POLLING REPORT: What young people know about their employment rights, experience at work, and where they go for information and advice

March 2023

= THE EQUALITY TRUST

YOUR TIME, YOUR PAYEXECUTIVE SUMMARY

The Equality Trust conducted a nationally representative survey of young people aged 16-24 to understand:

- What young people know about their employment rights and what education they received on the subject at school or college.
- Young people's experience at work in relation to pay, working time, conditions, and trade union membership.
- Where young people turn to for information and advice about employment issues.

The polling was conducted by Survation in November 2022 and they surveyed 1,018 young people from across the UK.

We ran two focus groups with a total of nine young people; one to co-produce the questions for the survey and the second to analyse the results. We initially ran a public survey for 16-24 year-olds and the young people who completed the survey were invited to take part in our focus group sessions. Of those who accepted, we ensured we had a diverse group of young people from a range of socio-economic backgrounds.

OUR SURVEY SHOWED:

- Young people lose up to £1.65bn each year through wage theft, and over 100,000 are never paid for overtime at all.
- Over two-fifths of young people have worked for no pay.
- Two-thirds of young people do not always get paid for working overtime.
- Three-quarters of young people are not in a trade union.
- Two-thirds of young people enter the workforce with no education about their employment rights.

KEY RECOMMENDATIONS:

- The government should abolish the National Minimum Wage rates based on a person's age and uprate all under-23 year olds to at least the National Living Wage rate: £10.42 (from 1 April 2023)
- Legislation should be introduced to ban unpaid trial shifts.
- Expand automatic pension enrollment to qualifying over-16s.

INTRODUCTION

Young people today have grown up in an environment where trade union membership has been in secular decline. In 2021 it was estimated that the number of employees who are trade union members stood at 6.44 million, which equates to 23.1% of the overall UK workforce.1 This contrasts to 1979 where union membership peaked at 13.2 million. which equated to 55.4% of the workforce.2 This substantial decline in union membership levels over the past four decades has coincided with a sharp increase in income inequality, which was especially pronounced from 1979 to the early 1990s. Levels of income inequality stabilised during the 2000s-2010s but have never returned to pre-1980 levels.3 There is clear evidence that countries with high levels of trade union membership and density have much lower levels of income and wealth inequality.4 A well-organised future workforce will be a key factor if the UK is to build a more democratic and equitable economic future.

The Strikes (Minimum Service Levels) Bill, which is going through parliament as of March 2023, has been described as 'a draconian piece of legislation' by the Trades Union Congress (TUC).5 The legislation would in effect force workers across six sectors, including health, education, fire and rescue, border force, nuclear decommissioning, and transport to go to work during industrial action or face dismissal. This proposed legislation comes after the 2016 Trade Union Act which introduced turnout and support thresholds for union ballots as well as supervision requirements on union picket lines. The UK already has some of the most restrictive trade union laws in Europe and this bill will only further suppress union activity. The right to strike is a fundamental human right and is essential to a functioning democracy. The current political context underlines the importance of high quality and detailed education relating to employment rights being readily available to young people, especially those newly entering the jobs market.

The primary purpose of this project is to assess young people's (aged 16-24) knowledge, awareness and application of their employment rights. We commissioned polling company Survation to ask a representative sample of over 1,000 young people a total of twenty-eight questions on issues such as pay, working time, employment rights, trade union membership, the cost of living crisis, and future career prospects.

We chose to focus on a number of specific areas of knowledge such as entitlement to employer pension schemes through autoenrollment, understanding of payslips, and written employment contracts. We also wanted to gain an understanding of young people's experiences at work, such as how comfortable they feel taking rest breaks at work, if they are always paid for working overtime, have taken up self-employment. and if they have ever been asked to work for no pay. We also wanted to establish the number of young people who received information about employment rights in a formal educational setting and find out voung people's preferred method of receiving information about employment rights.

