

e2e

Education to Employment: Getting Europe's Youth into Work

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March 2015





Youth employment crisis is still in the headlines all over Europe

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

- The Economist, 2014

“At stake is the future of an entire generation”

- French President François Hollande

“It is unacceptable that today more than every fifth young person on the labour market cannot find a job.

Despite being the generation with the highest education attainment ever, today's young have paid the highest price for the crisis.”

- Commissioner for Employment
Marianne Thyssen, January 2015

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

- Former Italian Prime Minister Enrico Letta

“Europe’s greatest challenge is its young people given the extent of youth unemployment across the continent”

- President of Ireland Michael D. Higgins,
February 2015



McKinsey has researched the pathway from education to employment in Europe

We surveyed 3 stakeholder groups
Across 8 EU countries....

5,300

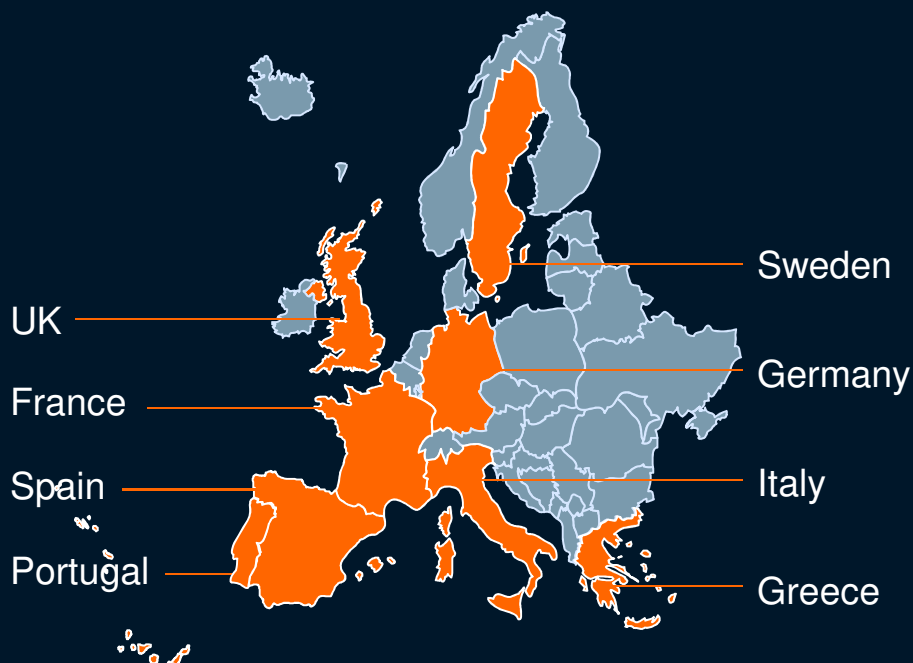
Youth

2,600

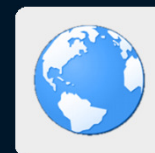
Employers

700

Post-secondary
Providers



...and investigated over 100 best
practices across 25 countries



25

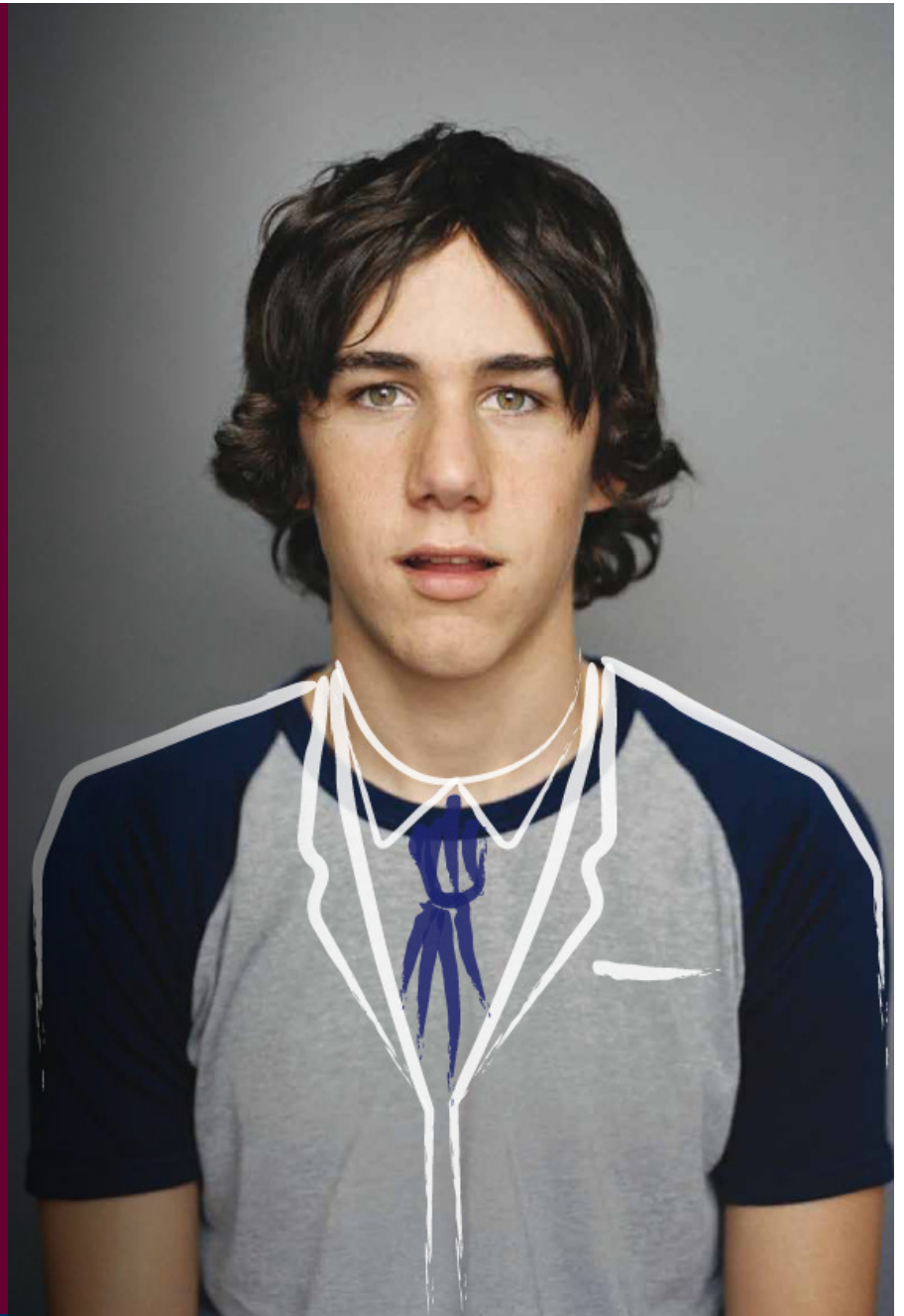
Countries



> 100

Case studies

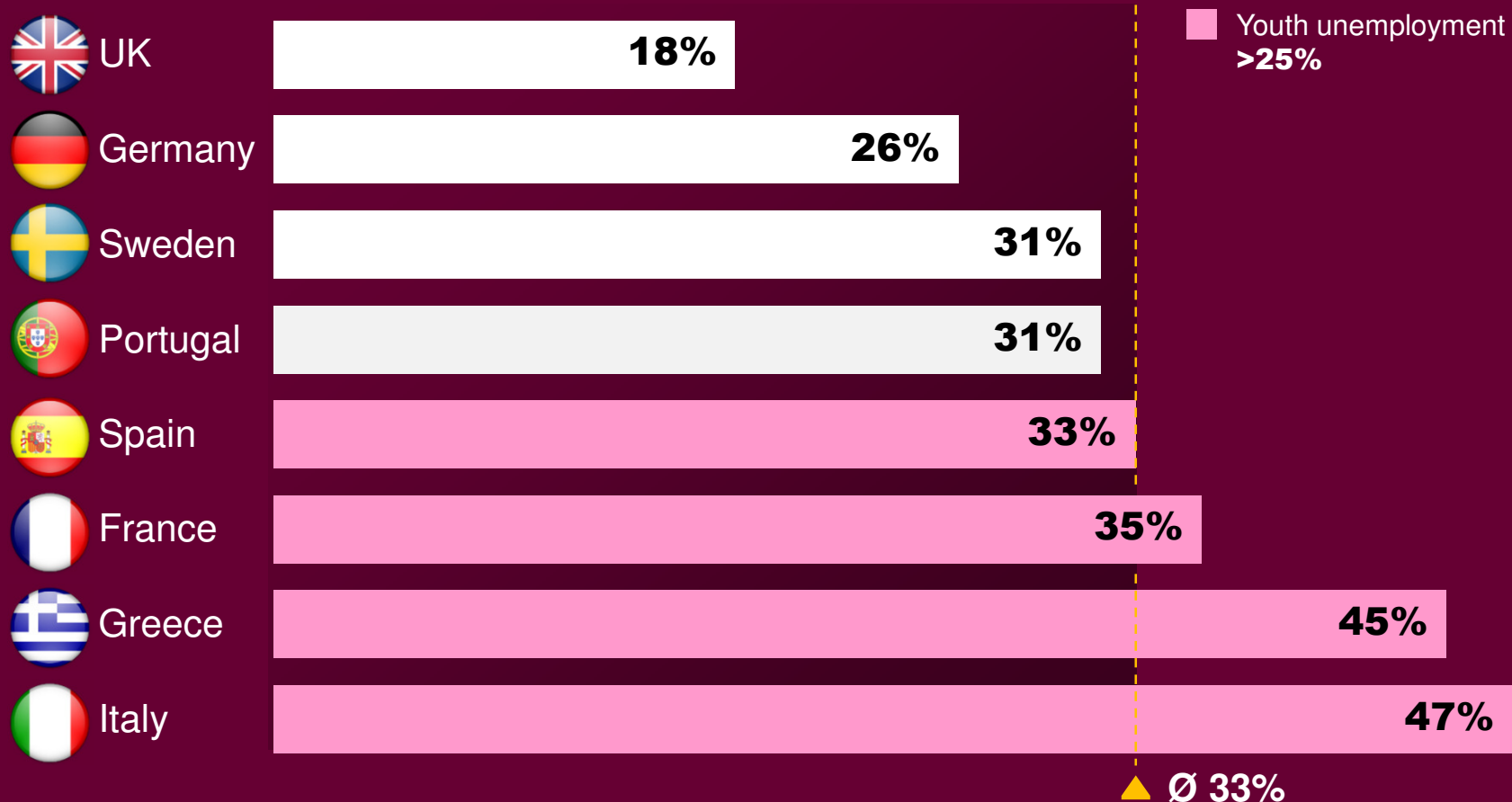
1 Despite high youth unemployment, employers in Europe cannot find the skills they need





