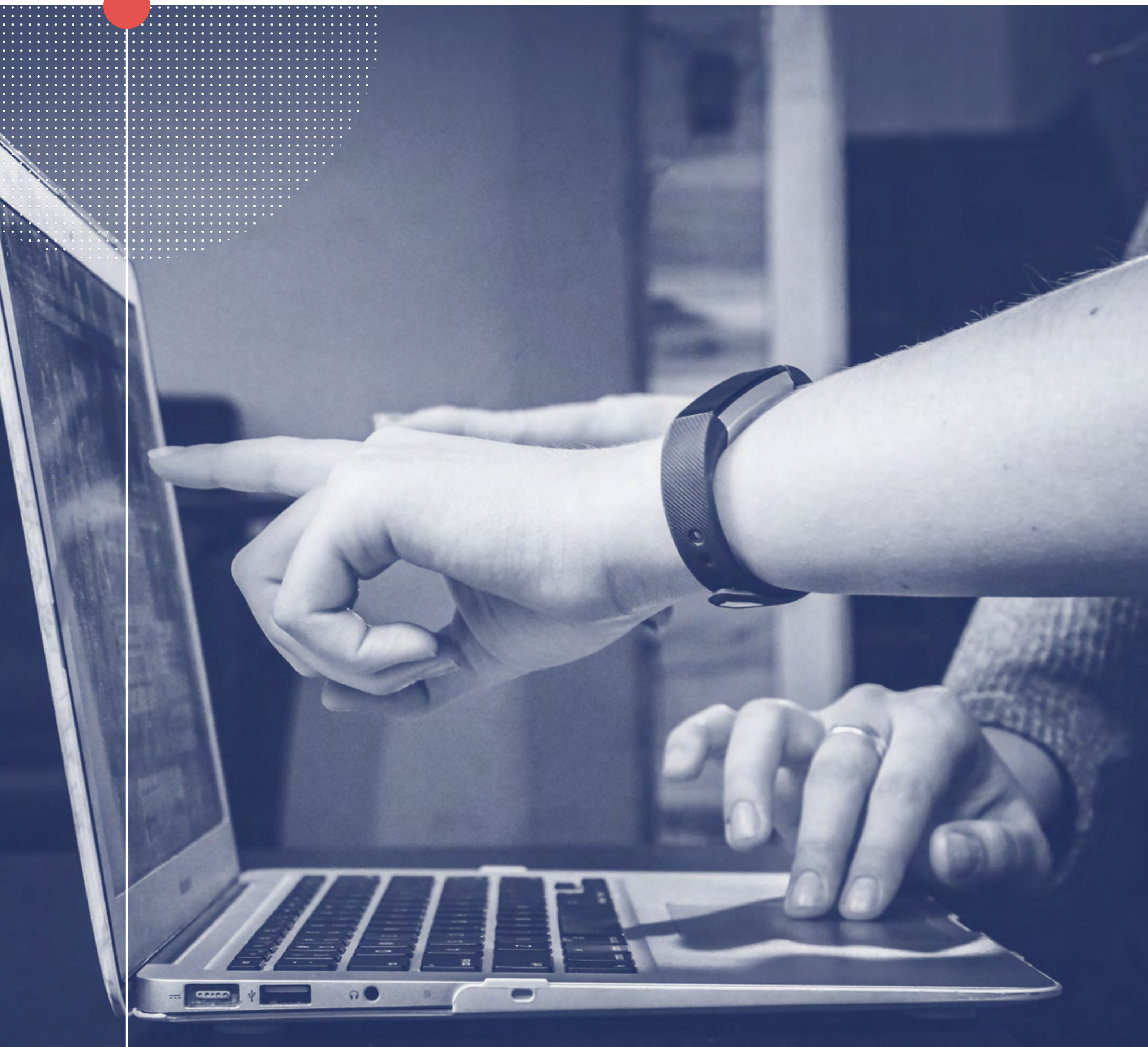
This has several causes. Overall labour demand has cooled since the post-pandemic rebound. The sectors that have traditionally provided first jobs have faced sustained cost and demand pressures. London's vacancy mix is weighted towards higher-skilled roles. Employers can choose from a large pool of experienced and graduate applicants. And emerging technologies may increase expectations on new starters over time.

