



# Education to Employment: Getting Europe's Youth into Work

Brussels  
January 13, 2014



# Youth employment crisis is in the headlines all over Europe

“At stake is the future of an entire generation”

- French President François Hollande

“The euro area cannot enjoy real prosperity until ...its young people are brought back to the labour market.”

- The Economist, 2014

“ ‘What did I do wrong?’ The question is being asked by millions of young Europeans. There is no sign that European economies, still barely emerging from recession, are about to generate the jobs necessary to bring those Europeans into the work force soon, perhaps in their lifetimes.”

- NY Times 2013

[youth joblessness] is the “true nightmare” [of Italy]

- Italian Prime Minister Enrico Letta

“Youth unemployment could tear Europe apart”

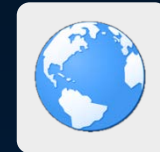
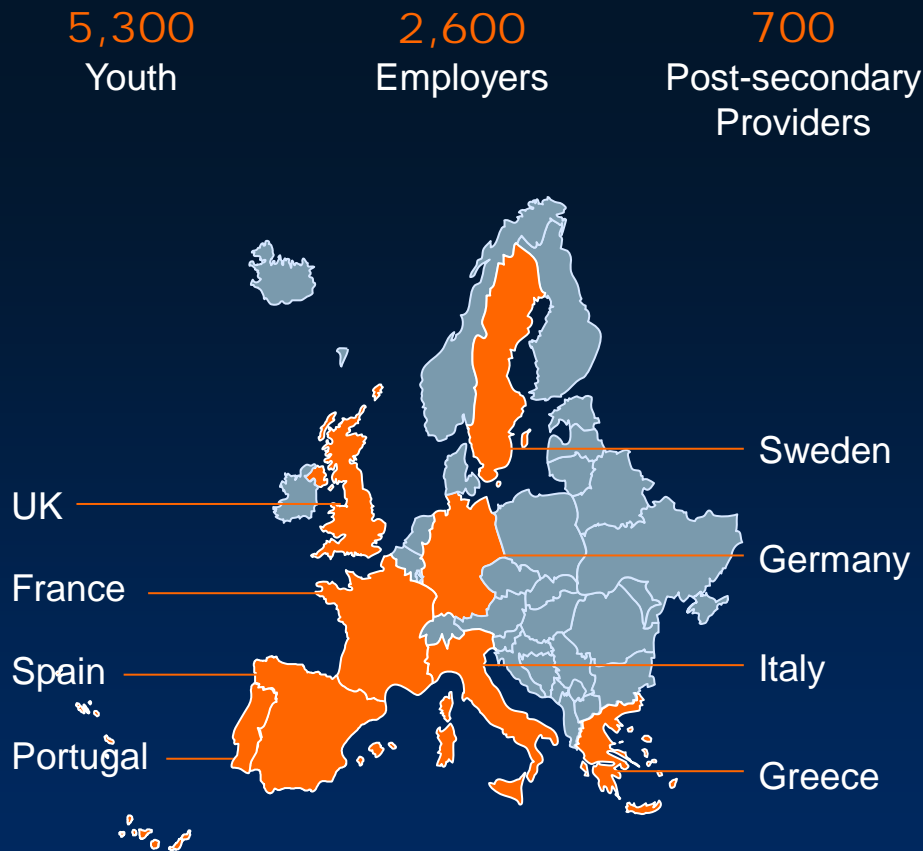
- World Economic Forum 2013



