



Institute for the
Future of Work

Final Report

Channelling Motivation

How intrinsic and internalised motivation can support new pathways for young people from low-income backgrounds to thrive in a rapidly changing world of work

Kester Brewin, Joana Geisler, Joshua Halstead, Robyn Moffat,
Oliver Nash.

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Executive Summary

We are in the middle of a series of interconnected, structural transformations of the economy, of society and of work itself. The insights from this report are focused on how young people – especially those from low-income backgrounds – can better navigate them.

This report represents the culmination of the Channelling Motivations project, a collaboration between the Institute for the Future of Work (IFOW) and the EY Foundation (EYF). The focus is on how young people from low-income backgrounds can be supported to develop and sustain forms of motivation that will help them to thrive in a rapidly changing world of work.

It seeks to inform better narratives on how we think about careers guidance and employment support (including funding and policy priorities), and proposes an architecture for ‘youth pathways’ to deliver this that could inform new pilot projects to directly help young people as they transition beyond school towards work.

The work package includes this report, a **Policy Brief** summarising the project, a **Working Paper** focusing on the evaluation of the pilot intervention we designed and tested through the summer of 2025, plus a **Framework and exemplar resources** for use by those looking to design lessons or workshop programmes based on this research.

Motivation is a critical but often overlooked component of attainment, health and happiness, in school, work and wider life – one that, we believe, is worthy of far greater emphasis as it could not only address the increasing numbers of young people at risk of becoming ‘NEET’ (Not in Education, Employment or Training) and in the NEET category, but also improve rates of school absence, help fill in skills shortages and - ultimately - build towards better productivity and growth.

In a labour market seeing rapid technological change, the case for a focus on motivation is becoming more urgent. This is because internal and intrinsic forms of motivation support the cultivation of skills such as problem-solving, communication and creative thinking – as well as personal resilience, determination and adaptability.¹ It is these skills that are becoming increasingly valued by employers as AI and automation technologies continue to transform our experience of work.

Though largely focused on an internal state – motivation - this report also acknowledges the importance of external contextual, structural, and institutional factors - including varying educational provision, differences in access to and quality of careers guidance, and unequal local opportunity structures – that interact to shape young people’s motivational development.

As such, this work is situated within the Capabilities Approach that has helped inform much of IFOW’s research in the three-year Pissarides Review into the Future of Work and Wellbeing. In that major, multidimensional study, funded by the Nuffield Foundation, Sen and Nussbaum’s emphasis on how people can ‘live a life that they value’ was applied to the current context of changes to work and rapid technological transformation.

Rather than a narrow focus on skills and opportunities, the Capabilities Approach understands that different people experience different personal, social, and environmental factors that influence their agency to convert their capabilities into realised achievements.

Individual motivation – the energy to act towards a particular goal – forms one internal conversion factor, but the external dimensions of education provision and access to good careers guidance necessarily form another.

It is our contention that if we are to address the increasing numbers of young people at risk of becoming ‘NEET’ (Not in Education, Employment or Training) and in the NEET category, we need a Capability Approach that addresses both of these internal and external factors in an integrated way.

Building on the findings of our Stage 1 report, this second stage deepens understanding of both the internal and external factors required for the development of intrinsic and internal motivation. It draws on diverse strands of evidence, including desk research and a literature review, a review of international best practice, interviews with HR leads in firms, and careers guidance leads in schools and other organisations working with young people. It is also informed by the results of our Channelling Motivation intervention pilot, which is discussed in detail in an accompanying working paper.

The [Stage 1 Motivating Futures](#) report established that young people, including those from low-income backgrounds, demonstrate intrinsic and internal motivation, yet may struggle to convert these motivations towards – in the language of capabilities – school or work ‘functionings’. It also highlighted the external conversion factors that socioeconomic disadvantage can bring, which limit opportunities for these forms of motivation to develop. This work also deployed Deci and Ryan’s Self Determination Theory (SDT - perhaps the best-evidenced, comprehensive approach to understanding motivation) to ground the Capabilities Approach in the three basic psychological needs of autonomy, competence, and relatedness that provide a foundation for action.

This Stage 2 report uses these insights to develop new approaches for policymakers to think about careers support, and how this could be structured into an architecture for those delivering careers guidance to better support young people as they transition from school to work.

We analyse the wider system of career and employment support in the UK. The picture is of uneven guidance that is often constrained by curriculum pressures and limited resources. Employers report valuing motivation as a predictor of potential, yet many young people receive very little opportunity to reflect on what motivates them.

Structural factors such as poor transport, low measures of ‘good work’ locally, and fragmented employment support further limit young people at periods of transition – and make tackling the issue of increasing numbers of ‘NEET’ young people more difficult. Thus, alongside improvements to motivation-supportive environments, better systemic integration across education, skills and training, welfare, and employment policies is required.

The accompanying working paper offers an evaluation of a practical pilot intervention to help young people from low-income backgrounds foster internal and intrinsic motivation. We have found very encouraging early signs from this work, and positive results around cultivating these kinds of motivation. Doing so will catalyse the autonomy, competence and relatedness that will – in tandem with improved external factors – better prepare them to access good quality jobs.

Young people, when situated in the right context, and supported by the right structures, will flourish. Across the spectrum of influence – from parents, teachers and careers counsellors, to regional leaders and national policymakers - it is incumbent on us all to create these structures and offer them a motivating future that supports them to participate in a fairer future of better work.

Policy Recommendations

Introduction: Context, Principles, and Dimensions

This project addressed a key gap in knowledge: the interaction between our rapidly-technologising labour market, changing skills demands, and the particular context of young people from lower-income backgrounds. The high level of ambition here represents the breadth and depth of the challenges in play, and the urgent importance of tackling them.

For this reason, these recommendations span multiple axes, from systemic to individual, and from external to internal. They are also informed by the three-year, multi-dimensional Pissarides Review into the Future of Work and Wellbeing, which IFOW ran with funding from the Nuffield Foundation. Our work highlights why these intersecting challenges must be understood and addressed in tandem.

To best structure our recommendations, we begin by presenting five overarching principles that are central to all scales of this work, from fostering more intrinsic and internal motivations in young people, to improving access to better careers guidance and – ultimately – good work. Then, guided by these principles, we explore recommendations at three key levels: national, regional and organisational.

It is also important to note the limitations of our work, and of where to focus our recommendations. For example, underpinning all of this work is the foundation of basic needs provision for all young people. Without food, shelter and safety, young people cannot be expected to build reflective practices or greater self-determination. Whilst recommendations to improve this provision are beyond the scope and remit of this work, we acknowledge the vital importance of improving this for all young people as a core policy priority.

Principles

1. **Foregrounding the internal**

Many programmes looking to tackle NEET numbers have focused on external inputs such as bootcamps. Our work strongly supports interventions focusing on the ‘internal’ – such as autonomy-supportive practices and reflective work to build intrinsic motivation - as being both effective and cost-efficient.

Work to help young people – especially those in the NEET category – has tended to focus more on 'practical' elements such as skills, or 'external' elements, such as job search. We find that these are of limited use if not matched by active work to foreground an internal focus.

2. **Presenting a joined-up approach**

At each level of intervention – system, regional and organisational – our work strongly supports the calls that others have made for improving the extent to which support and guidance is experienced as joined-up.

In the context of Principle 1, this means that interventions should have integrated internal and external elements.

In a wider context, this means that there should be concerted efforts at each scale - national, regional and organisational - to give a coherent offer to young people, starting in school and reaching through transitions into training and work.

3. Meeting people where they are

Our work strongly supports the importance of recognising local context and environment, and nuance.

Context matters. What works well in one specific location may not map perfectly to work equally well in another. The approaches here should be piloted in different localities, and evidence used to inform variegated and context-sensitive interventions.

4. Supercharging interventions

Our evidence from best international practice strongly supports the idea that timely and targeted interventions can be highly effective if delivered by actors in the training and development ecosystem at the right time in young people's lives, in the right configuration.

Significant impact does not necessarily require more resources of time or funding. However, the timing and sequence of how interventions are curated and deployed really does matter and is worthy of further research.

5. Normalising autonomy-supportive and reflective practices

Our work strongly supports the power of autonomy-supportive and reflective practice as a means of change, across all levels of intervention.

While we have already highlighted the principle of foregrounding the internal, evidence from across our research and interactions with young people highlights that reflective practice across a wider domain is rare. Young people, schools, local authorities, regions and nations are all experiencing great pressure to deliver, to grow and be more productive. It is our contention that normalising reflective practice and protecting time for it, will be a public good at all levels.

