



Towards a Better Understanding of NEET Youth in Ontario

Findings from the “Made in Ontario”
NEET Youth Research Initiative

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Acknowledgements

This project is the result of a wide-ranging collaboration with partners across Ontario who continually work to improve opportunities for the province's youth. Blueprint would like to thank the Ministry of Community and Social Services for making this research possible, as well as United Way Greater Toronto and Public Interest for partnering with us in this research. We would furthermore like to thank the following Government of Ontario Ministries for providing the methodological guidance and data that enabled us to estimate the fiscal and social costs of NEET youth, as well as offering expert advice on various aspects of this project: The Ministry of Community and Social Services; The Ministry of Training, Colleges and Universities; The Ministry of Education; The Ministry of Municipal Affairs and Housing; The Ministry of Health and Long-Term Care; The Department of Justice; and at the federal level, Employment and Social Development Canada. In particular, we would like to thank the following individuals for their kind assistance with this project: Lisa Price; Mike Brooks; Sean Twyford; Andre Lyn; Aklilu Tefera; Elizabeth Paterno; Lucia Paderno; Karen Murray; Kathryn Watson; Anil Thomas; Paul Duffy; Kamil Malikov; Paul Lee; Susan McDonald; and Patrick Hunter.

We would also like to thank the following organizations for participating in focus groups and/or assisting us with fielding surveys: 360°kids; ACCES Employment; Algoma Family Services; Algoma Public Health; Algoma Workforce Investment Corp; Aptus Treatment Centres; Big Brothers Big Sisters of London and Area; Boys and Girls Club of Ottawa; Can-Am Indian Friendship Centre; Canadian Hearing Society; Career Edge; Catholic Family Development Centre; CEE Centre for Young Black Professionals; Children's Centre Thunder Bay; Christian Horizons; City of London; City of Windsor Social Services; CSE Consulting; Employment and Education Centre; Employment Solutions; Evergreen United Neighbourhood; Frontier College; Good Shepherd Notre Dame House; Hamilton Regional Indian Centre; Hamilton Wentworth School Board; JobStart; John Howard Society of Sault Ste. Marie; JVS Toronto; Kairos CRC; KEYS Job Centre; Leads Employment Services; Living Rock Ministries; London Intercommunity Health Centre; Maltby Centre; March of Dimes Canada; Multicultural Council Windsor and Essex County; New Beginnings; Northwest Employment Works; Nurse-Family Partnership Program, Public Health Services, City of Hamilton; One Roof, Kingston Youth Hub; Ontario Works District of Sault Ste. Marie Social Service Administration Board; Operation Come Home; Peterborough Youth Services; PRIDE Project; Rainbow District School Board; Regional Business Centre; Regroupement des Parents Francophones (REPFO); Roots to Harvest; Sault College Employment Solutions; Sault Ste. Marie YMCA; Social Planning and Research Council of Hamilton; South Essex Community Council; St Stephens Community House; Sudbury Action Centre for Youth; The House Youth Centre; The LOFT Downtown Youth Space, City of Peterborough; The Neighbourhood Organization (TNO); Unemployed Help Centre Windsor Inc.; United Way Sault Ste. Marie & Algoma District; United Way/Centraide Windsor-Essex County; Wesley Urban ministries; West Neighbourhood House; Windsor-Essex Children's Aid Society; Windsor-Essex Catholic District School Board; YMCA-YWCA; Youth Opportunities Unlimited (YOU); and Youth Wellness Centre.

Most of all, we would like to thank the nearly 1,400 youth who completed our survey. Their honesty, openness, and willingness to share their stories was invaluable to this research.



Executive Summary

While most youth in Ontario are experiencing success in school and work, there remains a significant proportion of Ontario's youth population that is not in employment, education or training (NEET). There is little research on the needs, perspectives, and challenges faced by these NEET youth, or on the costs associated with the disconnection of youth from school and work.

This research initiative was launched to generate new knowledge about NEET youth in Ontario and ensure that future policies and programs are informed by a better understanding of their needs and experiences. Our findings demonstrate that while many NEET youth face a number of complex challenges, there is also huge social and economic potential that could be unlocked by better addressing and preventing these challenges. Government, the private sector, and the youth-serving sector have an important opportunity to work together to invest in policies and programs that meet the needs of NEET youth. In turn, better

servicing this vulnerable population could generate significant social and economic benefits for all Ontarians.

This research addressed five key research questions:

1. Who are Ontario's NEET youth?
2. What is the cost of NEET youth in Ontario?
3. What are the needs and experiences of NEET youth?
4. What factors contribute to being NEET?
5. What are the implications moving forward?

Chapter 1: Who are Ontario's NEET youth

To better understand the NEET youth population in Ontario, we analyzed Statistics Canada survey data on the labour force status and characteristics of individuals over 15 years of age across Ontario. We used this data to estimate the number, characteristics, and labour market status of NEET youth, including regional differences.

Results

We estimate that there are **315,556 NEET youth** (16–29 years of age) in Ontario at any given time, representing **12.1% of Ontario's youth population** of 2.6 million. The NEET rate in Ontario has been well aligned with NEET rate in the rest of Canada since 2010; both the NEET rate in Ontario and Canada have been largely unchanged over that time period.

Our analysis highlights some key differences between NEET youth and other youth in Ontario:

- **NEET youth tend to be older** – When compared to all youth in Ontario, NEET youth are less likely to be between 16–19 years of age (10.6% vs. 25.8%), and more likely to be 20–24 (40.3% vs. 37.3%) or 25–29 (49.1% vs. 36.9%).
- **NEET youth tend to have lower educational attainment** – NEET youth are more likely than non-NEET youth not to have a high school diploma (19.7% vs. 14.2%). While NEET youth are generally less educated than non-NEET youth, it is worth noting there is also a significant proportion of NEET youth who have postsecondary education. Almost half (48.2%) of NEET youth have some form of postsecondary education.
- **NEET youth are more likely to be Indigenous** – NEET youth are more likely to identify as Indigenous than non-NEET youth (4.2% vs. 3.1%).

- **NEET youth are more likely to have children** – NEET youth are more likely than other youth to have children (18% vs. 7%).

To better understand the different pathways that lead to youth becoming NEET, we explored the previous labour market experiences of NEET youth. We found that 76% of NEET youth were NEET for at least 6 months out of the past year, and 49% were NEET for all of the past 12 months.

Many NEET youth (27%) have no work experience, and 32% have worked, but not in the last year. Of the 41% of NEET youth that do have recent job experience, many (45%) were previously in precarious employment situations including 30% who left their job because their temporary or seasonal job ended. Many others left their job in order to seek a better job (16%), to go back to school (14%), or to address personal circumstances in their life (13%).

Our regional analysis highlighted important differences in NEET youth rates across the province. The percentage of youth that are NEET ranges from 9.6% in Ottawa to 19.9% in Chatham-Kent. Overall, a higher percentage of youth in smaller communities are NEET.

There is also regional variation in gender, educational attainment, and caregiving status of NEET youth. The percentage of NEET youth who are female ranges from 55% in Toronto to 35% in Sault Ste. Marie. NEET youth in large metropolitan centres are more likely to have postsecondary education and less likely to have young children.

Chapter 2: What is the cost of NEET youth in Ontario?

Assessing the cost of NEET youth is critical for understanding the economic implications of NEET youth on the province. To estimate the cost of NEET youth, we analyzed both usage and cost data in seven domains: earnings, income taxes, social assistance, crime, health, education and shelter usage. We drew on data from a wide range of sources including Statistics Canada and government administrative data.

Results

Overall, we estimated that each NEET youth accrues approximately **\$6,069** in additional fiscal costs (costs for which taxpayers are directly responsible) per year compared to non-NEET youth between the ages of 16 and 29 inclusive. For the entire cohort of 315,556 NEET youth in Ontario, this equals a total yearly cost of **\$1.92 billion** over this timeframe. However, this estimate should be treated with caution given that it is derived from a number of different models with different levels of precision. Regardless, it represents a very large expenditure by government in reactive services and supports for NEET youth.

The higher downstream costs associated with NEET youth vary across domains:

- **Health care** – NEET youth use some publicly-funded healthcare services considerably more than non-NEET youth. We estimate that these differences result in an added annual health care cost of \$778.8 million per year.
- **Income tax** – NEET status lowers tax revenue because NEET youth have lower earnings than non-NEET youth. This results in an added annual cost of about \$685.6 million per year.
- **Social assistance** – NEET youth are considerably more likely to receive income assistance through Ontario Works or the Ontario Disability Support Program. The added cost of NEET youth on social assistance is

approximately \$725.0 million per year.

- **Crime** – NEET youth are more likely than non-NEET youth to be accused of a crime. We estimate that this results in an added annual cost of about \$526.4 million.
- **Homelessness** – We estimated that NEET youth use shelters at approximately six times the rate of non-NEET youth, resulting in an added annual cost of \$25.0 million per year.
- **Education** – While over the long-run lower educational attainment among NEET youth is likely to incur significant costs, in the short-run it creates cost savings to government. This results in a saving of \$829.7 million per year.

The costs associated with the foregone earnings of NEET youth are even higher than fiscal costs, at **\$20,925** per NEET youth, or **\$6.40 billion** annually. Together, these findings highlight the significant financial impact of NEET youth for the province of Ontario, as well as for NEET youth themselves.

NEET youth are also likely to follow different lifetime trajectories than non-NEET youth which generates additional fiscal and social costs. It is difficult to accurately predict lifetime costs for reasons outlined in Section 2 including a lack of quality longitudinal data on NEET youth, inferences of causality and assumptions in changes in outcomes over time. Taking these limitations into consideration, we drew on the methodology used by Belfield et al. 2012 and estimated that after the age of 29, an average NEET youth would accrue an additional total fiscal cost of **\$212,640** and an additional total social cost of **\$211,112**.

Combining costs accrued during youth and adulthood, the total lifetime fiscal cost of a NEET youth to Ontario's taxpayers is **\$222,713**. The total social cost is even higher at **\$248,159**.

Chapter 3: What are the needs and experiences of NEET youth?

Existing data sources provide little information about the needs and perspectives of NEET youth. To develop a more comprehensive understanding of NEET youth, we designed and fielded a Youth Survey that was completed by 909 NEET youth across the province. The survey explored the life circumstances, attitudes, goals, challenges and support needs of NEET youth.

Results

Our survey results found that many NEET youth want to better their lives and connect to meaningful employment. Ninety-six percent of surveyed NEET youth have aspirations of returning to work or school. Over three-quarters of surveyed NEET youth said that building a successful career (76%), gaining financial independence (85%) and learning new things (85%), were important or very important to them as long-term goals.

While many NEET youth want to work, a significant proportion face considerable challenges in their lives that make it harder for them to achieve their goals. Although half of the youth we surveyed reported that they want a job right now (51%), another 26% of youth reported that they want to work as soon as possible but need to take care of personal issues first. An additional 10% reported that they want to return to school before they find a job.

When asked about the areas in which they need help, a majority of our sample said they need help with employment (75%), transportation (70%), managing money (59%), mental health (54%) and housing (54%). Many NEET youth have multiple complex needs; 76% of our sample indicated at least two areas of their lives where they felt they needed support, and, on average, youth selected between three and four areas in which they needed help.

Chapter 4: What factors contribute to being NEET?

There are a wide range of possible reasons why youth become NEET, including gaps in skills and experience, personal challenges, and contextual factors like the labour market, socio-economic structures and public policy. To assess the relevance of these factors in the Ontario context, we explored the perspectives of youth and staff from youth-serving agencies on the factors that contribute to being NEET.

To gain insight into youth perspectives, we drew on the findings of our Youth Survey. For agency perspectives, we conducted 8 focus groups across Ontario in the communities of Sault Ste Marie, Hamilton, Brantford, London, Peterborough, Sudbury, Toronto, Thunder Bay and Windsor, engaging 59 staff from 52 youth-serving agencies.

Participating agencies represented a diverse range of youth-serving organizations who either serve NEET youth, or work with youth that demonstrated risk factors associated with being NEET. Participants included representatives from agencies including Children's Aid Services, Ontario Works, community agencies, youth homeless shelters, employment agencies, as well as school board youth workers. We asked both youth and agency staff to identify barriers to employment or education and to assess the strengths and weaknesses of the existing youth services ecosystem.

Results

Youth and agency staff identified many factors that contribute to youth being NEET:

- **Skills and experience** – 78% of our survey respondents reported that they face at least one barrier related to their skills and experience that makes it harder for them to work. Agency staff corroborated this finding, noting that youth with gaps in essential skills, job search/networking skills, on-the-job experience and career awareness face particular challenges.
- **Life circumstances** – 57% of NEET youth in our sample reported that they face at least one barrier related to their life circumstances, including health/disability, living arrangements, transportation, or child care. Agency staff stressed the toll that these circumstances can take on youth who are trying to achieve their goals and highlighted mental health and learning disabilities as particular areas of need.
- **Labour market context** – Almost half of youth respondents (47%) said that there are not enough jobs available where they live, and 38% reported that the jobs available in their area are not suited to them. Agency staff noted that many job opportunities available to NEET youth are precarious, low paying, and offer few opportunities for training or professional development.
- **Barriers to education** – Youth and agency staff highlighted barriers specific to participation in postsecondary education, including the cost of training programs and difficulties accessing financial assistance.
- **Intergenerational factors** – Agency staff indicated that a large proportion of the NEET youth they serve experience intergenerational poverty. For many of these NEET youth, they are lacking a person in their lives with networks and professional knowledge to assist them in career planning and job search activities. This is typically the role played by professional parents

for youth who are successful in getting higher paying and stable jobs

The findings from our survey and focus groups also highlight the multiple, intersecting challenges that youth face and the factors that contribute to NEET status. This clearly affirms the need for a holistic understanding of the needs of NEET youth.

Youth and agency staff also offered many insights into the role that the youth services ecosystem plays in contributing to NEET status. Many youth are aware of some of the local services that are available to help them address their needs and challenges. However, the youth who responded to our survey reported relatively low levels of awareness of specific services, such as training (66%) and addictions services (65%). Many youth reported that some services are not available in their community; only 54% and 55%, respectively, said that homeless shelters and training services are available locally.

There are also gaps in service usage among NEET youth. Only half of our respondents had ever used employment services and one-quarter had used training services. In some cases, youth who had used services reported that they did not receive the help they need. For example, 31% of those who have used employment services and 35% of those who have used addictions services said they did not receive the help they needed.

Agency staff identified a number of challenges related to the youth service ecosystem that echo and reinforce the perspectives of youth. They highlighted the lack of coordination between different youth-serving systems which leads to many youth not receiving the services they need as they fall through the cracks in the system. They also identified gaps in the availability of housing supports and mental health and counselling services, as well as a need for more early intervention services. Taken together, these findings suggest that there are important areas of unmet need for NEET youth.

Chapter 5: What are the implications moving forward?

This research project highlighted a number of important findings about NEET youth:

- **There are multiple pathways to becoming NEET** – While some youth are temporarily NEET as they transition from school to work, there are other more complex paths that lead to youth becoming NEET. Most youth that become NEET stay NEET for relatively long periods of time.
- **Most NEET youth want to be in employment, education and/or training** – Many NEET youth face barriers to participating in education and employment, but most still have plans to pursue school and work. NEET youth aspire to learn new things, build successful careers, and gain financial independence in the future.
- **NEET youth have things they need to take care of before they are ready to move forward** – To make progress towards achieving their education and employment goals, many NEET youth need help to address challenges in their lives, such as mental and physical health issues, caregiving responsibilities, lack of transportation, and skills gaps.
- **NEET youth are using services, but there are many areas of unmet need** – Some NEET youth are aware of some of the services that can help them and are willing to use these services. However, in many cases, NEET youth are not aware of the services that could benefit them, or these services are not available. In addition, youth who use services report that they do not always receive the help they need.
- **There is a need for better coordination between youth-serving systems** – Many NEET youth are falling through the cracks because they are unable to navigate complex service delivery systems. Limited information-sharing and coordination across different

service systems, including education and other community services, makes it difficult to prevent at-risk youth from becoming NEET and can make it difficult for youth who are already NEET to get the help they need when they need it.

- **The cost of doing nothing is high** – The Ontario government devotes significant financial resources to downstream services that are used more frequently by NEET youth (e.g. social assistance, criminal justice and healthcare). Building on successful partnerships with the private sector, improving service coordination among government funded agencies, and assessing the effectiveness of prevention-focused investments and initiatives to determine which are having the most impact on NEET youth would be a more effective approach for improving outcomes for this population.

These findings highlight some key considerations for decision-makers:

- **Focusing on prevention** – Investment in early intervention services that address the challenges youth face could direct youth away from becoming NEET and toward future success.
- **Promoting service coordination and integration** – Enhanced collaboration and cooperation between different youth-serving systems is needed to create seamless, youth-centered approaches to service delivery.
- **Implementing holistic, individualized responses** – It is critical that youth and service responses adopt a holistic lens that focuses on addressing the complex range of challenges experienced by individual youth.
- **Using a strengths-based approach** – Services and supports to help NEET youth should recognize and reinforce the strengths of

partnerships with the private sector in which businesses are incentivized to recruit youth and provide on-the-job training as part of the solution.

- **Strengthening mental health supports** – Mental health supports that are sensitive to the specific needs of youth and integrated with other service approaches are needed to effectively serve NEET youth.
- **Collecting better data** – More data on the characteristics (including disaggregated socio-demographic data) and experiences of NEET youth, including longitudinal data that tracks youth over time, will make it easier to identify risk factors and develop evidence-informed policy and programming that more effectively and efficiently serves NEET youth.



Introduction

Report Purpose

This report presents findings from the “Made in Ontario” NEET Youth Research Initiative. The research initiative was funded by the Ministry of Children, Community and Social Services (MCCSS) to facilitate an improved understanding of NEET Youth in Ontario.

As Ontario’s population becomes older, the future economic growth of the province will increasingly depend on Ontario’s youth. According to the 2016 Census, the proportion of Ontario’s population that is working-age (16 to 65 years of age) continues to decline, while the percentage of the population that are seniors has reached a historic high. While most youth in Ontario are experiencing success in school and work, there remains a significant proportion of Ontario’s youth population that are not in employment, education or training (NEET) and may not be realizing their economic potential. The percentage of Ontario’s youth that are NEET has remained largely unchanged for over a decade.

The Ontario government and the entire youth serving-sector is committed to ensuring Ontario’s youth have the opportunities they need to achieve their goals. However, there is currently little research on NEET youth in Ontario. Little is known about the costs associated with NEET youth. There is also little research on the local challenges faced by NEET youth across the province.

Recognizing this gap, the MCCSS engaged Blueprint ADE to conduct research to build on their understanding of NEET Youth in Ontario. Our research demonstrates while many NEET youth are motivated and ready to work, some of them need additional opportunities and supports to pursue their goals. Investing in policies and programs focused on helping these NEET youth meet their goals could help them unlock their untapped social and economic potential, reduce the fiscal burden of downstream costs associated with the consequences of being NEET, and ultimately contribute to building a more skilled, sustainable, and productive workforce.

Research questions

Our research aimed to address 5 broad questions.

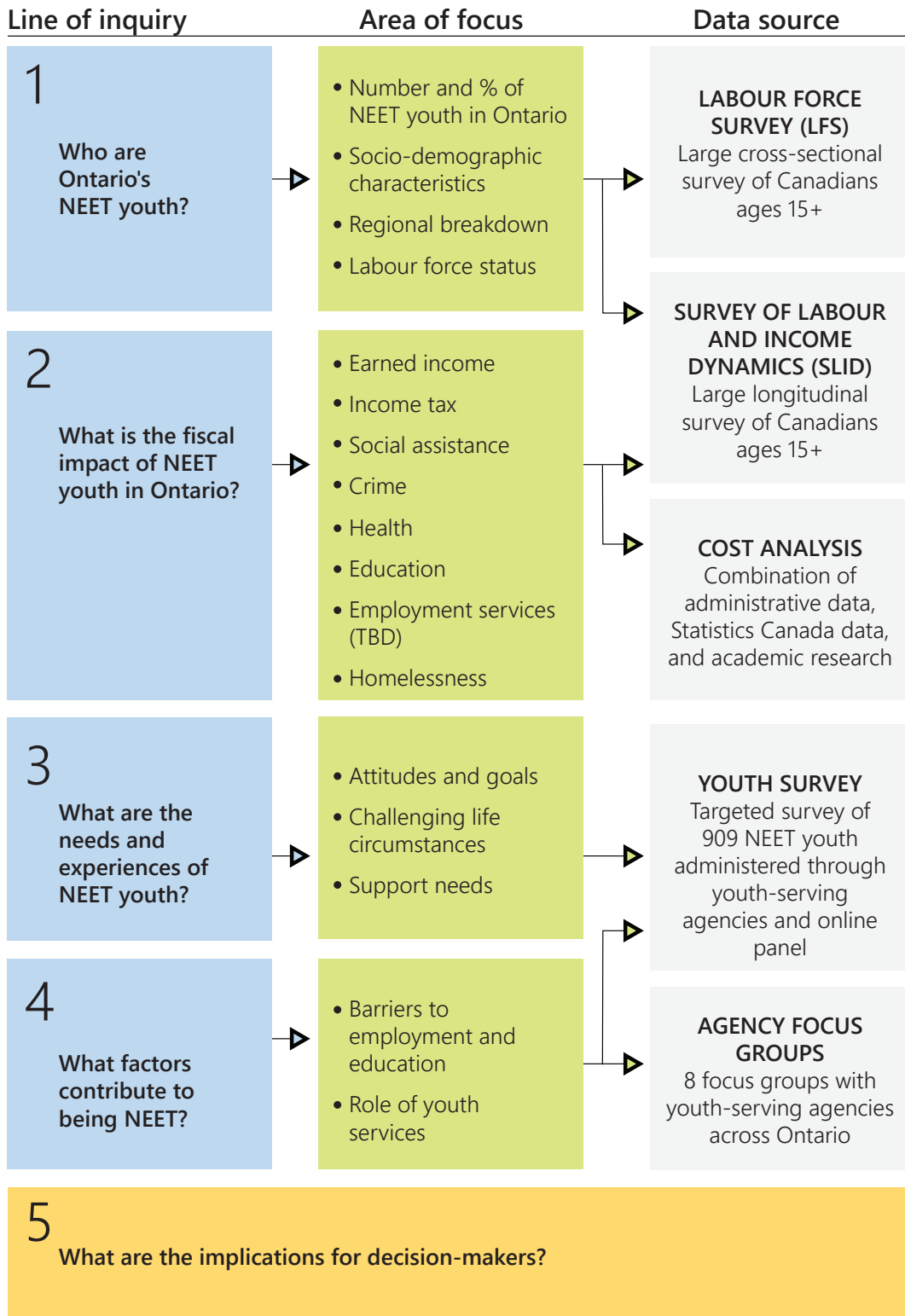
- 1. Who are Ontario's NEET youth?** How many NEET youth are in Ontario and what are their characteristics? How does this vary across geographic areas in Ontario? How do NEET youth in Ontario compare to NEET youth in the rest of Canada?
- 2. What is the cost of NEET youth in Ontario?** What are current and longer-term costs for Ontario?
- 3. What are the needs and experiences of NEET youth?** What are the attitudes and goals of NEET youth related to school and work? What challenging life circumstances do they face and what do they need to overcome them?
- 4. What factors contribute to being NEET?** What factors make it difficult for youth to find and keep a job or participate in education? What role do youth services play for NEET youth in Ontario?
- 5. What are the implications moving forward?** What are the key findings from our research, and what implications do they have for Ontario decision-makers who want to improve policies and programs focused on addressing the needs of NEET youth?



Our approach

To address the research questions, we used a mixed-methods approach that involved analyzing both quantitative and qualitative data from primary and secondary data sources. Primary data was collected in the spring of 2018 through a Youth Survey targeting at-risk youth, and through eight focus groups with youth-serving agencies

across Ontario. Secondary data was compiled from a range of Statistics Canada surveys and Government of Ontario administrative data. Figure 1 presents an overview of our approach. We describe our approach to addressing each research question in more detail below.



Who are Ontario's NEET youth?

We used data from two Statistics Canada surveys to learn more about Ontario's NEET youth population: the Labour Force Survey (LFS) and the Survey of Labour and Income Dynamics (SLID).

We used the LFS to assess:

- The number of NEET youth in Ontario;
- Demographic and socio-economic characteristics of NEET youth in Ontario;
- Variation in NEET prevalence and characteristics across geographic regions in Ontario; and
- How the characteristics of Ontario NEET youth compare to NEET youth in the rest of Canada.

The LFS is the best source of information on the NEET youth population because it reaches a large, representative sample of individuals over the age of 15 and collects information about their participation in employment and education. This makes it possible to draw inferences about the NEET youth population in Ontario.

One limitation of the LFS is that it is cross-sectional (meaning it only provides information about NEET youth at a single point in time). To address this, we supplemented our analysis with data from the SLID. The SLID is a longitudinal survey. This makes it possible to examine the duration of NEET status. We chose not to use the SLID as our main source of data on Ontario's NEET youth because it uses a smaller sample size and is less recent than the LFS.

What is the cost of NEET youth in Ontario?

To understand the cost of NEET youth, we estimated costs related to:

- Earned income
- Income taxes
- Social assistance

- Employment services (TBD)
- Crime
- Health
- Education
- Homelessness

To estimate costs in each area, we compiled information on service use by NEET and non-NEET youth, and on the cost of providing services. Our information came from several sources including existing academic research, Statistics Canada data, and administrative data provided by the Government of Ontario. While there are some methodological limitations to our analysis, our findings make a significant contribution to our understanding of the range of costs associated with NEET youth. For further discussion of our approach to the cost analysis see Section 2.

What are the needs and experiences of NEET youth?

Existing data sources provide little information about the needs and perspectives of NEET youth in Ontario. To address this gap, we designed and fielded a Youth Survey to better understand the:

- Life circumstances of NEET youth
- Attitudes and goals regarding work and education
- Challenges and support needs.

The Youth Survey included 56 questions and was completed by 909 youth from across Ontario. Among these youth, 421 completed the survey at youth-serving agencies in 10 regions: Algoma/Sault Ste. Marie, Toronto, Windsor, Hamilton/Brantford, Peterborough, Thunder Bay, Ottawa, Kingston, Sudbury and London. The remaining 488 youth completed the survey through an online panel.

What factors contribute to being NEET?

Data collected from the Youth Survey (described above) was also used to identify the perspectives of NEET youth on risk factors that contribute to NEET status, as well as their awareness, use, and satisfaction with services aimed at addressing their needs.

To supplement the findings from our Youth Survey, we also conducted focus groups with practitioners from youth-serving agencies who have hands-on knowledge about the needs and challenges faced by youth across Ontario. These focus groups collected practitioner perspectives on the factors that contribute to NEET status as well as perceived gaps and challenges in the existing landscape of youth services. Focus groups were held in spring 2018 and included 59 practitioners, representing 52 youth-serving agencies from Toronto, Peterborough, London, Sault Ste. Marie, Sudbury, Thunder Bay, Hamilton, and Windsor.

What are the implications moving forward?

We synthesized our findings from the above lines of inquiry to identify a set of key findings. Building on these findings, we identified key considerations for decision-makers including government, cross-sectors that serve youth, and the private sector to effectively support NEET youth to achieve their full economic and social potential.

1

Who are Ontario's NEET youth?

This section presents our findings on the number, characteristics and labour market status of NEET youth in Ontario, including differences across Ontario's regions, with the aim of answering seven key questions:

- How many NEET youth are in Ontario?
- What are the characteristics associated with being NEET?
- How long does NEET status usually last?
- Are NEET youth connected to the labour force?
- What do we know about the previous work experience of NEET youth?

- How does the prevalence of NEET youth vary by geographic region?
- How do characteristics of NEET youth vary by geographic region?

Findings are based on analyses of Labour Force Survey (LFS) data from 2015-2017, with the exception of findings related to NEET status duration among NEET youth, which are based on Survey of Labour and Income Dynamics (SLID) data from 2002-2010.

How many NEET youth are in Ontario?

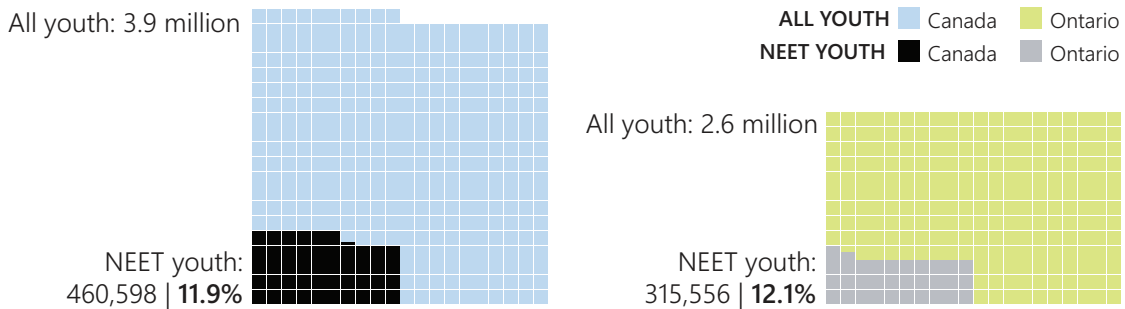
About one in eight Ontario youth are NEET. This proportion is similar to the proportion of NEET youth in the rest of Canada.

Figure 2.0 below shows the number and proportion of NEET youth in Ontario and the rest of Canada. As Figure 2.0 shows, in any given week, we estimate that 315,556 youth in Ontario are NEET. This is 12.1% (almost one in eight) of Ontario's youth population

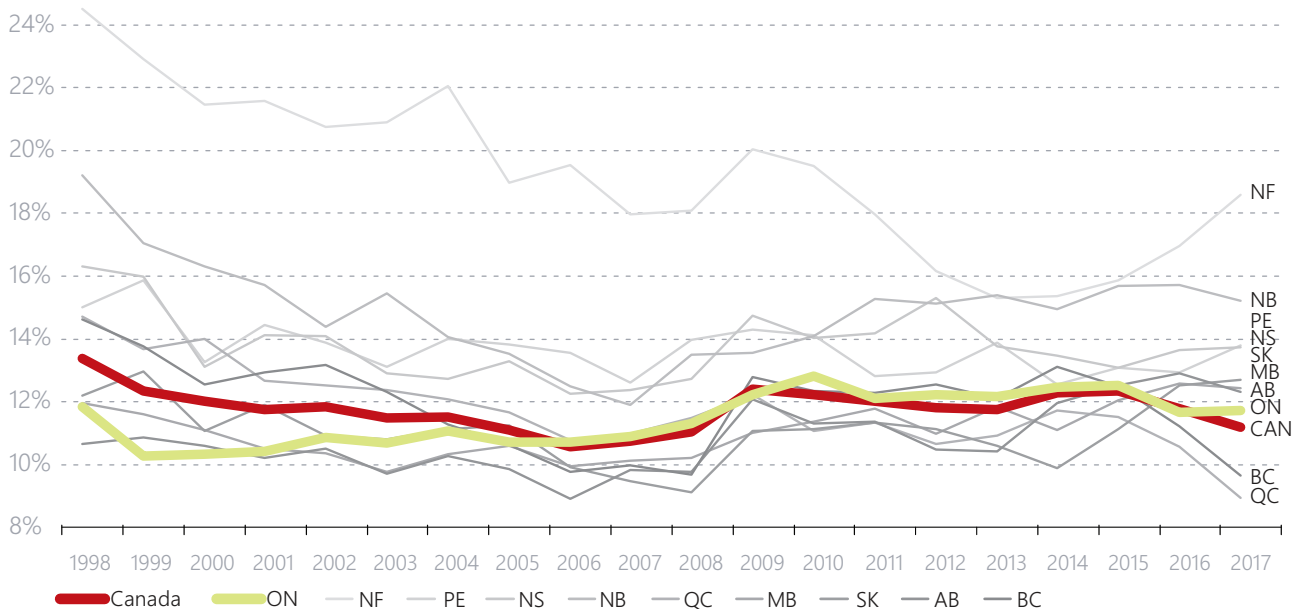
of 2.6 million. An analysis of youth in the rest of Canada suggests that there are 460,598 NEET youth outside of Ontario. This is 11.9% of the total youth population of the rest of Canada (3.9 million). The NEET rate in Ontario has been well aligned with the Canadian NEET rate average since 2010; both the NEET rate in Ontario and Canada have been largely unchanged over that time period. Ontario's NEET rate is currently the 3rd lowest provincial or territorial NEET rate, trailing only British Columbia and Quebec.

FIGURE 2.0 | Number and proportion of NEET youth in Ontario and rest of Canada

Number of NEET youth



Provincial and National NEET Rates, 1998 - 2017



Source: Labour Force Survey 1998-2017

What are the characteristics associated with being NEET?

NEET youth are older on average than youth in general and are more likely to have lower educational attainment and to have children. Immigrant and Indigenous youth are also slightly overrepresented among NEET youth.

Figure 3.0 presents the demographic characteristics of NEET youth in Ontario compared to all Ontario youth. It also indicates where the prevalence of a characteristic among Ontario NEET youth is higher, about the same, or lower than NEET youth in the rest of Canada (see Box 1.0 for more detail on how demographic characteristics of Ontario NEET youth compare to NEET youth in the rest of Canada).

NEET youth are on average older than youth in general

We compared the ages of Ontario NEET youth to the ages of all Ontario youth. Figure 3.0 shows that when compared to all youth in Ontario, NEET youth are less likely to be between the ages of 16-19 (10.6% vs. 25.8%), and more likely to be 20-24 (40.3% vs. 37.3%) or 25-29 (49.1% vs. 36.9%). This is not surprising, since one would expect that younger youth, particularly those between the ages of 16-19, are more likely to still be in school.

Given this finding and given that the prevalence of some sociodemographic characteristics tends to vary with age (e.g. older youth are more likely to be married or to have children), it is important to control for age when comparing Ontario NEET youth to all Ontario youth. For our subsequent analyses comparing characteristics of Ontario NEET youth to all Ontario youth, we weight all Ontario youth by age to match the age distribution of Ontario NEET youth. This ensures

that differences observed are not due to the fact that the NEET youth are older than the overall Ontario youth population.

The gender breakdown of NEET youth is similar to the overall Ontario youth population

About half, or 51.5%, of Ontario's NEET are female, compared to 50.4% of all youth in Ontario.

NEET youth have lower levels of educational attainment than youth in general, but a large group have postsecondary education

About one in five (19.7%) of Ontario's NEET youth did not graduate from high school, compared to 14.2% among all Ontario youth.

Almost half (48.2%) of NEET youth in Ontario have some postsecondary education and 18.8% have at least a bachelor's degree. While lower than the proportion of all Ontario youth (58.4% and 23.1%, respectively), this indicates that there are a large number of NEET youth in the province who are highly skilled but not engaged in the labour force.

NEET youth are more likely to identify as Indigenous

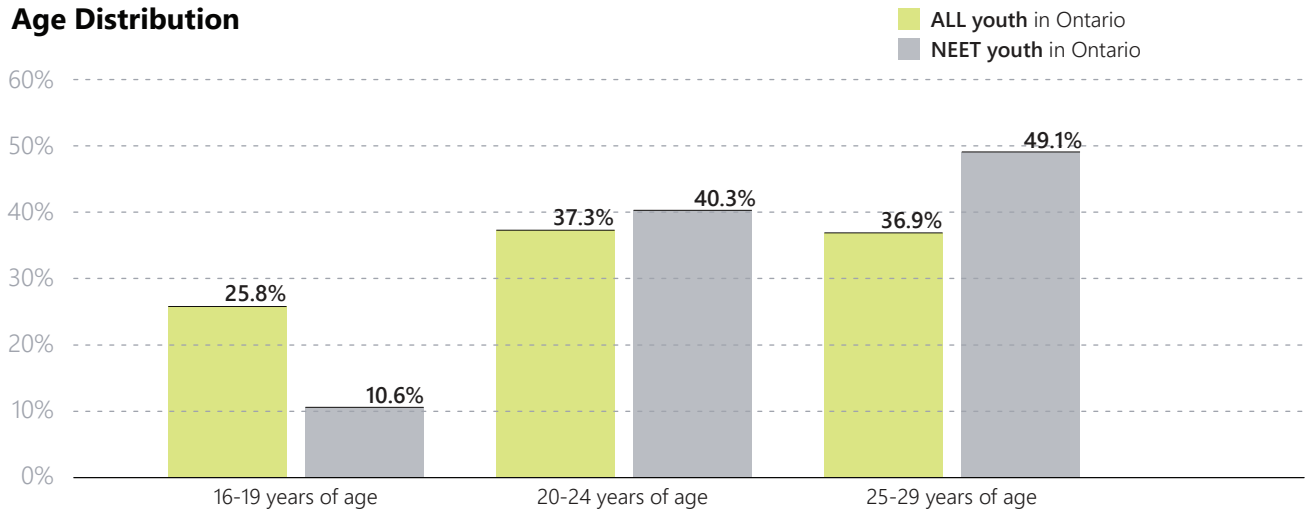
NEET youth are more likely to identify as Indigenous (4.2%) compared to all Ontario youth (3.1%).