# We have researched the pathway from education to employment in Europe

We surveyed 3 stakeholder groups  
Across 8 EU countries

And investigated over 100 best  
practices across 25 countries

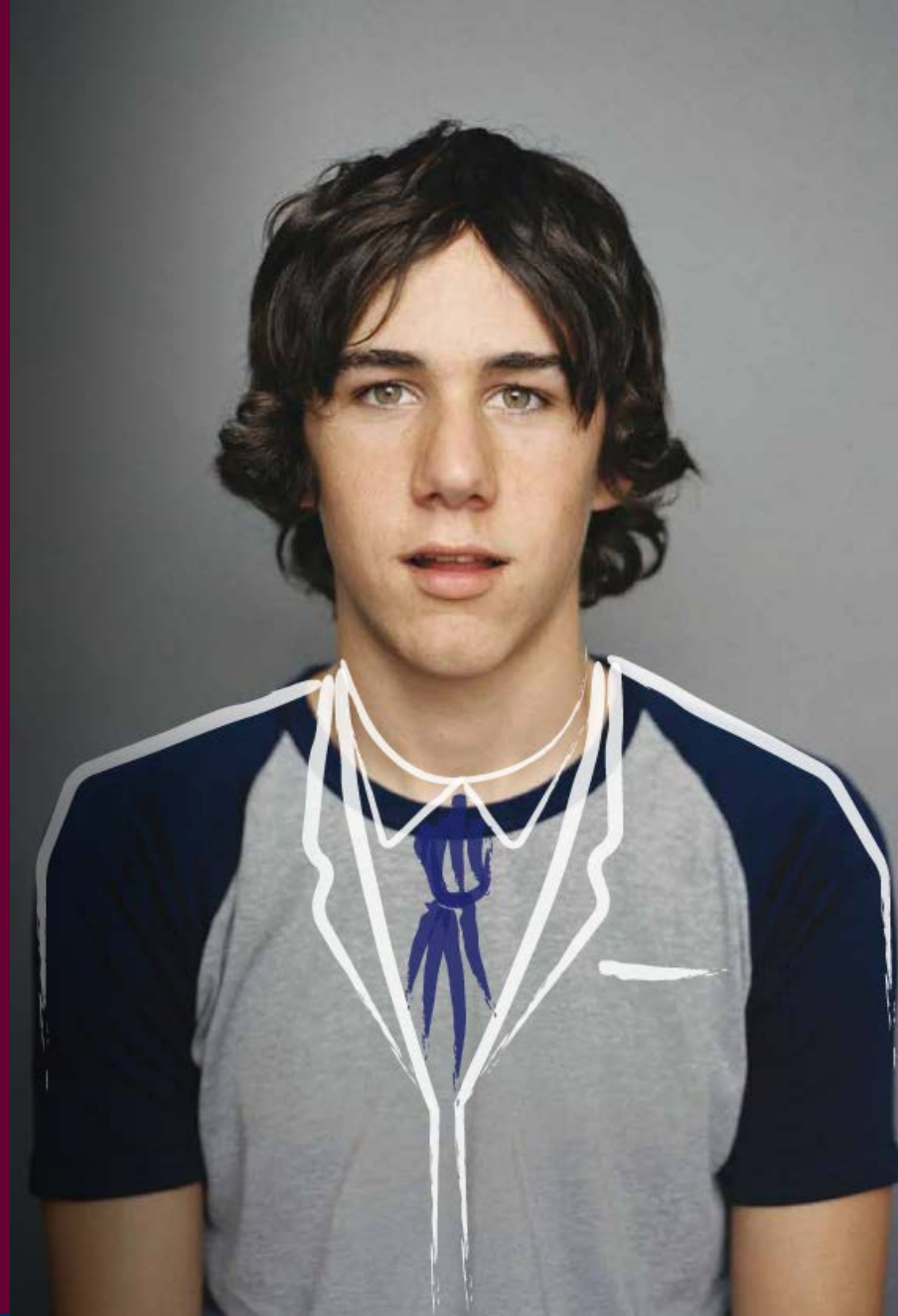


25  
Countries



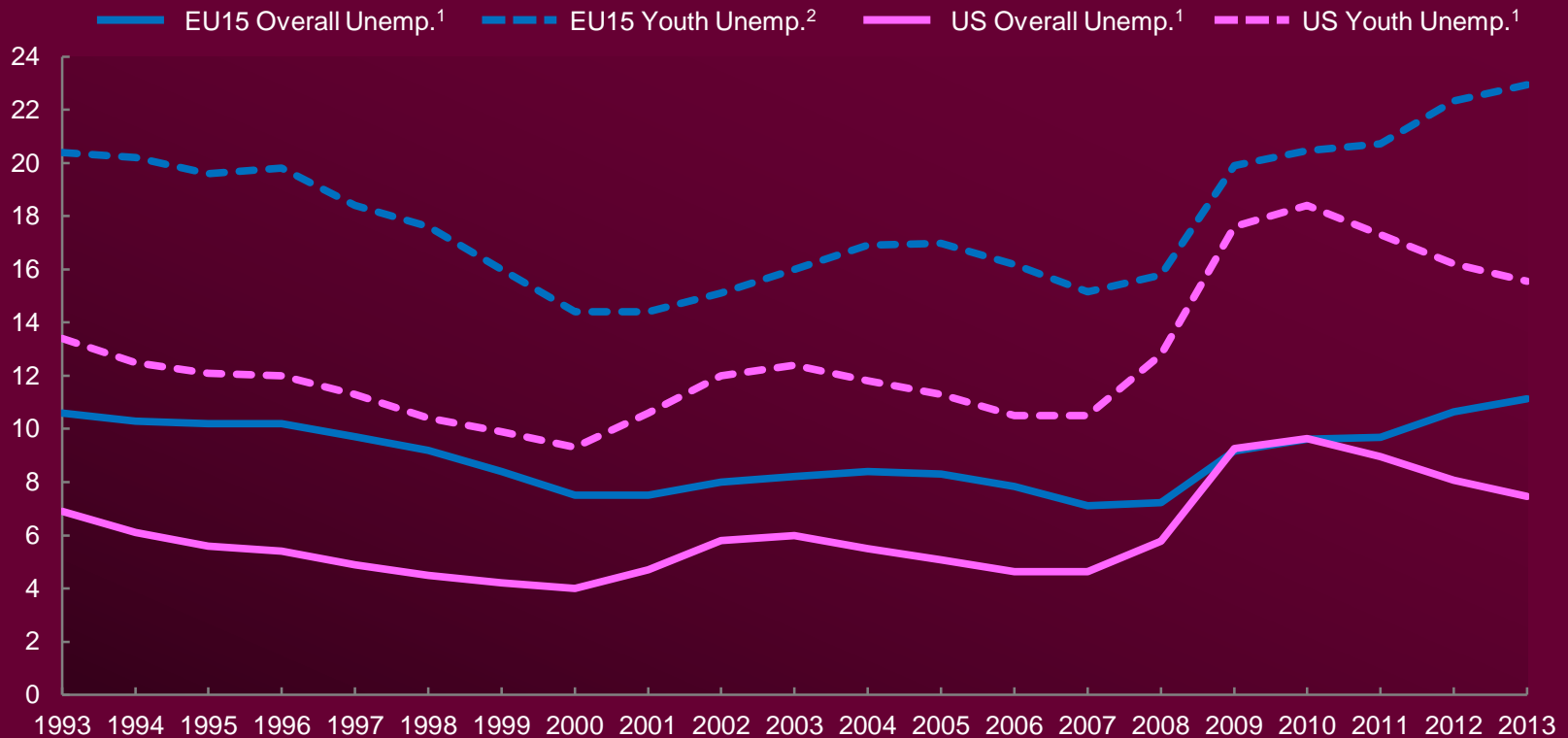
> 100  
Case studies

1 Despite high youth unemployment, employers in Europe cannot find the skills they need



# In the EU, youth unemployment has been a serious issue for a long time, but has got worse with the recession

% Unemployment rate<sup>3</sup>



<sup>1</sup>. Youth are those under 25 years old

<sup>2</sup>. 15-64 years old

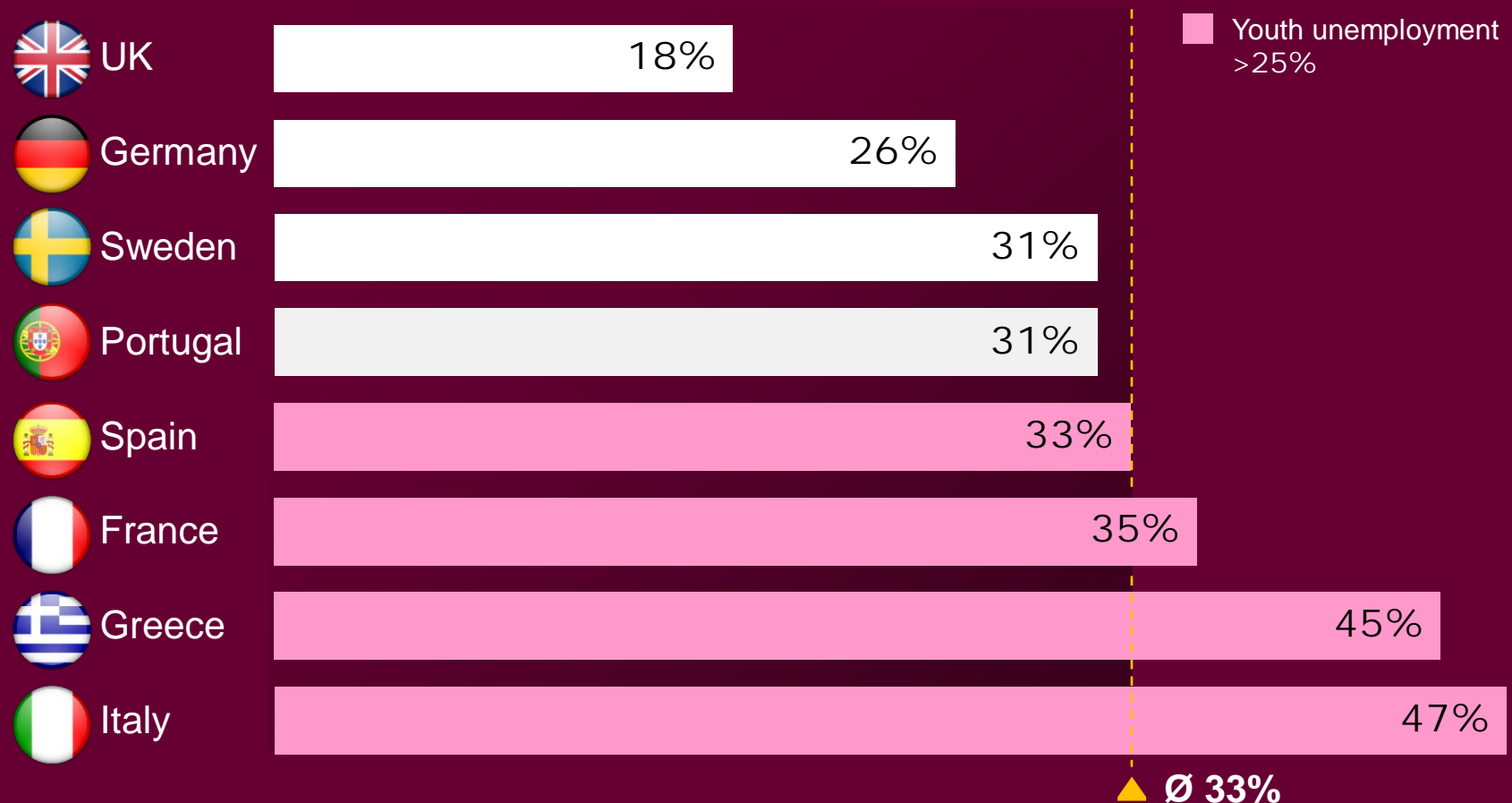
<sup>3</sup>. Proportion of the working age population that is in work or actively looking for work.

