

**FROM** school **TO** work:

**Trends and  
Challenges**

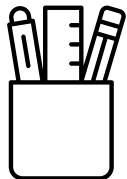
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Youth have high aspirations but the reality does not meet these expectations.

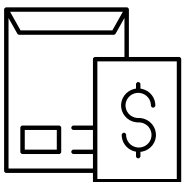
### Aspirations



**3 in 4** millennials believe they will get the kind of job they want

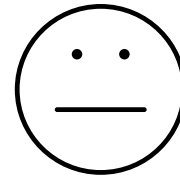


**4 in 5** students aspire to be in a high-skilled profession

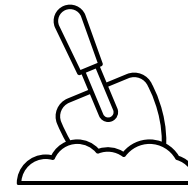


**1 in 3** 18-24 year-olds who are not entrepreneurs say they would like to start a business in the next 3 years

### Reality



**1 in 2** youth are dissatisfied with their current jobs



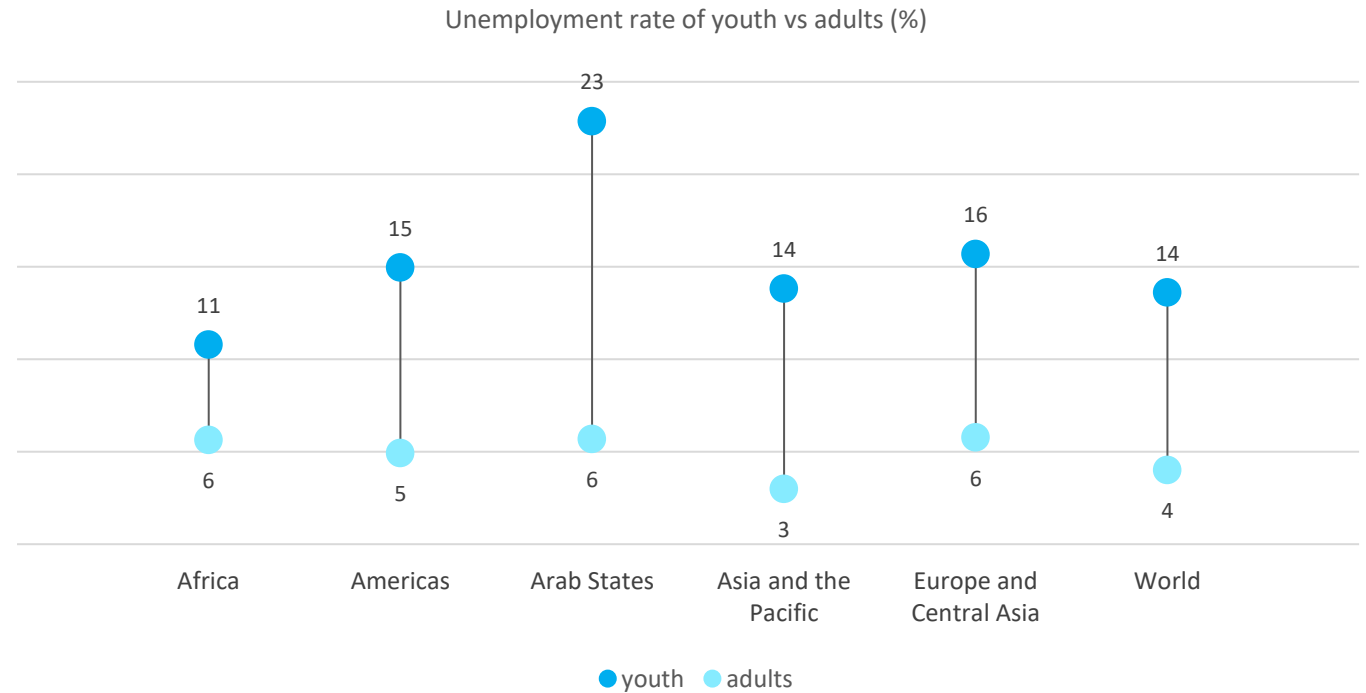
**1 in 5** youth are currently in a high-skilled profession