NEET youth are more likely to be married and much more likely to have children

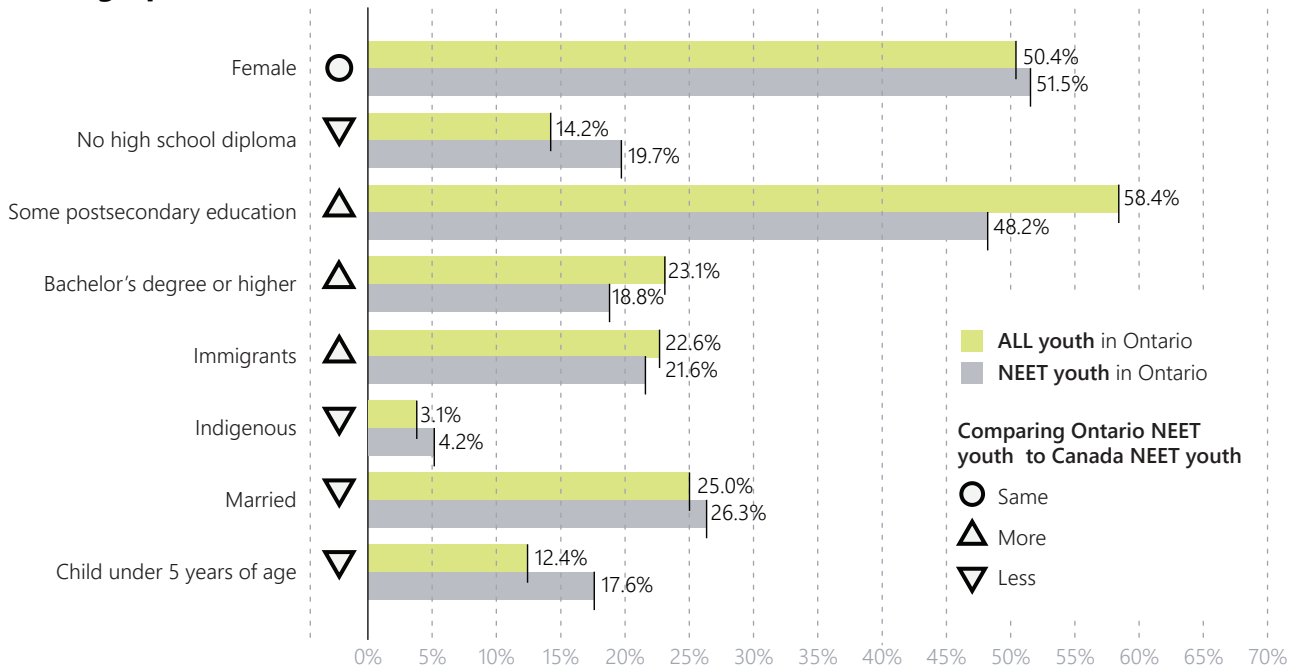
Twenty-six percent of Ontario's NEET youth are married, compared to 24% of non-NEET youth. NEET youth are also much more likely to have a child under the age of 5 in their household (18%) than Ontario youth in general (7%).

FIGURE 3.0 | Demographic characteristics of NEET youth and all youth in Ontario

Age Distribution



Demographics*



* NEET youth are older than the general population. In order to make comparisons between these group, all youth were weighted based on age to match the age distribution of NEET youth

Source: Labour Force Survey, 2015-2017

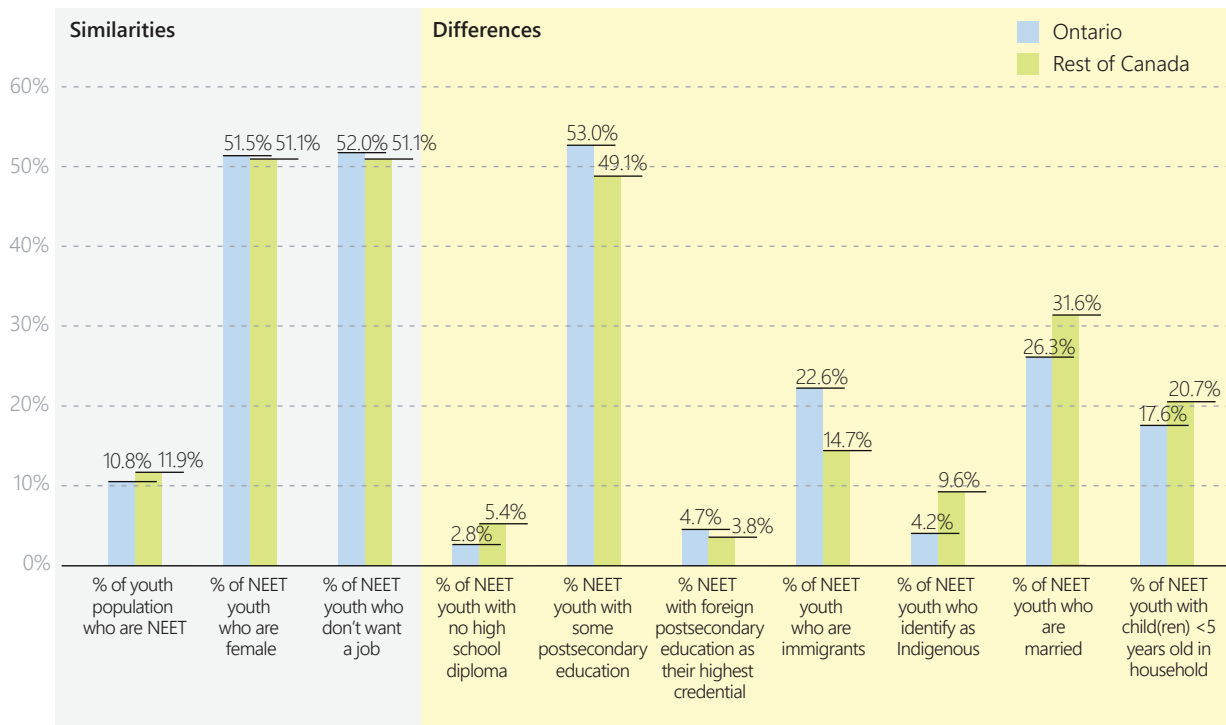
BOX 1.0 | How do Ontario NEET compare to NEET youth in the rest of Canada?**Education**

Ontario's NEET youth are better educated than the rest of Canada:

- 2.8% of Ontario's NEET youth have no high school education, compared with 5.4% of NEET youth nationally.
- 53% of Ontario's NEET youth have some postsecondary education (4% points higher than the rest of Canada)
- More NEET youth in Ontario have foreign postsecondary credentials (4%) than the rest of Canada (3%)

Demographics

- NEET youth in Ontario are more likely to be immigrants (23%) than the rest of Canada (15%) and are less likely to identify as Indigenous (4% in Ontario, compared to 10% in the rest of Canada).
- A smaller percentage of Ontario's NEET youth is married (26%) than across the rest of Canada (32%), and Ontario's NEET youth are also less likely to have a child under the age of 5 in their household (18%) than youth in the rest of Canada (21%).

FIGURE 4.0 | Characteristics of NEET in Ontario and rest of Canada

Source: Labour Force Survey, 2015-2017

How long does NEET status last?

While some of Ontario's NEET youth are experiencing brief bouts of NEET status, most have been NEET for most of the past year.

Most NEET youth are currently experiencing an enduring period of unemployment

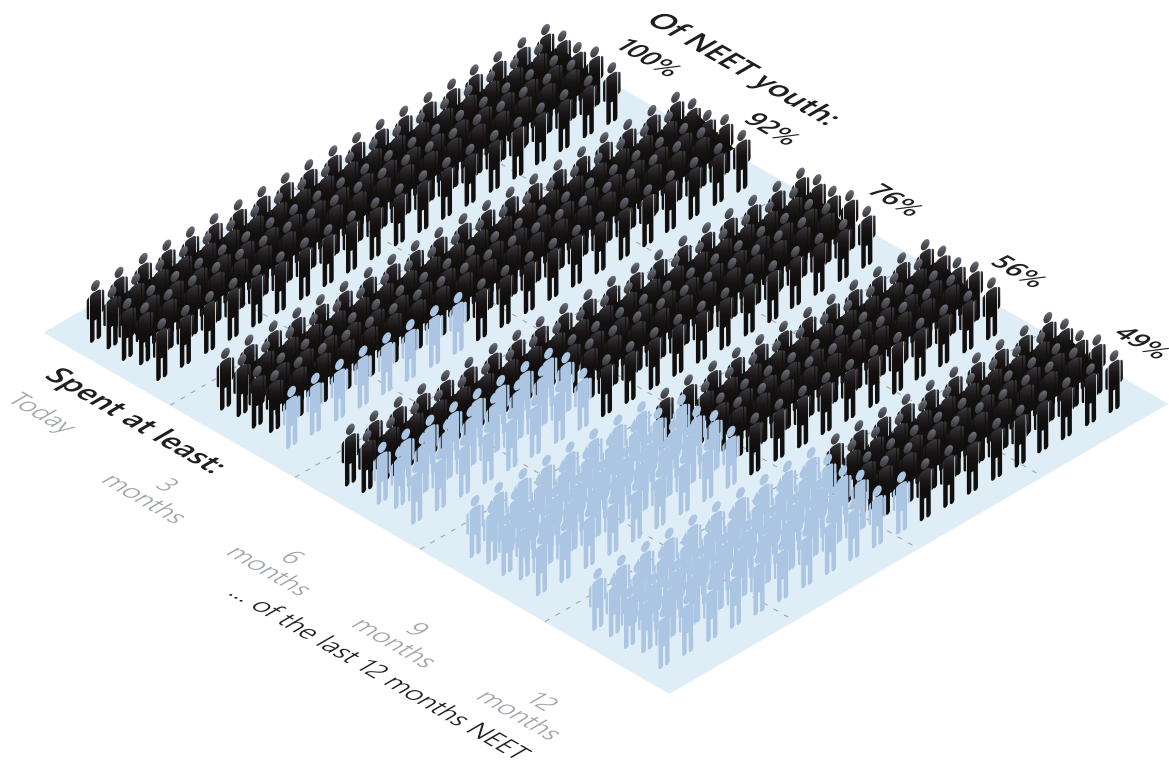
To help understand how long NEET status lasts, we analyzed the duration of unemployment for youth respondents to the Labour Force Survey (LFS) who were NEET at the time of the survey. On average, NEET youth have been jobless for 21 months and 65% have been unemployed for at least 6 consecutive months. However, since the LFS does

not retroactively track enrollment in education over this time period, we do not know whether these youth are NEET (i.e. both not employed and not in education) for the entirety of their jobless spell. To supplement the LFS data, we used older longitudinal data from the SLID, which allows us to estimate the period for which youth are NEET in an average year.

Most NEET youth have been NEET for the majority of the last year

According to the analysis of SLID data, 76% of NEET youth have been NEET for at least 6 months out of the past 12 months. As shown in Figure 5.0, 49% of youth who are currently NEET have been NEET for all of the past 12 months.

FIGURE 5.0 | Proportion of the past year spent NEET



Source: Survey of Labour and Income Dynamics, 2002-2010

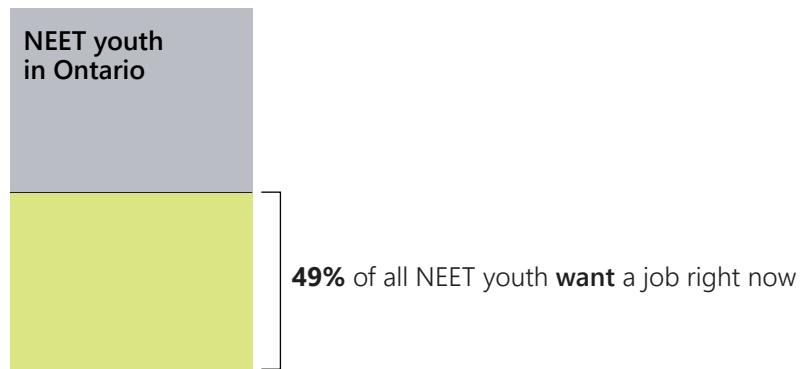
Are NEET youth connected to the labour force?

Most NEET youth are disconnected from the labour force due to labour market conditions and personal challenges that act as barriers to employment.

Half of NEET youth want to work now

About half, or 49%, of NEET youth say they want a job right now. This leaves 51% of NEET youth who do not want to work now (see Box 2.0 for additional information on these youth. In Section 4, we use data from our Youth Survey to provide a more in-depth analysis of the reasons why some NEET youth don't want to work now).

FIGURE 6.0 | Proportion of Ontario NEET youth who want a job now



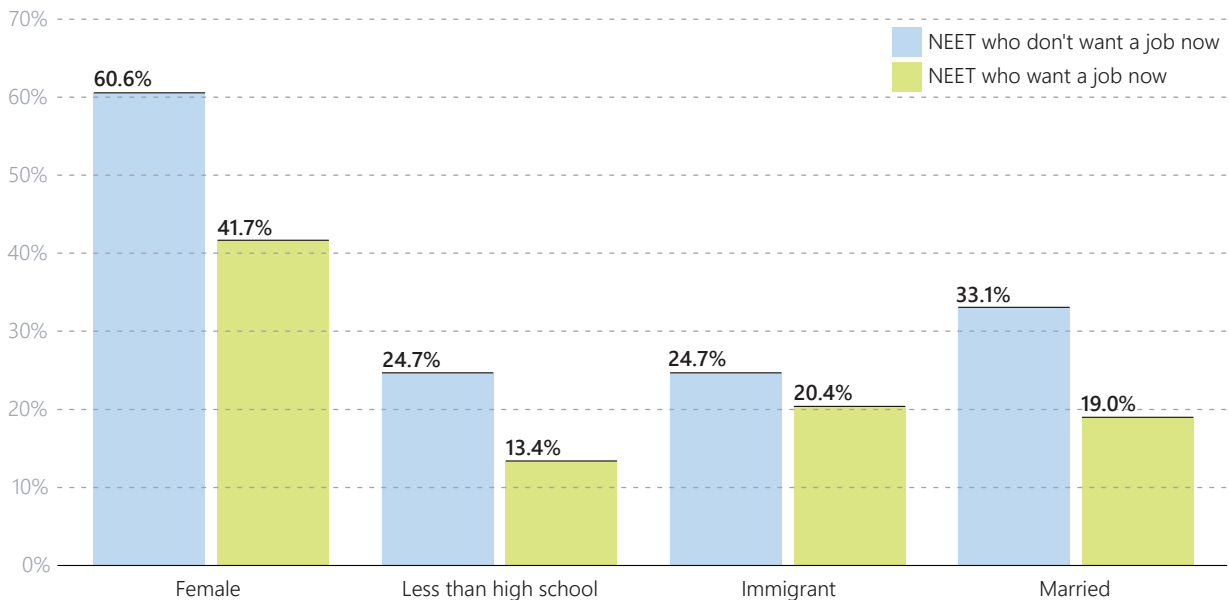
Source: Labour Force Survey, 2015-2017

BOX 2.0 | Additional information on NEET youth who do not want to work**Why don't youth want a job right now?**

The LFS does not directly ask respondents why they are not currently looking for work. However, responses to other questions in the LFS provide an indication of some of the possible reasons for not seeking employment:

- 13% of NEET youth that don't want to work are permanently unable to work.
- 3% are on a temporary layoff or have a job with a future start date.
- 10% have a child under the age of 1; and an additional 22% have at least one child between the ages of 1 and 4.

While these groups account for 48% of youth who don't want to work right now, less evidence of potential reasons is available in the LFS for the other 52%.

FIGURE 7.0 | Comparison between Ontario NEET who do and don't want to work

Source: Labour Force Survey, 2015-2017

When compared to NEET youth who want to work, NEET youth who don't want to work are:

- 4 percentage points (pp.) more likely to be an immigrant
- 11 pp. more likely to have less than a high school education
- 14 pp. more likely to be married
- 19 pp. more likely to be female

Many NEET youth lack recent work experience, and many have no work experience at all

Almost one-third (32%) of NEET youth in Ontario have work experience, but this experience was not obtained within the past year. Over a quarter (27%) of NEET youth in Ontario have never worked. This is 10 percentage points higher than youth as a whole in Ontario (17%).

Overall, NEET youth have a range of labour market experiences

The remaining NEET youth in the province (41%) have worked in the past year, highlighting that a substantial portion of this group has recent work experience.

What do we know about the previous work experience of NEET youth?

If respondents have worked in the past year, the LFS asks a number of questions about their previous employment. This allows for a closer look at the previous work experiences of the 41% of NEET youth in Ontario who have been employed within the past year. Figure 8.0 presents our findings related to the prevalence of recent work experience and reasons for leaving employment among Ontario's NEET youth. We describe these findings below.

Many NEET youth were previously in precarious employment situations

One-third of NEET youth were only part-time employed in their last job. When asked why they left their last job, 30% said the job was seasonal or temporary, and 15% left their job because poor business conditions meant that there was no longer work for them. This suggests that at least 45% of our sample of NEET youth in Ontario who have worked in the last year did so in jobs that could be described as precarious.

For many NEET youth, leaving their last job may be related to personal choice

Sixteen percent left their last job because they were dissatisfied with it; 14% left in order to go back to school. Many NEET youth left their last job to seek something better, either a more satisfying job or opportunities to upgrade their skills and credentials.

Personal circumstances contribute to some NEET youth leaving employment

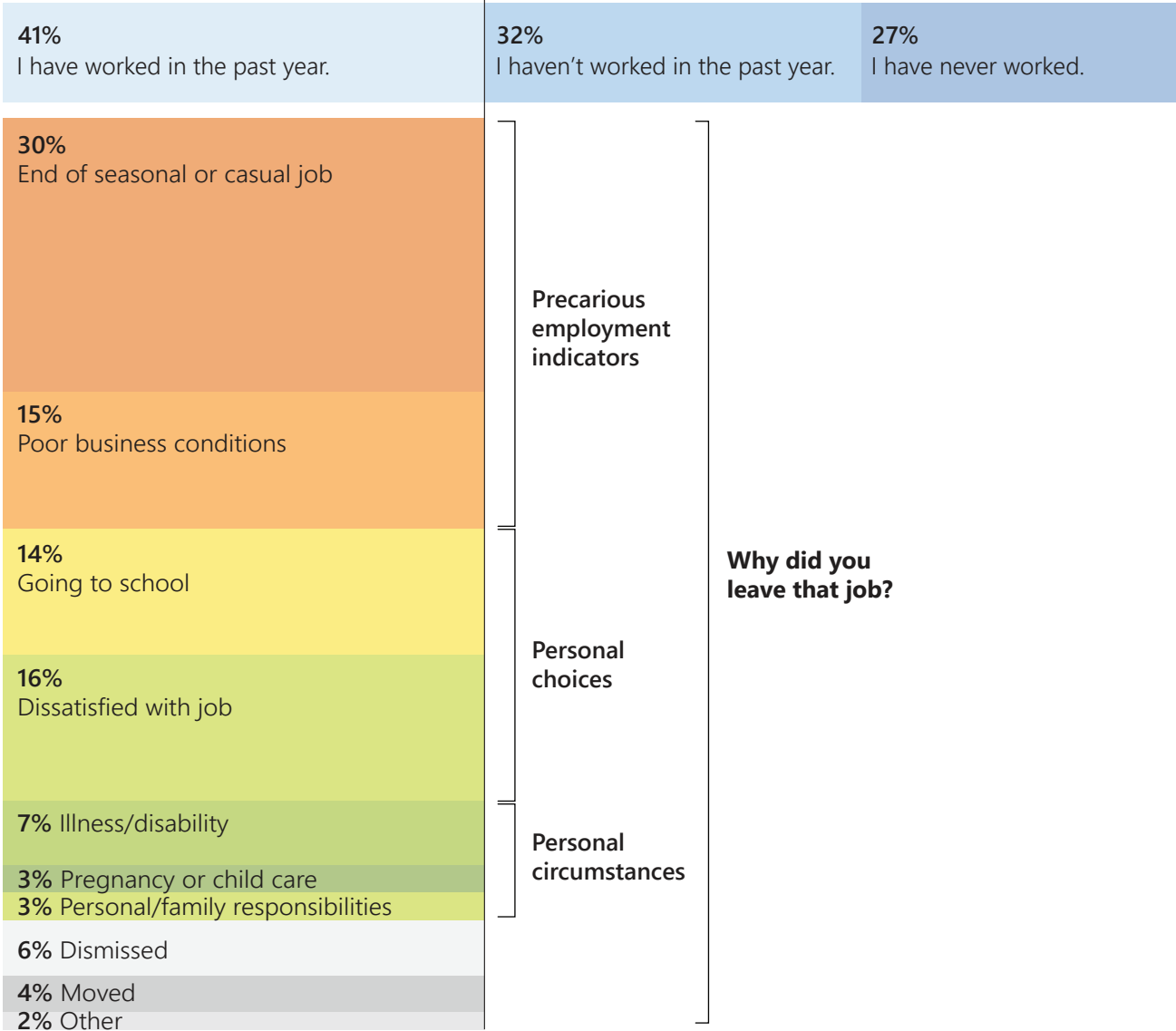
Thirteen percent of NEET youth left their last job either because of disability or illness (7%), pregnancy or child care (3%), or personal/family responsibilities (3%).

NEET youth are not failing out of the labour market

Relatively few NEET youth (6%) were dismissed from their previous jobs.

FIGURE 8.0 | Prevalence of recent work experience and reasons for leaving employment among Ontario’s NEET youth

Have you worked in the past year?



Source: Labour Force Survey, 2015-2017

How does the prevalence of NEET youth vary by geographic region?

The proportion of youth that are NEET varies by region in Ontario, from 9.6% to 19.9%.

Regions in Ontario with smaller populations tend to have higher proportions of NEET youth, whereas areas with moderate and larger populations tend to have lower proportions.

Ontario is a large province with considerable regional diversity in local labour market conditions, economic activities, and social support networks. Given this diversity, it is important to understand how the number, prevalence, characteristics and needs of NEET youth vary across the province. Box 3.0 outlines our approach to the regional analysis and highlights the Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs) included. We describe our key findings below.

There is wide variation in NEET youth rates across the province

Figure 10.0 shows the prevalence of NEET youth across the CMAs/CAs. CMAs/CAs are grouped according to their population size. As Figure 10.0 shows, Ottawa has the lowest rate of NEET status (9.6%) and Chatham-Kent has the highest (19.9%).

Smaller regions tend to have higher rates of NEET youth

Regions with the smallest populations also have the highest NEET rates. Six of the 7 smallest regions – Brantford (13.1%), Thunder Bay (13.1%), North Bay and Timmins (16.3%), Sarnia-Clearwater (16.4%), Sault Ste. Marie (16.6%) and Chatham-Kent (19.9%) – all have higher proportions of NEET youth than the provincial average (12.1%).

Moderate and larger areas tend to have lower rates of NEET youth

Toronto (11.5%), Windsor (11.4%), Kingston (11.3%), Guelph (11.2%) and Ottawa (9.6%) all have lower than average NEET rates. London and Barrie are exceptions: they both have a high NEET rate (14.9%, 15.3%) despite being moderately or large sized. Similarly, Sudbury is a moderate sized region but has a high NEET rate (13.7%). However, Sudbury is located in the North, which overall has a higher NEET rate than other areas of the province.

BOX 3.0 | Areas included in regional analysis and NEET rates by region

Our regions were classified based on Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs) where the population size was large enough to meet Statistics Canada's data requirements for reporting statistical output. In order to meet this requirement two CAs (North Bay and Timmins) were combined into a single region. Given the population requirements, we were able to analyze 19 regions: Toronto, Ottawa-Gatineau (Ontario part), Hamilton, Kitchener-Waterloo-Cambridge, London, St. Catharines-Niagara, Oshawa, Windsor, Barrie, Greater Sudbury, Kingston, Guelph, Brantford, Peterborough, Thunder Bay, North Bay & Timmins (combined into one region), Chatham-Kent, Sarnia-Clearwater and Sault Ste. Marie. These regions are shown below.

FIGURE 9.0 | NEET rates by region

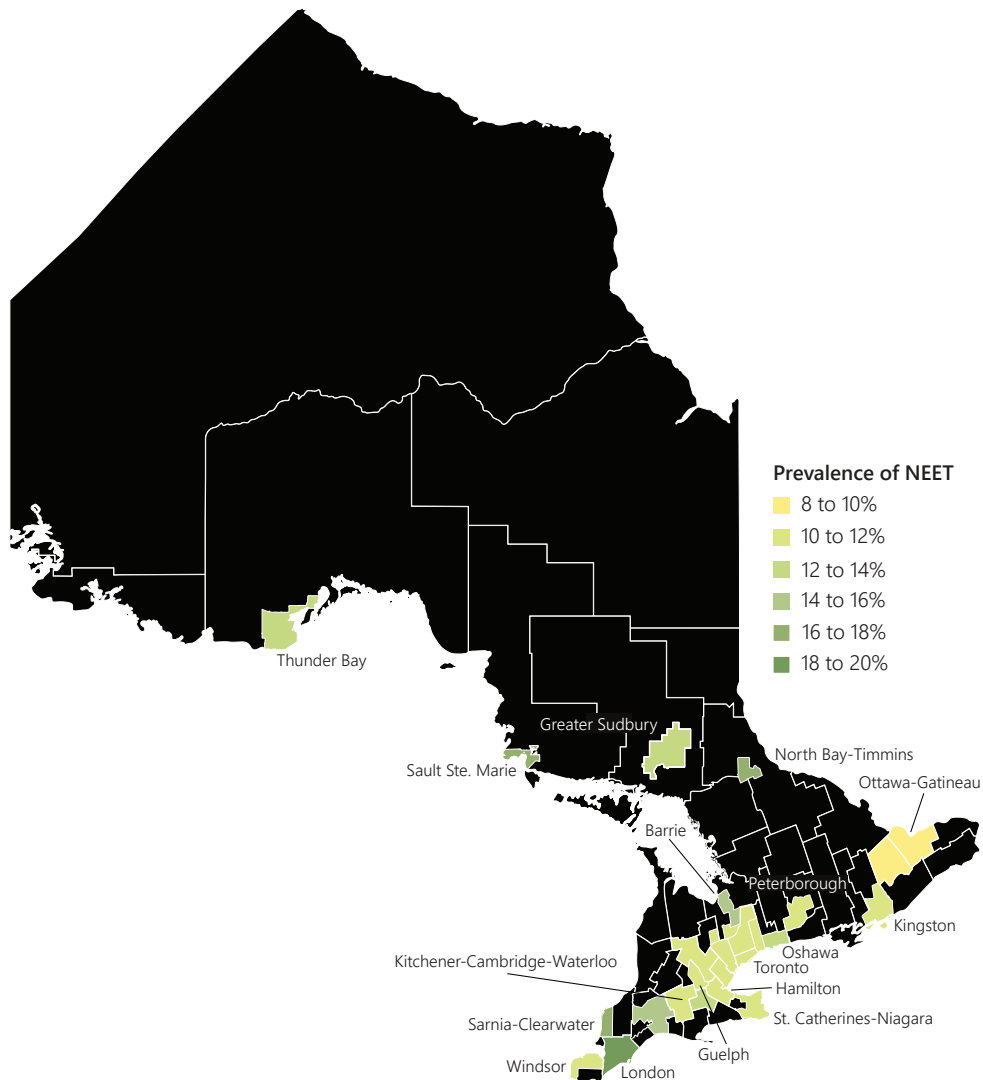
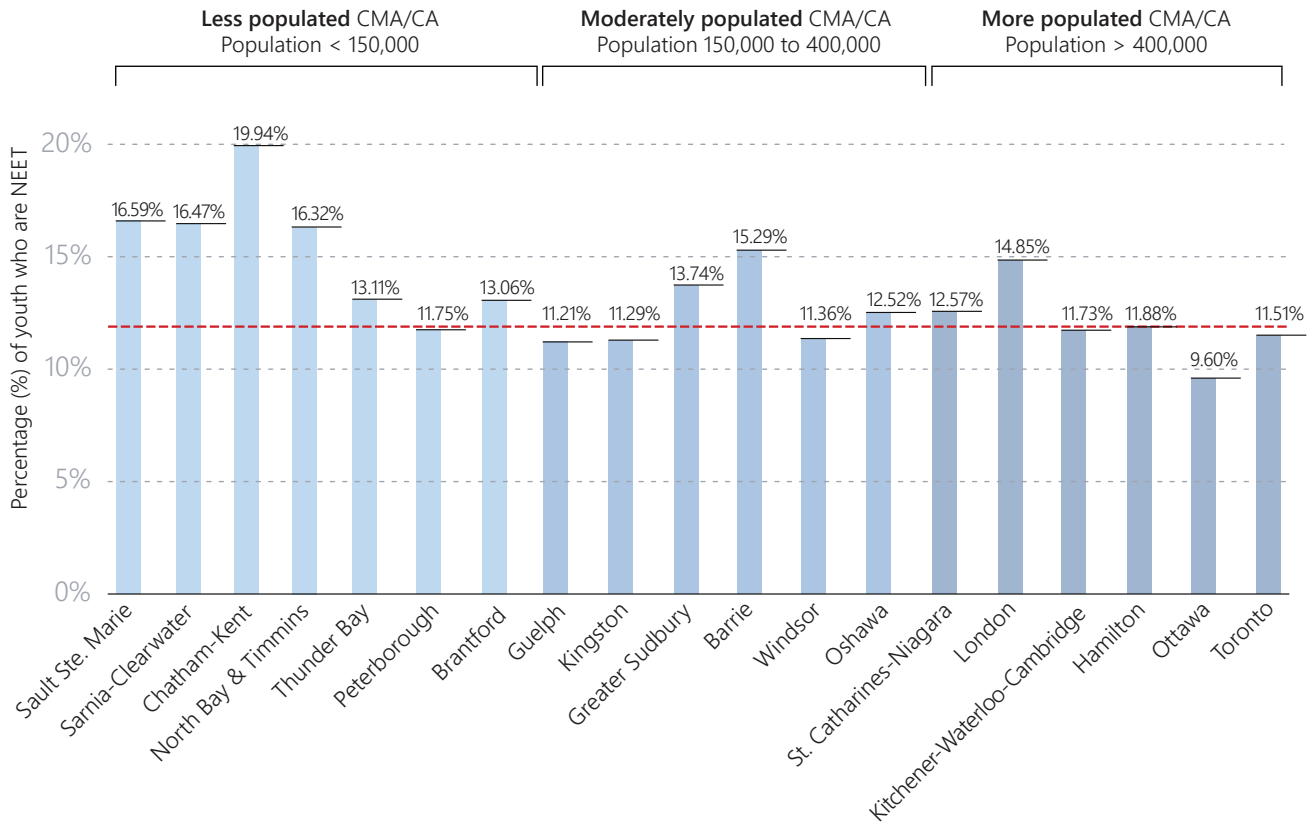


FIGURE 10.0 | NEET rates by region size

CMA or CA name	Type	Population (2016)	
Toronto	CMA	5,928,040	More populated
Ottawa - Gatineau (Ontario part)	CMA	991,726	
Hamilton	CMA	747,545	
Kitchener-Waterloo-Cambridge	CMA	523,894	
London	CMA	494,069	
St. Catharines - Niagara	CMA	406,074	
Oshawa	CMA	379,848	Moderately populated
Windsor	CMA	329,144	
Barrie	CMA	197,059	
Greater Sudbury	CMA	164,689	
Kingston	CMA	161,175	
Guelph	CMA	151,984	Less populated
Brantford	CMA	134,203	
Peterborough	CMA	121,721	
Thunder Bay	CMA	121,621	
North Bay & Timmins	2 CAs	112,166	
Chatham-Kent	CA	102,042	
Sarnia-Clearwater	CA	96,151	
Sault Ste. Marie	CA	78,159	

Source: Labour Force Survey, 2015-2017

How do characteristics of NEET youth vary by geographic region?

The demographic characteristics of NEET youth vary considerably across the province.

More populated geographic regions tend to have NEET youth populations that are better educated, but who lack work experience.

Figure 11.0 shows the socio-demographic characteristics of NEET youth by geographic region. We describe key differences and commonalities across regions below.

Note that while our regional analysis takes a region-by-region lens to analyzing the needs of NEET youth, it does not explicitly compare rural and urban regions in Ontario. For an analysis comparing urban and rural regions, see Box 4.0.

Key differences across regions

There is significant regional variation in the gender breakdown of NEET youth

Toronto has the highest percentage of NEET who are female (55%), while Sault Ste. Marie has the lowest percentage of NEET who are female (35%). Overall, a slightly higher proportion of NEET youth are female in larger urban centres, while a higher proportion are male in smaller communities.

Postsecondary education rates among NEET youth vary considerably by region, although these differences are consistent with regional differences in overall youth postsecondary rates

Postsecondary attainment rates fluctuate widely around the provincial average for NEET youth (48.2%): less than one-third of NEET in Brantford (33.2%) have any postsecondary education, while the majority of Toronto NEET youth (58.8%) have some postsecondary education.

Differences in NEET postsecondary attainment between regions align with the education levels of the overall youth population – in areas where postsecondary attainment among all youth is higher (such as Toronto), it is also relatively higher among NEET youth.

Larger proportions of NEET youth in the large metropolitan centres have no work experience

Ottawa (25.1%), London (26.6%), Hamilton (30.5%), and Toronto (31.7%) had the highest rates of NEET who had never had a job.

Large metropolitan areas may have significant populations of NEET youth who have just completed or exited school

NEET youth in large metropolitan areas are more likely to have some postsecondary education but are also more likely to have no work experience. This suggests that these areas may contain a high concentration of NEET youth who have graduated from college or university but have not yet entered the labour market.

Areas with higher NEET rates have larger proportions of NEET youth not looking for work

Overall, labour force participation is lower in regions with high youth NEET rates, but with some exceptions. Sault Ste. Marie has a high NEET rate, but a low rate of youth who are not looking for work (classified as not in the labour force, or NILF). On average, NEET youth in Sault Ste. Marie were employed within the last 4 months (relatively recently) and 65% were male, which suggests temporary or seasonal work with a gendered aspect.

Lower proportions of NEET youth in large metropolitan centres have a child under 5 years old

The proportion of NEET youth with young children was lowest in Kingston (12.8%), Ottawa (13.4%) and Toronto (13.6%). Meanwhile this proportion roughly doubles in the smaller population centres of Brantford (31.1%), Greater Sudbury (28.7%) and Chatham-Kent (26.4%).

Key commonalities across regions

Regardless of where they are in Ontario, NEET youth are less likely to have postsecondary education than non-NEET youth

About a half, or 52%, of Ontario's non-NEET youth have no postsecondary education. Even in Toronto, which has the best educated NEET youth in the province, 41% have no postsecondary education. In less populated areas, as many as three-quarters of NEET youth have no postsecondary education.

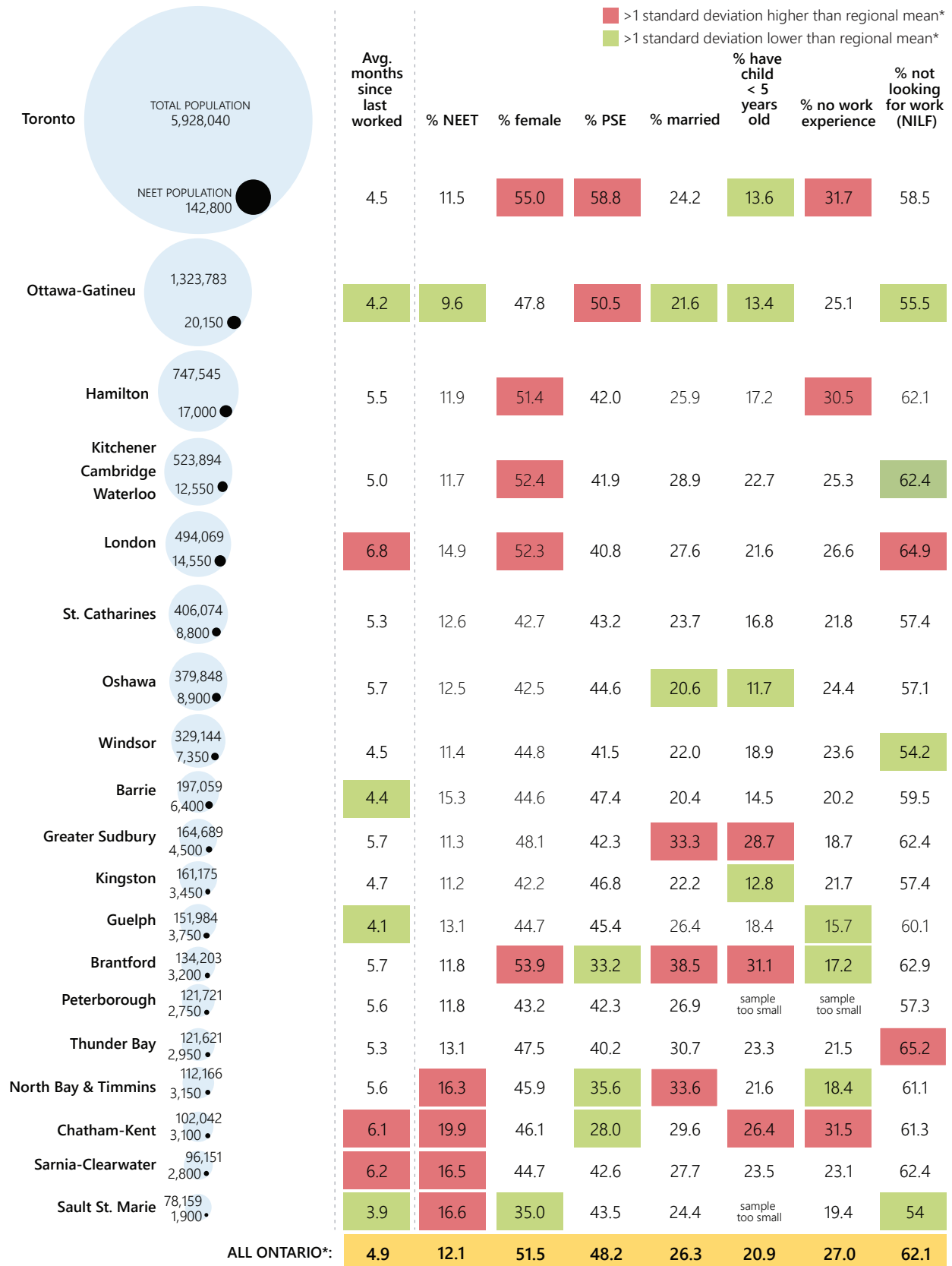
Many NEET youth across Ontario have no work experience

Even in Guelph, where NEET youth are most likely to have some work experience, 16% have never worked. In Toronto and Hamilton, nearly one-third of NEET youth have no work experience.

A majority of NEET youth are not in the labour force (NILF) across all regions of Ontario

The NILF rate ranges from 54-68% of NEET youth.