<sup>4</sup>. US youth labour force and unemployed youth, average is taken using April-July, 2013 data

1

# Even where many young people are available to work, employers can't find the skills they need

% of employers who believe that skills cause significant problems or are detrimental to business

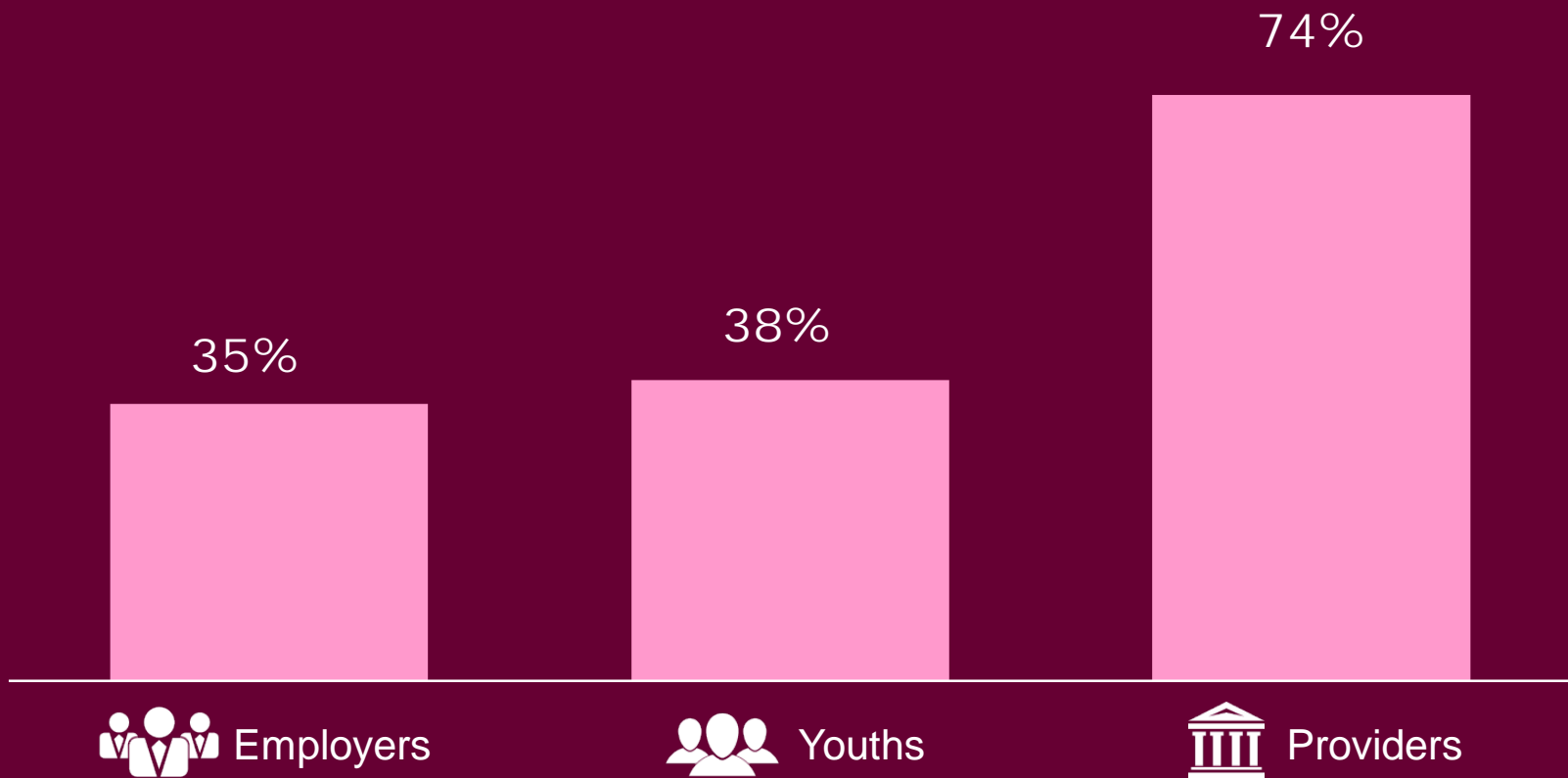


SOURCE: Employer survey Q31: "How, if at all, does a lack of entry-level employee skills affect your company? Please select the response that best applies to your company's situation." Those who answered "A lack of skills is detrimental to the business" or "It causes significant problems in terms of cost, quality, and time, but it is not a top issue"

# 1 Providers are worlds apart from employers and youth

## Young people are adequately prepared for an entry level position

Percent of respondents who agree or strongly agree



SOURCE: Youth survey Q22: "Below is a list of statements regarding your experience since you have completed/left your most recent program." Employers survey Q1 "Here are a number of statements regarding those you have hired in the past 24 months." Providers survey Q4: "Below is a list of statements regarding your institution and those who have graduated/completed programs at your institution in the past year." For all: "Please indicate the extent to which you agree or disagree with these statements on a 6 point scale where 1 means strongly disagree and 6 means strongly agree." Scored 5-6.



