

REPORT

Employment Forum: Youth Rate Recommendation Minister's response

As part of the 'Back to Work' Ministerial Taskforce's strategy to focus on increasing unemployment, I directed the Employment Forum to review, as a matter of urgency, the impact of introducing a youth rate that would be payable at an hourly rate that is lower than the minimum wage.

My objective was to introduce a youth rate that would encourage employers to employ more young people, give young people more opportunities in a difficult employment market and provide them with valuable work experience.

I would like to thank the members of the Employment Forum for completing this thorough review within the short timescale that I set.

On the basis of the evidence that has been presented, I accept the Forum's recommendation that a youth rate would not provide a 'quick fix' to youth unemployment and I have agreed not to propose a youth rate at this time.

Whether a youth rate might be required in the future is likely to depend upon the impact and success of other current measures to get people of all ages into work, including the recently initiated Employment Grants Scheme.

Noting that the provision of training became a significant focus of this youth rate review, I have directed the Forum to review the trainee rate and the conditions that might permit an employer to pay less than the minimum wage. I have proposed that the Forum undertake this review within the context of other ongoing plans to remodel training and apprenticeships in Jersey. I look forward to receiving the outcomes as part of the Forum's 2012 minimum wage review later this year.

RECOMMENDATION - MINIMUM WAGE YOUTH RATE



Issued by the Employment Forum on 16 May 2012

PURPOSE OF RECOMMENDATION

The purpose is to recommend to the Minister for Social Security whether a 'youth rate' (a lower minimum wage payable to young people) should be introduced in Jersey, based on evidence obtained through independent research.

SUMMARY

Section 1 – Background

Section 2 – Previous consultation

Section 3 – Other jurisdictions

Section 4 – Unemployment

Section 5 - Island Analysis Research

Section 6 – Recommendation

If you wish to receive an electronic copy of this recommendation, please contact the Secretary, or download it from the States website - www.gov.je/minimumwage

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SECTION 1 - BACKGROUND

Due to increasing unemployment, particularly amongst young people, the Social Security Minister directed the Employment Forum to review, as a matter of urgency, the impact of introducing a 'youth rate' that would be payable at an hourly rate lower than the minimum wage, and potentially at the same hourly rate as the trainee rate.

The current minimum wage of £6.48 per hour, or £4.86 per hour where an employee fulfils the criteria to be paid as a trainee, must be paid to all employees over compulsory school age.

The Minister had advised the Forum in November 2011 that a 'Back to Work' Ministerial Taskforce was focussing on youth unemployment with the intention of encouraging employers to employ more young people, or to provide young people with work experience, by employing them in seasonal positions that would traditionally be filled by immigrant labour. As well as a youth rate, a number of other measures to get people into work were being considered as part of a wider strategy focusing on unemployment.

The Minister requested that the matter of a youth rate be urgently reconsidered and he set a tight timescale. The Forum was asked to make a recommendation that would allow the Minister to make a decision in May 2012 as to whether the law should be amended to introduce a youth rate.

Independent research has been undertaken by Island Analysis on behalf of the Forum to provide evidence to inform the Forum's recommendation.

SECTION 2 – PREVIOUS CONSULTATION

The Forum has consulted and made recommendations on a youth rate in previous minimum wage reviews. However, proposals for both a youth rate and a student rate have previously been rejected by the States. The relevant outcomes of recent minimum wage reviews are summarised below.

The Forum consulted on a youth rate in 2009 and 2010 but did not find sufficient evidence in either review to justify a recommendation for a youth rate. Although there was some support for a youth rate, in particular from employers, the Jersey Hospitality Association and the Jersey Advisory and Conciliation Service, the Forum was of the view that there was no evidence that the minimum wage was a factor in youth unemployment, or that the availability of a lower rate would impact on employers' or young employees' behaviour sufficiently.

In response to consultation, employers had claimed to be discouraged from taking on younger employees for the same rate of pay as older employees as they often require greater levels of supervision due to their lack of 'work ethic' and experience

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in the work place, whilst young people claimed to be unwilling to work for the minimum wage or the trainee rate.

The Forum learned from consultation that employees undertaking trades and apprenticeships, e.g. hairdressing, and particularly young employees, often receive the trainee rate in the first year of employment. The 2010 minimum wage review revealed that some employers were unclear on the criteria that must be met to allow the trainee rate to be paid. Comments explaining what had deterred employers from employing more trainees included consideration of the cost of employing a trainee whilst they are not generating income for the business, difficulties in supervising trainees in small businesses and the detrimental impact on service whilst training is on-going.

In the Forum's 2011 minimum wage review, it was noted that, with a high proportion of young people unemployed, a youth rate might enable employers to consider employing more 16-18 year olds. However, some respondents were concerned about the potential impact on unemployment rates amongst older employees if young people become a source of cheaper labour. The Forum was also mindful that to introduce a youth rate could reduce the income of young people who are currently entitled by law to the full minimum wage.

The Forum appreciated that the economic climate in 2011 could have potentially justified the introduction of a youth rate, bringing opportunities for both employers and employees. However, the Forum considered that significant independent evidence indicating that a youth rate would be likely to have a positive employment effect for young people, as well as an assessment of any potential impact on older workers, is essential to demonstrate that a lower minimum wage rate should be introduced for young people and would have an impact on youth unemployment.

SECTION 3 – OTHER JURISDICTIONS

In the UK, the minimum wage rates that have applied since 1 October 2011 are;

- Adult rate (age 21+) - £6.08 per hour
- 18-20 years olds 'development rate' - £4.98 per hour
- 16-17 year old rate - £3.68 per hour
- Apprentices under age 19 or first year of apprenticeship - £2.60 per hour

In the Isle of Man, the minimum wage rates that have applied since 1 November 2011 are;

- Full minimum wage (age 18+) - £6.20 per hour
- Age 16 - £4.67 per hour
- Age 17 - £5.24 per hour
- Age 18+ in the first 6 months of employment with an employer and receiving accredited training - £5.24 per hour.

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In Guernsey, the minimum wage rates that have applied since 1 October 2011 are;

- Adult minimum wage (age 19+) - £6.15 per hour
- Young persons' rate (age 16-18) - £4.36 per hour

Guernsey brought into force its minimum wage legislation in October 2010. The States of Guernsey decided that the young person's minimum wage rate and the adult minimum wage rate should be equalised as soon as possible. However, it is understood that the Commerce and Employment Department does not intend to propose that the two the rates are equalised at the present time.

SECTION 4 – UNEMPLOYMENT

The UK, Isle of Man and Guernsey permit lower minimum wage rates to be paid to young people; however the UK and Isle of Man appear to be experiencing proportionately greater levels of unemployment than Jersey amongst young people aged 16 to 24.

Of the total unemployed, 29% are aged 16 to 24 in Jersey, compared to 39% in the UK¹ and 40% in the Isle of Man².

Proportions of unemployed teenagers are similar across the Islands; young people aged 16 to 19 represent 15% of the total unemployed in Jersey, 17% in the Isle of Man and 18%³ in Guernsey.

According to Jersey's latest unemployment figures, in the five months from November 2011 to March 2012, levels of unemployment marginally decreased for all age groups under age 40. In contrast, unemployment for all age groups over age 40 increased in March 2012 (with the exception of those aged 50 to 54), and recorded the highest numbers of older unemployed people to date.

SECTION 5 - ISLAND ANALYSIS RESEARCH

The Forum recommended in September 2011 that resources should be made available in 2012 that would enable the Forum to commission research to explore the possible introduction of a youth rate. The Minister accepted the recommendation and directed that the research should be undertaken with some urgency.

The Forum prepared a Research Brief in November 2011 seeking proposals to undertake the project as soon as possible. Of the research companies approached,

¹ February 2012 according to Labour Market Statistics, ONS.

² Isle of Man Treasury Department, January 2012

³ Guernsey Quarterly Labour Market Bulletin, Quarter 4, 2011, Guernsey Policy Council.

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Island Analysis proposed a cost-effective approach with sufficient time and resource to dedicate to the project in order to meet the very short timescale. Island Analysis also had relevant experience having recently undertaken research in Jersey dealing with similar issues and industries.

The report produced by Island Analysis (appended in full) describes the research methods that were utilised and the respondent samples.

Objectives

In order to contemplate recommending a lower minimum wage rate for young people, or any changes to the trainee rate criteria, the Forum must be in a position to fully consider the impact on the employment market and take into account any potential impact and issues relating to a youth rate. The Forum's intention was to explore attitudes and to provide both quantitative and qualitative information.

Key research outcomes

The key questions that the research was designed to address and the research findings that are relevant to these issues are described below:

1. **Would a youth rate increase or improve job opportunities for young people?**

Whilst 56% of the responding employers agreed, in principle, with the introduction of a youth rate, only 7% of employers said that a youth rate **would definitely** increase the likelihood of them employing more young people, and 27% of employers said that a youth rate **would** increase the likelihood of them employing more young people.

Of the employers who said that a youth rate would, or would definitely, increase the likelihood of them employing more young people, 63% already employed young people under age 19.

More than a quarter of the employers said that a youth rate would make no difference to the number of young people that they employ. Approximately 60% of the employers did not currently pay any employees at or around the minimum wage. Many of the companies that have their head-quarters in the UK said that they already pay above the minimum wage, in accordance with pay scales dictated by their UK head-office, and so their rates of pay would not be affected by the introduction of a youth rate.

2. **What deters employers from employing young people?**

Approximately 30% of the employers did not believe that there were any barriers to the employment of young people.

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Compliance with regulations and legislation, as well as jobs that require certain licences and qualifications, means that some positions (including in hospitality, transport and communications, wholesale and retail) are limited to employees over age 18.

Employers' core requirements of potential employees were work ethic, reliability and skill set. Across a range of business sectors, lack of experience was not always a priority.

Other barriers to employing young people included the requirement to closely supervise, attitude, work ethic, commitment, unrealistic expectations about suitable positions and wages, people skills, willingness to work shifts and lack of transferable skills.

3. Are young people willing to work for an hourly rate that is lower than the minimum wage?

A greater number of those who responded to the survey for young people (95% of whom were aged 25 or under) were willing to work for a lower rate of pay than those who responded to the survey for employees of all ages. However, only 4% of employees and 23% of young people **would** be willing to work for a youth rate.

Some employees and young people would be willing to work for a lower rate of pay than the minimum wage, but in many cases, only if -

- training is provided (41% of young people and 38% of employees would be willing to work for a lower rate only if the employer provided training)
- it is a 'foot in the door' to a preferred job or career
- it applies for a short period of time
- there is a guaranteed job at the end of the lower paid period
- the hourly rate is higher than the current trainee rate
- other incentives apply, e.g. a wage top-up paid by the States, or reduced Social Security contribution/Income Tax liability.

4. Are young people willing to work in the industries that would employ young people on a youth rate?

The employers that said they would employ more young people if there was a youth rate were primarily in the hospitality, retail and wholesale, manufacturing, and construction sectors. This is despite compliance with regulations and legislation resulting in some positions not being available to young people in these sectors (as noted in question 2 above).

Focus groups revealed that young local job seekers and students would not consider applying for jobs in certain sectors (primarily retail, hospitality and construction) as they did not believe that they could compete with more qualified

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non-local applicants and the positions were seen as poorly paid, unacceptable in the view of their parents and not offering long-term employment prospects.

Some retail and hospitality employers indicated that young, local residents have not shown a willingness to work in those industries, possibly due to the working hours and shifts.

Employees under age 19 are, however, still sought after to fill seasonal work positions in retail, hospitality and tourism and represent a significant proportion of employees; up to 50% in some hospitality business, and up to 90% in some retailers.

5. If a youth rate was introduced, what hourly rate should apply?

39% of the employers and around 12% of the young people said that a youth rate should be paid at the same hourly rate as the current trainee rate. Of the young people who thought there should be a youth rate, 85% said that it should be higher than the trainee rate.

Focus groups revealed that young jobseekers and students were often willing to work for a limited timescale at a rate of £5.50 to £6.00 per hour (significantly more than the trainee rate of £4.83), but only if in-house training is provided. Some of those young people would also be willing to work for £5.00 per hour (close to the current trainee rate) if accredited training is provided.

6. If a youth rate was introduced, for what duration should it apply?

11% of employers and 2% of employees said that a youth rate should be payable for six months. 6% of employers and 3% of employees said that a youth rate should be payable for one year.

Of the respondents who thought that a youth rate should be introduced, 35% of employers, 50% of young people and 22% of employees said that a youth rate should apply until the employee achieves a certain level of training.

The report shows that very few young people would be willing to work for longer than 6 months at a youth rate, unless training was provided. Advance to Work respondents preferred a 3 month youth rate period, but would consider a longer period if the job related to their chosen career.

7. Should the trainee rate criteria (in particular the duration) be revised as an alternative, or in addition to, introducing a youth rate?

At present, the trainee rate is payable for up to one year, whilst training is ongoing. The research demonstrated minimal support, across all types of respondents, for a youth rate that would apply for a fixed period of one year, but showed some support

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for a youth rate that would apply until the employee achieves a certain level of training.

The apparent support for a 'youth training' rate suggests that there might be lack of awareness about the existing trainee rate and the circumstances in which it may be paid. However, the report shows that only 15% of young people would be willing to work for the current trainee rate.

64% of the employers said that a youth rate should include compulsory training. However, of the employers that said a youth rate would increase the likelihood of them employing more young people, only one-third thought that training should be a compulsory element.

Although 29% of the employers said that a youth rate should be paid at a higher hourly rate than the current trainee rate, additional comments from those respondents indicated that this was often because the current trainee rate was perceived to be too low.

8. What is the impact of a youth rate on employment opportunities for older workers?

Of the employers who indicated that a youth rate would increase the likelihood of them employing more young people, 63% already employed staff under age 19. The majority of employers (64%) said that a youth rate would make no difference to the current number of young people that they employ.

Some employees were concerned that employers might employ young people at the lower rate to cover weekend and evening shifts, resulting in older employees losing out on overtime opportunities.

A youth rate of short duration (e.g. to provide a period of work experience) could have a less detrimental effect upon older people who are likely to be seeking more long-term positions.

Young people expected some protection against being displaced once they qualified for the full minimum wage.

SECTION 6 – RECOMMENDATION

As explained in Section 2, previous consultation undertaken by the Forum has not revealed sufficient evidence that the requirement for employers to pay the full minimum wage to young people is a factor in youth unemployment, or that the availability of a youth rate would impact on employers' or young employees' behaviour to a significant extent.

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The Forum believes that this research corroborates the findings of its previous consultation and demonstrates that this is a complex issue. The Forum is not convinced that the research has demonstrated that the availability of a lower rate for young people would have a positive impact on youth employment and notes the following key points:

- Only 7% of employers would definitely employ more young people if a lower youth rate was available.
- Although there is some support for a youth rate, many employers would not, or could not, employ young people.
- The minimum wage does not appear to be a major limiting factor in deterring employers from employing young people; other factors are more relevant.
- Very few young people are willing to work for less than the minimum wage.
- Young people are often unwilling to work in the industries that typically employ young people.
- Around 4 in 10 young people and employees would work for a youth rate if it included some form of training.
- The duration of a 'youth training' rate was expected to be linked to training achievements rather than a fixed period of time.

A training rate already exists that is payable to employees of any age, for up to one year, where certain types of training are being provided, including in-house training. A lower rate without a fixed duration could leave employees open to abuse.

If a youth rate was payable for only a short period of time, with a requirement for training, the administrative burden may be perceived by employers as outweighing any incentive, and could potentially deter the use of any lower rate. As recommended in its 2011 minimum wage review, the Forum considers that further research will be required to facilitate a review of the trainee rate criteria.

For the purpose of creating employment opportunities for young people, there is insufficient evidence from the research to demonstrate that a youth rate should be introduced at this time. The Forum considers that a youth rate would not provide a 'quick fix' to youth unemployment. The Forum is aware that new initiatives are being explored to tackle unemployment for all age groups, including employment grants as an incentive for employers to recruit long-term unemployed people of all ages.

Following significant debate amongst the membership, the Forum unanimously recommends that a youth rate should not be proposed. All employees over school leaving age should continue to be entitled to be paid at least the minimum wage or the trainee rate.

Youth Rate Research

for the

Employment Forum

April 2012

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Executive Summary

Island Analysis was commissioned to undertake research on behalf of the Jersey Employment Forum to provide evidence as to whether the introduction of a youth rate (a minimum wage for young people) in the Island would improve work opportunities for young people. The work also assessed any wider impact of a youth rate, including the displacement of existing older employees and the reduction of job opportunities for older people.

Qualitative research explored perspectives on youth employment and rates of pay to determine whether the potential introduction of a youth rate would have an impact on:

- the availability of job opportunities and level of unemployment amongst young people (under 19 years of age), and
- the rate of pay for young employees who were currently working and were entitled to the minimum wage.

Other considerations taken into account during the research were:

- the impact of the rate and hourly rates that should apply to all age groups,
- implications of the duration of a trainee rate (currently one year) in addition to or as an alternative to a possible youth rate,
- the effect of long term unemployment on local young persons,
- the knock-on effects of a youth rate or amendments to the trainee rate for the income support benefit (applicable to those between 19 and 25 years) and only eligible to those working.

To determine the views of all the parties concerned, a number of surveys and in-depth focus group consultations were undertaken. Face-to-face interviews and online surveys were conducted of a representative sample of employers in the different economic sectors and other stakeholder organisations.

In particular, it was ensured that businesses in those sectors most likely to pay the current minimum wage (i.e. agriculture, hospitality, retail) had responded. On-street face-to-face surveys and online questioning of employees was also undertaken to provide a working population's view on a youth rate.

Focus group consultations with a group of 'Advance to Work' trainees, apprentice trainees, students, and Highlands College students were carried out. In addition, an online survey was undertaken of a sample of young people currently involved in the Advance to Work and Advance Plus Schemes, and under 25 year olds including those in employment as well as school and college students.

Online questionnaires were also circulated by the Employment Forum to its consultation database of approximately 250 individuals, businesses and organisations. Discussions and interviews with other relevant organisations were held, including representatives of the Chamber of Commerce, Careers Jersey, and Highlands College to gain a further understanding of the broader issues currently surrounding employment of young people.

Key findings from the research were as follows:

Young people were very concerned about future job prospects. The island had experienced two generations of full employment but this now appears to no longer be the case. There are fewer job opportunities available at the present time with the Island experiencing a rapid decline of the fulfilment sector, and redundancies occurring in a number of sectors.

Feedback indicated that there were very few apprenticeship/training schemes now available in the Island. There were an increasing number of smaller employers who indicated that they found the costs of taking on an apprentice placed too great a financial burden on the business, resulting in a decline in willingness to employ trainees.

There was a call from some businesses for greater States' support to help them to continue to offer apprenticeships in future.

From the focus group research, there appeared to be a certain degree of naivety amongst many young people with regard to the range of careers available within different sectors. Many were still 'led' by parental advice which leant towards the finance sector or similar sector career paths.

Only one in five businesses was of the opinion that a youth rate could be a stimulus to increase their employment of young people. However, of these, only 7% indicated that it would definitely increase the number of young people they employed. These businesses were primarily in the construction, retail/wholesale and repairs sectors.

Two out of three employers who thought a youth rate could stimulate their employment of young people stated that they normally employed young persons under 19 in any case. Employers who indicated that a youth rate would not affect their uptake of young people commented that age was irrelevant as positions were based on skills' levels or that a certain minimum age was required for specific positions due to regulatory restrictions.

The research (particularly in the focus group sessions) demonstrated that while the gut reaction from current young employees and young people was that they would not work for a youth rate, when they took into consideration training and job security, attitudes toward a youth rate changed. 23% of respondents in the young persons' survey would work for a youth rate with a further 40% also indicating they would if an element of training was included.

Some local organisations considered that a youth rate may have very little take-up because so few young persons were in employment. Many were now staying in education because of a lack of employment opportunities. This trend to remain in education was similar to that being experienced in the UK.

This position could change slightly if there was an increase in the number of positions specifically available for young people. However, there was no evidence of this occurring due to the small number of businesses indicating that a youth rate would 'definitely' increase their employment uptake of young people.

Consultation and discussion with a range of individuals involved in liaising with the young and older unemployed revealed that the adverse impact of not working and/or not in training for an extended period of time can be significant on the young unemployed person.

It was noted by organisations dealing with individuals seeking jobs that young people appeared to have less exposure to holiday work and Saturday jobs in comparison to previous years. They seemed to be less prepared for the workplace and, therefore, many of the 'transferable' skills and the self-confidence that an older person would possess would not be apparent in a younger person.

'Transferable skills' were repeatedly brought up as a desirable characteristic. It was perceived that these were attributes acquired by an older worker through exposure to the work place, even if a younger person had the same skills' sets as an older person.

Those who were in positions which dealt with unemployed young people considered that the youth rate could open up opportunities for young people and could be of benefit although, as a long term option, there should be some form of extra training provision.

Referring to some comments received in the employee survey, it was considered unfair if the introduction of a youth rate impacted on young persons who were currently working and entitled to

the full minimum wage. It was thought that any existing employees aged under 19 years should continue to be entitled to the full minimum wage if a youth rate was introduced.

There was a concern expressed by some employees that young people employed on a youth rate would replace young or other employees currently employed on the minimum wage. There was also a worry amongst young people interviewed that although they might be prepared to work for a youth rate, as soon as they were entitled to the minimum wage, they would be replaced by a cheaper person on a youth rate.

The perspective of individuals who worked in the area of finding jobs for both younger and older job seekers was that many adults were happy to accept a training wage if they wanted to re-skill in another sector.

Comment was made within the employee survey that if a youth rate was to be introduced and was only applicable for a short period of time or with training, it would have a less detrimental effect upon older workers where job prospects were more long term. However, if a longer term youth rate was introduced, this could have a negative effect upon older workers.

Focus group feedback revealed that there was still a lack of awareness with regard to the scope of careers, skills levels and job progression pathways within a number of sectors including retail, hospitality and service-based industries. This resulted in many jobs not being considered by some of the younger individuals interviewed.

The research showed that job applicants who were from non-local backgrounds were perceived by employers as having a more enthusiasm for the work, better service skills, higher qualifications, and a greater willingness to work shifts than a similar applicant from Jersey.

Young local job seekers and students indicated that they would often not consider competing with these non-local applicants for some of the positions available as they would not consider these to be desirable as a career. In addition, they thought they would not be able to compete on a level with the more qualified non-local applicants.

By comparing the top requirements of the employers with the qualities sought in a job by young people, the expectation shortfalls of young people versus an employer's viewpoint were sometimes great. This was further exacerbated by university graduates returning from their studies and picking up available jobs, occasionally at entry level, rather than only applying for graduate level positions.

39% of employers said that, if introduced, a youth rate should be remunerated at the same level as the trainee rate. Of the 37% of potential young employees that thought there should be a youth rate, 85% thought that it should be remunerated at a higher level than the trainee rate.

In conclusion, the research has revealed a very broad spectrum of views and opinions on the subject of a youth rate.