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



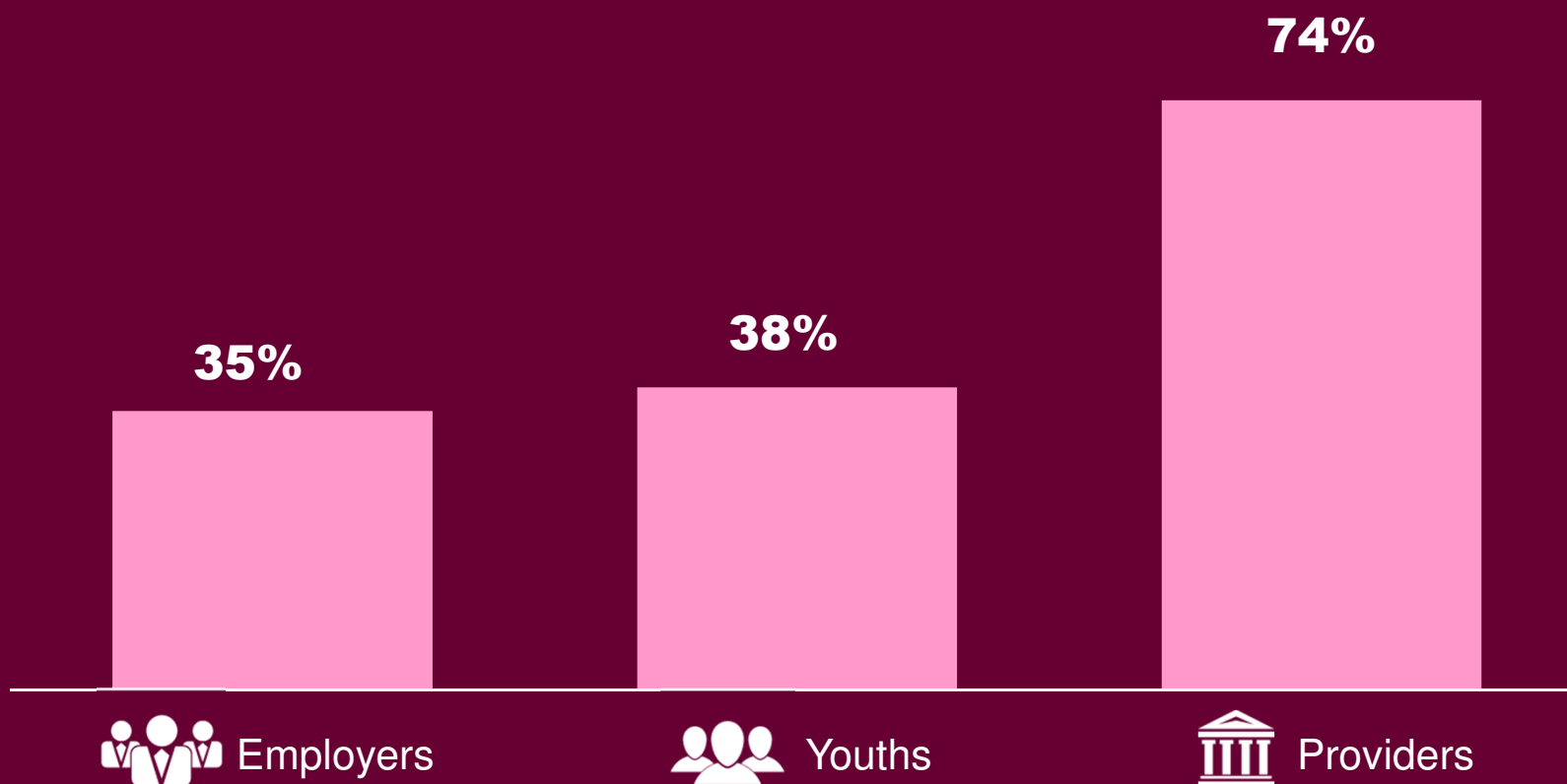
SOURCE: Employer survey Q31: "How, if at all, does a lack of entry-level employee skills affect your company? Please select the response that best applies to your company's situation." Those who answered "A lack of skills is detrimental to the business" or "It causes significant problems in terms of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



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



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.