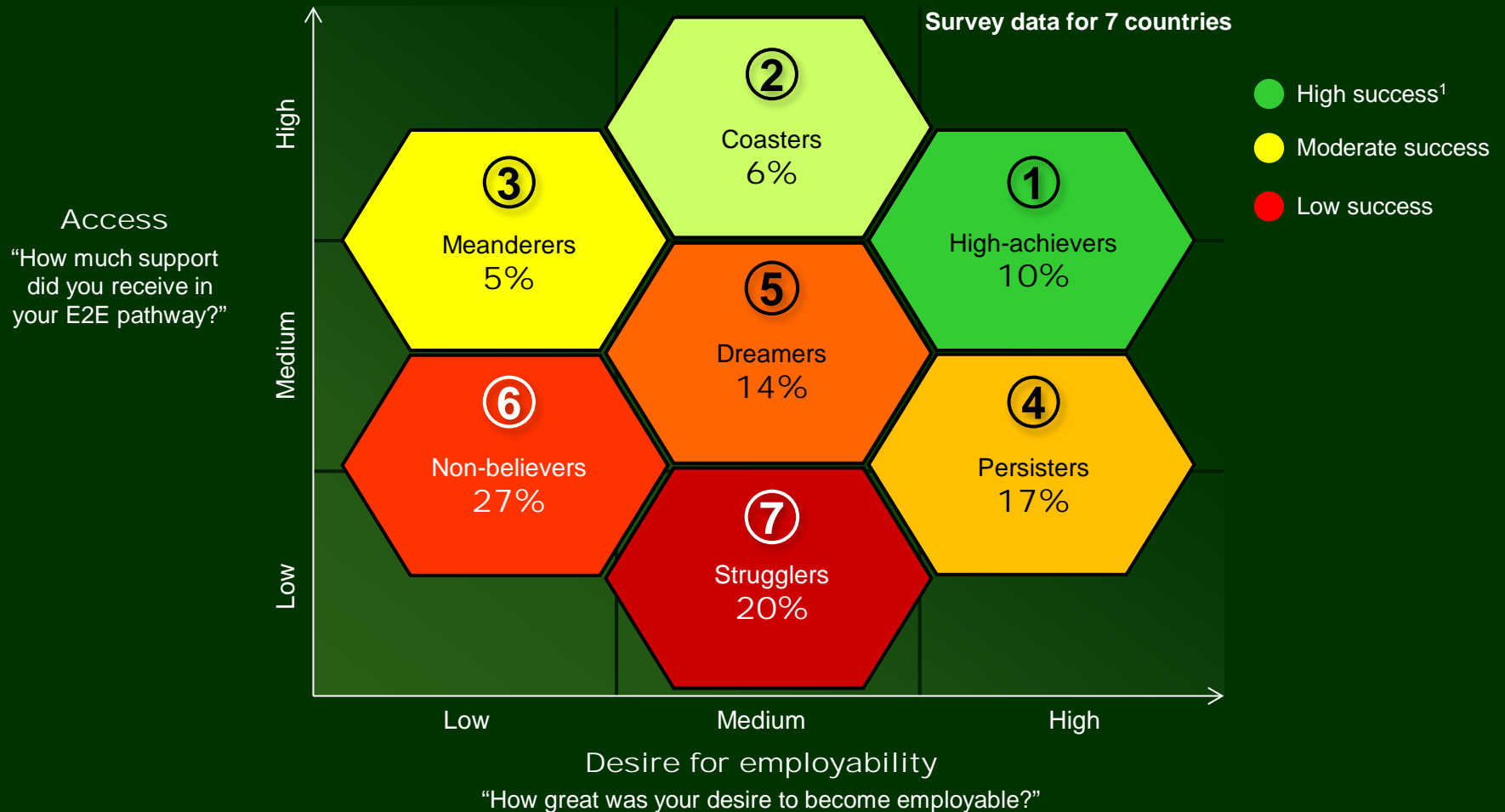
2 | The education to employment system is not working for half of employers and most young people

What Should I Learn?





## 2 | Few young people have a successful journey to employment



Italy not included in segmentation analyses

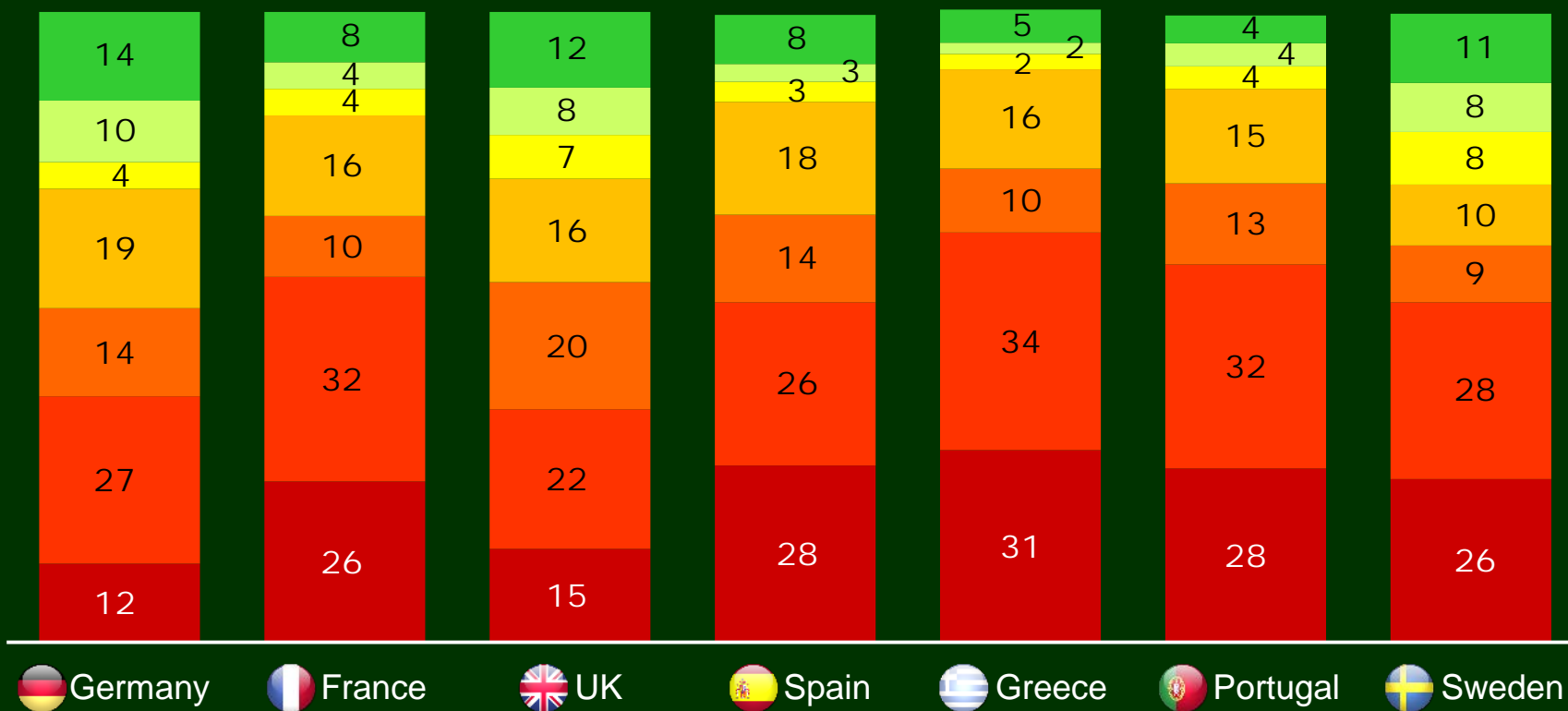
<sup>1</sup> Success of segment graded based on unemployment rate after secondary education, time to employment, level of job satisfaction, and whether young people found a job relevant to what they had studied.