The introduction of a youth rate could help to some extent in facilitating the employment of young people, but only in a certain limited number of sectors. Given the current economic situation, the research has revealed that the introduction of a youth rate would not really encourage the majority of businesses to employ a greater number of young people. It was considered an employers' market by businesses and organisations. Candidates with the best transferable skills and experience would be the most sought after by employers.

As far as young people were concerned, if a youth rate was introduced in conjunction with some form of compulsory training then consideration should be given to the proposal. However, due to the way that many young people perceive certain types of employment on the Island, the introduction of a youth rate may not have an immediate effect on current unemployment levels until there was greater awareness of the range of employment possibilities available in all sectors.

Background

The Employment Forum (the 'Forum') was established in August 1999 and was modelled on the Low Pay Commission in the UK. The Forum is a statutory, non-political consultation body, formalised under the Employment (Jersey) Law 2003 (the 'Employment Law'). The Forum has a statutory duty to consult on the minimum wage and make recommendations to the Minister for Social Security (the 'Minister'), having taken into account: competitiveness, jobs, the economy, the States objective that the minimum wage should be set at 45% of average earnings within the period 2016 to 2026, as well as views received during consultation. The Minister then decides if he will accept the recommendations before proposing any changes to the Law.

In its 2011 recommendation, the Forum recommended that detailed research should be undertaken to explore youth employment and the potential impact of a 'youth rate' on employment generally.

Due to increasing unemployment, particularly amongst young people, the Forum has been asked to review, as a matter of urgency, the impact of introducing a 'youth rate' that would be payable at an hourly rate lower than the minimum wage, and potentially at the same hourly rate as the trainee rate.

While some research had been undertaken in the past, little information was available to assist in determining the extent of minimum wage employment in Jersey.

In the Forum's opinion, consultation to date had not revealed sufficient evidence that the requirement to pay the full minimum wage was a factor in youth unemployment, or that the availability of a youth rate would impact on employers' or young employees' behaviour sufficiently. In previous consultations, employers had commented that lack of experience and work ethic was a more important consideration than pay.

In addition, consultation undertaken by the Forum had demonstrated that many young people were not willing to work for the minimum wage.

Objectives

The objectives of this research were, therefore, to provide evidence as to whether a youth rate would improve opportunities for young people, as well as consideration of any wider impact, including the displacement of existing older staff, and increased employment opportunities for young people to the detriment of opportunities for older people.

It is believed that the trainee rate is not widely paid, but the Forum understands from consultation that employees undertaking trades and apprenticeships, e.g. hairdressing, and particularly young employees, often receive the trainee rate in the first year of employment.

Qualitative research was required to explore perspectives on youth employment and rates of pay to determine whether the introduction of a youth rate would have an impact on:

- the availability of job opportunities for young people;
- the level of unemployment amongst young people; and
- the rate of pay for young employees who are currently working and are entitled to the minimum wage.

Where appropriate, the results and indications of the impact of this rate on the employment levels of older workers and employment opportunities for older workers should be noted and referenced within the overview of the results.

It was important to consider the impact of a youth rate relative to the age group to which it may be paid beyond school leaving age up to a maximum of age 19, and the hourly rate (or rates) that should apply to employees of those ages.

Considerations and further core topics to be covered if possible within the research were:

- Age - impact of such a youth rate on a defined age group, and hourly rates that should apply to all age groups.
- Implications of possible extension of duration of the trainee rate in addition to, or as an alternative to, a possible youth rate.
- From other research, the negative impact of long term unemployment on younger age groups is considered to be greater than that of the unemployed in older age groups. Therefore, this should be further determined when looking at the local situation in Jersey.
- Knock-on effects of a youth rate or amendments to the trainee rate on the income support benefit, the rules of which apply to young people who are above and below the ages of 19 and 25, and which are only eligible to those working.

Methodology and Research Timescale

The research was conducted in February and March 2012, for the presentation of summary findings at the Employment Forum's 30 March 2012 meeting.

The research included:

1. An online survey of, and face-to-face interviews with, a representative sample of organisations in the different economic sectors - in particular, those sectors most likely to pay the current minimum wage (i.e. agriculture, hostelry, retail).
2. Online questionnaires that the Employment Forum circulated to its consultation database of approximately 250 individuals, business and organisations.
3. An online survey of a sample of young people currently taking part in the Advance to Work and Advance Plus Schemes, and Highlands College students.
4. Focus group consultations with a group of Advance to Work trainees, apprentice trainee students and Highlands College students.
5. Discussions with other relevant organisations to gain further understanding of the sector and recruitment issues (e.g. Chamber of Commerce, States Departments etc.).

Follow-up interviews were conducted amongst other organisations and with personnel in relevant positions during the last two weeks of March to ensure that as wide a range of informed opinions were obtained.

Research Sample Categories

Employers

550 employers and organisations were invited to take part in this Youth Rate Research. There were 450 contacted by phone and followed up by email and 100 approached for interview face-to-face. There were very few respondents who indicated that the research was not applicable to them, with only 6% preferring not to receive the survey. The majority indicated that they would consider a response upon receiving a questionnaire only if it was of interest.

Just over 80 employers and organisations responded to the survey from a range of sectors that was comparable with the published number of employers by sector in Jersey (Figure 1). An additional 40 organisations were interviewed to gain their views and feedback.

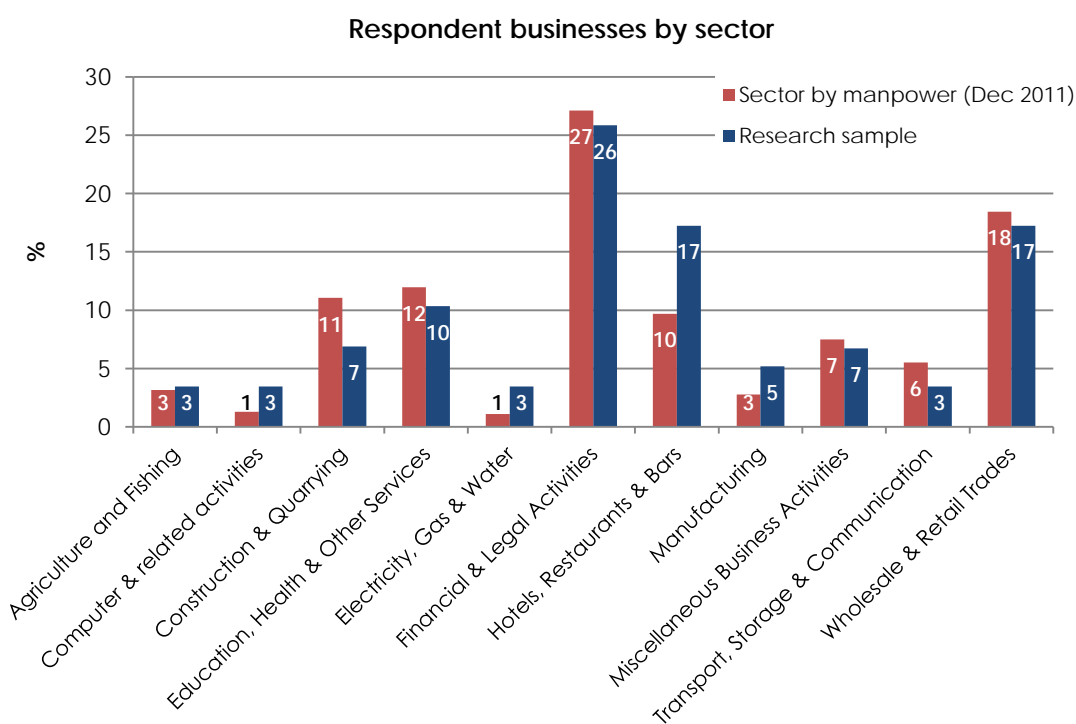


Figure 1

A large range of businesses by size were also represented (Figure 2). The total number of employees covered by these businesses accounts for at least 11,500 employed persons if the number of employees is calculated from the midpoint indicated by business size or from actual numbers. Although many small businesses did not complete the survey in its entirety, their comments are incorporated as they were interviewed individually either face-to-face or over the telephone. There were approximately 3,400 active employers in Jersey as at December 2011, the remaining 3,200 were primarily single person undertakings.

The questionnaire used for employers is located in Appendix 6.

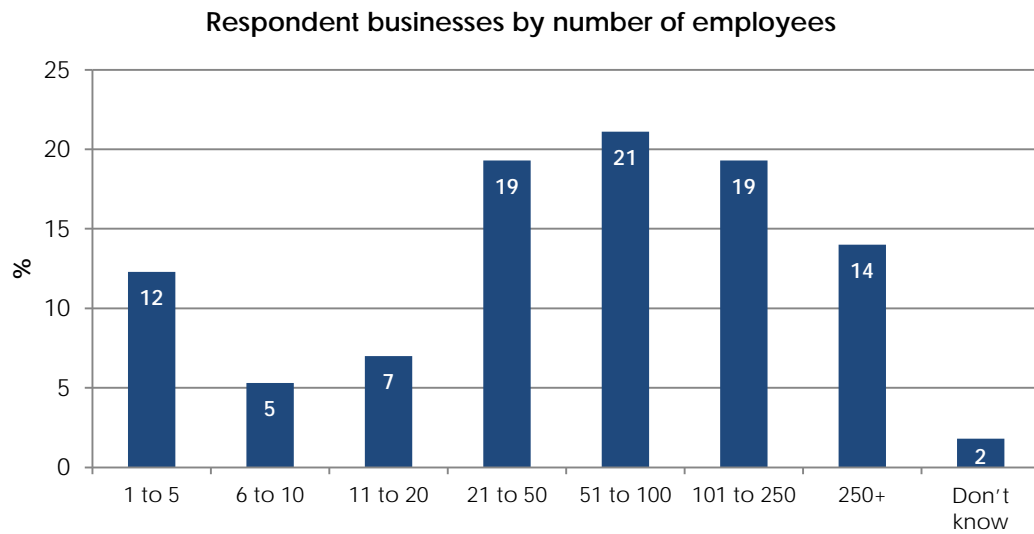


Figure 2

Other organisations

Other organisations which took part in this qualitative research included trade unions, educational establishments, employers’ associations, personal tutors and careers advisors. There were ten responses to the questionnaire and six people interviewed. The questionnaire used is located in Appendix 7.

Employees

260 Island employees responded to the survey on the possible introduction of a youth rate. The age profile of the respondents demonstrated a good representative range if compared with the most recent published census for 2011. 51% of respondents were male and 49% female. Over four fifths (83%) of employees interviewed had residential qualifications (Figure 3).

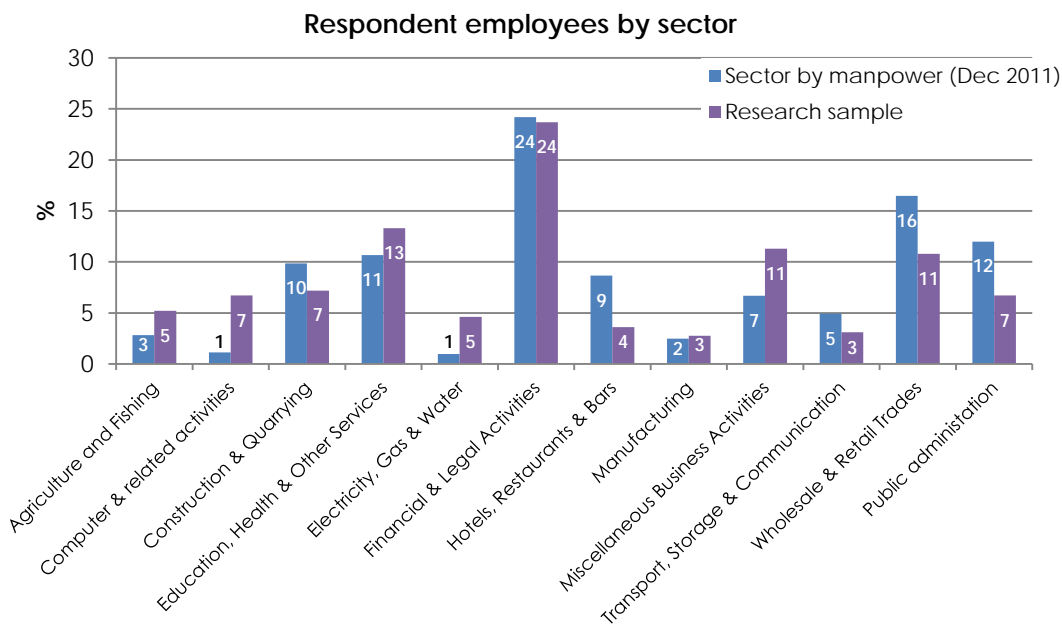


Figure 3

Employee survey respondents were also drawn from a wide range of sectors and provided a similar distribution to the December 2011 manpower figures released by the States of Jersey Statistics Unit (Figure 3). Young employee results (under 25s), when interviewed in the employee survey, are presented within the employee respondent category, unless specified otherwise. This ensures that the employee results are representative of the labour force as a whole.

The questionnaire used for employees is located in Appendix 8.

Young Persons

57 young people were interviewed by specifically applying a young person's survey. The age profile of respondents is indicated in Figure 4. A good proportion of under 19s were interviewed, to whom it is expected that a youth rate might be applicable.

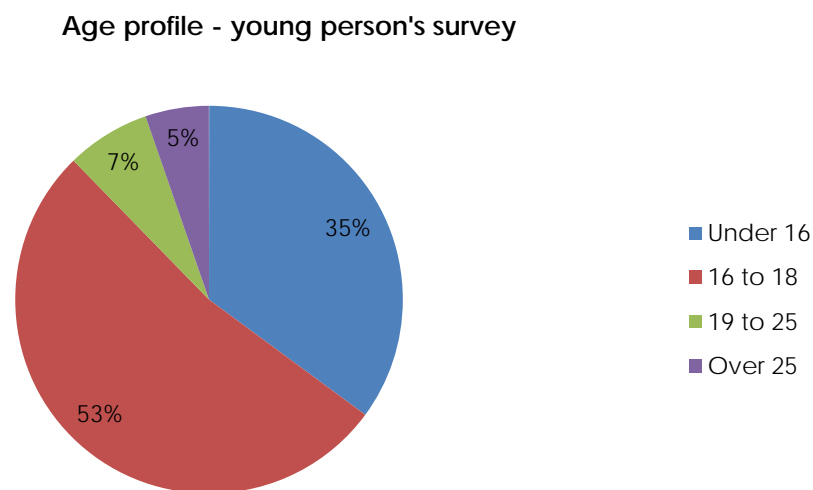


Figure 4

The young people were surveyed using the questionnaire located in Appendix 9.

A focus group of 14 young people was also undertaken at Highlands College to provide additional qualitative feedback and in-depth discussion.

Advance to Work (ATW)/Trainees

ATW and Advance Plus survey responses were received from 20 individuals and 9 individuals took part in the focus group. Two thirds of ATW respondents were aged between 16 and 18 years, the remainder were aged over 19 years. A quarter of the respondents were currently undertaking a work placement. ATW/Advance Plus participants and Trainees were surveyed and interviewed specifically using the questionnaire located in Appendix 10.

Introduction and Overview

Young people are very concerned about future job prospects. The island has had two generations of full employment but this is now no longer the case. The position is further exacerbated by graduates returning to the Island and 'trading down' in the jobs that they apply for. As a consequence, they are often preferentially chosen by businesses over young people with lesser qualifications. Many young people indicated that even voluntary work is difficult to obtain.

It should also be noted that graduate opportunities in the UK have declined thus possibly resulting in a greater number of Island graduates looking for employment back in Jersey rather than in the UK as may have been the case in previous years.

Very few job opportunities are available at this time with the Island experiencing a rapid decline of the fulfilment sector, redundancies in all sectors, and other threats (e.g. island's trust business possibly migrating to other jurisdictions). In addition:

- the States are not taking on school leavers as they would have done in the past,
- the Finance Sector is not recruiting school leavers. If they are recruiting, it is at the 25 year old age level (already with skills and work experience), and
- other employers are now not considering 16 year olds for job vacancies but 18/19 year olds.

Feedback indicated that there are very few apprenticeship/training schemes now available in the Island:

- Only some of the larger companies can support a number of such schemes. A comment was made that 'many tradesmen over 50 would be retiring but there were no young people to replace them'.
- Very few training schemes are available in the work place for young people because of overhead costs and concern from employers that, once trained, the employee would move to a competitor organisation.
- When employers are approached for placements for students studying in particular trade subjects, they can be turned down as the employer cannot justify paying a student the minimum wage whilst his trainees are on a trainee rate.

From the focus group research, there appears to be a certain degree of naivety amongst many young people with regard to the range of careers within different sectors. Many are still 'led' by parental advice which leans towards the finance sector (or similar careers). This is now no longer an employment entry route for many young people of this age as many of these sectors would not consider taking on young employees until either a certain life stage has been reached or a required qualification has been obtained. At present, it is an employer's market and businesses are increasingly more demanding in their minimum recruitment criteria.

27% of businesses indicated that a youth rate could be a stimulus to increase their employment of young people. However, of these, only 7% indicated that it would definitely increase the number of young people employed. These businesses were primarily in construction, retail/wholesale and repairs sectors.

Young people appear to realise that jobs are harder to come by. This was highlighted in the willingness of young people (in comparison to the rest of the general working population) to work for a 'youth rate' but with some assurance that training would be made available.

The research (particularly in the focus groups) indicated that while the gut reaction from current employees and young people was; “No, I would not work for a youth rate”, when they took into consideration training and job security, attitudes toward a youth rate changed. 23% of respondents to the young persons’ survey would work for a youth rate, with a further 41% also indicating they would if an element of training was included.

Some local organisations considered that a youth rate may have very little take-up because so few young persons were in employment (many now staying in education because of a lack of employment opportunities). This may change slightly if there was an increase in the number of available positions specifically for young people. However, there was no evidence of this occurring due to the small number of businesses indicating that a youth rate would ‘definitely’ increase their employment uptake of young people.

This trend to remain in education is similar to that experienced in the UK. Annual data indicates that the number of 16-17 year olds in full or part time education in the UK has also increased, from 76% before the recession to almost 82% by 2010, whilst the proportion of those in work has declined over the same period.

Reference: http://www.lowpay.gov.uk/lowpay/research/pdf/IFS_LPC_report_copy-edited_final.pdf

Unemployment impact on young local people

Previous research undertaken by the Low Pay Commission in the UK indicated that the impact of long term unemployment on young people is greater than that observed in older age groups that are unemployed for long periods of time.

Consultation and discussion with a range of individuals involved in liaising with young and older unemployed, and organisations (including Careers Jersey) revealed that the adverse effect of being out of school or a workplace can be significant on the individual, specifically affecting the ease with which the individual interacts with other people, and the confidence in communicating both with team members and potential clients or other contacts outside of the workforce. The longer that the individual was out of education or employment, the more difficult and the longer it can be for them to re-integrate into a work situation as confidence can reduce and communications skills are used less often.

Schemes such as ‘Advance To Work’ (ATW) try to address the core skills with mock interviews and other supported skills development programmes for young people. It was noted by organisations dealing with individuals seeking jobs that young people appear to have less exposure to holiday work and Saturday jobs in comparison to previous years, as a smaller proportion have held such jobs when they emerge from education. They appear to be less prepared for the workplace and, therefore, many of the transferable skills and the self-confidence that an older person would possess would not be apparent in a younger person.

Those who were in positions which dealt with unemployed young people considered that the youth rate could open up opportunities for young people and could be of benefit although, as a long term option, there should be some form of extra training provision.

Effects upon working young employees currently entitled to the minimum wage

Referring to some comments received in the employee survey, it was thought to be unfair if the introduction of a youth rate impacted on young persons who were currently working and entitled to

the full minimum wage. Any existing employees aged under 19 years should continue to be entitled to the full minimum wage if a youth rate was introduced.

There was a concern expressed by some employees that young people employed on a youth rate would replace young or other employees currently employed on minimum wage. There was also a worry amongst young people interviewed that although they might be prepared to work for a youth rate, as soon as they were entitled to minimum wage, they would be replaced by a cheaper person on a youth rate. Some young people indicated during the focus group research that they knew of colleagues who were not apprentices or trainees but were being paid less than minimum wage.

Effects on employment levels and opportunities for older workers

It was noted that there has been an increase in the number of long term unemployed in the 40 to 49 year age group. Of the employers who indicated that a youth rate would affect their uptake of young people, 63% normally employed under 19 year olds. Employers who indicated that a youth rate would not affect their uptake of young people did comment that age was irrelevant as positions available were based upon skills requirements, or that age was a requirement for specific positions due to regulatory restrictions.

The perspective of individuals who worked in the area of finding jobs for both younger and older job seekers was that many adults were happy to accept a training wage if they wanted to re-skill in another sector. They had a more long term view rather than the immediate cash benefit. However, this may be dependent upon the available support and family situation of the individual.

Comment was made within the employee survey that if a youth rate was to be introduced and was only applicable for a short period of time or with training, it would have a less detrimental effect upon older workers where job prospects were more long term. However, if a longer term youth rate was introduced, this could have a negative effect upon older workers. It was also perceived by employees that employers may keep older current staff at the basic rate and they may lose overtime opportunities to young staff on a youth rate who could be employed more cheaply at weekends and evenings/holidays.

Expectations and requirements

The Employment Forum has noted that previous consultation had not revealed sufficient evidence that the availability of a youth rate would necessarily impact on the behaviour of employers or young people. Research was undertaken to explore if there was any 'disconnect' in the expectations of employers and young people.

Expectations and requirements by employers

Employers required the following:

- A good work ethic
- Reliability and honesty
- Pleasant personality
- Good communications and customer facing skills
- Experience
- Enthusiasm and willingness to learn

'Transferable skills' were repeatedly brought up as a desirable characteristic. It was perceived that these were attributes acquired by an older worker through exposure to the work place, even if a younger person had the same skills set as an older person. Other organisations and individuals that dealt with young people on a regular basis also indicated that the transferable skills issue was an area that needed to be addressed.

There was a strong voice of opinion that the Island was experiencing an 'employer's market' in which older people with a track record in employment and transferable skills were likely to be preferred over a young person. Just over a quarter of respondent companies indicated that the option of a youth rate could increase their uptake of young employees (particularly in construction, retail and hospitality). The majority of these were already employing some under 19s. The remainder indicated that it would make no difference to them as they had set pay scales which would not be affected by a 'youth rate', they did not employ young people under 19, or the employment of the young person was dependent upon their skills and age, not the rate of pay.

There were a number of responses (particular UK based organisations) which indicated that fixed pay structures are dictated by a UK head office at rates greater than the current minimum wage. Accordingly, a youth rate would not affect the rate that they pay young people or the number of young people that they would employ.

Research undertaken by the Skills Jersey Board indicated that the construction sector had concerns for the future with regard to obtaining skilled staff in the various trades in the sector, with the requirement for more highly trained staff out-stripping supply. The retail and wholesale sector is a valuable 'incubator' for a large number of younger workers, not only for full time employment but also for part-time holiday and Saturday workers, where they can gain experience of a work place whilst at school or in education.