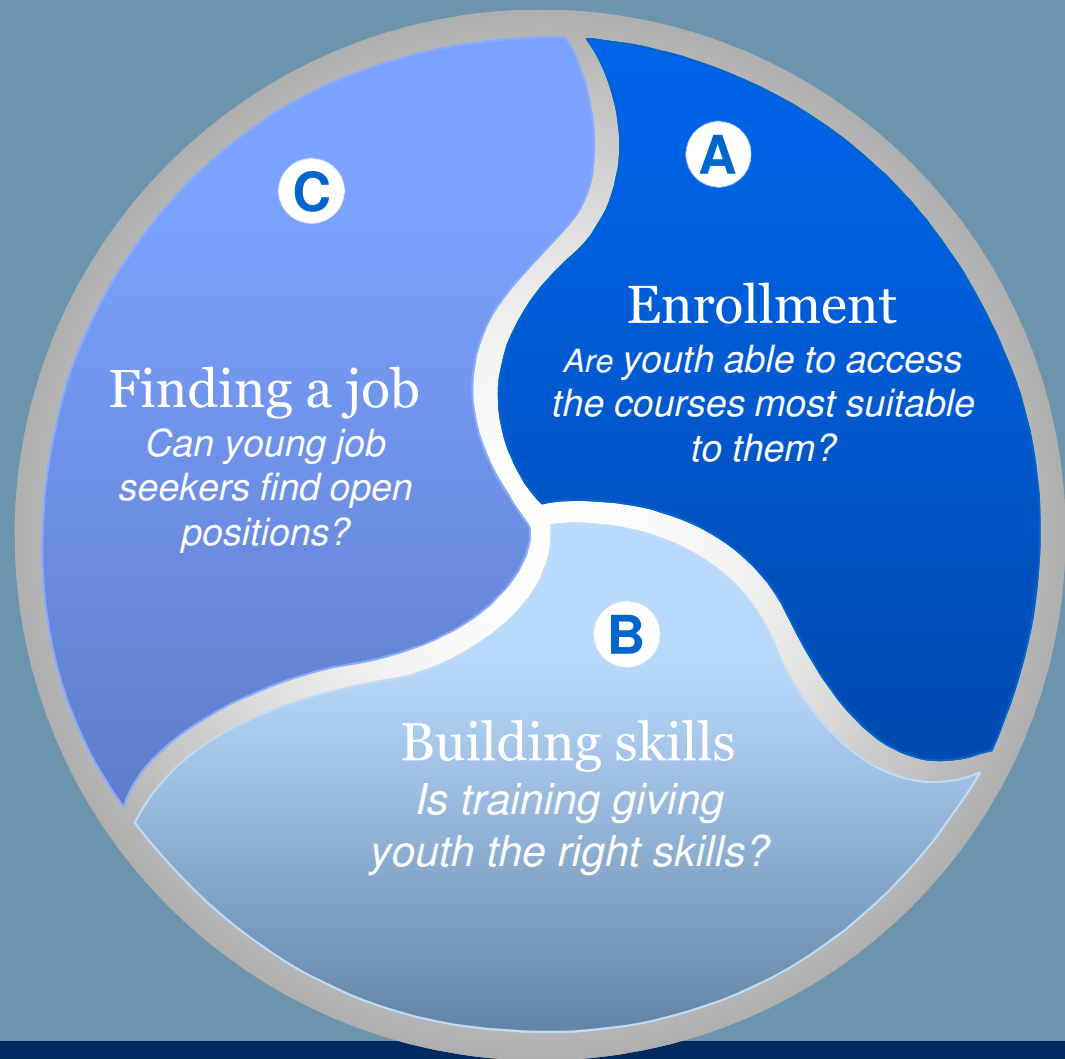
2 | Young people face hurdles at 3 stages: enrolling in post-secondary education, building the right skills and finding a job

Where Should
I Go?





We have framed youth's journey from education to employment in three “intersections”

