THE CAREERS & ENTERPRISE COMPANY

Fiscal benefit of inferred NEET reductions due to careers education – updated analysis for 2020/21-2024/25

A Careers & Enterprise Company (CEC) Technical Note

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Key findings

The average level of careers education in English schools and colleges during 2024/25 supported an estimated £300m in net present value fiscal savings by reduced youth NEET rates (young people Not in Education, Employment, or Training). The level of careers education provision is measured using the Gatsby Benchmarks and includes employer engagement, apprenticeship awareness, work experience, and personal guidance, among other aspects of education.

Cumulatively over the last five years, we estimate the fiscal value of careers education at £1.4bn for reduced NEET rates achieved from 2020/21-2024/25. This estimate excludes the many other channels through which careers education can support fiscal benefits, such as identifying better fit career plans that reduce early career turnover, improved motivation and completion of education qualifications, improved networks, career-related understanding, and essential skills that increase productivity in early career.

This analysis replicates the method used in our 2021 report, which estimated £150m in savings, based on 2017/18 careers education data and the best available evidence at the time. The refreshed analysis incorporates CEC's latest findings on the relationship between Gatsby Benchmarks and NEET outcomes, along with updated data on careers education, the fiscal value of NEET reduction, and cohort sizes. It also expands the scope by including benefits for both post-16 and post-18 NEET rates, whereas the 2021 report considered only post-16 NEET rates.

We expect these benefits and fiscal savings to progress in the future as new, more stretching standards of careers education are adopted, raising the bar for the next 10 years.

Introduction

Young people who leave education without progressing to employment or training often face long-term challenges. This in turn has a direct impact on the public purse. Each young person who becomes Not in Education, Employment or Training (NEET) at 16 or 18 has an estimated average lifetime fiscal cost of over £50,000, through such factors as higher welfare use, lower tax receipts, and reduced productivity, as well as correlated factors in health and justice system interactions.

This report provides an update of our 2021 analysis of the link between the Gatsby Benchmarks and NEET outcomes, strengthening the evidence that better careers education benefits both young people and saves money for the Treasury overall. Given the significant evolution in benchmark adoption and improved destination data availability since 2021, this update provides an opportunity to refine previous fiscal estimates using the most recent evidence.

Method

New data have become available, both from CEC studies and from other sources, in order to refresh our 2021 analysis. Wherever possible, we maintain the same analytical structure of the 2021 analysis, but using refreshed inputs from the following:

- Replication and extension analysis relating post-16 destinations to Gatsby Benchmarks, published by CEC in 2023.
- New analysis relating post-18 destinations to Gatsby Benchmarks, published for the first time by CEC in 2024.
- Updated estimate for the value of preventing NEET outcomes, given recent estimates drawn on in government data and Bank of England inflation estimates.
- Gatsby Benchmark performance across England from 2020/21 to 2024/5, using the latest published data from CEC in 2025.
- Refreshed Year 11 and Year 13 cohort sizes given recent government data publications.

With both post-16 and post-18 NEET outcomes data available, a methodological choice is required regarding how to combine the estimates. We recommend and adopt a conservative approach: assuming that every young people prevented from NEET at post-18 as a result of improved careers education would also have needed improved careers education to avoid NEET outcomes at post-16.

This approach treats all of the benefits associated with the smaller benefitting cohort as providing a bolstering effect to the larger cohort, rather than generating any additional benefits. An alternative approach might assume that there is no overlap between the benefitting cohorts from careers education pre-16 and pre-18, i.e. the young people prevented from NEET at age 18 are different young people to those prevented from NEET at age 16. Following this alternative approach, the NEET reductions estimated from pre-16 and pre-18 careers education should be added together. The true relationship is likely to lie somewhere between the two approaches. For now, given uncertainties in the overall analysis (especially for the post-18 destinations which is based on a single cohort of students), we continue with the conversative approach.[1]

1 For instance, our data and analysis have a number of limitations, urging a conservative interpretation where multiple options are available. Gatsby Benchmark data rely on self-assessment forms. While the Careers Hub and CEC Network infrastructure provides a degree of control, the self-assessments are not formally verified. Small amounts of missing data and measurement approaches also introduce caveats. The statistical modelling relies on cross-sectional analysis. Control variables and established theories of change underpin the causal interepretation necessary for this paper, but do not guarantee a causal relationship the same size as the correlations used here (the causal relationship might be smaller or larger). Alternative cross-sectional specifications are possible and may lead to different results. See Percy (2023) for further discussion of limitations and possible methodological extensions.