## 2 Countries have widely different mixes of segments

### Distribution of segments by country

% of respondents

1 - High-achiever 2 - Coaster 3 - Meanderer 4 - Persister  
5 - Dreamer 6 - Disbeliever 7 - Struggler

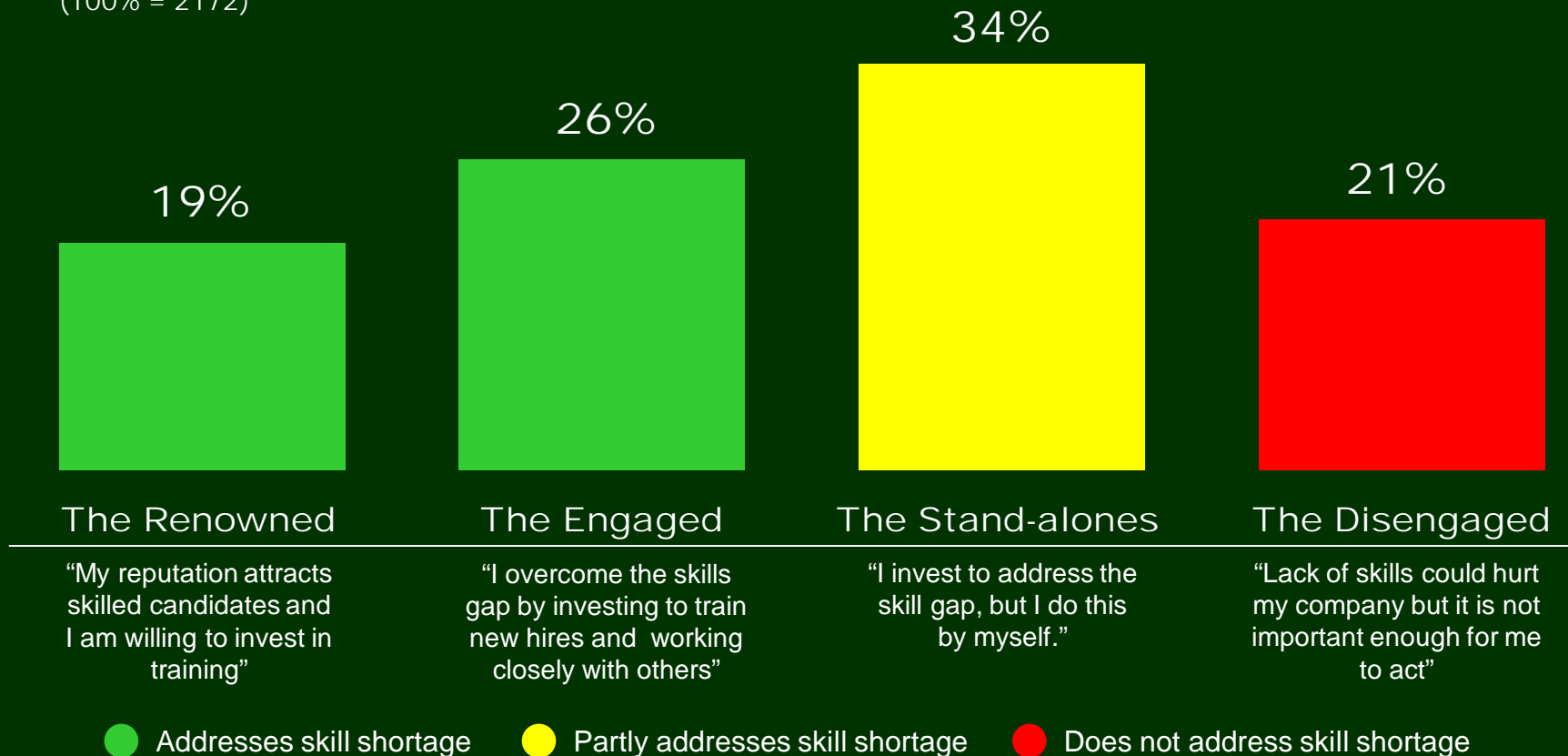


Italy not included in segmentation analyses

## 2 | Under half of employers are satisfied by skill levels in their workforce

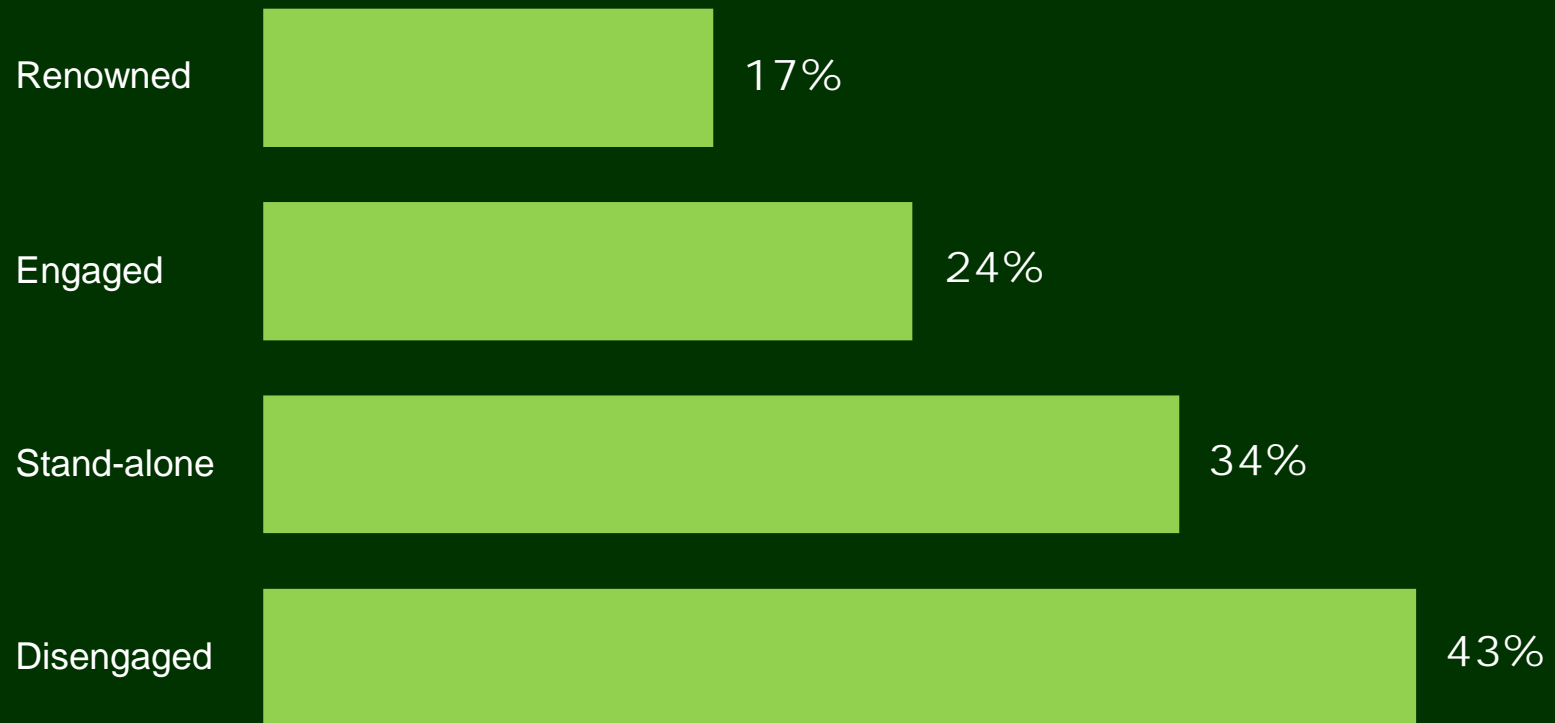
### Employer respondents per segment

(100% = 2172)



## 2 | The smallest businesses find addressing skills shortages the most difficult

**Split of small businesses (1–19 employees)  
across each employer segment**



3 Young people face hurdles at 3 stages: enrolling in post-secondary education, building the right skills and finding a job

Where Should  
I Go?



