

Youth unemployment

Key information

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Introduction

The Economy, Culture and Skills Committee will be investigating youth unemployment in London.

Investigation aims and objectives (Terms of Reference)

The Committee will examine:

Why does London have the highest rate of youth unemployment in the UK?

- How does youth unemployment impact young Londoners?
- What is the impact of technology and AI on youth unemployment?
- What has been effective elsewhere in tackling high levels of youth unemployment?
- What impact will recent announcements from the Government and GLA have on youth unemployment?
- What else can government, councils and the GLA do to address youth unemployment in London?

Key issues

London has the highest youth unemployment rate in the UK. Between November 2025 and January 2026, 24.6 per cent of Londoners between 16 and 24 were unemployed, compared with the next highest region (North East) on 23.5 per cent.

Youth unemployment has risen in recent years. The reasons for these high levels of youth unemployment are multi-faceted and still emerging. They include:

- A significant drop in the number of vacancies advertised online between 2022 and 2025, particularly in areas that traditionally have employed a large number of young people (e.g. Sales and customer service)
- Potential impact of AI on entry-level jobs, and impact of technology on what skills are needed by employers
- Rising costs and tough economic conditions for businesses mean fewer vacancies and less capacity to take on younger, potentially inexperienced workers
- Preparation for the changing nature of work and the impact of AI not meeting emerging employer requirements
- An increase in mental health challenges faced by young people, exacerbated by the continuing fall-out from the Covid-19 pandemic

The Government has commissioned former Health Secretary, Alun Milburn, to lead a major review into young people and work. The review published its interim report (covering the ‘discovery phase’ of the investigation) in May 2026 , with a further report expected in the autumn.

The Committee will examine the state of the jobs market in London for young people. It will hear directly from young Londoners on the challenges and barriers they face in securing work, as well as from employers and educational institutions. It will also examine the role of the Mayor in boosting opportunities and removing barriers for young Londoners seeking work, and to what degree technology and AI is making it harder for young people to enter the jobs market.

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