Young people today face incredibly challenging economic conditions. A 2022 report found that 47% of young people (aged 16-25) are experiencing financial precarity and this number grew as young people got older, with 57% of 22-24-year-olds in a precarious financial situation, compared to 38% of 16-18-year-olds and 48% of 19-21-year-olds. ⁶ Young people were more likely to have lost their jobs during the period of lockdown at the height of the pandemic as under 25s accounted for 60% of job losses from February 2020 - March 2021.7 Young people also face wage discrimination as employers are legally allowed to pay those below the age of 23 a lower rate of pay depending on their age cohort. Under 18s and Apprentices can be legally paid almost half the rate of the National Living Wage, a mere £5.28 per hour.8 In light of all of these factors, it is crucial that young people have a good understanding of their employment rights and feel confident in asserting their rights in the workplace.

¹ https://assets.publishing.service.gov.uk/government/uploads/ system/uploads/attachment_data/file/1077904/Trade_Union_ Membership_UK_1995-2021_statistical_bulletin.pdf 2 https://www.cipd.co.uk/knowledge/fundamentals/relations/

employees/trade-unions-factsheet#gref
3 https://ifs.org.uk/articles/income-and-wealth-inequality-

explained-5-charts
4 https://www.newstatesman.com/economy/2022/12/

countries-high-trade-union-membership-equal-gini-coefficient 5 https://www.tuc.org.uk/blogs/fighting-anti-strike-law#:~text=lt%20allows%20Ministers%20to%20 write,and%20what%20they%20must%20do.

⁶ The cost of independence: Young people's economic security -Fran Landreth Strong and Hannah Webster: https://www.thersa.org/globalassets/_foundation/new-site-blocks-and-images/reports/2022/01/cost_of_independence.pdf 7 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2021??

⁸ https://www.gov.uk/national-minimum-wage-rates



We found that just over half of respondents worked overtime and 56% of that group do not always get paid for the hours of overtime they worked, and 5% never did.

Based on our findings, we can estimate that across the UK, at least 16.35 million hours of overtime worked by young people go unpaid each year, and up to 183 million hours may not be paid. This equates to at least £147m worth of lost pay - and potentially up to £1.65bn of overtime not paid correctly.9

Our survey found that just over two-fifths of respondents had been asked to work for no pay. Young female workers were more likely to have been asked to work for no pay, at 44% compared to 40% of young male workers.

Of those asked to work for no pay, we found that 53% are Black, African, Caribbean or Black British, compared to 40% who are white. It is alarming that a fifth of respondents had completed an unpaid internship. This is despite concerted efforts by the government to outlaw unpaid internships by entitling interns to the National Minimum Wage (NMW) provided they are classified as a worker. Exemptions include student internships, school work experience placements, work shadowing, and voluntary work.

Almost half of those who were asked to work for no pay did voluntary work as a requirement for securing paid employment. In one of our focus group sessions there was a general consensus that the expectation that young people have to work for no pay at the start of their careers to gain experience has become normalised across a number of sectors.

UNPAID TRIAL SHIFTS

Just over a third of respondents who had worked for no pay had completed an unpaid trial shift. It is estimated that unpaid trial shifts contribute to an around £3 billion of lost wages in the UK every year. 10 Unpaid trial shifts have increasingly become part of the recruitment process and are especially

prevalent in the retail and hospitality sectors.

An argument in favour of unpaid trial shifts, often made by employers, is that they are necessary for prospective employees to demonstrate that they have the required skills and abilities to do the job.

However there are many examples of employers systematically abusing unpaid trial shifts, and even in some cases using multiple unpaid trialists in a single shift to cover staff absences. 11 One of the most egregious examples of exploitation was a cafe in Glasgow which required applicants to complete forty hours of unpaid trial work before they would even be considered for hiring. 12



UNPAID TRIAL SHIFT - CASE STUDY Homeware Store - Shop Assistant

One of our focus group participants completed an unpaid trial shift at an expensive homeware store. The participant was made aware that the trial shift was part of the recruitment process. She wasn't given any formal training aside from a basic explanation of how the store tills worked and other store protocols.

The trial lasted four hours and she made a number of sales, including a £50 sale. She described being reprimanded for making a minor mistake but was nevertheless offered the job. Ultimately, she decided not to accept the job offer, but came away from the experience with a sense of injustice as she felt that she had helped the employer make profit whilst not being remunerated for the work she had done.