**1 in 6** 25-29 year-olds are opportunity-driven early-stage entrepreneurs

## After leaving school, youth find themselves in limbo...

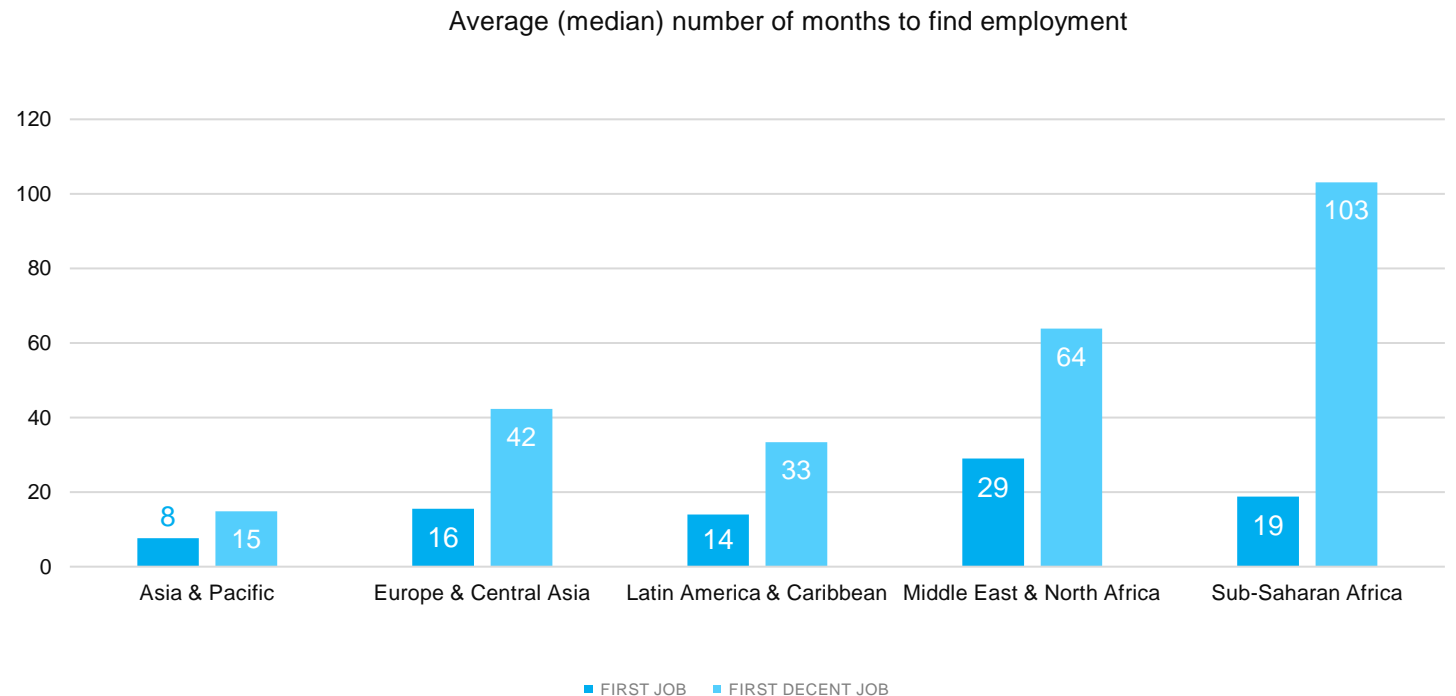
Youth are more than **three times** likely than adults to be unemployed.



## After leaving school, many youth in find themselves in limbo...

It will take an average (median) of **17 months** (mean of 27 months) for a young person in a developing country to find their first job and **53 months** to find their first decent job

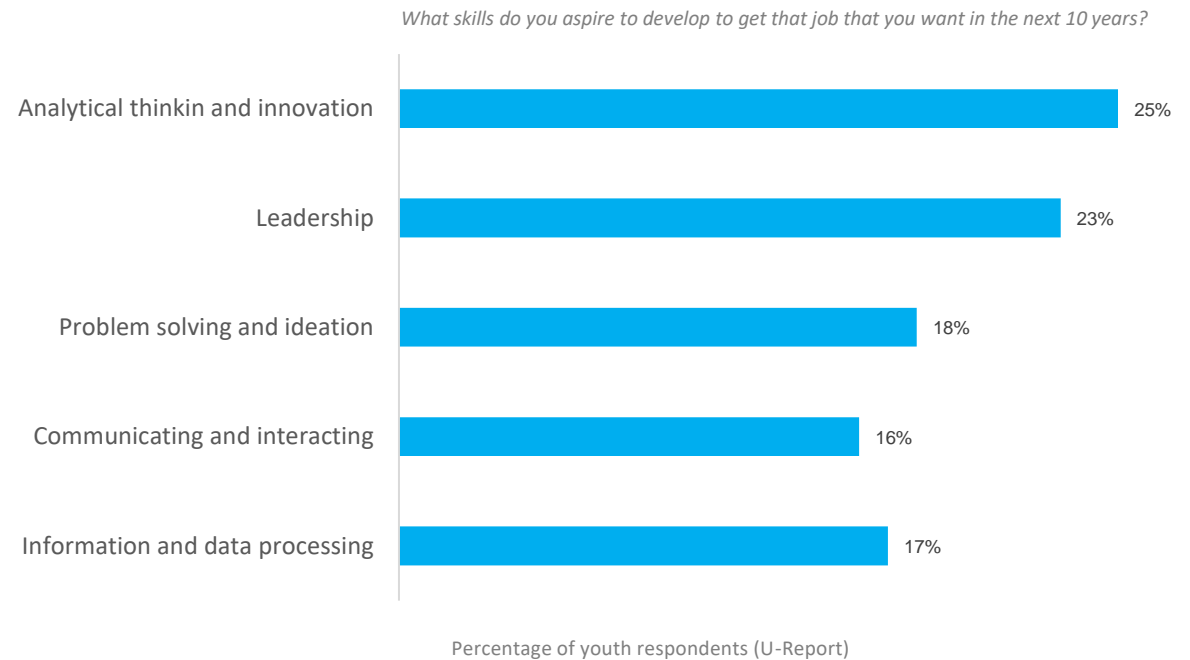
Mean transition time to the first job across EU countries is very close (**23 months**) but lower for transition to first decent job (**41 months**)