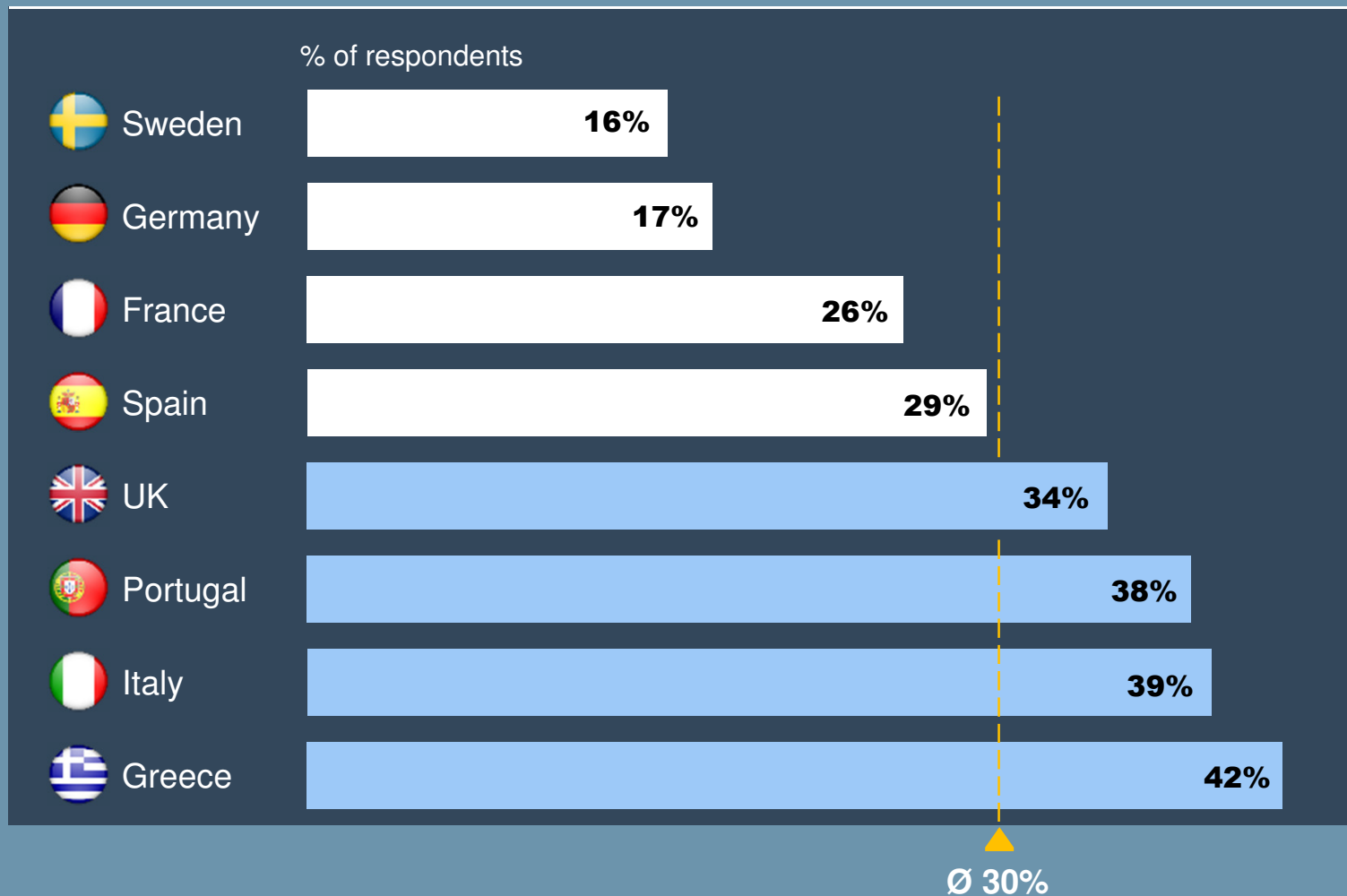




Affordability is the greatest barrier preventing young people from enrolling further education

I could not afford the cost

Did not enrol in post-secondary education

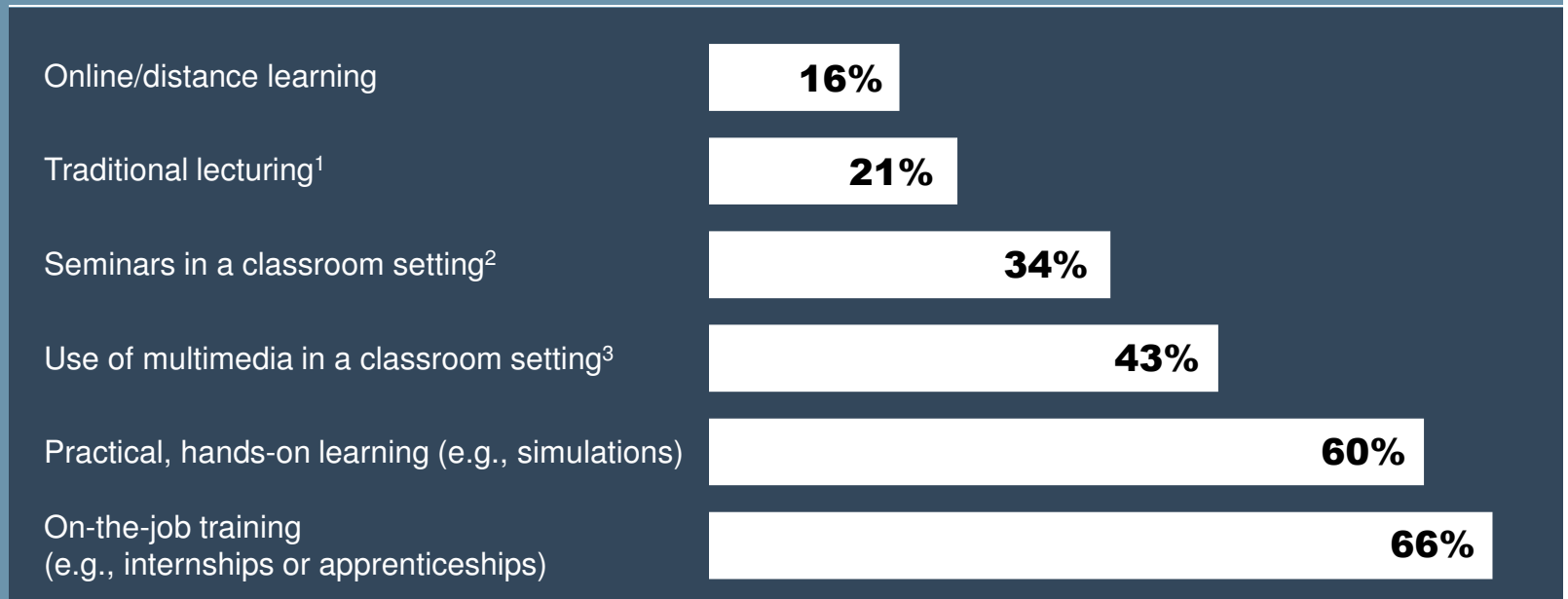


SOURCE: Youth survey Q20 "Why did you not enroll in post-secondary education or training"