Without robust legislation young people will continue to be disproportionately exploited by employers using unpaid trial shifts. There is no acceptable reason for trialists not to be paid for the work they have completed during a trial whether the trialist receives a job offer or not. Trailists should be informed of what jobs are available prior to their trial, they should be observed by a hiring manager throughout their trial, and be paid at least the National Living Wage for the full duration of the trial.

CONDITIONS

We found that nearly two-fifths (38%) of respondents did not have a written employment contract.

16-17 year olds were the least likely age cohort to have a written employment contract, with only 34% having a written contract. This compares to 59% of 18-21 year olds and 67% of 22-24 year olds. 66% of 16-17 year olds either do not have or do not know if they have a written contract (46% do not have, 20% do not know).

Whilst this is not a legal requirement for employers, it is poor employment practice and is incredibly disempowering for young workers, as they will lack clarity over their specific duties and responsibilities, as well over their rights at work.

A lack of a written employment contract makes it more difficult for young workers to challenge bad employment practices and it also makes them more vulnerable to exploitation.



WORKING WITHOUT A WRITTEN CONTRACT - CASE STUDY Age Verification Checker

One of our focus group participants spoke about her experience working as an age verification checker without a written employment contract whilst she was a student. She saw the job advertised on TikTok and it was described as being perfect for students and part-time workers as it offered great flexibility.

The role involved going into supermarkets, offlicences, betting shops, bars, and restaurants to purchase products which required age verification. She had to complete detailed reports of her experience being served at each retailer. She was not paid an hourly rate and was paid per assignment, so it was similar to work in the gig economy. Full payment for each assignment was contingent on lengthy criteria being fully met for each verification check - e.g. in betting shops, she had to walk around the entire shop before approaching the counter. Deductions would be made if any of the criteria was not met. CCTV footage was analysed by the employer to validate the report produced by the participant.

Despite providing the employer with her work availability through an online portal, the participant was regularly offered jobs outside of her availability and felt pressured to accept jobs for fear of not being offered future work. She felt that she "didn't have the power to say no" to the employer because she didn't have a written contract.

The participant felt very uncomfortable going into betting shops as a young woman in a maledominated space and asked her employer if she could be given alternative assignments. The employer said to her that she "did not get to pick and choose assignments" that were offered to her.

Managers would offer extra pay for jobs that needed to be completed urgently. The participant accepted a number of these urgent jobs but said that this additional pay did not materialise on her payslips. She did query this on a number of occasions but her enquiries were routinely ignored by managers.

It is clear from this case study that the lack of a written employment contract made it more difficult for the employee to hold her employer to account. Although having a written contract isn't a guarantee against exploitative employer practices, it provides a framework for an employee to challenge bad practices and puts the employee on a stronger footing when taking a case to an employment tribunal.

PENSIONS

We found that 40% of respondents did not have a good understanding of, or know about, their pension entitlements. This is concerning as this can lead to greater inequality in later life. Pension provider Barnett Waddingham found that young people who do not enter

⁹ See Appendix - Methodology

¹⁰ Unpaid Britain: wage default in the British labour market Nick Clark and Eva Herman, Middlesex University November 2017-https://trustforlondon.fra1.cdn.digitaloceanspaces.com/ media/documents/Final_Unpaid_Britain_report.pdf

¹¹ https://www.bbc.co.uk/news/uk-scotland-43070581

¹² https://www.thompsons-scotland.co.uk/blog/employment-law/unpaid-and-unfair

a pension scheme until middle age could lose up to £100,000 in employer pension contributions and tax relief.¹³ Their research also found that a young person who delays joining a scheme that only offers the minimum contribution recommended by the government would miss out on £27,100.

The fact that workers under the age of 22 are not automatically enrolled onto their company's pension scheme is an example of pension inequality faced by young people. If you are under the age of 22 and earn £6,240 a year or more, you have the option to optin to your employer's pension scheme but will only be entitled to the minimum level of employer contributions. Those earning less than £6,240 a year can ask to access their employer's pension scheme to make their own contributions, but their employer is under no obligation to make contributions.

If automatic pension enrolment was extended to all workers from the age of 16, it would give young people agency to make their own decisions about how they intend to save for their future. The onus would be on employers to provide young workers with the information they need to make an informed decision as to whether they opt-in or out of their employer's pension scheme.