'Autonomy' is one of the dimensions of IFOW's Good Work Charter, and the importance of modelling and supporting practices that foster autonomy has been shown to be a key driver of good work and wellbeing, as well as resilience through work transitions.

System-level recommendations

1. Further integrate the careers guidance, skills and jobcentre systems

Young people would benefit from a stronger sense of coherence across their transitions from in-school careers guidance to training and on into work. With the National Careers Service merging with JobCentre Plus, and learning from the model of Skills Development Scotland, deeper integration should be pursued. Consideration should be given to creating a 'Skills England' to deliver this, expanding the current remit of Skills England beyond data collection and strategy to become the single face of right-through delivery of careers guidance, training and job search.

This would see young people have contact with a 'Skills England' brand as they begin secondary school (and engage with the government's pledged fifty new Youth Futures Hubs) and understand that this body would be their main resource for careers guidance, training and access to work. Currently, there is too much fragmentation, with the number of different bodies and agencies causing confusion – both for young people, and adults tasked with helping them.

This recommendation is supported by findings from the House of Lords Industry and Regulators Committee's review into skills and apprenticeships. In October 2024, the chair wrote to the government recommending 'using the establishment of Skills England to provide a greater focal point for the skills system.'²

2. Investing in integrated life-long careers guidance

We support the conclusion of the Work and Pensions Committee that "careers advice is a skilled profession", and its associated recommendation that this role must be protected

and resourced through the merger of NCS with Jobcentre Plus,³ and in the context of the fifty new Youth Futures Hubs. Our own findings on the highly divergent experience that young people have in schools support the need for careers guidance specialists to be better resourced and to have better pathways to professional accreditation, whichever context they are working in. These accredited specialists would be recognised as a consistent, expert point of contact for young people, whether they are in school, transitioning into further education or training, looking for work or pursuing in-work skills uplift.

This recommendation is also supported by findings from research commissioned by the Gatsby Foundation, which found a lack of career progression for careers guidance professionals and insufficient salary.⁴

3. **Strengthening and supporting reflective dimension in the Gatsby Benchmarks**

Informed by our work, we recommend the development of these benchmarks to integrate more reflective guidance, and with a greater focus on self-determination. This should be funded by efficiencies in merging NCS and Jobcentre Plus.

The Gatsby Benchmarks function well in schools and have recently been reviewed, with new statutory guidance coming into force in September 2025. These updates now give greater emphasis to the importance of offering ‘a variety of encounters and experiences’, and ‘giving young people time to prepare and reflect’.⁵

However, our work suggests that this time to reflect should be given a far greater priority, with autonomy supportive practices woven through programmes in an integrated way.

There is excellent practice in some schools, and this should be shared more effectively across local authorities, and nationally. Where schools struggle to deliver the benchmarks effectively, this is often because they are dealing with young people with higher individual needs. To avoid delivery becoming a ‘tickbox exercise’ for schools, more resourcing will be needed. Funding raised through efficiencies of the merger of NCS and Jobcentre Plus should be ringfenced to provide this.

4. **Embedding reflective practice in the National Curriculum**

Reflective practice should be taught through PSHE as part of the National Curriculum. This should then be modelled in the ‘Living in the Wider World’ Core Theme of the PSHE Programme of Study, in relation to reflecting on motivations, hopes and futures of work.

5. **Embedding Autonomy-Supportive Practices**

Autonomy-supportive practice has been shown to support the development of intrinsic and internal motivation, leading to better health and wellbeing outcomes for young people, and better futures of work for them. In addition, autonomy-supportive teaching has been shown to be beneficial for the teacher, reducing stress, improving resilience and enhancing effectiveness.

These practices should be embedded in teacher training, included in teaching standards, and assessed by Ofsted.

6. **Redesigning Job Centres as ‘Job, Skills and Capabilities Centres’**

Young people should experience coherent transitions from school-based careers guidance to continuing support in the transition from school to further education, training or work. The recently-announced integration of NCS and Jobcentre Plus is a step in the right direction towards delivering on this.

Our recommendation for further integration under a Skills England ‘brand’ would not only offer consistency for young people, but serve to see job centres destigmatised with offers of skills development, capabilities building and job-matching, underpinned by an offer that emphasises internal reflection practices.

7. Introduce a Skills and Careers Enterprise Credit

A targeted, enhanced tax credit scheme should be introduced to incentivise businesses to invest in workforce development. We welcome the recent announcement that the government will cover the full cost of apprenticeships in SMEs for eligible young people under 25. However, we would like to see them go further, and include a ‘super-deduction’ scheme for SMEs, allowing them (and startups) to deduct up to 130% of eligible workforce training costs from taxable income. This credit could be used towards apprenticeships, link work in local schools, and other types of workforce training.

This recommendation is supported by findings from the House of Lords Industry and Regulators Committee’s review into skills and apprenticeships, which, in October 2024 recommended ‘introducing financial incentives for employers to invest in training, for instance through a skills tax credit’.⁶

Regional-level recommendations

1. Convene regional networks of careers support professionals from across schools, colleges, firms and other organisations

Regional bodies such as MCAs should take an active role convening and solidifying networks of all those involved in delivery of careers guidance, training or support. Working to model the national-level recommendations, these bodies should look to improve the coherence of how young people experience careers guidance and support, from first in-school contact to key periods of transition.

They should also look to promote autonomy-supportive practices across delivery, especially in careers guidance and support. This should include supporting training, disseminating resources and sharing best practice across schools, colleges, training providers, careers support organisations and firms.

Organisations that also provide mental health support should be connected into these networks so that young people feel well supported as they access new opportunities in training, work experience or employment, which can generate anxiety.

2. Implement Growth and Capabilities Zones

Regional bodies such as MCAs should encourage the establishment of, and investment in, new Growth and Capabilities Zones. These will be sites for convening networks of all those involved in delivery of careers guidance, training or support, but also be places with a focus on a well-functioning local innovation ecosystem, linking technology incubation, skills and capabilities development and generating social capital.

Once established, regional bodies should offer strong leadership of Growth and Capabilities Zones, helping networks that arise within them to be accommodated in attractional spaces which link job search and matching, start-up support, networking, and reflective careers support.

3. Forefront autonomy-supportive and reflective practices

As part of this convening role, regional bodies should lead on highlighting the value and purpose of autonomy-supportive and reflective practices in careers guidance and support.

This should include supporting training, disseminating resources and sharing best practice across schools, colleges, training providers, careers support organisations and firms.

4. **Support tangible, hands-on, 'good work' experiences**

As they look to help schools deliver on new statutory guidance to offer 'a variety of encounters and experiences', regional bodies should use their convening role to support programmes that showcase 'good work', rather than just experience of 'any work'.

Good work is more than employment. It is work that promotes dignity, autonomy and equality; work that has fair pay and conditions; work where people are properly supported to develop their talents and have a sense of community.

To aspire to and access good work, young people need to understand and experience it. Regional bodies have a role in delivering this by working across schools, careers support organisations and firms to ensure that the work experiences that are offered are focused on 'good work'. They should also be using their leverage across the local innovation ecosystem to make sure that young people have a good understanding of where good work is happening in businesses in their local area. For example, a pillar of the West Yorkshire Fair Work Charter is 'opportunity: providing inclusive paths to employment and career growth.' Employers who become signatories of the Charter thus pledge to provide good opportunities to young people.

Organisational-level recommendations

1. **Allocate and protect time to embed reflective practices into careers programmes**

Schools, colleges, and employment support organisations should allocate protected time for reflective practices before and after careers related activity to support young people to identify their motivations so that they can make more informed and active choices about their future of work.

2. **Embed autonomy-supportive teaching practices into school-based CPD**

Schools and colleges should embed autonomy-supportive teaching practices into school-based continuing professional development (CPD) to equip educators with the skills to foster a classroom environment that facilitates student agency, motivation, and wellbeing. This approach is also shown to benefit educators, resulting in improved job satisfaction, professional fulfilment, and wellbeing.

3. **Resource Careers Guidance specialists**

Careers Guidance specialists should have access to ongoing, high-quality training that deepens their understanding of labour market trends, youth development, and the evolving nature of work.

A more robust and widely recognised accreditation framework would help raise the professional status of Careers Guidance specialists. This should include clearer progression routes, standards for practice, and recognition of advanced expertise.

Careers guidance specialists should work to expand their social capital by participating in the local innovation ecosystem, sitting on organisation's boards, and attending employment-related events to build strong and trusted relationships between business, schools and colleges.