FIGURE 11.0 | NEET youth socio-demographic characteristics by region



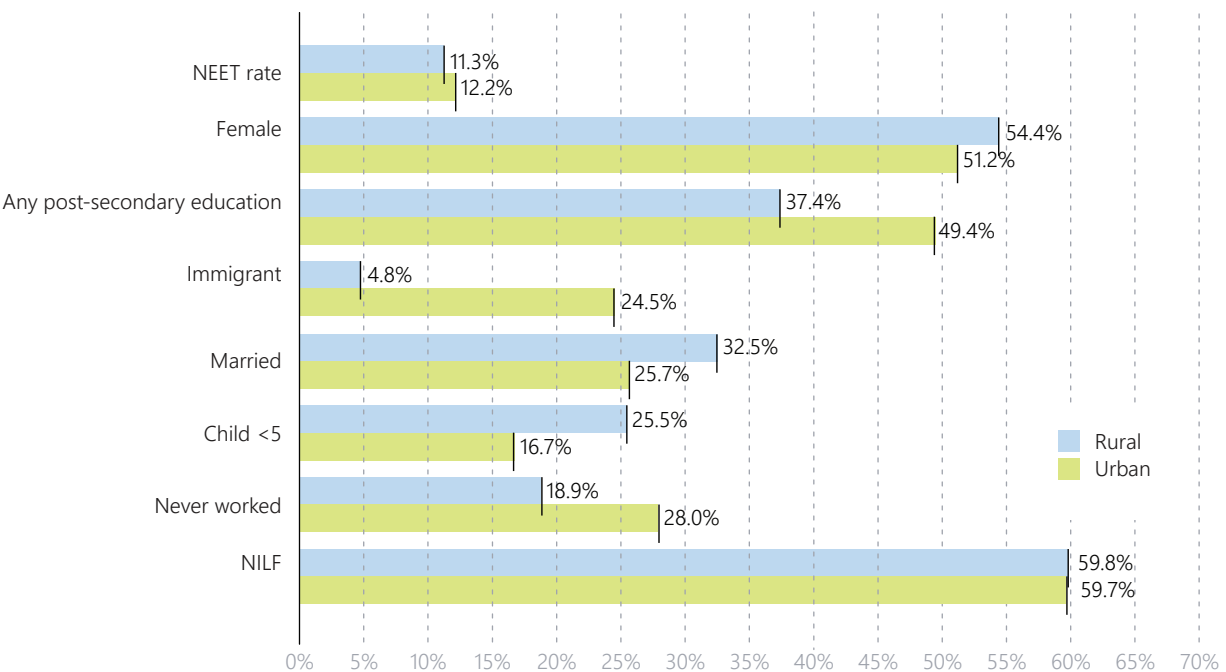
Source: Labour Force Survey, 2015-2017 (NEET rates);
Census, 2016 (CMA/CA population size)

*regional mean is the mean of the 19 regions included in analysis and not the overall Ontario average

BOX 4.0 | Comparing characteristics of NEET youth in urban and rural regions

While our regional analysis takes a region-by-region approach to analyzing the needs of NEET youth, it does not explicitly compare rural and urban regions in Ontario. CMAs/CAs may contain both urban and rural areas. This means that our 19 regions of interest cannot be defined as either rural or urban. In the analysis below, we compare rural to urban regions in Ontario using the census definition of rural: rural areas are areas outside of population centres. Population centres have at least 1,000 persons and a population of 400 persons or more per square kilometer.

Of the 315,556 NEET youth in Ontario, 285,055 live in urban areas and 30,501 live in rural areas.

FIGURE 12.0 | Comparison between urban vs. rural NEET youth

Source: Labour Force Survey, 2015-2017

Differences

- Rural NEET youth are more likely to be married (7 pp.) and have children <5 years old (9 pp.)
- Rural NEET youth are less likely to have never worked (9 pp., 18.9% vs. 28%)
- Urban NEET are more likely to have some postsecondary education (49.4% vs. 37.3%)
- Urban youth are 20 pp more likely to be immigrants (24.5% vs. 4.8%).

Similarities

- Urban youth and rural youth are similarly likely to be NEET (12.2% vs. 11.3%)
- Urban and rural NEET youth are similarly likely to be NILF (59.8% vs. 59.7%)
- Urban and rural NEET youth are similarly likely to be female (51.2% vs. 54.4%)



2

What is the fiscal impact of NEET youth in Ontario?

This section provides estimates of the costs of NEET status, to understand the degree to which greater costs or opportunity costs are associated with NEET youth in each of the following areas:

- Earned income
- Income tax
- Social assistance
- Crime
- Health
- Homelessness
- Education

For each area, we develop estimates based on a range of sources, including existing academic research, Statistics Canada data, and administrative data provided by the Government of Ontario. While many of these estimates face limitations due to data availability, they do identify some key areas in which substantial expenditures are associated with NEET youth, and where both preventative responses and further investigation are critically needed.

Our approach

Our approach builds on existing economic frameworks used to estimate costs associated with NEET youth (see Belfield et al. 2012, Trostel 2010, Carrol and Erkut 2009, Coles et al. 2010, Lamb and Huo 2017). For more detail on our approach and how it builds on these existing frameworks, see Box 5.0.

The framework focuses mainly on *fiscal costs*. However, we also consider the impact of lost income as a *social cost*:

- Fiscal costs are costs for which taxpayers are directly responsible (e.g. spending on social assistance for NEET youth).
- *Social costs* are costs that reduce the overall welfare of the community in ways that do not directly generate costs for government (e.g. lower income trajectories for NEET youth lead to a less dynamic economy).

The framework also includes both *immediate* and *lifetime costs*:

- *Immediate costs* are the annual costs that are associated with current NEET youth.
- *Lifetime costs* are those associated with differences in the lifetime trajectories of NEET youth compared to non-NEET youth.

A *total cost* is also estimated by adjusting both Immediate and lifetime costs to make them comparable and additive:

- Adjustment to immediate costs: The immediate costs are multiplied by the expected time that a typical NEET youth spends out of employment or education before reaching adulthood. Estimates are expressed in present values using a social discount rate.
- Adjustment to lifetime costs: The lifetime costs are expressed in current prices and expressed in present value using a social discount rate.

Model Overview

TABLE 1.0 | Cost model components

Cost component	Indicator	Fiscal or social?
Earned income	Decreased earned income	Social
Income taxes	Decreased tax revenue	Fiscal
Social assistance	Increased use of Ontario Works	Fiscal
	Increased use of Ontario Disability Support Program	Fiscal
Employment services	Decreased use of employment services (TBD)	Fiscal
Crime	Increased need for policing, courts, and correctional services	Fiscal
Health	Increased use of health services	Fiscal
Homelessness	Increased use of emergency shelters	Fiscal
Education	Decreased school enrollment rates	Fiscal

Methodology

Immediate costs

To estimate the immediate costs of NEET youth, conceptualized as the cost per NEET youth, per year, we answered four questions:

1. What is the difference in each outcome between NEET and non-NEET youth?

We estimate the difference in outcomes between NEET youth, and other youth, for each cost outcome described in Table 1, considering three broad types of outcomes:

- Usage of different services
- Forgone tax revenue
- Lost income

For usage of services, the difference is equivalent to the proportion of NEET youth who experience a particular outcome, minus the proportion of non-NEET youth who experience that same outcome. For tax revenue and lost income, the difference is equivalent to the difference in averages between NEET youth and non-NEET youth.

Given that NEET youth are generally older than non-NEET youth (see Section 1 for more detail), wherever possible, we statistically adjust for the age distribution of non-NEET youth when making these comparisons.

2. What is the average cost per person of each outcome?

We estimate the average cost per person of each relevant outcome described in Table 1.0 (such as school enrollment, social assistance status, and income). Outcomes can either be counted as a net cost of being a NEET youth (e.g. higher social assistance use) or a saving (e.g. decreased education costs due to not enrolling in school).

3. What is the added cost of the outcome per NEET youth?

We estimate the additional cost per NEET youth by measuring the difference in the proportion of NEET youth who experience that outcome, minus the proportion of non-NEET youth who experience it, multiplied by the average cost of that outcome.

4. What is the total added cost of the outcome for Ontario's NEET youth overall?

We estimate the total added cost of the outcome for Ontario's current cohort of NEET youth by multiplying the cost per NEET youth by the number of NEET youth in the province.

Lifetime costs

To estimate the lifetime costs associated with NEET status as a youth (age 16 - 29), we measure how the difference in outcomes experienced by NEET youth and non-NEET youth changes over the ages of 30 – 65 and multiply this by the cost of each outcome and the number of NEET youth. The lifetime estimates are adjusted to 2017 prices and discounted using a rate of 3.5%. The discount rate was selected based on previous research in Canada (Boardman, Moore, and Vining 2010) and to ensure comparability with Belfield et al. (2012).

This analysis is intended to provide a rough estimate of the extent to which experiencing NEET status when young may have long-term impacts on individual outcomes, and the costs associated with these outcomes. However, longitudinal data that tracks the outcomes of NEET youth into ages 30-65 is not currently available for any of the outcome areas included in our analysis. As a result, we consider multiple scenarios for how outcomes and resulting costs evolve over time for individuals who were NEET when they were young, to provide plausible examples of potential trajectories for this group. We describe the scenarios we consider below.

Baseline scenario – In this scenario, we estimate how outcomes will evolve over time for individuals who are NEET when they are youth, compared to individuals who are not NEET. We generally assume that the proportional difference between outcomes for NEET and non-NEET youth remains stable after age 30. Depending on data availability, we may apply two adjustments to this projection:

- For some outcomes, we can identify if usage rates for the overall population increase or decrease over time. In these cases, the relative difference between our groups remains constant even as the costs themselves change as these individuals get older. For example, our baseline projection assumes that crime rates decrease with age for both individuals who were NEET when they were youth and those who were not. Even if the difference between crime rates stays the same, yearly costs would drop due to overall lower incidence of the outcome.
- For other outcomes, we may have evidence that the difference in outcomes between groups changes over time. For example, earnings gaps may decrease over time as some previously NEET youth “catch up” due to later accumulations of experience and education. In this case, our baseline estimate incorporates this decreasing gap in incomes over time for those who were NEET during youth.

Convergent scenario – In this scenario, we carry out sensitivity analysis of costs accrued from 30 - 65 and consider cases in which outcomes converge more than expected between those who are NEET in youth and those who are not. This provides a more conservative, lower estimate of the longer-term costs of NEET status.

Divergent scenario – In this scenario, we consider the opposite case to the convergent

scenario, where outcomes diverge more than expected during ages 30 - 65. This provides a less conservative, higher estimate of long-term costs of NEET status.

Total costs

The immediate costs reflect the additional accrued cost of NEET youth per year from ages 16 to 29. However, to be able to add immediate to lifetime costs to produce a total cost, we must first calculate the sum of immediate cost across the totality of time an individual spends being NEET before turning 30. To calculate this, we used the SLID to calculate the average length that a typical NEET youth aged 24 is NEET until they turn 30. We then multiply the immediate cost by this average length and discount using a rate of 3.5% to arrive at the sum of immediate costs.

The addition of the sum of immediate costs, together with the lifetime costs estimates, gives an estimate of the total costs of NEET youth in Ontario across their working lifetime.

Model limitations

When developing each cost model, we identified three main factors that affect the accuracy of our cost estimates. The degree to which each factor impacts our estimates differs according to the outcome under consideration, and the quality of data available to measure the impacts of NEET status:

- 1. Causality** – We cannot always conclusively say whether NEET status causes the outcomes included in our model. In some cases, the direction of causality is unclear. For example, committing a crime might push someone into NEET status, while NEET status may also drive individuals to commit some crimes. For some

costs, there may be a third variable that is not included in the analysis. For example, serious or chronic health problems may have caused youth to become NEET, and also increased their usage of healthcare services. Table 2.0 summarizes potential limitations surrounding the issue of causality.

- Green indicates that the direction of causality is clear.
- Yellow indicates that the direction of causality is relatively clear, but there is risk of reverse causality or a third factor causing both NEET status and the outcome.
- Red indicates that the direction of causality is not clear and/or that there is a significant risk of a third factor causing both NEET status and the outcome.

2. Immediate cost estimates – In some cases, data limitations influence the quality of our immediate cost estimates. In many cases, data about service use, costs and NEET status come from different data sources. As a result, we have to make some assumptions about the relationships between these three factors.

3. Lifetime cost estimates – While lifetime cost estimates are subject to the same assumptions as our immediate cost estimates, additional data limitations also influence the quality of some of our lifetime cost projections. Currently, there is no available longitudinal data that tracks people from youth to adulthood. This requires us to make assumptions regarding changes in outcomes over time. Table 2.0 summarizes potential limitations around both immediate and lifetime cost estimates.

- Green indicates that there are few limitations in the data that affect our estimates.
- Yellow indicates that there are some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.
- Red indicates that data limitations could seriously impact the accuracy of our estimates.

TABLE 2.0 | Cost model components

Cost component	Indicator	Fiscal or social	Limitations		
			Causality	Assumptions on estimated immediate cost	Assumptions on lifetime estimates
Earned income	Decreased earned income	Social	Green	Green	Yellow
Income taxes	Decreased tax revenue	Fiscal	Green	Green	Yellow
Social assistance	Increased use of Ontario Works, Increased use of Ontario Disability Support Program	Fiscal	Yellow	Green	Yellow
Crime	Increased need for policing, courts, and correctional services	Fiscal	Yellow	Red	Red
Health	Increased use of health services	Fiscal	Red	Yellow	Yellow
Homelessness	Increased use of emergency shelters	Fiscal	Yellow	Yellow	Yellow
Education	Decreased school enrollment rates	Fiscal	Green	Yellow	N/A

Green = few limitations in the data that affect our estimates.

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Red = data limitations could seriously impact the accuracy of our estimates

BOX 5.0 | Detailed approach to developing the cost model

We conducted a literature review to inform the development of our cost model. We identified a number of studies that estimate the cost of NEET youth (see Trostel 2009, Carrol and Erkut 2009, Coles et al. 2010, Lamb and Huo 2017, WestEd, 2014). These studies include broadly similar areas in their cost frameworks.

Belfield et al.'s (2012) study used the most comprehensive cost framework for estimating the costs of NEET youth that we identified in the literature, including the widest range of cost areas. This framework has also been used as the basis for several later analyses (see Lamb and Huo, 2017, WestEd, 2014). Belfield et al.'s (2012) cost framework was used as a basis for our model, which includes the same cost areas, but omits areas that are not relevant to the Canadian context or for which data is not available.

Our model includes the major cost categories of crime, education, social assistance, employment services, health, income, and tax revenues. Some cost areas are split into multiple indicators, such as usage rates for Ontario Works and Ontario Disability Support Pension; others, such as education, are represented by a single indicator: lower enrollment rates. Two costs included by Belfield et al. (2012) were omitted from our cost framework as they are less relevant in the Canadian context: private healthcare costs and private education costs.

We also considered the following additional relevant cost areas for inclusion in the model but were unable to do so due to data constraints:

- **Subsidized housing** – Funding for subsidized housing is provided in block grants to Ontario municipalities who distribute it independently. As a result, harmonized province-wide data on the characteristics of individuals receiving housing subsidies is not available.
- **NGO and community-based services** – Data on participation in NGO- and community-based services is held by the individual organizations delivering the services. Comparable provincial data on the characteristics of individuals receiving those services, or the cost of delivering those services, is not available.

Cost estimates

Overall, we estimate that each NEET youth accrues \$6,069 in fiscal costs. Over the entire cohort of currently NEET youth in Ontario (315,556), this would equal a total yearly cost of \$1.92 billion. Since this estimate is derived from a number of different models with different levels of precision, it should be treated with caution. However, even treated cautiously, this represents a very large expenditure by government in reactive services and measures related to NEET youth.

The social cost associated with foregone earnings is even higher than this, at \$20,295 per NEET youth, or \$6.40 billion annually.

Immediate fiscal cost per NEET youth	Immediate fiscal cost for all NEET youth
\$6,069 per year	\$1.92 billion per year

Immediate social cost per youth	Immediate social cost for all youth
\$20,295 per year	\$6.40 billion per year

Furthermore, we estimate that each NEET youth will accrue \$212,640 in fiscal costs throughout their working adult life (30 to 65 years of age). This would be equal to a total cost of \$67.10 billion for the entire cohort of NEET youth in Ontario. This estimate should be treated with even more caution than the estimates for the immediate cost. Besides being derived from a number of different models, it is based on a series of overreaching assumptions about the future.

Lifetime fiscal cost per NEET youth	Lifetime fiscal cost for all NEET youth
\$212,640	\$67.10 billion

Lifetime social cost per youth	Lifetime social cost for all youth
\$211,112	\$66.62 billion

Altogether, we estimate that each NEET youth will impose a total fiscal cost of **\$222,713**. This equals **\$70.28 billion** across the entire cohort of NEET youth in Ontario. The estimated total social cost is even higher at **\$248,159** per NEET youth, or **\$78.31 billion** for the entire cohort.

Total fiscal cost per NEET youth	Total fiscal cost for all NEET youth
\$222,713	\$70.28 billion

Total social cost per youth	Total social cost for all NEET youth
\$248,159	\$78.31 billion

In the remainder of this section, we outline the individual models used to calculate these costs, including data sources, limitations, and the approach used for each.

Earned income

The first financial impact of NEET status we consider is the degree to which NEET youth earn less than non-NEET youth. While the other impacts we consider are fiscal costs to government, earned income represents a social cost, representing the degree to which unemployment among NEET youth reduces the earnings which would be directly received by the youth themselves.

Impact estimate

Immediate cost per NEET youth	Immediate cost for all NEET youth
\$20,295 per year	\$6.40 billion per year
Lifetime cost per NEET youth	Lifetime cost for all NEET youth
\$211,112	\$66.62 billion
Total cost per NEET youth	Total cost for all NEET youth
\$248,159	\$78.31 billion

Data sources

Our estimates of the impact of NEET status on earned income are drawn from two sources:

- Statistics Canada's LFS (2015–2017), which provides estimates of the weekly earnings of employed youth by age.
- Statistics Canada's SLID 2002–2010, a longitudinal survey which provides estimates of the average number of months each year worked by both non-NEET and NEET youth, allowing us to annualize expected earned income for each group. The SLID also allows us to better project lifetime earnings gaps between NEET and non-NEET youth.

TABLE 3.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality	Green	NEET status and earned income are linked by definition, so NEET status has a clear causal relationship to earnings
Assumptions on immediate cost estimates	Yellow	Few assumptions are made about immediate earnings in our model. The only potentially limiting assumption is usage of data on months worked per year for NEET and non-NEET youth from older SLID data, which may not completely reflect current conditions.
Assumptions on lifetime cost estimates	Yellow	Long-term costs are based on projections of earnings trajectories from SLID; however these estimates do not directly track earnings of NEET individuals as the SLID only follows respondents for 6 years. As a result, lifetime cost estimates require assumptions about how earnings gaps change over time.

Green = few limitations in the data that affect our estimates

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Estimating the immediate costs of NEET youth

Earned Income

1 STEP ONE

Difference in amount worked per year between NEET and non-NEET youth

Months worked in the past year for NEET and non-NEET youth by age¹:

Age	NEET	Non-NEET
16-19	1.3	4.3
20-24	2.6	8.3
25-29	2.0	10.7

2 STEP TWO

Average difference in income between NEET and non-NEET youth

\$2,999

Monthly income for employed youth²:

Annual income for NEET and non-NEET youth based on months worked times monthly income of employed youth:

Age	NEET	Non-NEET
16-19	3,898	12,984
20-24	7,656	24,978
25-29	6,087	32,085
Weighted average	6,569	26,865

3 STEP THREE

Total added annual income cost per NEET youth

$$\mathbf{\$26,865} - \mathbf{\$6,569} = \mathbf{\$20,295}$$

Weighted average annual income of non-NEET youth

Weighted average annual income of NEET youth

4 STEP FOUR

Total added annual income cost of Ontario's NEET youth

$$\mathbf{\$20,295} \times \mathbf{315,556} = \mathbf{\$6.40bn}$$

Total added annual income cost per NEET youth

Number of NEET youth in Ontario

Estimating the lifetime costs of NEET youth

Earned Income

We used the SLID to compare the lifetime income trajectories of individuals who experienced a NEET spell with those that did not.

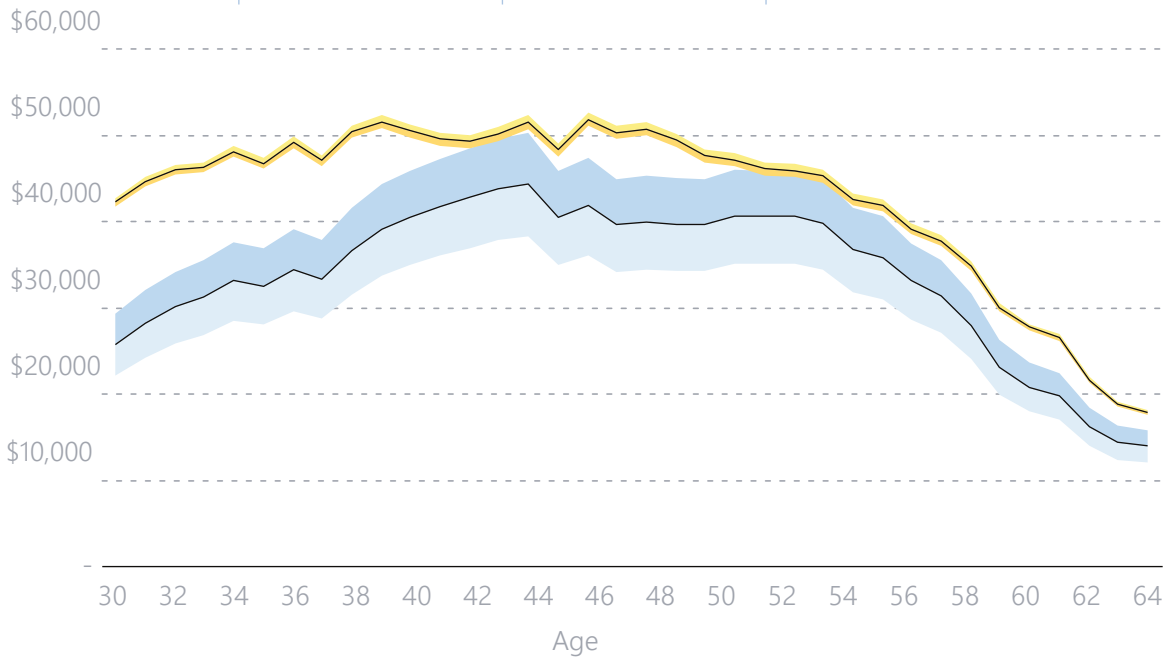
Incomes of formerly non-NEET youth are higher than formerly NEET youth throughout, although the gap closes with age.

We apply this to a life-earnings profile derived from the SLID, where income increases from the age of 30, peaks in the 40s, then begins to fall as individuals work fewer hours and begin to retire.

Baseline scenario: Formerly NEET and non-NEET youth follow trajectories estimated from the SLID.

Divergence scenario +15%

Convergence scenario -15%



NEET income
 Divergence scenario (light blue shaded area)
 Baseline scenario (black line)
 Convergence scenario (medium blue shaded area)

non-NEET income
 Divergence scenario (yellow shaded area)
 Baseline scenario (black line)
 Convergence scenario (orange shaded area)

Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
Baseline	211,112	66.62bn
Divergence	320,871	101.25bn
Convergence	104,497	32.97bn

Income tax

Related to the impacts of NEET status on earnings, we also estimate the degree to which NEET status results in lower tax revenues due to lower employment and/or lower earnings while working.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
\$2,173 per year	\$685.6 million per year
Lifetime cost per youth	Lifetime cost for all youth
\$61,141	\$19.29 billion
Total cost per NEET youth	Total cost for all NEET youth
\$66,770	\$21.07 billion

Data sources

Our estimates of the impact of NEET status on tax revenues are drawn from Statistics Canada's Canadian Income Survey (CIS) 2012–2015, which captures information on the net taxes paid by youth, their employment status, and their enrolment in education during the last year, allowing for a direct comparison of taxes paid by each group.

TABLE 4.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality		Taxes paid are clearly linked to employment income, which in turn is linked by definition to NEET status, so NEET status has a clear causal relationship with taxes paid.
Assumptions on immediate cost estimates		The CIS allows clear identification of individuals who were NEET or employed for all of the previous year. However, for individuals who were employed for only part of the year or in education, their NEET status needed to be probabilistically estimated based on weeks worked per year and/or education status.
Assumptions on lifetime cost estimates		Lifetime tax revenue estimates are benchmarked to the earnings profiles used for our estimates of earned income, and therefore are subject to the same limitations.

Green = few limitations in the data that affect our estimates.

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Estimating the immediate costs of NEET youth Income Tax

1 STEP ONE

Tax paid between NEET Vs. Non-NEET youth

Based on estimates from Canadian Income Survey:

\$671

Average annual tax paid by NEET youth

\$2,844

Average annual tax paid by non-NEET youth

2 STEP TWO

Lost tax revenue per NEET youth

\$2,844 - **\$671** = **\$2,173**

Average annual tax paid by NEET youth

Average annual tax paid by non-NEET youth

per NEET youth

3 STEP THREE

Total lost tax revenue from NEET youth in Ontario

\$2,173 X **315,556** = **\$685.6m**

Difference in tax paid per NEET youth vs. non-NEET youth

Number of NEET youth

NEET youth in Ontario would collectively pay \$897m in tax if they paid the same amount as non-NEET youth

Estimating the lifetime costs of NEET youth

Income Tax

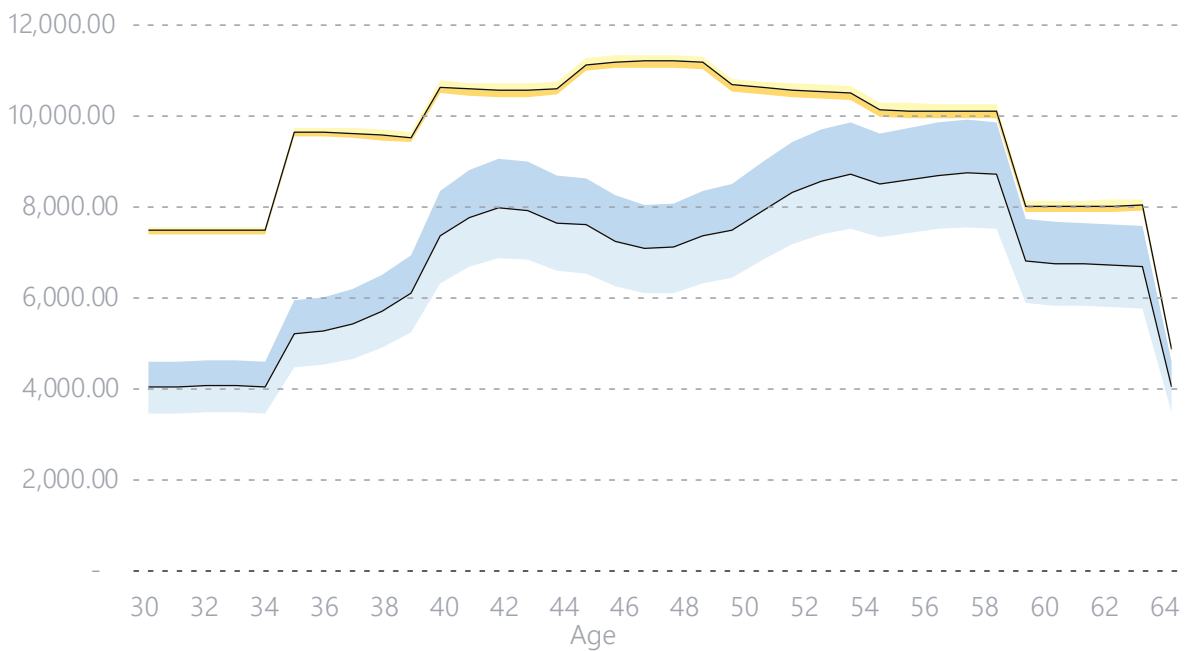
We used CIS data to project taxes paid for each NEET vs. non-NEET based on our three scenarios.

Tax paid increases from the age of 30, then falls from the age of 60 as individuals begin to work fewer hours and to retire.

Baseline scenario: Formerly NEET and non-NEET youth follow trajectories estimated from SLID.

Divergence scenario: -15%

Convergence scenario -15%



NEET tax per person **non-NEET tax per person**

■ Divergence scenario ■ Convergence scenario
— Baseline scenario — Baseline scenario
■ Convergence scenario ■ Divergence scenario

Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
Baseline	61,141	19.29bn
Divergence	81,832	25.82bn
Convergence	40,988	12.93bn

Social assistance

NEET youth are considerably more likely to receive income assistance from Ontario Works (OW) or the Ontario Disability Support Program (ODSP) than non-NEET youth. Receipt of assistance from these programs incurs fiscal costs related to both direct income transfers from government to individuals, and through administrative costs, both of which we account for in our estimates.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
\$2,297 per year	\$725.0 million per year
Lifetime cost per youth	Lifetime cost for all youth
\$54,351	\$17.15 billion
Total cost per NEET youth	Total cost for all NEET youth
\$58,545	\$18.47 billion

Data sources

Our estimates of the impact of NEET status on OW and ODSP use and associated costs are drawn from 2017 caseload administrative data reporting provided by the Ontario Ministry of Children, Community and Social Services (MCCSS).

TABLE 5.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality		Income assistance is targeted to individuals who do not have earned income, and therefore in many cases it can be expected that NEET status (specifically lack of employment), may cause their use. However, for both programs, and ODSP especially, there may be many cases in which a third factor such as a disability causes both NEET status and program use.
Assumptions on immediate cost estimates		Differences in costs are measured directly from detailed administrative data, providing a high level of reliability for immediate estimates. Estimates are, however, expected to be conservative, as OW and ODSP reporting uses a broad classification for non-NEET recipients (anyone who was employed or in education for at least one month of the year).
Assumptions on lifetime cost estimates		Lifetime profiles of overall OW and ODSP use are based on age profiles of each caseload provided by MCCSS. However, data on the degree to which the gap in use between NEET youth and non-NEET youth may evolve over time is not currently available.

Green = few limitations in the data that affect our estimates

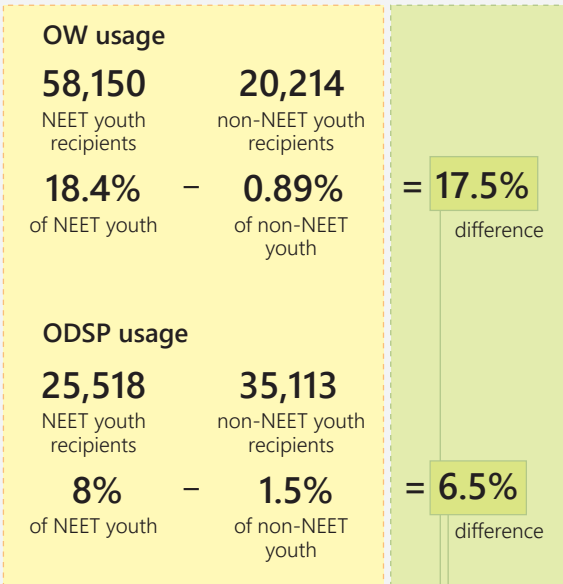
Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Estimating the immediate costs of NEET youth

Social Assistance

1 STEP ONE

Difference in social assistance use between NEET Vs. Non-NEET



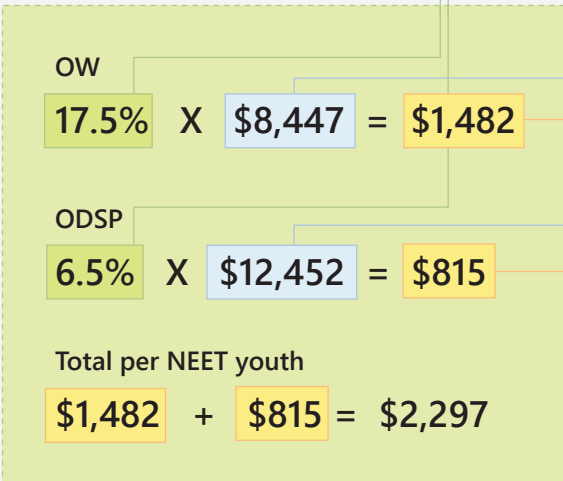
2 STEP TWO

Average annual per youth cost of social assistance



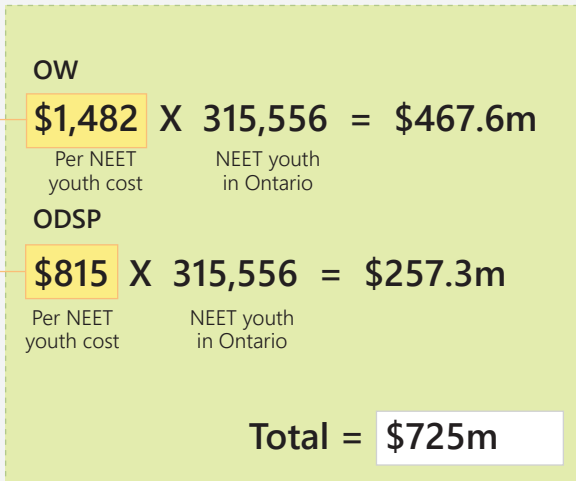
3 STEP THREE

Total added annual social assistance cost per NEET youth



4 STEP FOUR

Total added annual social assistance cost of Ontario's NEET youth



Data sources: 1 MCSS OW and ODSP case data

Estimating the lifetime costs of NEET youth Social Assistance

We used data from the Ministry of Community and Social Services to estimate lifetime social assistance costs for NEET and non-NEET youth for both OW and ODSP.

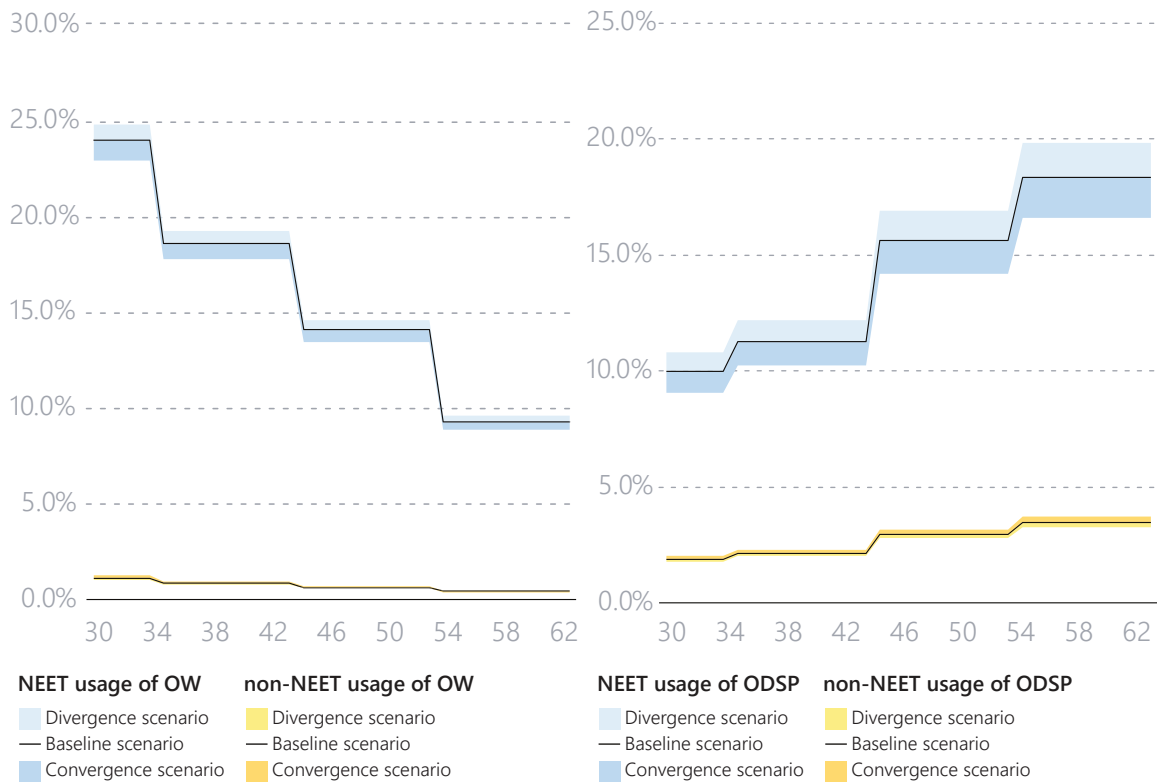
OW usage declines with age while ODSP usage increases.

We projected usage for NEET vs. non-NEET based on our three scenarios

Baseline: The gap in usage rates between NEET and not NEET remains the same.

Divergence scenario +15%

Convergence scenario -15%



	Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
OW	Baseline	27,498	8.68bn
	Divergence	28,642	9.04bn
	Convergence	26,066	8.23bn
ODSP	Baseline	26,853	8.47bn
	Divergence	29,937	9.45bn
	Convergence	23,354	7.37bn

Crime

International evidence indicates that NEET youth commit significantly more crime than non-NEET youth, and preliminary evidence also suggests that NEET youth in Canada may be arrested at a higher rate than non-NEET youth (Belfield, Levin and Rosen 2012; Henderson, Hawke, and Chaim 2017). In this section we model the degree to which costs associated with policing, courts and corrections may be associated with higher rates of crime among NEET youth.

Relatively little Ontario data is available on either the prevalence of crime among NEET and non-NEET youth, or the specific costs of policing, courts and corrections in the province. While this analysis provides a first exploration of this issue, more comprehensive provincial data is needed to rigorously understand both the scope and impacts of NEET involvement with the criminal justice system.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
\$1,668 per year	\$526.4 million per year
Lifetime cost per youth	Lifetime cost for all youth
\$16,771	\$5.29 billion
Total cost per NEET youth	Total cost for all NEET youth
\$19,816	\$6.25 billion

Data sources

Our estimates of the impact of NEET-status, crime-related costs are drawn from 3 sources:

- Statistics Canada's General Social Survey (GSS) (2009 and 2014), which provides estimates of the number of NEET youth and non-NEET youth who reported being arrested in the previous 12 months. While the GSS is a promising resource regarding the differences in crime rates among NEET youth, estimates derived from it should be treated with caution due to its small sample size. In addition, due to sample size constraints, only Canada-level differences could be drawn from the GSS.
- Statistics Canada's *Youth Crime in Canada* report (2014), which provides information on the number of youth accused of crimes. Similar to the GSS, these estimates should be treated with caution since they are national in level and refer to the year 2014.
- The Parliamentary Budget Office's *Expenditure Analysis of Criminal Justice in Canada* (2013), which provides an estimate of how much the government spends per crime at the national level. This estimate does not account for all relevant fiscal expenditures on crime, and therefore includes estimates which are conservative and likely lower than the true costs of crime.