ZERO-HOUR CONTRACTS

We found that two-fifths of respondents have been employed on a zero-hour contract. This is far from surprising as nearly two-fifths of workers employed on zero-hour contracts in 2022 were aged 16-24.¹⁴

Young women are slightly more likely to have been employed on a zero-hours contract than their male counterparts, with 42% of young women on zero-hours compared to 39% of young men. This is also a symptom of the fact that 16-24 year olds are more than twice as likely to be in severely insecure work than those at the middle stage of their careers (43% of 16-24 year olds versus 17% of 25-65 year olds¹⁵). The fact that young workers are more likely to face job insecurity than their older colleagues underlines the importance

of good quality and accessible education on employment rights being readily available to all young people.

In terms of young people's attitudes towards zero-hour contracts, we found that around two-thirds of respondents thought zero-hour contracts were good for employee flexibility but the same number of respondents also felt that the contracts were exploitative.



WORKING ON A ZERO-HOUR CONTRACT - CASE STUDIES

One participant described having a positive experience working on a zero-hour contract in an administrative role for a public body.

Public Body - Administrative Role

'It felt like how zero-hour contracts should be. I worked in a welcoming team, a non-pressurised environment, and was given sufficient training. I was offered flexibility on days and timings, for example if I couldn't work a day or needed to leave early this was fine, I just needed to write it up on my timesheet. I felt comfortable saying that I was unavailable to work. There was no formal notice period for both parties but as it was a kind team, we agreed two weeks' notice on both sides out of courtesy.'



The participant had to take a couple of sick days after having her Covid vaccine and as there was no sick pay entitlement, she missed out on pay those days.

She also described working at a music festival on a zero-hour contract.

Music Festival - Bar Staff

'The work described in the job advert didn't match the reality. No transport was provided to the venue and I had to spend £40 on a return train ticket. Food was only provided if you worked an eight hour shift. At the interview I was told that both transport and food would be provided by the employer.

They would oversubscribe employees to shifts as they banked on people not turning up. This led to me arriving at 7am ready to start and was then told that my shift for that day wouldn't start until 6pm and would finish at 1am.

Due to theft from tills and drug dealing occurring at other festivals they did "random" spot searches throughout the day, though this was typically more done to boys and boys from minority ethnic backgrounds even more so. On one shift, because I looked "odd/dodgy" they spot searched me: they got 4 security guards to come and search me because they thought I had drugs/money on me (you weren't allowed to carry cash because of said till theft problems); after not finding anything, no apology was given and I was expected to go straight back to work even though I was quite obviously shaken from the event.

I only did two festivals with the employer and no notice period was required. Though, if you didn't turn up to a festival when you said you would work it, you were blacklisted from



future recruitment. To note, I've worked at other festivals which do their own hiring where everything was communicated well, food was provided and it was a great experience.'

The same participant also worked for a large supermarket chain via a recruitment agency during lockdown in 2020.

Supermarket - Shop Floor Assistant

'I worked at a large supermarket chain for two months during the pandemic as supermarket staff were off on sick leave or were vulnerable. I was only offered 12 hour shifts, 7am-7pm (either night or day shifts) and was only afforded the minimum legal break time (a 20 minute break every 6 hours worked).

The recruitment agency took off employer National Insurance contributions, even though I don't think this was legal. A colleague told me that if you complained you might not be given shifts although I was unsure if this was actually true

I could have taken them to court, but I did not have the financial means to do this and I doubted that any of my colleagues would either.

One time I had to cancel a shift due to period pains. Around two hours' notice was given but my manager was incredibly unsympathetic and was angered that I had to cancel my shift due to being in pain. My manager then texted me saying that she had cancelled my shifts for the rest of the week, so I could "recover". This felt very passive aggressive to me and I quit working for the agency shortly afterwards.

The participant mentioned that she had worked at the same supermarket chain when she was 16 and noticed a stark contrast between being a company employee and being employed through an agency on a zero-hour contract.

There was a clear divide between the two groups of employees, which was exacerbated by agency staff being required to wear an all-black uniform which differed from what directly employed staff wore.

The use of zero-hour contracts in this instance created a two-tier workforce where one set of employees had better terms and conditions than the other and one set of employees were more expendable to the employer, meaning they were more likely to be subject to exploitative practices.