Results

Quantifying the value of improved post-16 destinations

Estimating the fiscal value of improved destinations requires four inputs:

1. The statistical relationship between Gatsby Benchmark achievement and overall sustained EET levels
2. The reference Gatsby Benchmark levels to apply
3. The fiscal value per NEET outcome averted
4. The population of young people estimated to receive that level of careers education

Each input is explained in turn before providing the overall result.

The best currently available evidence on the relationship between Gatsby Benchmark achievement and post-16 EET rates was published by CEC in 2023.[2] This research demonstrated that the previously-published relationship[3] was successfully replicated on a larger dataset spanning 2016/17, 2017/18, and 2018/19 Year 11 cohorts. The relationship was statistically significant at the 1% level, having adjusted for factors like school intake, school structure and academic achievement. The relationship identified the equivalent of 6.7% of the Year 11 cohort not sustaining confirmed Education, Employment or Training routes post-16 for full benchmark achievement compared to 7.3% for zero benchmark achievement; an 8% improvement.

Gatsby Benchmark education for the 2024/25 academic year averaged 5.96 benchmarks fully achieved out of 8 or an average benchmark score of 92.9 out of 100. This average is based on a sample size of 4,863 providers completing Compass self-assessment questionnaires, including mainstream schools, alternative education, and SEND providers. The relationship modelled in 2023 identifies an approximately 0.6%pts improvement in EET rates for schools with an average benchmark score of 92.9/100 compared to hypothetical schools with an average benchmark score of 0/100.

The fiscal value for each person who avoids NEET outcomes as a young person is estimated at £54k in present value terms, updated from our 2021 analysis using the Bank of England inflation calculator.[4]

We apply these inputs to the total Year 11 cohort of 630,000 using the January 2025 school census.[5] In other words, we assume improvements in Gatsby Benchmark achievement among self-assessing schools is a reasonable guide to improvement level across all schools. In practice, with 4,863 providers self-assessing using the Compass tool during 2024/25, the overwhelming majority of schools are already included in the data (c. 94% of the 5,179 in-scope schools).

Combining these updated inputs and working with unrounded figures until the final analysis, we estimate 3.7k young people prevented from NEET outcomes post-16 each year, applying the observed level of careers education across all schools. This NEET reduction is worth approximately £200m each year in net present value terms, considering the estimated lifetime value of NEET reduction.[6]

2 Percy, C. (2023). Technical note: Further analysis on post-16 destinations for the 2016/17 to 2018/19 cohorts. London: The Careers & Enterprise Company.
3 Percy, C. & Tanner, E. (2021). The benefits of Gatsby Benchmark achievement for post-16 destinations. London: The Careers & Enterprise Company. See here.
4 Inflation of approximately 1.28x via CPI from 2019 (the base year for the £42k figure) to June 2025 via the Bank of England Inflation calculator. See here. Key source data for the original estimate draw on social impact bonds issued by DWP (2011) and a York University estimate for the Audit Commission (Coles et al., 2010). Recent government publications on the value of student-level NEET reduction typically trace back to Coles et al. (2010), such as the January 2025 paper from the Department for Education titled "Identify and support young people at risk of being NEET" and recent local authority strategies for youth engagement. While other estimates have been used at times, the York University estimate remains a high-quality basis for decision-making and the chosen blended figure remains the most appropriate estimate targeted to mainstream careers education. Our incorporation of the DWP (2011) data serves to reduce the blended estimate for NEET reduction value, a conservative choice that we continue to recommend to reflect the possibility that careers education may be particularly helpful for borderline NEET students rather than those facing severe barriers to continued participation. See full discussion in Percy (2020).
5 The census figures cover state-funded providers and non-maintained special schools in England. See here.
6 630,000 x 0.6% x £54k = £200m (to the nearest £10m).

Quantifying the value of improved post-18 destinations

The post-18 destinations analysis follows the same structure as the post-16 destinations analysis.

In 2024, CEC investigated the relationship between Gatsby Benchmark provision and post-18 destinations for the first time.[7] The report found that:

"Providers with the strongest career provision in our dataset showed a 1.2%pt improvement in post-18 EET rates, compared to providers at the low end of provision in the dataset."

Following the same estimation strategy as the post-16 destinations, we compare the inferred NEET rate from the modelled relationship at the 2024/25 average benchmark score against lower levels of careers provision. Two conservative adjustments are applied to the post-16 estimation strategy which reduce the estimated benefits on NEET reduction, in order to align more cautiously with the statistical basis for the post-18 cohort analysis.