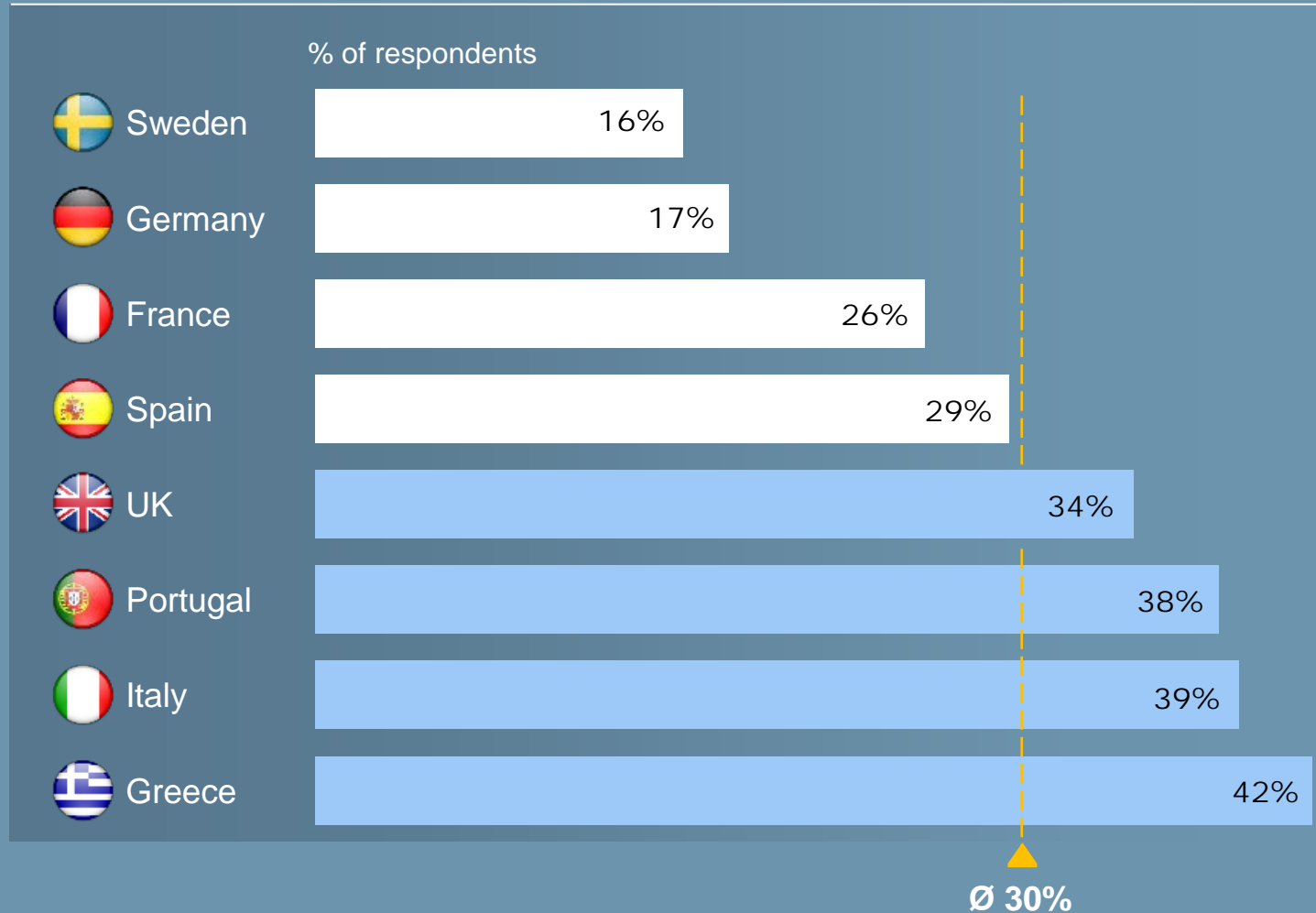
# 3 | We have framed youth's journey from education to employment in three "intersections"



# 3A | Affordability is the greatest barrier preventing young people from enrolling further education

I could not afford the cost

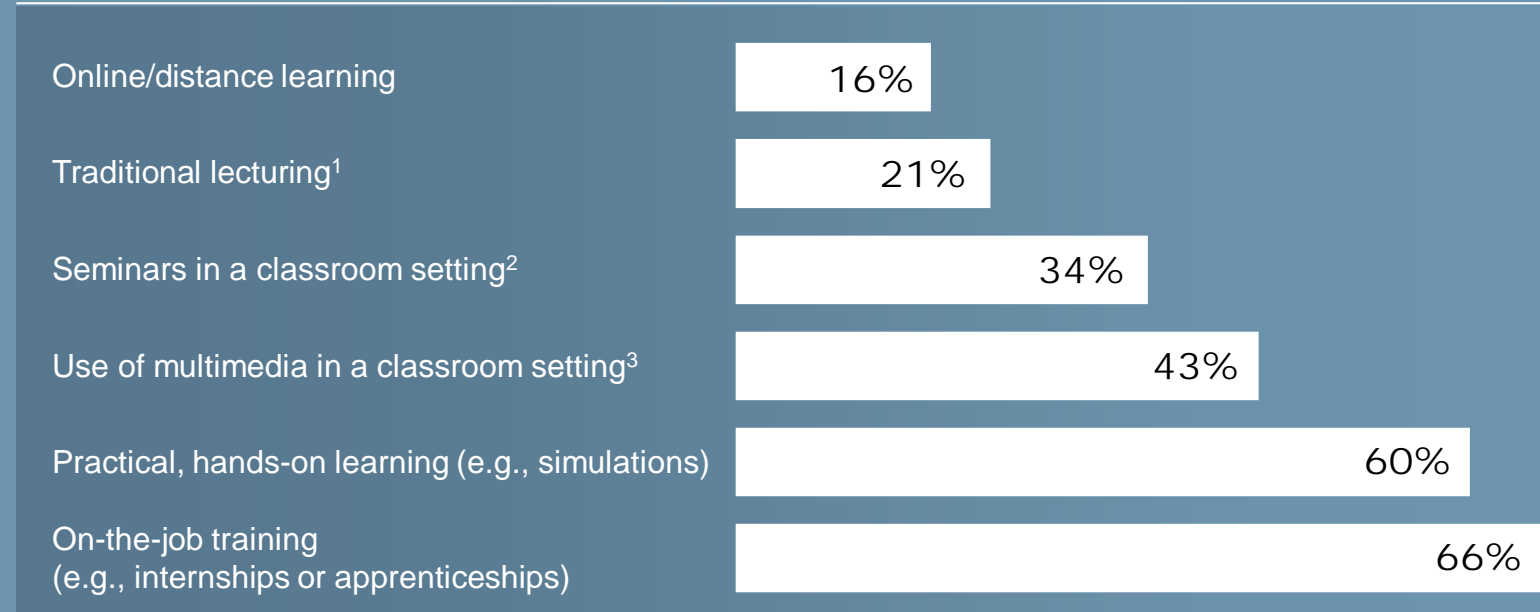
Did not **enrol** in  
post-secondary  
education