This is the demand side of London's youth employment challenge. London has a large economy, strong schools and a growing cohort of young people. But fewer accessible roles, weaker first-step sectors and greater competition for entry-level work mean that young people cannot rely on education alone to carry them into employment.

The next chapter therefore turns to the pathways that should bridge this gap, particularly apprenticeships, work-based learning and sector routes into areas of long-term workforce need.

Chapter 3:

London needs stronger structured routes from education into work



Young Londoners move into work through many routes, including direct entry-level jobs, part-time work, placements, internships, apprenticeships and employer training.

This chapter focuses on apprenticeships not because they are the only route, but because they are one of the clearest measurable examples of a paid, structured route into an occupation.

If London's transition system were working well, a city with such a large employer base would be expected to generate more of these routes for young people.

There are multiple routes through which young people can move from education into work – but structured routes are particularly important when young people don't combine work and study to gain experience before leaving education

There is a range of different ways young people can move from education into the world of work. Official destination measures distinguish between young people progressing into sustained education, apprenticeships and employment after 16 to 18 study, while participation statistics track young people across schools, further education, apprenticeships, higher education, wider training and employment.[15,16,17] Other routes also matter, including part-time work alongside study, T Level industry placements, internships and employer-supported training.[18,19] These routes vary in how structured, paid, open and linked to progression they are.

With fewer young people combining work and study, structured routes like apprenticeships, paid placements and employer-supported entry-level roles that provide direct experience of the workplace are more important for study leavers. Young people who combine work with full-time education are 4 to 6 percentage points less likely to be NEET five years later than those who only study, and 66% of employers say experience of the working world is important when recruiting. But the number of young people who combined work and study has fallen significantly, with the share of 16 to 17-year-old students doing both falling from 42% in 1997 to 18% in 2014.[20]

Apprenticeship outcomes provide a helpful indicator of how well young Londoners are being supported to transition from education to employment

While apprenticeships are not the only structured route between education and the workplace, they are a helpful way of assessing whether employers are creating paid, structured and recognised routes into occupations. London's apprenticeship outcomes should not be understood as the 'single point of failure' in London's youth opportunity pathway - but they do present one of the clearest ways to test whether the route from education into work is functioning.

In first-step sectors they can formalise early work experience, while in sectors with long-term workforce needs they can open routes into skilled careers that young people might otherwise struggle to access. This chapter therefore focuses on apprenticeships as a measurable case of the wider transition problem, not because apprenticeships are the only route into work.

Apprenticeships provide a lower level of access to London's jobs market than they do in other regions

Apprenticeships should be one of the clearest routes from education into the workforce. They give young people paid work, recognised training and a route to progression without requiring them to take on the financial risks associated with pathways like university. In London's context where entry-level hiring has weakened and competition for first jobs is high, apprenticeships should be particularly important as a structured route into employment.

London has a similar number of apprenticeship starts to other large English regions, but far more businesses. This means apprenticeships are reaching a smaller share of London's business base than elsewhere.

In 2023/24, there were 47,830 apprenticeship starts in London. That is roughly one apprenticeship start for every 11 businesses in the capital. By comparison, there was one start for every eight businesses in the South East, one for every six businesses in the West Midlands, and one for every five businesses in the North West. [21]

Figure 8

Region	Apprenticeship starts, 2023/24	Total enterprises	Starts per 1,000 enterprises	Equivalent starts per business
London	47,830	538,315	88.9	1 start per 11 businesses
South East	48,680	404,910	120.2	1 start per 8 businesses
North West	49,490	265,795	186.2	1 start per 5 businesses
West Midlands	37,620	216,145	174.0	1 start per 6 businesses

While this measure is not a complete assessment of employer engagement, because sectors differ in size, workforce model and suitability for apprenticeships, it does provide a signal that London's large business base is not translating into structured paid routes into work at the same rate as elsewhere.