Careers guidance specialists should have regular opportunities to visit workplaces and engage directly with employers across different sectors. This will help careers guidance specialists better understand what 'good work' – work that offers fair pay, autonomy, and supports wellbeing – looks like.

4. **Integrate local firms / start-ups into curriculum**

Schools and colleges are required to integrate careers-related activity within the curriculum, but should enhance this by building curriculum links to local firms and start-ups. This will help young people build confidence in engaging with employers, begin to build their social capital, and connect classroom learning with the world of work.

Glossary

Intrinsic Motivation

The drive to engage in an activity because it is inherently enjoyable or satisfying.

Extrinsic Motivation

The drive to engage in an activity because of external factors. Extrinsic motivations could include 'positive' factors such as the promise of money or the anticipation of praise, as well as 'negative' factors such as wanting to avoid sanction or criticism.

Self-determination theory (SDT)

A highly-evidenced and comprehensive approach to understanding motivation used throughout this report to surface the distinctions between intrinsic, internal and extrinsic forms of motivation.

Reflective practice

The process of learning from experience by thinking critically about one's actions, performance, and assumptions to gain new insights and improve future behaviour.

Autonomy-supportive practice

Autonomy-support practice is an approach that encourages individuals' self-governance by providing them choices, competences, and opportunities to engage.

Needs-supportive practice

Needs-supportive practice is an approach that actively looks to account for people's basic needs for autonomy, competence, and relatedness, as set out in SDT.

Motivation spectrum

The range of motivation structures outlined by SDT. These range from amotivation (the absence of motivation), through different forms of extrinsic motivation, to intrinsic motivation.

Internal Motivation

The drive to engage in an activity because it aligns with values or goals, or helps build identity. This lies close **Intrinsic Motivation** on the **Motivation Spectrum**. While not driven by inherent enjoyment, neither is it driven by external factors – and it carries many of the benefits of Intrinsic Motivation.

The Capabilities Approach

Developed by Amartya Sen and Martha Nussbaum, the Capabilities Approach emphasises giving people the **resources they need to choose the life that they value**. Rather than a narrow focus on skills and opportunities, the Capabilities Approach understands that different people experience different personal, social, and environmental factors that influence their agency to convert their capabilities into realised achievements.

1. Introduction

What does the future of work look like for young people from low-income backgrounds? While emerging technologies offer new ways for people to engage in the economy, left unchecked, technologies are likely to worsen existing inequalities, especially in places with limited access to good work.

As new technologies such as artificial intelligence (AI) rapidly transform workplaces, there is an urgent need to steer it towards greater opportunity, not deeper inequality. There is a similarly urgent need to better understand how transitions – from school into training and work, or between different jobs – can be improved, and people better supported to navigate these moments of change.

We know that better provision of technical skills and ‘AI literacy’ alone will not be enough for young people from low-income backgrounds to negotiate these transitions in this period of rapid technological change.⁷ What will be needed will be an integrated ‘Capabilities Approach’.

Developed by Sen and Nussbaum, this work was applied in IFOW's Pissarides Review to the current context of changes to work and rapid technological transformation, and how people can ‘live a life that they value’ through periods of transition. This theoretical framework has been operationalised in an IFOW study, which explored through a survey how capabilities impact issues within a workforce.⁸

Importantly, the Capabilities Approach takes us beyond a focus on how supporting young people is solely about external inputs, such as AI skills and tech training needs, to understand that each person will have different personal, social, and environmental factors that will influence their ability to convert these training opportunities or careers guidance into realised achievements.

This means that policies and practices to improve outcomes need to have an integrated approach, one that both addresses the external factors within which young people experience any guidance and training, and the internal factors that accompany these, all of which account for their differing abilities to ‘convert’ these inputs into genuine opportunities.

Individual motivation – the energy to act towards a particular goal – is one important internal conversion factor. This makes fostering greater intrinsic motivation and self-agency increasingly important for young people to flourish in the labour market. This is because human-centric skills such as critical thinking, communication, creativity, and problem-solving grow when young people have intrinsic and internal forms of motivation – that is, when they engage in learning and work for inherent satisfaction or because of their values, rather than external rewards alone. It is these skills that we are seeing sustained in this period of technological transformation.

But addressing internal capabilities dimensions by improving internal and intrinsic motivation will not be sufficient without also looking to change the external factors of education provision, access to good careers guidance and employment support, and the narratives which guide these external factors.

The number of young people at risk of becoming ‘NEET’ (Not in Education, Employment or Training) and in the NEET category is rising, and proving resistant to policies of simply adding more external support. Beyond being a catastrophe for young people’s sense of

self and wellbeing, these figures add huge costs to our economy, and drags to productivity and growth. Drawing on IFOW's in-depth research and findings, we strongly believe that a Capabilities Approach is needed to address this issue, one that accounts for internal and external factors in an integrated way.

IFOW has partnered with the EY Foundation on the Motivating Futures project to apply this approach in a focused context, looking to uncover the interactions between being from a low-income background, motivation relating to careers, and the changes being brought about by new technologies. The goal of this project is to help young people improve access to better work by supporting good transitions from education. It seeks to do this by informing better narratives on how we think about careers guidance and employment support (including funding and policy priorities), and – leading from this - proposing an architecture for 'youth pathways' to deliver this. Finally, it suggests how this could inform pilot projects to directly help young people as they transition beyond school towards work.

This specific application of the Capabilities Approach has been augmented by a robust empirical research school known as Self Determination Theory (SDT).⁹ SDT, developed by Edward L. Deci and Richard Ryan, identifies three basic psychological needs – autonomy, competence, and relatedness – as essential not only for sustaining intrinsic and internalised motivation but also for enabling humans to thrive.¹⁰ In SDT, autonomy is concerned with the need to feel ownership of one's behaviour, competence with the need to experience mastery of skills, and relatedness with the need to feel connected to others.

The first stage of this project focused on improving understanding of how motivation is structured, and how different forms of motivation function in the lives of young people when transitioning from full-time education to employment. Part of that work involved listening to young people through a 'Future Work Lab', which was designed by people with many years of expertise in the secondary education system, and delivered in schools up and down the country. Results from this activity indicated that many young people exhibit strong intrinsic and internal motivation, but that this is not currently being directed at future careers. Moreover, while young people generally start with similar levels of intrinsic motivation, this often erodes more quickly over time for those from low-income backgrounds. This is a critical insight because this group of young people are more likely to face structural barriers to accessing new labour market opportunities, such as those presented by AI.

Encouragingly, though, the research also suggests that intrinsic and internalised motivation can be cultivated through targeted support, and our accompanying working paper focuses on a pilot intervention to achieve this with young people. This report examines the education, career support, and employment systems, and how a new framework that integrates a motivation-informed Capability Approach can play a crucial role in informing new policies and practices that will enable young people from low-income backgrounds to flourish in their future working lives.

The report is structured as follows: first, we outline why motivation matters in a technologising labour market. Second, we outline the type of systemic factors that shape motivation. Third, we examine how young people are currently supported in the labour market into good work. Fourth, we outline a new narrative for employment support and careers guidance based on supporting motivation. In the final section, we outline policy recommendations towards deployment of this new approach.

2. Why understanding motivation matters

2.1 The labour market is changing rapidly as a result of technology, and skills systems needs to keep up

As part of the Pissarides Review into the Future of Work and Wellbeing, IFOW found that, between 2016 and 2022, the strongest and most consistently demanded skills were human-centric (sometimes described as ‘essential’ skills). These are communication, as well as other skills such as leadership, critical thinking, and problem-solving.¹¹ Skills in information technologies (IT), on the other hand, have seen the largest transformation, reflecting rapid technological change and adoption. This demonstrates that human-centric skills are some of the most resilient skills to technological change. They are especially important for young people entering the labour market, given a lack of experience to demonstrate aptitude, with a survey reporting that around two-thirds (69%) of employers look for human-centric skills and behaviour when hiring at entry level.¹²

Work such as Skills Builder's Essential Skills Tracker makes the vital case for a link between essential skills and social mobility, but investment in human-centric skills is scarce, with potentially large implications for productivity.¹³ One study by the Chartered Institute for Personnel Development (CIPD), Edge Foundation, and KPMG found that 51% of workers have not had opportunities in education or work to develop their human-centric skills essential for work, costing the UK economy £22.2 billion in 2022.¹⁴ Some of this scarcity in core skills formation starts in schools, with one study by the Prince's Trust showing 18.5% of young people believe they do not have enough human-centric skills for starting work.¹⁵ However, the recent Post-16 Education and Skills White Paper reports that a similar percentage of people across the labour force ‘lack the essential digital skills needed for the workplace’.¹⁶ And, even beyond that, the same report notes that ‘too many adults lack the essential skills they need to access additional education and training, or employment’ as their proficiency in English and Maths is so low. There is additional evidence that young people from low-income backgrounds tend to have fewer opportunities to develop these skills, for example due to less access to extra-curricular activities than wealthier counterparts, putting them at a greater disadvantage in the labour market.¹⁷