Focus group feedback for the youth rate research revealed that there is still a lack of awareness with regard to the scope of careers, skills levels and job progression pathways within the retail industry. This results in many jobs not being considered by some of the younger individuals interviewed. Indications were that jobs in retail were not thought of as long term prospects, wages were considered poor, and parents would be 'disappointed' if they moved into such a sector. Similar views were aired on hospitality and some construction based positions. Indeed, parental perceptions on job opportunities were an important factor and a concern expressed by a number of respondent employers and other organisations.

The research showed that job applicants who were from non-local backgrounds were perceived by employers as having a greater enthusiasm for work, greater service skills, higher qualifications, and a greater willingness to work shifts than a similar applicant from Jersey.

Young local job seekers and students indicated that they would often not consider competing with these non-local applicants for some of the positions available as they would not consider these to be desirable as a career. In addition, they thought they would not be able to compete on a level with the more qualified non-local applicants.

Expectations and requirements by young employees

By comparing the top requirements of the employers with the qualities sought in a job by young people, the expectation shortfalls of young people versus an employer's view were as follows:

- a mismatch of expectation with regard to what an employer should provide;

- the jobs/positions they are suitable for at present;
- lack of experience and aiming for a position that is not pitched at their skill level;
- the wages “due” and appropriate for different sectors i.e. finance sector versus retail;
- the attitude of young people in looking at employment in terms of ‘what they can get’ rather than ‘what they can do’.

The impact of these aspects are further enhanced by University graduates returning from their studies and picking up available jobs, occasionally at entry level, rather than only applying for graduate level positions. In addition, the competition from non-local applicants who are more highly qualified and willing to work in ‘less desirable’ jobs (as deemed by young people in interview) further reduces the number of available positions.

Remuneration

The issue of remuneration for a youth rate most clearly demonstrates the divide between employer and employee expectations. 39% of employers said that, if introduced, a youth rate should be remunerated at the same level as the trainee rate. Of the 37% of potential young employees who thought there should be a youth rate, 85% considered that it should be remunerated at a higher level than the trainee rate.

This was replicated in the responses from the ‘other organisations’ with only 15% indicating that a youth rate should be the same as the current trainee rate, whereas 50% indicated a rate at up to £5.26. For many respondents, there was a strong link with the provision of training. It should be noted, however, that the existing trainee rate (£4.86 per hour as of 1 April 2012) may be paid to an employee of any age.

Approximately a third of potential employees indicated there should be no youth rate, in comparison to just under a fifth of employers.

Amongst focus group members (student and ATW), there was a willingness to work for a limited timescale at a rate of £5.50 to £6.00 per hour, if in-house training was provided; in many cases they wanted the work experience. A quarter of responding businesses and the majority of employees expected on the job or in-house training to be a requirement of within a youth rate. In respect of under 19s interviewed, the fact that they would be trained and receive work experience in itself was considered an advantage. According to focus group respondents, if the employer provides accredited training, between 80% and 100% of young people in the focus groups would be willing to work for £5 per hour for a period of six months, or between 60% and 80% would work for a £5 rate for a year. This was not always echoed by the majority of older employee survey respondents.

Over 40% of responding businesses already employed some people at or near minimum wage, and although 56% of the total thought that a youth rate should be introduced, only 27% indicated that it would affect their uptake of young people. These responding businesses were primarily in the hospitality, retail and wholesale, manufacturing, and construction sectors. Many businesses are willing to give young people a chance and train them but, in many instances, these are not in the areas that the young people are considering as career paths.

Rather than affecting the current benefit to which young persons were entitled, there were suggestions that a ‘negative tax’ or a similar system should be applicable to those who were earning a ‘youth rate’. This supplement from the States of Jersey could bring a young person’s ‘take home’ wage in line with the minimum wage.

Duration of youth rate

Of those who thought that a youth rate should be introduced, the most frequently indicated option regarding duration was for a youth rate to apply until the employee reaches a certain level of training. This was suggested by 35% of employers, 50% of young people interviewed, and 22% of employees. With regard to ATW questionnaire respondents, receiving the 'youth rate' for a three month probationary period was indicated as preferable. This differed in the focus groups. For ATW focus group members, the duration tended to be longer especially in a career that they wanted to pursue.

Very few young people said that they would work for longer than six months at a youth rate unless a significant level of training was provided. There is an increasing trend for young people to undertake further education at Highlands College. Consultation with students and associated professionals indicated that, initially, they sign up to do a one year course but, increasingly, due to a lack of jobs available at the completion of that course, they are continuing their education. Consequently, by the time of graduation, they would be 19 and a youth rate would no longer be applicable.

The current trainee rate

There are a number of smaller employers who indicated that they find the costs of taking on an apprentice puts financial pressure on the business, resulting in a decline in willingness to take on trainees. There was a call from some businesses for greater States' support to help them to continue to offer apprenticeships in future through additional support to meet training costs. Better trained employees are seen as a valuable asset to the local pool of skills.

Employers with trainees also indicated that they cannot justify taking on full time students or Saturday workers and paying them the minimum wage when trainees are paid much less.

The criteria pertaining to the payment of a trainee rate may need to be further clarified with businesses. The responses of some employers did not indicate that they knew all of the criteria, as indicated in Figure 14 (page 28).

A trainee rate is already available which may be paid to an employee of any age. Three-quarters of young people would not consider working for a 'youth rate' unless some form of training was a compulsory element, but only 15% indicated they would work for the current trainee rate. Sector specific requirements for a trainee/youth rate may also differ as a recognised qualification may not be applicable yet significant on the job training may be required in order to carry out the work.

It was suggested by some employers and representative organisations that a 'lock-in' period for the employee to the business after training could be explored if significant financial outlay has been made with regards to qualifications. The loss of a trainee to competitors soon after qualification, after supporting the individual through the course, was indicated as a deterrent to taking on further trainees.

Latest Employment Situation for Jersey

According to the most recent labour market report released by the States of Jersey Statistics Unit, for the calendar year 2011, total employment in Jersey (full-time and part-time) was 53,790 (Figure 5). This total is the highest December figure recorded for at least 15 years and represents an increase of 260 on an annual basis, compared with December 2010.

The private sector recorded an increase of 320 employees compared with December 2010 (driven by a 400 employee increase in the service industries), and the public sector recorded a decrease of 50 employees. The Finance sector recorded an increase of 80 employees for the year, despite a decrease in the number of employees in the last half of 2011.

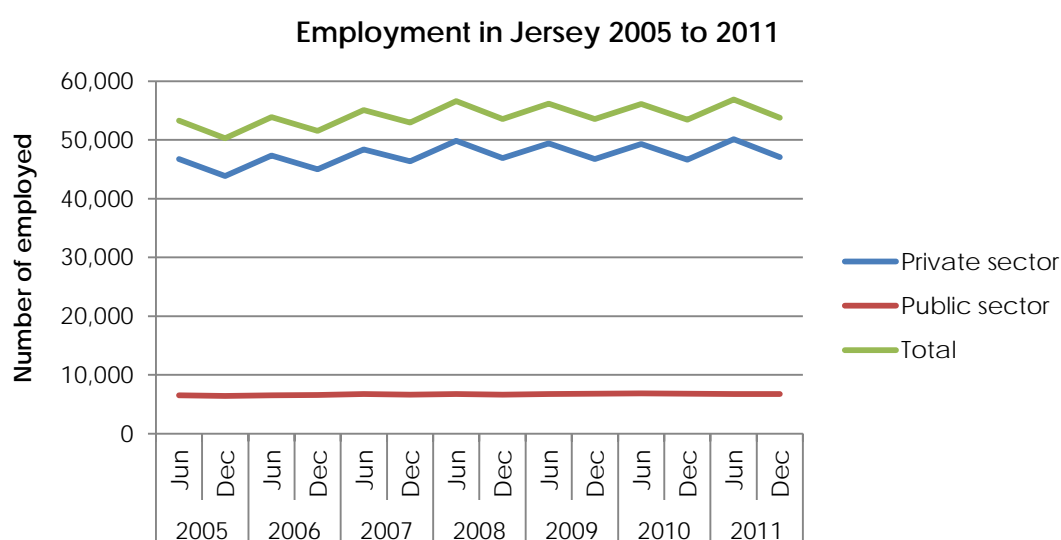


Figure 5: Total employment, Jersey Labour Market at December 2011, States of Jersey, Statistics Unit

In December 2011 there was an increase of 870 in locally qualified staff in comparison to December 2010, whilst non-locally qualified staff has reduced by 580, the lowest recorded in the past 10 years. J category licences remained steady. A high proportion of non-locally qualified employees are in the hospitality sector and in agriculture and fishing. These sectors are regarded as “less well paid” and “less desirable” for jobs by the respondents interviewed.

In June 2011, the number of people Actively Seeking Work (ASW) was 1,280 (non-seasonally adjusted), and 1,540 in December 2011. By February 2012 this number had increased to 1,820, which was 350 higher than in February 2011, and 500 higher than two years previously. (Numbers of ASW include those enrolled on Advance to Work, Advance Plus and Workwise schemes).

Level of unemployment amongst young people

15% of the total ASW recorded in February 2012 were aged 16 to 19 years. This was a similar level to January (280) and lower than that seen in the period between July 2010 and March 2011 when numbers were over 300. The number of people registered as ASW in the 20 to 24 year age group has increased.

On the other hand, the number of students enrolled at Highlands has increased from 740 to 936 over the period 2008 to 2012. Anticipated figures for 2012/13 are expected to be close to one thousand.

The long-term unemployment levels in February 2012 (Reference: Registered Unemployment February 2012 (29.02.12), States of Jersey, Statistics Unit) were the highest recorded to-date, double that recorded in February 2011.

The 45-49 year group was the most impacted age group with over 55 people having been unemployed and ASW for longer than twelve months, 2.5 times as many as in February 2011. The 16-19 and the 20-24 year age groups are the next most affected age categories, both at over 40 individuals. The 16-19 year age group had over double the numbers of long term unemployed in comparison to 2011 (20 individuals). Almost a third of the total long term unemployed in February 2012 were in the under 25 year age group.

The 2011 Census results (March 2011) indicated that overall unemployment rates (based upon the International Labour Organisation (ILO) definition of unemployment¹) were 4.7% in Jersey and 7.7% in the UK. Most striking was the ILO unemployment rate for Jersey born residents in comparison to non-Jersey born, at 6.2% and 3.7% respectively. This higher rate was primarily made up of youth unemployment. The official unemployment rate for 16-24 year olds was 14.3% in Jersey. This can be compared to the 19.7% youth unemployment rate for the UK, which is currently at the highest level recorded.

Job Vacancies

In December 2011, the total number of job vacancies (full and part-time) in the private sector was 1,980. Full-time vacancies were at the lowest level recorded in the last twelve years at 1,580 (Figure 6).

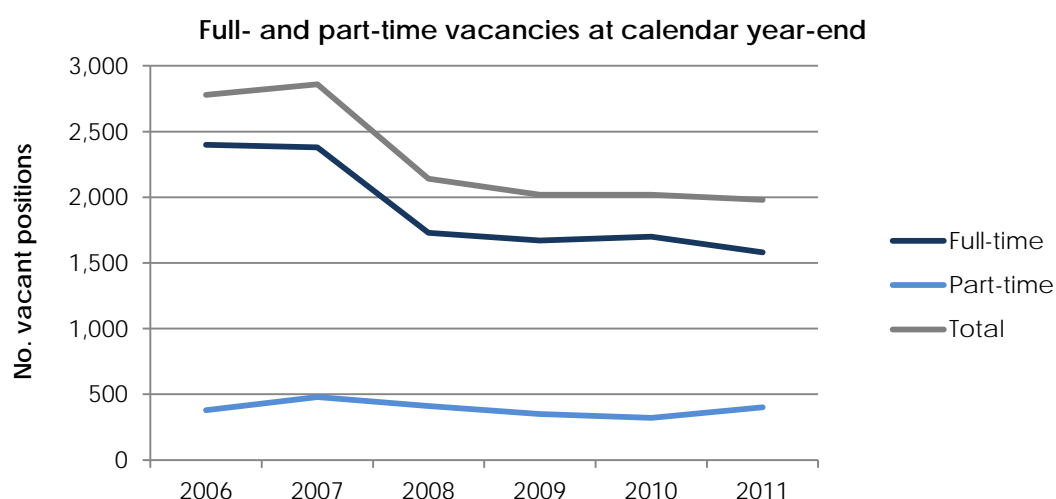


Figure 6: Jersey Labour Market at December 2011, States of Jersey, Statistics Unit

The wholesale and retail trades sector recorded a decrease of 220 full time staff and an increase of 200 part time staff. This could possibly be explained by a switch from full to part-time or more zero hours based contracts.

¹ The ILO definition includes all adults aged 16 and over who are not working but are looking for or waiting to take up a job).

The availability of job opportunities for young people

There were job vacancies available in a number of sectors in December 2011 (Figure 7). Those employers who expressed a willingness to take on appropriately skilled employees, regardless of age were in the wholesale and retail, hospitality, construction and quarrying sectors.

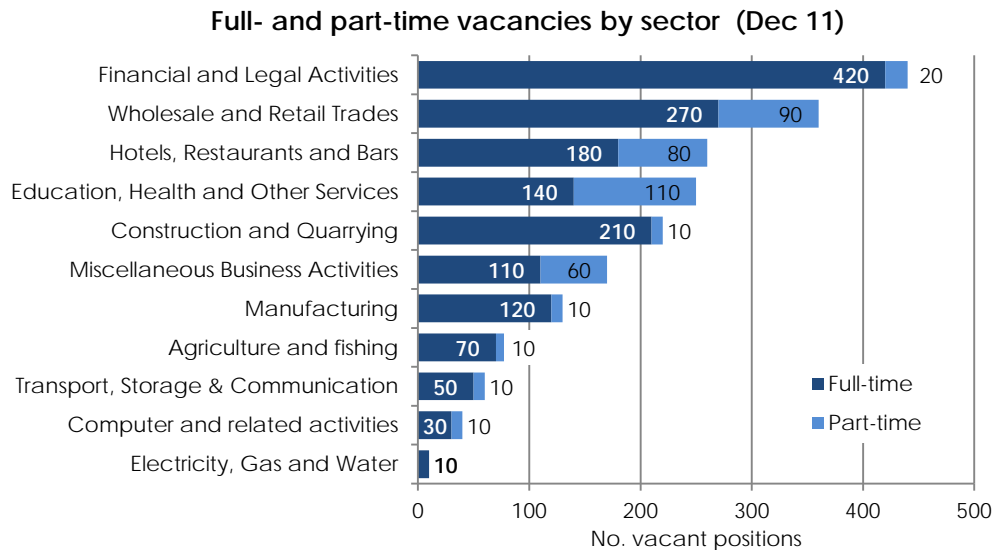


Figure 7: Job vacancies by sector (December 2011), States of Jersey, Statistics Unit

Research previously conducted by the Jersey Skills Board in 2010 (Skills Jersey Annual Report 2010) found that there was an increasing number of young people (Figure 8), with better secondary and higher educational qualifications than held by older persons. Yet the apparent views held by many employers in the wholesale and retail sector, hospitality, and construction sectors indicated that ‘employability skills’ were lower.

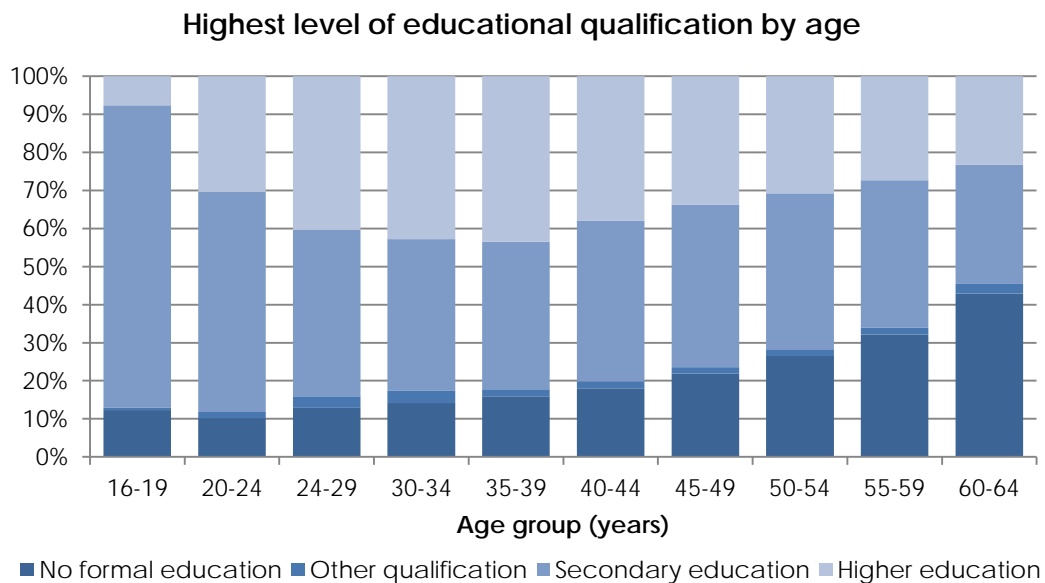


Figure 8 Source: States of Jersey Census results 2011, States of Jersey, Statistics Unit

Research Findings

Employers

Employment of Under 19 year olds

Businesses that did employ under 19s were primarily in the retail and hospitality sectors; employees under 19 can potentially comprise 10% or more of their work force. There were also companies that employed under 19s in the legal, finance, utilities, and IT sectors, and 'other miscellaneous business activities', but the numbers were far fewer, as were the number of employers. Some businesses did not employ many people under 19 as they targeted those with A-levels or degrees.

Over half of the employers who responded did not employ any under 19s. Larger employers were in some instances more likely to employ someone under 19, potentially because the proportional cost of training that young person could be diluted across a greater number of colleagues. Sector specific requirements also affected uptake.

Four out of five businesses indicated that the number of under 19s that they were employing at the time of the research was a typical number in comparison to previous years.

For those employers who indicated that there was a reduction in the number of young people employed, several (particularly office-based) businesses indicated that the total number of people they have taken on had reduced and, therefore, there were not the same number of junior roles becoming available. Also, previous intakes of young people they had employed have stayed with the business and are now all aged over 19. The effect of seasonality, and the time within which the survey was conducted (February/March 2012) also resulted in some companies that would normally employ seasonal workers having reduced numbers of staff under 19 at that particular time.

Compliance with current regulation or health and safety legislation meant that a number of businesses could only employ over 18 year olds. Businesses in the hospitality, transport and communications, and wholesale and retail sectors indicated that this was often a limiting factor (e.g. contact with hazardous substances, requirements for driving licences, specialist equipment handling, high levels of concentration and co-ordination, liquor licence restrictions, etc.).

The proportional cost and dedication required to train an apprentice employee had changed or increased over the last few years. For some businesses, this was especially true since the impact of the economic downturn has resulted in a decrease in trade. This has meant that some companies have reduced the number of trainees that they have taken on, and that they are more selective when they do so. Some industry sectors indicated that the cost of training a 16 to 18 year old employee was so highly intensive in supervisory time that they simply could not afford to take on employees so young.

The downturn in the local economy and the competitiveness required in winning some large projects had resulted in employers having to reduce numbers of younger workers who had less skills and experience and who required greater supervision than older employees. This was particularly apparent in the construction industry.

Some employers in the retail and hospitality sectors that do employ under 19s indicated that young, local residents have not shown a willingness to work in the industry - *"shift hours and roster stop young people applying for jobs. Schooling and skills are lacking in the majority of local resident young persons. Work attitude and skill base differ considerably from off island staff of similar age."*

Seasonality

Under 19s were still highly sought after for seasonal work, covering holidays in sectors such as retail and hospitality (that took on seasonal workers and were willing to employ under 19s). In these sectors, young people made up a significant proportion of employees (up to 50% in some hospitality businesses and up to 90% in some retailers).

Of those that employed under 19 year olds, the majority (over 90%) of the employers who knew the residential status of their employees said that over 80% of their workers under age 19 had residential qualifications. The hospitality sector most frequently had the highest number or proportion of non-local under 19 year old workers.

Contracts

59% of responding businesses employed their under 19s on full time contracts (Figure 9). Businesses indicated all of the contract types that were applicable for their younger workers hence the percentages shown in the chart total more than 100%.

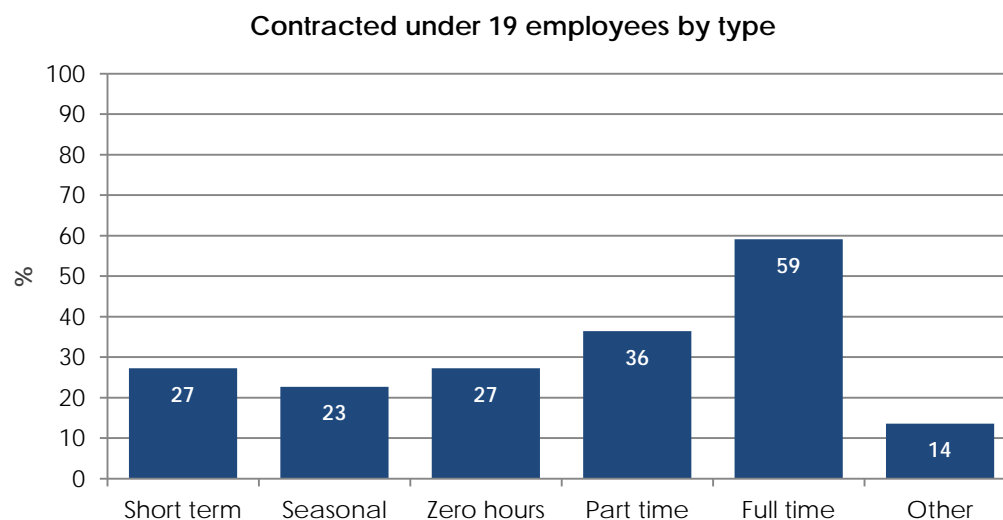


Figure 9

Qualities sought in a prospective employee of any age

The work ethic, reliability and skill set of the potential employee (of any age), in addition to their personality and experience were the most frequently core qualities sought by employers (Figure 10).

Quality	% of businesses
Hard working	60
Reliable	49
Skills	32
Pleasant personality	26
Communication skills incl. English-speaking	26
Experience	25
Enthusiasm and interest in job	23
Intelligence	18
Other (specific to sector or job)	18
Potential	18
Schooling/qualifications	18
A team player	16
Flexible	14
Of smart appearance	7
Ambition	4

Figure 10

Barriers to employment of younger people

The majority of 'barriers' to employing younger people were not so much physical restrictions but were aspects that could be changed by young people themselves, these included:

- Right attitude and approach or work ethic,
- Commitment - often undecided about what they want to do, receive training which costs money and then leave,
- Realistic view of what pay entitlement should be,
- People skills and communication skills,
- Willingness to work shifts or work hours other than 9am to 5pm.