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



¹ One instructor delivering content to many students

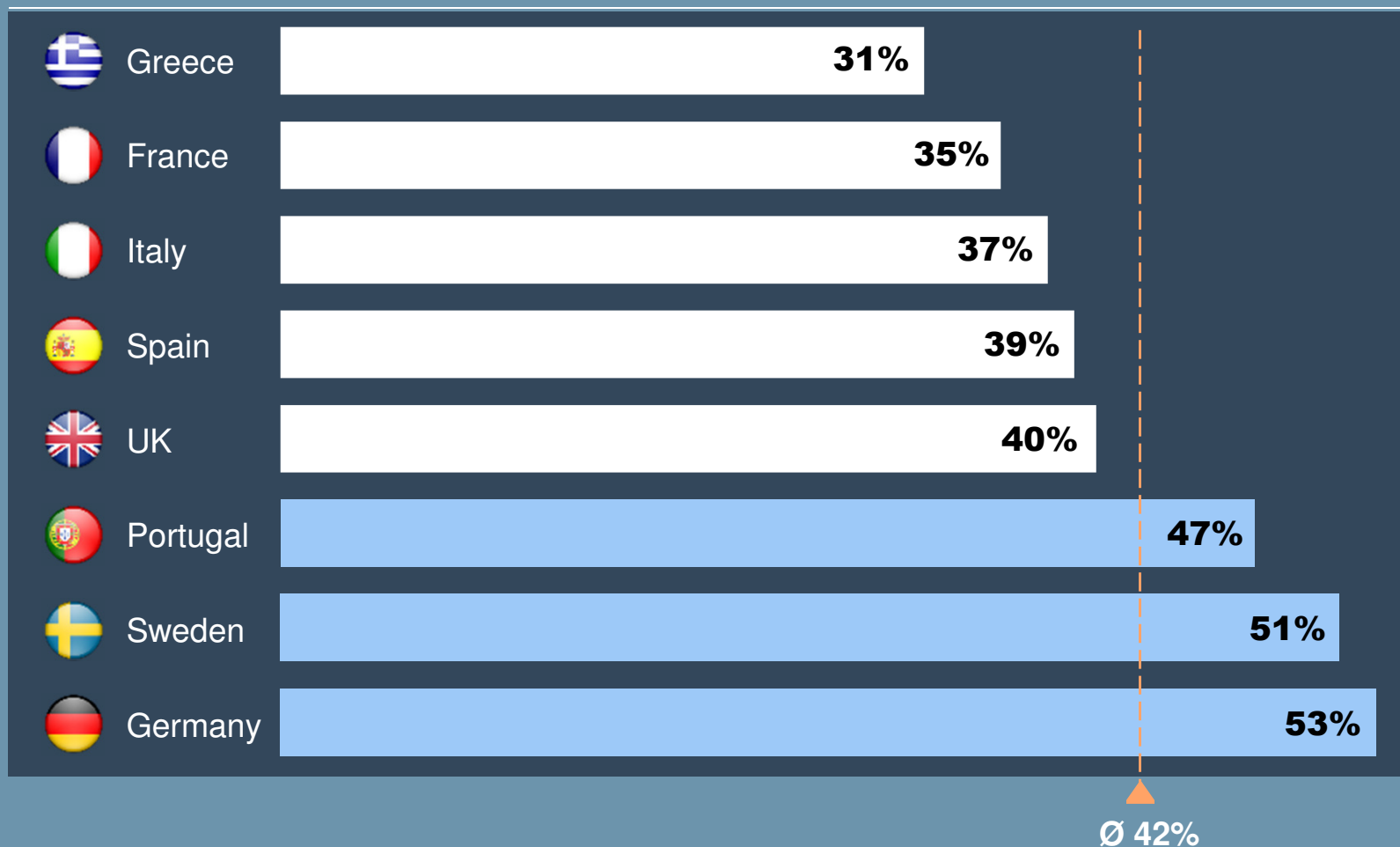
² Instructor and students discussing content

³ Computer labs, videos used to augment lectures



Less than half of youth believe their postsecondary studies improved their employment opportunities.