¹³ https://www.barnett-waddingham.co.uk/comment-insight/blog/young-people-who-delay-pension-saving/

¹⁴ https://www.statista.com/statistics/398509/number-of-employees-zero-hours-contracts-age/#:~:text=Number%20 of%20employees%20on%20zero,2013%2D2022%2C%20 by%20age%20group&text=There%20were%20a-pproximately%20386%2C000%20people,over%20the%20 age%20of%2065

¹⁵ https://www.lancaster.ac.uk/media/lancaster-university/content-assets/documents/lums/work-foundation/UKInsecureWorkIndex.pdf

TRADE UNION MEMBERSHIP

Three quarters of respondents said they are not a member of a trade union. According to the most recent government data from BEIS, only 4.3% of trade union members in the UK are aged 16-24. This is compared to two-fifths of union members who are aged 50 and over.¹⁶

Nearly two-fifths of respondents said that it had never occurred to them to join a union. We also found that around one in ten young people did not know what a trade union does. This suggests that there is an overall lack of awareness of trade unions among the younger generation. This could partly be explained by the high concentration of trade union members in the public sector and the relatively low number of under 25s working in the public sector, with 18-24 year olds making up just 12% of the total publicsector workforce.¹⁷ Only 12.8% of trade union members work in the private sector compared to over 50% who work in the public sector.¹⁸ This lack of exposure to trade unions could partly explain low union membership among the 16-24s as well as the limited understanding of what trade unions do among a significant minority of young people.

It is concerning that nearly a fifth of respondents said that they would not feel comfortable joining a union. This could be related to fear of reprisals from managers for being a member of a union or the generally negative coverage of trade unions in the media. This can be overcome with effective political education which focuses on the historical achievements of unions, e.g. won shorter working hours, weekends, holiday pay, sick pay, etc.

We asked respondents who said they were not members of a union if they would consider joining one if there was an active union organising in their workplace. Half of respondents said they would consider joining with a further 25% saying they were unsure. This shows that there is appetite amongst young people to join unions that are already active and embedded within a workplace.

EMPLOYMENT RIGHTS EDUCATION

Almost two-thirds of young people did not receive, or don't know if they received, information about employment rights at school. Of the third that did, only 51% had a lesson about employment rights and a third just received a leaflet. We also found that young women were more likely to not have received information at school about employment rights: 32% of young women did get information about employment rights at school, 59% did not and 8% did not know; whereas 40% of young men did receive information about employment rights at school, 47% did not and 13% did not know. This is clearly inadequate, and there is an obvious need for dissemination of information about employment rights through social media or a dedicated website. These were the preferred methods of receiving information about employment rights by two-thirds of respondents.

A number of participants in our focus groups said that they had received no information about employment rights either at school, college or university. Most participants had received a minimal amount of information regarding jobs and careers, normally through a careers adviser. This was however the limit of what participants were taught regarding the world of employment. It is clear from our polling and focus group research that there is a gap in employment rights education. This was not only the case in schools and colleges but also at universities.

RECOMMENDED ACTIONS

Our recommendations were informed by a series of focus groups we ran, speaking to a diverse range of young people. We asked about how young people's experience at work and working conditions could be improved. We also discussed how trade unions could better engage with young people and what an effective and accessible resource on employment rights would look like.

FOR GOVERNMENT

Abolish age discrimination on the National Minimum Wage

- Young people deserve to be paid the same rates as their adult colleagues (aged 23 and above). Employers should not have the option to pay workers under the age of 23 a reduced rate of pay based on their age.
- This would also make young workers feel more valued in their workplace.
- There is no justification for age-based wage discrimination. People would not accept older age groups being paid less, e.g. the over 65s.

Ban unpaid trial shifts

- All trialists should be paid at least the National Living Wage for the duration of their trial.
- Employers should have to prove to the trailist that there is a job on offer before the start of the trial.
- Employers should have to provide proper feedback to unsuccessful trialists.

Expand automatic pension enrollment to qualifying over 16s

- This would improve young people's understanding of pensions and what they are entitled to.
- Allow young people to make their own financial decisions from an early age.
- Expose young people to saving for their retirement as a lived reality rather than an abstract concept.