Approximately 30% of businesses did not believe that there were any 'barriers' for the employment of young people. They had to be the right person for the job and there had to be the capacity to take on a new person. However, experience was one of the main barriers in relation to employment of young people in some businesses (indicated by some finance and office-based companies). Other restrictions placed upon the employer included:

- Qualifications (specialist driving licences/degree or advanced level required whereby the person would be aged over 19)
- Regulation (e.g. liquor licensing)

- Health and safety legislation
- Lack of available staff to provide supervision
- Size of the business too small to support younger member that requires constant supervision

Youth rate introduction

Although 56% of employers thought that a youth rate should be introduced in Jersey (Figure 11), only 27% of employers said that a youth rate would increase the likelihood of them employing more young people (Figure 12), with only 7% of these indicating that it would definitely increase the number of young people that they employ. Of those businesses that indicated that a youth rate may increase the number of young workers employed, 63% already employed workers under 19 years old.

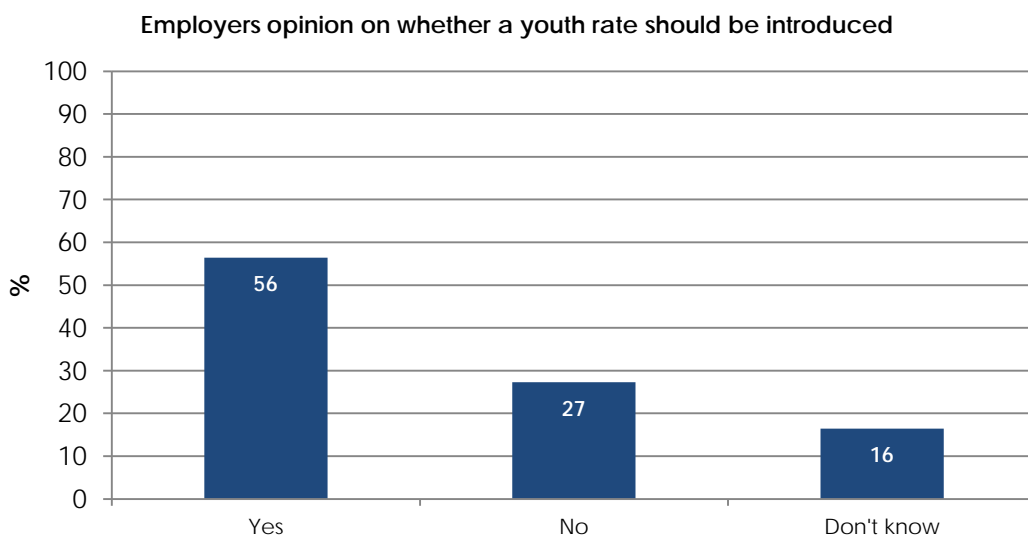


Figure 11

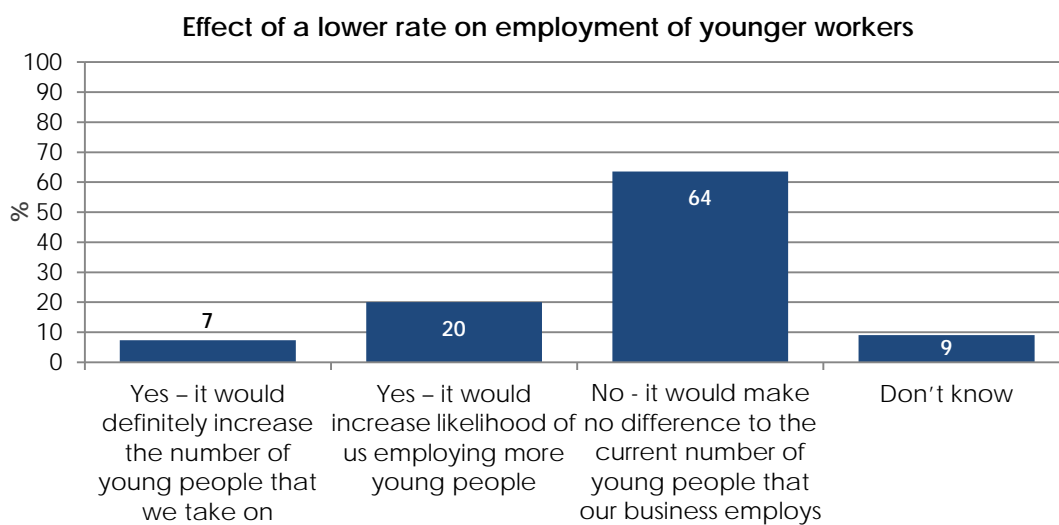


Figure 12

Duration

More than a third of employers said that a youth rate should be payable until an employee achieves a certain level of training. A quarter indicated that a youth rate should not be introduced at all (Figure 13). It should be stressed that two thirds of the employers who indicated that their uptake of young employees may be increased by the introduction of a youth rate thought that it should be applicable until the employee achieves a certain level of training.

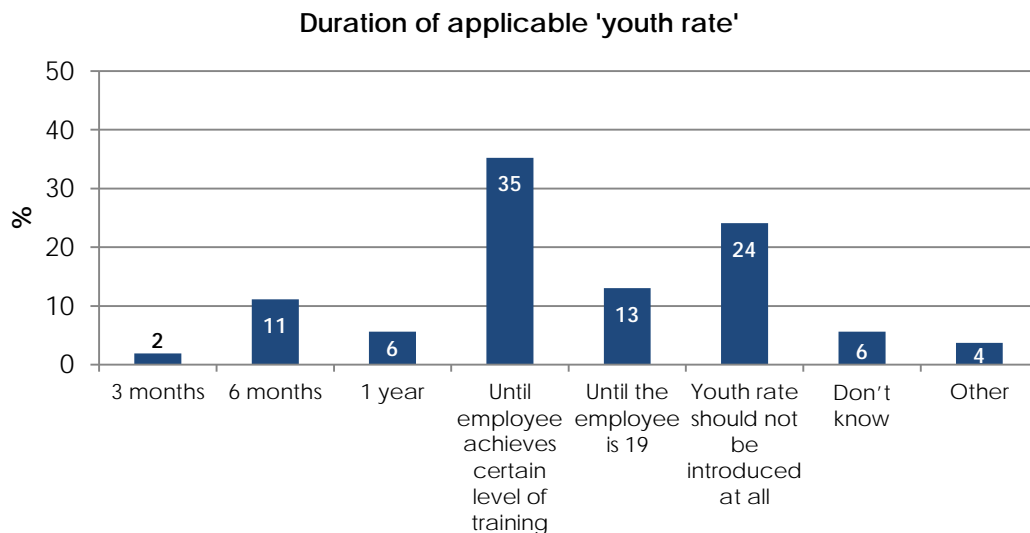


Figure 13

Training

64% of responding businesses were of the opinion that an element of compulsory training should be included in a youth rate, whilst just over a fifth of employers stated that training should not be included.

Reasons for not compulsorily including training were primarily down to the applicability of training to the type of business concerned. This was indicated by a wide range of business types. Employers noted that the current trainee rate is available for employees of all ages, not just young people. Of those companies that had previously indicated that a youth rate could either definitely increase, or increase the likelihood of them taking on a young person in future, only a third of them thought that a youth rate should include a compulsory level of training.

The reasons for training not being a requirement to pay a youth rate included:

- that was what the trainee rate was there for;
- because not all jobs require structured or formal training;
- because it was thought that compulsory training could be a deterrent to the employer to take on young people on the youth rate.

Those employers (64%) who specified that training should be a requirement of a youth rate were asked to differentiate between what level of training they would expect to be requirement of a 'trainee rate' versus a 'youth rate' (Figure 14).

Employers indicated that the provision of nationally accredited qualifications and other formal types of qualification should be required to pay the trainee rate, whereas lower level training was perceived as appropriate to permit payment of the youth rate. This included English/literacy courses and in-house training.

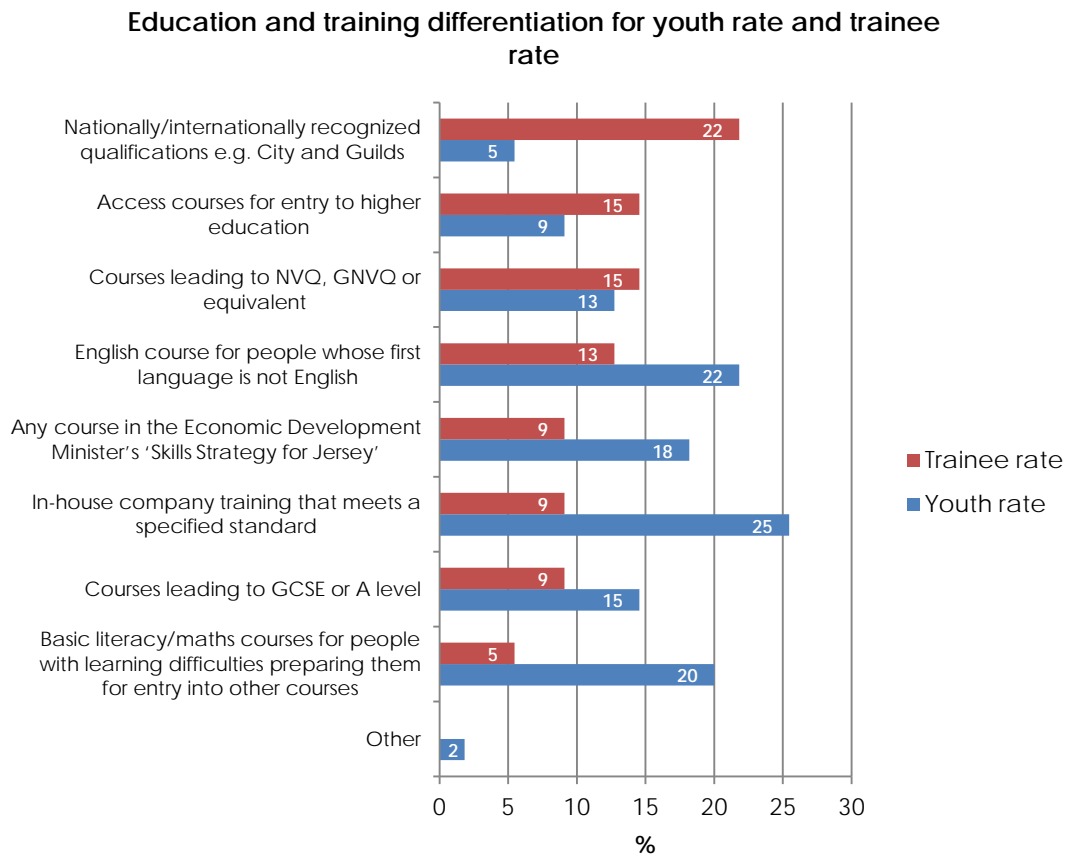


Figure 14

Wages and rates

Approximately 60% of employers did not currently employ anyone at or around minimum wage. Just over 40% of employers did employ individuals at these rates.

Just over a quarter of employers indicated that a lower rate pay rate for young employees would increase the likelihood of them taking on young people. These businesses were primarily in the manufacturing, construction, retail and wholesale, and hospitality sectors. The majority of these employers supported the introduction of a youth rate.

Many UK-based companies were following a structured pay scale which was set by the UK head office. Consequently, they were already paying their Jersey employees at a rate greater than the minimum wage, and would not be affected by the introduction of a youth rate unless there was a change in head office policy in determining a young person's rate of pay.

The Public Sector has a defined pay system to which young people are entitled. Under 15s employed on a part time basis were paid £6.05 per hour, 16 year olds were paid on Pay Grade 1 (£7.30 per hour), 17 year olds on Pay Grade 1 (£8.30 per hour).

39% of respondent companies indicated that, if a youth rate was introduced, it should be at the same rate as the trainee rate (Figure 15).

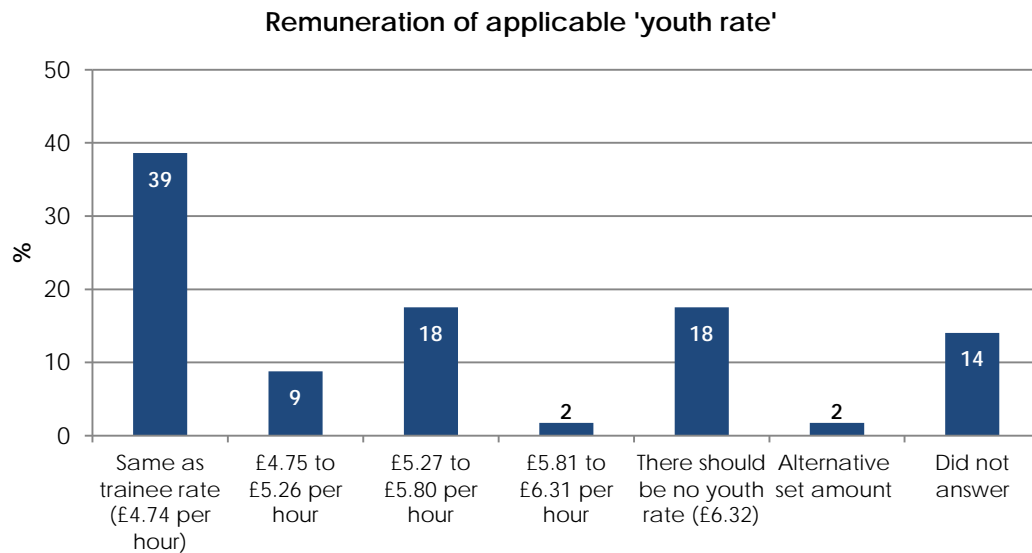


Figure 15

Other Organisations

Other organisations which took part in the research included trade unions, educational establishments, employers' associations, personal tutors and careers advisors.

Barriers to taking on young persons

Perceived barriers to the employment of young people were comparable with those of employers (i.e. legislation limiting uptake, resourcing, lack of experience, etc.). The perceived poor attitude of young potential employees and lack of commitment once they had been trained (often moving on to other jobs), were also cited as negatives. Small businesses were mentioned with regard to the added pressures placed upon them if they took younger employees. The current economic climate was a further threat with many only just managing to employ one new employee let alone a new employee who required significant training.

One organisation stated that the barrier to employment was an inability to reflect experience in pay.

Some of these other organisations observed that employers were deterred from taking on younger employees because of the requirement to pay the same minimum wage for a young person as for an older, more experienced employee.

Introduction of a youth rate

The majority of 'other' organisations stated that a youth rate would encourage employers to give young people an employment opportunity by providing them with a chance to gain work experience with which to be better equipped to apply for future jobs.

Views on the duration of a youth rate varied with some suggesting that this should not be fixed. Some respondents indicated that it should only be applicable for a probationary period as it would be unreasonable to expect a young person to be tied to such a low wage for an extended period of time.

Others indicated that the employment should be based upon suitability for the job, but that some sort of subsidy could help. It was stressed that the youth rate should not be a cheap form of labour but linked to a permanent position with an associated training and development commitment from the employer. This should not be a temporary post where a person is dismissed once they qualify for the minimum wage.

Duration of a youth rate

Half of the respondents were of the view that the youth rate should apply until the employee was 19 years old. This was followed by 'six months duration' and 'until the employee achieves a certain level of training'.

Other relevant comments

The majority of 'other' organisations responding indicated that training should be included in a youth rate. There was also concern raised with regard to being able to differentiate a 'youth rate' from a 'trainee rate'. If too much legislation was introduced the advantage of such a rate could be lost.

With regard to hourly rates, 40% were of the view that a rate of £4.75 to £5.26 was appropriate and a further 20% at a rate of £5.27 to £5.80.

Previous research undertaken by the Low Pay Commission in the UK has indicated that the impact of long term unemployment on young people is greater than that observed in older age groups that are unemployed for long periods of time. Consultation and discussion with a range of individuals involved with young and older unemployed, and with organisations including Careers Jersey, indicated that the effect of being out of school or a workplace can have be very significant on the individual. In particular, it impacts the ease with which the individual interacts with other people, and their confidence in communicating both with team members and potential clients or other contacts outside of the workforce.

Schemes such as Advance to Work (ATW) try to address core skills with mock interviews and other supported skills development programmes. It was noted by organisations dealing with those seeking jobs that young people appear to have less exposure to holiday work and Saturday jobs in comparison to previous years. A lower number have held such jobs when they emerge from education and they appear to be less prepared for the workplace. As a result, the key skills and self-confidence that an older person would have built and developed in the work place would not be apparent in a younger person.

Schemes such as Project Trident were considered to be working well by encouraging students to take up a work placement. However, if this was the only work experience a young person had undertaken, employers often perceived a poor work ethic in applicants.

One of the schemes to help the development of young people's confidence and communication skills was the Prince's Trust placement. The success of the scheme was dependent upon the performance of the individual in building team work confidence and addressing communication issues whilst giving a sense of personal achievement.

In summary, it was thought by those in positions connected to unemployed young people that a youth rate could open up opportunities although as a long term option, there should be some form of extra training acknowledged.

Employees

79% of respondents were currently employed with 58% of these employed on a full time basis. 15% were on short term/seasonal contracts, and a similar number on part-time contracts (Figure 16).

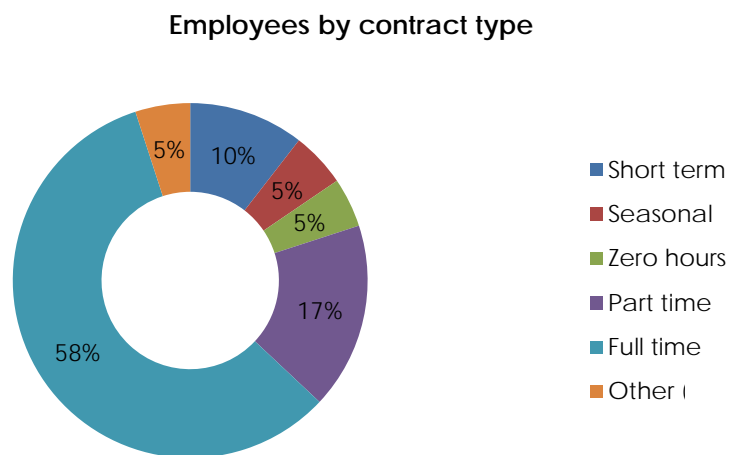


Figure 16

Employee survey respondents were from a good range of sectors, and provided a similar distribution to the manpower figures released by the States of Jersey Statistics Unit.

38% of employees thought that there should be a youth rate. 31% were against the introduction of such a rate for Jersey, whilst a similar proportion did not know (Figure 17).

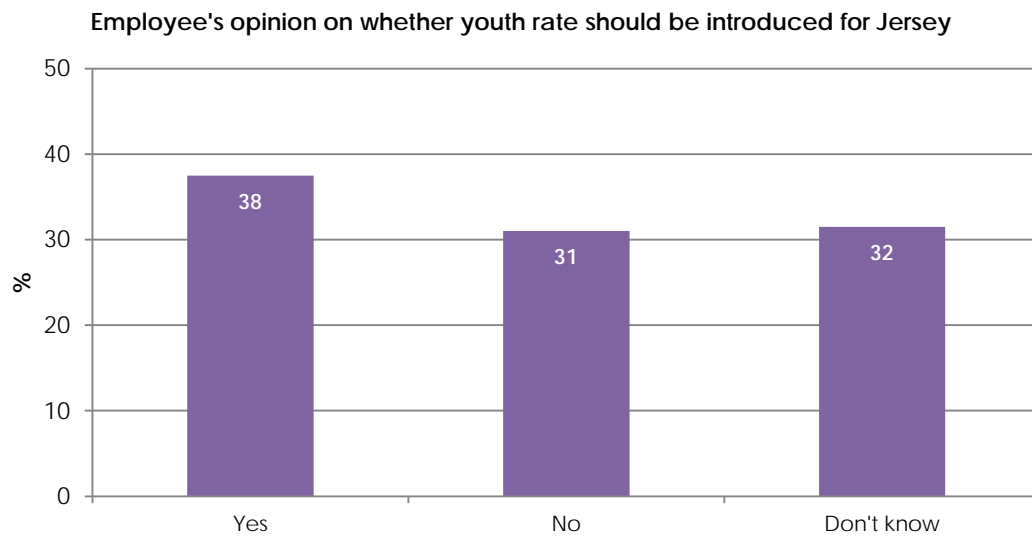


Figure 17

The majority of reasons given by employees in favour of the introduction of a youth rate were:

- to encourage employers to take on young people
- to get them started on the career ladder
- to give them experience
- to give young people a chance at work to prove themselves to the employer

Reasons given by employees opposing the introduction of a youth rate included:

- exploitation of young people
- a way for employers to make money
- unfair for young people to be paid less than another person doing the same job
- not worth working for
- not enough to support themselves

Almost a third of employees responded 'don't know' to the question of whether a youth rate should be introduced in Jersey.

Initial reactions were low from employees as to whether they would work, or would have worked (if the employee was older than 19 at the time of responding), for a youth rate if it was more likely to enhance their chances of getting a job. Only 4% of respondents indicated that they would do so, with an additional 38% if it included training. 28% of employees would not work for a youth rate and 31% did not know. In consideration of those who thought there should be a youth rate, 83% also indicated that they would work for a youth rate with some form of training, whilst 6% would not.

The majority of employees who would not work for a youth rate gave similar reasons as in the previous question - that it exploits the young workforce, is unfair to discriminate due to age and that it is not affordable to live on the minimum wage let alone a youth rate. Some employees indicated that they considered that the trainee rate was already too low with regards to remuneration.

With regard to the potential duration of such a rate, a quarter of the total still maintained there should be no youth rate. 22% said that it should be until a certain level of training is attained (Figure 18). When only the views of those that would work for such a rate was considered, 47% were of the view that it should be until the end of the training period, and 30% up to three months. 6% indicated that it should be until the employee is 19 years old.

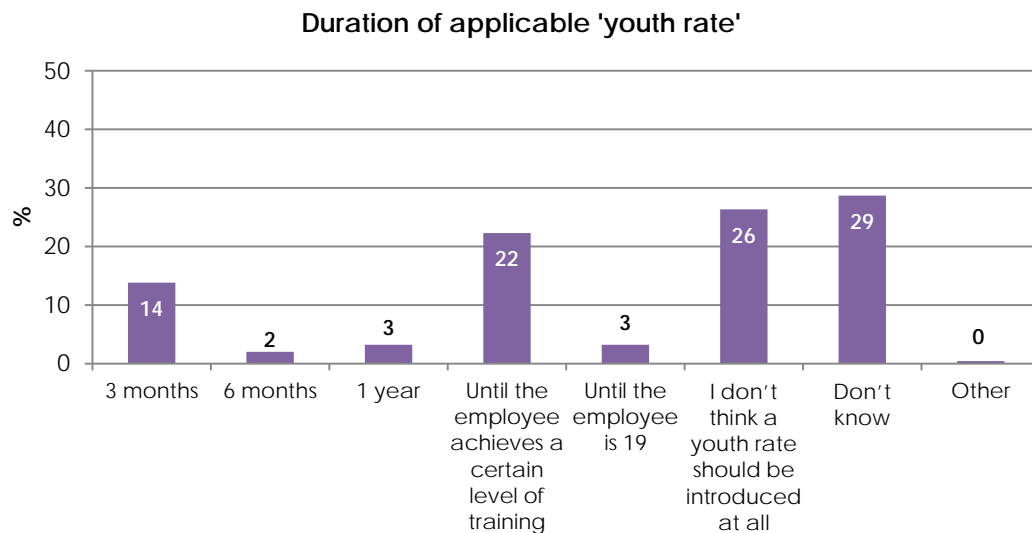


Figure 18

Training

84% indicated that a 'youth rate' should incorporate a level of training. The majority indicated that this should be supervised, one-to-one in-house training, well-structured and documented. Day release and further education courses that were applicable to the job were also viewed as important training elements that should be included.