TABLE 6.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality	Yellow	While NEET status is likely to impact criminal activity for some individuals, it is also likely that previous criminal activity may cause individuals to be more likely to be NEET, due to difficulties accessing labour market opportunities associated with a criminal record.
Assumptions on immediate cost estimates	Red	Our estimate imposes substantial assumptions in order to derive immediate costs: estimates of arrest rates are based on a small, Canada-wide sample from the GSS, and we impose assumptions that arrest rates are proportional to accusation rates for youth, and that crimes committed by youth have the same policing, courts and corrections costs associated with them as the overall average of crimes in Canada.
Assumptions on lifetime cost estimates	Red	We benchmark our lifetime estimates of crime costs on well-established profiles of the relationship between crime rates and age. However, no data is available regarding how the gap between NEET youth and non-NEET youth crime rates evolves over time, and therefore our lifetime estimates of the gap are subject to the same assumptions as immediate costs.

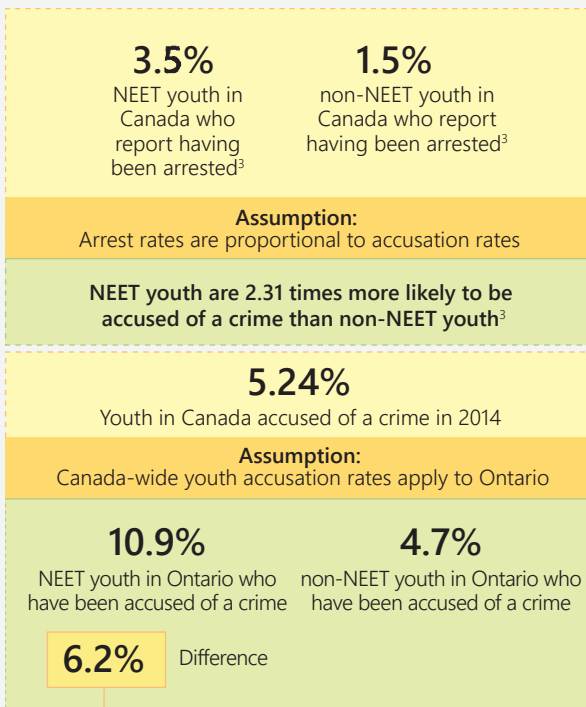
Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Red = data limitations could seriously impact the accuracy of our estimates

Estimating the immediate costs of NEET youth Crime

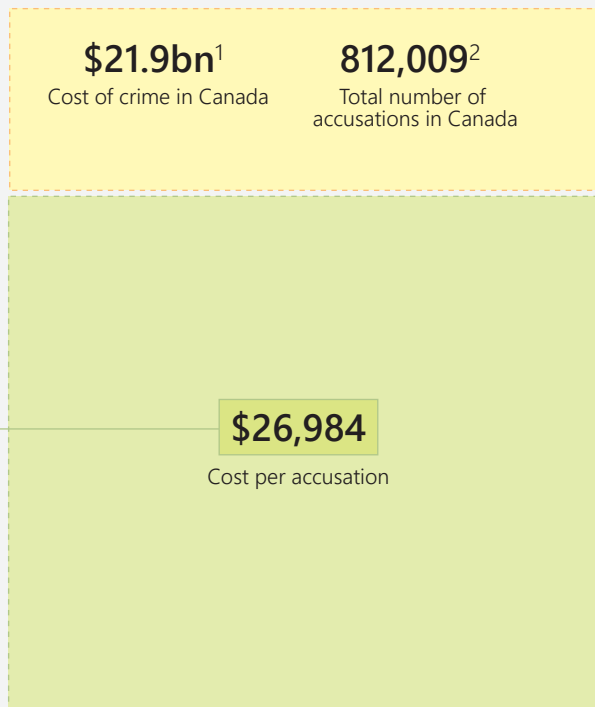
1 STEP ONE

Difference in accusation rate between NEET Vs. Non-NEET youth



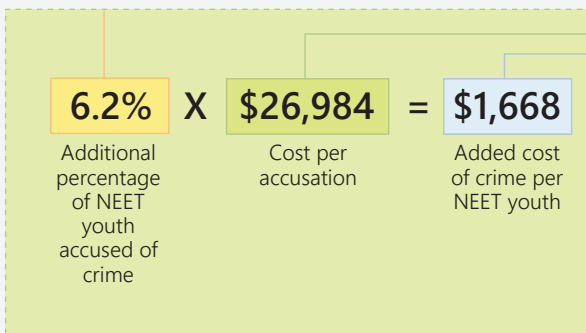
2 STEP TWO

Average cost of an accusation



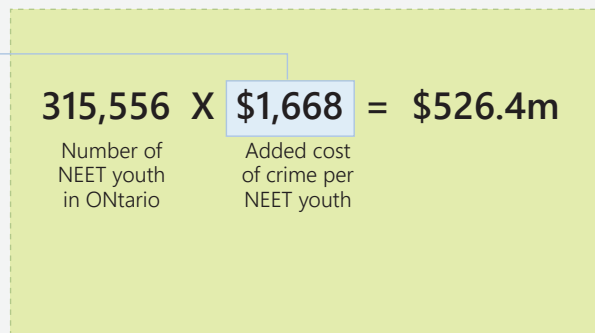
3 STEP THREE

Added annual cost of crime per NEET youth



4 STEP FOUR

Total added annual cost of crime for Ontario's NEET youth



Data sources: 1 Parliamentary Budget Office (2012), inflation adjusted 2 Statistics Canada and own estimates 3 General Social Survey (2009 and 2014)

Estimating the lifetime costs of NEET youth

Crime

We used data from Statistics Canada to project criminal justice service usage rates for different age groups in Ontario. Criminal justice service use decreases with age.

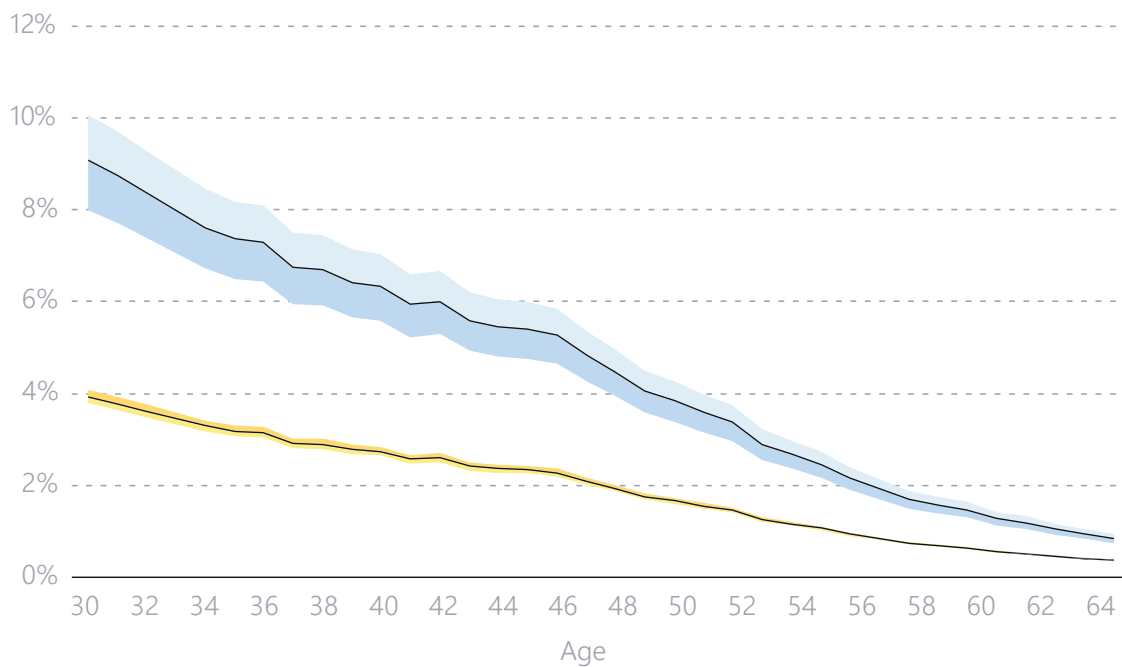
NEET youth use more criminal justice services over the course of their lifetime than non-NEET youth.

We do this for our three scenarios:

Baseline scenario: Individuals who were NEET when youth commit crimes at 2.3 times the rate of those who weren't NEET.

Divergence scenario +15%

Convergence scenario -15%



NEET use of criminal justice services

- Divergence scenario
- Baseline scenario
- Convergence scenario

non-NEET use of criminal justice services

- Convergence scenario
- Baseline scenario
- Divergence scenario

Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
Baseline	16,771	5.29bn
Divergence	20,466	6.46bn
Convergence	12,723	4.02bn

Health

NEET youth use some publicly funded healthcare services considerably more than non-NEET youth. While we can only measure differences in the usage of a subset of services, the differences in how NEET youth access these services allow us to estimate the overall fiscal impact of NEET youth on healthcare service usage.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
\$2,468 per year	\$778.8 million per year
Lifetime cost per youth	Lifetime cost for all youth
\$79,048	\$24.94 billion
Total cost per NEET youth	Total cost for all NEET youth
\$83,554	\$26.37 billion

Data sources

Our estimates of the impact of NEET status on healthcare costs are drawn from 3 sources:

- The Statistics Canada's Canadian Community Health Survey (CCHS 2007-2014), which provides estimates of the number of times NEET youth and non-NEET youth report accessing different healthcare services in the previous year.
- Cost estimates from the Ontario Ministry of Health and Long-Term Care (MOHLTC), for the average cost of delivering each of the services measured in the CCHS.
- Canadian Institute for Health Information (CIHI) estimates of overall public healthcare spending in Ontario, and the proportion of healthcare spending on youth aged 16 – 29.

TABLE 7.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality		The relationship between NEET status and healthcare usage is likely bidirectional. While being NEET may increase healthcare usage for some individuals, a large number of youth are also likely to be NEET due to existing health issues.
Assumptions on immediate cost estimates		The measurable services in the CCHS only include a subset of healthcare costs – notable exclusions include paramedical services, emergency surgery, prescriptions, and some emergency room visit costs. As a result, our estimate of the added cost of NEET youth assumes that the increased usage of healthcare we observe in these services applies to healthcare costs overall (including services we cannot measure using the CCHS).
Assumptions on lifetime cost estimates		We benchmark our lifetime estimates of healthcare costs on established profiles of the relationship between healthcare usage and age. However, no data is available regarding how the gap between NEET youth and non-NEET youth healthcare usage rates evolve over time, and therefore our lifetime estimates of the gap are subject to the same assumptions as immediate costs.

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Red = data limitations could seriously impact the accuracy of our estimates.

Estimating the immediate costs of NEET youth

Health

1 STEP ONE

What is the difference in health care use between NEET and non-NEET youth?

Data¹ on the use rates for NEET and non-NEET youth for a subset of health care services in Ontario shows that NEET youth use these services more than non-NEET youth

NEET youth use:

- x 3.8 more nights in hospital
- x 1.2 more general practitioner visits
- x 1.7 more other doctor visits
- x 1.5 more nurse visits
- x 1.4 more psychologist visits
- x 1.2 more non-emergency surgeries

2 STEP TWO

What is the average health care costs for youth?

Overall, \$4.69bn is spent provincially on health care for youth every year².

\$1,804
per youth

3 STEP THREE

What is the difference in health care costs between NEET and non-NEET youth?

NEET youth health care costs are 2.64 times higher than for non-NEET youth for this subset of health care services:

ESTIMATE A

\$1,433 **\$543**
NEET youth Non-NEET youth

\$1,433 - \$543 = \$890
Added cost per NEET youth

ESTIMATE B

\$1,804

Provincial health care spending per youth
Using the 2.64 proportion, this results in:

\$3,973 **\$1,502**
Annual cost per Annual cost per
NEET youth non-NEET youth

\$3,973 - \$1,502 = \$2,468
Added cost per
NEET youth

4 STEP FOUR

What is the total added health care cost for Ontario's NEET youth?

\$890 x 315,556 = **\$280.96m**

Total annual additional health care cost
for Ontario's NEET youth

\$2,468 x 315,556 = **\$778.42m**

Total annual additional health care
cost for Ontario's NEET youth

Estimating the lifetime costs of NEET youth Health

We used data from CIHI to project health care usage rates for different age groups in Ontario. Health care costs increase with age.

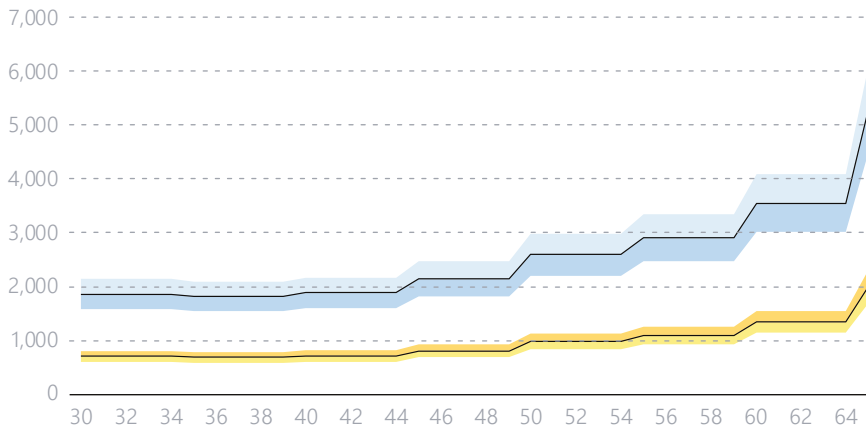
We projected health care costs for each NEET vs. non-NEET for each age group based on our three scenarios:

Baseline scenario, NEET health care costs remain x 2.64 higher than non-NEET

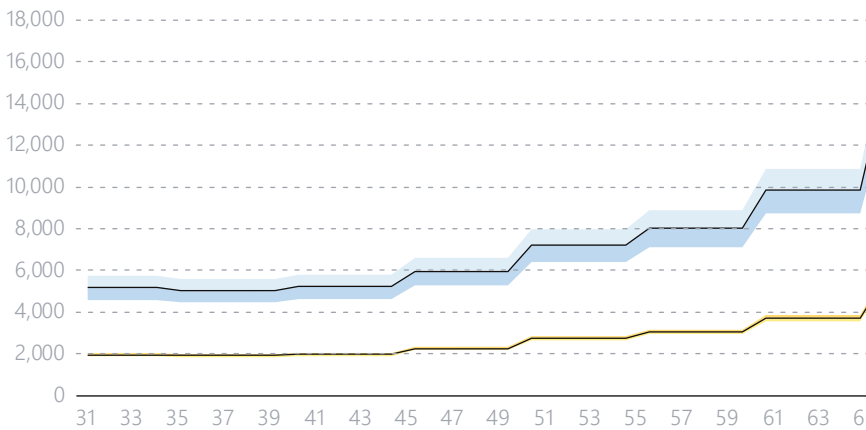
Divergence scenario +15%

Convergence scenario -15%

Estimate A



Estimate B



Estimate	Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
A	Baseline	28,519	9.00bn
	Divergence	34,040	10.74bn
	Convergence	21,785	8.87bn
B	Baseline	79,048	24.94bn
	Divergence	94,349	29.77bn
	Convergence	62,469	19.71bn

Homelessness

While homelessness is associated with a wide range of costs, both to individuals and government, our analysis focuses on the degree to which greater rates of homelessness among NEET youth leads to increased use of emergency shelters, and the associated costs. As a result, this estimate should be considered as a very narrow measure of the fiscal costs of homelessness.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
\$79 per year	\$24.9 million per year
Lifetime cost per youth	Lifetime cost for all youth
\$1,328	\$419.1 million
Total cost per NEET youth	Total cost for all NEET youth
\$1,472	\$464.6 million

Data sources

Our estimates of the impact of NEET status on emergency shelter costs are drawn from 3 sources:

- The Statistics Canada 2016 Census gives an estimate of how many youth are in a homeless shelter at any given night in Ontario. This number is likely to undercount the number of homeless people at shelters given common difficulties in surveying this group.
- The results of *Without a Home: The National Youth Homelessness Survey* (Gaetz et al. 2016), which found that 50.5% of all homeless youth are NEET.
- The *Real Cost of Homelessness* (Gaetz, 2012), a review paper which provides estimates of the average cost of housing a person in a shelter per night.

TABLE 8.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality		While many homeless NEET youth may face homelessness due to unemployment-related poverty, there also may be some cases in which lacking a fixed address acts as a barrier to employment (thereby causing NEET status), or where a third factor causes both NEET status and homelessness.
Assumptions on immediate cost estimates		Our estimates of immediate cost assume that the rate of NEET status among homeless youth in Ontario is the same as the Canada-wide rate (as specific data for Ontario is not available).
Assumptions on lifetime cost estimates		Census data provides a profile of how shelter usage rates change over different age profiles for the population overall. However, no data is available regarding how the gap between NEET youth and non-NEET youth shelter usage rates evolve over time.

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Estimating the immediate costs of NEET youth

Homelessness

1 STEP ONE

Difference in shelter use between NEET vs. Non-NEET youth

2,255 people are homeless in Ontario on any given night¹

X 50.5% of homeless youth in Canada are NEET² – we assume this applies to Ontario

= 1,139 NEET youth in homeless shelters in Ontario on any given night & 1,116 Non-NEET youth in homeless shelters in Ontario on any given night

0.36% of Ontario's NEET youth are in a shelter on any given night, compared to 0.05% of non-NEET youth

0.31% difference

NEET youth are 6 times more likely to be in a shelter on any given night

2 STEP TWO

Average nightly cost of a shelter

\$1,932³ Average monthly cost of shelter accommodation

\$64.40 Nightly cost

3 STEP THREE

Added yearly shelter cost of NEET youth

0.31% X **\$69.50** X 365

Additional shelter use by NEET youth Average nightly cost of a shelter Number of nights in a year

= **\$79.14**

4 STEP FOUR

Added annual shelter cost of NEET youth

\$79.14 X 315,556 = **\$24.9m**

Annual additional shelter cost of Ontario's EET youth

Data sources: 1 2016 Census 2 Gaetz et al. (2016) 3 Gaetz (2012)

Estimating the lifetime costs of NEET youth

Homelessness

We used data from Statistics Canada to project shelter usage rates for different age groups in Ontario

In our projections we specify a proportion of shelter users who are formerly NEET youth.

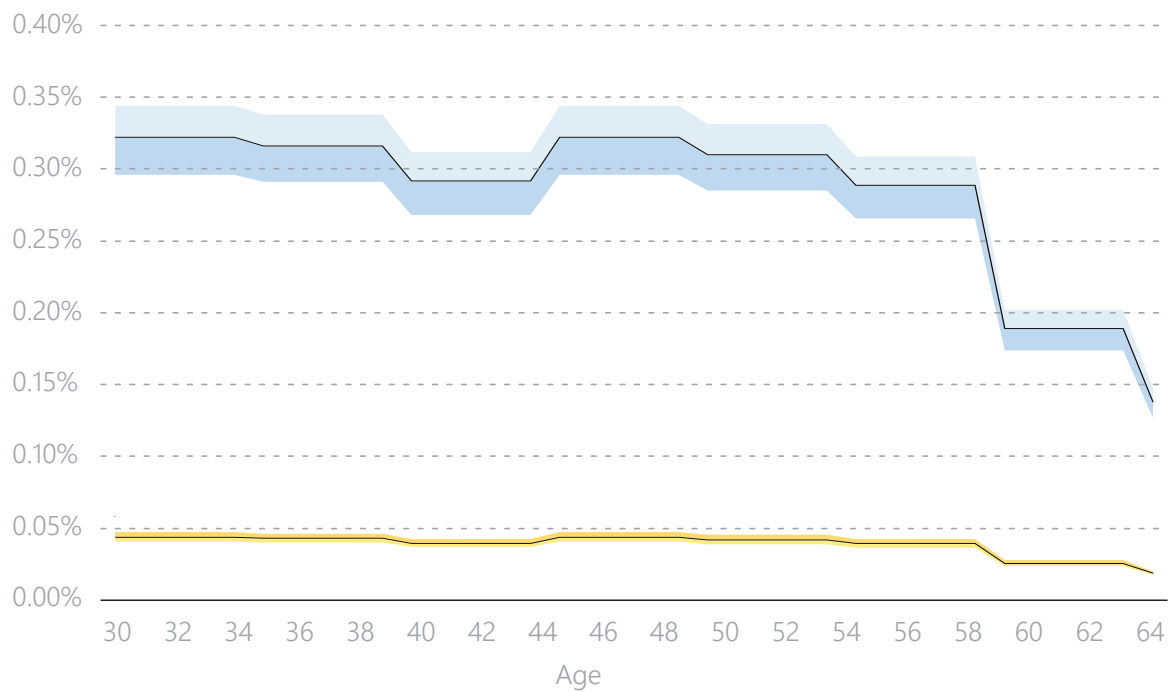
Using this proportion we estimate shelter use for NEET and non-NEET youth every year from ages 30 to 65.

We do this for our three scenarios:

Baseline scenario, 50.5% of homeless are NEET

Divergence scenario +15%

Convergence scenario -15%



NEET shelter use
 — Divergence scenario
 — Baseline scenario
 — Convergence scenario

non-NEET shelter use
 — Convergence scenario
 — Baseline scenario
 — Divergence scenario

Scenario	Lifetime cost per NEET youth (\$)	Lifetime cost of all NEET youth in Ontario (\$)
Baseline	1,328	419.1m
Divergence	1,449	457.1m
Convergence	1,188	374.7m

Education

Finally, we model the differences between costs of secondary and postsecondary education received by NEET and non-NEET youth as a saving accrued by the government, rather than a fiscal cost. While over the long-term lower educational attainment among NEET youth is likely to incur significant costs to both youth and government, over the short term the lack of participation in education by NEET youth means lower public expenditure on education for the government.

Since the overwhelming majority of education costs are accrued between the ages of 16 – 29 for this cohort of youth, only immediate fiscal impacts are considered for education in our model.

Impact estimate

Immediate cost per youth	Immediate cost for all youth
-\$2,616 per year	-\$825.7 million per year
Total cost per NEET youth	Total cost for all NEET youth
-\$7,444	-\$2.35 billion

Data sources

Our estimates of the impact of NEET status on education costs are drawn from 3 sources:

- Statistics Canada’s Labour Force Survey (LFS 2017), which provides estimates of the enrollment rates of youth by different levels of education.
- Statistics Canada’s Survey of Labour Income Dynamics (SLID 2002-2010), which provides estimates of enrollment rates through several years.
- Estimates from the 2017 Ontario Ministry of Education of annual funding per student in secondary school.
- Estimates from The Financial Accountability Office of Ontario (2016) of annual public funding per student enrolled in post-secondary education.

TABLE 9.0 | Model limitations

Limitation	Severity of limitation	Considerations
Causality	Green	NEET status and enrolment in education are linked by definition, so NEET status has a clear causal relationship to education.
Assumptions on immediate cost estimates	Yellow	Few assumptions are made in this modelling of immediate costs. However, data is based on older data source (SLID) that may not accurately reflect current enrollment patterns. In addition, students reporting in the LFS that they are on summer break are assumed to be distributed proportionally across different levels of education.
Assumptions on lifetime cost estimates	N/A	We do not currently calculate lifetime costs for education.

Green = few limitations in the data that affect our estimates.

Yellow = some limitations in the data that we use to generate our estimates but we have used defensible assumptions to address them.

Estimating the immediate costs of NEET youth Education

1 STEP ONE

Differences in future educational attainment between NEET and non-NEET youth¹

Age group	High School	College	University
16 - 20	-0.79 yrs	-0.35 yrs	-0.90 yrs
21 - 25	0 yrs	-0.17 yrs	-0.64 yrs
26 - 29	+0.01 yrs	+0.06 yrs	-0.12 yrs

In general, NEET youth use less education across all age and education levels.

2 STEP TWO

Average cost of one year of education per student

\$12,420 ² High school	\$10,239 ³ College and university
--------------------------------------	---

3 STEP THREE

Total expected saving before age 30 for each age group

$$= -\$22,611_{16-20} = -\$8,294_{21-25} = -\$490_{26-29}$$

4 STEP FOUR

Express costs in present value terms

Present value of savings	
16 - 20	= - \$21,122
21 - 25	= - \$7,885
26 - 29	= - \$629

5 STEP FIVE

Yearly savings in education

Each group is NEET for a different average number of years. We can use this to calculate the average yearly savings from education

16 - 20	$-\$21,122 \div 2.7 = -\$7,878$
21 - 25	$-\$7,885 \div 3.1 = -\$2,551$
26 - 29	$-\$629 \div 2.4 = -\259

6 STEP SIX

Average savings in education per year

A total average can be found using the age distribution of NEET

16 - 20	(\$7,878 x 17.8%) of NEET youth	= \$2,617 per NEET youth
21 - 25	(\$2,551 x 43.4%)	
26 - 29	(\$259 x 38.7%) of NEET youth	

Total cost for all Ontario NEET youth = \$825.7 m

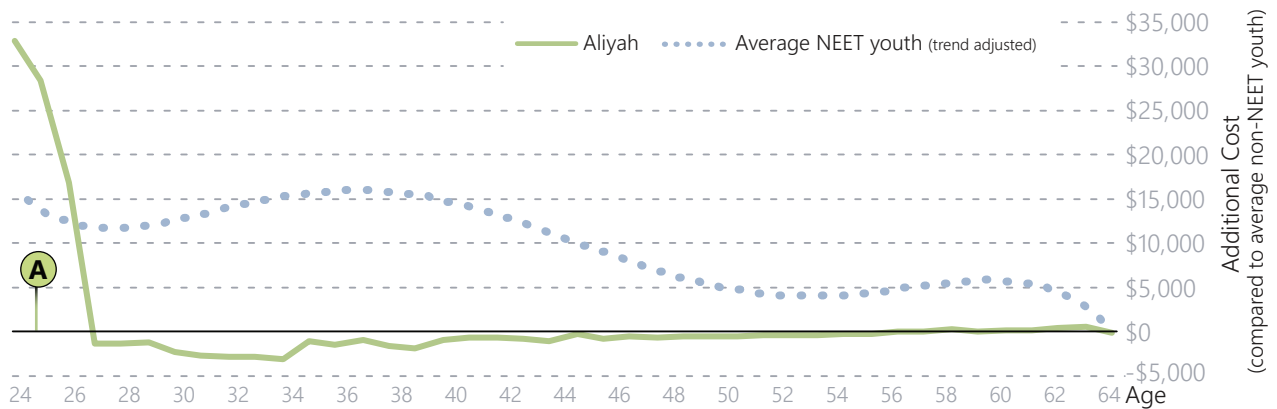
Individual Youth Cost Scenarios

The lifetime costs presented in this section represent the estimated average projected cost of a NEET youth. However, both the current research project and previous research on NEET youth suggest that there are many pathways to becoming NEET. These divergent pathways inevitably affect the lifetime trajectory of these individuals and the costs associated with them. To highlight some of the many pathways to becoming NEET and the difference in societal costs associated with different lifetime trajectories we

present four vignettes about the life of fictional NEET youth: Oleg, Jesse, Kimberly and Aliyah. Each vignette represents a possible trajectory of a NEET youth informed by our research. These vignettes are accompanied by the yearly estimated cost of this NEET youth and the total Lifetime cost. In addition to the vignettes and costs we highlight points during the lives of these hypothetical youth where targeted intervention could have improved their outcomes and saved significant social and fiscal costs.

Aliyah's story

- 1 Aliyah is a racialized woman who graduates from high school with good grades. Although she is interested in pursuing post-secondary education, she worries that university might be too expensive and that she should start making money now. However, she experiences difficulty securing a job after high school. She ends up being NEET for an extended period in her mid-twenties.
- 2 Aliyah eventually finds stable, above-average, long-term employment. Despite a positive lifetime trajectory, Aliyah still accrues costs of about \$25,000 more than a typical not NEET youth.



Aliyah's total costs

	Lifetime cost of:	Average NEET youth	Aliyah
Foregone revenue	Income	\$214,798	\$27,506
	Taxes	\$57,108	\$21,097
Expenses	Health	\$71,062	\$2,965
	Crime	\$17,166	-\$18,593
	Shelter	\$1,263	-\$283
	OW	\$25,858	-\$2,325
	ODSP	\$24,098	-\$6,776
Total Cost		\$411,353	\$23,591

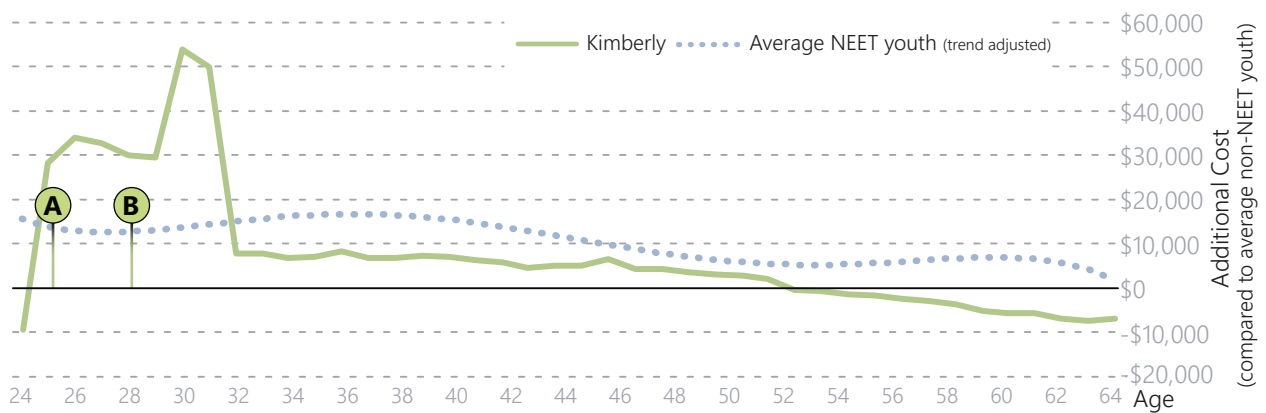
How Aliyah's story could be different

A Aliyah visits her local employment services agency hoping they will help her find a job. She speaks with an employment counsellor who helps her explore her career goals and recognizes that Aliyah is a good candidate for post-secondary education. The counsellor helps her apply to a local university, and offers help with her OSAP application. The agency also connects her with a part-time job that will help her with living costs while she is in school. Aliyah gets into university and eventually graduates with a four year degree. Her future job prospects are very good.

Cost of Intervention: ~\$1,000. Savings: \$23, 591

Kimberly's story

- 1 Kimberly is working as a cashier at a fast food restaurant, and often doesn't know her work schedule until a few days in advance. She finds out she is expecting a child and is worried about how she will manage to take care of a child with her unpredictable schedule. She also finds out that she has not worked enough hours to qualify for Employment Insurance maternity benefits. Kimberley leaves her job and takes some time off when her child is born, but worries about how quickly she is using up the little money she had saved.
- 2 Kimberly starts looking for work when her child is a few months old. She is planning to rely on her mother for help with child care, but finds out that her mother has been diagnosed with cancer. Kimberly wants to be there for her family and can't devote as much time and effort to her job search as she would like. She is also not sure how to arrange for affordable child care even if she did find work. Kimberley ends up applying for Ontario Works to make ends meet.
- 3 When Kimberly's child turns four and starts full-time kindergarten, Kimberly begins searching for work again, but is not sure what she wants to do and is worried about how employers will perceive her because she has been out of the labour market for so long. She ends up finding part-time work in the hospitality industry. While she does well at work, she worries that she will never make enough money to provide her child with a good life.



Kimberly's total costs

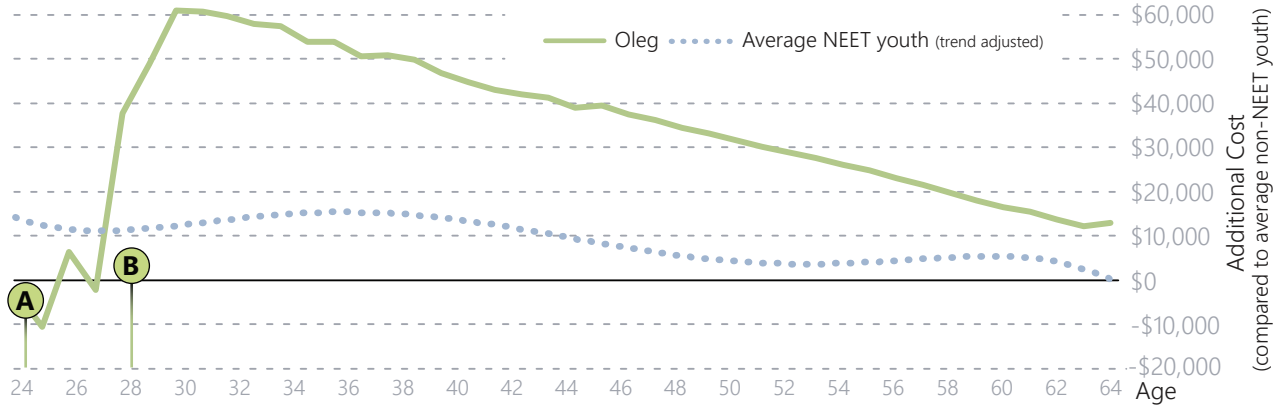
	Lifetime cost of:	Average NEET youth	Kimberly
Foregone revenue	Income	\$214,798	\$135,540
	Taxes	\$57,108	\$34,323
Expenses	Health	\$71,062	\$14,441
	Crime	\$17,166	-\$18,593
	Shelter	\$1,263	-\$283
	OW	\$25,858	\$41,167
	ODSP	\$24,098	-\$6,776
Total Cost		\$411,353	\$288,028

How Kimberly's story could be different

- A** Shortly after she finds out she is pregnant, Kimberly hears about a program for young single mothers from a friend and decides to check it out. The program helps her understand her child care options and connects Kimberley to a three month training program that prepares youth for entry-level jobs in the IT sector, an area that Kimberley has always been interested in. The program also provides wraparound supports to help Kimberley manage financially after her baby is born. **Cost of Intervention: ~\$8,000. Savings: \$164,052**
- B** While taking her daughter for a check-up at a community health center, Kimberley mentions to a staff member that she is having trouble with her job search and isn't sure about her child care options. The staff member connects her to the local child care service system manager where she can apply for child care fee subsidy, and also refers her to a local employment services provider where she receives help with her job search. **Cost of Intervention: ~\$26,000. Savings: \$87,958**

Oleg's story

- 1 Oleg graduated high school but is having trouble finding work. When he does gain employment it is seasonal manual labour or informal employment. While working 'off-the-books' at one of these jobs, Oleg is severely injured. Now unable to work, Oleg relies on ODSP for income.
- 2 After recovering from the initial trauma of his injury, Oleg would like to work again but is unable to find a job. He struggles to figure out what type of industry or job he should be working in, and how to find an employer that will understand and accommodate his disability.
- 3 Oleg's lack of experience outside of manual labour, his disability and his extended time out of the labour market make it challenging for him reintegrate into the job market. Oleg never returns to work and relies on ODSP for the rest of his life.



Oleg's total costs

	Lifetime cost of:	Average NEET youth	Oleg
Foregone revenue	Income	\$214,798	\$802,370
	Taxes	\$57,108	\$157,143
Expenses	Health	\$71,062	\$238,113
	Crime	\$17,166	-\$18,593
	Shelter	\$1,263	-\$283
	OW	\$25,858	-\$2,325
	ODSP	\$24,098	\$224,514
Total Cost		\$411,353	\$1,400,938

How Oleg's story could be different

A After graduating high school, Oleg is encouraged by his teacher to enroll in a Career Pathways training program that will give him the skills needed for an entry-level job in the warehousing sector. Oleg completes the training program and is hired on by a local warehousing company where he receives decent pay and benefits. He continues to take additional courses at the college to work towards his diploma.

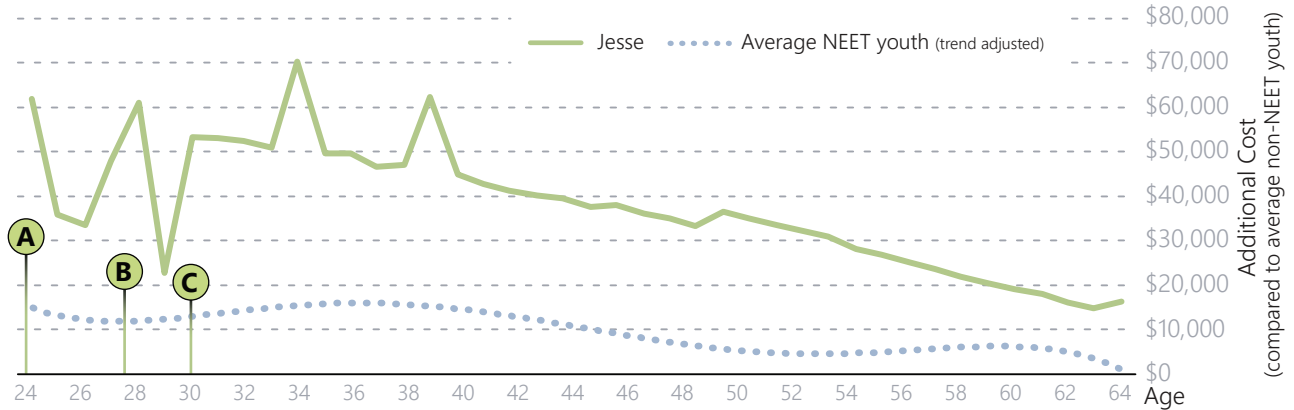
Cost of Intervention: ~\$11,000. Savings: \$1,332,283

B Oleg walks into an employment services agency just down the street from him where he is connected with a Youth Outreach Worker (YOW). Recognizing that Oleg could use some specialized support, the YOW refers him to another provider that has expertise in job development for youth and persons with disabilities. The provider helps Oleg identify what jobs he is interested in and suitable for, and works with potential employers to help them understand Oleg's skills and competencies and arrange the right accommodations for him succeed on the job.

Cost of Intervention: ~\$3,000. Savings: \$820,882

Jesse's story

- 1 As a youth Jesse struggles in school, in part due to undiagnosed mental health issues. Feeling like he won't be able to stick it out until graduation, Jesse drops out of high school in Grade 11, thinking he can get a job.
- 2 Finding a job is harder than Jesse thought. Unable to make ends meet, Jesse starts selling drugs as a source of income. Things go badly quickly, and Jesse ends up being arrested twice.
- 3 Jesse continues to struggle finding work, and relies on Ontario Works for his income. His mental health worsens, and not knowing how to get help, he starts self-medicating. It isn't long before Jesse is hospitalized due to an overdose.
- 4 Now with a criminal record, little work experience, and health and mental health issues, Jesse has difficulty holding a steady job through his adulthood, and cycles on and off Ontario Works. He continues to struggle with substance abuse and mental health issues as he gets older.