FOR OTHER STAKEHOLDERS

Create a website or dedicated social media content that is easily accessible to young people

- A website targeted at young people with accessible information on employment rights.
- Workshops for students and young people.
- Focus on getting this information into schools, targeting children aged 15-16 years old with a view to getting such a resource onto the national curriculum.

FOR TRADE UNIONS

Create engaging digital content aimed at the 16-24 age group

- We asked our focus group participants how trade unions could better engage with young people. One participant suggested that unions could create a series of 'mythbusting' digital content, targeted at a young audience, which would dispel some of the misconceptions people may have about unions.
- Unions could also better amplify their successes, specifically relating to young members. For example, one of the benefits of a trade union to members is that trade union members are paid more on average: 4.8% more in 2021.¹⁹ Previous research indicates the difference is even more dramatic for young people, with as much as a 39% increase.²⁰

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1077904/Trade_Union_Membership_UK_1995-2021_statistical_bulletin.pdf

¹⁷ Young People's Future Health Inquiry The quality of work on offer to young people and how it supports the building blocks for a healthy life Dafni Papoutsaki, Morwenna Byford, Tony Wilson and Becci Newton: https://www.employment-studies.co.uk/system/files/resources/files/532_2.pdf
18 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1077904/Trade_Union_Membership_UK_1995-2021_statistical_bulletin.

¹⁹ https://www.statista.com/statistics/287278/uk-trade-union-wage-premium/

²⁰ https://strongerunions.org/2015/06/03/8-surprising-facts-about-trade-union-membership/



METHODOLOGY

 $(16-24 \text{ year population in the UK} = 6.84 \text{ million}^{21}-2.73 \text{ million Economically Inactive NEET} + \text{In full-time education}^{22}) = 4,110,000 \text{ million economically active } 16-24 \text{ year olds}$

Number of young people who work overtime = 51% of 4,110,000 million (0.51 x 4110000) = 2,096,100

Number of young people who never get paid for overtime

= 5% of 2,096,100 (0.05 x 2096100) = 104,805 young people never get paid for working overtime

Average overtime worked per week by young people²³ = 3 hours per week

Average pay per hour²⁴ = £9 per hour

 $3 \times 52 = 156 \times 104,805 = 16.35$ million hours

16.35 million \times 9 = £147 million per year

Number of young people who do not always get paid for overtime = 56% of 2,096,100 (0.56 x 2096100) = 1,173,816 young people work overtime

Average overtime worked per week by young people²³ = 3 hours per week

Average pay per hour²⁴ = £9 per hour

 $3 \times 52 = 156 \times 1{,}173{,}816 = 183 \text{ million hours}$

183 million x 9 = £1.648 billion per year

GLOSSARY

National Minimum Wages (NMW) from 1 April 2023

Apprentice rate: £5.28 hourly
Under-18s: £5.82 hourly
18-20 year olds: £7.49 hourly
21-22 year olds: £10.18 hourly

Age 23 and over: £10.42, the National Living

Wage (NLW)

A person is classified as a worker if they:

- Have a contract or other arrangement (written or unwritten) to do work for a reward
- Their reward is money or a benefit in kind, including the promise of future work
- They have a limited right to subcontract
- Their employer only has work for them during the contract period
- They are not part of their own limited company working for clients

OUR THANKS TO:

This report was written by Rob Donnelly for The Equality Trust in collaboration with nine young people, including: Nkechi Adeboye, Olivia Brooker, Tomi Haffety, Shaun Horne, Finn Oldfield, Connor Pennington, and Hamidah Saleem.

We would like to thank them, and all those who took part in this research, enormously for their contributions to this report.

This work was funded by the Alex Ferry Foundation. We are very grateful for their support.



Registered in England & Wales. Company no. 6084965. Charity no. 1161545.

Phone: 020 3637 0324 | Email: info@equalitytrust.org.uk

Donate | Twitter | Facebook | Newsletter

www.equalitytrust.org.uk

²⁴ https://www.statista.com/statistics/802108/hourly-pay-employees-in-the-uk/



²¹ https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/jn5r/lms

²² https://commonslibrary.parliament.uk/research-briefings/sn05871/

²³ https://www.statista.com/statistics/800773/overtime-paid-hours-worked-in-the-uk/