At the same time, while motivation has been considered a fertile ground to develop human-centred skills, motivation itself is a crucial factor in hiring decisions, particularly at an entry-level, where experience cannot be used to assess candidates.¹⁸ This highlights how many organisations hire for what they deem an important predictor of employee performance – feeling connected to the work that one does, either because one enjoys it, or because it is perceived as important. This presents potential challenges for young people from low-income backgrounds, who, through no fault of their own, may struggle to articulate intrinsic or internal motivators in relation to a job, compounding barriers to entering the labour market. In terms of the Capabilities Approach, this connects with the concept of the ‘capability to aspire’.¹⁹

Therefore, motivation, particularly intrinsic and internal motivation, can be crucial for facilitating access to a technologising labour market while helping young people foster human-centric skills.²⁰ Young people who engage in activities because they enjoy them or find them important for their sense of identity not only perform better academically or at work, but are more likely to demonstrate greater creativity, problem-solving ability, and

conceptual learning. Importantly, educational environments that foster intrinsic and internal motivation by supporting the autonomy of individuals are more likely to bring about positive interpersonal relationships and communication in classrooms.²¹

2.2 The UK has significant and growing challenges at the intersection of youth unemployment and wellbeing

Left unaddressed, the human-centric skills gap not only undermines the productivity of businesses but is costly to young people struggling to enter labour markets, with huge costs for the country. The UK faces persistent challenges in youth employment and education outcomes, with over 900,000 (12.8%) 16–24-year-olds not in education, employment or training (NEET)²² out of a total of 10.8 million 16–64-year-olds not in employment (either unemployed or economically inactive).²³

A major factor driving this increase is the rise in poor mental health, with more than one million disability benefit claims now linked to mental health.²⁴ Mental health conditions disproportionately affect young people and people who are out of work. At the same time, physical health in the UK is also in decline, keeping people out of the labour market.

Previous research from IFOW highlights the importance of ‘good work’ - work that promotes dignity, autonomy and equality; work that has fair pay and conditions; work where people are properly supported to develop their talents and have a sense of community.²⁵ Good work is protective, and builds resilience against economic and health-related shocks. The reverse is true, and jobs that lack these qualities tend to deepen existing barriers to entering and advancing in the labour market, as evidenced in the EY Foundation’s Breaking Barriers report.²⁶

When people’s roles align with their intrinsic and internal forms of motivation – where their work is consistent with their values and identity – they tend to show greater persistence, remain in jobs longer, and report higher levels of job satisfaction.²⁷ However, the distribution of access to good work is highly unequal, meaning that – whatever internal motivations young people may have, external factors will impact their capability to convert these motivations into genuine opportunities for the kinds of work that - according to SDT - will sustain the basic psychological needs of autonomy, competence and relatedness.²⁸

2.3 A narrow focus on upskilling obscures the importance of developing self-agency and purpose

Despite the major mental health barriers to work facing young people today, and counter to what we understand from a Capabilities Approach, responses to employment challenges such as NEET status have often focused on external factors of provision, such as job placement or employability schemes.²⁹ This focus is made explicit in the Post-16 Education and Skills White Paper, which promotes reskilling and upskilling as the primary, proactive responses to the changing nature of work.³⁰

These interventions focused on supporting young people in the NEET category have been shown to have limited success across most measures, such as employment, earnings, health and welfare receipt. Those that are successful tend to be multi-component (for example, entailing both skills training and personalised support) and high-contact (for example, involving regular contact over a six-month period).³¹ However, they often produce the least improvements for young people who were the most disadvantaged at trial commencement (e.g, poorer literacy, higher previous arrest rate, lower socioeconomic status, minoritised ethnic groups as these “intervention approaches are not designed to cater for the circumstances and needs of the most disadvantaged”).³²

This highlights the need for NEET interventions to be designed carefully with local context in mind, and delivered with extensive engagement and input from local stakeholders, as well as targeting human capabilities beyond skills and training.

2.4 Summary

Policies aimed at reducing the number of young people in the NEET category should be considered in light of what we know from the Capabilities Approach. A new narrative of careers guidance and employment support should integrate policies for tackling internal factors – for example, interventions designed to foster growth mindsets or internalised motivation – alongside support for interventions based on tackling external factors.³³

The government's current post-16 strategy – published as a White Paper in October 2025 – calls for a skills and employment system that is:

- **Joined up**, making it clear for people to find and access the training they need to get into and get on in work.
- **Has clear expectations** of who is responsible for funding different types of training.
- **Is data-driven**, supported by the creation of Skills England and a new focus on partnerships between public and private organisations that ensures skills and labour market insight can be used in tandem to inform more effective decision-making.
- **Is employer focused**, with the needs of businesses and public sector employers driving our approach to skills.
- **Supports young people to thrive**, with a clear focus on re-engaging those who are NEET and identifying those who are at risk of becoming NEET earlier.³⁴

The report goes on to say that, 'to support learners, we will place duties on schools to support young people who are transitioning into post-16 study, with an automatic backstop of a place in college. We will provide clearer information and guidance on outcomes from different education and training pathways, and provide practical experience that supports learners as they progress through education and training.'

Though not explicit in these references, we hope that the aspirations for a 'joined up' system with 'clear expectations' – one that 'supports learners' – offers a context within which a Capabilities Approach can be deployed to support practical policy development. This would take seriously the need for internal factors around motivation and self-determination to be integrated into careers guidance and employment support systems that go beyond the provision of skills and training places. It is encouraging to see the recent announcement of £5m to improve local partnership working, information sharing and digital infrastructure. We hope that this means that more young people will receive high-quality, safe, and effective careers support in their communities.

We welcome the recent announcement of the 10-year Youth Strategy that promises to deliver 250 new or refurbished youth centres, 50 Young Futures Hubs where young people will have access to youth workers to support their wellbeing and career development, an investment of £22.5 million to support young people's wellbeing, personal development, and essential life skills around the school day in up to 400 schools and further investment in youth workers.

It is also welcome that the government has recently pledged to invest more to support young people's skills and development. This includes a target of 350,000 new training or workplace opportunities in sectors including construction, health and social care and hospitality for young people on Universal Credit, more intensive employment support for those on Universal Credit, and 55,000 young people set to be given a government-backed guaranteed job in high-priority regions. However, it is essential this investment creates to opportunities for good work, with clear career progression, rather than creating low quality employment.

Finally, the UK Government has announced a £725 million investment, supplemented by a £140 million partnership with local leaders, to expand apprenticeship opportunities and align skills training with regional labour market needs.

3. Why context matters

3.1 Motivations of young people are shaped by the structures in which they grow up – and these differ widely across the country

The impact of contextual factors on young people's later-life outcomes is undeniable. This applies to motivation: a wide range of research demonstrates that young people from low-income backgrounds, on average, exhibit lower motivation in school than more affluent children, often with negative implications for school engagement and achievement due to the level of support and basic psychological needs fulfilment young people receive.³⁵ Our research adds to these findings, showing that while young people from low-income backgrounds are motivated both intrinsically and extrinsically, they may find it difficult to link these motivations towards school or their career. Our research, informed by the Capabilities Approach, suggests that needs-supportive structures exist at different levels – both in young people's immediate support system (e.g. career support) and at the societal level, in the form of 'good work ecosystems'. Both are crucial to foster motivation, and to ensure that these motivations can be turned into experiences.

It is crucial that immediate support systems encourage the development of internal and intrinsic motivation, given its importance for outcomes. These can be seen as 'need supportive' environments, which are careers guidance and employment support systems actively constructed to support the development of autonomy, competence and relatedness. Taking a systems-level approach to this means considering – at all levels of interaction for young people – how these dimensions can be nurtured through a re-narration of careers guidance and employment support, leading to 'youth pathways' architectures designed based on the Capabilities Approach and Self Determination Theory. That will have implications for teacher training and practice, for the ways that careers guidance is delivered, for how young people experience job centres, work experience and training, and how firms deliver employment support.

At the same time, need-supportive environments are not just the direct experiences young people have with their immediate environment but they exist at the level of society, through good work ecosystems, i.e. systems of access to good work.