Jesse's total costs

	Lifetime cost of:	Average NEET youth	Jesse
Foregone revenue	Income	\$214,798	\$906,421
	Taxes	\$57,108	\$172,542
Expenses	Health	\$71,062	\$251,127
	Crime	\$17,166	\$91,482
	Shelter	\$1,263	\$12,663
	OW	\$25,858	\$158,044
	ODSP	\$24,098	-\$6,776
Total Cost		\$411,353	\$1,585,503

How Jesse's story could be different

- A** Jesse's guidance counsellor recognizes that he needs additional supports and refers him to a mental health agency. Because his school and the agency have a close working relationship, he is immediately assessed and connected to mental health services that help address his issues. Jesse receives treatment that helps him stay in school.
Cost of Intervention: ~\$4,500. Savings: \$1,347,6477
- B** Jesse learns about United Way's Career Navigator program, which offers sector-focused education and training services with integrated mental health services. He receives industry-recognized training in hospitality, completes a 2 week job placement and is hired on permanently.
Cost of Intervention: ~\$7,000. Savings: \$1,076,008
- C** Jesse's caseworker suggests that he visit a Youth Wellness Hub. The hub offers mental health, substance abuse, and employment services in a single place. Jesse receives treatment for his mental health and drug dependency while also working with an employment counsellor to explore potential career paths and opportunities for skills upgrading. This helps get Jesse back on track.
Cost of Intervention: ~\$5,000. Savings: \$888,242



3

What are the needs and experiences of NEET youth?

This section explores the life circumstances, attitudes, goals, challenges, and needs of NEET youth in Ontario. While our analysis of Statistics Canada survey data presented in Section 1 helps us answer high-level questions about the number of NEET youth in Ontario and their characteristics, it sheds little light on their needs and experiences.

To address this gap, we designed a Youth Survey that gave youth the opportunity to share why they are NEET, what goals they would like to achieve, and what they need to move forward.

In this section, we describe who we reached with the survey and analyze survey results to address the following questions:

- What goals do NEET youth have related to school and work?
- What challenging life circumstances do NEET youth face?
- In what areas do NEET youth report needing help?

Who did we reach through our survey?

Over 900 NEET youth across Ontario responded to the survey between February and June 2018. Just under half of these youth (421 out of 909, or 46%) were engaged by youth-serving agencies in 10 different communities, and the other half (488 of 909, or 54%) were part of an online survey panel.

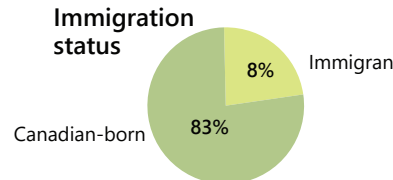
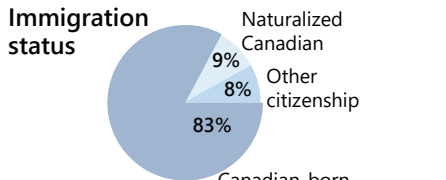
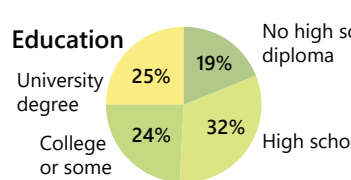
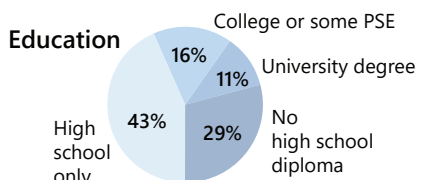
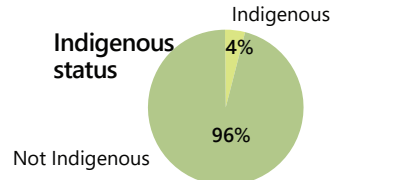
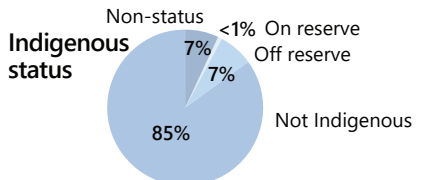
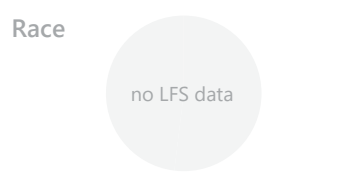
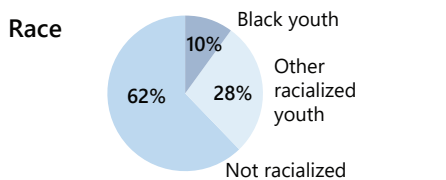
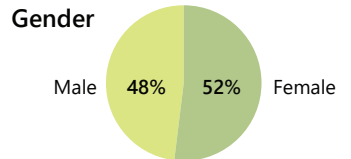
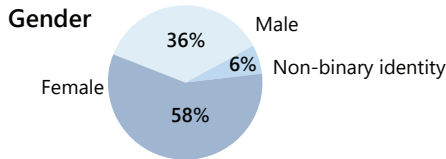
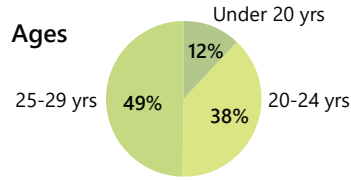
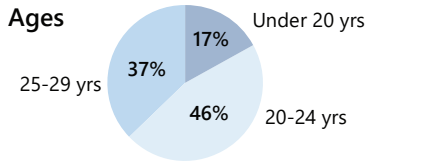
- **The survey reached a broad group of NEET youth** – Similar to the NEET population of Ontario, our sample of NEET youth contains considerable variation across a range of demographic characteristics, including age, gender, race, Indigenous status, immigration status and education.
- Most surveyed youth have been NEET for 6 or more months in the past year, but almost all have worked before – 73% of surveyed youth are chronically NEET, which we define as having been NEET for at least 6 of the past 12 months. However, a majority of surveyed youth (84%) have held at least one formal job, compared to 73% of all NEET youth in Ontario.
- Surveyed NEET youth are more likely to belong to historically disadvantaged and equity-seeking groups and to have lower levels of education – Compared to the overall population of NEET youth in Ontario, surveyed youth are more likely to be female and to identify as racialized or Indigenous. They are also less likely to have any postsecondary education. Figure 13.0 compares the characteristics of our sample to NEET youth in the LFS.
- Agency-engaged youth and youth from the online panel reported similar challenges and needs (e.g. barriers engaging in school and work) even though agency-engaged youth were more likely to belong to historically disadvantaged and equity-seeking groups, and to be in receipt of social assistance. This section presents combined survey findings for all NEET youth surveyed, since the results from both surveys were similar across groups. Box 7.0 provides more detail about the two survey samples.
- We also captured the perspectives of non-NEET youth, many of whom reported similar barriers and challenges as NEET youth – When fielding the survey, agencies were encouraged to invite NEET youth to participate, but also invited some other youth who were engaged in services and employed or in education. Our analysis in this report focuses on youth who were NEET when they completed the survey. However, survey responses for non-NEET youth provide insight into the characteristics and experiences of recently NEET youth and youth who may be at risk of becoming NEET, many of whom have similar needs to surveyed NEET youth. Appendix 1 provides more detail about non-NEET youth who responded to the survey.

FIGURE 13.0 | Demographic characteristics of Youth Survey NEET sample and LFS

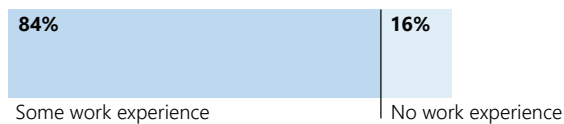
NEET demographics

Our sample

LFS 2015-2017



Work Experience:



Source: Youth Survey, 2018; Labour Force Survey, 2015-2017

BOX 6.0 | About the Youth Survey

- The Youth Survey was designed in collaboration with the Ministry of Children, Community and Social Services (MCCSS) and United Way Greater Toronto to capture the experiences, goals, challenges, and support needs of NEET youth in Ontario.
- We administered the survey through two different channels – youth-serving agencies and an online panel – in order to reach a diverse group of NEET youth, capture data on sub-groups of NEET youth, and incorporate a regional lens into our analysis. For full details on sample size and exclusion criteria, see Appendix 1.
- Almost one half of the surveyed NEET youth respondents (421, or 46%) completed the survey at youth-serving agencies across 10 regions of Ontario. Agencies in Algoma/Sault Ste. Marie, Toronto, Windsor, Hamilton/Brantford, Peterborough, Thunder Bay, Ottawa, Kingston, Sudbury and London were chosen to ensure wide geographical coverage.
 - Agency staff identified NEET youth respondents based on their professional judgement. This sampling approach meant that some respondents who completed the survey did not meet our definition of NEET but did typically share multiple characteristics with the population of NEET youth. This group of non-NEET youth (n=399) was not included in our main data analysis.
- The other half of NEET youth (488, or 54%) completed the survey as part of an online panel. Youth across Ontario who met our definition of NEET were engaged by a market research company to complete the Youth Survey. They were asked which of the 10 regions above they lived closest to. Some respondents (27) were removed from the sample due to data quality concerns or because they were involved in formal training or had full-time non-formal jobs, and therefore could not be considered NEET.
- As the fielding approach used was not designed provide a random sample of NEET youth, our survey respondents are not a representative sample of NEET youth. Survey results are not intended to be a precise measure of the proportion of youth with specific characteristics. Instead our survey sought to explore the experiences of a wide range of NEET youth and thus representativeness is not essential.

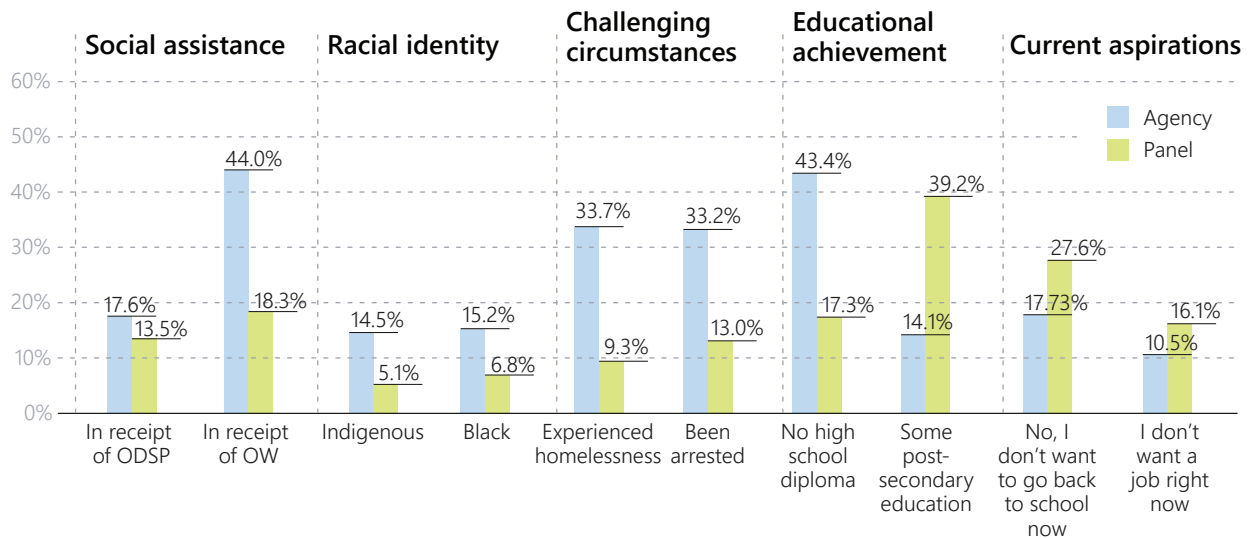
BOX 7.0 | How do our online panel and agency samples differ?

To help ensure that our survey of NEET youth captured a range of perspectives, we used two independent fielding methods – an online panel sampling and agency fielding – to engage NEET youth. We anticipated that youth in the two samples would have different socio-demographic characteristics. Comparing NEET youth in our agency sample to the NEET youth in our online panel, we found that overall agency youth are more disadvantaged than panel youth:

- Agency-engaged youth are much more likely to be receiving support from Ontario Works (OW) (25 pp.) and the Ontario Disability Support Program (ODSP) (4 pp.).
- Agency-engaged youth are more likely to belong to historically disadvantaged and equity-seeking groups, including Black youth (8 pp.), Indigenous youth (9 pp.), youth in conflict with law (20 pp.), and are more likely to have experienced homelessness (24 pp.).
- Agency-engaged youth have lower levels of education but are more likely to want to go back to school (10 pp.).

Despite these differences, agency-engaged youth and youth from the online panel report similar barriers to work and school and similar levels of other findings of interest. Because of this, we present combined survey results for all NEET youth in this report.

FIGURE 14.0 | Demographic differences between panel and agency samples



What goals do NEET youth have related to school and work?

Most NEET youth had positive experiences at their last job or the last time they were in school. Most have positive attitudes toward their future employment and education. Although almost all surveyed NEET youth want to find a job or return to school, many have personal issues that they'd like to take care of first.

The Youth Survey included questions about respondents' experiences in their last job and the last time they were in school to provide a better understanding of the factors that may have contributed to their current NEET status. Figure 15.0 presents survey results regarding respondents' experiences of school and work, and the reasons why they left their last job or school.

Half of youth had positive experiences with their last job and school experience

Among surveyed NEET youth who reported having held at least one formal job, 52% said that they had a positive experience overall with their last position. Similarly, 52% of survey respondents said that they had a positive experience overall the last time they were in school.

A smaller proportion of respondents disagreed that their experiences with their last job and the last time they were in school were positive (22% and 23%, respectively). Negative experiences with education and previous employment may make it more challenging for these NEET youth to re-enter the labour market or return to school.

The most common reason that NEET youth left their last job and school was because their job or program ended

One-quarter of surveyed NEET youth reported that they left their last job because it was temporary, seasonal, or a contract position that ended. This aligns with LFS data, which indicates that 30% of NEET youth who were employed in the last year left their last job because it was a temporary position. Almost half of respondents (46%) reported that they left school because they finished their program or degree.

Many youth report that personal circumstances contributed to them leaving their last job

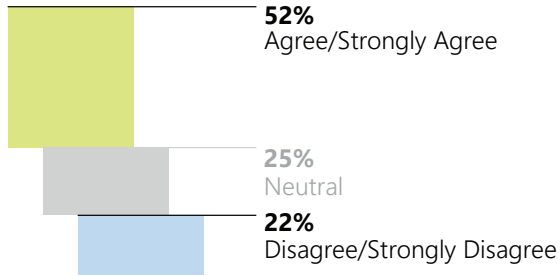
Almost half of respondents (45%) identified at least one personal reason why they left their last job, with the most common reasons being illness or disability (24%) and feeling overwhelmed and stressed (20%). Although many youth reported that their last job ended because of the nature of the job, this finding suggests that personal circumstances may still be a large driver of youth leaving employment.

Few NEET youth were fired from their last job or failed school

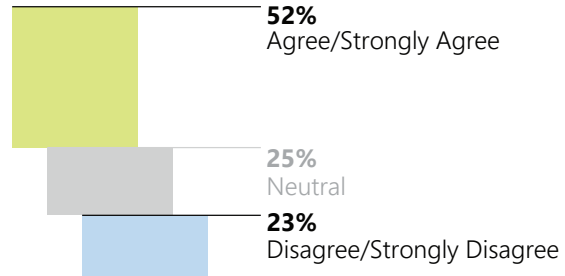
Only 10% of individuals reported that they were fired or dismissed from their last job. Similarly, only 10% reported that they failed out or were expelled from school.

FIGURE 15.0 | NEET youth previous experience with work and school

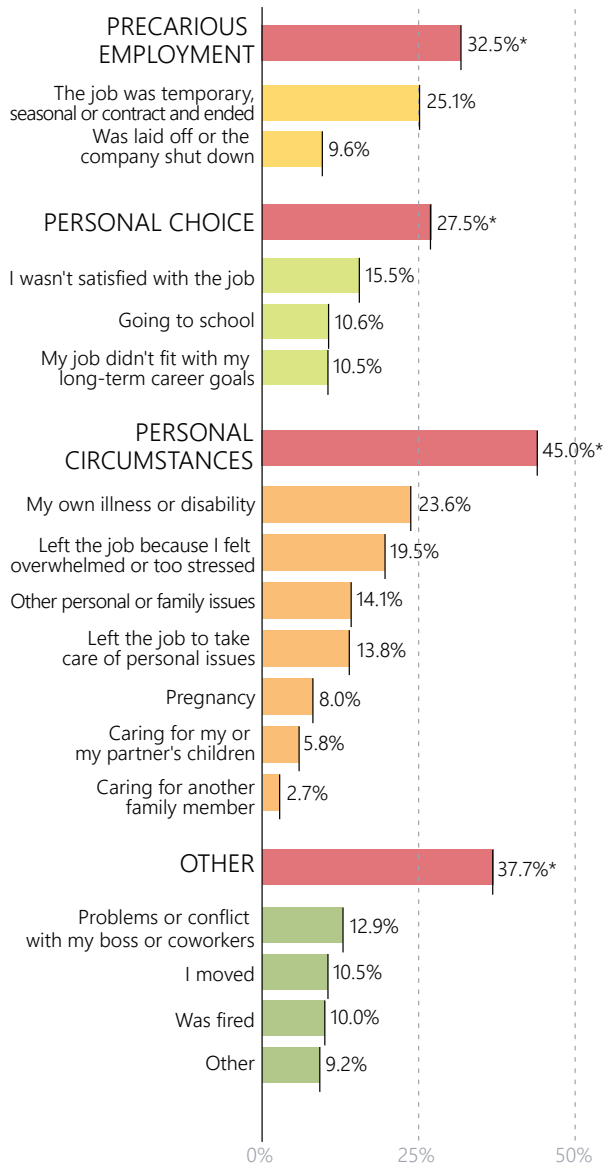
Overall, my experience with my last job was positive:



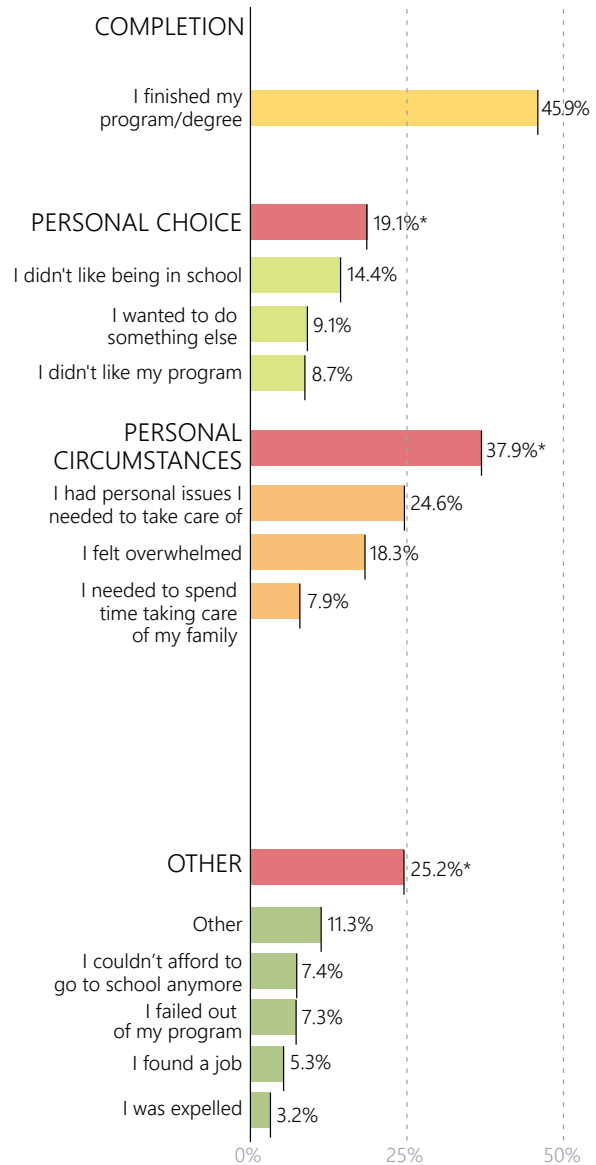
Overall, my experience at my last school was positive:



"What were the main reasons you stopped working at your last job?"



"What were the main reasons you left your last school?"



*% of sample that answered at least one of the reasons from this category

Source: Youth Survey, 2018

BOX 8.0 | In their own words: Precarious employment**Some youth said that they were unemployed because of negative experiences at their last job related to precarious or unsafe work environments.**

"I was injured on the job. My employer fired me instead of helping me."

"It was a toxic work environment and they treated people who needed accommodations awfully. I was able and dedicated and always picked up shifts [...]. After 2 years of that dedication, staying late and picking up shifts I became physically disabled after an injury and they treated me horribly. [My employer] would not let me take time off or have a consistent schedule. [When they hired a new employee] they gave him a Monday to Friday set schedule and I became a backup. They also didn't pay me [my salary], overtime extra pay etc. numerous times. All for minimum wage?"

"[My employer] let me go before January 1, 2018 because they refused to pay me \$14.00 an hour, the new legal minimum wage. I also lost my child benefits and my father stopped paying support for me. My life feels like it's spinning out of control."

Source: Youth Survey, 2018

Half of surveyed youth unequivocally want a job now

As Figure 16.0 illustrates, just over half of surveyed NEET youth (51%) would like to work now. This is aligned with the proportion of NEET youth on the Labour Force Survey who indicated that they would like to work.

An additional 36% of youth want to work but have things they need to take care of first

One-third of surveyed youth (36%) report they want to work, but either want to go back to school (10%) or take care of personal issues (26%) first. Two-thirds of youth (65%) who indicated that they want to take care of personal issues before starting to work said that they want to take care of their physical or mental health. While this group of youth want to work, they would not be categorized as wanting to work in the Labour Force Survey due to question constraints.

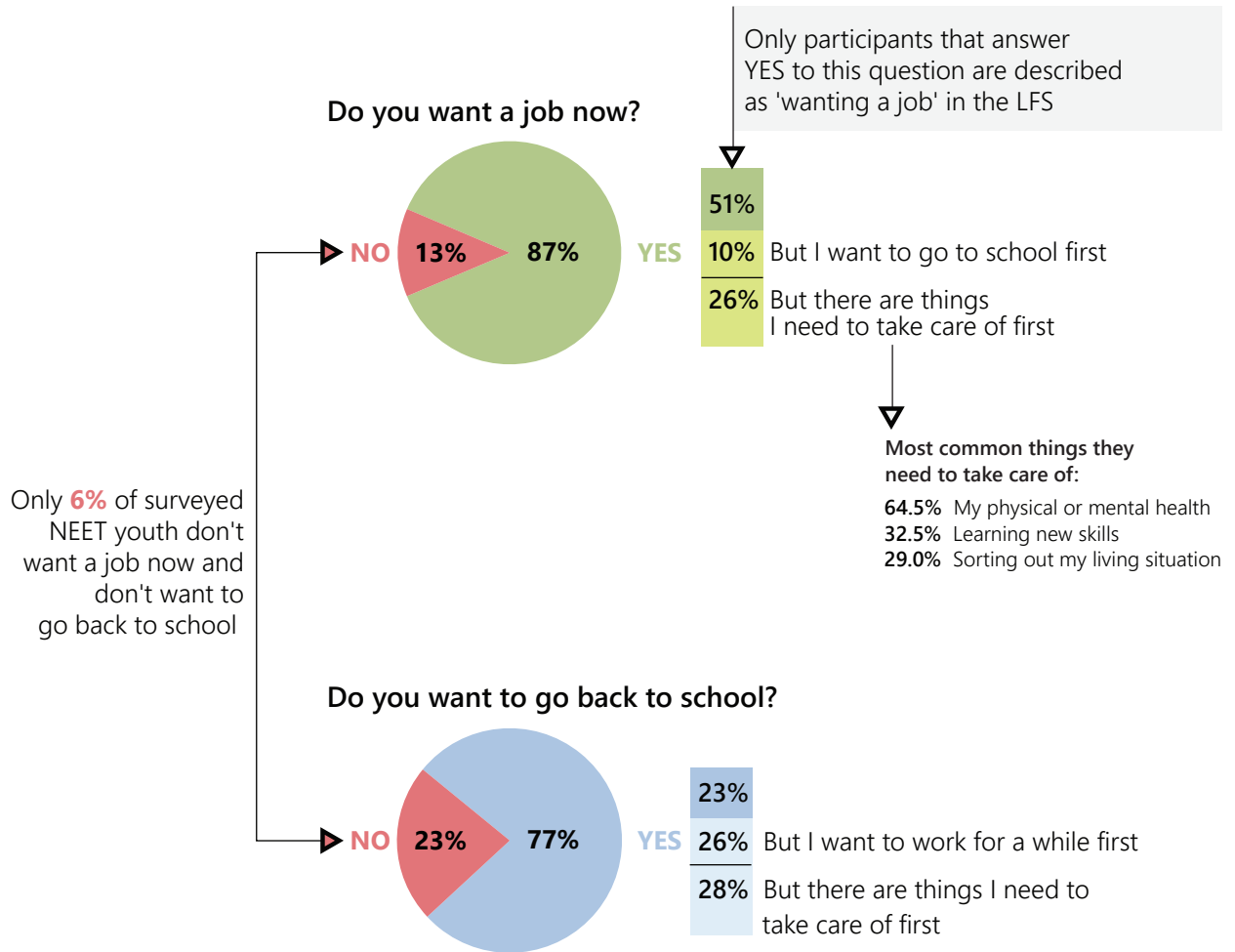
Most NEET youth want to return school at some point

In total, 77% of youth said that they want to return to school. Twenty-three percent want to return to school immediately, 26% want to work first, and 28% have other things that they need to take care of before they return to school.

Only 6% of surveyed youth did not want a job or to go back to school

Almost all youth who completed the survey said that they want to return to school and/or work.

FIGURE 16.0 | Do NEET youth want to return to school and/or work?

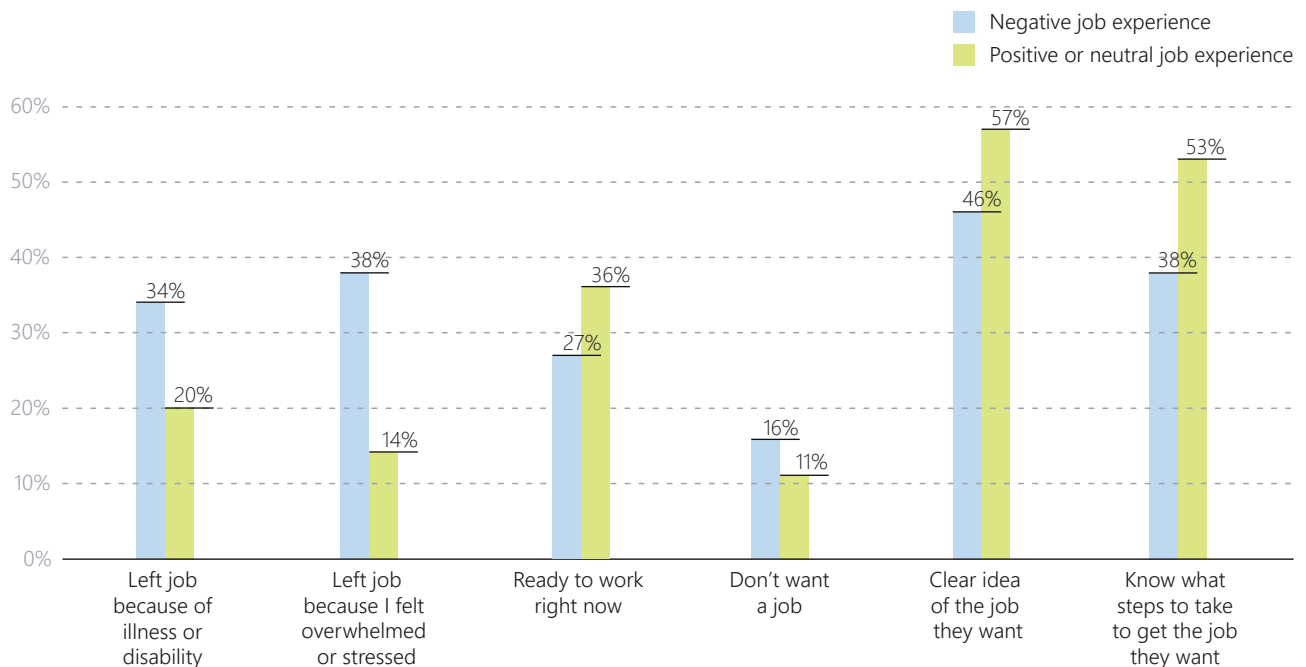


Source: Youth Survey, 2018

Surveyed youth report being more likely to start work soon than go back to school

Although most of the youth who responded to the survey indicated that they want to work and go back to school, most are interested in working first. Among NEET youth who want to work, 47% think they will be ready to return to work within the next month (see Figure 17.0). These individuals may benefit from targeted career advice and guidance to help them return to the labour force. On the other hand, only 15% of youth who want to return to school think they will be ready within the next month. Combined, this suggests that NEET youth may be interested in gaining work experience and becoming more financially stable before they return to school.

FIGURE 17.0 | When do NEET youth think they will be ready to return to work and school?



Source: Youth Survey, 2018

BOX 9.0 | In their own words: What jobs do NEET youth want?**Youth expressed a desire for basic job quality, through jobs with stable hours, work-life balance, and some opportunities for growth.**

“The job market is too damn hard to be picky. [I want] something full time.”

“I want a job with regular hours and no take-home work – no work off the clock. A job that allows decent vacation time or includes travel.”

“I have many different types [of jobs I want] but as of now entrepreneurial jobs, robotics, music, construction, sales [...] almost anything beyond fast food.”

Many youth expressed a desire for entry level jobs, that also let them pursue longer-term goals.

“I’d like to get a part-time manual labour job, since they are easy work [...] I don’t want to get a full-time job, since I’m focusing on getting my writing career off the ground. I published three books in 2016. I’m currently working on marketing and getting higher website traffic and want to be able to keep that as my top priority. A part-time job would fill the need of getting some money, without stealing all my energy away from my writing.”

“I would love to do some type of science but being 16 [years old], I would love to work at a clothing store until I get the chance to finish school.”

Youth often wanted a job that could work with their personal circumstances.

“Ideally when my kids are in school I would like a flexible work-from-home job that is part-time and allows me to set my own hours.”

Many NEET youth want work that makes a positive change in their communities.

“I want a career where my main mission is helping people (like being a counsellor, nurse, [personal support worker], residential worker, etc.).”

“I would like to help refugees settle in Canada, but I’m not sure what kind of job that would be.”

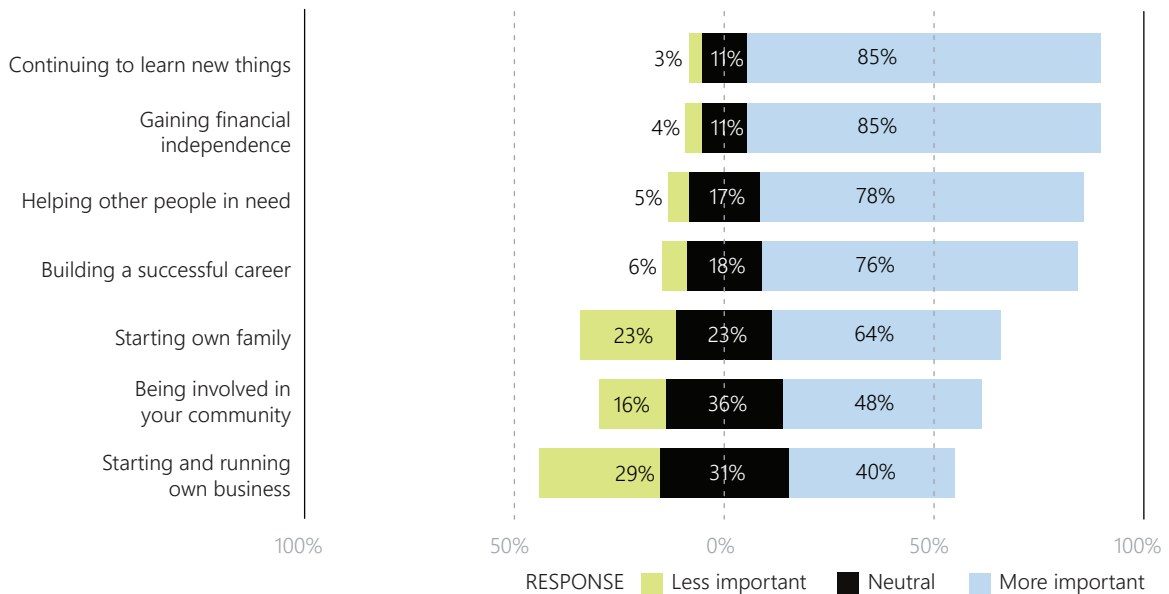
Source: Youth Survey, 2018

Almost all NEET youth want to help other people in need, gain financial independence, and learn new things

More than three-quarters of surveyed NEET youth say that building a successful career (76%), helping others in need (78%), gaining financial independence (85%) and learning new things (85%) are important or very important long-term goals for them.

FIGURE 18.0 | How important are long-term goals to NEET youth?

Thinking about your long-term goals, how important is...?



Source: Youth Survey, 2018

BOX 10.0 | In their own words: Other long-term goals of NEET youth

Youth care about their personal growth and fulfilment.

"Being confident and proud of who I am."

"Finding something I love to do."

NEET youth wanted to be able to address some of the challenges they faced in their lives

"Treating my illness so that I can be functional."

"Finishing high school, going to college, staying sober/clean."

Many NEET youth wanted to make sure they could support and care for their families.

"Having enough to care for my mom one day."

"Travelling the world with my little boys."

Source: Youth Survey, 2018

What challenging life circumstances do NEET youth face?

Most NEET youth in our sample have faced challenging life circumstances that may act as barriers to employment and education.

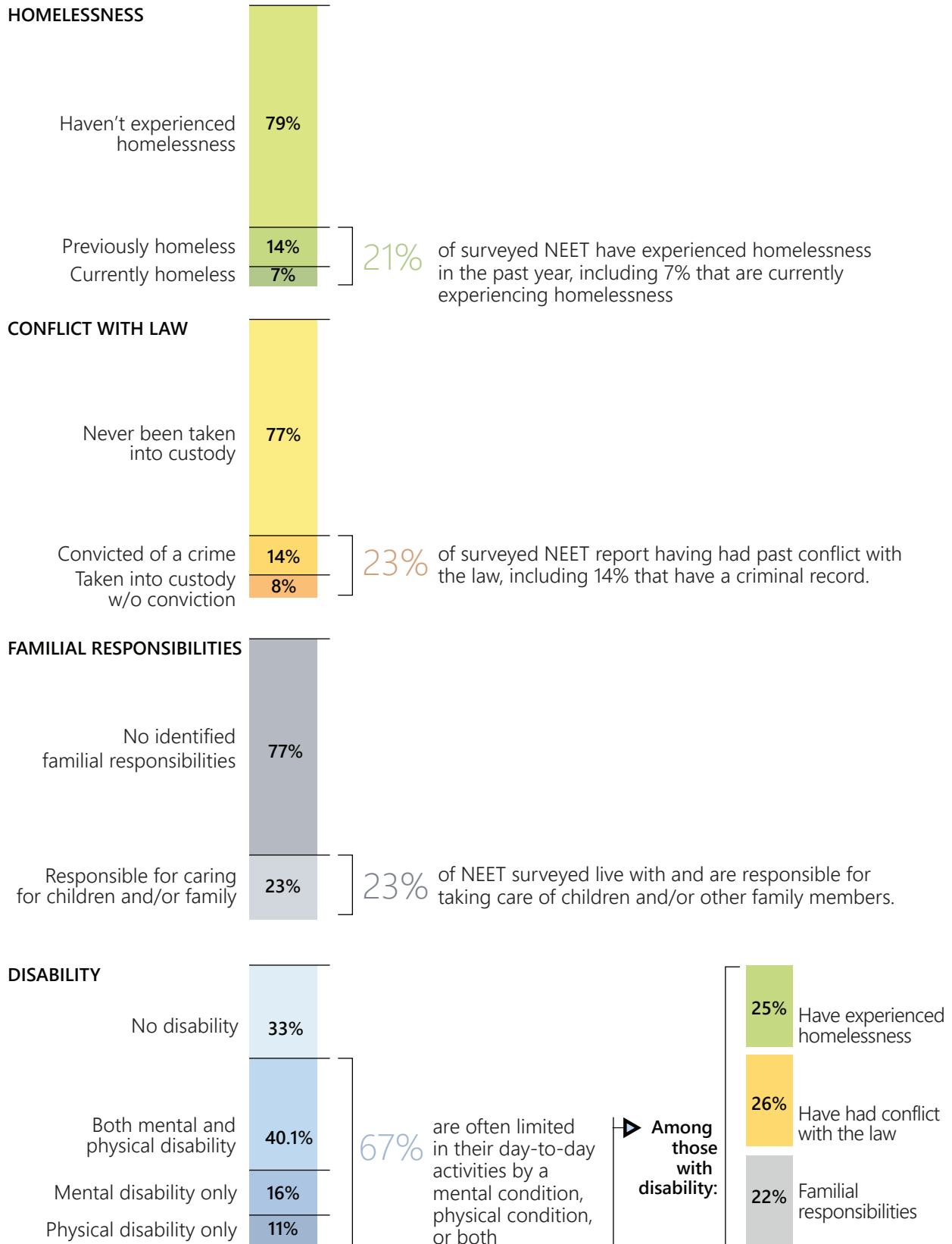
Surveyed NEET youth face a range of challenging life circumstances

As Figure 19.0 illustrates, 21% of NEET youth who completed the youth survey have experienced homelessness, 23% have been in conflict with the law, and 23% are responsible for taking care of children and/or other family members. Two thirds (67%) of survey respondents reported having some form of disability.