The remainder who indicated that training should not be included did so either because there should not be a youth rate in the first place or that it should simply be 'on the job' training, as other training may be a barrier, especially to small businesses.

Barriers to employment

Barriers to the employment of young people that were put forward by employees who were representative of the working population were (in descending order):

- Lack of experience
- Unreliable
- Lack of confidence
- Lack of enthusiasm/motivation/lazy
- Immature
- Lack of common sense

Wages and rates

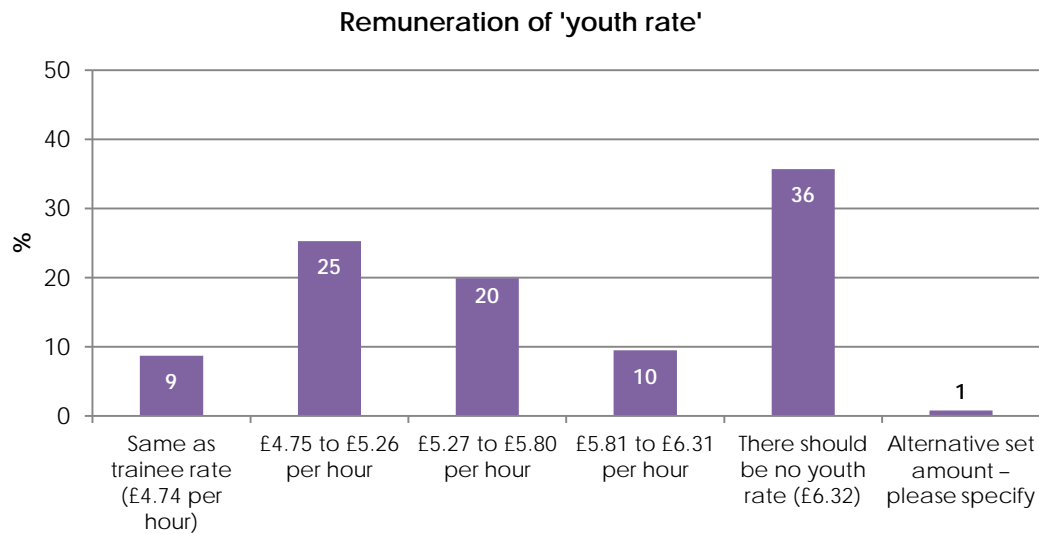


Figure 19

Over a third of employees stated that there should be no youth rate. A quarter thought that it should be based between £4.75 and £5.26 per hour. Over half considered that it should be higher than the current trainee rate of £4.74 but, in many instances, this was an indication that the trainee rate was thought to be too low (comments contained in Appendix 3).

Young Persons

Half of respondents to the young person's survey were currently employed. Of these, half were on holiday/Saturday contracts, a further 13% were on full time contracts, 13% on part time contracts, and 10% on short term/seasonal contracts. The remainder were on zero hours contracts.

The sectors in which these young people worked were (profile indicated in Figure 4): retail/shops (39%), education (14%), personal services (11%), health (11%), recreation and culture (14%), other business activity (4%), hospitality (4%) and agriculture and fishing (4%).

The results for those employed aged 16 to 25 were then combined with the employee survey results for 16 to 25 year olds to gain a better understanding of which sectors young people were employed. This produced the following profile: retail and shops (23%), finance (13%), public administration (12%), recreation and culture (10%), agriculture and fishing (8%), IT, legal, education and hospitality (5% each), administration and construction (3% each) (Figure 20).

Employment sector of 16-25 year old respondents to employee and young person survey

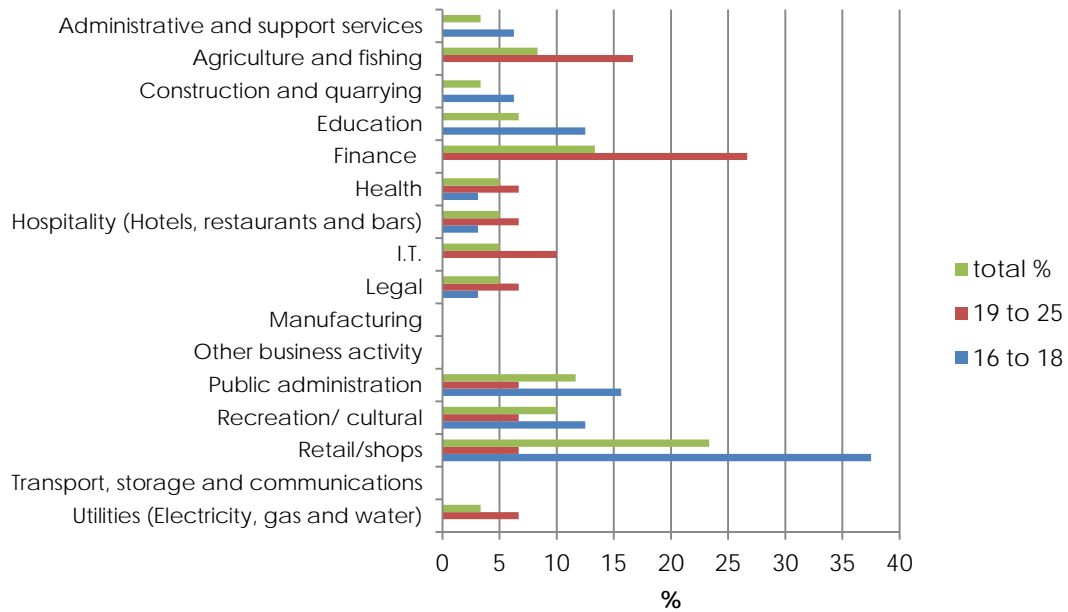


Figure 20: Employment of young respondents by sector

Although these percentages are only indicative due to the small sample size (70 employed individuals interviewed were 25 and under), it is noticeable in which sectors 16 to 18 year olds are more frequently employed. There is a distinct difference for the older age group.

Qualities sought in an employer

The most important qualities in a new job/employer cited by young people in the survey are set out in Figure 21. Percentages are displayed solely to give an indication of the frequency that the quality was mentioned. 'Fair' pay was considered to be an important quality, rather than 'high pay'. 'Friendly or approachable employer and colleagues' was listed by over 70% of young people.

Quality	%
Friendly approachable colleagues/ employer	72
Honest/fair treatment/ equality in workplace	47
Pay	46
Good working conditions/ environment	32
Understanding/ supportive/ flexible employer	28
Being happy at work/ fun/ enjoyable	23
Hours	19
Interest in the job/position	14
Training/skills	11
Well organised/ structured/ safe	9
Holidays free	7
Opportunities for progression	5

Figure 21: Qualities sought in an employer

Other aspects raised by less than 5% of respondents included 'confidence in the staff', 'discounts/perks', 'length of contract', 'easy to get to' and 'accommodation'.

Willingness to work for a youth rate

Initial reactions were mixed from young people as to whether they would work for a youth rate if it was more likely to enhance the likelihood of them getting a job.

Just under a quarter of young people indicated that they would work for a youth rate. 40% would do so if it included training, whilst just under 25% definitely would not. The remainder stated that they did not know whether they would work for a youth rate.

Those that would work for a youth rate indicated that they wanted to gain experience and to demonstrate commitment to a chosen employment route. The addition of training was much more desirable as they felt that they were also gaining something extra out of being employed on a lower youth rate and that it was not solely to the employer's advantage.

Reasons for not working for a youth rate included age discrimination. It was felt that a young person would put just as much effort into the work as an older person and should be remunerated accordingly.

Introduction of a youth rate

Almost 25% of young people did not think that a youth rate should be introduced in Jersey, whilst 37% thought that it should be introduced. 40% of young people did not know whether a youth rate should be introduced or not.

For those young people who thought that a youth rate should be introduced, they felt it should be for a limited timescale or up to a certain skill level. For example, once the young person has passed a certain progressive step the wages should be increased to reflect this. However, it was often mentioned that it would be a good way to gain a bit of experience and also to 'get a foot in the door' to prove themselves to an employer who previously might not have considered a younger person for the position. Young people also saw the benefits of being gainfully employed and doing something, gaining experience and confidence, rather than claiming benefits or trying to find things to occupy themselves.

There was concern amongst young people that the introduction of such a rate would result in "slave labour" and that it was discriminatory to younger people who should be paid the same as an older person who would be doing the same job. The minimum wage was thought to be too low and insufficient for the high standard of living in Jersey.

Duration

Half of the young people who responded were of the view that the duration of a youth rate should be applicable until a certain level of training was achieved. The proportion of young people (who felt that a youth rate should not be introduced) dropped if a fixed duration for the youth rate was introduced (Figure 22).

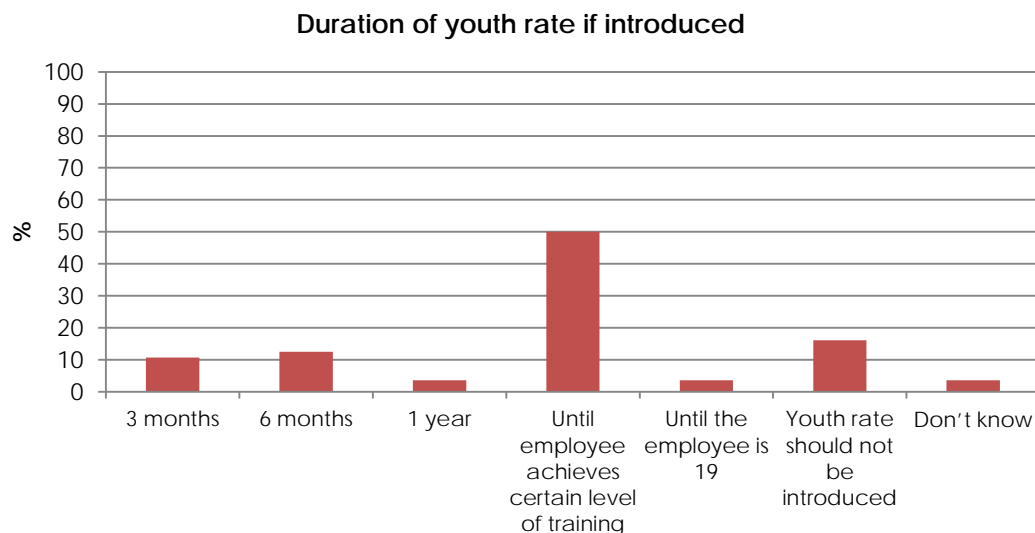


Figure 22

Three quarters of young people thought that a compulsory element of training should be included in a youth rate. The majority were of the view that 'on the job' training and training specific to that job would enable the employee to progress further and enhance their future opportunities and earning potential.

Of the young people who said that training should not be a compulsory element of a youth rate (aside from those who did not think a youth rate should be applied at all), responses demonstrated that the person should receive the right wage for the job and experience, with training provided.

Views on youth rate remuneration varied. Just over 60% indicated that youth rate remuneration should be less than the minimum wage. Over half indicated that it should be less than £5.80 per hour. A small minority considered that it should be the same as the trainee rate (Figure 23).

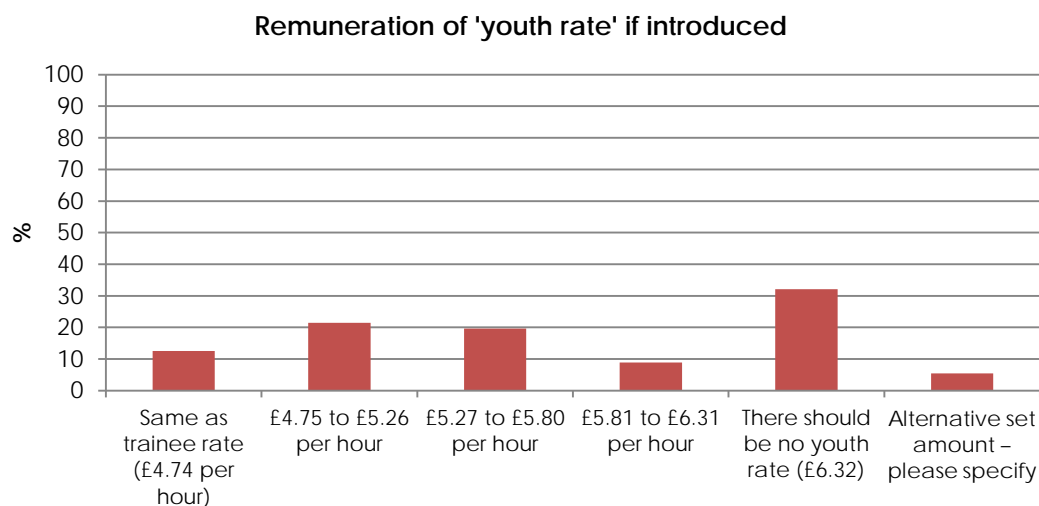


Figure 23

Focus Group with Highlands College students

A focus group was held of Business Studies' students from various course years at the Highlands College.

The individuals ranged from age 16 to 21 and were from a range of previous educational backgrounds. Almost half of students worked part-time, i.e. Saturday jobs in addition to studying.

To gain an idea of future aspirations prior to commencing the session, just under a half indicated that they wanted to go into full-time employment, a minority expressed a desire to continue their studies at university outside Jersey, and a similar number wanted to do degree courses in Jersey (one in Financial Services, one in Management). A quarter of students did not know what they wanted to do when they left Highlands College.

Of those who said they wanted to gain full-time employment when they left Highlands College, a third stated they intended to be accountants, and a third wished to work in finance. Only one individual indicated retail as a potential career.

When looking for a full-time position, the qualities sought by the students in a potential employer were:

- the employer operated a successful business,
- was respectful of the staff,
- was welcoming,
- provided a well-paid position,

- had good training opportunities with flexible hours (to continue training),
- regular work hours from 9am-5pm,
- good opportunities for progression and
- was fun.

The most important aspects indicated by the student focus group were working conditions, training and opportunities for progression, and pay.

When the concept of a youth rate was explained -that it would be a minimum wage for persons under 19 years of age, the initial gut reaction from the group was *"It's an opportunity for them (the employer) to pay us less."*

Less than half the students said that, in principle, they would be willing to work for a youth rate. However, all of the students stated that they would be willing to work for a youth rate for a certain period of time if it enabled them to get their 'foot in the door' for the job that they desired.

Opinions on the appropriate duration of a youth rate ranged from four months to a year, and were variable depending on how long it took to become proficient at the job in question.

All of the students were of the opinion that they would work for a youth rate if some formal training was offered by the employer. Formal qualifications, certificates and similar would make the job attractive even if the pay was lower, so long as it was properly regulated. It was thought that it could be a "good way of making Jersey businesses train young people."

In general, there was agreement that they would accept a youth rate (without formal training) of £6 per hour and a youth rate (with formal training) of £5 per hour. However there were large sector differences acknowledged with one statement of *"£6 per hour in a shop is good but £6 per hour in finance is unfair"*.

The students were asked what rate of pay they would work for, and for how long:

	With formal training		Without formal training	
	6 months	12 months	6 months	12 months
£5.00 per hour	100%	60%	0%	0%
£5.50 per hour	-	-	50%	10%
£6.00 per hour	-	-	80%	70%

Figure 24: Indicated hourly rates and training expectations (students). Percentages have been rounded to the nearest 10% to give an indication of the group response.

The students were asked at the end of the session to write down what they thought of a youth rate, whether it should be introduced, what rates they would be willing to work for and the positive and negative aspects of such a potential rate if it was introduced. Individual comments received from student group members are contained in Appendix 4.

Advance to Work

ATW and Advance Plus trainee research

A quarter of the respondents were currently employed on a work placement. The core qualities sought in a job or employer by the Advance to Work and Advance Plus respondents are indicated in Figure 25 (in descending order of frequency identified):

Quality
Friendly approachable colleagues/ employer
Training/enhancing skills
Good working conditions/ environment
Understanding/ supportive/ flexible employer
Honest/fair treatment/ equality in workplace
Pay
Plenty to occupy/useful job
Interest in the job/position
Well organised/ structured/ safe employer
Discounts/perks
Hours
Opportunities for progression

Figure 25: Qualities sought in an employer

Introduction of a youth rate

Half of the ATW respondents indicated that a youth rate should be introduced as an option. One in three did not agree, and the remainder did not know.

It was thought by a proportion of the ATW respondents that a youth rate would exploit younger people, that employees of any age should be paid the same for doing the same job, and that they would feel unrewarded for the work they did.

However, it was acknowledged that a youth rate would give the young person a better chance of employment, that it would be a better incentive for employers to give young, less experienced people a chance, and that it was still an opportunity to make some money.

Willingness to work for a youth rate

Three out of five ATW survey respondents would work for a youth rate if it included training. A few would work for a youth rate without training. A small minority either would not work for a youth rate or had no view.

The value of training was acknowledged, with comments including “*Training costs money but lasts a lifetime*”, but also it was thought that working for a youth rate would provide the young employee with experience and would demonstrate that they were willing and have a good work ethic.

The focus group generated similar comments to previous groups of employees with regard to why they would not work for a youth rate. They were primarily concerned with the value of remuneration to the young person, and perceived age discrimination.

Duration

Three months was the most popular duration that the youth rate should be payable, indicated by almost 40% of ATW respondents. A small minority indicated six months while none of the ATW respondents considered that a year was a suitable period of time.

Training

The majority of respondents indicated that the ‘youth rate’ should incorporate a compulsory element of training. This was seen as a form of compensation to the employee for the lower remuneration and of benefit to the employer.

The type of qualifications or training to be achieved varied, from one-to-one ‘on the job’ training to defined professional or vocational qualifications, to first aid and fire safety certification. It was widely acknowledged that the type of job/sector that the person was employed in would have different requirements for compulsory training in order to be able to do the job effectively. Having qualifications that were transferable and also building up specialist skills and experience were seen as very desirable.

ATW and trainee respondents who indicated that training should not be included primarily commented that not every job will require a specified level of training.

Rates

A third of ATW respondents considered that there should be no youth rate and young people should be on the minimum wage. 25% thought that between £5.27 and £5.80 per hour was acceptable and a further 25% between £5.81 and £6.31 an hour were acceptable rates.

A quarter thought that payment of a rate slightly over the trainee rate should be applicable. One person out of the 20 survey respondents considered that a youth rate should be the same as the trainee rate.

ATW Focus Group Research

A focus group of ATW and trainees was held. Two thirds had previously studied at Highlands College. Just under a third had previously been made redundant. A third had recently been accepted for positions and would be in full-time work in the near future.

The group included an engineer, pharmacist, teaching assistant, IT technician, and a welder/fabricator in addition to a range of other ‘customer facing’ job seekers.

The group considered that it was difficult to get into the job market, and particularly hard to gain employment in finance and legal activities. The consensus was that it was easier to get a job in retail, hospitality or catering, but the pay was perceived to be very low in these sectors.

Even when seeking voluntary work experience, there was reported difficulty in finding positions in companies that were willing to offer a placement. Focus group members were of the opinion that employers discriminate by age rather than experience in some cases,

The main values sought in a potential employer (on a full-time basis) were:

- respect,
- being valued, and
- training for the job (which is accessible only via employment).

Unlike the majority of online and paper survey responses, less weight was given to pay scales and more to equality of treatment and training opportunities.

Initial reactions to the concept of a youth rate were very negative. Only one person would work for less than the minimum wage. It was felt that it would put people aged 19-24 out of work as the employer would want the cheapest labour. It was also commented that apprentices cannot get work and they already have a lower minimum wage. There was acknowledgement, however, that there would for once be a competitive advantage to being 16 if entering the job market, when there are so many other hurdles to overcome.

The overall impression of a youth rate was "It is just a way of exploiting cheap labour". Working for less than minimum wage with on-the-job training was also unpopular. However, the idea of receiving formal training during employment in return for accepting a lower wage was popular because "you could take that with you to another job instead of the money".

There was a suggestion that, instead of paying unemployment benefits to young people, the States of Jersey could subsidise their employment by offering cash incentives to employers. That way the young person had a job instead of being idle, the employer had an opportunity to give a young person a chance at work, and the States pay out less to support the young person. It was perceived that benefits in Jersey were too generous and removed the incentive for people to find work. The group thought that the benefit system may require revision.

All Advance to Work/trainee focus group participants indicated that they would work for the minimum wage or for a maximum of six months at £6 per hour. Seven out of nine in the group would work up to £5 per hour if it included formal training as a way of getting experience in a career that they really wanted. A few would work for less than this amount for accredited training, and two out of the group indicated that they had already been paid a lower rate as had been employed on a trainee rate.

	With formal training	Without formal training	
		6 months	12 months
£4.50 per hour	60%	-	-
£5.00 per hour	80%	10%	-
£5.50 per hour	80%	30%	-
£6.00 per hour	80%	100%	0%
Adult minimum wage	100%		

Figure 26: Indicated hourly rates and training expectations (ATW/trainees). Percentages have been rounded to the nearest 10% to give an indication of the group response.

Conclusion

In conclusion, the research has revealed a very broad spectrum of views and opinions on the subject of a youth rate.

The introduction of a youth rate could help to some extent in facilitating the employment of young people, but only in a certain limited number of sectors. Given the current economic situation, the research has revealed that the introduction of a youth rate would not really encourage the majority of businesses to employ a greater number of young people. It was currently an employers' market and those with the best transferable skills and experience would be the most sought after by employers.

As far as young people were concerned, if a youth rate was introduced in conjunction with some form of compulsory training then consideration should be given to the proposal. However, due to the way that many young people perceive certain types of employment on the Island, the introduction of a youth rate may not have an immediate effect on current unemployment levels until there was greater awareness of the range of employment possibilities available in all sectors.

Appendix 1

Employer's Comments and Additional Information

The Fulfilment Sector was contacted but there were no responses obtained. The recent news regarding the removal of the LVCR has altered their future plans in the islands and, therefore, may affect their uptake of local personnel. From discussions, there has been an increase in the number of people employed on short term contracts at peak periods, often through temp agencies, rather than being employed direct through the fulfilment company itself, demonstrating a change in attitude already. Play.com and Indigo Lighthouse are two of the larger employers in the Sector. However, with the recent news that LVCR is to be scrapped, there are reports of at least 222 jobs going at the latter company, and other associated or supporting companies including Jersey Post also announcing possible redundancies due to the reduction in fulfilment trade.