## A key driver is the skills mismatch

47% of employers say that the main reason they cannot fill vacancies is because applicants lack the range of skills they need

30% of youth feel that their education is not preparing them with the skills they need to get the jobs they want in the future

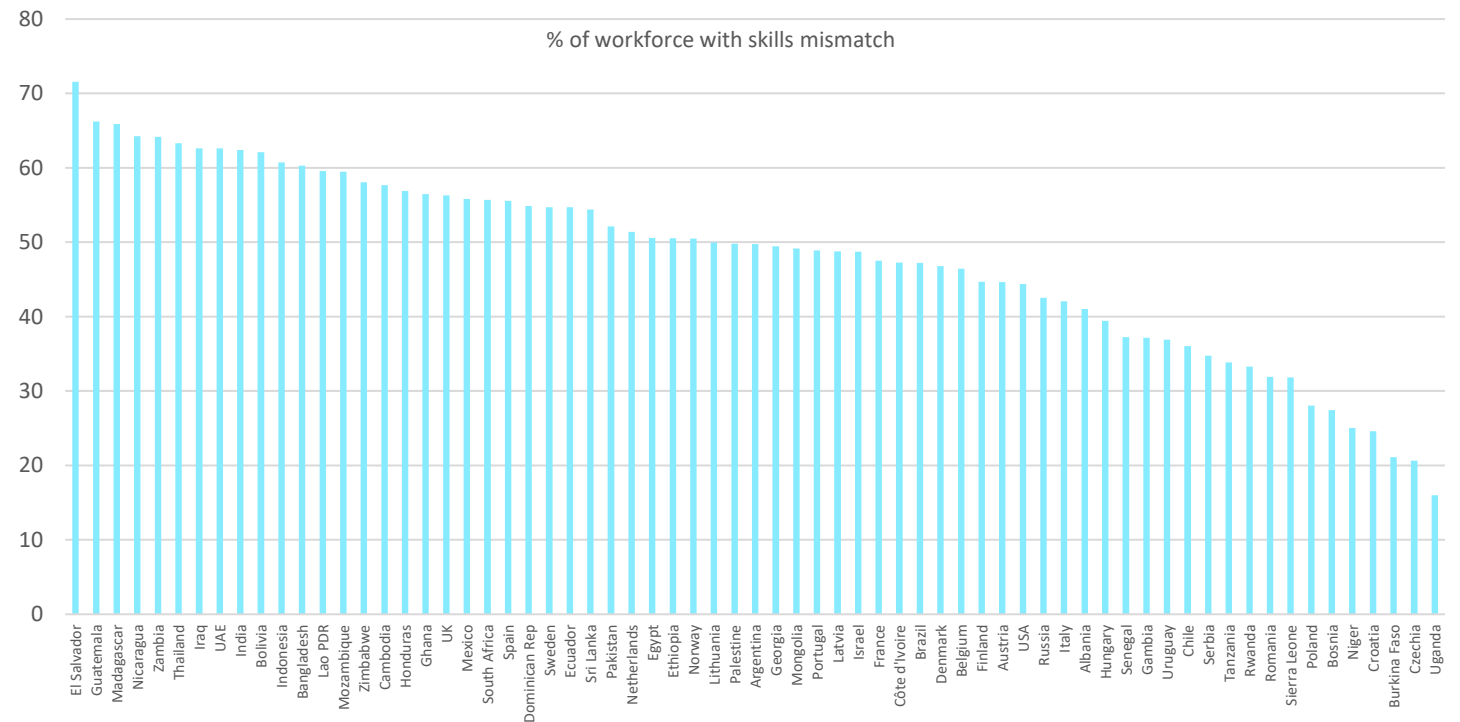


# A key driver is the skills mismatch

57 out of 108 countries have a skills mismatch rate of over 50 per cent in their workforce

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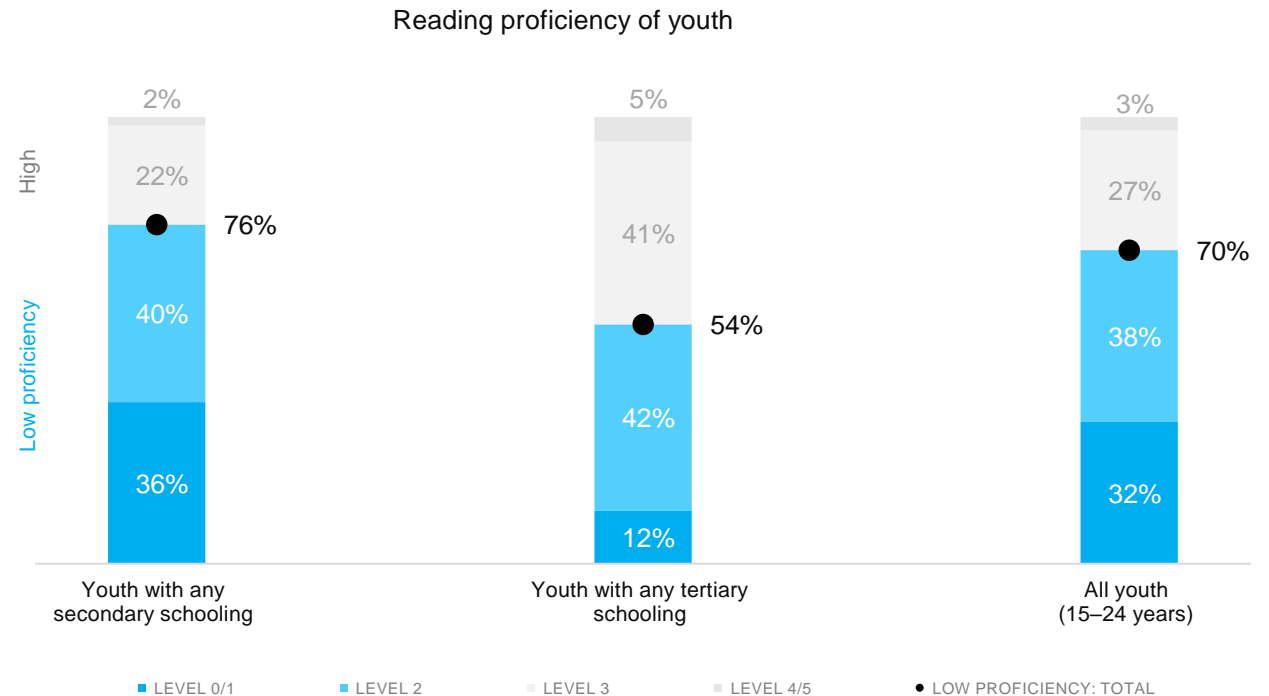