London's apprenticeship starts are not evenly distributed across its business base

Some of the city's largest sectors account for a much smaller share of apprenticeship starts than of enterprises. This gap is widest in construction, which accounts for 11% of London's VAT/PAYE enterprises but just 4% of apprenticeship starts.

SECTOR CASE STUDY: LONDON'S CONSTRUCTION SECTOR

Construction provides a clear example of where London has urgent workforce gaps and inadequate support for young Londoners to fill them.

London needs homes, infrastructure, retrofit and green skills. These areas depend on a skilled workforce and should provide practical routes into long-term employment for young people. The London Local Skills Improvement Plan identifies construction and related green skills as priorities for London's skills system.

But construction pathways remain thin, relative to the size of the sector. In 2023/24, construction businesses made up 11.5% of London's enterprises and only 4.1% of apprenticeship starts in London. There was only one apprenticeship start for every 32 construction businesses, compared with one for every 19 businesses in the South East, 14 in the West Midlands and 9 in the North West.

This reflects a wider disconnect between employer demand, young people's aspirations and the routes available to enter the sector. Recent research by the housing developer Barratt Redrow found that 48% of Gen Z respondents would choose an apprenticeship over university, while 46% viewed skilled trades as the most aspirational type of career, suggesting there is not a shortage of interest in vocational careers among young people but sectors like construction are not creating enough structured routes into them.[22]

London needs more workers to deliver new housing and infrastructure. The combination of strong interest in skilled trades and limited apprenticeship opportunities points to a major missed opportunity for both young Londoners and the wider economy.

Meanwhile, London's other large sectors also make up a proportionately smaller share of apprenticeships. For example, information and communication enterprises account for 12% of London's count but only 5% of its apprenticeship starts, while professional, scientific and technical enterprises account for 20% of enterprises but only 13% of starts.[23]

This highlights that London's apprenticeship challenge is not only that the capital has a smaller number of starts than peer regions but that the major sectors of the city's economy are generating a smaller share of apprenticeships relative to their size.

Figure 9

Share of Enterprises and Share of Apprenticeship Starts by Sector, London, 2023/24[24]

Sector	Share of Enterprises 2023/24	Share of Apprenticeship Starts 2023/24
Construction	11.5%	4.1%
Professional, scientific and technical	20.0%	12.8%
Information and communication	11.5%	4.5%
Wholesale and retail, repair of motor vehicles	13.3%	8.0%
Arts, entertainment, recreation and other services	7.7%	3.7%
Property	5.8%	2.4%

The gap is also visible in several large service sectors. In wholesale and retail, there was one apprenticeship start for every 18.6 businesses in London, compared with around one for every 9 to 11 businesses in the South East, North West and West Midlands. In arts, entertainment, recreation and other services, London had one start for every 24 businesses, compared with one for every 11 in the South East, 9 in the West Midlands and 8 in the North West. Professional, scientific and technical activities are more mixed. London performs better than the South East, with one start for every 18 businesses compared with one for every 22, but still lags the North West and West Midlands, where there is one start for every 10 and 11 businesses respectively.[25]

This suggests that London's lower relative number of apprenticeship starts is not confined to one part of the economy. It is visible across several sectors that are central to London's business base, including construction, digital and communications, retail, creative and other services, and parts of the professional services economy.