Unedited comments were as follows:

Barriers for Employment of Under 19s

Agriculture and construction

- *Perhaps a perception that many young people aren't sure what they really want and therefore we could invest time and money in training and then they decide to leave.*
- *At present lack of vacancies in relation to current available projects. Generally, available experienced operatives to supervise inexperienced young people.*
- *I am continually disappointed by the general lack of interest in work from some of these youngsters.*

Finance

- *The time to provide close supervision and good training is required which some managers do not have.*
- *The main reason is the skills and knowledge backed up with qualifications. There is little time to be able to train someone from scratch in the finance industry*
- *We are a small team and the required training of any new person takes up valuable time. Thus experience in related fields helps greatly. Young people do not tend to have this experience.*
- *There are no barriers, our only criteria is that they have achieved three A levels at Grades B and above.*
- *We generally employ young people who have completed their A levels or attended university, we would however consider young people who have only done GCSE's but would require A and B levels*
- *Could be lack of experience for some of the more investment roles. Sometimes there might be an opening in the Operations area*
- *From time to time we do recruit post A level students (18 years plus) but they must demonstrate the above skills and have a level of maturity as their job is client facing.*

Legal

- *Under 19s are unlikely to possess any form of legal qualification.*
- *No, unless we are recruiting into an experienced position or role that requires advanced skills and experience and/or professional qualification. Most of our vacancies are at the entry level (and we then train them).*
- *We do not have many roles suitable for those who may not have a lot of work experience.*
- *The majority of our roles require knowledge and experience*

Health and Education

- *We do take a number of students on placements from local schools and from Highlands College for work experience*
- *a very large % of our jobs require sector specific qualifications*
- *None, in fact on some areas of our business suit young people i.e. youth work, working with children. However we often have a large amount of applications for jobs in our service due to our flexible working hours and therefore will select the person with the most experience.*

Hospitality

- *So long as they have the right attitude and approach, age is immaterial*
- *Work ethics generally in comparison to more mature or European applicants. Health & Safety and training issues in relation to time to invest over return on investment. Pay and retention, younger people seem to have a skewed view on pay, against the need to work and tend to move around more erratically in terms of employment.*
- *Licensing Laws*
- *The main barrier is the lack of previous work experience, some individuals have only ever worked during their project trident placement (inc. some 18 year olds). To an employer this shows a lack of commitment and motivation to the working environment, there are plenty of places looking for volunteers (charity shops etc.) if the individual has found it difficult getting a part time/ full time paid position*
- *Working hours for under 16; also find it very hard to find reliable young people who are willing to work split shifts and weekends.*

Information Technology

- *We would take people on at this age into our Academy where they would shadow a more experienced member of our team.*
- *Relevant experience is essential. Business too small to operate an apprentice scheme*

Manufacturing

- *The hours are seen as unsociable and it can be physically demanding.*
- *To be brutally honest, a lot (but obviously not all) of the under 19 year olds do have enough experience to justify the current minimum wage. Without a Youth rate it is highly unlikely that a young person would win a job when competing with more experienced people who are looking for work and would be on the same rate. Currently, we only have one member of staff on minimum wage but the young need work experience to get going and that would be the biggest advantage of having a youth rate.*

Retail, wholesale and repairs

- *They do not look upon retail as a long term position. They want to go into finance for money offered.*
- *Lack of knowledge and experience to sell high value products*
- *Experience and people skills.*
- *(The young people) don't care, don't turn up on time, have little respect, and are greedy.*
- *Yes, but often it is the majority of younger person's attitudes, not enough dedication.*
- *Historically we have only had under 19's as trainee apprentice technicians but we have no barriers to employing younger people in other areas should the position be suitable.*
- *No barriers. Many of our employees were taken on at the age of 18 or 19 and remain with us. If we require new staff, we are happy to train young people.*

Other sectors

- *Ability to lead groups if under 18. Maturity and experience in a customer facing role.*
- *Experience*
- *Limited vacancies for Saturday work.*

Youth rate introduction

Employers' reasons for the introduction of a youth rate:

- *It would encourage employers to take more aged 19 and under staff on; to develop under 19 year old into the work place quicker - increase experience; help reduce unemployment levels in the island*
- *I am aware from discussions with other industry sectors within the island that many traditional roles attractive to young people are now rare as the employer (faced with minimum wage) requirements will favour an experienced - probably East European staff member rather than a young person who is likely to require far more training, supervision and general adapting to working life after school or college*
- *May increase junior positions due to reduced costs for some businesses*
- *Anything that assist get young people into the work place and therefore helps them gain valuable experience must be of benefit.*
- *It seems a fairer way to have younger people who have less experience and life skills to be on a lower rate.*
- *Because anything that might reduce youth unemployment is worth a try.*
- *I suspect the minimum wage may have deterred companies from employing younger people - a youth wage may redress the balance*
- *Although the criteria for selection and the issues surrounding young people will still exist, I feel that Managers may consider a less experienced young person if the pay rate was lower for the first 6-12 months until skills, commitment and potential can be assessed.*
- *To assist getting more youths employed*

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- *It would be an encouragement to business's to employ youths, although not many youths on the island would be looking to work on a youth rate as many we interview already expect higher than minimum wage.*
 - *Youngsters for maybe an extra Saturday Help cannot be paid the adult rate. This will cause upset with regular staff.*
 - *If it is getting young people into work.*
 - *For certain jobs it would be appropriate*
 - *In general, an encouragement to employers to provide work for young people is welcomed. (For us, I can't imagine that we would pay a younger person less just because they are young - we would recruit on merit).*
 - *We could also more junior and part time roles.*
 - *It may encourage employers to take on less experienced candidates.*
 - *Our entry level wage is significantly above £6.83, but a youth will not be as "productive" or "effective" as an adult employee on a pro rata basis. Adult staff can be resentful if they think they are disadvantage next to an inexperienced and less adept young colleague.*
 - *These young people need to work to gain experience, have a value and feel valued. A lower rate justifies the additional time we are likely to need to spend coaching and training them to make them good enough.*
 - *We are interested in taking on apprentices in all areas of the business. Being a charity and with limited budget does hold us back. A youth rate would be very attractive to us.*
 - *May help encourage an employer to take on staff at this age even if less productive.*
 - *May encourage young people if there was a pay scale to improve through.*
 - *It would encourage me to employ young people if I was operating in a different sector.*
 - *I think it's unfair someone leaving school with little experience can go straight in and earn the basic wage.*
 - *Any barriers that are removed to take on more staff must be good, for both employer and employee*
 - *The Public are underestimated, if the youth feels he is not earning enough he won't work - if an employer takes advantage Jersey is a small island and it soon becomes known. Let market forces prevail.*
 - *It should actively encourage employers to employ young people from school and not force them into very costly third level education because they do not have any other choices... Apprenticeships should also to encouraged and supported.*
 - *Anything that helps keep the cost of employing staff in these very difficult times is helpful, regardless of their age, as well as encouraging employers to recruit young people.*

Employer's reasons against the introduction of a youth rate:

- *No there is already a trainee rate available. The States as an employer have a youth rate we use anyway to recruit across the States which is a lower rate for young people but this is above minimum wage. I would be concerned that a youth rate would allow employers to employ young people and pay less for the same workload and productivity of an elder person. If a youth rate was introduced it could maybe be time limited so that employers could use it to*

bring young people on board and pay for training etc. but it would rise to normal rate after a period in the role. So it would act more like a discount rather than a rate.

- *It would be demotivating and unfair. When new young people start work they should be made to feel wanted and useful and their enthusiasm to progress should be nurtured. Paying them less than the going rate would send out a very different message.*
- *We take on students in the summer months or the holiday season and we would pay them at least the minimum wage.*
- *Unfair*
- *We pay our youngsters above minimum wage so it would make no difference to our sector*
- *We would pay them the same as the rest of the work force. They are doing the same work so will be paid the same pay. Unless the individual/s would have extensive training and then we would pay the trainee rate*
- *The minimum wage is reasonable*
- *It would seem unfair to pay somebody a lower rate only due to their age.*
- *I believe a young person should be paid the same rate as anyone else doing the same job*
- *We can give the young full time jobs. Only if there is a commitment by the States and the job seeker. Trouble is, nobody cares, too many departments, no lateral thinking.*
- *If a youth is employed to carryout tasks similar or the same as a mature person then they should receive the same pay. If they are learning through training to do the tasks then the training rate may be applicable.*
- *As a company it would be unlikely to make a difference to us as we employ most of our younger members of the team in our retail area. We would not employ younger workers who do the same work on a different rate of pay to those already employed of the same age.*

Other Employer comments regarding the introduction of a youth rate:

- *I think this would be very dependent on the role that the young person was taking on. For those with few skills, few qualifications a youth rate would be appropriate until skills were achieved to a level of satisfaction. However, in my organisation, given my expectations of the skillset of our trainees, I would personally find it difficult to pay anyone that lower salary and we pay a minimum of £10 per hour to all our work experience students. Our trainee's (if we were currently employing any) would be around £19,000 per annum.*
- *Hard question to answer as our employees need the relevant qualifications and experience in shipping/logistics/HGV license, so unusual to find someone under 19 with this experience. If we did we would be happy to consider and the youth rate would be ideal.*

Training comments

Employers' reasons for indicating that training should not be a requirement to pay a youth rate:

- *Depends how you define training. Clearly 'on the job' training is required for any new employee but if you mean outside training e.g. City and Guilds then no, because it isn't always applicable.*
- *No that what a trainee rate is for.*

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- *Training depends on the role and not all jobs require structured training i.e. apprenticeship, it is more on-the-job training, which applies to everyone not just Young people.*
 - *Every job provides valuable learning and experience, regardless of whether any specific training is involved.*
 - *Every company will have their own method of dealing with young people, or new employees coming into the business, if training is compulsory this would then need to be assessed by somebody as to whether the training is taking place and/or paperwork in relation to whether the training is acceptable. If the youth rate is there to encourage employers to consider their applications against others then compulsory training may prevent this. There is still a duty of care in relation to Health & Safety in terms of training and supervision, but for most roles around the minimum wage, these are low skill and manual jobs with little training scope initially, unless an individual starts to progress above that initial role.*
 - *If you want to encourage employers to give young people the experience of work, then encourage them, don't attach conditions.*
 - *Training is essential to any employment. A positive, willing attitude is essential but not yet apparent in the work force seeking employment. It seems that, our youth's aspirations and expectations are much higher today and doing nothing is a financially viable thing for them.*
 - *There is a training rate for this purpose currently. Many of the jobs that will be traditionally offered to young people starting off are low skilled (myself included) so it's more important to give them the important starting step on the ladder. This initial brush with the harsh reality of the working world can result in them having a rethink and returning to attend college or give them a focus for the direction they wish to take in terms of a working career.*
 - *Each business is different and has different needs and requires different levels of training. Work experience in itself is a form of training and nothing pleases a prospective employer more than a clear sign on the CV of a willingness to work*
 - *Some jobs don't require formal training.*

Other comments from employers

- *The rates talked about are very low - equating to less than £10K per annum. The island should definitely legislate that no one, young or otherwise, should be allowed to be paid any less.*
- *I think the Youth rate should be in between the trainee rate and the minimum wage as the trainee rate is aimed at those training within an industry leading on to qualification or vocation. The Youth rate will cover students, part time workers, zero hours and the initial training period for those starting out in the workplace at this level of employment. From a social point of view there is the question as to whether a Youth rate would actually increase their employability and also whether it could potentially disadvantage more mature and/or elderly workers from employment prospects especially in periods of generally higher unemployment and who has the greater need of employment?*
- *Care should be taken that a youth rate does not lead to the exploitation of young people*
- *If the youth is training they should be given the equivalent of a trainee. If they are fulfilling a job successfully they should be paid at least the minimum wage.*
- *At my company, all employees have an interest in the business and are given equal status. Therefore all young people are paid at the same rate and in the same way as anyone else doing the same job.*

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- *As per my comments previously there are now far fewer opportunities for vacation work than in my generation and experience of summer vacancies even if menial and without significant training - provided a useful transition into the adult world of work and encouraged prospective employers to recognise that you had already had the sharp edges rubbed off making them more willing to give you a chance for that first 'real job' The prospect of a young person without any work experience (and possibly unrealistic expectations of working life based entirely on experience of school) - being engaged in competition with an older more experienced candidate (who needs to keep the job as they are no longer living at home)is likely to be quite slim*
 - *It is a big responsibility for employers to take 'some' young people and as we know it is also very time consuming. May be the employers/business should be given a type of grant or equivalent for assisting and coaching these young people to achieve their goals!*
 - *Introduce an indenture to prevent the problem that young people are perceived to have work ethic problem, take the risk away from the employer and make parents responsible for their children getting to work i.e. their wage for that day they don't turn up. We need action, not form filling. Proper use of public assets, when they become obsolete from States use, the public should be given access to purchase the outdated item i.e. van, could be loaned to person without vehicle wanting to set up as a gardener, which he then pays back to the states with the wages he attains in his job.*
 - *If a youth rate is introduced, I don't believe that that it should be more than the trainee rate as employers may have increased conflict in the workplace.*
 - *There should only be a youth rate if training is encompassed negating the need for two schemes. Youths should not be paid less than counterparts doing the same job unless additional training is attached*
 - *Jersey is an extremely expensive Island to live in. Whether young people are Trainees or Youth Rate workers they must be paid a rate that at least gives them some means of support.*
 - *Industry must realise its responsibility to employ and remunerate for the job that is being covered. The youth rate is being used as a cover for supposed training and affords some parts of our industry cheap labour.*
 - *It is a horrible generalisation and there will be vulnerable youngsters who should receive the community's support and attention, but the majority are not "hungry" or ambitious enough. There are plenty of jobs opening in agriculture and hospitality that many of our youth seem to find below their station or too physically demanding. They need an alarm call to the real world.*
 - *to be paid a youth rate the individual should have extensive training included to allow personal and academic development in the industry that they are to work in. This though would come under the already implemented training rate.*
 - *I don't think it will make much of a difference, unless at the lowest rate. Older people with bills to pay should be targeted and focused on.*
 - *I can see how it could be good to get more employers involved with a youth rate as some could not afford the min wage however if an individual is capable of doing a job they should fall under minimum wage.*

Appendix 2

Other Organisations' comments

Unedited comments were as follows:

Barriers to employment of young people

- *When considering employing a young person with a view to fully training them up employers are faced with a number of barriers, firstly because of the current choice in the labour market more experienced workers are readily available. Significant cost implications exist when paying for training on top of a full time wage for a young employee, due to the constraints placed upon small business' during a recession many could not survive if having to pay for training as well as employment of a new starter.*
- *Due to legislation we can only employ people over the age of 18*
- *Trades don't want to train people up investing a lot of time and resource and for them then to leave once fully trained. Time and resourcing strains mean that employers are less inclined to give young people a chance. Lack of experience = lack of proof they can hold a job down.*
- *The law needs to ensure that there cannot be age discrimination and also the States of Jersey needs to continue to invest heavily in its Education Service to ensure that young people are suitably qualified. Failure to do these things would set up barriers. Grants to employers to help train new workers may also help.*
- *The barrier is the potential perception of employers about the disparity between experience and pay. It may be the case that younger employees do not have the same amount of experience in a role as an older employee but current minimum wage provisions do not account for that. Employers may well be deterred from employing younger employees because of the requirement to pay them at least a minimum amount which is equal to the minimum amount of an older, more experienced employee, when they must spend more time supervising the younger employee, whose performance may well not be equal to that of an older employee.*
- *1) Health and safety issues dependent on the sector. 2) The level of support that a young person might require 3) The lack of experience that a young person brings to the job 4) The poor work attitude of some young people.*
- *One comment was "Currently, younger employees may be priced out of the job market. Employers may well be more inclined to employ younger people if they are permitted, by law, to pay a minimum amount which is more matched to the younger employee's initial contribution to an organisation. Employer's projected wage bills will also be reduced when taking on new staff which will be very welcome in the current economic climate. Alternatively, another potential impact may be that a youth minimum wage deters younger employees from entering the job market and instead opt for training or further education, which is likely to contribute positively to the labour market as a whole over time."*
- *The UK's Low Pay Commission has each year continued to justify different rates for different age groups on the grounds of evidence indicating that young people have continued to do less well in the labour market than older workers. Although that decline has abated slightly in regard to 16-17 year olds who are not in full-time education, the Low Pay Commission nevertheless believes that lower minimum wage rates for young people continues to be justified to protect their position in the labour market. As well as the UK; the Isle of Man, the*

Netherlands, Poland, Slovakia, Malta, Latvia, Belgium, Czech Republic and Ireland all have minimum wage rates for different age groups. The Isle of Man, for example, pays different rates to employees aged 16 years old, currently £4.67 per hour and 17 years old, £5.24 per hour. We also know that in other countries many young people are just provided with board and lodging when they are going through an "on the job" or "stage" short-term job experience process. We, therefore, cannot understand the reluctance is agreeing a "youth rate" in Jersey set for 16 and 17 year olds (up to the age of 18), to sustain both local employment prospects and the industry generally, with the standard minimum wage applying at 18 years and over, regardless of training status. Given the current statistics regarding unemployed young people, surely this is sufficient evidence to support such a rate being adopted by Jersey."

A youth rate should be introduced as an option:

- *I feel it would encourage employers to give more young people a chance when looking for candidates, also I think it would encourage training of new starters which would equip them for the long term future.*
- *Young people deserve an opportunity of employment. A lower rate would encourage employers to offer employment.*
- *A youth rate should only be for a probationary period of up to 6 months. I think it unreasonable to offer this wage to young person that is seriously trying to generate an adult independence.*
- *Currently, younger employees may be priced out of the job market because of the reasons stated in response to question 4. Employers may well be more inclined to employ younger people if they are permitted, by law, to pay a minimum amount which is more matched to the younger employee's initial contribution to an organisation. Employer's projected wage bills will also be reduced when taking on new staff which will be very welcome in the current economic climate. Alternatively, another potential impact may be that a youth minimum wage deters younger employees from entering the job market and instead opt for training or further education, which is likely to contribute positively to the labour market as a whole over time.*
- *It would encourage businesses to employ young people and help them to gain experience.*
- *"The law needs to ensure that there cannot be age discrimination and also the States of Jersey needs to continue to invest heavily in its Education Service to ensure that young people are suitably qualified. Failure to do these things would set up barriers. Grants to employers to help train new workers may also help."*

A youth rate should not be introduced as an option:

- *Employment should not be based on a lower wage for the employee but on suitability for the job. However, subsidies as mentioned above for training, etc. may help. It is particularly important that young people are not taken on just because they are "cheap" to employ and then when they qualify for adult wages are dismissed and replaced by other young people. If there is to be a youth rate then it should be linked to permanent employment status so those taking up the posts can be sure they will move on to the adult rate and so employers will have to commit to proper training and development over a period of time.*

Other comments:

- *More encouragement should be provided to young people to stay in higher education. A youth rate should still enable employers to be able to pay a higher wage to a good employee.*
- *The trainee rate should rise and be on a par.*

- *This should be addressed through the culture of careers advice and guidance given in secondary schools and opportunities for employment / education represented fairly through private and public schools*
- *Training need not be specific but "on the job" training should play an important part.*
- *Since the introduction of a minimum wage for Jersey in July 2005, we have continually asked the Employment Forum to introduce a Youth Rate in particular over the past few years as a result of the changing employment situation locally whereby school leavers/young people have found difficulty in finding employment. We believe that employers are generally discouraged from employing younger people, unless they have to, as a result of having to pay them the minimum wage or above. There are few jobs for them because they are simply over-priced when they first leave school and are in need of training and supervision. A youth rate could be bracketed to the age of the employee rather than insistence that the employee drawing the youth rate must be in formal educational training. We understand that the criteria of such training is any training considered by the ESC Minister to be educational training! As well as employers we believe that there should also be a commitment on the part of the community to maintain the opportunity for young people to acquire the work ethic.*

We would ask why there is a resistance in introducing a Youth Rate in Jersey when despite claims of age discrimination locally, the UK's Low Pay Commission has each year continued to justify different rates for different age groups on the grounds of evidence indicating that young people have continued to do less well in the labour market than older workers. Although that decline has abated slightly in regard to 16–17 year olds who are not in full-time education, the Low Pay Commission nevertheless believes that lower minimum wage rates for young people continues to be justified to protect their position in the labour market. As well as the UK; the Isle of Man, the Netherlands, Poland, Slovakia, Malta, Latvia, Belgium, Czech Republic and Ireland all have minimum wage rates for different age groups. The Isle of Man, for example, pays different rates to employees aged 16 years old, currently £4.67 per hour and 17 years old, £5.24 per hour. We also know that in other countries many young people are just provided with board and lodging when they are going through an "on the job" or "stage" short-term job experience process.

We, therefore, cannot understand the reluctance is agreeing a "youth rate" in Jersey set for 16 and 17 year olds (up to the age of 18), to sustain both local employment prospects and the industry generally, with the standard minimum wage applying at 18 years and over, regardless of training status. Given the current statistics regarding unemployed young people, surely this is sufficient evidence to support such a rate being adopted by Jersey.