# 3B Youth prefer hands-on learning but receive mainly theoretical education

% of youth rating each method of teaching 8 or more out of 10 for effectiveness



% of course time allocated to each type of training



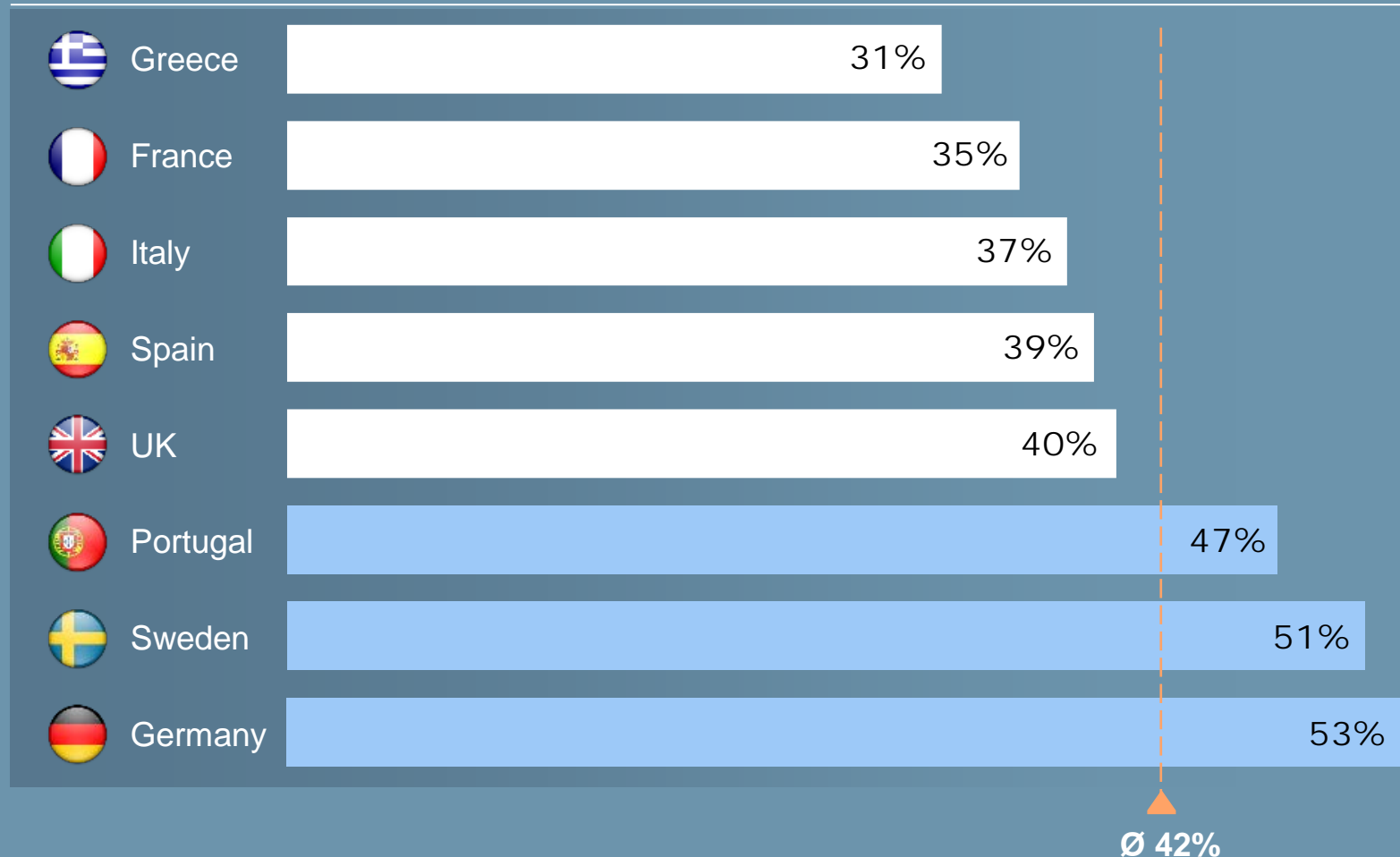
<sup>1</sup> One instructor delivering content to many students

<sup>2</sup> Instructor and students discussing content

<sup>3</sup> Computer labs, videos used to augment lectures

# 3C | Less than half of youth believe their postsecondary studies improved their employment opportunities.

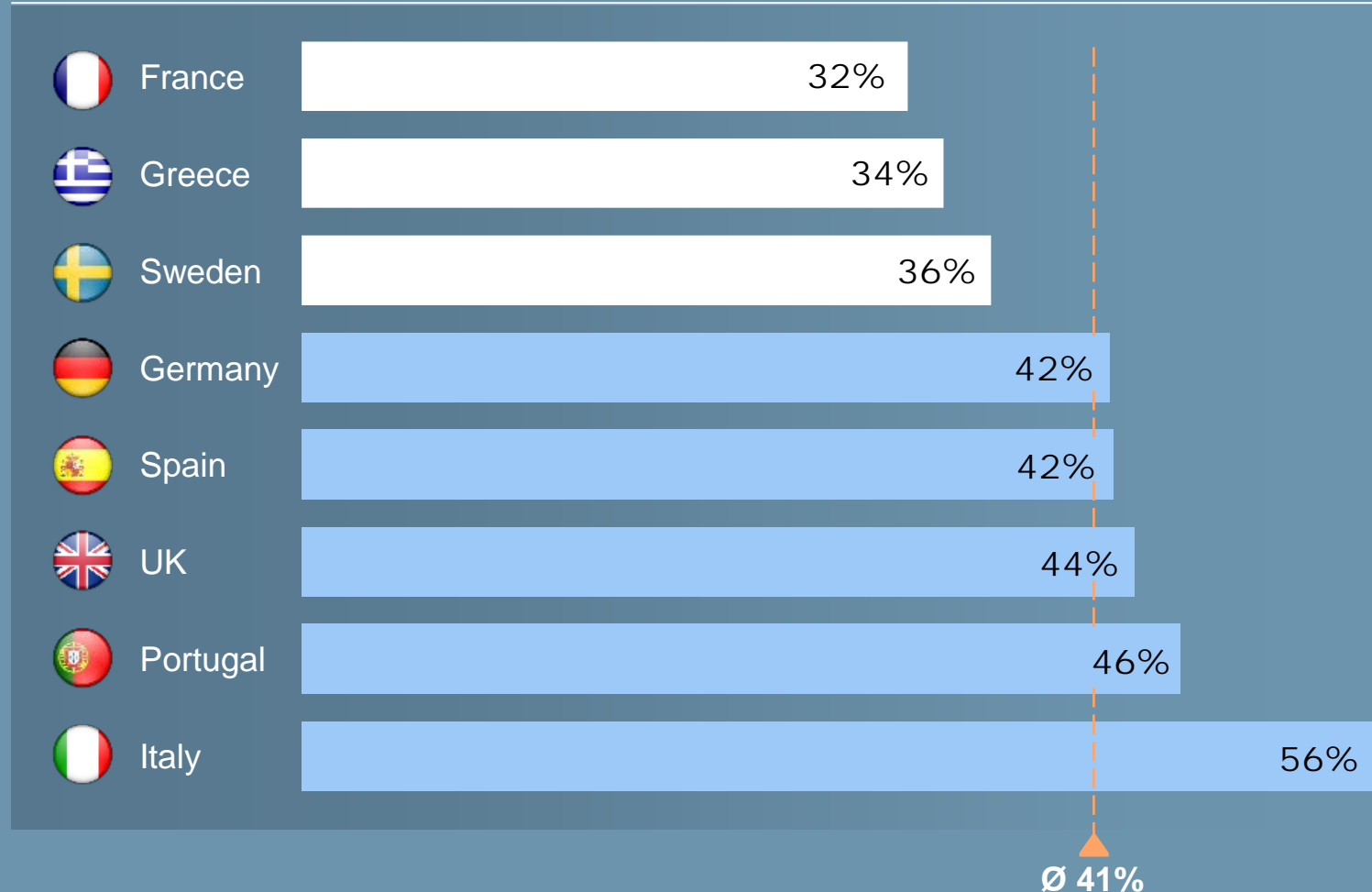
% Youth who believe their post-secondary studies improved their employment opportunities<sup>1</sup>