## Skills gap in young labor market entrants emerges early...

60% of 6-14 year-olds globally do not achieve minimum proficiency in reading and math

6% of countries identify 21<sup>st</sup> century skills within their education vision, policy, and curriculum, and specify skills progression

... leading to gaps in higher-order cognitive skills later on amongst 15-24 year-olds



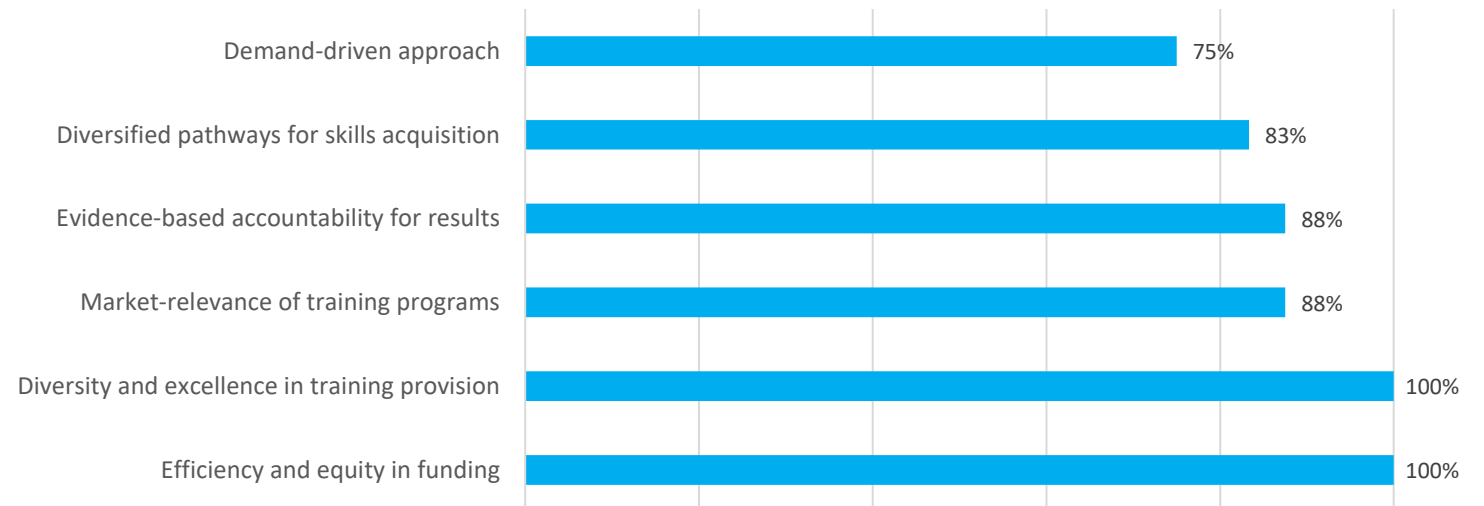
NOTE: BASED ON STEP SURVEYS IN 8 DEVELOPING COUNTRIES.

...and is compounded by chronic weaknesses in downstream skills development systems.

31% of youth feel the skill training programmes being offered do not match with their career interests

The vast majority of workforce development systems exhibit weaknesses in accountability, market relevance, quality, and funding.