The fifth report of the Work and Pensions Committee: Get Britain Working: Creating a new jobs and careers service concludes that 'good jobs are better for citizens, employers and the state, while supporting a more productive economy'.³⁶ Making the case for a better jobs and careers service, it goes on to note that those who are not in good work, 'often face a cycle of insecurity, moving from one job to another, or out of work entirely, with little time or resource to pursue a more secure career.' This supports the link between creating motivation-supportive structures and real access to opportunity.

Firstly, the development of intrinsic and internal motivation is only possible in an atmosphere of choice. This is because having good work to aspire to and take on is crucial for the question: "Why should I be motivated in school?", which cannot be answered if there is no good work available to young people. Often, people quickly adapt their preferences and aspirations to what is seen as feasible;³⁷ suggesting that varying good work ecosystems across places can help explain differences in motivations. IFOW's 2025 Good Work Monitor time series shows that, while the existence of good work has increased across the country

since 2009, there are widening inequalities between local authorities.³⁸ This was clear from conversations with young people in Cornwall and the North of England, who expressed their view that they had fewer opportunities open to them compared to young people in the South East of England.³⁹ Because of this, we suggest that motivation-supporting systems can occur through a ‘Good Work Motivation Cycle’ (GWMC), with good work ecosystems as a crucial starting point to create systems with the conditions needed for young people’s motivational development.⁴⁰

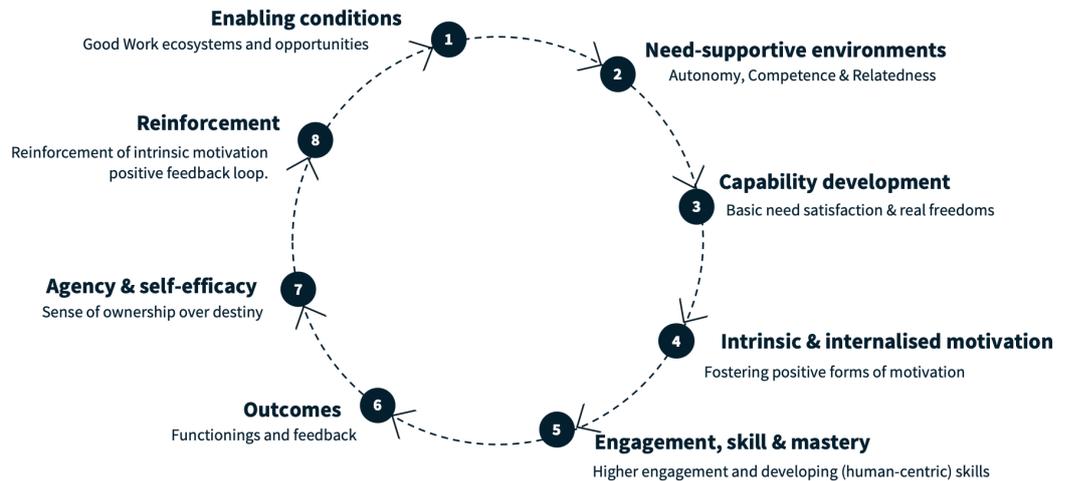


Figure 1: Good Work Motivation Cycle

The second reason good work ecosystems matter is because they provide real access to job opportunities for young people. The Capability Approach proposes that public policies should focus on expanding individuals’ freedoms and opportunities to achieve lives they have reason to value. It also recognises that individuals have different needs and opportunities - dependent on their personal, social and institutional contexts - to convert the same resources into a life that they value. Therefore, the same motivation can lead to different outcomes based on context. As a result, policies should enable the social, institutional and material conditions that allow young people to act on their motivations.

The next section explores the role of immediate support structures and good work ecosystems across OECD countries. We explore this by comparing expressions of motivation in school with NEET rates. We hypothesise that immediate needs-supportive environments increase reported intrinsic motivation, while NEET rates provide an indicator of good work ecosystems.

3.2 The UK performs worse than most OECD countries in creating motivation-supportive systems

To understand how the UK is doing in fostering motivation-supportive environments, it is useful to compare students’ expressed attitudes and beliefs to students in other countries. Using the OECD Programme for International Student Assessment (PISA), we compared Great Britain’s position relative to other OECD countries in levels of **intrinsic motivation** (measured as agreement to the statement “I love learning new things in school”) and **instrumental motivation** (measured as agreement to the statement “School has taught me things useful in a job”).⁴¹ Note that, as this is limited to people of school age, it is not clear how the motivations of these young people evolve as they enter further education or the labour market.

Figure 1 below demonstrates that students in Great Britain tend to be less intrinsically motivated to learn new things in school than most OECD countries. Topping the list are Mexico, Colombia, and Turkey, all relatively low-income countries compared to the OECD’s

European members. Students in several countries with education systems with good outcomes (e.g. NEET rates in Norway, Denmark, and Finland) report low intrinsic motivation, which is puzzling.

One explanation may be that students in those countries feel more comfortable being honest than in more hierarchical school settings, but further research is needed to study this phenomenon. It is also possible that these countries do not have need-supportive teaching environments that foster intrinsic motivation, but that they still provide need-supportive career support and foster good work ecosystems, both contributing to lower NEET rates.

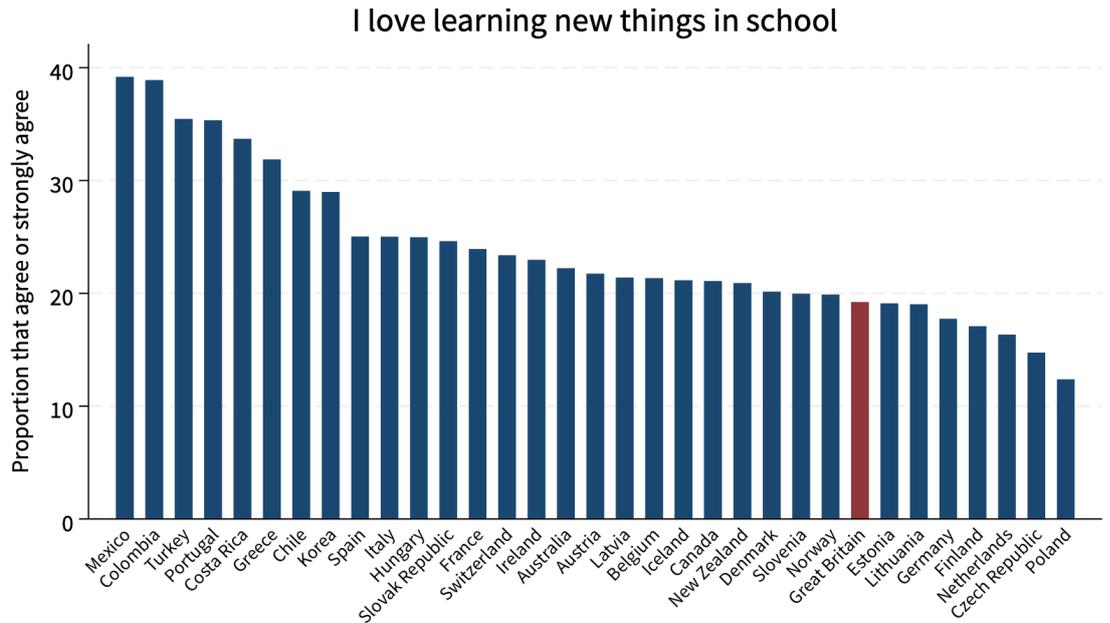


Figure 2: PISA 2022 Database: Student Questionnaire. OECD

The statement: “school has taught me things useful in a job” reflects students’ perception of school as serving an instrumental and therefore extrinsic function, especially if they don’t intrinsically enjoy the learning process. Only around one-third of young people in the OECD agree that school is useful in a job, and Great Britain is in the same rank as for the intrinsic motivation statement. Germany and Poland stand out as countries where students do not report enjoying learning, nor think school is useful for a job. Meanwhile, Slovakia, Austria and Switzerland rank higher in fostering instrumental motivation than Great Britain.