Specifically, the 2024 report recommended comparisons against a low level of careers provision (a score of 30 out of 100), rather than a zero level of careers provision, given the non-linear relationship modelled and the absence of data coverage in the sample near the zero level of careers provision. Unlike the post-16 analysis, the modelled relationship for post-18 destinations identified a levelling off in impact for scores beyond about 85 out of 100, so our second conservative choice is to take the weakest relationship measure beyond this threshold.[8]

The net result is an improvement of just over 1.2%pts in the sustained EET rate post-18 given careers provision at 2024/25 levels. Applying this improvement to a typical Year 13 cohort in scope for post-18 destination measures (480,000 learners in England)[9], we estimate 6,000 more young people in sustained EET each year.[10] Maintaining the same £54k estimate for fiscal value from each reduction in youth NEET, this result translates into well over £300m in fiscal benefit accrued each year in present value terms. Given uncertainties in the analysis and the current availability of estimates only for one cohort of post-18 destinations (the 2018/19 Year 13 students), we recommend rounding down to £300m as a headline interpretation of the analysis currently available.

7 Percy, C. (2024). Technical note: Looking deeper at destinations. London: The Careers & Enterprise Company.

8 The post-18 analysis identified the squared term on benchmark scores as a significant predictor at the 5% level, motivating the modelling of a non-linear relationship (as described in the 2024 report). By contrast, the post-16 analysis did not feature a statistically significant squared term, so the analysis proceeded with linear modelling. The impact analysis in this report takes the most conservative interpretation of non-linear impact available from our 2024 report, focusing on the lowest NEET improvement identified following the levelling-off trend and benchmarking relative to low rather than zero careers provision (quadratic relationships can become particularly unreliable outside of areas with high data support, such as zero careers provision). This linear/non-linear distinction may reflect meaningful differences between careers provision and destination outcomes at the two different education stages, but would warrant replicating on future datasets before strong conclusions are drawn.

9 Derived from the institution-level data on post-18 destinations available for 2021/22 Year 13 students from here. We remove students in independent schools (c.38k) from the total of c.515k, rounding to the nearest 10k to arrive at 480k. This number is smaller than the Year 11 cohort for several reasons, including increased numbers of young people in employment, in apprenticeships, in independent schools, and not in education at all, all of whom are largely outside the scope of the Gatsby Benchmark provision analysed in this report.

10 480,000 x 0.0124 (unrounded from 1.2%) = 6.0k (to nearest 0.1k)

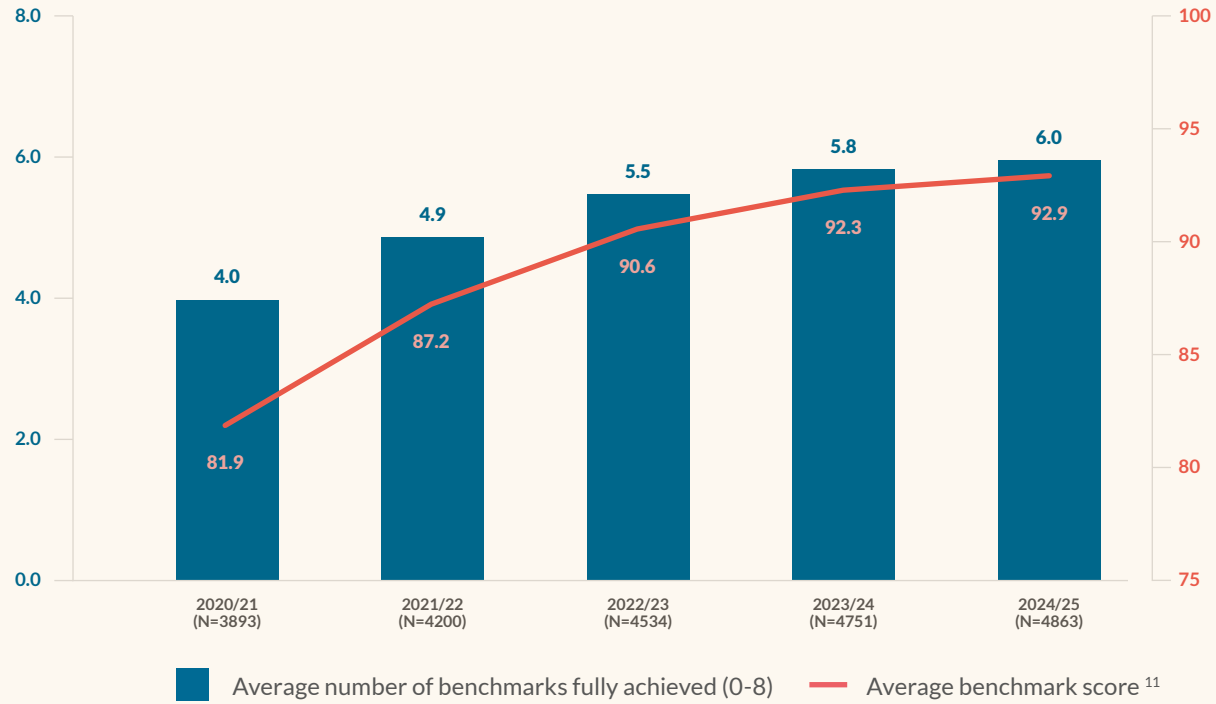
Cumulative results from 2020/21 to 2024/25

The same methodused to quantify the value of improved destinations for 2024/25 can be applied to previous years, using the average Gatsby Benchmark scores for the respective years (Fig. 1).