Many NEET youth face multiple interrelated challenges

For example, many individuals who have a disability have also had experiences with homelessness (25%), been in conflict with the law (26%), or have familial responsibilities (22%). While each individual factor can substantially impact how youth access the labour market and education, these experiences may also interact to create complex patterns of need and challenges for some youth. In addition, individuals with these challenges may also face barriers due to systemic discrimination.

FIGURE 19.0 | Challenging life circumstances of NEET youth



Source: Youth Survey, 2018

What areas do NEET youth identify that they need help with?

NEET youth identify multiple unmet support needs. The most commonly reported needs are help with employment and help with physical and mental health.

Most surveyed NEET youth have complex needs

Consistent with the challenges NEET youth report facing, 76% of surveyed youth identified at least two areas of their lives where they need support. On average, NEET youth identified between 3 and 4 areas in which they would like to get help.

Help with employment, transportation, managing money, and housing are common needs

As Figure 20.0 shows, a high proportion of surveyed youth (75%) said that they need help finding employment. Many surveyed youth also said that they would benefit from help with transportation (70%), managing money (59%), and housing (54%).

More than half of NEET youth need help with mental and physical health

Over half of surveyed youth (54%) said they need help with their mental health and 48% need help with their physical health. This aligns with the proportion of youth who said that they have a physical disability, mental disability, or both (67%).

Almost half of respondents need help accessing financial support for education

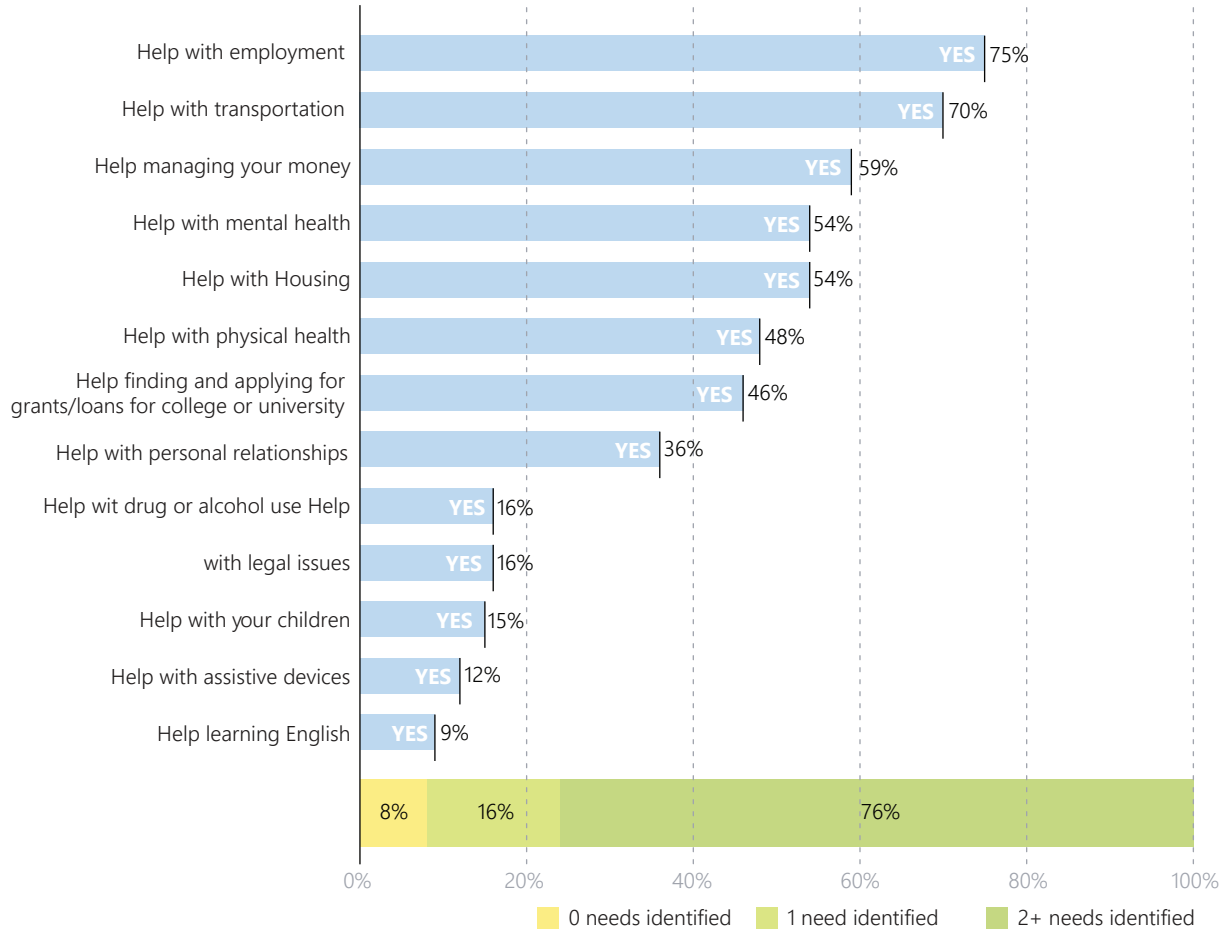
Forty-six percent of surveyed youth said they need help finding or accessing grants and loans for college, university, and training.

Some youth need help with legal or substance use issues

A small but significant number of youth reported that they needed help with legal issues (16%) or issues related to drug and alcohol use (16%).

FIGURE 20.0 | Support needs of NEET youth

Right now would getting help in any of these areas be helpful to you?



Source: Youth Survey, 2018



4

What factors contribute to being NEET?

International research suggests that there are many reasons why individual youth may become NEET. Some youth are eager to work, but face barriers to entering the job market, such as a lack of skills and work experience. Others are temporarily disengaged from school or work due to current circumstances in their life, but plan to return. Others face more serious barriers that need to be addressed before they are ready to pursue their goals.

International research also indicates that NEET youth rates are shaped by contextual factors, including socio-economic structures and public policy (Maguire & Rennison, 2005). This points to the importance of Ontario-specific research on the factors that contribute to NEET status.

This section presents our findings on the factors that contribute to NEET status in Ontario. To identify factors, we consider the perspectives of both NEET youth themselves, and staff from youth-serving agencies. Youth perspectives come from data collected through the Youth Survey, and agency staff perspectives come from information collected through focus groups held with practitioners across Ontario. See Box 11.0 for more detail on our approach to soliciting the perspectives of youth and service providers.

We begin by discussing barriers to education and employment that contribute to NEET status, including personal circumstances, skills and experience, and local labour market conditions. We then discuss the role youth services play in contributing to NEET status.

BOX 11.0 | Youth and agency staff perspectives on factors that contribute to becoming NEET**Youth perspectives**

Our approach Survey of **909** NEET youth across Ontario

Key questions **YOUTH WHO WANT TO GO BACK TO SCHOOL (676 of 909 youth, or 74%)**

- What factors make it harder for you to go back to and stay in school?
- Is there anything in your life you need to take care of before you're ready to go back to school?

ALL YOUTH**Employment barriers**

- What factors make it harder for you to find and keep a job?
- Is there anything in your life that you need to take care of before you're ready to work?

Service use

- What services would be useful to you right now?
- What services are available in your area? If you've used them before, did you get the help you needed?

Youth-serving agency perspectives

Our approach **8 focus groups with youth-serving agencies**

- 8 locations (Hamilton, London, Peterborough, Sault Ste. Marie, Sudbury, Toronto, Thunder Bay & Windsor)
- 52 agencies that work with youth
- 59 agency staff

Key questions

- What are the characteristics of the youth you serve?
- What challenges do NEET youth face in your community?
- What local economic and labour market factors make it harder for youth to find employment or return to school?
- What services do youth need? Are these services available?

Barriers to employment and education

Youth perspectives on employment barriers

As Section 3 highlighted, most of the NEET youth who responded to our Youth Survey want to work, but a significant proportion of these youth have things currently standing in their way. To better understand these barriers, youth were asked to identify factors that make it difficult for them to work.

Education, skills, and experience

The most commonly reported barriers are related to skills and experience, with 58% of youth saying that they don't have enough experience and 48% of respondents saying they don't have enough education for the job they want. About one third of respondents (29%) indicated that uncertainty about how to find the job they want was a contributing factor.

Local labour market factors

Youth also identified the local labour market context as a factor that constrains their employment opportunities. Almost half of respondents (47%) said that there are not enough jobs available where they live, while 38% reported that the jobs available in their area are not suited to them.

Life circumstances and challenges

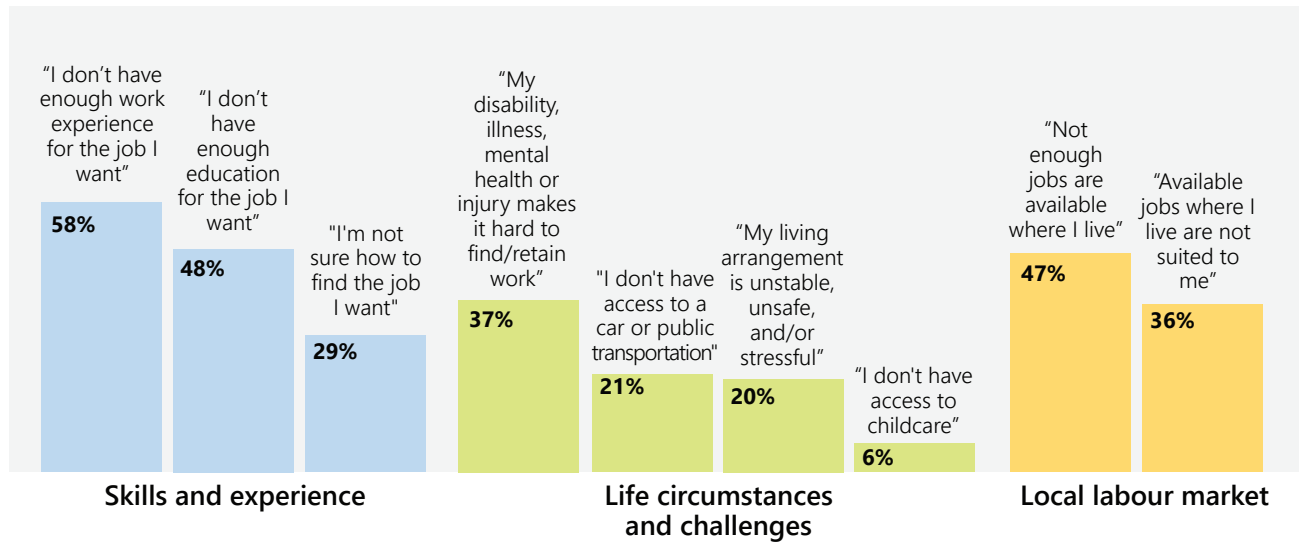
Life circumstances can present major challenges to employment. More than one-third of respondents (37%) said that their disability, illness, mental health or injury make it hard for them to work. Unstable, unsafe or stressful living arrangements were also a factor for 20% of youth respondents and roughly the same proportion of youth (21%) said they lacked access to a car or public transportation. While only 6% of youth overall reported that not having access to childcare constrains their employment opportunities, youth with children (23%) and particularly young women with children (27%) were much more likely to identify childcare as a barrier.

Intersecting barriers

Overall, youth reported 3-4 barriers to work on average. Seventy-eight percent of youth identified at least one barrier related to skills or experience and 57% reported at least one barrier related to life circumstances and challenges. Of youth who identified at least one barrier related to skills or experience, 55% also reported at least one barrier related to their life circumstances. In addition, some youth also likely face compounding barriers due to discrimination based on race or other factors. Eight percent of youth respondents reported that they have experienced employer discrimination. These findings highlight the need for a holistic understanding of the needs of NEET youth, as many face multiple challenges to achieving their employment goals.

FIGURE 21.0 | Barriers to employment identified by NEET youth

Right now, do any of these factors make it harder for you to find and keep a job?



Source: Youth Survey, 2018

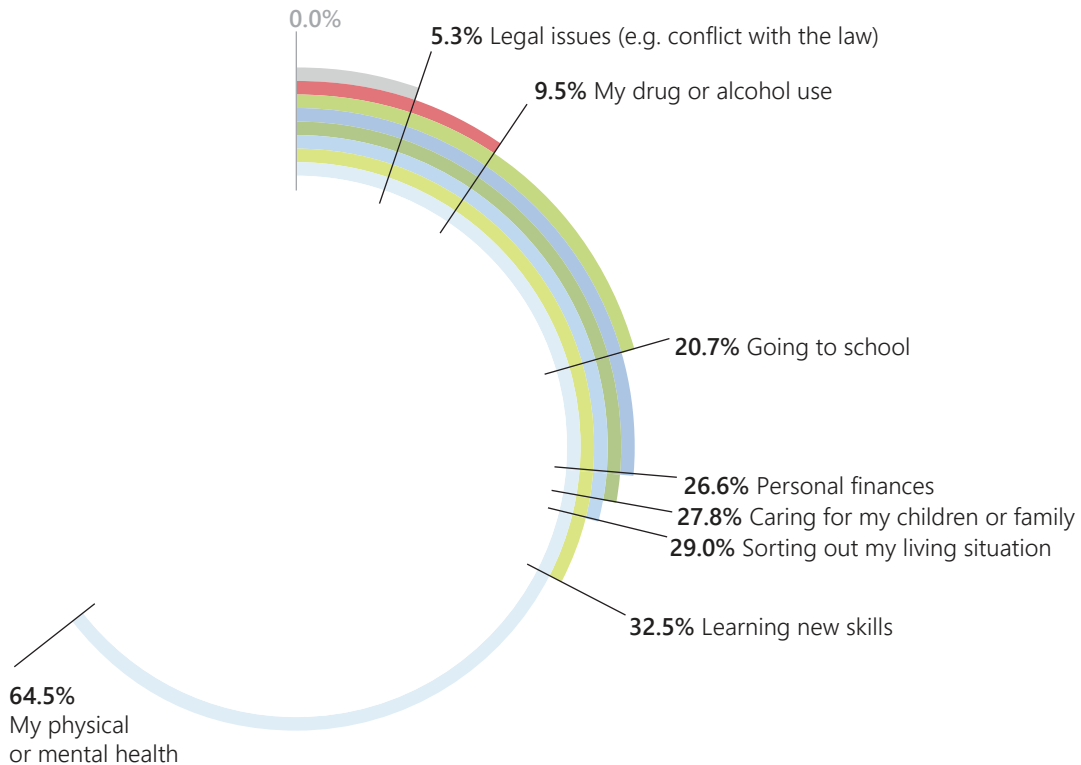
Lack of work-readiness due to personal needs

In addition to identifying barriers that could prevent them from working, youth were also asked whether there are specific personal needs they have to take care of before they are ready to work. Sixty-five percent of respondents reported

that they need to take care of their physical or mental health before they are ready to work (see Figure 22.0). Learning new skills (33%), addressing challenges with living arrangements (29%), and caregiving (28%) were also common responses.

FIGURE 22.0 | Youth perspectives on needs related to work

Do you need to take care of any of these things before you are ready to work?



Source: Youth Survey, 2018

Youth perspectives on education barriers

Our Youth Survey also asked youth to identify factors that make it harder for them to go back to and stay in school. Factors identified are discussed below. Overall, 77% of youth reported at least one of the factors below as making it harder for them to go back to and stay in school.

Lack of affordability

The most commonly reported barriers to education related to affordability with 45% of respondents reporting that they are not able to afford the school or programs they're interested in. In addition, 35% said that not being able to make enough money while studying was an important factor (see Figure 23.0).

Challenges related to disabilities or other health-related issues

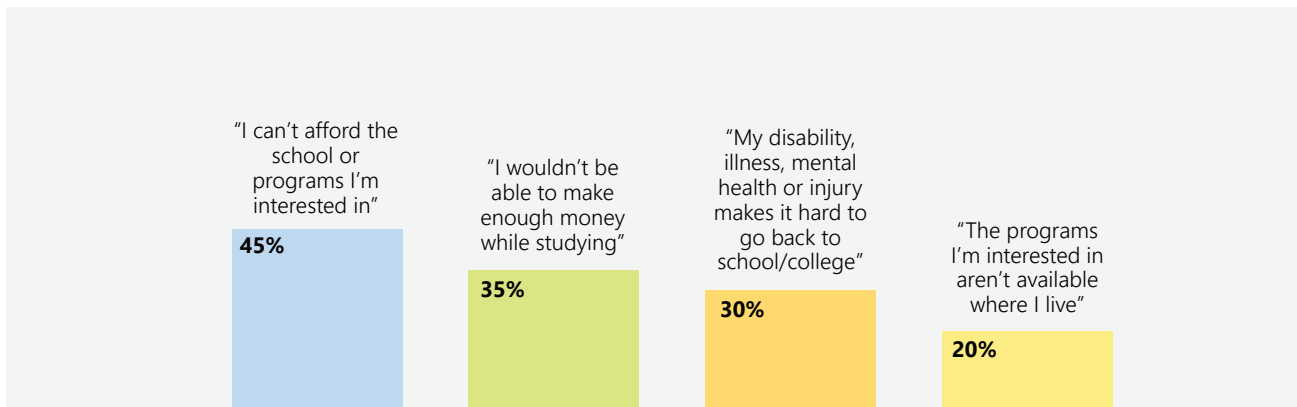
Beyond affordability, the next most common reported barrier was disability, illness, mental health or injury (30%). As in the case of employment, disability/health related issues were the most commonly reported personal challenge youth face when it comes to participating in education.

Lack of local access to education programs aligned with interests

One in five youth (20%) cited local unavailability of the programs they are interested in as a barrier to participation in education.

FIGURE 23.0 | Youth perspectives on barriers to education

Right now, do any of these factors make it harder for you to go back to, and stay in school?



Source: Youth Survey, 2018

Agency staff perspectives on barriers to employment and education

Like youth, agency staff identified barriers related to skills and experience, life circumstances, local labour market factors, and education affordability. They also identified additional factors related to intergenerational poverty and family supports that can contribute to NEET youth status.

Education, skills, and experience

Agency staff agreed that education can be a significant barrier to youth finding the type of job they want. They noted that NEET youth who left school early face particular struggles in finding work or pursuing further education or training opportunities. This finding aligns with international research, which identifies low educational attainment as a significant risk factor for youth becoming NEET (Powell, 2018; Maguire, 2013).

In addition to educational attainment, agency staff identified gaps in specific types of skills that can contribute to NEET status.

- *Essential skills* – Agency staff noted that many NEET youth, even those who completed high school, have gaps in literacy, numeracy, and other essential skills which impact their employment and education opportunities. International research has demonstrated that NEET youth tend to have lower levels of literacy and numeracy (OECD, 2016), and that even when NEET youth are committed to finding work, a lack of essential skills can make it difficult for them to break into the labour market (Goldman-Mellor et al., 2016).
- *Job search and career decision-making skills* – Agency staff corroborated the finding that many youth are not sure how to find the job they want. They reported that many NEET youth do

not have a strong understanding of the labour market and struggle with career decision-making and job search skills. This finding echoes several recent reports, including a summary of recent consultations with youth and community stakeholders in the Toronto region, which noted that these barriers often stem from a lack of connections, role models, or mentors that youth can draw on to build skills and access work opportunities (Civic Action, 2014).

- *Life skills* – Agency staff also noted that some youth struggle with the skills needed to carry out everyday tasks and live independently, such as managing money, shopping, cooking, and maintaining healthy relationships. As a result, these NEET youth require support and coaching to build the skills and independence needed to pursue their goals.

Life circumstances and challenges

Agency staff highlighted life circumstances and personal challenges that can contribute to NEET status, similar to those identified by youth. Like youth, agency staff underlined the importance of health and disability as significant factors contributing to NEET status. This is consistent with international research that has consistently shown youth with poor health or disabilities have a much higher likelihood of being NEET than those with good health.

Agency staff placed a particular emphasis on mental health. See Box 12.0 for more information on the relationship between mental health and NEET status.

Agency staff also noted that a significant proportion of the NEET youth they serve have a learning or cognitive disability that makes it difficult for them to enter work or education. These disabilities sometimes go undiagnosed

and untreated for several years, which leads to poor academic performance, low self-esteem and eventual disengagement from education. Staff noted that many of these youth graduate with few skills or drop out.

Agency staff highlighted other personal circumstances that contribute to NEET status:

- *Living arrangements* – Agency staff noted that many NEET youth are in unstable living arrangements, cycling between friends' houses, shelters, and sleeping outdoors. While unstable living arrangements can themselves be a consequence of NEET status, staff also noted a reverse effect wherein the constant uncertainty around housing/shelter makes it hard for youth to make plans and to stick to regular routines, such as daily working hours and class schedules. This corroborates our survey finding that many youth need to address issues with their living arrangements before they are ready to work.
- *Transportation* – Agency staff echoed the concerns youth had about the barriers created by a lack of accessible transportation options. Without reliable transportation, they noted that youth often struggle to keep appointments and maintain regular working hours. Other research has noted that this problem is exacerbated for NEET youth in marginalized neighbourhoods that have limited access to reliable public transit service (Civic Action, 2014).
- *Caregiving* – Agency staff stated that many NEET youth are parents who stay home to look after their children, while others care for younger siblings or older relatives. Research from the OECD has highlighted the importance of caregiving responsibilities as an explanatory factor for NEET status, particularly in the case of single parents who are overrepresented among NEET youth across all OECD countries.

BOX 12.0 | Mental health and NEET status

Agency staff stated that the number of NEET youth they serve that identify as experiencing mental health issues is increasing. Stress, anxiety and depression are the most commonly reported issues. They are often severe enough to prevent participation in employment-related programming. Providers noted that while the stigma around seeking help for mental health has been reduced dramatically, many youth still face challenges in accessing appropriate, youth-focused services to address their mental health needs.

Research on the link between mental health challenges and NEET status across Canada has demonstrated that while being NEET can itself be a risk factor for developing mental health challenges, mental health challenges can contribute to the likelihood of becoming NEET, as youth may struggle to engage in school or work as a consequence of their symptoms (Henderson et al., 2017). There is strong evidence that NEET youth have higher rates of mental health challenges than non-NEET youth and that many of these challenges are present before youth become NEET (Goldman-Mellor et al., 2016). There is also evidence that NEET youth are much more likely to experience multiple, overlapping needs related to mental health and substance abuse (Henderson et al., 2017).

Local labour market factors

Agency staff echoed the concerns of Youth Survey respondents that challenges in the labour market can contribute to NEET status. Staff noted that the job opportunities available to NEET youth are often unappealing. Many jobs are precarious, poorly paid, involve little training and offer almost no opportunity for professional development or promotion.

A recent report from the Expert Panel on Youth Employment (2017) echoed these concerns, noting that youth are increasingly likely to have their access to the labour market restricted to temporary or “precarious” jobs. These jobs provide little opportunity for youth to gain a strong foothold in the labour market that will enable them to sustain their employment in the long term. Youth facing other barriers to labour market access may be even more negatively impacted by precarious employment. A recent study by McMaster University and United Way Greater Toronto (Lewchuck et al. 2018) found that while the recent period of economic growth in Ontario helped some workers access secure employment, women and racialized individuals were less likely to benefit from improvements in the labour market and continue to experience high levels of precarious employment.

International research also highlights labour market challenges faced by NEET youth. A recent OECD study notes that the precarity of the job market for youth is an issue across all G20 countries (OECD, 2012).

Unaffordability of education

Like youth, agency staff highlighted affordability as a challenge for youth interested in participating in further education. Staff specifically highlighted challenges youth face in obtaining financial assistance through the Ontario Student Assistance Program (OSAP). They noted that the OSAP application process can be difficult and confusing, that it does not cover all courses in which youth

are interested, and that delays in receiving funds can leave youth unable to make ends meet. They also highlighted pressures youth face to pay back OSAP after graduation.

In addition, agency staff pointed to the penalties that OSAP imposes on youth who struggle or drop out of postsecondary education in their first attempt. Many reported that being put on academic restriction from OSAP can make youth feel as though the penalties of their academic failure are irrevocable, with few options to improve their circumstances.

Agency staff also highlighted other barriers to participation in postsecondary education. They stressed the need to provide more effective wraparound supports to NEET youth looking to enter postsecondary education for the first time, especially those with limited life skills, to help them cope with course work and independent living.

Intergenerational poverty and family supports

Agency staff indicated that a large proportion of the NEET youth they serve experience intergenerational poverty, meaning that their parents may also have low levels of educational achievement and poor employment outcomes. One practical implication of intergenerational poverty is that parents may lack work connections, networks, and knowledge of professional norms and behaviours, and be unable to assist their children in career planning and job searching.

The role of intergenerational factors is widely documented throughout the literature on NEET youth. Research by the OECD (2016) found NEET youth were 80% more likely to have parents who did not complete high school-level education than non-NEET youth. They were also more than twice as likely to have unemployed parents. Zuccotti and O’Reilly (2018) found that youth from households with parents who are out of work are significantly more likely to become NEET than households with one or more employed parents.

Role of the service ecosystem

In addition to barriers to employment and education, both youth and agency staff shared insights on the role that the youth services ecosystem plays for NEET youth in Ontario.

Youth perspectives

Our Youth Survey asked respondents about their awareness of services in their area, the availability of services, whether they have used services, and if those services that they used provided the help they needed.

Awareness of services

Youth were asked about the availability of services in their community in 9 areas, including health, employment and training services. We consider respondents who reported that a service is or is not available to have awareness of the service, and those who do not know whether a service is available to lack awareness of the service.

In general, respondents had high awareness of services. At least 60% percent of youth knew about each of the services asked about in the survey. Youth were most aware of the availability of health services and employment services (86% and 89%, respectively). However, despite their potential value to NEET youth, only 66% of youth reported that they were aware of training services. Similar proportions of youth reported awareness of addictions services (65%), and safe spaces (67%).

Availability of services

Youth were most likely to report that health services (81%), employment services (80%) and food banks (71%) are available.

Other types of services were less likely to be reported as available. Only about half said that homeless shelters (54%), safe spaces (56%), training services (55%) and addiction services (53%) are available in their area. Many respondents reported that they are homeless or have drug or alcohol use issues. Even if they wanted to get help in these areas, half of respondents reported that the services needed to address these issues are not be available in their area.

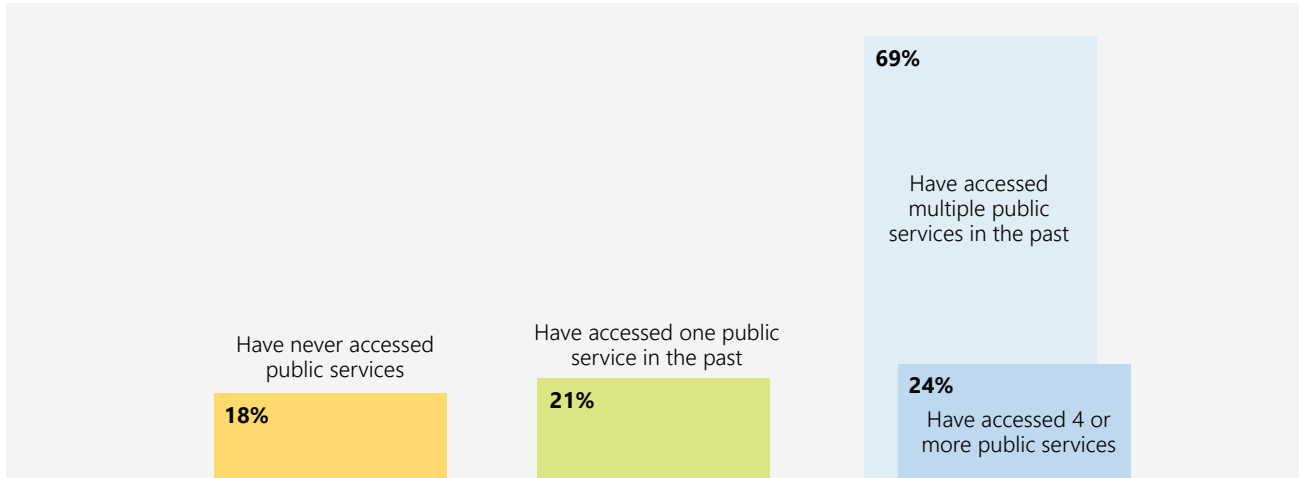
Service use

Youth Survey results suggest that there are some important gaps in service use among NEET youth. Only about half (52%) had ever used employment services, and only about a quarter (23%) had used training services.

Housing supports (24%) are more likely to be accessed by youth than homeless shelters (14%). Even for individuals that have experienced homelessness, housing supports (68%) are still more likely to be used than homeless shelters (52%).

Despite the fact that a majority of our sample identified a need for mental health supports, only 37% have accessed mental health services. Even among individuals with mental health support needs, mental health services are accessed less often than other health services (74% compared to 79%).

Few NEET youth in our sample (18%) do not use any services and most have used multiple services (69%). This suggests that many NEET youth understand the importance of trying to get the help they need (see Figure 24.0).

FIGURE 24.0 | Youth service use

Source: Youth Survey, 2018

Satisfaction with services

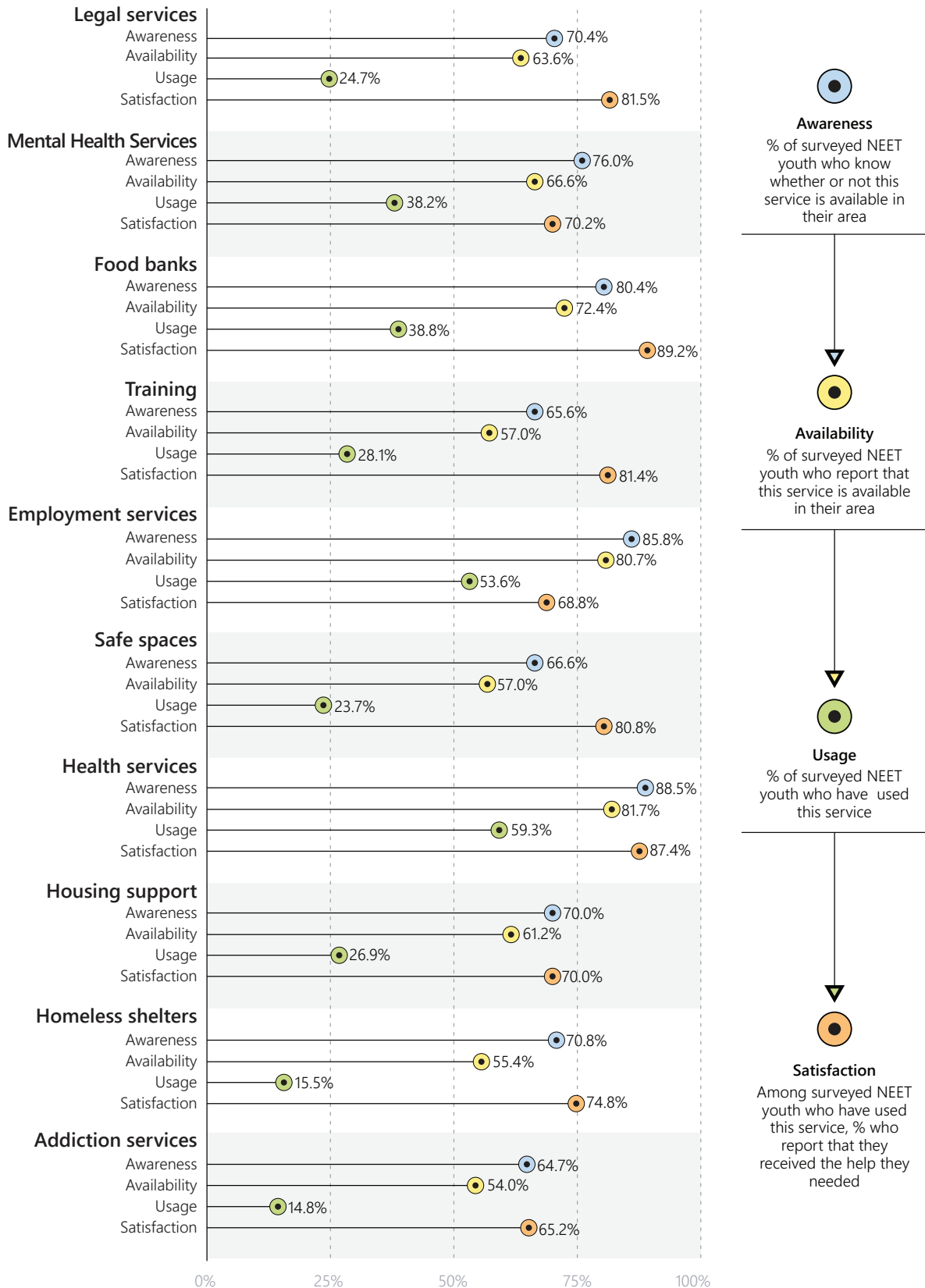
Youth who have used services were asked whether those services met their needs. Responses indicated that satisfaction is highest with health services, safe spaces, and food banks. Eighty-nine percent of youth who have used health services said they received the help they needed. Responses were similar for safe spaces (81%) and food banks (89%).

Satisfaction rates were lower for mental health services. Only 70% of those who have used mental health services said they received the help they needed. Satisfaction rates were also lower for those who have used employment services (69%), housing services (70%), and addiction services (65%).

Although respondents do not use training services at very high rates, youth who have used these services usually reported that they received the help they needed (81%).

Taken together, these findings suggest that while many NEET youth are aware of, using, and receiving help from many existing services, there are areas of unmet need that may be making it difficult for NEET youth to move forwards in achieving their goals.

FIGURE 25.0 | Youth perspectives on services



Source: Youth Survey, 2018

Agency perspectives

Agency staff identified a number of gaps and challenges related to service design and delivery within the current youth service system that echo and reinforce the experiences of NEET youth navigating the services sector.

Eligibility restrictions

Agency staff identified the strict program eligibility criteria imposed by program funders as a factor that prevents NEET youth from accessing services they need. Age criteria imposed through funding agreements can be problematic as NEET youth can be denied services because they are too old, while others age out of a service - meaning supports are abruptly removed - usually without transitional arrangements. Eligibility criteria can also “pigeonhole” youth under a certain label (e.g. “disability”), which may prevent them from accessing certain services and set them on a single, narrow, and often inflexible client pathway that may not meet their needs. These restrictive eligibility criteria might help to explain why many NEET youth are not accessing the services they need.

Challenges in service accessibility

Agency staff noted that success in serving NEET youth requires ensuring that youth can access the supports they need when they need them. However, there are a number of challenges to achieving this, including difficulty navigating multiple, complex service systems, a lack of welcoming, supportive spaces for program delivery, and a need for effective approaches to reach out to youth who may be too intimidated to access the services they need. These barriers make it more difficult for NEET youth to find and use the services that could help them move forward.

“There are so many things that can be impediments to youth accessing services – cost, transportation and parking, institutional settings and the youth feeling intimidated by the space or the language used, trauma that prevents participation in programs, aging out of programs.”

– Focus group participant

Siloed funding approach

Agency staff repeatedly mentioned the challenges they experience in providing effective, client-centered services as a result of a fragmented and siloed funding environment. Many youth-serving organizations receive funding from multiple levels of government, and multiple departments or ministries within each level of government. These funding sources all come with different intended outcomes and reporting requirements which both creates a considerable administrative burden and makes it difficult to provide holistic, client-centered services that effectively address the needs of NEET youth.

Lack of service coordination

Agency staff also identified several challenges related to service coordination within the youth services ecosystem. In particular, they identified barriers to service coordination between school boards and community service agencies as a critical challenge that prevents school counsellors and community service providers from working together to meet the needs of vulnerable youth.

This lack of collaboration and information-sharing among different service systems also means that the responsibility often falls on youth to identify and find the supports they need within a complex and disparate set of systems. This creates

significant challenges in finding and accessing the full range of services they need to help them move forward, especially for youth with multiple complex needs.

Agency staff identified some underlying factors that make service coordination difficult including privacy legislation that creates challenges for agencies in sharing information about their clients, and ongoing and rapid changes to the service landscape that make it difficult for providers to maintain up-to-date records of other services available in their community.

Service gaps

Agency staff also identified gaps in the availability of services needed to support NEET youth, especially in housing, mental health and counselling services. They emphasized in particular that mental health supports for youth are often inadequate, fragmented, and unsystematic. Long wait lists and difficulty accessing mental health services that are culturally- and age-appropriate can have a strong negative impact for youth, especially those who are experiencing crises.

Agency staff also noted a gap in the assessment services that are needed for NEET youth with disabilities. For example, multiple participants noted how difficult it can be to arrange for youth to obtain diagnoses for learning disabilities and cognitive impairments.

Many agency staff also stressed the need for more early intervention services to support youth who are at high risk of becoming NEET. Previous research has demonstrated that many young people, prior to finishing high school, are already at serious risk of disengaging from further education and employment and have many challenges and barriers to address by the time they leave school (Britton et al., 2011). More interventions that focus on prevention of NEET status are critical for better serving these youth.



5

What are the implications for decision-makers?

Our research highlighted a number of important findings about the characteristics, goals, aspirations, needs, and challenges of NEET youth. These findings were largely consistent across geographical regions and between rural and urban areas in Ontario. Our findings emphasize that while NEET youth face a number of complex

challenges, there also is an immense opportunity to improve their outcomes. Investing time, effort and perhaps resources in improved policies and programs across multiple sectors could generate significant social and economic benefits for all Ontarians.

Key findings

1. There are multiple pathways to becoming NEET

While some youth are temporarily NEET as they transition from school to work, there are other more complex paths that lead to youth becoming NEET. Some youth cycle in and out of precarious employment situations and many are not working because they need to address challenging life circumstances. Most youth that become NEET stay that way for relatively long periods of time.

2. Most NEET youth want to be in employment, education and/or training

Although many NEET youth face barriers to participating in education and employment, almost all have plans to pursue school and work. NEET youth are overall notably positive about their past experiences in work and school, and aspire to learn new things, build successful careers, and gain financial independence in the future. Very few NEET youth report that they do not want a job or to return to school.

3. NEET youth have things they need to take care of before they are ready to move forward

To make progress toward achieving their education and employment goals, many NEET youth need help to address challenges in their lives related to their circumstances, such as mental and physical health issues, caregiving responsibilities, lack of transportation, and skills gaps. Many NEET youth face multiple, intersecting challenges that need to be addressed before they are ready to move forward.

4. NEET youth are using services, but there are many areas of unmet need

Some NEET youth are aware of local services

that can help them overcome their barriers and are willing to use them. In many cases, however, NEET youth are not aware of services that could benefit them, or report that these services are not available where they live. In addition, some youth report that they did not receive the help they needed when they used services in the past.