Percent of skills-development systems assessed as "weak" in the developing world, across six dimensions



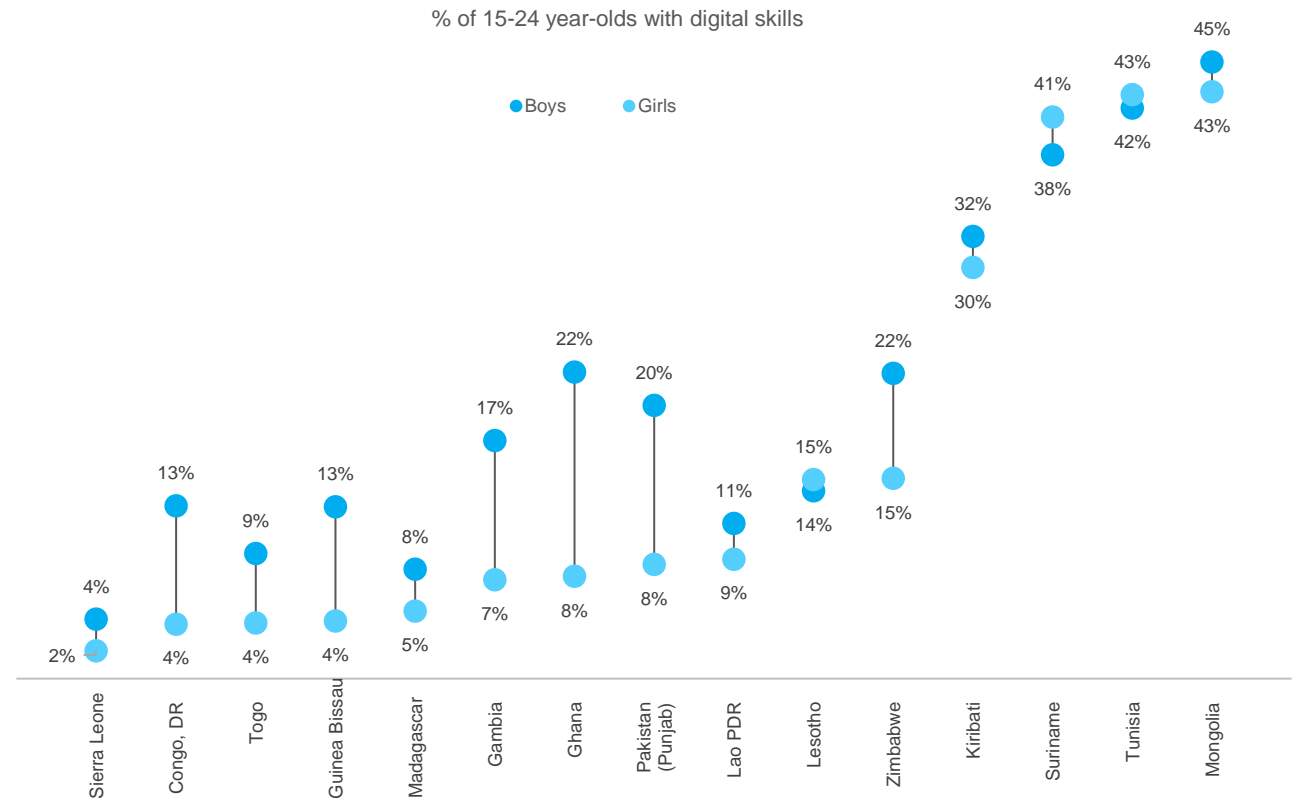
NOTE: WEAK IS DEFINED AS A SCORE OF "LATENT" OR "EMERGING" BASED ON THE SABER WORKFORCE DEVELOPMENT SYSTEMS DIAGNOSTICS FOR 24 LMICS.



...and is compounded by chronic weaknesses in downstream skills development systems.

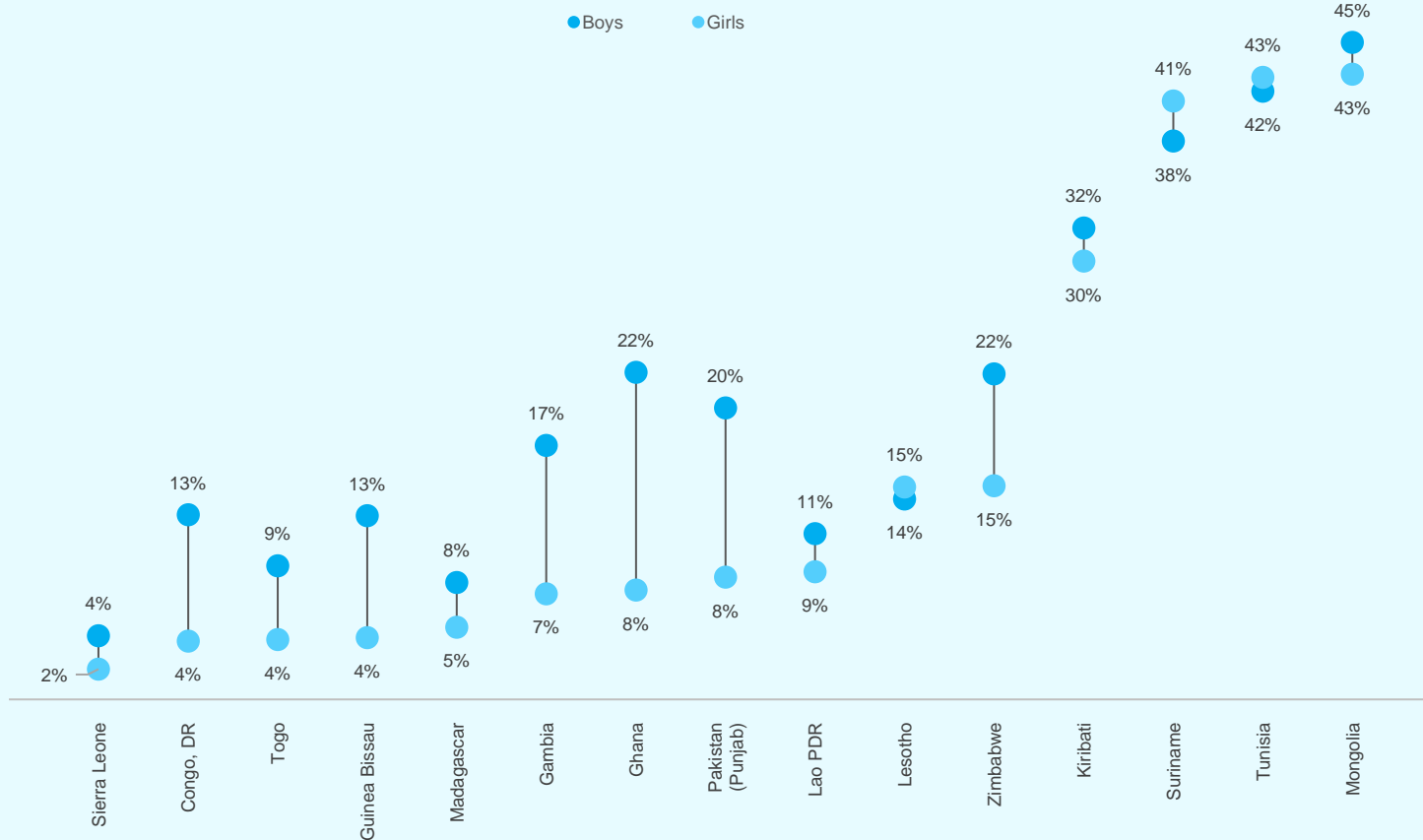
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# The digital divide in the developing world also contributes to a digital skills gap in youth