The estimated cumulative fiscal savings over the last five years are £1.4bn in net present value terms, considering the lifetime benefits of reduced youth NEET rates given careers education reported in each year.

To generate this estimate, we take inflation into account, so the value of NEET reduction ranges from £43.5k for 2020/21 to £54.0k for 2024/25. The pupil cohort sizes for Year 11 and Year 13 are kept consistent from 2020/21 to 2024/25 as a simplifying assumption. As with 2024/25, the post-18 benefitting cohort is larger than the post-16 benefitting cohort in each year, so the post-18 cohort size defines the estimated fiscal value. We also apply the same conservative interpretation of the relationship between careers education and post-18 destinations, such as taking the weakest point modelled at the top end of careers education.

Figure 1. Benchmark achievement 2020/21-2024/25 (sample size in brackets)



Source: Compass evaluation academic year-end data, 2024/25 (N=4,863).

11 The percentage completion of each individual benchmark score is averaged across the eight benchmarks, to result in a percentage score that weights each of the benchmarks equally and incorporates the completion of all sub-benchmark scores

Conclusions

The average level of careers education in English schools and colleges during 2024/25 supported an estimated £300m in net present value fiscal savings by reduced youth NEET rates. Cumulatively over the last five years, we estimate the fiscal value of careers education at £1.4bn for reduced NEET rates achieved from 2020/21-2024/25. This estimate excludes the many other channels through which careers education can support fiscal benefits, such as identifying better fit education/career plans that reduce early career turnover, improved motivation and completion of education qualifications, improved networks, career-related understanding, and transferrable skills that increase productivity in early career.

Our analysis suggests that strengthened careers provision during secondary education is an important part of any strategy to support youth engagement. Careers provision is, however, a modest part of young people's educational journeys, accounting for a small proportion of existing education budgets and curriculum time.

Careers provision has an outsize impact on reducing NEET outcomes but needs to be understood alongside the diverse factors that jointly have significantly larger impacts on NEET rates. For instance, a major NATCEN (2023) report analysed longitudinal data to identify the five strongest risk factors for NEET outcomes as not having an academic qualification above level 1, having a limiting disability, having a child, having poor mental health, and having special educational needs (SEN). Meanwhile, a London Councils (2024) report highlighted the importance of policies to tackle geographic disparities, improve mental health interventions, and coordinate employment services provision.

Having appropriate, accessible education and training pathways alongside a large, diverse number of entry level career roles is also essential, as highlighted in the policies identified in a House of Commons Library briefing published in September 2025 (Powell & Murray, 2025). Concerns have also been raised about ongoing negative effects from the Covid-19 period, such as persistently high levels of school absence, which correlate with worse destination outcomes (Long & Roberts, 2025).

As schools and colleges approach full achievement of the average benchmark score (see Fig1), there is only limited potential for measuring improved NEET reductions through career guidance via this analytical method. However, we expect to see greater progress in the future with updated standards of careers education raising the bar for the next 10 years.[12] Future analysis will be able to continue exploring the relationship between such improved standards and NEET outcomes.

Alongside these fiscal benefits, CEC's wider data from schools and colleges paint a picture of improving careers education[13] since 2015 for young people in secondary education. Awareness among young people about apprenticeships has grown, with eight in ten students in Year 11 now understanding the role of apprenticeships (on a par with A Levels). Students in over two-thirds of schools typically have ten or more encounters with employers, and nearly all young people engaged with an employer at least once during the last academic year (98%), up from 86% just four years ago. These gains, alongside the fiscal analysis, demonstrate that improvements in careers education are both achievable with policy support and represent a sound financial investment.

12 The updated Gatsby Benchmarks were published in 2024 and are being rolled out over 2024/25" to "and are being rolled out over 2025/26. The Gatsby Charitable Foundation (2024). Good Career Guidance: The Next 10 Years. London: The Gatsby Charitable Foundation. See here.

13 For details, see here. and especially Insight Briefing: Gatsby Benchmark results for 2024/25, available here

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