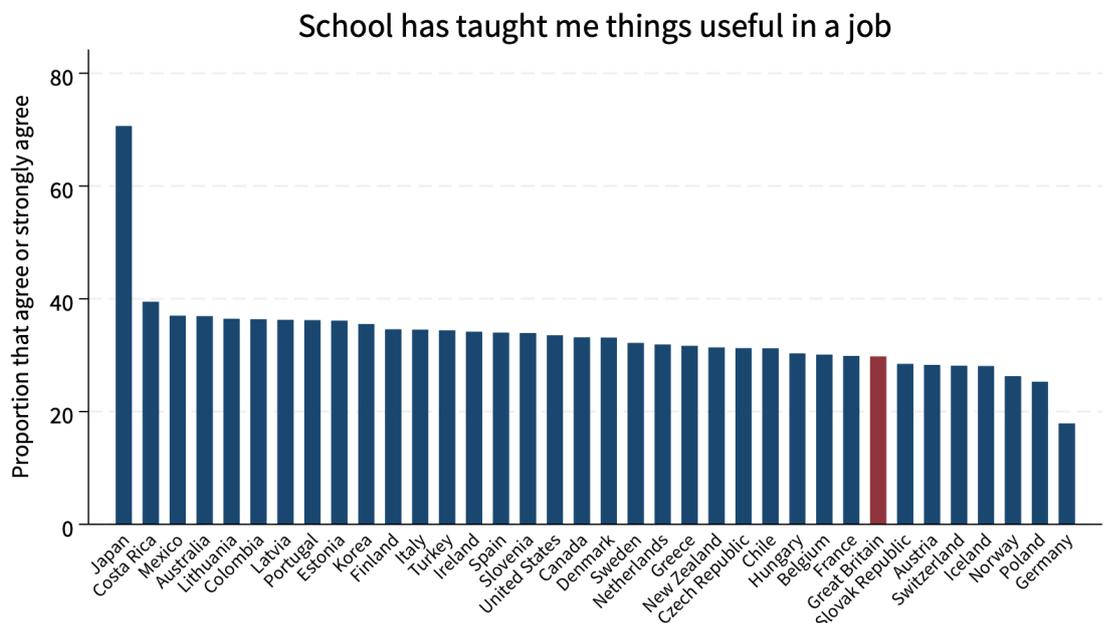


Figure 3: PISA 2022 Database: Student Questionnaire. OECD

Japan tops the list of students agreeing that school teaches them things useful in a job, although this should not imply taking Japan's approach to education as an example, given a work culture known for its discipline and overwork.⁴² However, Japanese students did not respond to the intrinsic motivation question, so it cannot be assessed to what extent students enjoy learning beyond the discipline it teaches which may be useful for the workplace.

3.3 The UK's comparatively high NEET rate may point to a lack of needs-supportive employment support and good work ecosystems

It is perhaps surprising that countries that do well in terms of educational outcomes across the population have lower intrinsic motivation amongst their students. While the reasons for this need to be explored in further research, it is noticeable that there is a disconnect between NEET rates and intrinsic motivation in school (see Figure 4 below).

We hypothesise that while countries with low NEET rates should do better to create need-supportive teaching and learning environments, they may be better at providing need-supportive career support and have strong good work ecosystems. Our research suggests that both of these are crucial to support young people, particularly those from low-income backgrounds, through school-to-work transitions.

3.4 Summary - Creating Motivation-supportive systems

NEET rates 18-24: disaggregated (2024)

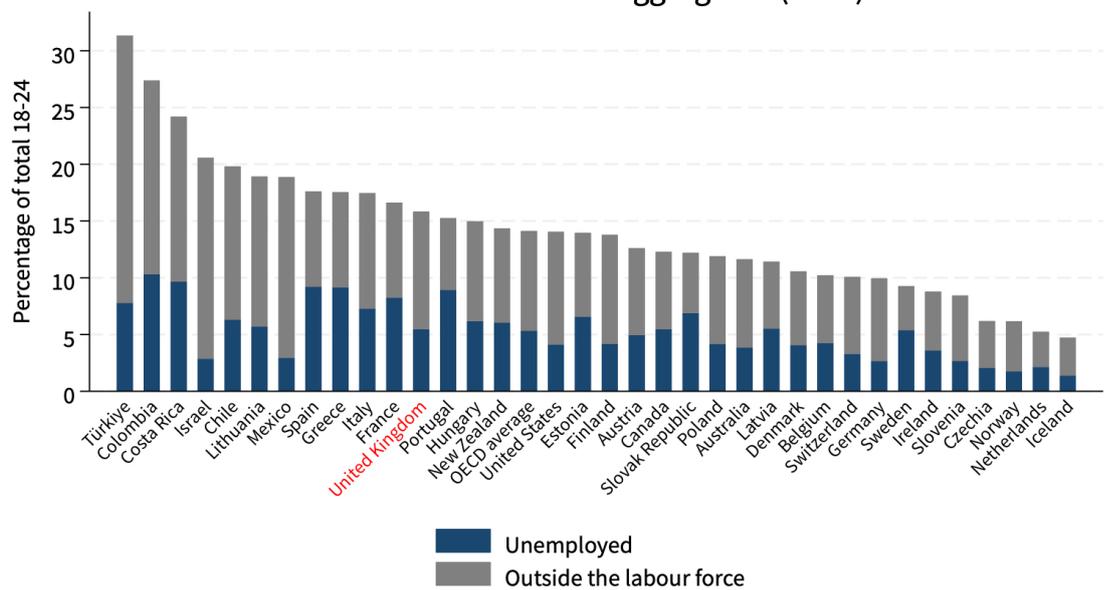


Figure 4: PISA 2022 Database: Student Questionnaire. OECD

Ultimately, motivation is supported where young people are embedded in needs-supportive systems. But developing young people's motivation cannot be separated from the wider systems that shape their opportunities, choices, and sense of agency. The Capabilities Approach highlights that policies that focus solely on individual attitudes, upskilling or 'raising aspirations' risk overlooking the structural barriers that limit young people's ability to act on their motivations.

The PISA data demonstrates this. In countries like the UK with relatively high NEET rates, young people may be relatively more intrinsically motivated than in the Netherlands (with low NEET rates), but the lack of good work ecosystems undermines the extent to which motivation in school can lead to better outcomes. Conversely, young people in countries

with particularly low NEET rates (e.g. the Netherlands) don't necessarily have high intrinsic motivation, suggesting poor immediate motivation-supportive systems. However, their low NEET rate may be an indication that they provide good work ecosystems to young people that fosters aspiration and access to real opportunities.

A policy agenda should therefore focus on creating the social and institutional conditions that support autonomy, competence and relatedness, as well as the supporting factors that enable social mobility.

Towards delivery of that, we have created a Framework to support those involved in frontline delivery of careers support and guidance (or management of it) to guide how this cultivation of autonomy-supportive environments can be achieved.

The recent Curriculum and Assessment Review repeatedly highlights how schools should foster 'a love of learning'. What we are proposing here is that this means more than making lessons 'fun'. At a deeper level, it means designing 'need-supportive' systems across education, employment and community life that enable young people to discover and pursue valued goals while ensuring that good work is available to everyone.

4. How are young people currently supported through labour market transitions?

While motivation-supportive systems are crucial to equip young people with the capabilities that they need to succeed in the labour market, this by no means undermines the importance of career and employment support structures. These structures provide practical support and guidance for young people on how to navigate labour market transitions, making them important instruments to prevent young people from entering the NEET category. This section lays out the UK's system of career and employment support and outlines effective approaches elsewhere. It therefore lays the groundwork for understanding where and how motivation-supportive structures could be embedded to support young people through labour market transitions.

4.1 The current career support landscape

It is important to distinguish the different facets that make up career support – careers education, guidance, and advice.⁴³ Careers education refers to informing young people about the career opportunities available, while career guidance aims to uncover the career direction that an individual may want to take based on interests, passions, and strengths. Career advice aims to bridge these two practices by supporting people in accessing the pathways they may have identified through career guidance.

Careers education and guidance delivered in schools and colleges follow statutory guidance written by the Department for Education (DfE), with involvement from external organisations like the Careers and Enterprise Company (CEC), the Gatsby Foundation, and the National Careers Service (NCS).⁴⁴ DfE recommends that schools and colleges adhere to the updated Gatsby Benchmarks, a set of eight standards for careers education in schools and colleges ranging from the use of market data and insights to personalised guidance and work experience.⁴⁵ In 2024/25, it was reported that state-funded schools and colleges achieved on average 6 benchmarks out of 8.⁴⁶

In 2022, a large-scale survey about the different forms of career support available to young people in English state schools showed that this support often included sessions with a Careers Adviser (reported by 85% of pupils), careers fairs or events (84%), and embedding career links within curriculum lessons (80%).⁴⁷ The survey also showed that 95% of schools had a designated careers lead and 94% of senior school leaders were aware of the Gatsby Benchmarks.⁴⁸ Notably the study found that awareness of careers guidance frameworks dropped significantly among classroom teachers (40%), suggesting limited integration into teaching.

