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Service file*

Caxton House Tothill Street London SW1H 9NF

6400

Telephone Direct Line 01-213.....

Switchboard 01-213 3000

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON
SW1

9. April 1984

Dear Andrew,

... I attach two briefing notes for the Prime Minister for Panorama this evening, on YTS and youth employment; and on relative pay and youth employment.

Yours sincerely

David Normington

D J NORMINGTON
Principal Private Secretary



YTS AND YOUTH EMPLOYMENT

1. The position of this year's school-leavers

- Roughly the same number stayed on in full-time education
- Some 50,000 more obtained jobs than expected both within the Scheme and outside it. A welcome sign that the economy is more buoyant.
- Those leaving school at minimum age had a guarantee of an offer of a place on the Scheme by Christmas. This undertaking was effectively met; all but 4,300 youngsters had received an offer - some 1,800 of whom were under consideration. The majority of these have now had an offer.
- The total number in training on the Scheme at the end of February was 259,282.
- As a result of improved job prospects and benefit of the Youth Training Scheme there were some 20,000 fewer claimant school leavers unemployed in January 1984 than in January 1983.

2. What about the 198,200 unemployed 16 and 17 year olds (January figure)

- There are many young people between jobs, between YTS schemes or between YTS and a job. There is always a lot of movement amongst young people on the labour market.
- Many of the 17 year olds will have already been on the Youth Opportunities Programme.
- Scottish Christmas school-leavers will be included in the figure, and will have only recently joined the register.
- Others may have registered for benefit late.



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3. What has happened to those leaving the Youth Training Scheme

- A small sample of those leaving the Scheme up to middle of November shows that, 3 months later:-

- nearly 40% were in jobs

- nearly 30% were in other YTS schemes

- only some 25% were unemployed, and some of these will be waiting for a job, further education or a further YTS scheme.

DEPARTMENT OF EMPLOYMENT

9 April 1984



RELATIVE PAY AND YOUTH EMPLOYMENT

1. For both sexes, and for all single years of age, young people's earnings in 1983 were a smaller proportion of the equivalent adult earnings than in any of the preceding five years (see Table attached). This new trend, which appears to have begun four or five years ago, is a reversal of the progressively narrowing differentials between youth and adult earnings seen over the previous 25 years or so.

2. The reasons for this new trend are not clear yet but it undoubtedly has something to do with the sharp rise in unemployment over this period which has affected young people in particular. What impact the Government's special employment and training measures have had - some of much more recent origin - is not known but we believe that the Young Workers Scheme, into which 1983 entrants were higher than expected, will have had some influence.

Average gross weekly earnings* of full-time male employees under 21
a percentage of the corresponding figure for males aged 21 and over :
at April each year

AGE AT JAN 1	16	17	18	19	20
1978	34.9	43.0	53.9	61.2	68.9
1979	34.6	42.9	53.6	61.2	68.0
1980	34.2	41.7	53.4	60.3	68.4
1981	34.4	41.2	50.5	59.3	65.3
1982	33.7	40.5	49.9	56.8	65.6
1983	32.0	38.7	49.3	56.3	63.2

Average gross weekly earnings* of full-time female employees under 21
as a percentage of the corresponding figure for females aged 18 and
over : at April each year

AGE AT JAN 1	16	17	18	19	20
1978	51.8	59.0	70.2	76.2	82.6
1979	54.2	60.0	71.3	77.1	83.0
1980	60.3	59.6	69.5	76.1	82.4
1981	50.7	57.4	68.7	74.3	79.0
1982	48.2	56.5	66.9	73.3	78.6
1983	47.0	52.9	64.3	72.2	77.4

*Excluding those whose pay was affected by absence

Source : New Earnings Survey