Figure 10

Number of businesses per apprenticeship start, 2023/24, by sector and region

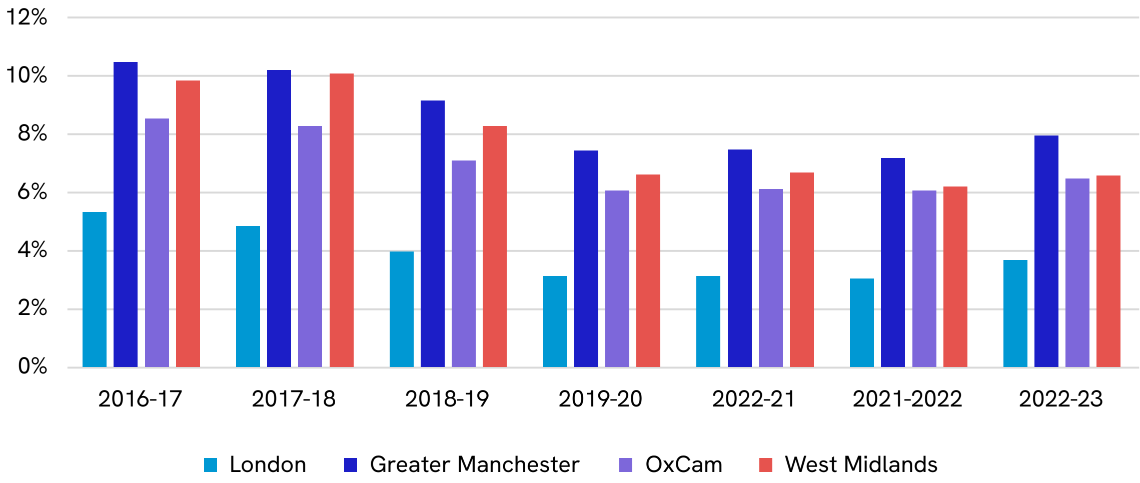
Sector	London	South East	North West	West Midlands
Construction	32	19	9	14
Information and communication	29	25	13	22
Wholesale and retail, repair of motor vehicles	19	11	9	9
Arts, entertainment, recreation and other services	24	11	8	9
Professional, scientific and technical	18	22	10	11
Property	27	39	14	22

London's apprentices are also much less likely to secure a sustained outcome than their peers in other cities

While ensuring sufficient starts in the right sectors is crucial, it is not the same as generating stronger transitions into work. Destinations data show that young Londoners move from education into employment or apprenticeships at a much lower rate than young people in other city regions. In 2022/23, less than 4% of 16 to 18 study leavers achieved a sustained apprenticeship, around half the rate of their peers in Greater Manchester (8%), the West Midlands (6.6%), or the Oxford-Cambridge region (6.5%).

Figure 11

Percentage of 16-18 study leavers sustaining apprenticeships, 2016-23



Source: Department for Education, 16 to 18 destination measures.

Despite being the heart of the London economy, in Central London, only 2.8% of 16 to 18 study leavers had a sustained apprenticeship destination in 2022/23, equal to just 907 young people. This compares with 8% in Greater Manchester, or 2,296 young people. Each of London's other sub-regions also sits below the England average.[26]

Takeaway three: London needs stronger work-based pathways into its economy

The evidence in this chapter reinforces that London's challenge is not a shortage of talent or economic potential. The problem lies in the routes connecting young people to that economy. Young Londoners achieve strong educational outcomes and the capital has the largest concentration of businesses in the UK. The problem lies in the routes connecting the two. Sustained apprenticeship destinations remain below those seen in comparable city regions, while apprenticeship opportunities are concentrated in a relatively narrow group of sectors. In parts of the economy where London faces long-term workforce shortages, including construction and other technical occupations, pathways into employment remain too limited.

Addressing this challenge will require more than increasing participation in education. London needs a stronger system of employer engagement, work experience, apprenticeships and progression routes that connect young people to sectors offering long-term careers. It also requires greater flexibility over how skills funding is deployed. A city with London's scale, labour market complexity and economic importance should be better able to direct investment towards the sectors where employers need workers and where young people need opportunities.