Furthermore, the most recent Gatsby Benchmark's Briefing (2024/25) suggests that engaging with careers support (being part of a Careers Hub, completing Careers Leader Training, using the Compass+ digital tool, supporting young people to complete the Future Skills Questionnaire (FSQ), and completing an Internal Leadership Review) are all associated with higher benchmark scores.⁴⁹

From our analysis of interviews with school and college careers leads and advertised school and college careers programmes from across the country, we found that most careers programmes detailed:

- **The use of Gatsby Benchmarks** to guide careers programmes.
- **Digital evaluation tools** such as Compass to evaluate careers provision.

- **Digital platforms** such as Unifrog or bespoke integrated digital platforms to guide students to careers information and resources.
- **Employer engagement** including reference to employer talks, work experience, mock interviews and careers fairs.
- **Personalised guidance** including 1:1 careers interviews, often with Level 6 qualified advisors. Some careers programmes offered drop-in services and career clinics.

Points of divergence across careers programmes included:

- **Integration of careers education** with some programmes embedding careers education across assemblies, tutor time, and enrichment activities. While others choosing to deliver careers lessons in 9-week blocks per term for each year group, or via drop-in guidance sessions and careers events.
- **Careers programme depth** with only some careers programmes detailing stakeholder governance groups and the use of labour market intelligence.
- **Evaluation methods** diverged with colleges using platforms like Navigate and Lightcast to track student engagement and destination data, whereas local authority-maintained schools relied more on Compass and anecdotal feedback.
- **SEND provision** differed with colleges offering the most detail on tailored provision for students with SEND (Special Educational Needs and Disabilities).

4.1.1 Primary challenges facing careers support

Curriculum pressures

In our interviews, several careers advisors mentioned that overloaded curriculums and emphasis on exam preparation and results meant there is often very little time for careers-related guidance or activity. One interviewee highlighted that there is currently no guidance protecting structured time for preparing students for careers-related activities or for reflection post-activity.

In reference to this, they said:

“I think for me the biggest issue is that we don't have space in the curriculum or in the PSHE programme or tutor registration programme to prepare them and then to reflect.”
– Careers Lead, SE London School.

Resource constraints

Many interviewees also pointed to resource constraints resulting in limited careers support. One highlighted that the Gatsby careers guidance includes only one mandated guidance meeting, meaning many young people only receive one careers guidance touchpoint in their school or college career. Furthermore, another noted that as many schools struggle to find further budget to employ enough careers advisors, many fail to meet Gatsby benchmark 8 – providing young people with personalised guidance. This is a particular challenge for young people with SEND where personalised guidance is crucially important.

Employer engagement

Other careers advisors mentioned challenges with engaging employers and securing work experience opportunities for their students. While work experience was seen as crucial for confidence and skill-building, we were told placements for work experience are being increasingly replaced by group projects due to schools and colleges struggling to get employers on board to support work experience opportunities and apprenticeships. Though these project session may offer benefits that support fulfilment of Gatsby Benchmark 6, the experience of being in another environment beyond school is missed.

Structural challenges

Other challenges interviewees noted included poor public transport access limiting young people's ability to access work experience opportunities. Furthermore, one careers advisor identified that the removal of the education maintenance allowance (EMA), rising higher education costs, and low-pay apprenticeships deter students from further education or training.

A lack of coherence on 'good' careers guidance theory

One interviewee observed that careers guidance remains largely outdated, noting that questions such as "What do you want to be when you grow up?" can be both intimidating and unproductive - particularly for young people who are still exploring their interests, and especially for those who are neurodivergent. This point exemplifies that there is vast range of career guidance theories (for example, trait-based, occupational allocation and psychodynamic) that careers support teams choose to apply in practice when delivering on the agreed Gatsby Benchmarks, that all vary in quality and success leaving the landscape generally uneven.

4.1.2 Effective careers support and best practice

Joined-up working and social capital

Schools and colleges with highly effective careers programmes had an integrated careers function combining careers, work experience, and university guidance as one team to avoid fragmentation and ensure coherent guidance. Furthermore, one careers advisor mentioned social capital as a key factor in their college's success achieved through strong and sustained employer relationships - in this case through sitting on organisation's boards, attending relevant events and building trust relationships.

Early and sustained engagement

Many careers advisors detailed successful careers programmes that began early and were sustained through students' school and college careers. One mentioned Year 6 taster days to help raise aspirations from a young age, programmes that matched young people with local role models to help students relate to and envision their future careers and staff who supported anxious students by attending their first work experience visit, gradually enabling their students' independence.

Curriculum-linked careers interventions

One interviewee emphasised the importance of careers guidance that is connected to and integrated within the curriculum rather than being treated as an add-on. Southmoor Academy in Sunderland, for example, have developed a 'Whole institution' approach to integrating careers into the curriculum. As such, careers learning is planned into every lesson, in every subject and in every year group, allowing young people to make connections between different subjects and career paths.⁵⁰

Visibility of careers opportunities

Some careers advisors we spoke with discussed how motivation is closely tied to young people's knowledge and perceptions of the work opportunities available to them in their local area. To overcome this, some mentioned the usefulness of careers fairs, employer talks, and "dream and discovery days" that offer immersive experiences with universities and industries that broaden young people's horizons.

4. 2 Employment support for young people is changing

With almost one million young people in the NEET category in the UK, data suggests that career support is not as effective as it could be.⁵¹ While a substantial NEET rate is present in every OECD country, it is clearly important that the UK does have effective and robust post-16 employment support services available to young people.

A 2022 report from the Gatsby Foundation found that, 'there is currently no single source of [Adult Careers Guidance] ACG in England, and this makes the careers landscape confusing, fragmented and unclear to users'.⁵² They go on to note that, 'The Department for Education (DFE) and the Department for Work and Pensions (DWP) have elements of career guidance in their programmes, but the evidence suggests there is little coordination with, or signposting to the National Careers Service in these programmes.'

They also found that the digital offer of Careers Wales and Skills Development Scotland was both more comprehensive, more structured, more interactive and with excellent signposting, when compared to NCS. Many sources who provided evidence for the Gatsby report, and the Work and Pensions Committee that produced the Get Britain Working Report on creating a new jobs and careers service, agreed that fragmentation, under-funding and lack of awareness of the current systems all contributed to a picture that means that users - especially those with greater needs - are not being best served.

Looking to respond to these calls for more integration and funding, the current Labour government has introduced a range of reforms to the employment support system with the goal of reducing the NEET rate. As many initiatives are new and emerging – such as the announcement in November 2025 that the National Careers Service will be absorbed into Jobcentre Plus and funding announced in the Budget to support apprenticeships - it is yet to be seen to what extent they are effective in achieving these goals. What we do know is that the government has accepted the Work and Pensions Committee's recommendation that the funding and funding model for careers advice needs to be reviewed.⁵³

As current contracts for those providing NCS services run out in September 2026, there is an important window now for this review to happen. The Chair of the Work and Pensions Committee, Debbie Abrahams, has urged the government to act quickly to set out new plans. But, importantly, she also noted that the job of careers advisors is 'about finding out enough about people, their ambitions and interests, their skills, the barriers they face, what drives them'.⁵⁴ We welcome this highlighting of motivation to the holistic picture of supporting people through work transitions, which will clearly have particular importance for young people in the NEET category.

As of 2025, the UK Government's Youth Guarantee includes a consolidation of existing post-16 entitlements and emerging initiatives aimed at reducing the number of young people in the NEET category. It promises universal access to work, training, or education for all 18–21-year-olds, involving a combination of funded programmes and entitlements. These include Government-funded apprenticeships for under-21s, skills bootcamps, and training courses for learners below Level 2 and those unemployed wanting to gain Level 3 qualifications.⁵⁵

Through the Youth Guarantee's expansion, employment support is delivered through the Department for Work and Pensions' Youth Offer, while careers advice is available through schools, colleges, and Jobcentre Plus for benefit claimants.⁵⁶ Furthermore, as part of a new package of welfare reforms, the Government has announced the Right to Try Guarantee that will ensure someone trying work or on a pathway towards employment will never lead to an immediate benefits reassessment or award review.⁵⁷ More recent developments include the Government's announcement to guarantee placements to all young people who are on universal credit for 18 months or longer with those refusing offers facing sanctions including losing their benefits.⁵⁸

Other recent policy developments suggest a shift toward more localised delivery. The Youth Guarantee Trailblazers, launched in eight mayoral areas, aim to pilot tailored employment and training support, improve service coordination, and enhance outreach.⁵⁹ These pilots are supported by the development of transition plans for disengaged youth or those at risk through matching young people with local job and training opportunities.⁶⁰ This also includes Young Futures Hubs that are designed to support vulnerable young people through a multitude of services - careers advice, mental health services, and pathways away from crime - under one roof.

