

# Impact of COVID-19 on young people in the EU

## Introduction

In recent decades, young people have been more vulnerable than other age groups to economic crises. During the 2007–2013 economic crisis, the youth unemployment rate and the rate of young people not in employment, education or training (NEET) increased to historic levels; this crisis had a long-term negative impact on their prospects. When the COVID-19 pandemic hit in 2020, it represented a different type of crisis for young people: ‘artificial restrictions’ on economic activity (the closure of shops and restaurants, for example) particularly affected sectors that employ a large proportion of young people with insecure contracts. Restrictions on social activities had effects on young people’s social development and participation, while the closure of educational institutions hampered their opportunities to accumulate skills and human capital.

This report provides a comprehensive picture of the impact of the pandemic on young people in the European Union (EU), including a description of their situation in the labour market before the pandemic and shortly after. It presents an overview of the efforts of governments and EU-level policymakers to protect young people from the effects of the crisis and analyses the impact of the pandemic on this group in terms of job loss, living conditions and mental well-being.

## Policy context

- The EU institutions adopted a range of support measures for Member States to help mitigate the effects of the pandemic and speed up recovery. The main recovery instrument is the NextGenerationEU package, worth €750 billion in loans and grants to Member States.
- In 2020, in the context of its Youth Strategy, the EU expanded its definition of ‘young people’ to include people aged 15–29 (previously it covered those aged 15–24), with the reinforced Youth Guarantee introduced in October 2020 to provide employment opportunities for this age group.

- The European Pillar of Social Rights Action Plan proposed by the European Commission in March 2021 set a target to reduce the NEET rate from 12.6% in 2019 to 9% by 2030 for those aged 15–29. Member States with a NEET rate above the average will need to spend at least 12.5% of any European Social Fund Plus funding that they receive on young people, particularly when implementing the Youth Guarantee.
- At national level, governments recognised the disproportionate impact that the crisis has had on young people and introduced measures aimed at keeping them in education, providing apprenticeships and increasing access to social protection.

## Key findings

- The COVID-19 pandemic had a detrimental impact on young people, on their employment participation, working and living conditions and mental well-being.
- In 2019, most young people worked in accommodation and food services (13%), followed by wholesale and retail (11%) and health and social work (11%). As the first two were among the sectors most affected by reduced activity during the pandemic, young people working in these sectors were at higher risk of job loss, as were young people on temporary (36%) and part-time (22%) contracts.
- In 2020, unemployment among 15- to 29-year-olds increased by 1.4 percentage points from the 2019 rate to 13.3%, and the NEET rate increased by 1.2 percentage points to 13.6%. These were larger increases than among older groups.
- Unemployed or inactive young people were most likely to experience housing insecurity (17% in spring 2021) and difficulty making ends meet (43%), as well as having no savings (39%). However, over half of them lived with their parents, which provided security for some vulnerable young people.

- Life satisfaction among young people increased between spring and summer 2020 as lockdowns eased, but it decreased to its lowest point in spring 2021 with the return of restrictions.
- Youth mental well-being was also lowest in spring 2021, with school closures having a strong negative impact on mental well-being. In contrast, workplace closures had a positive impact on young people's mental well-being. Young women had lower mental well-being than young men, and unemployment was associated with substantially lower well-being.
- Young people's trust in the EU was higher than their trust in government and higher than the trust that older people have in the EU. Trust in the EU improved in summer 2020 and declined in spring 2021, although it remained higher than spring 2020 levels. However, this was not linked to restrictions, suggesting that the EU's actions, such as the rescue package, may have influenced young people's views.
- National policy responses were focused on preventing unemployment and helping employers pay wages. Short-time working schemes played an important role, although most of these were not specifically aimed at young people.
- Efforts to keep young people in education included helping providers move education services online and improving the digital infrastructure. Some countries also helped young people to improve their digital skills, providing access to devices and expanding financial aid or loans for students.
- Several measures were launched to offer young people – young professionals, students or new graduates – easier access to and greater coverage by social protection during the pandemic.
- Increased need for mental health services was reported across Europe, but adaptation was difficult. Many interventions in this area concentrated on moving services online and introducing new internet services or phone helplines.

## Policy pointers

- There is a generation of young people in Europe who are still suffering the effects of the previous crisis and have now been affected by a second, very different, crisis. There is a risk that inequality in opportunity will accumulate, resulting in feelings of unfairness and mistrust.
- Poor mental health among young people, already a concern in several Member States pre-pandemic, can be described as a crisis, and mental health services had difficulties in reaching the most vulnerable. Mental well-being may not recover as quickly as economic indicators, highlighting the need for greater policy attention and improved services.
- While many policy interventions concentrated on helping with the shift to digital service provision, many young people experienced difficulties with online-only services, particularly in education. Providers reported issues relating to inequality and demotivation. Not all services can be delivered digitally, highlighting the need to improve support systems in general apart from digital provision.
- Most policy responses identified were temporary measures, including additional support and the removal of barriers. To reduce the vulnerability of young people to crises, longer-term measures – such as permanent improvements to access to work and measures to increase job security – are needed. This could result in greater resilience to future crises.

### Further information

The report *Impact of COVID-19 on young people in the EU* is available at <http://eurofound.link/ef20036>

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