

FLEXIBILITY FOR WHO?

MILLENNIALS AND MENTAL HEALTH IN THE MODERN LABOUR MARKET

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60-SECOND SUMMARY

Younger workers face a future employment landscape that could damage their mental health and wellbeing unless we take action. As a result of the evolution of the UK labour market over the past 25 years, today's generation of younger workers - millennials and centennials (those born during or after 1982) – risk losing out on access to permanent, secure and fulfilling work. Compared to previous generations, they are more likely to be in work characterised by *contractual flexibility* (including part-time work, temporary work and self-employment). Relatedly, they are also more likely to be underemployed (and so be working fewer hours than they would like) and/or overqualified (being a graduate in a non-professional or managerial job).

New analysis reveals younger workers in part-time and temporary work are more likely to experience poorer mental health and wellbeing, while there is more of a mixed picture among those who are self-employed. Similarly, younger workers who are underemployed or overqualified also experience worse mental health. This is likely to be explained – in part, but not entirely – by part-time and temporary work being linked to low pay and insecurity.

KEY FINDINGS

Trends in the ways young people work

Younger workers today are more likely to be in part-time work, temporary work or self-employment:

- 26 per cent of younger workers in 2015/16 were in part-time work, compared to 24 per cent in 2004/05
- 15 per cent of younger workers in 2015 were in temporary work, compared to 13 per cent in 2004
- 9 per cent of younger workers in 2015/16 were self-employed, compared to 7 per cent in 2004/05.

Younger workers today are more likely to be in jobs for which they're overqualified:

- A younger worker in a non-professional or managerial job was twice as likely to be a graduate in 2014 compared to 2004 (20 per cent compared to 10 per cent).

Younger workers today are more likely to be underemployed:

- In 2014, 19 per cent of younger workers were underemployed, more than double the rate among all other age groups. The proportion of workers aged 16-24 who were underemployed was 60 per cent higher in 2014 compared to 2002.

OPPORTUNITIES FOR ACTION

Employers and government should work together to promote better quality jobs that combine both flexibility and control for employees, enabling access to the benefits of flexible working practices – such as flexitime and remote working – without restricting autonomy and choice.

As well as helping to boost mental health and wellbeing, this will help to stem the flow of younger workers moving onto out-of-work sickness benefits, and improve productivity and the UK's overall economic performance.

Employers

- Every company with over 50 employees should create a 'workers' forum' in order to ensure that employees – including those on flexible contracts – have sufficient influence over their working lives.
- Employers should take steps to promote positive mental health in the workplace and provide support for employees who experience problems, including:
 - awareness-raising and anti-stigma campaigns
 - training for line managers and other employees
 - monitoring rates of sickness absence.

Trends in young people's mental health

Young people today are increasingly likely to report experiencing mental health problems:

- 16 per cent of young people (aged 16-32) experienced mental health problems in 2014, up from 13 per cent in 2004.

Younger workers are more likely to report poor mental health compared to older workers:

- Employees aged 18-29 are twice as likely as those aged 50-59 to describe their current mental health as 'poor' or 'very poor' (16 per cent compared to 8 per cent).

Mental health and work among millennials

- **Younger workers in part-time jobs** are 43 per cent more likely than those in full-time jobs to experience mental health problems (20 per cent compared to 14 per cent)
- **Younger workers in temporary jobs** are 29 per cent more likely than those in permanent jobs to experience mental health problems (22 per cent compared to 17 per cent)
- **Younger graduates who are in jobs for which they're overqualified** are more likely to experience mental health problems, compared to graduates in professional/managerial jobs. For example, 22 per cent of the former report being anxious or depressed, compared to 16 per cent of the latter
- **Zero-hours contracts (ZHCs)** are causing poorer mental health among younger workers. Those on ZHCs are 13 percentage points more likely than those in other forms of work to experience mental health problems, even when controlling for variables including household income and mental health outcomes during adolescence.

Pay and insecurity

Job insecurity and low pay are associated with poorer mental health among younger workers:

- Younger workers who believe themselves to have more than a 50 per cent chance of losing their job are twice as likely to experience mental health problems compared to those with no chance of losing their job (24 per cent compared to 12 per cent)
- The proportion of employees aged 21-25 who were in low-paid work increased by 82 per cent between 1990 and 2015
- Young people in low-paid work are more likely to experience mental health problems compared to those in higher-paid work (21 per cent compared to 16 per cent).

Government

- **Central and local government should work with employers to ensure younger workers do not become trapped in low-skilled, low-paid work, including through:**
 - development of 'progression agreements' whereby public funding is provided in exchange for enhanced progression opportunities for employees
 - the introduction of a new Personal Training Credit to widen access to lifelong learning and give individuals more control over their future careers.
- **Government should establish a new national mission to boost job quality, and so report on job quality in addition to the employment rate. The promotion and protection of mental health and wellbeing should be a key component of measures of job quality.**
- **Government should pilot an expanded Fit for Work service, providing full sickness support for smaller employers lacking their own occupational health and counselling provision.**

The progressive policy think tank

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