While reducing the NEET rate is an important goal, the Government should not lose sight that it is not any work that matters, but good work - work that is meaningful, exciting and sustainable. This is crucial to ensure a motivating experience of work for young people, making them more likely to sustain employment, perform well, and flourish professionally.⁶¹

4.3 Other countries' employment support systems are a learning opportunity for the UK

The Work and Pensions committee report *Get Britain Working: Creating a new jobs and careers service*, speaks highly of the 'more comprehensive, more structured, more interactive' digital provision of devolved bodies in Wales and Scotland. However, it rightly suggests caution as reviews explore further integration (such as the National Careers Service with Jobcentre Plus) to prevent replication and waste. Interviews for this work have found that the Scottish system, provided by Skills Development Scotland, does offer far more integration and consistency, right from school through to training and work. There appears to be evidence to support this approach. Comparisons between NEET rates in the nations of the UK are difficult to make as methodologies differ. However, economic inactivity figures for Scotland for young people aged 16-24 have tended to track below those of the UK as a whole, though this is narrowing.⁶²

The UK's NEET rate is significantly higher than in several European counterparts (see Figure 4 on page 20), with the NEET rate for 18-24 year olds in the UK standing at 16%, compared to the OECD average of 14%, far above the rate in Germany (10%) and even higher than in Portugal (15%).⁶³ Given that these countries appear comparatively worse in terms of promoting intrinsic motivation in school-age children, the existence of lower NEET rates suggests that young people in these countries are receiving more support in their transitions out of school and within the labour market. As evidenced in a previous section, despite having lower reported intrinsic motivation in schools in countries with low NEET rates (e.g. the Netherlands) compared to the UK, there may be lessons from employment support systems and good work ecosystem policies that can help the UK tackle its high NEET rate.

While reasons for lower NEET rates in other European countries are varied and include their career pathway system (e.g. attractive apprenticeships, flexible pathways), effective features of career support systems are:

- **The EU Youth Guarantee:** Every young person under 30 receives an offer of employment, education, training or an internship after being unemployed for four months.⁶⁴
- **Early intervention approaches** where job centres directly contact NEET young people (Denmark).⁶⁵

4.4 Summary

While the UK has made considerable progress in establishing frameworks for careers education and guidance, current provision remains inconsistent and under strain. Persistent challenges include constrained curriculum time, limited resources, uneven employer engagement, and structural barriers such as transport access and financial precarity.

What we can see from international comparisons is that the most effective practice has common features of:

- Early and continuous engagement with young people;
- Integration of careers guidance into the taught curriculum;
- Strong local partnerships that strengthen the transition between education and employment;
- An emphasis on autonomy-supportive practices that build confidence and social capital.

Meaningful, motivating, and sustained support is essential for helping young people navigate transitions into good work. Policies to support this approach should aim to embed motivation and capability-building both within education and school-based careers guidance, but also beyond into further training and support. A shift is needed from an approach of one-off interventions to coordinated, locally grounded ecosystems of support, where schools, employers, and community services work together to build pathways into good work.

5. Conclusion: Towards a new vision of careers guidance and employment support

This report began with the question of what the future of work might look like for young people from low-income backgrounds.

The essence of this report is about looking to improve transitions into the future for young people – especially those from low-income backgrounds – as they move from school into further education, training and work. Too many young people are finding themselves in the NEET category, with support for them having failed to consider the full spectrum of internal and external factors that have led to that place. What we hope we have presented here is a new narrative for improving these transitions, one that offers an architecture of support that is properly informed by a Capabilities Approach.

With the numbers of young people in the NEET category where they are, and with the drag on productivity and growth that this means, creating this new narrative should be a key national priority. But it is also a priority because - beyond national economics - this is about the health, wellbeing, dignity and quality of life for these young people.

The Final Report of the Keep Britain Working Review calls for ‘a new deal between employers, government and employees.’ It goes on to note that:

Employers must lead. Employees have a responsibility to remain engaged and connected to work. Government must enable, incentivise and drive this shift. Only then can we unlock the prevention, workplace support, and cultural change needed to reverse the tide of inactivity.⁶⁶

Though this report has a wider focus on all working-age people, the same question applies to how to create a new deal for young people, one that addresses in an integrated way the problems of so many from low-income backgrounds struggling to access good work: how?

How should schools and employers lead, and young people take responsibility to remain engaged? How can the government enable, incentivise and drive this shift?

Findings from our research back up calls from many other bodies – including the Work and Pensions Committee - that the priority for government should be a system-level drive towards better integration. This more integrated approach will offer a better narrative about careers guidance and employment support, and inform an architecture for how young people transition from school towards work.

However, what we are suggesting here is that this integration should not just be across different organisations and systems, it also needs to be along the axis from the ‘external’ inputs provided to young people to the ‘internal’ motivations needed to make use of these inputs. Deploying the Capabilities Approach supports this integrating narrative – and the architectures that spring from it - leading a policy focus away from solely on external inputs such as skills bootcamps to also integrating internal factors such as young people’s self-determination.

Such policies would support actions across education and employment to align careers guidance, teacher training, employment support and employer practices to both expand real opportunities for good work, and foster autonomy-supportive practices in young people that build self-determination.

For young people themselves, findings from our parallel publication exploring the impact of the motivation intervention that we designed and piloted suggest that they do exhibit internal and intrinsic motivation, and are keen for time to reflect on how this can be better directed towards their future of work.

Yet this question of the future of work for young people has both supply and demand-side labour market dimensions.

The demand side is beyond the scope of this particular report, but is a fundamental issue that other research at the Institute for the Future of Work has covered. In short: there is a path to a future where both innovation and social good advance together, one where investment is made equally in technological and human capabilities. IFOW's research shows that it is only when firms use these people-centred approaches to the adoption of new technologies that the much-heralded productivity gains of AI are reaped. However, what we are too often seeing is an approach to AI adoption which disregards the wider human dimension, leading not only to risks to levels of good work (and the severing of the talent pipeline for skilled and experienced future leaders),⁶⁷ but to labour market conditions where young people feel caught in a 'jobpocalypse' with a growing sense that entry-level roles are vanishing.⁶⁸

It is vital that these demand-side issues are urgently addressed, both in educating firms about people-centred approaches to technology adoption, and in challenging the myths being pushed by data companies keen to see a return on very large investments in AI that it is a 'magic bullet' that will deliver a future of easy productivity.

The focus of this report is to speak powerfully to the supply side of this question. Young people from low-income backgrounds can do little to address labour market demand – and it is clear that they need strong advocates from across policy and practice to build the conditions whereby their skills and capabilities can flourish. But there are practical steps that can be taken to better prepare young people for a fast-changing, technologising labour market.

The focus of much work on the supply side has been on external factors, such as improving AI literacy. The core conclusion of this research is that this will not see results unless it is matched by work focused on investing in internal factors, too.

We know that people-centred skills, such as communication, leadership, and problem-solving skills, are crucial to adapt to the changing demands of work, given their resilience to technological change. But these skills can only flourish if young people are engaged in work underpinned by internal or intrinsic motivation – which is why motivation is so fundamental. It is from this that key skills needed to flourish in this labour market can be nurtured.

We have shown that channelling this motivation is achievable, and powerful. But the reflective workshop pilot intervention that we have designed is not enough by itself. We have also shown that this has to be part of a wider redirection towards autonomy-focused approaches across education and youth work, one which embeds the principles of Self Determination Theory from an early age.

To support that, we also conclude that changes are needed at system and regional levels to create a careers support structure which is far more integrated, one which is fit-for-purpose for the new labour market landscape.

The growing number of young people who are in the 'NEET' category presents a major challenge to policymakers, one that is felt keenly and personally in homes and communities right across the country. The socioeconomic environment of austerity, COVID-19 and economic stagnation are all factors which have contributed to this problem. But we cannot ignore the technological factors either. Some visions from influential figures in Silicon Valley see a future of where all of us are effectively 'NEET' – because AI will do the work for us.

The experience of young people from low-income backgrounds is a litmus test of how we respond to this future that is being presented to us. They are at the forefront of what many others in other parts of society may well face next: being painted - explicitly or implicitly - as surplus to requirements for strong economic growth. It is thus doubly incumbent upon all of us to create the conditions by which these young people can flourish. By renewing our careers support structures, and focusing on autonomy-supportive practices, we really can give them a brighter future.

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Institute for the Future of Work
Somerset House
Strand
London
WC2R 1LA
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