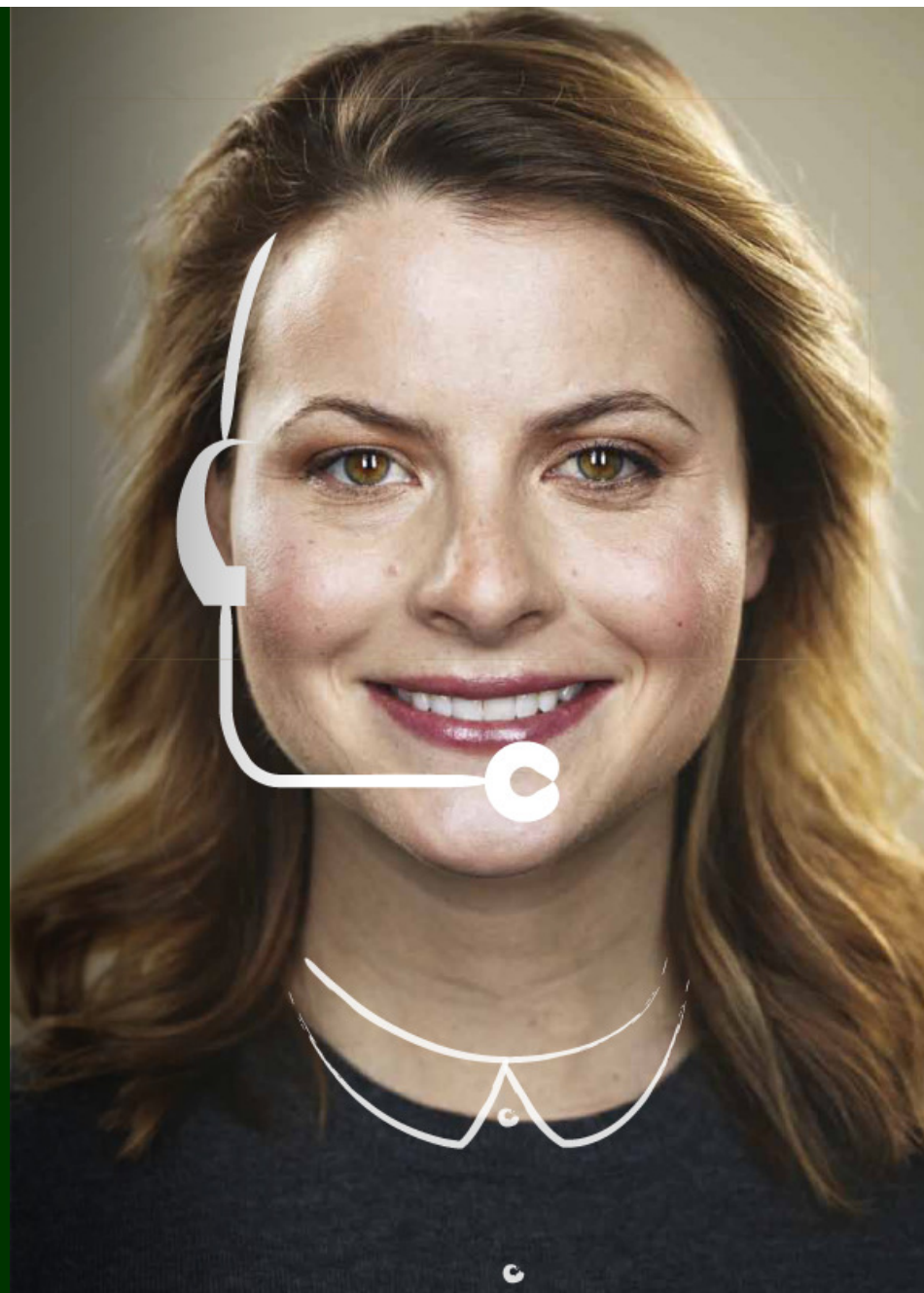
% Youth who believe their post-secondary studies improved their employment opportunities¹



¹ My post-high school education improved my chances of getting a job.

3 | The education to employment system is not working for half of employers – in particular SMEs struggle the most

What Should I Learn?