Chapter 4:

Weaker routes into work hit some young Londoners harder

The previous chapters showed that London's youth employment challenge is mainly a transition problem. Young Londoners are staying in education, often achieving strong qualifications, but too few are moving into sustained employment or apprenticeships. That problem is intensified by weaker demand for accessible first-step roles and too few structured routes from education into work.

This chapter examines who is most exposed when those routes weaken. A highly unequal city, London's labour market does not treat all young people equally. Those with family support, professional networks, savings, good health, confidence and prior experience are better placed to find opportunities, travel to them, apply successfully and sustain work once they get there. Young people without those resources struggle to do so and rely more on public and voluntary support to get the same outcomes.

Informal routes into work favour young people with more support

Experience is important for entry-level roles. Employers use it as evidence that a young person can operate in a workplace, be punctual, work well in a team, and understand how to work with customers.

But experience is not equally available. Some young people can draw on family contacts, school or university networks, paid internships, part-time work or informal advice from adults already in employment. Others leave education with qualifications but little direct exposure to the workplace.

For example, there is evidence that internships have become an influential route into graduate employment, giving graduates practical experience, skills and networks. Recent research found 51% of recent graduates had completed an internship. But internship opportunities are often contingent on networks and the ability to take on unpaid work. 61% of internships undertaken by recent graduates were unpaid or underpaid, 40% of unpaid interns received financial support from parents and, strikingly, only one in ten internships was found through an open advertisement. Graduates from working-class backgrounds were less likely than middle-class graduates to undertake an internship, and that higher social capital through networks was associated with participation.[27]

This evidence relates primarily to graduate and professional routes into work, but it illustrates a wider point: if early-career opportunities depend on informal access, unpaid time or family support, they are less likely to be equally available. This is particularly important in London, the most expensive region in the country.

This is particularly salient for London because, as explored in Chapter 2, many of the capital's strongest sectors are competitive and both skill and experience-intensive. If paid, open and structured ways for young people to gain experience are scarce, as in London's current weak labour market, experience becomes an informal filter that benefits London's more affluent and well-connected young people, while acting as a barrier to those who are less fortunate.[28]

Financial barriers also shape which young people can access first-step opportunities

A vacancy is only a real route into work if a young person can afford to take it up and sustain the job. In London, high housing, travel and everyday costs mean that low-paid or unstable first jobs can carry greater financial risk, especially for young people without family support or savings. Meanwhile, the average private rent in London is 42% of an average income.[29] Centre for London's 2019 research found that Londoners spend around 7% of take-home income monthly on transport, and that younger people and skilled manual employees spend more, at around 10%.[30]

Young people with family support, savings or help with travel can absorb the pressures that entry-level jobs often entail more easily: short hours, variable shifts, travel before the first pay cheque, or a period of uncertain income while a young person settles into work. Young people without those resources may not. If first-step roles are scarce, unstable or poorly connected to where young people live, informal financial support then becomes more important in determining who can take them.

Health is not the main driver of London's higher youth unemployment, but it shapes who can sustain work