% of 15-24 year-olds with digital skills



82% of youth in EU countries have basic or above basic digital skills

The share is considerably smaller in developing countries due to the digital divide

...36% households in developing countries own a computer

...45% of the population in developing countries use the internet

There is a **gender** dimension to digital skills gap

However, skills are not enough if young people cannot access paid employment or start their own businesses...



2 in 3 surveyed employers in developing countries use informal social ties as a main recruitment method.



Over 1 in 3 youth say that the jobs they seek are not available in their communities

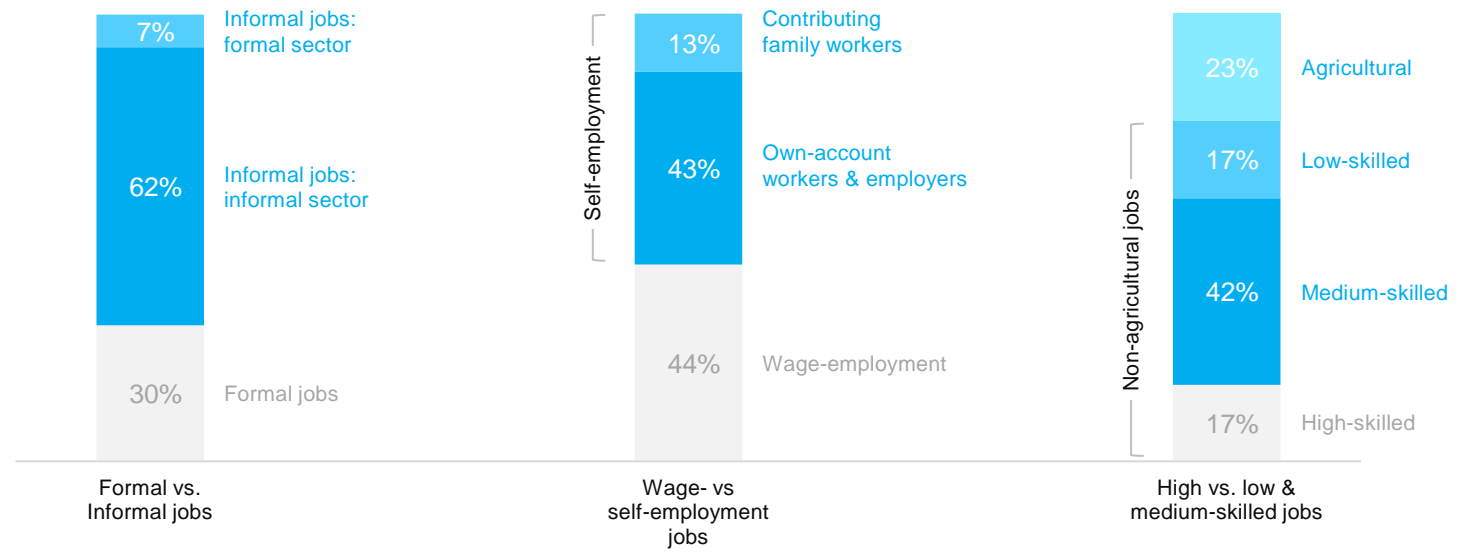


Only 1 in 4 youth are able to access formal or informal financial services.

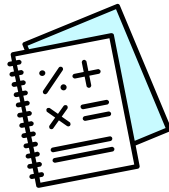
...or if good jobs simply do not exist.