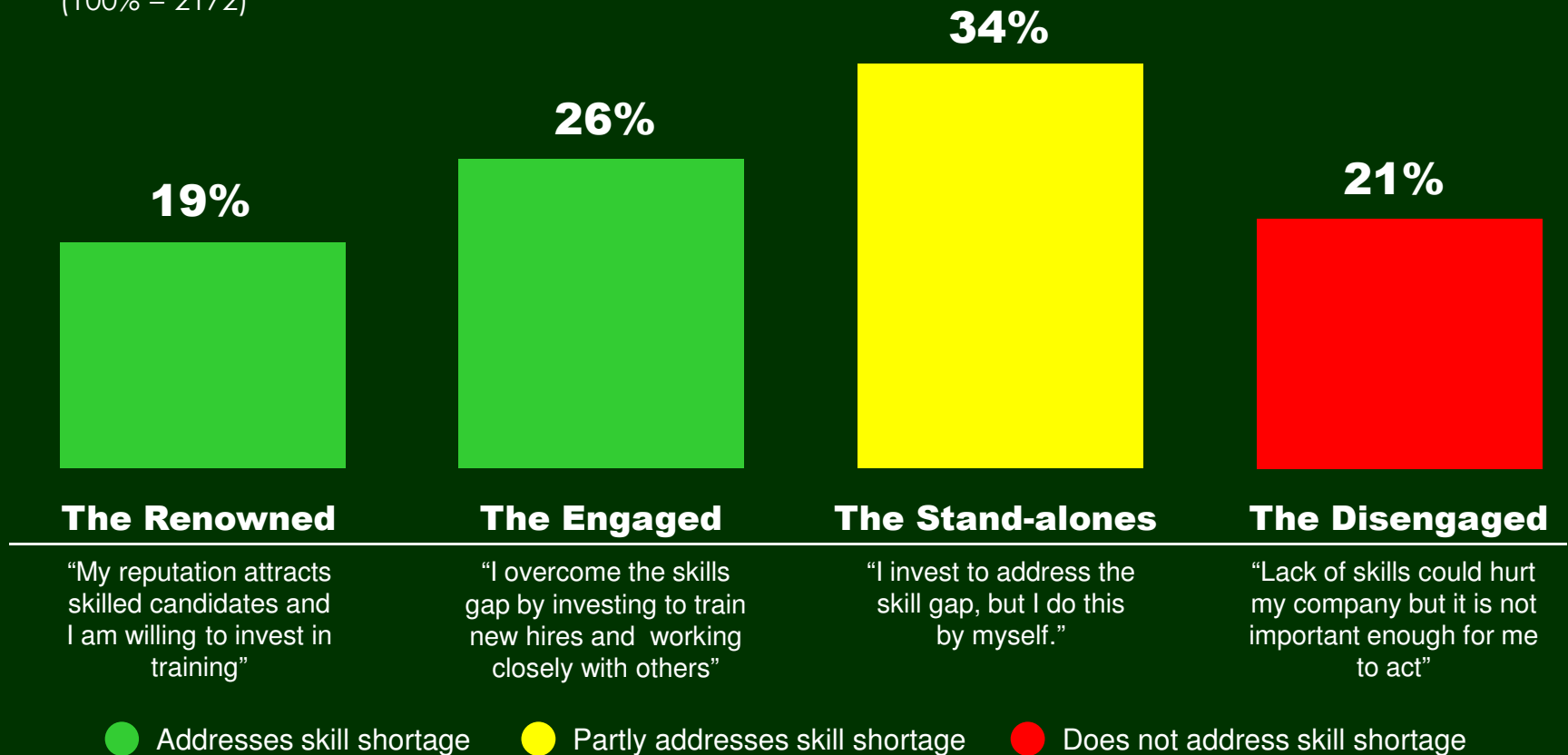




Under half of employers are satisfied by skill levels in their workforce

Employer respondents per segment

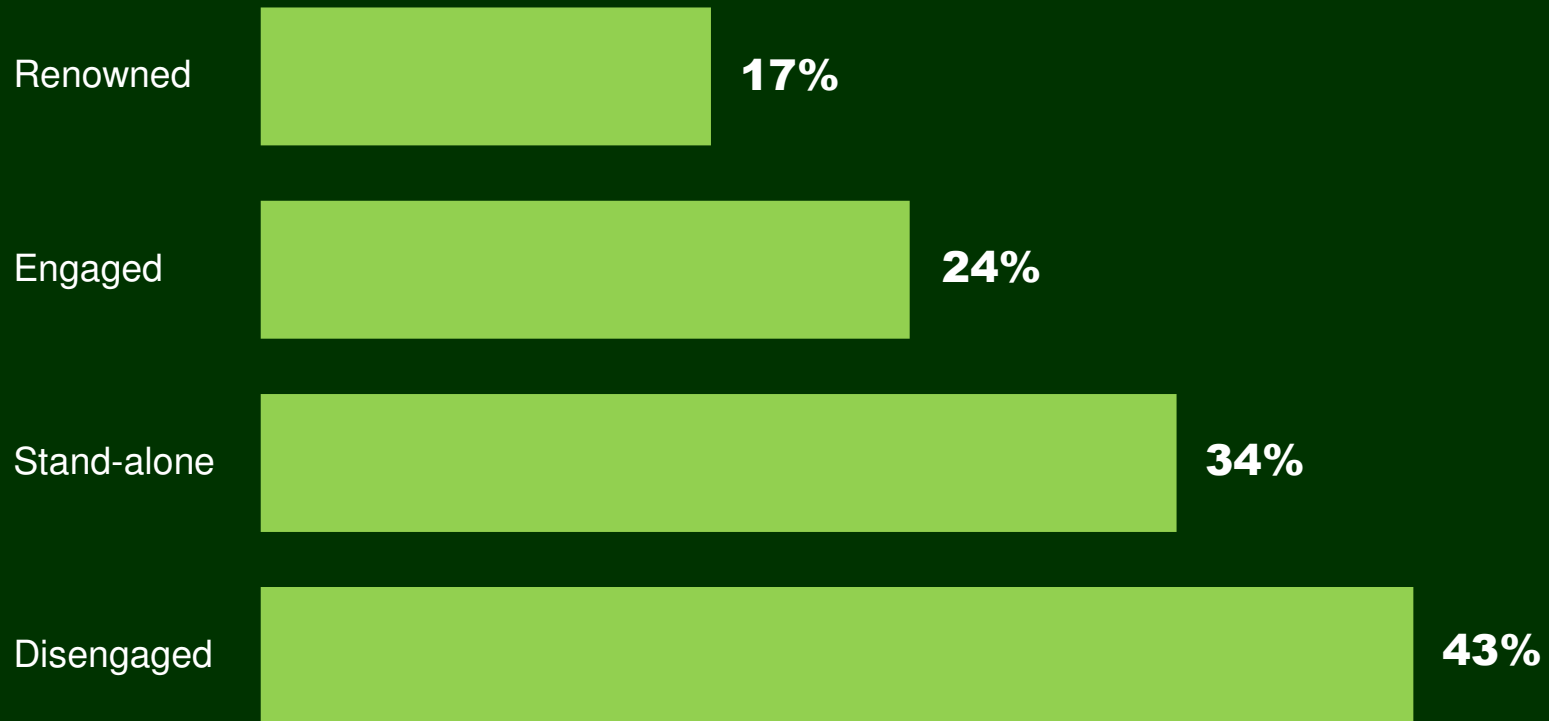
(100% = 2172)





The smallest businesses find addressing skills shortages the most difficult

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



4 Solutions to clear the Education to Employment pathway

How do I
find a job?





Mechanisms 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



Additionally, the EU can support 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 and national skill building efforts, in particular SMEs (e.g. group training associations)



Align Public Employment Services

to disseminate relevant practice by identifying most powerful measures and their success drivers

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We Can



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