5. There is a need for better coordination between youth-serving systems

Many NEET youth are falling through the cracks because they are unable to navigate complex service systems. Limited information-sharing and coordination across different service systems can make it difficult for youth to get the help they need when they need it.

6. The cost of doing nothing is high

The Government of Ontario devotes significant financial resources to services for youth, including services that address the consequences of being NEET. Resources that are currently directed toward serving youth may not be targeted to services and supports that are most effective in preventing youth from becoming NEET or helping those youth who are NEET re-engage in school and work. Continuing to invest in services and supports that are not effective will come at a high cost to government in the form of significant spending on services required to address the downstream consequences of being NEET, in addition to the loss of potential income and decreased tax revenue.

Considerations moving forward

Our findings highlight some key considerations for decision-makers in a variety of sectors that are concerned with improving outcomes for NEET youth, improving the economic outlook for Ontario, and addressing the labour market skills gap

- **Focusing on prevention** – Many of the factors that contribute to youth being NEET are the product of early experiences and risk factors that could be addressed while youth are still in school or employment. Investment in evidence-based, early intervention services could direct more youth away from becoming NEET and toward future success. A first priority should be evaluating existing prevention efforts to assess if they are effective in helping youth increase their employment and success in school. For example, the Youth Outreach Worker Program focuses on connecting at-risk youth and their families across the province to services in their communities. Previous research has demonstrated that investing in effective prevention efforts can provide a significant societal return on investment (Boston Consulting Group, 2010).
- **Promoting service coordination and integration** – Youth-serving agencies and schools struggle to effectively share information and coordinate services for youth at risk. Government should support enhanced collaboration and cooperation between different youth serving systems, as well as the private sector, by making eligibility requirements for services more flexible and supporting greater collaboration in funding models (e.g. through collective impact approaches). Examples of these innovative approaches are already occurring. The Collective Impact for NEET Youth project brings together multiple cross-sector interests at the community level to collaborate to improve NEET youth outcomes. Civic Action is a partnership between

government, non-profits, community agencies and the private sector to address pressing social issues, including issues related to youth. More work is needed to build on and expand these collaborative approaches and create seamless, youth-centered approaches to service delivery.

- **Implementing holistic, individualized responses** – Many NEET youth face multiple, intersecting barriers to employment and education. It is critical that service responses adopt a holistic lens including wrap-around supports that focus on addressing the complex range of challenges experienced by individual youth. For youth facing barriers to securing jobs due to racism, it is particularly critical that services and supports are culturally relevant and attuned to their needs. One example of a promising initiative is the Industry-Led Career Initiative, a training and work placement program to kick-start careers for Black youth.
- **Using a strengths-based approach** – Our research demonstrated that many NEET youth have set goals for themselves and are motivated to succeed. Services and supports targeted to NEET youth should recognize and reinforce these aspirations and strengths to help youth achieve their goals and build a better future. Examples of promising approaches could include community-based mentorship programs (like the Youth Mentorship Program) that help youth identify and build on their strengths, expand their skills and networks, and contribute to increased employment and success at school.
- **Strengthening mental health supports** – Youth and agency staff highlighted a growing need for mental health supports to help youth move forward. Integrating mental health supports with other services is important for meeting the needs of NEET youth. Ontario has taken an important step towards this goal with their Youth Wellness Hubs Ontario Initiative. Funded through

the Ministry of Health and Long-Term Care and the Ministry of Children, Community and Social Services and with support from the Graham Boeckh Foundation, the government of Ontario has granted funding towards up to 9 Youth Wellness Hubs that will offer integrated services – including mental health and addiction services, primary care and community and social services – for youth across Ontario.

- **Collecting better data** – The province and youth-serving agencies need more data on the characteristics and experiences of NEET youth, including longitudinal data that tracks youth over time. This will allow us to better track outcomes of NEET youth and estimate their cost. Additionally, current large scale representative surveys are limited in helping us understand the pathways that lead youth into and out of being NEET. Having more data on these pathways will make it easier to identify risk factors for becoming NEET and solutions for reintegrating NEET youth into the labour force and/or education. The success of our youth survey shows that youth are willing to help us find a solution by providing honest and forthcoming answers. But, surveys of this kind need to be scaled in order to generate representative data that can be used to develop evidence-informed policy and programming that more effectively and efficiently serves NEET youth.
- **Further Research** – In addition to collecting better data on NEET youth, there is an opportunity to conduct additional research that builds on the findings from this report and can help strengthen programming for NEET youth. First, there is an opportunity to conduct research on NEET youth in additional communities across Ontario. The approach used to survey youth and conduct focus groups with agency staff in this report could be applied to more communities including rural and remote communities, and communities within the GTHA. This will help build

a more complete understanding of youth needs and goals, and the factors that contribute to becoming NEET, across the province.

Second, future research should seek to build a better understanding of the skills and competencies of NEET youth and analyze how these skills align with local labour market need. This research on the skills needs of youth could be complemented by consultations with employers to understand their perceptions of NEET youth. Together, this research could help inform the design of targeted programming to prepare NEET youth for success in the labour market and give employers the skills and tools needed to effectively support NEET youth in the workplace.

Third, there is an opportunity to conduct in-depth research on promising programs and services used in other jurisdictions to serve NEET youth. This research could help decision-makers identify opportunities to pilot test or implement new approaches in Ontario that can effectively and efficiently meet NEET youth needs.

Finally, there is a need to evaluate current youth programs to assess their effectiveness and help decision-makers target resources where they are most needed and have the greatest impact. For example, Youth Job Connection is a Government of Ontario sponsored program that serves youth aged 15 to 29 who experience multiple and/or complex barriers to employment by providing more intensive supports beyond traditional job search and placement opportunities. The government of Ontario has invested \$160 million over the first two years of the program (2014-2015) to help more than 27,000 youth access the program and committed \$250 million to be spent on services for up to 150,000 participants. Moving forward, it will be important to assess the impact of this program.



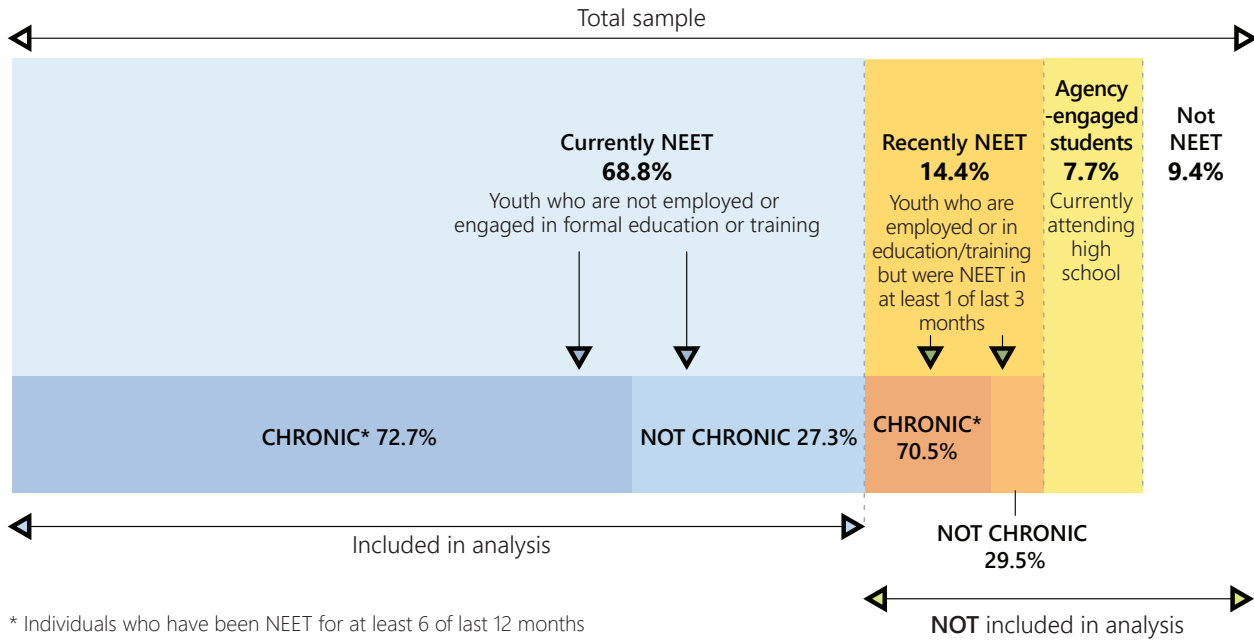
Appendix 1: Non-NEET survey respondents

When fielding the Youth Survey, agencies were encouraged to invite NEET youth to participate, but they also invited some other youth who were engaged in services but were also employed or in education. As a result, some youth who are not considered NEET completed surveys. Their data was not included in the analysis in the main report. A total of 1,360 NEET and non-NEET youth completed the survey.

The non-NEET youth that completed the survey fell into three major categories:

- **Recently NEET youth** – 14.4% of respondents were not NEET at the time of the survey but had been NEET within the last three months. Most of these ‘recently NEET’ youth (70.5%) had been NEET for at least 6 of the last 12 months. Overall, recently NEET youth have very similar demographic characteristics as youth who were NEET at the time of the survey (see Figure 27.0).
- **Agency-engaged students** – 7.7% of respondents were high school students receiving supports from agencies. Agency-engaged students also present many similar characteristics and needs as currently NEET youth, suggesting that they may be risk of becoming NEET after they finish school.
- **Non-NEET youth** – 9.4% of respondents were not NEET, had not recently been NEET, and were not in high school at the time of the survey.

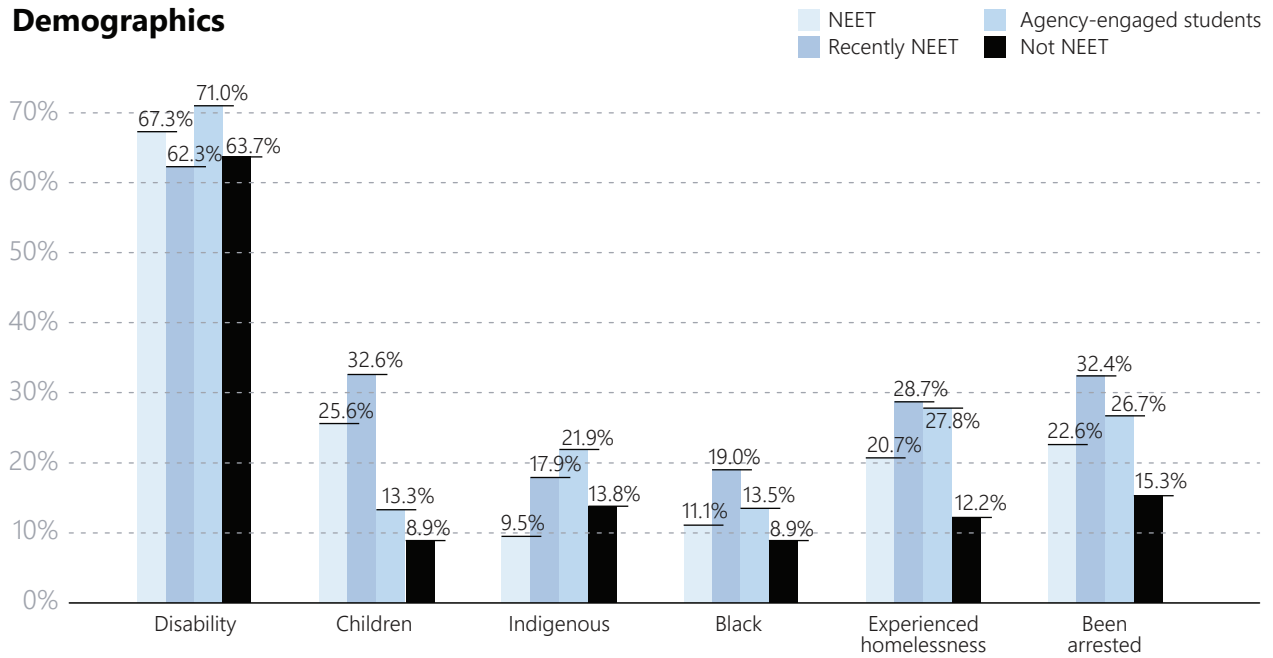
FIGURE 26.0 | Characteristics of all survey respondents



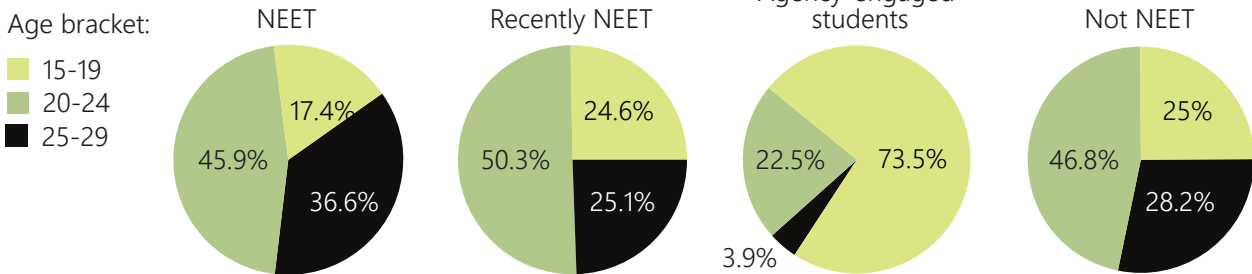
Source: Youth Survey, 2018

FIGURE 27.0 | Characteristics of all survey respondents

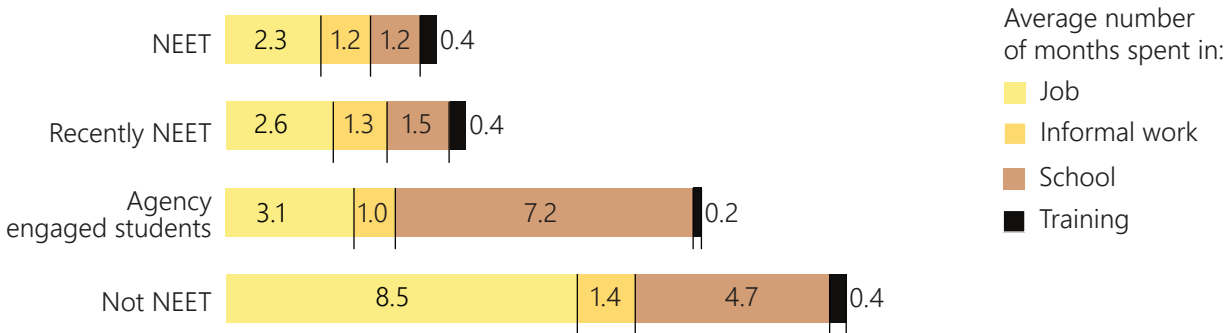
Demographics



Age



Activities in the last year



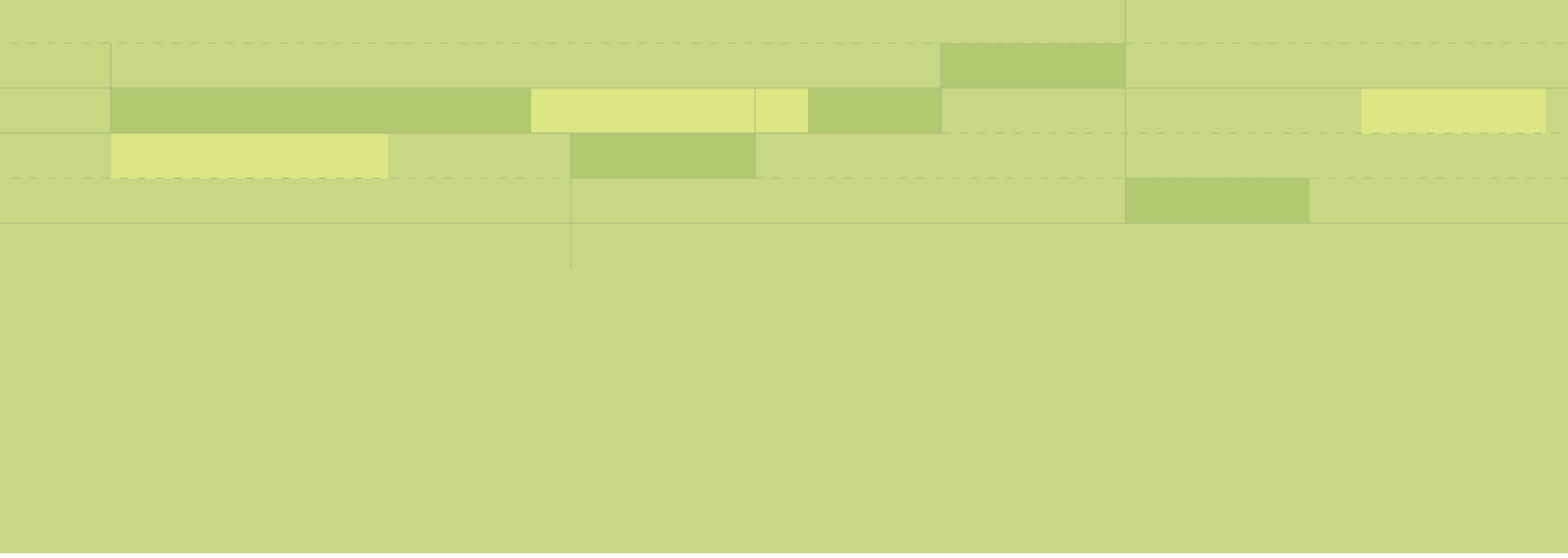
Source: Youth Survey, 2018

We analysed the sample of recently NEET youth and agency-engaged students and found that:

- Both groups are more similar to NEET youth than they are to non-NEET youth with respect to their socio-demographic characteristics. Agency-engaged students and recently NEET youth are equally as likely or more likely than NEET youth to belong to historically disadvantaged groups (e.g., identify as Indigenous, Black, or as having a disability) and have experienced challenging life circumstances (e.g., episodes of homelessness or conflict with the law).
- Both agency-engaged students and recently NEET youth spent less time over the past 12 months in employment or education/training than non-NEET youth. Recently NEET youth and youth who are currently NEET spent a similar number of months (on average) over the past year in employment and/or education/training.

- Agency-engaged youth and recently NEET youth reported similar patterns of need to NEET youth. On average, all three groups of youth identified more areas of needs than non-NEET youth.

Our data suggests that recently NEET youth and agency-engaged students may be in need of similar types of support as NEET youth. When these groups are omitted from analyses of NEET youth, the data on NEET youth underrepresent the proportion of individuals who belong to historically disadvantaged groups and face challenging life circumstances. Going forward, future research could consider a broader, data-driven definition that encompasses youth who are at risk of becoming NEET, including agency-engaged students and recently NEET youth.



Appendix 2: Regional Data

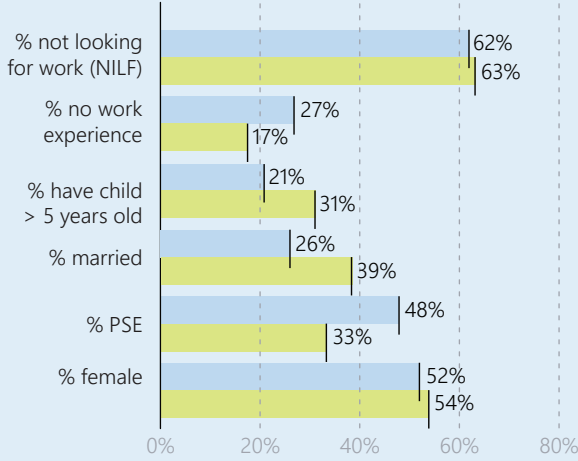
Who are Brantford's NEET youth?

Averages for: ■ Ontario ■ Brantford

11.8%
of youth are
NEET

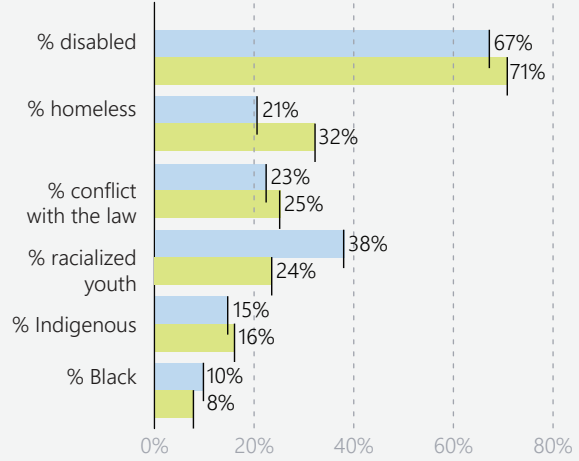
Labour Force Survey

Representative data taken from Statistics Canada Labour Force Survey 2015-2017



Youth Survey*

Non-representative data taken from our Youth Survey (2018) of 909 Ontario Youth including 143 youth in Hamilton and Brantford



What makes it harder for NEET youth to find jobs?

	Brantford	Ontario
Available jobs not suited for me	34.3%	35.8%
There are not enough jobs	40.0%	46.7%
Available jobs don't pay enough	7.9%	5.2%
Can make more money outside formal jobs	10.7%	10.8%
No transportation means	32.1%	20.9%

What makes it harder for NEET youth to return to school?

	Brantford	Ontario
Programs I like are not available where I live	13.3%	19.6%
Can't afford school	34.3%	44.7%
No transportation means	20.0%	16.0%

68.1%

Say they need help with employment

41.0%

Say they need help with physical health

61.1%

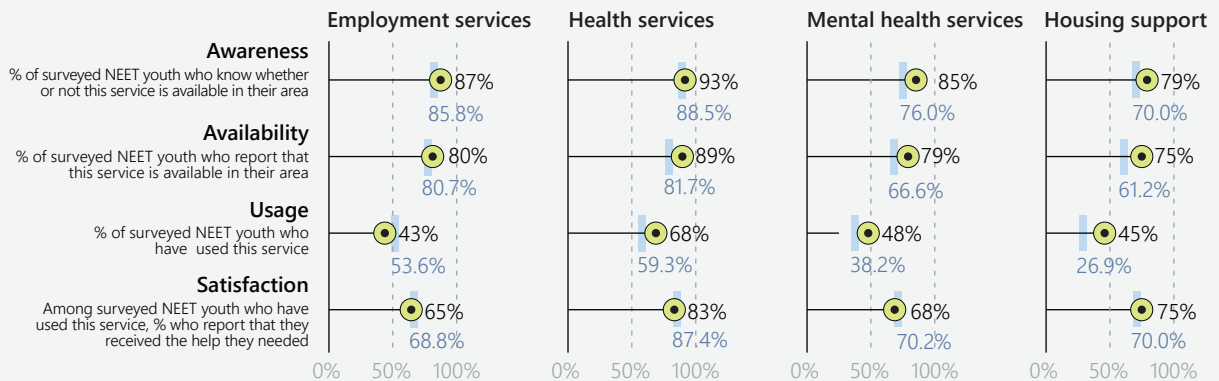
Say they need help with mental health

55.6%

Say they need help with housing

What perspectives do youth have on services in this region?

Ontario average ■ Brantford average ●



* Data from Hamilton and Brantford were combined for Youth Survey Analysis

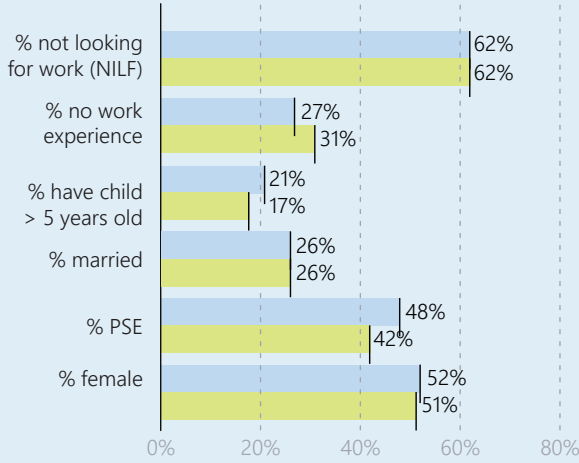
Who are Hamilton's NEET youth?

Averages for: ■ Ontario ■ Hamilton

11.9%
of youth are
NEET

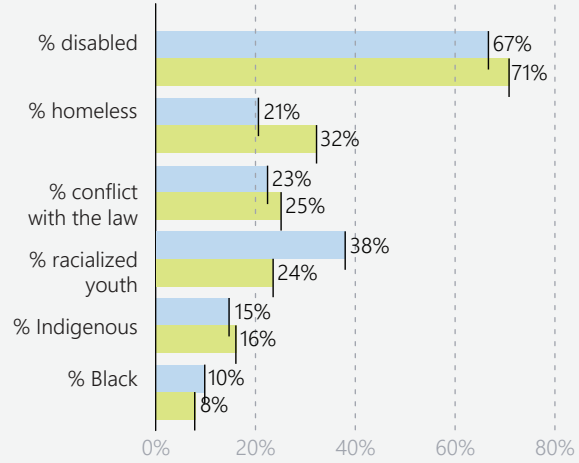
Labour Force Survey

Representative data taken from Statistics Canada Labour Force Survey 2015-2017



Youth Survey*

Non-representative data taken from our Youth Survey (2018) of 909 Ontario Youth including 143 youth in Hamilton and Brantford



What makes it harder for NEET youth to find jobs?

	Hamilton	Ontario
Available jobs not suited for me	34.3%	35.8%
There are not enough jobs	40.0%	46.7%
Available jobs don't pay enough	7.9%	5.2%
Can make more money outside formal jobs	10.7%	10.8%
No transportation means	32.1%	20.9%

What makes it harder for NEET youth to return to school?

	Hamilton	Ontario
Programs I like are not available where I live	18.1%	19.6%
Can't afford school	34.3%	44.7%
No transportation means	20.0%	16.0%

68.1%

Say they need help with employment

41.0%

Say they need help with physical health

61.1%

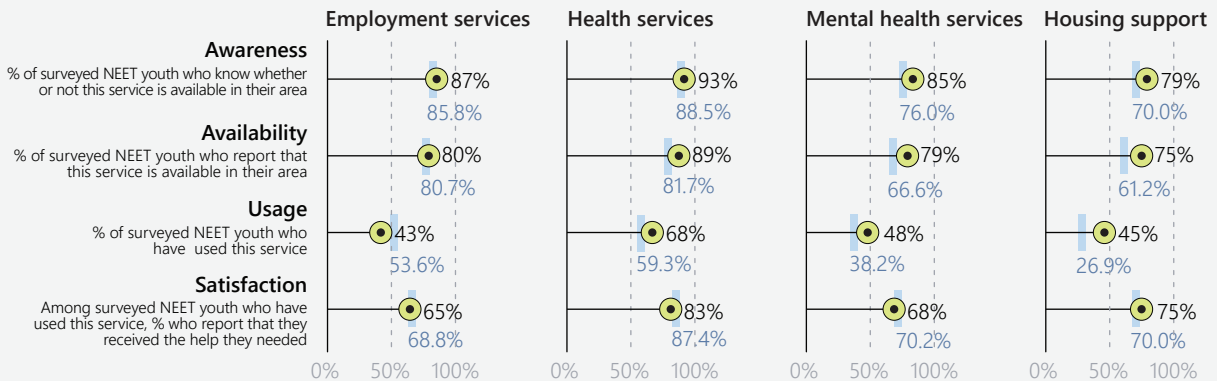
Say they need help with mental health

55.6%

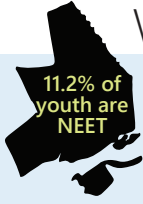
Say they need help with housing

What perspectives do youth have on services in this region?

■ Ontario average ● Hamilton average

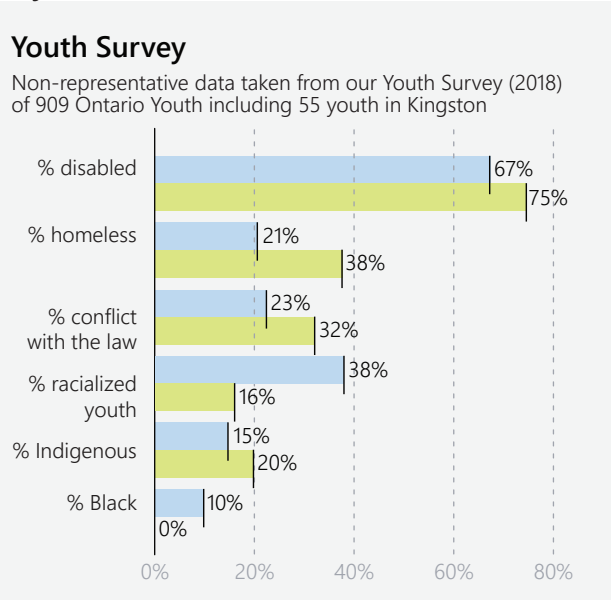
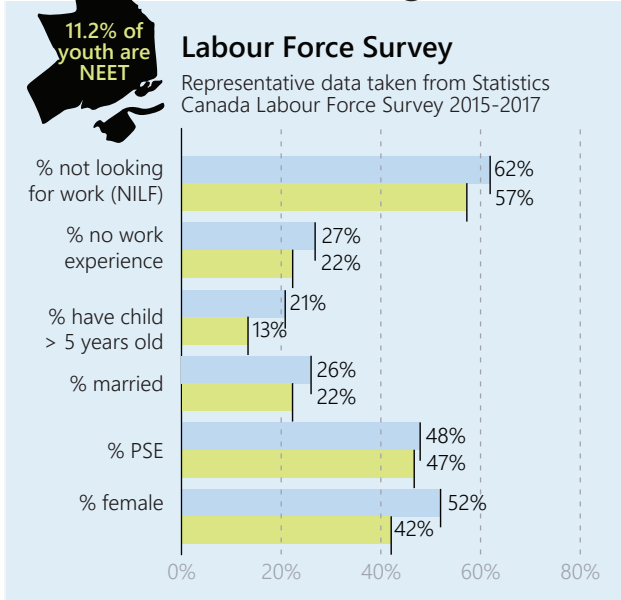


* Data from Hamilton and Brantford were combined for Youth Survey Analysis



Who are Kingston's NEET youth?

Averages for: ■ Ontario ■ Kingston

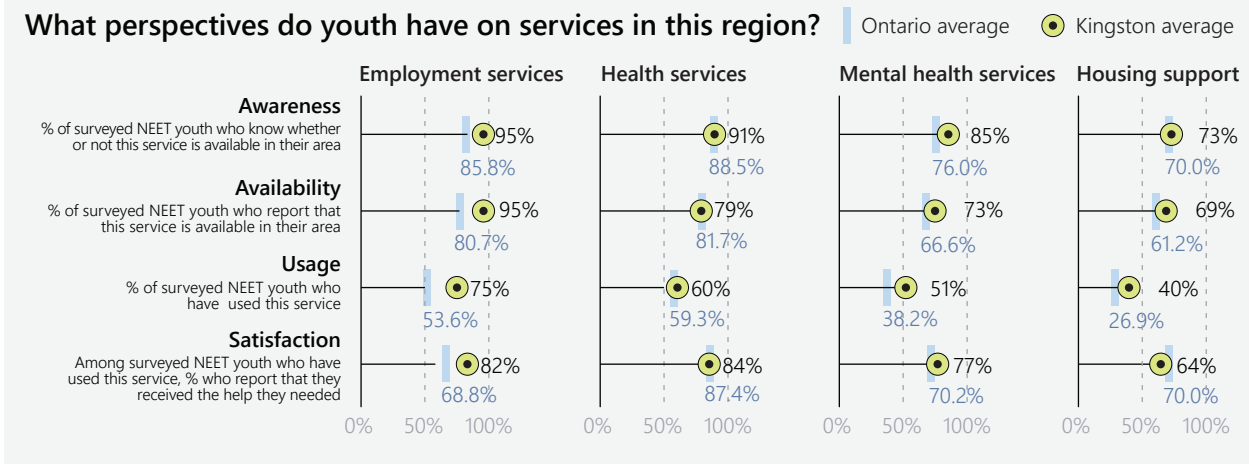
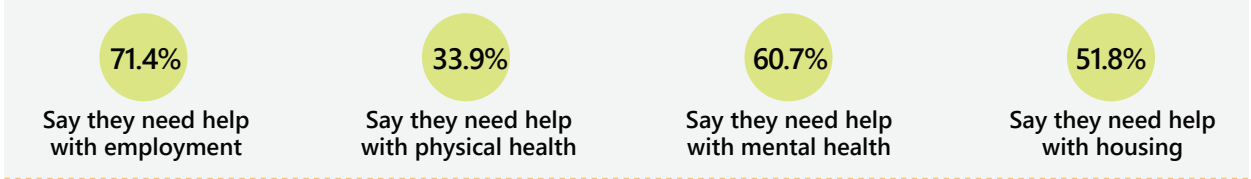


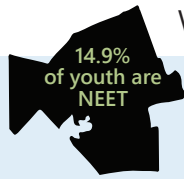
What makes it harder for NEET youth to find jobs?

	Kingston	Ontario
Available jobs not suited for me	28.6%	35.8%
There are not enough jobs	62.5%	46.7%
Available jobs don't pay enough	3.6%	5.2%
Can make more money outside formal jobs	8.9%	10.8%
No transportation means	30.4%	20.9%

What makes it harder for NEET youth to return to school?

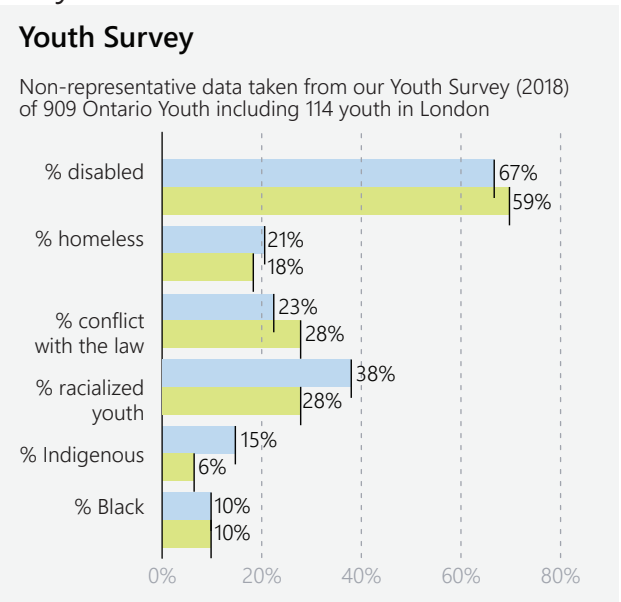
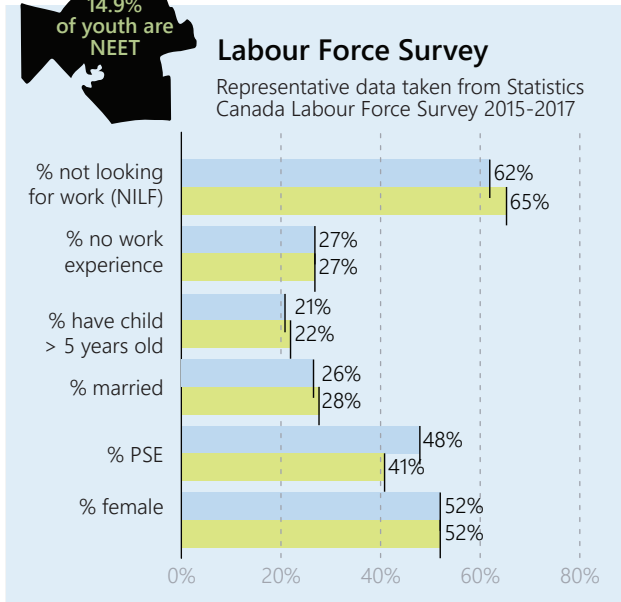
	Kingston	Ontario
Programs I like are not available where I live	43.2%	19.6%
Can't afford school	40.9%	44.7%
No transportation means	18.2%	16.0%





Who are London's NEET youth?

Averages for: ■ Ontario ■ London



What makes it harder for NEET youth to find jobs?

	London	Ontario
Available jobs not suited for me	34.8%	35.8%
There are not enough jobs	38.4%	46.7%
Available jobs don't pay enough	0.9%	5.2%
Can make more money outside formal jobs	13.4%	10.8%
No transportation means	17.0%	20.9%

What makes it harder for NEET youth to return to school?

	London	Ontario
Programs I like are not available where I live	15.3%	19.6%
Can't afford school	36.5%	44.7%
No transportation means	9.4%	16.0%

65.2%

Say they need help with employment

57.1%

Say they need help with physical health

64.3%

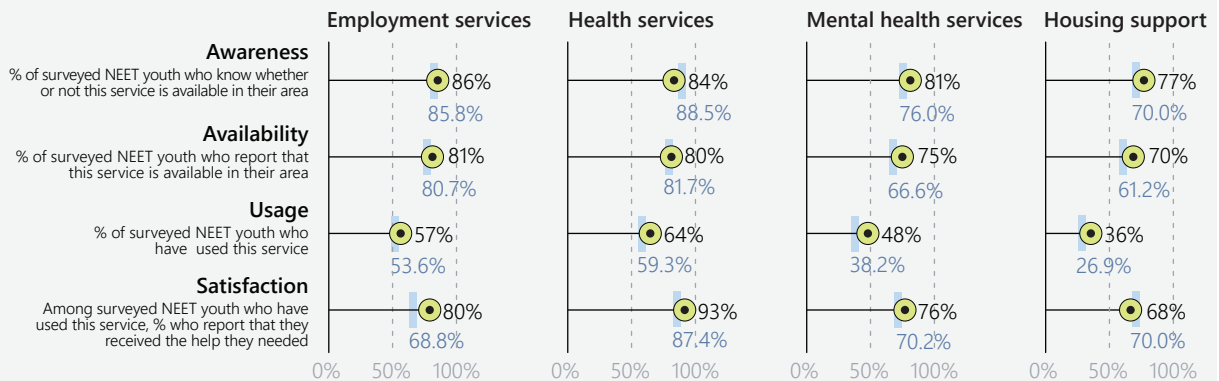
Say they need help with mental health

52.7%

Say they need help with housing

What perspectives do youth have on services in this region?