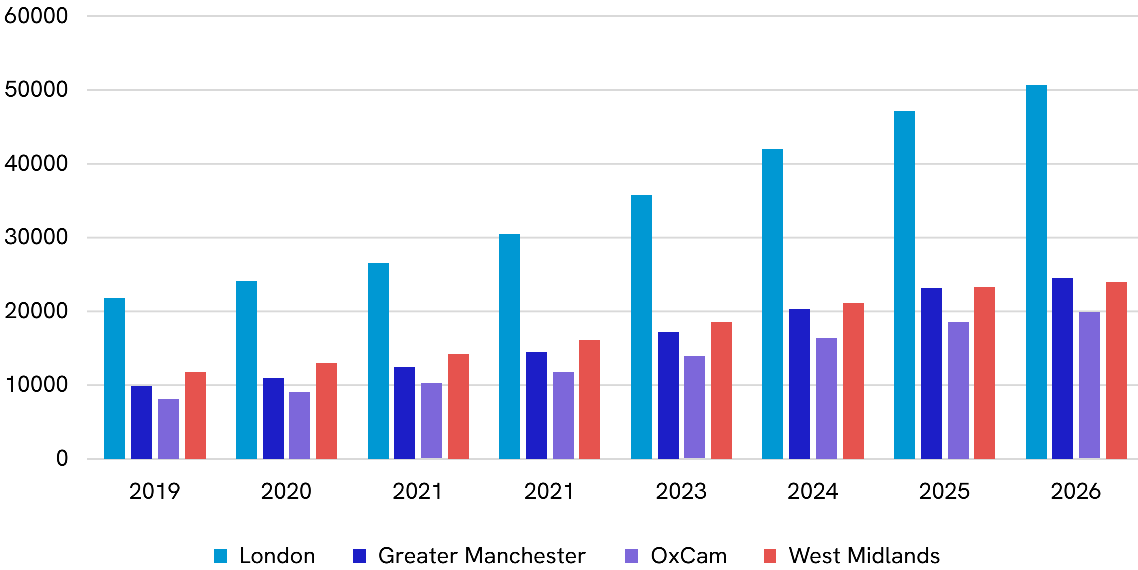
London's share of economically inactive young people who are inactive because of long-term illness is lower than in many other regions – but health-related barriers to work still affect large numbers of young Londoners. In 2025, 3.1% of economically inactive 16 to 24-year-olds in London were inactive because of long-term illness, equivalent to around 14,200 young people. In the North West, the equivalent share was 9.9%, or around 31,000 young people. London also had the lowest proportion of economically inactive 16 to 24-year-olds who were looking after family at home, at 1.3%, equivalent to around 6,200 people. In the North East, the equivalent share was 7.1%.[31]

Health-related barriers are becoming more prominent among young people who are outside work and education. Among young people who are NEET, the share reporting a work-limiting health condition rose from 26% in 2015 to 44% in 2025. A 16 to 24-year-old with a work-limiting health condition has roughly a one in three chance of being NEET, compared with around one in ten among young people reporting no conditions.[32]

While fewer young Londoners are economically inactive due to ill-health, DWP data show that more young Londoners are receiving health or disability-related support than in the past. The average number of Personal Independence Payment claimants aged 16 to 24 in London increased from around 21,800 in 2019 to more than 50,000 in the available 2026 data to April. This means that many more young Londoners are managing health or disability-related needs at the same time as access to first-step jobs has become harder.

Figure 12

Average annual Personal Independence Payment (PIP) Claimant count, ages 16-24, January 2019 to April 2026



Source: Centre for London analysis of Department for Work and Pensions Stat-Xplore and Department for Work and Pensions. (2026). Personal Independence Payment statistics to April 2026.

The policy implication is that support needs to help young people sustain work, not only find a vacancy. A young person with a health condition, low confidence, insecure housing, limited experience or little family support may be able to enter work but struggle to remain there without practical help. That help might include paid work experience, travel support, benefits advice, workplace adjustments, coaching or stronger links between colleges, employers and employment services. These forms of support matter because a job start is not the same as a stable transition into work.

Support is fragmented, and young people with fewer resources feel this most

The transition from education into work involves a lot of institutions. A young person may encounter schools, colleges, universities, training providers, borough services, Jobcentre Plus, employers, youth workers, health services and voluntary-sector organisations. Each may hold part of the answer, but young people do not experience these systems as a single pathway. This matters most for those who lack informal support. A young person with professional networks or family help may be better able to find opportunities, prepare applications, travel to interviews and recover from rejection. A young person without that support is more dependent on public and voluntary systems being visible, joined up and easy to navigate.