- *More encouragement should be provided to young people to stay in higher education. A youth rate should still enable employers to be able to pay a higher wage to a good employee.*
- *The trainee rate should rise and be on a par.*
- *This should be addressed through the culture of careers advice and guidance given in secondary schools and opportunities for employment / education represented fairly through private and public schools*
- *Training need not be specific but "on the job" training should play an important part.*

Appendix 3

Employee comments

Unedited comments were as follows:

Reasons given by employees who would work for a youth rate

- *To be busy x23*
- *To gain training/learn new skills x17*
- *To get experience x17*
- *To gain confidence x3*
- *Although yes because hard working people will do anything to work. Funding from the States when I did my training was a joke. It meant I got paid nothing for the day a week I spent training and had to pay college fees to., While paying tax and social at the same time felt like a kick in the teeth. Also apprentices get paid less than minimum wage. it really made me and many others think 'why bother?'*
- *As long as it leads to a permanent position and not just cheap labour.*
- *Better to work and be paid than not work at all*
- *I think its sensible both parties get to know how to work together; formal training costs so I think that this could be undertaken after both parties are working well or possibly before becoming full time employee's*
- *I think young people are more willing to take jobs on lower pay - especially if it gives them a foot on the ladder and an introduction to a career.*
- *I was lucky enough to serve a proper apprenticeship which gave me both the skills and certification necessary (This was common back in the late 70's and led to a job I have been doing for the past thirty-odd years for the same employer).*
- *I would like my initial employment as a young person to include training, and a youth rate would give more opportunities for this.*
- *I would not wish to be unemployed.*
- *I need to work and have never taken or expected benefits*
- *It is so much easier to look for other job opportunities if you have work experience. Employers often will not employ young people because of lack of experience, the youth rate may encourage this.*
- *Lower initial wage would be worth it if I was getting training and work experience*
- *Many young people leaving school may not have skills for certain jobs. Without training, they may resent being 'taken advantage' of recession to earn a low wage.*
- *Provided they would get the same as adults once trained.*
- *Something is better than nothing and it's the way to get experience*
- *The experience would give you more confidence.*

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- *This goes against what I have just said but if it is brought in then I wouldn't not take the job if it meant getting experience and my foot in the door or employment. All good experience.*
 - *This would have to ensure that training actually means training and that both parties get something from it*
 - *Training is an incentive and the youths don't feel like they are being "used" for cheap labour*
 - *Training would be an important part.*
 - *Yes it is better to earn a bit less with training on condition that you can progress through the company and not just be encouraged to leave after the training*

Employee additional comments on a youth rate

Reasons put forward in support of a youth rate:

- *Don't put up barriers to youth employment, experience was always the best way of learning until we discovered qualifications and now we have qualified inexperienced youth workers who can't get employment, this can't be the way forward.*
- *Employers should be encouraged to take on young local people at a youth rate (and with suitable training provision) in preference to non-residentially qualified people.*
- *They should have a chance and opportunities to be employed x4*
- *I feel sorry for young people*
- *I think that a youth rate would be welcomed by youngsters who are keen to get a foot on the employment ladder and have no chance otherwise. The rest won't bother as usual.*
- *All efforts should be made to get people employed.*
- *If young people are not given a chance then this is going to affect the whole of the islands' future infrastructure*

Reasons put forward against a youth rate:

- *I think a youth rate would exploit young people. You may also push young people onto further training, leaving a vast range of young people highly qualified with nowhere to go, except to the positions they would have got regardless of the qualifications.*
- *A youth rate without training is discriminatory. I don't see why young people should get paid less for doing the same job, unless they are receiving training.*
- *It could be abused by employers who could find a reason to get rid of people once they were due for a pay rise and always re-employ young people thus saving themselves money.*
- *Employers will only ever want to pay the minimum they can get away with. Is it wise to give them more ways to do this?*
- *It might take advantage/exploit them. X2*
- *Good job should be paid fairly/ Cheap labour is not good and good labour is not cheap x3*
- *The States should spend their money more carefully.*
- *It would make them feel undervalued.*
- *The States should stop spending money in useless projects.*

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- *The States need to get their priorities right.*
 - *This should not be used as an excuse to pay less than minimum wage.*
 - *If anyone is capable of doing what job they are employed for, they should get the right pay.*
 - *We should also encourage internships, apprenticeships, etc - not just an "empty degree" culture where we have over educated but under trained and under skilled young people in the unemployment pool.*
 - *In the past I have been offered young Project Trident staff, however there were too many conditions attached which would have incurred more cost than it was worth.*
 - *Exploitation would be my main concern by bad employers particularly if it hurts their full time employee's with loss of OT for example and employing youth rate at weekends at their expense. Not as easy as youth rate seems as it has other effects on employment*
 - *Yes. It is important to understand what the youth's reason for seeking work is. There should be one response for those who simply want to start work and a different response for those who are waiting to undertake further education or training outside the Island*
 - *Number of hours worked should be limited to 40 hours per week.*
 - *I think the trainee rate is too low and should be £5.32 - why have a trainee rate and youth rate - still not sure what the difference is. I know of a few youths employed at the trainee rate but asked to leave so another trainee can be employed thereby keeping the wage rate low for the employer and the employee fobbed off back to unemployment*
 - *Whose interests are being looked after here. Definitely not the young persons. This is typical of looking after the business owners and giving the young workers a very bad deal. Actually think it's morally repugnant to pay anyone below the minimum wage. Things cost the same no matter how old you are.*
 - *If someone is looking for employment in Jersey they should be entitled to at least the minimum wage. Putting in this "youth rate" is just a ploy to lower the unemployment statistics by letting employers get around the minimum wage.*

Appendix 4

Students and young people comments

Unedited comments were as follows:

Reasons young people gave for agreeing to work for a youth rate:

- *Any money is money, but I think it's be very unfair as some youths can do a better job than their adult equals*
- *I need a job and am willing to be paid pretty much anything, although of course full minimum would be preferable*
- *As I am currently looking for a job, any job which gives me experience to get better jobs to pay for my future education would be ok*
- *Yes, because it means you will have experience which is valuable and shows to future employers that you are committed.*
- *I already work for youth rate (aged 15 – Public sector worker)*
- *Because I need money and to work for it, no matter what the pay rate is*
- *I wouldn't be fussed as it's still an income*
- *Because I am not old enough so it doesn't matter to me as long as I get something to gain experience*
- *Because it would help me get a job*
- *it would be valuable experience and opportunity for pay*

Reasons young people gave for agreeing to work for a youth rate with training:

- *It would only be worthwhile to work for that wage if training was included*
- *I need more and more money now and I can't afford not to work*
- *Even if you were working below minimum wage with training you'll gain skills and experience while still getting paid*
- *It provides people with an opportunity to be trained and still earn money*
- *If I was being paid lower I would like to learn the ropes of the job so that I could do it well.*
- *Gaining a new skill which will be beneficial*
- *If we are being paid less than our co-workers but we are doing the same amount we should get more compensation in other ways*
- *If I was working for a lower rate than an adult I would at least want something to make up for the loss. Since at 18 I am essentially an adult!!*
- *Because I would be still getting a wage whilst also getting trained*
- *To get some experience x4*
- *To be doing something and earning something x2*
- *I would want it to be relevant to my actual career interest. Training would have to be offered*

-
- *Although not as much, you would still be getting paid for experience and training which is better than nothing*
 - *You can learn how to do the job and if you still have it over nineteen you can get the minimum wage*
 - *More jobs available - training means progression and pay rise*
 - *Because it gives you extra skills to put on your CV also it gives you work experience*
 - *I'd like the money and experience*

Reasons young people gave for refusing to work for a youth rate:

- *If an able 18 year old is working the same amount of hours and carrying out the same duties as a 20 year old. They both deserve the same rate of pay, regardless of the age.*
- *Because when you are working hard you should be paid what you deserve not what is best for the economy*
- *The legal minimum wage is there for a reason. Don't bend/break the rules just to save yourself a few pennies and rip people off*
- *It would not be enough to satisfy the cost of my living expenses*
- *It would not be fair*
- *Constricting in terms of saving for university. This would not be the case for a mature student who is paid minimum*
- *Just because I am young does not mean I will put any less effort into work than an adult would. Therefore I deserve the same wage*
- *Not enough*
- *I don't need money*

Reasons why a youth rate should be introduced:

- *More young people will be employed and it will encourage employers to employ more young people*
- *Allows more people to earn money that are unemployed even if it is minimum wage*
- *Because a big percentage of young adults and teenagers have not got a lot to do around jersey*
- *It would give more opportunities for people who really need a job*
- *Should be introduced as optional as it would increase the amount of young people in employment even it was just a stepping stone to gain experience*
- *Gives opportunities for teenagers to start making money and experiencing the world of work*
- *As it provides more jobs for students as the place can hire more students. As long as there are guide lines e.g. Hours/shifts*
- *To give the youth a start*
- *To give young people something to do*
- *To get people off benefits*
- *It give you confidence*

-
- *It should be fair throughout UK*
 - *Minimum wage is right*
 - *It will encourage youth employment - although it should only be until they reach a suitable skill level*
 - *Because the system seems to be working in other places*
 - *More jobs available. But a pay rise should be introduced when employee progresses*
 - *Because it keeps young people off the streets and something to do*
 - *Because the system seems to be working in other British places*
 - *Could lower the amount of unemployed people*

Reasons why a youth rate should not be introduced:

- *Young people have outgoings too and rent/housekeeping to pay*
- *we deserve to be paid the right amount!*
- *because youths are just as good as adults in many cases*
- *because it's stingy*
- *Because employers may keep the low rate pay for as long as possible*
- *because youths still work just as hard*
- *it is not a good idea to pay people less just because they are younger*

'Don't know' comments from young people:

- *It depends on the sort of job you're doing and the amount of time you've worked for.*
- *It will provide both pros and cons*
- *It all depends on how long you worked and how much you need money. If the youth rate were to be introduced it may cause problems*
- *It's hard to think about what would happen if we did employment for the youth would go up but unemployment for adults would decrease*
- *It might encourage employers to give younger people, which is a positive thing, a chance, however being paid less is an obvious negative.*
- *The youth rate seems discriminatory but if would offer more employment options*
- *This is the first I've heard of it so i am not fully aware of the pros and cons*
- *Not sure*
- *Employers should be honest if a youth is working the same job as an adult they should be equal pay*
- *I am not sure as it could have positive and or negative effects.*
- *Don't know what it is*
- *Because minimum wage is a right however it would encourage employment*

Training expectations:

- *Not something that anyone could do after only working there for a short period*
- *Progressive training. So the employee has a chance to continue up the working ladder*
- *Computer skills, maths and English skills*
- *Because if people are trained they can progress and do more things and get a pay rise*
- *Because if they're trained they will be more experienced on the job therefore able to perform well*
- *As we are being paid less we might as well train for it as you may get paid more once your work standard increases*
- *I think that it is important that training is provided due to the current climate and job state. Training that will be useful and beneficial*
- *All training*
- *Training that would improve their skills in that work field to help them get a job later on*
- *Any training that would improve quality of work*
- *To enable youths to be more skilled at their job*
- *Any type of training that is required for the job in hand*
- *Understanding the job*
- *As mentioned the lower wage would have to be made up for in learning a useful skill that would benefit future job applications.*
- *Trade training in store training*
- *More development*
- *Training in the area the job fits into*
- *Hands on*
- *Being shown by someone who knows the job*
- *Being closely supervised*
- *Because with training comes progression and pay rise*
- *As necessary for the job on site induction - nothing that is too onerous on the employee or it may discourage them to take part*
- *Being shown what to do*
- *Just a trial of the job, to see if you can handle it*
- *During the job training*
- *Courses related to the job*
- *Learning to observe the difference in children and adults working*
- *Training increases experience and with more experience you should get paid more.,*
- *You can progress in your job and gain more skills*
- *Because with training the employee gets better at the job*

-
- *If people are trained they can progress and gain skills to help them in life and further employment*
 - *Because with training comes progression which deserves a pay rise*
 - *With training comes progression which means they will be better at their jobs so they should be paid more*
 - *Because training makes people better at their job and that means they deserve more money*
 - *Training would increase experience and may be better at said job*
 - *One to one*

Young Persons' Responses - Other comments:

- *Everyone is entitled to the same rate of pay, I know you probably read a lot of these surveys, however I feel it is necessary to state that as a student attending college on the Island, I have already postponed further education at university for an additional year, as my working class family are struggling to pay for the costs. Both me and my teenage brother work as many shifts in retail on weekends and in between working at college as we possibly can, to save up for further education, however reducing the training rate would severely make a dent in our monthly and annual salary. Our family work very hard for their money and the States consider it fair to give full grants and bursaries to those families who make no effort whatsoever to find a job but want their offspring to attend university.*
- *Teenagers need to have a good head start in life and should be paid at least £7 especially in this climate. It's getting harder for teens to have a good head start!!*
- *People can leave school legally at 16 and go into work. It is unfair for them to receive less money than anyone else just because they are young. At least they want to work and don't sit on their bums all day feeding off the state or us the taxpayers!!*
- *Could be flexible ; differ on how technical the job is and how much training needs to be done*
- *This idea is absurd and discriminative to young people. Just because someone is young does not mean they don't have the ability and work motivation to not do just as well or even better than anyone older than them*
- *The States need to do more to get people into work*
- *It's definitely a positive step to help give young people the opportunity to prove that they are as capable as adults (sometimes more so!) In the workplace.*
- *I currently work for a youth rate (under 16, leisure and recreation worker)*
- *Everyone is entitled to minimum wage*

Highlands College Students - Focus group comments

The Highlands College focus group members were asked at the end of the session to write down what they thought of a youth rate, whether it should be introduced, what rates they would be willing to work for and the positive and negative aspects of such a potential rate if it was introduced. Individual unedited comments received from Highlands Focus group members were as follows.

Yes, a youth rate or similar should be introduced

- *I would work for a youth rate if I got training and at the end of the training I would get a recognisable qualification. I would work for a youth rate for no longer than 6 months if it was a simpler job or until the end of training if it was a higher job. Positive, benefits young people by letting them gain skills, provides work experience, make them seem more attractive to employers as if have worked for a youth rate, they may seem a hard worker irrespective of pay. The negative is that you are not paid as much as minimum wage, therefore it could affect the employee if working for a youth rate for a long time. (17)*
- *Yes, if I got an accredited qualification and it was a reasonable rate around £5 to £6 for 6 to 12 months with no social security deductions. The advantage is that you get a qualification, experience in the workplace, it increases your chance of getting a job and you are getting paid to gain a qualification. The negative is that it could be a long time on a low rate, and you could not live on this. (16)*
- *Yes, I would work on a youth rate but only if I got a certificate. Pay would have to be £5.50 or more for 6 months. I should not have to pay social security if I was on a youth rate. The positive aspect is that it increases the chances of getting a job because it would be more work experience. The negative is that it is not as much money as minimum wage, if it was for longer than a year it would not be worth it, however would obviously rather gain experience on the job at current minimum wage (but depends on outcome). (16)*
- *A youth rate could be two options, either; 3 to 6 months at £5.50 with an official qualification to be recognised after the probation period; or; on the job training at £6.00 with a letter explaining you are capable for 3 to 6 months. The positives are that you could further your education, gain official qualifications, there might be more jobs for young people. Disadvantages to the potential youth rates are that jobs that may require less training may take advantage with regards to the actual time for training to pay you less. Some may choose to say pay is too low and refuse to work, better on benefits? Employers may only want people without a qualification so they can pay them less, and sack people after probation period is finished. However I personally see no positives to a youth rate, if people want to further their education let them at college and night school, don't make them lose out on pay. (17)*
- *Yes, I would work for a youth rate of £6 an hour for a period of 6 months in the attempt to gain on the job training. Once the period is up, it should increase to minimum wage. Relevant training, equally must be included. This would increase the chances of us getting the job, the money we don't receive as a wage, due to a potential decrease, may be re-invested into appropriate training. The negative is that the money would be lower than previously entitled to, if training isn't adequate then the young are losing out and that the work that may be being carried out may be worth more than the pay we are receiving (16).*
- *I would work for a youth rate for 6 months if I were either guaranteed a full time job or a recognisable qualification with staff training. The advantage is that it gives the employer the opportunity to see if you are loyal and keen, it may also help if applying for other jobs. It might also mean that you are not committed to the job from the start. You unfortunately are out of*

pocket temporarily, and may work more hours if you have more training e.g. college. It may be off putting knowing that you are working for less than others. (21)

- Yes, qualifications for 6 to 12 months would work for around £5.60. The positive is a youth rate would open up more employment possibilities, perhaps an allowance from social on a full time basis, qualifications and training and work experience. Negative is that there will be less pay, the younger person might feel taken advantage of if work package is poor and have to make up the hours when off premises training. (17)
- Yes, would work for youth rate if at the end I got any qualification e.g NVC, but not until 18 years. A minimum of £5.50 should be applicable. The advantage would be qualifications, training gained, confidence building, experience and there should be some alternative benefits because of the youth rate. The disadvantage is that there is not enough to pay rent, additional goods and if it is for too long the employee could lose motivation. (19)
- Yes, would work for £6.00 for on the job training. One year maximum, lower pay for some form of certificated training, or purpose and physical evidence i.e. learn a language, opportunity for pay rise after a period of time. The advantage is it would make jersey more internationally competitive, would help to train the Jersey population, gives young locals a certain degree of advantage compared to more qualified immigrants and older local job seekers, could lead to a small increase in economic activity as business would have more to spend. The negative is that young staff could be less motivated and less respectful of company they are working for, could cause a downward pressure on consumer spending, companies could take advantage of young cheap labour and it will be hard to administrate. (17)
- Yes, it should be introduced. Would take a job for £5.50 if there was some qualification involved and less social security/tax. The advantage is more young people might be employed, training opportunities, and improve future employment prospects for the individual. The negative is that it will be hard to keep up with the high cost of living e.g. petrol, rent, you might not get a lot out of it, businesses could take advantage and you might end up doing too much work for too little pay. (18)
- £6 an hour, with on the job training for 6 months. If a youth rate for £5 an hour this should be with official training. This will open up job opportunities in the future. Whilst on this rate there should be some allowances such as not paying social security or similar. The advantage is the training opportunities help in future for better jobs/profession, it increase the chances of getting a job, provides you with more experience, more job opportunities for you in different sectors other than retail. It could be seen that the young person is just cheap labour for the employer, get paid little and gain nothing out of it. There might not be enough money to cover living costs etc. (17)

No, a youth rate or similar should not be introduced:

- A youth rate should not be introduced. If it was £5.50 for a recognised qualification for 6 months, £6.50 for on the job training for 6 months. Although seeing as employers want experience I would go work somewhere for a month for free for a maximum of one month, just for the work experience. Positive aspect is it would be the minimum a young person is paid and would hopefully be easier to get a job, whilst the real downside is that you are paid a lot less for the same job that someone older is doing and being paid more. (18)
- No. Would only work for a youth rate if there was a qualification that employer's value and there were social benefits. The cost of living in Jersey is high, could work part time in other jobs for more money than a full time youth rate. The work experience would help in future however. (18)

Appendix 5

ATW/Trainee comments

Unedited comments were as follows:

- *In these trying times this is just an excuse for employers to get cheap labour*
- *I feel that a youth rate is acceptable under a certain age and certain contract. E.g. part time weekend jobs, aged 16-17 or under. Those with a full time permanent position after having finished education should be entitled to a more substantial wage.*
- *Why should people be judged and paid on age? We may be young but we are good learners and can do the job as good as anyone else.*
- *I don't think young people should get paid less for working when they could be doing the same job as an older person doing the same work.*
- *A youth rate shouldn't be introduced if it is not of minimum wage as this is quite like age discrimination, an excuse not to get paid well. (The trainee rate should also be raised to a minimum of £6.32).*

Comments from ATW/Trainee focus group members

The ATW/Trainee focus group members were asked at the end of the session to write down what they thought of a youth rate, whether it should be introduced, what rates they would be willing to work for and the positive and negative aspects of such a potential rate if it was introduced. Individual unedited comments received from trainee and ATW group members were as follows.

Yes, a youth rate or similar should be introduced:

- *As long as skills and experience is offered within the job there should be a cheaper wage for younger people starting from 16 and maybe stop at around 19 to 20 but only for a trial basis so you aren't at such a low wage for a long period (four years). It would be good as it would encourage employers to employ younger people and introduce an appreciation of money to help the younger person make the most of it and use it correctly. The negative aspect is that young people could be seen as expendable, and difficult for those that are already on their own. (18)*
- *A youth rate should be introduced if it was providing qualification and training with a wage of £4-£5 depending on industry type. The period should be until you are trained to a junior level, possible 6 months' probation and then to at least minimum wage. Positives are qualifications, training, experience, foot in the door, improved chances for future employment, better people skills, would be in a routine and able to save money. The negative would be that you would be being paid less. (20)*
- *Yes, a youth rate should be introduced. £4.50-£5 youth rate including training for a year. £5.00 to £5.50 youth rate for 1 year. £6.00 minimum wage for someone between 16 and 18 years of age. Just because someone is young does not mean that they are less motivated and willing than an adult. The positives are that it gives you a chance to prove yourself, gives you work experience, increases your connections in business and provides you with independence. The negative aspects were being a 'scape goat' for the employer with regards to pay. (19)*

- Yes, if it included some element of training. The youth rate should come into effect only if it included a form of training that would give you some form of qualification that would help you in your working life. The youth rate should be around £4.50ish and then go up when you are qualified. The advantage is that it gives you an incentive to work, training and will get your foot in the door with a company. However, it has the potential to be exploited if not used properly by a company. (18)

No, a youth rate or similar should not be introduced:

- A youth rate should not be introduced if it only applies to an age group, two workers of different ages with equal experience should be paid the same wage. If a youth rate for a certain age range is brought in then the state should make up the difference between that and the minimum wage, this would be less than jobseekers allowance and would better help people to find jobs. Either this or a vote between the people affected should be taken, young people and employers. A good government shouldn't disadvantage an age group without allowing them to decide. The good aspect is that it may help young people to find work. The negative aspects are that it could; create a group of older people out of work; it is done at the expense of people who will have no say on it, will decrease buying and could harm retail, people will not see a reason to work if it doesn't mean they can be independent from their parents. (19)
- It is completely unfair. I don't agree it should be brought in as we should be on the same level as adults doing the same job. It is ageist. But if it is introduced it should be no lower than trainee rate and include certified training. Also it should only be for the duration of the certificated training e.g. a few months. Social should "top up" the rest. The only good thing is that you get a "foot in the door". The disadvantage of the "youth rate" is that it will discourage young people from working, encourages ageism and treatment of age groups differently. It is unfair that anyone should be judged in their age and therefore their ability. Everyone should be paid based on their ability but also be given a chance to prove themselves. (19)
- No I don't think a youth rate should be introduced. If it was it would have to be at least £5 per hour because if a 16 year old came out of school and couldn't go to college social should give money to them if they are looking for work.
- No, do not introduce a youth rate on its own if a youth rate is agreed then the State should pay the difference to make it up to the minimum wage i.e. the company pays the youth rate of say £4.50, then social makes up the rate to the minimum wage. This will encourage more people to get a job rather than sitting on the social income. Also that should be done as otherwise it is introducing ageism against younger people and that money should be paid on age rather than experience. Everyone, if they have no experience in a certain field should be paid the same regardless of age. Never underestimate the person's ability because of age. Training should be included if the youth rate goes ahead. The name should not be a youth rate, more like "Training", "Incentive" or "Beginner's Rate". The good thing about such a rate would be it puts money in the pocket, it is a step on the career ladder, and a way forward to independence. However, the employer may exploit the workforce, young people may feel undervalued, it discriminates against the younger generation wage-wise. It may also be detrimental to older applicants as younger will be favoured. (18)
- The minimum wage of £6.32 should remain applicable to 16 to 18 year olds. However, I feel it should go up as the employee ages. As for the training rate, it is really bad, yes I think it should be lower than the average rate but I do not agree with £4.74. I would not work for that unless it was absolutely necessary and a last resort. A youth rate would be biased. The positive is that children living at home are not over/underpaid. Part time Saturday jobs are still earning decent money (if saved). (18)

Appendix 6

Jersey Youth Rate Questionnaire

Employer questionnaire

Island Analysis is carrying out research on behalf of the Jersey Employment Forum. The research is designed to provide the Employment Forum with information to be able to make a decision as to whether a youth rate should be introduced in Jersey.

A youth rate is a minimum wage for people aged under 19, it may be temporarily lower than the current minimum wage to encourage employment of young people, and may or may not incorporate some training. The current minimum wage in Jersey is £6.32 per hour, whilst the trainee rate is £4.74 per hour, with accredited training for up to a year.

All responses received are confidential and anonymous. The results are collated and analysed by Island Analysis on a sector or organisation size basis. All comments are anonymous but may be quoted in the reporting.