The majority of jobs in the developing world are informal, in self-employment, and in low to medium-skilled occupations.

Jobs in the developing world



## Gender norms and discrimination exacerbate these problems.



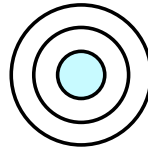
Girls are **2.5 times** less likely than boys to have majored in STEM at the secondary level.



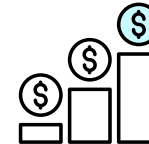
Young mothers are **half as likely** to work compared to young fathers due to unpaid household and childcare responsibilities.

# Two thirds of youth skills and employment programs fail due to program design.

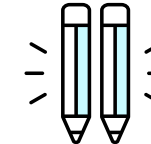
Successful programs provide a **holistic package** of support based on beneficiary needs and labour market demand, and in partnership with the private sector



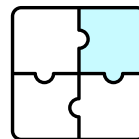
Profiling and strategic targeting of beneficiaries



Linking funding to results



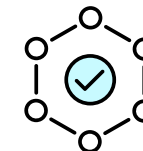
Engaging employers in program design and delivery



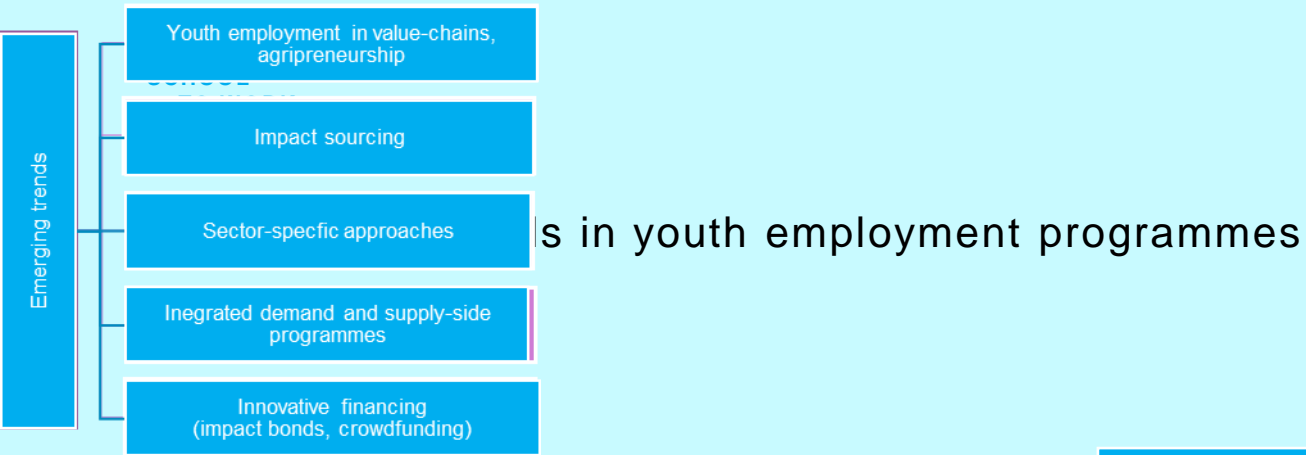
Aligning training with labor market demand



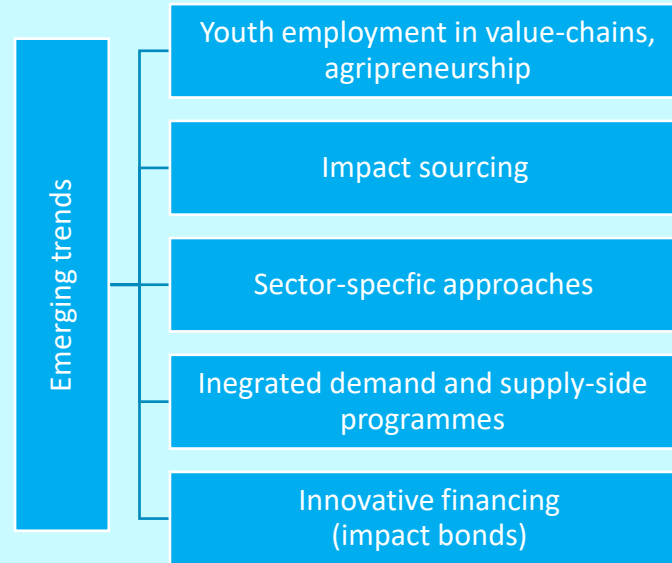
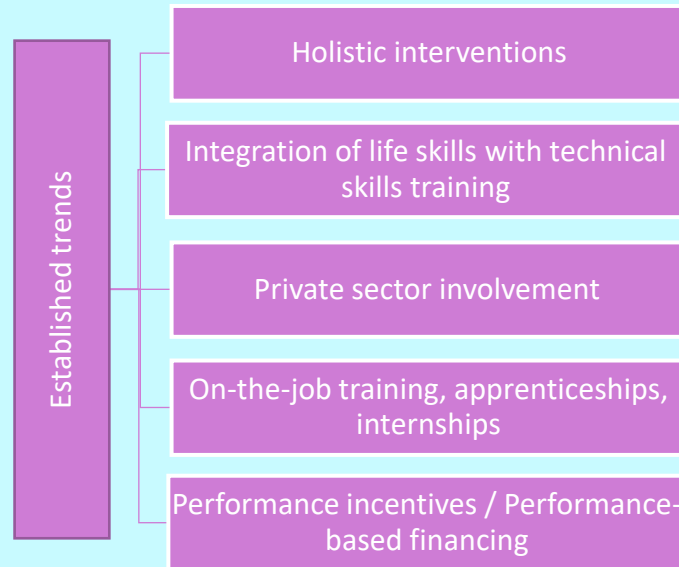
Having specialized and qualified personnel