<sup>1</sup> My post-high school education improved my chances of getting a job.

# 3C Only 41% employers say there are enough graduates with the relevant skills

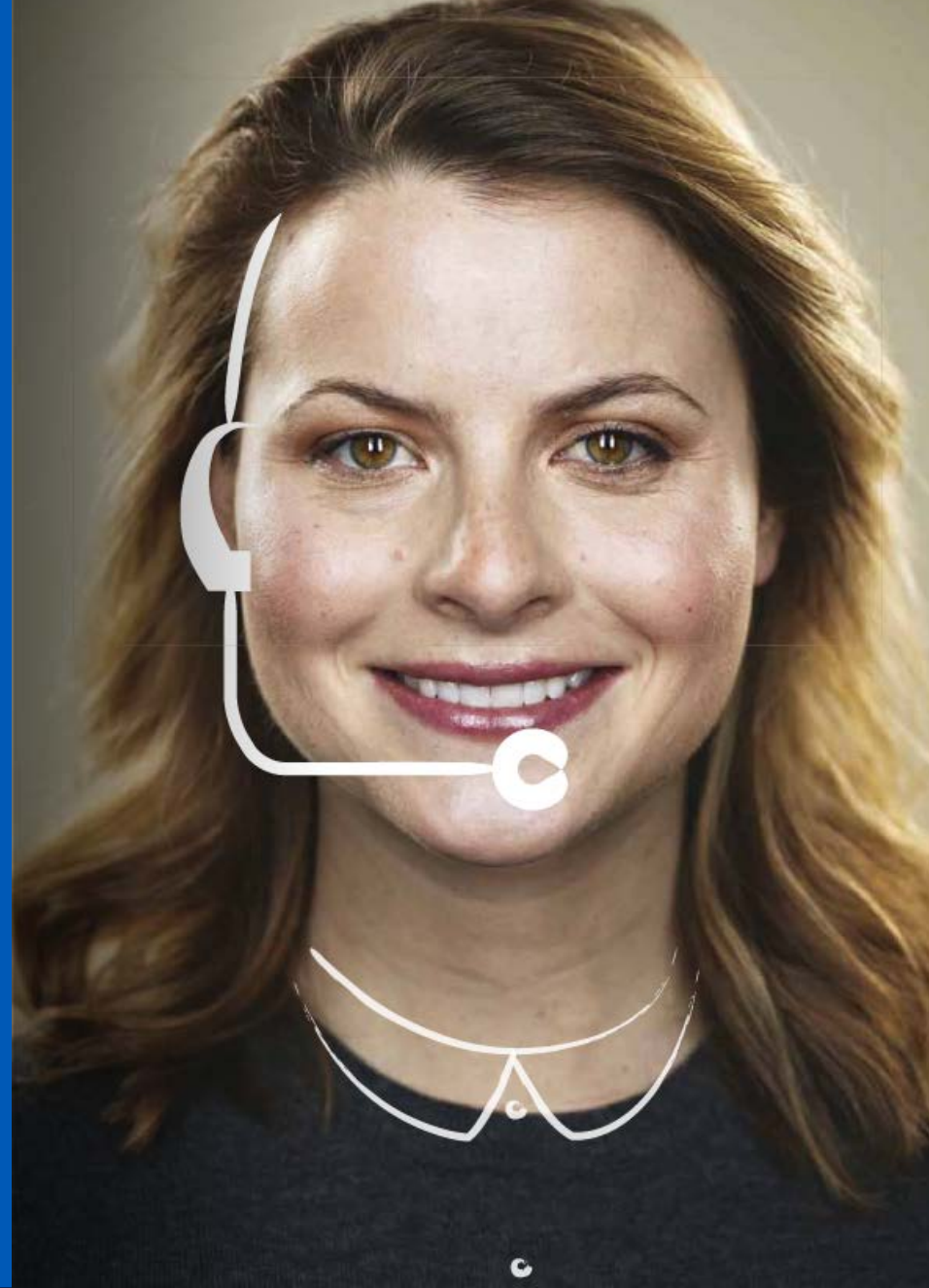
% Employers who state there are enough graduates with relevant skills





Smart solutions to  
clear the Education  
to Employment  
pathway

How do I  
find a job?





# There are proven ways to improve the E2E journey



## Affordability

Innovate with design, course delivery, and financing to make education more affordable and accessible

## Focus

Focus young people, employers and education providers on improving employment readiness

Engage young people in career planning before upper secondary schooling

Focus education providers on students' exit point from education rather than the entry point

Encourage employers to invest in training young people by helping them see the value in training

## Scale

Build the supporting structures that allow the best interventions to scale up

# Employers can join forces to help young people develop the skills they need

We have seen four types of employer cooperation  
Cooperation across...

## Industry



## Function



## Supply chain



SK Telecom



## SMEs



Group  
Training  
Victoria





# Digital simulations can help large audiences build practical skills







# Additionally, the EU can develop programmes that disseminate success across countries



**Create greater transparency on EU Labour market**  
with transnational labour market information on qualifications, job perspectives and salaries



**Develop European qualification and skill map**  
by accrediting tertiary and vocational qualifications across European countries and developing comparable approach for skills



**Create incentives and institutions**  
to actively involve employers in vocational education



**Align Public Employment Services**  
to disseminate relevant practice by identifying most powerful measures and their success drivers



e2e  
We Can

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e2e



McKinsey&Company