Should you wish to complete this online instead click [here](#) or visit www.islandopinion.com

Section 1

1. Business name (asked solely to prevent duplication)

2. In which sector would your business best be classified?

(Please select the main function of the company)

Agriculture and fishing	<input type="checkbox"/>	I.T.	<input type="checkbox"/>
Manufacturing	<input type="checkbox"/>	Hospitality (Hotels, restaurants and bars)	<input type="checkbox"/>
Construction and quarrying	<input type="checkbox"/>	Retail/shops	<input type="checkbox"/>
Utilities (Electricity, gas and water)	<input type="checkbox"/>	Supplier/wholesale and fulfilment	<input type="checkbox"/>
Finance	<input type="checkbox"/>	Recreation/ cultural	<input type="checkbox"/>
Legal	<input type="checkbox"/>	Health	<input type="checkbox"/>
Administrative and support services	<input type="checkbox"/>	Education	<input type="checkbox"/>
Personal services	<input type="checkbox"/>	Non-profit	<input type="checkbox"/>
Transport, storage and communications	<input type="checkbox"/>	Other business activity (please specify):	<input type="text"/>

3. How many people are employed in your company?

1 to 5	<input type="checkbox"/>	51 to 100	<input type="checkbox"/>
6 to 10	<input type="checkbox"/>	100 to 250	<input type="checkbox"/>
11 to 20	<input type="checkbox"/>	250+	<input type="checkbox"/>
21 to 50	<input type="checkbox"/>	Don't know	<input type="checkbox"/>

4. How many young people under the age of 19 do you currently employ?

(Please indicate a figure or percentage)

Number of employees

or

Percentage of employees

 %

None

Don't know

5. Would you consider this to be a typical number of young employees (under 19) in your business?

Yes

No – this is lower than normal

No – this is higher than normal

If no, please indicate a reason as to why you think that this has changed.

6. What are the four main qualities that you seek in a new or potential employee, irrespective of age?

1.

2.

3.

4.

7. With regard to the employment of young people (under 19), are there any barriers to taking such young people on? If so, what are they?

Businesses that do not employ young people (under 19) please continue to Section 3

Section 2 - Questions for businesses that employ young persons (under 19)

8. What number or percentage of your young employees (under 19) would you say have residential qualifications (5 years resident)?

Residential qualifications % or number

Don't know

9. On what type of contracts are your young (under 19) employees?

(Please tick all that apply)

Contract type

Short term

Seasonal

Full time

Part time

Zero hours

Other (please specify):

10 a. If you have seasonal employees, how many seasonal employees do you normally employ throughout the year as a total?

1 to 4

5 to 9

10 to 14

15 to 29

30+

Not applicable or don't know

10 b. What percentage of your seasonal employees are usually under age 19?

% Not applicable or don't know

Section 3 – Questions for all respondents

11. Do you currently employ any workers on or around minimum wage (£6.32), in your business? (Please tick all that apply)

- Yes, on minimum wage (£6.32)
- Yes, around minimum wage (£6.33 to £6.83)
- No
- Don't know

12. If there was a lower rate available for younger workers (under 19), (in a similar way to the current trainee rate of £4.74 per hour) would this affect the number of young people that you take on?

- Yes** – it would definitely increase the number of young people that we take on
- Yes** – it would increase likelihood of us employing more young people
- No** - it would make no difference to the current number of young people that our business employs
- Don't know

13. Do you think that a youth rate should be introduced as an option in Jersey, as currently utilised in the UK, Guernsey and the Isle of Man?

- Yes
- No
- Don't know

Please provide a reason for your answer above:

14. If a youth rate was to be introduced – for how long do you think that this rate should be applicable to the employee?

Duration	Please indicate
3 months	<input type="checkbox"/>
6 months	<input type="checkbox"/>
1 year	<input type="checkbox"/>
Until the employee achieves a certain level of training	<input type="checkbox"/>
Until the employee is 19	<input type="checkbox"/>
I don't think a youth rate should be introduced at all	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other (please specify):	<input type="text"/>

15. Do you think that the application of a youth rate should compulsorily include an element of training?

Yes

No

Don't know

15 a. If no, what are your reasons for this answer as to why there should be no compulsory training for those employed on a youth rate?

15 b. If yes, in order to differentiate between the conditions applied to a youth rate or a trainee rate, please indicate the following types of training that you think should permit an employer to pay youth rate or a trainee rate. (Please tick all that you think are applicable)

	Youth rate	Trainee rate
Nationally/internationally recognized qualifications e.g. City and Guilds	<input type="checkbox"/>	<input type="checkbox"/>
Courses leading to NVQ, GNVQ or equivalent	<input type="checkbox"/>	<input type="checkbox"/>
Courses leading to GCSE or A level	<input type="checkbox"/>	<input type="checkbox"/>
Access courses for entry to higher education	<input type="checkbox"/>	<input type="checkbox"/>
In-house company training that meets a specified standard	<input type="checkbox"/>	<input type="checkbox"/>
English course for people whose first language is not English	<input type="checkbox"/>	<input type="checkbox"/>
Basic literacy/maths courses for people with learning difficulties preparing them for entry into other courses	<input type="checkbox"/>	<input type="checkbox"/>
Any course in the Economic Development Minister's 'Skills Strategy for Jersey'	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify):

16. Bearing in mind that the current minimum wage is £6.32, and the trainee rate is £4.74, in which bracket do you think a youth rate (for employees 16 to 18) should be?

Same as trainee rate (£4.74 per hour)

£4.75 to £5.26 per hour

£5.27 to £5.80 per hour

£5.81 to £6.31 per hour

There should be no youth rate (entitled to minimum wage of £6.32)

Alternative set amount – please specify

£

17. Have you any further comments to make on the subject of a youth rate?

For example are there any considerations that have not been mentioned that you believe are relevant to the topic of a youth rate or youth employment and your business?

18. Would you be happy for Island Analysis to contact you with regards to any of the answers you have given?

Yes

No thank you

If yes, please provide your name and contact details below:

Name

Position/Organisation

Tel

Email

Appendix 7

General organisation questionnaire

Island Analysis is carrying out research on behalf of the Jersey Employment Forum. The research is designed to provide the Employment Forum with information to be able to make a decision as to whether a youth rate should be introduced in Jersey.

A youth rate is a minimum wage for people aged under 19, it may be temporarily lower than the current minimum wage to encourage employment of young people, and may or may not incorporate some training. The current minimum wage in Jersey is £6.32 per hour, whilst the trainee rate is £4.74 per hour, with accredited training for up to a year.

All responses received are confidential and anonymous. The results are collated and analysed by Island Analysis on a sector or organisation size basis. All comments are anonymous but may be quoted in the reporting.

Should you wish to complete this online instead click [here](#) or visit www.islandopinion.com

Section 1

1. Business/organisation name (asked to prevent duplication)

2. How would your organisation best be classified?

(Please select the main function of the company)

Trade union/staff association Employers' association

Other activity (please specify):

3. In which sectors would your organisation best be classified?

(or please select the main sectors represented by the organisation)

Agriculture and fishing I.T.

Manufacturing Hospitality (Hotels, restaurants and bars)

Construction and quarrying Retail/shops

Utilities (Electricity, gas and water) Supplier/wholesale and fulfilment

Finance Recreation/ cultural

Legal Health

Administrative and support services Education

Personal services Non-profit

Transport, storage and communications Other business activity (please specify):

4. With regard to the employment of young people (under 19), are there any barriers to taking such young people on? If so, what are they?

5. If there was a lower rate available for younger workers (under 19), (in a similar way to the current trainee rate of £4.74 per hour) do you think this would affect the number of young people that employers take on?

- Yes – it would definitely increase the number of young people that taken on
- Yes – it would increase likelihood of businesses employing more young people
- No - it would make no difference to the current number of young people that business employs
- Don't know

6. Do you think that a youth rate should be introduced as an option in Jersey, as currently utilised in the UK, Guernsey and the Isle of Man?

- Yes
- No
- Don't know

Please provide a reason for your answer above:

7. If a youth rate was to be introduced – for how long do you think that this rate should be applicable to the employee?

- | Duration | Please indicate |
|---|--------------------------|
| 3 months | <input type="checkbox"/> |
| 6 months | <input type="checkbox"/> |
| 1 year | <input type="checkbox"/> |
| Until the employee achieves a certain level of training | <input type="checkbox"/> |
| Until the employee is 19 | <input type="checkbox"/> |
| I don't think a youth rate should be introduced at all | <input type="checkbox"/> |
| Don't know | <input type="checkbox"/> |

Other (please specify):

8. Do you think that the application of a youth rate should compulsorily include an element of training?

- Yes
- No
- Don't know

9 a. **If no**, what are your reasons for this answer as to why there should be no compulsory training for those employed on a youth rate?

9 b. **If yes**, in order to differentiate between the conditions applied to a youth rate or a trainee rate, please indicate the following types of training that you think should permit an employer to pay youth rate or a trainee rate. (Please tick all that you think are applicable)

	Youth rate	Trainee rate
Nationally/internationally recognized qualifications e.g. City and Guilds	<input type="checkbox"/>	<input type="checkbox"/>
Courses leading to NVQ, GNVQ or equivalent	<input type="checkbox"/>	<input type="checkbox"/>
Courses leading to GCSE or A level	<input type="checkbox"/>	<input type="checkbox"/>
Access courses for entry to higher education	<input type="checkbox"/>	<input type="checkbox"/>
In-house company training that meets a specified standard	<input type="checkbox"/>	<input type="checkbox"/>
English course for people whose first language is not English	<input type="checkbox"/>	<input type="checkbox"/>
Basic literacy/maths courses for people with learning difficulties preparing them for entry into other courses	<input type="checkbox"/>	<input type="checkbox"/>
Any course in the Economic Development Minister's 'Skills Strategy for Jersey'	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify):

10. Bearing in mind that the current minimum wage is £6.32, and the trainee rate is £4.74, in which bracket do you think a youth rate (for employees 16 to 18) should be?

Same as trainee rate (£4.74 per hour)

£4.75 to £5.26 per hour

£5.27 to £5.80 per hour

£5.81 to £6.31 per hour

There should be no youth rate (entitled to minimum wage of £6.32)

Alternative set amount – please specify

£

11. Have you any further comments to make on the subject of a youth rate?

For example, are there any considerations that have not been mentioned that you believe are relevant to the topic of a youth rate or youth employment?

Thank you for your time.

Would you be happy for Island Analysis to contact you with regards to any of the answers you have given?

Yes

No thank you

If yes, please provide your name and contact details below:

Name

Position/Organisation

Tel

Email

Appendix 8

Employee questionnaire

Island Analysis is carrying out research on behalf of the Jersey Employment Forum. The research is designed to provide the Employment Forum with information to be able to make a decision as to whether a youth rate should be introduced in Jersey.

A youth rate is a minimum wage for people aged under 19, it may be temporarily lower than the current minimum wage to encourage employment of young people, and may or may not incorporate a level of training. The current minimum wage in Jersey is £6.32 per hour, whilst the trainee rate is £4.74 per hour, with accredited training for up to a year.

All responses received are confidential and anonymous. The results are collated and analysed by Island Analysis on an age group or sector basis. All comments are anonymous but may be quoted in the reporting.

Should you wish to complete this online instead click [here](#) or visit www.islandopinion.com

1. In what age group would you be classified?

- | | | | |
|-------|--------------------------|---------|--------------------------|
| 16-18 | <input type="checkbox"/> | 46-55 | <input type="checkbox"/> |
| 19-25 | <input type="checkbox"/> | 56-65 | <input type="checkbox"/> |
| 26-35 | <input type="checkbox"/> | Over 65 | <input type="checkbox"/> |
| 36-45 | <input type="checkbox"/> | | |

2. Please indicate your gender:

- Male
- Female

3. Are you currently employed?

- Yes
- No

4. If yes, on what type of contract are you currently employed?

Contract type

- Short term
- Seasonal
- Full time
- Part time
- Zero hours

Other (please specify):

5. In which sector do you currently work?

(Please select the main function of the company)

- | | | | |
|--|--------------------------|--|--------------------------|
| Agriculture and fishing | <input type="checkbox"/> | I.T. | <input type="checkbox"/> |
| Manufacturing | <input type="checkbox"/> | Hospitality (Hotels, restaurants and bars) | <input type="checkbox"/> |
| Construction and quarrying | <input type="checkbox"/> | Retail/shops | <input type="checkbox"/> |
| Utilities (Electricity, gas and water) | <input type="checkbox"/> | Supplier/wholesale and fulfilment | <input type="checkbox"/> |
| Finance | <input type="checkbox"/> | Recreation/ cultural | <input type="checkbox"/> |
| Legal | <input type="checkbox"/> | Health | <input type="checkbox"/> |
| Administrative and support services | <input type="checkbox"/> | Education | <input type="checkbox"/> |
| Personal services | <input type="checkbox"/> | Non-profit | <input type="checkbox"/> |
| Transport, storage and communications | <input type="checkbox"/> | Other business activity
(please specify): | <input type="text"/> |
| Public Administration | <input type="checkbox"/> | | |

6. How many people are employed in the company you work for?

- | | | | |
|----------|--------------------------|------------|--------------------------|
| 1 to 5 | <input type="checkbox"/> | 51 to 100 | <input type="checkbox"/> |
| 6 to 10 | <input type="checkbox"/> | 100 to 250 | <input type="checkbox"/> |
| 11 to 20 | <input type="checkbox"/> | 250+ | <input type="checkbox"/> |
| 21 to 50 | <input type="checkbox"/> | Don't know | <input type="checkbox"/> |

7. What are the four main qualities that you would seek in a new or potential employer?

1.
2.
3.
4.

8. Do you have residential qualifications (5 year resident)?

- Yes
- No
- Don't know

9. Do you think that a youth rate should be introduced as an option in Jersey, as currently utilised in the UK, Guernsey and the Isle of Man?

- Yes
- No
- Don't know

Please provide a reason for your answer above:

10. If it meant that you were more likely to get a job, (if you are/were under 19) would you be willing to work for a 'youth rate' which may be lower than current minimum wage (which is applicable to all adults)?

- Yes
- Yes, if it included training
- No
- Don't know

Please provide a reason for your answer above:

11. If a youth rate was to be introduced – for how long do you think that this rate should be applicable to the employee?

- | Duration | Please indicate |
|---|--------------------------|
| 3 months | <input type="checkbox"/> |
| 6 months | <input type="checkbox"/> |
| 1 year | <input type="checkbox"/> |
| Until the employee achieves a certain level of training | <input type="checkbox"/> |
| Until the employee is 19 | <input type="checkbox"/> |
| I don't think a youth rate should be introduced at all | <input type="checkbox"/> |
| Don't know | <input type="checkbox"/> |

Other (please specify):

12. Do you think that the application of a youth rate should compulsorily include an element of training?

Yes (please go to Q13)

No (please go to Q14)

13. If yes, please indicate the types of training that you think should permit an employer to pay a youth rate?

14. If no, what are your reasons for this answer as to why there should be no compulsory training for those employed on a youth rate?

15. With regards to the employment of young people (under 19), do you think that there any barriers to taking such young people on? If so, what are they?

16. Bearing in mind that the current minimum wage is £6.32, and the trainee rate is £4.74, in which bracket do you think a youth rate (for employees 16 to 18) should be?

Same as trainee rate (£4.74 per hour)

£4.75 to £5.26 per hour

£5.27 to £5.80 per hour

£5.81 to £6.31 per hour

There should be no youth rate (entitled to minimum wage of £6.32)

Alternative set amount – please specify £

17. Have you any further comments to make on the subject of a youth rate?

For example are there any considerations that have not been mentioned that you believe are relevant to the topic of a youth rate or youth employment?

Appendix 9

Young Person's questionnaire

Island Analysis is carrying out research on behalf of the Jersey Employment Forum. The research is designed to provide the Employment Forum with information to be able to make a decision as to whether a youth rate should be introduced in Jersey.

A youth rate is a minimum wage for people aged under 19, it may be temporarily lower than the current minimum wage to encourage employment of young people, and may or may not incorporate some training. The current minimum wage in Jersey is £6.32 per hour, whilst the trainee rate is £4.74 per hour, with accredited training for up to a year.

All responses received are confidential and anonymous. The results are collated and analysed by Island Analysis on an age group basis. All comments are anonymous but may be quoted in the reporting.

Should you wish to complete this online instead, please visit www.islandopinion.com

1. In what age group would you be classified?

- Under 16
- 16 to 18
- 19 to 25
- Over 25

2. Please indicate your gender:

- Male
- Female

3. Are you currently employed?

- Yes
- No

4. If yes, on what type of contract are you employed?

Contract type

- Short term
- Seasonal
- Full time
- Part time
- Zero hours
- Holiday work/Saturdays

Other (please specify):

5. If you are employed, in which sector do you work?

(Please select the main function of the company)

- | | | | |
|--|--------------------------|--|--|
| Agriculture and fishing | <input type="checkbox"/> | I.T. | <input type="checkbox"/> |
| Manufacturing | <input type="checkbox"/> | Hospitality (Hotels, restaurants and bars) | <input type="checkbox"/> |
| Construction and quarrying | <input type="checkbox"/> | Retail/shops | <input type="checkbox"/> |
| Utilities (Electricity, gas and water) | <input type="checkbox"/> | Supplier/wholesale and fulfilment | <input type="checkbox"/> |
| Finance | <input type="checkbox"/> | Recreation/ cultural | <input type="checkbox"/> |
| Legal | <input type="checkbox"/> | Health | <input type="checkbox"/> |
| Administrative and support services | <input type="checkbox"/> | Education | <input type="checkbox"/> |
| Personal services | <input type="checkbox"/> | Non-profit | <input type="checkbox"/> |
| Public administration | <input type="checkbox"/> | Other business activity
(please specify): | <input style="width: 150px; height: 15px;" type="text"/> |
| Transport, storage and communications | <input type="checkbox"/> | | |

6. What are the four most important qualities to you in a new job/employer?

1.
2.
3.
4.

7. If it meant that you were more likely to get a job, (if you are/were under 19) could you be willing to work for a 'youth rate' which may be lower than current minimum wage (which is applicable to all adults)?

- Yes
- Yes, if it included training
- No
- Don't know

Please provide a reason for your answer above:

8. Do you think that a youth rate should be introduced as an option in Jersey, as currently utilised in the UK, Guernsey and the Isle of Man?

Yes

No

Don't know

Please provide a reason for your answer above (if yes or no):

9. If a youth rate was to be introduced – for how long do you think that this rate should be applicable to the employee?

Duration

Please indicate

3 months

6 months

1 year

Until the employee achieves a certain level of training

Until the employee is 19

I don't think a youth rate should be introduced at all

Don't know

Other (please specify):

10. Do you think that the application of a youth rate should compulsorily include an element of training?

Yes (please go to Q11)

No (please go to Q12)

11. If yes, please indicate the types of training that you think should permit an employer to pay a youth rate?

12. If no, what are your reasons for this answer as to why there should be no compulsory training for those employed on a youth rate?

13. Bearing in mind that the current minimum wage is £6.32, and the trainee rate is £4.74, in which bracket do you think a youth rate (for employees 16 to 18) should be?

Same as trainee rate (£4.74 per hour)

£4.75 to £5.26 per hour

£5.27 to £5.80 per hour

£5.81 to £6.31 per hour

There should be no youth rate (entitled to minimum wage of £6.32)

Alternative set amount – please specify

£

14. Have you any further comments to make on the subject of a youth rate?

For example are there any considerations that have not been mentioned that you believe are relevant to the topic of a youth rate or youth employment?

Appendix 10

Advance to work /Advance Plus Questionnaire

Island Analysis is carrying out research on behalf of the Jersey Employment Forum. The research is designed to provide the Employment Forum with information to be able to make a decision as to whether a youth rate should be introduced in Jersey.

A youth rate is a minimum wage for people aged under 19, it may be temporarily lower than the current minimum wage, and may or may not incorporate a level of training. The current minimum wage in Jersey is £6.32 per hour, whilst the trainee rate is £4.74 per hour, with accredited training for up to a year.

All responses received are confidential and anonymous. The results are collated and analysed by Island Analysis on an age group basis. All comments are anonymous but may be quoted in the reporting.

Should you wish to complete this online instead click [here](#) or visit www.islandopinion.com

1. In what age group would you be classified?

- | | | | |
|-------|--------------------------|---------|--------------------------|
| 16-18 | <input type="checkbox"/> | 46-55 | <input type="checkbox"/> |
| 19-25 | <input type="checkbox"/> | 56-65 | <input type="checkbox"/> |
| 26-35 | <input type="checkbox"/> | Over 65 | <input type="checkbox"/> |
| 36-45 | <input type="checkbox"/> | | |

2. Please indicate your gender:

- Male
- Female

3. Are you currently employed?

- Yes
- No

4. If you have a work placement as part of the advance to work scheme, in which sector do you currently work? (Please select the main function of the company)

- | | | | |
|--|--------------------------|--|--------------------------|
| Agriculture and fishing | <input type="checkbox"/> | I.T. | <input type="checkbox"/> |
| Manufacturing | <input type="checkbox"/> | Hospitality (Hotels, restaurants and bars) | <input type="checkbox"/> |
| Construction and quarrying | <input type="checkbox"/> | Retail/shops | <input type="checkbox"/> |
| Utilities (Electricity, gas and water) | <input type="checkbox"/> | Supplier/wholesale and fulfilment | <input type="checkbox"/> |
| Finance | <input type="checkbox"/> | Recreation/ cultural | <input type="checkbox"/> |
| Legal | <input type="checkbox"/> | Health | <input type="checkbox"/> |
| Administrative and support services | <input type="checkbox"/> | Education | <input type="checkbox"/> |
| Personal services | <input type="checkbox"/> | Non-profit | <input type="checkbox"/> |
| Transport, storage and communications | <input type="checkbox"/> | Other business activity
(please specify): | <input type="text"/> |

5. What are the four main qualities that you would seek in a new job/employer?

1.
2.
3.
4.

6. If it meant that you were more likely to get a job, (if you are/were under 19) would you be willing to work for a 'youth rate' which may be lower than current minimum wage (which is applicable to all adults)?

- Yes
- Yes, if it included training
- No
- Don't know

Please provide a reason for your answer above:

7. Do you think that a youth rate should be introduced as an option in Jersey, as currently utilised in the UK, Guernsey and the Isle of Man?

- Yes
- No
- Don't know

Please provide a reason for your answer above:

8. If a youth rate was to be introduced – for how long do you think that this rate should be applicable to the employee?

Duration	Please indicate
3 months	<input type="checkbox"/>
6 months	<input type="checkbox"/>
1 year	<input type="checkbox"/>
Until the employee achieves a certain level of training	<input type="checkbox"/>
Until the employee is 19	<input type="checkbox"/>
I don't think a youth rate should be introduced at all	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other (please specify):	<input style="width: 400px;" type="text"/>

9. Do you think that the application of a youth rate should compulsorily include an element of training?

- Yes (please go to Q10)
 No (please go to Q11)

10. If yes, please indicate the types of training that you think should permit an employer to pay a youth rate?

11. If no, what are your reasons for this answer as to why there should be no compulsory training for those employed on a youth rate?

12. Bearing in mind that the current minimum wage is £6.32, and the trainee rate is £4.74, in which bracket do you think a youth rate (for employees 16 to 18) should be?

- Same as trainee rate (£4.74 per hour)
 £4.75 to £5.26 per hour
 £5.27 to £5.80 per hour
 £5.81 to £6.31 per hour
 There should be no youth rate (entitled to minimum wage of £6.32)
 Alternative set amount – please specify £

13. Have you any further comments to make on the subject of a youth rate?

For example are there any considerations that have not been mentioned that you believe are relevant to the topic of a youth rate or youth employment?