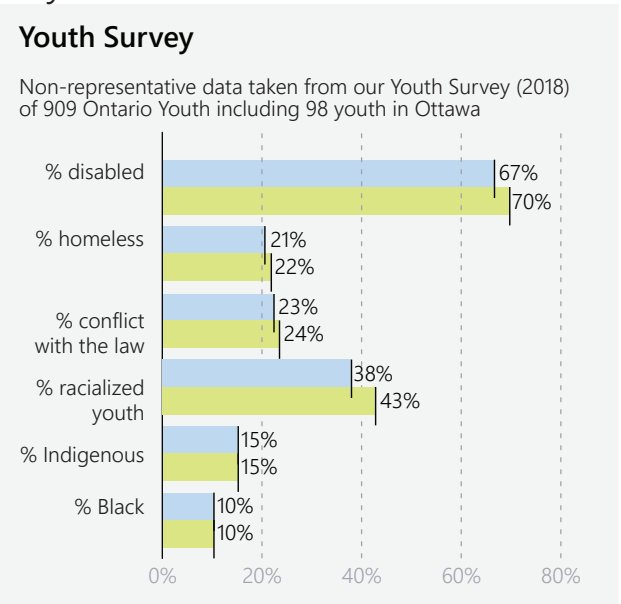
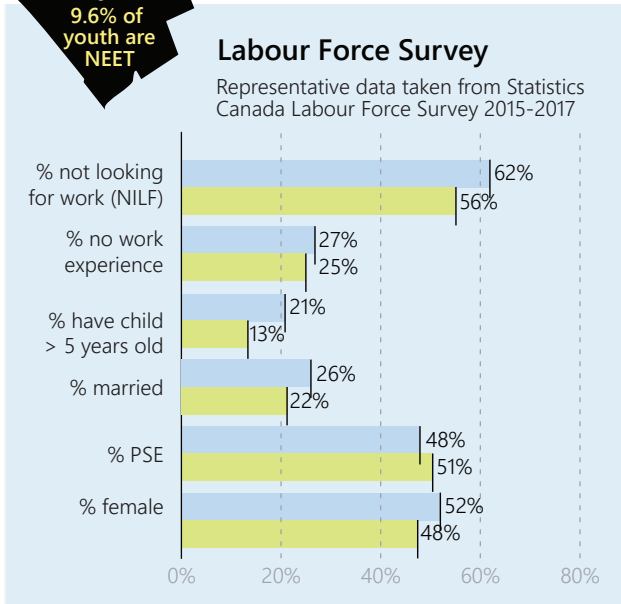
Ontario average ■ London average ●



9.6% of youth are NEET

Who are Ottawa's NEET youth?

Averages for: ■ Ontario ■ Ottawa



What makes it harder for NEET youth to find jobs?

	Ottawa	Ontario
Available jobs not suited for me	41.1%	35.8%
There are not enough jobs	45.3%	46.7%
Available jobs don't pay enough	4.2%	5.2%
Can make more money outside formal jobs	13.7%	10.8%
No transportation means	22.1%	20.9%

What makes it harder for NEET youth to return to school?

	Ottawa	Ontario
Programs I like are not available where I live	21.9%	19.6%
Can't afford school	47.9%	44.7%
No transportation means	17.8%	16.0%

71.4%

Say they need help with employment

53.1%

Say they need help with physical health

70.4%

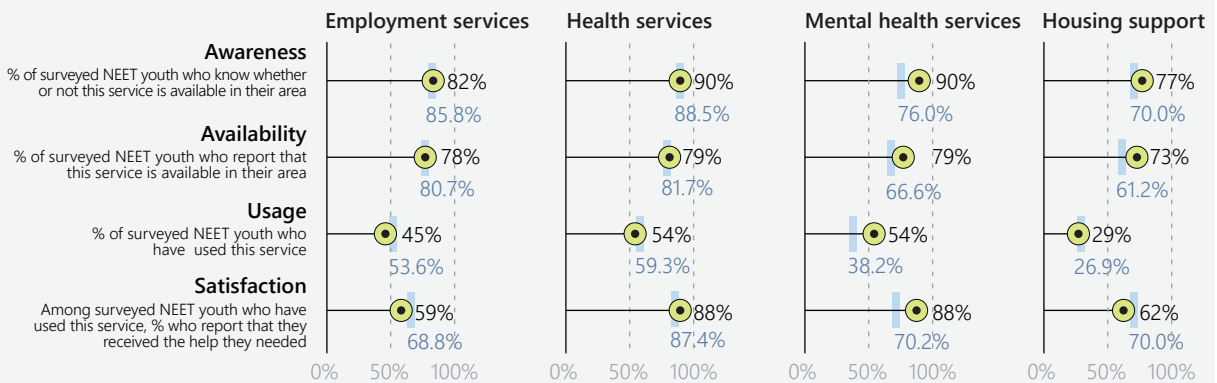
Say they need help with mental health

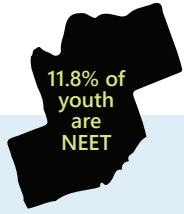
51.0%

Say they need help with housing

What perspectives do youth have on services in this region?

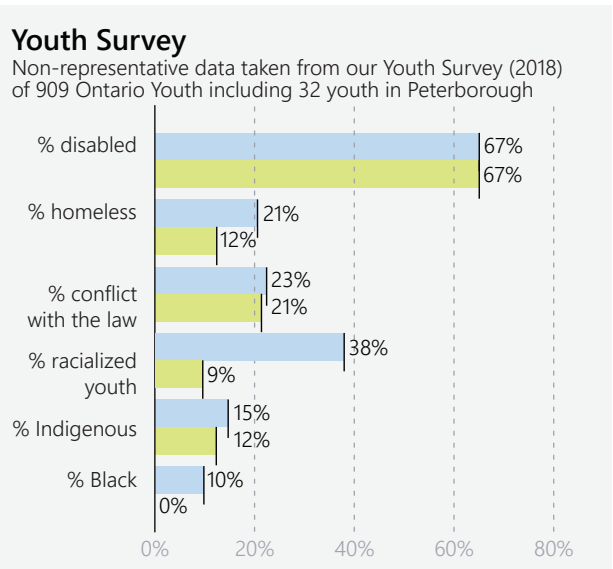
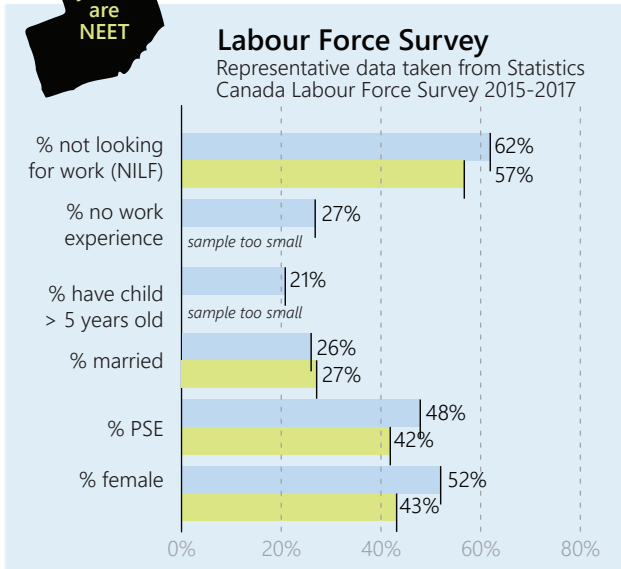
■ Ontario average ● Ottawa average





Who are Peterborough's NEET youth?

Averages for: ■ Ontario ■ Peterborough



What makes it harder for NEET youth to find jobs?

Barrier	Peterborough	Ontario
Available jobs not suited for me	53.1%	35.8%
There are not enough jobs	75.0%	46.7%
Available jobs don't pay enough	6.2%	5.2%
Can make more money outside formal jobs	12.5%	10.8%
No transportation means	25.0%	20.9%

What makes it harder for NEET youth to return to school?

Barrier	Peterborough	Ontario
Programs I like are not available where I live	20.7%	19.6%
Can't afford school	69.0%	44.7%
No transportation means	24.1%	16.0%

81.8%

Say they need help with employment

66.7%

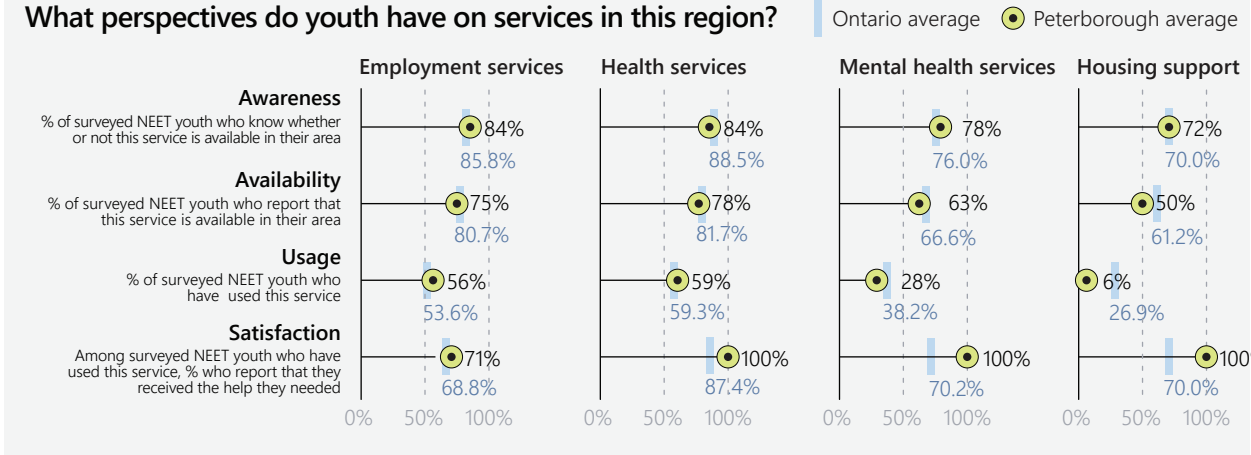
Say they need help with physical health

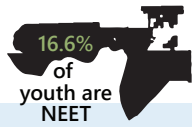
75.8%

Say they need help with mental health

66.7%

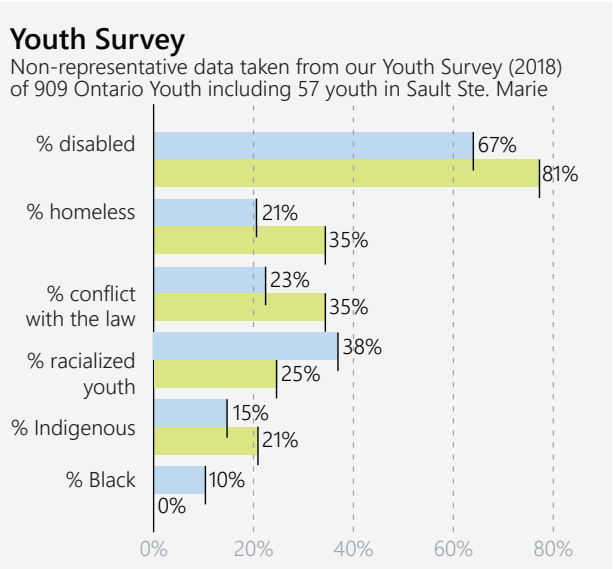
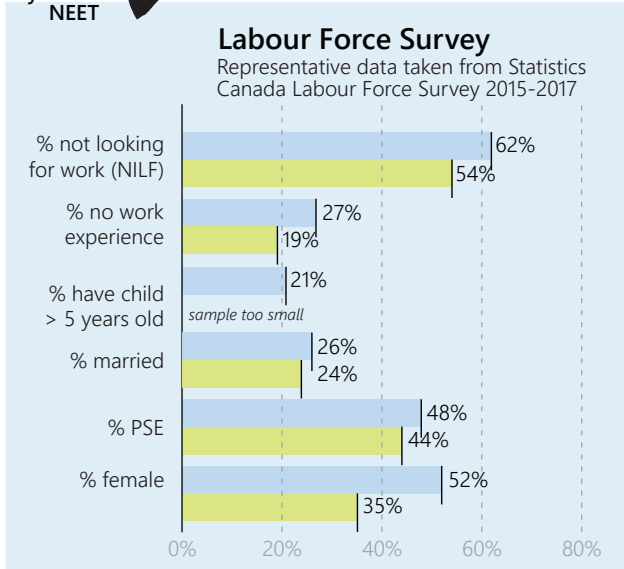
Say they need help with housing





Who are Sault Ste. Marie's NEET youth?

Averages for: ■ Ontario ■ Sault Ste. Marie

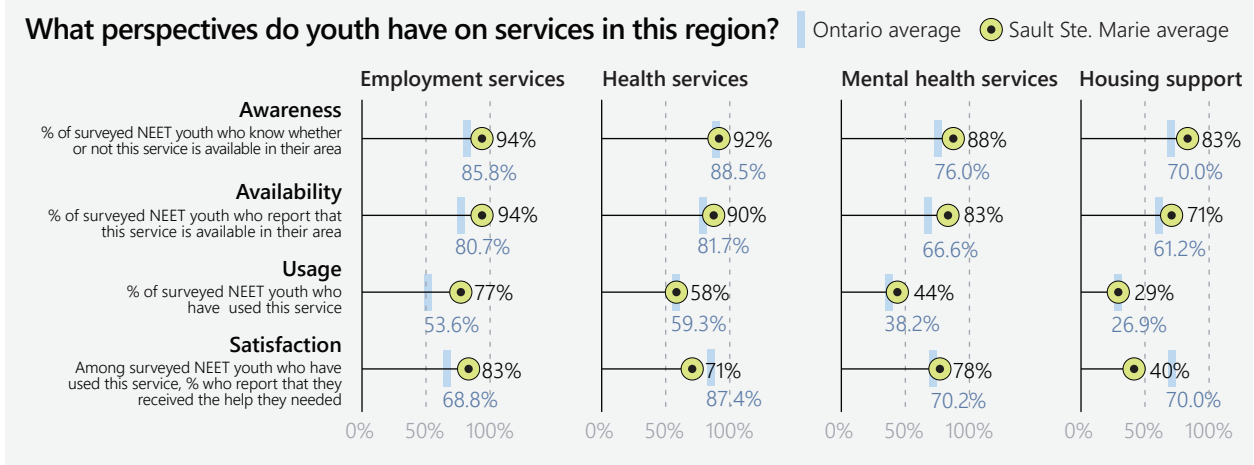
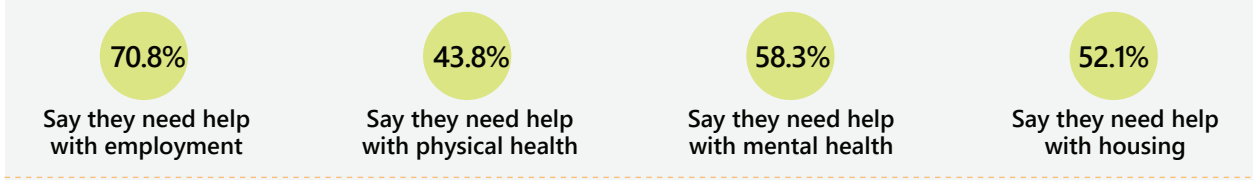


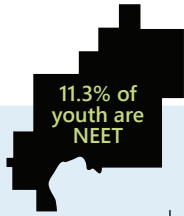
What makes it harder for NEET youth to find jobs?

Barrier	Sault Ste. Marie	Ontario
Available jobs not suited for me	28.3%	35.8%
There are not enough jobs	45.7%	46.7%
Available jobs don't pay enough	10.9%	5.2%
Can make more money outside formal jobs	8.7%	10.8%
No transportation means	28.3%	20.9%

What makes it harder for NEET youth to return to school?

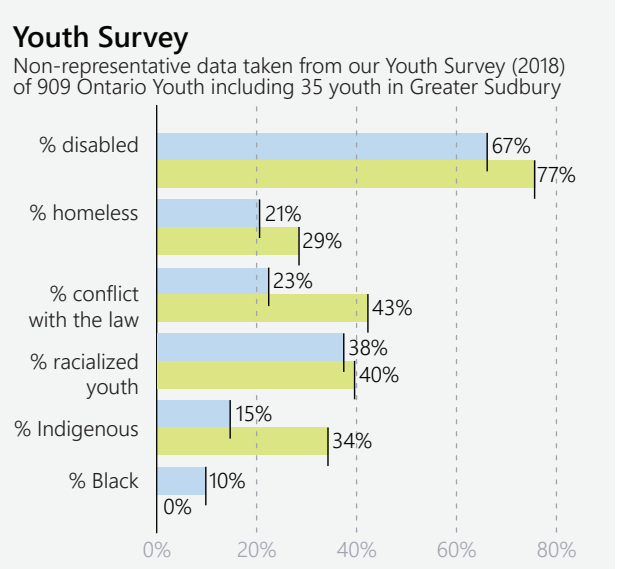
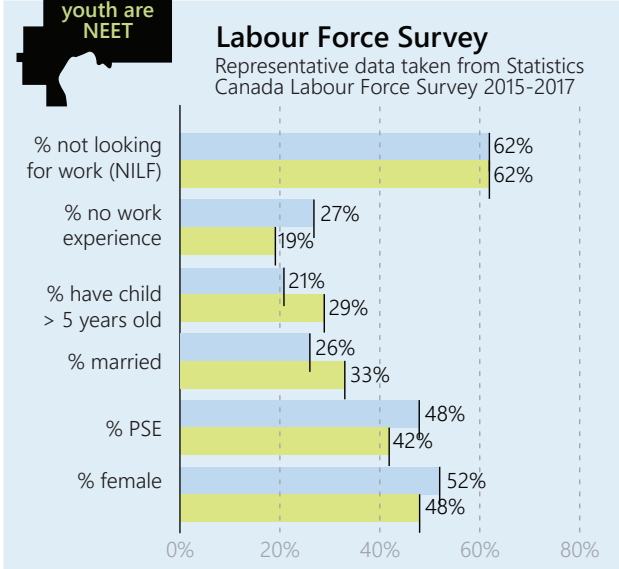
Barrier	Sault Ste. Marie	Ontario
Programs I like are not available where I live	20.6%	19.6%
Can't afford school	32.4%	44.7%
No transportation means	20.6%	16.0%





Who are Greater Sudbury's NEET youth?

Averages for: ■ Ontario ■ Greater Sudbury



What makes it harder for NEET youth to find jobs?

	Sudbury	Ontario
Available jobs not suited for me	38.2%	35.8%
There are not enough jobs	67.6%	46.7%
Available jobs don't pay enough	8.8%	5.2%
Can make more money outside formal jobs	11.8%	10.8%
No transportation means	38.2%	20.9%

What makes it harder for NEET youth to return to school?

	Sudbury	Ontario
Programs I like are not available where I live	29.2%	19.6%
Can't afford school	54.2%	44.7%
No transportation means	37.5%	16.0%

80.0%

Say they need help with employment

68.6%

Say they need help with physical health

62.9%

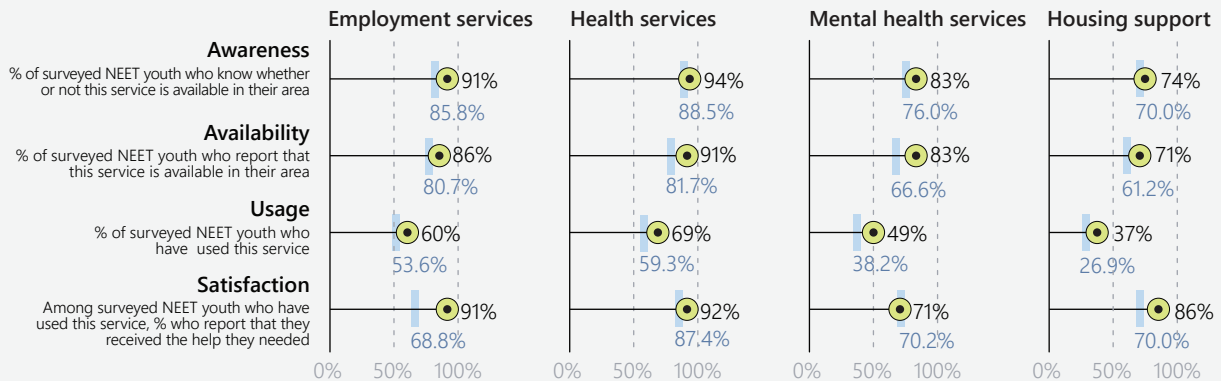
Say they need help with mental health

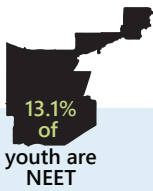
51.4%

Say they need help with housing

What perspectives do youth have on services in this region?

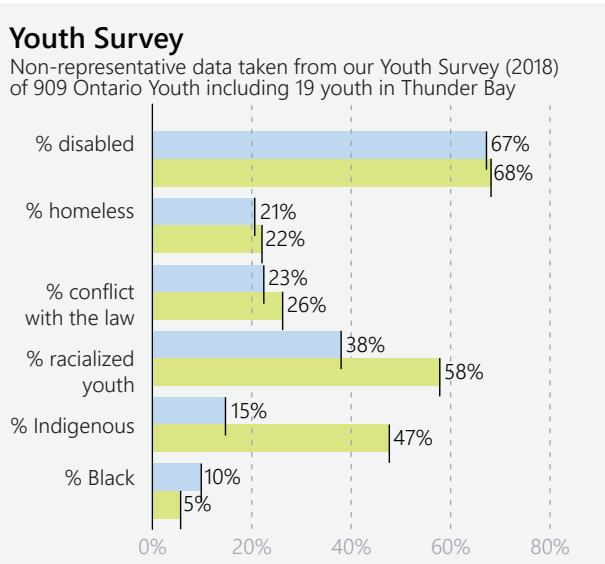
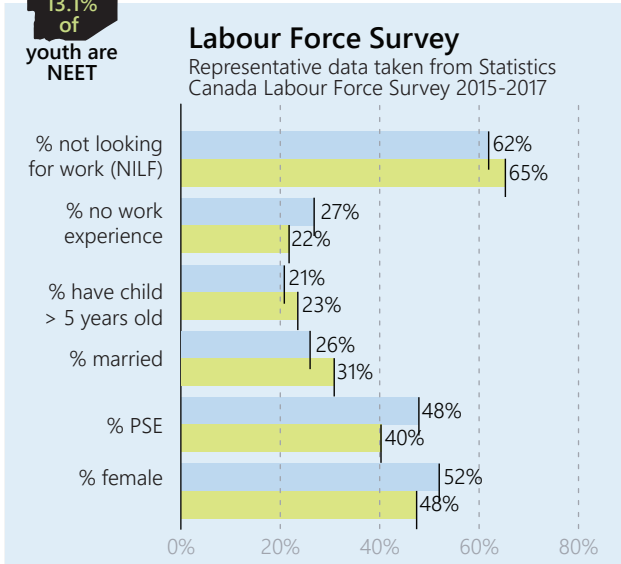
Ontario average ■ Greater Sudbury average ●





Who are Thunder Bay's NEET youth?

Averages for: ■ Ontario ■ Thunder Bay

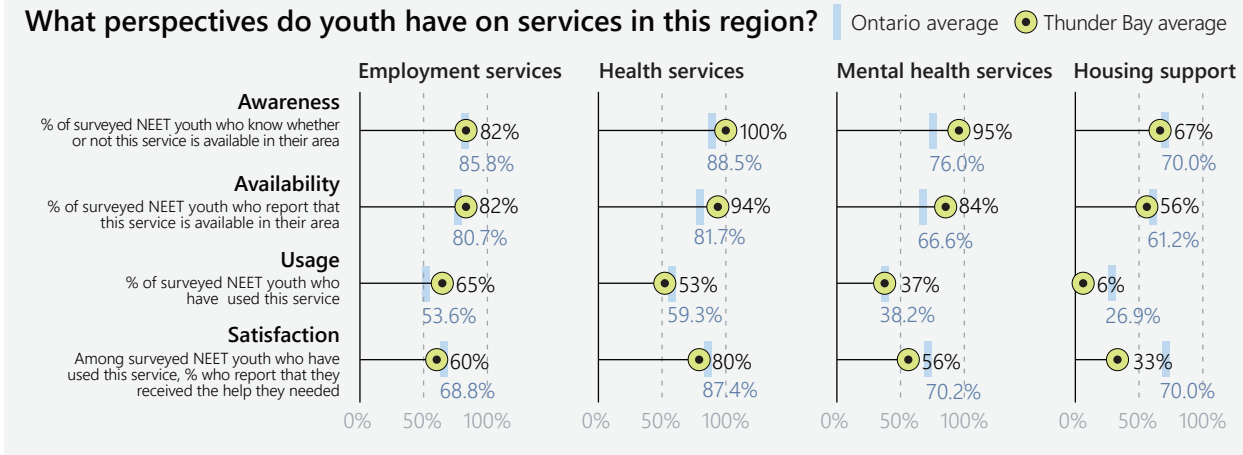
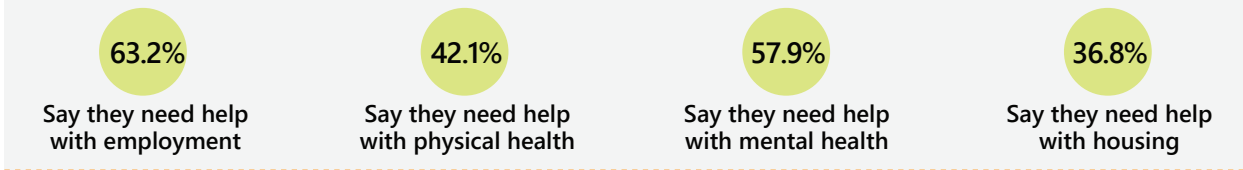


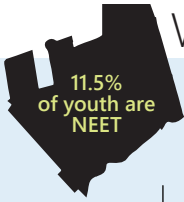
What makes it harder for NEET youth to find jobs?

Barrier	Thunder Bay	Ontario
Available jobs not suited for me	31.6%	35.8%
There are not enough jobs	52.6%	46.7%
Available jobs don't pay enough	10.5%	5.2%
Can make more money outside formal jobs	21.1%	10.8%
No transportation means	21.1%	20.9%

What makes it harder for NEET youth to return to school?

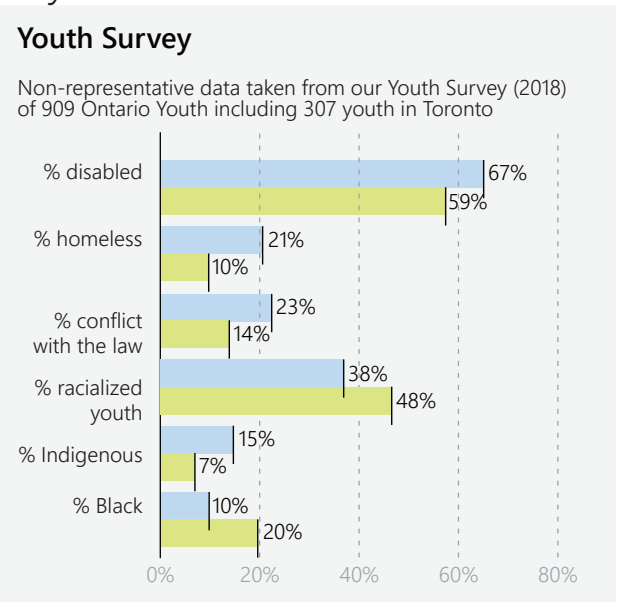
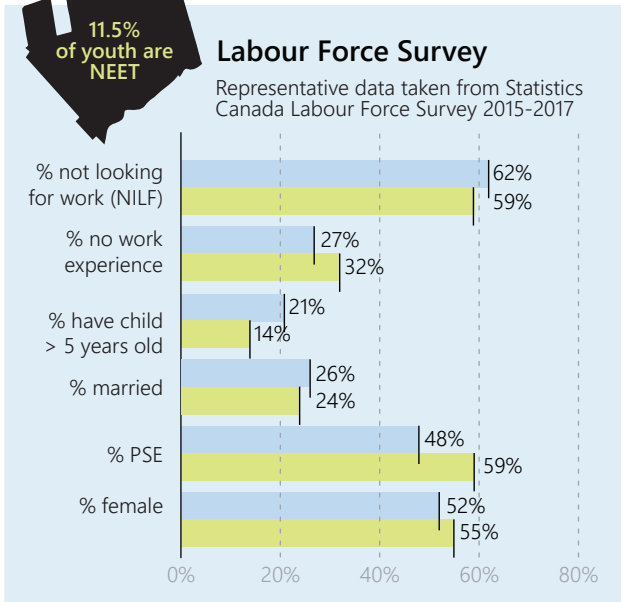
Barrier	Thunder Bay	Ontario
Programs I like are not available where I live	21.4%	19.6%
Can't afford school	35.7%	44.7%
No transportation means	14.3%	16.0%





Who are Toronto's NEET youth?

Averages for: ■ Ontario ■ Toronto



What makes it harder for NEET youth to find jobs?

	Toronto	Ontario
Available jobs not suited for me	34.6%	35.8%
There are not enough jobs	41.1%	46.7%
Available jobs don't pay enough	3.8%	5.2%
Can make more money outside formal jobs	9.2%	10.8%
No transportation means	10.6%	20.9%

What makes it harder for NEET youth to return to school?

	Toronto	Ontario
Programs I like are not available where I live	18.1%	19.6%
Can't afford school	50.0%	44.7%
No transportation means	11.1%	16.0%

72.1%

Say they need help with employment

41.3%

Say they need help with physical health

57.4%

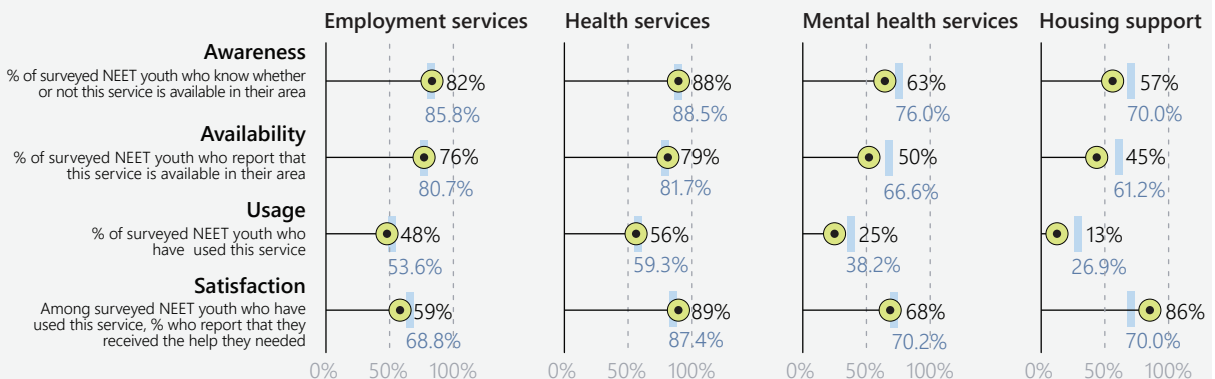
Say they need help with mental health

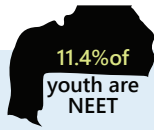
47.5%

Say they need help with housing

What perspectives do youth have on services in this region?

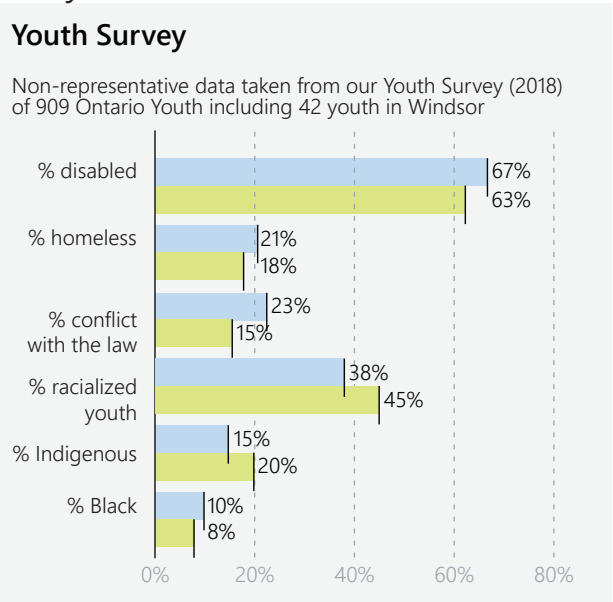
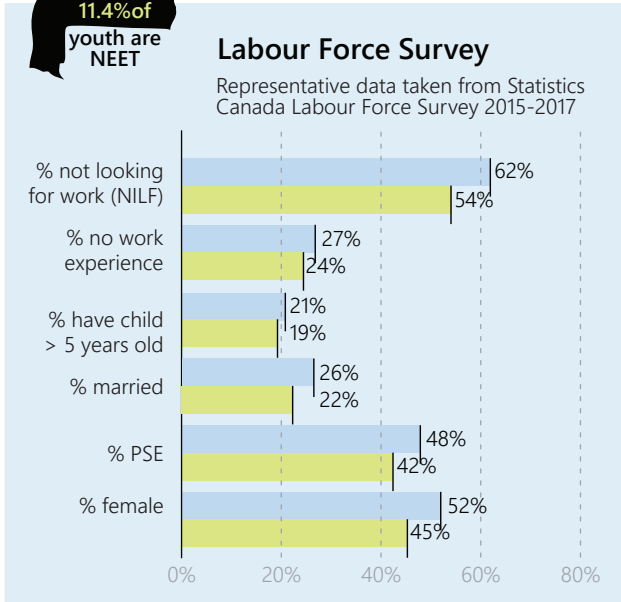
■ Ontario average ● Toronto average





Who are Windsor's NEET youth?

Averages for: ■ Ontario ■ Windsor



What makes it harder for NEET youth to find jobs?

	Windsor	Ontario
Available jobs not suited for me	33.3%	35.8%
There are not enough jobs	56.4%	46.7%
Available jobs don't pay enough	12.8%	5.2%
Can make more money outside formal jobs	0.0%	10.8%
No transportation means	17.9%	20.9%

What makes it harder for NEET youth to return to school?

	Windsor	Ontario
Programs I like are not available where I live	10.3%	19.6%
Can't afford school	48.3%	44.7%
No transportation means	17.2%	16.0%

90.0%

Say they need help with employment

30.0%

Say they need help with physical health

37.5%

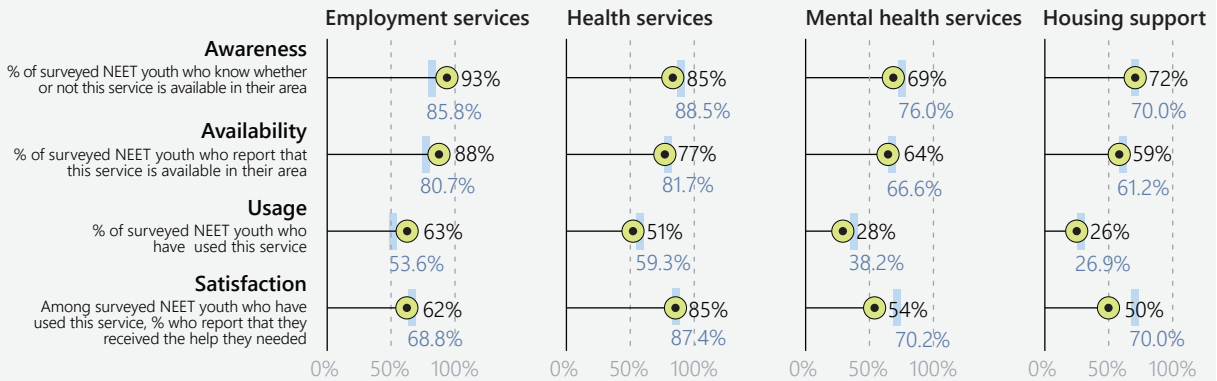
Say they need help with mental health

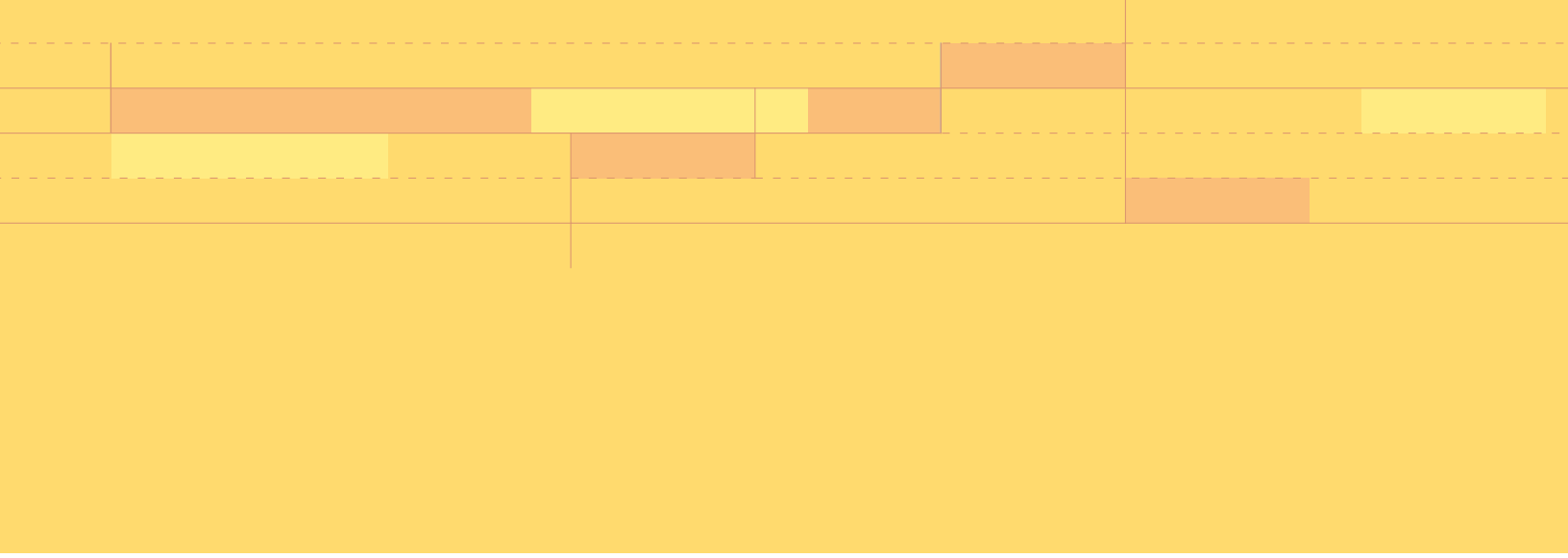
42.5%

Say they need help with housing

What perspectives do youth have on services in this region?

Ontario average ■ Windsor average ●





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