



## Press Release

### **A budget for working people, but not if you are a young working person**

Earlier this month, the Chancellor of the Exchequer published the first budget of the new Government, under the branding 'a budget for working people'. While the introduction of a national living wage provides a welcome boost to low paid working people of all ages, there is little to celebrate for young people.

Speaking at the beginning of the school and college summer holidays, the President of the Career Development Institute, Karen O'Donoghue, said, "Young people aged 16 to 24 have been hit particularly hard by the current recession, being three times more likely to be unemployed than adults. Helping young people to gain a foothold in the labour market should be a major priority as we all work together to repair the economy. It is in everyone's interests that we build young people's hopes for the future, yet the recent budget includes no specific incentives to support young people in work. In fact the budget has placed additional hurdles in their way: the living wage does not apply to those under 25; and young adults aged 18 to 21 are no longer able to claim housing benefit, making it more difficult for them to move to where the work is".

She also expressed concerns over the removal of the maintenance grants which have provided vital support to help young people from the lowest income families to improve their employment prospects by gaining a degree. The previous Government raised the age of participation in learning to age 18, and encouraged young people to continue into higher education. However, the grants have been taken away and replaced by further loans, which will only add to the burden of debt.

Since the withdrawal of funding for universal career guidance services and Connexions, young people have been poorly served by governments that should be investing in their future productivity. The negative impact of these changes is brought into sharper focus in a recent report written by Professor Tristram Hooley and Vanessa Dodd, titled "The Economic Benefits of Career Guidance". The research argues the case that although career guidance is essentially concerned with the individual, it brings about huge economic and social benefits, which justify public investment.

The evidence base is difficult to refute: effective careers education, information, advice and guidance supports effective functioning of the labour market; the education system and social equity. The macro economic benefits are clear: deficit reduction; increasing productivity; living standards and economic growth. Isn't it time we invested in tomorrow's labour force?

## **ENDS**

### **Notes to editors:**

1. The purpose of The Career Development Institute is to improve and assure the quality and availability of career development opportunities for all through the promotion of public understanding of Career Development; the development and maintenance of standards of professional practice in Career Development, and the provision of advice on Career Development to policymakers, practitioners and other interested parties.
2. The Career Development Institute currently has 4,500 members drawn from schools, careers service companies and private practitioners.
3. The Career Development Institute maintains the UK Professional Register for Career Development Practitioners. Registration requires a recognised qualification at post graduate equivalent; a commitment to ongoing professional development; sign up to a Code of Ethics for Professional Practice.

4. The Institute works in partnership with government departments, schools, colleges, universities and employers to support the provision of excellent careers information advice and guidance for all those that need it.
  
5. The research paper, "The Economic Benefits of Career Guidance", written by Professor Tristram Hooley and Vanessa Dodd, for Careers England, can be read in full here: [The Economic Benefits of Career Guidance \(July 2015\)](#)
  
6. More information about the CDI can be found at [www.thecdi.net](http://www.thecdi.net)

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