The fragmented nature of the youth employment system also makes it harder to respond to overlapping barriers. A young person may need help with confidence, travel costs, health, benefit rules, work experience and employer expectations at the same time. If each service handles only one part of that, the young person has to coordinate their own support. This is a high expectation to place on someone who may have limited experience of work and little knowledge of the institutions around them, especially if they are managing a health issue.

Takeaway four: London needs routes into work that are visible, paid, reachable and supported

The key takeaway from the evidence presented above is that access and inequalities are central to addressing London's youth unemployment problem. London may be home to a very large number of employers and significant long-term career opportunities - but those opportunities do not reach young people evenly.

When opportunities decline in a cooler labour market and routes into work are dependent on informal networks, are unpaid, short-term or fragmented and difficult to sustain, more advantaged young Londoners can still access them and gain the benefits. Young people without those resources face a more difficult and less forgiving transition.

Getting more young Londoners into work therefore means both increasing the number of opportunities available and creating the conditions that allow them to find them, afford to take them up and sustain them.

Conclusion

Conclusion

London should be one of the best places in the country for young people to begin working life. It has strong schools, major colleges and universities, a large and diverse employer base, and sectors with long-term demand for skilled workers.

Yet the evidence in this briefing shows that these strengths are not translating reliably into sustained employment for many young Londoners. The capital's youth employment rate remains below the England average, while young Londoners leaving education at ages 16 to 18 are less likely than their peers in comparator city regions to move into sustained employment or an apprenticeship.

This points to a problem in the transition from education into work. Young Londoners are not being held back primarily by low attainment or weak participation in education. Many are gaining qualifications and remaining connected to learning for longer. The problem is that too few young people can move from education into paid work, structured training or an apprenticeship that gives them experience, confidence and a route to progress.

That transition has become harder because London's entry-level labour market has weakened. The number of online job adverts in London has fallen sharply from its post-pandemic peak, sectors that have traditionally provided many first jobs have faced sustained pressure, and the vacancy mix is weighted towards professional and higher-skilled roles. In a weaker and more competitive labour market, young people with less experience are more likely to be pushed back, while those with family support, professional networks or the ability to take unpaid or unstable opportunities have a clearer route in.

Apprenticeships and other structured pathways should help bridge this gap, but the evidence suggests they are not yet doing so at the scale London needs. London has a much larger business base than other regions, but fewer apprenticeship starts relative to the number of enterprises. In sectors such as construction, where London has clear long-term workforce needs, apprenticeship pathways remain thin relative to the size of the employer base. This is a missed opportunity for young people and for the city's wider economic priorities, including housing delivery, infrastructure and retrofit.

This briefing is intended as a diagnosis, rather than a full policy blueprint. It does not attempt to design every programme or allocate every responsibility across London's complex youth employment system. But it does point to three implications for policy.

First, London's youth employment challenge should be treated as a transition problem. Many young Londoners are staying in education and gaining qualifications, but too many are not moving into paid and structured routes into work. The policy test is therefore not only whether young people are qualified, but whether London's institutions and employers are creating visible, realistic and accessible routes from education into employment.

Second, London needs a clearer shared offer for young people leaving education. This should build on, rather than duplicate, the work already being done by schools, colleges, boroughs, Jobcentre Plus, the GLA, employers and the voluntary sector. The aim should be that young people can understand what opportunities are available, how these connect to sectors with real demand, and where they can get practical support to take up those opportunities and sustain them.

Third, employers need to be treated as core partners in the transition system. London's large and diverse business base is not translating into enough structured first-step opportunities for young people. Improving youth employment will therefore require public institutions and employers to work together to expand apprenticeships, paid placements, work experience and entry-level roles, alongside the support that helps young people access and remain in them.

A city with London's educational strengths and economic assets should not accept a labour market in which too many young people gain qualifications without a reliable route into work. The goal should be that every young Londoner leaving education can see a realistic next step, afford to take it, and get the support needed to sustain it. That would improve youth employment outcomes, but it would also help London make better use of its own talent, fill workforce gaps and strengthen London's economy.

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