Providing a diversified and integrated package of interventions



## s in youth employment programmes



The integration of youth employment and youth-led businesses into **value chains of local and multinational firms** is gaining ground

**Impact sourcing** - an inclusive employment practice through which companies intentionally employ high-potential, disadvantaged youth in available jobs

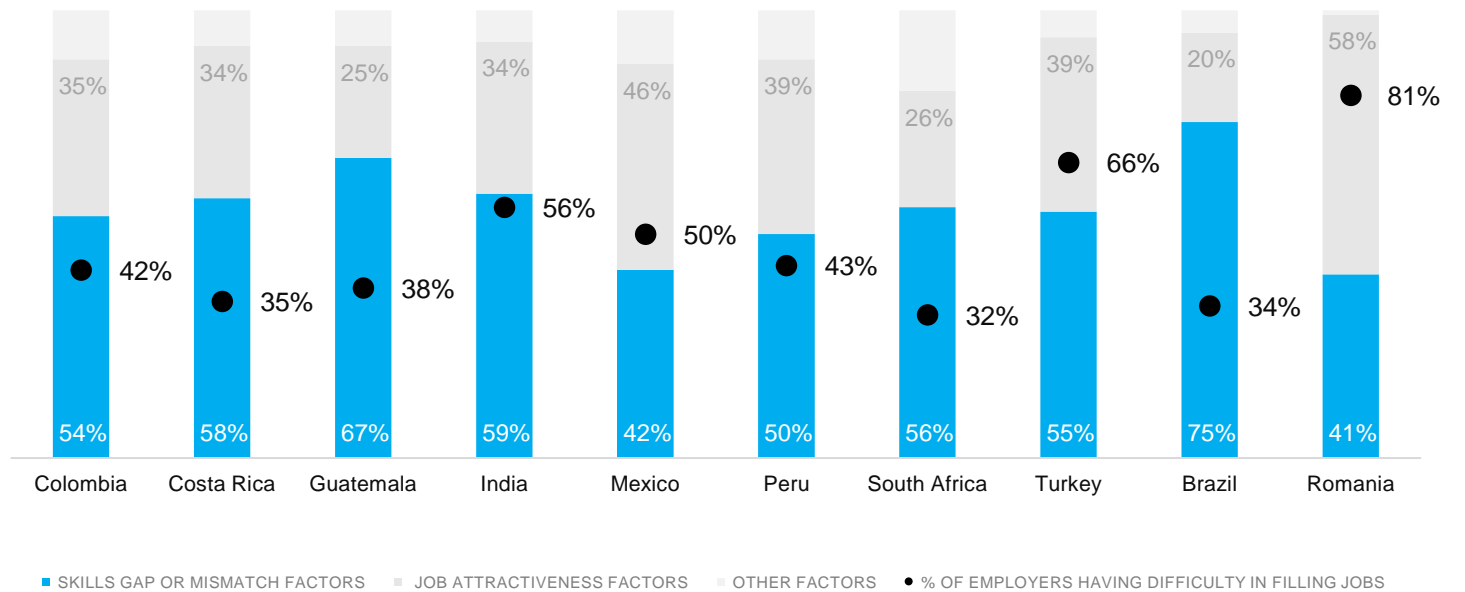
**Integrated approaches** that focus not only on connecting young people to jobs, but also on promoting the creation of new jobs and improving the quality of existing jobs

## Skills mismatches exert a toll on business costs, productivity and growth...

Difficulty in filling vacancies (mainly due to skills mismatch) leading to higher talent acquisition, retention and development costs

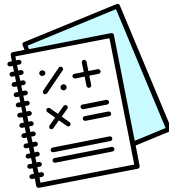
74% of CEOs around the world said they are concerned about finding the right skills to grow their business

Employers' reasons for difficulties in filling vacancies





...while investments in skills, particularly earlier in the life cycle, yield positive returns for both businesses and individuals



In India every \$1 invested at the start of education returns about \$53 in revenue at the start of employment for a typical Indian company, and \$132 in revenue to a typical multinational company with operations in India.



Every \$1 invested in quality preschool education can return up to 7–16 percent in terms of higher wages for individuals

## Role of business

- Initiate next-generation partnerships with education systems and curricula starting from early childhood to tertiary education to ensure education and skills training (including in TVET) is relevant and support transition from school to work.
- Invest in skills development opportunities for young people including through internships, apprenticeships and work-based learning.
- Invest in public-private partnerships which expand and modernize secondary education, including TVET.
- Represent the current and future needs of work in local education and skills training system groups to drive reforms that are required to produce a better skilled and qualified future workforce.

To learn more about this work and download the full scoping paper, [visit us online.](#)

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for every child